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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Wednesday, September 5, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. CARL M. LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting, be to each of us our Guard and Guide as once more we undertake the work of this House. Grant us pure hearts, keen minds, and the spirit of servants.

And so many on this day pause to honor a fallen hero, so may we with hushed reverence and deep gratitude remember Thy servant Lord Louis Mountbatten—his royal presence, his brilliant mind, his personal bravery, his military prowess, his lofty statesmanship, his grace, and his goodness. May he rest in peace, honored by his countrymen and by all who were touched by his life.

And to Thee shall be the glory and the praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL M. LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the orders of the two leaders, there be a brief period for the transaction of routine morning business, that Senators may be permitted to speak up to 3 minutes therein, and that the period not extend beyond 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNITED STATES-SOVIET MILITARY BALANCE

Mr. ROBERT C. BYRD. Mr. President, in the coming weeks, the Senate will be making some critical decisions with respect to our future national security.

The hearings which have been conducted on the SALT II Treaty by the Committee on Foreign Relations, the Committee on Armed Services, and the Intelligence Committee have been particularly valuable because not only have these committees examined the specific elements of the treaty, but the debates that have occurred in the Foreign Relations Committee and the Armed Services Committee have also focused national attention on the broader issue of the overall military and strategic balance.

During the month of August, I took the opportunity to review the record of the hearings conducted by the Armed Services Committee and the Foreign Relations Committee and also to discuss these national security issues with citizens in my State. My review of the hearings has served to heighten my concern about our national defense and the strategic balance in the years ahead.

The Senate committees will soon be concluding their hearings on SALT II and the treaty will be coming before the entire body. As I have repeatedly stated, I shall make my decision on the SALT II Treaty on the merits of the treaty and on the question as to whether or not it serves U.S. national security interests.

Today, it is not my intention to address the treaty itself. Rather, I want to speak to the significant questions involved in the broader issues of U.S. defense capability and the growth of Soviet military strength. The importance of these issues has been underlined by the hearings and our response to them is a matter of highest importance.

The United States continues to maintain a first-rate military capability. Today we have what is called rough or essential equivalence with the Soviet Union in conventional and strategic military power. What concerns me is not the situation at the moment, although there are some problems, but the growing imbalance, the trends that are clearly emerging. I am concerned about the momentum of the Soviet military buildup—in central strategic systems, in theater nuclear capability, and in conventional forces.

Up to the midsixties, this country maintained unquestioned military superiority in all major categories. Since that time the Soviet Union has steadily boosted its military capability. We have made some important strides of our own, and in some cases have maintained notable advantages—as in our nuclear submarine and submarine-launched ballistic missile forces. In other areas, however, the Soviets have attained rough equality or a potentially significant edge over the United States.

The Soviet Union has made these gains as a result of a major and sustained commitment to military spending over a 20-year period, becoming particularly marked from the midsixties on. While direct comparisons between Soviet and United States military spending are extremely difficult, there is no question that by any measure the Soviets are outspending us militarily; the only question is by how much and with what consequences.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

We face the 1980's with some very troubling prospects. There will be a period in which our land-based missile forces will be potentially vulnerable to a Soviet attack. I have supported full-scale development of a mobile MX as a means of countering this potential vulnerability and of assuring the viability of the land-based leg of our strategic triad.

Already, the Soviet Union possesses a significant conventional and theater nuclear capability in central Europe, with one-third more troops in the field, three times as many tanks as the NATO allies, and a distinct advantage in the theater nuclear systems. The Soviet "blue-water" navy will give the Soviets the capability to intervene in conflicts far removed from the Soviet Union's areas of historical concern. Clearly, Moscow is developing and deploying military capability far beyond the legitimate needs of its own territorial security.

The picture that emerges from these trends is one that causes serious concern for the future. But it is certainly not a hopeless situation, if we will take the needed action. I believe that the United States can respond positively to this growing trend through a prudent mix of negotiations with the Soviets that aim at restraining military competition and reducing political tensions worldwide, combined with the steady commitment to the modernization and qualitative improvement of our military capability.

We must assure that we retain essential equivalence in strategic capability. Regardless of the outcome of Senate consideration of SALT II, we will need to strengthen our conventional forces and strategic systems. Such efforts can be undertaken within the prescribed limits of the SALT II agreement, if the treaty is approved. And, if SALT II is ratified and we are able to progress to SALT III with the aim of achieving deep and significant reductions in strategic arms, we nonetheless must proceed in the meantime with the qualitative improvements we need in order to maintain our security and that of our allies, and in order to be in a position to bargain during the process of SALT III; in order to have some leverage, in order to be in a position to negotiate and to negotiate effectively.

We continue to have significant advantages over the Soviets—a more productive economy, a more technologically advanced and innovative society, a better informed and aware public. I believe that we shall have to do more than we have in the past to meet the challenges of the 1980's, including spending more money than we have in recent years on defense needs.

I do not advocate throwing money at the problem, but I do believe we can prudently and selectively develop those areas in which adequate funding should be forthcoming. I believe that the public will respond positively to this challenge because the American people are beginning to recognize the degree to which peace and our continued prosperity rest on the maintenance of a strong national defense. An unstable military balance is not in the interest of peace.

In conclusion, I want to emphasize that we should meet our defense needs in the most effective way possible. We need to apply our funding selectively and carefully, focusing on those programs that meet real needs and which will counter the trend toward strategic imbalance. This is where our emphasis must be. In the days and weeks ahead, the Congress and the Executive face the challenge of identifying our defense priorities and in moving to support them in a realistic but decisive manner.

AMENDMENT OF UNANIMOUS-CONSENT AGREEMENT—H.R. 4393

Mr. ROBERT C. BYRD. Mr. President, in relation to the Treasury and Postal Service appropriations bill, H.R. 4393, which will be before the Senate today, I make the following amendment, by way of unanimous-consent request; to the agreement: that on an amendment by Mr. JAVITS dealing with IRS regulations on racially discriminatory private schools, there be 2 hours equally divided in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMOVAL OF INJUNCTIONS OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunctions of secrecy be removed from three treaties transmitted to the Senate by the President of the United States during the recess of the Senate on August 10, 1979. These treaties are an extradition treaty with Norway (Ex. CC, 96–1); a protocol, with annex, amending the 1953 convention with Canada for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea (Ex. DD, 96–1); and the 1978 convention on standards of training, certification and watchkeeping for seafarers, with annex (Ex. EE, 96–1).

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Extradition Between the United States of America and Norway signed at Oslo on June 9, 1977.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include aircraft hijacking and obstruction of justice, as well as other offenses not now covered by our existing treaty with Norway. Upon entry into force, it will terminate and supersede the existing Treaty of Extradition of 1893, the Amendatory Extradition Treaty of 1904, and the Supplementary Extradition Treaty of 1938.

This treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

To the Senate of the United States:

I am pleased to transmit the Protocol, with Annex, Amending the 1953 Convention Between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea for Senate advice and consent to ratification. The Protocol was signed at Washington on March 29, 1979.

I also transmit for the information of the Senate the report of the Secretary of State with respect to this Protocol and an exchange of Notes, done on March 29, 1979, and an Agreed Minute, done on April 6, 1979.

This agreement was negotiated to bring the 1953 Convention Between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea into conformity with the terms and intent of the Fishery Conservation and Management Act of 1976, which extended U.S. exclusive fisheries jurisdiction to 200 miles off the U.S. coasts. It will allow continuation of the International Pacific Halibut Commission, and of the joint management of the halibut resource in the Pacific. The agreement contains provisions for an interim enforcement regime, to apply, pending final delimitation, to maritime boundary areas in which both Canada and the United States claim fisheries jurisdiction. It allows the uninterrupted continuation of the work of the International Pacific Halibut Commission, and provides for the continuation of recreational fishing by both countries in maritime areas in which each exercises exclusive fisheries jurisdiction. In general, it makes an important contribution to good fisheries relations between our two countries.

I believe that approval of this Protocol is in the best interests of the United States. I recommend that the Senate give early consideration to this Protocol and its advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978 (the Convention), done at London, July 7, 1978. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Convention.

This Convention establishes improved and often new international requirements for training, certification and watchkeeping for masters, officers and certain crewmembers of "seagoing" merchant ships. These requirements should provide more highly qualified personnel on board ships and thereby reduce maritime casualties and promote safety of life at sea and protection of the marine environment. Such international requirements are responsive to proposals which were made by the United States in March 1977, following a series of tanker accidents in or near United States waters. I recommend that the Senate give prompt consideration to this Convention and advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979*.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

SALT II AND RUSSIANS IN CUBA

Mr. BAKER. Mr. President, I am happy to be back and to have the opportunity to stand here and participate in the opening ceremony after Labor Day, and to hear an outstanding presentation by the distinguished majority leader on the matter of national defense and the foreign policy of the United States. It is truly an important contribution to the national détente of this crucial subject.

No one in this Chamber, I believe, has a greater devotion to the requirement for absolute security and military strength of the United States than does the distinguished majority leader.

We often agree. We sometimes disagree on a range of subjects. But we do not disagree on that one.

In respect to the external threat to this country—and the manner in which the foreign policy and the national defense of the United States should meet that threat, there has arisen a new concern in the last few days: The confirmation of the presence of a Russian combat unit together with associated support equipment in Cuba.

Mr. President, the Senate is engaged in committee consideration of the proposed SALT II treaty. I fully expect that before long the full Senate will turn its attention to the SALT Treaty, for I anticipate that the Foreign Relations Committee will report that treaty, with or without amendments, for the further consideration of the Senate.

Mr. President, the Russian troop situation in Cuba is important to the SALT Treaty only to the extent—in my judgment, only to the extent—that it represents a determined effort by the Soviet Union to thumb its nose at the United States.

I do not presently perceive that the Russian troops in Cuba are an immediate threat to the territorial integrity of this country. I do not rule out the possibility that, directly or indirectly, they might support the export of Russian influence from Cuba to other Latin American countries. But I am firmly convinced that the Soviet Union is engaged in a testing of the will and the resolve and the determination of the United States by this commitment, this direct commitment, of Soviet troops to the territory of that island country.

Early in the consideration of the SALT treaty we were advised by the administration—by the President, by the Secretary of State, and by others—that the treaty should be considered in isolation and free of any linkage, that it was too important to consider except on the basis of the language contained within the four corners of the document.

I indicated my disagreement with that view at the time, and I reiterate it now. I believe that this confirmation of Russian armed personnel in Cuba is a confirmation of the wisdom of that decision. I believe that we should consider the SALT Treaty in light of the presence of Cubans in Africa and now Russians in Cuba.

It is my view, as I have often stated before, that the proposed SALT II Treaty is inequitable, that it creates a significant and substantial strategic advantage for the Soviet Union, and that while I supported SALT I and the Vladivostok agreement, and while I would like to support SALT II, I do not plan to support SALT II in disregard of the real world as we find it. I do not intend to support just any treaty, particularly a treaty that provides a significant strategic superiority or advantage for the Soviet Union.

So, Mr. President, I state that my concern for a Russian combat brigade, complete with tanks, armament, and support facilities, in Cuba is disquieting, and it calls to mind what reactions there might have been at an earlier time, just a decade or so ago, by the United States.

But that is not the limit of my concern. I am far more concerned with the general testing that the Soviet Union is now undertaking in terms of an adventurist foreign policy. I am concerned about provocating Soviet efforts in the Middle East and the Yemens; their adventures in Africa through their surrogates, the Cubans; their involvement in Ethiopia, in Angola; their unbridled military buildup of conventional and strategic forces; and now their commitment of a combat brigade to Cuba.

I do not know whether this violates the agreement reached by Premier Khrushchev and President Kennedy or not. I wish the President would order the release of that agreement and all of its ramifications. But I do know to my own satisfaction that the presence of Soviet troops in Cuba at least violates the spirit and the intent of that agreement, and depreciates the national strength and will brought to bear by the late President John F. Kennedy when he stood down the Russians in the 1960's at the height of the missile crisis.

The Russians are thumbing their noses at us, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I will.

Mr. ROBERT C. BYRD. Mr. President, I do not respond by way of challenging the statement made by the distinguished Senator from Tennessee, the minority leader, or by way of arguing with him. He has expressed a sincere viewpoint, one that is held by many persons.

But I would like to state for the record my own viewpoint in this regard and, in so stating, indicate that I prefer to await further information in connection with the Soviet brigade in Cuba before I arrive at conclusions regarding the SALT II Treaty.

The Foreign Relations Committee is at this moment conducting a hearing in executive session, with Admiral Turner making a presentation there. I had the opportunity earlier today to attend that hearing for a brief period.

It is my understanding that in 1963 the Soviets had something like 20,000 armored personnel in Cuba. There is no clear indication that all of those personnel were ever removed from Cuba. There is indication that 1,500 to 2,000 were retained there for advisory purposes, and so on. But there is no indication that this brigade, or at least the personnel, the Soviet troops, have been there all along, and, at the same time, no clear indication that they have not been there during the intervening years.

So I think it would be well to await the development of as much information as is possible before reaching hasty conclusions regarding the treaty.

I am concerned about it. I do not know what the mission of the Soviet brigade may be. I hope we can find out more about that. Secretary Vance will be discussing this subject with Mr. Dobrynin and presumably with Mr. Gromyko very soon, and we will be able to get further information here in the Senate.

However, as to the treaty, the committees will have ample time to explore this matter before the treaty comes before the Senate. For my part, I prefer to make my decision—other Senators may do as they wish, of course; they have that right—I prefer to make my own decision on the treaty, on the basis of the merits of the treaty itself.

Of course, there are peripheral issues. I do not like what the Soviets have been doing in Africa. I do not like their adventurism elsewhere.

But I am going to reach my personal opinion on the treaty—others may do as they see fit—on the basis of whether this country will be better off with the treaty or without it—whether the treaty is in the security interests of our country. I hope the Senate will approach the matter from that standpoint.

It is impossible to erase completely from view or from our consideration some of the other matters that we do not like and that do cause us concern. But I think we should keep an eye closely on that treaty and weigh it on the basis of whether or not it is in the security interests of this country to ratify that treaty. We have ample time to explore the other issues. I hope we will at least await until we have access to all the information that can be produced, and it may be limited, before we make final judgments on the treaty.

It is very difficult to determine whether an individual wearing a Cuban uniform is a Russian or a Cuban. In some respects, it is far more difficult to secure adequate intelligence from Cuba, although it is only 90 miles from our own shore, than it is to secure information regarding activities in other countries.

I share the concern of the distinguished minority leader; but I want to await further knowledge in regard to this overall subject, as I know we all do, before I make up my mind, especially with respect to the treaty.

On that basis, I am going to judge the treaty on the evidence and on the facts as I see them, after having read all the transcripts carefully, which I have done to date. I will make that decision shortly.

I hope we can determine what the intentions of the Soviets are. Again I say that we do not know how long the Soviet Brigade personnel have been there. We do not know that they have only been there since 1976. They may have been there since 1974, 1970, the late 1960's. I hope we can determine this as time goes on, and also their purpose in being there, and what the future prospects are.

I thank the minority leader for yielding this time.

I ask unanimous consent that he may have an additional 3 minutes, if he wishes.

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes.

Mr. BAKER. Mr. President, I need to yield 5 minutes to the Senator from Indiana. Could we extend the time for 1 more minute?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the minority leader may have the additional time needed, so that he may respond to what I have said, if he wishes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I will take a minute, and then I want to yield to the Senator from Indiana for a statement that will be received with regret and sorrow, I am sure, by all of us.

Mr. President, I do not know how long we have to know Russian troops have been in Cuba. It is true, as the majority leader says, that they may have been there a long time. But if they have been there a long time, then that raises another question: How good is our intelligence? How capable are we at verifying the presence of Russians 80 miles away, let alone the presence of missiles in Russia?

Let me say again I would like to support a SALT II treaty, but I am not going to support just any old SALT II treaty. I would like to support a treaty that gives us at least parity with the Soviet Union in terms of strategic weaponry. I do not believe this treaty does.

Therefore, I consider Russian adventurist foreign policy, particularly in the Middle East and in Africa, the submission of a treaty that puts us at a strategic disadvantage, and now the commitment of Russian military forces to Cuba, as a single continuum: the Russians are testing the United States. They are thumbing their nose at us.

Mr. President, I yield the remainder of my time to the Senator from Indiana.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I believe every Senator in this body can say the same as the distinguished minority leader has said, namely, that just any old treaty will not do. I do not intend to support just any old treaty.

In any event, I am taking my time in reaching a decision on the treaty. I indicated in the beginning that I was going to approach the matter, in a comprehensive, thorough, and systematic way. I am attempting to do that. I do not intend to support just any old treaty, but I have not written this one off, and I have not written it on. At this point, I have not made a decision.

As a matter of fact, I have asked my staff to prepare for me a speech for the treaty and a speech against the treaty.

So I am in the process of reaching my decision systematically, methodically, and carefully. I may reach the wrong decision; but if I reach a decision to support that treaty, it will be because I think that treaty—modest though it may be and not ideal, as I would like it written—is a treaty that is in the best interests of the United States. If I reach the opposite conclusion, I will be prepared to so state and why.

Mr. BAKER. Mr. President, I conclude by saying that I accept at face value what the majority leader says. I would not suggest, for one moment, that he will do anything other than give this treaty and any proposed amendments to this treaty the most careful consideration and base his judgment on that.

It is often asked, "Would we be better off with this treaty or with no treaty?" I accept that formulation. It is also sometimes said, "Think of the consequences if we reject the treaty." However, I often think of the consequences if we ratify a bad treaty and what that will signal to the Soviet Union.

I hope this treaty can be amended so that I can support it—on a basis such as a limitation on the Soviet Backfire bomber, and revisions of certain other provisions of the treaty.

But this is not the time to debate the treaty on the floor. I hope we can do that thoroughly and at some length. I would like to see it have the maximum public exposure and participation of the American people, because it is that important.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator still have the full 5 minutes to yield to the Senator from Indiana.

Mr. BAKER. The majority leader is very kind, and I thank him.

I yield to the Senator from Indiana.

DEATH OF FORMER SENATOR HOMER E. CAPEHART OF INDIANA

Mr. LUGAR. Mr. President, the late Senator Homer Capehart of Indiana would have gloried in the debate we have heard this morning, because he was in every sense a patriot, deeply interested in the United States of America and deeply interested in its international relationships.

Indeed, in his final days of service in 1962, on the floor of the Senate, he warned about the difficulties that were then obvious to him and others with respect to Cuba. Those warnings formed a part of the senatorial debate of 1962 in Indiana, in which Senator Capehart, after 18 years of distinguished service, yielded to my colleague Senator BIRCH BAYH of Indiana, who has served subsequently.

Homer Capehart's life, in my judgment, had four distinct parts to it—almost equal quarters of his four score and 2 years.

He was born in Pike County, the son of a tenant farmer. He farmed the land with his father, moved to Daviess County, worked his way through high school, and that ended his formal education.

He was the first in Davies County to volunteer for the U.S. Army in World War I, and he advanced to the rank of sergeant before his discharge. He was always active in military and patriotic affairs in the State of Indiana.

From that time he moved into free enterprise. In fact, he was heavily involved in the formation of a very successful firm, the Packard Co., that made phonographs, and as a distributor for Wurlitzer juke boxes he was one of the outstanding salesmen of this country and made a private fortune which gave him a base for poltical leadership in our State.

Clearly the end of the second quarter of his life, as I judge it, came with his sponsorship of the cornfield conference in Indiana in 1938 which brought together tens of thousands of people from throughout the State of Indiana and throughout America at a time when it was a low point for the Republican Party at the grass roots and brought a revival. Six years later Senator Homer Capehart was in fact nominated at the colosseum in Indianapolis for his first term and he won successful elections in 1944, 1950, and 1956.

During that period of time I was privileged to be a part of conversations during the visits by Senator Capehart to our diningroom table.

He had been a close associate of my father, Marvin L. Lugar, in the Indianapolis Rotary Club. Indeed, he had asked my dad to appraise cattle on the Capehart farm in Daviess County and had brought his cattle up through the commission companies there in the Indianapolis stockyard.

He was a devoted farmer, but his interests expanded to international relationships and especially into banking and housing affairs, and after the election of President Eisenhower in 1952 for the next session of Congress he, in fact, became chairman of the Banking and Housing Committee where he is still remembered by many who served on the staff at that time.

Senator Capehart continued to advocate vigorous world trade communities for the United States of America and was very active in boosting foreign aid but suggested the orientation of that foreign aid should come more through private business. He was the leader of many foreign trade groups, particularly in Latin America as a focus of his activity.

In 1962, following his defeat in that November election, Homer Capehart blamed the defeat on no one other than himself and was a gracious loser as he had been a gracious winner. He continued to have the affection of all Hoosiers, and during the past 17 years has indeed been a counselor to all of us who knew him as young people and who have revered his counsel as well as his advice in the years that have lied just behind us.

It was my personal privilege to visit with Homer Capehart at the celebration of the Indiana Republican Editorial Association just a year ago. Although in ill health he came out for that rally and celebration as he had come out faithfully for so many others in the past. He retained his optimism about this country, his encouragement of young people in politics, and his general enthusiasm for the Republican Party, not in a tremendously partisan sense but because he revered the two-party system and revered the system of Government that he loved and served so well.

The Indianapolis Star in an editorial published in Indianapolis this morning says:

> Behind the image of the cigar-smoking, suspendered rustic was a man of enormous energy, a man with business acumen, organizing ability and a sound knowledge of human nature. He parlayed these attributes into successful careers of salesman, advertising agency head, manufacturing executive and a major power in the Indiana Republican Party.

Finally, the Star concludes:

> There was no question in Mr. Capehart's mind that the United States was the greatest, freest country on earth with the best political and economic systems and that Indiana was the finest state in the Union.
>
> An affable, decent man, he was a credit to the state he represented.

He died on September 3 in Methodist Hospital in Indianapolis at the age of 82. All Hoosiers will miss him and his memory will always be revered.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. LUGAR. I am happy to yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Indiana for the outstanding tribute he has made this morning in the Chamber to Senator Capehart.

When I came to the Senate in December 1954, but actually reached here in January 1955, I had the pleasure of meeting Senator Capehart and serving with him.

Senator Capehart impressed me as a pioneering type of man, a man of great substance, a man of stability, a man of capacity, and a man of unquestioned character and integrity.

I was deeply impressed with him as a fellow Senator. I enjoyed my service with him, and I regretted to see him leave the Senate. In my opinion, he served his country well, and I hope that the remarks of the able Senator from Indiana this morning will be sent to his family and the people of Indiana will have the opportunity to read them.

I appreciate the personal friendship of Senator Capehart and wish to extend my deepest sympathy to his family in his passing.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from South Carolina.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of routine morning business for a period not to exceed 15 minutes, with statements permitted up to 3 minutes in length.

Is there morning business?

THE IMPORTANCE OF SOUTHERN AFRICA, THE "PERSIAN GULF OF MINERALS," TO THE UNITED STATES

Mr. THURMOND. Mr. President, no American these days needs to look farther than the line at his neighborhood gasoline station to be reminded just how dependent this Nation has become on imported raw materials. In the years ahead, as our home-produced resources sources for strategic minerals. To an increases for vital raw materials, we will be forced to turn more and more to foreign sources for strategic minerals. To an increasing extent, the continent to which we must look for these materials is Africa.

That portion of Africa known as the plateau of southern Africa, stretching from South Africa's Transvaal Province northward through Rhodesia and into Angola and Zaire, has been called the Persian Gulf of Minerals, and South Africa its "Saudi Arabia." With all its natural wealth, this is a region in the throes of political struggle. A bitter guerrilla war and a trade embargo by the United Nations have all but paralyzed the economy of Rhodesia. South Africa arms itself against its black neighbors and struggles to keep the pace of change within its society under white control. What all these nations share, South Africa, Rhodesia, and the emerging black republics, is a need to trade with the rest of the world, just as the outside world needs their raw materials. They all need foreign investment to find and mine their resources and they need the revenue from production to develop their economies and raise their standards of living.

Mr. President, in 1974, an interagency Government task force reporting to the National Security Council studied the U.S. needs for strategic minerals and drew up a list of 18 whose supply is particularly vital for national defense and for the economy. Of those 18 strategic materials, 13 are supplied from Africa. Those with significant sources in Africa are: Aluminum, chrome, platinum and its related metals, iron ore, manganese, cobalt, mercury, columbium, fluorspar, copper, titanium, phosphates, and vanadium. Of the four judged most critical—chromium, manganese, the platinum group, and aluminum—Africa is the world's most important source of all except aluminum, and the United States draws some of its supplies of even that metal from Guinea.

Mr. President, in this brief review that I provide today of the United States' past and future strategic requirements, it is a little ironic to note that for 15 years, this country has enforced an arms embargo against the country that is one of its most important suppliers of strategic metals. More recently, the embargo was expanded to include a ban on supplies for South Africa's police forces, as well as its national armed forces. Last year, legislation was passed to bar the Export-Import Bank from providing loan guarantees and insurance for U.S. businesses operating in South Africa.

While future developments in technology may reduce the U.S. dependence upon the Middle East for energy, we have fewer such options in the case of strategic metals. The geology of the planet Earth has placed an extremely high proportion of the world's vital industrial raw materials on the continent of Africa, and particularly in its southern third.

Mr. President, I feel that it is extremely important for the United States to participate in the development and protection of these sources of supply. The alternative is to risk a weakening of our economy and impairment of our ability to defend ourselves. This matter must be given adequate attention by us now and in the future.

During the years when Saudi Arabia was emerging as the world's richest source of oil, the United States through the investment of private capital and the careful cultivation of diplomatic relations, managed to establish and maintain a close relationship with that desert kingdom. A realization of shared interest served both nations well, and helped to preserve free and open communications, even when national views diverged, as in the recent Mideast negotiations. A combination of diplomacy and economic interest may be equally useful in the nations of Africa in the years ahead.

In one respect, the parallels between oil and the strategic metals do not apply. With enormous difficulty and at great expense we could in the long term find substitutes for foreign oil. We can apply rigorous conservation, drill our remaining reserves of oil and gas, develop the potential of oil shales and tar sands, mine our coal, and expand the use of solar and wind power. But we have no known substitute at any price for chrome or for manganese in the manufacture of high strength and specialty steels, and our domestic supplies of those alloys are meager. Some experts believe that in 20 years, southern Africa may have a total world monopoly on minable deposits of chrome.

Chrome is an essential component for the kinds of steel used in jet engines, in nuclear reactors and in many kinds of armament. About 25 percent of U.S. supplies of chrome originate in the Republic of South Africa. The Philippines have been supplying about 18 percent of U.S. needs, but the Philippine ores are nearing depletion. So long as the Byrd amendment provided this Nation with a legal loophole to the U.S.-inspired trade embargo with Rhodesia, we were getting about 12 percent of our chrome from that country, but the repeal of the Byrd amendment in 1977 closed off the Rhodesian supply and led to an increase in imports from the Soviet Union. Some experts, American and foreign, are convinced that the Soviets, in violation of the U.S. trade sanctions that the United States continued to honor, purchased quantities of chrome from Rhodesia and resold it to the United States as Soviet chrome, at an appropriate markup.

Our dependence on South Africa is likely to increase, in part because South African deposits of chrome are large and easily mined, in contrast to the smaller lodes worked in other countries. Assuming an eventual end to the trade embargo in Rhodesia, that country may again become a major supplier of chrome to the United States and its allies.

Manganese is another essential element for the production of quality steel, and is also used in the production of aluminum and cast iron and in the manufacture of dry-cell batteries. There is no satisfactory substitute for manganese in steel production and unlike chrome, it cannot be recycled. Gabon and South Africa are significant suppliers of manganese to the United States along with Brazil, Australia, and France.

Manganese is one of the minerals, along with nickel, copper, and cobalt, that is believed to be recoverable from the ocean floor. However, delays in writing an acceptable Law of the Sea Convention have postponed well into the future the time when the legal structure and technical advances will permit recovery of important quantities of manganese from the seabed.

Meanwhile, South Africa, with an estimated 78 percent of the world's known reserves of manganese, has been stepping up its production at a compounded rate of 11 percent a year for the past decade, and announces that it is ready to meet all foreseeable future market demands.

Vanadium is the third leg of this triangle of strategic metals required in the steelmaking process. It is also used in the manufacture of iron and aluminum and in petroleum refining. There are also indications that it can serve as a less toxic substitute for lead as an anti-knock ingredient in gasoline. It is less critical than chrome or manganese, since the United States and Canada have significant supplies, and there are a number of substitutes for vanadium, and South Africa estimates that its reserves amount to 49 percent of the world's known reserves of vanadium.

The platinum group of metals—platinum, palladium, iridium, osmium, rhodium, ruthenium—fiund their major industrial uses as chemical catalysts in the refining and chemical industries, and in the manufacture of emission control devices for automobiles. Fortune magazine quotes a General Motors executive as saying:

> Without South African platinum for catalytic converters, the U.S. government would have to call off the entire emission-control program.

In fact, the United States depends on imports for 92 percent of its platinum group needs and draws 42 percent of its requirements from South Africa. The U.S.S.R. is the second major supplier.

In 1978, the price of platinum on world markets almost doubled, due to the removal from world markets of about half of the 600,000 ounces that the Soviet Union normally supplies. Reason for this shortfall was not entirely clear. The Soviet Union is believed to have built up its stockpile in anticipation of minting an issue of platinum-based Olympic coins for 1980, while increasing consumption of the metal in its chemical and refining industries. Whatever the explanation, the disappearance of only 15 percent of the normal supply rocketed the price of platinum from $186 an ounce at the start of 1978 to $350 an ounce at year's end, and illustrated the explosive effect of even a small shortage of a critical material.

This experience carries a warning of possible similar price moves whenever shortages develop in an essential material. South Africa says that its platinum group ore reserves are 75 percent of the world's total known deposits, and are "considered adequate to meet world demand for the foreseeable future." Rhodesia also has extensive undeveloped platinum reserves.

Beyond the supercritical metals that we have just mentioned lies a longer list of still vital minerals important for certain industries and for national security. Because the list is based on essentiality rather than scarcity, aluminum and iron ore are prominently mentioned. The African nation of Guinea supplies about 20 percent of the aluminum that we import as bauxite, and Liberia and Mauretania are providers of iron ore.

Much rarer is cobalt, an essential alloy for steels used in the turbine blades of jet engines and pumps, and for electronic equipment. Domestic mining of cobalt ended in 1971, making the United States entirely dependent on imports for this metal, except for a minor amount recovered from scrap. Last year, Zaire met 42 percent of our needs for cobalt, and Zambia provided another 7 percent. The fragility of our supply was demonstrated last year when insurgents disrupted cobalt mining in the Kolwezi area of Shaba province in Zaire. A Pan-Africa force was created to maintain security and mining was resumed. But the scare disrupted the market, sent prices up to three times the level of $6.40 a pound prevailing at the start of the year, and some spot sales were made at $40 a pound. This points up the importance of developing alternate sources of this vital metal. It is also worth noting that Morocco and Botswana have modest reserves and some production of cobalt.

Copper has long been abundant in the Western States and in the Western Hemisphere, but U.S. production has reached a plateau, and imports have been rising, to 19 percent of our needs. Zambia was this nation's largest supplier of copper from outside the Western Hemisphere. Zaire is also a significant producer of copper and could be a future supplier.

Mercury, a necessary component in many electrical products, in some chemicals and paints, is also in dwindling supply in the United States Domestic production now is limited to one surviving mine in Nevada, plus some mercury recovered from scrap. Algeria is our largest foreign supplier, providing about 13 percent of our national requirement.

Columbium is one of the lesser known metals which is still regarded as a strategic material because of its uses in steelmaking and aerospace applications. Brazil is the principal supplier to the United States, Nigeria and Zaire with small reserves are potential sources.

Titanium with its light weight and great strength is finding increasing demand in aircraft construction. New discoveries of titanium in South Africa make that country a potentially important supplier of this space-age metal.

Fluorspar, a strategic mineral used mainly in the production of steel, is another of the minerals with which South Africa is well endowed, with an estimated 35 percent of the world's known reserves. There is also some production in Kenya, though that nation is not a significant supplier to the United States.

Phosphate rock, despite its abundance from sources in Florida, is still classified as a strategic material, because of its importance as a fertilizer and animal feed supplement. The deposits in North Africa, Senegal, and South Africa serve the world market and to some extent, the U.S. market as well.

In a time when the United States continues to require great numbers and large amounts of strategic materials from foreign producers, it is important to plan ahead to insure a supply of the minerals we will need. Dr. Fred Collender, a British mining engineer and expert on natural resources, estimates that 70 percent of the strategic materials that this country requires are available in Africa, and mainly in southern Africa.

Along with the minerals that we now classify as strategic, there are others that will become increasingly important because of new discoveries and developments. Antimony will be in increasing demand for its value in flame-proofing fabrics. Lithium, a metal so light that it floats on water, will be needed for the manufacture of lightweight batteries, an essential component of any successful battery-driven automobile. Both minerals are found in South Africa and in other countries of the great southern plateau.

While the U.S. Government's list of key strategic materials does not include industrial diamonds or uranium, both have their significance. Industrial diamonds are so essential for high-performance drills and cutting tools that no substitute is entirely satisfactory. South Africa is a major producer of industrial as well as gem diamonds, and markets the output of its own mines as well as those of Zaire, Ghana, and Botswana.

The history of U.S. nuclear power is closely linked with uranium ore from Zaire. All of the uranium used to produce the first United States-made atomic bombs, including the two dropped on Japan, was mined in what was then the

Belgian Congo and smuggled to New York by cooperative Belgian mining officials.

The United States is now relatively self-sufficient in uranium and accounts for an estimated 40 percent of total world production. Both Zaire and South Africa have important uranium reserves whose size is not officially disclosed, and provide radioactive elements for the nuclear power generation programs of U.S. allies in Europe. South Africa may soon overtake Canada as the world's leading exporter of uranium.

Recently, the new Prime Minister of South Africa, P. W. Botha, complained to the London Daily Express of the "illogic" of such measures, given the West's admitted need for South Africa's strategic materials. He said that he would not hesitate to use his country's mineral resources as a strategic weapon, and would not rule out the possibility of entering into a minerals-marketing pact with the Soviet Union. The carrying out of such a threat would be very bad news for the United States and the Western alliance.

In published statistical analyses, the South Africans sometimes lump their own mineral resources with those of the Soviet Union, ostensibly to show the degree of control that the Soviet block would exert over world supplies of raw materials should a pro-Soviet regime gain political power in South Africa. The prime minister's threat gives a new dimension to such statistical analysis. According to the South Africans, the combined holdings of South Africa and the Soviet Union represent 84 percent of the world's known reserves of chrome, 94 percent of its manganese, 90 percent of its platinum group metals, 95 percent of its vanadium, 42 percent of its iron ore, 39 percent of its fluorspar, and a proportion of its uranium that is described only as "large."

Two South African writers, W. C. J. van Rensburg and D. A. Pretorius, have discussed some strategic factors facing the West in their book "South African Strategic Mineral: Pieces on a Continental Chessboard." They write:

> Control over South African resources would place the USSR in a completely dominant position with regard to the major precious metals and minerals, gold, gem diamonds, and the platinum group metals. Control over the Cape sea route and the ability to disrupt any oil supplies via the Suez Canal or pipe lines constructed in the Middle East, would enable the Soviet Union to disrupt vital supplies from Europe's and North America's most important sources of energy . . . The USA and Western Europe should realize the vital importance of South Africa's mineral resources and the Cape sea route to their future security. They should protect this interest by maintaining a meaningful dialogue with South Africa, and even by offering financial assistance to bring about adequate social, economic, and political reform in South Africa.

It is interesting to note that these are South African voices calling for positive help rather than punitive measures to help their country achieve internal reform.

In their emergence from a colonial past, several of the African nations have created Marxist and left-leaning regimes, ideologically closer to the Soviet Union than to the West. But ideology and rhetoric have not always been the final determinants of their actions. The west African nation of Guinea continued to sell bauxite to the United States even when its political orientation was more Eastern than Western. The United States has no formal relations with the leftist regime of postcolonial Angola, yet a number of American companies have continued to do business there. A U.S. expert on African economic affairs said:

> I don't know of any African head of state who isn't anxious to try to develop his country. Most Africans are basically African nationalists.

Perhaps our best course is to pursue a careful, pragmatic policy based on mutual self interest with the emerging countries. The United States can provide capital, technology, know-how, food, and markets. As long as these are proffered in a way that does not offend the sensitivities of the emerging nations, they may offer keys to productive and relatively stable future trade relations.

Perhaps it is time to remember that Rhodesia—or Zimbabwe—may well be considered one of the emerging black nations. Its recent national election, while boycotted by the more radical guerrilla movements, produced a voter turnout that was impressive even by Western standards and chose a government headed by a black prime minister. The Senate has recently acted to make known its views in favor of lifting restrictions on Rhodesia, an action long overdue.

The newly elected Conservative government in Britain has also signaled its intention to review British policy toward Rhodesia. It is possible that London may postpone any final decision until after a Commonwealth conference which both the new prime minister and her Queen plan to attend in Lusaka, Zambia in August.

The United States and British Governments have already begun consultations on the Rhodesian question. If the two Governments decide to end sanctions, these decisions will open the doors for a restoration of a trade that is important to all the Western World. Some Western-owned mining companies have continued to function under control of the Rhodesian Government, and presumably are prepared to step up their production of strategic metals when the major world markets open to them. The end of the sanctions, whether sooner or later, can also signal a new surge of exploration for the vital ores that lie beneath the hills in this great global treasure house.

TRIBUTE TO SOUTH CAROLINA STATE SENATOR FRANK L. RODDEY

Mr. THURMOND. Mr. President, South Carolina State Senator Frank L. Roddey, one of the outstanding legislators in my State died recently, ending a long career of public service. Senator Roddey was a tireless and devoted Senate leader who worked for the best interest of all South Carolinians, and his contributions to his State will long be remembered.

All of his life Senator Roddey was a dedicated, conscientious man with a keen sense of public duty. He was a prominent member of various civic organizations and, in 1956, was named "Young Man of the Year" by the South Carolina Jaycees.

Frank Roddey was an able businessman who built a fine insurance agency in his hometown of Lancaster, S.C. Despite the many duties required of him by his business, his strong desire to help his community led him to serve with distinction on the Lancaster City Council for 8 years.

Senator Roddey was elected to the South Carolina Senate in 1962. During his tenure he served the people of South Carolina honorably and always did his utmost for the State he loved so well.

In the Senate, Senator Roddey served as chairman of the senate labor, commerce and industry committee; chairman of the joint bond review committee; chairman of the election laws study committee; and chairman of the tourism and trade study committee.

I knew Frank Roddey to be a good friend and an able public servant who worked both diligently and well for the common good of the people. His service in the South Carolina State Senate during the last 17 years was marked by a devotion to good government and effective representation.

Known as "Son" by his friends, he had the respect of all who knew and worked with him. He was a tough fighter for the causes in which he believed, but even those who sometimes opposed his views could depend upon his fairness, honesty, and friendly manner.

Senator Roddey made many contributions throughout his life of public service, and because of him the State of South Carolina is a better place. His dedication and service were invaluable. People from all walks of life mourn his passing and the large crowd which gathered for his funeral attested to the esteem and regard in which he was held. Although we shall miss "Son" Roddey, we can be thankful for the years of association which we had with him.

My deepest sympathy is extended to his lovely wife Ophelia Melbrae and his three devoted daughters, Sunni R. Parker, Glendora R. Small, and Jan R. Westmoreland.

Mr. President, numerous articles and editorials concerning Senator Roddey's death have appeared in newspapers throughout South Carolina. In order to share these with my colleagues, I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Rock Hill (S.C.) Evening Herald, Aug. 20, 1979]

Senator Frank Roddey, 52, Dies

(By Kathy Doherty)

Lancaster.—Funeral services for state Sen. Frank "Son" Roddey, 52, D-Lancaster, who died Sunday in New Orleans, will be 3 p.m. Tuesday at the First Baptist Church in Lancaster.

Roddey died at the Ochsner Clinic in New Orleans of complications following surgery to remove his spleen. He had been in bad health for a year.

After the Aug. 10 operation, Roddey began hemorrhaging and was placed in intensive care. His life hung in the balance for a week before he died Sunday at 3:20 a.m.

Last week, following an appeal in both houses of the Legislature, large groups from the House and Senate gave blood to replace that used by Roddey.

"He provided good leadership," Gov. Dick Riley said of Roddey. "He was independent-minded but a very effective leader."

Roddey, sixth in seniority in the South Carolina Senate, was chairman of the Senate Labor, Commerce and Industry Committee, and a member of the Banking and Insurance, Corrections and Penology, Finance, and Medical Affairs committees.

He was praised by his colleagues from York County as a legislator who could get things done.

"He was the man to talk to," said Rep. Herbert Kirsh, D-Clover. "He was a great man for York County."

Kirsh said Roddey helped to pass the recent bonds allocating $75,000 to Floyd D. Johnson Vocational Center in York, and $6.6 million for the Winthrop College field house.

"He has been a fine and able senator," said Rep. Robert McFadden, D-Rock Hill," "and as one of the senators from this area, he's been a real friend for York County."

Rep. Palmer Freeman, D-Fort Hill, said Roddey was "very effective and well respected" in the General Assembly, and Sen. Coleman Poag, D-Rock Hill, characterized him as a capable man who was very popular.

Roddey ran unsuccessfully for the Democratic nomination for the Fifth District Congressional seat in 1974. He was beaten in a runoff by Congressman Ken Holland.

Born February 3, 1927, in Lancaster, Roddey attended Davidson College in Davidson, N.C. and the University of South Carolina.

He was owner of Frank L. Roddey Insurance Co. in Lancaster.

Roddey served on the Lancaster City Council from 1952–1959; was president of the Lancaster Jaycees in 1956; and was voted "Young Man of the Year" in 1956.

He was a member of the board of directors of the Chamber of Commerce and the United Fund; chairman of the United Fund in 1961; a Mason in the Jackson Lodge No. 53; and a member of the Shriner Hejaz Temple.

Roddey is survived by his wife, the former Ophelia Melbrae Taylor, whom he married in 1947, and their three daughters, Sunni R. Parker, Glendora R. Small and Jan R. Westmoreland.

Also surviving are his parents, Mr. and Mrs. Elliot B. Roddey; two sisters, Mrs. Charles R. Love Jr. of Lancaster and Libb Roddey Woodruff of Rock Hill; and three grandchildren.

Burial will be in Lancaster Memorial Park.

Mahaffey Funeral Home is in charge.

[From the Sumter (S.C.) Daily Item Aug. 20, 1979]

Sen. Frank Roddey Dies

Columbia, S.C.—Almost until the last days of his life, Frank Roddey was working.

The South Carolina Legislature was in recess, and Gov. Dick Riley was contemplating some vetoes of a bill for capital improvement bonds. The governor was vacationing on Hilton Head Island, and Roddey, chairman of the Joint Legislative Bond Committee, was at Garden City on the Grand Island.

Riley said Sunday he called the 52-year-old Lancaster County senator and "went through the whole bill line by line for 2½ hours. Then I called back the next day for another 30 minutes."

Riley told Roddey of the 15 vetoes he proposed for the legislation "and he agreed with virtually everything I did. It was a comfort to me to know that his leadership was involved in that measure."

It was just before Roddey was to leave for the Ochsner Clinic in New Orleans to have his spleen surgically removed. After the operation, Roddey began hemorrhaging and was placed in intensive care. His life hung in the balance for a week before he died Sunday at 3:20 a.m. EST.

But before the operation, the ailing senator got on the telephone "to House members from New Orleans and from the beach asking them to support my vetoes," the governor said.

"He provided good leadership," Riley added, speaking generally of Roddey's service in the Legislature. "He was independent minded but a very effective leader."

The Lancaster Democrat also served as chairman of the Senate Labor, Commerce and Industry Committee, the Election Laws Study Committee and the Joint Legislative Nursing Home Study Committee.

A senator since 1963, he ranked No. 6 in the Senate's all-important seniority system. He was best known for his work on election laws and bonds.

Sen. L. Marion Gressette, senior member and president pro tempore of the Senate, said, "It's going to be hard to replace him in the Senate.

"He was very capable and able in his processing of legislation. . . . He kept a very good relationship and the lines of communication open between labor, management and government," Gressette, D-Calhoun, said.

"It's hard to accept. We just have to do the best we can," he said.

House Speaker Rex Carter, D-Greenville, said, "South Carolina is going to sorely miss his services. He was always working out compromises, getting legislation through the process.

"He kept the same friendly approach to all people. Everyone who knew him loved him," Carter said.

He was born in Lancaster on Feb. 3, 1927 to Elliott and Beulah Mae Roddey. He returned there to go into the insurance business in 1948 after attending Davidson College and the University of South Carolina.

Always active in politics, Sen. Roddey ran for the Democratic nomination for Congress in 1974 when then-Rep. Tom Gettys decided to step down. He was defeated in that race by Kenneth L. Holland, who has held the seat since.

He was a Mason and a member of the board of directors of the Lancaster Chamber of Commerce and the United Fund.

Survivors are his widow, Ophelia Melbrae Taylor; his parents; three daughters, Sunni R. Parker, of Spartanburg; Glendora R. Small, of Lancaster and Jan R. Westmoreland, of Columbia; three grandchildren and two sisters, Mrs. Charles R. Love Jr. of Lancaster and Mrs. Libb Roddey Woodruff of Rock Hill.

Services will be 3 p.m. Tuesday at First Baptist Church in Lancaster. Burial will be in Lancaster Memorial Park.

[From the Lancaster (S.C.) News, Aug. 20, 1979]

Son Roddey Was a Fighter

Senator Frank L. Roddey was always a fighter, up until the early hours Sunday morning in New Orleans.

But "Son" Roddey had been a fighter since I had known him, and that goes back to when he was 6 years old. He was a fighter when he played football and basketball for the old Blue Hurricane teams at Lancaster High School. He put all of his 125 pounds into the games. He took some hard shots and sometimes it was probably difficult to get up after being tackled by a 200-pounder, but "Son" got up and ran again.

City Councilman Frank L. Roddey was a fighter for what he believed to be the best for the City of Lancaster. He didn't win every round, but he gave it all he had each time. He put up a game fight when he ran for the mayor's office, and he was a gentleman in defeat.

I remember just like it was yesterday, although it has been more than 17 years ago now. I was mailing a letter at the box located near the old J.F. Mackey Drug Co. on Main Street. It was less than an hour before the deadline for candidates to file for office in the 1962 Democratic primary.

"Son" walked up to the mail box. "I'm going to run for the Senate, Lester, I've made up my mind," he said puffing a cigarette. "What do you think my chances are?," he asked. W. Bruce Williams, the 16-year incumbent had long since filed to seek re-election. The late Mr. Williams was the most powerful figure in Lancaster County politics in 1962 and for many years previously.

"He'll beat the daylights out of you," was the only reply that I could think of at the time. If "Son" had thought about running before the deadline, he must have kept it to himself. At least, it came as a big surprise to me.

He puffed a pack of cigarettes during the next 55 minutes. I was in a second floor room of the County Office Building, which was used at that time for candidates to file, when "Son" came in. He looked around, spoke to everyone there, including Senator Williams, calling them by their first names. Immediately after paying his filing fee, he walked over to Senator Williams and remarked: "Bruce, I'm running against you and I'll run a clean race. Good luck." That was "Son" Roddey.

In 1962 there were a lot more stump meetings than now. I believe there were 14 that year. At any rate, they started slow but began to heat up as they progressed. "Son" was given little chance of winning during talk I could hear before and after the first half of these speakings.

But "Son" saw an opening. "Elect 'Son' Roddey as your senator and he'll bring new industry to Lancaster County. That's my promise," he said on the stump. At that time, Springs Mills was the only industry of any consequence here.

In his reply to this Roddey statement, Sen. Williams made the first of his two big blunders in the campaign. "Lancaster County is already over-industrialized, we don't need any more industry," he said. Williams told me at the next meeting that he didn't make the statement. I showed him my notes. Then he gave me one of the best compliments I have received since I've been reporting for The News. "If it's in there, I said it. You've never been for me but you've always treated me fairly in the paper," he said.

Bruce Williams was a master when it came to stump speaking. Somehow, he managed to come up with a nick-name for all his opponents.

But the Senator made the second blunder, the biggest, when he said on the stump that the only time he had ever seen his opponent was when he was dressed up like a clown in Lancaster parades. "And I think he made a good clown," Williams added.

At the next stump meeting, in the old Kershaw High School building, "Son" spoke first, and he jumped on the clown remark with the knockout punch. "Sure, I've been a clown," he said. "And I'll put a red ball on my nose, makeup on my face and get out the clown suit again if it takes that to help a little girl who has cancer." A 13-year-old girl from the Kershaw area had recently died of cancer and Lancaster Jaycees collected funds to defray hospital expenses. Some of the Jaycees dressed as clowns to draw attention while selling candy suckers. "Son" was among them.

Williams apologized for the clown statement as soon as it came his time to speak. But the damage had been done. He never recovered. And Roddey won the election, one of the biggest political upsets in Lancaster County history.

Senator Roddey has continued to be a fighter, from the time of his early filibuster against the grain elevator in Charleston to just this year when he and Rep. Tom Mangum inserted $750,000 for the USC-L physical education facility in the bond bill, one of the few items that Gov. Richard Riley saw fit not to veto.

He did bring new industry to Lancaster County. In less than a year after he took office, Clark Control was under construction at the old Cunningham peach orchard site off Highway 9. Lehigh Structural Steel moved in later, followed by Southern Screen Engraving. "Son" had kept his promise.

"Son" faced his biggest battle in New Orleans and he had thousands of people in his corner to cheer him on and he deserved every one of them. His loss is their loss.

[From the Lancaster (S.C.) News, Aug. 20, 1979]

Frank L. Roddey, 1927–1979

(By Charles C. Moore)

Funeral services for State Senator Frank L. "Son" Roddey will be held at 3 p.m. Tuesday at Lancaster's First Baptist Church.

Burial will follow in Lancaster Memorial Park.

The family has asked friends to send contributions to the Frank L. Roddey Scholarship Fund for the University of South Carolina at Lancaster in lieu of flowers. The fund is being handled by the First Citizens Bank & Trust Co.

Roddey, who served as Senator for 17 consecutive years and was that body's sixth most senior member, died at 2:30 a.m., Sunday following surgery Aug. 10 for removal of an overactive spleen.

Roddey died at the 520-bed Ochsner Foundation Hospital in New Orleans, the facility where he had surgery. The hospital, according to New Orleans sources, is a highly respected private research and treatment institution that specializes in cardiopulmonary diseases.

An Ochsner spokesman said Roddey's family was with him when he died. Roddey apparently died of complications from his surgery, the spokesman said.

The hospital would not specify the actual cause of death.

Initially, doctors thought Roddey had a heart condition, but tests indicated the problem was his spleen. The spleen is an abdominal organ that acts as a filter for blood.

Roddey was placed in the Ochsner intensive care unit the day after his operation.

On Aug. 15, members of the South Carolina General Assembly donated several gallons of blood to help replace the nearly 100 pints used by doctors to treat Roddey.

While expressing sorrow at the senator's death, state leaders praised the legacy he left behind, especially his fondness for detail and his willingness to work hard on matters important to his state and county.

"I'm just sick to hear it," said Gov. Dick Riley, who served eight years in the Senate with Roddey. "He was a friend of mine and I will miss him a great deal."

Riley said Roddey had become "one of the leading senators" in recent years.

"He was a strong person, and when he took hold of a situation you could depend on his careful attention to it," Riley said.

"He stayed with his principles."

Sen. L. Marion Gressette, D-Calhoun, said the Senate would set up "a suitable memorial" for Roddey, who was known to his friends as "Son."

"Son did not mind going the extra mile in carrying his part of the work in the Senate," Gressette said. "I think he went beyond the call of duty and the state has lost a very dedicated public servant."

[From the Lancaster (S.C.) News, Aug. 20, 1979]

Frank L. Roddey: A Lifetime of Service

The impact that Senator Frank L. Roddey had on Lancaster County and South Carolina will be felt more many years to come. No one was more loyal to his state. No one loved Lancaster and Lancaster County more than "Son" Roddey.

Where do you begin to tell the good that this man wrought on the community he served so well? It could go back a quarter of century and more when he worked as a pharmacist apprenctice at a downtown drug store and would leave his home at any hour to fill a medical prescription to relieve the pain and sickness of a fellow human being.

As president of the Lancaster Jaycees in the 1950's, "Son" Roddey formed, shaped and worked on numerous projects—all for the benefit of the community. He was also a prominent figure in the South Carolina and national Junior Chamber of Commerce. In 1956, the Jaycees honored him with their highest award, "Young Man of the Year."

Frank Roddey served with distinction on Lancaster City Council for eight years. He was defeated in his race for mayor, but he never displayed any bitterness. He faced the defeat with a familiar trademark, the "Son" Roddey smile.

Few people in Lancaster County, even his closest friends, gave him little chance of winning a seat in the South Carolina Senate in his first attempt in 1962. Mr. Roddey had to face one of the most powerful members of that body, one with top seniority and political clout. "I will be happy to serve my people in the Senate, no matter if it be on the back row in the outfield," he said once from the stump during that now famous campaign.

Senator Roddey's tenure in the South Carolina Senate was one of honorable service and distinction. He had promised in his first race that he would seek and bring new industry to Lancaster County. In less than a year after he took office, ground was broken off S.C. Highway 9 for an industry moving to Lancaster County from Ohio. Two more smaller, but sound, industries were to follow. And Sen. Roddey assisted in bringing three others to Lancaster County.

Senator Roddey was chairman of the Labor, Commerce and Industry Committee of the Senate and was a ranking member of that body's powerful Finance Committee.

He was not idle either while serving as chairman of the Joint Bond Review Committee. Just this past spring, he along with committee member Rep. Tom Mangum of Lancaster, wrote a $750,000 appropriation to be applied to the construction of the physical education complex at the University of South Carolina at Lancaster. This appropriation was among the few that Governor Riley did not veto.

Senator Roddey was a candidate for Congress in 1974, but was defeated in a second race by now Congressman Ken Holland. A close friend of the Senator was overheard to remark yesterday: "'Son' really didn't want to go to Congress. He wanted to stay where he was. There, he was closer to his family and his county."

The family that he held so dearly has requested that in lieu of flowers a memorial scholarship fund be started at the University of South Carolina at Lancaster (USC-L), another of Sen. Roddey's loves. The Frank L. Roddey Memorial Scholarship Fund is deserving to be perpetual, something that will help deserving young men and women for years and years to come.

Senator Roddey's successor will have the proverbial "big shoes to fill." "Son" served us so well for so many years that it is really hard to believe that he is gone.

[From the Columbia (S.C.) The State, Aug. 20, 1979]

Leaders Mourn Roddey's Death

(By the Associated Press)

The death of state Sen. Frank L. Roddey, D-Lancaster, Sunday was mourned by leaders of the South Carolina Legislature as the loss of a capable, hardworking legislator.

"All of us will miss him in the Senate," said Sen. L. Marion Gressette, president pro tem of the upper chamber. "We were very fond of him. He was a capable debator. We were able to gain more information where he controlled (legislation) than where we had other persons handling it.

"I deeply sympathize with his family in their great loss," he added. It's hard to accept. We just have to do the best we can."

Gov. Dick Riley, who served in the Senate with Roddey, said, "I will cherish the personal relationship I had with him as a fellow senator, and certainly as governor.

"I know I speak for many people who share my sorrow when I say we will miss him a great deal," Riley said. "Through hard work, strong leadership and devotion to high personal principles, Sen. Roddey had become one of our state's genuine leaders," he said.

Roddey, 52, died early Sunday at the Ochsner Clinic in New Orleans, where he underwent surgery Aug. 10 to have his spleen removed.

Clinic spokeswomen said he suffered complications after surgery and had remained in the clinic's intensive care unit for more than a week before his death.

"South Carolina is going to sorely miss his services," House Speaker Rex Carter, D-Greenville, said.

Carter said, "I think we all knew him as one of the friendliest people in both houses, and he carried that with him into discussions of legislation."

Both Gressette and Carter characterized Roddey as a hard worker, especially in his committee work.

"He was always working out compromises, getting legislation through the process. He kept that same friendly approach to all people. Everyone who knew him loved him," Carter said.

Gressette cited Roddey's chairmanship of the Senate Committee on Labor, Commerce and Industry as perhaps the senator's greatest contribution to South Carolina and its economy.

Regrets at Roddey's passing were shared by Jerry Beasley, executive vice president of the South Carolina Textile Manufacturers Association, who said, "The people of South Carolina and the industry in this state have lost a great leader.

"The man was respected both personally and professionally as a person of highest integrity, a man you always knew where he stood and one who applied common sense to every decision," Beasley said.

Roddey was a leader in legislation that contributed to the growth of South Carolina, and state textile leaders will miss him personally and professionally, Beasley said.

Gressette said Roddey "was an exceptionally good senator in that he was not afraid of work. . . . He kept a very good relationship and the lines of communication open between labor, management and government."

Rather than being known for work on one or two pieces of legislation, Carter said, Roddey "took an interest in all legislation. He was well read; he did his homework and research."

[From the Lancaster News (S.C.) Aug. 22, 1979]

Hundreds Pay Last Respects to Senator Frank L. Roddey

(By Charles C. Moore)

People from all over South Carolina converged on Lacaster's First Baptist Church Tuesday afternoon to pay homage to Senator Frank L. "Son" Roddey.

Roddey, 62, died early Sunday morning in a New Orleans hospital from complications following surgery to remove his spleen Aug. 10.

At 1:30 p.m. there was a sprinkling of people in the church. By 2 p.m. it was half-filled. When the funeral began at 3 p.m. the church was packed, overflowing the 700 seat sanctuary, the 144 seat balcony and spilling into the vestibule and churchyard.

Law enforcement estimates of the crowd ran as high as 2,000.

At least 90 members of the State General Assembly—serving as honorary pallbearers—as well as a host of judges and former legislators attended the service.

Gov. Dick Riley and Lt. Gov. Nancy Stevenson were there, as well as former governors Robert McNair and James Edwards.

U.S. Senator Strom Thurmond and U.S. Congressman Ken Holland also attended.

Virtually every community of Lancaster County was represented, including political leaders, doctors, lawyers, factory workers, ministers, elementary and high school teachers and college professors.

"Today we can feel the heartbeat of the community," Rev. Robert Cuttino, one of three officiating ministers, said. "Today we came to pay homage."

Cuttino, First Baptist minister and Roddey's family pastor, characterized Roddey as a man "who lived in the 'crossroads of life' " and lauded the late Senator as a man who tried to make life better for everyone.

Cuttino said Roddey tried to make time for everyone and said it was not unusual for the late Senator to "stand in front of the post office and talk to you for 45 minutes."

Referring to Roddey as a man "who had not reached the peak of his life," Cuttino said, "There was a common thought among us, that it was just not time for Frank Roddey to die."

"There is a special place in Heaven for those who want to get involved," Cuttino said.

Rev. Darrell Galintz, pastor of By the Sea Lutheran Church in Garden City, called Roddey a man who worked hard "and was not afraid."

"He knew how to love," Galintz said. "He loved his work. He loved the people associated with him. He loved his church and even more he loved his Lord."

Roddey often attended By The Sea while at his second home at Garden City.

State Senate Chaplain Dr. George Meetze said Roddey "had fought the good fight, finished the race, and kept the faith."

"But that was no surprise to us in the Senate," Meetze said. "We all knew 'Son' Roddey was a fighter."

Several hundred people followed the hearse and steel gray casket the five miles to Lancaster Memorial Park and weathered the 96 degree heat in order to attend Roddey's burial.

Most statewide meetings were canceled Monday and Lancaster County offices closed at noon to allow friends to attend the services.

[From the Columbia (S.C.) State, Aug. 22, 1979]

Politicians Pay Homage To Roddey At Services

(By Merle Kellerhals)

Lancaster.—Scores of politicians gathered in Lancaster Tuesday to pay homage to Sen. Frank L. "Son" Roddey, a 16-year Senate veteran who died Sunday.

More than 100 of the state's most prominent politicians served as honorary pallbearers for Roddey, who died at the age of 52 in New Orleans from complications following Aug. 10 surgery to remove his spleen.

The funeral, held in the spacious red-brick First Baptist Church of Lancaster was overflowing with friends and colleagues, some of whom were forced to stand outside in the sunny, 90 degree heat.

The Rev. Robert E. Cuttino, Roddey's family pastor, said the Lancaster lawmaker's death was "premature," calling Roddey "a man who had not reached the peak of his life."

"Frank 'Son' Roddey did more than live beside the road," Cuttino said. "He lived in the crossroads of life."

The flower-draped steel gray casket was carried into and out of the church by friends and associates. Burial was in Lancaster Memorial Park.

Cuttino said there is a "special place in heaven for those who want to get involved."

"The community and the state have paused to pay empathetic sorrow and grief for the passing of Son Roddey," Cuttino said.

Cuttino said there was a "common thought among us, that it was just not time for Frank Roddey to die."

The Rev. George Meetze of Columbia chaplain of the Senate where Roddey served as chairman of the Labor, Commerce, and Industry Committee, said Roddey's doctors at the Ochsner Foundation Hospital in New Orleans said they had never seen a patient fight so hard to live.

"That was no surprise to us," Meetze said. "We knew Son Roddey was a fighter."

"Our ranks will be fewer with his passing."

Roddey is survived by his wife, the former Ophelia Melbrae Taylor; and three children, Sunni R. Parker, Glendora R. Small, and Jan R. Westmoreland.

Flags were flown at halfmast at the State House in Columbia, and Roddey's desk in the Senate chamber was covered in black and draped with flowers. Most statewide meetings were cancelled so officials could attend the Roddey funeral.

On Aug. 15, members of the General Assembly flocked to donate gallons of blood for Roddey, who remained in the intensive care unit at the hospital until he died.

[From the Columbia (S.C.) State, Aug. 22, 1979]

A Sunny Senator

Most politicians make a lot of friends and a lot of enemies. Sen. Frank L. Roddey of Lancaster made a lot more friends than enemies.

None of his closer buddies in the State House and the press corps called him Frank or Senator Roddey in personal conversations. They called him by his nickname "Son." It fit. Son was a casual fellow, sort of a hail-fella-well-met, with a happy disposition and a fine sense of humor. An easy guy to know and to like, just like his legislative running mate, Rep. William Green DesChamps of Lee County.

But Son Roddey was anything but a legislative lightweight. As he gained seniority—eventually rising to sixth—he headed important committees, working diligently on issues in a number of fields. He was respected as capable and honest even by those who opposed his positions.

Within the past year, Senator Roddey's friends have been talking of him in concerned tones. He didn't look well. He was in an out of hospitals during the 1979 session, and doctors seemed to have trouble spotting the problem.

Finally he checked into a New Orleans hospital and his spleen was removed. But complications set in and he needed gallons of blood. His colleagues in the General Assembly anxiously gave it and saw that it was rushed to New Orleans.

But Son Roddey, only 52, didn't make it. The high praise of his legislative service from Gov. Dick Riley, Senate President Pro Tempore L. Marion Gressette and others was not just verbal flowers. They meant it. South Carolina will miss a dedicated public servant who was happily free of pretensions.

THE SALT II TREATY—SURVIVAL OR SURRENDER

Mr. HATCH. Mr. President, a bright young college student has graced my office this summer. This student has done a rather complex analysis on his own of the SALT II Treaty.

I find his analysis definitive and thought provoking. It is an example of the depth of thinking of which our young people are capable and suggests to me that this Nation may yet find the strength it needs in that generation which is now coming upon the scene. I commend his analysis to your attention.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

The SALT II Treaty—Survival or Surrender

(By Mark Cannon)

The SALT II Treaty has recently been the subject of much controversy. In examination of the treaty we must ask ourselves, "would ratification of the treaty in its present form be in our national best interest?" Or more specifically, under the provisions of SALT II, would the U.S. and U.S.S.R. each, cut nuclear arms production and expenditures, decrease the threatening arms already in existence, and reduce the chance of war. This should be the purpose of SALT. In this paper I will examine the important issues involved in our negotiations with the Soviets and explain some of the problems in the SALT II Treaty.

THE AGREEMENT IN BRIEF

The lengthy treaty contains much technical material, but the basic agreement can be laid out as follows:

Weapon type	Current strategic arsenal		Total arms allowed to United States and U.S.S.R. by 1981
	United States	U.S.S.R.	
All strategic nuclear delivery systems	2,060	2,500	2,250
All types of MIRV's	1,046	795	1,320
MIRVed SLBM's and ICBM's	1,046	725	1,200
MIRVed ICBM's	550	600	820
Modern heavy MIRVed	0	380	(1)

[1] Frozen at existing levels.

Acronyms: MIRV (Multiple Independently-Targeted Re-Entry Vehicles), SLBM (Submarine-Launched Ballistic Missile), ICBM (Inter-Continental Ballistic Missile).

DOES THE TREATY CONTAIN MEANINGFUL ARMS REDUCTIONS?

Through examination of the figures it is apparent that the only cutbacks would be in 250 Russian strategic nuclear delivery systems. The Carter Administration explained in the SALT II Reference Guide, that the Soviets would have to divest themselves of 250 "nuclear delivery systems". This is not quite correct. It will force the Soviets to give up 250 nuclear delivery vehicle launchers. In this case there is an important fundamental difference. A launcher is a device from which a strategic delivery vehicle is fired. Thus an ICBM launcher is a missile silo, not the missile fired from a silo. Therefore the Soviets must get rid of 320 silos—or bombers or submarine ballistic missile tubes—but not the missiles fired from those launchers. Many of the launchers to be disposed of are obsolete and would have to have been disposed of anyway. The older systems are unnecessary because the newer ICBMs can be launched from reload silos. By reloading these silos the Soviets could fire just as many missiles as they could without silo reduction. A quick glance at the figures shows that this is the only major cut-back and it is not particularly advantageous to the U.S.

WILL ARMS PRODUCTION GREATLY INCREASE WITHOUT SALT?

Many proponents of the SALT argue that if the treaty is not ratified the Soviet's weapon production will increase radically. I believe there is adequate evidence to refute this argument, because the U.S.S.R. is already at, or very near their maximum level of armament development deployment. Here in the U.S. we spend five percent of our Gross National Product on defense. That comes to 23 percent of our federal budget. The Russians, on the other hand, spend 15 percent of their Gross National Product on defense. That comes to 50 billion dollars more per year than is spent in the United States. Through their overbearing emphasis on weapons production, the Russians have neglected some of the needs of their economic system. If they were to try to step up arms production, they would risk doing intolerable damage to their already weak economy.

CIA estimates confirm that no element of the SALT II Treaty will slow down the Russian effort. The Soviets have been driving for a war-winning supremacy over the U.S. for years. In light of this information we can see that SALT II is not effective in either cutting production or decreasing existing, threatening arms of the U.S.S.R.

IS THE SALT II TREATY EQUITABLE?

Our goals as a nation are to allow the people of the world to have the freedom to choose the type of government that is best for them. We should be aware that the Soviet goals are not the same. They are expansionists whose main efforts are directed towards spreading the Communist sphere of influence as far as possible. In order to do this, they need a protective umbrella of nuclear forces. They see SALT as a means of promoting their goals of military superiority by diminishing U.S. military programs. When we look at the Carter Administration and see the cancelation of the B–1 Bomber and Neutron Bomb, and the delayed development of our cruise missiles, we can see that the Soviet plan is working. By neglecting our defenses in this way we have given up many of our bargaining chips, which limited our bargaining power at the negotiating table. This has resulted in an inequitable treaty in which the Russians have been granted special advantages, for which no similar advantages have been granted the U.S. For example, the Soviets may have 308 heavy missiles whereas the U.S. is allowed none. These heavy missiles have six times the explosive power of our Minuteman III, which is our most advanced ICBM. These heavy missiles are capable of obliterating our land-based ICBMs. Our land-based ICBMs are crucial because they have the most accurate and have the greatest potency. In a war we would count on these to destroy the enemy's land-based attack systems. Under the threat of the Russian's heavy missiles we would not be able to assure the survivability of our land-based ICBM's which leaves our national defense system terribly vulnerable.

Furthermore, the Soviets have the Backfire Bomber, a long-range bomber which is capable of refueling in the air. The U.S.S.R. will be allowed to maintain their present supply of Backfire Bombers and continue to produce them with no ceiling. They now have 100 Backfires and will be allowed to continue to produce them at a rate of 30 per year. On the other hand, the U.S. long-range bombers (the FB–111) are all required to be included in the U.S. strategic delivery system ceiling. This will give them a total of at least 350 to 400 more long-range bombers than we have and the CIA estimates that they could have up to 700 more for which we are given no further compensation. The administration's justification for this is that if the Backfire bomber were included in the treaty we would have to include our European-based FB–111s. It should be noted, however, that we have only 80 while the Soviets could have up to 700 Backfires. In addition to the Backfire the U.S.S.R. will be allowed 800 to 1,000 strategic missiles of intermediate range which will not be included in SALT II. These intermediate missiles would be especially threatening to our European allies. Another important fact is that the Backfires would have to penetrate our weak air defense system while our FB–111s would have to penetrate the stronger Soviet system. The consequences of the asymmetries in the treaty are of great importance and must be reconciled if we are going to have a productive agreement with the U.S.S.R.

CAN SOVIET COMPLIANCE WITH THE AGREEMENT BE VERIFIED?

Another important issue is verification. Will we be able to detect Soviet cheating. The loss of our monitoring stations in Iran has undoubtedly limited our ability to check up on Soviet activities. We can no longer monitor the crucial first stage of missile test flights. The Russians have the ability to encrypt or encode the telemetry (send out false data) from missiles during tests, thereby denying us the knowledge of cruise missile range. Also, there is no way for us to tell from pictures what is going on inside buildings or how many warheads a Soviet missile contains. Verification used to mean the ability to detect Soviet cheating. Unfortunately the term "verifiable" has since been changed to "adequately verifiable". This means that if the Soviets cheat so much that it poses a "military risk", we will be able to detect it in time to respond to offset the threat. Soviet cheating will, however, be undetectable to a large extent. What constitutes a military threat is somewhat vague and it is rather frightening to think that we have so little information about Soviet compliance.

If the United States is to expect full cooperation on the part of the Soviets, we will simply have to trust them, and the Soviets so far have not been worthy of much trust. Former Secretary of Defense Melvin Laird has characterized the Soviets as flagrant violators of SALT I. He revealed what he felt was a deliberate pattern of violations and misleading information by the Soviets in an article in Readers Digest. The U.S.S.R. conducted more than fifty test flights of an air defense interceptor and associated radars in an anti-ballistic mode in violation of the Anti-Ballistic Missile Treaty of 1972. Negotiations on this subject proceeded for more than a year before the Soviets ceased their test program. It is probable that they finished their test program rather than that they felt a duty to cooperate with the U.S.

WOULD AMENDING THE TREATY HAVE A CATASTROPHIC AFFECT ON THE SOVIET-AMERICAN RELATIONS?

Carter and Brezhnev have both warned the Senate that any changes in the SALT Treaty would have a disastrous effect on Soviet-American relations.

In 1971, a treaty was signed between the Soviet Union and the Federal Republic of Germany. It was negotiated by the Social Democrat Free Liberal Coalition, which is still in power. Willy Brandt, the Chancellor, and Egou Bahr, the negotiator of the treaty, both threatened disaster if the German Parliament amended the treaty. The German Parliament went ahead and amended the treaty and Moscow readily accepted it, despite the Kremlin's previous warnings.

We do not want to upset Soviet-American relations, but the Russians' overwhelming desire to have a treaty and this example would tend to indicate that we can make a more equitable treaty without causing contention.

CONCLUSION

In summation, I would like to say that it was said of SALT I that it is not perfect but it is a start and perhaps SALT II will compensate. SALT I turned out to be an undisputable disaster, allowing Soviets a military buildup. Now it is said that SALT II is not perfect, but we believe that SALT III will make up for it. We cannot accept this belief, and we cannot allow ourselves to make the same mistakes we made last time. SALT II is not significantly limiting production of nuclear arms or disposing of the threatening arms already in existence. There are many fallacies in our monitoring systems. The Soviets have been granted special privileges, and we have no assurance that Carter will make up for these failures by developing and improving Minute Man III, the B–1, the Neutron Bomb, or our Cruise Missiles. For these reasons, I believe SALT II will seriously undermine the security of the U.S. and other Western European democracies by providing the U.S.S.R. with unilateral advantages. I feel, therefore, that it is my duty to oppose ratification of the SALT II Treaty unless it can be satisfactorily amended.

LOU BROCK: BASEBALL HERO

Mr. EAGLETON. Mr. President, for 15 years, it has been axiomatic in St. Louis baseball circles that as goes Lou Brock, so go the St. Louis Cardinals. When Brock is hot, so are the Cardinals, and when Brock goes cold, the team suffers.

Thus, when the Cardinals suffered through the worst season in their history in 1978, it was a sad reflection of what appeared to be the end of Lou Brock's career. The once-mighty left-fielder's batting average dropped to .221 in 1978 and many people were counting him out at the age of 39.

But in the words of Bing Devine, the former Cardinal general manager who brought Brock to St. Louis in 1964, "A superstar is never through until he hangs up his uniform. The truth of the matter is that somewhere they have a hidden source of ability that even they can't really explain." Those words describe no man better than Lou Brock.

Thus, it came as no surprise to learn that Lou Brock was coming back for 1 more year. Even at the age of 40, Brock simply had too much pride and too much talent to let his career fizzle to an end.

"I refused to let anybody deny me my final moment of glory," is the way Brock recently put it. "This is the fight within me. Last year, there came a time when everything I had done could have been tarnished. I refused to be denied."

So Brock came back for 1 more year and, fittingly, it has been one of the finest years of his stellar career. Throughout most of the 1979 season, Brock has maintained an average above the .300 mark, and has consistently ranked in the top 10 batters in the National League. He has led the Cardinals' dramatic surge back into pennant contention and, on a team resplendent with awesome hitters, he delivered the season's most awesome hit.

Prior to this season, only 13 men in the entire history of major league baseball had recorded 3,000 career hits. On August 13, 1979, Lou Brock joined that select society, ironically rapping his historic safety against the Chicago Cubs, the team that had traded him to St. Louis in 1964. It was Brock's second hit of the evening, in a thrilling game eventually won by the Cardinals by a score of 3 to 2. The game was interrupted for 16 minutes of noisy celebration, as Brock accepted the congratulations of friends, teammates, club officials, and the Cardinals' only other 3,000 hit player, Hall of Famer Stan Musial.

On September 9, Mr. President, St. Louis and baseball will honor Lou Brock on "Lou Brock Day" at Busch Memorial Stadium. It will be a day of well-deserved tribute for a man who, in addition to earning membership in the 3,000 hit club, has captured almost every major league base-stealing record, including most career stolen bases and most stolen bases in a single season; who ranks second in career World Series batting average and fifth in career World Series slugging average; who has maintained a career batting average of more than .290; who has sparked his team to three National League pennants and two World Championships; and who is a sure bet for admission to Baseball's Hall of Fame.

In honor of Lou Brock's outstanding achievements on and off the baseball diamond, I, on behalf of myself and Senator DANFORTH, have introduced Senate Resolution 227. I request that the clerk read the resolution, and the resolution be brought up for immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 227) to commend Lou Brock for his outstanding contributions to major league baseball.

Mr. EAGLETON. Mr. President, I should note this matter has been cleared on both sides of the aisle.

Mr. THURMOND. Mr. President, that is correct. It has been cleared on our side.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 227) together with its preamble is as follows:

Whereas September 9, 1979 has been designated as "Lou Brock Day" in Saint Louis, Missouri;

Whereas Lou Brock got his 3000th major league hit on August 13, 1979, thus becoming only the fourteenth player to reach that milestone;

Whereas Lou Brock holds almost every major league record for stolen bases, including most stolen bases in one season and most career stolen bases;

Whereas Lou Brock has made numerous and significant contributions to the nation outside of his endeavors on the baseball field, especially to the nation's youth; and

Whereas Lou Brock will retire from baseball at the end of the 1979 season, at the age of 40, after 19 years in the major leagues, 15 of which were spent with the Saint Louis Cardinals: Now, therefore, be it

Resolved, That the Senate wishes to honor and pay tribute to Louis Clark Brock for his outstanding achievements in a long and distinguished career in major league baseball, and for his civic and social contributions to the nation.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Lou Brock.

Mr. EAGLETON. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION ON MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

TREASURY-POSTAL SERVICE APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4393, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4393) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. CHILES. Mr. President, I am pleased to bring to the Senate today for consideration the appropriations bill for Treasury, Postal Service, and General Government. The amount of the bill before the Senate today totals $8,846,104,100. In round terms, the bill is $508 million below the appropriations provided in fiscal year 1979; it is $174 million under the requests from the various agencies included in the jurisdiction of this appropriations bill; and it is $454 million below the allocation from the first concurrent resolution. While we are now under the first concurrent resolution ceiling, it should be pointed out that approximately $440 million, or 97 percent, of the current underage will be needed to fund the October pay raises.

The Senate was able to consider a number of funding proposals that arrived too late for consideration in the House. Several of these proposals and a few items of significant priority were added to the bill as recommended by the House. These several additions to the House bill result in the Senate bill being $56.4 million over the amount recommended by the House.

Mr. President, we have a fine and well balanced bill that reflects the priorities established by the authorizing committees and by the members of the Appropriations Committee. This bill represents the product of 11 days of hearings and a fully attended subcommittee markup session. This bill was carefully considered by well attended full committee markup sessions which were convened on 3 different days over a period of 2 weeks. In order to have a fully complete legislative history on the full committee process, I ask unanimous consent to have printed in the RECORD at this point a listing and description of the 10 rollcall votes that were taken during full committee consideration of the bill.

There being no objection, the information was ordered to be printed in the RECORD as follows:

ROLLCALL VOTES IN COMMITTEE

By a vote of 10 yeas to 9 nays the committee agreed to a motion to strike Section 202 intended to prohibit the Postal Service from procuring its own electronic message system and from owning or operating its own electronic message system.

By a vote of 11 yeas to 4 nays the Committee agreed to a compromise motion intended to prohibit the Postal Service from procuring its own electronic message system and from owning or operating its own electronic message system.

By a vote of 4 yeas to 2 nays the Committee agreed to an amendment to increase the appropriation for the U.S. Postal Service by $4,000,000 in fiscal year 1980 for political committtee mailings.

By a vote of 10 yeas to 11 nays the Committee rejected a motion intended to prevent the initiation of a pilot program at IRS to use tax refunds to offset amounts owed the Government.

By a vote of 9 yeas to 13 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and Section 615 (Dornan) to be replaced with report language.

By a vote of 10 yeas to 12 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and Section 615 (Dornan), the sections dealing with IRS rulings on the question of tax exemption for private schools.

By a vote of 6 yeas to 15 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and to amend Section 615 (Dornan) by adding the following phrase to the amendment: "Without the prior approval of the appropriate congressional committees as designated by the Speaker of the House and the President of the Senate."

By a vote of 12 yeas to 11 nays the Committee accepted an amendment to strike Section 103 (Ashbrook).

By a vote of 11 yeas to 12 nays the Committee rejected an amendment to strike Section 615 (Dornan).

By a vote of 7 yeas to 18 nays the Committee rejected an amendment to strike Section 614 intended to prohibit IRS from disallowing tax exemptions for general purpose contributions made to religious organizations for educational purposes.

Mr. CHILES. Mr. President, the report to accompany this bill has been available since August 2, or for more than than a month, and is now before each Member at his desk. Pages 66 through 71 summarize the recommendations included in the bill. While I will not go over each and every item at this time, I would like to highlight a number of significant items in the bill.

Last week the Treasury Department released a study of the subterranean economy. The study shows that unreported and underreported income is now estimated to approach $135 billion annually, which results in a $19 to $25 billion loss of revenue to the Treasury each year.

I am competing here, Mr. President. I will be delighted to yield.

Mr. FORD. Mr. President, I apologize to the distinguished Senator. I was just trying to work out his legislation without any problems.

Mr. CHILES. My colleague learned to whisper in a sawmill.

Mr. FORD. That is all right; I did not have to walk to get there.

Mr. CHILES. In the process of the subcommittee hearings on the Internal Revenue Service budget, proposal, I discussed the declining trends of voluntary compliance with the U.S. tax laws with the Commissioner. In spite of these declining trends, IRS had proposed to reduce audit coverage from 2.24 percent in fiscal year 1979 to 2.11 percent in fiscal year 1980. In order to permit the Internal Revenue Service to maintain its audit coverage at 2.24 percent and in order to help reduce the declining trends of voluntary compliance with the U.S. tax laws, the committee has added $29 million and 1,500 positions to the Internal Revenue Service budget. This action will also generate an additional $145 million in tax revenue in fiscal year 1980 and subsequent years. The importance of this initiative is reinforced by the subterranean economy study released last week by the Department.

Mr. President, I am sure all the Members have received mail and heard expressions of concern regarding the Adminisration's proposal to reduce the U.S. Customs Service budget by eliminating in excess of 300 inspector positions. These positions are used at our many ports of entry around the country to expedite the processing of incoming passengers and cargo. In view of the 6-percent growth each year in both passengers and cargo tonnage that enters the United States, the committee did not agree with the administration's proposal to reduce the number of inspectors at our ports of entry. We have, therefore, added full funding for 200 inspector positions to the U.S. Customs Service budget over the number proposed by the agency.

Over the years the number of customs employees who earn excessive amounts of overtime pay has grown to the point where now over 275 customs employees are earning in excess of $20,000 a year in overtime pay each year. The subcommittee discussed this situation with the Commissioner of the U.S. Customs Service, Mr. Chasen, and are pleased that he is moving to initiate needed reforms in this area. In order to assist in this regard, the committee has recommended a $20,000 pay cap on the amount of overtime pay any one employee may earn in a given year. Our proposal is also to reduce this pay cap to $15,000 in the appropriations bill next year. To reduce the pay cap any more in 1980 would result in many of our ports of entry not being staffed in the last months of the year due to the fact that Customs has become dependent on overtime work in order to move cargo and process passengers.

Mr. President, as the Members know, the legislation to implement the Multilateral Trade Negotiations passed the Senate on July 26, 1979. This legislation imposed limitations on the amount of time that the Treasury Department may use to consider countervailing duty and antidumping cases. Where the Department of the Treasury has had the responsibility to implement these countervailing duty and antidumping programs for a number of years, their effectiveness has been limited and the backlog of cases now approaches 3½ years. In order to permit the Department to develop a more credible program in this area and to meet the time restrictions included in the implementing legislation for the Multilateral Trade Negotiations, the committee has provided an additional $1.3 million and 130 positions. The Department has also proposed to unify these programs under a new Assistant Commissioner.

Mr. President, after a great deal of debate the committee decided to adopt two spending limitations to be imposed on the Internal Revenue Service that have also been recommended by the House. The first of these is included in section 614 of the bill and has the purpose of prohibiting the Internal Revenue Service from issuing rulings that would deny taxpayers deductions for general purpose contributions to religious organizations which are used for educational purposes. The committee also agreed to adopt a provision included in section 615 of the bill which would prohibit the Internal Revenue Service from carrying out their proposed revenue procedures relating to the tax exempt status of private schools. These revenue procedures were intended to provide guidance to taxpayers and Internal Revenue Service agents in making determinations on the question of whether or not a particular private school is racially nondiscriminatory and therefore eligible for tax exempt status. I and a majority of the members of the committee felt these revenue procedures should not be issued until approved by the appropriate authorizing committees, therefore, this section will give the authorizing committee time to complete their review before IRS issues them.

The committee has recommended $2.3 million for the Volunteer Income Tax Assistance Program, which is $500,000 more than requested. It is the committee's intention that these additional funds will be used entirely to assist the elderly in their preparation of tax returns and other matters of this nature.

The committee has recommended $1,379,000 and 51 positions for the cigarette anti-bootlegging program. This program is intended to curtail and eliminate the contraband cigarette racketeering which results in a loss of State tax revenues estimated to be approximately $390 million a year.

Mr. President, with regard to the Postal Service, the committee recommends a spending prohibition intended to prevent the Postal Service from entering directly into the electronic communications market. The committee's view is that as the private sector is already in this market, has the capability to serve it, and can provide adequate services, there is little demonstrated need for the Postal Service to directly compete with the private sector. The committee has also added $4,000,000 for fiscal year 1980 to permit the Postal Service to begin subsidizing the mailings of qualified political committees. This will permit National, State, or congressional committees of major and minor parties to enjoy the same subsidized mailing rates as do the various nonprofit public interest and lobbying groups that are also an important part of the political process in this country.

There are several items included in the bill as recommended to the Senate which should substantially assist our efforts to curtail fraud and abuse in the Federal Government. In this regard, the committee has recommended $18,874,000, or $6,561,000 more than requested by the administration, for the Office of Inspector General at the General Services Administration. All the Members I am sure are well aware of the series of scandals that have been occurring at GSA and have been unfolding in press stories over the last 18 months.

This funding will help establish, pursuant to authorizing legislation, an independent office within the General Services Administration with responsibility for investigating and prosecuting fraudulent activities by Government employees within the agency. Also recommended in the bill is $665,000 of additional funding for the Federal Law Enforcement Training Center. These additional funds are required to expand the white collar crime course at the center in order to train the investigators being hired by the Inspector General at GSA and investigators being hired by the other Inspector General offices being established in the various Federal agencies.

Mr. President, as the Members will recall, the Civil Service Reform Act that the Congress passed last year established the Merit Systems Protection Board and the Federal Labor Relations Authority. In order to permit the Merit Systems Protection Board to successfully accomplish all the responsibilities assigned to it, the bill before the Members provides $1,575,000 more than recommended by the House for the programs of the Merit Systems Protection Board. This will provide a funding level of $12,075,000 for the Board in 1980, which is the full amount requested by the Board and the amount recommended to us by the General Accounting Office. Upon completion of my statement, I intend to offer an amendment to add an additional $1,542,000 and 63 positions to the amount recommended by the Committee for the Federal Labor Relations Authority. This additional funding was requested after the full committee completed its actions and has been recommended by the administration and the General Accounting Office. This is the additional amount needed for the authority to carry out its expanded functions under the Civil Service Reform Act of 1978.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, providing that no point of order shall be raised by reason of agreement to this request.

The PRESIDING OFFICER. (Mr. PRYOR). Is there objection?

Mr. SCHMITT. Mr. President, reserving the right to object, and I will not object, if the chairman will yield for a moment I would like to suggest the absence of a quorum to work out a minor problem.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I withdraw the unanimous-consent request I had proposed.

Mr. President, at this time I would like to thank the distinguished Senator from New Mexico, Senator SCHMITT, and his committee staff, Mr. Burkett Van Kirk, for their very able advice and assistance to me in the process of developing this bill. Senator SCHMITT's contribution was indeed large and we are grateful to him. If he would care to make any comments at this time, I am prepared to yield to him.

Mr. President, I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, as the ranking minority member of the subcommittee which considered H.R. 4393, the appropriations bill for fiscal year 1980 for the Department of Treasury, Postal Service, and General Government, I want to associate myself first of all with the remarks of the distinguished chairman of the subcommittee, the Senator from Florida. I also want to cite the chairman's leadership and perseverance in reporting this somewhat controversial bill to the Senate. Those of my colleagues who did not participate in the subcommittee, and more particularly in the full committee markup, may not be aware of the time bombs that exist in a bill of this kind. So far we have wound our way through that particular mine field.

The subcommittee held extensive hearings with officers and officials of the executive branch to provide a thorough review of the administration's budget request. Our recommendation of $8,816,305,100 should provide adequate resources for the agencies under the subcommittee's jurisdiction. The amount recommended to the Senate as indicated by the Senator from Florida is $508,272,900 below what was appropriated last year and $173,063,900 below the administration's request for fiscal year 1980.

This bill contains a number of issues with which the subcommittee and even the full committee have wrestled for some time. I think the final legislation as reported represents a general consensus of all the members of the Appropriations Committee except, unfortunately, for my concern about having the IRS collect debts by setoff. This position is well illustrated by minority views in the committee report and will be the subject of a subsequent amendment offered by the Senator from New Mexico.

With respect to the Bureau of Alcohol, Tobacco, and Firearms, we have provided $1.550 million for explosives detection tagging research. Congress has always been strongly supportive of the Bureau's efforts to suppress arson and illegal explosives activity. We have been particularly interested in the explosives tagging program in spite of controversy which it has engendered. Therefore, we have authorized more funds for research in this area but specifically admonished the Bureau to take no steps, and I repeat no steps, toward implementation of the tagging program until the Office of Technology Assessment has reviewed the viability of the program and the committee gives its specific approval to proceed further.

Of course, my colleagues are aware that the controversy surrounding tagging has to do with the use of tagged explosives in firearms for private and legitimate purposes.

We have provided Customs with additional inspectors who are vitally needed at our gateway ports of entry. We have attempted to improve Customs air interdiction capabilities. Hopefully, we have moved to eliminate the abuses regarding overtime pay to U.S. Customs Service employees. During the course of the hearings, the committee received evidence that approximately $70 million or 15 percent of the total Customs' budget of $447 million would be spent on overtime pay. Such an expenditure is patently ridiculous and the committee has taken positive action to prevent what would otherwise be a clear misuse of taxpayer funds.

Our colleagues ought to be aware of another important provision in this bill. Without a shred of statutory authority, IRS has announced it intended to issue proposed regulations that would not approve deductibility status for nonprofit educational institutions that failed to meet racial admission standards. In other words, the IRS would hold private schools guilty of discrimination until they established their innocence. Such a proposal would be a virtual death sentence for hundreds of private schools, particularly those of a religious nature. This bill, by funding limitations, prevents the bureaucracy, in this case the IRS, from seizing substantive legislative power in the name of social engineering.

Mr. President, I want to emphasize that this is a decision that the IRS should not make; that it is the Congress that should determine the tax status of nonprofit educational institutions.

Another area of concern relates to IRS policies in the use of law enforcement personnel. IRS is a tax collection agency and not a law enforcement agency. The excessive use of criminal investigators and overabundance of agents authorized to carry firearms is inexplicable. The Service has been put on notice that we intend to thoroughly look into this matter next year and will make every effort to pare and reduce the number of law enforcement personnel employed by the agency commensurate with their responsibilities.

For the U.S. Postal Service, we have approved limited funding for revenue forgone for committee political mailings. This concept of reduced rate mailings for political committee mailings is similar to the postal benefits accorded scientific, educational, charitable, and other public service organizations.

It is hoped that with the new proposed rate schedules of the Postal Service, over a period of years all or most of the discrimination that exists now in various mail rates will disappear.

Also with respect to the Postal Service, the committee has taken the position that electronic communications which have traditionally been in the hands of private companies such as Western Union, the Bell Telephone System, IBM, and others should remain in the private sector. Thus, the committee has determined that, for at least the coming fiscal year, Uncle Sam will not compete with private firms to control the electronic mail industry. This prohibition will not affect—I repeat, will not affect—research and development activity nor the delivery of hardcopy messages such as Mailgram. The provision will provide Congress time to study the issue and to formulate a policy outlining the role of the Postal Service in electronic communications vis-a-vis that of the private sector in electronic communications.

During the course of our hearings and deliberations, we became well aware of numerous complaints regarding the manner in which the Council on Wage and Price Stability amended its program of voluntary price and wage guidelines. There is no doubt that the Council has been changing its standards on a piecemeal basis without adequate notice and making new standards effective retroactively. The Council should be aware that we in the legislative branch are watching.

Next year, if necessary, we will do more than issue an admonishment that due process be accorded the private sector as that sector is affected by the Council's program. Every one of us realizes the threat to this Nation caused by excessive Government spending with resultant spiraling inflation. However, we are at this time supposed to have a voluntary wage/price program and excessive arm twisting or jaw-boning of targeted industries by high administrative officials should be avoided. At the same time, excessive wage and price increases are obviously not in the national interest.

Finally, Mr. President, let me call my colleagues' attention to the situation at the Federal Elections Commission. At the time of our hearings, not one single certified public accountant was on its auditing staff. Staff turnover was running at least 25 percent annually. Most disturbingly, there have been allegations that, in the Office of General Counsel of the FEC, we may have individuals closely connected to the current administration. The Commissioners must make sure that all of their employees treat all of the various candidates and all the political parties with nonpartisan equality and equity.

In closing, Mr. President, I once again want to extend my appreciation to the chairman of our subcommittee for his handling of this legislation. Likewise, I wish to call to the Senate's attention the outstanding service performed for our subcommittee by the clerk on this bill, Mr. Michael Hall, and Mr. Burkett Van Kirk of the minority staff.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALLS PRIOR TO 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcalls, excluding possible rollcalls to get a quorum—and I do not expect that—prior to 2:30 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, during House consideration of the Treasury and Postal appropriation bill currently before us, two very important amendments were adopted intended to bar implementation of proposed IRS racial discrimination guidelines for many tax exempt schools and academies throughout the Nation. The IRS proposed regulations involved have been criticized by church, synagogue, and civil libertarian organizations; by parents, educators, and those most directly involved in the educational process. The two amendments already in the bill before us would help these people. They would bar the IRS from using money to implement what has become one of the more unpopular and controversial schemes to emanate from Washington in many years.

The two amendments are a package. Introduced by Congressman Dornan of California, the first amendment, approved on July 16 in the House, specifically prevents the Internal Revenue Service from using any appropriated money to cause the loss of tax exempt status by the agency's regulations proposed on August 22 of last year and February 13 of this year. The second Dornan amendment, also a part of the appropriation bill before us, bars the use of IRS funds from denying a charitable deduction for general purpose contributions, examples of such contributions being the moneys used for educational purposes by tax exempt religious organizations.

Earlier this year, I introduced two bills intended to accomplish the same purpose, S. 449, the Save our Schools Act, and S. 103, the Charitable Organizations Preservation Act. The 20 of my colleagues who cosponsored my two bills, as well as the many Senators who have personally said that they share the spirit and purpose of the letter of my legislation recognize the central principle at stake. They recognize that we face a separation of powers problem, and an affront to the civil liberties of educators and a threat to the quality of the teaching they are expected to do.

Parochial schools have been organized in our country during the past 2 years at the rate of 3 per day throughout the United States. It is estimated that if this pace continues, by 1992, the number of private and alternative schools in our country will equal the number of public schools. They will continue to complement the important role and preserve the quality of public schools, and parochial school development is in the long-run interests of both educational systems.

If the proposed IRS procedures are implemented, we not only retard this increase in the number and diversity of our elementary and secondary schools. We also allow to slip into regulatory hands powers that are granted to Congress. We allow over 3,500 private schools and academies in our country to be victimized by potential agency harassment, leading to the intimidation of present and potential contributors to these educational institutions.

In the final analysis, it would be the taxpayer, the parent and the child who would pay for the IRS prerogatives their newly proposed regulations would institutionalize.

This is primarily why I believe so strongly that the House amendments to the pending appropriation bill must be retained. It is why I urge my colleagues, especially those who have not yet come to a decision, to vote to retain these very important amendments.

And it is why, Mr. President, at the appropriate time following the substance of the impending debate on these IRS amendments in question, I hope one of my colleagues will move to table a motion for their deletion.

WHY THESE IRS AMENDMENTS OUGHT TO BE ADDED TO AN APPROPRIATIONS BILL

The proposed regulations the IRS wishes to promulgate are scheduled to go into effect in January of 1980. In the House, there are more than 120 Members who have cosponsored more than 20 bills to delete or set back the regulations in question. Hearings were held, though the bills—like those I have introduced in the Senate—are destined never to reach the full committee stage in time to have any real effect on the controversial regulations in question. If we do not act now; if we do not amend the appropriations bill in the manner the House has suggested, there will be no practical recourse for the many schools involved which are fighting for their existences in the face of the IRS threat.

WHY THE IRS ALREADY HAS SUFFICIENT AUTHORITY TO REVIEW SCHOOL EXEMPTIONS (THAT IS, AND THE PROPOSED REGULATIONS WOULD GIVE IRS EXCESSIVE AUTHORITY)

Current IRS regulation No. 7450 already gives the IRS sufficient authority to review schools according to a case by case process which they have been using up to August 22 of 1978. This is proper authority within the scope the IRS was originally granted. Giving the IRS a form of "class action" power to remove the tax exemptions of the many private schools in question is a much broader, and a substantive as opposed to procedural authority which Congress ought not and has not granted to the IRS.

WHY THE IRS REGULATIONS IN QUESTION VIOLATE CIVIL LIBERTIES

The August 22, 1978 proposed IRS regulations changes the burden of proof from the IRS having to prove that a particular school is in fact discriminating to the private school having to prove to the IRS satisfaction that it is not. In other words, "guilty until proven innocent" is the standard to be institutionalized on a class basis. There is nothing in past court decisions nor in any interpretation of the 14th amendment to justify such a rendering.

WHY THE IRS REGULATIONS VIOLATE SEPARATION OF POWERS

The proposed IRS action is a serious infringement by the executive branch of the Government on the constitutional provision making the Congress the sole legislative body, specifically in the powers delineated in article I. To date, the Congress has not legislated or in any way acted to give the IRS the policy authority it claims to have been granted by us.

Only Congress has the right to legislate a new tax status for traditionally exempt charitable institutions. Nowhere has Congress given the IRS the authority to regulate educational policies or enforce these proposed guidelines. The Green against Connally court case (1971) cited in a colleague letter sent to all of us this morning by Senator Javits, a case upon which Senator Javits' case rests, relies solely on segregated academies with no open admission policies in the State of Mississippi. In the Supreme Court case, Bob Jones University against Simon (1976), the Court ruled that the Green against Connally case was not a true adversary proceeding and therefore could not serve as a legal precedent.

So I cite that to my colleagues in advance of the debate on these two amendments because, literally, if we decide to take out these amendments, we are decreasing the power of Congress in favor of increasing the power of regulatory bodies, and that is a bad precedent for us to follow.

Mr. CHILES. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of section 102, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be raised by reason of agreement to this request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

On page 2, line 12, strike "$30,850,000" and insert "$30,550,000";

On page 2, line 23, strike "$60,000" and insert "$80,000";

On page 3, line 1, strike "$22,700,000" and insert "$22,752,000";

On page 3, line 11, strike "$12,670,000" and insert "$13,335,000";

On page 3, line 15, strike "$191,115,000" and insert "$190,361,000";

On page 4, line 4, strike "$139,000,000" and insert "$138,482,600";

On page 4, line 13, beginning with the colon, strike through and including "1979" in line 20;

On page 5, line 4, strike "$446,857,000" and insert "$447,457,000";

On page 5, line 8, after "expended" insert "and of which $3,300,000 shall be available for the Antidumping and Countervailing Duty Program";

On page 5, line 13, strike "the annual base salary of that employee" and insert "$20,000";

On page 5, line 18, strike "$50,580,000" and insert "$53,347,000: *Provided*, That $5,700,000 of the unobligated balances in the construction account shall also be made available for salaries and expenses";

On page 6, line 16, strike "$773,160,000" and insert "$774,660,000";

On page 6, line 23, strike "$784,000,000" and insert "$818,711,000";

On page 7, line 10, strike "$475,000,000" and insert "$476,711,000";

On page 8, line 3, beginning with "$157,000,000" strike through and including the word "Act" in line 12;

On page 8, line 12, after "*Provided*," insert the following:

"That $5,600,000 previously appropriated for payment to State and local governments for protection of permanent and observer foreign diplomatic missions, pursuant to Public Law 94–196, shall be made available during fiscal year 1980 for salaries and expenses: *Provided further*,"

On page 8, line 19, beginning with "and" strike through and including the word "candidate" in line 23;

On page 9, beginning with line 1, strike through and including line 6;

On page 10, line 21, after "That" insert "for the fiscal year ending September 30, 1980,";

On page 11, line 2, after "amended" insert a colon and the following:

Provided further, For an additional amount for payment to the Postal Service Fund for the fiscal year ending September 30, 1979, pursuant to Public Law 95–593 and 39 U.S.C. 2004, $2,000,000.

On page 11, beginning with line 7, insert the following:

GENERAL PROVISIONS—UNITED STATES POSTAL SERVICE

SEC. 201. Appropriations in this Act to the Postal Service Fund shall not be available for the payment of the salary of any postmaster appointed after the date of the enactment of this title unless such postmaster is selected under a procedure which provides a priority for otherwise qualified applicants for the positions of postmaster who reside in the area which is served by the post office for which such position is to be filled.

On page 11, beginning with line 17, insert the following:

SEC. 202. No funds appropriated under this Act shall be available to the Postal Service if the Postal Service: procures its own electronic message system; owns or operates electronic transmission capacity or facilities, including switching devices, which may be used to send electronic messages; markets directly to the public electronic message services; without congressional approval. Nothing in this section shall be construed to affect the ability of the Postal Service to undertake research and development and testing of electronic message technology applications on an experimental basis or to affect contracts in existence on the date of enactment of this Act.

On page 12, line 11, beginning with the colon, strike through and including the word "Code" in line 15;

On page 12, line 19, strike "$11,000,000" and insert "$7,628,000";

On page 13, line 23, strike "$40,000" and insert "$60,000";

On page 14, line 21, strike "$7,500,000" and insert "$8,483,000";

On page 15, line 8, strike "$2,600,000" and insert "$2,650,000";

On page 15, line 20, strike "$27,600,000" and insert "$32,486,000";

On page 15, line 25, after "$3,000,000" insert a colon and the following:

"*Provided*, That there shall be transferred from the Department of Defense to the Office of Federal Procurement Policy the functions performed by the Federal Acquisition Institute, including personnel."

On page 17, beginning with line 18, insert the following:

"FEDERAL ELECTION COMMISSION

"SALARIES AND EXPENSES

"For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1976, $8,646,000, of which $750,000 shall be available only for activities, including contract support, of the National Clearinghouse of the Federal Election Commission."

On page 19, line 1, strike "$1,423,622,000" and insert "$1,421,985,000";

On page 19, line 2, strike "$18,787,000" and insert "$29,280,000";

On page 19, line 11, strike "$2,500,000" and insert "$21,573,000";

On page 19, line 12, strike in its entirety;

On page 19, beginning with line 15, strike through and including line 17;

On page 19, beginning with line 20, strike through and including the word "and" in line 21;

On page 19, line 25, after "per centum" insert a colon and the following:

"*Provided further*, That all appropriations for direct construction projects shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date."

On page 20, line 5, strike "$180,000,000" and insert "$144,570,000";

On page 20, line 6, after "repairs" insert a colon and the following:

"*Provided*, That appropriations made to the Federal Buildings Fund for Alterations and Major Repairs shall, for prospectus projects be limited to the amount by project shown in the budget justification therefor, except each project may be increased by an amount not to exceed 10 per centum to the extent that savings are effected in other such projects but by not to exceed 10 per centum for each project: *Provided further*, That all appropriations for alterations and major repair prospectus projects shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date"

On page 20, line 19, strike "$554,600,000" and insert "$577,900,000";

On page 22, line 3, strike "$1,423,622,000" and insert "$1,421,985,000";

On page 20, line 6, after the comma, insert the following:

"That for additional expenses necessary to reimburse the fund established pursuant to Section 210 of the Federal Property and Administrative Services Act of 1949, as amended, for expenditures made under 210(j) of said Act, $115,000 to be deposited to said funds"

On page 20, beginning with line 11, strike through and including "1949" in line 17;

On page 23, line 18, strike "$3,255,000" and insert "$2,855,000";

On page 23, line 25, strike "$8,900,000" and insert "$9,222,000";

On page 26, line 5, insert "(INCLUDING TRANSFER OF FUNDS)";

On page 26, line 7, strike "of" and insert "including administrative and staff support services for";

On page 26, line 9, after "Administration" insert "not otherwise provided for";

On page 26, line 9, strike "$18,988,000" and insert "$104,758,000";

On page 26, line 11, after "expenses" insert a colon and the following:

"*Provided further*, That this appropriation shall be available, subject to the reimbursement by the applicable agency, for services performed for other agencies pursuant to section 601 of the Economy Act of 1932, as amended (31 U.S.C. 696)"

On page 26, beginning with line 16, insert the following:

"OFFICE OF INSPECTOR

"For the necessary expenses of the Office of Inspector General, $18,874,000: *Provided*, That not to exceed $10,000 shall be available for payment of information and detection of fraud against the government, including payment for stolen government property."

On page 27, line 7, strike "$798,000" and insert "$759,500";

On page 27, line 10, after the period, strike through and including line 13;

On page 27, beginning with line 14, strike through and including line 23;

On page 28, line 5, strike "$6,600,000" and insert "$6,669,000";

On page 30, line 1, strike "$114,139,000" and insert "$113,939,000";

On page 31, line 23, strike "$10,500,000" and insert "$12,075,000";

On page 32, line 10, strike "$3,250,000" and insert "$4,516,000";

On page 32, line 17, after "including" insert "services as authorized by 5 U.S.C. 3109, including hire of experts and consultants,";

On page 37, line 3, after "vehicles" insert "purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976";

On page 38, line 11, strike "Israel,";

On page 43, beginning with line 15, insert the following:

SEC. 613. (a) No part of any of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act, may be used to pay the salary or pay of any individual in any office or position in an amount which exceeds the rate of salary or basic pay payable for such office or position on September 30, 1979, by more than the overall average percentage increase in the General Schedule rates of basic pay, as a result of any adjustments which take effect during such fiscal year (1) under section 5343 of title 5, United States Code, if such adjustment is granted pursuant to a wage survey (but only with respect to prevailing rate employees described in section 5342(a)(A) of that title); or (2) any negotiated agreement pertaining to Government prevailing rate employees to whom section 9(b) of Public Law 92–392 applies.

(b) The limitations on the availability of funds imposed by this section shall not restrict the payment of any rate of basic pay which does not exceed $4.22 per hour, if such rate of basic pay would be payable were it not for this section.

(c) For the purpose of administering any provision of law, rule, or regulation which provides premium pay, retirement, life insurance, or any other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

On page 44, line 17, strike "613" and insert "614";

On page 44, line 24, strike "614" and insert "615".

Mr. McCLURE. Mr. President, I think the procedure that has been adopted now leaves in section 102 of the bill as passed by the House. I assume that the managers of the bill will make a motion to strike that section, pursuant to the committee action that was taken. It will be my intention to resist the motion to strike section 102.

Does the Senator from Florida agree that that will be the procedure?

Mr. CHILES. The Senator is correct. If he wishes, I will make that motion now, so that we can proceed with the debate.

Mr. McCLURE. That is fine. I yield to the Senator for that purpose.

Mr. CHILES. On behalf of the committee, Mr. President, I move to strike section 102 of the original text, and I will send that amendment to the desk.

Mr. President, the subcommittee, in looking at the House proposal, noted that an amendment was proposed on the floor of the House that was contained in section 102, which stated:

> None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

No hearings were held on this provision. There was no real guidance that the subcommittee could find as to why this proposal was included or what the effect of the proposal would be. So the subcommittee felt that it would be more appropriate for us not to consent to this but to take this section to conference with the House and then, at the conference, try to determine what the effect of this would be, whether the Fair Debt Collection Practices Act should apply to the Internal Revenue Service.

It appeared that it was not designed to cover IRS, to start with, but to cover private collection agencies, and that it would be better to take this to conference than for us to say that we would take the amendment. The full committee agreed with that proposition.

As my memory serves me, we never had a vote in either the subcommittee or the full committee, nor did we really debate the proposal in either of those committees, other than to say that we would just take the matter to conference and see what the rationale was when the amendment was adopted on the floor of the House.

That was the action taken by the subcommittee and the full committee, and that sort of set the stage for this debate.

It was my feeling then, and it is my feeling now, that with an amendment such as this, where there have been no hearings, where there really has not been any consideration, the Senate would be better off not to go along with the amendment and to let us take it to conference, where it would be an issue, and determine what the rationale was in the House in proposing the amendment.

Mr. SCHMITT. Mr. President, the recollection of the Senator from Florida coincides with mine, with respect to subcommittee and committee action and as to the decision to refer this matter to the conference.

I think it is an issue on which, at first blush, I would find myself in sympathy with the Senator from Idaho. However, I do not believe we have before us the basis on which to make a considered judgment as to what purposes would be served by the use of the Fair Debt Collection Practices Act provisions as restrictions on the IRS.

I suspect that they may need that, but I do not understand the issue well enough to be supportive at this point. I have worked very hard in the Banking Committee to defeat that bill, and I think I understand how the bill does affect the private sector. I do not at this point claim to understand how it would affect the IRS.

Mr. McCLURE. Mr. President, I oppose the motion of the Senator from Florida to strike this language in section 102 of the bill as sent to us from the House, and I shall state very briefly for the RECORD my reasons for opposing it.

First of all, it has been said there was no debate in the subcommittee or in the full committee, no discussion, and no vote. As a matter of fact, there was some discussion. It was somewhat limited, because the committee had not held hearings on this specific language. It being a House amendment rather than a Senate subcommittee or committee amendment, there was no reason for the Senate to hold hearings on this specific amendment. But the Treasury-Post Office Subcommittee of the Appropriations Committee has held hearings in the past on the collection abuses by IRS. Anyone who has been around here more than a year or two will recognize that every Member of Congress in this body or in the other has a horror file about the abuses by IRS of the rights of individual citizens in this country.

There is no one who is more concerned than I about the Federal Government collecting the amount of taxes that is due from any taxpayer. I think it goes without saying that this amendment is not intended in any way to inhibit the legitimate enforcement of the law against taxpayers who owe taxes and will not or do not pay them.

But we know, every one of us, whether we have held formal hearings in this subcommittee on the particular amendment, or whether we have had hearings in the past on other similar proposals or just abuses in general, that IRS agents have harassed and abused the taxpayers in the country.

I am always amazed at the ability of this Congress to set up rules for everyone else but exempt the Federal Government from them. We have all kinds of rules and regulations dealing with individual conduct or private business conduct, but most of them exempt the Federal Government from the same restrictions. Why? And why even more so in an area as critically sensitive as a voluntary tax collection system based upon the support of the American people to voluntarily fill out their tax form and to voluntarily submit a check that they say, "This is what I think I owe the Government?" Then to turn around, on the other hand, and say that the Government then can step forward and harass and abuse the taxpayer and then to say that we cannot accept an amendment because we do not know what it means strikes me as being a little anomalous for, as a matter of fact, we know what IRS has been doing. We know that the majority of their agents act responsibly. We know that in many instances there are taxpayers who have approached us who claim abuses who really owe the tax. And I am sure the Senator from Florida and the Senator from New Mexico would have to confess that in our files we have letters where we have taken the case for a constituent who felt abused and found that the constituent was wrong, but I think we would also have to confess that there are dozens upon dozens of cases in the files of every Member of Congress where an IRS agent or the agency as a whole has used its coercive power to collect or to attempt to collect taxes that were not due or taxes upon which there was a reasonable argument on a legal basis as to whether or not they were actually due and collectible.

I remember the instance of the taxpayer, a small businessman in a small northern Idaho community, who wrote me that he just had his bank account seized by the IRS because he had not paid the withholding tax or he had not submitted the tax that he had withheld from his employees and had not sent it in. He produced the canceled check payable to the IRS in the exact amount claimed that matched with the return that he had filed. They said: "We don't have any record of it." He produced the check that showed that they not only had received the check but had deposited the check and it had been returned to him and charged against his account. They still refused to release his bank account because they did not have a record of it.

Here was a small businessman who was about to be put out of business because the bureaucratic agency could not make up its mind whether or not they had adequate information as to the payment of the tax.

I think we know some of the old stories, and these do not come from my own personal recollection, of IRS agents who come in to a place of business and embarrass the taxpayer before all of his employees and his customers by threatening to put a padlock on the door to collect the taxes due when there was a legitimate argument about whether the taxes were due and when there were other means by which they could settle whether or not the taxes claimed by the IRS were due.

We know of the case when an IRS agent struck a pregnant woman in her own home, knocked her down, and caused a miscarriage because of his excess in the desire to collect taxes because they get a percentage of what they collect on old taxes. That is another system that I think maybe we should look at. They have an incentive system. The more you can extort from people, the more money you get. We call it a reward system.

Mr. CHILES. The IRS agent gets it?

Mr. McCLURE. Yes, the IRS agents gets a portion. He gets paid for collecting more taxes, and those lead to abuses that we sought to correct in the passage of the Debt Collections Act. It does not seem to me at all reasonable to expect that the Federal Government agents can use means which we have prohibited to be used in the collection of debts in the private sector.

This amendment which the committee seeks to strike that was added in the House of Representatives simply says:

> None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

Mr. President, is the Senate now about to go on record saying that IRS agents can harass and abuse taxpayers?

It seems to me that is the necessary implication of a vote to strike language that says they cannot.

I do not know how other Senators may feel, but I agree with the action taken in the other body. When this amendment was offered on the floor of the House of Representatives, it passed by a vote of 299 to 69.

I have communicated with the Commissioner of the Internal Revenue Service who says, "Well, we can't really tell what this would do."

They had appeared in opposition when this bill was in markup before the subcommittee, and they said they were opposed to the bill, opposed to this section, and they wanted it stricken.

We asked why. They said: "Well, we can't really tell you why except we don't think it fits very well with our operations."

Are their operations based upon harassment and abuse?

Following the hearing and the action by the subcommittee and the full committee, I wrote to the Commissioner of Internal Revenue Service and asked him to comment, and about all they said in reply was: "We don't really know what it means; therefore, we are opposed to it. We don't know quite how it would fit; therefore, we are opposed to it. Besides that, we already comply with the spirit of that act."

Well, if they are complying with the spirit of the act why do they object to the language being added? It would not change anything apparently. But they do not want to have to change their methods. If, as a matter of fact, what we have required of private business and private collection agencies in terms of the rights of the debtor is correct, they do not want to have that same protection applied where it is a taxpayer who is being harassed or threatened by the IRS or it is the Federal Government that is trying to collect the tax.

Mr. President, let us have no misunderstanding about who will be benefited or who will be hurt by this amendment. It is not an amendment to help big business because there are batteries of accountants and tax lawyers and there are tens of thousands of dollars involved in the collection, and there is a specific exemption in the Fair Debt Collection Practices Act.

This is a measure intended to and designed to deal only with the relationship of the ordinary citizen, the natural person, as defined by the statute.

This is intended to allow them to know that we in the Congress of the United States are concerned as to whether or not their Government can use unfair practices, and harass and abuse taxpayers without notice to them, with intimidation in their place of business or in their homes.

It seems to me if we in the Congress have felt it was necessary to do that with respect to private businesses and to private debt collection services, we ought to be equally and, perhaps, even more, concerned about how the Federal Government itself goes about collecting the amount of money the Government claims is due.

For that reason, Mr. President, I oppose the motion to strike section 102.

I thank the Senator from Florida and the Senator from New Mexico for helping to arrange and agree upon the procedure by which we come to the point of a motion to strike, thus preserving the House language unless the Senate agrees to strike the language. I just have a feeling that deep down the Senator from Florida and the Senator from New Mexico do not disagree with the Senator from Idaho. I hope the Senate will agree with the action taken in the other body since this is a limitation on an appropriation measure, and its life is coincident with the extent of the period during which that money will be expended. During that period of time I hope the appropriate legislative committees will take a look at how it is operated, will take a look at the protections that are necessary, and that we can then, before the expiration of that period, have enacted permanent legislation that will protect the rights of individual taxpayers.

In the meantime, I hope the Senate will agree to the maintenance of this amendment added by the other body, and that the taxpayers of this country at least will have that much breathing space, without irreparable injury to the Government.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. McCLURE. I would be happy to yield to my friend.

Mr. HELMS. Mr. President, I certainly agree with the distinguished Senator from Idaho (Mr. McClure). This amendment must stay in this bill if the taxpayers are to have any equity whatsoever in their dealings with the Internal Revenue Service.

About 10 days ago I went over to the western part of my State to visit with a distinguished group of Americans who are the survivors of the Bataan-Corregidor death march. One of the men attending that function handed me a thick file on a dispute he is now having with the Internal Revenue Service.

I do not suggest that Commissioner Kurtz even knows about this matter, or that he condones it. It gets down, however, to the point of who is running the store.

This man, who survived the Bataan-Corregidor death march, showed me, as I said earlier, a thick file of correspondence with an Internal Revenue Service representative. The IRS refused to answer any of the man's questions, they refused to accede to any request, so he said, "Well, all right, I will stand pat."

Whereupon, the IRS sent a bill for $134,000 in taxes. He said, "I do not know where they got that figure. They would not explain it. They said, in effect, 'We will take you to court.' "

This man does not have the funds to fight the IRS in court. He would have to compete with the salaried attorneys of the Federal Government at his own expense.

Now, if I have any advice at all for Commissioner Kurtz it is that he immediately implement a plan to monitor what his people are doing. Maybe there will be some reconciling of the attitude by some IRS people.

So I agree with the Senator from Idaho that this amendment should stand, it should not be stricken, and I do hope my friends from Florida and New Mexico will not resist the retention of the amendment.

I thank the Senator for yielding to me.

Mr. McCLURE. Mr. President, it is my understanding that there will be no rollcall votes prior to 2:30 this afternoon, by unanimous-consent agreement; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Mr. President, it will be my intention to ask for a rollcall vote on the motion to strike.

Let me conclude my remarks at this point by making reference to one other portion of the amendment that has not heretofore been discussed in detail.

The amendment would prohibit employees of the Internal Revenue Service from communicating with a third party unless that party was the attorney for the individual taxpayer concerned. In other words, the IRS agents, as any other debt collection agent, would no longer be allowed to question a taxpayer's neighbors, friends, or relatives as to his lifestyle or various other assorted unethical questions.

The Commissioner of Internal Revenue Service has indicated in his letter to me that he finds that objectionable, and apparently it is his intention to continue the practice of IRS agents going around and questioning all of the friends, neighbors, and relatives of a taxpayer in order to try to find the evidence to sustain the case before they have even made the allegation.

As every Member of this body knows, that has had a very bad effect upon the reputation of a number of people who were not guilty of any wrongdoing, who owed no tax at all, and it was exactly that kind of abuse we attempted to eliminate when this body passed the Fair Debt Collection Practices Act on August 5, 1977.

Now, only a little better than 2 years later, we are trying to extend the benefits of the protection of that law to those the Government claims owe them or owe it some money.

The PRESIDING OFFICER. Who yields time?

Mr. SCHMITT. Mr. President, I yield myself such time as I require. For the purposes of the Senator from Idaho's understanding, I want to say that the time was an hour-and-a-half on my time, and I am yielding the Senator such time as he requires for this consideration.

Mr. McCLURE. I thank the Senator.

Mr. SCHMITT. Mr. President, I find myself in a very awkward position because I agree completely with the concerns of the Senator from Idaho with respect to many of what are commonly called abuses of the IRS in their collection activities.

The tax system of this country must be a voluntary system, and one of the best ways to get it to cease to be a voluntary system, other than overtaxation, which we are doing very well also, is to put the taxpayer in fear of or at odds with the tax collector.

My concern, having dealt with the Fair Debt Collection Act in the Banking Committee, is that there was just no consideration, although there should have been, because of jurisdictional problems, of the IRS question. The question of the IRS abuses goes far beyond those that have been considered in the total consideration of this act in the Banking Committee. As a matter of fact, the reason I opposed this act in the Banking Committee is that it blanketed the entire industry with a massive new set of regulations in order to correct very specific abuses that could have been corrected by enforcing existing law. But, no, we added another regulatory blanket to an already overburdened society, and in particular we again hurt those people, the small business people and minority business people, who can least afford to be hurt in this particular economic situation, or in any economic situation.

What I would hope that we could do, and obviously this will be an issue before the conference no matter what we do today——

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. SCHMITT. Happy to.

Mr. McCLURE. It will not be before the conference if the motion to strike fails. The issue will have been resolved.

Mr. SCHMITT. The Senator is entirely correct, and I stand corrected. However, the issue is far broader than what the Senator proposes to do. Several of the abuses you have already outlined would not be covered by this. It is not even clear how the language of section 805 would be interpreted by a court in dealing with the IRS. I certainly am not an expert in that kind of interpretation. I would hope it would be possible for the House and the Senate to agree, and for the Senator from Idaho to agree, that the House and the Senate must address the issue, and must address it in this session, and that before any other appropriations are made available to the IRS, their debt collection practices are resolved, particularly those that have to do with due process. The situation the Senator described about his constituent's bank account being attached, I think, is the IRS acting without due process. They can do that. Again, I am not a constitutional expert, but I think it is clear that Congress should take action in that area as well as several others.

So, although I will have to oppose the Senator, I do commit to him that I will do everything I can within my committee jurisdiction and my other abilities to see that this issue is addressed, and addressed fully. I am afraid that what can be pulled out in section 805, part A, and section 806 of Public Law 95-109 is not going to get to the core of the problem; it is sort of a transition treatment. It is a statement by Congress that we do not like what is going on, but we really are not going to be able to do much about it with respect to these two sections.

So whatever we may decide today on the floor of the Senate, I will certainly be working with them to make sure that the entire issue is addressed and addressed properly and completely by the Congress.

(Mr. BAUCUS assumed the chair.)

Mr. CHILES. Mr. President, the Debt Collection Practices Act was passed to cover abuses of private collection agencies that are set up purely for profit, purely as a means of earning a profit, and to go out and collect other people's debts that these private collection agencies had taken on, at a percentage or a profit, to collect.

There were extensive hearings held on that. It covered a number of situations. There was a great deal of debate on it, and particularly how it covers these private agencies.

I cannot tell you whether it is working or not. I do not know whether any oversight hearings were held. But now we are going to take sections of that act and make it apply to the IRS.

I do not condone violations of people's individual rights by the IRS. I have been on this subcommittee for a long period of time prior to the time I was chairman. I participated in hearings held by the previous chairman of the subcommittee into abuses by IRS agents, and into debt collection practices; and if specific instances were brought before the subcommittee now, and particular abuses, we would go into that in the subcommittee. I do not condone that at all, and to say the subcommittee is condoning it puts us in an intolerable situation.

But at the same time, to see us say we are going to take an amendment passed on the floor of the House, late at night, dealing with private collection agencies, and say the IRS has to comply with exactly the same things that private collection agencies, working for a profit, who are taking the debts of other parties and going out and collecting them does not seem appropriate and I do not think makes very good sense. To say this is the approach which must be taken I do not think is correct. Every time a tax bill comes to this floor, it would be proper to put an amendment on that tax bill, as we can on this floor, saying the IRS should take certain steps or not take certain steps, and see that they are designed to the situation of the IRS. We can do that; but to take this entire bill, of many pages, including a preamble setting forth reasons for the bill which certainly does not apply to IRS, which uses language which does not apply to IRS and make it do is not right. When it talks about the consumer that really does not apply to a taxpayer, and to say that those sections will apply to the IRS does not make sense.

I started, at the initiation of the debate, to bring up the subterranean economy report, which shows that $135 billion now escapes taxation in this country. We need to talk a little bit about that. I am concerned that the IRS is not collecting the $19 billion to $25 billion in taxes on that $135 billion that is not being taxed. That $25 billion is enough to balance the deficit we have in the Federal budget. My distinguished friend from North Carolina has raised situations where there have been abuses, and certainly there have, and we do not condone them. But to handicap IRS in doing the job we charge them with doing, collecting the taxes with which we run this Government, including defense and every other phase of the Government, I am not sure how much sense that makes.

What about the people in this Government? What about the citizens who have not done the right thing and are not going to do the right thing and pay their taxes, and who have not been paying their taxes? We have a $135 billion subterranean economy, and that does not mention the ones who are not part of the subterranean economy, but also those we know who attempt to cheat on their taxes. What kind of rights are we going to give them under this amendment, by prohibiting that collection

If we have some problem with the IRS, if we have some cases, let us design something that covers the IRS, and put it on a tax bill. Let us not pick a piece of legislation designed to cover private debt collection agencies designed to collect debts for third parties, and say it exactly applies to the IRS. The IRS is an agency created by the Congress designed to collect the taxes with which we run our country. To say we are going to put them under the exact language we set up to cover some private debt collection agencies acting on behalf of third parties is not appropriate. I do not think that kind of thing makes sense, and I think when you read through the language, when you look at the terms, when you look at what the IRS would have to do to comply with all of those terms—you will agree. For example, to search out if a person has an attorney, find that out before you can communicate with him, search out and find out whether he has an attorney; my gosh, does that mean that before the IRS can write to me and state, "Lawton, it looks like you owe us a little money, and you better get that in"—they have had to do that before. I usually get that money in the fastest way I can. I am afraid of the IRS.

But the fact that I am afraid of them is one of the reasons that I am a taxpayer and that I try to get my money in on time. I do not know what it would do to our debt collection system of trying to collect if I knew I could tell them, "Go dance, boys, you are just like any private debt collection agency now. Notify my attorney. Get hold of him. Do not notify me anymore. Do not come to my business, do not tell me anything, do not touch anything. I am covered. You cannot touch me anymore."

I think hearings should be held on that. If we are talking about abuses, design something that covers the IRS. Do not take something that just covers private debt collection agencies collecting for profit and say this makes all kinds of sense for IRS.

We talk about abusers in IRS. I regret that. I wish we could find all of them and get them kicked out. But we also have a lot who are really doing a good public service, really trying to do a job that Congress told them to do, to collect the money that we tell them to so that we can run our country.

If we turn around now and say we are going to treat them like they are private debt collectors, each one of them, that they are under the same kinds of provisions and we are going to put them under those kinds of provisions, I do not think that is the way to legislate.

When we were coming up with this private debt collection service, why did we not put the IRS in it at that time if they should have been covered? Why did we not design it to cover the IRS?

I do not read anything in the preamble talking about the Government being the problem. It talks about the use of deceptive and unfair debt collecting practices by many debt collectors.

I do not see any listing of the Federal Government. But if that is what it was designed to do, we should put them under there. If we were talking about putting them under, we would not have put in some of these provisions. We would have made specific provisions for them.

As I say, if there are people here who have a beef with the way they are doing it, and there may well be, let us design something that covers the IRS. Let us not say that you can make apples and oranges because the IRS is not the same as a private debt collection agency out collecting a debt from third parties for a profit. It is an arm of the Federal Government, created by the Congress to do a job that we have given it to do. If we do not think it is doing that job properly, let us prune that arm, let us put some limitations on it. But let us not call it a private debt collection agency.

Mr. SCHMITT. Mr. President, I think the Senator from Florida makes a number of good points. Whether he and I will agree or disagree on what limitations should be attached to IRS debt collection only time will tell. I do think the essential point is we ought to do this with proper legislation and proper consideration of the total issue rather than on a reasonably ad hoc basis of taking a portion of the law designed for another purpose completely and attaching it as legislation to the appropriations bill.

I yield to the Senator from Idaho.

If the Senator will permit me, I would like to allow him to ask for the yeas and nays at this point.

Mr. McCLURE. Mr. President, I do ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. McCLURE. Mr. President, it is my understanding there will be no rollcall votes until 2:30. I ask unanimous consent that it be in order to ask for the yeas and nays on this motion to strike at 2:30 or at any time prior to that when a sufficient number of Senators are in the Chamber.

Mr. CHILES. Or prior to the time of the first rollcall.

Mr. McCLURE. Or prior to the time of the first rollcall.

Mr. CHILES. Let us try again. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I thank the Senator from Florida and I thank the Senator from New Mexico for yielding to me. I will not prolong the debate.

It seems to me if I hear correctly and understand correctly the arguments against the language as adopted by the other body, the Senator from New Mexico says, "Let us not pass this now because it only addresses part of the problem."

I do not see anything wrong with solving a part of the problem rather than solving none of it.

The Senator from Florida says, "Not now. Let us do it some other time on some other bill." He says we ought to have hearings to determine what the effect may be.

There have been hearings, hearings by the subcommittee which the Senator from Florida now chairs. That subcommittee and those hearings uncovered evidence of abuse across this land. As I recall, the hearings were held in every IRS district. The citizens came forward at those hearings and recited the abuses in collection. In spite of those hearings, in spite of that evidence, no legislation was forthcoming.

Now we have legislation which the Senator from New Mexico says is not enough and, therefore, we should not pass it. The Senator from Florida says let us have hearings. The hearings in the past have produced no legislation.

It seems to me that we ought to at least hold onto one little bit of protection that the public has a right to expect, and that we have already required of private debt collection services, and say that the IRS can live by the same rules we have made applicable to others.

Mr. President, I do not know what the Senator from Florida means when he says it might handicap the IRS efforts to collect taxes. Certainly he does not mean that IRS collects by harassment and intimidation. I do not think that would be the intention. Yet, if that is not his intention, then how does this handicap the IRS?

There is no one able to show any legitimate reason why IRS cannot live with the provisions of a law that we have made applicable to others. It seems to me that we ought to vote against the motion to table and I will urge my colleagues to do that when we get to that rollcall.

Mr. CHILES. Mr. President, I ask unanimous consent that the vote on the motion to strike come immediately after the first rollcall which is taken on this bill today, which will not occur before 2:30.

Mr. McCLURE. Will the Senator include temporarily setting this aside?

Mr. CHILES. And that this matter be temporarily set aside until that point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 514

Mr. CHILES. Mr. President, I move that the amount of $10,590,000 on line 21 of page 32 of the bill be stricken and, in lieu thereof, the amount of $12,132,000 be inserted.

The purpose of this amendment is to provide the Federal Labor Relations Authority with an additional $1,542,000 and 63 positions for fiscal year 1980, needed to permit the Federal Labor Relations Authority to carry out the additional responsibilities assigned to it by the Civil Service Reform Act of 1978. The administration's request in this regard was not received by the committee until August 20, 1979, or after the consideration of the bill by the full committee.

The original funding level proposed for the authority was a sufficient level of resources to carry out the program as it operated under Executive Order 11491 prior to the passage of the Civil Service Reform Act of 1978. This level of resources is not adequate to carry out the new responsibilities. This fact has been confirmed to us by a General Accounting Office letter report that was recently submitted to Senator RIBICOFF, chairman of the Committee on Governmental Affairs.

Filings of unfair labor practice charges under Title VII of the Civil Service Reform Act of 1978, the work unit requiring the greatest resource commitment, have far exceeded projections. The annualized rate of filings of unfair labor practice charges is approximately 2,700 compared to 1,168 filings originally projected for fiscal year 1980.

A second category of cases which will require additional personnel in fiscal year 1980 is negotiability appeals which come directly to the authority for resolution. These cases involve disputes between labor organizations and agencies over the scope of negotiations. Negotiability cases are being received at a rate three times greater than such cases filed under the Executive order program.

Mr. SCHMITT. Mr. President, I concur in the remarks by the distinguished Senator from Florida. I think this amendment should be accepted.

Mr. CHILES. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP amendment No. 514) was agreed to.

Mr. SCHMITT. I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope that Senators who have amendments will come to the floor and offer them. Otherwise, I am going to express the hope that the Chair will put the question, sending the bill to third reading. At the moment, I will not do that.

We have been in a quorum call now for 20 or 30 minutes. The Senate has a great deal of work to do. Thanksgiving is coming on. It will be here too soon. I hope the Senate will not be in session past Thanksgiving, but we have work to do before we adjourn sine die, and every day counts.

So I will suggest the absence of a quorum; and if Senators do not come to the floor, I will make it live.

The manager of the bill, Mr. Chiles, is here, patiently awaiting Senators to come to the floor. The ranking minority member, Mr. Schmitt, is here. They are at their posts of duty, and they want some amendments so that we can dispose of this matter. I express thanks to both of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, this seemed to be an opportune time to present the Budget Committee's statement on the pending measure. Perhaps it will create the impression in the offices, if they are tuned in, that action on the bill is underway, and we might be able to get things moving.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield the Senator from Maine such time as he may need.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, the Senate has before it H.R. 4393, which provides fiscal year 1980 appropriations for the Treasury Department, Postal Service, Executive Office, and Independent Agencies. I want to take a few moments to comment on the relationship of this bill to the first budget resolution. Before I do, however, let me say that I support the bill. I congratulate the chairman of the subcommittee, Senator Chiles, and the ranking minority member, Senator Schmitt, as well as the full Appropriations Committee, for reporting this fiscally responsible legislation.

Mr. President, the bill as reported provides $8.8 billion in new budget authority. Outlays associated with the bill total $8.4 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $9.3 billion in budget authority and $9.2 billion in outlays to the Treasury/Postal Service Subcommittee.

The funds provided by H.R. 4393 as reported, plus action already completed, put the subcommittee $0.5 billion under its 302(b) budget authority and $0.4 billion under its outlay allocations. But I would call your attention to the fact that possible later requirements known at this time are expected to boost the subcommittee above its present allocation by $0.1 billion in budget authority and outlays.

I ask unanimous consent that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

H.R. 4393—TREASURY-POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATION BILL, 1980 (RELATIONSHIP TO SUBCOMMITTEE'S SECTION 320(b) ALLOCATION)

	Budget authority	Outlays
Subcommittee sec. 302(b) allocation	9.3	9.2
Action completed		.3
H.R. 4393, as reported	8.8	8.4
Amount over (+) or under (−) subcommittee allocation	−.5	−.4
Possible later requirements:		
Strategic stockpile acquisitions	.2	.2
October 1979 pay raise	.1	.1
Payment to civil service retirement and disability fund	.3	.3
Total	.6	.6
Possible amount over (+) or under (−) subcommittee allocation	+.1	+.1

Mr. MUSKIE. Mr. President, I think it is important to remind the Senate of the point I have made on previous fiscal 1980 appropriations bills that have been before us. It appears that the full Appropriations Committee may exceed the amount allocated to it under the first budget resolution when all the regular appropriation bills and expected supplemental requirements are taken into account.

These appropriations excesses could increase the fiscal 1980 deficit, and, in fact, combined with the apparent economic slowdown threaten to drive the fiscal 1980 deficit higher than fiscal 1979. The reconciliation recommendation contained in the second resolution is the Budget Committee's solution to this threat of a higher deficit.

As reported, the second resolution compares to this subcommittee bill in exactly the same fashion, and considerable restraint will be necessary for the Senate to stay within the Budget Committee's recommendation. The further effect on this subcommittee of the reconciliation recommendation is still uncertain.

Senator Chiles has been one of the strongest supporters of the budget process, and voted in support of the committee's recommendations for the second resolution. I am confident that he will continue that support.

I congratulate the Senator on his foresight in staying under the section 302(b) allocation to provide room for possible later requirements. However, I am concerned that reductions in the possible later requirements associated with this bill will be difficult to achieve. I am aware that possible later requirements include funding for the pay raise, the payment to the civil service retirement and disability fund, and the purchase of materials for the strategic stockpile, the authorization for which has not yet been reported by the Armed Services Committee. At this time, it is also not forseeable what the effect of the reconciliation recommendation of the second concurrent resolution will be on this subcommittee, because the Appropriations Committee's own allocation of the savings assumed has yet to be made. Consequently, there does appear to be some flexibility and uncertainty regarding further actions.

Therefore, I ask the Senator from Florida if he can be more specific as to how his subcommittee intends to stay within its section 302(b) allocation.

Mr. CHILES. I thank the distinguished Senator for his kind remarks and attempt to respond to his question.

The bill as reported is more than $450 million under the allocation from both the first and second concurrent resolutions. This should be an adequate amount to cover the pay raise which is the one mandatory item for the remainder of fiscal year 1980 for this bill. Other possible funding items are neither certain at this time nor would they be mandatory in any case. It is fair to say, however, that any additional supplementals for this bill, other than the pay raise, will have very slim chances and would almost certainly have to be accompanied by offsetting reductions, as I intend to recommend and advance all actions that I possibly can to stay within our allocations.

The point that the Senator made in regard to the reconciliation is the one thing that at this stage of the game, not knowing what the allocations are going to be from the savings by the full committee, I cannot entirely answer other than to say that the subcommittee is going to try to see that any share that is given to us of those savings we try to meet those savings from the best means at our disposal.

Mr. MUSKIE. Mr. President, I appreciate that reply which comes as no surprise. I have come to expect that kind of fiscal restraint from the distinguished floor manager of the bill and it is because he is in charge, so to speak, that I am willing to support the bill in its present form and in its present form I reemphasize what both of us have said; that it is around $450 million below the 302(b) allocation in budget authority and around $0.4 billion below in outlays.

I thank the Senator.

Mr. SCHMITT. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. GLENN. I thank the distinguished Senator.

Mr. President, I rise for a question concerning the committee amendment, section 202 of the bill as reported, which pertains to the use of electronic transmissions by the Postal Service.

As chairman of the subcommittee with postal jurisdiction, I was inclined to object to the committee amendment as being beyond the proper jurisdiction of the Appropriations Committee. It appeared to establish basic policy, and it goes beyond the normal limitation on the use of appropriated funds by proposing to deny all appropriations to the Postal Service if it takes certain actions involved with the use of electronics.

Mr. SCHMITT. The Senator, I am sure, understands that such a limitation on the use of appropriated funds is not very useful when dealing with the Postal Service because it derives most of its funding directly from revenues and has the ability to borrow off-budget.

Mr. GLENN. I understand the Senator's point. And I understand the point that the amendment is intended to limit the further expansion of Postal Service operations into the electronic era without congressional approval. On that point, let me ask a couple questions.

Is it the intention of the committee and of the sponsors of this amendment to establish a policy either favoring or opposing Postal Service use of electronic transmission beyond September 30, 1980, the last day of the fiscal year to which this bill applies?

Mr. SCHMITT. We do not so intend. The limitations the amendment would impose would expire with the end of fiscal Year 1980, it being our intention only to maintain the status quo pending the determination of the future course of the Postal Service by Congress.

Mr. GLENN. Do I understand correctly that there is no presumption that the language of this amendment will automatically appear in next year's appropriations bill?

Mr. SCHMITT. That is correct.

Mr. GLENN. The status quo involves, basically, three ongoing Postal Service projects. The first of these is E-Com, which stands for electronic computer originated mail. It is a service that would permit Postal Service customers who generate large volumes of mail to link up directly with computers leased by the Postal Service and have their letters, bills, or whatever, transmitted over lines leased from a common carrier to a post officer nearer the point of delivery. There they would be printed on paper for the first time, enveloped, and dispatched for normal delivery by a letter carrier. It is similar to a mailgram.

Mr. SCHMITT. It is certainly similar in concept, but fundamentally different in that the service would be marketed by a Government establishment, the Postal Service, rather than by a private sector company contracting with the Postal Service for the final physical delivery as is the case today.

Mr. GLENN. The Senator is correct. That is the key difference. But is it the intention of the committee amendment to prevent E-Com, even if approved by the pertinent regulatory bodies, from entering service during fiscal year 1980?

Mr. SCHMITT. Yes, as a permanent service, and I emphasize the word "permanent." It is our intention that such service not be permanently fixed in place without congressional approval.

Mr. GLENN. It is not the intention of the committee amendment to bar E-Com from being put into service on a test or experimental basis?

Mr. SCHMITT. The Senator is correct. The wording of the amendment specifically exempts research and development, the testing of electronic message technology applications on an experimental basis, and guarantees against abrogation of any contracts in existence.

Mr. GLENN. The second Postal Service project now pending is called Intelpost. Developed under contract with Comsat, this project involves the transmission of mail matter to and from seven foreign countries from a selected few post offices in the United States. Bids were sought on this system and awarded to two U.S.-based international record carriers, who have not yet obtained tariffs from the Federal Communications Commission. The mail involved originates and ends as hard copy.

Would the committee amendment prevent Intelpost from being put into service during fiscal year 1980?

Mr. SCHMITT. I say that the situation is the same as that pertaining to E-Com. The amendment would be intended to hinder Intelpost from being publicly offered as a permanent service. It would not hinder its use to test electronic message technology on an experimental basis.

Mr. GLENN. The last Postal Service project is a longer term research and development project called EMSS, which stands for Electronic Message Service System. Can we safely assume that the wording of the amendment, excluding from its limitations the ability of the Postal Service to undertake research and development, means that the pending R. & D. work, which is being conducted under contract with private industry, would be unaffected?

Mr. SCHMITT. That is correct.

Mr. GLENN. I want to thank the Senator. With these clarifications, I will not object to the committee amendment. I agree that the basic public policy decision on how the Postal Service will utilize electronics in the years ahead should be made by the Congress, operating through the legislative committees with appropriate jurisdictions over postal affairs and telecommunications. Two years ago the Postal Service was under criticism for not being forward-looking and aggressive enough in this area. Now they have come under some criticism for being too aggressive. While I agree that the basic public policy decisions should be made by the Congress, I do not want to stifle the spirit of innovation at the Postal Service.

I thank the Senator for yielding.

Mr. SCHMITT. I thank the Senator for working with us on this matter.

I might make one additional comment on the colloquy. The Senator had at some point asked about what is intended by "testing on an experimental basis." To qualify, it would be necessary that such service be implemented in such a way as to be implemented in scope or duration and not be implemented in such a way as to imply they are permanent fixtures of the Postal Service. I think that clarifies that issue also.

Mr. GLENN. It does, and I think it clarifies the situation.

Mr. SCHMITT. I yield to the distinguished chairman of the Commerce, Science, and Transportation Committee for some comments he wishes to make.

Mr. CANNON. I thank the Senator for yielding.

While I am not a member of the Appropriations Committee, my committee has studied the matter of Postal Service involvement in electronic communications in the context of our revisions to the Communications Act.

I may say Senator Hollings had intended to be here for this matter today but, unfortunately, because of the hurricane in that area his flight was canceled and he is not able to get back and, therefore, I am speaking, in part, in his behalf as well.

I think it is imperative that we make a policy statement. Postal Service seems to take contrary positions—on the one hand they say they do not intend to become a carrier; yet they oppose language to preclude their direct involvement. The Presidential policy statement is unclear on this matter, yet we understand they do not intend the Postal Service to compete with electronic carriers. The Commerce Committee has clearly stated its opposition to direct Postal Service involvement as a carrier, and Senator Glenn now voices his general support for our position. I particularly appreciate the cooperation on this issue that our committee has received from Senator GLENN, the chairman of the subcommittee which deals with Postal Service matters, on this amendment, and I look forward to working with him to resolve the jurisdictional and policy questions in this debate in a timely manner.

I understand the point has been informally raised that this would constitute legislation on an appropriation bill. I think in light of the colloquy we have had and to clarify the intent it would be appropriate, therefore, to strike section 202 from this bill, particularly in light of what now appears to be a general agreement on the importance of these issues and the need for a congressional determination prior to any Postal Service action. Clearly the Postal Service is on notice that it should not move in this area without a clear policy statement by the Congress.

So, Mr. President, I move to strike section 202 of the bill.

Mr. SCHMITT. Mr. President, I think the Senator from Nevada makes an excellent suggestion. I know the distinguished Senator from North Dakota (Mr. BURDICK) might like to speak on this subject. He has expressed the same opinion.

With this colloquy and with the growing understanding between the two committees of jurisdiction as to not only what their roles are on this issue but the fact that those roles must be exercised, that we must give the Postal Service as well as the private sector policy guidance on this issue, I think we can proceed without doing violence by legislating on an appropriation bill.

I yield to the Senator from North Dakota at this point.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from North Dakota.

Mr. BURDICK. I want to thank the Senator from New Mexico.

Mr. President, I had intended to raise a point of order with respect to the Schmitt electronic mail amendment, section 202 of H.R. 4393 as adopted by the Appropriations Committee.

The question that lies before this body is whether the Senate Appropriations Committee can or should take legislative action. I voted against this language in committee and intended to raise a point of order for I strongly feel that the postal appropriations bill is not the place for the Senate to state its policy on the role of the Postal Service in electronic transfer of messages.

When the old Senate Post Office and Civil Service Committee was disbanded by the 95th Congress, Postal Service oversight and authorization responsibility was delegated to the appropriate subcommittee in the Governmental Affairs Committee. That is where questions of postal policy must be resolved. The subject of telecommunications is within the domain of the Commerce Committee. Neither committee has taken action on this issue. Only by following the hearing process, indeed the entire legislative process, can the Senate know that all questions have been examined and a clear-cut rational policy be developed.

The role of the U.S. Postal Service in the transfer of communications finds its roots in the articles of the U.S. Constitution. Article I, clause 7 states:

> The Congress shall have power to establish Post Offices and Post Roads.

A series of court decisions has served to extend this to mean that the postal powers of Congress embrace all measures necessary to insure the safe and speedy transit and prompt delivery of the mails. I can only ask: Where does the electronic transfer of mail fit in with this constitutional responsibility? Without the benefit of the proper legislative channels we cannot reach a reliable conclusion.

Back in 1970 the Postal Reorganization Act became law. As we all know, this established the Postal Service as a unique, separate entity with the authority to make decisions such as those involving the use of telecommunications. I am not here to pass judgment on the Postal Reorganization Act of 1970, but I must question the propriety of eroding the impact of this act through language attached to an appropriations bill without any action on the issue by the Governmental Affairs Committee. Furthermore, this law states:

> The Postal Service shall have as its basic function the obligation to provide postal services to bind the nation together through the personal, educational, literary and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities.

Again I ask: Where does the electronic transfer of mail fit in with these legislated responsibilities? And, again, I come to the conclusion that without the benefit of the proper legislative channels, this important question cannot be answered.

The President has put forth eight conditions for the use of electronic transfer by the Postal Service. Postmaster General Bolger has agreed to the conditions. A quick glance at the President's eight conditions reveals that the Postal Service will continue to enter this field in a deliberate manner. The conditions clearly preclude any wholesale takeover of telecommunications by the Federal Government.

I feel that two other issues that go to the heart of the matter must not be left unsaid. The Postal Service must be able to react to technological developments. Just as the transfer of mail has evolved from the Pony Express to trains to airplanes, the Postal Service should not be denied access to electronic mail.

Everyone in this body knows well my overriding concern for the development and well-being of the vast natural areas that stretch across America. It is very clear to me that the U.S. Postal Service is the only structure that is truly nationwide, serving both urban and rural areas, that can potentially provide electronic mail services to all Americans. I can only wonder how long Hettinger, Tioga, Pembina, or other small communities in North Dakota would have to wait for access to private services.

Mr. President, the issue of the role of the Postal Service in electronic communications is too large and important to be decided upon without action from the authorizing committees. Therefore, Mr. President, I join in the motion to strike, as offered by Senator Cannon, section 202 of H.R. 4393.

Mr. President, I ask unanimous consent that the President's eight conditions previously referred to be made a part of the RECORD.

There being no objection, the conditions were ordered to be printed in the RECORD, as follows:

CONDITIONS

President Carter's Conditions for use of Electronic Transfer by the Postal Service as accepted by Postmaster Bolger:

(1) The Administration opposes any legislative or regulatory efforts to restrict competition or entry in the electronic message field. In particular, it opposes any extension of the private express statutes beyond letter mail to cover electronic transmission.

(2) The USPS electronic service should not be subsidized by tax money or by revenues from other USPS services.

(3) The USPS electronic service should be established as a separate entity for accounting and ratemaking purposes to ensure that it is operated in a competitive fashion and to avoid the cross-subsidization of electronic service by regular mail services.

(4) The USPS should make its delivery services available to all electronic carriers at the same rates as those it charges itself.

(5) The USPS electronic service will be reviewed within the next five years, before the major investment is made, to evaluate its competitive impact and its potential to improve postal services and to ensure that no cross-subsidies or other anticompetitive actions are involved.

(6) The USPS should purchase electronic transmission services from carriers rather than building a transmission network.

(7) To ensure that interconnection with the mail delivery system is available to all companies, technical interconnection standards should be developed through a cooperative effort by the American National Standards Institute, the USPS, the private carriers, and an impartial arbiter, if needed.

(8) The existing regulatory system should be used to regulate the prices of the new services; i.e., the Federal Communications Comm. should regulate the pricing of the electronic transmission portion of the electronic message service and the Postal Rate Comm. should regulate the pricing of mail delivery. This regulatory system should be re-examined after five years to determine whether any statutory change is needed.

UP AMENDMENT NO. 515

(Purpose: To strike provision relative to electronic mail)

Mr. BURDICK. Mr. President, I send an amendment to the desk, if Mr. CANNON has not already done so.

The PRESIDING OFFICER. Is the Senator from North Dakota sending the amendment to the desk?

Mr. SCHMITT. Mr. President, I ask unanimous consent that this amendment be considered as a joint amendment by the Senator from Nevada and the Senator from North Dakota.

The PRESIDING OFFICER. Do the Senators wish consideration at this time?

Mr. SCHMITT. We wish consideration of this amendment at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from North Dakota (Mr. BURDICK), for himself and Mr. CANNON, proposes an unprinted amendment numbered 515:
>
> On page 11 strike line 17 through page 12, line 3.

Mr. SCHMITT. Mr. President, I want to thank all parties concerned.

The PRESIDING OFFICER. The Chair will ask the Senator from New Mexico if this amendment is the 3-hour amendment under the unanimous-consent agreement which is contemplated therein?

Mr. SCHMITT. I believe it is under the original agreement with the Senator from Ohio that he would offer such an amendment. I ask unanimous consent that it be considered as the amendment for which there was a 3-hour time agreement.

The PRESIDING OFFICER. The managers have the prerogative to so designate the amendment.

Mr. SCHMITT. The managers then so designate.

The PRESIDING OFFICER. I thank the Senator from New Mexico.

Mr. SCHMITT. Mr. President, the Senators involved in this issue have, I think, begun the process toward reaching not only a consensus of the instant matter but also the process of beginning authorizing and eventually appropriations hearings, if necessary, that will give guidance to the Postal Service on the matter of not only electronic mail but the general issue of the application of technology to communications, written or printed communications.

Mr. President, I cannot remember who it was, but somebody recently has said, and I think it very apropos, that the technology in communications is removing the tyranny of distance, and in the development of this great country of ours the tyranny of distance has played a tremendous role in not only the limitations on that development but on communications among our citizens.

But with the advance of satellite communications and microwave communications and many other new innovative techniques for one person communicating with another or groups of persons communicating with other groups, we are entering into a new era. I share the concern of the Senator from North Dakota about our rural communities. His State as well as mine is composed primarily of rural communities and individuals living rural settings. But we are very rapidly seeing new alternatives develop by which these individuals can communicate among themselves as well as the outside world, satellite communication being one of the principal elements of that new era of communication.

So I would hope that we all will keep an open mind on what is possible and what is economically feasible and desirable as we enter the hearings that hopefully will take place in the not-to-distant future. I do believe we must be very careful and not substitute a Federal service where a private service can more economically and in a technically superior way serve the people of this country, both rural and otherwise. But with this agreement, and with the amendment and the colloquy preceding it, I believe we have taken a giant step, if I may use that expression, toward a policy decision by Congress in this very important and potentially extremely fruitful area of electronic communication.

Mr. BURDICK. Mr. President, I am ready to vote. I yield back any time that I have.

Mr. SCHMITT. Mr. President, in behalf of the committee, I yield back the committee's time on this amendment. We will have to wait until 2:30, if I remember correctly, for a vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHMITT. So I ask unanimous consent that the vote be temporarily postponed until that time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Is all remaining time yielded back?

Mr. BURDICK. Yes.

The PRESIDING OFFICER. All remaining time has been yielded back. Do Senators seek the yeas and nays?

Mr. BURDICK. No.

Mr. SCHMITT. I misunderstood the Senator from North Dakota. There is no need for a rollcall on the part of the committee. Therefore we can proceed with that vote at this time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from North Dakota (Mr. BURDICK).

The amendment (UP No. 515) was agreed to.

Mr. SCHMITT. Mr. President, I believe the Senator from Arkansas (Mr. PRYOR) has an amendment to offer at this time.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 397

(Purpose: To express the sense of the Congress with respect to the sale by former President Richard M. Nixon of the estate known as Casa Pacifica, located in San Clemente, California)

Mr. PRYOR. Mr. President, I call up an amendment which I have at the desk, and I ask for its consideration at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an amendment numbered 397.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

SEC. 616. It is the sense of the Congress that, upon the sale of the estate known as Casa Pacifica located in San Clemente, California, former President Richard M. Nixon should reimburse the United States for the original cost of any item of property procured by the Administrator of General Services which the Comptroller General of the United States determines to have a nonprotective benefit.

Mr. PRYOR. Mr. President, the amendment to H.R. 4393 that I am today proposing is an amendment that expresses the sense of Congress that upon the sale by former President Nixon of the estate known as Casa Pacifica, located in San Clemente, Calif., the U.S. Government shall be reimbursed the original cost of those items of property procured by the General Services Administration and determined by the Comptroller General of the United States as having a nonprotective benefit.

Based on reports by the General Accounting Office in 1973, the Joint Committee on Internal Revenue Taxation in 1974, and the House Government Operations Committee in 1974, it is apparent to me, and I think to many others, that hundreds of thousands of dollars in Federal funds were spent on the San Clemente property. Among those expenditures were payments for items having a nonprotective benefit to the owner of the property. It is the cost of such items that should be reimbursed to the Federal Government.

In the past I have referred to this as the unjust enrichment of a former President.

At one time press reports indicated that former President Nixon had promised the Federal Government the deed to San Clemente. Even the 1973 GAO report cited the announcement that his interest in the estate would be a gift to the American people. Former President Nixon's decision to sell the San Clemente property to a private concern, however, has now brought this issue to the forefront.

Mr. President, many believe that these nonprotective improvements to San Clemente have resulted in former President Nixon being unjustly enriched at the cost and expense of the taxpayers of this country. Because the House of Representatives addressed this issue in its consideration of this appropriation bill, I believe the Senate ought to consider it in the same context.

To put this issue in perspective, I want to point out that after the Government reports of 1973 and 1974, Congress expressed its will on the subject of such expenditures with the enactment of the Presidential Protection Assistance Act of 1976.

This act places certain limitations and conditions on the expenditure of funds for the protection of the President, Vice President, and others whom the Secret Service is directed to protect. It provides that executive departments and agencies shall assist the Secret Service by providing services, equipment and facilities on a temporary and reimbursable basis when requested by the Director of the Secret Service, and on a permanent and reimbusable basis upon advance written request from the Director.

Section 5 of the act states that all improvements and other items acquired pursuant to provisions of the bill shall remain the property of the U.S. Government. All such improvements and other items shall be removed upon termination of Secret Service protection unless the Director determines that it would not be economically feasible to do so. However, they shall be removed regardless of cost if the owner of the property, at the time of termination, requests removal.

If such improvements are not removed, the owner shall compensate the Government either for the original costs or for the amount by which the improvements have increased the fair market value of the property, as determined by the General Accounting Office, whichever is less.

Although the 1976 law does not apply to San Clemente retroactively, it sets out provisions which I believe should guide the actions of all former Presidents. That is the purpose of my amendment today—to express the will of Congress that former President Nixon should not be unjustly enriched at the cost and expense of the taxpayers of the United States.

Examples of such reimbursable costs are: A heating system at $13,500; a fire protection system at $33,300; gazebo renovation at $6,600; sewer lines at $3,800, and a flagpole at a cost of $2,300. There has been some discrepancy on a final figure regarding the reimbursable amount. For this reason, I suggest that a 1979 GAO verification be initiated to arrive at an appropriate and final figure.

It is not the intention of this amendment, Mr. President, to be a prejudgment or accusation of wrongdoing. It is not intended to level a legal claim against the property at San Clemente. Nor is it intended to reduce funds for former President Nixon's staff and office expenses as the House voted to do on July 16, 1979, during its consideration of this bill.

The Senate Appropriations Committee is currently reviewing the proper level of appropriations for expenses for former Presidents. The Government Affairs Subcommittee on Civil Service and General Services, of which I am chairman, is presently looking into the proper type of expenditures for former Presidents. In fact hearings have already been held on the Former Presidents Act of 1958 and the Presidential Transition Act of 1963 in order to determine if these two statutes can be altered to clear up some areas of ambiguity that presently exist.

I believe, Mr. President, that the amendment I propose today is a most reasonable and fair approach to this issue at this time. I urge my colleagues to join me in support of this measure.

At this time I yield to our distinguished colleague from the State of Colorado (Mr. HART).

UP AMENDMENT NO. 516

Mr. HART. I thank the Senator from Arkansas. Mr. President, I send to the desk a modifying amendment to the amendment of the Senator from Arkansas, and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair must inform the Senator from Colorado that the amendment to the amendment is not in order until the time on the amendment of the Senator from Arkansas has expired, except by unanimous consent.

Mr. PRYOR. I yield back the remainder of my time.

Mr. CHILES. I yield back my time.

Mr. SCHMITT. I yield back my time.

The PRESIDING OFFICER. The amendment is now in order. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 516 to amendment 397:

On page 1 line 5, strike all through page 2 line 2, and insert the following:

any construction, renovation, improvements, equipment or articles paid for by the Federal Government of the United States, or for the amount by which they have increased the fair market value of the property, as determined by the Comptroller General of the United States, as of the date of sale, whichever is less.

Mr. HART. Mr. President, first, I would like to commend Senator PRYOR for bringing the issue of former President Nixon's sale of San Clemente to the Senate floor. This is an issue I first raised in the Senate in June when I introduced a resolution seeking reimbursement to the U.S. Treasury of any gain made in the sale of former President Nixon's residence at San Clemente which resulted from improvements made to the property from Federal funds.

The Presidential Protection Act of 1976 provides that when improvements made to non-governmental property at Federal expense are not removed, the owner of that property at the time of termination shall compensate the United States for the original cost of such improvements or for the amount by which they have increased the fair market value of that property, as determined by the Comptroller General of the United States, as of the date of termination, whichever is less.

Senator PRYOR's amendment calls for reimbursement of original cost for nonprotective benefits. My amendment to his amendment adopts the language of the Presidential Protection Act and provides for reimbursement of the amount by which improvements have increased the fair market value of the property, or for reimbursement of original cost, whichever is less. Taken together, these amendments track the language of the 1976 Presidential Protection Act and express the sense of the Congress that the principles of the Act should be applied in the case of former President Nixon's sale of San Clemente. These amendments put the Senate on record in support of prohibiting personal gain by employees and officials of the Federal Government at public expense.

Mr. President, the sale by former President Nixon of his residence at San Clemente presents a test of our dedication to public ethics. Substantial public expense was incurred to improve San Clemente, most of which was necessary at the time for purposes of security and official function. However, the sale of the residence precludes its further use in the public interest. The public's financial investment should be returned to the Treasury.

Mr. President, neither of our amendments is intended to single out or discriminate against Mr. Nixon. Our intent is to support a policy which should be applied to all Federal employees and officials, past, present, and future. I urge my colleagues to join us now and in the future. I ask them to help keep the trust, confidence, and credibility of the American people in their Government officials.

Again, I commend Senator PRYOR for bringing this issue to the floor. There has been great public interest in this since my resolution was introduced in June. Now the Senate has an opportunity to act. I hope the Senate will adopt our amendments together.

Mr. STEVENS. Will the Senator yield?

Mr. SCHMITT. I yield to the Senator from Alaska such time as he may desire.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. May I ask the Senator from Colorado, is it the understanding of the Senator from Alaska that this is still a sense-of-the-Congress amendment to the bill? Is that correct?

Mr. HART. The Senator from Alaska is correct.

Mr. STEVENS. Then it would be this Senator's understanding that the effect of this sense-of-the-Senate amendment would be for the Senate to go on record as interpreting the Presidential Protection Act of 1976 as it applies to the sale of the Nixon property?

Mr. HART. The Senator is correct.

Mr. STEVENS. And is there any intention in this sense of the Senate amendment which would in any way change any prior interpretation by the Comptroller General or any other executive agency of the Presidential Protection Act of 1976 as that act might apply to the sale of the Nixon property?

Mr. HART. Not to the knowledge of the Senator from Colorado.

Mr. STEVENS. Mr. President, we have been concerned with the problem of the improvements made to any residence of a President. There are, I believe, instances where other improvements have been made in the past. Certainly, there are improvements being made even right now, as I understand it, to the incumbent President's residence or home. It is something that must be done to meet the needs of the Secret Service. I do think we ought to go on record as indicating what our interpretation of existing law is as it applies to the sale of the Nixon property in San Clemente.

As a member of the committee which has been involved with this over a period of years I am concerned and want to make certain, though, that the understandings that we reached in 1976 are in no way affected by this sense of the Senate amendment. It really is declaring once again that that act and the principles of that act should be applied to the sale of the Nixon property as that act is interpreted by the Comptroller General of the United States.

Mr. HART. The Senator is correct, but I want to clarify a previous answer so that the Senator will understand. The General Services Administration has rendered an opinion that the act does not apply to President Nixon. It was not retroactive. It was enacted in 1976. The Senator's question was cast, I think, in terms of the General Accounting Office. The answer is no, there is no General Accounting Office opinion that I am aware of. But the General Services Administration has itself interpreted the law to mean that it does not apply to President Nixon.

Mr. STEVENS. I understand the statement of the Senator from Colorado, and I concur in the position stated by him in that regard. I take it we are setting a precedent that should President Johnson's farm be sold or President Truman's former residence be sold, we would again look at the principal as far as the Presidential Protection Act of 1976. Certainly, that act applies to all Presidents who serve in office subsequent to 1976.

Mr. HART. The Senator is correct.

Mr. STEVENS. I thank the Senator for his answers.

Mr. HART. I yield to the Senator from Arkansas.

Mr. PRYOR. I thank the Senator for yielding. I would like to say, Mr. President, that the modification that Senator HART is making to my amendment is to include the more precise language of the Presidential Protection Assistance Act of 1976 regarding the fair market value of the property.

It has been my intention throughout

this endeavor to use the Presidential Protection Assistance Act as the basis for my amendment. I gladly accept the change to my amendment sought by the distinguished Senator from Colorado (Mr. HART).

Mr. HART. I thank the Senator for his remarks.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. CHILES. Mr. President, I yield back the remainder of my time.

Mr. SCHMITT. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question recurs on the amendment offered by the Senator from Colorado to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Arkansas, as amended.

The amendment, as amended, was agreed to.

Mr. PRYOR. I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 517

(Purpose: to prohibit the use of funds to issue or enforce regulations relating to the inclusion in gross income of fringe benefits)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 517:

On page 45, between lines 8 and 9, insert the following new section:

SEC. 616. None of the funds available under this Act may be used to issue or administer regulations providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1954 unless such fringe benefit was so included as of July 1, 1978.

Mr. ARMSTRONG. Mr. President, a reading of the amendment spells out clearly the purpose of it. The need of it is very simple. My amendment arises from a 1977 proposal by the Internal Revenue Service, which announced plans to tax some 40 employee benefits which would have boosted the tax bill of a typical worker by about $240 per year. Among the benefits that would have been subject to taxation under the IRS proposal would have been such things as free parking on employer premises, subsidized meals in employee cafeterias, free transportation for employees of airlines, buslines, and railroads, discounts for retail employees, the company picnic, and the company Christmas party, to name a few of them.

I think it was the feeling of most of us in Congress at that time that such a proposal was, first, unwise, and, second, a policy decision that should be made by the Congress, not by the regulatory bureaucracy at the IRS.

When this was proposed, I offered an amendment identical in language to what is now pending before the Senate to the Treasury-Post Office bill which was then being considered by the House of Representatives. It was adopted unanimously or nearly so, then later was preempted when the Ways and Means Committee passed a substitute which addressed this problem.

Unfortunately, the prohibition which was contained in that act expires on December 31 of this year, so that on January 1, the IRS will be free to go ahead and tax the fringe benefits which I have just mentioned and others of similar kind. The administration has indicated its intention to do so.

Therefore, unless we pass this amendment or something similar to it, there is every reason to believe that they will go ahead and implement this plan to tax fringe benefits. It may be that, after hearings, Congress would wish to extend tax to these benefits. I personally am doubtful of it. In any case, I think we can all agree that a further extension of the time limit to give us a chance to decide that, rather than just let it happen by accident of regulation, is well advised.

With word of explanation, I encourage my colleagues to support this amendment. I shall, for the moment, at least, reserve the remainder of my time.

Mr. CHILES. Mr. President, this amendment is one that we did not discuss at all in the committee or in the subcommittee. I was trying to determine whether the chairman of the Committee on Finance wanted to come to the floor and have an opportunity to speak to the amendment. I think that it might be wise for us to determine that. Under those circumstances, I think I shall ask for a quorum on my time and see if I can get hold of him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRYOR). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, in order to facilitate the work of the Senate, we have, as I understand it, advised the chairman of the Committee on Finance of the action we are taking. In order to proceed without holding up the Senate in consideration of its business, I ask unanimous consent that this amendment be laid aside temporarily and that I be permitted to offer another amendment pending the arrival of the Senator from Louisiana, the chairman of the Finance Committee.

The PRESIDING OFFICER (Mr. ZORINSKY). Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 518

(Purpose: To prohibit funds from being used to enforce Revenue Ruling 79-72)

Mr. ARMSTRONG. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 518.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, between lines 8 and 9, insert the following:

SEC. 616. None of the funds made available under this Act may be used to carry out the purposes of Revenue Ruling 79-72 or the proposed amendment to section 1.1232-3A(b)(2) of the income tax regulations, published June 29, 1979 in the case of time deposit certificates which are described in the revenue ruling and the proposed amendment and which are issued after December 31, 1978 by reason of Sections 451 or 1232 of the Internal Revenue Code of 1954.

Mr. ARMSTRONG. Mr. President, I believe I can explain this amendment very quickly. This amendment would prohibit the Internal Revenue Service from changing the present tax treatment on short-term certificates of deposit. Let me explain briefly what has happened up to now.

The IRS has proposed new rules which would amend income tax regulations of the Internal Revenue Code to require holders of short-term certificates of deposit with maturities of 1 year or less where interest accrues over into the next year to pay taxes on the interest that has been accrued by the end of the calendar or tax year, even though that interest has not been received by the taxpayer. This new rule would require banks and other financial institutions to furnish returns reporting interest under a new and, I am advised, a very difficult-to-implement formula. The taxpayer would then have to declare this amount as taxable income, even though he or she had not actually received the money and would not receive it until the following year.

There are two reasons why I am suggesting this proposed amendment: First, because, as a matter of justice, most taxpayers are on a cash accounting basis. It seems to me they should become liable for the tax only after they have received the interest earned on the certificate of deposit. That is the present law. My amendment does not change the present law. What it does is prevent the imposition of the tax prior to receipt of the interest payment, which is the present IRS proposal. So I am simply freezing the present law and leaving that for later determination by Congress.

The second reason why this is important to do is that it imposes a serious administrative burden on the banks and others which are affected. I think it is obvious why this is needed. I point out that this amendment enjoys the support of the American Bankers Association, the United States Savings and Loan Association League, the Ameriran Association of Retired Persons, and the Independent Bankers.

With that word of explanation, I urge the adoption of this amendment.

Mr. CHILES. Mr. President, I say to my distinguished colleague that while we have not, again, held any hearings on this amendment, it does appear that it is going to work a burden and it would be inequitable and cause tremendous recordkeeping problems to a number of our senior citizens, who put their savings into these bank certificates. So it would be my disposition to say that we could take this amendment at this time and go to the conference committee with it. If we then find out that there are going to be some tremendous tax consequences or lost revenue or something, we would be able to take that up with the conference committee. At this time, I would be disposed to take it.

Mr. SCHMITT. I think the Senator from Florida makes an excellent suggestion.

Mr. CHILES. I yield back any time we have.

Mr. ARMSTRONG. Mr. President, I appreciate the courtesy of the managers and I yield back any time I have.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (UP No. 518) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Is the pending business now my earlier amendment?

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. CHILES. I wonder if the Senator would further consent to set his amendment aside at this time and let us take up the Humphrey amendment.

I do not know whether we were able to reach Senator LONG or not. We put in a call. But, in the meantime, we will try to see.

Mr. ARMSTRONG. I am happy to withhold.

Mr. CHILES. I thank my distinguished colleague.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I inform the floor managers that I will be requesting a rollcall vote on my amendment. I would certainly be willing to defer until the vote on the amendment which is scheduled at 2:30—I see it is now 2:40.

Mr. CHILES. The agreement we had was that there would be no rollcall before 2:30.

Mr. HUMPHREY. Yes.

Mr. CHILES. It may well be the vote on the Senator's amendment would be the first rollcall.

Mr. HUMPHREY. I see.

Mr. CHILES. I think we have waited long enough.

Mr. HUMPHREY. Fine. I did not realize it was this late.

UP AMENDMENT NO. 519

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 519:
>
> On page 17, line 24, strike the period and insert in lieu thereof a comma and the following: "and of which $500,000 shall be available only for activities related to the investigation of possible violations of federal law connected with the Carter peanut warehouse in Plains, Georgia."

Mr. HUMPHREY. Mr. President, indictment of President Carter's good friend Bert Lance on 15 counts of misapplication of bank funds raised more questions than it answered. Lance and three banking colleagues are alleged to have engaged in a conspiracy beginning in 1972 involving $20 million, 383 loans, and 41 banks. The indictment said the actual or potential loss to the banks exceeded $500,000. However, Mr. Lance's most famous loans—to the Carter peanut warehouses—were not among those covered in the indictments. Yet these million dollar loans and the way they were administered may have had an immeasurable impact on the life of this Nation because it has been alleged that Bert Lance's banking practices made possible the winning candidacy of Jimmy Carter in 1976.

The background of the startling accusation is this: In 1975 and 1976 Bert Lance, then the president of the National Bank of Georgia, made a loan to the Carter warehouse to purchase a peanut sheller and for improvements to the warehouse. From the very beginning, the loans made little economic sense. There was never at any time enough income produced by the warehouse to amortize the loans.

To be specific, the Carter warehouse needed to make a profit of at least $250,000 per year—$144,000 for the principal and $106,000 for interest—to repay the loan. This, of course, would be over and beyond any income paid out to Jimmy Carter, his brother Billy, and to his mother. Yet the records show that in order to meet just the loan requirements the warehouse would have had to shell 25,000 tons of peanuts each season. It would have cost $9.8 million to purchase 25,000 tons of peanuts, but the Carter warehouse spent about $2.8 million for peanuts in 1975. In 1976, $4.4 million was spent on peanuts.

Under these financial circumstances, there was no way—simply no way—the loans to the business could be met by the peanut shelling operation. The Washington Post on March 11, 1979 charged that Billy Carter altered the records of the family peanut warehouse and delayed making payment of $500,000 to Bert Lance's National Bank of Georgia.

Second, the Carter warehouse had insufficient collateral on hand to secure the loans. At the end of 1975, the Carter warehouse owed the National Bank of Georgia $1,690,000.

For this loan to have been properly secured, the warehouse should have had $2,112,500 worth of peanuts on hand. Instead the warehouse had on hand peanuts valued at $1,499,403—a shortfall of $613,097. At about the same time, in March of 1976, the Nation magazine charged that Billy Carter had transferred $500,000 from the Carter warehouse bank accounts at the National Bank of Georgia to his personal account at the same bank. According to the Nation, this money then was shortly withdrawn. The Nation also reports that $500,000 was redeposited in Billy Carter's personal account in May and June 1976. The money was then transferred to the warehouse account and then used to repay the delinquent loan.

These dates and the amounts involved are crucial. In 1974 the Congress enacted the Presidential Campaign Finance Law. Among other provisions, the law limited individual campaign contributions by business. On January 30, 1976, the Supreme Court handed down a decision that upheld part of the Act including the limitation on contributions, while striking down certain other provisions. The Court, however, stayed its ruling until March 22 to give the Congress time to enact remedial legislation. On midnight, March 22, the matching Federal Campaign faucet was turned off. The Congress finally enacted remedial legislation, 43 days after the Supreme Court deadline and the President signed the bill May 10.

Meanwhile, Mr. President, the primaries continued on schedule. A number of candidates were hard pressed for campaign funds and were forced to curtail their efforts. But not Jimmy Carter. Senator HENRY JACKSON, for instance, spent only $167,150 in his Pennsylvania effort. Carter, even though his campaign was in debt almost $1 million, spent $472,117. On April 27, Carter won the crucial Pennsylvania primary. Carter carried 64 of 67 counties and had a margin of 170,000 votes. This election effectively ended Senator JACKSON's campaign, and Jimmy Carter went on to wrap up the nomination when he won the Ohio primary on June 8, 1976. Coincidentally—everything seems to be a coincidence—during this crucial period the Rafshoon Advertising Agency extended massive credit to the Carter campaign. According to documents on file within the Federal Election Commission, by the end of May the Carter campaign owed the Rafshoon agency almost $646,000.

The Nation magazine suggests the Rafshoon Agency was the recipient of the $500,000 Billy Carter withdrew from the warehouse account. In effect, the Nation alleges that Rafshoon and company laundered the money.

Mr. Rafshoon, of course, is now a

high White House aide, paid $56,000 per year to attend to Jimmy Carter's image.

Since these allegations were first made, there has been a massive silence in Washington. Nobody is asking: "What did Jimmy Carter know and when did he know it?" Yet, if these allegations are true, Jimmy Carter violated Federal election laws.

The indictment of Bert Lance should encourage the Federal Election Commission and the Special Counsel, Paul G. Curran, to fully investigate the loans made to the Carter warehouse and the dubious disposition of those funds.

The statute of limitations is about to run out on the possible FEC violations. Other laws, with longer statutes of limitations, are also applicable. The Lance-Carter connection must be fully examined. It seems unlikely that a man who is accused of conspiring over a period of 7 years of misapplying bank funds involving 383 loans exempted the Carter warehouse loan from this pattern of conduct—a loan, by the way, he publicizes in the 1976 annual report of the National Bank of Georgia.

There can be no doubt of the closeness of Jimmy Carter to Bert Lance. He was the first person Carter named to his Cabinet. His tearful acceptance of Lance's resignation provided memorable television drama.

On October 8, 1976, while campaigning, Jimmy Carter attacked President Ford, who was being investigated on a phony charge of misusing campaign funds. Jimmy Carter urged the press corps to question President Ford, saying:

> I call on the American news media to insist that Mr. Ford be cross-examined in a carefully prepared, open, previously announced press conference, with sound.

It is time Jimmy Carter answered some questions about the charges that have swirled about as a result of his relationship with Bert Lance.

Mr. President, the Federal Election Commission on August 21 announced that it had, by a 4-to-2 vote, cleared the Rafshoon agency of charges of giving illegal financial assistance to the Carter general election campaign. The matters which relate to the Carter peanut warehouse, in contrast, have to do with the Presidential primary period which has been swept under the rug and not been subject of a full investigation by the Federal Election Commission. Neither has there been any decision by the FEC on the validity of the charges which have been made in the Nation and elsewhere regarding the Carter peanut warehouse financial transactions.

We have it in our power to encourage the FEC to conduct the thorough investigation this serious matter deserves. A vote for this amendment is a vote for clean elections, a vote to prove to the American people that even the President of the United States is not immune to the operation of the law. We cannot afford to allow these serious charges to remain uninvestigated by the FEC.

Imagine what the average citizen must think about the failure of the appropriate agencies to conduct a thorough investigation. Is the voter to believe that because those in charge of exposing violations of the law are Presidential appointees that the President is, therefore, safe from investigation? This must not be, Mr. President.

Must we wait until a new President takes office? The term to which Mr. Carter was elected is close to three-fourths gone. It is time for an investigation now.

Mr. President, my amendment would reserve $500,000 of the FEC budget to facilitate a thorough investigation of these very serious allegations. It seems to me very strange that the FEC has been very slow to move in looking into these charges.

As I mentioned a moment ago, the statute of limitations with respect to the laws which it is alleged have been violated will be running out very soon, and I think it is time for the FEC to act. I urge my colleagues to urge the FEC to act by accepting this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I am going to make a few remarks, and when time has expired—the Senator has 30 minutes on his side—I propose to move to table his amendment. I will do that when the time has expired, so he can make any other comments he wishes.

For the convenience of the Senate, perhaps we could take up the vote on the Senator's amendment after the vote on the McClure amendment, which is going to follow the first rollcall vote we have today. That might help us to get underway, so that we can finish this bill today and not be too late in doing so.

Mr. HUMPHREY. That is perfectly agreeable.

Mr. CHILES. Mr. President, I ask unanimous consent that the vote on the Humphrey amendment or the motion to table the Humphrey amendment occur immediately following the vote on the McClure amendment, which will follow the first rollcall vote we have today.

The PRESIDING OFFICER. As a clarification, the McClure amendment is the committee amendment.

Mr. CHILES. That is correct. It is the committee motion to strike.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHILES. Mr. President, we are now going to have two rollcall votes immediately following that. I ask unanimous consent that on the next two rollcall votes, after the first rollcall vote, there be a limitation of 10 minutes on each vote. That has been cleared on the minority side. There will be 15 minutes on the first rollcall vote. Senators will be here. This is an attempt to speed up the process.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President—and I do not object—the distinguished chairman has cleared this with me. We are talking about the three rollcall votes—two back-to-back behind the initial one, which will be 15 minutes.

Mr. CHILES. Yes, the first will be 15 minutes.

Mr. ROBERT C. BYRD. And the warning bell will be sounded after the first 2½ minutes on the subsequent two.

Mr. CHILES. Yes.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, referring to the amendment of the Senator from New Hampshire (Mr. HUMPHREY), as I understand the amendment, he says that $500,000 of the funds going to the Federal Election Commission would have to be spent on the investigation of the Carter warehouse and its activities.

My understanding is that the FEC has concluded the audit of the Carter campaign. They have also concluded and published their findings on the audit of Rafshoon and his dealings. So I do not see why it is necessary to have $500,000 of funds reserved or $500,000 taken out of this budget.

It also is my understanding that the Justice Department has been designated to be the lead agency for an investigation in regard to the Bert Lance matter, and that Department has been conducting that investigation. So these funds would not be in that capacity.

In addition, there were some allegations that the Justice Department is also investigating Billy Carter and the warehouse operation. The Justice Department is conducting those investigations.

The FEC's audit of the Carter campaign has been completed, the audit of Rafshoon and his dealings is virtually completed and is soon to be published, and the Justice Department is the lead agency in these matters, in the Bert Lance investigation and allegations in regard to Billy Carter and any improprieties that might involve him with respect to the warehouse. Under those circumstances, I cannot see any reason for saying that we are going to peg down $500,000 and that these funds cannot be spent for the general business of the Federal Elections Commission.

Under those circumstances, I will move at the proper time to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield back any time I have, but I do not want to prohibit the Senator from New Hampshire from speaking.

Mr. HUMPHREY. Mr. President, my amendment would not mandate the FEC to do anything. It is hoped that it would encourage the FEC to do something; namely, look into these very serious charges which heretofore, it seems to me, it has ignored.

Senator CHILES noted that the Justice Department has been designated as the lead agency—to use his words—in investigating the Carter campaign. Nevertheless, that designation does not render the FEC inoperative.

In addition, the FEC audit of the Carter campaign did not investigate the serious charges relating to half a million dollars which came from Bert Lance's bank to the Carter warehouse and then to Billy Carter and then mysteriously disappeared during the critical months of the Presidential primary campaign. The FEC audit of Rafshoon covered only the general election period, not the primary period in question.

If a President whose campaign is under investigation appoints the Justice Department as the lead agency and thereby nullifies the FEC or absolves the FEC of its responsibilities, then we are in a difficult situation. It seems to me that some very serious charges here have been swept under the rug.

My amendment is very simple. It simply would reserve $500,000 to permit the FEC to conduct an investigation, an early investigation, a long overdue investigation, a critical investigation, into these very serious charges.

Mr. CHILES. Mr. President, I am prepared to yield back my time.

I will yield back the remainder of my time if the Senator is prepared to yield back his.

Mr. HUMPHREY. I yield back the remainder of my time, Mr. President.

Mr. CHILES. Mr. President, I move to lay the amendment on the table and ask unanimous consent that we set the amendment aside in accordance with the previous unanimous-consent agreement.

The PRESIDING OFFICER. The unanimous-consent agreement has already been made.

Mr. CHILES. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Colorado.

Mr. CHILES. No. In accordance with the previous unanimous-consent agreement we are now setting the amendment aside.

The PRESIDING OFFICER. That has occurred.

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. Has the amendment by the Senator from Colorado (Mr. ARMSTRONG) been temporarily set aside?

The PRESIDING OFFICER. It has been done so twice and would ordinarily occur as the pending amendment unless set aside the third time.

Mr. SCHMITT. Thank you, Mr. President.

Mr. CHILES. Mr. President, we had set aside the amendment of the Senator from Colorado. I have been unable to get the chairman of the Finance Committee. My disposition is to tell the Senator that I think I would just be prepared to take his amendment and go to conference with it. If the Senator from Louisiana, the distinguished chairman of the Finance Committee, has great objection or the committee does, they can make that known to us or if they have some other way of handling this prior to the time we go to conference, and I hate to keep the Senator.

Mr. ARMSTRONG. Unless there is further discussion that solution would suit me fine, Mr. President.

Mr. CHILES. Under those circumstances, Mr. President, I yield back the remainder of my time and shall try to take the amendment to conference.

The PRESIDING OFFICER. Does the Senator from Colorado yield back his time?

Mr. ARMSTRONG. Yes, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question recurs on agreeing to the amendment of the Senator from Colorado.

(Putting the question.)

The ayes appear to have it. The ayes do have it.

The amendment (UP amendment No. 517) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 520

(Purpose: To delete the IRS debt offset program)

Mr. SCHMITT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 17, strike: "$774,660,000" and insert in lieu thereof "$773,660,000".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCHMITT. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

TIME-LIMIT AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on this amendment be limited as follows: 30 minutes under the control of Mr. SASSER; 30 minutes under the control of Mr. SCHMITT; 15 minutes under the control of Mr. WEICKER; and 15 minutes under the control of Mr. PERCY.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, this amendment deletes $1 million from the appropriations for the IRS, the $1 million that is allocated for the purpose of a study having to do with the IRS offsetting debts owed to the Department of Health, Education, and Welfare for student loans.

Mr. President, it is disturbing to learn that in fiscal year 1978 over $400 million owed by individuals and businesses to the Federal Government was written off as uncollectable. When individuals refuse to pay their legitimate debts to the Government, the taxpayers of this country are cheated. There is no question about that and there is clearly a need for increased efforts by the agencies in collecting legitimate debts owned to them by the citizens of the country.

On March 9 of this year, the Comptroller General issued a report recommending that the Internal Revenue Service offset loans in default against income tax refunds. That is if there is a loan in default the IRS would, in coordination with the particular agency, offset that loan against a refund that the same individual might be owed. That recommendation by the Comptroller General has become a test program in this bill. During committee consideration of H.R. 4393, I offered an amendment to delete this section. The amendment failed by an 11 to 10 vote. I again offer this amendment.

This program is ill-conceived, unwise, and potentially dangerous and to embark on it at this time is fundamentally wrong. The need for the proposal has not been established nor have the consequences been fully examined. The proposal has raised many questions which are left unanswered.

Mr. President, giving the Internal Revenue Service $1 million and 30 positions to enter into a wholly new debt collection procedure is without precedent, and without the benefit of adequate inspectional oversight by either the Treasury, Postal Service, and General Government Subcommittee or the full Senate Appropriations Committee. As a matter of fact, in both the House and the Senate, the four committees having direct jurisdiction over this new endeavor, the House Ways and Means Committee, the Senate Finance Committee, and the House and Senate Committees on Appropriations, have not held hearings which would justify this expenditure and the need for this program. Last December, the Senate Finance Subcommittee on Taxation and Debt Management Generally held a hearing on debt collection but no mention was even made about the involvement of the IRS in offset.

The House has not held any hearings on the issue of offsetting defaulted debts against income tax refunds. Should this provision remain in this bill, the House would never even have the opportunity to vote on this major issue, if accepted in conference.

The only hearing on this subject was a 45-minute hearing before the Senate Appropriations Subcommittee on the Legislative Branch on March 20 of this year. Testimony was taken from the Comptroller General and his staff. There were no other witnesses, not even the Internal Revenue Service, the agency which will have to implement the program.

The proponents of this proposal have not established a need for such a drastic step, as to have the IRS become a debt-collection agency rather than being solely a tax-collection agency as it is today. To be sure, the Government writes off many millions of dollars every year in bad debts, and I support efforts to increase the effectiveness of collection efforts. The Comptroller General has stated that departments and agencies "have not been aggressive in pursuing collection (of debts)," and recommended steps which could be implemented in-house to increase collection efficiency. These recommendations have, for the most part, not been implemented.

In addition, the Congress enacted legislation in 1978 providing for Inspectors General for various departments and agencies. Little or no effort has been undertaken to direct IG's to tighten debt collection procedures at the various agencies. These alternatives should be considered first before we embark on the uncertain waters of IRS debt collections.

My major concern and the concern of many of my colleagues is the rights of individuals and due process. This proposal, without any guidelines, shifts the burden of proof of guilt or innocence from the Government to the individual. No longer will the Government be forced to prove an individual owes money; rather, the individual will be forced to prove he does not owe the Government any money just to recover the tax refund due him. If through computer or human error, an innocent individual is thought to owe money to the Government, that individual could very well have his hard-earned money confiscated and then forced to spend months trying to recover it.

The proposal is inherently discriminatory. It is assumed that individuals who do in fact owe money to the Government are unwilling rather than unable to pay. There may be extenuating circumstances that the judicial system of debt collection would consider legitimate, but that this automatic system does not take into account. The proposal assumes that all tax refunds are due to income earned. It is very possible that some individual who is unable to pay off his debt to the Government receives an income tax refund due to medical expenses during the year. Clearly, this proposal for debt collection is prone to error and inflexible, as it now stands.

The issue of privacy and individual rights are not even addressed. Even in the case where an individual is guilty of defaulting on a loan, that individual has the right to due process. I hope we have established this principle in this country by now.

The relationship between a taxpayer and the Government is one of extreme confidentiality and must be protected. The Tax Reform Act of 1976 put a limitation on the use of tax return information. This proposal runs counter to the intent of that legislation and that law poses problems for this program. Under the Tax Reform Act of 1976, the IRS would be unable to report to the Office of Education, in this case, or any agency on the disposition of any accounts referred to collection. The initiating agency will have no way of knowing if the account was accurate or in error, paid or still in default. Should the individual apply for another loan, what kind of credit rating will that individual have at the agency?

The Internal Revenue Service is a revenue-collecting agency. A great deal of thought and discussion is needed before we embark on a program which would expand the IRS into a bill-collecting agency. At a minimum, the relevant committees of the House and the Senate should review the program and the IRS should be allowed to state its position on the program.

The IRS is strongly opposed to the program for a number of reasons. At this time I would like to read the letter I received from the Commissioner of Internal Revenue, Jerome Kurtz:

DEAR SENATOR SCHMITT: As requested by your staff, I am providing the following comments on the General Accounting Office's proposal that the government collect delinquent non-tax debts by keeping Federal tax refunds as offsets. This recommendation was contained in GAO report FGMSD–79–19, of March 9, 1979.

The Service opposes the test GAO recommends because although it could answer the narrow question of the cost effectiveness of the offset concept, we do not believe it would resolve the difficulties we foresee if IRS were to become the Nation's debt collector for small claims.

Overall, our opposition to offset is based on three major concerns.

RISKS TO THE NATION'S TAX WITHHOLDING SYSTEM

The IRS will collect about 90% or some $450 billion of the $500 billion in Federal revenues forecast for FY 1980. Taxpayers will voluntarily determine that they owe more than $440 billion, will file the required tax returns, and will pay this money—largely through withholding—without direct IRS enforcement action. Less than $10 billion will be collected as a result of direct enforcement action. It is the withholding system that makes it possible for the IRS to collect tax revenue at the inexpensive cost of about .50 per $100 collected.

If taxpayers react to the idea of IRS becoming the Nation's small debt collector by adjusting their tax withholding as much as 1%, the initial loss of Federal taxes voluntarily paid would be $4 or $5 billion. We are seriously concerned about the risks to which a National non-tax debt collection program would expose the withholding system.

PRIVACY CONCERNS

The test raises the issue of using tax information and the tax administration system for non-tax purposes. The GAO proposal would put IRS in the middle of controversy between the debtor and the agency owed the debt. Thus offsets which partially cover the debt, disagreements as to amounts between the debtor and the agency owed, remaining balances, and similar controversy would ultimately place the IRS in an awkward position. To maintain taxpayer privacy and to prevent unauthorized disclosure of tax information, IRS would be burdened with dealing with the taxpayer in attempting to resolve the controversy between the taxpayer and the agency owed the debt—without the authority to resolve the matter.

Additionally, we question whether the inter-agency use of personal financial data on citizens would adequately recognize concerns about citizen privacy in the use of data processing technology.

IMPACT ON IRS AS AN INSTITUTION ENTITLED TO PUBLIC CONFIDENCE

Maintaining taxpayer confidence in the tax administration system is one of the most critical tasks that we have. To add the task of public debt collector for small claims to our tax administration responsibilities would, in our judgment, damage our institutional position. The underpinning of the tax system is the voluntary payment of billions of dollars by more than 90 million individuals. We believe Congress should weigh the possible consequences of imposing such a test on the tax administration system.

I trust this information is of use to you in your deliberations, and appreciate very much your interest in the operations of the Internal Revenue Service.

With kind regards,
Sincerely,

JEROME KURTZ.

Mr. President, in summary, I believe very strongly that it would be a mistake to enact this major policy change in our tax and debt collection policies without adequate debate and discussion within the relevant committees and, subsequently, on the floor of the two Houses.

There are many practical problems and questions left unanswered. The major concern, however, is the potential for violation of the rights of individuals and the denial of due process. Saving the taxpayers some money is not worth the cost of what we may have to pay in terms of taxpayers' rights.

The PRESIDING OFFICER (Mr. HART). The Senator from New York.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. SCHMITT. I would be happy to yield to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, as a member of the Committee on Finance, no less than as a Member of the Senate, I would like to express my appreciation for the extraordinarily thoughtful and capable comments that have just been made by my colleague, Senator SCHMITT.

It sometimes is an occasion almost for despair to see how little regard we have for the singular trust which Americans reside in our institutions of Government. We read an awful lot about distrust.

Go to a society where there is no trust in Government and see how taxes are paid. There is no greater measure of the stability of this society, of the strength of its policies, than the willing payment of taxes. As Commissioner Kurtz described to us, he made a rough calculation that $10 billion out of $440 billion, perhaps 3 percent, is collected by actions of the tax collection agencies, and better than 90 percent voluntarily, largely unnoticed. Is it not possible to make a conservative argument that if we have an effective method now, do not tamper with it? Do not, in fact, let a petty annoyance with post-teenagers who may not have paid their bills jeopardize this extraordinary institution of trust and reciprocity between citizen and Government.

I cannot too much congratulate the Senator for what he has said. I would like to note, as a member of the Finance Committee, that it is my understanding that the Finance Committee has not held hearings on this matter. I believe the Senator shares my understanding.

Mr. SCHMITT. That is correct.

Mr. MOYNIHAN. It would be a misuse of power to accept this amendment. It would be a mindless trifling with an imperative that we have the most profound responsibility to maintain in effect. I hope the Senate will not do this. I think it is more than attractive that such a proposal as this has come from the other side of the aisle, in a matter that should be attended on this side of the aisle as well.

Mr. SCHMITT. I thank the Senator for those comments. I would just make the minor correction that what I am trying to do is remove this provision from the bill.

Mr. MOYNIHAN. That is correct.

Mr. SCHMITT. Which the committee adopted by a vote of 11 to 10.

Mr. MOYNIHAN. Did I indicate otherwise?

Mr. SCHMITT. You indicated otherwise, but just in case anyone is paying attention to us, I want to have you on the side of justice.

Mr. MOYNIHAN. This should not be a part of this bill.

Mr. SCHMITT. But more seriously, you make such a profound argument about the voluntary tax system, and you above all, with the experience you have had with other governments and with the history of Government, recognize that it is a truly unique tax system. It is a voluntary tax system, and there are not many of those around; not in major nations, with the internal domestic complexity of our own.

Unfortunately, there are other pressures on that taxing system right now that are denigrating the voluntary nature of it: just the tax burden itself, the complexity of the tax system, the abuses by the IRS in other areas, all tend to make it less voluntary.

And Heaven help us if we ever lose a significant degree of voluntary activity on the part of the taxpayer. As I understand, the French Government is now in a situation where it is basically a negotiated tax. We do not want that. We do not want to have to negotiate with every citizen of this country on what their tax will be. It has to be a voluntary system, or there will be difficulties without end.

Mr. MOYNIHAN. In France the taxes are negotiated, as you say. In some countries they take the form of genuinely regressive tariffs and sales taxes. The whole system that we have adopted so faithfully of progressive taxes, of sharing the burdens according to ability to pay—what is the matter with us? Can the Senator explain to me how a body of this consequence, through centuries, almost, in the building of such an act in this Chamber, would jeopardize an institution so precious?

Mr. SCHMITT. I think we just move too quickly, and with the sincere motivation of trying to make the system of Government work better. I think everyone feels that if there are legitimate debts, they ought to be paid; but the issue has been transferred to "Let us have IRS collect them," and that is unfortunately the wrong way to go about it.

Mr. MOYNIHAN. Are we not jeopardizing the confidentiality of these matters?

Mr. SCHMITT. That is my opinion. It is also the opinion of Jerome Kurtz, the Commissioner of Internal Revenue.

Mr. MOYNIHAN. If I may say to my colleague and friend, I had something to do, in the executive branch, with the enactment of these student loan programs, but if we have to compromise the integrity of the Internal Revenue Service in order to collect these loans, I would rather see us not make any loans.

Mr. SCHMITT. The original proposal made in the committee was that we collect the VA debt. That did not meet with much popularity. This is an experiment.

Mr. MOYNIHAN. Might we not as well rent out the Internal Revenue Service to the local bookmakers, used car dealers, and savings and loan associations? We could rent an Internal Revenue Service.

What has become of sovereignty, and the dignity of the American Government?

Mr. SCHMITT. I think the Senator's implicit point is that we have moved from what has been the trend relative to privacy in Government, privacy of the individual in Government, or has been deflected by Government into an uncertain course. Where this will lead us I do not know. That is one of the problems with the proposal. The guidelines and constraints within which the IRS would operate are not defined. That should certainly be discussed before such a proposal becomes the law.

Mr. MOYNIHAN. I certainly wish to stand here and say that I am grateful to the Senator from New Mexico. I think he is right. I wish more were listening. But I certainly hope the Senate will not go forward on this course without even giving the Committee on Finance an opportunity to address this matter. I see the distinguished ranking Republican member of that committee is on the floor, and while I do not know his position on this matter, I think clearly the case of something so much opposed by the Internal Revenue Department and which represents such a departure from its historic function is certainly not something that should be done in a single afternoon, on a matter which has no bearing whatsoever on the measure before us.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. SCHMITT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 5½ minutes remaining.

Mr. DOLE. Will the Senator yield me 1 minute?

Mr. SCHMITT. I yield the Senator from Kansas 1 minute.

Mr. DOLE. Mr. President, as the ranking Republican member of the Finance Committee, I do not have any quarrel with the intent of the amendment, but we have not had any hearings. That is the point. It seems to me this is a proper matter for the jurisdiction of the Finance Committee. Perhaps with hearings we could work out guidelines, and IRS could testify, and others could testify. But on the basis of what little information I have, I would guess no members of the Finance Committee would favor it, not because of jurisdiction or some other reason, not because we did not want anybody to invade our jurisdiction, but because there have not been hearings; and because of other problems I see, I would support the efforts of the Senator from New Mexico, and I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I see no basis for argument, because that institution is working. Leave it alone.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I yield myself such time as I may require.

Mr. President, I rise in opposition to the amendment from the Senator from New Mexico (Mr. SCHMITT). The Senator's amendment would strike the committee amendment designed to withhold income tax refunds from former students who have defaulted on their Government subsidized student loans. I commend the chairman of the Treasury, Postal Service and General Government Subcommittee (Mr. CHILES) for his courtesy and support of this "offset" amendment.

THE FEDERAL GOVERNMENT IS OWED $140 BILLION

We found at a recent hearing that the debt owed to the Federal Government from all sources is $140 billion.

THREE AND A HALF BILLION DOLLARS IN BAD DEBTS

We have also found that Federal agencies are despairing of ever collecting an increasing portion of that debt. The sum of $3.5 billion has been written off as "bad debts."

This is an increase of 60 percent in the past 2 years.

The committee amendment provides 30 positions and $1 million for the budget of the Internal Revenue Service to conduct the pilot project which could save the taxpayers an estimated $35 million. I repeat—a $1 million investment that has a potential payback of $35 million—a favorable benefit-cost ratio of 35 to 1. In fact, this may be the most cost effective amendment in the bill.

Yet from the dialog we have heard on this floor today, Mr. President, one would think that this pilot project, the amendment to recover $35 million of hard-earned taxpayer's dollars, was rocking this Republic down to its very foundation.

THE PROBLEM

Mr. President, the magnitude of the problem is stunning.

Currently, there are over $2 billion in student loans in default at the Office of Education.

When those defaults due to death, disability or bankruptcy of the borrowers are excluded—the amount remaining in default is still around $2 billion.

Mr. President, I ask unanimous consent that a table containing information supplied by the General Accounting Office be printed in the RECORD at this point. The table shows the amounts loaned, paid, and defaulted in Office of Education loan programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(*Amount in billions*)

Guaranteed student loan program:	
Amount loaned as of fiscal year 1979	$15.3
Amount repaid by students	6.2
Amount defaulted	1.3
Amount outstanding	7.8
In repayment	3.2
Students in school	4.6

(*Amount in billions*)

National direct student loan program:	
Amount loaned as of fiscal year 1979	$5.6
Amount repaid by students	1.6
Amount outstanding	4.0
Defaults	.7

Mr. SASSER. Mr. President, to continue:

SOME EXAMPLES OF DEFAULTERS WITH THE ABILITY TO PAY

The General Accounting Office has supplied me with 10 examples of student loan defaulters—all with the ability to pay. Each has a good credit rating outside the Government. They pay their bills to everybody except the taxpayers of this country. These cases represent the type of loans which would be included in the pilot test conducted by the IRS.

Each of the following examples have been in default since 1976 or earlier, and efforts to collect the amounts due have been unsuccessful.

None of the students have disputed the amount owed. In most cases, they simply refused to acknowledge the collection efforts.

CASE 1

The person defaulted for $454 in 1975. During the period 1975 to 1979, he satisfactorily paid off four unsecured bank loans in the amounts of $1,900, $1,700, $500, and $1,100.

CASE 2

The person defaulted for $595 in 1973. In 1977, he was granted an automobile loan for $8,900, and as of July 1979, he had paid about $3,000 on that loan.

He is riding around in a new automobile but he cannot bring himself to pay the funds owed to the U.S. Government, which loaned him the money to get the education which perhaps enabled him to get the loan for the automobile.

He has also paid off over $600 on a $1,300 installment sales contract with a major department store.

CASE 3

The person defaulted for $754 in 1976. During 1978, he was granted an unsecured bank loan for $1,300 which was satisfactorily paid off in 6 months.

Mr. President, I ask unanimous consent that cases 4 through 10 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASE 4

The person defaulted for $571 in 1972. During 1978–1979 he satisfactorily paid off an $1,000 secured loan. He was then granted a $1,000 unsecured loan in March 1979, of which $88 has been paid off as of June 1979.

CASE 5

The person defaulted for $832 in 1976. She has a "bank card" account with a credit extension of $2,000 and two charge accounts at department stores with credit lines of $700 and $500. She has an estimated income of $10,000 and shares a $350 a month apartment with another person.

CASE 6

The person defaulted for $549 in 1976. In March 1979, she was granted an unsecured loan for $6,600. As of June 1979, she paid almost $2,000 on this loan.

CASE 7

The person defaulted for $301 in 1975. In 1979, he had been granted a charge account with a credit line of $900 at a local department store. He also had been given two bank card accounts with a credit line of $1,400 on each account. He is employed with an estimated annual income of about $12,000.

CASE 8

The person defaulted for $328 in 1976. In March 1979, she was granted a $6,400 car loan by a bank. She paid off almost $400 of the loan through June 1979.

CASE 9

The person defaulted for $505 in 1974. As of 1979, she had been granted two bank card accounts with lines of credit of $700 and $200. She has also had two department store charge accounts with lines of credit of $400 and $500.

CASE 10

The person defaulted for $829 in 1976. She has been granted a bank card account with a credit line of $1,600. She also has department store charge accounts with credit lines of $800 and $500.

PROPOSAL FOR PILOT TEST

Mr. SASSER. Mr. President, the 30 positions and $1 million proposed for inclusion in the IRS budget has been approved by the Senate Appropriations Committee. It is contemplated that these resources would be used to match a target group of 100,000 defaulted student loans from the Office of Education—worth over $100 million—against income tax refunds.

Once the amount due the Government has been firmly and conclusively established by due process, beyond a reasonable doubt, the refund would be withheld as an offset against the defaulted loan.

IMMEDIATE SAVINGS OF $35 MILLION

The General Accounting Office, which supports this initiative, estimates that at least $35 million of the $100 million in defaulted loans in the target group could be collected through this limited investment—and the amount collected could range much higher.

ULTIMATE SAVINGS POTENTIAL

Once established, this mechanism has the potential of savings the taxpayer from one to two billion dollars.

FAIRNESS OF THE PILOT TEST

Mr. President, this pilot test is fair and equitable. It will target individuals who have had their higher education costs subsidized by the taxpayer, but who refuse to pay their just debts. Because of those subsidies, the affected individuals have been able to enjoy the benefits and income security deriving from higher education. It is only fair that these defaulted loans be repaid out of those higher earnings.

I think it is absolutely unfair and irresponsible to expect the taxpayers to subsidize higher education and then allow the recipients of that education to scoff at fellow taxpayers.

Mr. President, I ask unanimous consent that there be printed in the RECORD, at the conclusion of my remarks, a letter from the Comptroller General and a memorandum from OMB Director McIntyre on the subject of debt collection. The letter is in support of this experiment. It also addresses some of the concerns that have been raised about the pilot test by several of my colleagues.

The memorandum shows that the administration is also concerned about the matter of debt collection and recognizes more needs to be done in this area.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

HONEST CITIZENS WOULD BE GRATEFUL

Mr. SASSER. Mr. President, I am in full agreement with the statement of the Comptroller General on this issue. I firmly believe that the vast majority of honest citizens—who pay their just debts to the Government—would be grateful to see the Government taking action to recover delinquent debts. But, that action cannot begin to take place in the ways I have explained—unless my colleagues support this committee approved amendment.

CONCLUSION

Mr. President, I hope my colleagues will support this amendment which has the potential of eventually saving the taxpayer in excess of $1 billion.

It is, I believe, a very moderate proposal—an opening gun—to combat a very serious problem.

If the committee amendment is approved, I believe we will be sending the correct message to the taxpayers—that is, that we recognize that it is patently unfair to the honest citizen who pays his debts to the Government to allow other debts to go uncollected.

It seems to me that if we do not approve the committee amendment, we are going to be conveying just the opposite message—that the U.S. Government does not have the will to collect from the deadbeats, even when the individual has the ability to pay and the amount of the debt is not in dispute.

Like all of my colleagues, Mr. President, I have visited my State over the past few weeks.

We recognize the mood of the country, the citizens we have been elected to serve are concerned about inflation, the Federal deficit, and taxes. Support for the committee amendment is one way we can tell them we, as their elected representatives, appreciate those concerns and stand ready to do something about it. Each million dollars collected under the provisions of the committee amendment reduces the deficit, reduces the national debt, and has the consequent moderating influence on taxes and inflation.

Mr. President, I urge my colleagues to support the committee amendment.

I might say, in addition, that there have been questions raised here about confidentiality and the tax return being sacrosanct and that its confidentiality should be and ought to be must be protected. Mr. President, I could not agree more with those expressions, but I ask, how is the confidentiality of the tax return to be breached by the addition of 30 staff members to the Internal Revenue Service staff? Does not the staff of the Internal Revenue Service presently have access to the tax returns of the citizens of this country?

The question was raised, is there adequate due process? I say, Mr. President, that I am as concerned as the next Senator about guaranteeing and insuring that our citizens have access to due process of law. The system that has been set up to collect these delinquent accounts would guarantee due process.

First and foremost, the delinquent borrower will have signed a note and, at the time that this note is signed, there would have been full disclosure of the rights and the obligations that flow between the parties with regard to this promissory note. At the time that the debtor or the borrower leaves the school, there would be an exit interview and there would be provided to the borrower or the debtor a repayment schedule, the schedule by which they are expected to repay this loan.

Thereafter, a written record is maintained of the exit interview, including a signed copy, signed by the debtor, of the repayment schedule.

Thereafter, contact is maintained with the borrowers after they leave the school, also establishing and maintaining regular billing and follow-up procedures during the period in which the outstanding loan balance remains unpaid.

Should, for some reason, it become impossible to contact the debtor through the ordinary course of events or through the mail, then a commercial skip-tracing organization or some organization performing the equivalent service for the institutions are employed to locate the borrowers. After the borrowers are located, if there is still no payment, then a collection agency is employed in an effort to collect the remaining indebtedness.

After all of these steps are taken and after all of these steps have been fruitless and all other avenues have been exhausted, then a letter would go forward to the debtor from the Office of Education, indicating that the debt is owed, asking if there is any dispute about the amount that is owed and, if some response is not forthcoming, then the debtor would be subject to offset; that is, the amount coming to the debtor by way of tax refund would be subject to an offset of this particular debt.

Now, should the debtor come forward and say, "I do not owe this money," or there is some dispute, then the debtor's name would be automatically removed from the pilot project and he would not be subject to the offset provisions.

Mr. President, I do not see how we could more fully guarantee and protect the due process of citizens than this—one procedure after another, and always there is present the signed promissory note, which is the basis for any effort in debt collection.

Mr. President, I again urge my colleagues to support this committee amendment. I think it is necessary and mandatory that we begin efforts now to collect the enormous amount of debt owing the honest taxpayers of this country from other citizens who are not conscientious about paying their just debts.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., August 22, 1979.

Hon. JAMES R. SASSER,
U.S. Senate.

DEAR JIM: This letter discusses the additional views which were included in the Committee on Appropriations Report on the Treasury, Postal Service, and General Government Appropriation Bill for Fiscal Year 1980 (H.R. 4393). These additional views concern a provision which would provide funding necessary for IRS to test the collection of delinquent debts by keeping tax refunds as offsets.

The provision would support a test program by providing $1 million to fund 30 authorized positions for IRS to perform the test. For this test, 100,000 debts due the Office of Education under the National Direct Student Loan Program would be selected. These debts would be delinquent loans on which the debtor had signed a promissory note to an educational institution and subsequently defaulted. These defaulted loans have all been assigned to the Office of Education by the educational institutions.

On all deliquent loans included in this test, the educational institutions will have exercised due diligence in their collection effort. Due diligence efforts include:

Fully disclosing to borrowers their rights and obligations when they sign the promissory notes,

Conducting an exit interview with borrowers and providing them a copy of the repayment schedule before they leave school.

Maintaining a written record of the exit interview including a signed copy of the repayment schedule,

Maintaining contact with borrowers after they leave school,

Establishing and maintaining regular billing and follow-up procedures during the period in which any outstanding loan balanco remains unpaid,

Using a commercial skiptracing organization or performing the equivalent service with institutional personnel to locate borrowers, and

Engaging a collection agency or performing collection activities with school personnel or resorting to litigation in those cases in which a borrower fails to make loan payments.

In addition to these efforts by the educational institutions, the Office of Education would be required to meet normal due process requirements prior to referring the debt for offset. Any disputed debts would be dropped from the sample of cases referred to IRS for possible offset. The remaining debts which would be transferred to IRS for offset would be ones in which both the school's and the Office of Education's debt collection process has proved unsuccessful.

We respect the views of your colleagues on this important legislation; however, we believe it is important that they consider all factors in arriving at a final decision on this matter. I would like to provide the following specific comments on points raised in the additional views of Senators Schmitt, Laxalt, Weicker, McClure and Hatfield.

1. The additional views make the statement that ". . . the four committees having direct jurisdiction over this new endeavor, the Ways and Means Committee, the Senate Finance Committee and the House and Senate Committees on Appropriations, have not held one hearing where evidence was received that would justify this expenditure allowing the IRS to enter into the vast unexplored area of debt collection by setoff". The Senators were apparently unaware that, on March 20, 1979, you presided over the Senate Committee on Appropriations, Subcommittee on Legislative Branch hearings on "Improving Government Debt Collection Operations." During these hearings, the feasibility of utilizing IRS to collect debts was discussed. In addition, in December 1978, we testified at length on Federal debt collection before the Senate Finance Subcommittee on Taxation and Debt Management Generally. While we did not discuss the subject of IRS setoff since our report had not been issued, the Finance Subcommittee received a copy of our March report.

2. As pointed out in the additional views, departments and agencies have not been aggressive in pursuing collection of debts. Also, although GAO has recommended certail improvements, actions to tighten debt collection procedures have not been completed.

We recognize the need for agencies to retain primary responsibility for collecting any debts due the Government resulting from their operation. The proposed method of collecting amounts due the Government by reducing future refunds due the taxpayer would work in conjunction with the present collection system. The Office of Education would retain primary responsibility for collection of amounts due. Only after the Office of Education has taken appropriate collection action and has determined that further efforts, including legal action, would not be economically feasible, would they then refer the debt to IRS.

In this test, the agency would transfer loans to IRS for offset only after the existing collection process has been aggressively pursued. Thus, this method would not replace normal agency debt collection procedures or eliminate the requirement for aggressive action on the part of the Office of Education. Instead, this process would be used as a last resort after the existing debt collection process has proved unsuccessful. However, as there were 841,181 students with $702,542,830 outstanding on defaulted loans at September 30, 1978, there will be many debts which cannot be economically collected by conventional methods.

3. The concern that ". . . taxpayer confidence in the tax administration system could be seriously compromised by turning the IRS into a bill collecting agency" would probably be unfounded. A widespread public outcry against using IRS as the Government's debt collector should not be heard if offset is used under the constraints discussed. Instead, quite the opopsite reaction would likely occur if this collection procedure were publicized. The majority of honest citizens who pay their debts to the Government would be gratified to see the Government taking actions to recover delinquent debts.

4. The statement that, under the proposal, the burden of proof of the debt is shifted from the Government to the individual is unfounded. Under the National Direct Student Loan Program, the debtor signed legally binding promissory notes. These notes have since been reassigned to the office of Education. Further, no collection action will be taken in any instance where the amount of the debt is in dispute.

5. Due process requirements and rights of the individual have been carefully considered. The Office of Education would be required to meet normal due process requirements prior to referring the debt. Also, we believe collection by offset is warranted by equity concerns. It's patently unfair to the honest citizen who pays his debts to the Government to allow other debts to go uncollected. This inequity is especially acute when the individual owing the debt has the ability to pay but does not, and the validity or amount of the debt is not in dispute.

6. The fact that "the relationship between a taxpayer and the Government is one of extreme confidentiality and must be protected in every way" was fully considered during our review. We recognize that tax return information is confidential under the Internal Revenue Code. However, no individual's tax return information will be released outside IRS. This test of offset will not contravene the intent of the Tax Reform Act of 1976. Instead, all limitations required by law will be strictly adhered to.

7. The conclusion that "IRS is given new authority to deduct from moneys due and owing a taxpayer those sums allegedly due the Government" is without legal basis. The Federal Government's right to collect delinquent debts by offsetting against amounts due to the debtors is strongly supported by

statutes and court decisions. IRS has on occasion, reduced tax refunds when agencies have requested that an offset be made.

8. The additional views discuss the need for the Congress to act in a deliberative manner and to make a decision based on full consideration of all available facts. We recognize the need for congressional consideration of the impact of any debt collection initiative of this magnitude. Also, we recognize that some of your colleagues will continue to have reservations about the desirability and practicability of this program. However, our report recommended that such a program first be tested by IRS to determine the extent to which there are problems and how they should be overcome before a full scale program is implemented. Further, we urged the IRS to keep Congress fully informed on the status of the test effort and to fully coordinate its approach with the appropriate committees. The action initiated by the Senate Appropriation Committee would provide funds for such a test and would provide additional data for use in any hearings or other deliberation deemed necessary by the Congress.

Because of the substantial amounts that could be collected under this program, we believe funding for this test offset program should be retained in the Treasury, Postal Service, and General Government's Appropriation Bill.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., Aug. 21, 1979.

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Subject, Debt Collection.

The amount of overdue debts owed the Government is a matter of increasing concern. Since I last wrote you in March, our recognition of the issue has been matched by a growing awareness in Congress and the media.

While we have included debt collection in the Financial Priorities Program, we believe stronger measures are required to collect the monies owed. Toward that end, we have created a Debt Collection Project under the newly formed President's Management Improvement Council. Following the lines of the successful President's Cash Management Project, the Debt Collection Project will seek answers to individual agency problems while pursuing solutions at the general government-wide level as well. The project is intended to build on initiatives already planned and underway, including those mentioned in responses to my March memorandum.

Mr. Wayne Granquist, our Associate Director for Management and Regulatory Policy will be responsible for the Debt Collection Project. In order to coordinate this joint effort, we request you designate a representative to help us in developing specific plans, coordinating the work in your agency and keeping you informed as the work progresses.

To begin early consideration of the work plan, we would appreciate receiving word of your representative designee during the next two weeks. For any additional information, please call Jerry Bridges at 395-3967.

JAMES T. MCINTYRE, Jr.,
Director.

Mr. SCHMITT. Mr. President, I shall yield to my distinguished colleague from Illinois. First, though, I ask unanimous consent that my response to the Comptroller's letter, referred to by the Senator from Tennessee, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 4, 1979.

DEAR COLLEAGUE: The Senate will be considering the Fiscal Year 1980 Treasury, Postal Service, and General Government appropriations bill on September 5. During full Committee mark-up of this bill, I offered an amendment to delete the IRS Debt Collection provision. This provision would provide $1 million and authorize 30 positions for a test program which would deduct from IRS tax refunds the amount owed the U.S. Government by individuals participating in the Office of Education student loan program. The amendment was defeated by an 11 to 10 vote.

Senators Laxalt, Weicker, McClure, Hatfield, and I filed Additional Views on this subject which I circulated together with a Dear Colleague dated August 17, 1979. Since that time the Comptroller General has taken it upon himself to comment on the points raised in the Additional Views. Let me take this opportunity to respond to the points which he has raised.

1. The Additional Views stated that "the four committees having direct jurisdiction over this new endeavor, the Ways and Means Committee, the Senate Finance Committee, and the House and Senate Committees on Appropriations have not held one hearing where evidence was received that would justify this expenditure allowing the IRS to enter into the vast unexplored area of debt collection by setoff." The Comptroller General suggests that we were not aware of the hearings held. The fact is that no committee of the House has held any hearings nor would the House be given the opportunity to vote on this provision of the bill should the Senate retain it. The Comptroller General states that the Senate Finance Subcommittee on Taxation and Debt Management Generally held a hearing on debt collection last December but admits that offset was not even discussed. Lastly, the hearing before the Senate Appropriations Subcommittee on the Legislative Branch was a 45-minute hearing with only the Subcommittee Chairman in attendance, and only witnesses from the General Accounting Office testifying. This Subcommittee does not even have jurisdiction over the Internal Revenue Service, the agency which will implement this program if enacted.

2. The Comptroller General states that bad debts will be referred to the IRS "only after the Office of Education has taken appropriate collection action." "Appropriate collection action" is not defined nor are guidelines proposed. It is easy to foresee the possibility that the Office of Education or other Federal agencies will reduce their collection activities in anticipation that the IRS will bail them out.

3. The Comptroller General disagrees with our statement that the burden of proof will be shifted from the government to the individual. The fact is that if the Office of Education determines that a loan is in default under this proposal, the money of the individual will be confiscated without judicial review. An individual will then have to prove his innocence to retrieve the money due him.

4. The calculation of savings to the taxpayers is based on present withholding patterns. Individuals who do owe money to the government can adjust their tax withholding to eliminate or substantially reduce their refund. The IRS has stated that even a 1 percent shift in this direction would result in an initial loss of Federal taxes voluntarily paid of $4 to $5 billion. The cost of collection would thus increase. In addition, many students do not file income tax returns or are included on their parents' return. The proposal has not even addressed this problem.

5. Under the Tax Reform Act of 1976, the IRS would be unable to report to the Office of Education the disposition of any accounts referred to the IRS. The Office of Education will have no way of knowing if the account was accurate or in error, paid or still in default. Should that individual apply for another loan, what kind of treatment can the individual expect from the Office of Education?

6. The claim that IRS has collected debts owed to the government by offset in the past is inaccurate. I have been informed by the IRS that offset has only been used internally, i.e., collection of past due taxes by offsetting against current refunds. No collection by offset has been used for other agencies.

7. The major concern of the opponents of this proposal is dismissed by the Comptroller General. Due process and rights of individuals as well as the integrity of our tax system is not addressed in the legislation. No provisions or guidelines are included that will insure that the Office of Education and the Internal Revenue Service will observe all the rights of individuals in their efforts to collect loans in default.

8. The Comptroller General fails to mention the strong objections of the Internal Revenue Service to this proposal. With my previous Dear Colleague, I sent you a copy of the letter I received from the Commissioner of Internal Revenue outlining the concerns of the agency.

The effort to collect defaulted loans is a worthy one which has my support. I cannot, however, support a program that has not been adequately discussed and one which has the potential of compromising our tax system and violating the rights of taxpayers. The Report of the Comptroller General pointed out that agencies and departments "have not been aggressive in pursuing collection of (debts)." I suggest that steps be taken to increase the activities of agencies before we embark on this dangerous proposal. Your support of my amendment to delete this program will be appreciated.

Sincerely,

HARRISON SCHMITT.

Mr. PERCY. Mr. President, I support the amendment offered by Senator SCHMITT to strike the Internal Revenue Service debt collection provision. At the same time, I do want to indicate clearly that I agree with Senator SASSER, that the Government needs to increase the effectiveness of its debt collection practices. To this end, I find the proposal he has made intriguing, but I certainly would not feel free at this time to vote for it. I think there are enough negative factors that have been raised by the Internal Revenue Service to cause us to stop, look, and listen, and certainly study this matter much more carefully before proceeding.

I commend my distinguished colleague (Mr. SASSER) for pinpointing the need to establish better collection practices of the Government's debts. It was, after all, the Governmental Affairs Committee, on which he serves as a distinguished member, which revealed the scandalous conditions with respect to student loans. A billion dollars in default is minor compared to what we discovered. Not only were there defaults, there were defaults by hundreds of employees who worked for HEW and were receiving a paycheck twice a month, and yet still defaulting, year after year, on loans that they had received from their Government and solemnly promised to repay. So, certainly, I fully support improving our collection system.

As a result of those hearings, which

were held some time ago as a result of the appointment of an inspector general for HEW, we have begun to improve the debt collection capability of the Federal Government. We have not even approached the effectiveness achieved by the private sector, which does not waffle on this issue at all; it goes right after defaulted loans. But certainly, in this regard, I think we have to look very, very carefully at using the Internal Revenue Service.

It is apparent that we need to study this issue as carefully as we can. We want to look at the potentially serious ramifications of the program on the integrity of the income tax withholding system and the due process rights of taxpayers. And certainly, we need to look at how this proposal affects the privacy rights of our taxpayers.

The agency which would administer this program, the Internal Revenue Service, is opposed to it. They have not yet had an opportunity to testify before any committee on this matter. The officials of the IRS have stated:

> We are not prepared to run the risks to which a massive non-tax debt collection program would expose the withholding system.

If taxpayers react to the idea of the IRS becoming a debt collector by adjusting their withholding by as much as 1 percent, the initial loss of Federal taxes voluntarily paid would be as much as $5 billion. On the other hand, even proponents of this program claim that it has the potential of eventually recovering only $1 billion. It would be false economy to risk the loss of $5 billion in an effort to gain $1 billion.

Certainly, the withholding system and the integrity of that system is an integral part of the success of tax collection practices. We should be hesitant to tamper with that system in any respect. I respect the judgment of IRS in this matter; it is more knowledgable of the withholding system than anyone else.

Mr. President, I am also concerned that this program might result in the abuse of the taxpayer's right to privacy and due process. We are all well aware of bureaucratic error and insensitivity, and must give careful consideration to any proposal which invites further Government intrusion into the affairs of our citizens. We must also carefully examine the implications of shifting the burden of proof in establishing the validity and amount of debts onto the shoulders of the taxpayer.

Because of the serious concern I have with the debt collection problem, I certainly want to pledge to my distinguished colleague, Mr. SASSER, that I, as ranking minority member of the Governmental Affairs Committee, shall be happy to work with him to see that we do tackle this problem in a thorough manner. And I pledge to work with him in seeing that his proposal receives prompt attention. I hope we can work in tandem to find a debt collection proposal that would give a net plus result rather than a negative return to the Federal Government.

To date, we have only had one hearing. GAO has been the sole witnesses. Ordinarily, I highly respect GAO. In this case, however, I respectfully disagree with GAO that at this time we know enough to move ahead with this proposal.

I believe it would be irresponsible to proceed too hastily in such a sensitive area without a more thorough examination of the issues involved.

Therefore, I urge my colleagues to support the amendment offered by Senator SCHMITT.

Mr. SCHMITT. Mr. President, I thank the distinguished Senator from Illinois. He is a man with great experience in governmental affairs and also one who I think understands the complexities of a proposal of this kind for debt collection.

I join him and the distinguished Senator from Tennessee in that we have to do something. We will do some things, but we must do more about the collection of debts owed the Federal Government.

But to take this step, to move the nose of the IRS camel into this tent without knowing the consequences or even the size of the tent, in all proportions, I think would be a mistake.

My argument today, my amendment, is directed at the problem of having the IRS a debt collection agency, not at the fact we must collect debts. We must do that. But I hesitate, I think it is obvious now, to say the IRS should do it.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. SASSER. Mr. President, I say in response to my distinguished colleague from Illinois that the precedent has already been set for the concept of offsetting funds owed to a taxpayer from the Bureau of Internal Revenue Service against funds owed by that taxpayer to the Federal Government.

This is a procedure which has been exercised a number of years by the Justice Department in collecting funds owed to the Federal Government that the Justice Department has been called upon to collect.

So I think we need not be unduly concerned about this being the nose of the camel under the tent, because the camel has been in the IRS tent full tilt with us for a number of years.

The problem we are trying to address here is the very vexing problem of approaching the collection of debts, just debts, owed the Federal Government in the most cost-efficient way possible.

One of the reasons that the amount of money owed to the Federal Government and the amount written off as uncollectable is just simply exploding and increasing in geometric ratios every year is that taxpayers and debtors have become aware that certain Federal agencies will write off as uncollectable amounts under an arbitrary figure, $600 for one agency, $750 for another agency. The rationale of the agency being that it costs the taxpayer more to employ a staff in that particular agency to move in and try to collect the debt over a long period of time than the Government would realize as an end result.

This knowledge is becoming widespread in certain circles. So the modus operandi, Mr. President, is simply to borrow $600, or to borrow $750, on a Government loan, or to borrow $1,000 and maybe pay $400 on it until it gets down to the magic figure of $600, which might be the threshold at which this particular loaning agency writes off the debt as uncollectable, and then they get $1,000 for the price of $400.

Where is the fairness and where is the equity to the hardworking taxpayer who pays those taxes that underwrites those loans?

We talk of hearings, of studying this matter, and let me say that I agree with my distinguished and able colleague, the ranking member of the Governmental Affairs Committee, who has rendered yeoman service and has done a great service for his country on the Governmental Affairs Committee. But let me say that that is what we are undertaking here, a study. This is a pilot project. This is the expenditure of $1 million to hire 30 additional individuals in the expectation that we will recover for the taxpayers a minimum of $35 million.

Should that expectation not be realized, should it develop that this pilot project is not cost efficient, should it develop that this is actually costing the taxpayers money, at the end of the 1-year period, I will join with my distinguished friend from Illinois and my able friend from New Mexico and be the first to sponsor an amendment deleting this committee amendment that we are discussing today.

What better way to study than with a pilot project?

Mr. LONG. Will the Senator yield at that point?

Mr. SASSER. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Is the Government simply saying to a citizen, "you have been owing us money for some time, and it turns out now that it seems we owe you something. We will just credit you against what you owe us for what we owe."

For example, if the Senator from Tennessee owed the Senator from Louisiana $1,000 and the Senator from Louisiana owed the Senator from Tennessee $900, when we go to pay, there is no point paying the full amount because the other fellow owes something. We just reduce it by the amount the other fellow owes.

There is all sort of precedent for that type of thing. I know a bank does that. If you put money in the bank, you do not pay your note, just take it out of your account.

It would seem to me that where the Government is just consistently being chisled and cheated on, there comes a time we could say, "In view of the fact that you owe us some money, we are just not going to pay what we otherwise would pay. We will give you credit for what you did pay, but, in view of the fact that you owe us some money, we will just reduce your debt by that amount."

To me, it seems like a useful experiment. It has been suggested on occasion. I think it probably makes sense that when a person owes the Government money which was loaned in good faith, which he could have paid, or made no effort to pay, that at some point rather than pay it in social security, or just take something out of social security checks he would otherwise draw to reduce the amount that person failed to pay Uncle Sam when he owed money, and perhaps could have very well paid it.

Is there a so-called pauper's provision in the provision the Senator has in mind?

Let us suppose a person to whom the Government owes something contends he is destitute and without, he would have to go hungry, is there anything about that in there?

Mr. SASSER. I would say to my distinguished friend from Louisiana that individuals who are disabled or have declared bankruptcy, for example, are excluded under this provision. The provision is aimed at those individuals who are able bodied, who are working, who have substantial credit in the commercial world. It is aimed at getting those individuals to pay their just debts to the Government of this country.

Mr. LONG. It seems to me that the Senator has been very generous to those who do not pay their debts. I, for one, somewhat resent young people taking bankruptcy in order to avoid repaying money they borrowed from the Government in order to get an education.

As a citizen and taxpayer, I resent those people being successful in later life, making a lot more money as a doctor or a lawyer than other people who did not borrow money from the Government, and yet they take bankruptcy in order to avoid paying an honest debt which they would well be able to pay—money they borrowed in order to get an education better than that of most citizens.

I find appeal in the Senator's proposal, and I think I will vote for it.

Mr. SCHMITT. Mr. President, will the Senator yield for a question?

Mr. SASSER. Mr. President, I appreciate very much the statement by the Senator from Louisiana. He has served more than 26 years on the Senate Finance Committee; and I find his analysis of this matter, which deals obliquely with the tax policy of this country, very persuasive.

I will be glad to yield to the Senator from New Mexico on his time.

Mr. SCHMITT. I will be happy to do that.

Mr. President, I direct a question to the Senator from Tennessee. He has talked in his opening statement as well as just now about some kind of program by which this provision is going to be administered. I have not seen that, by any law or any provision, paupers or bankruptcy would be eliminated.

Can the Senator direct me to where this program has been outlined in such detail?

Mr. SASSER. I say to the Senator from New Mexico that here, today, we are establishing legislative intent and the legislative history of this particular amendment.

The rules and regulations under which this legislative history will be interpreted and the legislative intent will be carried out will be promulgated by the Internal Revenue Service.

I believe we have stated adequately and amply that we intend, by this legislation, to exempt those who are lame, those who are unable to pay, those who are bankrupt.

There is an escape valve here. The escape valve is that when the individual who is the debtor gets the communication, after going through a procedure of 12 or 14 steps which I enunciated earlier, he or she will be subject to offsets, unless there is a disagreement as to the amount owed. Then they simply have to say, in this pilot project, "I don't think I owe that," or, "I don't owe the money." Then they are automatically taken out of the project and are not subject to offset. That appears to me to be a very secure guarantee.

Mr. SCHMITT. Even if it were—and I am not accepting that it is, because it will interact with many other things—we cannot write on the floor of the Senate the rules and regulations under which such an experiment is going to be conducted. That is why hearings are important. That is why we need to look at this as a bill, if we can, at a future time—some bill that looks at debt collection in general. I do not think we can assume that this is legislative history with respect to the IRS.

Mr. SASSER. I say to the able Senator from New Mexico that there have been hearings on this matter. Hearings were held by the Legislative Appropriations Subcommittee. At that time, there was testimony as to the amount of debt owed the Federal Government. There was testimony as to the problem of collecting. There was testimony as to the steps and procedures that would be undertaken in the event that a project was approved by the full Appropriations Committee.

There is a report of those hearings which will be filed, if it already has not been filed. As a matter of fact, I have a copy of the transcript of the hearings and the report which was filed, captioned "Improving Government Debt Collection Operation for Fiscal Year 1980."

Mr. SCHMITT. Who were the witnesses before that committee other than the Comptroller General? The IRS was not a witness. To my knowledge, there were no other witnesses.

How can a report be filed with any validity on this issue if we did not examine it from the perspective of the IRS and other parties who may be interested, including the taxpayer?

Mr. SASSER. Witnesses were heard from the General Accounting Office. We received letters and opinions in writing from the Internal Revenue Service.

However, I submit that it is not necessary, in conducting a full and fair hearing, that you call in every agency that might be impacted by a particular piece of legislation.

Mr. SCHMITT. It may not be necessary, but I think that in a case as profound as this, in terms of making brand new policy relative to the tax collection and debt collection activity of the Federal Government, it would have been appropriate to call in the agency that is going to administer it, the agency which presumably interprets constitutional and other legal ramifications of this—namely, the Justice Department—to get some kind of input from those people and the taxpayers who are going to be most affected by it.

As the Senator may recall, the original proposal was for the Veterans' Administration to be the pilot project; and because of objections raised in committee about the Veterans' Administration, it was changed in committee to student loans.

Every program is going to be different, every pilot project is going to be different, and I presume that some new set of guidelines would be worked out on the floor of the Senate for every agency. I do not see how we can do that.

I would be happy to join the Senator in trying to figure out how we are going to collect these debts, but let us not do it on the floor of the Senate with respect to the IRS. As the Senator from New York and others have indicated, that opens a major new policy direction for the U.S. Government, and I think it would be a mistake.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. HEFLIN). The Senator has 2½ minutes.

Mr. SASSER. Mr. President, if I may respond to the observation of the Senator from New Mexico, that is just the point: This is not new policy. The Justice Department has used the concept of offset in the past. The Internal Revenue Service has cooperated with the Justice Department in the past in using the concept of setting off the funds owed to a taxpayer by way of tax refund against the debts the taxpayer owes the Government of the United States.

As the distinguished Senator from Louisiana very ably pointed out, this is not a new concept. There is not anything particularly novel about this. I would like to claim that this is original and that I originated a unique and novel concept for collecting just debts owed the Government of the United States, but that is not the case.

Mr. President, I relinquish the remainder of my time.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico has 30 minutes on the bill. His time on the amendment has expired.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the time remaining to the Senator from Illinois and the Senator from Connecticut be provided to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, the Senator from Tennessee and I are getting different information. I have been informed by the IRS that offset has been used only internally, within the IRS—that is, the collection of past due taxes by offset against current refunds. They have informed me that there has been no collection of offset for other agencies.

If my information is incorrect, I will go back to the IRS and try to find out more about it. That is their position on that particular point.

If the letter by the Comptroller General, which has been entered into the RECORD on this issue by the Senator from Tennessee is any indication of their understanding of this problem, then I think the Senator from Tennessee would have been well advised to ask other witnesses to testify.

The letter I introduced earlier takes their observations, point by point, and I think adequately rebuts them.

The most important thing is that we are sitting here with the Comptroller General in complete disagreement with the IRS about whether this should be done and in that kind of a situation, plus the clear philosophical and policy disagreements expressed here in the Chamber. I think the most appropriate thing to do is to agree, first, that we are going to take efforts in all arenas where it is possible to collect debts owed the Federal Government and, second, that the proposal of the Senator from Tennessee as well as other proposals will have full hearing before the appropriate committees of the House of Representatives and the Senate. In order to do that in a reasonable environment I strongly urge the adoption of my amendment to delete the money for this provision from the bill before the Senate.

Mr. President, I have no further use of my time. If everyone is in agreement, I yield back the remainder of my time and ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I just wished to announce before the rollcall began that this will be followed under the unanimous-consent agreements by two more rollcalls, one on the committee's motion to strike and the second one on the Humphrey amendment, and both of those rollcalls will last 10 minutes. So Members should be advised that this is a 15-minute rollcall followed by two 10-minute rollcalls.

The PRESIDING OFFICER. The vote on the amendment of the Senator from New Hampshire is on a motion to table.

Mr. CHILES. That is right. It is my motion to table. That is correct.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment (UP No. 520) of the Senator from New Mexico. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Magnuson) and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson) would vote "nay."

Mr. STEVENS. I announce that the Senator from Utah (Mr. Hatch), the Senator from Oregon (Mr. Hatfield), the Senator from Iowa (Mr. Jepsen), the Senator from Nevada (Mr. Laxalt), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Utah (Mr. Hatch) would each vote "yea."

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. The regular order is for Senators in the Chamber wishing to vote to do so.

Are there any Senators who desire to vote?

The result was announced—yeas 52, nays 38, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—52

Armstrong
Baker
Biden
Boren
Boschwitz
Chafee
Church
Cochran
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Exon
Garn
Goldwater
Hayakawa
Heflin
Heinz
Helms
Humphrey
Javits
Kassebaum
Kennedy
Leahy
Lugar
McClure
Morgan
Moynihan
Packwood
Percy
Pressler
Pryor
Riegle
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stevenson
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

NAYS—38

Baucus
Bellmon
Bentsen
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
DeConcini
Eagleton
Ford
Glenn
Gravel
Hart
Hollings
Huddleston
Jackson
Johnston
Levin
Long
Matsunaga
Melcher
Metzenbaum
Muskie
Nelson
Nunn
Proxmire
Randolph
Ribicoff
Sarbanes
Sasser
Stennis
Stewart
Stone
Talmadge
Zorinsky

NOT VOTING—10

Bayh
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Mathias
McGovern
Pell

So Mr. Schmitt's amendment (UP No. 520) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the committee amendment to strike section 102. The yeas and nays have been ordered, with a 10-minute rollcall vote.

Mr. McCLURE. Mr. President, a parliamentary inquiry. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Because the situation is rather complex and perhaps may be misunderstood, am I not correct in stating that the House measure had a provision in it which the committee now moves to strike? So if Senators desire to strike that material, they would vote "yea"; if they desire that the House provision remain in the legislation, the vote would be "nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. I thank the Chair.

Mr. CHILES. May I have 5 minutes to explain my position?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Magnuson), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Hatch), the Senator from Oregon (Mr. Hatfield), the Senator from Iowa (Mr. Jepsen), the Senator from Nevada (Mr. Laxalt), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The PRESIDING OFFICER. Is there any other Senator present who wishes to vote?

The result was announced—yeas 41, nays 49, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—41

Baucus
Bentsen
Bradley
Cannon
Chafee
Chiles
Culver
Danforth
DeConcini
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Kennedy
Levin
Long
Matsunaga
Metzenbaum
Moynihan
Muskie
Nunn
Percy
Pressler
Ribicoff
Sarbanes
Sasser
Schmitt
Stevenson
Stone
Talmadge
Tsongas
Wallop
Weicker

NAYS—49

Armstrong
Baker
Bellmon
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Cochran
Cohen
Cranston
Dole
Domenici
Durenberger
Exon
Garn
Goldwater
Hayakawa
Heflin
Heinz
Helms
Humphrey
Leahy
Lugar
McClure
Melcher
Morgan
Nelson
Packwood
Proxmire
Pryor
Randolph
Riegle
Roth
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Thurmond
Tower
Warner
Williams
Young
Zorinsky

NOT VOTING—10

Bayh
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Mathias
McGovern
Pell

So the committee amendment to strike section 102 was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. SCHMITT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The next vote is on the motion to lay on the table the unprinted amendment of Mr. Humphrey, unprinted amendment numbered 519. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington, (Mr. MAGNUSON), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators wishing to vote?

The result was announced—yeas 61, nays 29, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—61

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Gravel
Hart
Hayakawa
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—29

Armstrong
Baker
Boschwitz
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Goldwater
Heinz
Helms
Humphrey
Kassebaum
Lugar
McClure
Pressler
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—10

Bayh
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Mathias
McGovern
Pell

So the motion to lay on the table UP amendment No. 519 was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

UP AMENDMENT NO. 521

Mr. BUMPERS. Mr. President, I have an amendment at the desk which I ask be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 521:
>
> On page 11, strike lines 9 through 16.

Mr. BUMPERS. Mr. President, this amendment strikes an amendment that I added to the appropriations bill dealing with the Postal Service during markup in the Appropriations Committee.

I did it because I was consistently hearing from my constituents who were telling me that personnel policies in the Postal Service, especially in the smaller post offices, were patently unfair.

What had been happening as a pattern, or seemed to be a pattern, was that outside postal employees who did not live in the community were being moved in to take vacancies as Postmasters in small communities.

This creates a lot of local opposition because, obviously, usually a clerk in a three- or four-person post office, the assistant postmaster or clerk, most of the time, is quite able to succeed the postmaster, yet time and time again they were going outside the area served by that post office and bringing other people in to take that vacancy.

So I added language to provide that none of the funds here could be used to pick a postmaster unless he was selected under a procedure that would provide a priority for otherwise qualified applicants who resided in the area.

Mr. President, I have had lengthy conversations with the Postmaster General, and he has satisfied me. As a matter of fact, he has satisfied me in writing that changes will be made, and they are imminent.

I would like to read the three or four really relevant paragraphs from his letter and then I will have it printed in the RECORD.

Also, the Senator from Kentucky (Mr. FORD) would like to comment on this problem.

In any event, the Postmaster General sent me this letter, and he states:

> In the smallest offices, numbering about 4,700, where there is no career postal employee other than the postmaster, vacancies will be advertised both within and outside of the service simultaneously. Since most of the time career postal employees are not interested in taking these low paying jobs, this should result in expeditious appointment of a local resident, frequently the person who was acting as temporary replacement for the postmaster during periods of absence such as leave or illness.

He goes ahead and says that he is going to try to rectify this in post offices, the very smallest offices, of which there are 4,700, in the next size offices, of which there are 7,000, and in the next size, which is 12,000. That is a total of 23,700 post offices. All but 6,400 post offices will have personnel policies applied to them essentially in keeping and commensurate with the amendment I offered in committee.

Mr. President, I ask unanimous consent that the Postmaster General's letter to me be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., September 5, 1979.
Hon. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUMPERS: Confirming our discussion, following is a summary of postmaster selection procedures which will become effective within the next week.

In the smallest offices, numbering about 4,700, where there is no career postal employee other than the postmaster, vacancies will be advertised both within and outside of the service simultaneously. Since most of the time career postal employees are not interested in taking these low paying jobs, this should result in expeditious appointment of a local resident, frequently the person who was acting as temporary replacement for the postmaster during periods of absence such as leave or illness.

In the next sized offices which usually have a postmaster, a career part-time clerk, and perhaps a rural carrier, a non-competitive appointment will be made of one of these career employees, provided he is qualified and resides within the limits of delivery from the office where the vacancy exists. There are about 7,000 such offices.

In the rest of the rural offices which may have more than one career clerk and perhaps two or more rural carriers, the higher level supervisory responsibility of the postmaster requires that we consider candidates from outside the office as well as those who work there. The best qualified candidate will be selected and the rules require that a qualified employee from within the office must be appointed if judged to be equal or better qualified than other candidates. There are about 12,000 such offices.

In the remaining 6,400 larger post offices, because of the need for superior management skills on the part of the postmaster, I need the flexibility to choose new postmasters from anywhere in the postal service. In all cases, however, qualified candidates from within the office will have the opportunity to appear before the selection board without being subject to prenomination screening out.

The 290 very largest offices, where the postmaster also has an area management responsibility of considerable significance, we have designated as Sectional Centers and classified the Sectional Center Manager/Postmaster's position in the Postal Career Executive Service (our version of the Senior Executive Service). These appointments are made by me after careful management review and are not open to competition as are the others.

Finally, I have added a requirement that in all cases where a newly appointed postmaster does not reside in the area of delivery for his office, he must move there within one year of appointment. Exceptions to this rule can be made only by my personal approval, and I will not delegate this responsibility. It is my firm belief that the concerns you have are properly solved by the administrative process described above and that further legislation on the matter is not required.

Sincerely,

WILLIAM F. BOLGER.

Mr. BUMPERS. I say further, Mr. President, that, of course, my amendment will strike the language I put in there to accomplish almost exactly what the Postmaster General says they will do administratively, and the amendment is to strike that language.

I think the distinguished floor manager and the subcommittee chairman are willing to accept the amendment. But before voting on it, I would like to yield to my distinguished colleague from Kentucky (Mr. FORD).

Mr. FORD. I thank my colleague from Arkansas.

Mr. President, the amendment presented by the Senator from Arkansas included the total spectrum of the postmasters. My amendment to his amendment would have limited that provision to postmaster grades Executive Administrative Schedule-E or lower.

I think it was a proper amendment. I discussed it with the senior Senator from Arkansas and he agreed that my amendment was a good one.

Since he will not be pursuing his amendment, my amendment to his amendment would not serve any purpose.

I wanted to make the record clear that I would have introduced that amendment in order to give priority to applicants who rise in the area served by the smaller post offices.

I compliment the Senator for his diligence in this effort. Through his discussions with the Postmaster General, he seems to have gained administratively what the amendment was intended to do.

It seems ironic to me that we have to go to a point such as this to get the attention of the agencies around the Federal Government.

Again, I compliment him for what he is accomplishing and support him in this endeavor.

Mr. BUMPERS. I thank the Senator.

Mr. President, I move the adoption of the amendment.

Mr. RANDOLPH addressed the Chair.

Mr. BUMPERS. Mr. President, I yield to my distinguished colleague from West Virginia (Mr. Randolph).

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am grateful for my colleague from Arkansas yielding to me.

It is in the nature of a compliment to him because of the work he has done in this area.

In the State of West Virginia we have approximately 1,000 Postmasters. We are a State——

Mr. BUMPERS. Mr. President, the Senator from West Virginia is trying to pay me a compliment and I can hardly hear him. I want to hear every word of it.

The PRESIDING OFFICER. Will the Senate please be in order? The Chair would like to ask that the Senators please take their seats so we can have order in the Senate.

With my apologies to the Senator from West Virginia, I recognize him once again.

Mr. RANDOLPH. I thank the Chair.

I was saying that in the State of West Virginia we have approximately 1,000 postmasters. The majority of our offices are very small post offices. During my service on the Post Office and Civil Service Committee here in the Senate I gave much attention to, frankly, the plight of the small post offices.

I am asking a question now as well as complimenting my colleague because it was my feeling that the abrupt procedures within the Postal System of closing these smaller offices was an ill-adviseed action.

I believed that before an office could be closed, the patrons of that office would be given the opportunity, no matter how small the office, to express their feeling about whether the office could remain open, be closed, be served by rural carriers, or by a nearby post office.

The procedure that I have just described was enacted into law to provide the Postal Service better guidelines while at the same time giving people the opportunity to express themselves.

Has this procedure been addressed in connection with the modification of the amendment that the Senator Bumpers—I think appropriately—offers to the pending measure?

Mr. BUMPERS. I say to the Senator from West Virginia that it does not address the problem of post office closings.

I will describe precisely what I was trying to get at.

It had become a common complaint from my constituents, especially in small communities, that the Postal Service was recruiting postal employees for postmaster vacancies from outside the area served by that post office, when there were perfectly competent and qualified people in the post office or in the communities.

My amendment, which I put in the Appropriations Committee, provided that they must hire the local people if their qualifications are equal to or better than those from outside the Service. It is that simple.

Mr. RANDOLPH. I understand your amendment. I have read it; I know its contents.

Mr. BUMPERS. Will the Senator restate the question?

Mr. RANDOLPH.. My comments on post offices have a close connection with postmaster appointments. That is why I talked of this related subject. However, because of the work he has done, because of the letter he has elicited from Postmaster General Bolger, because of the depth of the Senator's study and understanding of a situation needing review, I commend him. Senator Bumpers . . . your legislative action does no damage to the career system in the appointment of postmasters. Is that correct?

Mr. BUMPERS. The Senator is absolutely correct.

Mr. RANDOLPH. The Senator is giving an opportunity to a person, when qualified, within the so-called local area of the post office, to seek the position of postmaster.

Mr. BUMPERS. The Senator is absolutely correct. It is just that simple. That is all I was trying to accomplish. I certainly was not trying to do damage to the rights of anybody, but simply to take care of a parochial interest where it did not do damage.

Mr. RANDOLPH. I think the parochial interest is understandable. Too often, we have gone afar to have someone come in to a community and take a position, when a person at the local level is perhaps more knowledgeable and more understanding of the job. Attitude which is very important, must also go with the aptitude to do the job. It is important to relate himself or herself to the public and to their problems—not always as the postmaster handling the mail, it also means helping people to answer those documents that come increasingly from the Federal Government, which people sometimes do not understand.

In other words, it is the helping hand of the postal worker at the local level that I think is the strength of our postal system.

Mr. CHILES. Mr. President, as I understand it, the Senator now is going to make his motion to strike.

Mr. BUMPERS. The amendment is to strike the amendment, and I am prepared to vote on it, if the manager is.

Mr. CHILES. Mr. President, I urge that we support the amendment.

The distinguished Senator from Arkansas, by his amendment, which he offered in the committee and which was accepted in the committee and was made a part of the original text, with which we are now dealing, has accomplished exactly what he set out to do. I compliment him for that.

Now the man who gave us right turns on red in 50 States of the Union and almost every place except Washington, D.C., has done it again. He has now given us back some local autonomy in the appointment of postmasters.

I think the action he is now taking, in shooting his own horse by his amendment to strike, is valid. His amendment now is not necessary.

It is sort of like a laxative of last resort, called Croton. It is said to do the work of dynamite, without quite the explosive force. I think his amendment has done the work of dynamite now, without the explosive force, if he moves to strike, and I support the motion.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. Randolph) be added as a cosponsor.

Mr. CHILES. We need a technical amendment simply to change one of the lines, and I move the technical amendment to the motion to strike.

The PRESIDING OFFICER. The request was made that the name of the Senator from West Virginia be added as a cosponsor. Without objection, it is so ordered.

Mr. CHILES. The technical amendment would be to strike lines 7 through 16.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Is all time yielded back?

Mr. BUMPERS. I yield back the remainder of my time. I did not realize we were under a time agreement.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 522

Mr. JAVITS. Mr. President, I send to the desk an amendment on behalf of myself, Senator Ribicoff, Senator Hatfield, Senator Weicker, Senator Baucus, Senator Metzenbaum, Senator Tsongas, and Senator Bradley.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Javits), for himself and others, proposes an unprinted amendment numbered 522:

On page 44, beginning with line 24, strike all through the end of the paragraph.

Mr. JAVITS. Mr. President, I understand this amendment has 2 hours for debate.

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I assure the Senate that I will do my utmost to abbreviate that time; but I do want the amendment to be understood clearly, and I hope that can be done in a shorter time than 2 hours.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CHILES. I think we might inform the Senate that this is the last amendment I know of on which there is a rollcall vote.

Mr. HELMS. I think there will be another.

Mr. CHILES. I take that back.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I emphasize, first, that the amendment is very serious. It affects the civil rights of citizens of the United States very materially.

The vote in the committee which allowed the amendment, which is a House amendment adopted on the floor of the House, to be incorporated in this bill was 12 to 11. I hope Members will listen carefully, because the amendment is important and resulted in a very close division in the committee.

Mr. President, the amendment we are seeking to strike proposes to deny to the Internal Revenue Service the opportunity to incorporate in what is tantamount to a regulation—that is, it is called a revenue procedure, but it is a regulation specifying how a private school may be denied tax exemption because it segregates against students as against the mandate of the Constitution of the United States.

The leading case on this subject is Green against Connally, affirmed by the Supreme Court in 1971, that tax exemption can be denied to such a school on that ground, and that this is the case even if it is a church-related school, on the ground that it is not dealing with or affecting religion; that it simply denies a privilege which can be denied.

Mr. President, there is a regulation on the books now relating to this subject. May I say, especially as the chairman of the Finance Committee is here—I do not know how he is going to vote, and it does not matter in respect of my point now to be made—that where you deal with such a profound, substantive question as this, affecting the separation of church and State, affecting the civil rights of Americans in a very serious way, it seems inconceivable to me that it would be done on an appropriations bill.

The Finance Committee, which would be the committee of jurisdiction in charge of a matter of this kind, should certainly have passed on it, let alone the Committee on Human Resources, which deals with education, or the Judiciary Committee, which deals with civil rights.

But here by a limitation on expenditures we have a specific regulation stricken down which the IRS wishes to promulgate and which we have a letter from the Secretary of the Treasury saying that they should promulgate and that he wants it promulgated, and they have been denied that opportunity by this rider on the appropriations bill.

Mr. President, I ask unanimous consent that that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of the Treasury,
Washington, D.C., September 5, 1979.

Hon. Warren G. Magnuson,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As you know, the Senate Appropriations Committee by a 12–10 vote added an amendment to the Treasury Appropriations bill prohibiting the Internal Revenue Service from implementing its proposed revenue procedure to review the tax-exempt status of private schools which are racially discriminatory.

The Treasury Department strongly opposes such an amendment. Our first objection is on the procedural ground of attaching such a provision to an appropriations measure without consideration from the Committees having jurisdiction over the substantive tax laws. The Oversight Subcommittee of the House Ways and Means Committee and the Subcommittee on Taxation and Debt Management of the Senate Finance Committee have each held hearings on the proposed procedure and have taken no action on the proposal to date.

The Internal Revenue Service has an obligation under existing law to deny tax-exempt status to racially discriminatory private schools. Its proposed procedures are uniform guidelines for IRS to follow in reviewing racial discrimination. These guidelines have been the subject of thorough hearing and review and have been substantially modified to take into account the comments made during the review process. A clear indication of the need for new guidelines is the fact that a number of private schools retain their tax exemption even though they have been held by Federal courts to be racially discriminatory under standards consistent with those proposed in the procedure.

The proposed IRS procedures have been the subject of substantial misinterpretation, distortion, and misinformation. These distortions must be cleared up.

First, the requirement that private schools be operated in a racially nondiscriminatory manner to be eligible for Federal tax-exempt status has been required by the Federal courts for a number of years.

Second, the IRS procedure is applicable only to a limited class of private elementary and secondary schools—those which have already been held by a court or appropriate agency to be racially discriminatory, and those which are classified as "reviewable" under the procedure. A "reviewable" school is one which was founded or substantially expanded at the time of public school desegregation, whose founding or expansion was related in fact to such public school desegregation, and which has insignificant minority enrollment. Schools which do not fall into these fact patterns are not subject to further review under the proposal. Schools of this type have been the subject of special scrutiny in Federal courts.

Third, the IRS procedure does not require schools to meet racial quotas or to grant preferences to minorities in hiring or admissions.

Fourth, the proposal does not presume schools to be discriminatory until proven innocent since the schools affected by the proposal would be reviewed in accordance with their overall facts and circumstances. Such overall considerations include special circumstances which limit the schools ability to attract minorities such as an emphasis on special programs or curricula which by their nature are of interest only to identifiable groups which are not composed of minority students.

Finally, the IRS is not usurping Congressional power. It is simply digesting applicable Federal law into a uniform procedure for the guidance of agents in the field.

The Treasury Department recognizes the need for procedures which provide an effective method for reviewing the tax-exempt status of private schools which in fact discriminate while at the same time protecting the rights of the vast majority of schools which do not discriminate. The proposed procedures strike this careful balance.

Sincerely,

G. William Miller.

Mr. JAVITS. Mr. President, this matter of a so-called Freedom Academy was decided in the Green case. This was in a section of the country, which is an interesting anomaly, that both deeply resented the desegregation activities of the United States in respect of the public schools and at the same time was the most active in complying with them. The record on the whole has been better in terms of compliance there than it has been in the North and the West because we had very very much less of that to begin with. But nonetheless that is the case.

Yet you have the strange anomaly in which the States and the people who lived in those States went to these extremes of organizing public schools outside the confines of a public school system in order to avoid the decision of the Supreme Court in Brown against the Board of Education.

Mr. President, that is their privilege. But the question is should they have tax exemption? Should the United States put itself out in order to reward the practice? And this, it seems to me, borders on the immoral. Yet that is the purport of this particular amendment which we are seeking to strike, and that is why I felt it my duty to undertake it.

Mr. President, the Internal Revenue Service in connection with the procedure which is on the books now has allowed schools to operate and to get tax exemption, notwithstanding the courts in specific cases have said that they discriminate against students on the grounds of color. The reason is that the IRS had a revenue procedure that stated that the surface indication that the school published the fact that it was not discriminating was sufficient. So long as they publish it, the IRS assumed that they were not discriminating and allowed them the tax exemption.

It is only in specific cases in which a major Federal case was made, as in this Green case to which I have referred, that any effort was made to cancel the tax exemption of such schools; and as compared with the thousands that are involved, about 100 schools suffered the penalty of what should be the law in this matter because they discriminated.

As I said, 7 years after the IRS was directed by court order to stop granting tax exemption to these discriminating schools, we now have an effort by the IRS to promulgate a series of specific regulations which would deal in a pinpointed way with this situation; and now this effort to inhibit the IRS from doing that at all.

It is very important to note the procedure which the IRS has adopted, because I think that is an important factor in what we are discussing.

The procedure in the first place applies to two types of schools. One are schools which were adjudicated as discriminating by the courts, et cetera, and the other type are the so-called reviewable schools where there is little or no minority enrollment and which under the circumstances in the particular case, and it is a case-by-case proposition, were found to be formed or substantially expanded at the time of public school desegregation.

In those cases, the IRS had adopted, if we let them adopt it, a specified procedure by which those cases may be determined, and the specified procedure is as follows:

First, there is no mechanical test. That was the defect in a previous effort to promulgate new regulations. There is now no mechanical test. But the question is based upon the facts and circumstances in each case on a case-by-case basis. Does it or does it not discriminate?

However, the burden, as in all taxpayer cases, is placed on the taxpayer, and that is the big thing that is accomplished by this particular proposed regulation.

Second, the regulation clarifies the standard of whether there is "significant minority enrollment" by expressly treating those which have enrollment of 20 percent of the percentage of minority in the community. In other words, if there is a 50-percent population of minorities in that area then 10 percent of the enrollment of minorities would exclude that school from any question whatever. It would have tax exemption. But if it does not have that, then nonetheless the school may show that it still does not discriminate, but then the burden is again upon the taxpayer to show that.

Lastly, where a private school has been expanded in connection with the time frame and incidence of public school desegregation in the area, then naturally again the burden will be on the taxpayer. But the mere fact that the expansion occurred does not ipso facto or automatically make that school reviewable. It still depends upon the facts and circumstances.

A whole host of agencies and organizations have approved the effort to sharpen this rule in the way which I have described, and I think it is very important that these particular organizations be named here. They include the Attorney General.

Mr. President, I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C. September 4, 1979.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: On July 16, 1979 the Senate Appropriations Committee approved H.R. 4393 which included appropriations for the Department of the Treasury. By a close division of the Committee, the bill, as approved, contained two provisions which the House had adopted in H.R. 4393 on amendments proposed by Congressman Dornan. One of those amendments provides:

"None of the funds available under this Act may be used to carry out proposed revenue procedure 4830–01–M of the Internal Revenue Service entitled 'Proposed Revenue Procedure on Private Tax-Exempt Schools' (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79–4801), and proposed revenue procedure 4830–01 of the Internal Revenue Service entitled 'Proposed Revenue Procedure on Private Tax-Exempt Schools' (43 F.R. 37296 through 37298, August 22, 1978, F.R. Document 78–23515), or parts thereof."

The other amendment purports to prohibit the Internal Revenue Service from using the appropriations funds to implement any revenue ruling concerning private schools operated by religious organizations.

It is my understanding that the appropriations bill is scheduled for consideration by the Senate on September 5, 1979. I also understand that there may be an attempt on the floor of the Senate to amend the appropriations bill reported from Committee to add an amendment offered by Representative Ashbrook which the House added to H.R. 4393.

The Ashbrook amendment provides:

"None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard or measure which would cause the loss of tax-exempt status to private, religious or church-operated schools under Section 501(c)(3) of the Internal Revenue Code of 1954 unless in effect prior to August 22, 1978."

By a letter of July 20, 1979 from James P. Turner, Deputy Assistant Attorney General, Civil Rights Division, we informed you of this Department's strong opposition to the above amendments. I am writing this letter to request that you support on the Senate floor elimination of the above Dornan amendments and that you oppose any efforts to add the Ashbrook amendment to the bill reported from the Committee.

In his letter to you, Deputy Assistant Attorney General Turner set out our reasons for opposing the above amendments to H.R. 4393 because of the support they would provide for private racially discriminatory schools. As you know, there is a serious question of whether it is constitutionally proper for the Federal Government to confer tax-exempt status on private institutions that discriminate on the basis of race. Insofar as these amendments might be intended to bar the Executive Branch from ascertaining whether constitutional violations have occurred and from exercising enforcement discretion with respect to those cases, we believe they intrude upon the President's duty under Article II of the Constitution to see that the laws are faithfully executed. Moreover, if the intent of the amendments is simply to prevent the Executive Branch from enforcing a substantive law which Congress has previously enacted, we think they offend the sound principle—grounded in the notion of separation of powers—that it is the function of this Branch to carry out the laws enacted by Congress. Unless we are to be disabled from performing that function, Congress must not deprive this Branch of the necessary tools.

We would appreciate any efforts you could make to prevent the Dornan and Ashbrook amendments from being included as part of the appropriations bill for the Department of the Treasury. Please do not hesitate to contact us if we can be of assistance on the matter.

Sincerely,
BENJAMIN R. CIVILETTI,
Attorney General.

Mr. JAVITS. The Attorney General opposes this amendment which we are seeking to delete and is for our position.

Similarly, the Secretary of the Treasury—and his letter has already gone in the RECORD; the American Civil Liberties Union; the League of Women Voters; and a joint letter from the National Urban League, National Urban Coalition, ACLU, the Washington Bureau of the NAACP, and the National Association of Social Workers. Stanley McFarland, Director of Government Relations for the National Education Association has asked that his organization be associated with this joint letter.

I ask unanimous consent that all of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington Office, August 31, 1979.

DEAR SENATOR: The Treasury Department Appropriations bill (H.R. 4393) will be considered on the Senate floor on Wednesday, September 6. This bill contains two amendments, added during House floor consideration, which present serious constitutional issues. On behalf of the American Civil Liberties Union, we write to urge you to vote to delete the so-called "Dornan" amendments from the Treasury Appropriations bill.

The Dornan amendments are aimed at two actions of the IRS—a revenue ruling concerning charitable deductions ("Dornan I") and proposed revenue procedures for reviewing the tax-exempt status of private schools ("Dornan II"). In each situation, the IRS acted to enforce tax laws based on existing law and accepted precedent. The Dornan amendments would impede legitimate IRS enforcement efforts and hinder IRS from fulfilling its constitutional and statutory mandates.

The Dornan I amendment reverses a revenue ruling of the IRS which limits a parent's charitable deduction for contributions which are actually used to finance a child's education at church-operated schools. The IRS had ruled that parents are entitled to deduct only that amount which exceeds the fair market value of their children's schooling. Additionally, the broad language of this amendment means that a religious organization can claim any activity is "educational"—including business activities or lobbying which are not entitled to exemptions—and IRS cannot rule otherwise. The amendment is also objectionable on constitutional grounds. Allowing parents to deduct contributions which are actually used to finance their child's education effectively creates a subsidy for religious education in violation of the establishment clause of the First Amendment. Finally, the amendment impedes constitutionally mandated school desegregation by offering indirect encouragement to the flight from public schools to private institutions.

The Dornan II amendment prohibits IRS from implementing meaningful review procedures for determining the tax exempt status of private schools. Currently the IRS presumes a private school to be racially nondiscriminatory if it merely states in writing that it does not discriminate. This procedure has allowed white-flight schools, even those found by courts to be racially discriminatory, to receive the benefits of tax-exempt status—effective receipt of a federal subsidy for segregation. IRS first proposed regulations barring tax exempt status for segregation academies in August 1978. These regulations met with a storm of protest from organized private schools and some religious schools who argued that the minority enrollment guidelines would be applied inflexibly to schools for which desegregation was irrelevant. In February 1979, IRS revised its regulations which made clear that the target is the "segregation academy." The February regulations:

Apply only when the private school was formed or expanded during a period of public school desegregation;

Contain "special circumstances" exceptions made for religious schools.

The new regulations make clear that the only target is the segregation academy.

Maintaining the Dornan amendments in the Treasury Appropriations bill would be a major blow to civil rights. We urge you to vote to delete these damaging amendments.

Sincerely,

JOHN H. F. SHATTUCK,
Director.
KAREN CHRISTENSEN,
Legislative Counsel.

MEMORANDUM

AUGUST 30, 1979.

To: Members of the United States Senate.

From: Ruth J. Hinerfeld, President; Nancy Neuman, Action Chair; Dot Ridings, Human Resources Coordinator.

Re: Anti-Civil Rights Amendments to the Treasury Appropriations Bill.

Immediately upon reconvening after Labor Day, the Senate is scheduled to consider HR 4393, the Treasury and Postal Service Appropriations Act. Two amendments to this bill were added in the House which we view as pernicious anti-civil-rights amendments. The League of Women Voters of the United States is opposed to these amendments and urges that they be struck from the bill.

The first amendment would preclude the IRS from executing the law of the land in the area of civil rights in education. This amendment, Sec. 614 of the bill, is referred to as the Dornan segregation academy rider. The amendment strikes at a procedure proposed by the IRS to review the tax exempt status of private schools which appear to be discriminatory. The League and other civil rights groups have long urged the IRS to develop procedures that would bring its policy in line with federal court decisions which declare discriminatory private schools ineligible for tax exemptions and state that schools formed or substantially expanded at the time of public school desegregation, and having little or no minority enrollment, bear the burden of proving that they do not discriminate on the basis of race. The proposal by the IRS currently under attack by the Dornan rider does set forth procedures to address discriminatory admissions policies and tax exemptions for private schools. And, it does so in a manner that is exceedingly sensitive to those institutions of religious affiliation with legitimate reasons for low or no minority enrollment. The League therefore can see no motive, other than veiled racism, for supporting this rider to the bill. We urge you to strike it.

The second amendment, Sec. 613 of the bill, is also a Dornan rider. The intent of this amendment is to reverse a previous IRS ruling which limits the deductible portion of a contribution to a church school made by a parent of a student at the school to that which is in excess of the fair market value of the child's education. The amendment, then, would allow tuition for religious schools to be deducted as charitable contributions. We question the amendment's constitutionality, for it in effect creates a subsidy for religious education in violation of the Establishment Clause of the First Amendment.

Furthermore, we view this amendment as nothing less than a tuition tax credit rider for those parents with children in religious schools. The League opposed legislation in the last session of Congress which would have allowed tuition tax credits for elementary and secondary private schools. The League is especially concerned about the impact of tuition tax credits on school districts which are currently implementing desegregation plans. We believe that such legislation would provide an incentive for the expansion of non-public schools in desegregated areas to the detriment of a strong public education system. We oppose this amendment, Sec. 613, and urge you to vote to strike it as well.

NATIONAL URBAN LEAGUE, INC.,
Washington, D.C., August 28, 1979.

DEAR SENATOR: Once again an issue challenging bedrock civil rights principles is before the Senate.

You will shortly be asked to vote on H.R. 4393, the Treasury and Postal Service Appropriations Act. Section 614 of the bill is the Dornan segregation academy rider, added by the House.

The Dornan segregation academy rider would bar funds for IRS civil rights enforcement and would stymie the first serious attempts by the IRS to enforce the law precluding tax exemptions for private schools which practice racial discrimination—the "segregation academies." These academies perpetuate dual school systems in areas of desegregating public schools, thereby undermining orders of the federal courts. Equally dangerous, they cause a serious erosion of interest in—and support for—the public school system. Taxpayer support for these academies is an outrage!

The federal courts have specifically held that the IRS may not grant public subsidies for segregation academies by permitting them to be tax exempt and to receive tax deductible gifts, and has ordered the IRS to revoke the academies' exemptions.

Today, eight years later, the IRS still permits segregation academies specifically found discriminatory by federal courts to hold federal tax exempt status!

The IRS, under pressure from law suits and at last recognizing its responsibility, in August 1978, promulgated the Revenue Procedures listed in the Dornan segregation academy amendment. The proposal did not create a new law. Rather it was designed to advise affected schools and the public of improved enforcement procedures and of IRS intent to focus enforcement efforts on schools which were created or significantly expanded in the wake of public school desegregation. In response to strong protest and extensive public comment, the IRS published a modified proposed revenue procedure in February 1979. Neutral commentators described the modified version as fair, reasonable, and responsive to the comments of affected schools. Innocent schools will not lose exemptions under the modified Revenue Procedure. Only segregation academies have anything to fear. Mere paper compliance by segregation academies will no longer be sufficient for tax exempt status.

The Dornan segregation academy amendment would preclude effective law enforcement by the IRS. Its passage would be a blow to civil rights and would permit continued taxpayer support for segregation. We urge you to strike this harmful language from the Treasury Appropriations bill.

Mr. JAVITS. Mr. President, one of the problems presented by this amendment is the question of religious schools. As I said before, the fact that it is a religious school does not necessarily mean that in the pursuit of being a school it is entitled to tax exemption.

Indeed, in a well-known case, the case of Goldsborough Christian Schools, the Court held that denying tax exemptions does not violate the separation of church and state. The Court said:

> There is a legitimate secular purpose for denying tax exempt status to schools maintaining a racially discriminatory admissions policy.

Indeed, in the leading case, the Green case, to which I referred, the Court also rejected the claim of violation of church and state separation, saying:

> Freedom from governmental "regimentation or interference."

The Court's definition in leading cases respecting separation of church and state—and I will read it again:

> Freedom from governmental "regimentation or interference" is not to be equated with the right to support.

And tax exemption is support. So the courts have properly made that distinction.

Now, Mr. President, it is claimed by the opponents of my amendment to strike that the IRS is treating private schools unfairly by placing the burden of proof on them to show that they qualify for tax exemption.

I submit that this is only the way in which the tax law is generally enforced. Any taxpayer claiming tax exemption or a tax deduction must prove that that taxpayer meets the qualifications, and so private schools must demonstrate that they qualify for tax exemption just like trade associations, labor unions, or social clubs, again with the same rights of appeal to the courts as any other organization seeking to obtain or to maintain tax-exempt status.

Now, Mr. President, in addition to the support which this amendment of mine—this is an effort to strike the amendment in the bill—has received from the list of organizations to which I have referred, it has also been supported by leading exponents of religion who believe in religious schools. Here is a quote from William H. Elder, Director of Christian Citizenship Development for the Christian Life Commission of the 13 million members of the Southern Baptist Convention. He writes as follows:

> because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondiscriminatory status and because after having examined the arguments and oppositions to the proposed procedure, we have found them to be flawed.

They in effect come out against this provision which is in the bill.

Also the chairmen of two American Bar Association Committees, one, the chairman of the Committee on Exempt Organizations, and the other the chairman of the Section on Taxation, support the IRS in this matter, as do the Committees on Taxation, and on Civil

Rights, of the Association of the Bar of the city of New York.

I have already pointed out that the Attorney General, the Secretary of the Treasury, and many other distinguished organizations take the same position.

Mr. President, if this rider to the appropriations bill is not stricken on my motion, and that of my colleagues who have joined with me, the IRS will be required to enforce the law against tax exemption for racially discriminatory private schools. Without any defined procedure to guide either the IRS or the schools, and without adequate enforcement procedure, these segregated academies will continue to flourish with taxpayer assistance, thus perpetuating the threat to the vitality of the public schools that have been the backbone of the American educational system. We have already seen, as I said, that under the existing practice these schools continue to flourish by the thousands, continue routinely to get tax exemption to which under law or morality they are not entitled.

We must not take away the tools of the IRS to enforce the law.

Mr. President, we have had many opportunities to act on civil rights in a moral sense, and I know of few more justified than this one, and I hope very much the Senate will vote "aye" on my proposal and strike this amendment.

Mr. MOYNIHAN. Mr. President, I thank the Chair and I would like to rise to state that once again I will be voting for a proposal put forward by my revered senior colleague who, I think, is acting with prudence and responsibility in this matter.

Mr. President, the point which my senior colleague made that this is a matter that ought properly to be resolved in the course of the oversight responsibility of the Committee on Finance seems to me to be unassailable and, indeed, we have discussed this matter in the committee.

It is not a matter to be resolved by an emotional proposal on the floor of the House of Representatives or, for that matter, on the floor of the U.S. Senate, absent inquiry, absent data, absent the due process that we associate with hearings. So I will most assuredly support my senior colleague.

At the same time, I would like to state, simply to be certain that we are balanced here, that the existence of a nongovernment school is not a suspicious circumstance. While it is entirely the case, as my senior colleague observed, that the public schools are the backbone of the American educational system, they are not its entirety.

The American educational system began with church-related schools. There were none other in the United States in the 18th century. For the first half of the 19th century there were almost none of them. In the Southern States of the Union there were no public schools until the second half of the 19th century.

The oldest schools in our country are church-related schools. They do not have to explain their existence. They have been there since the beginning of public education. Some of these schools are what we would call private in that they do not draw from a particular neighborhood, but persons are sent from homes in various places to them, and they are, I suppose, the oldest schools of their kind, having their origins in Europe.

But the neighborhood schools of America in my city of New York when they began, with public assistance; the State of New York set aside lands in the western part of the State, just as the Northwest Ordinance was done by the Congress in 1787, and then reaffirmed by the First Congress, lands to provide for public education, and these moneys went to the schools that were there, sponsored by churches in precisely the same way that public moneys go to hospitals sponsored by churches at this time.

Those schools, in place for almost two centuries, do not have to explain their existence as one which raises immediate questions as to their legitimacy. The Senate will know that I am one of those who feel that there has been of late a great deal of change, which a Federal judge, a judge of the Third Circuit Court, Judge Weiss, not 2 months ago described as "a regime of judicial hostility to nonpublic schools."

"Judicial hostility" is not my term; those are the words of a Federal circuit court judge. I would be very much disturbed if that judicial hostility should transfer to a form of administrative hostility. But I have no reason to think that would be the case.

The Internal Revenue Service, whose legitimacy and integrity I was speaking for earlier today, I will speak for again. I have every confidence that IRS will do this job well. And when they do so, they will proceed from the fact that the overwhelming majority of church-related schools are altogether beneficent and splendid public institutions, without which my city of New York would be bankrupt tomorrow, if the parochial schools of the Catholic Church were to close.

New York would lose one of its greatest educational resources if the Hebrew schools were to close. It would lose some of the cultural ornaments of the city if the Protestant schools were to close. Those schools, as I say, were there before the public schools, and the IRS should pay heed to the fact, and will do so. If it does not, we will be here to observe that it has not.

So in these circumstances, I would think that the proper course of action, once again, is to support the proposal of my senior colleague, and this gives me an opportunity to say, as I have said before, that this body would be bereaved without him.

Mr. JAVITS. Mr. President, let me sum it up in 1 minute by saying that I have fought for the parochial schools, and I will continue to do so, and to provide that their children will have the same opportunity as public school children; and in addition, that the revised procedures for dealing with either by the IRS will consider the special circumstances of any school, including, for example, curriculum which is geared to the makeup of that particular religious group, the drawing of its constituency from a designated geographic area where there may be no minorities, and the fact that the system traditionally—and that goes for practically every Catholic school—has been run on a nondiscriminatory basis.

So I would certainly join my colleague from New York in eternal vigilance in that regard, and I associate myself with the things he has said, and make it clear that that is the purport, the thrust of what I am arguing here today.

Mr. MOYNIHAN. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. MOYNIHAN. I would particularly like to call attention to his remarks, because one of the unfortunate facts of recent years is that well-intentioned persons and organizations, I do not doubt, have nonetheless commenced to cast doubt upon the bona fides and legitimacy of schools that stand for just the very opposite of the things which are suggested about them. The parochial schools of the city of New York have the most extraordinary representation of all the groups in the city. They are neighborhood schools. They reflect the composition of their neighborhoods. It would be most unfortunate to see those aspersions—I will use that word—continue with respect to these schools. What the senior Senator from New York has said is right, right about his record and right about the record of these schools.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from North Carolina is in control of the time in opposition. The Chair recognizes the Senator from North Carolina.

Mr. SCHMITT. Mr. President, that is correct. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the Chair and the distinguished Senator from New Mexico.

Mr. President, I have listened with great interest to my friends from New York, Mr. JAVITS and Mr. MOYNIHAN, and a thought occurred to me while they were speaking. I wonder if either of them has visited a Christian school affected by the amendment which they would strike.

Considering the frequent arrogance of the IRS in making unfounded charges of discrimination, I would be willing to wager that there is not one student named Moynihan in any of those Christian schools, nor one named Javits. So, per se, the IRS could say, "This school is discriminating against all of the Moynihans and all of the Javitses." That is absurd, of course, but I use it as an illustration.

I have visited countless private religious schools, and I have yet to hear race mentioned. Now, the people who have built these schools, the people who are sacrificing to maintain them and operate them, are interested in what they perceive to be better education for their children, period—not about race. For the IRS to step in and arbitrarily say, "Because you do not have x number of whatever race enrolled in this school, your tax exemption is eliminated," is tyranny. It ought to be recognized as such. That is the question here.

Moreover, the IRS is making law, and has been making law, by its regulations. It is just as simple as that.

Let me tell you about some of these Christian schools, Mr. President. I speak with firsthand knowledge about those in North Carolina. For example, I went on a tour of one in the northeastern part of my State a year or so ago, and I remember a farmer who was so very proud of the facility which was being shown that afternoon. He looked at me, stretched out his calloused hands, and said, "Senator HELMS, I built this room with these hands. I laid every one of these cinderblocks, and I did it all because I wanted my young'un to have a better chance than I had."

Then he proceeded to say, "There are no fights in this school, and no drugs in this school, and if I wanted to sacrifice for my child to have this sort of education, I think I ought to be entitled to do it."

Yet the IRS says, "Oh, no, you are not going to have any tax exemption, because we are going to throw irrelevant racial arithmetic at you."

The IRS does not ask how many blacks have applied to this school. They just take note of the fact that there may be only one or there may be only five, or maybe none. Yet, Mr. President, every time one of these schools enrolls a student, it reduces the financial burden upon the taxpayers in the operation of the public schools.

Mr. President, since the IRS announced its policy to deny tax exempt status to private schools which allegedly operate on the basis of a policy of racial discrimination, it has done so without the legal authority of specific legislation. In a public statement made on January 9, 1978, IRS Commissioner Jerome Kurtz discussed the proposed regulations and admitted that the IRS has "almost no specific statutory guidance" in moving into this area.

Instead, the IRS has argued that private schools must be treated as charitable organizations and has applied to them the common law principle that a charity must not operate illegally or contrary to public policy. The IRS has then defined this broad public policy mandate in terms of Brown against Board of Education and Title VI of the Civil Rights Act of 1964.

In his testimony before the IRS public hearings on behalf of the National Committee for Amish Religious Freedom, the Association of Christian Schools International, Organized Christian Schools of North Carolina and the North Carolina Association of Christian Schools, Mr. William B. Ball took issue with this theory by the IRS. Mr. Ball observed:

> The guidance (the Commissioner) said, has been derived from Brown v. Board of Education, and "the broad national policy announced in the Civil Rights Act of 1964". The Proposed Revenue Procedure also cites Norwood v. Harrison and Green v. Connally. I wonder why. These citations are simply not relevant. What the IRS administrators have done here is to convert a thimble-full of assumed, but non-existent, statutory power into an ocean of regulation. The Proposed Revenue Procedure can only be described as "home made" law. If it is desired to impose such restrictions on churches, then IRS must go to the lawmaker, the Congress, and make candid and public plea there—be willing to face the arguments of the people in that forum.

Similarly, in his testimony before the House Ways and Means Oversight Subcommittee, Dr. Robert Lamborn, executive director of the Council for American Private Education, considered the IRS theory and stated:

> This view is not supported by the legislative history of the act and has been soundly criticized by commentators. CAPE would vigorously oppose resting the authority of the IRS for the revenue rulings prohibiting racial discrimination in private schools on Title VI. If accepted, it would follow that other federal statutes which apply conditions to direct recipients of federal aid would also apply to private schools, a position which CAPE believes is legally insupportable and indefensible as a matter of education policy.

Dr. Lamborn continued in his testimony to call upon Congress "to take the lead in setting fundamental policy in this 'important area'" and to "provide explicit authority for the IRS position while limiting the discretionary power of the IRS to change or expand 'public policy' applicable to tax-exempt private schools."

Another witness before the House Ways and Means Oversight Subcommittee, Dr. Mark I. Klein of the Northern California District of the American Jewish Congress, observed:

> There is no compromise possible with the Internal Revenue Service on this issue which does not place our community, and others like ours totally innocent of racial discrimination, in grave danger in the future. We have no reason to question the good faith and intent of the current government, but the painful lessons of history teach that the future is always uncertain. These regulations probably exceed the Constitutional limits of the government's administrative powers.

The theory put forth by the IRS to defend its proposed procedures represents a profound distortion of the administrative process. Administrative agencies, such as the IRS, operate by means of delegated power from Congress. They are creatures of Congress and receive their power to act only from specific statutes. It is fanciful to suggest that in the absence of specific statutory authority the IRS is empowered to act in tax matters on the basis of laws and court decisions dealing with public education. This distortion is compounded when an administrative agency seeks to regulate in an area affecting sensitive first amendment rights.

It is more than curious that 2 years ago the IRS itself argued in Federal court against many of the very same procedures it now proposes. At that time, the IRS maintained that the legality of such procedures is highly doubtful. The IRS admitted, for example, that a private school may have few minority students because of many factors other than discrimination.

That is so evident to anyone who has ever visited one of these schools. Let me reiterate. Of all of the visits that I have made to private Christian schools, I have never once heard race mentioned. They do mention their desire for their children to pray in school, which the Supreme Court apparently feels is a crime. They mention that they do not want their children educated in an atmosphere of violence, which prevails in so many public schools today. If you do not believe it, Mr. President, ask some of the teachers who spend more time trying to defend themselves than teaching.

They want their children educated in an atmosphere free of drugs. I have no difficulty understanding these things. Neither should this Senate.

Mr. METZENBAUM. Will the Senator from North Carolina yield for a question?

Mr. HELMS. Yes, gladly.

Mr. METZENBAUM. I have listened attentively to the Senator from North Carolina discussing his visits to the Christian schools. He mentioned that he had never once heard the word race mentioned.

Mr. HELMS. Exactly.

Mr. METZENBAUM. Will the Senator from North Carolina be good enough to advise the Senator from Ohio as to the percentage of black students, if at all, he has encountered in these so-called Christian schools?

Mr. HELMS. Well, as I think I said, sure, such enrollment is small. But that does not prove discrimination. I think of one in Kinston where I delivered a commencement address earlier this year. I think there were only three or four. But there has been no instance of a black child whose application was declined.

Mr. METZENBAUM. Has my friend from North Carolina inquired into that subject so that he speaks from knowledge? In other words, has he inquired of the schools as to whether there have been any black children who have been declined admission?

Mr. HELMS. I will say to the Senator that I know the people who are running these schools. I know their attitude, I know their character, and I know the way they feel about things. I do not need to investigate the schools.

I will ask the Senator if he has. Has he investigated one Christian school? Has he ever visited one?

Mr. METZENBAUM. No, I have not.

Mr. HELMS. But the Senator is willing to impose restrictions upon these schools.

Mr. METZENBAUM. No, I would not do that at all. I think I would only impose upon them their obligation, A, to be Christian in every sense of the word, and, B, to abide by the Constitution.

Mr. HELMS. Does the Senator have any evidence they are not doing it?

Mr. METZENBAUM. I would say that I think it is a pretty well-accepted fact.

Mr. HELMS. By whom?

Mr. METZENBAUM. By the general community that many of these schools have been set up on the basis of providing a means to eliminate the integrated school requirements of our Constitution.

I think both the Senator from North Carolina and I could agree that that is the reality of the situation, that they were not set up to avoid drugs, they were not set up to avoid violence; they were set up to avoid the imposition or the necessity of integration in accordance with the Constitution of the United States. The IRS, in this instance, is actually only implementing the law of the land. Now we are attempting, by legislation, to bar them from doing so.

Mr. HELMS. Does the Senator realize that he has made implicit charges which he cannot possibly support? He has just acknowledged that he has never visited one of these schools. I presume he has never talked with any of the people who operate them. I have.

Mr. METZENBAUM. I never visited the Soviet Union, and I do not know whether the Senator has. I certainly know of the repression and the problems and the lack of human rights aspects of that form of government. I do not think it is necessary for any of us to have visited a particular area to know what kind of government operation Idi Amin had in Uganda or the Soviets had.

Mr. HELMS. Mr. President, I am not going to yield any more if my friend from Ohio insists upon relating the people of North Carolina to Idi Amin——

Mr. METZENBAUM. I do not mean to do that.

Mr. HELMS. If he compares Idi Amin to the people of North Carolina, I would resent it and I am sure he does not intend to do that.

Mr. METZENBAUM. I certainly do not mean by any sense of the word to suggest any comparison with Idi Amin or the Soviet Union. I was only attempting to respond to the Senator from North Carolina as to whether this Senator had to have visited a place in order to know of the problem. That is the only reason. Otherwise, the comparison is entirely inappropriate, and I certainly would not, by any sense of the word, make that suggestion. I certainly had no intention of it.

Mr. HELMS. Very well. We have no problem. I appreciate the Senator's clarification.

IRS ACTION DISTORTS INTERNAL REVENUE CODE

Mr. President, the IRS has responded to the absence of specific statutory authority from Congress by constructing a theory which substantially distorts the legislative intent and clear meaning of section 501(c)(3) of the Internal Revenue Code. IRS asserts that for a private school to qualify for tax-exempt status under section 501(c)(3) it must be both a charitable and an educational organization. However, section 501(c)(3) lists the exempt purposes as being independent and separate. Nowhere in the statute can it be inferred that an organization seeking exemption must be both "charitable" as well as meet the requirements of one of the other listed purposes.

The enumeration of exempt purposes in section 501(c)(3) is plain and unambiguous. It states that organizations are exempt which are "organized exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes." By the rules of statutory construction, the word "or" must be read after each of the listed categories. This section is to be read to mean "religious OR charitable OR scientific OR educational."

Congress clearly did not intend that "religious" or "educational" purposes be included under or in addition to a requirement of a "charitable" purpose. If Congress had wanted to provide for the double test of charitable and one other listed purpose, it could have done so with language such as "organized and operated exclusively for charitable (including, religious, scientific, testing for public safety, literary, or educational) purposes." However, Congress did not use this statutory construction.

One important reason for rejecting such statutory language is the fact that it misstates the purpose of a religious organization. A church or a church-related school is not organized and operated exclusively or even substantially for charitable purposes. Such an organization is organized in the exercise of constitutionally protected rights of worship and religion which may or may not include works of charity. As the Supreme Court recognized in *Waltz* v. *Tax Commission*, 397 U.S. 664 (1970), the tax exemption of religious organizations does not depend upon their serving some pragmatic community purpose.

The general IRS regulations dealing with section 501(c)(3) state with equal clarity:

> (d) Exempt Purposes—(1) In general
>
> (i) An organization may be exempt as an organization described in section 501(c)(3) if it is organized and operated exclusively *for one* or more of the following purposes:
>
> (a) Religious,
> (b) Charitable,
> (c) Scientific,
> (d) Testing for public safety,
> (e) Literary,
> (f) Educational, or
> (g) Prevention of cruelty to children or animals.
>
> . . . (iii) *Since each of the purposes specified in subdivision (1) of this subparagraph is an exempt purpose in itself an organization may be exempt if organized and operated exclusively for any one or more of such purposes*. (emphasis supplied)
>
> 26 C.F.R. Sec. 1.501(c)(3)-1(d)(1), (2).

By basing its new revenue procedures on an interpretation of section 501(c)(3) which is unwarranted by its legislative history and its express terms, the IRS has overstepped its authority and usurped the authority of Congress. In *Manhattan General Equipment Co.* v. *Commissioner*, 297 U.S. 129 (1935), the Supreme Court clearly set the limits of an agency's power:

> The power of an administrative officer or board to administer a federal statute and to prescribe rules and regulations to that end is not the power to make law—for no such power can be delegated by Congress—but the power to adopt regulations to carry into effect the will of Congress as expressed by the statute. A regulation which does not do this, but operates to create a rule out of harmony with the statute, is a mere nullity.

As the Supreme Court later ruled, "this reasoning applies with even greater force to the Commissioner's rulings." *Dixon* v. *United States*, 387 U.S. 68 (1965). By seeking to alter the law in this proposed revenue procedure, the IRS has unconstitutionally attempted to seize a power reserved solely to Congress.

IRS ACTION DISTORTS COURT DECISIONS

The IRS relies upon *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974) to support its contention that a private school can legally be denied a tax exempt status on the grounds of its racially discriminatory actions. However, the facts in Norwood differ from those involving the proposed IRS procedures in two substantial aspects.

First, unlike under the IRS procedure, the schools in Norwood were found to be operated in a racially discriminatory manner by a court. The Court did not propose, as the IRS has done, to look to a "safe harbor test" or revoke the presumption of innocence on the basis of when the school was organized. It formulated a simple and constitutional test. It stated:

> It is important to emphasize that the ultimate issue . . . is not whether black students are actually enrolled at the school, but whether their absence is because the school has restrictively denied their access; simply, does the school have a racially discriminatory admissions policy?

Second, the Government action involved in Norwood was not tax exemption, but a State financed textbook program. This is a fundamental difference in the two fact situations. The Supreme Court has, for example, struck down State textbook programs for church-related schools while upholding the constitutionality of tax exemption of churches. In a constitutional sense, a tax exemption is not a subsidy. The theory, now adopted by the IRS, that a tax exemption constitutes just such a tax benefit was argued before the Supreme Court in *Waltz* v. *Tax Commissioner*, 397 U.S. 664 (1970) and was rejected. In his concurring opinion, Mr. Justice Brennan stated:

> Tax exemptions and general subsidies, . . . are qualitatively different. Though both provide economic assistance, they do so in fundamentally different ways. A subsidy involves the direct transfer of public monies to the subsidized enterprise and uses resources exacted from taxpayers as a whole. An exemption, on the other hand, involves no such transfer. It assists the exempted enterprise only passively, by relieving a privately funded venture of the burden of paying taxes . . . Tax exemptions, accordingly, constitute mere passive state involvement with religion and not the affirmative involvement characteristic of outright governmental subsidy.

It is interesting to note that in Norwood, the Court found two schools which had no minority students, but which had a nondiscriminatory admissions policy could not be forced to withdraw from the textbook program. This decision does not stand for the principle, as the IRS asserts, that a private school must undertake an affirmative action program to obtain minority students in order to convince Government officials that it does not have a racially discriminatory policy.

The IRS relies upon the decision of two Federal courts which have denied tax exempt status to organizations which maintain a policy of racial discrimination. *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *Goldsboro Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (E.D.N.C. 1977). While these courts refused to accept the contention of the IRS that in enacting section 501(c)(3), Congress intended organizations to qualify under the common law of charitable trusts, they nonetheless terminated the schools' tax exemption on the basis that their activities violated Federal policy.

In coming to a decision in the Green and Goldsboro cases, the courts improperly extended the decision of the Supreme Court in *Tank Truck Rentals* v. *Commissioner*, 356 U.S. 30 (1958). First, the decision in Tank Truck concerned the legality of a taxpayer's deductions, not the tax exempt status of a private organization. Second, the taxpayer's conduct in Tank Truck involved violations of State law, not an ambiguous public policy as defined by the IRS.

The Tank Truck case involved a trucking company which encouraged its drivers to exceed speed limits in order to provide customers with faster service. The company would pay its employees' speeding tickets and then deduct the amount from its corporate income tax. The Supreme Court found that allowing this deduction would directly encourage violations of State law by lessening the penalty of the fine. In its opinion the Court outlined the test to be applied in these situations:

> This is not to say that the rule as to frustration of sharply defined national or state policies is to be viewed or applied in any absolute sense. *"It has never been thought . . . that the mere fact that an expenditure bears a remote relation to an illegal act makes it nondeductible."* Although each case must turn on its own facts, *the test of nondeductibility always is the severity and immediacy of the frustration resulting from allowance of the deduction.*

The IRS proposed procedure fails to meet the Court's test of "immediacy" as outlined in Tank Truck. The facts of that case revealed a direct cause and effect relationship between the encouragement of illegal conduct by reducing the sting of the penalty mandated by State law. However, in regard to private schools, the mere fact of tax exemption does not encourage the school to adopt a policy of racial discrimination. If the IRS can ignore the Supreme Court's rule that there is to be a cause and effect relationship between the deduction or exemption, then why not deny all such tax treatment to any taxpayer who violates any law?

IRS ACTION IGNORES RELIGIOUS NATURE OF SCHOOLS

The religious schools affected by the proposed procedures select their teachers, staff and students on the basis of their religious commitment. As the Supreme Court held in Lemon these religious schools are "integral parts of the religious mission" of the churches and religious organizations which operate them. Many parents sincerely believe it is a religious necessity and a duty in conscience to have their children enrolled in religious elementary and secondary schools, as found by the Supreme Court in Yoder. These schools seek out teachers and staff who totally agree with the moral and faith standards of the church or religious community appointing them.

Often these teachers in church-related schools are considered ministers or board members of the affiliated churches. These strict standards are maintained because the religious faith of these communities is encouraged among students not only by instruction, but by the very presence of teachers who exhibit and display firm religious beliefs and moral conduct. It makes a mockery of the constitutional doctrine prohibiting the entanglement of the Government in religious matters, for an agency of the Federal Government to insist upon setting hiring and admission rules which substantially affect the religious mission of these schools.

In its decisions affecting church-related schools, the Supreme Court has found that the activity and purpose of these schools is essentially religious in nature. For example, in *Meek* v. *Pittinger*, 421 U.S. 349 (1975) the Court stated:

> The very purpose of many of those schools is to provide an integrated secular and religious education; the teaching process is, to a large extent, devoted to the inculcation of religious values and belief.

It strains the bounds of logic to assert that these schools change from essentially religious to essentially secular depending upon the Government interest to be served.

The misunderstanding by the IRS of the essential nature of religious and church-related schools manifests itself throughout the proposed revenue procedures. For example, the IRS proposal creates a new obligation on the part of these schools to the community in which they reside. While this obligation may be consistent with the IRS theory which regards such schools as charitable organizations, it is not consistent with the religious purpose and operation of the schools themselves.

As William Ball pointed out, the term "community" as used in the proposed revenue procedure "bears no rational relationship whatever to the religious necessities" of the religious schools affected by the proposal. The obligation of religious schools is clearly to a geographical community. But unlike public schools which serve a geographical region, church-related schools serve their own faith communities. The error of the IRS proposal, Mr. Ball continued, "is that it attempts to force the schools of the faith communities to be related to population patterns of public school districts." The affirmative action quota burden imposed upon religious schools is determined by the racial make-up and desegregation problems of the public schools in their area without reference to the needs and resources of their own religious communities.

IRS ACTION VIOLATES ESTABLISHMENT CLAUSE OF FIRST AMENDMENT

Conflict with the establishment clause of the first amendment is the unavoidable result of the IRS proposal. All religious organizations, under the IRS theory, could be denied tax exemptions unless the IRS has judged the organization's purposes and practices to be in line with expressed Federal policy. According to IRS, only religious organizations, whose purposes and practices are in harmony with those of the Federal Government, will be granted an exemption. To preserve its tax exemption, a church, or other religious organization such as a religious school, would have to make sure it stayed in step with Federal public policy.

In *Tilton* v. *Richardson*, 403 U.S. 672 (1971), the Supreme Court stated its well-known test for determining if a statute contravenes the establishment clause:

First, does the act reflect a secular legislative purpose? Second, is the primary effect of the act to advance or inhibit religion? Third, does the administration of the act foster an excessive entanglement with religion?

Regardless of the stated purpose of the IRS procedures, a primary effect will be the inhibition of those religious organizations whose policies are not consistent with national policy as declared by the IRS and the advancement of those religious groups that conform with Federal public policy.

The Supreme Court in *Walz* v. *Tax Commission of the City of New York*, 397 U.S. 664 (1970), determined that the granting of property tax exemptions equally to all churches did not violate the establishment clause of the first amendment. But, instead of all religious organizations being treated equally, as was the case in Walz, the new IRS proposal places the burden of taxation only on those religious organizations whose procedures the IRS has determined conflict with the Federal public policy. As the Supreme Court observed in Committee for Public Education against Nyguist, one form of the oppression of religion by Government is taxation. In Nyguist, the Court commented as follows:

> Special tax benefits, however, cannot be squared with the principle of neutrality established by the decisions of this Court. 413 U.S. 756 (1973).

The construction of section 501(c)(3) argued by the IRS would do away with the general grant of tax exemptions to all religious organizations, which was found in Walz to be an act of benevolent neutrality. Instead, it would transform the statute to provide a special tax benefit to some religious organizations. Since only selected religious institutions would receive exemption under the IRS interpretation, tax exemption provided by section 501(c)(3) no longer manifests neutrality toward all religions but favors some groups over others. The IRS procedures will strengthen and promote religious organizations whose religious practices do not conflict with Federal public policy and discriminate against religious groups whose convictions may conflict with those principles. Thus it essentially runs afoul of the second test articulated in Tilton, that is, a primary effect to advance or inhibit religion. Such a result strikes at the heart of the establishment clause of the first amendment.

The IRS proposal would also violate the third test of Tilton in that its administration fosters an excessive entanglement with religion. The revised revenue procedures maintain the presumption against private schools on the basis of when the school was established, they retain the affirmative action quota system for student admissions and the procedures limit the evidence which a school may use to overcome the presumption of racial discrimination.

These procedures cannot but help to guarantee the extensive oversight by an agency of the Federal Government with the day-to-day activities of hundreds, possibly thousands, of religious schools and religious organizations. Under the IRS theory, the Government would be required to monitor continually the practices of religious organizations to determine their entitlement to exemption. The proposed IRS regulations provide for a sustained and detailed administrative relationship between the Federal Government and church-related schools.

Recently, the Fifth Circuit Court of Appeals outlined the strict standard by which Government regulation of first amendment rights is to be measured:

> Only in rare instances where a compelling state interest in the regulation of a subject within the State's constitutional power to regulate is shown can a court uphold state action which imposes even an incidental burden on the free exercise of religion. In this highly sensitive constitutional area only the gravest abuses, endangering paramount interests give occasion for permissible limitation. *Sherbert v. Verner,* 374 U.S. 398 (1963). Restrictions on the free exercise of religion are allowed only when it is necessary to prevent grave and immediate danger to interests which the state may lawfully protect. *West Virginia State Board of Education v. Barnette,* 319 U.S. 624 (1943).

Mr. President, I believe it is clear that the IRS has failed to meet this standard and others developed by the Supreme Court and the Constitution to protect the free exercise of religion. The vast majority of private schools to be affected by the proposed procedures are church related or religious schools. Many of these schools are operated by religious minorities which have been subject to discrimination and other sanctions in our society.

It is too easy to lose sight of the fact that this issue involves the rights of two groups of minorities, one which is ethnic and the other religious in character. Both groups have suffered unequal treatment during the course of American history. Both groups have important constitutional rights which must be respected. The present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

It is the responsibility of Congress to examine the issues presented in this question. The legislative process is well suited to affording all interested parties a fair and open hearing. If new national policy is to be set on this matter, then it is the lawmaker, the Congress, which should act.

Mr. President, I say again that here we are, the Senate of the United States, considering an unwise and unfair proposal to strike from this piece of legislation an amendment that has already been approved by the House of Representatives by a substantial margin. Moreover, by what we do here today, we will be saying yea or nay to a proposition that the Internal Revenue Service and its bureaucrats can continue to make law and deprive citizens of the United States of their right to provide for their children what they perceive to be a better education.

These people are not asking that they be relieved of paying taxes to support the public schools. No, they are simply saying, "Leave us alone. We are willing to pay taxes to support schools which we do not use—but please don't destroy the schools we have sacrificed to build."

I say again, Mr. President, that I would be willing to wager that no Senator who votes to strike this amendment from the bill has ever visited a private Christian school. No Senator who votes to strike this amendment from the bill has talked with the average Americans who, with their own sacrifices and often with their own hands, have built these schools—not for any ulterior purpose, but simply because they want something a little bit better, in their perception, than they think would otherwise be available for their children. They may be wrong; maybe their schools are not better. But that is a judgment for the parents to make. It is certainly not a judgment for us to make in the U.S. Senate. It certainly is not a judgment for the IRS to make.

As a matter of fact, the Senator from North Carolina is persuaded that the deterioration of the public schools of America began when the Federal Government began intruding into the operation of the schools of America. I, for one, do not blame those parents who are willing to sacrifice to provide for their children's education which they perceive to be better than that which is otherwise available.

Mr. President, I believe the Senator from South Carolina wishes to speak.

(Mr. DeCONCINI assumed the chair.)

Mr. THURMOND. Will the Senator from North Carolina yield to me 7 minutes?

Mr. HELMS. I yield whatever time the Senator wishes.

Mr. THURMOND. Mr. President, I rise to oppose the amendment offered by the distinguished Senator from New York (Mr. JAVITS).

I congratulate the members of the Appropriations Committee for having the courage and foresight to include in this bill an amendment adopted overwhelmingly by our colleagues in the House. I refer to section 615, an amendment that effectively prevents the IRS from implementing their proposed revenue procedure dealing with tax-exempt schools.

This procedure strays far from the statutory bounds within which the IRS is required to work. It is objectionable on numerous grounds, not the least of which is that it represents an unreasonable entanglement by the State in the internal workings of churches. It, further, imposes affirmative action plans, complete with numerical quotas of certain designated minority students, on affected private schools.

Finally, Mr. President, this procedure has evoked anger, outrage, and despair from hundreds of thousands, even millions of ordinary, decent citizens. The IRS is not the most popular of our governmental organizations to begin with, though the function it serves is a necessary one, as anyone will admit. But when this proposed procedure was published in the Federal Register, the IRS was deluged with a flood of protests. Indignant citizens from all over the United States, from Texas, Florida, California, Michigan, South Carolina, New Jersey, literally dozens of States, came to Washington to register their opposition. They were doctors, lawyers, housewives, clergy, businessmen; ordinary people who sacrificed, for various reasons, to educate their children privately. Let me point out that they also support public education with their taxes.

Mr. President, we in the Congress have a responsibility to enact the laws. We owe a duty to these concerned citizens and to all of our constituents to consider this matter carefully. A change this drastic merits more study than it has received. Section 615, approved by both Houses of Congress, will give us the opportunity to study, to fully debate the issue, to consider the far-reaching implications, to decide in Congress, where it should be decided, whether this is what we want to do.

Mr. President, the sponsors of this amendment have sought to simplify this issue so as to evoke a knee-jerk response. It is not as simple an issue as they would have us believe.

First, the sponsors appeal to the Brown against Board of Education decision in an attempt to categorize this issue as a "segregation" issue. The Brown decision dealt with public schools—I repeat, public schools—not private schools, Mr. President. It outlawed "separate but equal" public schools. It did not deal with private schools.

The sponsors try to justify application of the Brown decision by declaring that private schools operate "with taxpayers' support." In other words, tax-exempt status is active governmental support. That argument was rejected by the U.S. Supreme Court in *Walz* v. *Tax Commission,* 397 U.S. 664 (1970), a case which upheld tax-exemption for religious organizations as neutral governmental activity.

Further, they would have us believe that this question is solved by the case of *Green* v. *Connally,* 330 F. Supp. 1150 (D.D.C. 1971), affirmed without opinion by the Supreme Court in that year. I would suggest once again that the situation is not as simple as we are told.

In a 1974 case between Bob Jones University in my State and the IRS, Justice Lewis Powell noted that "the question of whether a segregative private school qualifies under section 501(c) (3) has not received plenary review in this Court, and we do not reach that question today." I repeat, has not. This is 3 years after the case Senator JAVITS and his colleagues cite as dispositive of the issue. Now they may wish that the issue were decided and may know how they want it to be decided, but I submit that it has not been decided. It is not, therefore, up to the IRS to decide it.

Mr. President, these proposed guidelines are not "narrowly targeted." They are vague and ill-defined. They impose monstrous burdens on private schools. They raise first amendment problems. Even should we decide that something like this should be done, it would require careful study and work to draft appropriate guidelines. I oppose this amendment. The bill as reported out of committee would give Congress a year in which to study and act, surely a reasonable time frame in which to act on a matter of such importance.

Mr. President, I am convinced that now is the time, that today is the day, in which we should act on this matter in a positive manner, in which we should tell the IRS that they have no business legislating.

Their business is to execute the laws. Under the Constitution, the Congress has the responsibility for legislating. It is the Congress responsibility to make the laws and the IRS is usurping the power of the Congress when they attempt to do what they are doing in a case of this kind.

I can hear now the sound of those who take a different view. Oh, they are only carrying out the Constitution.

They are not carrying out the Constitution or any such thing. They are usurping the right of the Congress.

This matter, Mr. President, is a matter for the Congress and the Congress only, and the IRS should never have taken the step it did and tried to legislate in its field where it has no authority to do so.

I hope that the provision contained in the appropriations bill by the committee will remain in the committee. It should remain in the committee. It is a reasonable provision.

After all, I want to ask, what harm have private religious schools done to this country? What harm have they done?

We had private religious schools in this country before we even had public schools.

I say that I know of no injustice that they have done to the public. I know of nothing bad they have done to the public. They have educated thousands and hundreds of thousands of students that the public governments would have had to educate if they had not done so.

Why do we want to destroy these schools? If people believe in a certain private school, why not let them have their school? If they want a school where they can read the Bible or where they can pray, why not let them do it?

I do not know of any child that was ever harmed by having the Bible read, although my opinion is that it should be a voluntary act.

On the other hand, I do not know of any child that was ever harmed by having prayer in schools.

It seems to me we have gone entirely too far in some of these fields. It seems to me we had better get back to the principles on which America was founded. It seems to me we had better get back to what is best for America.

I say that it is best for America if we allow these private religious schools to exist and educate these children and save the country, the States, and the localities, this expense, and further provide this freedom which they want and to which they are entitled, in my opinion, under the Constitution.

I think it is unfair. It is an unfair burden to place on them to say to them that the IRS is trying to dictate to them in the action they are taking.

I hope this provision will remain in this bill and I hope any steps taken to remove it will be defeated.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I yield 7 minutes to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I thank the distinguished Senator from New York for yielding to me.

Mr. President, I rise in support of the amendment offered by the distinguished senior Senator from New York. The amendment strikes from this legislation a provision that would prohibit action by the IRS to terminate the tax-exempt status of private schools founded for the express purpose of perpetuating racial segregation.

The supporters of this provision have argued that it is directed at countering an attempt by the IRS to impose without legislative authority a bureaucratic view of what constitutes racial equality.

They have talked about eliminating violence and avoiding violence, but that is not what this amendment is all about.

I cannot accept the arguments that have been made in support of it.

In 1979, for example, a Federal court held in Green against Connally that racially discriminatory private schools are ineligible for the tax exemptions provided to educational institutions.

In 1976, the Supreme Court in Norwood against Harrison struck down a Mississippi law that provided textbooks and transportation to students attending racially discriminatory private schools.

Two years ago, in Goldsboro Christian Schools, Inc. against United States, a district court found that a tax exemption could not be granted to a private school in spite of the fact that its policy of racial discrimination was based on religious belief.

As recently as April of this year, in Prince Edward School Foundation against Commissioner, a Federal district court held that a racially discriminatory private school had failed to meet its burden of establishing its qualification for tax-exempt status.

The law, I say to the Members of the Senate, is clear on this issue. The meaning of the Constitution is clear. And it is also clear that the IRS has acted properly in moving to enforce the law.

I believe that the issue before us today, and it is the only issue, is whether or not the Senate will consent to legislation that requires the IRS to look the other way at illegal tax exemptions.

The issue is whether or not schools established for the express purpose of evading the law of the land should be rewarded with exemptions that amount to indirect subsidies from the taxpayers of this country.

In a larger sense, the issue before us today is whether or not we in the Senate are prepared to give our sanction to a backdoor method of restoring school segregation.

I believe that the answer to each of these questions should be a resounding "No," and I urge the Senate in the strongest terms to adopt the Javits amendment, to eliminate this iniquitous amendment, which has been adopted by the House and which, I am concerned, may be adopted by this body as well.

Mr. JAVITS. I thank the Senator very much for his support.

Mr. President, I yield 8 minutes to the Senator from New Jersey (Mr. BRADLEY).

Mr. BRADLEY. Mr. President, I support the Javits amendment.

It is now 25 years since the Supreme Court made it abundantly clear that segregation is unconstitutional. Even so, for this quarter of a century, after almost all overt signs of racial discrimination have been cleansed from our laws, the Federal Government still supports segregated education. It does this by granting tax exemptions to private schools that discriminate. In effect, the Federal Government—and every taxpayer—subsidizes segregated schools.

That is the issue involved in the so-called Dornan amendment and in the Javits amendment. It is simple and clear.

One may have criticisms, legitimate or devised, about the substance of the IRS rules in question, and one may be critical about the procedures adopted last year to promulgate them. But there can be no question that it is high time the IRS started to enforce the law of the land. The IRS should be permitted to employ effective methods to insure that the private schools which have the benefit of tax-exempt status are adhering to a very basic precondition of that benefit—that they not discriminate.

I will not belabor the long history of these procedures. Suffice it to say that for many years it was an open secret that many private schools set up in the wake of the Brown against Board of Education decision were created with the purpose and effect of avoiding the fundamental dictates of that ruling. Irrespective of whether there exists a private right to discriminate, that right does not carry with it a Government subsidy. For years the IRS was urged to adopt effective enforcement techniques to insure that the segregation academies did not keep their tax exempt benefits.

The IRS went through many Commissioners, and despite their personal support of more effective enforcement, somehow bureaucratic inertia and political strategies combined to produce inaction.

It certainly is to the credit of this President, and to Jerome Kurtz, the current Commissioner, that finally the IRS has produced these long-awaited and long-needed enforcement techniques.

If the history of the first 25 years of these enforcement procedures was one of inaction, it seems that the past 10 months have more than made up for that. Since last fall, when the first version was announced, there has been an extraordinary amount of controversy. In response to criticisms that the procedures had not been the subject of public comment, the IRS held 4 days of hearings at which 193 persons testified. The transcript runs almost 2,000 pages. Many hundreds more persons and groups submitted written comments. Dozens of Senators and Congressmen appeared or sent letters. These procedures have had a most thorough public airing.

Based on those comments, the IRS substantially revised the procedures. The ones we now are considering are considerably different from the first version. Members of this body should be clear that the procedures which raised so much ire last fall are not the ones before us today. Let me spend a few moments outlining the differences between the two versions:

The original procedure set up two classes of schools, reviewable and adjudicated schools. An adjudicated school is one found by a court to discriminate. This class is not the subject of any dispute, so far as I am aware.

A school was reviewable if it was created or expanded during a time of desegregation of neighboring public schools, and if it had less than 20 percent of the minority student population ratio. The school would then have had to show that it met four of five criteria to keep its exemption.

That is now changed. The new procedures designate a school as reviewable only if it meets three criteria: It must have been created or expanded during public school desegregation; it must have an insignificant minority enrollment; and its creation or expansion must have been related in fact to public school desegregation.

The second and third criteria are determined according to the particular facts of each case. If, for example, the school's low minority enrollment is due to the fact that it offers programs which themselves attract groups with little or no minority presence, then the school does not become "reviewable."

This should relieve many religious schools of their fears. Obviously a school offering instruction in a branch of Hasidic Judaism will not have a large enrollment of persons who do not ascribe to those beliefs. One could not fault the school for not having many minority students, and the IRS and the new procedures would not apply to it either.

The new version also has a so-called "safe-harbor." Irrespective of whether the school fails all other tests, if it has an enrollment of 20 percent of the minority student ratio in the community, it will not be reviewable.

The third criteria—whether the school has expanded or created in response to public school desegregation—is likewise determined by an evaluation of all the facts. Examples of facts and circumstances that would excuse a school from the reviewable category include:

The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

The expansion is attributable to an increase in the school age population in the community.

The expansion results from a merger of the school with another private school and neither of the schools is "reviewable."

The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

The school was formed or expanded in accordance with a longstanding practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

At the time of formation or expansion, the school had some minority students, faculty, or board members.

Much of the controversy directed at these procedures has been focused on its application to religious schools, I have already indicated some of the provisions that are designed to protect those schools from the misapplication of the procedures. Two more points deserve to be made.

If a religious school does not have a large enough minority enrollment and was indeed created in a period of public school desegregation, it will not be reviewable if it is part of a larger religious school system which does satisfy the criteria. Thus, one school in a religious school system may have a low or nonexistent minority enrollment. But if other schools in the same system do not discriminate, then the individual school will not be reviewable.

The second point is even more important. The mere fact that a school is religious does not excuse it from the loss of tax exempt status if it does indeed discriminate. There may be a constitutional right to create private religious schools, and those schools may have right to discriminate. But that does not answer the question of whether religious schools which discriminate have the right to a tax exemption. They do not. Nobody has that right.

There should be no confusion on this point. Nobody has the right to a tax exemption, or a tax deduction. The tax laws grant these benefits and the taxpayer gets to take advantage of them if he follows the rules for claiming them.

One of the basic rules for getting or keeping an exemption or deduction is that the taxpayer has to justify his claim to it. If the IRS has reason to believe, or even no reason to believe, that the deduction or exemption is unwarranted, the taxpayer has the burden of satisfying the IRS. As many taxpayers would attest it's sometimes a nuisance. But that is the law. It is no less the law for private school, religious or otherwise. The exemption they have is a benefit, not a right. They must justify their right to keep that benefit. If the question arises or whether they are nonprofit, or really educational and charitable institutions, or whether they discriminate, it is their burden to show the facts which preserve their special tax status.

All this talk about harassment and infringement of religious rights is so much talk. Private religious schools are no different from other tax entities in the eyes of the tax laws.

The IRS rules we are debating today will serve these schools well. Rather than being harassment, they provide clear guidance to IRS employees as to whether a school is properly tax exempt. If a school meets the criteria, it has no reason to fear the IRS. As things now stand, these schools operate in a vague atmosphere of almost no rules.

If the IRS should question their right to an exemption, then the school does not have clear guidance on how to persuade the IRS they are not discriminating. These rules will help the schools, just as they will help the IRS. In the absence of the rules, enforcement of the nondiscrimination requirement will go on, but ineffectively and unsatisfactorily for all.

That is why I support the Javits amendment, and I urge the Senate to adopt it.

In these few minutes, I have had an opportunity to outline just a few of the points that bear on this debate. I ask unanimous consent to have printed in the Record, for the consideration of Senators, some material in support of the argument I have made.

Mr. President, I ask unanimous consent to have printed in the Record a number of articles supporting the argument I have just made.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, Dec. 12, 1978]

Private School Discrimination

Late last summer, the Internal Revenue Service issued a proposed set of guidelines for determining whether elementary and secondary private schools discriminate against students on the basis of race. They are unusually simple by IRS standards; you don't need an advanced degree in legalese to understand them. Yet, much of the testimony given at four days of hearings last week and much of the mail that has been pouring into IRS headquarters suggests a comprehension of those guidelines about on the level of a recent advertisement in this newspaper. That ad began, "Why is the IRS trying to close our private Christian schools?"

The answer is that the IRS isn't trying to close any schools, Christian or otherwise. It is trying, at long last, to enforce a well-established principle of federal law that schools that discriminate against students on the basis of race are not entitled to tax-exempt status.

Of course, loss of that status does mean gifts to such schools will no longer be tax deductible. Since many private schools depend heavily on such gifts, the loss of the tax exemption might put some of them out of businesses. But if that happens, it will be because the schools decided to let it happen. They will have chosen to discriminate rather than to receive an indirect federal subsidy through the deductions given their benefactors. By forcing all private schools to make that choice, the IRS is not crossing the line between church and state or interferring with freedom of religion—as the most vocal opponents of the guidelines contend—but simply enforcing the law on taxation and education.

There are some obvious problems with the proposed guidelines. But these involve only the standards IRS wants private schools to meet, not the principle of non-discrimination. Under the guidelines, any school that came into existence or suddenly expanded when the public schools in its community were desegregated will be suspect. It will lose its tax exemption unless it has a substantial minority enrollment or can show that it is making a good-faith effort to operate on a non-discriminatory basis. Thoughtful critics of the guidelines, such as the National Association of Independent Schools and some of the religious groups, have pointed out situations in which the proposed definitions of what is a substantial minority enrollment or a good-faith effort seem unduly harsh.

In revising the guidelines now that all the testimony concerning them is in, the IRS can quite appropriately make some changes to ease the burden that would otherwise he placed on some private schools, particularly religious ones, that want a racially mixed student body but have difficulty recruiting minority candidates. What the IRS must not do is to weaken the guidelines so that those all-white academies which sprang up after *Brown v. Board of Education* can continue to hold their tax-exempt status, as they do now, by paying for an occasional advertisement claiming they don't discriminate—while doing nothing else to change the complexion of their student body.

[From the Washington Post, July 30, 1979]

TAX LOOPHOLE FOR PRIVATE SCHOOLS

About a year ago, the Internal Revenue Service set out to put some teeth in the law that denies tax-exempt status to private schools that discriminate on the basis of race. Not surprisingly, it ran into trouble, and the more it tinkered with its proposed regulations, the louder the cries against them became. Now Congress is on the verge of forbidding the IRS to make any changes in its current regulations, thus permitting a small number of private schools to continue to make a farce out of the law.

Language to kill the proposed regulations was tacked onto the Treasury Department's appropriations bill on the floor of the House. The Senate Finance Committee refused last Thursday to delete that rider after Sens. Robert Packwood and Daniel Moynihan attacked the regulations, and the IRS, for "bias" and "hatred" toward religious schools.

But the problem the IRS is trying to solve has nothing to do with religious schools—unless they discriminate on the basis of race. The proposed regulations are aimed primarily at private schools that were created or suddenly expanded when nearby public schools were desegregated—like those "white academies" that sprang up all over the South in the 1960s. Currently, these schools get their tax-exempt status merely by saying publicly that they do not discriminate. The new regulations would require them to demonstrate, rather than just say, that they are not discriminating.

If Congress doesn't like what the IRS is trying to do, it can always write a new law giving tax-exempt status to those white academies or spell out precisely how the IRS is to determine which schools discriminate and which do not. Unless it is prepared to do either of those things, however, Congress should leave the proposed regulations alone. It makes no sense in terms of either tax or civil-rights policy to use a rider on an appropriations bill to stop the IRS from closing a loophole of this kind.

[From the New York Times, Friday, Dec. 8, 1978]

NO MORE WINKING AT "SEG ACADEMIES"

For years, the Internal Revenue Service has had a policy of denying tax-exempt status to "seg academies," the hundreds of private schools created to evade desegregation of public schools. There was little protest, since I.R.S. administered its policy with a wink. All that seg academies had to do to stay eligible for tax exemption was to say they do not discriminate. But now I.R.S. has proposed stern new enforcement regulations. Wink has become scowl and scowl has provoked a reaction—115,000 protest letters and an outcry in public hearings that conclude today. Some objections seem just, but for the most part the regulations are needed and we hope I.R.S. sticks by its guns.

In the first place, the principle, impressed on I.R.S. by the Federal courts, is right: to be tax-exempt, institutions must obey the law. It would be intolerable for the Federal treasury to support what Federal law denounces. So far, the seg academies have had things both ways. They have recoiled from any contact with the Feds lest it bring them under desegregation requirements. But they have worked to maintain tax-exempt status. Without it, many could not survive.

In practice, the proposed regulations would not be as onerous as some critics seem to fear. There are some 18,000 private secular schools and an unknown number of church schools in the country. The regulations would apply only to those founded or substantially expanded in the wake of desegregation orders in their communities. That would be 3,500 schools at most, and many of these have no segregation motives.

Still, even these could be affected, and painfully so. Rules intended for schools with 4,000 students but not one black would impose bizarre requirements on, say, small parochial schools. The proposed rules state that a school with no minority students does not qualify for tax-exemption except in "rare and unusual circumstances." Critics are left free to ask how many black Amish are there in Lancaster, Pa.; how many Chinese Jews in Brooklyn? It will be hard to broaden this exception without leaving more loophole than law but some wider exclusion is necessary.

Otherwise, the Internal Revenue Service deserves credit for setting out finally to enforce its policy of denying exemptions to seg academies. And it deserves Congressional support as it stands up to emotional, exaggerated criticism. The only schools with anything to fear should be those which practice private segregation with public money.

[From the New York Times, Aug. 3, 1979]

REWARDING RACIAL SEGREGATION

Congress goes off on summer vacation tonight without having cleaned up a particularly dirty piece of business which has been made to look like bureaucratic bumbling, and by everyone's least favorite agency at that—the Internal Revenue Service. But the issue is not bureaucracy. It is race. And straightening it out ought to be an early order of business when Congress returns.

The story concerns "seg academies," the hundreds of private schools created for white students fleeing newly desegregated public schools. Should Washington give them a big financial boost by permitting contributions to them to be tax-exempt? No, of course not, says Federal law. It would make no sense for Washington to seek desegregation under civil rights laws but then to subsidize segregation under the tax laws.

Last year, Internal Revenue belatedly proposed stern regulations barring tax-exempt status for segregation academies. For example, a school with no minority students could not remain that way except in rare circumstances. There was a storm of protest from people who feared that the regulations were too mechanical and would end up hurting religious and other schools for which desegregation was irrelevant. So earlier this year, Internal Revenue came up with revised regulations. These would cut off tax-exempt status only when a relationship could be shown between the formation or expansion of a private school and the desegregation of public schools. And special provision is made for religious schools. The new regulations make clear that the agency's only target is the seg academy.

But Congress so far has been unwilling to see that. On the contrary, there has now been action to forbid Internal Revenue from issuing its new rules—and even to punish the agency. Two weeks ago, the House barred the agency from revoking tax-exempt status in any new case. And this week, the Senate Appropriations Committee forbade spending any money to enforce the new rules. No rescue effort could be mounted on the Senate floor before today's recess.

Perhaps members who opposed the new regulations did so ignorant of the revisions. Perhaps they find it politically appealing to beat up on the tax collector. But during the recess, members may came to realize that many Americans will see a different explanation: that the Congress of the United States seeks, slyly and indirectly, to reward racial segregation.

[From the Los Angeles Times, Apr. 28, 1979]

SOUTHERN BAPTIST LEADER BACKS IRS IN SCHOOL TAX EXEMPTION FURORE

WASHINGTON.—A national official of the Southern Baptist Convention's social action agency broke ranks with much of the religious community and has endorsed controversial federal tax procedures designed to end racial discrimination in private and religious schools.

William H. Elder, director of Christian citizenship development for the Christian Life Commission of the 13-million-member Southern Baptist Convention, said he decided to support the procedures, proposed by the Internal Revenue Service, because it is "our conviction that racism is totally inconsistent with the Christian gospel."

The proposed procedures would set up a method of determining whether private schools operate in a racially nondiscriminatory fashion and would limit tax exemption of those schools found to be discriminatory.

When the proposed procedures were announced last August, they were greeted with a storm of protest from representatives of Jewish, Catholic and Protestant groups, including the Baptists' joint committee on public affairs.

The outcry forced the IRS to hold public hearings on the proposal last December, and more than 100 witnesses, including about a dozen members of the House and Senate, testified against it.

In February the IRS made public a revision in the proposed procedures, but the change did not satisfy most of the critics.

Elder wrote a four-page letter backing the proposal to IRS Commissioner Jerome Kurtz and Sen. Harry F. Byrd (D-Va.), chairman of a Senate subcommittee holding hearings on the issue.

In it, Elder said he supported the proposed IRS procedures "because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondiscriminatory status and because after having examined the arguments in opposition to the proposed procedures we have found them to be flawed."

Elder said he does not believe the proposed procedures violate separation of church and state because "the state is not telling the church it must integrate, but it is saying that when the church is involved in providing public services it cannot enjoy tax exemption if it operates under a policy which runs counter to established public policy."

[From the Baltimore Sun, Jan. 20, 1979]

IRS vs. Private Schools

(By Thomas A. Troyer)

Recently the Internal Revenue Service proposed rules to foreclose tax exemption to private schools which practice racial discrimination. The IRS proposal has been greeted with strong support from civil rights groups, but vehement opposition from many educational and religious organizations. What is all the shooting about?

The controlling principle of law is simple and clear. Affirming a lower court in 1971, the United States Supreme Court held squarely that the advantages which the tax law establishes for educational, religious and other charitable organizations—tax exemption and qualification to receive deductible charitable contributions—do not extend to private schools which discriminate by race. That principle has been repeatedly recognized by other courts. By now, there is simply no room for reasonable dispute about it.

Despite the clarity of this law, there is broadscale evidence that many schools are not complying with it. A study published in 1976, entitled "The Schools That Fear Built—Segregationist Academies In the South," prepared by researchers at the Universities of Alabama, Tennessee, and elsewhere, found what it termed "startling growth" of private "segregationist academies" in the 13 southern states which it reviewed. The study estimates that between 3,000 and 4,000 such segregationist academies had developed in the 13 southern states by 1976.

Evidence of the growth of racially discriminatory private schools—not confined to the South—abounds. Federal court decisions, work by the Lawyers' Committee for Civil Rights Under Law, reports by the U.S. Commission on Civil Rights and the Illinois Advisory Committee to that Commission all underscore the phenomenon. Yet most of these schools continue to profit from precisely those tax benefits to which the Supreme Court held them not entitled.

Confronted by this evidence, the IRS proposed rules to enforce the Supreme Court decision. By and large, the IRS proposal uses concepts which the federal courts have evolved over the years to deal with other aspects of segregation. Here and there the rules need refinement or restructuring. Overall, though, the IRS proposal simply attempts to establish an administrative mechanism to insure that the law stated by the Supreme Court is carried out.

Why then the firestorm of criticism from educational and religious organizations? Some comments are constructive efforts to help the IRS restate its language to avoid impingement on tax benefits of schools operating in good faith, without racial discrimination. I expect the IRS to take full account of them as it frames final rules. Most critics, though, go further. Firmly and loudly, they tell the IRS that it has no right to act in this area at all.

Much of the argument flows from a time-honored maxim of lawyers: when the law is against you, argue about definitions. The assortment of disputes and quibbles which critics have contrived about words and phrases in the IRS proposal is a tribute to the inventiveness, if not the breadth, of the legal mind. To all of them the short answer is that the Supreme Court has established a clear and simple principle of law governing the subject; and it is surely not beyond the power of the English language to state rules carrying that law into effect. If the words which the IRS has chosen do not accomplish the result, let us help find ones that do. But we do not help with verbal shenanigans whose real object is to avoid the law.

Others assert that the IRS rules constitute unwarranted federal intrusion into private education. Here again, the answer is short. If schools do not want federal tax benefits, they need not concern themselves with the IRS rules. If they do want tax benefits, the IRS must see that they comply with controlling tax law.

Finally, some argue that, whatever law governs other schools, religious schools are not subject to it. As one who believes deeply in religious freedom, I find that argument profoundly disturbing.

The basis of the Supreme Court decision—that tax benefits created for charities do not extend to organizations operating illegally or contrary to public policy—is of great protective value to legitimate religious institutions. It allows much useful separation of legitimate institutions from others. If lawyers convince courts that this principle does not govern religious organizations, what shall we say when the Peoples Temple claims tax exemption and charitable contributions—but treats its members to fruit-flavored cyanide? What shall we say to the religious group claiming tax benefits as it pops rattlesnakes into the mail boxes of opponents? Are illegal activities really protected by the First Amendment as the "free exercise of religion?" And if they are not, what part of the Constitution requires us to grant tax benefits to religious institutions which embark on activities held squarely, directly, and repeatedly to be contrary to the public policy of the United States?

Tax Benefits for Segregated Private Schools

We urge you to withhold your support for a rider concerning tax benefits for segregated private schools, which the House of Representatives attached to the recent Treasury Department appropriations bill.

In *Green v. Kennedy*, 309 F. Supp. 1127 (D.D.C. 1970) and *Green v. Connally*, 330 F. Supp. 1150 (D.D.C. 1971); *aff'd sub nom. Coit v. Green*, 404 U.S. 997 (1971), a three-judge court ruled that IRS administration of charitable exemption provisions of the Internal Revenue Code in the area of private segregated schools violated both statute law and constitutional principles of Equal Protection; this ruling was affirmed by the Supreme Court. The court ordered the IRS to undertake adequate enforcement steps, and in particular to cease accepting as satisfactory evidence of nondiscrimination a private school's "oblique reference to racially nondiscriminatory policy" and other such perfunctory, self-serving assertions. *Green v. Connally*, 330 F. Supp. at 1175.

Despite the court order in *Green v. Connally*, the IRS remained satisfied for years with just the sort of "paper compliance" rejected by the court. Indeed, in flagrant violation of the order, private schools found discriminatory in separate federal court proceedings continue to receive tax benefits. See *Norwood v. Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974). In August 1978, finally recognizing its responsibility, the IRS issued proposed improved enforcement procedures. Upon receiving extensive comments, and in some instances, strong protest from interested schools, the Revenue Service in February 1979 issued a revised and less stringent version of the August proposal. Fair-minded observers agreed that the February proposal was responsive to the comments of affected schools. See "School Regs Reflect Comments," *Legal Times of Washington* (March 5, 1979).

Despite the foregoing it appears that emotional appeals have induced the House of Representatives to take precipitate and unwise action, attempting by a rider to an appropriations bill to make substantive tax policy lacking constitutional validity and in conflict with a federal court order.

We understand that the rider in question prohibits the Revenue Service from carrying out any procedure regarding the tax exempt status of private schools unless issued prior to August 1978. The effect of this might be to force the Revenue Service to continue the policy of paper compliance precluded by the ruling in *Green v. Connally*—a ruling which rested ultimately on constitutional principles. 330 F. Supp. at 1163, 1171. See also *Green v. Kennedy*, 309 F. Supp. at 1133 *et seq.* The court was emphatic that the legal protection for the plaintiffs' had to be "effective directives and procedures" ensuring that private schools receiving tax benefits are not racially segregated. 300 F. Supp. at 1171.

The House rider is not only constitutionally vulnerable but ties the hands of the Revenue Service in direct conflict with the court's order. Such a legislative initiative is unwise as a matter of public policy and in derogation of the principle of separation of powers. Finally, it is particularly inappropriate to make substantive tax policy through the appropriations process where, as here, the action impinges upon the highest of national commitments to a society based on racial equality. If the Congress wishes to make fundamental changes in the tax exemption provisions of the Internal Revenue Code, it should be so in a careful, deliberate manner following the well established Congressional procedures designed for that purpose.

For all these reasons we urge you not to block the Internal Revenue Service from fulfilling its court-ordered responsibility to ensure that the United States is not an aider and abettor of private racial discrimination. The principle at stake is applicable not only in the tax context but has been adopted in numerous instances by Congress and is embedded in the Constitution. Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 200d *et seq.; Norwood* v. *Harrision*, 413 U.S. 455 (1973). See also *Runyon* v. *McCrary*, 96 S. Ct. 2586 (1976).

Question: What is the Dornan Segregation Academy Rider to the Treasury Appropriations bill?

Answer: The Rider prevents the IRS from enforcing in an effective manner the prohibition against federal tax exemptions for "segregation academies"—private elementary and secondary schools which discriminate in admissions on the basis of race.

* * * * *

Question: Why does the IRS have any business dealing with such academies?

Answer: A three-judge court in *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *aff'd per curiam sub nom., Coit* v. *Green*, 404 U.S. 997 (1971), ordered the Internal Revenue Service to cease granting tax exemptions for schools with discriminatory admissions policies and to revoke those held by discriminatory schools. The *Green* court found that the practice of taxpayer subsidies for discriminatory schools—by permitting the schools to be tax exempt and to accept tax deductible contributions—is unlawful under the statute and the Constitution. The decision was affirmed without opinion by the United States Supreme Court and represents the law of the land. The IRS has a duty to enforce this law.

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Question: Why must new procedures be adopted now? Why can't the IRS continue under existing procedures?

Answer: The plaintiffs in *Green* have reopened the case, claiming that the IRS has failed to meet the requirements of the *Green* order. The IRS agrees that its present policies are inadequate. Under its present policies, the IRS accepts mere paper compliance as satisfactory evidence of nondiscrimination. A school must only include open admission language in its articles of incorporation and annually publish a notice of open admissions policies to remain tax exempt, without regard to its actual practices. As a result of this IRS policy, there are at least seven schools which have been found discriminatory by federal courts and nonetheless retain tax exemption. Moreover, there are thousands of private schools with no black children and no black faculty members in areas of public school desegregation. These schools have typically been created or significantly expanded at the time of public school desegregation in the community.

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Question: What harm do these schools do?

Answer: They have perpetuated a segregated dual school system, thereby thwarting desegregation orders of federal courts. Moreover, as white children have fled to newly-created or expanded private schools, public schools have suffered a significant decline in taxpayer interest and support.

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Question: Give an example.

Answer: One of many examples is the Delta Christian School in Madison Parish, Louisiana. The school was declared ineligible for state-loaned textbooks in *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975). The court found that the school had never enrolled a black student or hired a black faculty member and that it was organized "as a direct response to the court ordered integration of the parish's public schools." 405 F. Supp. at 346. The court also found that the white students attending the school "left the public school system as a result of the racial integration of such system," and that the school "has significantly interfered with the integration of the public schools of the parish." Delta Christian School is listed in the current IRS list of tax-exempt organizations and continues to receive tax-deductible donations.

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Question: What changes in law enforcement is the IRS proposing?

Answer: On August 21, 1978, the IRS proposed a revenue procedure designed to advise affected schools and IRS field personnel of a new enforcement effort focused on two classes of private elementary and secondary schools: (1) those schools adjudicated by federal courts, state courts or state agencies to be discriminatory ("adjudicated schools") and (2) those schools with little or no minority enrollment which were formed or substantially expanded at the time of public school desegregation ("reviewable schools"). The August proposal would have required these two classes of schools to make special showings to rebut indications of racial discrimination. After studying public comment and criticism of the August proposal, the IRS in February 1979, published a second proposed revenue procedure designed to meet the special needs of certain religious schools and to respond to assertions that the first proposal was too harsh and mechanical. The February proposal contains substantially liberalized guidelines. It has the following significant features:

(1) Instead of the fixed "four-out-of-five factors" test of the August proposal, it adopts for adjudicated and reviewable schools an overall "facts and circumstances", case-by-case test, with liberalized criteria.

(2) It excludes from application all colleges, universities, preschools and schools for the handicapped.

(3) It provides relief for certain church schools which may be unable to attract minority students or which were formed as part of a plan predating school desegregation.

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Question: What do neutral commentators say about the revised procedure?

Answer: Michael Sanders, Chairman of the ABA Committee on Exempt Organizations, has described the procedure as follows:

"The revised procedure reflects the IRS' consideration of comments regarding potential problems and inequities under the first procedure, and in my view presents workable and equitable guidelines for private schools seeking to obtain and maintain tax exemption and for revenue agents charged with enforcing the long-standing principle that organizations which operate in a manner contrary to public policy—such as organizations which racially discriminate—are not entitled to federal tax exemption." Sanders, "School Regs Reflect Comments," *Legal Times*, March 5, 1979.

Similarly, Lipman Redman, Chairman of the ABA Section on Taxation, described the February proposal as "a realistic and practical approach to the problem: The Commissioner has provided helpful guidelines to the schools and to revenue agents. These guidelines appear to be reasonable and workable." Redman's Statement before House Ways & Means Subcommittee on Oversight, 2/22/79.

Bernard Wolfman, Professor of Law, Harvard University, an acknowledged tax law expert, stated his views and general support as follows:

Experience may prove that the guidelines need revision. Oversight will remain important as that experience develops. For now, however, it is important to the integrity of our tax system and to fulfillment of a national policy that eschews racial discrimination that Congress not impede the Commissioner's reasonable and measured efforts to comply with the law and enforce it even-handedly.

Letter dated April 16, 1979, to Commissioner of Internal Revenue Service.

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Question: Isn't it unconstitutional to require religious schools to adopt racially-nondiscriminatory policies for tax exemption?

Answer: In *Goldsborough Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (E.D.N.C. 1977), a federal district court held that a private religious school is not entitled to tax exemption. The court stated the principle as follows:

"There is a legitimate-secular purpose for denying tax exempt status to schools generally maintaining a racially discriminatory-admissions policy. Moreover, the general across-the-board denial of tax benefits to such schools is essentially neutral, and its principal or primary effect cannot be viewed as either enhancing or inhibiting religion. Finally, the policy patently avoids excessive governmental entanglement with and 'in fact, prevents indirect government aid to religion'." 436 F. Supp. at 1320.

However, one federal district court has found to the contrary in a case in which the discriminatory practices were perceived as based on religious dogma. *Bob Jones University* v. *United States*, Civ. No. 76–775 (D.S.C. 12/26/78), on appeal to the Fourth Circuit Court of Appeals.

In *Green*, the court specifically reserved the question of whether or not religious schools which discriminate on the basis of race because of religious beliefs fall within the *Green* order. However, the overwhelming majority of religious schools endorse the principle of nondiscrimination as part of their religious beliefs and do not discriminate as a matter of dogma. Thus, these schools are not within the *Bob Jones University* holding or the possible *Green* exception.

Question: Isn't denial of tax exemption for religious schools which discriminate an interference with their freedom of religion?

Answer: This claim has been rejected by the federal courts. As the *Green* court said, "Freedom from governmental 'regimentation or interference' is not to be equated with the right to support." 330 F. Supp. at 1166. In other words, even if private religious schools are free to discriminate on the basis of race, they have no right to do so with taxpayer support. (Secular schools may not discriminate by race whether or not they are tax exempt. *Runyon* v. *McCrary*, 427 U.S. 160 (1976).)

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Question: Won't the IRS proposal affect religious schools and religious education?

Answer: Religious schools which in fact discriminate by race will lose tax exemptions as required by federal law. However, in response to legitimate complaints of some religious schools, the second proposal provides that special considerations will be weighed in deciding whether a religious school can reasonably be expected to attract minority students. Moreover, the revised proposal expressly responds to the needs of church schools which are part of a school system and those whose founding was in accordance with long-standing religious practices and not related in fact to public school desegregation. The IRS will consider all of the relevant facts and circumstances.

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Question: What do church school leaders have to say about the proposal?

Answer: While many church school leaders have asserted that the proposal denies them freedom of religion and otherwise interferes with their rights, William H. Elder, Director of Christian Citizenship Development for the Christian Life Commission of the 13-million member Southern Baptist Convention, supports the proposal "because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondicriminatory status and because after having examined the arguments and oppositions to the proposed procedure we have found them to be flawed. . . . [T]he state is not telling the church it must integrate, but it is saying that when the church is involved in public services, it cannot enjoy tax exemption if it operates under a policy which runs counter to established public policy."

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Question: Won't the new IRS procedure put an unnecessary administrative burden on every private school in the country?

Answer: Many—and probably most—private schools will be unaffected by the new IRS enforcement policy since the IRS will closely examine only adjudicated or reviewable schools. This focus on adjudicated and reviewable schools is appropriate under a series of federal court cases which hold that the establishment or expansion of a school in the way of public school desegregation strongly suggests a racial exclusionary policy. Under the proposal, such schools—if innocent—can show that their founding or expansion was not in fact related to school desegregation and can otherwise provide evidence of facts and circumstances showing that they do not discriminate on the basis of race. (It is standard policy to require recipients of government benefits to demonstrate that they qualify for the benefits. Organizations seeking tax exemption have always had the burden of proving that they meet all criteria for qualification.)

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Question: What if the IRS improperly revokes a school's exemption?

Answer: Every school whose exemption is revoked has the right under the Internal Revenue Code to appeal to the federal courts. Moreover, under the proposal, all decisions with respect to such exemptions will be reviewed in the National Office of the IRS.

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Question: Isn't the IRS making new law without congressional action?

Answer: No. The law has been clear since 1971—segregation academies are not entitled to exemption. The new proposals represent a strongly-focused enforcement policy and not new law.

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NEWS RELEASE—IR-2091

WASHINGTON, D.C.—After considering public comments, the Internal Revenue Service today issued, in proposed form, a revised revenue procedure setting forth guidelines to implement the Service's obligation to limit tax exemption to private schools which operate on a racially nondiscriminatory basis.

Under the guidelines, the Service will examine certain schools and deny tax exemption where their actual operations are inconsistent with their stated policies of nondiscrimination.

The newly proposed procedure, on which public comments are invited, sets forth standards to be applied to two categories of private elementary and secondary schools: those that have been held by a court or government agency to be racially discriminatory ("adjudicated schools"); and those whose formation or expansion is related to public school desegregation in the community served by the school, and do not have significant minority student enrollment ("reviewable schools").

The proposed guidelines do not apply to colleges, universities, nursery schools, or schools for the handicapped or the emotionally disturbed.

The new procedure is a revision of a proposal published in the Federal Register on August 22, 1978. It gives greater weight to each school's particular circumstances, than did the earlier proposal, in determining whether a school is racially discriminatory as to students.

Under the new proposal, a school formed or substantially expanded at the time of public school desegregation will be classified as "reviewable" if it has an insignificant minority enrollment and its formation or expansion is related in fact to public school desegregation in the community. The procedure sets forth factors to be considered in making this determination.

A school classified as "reviewable" will be considered racially discriminatory unless it has undertaken actions and programs reasonably designed to attract minority students on a continuing basis. Unlike the earlier proposal, the new procedure does not require a minimum number of specified actions to be taken in every case. Rather, it provides greater flexibility for a school to show that it is operating on a racially nondiscriminatory basis.

Public comments on the new proposal should be submitted to the Internal Revenue Service by April 20, 1979.

A copy of the proposed revenue procedure is attached.

SECTION 1. PURPOSE

.01 This Revenue Procedure sets forth guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under section 501(c) (3) of the Internal Revenue Code of 1954.

SECTION 2. BACKGROUND

.01 A school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax. Revenue Ruling 71-447, 1971-2 C.B. 230. This requirement also applies to church-related and church-operated schools. Revenue Ruling 75-231, 1975-1 C.B. 158.

.02 Revenue Procedure 75-50, 1975-2 C.B. 587, sets forth certain affirmative recordkeeping and publicity requirements along with other guidelines for determining whether schools have a racially nondiscriminatory policy as to students. Revenue Procedure 75-50 generally requires tax-exempt private schools to adopt formally a racially nondiscriminatory policy and to publicize that policy annually to the community.

.03 All private schools are subject to the requirement that they have a racially nondiscriminatory policy as to students in order to qualify for and retain tax exemption, and schools are subject to examination to verify the existence of that policy.

The question whether a private school has a racially nondiscriminatory policy as to students is based on all the applicable facts and circumstances.

If a school engages in any acts or practices that are racially discriminatory as to students, the school is not entitled to tax exemption even though it may otherwise comply with the provisions of Revenue Procedure 75-50 or this Revenue Procedure. For example, if there are overt acts of racial discrimination as to students, the school is not entitled to federal income tax exemption.

.04 There are situations in which a school's formation or expansion at the time of public school desegregation in the community casts doubt on the existence of a bona fide racially nondiscriminatory policy. In such situations the mere assertion and publication of a nondiscriminatory policy may be insufficient evidence of a bona fide nondiscriminatory policy. In these cases it is appropriate to examine whether actions have been taken by the school to overcome the indications that the school was established to foster racial segregation and that minorities are not welcome at the school. See *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973); *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975).

This Revenue Procedure sets forth guidelines to identify certain private elementary and secondary schools that are racially discriminatory, even though they claim to have a racially nondiscriminatory policy as to students.

.05 This Revenue Procedure applies only to private elementary and secondary schools, other than schools organized and operated solely for the education of the handicapped or the emotionally disturbed. For example, it applies to church-related and church-operated elementary and secondary schools, but does not apply to colleges and universities, pre-schools, nursery schools, or schools for the blind or the deaf.

SECTION 3. DEFINITIONS.

.01 A racially nondiscriminatory policy as to students means that:

the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

Revenue Ruling 71-447. The Service considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. Revenue Procedure 75-50.

.02 A school "adjudicated to be discriminatory" means any school found to be racially discriminatory as to students by a final decision of a federal or state court of competent jurisdiction; by final agency action of a federal administrative agency in accordance with the procedures of the Administrative Procedure Act, 5 U.S.C. 551, *et seq.*; or by final agency action of a state administrative agency following a proceeding in which the school was a party or otherwise had the opportunity for a hearing and an opportunity to submit evidence. The terms "final decision of a federal or state court" and "final agency action" mean actions or decisions from which no further administrative or judicial appeal can be taken.

.03 "Reviewable school" means a school (i) formed or substantially expanded at the time of public school desegregation in the community served by the school; (ii) which does not have significant minority student enrollment; and, (iii) whose creation or substantial expansion was related in fact to public school desegregation in the community. A school will not be treated as a reviewable school unless all three of the foregoing characteristics exist.

(a) A school will be considered formed or substantially expanded at the time of public school desegregation in the community served by the school if its formation or expansion takes place during any calendar year any part of which falls within the period beginning one year before implementation of a public school desegregation plan in the community (whether a court-ordered or voluntary plan) and ending three years after substantial implementation of such desegregation order or plan. "Voluntary plan" includes, for example, a written desegregation plan entered into with the Department of Health, Education and Welfare (HEW), or with a state agency.

A school will not be considered to have substantially expanded during a particular calendar year if the increase in the maximum number of students enrolled at any time during that calendar year is 20 percent or less of the maximum number of students enrolled at any time during the immediately preceding calendar year. If the increase is more than 20 percent, a determination will be made whether the expansion is related in fact to public school desegregation, as described in section 3.03(c), *infra*, before the school will be treated as a reviewable school.

Whether a school's minority student enrollement is significant depends on all the relevant facts and circumstances. Consideration will be given to special circumstances which limit the school's ability to attract minority students, such as an emphasis on special programs or special curricula which by their nature are of interest only to identifiable groups which are not composed of a significant number of minority students, so long as such programs or curricula are not offered for the purpose of excluding minorities. In giving such consideration, the Service will also take into account whether schools in similar circumstances are not limited in their ability to attract minority students.

In any event, a school will be considered to have significant minority student enrollment if its percentage of minority students is 20 percent or more of the percentage of the minority school age population in the community served by the school. For example, if 50 percent of the school age population in the community is minority, and the school enrolls 200 students, a school would not be "reviewable" if it had at least 20 minority students. (20 percent × 50 percent = 10 percent, 10 percent × 200 students = 20 students.)

If a particular school which is part of a system of commonly supervised schools would be treated as not having significant minority student enrollment under the foregoing provisions, it may nevertheless be considered to have a significant minority student enrollment if all the following conditions are met:

1. Taking into account all schools operated by the system within the community, the school system, in the aggregate, has significant minority student enrollment;

2. The schools within the community serve designated geographical areas, which designations are based on considerations other than race; and,

3. There is no evidence that the school system operates on a racially discriminatory basis, such as through the operation of a dual school system based on race.

(c) Ordinarily, the formation or substantial expansion of a school at the time of public school desegregation in the community will be considered to be related in fact to public school desegregation. However, notwithstanding this general rule, the Service will consider evidence that a school's formation or substantial expansion was not related in fact to public school desegregation in the community and that the school therefore is not a reviewable school. The determination that a school's formation or substantial expansion is not related in fact to public school desegregation must be based on objective evidence, taking into account all the facts and circumstances relating to the school's formation or expansion. The following are illustrative of facts which are relevant in making this determination, but these facts are not exclusive.

Facts tending to indicate that the formation or substantial expansion of a school was not related in fact to public school desegregation include the following:

(1) The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

(2) The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

(3) The expansion is attributable to an increase in the school age population in the community.

(4) The expansion results from a merger of the school with another private school and neither of the schools is otherwise "reviewable."

(5) The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

(6) The school was formed or expanded in accordance with a long-standing practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

(7) At the time of formation or expansion, the school had some minority students, faculty, or board members.

Facts tending to indicate that the formation or substantial expansion of a school was related in fact to public school desegregation in the community include:

(8) The opening or substantial expansion of the school occurs in one or more of the same grades that are subject to public school desegregation.

(9) The students who enroll are primarily drawn from the public schools.

(10) The school occupies or utilizes former public school facilities made available to the school in the course of implementation of the public school desegregation plan.

(11) The school is a member of an organization which practices or advocates racial segregation in schools.

(12) The school, or its founders, officers, substantial contributors or trustees, have engaged in efforts to oppose desegregation of the public schools.

(13) The school in practice limits enrollment to students from a geographic area (or areas) with few or no minorities, and this limitation coincides with a public school desegregation plan that involves exchanges of students between such area or areas and one or more other areas that have a substantial school age minority population.

(14) Non-minority faculty members added to the school's staff at the time of its formation or substantial expansion are drawn primarily from the public school system subject to desegregation.

.04 The "community" served by the school means the public school district within which the school is located, together with any other public school district from which the school enrolls a substantial percentage of its student body. As an objective guideline, the Service will consider 20 percent a substantial percentage of its student body. Where a court desegregation order involves the mandatory assignment of students to or from any of such foregoing school districts, "community" includes all public school districts covered by the order, and the appropriate percentage of minority students will be determined with reference to all such districts. For example, if the school is located in public school district A, but draws 30 percent of its students from school district B, which is under a court-ordered busing program with school district C, the relevant community for the particular school, for purposes of computing the relevant minority school age population, is school districts A, B, and C.

For purposes of determining minority school age population, the Service will rely generally on statistics compiled by the Department of Health, Education and Welfare (HEW) on public school enrollment, unless the school furnishes acceptable statistics relating to its community showing both public and private school enrollment. The enrollment data used by HEW concerning the minority school age population of a public school district may be obtained from local school boards, which are required to maintain such information by HEW regulations.

.05 "Minority" is defined as including the following separate categories: blacks; Hispanics; Asians or Pacific Islanders; and, American Indians or Alaskan natives. These classifications are in accordance with guidelines of the Department of Commerce which are currently set forth at 43 Fed. Reg. 19,269 (1978). The relevant minority for purposes of computing the percentage of minority student enrollment under this Revenue Procedure is the group or groups found to have been the object of discrimination in the court or agency adjudication, or in the public school desegregation proceeding. For example, if both blacks and Hispanics have been found in a court or agency adjudication to have been the object of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics.

SECTION 4. GUIDELINES

.01 *Schools adjudicated to be discriminatory.* Notwithstanding a prior adjudication of racial discrimination as to students, a school adjudicated to be racially discriminatory as to students will be considered to be now operated on a nondiscriminatory basis if the school can show that:

(a) the school currently has significant minority enrollment, as defined in section 3.03(b), *supra*; or,

(b) the school has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, *infra*, for examples of such actions or programs. Ordinarily, an adjudicated school will not be considered to be operated on a racially nondiscriminatory basis unless the school has enrolled some minority students.

.02 *"Reviewable schools."*—Notwithstanding the fact that a school is a reviewable school as defined in section 3.03, the school will be considered to have a racially nondiscriminatory policy as to students if the school can show that it has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, *infra*, for examples of such actions or programs.

.03 Actions and programs reasonably designed to attract minority students must convey clearly to the affected minority community that, notwithstanding the circumstances of the school's formation or expansion and the absence of a significant number of minority students, the school, in fact, is operating on a nondiscriminatory basis and minorities are welcome at the school. The level of actions and programs that are adequate may vary from school to school and depends on the circumstances of the school, including the level of minority student enrollment. Examples of actions and programs that may contribute to attracting minority students on a continuing basis include:

1. Active and vigorous minority recruitment programs, such as extensive public advertisements in media designed to reach the minority community, specifically inviting minority applicants; communication to minority groups and minority leaders in the community inviting minority applicants; personal contacts of prospective minority students; and, participation in local, regional, or national programs designed to develop new sources of minority recruitment for the school.

2. Publicized offering of tuition waivers, scholarships or other financial assistance, with emphasis on their availability for minority students; or, actual granting of such financial assistance to minority students.

3. Employment of, or substantial efforts to recruit, minority teachers or other professional staff.

4. Participation with integrated schools in sports, music, and other events or activities.

5. Special minority-oriented curriculum or orientation programs.

6. Minority members of the board or other governing body of the school.

The failure of such actions or programs to obtain some minority student enrollment within a reasonable period of time will be a factor in determining whether such activities are adequate or are undertaken in good faith.

SECTION 5. PROCEDURES FOR HANDLING SCHOOLS CURRENTLY RECOGNIZED AS TAX-EXEMPT

.01 *Schools adjudicated to be discriminatory.* The Service will propose revocation of exemption for schools adjudicated to be discriminatory which do not meet the guidelines of section 4.01, *supra*.

.02 *"Reviewable schools"*. The Service will propose revocation of exemption for reviewable schools which do not meet the guidelines of section 4.02, *supra*.

.03 *Tax deductibility of contributions*. The Service will apply the provisions of Revenue Procedure 72-39, 1972-2, C.B. 818, in determining the tax deductibility of contributions made to adjudicated or reviewable schools.

.04 *General Guidelines*. Proposed revocations of exemption will be processed in accordance with the procedures set forth in Revenue Procedure 73-8, 1973-1 C.B. 754, and this Revenue Procedure. After exhausting its administrative remedies, the school may seek judicial relief.

In appropriate cases, the Service will consider deferring issuing notice of a final revocation of exemption to a school not meeting the standards of this Revenue Procedure, if the school so requests and sets forth actions already taken and to be undertaken in good faith which demonstrate a racially nondiscriminatory policy in accordance with section 4 of this Revenue Procedure.

SECTION 6. APPLICATIONS FOR TAX-EXEMPT STATUS

.01 *School adjudicated to be discriminatory*. A favorable ruling or determination will be issued to a school adjudicated to be discriminatory only if it meets the guidelines of section 4.01, *supra*.

.02 *"Reviewable schools"*. A favorable ruling or determination will be issued to a reviewable school which has commenced operation only if it meets the guidelines of section 4.02, *supra*. A favorable ruling or determination will be issued to a school with no record of actual operation only if the school's proposed operations can be described in sufficient detail to permit a conclusion that the school will not be classified as a reviewable school, or will clearly meet the guidelines of section 4.02.

.03 *General guidelines*. Applications for tax-exempt status will be processed in accordance with the procedures set forth in Revenue Procedure 72–4, 1972–1 C.B. 706, and this Revenue Procedure. A school which has either received an adverse ruling or determination or which has exhausted its administrative remedies may seek judicial relief.

SECTION 7. NATIONAL OFFICE APPEALS AND REVIEW

Applications for exemption and examinations of private elementary and secondary schools will be reviewed in the National Office under procedures established by the Assistant Commissioner (Employee Plans and Exempt Organizations). Under this procedure, appeals from adverse key district actions in these cases will be considered by the National Office rather than the Regional Directors of Appeal.

SECTION 8. EFFECTIVE DATE

In the case of schools adjudicated to be discriminatory, this Revenue Procedure will be effective on final publication for purposes of examinations and applications for exemptions. In the case of reviewable schools, this Revenue Procedure will be effective for purposes of examinations on and after January 1, 1980. For reviewable schools whose applications for exemption are pending on the date of final publication, but which do not meet the provisions of section 6 of this revenue procedure, the Service will, if requested by the school, defer any action on the application for exemption until January 1, 1980, to give the schools an opportunity to supplement its application to demonstrate compliance with section 6. Otherwise, for purposes of applications for exemption by reviewable schools, this Revenue Procedure will be effective on final publication.

SECTION 9. EFFECT ON OTHER DOCUMENTS

Revenue Procedure 75–50 is amplified, and continues to be applicable to all private schools, whether or not affected by this Revenue Procedure.

Mr. JAVITS. Mr. President, I have 5 minutes of debate, and then I will be prepared to yield back the remainder of my time. Inasmuch as I am the proponent, I would like to finish the debate, if that is agreeable to my colleague.

Mr. HELMS. Certainly.

Mr. JAVITS. I thank the Senator.

I yield myself 5 minutes.

Mr. President, I am grateful to the Members who have supported my position. I am very grateful to my cosponsors.

I would like to spend a minute or two to answer the points which have been made.

I appreciate what Senator HELMS said so eloquently, that the people have created these schools; "with their own sacrifices and their own hands, have built these schools."

Mr. President, there is not a word in what I am trying to accomplish, not an implication, not a reference which would prevent these schools from functioning.

The only question is: Shall they have tax exemption? And tax exemption is support. That is all I am arguing. So the answer, in my judgment, is that where it runs counter to the public policy of the country, it is not entitled to tax exemption, and the law, it seems to me, is very clear on that score because the law defines what is to be tax exempt as "corporations, and any community chest funds or foundations organized and operated exclusively for religious, charitable, scientific, testing for the public safety, literary, or educational purposes."

And it is respectfully submitted that a school which discriminates on the ground of race is not a purpose encompassed within the law. That is why the IRS makes this regulation.

So, Mr. President, I wish to emphasize no one is eliminating any school in any way by voting for my amendment. But what you are doing is to prevent the private school from being used as a subterfuge in order to maintain racial discrimination which is contrary to the public policy of the United States.

Second, Mr. President, it is argued that we should not pass my amendment because all that the amendment which is in the bill does is to deal with a question for 1 year and in the meantime we have to study it. But that is committing Members to a position which in our judgment is highly inimical to the public policy and the morality of our country. We can study it right now. There is nothing to stop us.

And in answer to the argument that the IRS is usurping the right of Congress because it is writing a regulation, we can change any regulation—we have done it 1,000 times or more—by law.

Third, I wish I had here the stack of regulations of the IRS on taxes. We would not do anything else. We could not even finish it if we worked 24 hours a day for 365 days a year and did nothing else on the public business. I mean the thing is just ridiculous on its face.

Mr. President, we are deciding a great issue of public policy, whether or not the Government should lend itself to segregated private schools. I deeply believe we have no right to do that, and that is the purpose of my amendment.

Lastly, the question of schools, like Senator HELMS described, of Christian schools—now, I will tell the Senator frankly I do not know whether I visited a Christian school or not. I visited so many that I may have visited one. I doubt they would bar members of my faith from the visits. So I really cannot tell whether I have or have not.

Mr. HELMS. Mr. President, if the Senator will yield, he is welcome and I invite him now to go with me to North Carolina.

Mr. JAVITS. I assure the Senator he probably will get me for that.

Mr. President, the regulations which we are considering give protections to religious schools, saying that considerations will be given to any school taking into account all schools operated by the system within the community—this applies very heavily to Catholic schools—taking into account whether the schools within the community served designated geographical areas which designations are based on considerations other than race.

Finally, where there is no evidence that the school system is operated on a racially discriminatory basis, such as through the operation of a dual school system based on race, the schools would not be affected.

Mr. President, I ask unanimous consent that these regulations be printed in the RECORD.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

Section 1. Purpose.

.01 This Revenue Procedure sets forth guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

Sec. 2. Background.

.01 A school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax. Revenue Ruling 71–447, 1971–2 C.B. 230. This requirement also applies to church-related and church-operated schools. Revenue Ruling 75–231, 1975–1 C.B. 158.

.02 Revenue Procedure 75–50, 1975–2 C.B. 587, sets forth certain affirmative recordkeeping and publicity requirements along with other guidelines for determining whether schools have a racially nondiscriminatory policy as to students. Revenue Procedure 75–50 generally requires tax-exempt private schools to adopt formally a racially nondiscriminatory policy and to publicize that policy annually to the community.

.03 All private schools are subject to the requirement that they had a racially nondiscriminatory policy as to students in order to qualify for and retain tax exemption, and schools are subject to examination to verify the existence of that policy.

The question whether a private school has a racially nondiscriminatory policy as to students is based on all the applicable facts and circumstances.

If a school engages in any acts or practices that are racially discriminatory as to students, the school is not entitled to tax exemption even though it may otherwise comply with the provisions of Revenue Procedure 75–50 or this Revenue Procedure. For example, if there are overt acts of racial discrimination as to students the school is not entitled to federal income tax exemption.

.04 There are situations in which a school's formation or expansion at the time of public school desegregation in the community casts doubt on the existence of a bona fide racially nondiscriminatory policy. In such situations the mere assertion and publication of a nondiscriminatory policy may be insufficient evidence of a bona fide nondiscriminatory policy. In these cases it is appropriate to examine whether actions have been taken by the school to overcome the indications that the school was established to foster racial segregation and that minorities are not welcome at the school. See *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973); *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975).

This Revenue Procedure sets forth guidelines to identify certain private elementary and secondary schools that are racially discriminatory, even though they claim to have a racially nondiscriminatory policy as to students.

.05 This Revenue Procedure applies only to private elementary and secondary schools, other than schools organized and operated solely for the education of the handicapped or the emotionally disturbed. For example, it applies to church-related and church-operated elementary and secondary schools, but does not apply to colleges and universities, pre-schools, nursery schools, or schools for the blind or the deaf.

Sec. 3. Definitions.

.01 A racially nondiscriminatory policy as to students means that: the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

Revenue Ruling 71–447. The Service considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. Revenue Procedure 75–50.

.02 A school "adjudicated to be discriminatory" means any school found to be racially discriminatory as to students by a final decision of a federal or state court of competent jurisdiction; by final agency action of a federal administrative agency in accordance with the procedures of the Adminstrative Procedure Act, 5 U.S.C. 551, et seq.; or by final agency action of a state administrative agency following a proceeding in which the school was a party or otherwise had the opportunity for a hearing and an opportunity to submit evidence. The terms "final decision of a federal or state court" and "final agency action" mean actions or decisions from which no further administrative or judicial appeal can be taken.

.03 "Reviewable school" means a school (i) formed or substantially expanded at the time of public school desegregation in the community served by the school; (ii) which does not have significant minority student enrollment; and, (iii) whose creation or substantial expansion was related in fact to public school desegregation in the community. A school will not be treated as a reviewable school unless all three of the foregoing characteristics exist.

(a) A school will be considered formed or substantially expanded at the time of public school desegregation in the community served by the school if its formation or expansion takes place during any calendar year any part of which falls within the period beginning one year before implementation of a public school desegregation plan in the community (whether a court-ordered or voluntary plan) and ending three years after substantial implementation of such desegregation order or plan. "Voluntary plan" includes, for example, a written desegregation plan entered into with the Department of Health, Education, and Welfare (HEW), or with a state agency.

A school will not be considered to have substantially expanded during a particular calendar year if the increase in the maximum number of students enrolled at any time during that calendar year is 20 percent or less of the maximum number of students enrolled at any time during the immediately preceding calendar year. If the increase is more than 20 percent, a determination will be made whether the expansion is related in fact to public school desegregation, as described in section 3.03(c), infra, before the school will be treated as a reviewable school.

(b) Whether a school's minority student enrollment is significant depends on all the relevant facts and circumstances. Consideration will be given to special circumstances which limit the school's ability to attract minority students, such as an emphasis on special programs or special curricula which by their nature are of interest only to identifiable groups which are not composed of a significant number of minority students, so long as such programs or curricula are not offered for the purpose of excluding minorities. In giving such consideration, the Service will also take into account whether schools in similar circumstances are not limited in their ability to attract minority students.

In any event, a school will be considered to have significant minority student enrollment if its percentage of minority students is 20 percent or more of the percentage of the minority school age population in the community served by the school. For example, if 50 percent of the school age population in the community is minority, and the school enrolls 200 students, a school would not be "reviewable" if it had at least 20 minority students. (20 percent x 50 percent = 10 percent. 10 percent x 200 students = 20 students.)

If a particular school which is part of a system of commonly supervised schools would be treated as not having significant minority student enrollment under the foregoing provisions, it may nevertheless be considered to have a significant minority student enrollment if all the following conditions are met:

1. Taking into account all schools operated by the system within the community, the school system, in the aggregate, has significant minority student enrollment;

2. The schools within the community serve designated geographical areas, which designations are based on considerations other than race; and,

3. There is no evidence that the school system operates on a racially discriminatory basis, such as through the operation of a dual school system based on race.

(c) Ordinarily, the formation or substantial expansion of a school at the time of public school desegregation in the community will be considered to be related in fact to public school desegregation. However, notwithstanding this general rule, the Service will consider evidence that a school's formation or substantial expansion was not related in fact to public school desegregation in the community and that the school therefore is not a reviewable school. The determination that a school's formation or substantial expansion is not related in fact to public school desegregation must be based on objective evidence, taking into account all the facts and circumstances relating to the school's formation or expansion. The following are illustrative of facts which are relevant in making this determination, but these facts are not exclusive.

Facts tending to indicate that the formation or substantial expansion of a school was not related in fact to public school desegregation include the following:

(1) The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

(2) The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

(3) The expansion is attributable to an increase in the school age population in the community.

(4) The expansion results from a merger of the school with another private school and neither of the schools is otherwise "reviewable."

(5) The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

(6) The school was formed or expanded in accordance with a long-standing practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

(7) At the time of formation or expansion, the school had some minority students, faculty, or board members.

Facts tending to indicate that the formation or substantial expansion of a school was related in fact to public school desegregation in the community include:

(8) The opening or substantial expansion of the school occurs in one or more of the same grades that are subject to public school desegregation.

(9) The students who enroll are primarily drawn from the public schools.

(10) The school occupies or utilizes former public school facilities made available to the school in the course of implementation of the public school desegregation plan.

(11) The school is a member of an organization which practices or advocates racial segregation in schools.

(12) The school, or its founders, officers, substantial contributors or trustees, have engaged in efforts to oppose desegregation of the public schools.

(13) The school in practice limits enrollment to students from a geographic area (or areas) with few or no minorities, and this limitation coincides with a public school desegregation plan that involves exchanges of students between such area or areas and one or more other areas that have a substantial school age minority population.

(14) Non-minority faculty members added to the school's staff at the time of its formation or substantial expansion are drawn primarily from the public school system subject to desegregation.

.04 The "community" served by the school means the public school district within which the school is located, together with any other public school district from which the school enrolls a substantial percentage of its student body. As an objective guideline, the Service will consider 20 percent a substantial percentage of its student body. Where a court desegregation order involves the mandatory assignment of students to or from any of such foregoing school districts, "community" includes all public school districts covered by the order, and the appropriate percentage of minority students will be determined with reference to all such districts. For example, if the school is located in public school district A, but draws 30 percent of its students from school district B, which is under a court-ordered busing program with school district C, the revelant community for the particular school, for purposes of computing the relevant minority school age population, is school districts A, B, and C.

For purposes of determining minority school age population, the Service will rely generally on statistics compiled by the Department of Health, Education and Welfare (HEW) on public school enrollment, unless the school furnishes acceptable statistics relating to its community showing both public and private school enrollment. The enrollment data used by HEW concerning the minority school age population of a public school district may be obtained from local school boards, which are required to maintain such information by HEW regulations.

.05 "Minority" is defined as including the following separate categories: blacks; Hispanics; Asians or Pacific Islanders; and, American Indians or Alaskan natives. These classifications are in accordance with guidelines of the Department of Commerce which are currently set forth at 43 Fed. Reg. 19,269 (1978). The relevant minority for purposes of computing the percentage of minority student enrollment under this Revenue Procedure is the group or groups found to have been the object of discrimination in the court or agency adjudication, or in the public school desegregation proceeding. For example, if both blacks and Hispanics have been found in a court or agency adjudication to have been the object of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics.

Sec. 4. Guidelines.

.01 Schools adjudicated to be discriminatory. Notwithstanding a prior adjudication of racial discrimination as to students, a school adjudicated to be racially discriminatory as to students will be considered to be now operated on a nondiscriminatory basis if the school can show that:

(a) the school currently has significant minority enrollment, as defined in section 3.03(b), supra; or,

(b) the school has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, infra, for examples of such actions or programs. Ordinarily, an adjudicated school will not be considered to be operated on a racially nondiscriminatory basis unless the school has enrolled some minority students.

.02 "Reviewable schools."—Notwithstanding the fact that a school is a reviewable school as defined in section 3.03, the school will be considered to have a racially nondiscriminatory policy as to students if the school can show that it has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, infra, for examples of such actions or programs.

.03 Actions and programs reasonably designed to attract minority students must convey clearly to the affected minority community that, notwithstanding the circumstances of the school's formation or expansion and the absence of a significant number of minority students, the school, in fact, is operating on a nondiscriminatory basis and minorities are welcome at the school. The level of actions and programs that are adequate may vary from school to school and depends on the circumstances of the school, including the level of minority student enrollment. Examples of actions and programs that may contribute to attracting minority students on a continuing basis include:

1. Active and vigorous minority recruitment programs, such as extensive public advertisements in media designed to reach the minority community, specifically inviting minority applicants; communication to minority groups and minority leaders in the community inviting minority applicants; personal contacts of prospective minority students; and, participation in local, regional, or national programs designed to develop new sources of minority recruitment for the school.

2. Publicized offering of tuition waivers, scholarships or other financial assistance, with emphasis on their availability for minority students; or, actual granting of such financial assistance to minority students.

3. Employmeent of, or substantial efforts to recruit, minority teachers or other professional staff.

4. Participation with integrated schools in sports, music, and other events or activities.

5. Special minority-oriented curriculum or orientation programs.

6. Minority members of the board or other governing body of the school.

The failure of such actions or programs to obtain some minority student enrollment within a reasonable period of time will be a factor in determining whether such activities are adequate or are undertaken in good faith.

Sec. 5. Procedures for handling schools currently recognized as tax-exempt.

.01 Schools adjudicated to be discriminatory. The Service will propose revocation of exemption for schools adjudicated to be discriminatory which do not meet the guidelines of section 4.01, supra.

.02 "Reviewable schools". The Service will propose revocation of exemption for reviewable schools which do not meet the guidelines of section 4.02, supra.

.03 Tax deductibility of contributions. The Service will apply the provisions of Revenue Procedure 72–39, 1972–2 C.B. 818, in determining the tax deductibility of contributions made to adjudicated or reviewable schools.

.04 General Guidelines. Proposed revocations of exemption will be processed in accordance with the procedures set forth in Revenue Procedure 73–8, 1973–1 C.B. 754, and this Revenue Procedure. After exhausting its administrative remedies, the school may seek judicial relief.

In appropriate cases, the Service will consider deferring issuing notice of a final revocation of exemption to a school not meeting the standards of this Revenue Procedure, if the school so requests and sets forth actions already taken and to be undertaken in good faith which demonstrate a racially nondiscriminatory policy in accordance with section 4 of this Revenue Procedure.

Sec. 6. Applications for tax-exempt status.

.01 Schools adjudicated to be discriminatory. A favorable ruling or determination will be issued to a school adjudicated to be discriminatory only if it meets the guidelines of section 4.01, supra.

.02 "Reviewable schools". A favorable ruling or determination will be issued to a reviewable school which has commenced operation only if it meets the guidelines of section 4.02, supra. A favorable ruling or determination will be issued to a school with no record of actual operation only if the school's proposed operations can be described in sufficient detail to permit a conclusion that the school will not be classified as a reviewable school, or will clearly meet the guidelines of section 4.02.

.03 General guidelines. Applications for tax-exempt status will be processed in accordance with the procedures set forth in Revenue Procedure 72–4, 1972–1 C.B. 706, and this Revenue Procedure. A school which has either received an adverse ruling or determination or which has exhausted its administrative remedies may seek judicial relief.

Sec. 7. National Office Appeals and Review.

Applications for exemption and examinations of private elementary and secondary schools will be reviewed in the National Office under procedures established by the Assistant Commissioner (Employee Plans and Exempt Organizations). Under this procedure, appeals from adverse key district actions in these cases will be considered by the National Office rather than the Regional Directors of Appeal.

Sec. 8. Effective date.

In the case of schools adjudicated to be discriminatory, this Revenue Procedure will be effective on final publication for purposes of examinations and applications for exemptions. In the case of reviewable schools, this Revenue Procedure will be effective for purposes of examinations on and after January 1, 1980. For reviewable schools whose applications for exemption are pending on the date of final publication, but which do not meet the provisions of section 6 of this revenue procedure, the Service will, if requested by the school, defer any action on the application for exemption until January 1, 1980, to give the school an opportunity to supplement its application to demonstrate compliance with section 6. Otherwise, for purposes of applications for exemption by reviewable schools, this Revenue Procedure will be effective on final publication.

Sec. 9. Effect on other documents.

Revenue Procedure 75–50 is amplified, and continues to be applicable to all private schools, whether or not affected by this Revenue Procedure.

Mr. JAVITS. Mr. President, they provide also that where there are special programs or special curriculum of interest only to identifiable groups which are not composed of a significant number of minority students, then so long as they are not offered for the purpose of excluding any minorities, they are permissible.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 30 seconds.

Mr. President, I believe that there is little question about the fact that all this does is to try to keep the stable door open, not to lock it after the horse is gone. It is an appropriations bill. Every argument made says give it profound consideration.

How do we give it profound consideration—by voting it on as a rider on an appropriations bill, or by letting it be legitimately and studiously considered by the appropriate legislative committee?

On every ground, Mr. President, I deeply believe that the Senate should strike this amendment from the bill.

Mr. President, I have just been advised that Senator Muskie wants to have a word, and if I could have the indulgence of my colleagues, I will yield him 2 or 3 minutes, but first I wish to say this:

This amendment which I am seeking to strike was sponsored in the other body by Representative Dornan. I wish to make it crystal clear that I in no way am challenging Representative Dornan's views about segregation or civil rights, or his entire attitude toward the general question of school education.

This represents obviously from the debate on the floor a profound difference of view. I have deep convictions that I am right. He has deep convictions that he is right.

But I wish in no way to imply anything which slights him in terms of a thoroughly American and patriotic view toward this or any other question.

I yield 3 minutes to Senator Muskie. Is that sufficient?

Mr. MUSKIE. I will try to cover it in 3 minutes.

Mr. JAVITS. All right. I yield 3 minutes to the Senator from Maine.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute without the time being charged to the distinguished Senator from Maine.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 4393, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no later than the hour of 10 a.m. tomorrow morning the Senate resume consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4393.

UNANIMOUS-CONSENT AGREEMENT—MR. HELMS' AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the pending amendment Mr. HELMS may lay before the Senate his amendment and that no time be charged on the amendment during the remainder of this day. Of course, that amendment being the pending amendment when the Senate resumes consideration of the bill tomorrow upon the disposition of the Helms amendment, one way or the other, the Senate proceed, without further amendment, motion, or debate, to third reading——

Mr. BAKER. What was that?

Mr. ROBERT C. BYRD. Yes, on the disposition of the Helms amendment.

Mr. BAKER. That will knock out other amendments?

Mr. ROBERT C. BYRD. Any amendment to the Helms amendment.

Mr. BAKER. Oh, to his amendment.

Mr. ROBERT C. BYRD. On disposition of the Helms amendment and with the understanding that amendments may be offered to the Helms amendment, but upon the disposition of the Helms amendment as amended if amended the Senate proceed to the third reading of the bill.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Does the Senator have an amendment he wishes to call up tomorrow?

Mr. METZENBAUM. The Senator from Ohio is not certain whether he does have an amendment or not, but I do not want to preclude that possibility in the event the Helms amendment is adopted, and that is the only reason for my objection.

Mr. ROBERT C. BYRD. Very well. Could we agree, then, that Mr. METZENBAUM would have an opportunity to call up an amendment if he so desired upon the disposition of the Helms amendment after which the Senate would go to third reading. In the event he does not desire to call up an amendment, the Senate would go to third reading after the disposition of the Helms amendment.

I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

That means then after the pending amendment is disposed of this evening, there will be no more rollcall votes, and I thank the distinguished Senator from Maine for his courtesy and patience.

Mr. MUSKIE. I thank the majority leader.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I am a longtime supporter of public schools and of the philosophy of a common educational experience for the majority in our Nation. But my support of this common and basic American tradition does not preclude my recognizing the essential role played by nonpublic schools in our Nation and our history. The pluralistic values which flourish in our society have been largely fostered through the contributions of nonpublic schools.

Private schools give a breadth to our national environment that is substantively and philosophically essential to our survival as an open society.

These schools provide an option for families who want to maintain and strengthen a religious faith—an option I exercised in my family. They provide an option to families who believe the maintenance of ethical values is an affirmative pursuit. And, conditions in some public schools have caused some of our people to conclude that private schools are an option for the basic education of their children.

I have been particularly impressed with the Christian school movement in the country today. I have had the opportunity to witness for myself the contributions of the dedicated men and women who work in this field. And I came away impressed.

They have helped maintain and enhance an environment in which our most basic traditional values are nurtured. They are continuing and expanding the American tradition of pluralism through their support of alternative schooling options.

To cite a specific example with which I am personally familiar, I have been strongly and most favorably impressed by the Bangor Christian School operated in Maine by the Reverend Herman Frankland. This institution is a vital component of our State's educational opportunities. It combines a depth of parental involvement and concern with an ability to reach and motivate students that is unique in my experience.

I would be strongly opposed to any actions by Congress or the executive branch which might undermine the kind of positive educational experience the Reverend Frankland has worked to establish.

In fact, last October I joined a number of my colleagues in conveying to the Internal Revenue Service my concern that legitimate private schools—operated without intent to discriminate—should not be forced to justify their existence by overly broad Government regulations.

My concerns in that respect remain undiminished.

But in that letter, I and my colleagues also reaffirmed our commitment to the equitable and effective enforcement of nondiscrimination guidelines as a condition of tax-exempt status.

I ask unanimous consent that the text of the letter in question be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., October 14, 1978.

Attention E:BO.
Mr. JEROME KURTZ,
Commissioner, Internal Revenue Service,
Washington, D.C.

DEAR COMMISSIONER KURTZ: In the Matter of Comments on Proposed Revenue Procedure on Private Tax-Exempt Schools, printed at 43 Fed. Reg. 37296, August 22, 1978.

The undersigned United States Senators have read and reviewed your Proposed Revenue Procedure on Private Tax-Exempt Schools, and wish to submit this letter as our comments on the proposed procedure.

Our initial comment is a simple congratulation to you and the Department of the Treasury for responding in a forthright and courageous manner to the proliferation of "white-flight" private schools established to circumvent desegregation plans. We feel most strongly that such institutions represent an improper response to reasonable desegregation efforts. The Federal government should neither encourage nor passively support the private or parochial schools created expressly to accommodate those opposed to racial desegregation.

Furthermore, we agree with the rationale expressed by the Federal courts, that underlies your proposed procedure. Federal tax exemptions and deductions under Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), should not be available to institutions whose activities are contrary to the well-settled federal public policy to refuse governmental support for any form of racial segregation.

We believe, however, that your proposed procedure and guidelines for determining whether an individual school has racially discriminatory policies are overly broad, and could injure many institutions that are totally innocent of the anti-desegregation activities which the procedures are designed to reach.

The presumption in sections 3.03 and 4.02 of the proposed procedure, that racial discrimination by a school exists if it (1) was formed or substantially expanded at the time of desegregation of public schools and (2) has an "insignificant number of minority students", casts a very wide net that will undoubtedly bring in a large number of non "white-flight" schools. The listed actions which a school can take to rebut this presumption and to demonstrate "operation in good faith" simply do not take into account the complex situations of many innocent private and parochial institutions. The factors, in many cases, cannot be satisfied by, or will cause undue hardship to, schools that do not practice racial discrimination.

Again, we commend you for your efforts to deal with this problem of major national concern, and hope that we can help you in formulating the most effective and fairest procedure to accomplish our mutual goal.

Sincerely,

THOMAS F. EAGLETON.
JOHN H. CHAFEE.
EDMUND S. MUSKIE.
HENRY BELLMON.
JAMES B. PEARSON.

Mr. MUSKIE. On the question of nondiscrimination, the law, the courts, and the Constitution are clear. Equal protection under law cannot be denied any American on the basis of race. That principle has been reaffirmed since the 1954 Brown against Board of Education decision and, in my mind, subsequent events have not weakened its force.

The basic principle of the essential worth of all human beings is enshrined in every major religious faith. And it is a cornerstone of our Constitution.

No less important to our national life is the fundamental protection accorded religious liberties under the Constitution. These protections have put into practice a principle we all recognize as crucial to any theory of civilized human life. They have strengthened our Nation.

Parents whose children are enrolled in religious schools are rightly concerned that their free choice of an educational institution should be protected against unwarranted intrusion by any Government agency.

Our Constitution guarantees that kind of protection.

And it is at that point that these two protections in the Constitution buttress each other. The denial of basic choices or opportunities to any individual or any group in our society is intolerable. And any Government action which sanctions such a denial is intolerable.

It is precisely because of the importance of maintaining equal protection for all Americans that I rise today in support of the Javits amendment to strike the language now in the bill.

The language now in the bill cannot override the Internal Revenue Service's obligation to uphold the law. And the fundamental law at stake in this instance centers on the question of equal protection. The Service is not being prohibited from intruding on religious liberties or systems of faith, because the Service has made no effort to move in that direction. In fact, in revising its regulations last year, the Service acted to meet the legitimate objections of those—including myself—who want to protect the role of private educational institutions.

Because the Service recognized that two fundamental liberties are involved in this instance, it took particular care to define and limit the scope of its efforts in pursuit of one goal so that it would not, inadvertently, intrude on the other.

Mr. President, we have the language which Senator JAVITS seeks to strike apparently in conflict between two fundamental liberties: equal protection of the laws and religious liberties.

When two fundamental liberties appear to conflict, we cannot elevate one consideration at the expense of the other. In this instance, the Service made an effort to balance the legitimate claims of both liberties and to reach a consensus which would offend neither.

But the language now in the bill seeks to elevate, in an absolute manner, the claims of one fundamental right over another, equally fundamental. Such rights are not divisible. Nor can one be granted at the expense of the other without danger to both.

It is on this basis that I am concerned about the implications of the language in this bill which would prohibit the Service from implementing its regulations.

The Service is operating under a court injunction to act affirmatively and deny tax-exempt status to schools that discriminate. The Supreme Court has declined to override that injunction. And the Congress has not chosen to do so.

If Congress believes that appropriate action in this field lies in some direction other than that taken by the Service, Congress should make the appropriate determination and point out the correct direction. We should not preempt the considered action of the Service on the basis of a rider to an appropriations bill.

In addition to pursuing its court-ordered mandate, the Service has acted to assure that its regulations would have little impact on the vast majority of the 18,000 private schools in the country. No Maine school, for instance, would be affected by these regulations. The Service has succinctly delineated a series of inclusive criteria which must be met before a school's tax status could even be reviewed.

The Service took this action in response to communications, such as this one in which I joined with my colleagues, that were sent to the Service expressing concern about the Service's then procedures and guidelines.

The flexibility in the revised regulations is not a license for agents to indiscriminately act against private schools. And the requirement for national office review of any action under the regulations helps insure that enforcement will be even-handed. The development of uniform standards and their uniform enforcement—which this regulation requires—provides a degree of certainty that most private schools welcome.

I will, accordingly, vote to delete the prohibitionary language from the bill. It serves neither the interests of religious liberty nor the goal of assuring equal protection to all our people.

I apologize to my good friend from New York for having been detained off the floor and being unable to come to the floor until this time.

Mr. JAVITS. Your friend from New York is delighted to see you at this time.

Mr. BAKER. Mr. President, the Senator from Iowa (Mr. JEPSEN) is necessarily absent today, because he is recuperating from a recent operation.

Since assuming his duties as Senator from Iowa, he has taken an active legislative interest in the IRS proposed revenue procedure on private tax exempt schools. The Senator had planned on making a statement in opposition to the IRS proposals, so in his absence, I ask unanimous consent that his remarks be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JEPSEN

The IRS has proposed a revenue procedure that would deny tax exempt status to those private schools that cannot prove to the liking of the IRS that they have not discriminated against minorities—whether or not there is any proven intention of discrimination. As the newly elected junior Senator from Iowa, it is my humble opinion that if we allow the Internal Revenue Service to implement their proposed revenue procedure on private tax exempt schools, we will have failed to perform our duties as popularly elected legislators. Throughout my campaign for the U.S. Senate, the one pervasive theme impressed upon me by the people of my State was that somehow this Congress just has to get a handle on the insensitive Federal bureaucracy no one elected and which is seemingly (in their eyes anyway) responsible to no one.

Their never ending pleas for help have for the most part been ignored. The Federal bureaucracy over the years has expanded tremendously in size, in power, and in arrogance. Federal bureaucrats have become a mandarin class, and this country has steadily transformed itself into a mandarin state.

This characterization is only an attempt by me to explain to myself how it is that non-elected officers have come by the power to decree that father-son banquets and all male elementary school choirs are no longer acceptable practices. It suggests to me, however, that if we, as duly elected legislators, are ever to regain the confidence of the people who sent us here, we must reaffirm our role as final arbiters of policy making in this country.

With this in mind, I would just like to add that in this particular instance. I believe that there is no room for compromise. The IRS' proposed regulations don't need to be revised, they need to die a sudden death, followed by a speedy but permanent burial.

The primary target of this "revenue procedure" is no secret. In the wake of public school integration, private, so-called "segregation academies" prospered in this country. Most of the estimated 3,500 such schools are in the south, but by no means are they limited to that region. These schools are generally regarded with disfavor in the courts and in public opinion, and to the extent that they foster racial segregation at the expense of educational achievement, it is unlikely that very many people would object too strenuously to the IRS' proposed attack. Not unexpectedly, however, the federal bureaucracy's quixotic efforts to eliminate some form of social injustice has entangled them in more fundamental and significant questions as to the proper role of the federal governing body in relation to the individuals who are to be governed.

Reasons for objecting to the IRS' new "revenue procedure" are not hard to come by. There is some concern that the guidelines may exceed the Service's authority to determine the requirements for exempt status. Whether one approaches this threshold question on the basis of statutory construction or constitutional limitations, the answer, at the very least, is still open to debate. The lack of a clear cut answer by the Supreme Court on this subject and the opinions of the Justice Department in a brief filed on May 10, 1977 on behalf of the IRS in the *Wright* v. *Blumenthal* case, which argues persuasively that the legality of such regulations was "extremely doubtful" should though, be cause enough for the IRS to withdraw their proposed procedure.

But for the sake of argument let us say that they do have the authority to issue these guidelines. What is it about these proposed regulations that strikes such a fear into the hearts of the governed? It seems that in its attempt to eliminate the enemies of integration, the IRS has spread a net so wide and so far that the very notion of "a distinction between private and government" as we understand it today is threatened with extinction.

This may sound a bit dramatic but it is not far from the truth. The revenue procedure defines two classes of schools: those "adjudicated to be discriminatory", and those that are "reviewable". Reviewable schools are those (a) which were formed or substantially expanded at the time of public schools desegregation at their community, (B) which do not have significant minority enrollment, and (c) whose creation or substantial expansion was related in fact to public school desegregation in the community. They are also presumed to be discriminating unless they have "undertaken actions or programs to attract minority students on a continuing basis."

These proposals, clearly constitute a back door attempt to impose affirmative action programs on heretofore "private" schools, and if the IRS succeeds in establishing this precedent, on other privately operated institutions and organizations. In short, they amount to nothing less than "indictment by computer" and will undoubtedly discourage the creation of other private entities.

One of the most cherished and respected principles of American jurisprudence is that one is presumed innocent until proven guilty. The IRS guidelines, however, turn this principle on its head, and instead, in their application to "reviewable" schools, establish an administrative presumption of illegality based upon a statistical deviation from a racial or ethnic norm conjured up by HEW. This fact alone is so repugnant to the basic American notion of fair play that the guidelines should fall to the ground and like Humpty Dumpty, never again to be put back together.

But there is other respected authority available which allows us to reach a similar conclusion—the Supreme Court decision last year in University of California Regents v. Bakke. In its opinion the court admonished us all not to impose racial goals, quotas, or other forms of race conscious relief in the absence of specific findings of past discrimination by the courts, Congress, or competent administrative tribunals. The basic thesis of the opinion was that racial or ethnic distinctions of any sort are "inherently suspect" and lacking a finding of "identified discrimination" there is no compelling interest that can withstand constitutional objection.

Thus, it seems clear to me that the numerical standards employed in the IRS' guidelines are of dubious validity, especially in light of an absence of any showing of a racially discriminatory purpose. It would behoove the IRS to take notice of the fact that many factors, other than an intent to discriminate, might account for a given school's establishment or expansion at a time of desegregation such as an already existent general dissatisfaction with the quality of public education, the banning of voluntary prayer in public schools, an availability of funds for private school expansion, or a need for such expansion because of community growth. In addition, the fact that upon its establishment or expansion and afterwards, a private school has an insubstantial minority enrollment can be accounted for on many grounds other than an intent to discriminate.

You know, as long as I can remember, there has been a consensus in this country that there are certain limits beyond which the power and the scope of the federal government could not extend. One aspect of this is the belief that the church and the home are areas in which the federal government could not intrude. No longer, it appears, because the IRS procedure specifically states that the requirement that a school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax also applies to church-related activities and church operated schools.

As I alluded to earlier in my remarks, that the IRS even has the authority to implement the procedure is dubious indeed. Its claim rests on the tenuous assumption that the government "assists" tax exempt schools with money it does not collect by virtue of exemptions, i.e., it bestows some sort of positive benefit. Aside from the fact that taxation in this instance has probably never before been contemplated, the attitude of the IRS reflects an increasing tendency on the part of certain agencies and departments of the federal government to regard tax exemption as a privilege—a privilege to be enjoyed on the government's terms.

This then, to paraphrase a Washington Star editorial, is the vehicle by which the federal government can expand its already vast powers to compel others to conform to notions of social good proclaimed in Washington, not just as to race but as to other matters as well—"the assumption that, whatever private activity the IRS now does not tax, it, in effect, refrains from taxing." It is customary for the bureaucrats to deny the logical extremes to which their original ideas points, but anyone who has followed the growth of the federal government over the past two decades recognizes that those extremes somehow manage to appear as next year's policy initiatives.

The IRS' proposed procedure raises the very real possibility that the taxation of churches and church related activities might become rather commonplace in the future. This prospect is quite discomforting to say the least.

Firmly entrenched in this nation is the notion of separation of church and state. The first amendment to the Constitution is symbolic of our commitment as a people to this practice. Further evidence of this commitment is the fact that the civil rights statutes themselves specifically exempt from coverage churches and church related activities.

When First Amendment and Fourteenth Amendment rights conflict, especially in the area of tax exemption, the law and the courts have come down on the side of those seeking protection under the First amendment on the grounds that state involvement stemming from tax exemption amounted to no more than an expression of a governmental policy of "benevolent neutrality" towards religion.

At stake here is a very important principle. If we allow the IRS to impose numerical goals and affirmative action programs on private schools as a condition of maintaining their tax exempt status a precedent will have been set—a dangerous precedent at that. Once the lines drawn today are breached, where will the new lines be drawn? It isn't hard to conjure up the spectre of the IRS deciding to meddle in the affairs not just of schools, but of virtually every kind of tax exempt organization in the years to come in an attempt to exact compliance with freshly formulated notions of social or racial democracy. Private charities, scholarly institutions, hospitals, museums, and certain clubs all could be affected. And as I've suggested in this presentation, not even churches would be beyond the agency's reach.

I mentioned earlier in my remarks that Congress would be remiss if it did not take appropriate action in this instance. It is imperative that we as legislators regain the respect of those who sent us here. Congress is ultimately responsible for the laws that it passes, and we cannot pass the buck. The Federal bureaucracy is a juggernaut out of control. It is time for us to tame it once and for all.

In view of the above, I wish to associate myself with action taken by the House when it adopted the Dornan amendment. Here is an instance in which the Congress has responded quickly to prevent a government agency from becoming lawmakers. I hope that in the future, if no real regulatory reform has taken place, that Congress will see fit, as they say, to "take the bull by the horns" more often.

Mr. TSONGAS. Mr. President, I rise in support of the amendment offered by my colleague Senator JAVITS and ask to be associated with his remarks.

I ask unanimous consent that I be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. TSONGAS. Mr. President, I am well aware of the controversy engendered by this issue. In my own State there are schools that have expressed their concern about the revised regulations proposed by the IRS to revoke the tax-exempt status of racially segregated private schools. Most private schools in my State, Mr. President, have no reason to fear these regulations because they are, in fact, in compliance with the law.

There has been a lot of confusion over this matter. In 1979 the IRS was ordered by the courts to cease granting tax exemptions to segregated academies. Since that time the IRS has lacked the enforcement mechanisms to execute this court order.

The revised regulations are simple, flexible, and unharmful to those schools that are not segregated. The proposed procedures apply to only two catgeories of schools: First, those schools adjudicated by the courts to be discriminatory, and second, those schools formed or expanded as a result of desegregation efforts of the public schools. All other schools are unaffected by these regulations.

Mr. President, this is a period of apparent retrenchment on civil rights. I have discussed before on the floor of this Chamber the backslide the civil rights movement has suffered in recent years. I ask my colleagues once again to support actively all efforts which will help us finally to realize equal opportunity for all. I urge my colleagues to join me in support of the amendment by Senator JAVITS.

Mr. LEVIN. Mr. President, I rise in support of the amendment before us offered by Senator JAVITS for a number of reasons.

First, the bill we are considering is an appropriations bill and it is not the place for substantive legislation to be adopted. The bill before us eliminates funds to implement certain provisions of the Internal Revenue Code as proposed by the IRS. The proposed IRS rules are vastly different from the ones proposed in August of 1978 which would have shifted the burden of proving a nondiscriminatory enrollment policy to all private schools in the land. The proposed regulations very carefully shift the burden of proof of nondiscrimination only in those cases where a school has been found guilty of racial discrimination or where three specific facts are all present which indicate a reasonable likelihood of discriminatory intent.

While the IRS in August 1978 went beyond a reasonable interpretation of their statutory authority, the new rules are at least an effort on their part to do so and to comply with mandates of the Federal courts in their interpretation of the Constitution. Courts have found, most notably in the case of Green against Connally, that the practice of taxpayer subsidies for discriminatory schools is unlawful under the Constitution. If the IRS did not promulgate these new regulations, they would be in violation of the Constitution. The most recent IRS proposals are not a new law, but rather represent a more carefully focused enforcement policy.

For this Senate, in an appropriations bill, to attempt to remove the power of the IRS to carry out its substantive duty is misguided and premature. If we wish to change the Internal Revenue Code or the Constitution, there are appropriate ways to do so. This amendment restores funds which the IRS needs to enforce existing law and the Constitution as interpreted by our courts. That is all the amendment does. It does not endorse the underlying law or court decisions.

The way we exercise legislative power is as important as the substance of our actions. I hope we will adopt this amendment in order that the IRS can carry out its duties.

I would also hope that the opponents of this amendment would incorporate their concerns in appropriate bills to amend the Internal Revenue Code and that the appropriate committees would hold hearings on those bills so that the merits of the issues could be fully and properly considered in the normal legislative manner.

Mr. McCLURE. Mr. President, as we consider the Treasury, Postal Service, and general Government appropriations bill, I wish to reemphasize my support for both the Ashbrook and Dornan amendments that were overwhelmingly approved by the House during their consideration of this legislation. The Dornan amendment was subsequently approved by the Senate Appropriations Committee while the Ashbrook amendment was narrowly defeated by the same committee.

As background, last August the Internal Revenue Service proposed to eliminate the tax exemptions of private and religious schools that were not in compliance with IRS minority requirements. The proposed rulings were somewhat modified in February but substantively remained unchanged. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every private school would be presumed guilty of discrimination until it proved itself innocent. The end result, of course, would be that, if tax-exempt status were denied, most private and religious schools would face immediate closure.

Mr. President, I firmly believe that it is necessary for Congress to step in at this time to prevent the Internal Revenue Service from issuing this ruling. The IRS's actions in this area pose a threat not only to the parents, teachers, and students affiliated with private schools, but to every American concerned with the individual liberties outlined in the first amendment.

As Members of this body, an additional area of concern to all of us should be the usurpation of legislative power that the IRS's incursion represents. The IRS is issuing a policy statement which has the effect of statutory law. The question we all need to ask ourselves is, Who do we want making our laws, bureaucrats, or elected representatives?

The first educational institutions established in colonial America were under religious sponsorship. The schools continued to grow and flourish even when faced with the full establishment of a taxpayer-supported, free public education movement in the 19th century. Religious groups such as the Catholics and the Lutherans established large school systems especially in urban areas. In recent years, there has been a great growth in private schools, especially individual Christian and Jewish schools. While some of the large public school systems have had to close and consolidate schools, private educational institutions throughout the country have managed to overcome great difficulties including increasing expenses, recruitment of students, school personnel, and teachers. The growth of private education in the United States has resulted from a number of factors, including a dissatisfaction with the quality of education provided in public schools, a concern with the growing secularization of public education, and a view that religious educational institutions are part of an extension of the work of religion and religious people.

This right to the free exercise of religion is one that has historically been guarded by our Constitution and courts. The vast majority of private schools to be affected by IRS's proposed procedures are church related or religious schools. For some reason the IRS bureaucrats seem to have lost sight of the fact that religious groups also have important constitutional rights which must be respected.

Mr. President, in my opinion, the present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

This new procedure would require private and religious schools to justify their enrollment, hiring, and curriculum policies to the IRS or forfeit their tax exemption. I am unaware of any congressional mandate giving IRS authority to regulate these matters in private schools. Furthermore, the IRS procedure leaves the final determination of whether a private school is following "public policy" up to the IRS Commissioner, giving him the power of an "education czar" over private educational institutions. In my judgment, the IRS function is supposed to collect revenue, not regulate education.

I wish to emphasize that I am against racial discrimination in employment, education, or any other activity. But in this instance, the ugly specter of racism has been used as a smokescreen for usurpation of legislative authority by the IRS.

With respect to the House action on this issue, the Dornan amendment passed on the House floor by a division vote of 40 to 25. The amendment simply prohibits the IRS from receiving funds to implement the ruling in question. The Ashbrook amendment, which passed the House by a 297-to-63 margin, approaches the same problem from a slightly different perspective. It prohibits the IRS from formulating or carrying out any ruling that was not in effect prior to August 22, 1978, which is the date of the original IRS proposal.

Mr. President, I feel that both of these amendments need to be passed in order to keep IRS from both enacting undesirable social policy and usurping congressional authority. Neither of these amendments will prevent the IRS from implementing Revenue Procedure 75-50 which imposes detailed recordkeeping requirements upon tax-exempt private schools, by which they are required to submit data on the racial composition of their student bodies, faculties, and administrative staffs, as well as other pertinent information. With the use of this type of data, the IRS will still be able to continue denying schools their tax-exempt status on a case-by-case method which is the proper denial approach.

Finally, Mr. President, let me stress that neither of these amendments prevents Congress from acting in the future. Both the House Ways and Means Committee and the Senate Finance Committee have begun exploring legislative remedies in this sensitive area. Why permit unelected bureaucrats to do our work? What is more, I am confident that if we allow adequate time for Congress to act, sound social policy will result in a way fully protective of essential first amendment rights.

THE IRS AND PRIVATE SCHOOLS

• Mr. ROTH. Mr. President, I strongly support the two amendments restricting the powers of the Internal Revenue Service in the Treasury-Postal Services appropriations bill. The two amendments were added by the House and retained by the Senate Appropriations Committee. I commend the members of the Appropriations Committee for concurring with the House position, and I intend to oppose any attempts to delete these two amendments on the Senate floor.

The first amendment will prohibit the Internal Revenue Service from carrying out any ruling denying a tax deduction for a taxpayer making a contribution which the IRS deems to go to a church-operated school in lieu of a tuition payment.

If the IRS ruling is allowed to stand, many contributions to churches which operate schools may be denied a tax deduction.

The second amendment would prevent the Internal Revenue Service from implementing its proposed ruling affecting the tax-exempt status of private and parochial schools.

Mr. President, these amendments put a stop to the Internal Revenue Service's attempt to legislate through regulation.

The IRS is attempting to make substantive changes in our tax laws, changes which should be considered carefully by Congress.

The IRS bureaucrats are paid by taxpayers to administer the laws, not to make laws. Yet under the revenue rulings issued by the IRS, faceless bureaucrats would be granted broad and arbitrary powers over private and parochial schools.

The Internal Revenue Service's only job is to collect revenues.

It is not the job of the IRS to implement national social policy through regulations.

If the IRS believes changes are needed, it should submit a proposal to Congress for its consideration.

Therefore, I support the amendments to the Treasury-Postal Services appropriations bill preventing the IRS from implementing these two rulings, and I will oppose any attempts to strike these amendments.●

PRIVATE SCHOOL TAX EXEMPTION

● Mr. STENNIS. Mr. President, I oppose the amendment which would strike the so-called "Dornan Rider" to H.R. 4393. I strongly support the provisions of the pending bill which would, first, prohibit the Internal Revenue Service from carrying out any ruling denying a deduction for a tax plan making a general purpose contribution to a church operated school in lieu of a tuition payment, and second, prevent the Internal Revenue Service from implementing proposed revenue procedures concerning racial discrimination in private schools. These procedures were first published on August 22, 1978, and in the face of strong opposition were published in a revised form on February 13, 1979.

As originally proposed, the regulation stated that a prima facie case of discrimination by a school would arise from evidence that a school, first, was formed or substantially expanded at the time of desegregation of public schools, and second, has an insignificant number of minority students. The original regulation expressly stated that, in such a case, "the school has the burden of convincingly rebutting this prima facie case of racial discrimination."

While the regulation was toned down to some extent as a result of the February 9, 1979, reissuance of the proposed revenue procedure, the action was not sufficient to correct the fundamental flaw and inequity inherent in this regulation. While the Internal Revenue Service contends that the revision of February 9, 1979, restricts the scope of the regulation, it is nevertheless clear that it is still predicated on the assumption that the majority of American private schools are discriminatory and are thus fair game for IRS.

The House adopted floor amendments which would prohibit the IRS from carrying out its proposed ruling and the Senate Committee on Appropriations has concurred with the House action. I believe that equity and fair play requires these provisions should be retained in this bill.

It should be clear to the Senate, Mr. President, that the IRS has proceeded on the totally false assumption that the power to combat racial discrimination carries with it the power to nullify the exercise of such basic first amendment rights as parental rights and religious liberties. The result would be that racial minorities would be aided by tax laws while religious minorities would be placed in a special suspect and excluded class in the administration of the exemptions provided by those laws.

The Senate should be concerned over the assumption by IRS that the Congress has given it the plenary powers which are implicit in its proposed procedures. It can express this concern by defeating the Ribicoff-Javits amendment.

The issue of the tax status of private schools is a matter of far reaching social and educational significance. While the responsibility of the IRS is to enforce the tax laws, it should be allowed to expand its power in this sensitive area only when the legislative mandate and authority is clear and explicit.

The Senate should take the position that we have not vested the IRS with the power which it has attempted to exercise in this area. It is clear that we have not given IRS a blank check to proceed as its uncontrolled discretion dictates to deny the tax exemption status of private and religious schools which the Congress itself has not seen fit to deny.

The Ribicoff-Javits amendment should be defeated. Congress must and should act to prevent this dangerous practice of social engineering when it infringes on the free practice of religion and could damage very seriously the quality of education provided by the more than 3,500 private schools which operate and provide valuable services in this Nation.●

● Mr. LAXALT. Mr. President, as we consider the Treasury, Postal Service, and general Government appropriations bill, I wish to reemphasize my support for both the Ashbrook and Dornan amendments that were overwhelmingly approved by the House during their consideration of this legislation. The Dornan amendment was subsequently approved by the Senate Appropriations Committee while the Ashbrook amendment was narrowly defeated by the same committee.

As background, last August the Internal Revenue Service proposed to eliminate the tax exemptions of private and religious schools that were not in compliance with IRS minority requirements. The proposed rulings were somewhat modified in February but substantively remained unchanged. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every private school would be presumed guilty of discrimination until it proved itself innocent. The end result, of course, would be that, if tax-exempt status were denied, most private and religious schools would face immediate closure.

Mr. President, I firmly believe that it is necessary for Congress to step in at this time to prevent the Internal Revenue Service from issuing this ruling. The IRS's actions in this area pose a threat not only to the parents, teachers, and students affiliated with private schools, but to every American concerned with the individual liberties outlined in the first amendment.

As Members of this body, an additional area of concern to all of us should be the usurpation of legislative power that the IRS's incursion represents. The IRS is issuing a policy statement which has the effect of statutory law. The question we all need to ask ourselves, is, who do we want making our laws, bureaucrats, or elected representatives?

The first educational institutions established in colonial America were under religious sponsorship. The schools continued to grow and flourish even when faced with the full establishment of a taxpayer-supported, free public education movement in the 19th century. Religious groups such as the Catholics and the Lutherans established large school systems especially in urban areas. In recent years, there has been a great growth in private schools, especially individual Christian and Jewish schools. While some of the large public school systems have had to close and consolidate schools, private educational institutions throughout the country have managed to overcome great difficulties including increasing expenses, recruitment of students, school personnel, and teachers. The growth of private education in the United States has resulted from a number of factors, including a dissatisfaction with the quality of education provided in public schools, a concern with the growing secularization of public education, and a view that religious educational institutions are part of an extension of the work of religion and religious people.

This right to the free exercise of religion is one that has historically been guarded by our Constitution and courts. The vast majority of private schools to be affected by IRS's proposed procedures are church-related or religious schools. For some reason the IRS bureaucrats seem to have lost sight of the fact that religious groups also have important constitutional rights which must be respected.

Mr. President, in my opinion, the present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

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Finally, Mr. President, let me stress that neither of these amendments prevents Congress from acting in the future. Both the House Ways and Means Committee and the Senate Finance Committee have begun exploring legislative remedies in this sensitive area. Why permit unelected bureaucrats to do our work? What is more, I am confident that if we allow adequate time for Congress to act, sound social policy will result in a way fully protective of essential first amendment rights.●

Mr. HELMS. I yield myself such time as I may require, and I assure Senators it will be for only a couple of minutes.

Mr. President, let us be very clear on what is involved here. Repeatedly proponents of the amendment offered by the Senator from New York have referred to schools which "discriminate." That is not the case. What we are talking about is the Internal Revenue Service bureaucracy legislating, making purely an arithmetical judgment, based on whatever irrelevancy the IRS decides to conjure up.

The IRS claims discrimination when no discrimination exists. They have no evidence—just arithmetic. I am reminded of the time that our former distinguished colleague from North Carolina, Senator Ervin, confronted a similar situation involving hospitals. Some bureaucrat had decided that a group of hospitals did not have a patient racial ratio satisfactory to that bureaucrat. So Senator Ervin said:

> Well, I guess we had better go out and make some folks sick and put them in the hospital to satisfy the bureaucrat.

This Senator is simply saying that the IRS has no right to infringe upon the responsibilities of the churches of this country which choose to operate the schools.

In that connection, Mr. President, I ask unanimous consent that the full text of a resolution adopted at and by the Southern Baptist Convention on June 14, 1979, at Houston be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, revenue procedures have been proposed by the Internal Revenue Service which deny tax-exempt status to private schools—including those owned and operated by churches—unless they can prove that they do not discriminate on the basis of race in their admissions policies, and

Whereas, these procedures affecting the enrollment of church schools rest on broad grounds of public policy rather than on specific statutory authorization, and

Whereas, many schools operated by a particular church or association of churches form an integral part of the total religious mission of the church or association, and

Whereas, many of these schools were created by churches primarily to serve the religious as well as the educational needs of their own membership, and

Whereas, the actions of the Internal Revenue Service in this instance violate the constitutional guarantees of separation of church and state and the free exercise of religion,

Be it therefore resolved by the Southern Baptist Convention in its 1979 annual meeting in Houston, Texas that:

1. We reaffirm our historic position in support of the separation of church and state, the right of the church alone to define its own religious mission, and the right of a church to establish schools as a part of that mission without the aid of the state, hindrance by the state, and threats of loss of tax-exempt status for following that religious mission, and

2. We request that the Baptist Joint Committee on Public Affairs, while being sensitive to our position on racism, work vigorously to maintain the separation of church and state, to protect the free exercise of religion, and to oppose specifically the Internal Revenue Service's proposed intrusions into church owned and operated schools.

Mr. HELMS. I would just emphasize, Mr. President, the two resolving paragraphs:

> Be it therefore resolved by the Southern Baptist Convention in its 1979 annual meeting in Houston, Texas that:
>
> 1. We reaffirm our historic position in support of the separation of church and states, the right of the church alone to define its own religious mission, and the right of a church to establish schools as a part of that mission without the aid of the state, hindrance by the state, and threats of loss of tax-exempt status for following that religious mission, and
>
> 2. We request that the Baptist Joint Committee on Public Affairs, while being sensitive to our position on racism, work vigorously to maintain the separation of church and state, to protect the free exercise of religion, and to oppose specifically the Internal Revenue Service's proposed intrusions into church owned and operated schools.

Mr. President, that just about says it all. A lot of people around this country are going to be watching the vote of the Senate on this question. I submit that the amendment by the Sentaor from New York, who is my friend, should be rejected.

I am willing to yield back my time if the Senator wishes to yield back his time.

Mr. JAVITS. Mr. President, I will take just 30 seconds to say this: I thoroughly agree with the Senator from North Carolina that millions of Americans will be watching this vote, and I hope they are rewarded by watching the Senate adhere to morality and public policy on this very key and very sensitive issue.

I am ready to yield back my time.

Mr. HELMS. Mr. President, I must say, also in 30 seconds, that it depends on the definition of morality. I contend that what the IRS is doing, and has been doing is lacking in morality. The Senate will have to decide who is right.

Mr. JAVITS. Mr. President, I yield back my time.

Mr. HELMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Utah (Mr. HATCH). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Utah would vote "nay."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 31, nays 54, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—31

Baucus
Bellmon
Boschwitz
Bradley
Burdick
Chafee
Church
Cranston
Eagleton
Glenn
Hart
Heinz
Javits
Kennedy
Levin
Matsunaga
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Pressler
Proxmire
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Tsongas
Weicker
Williams

NAYS—54

Armstrong
Baker
Bentsen
Biden
Boren
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Goldwater
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Johnston
Kassebaum
Leahy
Long
Lugar
McClure
Morgan
Nunn
Packwood
Percy
Pryor
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—15

Bayh
Culver
Garn
Gravel
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Mathias
McGovern
Pell
Stone
Young

So Mr. JAVITS' amendment (UP No. 522) was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Will the able Senator yield?

Mr. CHILES. I am glad to yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank my friend. I know that he and his subcommittee have done an immense amount of work on this bill and he and his colleagues deserve great credit.

May I ask the chairman of the Treasury Subcommittee if his panel considered the proposed appropriations to fund the American Arts Gold Medallion program?

Mr. CHILES. The Senator from North Carolina will be pleased to know that the committee recommended $10,067,000 for the coming fiscal year to begin production and distribution of the gold medallions. I know that he was the author of the original Gold Medallion Act of 1977 which led to the passage of the gold medallion legislation last year.

Mr. HELMS. I thank the Senator, and I am glad that the committee saw fit to include this sum in the bill. If I may ask the Senator one or two further questions about this program and how these funds will be used it will be most helpful. First, although the revenues from the sales of the medallions will not be included in the budget figures, is it not true that the sale of the medallions will produce revenues for the Federal Government of over $300 million in fiscal 1980?

Mr. CHILES. The Senator is correct. One million ounces of gold will be sold in the form of medallions and it is expected that they will be priced at a figure equal to the free market gold bullion price, plus the cost of production—about $10 per piece.

Mr. HELMS. Will the Senator comment on whether his committee asked the Treasury Department if consideration was given to increasing the production and sale of the medallions above the minimum required by law?

Mr. CHILES. I respond to the Senator that minimum time was available for the committee to discuss this issue, but as I recall, the clear intent of the Senate when it passed the Gold Medallion Act during the last Congress was to provide a U.S. produced gold piece that would compete with the Krugerrand and other so-called bullion gold pieces. Obviously, the market for such pieces is far greater than 1 million ounces per year.

Mr. HELMS. Am I correct that my good friend from Florida agrees that the demand for the medallions is far greater than 1 million ounces per year?

Mr. CHILES. As the Senator from North Carolina knows better than I, it would depend entirely on how the medallions are marketed, as well as on the prospective demand for a gold bullion piece.

Mr. HELMS. I think the distinguished Senator is right that it depends on the marketing plan, and I have had some observations on that plan. The distinguished Senator from Idaho (Mr. MCCLURE) recently commented on an article that I contributed to the Coin World newspaper on this subject. I felt that the Treasury might not be living up to the spirit of the law by limiting the production and sale of the medallions to only 1 million ounces. As the Senator knows, the Treasury will not be marketing the medallions until June 1, 1980. It seems to me that there should be flexibility in the Treasury plan so that if the American public wishes the sales to be expanded they should be expanded.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. CHILES. Will the Senator yield?

Mr. KENNEDY. Will the Senator yield for 15 seconds?

Mr. HELMS. I yield.

The PRESIDING OFFICER. The Senate is not in order. Senators will please refrain from discussing matters in the well and proceed to the cloakrooms if they wish to continue conversations.

The Senate is not in order.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I desire to yield such time as may be required by the distinguished Senators from Massachusetts, New Hampshire, New York, Montana, and anybody else.

Mr. ROBERT C. BYRD. Mr. President, I do not quite like to see it done that way, I might say to the distinguished Senator from North Carolina. He can yield to whomever he wishes at the moment, but I would like to get unanimous consent that Mr. LEVIN be permitted to lay down an amendment tonight and that it be disposed of before the amendment by the Senator from North Carolina. I believe it will be acceptable by the committee.

Mr. CHILES. It will be acceptable.

Mr. HELMS. I understand, but the Chair did recognize me.

Mr. ROBERT C. BYRD. The Senator has not called up his amendment yet.

Mr. HELMS. That is correct.

Mr. ROBERT C. BYRD. If that is agreeable, Mr. President, Mr. LEVIN will be allowed to lay down an amendment tonight. In the morning it will be disposed of and then Mr. HELMS will call up his amendment.

The PRESIDING OFFICER (Mr. BURDICK). Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. HELMS. The distinguished majority leader does not desire that I call up my amendment tonight?

Mr. ROBERT C. BYRD. No. Mr. LEVIN will lay down his amendment tonight, which will be accepted by the committee tomorrow. Then Mr. HELMS will call up his amendment, and then Mr. METZENBAUM will have the privilege of calling up an amendment if he so desires, after which the Senate will go to third reading of the bill. Is the Senator agreeable?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator not do that? Will the Senator not do that? I will protect him.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business and that Senators may speak up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

THREE MILE QUESTIONS ANSWERED

Mr. HELMS. Mr. President, in the weeks following the accident at the nuclear powerplant at Three Mile Island, scores of citizens wrote me to express their concerns. I also heard from numerous citizens who felt that the major news media had blown the matter out of all proportions.

Jane Fonda and Ralph Nader are among those who are leading the demand that the United States close down all nuclear power facilities. Both have been quoted in the media frequently and extensively. Both have appeared on television on countless occasions.

I am not a scientist. I have not been prepared to refute what I consider to be their play on the emotions of the American people.

But, Mr. President, a few weeks ago, I received a statement from Dr. Edward Teller, the distinguished scientist who is probably the world's foremost nuclear authority. Dr. Teller was born in Hungary, educated in Germany and came to the United States in 1935. He worked extensively on nuclear developments during and after World War II. He led the earliest efforts to ensure the safety of nuclear power reactors and to achieve clean power generation.

In recent years he has concentrated increasingly on the varied aspects of the coming energy shortage, and has argued for utilization of every feasible form of energy.

Mr. President, Dr. Teller has answered almost all the questions that have come to my mind in the aftermath of Three Mile Island.

Mr. President, I ask unanimous consent that Mr. Teller's statement, entitled "I Was The Only Victim Of Three-Mile Island," be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

I Was the Only Victim of Three-Mile Island

On May 7, a few weeks after the accident at Three-Mile Island, I was in Washington. I was there to refute some of the propaganda that Ralph Nader, Jane Fonda and their kind are spewing to the news media in their attempt to frighten people away from nuclear power. I am 71 years old, and I was working 20 hours a day. The strain was too much. The next day, I suffered a heart attack. You might say that I was the only one whose health was affected by that reactor near Harrisburg. No, that would be wrong. It was not the reactor. It was Jane Fonda. Reactors are not dangerous.

Now that I am recovering, I feel compelled to use whatever time and strength are left to me to speak out on the energy problem. Nuclear power is part of the answer to that problem, only a part, but a very important one.

I have worked on the hydrogen bomb and on the safety of nuclear reactors. I did both for the same reasons. Both are needed for the survival of a free society. If we are to avoid war, we must be strong and we must help to generate the progress that makes it possible for all nations to grow and prosper.

And what is the greatest present-day threat to the prosperity and even the survival of nations? A lack of energy. Both developed and developing nations are threatened.

The citizens of the United States have just begun to recognize the impact of the world's growing energy shortage. Gasoline lines, electrical brownouts and higher prices are minor irritants. They are nothing compared to what may lie ahead. In a struggle for survival, politics, law, religion and even humanity may be forgotten. When the objective is to stay alive, the end may seem to justify the means. In that event, the world may indeed return to the 'simpler' life of the past, but millions of us will not be alive to discover its disadvantages.

When our existence is at stake, we cannot afford to turn our backs on any source of energy. We need them all. When it comes to generating electricity, we especially need nuclear power. Contrary to what Nader and Fonda, and their friends such as Sternglass, Wald and Kendall, would have you believe, nuclear power is the safest, cleanest way to generate large amounts of electrical power. This is not merely my opinion—it is a fact. Due to the lessons learned at Three-Mile Island, the nuclear way of generating electricity will be made even safer.

I have attempted to respond briefly to some of the questions which people ask about nuclear power. The problems that these questions raise are problems because of political indecision or public fear. Technically, they are non-problems, because the dangers they imply either do not exist or else we have the know-how to solve them. I am absolutely convinced of this, after a lifetime of work as a nuclear scientist.

I was once asked how I would like for my grandson, Eric, to think of me and my life's work after I am gone. Eric is nine years old. He is a terrible guy—he beats me at the game of "GO." I am enormously fond of him, but I have not given much thought to what he will someday think of my life's work. I have given a great deal of thought to whether he will be alive in the next century, and whether he will be living in freedom or in slavery. If he is living under communism, he will know I was a failure.

I believe that we have reached a turning point in history. The anti-nuclear propaganda we are hearing puts democracy to a severe test. Unless the political trend toward energy development in this country changes rapidly, there may not be a United States in the twenty-first century.

The President has recognized the danger of the energy shortage. As yet, he has given only some of the answers. I think—I hope—that democracy has enough vitality to evaluate the risks and to recognize the great benefits of nuclear power to human health and well-being, and to the survival of our free society."

Q. Can a nuclear reactor explode like an atomic bomb?

A. No. Energy cannot increase fast enough in the reactor. Therefore, it is absolutely impossible for a nuclear power plant to explode like a bomb. For this to happen the laws of nature would have to be repealed.

Q. What is the risk of nuclear power compared to other forms of producing electricity?

A. It is far safer than coal or hydroelectric power, but all three are necessary to meet our need for energy. It may sound strange to say it, because coal has been around so long, but we know more about controlling radiation than we do about controlling the pollutive effects of burning coal. And, of course, a dam has no backup system to protect those who live below it. Indeed many of these people have lost their lives and more their homes.

Q. I live within 50 miles of a nuclear power plant. What are my chances of being injured by a nuclear accident?

A. About the same as being hit by a falling meteor.

Q. What about the effect of an earthquake on a nuclear plant?

A. At the first sign of a tremor, the reactor would shut down automatically. Also, reactors are built to withstand enormous structural damage. The only man-made structures I can think of that are more stable are the pyramids of Egypt.

Q. Is it true that we still have no satisfactory ways to dispose of nuclear wastes?

A. No. Ways do exist. What we have not had is a decision by our government on which way to go. Waste disposal is a political problem, not a technical problem.

Q. How much radioactive waste materials are produced by nuclear plants?

A. At the moment, about 12½% of our electricity is generated by nuclear power. If all of it were produced this way, the wastes from these plants over the next 20 years would cover a football field to a depth of about 30 feet. To dispose of this waste a mile underground would add less than one percent to the cost of electricity.

Q. How dangerous is the release of low-level radiation from a nuclear power plant?

A. If you sat next to a nuclear power plant for a whole year, you would be exposed to less radiation than you would receive during a round-trip flight in a 747 from New York to Los Angeles. Let me put it another way: The allowable radiation from a nuclear plant is five mrems* per year. In Dallas, people get about 80 mrems per year from the natural background of buildings, rocks, etc. In Colorado, people get as much as 130 mrems per year from the natural background. Therefore, just by moving from Dallas to Boulder you would receive ten times more radiation per year than the person gets who lives next to a nuclear power plant.

Q. How much radiation were the people around Three-Mile Island exposed to during the accident?

A. Let me put it this way. Your blood contains potassium 40, from which you get an internal dose of some 25 mrems of radiation in one year. Among the people not working on the reactor, a handful may have gotten as much radiation as 25 mrems.

Q. Should "spent" nuclear wastes be reprocessed to save the plutonium and other by-products?

A. Yes. Plutonium, for example, is as valuable as the original uranium fuel, because of its potential use to produce still more energy. In the end, reprocessing is needed to make nuclear energy abundant and lasting.

Q. Is there a danger that the plutonium produced by nuclar reactors might be stolen by terrorists and used to construct homemade nuclear explosives?

A. I believe that reactor products can be properly safeguarded from terrorists. This can be much more easily done than the guarding of airplanes. Also, any terrorist who puts his mind to it can come up with ways to terrorize a population that are less dangerous to himself than handling plutonium. The answer is not to get rid of the reactors—let's get rid of the terrorists.

Q. Will the expansion of nuclear power by other countries enable them to produce nuclear weapons?

A. Unfortunately, yes. This is already happening. Two-thirds of the reactors in operation in the free world today are outside the United States. Since we can't stop other nations from building nuclear plants or weapons, what we must do is find better solutions to international problems. An energy-starved nation is much more likely to make and use nuclear weapons as a last resort to survival. The only way to prevent that is to see to it that there is enough energy to go around, and to strengthen cooperation and confidence among the nations.

Q. What have we learned from the accident at Three-Mile Island?

A. Two things. First, that nuclear reactors are even safer than we thought. Despite many human errors and a few mechanical failures at Three-Mile Island, the damage was contained. No one was killed, or even injured. We have also learned that a lot can be done by better educated, better paid and more responsible reactor operators, and by a more efficient display of the state of the reactor by modern instrument panels.

Three Mile Island has cost $500-million, but not a single life. We must pay for safety and, even after we have paid for it, nuclear energy is the cheapest source of electrical power. It is most remarkable that in the case of nuclear energy we are paying for our lessons in dollars, not in lives.

NINETY-YEAR-OLD JIM LUITWEILER RAISES QUESTION OF LEADERSHIP

Mr. HELMS. Mr. President, I have a 90-year-old friend down in Tryon, N.C., who is just as bright, alert and well-informed as he was 60 or 70 years ago. And that is saying a lot, because Mr. Jim Luitweiler's entire career has been nothing short of remarkable.

Senators may recall that it was Mr. Luitweiler who came to Washington a couple of years ago to provide valuable testimony at the time the Senate was debating the giveaway of the Panama Canal. The late Senator James B. Allen invited Mr. Luitweiler to come and testify before the Subcommittee on the Separation of Powers, which Senator Allen chaired.

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*A "mrem" is an appropriate unit used to make comparisons.

I remember the day well. Spokesmen for the administration, and others favoring the giveaway of the Panama Canal, had repeatedly claimed that the United States had never owned the canal. Even the President involved himself in that misrepresentation.

So there came Jim Luitweiler, who had been an official of the U.S. Government at the time the United States bought and paid for the land in Panama just after the turn of the century. In fact, Jim Luitweiler had been in charge of negotiating the purchase of the hundreds of tracts of land.

In conjunction with Mr. Luitweiler's testimony, Senator Allen had located the deeds to the land. Those deeds, and other relevant documents, had been stored in some Government warehouse years ago. When these documents were brought into the subcommittee hearing room, they filled several enormous wood crates, each about 4 feet square.

One by one, the crates were pried open by security men, and examined in the presence of newsmen, Senators, and others present at the hearing.

That was the last we ever heard of the administration's claim that the United States had never owned the Panama Canal property. However, news coverage of that hearing was scant. As I recall, one television network used a 60-second story; the others used nothing. The Washington Post, and other newspapers which favored the giveaway of the Panama Canal did not even mention Jim Luitweiler's testimony, nor the contents of the wood boxes in which the deeds had been stored.

I mention all of this, Mr. President, because a few weeks ago, I ran across a remarkable letter written to the editor of the Thermal Belt News Journal at Columbus, N.C. The editor is a fine young man named Mike O'Neal. The letter? It was written by my friend, Jim Luitweiler. The heading on the letter was, "Year of Crisis: Question of Leadership?"

Mr. President, I ask unanimous consent that Mr. Luitweiler's letter to the editor be printed at this point in the Record. I commend it to my colleagues, and to others who read the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Year of Crisis: Question of Leadership?

To The Editor:

1979 is a year of crisis. The shadow of the Russian Communist Bear looms over the world.

While listening to the debate over the new SALT II treaty that is supposed to limit the growth of armaments of Russia and the United States, we should be aware of what these two world powers stand for. Whatever limits are agreed upon will still leave these giant nations with enough weaponry to destroy each other. Any major conflict would probably leave them as mere skeletons of their former selves. The human race might survive, but it would take centuries for the world to recover from such cataclysm.

Consider what symbolizes their respective ideologies—two well known monuments: America's Statute of Liberty in New York Harbor and Russia's Berlin Wall, dividing East and West Germany. The Statue of Liberty: For a century this colossal statue of a woman holding aloft a lighted torch 300 feet above the water-front has symbolized what America has stood for to the rest of the world. Cradled in the woman's left arm is a tablet with the date July 4, 1776, and at her feet are the broken shackles of tyranny. Inside the pedestal is a bronze plaque with the sonnet written in 1883 by an American poetess, which closes with these words:

"Give me your tired, your poor,
Your huddled masses yearning to breath free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door!"

Despite Russia's pronouncements of being the liberator of people from the tyranny of imperialism, has there ever been a Statue of Liberty erected on her soil? No, there has not. But there has been erected—The Berlin Wall: It is a symbol to the world of what Russia stands for. After the defeat of Germany in World War II, the allies allowed Germany, at Russia's bidding, to be split in two. The eastern half became Communist East Germany and the western, free West Germany. Immediately as the borders were established, 2,700,000 Germans migrated from the new East Germany to West Germany. Whereupon the Russians had a high masonry wall erected separating the two Germanies and dividing the old capital (Berlin) into East and West Berlin.

From the start, until now, this wall has been manned by armed soldiers with orders to shoot men, women and children who attempted to flee East Germany by climbing the wall or tunnelling under it. Many have lost their lives in a fruitless effort to escape East Germany.

Returning to the American scene, for more than three centuries immigrants from all over the world have streamed through our ports and fanned out over the continent to create the strongest and richest nation on earth. Their descendents are now sitting in the halls of Congress to determine our future.

Are these representatives imbued with the spirit of the Declaration of Independence, which begins with this sentence:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness".

Or have they been brain-washed with the Marxist philosophy that government owes eveyone a living; and to take from them that hath and give to them that hath-not? Nothing accomplishes this better than inflation and the printing press its most useful instrument. With it paper money can be spawned like falling leaves in the autumn winds.

We are confronted with an energy crisis that is disrupting vacation plans and our journeys to and from work, and forcing us to park our cars in long lines at the gas stations. As one hears accounts of the ire this has aroused against OPEC and the oil companies one is reminded of the vicious kicks given to a chair that has tripped one in his living room!

One even hears the Creator blamed for putting the oil under the Arabian desert, overlooking that the Creator did put under the feet of Americans five times as much coal as the equivalent of Saudi Arabia's 165,000,000 barrels of oil reserves! Our own government has so fouled up the economic machinery with its bureaucracies and environmentalists that this coal will doubtless remain there for along time!

Fortunately, there is something that our government can do right now to cut the energy Cordian knot while Congress is taking its time to unravel the red tape holding up the development of our coal and other resources.

One can pinpoint the onset of the present energy crisis: the fall of the Shah of Iran and the setting up of an anti-American Moslem regime. The American administration's first reaction made sense: dispatching an aircraft carrier to the Persian Gulf to insure that the gateway to the Middle East oil fields remain open for our tankers to bring out our needed oil. But someone got weakkneed when it was suggested this might annoy the Russians! So the carrier was turned around and steamed idly in circles. One is reminded of Kennedy's faux pas in the Bay of Pigs fiasco which allowed Castro to rise to power. And Castro has thumbed his nose at us ever since!

If our Congressmen have the backbone of their forefathers there is an opportunity to correct this grevious mistake. Out in this Middle East area, so vital to our need for Arabian oil, there is a little shiekdom (Oman), no larger than the State of Kansas, which commands the 40 mile wide channel of the Strait of Hormuz, through which have been passing half the world's oil tankers. It has its own oil fields producing 350,000 barrels of oil per day, yielding this little nation one and a half billion dollars of yearly income. Its ruler is a highly educated young man of 38, schooled in Britain's military academy (Sandhurst).

He has the best standing army on the Arabian peninsula, on which he has spent 40 per cent of the country's $1½ billion annual income. So far he has stood off the Soviet's 2000 Cuban stooges and Russian and East German "advisers" deployed in next-door Marxist South Yemen.

In an interview with the Magazine Time's Cairo correspondent printed in the June 4th issue—he asks for America's help to draw the line against the Soviet's involvement in this area. He has guts! One is reminded of Pope John's return to his native Poland in defiance of the Communist rulers of that country.

Do we have leaders in Washington to match these two men's guts? The Russians have a way of backing off from a serious confrontation with adversaries who mean business. They know full well that if Pope John is assassinated in Poland the whole Catholic world will be on their backs. No country has been more astute in avoiding needless risks than the Russians. Can we move quickly enough to counter a serious move of Russia from across the border in South Yemen into Oman, before Russia slams the gate shut on the Persian Gulf?

A companion move should be to assure that our Panama Canal remains in our hands by refusing to implement the Torrijos treaties.

By assuring the continued flow of oil from the Persian Gulf, and Alaskan oil through our Canal to our Eastern seaboard, we will take care of American energy needs while we are developing self-sufficiency on our own continent.

Bear in mind that the Arabs need to sell their oil to us and Europe as much as we need to buy it. Once they see America taking decisive measures to cooperate with them in keeping their oil flowing they will regain lost confidence in America's integrity.

Above all I should like to see a Congressman of Lincoln's stature rise on the floor of the House this month and paraphrase his Gettysburg address:

"200 years ago our forefathers brought

forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal. It is now for us in this House to resolve that this nation, under God, shall have a new birth of freedom, and that government of the people, for the people, by the people, shall not perish from the earth."

EDUCATION AND THE GOVERNMENT

Mr. HATCH. Mr. President, a theme of so much controversy that has been generated in recent years has been that of Government attempting to impose its own notions of educational virtue upon parents, local schools, and private educational institutions. The apparent result, as recently summarized by Neal Pierce in the Washington Post, is that only 60 percent of American high school students can name a war in which "State's rights" was an issue, only 40 percent known what NATO stands for, only 38 percent realize that voters can split their party choice between Presidents and Members of Congress, only 25 percent can correctly cite the oceans along which Oregon and New Jersey are situated, and only 3 percent can correctly identify Alaska and Hawaii as the last two States to join the Union. College board scores reveal similar levels of academic achievement in other areas of the curriculum.

I ask unanimous consent to have printed at this point in the RECORD two excellent articles on different aspects of the assault by Government upon private control of education. In the first, Dallin Oaks, the President of Brigham Young University, assesses Government regulation of higher education from a first amendment viewpoint. In the second, Stephen Arons, a professor of legal studies, explores the issue of State versus familial control of the educational process.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

GOVERNMENT REGULATIONS OF HIGHER EDUCATION

Through a variety of laws and regulations, the federal government has now undertaken to direct and supervise some portion of almost every aspect of higher education. An over-statement? Consider the record.

Our principal academic functions involve faculty, students, curriculum, and research. We now have regulations affecting faculty hiring, compensation, and retirement. We have rules governing student admissions, financial aids, confidential records, and placement. Government supervision of university research is familiar, principally because of funding patterns.

Thus far we have no official specification of curriculum, but Congress threatened to enter that field a few years ago when it seriously debated requiring certain course work for all medical students. The proponents of the Title IX sex discrimination regulations failed in their attempt to require official approval of texbooks to eliminate sexist instructional material, but textbook and curriculum review became a reality last year for one educational organization. The Department of Justice obtained a consent decree which compelled the American Institute of Real Estate Appraisers to delete from the seventh edition of its textbook on appraisal certain offensive statements about the economic significance of a racially changing neighborhood, and to make similar modifications in its other instructional materials, courses, and teaching techniques.

The Title IX Regulations specify requirements on the relative adequacy of facilities and equipment, on access to academic programs, on the relative funding and adequacy of extracurricular activities such as athletics, and on how the institution must relate toward outside organizations accused of discrimination. Proposed student aid regulations just published in the Federal Register prescribe financial criteria to which institutions must adhere. So far we have no regulation of fund raising, but Congressman Wilson's proposed legislation awaits action in Congress.

Most of higher education acquiesces in government regulation of higher education not because of agreement with the principle of government direction but because of agreement with the content of the regulations or the goals they seek to achieve. How shortsighted! Let us all take leave of expediency for a time and consider the principle of government regulation of higher education.

We should be clear at the outset that the subject of overregulation of education is not a partisan political issue. Most of the enabling legislation was enacted with bipartisan support, and the abuses of executive agencies are traceable to Democratic and Republican administrations. The least objectionable rules are those enacted by Congress. The main offenders are the departments of the federal executive branch, especially H.E.W., the Labor Department, and the Internal Revenue Service. State regulation is also beginning to be a more significant problem for higher education, such as by licensing or accrediting measures and by curricular or other attempted supervision of private colleges and universities. Even some private accrediting bodies, through their role in certifying institutions for government programs, are seeking to exercise a quasi-official regulatory power. Finally, the men and women involved in the regulatory effort are almost entirely people of goodwill who are sincerely striving to attain what they consider to be legal and appropriate objectives. Some are uneasy about exercising authority over educational institutions, but many others are just ignorant or indifferent toward the consequences of the rules they administer.

I. Objections to Government Regulations.

Most of the familiar criticisms of government regulations apply to higher education.

1. Government regulation is financially burdensome. The government's own Commission on Federal Paper Work estimated last year that federal paper work cost more than $100 billion a year, which is about $500 for each person in the country. The Commission said that "a substantial portion of this cost is unnecessary."

2. Different rules duplicate and overlap one another. For example, there are 17 different agencies writing Equal Employment Opportunity regulations, and 439 different federal statutory authorities bearing on postsecondary education.

3. The rules are confusing and ambiguous. Thus, the H.E.W. Student Assistance Agency had a student loan application, a supplement to the application, and an addendum to the supplement to the application.

4. Many of the regulations are meddlesome and trivial. An OSHA manual lectured farmers how to avoid slipping on cow manure. Last December, with a fanfare of self-righteous publicity, Secretary Califano announced that H.E.W. had caught 49 school districts and colleges that had failed to disclaim sex discrimination by filling out the required Title IX certification. The list included the two-room school house in Bynum, Montana, the 62-student school district in Chapman Ranch, Texas, and a smattering of small colleges, most of them church-related. More than half of the schools on the hit list said they had never received H.E.W. money. No matter. All were condemned before the nation and threatened with a cutoff of their funding.

5. Some rule-making efforts are incredibly ignorant. For instance, about two years ago the Veterans Administration issued extremely burdensome regulations which ignorantly assumed that all colleges and universities took daily class attendance.

6. We are also offended by the hypocrisy in some regulatory programs. Fortune magazine exposed discriminatory hiring in the Federal Equal Employment Opportunity Commission. H.E.W. recently defended sex discrimination in the Social Security Act because its elimination would be financially burdensome. Earlier, H.E.W. had conveniently overlooked the enormous financial burden it imposed on educational institutions in its handicapped and Title IX sex discrimination regulations.

7. Some regulatory efforts are also inconsistent. This is a particular hazard of antidiscrimination laws, since laws that seek to eliminate discrimination against one group can have the effect of promoting discrimination against another. Thus, the recent law that seeks to prevent age discrimination blunts the effect of affirmative action programs to offset racial and sex discrimination. A rule prohibiting compulsory retirement at age 65 tends to freeze the work force in its present composition, thus sharply reducing the number of job vacancies that affirmative action programs could use to cure the effects of past racial and sex discrimination.

8. Finally, government laws and regulations are often ineffective or counterproductive. As Senator Muskie observed a few months ago, our government has "grown so large and ineffective that it is suffocating the very goals it seeks to achieve."

II. An approach to the Problem.

So, what is to be done about objectionable government regulation? The question arises at an awkward time. Costs have skyrocketed with inflation, and revenues—including earnings from endowments—have not kept pace. Taxpayer revolts portend further difficulties. The last Minter and Bowen study shows that the number of private colleges in a precarious financial position increased from one-fifth to over one-third last year. Institutions faced with the prospect of closing their doors find it necessary to seek some form of federal financial assistance even if it will be accompanied by objectionable regulation. Beggars can't be choosers.

Granting that some form of federal financial assistance is necessary to help many small colleges survive, we must still work to minimize the government regulation accompanying that assistance. I will suggest a six-point program. The first three points are brief and should be self-evident. The fourth and fifth points, which concern the structure and content of government regulations, require more elaboration. The sixth point proposes concerted action.

Our first step—in many ways the most painful—should be self-regulation. We must identify and eliminate abuses that would otherwise be used to justify government regulation. Most government regulatory efforts pursue worthy goals. Those who would resist them need to offer an acceptable private alternative.

Our second step should be to perpetuate and increase incentives for charitable giving to educational institutions. We must also resist any attempts to predicate government controls on the benefits that flow to educational institutions and oher recipients of such charitable gifts.

Our third step should be to oppose government assistance that comes in the form of unrestricted and other direct grants, such as categorical assistance, cost of education allowances, and capitation grants. The prospect of unacceptable federal controls attached to direct assistance—once denied by some—became abundantly clear in 1976 when Congress empowered the Secretary of H.E.W. to withhold capitation grants from medical schools that refused to accept foreign transfer students in the numbers prescribed by Congress. To minimize the prospects of government regulation we should favor indirect assistance such as grants or loans to students, or other indirect assistance like the imaginative tuition advance fund proposal or the currently debated tuition tax credit.

III. Some Needed Distinctions in Laws and Regulations.

As a fourth step, laws and regulations affecting higher education should be drafted to incorporate three important but currently missing distinctions. First, lawmakers or regulation writers should exclude education from certain rules that are generally applicable to other organizations. Second, they should exempt private institutions from some of the body of rules otherwise generally applicable to public instituions. As corollaries, the extent of regulations should bear some relationship to the magnitude of government financial assistance, and should not be premised upon the receipt of assistance by students. Finally, from the laws and regulations otherwise appropriate for private colleges and universities, rulemakers should carve out appropriate exceptions to accommodate the special constitutional freedoms guaranteed to institutions sponsored and controlled by churches.

I will now explain why I think these three distinctions are needed.

A. The Special Position of Education.

Educators should not oppose all government laws and regulations affecting higher education. In some respects an educational institution is relatively indistinguishable from other employers. Thus, I believe the government can legitimately lump educational institutions with factories and other employers for purposes of assuring employees a safe place of work and a financially secure savings and pension fund.

But there are respects in which government regulation should not lump the business of education with retailing, manufacturing, and other business activities. The market for ideas is sufficiently different from the markets for goods and services that education should receive different treatment from government regulators when the issue is the manner in which the business is conducted. Thus, the Food and Drug Administration may prescribe standards for prescriptions, but H.E.W. should not prescribe standards for textbooks or the college curriculum.

As the custodians and transmitters of our culture—secular and sacred—educational institutions need a special degree of insulation from government interference. The First Amendment, which contains special guarantees for freedom of speech, press, and religion, recognizes that special status. Unfortunately, the laws enacted by Congress and the regulations promulgated by various agencies in the past two decades have generally failed to make any distinction between educational institutions and all other corporations being regulated. I believe that this indiscriminate lumping is the root cause of educators' outcry against government regulation. Most educators do not reject all government regulation. They only reject the idea that regulations otherwise applicable to all businesses and employers should automatically apply to education.

Education has and should have a favored position in our society, like the media, the churches, and other custodians of First Amendment freedoms. We must help lawmakers see the need to minimize interference with the stated purposes and academic freedoms of colleges and universities and their personnel, public and private. No general law or regulation should be made applicable to education without a specific finding that this is essential to accomplish its purposes and that it will not impair essential educational freedoms.

B. The Special Status of Private, Independent Education.

In order to preserve our pluralistic system of education, lawmakers and regulation-writers should distinguish between the regulation that is appropriate for publicly sponsored and directly tax-supported institutions on the one hand, and the lesser regulation that can be justified for private independent institutions on the other. This is consistent with the traditional constitutional distinction between "state action," which is subject to constitutional and other legal restraints, and "private action," which is presumptively free of such restraints.

Unfortunately, current laws and regulations rarely distinguish between state-sponsored and independently sponsored institutions. If they make any distinction at all it is between institutions that are "federally assisted programs" and those that are not. But the independent sector gets little benefit from this distinction when the definitions in the regulations are written—as they usually are—so broadly that virtually every institution in the country is a federally assisted program. As a result, a small independent college making a conscientious effort to avoid any kind of direct public assistance is formally subject to the same regimen of regulations as public institutions and the great research universities—public and private—that receive millions in tax support.

The height of absurdity in ignoring the distinction between public and independent educational institutions came in the recent law forbidding mandatory retirement at age 65. In view of the Supreme Court's recent decision that Congress has no power to prescribe minimum wages for state employees because federal direction of the terms of state employment would violate state sovereignty, it seems reasonably clear that the federal law forbidding compulsory retirement at 65 is unconstitutional as applied to state colleges and universities. And so we have the spectacle of an Act of Congress that directs the terms of retirement for independent colleges and universities but not public ones.

Scholarly comments and public debate about the Bakke case have also ignored the essential difference between public and independent institutions. This voluminous literature generally seems to assume that the Bakke decision governs the admission practices of all of higher education. But Bakke involved a public institution, and independent colleges and universities should have greater latitude in student admissions. An independent institution not receiving any direct assistance from tax appropriations should be free to have preferential admissions—even the kind of quotas the Bakke case outlawed for the University of California—to benefit racial and other minorities, if they choose to do so. The Bakke case does not hold to the contrary. Granted, this kind of latitude may be abused in some instances. But if private parties lack the freedom to make wrong decisions, they lack freedom indeed.

C. Relating the Amount of Regulation to the Magnitude of Government Assistance.

Current regulatory practice is also deficient in failing to utilize the principle of de minimus, so that the receipt of a nominal amount of federal financial assistance would involve little or no regulatory consequences. Furthermore, applicable regulations should be graduated in some proportion to the amount of government assistance received, so that private institutions would have options on the amount of government regulation to which they would be subject by the receipt of different kinds and amounts of public assistance.

There is an immense variety in the amount of government assistance received by various independent institutions. My 1975 survey of 93 private colleges showed that two of the 93 were so anxious to avoid government ties that they would not enroll a student who was receiving a guaranteed loan, a BEOG, or any other type of government assistance. Twenty-three others (25 percent) enrolled such students, but refused all government grants, contracts, or other direct financial assistance to their institutions. Twenty-eight institutions (30 percent) received what I would call nominal assistance—some, but less than 2 percent of their annual budget. Another twenty-eight (30 percent) received significant aid—over 2 percent but less than 10 percent of their budgets. Fourteen other institutions (15 percent) received assistance amounting to 10 percent or more of their budgets.

As matters stand today, laws and regulations pertaining to higher education fail to distinguish between the massively supported research institution and the aggressively independent small college. A small college president and I complained about this fact to a prominent United States Congressman and were shocked to have him reject our complaint out of hand because, he said, "there are no more private institutions; they all get millions of dollars from the federal government like Columbia." Can it be that our Congressmen and agency officials are really this ignorant of the composition of higher education? Their laws and regulations are written as if they were. The law need not be so blunt an instrument, except in the hands of the malicious, the ignorant, or the indifferent.

D. Student Assistance As A Basis for Regulation.

We also must seek to assure that government regulation of independent institutions is not premised upon the receipt of government financial assistance by their students. Otherwise, the critical distinction between public and independent is easily bypassed. So far as I am aware, Congress has never passed a law allowing agencies to regulate an educational institution solely on the basis of the receipt of assistance by its students. The Title IX regulations and the handicapped regulations both rely on this basis for regulations, but I am hopeful and confident that they will not survive challenge in court.

H.E.W. is apparently conscious of the weakness of its position. On May 19, 1978 an H.E.W. official sent a letter to all colleges and universities in the United States, stating that each would have to sign a new agreement "in order to be able to participate" in student assistance programs this fall. The agreement commits the institution to comply with all of the Title IX sex discrimination regulations and with all of the handicapped regulations. If these regulations validly apply to the institutions in question, why must H.E.W. insist that they agree to abide by them? And if these regulations are partially invalid—as several courts (discussed hereafter) have already held—how can a government agency justify compelling institutions to agree to comply with them?

H.E.W.'s May 19th letter is a high-handed threat to disqualify students from assistance programs funded by the federal government in order to coerce their colleges and universities into agreeing to observe agency regulations of doubtful validity. I submit that such extortion is unworthy of our government.

E. The Favored Status of Church-Related Institutions.

The final distinction that needs to be observed in the regulation of higher education pertains to the special constitutional status of those independent institutions sponsored and supported by churches. There are almost 800 such institutions, nearly half of all the independents. Many, though not all, pursue a distinctive religious mission. Thus, it is said that at least 120 religiously affiliated colleges and universities asked for religion-related exemptions from the Title IX regulations.

By requiring that colleges and universities treat pregnancies and abortions like any other illnesses and by forbidding them from considering the marital status of their employees or students, the Title IX regulations pose a direct conflict between government regulatory initiative and private institutional and religious freedom. The Title IX regulations made provision for religious exemptions, but they were deficient in making them dependent upon application to H.E.W.

A federal court recently provided a persuasive reminder of the strong legal position of the church-related college. After receiving a complaint of sex discrimination at Mississippi College, a Baptist institution, the Equal Employment Opportunity Commission sought a subpoena to require the college to submit information on its employees and employment practices. A federal district court sustained the college's refusal to comply. The Civil Rights Act permits a church-related college to give employment preference to persons of its own faith. The court also ruled that official review of a genuine church-related college's employment practices would involve the sort of government entanglement with religious organizations that the Constitution forbids. In addition, even if the Commission only intended to conduct a surface investigation "the mere possibility of an EEOC investigation inhibits the college from preferring Baptist faculty members in instances subject to the Commission's scrutiny." Consequently, EEOC was precluded from even investigating the charge of sex discrimination in that case.

And what of those independent institutions not sponsored by churches? I submit that they should also have some constitutional protection against government action like the Title IX regulations, which seek to prevent colleges from taking positions on matters of value such as marriage and morals. The government should not be able to erase the moral implications that many attach to sex-related behavior like abortion, homosexuality, or sex relations outside of marriage. Otherwise, our government is, in effect, sponsoring an unconstitutional establishment of irreligion or amorality. There must be constitutional protections available to protect the value positions of non-church-related independent educational institutions willing to go to the trouble and expense of developing them.

IV. Being More Discriminating About Anti-discrimination.

My fifth point concerns the content of anti-discrimination laws and regulations affecting higher education. I contend that lawmakers and regulation writers should be more discriminating in their anti-discrimination. Some of the most important anti-discrimination laws and regulations are seriously deficient in failing to take account of the different nature of the discriminations they outlaw.

For example, the provisions of a law or regulation forbidding racial discrimination are not necessarily sound and workable when applied across the board for outlawing sex discrimination. Thus, in the Fair Housing Act of 1968 Congress enacted a complicated legal matrix forbidding the consideration of race, color, religion or national origin as a criteria for action in any transaction in the housing industry, including buying, selling, leasing, constructing, advertising, brokering, financing, maintaining and improving. The pervasive prohibitions of this law made good sense when applied to racial discrimination. But in 1974, with hardly any clarifying legislative history, Congress inserted the word "sex" into this matrix of prohibitions without any apparent consideration of the fact that in relation to some types of housing transactions, sex discrimination is qualitatively different from the other forbidden discriminations. This is why the courts, which have made race an impermissible classification for official action, have declined to do the same for gender. Thus, the interests of privacy and decorum make sex an appropriate matter for consideration in the context of apartment living arrangements.

This bad law-making led to the ridiculous situation in which the Department of Justice threatened to file suit against Brigham Young University and various off-campus landlords for sex discrimination because we had a cooperative program to assure that single men and women were housed in separate apartments and in separate buildings or wings of buildings. Each off-campus apartment in our community typically accommodates six students. To accomplish our policy the cooperating landlords, of course, consider the sex of the prospective occupants when they assign single students to the various apartments. But in its literal language—not illuminated to the contrary by any legislative history—the amended anti-discrimination law seems to make it illegal for anyone to consider the sex of any renter in fixing the terms, conditions, or privileges of any rental arrangement. No one was very comfortable with the ridiculous implications of the government's position, and after some helpful ridicule by the media—notably the New York Times, the Los Angeles Times, and syndicated writers George Will and James J. Kilpatrick—we found a way to settle the controversy on terms that permitted BYU and the landlords to continue their practices as to single students. But the issue should never have arisen in the first place. Congress should have been more discriminating about anti-discrimination.

The increasing inclusion of the word "religion" in antidiscrimination formulas provides another example. Prohibitions against discrimination on the basis of religion are appropriate as to public institutions. It would be unconstitutional for a state institution to consider religion in its hiring or promotion. Our Constitution commits us against a religious test for public employment. But when a church sponsors and supports a college or university, it should surely have the right to consider the religious belief or practice of the students it admits and those it employs to achieve its institutional objectives. The amended Civil Rights Act grants that privilege as to employment, but some government agencies and private groups, including some accrediting bodies, persist in challenging religious discrimination as if it were to be judged by the same legal and moral standards as racial discrimination.

V. Theories For Judicial Review.

In my sixth and final point I urge that colleges and universities band together to lobby against unsound and unworkable laws and regulations, and to challenge illegal regulations in court. This cooperative effort should include more careful advance attention to the implications of proposed rulemaking and more determined opposition to illegal rules already enacted. Any who doubt the need for greater combativeness in this matter should consider how far we have gone in government control of higher education in the quarter-century from 1952 to 1977. It is past time to challenge this trend, which, if not arrested, will soon transform all of our educational institutions into a colonial empire of the federal bureaucracy.

Fortunately, the most obnoxious federal regulations are clearly vulnerable to judicial challenge.

The first deficiency in recent law-making on higher education is Congress' tendency to pass a law without clear content or clarifying legislative history, thus delegating its law-making function to the executive branch. Congress did this, for example, in its sweeping prohibition of discrimination against the handicapped, which includes no legislative provision or meaningful legislative history to define the "handicapped" who were the subject of this legislation. By this means, the operative concept upon which we are required to make far-reaching changes in employment and other practices and to expand millions of dollars in capital improvements is a vague generality that must be given meaning by an executive agency not responsible directly to the Congress or the electorate. The same vagueness was employed in the Education Amendments Act of 1972, whose sweeping prohibition of sex discrimination was applicable to programs supported by "federal financial assistance," but which gave no definition of this critical jurisdictional term. Such delegation is subject to judicial challenge.

Even easier to challenge are the principal defects in recent regulations, including those instances in which the agencies have promulgated regulations that go beyond the statutory authority granted by Congress, being to that extent illegal. H.E.W. did this in the Title IX sex discrimination regulations. The law outlaws discrimination on the basis of sex "under any education program or activity receiving Federal financial assistance . . ." That straightforward language embodies an appropriate principle: no education program or activity receiving federal financial assistance shall discriminate on the basis of sex. The reference to "education program or activity" obviously focusses the requirement on certain constituent elements of a university, college, or school. Congress obviously meant to impose its requirement selectively—not on an entire institution.

But that was not the basis on which H.E.W. acted when it issued its regulations. Secretary Weinberger's covering letter shamelessly declared that the law "forbids sex discrimination in any educational institution receiving federal assistance." And the official H.E.W. explanation of the coverage of the regulations—confirmed in its recently reaffirmed position on the coverage of intercollegeiate athletics—states that they apply "to all aspects of all education programs or activities" of an institution "which receives federal funds for any of those programs." If H.E.W. succeeds in this attempt to extend its regulatory authority over every program or activity of all institutions that receive or benefit from any federal financial assistance in any individual program or activity, H.E.W. will have accomplished a direct bureaucratic repeal of the limiting language enacted by Congress.

Fortunately, what one court called the "patently overbroad" coverage of the Title IX regulations is not surviving judicial examination. All four federal district courts that have considered the scope of these regulations have ruled that they were not valid in their attempt to govern employment practices in a recipient institution. All four cases reasoned that the Title IX regulations are invalid to the extent that they attempt to forbid sex discrimination as to institutional programs or activities that are not the direct recipients of federal financial assistance.

The handicapped regulations under Section 504 of the Rehabilitation Act of 1973 attempt the same overbroad regulations as Title IX, and they are subject to the same legal objection. Because of similar statutory language the handicapped regulations can only be valid as to programs or activities that are the direct recipients of federal financial assistance.

More recently, the Office of Education has proposed new requirements to regulate institutional refund policies under the Guaranteed Student Loan Program. In a prompt and angry response the normally mild American Council on Education, speaking for ten educational associations, charged that the Office of Education "does not have the legal authority" to issue such regulations, that they were published "in direct and knowing disregard of the expressed intent of Congress," and that they constituted "an arbitrary, unwarranted, and illegal intrusion by the Office of Education into the internal administrative policies of the institutions." I am heartened to see the major educational associations raise their voices in protests long overdue.

The number of colleges and universities that have been willing to testify on proposed legislation or comment on proposed regulations has been small, and those which have been willing to go to court to oppose illegal laws, regulations and practices has been smaller still. It is heartening to see an increasing number of institutions which recognize the vital issue of independence and are willing to put their time and resources on the line to defend it. I am encouraged by the organization and recent actions of the National Association of Independent Colleges and Universities. That organization should be supported in its efforts to promote independence and urged to be even more vigorous.

Finally, we must work in the courts and through skillful counsel to develop First Amendment protections that will shield institutions of higher education from the regulatory excesses of government. As I have described elsewhere, there are significant constitutional foundations for the protection of education. The Supreme Court stated recently by way of dictum that "the right of freedom of speech and press includes not only the right to utter or to print, but . . . indeed the freedom of the entire university community." This statement and earlier holdings rejecting the regulation of private education provide raw materials to use in constructing a secure constitutional barrier to protect the freedom of educational institutions and their personnel.

I contend that government authorities need to be just as careful about regulating schools, colleges, and universities as they are about interferences with newspapers, public meetings or any other delivery mechanism for the products of free speech. As the essential transmitters of our culture and as the source, teacher, and practitioner of values in our society, schools, colleges and universities must be assured a wide range of freedom for their activities of discovery, advocacy, and practice. But if that principle is to be impressed upon the bedrock of our constitutional law, colleges and universities must have the will to oppose regulatory excesses in court and they must be willing to provide the resources of time and money necessary to provision the long struggle to develop constitutional doctrine.

IS EDUCATING YOUR OWN CHILD A CRIME?

(By Stephen Arons)

During the summer of 1977, Peter and Susan Perchemlides planned a home-instruction curriculum for their eight-year-old son, Richard. There was nothing unusual or difficult for them in this task, for these well-educated parents had taught their two oldest sons at home some years earlier. In early September of that year, the plan for Richard's home instruction was submitted for approval to the local superintendent of schools as required by state law. Eight months later, on April 6, 1978, complaints were issued in the District Court of Hampshire County in western Massachusetts against the Perchemlides for failure to send Richard to school. Dr. Perchemlides, a Ph. D. in biochemistry, had been accused of the crime of educating his own son.

The struggle between the Perchemlides family and the public school authorities of Amherst, Massachusetts, is not yet over; but the reactions of the parties, their attorneys, and the local press already show that the issue of state control over child-rearing practices touches the deepest feelings and values of American families and evokes the harshest of institutional reactions from the school system. In the narrowest sense, one economically poor but culturally advantaged family is simply seeking to educate their child within the family fabric and according to their perceptions of his needs. In a larger sense, however, the Perchemlides are asking whether there is room in America for dissent in the education of children.

The Perchemlides came to the Amherst area in 1975, drawn by the quiet beauty of the rolling hills and small farms spreading east from the Connecticut River. In their view, the academic institutions that set the tone for the area—the University of Massachusetts and Amherst, Hampshire, Smith, and Mt. Holyoke colleges—and the tolerant and progressive reputation of the schools and families in town would all contribute to the health and development of the family. This move was a substantial change from life in Boston where Peter had been first a research fellow at Massachusetts General Hospital and later a research associate at the Harvard University Medical School. Upon arrival in Amherst, Richard was enrolled in the second grade at a local elementary school, Mark's Meadow, run in conjunction with the University of Massachusetts' School of Education. The oldest two of the family's five children were enrolled in the public school system as well, and everything seemed promising.

But now the family is locked in a bitter battle with the Amherst School Department over Richard's education. Both sides claim they are acting in the child's best interest; and while neither side ascribes the actions of the other to self-interest or personal malice, there is apparently no compromise possible. At bottom, the struggle is over which side can justifiably express and seek to pass on to Richard its own values and world view, its own politics.

Looking back over the first year of what was to become a seemingly interminable controversy, Richard, now nine and a half, recalled his reactions to the one year he spent in the public school. "If you did something wrong, everyone would laugh. You had to do it just so, and it was boring to do it that way." Perhaps this is the meaning of the story his mother, Susan, tells about Richard's reaction when asked at school to provide a caption for a drawing of a woman in fancy clothes waving at someone. Richard reportedly thought it was "a working-class woman all dressed up to go somewhere she didn't get to go to much," but was afraid that if he said this the school counselor "wouldn't like us and our family." He simply replied, "I don't know."

The home education plan drafted by the Perchemlides is based on not only their earlier experience in educating the older boys at home, but also on their own views of natural and social order, and most pointedly by their reaction against the values, philosophy, and practices of the Amherst School Department. The curriculum document itself is extensive, containing page after page of detailed plans in such areas as language arts, earth science, ecology, music, mathematics, nutrition and health, and physical education, including a two-mile jog each day. The document has been reviewed by numerous education experts and found to be sound. Dr. David Campbell of the University of Pittsburgh School of Education, a consultant to public and private schools on curriculum and methodology, and the author of several books and over 40 articles, found the Perchemlides' program to be "the equivalent of a first-rate private academy both in its tutorial system and in . . . the curriculum."

When the family first raised the issue of home instruction with the Amherst Superintendent of Schools, Donald Frizzle, it apparently caught him by surprise. When asked later what his initial reaction had been, he commented, "I'd never been asked that before, and I had no particular procedures that I would normally just follow." Frizzle gave the family a form ordinarily used by the school department for private school approvals and told them to do the best they could with it. Meanwhile, he began a search for clarification of his legal powers and duties. Massachusetts compulsory attendance law requires that every child between the ages of six and 16 attend a public school or a private school approved by the local public school board, or be "otherwise instructed in a manner approved in advance by the local superintendent or school committee." The problem was not only that there were no prepared forms and procedures for the approval of home education plans, but that neither Frizzle nor the school committee had standards for making such approvals.

The Perchemlides' request for approval of home instruction is not, of course, the first time that a legal battle has been necessary to determine the relative power of government bureaucrats and individual families over the education of children. Over half a century ago, the U.S. Supreme Court declared unconstitutional one of the most blatant attempts by government to control value inculcation of children through schooling. In 1922, the state of Oregon had passed legislation requiring all children to attend public schools only. In declaring that the "child is not the mere creature of the state," the high Court ruled it a violation of fundamental constitutional liberties for a state to seek to "standardize . . . children by forcing them to accept instruction from public teachers only." Since 1925, the Pierce case has become a force for the maintenance of parental liberty in education, yet even in that case the Court implied that some regulation of education by the state was within constitutional bounds.

Two years later, the Supreme Court further narrowed the circumstances in which a state may restrict parental power over a child's education. The government was prohibited from eliminating alternatives to public school and also from regulating those alternatives so extensively as to make them identical to the public school. In the 1927 case of Farrington v. Tokushige, the legislature of Hawaii had unsuccessfully defended a set of private-school regulations which encompassed teacher qualifications, the content of textbooks, and a teachers' pledge to "direct the mind and studies of pupils in such schools as will tend to make them good and loyal American citizens." As with the Pierce case, the Court in Farrington was quashing a kind of jingoistic know-nothingism that was common in the 1920s' fear of diversity.

In the last 50 years there have been only two major cases that further delineate the limits of government power to control education through regulation of alternatives to public schooling, both of which have had a religious basis. In 1972, members of the Amish community of Wisconsin refused to send their children to any school after the eighth grade, claiming that the worldly, competitive, materialistic values of school undercut the communal religious values embodied in the Amish society's living church. The Court, in Wisconsin v. Yoder, upheld the Amish parents' act of conscience and invalidated the Wisconsin compulsory attendance law as applied to them. The case made clear that the Amish definition of education as learning-through-doing was sufficient to meet any legitimate government interests in education.

The Perchemlides suit differs substantially from the Amish case in that the Perchemlides do not claim a religious basis for their convictions about family values and interpretation of the meaning of life, making them conscientious objectors without religious identification. It differs also in that rather than challenging the compulsory attendance law, the family seeks instead to comply with that part of its provisions in Massachusetts which makes home instruction a right. The crucial issue on this point is whether the government may so regulate a legislatively sanctioned alternative to public schooling that its distinctive quality is eliminated or contorted. Since 31 other states permit home instruction in fulfillment of compulsory education laws, the scope of legitimate government regulation is of central importance.

The second major school regulation case was Whisner v. Ohio in 1976. Although it, like Yoder, relied on religious claims, the federal court in Whisner ruled that the government may not use even a system of minimum standards in the regulation of nongovernment schooling if the result is to effectively eliminate real alternatives to the public school. In spite of the negative view that both Court and Constitution have taken toward government monopoly on education, the desire to hang on to power seems to have prompted the Amherst school authorities to claim "absolute discretion" in passing upon home education plans and to dismiss the parents' plan and values as "pet educational theories."

Confronted with a unique local case and a body of legal doctrine that is forceful but not detailed, Superintendent Frizzle and his staff seem to have been genuinely confused about how to react. Perhaps it was beyond their experience to be confronted with a family that insisted on defining what was best for their child's education. But the kind of process that the school department established to deal with this situation is an indication that they perceive a threat to professional power and government control of education in the Perchemlides' request. From interviews, depositions, and internal memoranda, the picture emerges that the school authorities meant to avoid a straightforward conflict.

At the outset, the superintendent asked for the submission of a written home-education plan but did not give any standards which the parents would be required to meet. Considering that failure to meet the school department's criteria could expose the family to criminal sanctions and even, ultimately, to the seizure of their son by the State Welfare Department, this vagueness would itself be enough to merit legal condemnation as a denial of due process. Upon submission, the plan was turned over to the school department staff for evaluation. Later, the superintendent was to claim that the standards of judgment were those mentioned in the statute for the approval of private schools, namely, that the program "equals in thoroughness and efficiency, and in the progress made therein, that in the public schools in the same town." Just what this equivalence really meant has never been specified, but counsel for the family, Wendy Sibbison and James Disceglia, knew it could not literally mean "the same as" the public schools or the *Pierce, Farrington,* and *Whisner* cases would have to be overruled.

The school department offered a four-inch-thick sheaf of papers purporting to describe the curriculum of the school system. Was it this to which the parents had to make their plan equal? Frizzle replied, "The burden is on the person who wants to do this." But do the parents have to equal every detail of this curriculum? No, but the parents could not be told which aspects they had to match "because that would be an invasion of their values and policy." They must "do what they feel is proper"; then judgment would be passed.

As it turned out, that judgment was passed on the proposed program on October 7, 1977, when the Perchemlides were notified that their plan had been rejected. Although each of the four grounds on which the plan was denied was based on lack of information, the family was not asked for further details. Neither was the family ever confronted with the negative opinions of the school department's experts or given a chance to refute or counter them prior to the decision. The reasons themselves are part of the roller coaster of confusion created by the school department. Although the plan is for home instruction, and such instruction is a right under state statutes and court decisions, the superintendent disapproved of the plan in part because it provides no "group experiences." The school department was unaware that a 1967 New Jersey case, *N.J. v. Massa,* dealt with just this issue, ruling that "to hold that the statute requires equivalent social contact and development would emasculate this alternative and allow only group education, thereby eliminating private tutoring for home education."

The superintendent also objected that the family had made no indication that they had the "training or background appropriate to the task you propose to undertake." Although Frizzle publicly admits his respect for the family's home life and for Peter's "immense intelligence" and "deep philosophical thinking," he notes that a Ph.D. does not necessarily know how to teach children. Yet the family had educated the two oldest sons, Greg and Steven, at home for four years; they were then enrolled in Amherst public schools where they received A's and B's their first year.

After their plan was rejected, the family sought a review of the case before the school committee, whose power is concurrent with that of the superintendent. Here the standards become still more confusing and contradictory, and the procedure becomes still more Orwellian. The school committee met five times to discuss the case. At the first meeting, the family was present with counsel, but no hearing was held because the school committee found it necessary to request additional curriculum information from the Perchemlides and to seek legal counsel on their powers in this matter. The committee subsequently received both sets of information, but never notified the parents or their attorneys of the meetings at which all the facts were to be considered, the expert opinions heard, and the witnesses examined. Considering that the parents might still suffer criminal penalties and lose their son to the state, proceedings before the school committee resembled the Star Chamber. The family had no notice of hearing, no counsel present, no opportunity to present its own expert witnesses about the quality or philosophy of the curriculum they proposed, no opportunity to cross-examine or even hear the witnesses who testified their plan was unacceptable, no knowledge of the standards being applied, and, ultimately, no statement of the reasons for the school committee's December 16, 1977 denial of their request.

During all this time, the Perchemlides continued to educate Richard at home, trying to undo what they viewed as the damage done by Richard's year in the Amherst public school. Richard, like the rest of the family, was under intense and increasing pressure as a result of the conflict with the school authorities. After a year in the spotlight, Richard would admit that he "liked being recognized." "But," he was quick to add, "I like even better just staying at home."

After the school committee's denial of the family's "appeal" and its refusal on January 30, 1978 to reconsider, the school department began to increase the pressure on the family. Up to this point, the superintendent had seen no need to "jam the law on them" and had never really questioned the sincerity of their teaching efforts or the adequacy of their home environment. In fact, in a deposition taken during this past summer, Frizzle admitted that he had implicitly approved the home instruction plan before.

Between threats, negotiations, and a general reluctance to set the wheels of the criminal law in motion, it was not until April 6, 1978, that criminal charges were finally brought against the Perchemlides under the state truancy statute. The family's lawyers, working virtually without pay because Peter was unemployed and Susan was a full-time student, immediately filed a civil suit seeking to halt the criminal prosecution, to force the school authorities to formulate standards for approval of home education plans, and to approve the family's plan pursuant to such standards.

The family's suit contends that the school committee's standards for approval of home education must be minimal. Since the family's rights of privacy, conscience, and belief are at risk in government regulation of education, the suit seeks to require that any regulation of the right of home education in Massachusetts be justified by a compelling state interest. Most important, the Perchemlides call for an end to the practice by which education standards and truancy laws are used to impose the educational philosophy and political and cultural values of the school bureaucracy upon individual families.

The case now rests before the Superior Court where, at this writing, the school authorities still seek to prevent a public hearing of the facts by taking the position that the parents have no claim and should therefore be dismissed from the court. The criminal charges have been dismissed because of the pending civil suit, but they could be renewed if the family is unsuccessful at trial. It seems unlikely that the matter will reach an out-of-court settlement or even end with the Superior Court.

It is ironic that this case should develop in the Commonwealth of Massachusetts, which considers itself the birthplace of universal education and the cradle of individual liberty in America. As the case moves beyond the personal struggle of one family and one school bureaucracy, it seems increasingly to ask whether something has happened in the development of public education to bring it into conflict with the principles of individual liberty and free and vigorous dissent upon which our Constitutional order rests.

One might have thought that this contradiction was put to rest in 1925 when the *Pierce* case denied the legitimacy of a government monoply of schooling. One might also think the matter was settled in Massachusetts in 1897 when the state's highest court interpreted the compulsory education statute to allow home education and enunciated the purpose of compulsory education to be "that all children shall be educated, not that they shall be educated in any particular way." The issue refuses to go away.

Perhaps it is the growth of government-operated schools as self-justifying bureaucracies which highlights the parents' perception of their differences from public school ideology and moves them to resist. And perhaps the absence of more such resistance is explained by the flattening of cultural diversity and personal individuality that is left in the path of the public school steamroller. At any rate, the Perchemlides have brought forth out of their personal life, and at substantial personal risk, a serious question.

For over 100 years, Americans have assumed that education decisions are properly the province of the political majority. For

50 years, we have admitted the danger of such an assumption only when dissenters could ascribe their views to some organized religious theology. The Perchemlides seek nothing more than their due under a state statute which creates the right of home education. But their actions have turned our assumption into a question. Can a politically democratic and individually robust society afford to allow majority control of value inculcation in schooling, or does the freedom to learn, to form beliefs, and to develop personal consciousness free of government coercion need the same protections as the freedom of speech and religion?

FEDERAL EMPLOYMENT AND THE CONSTITUTION

Mr. HATCH. Mr. President, of relatively recent origin has been the notion that Federal employees hold a constitutionally-protected property right in their employment, and that such employment cannot be denied them, whatever the reason, in the absence of extended procedural and due process safeguards. As described by one observer, the Constitution is today viewed by a majority of the Supreme Court as a "sort of super-Pendleton Act, extending the civil service laws to even those aspects of government employment untouched by the statutes themselves."

The procedural and evidentiary obstacle course that must be circumvented in order to dismiss even the most incompetent and careless public employees has created in such employment a measure of job security virtually nonexistent in the private sector—a consideration never weighed in computing "comparability" between public and private sector job benefits. As a result, not only must the public suffer from a less efficient Government than they might otherwise expect, but conscientious public sector employees are tarnished. The civil service reforms approved late in the 95th Congress were, in part, prompted by the difficulty in removing public employees from their positions.

The Washington Post recently carried an informative debate on the propriety of Federal jobs as "property" of the individuals occupying them. Robert M. Kraus, editor of the Washington Monthly—from which the Post reprinted his article—states the case in opposition to this concept, while Louis Fisher, a specialist with the Library of Congress, argues in its defense.

I ask unanimous consent that the Washington Post articles on this subject be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHEN A JOB BECOMES 'PROPERTY', IT'S HARD TO FIRE A CIVIL SERVANT

(By Robert M. Kaus)

Sometime last January, a radical proposal landed on the desks of Stuart Eizenstat's aides in the Old Executive Office Building. It was a draft "decision memo" on civil service reform—the "centerpiece" of President Carter's reorganization plans and the main vehicle for his efforts to "increase government's efficiency by placing new emphasis on the quality of performance of federal workers."

The memo, prepared by the Civil Service Commission and the Office of Management and Budget, certainly fit the president's requirements, particularly in the critical area of removing "non-performing" employes. To replace the byzatine structure of hearings, notices and appeals to which civil servants were then entitled, the memo proposed a simple procedure: employes could be dismissed by the concurrence of three supervisors—the one who initiated the discharge, a higher-up and a third supervisor experienced in deciding such disputes. If these three agreed that an employe wasn't performing up to snuff, the employe would be fired, then and there, with only a limited right of appeal for "substantial procedural error."

Despite the proposal's fairly dramatic potential for improving bureaucratic performance, some of Eizenstat's aides were troubled. For one thing, the memo surely would provoke opposition from federal employe organizations. But bargaining with the unions was to be expected, and there was even some virtue in starting the negotiations from a tough position. No there was another, trickier problem—the proposal might be *unconstitutional*.

Simon Lazarus and Steven Simmons, two lawyers on the Domestic Council, were particularly disturbed by this possibility. They called in some legal scholars and the Justice Department. Yes, came the answers, there were indeed constitutional difficulties. While the decisions of the Supreme Court were fuzzy, they appeared to require that every civil servant be given a full-pledged trial-type hearing before he could be finally discharged. Armed with these opinions, Lazarus and Simmons successfully led a push to change the draft proposal. By the time the decision memo reached Carter's desk, the right to an evidentiary appeal had been restored.

After the White House sent this revised proposal to Congress, and at each stage in the bill's passage into law, what had happened in the Executive Office Building happened again. Those who wanted to make it less difficult to fire incompetent civil servants not only had to negotiate with the employe unions, and their congressional champions, but with an unseen third party—the Supreme Court.

During the House-Senate conference, for example, Rep. William Ford (D-Mich.) repeatedly and effectively argued that unless more protections for employes were added, the whole reform package would be threatened. "The very first case of any consequence is going to be in the courts," Ford warned the conferees, "and then Scotty [Civil Service Commission Chairman Alan "Scotty" Campbell] is going to be sitting with a death row over there of thousands of cases waiting to see what the Supreme Court is going to do."

By the time the bill became law, the provisions for firing unproductive civil servants had expanded to become a complex three-stage pyramid of procedural hurdles: First, an employe is entitled to 30-day notice of the "adverse action," and a chance to rebut the charges against him. Then, if he wants, he is entitled to a trial-type hearing before the new Merit Systems Protection Board (MSPB), at which his agency must demonstrate that "substantial evidence" supported the decision to fire. Finally, the discharged employe can seek review of the MSPB's ruling in a federal appeals court.

DUE PROCESS CLAUSE

So, if you're expecting the new civil service reforms to create, as Carter put it, "a climate in which managers may discharge non-performing employes," don't hold your breath. It's easier now to fire a civil servant, but one shudders to think how long an employe with the right kind of lawyer could prolong the appeal of a discharge under the new system.

The administration hopes, at best, for a 60-day "turn-around" between the date of firing and the decision of the MSPB. The board that performed the MSPB's function before the recent reorganization, however, took an average of 168.9 days to decide each case. And that's just the appeal to the MSPB. Tack a 30-day notice in front of that, and a trip through the clogged federal appeals court at the end, and you've still got a system under which supervisors will be asking themselves, "Is it worth a year or more of my time trying to fire this guy?"

What the history of the civil service bill shows is that the main obstacle to changing this system is no longer the Congress, or even the unions—it's the courts. It was the threat of unconstitutionality—of judicial veto, as it were—that scared Carter's aides and supporters into watering down their reforms.

The part of the Constitution that caused all the trouble is the due process clause, which says that the government shall not "deprive any person of life, liberty or property without due process of law." Just reading the provision, you might not think it was designed to protect civil servants. But, knowing the need for judges to elaborate on the Constitution's purposefully vague language, you might speculate that firing a federal employe would be construed, in some esoteric way, to be a deprivation of, er . . . liberty? The liberty to engage in a profession perhaps—"the right to type," you know, that sort of thing. You would be wrong. Firing a federal civil servant does not per se deprive him of "liberty" under the due process clause. What a civil service job is, in modern constitutional theory, is property.

Today, law students know they are well on their way to "thinking like lawyers" when this strained reading of the Founding Father's words begins to make sense. Forty years ago, however, the average attorney would have stared back is disbelief at anyone who told him that a federal job was property, just like a plot of land. It took a lot of ambitious thinking, and a bit of history, before the idea became second nature.

But if two men have to take credit for the spectacular growth of the constitutional job rights of government workers, they would probably be Sen. Joe McCarthy and Charles Reich (the latter better known as author of the '60s bestseller, "The Greening of America.") Let's start with McCarthy.

GREAT LIBERAL VICTORY

Prior to the 1950s, the law on firing government employes was fairly simple: the government could constitutionally fire an employe without jumping through any procedural hoops. Moreover, the government employe worked—as far as the Constitution was concerned—at the will of his superiors; he could even be sacked solely because of his political inclinations. These principles were neatly summed up in Oliver Wendell Holmes' 1892 statement that a policeman "may have a constitutional right to talk politics, but he has no constitutional right to be a policeman."

All that changed during the McCarthy era, as red-hunters searched the government payrolls for communists and their sympathizers. A generation of liberal lawyers was weaned on the struggle against the persecution of these employes, and it was a great liberal victory when, in 1956, the Supreme Court stopped the dismissal of a New York college teacher who had been fired for taking the Fifth Amendment at a federal loyalty inquiry.

In presuming that this act was an admission of guilt, the Court said, the state had failed to afford the teacher the "due process" required by the Constitution. The Court didn't specify, in terms of the language of the due process clause, just what the teacher had been deprived of—was it life, liberty or property? But this was no time for conceptual nicety, and over the next decade "due process" was repeatedly invoked in attempts to save the careers of officials charged with subversive leanings. Taking away someone's government job had become a serious constitutional matter.

In 1964, Reich entered the picture. He was troubled by the growing importance of government largesse—from welfare payments to broadcast licenses to admission to the bar, the well-being of more and more Americans seemed to depend on what their country could do for them. In a sweeping and original article, Reich described this growing dependence as a threat to individual liberty.

His solution was to restore the status of the individual citizen by giving him constitutional rights to the largesse he received. Significantly, the right on which Reich seized as his model was the property right, and he argued that all manner of government benefits should be "property" under the due process clause, with elaborate procedures (the "due process") required before the benefits could be withdrawn. Just as 10 acres and a mule had been the basis for individualism in earlier times, Reich reasoned, so his "new property" could preserve individual freedom in the "joyless landscape of the public interest state."

Surprisingly, while Reich noted that the government accounted for 20 percent of all jobs, and that many other jobs depended on government contracts, he didn't put much emphasis on protecting the interests of government workers. Instead, he concentrated on cases, like cutoffs from welfare benefits, in which the injustice of arbitrary government action seemed overwhelming.

But Reich's article fell on the receptive ears of a booming civil rights industry, whose whole raison d'etre was finding more and more ingenious applications for new constitutional theories like Reich's. Law reviews—student-run journals that are the primary outlets for American legal scholarship—soon converted Reich's proposal into an abstract legal formula capable of almost unlimited application.

The courts, wrote one eager law reviewer, should "regard life, liberty and property as encompassing everything of which a person can be deprived, and hold that a person has a claim within the ambit of the due process clause whenever governmental action has accrued to his detriment." All that you needed to make a "new property" right was some action by the government that was hurting somebody, and liberals had a field day finding injustices that could be cured by application of this recipe.

MORE CAUTIOUS AT FIRST

The Supreme Court was a bit more cautious in its approach, but after a few years of exhortation by the legal journals—and after a few of the law students who had written those articles had served their tours of duty as assistants to the Justices—the Court started creating a series of "new property" rights. Welfare payments, of course, were first on the list, with the Court ruling in 1970 that a state couldn't remove a recipient from the rolls without first giving him a chance to prove his eligibility at a quasijudicial hearing. From welfare the Court moved on to drivers' licenses, which became "property" under the due process clause in 1971.

These decisions were well-received by the legal profession's avant-grade. But, the law reviews noted, there were still some areas where the new formula hadn't been applied. For example, what could be more important to an individual than his government job? "Given the modern emphasis on protecting individuals against significant inflictions of harm," one commentator complained, "why have the courts excluded public employes from the expanded panoply of the due process clause?"

In 1972, the inevitable happened. A political science professor at a Texas state college was dismissed, and he sued to get his job back. The job, the teacher said, was his "property," and the state shouldn't have been able to take it away without giving him, in effect, a mini-trial at which he could dispute the grounds for dismissal. The Supreme Court was unanimous in its agreement. In deciding that a government job could be "property," the Court handily cited as legal precedent the McCarthy-era cases that had reinstated employes in the name of "due process." But there was a key difference between those cases and the "new property" theory. In the 1950s, the courts had protected employes who had been fired for exercising some constitutional privilege, like the right against self-incrimination. The new rule applied indiscriminately to every deprivation of the "property interest" in a job. Whether you were discharged because you were a red, or because you slept at work, you were constitutionally entitled under the "property" doctrine to "due process."

Two years later, in *Arnett* v. *Kennedy*, a divided Court extended this "property" right to include the jobs of federal civil servants. At the same time, the Court announced its intention to guarantee those employes their "due process" even if the Congress chose to cut back on the procedures required in the statutes. A discharged employe, the Court majority implied, could demand a full inquest, with lawyers, testimony and cross-examination, if he chose to fight his dismissal.

Arnett is the case that gave civil service reformers in the Carter administration the biggest headaches. In effect, it presented them with a choice: give all employes the right to cumbersome trial-type hearings, or risk passing a law that would be struck down by the Court. In fact, the threat of *Arnett* was so great that it was successfully used to attach a provision in the White House's bill that dared to go so far as to deny employes a hearing if there were no factual disputes to hear.

Since the effect of *Arnett* has been to help gut the most important piece of legislation Congress addressed last term, we have good reason to question the wisdom of that decision—and of the property rationale that underlies it. In private business, after all, the courts are quite willing to say that being fired isn't the end of the world for an employe—at least no court has yet ruled that the Constitution requires private employers to go through evidentiary hearings to determine if each and every discharged is justified. Why, when the government is doing the hiring and firing, is the situation so different that lawyers and judges should fall all over themselves with constitutional concern?

NEW LAYER OF RED TAPE

In retrospect, the crusade for the federal employe's job rights appears to have been, at best, misguided—particularly from the point of view of the liberal lawyers who led it. The net effect of their efforts was to add a permanent layer of red tape to the bureaucracy, and to hamper the ability of the government to perform all the regulatory and redistributive functions liberals care about.

Even to civil libertarians, government employment is beginning to look like one area where the Court got carried away by the "new property" fad. Prof. Laurence Tribe, a liberal defender of judicial activism, admits concern over "attempts to squeeze public office-holding into the mold of private property entitlements." He notes a "thoughtful reconsideration" of the issue by Prof. William Van Alstyne, who concludes, "There is something abrasive and offensive, something anachronistic, in the idea that public sector positions can be appropriately described as the property of the individual status holder."

This "thoughtful reconsideration" has so far eluded the Court. Instead, even after *Arnett*, the justices preferred to see the Constitution as a sort of super-Pendleton Act, extending the civil service laws to even those aspects of government employment untouched by the statutes themselves.

The absurd culmination of this attitude came in *Elrod v. Burns*, a 1976 case in which the Supreme Court imposed its version of the "merit system" on the venerable patronage machine of Chicago—and, incidentally, on all the other state, local and federal government institutions that had previously avoided the bureaucratic arteriosclerosis of the civil service.

Burns was a minor functionary in the office of the Republican sheriff of Cook County, Ill. As a bureaucrat in a patronage system, he could only expect to retain his job as long as his party remained in power. And, when the voters of Chicago elected a Democratic sheriff named Elrod, Burns was fired—as everyone knew he would be.

This time, though, the Supreme Court stepped in. Such patronage dismissals, Justice Brennan said in his opinion, were unconstitutional; they penalized Burns for expressing his Republican sympathies. The civil service ideal—that government service should be free from all political risk—had come to Cook County. Henceforth, according to Brennan, even political appointees at Burns' level could only be fired for "good cause."

But the Court, we may imagine some astute law review editor pointing out, had yet to extend this principle to its ultimate application. That will happen the day the justices rule that a losing candidate for reelection can successfully sue to get his office back. After all, how could the courts allow him to be deprived of his valuable government job simply because of the views he expressed in a campaign?

Protecting Civil Servants: There Are Reasons and Precedents for Defining Job Rights as Property

(By Louis Fisher)

In his article in the Dec. 24 Outlook, Robert M. Kaus weaves a grandiose theory to show how court decisions have frustrated civil service reform efforts. Because of such decisions as Arnett in 1972, which he says helped "gut the most important piece of legislation Congress addressed last term," civil servants continue to have access to hearings, notices and appeals before losing their jobs.

When his article was first printed in The Washington Monthly, it had a title that made his theme especially provocative: "How the Supreme Court Sabotaged Civil Service Reform." Kaus takes special delight in ridiculing the proposition (recently invented, he says) that a job with the government, because it is "property," requires protection under the due process clause of the constitution. His crabbed analyses about the judiciary, removal powers, the civil service act and property rights merit a rebuttal.

Kaus claims that the property issue is of recent vintage. "Forty years ago," he writes, "the average attorney would have stared back in disbelief at anyone who told him that a federal job was property, just like a plot of land." He traces the job-property relationship to the sensational exploits of Sen. Joe McCarthy in the 1950s and to an article by Charles Reich published in 1964.

It should not take too much training in the law (even for an average attorney 40 years ago) to recall Marbury v. Madison, handed down in 1803. Chief Justice Marshall held that the president had discretion over an office until an appointment is made, but that thereafter "his power over the office is terminated in all cases, where by law the officer is not removable by him. The right to the office is then in the person appointed, and he has the absolute, unconditional power of accepting or rejecting it." Congress had given Marbury's office a tenure of five years. Marbury had a legal right to serve for that period. He did not get the job, but Marshall's decision gave early evidence that a federal job could constitute a property right. It also suggested that Congress could circumscribe the president's removal power through statutory restrictions.

"Prior to the 1950s," we learn from Kaus, "the law on firing government employes was fairly simple: the government could constitutionally fire an employe without jumping through any procedural hoops. Moreover, the government employe worked—as far as the Constitution was concerned—at the will of his superiors; he could even be sacked solely because of his political inclinations."

Not so. The record prior to the 1950s is decidely different. Has he forgotten about the Pendleton Act of 1883? Or the job-property linkage in the case of U.S. v. Perkins, in which the Supreme Court in 1886 agreed that a naval cadet engineer could sue for pay in the Court of Claims? The secretary of the navy had discharged him without a showing of deficiency in any examination. He had been dismissed not for misconduct under any provision of law, nor had he been sentenced by court martial (statutory procedure). Thus he was still in office and entitled to the pay attached to it. Procedures existed at that time to prevent arbitrary dismissals.

The Lloyd-LaFollette Act of 1912 established some more "procedural hoops" to protect federal employes. While members of the classified civil service could be removed "for such cause as will promote the efficiency" of the agency, they were entitled at least to (1) reasons given in writing, (2) notice of the action and of any charges preferred against them, (3) a copy of the charges and reasonable time to file a written answer, with affidavits, and (4) copies of the agency's decision.

Examination of witnesses, trial and hearing were not required by statute, but could be furnished at the discretion of the official directing the removal.

It is false to say that a federal employe could be "sacked solely because of his political inclinations." A distinction is needed between employes under the civil service and officials appointed with the advice and consent of the Senate. Certainly protection against political dismissals has been available for civil servants. Even presidential appointees have access to some protection. Franklin D. Roosevelt tried to get rid of William Humphrey, a federal trade commissioner, by asking him to resign for these reasons: "I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission." Humphrey, placed on the commission by Republican presidents, had openly sided with the business interests. This effort to remove him for policy and political reasons failed in the courts. In this case, decided in 1935, FDR's right of removal was limited to the statutory grounds established by Congress.

The claim that federal employes could be sacked for political reasons ought to remind us of Congress' attempt, in 1943 to prohibit the payment of public salaries to three individuals described by a subcommittee chairman as "irresponsible, unrepresentative, crackpot, radical bureaucrats" and affiliates of "communist-front organizations." The Supreme Court, in 1946, struck down that use of legislative power because it inflicted punishment without a judicial trial and therefore violated the Constitution's prohibition against bills of attainder.

Procedural protections are not the monopoly of the courts. In 1950, before Joe McCarthy began to make headlines, Congress passed legislation to allow certain agencies to suspend civilian employes whenever "necessary in the interest of national security." Once suspended, however, permanent employes had access to these procedurel safeguards before removal: (1) a written statement of the charges within 30 days after suspension, stated as specifically as security considerations permit; (2) an opportunity within 30 days to answer the charges and to submit affidavits; (3) a hearing, at the employe's request, by an agency authority constituted for that purpose; (4) a review of the case by the agency head or designee prior to a decision adverse to the employe is made final, and (5) a written statement of the decision.

This statute applied only to national-security dismissals. Removals of other civil servants were circumscribed by even more stringent procedures.

SECURITY CASES OF THE 1950'S

Kaus indicts the judiciary of the 1950s for impeding the government's right to fire employes. As a result of McCarthy's hunt throughout the federal payroll for communists and their sympathizers, a "generation of liberal lawyers was weaned on the struggle against the persecution of these employes . . ." Kaus says that the concept of due process was repeatedly invoked by the courts "in attempts to save the careers of officials charged with subversive leanings. Taking away someone's government job had become a serious constitutional matter."

First, the decisions were meant to save more than "careers." Reputations were at stake. Reputation has long been considered more precious than ordinary forms of property. The idea that property includes a person's name was recognized by the Supreme Court in 1891, in the case of Brown Chemical. Unambiguously the court stated: "A man's name is his own property, and he has the same right to its use and enjoyment as he has to that of any other species of property." Property has always been more than "a plot of land," as Kaus would define it.

Personal reputations are destroyed when the government dismisses officials as alleged security risks. Courts properly insist on procedural standards and constitutional rights for those accused of betraying their country. To be excluded from public employment on grounds of disloyalty, as the Supreme Court noted in 1952, becomes "a badge of infamy." To be dismissed under that cloud devastates a workers opportunity not only within the federal government but in the private sector as well.

Kaus points out that the courts in the 1950s protected employes "who had been fired for exercising constitutional privilege, like the right against self-incrimination." This is a pinched interpretation. Much more vital principles were preserved. The courts refused to let the government depend on "faceless informers" for their evidence. Employes accused of disloyalty were entitled to confront and cross-examine their anonymous accusers. Otherwise, the government should drop the charges. Many of the informants had not even made their damaging statements under oath.

The principles of free speech and free association were also part of this battle in the 1950s. Federal judges suspected that employes were being fired not for wrong conduct but for "wrong views." Someone subscribed to the wrong magazine. Someone else had a wife who associated with the wrong group. Dismissal for wrong thoughts, some judges concluded, had nothing to do with protecting the security of the United States. It had a lot to do with undermining First Amendment freedoms.

Congress could have curbed these court decisions through its power to limit appellate jurisdiction. Bills were introduced to remove the Supreme Courts authority to review the Federal Loyalty-Security Program. Congress considered removing the employe's right of confrontation and cross-examination. Some legislators proposed the application of summary suspension powers to all nonsensitive federal jobs. All of the efforts failed. There was broad agreement, then, in Congress as well as the courts, that employes accused of disloyalty were entitled to carefully delineated procedures.

"NEW PROPERTY" ORIGINS

Kaus correctly assigns to Charles Reich a major influence in the growth of the "new property" rights. Reich's article in 1964 argued persuasively that, with the growth of governmental regulation and benefits, reaching deeply into the private sector, citizens were more in need of procedural safeguards. Doctors should not be deprived of their medical license, for instance, or taxi drivers their medallion, without predictable and enforceable procedures.

Beginning around 1970, the courts began handing down a series of decisions that dramatically broadened the rights of individuals affected by governmental decisions. In his handling of these cases, I think Kaus misses their significance.

He states that the Supreme Court prohibited a state from removing a recipient from the welfare rolls "without first giving him a chance to prove his eligibility at a quasi-judicial hearing," but the issue in ***Goldberg v. Kelly*** was of larger moment. The purpose was not to allow someone to prove eligibility but to assure that once a recipient qualifies for assistance, he has a right to receive benefits so long as he continues to satisfy the legal criteria. State officials should not be allowed to capriciously terminate benefits. While the government has an interest in conserving fiscal and administrative resources, that cannot outweigh the procedural rights of a recipient to produce evidence in rebuttal before termination occurs.

"From welfare," Kaus writes, "the court moved on to drivers' licenses, which became 'property' under the due process clause in 1971." Is this such an absurd result? The State of Georgia had suspended the driver's license of a clergyman without first considering whether he was at fault in an accident. The Supreme Court recognized that a driver's license may be essential in the pursuit of a livelihood. The state should not take it away without determining that a judgment is at least likely against the licensee. Like the Goldberg holding, the state must have some rational basis for discontinuing a benefit. Without recourse to reason you will have government run by erratic and whimsical officials.

Kaus discusses the 1972 decision that applied property to job rights. A professor at a Texas state college, after being dismissed, sued to get his job back. According to Kaus, the Supreme Court's "new rule applied indiscriminately to every deprivation of the 'property interest' in a job. Whether you were discharged because you were a red, or because you slept at work, you were constitutionally entitled under the 'property' doctrine to 'due process.'"

Let's cut through this extravagance. The professor in the Texas case had been employed for 10 years in the state college system. During his last four years he was reappointed under a series of one-year contracts, until in 1969 the Board of Regents voted not to offer him a new contract. Although a press release by the regents charged him with insubordination, he did not receive an official statement of the reasons for the nonrenewal. Nor did he have an opportunity for a hearing to challenge the basis for their action.

The court held that the mere absence of an explicit tenure provision did not foreclose the possibility that he had a "property" interest in reemployment. He was entitled to prove his contention that a de facto policy existed, arising from rules and understandings officially promulgated and fostered by the college. Such proof would obligate college officials to grant a hearing, at his request, to enable him to learn the ground for his nonretention and to challenge their sufficiency. This is a far cry from the court applying a new rule "indiscriminately" to every job interest. This point is underscored by the case of a professor of political science in Wisconsin who was told prior to the end of his first full year that he would not be rehired. No reason was given. The Supreme Court said that neither his "liberty" nor his "property" under the 14th Amendment had been deprived.

Kaus misreads these decisions by concluding that a civil servant's removal does not deprive him of "liberty" under the due process clause.

Consider the "property" of someone whose wages are garnished. A finance company in Wisconsin instituted an action against a woman and her employer. She was not given notice. She had no opportunity to be heard prior to the seizure of her wages. The Supreme Court was asked in 1969 whether there had been a taking of property without procedural due process. With only one justice dissenting, the court struck down the prejudgment garnishment procedure, stating that as a practical matter it might "drive a wage-earning family to the wall."

Another garnishment case, decided by the court in 1972, concerned a Connecticut law under which a finance company had garnished the savings account of a woman without notice or hearing. A lower court decided that it lacked jurisdiction because the case involved "property" rights rather than "personal" rights (over which the court would have had jurisdiction).

In sharp language the Supreme Court repudiated that distinction. The dichotomy between property rights and personal liberties, said the court, was a false one. The illuminating language of the court deserves quotation in full: "Property does not have rights. People have rights. The right to enjoy property without unlawful deprivation, no less than the right to speak or the right to travel, is in truth a 'personal' right, whether the 'property' in question be a welfare check, a home or a savings account. In fact, a fundamental interdependence exists between the personal right to liberty and the personal right in property. Neither could have meaning without the other."

WHISTLEBLOWERS' RIGHTS

From Kaus we learn that the Carter administration searched for a simple way to remove "nonperforming" employes. As a substitute for the "byzantine structure" of hearings, notices and appeals, White House staff toyed with the idea of dismissing federal workers on the concurrence of three supervisors: "the one who initiated the discharge, a higher-up and a third supervisor experienced in deciding such disputes."

Simple indeed! But what would this streamlined system do to the likes of Ernest Fitzgerald, the Air Force procurement specialist who lost his job after telling Congress the truth about cost overruns on the C5A aircraft? After nearly four years of litigation, the Civil Service Commission ruled that Fitzgerald had been improperly dismissed and should be reinstated. Under the efficient method contemplated by the Carter administration, it would have been an easy matter for the Air Force to find three officials (or 3,000 officials) willing to dump Fitzgerald.

Congress has long expressed an interest in preserving a civil servant's right to contact legislators and their committees. This right dates back to the Lloyd-LaFollette Act of 1912 and is protected today by Section 7102 of Title 5. Should the administration be allowed to fire employes who have the audacity to tell Congress the facts? I think also of the climate under the Nixon administration, when employes were being penalized for carrying out laws that the White House wanted to terminate (without involvement by Congress). The Constitution directs the president to "faithfully execute" the laws, but sanctions were applied against civil servants who honored that mandate.

The Civil Service Reform Act of 1978 attempts to protect the rights of "whistleblowers." Among the list of prohibited personnel practices are reprisals against any employe who discloses information which the employe believes to be a violation of any law, rule or regulation, or which evidences mismanagement, a gross waste of funds, an abuse of authority or a substantial and specific danger to public health or safety. This invitation to bureaucratic openness does not apply to disclosures specifically prohibited by law or information specifically required by executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

I turn at last to Kaus' treatment of Elrod v. Burns, which he says brought the "civil service ideal—that government service should be free from all political risk—to Cook County, Ill." The decision did no such thing. The five justices could agree on only one point: that a nonpolicymaking government employe cannot be discharged, or threatened with discharge, from a job that he is satisfactorily performing on the sole ground of his political beliefs. While this narrows the application of patronage, it does not eliminate it. Surely it does not mean that government service is "free from all political risk." Policymaking employes (and, indeed, the court stumbled trying to define that category) may be fired for political reasons, as may non-policymaking employes who perform unsatisfactorily. The decision, whatever its defects, is not as broad as Kaus construes it.

PROPERTY RIGHTS WRIT LARGE

Kaus ends his piece with an apocalyptic warning that the courts, in their ceaseless appetite to reinterpret the Constitution, will "rule that a losing candidate for reelection can successfully sue to get his office back." We need not pursue this speculation to insist on a definition of property that goes beyond "a plot of land."

Certainly there is nothing bizarre about connecting job rights with property. When John Locke spoke of property, he meant life, liberty and estate—not simply the latter. By property he meant that which men have in their persons as well as in their goods. Everyone had a property in their labor and in the work of their hands. Property rights and personal rights were inextricably mixed.

In Federalist 10, Madison stated that the most important function of government was not the protection of property. Rather, the "first object of government" was to protect the faculties that give rise to property. It is no accident that the Constitution authorizes Congress to promote science and the arts "by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In an essay published in 1792, Madison elaborated on the meaning of property. A man had property in his opinions and in the free communication of them. He possessed property in his religious opinions, in the safety and liberty of his person and in the "free use of his faculties and free choice of the objects on which to employ them." Conscience was for Madison the "most sacred of all property." For that reason it was a greater violation to invade a man's conscience than to invade his home. Madison captured the essential tie between property rights and human rights by making this profound observation: "In a word, as a man is said to have a right to his property, he may be equally said to have a property in his rights."

Madison was not alone in his broad conception of property. His contemporaries realized that the freedoms and liberties of America were essential parts of property. Property conveys a multitude of rights which have little in common except that they are exercised by persons and enforced by the state. These rights must operate in tandem, not in isolation.

First Amendment freedoms depend on procedural safeguards that protect privacy and reputation. Privacy relies on Fourth Amendment restrictions on searches and seizures. One's reputation may have to rest on the Sixth Amendment right of confrontation. Free speech would be a barren concept if its exercise meant the loss of employment.

What would these values amount to if the government could fire employes and terminate benefits with the concurrence of a few officials? With what logic does anyone so outraged by bureaucratic incompetence decide to entrust, without any procedural safeguards, such astonishing power to bureaucrats?

WAGE-PRICE GUIDELINES

Mr. DOLE. Mr. President, I had intended to offer an amendment which would have prevented the administration from using funds in this appropriations bill in connection with withholding Government contracts as a means of enforcing compliance with voluntary wage-price guidelines.

I have decided not to offer this amendment so that judicial proceedings may continue to completion.

GUIDELINES WILL NOT WORK

It is clear that President Carter's wage and price guidelines have not worked and will not work. The guidelines cannot be administered fairly; they distort economic indicators and they retard economic growth. In essence, they serve as a floor, rather than a ceiling, for wage and price increases, thereby doing little to hold the line on these increases. But most importantly, in attempting to treat only the symptoms of inflation, high wages and prices, they distract us from the real cause of inflation—the fiscal and monetary policies of the Government. Until we in the Congress realize that Government is the primary cause of inflation, the problem will always be with us.

CARTER HAS MADE GUIDELINES MANDATORY

Faced with the failure of his "voluntary" guidelines, the President has, in effect, made them mandatory by invoking the possibility of contract denials for noncompliance. President Carter and his advisers are trying to punish the victims of inflation, the wage earners and consumers, rather than the perpetrator of high inflation, which is poor economic policy.

SUPREME COURT GRANTED AUTHORITY

The Supreme Court recently let stand a circuit court ruling that the President had the authority to apply these procurement sanctions. Now that the courts have granted the White House the legal authority to withdraw contracts from noncomplying businesses, it apparently intends to proceed to punish several companies. But, to quote the Washington Post, such enforcement "will not work in the atmosphere of hostility and confrontation that the administration generates by punishing some, but only a prominent few, of the violators."

It is unconscionable that the current administration would lay the blame for our economic woes on the average American rather than tackle the tough questions that face our Nation.

CARTER MUST ATTACK REAL CAUSES OF INFLATION

It is my hope that by prohibiting the President from withholding Government contracts, Congress can force the President to abandon his wage and price guidelines and begin to demonstrate leadership in finding a lasting solution to our economic problems.

What must be changed is the Government's attitude with respect to inflation. To effect that change, bold, tough decisions must be made and forceful leadership that fully understands our economic dilemma must be provided. Actions such as balancing the budget, reducing Government spending, and eliminating the regulatory shackles burdening business are needed.

I had planned to offer this amendment to hasten the much-needed relief for those Americans suffering undue hardship because of poor policy decisions. Once the judicial process is complete, I intend to offer my amendment to future legislation. I hope that others in the Senate will join me in this effort.

Mr. President, I ask unanimous consent to have the amendment printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

> Sec. . None of the funds appropriated by this Act shall be available for the payment of salaries or expenses incurred in connection with the withholding of Government contracts to enforce compliance with voluntary wage-price guidelines.

DEATH OF SAMUEL I. NEWHOUSE

Mr. MOYNIHAN. Mr. President, I rise today to lament the death of a distinguished New Yorker, Mr. Samuel I. Newhouse. On Wednesday, August 29, of last month, Mr. Newhouse passed away; and in his passing America lost one of its truly distinguished guardians of freedom.

Mr. Newhouse was the son of immigrant parents, and his legacy is, indeed, an especial tribute to our Nation which welcomes those who would wish to enjoy the freedoms that our country offers. Thus it is most appropriate that Mr. Newhouse should have honored those freedoms himself by his assiduous devotion to a free press.

His career spanned the great transition that took place in American journalism, and he both reflected and contributed to this transition in an important manner. He forthrightly recognized the responsibilities that we associate with a free press, and sought to nourish and guard them in an unparalleled manner. At one point, he publicly acknowledged this when he stated that—

> Only a newspaper which is a sound business operation can be a truly free, independent editorial enterprise, able to do the best possible job for the community.

As a newspaper owner, Mr. Newhouse recognized that diverse communities had diverse interests and, therefore, he did not attempt to set editorial policy but rather allowed, in fact encouraged, an editorial pluralism to prevail.

Mr. Newhouse's interests were not simply limited to his newspapers, for in his active work as a philanthropist he displayed an appreciation of the rich variety of American life that is possible. In my State of New York his generosity was of major assistance to Syracuse University, where he played a leading role in establishing the S. I. Newhouse School of Public Communications, and to Lincoln Center, where he was of generous assistance to the Mitze E. Newhouse Theatre, to mention only two examples.

I myself had the distinct pleasure of being associated with him when President Johnson appointed him to the Advisory Committee for the Medal of Freedom. S. I. (as he was called by those of us who knew him) was very much taken with this task; and he devoted the time, energy, and astute judgment to it that we had learned to expect. The medal flourished during his tenure on the committee, and as I stand here today I should like to observe that the irony of it all is that this great American—a man committed to the preservation of the freedoms which are the lifeblood of our Nation—never received the medal himself.

JUDGE WILLIAM B. JONES

Mr. MELCHER. Mr. President, the Nation lost one of its finest Federal judges on July 31, with the death of Judge William B. Jones. Judge Jones was appointed to the the Federal bench for the District of Columbia in 1962. He was the court's chief judge from July 1975 to March 1977. At the time of his death he was still serving as a senior judge.

Recognized by his judicial colleagues as an outstanding trial judge, William B. Jones was acclaimed by the legal profession as tough but fair, a judge whose opinions were scholarly and well researched, and notably evenhanded in his decisions.

Born in Iowa in 1907, Judge Jones graduated in 1929 from Notre Dame where he played football under Knute Rockne. Later coaching Notre Dame freshmen he attended law school there receiving his law degree in 1931.

Montanans claim Judge Jones as their own. He came to Montana in 1932 to begin his law practice and coach the Carroll College football team in Helena. He served as a special assistant State's attorney general from 1935 to 1937. He then came to Washington, D.C., to work in various Government assignments and entered the private practice of law as a member of the law firm of Hamilton and Hamilton for 16 years prior to his appointment to the bench. Judge Jones was former president of the John Carroll Society and the Friendly Sons of St. Patrick.

Montanans knew and loved "Bill" Jones for his humor, his integrity, and his unfailing friendliness. He was a loyal and active leader of the Montana State Society. A devoted husband and father, and a professional of the highest integrity, his counsel and guidance will be missed by all of us.

We extend our deepest sympathy to his wife, Alice, and daughter, Barbara, of Washington, D.C.

THE JOHN F. KENNEDY LIBRARY

Mr. TSONGAS. Mr. President, the John Fitzgerald Kennedy Library will open on October 20. This memorial to President Kennedy celebrates his spirit, vision, compassion, and statesmanship. The Presidential library at Columbia Point in Boston's Dorchester community will allow thousands of people to experience more fully the essence of the man who was our 35th President.

With my colleagues' consent, I ask unanimous consent to have printed in the Record two essays about the Kennedy Library. The first is by Ian Menzies, a columnist for the Boston Globe; the second is by Robert Garrett, art critic for the Boston Herald American. I hope they will encourage my colleagues to join with many thousands of Americans in visiting this inspiring, important center of scholarship and remembrance.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Boston Globe, July 16, 1979]

MEMORIAL TO A PRESIDENT WHO LOVED THE SEA

(By Ian Menzie)

It is a rather simple building, its style flowing from the contrasting geometry of its curves and angles which converge and rise in sweeps of bare, white-faced wall.

But the site gives the new John Fitzgerald Kennedy Library a magnificent presence and mood centered within the soaring, buttressed, glass-enclosed pavilion which looks across the harbor and the islands to the distant horizon, the new frontier, that a youthful, buoyant President once offered those who shared his years.

Architect I. M. Pei has designed a lighthouse, a beacon, in the modern idiom, but kept it traditionally austere and thereby caught the drama of the site, creating a unique memorial to a man who loved the sea and ships.

This presidential library at the outermost edge of Dorchester's Columbia Point will prove to be a very different presidential library from others, as the public will discover when it officially opens Oct. 20.

There is a mood here that couldn't have been found in Cambridge where at one time everyone felt the library should go.

This is a site by itself. Neither UMass Boston nor the Columbia Point housing project intrudes. It is even a lonely site, exposed to gales as well as sun. From the shelter of the glassed pavilion, one will be able to watch the flood tides lap the seawall only a few score feet away.

It is clear already, even from a brief unfinished preview, that one will not just feel the presence of Jack Kennedy here, but feel it intimately. It will be visceral, which it wouldn't have been, couldn't have been, in Cambridge or even Charlestown.

His sailboat Victura, which lay off the Hyannis compound, will rest between pavilion and sea, and a lighted, working beacon will arc seawards as an aid to mariners.

One has to imagine the impact, too, of first going through the museum and seeing so many of his personal belongings. There will be his rocking chair, a replica of his White House office, recordings of his voice. Then suddenly this soaring pavilion with its breathtaking panorama of city and sea, sky and islands. It cannot fail to touch the emotions, make one think, yet through the sadness, still see the horizon.

It has taken 16 years to bring the memorial library to being, but the wait now seems not to have been in vain. We have here something special, of which the nation, Boston and Dorchester can be rightly proud.

The thousands of schoolchildren and others who gave their dimes and dollars to make this memorial possible will not be disappointed.

And the scholars and students who visit the archives should now feel a far greater sense of what this John F. Kennedy was all about; what was really meant by Camelot.

Although the building is nine stories high, the public will use only the first two floors. On the fourth floor there will be a research room for scholars.

Certain decisions of public interest have not yet been made by the General Services Administration, which will take over when the library opens.

Will there, for instance, be benches along the waterfront walk between the seawall and the glassed-in pavilion? There should be.

Will there be a restaurant? There should be, and on the expansive terrace known as the West Plaza. The library is a long way from downtown Boston or any restaurants and children get hungry and older people tired.

Two other suggestions for the library trustees and GSA to consider. A real effort should still be made, as originally proposed, to moor a PT boat of the type Jack Kennedy commanded in World War II beside the seawall. Such boats are still available and a cut could easily be dredged to the seawall from the Neponset channel.

Finally, an additional elevator should be installed to take the public directly to the roof of the main building. The view of the city and its setting, the city of John F. Kennedy, from that vantage point is magnificent.

From nowhere else, not even Boston's tall buildings, is the view of the harbor islands and the waters surrounding them so intimate and so attractive.

[From the Boston Herald American, June 17, 1979]

Kennedy Library: More Than a Building, It's an Experience

(By Robert Garrett)

From South Boston, you look across Dorchester Bay at the John F. Kennedy Library on Columbia Point, and you wonder. What is the relation of this building to a martyred President whose public mythology is unmatched in modern history?

Sixteen years after Kennedy's death, it is still difficult to see the man clearly—the unofficial saint of folklore merges fuzzily with the politician who walked this earth.

Fifteen years after a memorial library was first planned, and following a bitter debate over the original site at Harvard, it is now nearly completed. The white, shining $12 million memorial which will open in September is in its own way as enigmatic as the Kennedy mystique—at close range a striking building, certainly, but one which in its shifting geometric forms resists instant analysis.

I. M. Pei, the world-renowned architect who designed it, is fond of discussing another of his buildings, the new wing of the National Gallery in Washington, as a building not just to look at but "to experience." After a walk through the construction site, it is possible to predict the same for the Kennedy Library.

The centerpiece will be the Memorial Pavilion, 115-feet high glass box in which light plays off against the geometry of the 10-story building which it interests.

The pavilion is the ultimate enigma. People will end a tour through a sub-level exhibit area of Kennedy memorabilia, and come into this soaring space. They will have to draw their own conclusions. For certain, they will look at the view. What will they see? A dramatic and oddly contradictory panorama. To the east is a quiet view of Thompson's Island, to the northwest the Boston skyline, and immediately in front of them the Columbia Point housing projects, many of these sorry buildings boarded in explicit admission of a failed social program. The visitors to this austerely elegant memorial will see an imperfect world in which the idea of Camelot does not quite fit.

The building is bound to rekindle the curiosity about every aspect of Kennedy's life which has smouldered all these years, not to mention the unflagging public scrutiny of the rest of the clan.

In the archives on the upper floors, the presidential papers and other material will doubtless help scholars sift through the Kennedy years, and evaluate that period against the troubled years that followed.

But inevitably, and above all, the building will serve as a tourist mecca for the expected 750,000 visitors a year, a concrete and glass shrine which will provide permanent focus to those strains of inquisitiveness and hero worship so deeply embedded in the American public.

Simply put, the design is an interplay of triangle, rectangle and circle. The triangle is the 10-story, three-sided, pre-cast concrete main building. On bay side of this structure is the rectangular glass box. A circular dome houses two theaters, and a curving wall delineates an outdoor plaza.

Pei and his associate Ted Musho have in their design to side-step the issue of personality cult. This is a monument—as you approach it from the U. Mass. campus the imposing facade unequivocally tells you that, and the isolation of the building on the tip of Columbia heightens that effect.

But it is a monument which pulls its punches (and even feints behind an unnecessarily complicated system of walls and perimeter structures). The Greek-columned Lincoln Memorial in Washington is the epitome of an old-fashioned monument, expressing a straight-forward idealism in its symmetry and massive weight. On the other hand, the Kennedy Library is architecture aware of the realities of contemporary democracy. It embodies a new sense of restraint, even ambiguity.

Depending on your vantage point as you stroll the grounds, the forms impose themselves and then unexpectedly cut away at sleek angles. The library has the cool appeal of abstract sculpture. It is a structure which manages to avoid the worst sins of buildings which seem impressed with themselves, and for the truth of that themselves, and for truth of that statement one need only to gape back at the Mussolini Modern style of architecture embodied by the U. Mass. campus.

The history of how the library finally got off the drawing board is a woeful parable of architecture buffeted by heavy seas. If the post-Kennedy era was a time of lost innocence in the life of the nation, the planners of the library suffered their own disillusion.

When the widow of the President commissioned I.M. Pei in 1964, she explained that her choice was appropriate because the well-known architect, like her late husband, had not as yet reached his full potential. But the magic charms of Camelot dissolved in a nasty imbroglio in which Cambridge residents protested the project at J.F.K.'s beloved Harvard. They accused Pei of overweaning monumentalism in his initial design of a huge glass pyramid, and said the library would hopelessly glut the already congested traffic in the area.

During those years Jacqueline Kennedy underwent the transformation to the Jackie O. celebrated on magazine covers, and the library struggled through five design changes. Finally, in a dignified huff, the Kennedy family designated the new site.

"It was such a relief when that was resolved," Pei recently commented from his New York office. "Now it became a pure design problem of solving the functional needs, and the symbolic needs."

The task of arranging the exhibition space and helping the Kennedy family to choose particular items fell to the New York firm of Chermayeff and Geismar. Included in the display that will be installed this summer are a large number of photographs, documents and memorabilia from the Kennedy past, the White House rocking chair, the President's collection of scrimshaw, the coconut shell on which the marooned PT 109 skipper Kennedy inscribed a message for help. The presidential yacht Victura will be docked nearby. ("We kept out of the library a lot of things not directly related to his personality or to the presidency," said Ivan Chermayeff, "eliminating suits he wore or plates the family may have eaten off of, that kind of kitsch stuff.)

It was Pei's job to devise a monument which would handle large numbers of people—and somehow offer them an experience qualitatively different from a visit to a fancy shopping mall. Pei is a proven master at tailoring stylish solutions to the requests of prominent clients (in recognition of which he recently won the Gold Medal of the American Institute of Architects).

Boston, of course, is Pei's city, from the triumphant design of the Hancock Tower, to the master plan he oversaw for the Government Center, to such widely varied projects as the Christian Science Center, the Green Building at MIT and the new wing for the Museum of Fine Arts currently under construction.

If the Kennedy Library is an architectural success when it is completed, it will be thanks to I. M. Pei's talent for dealing with a prodigious riddle.

SHOULD WE BAIL OUT CHRYSLER?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article which appeared throughout the country by James J. Kilpatrick, entitled "Should Taxpayers Bail Out Ailing Chrysler Corporation? No Way" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Should Taxpayers Bail Out Ailing Chrysler Corp.? No Way!

(By James J. Kilpatrick)

Washington.—The Chrysler Corp. has asked the American people for a billion dollars in tax relief. The answer has to be, no. Absolutely not. No way.

That is only part of the answer that ought to be made. Some relief needs to be devised for the half-million American workers whose jobs depend directly or indirectly upon Chrysler's staying in business. A word of commiseration is in order for individuals and pension funds with Chrysler investments. In those communities where Chrysler is a major employer, we ought to recognize that serious hardships may be in store.

When every appropriate expression of sympathy and regret has been voiced, I revert to what seems to me an inescapable conclusion. If the taxpayers consent to bailing out Chrysler, the country's 10th-largest corporation, there will be no way under moon or sun to stop with Chrysler. The hardships that would be faced by reorganization in bankruptcy of No. 20 or No. 30 would be different only in diminishing degree.

It would be an exercise in pure fiction, at this late date, uncritically to glorify the "free enterprise system" in the United States. The ritual homage that is constantly paid to "the marketplace" carries a fulsome ring. Longfellow's village blacksmith is moldering in the grave, and his spreading chestnut tree is made of plastic now. For more than 100 years, governmental programs have subsidized essentially private industries; to this day scores of small towns offer tax-free incentives to factories that might bring payrolls to boost the local economy.

Yet the structure of an enterprise system remains. Concepts and principles and values remain. Flawed as it most surely is, our capitalistic system is the freest in the world; it is a marvelously productive system that has brought our people a high standard of living. Sound public policies should try to strengthen the system, not to bring it to its supplicant knees.

One of the principles of the system is that an enterprise—any enterprise—rests lightly upon two floating piers: the possibility of profit, and the risk of loss. Standing in the marketplace, business managers can see forever: to unlimited success in one direction, and if they will but turn around, to unlimited failure in the other. The whole structure is undermined if the possibility of failure is removed. We thus abandon the real world and play childish games instead. "Everybody has won," cried the Dodo, "and all must have prizes."

Since Chrysler's appalling second-quarter losses were revealed two weeks ago, analysts have been discoursing learnedly on reasons for the company's plight. Management did not soon enough foresee the market for a subcompact. Management kept unprofitable facilities going for much too long. As the smallest of the Big Three, unlike Ford and General Motors, Chrysler was unable to achieve bearable per-unit costs of meeting safety and environmental requirements. Debt service mounted inexorably. And so on.

And so on, and so on. Reasons abound. The bottom line for 1978 and 1979 is a prospective loss of three-quarters of a billion dollars. Hard-hearted as it may appear, I would argue that it simply is no business of the taxpayers, through the federal treasury, to keep this leaking enterprise afloat. This is not like Penn Central, where an ailing publicly regulated railroad could be reorganized; neither is it like Lockheed, which involved a loan guarantee to an essential defense contractor; neither is it to be compared to the City of New York, a municipal corporation.

This is not to contend that government should stand coldly aloof while Chrysler goes into a Chapter X reorganization under the Bankruptcy Act. Much could be done to relieve the auto industry as a whole of demands for design changes that carry high costs and low benefits. Tax relief of general application, not aimed at Chrysler alone, might improve the situation.

But if Chrysler can't stay in the race against Ford, GM, Japan and Germany, call in the lawyers, cut the losses and bring in a salvage crew.

Mr. PROXMIRE. Mr. President, there has been tremendous pressure on Members of Congress to approve a bailout. A number of prominent lobbying firms have been hired by Chrysler. The banks will be entreating us to take them off the hook. It is going to be a very tough one to resist. I do hope the Senators will give this matter their most serious consideration.

Mr. Kilpatrick asked the proper question: Where do we stop? If we bail out Chrysler, we shall have to bail out everyone. I hope the Senators will give this article consideration.

THE GENOCIDE CONVENTION IN A NUCLEAR WORLD

Mr. PROXMIRE. Mr. President, in the 20th century, we have rapidly and blindly created a nuclear world. We have created a world in which it is easy to destroy one another, easy to act on our basest desires. In such a world, international standards of decency assume heightened importance. Nations must learn to rally together—peacefully—to preserve the rights and dignity of man.

The Senate has a treaty before it that is a prime example of international cooperation in a nuclear world. I refer to the Genocide Convention.

The purpose of the treaty is clear. Quite simply, the treaty seeks to outlaw the crime of genocide. The purpose is honorable. The treaty endeavors to establish a humane standard for human action. Furthermore, the purpose is relevant to a nuclear world. The treaty is a signal to all people and all nations that in a world where premeditated destruction is hardly unimaginable, genocide is universally condemned.

Mr. President, the Genocide Treaty cannot apply to the past. It cannot erase the fact that millions of people died in death camps as victims of genocide just 35 years ago.

But the treaty does apply to the future.

It can help to bring moral pressure to bear on those who even consider applying the technology that is available today as instruments of genocide.

In a nuclear world, we need a unified effort to preserve man's most valuable right—the right to live. We need the Genocide Convention.

Mr. President, I urge my colleagues to seek prompt ratification of the Genocide Convention.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 10, August 16, August 20, August 27, and August 28, 1979, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on August 10, August 16, August 20, August 27, and August 28, 1979, are printed at the end of the Senate proceedings.)

REPORT ON AERONAUTICS AND SPACE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 94

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 13, 1979, received the following message from the President of the United States, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit this report on the Nation's progress in space and aeronautics during 1978. This report is provided in accordance with section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476).

Included in this report are statements of policy designed to maintain American space leadership. This report concentrates on the most significant Federal space and aeronautical activities. These emphases have enabled us to reduce the amount of detail and number of separate agency program descriptions.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

REPORT ON THE FEDERAL MINE HEALTH PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 95

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 17, 1979, received the following message from the President of the United States, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Act.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this Report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979.*

REPORT OF DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 96

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 17, 1979, received the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Foreign Relations, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment

Control Act of 1974, I herewith report four new deferrals of budget authority totalling $204.5 million. These items involve economic support fund assistance for Egypt, the White House Conference on Aging, the National Alcohol Fuels Commission, and the National Commission on the International Year of the Child.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979*.

REPORT ON DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 97

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 27, 1979, received the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Foreign Relations, and the Committee on Finance, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totaling $30.1 million. These items involve human development services in the Department of Health, Education, and Welfare, emergency refugee and migration assistance in the Department of State, and the National Commission on Social Security.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979*.

REPORT ON EMPLOYMENT AND TRAINING—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 98

Under the authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 27, 1979, received the following message from the President of the United States, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am transmitting to you the 17th annual report pertaining to employment and occupational requirements, resources, uses, and training, as required by section 127(a) of the Comprehensive Employment and Training Act (CETA) Amendments of 1978.

This *Employment and Training Report of the President* also includes a report on how social services, vocational education, and other programs administered by the Secretary of Health, Education, and Welfare are being integrated into State and local CETA activities, as required by section 127(b) of the 1978 CETA Amendments; a number of special reports that respond to additional reporting requirements in the amended CETA; a report on services for veterans, as required by the Vietnam Era Veterans' Readjustment Assistance Act; and a response to the requirements of section 4(f) (2) (B) of the Full Employment and Balanced Growth Act of 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1978*.

PROPOSED FEDERAL PARTICIPATION IN THE INTERNATIONAL EXPOSITION ON ENERGY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 99

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 28, 1979, received the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with statutory requirements, I am transmitting to you my proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee from May through October 1982. The Congress has already received an FY 1980 budget amendment request, in the amount of $20.8 million, to support Federal participation. The Department of Commerce is submitting the authorizing legislation as well.

It is my determination that Federal participation is in the national interest. The Exposition will provide for an international exchange of ideas on energy development, innovative energy technology, energy conservation, solar energy, synthetic fuels and other subjects important to the national interest. Moreover, the Exposition will stimulate tourist travel to the United States, thereby improving our balance of trade, promote international cultural exchange and accelerate capital growth and investment in the Knoxville area.

My proposal includes all statutory requirements:

(1) assurance that the Exposition meets all criteria for recognition and has been recognized;

(2) a statement that the Exposition has been registered by the Bureau of International Expositions on April 27, 1977; and

(3) a plan prepared by the Commerce Department and other interested departments for Federal participation.

The plan for Federal participation provides for construction of a pavilion and preparation of energy-related exhibits.

I urge that this plan be given prompt and favorable consideration by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979*.

REPORTS BY THE UNITED NATIONS JOINT INSPECTION UNIT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 100

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 28, 1979, received the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Section 301 (e) (3) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2221), I am transmitting herewith copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979*.

FEDERAL WHITE COLLAR PAY ADJUSTMENT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 101

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 31, 1979, received the following message from the President of the United States, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Under the Pay Comparability Act of 1970, an adjustment in Federal white collar pay will be required on October 1, 1979.

I have reviewed the report of my Pay Agent and the recommendations of the Advisory Committee on Federal Pay relative to a pay adjustment. Their findings indicate that an average 10.41 percent increase, at a cost of about $6 billion, would be required to achieve full comparability with the private sector.

However, pay comparability for Federal civilian employees and the military must be viewed in the light of the current economic situation. Inflation continues to be the single greatest threat to our economy and is a national problem of foremost concern. In considering last year's Federal pay increase, I relied heavily on the pay standards the Administration was considering to guide decisions of all employers in determining pay increases. I am continuing that practice for this year's increase.

Accordingly, under the authority given to me by the Pay Act to propose an alternative pay adjustment which I consider appropriate in the light of "economic conditions affecting the general welfare," I have determined that an alternative plan consisting of an overall 7 percent increase and a partial exemption from the full effect of the limitation for the lowest-salaried civilian employees is appropriate for the Federal increase. This increase will be within the pay standard being developed by the Council on Wage and Price Stability that will apply to all employees in the country for 1980. It is somewhat higher than the increase anticipated by my 1980 budget. However, last January when my budget was submitted, we expected significantly lower rates of inflation than we have actually experienced. I believe that the loyal and outstanding service given to the country by the Government's civilian and military personnel warrants recognition of that changed circumstance and of the new pay standards for 1980.

Accordingly, I strongly urge the Congress to support the alternative plan which is attached.

JIMMY CARTER.

THE WHITE HOUSE, *August 31, 1979.*

MESSAGES FROM THE THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 7, 1979, received a message from the House of Representatives, reporting that the House has passed S. 275, an Act for the relief of Leah Mi Cohen, with an amendment in which it requests the concurrence of the Senate.

The message also reported that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 929. An act for the relief of Eun Kyung Cho and Hei Kyung Cho;

H.R. 946. An act for the relief of Maria Estela Sims;

H.R. 1153. An act for the relief of Nyoman Rahmawati;

H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanchez;

H.R. 1486. An act for the relief of Dang Petersen;

H.R. 1628. An act for the relief of Susan Katherine Adamski;

H.R. 1753. An act for the relief of Sergio and Javier Arredondo;

H.R. 1968. An act to direct the Secretary of Agriculture to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan;

H.R. 2098. An act for the relief of Antonio Rivera Aristizabal;

H.R. 3094. An act to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Company, a California corporation, and for other purposes;

H.R. 3142. An act for the relief of Michael Carl Brown;

H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas;

H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus;

H.R. 3319. An act for the relief of Jose Quintana Dominguez Sendejas;

H.R. 3434. An act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; and

H.J. Res. 367. A joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979 as "National Meals on Wheels Week".

HOUSE BILLS AND JOINT RESOLUTION REFERRED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the following bills and joint resolution were referred as indicated:

H.R. 929. An act for the relief of Eun Kyung Cho and Hei Kyung Cho; to the Committee on the Judiciary.

H.R. 946. An act for the relief of Maria Estela Sims; to the Committee on the Judiciary.

H.R. 1153. An act for the relief of Nyoman Rahmawati; to the Committee on the Judiciary.

H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanchez; to the Committee on the Judiciary.

H.R. 1486. An act for the relief of Dang Petersen; to the Committee on the Judiciary.

H.R. 1628. An act for the relief of Susan Katherine Adamski; to the Committee on the Judiciary.

H.R. 1753. An act for the relief of Sergio and Javier Arredondo; to the Committee on the Judiciary.

H.R. 1968. An act to direct the Secretary of Agriculture to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan; to the Committee on Energy and Natural Resources.

H.R. 2098. An act for the relief of Antonio Rivera Aristizabal; to the Committee on the Judiciary.

H.R. 3094. An act to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Company, a California corporation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3142. An act for the relief of Michael Carl Brown; to the Committee on the Judiciary.

H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas; to the Committee on the Judiciary.

H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus; to the Committee on the Judiciary.

H.R. 3319. An act for the relief of Jose Quintana Dominguez Sendejas; to the Committee on the Judiciary.

H.R. 3434. An act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Finance.

H.J. Res. 367. A joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week"; to the Committee on the Judiciary.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON DISEASE CONTROL PROGRAMS—MESSAGE FROM THE PRESIDENT—PM 102

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the Report to the President on Disease Control Programs.

This report was prepared by the Department of Health, Education, and Welfare in accordance with P.L. 94-317, the "National Consumer Health Information and Health Promotion Act of 1976."

JIMMY CARTER.

THE WHITE HOUSE, *September 5, 1979.*

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 12:16 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1146. An act to extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act; and

H.J. Res. 244. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. LEVIN).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 5, 1979, he presented to the President of the United States the following enrolled bill:

S. 1146. An act to extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the order of the Senate of August 3, 1979, the following reports of committees were submitted on August 9, 1979:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with amendments:

S. 493. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes (together with additional views) (Rept. No. 96-307). Referred, pursuant to the order of February 26, 1979, jointly to the Committee on Finance to consider title V only, and to the Committee on Environment and Public Works for not to exceed sixty calendar days, and that such committees are required to file separate reports.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 1398. A bill to establish energy efficiency standards for industrial equipment (Rept. No. 96-308).

HEALTH PLANNING AND RESOURCES DEVELOPMENT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. JACKSON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend title XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; which was ordered to be printed (Rept. No. 96-309).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special Report entitled "Second Monetary Policy Report for 1979" (together with additional views) (Rept. No. 96-310).

Pursuant to the order of the Senate of August 3, 1979, the following reports of committees were submitted on August 24, 1979:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Con. Res. 36. An original resolution revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 (together with supplemental, additional, and minority views) (Rept. No. 96-311).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment, but with a preamble:

S. Con. Res. 29. A concurrent resolution regarding the restoration of Olympic records of the late James (Jim) Thorpe (Rept. No. 96-312).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EXON:

S. 1709. A bill for the relief of Teodoro A. Ando, M.D.; to the Committee on the Judiciary.

By Mr. HATCH:

S. 1710. A bill to provide procedures for calling Federal constitutional conventions under Article V for the purpose of proposing amendments to the United States Constitution; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 1711. A bill to amend the authorization for the Santa Ana River flood control projects in the State of California; to the Committee on Environment and Public Works.

By Mr. ROBERT C. BYRD (for Mr. INOUYE):

S. 1712. A bill for the relief of Ms. Yukari Goldwater; to the Committee on the Judiciary.

S. 1713. A bill for the relief of Dr. Kenneth P. K. Ng; to the Committee on the Judiciary.

S. 1714. A bill for the relief of Ms. Saturnia V. Bonifacio; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 1715. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

By Mr. MORGAN (for himself, Mr. DURKIN and Mr. TSONGAS):

S. 1716. A bill to establish a Solar Energy Development Bank to help make available below market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY:

S. 1717. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1710. A bill to provide procedures for calling Federal constitutional conventions under article V for the purpose of proposing amendments to the U.S. Constitution; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1710

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. (a) The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more specific amendments to the Constitution of the United States and stating the general subject of the amendment or amendments to be proposed.

(b) The procedures provided by this Act are required to be used whenever application is made to the Congress, under article V of the Constitution of the United States, for the calling of any convention for the purposes of proposing one or more specific amendments to the Constitution of the United States, each applying State stating in the terms of its application the general subject of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or withdrawing a resolution pursuant to section 2 and section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, except that the action shall be valid without the assent of the Governor of the State.

(b) Questions concerning the State legislative procedure and the validity of the adoption or withdrawal of a State resolution cognizable under this Act are determinable by the State legislature.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution, the exact text of the resolution signed by the presiding officer of each house of the State legislature, the date on which the legislature adopted the resolution, and a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution; and

(2) to the extent practicable, a list of all State applications in effect on the date of adoption whose subject or subjects are substantially the same as the subject or subjects set forth in the application.

(c) Within ten day after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the general subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner withdrawn by the State legislature, shall remain effective for the lesser of the period specified in such application by the State legislature or for a period of seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same general subject all such applications shall remain in effect until the Congess has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may withdraw its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of withdrawal in conformity with the procedures specified in sections 3 and 4 of this Act, except that no such withdrawal shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same general subjects.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each general subject. Whenever applications made by two-thirds or more of the States with respect to the same general subject have been received, the Secretary and the Clerk shall so report within five days, in writing to the officer to whom those applications were transmitted, and such officer within five days thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall then be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same general subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same general subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that general subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the general subject of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than six months after adoption of the resolution.

DELEGATES

SEC. 7. (a) Each State shall appoint, in such manner as the legislature thereof may direct, a number of delegates, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress. No Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed as delegate. Any vacancy occurring in a State delegation shall be filled by appointment of the legislature of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the President of the Senate and the Speaker of the House of Representatives the name of each delegate elected or appointed by the legislature of the State pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest duing their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

CONVENING THE CONVENTION

SEC. 8. (a) Of those persons serving as chief justices of the State supreme courts, the person who is senior in years of service as such a chief justice shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to comply with the Constitution of the United States and the provisions of this Act. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) No Federal funds may be appropriated specifically for the purposes of payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. No convention called under this Act may propose any amendment or amendments of a general subject different from that stated in the concurrent resolution calling the convention.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of thirty days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the mode of ratification in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a general subject which differs from or was not included as one of the general subjects named or described in the concurrent resolution of the Congress by which the convention was called. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of thirty days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the mode in which such amendment shall be ratified, and a copy of this Act. Such concurrent resolution may also prescribe the time within which such amendment shall be ratified in the event that the amendment itself contains no such provision. In no case shall such a resolution prescribe a period of ratification of less than four years.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified consistent with the provisions of article V of the Constitution of the United States.

(b) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

JUDICIAL REVIEW

SEC. 15. (a) Any State aggrieved by any determination or finding, or by any failure of Congress to make a determination or finding within the periods provided, under section 6 or section 11 of this Act may bring an action in the Supreme Court of the United States against the Secretary of the Senate and the Clerk of the House of Representatives or, where appropriate, the Administrator of General Services, and such other parties as may be necessary to afford the relief sought. Such an action shall be given priority on the Court's docket.

(b) Every claim arising under this Act shall be barred unless suit is filed thereon within 60 days after such claim first arises.

(c) The right to review by the Supreme Court provided under subsection (a) does not limit or restrict the right to judicial review of any other determination or decision made under this Act of such review as is otherwise provided by the Constitution or any other law of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 16. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

CONSTITUTIONAL CONVENTION IMPLEMENTATION ACT OF 1979

Mr. HATCH. Mr. President, article V of the U.S. Constitution provides that constitutional amendments may be proposed in either of two ways. The first—the means by which every successful amendment to the Constitution has been proposed—requires the agreement of two-thirds of each House of Congress. The second requires the agreement of a convention called by Congress in response to the petitions of two-thirds of the State legislatures. Ratification of amendments proposed through either method is to be done either by the legislatures, or by conventions, in three-fourths of the States, depending upon the decision of Congress.

Largely as a result of the fact that the convention method of constitutional revision has never been successfully employed, there are substantial questions that relate to it:

What exactly constitutes a valid petition to the Congress?

What procedures must a State follow in submitting a petition?

Must the precise language of the proposed amendment be included within the petition?

How similar must the language be in the petitions of various States in order to allow them to be aggregated?

How long does a petition remain valid? May such petitions be rescinded by the States?

What is the extent of congressional power to review petitions? What is the extent of congressional power to restrict the deliberations of the convention?

What is the extent of State power to restrict the deliberations of the convention?

How is the convention to be organized? How are the States to be represented at the convention?

May Congress refuse to submit the product of a convention to the States for ratification?

How are constitutional convention-proposed amendments to be ratified in the States?

With respect to most of these questions, there is very little constitutional guidance. The relevant language of article V states simply:

> The Congress . . . on the application of the legislatures of two-thirds of the several states, shall call a convention for proposing amendments.

Nor are there useful precedents in view of the fact that there has never been a constitutional convention. Each of the questions involved in this, the "alternative" means of amending the Constitution, is therefore a threshold question.

Article I, section 8, clause 18 of the Constitution invests authority in Congress to—

> Make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this constitution in the government of the United States.

This provision clearly authorizes the Congress to pass legislation that would give effect to the convention method of constitutional alteration. This would be a direct function of its article V authority to "call" a convention pursuant to petitions by two-thirds of the States.

OBJECTIVES OF ACT

I am introducing legislation, the "Constitutional Convention Implementation Act," which would fill in the interstices of article V. It is particularly important that this body act on this, or similar legislation, in view of the fact that at least 30 State legislatures have already purported to submit petitions to Congress for the convening of a constitution convention on the subject of a balanced budget amendment. I would hope that this act, however, could be considered separately from the merits of this specific amendment. The "Constitutional Convention Implementation Act" is designed to establish what are basically neutral procedures to guide the conduct of constitutional conventions generally. While the imminence of a convention of the matter of a balanced budget has clearly created the urgency for this legislation, the act is designed neither to facilitate nor obstruct the eventual achievement of a balanced budget amendment, or any other constitutional amendment.

One must look to the policy underlying the establishment of the convention form of amendment in order to construct a fair procedures bill. Even a cursory analysis of the original constitutional convention (convened under the auspices of the articles of confederation) would suggest that the final provision of article V resulted from a compromise between those delegates who sought to invest proposal authority solely in Congress and those who sought to invest it solely in the State legislatures. The two modes of initiating amendments were viewed as essentially equivalent alternatives, each of which was to serve as a check upon the intransigence of either the National Legislature or the State legislature in the matter of proposing constitutional revision.

In view of this fundamental purpose, I believe that legislation giving effect to the convention method of amendment should be such that resort to its use will not render the Constitution "too mutable" (the Federalist No. 43) while at the same time insuring that it will not be rendered null and void because it is too cumbersome a method. The amendment process should never be one that can be successfully employed with great ease, yet neither should it be a process totally incapable of being used to alter the Constitution. It is this general philosophy that guides congressionally-initiated amendments and would seem most appropriate with respect to convention-initiated amendments as well.

PROVISIONS OF ACT

I would like to briefly discuss the provisions of this act and explain their justification. I should add at the outset my debt to the efforts of our former colleague, Senator Sam Ervin. While my bill differs in a number of respects from legislation that Senator Ervin successfully shepherded through the Senate in 1971, its basic structure is closely related to that legislation. This measure has been reintroduced in the present Congress as S. 3 by our distinguished colleague from North Carolina (Senator HELMS).

Section 1 of my bill states that its short title is the "Constitutional Convention Implementation Act of 1979."

APPLICATIONS FOR CONVENTION

Section 2 states the manner in which States are to make applications for a constitutional convention. It states simply that the legislature shall state, within its application for a convention, the "General Subject" of the amendment or amendments to be proposed. It is expected that the application is to be sufficiently precise so as to enable Congress to determine whether or not the application ought to be aggregated with the applications of other States. It would not, for example, be enough for a State to say that it desired a convention for the purpose of "improving the functioning of the executive branch of the Federal Government," and have it aggregated with an application specifying its desire for a convention for the purpose of "considering changes in the length of the presidential term of office."

The purpose of the initiating process is to determine that there exists some form of consensus among the States on the matter of a relatively well-defined area of amendment. This consensus cannot fairly be said to be in evidence if aggregation is to be permitted of applications that are, at best, only incidentally related.

On the other hand, it cannot reasonably be expected that identical, or even nearly identical, language be employed in petitions that ought to be aggregated. Such a requirement is highly unrealistic with respect to fifty diverse State legislative bodies; the imposition of such a rigid rule would effectively render the alternative method of amendment provided in article V useless. Further, to the extent that a petition was required to be precise, either with respect to the specific amendment sought, or the specific language sought, there would be little use for the convention itself. To limit the convention to the consideration of a single, meticulously worded amendment is to make the convention a farce. In order for the convention to be a meaningful part of the article V process, it must have some leeway within which to exercise its legitimate discretion.

LIMITED CONVENTIONS

That this discretion, however, is not without its limits is the subject of section 2(B), and, indeed, is the basic theme of the "Constitutional Convention Implementation Act." This section states that the procedures provided in the act are to be followed in the case of applications for what are commonly referred to as "limited conventions." Such conventions are defined for the purposes of this act as conventions "for the purpose of proposing one or more specific amendments to the Constitution of the United States." Implicit in this section is the recognition that the States may call for the convening of either "limited" or "general" conventions; it is, however, simply with respect to the former that the terms of this act apply.

A "general" convention would be one in which the States petitioned for a convention, not with any specific or limited purposes in mind, but for the purpose of making whatever revisions were deemed necessary or desirable by the convention itself. It is this sort of convention that poses such great concerns to most observers, including myself. I am far from confident that a contemporary "General" convention could do much to improve upon the work of Madison, Hamilton, and Mason. While there is no way that Congress, through passage of a simple statute, could preclude the States from requesting a "general" convention—this is their right under article V—neither is Congress precluded from clarifying that the States are fully within their rights in seeking a "limited" convention.

There is significant academic dispute as to the possibilities of a "limited" constitutional convention. Prof. Charles Black of the Yale Law School, for example, believes that the constitutional convention is a "free agent," sovereign and without limitations. According to this theory, the convention represents the premier assembly of the people, and is therefore supreme to all other Government branches and agencies.

I would disagree with this interpretation. The constitutional convention, while clearly a unique and separate element of the Government—a new branch of the Government, so to speak—is subject to the same limitations and checks and balances as the other, permanent branches of the Government. A constitutional convention, as its name clearly implies, is a constitutional entity; it is appointed under the terms of the Constitution and subject to all of the express and implied limitations imposed by that document. As observed by Professor Jameson in his classic work on constitutional conventions:

> The convention's principal feature is that it is subaltern—it is evoked by the side and at the call of a government pre-existing and intended to survive it, for the purpose of administering to its special needs. It never supplants the existing organization. It never governs. Though called to look into and recommend improvement in the fundamental laws, it enacts neither them nor the statute law; and it performs no act of administration.

The Federal constitutional convention is an instrument of the Government, and acts properly only when it acts in conformity to its authorized powers.

There is nothing in the language of article V to suggest that the convention method of amendment cannot be limited to a single area of amendment; although the article states that the convention is to be convened for the purpose of proposing "amendments," resort to the plural is made also in describing the scope of Congress' proposing authority. The symmetry between the competing processes of constitutional amendment is emphasized by Madison in the Federalist No. 43 in discussing the objectives of article V:

> That useful alterations will be suggested by experience, could not be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the State governments to originate the amendment of errors as they may be pointed out by the experience on one side or on the other.

It was clearly contemplated that the convention anticipated specific amendment or amendments, rather than general revisions, and that no distinction was to be drawn between the competing methods of amendment in this respect.

To enable Congress to propose specific constitutional amendments while allowing the States only to propose general constitutional revision is to confer markedly unequal powers of amendment upon these governments, an intention contradicted by the unanimous weight of documentary evidence. If the States are to have no ability to control the actions of a convention in the form of their convention applications, then there will be strong disincentives for them to seek such conventions. In the absence of broadbased dissatisfaction with the existing constitutional system, why should they want to create the threat or possibility of a convention acting beyond the scope of the application? Why, in seeking to originate the "amendment of errors" described by Madison, should the States have to risk total revision of the constitutional system?

It is anomalous that in seeking to correct what might be a narrow defect in the system that the States should have to place the entire system in jeopardy? What better means could there be to "perpetuate the discovered faults" of the system? What better means could there be to place the convention system of amendment in an unequivalent position to the congressional system of amendment? What better means could there be to completely discourage any and all resort to the convention means of constitutional amendment?

It is the States, not Congress, that ought to properly have the ability to limit the scope of the convention, through the convention applications. While Congress, under section 6 of the "Constitutional Convention Implementation Act," is empowered to specify in its call for the convention the scope of permissible deliberations, it is performing basically an administrative, nondiscretionary function in doing so; it is simply translating the State applications into a formal convention call.

APPLICATION PROCEDURES

Section 3 of the act specifies that the procedures to be followed in making a convention application are generally to be those established by the States themselves. Section 3(a) states that for the purpose either of adopting a resolution or withdrawing one (pursuant to section 6) the State legislature is to follow the same rules of procedure that govern the enactment of a simple statute, except that the action is to be considered valid without the assent of the Governor of the State.

Thus, the term "legislatures" in article V is treated in the same manner for the purpose of convention applications as it has traditionally been treated for the purpose of amendment ratification. It has generally been thought that, had the Founders intended to require gubernatorial participation in the amendment process, they would have made express reference either to the need for ratification or proposal by the "States," or by the legislatures with the assent of the "Executive." As the Supreme Court has observed in *Lester* v. *Garnett* 258 U.S. 130, 137 (1922):

> The function of the State legislature in ratifying a proposed amendment to the Constitution, like the function of Congress in proposing the amendment, is a Federal function derived from the Federal Constitution; and it transcends any limitations sought to be imposed by the people of a State.

In an analogous decision, the Court in the early case of *Hollingworth* v. *Virginia* 3 Dall. 376 (1798) interpreted the provisions of article V to require the exclusion of the national executive from the amendment process.

Section 3(b) provides further that questions concerning the validity of application procedures are to be decided by the State legislatures themselves. While recognizing that, in pursuit of their authority under article V, the States are acting in a quasi-Federal capacity, rather than in a purely State role, it would nevertheless be incongruous for any body to determine whether or not there has been procedural regularity in a State legislative action other than the State legislature itself.

In *Field* v. *Clark* 143 U.S. 649 (1892), it was decided by the Supreme Court that the procedural requirements of the legislative process were presumed to have been satisfied when legislation was formally certified by the appropriate legislative officers. Rather than intruding Congress or the courts into this area, there is no reason why this traditional rule ought not to continue to apply with respect to convention application actions. There is no compelling reason why article V should require sacrifice by the State legislatures of their right to regulate their own proceedings.

TRANSMISSION OF APPLICATIONS

Section 4 of the act specifies the means by which the States are to transmit their applications for a convention to Congress. Section 4(a) states that, within 30 days of the adoption by a State of an application, the appropriate official is to transmit copies to the President of the Senate and the Speaker of the House of Representatives.

Section 4(b) directs the States to include within these applications: the title of the resolution, the exact text of the resolution, the date of adoption, and an official certification. In addition, States are encouraged, but not compelled, to list in the application other effective State applications which are deemed to concern substantially the same subject. While such a listing is not expected to be conclusive with respect to Congress, it is nevertheless considered that such a listing will be useful to Congress in carrying out its responsibilities in aggregating similar applications.

Section 4(c) requires each house to establish a public record of each State application, and to notify each State legislature of the fact of each application. Through internal procedures to be determined by each House of Congress, Congress would be charged with making its decisions on whether or not to aggregate applications within the 10-day period following each new application. The criteria would be whether or not the applications referenced the "same general subject or subjects."

As observed earlier, it is the objective of this language to ensure the existence of some real consensus among the States with respect to the need for constitutional revision in some relatively circumscribed area. At the same time, in order not to interfere with the legitimate freedom of action of a convention, there ought not to be the requirement of extreme precision, either in the text or in the subject-matter. The language contained in the bill is designed to draw some rough balance between these requirements.

In order to ensure that the consensus for a constitutional amendment remains a relatively "contemporaneous" one (see *Dillon* v. *Gloss* 256 U.S. 368 (1921)), section 5(a) states that an application shall be effective for no longer than a 7-year period, with shorter effective periods contained within the body of an application to be respected. The court in Dillon stated that,

> Proposal and ratification are not treated as unrelated acts but as succeeding steps in a single endeavour, the natural inference being that they are not to be widely separated in time . . . must reflect the will of the people in all sections at relatively the same period which of course ratification scattered through a long series of years would not do . . . We do not find anything in article V which suggests that an amendment once proposed is to be open for ratification for all time, or that ratification in some of the states may be separated from that in others by many years and yet be effective.

Similarly, State convention applications and the "calling" of a constitutional convention are not unrelated acts, but necessary, succeeding steps in a single endeavor. There should be a "reasonable" relationship in time (see *Coleman* v. *Miller*, 307 U.S. 433 (1938)) between these actions. There is the same need to avoid staleness of applications to Congress as there is to avoid staleness of amendment proposals to the States.

In view of the fact that every amendment proposed by Congress, except one, since the 18th amendment has contained a 7-year time limitation either in the body or in the enacting clause, it was decided to use the same period for determining effectiveness of applications.

Section 5(b) authorizes States to withdraw their applications at any time prior to the time that there are a sufficient number of valid applications before Congress to enable it to call a convention. There would seem to be no valid policy reason for denying them this right. Indeed, in order to insure that the amendment process reflects the notion of "contemporaneous consensus," it is vital that the States have the right to reconsider and reverse their application decisions. States should not be dragooned unwillingly into artificial consensuses because of an inability to rethink earlier application decisions.

CALLING OF THE CONVENTION

Section 6 of the "Constitutional Convention Implementation Act" relates to the actual calling by Congress of the convention. It provides that, upon receipt in each House of that application putting two-thirds of the States in agreement on the need for some amendment, it is the duty of that House to call for the convening of a Federal constitutional convention on that general subject. Congress is to designate the time and place of the meeting of the convention, and set forth the general subject of the amendment or amendments for consideration. The convention is to be convened not later than 6 months following the adoption by Congress of its resolution.

Despite some popular misconceptions on this point, it is obligatory that Congress call a convention upon the receipt of valid applications by two-thirds of the States. Alexander Hamilton observed in the Federalist No. 85 that—

> The national rulers, whenever nine states concur, will have no option upon the subject. By the fifth article of the plan, the Congress will be *obliged* "on the application of the legislatures of two thirds of the states to call a convention for proposing amendments" . . . the words of this article are peremptory. The Congress "shall call a convention". Nothing in this particular is left to the discretion of that body.

James Madison, in a 1789 letter, remarked further—

> It is to be observed however that the question concerning a general convention will not belong to the Federal legislature. If two-thirds of the States apply for one, Congress cannot refuse to call it.

CONVENTION DELEGATES

Section 7 relates to the selection of delegates to the constitutional convention. The language is taken nearly verbatim from article II, section 1, paragraph 2 of the Constitution concerning the selection of Presidential electors. The "Great Compromise" between the larger and the smaller States is carried over into the selection of convention delegates with each State being entitled to that number of delegates equal to the combined number of its Senators and Representatives in Congress. The States are given a free hand in selecting their delegates in whatever (otherwise constitutional) manner they think appropriate. If the experience of the electoral college is at all relevant, and I believe that it is, each of the States will undoubtedly introduce some means of popular election for the delegate positions.

While there are those who would prefer to see a delegate selection system more precisely based upon population, I see no reason not to extend smaller States that slight disproportionate influence in the proposal of amendments through the convention system that they currently enjoy in the proposal of amendments through the congressional system. This is the method of delegate selection that most closely conforms to the basis for congressional representation, and which would most closely aline the alternative systems of proposing amendments.

Section 7 also excludes Members of Congress, the very embodiment of the national influence, from serving as convention delegates, directs the States to coordinate its delegate lists with the House and Senate, and confers the same immunity from arrest upon convention delegates, for the duration of the convention, that article I, section 6 of the Constitution confers upon Members of Congress.

CONVENING OF CONVENTION

Section 8 directs each delegate to the convention to subscribe to an oath by which he commits himself, during the conduct of the convention to "comply with the Constitution of the United States and the provisions of this act." As I discussed earlier, I do not believe that the concept of a "limited" convention is precluded in any manner by article V. The purpose of this purposely broad oath is simply to give effect to any limitations that may have been placed upon a convention by Congress acting on behalf of the States. Since the provisions of the "Constitutional Convention Implementation Act" purport to represent congressional interpretation of the provisions of article V, it is perhaps unnecessary to specify compliance with these as part of the delegate oath. I felt, however, that specificity was desirable in order to clarify that Congress is acting wholly within its appropriate authority in filling in the gaps of article V, and that the delegates to the convention themselves are not empowered to alter this interpretation.

Administering the oath of office to the delegates would be that chief justice serving on a State supreme court with the greatest seniority in that position. Rather than having the Vice President, or the Chief Justice of the United States fill this function, it is my belief that what is basically a State convention should remain that and not run any unnecessary risks, however remote, of being influenced by national officials. I stress the basic purpose for including the convention method of amendment in article V—the need for the States to be able to amend the Constitution in the face of an intransigent national Government.

CONVENTION PROCEDURES

Section 8 also states clearly that the convention itself is to have responsibility for drawing up its own rules of procedures, rather than Congress. No Federal funds whatsoever may be appropriated specifically for the purposes of payment of the expenses of the convention, except that the Administrator of the General Services Administration is authorized to provide facilities for the convention. At the request of the convention, the Federal Government is also permitted to provide sundry information and assistance to the convention.

Section 9 creates a single exception to the convention's prerogatives to determine its own rules by specifying that each delegate is to be entitled to a single vote on all questions before the convention.

The section also provides that the convention is to maintain a daily verbatim record of proceedings, analogous to the CONGRESSIONAL RECORD. All records of official proceedings are to be transmitted by the convention to the National Archives within 30 days following termination of the proceedings of the convention.

Section 10 again underscores the premise of this act that a "limited" convention to amend the Constitution may properly be called. It restates what is already implicit in the act that a convention called under its terms may not propose amendments of a "general subject" different from that stated in the convention's charter—the resolution approved by Congress. The convention exercises no legitimate governmental authority beyond that granted by the States through Congress. The convention is morally obliged to limit its considerations to the subjects set forth in the State applications; I believe further that it is appropriate for Congress to establish a legal obligation to this same effects.

SUBMISSION OF AMENDMENTS TO STATES

Section 11 concerns the procedures through which the convention product is submitted to the States for ratification. Within 30 days after the completion of the convention, its Presiding Officer is to transmit the exact text of any proposed amendments to Congress. The officers of each House, within 30 more days of continuous session, are to transmit the amendments to the General Services Administrator who, in turn, is to submit the amendments to the States. The amendments are to be accompanied by a congressional resolution specifying, pursuant to article V, the mode of ratification—whether it is to be ratified by the State legislatures or by special ratifying conventions within each of the States.

Congress may refuse to transmit an amendment and resolution to the States, through the GSA, only if it makes the determination that the amendment "relates to or includes" a general subject which differs from or was not included as one of the general subjects within the scope of the convention's authority. The objective is to provide some remedy to a failure by the convention to honor the limitations on its authority to propose amendments to the Constitution. Congress has no power whatsoever to refuse to submit an amendment because of disagreement with its substantive merits. Nor is it empowered to refuse to submit an amendment because of what it perceives as procedural irregularities in the proceedings of the convention. Convention procedure is not within the ambit of congressional concern; checks upon procedural abuse must come from the States themselves in the form of the ratification process. Because this check also exists with respect to conventions acting in an ultra vires manner, it is hoped that Congress will resolve any doubts as to whether or not the convention acting within the scope of its authority in favor of an affirmative finding.

RATIFICATION OF AMENDMENTS

Section 12 of the act, borrowing language directly from article V, states simply that amendments proposed by "limited" constitutional conventions are to become part of the Constitution when ratified in accordance with the terms of article V—by three-fourths of the States in a timely and proper manner. Certified copies of the ratification document are to be forwarded by the States to the General Services Administration, although the ratification itself becomes effective once action is completed within the State legislature, *Dillon* v. *Gloss* 256 U.S. 368, 376 (1921).

Section 13 expressly holds that the States are free to reconsider and reverse their ratification decisions, at least until that point that an amendment has been ratified by three-fourths of the States. Thus, any State may ratify a proposed amendment after having previously rejected it, or may rescind an earlier ratification of a proposed amendment. It is again my view that the most reliable determination of the existence (or lack thereof) of a "contemporaneous consensus" can be made if the States are free to reconsider and rethink their ratification decisions until that point that three-fourths of the States are in agreement in support of amendment, or until that point that a "reasonable" period of time has passed for ratification. My views on the matter of rescission of ratifications are discussed at far greater length in the CONGRESSIONAL RECORD of October 4, 1978, at pages 33351–33353.

Section 14 imposes upon the General Services Administrator the duty to proclaim the final ratification of an amendment once it is in receipt of certifications of ratification from three-fourths of the States. As section 16 clarifies, however, this is an administrative duty of a symbolic nature, not one with an impact upon the actual effectiveness of an amendment. Under article V (and section 16), the amendment becomes part of the Constitution at the moment the final State has ratified, or on any date specified in the body of the amendment itself.

JUDICIAL REVIEW

Finally, section 15 discusses the role of the judicial branch in the constitutional convention process. It establishes two express situations in which an aggrieved State may bring a direct action in the Supreme Court, pursuant to article III, section 2 of the Constitution. The first involves cases in which a State disputes any determination or finding by Congress, or the failure of Congress to make a determination or finding, with respect to its section 6 responsibilities. Section 6 requires Congress to "call" a convention upon determining the existence of valid applications for such a convention from two-thirds of the States.

The second situation involves cases in which Congress actions with respect to its section 11 responsibilities are questioned. Section 11 requires Congress to submit amendments proposed by the convention to the States unless it determines that the convention acted on subject matter ouside the purview of its authority.

Section 15(c) expressly states that these two actions may not be inclusive concerning the right to a Supreme Court hearing, and that nothing in the act is intended to preclude such review "as is otherwise provided by the Constitution or any other law of the United States." Section 15 further requires suit to be brought within 60 days of a claim, either against the Secretary of the Senate and the Clerk of the House, the General Services Administrator, or "such other parties as may be necessary to afford the relief sought."

Thus, I would reject that version of the so-called "political questions" doctrine that suggests that all interpretative matters deriving from article V are to be resolved by Congress solely at its discretion. I find it ironic that so many individuals who have been so sympathetic to the advance of judicial activism in recent years are also those who would deny the Federal courts, particularly the Supreme Court, their constitutional obligation to interpret the plain language of that document. My views on the "political questions" doctrine are explained more thoroughly in the CONGRESSIONAL RECORD of October 4, 1978, at pages 33351–33352.

CONCLUSION

Mr. President, the convention method of constitutional amendment has been defended and described as an essential component of our Constitution by such men as James Madison, Alexander Hamilton, George Washington, Benjamin Franklin, and Abraham Lincoln. While no amendment has ever been ratified that has been proposed through this method, it has nevertheless exerted its influence in indirect ways. The 17th amendment to the Constitution, for example—providing for the direct election of U.S. Senators—was proposed by Congress in 1912 in response to an effort in the States to call a convention on this subject. Other convention efforts on such matters as Federal tax limitations and State legislative apportionment have also evoked a significant congressional response. It is clear, too, that the present "balanced budget" movement is having an impact upon national public policy.

It is necessary, however, in order to insure some measure of symmetry in the alternative amendment processes under article V to establish some clear-cut procedures for resort to the convention method. While the absence of legislation such as the "Constitutional Convention Implementation Act" will not preclude the States from exercising their right to call a convention, it will insure that the amendment process will not become bogged down in constant litigation, partisan political decisions, and uncertainty. The primary effect of this can only be to undermine the integrity of our constitutional system. In the process, also, we will be eroding one of the basic elements for preserving some semblance of balance between the national and the State governments, as observed by Alexander Hamilton,

> The most powerful obstacle to the Members of Congress betraying the interest of their constituents is the State legislatures themselves, who will be standing bodies of observation, possessing the confidence of the people, jealous of Federal encroachments and armed with every power to check the first essays at treachery.

While there is no one who respects more than I do the achievement of the Founding Fathers, nor anyone who would place a greater burden of proof upon those who propose to alter the Constitution, I would nevertheless agree with Malcolm Eiselen who stated (in 1937):

> To assume, as many apparently do, that a second convention could alter the Constitution only for the worse . . . is an unwarrantable libel upon the creative statesmanship and political sagacity of the American people.

A more contemporary observer has noted:

> To those who fear a "runaway convention", it need only be observed that the only group threatening to run away with it so far is Congress itself.

The purpose of the "Constitutional Convention Implementation Act" is to prevent both Congress and the Constitutional Convention from acting outside the scope of each of their proper authority. It is designed to insure that the States, in the event that Congress remains intransigent with respect to some deeply felt public problem, are able to circumvent Congress and act on their own to remedy such a situation. It is designed also to insure that the States—and Congress—are not forced to surrender totally their sovereignty to the Convention. It is designed to insure that the same matrice of constitutional checks and balances are applicable to the Constitutional Convention as to the other more permanent institutions within our governmental system. There can be no "runaway" Convention unless, ultimately, the dissatisfactions of the people are so broad and pervasive that it is a "runaway" Convention that they expressly request. The best way that Congress can work to insure that this never becomes the case is to allow the people and the States to work their will under established procedures when their grievances are more narrow, rather than allowing them to fester as a result of contrived "procedural irregularities." It is occasionally sobering to some of my colleagues, yet it is true, that ultimately it is the citizenry, not Congress, that is the responsible party in our political system.

By Mr. CRANSTON:

S. 1711. A bill to amend the authorization for the Santa Ana River flood control project in the State of California; to the Committee on Environment and Public Works.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize initial construction of the Santa Ana River flood control project in California.

The Santa Ana River poses one of the most serious flood threats in California. Improvements are urgently needed to provide flood protection to the urbanized portions of Orange, Riverside, and San Bernardino Counties.

Following disastrous floods in 1938, the Corps of Engineers built Prado Dam on the Santa Ana River to provide protection to Orange County from what was then considered a 200-year flood. In reliance upon this protection, the area below the dam has been heavily developed. It now has a population of over 1 million people and property valued at $16 billion.

However, with advancements in the field of hydrology, we have learned that Prado Dam is inadequate and cannot control floods larger than the 70-year flood. Experts now say that if the 200-year "standard project flood" were to occur, it would inundate about 115,000 acres and cause property damages and economic losses in excess of $3.4 billion. The potential loss in the future is even greater as the Santa Ana River Basin continues to be one of the fastest growing areas in the Nation.

In 1964, the House Committee on Public Works—at the request of Orange, Riverside, and San Bernardino Counties—authorized the corps to study the flood problem on the Santa Ana River. In 1976, more than 10 years later, the division engineer issued the review report on the main stem of the Santa Ana River and recommended construction of improvements described in alternative six, the all river plan.

The State of California and the Boards of Supervisors of Orange, Riverside, and San Bernardino Counties all support the all river plan as the appropriate plan for reducing the flood hazard on the Santa Ana River. This plan calls for the elevation of Prado Dam by 30 feet, construction of a second dam near Mentone, enlargement of the Santa Ana River channel from Prado Dam to the Pacific Ocean, channelization of Santiago Creek in the cities of Orange and Santa Ana, and channelization of Oak Street drain in the city of Corona.

Because the all river plan—with its cost sharing of about 11 percent State-local funding—is the only plan which has the support of all three local jurisdictions involved, it is the only flood control plan that is viable for the Santa Ana River Basin. Recognizing this fact, the Congress in 1976 authorized phase 1 design memorandum stage of advanced engineering and design of the Santa Ana River project in accordance with the recommendations of the division engineer in his report of February 27, 1976. Since that time, the corps has been working on the phase 1 design memorandum which is scheduled to be completed in early 1981.

In order to prevent any delay in actual construction of the Santa Ana River improvements, it is important that Congress move forward with the construction authorization this year. The longer we wait to commence construction, the higher the cost of the project will be. In fact, the total estimated project cost has increased nearly $250 million since 1975, up to $990 million this year.

The bill I am introducing today amends the existing phase 1 authorization for the Santa Ana River project to permit the Corps of Engineers to proceed with actual construction. It is my understanding that the corps could use $100 million through fiscal year 1985 to initiate construction of the project. Thus, my bill limits the authorization to that amount.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 109 of the Water Resources Development Act of 1976 (Public Law 94-587) is amended: (1) by striking out "the Phase 1 design memorandum stage of advanced engineering and design" and inserting in lieu thereof the following "construction of a"; (2) by striking out "an estimated cost of $700,000" and inserting in lieu thereof the following "a cost not to exceed $100,000,000 through fiscal year 1985 for initiation and partial accomplishment of such project"; and (3) by striking out the second sentence.●

By Mr. STEVENS:

S. 1715. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

● Mr. STEVENS. Mr. President, today I am introducing a bill for the private relief of Mr. Jerry Crow. Mr. Crow has been the victim of a broad interpretation of the law, in that he has been denied a claim of trade and manufacturing site on which he worked, improved, and ran a business according to the regulations of section 10 of the act of May 14, 1898.

Many are the circumstances where bureaucratic redtape and different interpretations of law can detrimentally affect the individuals whom we represent. The individuals involved in these circumstances often encounter adversities that could have been avoided; however, when the adversities are not avoided, we as their representatives must seek relief.

Jerry Crow is a man who is caught up in these ambiguous interpretations and redtape of an act concerning trade and manufacturing land sites. Mr. Crow followed all regulations in filing a claim for a land site of T. & M. off the Denali Highway in the Fairbanks meridian. The regulations of the act require that the land be possessed and occupied in good faith as a trade and manufacturing site and that the applicant show that the land is used and occupied for the purposes of trade or manufacturing. The regulation also requires that a site for a "prospective business" cannot be acquired under section 10 of the act of 1898, prospective in this case meaning to be established sometime in the future.

After Mr. Crow had applied for a claim, and the Bureau of Land Management field examiner came to inspect the improvements of the land on which his claim was sited, this same field examiner concurred that improvements were located on the property as cited, the evidence on the application was sufficient, and that he believed that Mr. Crow deserved to receive approval for all of the acreage he had claimed and that was improved. However, when the field examiner learned that most of Mr. Crow's personal income was derived from another business, he said, "This is against policy," and he maintained that the BLM policy states that T. & M. applicants must receive a significant portion of one's income from his claim.

Most people in business would understand how long it takes to obtain solid footing in financial matters, especially when the economy of a certain area is weak and unstable. The area around Mr. Crow's campground is largely unpopulated, and although he has advertised his campground, his business is only very gradually enlarging. The field examiner concluded the inspection. The BLM disapproved the application. After nearly 5 years of work and attempts to keep the Eskimo campground going, Jerry Crow was expected to lose nearly everything.

Jerry Crow lost his case on the basis of an interpretation of the law; specifically on the interpretation of "commercial enterprise." Even though Jerry Crow did have business licenses for the years of 1971 and 1972, he was believed to have maintained a "prospective business" which was forbidden under the regulations of the act. And even though Jerry Crow did work for years on improving the land while running the unprofitable campground, he was believed to have not been in good faith in using and occupying a trade and manufacturing site. And even though Jerry Crow obtained personal accounts and witness statements by customers, an employee, and a neighbor, and was shown to have improved on the land, he was still found to have been attempting to acquire the land for a prospective commercial campground.

Mr. President, I believe that although the campground has proved to be initially unprofitable, the trade and manufacturing site was established in good faith and the application should be looked at in that way. Therefore, I urge my colleagues to support the approval of a private relief bill on behalf of Mr. Jerry Crow, so that he may keep title to his claim.●

By Mr. MORGAN (for himself, Mr. Durkin, and Mr. Tsongas):

S. 1716. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY DEVELOPMENT BANK ACT

● Mr. MORGAN. Mr. President, during this past year several bills designed to promote the widespread use of solar energy in residential and commercial buildings have been before the Congress. On March 1, I introduced S. 524, a companion measure to H.R. 605, introduced by my North Carolina colleague, the Honorable Stephen Neal. On April 10, Mr. Durkin for himself and others introduced S. 950. And finally, on July 27, Mr. Tsongas and I, for the administration, introduced S. 1595. Both the Banking Committee and the Energy Committee have studied various dimensions of solar energy use in detail. Specifically, all three bills were examined by the Banking Committee in hearings concluded shortly before the August recess.

Mr. Tsongas, Mr. Durkin, and I are today introducing a new bill, the Solar Energy Development Bank Act, which combines what we believe to be the best features of all three bills, and which is expected to be before the Banking Committee for markup shortly.

The Solar Bank would promote solar energy use by subsidizing loans at below-market interest rates both for new construction and for retrofitting of solar devices in existing housing.

For that purpose the Solar Energy Development Bank Act creates within the Department of Housing and Urban Development a body with powers identical to those of the Government National Mortgage Association. The Solar Bank would be administered by a president (a Presidential appointee subject to Senate confirmation) and governed by a Board of Governors, consisting of the Secretaries of HUD, Energy, and Treasury, who would be empowered to determine interest rates. The Bank would be staffed by existing personnel of HUD and the Government National Mortgage Association.

The President of the Bank and the Board of Governors would be advised by a board drawn from the relevant sectors of the public, which would provide policy guidance, assist in the promotion of the Bank, and report annually to Congress.

The present bill would authorize the Bank for 5 years, subject to an automatic sunset provision at the end of that period. Subject to a warranty to protect consumers, loans for a broad range of active and passive solar designs would be authorized. Sixty percent of the subsidy payments made by the Bank would be required for residential use. Of that amount, 5 percent would be reserved for low-income housing. The remaining 40 percent would be available for commercial loans, with a maximum commercial loan of $200,000, and maximum residential loans of $10,000 per unit for one- to four-family dwellings, and $5,000 per unit for dwellings with five or more units, up to a maximum of $500,000.

The Solar Energy Development Bank Act is a lean program designed to utilize the resource of the private lending institutions and the expertise of existing Government personnel, already skilled in the administration of similar interest subsidy programs. Testimony before the Banking Committee, both from energy experts and from private lenders, made clear that existing solar technology has the potential to save our country significant amounts of energy. What is needed to achieve widespread use of solar energy is the right combination of Government incentives. The President has recognized that a solar bank is an important part of the program, and can play a significant role in helping to meet our Nation's energy needs. We hope the Congress will act quickly to make the Solar Bank a reality.

Mr. President, I ask unanimous consent that the text of the Solar Energy Development Bank Act be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Energy Development Bank Act".

PURPOSE

Sec. 2. It is the purpose of this Act to encourage the use of solar energy, and thereby reduce the Nation's dependence on foreign sources of energy supplies, by establishing a Solar Energy Development Bank to provide subsidies for below-market interest rate loans made to owners or builders of commercial and residential structures for the purchase and installation of solar energy systems in such structures.

ESTABLISHMENT OF THE BANK

Sec. 3. (a). There is hereby created a body corporate to be known as the Solar Energy Development Bank (hereinafter referred to as the "Solar Bank") which shall be in the Department of Housing and Urban Development. The Solar Bank shall have succession until five years after the date of the enactment of this Act or until dissolved by an Act of Congress, whichever occurs first, and it shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia Corporation.

(b) There is established in the Department of Housing and Urban Development the position of President, Solar Bank, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate now or hereafter prescribed for Executive Level V by section 5316 of title 5, United States Code. Subject to the direction of the Board of Directors of the Solar Bank, the President shall manage and supervise the affairs of the Solar Bank and shall perform such other functions as the Board may prescribe.

(c) The General Accounting Office shall periodically audit the financial transactions of the Solar Bank, and, for this purpose, shall have access to all of its books, records, and accounts.

(d) The Solar Bank may impose fees or charges for its services which shall be deposited into the miscellaneous receipts of the Treasury.

(e) No officer, attorney, agent, or employee of the Solar Bank shall receive any salary or other remuneration from any source other than the Solar Bank during the period of his employment by such Bank. No officer, attorney, agent, or employee of the Solar Bank may participate, directly or indirectly, in any manner in the deliberations upon, or the determination of, any matter affecting his personal interest, or the interests of any corporation, partnership, or association with which he is directly or indirectly associated.

(f) The Solar Bank may impose fees or charges for its services which shall be deposited into the miscellaneous receipts of the Treasury.

(g) The Solar Bank shall have the same corporate powers given the Government National Mortgage Association in section 309 (a) of the National Housing Act.

BOARD OF DIRECTORS

Sec. 4. (a) The Solar Bank shall be governed by a Board of Directors (hereinafter referred to as the "Board") which shall make the report described in section 8 and provide advice to the President of the Solar Bank and to the Secretary of Housing and Urban Development for the purpose of assisting the Solar Bank in carrying out the provisions of this Act. The Board shall consist of the Secretary of Housing and Urban Development, the Secretary of the Treasury, and the Secretary of Energy. The Board shall adopt, and may amend or repeal, such regulations as are necessary or convenient for the functioning of the Solar Bank.

(b) Two members of the Board shall constitute a quorum.

(c) The Chairperson of the Board shall be the Secretary of Housing and Urban Development.

(d) The Board in consultation with the Advisory Board established by section 5 shall have the power to fix the level of subsidy on loans subsidized by the Bank and the interest rate paid by borrowers on such loans, and from time to time to alter the level of subsidy and interest rates for new loans subsidized by the Bank. In doing so the Bank shall give consideration to such factors as it shall deem appropriate, including, but not limited to the following:

(1) the prevailing market rates of interest for home mortgages, home improvement loans, and commercial loans, as well as prevailing market rates of interest for Government and corporate bonds;

(2) the availability of other Federal Government incentives and subsidies for solar energy equipment, including Federal income tax credits;

(3) the costs of nonrenewable energy resources and systems;

(4) the costs of solar energy systems; and

(5) the levels of subsidy needed to induce consumers and builders to install solar energy systems in residential and commercial buildings.

(e) The President of the Bank shall establish eligibility criteria which do not discriminate against simple passive or hybrid solar energy systems and which do not subsidize nonenergy related housing costs.

ADVISORY BOARD

Sec. 5. (a) As part of the Solar Bank, there shall be an Advisory Board which shall make the report described in section 8(a) and provide advice to the President of the Solar Bank and to the Board of Directors for the purpose of assisting the Solar Bank in carrying out the provisions of this Act. Such Advisory Board shall be composed of—

(1) one individual who is not an officer or employee of any governmental entity and who is able to represent the views of the general public as a result of his or her education, training, and experience.

(2) one individual who is not an officer or employee of any governmental entity or of any entity engaged in the exploration, development, production, or delivery of any energy resource and who is qualified to serve on the Board as a result of his or her education, training, and experience in scientific endeavors;

(3) one individual who is able to represent the views of the solar energy industry as a

result of his or her education, training, and experience;

(4) one individual who is able to represent the views of lending and financial institutions as a result of his or her education, training, and experience; and

(5) one individual who is able to represent the views of low income persons as a result of his or her education, training, and experience.

(b) The individuals described in paragraphs (1), (2), (3), (4), and (5) of subsection (a) shall be appointed by the President of the United States.

(c) If any member of the Advisory Board becomes an officer or employee of a government or becomes employed in a manner which would disqualify the person from being on the Board, he or she may continue as a member of the Board for not longer than the ninety-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(d)(1) Except as provided by paragraphs (2) and (3) of this subparagraph, members appointed under paragraphs (1), (2), (3), (4), and (5), of subsection (a) shall be appointed for a term of two years.

(2) Of the members first appointed, those appointed under paragraphs (1) and (2) of subsection (a) shall be appointed for a term of two years and those appointed under paragraphs (3), (4), and (5) of subsection (a) shall be appointed for a term of three years.

(3) Any member appointed under paragraph (1), (2), (3), (4), or (5) of subsection (a) to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his or her term until a successor has taken office.

(e)(1) Except as provided in paragraph (2) of this subsection, members of the Advisory Board shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–15 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Advisory Board.

(2) While away from their homes or regular places of business in the performance of services for the Advisory Board, members of the Advisory Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 (b) of title 5, United States Code.

(f) Three members of the Board shall constitute a quorum but a lesser number may hold hearings.

(g) The Chairman and Vice Chairman of the Advisory Board shall be elected by the members of the Advisory Board. The term of office of the Chairman and Vice Chairman shall be two years.

SUBSIDY PAYMENTS

Sec. 6. (a)(1) The Solar Bank may, beginning with fiscal year 1980, make payments to financial institutions for the purpose of subsidizing below-market rate loans which are made by such institutions to owners or builders of commercial and residential structures and to units of local government in connection with programs described in section 7(d)(3) for the purchase and installation of solar energy systems in such structures and which meet the requirements of this section. Such payments may also be made with respect to the portion of a larger loan which is allocable to the purchase and installation of solar energy systems.

(2) For purposes of this Act, the term "solar energy systems" means any addition, alteration, or improvement to an existing or new structure (or its immediate surrounding) which is designed to utilize solar energy directly or indirectly (such as wind energy, energy produced by a woodburning appliance) for the purpose of generating the heating or cooling (or both), hot water, process heat, or electrical energy requirements of that structure and which is in conformity (as certified by the Secretary of Energy) with such criteria and standards as shall be prescribed by the Secretary of Housing and Urban Development in consultation with the Secretary of Energy. The term "solar energy systems" shall also include earth shelters.

(3) The amount of any payment made with respect to any loan or qualifying portion of a loan may be in a lump-sum payment and shall be in an amount necessary, as determined by the Solar Bank, to compensate the financial institution for the difference between the interest rate determined by the Board of the Solar Bank and the yield it would have received if the loan were made at a market rate.

(4) The Solar Bank may, with respect to any loan for which a subsidy payment is made under this Act, require the financial institution to repay the Solar Bank any amount to which the Solar Bank is entitled as a result of the borrower's failure to meet his obligation under the loan.

(b) A payment may be made under this section with respect to a loan or qualifying portion of a loan only if—

(1) the term of repayment does not exceed thirty years and is not less than five years, except that there shall be no penalty imposed on the borrower if the loan or advance of credit is repaid at any time before the term of repayment expires;

(2) the amount of such loan allocable to purchase and installation of a solar energy system does not exceed $10,000 per unit in the case of any one- to four-family residential structure, $5,000 per unit in the case of any residential structure with five or more dwelling units (not to exceed $500,000 per loan), and $200,000 in the case of any commercial structure;

(3) the solar energy system purchased and installed with such loan is covered by a warranty that the installer or manufacturer, or both, will remedy any defects in materials, manufacture, or installation of the system without charge and within reasonable time (including, if necessary, repair or replacement at the site) which becomes evident within one year from the date of installation or such longer period as the Board of Directors of the Solar Bark determines is reasonable. The Board of Director may also require that such warranty include a requirement that the installer will provide, without charge and within fifteen days before the expiration of the warranty, an onsite inspection of the system and components for the purpose of discovering and remedying any defects which may be present;

(4) the security for the loan meets the requirements of the Board of Directors of the Solar Bank; and

(5) the solar energy system to be financed will be purchased and installed after the date of enactment of this Act.

(c) At least 60 per centum of the amount of subsidy payments made under this section in any year shall be for the purpose of assisting the financing of solar energy systems in residential structures.

(d)(1) At least 5 per centum of the amount of subsidy payments made under this section in any year shall be for the purpose of assisting the financing of solar energy systems in residential structures occupied by low income persons. The Board of Directors shall fix special subsidy levels on loans subsidized by the bank pursuant to this subsection.

(2) Any failure to expend funds specified in this subsection shall not delay payments made under other subsections. Funds available for this subsection that are not expended in a given year shall remain available for the following year.

(3) For the purposes of this subsection, a unit of local government shall be considered an eligible recipient of a subsidized loan on behalf of low income persons in connection with a project carried out with other housing or rehabilitation programs.

PENALTIES

Sec. 7. Any person who knowingly makes any false statement or misrepresents any material fact with respect to any loan assisted under this Act shall be fined not more than $10,000 or imprisoned not more than one year, or both.

REPORTS

Sec. 8. The Advisory Board shall make an annual report to both Houses of Congress and to the President of the United States for the purpose of providing a detailed accounting of the operation of the program established by this Act, making recommendations for improvements in such program, and identifying problem areas within the solar energy industry, the Federal Government, and lending institutions which may be inhibiting the success of such program. Such report shall include the majority and minority and dissenting views of the Advisory Board and the Board of Directors and the views of the President of the Solar Bank.

PROMOTION OF PROGRAM

Sec. 9. The Solar Bank shall promote the program established by this Act by informing financial institutions and consumers of the benefits of such program and by actively seeking their participation in the program.

USE OF HOUSING AND URBAN DEVELOPMENT PERSONNEL

Sec. 10. The Secretary of Housing and Urban Development may permit the Solar Bank to utilize the services of personnel of the Department of Housing and Urban Development, including the personnel of the Government National Mortgage Association, for the purpose of carrying out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 11. There are authorized to be appropriated to carry out the purposes of this Act not to exceed $50,000,000 for the fiscal year ending September 30, 1980, $150,000,000 for the fiscal year ending September 30, 1981, $225,000,000 for the fiscal year ending September 30, 1982, $300,000,000 for the fiscal year ending September 30, 1983, and $400,000,000 for the fiscal year ending September 30, 1984.●

Mr. DURKIN. Mr. President, the Sun is often seen as an exotic, complicated, and expensive source of energy. Nothing could be further from the truth. The "secret" of solar architecture is being rediscovered, not discovered. The ancient Greeks understood this principle. In one of his famous dialogs, the philospher Socrates outlined the principle of passive solar architecture which promises so much today.

Although the "secret" of solar energy is old, the need for solar energy is quite contemporary. Solar energy offers a solution to some of mankind's most pressing problems. It offers us a way to achieve energy independence without depleting our nonrenewable resources and without ruining our environment.

Solar energy has several unique advantages over other sources of energy. Unlike oil, gas, coal, or uranium supplies, the Sun cannot be monopolized by any producer's cartel, hostile government, or band of terrorists. In an age of increasing centralization, solar energy offers the welcome promise of decentralizing a major part of our energy supply. The centralization of energy systems has thrust decisions upon our Government that it is ill suited to make. A solar economy offers us the opportunity to reverse this trend of centralization.

Solar energy also provides a welcome alternative to the increasingly unfavorable tradeoffs we face between energy development and protection of the environment. For unlike coal and nuclear power, solar energy has a benign environmental impact. It neither pollutes the air nor leaves toxic wastes.

Unlike the sources of energy we depend upon now, solar energy is a renewable resource. Until the Sun burns out, we will will have solar energy once we make the initial investment in solar collectors, the fuel is free and unlimited.

The development of solar energy could have impressive economic benefits as well. Solar energy offers us the opportunity to revitalize small business, provide badly needed unskilled and semiskilled jobs in construction, and improve the property tax base upon which local governments depend.

A successful solar energy strategy can build upon and revitalize the two industries in our country that are still made up of small independent producers—housing construction and agriculture. The housing industry will prosper in the solar age, because it is in the best position to modify existing houses and to build solar devices into new houses. The farm economy will benefit as we begin brewing alcohol fuels from farm crops that catch and store the rays of the Sun. At a time when our farm economy is in deep trouble, converting the solar energy stored by plants into liquid fuels is a possibility that we must aggressively pursue.

Increased reliance on solar energy can reduce our dependence on foreign energy supplies. This year we will import nearly $70 billion worth of foreign oil. This sum represents an enormous drain on our resources. Developing solar energy would keep this money in the United States where it can provide jobs and economic improvement for our people.

A major barrier to accelerated solar development is a structure of credit. Tapping solar energy is an investment that yields returns continuously for many years into the future. Given the unique nature of the costs and benefits of solar energy, we must establish long term, low interest loans for solar conversion. Extended credit programs have kept a small farmer in business and provided millions of Americans with the opportunity to own their own home. A program of long-term low interest loans or loan guarantees for solar systems could in a similar manner stimulate small business, help millions of home owners, hold down energy costs and meet our national energy goals all at the same time.

Solar energy today is put at a competitive disadvantage with conventional fossil fuels and nuclear power, because of hidden subsidies and unaccounted environmental costs for the oil and nuclear industries. Despite this disadvantage, solar energy is already economically viable for many uses and in many areas. If the true costs of the fuels we now use were ever reflected in their price rather than in the Federal budget solar energy would be even more attractive. At a time when the prices of all the fuels we use are rising rapidly, the prices of solar systems are falling daily.

The prospects for solar energy are bright. Well designed Federal initiatives can make the future brighter yet.

Establishment of a solar bank will be an important step in achieving the widespread commercialization of solar energy in the near future. This legislation will establish a solar bank, in the Department of Housing and Urban Development, to subsidize the interest rates on loans for solar systems. Since the bank will work with and through the existing Federal banking and housing programs, the bureaucratic overhead on this program will be kept to an absolute minimum. This bank is designed in such a way that the Federal money will call forth a far greater amount of private money than will be actually spent by the Federal Government. In a time of tight Federal budgets, it is essential that we get the maximum impact from the Federal dollars that are spent. I am convinced that the solar bank offers one of the best ways to achieve a maximum payoff for Federal funds.

The legislation I am today introducing with Senators MORGAN and TSONGAS embodies concepts originally introduced during the last Congress in the House by Congressman STEVE NEAL of North Carolina and in the Senate by Senator MCINTYRE and me. In this Congress a further distillation of these ideas was introduced by Senator MORGAN in S. 524 and by Senator TSONGAS and me in the Omnibus Solar Commercialization Act, S. 950. Further improvements on the solar bank idea by the President's domestic policy review of solar energy were introduced by Senator MORGAN earlier this summer. The legislation Senators MORGAN, TSONGAS, and I are introducing today embodies the best of these bills. Numerous days of hearings in the House and Senate and in the Senate Energy and Banking Committees have subjected these ideas to an intense and, I believe, productive public scrutiny. The Senate Subcommittee on Energy Conservation and Supply of which I am chairman, and of which Senator TSONGAS is vice chairman, held 3 days of hearings on S. 950. During these hearings dozens of Americans from all walks of life testified both to the viability of solar technologies and to the need for well-designed Federal efforts to bring solar systems within the reach of more Americans.

The results of this long learning experience are embodied in the legislation we are introducing today. I am convinced that the legislation we are introducing today is superior to the legislation as it was originally introduced some years ago. I hope the Congress will soon pass this worthy legislation and send it to the President so that this program can begin assisting the vitally needed solar transition.

Mr. TSONGAS. Mr. President, this bill provides a powerful tool to meet the realistic goal of getting 25 percent of America's energy from solar and other renewable sources by the year 2000. It establishes a Solar Energy Development Bank with the best features from the administration bill and from Representative NEAL's bill.

The administration's proposed legislation is a very positive contribution to our deliberations. This new bill combines the flexible interest subsidy rates of the administration plan with the advisory board and corporate powers of the Neal plan. Like the administration bill, it relies on the financial mechanism of the Government National Mortgage Association, which can be geared up quickly.

This legislation follows Congressman NEAL's approach by creating a five-member advisory committee with one representative from each of five sectors: The general public, the financial community, the solar industry, the scientific community, and low-income citizens. Another new provision is a 5 percent set-aside to finance solar systems in low-income residences.

The Solar Energy Development Bank is a vital part of a comprehensive commitment to transition to a solar-powered economy. It complements the residential and commercial solar tax credit passed last year in making solar energy even more attractive than it already is for many homes, businesses, and industries. It will encourage Americans to invest now in practical solar technologies which will pay dividends of savings and security for years and years.

By Mr. KENNEDY:

S. 1717. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, today I am introducing a bill to amend title III of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. 2510 et seq.). This bill addresses two distinct issues which arise in connection with the interception of wire and oral communications for law enforcement purposes: The use of a surreptitious entry to effect an interception under title III and the need for authority to conduct emergency interceptions without prior court approval in situations which involve an immediate danger of death or serious physical injury to a person.

The provisions of this bill which deal with surreptitious entry are designed to provide procedural safeguards which will insure informed judicial consideration of the need for and the reasonableness of the surreptitious entry as well as require specific court authorization for any such entry. Title III does not now contain such safeguards, and the Supreme Court recently held in *Dalia* v. *United States*, 99 S. Ct. 1682 (1979), that such safeguards are not constitutionally mandated.

The rationale of the court in Dalia was, in part, based on a finding that authorization for a surreptitious entry is implicit in an order authorizing the interception of oral communications. However, the Court did note that the "preferable approach" in such cases was for Government agencies to make explicit to the authorizing court their expectation that some form of surreptitious entry would be required to accomplish the interception. The Court then cited, with approval, the current Department of Justice policy regarding such entries. Not only do current Department of Justice guidelines require its officers to inform the Court of the need for, and to request the use of, a surreptitious entry in an application for a title III interception when such an entry is required to execute the court order, but also the Department's model form for a title III intercept order includes a provision specifically authorizing such an entry

The U.S. National Commission for Review of Federal and State Laws relating to wiretapping and electronic surveillance has recommended that Title III be amended to provide for specific court authorization of surreptitious entries, and President Carter firmly endorsed this recommendation in his recent privacy message to the Congress. The President's and my own support for such an amendment are based on the same conviction: That requiring court authorization of surreptitious entries under title III is a sound policy that will limit unnecessary encroachments on individual privacy. The power of a Government agent to enter a house or office surreptitiously lends itself to dangerous abuse and must be carefully circumscribed.

Although the fourth amendment does not generally require a judge, when issuing a warrant, to scrutinize or specifically authorize the particular means by which the warrant is to be executed, I believe that the use of surreptitious entry to effect a title III interception presents unique privacy considerations that merit such judicial involvement. First, the use of electronic surveillance in itself is quite rightly viewed as one of the most intrusive means of obtaining evidence of a crime. The stringent procedural requirements presently set forth in title III reflect the seriousness of the breach of privacy that results from the interception of personal communications. Second, unlike the execution of a search warrant, the execution of an interception order and any attendant physical entry must be accomplished in secrecy, and thus there is no contemporaneous notice to the occupants of the premises that a breach of their privacy has taken place. Third, where covert entry occurs in the course of electronic surveillance, there is a dual encroachment on the individual's right to privacy, for not only is his conversational privacy violated, but his physical privacy is breached as well.

The amendments dealing with surreptitious entries require: First, that the applicant for a title III intercept order state in his application whether a surreptitious entry will be required to effect the interception and, if so, why other means of accomplishing the same objectives are not feasible; second, that the issuing judge determine that such entry is reasonably required to effect the interception; third, that the intercept order itself specifically state whether a surreptitious entry is authorized to execute the intercept order; and fourth, that the Government attorney in charge of the investigation notify the issuing court of the time and method of the proposed entry.

It is the purpose of these amendments, then, to address the unique privacy concerns which arise when a surreptitious entry is used to execute an intercept order under title III. It is not the purpose of these amendments to preclude the use of surreptitious entry, for at times it is the only practical means of installing a surveillance device which will produce evidence of a serious crime, but rather to subject such entries to the scrutiny and approval of an informed, neutral judicial officer.

A second and equally important purpose of this bill is to provide statutory authority for an emergency interception of communications in life-threatening situations. It has long been recognized that exigent circumstances justify conducting a warrantless search, and this same principle should apply to the interception of wire or oral communications. Where an interception would be authorized under title III if there were time to obtain a court order, and where such an interception could be instrumental in preventing death or serious injury, as in a kidnaping or hostage situation, a law enforcement officer should have at his immediate disposal this valuable investigative tool.

Title III does not now permit an emergency interception in life-endangering situations. It does, however, permit such interceptions in an emergency situation which relates to "conspiratorial activities threatening the national security" or "conspiratorial activities characteristic of organized crime." The exigency of an immediate threat to human life is at least as, if not a more important reason for an emergency interception, and the scope of the emergency authorization provision, 18 U.S.C. 2518(7), should encompass such life-endangering situations.

This bill, which has been developed with the full participation of the administration and which has been personally endorsed by the President, will make these needed improvements to title III. I ask unanimous consent that the bill and the section-by-section analysis be printed in the RECORD. I also ask unanimous consent that a letter from the Administrative Office of the U.S. Courts, which details the number, type and location of State and Federal intercepts for the past 10 years, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2510 of title 18, United States Code, is amended—

(1) in paragraph (10), by striking out "and" at the end thereof;

(2) in paragraph (11), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(12) 'surreptitious entry' means a physical entry upon a private place or premises to install, repair, resposition, replace, or remove any electronic, mechanical or other device, and includes both covert entry and entry effected by means of a ruse or subterfuge.".

SEC. 2. Section 2518(1) of that title is amended—

(1) in paragraph (e), by striking out "and" at the end thereof;

(2) in paragraph (f), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(g) a statement whether surreptitious entry is required to effect the interception, and if such surreptitious entry is required, a statement as to why means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 3. Section 2518(3) of that title is amended—

(1) in paragraph (d), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following:

"(e) where the order is to authorize or approve a surreptitious entry, such surreptitious entry reasonably appears to be required to effect the interception because means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 4. Section 2518(4) of that title is amended—

(1) in paragraph (d), by striking out the "and" at the end thereof;

(2) in paragraph (e), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(f) whether surreptitious entry is authorized or approved to effect the interception; and

"(g) in any order which includes authorization of surreptitious entry—

"(i) the identity of the agency authorized to make the surreptitious entry;

"(ii) that the attorney for the government in charge of the investigation shall, when practicable, notify in writing the authorizing judge of the proposed time and method of the entry, and when prior notice is not practicable, notification is to be made within 48 hours after such entry; and

"(iii) that in any case in which more than one entry is necessary to install the device, or in which re-entry is necessary to repair, reposition, or replace the device, the attorney for the government in charge of the investigation shall, when practicable, notify in writing the authorizing judge prior to such re-entry of the reasons which necessitate the re-entry, and when prior notice is not practicable, such notification is to be made within 48 hours after the re-entry and is to describe the reasons which necessitated the re-entry and why prior notification was not practicable.".

SEC. 5. Section 2518(7) of that title is amended—

(1) by amending paragraph (a) to read as follows:

"(a) an emergency situation exists that involves—

"(i) immediate danger of death or serious physical injury to any person,

"(ii) conspiratorial activities threatening the national security interest, or

"(iii) conspiratorial activities characteristic of organized crime,

that requires a wire or oral communication to be intercepted before an order authorizing such interception can, with due diligence, be obtained, and"; and

(2) by inserting a comma and "and may make any surreptitious entry required to effect such interception," immediately before "if an application for an order".

SEC. 6. Section 2519(1) of that title is amended—

(1) by inserting immediately after paragraph (e) the following:

"(f) the fact that a surreptitious entry to effect the interception was authorized or approved, the number of such entries made, and the purpose, either to install, repair, reposition, replace, or remove the interception device, for each such entry;"; and

(2) by redesignating paragraphs (f) and (g) as paragraphs (g) and (h), respectively.

SEC. 7. Section 2519(2) of that title is amended in paragraph (a) by striking out "(g)" and by inserting in lieu thereof "(h)".

SECTION-BY-SECTION ANALYSIS

Section one. This section amends section 2510 of Title 18, which sets forth the definitions of the terms employed in Title III, by defining the term "surreptitious entry". "Surreptitious entry" is defined to mean a "physical entry upon a private place or premises to install, repair, reposition, replace, or remove any electronic, mechanical, or other device". "Electronic, mechanical, or other device" is already defined in section 2510 to reach those devices which are used to intercept wire or oral communications.

The term "surreptitious entry" includes both covert entries and entries effected by ruse or subterfuge. Thus, the procedures governing surreptitious entry are to be followed whether the anticipated mode of entry is a physical break-in or the use of a pretext such as a bomb scare or utilities inspection. Inasmuch as each of these modes of gaining entry constitute physical intrusions into private premises, it is appropriate that specific court authorization for either type of entry be sought. Indeed, the Court in *Dalia* v. *United States*, 99 S. Ct. 1682 (1979), was of the opinion that both modes of entry were equally intrusive.

It is not intended that "surreptitious entry" include an entry which has been authorized by an occupant of the premises, or which a person, such as a landlord or common carrier has been directed to cooperate with the officers executing the order pursuant to section 2518(4). However, in the later case, if an entry on to the private premises is required, such entry must be authorized by the court. Nor are any entries onto public places intended to be characterized as "surreptitious" entries, even though a ruse or subterfuge might be used to protect the security of the interception or the safety of the officers.

Section two. 18 U.S.C. 2518(1) describes the information which must be included in an application for an order authorizing or approving the interception of wire or oral communications. Section two of the bill would amend current section 2518(1) by requiring that the application state whether surreptitious entry is required to effect the interception, and if so why means of effecting the interception other than surreptitious entry, reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.

The provisions of section two would alert the issuing judge of the fact that a surreptitious entry was anticipated, and would supply him with sufficient information to determine whether the use of surreptitious entry to effect the interception was justified.

These amendments to 18 U.S.C. 2518(1) would not require the applicant to demonstrate that surreptitious entry is the only means of effecting the interception. Rather, he need only demonstrate that alternative means appear to be unlikely to succeed, to be too dangerous, or to be impracticable. For example, the use of an external monitoring device may be impracticable if it is not available to the officers applying for the order, if they do not have the technical expertise to operate it, if it is known to be unreliable, or if the configuration of the premises is believed to make it ineffective.

The interception of oral communications generally can be accomplished only by installing a concealed surveillance device, and in most instances, surreptitious entry is necessary to install the device. Nonetheless, in such a situation, the applicant should briefly state why the use of alternative means of effecting the interception are not feasible or as equally effective. On the other hand, interception of wire communications generally does not require the use of surreptitious entry since exterior lines may be tapped. If a situation should arise in which it is necessary to use surreptitious entry to effect the interception of wire communications, the applicant should explain why traditional non-instrusive methods cannot be employed.

Section three. Section three sets forth the findings that must be made by the issuing court as a prerequisite to issuing an order which authorizes or approves the use of surreptitious entry. This amendment to 18 U.S.C. 2518(3), which currently states the required findings that must be made before an order authorizing or approving the interception of wire or oral communications may be issued, provides that authorization or approval of surreptitious entry must be based on a finding that such entry reasonably appears to be required to effect the interception because means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.

The issuing judge is not required to find that surreptitious entry is the only means of effecting the interception in order to authorize such an entry. While there may exist highly sophisticated devices which are capable, in certain circumstances, of external interception of oral communications, these devices are still in the experimental stages, are highly expensive, often unreliable, and are not generally available to or used by law enforcement agencies. It is recognized that implantation of concealed surveillance devices is, in most instances, the only generally available and feasible means of intercepting oral communications. Hence, the use of external devices to monitor oral communications is generally "impractical" or "unlikely to succeed", and therefore, it is likely that surreptitious entry to install a microphone on the premises identified in the order will be "required" to effect the interception.

Section four. Section four of the bill amends 18 U.S.C. 2518(4) to require that the order authorizing or approving the interception specifically state whether surreptitious entry to effect the interception is authorized. The Supreme Court held in *Dalia* v. *United States* 99 S. Ct. 1682 (1979), that, while judges issuing Title III interception orders had the power to authorize such entries, the Fourth Amendment did not require that the order specifically authorize such entry. The Court's reasoning was that an order authorizing interception of oral communications implicitly authorized a surreptitious entry to position a device that would intercept the targeted conversations. These amendments will ensure that the issuing court is, in fact aware that surreptitious entry will be used to effect an interception and that the court specifically authorizes a surreptitious entry in the interception order.

In addition to requiring that the order state whether surreptitious entry is authorized, section four provides that the interception order shall identify the agency authorized to make the entry, and that the order shall require the government attorney supervising the interception to notify the issuing court in writing of the proposed time and method of the initial entry, and of any subsequent entry and the purpose therefor, i.e., either to repair, reposition, replace or remove the device. The statement of the proposed method of entry need only indicate whether contemplated entry is to be gained by a ruse, a subterfuge, by a physical break-in, or some other method, and need not detail every aspect of the mode of entry, such as the tools employed, although the judge may request more detailed information if he so desires. However, this notification would not preclude the officers executing the order from using a different method of entry which, at the last minute proves to be safer, more secretive or more effective.

Where prior notice to the issuing court is not practicable or where a method different from that originally contemplated is employed, a notice to the issuing court must be given within forty-eight hours after the entry. The purpose of these notification provisions is to supply the issuing judge with sufficient information so that he may monitor the use of the surreptitious entry. If it appears that the authority to conduct surreptitious entry is being abused, the issuing judge may place restrictions on any further such entries, or may modify his initial order, if appropriate.

The notification provisions will not require the submission of an application for, or the entry of, a new order to authorize additional surreptitious entries after the initial entry to replace, reposition, or remove an interception device in the course of a single interception. Inasmuch as "surreptitious entry" is defined to include an entry made for the purposes of installing, repairing, repositioning, replacing, or removing an interception device, an order authorizing "surreptitious entry" would include a grant of authority to make such subsequent entries. However, the government attorney would be required to notify the issuing court of the contemplated entry.

Section five. The authorization of emergency interceptions without prior court approval is governed by section 2518(7) of Title 18. Section five of this bill contains two amendments to section 2518(7). Currently, this section of Title III permits the authorization of an interception without a prior court order in only two instances: first, when an emergency situation exists with respect to "conspiratorial activities threatening the national security" and second, when such an emergency exists with respect to "conspiratorial activities characteristic of organized crime". Section five of the bill would add as a third permissible basis for the authorization of an emergency interception the existence of a situation which involves an immediate danger of death or serious physical injury. The other requirements governing emergency interceptions set forth in section 2518(7) would remain unchanged. These current requirements include a provision that there must have existed sufficient grounds that a court order could have been obtained but for the fact that the emergency situation required immediate action, and that an application for an order approving the interception be made within forty-eight hours.

It is a well established principle that the existence of exigent circumstances requiring immediate action is justification for conducting a warrantless search. There is no reason why this same principle should not apply in the area of interception of communications, particularly in view of the narrowly drawn basis for emergency authorization set forth in this amendment. Certainly, an immediate threat of danger to human life is an equally, if not a more compelling justification for emergency interception than the current statutory basis set out in section 2518(7).

Situations have arisen and may again arise in which terrorists or a felon while holding hostages, use an available telephone to arrange with associates a strategy to force action on their demands or a plan of escape. In such a situation, interception of communications may be necessary to protect the lives of the hostages, yet time for obtaining a court order is not available. This amendment to section 2518(7) of Title 18 would make it clear that an emergency interception may be authorized without prior court approval when there is imminent danger to human life.

The second amendment to section 2518 (7) contained in section five of this bill simply provides that an emergency interception authorized under 18 U.S.C. 2518(7) may be effected by means of a surreptitious entry. As under current law, an application for an order approving an emergency interception must be made within forty-eight hours, and the application and the order, if granted, would be required to conform with the provisions set forth in this bill concerning surreptitious entry, if such an entry were made in the course of an emergency interception.

Section six. Section 2519 of Title 18 currently provides that certain information concerning Title III interceptions be reported to the Administrative Office of the United States Courts. Section six of this bill would amend 18 U.S.C. 2519 to require that the number and purpose of surreptitious entries made in the course of an interception also be included in the reported information. The statement of the purpose of the surreptitious entry will simply indicate whether the entry was made to install, repair, reposition, replace, or remove the device. This information would be available in the written notices filed with the issuing judge in accordance with the proposed amendment to 18 U.S.C. 2518(4).

Compilation of this data will enable Congress and others interested in the use of eavesdropping for law enforcement purposes to assess the extent to which surreptitious entries are used to effect Title III interceptions.

Section seven. This section corrects the paragraph references in section 2519(2) to reflect the addition of a new paragraph two, and redesignation of current paragraphs of, section 2519(1) in section six of the bill.

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D.C., August 31, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In response to your request of August 28, 1979, we have prepared tables on the number of state and federal intercepts installed, by location and type, during calendar years 1968 through 1978. The tables are as follows:

1. Table 1, State and Federal Phone Wire Intercepts Installed, by Location, for the Years 1968 through 1978;

2. Table 2, State and Federal Microphone-Eavesdrop Intercepts Installed, by Location, for the Years 1968 through 1978;

3. Table 3, State and Federal Phone Wire/Microphone Eavesdrop Intercepts Installed, by Location, for the Years 1968 through 1978; and

4. Table 4, State and Federal Intercepts Installed Using Other Types of Surveillance, by Location, for the Years 1968 through 1978.

In addition we are enclosing a copy of the report instructions, the docket set, and the Wiretap Report for calendar year 1978.

Sincerely yours,
JAMES A. MCCAFFERTY.

Enclosures.

TABLE 1.—STATE AND FEDERAL PHONE WIRE INTERCEPTS INSTALLED, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location					
		Single-family dwelling	Apartment	Multi-dwelling	Business	Combination[2]	Other
Total Federal and State	6,096	2,527	1,600	397	1,012	320	230
Total Federal	1,160	424	308	48	163	179	38
1968							
1969	27	10	7	3	7		
1970	171	49	56	4	33	22	7
1971	270	115	78	11	30	27	9
1972	187	64	57	10	14	31	11
1973	105	41	29	6	13	15	1
1974	97	36	20	5	14	20	2
1975	83	26	23	4	11	18	1
1976	109	44	26	1	14	20	4
1977	57	16	8	3	9	18	3
1978	54	23	4	1	18	8	
Total State	4,936	2,113	1,292	349	849	141	192
1968	147	57	44	6	40		
1969	222	110	55	9	45	3	
1970	367	144	91	34	70	8	20
1971	483	219	124	30	90	9	11
1972	592	276	149	43	86	10	28
1973	626	243	186	48	102	11	36
1974	536	204	123	51	111	22	25
1975	537	224	154	28	92	22	17
1976	472	200	125	49	67	12	19
1977	498	220	136	25	70	26	21
1978	456	216	105	26	76	18	15

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.

[2] Combination refers to the number of authorized interceptions where more than 1 location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 2.—STATE AND FEDERAL MICROPHONE-EAVESDROP INTERCEPTS INSTALLED BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location					
		Single family dwelling	Apartment	Multi-dwelling	Business	Combination[2]	Other
Total Federal and State	282	19	38	6	137	5	77
Total Federal	79	6	11	3	43	2	14
1968							
1969	1				1		
1970	3		1		2		
1971	5		1		2		2
1972	5		2		2		1
1973	12	2	1		5		4
1974	10	1		1	7		1
1975	11	1	3		5	1	1
1976	10		1		5	1	3
1977	9	2	1	1	4		1
1978	13		1	1	10		1
Total State	203	13	27	3	94	3	63
1968							
1969	14		1		8		5
1970	18		4	1	6		7
1971	12	1	1		4		6
1972	24	1	2		7	1	13
1973	36	7	6		14		9
1974	26		6	1	14	1	4
1975	26	1	5		15		5
1976	16	1			9	1	5
1977	17	2	2	1	5		7
1978	14				12		2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.

[2] Combination refers to the number of authorized interceptions where more than 1 location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 3.—STATE AND FEDERAL PHONE WIRE/MICROPHONE EAVESDROP INTERCEPTS INSTALLED, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location: Single family dwelling	Apartment	Multidwelling	Business	Combination[2]	Other
Total Federal and State	203	22	34	5	80	42	20
Total Federal	103	8	8	1	47	36	3
1968							
1969	2					2	
1970	5	1	1		3		
1971	6		1		2	3	
1972	13	1	1		4	5	2
1973	13	2	2		5	4	
1974	13		1		7	5	
1975	12			1	9	2	
1976	15		1		7	6	1
1977	11	1	1		5	4	
1978	13	3			5	5	
Total State	100	14	26	4	33	6	17
1968							
1969	4	1	2		1		
1970	18	3	9		3		3
1971	8	1	2	1	1		3
1972	15	2	2	2	4	1	4
1973	19	2	5		9		3
1974	5		1		4		
1975	7		3		2	2	
1976	10	2	1		4	1	2
1977	7	2	1	1	2	1	
1978	7	1			3	1	2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.

[2] Combination refers to the number of authorized interceptions where more than one location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 4.—STATE AND FEDERAL INTERCEPTS INSTALLED USING OTHER TYPES OF SURVEILLANCE, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location: Single family dwelling	Apartment	Multidwelling	Business	Combination[2]	Other
Total Federal and State	29	8	5		6	2	8
Total Federal	3	1				1	1
1968							
1969							
1970							
1971							
1972							
1973							
1974							
1975							
1976	2					1	1
1977							
1978	1	1					
Total State	26	7	5		6	1	7
1968							
1969							
1970							
1971	8	3			2	1	2
1972	5		2		1		2
1973	1	1					
1974	7	2	3		1		1
1975							
1976	1				1		
1977	2	1			1		
1978	2						2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.

[2] Combination refers to the number of authorized interceptions where more than one location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Report Division, Washington, D.C. 20544.

ADDITIONAL COSPONSORS

S. 43

At the request of Mr. HATCH, the Senator from Iowa (Mr. JEPSEN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Mississippi (Mr. STENNIS), the Senator from Georgia (Mr. TALMADGE), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 91

At the request of Mr. THURMOND, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 91, a bill to amend title 10, U.S. Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 105

At the request of Mr. WALLOP, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 105, the Parental Kidnaping Prevention Act of 1979.

S. 391

At the request of Mr. ROTH, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 391, a bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes.

S. 600

At the request of Mr. KENNEDY, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 600, the Small and Independent Business Protection Act of 1979.

S. 616

At the request of Mr. DOLE, the Senator from North Carolina (Mr. HELMS) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 616, a bill to amend the Internal Revenue Code to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations.

S. 625

At the request of Mr. WALLOP, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977.

S. 655

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 655, the Small Business Investment Incentive Act.

S. 731

At the request of Mr. SCHWEIKER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 731, a bill to amend titles XVIII and XIX of the Social Security Act to strengthen the capabilities of the States and the Federal Government to detect medicaid fraud and abuse.

S. 879

At the request of Mr. CHILES, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 879, a bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty.

S. 1004

At the request of Mr. BENTSEN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1004, a bill to suspend the duty on freight cars until the close of June 30, 1981.

S. 1246

At the request of Mr. KENNEDY, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1246, the Energy Antimonopoly Act of 1979.

S. 1252, S. 1253, S. 1254, S. 1255, S. 1256, AND S. 1257

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1252, S. 1253, S. 1254, S. 1255, S. 1256, and S. 1257, bills to increase productivity.

S. 1269

At the request of Mr. SCHWEIKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1269, a bill to amend the Urban Mass Transportation Assistance Act of 1964 with respect to reduced fare ridership for elderly or handicapped persons.

S. 1295

At the request of Mr. CULVER, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1295, the Senior Citizens Health Insurance Reform Act of 1979.

S. 1411

At the request of Mr. Chiles, the Senator from South Carolina (Mr. Hollings) and the Senator from Indiana (Mr. Lugar) were added as cosponsors of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

S. 1433

At the request of Mr. Packwood, the Senator from Florida (Mr. Chiles), the Senator from Tennessee (Mr. Sasser), and the Senator from New York (Mr. Moynihan) were added as cosponsors of S. 1433, a bill to improve the certification process used by the Federal Aviation Authority for passenger airplanes.

S. 1475

At the request of Mr. Bentsen, the Senator from New York (Mr. Javits), the Senator from Indiana (Mr. Lugar), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 1475, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the creation and growth of new and innovative firms.

S. 1481

At the request of Mr. Weicker, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 1481, the Small Business Participating Debenture bill.

S. 1505

At the request of Mr. Cochran, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 1505, to amend the IRC to provide that the amount of a deduction in the case of a disaster loss shall be increased by an amount computed with regard to the replacement cost of property lost in the disaster.

S. 1523

At the request of Mr. Thurmond, the Senator from Tennessee (Mr. Baker) was added as cosponsors of S. 1523, a bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration.

S. 1571

At the request of Mr. Packwood, the Senator from Wisconsin (Mr. Nelson), the Senator from Texas (Mr. Bentsen), and the Senator from Massachusetts (Mr. Tsongas), were added as cosponsors to S. 1571, a bill to amend the Internal Revenue Code to provide increased incentives for the utilization of alternative energy sources.

S. 1576

At the request of Mr. Baker (for Mr. Jepsen), the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 1576, a bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes.

S. 1577

At the request of Mr. Baker (for Mr. Jepsen), the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 1577, a bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1658

At the request of Mr. Javits, the Senator from Rhode Island (Mr. Pell) and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of S. 1658, the Asbestos School Hazard Detection and Control Act of 1979.

S. 1680

At the request of Mr. Hatch, the Senator from Wyoming (Mr. Simpson), the Senator from Nevada (Mr. Laxalt) and the Senator from Wyoming (Mr. Wallop) were added as cosponsors of S. 1680, a bill to provide for the cession and conveyance to the States of federally owned unreserved, unappropriated funds, and to establish policy, methods, procedures, schedules, and criteria for such transfers.

SENATE JOINT RESOLUTION 85

At the request of Mr. Schweiker, the Senator from Florida (Mr. Chiles) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16–22, 1979, as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 100

At the request of Mr. Sasser, the Senator from Mississippi (Mr. Cochran), the Senator from Louisiana (Mr. Johnston), the Senator from Indiana (Mr. Lugar), and the Senator from California (Mr. Cranston) were added as cosponsors of Senate Joint Resolution 100, to authorize the President to proclaim May 1, 1980 as National Bicycling Day.

SENATE RESOLUTION 216

At the request of Mr. Proxmire, the Senator from North Dakota (Mr. Burdick) and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of Senate Resolution 216, relating to the construction of the Senate office buildings.

SENATE CONCURRENT RESOLUTION 36—ORIGINAL CONCURRENT RESOLUTION REPORTED DURING THE RECESS REVISING THE CONGRESSIONAL BUDGET FOR FISCAL YEARS 1980, 1981, AND 1982

Mr. MUSKIE, from the Committee on the Budget, pursuant to the order of the Senate on August 3, 1979, reported the following original resolution on August 24, 1979:

S. Con. Res. 36

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to subsection 310(a) of the Congressional Budget Act of 1974, that:

In order to achieve a balanced budget in fiscal year 1981, the following budgetary levels are appropriate for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981—

(a) the recommended level of Federal revenues is as follows:

Fiscal year 1980: $514,700,000,000;
Fiscal year 1981: $603,600,000,000;
Fiscal year 1982: $658,400,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1980: +$2,000,000,000;
Fiscal year 1981: +$9,700,000,000;
Fiscal year 1982: —$38,700,000,000;

(b) the appropriate level of total new budget authority is as follows:

Fiscal year 1980: $632,200,000,000;
Fiscal year 1981: $649,200,000,000;
Fiscal year 1982: $722,500,000,000;

(c) the appropriate level of total budget outlays is as follows:

Fiscal year 1980: $542,700,000,000;
Fiscal year 1981: $588,600,000,000;
Fiscal year 1982: $632,800,000,000;

(d) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1980: −$28,000,000,000;
Fiscal year 1981: +$15,000,000,000;
Fiscal year 1982: +$25,600,000,000;

(e) the appropriate level of the public debt is as follows:

Fiscal year 1980: $887,400,000,000;
Fiscal year 1981: $906,200,000,000;
Fiscal year 1982: $921,400,000,000;

the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1980: $57,400,000,000;
Fiscal year 1981: $76,200,00,000;
Fiscal year 1982: $91,400,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (b) and (c) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to subsection 310(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(a) National Defense (050):

Fiscal year 1980:

(A) New budget authority, $136,800,000,000;

(B) Outlays, $127,400,000,000.

Fiscal year 1981:

(A) New budget authority, $147,300,000,000;

(B) Outlays, $138,300,000,000.

Fiscal year 1982:

(A) New budget authority, $159,000,000,000;

(B) Outlays, $148,900,000,000.

(b) International Affairs (150):

Fiscal year 1980:

(A) New budget authority, $13,100,000,000;

(B) Outlays, $8,300,000,000.

Fiscal year 1981:

(A) New budget authority, $14,000,000,000;

(B) Outlays, $8,700,000,000.

Fiscal year 1982:

(A) New budget authority, $14,900,000,000;

(B) Outlays, $8,700,000,000.

(c) General Science, Space, and Technology (250):

Fiscal year 1980:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $5,700,000,000.

Fiscal year 1981:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $5,800,000,000.

Fiscal year 1982:

(A) New budget authority, $5,600,000,000;

(B) Outlays, $5,700,000,000.

(d) Energy (270):

Fiscal year 1980:

(A) New budget authority, $41,000,000,000;

(B) Outlays $7,000,000,000.

Fiscal year 1981:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1982:

(A) New budget authority, $24,200,000,000;

(B) Outlays, $9,500,000,000.

(e) Natural Resources and Environment (300):

Fiscal year 1980:

(A) New budget authority, $12,700,000,000;

(B) Outlays, $11,900,000,000.

Fiscal year 1981:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $12,700,000,000.

Fiscal year 1982:

(A) New budget authority, $14,100,000,000;

(B) Outlays, $13,500,000,000.

(f) Agriculture (350):

Fiscal year 1980:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $2,600,000,000.

Fiscal year 1981:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $3,200,000,000.

Fiscal year 1982:

(A) New budget authority, $3,900,000,000;

(B) Outlays, $3,600,000,000.

(g) Commerce and Housing Credit (370):

Fiscal year 1980:

(A) New budget authority, $6,800,000,000;

(B) Outlays, $3,000,000,000.

Fiscal year 1981:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $3,500,000,000.

Fiscal year 1982:

(A) New budget authority, $6,200,000,000;

(B) Outlays, $3,200,000,000.

(h) Transportation (400):

Fiscal year 1980:

(A) New budget authority, $19,500,000,000;

(B) Outlays, $18,600,000,000.

Fiscal year 1981:

(A) New budget authority, $21,700,000,000;

(B) Outlays, $19,800,000,000.

Fiscal year 1982:

(A) New budget authority, $20,400,000,000;

(B) Outlays, $20,800,000,000.

(i) Community and Regional Development (450):

Fiscal year 1980:

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,400,000,000.

Fiscal year 1981:

(A) New budget authority, $9,900,000,000;

(B) Outlays, $9,200,000,000.

Fiscal year 1982:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,600,000,000.

(j) Education, Training, Employment, and Social Services (500):

Fiscal year 1980:

(A) New budget authority, $29,700,000,000;

(B) Outlays, $30,500,000,000.

Fiscal year 1981:

(A) New budget authority, $30,400,000,000;

(B) Outlays, $30,000,000,000.

Fiscal year 1982:

(A) New budget authority, $30,300,000,000;

(B) Outlays, $30,000,000,000.

(k) Health (550):

Fiscal year 1980:

(A) New budget authority, $58,800,000,000;

(B) Outlays, $54,200,000,000.

Fiscal year 1981:

(A) New budget authority, $70,500,000,000;

(B) Outlays, $61,100,000,000.

Fiscal year 1982:

(A) New budget authority, $82,100,000,000;

(B) Outlays, $68,100,000,000.

(l) Income Security (600):

Fiscal year 1980:

(A) New budget authority, $216,600,000,000;

(B) Outlays, $188,400,000,000.

Fiscal year 1981:

(A) New budget authority, $243,300,000,000;

(B) Outlays, $210,500,000,000.

Fiscal year 1982:

(A) New budget authority, $273,500,000,000;

(B) Outlays, $233,000,000,000.

(m) Veterans Benefits and Services (700):

Fiscal year 1980:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1981:

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,400,000,000.

Fiscal year 1982:

(A) New budget authority, $22,600,000,000;

(B) Outlays, $22,500,000,000.

(n) Administration of Justice (750):

Fiscal year 1980:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

Fiscal year 1981:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1982:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,500,000,000.

(o) General Government (800):

Fiscal year 1980:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1981:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,400,000,000.

Fiscal year 1982:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,600,000,000.

(p) General Purpose Fiscal Assistance (850):

Fiscal year 1980:

(A) New budget authority, $9,300,000,000;

(B) Outlays, $9,300,000,000.

Fiscal year 1981:

(A) New budget authority, $8,200,000,000;

(B) Outlays, $8,600,000,000.

Fiscal year 1982:

(A) New budget authority, $8,200,000,000;

(B) Outlays, $8,200,000,000.

(q) Interest (900):

Fiscal year 1980:

(A) New budget authority, $58,100,000,000;

(B) Outlays, $58,100,000,000.

Fiscal year 1981:

(A) New budget authority, $60,900,000,000;

(B) Outlays, $60,900,000,000.

Fiscal year 1982:

(A) New budget authority, $62,300,000,000;

(B) Outlays, $62,300,000,000.

(r) Allowances (920):

Fiscal year 1980:

(A) New budget authority, −$100,000,000;

(B) Outlays, −$100,000,000.

Fiscal year 1981:

(A) New budget authority, −$100,000,000;

(B) Outlays, −$100,000,000.

Fiscal year 1982:

(A) New budget authority, $0;

(B) Outlays, $0.

(s) Undistributed Offsetting Receipts (950);

Fiscal year 1980:

(A) New budget authority, −$19,700,000,000;

(B) Outlays, −$19,700,000,000.

Fiscal year 1981:

(A) New budget authority, −$21,500,000,000;

(B) Outlays, −$21,500,000,000.

Fiscal year 1982:

(A) New budget authority, −$23,900,000,000;

(B) Outlays, −$23,900,000,000.

SEC. 3. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Appropriations shall reduce spending in reported or enacted laws, bills, and resolutions by $2,900,000,000 in budget authority and $2,500,000,000 in outlays for fiscal year 1980 and are instructed to report promptly, in accordance with section 310 of such Act, their recomendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 4. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Agriculture shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, their recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Armed Services shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, their recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 6. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $250,000,000 in budget authority and are instructed to report promptly, in accordance with section 301 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $1,700,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 8. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 9. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Veterans' Affairs shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 10. Pursuant to section 300 and 310 of the Congressional Budget Act of 1974, the committees specified in sections 3 to 9 herein shall report the recommendations required by this resolution not later than September 25, 1979, or ten days after Congress completes action on this resolution, whichever first occurs.

AMENDMENTS SUBMITTED FOR PRINTING

MONETARY POLICY IMPROVEMENT ACT OF 1979—S. 85

AMENDMENT NO. 398

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs)

Mr. PROXMIRE (for himself, Mr. BURDICK, and Mr. BUMPERS) submitted an amendment intended to be proposed by them jointly, to S. 85, a bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve banks, and for other purposes.

Mr. PROXMIRE. Mr. President, I am today introducing an amendment to S. 85, the Monetary Policy Improvement Act of 1979, which incorporates many of the ideas that have been talked about during the course of extensive hearings on the so-called Fed membership problem, during meetings on this subject by various groups within the banking community, and during the evolution of H.R. 7 through the House of Representatives. This amendment is being offered as a substitute for the original text of S. 85 and will be considered by the Banking Committee along with H.R. 7 at hearings that have been scheduled for September 26 and 27, 1979.

This issue has been before the Congress for a considerable time and if no consensus can be reached during this session it will be an ongoing issue until it is resolved. To call it the Fed membership issue is incorrect for the issue goes far beyond the problem of the continued erosion of membership in the Federal Reserve System. That is, of course, the problem which brought the broader issues out into the open. But, in my view, and in the view of former Chairman G. William Miller, membership in the central bank is not essential. The evolution of banking and the financial markets in the past 30 years has been dramatic, and it is time to consider needed and fundamental reforms in the Federal Reserve System to make it truly our Nation's central bank unencumbered by worries about membership.

The primary responsibility of the Federal Reserve today is the conduct of monetary policy, a function that was not even envisioned in 1913 when the Congress passed the Federal Reserve Act. In fact, the most important monetary policy committee within the Federal Reserve, the Federal Open Market Committee, was not created until 1933. And since then the importance of monetary policy to the well-being of the Nation has expanded dramatically. If the Congress is to continue to depend on the Federal Reserve to manage our money and credit needs, it is the Congress responsibility to make sure that the Fed has both the necessary tools and a broad base within the financial system from which those tools can be used. The continued reduction of the proportion of deposits covered by reserve requirements could weaken the Fed's ability to implement monetary policy.

The innovativeness of the financial system has developed an expanded payments mechanism which goes far beyond that of 1913, 1933, or even 1970. Our basic money supply used to be composed of only currency, coin, and demand deposits at banks—checking accounts. But, in recent years, our means of payments have expanded to include negotiable order of withdrawal accounts (NOW's), credit union share drafts, telephone transfer and billpayer accounts, remote service units, automatic transfer accounts, and others. If control of the money supply is important to this economy, and there is almost nobody that says it is not, then the Federal Reserve must be in a position to use its policy tools to the growth of currency, demand deposits and the new types of money, regardless of whether those components of money are deposits at member banks, nonmember banks, credit unions, mutual savings banks, or savings and loan associations.

Mr. President, important and beneficial changes are needed if the Federal Reserve System is to continue to remain strong and effective. I have tried to incorporate these into the legislation I am submitting today. The broad objectives which are sought by this legislation are:

First, to insure on a permanent basis that the Federal Reserve has the ability to control money and credit in a rapidly changing financial environment;

Second, to promote greater competitive equality among financial institutions;

Third, to provide for changes in the reserve requirement structure that provide for a lower, more uniform, and more equitable structure while at the same time providing the necessary cover to strengthen the ability of the Fed to control both money and credit;

Fourth, to enhance the safety and soundness of the banking system by providing direct access to the Federal Reserve's discount window for all depository institutions offering transaction accounts based on need, not affiliation;

Fifth, to improve the efficiency of the payments mechanism by the establishment of a svstem of fees for Federal Reserve services, now offered without charge, by encouraging faster clearing and less float, and by providing access to Federal Reserve services to all depository institutions at the same price;

Sixth, to free the Federal Reserve Board from any overbearing concern it may have that its decisions with regard to issues of monetary policy, or supervision and regulation of banks or bank holding companies may adversely affect membership in the Federal Reserve System and, therefore, weaken its ability to act; and

Seventh, to accomplish the above objectives in a manner that provides the maximum benefit at a reasonable and justifiable cost to the U.S. Treasury and the American taxpayers.

Mr. President, on July 18, 1979 the Banking Leadership Conference of the American Bankers Association issued a consensus statement in which it affirmed the importance of preserving the strength, independence, and monetary effectiveness of the Federal Reserve. The statement also indicated that the ABA would be willing to support legislation which established reserve requirements set by the Federal Reserve on all transactions accounts offered by any and all financial intermediaries, with some allowance for size considerations. This structure has been called the level-playing field because all depositories would be treated in the same manner. The legislation that I am introducing today satisfies those requirements.

SUMMARY OF MAIN FEATURES

Reserve requirements: All depository institutions would be required to hold reserves against their transaction accounts and nonpersonal time deposits. There would be no reserve requirements against personal time and savings deposits. For transaction accounts the reserve requirement would be 3 percent on the first $5 million and 12 percent on such accounts in excess of $5 million. The Federal Reserve Board would be given the authority to vary the reserve ratio on accounts above $5 million within a range of 11 to 13 percent solely for the purpose of implementing monetary policy. For nonpersonal time deposits the reserve requirement would be zero percent on the first $5 million and 6 percent on such deposits above $5 million. The Board would have the authority to vary the reserve ratio on such deposits in excess of $5 million within a range of 0 to 12 percent, again solely for the purpose of implementing monetary policy. The Board would also be given flexibility to impose reserve requirements above or below the prescribed limits in extraordinary circumstances for a period of 30 days.

This simplified and lower reserve requirement structure would permit a reduction in reserves maintained by member banks at the Federal Reserve banks of more than $10 billion, while total reserves of the banking system would be reduced by about $7 billion. At the same time the proportion of total bank deposits held at those banks subject to reserve requirements would be increased from 72 percent to approximately 87 percent. The number of banks holding reserves would increase from 5,062, total number of members banks, to 6,872.

Reporting requirements: The Federal Reserve Board would be authorized to require periodic reporting of liabilities and assets from all depository institutions whose reserve requirements are greater than zero as may be necessary or desirable to enable the Board to monitor and control the monetary and credit aggregates. Institutions not subject to reserve requirements would provide such reports to their respective supervisory agencies.

Discount window: Any depository institution in which transaction accounts are held would be entitled to access to the Federal Reserve's discount window on the same terms and conditions as member banks.

Federal Reserve services: The Federal Reserve would be required to publish for public comment a set of pricing principles and a proposed schedule of fees based on those principles for services offered by Federal Reserve banks to depository institutions within 6 months after enactment of the legislation. The Board would also be required to put into effect a schedule of fees for such services within 18 months after the date of enactment of the legislation.

All Federal Reserve services covered by the fee schedule would be made available to nonmember depository institutions at the same fee applicable to member banks.

The fees are to be established on the basis of all direct and indirect costs actually incurred including overhead and an allocated or imputed cost for taxes and the rate of return on capital that would have applied if such services were provided by private business firms, except where the Board determines that it is necessary to depart from this principle in order to prevent a serious and long lasting impairment of the Nation's payments system.

One of the services that the Federal Reserve provides—Federal Reserve float—arises from the clearing of checks and other paper items. The Fed is attempting to reduce the level of float by operational means and is studying possible changes in rules for clearing that may be needed to further reduce float. The legislation would require that any float remaining after such reductions be charged for at the current rate of interest applicable in the market for Federal funds.

Treasury revenues: The legislation would affect the revenues of the Federal Reserve System and ultimately the Treasury and, therefore, the budget deficit in a number of ways. First, the revised reserve requirement structure would reduce reserve requirements for member banks by $10.2 billion. This would increase member banks earnings and cost the Treasury approximately $660 million in pretax revenues. Second, the application of reserve requirements to insured and noninsured nonmember banks will result in an increase of reserves of $3.3 billion and an increase in pretax revenues to the Treasury of $213.4 million. Third, the mandate to begin charging for Federal Reserve services would produce an additional $410 million in pretax revenues to the Treasury at current service levels. Fourth, assuming reduction of float to end-of-year 1977 levels, the Federal Reserve would collect an additional $247 million in fees for the remaining float.

The combined effect of these changes would result in a pretax revenue gain to the Treasury of $210 million. However, these net gains in revenue to the Treasury would be subject to offsetting taxes against increased earnings and write-offs against increased expenses. The Treasury has estimated that the revenue loss would be at a 55-percent rate. Therefore, the net revenue gains to the Treasury would be approximately $116 million. This is a net gain in revenue, not a loss as would be the case with all other proposals. The revenue loss to the Treasury after taking into consideration of the amount to be recaptured by taxes of H.R. 7 is over $300 million and could be much more, perhaps more than $1 billion, depending on how the pricing of Federal Reserve services is handled. Given the President's commitment to hold down the deficit and to balance the budget, we must be mindful of the effects that this legislation will have on Treasury revenues. In our inflationary environment, with the CPI increasing at 13 percent, the use of Treasury revenues to provide additional revenues for the banks, will be extremely difficult to justify to the voters of the Nation.

Mr. President, I had an opportunity to meet with Chairman Volcker yesterday to discuss the Fed membership legislation. Several different approaches were the subject of our meeting, including some new ideas that Chairman Volcker has put forth. He will be discussing this issue with various groups over the next 2 or 3 weeks prior to our committee hearings on September 26 and 27.

Mr. President, I ask unanimous consent that the text of my amendment and the section-by-section analysis of the amendment be included in the Record.

There being no objection, the amendment and analysis were ordered to be printed in the Record, as follows:

Amendment No. 398

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Monetary Policy Improvement Act of 1979".

DEFINITIONS

Sec. 2. Section 19(a) of the Federal Reserve Act (12 U.S.C. 461(a)) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(6) any insured institution as defined in section 401 of the National Housing Act; and

"(7) for the purpose of section 13 and the fourteenth paragraph of section 16, any association or entity which is wholly owned by or which consists only of institutions referred to in clauses (1) through (6).

"The term 'bank' means any insured or noninsured bank, as defined in section 3 of the Federal Deposit Insurance Act, other than a mutual savings bank or a savings bank as defined in section 3 of the Federal Deposit Insurance Act.

"The term 'transaction account' means a deposit or account on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, or other similar item for the purpose of making payments or transfers to third persons or others. Such term includes demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfers, and share draft accounts.

"The term 'nonpersonal time deposits' means a time deposit or account representing funds deposited to the credit of, or in which any beneficial interest is held by a depositor who is not a natural person.

"In order to prevent evasions of the reserve requirements imposed by this Act, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, the Board of Governors of the Federal Reserve System is further authorized to determine, by regulation or order, that an account or deposit is a transaction account if such account or deposit may be used to provide funds directly or indirectly for the purpose of making payments or transfers to third persons or others.".

REPORTING REQUIREMENTS

SEC. 3 Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended—

(1) by inserting "(1)" immediately after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (A) directly to the Board in the case of member banks and in the case of other depository institutions whose reserve requirements under section 19 of this Act exceed zero, and (B) for all other reports to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, savings banks, and mutual savings banks, (ii) National Credit Union Administration Board in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid the imposition of unnecessary burdens on reporting institutions and the duplication of other reporting requirements. Any data provided to any department, agency, or instrumentality of the United States pursuant to other reporting requirements shall be made available to the Board. The Board may classify depository institutions for the purposes of this paragraph and may impose different requirements on each such class.".

RESERVE REQUIREMENTS

SEC. 4. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended to read as follows:

"(b)(1) RESERVE REQUIREMENTS.—(A) Each depository institution shall maintain reserves against its transaction accounts as the Board may by regulation prescribe solely for the purpose of implementing monetary policy—

"(i) in the ratio of 3 per centum for that portion of its total transaction accounts of $5,000,000 or less; and

"(ii) in the ratio of 12 per centum, or in such other ratio as the Board may prescribe not greater than 13 per centum and not less than 11 per centum, for that portion of its total transactions accounts in excess of $5,000,000.

"(B) Each depository institution shall maintain reserves against its nonpersonal time deposits as the Board may by regulation prescribe solely for the purpose of implementing monetary policy—

"(i) in the ratio of 0 per centum for that portion of its nonpersonal time deposits if $5,000,000 or less; and

"(ii) in the ratio of 6 per centum, or in such other ratio not greater than 12 per centum and not less than 0 per centum, for that portion of its nonpersonal time deposits in excess of the $5,000,000.

"(2) WAIVER OF RATIO LIMITS.—Upon a finding by the Board that extraordinary circumstances require such action, the Board, after consultation with the appropriate committees of the Congress, may impose reserve requirements above or below the limits otherwise prescribed by this section for a period not exceeding thirty days, and for further periods not exceeding thirty days each by affirmative action by the Board in each instance. The Board shall promptly transmit to the Congress a report of any exercise of its authority under this paragraph and the reasons for such exercise.

"(3) PRIVILEGES OF INSTITUTIONS MAINTAINING RESERVES.—During any period that a depository institution is maintaining reserves pursuant to this section, such depository institution shall be entitled to all the privileges of membership in the Federal Reserve System, except that, if it is not otherwise a member, it may not hold stock in, or vote for any director of, a Federal Reserve bank.

"(4) RESERVES RELATED TO FOREIGN OBLIGATIONS OR ASSETS.—Foreign branches, subsidiaries, and international banking facilities of nonmember depository institutions shall maintain reserves to the same extent required by the Board of foreign branches, subsidiaries, and international banking facilities of member banks. In addition to any reserves otherwise required to be maintained pursuant to this subsection, any depository institution shall maintain reserves in such ratios as the Board may prescribe against—

"(A) net balances owed by domestic offices of such depository institution in the United States to its directly related foreign offices and to nonrelated foreign depository institutions,

"(B) loans to United States residents made by overseas offices of such depository institution if such depository institution has one or more offices in the United States, and

"(C) assets (including participations) held by foreign offices of a depository institution in the United States which were acquired from its domestic offices (other than assets representing credit extended to persons not residents of the United States).

"(5) EXEMPTION FOR CERTAIN DEPOSITS.—The requirements imposed by paragraph (1) of this subsection do not apply to deposits payable only outside the States of the United States and the District of Columbia, but nothing in this subsection limits the authority of the Board to impose conditions and requirements on member banks under section 25 of this Act or the authority of the Board under section 7 of the International Banking Act of 1978 (12 U.S.C. 3105).

"(6) DISCOUNT AND BORROWING.—Any depository institution in which transaction accounts are held shall be entitled to the same discount and borrowing privileges as member banks.

"(7) TRANSITIONAL ADJUSTMENTS.—

"(A) Any depository institution required to maintain reserves under this section which was engaged in business on July 1, 1979, but was not a member of the Federal Reserve System on that date, shall maintain reserves against its deposits during the first twelve-month period following the effective date of this paragraph in amounts equal to one-fourth of those otherwise required by this section, during the second such twelve-month period in amounts equal to one-half of those otherwise required, and during the third such twelve-month period in amounts equal to three-fourths of those otherwise required.

"(B) With respect to any bank which was a member of the Federal Reserve System on July 1, 1979, the amount of required reserves imposed pursuant to this section on the effective date of this section that exceeds the amount of required reserves maintained by the member institution during the reserve computation period immediately preceding the effective date of such paragraphs may, at the discretion of the Board and in accordance with such rules and regulations as it may adopt, be reduced by 75 per centum during the first year which begins after such effective date, 50 per centum during the second year, and 25 per centum during the third year.

"(C) In order to provide for an orderly transition period, the Board shall implement the reduction in reserve requirements resulting from the amendment of this subsection by the Monetary Policy Improvement Act of 1979 with respect to member banks over a period not greater than 48 months after the effective date of such paragraph.

"(D) Any depository institution which is a member bank on July 1, 1979, and leaves the Federal Reserve System after such date shall continue to be required to maintain reserves against its deposits after the effective date of this section as if it were a member bank.".

FORM OF RESERVES

SEC. 5. Section 19(c) of the Federal Reserve Act, as amended (12 U.S.C. 461) is amended to read as follows:

"(c) Reserves held by a depository institution to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account. However, the Board may, by regulation or order, permit depository institutions to maintain all or a portion of their required reserves in the form of vault cash, except that any portion so permitted shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a depository institution that maintains required reserve balances at a Federal Reserve bank, in a Federal home loan bank, or in a central liquidity facility for credit unions, if such depository institution, Federal home loan bank, or central liquidity facility maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a depository institution from another depository institution and used to satisfy the reserve requirement imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such bank, and shall not be subject to assessment imposed on such bank, pursuant to section 7 of the Federal Deposit Insurance Act.".

MISCELLANEOUS AMENDMENTS

SEC. 6. (a) The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended as follows:

(1) by inserting after the words "member banks" the words "or other depository institutions";

(2) by inserting after the words "payable upon presentation" the first and third times they appear, the words "or other items";

(3) by inserting after "payable upon presentation within its district," the words "or other items";

(4) by inserting after "nonmember bank or trust company," wherever it appears the words "or other depository institution";

(5) by striking out "sufficient to offset the items in transit held for its account by the Federal Reserve bank" and inserting in lieu thereof the words "in such amount as the Board determines taking into account items in transit, services provided by the Federal Reserve bank, and other factors as the Board may deem appropriate"; and

(6) by inserting after the words "nonmember bank" after the second colon the words "or other depository institution".

(b) The second paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended to read as follows:

"Each Federal Reserve bank shall maintain with the local Federal Reserve agent collateral in the form of financial assets in an amount not less than the amount of Federal Reserve notes issued by such bank and outstanding. Collateral shall not be required for Federal Reserve notes that are held in the vaults of Federal Reserve banks. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The Board of Governors may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued by it.".

(c) The thirteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 360) is amended—

(1) by striking out the words "member banks" wherever they appear and inserting in lieu thereof "depository institutions";

(2) by striking out the words "member bank" wherever they appear and inserting in lieu thereof "depository institution"; and

(3) by inserting after "checks" wherever it appears the words "and other items, including negotiable orders of withdrawal and share drafts".

(d) The fourteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 248 (o)) is amended by striking out "its member banks" and inserting in lieu thereof "depository institutions".

(e) The first sentence of section 19(e) of the Federal Reserve Act (12 U.S.C. 463) is amended to read as follows: "No member bank shall keep or deposit with any depository institution which is not authorized to have access to Federal Reserve advances under section 10(b) of this Act a sum in excess of 10 per centum of its own paid-up capital and surplus.".

ABOLITION OF PENALTY RATE

SEC. 7. Section 10(b) of the Federal Reserve Act (12 U.S.C. 347b) is amended by striking out the second sentence of the first paragraph thereof.

PRICING OF SERVICES

SEC. 8. The Federal Reserve Act is amended by inserting after section 11 the following new section:

"SEC. 11A. (a) Not later than the first day of the sixth calendar month after the date of enactment of the Monetary Policy Improvement Act of 1979, the Board shall publish for public comment a set of pricing principles in accordance with this section and a proposed schedule of fees based upon those principles for Federal Reserve bank services to depository institutions, and not later than the first day of the eighteenth calendar month after the date of enactment of the Monetary Policy Improvement Act of 1979, the Board shall put into effect a schedule of fees for such services which is based on those principles.

"(b) The services which shall be covered by the schedule of fees under subsection (a) are—

"(1) currency and coin services;

"(2) check clearing and collection services;

"(3) wire transfer services;

"(4) automated clearinghouse services;

"(5) settlement services;

"(6) securities safekeeping services;

"(7) Federal Reserve float; and

"(8) any new services which the Federal Reserve system offers, including but not limited to payment services to effectuate the electronic transfer of funds.

"(c) The schedule of fees prescribed pursuant to this section shall be based on the following principles:

"(1) All Federal Reserve bank services covered by the fee schedule shall be priced explicitly.

"(2) All Federal Reserve bank services covered by the fee schedule shall be available to nonmember depository institutions and such services shall be priced at the same fee schedule applicable to member banks, except that nonmembers shall be subject to any other terms, including a requirement of balances sufficient for clearing purposes, that the Board may determine are applicable to member banks.

"(3) Over the long run, fees shall be established on the basis of all direct and indirect costs actually incurred in providing the Federal Reserve services priced, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm, except that the pricing principles shall give due regard to competitive factors and the provision of an adequate level of such services nationwide.

"(4) Interest on items credited prior to collection shall be charged at the current rate applicable in the market for Federal funds.

"(d) The Board shall require reductions in the operating budgets of the Federal Reserve banks commensurate with any actual or projected decline in the volume of services to be provided by such banks. The full amount of any savings so realized shall be paid into the United States Treasury.".

AUTHORITY OF STATE BANK SUPERVISORS

SEC. 9. Nothing in the this Act or in the amendments made by this Act shall be construed in derogation of the authority of any officer or agency of State over any institutions organized or existing under the laws of such State.

EFFECTIVE DATES

SEC. 10. This Act shall take effect on the date of enactment, except that the amendments made by sections 4 and 5 of this Act shall take effect on the first day of the sixth month which begins after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Title. Title of the bill is the "Monetary Policy Improvement Act of 1979".

Section 2. Definitions. Defines the terms "depository institution", "bank", "transaction account", and "nonpersonal time deposits". The section also gives the Federal Reserve Board the authority to determine whether an account or deposit is a transaction account after consultation with the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board.

Section 3. Reporting Requirements. Gives the Federal Reserve Board the authority to collect reports of liabilities and assets from depository institutions as may be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates.

Section 4. Reserve Requirements. This section establishes rules pertaining to reserves to be held against deposits held by depository institutions.

Every depository institution would have reserve requirements against its transaction accounts of less than $5,000,000 in a ratio of 3% and in excess of $5,000,000 in a ratio of 12%, or within a range of 11% to 13%, as determined by the Board for the purpose of implementing monetary policy. Also, every depository institution would have reserve requirements against its nonpersonal time deposits in excess of $5,000,000 in a ratio of 6%, or within a range of 0% to 12%

The Board would be given the authority to impose reserve requirements outside statutory limits for a period of 30 days in extraordinary circumstances. The exercise of this authority would require the Board to report the reasons for such actions from the Congress.

Any depository institution maintaining reserves would be entitled to all the privileges of membership in the Federal Reserve System, except nonmembers could not hold stock in or vote for directors of a Federal Reserve Bank.

The Board's authority to apply reserve requirements against foreign obligations or assets of member banks is classified and such authority as extended to nonmember depository institutions. Reserves could be prescribed against net balances owed by domestic offices to foreign offices, loans to U.S. residents made by overseas offices, and assets held by foreign offices of a U.S. depository institution acquired from its domestic offices.

The authority of the Board to impose conditions and requirements in member banks under Section 25 of the Federal Reserve Act and section 7 of the International Banking Act of 1978 is not limited by this Act.

Any depository institution in which transaction accounts are held would have access to the discount window on the same basis as member banks.

There would be a four-year phase-in of reserve requirements for any depository institution that was not a member as of July 1, 1979. Similarly, any member bank as of July 1, 1979 with an increase in reserve requirements imposed pursuant to this legislation would have a four-year phase-in of the additional requirements.

The reduction of reserve requirements for member banks would be made over a four-year period.

A nonmember depository institution, organized under state law, with the principal offices of which are outside the continental limit of the U.S. would not be required to hold reserves against its deposits until six years after the enactment of the legislation, and then the reserve requirements would be phased-in over an additional 10 years.

Any bank which is a member bank as of July 1, 1979 and leaves the Federal Reserve System would continue to be required to maintain reserves as if it were a member.

Section 5. Form of Reserves. The reserves held by a depository institution to meet its reserve requirements would be required to be held as (1) balances for that purpose at a Federal Reserve bank, (2) vault cash, or (3) balances maintained by a nonmember depository institution in a depository institution that maintains required reserve balances at a Federal Reserve bank, in a Federal Home Loan bank, or in a central liquidity facility for credit unions, provided such balances are maintained in the form of balances with a Federal Reserve bank.

Section 6. Miscellaneous Amendments. This section amends the Federal Reserve Act to permit the Federal Reserve bank to accept deposits and to clear checks or similar instruments received from nonmember depository institutions. It also amends the collateral requirements for Federal Reserve notes.

Section 7. Abolition of Penalty Rate. Eliminates the penalty rate on advances to member banks.

Section 8. Pricing of Services. This section requires that the Federal Reserve Board publish for comment a set of pricing principles for Federal Reserve services within six months after the date of enactment of the legislation. The Board would also be required to put a fee schedule into effect within 18 months after the date of enactment.

The services to be priced include currency and coin, check clearing and collection, wire transfers, ACH services, settlement, securities safekeeping, and Federal Reserve float with float to be valued at the Federal funds rate.

This section specifies a set of principles on which prices are to be based. It also indicates that if adherence to the pricing principles for system services results in an increase in the performance of such service by the private sector the Board would make commensurate reductions in system expenditures for the provision of such services.

Section 9. Authority of State Bank Supervisors. This section provides that nothing in the bill is to be construed in derogation of the authority of any state bank supervisor over any institution it supervises by state law.

Section 10. Effective Dates. The new reserve requirement included in Section 4 and 5 takes effect on the first day of the sixth calendar month after enactment. All other sections take effect on the date of enactment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from North Dakota (Mr. BURDICK) and the Senator from Arkansas (Mr. BUMPERS) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on extension of the temporary limit on the public debt has been scheduled. The Honorable William G. Miller, Secretary of the Treasury, Mr. James T. McIntyre, Director of the Office of Management and Budget, and Alice M. Rivlin, Director of the Congressional Budget Office, will testify on the public debt at 2 p.m., Tuesday, September 11, 1979, in room 2221, Dirksen Senate Office Building.

The temporary debt limit of $836 billion which the Congress enacted in February of 1979 is due to expire on September 30.

By law, the budget is required to be in balance by fiscal year 1981.

The hearings will give Congress an opportunity to review the work of the Office of Management and Budget in preparing a balanced budget and implementing the requirements established by prior debt ceiling legislation.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by October 1, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, I wish to announce that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a field hearing on Saturday, September 8, 1979, in room 120, Boyd Hall, Plymouth State College, Plymouth, N.H., commencing at 10 a.m. This hearing, to be chaired by Senator JOHN A. DURKIN, will deal with the home heating oil and kerosene supply situation in New Hampshire. Panels representing New Hampshire fuel oil dealers, citizen groups and energy and labor coalitions have been invited to testify. Questions about this hearing may be directed to James T. Bruce, of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. FORD. Mr. President, I wish to announce that on Wednesday, September 12, 1979, at 10 a.m. in room 5110, Dirksen Senate Office Building, the Subcommittee on Energy Resources and Materials Production of the Senate Committee on Energy and Natural Resources will convene a hearing to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark. military reservation.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, the oversight hearing on the ACTION Agency's Older American Volunteer Programs scheduled by the Subcommittee on Child and Human Development for September 18 has been postponed. The hearing is now scheduled for October 17 from 8 a.m. to 10:30 a.m.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Tuesday, September 11, and Wednesday, September 12, 1979, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold hearings on S. 1684, the Domestic Refinery Development and Improvement Act of 1979. These hearings will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Tuesday, September 18, 1979 the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on S. 1417, the Foreign Oil Entitlements Act of 1979; S. 1205, the Oil Imports Act of 1979; S. 1134, the Oil Imports Act of 1979; and S. 1470, the Mandatory Oil Import Control Act of 1979. This hearing will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

ADDITIONAL STATEMENTS

ENERGY MOBILIZATION BOARD

● Mr. BUMPERS. Mr. President, the President in his energy speech called for an Energy Mobilization Board. The purpose of such a board would be to expedite critically needed energy facilities by cutting unnecessary redtape. The results would be catastrophic if the expedited process allowed the Board to waive the substantial body of constructive environmental and health laws this Congress has enacted over the past few years. The following are only a few of the laws that could be short-circuited in this process: Clean Air Act, Clean Water Act, Toxic Substance Control Act, Solid Waste Management Act, all public health laws, all occupational health and safety laws, Endangered Species Act, all laws protecting national forests and national parks and public domain lands, surface mining and other mining laws, laws affecting the establishment of claims and leases of energy and mineral resources, minimum wage laws, maximum hours laws, civil rights, equal opportunity employment, antitrust laws, patent laws, all corruption and criminal laws, Freedom of Information Act, and water property rights. Fortunately, people have not been asleep as this issue has developed as the attached articles and editorials indicate.

My own amendment which is currently pending before the Energy Committee would make it abundantly clear that the purpose of such a board is to expedite decision schedules so that needed energy projects can be developed, but that its function is not to run roughshod over State and local governments, the health and safety of our workers and the public, or to destroy our natural and manmade environment.

I hope that other Senators will take heed of the warnings in these articles, and join me in support of my amendment.

I ask that the attached articles be printed in full at conclusion of my remarks.

The articles follow:

[From the Washington Post, Aug. 3, 1979]

Is "Redtape" a Code Word for Law?

(By Amory Lovins)

The philosophy of Secretary James Schlesinger and Deputy Secretary John O'Leary has survived their tenure in the form of an Energy Mobilization Board (EMB), which was proposed to "cut red tape" impeding "critically needed" energy supply projects. But the crisis-management aura obscures a vital question: Does "red tape" mean the procedural defects everyone wants fixed—dilatory schedules, unconsolidated disparate hearings, uncoordinated agencies, and impact statements padded to disguise weakness with bulk? Or is "red tape" a code phrase for the painstakingly crafted substantive laws governing clean air and water, strip-mining, toxic substances, endangered species, and advance assessment of alternatives—or for the judicial review and public participation that give those laws practical effect?

Even shorn of this ambiguity, the EMB would be a dangerous implement to leave lying in the way of future administrations. Some senior officials even in the Carter administration, previously noted for its fine environmental record, have openly sought for months to use energy shortages as an excuse to gut the Clean Air Act. But the EMB is more deeply troublesome because it reflects the mistaken view that "procedural" requirements are a formalized game of hurdle-jumping rather than a serious effort to avoid mistakes.

To the extent that our political process seems cumbersome, it shows the health of democracy, for that process is meant to resolve by argument and compromise the fundamental conflicts that the EMB is meant to resolve by fiat—notably whether the facility is needed "critically" or at all. If concentrating more power in a central institution like the EMB suppresses or bypasses doubts that now cause awkward contests, those doubts will not disappear. They will merely pop up elsewhere, only worse, because the doubters will rightly be incensed at having been denied due process.

The EMB philosophy has some partial precedents that merit reflection. Still bitter in memory is the trans-Alaska pipeline. Objectors to the original "critically needed" proposal argued, on sober analysis, that the oil should be stretched out, used sparingly and piped to the Midwest (since on the West Coast it would cause a glut and have to be shipped to Japan), and that the pipeline would be leaky and astronomically expensive. They proved right on all counts. The oil companies are now immensely grateful that they were made to build a better (if still bad) pipeline that might not fall apart immediately, and at a date that saved them billions of dollars. But it was still a bad choice, rammed through Congress on Spiro Agnew's tie-breaking vote by duplicitous federal officials who thought their own wisdom was superior to public process. If we had stuck to that process, Alaskan oil would today be contributing far more to our security and prosperity. Whenever, as in that case, environmental lawsuits have delayed major energy projects, both the courts and history have consistently found the objectors right on the merits—not a hindrance to be lightly disregarded.

For many years, too, we had a federal superagency that could and did cut red tape by overriding all state or local regulation of nuclear power plants. The Atomic Energy Commission's hearings to license provided the form of due process without its substance. By dedicated cynicism, the AEC achieved the operation of dozens of nuclear plants, many near our cities. Yet once again it appears, in hindsight, that the objections the AEC so cavalierly bypassed were justified. By refusing to give them serious and timely attention, this nation poured $100 billion down a rathole; and the AEC and its successors lost their perceived legitimacy, perhaps forever.

The gravest flaw in the EMB approach lies still deeper, in its reliance on central management. The energy problem is not like building an A-bomb or putting a man on the moon. It consists rather of billions of inefficient energy-using devices and thousands of institutional barriers—silly rules and habits that prevent people from using energy in ways that would save money. With such a diverse and fine-grained problem, central management is more part of the problem than part of the solution; it is unnecessary and even an impediment.

President Carter's rhetorical tension between encouraging grass-roots and community innovation (the source of virtually all the good news about energy since 1973) and a $142 billion exercise in Nixonian technocracy reflects a deeper choice we must make—between traditional ideals of individual enterprise, intelligence and decision, and the less democratic belief that the same distrusted bureaucratic and oligopolistic elite who many feel got us into this mess are the only source of the wisdom that we are incompetent to muster for ourselves. It is a choice between soft and hard energy paths; between Jefferson and Hamilton; and ultimately between democracy and tyranny.

Rather than emphasizing those actions surest to excite political divisions, waste time and money, and fail, surely we should seek to build national consensus where it already exists. We should rely on our relatively quick, cheap and safe (and absolutely enormous) opportunities for raising energy productivity and for harnessing the vast range of proven, appropriate renewable energy sources. If we add up and vigorously promote—as in the president's fine reference to Davis, Calif.—the things we nearly all agree about, they'll be enough. We can then forget the things we don't agree about, such as synfuels and the EMB, because they'll be superfluous.

We have never tried before to design an energy policy around an existing consensus, but it seems long past time we started. Not to do so is a failure of nerve, a failure to learn that the cause of problems is facile solutions, a failure to realize that the age of throwing money at problems has passed, a failure to mobilize the deep wisdom and ingenuity of our people, and a failure of trust—trust that people can solve, as many are already solving, most of their own energy problems if only they have incentive and opportunity. The kind of energy mobilization we need is happening today in hundreds of communities and millions of homes across America. It doesn't need a board; it needs a modest government willing to lend a hand and then get out of the way.

[From the Washington Star, July 31, 1979]

Energy Mobilization by Consent?

To understand the interesting battle now shaping up in the House of Representatives, you need to recall the fifth point of President Carter's July 15th address: a so-called Energy Mobilization Board (EMB) powerful enough "to cut through the red tape, the delays and the endless roadblocks to completing key energy projects," specifically oil pipelines and refineries.

The classic case is the intolerable delay, by environmentalist nitpicking, of the Sohio pipeline. Similar dilatory processes—some warranted, some merely obstructive—could face the synthetic fuels projects Mr. Carter has called for.

The nation disagrees on the appropriate price, in social and environmental terms, to pay for shaking off energy dependency. So competing ideas of EMB powers have emerged—as expected, one might add. One man's red tape is another's protection against lung disease.

There is a congressional consensus that the Board ought to have authority to designate selected high-priority ("key") energy projects and to speed up local, state and federal regulatory procedures that could unduly delay them. EMB legislation might even limit, or at least speed up, judicial review; and when local, state or federal regulatory authorities failed to meet deadlines imposed by the Board, the Board itself might step in and pre-empt their decisions, adhering as it did so to applicable laws.

All this seems sound enough, justified by the threat of energy dependency to national well-being. Obstructive delays of vital projects must take a back seat.

But one version of the EMB legislation now before the Commerce Committee, the so-called Dingell version, appears to exceed even the uncommon powers sought for the Board by President Carter. Critics complain that the Dingell proposal would give the Board power not only to curtail dilatory procedures, and set deadlines, but to waive substantive requirements of law.

Colorado's Rep. Tim Wirth, who seeks to amend the bill, contends that "the board could waive any law—labor laws, equal opportunity laws, anything that stood in the way . . . If an oil shale project was dumping salt in the Colorado River, there would be nothing we could do about it."

Is this what the administration is seeking? That seems at least questionable. An Office of Legal Counsel memo broadly supporting the EMB concept says that "since substantive standards such as those regarding the environment, land use, health and safety are specifically excluded from the waiver, the authority does not threaten the provisions of traditional state and local services." The memo assumes, that is, that while the Board could set deadlines, and act to clear procedural obstacles when regulatory bodies fail to act speedily, it could not set aside the substance of law.

Any legislation extending the latter power to the Board would raise substantial constitutional and practical questions. Washington's appetite for centralized power has not yet deprived the states of their police powers—although the federal government may undoubtedly influence the exercise of those powers by "threat and promise." What it presumably cannot do is override or prevent legislation to protect health and safety.

And would such nullification be practical, even if constitutional? Would it serve the larger purposes of "energy mobilization?" There are environmental regulations and statutes at all levels of government, many resulting from bloody fights in the 1960s, which no "energy mobilization board" could stamp out unchallenged, even if given paper authority to do it.

If the purpose of the EMB legislation is to speed up "key" energy projects and prod lethargic bureaucracies—an entirely legitimate purpose—Congress ought to beware of extending powers that would outrage state and local interests and stir virtual guerrilla warfare against the projects it aims to expedite. This would be self-defeating.

The seeming difference between what the administration is asking for and what some congressmen of the Dingell persuasion are prepared to yield suggests a need for clarification. Is the president demanding *procedural* waiver powers for his Energy Mobilization Board? Or is he asking that the Board also be empowered to steamroller *substantive* laws and regulations? The difference is crucial. The power to obliterate substantive laws could borrow as much agony, strife and delay for "key" energy projects as it forfends.●

GREATER U.S. COMMITMENT TO GASOHOL IN NATIONAL INTEREST

● Mr. CULVER. Mr. President, our current energy situation underscores the importance of developing efficient and economical alternative energy sources. One such fuel that offers the prospect of decreasing our reliance on scarce or uncertain energy supplies is gasohol.

This fuel is already a reality in Iowa, where more than 600 service stations are expected to sell over 40 million gallons of gasohol this year. This consumer interest graphically illustrates that our Nation is ready to use this stable and renewable energy source.

In order to accelerate development of gasohol, I sponsored an amendment to the Public Works and Economic Development Administration Act which greatly expands the funds that EDA can earmark for gasohol projects. As a result of my amendment, the administration will spend a minimum of $10 million to support the development of up to 100 gasohol plants. These funds would be directed toward rural areas, where energy needs are critical and residents are especially hurt by rising fuel costs.

A recent commentary by Mr. Keith Heffernan, executive director of the Iowa Corn Production Board, in the Burlington, Iowa, Hawkeye, states the case for increased gasohol production in greater detail. As Mr. Heffernan points out, production can reduce our reliance on imported oil while improving our balance of payments and strengthening the dollar overseas.

He concludes the case for gasohol by stating:

> If we can strengthen our economy by becoming more energy independent through the use of domestic energy resources such as gasohol, who can place a value on what this would mean to our country?

We can answer this question by saying that the benefits to our Nation's economy and way of life would be substantial, and Government should make the necessary resources available so that communities can develop the production capability to significantly expand our gasohol production.

Mr. President, I ask that Mr. Heffernan's remarks be printed in the Record.

The remarks follow:

U.S. Economy Can Be Improved by Energy Independence

The latest OPEC hike raising the price of crude oil to $18.2350 per barrel—a 40 percent increase—confirms my belief that if domestic alternative energy sources, such as gasohol, are not developed and utilized by this country on a wholesale basis, our entire economy will experience ramifications far more severe than currently exist.

The economic questions centering around gasohol can no longer be confined to the obvious penny to penny per gallon comparison between alcohol and gasoline. We must consider the overall price our country is paying for being so heavily reliant on foreign oil.

With each OPEC increase, Americans are spending more and more of their paychecks for imported energy, leaving less to spend for domestic goods and services. This latest increase by the OPEC cartel will most likely spur a downward spiral of retail spending causing the layoff of hundreds of thousands of workers in the next year.

Additionally, reliance by the United States on foreign countries to supply us with 50 percent of our energy needs has affected our balance of trade and the value of the dollar on the world market.

Last year, the U.S. imported over $172 billion worth of goods and services, with petroleum imports accounting for almost one-fourth of this total. Exports for the same time period were slightly more than $141 billion, leaving us with a negative balance of trade and thus a devalued dollar.

This means that American consumers are having to pay a higher price for imported products, because the purchasing power of their dollar is lowered.

If the stature of our economy is to improve at home and abroad, we simply must become more energy self-sufficient.

Mass production and utilization of alcohol as a 10 percent fuel extender in gasohol mixtures to stretch gasoline supplies should provide a partial solution toward strengthening the economy.

Extensive use of alcohol fuel extenders should have the effect of reducing our import needs, thus allowing more currency to remain in the country to be spent for domestic products. This should result in a higher demand for workers to produce these products.

Also, by expanding exports of high protein by-products derived from the grain alcohol conversion process, our balance of trade and the value of the U.S. dollar could be strengthened. This would mean that American consumers would not have to pay as much for imported products such as coffee and television sets.

Certainly, the economic questions involving gasohol cover a broad spectrum. If we can strengthen our economy by becoming more energy independent through the use of domestic energy resources such as gasohol, who can place a value on what this would mean to our country?●

TRIBUTES TO DR. LOUISE B. GERRARD, EXECUTIVE DIRECTOR, WEST VIRGINIA COMMISSION ON AGING, CHARLESTON, W. VA.

● Mr. RANDOLPH. Mr. President, on July 16, Dr. Louise Gerrard, executive director of West Virginia's Commission on Aging, died at Johns Hopkins of cancer, at the age of 62. She was a great lady, a dear friend, and a treasured adviser in the field of aging. Her untimely death is to deprive West Virginia and the Nation of significant contributions in the field, as well as the congressional committees before which she often appeared as an advocate for the needs of older Americans and particularly in rural America. Working over the past 10 years as a State commissioner, she also served the National Council on the Aging as vice president, secretary, chairperson for the Council's National Center on Rural Aging and as a member of the board. She founded the National Association of States Units on Aging, creating a Washington liaison office for State agency directors.

Mr. President, I would like to share with this distinguished body an Associated Press article that appeared in the Charleston Daily Mail on July 17, together with a listing of those who paid tribute to Louise Gerrard at a July 25 memorial service at the B'nai Israel Temple in Charleston, W. Va., and ask that they are printed in the Record.

The material is as follows:

Dr. Louise Gerrard Dies: Called Dynamic, Gentle

As the West Virginia Commission on Aging holds one of its four meetings a year today, it will do so without the guidance of Louise Gerrard.

Mrs. Gerrard, 62, who headed the commission for 10 years, died Monday in Johns Hopkins University Hospital in Baltimore after a fight with cancer.

"She was working right up until, I guess, three weeks or a month ago," said the Rev. Arnold Belcher, the commission's chairman.

In fact, Mrs. Gerrard "had pretty well lined out" an annual plan for using federal and state money for the elderly that is to go before the commission today for its approval, Belcher said.

"She was a very dynamic person. She loved the elderly. She gave her every ounce of energy for them," Belcher said.

Mrs. Gerrard got a first-hand feeling for the problems of old people late last year when she was first hospitalized at Johns Hopkins for ovarian cancer.

When she got out of the hospital following an operation, she told a reporter: "I thought I knew about health care needs. But you really don't understand how much medical care costs until you get a bill yourself."

She returned to the hospital June 22 for tests.

Belcher described Mrs. Gerrard as a woman who "did everything very forcefully—yet very gently. I remember in the very beginning that when she wanted something done she wasn't afraid to approach any of the government officials from the governor on up, and they listened to her when she spoke."

Gov. Rockefeller praised her by saying, "In her 10 years as executive director of the Commission on Aging, Dr. Gerrard turned a fledgling operation into a vibrant organization that now touches thousands of elderly West Virginians."

Sen. Jennings Randolph said Mrs. Gerrard "has been recognized by her peers on an intellectual level as one of the foremost authorities on problems of aging."

Last week Mrs. Gerrard was honored by the National Governor's Association for her work in developing programs for the elderly.

Last month she was honored by the Capitol City Civitan Club as "Citizen of the Year" for her service in providing programs for the state's more than 300,000 senior citizens.

She held three degrees: a bachelor's in sociology and a master's in political science from the University of Chicago and a doctorate in public law and government from Columbia University.

She taught political science and administration at Barnard College, Columbia and the West Virginia College of Graduate Studies.

She received an honorary degree of Human Letters from Southwestern University in Washington, D.C.

She is survived by her husband, Nathan Gerrard, a retired professor of sociology at the University of Charleston, two sons, Michael, a New York city lawyer, Steven, a candidate for a doctorate in philosophy at Johns Hopkins University; two sisters, Mrs. Violet Shuman of Glenview, Ill., and Mrs. Trina Melamed of Evanston, Ill.

Memorial service will be at noon July 25 in Temple Israel in Charleston, with Rabbi Israel E. Coller officiating. The family requests donations be made to the American Cancer Society.

SERVICE FOR DR. LOUISE GERRARD

Prayer Service by Rabbi I. B. Koller, Congregation B'nai Israel.

Tributes by Michael B. Gerrard, Son, Attorney at Law, New York, New York.

John D. Rockefeller IV, Governor, West Virginia.

Mrs. Rose Martin, Representing Senator Randolph.

Rev. Arnold Belcher, Chairman, Commission on Aging.

Terry H. Cunningham, Assistant Director, Commission on Aging.

Paul J. Kaufman, Attorney at Law, Charleston.

Jack Ossofsky, Executive Director, National Council on the Aging.

Harry Walker, Deputy Commissioner, Maryland Office on Aging.

Concluding Prayers by Rabbi Koller.

Mr. RANDOLPH. Mr. President, there have been a great many individuals at the National, State, and legislative levels who have expressed their love for Dr. Louise Gerrard, as a person and as a colleague in the field of aging. It is my privilege to share some of the tributes from many Federal, State, and National organizations as they join me in mourning and in memorializing Dr. Louise Gerrard:

IN MEMORY OF DR. LOUISE B. GERRARD, DIRECTOR, WEST VIRGINIA COMMISSION ON AGING

The State of West Virginia and the entire Nation benefitted from the dedication and abilities that Dr. Louise Gerrard brought to her work on the problems of aging. Through her personality and brilliance, Dr. Gerrard made lasting contributions to meeting the needs of the aged in America, and she will be long remembered for the unique role she played in confronting the challenges of aging in our society.—Honorable Robert C. Byrd, Majority Leader, United States Senate.

It is with great pride in the accomplishments of Dr. Louise Gerrard, that I join with my distinguished colleagues and friends from the State of West Virginia in paying tribute to the memory of this remarkable woman . . . Dr. Gerrard brought pride and distinction to the Commission on Aging and, as a result, to West Virginia and to herself. Her unselfish leadership and untiring dedication to improving the quality of life for the elderly of West Virginia, were responsible for significant change and improvement in the delivery of services—particularly health care services—to all the citizens of our State. . . . My thoughts and prayers are with the surviving members of her family, who can take great solace in the knowledge that the extraordinary accomplishments of this dedicated and compassionate woman, have made life better for us all.—Honorable Harley O. Staggers (D-WV), Member, U.S. House of Representatives.

I am indeed saddened by the death of Dr. Louise Gerrard. She will, without doubt, be missed by many. But let us not look upon her passing in grief. Instead, let us look at the many contributions she has made to senior citizens, both in West Virginia and across the Nation, and be thankful for her dedication, her innovation and her willingness to serve others. . . . She was a splendid woman, and I am confident that anyone who had the privilege of working with her will testify to the high degree of professionalism and sincerity that underlined all of her many contributions. She was a truly effective leader in the field of aging—a field to which she devoted many long and difficult hours. . . . I am deeply honored to have had the opportunity to work with her and to have had the benefit of her thinking on the many problems which confront Older Americans. While she will be missed enormously, her good work will live on and that is perhaps the finest tribute to individual accomplishment.—Honorable Robert H. Mollohan (D-WV), Member, U.S. House of Representatives.

On Monday, July 16, the people of West Virginia, indeed the Nation, lost a knowledgeable and dedicated public servant, as well as a fine personal friend, with the passing of Dr. Louise Gerrard, Executive Director of the WV Commission on Aging. . . . In the past, when my office had occasion to work with Dr. Gerrard, she never failed to provide thoughtful opinions and factual information, concerning problems associated with aging. Her absence will be greatly felt.—Honorable John Slack, Jr. (DWV), Member, U.S. House of Representatives.

Her contribution and effective work on behalf of senior citizens, and on behalf of West Virginians, were immeasurable. I shall miss working with her.—Honorable Nick Joe Rahall (D-WV), Member, U.S. House of Representatives.

Louise Gerrard helped tell the story of aging in this Nation, not only in terms of need, but also in terms of accomplishment for, and by, older Americans. I join my colleague Jennings Randolph in acknowledging our debt to her and our deep affection for her.—Honorable Harrison A. Williams, Jr., Chairman, Senate Committee on Labor and Human Resources.

Dr. Louise Gerrard will be long remembered for her concern and efforts on behalf of the rural elderly, especially in the area of health care. Her special understanding of the needs of older Americans made her an invaluable witness and resource for the Senate Special Committee on the Aging. The absence of her counsel will be greatly missed by Congressional Committees and staff alike, when issues involving the well-being of older Americans are under consideration.—Honorable Lawton Chiles, Chairman, Senate Special Committee on Aging.

It was with considerable regret that I learned of the death of Dr. Louise Gerrard. Her considerable capabilities and tireless efforts to improve the lives of our older citizens were felt far beyond the borders of West Virginia.

As Chairman of the Senate Subcommittee on Aging, I came to rely on Louise's good judgment and wise counsel as we worked to strengthen the Older Americans Act. The aging community has indeed suffered a great loss.—Honorable Thomas F. Eagleton, Chairman, Senate Subcommittee on Aging.

Men and women who work in aging are rewarded in many ways. Louise Gerrard enjoyed the older persons she served; she had the respect of her field, and she could savor many pioneering accomplishments by her agency and the Governors with whom she worked. Perhaps her biggest reward was the deepest affection felt for her by the elderly in her home State. In every appearance she made before the Congress, she made it clear that their trust was uppermost in her mind and heart.—Honorable Frank Church, Chairman, Senate Committee on Foreign Relations, Former Chairman, Senate Special Committee on Aging.

Dr. Gerrard's commitment to the older citizens of her State and the Nation served as a model for State Directors and other professionals in the field of aging. Through her untiring efforts, a Washington-based liaison office of the National Association of State Units on Aging (NASUA) was established to serve as a resource in the development of public policies and to coordinate the work of the aging network—the State and Area Agencies on Aging. This office will serve as a vital memorial to her years of work on behalf of older Americans.—E. Bentley Lipscomb, Staff Director, Special Committee on Aging, U.S. Senate.

Louise Gerrard brought dignity, effectiveness, and generosity to her advocacy in aging, and love as well. Her gentle presence will be missed.—William Oriol, Former Staff Director, Special Committee on Aging, U.S. Senate.

I was most shocked at the stunning loss of Louise Gerrard, whose contributions to the betterment of the life of older people must be remembered. Her concern and compassion were profound. Her special interest in the improvement of the lot of the rural elderly in West Virginia was exemplary. Not only was Louise Gerrard deeply committed to the quality of life of older people, but she matched that commitment with the perception of a realist, and the effectiveness of an activist. This very dear person will be long remembered.—Dr. Robert Butler, Director, National Institute on Aging.

In her 10 years as executive director of the Commission on Aging, Dr. Gerrard turned a fledgling operation into a vibrant organization that now touches thousands of elderly West Virginians.—Honorable John D. Rockefeller IV, Governor, State of West Virginia.

Let me join with you and other citizens of the State of West Virginia, especially the elderly among those citizens, in our mutual sense of loss in the untimely death of Dr. Louise Gerrard.

In my years of association both in and out of government, with efforts to improve the quality of life for older Americans, I had occasion to observe the outstanding programs in your State under the leadership of Louise Gerrard. However, her talents were not confined to the State and, as you well know, her dedication was also directed to policy determining the course of National organizations of the elderly, and in counseling those of us who worked at the national level.

Just recently, I had suggested her name to the President for appointment to the Federal Council on Aging, and this appointment was in process. All of us on the Council, which I chair, were looking forward to working with her and having the benefit of her gentle and wise counsel. We thus feel the double loss of a colleague and a friend.

As I have known you for these many years, and been aware of your understanding of the needs of the elderly—going back to the days when you served in the House of Representatives and when we were both young men—I know you, too, share this sense of loss.—Dr. Nelson Cruikshank, Counsellor to the President on Aging, Chairman, Federal Council on Aging.

MEMORIAL RESOLUTION: WEST VIRGINIA COMMISSION ON AGING

Louise Gerrard was a complex and multitalented person.

She was one of West Virginia's most prominent and sought-after public speakers.

Throughout her life, she wrote and was the author of well-drafted essays on American Family Life, small communities, and aging. Yet, she rejoiced in spending her time with the most humbly educated among us.

She was a friend and advisor to President Carter, to Governors, Senators, Members of Congress, Federal and State Officials of all sorts, but was equally at home with people in nursing homes and mental institutions.

She served 10 years as Executive Director of the West Virginia Commission on Aging, which represents a vocal group that is critical of the status quo, and impatient with government's tendency to delay solving problems until later. She represented and spoke for West Virginia's older adults—people who know they cannot wait. She argued, advocated, cajoled and criticized—but did so with such grace that she was effective in reaching many of her objectives while maintaining the admiration and affection of those she challenged.

She lived in turbulent political times, through two state administrations, which disagreed on many things but agreed on one—that Louise Gerrard was a West Virginia treasure. Everyone she served—two Governors, Members of the Commission on Aging, Members of the U.S. House and Senate, State legislators, three Presidents, and countless Federal officials, know of her commitment to those she served. Shortly before her death she was called again to serve—this time as President Carter's appointee to the Federal Council on Aging, announced four days after her death.

Public officials knew what was obvious—that Louise Gerrard's commitment was to no political party or even to herself.

Louise left us too soon and much too suddenly. When we learned she was ill we were shocked and saddened. She returned to her work and told us that she was optimistic about her condition and expected a complete and rapid recovery. She worked and lived as if she planned to live forever.

Louise Gerrard was a person to be emulated. Her life was one that everyone and every age would do well to remember as a model for the way we all should live.

The West Virginia Commission on Aging expresses its deepest sympathy to Dr. Gerrard's family and friends.

I am deeply saddened by Dr. Gerrard's untimely passing. In her work with the Commission on Aging and in her participation in a myriad of other civic activities, Dr. Gerrard was a tremendous asset to the people of the City of Charleston. Her enthusiasm and spirit will be greatly missed.—Hon. John G. Hutchinson, Mayor, City of Charleston, West Virginia.

In all of those years that I worked with her, I never knew Louise to do anything other than what was most appropriate for those she served. I always found her to be courageous and tenacious in a way that achieved many of our objectives for older people without offending those she had to convince in order to win.

She was a dedicated mother, a devoted wife, and a treasured colleague. All of us who knew her and worked with her will never forget her and all of us will be guided by the example she set so well.—Dr. Leon H. Ginsberg, Commissioner, Department of Welfare, State of West Virginia.

There are few people who combine intelligence, compassion and devotion in the way that Louise Gerrard has done. She understood the problems of our seniors in WV, cared about them, fought for them and showed them dignity. No higher compliment can be given about the life which she has led than the people she has touched and the work that has been accomplished. She will be long remembered. Louise worked so hard at living in her last days that few knew she was dying. I will miss her and the State will miss her.—Hon. Miles Dean, Commissioner of Finance & Administration, State of West Virginia.

Dr. Louise Gerrard was a compassionate woman who truly cared about the older citizens of West Virginia; she did everything in her power to make life better for them. Very few public officials made themselves accessible to their constituents in the way Dr. Gerrard did, especially during senior citizens conferences. Not many senior citizens in other States are as fortunate as we were to know their State Director as well as we knew Dr. Gerrard.—Mrs. Sally Baitty, Project Director (ret), Harrison County Area Agency on Aging, Clarksburg, West Virginia.

Louise Gerrard was not only a friend of the elderly, she was their tireless advocate in many ways: She could spend endless hours both at the West Virginia Legislature, and in our Nation's Capital, work as an official in several national organizations in the field of aging, administer the WV Commission on Aging and its programs, and still have time to sit down with a lady from Ranger, WV and talk about what it means to be an older, widowed woman, living alone in an isolated area of our State. Her concern for these many individual elderly expressed itself in her constant efforts on their behalf. West Virginia's loss is the Nation's loss.—Ms. Joan Ross, Executive Director, Southwestern Community Action Council, Huntington, West Virginia.

The sudden death of Dr. Louise Gerrard was like losing a member of our family. We knew that Dr. Gerrard cared for us and worked hard in the State and at the National level to improve the quality of life for all senior citizens like ourselves. It is difficult for us to believe that like many of the older persons whom she cared about, that she, too, has gone. While she was never really a "senior citizen," in fact over 20 years younger than me, and nearly 15 years younger than my sister, she was one of us. She was a kind lady whom we loved as she loved us. We will truly miss her, but will surely not forget her.—Mrs. Rea Borst and Mrs. Roberta Fox, sisters, Senior Citizens Wheeling, West Virginia.

The death of Louise Gerrard, who was, among many other things, Executive Director of the WV State Agency on Aging, is a great loss to the field of aging. She was a great friend, a tireless and devoted leader. Her determined fight against cancer is an example to all who must face illness or disability. In spite of extensive hospitalization, and a difficult treatment regimen, Louise maintained her warm personality and concern for continued improvement in services for older people. She was an exemplary person and an outstanding State Agency Director. She will be sincerely missed.

I extend my sincerest sympathy to Dr. Nathan Gerrard, her husband, and to their children.—Hon. Robert Benedict, Commissioner, Administration on Aging, Department of Health, Education and Welfare.

The death of Louise Gerrard deprives the field of aging of one of our truly outstanding leaders. Her understanding of the issues in the field of aging, her ability to work out constructive solutions to those issues, and her commitment to service in behalf of older persons, was and always will be a challenge and inspiration to all of us. Dr. Gerrard had the ability and the willingness to work at the grass roots, to administer the State program in an unusually effective manner, to provide leadership to her fellow directors of State Agencies, and to advise, to challenge, and to lift the sights of Federal Administrators.

Many persons mourn her death because of the unequivocal dedication of her talents and abilities to the service of others. We will miss her. She will remain with us as a continuing inspiration to all who labor in the field of aging.—Hon. Arthur S. Flemming, Immediate Past Commissioner, Administration on Aging, Department of Health, Education and Welfare.

She was, above all, a caring, compassionate, loving person who knew and felt the need of the people she served, and who had the talent and capacity to be their effective advocate. Millions of older people throughout West Virginia and indeed all of America will benefit from her life, especially the elderly poor and those in rural areas.

We have the product of her life work to remind us of all she sought to achieve for us, as we begin to perceive the void her absence leaves in America.—Jack Ossofsky, Executive Director, National Council on the Aging.

The news of Louise Gerrard's death was a shock to all of us in the field of aging. Louise had a long time concern with needs and problems of older people. Most of all, she had a measure of compassion for those who had the greatest social and economic needs. The welfare of the elderly in West Virginia, and in the country at large, through her influence, has been great. Those who have helped to carry forward the cause of the aging in this country will miss greatly her wise and gentle counsel.—John B. Martin, Legislative Consultant, National Retired Teachers/American Association of Retired Persons, Past Commissioner on Aging, Member, Federal Council on the Aging.

This Nation has truly lost a remarkable individual with the untimely death of Dr. Louise Gerrard. Her compassionate and tireless dedication on behalf of the well-being of older persons is exemplary of the best this country has to offer in personal commitment to assist our increasing numbers of senior citizens. My life and the entire aging network has been enriched by the dedication, skills and leadership of this superb lady. As the chairman of a former Task Force on Aging of the U.S. Conference of Mayors, it was my privilege to share many stimulating work experiences with this gentle giant from West Virginia. Ms. Peggy Seeley and Mr. Larry McNickle, of the task force staff, join me in expressing our sincere sympathy to Louise's family for the loss which we each will share.—Hon. Wesley C. Uhlman, Former Mayor, City of Seattle, Washington, Current Member of the Board, National Council on the Aging.

Louise Gerrard and I were great friends who shared a great concern for our Nation's older people, she as a spokeswoman for the rural elderly and I as spokesman for the urban. I recall the meeting of the Board of one national association on which we both served, when Louise and I, as we frequently did, sat next to each other and tried to catch each other up on our recent activities, as the meeting allowed. The Board's discussion suddenly turned to a dispute about urban and rural issues. Louise and I instinctively reached out a hand to each other—the tension for the moment broke when one board member noted: 'Look, the urban and rural elderly are holding hands!' Louise's memory will best be served by all of us continuing in her spirit to work together for the people we serve.—Mr. Robert J. Ahrens, President, Urban Elderly Coalition.

All older Americans, and especially those living in rural areas, have lost one of their strongest advocates, and the aging network one of its most valuable lieutenants. NASUA will be forever indebted to Louise's leadership and her untiring commitment to strengthening the capacity of the Association of the States Units to better serve older persons. I personally have lost one of my most trusted advisors and friend, whose wisdom and constant understanding have guided this office during its formative years.—Dr. Daniel Quirk, Executive Director, National Association of State Units on Aging.

The network on aging has lost one who helped lay the foundations for the network. Dr. Gerrard will be missed by all, but particularly by those who are especially concerned about the needs of elderly persons living in rural America.—Raymond C. Mastalish, Executive Director, National Association of Area Agencies on Aging.

The Mayor's Commission on Aging, Cleveland, joins the Aging network in expressions of sorrow at the loss of Dr. Louise Gerrard, Director of the WV Commission on Aging. Dr. Gerrard exemplified the capable administrator possessing sensitivity and concern for those her department served. As a West Virginian, I am proud of the superb record she has left; with her death, I am bereft of a good friend and admirable colleague.—Anna V. Brown, Executive Director, Mayor's Commission on Aging, City of Cleveland, Ohio.

Louise Gerrard made such a significant contribution to the well-being of this Nation's older American that she has left a legacy of service and commitment which few of us will ever be able to achieve, but which will serve as a standard for which to strive earnestly. She will be sorely missed.—Doris Dealaman, Chosen Freeholder, Somerset County, New Jersey, Chairperson for Aging, Welfare and Social Services Steering Committee, National Association of Counties.•

PROMOTION COSTS OF SALT II

• Mr. GOLDWATER. Mr. President, from the beginning of its campaign, the Carter administration has spent more than $1,200,000 of the taxpayer's money in its effort to build up the public pressure for Senate ratification of the SALT II Treaty. These figures were collected by the General Accounting Office from the agencies directly involved in the massive public relations effort. These figures show that during the first 6 months of 1979 expenditures were running about $624,000 and were on the increase. An earlier study by the GAO showed that the administration had spent $600,000 of taxpayer's money to promote the SALT Treaty during 1978—even before the treaty was formally submitted to the Senate.

The GAO study shows that most of the promotional work for SALT is being handled by the Department of State and the Arms Control and Disarmament Agency. However, the Department of Defense has played a role, and in recent months the White House has assumed a greater degree of participation. One of the interesting features of the study shows that the White House could not estimate the total costs which its efforts involve. From my own observation, they would be considerable.

Mr. President, during the 6-month period ending June 30, the State Department and the Arms Control and Disarmament Agency officials participated in over 650 speaking engagements before local groups and conferences in 48 States and the District of Columbia. There were 28 conferences and miniconferences cosponsored by the State Department and the ACDA as well as local organizations. Defense Department officials spoke at four of these conferences. In addition to these, the White House sponsored nine conferences or briefing sessions for congressional and public opinion media. Nonsalaried costs associated with these conferences totaled about $6,000.

Mr. President, the White House also did a massive job in mailing out, at taxpayer's expense, thousands of SALT documents, background reports, speeches, and booklets. Most of them were distributed to newspapers, columnists, radio and TV stations, and congressional staffs.

All in all, Mr. President, it is clear that the Carter administration is going all out in an attempt to build a grass roots campaign for a highly controversial policy question and doing it at the taxpayer's expense.

I ask to have the General Accounting Office report printed in the Record.

The report follows :

U.S. General Accounting Office,
Washington, D.C., August 27, 1979.

Hon. Barry M. Goldwater,
U.S. Senate.

Dear Senator Goldwater: In response to your letter of May 23, 1979, we have obtained updated information on the costs of the administration's efforts to inform the public on the Strategic Arms Limitation Talks (SALT II). In an earlier report to you (ID–79–24, March 16, 1979), we explained that the administration's public information activities relating to SALT II were centered in the Department of State and the Arms Control and Disarmament Agency (ACDA) and had cost about $600,000 in 1978. For the first 6 months of 1979, expenditures were about $624,000, thus bringing the administration's overall costs for SALT II public affairs activities to about $1.2 million for the 18-month period. Enclosures I and II provide a detailed breakdown of costs.

As described in our earlier report, the Department of State and ACDA use a variety of means for keeping the public informed, including furnishing officials for speaking engagements, arranging conferences, preparing and distributing publications, and providing interviews and press releases for the media. While the nature of these activities has basically remained unchanged, the level at which they are carried out has increased, as discussed in enclosure III.

During the 6-month period ending June 30, 1979, State Department and ACDA officials participated in over 650 speaking engagements before local groups and conferences in 48 States and the District of Columbia. There were 28 conferences and mini-conferences, cosponsored by the State Department, ACDA, and local organizations. Department of Defense officials spoke at four of these conferences.

In recent months, the White House Office has assumed a greater role in the administration's SALT II public information efforts. However, the White House Office could not estimate salary costs for its staff involved in these activities, stating that: "No records have been kept which would provide any reasonable estimate of what portion of an individual's time was spent on SALT II and therefore, no reliable cost data can be computed."

Your May 23 letter also requested information on SALT II mailings sent by the White House to various organizations and individuals around the country. Although various units within the White House Office sent out mailings relating to SALT II, detailed information was provided for only the Office of Media Liaison. Between January 20, 1977, and June 27, 1979, that Office distributed about 15,300 SALT II-related documents at a cost of about $3,000. These documents, which included SALT II background reports, speeches, and booklets, were sent primarily to daily newspapers, columnists, radio and television stations, and congressional staffs. Enclosure IV lists the subject matter of the documents and the quantities distributed.

Additional costs identified by the White House Office for mailings by other units totaled about $10,000 and represented expenditures for document preparation, binding, and postage and handling. In other related activities, the White House has sponsored nine conferences or briefing sessions for congressional and public opinion leaders with attendance ranging from about 35 to 235 guests. Nonsalary costs associated with these conferences totaled about $6,000.

It should be noted that all cost and statistical information presented in this report was furnished by the agencies. Although we obtained general explanations concerning the methodology used in preparing the information and discussed the report contents with agency officials, we did not verify the data provided.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from the date of issue. At that time, we will send copies to the Secretaries of State and Defense, the Director, Arms Control and Disarmament Agency, and the Special Assistant to the President for Administration.

Sincerely yours,

J. K. Fasick,
Director.

ESTIMATED COST OF INFORMING THE PUBLIC ABOUT SALT II (JAN. 1–JUNE 30, 1979)

Department/agency [1]	Salary [2]	Travel	Miscellaneous [3]	Total
Department of State:				
Bureau of Public Affairs	$88, 660	$46, 766	$66, 942	$202, 368
Bureau of European Affairs (SALT Working Group)	81, 262	27, 448	28, 503	137, 213
Office of the Counselor	11, 602		1, 000	12, 602
Other bureaus	6, 624	5, 453		12, 077
Total	188, 148	79, 667	96, 445	364, 260
Arms Control and Disarmament Agency:				
Office of Public Affairs	149, 126	3, 839	9, 245	162, 210
Other offices	41, 580	8, 513		50, 093
Total	190, 706	12, 352	9, 245	212, 303
Department of Defense	3, 043	26, 259		29, 302
The White House Office [4]	3, 566	88	14, 429	18, 083
Total	385, 463	118, 366	120, 119	623, 948

[1] All cost data provided by the respective department or agency.

[2] Salary costs do not include fringe benefits.

[3] Miscellaneous costs include expenses for such things as office supplies, equipment, and reproduction of materials. Printing and publications represent about $90,000 of these costs.

[4] Salary costs for the White House Office are for document preparation only. The White House Office stated that no reliable salary cost data could be computed for staff members involved in SALT II public affairs activities.

ESTIMATED COST OF INFORMING THE PUBLIC ABOUT SALT II (JAN. 1, 1978–JUNE 30, 1979

Department/agency [1]	Salary [2]	Travel	Miscellaneous [3]	Total
Department of State:				
Bureau of Public Affairs	$200, 755	$83, 212	$108, 577	$392, 544
Bureau of European Affairs (SALT Working Group)	170, 065	43, 343	48, 654	262, 062
Office of the Counselor	25, 656	1, 030	1, 000	27, 686
Other bureaus	16, 836	12, 242		29, 078
Total	413, 312	139, 827	158, 231	711, 370
Arms Control and Disarmament Agency:				
Office of Public Affairs	341, 879	11, 005	22, 797	375, 681
Other offices	71, 580	13, 283		84, 863
Total	413, 459	24, 288	22, 797	460, 544
Department of Defense	4, 096	30, 393		34, 489
The White House Office [4]	3, 566	88	14, 978	18, 632
Total	834, 433	194, 596	196, 006	1, 225, 035

[1] All cost data provided by the respective department or agency.

[2] Salary costs do not include fringe benefits.

[3] Miscellaneous costs include expenses for such things as office supplies, equipment, and reproduction of materials. Printing and publications represent about $147,000 of these costs.

[4] Salary costs for the White House Office are for document preparation only. The White House Office stated that no reliable salary cost data could be computed for staff members involved in SALT II public affairs activities.

THE BUREAU OF PUBLIC AFFAIRS

The Bureau of Public Affairs focuses its primary efforts on six priority public affairs issues including SALT information activities. The Bureau carries out its SALT activities through (1) programing Department and ACDA officials to speak before groups and organizations, (2) preparing and distributing publications, and (3) arranging media activities. The Bureau accounted for $202,368 of the State Department's SALT II public affairs expenditures during the period.

From January through June 30, 1979, speakers were furnished through the Bureau for 525 engagements in 48 States and the District of Columbia. A total of 191 trips were made, with Bureau-sponsored speakers often participating in several engagements while in travel status. These officials addressed numerous audiences including academic groups, religious organizations, civic clubs, and conferences arranged by the SALT Working Group. Bureau speakers also participated in 452 media events, which consisted of television, radio, and newspaper interviews in Washington, D.C. and around the country. By comparison, updated information provided by the State Department showed that in calendar year 1978, Bureau speakers participated in 540 speaking engagements during 148 trips and in 577 media events.

During the first half of 1979, the Bureau prepared 20 SALT II-related documents, including reports, pamphlets, and speeches. In total, the Bureau distributed approximately 507,200 copies of these documents. Publications included "SALT II Agreement," "SALT II—The Basic Guide," and "SALT II—The Reason Why."

SALT WORKING GROUP

The SALT Working Group is primarily involved in developing and cosponsoring conferences throughout the United States on the subject of U.S. security and the Soviet challenge. As shown in our prior report, the Group cosponsored nine conferences from June through December 1978. For the first 6 months of 1979, the Group cosponsored 11 major conferences in 11 States. The agenda for the conferences has remained the same, including presentations on Soviet affairs and strategic theory, SALT II provisions, and SALT's impact on U.S. security.

Detailed below is information on conference locations and agency personnel attending.

Location and date	Employees attending			
	State	ACDA	Defense	Total
Nashville, Tenn., Feb. 1, 1979	9	1	1	11
Minneapolis, Minn., Feb. 22, 1979	7			[1] 7
Indianapolis, Ind., Feb. 27, 1979	8	3		11
Atlanta, Ga., Mar. 15, 1979	7	1	1	9
Birmingham, Ala., Mar 22, 1979	7	3	1	11
Des Moines, Iowa, Apr. 20, 1979	7	2		9
Albuquerque, N. Mex., Apr. 25, 1979	7	2		9
Richmond, Va., June 12, 1979	7	4		11
Kansas City, Mo., June 26, 1979	7	2		9
Denver, Colo., June 26, 1979	7	1		8
Cheyenne, Wyo., June 27, 1979	7	2		9
Total	80	21	3	104

[1] Conference was also attended by the Vice President and several members of his staff.

In addition to the above conferences, in the first 6 months of 1979, the SALT Working Group cosponsored 15 "mini-conferences" compared to 1 in 1978. At these mini-conferences, from 1 to 4 Government personnel discussed SALT II and related issues before audiences averaging 100 persons. The mini-conferences were cosponsored by local civic groups which furnished one or more local speakers to participate in the program. The local organizations provided most of the administrative support for the mini-conferences, and the State Department's Bureau of Public Affairs generally paid travel costs of the Government participants.

Following is a summary of the dates, locations, and number of agency personnel attending the mini-conferences:

Location and date	Employees attending			
	State	ACDA	Defense	Total
Detroit, Mich., Feb. 8, 1979	1	1		2
Wichita, Kans., Feb. 12, 1979	3		1	4
Leesburg, Fla., Feb. 16, 1979		1		1
Charlottesville, Va., Feb. 28, 1979	1	1		2
St. Louis, Mo., Apr. 6, 1979	3			3
New Orleans, La., Apr. 20, 1979	4			4
Hartford, Conn., Apr. 26, 1979	1	1		2
Minneapolis, Minn., Apr. 26, 1979	1			1
Springfield, Mass., Apr. 27, 1979	1	1		2
Amarillo, Tex., May 1, 1979	2			2
Westport, Conn., May 6, 1979	1			1
Auburn, Ala., May 24, 1979	1	1		2
Terre Haute, Ind., June 12, 1979	1	1		2
New London, Conn., June 15, 1979	3			3
Memphis, Tenn., June 21, 1979	2			2
Total	25	7	1	33

According to a SALT Working Group spokesperson, the Group has plans for 10 additional conferences and 3 mini-conferences between July 1 and October 31, 1979.

ARMS CONTROL AND DISARMAMENT AGENCY

Within the Arms Control and Disarmament Agency, the Office of Public Affairs is responsible for SALT II public information activities. This Office coordinates speaking engagements of ACDA officers, including the Director, and works closely with the Department of State. From January 1 through June 30, 1979, ACDA spent $212,303 on SALT II public information activities.

Public speaking engagements—In addition to the officers who participated in engagements arranged by the State Department, ACDA furnished speakers for about 140 speaking engagements in 21 States and the Washington, D.C. area. By comparison, agency speakers participated in about 150 engagements in 1978.

SALT conferences/briefings—ACDA and the State Department jointly sponsored 2 conferences in Washington for 70 representatives of scientific societies and publications and for about 100 academicians from universities and research organizations. ACDA also organized briefings in Washington for former national commanders of major veterans' organizations, the American Legion, the Executive Board of the National Association for the Advancement of Colored People, and former Members of Congress.

Publications—In addition to contributing funds to the layout and design costs of a State Department publication on SALT II, ACDA issued an 8-page document, "SALT II—Glossary of Terms" and reproduced 500 copies each of 9 texts of major speeches delivered by the Director, ACDA.

SALT Working Group conferences—ACDA personnel attended 10 of 11 conferences arranged by the SALT Working Group and 7 of the 15 mini-conferences.

The White House Office of Media Liaison, SALT II-Related Mailings, January 20, 1977–June 27, 1979

Date of mailing, subject matter, and estimated quantity distributed:

April 7, 1977, Strategic Arms Limitation Talks Background Report, 2,015.

July 15, 1977, B-1 Bomber, SALT Background Report, 4,300.

July 12, 1978, The SALT Process Booklet, 1,960.

March 7, 1979, Speech by Charles Duncan, Deputy Secretary of Defense, 533.

April 5, 1979, Speech by Harold Brown, Secretary of Defense, 268.

May 4, 1979, President Carter's Speech to the American Newspaper Association, 577.

May 9, 1979, SALT II—In Perspective Background Report, 643.

May 10, 1979, SALT II—In Perspective Background Report, 4,700.

May 24, 1979, SALT II—In Perspective Background Report, 351.

Total, 15,347.●

OUR INCREASING DEPENDENCE ON OPEC

● Mr. STONE. Mr. President, on June 15, 1979, Mr. Andrew H. Hines, Jr., president of the Florida Power Corp., delivered an important address to the Mississippi Broadcasters Association in Biloxi, Miss. Mr. Hines' address concerned the terrible dilemma facing the United States as a result of our increasing dependence on OPEC. I commend Mr. Hines' remarks to the Senate and to the public in understanding the serious situation our country is facing today. I ask that Mr. Hines' remarks be printed in the Record.

The address follows:

Drifting Toward the Falls

There's an apocryphal story about two friends who went for a canoe ride on the Niagara River. As they were drifting along on a summer afternoon, they heard a deep rumble somewhere ahead. One turned to the other and said, "I think we're going to have a thunderstorm." The second said, "It can't be. It wasn't in the weather forecast last night." These friends were one turn away from the falls, drifting aimlessly toward disaster. And that's very similar to our situation today.

The other morning, our newspaper carried two headlines printed close together and bearing conflicting viewpoints on the same basic problem. One headline dealt with nationwide protests on the use of nuclear power. The second was a headline which stated that truckers are becoming concerned about the higher price of diesel fuel and are going to shut down the economy. The irony is that the editors of the paper did not connect the contradictions inherent in these two headlines, and write a third story. That story would deal with our unwillingness as a nation to accept reality in the energy area.

I propose in these few minutes here with you today, to do some problem definition, to discuss some possible solutions and to project a need for a national posture which will better serve our country's citizens and indeed its institutions. Definition of the problem is difficult to do in the welter of information and misinformation which besets us today. But going through the maze and tangle of data and conflicting reports, we can reach a basic conclusion that our energy sources are being limited at a time when energy is increasingly important to our national well-being. We can further define that problem by linking it to a massive inflation which is sweeping across our country and which is threatening the underpinnings of our society. These two problems—the limitation in energy supply and the massive inflation which is wreaking a terrible havoc in the lives of many individuals—these two problems are aspects of the same problem. They are tied together. They are in a sense cause and effect and they must be treated together. We cannot take inflation as a problem and set it to one side and say we'll tackle this with wage and price controls or jawboning or credit controls or whatever economic tool we want to apply. It is directly related to the problem of energy supply limitation and antitrust type activity at the international level. To ignore that problem is not to address the first one.

So for our purposes today, I'd like to define our problem as a limitation in energy supply; of a cartel which has established runaway prices and which is causing a shock wave of inflation to go throughout our society. And I'd like to make the point that this problem—this underlying problem of cartel action is being amplified, is being worsened, is being aggravated by regulation which is bogging down America's ability to respond to challenge. It is highly important for us as a nation to accept our problem for what it is, to cease the mindless backbiting and interagency fighting, the bickering back and forth amongst various sectors of our society. We need to cease fighting ourselves and to turn our attention to the real source.

In this regard we are, as a nation, victims of instant replay. Instant replay has done a great deal for football coaches. It has done much for grandstand quarterbacks. It enables someone to sit in his living room and watch in slow motion each unfolding event as a quarterback heads into the line of scrimmage. It shows how, if he had taken one step more to the left, he could have gone five yards further. The unfortunate thing is that the quarterback didn't have the advantage of instant replay when he was diving for the line. He had to make decisions on the basis of what he had. And criticism on the basis of instant replay doesn't really treat the person being criticized very fairly. Likewise, in our society today we are subjecting all decisions to instant replay . . . the result is that we are spending so much time belaboring our mistakes of the past that we are letting the future go by default.

We must accept our energy problem for what it is . . . a limitation in resources brought about by foreign cartel, price fixing at the international level which has provoked a massive wave of inflation. Only if we accept it in these terms can we effectively deal with it. And it is vitally important that we address the problem and that we deal with it. Because just as our friends on the Niagara River were due for a rude awakening when they drifted around the bend, so our nation is due for a rude awakening as it drifts toward a time of energy constraints which will increasingly affect the economy, the well-being and perhaps the individual freedom of each of its citizens.

Our solutions must cover a broad gambit of activities. The first and foremost, and on this there can be no argument, is conservation . . . conservation now in the facilities and the use of the energy that we have, conservation in the future by changing our methods of building, designing and operating. This program indeed is well under way. You see it reflected in targets for miles per gallon on automobiles in the early 1980's. You see it reflected in higher levels of insulation mandated in building codes. You see it reflected in the efficiency ratings of various appliances. Indeed, conservation for the future is being built into our society. Conservation for the present takes a widespread change in living habits and lifestyles. It is not a change that is easy to make for many people. Those of you who remember days when fuel was short in another national emergency will recall that we in the service were required to take our showerbaths by turning on the water, getting wet, turning it off, soaping up, turning it on, rinsing off and proceeding to get dressed. You could take a showerbath this way in about a ten quart bucket of water. Contrast this with the showerbath which your children will take when they come home from college, literally steaming the wallpaper off the walls in 30 minutes of blissful relaxation. Those days are going. Economics is forcing it. National interest intensifies the need for us to move toward conservation. It does mean change, it means doing without some things we'd like to have, it means close attention to details, but it has got to be the first step in a solution to our national dilemma.

The second step, and one which I approach from the standpoint of what I believe to be economic justice, is the need to impose national gasoline rationing. We have adopted a national policy of watching prices rise with the hope that this will curtail the demand for the product. It's true that in the long haul as prices rise, demand declines, but when you are dealing with a necessity of life, many people are caught in a severe economic crunch. Those who can afford the higher prices for gasoline will continue to utilize the fuel for whatever purpose they wish in whatever amount they wish. There may be nothing basically immoral or illegal about that. But those whose financial ability does not keep pace with the rising price of a necessity of life will become increasingly constrained. They will find themselves cutting the food budget, cutting the insurance budget, cutting the clothing budget in order to be able to drive to and from work. Only by a national system of gasoline rationing can we effectively make a major cut in the demand for petroleum products. I think it's vital that we make such a cut in order to implement some further steps that we need to take for our national well-being. The importance of gasoline rationing lies in the fact that it will enable us to take a stronger posture vis-a-vis the OPEC nations, and it is extremely important that we do just that.

I am confident that we can weather the adjustments which rationing would require.

When this was a young country, our reply to the Barbary pirates was "Millions for defense and not one cent for tribute." We must return to that type of attitude if we are to gain any respect at the international level and if we are to defend our citizens against the actions of the oil cartel. We have, indeed, to take a much stronger posture than anybody has been willing to publicly discuss, and I'd like to point out to you some possible actions that we should seriously consider.

The first of these is an embargo of all OPEC nations—not buying one cent's worth of oil from them—not selling one bushel of wheat, one piece of computer hardware, one airplane—a complete cessation in trade with all OPEC nations. In order to do that, we will have to cut our imports of oil, and the only way that I see to effectively do this is to ration gasoline. We should also consider severe action such as the confiscation of all of the assets of the OPEC nations within this country where the same thing has been done to our citizens' assets over there. We should consider the deportation of all nationals of OPEC nations. Our citizens have been driven back from the Middle East—why should theirs continue to enjoy tax-subsidized education in the United States? We can only take these vigorous actions—actions similar to those Teddy Roosevelt might have proposed—if we are in a position to face the consequences. The consequences, of course, are a reduced supply of fuel from overseas. If we are able to do this, we will be in a much stronger position to resist the kind of death by inches that our economy is now suffering.

Those who will not defend themselves are destined to suffer the consequences of no defense, and we are not defending ourselves in this economic war which is underway and intensifying. Those things which we can do within our own nation, we must do. This means that we must build new facilities—new facilities not only for producing more oil and gas but new facilities for permitting a transfer of our energy burdens from oil and gas to coal and uranium. It is a tragedy that the anti-nuclear hysteria focuses upon this country at this time when our need for nuclear power in the future will be much greater than it has been in the past. It is tragic that the straitjacket of regulation will make it increasingly more difficult to mine and burn coal than it has been in the past. These are the means whereby we can replace many millions of barrels of oil per year.

Only if we break the bottlenecks of regulation—the bottlenecks of conflicting law, rules and procedures—only if we break these can we get underway the building program which will be necessary to our national wellbeing. We have already passed the point of no return toward energy shortages which will manifest themselves over the next five to eight years. We cannot, now, begin construction on new power plants and have them ready in time to prevent a shortage of electricity that will afflict this nation in the early 1980's. But if we are to come out of that pending shortage, we must get these projects under way. Only then by recognizing our problem for what it is—cartel action resulting in massive inflation and aggravated by regulation which is bogging down constructive response; only then can we move in a straightforward, hardhitting manner to respond. We could then look forward to better days on the other side of the falls.

Our situation is not too different from that encountered by the democracies following the Munich crisis. At that time, in the rather bleak winter of 1938, there was a sense of rejoicing among many in England that peace has been obtained; that the sacrifice of the freedom of Czechoslovakia had brought peace in that time. It was before a stormy Parliament that Winston Churchill rose to express a counter view. May I quote him in closing:

"This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless, by a supreme recovery of moral health and martial vigor, we arise again and take our stand for freedom as in the olden time."●

TAX INCREASES FROM INFLATION SHOULD BE STOPPED

○ Mr. DOLE. Mr. President, recently the Government announced a 1-percent rise in the Consumer Price Index for the month of July and a projected annual inflation rate for 1979 in excess of 13 percent. These are not mere statistics to American taxpayers—they represent a real reduction in earning power, even where wage increases keep pace with inflation. This is so because nominal wage increases boost taxpayers into higher brackets where they are taxed at a higher rate. The result is "taxflation"—an automatic revenue boost for the U.S. Treasury and an unlegislated tax increase for our citizens.

In the Washington Post of August 16, columnist George Will discussed indexing the income tax to the rate of inflation. It is gratifying that Mr. Will favorably mentioned legislation introduced by the Senator from Kansas which would do precisely that. Indexing income taxes is not a surrender to inflation—it is a major and necessary step in our battle to preserve the purchasing power of our citizens and ease the terrible burden which inflation places on those with fixed incomes.

Indexing is equitable, logical, and simple; and the time for it is now. The Senator from Kansas believes we need to be reminded of the impact which inflation has on the tax burden of the average citizen and of the fact that a remedy—indexing—is readily available. This issue will continue to be brought to the attention of the Congress and the public, and it should be.

Mr. President, I ask that George Will's column of August 16, 1979, be printed in the RECORD.

The column follows:

A CURE FOR INCOME "TAXFLATION"

(By George F. Will)

It is perverse, even unpatriotic.

This nation was born in a wild overreaction to a tiny tax on tea. Insurrection sprang from the principle that tax increases should be legislated by representatives. Yet, today, Americans tolerate constant, huge and unlegislated tax increases.

The cause of the increases is inflation. The cure is legislation introduced by Rep. Bill Gradison (R.–Ohio) and Sen. Bob Dole (R.–Kan.). Their bill would index taxes by linking personal income-tax rates (and the personal exemption, and the no-tax threshold) to the consumer price index.

Everyone would benefit. Taxes would be lower than they otherwise will be. Congress would have to be more candid than it hitherto has been. And the inflation rate might be lower than it otherwise will be, because government would have less money to spend.

The U.S. progressive tax system was developed in an era that assumed stable prices. But today, high inflation seems inextricably entwined with the poltical process. It is a permanent affliction and demands a permanent accommodation of the sort Gradison and Dole propose.

Gradison illustrates indexing in terms of a worker with a wife, two children, and wage of $9.50 an hour, or about $19,000 in 1979. With four exemptions and the standard deduction, his taxable income is $15,000; his tax bill is $2,055. Assuming, optimistically, only 8 percent inflation, in 1980 his cost-of-living adjustment will bring his pay to $10.26 an hour, or $20,520 for the year. With indexing, he would pay the same percentage (10.8) of his income in 1980 taxes as he paid in 1979, or $2,220. Without indexing he will pay $2,390. The $170 difference is a decline in his real money income, the result of an unlegislated tax increase.

Dole calculates that with 8 percent inflation, a family earning $30,000 in 1979 must earn $32,400 in 1980 just to stay even. But if it does earn that, its tax bill goes up $888. Without indexing, taxpayers will pay $9 billion extra on 1979 income. The 1980 "taxflation" bill will be about $12 billion.

Indexing of income taxes has begun in several states, and in a dozen nations, including Canada. In the first five years of indexing, Canada's compounded inflation was 52.1 percent, so personal exemptions for a family of four rose from $3,600 to $5,480, and the income threshold for the maximum 56 percent rate rose from $60,000 to $91,260. Furthermore, a Canadian official says indexing is the most important factor behind Canada's declining rate of growth of government expenditure:

	Percent
1974	15.9
1975	10.2
1976	2.7
1977	2.1

Erase government's expectation of windfall revenues from inflation and you lower expenditures.

Many so-called tax "cuts" do little more than reduce the tax burden to what it was before a recent run of inflation. If Congress wants taxes to rise, it needs only to forgo such "cuts." The Gradison-Dole proposal would force accountability on Congress by requiring it to legislate tax increases and to refrain from bogus tax reductions.

Some opposition to indexing is rooted in political opportunism: Legislators do not want to make automatic the sort of tax adjustments they hitherto advertised as tax cuts. Other opposition is rooted in addiction to a discredited economic practice. Indexing, some opponents say, will diminish Congress' ability to use tax changes to "fine tune" the economy.

It is preposterous to say, as some critics of indexing do, that indexing will cause people to become apathetic about inflation. People who suffer from inflation a dozen times a day, at every cash register, will not sink into complacency about inflation just because it no longer injures them in their capacity as federal taxpayers.

Without indexing, government's incentives are perniciously mixed. There is, of course, some political reward for reducing inflation. But there also are substantial political benefits from distributing, through spending, the windfall revenues that inflation generates.

Without indexing, government harvests between $1 billion and $1.5 billion in windfall revenues for each percentage point of inflation. Surely it is imprudent to allow government to profit so handsomely from inflation that it causes and that only it can seriously combat. As Benjamin Franklin said, "He's a fool that makes his doctor his heir."●

REV. JAMES PATTERSON LYKE

● Mr. SASSER. Mr. President, on August 1 the Rev. James Patterson Lyke was ordained an auxiliary bishop of the Roman Catholic Diocese of Cleveland, Ohio. He is only the fifth black priest to be elevated to so eminent a position in his church. And at the age of 40, he is one of the youngest priests ever chosen to wear the miter of a bishop.

We in Tennessee are marking this occasion with special pride, because Father Lyke—or Father Jim, as he is known—was for 9 years the beloved pastor of St. Thomas Roman Catholic Church in Memphis.

He arrived in Memphis in 1968 and departed in 1977 to become a chaplain at Grambling College in Louisiana. His years in Memphis were distinguished by his courage and effectiveness as a leader in the cause of human rights—a leadership that was marked by his unique gift for inspiring people to work together.

In an interview in the Memphis Commercial Appeal, Msgr. Paul Clunan of the Diocese of Memphis spoke feelingly of the Christian commitment that Father Lyke brought to his role as a parish priest and community leader.

"He has an excellent way of dealing with white and black people," he said. "God has blessed him in that way."

Mr. President, we are immensely proud of Father Lyke—and we are indeed grateful, too. He touched our lives in Memphis, and because he did, we are better Christians—and better human beings. In serving his God, he served us all.●

PROPOSED FEDERAL ASSISTANCE

● Mr. WEICKER. Mr. President, Treasury Secretary G. William Miller recently announced that he would recommend Federal Government loan guarantees to aid Chrysler Corp. In his opinion, these guarantees would enable Chrysler to avert bankruptcy and get back on its feet by borrowing operating capital from private bankers which would otherwise reject loans to the company.

However, it is important to realize that should Chrysler default on repayment of these loans, the American taxpayer would be left holding the bag. If this were to occur, all the Federal Government could do would be to take over Chrysler and sell off its assets.

Mr. President, I have consistently objected to the notion of the Federal Government bailing out beleaguered businesses. I do not want to see jobs lost, but in the long run more jobs will be lost if the Federal Government hands out money to every Lockheed, Wheeling-Pittsburgh, or Chrysler that comes along, as those businesses which must go it alone will be put at a tremendous competitive disadvantage.

The free enterprise system upon which America's economic philosophy is predicated gives everyone the right to succeed or fail on one's own merits. Yes, failure is as much a part of the free enterprise system as is success.

Mr. President, if a company does not have the management and does not have the right product, it should not be in business. This applies to Chrysler as well as every other company in this country.

According to an article in the August 24 edition of the Wall Street Journal, American car sales rose 22 percent to an estimated 242,892 units in August 11–20, 1979, period, which established an alltime record. Yet in this same time period, Chrysler's sales slumped almost 19 percent. Clearly, Chrysler is doing something wrong.

It is Chrysler's management, however, and not the American Government, that has placed Chrysler in the position it presently is. An article in last Friday's Wall Street Journal shows the adverse effect that past bad business judgments have had on Chrysler. As of the end of July, Chrysler had 80,000 vehicles sitting on various lots around the country which were unwanted by consumers. This stockpile of unwanted autos is the result of Chrysler's practice, which was contrary to that of its rivals, of building "vehicles knowing full well that none of its dealers had ordered them. When dealers then refused to buy them, Chrysler was stuck with vehicles into which it had put hundreds of millions of dollars in labor, material, and other costs." The sales bank, which contained only 44,000 units early this year rose to 110,000 in early June. Now, Chrysler is in the midst of expending $90 million to get rid of these stockpiled vehicles.

Mr. President, an automobile manufacturer with sound management can, without Federal assistance, rebound from an adverse financial position to one of profitability. In 1976, American Motors Corp. was precariously close to extinction. Yet, for fiscal year 1978, American Motors showed profits of $36.7 million on sales of $2.6 billion, achieving this status by focusing its energies on specific market segments. Additionally, according to an August 29 article in the Washington Star, American Motors intends to make more than $100 million in capital investments in the next year. This turnabout has been achieved without Federal aid.

Mr. President, I believe that Chrysler, like American Motors, can return to a profitable financial position without Federal aid. Accordingly, although I wish Chrysler the best in its battle to reverse its financial misfortunes, I urge my colleagues to do likewise.

I would like to commend to the attention of my colleagues the August 31 Wall Street Journal article entitled "Orphan Autos: Cars Chrysler Produced Without Dealer Orders Burden It Many Ways." This piece depicts an example of the type of bad business judgment that has put Chrysler in the position it is. I would also urge my colleagues to read the article entitled "Small Car Revival Brings Profits, Stability to AMC," which appeared in the August 29 Washington Star, to see what a financially troubled auto manufacturer with good management can accomplish without Federal aid.

Mr. President, I ask that these articles be printed in the RECORD.

The articles follow:

[From the Wall Street Journal, Aug. 31, 1979]

ORPHAN AUTOS: CARS CHRYSLER PRODUCED WITHOUT DEALER ORDERS BURDEN IT MANY WAYS

(By Amanda Bennett)

WINDSOR, ONTARIO.—Day after day, Ethel, a chunky redhead, sits at the main gate of a harness-racing track here across the river from Chrysler Corp's. Detroit headquarters. Equipped with a CB radio (her handle is "cat eyes") and a stack of comic books, she and her staff of about a half-dozen security guards watch over fields of Chrysler cars, trucks and vans.

Some of the vehicles, parked nose-down in gullies along the roadway, have been sitting so long that thistles and cattails have grown up around them. Hoods are standing open here and there as six men in a powder-blue van move about, jumping run-down batteries and checking for other troubles.

To Ethel's crew and the maintenance men, these thousands of Chryslers, Dodges and Plymouths mean income. To Chrysler Corp., they're a colossal financial headache—and one it inflicted on itself.

At the end of last month, as Chrysler was announcing a record $207.1 million second quarter loss and appealing for an unprecedented $1 billion government rescue, there were some 80,000 such vehicles sitting on owned and rented lots around North America—unwanted by consumers or Chrysler's dealers.

BUILT UNORDERED

Contrary to the practice of its rivals, the auto maker had built the vehicles knowing full well that none of its dealers had ordered them. When dealers then refused to buy them, Chrysler was stuck with vehicles into which it had put hundreds of millions of dollars in labor, material and other costs.

These unrecovered costs have worsened Chrysler's losses and forced it to lean heavily on its $750 million short-term bank credit lines for operating money. Those borrowings, in turn, are costing Chrysler dearly in interest charges. Then there are the fees for guards, lot rentals and upkeep. And now Chrysler is digging deeper into its pockets, mounting a giant $90 million sales push to get rid of the vehicles—at fire-sale prices.

Disposing of this stockpile, euphemistically described by Chrysler as a "sales bank," is "our No. 1 priority," concedes Gar F. Laux, executive vice president for sales and marketing. "I have to get that thing moving." The company's new sales drive seems to be helping. At last count, the sales bank had dropped below 40,000 vehicles as huge discounts to dealers and direct $400-a-car rebates to consumers effectively reduced retail prices on some Chrysler models by up to $2,000.

UNIQUE PRODUCTION POLICY

But the problem is hardly solved. Despite the big reduction, the remaining stockpile still represents about $350 million worth of autos and is only slightly smaller than it was last spring, when company executives described it as "backbreaking." Mr. Laux predicts the problem will be "controllable" by October, so that Chrysler can maintain orderly production and shipment of its 1980 models. But he declines to estimate how many 1979s Chrysler will still have by then or when they will all be out of the company's hands.

General Motors Corp. and Ford Motor Co. build only cars that dealers have ordered, either to fill firm customer requests or for their showrooms. "There's a dealer with an open credit line waiting as every car rolls out" the factory door, explains one Ford man. Each car is promptly assigned to the appropriate dealer, and the auto maker is immediately paid.

Chrysler, however, since the 1960s has periodically built more cars than its dealers ordered, and later through subtle price cutting and sometimes not-so-subtle arm-twisting persuaded its dealers to buy them. This practice was initially thought of as a "temporary expedient," recalls one Chrysler official, a method of storing up cars in slow periods to take advantage of anticipated market surges. And for years, it worked.

TROUBLE IN 1975

During the late 1960s, when the auto market was rapidly expanding, Chrysler was able to almost double its market share and maximize the efficiency and profitability of its plants. But in the slower-growth 1970s, the strategy began to backfire; in the deep 1975 recession, Chrysler found itself strangling on a 60,000-unit sales bank and in much the same predicament it is in today. Afterward, chairman John J. Riccardo promised that the practice would be abandoned and that in future downturns Chrysler "wouldn't fall in the soup again."

Yet when the gasoline crisis accelerated the current slump, the auto maker again found itself with an unwieldly stockpile of unordered autos. Early this year, Lee A. Iacocca, Chrysler's newly named president, declared that "breaking the back" of the sales bank—then containing about 44,000 units—was his prime goal. Instead, production continued to outstrip sales, and the sales bank peaked at 110,000 in early June.

Now, Mr. Iacocca and Mr. Laux—both former Ford executives—say the sales-bank strategy they inherited is officially dead. "We're dedicated to draining" the stockpile, Mr. Laux says. "There isn't one man in the organization from the top right on down who will make one move to fill the sales bank" again, he declares.

In the meantime, Chrysler is struggling to get rid of what it still has. Because sales-bank cars are built on instructions from company management rather than to orders from dealers, who presumably are more attuned to changing customer desires, "the sales bank always has the wrong cars," one Washington-area dealer complains. Mr. Iacocca doesn't disagree; the problem is "tougher than the numbers indicate," he says, because the stockpiled autos are "the kind that dealers resist taking"—such as large cars, compacts with eight-cylinder engines and other vehicles with relatively poor mileage ratings.

So as dealers draw down the sales bank, they're almost certain to bleed off the most-desirable models first, leaving behind those hardest to sell.

That means Chrysler could have a chunk of capital tied up in the vehicles for some time, returning it nothing. Indeed, one Wall Street analyst figures that at the end of the second quarter, when there were 80,000 vehicles on hand, Chrysler may have been paying some $5 million a month in interest on the bank funds it borrowed to make up for the revenues it couldn't collect by selling its stockpile.

On top of that are the direct costs of moving, storing and protecting the unsold vehicles. Chrysler has had to turn to some unusual partners for storage space. The state of Michigan, for example, has for years rented the company 10 to 12 acres at its fairgrounds in northern Detroit for about $3,000 a month. Until recently, says a state-fair official, Chrysler was squeezing about 7,000 cars in and around the edges of lots designed to park 3,000. "It was so close sometimes they'd have to crawl in through the windows to move the cars," he says.

PARKED AT FORD LOT

Besides the race track and drive-ins here, Chrysler has from time to time rented empty airport parking space in some areas and, ironically, more than 20 acres of unused ground at a Ford Motor facility in Highland Park, Mich. None of these are permanent homes, so periodically whole fleets have to be moved. In mid-August, for example, Chrysler had to evacuate the Michigan fairgrounds because the fair was about to begin. Each move costs the auto maker $35 a car, Mr. Laux says.

Chrysler says it can't estimate the cost of fixing up cars damaged while sitting on lots or being shuttled about, but Mr. Iacocca acknowledges there will be some. "We don't deliver a unit out of the bank unless it is completely gone over by the manufacturing people and shipped in good shape," he says.

With the stockpile so large, it is difficult to keep track of where things are. Mr. Laux says Chrysler has set up a special office in Detroit just to match dealer orders with long, computer-printed lists of sales-bank vehicles. Recently, he says, cars ordered by a Detroit dealer had to be located on a lot in St. Louis.

And sometimes they aren't located very quickly. Ethel says she remembers a big commotion on her lot recently when two "Chrysler hot shots" came slogging through the mud in search of a car that was on their list but was nowhere in sight. Mr. Laux concedes cars are misplaced from time to time. "But we find them eventually," he says.

In view of all these care-and-feeding costs, Chrysler's decision to slash prices to eliminate the stockpile is even more understandable. Mr. Laux says Chrysler still believes it will make some money on the cars as they are sold. But others think it may not be much. Heavy wholesale discounts to dealers and cash rebates to consumers add up to the biggest price cuts Chrysler has ever offered. On top of that are the costs of an advertising blitz making heavy use of radio and television, and support for dealer promotions.

But at least the effort seems to be working. At Ken Brown Motor Co. in downtown Detroit, just after the rebate promotion was announced "we had people leaving mad because I couldn't get a salesman to them fast enough," says Philip Kruse, sales manager.

A lot of people did manage to buy, though. The night's tally, recorded with white shoe polish on a showroom window, showed a dealership record of 21 new cars sold. Mr. Kruse says he ordered 20 cars from the sales bank to replace them, including 10 of Chrysler's large cars. In July he had bought nothing from the sales bank.

NEW-MODEL PRODUCTION

Once dealers take most of the sales bank off Chrysler's hands, the company will be ready to plan the production of 1980 models in its plants. (For months now, Chrysler has been building relatively few cars.) Mr. Laux says the company's new policy, like GM's and Ford's, is simple: "We will build cars to dealer orders," many of which are placed 60 to 80 days in advance. "If the orders aren't there, we won't build the cars."

Although that kind of pledge has been made before, many observers believe Chrysler's new operating bosses, Mr. Iacocca and Mr. Laux, will have the resolve to carry it out. "I have to take Mr. Iacocca at his word," says Raphael Cohen, executive vice president of an influential dealer organization. "If they don't have the backbone to keep the sales bank empty, they might as well flush the company down the drain."

Some predict it may take a lot of backbone. Auto sales are currently being stimulated by a rash of price cutting and promotions from all auto makers, not just Chrysler. Once these promotions clear out leftover 1979 models, however, they'll probably end and sales could soften anew.

Mr. Laux says Chrysler's advance dealer orders for September output are in "excellent shape" on most models, and he indicates that a respectable October production is in the offing. But if sales slump again after Chrysler dealers are stocked up with 1980 models, Chrysler's new policy could mean only "sporadic plant openings" late in the fourth quarter, worries Arthur Davis, auto analyst for Prescott Ball & Turben in Cleveland.

[From the Washington Star, Aug. 29, 1979]

Small-Car Revival Brings Profits, Stability to AMC—New Eagle Aims at Main Stream

(By Barrett Seaman)

Detroit.—With the introduction of its new, four-wheel-drive passenger vehicle, the Eagle, American Motors Corp. has drawn attention to the different course which the "littlest" of the major U.S. automakers intends to follow into the 1980s.

AMC is five times smaller than the No. 3 producer of American cars, financially troubled Chrysler. In fact, now that Volkswagen is producing Rabbits in its New Stanton, Pa., assembly plant, AMC has slipped from No. 4 to No. 5.

Despite the limitations of size, AMC these days is proving itself to be a stable—and profitable—entity in the auto industry.

For fiscal 1978, which ended Sept. 30, 1978, AMC showed profits of $36.7 million on sales of $2.6 billion. By contrast, Chrysler lost more than $200 million for the year on sales of $13.6 billion. After three quarters of fiscal 1979, AMC has earned $73 million after taxes whereas Chrysler has lost more than $260 million in its first six months.

At the same time Chrysler is asking the federal government for $1 billion in aid, American Motors has plans for more than $100 million in capital expenditures, which, according to President W. Paul Tippett Jr., will be generated entirely from internal sources. "We will finance that ourselves with no problems," he says.

AMC commands a miniscule 1.6 percent of the domestic car market. But the company has chosen to focus its energies on specific market segments. All of its cars are small. And the company's corporate average fuel economy numbers are running just over 20 miles a gallon—best of the four U.S. car makers.

None of AMC's passenger cars comes with an engine of more than six cylinders, and the heaviest of the company's three basic lines of cars weighs only 3,250 pounds.

Last year AMC owed its profitability to booming sales of its Jeep vehicles, 162,000 of which retailed during calendar 1978. In the first half of 1979, because of the gas crisis and the relative fuel inefficiency of the Jeep, sales of the almost legendary vehicle sagged 3.3 percent. By year's end, however, the company still expects to sell some 160,000 Jeeps in addition to 156,000 passenger cars.

With the introduction of the Eagle—AMC is confident it will sell all 50,000 it plans to produce—Vice President of Marketing Thomas A. Staudt predicts the firm will increase overall vehicle sales by a third next year—from roughly 300,000 to 400,000.

"We stand a good chance at some significant improvements," says Staudt, a recent acquisition from General Motors' Chevrolet Division. "We hope to move into the main stream of American purchasing considerations."

In July, when overall industry sales were off 10.6 percent. AMC car sales increased 10.5 percent. While industry unemployment now hovers around 70.000, AMC is working six overtime Saturdays to meet demand. In July, according to Tippett, sales of the Concord and Spirit models were up 38 percent over July 1978 totals.

Observing that brand loyalty among car buyers is at an all-time low, Tippett further claims that the trend represents an opportunity for AMC to increase its market share. "We believe the market for the Eighties is headed right for us," he says.

Beyond its plans for market development, American Motors is involved in a steady, if cautious, expansion of relations with Regle Nationale des Usine Renault of France. By the end of this year AMC hopes to have sold between 15,000 and 17,000 of Renault's mini-compact "Le Car," presently the only Renault model sold through AMC dealerships following a marketing agreement signed last February.

Sometime in 1980, executives of both companies hope, the agreement will be expanded to include Renault's larger sedan, the R–18.

Presently, the two automakers are undertaking a major study aimed at the joint production of a small car that would be built at AMC's Kenosha, Wis., plant. The target model year for production is either 1982 or 1983.

Based on AMC's financial performance to date, the company could be expected to show profits close to $100 million for its fiscal year ending later this month. With the introduction of the Eagle and the growing liaison with Renault, prospects for this once struggling car maker appear brighter than the recent general auto industry news would suggest.●

CHIMNEY SWEEPS WEEK

● Mr. RIEGLE. Mr. President, I wish to call attention to a profession that is currently experiencing a revitalization in our Nation. Many years ago, most homes in the United States were heated through the direct burning of either wood or coal. At that time, everyone was familiar with chimney sweeps, and the important contribution that they made to home safety. The United States then turned to oil, gas and electricity for home heating, and chimney sweeps became somewhat of an anachronism, praised in song and in film, but not a part of everyday life in the 1950's and 1960's.

Today we are seeing a resurgence of wood and coal stoves for home heating. The President has indicated that he will order a wood-burning stove for the White House and has proposed a tax credit for the purchase of such devices. Fireplaces, once thought of as simply decorative elements in a home have become important adjuncts to winter heating systems. With this development, we see the return of the venerable chimney sweep.

Chimney sweeps perform a service that is vital to the safety of millions of homes, and one that few of us are willing to tackle on our own. They remove dangerous residues of the burning process, maintain the proper operation of flues and fireplaces, and are the mainstay in bringing back renewable fuels as a major energy source.

The State of Michigan has declared the week of October 1 through October 7, 1979, as Chimney Sweeps Week. I submit for the Record the executive declaration and add my voice of praise for this unheralded profession. They represent a facet of life that few of us think about but is so vital to our comfort and safety. Furthermore, they can provide a wealth of information, gained through years of experience, in proper methods of wood burning, and this education is important given our return to this most basic of energy sources.

The declaration follows:

William G. Milliken, Governor of the State of Michigan Presents This Executive Declaration in Obervance of October 1–7, 1979, as Chimney Sweeps Week

Many Americans have chosen to fight the energy crisis head-on, conserving by using alternate fuels. They are to be lauded for their initiative and pioneer spirit.

Solid fuel burning is a little known procedure in this generation and additional education is required in maintenance, safety and efficiency.

At the beginning of the 20th century, wood- and coal-burning residential heating plants ranked as the third most frequent cause of home fires. They now rank eighteenth. Chimney sweeps are the sole line of defense to maintain that low occurrence level. They clean the flue, smoke chamber and smoke shelf and remove the foul and dangerous accumulations of creosote, soot and other hazardous materials which are the constant byproducts of burning solid fuels.

A new group of individuals, dedicated to safety, has evolved to serve the American public in this area: the American chimney sweeps.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby declare October 1–7, 1979, as Chimney Sweeps Week in Michigan, and urge all citizens with wood- and coal-burning units to have them properly inspected and cleaned to prevent hazards.●

ELEVENTH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

● Mr. SCHWEIKER. Mr. President, 11 years ago, on August 21, 1968, the Dubcek regime's experiment in "socialism with a human face" was brutally terminated when Soviet tanks rumbled into Czechoslovakia to smother any flickering remnants of political liberalization. With ruthless efficiency, the hopes and promising initiatives of the short-lived "Prague spring" were crushed by the cold presence of Soviet armor and the reimposition of an orthodox Marxist government dedicated to the systematic removal of all vestiges of Czechoslovakia's incipient democratization. Moreover, the ex post facto justification for the repressive measures adopted, culminating in the infamous Brezhnev doctrine of "limited sovereignty" within the socialist commonwealth, cast an ominous pall over any potential reformist tendencies in Eastern Europe.

In a world where respect for democratic values and human rights is under constant assault, the memories associated with this particular "Day of Shame" linger painfully. In addition to its centuries-old cultural and ethnic heritage, Czechoslovakia was the first state in Eastern Europe to enjoy the fruits of a genuine liberal democracy, a tradition spawned by the achievement of political sovereignty in 1918 under the leadership of Dr. Tomas Masaryk. Yet the liberal spirit of the Czechoslovakia people and their irrepressible yearning for freedom were nurtured by the persistence of foreign influence since the 15th century. Throughout the period of Hapsburg rule, subjected to the intrigues of great power diplomacy, including a series of upheavals in the 17th century which stifled the growth of political liberties until independence was achieved in 1918, the people's creative spirit and longing for national identity and political self-expression never waned.

Czechoslovakia's history between 1918 and 1938 is similarly notable for a steadfast determination to resist encroachments on its national independence by foreign totalitarian forces, amid the apathy of democratic states willing to accept its sacrifice on the altar of appeasement. At Munich in 1938, a submissive West, disregarding its commitment to the principle of political self-determination, bartered away Czechoslovak sovereignty in a futile attempt to pacify Hitler's insatiable territorial demands. During the Second World War, the exiled Czechoslovak Government attempted to maintain the legal continuity of the political structure inherited from Masaryk, intending to restore democratic rule upon liberation from Nazi dominance in 1945.

The Communist coup of 1948, transforming Czechoslovakia into a Soviet satellite, precluded the rebirth of a liberal democratic policy. Though a powerful Red Army could compel official obeisance to the Kremlin's dictates, it could never eradicate the people's aspirations for freedom or the exercise of basic human rights. This will to freedom has manifested itself on numerous occasions, most prominently during the Dubcek era, an era whose brutal climax shocked the conscience of the civilized world. More recently, the supporters of the Charter 77 Movement have risked official persecution by their valiant efforts to monitor Czechoslovakia's compliance with the human rights provisions of the Helsinki Final Act.

Despite foreign domination and internal repression, typified by the shameful invasion whose anniversary we commemorate, it is a testament to the resilience of the Czechoslovak people that their faith in a future free of coercion has never diminished. Their fortitude in the face of oppression is an inspiration to all who cherish the dream that the ideals embodied in the Helsinki Final Act and the United Nations' Universal Declaration of Human Rights will ultimately overcome all political and ideological barriers.●

THE NATIONAL AQUACULTURE ACT OF 1979

● Mr. STONE. Mr. President, I am taking this opportunity to emphasize the importance of S. 1650, the National Aquaculture Act of 1979, which my distinguished colleague, Dan Inouye, introduced on August 2, 1979. As an original cosponsor of this measure, I wanted to point out the significance of this legislation.

Today, aquaculture in the United States remains virtually undeveloped. Its potential has been neglected by the Federal Government, as the programs that should support this industry have been scattered across the horizon of Federal bureaus and agencies with no coordination and direction being given. Further, our aquaculture producers must fight daily against an ever deepening pile of regulations and redtape that inhibit and impinge upon their ability to develop aquaculture in the United States.

Coordination at the Federal level for the programs and authorities that are on the books in order to reduce the burden of unnecessary regulations on aquaculture is a must.

The Congress has recognized this need for some time. In the last Congress we passed the National Aquaculture Policy Act of 1978. The intent of that bill was to provide clear direction and leadership to this infant industry. Unfortunately, the President vetoed the act. His veto was because of his concern that the act included several new programs that might result in increased expenditures. He expressed concerns about these costs and also expressed the belief that there are authorities, albeit scattered among many agencies, to achieve most of the objectives that were sought in the National Aquaculture Policy Act of 1978. The President has pledged to work with Congress and bring the many Federal agencies that have responsibilities in aquaculture together.

I am happy to say we are seeing some additional coordination and cooperation among the Federal agencies. There is a new appreciation for the potential of this industry in the administration. However, I am afraid that in many cases this belief in the purpose and goodness of aquaculture begins and stops with the program people.

It is imperative that we have a national statement of policy in regard to aquaculture. A congressional directive to the administration to give aquaculture the priority it deserves.

Aquaculture can be important to this Nation as a source of food, as a substitute for aquatic imports and I believe as a major export industry. But, aquaculture is a fledgling industry, at a critical juncture. If aquaculture is to achieve its potential it must have public support and investment similar to what we have had for agriculture. This bill is the first step to achieve this end. It will coordinate the existing programs so that we get a maximum effectiveness out of them. It is going to fully assess the burden of regulations on aquaculture at the local, State, and Federal levels. Further it is going to examine the status and need for financial assistance programs, research and other priorities for the development of aquaculture in the United States.

I am pleased to have again had the opportunity to work with my good friend from Hawaii in developing this bill. The evolution of the congressional attitude toward aquaculture mirrors the evolution of the attitudes of aquaculture producers. A few years ago we had divided objectives. Many of us were focusing on narrow aspects of aquaculture we knew. We thought it was a simple issue, however, after long years of work, debate, hearings and research, we recognize the breadth and complexity. While aquaculture, like agriculture, is very species specific and unique to aquatic environments whether they be marine or fresh, warm or cold water, we have also come to recognize that there is a great deal of commonality in aquaculture. For instance, the regulatory difficulties facing producers, marketing issues, data and information needs, water quality and other items, cut across species and specific environments and demand coordination of effort. This is recognized in the bill we are introducing today in behalf of both the Commerce and the Agriculture Committees. I believe this bill will enable us to take the first step on the journey of making aquaculture a viable industry in the United States.

I also believe it is a bill the administration can support.●

WHY NOT THE BEST?

● Mr. ARMSTRONG. Mr. President, the American electorate is becoming painfully aware of the devastating effects of inflation and they are becoming increasingly knowledgeable about who it is and what it is that is causing this such a dramatic erosion of their purchasing power, the greatest since the post-World War II period. A recent excellent column entitled "Why Not the Best?" by Richard Lesher, president of the Chamber of Commerce of the United States, illuminates two things that may not be so commonly known: The fact that the Federal Government actually profits from inflation, and the fact that Federal officials have been busy either exempting or protecting themselves from some of its effects. This column is an outstanding addition to recent commentaries about inflation. I commend it to the attention of my colleagues and ask that it be printed in its entirety in the RECORD.

The column follows:

WHY NOT THE BEST?

WASHINGTON.—Thomas Jefferson, a remarkably brilliant man with an abiding love for his country, once penned these words to his friend John Adams: "I agree with you that there is a natural aristocracy among men. The grounds of these are virtue and talents."

Jefferson was speaking as a true revolutionary, rejecting that old-world idea that power and privilege belong by birthright to one governing elite. And he was also expressing his strong conviction that there are extraordinary possibilities in ordinary people. The small merchant, farmer, printer, blacksmith and carpenter—these were the people he hoped could better their lives and shape America's destiny.

What has become of that noble idea? Are we still encouraging individuals to dream, create, achieve, improve and join together as a nation in the pursuit of excellence? I frankly wonder.

We have just celebrated Labor Day, honoring all those who make America the greatest country in the world. For 24 hours, the nation actually paused to recognize the contributions our farmers, laborers, business people, clerks, scientists and so many others are making. But then it was quickly back to reality, and to a world that, ironically, resembles more and more the one Jefferson and his compatriots rebelled against—one where unchecked power and privilege in the hands of a new elite are gradually smothering the American dream for all who revere it. Consider these facts.

Almost everyone in America agrees that inflation is our single greatest domestic problem; too few understand the federal government promotes inflation because it profits from it. As government's printing and spending of money sends prices up, individuals and businesses seek wage and price increases to offset their new costs. But even though their resulting higher levels of income and profits do not represent a real gain, since they only compensate for inflation, the government automatically taxes them at a higher rate. So bureaucrats have more money to spend on themselves and their programs, but mind you, never quite enough to balance the budget.

What would Jefferson have said about a government grabbing tens of billions of dollars in windfall taxes each year without even asking the public's permission? But of course we're not asked because we're not supposed to know. If too many people catch on—and get mad—the game might end. So we're constantly being reassured the federal government is not the main source of inflation.

But if that were true, how has the federal bureaucracy become our single biggest spender, borrower and employer, growing nearly 50 percent faster than the underlying economy, while paying salaries averaging 40 percent higher than those in the private sector? And if the cost of government is truly inconsequential, why have taxes shot up so much faster than wages and profits, and why do they now consume the largest share of the family budget? Who's kidding whom?

The federal government understands perfectly well the impact of its policies. That is why Congress and the White House granted themselves generous pay increases while lecturing us on the virtue of sacrifice. That is why Congress so neatly exempted itself from regulations it insists everyone else obey. And that is why you must pay the huge Social Security tax increases but federal employees do not, even though a majority of them qualify (through spouse benefits, moonlighting or second careers) for Social Security benefits. What a beautiful game. They never lose!

And here's the knockout punch: Even as government's deficit spending fuels the inflation that destroys the fixed values of private pensions, government officials are protecting themselves at your expense. They are committing your tax dollars to index their own pensions to the rate of inflation. And since federal workers can retire earlier, inflation and time could compound these benefits beyond belief. Twenty years from now, retired federal clerks could be receiving annual incomes of $100,000. Potential commitments like these represent an economic time bomb just waiting to explode.

We can still salvage Jefferson's dream of a better life, but only by addressing these very serious problems and by protecting the common interests of all working Americans. Otherwise the new aristocracy, the federal bureaucrats, will have already answered the question, "Why not the best?," by providing the best of all worlds—for themselves.●

HOMER CAPEHART

● Mr. DOLE. Mr. President, Homer Capehart is dead, and his native Indiana and the Senate itself have lost a staunch and beloved public servant and friend. As a businessman and farmer, Senator Capehart brought firsthand knowledge of the economy and agriculture to his work in Washington. He was a strong supporter of better relations between this country and Latin America, a lifelong advocate of a strong military defense, and a hardheaded foe of communism abroad.

Homer Capehart grew up on the land:

his father was a tenant farmer. Homer went into business as a young man, selling farm machinery and juke boxes, learning early in life the necessity for a strong free enterprise economy. In the 1930 s, when Republican politics were all but smothered beneath the charm and appeal of Franklin Roosevelt, Capehart organized a "cornfield convention" at his farm; 20,000 people came; they formed the grassroots core of a resurgent GOP. Later, when Wendell Willkie won the party's Presidential nomination in 1940, it was Homer Capehart who arranged his tumultuous welcome in Indiana.

Homer Capehart saw much history, and helped to make some on his own. He will be remembered for personifying the productive ethic of America's achievement-oriented people, and for his dedication to citizen participation in the political process. He will be remembered also as a partisan in the finest sense of that word, a man of strong convictions who never shrunk from expressing them, or working for their enactment.

To his wife, Irma, his son and daughter, and all his family and friends, I extended my own sense of loss. Homer will be missed. He will also be venerated.●

GIFTED AND TALENTED CHILDREN

● Mr. JAVITS. Mr. President, the gifted and talented children of our Nation have long been of consuming interest to me, for they represent the future leadership of the United States. Last month, in Jerusalem, the World Council on Gifted and Talented Children held its Third Biennial Conference to discuss international cooperative efforts on behalf of the gifted, and to consider research and exchange programs to promote this most precious human resource.

At the Jerusalem conference, Arthur Lipper, III, an investment banker and, through his efforts as a trustee of the Lipper Foundation, a great friend of the gifted and talented, brought a fresh and insightful perspective to the proceedings. Mr. Lipper forcefully presented the idea that the development of the gifted represent the best hope for future peace and stability in the international political system. Furthermore, as Mr. Lipper states, the creative resources of the gifted of the world can be profitably utilized to solve many of the seemingly intractable problems which face both the developed and less developed nations.

I urge my colleagues to consider carefully his remarks, and I ask that the text of Mr. Lipper's address to the World Council on Gifted and Talented Children be printed in the RECORD.

The material follows:

ADDRESS BY ARTHUR LIPPER III

INTRODUCTORY REMARKS

I usually begin talks at business conferences and conventions with a joke. I won't today—the subject is too serious and humor does not translate well.

It has been asked why are you here and what are your qualifications to address this group. To answer appropriately I must tell you something of Arthur Lipper Corporation, the primary contributor to The Lipper Foundation of which I am Trustee.

Arthur Lipper Corporation which I founded in New York twelve years ago, is today a professional international investor and investment banker. We have active investments, where we either control the company or influence the management, in the United States, Canada, Japan, Singapore, Malaysia, Indonesia, Australia and Israel. Previously we have had interests and offices in Geneva, Amsterdam, London, Beirut, Bahrain and Buenos Aires. The types of businesses include: television and satellite earth stations, oil exploration, venture capital and money lending, sheep raising, insurance, land speculation, magazine publishing and stock and commodity market activities.

For the past fifteen years I have travelled continuously—four to ten Far Eastern visits annually and, during one five-year period, travelling to Switzerland and England 30-odd times a year.

That which we have sought, and to a satisfactory degree have found, is profit. That which I seek in terms of our very active interest in gifted children is profit. Not the kind of profit which is reflected in bank accounts and draws interest, but the kind which may produce an improved quality of life and possibly increased international political stability.

I am not an educator—nor am I even well educated. I am, however, a trained and experienced professional social, economic and political observer and analyst. As a result of my travels and exposures I believe that the world, and particularly the LDC's (less developed countries), are in serious trouble. Inflation, the bubonic plague of this century, when coupled with improved communications, primarily television, creates a frustration and anger within the 90-plus percent of our global population which can only be described as "have nots". Remember that 85 percent of the world's population does not have running water and 56 percent earn less than one U.S. dollar per day.

The present situation of 3–5 percent of the people consuming 90 percent of the goods produced in the world will not—cannot—be permitted to continue. Changes are coming and most, I fear, will be unpleasant for the present "haves", though not necessarily significantly improving the lot of the "have nots".

I believe that identification and development of gifted children represents the most likely means of our influencing or impacting the future socio-economic and resultant political changes and that therefore an investment of money and energy in this cause is indeed a constructive and highly leveraged (geared for the Brits present) investment. Being a "have", the profit I seek is political stability. The world's barn is burning and not all of the horses can be saved.

As to why I am here, the answer is that Dan Bitan was kind enough to offer me the opportunity to make a presentation. I took it because you are important people to meet and communicate with and are involved in a vital effort.

PREPARED REMARKS

All attending this Conference either are already, or have the potential to be, leaders. Being here in Jerusalem is appropriate as almost 2,000 years ago, three wisemen, presumably also leaders, sought, only 10 kilometers from here an Infant perceived by them to be a uniquely gifted child and their future leader. I suggest that today it is of greater importance for our ordained appointed and elected leaders to reverse the process and seek future wisemen.

One of the results of this Conference, and the fortunately increasing number of meetings of a similar nature, can and should be the more effective seeking and identification of wisemen in the form of gifted and talented children who have the recognized or unrecognized potential for making significant contributions to their own as well as our society.

Some years ago I read the following statement in a school publication:

"One of America's most tragic wastes of natural resource is the loss of the potential for social contribution which is inherent in economically deprived, gifted children.

"Properly identified at a sufficiently early age, through culture free, non-verbal testing, the very young child can be provided with the environmental, economic and motivational support necessary for full development as a positive social contributor.

"Without such early identification, the socio-economic pressure imposed upon the economically deprived child who possesses superior cognitive ability is likely to result in either a "dropping out" or only a desire to achieve improved personal life style. The chosen or available means of obtaining a better life style may not be socially desirable. Therefore their truly constructive potential, from the standpoint of society, may be forever lost.

"We urge the economically secure to look with concern into our society's future. A better life for all will be possible only when the 'gifted among the deprived' are identified, and helped, early enough in their life and experience cycle to make a substantial difference to them and to society."

These thoughts seem to me to be applicable to all societies and especially to those less fortunate than America's. Specifically analyzed they are:

1. Identified early enough, poor but gifted children can be given medical, financial and emotional support which probably will lead to the development of positive social attitudes.

2. Not identified and assisted the kids may either not achieve their potential or may use their talents solely for the purpose of bettering their own lives, regardless of the means employed or the effects on others.

3. All gifted children, including poor kids, properly motivated and educated have the potential for significant societal contribution.

4. Those fortunate enough to be economically secure have a particular interest in and need to provide for developing the means of identifying and assisting these children in order to prevent their talents from becoming employed in activities which may be destructive in socio-economic as well as personal terms.

Is there any doubt that many of the leaders of emerging and developing countries could have been identified as being potentially gifted children? How many of today's insurgent leaders could similarly have been identified? I think many—probably most. It is known and acknowledged by many educators and penologists that in developed countries the prison and criminal population contains a larger proportion of gifted and talented persons than the population as a whole. The "crime" for which we, and they, are being punished could be described as "The Great Brain Robbery". Giftedness, unrecognized and therefore without constructive focus or direction, clearly results in a higher than normal level of frustration and anger. Talented malcontents, who probably are inarticulate, perhaps even unaware of their hunger for education are a threat to the stability of any system of government. The greatest underachievers are the unrecognized and undeveloped gifted.

In a society where there is not now, and may never be, enough of many basic goods and services, the leaders of that society are forced to make hard decisions as to allocation of natural resources. Which investment of the country's available assets is likely to yield the greatest return? Can there be any other answer than that the people themselves in all countries are the assets possessing the greatest potential? Clearly not all of the people of any country are equal in their potential. Is it not, therefore, the epitome of good judgment and basic common sense to try to determine which children are, if given the opportunity for development, likely to have the greatest potential for social contribution? And, if identified as having greater potential, should not a greater than minimum or usual investment of available resources be made in the growth of these particular children? Such a disproportionate and unequal investment, assuming the identification process is valid, whereby the children identified as gifted flourish and reach their potential, must benefit society as a whole.

Egalitarian and liberal concerns and demands for equal education and opportunities for all children are emotionally understandable and politically expedient. They are, however, practical only in those societies so rich, fortunate and protected that there is no perceived need to develop the resources of the country to the fullest extent possible. And even that country must be willing to deliberately reduce significantly the numbers, through electing to pursue a policy of non-identification and therefore subsequent non-development, of future scientists, educators and social leaders who might otherwise have been available to that society. I personally know of no country that rich.

It should, however, be noted that unfortunately the voting American public must think the United States unneeding of maximum future amounts of fully developed talent as the federal budget, which reflects legislation passed by public opinion sensitive elected representatives, provides for more than $1,000 for each learning disabled American child versus only $2.42 per gifted and talented child, and the $2.42 represents a 64 percent increase over last year. In other words, more than one billion dollars for the 8–10 million disabled versus less than seven million dollars for the 2.6 million children estimated to be gifted and talented. Only a country as rich, and seemingly secure, as America could manifest such a compassionate, politically expedient and non-self interested public policy. It may interest you to know that the individual states invest roughly five times as much in so-called special education projects, also more or less in the same 400-to-1 ratio.

It is interesting to note the number of proudly proclaimed programs for gifted child identification and development which many of the Socialist and Communist countries have as a stated and de-facto matter of public policy. Is it not strange that the capitalist countries, so quick to make use of all other "natural" resources—including the labor of their own and other countries—have been slower to recognize and secure the benefits accruing from the development of their own gifted children?

Perhaps it is simply a matter of necessity which dictates national policy, perhaps the wealthy nations have not yet sensed the compelling need for broad social progress, based upon the future contributions of the gifted, as have some of the non-capitalist countries. Whatever the reason, capitalist nations will be pushed harder, and perhaps farther, than would otherwise have been the case, because they have virtually ignored the potential represented by the gifted, while the non-capitalist nations have been forced or have been sufficiently farsighted enough to embrace and nourish these assets.

Developing countries, regardless of political orientation, as well as socio-economically deprived communities within developed countries, have important natural resources just sitting there . . . in their mothers' laps or on their mothers' backs. Oil is one universally recognized important form of energy. Of equal or perhaps even greater potential importance is the future contribution of our yet unidentified and nurtured gifted.

Finally, in terms of gifted advocacy I urge each of you attending this Conference to make every attempt to find a means to get the ongoing story of the gifted and their needs and potentials told on your local television stations. Forget about the print media. Future opinion molding will, for the most part, take place through television images. Be it through quiz shows or creative problem solving demonstrations, such as Olympics of the Mind, an excellent program utilizing competitive creative events, or documentaries or dramas or news—get the story of the gifted on television. The independent television stations as well as the TV networks are open to program ideas and the gifted are "upbeat" and the story can be presented positively.

Assisting in the early gifted and talented identification and development process is a most sensible and enlightened self-interest exercise. Let us ask not what we can do for the kids but rather what they can do—if identified and developed for all of us. This is the message and television is the medium.

CLOSING REMARKS

Before closing I wish to accept Dorothy Sisk's suggestion to me that I give some additional specific suggestions for gifted advocacy. We, through The Lipper Foundation, presently, and in the future through the "Gifted Children Newsletter—for parents of children with great promise" (which as a commercial venture Arthur Lipper Corporation is financing and co-publishing with the Learning Magazine organization), urge the following:

1. The organization of conferences with business leaders to focus on why it is in their best interest to assist the gifted and how best they can use the asset once developed.
2. Establishment of boarding schools (publicly funded) to house those identified gifted children whose existing home life is non-constructive in terms of their development.
3. To identify and publicly praise those individuals assisting the gifted. Make use of awards as a means of gaining favorable public attention and relations.
4. Bring to the attention of business leaders specific gifted children in need of assistance. I believe you will be pleasantly surprised by the result of solicitations made on a positive self-interest basis. Also make the pitch for funds using an individual child—I believe the conversion to "cause" involvement will naturally follow the specific case involvement.

We have a number of other ideas we believe will be helpful to the gifted and would privately be most pleased to share them with you.

For the gifted to help us in the future, they need our help now.

Thank you.●

SENATOR HOWARD BAKER—PROUD OF BEING A POLITICIAN

● Mr. LUGAR. Mr. President, in the August 13, 1979 issue of Time, Hugh Sidey offers a brief sketch of the Senate's minority leader HOWARD BAKER and his approach to political life. Mr. Sidey's perceptive column provides valuable insights into American politics at its finest, and I ask that the article be printed in the RECORD.

The article follows:

PROUD OF BEING A POLITICIAN

The de Havilland Sky Hawker is all fueled up. The Hasselblad camera is packed away in its tan case with the Senator's favorite 120-mm lens nestled in leather. He has a clutch of Arthur Adler's summer suits ready for rumpling. Tab, Fresca and coffee by the gallon are in the hold. The ghost of Everett McKinley Dirksen has been signed on. About this time Howard Henry Baker Jr. (5 ft. 7½ in., 160 lbs.) is ready to roll through 26 states, thumping and sweating and striving to be President of the U.S.

There is something bright and burning about this Republican camera nut and son-in-law of the late Dirksen. It is Baker's season. In six months he has come up ten to twelve points in the opinion polls. In the Kentucky hills and along the clear streams of Utah, when they take time to think about politics, there are unusual numbers of queries now about Howard Baker.

Teddy Kennedy this week will be camping in the cool Berkshires, Ronald Reagan is taking off the entire month of August. Jimmy Carter hopes for an interlude soon on an ocean island, savoring a fisherman's solitude. Not Baker.

He will inspect beef cattle and beauty queens and shout to everyone that "I am proud of being a politician!" He will tell his audiences that he is sick and tired of hearing that professional politicians are not worthy of trust, that he is fed up with amateurism.

The Senate minority leader has a remarkable record on the issues. He is responsible, often original and almost always ahead. He dived in to help the President win the Panama Canal Treaty and the arms package for Israel, Egypt and Saudi Arabia. Down at the G.O.P.'s Tidewater Conference he seized the moment and focused on SALT as an occasion for a broad re-examination of the "total military and foreign policy relationship between the Soviet Union and the U.S." It was, in Baker's eyes, time to dispel the tattered remnants of Arthur Vandenberg's bipartisan tradition, something that was right a generation ago, just after World War II, but is not fully applicable in today's psychological struggles.

Baker articulated the dark thoughts that crossed the mind of many a citizen stuck in a gas line. If the big oil companies were gouging the American people, Baker declared, they risked nationalization. Baker was wildly against even the thought of such a measure, but as a professional pol he sensed an ugly mood. His warning nearly cracked the picture windows in Houston's Petroleum Club. Baker's mail showed it.

He went to Moscow and warned Leonid Brezhnev about the doubts the Senate had over SALT. He raised his questions back home, and his state of mind is crucial as the debate rumbles along. When Jimmy Carter came down from the mountaintop in his new leadership robes, Baker, who was not invited to the seminars, swallowed hard, but once again supported his political rival.

"Deep down I'd like to tell him to go to hell," Baker muttered to friends. But he did not. Instead, he said he was "willing to lay aside animosities . . . He is President, we are in a tough time, he's got a big problem, the country has a big problem. And I'm going to give him his day."

Therein is the legacy of Dirksen, who used to reside in Baker's Capitol office, doing Baker's leadership job. "I saw it close up," says Baker. "Right here Dirksen and Lyndon Johnson worked out their differences for the good of the country. They were adversaries but not enemies."

So Howard Baker insists that judgment should be first but politics a close second. That means some solid whacks, as well as support in critical times. Baker was the one who labeled Carter "a yellow-pad President" and suggested that while the President "was saying the right things, I'm not sure he can make them happen." Politics, Baker believes, is results, though even he sometimes pauses to make a few notes. They are always brief enough to go on the backs of envelopes.●

AMTRAK

● Mr. WEICKER. Mr. President, on August 1 the Senate passed S. 712, the Amtrak Improvement Act of 1979. This bill, which is now in conference, provides for a 2-year authorization for Amtrak appropriations.

During the course of debate on this legislation, I discussed the extent to which foreign governments subsidize their passenger train systems. The Japanese are spending $4.1 billion this year on their passenger rail system, while France is spending $1 billion and Great Britain $728 million. America's commitment to rail passenger services pales in comparison. Since 1971, when Amtrak was created, our Government has spent $76 billion in transportation subsidies, of which only $3 billion has gone to Amtrak. As an example of our Government's misguided efforts, one need only look at the administration's efforts to eliminate 43 percent of the Amtrak system. The $1.4 billion that the administration hoped to save over the next 5 years by the reduction is approximately the amount it will cost for New York City's proposed Westway Highway.

Fortunately, the Senate realized the folly of the administration's plan and substantially increased the final Amtrak system. Additionally, the Senate adopted my amendment to increase by $54 million the authorization for Amtrak's capital acquisitions, thereby enabling Amtrak to purchase the equipment it needs to provide efficient service. It is only by providing Amtrak with the capital equipment it needs that we will even stand a chance of delivering the type of rail service that I believe the people of this Nation have a right to expect.

A recent article in the New York Times underscored the negligence of the United States in providing adequate rail service. The August 19 article, entitled "In Europe, Railroads Still Have Inside Track," noted that France, Britain, Germany and Italy are developing passenger systems that will run at 200 miles per hour. Amtrak trains average only 42 miles per hour, which is 13 miles per hour lower than the highway speed limits. How can we expect Amtrak to compete with the automobile if it cannot provide service at a comparable speed? Clearly, we should be moving in the direction in which the European countries are heading.

Mr. President, I ask that the article entitled "In Europe, Railroads Still Have Inside Track," which appeared in the August 19, 1979 edition of the New York Times, be printed in the Record.

The article follows:

In Europe, Railroads Still Have Inside Track

(By Flora Lewis)

Paris.—Snub-nosed, streamlined, wired for sound, Puffer-billy or the Iron Horse, is alive and well in Europe. Even without the oil crisis, a combination of geographic and political reasons had kept European railroads from lapsing exclusively into the province of nostalgics and toymakers. Now gasoline difficulties have given the rails a new momentum.

But with a difference. The new trend is for comfortable, high-speed city trains; the theory, as Patrick Punt of the International Union of Railways put it, that people will still pay if the service is good. France, Britain, Germany and Italy are developing lines that will run at 200 miles an hour, competing reasonably in terms of speed with planes over distances up to 400–500 miles if the time it takes to get in and out of airports is counted in, and with cars in terms of nerves and reliability when the highways are plugged with traffic.

The controversies, troubles and complaints are not much different from those that led to the near extinction of passenger railroads in the United States, where Congress and President Carter are now arguing over how much rail service to cut (Mr. Carter proposed a 43 percent cutback; a proposal to restore half that is before a House-Senate conference now). But the Europeans' conclusions have not been the same, and they are forcing some lively innovations to justify keeping the 19th century's greatest technological—and as a result social—force for change going through the rest of the 20th.

All European railroads are nationalized. That by no means exempts them from the laws of economics. But it changes the pressures on decision-makers. In France, for example, the Government recently ordered the railroads to halve their current $1 billion annual deficit by 1982. It would have reached $1.5 billion by that date if the current trends continued. The unions—and railroad unions are among the oldest and strongest in Europe—are angry at the implications. There were 514,000 railway workers when the state took over in 1937, 330,000 in 1967, and 263,000 now. Sharper cuts are in prospect. One plan, a subject of bitter argument, proposes shutting down 3,000 of the country's 4,500 stations.

Subsidies are believed to be considerably greater than the statistics show. For one thing, the monopolies reserved for state-owned airlines have kept domestic and intra-European air fares relatively exhorbitant. Paris-Nice, 420 air miles, costs $122 on a no-frills flight with straight-backed seats seemingly designed for dwarfs, a rate of 29 cents a mile. Second-class on a good train is $58 (8 cents a mile) and $87 for first class (12 cents a mile.) It has been calculated that the cost of a flight from Paris to New York has dropped by 72 percent and from Paris to Rio de Janeiro by 58 percent in constant currency between 1950 and now. Paris to Copenhaken has gone up by 6 percent.

Highway freight is constrained by intricate regulations, which French truckers say deliberately favor the railroads, and French railway workers grumble are inadequately enforced.

These hidden supports, as well as union clout, public insistence, and a traditionally more generous attitude about taxpayer subsidies for services which are, in any case, government-owned, helped the European railways survive the automobile explosion. Now the fact that railways can run on nuclear-generated electricity or coal as well as on diesel fuel and help shave oil imports has added to their claim for backing.

Distances between large cities make another important difference in the viability of European versus American railroads.

When the high-speed trains come into service, Paris-Lyon will take two hours, Paris-Lausanne 3½, Paris-Marseille 4½. Paris-Brussels now takes 2½ hours by the best trains; they are scheduled at mealtimes, so that the trip leaves only a few minutes on either side of an excellent lunch or dinner handsomely served on a table at your comfortable seat. There is no way to compress an overland New York-Chicago, or New York-Detroit journey into that kind of convenience.

But all that is not enough to beat the deficits. Since costs are fixed regardless of the number of passengers the European railroads are casting about for frills to lure customers. Eurorail passes, family fares, off-season and off-peak hour discounts have been introduced in country after country to increase revenues. British Railways has developed facilities in both passenger carriages and stations for the disabled so they can travel by wheelchair.

GIMMICKS FOR HOLIDAY TRAVELERS

The French railroads have just launched some new gimmicks, including a special holiday train called Le Cenevol which runs through the scenic areas of the Auvergne and the Cevennes with a special "entertainments" car carrying pinball machines, juke boxes, painting and photography exhibitions, literary readings, tourist guide lectures. Horsemen are offered facilities to board their mounts in one direction and canter back through the mountains. Cyclists have a special baggage car installation for their bicycles. It's the Club Mediterranée principle: Don't just get the guests to a resort, keep them busy and they'll come back.

There are trains on the big vacation runs which offer over-night service with a sleeper for the driver while his auto rides the flat-car behind him to the Riviera.

More and more European cities—Paris, London, Brussels already—have installed direct train service into important airports. That helps air traffic too, because it eases the use of airports that are much farther than usual from central urban areas.

The new trains are sleek, clean and quiet. They are lapsing into the old function of linking the country-side to the town as feeder lines and rural stops are abandoned, but reviving a vigorous competition with later means of transport between not-too-distant cities.

And if they still don't pay their way? Nothing is cheap any more. The pleasure of reading while rolling, or watching the world go by, will cost more but it will get you there, probably right on time. Then, if the railroad stations would recruit porters once again, or arrange curb-side baggage check-in, the romance of the rail might be reincarnated without a flaw. At any rate, the Europeans are trying.●

BERKELEY BURRELL

● Mr. DOLE. Mr. President, one of America's most distinguished black leaders died last week; we would do well to pause and ponder his example. Berkeley Burrell excelled at everything he turned his mind to. He was a successful black businessman when few black Americans were able to break into the economic system called free enterprise. He was an eminent and widely recognized authority on urban affairs, an economist and adviser to 5 Presidents. He worked tirelessly to bring others of his race into all sectors of the marketplace; in broadcasting, in the small business community and in management.

He was a newspaper columnist, a college lecturer, a housing expert. He was prominent in support of his church and community. When Ebony named him one of America's 100 most influential blacks for 6 consecutive years, they were by no means over-estimating this man's impact. But the titles and honors could not in themselves convey his heart, his generosity, his warmth and humanity.

In a day and age when millions of black Americans remain trapped in frustration, their economic aspirations mocked by a Government that takes their support and acquiesence for granted, Berkeley Burrell set an example of what could be attained by a man who sought his rightful share of a free economy's bounties. He earned his share, and helped others to do the same. He inspired young people to emulate his achievements in business and social welfare. He knew, and he passed on to each of us, the message that profits are for people, and the ultimate social justice is to be found in an economy based on incentive, profit and jobs for all who seek them.

We overlook his lesson at grave peril to a Nation at peace with itself, its historic ideals and its best intentions.

To his wife and family, Elizabeth and I extend our deepest sympathy. The sorrow they feel should be mingled with pride—a pride shared by everyone who knew, or knew of, Berkeley Burrell.●

HANDGUN CONTROL

● Mr. JAVITS. Mr. President, on August 16, Louis Harris released a poll revealing that a solid 78–20 percent majority of the American people favor "a Federal law requiring that all handguns people own be registered by Federal authorities." Results also show a strong percentage (76–26) favor control of the sale of handguns. Further, 23 percent of the adult population say they would vote against someone who is opposed to gun control, in contrast to 7 percent who would vote against a candidate who favors handgun control. These figures indicate that those who oppose gun control are taking more than three times as much of a political risk by their stand than those who favor gun control. I would like to share with my colleagues these poll results and the accompanying article, which evidence again that the majority of Americans continue to support control of handguns, and ask that it be printed in the Record. It is up to the Congress to stand for what is right and for what the people properly want.

The material follows:

Americans Continue To Show High Level of Support for Gun Control

(By Louis Harris)

By a 78–20 percent majority, Americans favor "a federal law requiring that all handguns people own be registered by federal authorities." The massive majority backing of gun control continues at the same high level it has maintained over the past several years, despite the fact that effective gun control legislation has been thwarted in Congress.

In fact, Americans would like to go further than simply registering handguns: by 72–26 percent, a solid majority favors "federal laws which control the sale of guns, such as making all persons register all gun purchases, no matter where the purchases are made." This level of backing for comprehensive gun control legislation has remained about the same throughout the 1970s. But according to the latest ABC News—Harris Survey of 1,496 adults nationwide, it is higher than the 66–28 percent who felt the same way about registration of gun purchases in 1967.

There is also evidence that some of the intensity that has always surrounded the gun control issue is now abating. In 1978, when an 80–18 percent majority favored handgun registration, fully 45 percent of all those who were opposed to such a law said they would vote against a candidate who advocated gun control. Now a lesser 37 percent of the people who side with the National Rifle Association, the established lobbying group against gun control, would vote against a candidate because of this issue. By the same token, in 1978, 33 percent of all those who favored gun control laws said they would vote against a candidate who opposed federal registration of all handguns. This year, a slightly smaller 29 percent feel that way.

It seems that there are far more people in this country who would vote against a candidate who opposes gun control than there are who would vote against a candidate who favors such controls.

Overall, 23 percent of the entire adult population say they would vote against someone who is opposed to handgun control. By contrast, no more than 7 percent would vote against a candidate who favors such handgun registration. This means that those who oppose gun control are taking more than three times as much political risk by their stand than are those who favor gun control.

These results fly in the face of the prevailing wisdom in the halls of Congress and among members of most other legislative bodies in this country. The widespread belief is that the NRA is so powerful in getting its own members to vote against a candidate, that any legislator who favors gun control can be defeated in a close election. The most celebrated case that is cited by opponents of gun control is that of Senator Joseph Tydings of Maryland, who went down to defeat in 1970 after he had helped sponsor gun control bills.

The current evidence from this ABC News—Harris Survey calls into question a longstanding assumption made by many candidates for Congress: that the National Rifle Association is one of the most effective single-issue lobbies on Capitol Hill. And the NRA itself claims it can deliver its members' votes against proponents of gun control, whereas advocates of gun control simply cannot muster their following.

To a degree, this claim of the NRA may be correct, for its members are ardent gun owners who feel keenly about the issue of gun control. The organizations advocating gun control that have been put together specifically to counter NRA pressure, but their track record on getting out the vote on Election Day has not been widely demonstrated.

However, with the intensity of the gun control issue seemingly abating, both among opponents and supporters of handgun registration it may be that the time has come to put the claims of the National Rifle Association to the test.

If Congress were to pass legislation controlling handguns, and those who voted for it were willing to make their vote a major issue in their campaigns, it is likely that the issue would help rather than hinder such candidates. Certainly, such proponents would be able to point to the determined efforts of the NRA and other anti-gun control groups to unseat them over this issue. But if those favoring gun control were not prepared to make it one of the dominant issues in their campaigns, then the field would be left to the NRA, and the will of the majority could be thwarted once again.

TABLES

Between June 13th and 17th, the ABC News-Harris Survey asked a cross section of 1,496 adults nationwide by telephone:

"Do you favor or oppose federal laws which control the sale of guns, such as making all persons register all gun purchases no matter where the purchases are made?"

FEDERAL LAWS TO CONTROL SALE OF GUNS

[In percent]

	Favor	Oppose	Not sure
June 1979	72	26	2
July 1978	73	25	2
October 1975	73	24	3
June 1968	75	14	11
August 1967	66	28	6

"Do you favor or oppose a federal law requiring that all handguns people own be registered by federal authorities?"

REGISTRATION OF HANDGUN

[In percent]

	Favor	Oppose	Not sure
June 1979	78	20	
July 1978	80	18	
October 1975	77	19	

"If a candidate for Congress in your district took a stand opposed to federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not?" (Base: favor federal law requiring registration of handguns.)

VOTE AGAINST CANDIDATE OPPOSED TO GUN CONTROL

[In percent]

	Vote against	Not vote against	Not sure
June 1979	29	63	8
July 1978	33	57	10

"If a candidate for Congress in your district took a stand in favor of federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not?" (Base: oppose federal law requiring registration of handguns.)

VOTE AGAINST CANDIDATE IN FAVOR OF GUN CONTROL

[In percent]

	Vote against	Not vote against	Not sure
June 1979	37	54	9
July 1978	45	50	5

●

SENATOR HELMS ON THE GOLD MEDALLION PROGRAM

● Mr. McCLURE. Mr. President, the Senate Appropriations Committee recently completed work on the fiscal 1980 appropriations bill for the Department of the Treasury. In that bill was $10,067,000 for the American arts gold medallion program.

As a cosponsor of Senator Helms' original Gold Medallion Act which is similar to the bill finally enacted, and as a member of the Appropriations Committee, I am deeply concerned about how this program is to be administered.

For this reason, I was greatly interested in an article that appeared in the August 1, 1979, edition of "Coin World," an important source of information on numismatics and currency. Senator Helms has written on the proposed method of sales of the new gold pieces and he has put forth some guidelines that I hope Treasury will consider.

Mr. President, I ask that the following article entitled, "Congressional Gold Mandate Unfilled," be printed in the Record.

The article follows:

Is Treasury Dragging Feet?—Congressional Gold Mandate Unfilled

(By Jesse Helms, U.S. Senator (R-N.C.))

In the instance of the American Arts Gold Medallion Act of 1978, the Treasury Department appears to be living up to the letter of the law. But is it living up to the spirit?

When I introduced the Gold Medallion Act of 1978 in April of last year, it was intended that the U.S. Mint produce and market gold pieces in quantities sufficient to compete effectively with the Krugerrand and other so-called "bullion" coins. The version finally approved last fall and signed into law by the President was different from both my bill and the compromise bill approved by the Senate, but it can accomplish what Congress wanted to do.

The bill, as passed, was initially authored by the able young Congressman from Iowa, Jim Leach, and provides for a minimum of one million ounces of gold to be manufactured into one ounce and one-half ounce medallions each year for five years. The design would be changed annually, and the medallion would be sold at a price equal to the market price of gold plus costs.

What now seems in doubt is whether Treasury officials will implement the law in the way that Congress intended.

Briefly, here is the way it seems Treasury will administer the program: $1.6 million will be requested this year to take advantage of a low bid on producing the gold blanks. The blanks will be 90 percent gold, 10 percent copper.

Then $10 million will be asked for fiscal 1980 (starting Oct. 1, 1979) to produce and sell 1.5 million medallions; one million, one-half ounce medallions honoring Marian Anderson and one-half million one-ounce medallions honoring Grant Wood.

The bill states that a "minimum" of one million ounces of gold in medallion form be sold. Treasury is putting a ceiling of one million ounces on the 1980 production run.

In addition, though the bill has been on the books for eight months already, it seems obvious that even if all goes as hoped, medallions won't be sold until June of 1980—eight months into the fiscal year. That means that 1.5 million pieces will have to be sold in only 16 weeks.

The method of merchandising? Posters and mail order forms will be stuck in U.S. Post Offices. Individuals will be able to take one of the 10 million forms to be printed by the Mint and then call a toll-free number. A recording will explain that day's price of the medallions, as determined by the world price, plus costs of production and distribution. A certified check in that amount with the form postmarked by that evening would entitle the buyer to a medallion by return, registered mail.

The quantity to individuals will be severely limited: Perhaps only one or two per order.

Once the 1.5 million pieces are gone, that would be that for 1980. The next issuance would wait until fiscal 1981.

As most readers of *Coin World* know, the Treasury Department has opposed the medallion program from the start. It has been suggested that the method Treasury has chosen to administer the program could well be designed to provoke enough criticism of it to cause Congress to cancel the gold medallion program altogether.

I do not believe that the officials in the Treasury Department are malicious in this regard, but there are a number of things that might be changed—and can be changed—to see that this program gets off to a good start.

First, as to the concept of supply and demand. (An aspect of economics which is, sadly, foreign to most bureaucrats.) How might it work, if the marketplace were allowed to function?

Under the law, the price that can be offered is "set" by what the marketplace dictates to be the price of bullion, plus what the costs of production and marketing might be. According to the law of supply and demand, that means that the expected demand for the product will probably be either above or below the number of medallions offered in fiscal 1980.

In order to change demand (the quantity desired), a seller would expect to raise or lower the price. If I wanted to exactly find the price the market set for a specific quantity of things on a given day, I would hold an auction. The market would determine the price. But since, under the law, the price is "set," that means that it is incumbent on the sellers to adjust the supply.

The supply should be the number of medallions that are desired at the "fixed" price. That is exactly how, for example, the Krugerrand is sold.

Now, if I want to artificially constrict demand so that I will just be able to sell what I have at the price I set, I could, for example restrict demand by excluding some buyers or limiting buyers to only one or two medallions. (Does this sound familiar to those who were involved with the first Carson City silver dollar sales—that cost far more than expected and required new legislation to finally dispose of the coins?)

I could also restrict demand by cutting the time allowed for purchasing, such as the last quarter of the year. And, in addition, I could restrict marketing to government preventing private marketers from having sufficient supplies to make promotion campaigns economically practical.

In effect that is exactly what Treasury proposes to do.

Now, in the Treasury's favor, we must note that this is the first time in 50 years that a U.S. gold piece has been produced in quantities. The U.S. Bicentennial gold medal was limited to several thousands, and sold at a fixed price by the American Revolution Bicentennial Administration. This program is new and big—gross sales of over a quarter of a billion dollars.

Why cannot Treasury get some opinions from the "pros" in the field?

Why should it be administered in such a way as to raise the question, "If I wanted to scuttle the Gold Medallion program, how would I go about it?"

Let's take, for example the question of determining demand. The Treasury wants to make sure that it doesn't end up with tons of golden images of Grant Wood sitting in the basement. It also wants the easiest way to explain the operation of a program to Congress and Budget officials.

Well, why not turn, at least in part, to that neglected institution, the marketplace? Why not for example, offer for delivery in four or six months any number of medals to whomever wants them at a price that will be determined later, using negotiable letters of credit? In other words commit people ahead of time to buying the medals yet to be produced.

How many gold medallions would the marketplace be willing to absorb a few months down the road at a price equal to the bullion price on that day plus $5 or $7?

If people are willing to make that kind of commitment, Treasury could lose no money. Production schedules could be adjusted. Promotion campaigns could be privately financed, and demand would be measurable.

Obviously, the largest group of medallions purchased under such arrangements would probably be by dealers or banks or organizations wanting them for resale or investment. But, there is no reason why individual, private purchases could not also be conducted through the Mint.

In fact, a broader market for the medallions made by dealers would help insure the investment of those who purchased through the Mint itself.

But, the Treasury is worried about profiteers, or those who might "corner" the market. Well, no market can be cornered if the supplier stands ready to meet the demand. And as to profiteers, why is it we see such a lively market in Krugerrands, with often very low margins, and all without the helping hand of the U.S. government?

Is it not clear when the law says that the medallions should include costs to cover marketing, the cost of marketing might be born by those who are willing to commit funds ahead of time and thus perhaps be eligible for a small discount on future delivery? Perhaps this could be something close to the amount of interest earned on the money in the months Treasury holds it before shipping medallions.

Then there is the question of profit. Republic National Bank Vice President Fred Bogart made one of the more memorable statements at the Senate hearings on the Gold Medallion Act, when he said that he'd guarantee that the government would suffer no loss if he could be given the annual medallion production at the bullion price plus production costs.

If fact, the often byzantine accounting system of the U.S. government insures that the American Arts Gold Medallion Program will be one of the biggest profit makers in the federal budget.

Gold is on the books at the "official" price of $42.22 per ounce. As a result the "cost" of the medallions will be about $5 or $7 plus $42.22 for the one-ounce medallions, and $21.11 for the half ounce medallions. Oh, throw in a couple cents for the copper.

At today's prices (as I write this, gold hit a record $281), the profit of the one ounce medallion will be at least $200 for each one ounce medallion and about $100 for every one-half ounce medallion. That figures out to a net profit of about $100,000,000 on the one ounce pieces and $100,000,000 on the one-half ounce pieces.

As someone who is concerned about coins and, perhaps, gold and money, I'd like to see *Coin World* reader comments on these ideas. Better yet, send the original to Secretary of the Treasury Blumenthal, and send me a copy. I'll see to it that the panel which will consider the funding for the program, the Senate Appropriations Subcommittee on the Treasury, gets a tabulation of the results.

Tell him what you think the total demand might be, and what you think of the proposed marketing plan. Also, give an estimate of how many medallions you might be willing to buy for whatever purpose.

There seems to be a communication problem here and you can help eliminate it. If I am wrong, then perhaps we should scrap the program and let other nations monopolize the arena. I'm willing to put in some time to do what I can to see that this program works and is changed if it needs be. I'd like your help.●

TAX INCENTIVES FOR FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND

● Mr. WALLOP. Mr. President, the issue of foreign investment in U.S. real estate has troubled Congress for the past several years. We know that foreign investment in the United States is on the increase, but until recently many questions regarding the extent and nature of foreign investment in the United States have remained unexplored. One of the more troublesome aspects of the foreign investment issue are the tax code and tax treaty provisions that allow foreign investors to escape paying capital gains taxation on the sale of farmland and other forms of real estate. The problem posed by this exclusive tax advantage is that the tax break prevents our own farmers and investors from competing effectively in bidding for farmland.

At the request of Senator TALMADGE, chairman of the Senate Agriculture Committee, the General Accounting Office has recently published a report shedding additional light on the question of foreign investment in U.S. farmland. "Foreign Investment in U.S. Agricultural Land—How It Shapes Up" addresses many of the policy questions involving foreign investment in U.S. land, but its chapter on the tax treatment of foreign investments is especially useful. The GAO concludes that:

> The elimination of tax advantages available to foreign but not U.S. investors would eliminate one of the factors that may be inhibiting potential U.S. purchasers from effectively competing with potential foreign purchasers of U.S. land.

Mr. President, the conclusions of this study lend further support to the Treasury's position that these tax advantages should be eliminated. The GAO report provides more evidence that Netherlands Antilles corporations are the most important foreign purchasers of U.S. land. It is common knowledge that by investing through a Netherlands Antilles corporation, foreign individuals and corporations can take advantage of the attractive tax breaks provided through treaty agreements with the Netherlands Antilles.

Mr. President, the tax questions relating to foreign investment in U.S. real estate have been addressed by the GAO, the Department of Agriculture, and the Department of the Treasury. Each of these government agencies have concluded that there is no reason to provide foreign investors a capital gains tax exemption on real estate that is denied our own investors. On June 25 the Senate Finance Committee's Subcommittee on Taxation and Debt Management held hearings on legislation that would require foreign investors to pay capital gains on the sale of U.S. farmland. The committee heard testimony from the American Farm Bureau Federation, the Department of the Treasury, independent tax experts and other witnesses, all of whom agreed that the foreign investor tax break should be changed.

There is no reason to delay passage of legislation that would change the tax treatment of real estate sold by foreign investors. I invite my colleagues to join in this effort by cosponsoring S. 208 and close a capital gains tax loophole available only to foreign investors. I urge the Senate to act quickly to change this unfair and harmful section of the Tax Code.

Mr. President, I ask that the portion of the GAO report dealing with tax advantages afforded foreign investors be printed in the RECORD.

The report follows:

FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND—HOW IT SHAPES UP

2. *Nationalities and tax advantages of foreign purchasers:*

The 224 foreign purchases of agricultural land that GAO identified in the review counties involved 173 foreign purchasers. Most of the 248,146 acres were bought by purchasers from the Netherlands Antilles, Belgium, West Germany, France, and Switzerland. GAO did not find Arab investors to be a factor. Most of the Antilles corporations were owned by Swiss, Belgian, and Italian investors.

Foreign investors who buy U.S. real property have U.S. tax advantages (involving primarily capital gains) not available to U.S. citizens who may wish to invest in that same property.

CONCLUSION

GAO believes elimination of the tax advantages foreign investors have would remove a factor that may be preventing potential U.S. purchasers from competing effectively with potential foreign purchasers. Legislation pending in the 96th Congress would remove the capital gains tax advantage. This would also raise U.S. Treasury revenues.

CHAPTER 3: NATIONALITIES AND TAX ADVANTAGES OF FOREIGN PURCHASERS

The 224 foreign purchases of agricultural land in the review counties during the 18-month period involved 173 foreign purchasers. They were affiliated with at least 30 different foreign countries. In some cases, we were unable to identify the specific country involved. In other cases, the investors-of-record were actually firms owned by individuals or firms from other countries. Although most purchasers' agents or attorneys were very helpful in providing ownership information, some would not go beyond admitting that the purchasers were European or foreign and some refused to provide any information on the subject.

FOREIGN AFFILIATIONS OF PURCHASERS OF AGRICULTURAL LAND IN REVIEW COUNTIES

The foreign affiliations of the 173 purchasers-of-record are shown in the following table.

Foreign affiliation	Acres purchased		Transactions	
	Number	Percent of total [1]	Number	Percent of total [1]
Netherlands Antilles	89, 860	36. 2	52	23. 2
Belgium	34, 792	14. 0	3	1. 3
West Germany	22, 989	9. 3	30	13. 4
France	12, 665	5. 1	11	4. 9
Switzerland	11, 825	4. 8	12	5. 4
Europe (country not identified)	8, 467	3. 4	11	4. 9
Austria	8, 428	3. 4	1	. 4
Canada	8, 269	3. 3	39	17. 4
Venezuela	7, 967	3. 2	1	. 4
Great Britain	6, 583	2. 7	6	2. 7
Liechtenstein	6, 582	2. 7	3	1. 3
Netherlands	5, 842	2. 4	10	4. 5
Mexico	5, 190	2. 1	4	1. 8
Switzerland, West Germany, and Canada [2]	5, 179	2. 1	3	1. 3
Singapore	2, 755	1. 1	1	. 4
Luxembourg	2, 641	1. 1	1	. 4
Sweden	2, 452	1. 0	2	. 9
Hong Kong	1, 547	. 6	3	1. 3
Italy	922	. 4	3	1. 3
Bahamas	578	. 2	4	1. 8
Liechtenstein, Panama, Canada, and Switzerland [3]	355	. 1	4	1. 8
Cayman Islands	214	. 1	1	. 4
Iran	213	. 1	3	1. 3
Japan	202	. 1	1	. 4
Philippines	197	. 1	3	1. 3
Denmark	153	. 1	1	. 4
Australia	107	(4)	2	. 9
Panama	95	(4)	1	. 4
South Africa	90	(4)	1	. 4
Japan and France [5]	86	(4)	1	. 4
India	78	(4)	1	. 4
Spain	64	(4)	1	. 4
Taiwan	59	(4)	1	. 4
Turkey	38	(4)	1	. 4
Indonesia	26	(4)	1	. 4
Country unknown	636	. 3	1	. 4
Total	248, 146	[6] 100. 0	224	[6] 100. 0

[1] Percentages based on projected data could differ.

[2] Foreign-owned partnership comprised of German, Swiss, Canadian, and U.S. citizens.

[3] Foreign-owned corporation comprised of Panamanian, Liechtenstein, Swiss, and Canadian citizens.

[4] Less than 0.1 percent.

[5] Foreign-owned corporation comprised of Japanese and French citizens.

[6] Numbers do not add due to rounding.

Some of the countries and territories listed above are known as tax havens because residents of and firms incorporated in these areas have particularly attractive tax advantages regarding their investments in the United States. These so-called tax havens include the Netherlands Antilles, Switzerland and Liechtenstein. While we did not inquire further into the ownership of the Swiss and Liechtenstein investors, we did obtain additional information on the Netherlands Antilles purchasers.

One of our purposes in following up on the ownership of the Antillean purchasers was to determine whether concerns expressed by various individuals and sources that Arab interests may be buying U.S. agricultural land were well-founded. As the following section shows, we did not obtain any information showing that Arab interests were involved in any of the Antillean purchasers.

PURCHASES BY NETHERLANDS ANTILLES CORPORATIONS

As the table on pages 20 and 21 shows, Netherlands Antilles purchasers bought more acreage than any other foreign purchasers—89,860 acres, or 36.2 percent. These purchasers accounted for 45 of the 173 purchasers-of-record. The Netherlands Antilles—two groups of islands in the West Indies—are part of the Kingdom of the Netherlands. The islands are covered by an income tax treaty with the United States under which Netherlands Antilles corporations are entitled to certain tax benefits with respect to income derived from sources within the United States. (See pp. 31 and 32.)

It is very difficult to determine the true ownership of Antilles corporations. Antillean law allows shareholders of investment corporations to remain anonymous. This is advantageous to owners who may desire anonymity for various reasons. The president of a large real estate exchange which functions as a clearinghouse for foreign investors looking for U.S. property told us, for example, that investors from some foreign countries frequently buy property through Swiss banks and large law firms and incorporate in offshore tax havens such as the Netherlands Antilles. He said that such purchasers usually do not publicize their investments in countries other than their own because of possible legal repercussions of their countries' currency control laws.

Through the cooperation of agents and attorneys for Antillean corporations and other sources, we obtained information on the nationality, but not identity, of most of the corporations' owners. The Antillean firms that bought the most acreage (60 percent of the 89,860 acres bought by Antillean firms) were owned by Swiss and Belgian investors, as shown on the following page.

Residence and/or nationality of owners	Purchases by Netherlands Antilles corporations: Acres: Number	Acres: Percent of all foreign purchases	Transactions: Number	Transactions: Percent of all foreign purchases
Switzerland	28, 181	11.4	5	2.2
Belgium	25, 488	10.3	3	1.3
Italy	12, 096	4.9	8	3.6
France, Italy, or West Germany [1]	10, 603	4.3	15	6.7
Liechtenstein	4, 772	1.9	1	.4
Netherlands	4, 313	1.7	6	2.7
Hong Kong	1, 247	.5	2	.9
Spain	479	.2	1	.4
Europe (country not identified)	459	.2	1	.4
Country unknown	2, 222	.9	10	4.5
Total	89, 860	[2] 36.2	52	[2] 23.2

[1] The agent who represented the 11 Netherlands Antilles corporations that made these 15 purchases told us that each corporation was owned by an individual, family, or group of friends from either France, Italy, or West Germany. He would not associate any corporation with a particular country.

[2] Numbers do not add due to rounding.

Combining the results of this analysis with the data in the table on pages 20 and 21 shows that six Belgian purchasers actually bought the most agricultural land—60,280 acres, or 24.3 percent—with Swiss purchasers being second—40,006 acres, or 16.1 percent. A revised ranking of the foreign affiliations of the purchasers buying more than 1,000 acres of U.S. agricultural land is shown on the next page.

Foreign affiliation	Acres purchased: Number	Acres purchased: Percent of total	Transactions: Number	Transactions: Percent of total
Belgium	60, 280	24.3	6	2.7
Switzerland	40, 006	16.1	17	7.6
West Germany	22, 989	9.3	30	13.4
Italy	13, 018	5.2	11	4.9
France	12, 665	5.1	11	4.9
Liechtenstein	11, 354	4.6	4	1.8
France, Italy, or West Germany	10, 603	4.3	15	6.7
Netherlands	10, 155	4.1	16	7.1
Europe (country not identified)	8, 926	3.6	12	5.4
Austria	8, 428	3.4	1	.4
Canada	8, 269	3.3	39	17.4
Venezuela	7, 967	3.2	1	.4
Great Britain	6, 583	2.7	6	2.7
Mexico	5, 190	2.1	4	1.8
Switzerland, West Germany, and Canada	5, 179	2.1	3	1.3
Country unknown	2, 858	1.2	11	4.9
Hong Kong	2, 794	1.1	5	2.2
Singapore	2, 755	1.1	1	.4
Luxembourg	2, 641	1.1	1	.4
Sweden	2, 452	1.0	2	.9

The Netherlands Antilles corporations bought agricultural land in six States (Arkansas, California, Georgia, Illinois, Montana, and Texas). Most of the land they purchased was in Montana (52,900 acres), California (26,356 acres), and Texas (7,029 acres). These purchases accounted for more than half of the total acres of foreign-bought agricultural land in the review counties in Montana and California and almost half of the acres purchased in Texas.

Of the seven Netherlands Antilles corporations which purchased the 52,900 acres in Montana, three were Belgian-owned firms which bought 25,488 acres and four were Swiss-owned firms which bought the other 27,412 acres.

Thirty-two Netherlands Antilles corporations purchased the 26,356 acres in California. Of these, 8 were Italian-owned firms which bought 12,096 acres and 11 were German, French, or Italian-owned firms (we had no further breakdown) which bought 10,603 acres. We could not identify the nationalities of the owners of nine other corporations that bought 1,182 acres. The owners of the remaining four corporations were from Hong Kong or Europe.

Two Netherlands Antilles corporations purchased the 7,029 acres in Texas. One, a Netherlands-owned firm, bought 2,257 acres; the other, a Liechtenstein-owned firm, bought 4,772 acres.

Ownership of the Netherlands Antilles firms which bought agricultural land in the other three States were as follows:

	Acres
Arkansas:	
One Spanish-owned firm	479
Georgia:	
One Netherlands-owned firm	1, 509
One firm—owner's nationality unknown	1, 040
Total	2, 549
Illinois:	
One Netherlands-owned firm	547

FOREIGN AFFILIATIONS OF PURCHASERS BY STATE

The greatest numbers of different nationalities were represented by foreign purchasers in 4 of the 10 States—Arkansas, California, Georgia, and Washington. A listing, by State, of the countries and purchased acreage follows. (For this listing, the owners of the Netherlands Antilles corporations are included according to their country of residence or nationality.)

State and foreign affiliation	Foreign purchases: Acreage	Foreign purchases: Percent of total
Arkansas:		
West Germany, Canada, and Switzerland	5, 179	42
Luxembourg	2, 641	22
Netherlands	2, 374	19
West Germany	960	8
Switzerland	500	4
Spain	479	4
France	168	1
Total	12, 301	100
California:		
Italy	12, 254	27
France, West Germany, and Italy [1]	10, 603	23
Liechtenstein	6, 582	14
Europe	3, 398	7
West Germany	3, 324	7
Hong Kong	2, 794	6
Canada	2, 020	4
Country unknown	1, 182	3
Switzerland	1, 016	2
Belgium	620	1
Bahamas	578	1
Mexico	350	(2)
Cayman Islands	214	(2)
Netherlands	172	(2)
Iran	133	(2)
Panama	95	(2)
India	78	(2)
Spain	64	(2)
Taiwan	59	(2)
Great Britain	46	(2)
Turkey	38	(2)
Total	45, 620	[3] 100
Georgia:		
France	10, 004	23
Austria	8, 428	19
Europe	5, 528	13
West Germany	4, 416	10
Great Britain	3, 253	8
Switzerland	3, 047	7
Singapore	2, 755	6
Sweden	2, 452	6
Country unknown	1, 676	4
Netherlands	1, 509	4
Australia	107	(2)
South Africa	90	(2)
Total	43, 265	[3] 100
Illinois:		
Netherlands	818	56
Italy	637	44
Total	1, 455	100
Iowa:		
West Germany	302	42
Great Britain	272	37
Denmark	153	21
Total	727	100
Kansas:		
West Germany	5, 264	64
France	2, 493	31
Switzerland	332	4
Iran	80	1
Total	8, 169	100
Montana:		
Belgium	59, 660	62
Switzerland	27, 412	28
Venezuela	7, 967	8
West Germany	1, 160	1
Canada	30	(2)
Total	96, 229	[3] 100
Pennsylvania:		
Great Britain	3, 012	68
West Germany	1, 302	29
Italy	127	3
Total	4, 441	100
Texas:		
West Germany	6, 261	38
Liechtenstein	4, 772	29
Netherlands	4, 514	27
Switzerland	1, 086	7
Total	16, 633	[3] 100
Washington:		
Switzerland	6, 613	34
Canada	6, 219	32
Mexico	4, 840	25
Netherlands	768	4
Switzerland, Panama, Canada, and Liechtenstein	355	2
Japan	202	1
Philippines	197	1
France and Japan	86	(2)
Indonesia	26	(2)
Total	19, 306	[3] 100
Total	248, 146	

[1] No breakout by specific country.

[2] Less than 1 percent.

[3] Numbers do not add because of rounding.

TAX INCENTIVES FOR FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND

Foreign investors who buy U.S. real property, including agricultural land, have certain U.S. tax advantages not available to U.S. citizens who may wish to invest in that same property. We did not obtain information on the extent to which any taxes required to be paid to the foreign country involved may offset the advantages available to foreign investors under U.S. tax laws and regulations.

The key determinant for U.S. income tax purposes is whether or not U.S. source income derived from the foreign source investment capital is considered to be effectively connected with a U.S. trade or business. This problem is discussed in a recent Treasury Department report[1] on the tax treatment of income from, or gain or loss realized on the sale of, an interest in U.S. property owned by nonresident aliens and foreign corporations.

Under U.S. law, if a nonresident alien or foreign corporation purchases U.S. real property and operates the property as a business, income derived from the investment (including capital gains) is taxed by the United States on a net basis and at rates applicable to U.S. taxpayers.

Capital gains realized by nonresident aliens and foreign corporations on the sale of U.S. investment property are not subject to U.S. tax if such gains are not "effectively connected" with a U.S. trade or business. Ordinary, "noneffectively connected" income from the investment property is taxed on a gross basis (without allowable business deductions) at a flat rate of 30 percent or at a lower rate if permitted by a tax treaty between the United States and the foreign country. With respect to ordinary income, the difference between a tax based on gross income and a tax based on that same income less allowable deductions can be substantial. If a foreign investor is not engaged in a U.S. trade or business, the investor may elect to have income from the U.S. investment property (such as payments received under a sharecropping or lease arrangement) taxed on a net basis as if it were effectively connected with a U.S. trade or business. This election is usually irrevocable if made under the Internal Revenue Code. It is annual if made under the Netherlands Antilles treaty.

The Treasury report concluded that, although most foreign investment in U.S. real estate either constitutes a U.S. trade or business or, at the election of the taxpayer, is taxed as if it were, foreign investors rarely incur a capital gains tax on the sale or disposition of their property holdings. The evidence is that foreign taxpayers are adept at using the various planning techniques available under present law which allow them to avoid the capital gains tax. Some of these techniques are as follows:

1. Foreign investors who are engaged in a U.S. trade or business may sell their U.S. real property on an installment basis and postpone receiving most or all of the payments until later years when they are no longer engaged in a trade or business. Any gain attributable to the payments in the years after the sale is not treated as effectively connected with a trade or business and therefore is not taxed.

2. Foreign investors may generally exchange U.S. real property held for productive use or investment for other property of a like kind, without recognizing any capital gain. If the property acquired in the exchange is located outside the United States, the capital gain realized on the subsequent sale of that property would not be subject to U.S. tax.

3. Foreign investors may invest in U.S. real estate through a real estate holding company incorporated outside the United States and avoid paying a capital gains tax on the sale of the real estate by the company or on the sale of the stock of the company by the foreign investor. One of the following two planning techniques would ordinarily be used.

First, if the real estate holding company sells the property and liquidates within 1 year, distributing the sales proceeds to the foreign shareholders, the capital gain realized by the company is not recognized for U.S. tax purposes.

Also, the shareholders would generally not be taxed on the gain when they exchanged their stock in liquidation for the sales proceeds of the real property because the shareholders are not considered to have been engaged in a U.S. trade or business by reason of their stock ownership.

Second, if the foreign investors sell their stock in a foreign real estate holding company which owns U.S. real estate, they are not subject to U.S. tax on the gain realized since the sale of the stock does not give rise to U.S. source income.

4. Many U.S. tax treaties with foreign countries permit foreign investors who are not engaged in a U.S. trade or business, but who elect to have their U.S. real estate income taxed on a net basis, to revoke that election in the year in which the real estate is sold. This means that with proper planning, foreign investors can elect to have income from their U.S. investment taxed on a net basis while the investment increases in value, and then revoke the election in the year they sell their land to avoid paying a capital gains tax.

THE NETHERLANDS ANTILLES TAX TREATY

Firms and individuals doing business through the Netherlands Antilles have the following tax advantages regarding their investments in the United States.

The Antilles profits tax on business income earned in the United States by Antilles firms is generally imposed at an effective rate of only 2 or 3 percent.

The Antilles has no estate, gift, or inheritance tax and no tax on capital gains, dividends, interest, or Antilles-source investment income paid to nonresidents.

The Antilles tax treaty with the United States allows for reduced U.S. taxes on income not connected with a U.S. trade or business by allowing foreign investors to elect annually whether to have the income taxed net of deductions.

The Antilles allows residents of other countries to incorporate in the Antilles and thereby take advantage of its tax treaty provisions with the United States. Consequently, investors from countries that have no tax treaties with the United States or whose tax treaties do not provide for an anuual net basis election can substantially reduce their taxes on income and capital gains from their U.S. investments by incorporating in the Antilles and making the net basis election.

The Antilles allows its corporations to keep secret the identity of their shareholders. This makes it possible for investors from other countries that may have strict laws limiting investment of capital in foreign countries to circumvent such restrictions by incorporating in the Antilles.

Further details on the taxation of foreign investments in U.S. agricultural land and other real estate are discussed in the Treasury report.

SUMMARY AND CONCLUSIONS

Various individuals and sources have expressed concern that Arab interests may be buying U.S. agricultural land. We did not find this to be the case although we recognize that we did not probe beyond the nationality of the first level of ownership except in the case of the Netherlands Antilles firms. Most of the foreign-bought acreage was bought by Western European purchasers. The motives and other information regarding these purchases are discussed in the next four chapters.

The largest acreage of foreign-bought agricultural land was purchased by Netherlands Antilles firms which appear to have distinct tax advantages over U.S. purchasers. Other foreign purchasers also may have tax advantages in their U.S. property investments. Without considering any possible broader implications of such action, we believe that elimination of tax advantages available to foreign, but not U.S., investors would eliminate one of the factors that may be inhibiting potential U.S. purchasers from effectively competing with potential foreign purchasers of U.S. land. The Department of the Treasury favors elimination of these tax advantages to foreign investors. According to Treasury's report, taxing capital gains on the sale of U.S. agricultural land alone would raise U.S. Treasury revenues by an estimated $22 million in 1979; taxing capital gains on all U.S. real estate sold by foreign taxpayers would raise Treasury revenues by $142 million. The report states that the balance of payments impact of such action cannot be estimated with any precision but would probably be relatively small.

Two bills introduced in the 96th Congress (S. 208 and H.R. 3106) would generally subject to U.S. tax the capital gains of foreign investors from the sale of farmland, land suitable for farming, or rural land. Another bill (S. 192) would tax nonresident alien individuals and foreign corporations on their capital gains on all U.S. property—real estate, stocks, bonds, and so forth. Hearings were held on S. 208 and S. 192 in June 1979.●

PROGRESS, REMEMBER?

● Mr. JAVITS. Mr. President, for some time now, I have been calling for the adoption of policies to stimulate U.S. productivity growth as the highest priority. This was the theme of my Senate speech of February 6 (C.R.—1100) and, more recently, has become the raison d'etre for the Senate Republican Economic Policy Declaration, which was developed by a task force under the design of the Economic Policy Subcommittee, which I chair.

I am no longer alone in stressing the urgency with which we must act to revitalize our country's productive capacity and to modernize our business plant and equipment. In fact, the conclusions of the last two reports of the Joint Economic Committee, on which I serve as the Ranking Senate Republican member, serve to underscore my justifiable concerns with our sagging productivity performance and our weakened capacity to compete head-on with overseas suppliers.

Mr. President, over the recess, the New York Times printed an article entitled, "Progress, Remember?" written by Mr. Reginald Jones, chairman of the board of General Electric, in commemoration of the Thomas A. Edison centennial of light. Those of us who know Mr. Jones know that we can always rely on his wisdom, be it written or oral, to make us that much richer than we were before sharing it. In his article, Mr. Jones pinpoints the source of our Nation's economic ailments as our neglect of science and technology—the "energizers" of our economic process. I concur with his view and support his argument that we must tilt our economic policies in such a way so as to offer some encouragement for those in our society who are willing to risk time, talents and money in ventures that could make life better for our people.

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[1] "Taxation of Foreign Investment in U.S. Real Estate," Department of the Treasury, May 4, 1979. A summary of this report was included in a Joint Committee Print on Tax Treatment of Foreign Investment in the United States, prepared for the use of the Senate Committee on Finance by the staff of the Joint Committee on Taxation, June 22, 1979.

Some of the specific suggestions which Mr. Jones makes to encourage investment in technological innovation are already incorporated in the Republican legislative package to which I referred earlier. Others, particularly in the area of antitrust and regulation, concern the removal of inhibitory barriers to investment in new technologies. But the meat of the request that Mr. Jones makes of us is really more abstract and focuses on our fundamental attitudes toward competition, risk-taking, and progress itself. He asks us to reestablish a system that rewards talent and ingenuity, that stresses a standard of reasonableness for the resolution of economic problems, and that rejects the notion of limits and boundaries to our knowledge and development. It is alarming to realize that so evidently reasonable a request would require change of massive proportions to accomplish it.

Mr. President, I commend Mr. Jones for his excellent statement and urge my colleagues to take careful note of this most instructive set of recommendations so that we in the Senate will be able to work together to foster the type of social and political environment that will encourage an economy of progress to which Mr. Jones refers.

Mr. President, I ask to have Mr. Jones' article from the New York Times of Friday, August 24, printed in the Record.

The article follows:

PROGRESS, REMEMBER?

(By Reginald H. Jones)

Fairfield, Conn.—Inflation, unemployment, declining productivity, trade deficits, disenchantment with government, loss of international position—all these are related directly to our recent neglect of the science and technology that energize our economic processes. And so there is, fortunately, a growing consensus, as we celebrate the Thomas A. Edison centennial of light, that we must do something about it before it's too late.

Unfortunately, under the Keynesian economics of recent decades, our tax structure has been sharply tilted against savings, investment and innovation. Additional tax changes are required to improve the crucial ratio of risk to reward that is the basic determinant of the level of business investment in the process of innovation.

Such changes could include programmed annual reductions in the corporate tax rate; improved capital recovery allowances to make up for the under-depreciation caused by inflation; relief from the double taxation of corporate dividends; additional improvements in the tax treatment of capital gains and losses; extension of the investment tax credit for new building; a reduction in the marginal tax rate on all individual income from 70 percent to 50 percent.

Tax incentives targeted specifically at research and development should be broadly based—not be restricted to certain types of such activity or certain politically chosen technologies. Similarly, the incentives should be nondiscriminatory or neutral in their application—that is, they should be available to all taxpayers, all companies and all parts of the country.

Here are some research-and-development incentives that might be instituted at relatively modest cost to the Treasury.

1. Flexible depreciation for equipment and special-purpose structures used in research and development. The taxpayer could elect to depreciate his investment in such assets in full in the year of acquisition or over any period.

2. Flexible depreciation for purchased patents and other intangible items of technology, such as know-how and secret processes. The unequal treatment of purchased and internally acquired patents and technology discourages the purchase and commercialization of new inventions and limits inventors' market opportunities.

3. A special deduction equal to 120 percent of research-and-development expenditures. Such a provision would cost about $2.4 billion a year. It would reduce the effective tax rate for companies that are efficiently investing in research and development, thus increasing their cash flow for additional innovation.

What else can we do to stimulate technological innovation?

One necessary element must be to revitalize university research. Perhaps the Government's grant funds for such research should be tied to the growth rate of the gross national product as a matter of policy. This would provide the universities with the planning stability they need. University grants and contracts must also be increased to cover full costs, or their research-and-development facilities will deteriorate to the danger point.

Increased share of the market that results from new technology should not be considered in monopoly cases. Otherwise, why bother to risk the money on developing new products and bringing them to market?

Antitrust cases are being conducted on the spurious assumption that the only competition that counts is United States competition; that United States companies must be broken up or limited while foreign governments are doing everything in their power to increase the size and capability of our foreign competitors. Yet, many of the most promising new technologies require the scale of worldwide markets in order to justify the costs. Antitrust policies that inhibit competing worldwide in high technology are flatly contrary to the public interest.

The capacity of the regulatory bureaucracy to inhibit investment in new technology cannot be overstated. What we need is not an end to Government regulation but some reasonable accommodation: some effort to balance the benefits against the costs, some encouragement for those who are willing to risk their time, talents and money in ventures that could make life better for our people.

Our fundamental need is a social and political climate that favors technological progress. We used to have it. We don't anymore. We have begun to accept limits to scientific inquiry, limits to technological innovation, limits to economic growth. If science has brought us problems—as it has—then the answer is more knowledge, not less. If technology has brought us problems—as it has—then the answer is better-managed technology, not a slow slide back to the poverty and squalor that most people had to endure in the falsely idealized past.●

MORAL ISSUES INHERENT IN ENERGY POLICY DECISIONS

● Mr. KENNEDY. Mr. President, for the past 2 years, the National Council of Churches of Christ has undertaken a study of the moral issues inherent in energy policy decisions. I was pleased to see that the NCCC concluded that conservation and increased energy efficiency should be the keystone of national energy policy. Their committment to protection of the poor and increased employment as central goals of energy policy are equally important.

I request that a summary of their report be printed in the Record.

The summary follows:

THE ETHICAL IMPLICATIONS OF ENERGY PRODUCTION AND USE

INTRODUCTION: ETHICAL GUIDELINES ARE NECESSARY IN THE PRESENT ENERGY SITUATION

The purpose of this Policy Statement is to clarify the values which should inform decisions about public energy policy, to set forth broad guidelines for decision-making, to indicate criteria by which energy technologies can be assessed, and finally to suggest some public policy positions and appropriate actions by churches and individual Christians.

The National Council of the Churches of Christ addresses the energy issue from a conviction that Christians must be guided by values based on the Biblical witness to creation, redemption, stewardship, justice and hope. These values should shape the policy decisions necessary to meet the profound challenge facing humanity: how to share limited amounts of energy fairly without poisoning ourselves by poisoning the wider environment.

Energy sources on which societies have become dependent are being used up. Threatened shortages increase the risk that hazardous energy technologies may be developed and used, threatening world stability and the ability of the earth to sustain life. Technical experts not only disagree on the conclusions they draw from facts; they disagree on the facts themselves. In such a threatening and bewildering atmosphere, ethics must provide important guidelines for energy policy decisions.

Energy use must not exceed the limited natural resources available, or overtax the ability of the environment to absorb pollution. Priority in energy use should be given to the satisfaction of basic human needs such as food, shelter, health, and clean air and water. Human dignity demands the widest participation in policy decisions which seek to meet these requirements.

THEOLOGY PROVIDES THE BASIS FOR OUR ETHICS

Human beings are made by God as persons-in-nature, co-creators in reciprocal relationships with everything else that God has made. As an integral part of creation, humanity shares in its finite nature. Only after making this basic affirmation does the Bible declare that humans are distinctive because they are created in God's image. Persons are unique in their capacity to respond to God in faith and hope, to their human neighbors with love, and to the non-human part of creation with respect and responsible care.

Humanity has often selfishly distorted the divine commission to exercise dominion over the earth into an unlimited license to exploit the material world and weaker persons. This perversion of dominion into domination is a sin and is one of the underlying causes of the energy crisis. When faith in the Creator and in the Kingdom of God is replaced by faith in human ability to solve all problems by technical means, humanity has also fallen into the sin of idolatry.

The obedient fulfillment of God's command calls for persons to think and work together both as accountable stewards of the whole earth and as bold advocates for fairness in the human community.

The Bible makes clear that the fertility of the earth—its ability to sustain human life in the peace and justice of *Shalom*—is intimately bound up with the protection of justice in the social order. Human faithlessness and injustice to our neighbor could destroy the creation. The definition of "neighbor" is now being radically expanded to encompass all humans in past, present and future generations, as well as the rest of creation. The range of our ethical responsibility must expand to conform to the fact that using advanced technology greatly increases the range in time and space of the consequences of human actions.

THE ETHIC OF ECOLOGICAL JUSTICE

We are called to embrace an ethic that takes into consideration the claims of those involved and endangered neighbors who, in the present energy debate, are necessarily voiceless because they do not yet exist, or because they exist in the nonhuman creation.

Ecological justice is such an ethic. It is an ethic for all members of the community of life, inspired by Christian hope for the fulfillment of God's promises assured us in the resurrection. It provides guidelines for human choice and action. An ecologically just society will be guided by the values of sustainability, fairness and participation.

Sustainability refers to the earth's limited capacity to provide resources and to absorb the pollution resulting from their use. Sustainability requires that biological and social systems which nurture and support life not be depleted or poisoned. The concept of sustainability defines the limits within which all should participate in the equitable satisfaction of needs.

Fairness refers to distribution of energy resources on the basis of need, and to an equitable distribution of the total benefits and costs. Fairness embodies, among other things, the rights of today's generation and those yet unborn.

Participation is a component of fairness in that the individual community member must take the responsibility and must have the opportunity to be involved in determining public policy and the hierarchy of values which guide that policy.

ECOLOGICAL JUSTICE INDICATES GENERAL GUIDELINES FOR DECISION-MAKING

Creating a just energy policy is difficult because inevitably some ethically desirable goals must be "traded off" against other goals which are also good. Precisely because such decisions are not simple, they should be made only after maximum public consideration, with conscious awareness of what good goals are being sacrificed, and agreement that the sacrifice is necessary. The ethic of ecological justice indicates some general guidelines which should apply when decisions are being made about energy policy:

I. If using a technology poses a risk of irreversible global damage, great prudence and caution should be exercised in deciding about its use. The greater the risk, the less moral justification there is for its use.

II. The survival needs of those who are below the minimum material standard of living should be met before the wants of those above that standard. Since survival depends on energy, it should be distributed by a standard that insures adequate food, health, housing, and clean air and water for all.

III. The views of those who will be affected by a particular action should be heard in the decision-making process.

IV. The effect on future generations of today's decisions must be considered.

V. Those who receive the benefits of energy decisions should, as much as possible, bear the costs.

VI. Regardless of their size or political influence, all countries should have access to full and responsible participation in arenas in which research and policy decisions are made which will affect their energy futures.

VII. Quality of life considerations—such as human dignity, satisfaction in employment, community cohesion and religion—must be considered along with technical and economic factors.

ECOLOGICAL JUSTICE INDICATES CRITERIA FOR ASSESSING TECHNOLOGIES

Ecological justice is an ethic of means as well as an ethic of ends. An ecologically just society cannot be achieved by using a technology which violates the values of fairness, sustainability and participation. The Environmental Impact Statement has been one means by which the effect of a technology on our natural life-support system can be monitored and controlled. No such legally enforceable method exists to assess and control the social impacts of a technology on the quality of life of individuals, communities and political institutions. Among the areas affected by technologies are public health, employment, safety, income distribution, community cohesion and civil liberties.

No single energy technology can realistically be expected to supply all human needs: a diversity of resources and different-sized systems will be necessary. No energy system will be free of contradictions and compromises, but ideally each technology pursued will violate as few of the following criteria as possible:

Safe: protective of the human and natural environment, and not threatening irreversible global damage.

Appropriate to human nature: not requiring infallibility or error-free performance from humans or machines.

Flexible: capable of timely change—even reversibility—during development and use in order to adapt to unpredictable events, such as unexpected health hazards.

Non-destructive to other necessities of life: for instance, not removing good agricultural land from food production or polluting necessary water supplies.

Resource-saving: using renewable energy sources rather than non-renewable—for instance, water power rather than oil.

Resilient: capable of absorbing shocks—for instance, oil embargoes, severe winters—without causing major social disruptions.

Fair: capable of having its benefits and costs allocated fairly to all, including future generations—for instance, not requiring one group to suffer genetic damage in order that another group may have electricity.

Comprehensible: capable of being understood, with information freely available, so that those citizens who wish to can participate responsibly in decisions.

Non-violent: difficult to use directly or indirectly as a weapon—for instance, not able to be easily made into a nuclear bomb.

Employment-producing: not replacing jobs with energy-intensive machinery, especially in areas of high unemployment.

Pluralistic: assuring a diversity of options, cultures, life-styles and opportunities, and encouraging a scale that permits choice and control by the user.

Appropriate: most nearly matched to the society to be served—for instance, small-scale and local where the need is mainly in small communities—and producing the kind of energy most nearly matched to the work to be done—for instance, electricity for telecommunications, solar for hot water.

Aesthetic: pleasing to the senses and enjoyable to work with.

ECOLOGICAL JUSTICE INDICATES U.S. ENERGY POLICY OUTLINES

U.S. energy policy should be in accord with the ethic of ecological justice and the guidelines and criteria it suggests. Such policy needs careful development to prevent severe social and economic dislocation. The ethic of ecological justice suggests some elements of a national energy policy which the NCCC Governing Board would support:

We support efforts to conserve energy and to use it more efficiently. Not using energy unnecessarily is the safest and cheapest "energy resource". Continued education about the necessity for and practical ways of saving energy is needed. Laws and regulations deterring conservation and recycling of materials should be adjusted.

We support publicly-funded energy-conserving projects designed in a way that will provide new skills and jobs for the unemployed. Such projects include winterization and insulation of homes, small-scale appropriate energy technologies and public transportation.

We support programs to limit fuel consumption that do not rely primarily on raising prices, which places an intolerable burden on the poor, the elderly and those with fixed incomes.

We support increased government research and development funding, subsidies and other incentives to expand the practical application of appropriate energy technologies based on renewable energy resources such as solar energy, including wind and water. Some of these are already developed; large government subsidies to other energy processes should be diverted to make appropriate technologies more readily available—for instance, freeing transportation of its inefficient dependency upon petroleum.

We support a national energy policy which does not rely on a long-term large increase in the burning of coal. Besides increased health and safety risks to workers and the general public from using more coal, extensive burning of fossil fuels may cause irreversible damage to the world's atmosphere, changing weather patterns and so threatening food production and the continued habitability of large areas of the earth. However, some increase in coal use over the short term is reluctantly accepted as necessary to avoid increased use of nuclear energy or economic dislocation caused by severe energy shortages.

We support a national energy policy which will not need to utilize nuclear fission. Secure handling of nuclear wastes over thousands of generations and safe operation of nuclear plants require that humans and their machines operate without endangering human beings or the enviroment. Human beings are not infallible; they will make mistakes, and machines will fail. The result may be irreversible damage to the environment and to the human genetic pool.

We support a continued ban on the commercial processing and use of plutonium as a fuel in the United States, and stringent efforts to reach worldwide agreement banning such use of plutonium. Commercial use of plutonium can result in proliferation of nuclear weapons. The potential misuse could result in pressure to curtail civil liberties in order to prevent such a threat.

We support the rapid development of enforceable regulations to require a social and environmenal impact statement of a technology before it is widely used and the monitoring and control of its use to prevent social and environmental damage.

We support U.S. policy which seeks to share technologies internationally without imposing capital-intensive energy technologies on other countries.

We support full U.S. cooperation in international efforts to ensure equitable distribution of necessary energy supplies and the rapid development and deployment of appropriate technologies based on renewable energy resources such as solar energy, including wind and water.

THE CHALLENGE TO CHRISTIANS AND TO THE CHURCHES

The Governing Board of the National Council of the Churches of Christ calls upon the society of which it is a part to enact energy policy which fosters the values of sustainability, fairness and participation. The institutional church and each of its members as individuals and as citizens must challenge traditional modes of thought and behavior. The NCCC Governing Board urges each Christian, each member communion of the National Council, and the Council itself, prayerfully to seek guidance for a faithful response to the challenge facing us all. As possible components of such a response, the following suggestions are offered for use by Council agencies, denominations and their members:

Study materials which deal with energy issues in the context of ethics.

Monitor the energy use of households, local churches, judicatories or national agencies by means of careful and inclusive record-keeping over a period of time. Include everything from the use of products made from non-renewable energy resources to the energy used getting to meetings.

Examine these energy-use records and act to conserve energy by eliminating unnecessary use.

Develop methods by which to take advantage of government and voluntary programs designed to help poor communities, the unemployed and the elderly meet high energy bills and with conservation and job programs.

Join with others to monitor utility and energy industry regulatory agencies. Monitor local, state and national building codes, regulations and legislation. Monitor utilities and energy companies which service you or in which you have stocks. Work to bring business practices and government regulations and legislation into harmony with the values of sustainability, fairness and participation.

Voting results: 120 in favor; 26 against; 1 abstention. The Antiochian Orthodox Christian Archdiocese of North America records its negative vote.●

BENEFITS OF INCREASED ENERGY PRODUCTIVITY

● Mr. KENNEDY. Mr. President, I wish to print in the RECORD today a recent article from the Washington Post which summarizes a large number of studies which conclude that increasing energy productivity is one of the most promising methods of increasing our energy security while improving the economy. These studies reaffirm the importance of moving aggressively on legislation that Senators JACKSON, DURKIN, and I, along with cosponsors HATFIELD, TSONGAS, BUMPERS, MATSUNAGA, WALLOP, BAUCUS, PERCY, and MELCHER, recently introduced, amendment 388 to S. 1308, (introduced on August 2, 1979).

Any balanced energy program must include a major effort to increase energy productivity as its central element.

The article follows:

CONSERVATION PROJECTS WIDELY VIEWED AS MOST PROMISING ENERGY SOURCE

(By Katherine Ellison)

The titles of the studies sound almost evangelical: "The Good News about Energy," "The Easy Path Energy Plan," "Energy Future." That a rash of researchers is promoting "unique" plans to save energy after six years of on-and-off national shortages is not surprising. What is surprising is they are generally saying the same thing.

All claim the most promising untapped source of energy is the 30 to 50 percent of national use they estimate is wasted every year by inefficient cars, buildings and appliances.

Conservation, they say, could cut 2.5 million barrels daily from the 8 million barrels the nation imports. The synfuels program, by contrast, about 200,000 barrels a day. And conservation is much cheaper.

Some studies estimate the recovery cost of the "conservation barrel" at as little as one-ninth the price of a "synfuel" barrel, which could run as high as $45.

Individual consumers can save money through a variety of simple energy-saving measures costing little or nothing to implement. The Union of Concerned Scientists estimates "the potential may exist to economically reduce heating bills by 50 percent or more in the typical household" with little or no change in comfort.

"All of Carter's measures tend to mean higher prices for oil, but most conservation strategies result in lower overall costs," according to USC researcher Vince Taylor.

Experts also foresee vast national savings on larger conservation projects, though this point many of these would not pay for themselves in the current economic environment. Proponents are calling on federal government to supply the missing incentives.

"The administration should reverse their goals for conservation and synfuels—then they'd have a reasonable chance of achieving them. They have no chance now," commented Daniel Yergin, co-author of a recent Harvard study on energy.

A report by the Council on Environmental Quality this year said federal emphasis on "energy productiivty" would lead to "more efficient and durable products and buildings, automobiles with higher fuel economy . . . and new, more efficient industrial processes." These advances could be attained with a 30 to 40 percent cutback on energy consumption, the report added.

Some headway has been made along these lines since the 1973 Arab oil embargo shocked Americans into watching their energy consumption more carefully. Since about that time, the amount of energy consumed per unit output has been falling at nearly 1.4 percent each year. But decades of cheap, abundant fuel have made energy-wasting a national pastime. West Germany, with a standard of living similar to that of the United States, uses only half as much energy per person, according to the Department of Energy.

Ingrained attitudes, law and policy reinforce the pattern of waste. Appraisers and contractors are reluctant to see the enhanced value of homes with energy-saving additions. Landlords renting out houses may include the utility bills in the rent, upping energy use by residents as much as 25 percent. City dwellers throw away reusable bottles for lack of any reason to return them.

Laws that impose utility-type regulations on industries that could "cogenerate" electricity as a by-product are preventing changes that might save millions of barrels of oil each day, according to DOE spokesman J. Michael Power.

Today only about 4 percent of U.S. industries use waste steam to generate power. About 56 percent did in the 1930s, said Jan Acton, a researcher at the think-tank Rand Corp. But in later years energy utilities "very deliberately gave volume discounts" making it cheaper for industries not to worry about such efficiencies, he added.

Now most industry is reluctant to move into cogeneration because plants selling extra power from the process would be reclassified as "utilities," and as such invite harsher regulatory treatment, according to Power. The problem is being reviewed by the Federal Energy Regulatory Commission, he said, but in the meantime is costing about 4 million barrels of oil-equivalent energy each day. "Until industry knows what government policy is going to be, any investment is going to be risky," Power remarked.

DOE, he added, is "trying to get away from regulating industry," choosing instead to explore cost sharing for conservation investments and joint research.

For years, government energy researchers have studied potential fuel-saving techniques; their work gets as detailed as quantifying the change in temperature achieved by wearing or not wearing a hat (.2 degrees F). But most experts now enthusiastically point to larger scale measures for conservation.

A recent Princeton University study calls for spending an average of $1,500 per house to diminish the 50 percent portion of national heating energy it estimates is wasted each year. The study recommends that the government train a squad of "house doctors" to examine homes for inefficient insulation and fuel use.

A CEQ report in March called for a stepped-up program of standards for auto, building and appliance efficiency, along with federal encouragement for firms exploring cogeneration and utilities opting for time-of-day pricing.

A CBS-New York Times poll the day after President Carter's speech last month found more than 90 percent surveyed were prepared to make sacrifices for conservation, such as driving slower or less often and adjusting their thermostats.

But few Americans are aware of how little sacrifice simple conservation measures demand, according to CEQ's John Davidson.

"We're trying to get away from the ideal of conservation as people sweating in a building," he said.

Most energy specialists have their own list of tips for painless conservation in the home or car. The following ideas are culled from lists circulating from the Environmental Protection Agency, DOE, CEQ and Rand.

Home. About 20 percent of total national energy demand goes to heating and operating appliances in residential buildings. Some of this demand could be cut by: keeping refrigerator coils clean (increasing efficiency up to 10 percent); turning off water heaters while away (reducing that annual drain by about .1 percent for each day); caulking and weather-stripping ceilings and walls; eliminating unnecessary hot water laundry rinses; replacing gas pilot lights with electrical ignitors, and turning off yard lamps.

Cars. Transportation takes about a quarter of energy use. Some simple measures can reduce the bite of that portion taken by cars.

Radial tires may increase efficiency by 6 to 7 percent; standard instead of automatic transmissions save 5 to 6 percent, and turning off air conditioners may save up to 20 percent.

Poorly tuned engines and under-inflated tires can impose a 4 to 6 percent penalty on fuel usage; properly inflated tires alone may save 3 percent of consumption. Yergin estimated that the savings attainable by keeping the national auto fleet properly maintained could "perhaps be equivalent to half the oil flowing from Alaska."

However, Yergin noted the increasing trend toward self-service stations will probably lead to worse, not better maintenance.

Conservation would be easy and pleasant if all of the country had California's climate. If so, the success of Davis, Calif., would be a logical national objective.

City officials in that college town recently claimed to have cut consumption of natural gas by 37 percent and electricity by 18 percent since 1973. They say they've done it by taking advantage of the temperate-to-hot, dry climate. The city government said bicycles are used for about 25 percent of all local trips. Officials encourage new houses to be well-insulated, and old ones to be retrofitted. And they require new buildings to be constructed so that their largest windows absorb the winter sun.

Concentric instead of "leapfrog" development keeps driving distances down, and a new city ordinance allows business and professional people to work in their homes, eliminating some commuting altogether.●

HEALTH COSTS

● Mr. BUMPERS. Mr. President, I have frequently advocated controlling health costs through competition. Many Government regulations protect inefficient medical care providers and hold back innovations in the medical care.

A recent article appeared in the New England Journal of Medicine by Clark Havighurst and Glenn Hackbarth, which explains how a more competitive health-care market would probably be more effective in controlling health-care costs and could reduce Government regulation.

We have not given enough attention to the manner in which private health insurance could be changed to reward innovations that control costs without more Government regulation.

This may seem like a dream at a time when health costs are spiraling and more Government regulation is on the horizon. However, competition has worked well in Minnesota's Twin Cities, and it could work well in other localities.

I recommend this article in light of the upcoming debate on the hospital cost containment legislation.

Mr. President, I ask that the article from the New England Journal of Medicine be printed in the RECORD.

The article follows:

PRIVATE COST CONTAINMENT

(By Clark C. Havighurst, J.D., and Glenn M. Hackbarth, J.D.)

Abstract. Physicians should recognize that a more competitive health-care market would provide the best defense against government regulation. Aside from group-practice health-maintenance organizations, the cost-containment steps that might be taken in such a market are not well understood. In particular, little attention has been paid to how private health insurers might redefine their coverage to limit the cost-increasing effects of third-party payment. Insurer-provider agreements negotiated in a competitive environment would seem to be especially promising. Competing insurance plans would be variously organized and operated according to provider and consumer preferences. Traditional doctor-patient relations as well as fee-for-service payment could be preserved. The antitrust laws, while curbing concerted effort to prevent change, should assure that physicians are not exploited by dominant buyers. Lucrative opportunities already exist for enterprising and efficient providers. (N Engl J Med 300:1298-1305, 1979)

We believe that the only truly responsible position for the medical profession to take in its defense against increasing government encroachment is to support a competitive market in which total health-care spending and the level of doctors' incomes are determined by smoothly working market forces that ultimately reflect the preferences of consumers as well as providers. This article explores the nature of privately initiated cost containment as it could be expected to emerge in such a competitive market. We hope to persuade the medical profession to accept and participate in the developments needed to make private solutions feasible as an alternative to government controls.

A critical point, however, is that the private solutions advocated here do not include those sponsored by organized medicine, such as the "Voluntary Effort." Far from appealing to organized medicine to come forward with "private-sector" remedies of its own, this article assumes that all profession-sponsored developments that potentially affect prices, even if their immediate effect is to lower them, will ultimately be held to violate the federal antitrust laws. Although this view will surprise some physicians, we hold that it is legally correct because the profession's sponsorship of change is inconsistent with the freedom of individual economic actors that is essential to make the competitive marketplace function. In our view, the medical profession should forsake collective economic action in defense of particular modes of medical practice and pursue collective political action on behalf of the competitive market as the ultimate arbiter of how much should be spent on health care and how it should be allocated.

We have elected to discuss private cost containment largely in abstract terms. The more common approach of applauding specific developments, such as health-maintenance organizations (HMO's) and second opinions, would plunge us immediately into unnecessary controversy and obscure the essential points. Moreover, existing cost-containment mechanisms may not provide a reliable basis for predicting a market-determined future, because they are only a sampling of a wider range of possibilities, some of which may prove superior to anything now in use. The essence of the market strategy is, after all, that evolution and adaptation in response to the revealed preferences of both consumers and providers should determine ultimate outcomes. Much of the discussion here is thus frankly speculative—designed not so much to prove what would actually happen in a relatively free market as to suggest the nature, range and richness of the possibilities.

RELATIVE ROLES OF HEALTH INSURANCE AND HMO'S IN A MARKET-ORIENTED SYSTEM

Our analysis differs from common conceptions of the market strategy in that we anticipate a greater role for private health insurance and a comparatively less central role for the prepaid-group-practice variety of HMO. Market advocates have often appeared to rely on group-practice HMO's as the primary vehicle with which to introduce competition and increased cost consciousness into health services.[1, 3]. Because of the emphasis that such HMO's have received, including their intended promotion under the federal Health Maintenance Organization Act of 1973, there is now a common tendency to equate the market strategy with their development. But the federal law's encouragement of one set of desirable initiatives has had the effect of discouraging others that might serve the public as well or better.[4]

Although HMO's offer many important improvements over traditional mechanisms, they may sacrifice the productivity, commitment and personal element that characterize traditional medicine at its best. Prepaid groups are also difficult to start and cannot quickly exert a powerful competitive influence, and many areas may be unable to support enough groups to make competition meaningful. Finally, HMO's have become a rallying point for government interventionists, who prefer to dictate to consumers and providers, rather than to enhance their freedom of choice. For all these reasons, it is desirable to identify new opportunities for experimentation and change that lie on the broad—and largely unexplored—spectrum from traditional financing mechanisms to federally subsidized group-practice HMO's.

IDENTIFYING THE TRUE CAUSES OF THE MARKET'S PAST FAILURES

Almost all major proposals for reforming the health-care system assume that the prevalence of third-party financing assures a colossal market failure that must be dealt with by extraordinary governmental means. More specifically, the assumption is that health insurance, though necessary to protect people against unbearable costs, is so destructive of cost consciousness that price competition among providers of health care is impossible. The private insurance industry itself confirms this assumption by disclaiming any ability to do more than it is currently doing about health costs. Physicians, hospitals and Blue Cross and Blue Shield plans, though they seem to take a more positive attitude, do not contemplate an increase in competitive developments that would seriously disrupt the status quo. Their position is not that competition can be made to work but that they can be trusted not to abuse their dominant positions in the market.

The assumption that health insurance precludes price competition in medical markets should be more carefully examined. Private insurers in other fields have taken steps to curb the natural propensity of consumers to spend the insurer's money on benefits not worth their costs. In non-medical fields, insurers recognize this phenomenon—called "moral hazard" by economists—as a problem that they must combat if they are to compete effectively. They therefore employ insurance adjusters, multiple estimates, fixed cash benefits and other mechanisms to control their costs.

The primary cause of the persistent rise in healthcare costs is not moral hazard itself, but the unwillingness of providers and insurers to experiment with new technics to control its impact. Health insurance is now too comprehensive, and it features administrative approaches and claims policies that indulge, rather than counteract, moral hazard. Until some changes are made, we cannot presume that the existing level of health-care expenditures is a true expression of consumer preferences. Only when it can be argued that the competitive process has operated freely and fostered innovations that reflect consumer preferences will the market be a plausible alternative to government regulation.

To be sure, the severity of the moral-hazard problem associated with health insurance is not entirely the fault of health insurers. By treating employer-paid health-insurance premiums as a nontaxable fringe benefit for both income-tax and Social Security-tax purposes, the tax laws encourage every wage-earning family to pay as many of its medical bills as possible through employer-purchased insurance. Comprehensive insurance, covering many easily budgetable expenses, allows consumers to pay medical bills with dollars that have not been subjected to previous taxation. Similarly, tax subsidies make purchasers of insurance more tolerant of the prevailing "no-questions-asked" approach to claims review. If taxes

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Footnotes at end of article.

were not a factor in private decisions to insure, consumers would feel the full force of the trade-off between financial protection and exposure to moral hazard.[5] For the most part, private choices could be trusted not to introduce more distortion into the demand for medical care than is warranted by the need for protection against unmanageable costs. Heavier co-insurance, larger deductibles and exclusion of both highly discretionary items and minor budgetable items would probably be standard. Insurer efforts to police spending would also be more common and generally approved as a service to those who are insured.

Although the tax law may not be changed soon, other more remediable factors also inhibit the private sector's cost-containment efforts. The core of the problem is the questionable competitiveness of the insurance industry, which is both heavily regulated and largely exempt from the antitrust laws. Weak competition among insurers is not inevitable, however, since there are many firms and it is relatively easy to enter new markets. Furthermore, major insurance purchasers are becoming increasingly cost-conscious and may soon force insurers to change their traditionally noncompetitive ways. Most important, innovation in cost containment should be greatly facilitated by the new interest in applying the antitrust laws to the medical profession. Concerted professional resistance, such as that encountered after previous insurer innovations,[6] is now recognized as a violation of the antitrust laws.[7] There is thus some basis for hope that insurers' mutual forbearance from competition in cost containment, reflecting a tacit conspiracy heretofore conveniently policed by unorganized medicine, will soon break down, unleashing competitive innovation and potentially rapid change.

Setting aside the antitrust risks in resisting private cost containment, we think that the medical profession should recognize that, if it is serious about wanting to avoid governmental domination of the system, its long-term interests require that the private sector have greater freedom to work on the cost problem.

POSSIBLE INSURER STRATEGIES

Before private insurers are embraced as appropriate vehicles for cost containment, it is necessary to decide how the insurance contract can accommodate emerging concerns about costs without overstepping the limits of the insurer's appropriate role. Private-sector cost containment is in large measure an administrative problem that must be addressed in a competitive environment. Both providers and consumers must be satisfied with a plan's various elements, which should include not only the price charged or paid, but also fairness and freedom from undue administrative problems. Numerous conflicting interests must be addressed, and the plans that are most successful in accommodating these conflicting interests will be most successful in the marketplace. Plans that are too cumbersome will not and should not survive in a competitive market.

Insurer cost containment must not occur by controlling medical practice. Instead, in accord with traditional insurance concepts, cost containment should simply define the limits of insurance coverage. Exclusions from coverage that are strategically imposed for cost-containment purposes could affect any of several of the insurance policy's dimensions. Monetary exclusions, including deductibles, co-payment requirements and limits on the amounts payable in particular circumstances, are one set of possibilities. Another possible approach is to exclude particular treatments or procedures, or to include them only if certain conditions are met. Still another cost-containment strategy would be to exclude from coverage (or include on less advantageous terms) services rendered by providers who refuse to accept the insurer's administrative requirements or fee schedule or who are simply not known to be efficient or co-operative. Insurance purchasers, comparing premiums with the coverage given, might rationally choose policies with any of these types of selective coverage, thereby accepting, in return for a lower premium, some financial risk or some restriction on their free choice of provider. These various departures from traditional indemnity policies, which offer unrestricted choice of provider and largely accept providers' decisions on what costs to incur and what charges to make, suggest the conceptual basis for innovations that competing insurers can be expected to adopt.

It is important to recognize that a coverage limitation in an insurance policy is nothing more than that. An exclusion from coverage does not necessarily imply anything about the appropriateness or inappropriateness of the excluded treatments or procedures, or the competence or efficiency of any providers whose services are not covered. All that is involved is a voluntary contractual limitation on the right of the insured to draw on the common fund. Because we are not dealing, for the moment, with patients who are indigent, it can be assumed that the patient can usually pay for any additional care that he and his physician agree is desirable. Therefore, any service exclusions that plans might adopt should not become the subject of a debate over what is or is not good medical practice or over the medical "need" for the excluded service in particular circumstances. Likewise, exclusion of individual providers from a plan's coverage cannot be legitimately called into question so long as the market is competitive and therefore offers providers alternative opportunities. Competing plans must ordinarily be presumed to supply what consumers want.

The concern that a coverage limitation might sometimes impose a real hardship on the insured must not be overstated, for the object in designing coverage should be to include anything that is both essential and expensive. Although this object may not be perfectly achieved at reasonable cost, the rare cases of actual inability to pay for noncovered but necessary treatment should be easily handled by the health-care system's remaining capacity for extending free care. Whereas a governmental requirement to assure some coverage of catastrophic expenses may seem necessary to prevent "free-riding" on the health-care system's charitable impulses, it is not inappropriate to rely implicitly to some residual extent on providers to buffer any serious side effects of competing insurers' cost-containment efforts.[8] Physicians should recognize that insurer-sponsored exclusions from coverage or limitations on freedom of choice may well be in the best interests of insured groups, and that it is within the power and traditional responsibility of providers to prevent the rare case of severe hardship to an individual.

The discussion below distinguishes between two fundamentally different approaches to redesigning health-insurance coverage. The first approach would exclude some services from coverage or otherwise limit the insurer's payment, whereas the second approach would limit the providers who are eligible to provide covered services. Although implementation may blur the basic distinctions, these two approaches differ substantially in the extent to which patients must face the trade-offs involved in specific treatment decisions. The first approach contemplates many joint patient-physician decisions; the second approach, on the other hand, relies on consumer choice primarily in the selection of a plan. Which of these conceptually valid approaches consumers and providers would prefer depends on many circumstances.

SELECTIVITY IN BENEFIT PROVISIONS

One strategy for offsetting moral hazard would be to include in insurance policies many more details on the services covered and the terms of coverage than are now included. Even though administrative problems limit the complexity that can be introduced and the tax law further reduces the savings that complexity might achieve, greater selectivity in benefits still seems to offer a responsible approach to cost containment within traditional insurance arrangements. Blue Cross' recently announced policy of not paying for laboratory tests routinely performed (without a doctor's order) on hospital admission [9] is an obvious example of the kind of measure that can be taken. However, Blue Cross' action avoided challenging the prevailing, but inappropriate, principle that an insurer should pay for anything that a physician orders in good faith.

Exclusion of a particular service from coverage may be appropriate for many reasons unrelated to medical need or circumstances. In large measure, the need for insurance against a particular risk is a function of the income level of the insured, as well as his savings and preferences about risk-bearing. Thus, expenditures that are small relative to income and other factors can be met out of pocket. In addition, care that is highly discretionary, and therefore particularly subject to moral hazard, could appropriately be excluded from coverage even though there might sometimes be a burdensome expense and no question about medical appropriateness. The effect of an exclusion from coverage is, of course, to require the physician and patient to undertake a benefit-cost assessment, taking all the immediate circumstances into account. The physician would be expected to act in the time-honored capacity of professional adviser and fiduciary, with responsibility for the patient's financial situation as well as his health. In our view, this form of cost containment could be highly attractive. Carefully analyzed, this approach makes cost containment the ultimate responsibility not of the insurer, which merely defines and enforces coverage limitations, but of the physician-fiduciary acting in consultation with the patient.

With this conceptual framework established, it is possible to suggest some specific exclusions from coverage that the insurer and insured might jointly decide to be rational, especially if the tax laws were changed to eliminate the incentive to overinsure. A likely development would be an increase in the size of annual deductibles, to perhaps as much as 10 per cent of income.[10] Most physician-patient encounters would then take place without insurance in the picture. Of course, more comprehensive coverage would be appropriate for subsidized, low-income persons, since they could not be expected to bear a substantial self-insurance risk.

Even if a major shift to higher deductibles occurred, serious cost-containment problems would still exist beyond the threshold. This challenge could also be addressed by selectivity in coverage. For example, a plan might exclude (or include only with a very large co-payment) experimental treatments and unproved technology, highly discretionary items and hospital stays beyond some minimum (in cases without special complications). In setting these limits, different plans could be expected to reach different conclusions. Far from signifying a need for a regulatory or professional arbiter of correctness, such differences of opinion are the essence of the democratic marketplace, where change in technology and in the standards of medical practice are most appropriately tested.

Another insurer strategy might be to require, as a condition for insurer payment, that prior authorization be obtained for some

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Footnotes at end of article.

elective hospitalizations and surgery. Under such a policy, a plan would not pay for services where appropriateness had not been confirmed in advance through agreed-upon procedures. Exclusion from coverage would not imply that the doctor's advice was misguided—only that the plan would not pay for something in the gray area. Because, in a competitive market a plan would have to satisfy both consumers and providers about the fairness of the mechanism employed in making these decisions, hardship should be kept to a minimum. The principles used in making the decisions would undoubtedly vary from plan to plan, but one legitimate approach would be strict limitation of coverage for care that was not obviously essential, leaving patients and physicians to face choices under the constraint of the patient's own resources.

Where exclusions from coverage occur, the insurer might lend the patient the money needed to finance the treatment, if the patient and physician should elect to proceed with it. Not only would this approach spare the patient any immediate financial hardship and assure that needed care was not foregone because of a cash-flow problem, but it would also undercut any implication that an insurer's refusal to pay for a procedure resulted from doubt about its medical legitimacy. The plan would have to accept a considerable risk of bad debts, but the insured group might find this way of avoiding hardship less costly than the alternative of underwriting free care for all.

The effectiveness of detailed coverage limitations would depend heavily on provider co-operation. In traditional open-panel insurance plans, such cooperation has been difficult to obtain. Physicians have frequently helped patients make maximum use of their insurance coverage, ordering unnecessary hospitalization and stretching diagnoses to bring treatments within the insurance policy. Thus, unless insurers can obtain provider co-operation in the administration of coverage limitations, those forms of cost containment cannot work.

The most straightforward way of enlisting provider co-operation is through provider-participation agreements that spell out in detail the physician's and the plan's respective responsibilities. Participation agreements have been widely used in service plans in the past and are used under Medicare and Medicaid. It would seem easy enough to adapt them to give individual providers specific responsibilities in the cost-containment effort, such as a duty to seek prior authorization or predetermination of benefits. Such participation agreements could be written so as to make coverage limits effective without interfering with the doctor-patient relation or the practice of medicine.

Some physicians may fear that limits on private insurers' coverage, if administered along the lines suggested, would be indistinguishable from governmental controls. Yet there are profound differences that should make the market alternative attractive. In the first place, insurers would not use administrative controls unless their cost was less than the net benefit derived; government programs, not facing competition, operate under no such constraint and frequently squander resources unproductively. Secondly, participation in a given plan would be voluntary, not compulsory, and providers would have to be persuaded to participate; they would not do so if alternative plans were more attractive. Thirdly, the crucial distinction between regulation and coverage limitation—that a coverage limitation does not interfere with or secondguess medical judgment—would probably be more scrupulously observed in a private system.

Although the foregoing speculations contain some suggestions that may seem extreme, the point is not that all these things will happen but that, in a functioning market, private participants will seek the strategies that best accommodate the various conflicting interests. Gradual evolution, featuring experimentation and adaptation, is much more likely than the upheaval associated with mandatory governmental programs. Our guess is that, if the tax laws were changed, large deductibles would remove a great deal of care from the insurers' province, leaving benefit limits and administrative controls to operate mostly in cases of expensive, catastrophic disease. In these costly situations, close monitoring would be justified, although provider participation agreements would lead to many insurer-provider relations based on trust, thus lightening petty administrative burdens.

SELECTIVITY TOWARD PROVIDERS OF COVERED SERVICES

A different strategy by which health insurers could control costs involves selectivity not primarily in terms of benefits but in terms of providers whose services are covered. The essential element in this strategy is a health plans ability to deny to certain providers the right to draw on the insurance fund. By adopting any of a variety of closed-panel arrangements, a plan could assure that only providers who economized to its satisfaction would serve the insured group at the insurer's expense. One way in which insurers might find such providers is to turn to provider groups that imposed—or were willing to impose—formal or informal controls on their own members. The impetus to seek the right balance between economy and spending on enhanced quality, convenience and other desirable features would come ultimately from the competitive environment, which would motivate both the plan and the providers to meet consumers' expectations.

The closed-panel concept has long since demonstrated its efficacy in prepaid group practices. More recent variations on the concept, known generally as "individual practice associations" (IPA's), have involved less integration of the participating physicians and retained the fee-for-service mode of payment. Although they have not been as thoroughly tested as group-practice HMO's, IPA's are less radical departures from traditional concepts and therefore seem unlikely to raise new concerns about quality. By the same token, their efficiency remains open to question, but, as experience in the Minneapolis-St. Paul area has shown, the IPA can be reasonably efficient if it faces competition.[11]

Although the term "IPA" appears in the federal HMO act, the closed-panel concept may be adopted without accepting the comprehensive benefit package and other restrictions imposed by the federal statute. The nature of physicians' associations with a plan may vary widely. The participating providers may be identified only by individually signed agreements with the insurer, or they may constitute a large and fully integrated multispecialty group practice not previously rated separately for insurance purposes. A plan could set up what Ellwood has called a "health care alliance" [12] by including one or more hospitals in the provider panel along with the physicians.

Under any of the contemplated closed-panel arrangements, the insurance premium would reflect the cost experience of the covered providers. In effect, therefore, the insurer would be marketing the group's particular ability to deliver good care for less money. In contrast, traditional insurance, covering care rendered by any provider, averages the high-cost and low-cost providers together in arriving at experience-rated premiums. Consumers are not rewarded for choosing lower-cost providers, and providers are denied the opportunity to capture any of the savings from their comparative efficiency, including a more conservative approach to hospitalization. Several multispecialty group practices have adopted the prepaid-group-practice HMO model to profit from their own efficiency. The same opportunity would be available to organizations of physicians and hospitals who, instead of adopting the prepaid-group-practice model, could persuade an insurer to underwrite them independently of other fee-for-service providers and market them as an added option, a health-care alliance, to employment groups.

The initiative in organizing an IPA or a health-care alliance can come either from the insurer or from the physicians themselves. In view of insurers' traditional passivity and noncompetitiveness (and their expectation that they will be given a major role under national health insurance without changing their behavior), physicians may be the more promising source of innovation. The rewards for efficient providers who discover ways to market their efficiency would seem to be potentially large. Judging from HMO experience, efficient practice and reduced hospital use can yield 10 to 40 per cent savings,[13] no more than a fraction of which would have to be shared with consumers to induce their enrollment in the plan. Higher fees negotiated with the insurer, perhaps well above traditional fee screens, would thus be entirely compatible with lower premiums to consumers. Although competition might in time force greater sharing of savings with consumers, a well established plan with a good reputation should always be able to command a premium price and reward its physicians handsomely.

Fee-for-service physicians should recognize the advantages of consolidating their market position early, before competition and an increasing supply of physicians have their full effect. Indeed, physicians who cling too long to traditional financing mechanisms will probably find that they are increasingly dependent on government programs and that the more attractive opportunities have already been seized by others. Although there should be no doubt that the private market will always reward professional excellence, physicians who establish themselves earliest in strategic positions will have the best chance for future security.

Whereas certain types of physician-sponsored IPA's are promising vehicles for carrying out the market strategy, other types are barriers to its implementation and present severe antitrust problems. IPA's that are closely associated with organized medicine cannot be regarded as among the initiatives that are key to the market solution, even though they may have been stimulated by competitive threats from HMO's or the aggressiveness of third-party payers. Although all physician-sponsored IPA's, as joint ventures organized by competitors, must bear scrutiny under the Sherman Act's prohibition of combinations in restraint of trade, some will appear better than others. A plan of the closed-panel variety, while eliminating some competition among the participating providers, has potential competitive benefits as well and would violate the law only if it threatened to dominate the market. On the other hand, a profession-sponsored open-panel plan serving a defensive purpose for the profession as a whole raises serious antitrust concerns. Reflecting these concerns, the Federal Trade Commission has considered proposing a rule prohibiting a physician organization from controlling a plan in which more than a specified percentage of the physicians in a community participate.

The medical-society IPA is another in the profession's long line of heretofore successful attempts to accommodate pressures for change without losing control of its economic environment. Organized medicine has always

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adopted reforms in time to prevent itself from being overwhelmed by political developments, such as unwanted regulation, or by market forces responding to consumer demands. But profession-sponsored reforms, such as Blue Shield plans in an earlier generation and some IPA's and the Voluntary Effort in the current era, have always been designed so that the profession surrenders as little power as possible and maintains barriers to competitive developments.[6,7] Thus, their prohibition under the antitrust laws is both legally correct and an essential step in improving the prospects for private cost containment.

THE TWO MODELS COMPARED

Under current circumstances, the closed-panel model, based primarily on selection of efficient and competent providers, seems the most promising vehicle for effective cost containment. Redesigning benefit packages to shift specific questionable costs and some hard choices back to consumers is probably too complex to be workable, except for a few specific items. Of course, if the tax law were changed to make large deductibles more attractive, explicit exclusions from coverage would be applicable in only a small minority of costly cases. Until such a tax change is made, however, an approach that would rely more on providers than consumers to make judgments about the cost effectiveness of specific medical options probably holds greater promise. Thus, HMO-type strategies employing the closed-panel concept have dominated the current agenda of reformers interested in solving the cost problem through competition.

The relative attractiveness of the two models would also depend heavily on consumer preferences concerning their direct participation in medical decision-making. Whereas some persons would undoubtedly prefer to place themselves entirely in the physician's hands, others might wish a greater voice in decisions. A plan that uses large deductibles and selective benefits anticipates that the patient will make more choices (though increased participation is not necessary if the physician is trusted to address the trade-offs on the patient's behalf). Such plans would seem most appropriate for persons who wish to retain greater control over their treatment and to have the options spelled out even when that explicitness itself involves somewhat greater cost. Closed-panel plans, particularly those featuring provider prepayment and risk-bearing, allow patients to choose a physician group on the basis of its reputation and style of practice, but with less expectation that they will be allowed to influence spending decisions that concern their care.

Nevertheless, the two conceptual models for reshaping private health insurance may not be so distinct as this discussion makes them appear. On the one hand, plans that rely on provider selection to control costs embody implicit benefit limitations, in that the chosen providers' benefit-cost decisions have the practical effect of limiting coverage. On the other hand, an insurance plan with numerous explicit limitations and exclusions cannot function without excluding providers who are unwilling to adhere to prescribed administrative procedures. Thus, in either case, the plan's ability to hold the physician accountable, subject only to his freedom to pursue other alternatives, is the key. This accountability, plus the influence that consumers exercise over the plans themselves, is the essence of competition in medical care.

THE ISSUE OF FREE CHOICE

As noted earlier, either of the two general approaches that an insurer might embrace in an effort to contain costs would lead it to exclude some providers from the privilege of treating subscribers at the insurer's expense. This common feature will undoubtedly cause the medical profession some concern, given the paramount importance that it has attached to the patient's free choice of physician. In our view, however, the profession has given "free choice" undue emphasis and has used it to legitimize anticompetitive policies and practices. Perceiving a danger to the profession if its ranks should be divided into competing closed panels, the profession coined the code phrase "free choice of physician" and adroitly persuaded itself and others of this value's overriding importance. The campaign for a competitive market in health services requires that the issue of free choice be considered in proper perspective.

A consumer who chooses one closed panel over another or over a plan offering unrestricted choice is exercising a free choice. The only legitimate questions are whether the consumer is offered a reasonable range of choices and whether he has an adequate chance to change plans if he decides that he has made a mistake. An annual opportunity to change plans would seem a sufficient response to the latter question. Minimal regulation can assure that consumers are not duped into selecting utterly inappropriate or financially irresponsible plans; moreover, if they feel the need, patients can purchase care outside the plan.

The appropriate range of choice to be offered consumers in the first place is somewhat more complex. McClure has recently suggested that favorable tax treatment of employer-paid health-plan premiums should be granted only if the employer makes several plans available and makes the same cash contribution regardless of which plan an employee chooses (McClure W: personal communication). There do not seem to be any insurmountable administrative difficulties in offering multiple options. The Federal Employees Health Benefits Plan currently offers a variety of plans to federal employees, and the federal HMO act requires that each major employer offer up to two federally qualified HMO's as alternatives to any other health-benefits plan that it maintains.

Employed consumers should be in a strong position to demand and obtain a range of choice. Nevertheless, employers have perceived a single, free-choice insurance plan with comprehensive benefits to be all that their employees require. It is paradoxical that additional options involving less choice are needed to widen the consumer's true freedom of choice. By the same token, organized medicine's tactic of supporting free choice—but only when cost is not a prominent factor in the consumer's decisions—has long subverted the very principle of consumer choice that the profession has purported to uphold. This subversion of competition should be recognized, along with the tax law and other misguided governmental interventions, as a major source of present difficulties.

THE MONOPSONY PROBLEM

If insurers or other health plans can discriminate among providers on the basis of quality, price and cooperation with cost-containment efforts, they will be able to use their strategic bargaining position to deprive individual practitioners of their accustomed power to set their fees unilaterally or with regard only to the receptivity of the ignorant and (usually) insured patient. Faced with an insurer-developed fee schedule and participation agreement, a physician would have to decide whether to accede or to seek better terms elsewhere. As long as a sufficient number of buyers is competing for his services, the physician cannot complain if the competitive market places a lower value on his services than he does.

In some markets, however, a single insurer might be so dominant that it could treat providers unfairly, using excessive buying power—monopsony power, as economists call it—to drive fees below competitive levels and to dictate practices. Providers are understandably nervous about insurer dominations, and they are entitled to careful and principled attention to their concerns from antitrust enforcers and other market advocates. The antitrust laws should not be used simply to support an antidoctor crusade but should be available to combat exploitation by dominant economic interest wherever it occurs. The Supreme Court has recently held that the antitrust laws are available to test the assertion that a dominant buyer is using insurer-provider agreements to exert its monopsony power over the providers.[15] It therefore appears that neutral principles will be employed in making competition work for the benefit of providers as well as consumers.

Although the medical profession's concern about monopsony is not unreasonable, it is often exaggerated and may disguise a fear of competition itself. Fee schedules will not necessarily harm the providers who are subjected to them, because organizers of competitive plans can be expected to use liberal compensation arrangements as a way of attracting high-quality, efficient providers and to share with them the benefits of their cooperation in the cost-containment effort. More important, any plan that attempts to exploit providers will simply trigger the development of alternative plans that, by paying more, can attract the better doctors and give better care, leaving the low-cost plan at an appropriate competitive disadvantage. Freedom to join (or organize) a competing plan is thus the ultimate protection for providers, as it is for consumers. It is notable that widening the consumer's range of choice, as McClure has proposed, would also benefit the provider by breaking down the buying power of a single employee group and improving a new plan's access to the market.

CONCLUSIONS

That we cannot predict exactly what would happen in a competitive market is no argument for rejecting the market alternative. Indeed, its unpredictability is the best argument for choosing the market approach; if we knew what people would choose, we could legislate that result and be done with it. Even if one believed, as many seem to, that changing consumer incentives and restoring competitive conditions would not affect outcomes appreciably, that is not an argument against making the recommended changes. Once competitive conditions are restored, the result, whatever it is, will be the product of a functioning marketplace, something wholly lacking in the present state of affairs. The need for comprehensive regulation will then be much harder to establish, since it will not be clear why private choices should be second-guessed. The important factor is not so much the result itself—for example, the share of the gross national product dedicated to health care—as the process by which that result is reached. We must establish a process that can be trusted to reveal consumers' preferences and to adapt as those preferences change. The competitive market is more likely to meet these requirements than the political process is.

McClure's proposal that favorable tax treatment of employer-paid premiums should be conditional on the offering of several different health plans would introduce choice and encourage the development of real alternatives that embody the cost-containment technics discussed here. McClure suggests that when employees select a low-priced rather than a high-priced plan, they should be given the savings tax-free. Not only would this feature redirect private incentives and strengthen the case against regulation of the private market, but its political prospects seem bright; members of unions or other groups now accustomed to high-priced benefits would not face higher taxes under this system, as they would under other systems proposed for tax reform. Even if the tax treatment of employer contributions is not changed so that employees can capture any savings tax-free, McClure's proposed change would still be beneficial. It

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deserves the support of everyone interested in heading off an expanded governmental role in private medicine.

Although continuation of tax subsidies is desirable, the existing tax subsidies for the purchase of health insurance would not automatically justify government regulation, which may still be criticized as more self-aggrandizing than socially imperative. Tax subsidies are common in the overall economy and do not, in themselves, invalidate reliance on the marketplace to allocate resources. Moreover, if government lacks the will to change tax rules to improve private incentives, it is fair to ask that it accept the consequences of that choice and not meddle further in the private market. Even with the tax laws as they are, the private market can be made to function usefully, although the equilibrium it seeks will obviously be affected by the tax subsidy. In short, heavy-handed regulation is not even a second-best strategy when compared with the market's ability to correct the defects in private insurance that are not tax-induced.

FOOTNOTES

[1] Havighurst CC: Health maintenance organizations and the market for health services. Law Contemp Probl 35:716–795, 1970.

[2] *Idem*: Speculations on the market's future in health care, Regulating Health Facilities Construction. Edited by CC Havighurst. Washington, DC, American Enterprise Institute for Public Policy Research, 1974, pp 249–269.

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[5] Feldstein M. Friedman B: Tax Subsidies, the Rational Demand for Insurance and the Health Care Crisis (Discussion Paper Number 382). Cambridge, MA, Harvard Institute for Economic Research, 1974.

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[7] Havighurst CC: Professional restraints on innovation in health care financing. Duke Law Journal 1978, pp 303–387.

[8] Havighurst CC, Blumstein JF, Bovbjerg R: Strategies in underwriting the costs of catastrophic disease. Law Contemp Probl 40:122–195, 1976.

[9] Altman LK: Blue Cross-Blue Shield moving to curb routine hospital tests. New York Times, February 7, 1979, p A1.

[10] Feldstein M: The high cost of hospital and what to do about it. Public Interest 48:40–54, 1977.

[11] Christianson JB: Do HMOs Stimulate Beneficial Competition? Excelsior, Minnesota, Interstudy, 1978, pp 12–20.

[12] Reynolds JA: A new scheme to force you to compete for patients. Med Econ 54:23–42, March 21, 1977.

[13] Luft HS: How do health-maintenance organizations achieve their "savings"?: rhetoric and evidence. N Engl J Med 298: 1336–1343, 1978.

[14] Federal Trade Commission: Staff report on medical participation in control of Blue Shield and certain other open-panel medical prepayment plans. Washington, DC, Federal Trade Commission, 1979.

[15] Group Life & Health Ins. Co. v. Royal Drug Co., 99 S. Ct. 1067 (1979).●

INTERPRETATIVE RULINGS OF THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics I submit for the RECORD a number of the committee's interpretative rulings on the Senate Code of Official Conduct made pursuant to section 206 of Senate Resolution 110, 95th Congress. These 92 rulings answer questions raised by Members, officers, and employees of the Senate and the public regarding Senate rules 42–50, the franked mail statute and regulations, and other matters. They are presented chronologically by ruling number (beginning with No. 151) with reference to subject and reflect committee action between June 22, 1978, and March 29, 1979. The first 103 rulings were published in the CONGRESSIONAL RECORD on October 7, 1978. Rulings 104–150 were published November 9, 1978.

The committee also responded by letter to 127 inquiries not submitted here for publication. These inquiries were either too specialized to be of general assistance or responses to inquiries duplicated interpretations presented here or previously published. These committee actions number 19 with respect to franking and use of radio and television studios, 6 on letterhead, 13 on conflict of interest, 34 on foreign travel, 15 on gifts, 12 on financial disclosure, 1 on political fund activity, 5 on outside earned income, and 22 on miscellaneous topics.

Interpretative rulings by the committee may be relied upon by an individual involved in a specific transaction or activity which is indistinguishable in all its material aspects from the facts on which a ruling has been made. The committee encourages written requests for rulings on specific situations not clearly covered by the code of conduct.

The committee will continue to respond to written requests for interpretations, treat such requests confidentially, and publish its rulings with appropriate deletions to protect the privacy of individuals who seek committee guidance.

The ruling of the select committee are as follows:

INTERPRETATIVE RULING NO. 151

Date Issued: June 22, 1978.

Applicable Area: Franking.

Question considered: May a Member send out as franked mail the first page of the World Bank's "Monthly Operational Summary," a publication which lists the Bank's proposed projects and which has only recently been made available to the public?

Ruling: The proposed mailing is frankable under 39 U.S.C. 3210. The purpose and intent of the franking statute explains that the official business of Congress pertains to, among other things, "congressional representative functions generally," including "the conveying of information to the public."

In this case, it is possible to characterize the announcement of the World Bank publication accompanied by a page from the publication itself as a "publication containing items of general information," and a "matter of public service." See 3210 (2), (a) (G).

In addition, the intent of restrictions on the use of the frank is to prevent the mailing of purely personal or political matters at public expense. The proposed mailing does not appear to fall into either of those categories.

INTERPRETATIVE RULING NO. 152

Date issued: June 22, 1978.

Applicable Rule: 48.

Question considered: Is a Member a "candidate" for purposes of the franking nd studio restrictions of Rule 48 if his name is on the primary ballot but he will have no primary opposition and no write-in votes are allowed under the applicable state law?

Ruling: The restrictions of Rule 48 are intended to reduce the advantage of incumbent Senators over challengers.

Under the circumstances described, there will be no challengers in the primary election. The Committee therefore believes that the restrictions of Rule 48 are not applicable.

INTERPRETATIVE RULING NO. 153

Date issued: June 22, 1978.

Applicable Rule: 49.

Question considered: Is it permissible for an employee of the Senate to volunteer his or her services during a state, county, or municipal election campaign?

Ruling: Senate Rule 49, Political Fund Activity, prohibits officers and employees of the Senate from engaging in any fund-raising activities for any Federal office. This prohibition does not apply to the two staff assistants designated by a Senator to handle his or her campaign contributions, nor does it apply to state or local campaigns.

Although the Rule does not apply to such state or local elections, previous interpretations on the question of staff activities in campaigns for Federal office would be applicable to state or local elections as well. For example, the Committee on Rules and Administration has stated, in Senate Report 95–241 (95th Cong.), that it "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties. . . ." In addition, the Committee has stated, in Interpretative Ruling No. 3, dated May 5, 1977, that ". . . Senators should encourage staff to remove themselves from the payroll for periods during which they expect to be heavily involved in campaign activities."

The Committee believes that these statements are applicable to employees of individual Senators, staff of Senate committees, and employees working for officers of the Senate.

INTERPRETATIVE RULING NO. 154

Date issued: June 22, 1978.

Applicable Rules: 48, 49.

Questions considered: (1) Is a Senator whose name appears on a primary ballot considered a "candidate" for purposes of Rule 48 restrictions when the Senator faces no announced opposition but state law authorizes write-in candidates?

(2) May a part-time staff assistant to a Senator, who also works half-time for the Senator's reelection campaign committee, engage in fund-raising activities for the campaign committee?

(3) Is it possible for a staff assistant, while engaged in Senate duties, to become involved to a minimal degree with a campaign-related activity without violating the Code of Official Conduct?

(4) Is it permissible for a staff assistant on the Senate payroll to engage in campaign-related activities during other than normal Senate office hours?

Ruling: (1) The prohibitions imposed by Rule 48 on the use of the frank in mass mailings and on the use of the Senate Recording Studio were intended to restrict the advantages which incumbent Senators might have during a reelection campaign. The Committee previously ruled (Interpretative Rulings No. 137, dated May 24, 1978 and No. 152, dated June 22, 1978) that Senators who do not face a primary election or whose names appear on a primary ballot unopposed, and where no write-in candidates are authorized, are not "candidates" for the purposes of Rule 48. However, when a Senator's name is listed on a primary ballot and state law specifically authorizes write-in candidates, there is a possibility for a contested primary election. As such, the Senator would be considered a "candidate".

(2) A staff assistant, whether full or part-time, may not engage in any fund-raising activities on behalf of a Senator's campaign committee, unless that staff assistant had been previously designated by the Senator under Rule 49 as one of the two staff assistants to the Senator who may handle his or her campaign contributions.

(3) As to the possibility of minimal involvement by a staff assistant with campaign-related business, the Select Committee believes that in a Senator's re-election campaign there might be some inadvertent and minimal overlap between the duties of a Senator's staff with respect to the Senator's representational function and his reelection campaign. However, a Senator has the responsibility to insure that such an overlap is of a de minimus nature and that staff duties do not conflict with campaign responsibilities.

(4) As to the ability of a staff assistant to engage in campaign activities during other than Senate working hours, the Committee on Rules and Administration has said in Senate Report 95-241 (95th Cong.), which accompanied Senate Resolution 188, that, except for the prohibitions of Rule 49 with respect to the handling of campaign funds, it "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties, and the Committee does not feel there should be such proscriptions. Furthermore, it is neither illegal nor a violation of Senate Rules for a member of a Senator's staff to work full-time in political campaigns while on annual leave or vacation time or while on leave of absence from his or her Senate duties. . . ."

Interpretative Ruling No. 155

Date issued: June 28, 1978.

Applicable Rule: 45.

Question considered: May a Senate employee run for state office while remaining on a Member's staff? No campaigning will be done during the employee's regular working hours.

Ruling: Paragraph 3 of Rule 45 on Conflict of Interest places the responsibility upon the Member as supervisor to take such action as he or she considers necessary for the avoidance of conflict of interest or interference with Senate duties.

The Ethics Committee cannot predict whether in fact the outside activity will conflict with Senate duties or will result in a conflict of interest in connection with a particular issue. The Committee suggests that the Member monitor the situation and consider such reductions in Senate duties and compensation as may be appropriate in the future.

Interpretative Ruling No. 156

Date issued: June 28, 1978.

Applicable Rule and Area: 43, Foreign Gifts and Decorations Act.

Questions considered: (1) May a Senate employee accept travel-related expenses and an honorarium from a foreign organization in connection with a seminar on the problems of unemployment?

(2) May that employee accept from a foreign government expenses related to a fishing trip on the weekend immediately following the seminar?

Ruling: This ruling is not precedential.

The travel-related expenses in connection with the seminar would be allowed under paragraph 4 of Rule 43 concerning educational programs paid for by foreign organizations. The honorarium, given in consideration for the employee's making the keynote speech and participating in the program, is not prohibited under Rule 43 or the Foreign Gifts and Decorations Act since it is not a "gift."

However, the acceptance of an invitation to a weekend fishing trip, at the expense of a foreign government or one acting as its agent, would be a gift which would not be permissible under paragraph 4 of Rule 43, since the principal purpose of the trip would not be educational. The Foreign Gifts and Decorations Act would also prohibit acceptance of a gift of more than $100 from a foreign government or one acting as its agent unless refusal would "likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States."

Interpretative Ruling No. 157

Date issued: June 30, 1978.

Applicable Rules: 42 and 43.

Question considered: Is it permissible for a Senator to accept, in connection with an appearance related to his Senate duties, air transportation to be provided by the Federal Government and other related expenses of travel which are to be provided by a state government? Would the Senator be required to report the receipt of any of these items?

Ruling: In connection with an inspection trip to review areas of a state which are the subject of legislation pending before the Senate, a Senator has arranged that all of the necessary air transportation be provided by the Department of Defense, while the cost of all of the other expenses of the trip will be provided by the host state government. Rule 43, Gifts, excludes from the definition of a gift the payment of the necessary expenses for the performance of services for an organization by a Senator incident to the official duties of his office, including transportation, food, and lodging, if those expenses are paid by the organization for which the services are performed. In this situation, the Committee ruled that the acceptance of the payment of necessary expenses to be provided by the state government would not be prohibited by Rule 43. The receipt of such payment for necessary expenses, whether provided by the state or by an agency of the Federal Government, need not be reported under Rule 42, Public Financial Disclosure.

Interpretative Ruling No. 158

Dated issued: July 11, 1978.

Applicable Rule: 42.

Question considered: An individual sought party endorsement for nomination for election to the Senate. He stated that his campaign was directed solely to potential convention delegates, and he took no formal legal steps to file for election. Is he required to file a public financial disclosure statement as a "candidate" under Rule 42?

Ruling: Senate Rule 42 requires an individual who is a candidate to file a Public Financial Disclosure Report, and defines a candidate as an individual who has (1) taken the action necessary under state law to qualify for nomination for election, or for election, or has (2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to the Senate. The terms "contribution" and "expenditure" are defined for purposes of the Rule as those terms are defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

The individual states that he did not take the steps necessary under state law to qualify for nomination for election, or election. However, the question remains whether he received any political contributions or made expenditures within the meaning of the Federal Election Campaign Act. If he did so, it is necessary to complete and file the Disclosure Report.

Interpretative Ruling No. 159

Date issued: July 11, 1978.

Applicable Rule: 45.

Question considered: May a Senate employee accept Federal funds from the Department of Interior to restore certain historic property owned by him?

The employee does not work for nor does his supervisor serve on any subcommittee having oversight of the Department of Interior.

Ruling: Rule 45 of the Senate Code of Official Conduct relates to conflicts of interest and provides that no employee may receive any compensation (defined by the Special Committee which reported the Code as "financial benefit") which occurs by virtue of influence improperly exerted from the employee's position.

The Committee is of the opinion that no evidence of improper conduct reflecting upon the Senate is suggested in this case. However, under Rule 45 it is the responsibility of the employee's supervisor to ensure that no conflict of interest arises.

The Committee is advised that the Internal Revenue Service has under consideration the question of whether this type of transaction constitutes a taxable sale or exchange or a gift for Federal income tax purposes.

Interpretative Ruling No. 160

Date issued: July 13, 1978.

Applicable Rule: 48.

Question considered: Is it consistent with Senate Rule 48 for a Senator to arrange to purchase from a non-Senate organization a copy of its membership or mailing list for use by the Senator in a mass mailing under the frank, where the list will be prepared by the non-Senate organization on mailing address labels which will then be affixed to the franked envelopes by the Senate Service Department?

Ruling: Rule 48, paragraph 2, provides that only official funds of the Senate may be used to prepare any mass mailing material to be sent out under the frank. The Committee has previously ruled* that the preparation of a mass mailing includes the preparation and affixing of mailing address labels.

The Committee has agreed that in order to meet the requirement of paragraph 2 of Rule 48, a Senator who desires to use the mailing list of an outside organization must reimburse that organization for the costs associated with his obtaining such a list. The Committee has previously ruled** that the 10 percent discretionary allowance may be used to purchase mailing lists for use in an official mailing.

To avoid the possibility of a prohibited loan of the frank, the affixing to franked envelopes of the mailing labels obtained from a non-Senate organization must be performed by the Service Department.

Interpretative Ruling No. 161

Date issued: July 28, 1978.

Applicable Rule: 46, Federal Election Campaign and Area Act.

Question considered: May excess campaign funds be used to defray the travel expenses of a Member's wife in order that she might attend events in connection with the Member's official duties?

Ruling: The Federal Election Campaign Act of 1971 (specifically, 2 U.S.C. 439a) and Senate Rule 46 allow a Member to defray from his excess campaign funds expenses incurred in connection with official duties. The Ethics Committee considers a spouse's travel expenses to be in connection with the Member's official duties as long as the purpose of the function to which the expenses are incidental is not predominantly social or for personal pleasure.

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*See Interpretative Ruling No. 68, dated September 27, 1977.

**See Interpretative Ruling No. 134, dated May 18, 1978.

It should be noted that the regulations of the Federal Election Commission require semi-annual reporting of the use of such funds for official expenses.

The Ethics Committee expresses no opinion as to the tax consequences of using political committee funds to defray official expenses.

Interpretative Ruling No. 162

Date issued: August 3, 1978.

Applicable Rule: 43.

Question considered: May a Member accept a gift of the use of an apartment from a friend if the apartment is owned by the friend's employer, an organization having a direct interest in legislation? In determining the value of the gift, may the Member divide the total value by the number of members of his family who will be using the apartment?

Ruling: Rule 43 prohibits the acceptance of gifts worth over $100 during a calander year, including gifts of lodging, from organizations having a direct interest in legislation before the Congress. Although the use of an apartment has been offered to the Member by a friend, the apartment is owned by the friend's employer, who maintains a separate, segregated fund for political purposes and is thereby a "prohibited source" under Rule 43.

The Committee has determined in prior rulings* that the "personal hospitality" exception to the definition of "gift" applies only to food, lodging and entertainment enjoyed while a guest in the host's personal residence or on premises leased by the host which are not owned by the host's employer.

Thus, this Member may not accept the offer to use the apartment unless its use is valued at $100 or less.

In determining the value of the use of the apartment, the Member may not divide the amount by the number of his family members who will be using the apartment also.

Interpretative Ruling No. 163

Date issued: August 3, 1978.

Applicable Rules: 42**, 44***

Question considered: May a Senate employee accept an honorarium for presenting a paper and speaking at a seminar sponsored by a state university, when the funds for the seminar were derived in part from a federal grant?

Ruling: A university is sponsoring a seminar and has asked a Senate employee to present a paper on an issue related to his Senate duties.

Although some of the funding for the seminar was provided to the university by an agency of the Federal government, the university is the sponsor and payor of the honorarium. Therefore no Senate rule would preclude the acceptance of an honorarium from the university.

The Select Committee reminded the employee that if required to file a financial disclosure statement, paragraph 2(a) (2) of Rule 42 requires the disclosure of the source, amount, and date of each such honorarium.

Interpretative Ruling No. 164

Date issued: August 4, 1978.

Applicable Rule: 45.

Question considered: May an employee of a Senate committee purchase a weekly newspaper as an investment?

Ruling: The Committee understands that the editorial operation of the paper will remain in the control of the editor and that as publisher, the individual will receive no compensation and no return on the investment until such time as the paper's history of yearly losses is reversed.

Nothing in Rule 45, Conflict of Interest, precludes the proposed purchase of the newspaper. The Committee notes, however, that at such time as the Senate staff member begins to receive compensation for the investment, paragraph 3 of Rule 45 requires that the nature of this activity be reported to the employee's supervisor on an annual basis.

Interpretative Ruling No. 165

Date issued: August 4, 1978.

Applicable Area: Franking.

Question considered: May the mailing frank be used by a Senator to mail invitations for participation and informational matter concerning a energy fair, co-sponsored by the Senator, to potential exhibitors, speakers, and other interested persons?

Ruling: The Senator together with several agencies of the Federal Government and a state university is sponsoring a no-profit educational activity dealing with alternative energy technologies and strategies. The Senator proposes to use his mailing frank to write various individuals and organizations to participate. In addition, he proposes to include in the mailing informational matter put together by his office. The preparation and actual mailing will be by the Senator's office.

The Committee previously ruled in Interpretative Ruling No. 72, dated September 29, 1977, that the laws and regulations governing the use of the mailing frank do not preclude the preparation and mailing by the Senate Service Department of matter publicizing a small business conference which is cosponsored by a Senator, several agencies of the Federal Government, and a state university.

The Committee ruled that this prior interpretation would authorize the use of a Senator's mailing frank to mail the invitations and information proposed in this factual situation.

Interpretative Ruling No. 166

Date issued: August 10, 1978.

Applicable Rule: 45.

Question considered: Does Rule 45, paragraph 6, prohibit an employee who is compensated in excess of $25,000 per year from selling real estate on week-ends under an arrangement whereby his associate broker's license is held by a real estate company?

Ruling 45, paragraph 6, prohibits an employee of the Senate who is compensated at a rate in excess of $25,000 per year from affiliating with a "firm, partnership, association or corporation for the purpose of providing professional services for compensation." The legislative history of this provision indicates that the sale of real estate was intended to be included in the prohibition. Thus, the activity in question would not be permissible.

Interpretative Ruling No. 167

Date issued: August 10, 1978.

Applicable Rule and Area: 43, Foreign Gifts & Decorations Act.

Question considered: May a staff member attend the inauguration of a foreign president-elect as the guest of that head of state's political party?

Ruling: Rule 43 of the Senate Code of Conduct prohibits the acceptance of gifts valued in excess of $100 from, among other sources, foreign political parties. While Congress has given specific consent to travel involving an international culture exchange and certain travel taking place entirely outside the United States, we do not find that the proposed travel fits within these Congressionally recognized exceptions. Therefore, the Committee believes that the offer should be declined.

Interpretative Ruling No. 168

Date Issued: August 16, 1978.

Applicable Rule and Area: 43, Foreign Gifts and Decorations Act.

Questions considered: May a Senator accept a gift of stamp reproductions from a foreign government? How is such a gift to be valued for acceptance and possible reporting purposes?

Ruling: The Foreign Gifts and Decorations Act (5 U.S.C. 7342) permits Members, officers, and employees of the Senate to accept tangible gifts from a foreign government with a retail value in the United States at the time of acceptance of $100 or less if the gift is tendered and received as a souvenir or mark of courtesy. Under the Act, procedures for obtaining an appraisal of gifts so received are to be established by the Select Committee as the employing agency for the Senate.*

The Committee is currently drafting regulations implementing the provisions of the Act. Pending enactment of these regulations, the Committee sought estimates of the value of the gift from the embassy of the donor government and a domestic retail dealer in coins and stamps. In their judgment the gift in question was worth substantially below $100. Accordingly, the Senator would be permitted to retain the gift and would not be subject to the reporting or depository requirements imposed under the Act. However, gifts from a foreign government valued at $35 or more must be aggregated for the purposes of the $100 calendar year limitation imposed under Senate Rule 43.

Interpretative Ruling No. 169

Date issued: August 18, 1978.

Applicable Area: **Advisory Opinion on Use of Letterhead.**

Question considered: Whether the use of the words "United States Senate" on a Senator's personal stationery or on a "Senategram" (a facsimile of a mailgram), when loaned to a third party for use in a campaign fund-raising effort, is consistent with the Committee's Advisory Opinion on use of a Senator's letterhead Whether the use of the words "Senator John Doe" on a letterhead, when loaned to a third party for use in a campaign fund-raising effort would be consistent with that Advisory Opinion?

Ruling: The Committee agreed that it would be inconsistent with the Advisory Opinion for a Senator to allow a non-Senate group or organization to make use of the Senator's letterhead which included the words "United States Senate." The Committee agreed that it is the use of the words rather than the type style employed which is regulated by the Advisory Opinion. Thus, a Senator's loan of letterhead with the words "United States Senate" would be prohibited no matter what type style or lettering was chosen by the organization.

The Committee concluded that a Senator is not prohibited by the Advisory Opinion from allowing a non-Senate organization to use letterhead identifying the Senator as "Senator John Doe."

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*See, for example, Interpretative Ruling No. 76, dated October 5, 1977.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

*Public Law 95-426 (October 7, 1978), which amended the F.G.D.A., gave the Secretary of the Senate the responsibility for establishing gift appraisal procedures.

Interpretative Ruling No. 170

Date issued: September 14, 1978.

Applicable Rule: 45.

Question considered: May a Senator employ a member of his staff in a private capacity to do research and perform editorial work in connection with a book the Member is preparing?

The employee would continue to perform services as a regular Senate employee commensurate with the Senate salary received and any work performed in connection with the book will be undertaken in non-Senate working hours. The book will not be offered for sale or otherwise put in the public domain until after the conclusion of all elections during any year in which the Member is a candidate.

Ruling: The Code of Official Conduct does not preclude such an arrangement; however, paragraph 3 of Senate Rule 45, Conflict of Interest, places the responsibility on the Member for taking such action as is necessary for the avoidance of a conflict of interest or interference with Senate duties.

Note: Also, see Interpretative Rulings No. 56, dated September 7, 1977, and No. 128, dated May 12, 1978.

Interpretative Ruling No. 171

Date issued: September 14, 1978.

Applicable rule: 45.

Question considered: May a Member aid the passage of certain tax legislation by sending letters that set forth arguments in support of the legislation if the Member's spouse practices a profession which would be benefitted by the passage of the legislation in question?

Ruling: Rule 45, paragraph 4, provides that no Member shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further the pecuniary interest of his immediate family. However, the legislative history makes clear that in the case of legislation which would have a broad, general impact, such as most tax legislation, the prohibitions of paragraph 4 would not apply. Consequently, the Committee believes that the Member's support of the legislation in question is not in violation of Rule 45.

Interpretative Ruling No. 172

Date issued: September 19, 1978.

Applicable rule: 43.

Question considered: May a Senator and one or more of his employees accept, within the provision of Rule 43, the offer of a national committee of a major political party to provide the Senator and the employees with the expenses of travel in connection with a nationwide series of appearances by the Senator to promote a particular piece of legislation which was written and sponsored by the Senator?

Ruling: This ruling is not precedential.

Rule 43 excludes from the definition of a "gift" the payment of the necessary expenses, including travel, food, and lodging, in the performance of services for an organization by a Member, officer, or employee of the Senate, incident to his or her official duties, if those expenses are paid by the organization for which the services are performed. The Committee believes that a Senator's participation in a nation-wide series of speeches, press conferences and other events to promote a particular piece of legislation, which was authored and sponsored by the Senator, would be within the official duties of the Senator and his or her staff.

Interpretive Ruling No. 173

Date issued: September 21, 1978.

Applicable rule: 45.

Question considered: Is a former employee on a Senator's personal staff who left Senate employment before April 1, 1978, but who later took a position on the personal staff of another Member which he left subsequent to April 1, 1978, subject to the prohibitions against lobbying imposed under Rule 45?

Ruling: Paragraph 10 of Rule 45 provides, in pertinent part, that:

"If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position."

As the individual left the staff of the first Member prior to April 1, 1978, the effective date of Section 10 of Rule 45, he would not be subject to the prohibitions of that section with respect to that Member or his staff. However, if the individual becomes a registered lobbyist or is employed or retained by a company which is a registered lobbyist for the purpose of influencing legislation, the section would apply to any Member for whom he worked, and to the staff of any Member or to the Members or the staff of any committee for which he worked, in any position he left after April 1, 1978.

Interpretative Ruling No. 174

Date issued: September 21, 1978.

Applicable rule: 44*.

Questions considered:

(1) For purposes of the Rule 44 limitations upon the acceptance of honoraria, what is considered to be the date of acceptance?

(2) Does Rule 44's $1,000 limit per appearance made by a Senator apply to an appearance made in 1978 for which payment is not received until 1979?

Rulings:

(1) Rule 44 of the Code of Official Conduct, which takes effect on January 1, 1979, limits the amount of outside earned income, including honoraria, which a Member may earn in a calendar year. For purposes of applying the limit on outside earned income (as well as reporting the receipt of honoraria under Rule 42) the Select Committee on Ethics considers time of "receipt" to occur when payment is received. This is consistent with 2 U.S.C. 4411, as amended by Public Law 95–216 (effective December 20, 1977).

(2) Rule 44 limits a Member's receipt of honoraria to $1,000 per appearance, speech, or article, effective January 1, 1979.* In fairness to those Members who make an appearance in 1978 for which payment may not be received until 1979, the $2,000 limit in effect for 1978 (2 U.S.C. 4411) would be deemed applicable. However, these amounts would be charged against the 15 percent limit on outside earned income, in keeping with the rule cited in the paragraph above.

Interpretative Ruling No. 175

Date issued: September 21, 1978.

Applicable area: Code of Official Conduct.

Question considered: May a Senator donate a copy of an art book prepared by the Architect of the Capitol to political party officials for fund-raising purposes?

Ruling: A Member's donation of property, given to him in his capacity as a Member of the Senate, to another individual is not prohibited by any specific provision of the Code of Conduct, nor does it appear to violate any regulations of the Joint Committee on Printing or the Senate Rules Committee. The Committee is concerned, nevertheless, that the use of such public property to raise funds for a political party could reflect discredit upon the Senate.

That concern is in the Committee's judgment an adequate basis upon which to decline to approve the practice with respect to donations of public property to groups organized for profit and political organizations.

Interpretative Ruling No. 176

Date issued: September 22, 1978.

Applicable rule: 43.

Questions considered:

(1) May a Senator accept a life membership in an association which is registered under the Federal Regulation of Lobbying Act of 1946?

(2) May a Senator accept an honorary membership in a national hall of fame?

Ruling:

(1) Because the association is an organization registered under the Federal Regultion of Lobbying Act, it is therefore deemed to have a direct interest in legislation before the Congress for the purpose of the prohibition on gifts having an aggregate value exceeding $100, as set forth in Senate Rule 43. However, since the sole financial benefit which would accrue to the Senator would be the value of the association's dues, which are $15 per year, the Committee is of the opinion that the acceptance of a life membership in the organization would not be improper.

(2) The national hall of fame is not a registered lobbyist nor does it maintain a separate segregated fund for political purposes. Thus, the prohibitions of Rule 43 would not apply to an honorary membership in this organization. The Committee has further determined that the acceptance of the honorary membership would not be improper.

Interpretative Ruling No. 177

Date issued: September 26, 1978.

Applicable rule: 45

Question considered: May an officer or employee of the Senate be retained on the Senate payroll for a period of time equal to his or her accrued annual leave after the officer or employee has terminated his or her Senate duties and has accepted a new position outside the Senate?

Ruling: In some Senate offices, it is customary that when an employee leaves the Senate to accept new employment and that individual has any accrued annual leave, the individual is retained on the Senate payroll for a period of time equal to the unused leave, despite the fact that the individual has ceased to perform his or her Senate duties and may in fact have already commenced the new employment.

In such a case, paragraph 3 of Rule 45 on outside employment for compensation, directs the employee to report to his or her supervisor (defined in paragraph 11 of Rule 45) the nature of such employment and that it then becomes the responsibility of the supervisor to take such action as is necessary to avoid any conflict of interest.

When the employee notifies his or her supervisor and the supervisor takes any necessary action to avoid a conflict of interest, Rule 45 would not prohibit retaining an employee on the Senate payroll for a period equal to his or her accrued annual leave.

Interpretative Ruling No. 178

Date issued: September 29, 1978.

Applicable areas: Foreign Gifts and Decorations Act and Mutual Educational and Cultural Exchange Act.

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*The Senate in S. Res. 93 (96th Cong.) on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

Question considered: May a Senate employee accept an invitation to participate in a seminar where the sponsor, a foreign government, has offered to provide the necessary expenses of travel, including transportation, food and lodging?

Ruling: Article I, Section 9, Clause 8 of the Constitution prohibits employees of the Federal Government, absent the consent of Congress, from accepting any gift, to include the expenses of foreign travel, from any foreign government. The Congress has consented to the acceptance of such gifts in two specific instances, the Mutual Educational and Cultural Exchange Act (22 U.S.C. 2458(a)) and the Foreign Gifts and Decorations Act (5 U.S.C. 7342). The Committee ruled that the proposed arrangement would not fit within either of these two narrow exceptions and therefore, the constitutional prohibition would prevent acceptance of the offer.

Interpretative Ruling No. 179

Date issued: September 29, 1978.

Applicable rules: 42*, 43.

Question considered: Under what circumstances may a Senator accept an invitation from a personal friend to be a weekend guest at a private club? Do the details of the invitation have to be reported by the Senator?

Ruling: In this instance, the invitation was extended to a Senator by an individual who was the chief executive officer of a corporation. Neither the officer nor the corporation maintained a separate, segregated fund for political purposes nor were either registered under the Federal Regulation of Lobbying Act of 1946 and therefore neither were "prohibited sources" within the meaning of paragraph 1(b) of Rule 43. Therefore the Senator could accept the gift of a weekend at the club.

Though the gift of the expenses for the weekend could be accepted, Rule 42, Public Financial Disclosure, requires the Senator to disclose the source, a brief description of, and the value of any gifts of transportation, food, lodging or entertainment aggregating $250 or more provided during a calendar year by any one source.

Interpretative Ruling No. 180

Date issued: September 29, 1978.

Applicable area: Franking.

Question considered: May a Senator supply franked labels to the Library of Congress for the purpose of shipping surplus books to an educational institution in the Senator's home state? The Joint Committee on the Library has established a policy which requires these books to be shipped directly to the institution, and the Library of Congress would be unable to pay the shipping charges involved in the event the books are not sent under the Senator's frank.

Ruling: Section 3215 of Title 39 of the United States Code states:

"A person entitled to use a frank may not lend it or permit its use by any committee, organization, or association, or permit its use by any person for the benefit or use of any committee, organization, or association. This section does not apply to any standing, select, special, or joint committee of the Senate, House of Representatives, or Congress, composed of Members of Congress, or to the Democratic caucus or the Republican conference of the House of Representatives or the Senate."

The regulations governing the use of the frank state that the use of the frank is a privilege which a Senator must view as a personal responsibility and which must be vigilantly safeguarded against abuse. While the specific exceptions set forth in the statutory prohibition against the loan of the frank do not cover the situation described, a review of the legislative history indicates that Congress clearly intended to permit books from the Library of Congress to be sent out under the frank to libraries and other persons.

Given the circumstances outlined above, it is the Committee's opinion that it would be permissible for a Senator to delegate to a member of his staff the responsibility for ensuring that his frank is used for the purpose of shipping the books from the Library of Congress to the educational institution involved in such a manner as to avoid any misuse, such as the diversion of franked labels, which could constitute an improper loan of the frank.

Interpretative Ruling No. 181

Date issued: September 29, 1978.

Applicable rules: 44*, 45.

Question considered: May a full-time staff member conduct academic research for a non-profit foundation at a university? The staff member would receive a grant of approximately $12,000 from the foundation for the research which he intends to conduct during the evenings and on weekends.

Ruling: Rule 45 of the Senate Code of Official Conduct relates to conflict of interest, and paragraph 2 of that rule prohibits employees from engaging in outside activity for compensation which is inconsistent or in conflict with official duties.

Under Rule 45, paragraph 3, it is the responsibility of the staff member's supervisor to make the initial determination that the outside activity presents no conflict of interest and to take such action as is necessary for the avoidance of a conflict or interference with Senate duties. Based upon the evidence submitted, the Select Committee is of the opinion that no conflict of interest is suggested in this case.

The Committee notes that should the staff member be compensated at an annual rate in excess of $35,000, Rule 44 on outside earned income, which becomes effective on January 1, 1979, would be applicable.

Interpretative Ruling No. 182

Date issued: September 29, 1978.

Applicable rule: 49.

Question considered: Does Rule 49 prohibit a Senate employee from handling funds to be raised after the general election by a state party organization for the purpose of paying off the campaign debts incurred by the party's candidates for federal, state and local offices?

Ruling: Rule 49 prohibits an officer or employee of the Senate from receiving, soliciting, being the custodian of, or distributing funds in connection with any campaign for the nomination or election of any individual for any federal office. This prohibition does not apply to a Senate employee who is one of the two persons designated by his supervising Senator to perform any of those functions on the Senator's behalf.**

The prohibition in Rule 49 is not applicable, however, to participation by Senate employees in state and local election activities. If those activities, and a Senate employee's participation in the activities, were to be clearly divisible from any of the organization's activities performed in connection with any federal election, the employee would be permitted to participate in fundraising activities related to state and local elections. However, if the proposed activities would involve the raising of a common fund to discharge the party's political debts on behalf of all of its candidates, whether federal, state or local, the Committee believes that, even if the proceeds of the fundraising activities were to be apportioned between federal candidates and state and local candidates, a Senate employee's participation in the fundraising activities would be prohibited under Rule 49.

Interpretative Ruling No. 183

Date issued: September 29, 1978.

Applicable rules: 45, 46, 49.

Question considered: Does a Senator's utilization of the services of a student intern whose living and travel expenses are to be paid by a corporation during the three months of the intern program constitute an impermissible defrayal of official expenses under Rule 46?

Ruling: The utilization by a Member of the services of interns who are compensated, i.e., receive living and travel expenses from non-Senate funds, raises a question under Rule 46 which permits the defrayal of office expenses from only four sources. While the Senate Code of Official Conduct contains no specific exception to Rule 46 for expenses in connection with internship programs. Rule 49 does implicitly approve of the practice of utilizing the personal services of individuals who are not compensated by the Senate. In essence, Rule 49 calls for these individuals to comply with the Code of Conduct, and, in certain cases, requires their supervisors to file quarterly reports with the Select Committee.

In light of the fact that Rule 49 would be rendered meaningless were a Member not permitted to utilize the services of an individual compensated with non-Senate funds, the Committee has determined that the sponsorship of student intern programs is not an impermissible defrayal of official expenses under Rule 46.

It should be noted that the utilization of the services of an intern compensated by non-Senate funds could give rise to a conflict of interest question under Rule 45 should the intern be given an assignment with a Senate Committee having primary legislative jurisdiction over the activities of the intern's sponsor or over any agency of the Government charged with regulating the sponsor's activities.

Interpretative Ruling No. 184

Date issued: October 6, 1978.

Applicable rule: 46.

Question considered: The Committee was asked to reconsider its ruling of July 18, 1977, which held that under Rule 46 a Senator could defray official expenses with funds from the Senator's own political committee. The request to reconsider took issue with the previous ruling's implication that the funds of other political committees could not be used to defray official expenses.

Ruling: In April 1978, the Committee held public hearings on Rule 46 and subsequently in August 1978 a majority of its Members agreed to propose an amendment to Rule 46 to permit the defrayal of official expenses from the funds of political party committees (national, state, and senatorial) as well as from the funds of a Senator's principal campaign committee.

The Select Committee submitted the proposed amendment and its accompanying report on October 11, 1978, as S. Res. 584 and Report No. 95–1320. The resolution was referred to the Committee on Rules and Administration.

Note: S. Res. 584 was not considered in the 95th Congress. On January 25, 1979, the

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*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***See* also Interpretative Ruling No. 32 (dated June 17, 1977) and No. 45 (dated July 20, 1977).

Select Committee again submitted the proposed amendment and its accompanying report as S. Res. 25 and Report No. 96–1. The resolution was referred to the Committee on Rules and Administration.

INTERPRETATIVE RULING No. 185

Date issued: October 11, 1978.

Applicable area: Franking.

Question considered: May a Member enclose in correspondence with constituents and others a subscription form to a magazine published by a state game and parks commission?

Ruling: Section 3210(a)(1) of Title 39 of the United States Code states that the franking privilege is to be used "to assist and expedite the conduct of the official business, activities and duties of the Congress of the United States." Although Section 3210(a)(3)(A) authorizes the use of the frank for "mail matter . . . regarding programs, decisions, and other related matters of public concern or public service," such matters are specifically limited by the Regulations Governing the Use of the Mailing Frank to those relating principally to the Federal Government.

Since the publication itself appears to relate principally to recreational activities within the state and the subscription flyer thus relates to matters of state and local concern, as opposed to those relating principally to the Federal Government, it would not be appropriate to include the flyer in a franked mailing.

INTERPRETATIVE RULING No. 186

Date issued: October 11, 1978.

Applicable rule: 44.*

Question considered: Do the honorarium limits provided in Rule 44 apply to honoraria payable to a person which are paid instead at the person's request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person?

Ruling: Under those circumstances, consistent with 2 U.S.C. 4481 (as amended in December, 1977), the Committee would not consider an honorarium to have been "accepted" for the purposes of Rule 44.2(c) (effective January 1, 1979). Consequently, the amounts donated would not count toward the $25,000 limitation in that paragraph.

INTERPRETATIVE RULING No. 187

Date issued: October 11, 1978.

Applicable rule: 42, **43.

Question considered: May a Senator accept from a friend payment for the cost of refreshments to be consumed at a staff "going away" party?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts worth over $100 in a calendar year by a member from "prohibited sources," including registered lobbyists or persons employed by them for lobbying purposes, as well as the officers, directors or lobbyists of an organization that maintains a separate, segregated political fund. As long as the donor does not fit within those categories (and he is not a foreign national), the Senator is not prohibited by Rule 43 from accepting a gift from him having a value in excess of $100.

If the gift is made to the Senator by a nonprohibited source, he or she would be required to disclose its acceptance under Rule 42.2(b), should the value exceed $250.

INTERPRETATIVE RULING No. 188

Date issued: October 11, 1978.

Applicable rules: 43, 45.

Question considered: Would it be improper for an officer or employee of the Senate to leave the Senate payroll for a period of time in order to accept an invitation to participate in an extended seminar being offered by the organization with an interest in legislation pending before the Congress?

Ruling: In this situation, the non-Senate organization has invited an employee on the personal staff of a Member to participate in an extended seminar concerning the business activities and interests of the organization. The organization has stipulated that Senate staff participating in the seminar must agree to leave the Senate payroll for the duration of the seminar. While participating in the seminar, the organization will compensate the staffer at a rate equal to his or her Senate salary and will provide room and board. At the conclusion of the seminar, the employee will return to the Senate payroll.

The Committee ruled that if the arrangements between the non-Senate organization and the employee constituted a bona fide, non-governmental, employer-employee relationship, i.e., a relationship in which the employee would perform a service commensurate with the compensation to be provided by the organization, then the arrangement would not constitute a prohibited gift under Rule 43.

The Committee further held that while the arrangement did not appear to violate any specific provision of Rule 45, Conflicts of Interest, paragraph 3 of the Rule directs that the employee must inform his supervisor of the existence of any outside employment for compensation when such employment commences and the nature of that employment. The paragraph then directs that the supervisor must take such action as is necessary for the avoidance of conflict of interest or interference with the employee's duties to the Senate.

INTERPRETATIVE RULING No. 189

Date issued: October 11, 1978.

Applicable rules: 42*, 43, 44**.

Question considered: May a Senate employee, who is taking annual leave to speak at a seminar in London not in connection with Senate duties, accept an honorarium and travel expenses from the two British companies that are sponsoring the seminar?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts from foreign nationals. However, the definition of "gift" does not include payments for which consideration of equal or greater value is received. The Senate employee's participation, according to the invitation from the seminar's sponsor, would seem to be consideration for the travel expenses and honorarium which the sponsors intended to pay. Under these circumstances, the staffer's acceptance of the travel expenses and honorarium in question would not be prohibited by Rule 43.

INTERPRETATIVE RULING No. 190

Date issued: October 11, 1978.

Applicable rule: 44***.

Question considered: Would proceeds from the sale of a Member's phonograph album be exempt from the limitation on earned income imposed under Rule 44?

Ruling: Paragraph 3(b) of Rule 44 excludes from the definition of "outside earned income" royalties from books and proceeds from the sale of creative or artistic works. The legislative history of Rule 44 indicates that royalties from books were exempted on the basis that they are not directly or necessarily related to actual personal services rendered, and because royalty income is, in effect, a return on a prior investment of time and energy which is largely beyond the direct control of the Member.

The provision relating to proceeds from creative or artistic works (other than books) does not specifically exempt income received from the sale of less than all the rights in a property (e.g., an exclusive distribution or marketing arrangement). However, the legislative history of the provision supports the inference that income generated by the sale of creative or artistic works was intended to be treated in the same manner as royalties generated by the publication of a book. Accordingly, the Committee is of the opinion that proceeds received in connection with the sale of a phonograph album would be exempt from the limitations on outside earned income imposed under Rule 44.

INTERPRETATIVE RULING No. 191

Date issued: October 16, 1978.

Applicable area: Franking.

Question considered: May a Senator send out a franked mass mailing which contains material reprinted from the CONGRESSIONAL RECORD, when the reprint has been reset to make the material more legible?

Ruling: The franking statute (39 U.S.C. 3212) and Regulations Governing the Use of the Mailing Frank permit the franked mailing of reprints from the CONGRESSIONAL RECORD, including speeches or reports contained therein, provided such material is otherwise frankable under section 3210. The fact that material has been placed in the RECORD does not in and of itself make it frankable.*

Assuming the content of the proposed mailing would be frankable, there is no provision in the statute or regulations which would prevent the reprint from being made more legible by the resetting of type used in the RECORD. The Select Committee believes that the franking statute's use of the term "reprint" would include such a practice.

This response should in no way be construed as a ruling on the issue of whether the material which appeared in the CONGRESSIONAL RECORD is, in fact, frankable. The Committee would need a more complete description of such material in order to rule on that question.

INTERPRETATIVE RULING No. 192

Date issued: October 16, 1978.

Applicable rules: 42**, 43.

Question considered: Would Rule 43 on Gifts, which is applicable to all Members, officers, employees, their spouses and dependents, prohibit the acceptance of certain travel arrangements offered by the employer of a spouse when the employer is a "prohibited source" within the meaning of paragraph 1(b) of Rule 43?

Ruling: In this situation, soon after their wedding, the spouse of a Senate employee will be temporarily assigned by her employer to a project in another location some distance from Washington, D.C. The project is scheduled to last for several months and will require some weekend work. As a result, the employer, registered under the Federal Regulation of Lobbying Act of 1946 and thus a "prohibited source" for purposes of Rule 43, would implement an existing company policy which provides the spouse with weekend round-trip airfare to and from Washington. On those occasions when the spouse will be engaged in weekend work, the employer has offered to fly the Senate employee to his spouse's location.

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*S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

**S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

* See Interpretative Ruling No. 40, dated July 1, 1977, where the Committee ruled that the "personal reference rule" is not applicable to CONGRESSIONAL RECORD excerpts.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

Paragraph 2(a)(7) of Rule 43 excepts from the definition of "gift" anything of value given to the spouse of a reporting individual by the employer of the spouse in recognition of the services performed by the spouse. In this factual situation, the Committee ruled that this exception would be applicable to the offer of round-trip airfare, whether the actual user of the ticket was the Senate employee or the spouse. The Committee also ruled that this arrangement was also excepted from the definition of "gift" under Rule 42, Public Financial Disclosure, and therefore need not be reported.

Interpretative Ruling No. 193

Date issued: October 17, 1978.

Applicable rules: 42*, 43.

Question Considered: May a Senator accept travel expenses from an official of a district's political party organization in return for his appearance at a rally sponsored by the organization?

Ruling: Rules 42 and 43 except from the definition of "gift" anything of value, including transportation, for which consideration of equal or greater value is received.

Under certain circumstances travel incident to a political appearance, which is not in connection with the appearing Member's own election, meets this "consideration" exception. If the Senator is appearing at the invitation of the party official, and if the proposed appearance is in consideration for the cost of the Senator's travel, then the acceptance of those expenses would not be deemed to be a gift for purposes of Rules 42 and 43.

Interpretative Ruling No. 194

Date issued: October 18, 1978.

Applicable rule: 49.

Questions considered: May Senate employees engage in campaign activities on their own time and away from federal facilities? Is it permissible for a Senate employee, following adjournment of the Congress, to utilize unused vacation time to work full-time in a campaign? Would there be any restriction which would prevent a full-time Senate employee from having his Senate salary reduced while continuing to work for the Senate on a part-time basis in order that the remainder of his time could be devoted to campaign activities?

Ruling: The Committee on Rules and Administration has stated in Senate Report No. 95–241 (95th Cong.), accompanying Senate Resolution 188, that "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties . . . it is neither illegal nor a violation of Senate Rules for a member of a Senator's staff to work full-time in political campaigns while on annual leave or vacation time or while on leave of absence from his or her Senate duties . . ." The Select Committee on Ethics believes that this statement is applicable to employees of a Senate committee and those persons employed by an officer of the Senate as well.

Prior to the filing of S. Rept. No. 95–241, the Select Committee ruled* that it is preferable for a Senator to either reduce the salary or remove an employee from the Senate payroll when the employee intends to spend additional time on campaign activties, over and above leave or vacation time. The Committee recognizes that staff members ought to be able to use bona fide vacation time for political campaign activity. As long as an office has an established and reasonable annual leave policy, and as long as an employee takes no more than the amount of time normally allowed for such leave, the Committee believes that an employee may engage in campaign activities during that time. It should also be noted that the Committee has ruled that the restrictions of Rule 49, on the handling of campaign funds, are applicable to all persons who are on the Senate payroll, even though they might be paid at a reduced rate.

Interpretative Ruling No. 195

Date issued: October 18, 1978.

Applicable rules: 46, 48.

Question considered: May a Member borrow from another Senator computerized mailing lists for the purpose of communicating with constituents?

Ruling: The loan of a mailing list to a Member gives rise to a question under Rule 46 of the Senate Code of Official Conduct. Although the Code does not contain any specific restrictions on the source of a mailing list, the Committee has interpreted Rule 46 to mean that a Member may not accept goods and services in connection with the carrying out of official Senate duties unless they are paid for with funds from one of the four sources listed in the rule. This would normally mean that the provision of a mailing list free-of-charge would constitute an impermissible in-kind contribution to an office account.

However, the Committee has ruled** that in-kind services provided by agencies of the Federal Government are not subject to the Rule 46 restrictions, and goods and services provided by other Members of Congress would appear to be similarly excepted. Therefore, the use of a Member's computerized mailing lists would not be in violation of Rule 46.

Should the borrowing Member intend to incorporate the mailing list in the Senate's computer facilities, he or she should be aware that Rule 48, paragraph 5, allows the use of those facilities only if the lists bear no identification of individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation.

Interpretative Ruling No. 196

Date issued: October 26, 1978.

Applicable rule and area: 48 and Franking.

Question considered: May an agency of the Federal Government with whom a Senator is cosponsoring a conference print and affix labels to franked envelopes to be used in mailing the invitations to the conference? The envelopes would be returned to the Senate Service Department for stuffing and mailing.

Ruling: Paragraph 2 of Senate Rule 48 states that only official funds of the Senate shall be used to purchase paper, print or prepare mass mailing material to be sent out under the frank. The Committee has determined however that under the circumstances described it would not be a violation of Rule 48(2) for an agency of the Federal Government to print and affix address labels to franked envelopes to be used for the conference, provided such printing and labeling services are generally available to all Members of the Senate.

Chapter 4, Paragraph 2 of the Regulations Governing the Use of the Mailing Frank "is a privilege which Senators and others must view as a personal responsibility and which must be vigilantly safeguarded against abuse." One such abuse would be an improper loan of the frank in violation of Section 3215 of Title 39 of the United States Code. This Committee has previously ruled (Interpretative Ruling No. 66, September 26, 1977) that the processing of franked mail by an outside organization would constitute an improper loan of the frank because of the opportunity for abuse, such as the alteration of material or the diversion of franked envelopes, that would be presented. However, the Committee has determined that it would be permissible for a Member to delegate to his or her staff the responsibility for ensuring that the process of affixing address labels to the franked envelopes to be used in the conference is carried out by the agency in such a manner as to avoid any misuse which could constitute an improper loan of the frank.

Interpretative Ruling No. 197

Date issued: October 31, 1978.

Applicable rule and area: 49, Code of Official Conduct.

Question considered: Is it proper for Senate staff members to utilize annual leave time to carry out campaign-related activities?

Ruling: Except for Senate Rule 49, which prohibits anyone other than two designated employees from handling campaign funds, no rule expressly forbids campaign activity by staff members.

The Select Committee has previously ruled* that it is preferable for a Senator either to reduce the salary or to remove an employee from the Senate payroll when the employee intends to spend a substantial amount of time on campaign activities, over and above leave time.

The Committee recognizes that Senate staff members ought to be able to use bona fide vacation time in whatever way they wish, including participation in a political campaign. So long as staff takes no more than established and reasonable annual leave, the Committee is of the opinion that staff may engage in campaign activities.

Rule 49's restrictions on the handling of campaign funds by only two designees would, of course, remain applicable.

Interpretative Ruling No. 198

Date issued: November 6, 1978.

Applicable rules: 46, 48.

Question considered: Would it be permissible under paragraph 1 of Rule 46 for a Senator to accept, at no cost to him, a computerized mailing list of the names of members of a national labor union in the Senator's home state from another Member of Congress from that state, in order to communicate with the Senator's constituents?

Ruling: While the Code of Official Conduct does not contain any specific restriction on the source of mailing lists acquired and used by Senators, the Select Committee has previously interpreted** Rule 46 to prohibit a Senator from accepting any goods or services in connection with carrying out official Senate duties, including communicating with constituents, unless those goods or services are paid for with funds available to the Senator from one of the four designated sources listed in paragraph 1 of Rule 46.

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*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*See, for example Interpretative Rulings No. 3, dated May 5, 1977, No. 5, dated May 11, 1977, No. 6, dated May 11, 1977, and No. 22, dated May 26, 1977.

**See Interpretative Ruling No. 72, dated September 29, 1977.

*See, for example, Interpretative Rulings No. 3, dated May 5, 1977, No. 5, dated May 11, 1977, No. 6, dated May 11, 1977 and No. 32, dated June 17, 1977.

**Interpretative Ruling No. 44, dated July 18, 1977.

However, the Committee has also ruled* that in-kind services, when provided by agencies of the Federal Government, are not subject to this restriction. This ruling was based, in part, on a prior determination of the Federal Election Commission which stated that the Federal Government was not considered a "contributor" for purposes of the Federal Election Campaign Act.

Based on this ruling, the Committee held in this case that goods and services provided to a Senator by other Members of Congress are excepted from the limitations of Rule 46 and therefore that the acceptance of this computerized mailing list at no cost from another Member of Congress would not violate Rule 46.

However, the Committee reminded the Senator that should he incorporate the mailing list in the Senate computer facility, Rule 48, paragraph 5 would require that the list bear no identification of individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation.

INTERPRETATIVE RULING NO. 199

Date issued: November 6, 1978.

Applicable rule and area: 46, Franking.

Questions considered: Would it be proper for a Senator to conduct from his home state office a telephone survey of his constituents to find out what issues are of concern to them in order to develop legislative priorities? In so doing may a Senator:

(1) Use members of his staff and volunteers to conduct the survey?

(2) Use the Senator's frank to mail the surveys in bulk to his home office?

(3) Accept the offer of a private group to use their telephone facilities free of charge; and

(4) Use telephone facilities provided by a Federal agency in the home state?

(5) Use Senate allowances to a) rent a telephone bank and b) pay for use of computers of a non-government organization to compile the survey results?

RULINGS

(1) Telephone surveys of a Member's constituents, when undertaken to better inform the Senator of the views and concerns of his constituents, have been held by the Committee to be permissible under the Code of Official Conduct. The Committee has previously ruled** that Rule 46 does not prohibit the use of volunteers who perform services for a Senator either in his Washington or home-state office.

(2) The use of the mailing frank to send copies of the survey to a Senator's district office is also proper.

(3) The Committee has consistently ruled that Rule 46 does prohibit a Senator from accepting in-kind contributions of goods and services to defray office expenses. Therefore, it would be improper for a Senator to accept non-governmental telephone facilities which might be offered at no cost.

(4) In contrast, the Committee has previously ruled that the Rule 46 restriction on in-kind contributions of goods and services does not apply when the donor is an agency of the Federal Government or another Member of Congress. (Interpretative Ruling No. 72, dated September 29, 1977) Therefore, telephone facilities provided to a Senator by a Federal agency may be used to conduct a telephone survey of constituents.

(5) The question as to whether Senate allowances might be used to pay for non-governmental telephone facilities and/or computer time comes under the primary jurisdiction of the Committee on Rules and Administration, which approves vouchers drawn against Senate allowances.

INTERPRETATIVE RULING NO. 200

Date issued: November 8, 1978.

Applicable rule and area: 46 and Federal Election Campaign Act.

Question considered: May an individual employed in a Senator's office be reimbursed from that Senator's campaign funds for travel expenses (lodging and meals) incurred in connection with the staff member's attendance at a veterans' conference?

Ruling: The Federal Election Campaign Act (2 U.S.C. 439a) provides that campaign funds may be used to defray ordinary and necessary expenses incurred in connection with the duties of a federal office holder. Rule 46 of the Senate Code of Official Conduct provides that otherwise unreimbursed expenses allowable in connection with the operation of a Member's office may be defrayed from, among other sources, funds derived from a political committee.

Therefore, if the staff member's attendance at the veterans' conference is in connection with official Senate duties, funds from the Senator's campaign committee may be used to defray the expenses incident to that attendance.

INTERPRETATIVE RULING NO. 201

Date issued: November 27, 1978.

Applicable rule: 42.

Question considered: For purposes of disclosing gifts of $100 or more under Rule 42, is a gift to a Member from several employees of a local high school valued at its total cost, or is the value of the gift divided by the number of individual donors?

Ruling: Rule 42(2)(c) requires the reporting of gifts "aggregating $100 or more from any one source" during a calendar year. The facts of this inquiry regarding the evaluation of a gift raise the question of the meaning of the phrase "any one source," i.e., is the donor of the gift the school, the school employees as a group, or several separate individuals.

If, on the one hand, the gift is from the school or from the employees as a group, then it would be a gift from one source, and the value would be its total cost. If the individuals who contributed toward its cost were solicited along with other school employees with the intent to make a gift from the school or from the employees as a group, or if the individuals when presenting the gift asserted their common association with the school, the presentation would appear to be a gift from one source.

If, on the other hand, the gift is from several persons acting as individuals, for reporting purposes the transaction would be treated as five separate gifts from five individuals and the value of each gift would be the amount that each individual contributed toward its cost. Thus, if the five school employees decided among themselves to make a gift to the Senator and did so without soliciting contributions toward the cost of the gift from school employees as a group or if the employees presented the gift without asserting their common association, then the facts would indicate that the gift is, in fact, from five persons acting as individuals.

INTERPRETATIVE RULING NO. 202

Date issued: November 30, 1978.

Applicable rules and area: 42*, 43, Ethics in Government Act of 1978.

Questions considered: May a staff assistant to a Senator accept an invitation to address an association's convention? Would the individual be required to disclose the source and description of reimbursements which he or she received for official travel?

Ruling: Rule 43, Gifts, and Rule 42, Public Financial Disclosure, both except from the definition of "gift" the necessary expenses of the performance of services for an organization by a Senator, officer or employee, incident to his or her official duties, including travel, food, lodging and entertainment, if those expenses are paid by the organization for which the services are performed.

However, Public Law 95–521, the Ethics in Government Act of 1978, requires that reporting individuals, i.e., employees of the legislative branch who have been employed for more than sixty days in the calendar year and are compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS–16, must disclose the identity of the source and a brief description or reimbursements received from any source and a brief description of reimbursements received from any source aggregating $250 or more in value. "Reimbursement" is defined in the Act to mean any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government, the District of Columbia, or any State or political subdivision thereof;

(B) required to be reported by the reporting individual under section 7342 of Title 5, United States Code, the Foreign Gifts and Decorations Act; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434).

INTERPRETATIVE RULING NO. 203

Date issued: December 5, 1978.

Applicable rules and area: 42,** 43, 45, Ethics in Government Act of 1978.

Question considered: May a Senate employee accept the necessary expenses of foreign travel from a privately funded, domestic organization in order that the employee might attend a seminar sponsored by the foreign counterpart of the domestic organization?

Ruling: The Select Committee has previously ruled*** that a Member, officer or employee of the Senate may accept the necessary expenses of foreign travel provided by a domestic organization which is the sponsor of the program involving the foreign travel. In this factual situation, while the domestic organization providing the necessary expenses of foreign travel and the sponsor of the program in the foreign country were not one and the same, the Select Committee in agreeing to the proposed travel found that the domestic organization had been created, under the laws of the United States, for the sole purpose of assisting its foreign counterpart in the preparation and presentation of its program. The Committee ruled that the domestic organization which was to provide the necessary expenses of foreign travel and the foreign sponsor of the program were sufficiently identical such that the necessary expenses of travel would be excepted from the definition of "gift" under paragraph 2(a) of Rule 43 and paragraph 7(f) of Rule 42. Therefore, with the approval of the employee's Senate supervisor, the employee could accept the necessary expenses of the proposed travel.

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*Interpretative Ruling No. 72, dated September 29, 1977.

**Interpretative Ruling No. 74, dated October 3, 1977. The Committee's ruling in this instance applies to surveys fitting the above description and does not apply to a survey which would be used in any manner deemed to be partisan or political.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***See Interpretative Ruling No. 105, dated March 9, 1978.

While these necessary expenses of travel are not reportable as a gift under Rule 42, if the employee concerned were required to file a financial disclosure statement under the Ethics in Government Act of 1978 (Public Law 95-521), i.e., if he or she were an employee of the legislative branch for more than 60 days and were compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS-16 of the General Schedule during the calendar year, the employee would be required to report the identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value which were received during the preceding calendar year.

Interpretative Ruling No. 204

Date issued: December 5, 1978.

Applicable rule: 49.

Question considered: May a Senate employee hold a position as a political party's precinct chairman? One of the functions of the position is the periodic solicitation of funds for state and local candidates. While none of these funds go directly to candidates for Federal election, there have been instances when some of the funds were used for literature in support of local, state and Federal candidates. In the case of this "joint campaign" literature the Federal candidates contribute their own funds to cover their share of the cost of the literature.

Ruling: The Committee has previously determined* that Rule 49's restrictions on staff campaign activities apply to participation in Federal elections and not to state and local elections. So long as the state and local campaign activities are clearly separate and distinct from any activities performed in connection with a Federal election, and the activities do not interfere with Senate duties, a Senate employee would be permitted to participate in them.

The activities proposed in this case do not appear to involve the raising or use of funds for the purpose of supporting Federal candidates. Therefore, the Committee believes Rule 49 would not prohibit those activities.

Interpretative Ruling No. 205

Date issued: December 11, 1979.

Applicable rules: 44,** 45.

Questions considered:

(1) What are the rules applying to the donation of honoraria to certain educational institutions when selected from a list of five or more organizations provided to the payor by a Senator?

(2) Does Rule 44's limit on outside earned income apply to proceeds received from partnership income earned primarily through real estate sales?

Ruling: The Committee has previously ruled*** that, for purposes of the $25,000 calendar year limit on honoraria donated to charity, an honorarium payable to a person would not be charged against this limit if paid instead at his or her request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person. The term "charitable organization" means those organizations with respect to which a deduction for Federal income tax purposes would be allowable under section 170(c) of the Internal Revenue Code.

This ruling is consistent with the Federal statute which currently limits the acceptance of honoraria, 2 U.S.C. 441i.

With regard to the second question, under Rule 44, outside earned income is defined as "compensation received as a result of personal services actually rendered." Thus, Rule 44's limits would be inapplicable, since the income from the sale of the partnership's capital assets (e.g., real estate) would not fall within the Rule's definition of outside earned income. Income from the sale of a capital asset owned by the partnership would constitute passive or investment income rather than a distribution of income from the active operation of a trade or business.

Paragraph six of Rule 45 prohibits Members from being affiliated with a firm or partnership for the purpose of providing professional services for compensation and prohibits the Member from permitting his name to be used by such a firm or partnership.

Interpretative Ruling No. 206

Date issued: December 11, 1978.

Applicable rule: 46.

Question considered: Would Rule 46 prohibit a retiring Senator from directing his campaign committee to donate excess campaign contributions to a tax-exempt, charitable organization which would use the funds to create a scholarship fund for graduate students in the Senator's name?

Ruling: Paragraph 2 of Rule 46 prohibits the conversion of campaign contributions to the personal use of any current or former Senator. While "personal use" is not specifically defined, the Committee does not believe that donation of excess campaign funds to or for the use of a tax-exempt state university to create a scholarship fund for worthy graduate students from the Senator's home state is the type of conversion to personal use prohibited by Rule 46. Similarly, while there may be a nominal or constructive conversion of the funds by the Senator for purposes of inclusion in his gross income for Federal income tax purposes, it may result in a "wash transaction" if an offsetting charitable contribution deduction is available under section 170 of the Internal Revenue Code.

While the Committee ruled that the proposal would not be prohibited by Rule 46, it cautioned that it could express no view as to the consequences of the proposal under the Internal Revenue Code or any other law.

Interpretative Ruling No. 207

Date issued: December 11, 1978.

Applicable area: Legislative Branch Appropriations Act.

Question considered: May an employee of one Senate office seek and receive compensation for part-time employment in another Senate office?

Ruling: The Legislative Branch Appropriations Act of 1978 (Public Law 95-94) section 114, as amended by the Legislative Branch Supplemental Appropriation Act of 1978, section 207, authorized the Senate Disbursing Office to compensate an employee for work done in more than one office of a Senator, Senate officer or standing committee, provided that the employee is paid on a yearly rather than an hourly basis.

No provision of the Code of Official Conduct would prohibit an employee of one Senate office from obtaining a part-time position with another Senate office.

The Select Committee suggested that an employee seeking such an arrangement should notify the supervisor of each position of the employment arrangement.

Interpretative Ruling No. 208

Date issued: December 13, 1978.

Applicable Rule: 45.

Question considered: May a member of a Senate committee serve without compensation on an advisory committee of an organization which is exempt from Federal income taxation and which receives Federal funds through grants administered by an executive branch agency authorized through the same Senate committee? The staffer's Senate duties do not include responsibility for such programs and the advisory committee on which the staff would serve will neither request nor spend any Federal monies. The staffer's activities would consist of analyzing the goals and internal structures of the organization.

Ruling: Given the circumstances presented, the Committee has no objection to the staffer's membership on the organization's advisory committee but reminds the supervising Senator that Senate Rule 45, paragraph 3, requires him to take whatever action he may consider necessary for the avoidance of any future conflict of interest or interference with Senate duties.

Interpretative Ruling No. 209

Date issued: December 18, 1978.

Applicable Rule and Area: 43, Code of Official Conduct.

Question considered: May an organization composed of Senate staff members solicit lobbyists and others with a direct interest in legislation to purchase advertising in the program for a dinner sponsored by the staff organization?

Ruling: Under Senate Rule 43 the following are deemed to have a direct interest in legislation before the Congress:

"(1) a person, organization, or corporation registered under the Federal Regulation of Lobbying Act of 1946, or any successor statute; a person who is an officer or director of such a registered lobbyist; or a person who has been employed or retained by such a registered lobbyist for the purpose of influencing legislation before the Congress; or

"(2) a corporation, labor organization, or other organization which maintains a separate segregated fund for political purposes (within the meaning of section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(b)); a person who is an officer or director of such corporation, labor organization, or other organization; or a person who has been employed or retained by such corporation, labor organization, or other organization for the purpose of influencing legislation before the Congress."

The Committee determined that solicitation of the advertising from individuals and organizations having a direct interest in legislation before the Congress gives the appearance of improper conduct which may reflect upon the Senate and that the staff organization, therefore, should refrain from making such solicitations.

Interpretative Ruling No. 210

Date issued: December 18, 1978.

Applicable Rules and Area: 42*, 43, Ethics in Government Act of 1978.

Question considered: A Senator has been asked to address a meeting of a trade association. Since the association does not have an aircraft, a corporate member of the association has offered to provide the Senator with transportation aboard one of the corporation's aircraft from a city where the Senator will arrive on a connecting commercial flight to the site of the meeting. May the Senator accept this offer of transportation and under what circumstances would acceptance have to be disclosed?

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*See Interpretative Ruling No. 182, dated September 29, 1978.

**S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***See Interpretative Ruling No. 9, dated May 11, 1977 and Interpretative Ruling No. 28, dated June 7, 1977.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

Ruling: Rule 43 excludes from the definition of "gift" the payment of the necessary expenses of travel, including transportation, food, lodging and entertainment to a Member, officer or employee of the Senate who performs a service for an organization, such as the giving of an address, if those necessary expenses are provided by the organization for which the services are performed. In this factual situation, a corporate member of an organization, but not the organization itself, has offered to provide air transportation for the Senator.

The next question that must be addressed is whether the corporation in question has a "direct interest in legislation before the Congress" as defined by paragraph 1(b) of Rule 43. If the corporation is within this definition, or is a foreign national, Rule 43 would prohibit the acceptance of gifts with a value aggregating over $100 from the corporation in a calendar year. However, necessary expenses of transportation could be accepted from the corporation, provided that (1) the sponsor of the appearance reimbursed the corporation for the value of the transportation or (2) the Senator reimbursed the corporation for the value of the transportation provided.

As to the reporting requirements for such an arrangement, if the Senator or the sponsor of the appearance reimbursed the corporation, no "gift" would be involved and there would be no reporting requirement under Rule 42.

If the corporation is neither a "prohibited source," nor a foreign national, and the corporation is not reimbursed, the transportation may be accepted but would have to be reported as a gift under Rule 42 if the aggregate value from that source exceeded $250 in the calendar year.

However, the Ethics in Government Act of 1978 (Public Law 95–521) requires that all Senators and certain specified Senate employees file a financial disclosure statement which includes the identity of the source and a brief description of "reimbursements," defined in section 107(8) as "any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual, other than those which are (A) provided by the United States Government, the District of Columbia, or any State or political subdivision thereof; (B) required to be reported under section 7342 of Title 5, United States Code (Foreign Gifts and Decorations Act); or (C) required to be reported under section 304 of the Federal Election Campaign Act of 1971," and aggregating $250 or more in value and received during the preceding calendar year. Thus, the Senator would be required to report a reimbursement of air travel expenses, if in the aggregate they were valued at $250 or more, provided by either the sponsor of the appearance or the corporation which has offered to provide its aircraft.

INTERPRETATIVE RULING NO. 211

Date issued: December 22, 1978.

Applicable Rule: 44.*

Question considered: Does Rule 44's limit on outside earned income apply to salary paid to a Member and his spouse for services rendered to a corporation in which the Member is the sole shareholder? The services rendered are managerial in nature and consume a minimal amount of the Member's time.

Ruling: This ruling is based upon and limited to the specific factual situation above, and the committee does not consider it as a precedent.

Senate Rule 44 limits outside earned income of a Member to 15% of his or her Senate salary in a calendar year. Subparagraph 3(b)(5) of that Rule provides that "outside earned income" does not include:

> income from family enterprises, if the services provided by the Senator, officer or employee are managerial or supervisory in nature, necessary to protect the interests in the family enterprise and do not consume significant amounts of time while the Senate is in session.

Based on the information provided, the Committee determined that, pursuant to Rule 44, subparagraph 3(b)(5), the corporation in question is a family enterprise, and the income for services performed by the Member for the corporation would not be considered outside earned income. The receipt of such income would, however, be reportable under Senate Rule 42.

The Committee noted that the restrictions in Rule 44 apply solely to the "outside earned income" of Members and certain Senate officers and employees; thus, the salary received by the Member's spouse would not be subject to the provisions of Rule 44.

INTERPRETATIVE RULING NO. 212

Date issued: December 22, 1978.

Applicable Rule: 43.

Question considered: May a Senate staff member accept travel on a private aircraft of a company having a direct interest in legislation before the Congress where the purpose of the travel is to enable the staffer to inspect the operation of the company's facilities as part of a factfinding tour?

Ruling: In Interpretative Ruling No. 35, dated June 28, 1977, the Committee determined that a Senator who is on an official business tour may accept travel on private aircraft and other travel expenses, including lodging and food, from a corporation having a direct interest in legislation, when the corporation's installation or property is the principal subject of the inspection tour, when the corporation is, at least in part, sponsoring the tour, and when the trip is for an official purpose.

In Interpretative Ruling No. 69, dated September 27, 1977, the Committee ruled that factfinding in connection with matters of direct interest to a Member, his constituents and the sponsoring organization is a service of public office, and the necessary travel expenses in connection with such a trip are excluded from the definition of a gift for the purposes of the limitations on gifts from prohibited sources under Rule 43. The Committee further determined that the acceptance of necessary expenses by a staff member designated by the supervising Senator would be permissible in such a situation.

Accordingly, the Committee ruled in this case that the staff member's acceptance of necessary travel expenses in connection with the described factfinding tour was permissible.

INTERPRETATIVE RULING NO. 213

Dated issued: December 22, 1978.

Applicable Rule: 45.

Question considered: Would there be a conflict of interest or the appearance of a conflict if a private company were to continue paying part of the salary of one of its employees while the employee worked full time for a one year period on the staff of a Senate committee with primary legislative jurisdiction over the activities of the company? Alternatively, would there be a possible conflict of interest if the employee retained his employment relationship with his private company and was also retained, and compensated, by the Senate committee as a part-time consultant?

Ruling: In the situation presented, a private profit-making organization would pay part of the salary of one of its employees for the individual's services as either a staff member or consultant to a Senate committee with legislative jurisdiction over the activities of the private organization. It is the opinion of the Committee that this arrangement might create the possibility of an actual conflict of interest or the appearance of such a conflict due to the jurisdiction of the Senate committee over matters of interest to the private company.

If the committee wished to hire the individual as a part-time consultant and pay him out of committee funds for his services to the committee, an appearance of a conflict of interest might arise since the individual would continue to retain his employment relationship with his private employer. The Committee recognizes that, in certain circumstances, an appearance of a conflict of interest arising from a consultant arrangement might be offset by a Senate committee's need to obtain specific expertise in a given area. The Committee will offer its guidance as to the propriety of such an arrangement where the specialized skills of a particular individual appear necessary.

INTERPRETATIVE RULING NO. 214

Date issued: December 22, 1978.

Applicable Rule: 43.

Question considered: May a Member of the Senate accept payment from an entity with a direct interest in legislation before the Congress for expenses he and his spouse incur during a two-day period following the Member's scheduled appearance before the entity? What limitations exist with respect to acceptance of such expenses?

Ruling: An organization with a direct interest in legislation pending before the Congress has invited a Senator to speak to the organization's annual convention and subsequently remain at the convention site for an additional number of days to attend various convention activities. The organization has offered to provide the necessary expenses of transportation, food, lodging and entertainment for the Senator and his spouse during the entire time that the Senator is at the convention. In addition, the Senator has scheduled a briefing by a department of the executive branch in the same city for the day following the conclusion of his appearance at the convention.

Under Senate Rule 43 a Member, officer or employee of the Senate may accept necessary travel expenses from the organization sponsoring his appearance. Such expenses are not deemed to be a gift for purposes of the reporting requirements of Senate Rule 42 nor are they subject to the limitations in Senate Rule 43 on gifts from organizations having a direct interest in legislation before the Congress. The Committee has ruled (Interpretative Ruling No. 89, dated November 21, 1977) however, that such necessary travel expenses would not include any expenses which are associated with unrelated, appearance or activities. Thus, if a second, unrelated, appearance requires additional expenses such as an extra night's lodging, the payment of these expenses by the sponsor of the first appearance would be deemed to be a gift for the purpose of the reporting requirements of Rule 42 and, if the sponsor is an organization having a direct interest in legislation before the Congress, the acceptance of any additional expenses would be subject to the prohibition in Rule 43 on gifts from such organizations aggregating in excess of $100 in a calendar year.

The Committee stated that, if the Senator had remained at the convention for the purpose of participating in convention activities, it would be permissible for the sponsor to cover the necessary expenses incurred in connection with his participation in these activities. If, on the other hand, the Senator had remained at the convention solely for the purpose of attending the Naval briefing, or any other unrelated activity, the additional expenses would be deemed to have been incurred in connection with the second activity and, if paid by the sponsor of the first appearance, would be subject to the provisions of Senate Rules 42 and 43, as noted above.

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*Note: S. Res. 93 changed the effective date of Rule 44 of January 1, 1983.

Interpretative Ruling No. 215

Date issued: December 23, 1978.

Applicable area: Nepotism.

Question considered: An individual considering employment in a Member's office asked if it would be permissible to accept the position since the spouse of the Member is a cousin of one of the individual's parents.

Ruling: This Committee is not charged with the responsibility of enforcing Section 3110 of Title 5 of the United States Code, which prohibits a public official (including Members of Congress) from employing or advocating the employment of a relative in the agency in which he is serving. An office, agency or other establishment in the legislative branch is included within the definition of agency. However, the Committee noted that, for the purposes of Section 3110, a "relative" is defined as:

". . . an individual who is related to the public official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, brother-in-law, sister-in-law, stepfather, step-mother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister."

Thus, the stated relationship to the Member would not fall within the prohibitions of Section 3110.

Moreover, based on the facts described, the Committee was of the opinion that employment in the Member's office would not constitute improper conduct which may reflect upon the Senate, nor would it present the appearance of a conflict of interest.

Interpretative Ruling No. 216

Date issued: January 5, 1979.

Applicable area: Foreign Gifts and Decorations Act.

Question considered: When a Senator is visiting a foreign country on official business, may he accept transportation, lodging and hospitality from the host country in order to visit areas within that country when no commercial transportation service is available or in circumstances when it would be an affront to the host government to refuse the hospitality?

Ruling: The Foreign Gifts and Decorations Act, 5 U.S.C. section 7342, permits the acceptance from foreign governments of gifts of travel or expenses for travel taking place entirely outside the United States if such acceptance is appropriate, consistent with the interests of the United States and is permitted by the Senate Select Committee on Ethics (as the employing agency for Members, officers and employees of the Senate).

The Committee found that the acceptance of such gifts of travel or expenses for travel (including transportation, food and lodging), under the circumstances described above would be appropriate and consistent with the interests of the United States.

Within 30 days after any Member, officer or employee of the Senate (or his or her spouse or dependents) has accepted travel or travel expenses for travel taking place entirely outside the United States, such Member, officer or employee must file a statement of information with the Select Committee. The Committee's "Dear Colleague" letter of December 12, 1978 sets forth the items to be included in filing that statement.

Interpretative Ruling No. 217

Date issued: January 15, 1979.

Applicable rules and area: 42*, 43, Ethics in Government Act of 1978.

Question considered: May a group of Senate employees, who work for different Senators and Senate committees but share responsibilities for energy issues, accept an invitation from an oil producers group and a local Chamber of Commerce to attend a meeting to discuss energy problems and potential legislation, where the Chamber has offered to provide all of the necessary expenses connected with the meeting?

Ruling: Rule 43 on Gifts excludes from the definition of a gift the payment of the necessary expenses of the performance of services for an organization by a Senate staff assistant, incident to his official duties, including travel, food and lodging, if those expenses are paid by the organization for which the services are performed.

Fact finding in connection with matters of direct interest to Members and committees of the Senate, sponsored and paid for by organizations such as a local Chamber of Commerce, is directly related to the Senate duties of staff persons working for such Members and committees.

Accordingly, the acceptance of the invitation and related necessary expenses from the Chamber of Commerce would not be in violation of Rule 43, nor reportable under Rule 42, as long as the Senate employees are providing some service or making some appearance on behalf of the Chamber of Commerce.

The Committee noted that any staff member required to file under Public Law 95–521 must report the identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value during a calendar year.

Interpretative Ruling No. 218

Date issued: January 15, 1979.

Applicable rule: 45.

Question considered: What are the restrictions on a former Senate employee's communicating with the Members and staff of a committee for which he used to work? The employee plans to begin the practice of law, and his responsibilities might include occasional discussions with Senators on behalf of a client regarding certain policies of interest to the client.

Ruling: A Senate committee staffer who leaves a committee position and becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or is retained by such a registered lobbyist for the purpose of influencing legislation is prohibited by paragraph 10 of Rule 45 from lobbying Members and staff of the committee for which he or she worked for one year after leaving the committee position. "Lobbying" is defined in paragraph 11(c) of Rule 45 as any oral or written communication to influence the content or dispostion of any issue before Congress.

The Federal Regulation of Lobbying Act of 1946 applies to "any person . . . who . . . receives money or any other thing of value to be used principally to aid, or the principal purpose of which person . . ." is to aid or influence the passage or defeat of any legislation by the Congress of the United States (2 U.S.C. 266) and is not applicable to those persons having only an incidental purpose of influencing legislation (*United States* v. *Harriss*, 347 U.S. 612, 622 (1954).) One who does not meet the "principal purpose" test of the Lobbying Act (i.e., who has only an incidental purpose of influencing legislation) is not required by the Act to register as a lobbyist; consequently, the restrictions of paragraph 10 would be inapplicable to such persons.

However, failure to register under the Lobbying Act when required to do so would not render inapplicable the restrictions in paragraph 10. The Committee believes that if one is engaged in the types of activities regulated by the Lobbying Act, but fails to register under that Act, paragraph 10 of Rule 45 would nevertheless apply to such a person.

The Committee notes for your information that it has previously ruled* that if one or more partners or an associate of a law firm is a lobbyist, then a former Senate employee, if hired in any capacity by that firm, is subject to the one year lobbying restrictions.

Interpretative Ruling No. 219

Date issued: January 15, 1979.

Applicable Rule: 44.**

Question considered: What are the limits on honoraria donated to a charity selected by the payor?

Ruling: Consistent with 2 U.S.C. 4411, an honorarium is not considered to have been accepted if the speaker makes a suggestion that the honorarium be given to a charity or other like beneficiary of the payor organization's own choosing. Moreover, the Committee as previously ruled*** that if an honorarium payable to a person is paid instead at his request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person, that person will not be deemed to have accepted an honorarium for the purposes of Rule 44. This ruling is consistent with 2 U.S.C. 441i, as amended in December, 1977.

However, if the speaker himself directs that the honorarium be paid to a particular charity or to a charitable organization selected by the payor from a list of less than five provided by the speaker, then the limits of Rule 44 (effective January 1, 1979) would be applicable. That is, the limit for Senators for each honorarium so disposed of would be $1,000 as provided in paragraph 2(a) of Rule 44, and the aggregate calendar year limit would be $25,000 as provided in paragraph 2(c) of Rule 44.

Interpretative Ruling No. 220

Date issued: January 24, 1979.

Applicable Rule: 46.

Questions considered: May a Senator accept and use audio and visual tapes which belonged to former Members of Congress? May a Senator accept two free newspaper subscriptions each of which is worth in excess of $100 per yearly subscription?

Ruling: Senate Rule 46 prohibits the acceptance of funds (other than personal and campaign funds) from outside sources to defray expenses incurred by a Senator in connection with official duties. This prohibition includes in-kind contributions of goods and services.

However, exceptions to the rule have been allowed for foods and services provided to a

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*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*Interpretative Ruling No. 92, dated December 22, 1977.

**Note: S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***See Interpretative Ruling No. 9, dated May 11, 1977, Interpretative Ruling No. 28, dated June 7, 1977 and Interpretative Ruling No. 186, dated October 11, 1978.

Member by other Members of Congress and by agencies of the Federal governments.* The use of tapes belonging to the former Member would be permissible since it falls within the exception for goods provided by other Members. The acceptance of free newspaper subscriptions, however, would be a violation of Rule 46.

Interpretative Ruling No. 221

Date issued: January 29, 1979.

Applicable Rules: 42**, 43, 45.

Question considered: May a Senate staff member travel to Paris for an international conference at the expense of a United States association that is also taking part in the conference? The staff member's supervisor has given his approval for the trip.

Ruling: Both Rule 43, which prohibits the acceptance of certain gifts, and Rule 42, which requires the reporting of gifts, exempt from the definition of "gift" the necessary expenses of travel incident to the performance of one's Senate duties, if paid for by a domestic organization for which the services are performed.

With respect to Rule 45 (Conflict of Interest), the Committee has ruled that it is the responsibility of one's supervisor to make the initial judgment that an outside activity presents no conflict of interest either with respect to the time required to engage in the activity or due to the nature of the activity itself. Based upon the facts presented, this Committee has no reason to disagree with the supervisor's approval of this trip.

Interpretative Ruling No. 222

Date issued: January 30, 1979.

Applicable Rule: 49.

Question considered: May a Senate staff member serve as a member of the board of directors of a political action committee which is primarily concerned with fundraising activity for the campaigns of Senators other than the Senator by whom the staff member is employed?

Ruling: Rule 49 states that, in general, no Senate employee may "receive, solicit, be the custodian of, or distribute" funds in connection with any campaign for Federal office.

Based upon the staff member's description of the duties and responsibilities of a board member the Committee was of the opinion that a staff member in this position would be required to become a custodian of and/or distribute funds in connection with Federal campaigns.

The intent of Rule 49 is to prohibit Senate employees from raising funds for a political campaign unless designated to do so by the Senator in his or her behalf. The Committee has previously ruled*** that it would be a violation of Rule 49 for a Senate employee to serve as a chief administrative officer of an organization whose primary, if not sole, purpose is to solicit campaign contributions. Although Rule 49 authorizes a Senator to designate two employees to become involved in political fund activity on his or her behalf, a staff member is still prohibited from serving as a member of the board of directors of a political action committee if the fundraising activity is primarily for the campaigns of Senators other than his/her Senate supervisor.

Interpretative Ruling No. 223

Date issued: January 30, 1979.

Applicable Rule: 49.

Questions considered: Are the Committee's prior rulings which interpret Rule 49 to allow the two designated employees of a Senator to engage in limited political fund activity only on behalf of their own Senator a correct interpretation of Rule 49?* If so, does this limitation apply if the Senator specifically instructs his designated employees to assist in fundraising activities on behalf of other candidates or committees?

Ruling: The Committee has considered this request, and has reviewed the rulings in question. It is the opinion of the Committee that the earlier rulings correctly interpret Rule 49. The Committee believes the Rule does not permit political fund activities by designated Senate employees on behalf of anyone other than their employing Senator, even if their Senator were to instruct them to assist other Federal candidates in fundraising activities.

The Committee's interpretation is based on both the specific provisions of Rule 49 and its legislative history. The language of paragraph 1 of Rule 49 was originally adopted by the Senate in 1968 as former Senate Rule 43 (1968–1977). The Select Committee on Standards and Conduct, the predecessor to this Committee, stated in recommending adoption of the provision that a narrow exception was necessary to permit a Senate employee to open mail addressed to his or her Senator and transmit any enclosed contributions without violating the Rule, however, the intent was that the exception be strictly construed. *See* S. Rept. No. 1915, 90th Cong., 2d Sess. 19 (1968). Both the prohibition and exception were again adopted by the Senate on April 1, 1977 as part of the new Code of Conduct. Rule 49, S. Res. 110, 95th Cong., 1st Sess. In the report accompanying S. Res. 110 it was noted that the Rule bars political fund activities in connection with all campaigns for Federal office, yet "reflects the reality that a Senator's office can not be fully insulated from the fundraising process." S. Rept. No. 49, 95th Cong., 1st Sess. 50 (1977). However, concern over the possible misuse of official staff for campaign purposes prompted the Senate to request that the Committee on Rules and Administration report proposals to prohibit such misuse. S. Res. 110. Title III, Section 308.

The Committee further notes that, in addition to the restrictions on campaign activity imposed under Senate rule, there are also statutory prohibitions against certain types of political activity by Senate employees. *See* 18 U.S.C., Sections 602, 603, and 607.

Interpretative Ruling No. 224

Date issued: January 30, 1979.

Applicable Rule and Area: 49, Ethics in Government Act of 1978.

Question considered: Should the Committee waive the applicability of the Code of Official Conduct, pursuant to paragraph 5 of Rule 49, with respect to several individuals hired by a Senate committee for a limited period on a per diem basis?

Ruling: The Committee believes that based upon the unique qualifications of the individuals who will be performing services for the committee and the limited time period of such employment, a waiver from the applicability of the Code of Official Conduct is appropriate.

The Committee does, however, note that the Ethics in Government Act of 1978, Public Law 95–521, requires that any individual who is an officer or employee of the legislative branch during any calendar year and performs the duties of his position of office for a period in excess of sixty days in that calendar year and who is compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS–16 of the General Schedule must file a financial disclosure statement with the Secretary of the Senate on or before May 15 or the succeeding year. If a reporting individual were to begin his duties on or after January 1, 1979, section 101(c) of the Act would require such an individual to file a "limited" financial disclosure statement within 30 days of assuming the new position. While this requirement is apparently ambiguous with respect to the requirement of section 101(c) of the Act that disclosure need only be made by those individuals who perform the duties of their positions for more than 60 days in a calendar year, the Select Committee has interpreted section 101(c) to only require limited disclosure, within 30 days of assuming their positions by those employees who begin work on or after January 1, 1979 and who have committed themselves to work or who reasonably believe that they will be working for more than 60 days in the calendar year.*

Should circumstances change after these individuals begin their assignments with the Senate committee, and they either make a specific commitment or come to reasonably believe that they will be working for 60 days or more, these individuals would be required to file disclosure statements pursuant to section 101(c) of the Act immediately upon learning of the changes in their employment arrangements. The Act defines an "officer or employee of the Senate" as an individual, other than a Senator or the Vice President, whose compensation is disbursed by the Secretary of the Senate. The Act contains no authority by which this Committee could grant a waiver of the reporting requirement.

Interpretative Ruling No. 225

Date issued: January 30, 1979.

Applicable Rule: 44.**

Question considered: Is the 15 percent earned income limitation of Rule 44 computed on a Senator's base salary or on his actual Senate salary, which might include an additional premium paid to those Senators who hold leadership positions?

Ruling: The 15 percent outside earned income limitation is computed on a Senator's base salary.

Paragraph 1(1) of Rule 44 states that, in the case of a Senator, the aggregate amount of "outside income" shall not exceed 15 percent "the aggregate amount of base salary paid to Senators and disbursed by the Secretary of the Senate. . . ." Senate Report 95–49, which accompanied Senate Resolution 110, the Code of Official Conduct, states at page 37, in discussing the 15 percent outside earned income limitation applicable to a Senator, that "For Senators the 15 percent is calculated by the Senator's base salary."

This interpretation is supported by statements made during a colloquy between several Senators on February 23, 1977 while in a "mark-up" session of the Special Committee on Official Conduct relative to Senate Resolution 110. The transcript of that meeting indicates that the computation was to be made on a Senator's base salary and that all Senators were to be treated equally in this computation, with the recognition that such a computation would, of necessity, discriminate against those Senators who hold leadership positions and receive a premium for such activities.

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*_See_ Interpretative Rulings No. 72, dated September 29, 1977, No. 195, dated October 18, 1978 and No. 196, dated October 26, 1978.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***See Interpretative Rulings No. 32, dated June 17, 1977 and No. 45, dated July 20, 1977.

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*See Interpretative Rulings No. 32, dated June 17, 1977, and No. 45, dated July 20, 1977.

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*Subsequent to this ruling, the interpretation was enacted as an amendment to the Ethics in Government Act of 1978 by Public Law 96–19.

**The Senate in S. Res. 93 (96th Cong.) on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

Interpretative Ruling No. 226

Date issued: January 30, 1979.

Applicable rule: 46.

Question considered: May a Member use excess campaign funds from his or her principal campaign committee to defray the cost of moving to Washington, D.C., as a newly-elected Senator, as well as the cost of holding receptions and breakfasts for constituents?

Ruling: The use of excess campaign funds is governed by both the Federal Election Campaign Act and Senate Rule. 2 U.S.C. 439a permits such funds to be used for any lawful purpose, including the ordinary and necessary expenses incurred in connection with one's duties as a holder of federal office. In addition, Senate Rule 46 allows Senators to defray office expenses from "funds derived from a political committee;" however, no campaign contributions may be converted to the personal use of any Member. "Personal use," as that term is used in Rule 46 does not include reimbursement of "expenses incurred by a Member in connection with his official duties."

The Committee considers that for the purpose of Rule 46, both the cost of moving to Washington, D.C., as a newly-elected Senator and the cost of holding receptions and breakfasts as a public service to constituents are the kinds of expenses which are incurred by a Member in connection with his or her official duties. Consequently, excess campaign funds from a Member's principal campaign committee may be used to pay these expenses, either directly or as reimbursements should the Member pay the expenses from personal funds.

The Committee notes that this interpretation of paragraph 2 of Rule 46 has no bearing on the question of what kinds of expenses are "official expenses" as that term may be defined by the Senate Rules Committee or the Senate Disbursing Office for the purpose of making reimbursements to Members from Government funds. In fact, the Committee understands that Government funds may not be used to reimburse a newly-elected Member for expenses incurred when moving to Washington, D.C.

The Committee expresses no view as to the consequences of this proposal under Section 217 of the Internal Revenue Code.

Interpretative Ruling No. 227

Date issued: January 30, 1979.

Applicable rule: 45.

Question considered: May a Senate employee, whose Senate subcommittee responsibilities include work on oversight and authorization legislation concerning the Federal Government's school lunch program, undertake outside professional activity in the form of service on an advisory committee of a department of a state government? The department promotes the use of agricultural products grown in the state through various school nutrition programs.

Ruling: The advisory committee has been established to review educational materials and to comment on proposed projects for the department relative to a state sponsored program which relies, in part, upon Federal assistance. The Federal assistance is authorized by legislation which is handled by the employee's subcommittee. The department has proposed to provide the Senate employee with an "honorarium" of $500 and expenses, for the employee's attendance at each meeting of the advisory committee.

While the remuneration to be provided by the department is characterized by the payor as an "honorarium," the Committee considers the arrangement to be compensation for recurring professional services.

Paragraph 2 of Rule 45 directs that no employee of the Senate shall engage in any outside professional activity or emplyoment for compensation which is inconsistent or in conflict with the conscientious performance of that employee's official duties. In this factual situation, the Committee ruled that because of the nature of the employee's responsibilities with the employing Senate subcommittee, acceptance of the invitation to serve on the advisory committee could lead to an actual conflict or the appearance of a conflict of interest with the employee's conscientious performance of Senate duties.

Interpretative Ruling No. 228

Date issued: February 7, 1979.

Applicable rule: 44[*].

Questions considered:

(1) Will honoraria donated to an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended, be treated for the purposes of Senate Rule 44 in the same manner as such honoraria are treated for Federal income tax purposes?

(2) When a Senator donates an honorarium to a charitable organization may the Senator request the payor organization to indicate to that charitable organization the name of the individual who made the appearance or speech or wrote the article? In addition, may a Senator ask that the honorarium be donated to a charitable organization in the name of another person?

Ruling: The Committee has determined that an honorarium payable to an individual who is a Member, officer or employee of the Senate will be deemed not to have been accepted by the individual for the purposes of both the per appearance and the annual aggregate limitations imposed under Senate Rule 44 if the individual asks that the honorarium be given (a) to a charitable organization of the payor organization's own choice; or (b) to a charitable organization selected by the payor from a list of five or more charitable organizations provided by the individual.[**] For the purposes of this Rule a charitable organization is one described in Section 170(c) of the Internal Revenue Code. This is consistent with the provisions of 2 United States Code 4411, as amended December 1977. As noted in Interpretative Ruling No. 9, issued May 11, 1977, the Committee recognizes, however, that there is a likelihood that these honoraria would be includable in gross income for Federal income tax purposes and would be deductible from gross income under Section 170 of the Internal Revenue Code if donated to a tax-exempt organization as described above.

In response to question No. 2, the Committee is of the opinion that neither of these procedures would constitute control over the selection of the recipient such that the honorarium would be deemed to have been accepted for the purposes of Rule 44 so long as the recipient is either selected by the payor organization itself or from a list of five or more charities submitted to the payor by the individual.

Interpretative Ruling No. 229

Date issued: February 7, 1979.

Applicable rules: 42[†], 44[††], 45.

Question considered: May a Senate committee staff member rewrite a chapter of a legal manual, which work will be done after regular office hours and for which compensation will be $300? The Committee for which the staff member works has no oversight or authorization responsibilities for the funding of the program for which the manual is being written.

Ruling: The Committee is of the opinion that the Code of Official Conduct does not preclude this activity. Payment received for rewriting a chapter would be considered an "honorarium" and therefore would be subject to provisions of Rule 44, which limits the amount of compensation certain individuals may receive, and Rule 42, which requires disclosure of such compensation.

Interpretative Ruling No. 230

Date issued: February 23, 1979.

Applicable area: Code of Official Conduct.

Question considered: May a Senator remain on a seniority list maintained by a former employer? The Senator would no longer be considered an employee, would receive no compensation or other benefits, and would not be serving on any committee or subcommittee having legislative or oversight responsibilities for the former employer's industry.

Ruling: Given the above circumstances the Committee is of the opinion that such an arrangement neither violates any provision of the Senate Code of Official Conduct, nor would it appear to give rise to an actual or apparent conflict of interest.

Interpretative Ruling No. 231

Date issued: February 26, 1979.

Applicable area: Franking.

Question considered: May a Senator use the mailing frank to send a statement and an excerpt from the Congressional Record concerning the District of Columbia voting rights amendment to state legislators throughout the country?

Ruling: Section 3210(a)(3)(A) of Title 39 of the United States Code authorizes the franking of mail matter "to any person and to all agencies and officials of Federal, State and local governments regarding programs, decisions, and other related matters of public concern or public service, including any matter relating to actions of a past or current Congress." In addition, section 3210 (a)(3)(E) specifically authorizes the franking of "mail matter directed by one Member of Congress to another Member of Congress or to representatives of the legislative bodies of State and local governments."

The Committee ruled that the material is frankable mail matter under Section 3210 since it directly pertains to matters affecting the functioning, working or operating of the Congress and relates to actions of a past Congress.

Interpretative Ruling No. 232

Date issued: March 2, 1979.

Applicable rule: 48.

Question considered: Is an elected member of the Agricultural Stabilization and Conservation Service considered to be a "government official" as that term is used in Senate Rule 48 for purposes of the provisions relating to mass mailings?

Ruling: In its Interpretative Ruling No. 117, dated April 10, 1978, the Committee defined "government officials", as used in Rule 48, paragraph 4, as follows: Government officials (whether Federal, State or local) include any elected or appointed officials of the United States and of any state or territory or a political subdivision thereof.

The Committee understands that, under 16 U.S.C. 590h(b), members of the A.S.C.S. are either popularly elected, elected by local, county or state A.S.C.S. committees, or appointed by the Secretary of Agriculture. Therefore, members of the Agricultural Stabilization and Conservation Service would fall under the definition of "government official" and thus mass mailings addressed to them would not be required to be registered under Rule 48, paragraph 3.

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[*] The Senate in S. Res. 93 on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

[**] See Interpretative Ruling No. 28, dated June 7, 1977.

[†] Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

[††] S. Res. 93 (96th Cong.) changed the effective date of Rule 44 to January 1, 1983.

INTERPRETATIVE RULING No. 233

Date issued: March 9, 1979.

Applicable rule: 45.

Question considered: May a lawyer continue to represent several clients in connection with certain cases after that individual has become a Senate employee? The cases in question are either personal injury cases or matters relating to estate planning and administration. The cases do not conflict with the employee's work for the Senator and the work will not be done during regular Senate office hours.

Ruling: Senate Rule 45.3 requires the supervisor of a Senate employee to make the initial judgment as to whether a proposed outside activity would present a conflict of interest because of either the time required by the activity or the nature of the activity itself. Paragraph 3 of Rule 45 further requires the supervisor to take such steps as he considers necessary for the avoidance of conflict or interference with duties to the Senate. Senate Rule 45, paragraph 6, provides that no Member or Senate employee compensated at a rate in excess of $25,000 a year and employed in excess of 90 days in a calendar year may:

(a) affiliate with a firm, partnership, association, or corporation for the purposes of providing professional services for compensation; (b) permit the individual's name to be used by such a firm, partnership, association or corporation; or (c) practice a profession for compensation to any extent during regular office hours of the Senate office in which employed.

As the Committee noted in a previous interpretative ruling,* this provision restricts, but also contemplates, some practice outside office hours or on annual leave time.

In this particular situation, the Committee believes that it would not be improper for the Senate employee to finish work on those cases which have been described so long as the individual does so as a sole practitioner of law, i.e., not in connection with a law firm. Specifically, the employee's name may not be used by a law firm nor should he participate in any partnership proceeds of a law firm for work done by him after he has begun Senate employment. In addition, after beginning work as a sole practitioner, it would not be deemed improper for him to distribute to the law firm a portion of any fees earned in connection with those cases begun when he was a partner of the firm, if that portion of the fees distributed to the firm is pursuant to a financial arrangement which existed before he left the firm.

INTERPRETATIVE RULING No. 234

Date issued: March 14, 1979.

Applicable rules: 42**, 43.

Question considered: May a Senate employee accept an invitation to visit a foreign country at the expense of a private, nonprofit foreign organization for the purpose of attending meetings with local business leaders and government officials to discuss matters relating to the employee's official Senate duties?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts exceeding $100 in value from a foreign entity. However, the definition of "gift" does not include payments for which consideration of equal or greater value is received by the donor. The Committee finds that the staff member's participation in the meeting sponsored by the organization would constitute consideration for the travel expenses to be paid by the organization. Under these circumstances, the acceptance of the travel expenses would not be prohibited by Rule 43.

The expenses received in connection with this trip must be reported as earned income under Senate Rule 42. Furthermore, if the employee is required to file a financial disclosure statement under P.L. 95-521, Ethics in Government Act of 1978, he will be required to report the identity of the source and a brief description of reimbursements received from any source with an aggregate value of $250 or more for the calendar year.

Additionally, the Foreign Gifts and Decorations Act (5 U.S.C. Section 7342) limits the acceptance by Members, officers and employees of the United States Senate (and their spouses and dependents) of certain tangible gifts and gifts of travel or expenses for travel from a foreign government. Certain reporting requirements are imposed upon Members, officers and employees who accept gifts from a foreign government pursuant to the provisions of the Act.

INTERPRETATIVE RULING No. 235

Date issued: March 15, 1979.

Applicable rules: 42*, 44.

Question considered: Do the proceeds from the sale to a national magazine of a series of photographs taken by a Senator fall within the definition of "outside earned income" under Rule 44, paragraph 3(b)?

Ruling: On March 8, 1979, the Senate passed S. Res. 93, which changed the effective date of Rule 44 to January 1, 1983. Consequently, there are no current limits on the amount of outside earned income a Member, officer or employee of the Senate may earn, except for those limits on honoraria which may be accepted under 2 U.S.C. 441i. Outside income is reportable each year under Senate Rule 42.

INTERPRETATIVE RULING No. 236

Date issued: March 19, 1979.

Applicable area: Franking.

Question considered: What is the definition of a "page" for purposes of the personal reference rule in the franking regulations which limits personally phrased references to a Senator in a franked mailing to no more than five per page?

Ruling: The Committee has determined that a "page", for purposes of the limitation on the number of personally phrased references to a Senator in a franked mailing, is each side of an 8½"×11" or 8½"×14" sheet of paper, irrespective of the number of folds utilized in the design of the matter mailed. Thus, if a newsletter is on a legal-size sheet of paper and has print on both sides, it would be a two-page newsletter for purposes of the franking regulations, even if the paper were folded to resemble a four-page "pamphlet". The Committee notes that this interpretation is in accord with the definition of a sheet of paper used by the Committee on Rules and Administration for purposes of Members' paper allowances.

INTERPRETATIVE RULING No. 237

Date issued: March 21, 1979.

Applicable area: Code of Official Conduct.

Question considered: Is it proper for a Senator to contact a Bankruptcy Judge to endorse a motion submitted to the Judge by a group of constituents?

A corporation doing business in the Senator's state is undergoing reorganization proceedings under the Bankruptcy Act. An association of employees and users of the corporation's services in the state has filed a motion to intervene in the Bankruptcy Court proceedings, and the Senator states that the association has asked him to contact the Bankruptcy Judge to express his support for the motion. The Member also states that while he supports the intervention by the association on its merits, he is concerned that direct involvement might be an improper use of Senatorial influence.

Ruling: The Member does not indicate that he intends to become a party in the matter or that he intends to submit an *amicus curiae* brief in conformity with the Court's rules of procedure. Accordingly, the Committee determined that it would be improper for the Member to contact the Bankruptcy Judge in the manner outlined.

INTERPRETATIVE RULING No. 238

Date issued: March 26, 1979.

Applicable rule and area: 45, Ethics in Government Act of 1978.

Questions considered: Would there be an actual or apparent conflict of interest if a committee were to hire, on a per diem basis for a maximum of 60 days, an attorney from a law firm to work exclusively on a single piece of legislation? The attorney would have no other duties or responsibilities as regards any other legislation which might come before the committee. If neither an actual nor an apparent conflict were found would a waiver from the applicability of paragraph 10 of Rule 45, the post-employment lobbying restriction, be appropriate?

Ruling: The Select Committee was informed of the following facts and made the following determinations with respect to thoso facts: (1) that in the past, certain individuals in the attorney's law firm had been registered under the Regulation of Lobbying Act of 1946; the Select Committee determined that neither the attorney nor any other person associated with his firm were currently registered; (2) that the attorney currently serves as outside counsel to a tax-exempt organization which is engaged in a number of public policy research studies, including one in the area of products liability; the Select Committee determined that while legislation affecting products liability laws has been introduced in the past and may be reintroduced in the current Congress, any legislation would not be referred to the attorney's committee, the tax-exempt organization would have no financial interest in such legislation, the organization is restricted by the Internal Revenue Code with respect to its lobbying activities, and the attorney's duties with the committee would not involve any work or products liability legislation; (3) that the attorney represents several beneficiaries of a trust which has an interest in a Federal condemnation proceeding now underway in a state; the Select Committee determined that while the bulk of funds necessary to effect the condemnation had already been appropriated, an additional appropriation might be sought during the current year and that if this were the case, the attorney's committee would have no responsibility for such an appropriation; (4) that the attorney's law firm is representing a client who is pursuing a claim against the United States for the death of the spouse and the firm may seek the introduction of a private bill of relief in the Senate; the Select Committee determined that if such a private relief bill were introduced, although it would be referred to the attorney's committee, the firm agreed that any recovery from such a private bill would be handled on a

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* Interpretative Ruling No. 70, dated September 29, 1977.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

"pro bono" rather than contingent fee basis and the attorney would not involve himself in any way with the committee's review of the matter.

Based upon these factual determinations. the Select Committee ruled that it did not appear that the attorney's duties to his law firm would present either an actual conflict or the appearance of a conflict of interest with his responsibilities to the committee which proposes to hire him. However, the Select Committee reminded the inquiring Senator, who would supervise the attorney, that paragraph 3 of Rule 45 on Conflict of Interest prohibits a Senate employee from engaging in any outside business or professional activity or employment for compensation unless he has described such activity in writing to his supervisor. The rule also places a continuing responsibility on the supervisor to take such action as is necessary for the avoidance of conflict of interest. Thus, any change in the attorney's activities, or those of his law firm and its clients, would be a critical consideration during the time the attorney is employed by the committee.

The Select Committee also addressed the request for a waiver of the post employment lobbying restriction found in paragraph 10 of Rule 45, which is applicable to all Senate employees, including those who are hired as consultants on a per diem basis. Paragraph 5 of Rule 49 authorizes the Select Committee, in its discretion, to grant waivers from the applicability of any provision of the Code of Official Conduct to an employee hired on a per diem basis, "in exceptional circumstances for good cause shown." Should circumstances arise during the period of the prohibition of paragraph 10 of Rule 45, the Committee stated it would consider the appropriateness of a waiver. The Committee said it did not believe a waiver was intended to be used as an inducement to employment against the possibility that an exceptional circumstance might arise at some future time.

The Select Committee also reminded the inquiring Senator that Section 101(c) of the Ethics in Government Act of 1978, Public Law 95-521, requires that a reporting individual who begins his duties with the legislative branch on or after January 1, 1979, must file a "limited" financial disclosure statement within thirty days of assuming the new position. However, the Select Committee has interpreted this provision to apply to employees who have committed themselves to work or who reasonably believe that they will be working for more than sixty days in the calendar year.* The Select Committee stated that should circumstances change and the attorney in question becomes aware that he would be working for more than 60 days, he would become obligated to file the required financial disclosure statement immediately upon learning of the changes in his employment arrangement.

In response to his specific request that any additional Federal laws or regulations pertaining to the hiring of the attorney be cited, the Senator was informed that 18 U.S.C. 203(a)(2), a criminal statute under the jurisdiction of the Department of Justice, would appear to restrict officers and employees of the United States (including the legislative branch) from involvement in proceedings in which the United States is a party. However, the Select Committee noted that the statute provides an exception for certain individuals who are defined as "special government employees", and that the Senator might wish to consider whether the attorney would fall within that status and thus not be subject to the limitation.

Interpretative Ruling No. 239

Date issued: March 26, 1979.

Applicable rules: 42*, 48.

Question considered: May a Senator use the Senate computer facilities to record information necessary for disclosing the receipt of gifts under Senate Rule 42?

Ruling: Rule 48, paragraph 5, prohibits the use of the Senate computer facilities to store, maintain, or otherwise process lists of names and addresses which identify individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation. The Committee has previously ruled * * * that this requirement means that records may not be sorted selectively with the intent of targeting mailings to likely election supporters.

With regard to the keeping of records and administrative details necessary to ensure compliance with the financial disclosure rule, the Committee has ruled*** that staff members may assist a Senator with these duties to the extent reasonably necessary to assure compliance with the rule, since such compliance is a Senate duty.

Likewise, the Committee believes that, if authorized by the Rules Committee, the storing and processing of information for reporting the receipt of gifts under Rule 42 would not be prohibited by Rule 48, paragraph 4, so long as no political designations were included in the data and the records were not used to target mailings for partisan political purposes.

Interpretative Ruling No. 240

Date issued: March 29, 1979.

Applicable area: Foreign Gifts and Decorations Act.

Question considered: Under what circumstances may a Senator accept a decoration from a foreign government?

Ruling: The Constitution of the United States provides, in Article I, Section 9, Clause 8, that no officer or employee of the Federal government shall accept any gift or decoration from any foreign state "without the consent of the Congress."

Under the Foreign Gifts and Decorations Act (5 U.S.C. Section 7342) (the Act), Congress has consented to the accepting, retaining and wearing of decorations by employees of the United States, subject to the approval of the employing agency, which are "tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance." Without the approval of the employing agency, a decoration is deemed to have been accepted on behalf of the United States, and becomes the property of the United States. The decoration must then be deposited with the employing agency within sixty days of its acceptance.

The Select Committee on Ethics has been designated as the employing agency under the Act for Members, officers and employees of the United States Senate for the purpose of approving the accepting, retaining, and wearing of decorations. In the opinion of the Committee, a judgment as to whether the decoration meets the statutory standard cited above can best be made after it has had an opportunity to review the citation accompanying the award of the decoration. The Committee believes, therefore, that it would be appropriate to receive the decoration with the understanding that the question as to whether the decoration may be retained or worn will be made by the Committee upon its receipt of a copy of the citation or such other supporting documentation as may be available.

Interpretative Ruling No. 241

Date issued: March 29, 1979.

Applicable rules: 46, 48.

Question considered: Is it permissible for a non-profit, non-partisan educational and business organization to print and affix mailing labels to envelopes bearing a Senator's frank to be used in a mass mailing to members of that organization in that Senator's state?

Ruling: Senate Rule 48.2 requires that only official Senate funds be used "to purchase paper, to print, or to prepare any mass mailing material which is to be sent out under the frank." In addition, Senate Rule 46 prohibits the use of funds or in-kind contributions of goods or services from sources other than those enumerated in the Rule to defray expenses incurred by the Member in connection with his official duties.

The Committee has ruled that in-kind services provided by Federal agencies are not subject to the prohibitions discussed above of Rule 46 or of Rule 48.2 if such services are generally available to all Members of the Senate.* However, these exceptions to Senate Rule 46 and Rule 48 would not be applicable in this situation. Accordingly, a Senator must reimburse an outside organization, out of official Senate allowances, for the reasonable cost of the labels and of the printing and labeling services provided by that organization in connection with a franked mass mailing.

The Committee further notes that, in Interpretative Ruling No. 66, dated September 26, 1977, it ruled that the affixing of mailing labels, by an outside organization, on franked envelopes which previously had been stuffed and sealed in the Senate would constitute a transfer of franked envelopes in violation of Section 3215 of Title 39 of the United States Code. That provision states that "a person entitled to use a frank may not lend it or permit its use by any committee, organization, or association "not itself entitled to use the frank." In the Committee's view, the opportunity for misuse or diversion of franked envelopes, even though previously stuffed and sealed by the Senate Service Department, is so great as to be tantamount to a loan of the frank.

The Committee has also ruled in Interpretative Ruling No. 196, however that it would be permissible for labels to be affixed by an outside organization to unstuffed and unsealed franked envelopes so long as the labeling process is carried out under the supervision of a member of his staff and in such a manner as to avoid any misuse which could constitute an improper loan of the frank. The franked envelopes should then be returned to the Senate under the supervision of a Senate staff member for stuffing and mailing.

The Committee also points out that in preparing any mail matter to be sent out under the frank, care must be taken to avoid giving the impression that the outside organization is in any way sponsoring the mailing, since to do so would constitute an improper loan of the frank.

Interpretative Ruling No. 242

Date issued: March 29, 1979.

Applicable area: Advisory Opinion on Use of Letterhead.

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*Subsequent to this ruling, the interpretation was enacted as an amendment to the Ethics in Government Act of 1978 by Public Law 96-19.

* Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

** See Interpretative Ruling No. 44, dated July 18, 1977.

*** See Interpretative Ruling No. 60, dated September 13, 1977.

*Interpretative Ruling No. 196, dated October 26, 1978.

Question considered: May a Senate employee use his official Senate title on the letterhead of a mailing which solicits funds for a college, where the college will defray the costs involved in the solicitation? The first page of the letter contains a statement that the letter is not printed at government expense.

Ruling: This ruling may not be relied upon as precedent.

The Committee found that the inclusion of the employee's Senate title on the solicitation letterhead would not, as proposed, violate the Code of Official Conduct.

Interpretative Ruling No. 119A

(Note: This ruling was inadvertently omitted in the previous publication of Rulings). (Added September, 1979).

Date issued: April 20, 1978.

Applicable area: Franking.

Question considered: A Senator inquired about the frankability of a proposed newsletter to constituents.

Ruling: The Committee determined that the content of the newsletter, if revised to eliminate all personal references in excess of five per page, was in conformity with the franking statute and regulations. In this connection, the Committee pointed out that the removal of a personal pronoun which results in an ungrammatical sentence, the use of other pronouns which in the context refer to the Member, or the use of an implied subject which is the Member, does not eliminate the personal reference from the sentence.

The Committee also cautioned that the mailing of many such newsletters which recounted experiences of a Member might be perceived as being either personal or political. Such a pattern might be found unfrankable under 39 U.S.C. 3210(a)(4), a(5)(A) and (a)(5)(B)(ii).●

WALL STREET SURVIVES COMPETITION

● Mr. KENNEDY. Mr. President, over 4 years ago, the Securities and Exchange Commission administratively "deregulated" the commissions charged by stockbrokers. Previously, brokerage fees had been set by the exchanges, and brokers were thus able to "fix" their fees at a uniformly high rate.

At the time the Antitrust and Monopoly Subcommittee began its investigation of ratemaking practices in the regulated trucking industry, in late 1977, trucking industry spokesman cited the alleged "chaos" in the securities industry which resulted from deregulation. That situation, they said, would occur in their own industry if trucking firms were similarly forbidden to fix prices. Upon closer examination, however, the "chaos" they saw turns out to be nothing more than normal price competition in a free marketplace. Unlike the situation that existed when commissions were fixed, brokerage fees now more fairly reflect the actual services provided by brokers.

The salutary effects of deregulation have been amply documented. Between 1975 and 1978, commission rates plummeted by an average of 16 percent for individual purchasers and 48 percent for institutions. "Discount brokers" entered the market and now charge rates as much as 50 percent below the old fixed rates, providing low-cost service for customers who desire fewer services. Customers, for the first time, can select an appropriate rate and level of service from a variety offered by different brokerage houses.

The end of regulated commission rates also caused changes in the membership of the New York Stock Exchange, as well as a drive for increased efficiency within firms in the market. By 1978, 93 firms had exited the exchange, 24 of which remained members of the National Association of Securities Dealers, and 62 new firms joined the exchange.

A recent article in the Washington Post by the senior vice president of Batterymarch Financial Management Corporation of Boston, Mr. James Gibson, graphically illustrates what deregulation has meant for the securities industry. I think that the view of a securities specialist like Mr. Gipson will be of considerable interest to Members of the Senate, and I ask that the article be printed in the RECORD. I would also ask that a subsequent letter Mr. Gipson wrote to me, in which he specifies the implications of securities deregulation for the trucking industry, be printed as well.

The material follows:

[From the Washington Post, June 3, 1979]

Wall Street Survives Competition

(By James Gipson)

Wall Street remembers May 1, 1975, with the same feelings the U.S. Navy reserves for Dec. 7, 1941. After generations of preaching the rigorous virtures of competitive capitalism while practicing the pleasurable vices of monopoly and price fixing, Wall Street met its Pearl Harbor in the form of price competition within its own ranks. The capable brokers and the efficient firms have survived the shakeout that began that May Day, but Wall Street, unlike the Navy, has little chance to achieve redemption or to inflict revenge for the calamity that has overtaken it.

To understand the present upheaval, one must understand the old order that preceded it. The club that was to become the New York Stock Exchange was formed nearly two centuries ago under a buttonwood tree in lower Manhattan. The club was based on three principles that remained intact through booms, busts, wars and the growth of the country from a few former colonies huddled on the Atlantic Coast to the most powerful nation in the world. The three principles were: a club monopoly of trading, limited club membership and a fixed 1 percent commission.

Shortly after the club was formed, Colonel Bronk rode in from the area that now bears his name (belonging to the Bronks family, corrupted to the Bronx) and tried to go around the club in selling some securities. He failed, and no one seriously challenged the club again until the late 1960s. The club proved to be one of the most durable institutions in the country, and many people thought it would last forever.

Of course, nothing lasts forever. The third market undercut the club's monopoly of trading by conducting transactions in listed stocks away from the New York Stock Exchange. The most serious challenge to the club came on the critical issue of commissions, however.

The fixed-commission schedule of roughly 1 percent yielded a bonanza to brokers in the 1960s as both stock prices and stock volume rose to set records. Many brokers made six-figure incomes while still in their 20s. The spectacle of this largesse led to pressures to cut commission rates, particularly by large institutional investors such as bank trust departments and pension funds whose own employes did not share in the bonanza.

Under prodding from the Securities and Exchange Commission, broker commission rates were made negotiable on large trades of more than $500,000. Much to the dismay of brokers, competition quickly forced large discounts. As a result, there was considerable apprehension at the approach of May Day 1975 when the SEC ordered that all rates be made negotiable. A few major institutional brokers announced they would limit discounts to 8 percent off the old fixed rates and then sat back to see what would happen.

Nothing happened, and that was the problem. Brokers who offered small commission discounts to institutions found their phones stopped ringing. Other brokers offered more generous discounts in an admirable display of competition in action. In a matter of days, even the major brokerage firms cut their prices drastically, too. Instead of an 8 percent discount off the old rates, discounts of 50 percent became common, and ones of 80 percent to 90 percent were not unusual.

Any industry which slashes its prices that sharply is in for a shakeout of the less efficient firms. Many brokerages were managed as badly as old law firms, with an abundance of prima donnas and an absence of cost controls and efficient procedures. The weak and inefficient firms that survived under the umbrella of fixed prices simply dissolved under the downpour of price competition.

At first, the benefits of negotiated commissions went to large institutional investors, but slowly they became available to individual investors as well.

Today even a small investor who needs only trading services and who can dispense with a broker's advice can save 50 percent or more by going to a discount broker. As with the deregulation of airlines, the resulting price competition generated lower prices for the public.

Unlike the case with airlines, however, competition came as a result of more government regulation, not less.

The results of price competition lived up to the hopes of its advocates and to the fears of its opponents. The advocates thought Wall Street was overcharging the public and hoped rates would fall but few dared hope that rates would fall as far as they did.

The opponents of price competition feared that the inefficient firms would go out of business and, in fact, some did. Wall Street has not collapsed, however, but has become leaner and much more efficient than before. It does a better job of executing trades and does it with fewer employes. Many brokers still feel a fond nostalgia for the bygone era of fixed prices and large profits but, for the investing public that benefits from lower rates through price competition, these are the good old days.

BATTERYMARCH FINANCIAL MANAGEMENT CORPORATION,
Boston, Mass., June 21, 1979.
Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter on my piece in the Washington Post concerning Wall Street's experience with the deregulation of commissions. What follows are some additional observations on Wall Street's experience that may be relevant to your efforts to deregulate the trucking industry.

Wall Street's resistance to competition confirmed the adage that the last progressive thing the New York Stock Exchange did of its own free will was to move its operations indoors to get out of the rain. Brokers predicted that terrible things would happen if their fellow brokers were free to set their own prices. Some otherwise intelligent men even maintained that rates would rise if the floor on rates were removed. Similar predictions of disaster probably emanate from the trucking industry.

Brokers argued against free competition on a variety of principles, but the vigor of their case sprang from an acute realization that their financial principal would be impaired. The sharp decline in brokerage rates that followed Mayday, 1975 definitely reduced the profitability of the brokerage business, particularly the segment that deals with institutional investors such as banks and investment advisors. My own firm has cut commissions roughly 90% in the past five years since our objective is to enrich our clients, not our brokers. The price of a seat on the New York Stock Exchange has fallen from $500,000 a decade ago to about $120,000 today.

I imagine that the route rights of truckers would suffer a similar decline in value under most forms of trucking deregulation. In essence a route right is a license to join the oligopoly on a particular route, and that license has considerable value under the current rules of the game.

A change in the rules of the game was feared by brokers, probably as much as they feared the loss of income and asset values. For generations they operated under a fixed set of rules and they naturally feared the emergence of a new order whose nature and ground rules they did not understand. A similar attitude prevailed among airline executives who amazingly fought the deregulation that would give them more power, apparently because they feared the dragon of free competition they did not know more than they feared the dragon of CAB bureaucracy that they knew very well. Even the most efficient truckers who might benefit from deregulation probably fear a game played by new rules with uncertain outcomes.

Part of the predictions of disaster on Wall Street came true. A number of less efficient firms went out of business or merged into stronger ones. Some of the brokers who made six-figure incomes in the late 1960's found themselves driving taxis in the mid 1970's, but in many cases that was a net gain for society. Competition is not merely a profit system, but a profit and loss system. The advent of competition probably will be as painful to the inefficient trucker as it was to the inefficient broker. As in any shakeout, those people with ability, brains, and energy will find ways to survive and even thrive, while those with more modest talents will have to go elsewhere.

As you probably gather by now, I hope your efforts to deregulate trucking are successful. The abundance of competitors and the presence of inefficiencies such as the back haul problem make this industry nearly ideal for the introduction of more competition to lower rates, raise productivity and possibly to improve services.

Sincerely,

JAMES GIPSON,
Senior Vice President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of the bill (H.R. 4393).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. LEVIN be permitted to lay down an amendment tonight and that it be followed on tomorrow by the amendment by Mr. HELMS.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

UP AMENDMENT NO. 523

(SUBSEQUENTLY AMENDMENT NO. 399)

(Purpose: To prohibit requiring an intermediate school district to pay postage on mail delivered between its local school districts)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 523.

Mr. LEVIN. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45 between lines 8 and 9, insert the following:

SEC. 616. None of the funds available under this Act or any other Act may be used by the United States Postal Service or any other agency to require an intermediate school district to, or to bring a civil or criminal action against an intermediate school district for failure to, pay postage for the carrying of mail between local school districts which comprise such intermediate school district if—

(1) the carrying of such mail is performed without compensation, and

(2) the mail carried consists of matters relating to the conduct of the business of the intermediate and local school districts.

Mr. LEVIN. The President, the purpose of this amendment is to allow intermediate school districts to distribute mail to local school districts within their intermediate area without civil and criminal penalty by the Postal Service. I am hopeful that the committee will accept this amendment in the morning and that it might be acceptable to the minority as well.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without any time being charged against the amendment tonight, there be a time limitation on the amendment by Mr. LEVIN of 10 minutes, it being my understanding that the committee is going to accept it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank Mr. HELMS for his willingness to let the Levin amendment go ahead of his amendment.

Mr. LEVIN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. LEVIN. I thank the majority leader for working this out for me and Senator HELMS as well for cooperating with me.

Mr. ROBERT C. BYRD. The Senator is most welcome.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow morning, then, will be that, upon the disposition of the amendment by Mr. LEVIN, Mr. HELMS will be recognized to call up his amendment. There will be, I believe, 1 hour on the amendment, equally divided. Upon the disposition of that amendment, there will be no more amendments unless Mr. METZENBAUM desires to call up an amendment. In that case, under the order, he will be permitted to call up an amendment. In either event, the Senate will then proceed to consideration, to third reading, and then to passage.

Mr. President, under the agreement already entered, upon the disposition of the Treasury-Postal Service appropriations bill, the Senate will take up Calendar Order No. 160, S. 1142, a bill authorizing appropriations for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

Upon the disposition of that measure, the Senate will then take up, either tomorrow or Friday, whatever the case may be, Calendar Order No. 271, S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees.

So there will be rollcall votes tomorrow and Friday.

ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR., AND JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized under the standing order, there be two Senators recognized, each for not to exceed 15 minutes, they being Mr. HARRY F. BYRD, Jr., and Mr. JAVITS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND CONSIDERATION OF TREASURY-POSTAL SERVICE APPROPRIATIONS MEASURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the conclusion of the orders for the recognition of the Senators tomorrow, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, that Senators may speak therein up to 5 minutes each, and that, at the conclusion of the period for routine morning business, the Senate resume the consideration of the Treasury and Postal Service appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow morning.

The motion was agreed to; and, at 7:19 p.m., the Senate recessed until tomorrow, Thursday, September 6, 1979, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate August 10, 1979, under authority of the order of the Senate of August 3, 1979:

THE JUDICIARY

Samuel D. Johnson, Jr., of Texas, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Edward B. Davis, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95–486, approved October 20, 1978.

FARM CREDIT ADMINISTRATION

The following-named persons to be Members of the Federal Farm Credit Board, Farm Credit Administration, for the terms expiring March 31, 1985:

Jewell Haaland, of Minnesota, vice Alfred Underdahl, term expired.

Dwight L. Tripp, Jr., of Maine (reappointment).

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Edwin Merkling, 557–20–9153, U.S. Air Force.

Executive nominations received by the Secretary of the Senate August 16, 1979, under authority of the order of the Senate of August 3, 1979:

INTERNATIONAL MONETARY FUND; INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT; INTER-AMERICAN DEVELOPMENT BANK; ASIAN DEVELOPMENT BANK; AFRICAN DEVELOPMENT FUND

G. William Miller, of California, to be U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Bank for a term of 5 years; and U.S. Governor of the Asian Development Bank and U.S. Governor of the African Development Fund.

DEPARTMENT OF STATE

Francois M. Dickman, of Wyoming, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

John R. Clingerman, of Michigan, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

MEDICAL CORPS

Lieutenant colonel to colonel

Abramson, Bernard, [redacted].
Acevedo, Julio, E., [redacted].
Alandydy, Manuel S., Jr., [redacted].
Anderson, Harris R., [redacted].
Anderson, John A., [redacted].
Andrada, Manuel T., [redacted].
Astorga, Alex M., [redacted].
Bailey, Edward J., [redacted].
Bailey, George O., [redacted].
Baker, Mason R., [redacted].
Beddingfield, George W., [redacted].
Beirne, Clinton G., [redacted].
Bisgard, Jay C., [redacted].
Bobbitt, Roy L., [redacted].
Bowden, Wayne M., [redacted].
Calcagni, John A., [redacted].
Candy, Jon W., [redacted].
Carroll, Herman G., Jr., [redacted].
Carver, Richard F., [redacted].
Castaneda, Tristan A., [redacted].
Church, McGregor L., [redacted].
Conrad, Larry L., [redacted].
Corbett, James E., [redacted].
Crane, Edward B., [redacted].
Crow, Joe W., [redacted].
Davis, John B., [redacted].
Davis, Merritt G., Jr., [redacted].
Dawson, Alan D., [redacted].
Dean, Nowlan K., [redacted].
Deatrick, Richard W., [redacted].
Dehnel, Luther L. [redacted].
Delcampo, Enrique J., [redacted].
Delpriore, Joseph A., [redacted].
Donahue, James M., [redacted].
Dorey, Lee R., [redacted].
Dryden, Richie S., [redacted].
Fragala, Mario R., [redacted].
Fredd, Sumner G., [redacted].
Fry, Delos H. [redacted].
Henges, David F., [redacted].
Hess, George W., Jr., [redacted].
Hickman, James R., Jr., [redacted].
Himelberger, Corydon G., [redacted].
Holbrook, James M., [redacted].
Howarth, Joseph C., [redacted].
Hughes, Thomas J., [redacted].
Humphries, Ivan C., [redacted].
Joder, Donald K., [redacted].
Jones, Henry A., [redacted].
Kantack, Paul W., [redacted].
Kercher, Raymond L., [redacted].
Kerwood, Robert I., [redacted].
Kimmich, Haydee J., [redacted].
Koenigsberg, Edward J., [redacted].
Koop, Lamonte P., [redacted].
Lavarreda, Carlos A., [redacted].
Lawrence, Mills E., III, [redacted].
Liest, Edward J., [redacted].
Lina, Manuel S., [redacted].
Lyons, James T., [redacted].
Mabeus, Duane F., [redacted].
Maier, Robert C., [redacted].
Malin, Sarah A., [redacted].
Mamawal, Mauro B., [redacted].
Mapes, Donald L., [redacted].
Marshall, Angus, [redacted].
Mathews, Theodore S., [redacted].
Mays, Joseph L. [redacted].
McConnell, Whitman E., [redacted].
McDonald, Harold T., [redacted].
McGovern, Edward L., [redacted].
Mendoza, Edward, [redacted].
Meyer, George W., [redacted].
Miller, Gilbert, [redacted].
Mintek, Victor J., [redacted].
Moll, Jacob T., [redacted].
Montgomery, Robert N., [redacted].
Moore, Allen H., Jr., [redacted].
Morse, Harry R., [redacted].
Moss, Stanley R., [redacted].
Mullins, James D., [redacted].
Murray, Arthur J., [redacted].
Nemes, Ervin L., [redacted].
Nitzberg, Benjamin W., [redacted].
Ogg, Billy D., [redacted].
Ortiz, Jesus, [redacted].
Owens, Wyeth E., [redacted].
Pendell, Paul W., [redacted].
Pratofiorito, Frank N., [redacted].
Ragsdale, Vernice D., [redacted].
Rayos, Blas O., Jr., [redacted].
Rose, Donald E. [redacted].
Rosen, Paul R., [redacted].
Rudin, Norman, [redacted].
Rundell, William K., Jr., [redacted].
Sapio, Fred J., [redacted].
Schaap, George A. [redacted].
Sears, Robert F., [redacted].
Semler, Leonard, [redacted].
Shillinglaw, Richard G., [redacted].
Smith, Melvin D., [redacted].
Stewart, Andrew M., [redacted].
Tchou, Howard P., [redacted].
Thompson, Barry H., [redacted].
Tindall, John P., [redacted].
Tomasovic, Jerry J., [redacted].
Torma, Michael J., [redacted].
Troxler, Raymond G., [redacted].
Turner, John C., [redacted].
Wagner, Grant H., [redacted].
Wagner, James D., II, [redacted].
Walker, Ronald E., [redacted].
Wells, James R., [redacted].
West, Gary W., [redacted].
Wild, James H., [redacted].
Williams, Ariel L., Jr., [redacted].
Winer, Bernard A., [redacted].
Wisehart, Willard J., [redacted].
Wright, George D., [redacted].
Yrizarryyunque, Jose M., [redacted].
Zaayer, Dolph W., [redacted].
Zeiner, George B., [redacted].
Ziesmer, Carl B., [redacted].

MEDICAL CORPS

Major to lieutenant colonel

Walters, Charles L., [redacted].

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

To be major

Meyer, George W., [redacted].

Mullins, James D., [redacted].

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be captain

Abels, James A., [redacted].
Ammirati, Louis J., [redacted].
Baginsky, Vincent J., [redacted].
Baldassari, Ronald J., [redacted].
Barrera, Arturo R., Jr., [redacted].
Bass, Marvin G., [redacted].
Beam, Danny A., [redacted].
Beard, Michael W., [redacted].
Bergquist, Ronald E. [redacted].
Berry, Edward M., III, [redacted].
Beverly, Gerald M., [redacted].
Borum, John P., [redacted].
Boyce, Earl J., [redacted].
Brearey, Jonathan L., [redacted].
Buffin, John K., [redacted].
Burleson, Thomas H., Jr., [redacted].
Cabe, Robert D., [redacted].
Cardona, Angel A., [redacted].
Carlson, Dennis A., [redacted].
Choate, Charles M., Jr., [redacted].
Cobb, William T., [redacted].
Cochard, Douglas D., [redacted].
Coco, Malcolm P., Jr., [redacted].
Coleman, Joseph W., [redacted].
Corlett, Clair R., [redacted].
Daugherty, Gerry R., [redacted].
Davidson, Sally L., [redacted].
Davis, Jerome N., Jr., [redacted].
Delorey, Edward A., [redacted].
Downs, David B., [redacted].
Drewitt, Robert A., [redacted].
Durham, John M., [redacted].
Emmons, Gary W., [redacted].
Fedoroff, Igor V., [redacted].
Ficklin, John B., Jr., [redacted].
Figueroa, Robert C., [redacted].
Franco, John A., Jr., [redacted].
Friesen, Dee W., [redacted].
Fuchs, Ronald P., [redacted].

Gordon, Mitchell K., [redacted].
Gorman, Dennis M., [redacted].
Griffin, Sidney W., [redacted].
Gutierrez, Marie J., [redacted].
Haile, Gary W., [redacted].
Hall, William F., [redacted].
Hamilton, Ronald H., [redacted].
Hamilton, Wilbur R., [redacted].
Hancock, Lance E., [redacted].
Helms, Ralph C., Jr., [redacted].
Heskew, Wayne R., [redacted].
Hickman, Paul G., [redacted].
Holliker, Robert F., Jr., [redacted].
Hutchinson, James N., Jr., [redacted].
Johnson, Clark C., [redacted].
Jones, Richard H., [redacted].
Jorgenson, Gary A., [redacted].
Kim, John S. S., [redacted].
Koehrsen, Bernal F., Jr., [redacted].
Lacaria, Thomas A., II, [redacted].
Lambert, James D., [redacted].
Lauther, Thomas G., [redacted].
Lea, James H., Jr., [redacted].
Leitch, Walter T., [redacted].
Lippincott, Robert L., Jr., [redacted].
Livingston, Meredith S., [redacted].
Loken, Peter R., [redacted].
Mace, Gilbert W., [redacted].
Manion, Kenneth J., Jr., [redacted].
Mankin, Michael W., [redacted].
Mayfield, Gary D., [redacted].
McAfee, Regis S., [redacted].
Meybaum, Klaus D., [redacted].
Miller, Thomas W., [redacted].
Moseley, Paula S. L., [redacted].
Mundle, Robert W., [redacted].
Nath, Charles J., III, [redacted].
Neu, David L., [redacted].
Olson, Leon C., [redacted].
Parks, Noel R., [redacted].
Perez, Alberto, [redacted].
Pettijohn, Charles M., [redacted].
Phillips, James C., [redacted].
Plakorus, George M., [redacted].
Player, George C., III, [redacted].
Powers, Marcella V., [redacted].
Ratley, Griffin L., [redacted].
Raymore, Peter K., [redacted].
Reeves, Edward H., Jr., [redacted].
Riordan, Jeremiah C., [redacted].
Rogers, Wallace H., Jr., [redacted].
Rondeau, Jacques A., [redacted].
Roscoe, Harry E., Jr., [redacted].
Santens, Jerry S., [redacted].
Schneider, John IV, [redacted].
Schwenk, Daniel G., [redacted].
Shaver, Samuel P., [redacted].
Skaggs, Dennie M., [redacted].
Skopal, Paul A., [redacted].
Smith, James H., [redacted].
Snyder, Larry A., [redacted].
Spaulding, George L., [redacted].
Stamm, Michael R., [redacted].
Stammler, Richard, [redacted].
Steadman, Bryan L., [redacted].
Stinson, Michael D., [redacted].
Suckman, Barry S., [redacted].
Sullivan, Claude T., [redacted].
Takehara, William, [redacted].
Tanner, Sidney W., [redacted].
Taylor, David S., [redacted].
Thornton, Terry W., [redacted].
Torbensen, Jerry L., [redacted].
Trask, Tommy J., [redacted].
Voorhees, Ronald R., [redacted].
Walker, John M., [redacted].
Walsh, Michael, [redacted].
Walther, John G., Jr., [redacted].
Warner, James B., [redacted].
Welch, Michael J., [redacted].
Whitener, Ralph S., [redacted].
Wilson, Thomas F., [redacted].
Wurster, Clifford L., [redacted].
Younge, Wilson A., Jr., [redacted].
Zeiber, Alan R., [redacted].
Zeimmer, Ronald M., [redacted].
Zimmerman, Robert J., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN CORPS

To be captain

Bena, David J., [redacted].

JUDGE ADVOCATE CORPS

To be captain

Albright, William A., [redacted].
Dixon, David C., [redacted].
Farrow, Michael R., [redacted].
Lee, Ralph J., [redacted].
Michael, Steven P., [redacted].
Nowak, Robert C., [redacted].
Parr, Edgar G., [redacted].
Sternal, Guy J., [redacted].
Stubbs, Jerald D., [redacted].

NURSE CORPS

To be captain

Booker, Carol M., [redacted].
Mansmith, Fred T., [redacted].
McMurray, Joan A., [redacted].
Stiegelmeyer, Marjorie J., [redacted].
Zhea, Charles R., [redacted].

MEDICAL SERVICE CORPS

To be captain

Melchiorre, Joseph E., Jr., [redacted].
Nicholson, Henry B., Jr., [redacted].
Williams, Carroll C., [redacted].

VETERINARY CORPS

To be major

Nichols, James B., [redacted].

BIOMEDICAL SCIENCE CORPS

To be captain

Barnes, Edward S., [redacted].
Farinacci, Nicholas A., [redacted].
Sawyer, Bobby J., [redacted].
Smogur, Thomas G., [redacted].
Sweigart, Marlin L., [redacted].

IN THE ARMY

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3284, 3286, 3287, 3288, and 3290:

Cain, Bruce L., [redacted].
Choyce, Charlie, [redacted].
Flanagan, Michael S., [redacted].
Harrell, Jeff P., [redacted].
Hunsucker, Philip C., [redacted].
Merrell, Philip R., [redacted].
Miller, Joseph B., [redacted].
Oliva, Jeri L., [redacted].
Pifer, Timothy J., [redacted].
Roser, Lance R., [redacted].
Utz, Dennis M., [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3284, 3286, 3287, 3288, and 3290:

Allen, Winston, [redacted].
Atkinson, Ricky N., [redacted].
Barton, Lawrence E., [redacted].
Blanchard, Hugh V., [redacted].
Dell, John W., [redacted].
Harpham, Karen A., [redacted].
Hutchinson, Elbert, [redacted].
Kulifay, Bernard E., [redacted].
Long, Gary B., [redacted].
Mabry, Sharon K., [redacted].
Manto, Samuel E., [redacted].
Marich, Lou L., [redacted].
Martin, Theresa L., [redacted].
Masters, Gary L., [redacted].
McKinney, Pamela L., [redacted].
Negron, Edgardo L., [redacted].
Nelson, James L., [redacted].
Ormson, Mitchell D., [redacted].
Patisaul, Charles E., [redacted].
Rupp, Robert C., [redacted].
Shifflett, Guy A., [redacted].
Thompson, James J., [redacted].
Torrance, Steven M., [redacted].
Wiant, Terry L., [redacted].

The following-named officers for appointment in the Regular Army, by transfer in the grade specified, under the applicable provisions of chapter 335, title 10, United States Code:

To be captain

Beckman, Herbert D., [redacted].

To be first lieutenant

Edwards, Kip C., [redacted].
Johnson, Lawrence M., [redacted].
Remmert, Stephen M., [redacted].
Riggs, Gary H., [redacted].
Tocci, Denis P., [redacted].

The following-named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3284 through 3294:

To be lieutenant colonel

Delacerna, Melchor F., [redacted].
Griffith, Donne G., [redacted].

To be major

Boening, Suzanne S., [redacted].
Burnham, Arlie E., Jr., [redacted].
Fox, Alexander J., [redacted].
Simpson, Albert F., Jr., [redacted].

To be captain

Bach, Durwood E., [redacted].
Barrett, Thomas N., [redacted].
Bettes, Stephen F., [redacted].
Beuttenmuller, Erhard A., [redacted].
Boody, Curtis J., [redacted].
Bowers, James E., [redacted].
Brinsfield, John W., Jr., [redacted].
Caldwell, Joe R., Jr., [redacted].
Campbell, Jerry C., [redacted].
Deboer, James, [redacted].
Diamond, Richard, [redacted].
Donnelly, Jerome C., [redacted].
Fowler, Kenneth E., [redacted].
Gottlieb, Samuel, [redacted].
Gsegner, Ford F., [redacted].
Johnson, John A., [redacted].
Johnston, Paul L., [redacted].
Maastricht, Richard S., [redacted].
Mariscal, Rouque, [redacted].
Martin, Gerald E., [redacted].
Mogridge, James D., [redacted].
Murphy, James J., [redacted].
Newberry, Robert D., [redacted].
Partridge, William F., [redacted].
Poux, Robert J., Jr., [redacted].
Putnam, Michael B., [redacted].
Regennitter, Frederick J., [redacted].
Rehyansky, Joseph A., [redacted].
Richards, Harry E., III, [redacted].
Russell, James E., Jr., [redacted].
Shaman, Paul R., [redacted].
Smith, Ottis W., [redacted].
Strong, Scott L., [redacted].
Thompson, Randall A., [redacted].
Wong, Marston Kin Sun, [redacted].
Ziegler, Edward R., [redacted].

To be first lieutenant

Bass, Richard A., [redacted].
Cleland, Bruce P., [redacted].
Cloyd, David G., [redacted].
Erhardt, James B., [redacted].
Hubner, Roger D., [redacted].
Reppart, Ralph C., [redacted].
Richards, John W., Jr., [redacted].
Roundtree, William E., [redacted].
Selph, Barney E., [redacted].
Stanley, Wayne G., [redacted].
Valentine, James D., Jr., [redacted].
Walker, James, [redacted].

Yakes, Wayne F., [redacted].
Yee, Philip M., [redacted].

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, section 3305:

ARMY PROMOTION LIST

To be colonel

Hilty, Paul R., Jr., [redacted].
O'Brien, Emmett, J., [redacted].
Rodgers, William E., [redacted].

The following-named officers for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Alston, Pontha D., [redacted].

DENTAL CORPS

To be lieutenant colonel

Pickett, Alan B., [redacted].

DENTAL CORPS

To be major

Doyle, Frank M., [redacted].
Pawsat, David S., [redacted].

MEDICAL SERVICE CORPS

To be major

Burrell, Charles F., [redacted].
Workman, Dale H., [redacted].

VETERINARY CORPS

To be major

Mitchell, Kenny D., [redacted].

ARMY PROMOTION LIST

To be captain

Allen, James M., [redacted].
Enck, Rebecca S., [redacted].
Greer, William, [redacted].
Harrold, Glenn J., [redacted].
MaGee, Allan H., [redacted].
Morrison, John D., [redacted].
Mortenson, Robert H., [redacted].
Nyese, John E., [redacted].
Richmann, James N., [redacted].
Snell, Landon P., III, [redacted].
Stone, Frank J., [redacted].
Wilson, Richard W., [redacted].

DENTAL CORPS

To be captain

Berman, Michael B., [redacted].

MEDICAL SERVICE CORPS

To be captain

Yasalonis, John W., [redacted].

ARMY NURSE CORPS

To be captain

Roberston, Kathryn E., [redacted].
Stowe, Harvey O., [redacted].

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be colonel

Alden, Errol R., [redacted].
Allison, Howard H., [redacted].
Allison, Stanley C., [redacted].
Alvarez, Johnny D., [redacted].
Anderson, Daniel H., [redacted].
Anglin, Walter M., [redacted].
Angritt, Peter, [redacted].
Armitage, David T., [redacted].
Babcock, William S., [redacted].
Barja, Roberto H., [redacted].
Barlow, Matthew J., [redacted].
Bart, Gerald N., [redacted].
Berger, Winfried M., [redacted].
Berliner, Daniel S., [redacted].
Berman, Irwin, [redacted].
Blount, Richard B., [redacted].
Branch, Leslie B., [redacted].
Bridenbaugh, Robert, [redacted].
Brown, Stanton R., [redacted].
Bugay, Glenn L., [redacted].
Burger, Leslie M., [redacted].
Cadol, Roger V., [redacted].
Camp, Richard A., [redacted].
Chamberlain, Terry, [redacted].
Clark, Gary B., [redacted].
Claypool, Robert G., [redacted].
Cohen, Howard B., [redacted].
Collins, George J., [redacted].
Cook, Edgar L., [redacted].
Coville, Frederick, [redacted].
Cowan, George S., [redacted].
Davis, Juan C., [redacted].
Dean, Arthur J., Jr., [redacted].
Dibella, Nicholas J., [redacted].
Dresner, Martin L., [redacted].
Dunnington, Glenn W., [redacted].
Eielson, John A., [redacted].
Ergas, Ralph E., [redacted].
Favila, Marcial Q., [redacted].
Flanagan, Clyde H., [redacted].
Fleming, Arthur W., [redacted].
Flores, George H., [redacted].
Gardner, Horace B., [redacted].
Gerstenberger, Duane F., [redacted].
Gilman, Priscilla A., [redacted].
Giustolisi, Vincent, [redacted].
Glancy, Gerard L., [redacted].
Gober, Lowman E., [redacted].
Goldberg, Bertram, [redacted].
Gonzalez, William E., [redacted].
Graven, Richard M., [redacted].
Gunther, John S., [redacted].
Gushwa, Richard L., [redacted].
Hall, Donald L., [redacted].
Hardin, Virgil M., [redacted].
Harrell, Jerry D., [redacted].
Hastings, Constance, [redacted].
Hedlund, Kenneth W., [redacted].
Hegstrom, George R., [redacted].
Hennessy, William J., [redacted].
Henry, James M., [redacted].
Hofeldt, Fred D., [redacted].
Jirka, Anton J., [redacted].
Johnson, Edward M., [redacted].
Karney, David H., [redacted].
Katz, Norman N., [redacted].
Kimball, Daniel B., [redacted].
Kissack, Micheline, [redacted].
Kolmer, John W., [redacted].
Kreutzman, Robert, [redacted].
Kull, Donald H., [redacted].
Kyser, Kay A., [redacted].
Landes, Richard D., [redacted].
Leman, Milton H., [redacted].
Leppla, Bruce W., [redacted].
Lowell, George G., [redacted].
Luehrs, James G., [redacted].
Lull, Robert J., [redacted].
MacDonald, Richard, [redacted].
Maybee, David A., [redacted].
McCracken, Joseph D., [redacted].
McLeod, David G., [redacted].
McMarlin, Stacy L., [redacted].
McMeekin, Robert R., [redacted].
McNamara, Norbert J., [redacted].
Merenstein, Gerald, [redacted].
Metz, Leon B., [redacted].
Miller, Richard N., [redacted].
Miyazawa, Kunio, [redacted].
Moore, William L., [redacted].
Morton, Arthur R., [redacted].
Murgo, Joseph P., [redacted].
Ninos, Nichols P., [redacted].
Ossorio-Olivencia, Jose R., [redacted].
Parker, John E., [redacted].
Parry, William H., [redacted].
Pawlak, Wallace W., [redacted].
Peck, Charles A., [redacted].
Pezua, Carlos D., [redacted].
Pierce, H. Irving, [redacted].
Pierozynski, George, [redacted].
Prall, Robert H., [redacted].
Protzman, Robert R., [redacted].
Rosenberg, Donald M., [redacted].
Saglio, Jack W., [redacted].
Saintromain, Ray A., [redacted].
Sasada, Allan M., [redacted].
Sawyer, Robert, [redacted].
Sayers, Ronny J., [redacted].
Siraa, Andreas F., [redacted].
Sobol, Samuel M., [redacted].
Soderdahl, Douglas, [redacted].
Stafford, Chester T., [redacted].
Stafford, Harry, [redacted].
Starke, William R., [redacted].
Stuen, Marcus R., [redacted].
Thiessen, Jacob W., [redacted].
Thomason, Albert M., [redacted].
Tippens, Jack K., [redacted].
Tipton, William R., [redacted].
Todd, Warren A., [redacted].
Tremaine, Myron D., [redacted].
Turnbull, Gottlieb, [redacted].
Warren, Daniel C., [redacted].
Whitmore, Paul V., [redacted].
Wong, William, [redacted].
Yamaoka, Ronald M., [redacted].
Youngs, Brian L., [redacted].
Zajtchuk, Joan E., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Carollo, Donald J., [redacted].
Potin, James B., [redacted].
Snell, John T., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Siekman, Raymond D., [redacted].

The following-named officers for promotion in the Regular Army, under provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Greer, William, [redacted].
Henry, John, [redacted].
Renaut, Robert R., [redacted].

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5780:

Ronald E. Ablowich
James S. Adams
Robert A. Adams
William S. Ainsley, III
Alfred J. Allega
John C. Arick
Lowell E. Austin, Jr.
John C. Baggette
Thomas V. Barrett
William C. Bartels
Thomas Y. Barton, Jr.
Delbert M. Bassett
Dennis C. Beyma
Roy D. Black
Harold W. Blot
Ronald R. Borowicz
Gary R. Braun
George D. Brennan, II
William T. Bridgham, Jr.
Gene A. Brown
John R. Burns, Jr.
John M. Butler, Jr.
Ronald F. Calta
Thomas E. Campbell
William R. Campbell, Jr.
John W. Cargile
Kenneth C. Carlon
John D. Carr
John J. Carroll
Gene E. Castagnetti
James H. Champion
George R. Christmas
Donald E. Christy
Michael L. Cluff
Roland W. Coleman
Anthony C. Conlon
Terence P. Connell
Richard W. Crain
Dennis W. Craney
Richard L. Cody
Herbert L. Currie
Dennis E. Damon
Charles E. Daniel
Charles E. Davis
Andrew D. Debona
Richard A. Delaney
Raymond E. Dennison
Billy H. Dobbs
Francis H. Douglas
Noel E. Douglas
Thomas V. Draude
Raymond R. Dunlevy
Clifford R. Dunning
Bob E. Edwards
Roy T. Edwards
Norman E. Ehlert
Gene B. Erwin
Richard A. Flaherty
James J. Foley, Jr.
James F. Foster
Robert J. Gadwill
Willard F. Galbraith, Jr.
Dennis O. Gallagher
Ronald C. Garten
Edmond D. Gaucher, Jr.
Jon R. Gibson
Brendan M. Greeley, Jr.
Robert R. Green
James W. Gresham
Sidney B. Grimes
Nicholas H. Grosz, Jr.

Jean A. Gruhler, Jr.
Francis X. Hamilton, Jr.
Glen L. Hampton
David Hancock
Frederick F. Harshbarger
James A. Hart
William R. Hart
Leonard C. Hayes
Richard D. Hearney
Frederick H. Hemphill, Jr.
James C. Henderson
John B. Hendricks
William A. Hesser
Solomon P. Hill
Jefferson D. Howell, Jr.
Ray E. Huebner
Abram J. Hunter, Jr.
Douglas B. James
Jack C. James
Robert G. Jessee
Harry N. Johnson
Ken H. Johnson
Kenneth W. Johnson
Poindexter M. Johnson
Kenneth D. Jordan
August J. Kalimanos
Gerald J. Keller
James L. Kerney
George A. Kiesel
Roger E. Kilb
Blaine D. King
Francis J. Kirchner
Joseph F. Kline
Thomas L. Kosciw
James Lau
Robert P. Learnard
John Lecornu
Gregory W. Lee
Edward O. Leroy
Frederick E. Lewis
Bertram L. Linkonis
James E. Livingston
Calvin A. Lloyd II
Mark E. Loveless
Darrel M. Lowe
Albert F. Lucas, Jr.
Howard L. Luttrell
James P. Mangan
Anthony E. Manning
Paul S. Marcani
William E. Marcantel
Richard E. Maresco
Elliott R. Markell, Jr.
David E. Marks
Norman Marshall
Robert J. Mastrion
Gregory A. McAdams
Charles E. McDanal
Lawrence J. McDonald
Dayle O. McGaha
Michael J. McGowan
Thomas K. McKeown
John J. McNamara
Richard G. McPherson
Thomas H. Metzger
John L. Mikkelson
David F. Miller
Donald G. Miller
Jerry L. Miller
Neil F. Mitchell
Robert W. Mitchell, Jr.
Joe D. Moody
Alfred H. Moore
Allen R. Moore
Jerry L. Morgan
John J. Mullen, Jr.
James M. Myatt
Jimmie C. Nelson
James L. Neyman
Gerald J. Oberndorfer
Fred E. Ogline
Paul F. O'Keefe
Francis D. Pacello
Fred J. Palumbo
Robert L. Pappas
Gary W. Parker
Harold J. Phelan
John C. Pilley
Stanley G. Pratt
Donald L. Price
Robert A. Queen
William M. Rakow, Jr.
John P. Ray
Lawrence E. Reed
Michael E. Rich
Albert R. Rideout III
Charles S. Rigby III
Edward F. Riley
Michael B. Riley
Maurice A. Roesch III
Joseph G. Roman
Joseph M. Romero
Richard B. Rothwell
Peter J. Rowe
Dale C. Ross
Henry J. Sage
William Sahno
Michael F. Scanlon
Denver D. Scott
Robert E. Setser
Carl A. Shaver
John J. Sheehan
Robert J. Sheehan
James A. Shepherd
Jerry C. Shirley
Donald K. Shockey, Jr.
Roy W. Sims
Walter H. Skierkowski
Albert C. Slater, Jr.
Charles R. Smith, Jr.
William R. Smith
James A. Spaith
James D. Sparks
Burton P. Sperry III
John W. Spivey
Victor M. Szalankiewicz
Kenneth T. Taylor
Robert A. Tiebout
Philip H. Torrey, III
Samuel D. Turner, Jr.
Joseph E. Underwood
Charles W. VanHorne
Hugh M. Vann, III
Jay R. Vargas
Amilcar Vazquez
Clyde L. Vermilyea
Bill D. Waddell
William L. Waters
Lewis C. Watt
Dwight D. Weber
Malcolm W. Wehrung
Julian A. Weingarten
William H. White
George A. Whitfield
John A. Williams
John A. Williams
Thomas Williams, Jr.
Robert J. Wilson
Donald T. Winter
Charles J. Wolk, Jr.
Regan R. Wright
Peter B. Wyrick
Harvey L. Zimmerle
Ralph A. Zimmerman

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5911:

Merrel F. Adams, Jr.
Richard G. Adams
Tommy L. Adair
James L. Anderst
Daniel T. Armstrong
Joseph F. Ashe
Enos A. Axtell, Jr.
George W. Ayers
Lester D. Bacon
Samuel Badiner
Clarence L. Baer
Claude, Baldwin III
Robert L. Ballantyne
Gilbert A. Bartlett
Stanley K. Bazant
Leonard C. Bieberbach
Dean S. Billik
Darwin E. Bremer
Roger L. Brooks
Frank A. Buethe
Harold J. Campbell, Jr.
Terry W. Cannon
John G. Carlton, Jr.
Marshall N. Carter
William E. Chase
James W. Clark
Eldred W. Cline, Jr.
Bobby L. Coleman
William H. Cook, Jr.
Thomas M. Cooper
Daniel B. Corts
Kenneth R. Couch
John T. Coyne
Edward P. Craft
James A. Daugherty
Ronnie O. Davis
John H. Deaver, Jr.
Douglas S. Dexter
Eldon R. Dilworth
Robert L. Doyon
Michael F. Eddy
Richard M. Eklund
Frederick D. Ellis
Robert J. Everett
Crockett Farnell
Alan D. Fiers, Jr.
Michael Fiorillo, Jr.
Joseph T. Fisher
John F. Follett
Michael D. Fowler
Jackie W. Fraim
Frank W. Gill, Jr.
Perry C. Gillette, Jr.
Robert A. Godwin, Jr.
George W. Goertz
Paul A. Gorgos
Melvin T. Graves
John A. Harris
Mark T. Hehnen
Richard L. Hemenez
Hamilton E. Hicks, Jr.
John E. Hixon
Lemuel W. Houston, Jr.
Harris D. Husted
Jack J. James
Philip L. Johnson
Robert C. Keeler
Kenneth J. Kelly
Stuart O. Kendall
Frank J. Kennedy
Frederick E. Kienel
David J. Kindt
Richard S. Kulczycki
Stephen A. Leroux
John J. Lowrey
James L. McGee
John J. McNamara
John G. McPheeters
William B. Mooney
Harvey B. Moore
Stanley M. Mori
Normand L. Noel
Richard A. Partee
Thomas L. Pristavec
Robert H. Rathert
John C. Reale
Larry E. Renfro
William R. Rice
Robert C. Richards
John C. Riley
Frank D. Rimer, III
Larry M. Roberts
Frank J. Robinson
John L. Roe
Lewis F. Rogers
Anthony J. Roszak
Walter L. Sanders
Robert P. Scheinblum
Steven J. Sewell
Jack T. Seymour
Lundie L. Sherretz
Gordon M. Shoemaker,
Harry S. Shoemaker
Tenney R. Spofford
James H. Stewart, Jr.
Harold R. Sullivan
David C. Terry, Jr.
Dudley E. Thomas, Jr.
James L. Trudeau
Robert J. Walker
Larry G. Willoughby
William L. Wilson
John R. Wingert
Ehrhard K. Winkelbrar
George S. Woodall, Jr.
Wayne P. Zetzman

The following-named officers of the Marine Corps for permanent appointment to the grade of major under the provisions of title 10, United States Code, section 5780:

John F. Adinolfi
Richard M. Ahlers
James A. Amendolia
William G. Andersen
Robert C. Anderson, Jr
William D. Armstrong,
Bradley R. Baird
Jerry K. Baird
James R. Ballard
Bradley E. Barriteau
Frank M. Batha, Jr.
Walter C. Belcher
Maurice F. J. Bernier
Robert A. G. Berns
Lee H. Bettis, Jr.
John A. Bicknas
Jerry C. Black
Earl T. Bowers, Jr.
Robert J. Bradley
Ross A. Brown
Randolph D. Brunell
Clarence C. Bryant
Allan S. Buescher
Kenneth R. Burns
Jose R. Campos
Hugh T. Carter
Justice M. Chamgers, Jr.
John C. Church
William C. Cleveland, Jr.
Clovis C. Coffman, Jr.
Dillard W. Copeland
Kermit C. Corcoran
Robert A. Courtney
William V. Cowan III
David E. Crais
Edward E. Crews
Richard A. Crowe
Erry M. Curtis
Robert J. Dalton
Walden L. Daniel
Michael A. Davis
Thomas E. Davis
Waler E. Deese
Richard J. Deichl
John H. Eager
Robert I. Edwards
Edwin E. Eloe
George J. Eschenfelder
David P. Evans
John T. Fanning
Dennis L. Faust
Andrew R. Finlayson
Augustus Fitch III
Norman R. Ford
Wesley L. Fox
Robert L. Frantz
Richard H. Freeman
Gary A. Fry
Carlton W. Fulford, Jr.
Larry Garrett
Howard L. Gerlach
Perry H. Gesell
Graydon F. Geske
Henry P. Giedzinski
Robert W. Gillespie II
John P. Glasgow
Joaquin C. Gracida
Samuel T. Gray
Garrat W. Greene
Bruce E. Griesmer
James C. Hajduk
Jerry E. Hankins
Dennis M. Harke
Kenneth L. Harmon
William F. Harvey
William M. Hatch
Gale E. Healvilin
Ronald A. Hellbusch
Donald H. Henze
Peter M. Hesser
Robert G. Hill
Anthony S. Hilliard
Miles M. Hodges
Richard W. Hodory
Franklin D. Holder
Allen W. Hoof
Nathaniel R. Hoskot, Jr.
James L. Hurlburt
Douglas K. Isaly
Frank M. Izenour, Jr.
Jack D. Jewell
James Johnson
William F. Johnson
Walter F. Jones
Harry K. Jowers, Jr.
Luis A. Juarez
Larence G. Karch
William E. Keller, Jr.
Michael S. Kelly
Anthony L. Keyfel
Wayne W. King
David E. Knop
George W. Kralovec III
John J. Krauer
Coleman D. Kuhn, Jr.
Timothy L. Laplaunt
Joseph A. Lavigne
Francis X. Lawler, Jr.
Edmond H. Lawrence
William S. Lawrence
Newton A. Lieurance, Jr.
Jasper C. Lilly, Jr.
Ronald A. Longtin, Jr.
Claude L. Lott
James W. Lucey
Freddie M. Luckie
Michael G. Malone
Gerald R. Martin
William R. Masciangelo
Dean H. Matzko
Herman L. May
William G. McBride, Jr.
Jimmy W. Clung
James B. McKenney
Warren R. McPherson
John H. Mentzer, II
Rex B. Moody
Kenneth W. Moore
Paul Moore, Jr.
Alfred H. Mossler
Richard J. Muller
William A. Murphy
Frederick Y. Nakatani
Russell L. Nelson
Mark D. O'Connor
John P. Oppenhuizen
Jullian W. Parrish
Charles W. Paschen
Francis A. Pepe
Guy A. Pete, Jr.
William C. Peters
Wayne E. Peterson
Daniel R. Phipps
John P. Pindel, Jr.
Paul J. Prinster
Larry D. Rannals
James M. Rapp
Lawrence C. Reifsnider
Wayne H. Rice
Clarence E. Richards, Jr.
Robert J. Riordan
Jack W. Rippy
Clifford R. Robinson
Hugh A. Ronalds
James W. Sanders
Kenneth R. Sandstrom
Robert T. Sarles
Bernard D. Schmidt
Milburn F. Schuler
Rudy T. Schwanda
William O. Schwarz
Michael N. Shahan
William G. Sheldon, III
William B. Shively
Kenneth C. Shumate
William J. Simpson
Hurman R. Sims
Alexander G. Smith, III
Edward A. Smyth
Robert L. Spooner
Larry J. Springer
Richard E. Squires
Frederick M. Stitcher
James E. Stoll
Thomas D. Stouffer
John M. Suhy
John J. Sullivan
Patrick J. Sullivan
Williams G. Swarens
Bronson W. Sweeney
William P. Symolon
James R. Taylor
William K. Terrell
William F. Thompson
Thomas A. Toth
Gordon E. Tubesing
Ellsworth J. Turse, Jr.
John H. Updyke
William P. Vacca
Jay H. Vandyne
Richard L. Vogel
Thomas U. Wall
Theodore B. Warren, Jr.
Terrence M. Weber
Alfred M. West
Carlton P. White
Eddie D. Whitehead
Michael C. Wholley
Frank G. Wickersham, III
Mark D. Williams
James R. Williams
Lester H. Williams, Jr.
Roger L. Williams
Richard G. Wilmes
William D. Wischmeyer
Dana J. Wood
Larry L. Woodruff
Richard J. Yeoman
Jon L. Zellers
Lester M. Zwick

The following-named officers of the Marine Corps for permanent appointment to the grade of captain under the provisions of title 10, United States Code, section 5780:

Michael J. Aguilar
Paul R. Ahrens
Robert A. Aikman
Gerald W. Allen
James V. Allen
Donald P. Amiotte
Gary W. Anderson
Richard G. Anderson
Ralph H. Anzelmc
Gary D. Appenfelder
Craig M. Arnold
James P. Axelrod
Rayfel M. Bachiller
Thomas A. Bailey
Christopher L. Baker,
John M. Ballard
William E. Barker
Barney K. Barnett
Donald C. Barnett
Stephen J. Bartram
James R. Battaglini
Terry E. Beane
Scott R. Beaty
Mark T. Beck
Roger P. Beebe
Curtis M. Beede
Ivan M. Behel
Charles D. Bennett
Chris Bennett
George H. Benskin III
Richard P. Bess, Jr.
Stephen G. Biddulph
David W. Birch
Paul W. Bishop
Thomas E. Bjerke
Patrick A. Black
Carl N. Blair
Scott A. Blair
David R. Bloomer
Robert Blose, Jr.
James S. Bloxom
Richard A. Boeckman
Wiley N. Boland, Jr.
James L. Booker, Sr.
Robert B. Boone
Bruce H. Borum
John F. Bouldry
William G. Bowdon III
William L. Bowling
Denham W. Bowman
Michael H. Boyce
David R. Boyer
Robert E. Braithwaite
Thomas O. Brannon
Frank X. Braun IV
David L. Breed
Charles B. Brewer
Clyde S. Brinkley, Jr.
Arthur E. Brooks
Phillip A. Brooks
Mark L. Brophy
Dennis L. Brown
Shepard R. Brown
Stephen R. Brown
Donald F. Bruey
Craig L. Bryson
William E. Bubsey
Melvin R. Buhls II
Michael M. Bullen
Richard E. Buller
Paul A. Burrows
Richard E. Burton
Kenneth O. Bush
Michael S. Bush
Ronald D. Bussey
Gary A. Butler
Patrick C. Butler
Robert D. Cabana
Charles T. Carroll
John L. Carson
Dee H. Caudill
Thomas A. Caughlan
Richard C. Cavallaro
David L. Chadwick
Ronald W. Chambless
Stephen A. Cheney
James P. Chessum
John S. Cipparone
Charles J. Clarke
Alfred F. Clarkson, Jr.
Gary W. Claunch
Wayne A. Clemmer
Daniel B. Cliffe
John M. Cocke
Robert S. Cohen
John R. Cohn
Larry P. Cole
James M. Collins II
William B. Collins
George W. Colvin
Joseph Composto
Michael R. Compton
Larkin E. Conatser
Vincent P. Conroy
Kevin A. Conry
Larry G. Cook
John F. Corcoran
Max A. Corley
Alfred A. Cortez
Christopher Cortez
Randolph P. Cotten
Norris G. Cotton
James P. Courtney
Glenn B. Cowen
Jimmy R. Cox
Jack C. Cuddy
Lawrence D. Cummings
Robert C. Cummins
Richard B. Daley
Thomas R. Dalton
Alan H. Dank
William C. Darner
Dacre G. Davis, Jr.
Donald L. Davis
Donnie B. Davis
Hartley R. Davis II
John A. Davis
David G. Decker
Ronald V. Deloney
William Z. Dement
Henry M. Denton
Frederick M. Deutsch
Henry V. Dickens
Geoffry M. Doermann
Charles W. Dorman
Peter R. Dorn
Peter A. Dotto
Stephen L. Dubinsky
Gerald J. Duda
Troy L. Duncan
Thomas E. Dunkelberger
James M. Durham
Rhoades E. Dutton
Mark S. Dyl
Darel B. Ealum
Michael E. Edwards
James M. Eicher II
Dallas A. Elliott
Russell H. Erickson
Teddy J. Etsell
Herschel G. Ezell
Timothy N. Farlow
Jackie L. Farmer
James R. Felt, Jr.
Thomas D. Ferran
Wilburn C. Finch, Jr.
Bruce V. Finley, Jr.
Robert M. Flanagan
George W. Flinn
Patrick J. Flynn
Thomas R. Fox
Robert J. Friend, Jr.
David R. Fry
Dwain L. Fuller
Richard J. Gallagher
Francis O. Galloway, Jr.
Anthony S. Ganz
Lawrence E. Garcia
Mark S. Gardner
Joseph C. Gegan III
Jerome L. Geil
Theodore R. Gendron
Raymond F. Geoffroy, Jr.
Peter J. Giacobbe
James A. Giansiracusa
Thomas W. Gilleylen
William M. Given III
Terry V. Gleason
William B. Godwin
Arthur Gomez
Ryan P. Goodell
George H. Goodman
Joseph P. Gordon, Jr.
Vincent J. Goulding, Jr.
Stephen E. Grayner
Christopher J. Gregor
Michael J. L. Greene, Jr.
Barry P. Griffin
Terry A. Gusic
Robert E. Haber
Michael R. Hafen
Emory J. Hagan III
Randall B. Haglund
John R. Hales
Geoffrey T. Hall
Charles F. Hamilton
Wiliam L. Hammerle
Charles W. Hammond, Jr.
Timothy J. Hannigan
Thomas G. Harleman
Thomas E. Harris
Eugene G. Harrison, Jr.
Robert E. Hartley
Walter P. Havenstein
Mark K. Hayden
Robert L. Hedden
Lambert C. Heikes
Jeffrey F. Hemler
Thomas R. Henry
Glen E. Hensley
Carl M. Herdering
Donald E. Hesse
Steven C. Hibbens
Michael F. Hickey
Jerry N. Higdon
John E. Hill
William H. Hill III
John M. Himes
Timothy J. Himes
Clyde J. Hindes
Phillip L. Hindsley
Keith M. Hirvonen
Richard P. Hobbs, Jr.
Keith T. Holcomb
Ward A. Holcomb
Travis D. Holland
Tony L. Holm
George E. Holmes
Stephen G. Hornberger
Patrick R. Hourigan
Russell J. Howald
Jackson R. Howard
Richard A. Huck
Patrick J. Hughes, Jr.
Jeffrey L. Hull
Michael D. Hume
Douglas E. Humston
Billy D. Hunt
Richard F. Hutchinson
Harold L. Inabinet
Thomas B. Isaac
Robert B. Jacobs
Travis L. Jardon
Reid A. Jecmen
Joseph R. Jelinski, Jr.
Stephen C. Jennings
Eugene Johnson
Gerald H. Johnson
Graig L. Johnson
Gregory J. Johnson
Leslie B. Johnson
William J. Joslyn
Richard A. Joyce
Bruce Judge
Larry R. Kapp
Robert W. Kearney
Danny L. Keating
David G. Keck
James D. Keith
Richard L. Kelly
Steven J. King
Thomas R. King
William L. King
Thomas W. Kinsell
David A. Knott
Norbert S. Koziol
Stephen J. Labadie, Jr.
Charles A. Lackey
Roy A. Lammon, Jr.
Tony C. Landry
Lee F. Lange II
Jon R. Larsen
James A. Lasswell
Earl L. Lavan
Joseph F. Lawler
Jerry F. Lawlor
James H. Lee III
Harry C. Leeper, Jr.
Joseph E. Leinenbach, Jr.
James D. Lenard
Floyd C. Lewis
Bruce P. Lohman
George F. Lord
Jeffery L. Lott
Lawrence A. Machabee
John D. Mackenzie
Harold J. Maher
Roger E. Mahoney
Richard A. Maloney
David G. Mann
Leo T. Marier
Richard B. Martin
John J. Martinoli, Jr.
Martin J. Martinson
Judson P. Mason, Jr.
Michael J. Maxie
Stephen A. Maxwell
Peter S. Mayberry
John S. Mays
Dennis C. McBride
Patrick L. McCarthy
John K. McClure
Ronald L. McClure
George M. McCombs
Danny L. McConnell
Joseph X. McCormack III
Daniel J. McGraw
Kevin J. McHale
William E. McHenry
Hugh M. McIlroy, Jr.
Scott W. McKenzie
James M. McLaughlin
Gene S. Mead
John B. Meagher
James S. Mendelson
Ronald L. Meng
Donald J. Mikkelsen
Ottavio J. Milano
Charles M. Miller
Gregory F. Miller
Stephen W. Miller
Herman W. Mullenhauer, Jr.
Henry D. Morris
James R. Morris
Charles L. Mot, Jr.
Michael I. Moit
Stephen F. Mugg
Robert S. Muir
John J. Mullarkey
Martin L. Musella
Joseph A. Najjar
Michael R. Nance
Henry Napoleon, Jr.
Michael J. Neder
Craig A. Nesbitt
Steven T. Nichols
Thomas J. Nicholson
Vincent W. Norako, Jr.
Robert H. Norman
John R. North
Dennis K. Oberhelman
Thomas P. O'Brien, Jr.
James S. O'Connell
David D. Odell
Hugh K. O'Donnell, Jr.
James P. O'Donnell
Donal A. Olsen, Jr.
Michael L. Olson
Glen A. Osmond, Jr.
Dennis M. O'Connor
James R. Ottaway
Larry D. Outlaw
Richard L. Owen
Richard L. Owen, Jr.
Stanley C. Owen
Cruz Pardo
Frederic A. Parker
William H. Parrish
Richard L. Patterson
Philip J. Paul III
Ned G. Paulson
William C. Pedrick, Jr.
Brian A. Peiranc
Terry S. Pendleton
William A. Pepper
Mitchell M. Perkins
Alfred L. Perry
Peter G. Peters
Dale A. Peterson
Ronald W. Peterson
John F. Pettine
Gerald W. Pickett
Harold W. Pierpoint II
John P. Poole
Lewis C. Pope, Jr.
Michael B. Potter
Michael C. Powers
Robert A. Price
Paul F. Pugh
John A. Quinn IV
Bruce A. Randall
Curtis J. Rastetter
John W. Rerucha
Larry R. Rice
Joseph J. Riggio
Charles R. Rivenbark
Raymond M. Roberston
John R. Robinson
John J. Roddy III
Robert W. Roesch, Jr.
Ronald D. Rogers
Joseph J. Rogish, Jr.
Gerald H. Rohloff
Mark C. Ronning
Ralph C. Rosacker II
Bowen F. Rose
James K. Ross
Joseph L. Ruthenberg
Charles A. Ryan
Thomas P. Ryan
Victor W. Ryan, Jr.
Arthur J. Rybicki
James L. Sachtleben
John W. Sams
McDewain Sandlin, Jr.
John F. Sattler
Karl T. Schwelm
Gerald M. Scienski
Joe E. Scott
Robert Shearer, Jr.
Charles N. Sherman
James S. Shi
Robert G. Shillito
Richard Y. Shintani
Larry L. Shreve
Roy N. Sifers
Gary B. Simpson
Laurence E. Simpson
Larry J. Sims
Danny R. Smith
Michael H. Smith
Paul R. Smith
William R. Spain
Grant M. Sparks
Martin J. Speer
Ronald E. Spratt
John W. Springstead
Christopher B. Stoops
David K. Storey
Kenneth F. Stang
James A. Storey III
Darrell L. Stewart
George G. Stuart
Lynn A. Stuart
Robert C. Stuart
Jonathan W. Stull
Patrick H. Sullivan
Thomas P. Sullivan
Frank W. Sultenfuss III
Mario J. Summa
Michael P. Summers
Gary D. Sweeney
Michael J. Swords
Anthony T. Tavella III
Thelbert F. Taylor
Timothy M. Taylor
Jon D. Terry
Bruce J. Thomas, Jr.
David M. Thomas
Michael K. Thweatt
James R. Tippett
Jerome P. Todd
Terry L. Tonkin
Richard F. Travis
Benjamin L. Treadway
Thomas E. Treurniet
Gene A. Tromly, Jr.
David J. Turner
Robert C. Twigger
Joseph S. Uberman
Jack Vandebruinhorst
Gerald J. Varela
Danny P. Venable
Michael J. Verbarendse
James E. Vesely
James S. Vintar
Robert C. Vogel
Michael Vontungeln
Gregory J. Vonwald
Paul H. Voss
John H. Wagner
Richard W. Walker
Richard P. Walton
Bruce M. Ward
Donald G. Warfield
Glenn I. Warrick
Dale M. Watson
David B. Weber
Elbert L. Weist, Jr.
Gary C. Wells
John W. Westmoreland, Jr.
William A. Whitlow
Jimmy L. Whitson
Hugh N. Wiggins
Paul A. Wilbur
John D. Winchester
Tony L. Winstead
Ronald F. Wnek
Ronald M. Woodward
John C. Worlie
Robert P. Wray
Larry W. Wright
James M. Younkins
Joseph K. Zowasky
Eric D. Zobel

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant under the provisions of title 10, United States Code, section 5788:

Raymond Adamiec
James E. Adams
David R. Aday
Daniel Aguilar
Mark E. Alfers
Donald B. Allegro
John R. Allen
David W. Andersen
Wayne C. Anderson
James C. Andrus

Steven J. Antosh
Scott E. Apgar
Michael F. Applegate
Linda C. Arms
Roy A. Arnold
Lawrence W. Astyk
Richard A. Atkisson
Leroy Auston
Brian J. Bach
Frank A. Baleskie
Anthony Banaszewski
Terry L. Barger
Steven F. Barilich
Albert Barnes
Dennis J. Barr
John A. Bass
Ralph G. Bass
John R. Bates
Robert H. Bauman
Dan O. Bausch
Ronald D. Bean
Maynard P. Bearce
Jeffery W. Bearor
James C. Beck
Donald P. Becker
James E. Beckle
Patrick J. Behnke
Bennie H. Bell III
Wayne C. Bell
Paul L. Benedict
Richard D. Benjamin
Francis X. Bergmeister
John W. Berkley
Bruce Besemer
Raymond L. Betros
Brent J. Beverly
Eddie Bickham
Mark W. Bircher
Barbara A. Black
Leonard A. Blasiol
Michael R. Blehm
Jerri L. Bliss
Gwendolyn E. Blizzard
Raymond H. Blumel, Jr.
Gerald A. Boeke
Patrick S. Bole
Kent R. Bolin
David F. Bonwit
Steven C. Bott
Lorraine C. Bowser
Charles E. Boyd
Charlie C. Boyd, Jr.
Calvin C. Boykin III
Bruce F. Brady
Richard C. Branch
Thomas I. Branch
Edward A. Brandt
Allan C. Breller
Dennis J. Brennan
Daniel R. Bretheim
Kevin B. Brewer
George S. Brock
Germain B. Broeckert, Jr.
Russell A. Brooks
Donald D. Brown, Jr.
Larry K. Brown, Jr.
Terrence D. Brown
William D. Brown
Roy D. Bryant
Philip E. Buchinger
Jeffrey L. Budimier
Geoffrey J. Bulliung
Joseph F. Buranosky
Robert A. Burkes
Paul A. Burkholder
Baxter D. Burton
Steven Busch
James M. Bushee
Roy R. Byrd
Mark A. Cagiano
John L. Camp
Robert I. Campbell
William O. Campbell II
Mario V. Carmo
Andrew J. Carrabus
Jack P. Carter, Jr.
David W. Case
Mark E. Casey
Michael W. Caslin
Thomas A. Castriota
Michial M. Celvi
Aron K. Champion
Frankie D. Chappell
Robert S. Chester
Theodore C. Childers, Jr.
Timothy J. Christenson
Larry G. Christie
Sameul H. Christopher
Daniel F. Chwalisz
Louis J. Cipriani, Jr.
Barry H. Clark
Bradley S. Clark
Steven E. Clark
Scott W. Clarke
William D. Claytor
Janice P. Closson
Robert A. Coates
Henry J. Coble
Harry L. Cole, Jr.
Thomas V. Colella
John C. Coleman
Gary C. Conary
William R. Conaway
Christopher J. Conlan
David G. Conley
James E. Connick
William J. Corcoran
William L. Core
Timothy J. Cornell
Jeffrey A. Cory
Rodney M. Cotten
Richard D. Coulter
Leonard A. Courson
James H. Court
Robert L. Crabb
Constant P. Craig
Ralph D. Craig
Robert J. Craig
James M. Crites
Donald G. Croom
William M. Cryan
Gary R. Cullop
Frederick H. Curlin, Jr.
Stuart D. Currier III
John P. Curry
Robert F. Curtis
Roger T. Cuva
Michael N. Daily
Michael L. Dammer
Richard A. DaPrato, Jr.
Rodell C. Darling
Robert G. David, Jr.
Thomas A. Davidson
James C. Davis
James M. Davis
Lester B. Davis
Sidney F. Davis
Thomas M. Davis
Michael T. Daw
David R. Dean
Richard A. DeChaineau
Robert L. Deen
Joseph J. DeFranco
Andrew C. Delgado
Alvis W. Denning
James I. Dennis III
Gordon B. Denny
Vincent G. Depierre
Bruce D. Devers
Joe W. Dickerson, Jr.
Dennis J. Dilucente
Frank P. DiMarco
Dale S. Dimitroff
Charles L. DiRienzo, Jr.
Charles E. Dolejs
Robert E. Donelan, Jr.
James H. Donnan
Martin A. Donovan
Stephen C. Dorsett
Paul A. Doscher
Doyle G. Douglas
William B. Drennan
Michael L. Drennan
David G. Driegert
Richard H. Dunnivan
John P. Dwyer
Dale A. Dykhuizen
Gregory J. Eddy
Randy L. Edwards
Richard J. Eisloeffel
Alfred W. Ellis III
Ronald L. Ellis
Ralph H. Emerson III
Russell A. Eve
Stephen D. Ewers
Philip J. Exner
Phillip A. Faigley
Roberta L. Feldhans
Kerry K. Feldman
Kevin P. Fennell
Timothy K. Ferral
Barry R. Fetzer
Donald M. Finney
Douglas A. Fisher
Leonard J. Fitzgibbons
Patrick J. Fitzsimmons
Wayne T. Fleming
Larry G. Flores
Susan J. Flores
Gerold J. Flotte
Stephen P. Folan
John W. Foley
David S. Foster
Preston H. Foster
Harold H. Fox II
William F. Fredericks
Elizabeth K. Freund
Lee W. Freund
Andrew P. Frick
Steve A. Fris
David J. Fry
Edwin G. Fulkerson
Daniel S. Fullerton
Janet E. Furtick T.
Barbara R. Furze
Richard M. Galvez, Jr.
Alfred A. Gambone, Jr.
Leslie C. Garrison
Timothy M. Gaskins
Michael J. Gearin
Dennis D. German
Rose A. Getty
Mark J. Gibson
Michael Gibson
David L. Gilbreath
Bruce A. Giron
Michael J. Glagola
Donald E. Goddard, Jr.
Michael J. Goin
Timothy R. Golike
James Goodloe, Jr.
Kenneth B. Goodrow
Arthur V. Gorman, Jr.
Robert W. Gose
Richard A. Graham
Alfred Green, Jr.
Douglas L. Green
Eric J. Green
Max P. Greene
Edwin W. Groff
Leon D. Guenzler
Ramon L. Guerrero
Charles M. Gurganus
Debra Haas
Mark W. Haas
Gary L. Hall
Michael D. Halloran
Larry K. Hamilton
Richard F. Hamme
Gerald M. Hammes
Michael J. Hanaway
Robert S. Hansel
Jack R. Harkins, Jr.
Edward A. Harper
Karen L. Harper
William L. Harraman
Charles R. Harris
Timothy B. Harris
Willie J. Harris
Donald S. Hartman, Jr.
Michael S. Haskell
Stephen C. Hastings
Samuel J. Head
Charles W. Hearn, Jr.
Roy W. Heidicker
Raymond B. Held
Timothy W. Helms
John F. Hemleben
Mark L. Hendricks
John T. Hennessey
James A. Henry
Timothy J. Hesketh
Michael S. Hicklin
Ernest E. Hickson
James M. Higgins
Peter E. Higgins
Paul R. Hill
Clayton F. Hill
Terry L. Hill
Alden E. Hingle, Jr.
Jonathan J. Hirtle
Mitchell S. Hoffman
Otis L. Hollar II
Susan M. Holmgren
Robert J. Holt
Jay W. Hommer
Jerry W. Honea
James F. Honeycutt, Jr.
Donald C. House, Jr.
Craig S. Huddleston
Jack M. Hughes
James G. Hughes
Michael J. Hughes
Richard D. Hughes
Robert J. Hugin
Vince L. Huston
Phillip R. Hutcherson
Maurice B. Hutchinson
Richard M. Hutchinson
John A. Hutchison
Dennis J. Jackson, Jr.
Otis J. Jackson, Jr.
Everett L. Jacobson
John M. Jagielski
David L. Jankowski
Kevin P. Janowsky
Luther B. Jenkins
Robert L. Jenkins, Jr.
Harold L. Jennings, Jr.
Edward A. Jeter
Bobby R. Johnson
Gary Johnson
Roy H. Johnson
Terrie B. Johnson
William L. Johnson III
Jere J. Johnston
Dwight W. Jones
Ritchie K. Jones
Susie K. Jones
William M. Jones
Dennis Judge
Arlow A. Julian
David J. Kaessner
Thomas M. Kait
Steven A. Kapitan
Stephen R. Kappes
Peter J. Karonis III
Thor L. Kaumeyer
Brendan P. Kearney
Donald M. Keithly
Ricki A. Kelish
Bruce R. Kelly
Charles E. Kelly
John F. Kelly
Michael T. Kelly
Daniel J. Kernen
David T. Kerrick
John J. Kirk, Jr.
Joseph R. Kirkman
Frederick J. Klauser
Scott E. Klippert
Robert J. Knapp
David G. Knittig
Philip E. Knobel
David L. Kooker
Gary R. Kozlusky
John E. Kramer
Kathleen G. Kramer
Mark L. Krigbaum
Mary A. Krusa
John E. Kruse, Jr.
Michael J. Krynak
Leellen Kubow
Robert F. Kuhlow
Philip B. Kumpis
Joseph P. Kusior, Jr.
John C. Ladd
Roger D. Lamb
John M. Landfair
Edward L. Lane
William R. Langford
Joseph S. Lape
Kenneth M. Lapean
Randall W. Larsen
Ivan W. Lassiter
Rufus B. Laws
Marc D. Lederman
Kevin H. Leeman
Scott M. Lehman
John D. Lehockey
Marcus L. Lenderman
Frank J. Lengel
James E. Lindsey
Jerome C. Liscomb
Gary A. Littlejohn
Duane B. Logan
John L. Lott, Jr.
Joseph N. Lott
Michael T. Lovejoy
James M. Lowe
Steven M. Lowery
Edward J. Lubbers
Robert E. Lund
Kevin B. Lydon
Edward W. Lynch
Robert F. Lynn
James R. MacDonald
Bron N. Madrigan
David W. Maffett
Alyce M. Mahlock
Michael A. Malachowsky
John D. Mann
Jeffery L. Martin
Michael A. Marriott
Joanna M. Martin
Paul J. Matthews
David W. Mauldin
Kenneth T. McCabe
Bernard V. McCarthy, Jr.
Robert T. McCarty
Charles B. McClain
Michael P. McCloskey
Gary L. McClure
Gary M. McConnell
A. V. McCoy, Jr.
Harry F. McDole, Jr.
Chester H. McFarland
Joseph V. McIlhenny, Jr.
Keith D. McKain
William T. McKenzie
Michael D. McMillan
James S. McTighe
Joseph V. Medina
William L. Meeks
Charles J. Mehalic
Kim Mehalko
Rickie A. Mellenkamp
David C. Mickelson
John R. Miles
David A. Miles IV
Blaise P. Miller
David B. Miller
Jeffrey W. Miller
Mark C. Miller
Pierce R. Miller
William W. Miller
Richard P. Mills
Michael B. Minnehan
John M. Misiewicz
Charles R. Mize, Jr.
Joseph E. Moeder
Chester C. Moeller II
Kenneth C. Mogray, Jr.
Leonard M. Mokan
John S. Moore
Richard S. Moore
Richard D. Morgan
Michael T. Moriarty
Phillip A. Morris
Mark G. Mossman
Way P. Moy
George E. Mueller, Jr.
Charles V. Mugno
Warren F. Muldrow
Curtis A. Munson
Robert J. Murawski, Jr.
Robert B. Murray
John D. Myers
Arthur L. Nalls, Jr.
Clayton F. Nans
Crystal M. Nans
Roderic S. Navarre
Kenneth E. Neu, Jr.
Jeffrey A. Neufeld
James L. Newbold
Phillip L. Newman
Rosco A. Newson
Kelley J. Nielsen
Berva B. Noone
Joseph C. Noone, Jr.
David B. Norris
Robert A. Nuzum
James Oates III
David M. Oberholtzer
John P. O'Connor
Lawrence J. O'Donnell, Jr.
Allen E. Oliver
Michael C. O'Neal
Gordon C. O'Neill
Craig E. Opel
Richard J. Packard
Harry A. Page
Roy F. Page
Robert H. Paine
Lawrence F. Palazzolo
Menelaos P. Palles
Frank A. Panter, Jr.
Robert D. Papak
Mark W. Papineau
Robert S. Paris
Raymond D. Parker
Robert R. Parker, Jr.
Randall D. Parman
Craig T. Patranc
Charles S. Patton
Osland Paulding
Martin D. Peatross
Reynolds B. Peele
Frank D. Pelli
Edward J. Perkins III
Michael F. Perry
Ronald C. Perry
Andrew J. Peters, Jr.
David L. Peterson
Michael R. Peterson
Bruce K. Petit
Nicholas C. Petronzio
Walter E. Pfandl
Gary V. Phillips
John R. Philp
Lawrence J. Piano
Bruce G. Pike
Greg P. Postochini
Christopher D. Platt
Harold E. Poole
Roger R. Poole
Richard J. Poppe
Tony L. Porter
Dennis C. Pratt
William J. Preston
Randall R. Pritchett
Harold T. Pruessner, Jr.
Mario T. Rabusin
John G. Rader
William A. Radtke III
David E. Reagan
Lawrence J. Reccoppa
George E. Rector, Jr.
Dennis W. Reilly
John E. Reiss
Louis F. Repucci, Jr.
James M. Reuter
Steven A. Reynolds

Harley J. Rhoten
Jeffrey C. Richter
Paul J. Riding
Thomas A. Roberts
Jeffrey A. Robertson
Mastin M. Robeson
David J. Robinson
Wayne D. Robinson
Terry G. Roblin
Barbara J. Rollins
Lewis W. Rollins
Glenn C. Roundy
Philip C. Rudder
Brendan P. Ryan
James T. Ryan
Peter L. Rybacki
Eugene R. Rybak
Jonathan T. Ryberg
Dan R. Sadberry
David A. Salzman
Kevin G. Sandri
Michael W. Sarnes
John M. Scepurek
Thomas O. Schaefer
Thomas H. Schalch
Duane R. Schattle
Frederick A. Schenk
Nancy J. Schenk
Richard J. Schmitt
Paul A. Schneider
Robert B. Schnepp
Michael H. Schoelwer
Mark A. Schon
Daniel C. Schultz
Benjamin L. Scofield
James E. Scroggs
William T. Sears
Thomas M. Seifert
Thomas R. Serrin
James J. Seward
Sylvan J. Sewell
Curtis J. Shaffer
Carl H. Sharperson, Jr.
Raymond S. Shelton
Joseph L. Sheppard, Jr.
Karim Shihata
Patrick K. Shy
Thomas A. Sieg
Richard L. Simmons, Jr.
Walter W. Simmons
Dan Simons
Jeffrey R. Simons
Thomas L. Simpson
Neil E. Sizemore
Frank P. Slavich, Jr.
Marvin E. Sleppy
Timothy A. Sloan
Gregory L. Smith
Jordan B. Smith, Jr.
Michael L. Smith
Sheri A. Smith
Thomas M. Smith
Vincent L. Smith
Craig C. Snee
William T. Snider, Jr.
Robert E. Snyder
Nicholas A. Sottler
Paul F. Souza
Jack K. Sparks
Jake L. Sparks II
John E. Sparks, Jr.
James L. Spears
Melvin G. Spiese
Harrell D. Spoons, Jr.
Louis P. Sposato, Jr.
Paul T. Stanley
Conley W. Starling
Randall L. Stegner
Allen R. Steward
Glenn D. Stoker
George E. Stratmann, Jr.
John J. Stuart
Richard K. Stutler
James A. Summers, Jr.
John R. Suter
Stephen D. Swazee
William S. Sweeney
Palmer D. Swift
Bradford L. Tammaro
George J. Taylor
Jonathan M. Taylor
Robert C. Tekampe
David E. Ternes
Kenneth W. Terry
Victor J. Thombs
Dennis C. Thompson
Jerry L. Thompson
Theodore R. Timmerman
Hubert E. Tobey
Peter B. Todsen II
Ann F. Toggenburger
Randolph E. Tom, Sr.
Jeffrey J. Tomlin
Douglas M. Tonn
Charles E. Tower, Jr.
Randall L. Trammell
John W. Tranberg
Lynn E. Trenda
Dennis F. Tretter
Gerald L. Troupe
Danny K. Trout
Robert P. Troy, Jr.
Scot W. Tschirgi
Frederick L. Tuggle
Alan A. Turk
Bradley E. Turner
Wilma L. Turner
Robert L. Urban
Janice M. Vancamp
Jackson M. Vanderburg
James L. Vanfossan
James I. Vanzummeren
Jeffrey D. Vick
Austin K. Vincent
William F. Vokoun
Blair R. Vorgang
Thomas D. Waldhauser
Lawrence G. Walker
Joseph A. Wallace
Craig A. Wallwork
Belton R. Ward, Jr.
William A. Warner
Raymond F. Waters III
Roxanne L. Waters
Paul W. Watson
Dennis E. Watts
Dolph N. Watts
Robert M. Weidert
Richard E. Weiss
Karl D. Wells
Michael D. Weltsch
James G. Westberg
George M. Wheeler
John D. Whitaker
Jonathan C. White
Steven B. White
Steve E. White
Timothy R. White
Stephen P. Whitlock
Michael W. Whitted
George K. Wilcutt
Jan J. Williams
Jeffrey B. Williams
Michael E. Williams
Dennis A. Winberry
Kevin H. Winters
Russell C. Woody
Benjamin G. Wyatt
Francis J. Wysocki
Thomas M. Yackley
Gary W. Yagiello
Stephen A. Yates
James M. Yeager
Stanley J. Yelito
Wade Yoffee
Randolph F. Young
Raymond H. Young
Anthony Zezzo II

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant under the provisions of title 10, United States Code, section 7854:

Charlie H. Adams, Jr.
Paul D. Adams
William T. Alexander
Randolph D. Alles
Daniel N. Allmayer
Thomas E. Archer II
Gerard B. Baigis
Peter L. Bann
Bruce L. Barnes
Mark P. Barthel
Ralph S. Battles, Jr.
Donald P. Beck
Bruce P. Bendele
Robert L. Biely
Harry J. Blair III
Arthur L. Blodgett
Stephen P. Bohlmann
Harold E. Bonham, Jr.
Steven K. Booth
Gordon C. Bourgeois
Terry R. Bower
Miles S. Bozarth
Gary W. Bradley
John M. Brereton
Wayne E. Briggs
Alan A. Bromka
David N. Brown
Stephen A. Butera
Pamela F. Capatosto
Karl F. Carlson
Steven J. Cash
Ralph D. Catoe
Roger C. Cecil
George P. Celvi
Gerald R. Chapman
Donald J. Chattin, Jr.
Gregory G. Clark
Michael E. Clark
James W. Cluck, Jr.
Terry M. Collins
Richard A. Comfort, Jr.
Thomas M. Corbett
Donald E. Creighton
John M. Croley
Billy H. Davis
Ralph D. Dawson
David G. Desmond, Jr.
Jeffrey L. Deweese
Ronald G. Dodson, Jr.
Stanley M. Donham II
Leo M. Donnelly
Rick O. Donovan
Michael S. Dossett
Michael J. Doughty
David B. Dunmore
Christian J. Eck III
Oregon, Emerson III
Kenneth R. England
Mark C. Evans
Raymond J. Fagot, Jr.
David E. Fails
John R. Farris, Jr.
Brian T. Fenlon
Patrick J. Ferral
Edwin E. Field R.
Kenneth D. Finlon
John S. Flanagan II
Roy W. Flentge
Kevin F. Foley
Michael R. Fonteno
Michael F. Forrester
Frank E. Foster
Robert E. Foulk
Joseph H. G. Franz
Kent R. Freeland
Mark L. Friedman
Sarah E. Fry
Thomas M. Fuller
Rodney J. Gerdes
Kevin M. Gilpin
Gregory G. Golden
Charles D. Gooby
Joseph W. Graff
Kenneth A. Granger
Robert W. Griffin
John D. Gumbel
David L. Hackemeyer
Elizabeth A. Hallin
Jon T. Hardwick
Craig T. Hartigan
Carson E. Haury
John A. Hautala
Robert W. Hawkins
John E. Hennelly
Joseph B. Herlihy, Jr.
James B. Hill
Arthur E. Hockmar II
Eddie L. Holcomb
James F. Holland, Jr.
Steven T. Holste
Paul M. Hornback
Harvey E. Howard, Jr.
Gordon A. Howe
Alan P. Howell
Karen E. Hughes
Robert D. Hunter
Harry L. Hutch, Jr.
Ernest D. Ibarra
Joseph P. Innerst
Phillip M. Jackson
John W. James
James F. Janecek
Richard E. Jannell
Donald L. Johnston, Jr.
Erik L. Jorde
David A. Jorgensen
Joseph E. Joutras
Steven P. Junkersfeld
Bernard F. Kallelis
Peter J. Keenan
Larry M. Keim
Christopher C. Kelley
Davide A. Kelley
George M. Kelley
William G. Kellogg
David L. Kennedy
Kit M. Kerkesner
Thomas H. Kitto
Gordon Klau
Donald R. Knauss
Rosa K. Knight
Calvin A. Knox
Robert M. Knutzen
David J. Koleos
Joseph W. Kosewicz
Carl F. Kusch
Robert R. Lane
Robert L. Langrill
Robert J. Lemyre
Danny U. Lewis
Robert E. Lindsey, Jr.
Richard M. Linton
Tracy K. Loftis
Michael A. Loose
Kevin M. Lucas
Eric W. Lund
Michael J. Lyden
Gregg L. Lynes
Douglas C. Lynn
Gary J. Magnuson
David F. Maier
Curtis E. Mamzic
Joel R. Mariani
Kevin B. Marsh
Anthony D. Martelli
Robert D. Mastroianni
Daniel P. Mathern
Gregory D. Mathis
James D. Matthews
Colin F. Mayo
Michael L. McCabe
James F. McCaffrey
Tommy B. McClelland, Jr.
Howell G. McCleskey
Terrence B. McGuire
William L. McKenna
William M. Meade
Linda S. Mehalko
John M. Melink
Michael A. Merrill
Jim B. Mickler
Dean A. Millard
David L. Miller
David M. Mitchell
Robert B. Moore
Robert J. Munisteri
Brian A. Murray
Bryan K. Murray
Alan J. Neff
Martin R. Nolan
Margaret M. Nordin
Eric N. Nyberg
David B. Pabst
Dennis C. Pederson
Michael L. Pellegrini
Michael L. Philips
Merrill L. Pierce
Eugenio G. Pino
James M. Plumer
John S. Prather
Curtis G. Raetz
Stephen W. Randall
Franklin V. Reagan
William T. Reagan
James M. Redman
David E. Reeves
Michael R. Regner
Charles W. Reif
Robin R. Renken
Bruce A. Requa
Rodney C. Richardson
Thomas C. Richardson
Bruce A. Richter
David B. Richter
David J. Salter
William A. Sanderson
Fredorick M. Sanford
Dennis R. Schroeck
Arnold P. Segovia
James B. Sell
Jeffrey M. Seng
Marcia M. Shaffer
Howard S. Shaub
David J. Shaw, Jr.
Judith C. Shaw
Michael T. Shaw
Stanley G. Shumway
Clifford M. Simmons
Reginald S. Simmons
Randolph P. Sinnott
Glen E. Sisson
Douglas L. Smythe
John J. Spang
Edward J. Spooner
Mikal P. Stampke
Michael L. Steele
Michael C. Stephens
Patrick F. Stickel
Anthony Z. Stobiecki
Michael R. Suttle
Theodore M. Swendra, Jr.
Christopher K. Taylor
Michael E. Taylor
James M. Thomas
Harry J. Todd, Jr.
Michael E. Tucker
Tommy L. Tyrrell, Jr.
Paul W. Underwood
Anthony W. Valentino
James B. Vile
Michael L. Voniderstine
Derrell E. Wad
Susan G. Walker
Gregory T. Wallick
Kevin L. Warkentin
Bradford G. Washabaugh
William G. Washington, Jr.
James H. Watson
Earl S. Wed Brook
Stanley W. Wende
James M. Wenk
Raymond W. Wersel
Scott Westervelt
Arthur E. White
Paul L. Whitehouse
Terrence W. Wilcutt
Robert J. Wilkinson, Jr.
Kenneth L. Williams
Charles L. Wilson
Russell E. Wilson
William R. Wilson IV
David M. Winn
David W. Wood
Michael A. Woodcock
Donna A. Woods
Warren H. Wright
Robert W. Young, Jr.

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W–4 under the provisions of title 10, United States Code, section 563:

Willie A. Armstead
Lorenza T. Baker
Bonnie H. Bass
Richard J. Beatty
Robert L. Bowen
Reganold A. Bowser
Dennis A. Braund
Albert K. Britton
Charles J. Bruce
Ben W. Caesar
Robert L. Caldwell
James E. Carter
Donnie E. Cavinder
Jackie E. Certain
Gregory Connor
Rex L. Curtis
Eldon L. Dodson
Arthur J. Douglas
Terrell L. Dulaney
James M. Edgerton
Robert R. Epps
Donald T. Eskam
Charles A. Fitzgerald
Sandra L. Furber
Earl G. Gale III
Craig D. Gibbons
William M. Grant
Richard L. Gregg
William L. Grinnell
Hubert A. Grummer
Henry D. Halloway
Frank R. Hart
Albert L. Hayes
Harold S. Heinbaugh
William J. Hisle III
Raymond L. Hug
Guy L. Hunter, Jr.
Robert R. Irvine
William R. Johnson
Allen F. Kent
Joe Killebrew
Leslie C. King
Chester C. Kinsey
Charles E. Lambert
Albert R. Lary
Philip D. Leslie
John W. Loynes
Raymond J. Main
John P. Marlowe
Barry E. Marsh
Benjamin A. Marsh
Charles J. McCormick
Howard McDonald
William L. McGinn
Larry G. Merrifield
Allen R. Morris
James T. Morris
Lawrence T. Mullin
Walter D. Perry
Jimmie F. Peters
Charles T. Pettigrew, Sr.
Robert P. Phillips
Alfred M. Pitcher
Wilfred Puumala
Richard A. Rossi
Michael J. Schulke
John D. Scroggins
Albert W. Sheldon
Dan W. Showalter, Jr.
David E. Shumpert
Wilbert O. Sisson
Robert M. Skidmore
Charles G. Skinner
Minter C. Skipper, Jr.
Isaac A. Snipes
Jeffrey J. Snyder
Elias J. Soliz

Ronald J. Stopka
Joseph J. Stours
George B. Strickroth
Michael E. Thomas
Joseph Thorpe
Paul R. Tippy
Louis G. Troutman
William T. White
Charles E. Young
Arthur Yow, Jr.
Bennie R. Walker
Arthur P. Williams
Jerome K. Williams
Richard K. Wolfe

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-3 under the provisions of title 10, United States Code, section 563:

Joseph E. Ashton
Lauren D. Ayers, Jr.
David B. Bartz
Jon C. Benrud
Ronald M. Brahmer
Ronald G. Brodgon
Charles L. Brown
William L. Burke
Robert C. Burlingame
Douglas M. Catlett
Joseph C. Chiles
Richard W. Christiansen
John C. Clark
Ronald E. Clemons
Gerald L. Colby
Larry A. Cowart
William T. Cumbie
Cecil R. Delarosa
Robert N. Diab
Ronald T. Dudley
Kelly R. Edwards
Sergio E. Estrada
Carmelo A. Finocchiaro
Harold A. Gawerecki
Sylvester Graves
Thomas M. Grenier
Gary R. Grothe
William R. Hayes
Gerald T. Janda
Marcus W. Johns
Joe V. Johnson
Charles J. Kathrein
Frederick J. Keegan
John J. Kenney
Ronald A. Koren
Curtis A. Leslie
Larry D. Logsdon
Tommy L. Lopez
Patrick T. Mahoney
Darrell F. Martin
Joseph A. McDonald
Paul A. McInerney
Raymond E. McNeal
Richard L. Meeker
Marlen B. Meierdierks
Leslie A. Meyer
Vernon J. Meyer
Frederick M. Morrone
Leonard A. Mueller
Lance E. Parker
Teddy H. Perrodin
Daniel B. Pickens
Loren D. Primmer, Jr.
Jerry R. Prince
Edward Richey, Jr.
Carl Romero
Larry F. Rudolf
Ronald G. Ruppelt
Daniel W. Sable
Winston J. Scott
John R. Seay
John D. Self
Cathy J. Sieber
Charles C. Simpson
Ryan E. Stafford
Richard M. Speidel
Robert T. Stockman
Robert D. Stride
Ralph Sturgeon, Jr.
Peter W. Tallman
Teodoro R. Tenorio
Lyndon F. Vrooman
Dean A. Waller
Richard J. Walter
James C. Wheeler, Jr.
Anthony W. Williams
Robert F. Zurface

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-2 under the provisions of title 10, United States Code, section 563:

Anthony E. Agrue
Michael R. Allen
Myron E. Allen
Lester L. Anderson
Lawrence J. Anderson
David V. Antkowiak
Steve W. Archer
Max E. Austin
William J. Balderama
James R. Barnes
Kevin J. Barth
John R. Beall
Robert O. Bennett, Jr.
Clement J. Berendt
David V. Bertoldo
Raymond A. Bethke
George K. Blackwell
David J. Bland
Scott D. Boyer
John C. Brady
Thomas L. Breese
James F. Bremer
Larry C. Brown
Russell K. Burnett
Joseph P. Bynum Jr.
Clifton D. Caldwell
Kenneth R. Calvert
Billy J. Carico
Gary R. Carlson
Patricia A. Carter
Robert W. Cavanaugh, Jr.
William J. Cavanaugh
Larry D. Chambliss
Richard E. Chandler
Tommy L. Chandler
William D. Chapman
William H. Charlton, Jr.
Marvin E. Christians
Gerald M. Clark, Sr.
George R. Collard
Charles E. Colvard
Kenneth R. Cooper
Ronald B. Corbett
Denny L. Cox
William C. Cox
Daniel A. Crall
Grove S. Crank
Ernest L. Crawford
James Currie
Richard W. Dailey
Wayne A. Davey
Ronald H. Deford
Joseph S. Delossantos
Richard L. Denoyer
Michael P. Derose
Ralph J. Diaz
David A. Dipman
Donald R. Dockrey
Larrie A. Dombos
Robert P. Downs
Stephen M. Dreher
Roger F. Drown
Donald L. Dytmire
Michael D. Edwards
Steven O. Elggren
Thomas C. Ellenberg
Sally J. Exworthy
Daniel L. Farster
James L. Fields
Jerrold R. Fisher
Roylance J. Frank, Jr.
Jeffrey S. Frye
Pete Flores
Juan Galvan, Jr.
Paul A. Gelinas
Charles N. Gibson
John M. Graf
Michael W. Green
George T. Grow, Jr.
Calvin F. Guntherberg
Gary F. Halford
Lee F. Haverson
Alan A. Hammer
Henry C. Harris
Peter L. Harris
Howard A. Hartman
Michael B. Hayes
Edward H. Heffernan
Dennis E. Henson
Frank R. Hernandez
Steven Hickey
Morris B. Hichman, Jr.
William D. Hightower
John V. Hinds, Jr.
Russell R. Hobbs, Jr.
James R. Hoogendorn
Johnny L. Howard
Winfield D. Howard, Jr.
Donnel Humbert
Robert H. Irvine
David L. Jennings
Andrew L. Johnson
James F. Johnson
Paul E. Johnson
John W. Johnston
Lester R. Jones
Charles G. Katsekes
Garry R. Kerr
John O. Keyes
James R. Kikta
Robin C. Kilpatrick
Mark J. Klicker
John A. Klossner
James M. Knope
Darryl J. Kokos
Michael Kozakewich, Jr.
Paul J. Kufhta, Jr.
Eugene W. Landrum
Alfred P. Laporte, Jr.
James Largue III
Victor A. Larkin
Kenneth P. Lasnier
Bryan N. Lavender
Douglas A. Law
Gary W. Lawyer
Patrick B. Leach
Edward C. Ledlow III
Cornelius F. Leer
Galo I. Leguillou
Donald Lewis
Eugene W. Lindley
Roosevelt Lindsey, Jr.
Wilburn E. Littrell
Stanley W. Longworth
William E. Lovelady
Luis R. Lozada
Albert A. Luckey
Harry Manchester, Jr.
John M. Mansch
James J. Massie
Larry W. McBeth
Jack R. McClelland
Andrew McClendon
Paul E. McEvoy
Todd A. McIntyre
Michael L. McKinney
John H. McTier
William L. Mees
Curtis D. Mertz
Larry T. Messner
George H. Mikesell
Harry R. Monds
Anthony R. Montoya
Howard R. Moon
Bobby L. Moore, Jr.
Gerald H. Moors
Keith A. Morgan
Roy L. Morris
Roger T. Mullins
Lloyd A. Myer
Lloyd R. Narramore, Jr.
Frederick L. Navarre
John R. Nebeker
Daniel A. Nelson
Herbert L. Nichols, Jr.
James D. Nicholson
George D. Nilson
John L. Nusbaum
Daniel E. O'Donnell
Robert E. Older
J. B. Oliver, Jr.
Charles A. Padgette
Jimmy C. Patrick
Darrell L. Paul
Gerald L. Peaake
Nyles W. Peterson
George J. Phillips
Charles B. Plowman
Frank B. Plumlee
Tony E. Poole
James Poon, Jr.
Charles W. Pritchard
William F. Ramberg
Antonio E. Ranero
Steven D. Rapp
Donald E. Rich
George C. Rife
Errol W. Roberts
Harry W. Roberts, Jr.
Robert W. Rodenski
Burkeen W. Salyer
Leo Sanders, Jr.
Frank J. Scarpinato, Jr.
Joseph H. Schepisi
Paul V. Schichtel
Patricia J. Schmoller
Stephen E. Schwab
Edgar L. Scilex II
Nicholas A. Shrum
Paul G. Silvis
Arrnold E. Simmons
David L. Simon
Barry J. Singer
Frank P. Skinner
Donald R. Smith
James F. Smith
Lonnie D. Smith
Robert W. Smith
Stephen K. Smith
William C. Smith
Joseph Spelman
Michael E. Spencer
Rufus E. Spigner
Robert Steinheimer
Marc M. Stevens
Ronald A. Stewart
Thomas R. Still
Dempsey Stowers
David P. Strong
John D. Sutton
Roland C. Swensen
Cecil E. Swift
Larry L. Swope
Jesse H. Terpstra, Jr.
Haney Thomas, Jr.
Dennis M. Thorpe
Berndt H. Tietjen
Edward R. Tokarz
Jesse Torres
Gary E. Toupin
Glenn H. Trexler
Bruce A. Vandenberg
John F. Velarde
Noe, Vera
Glenn L. Wadford
Roy V. Wallis
Kimberly A. Walt
Raymond E. Ward
Ronald R. Washburn
William M. Watson
Howard A. Watt
Ray A. Welch
Jerry D. Wellner
John M. Williams
Marvin G. Williams
Wilbur L. Williams
Varnziel Winfield
Gary L. Winslow
John F. Winstead
Jack L. Wood
Jerry A. Youmans
William H. Young, Jr.
Thomas M. Zarner

Executive nominations received by the Secretary of the Senate August 20, 1979, under authority of the order of the Senate of August 3, 1979:

INTERNATIONAL MONETARY FUND

Paul A. Volcker, of New Jersey, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years, vice G. William Miller.

DEPARTMENT OF STATE

Stephen Low, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

Executive nominations received by the Secretary of the Senate August 27, 1979, under authority of the order of the Senate of August 3, 1979:

FEDERAL HOME LOAN BANK BOARD

Jay Janis, of Florida, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981, vice Robert H. McKinney, resigned.

IN THE AIR FORCE

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force.

To be captain

Toenjes, Donald M., [redacted]

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be major

Yerger, David H., [redacted]

To be captain

Baugh, Eric R., [redacted]

DENTAL CORPS

To be first lieutenant

Rabbio, Maria A., [redacted]
Rogerson, John N., [redacted]

VETERINARY CORPS

To be major

Milligan, Joseph E., [redacted]

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Abel, William G., [redacted]
Ansari, Parvis M., [redacted]
Bartlett, Richard A., [redacted]
Bennett, Lansing H., [redacted]
Bianchini, Valentino J., [redacted]
Brenner, Harris (NMI), [redacted]
Clemenz, Frederick W., [redacted]
Gallo, Albert E., [redacted]
Hauschild, Werner A., [redacted]
Haverlah, Gene V., [redacted]
Herrera, Gaston C., [redacted]
Hillan, Donald D., [redacted]
Jones, Edward H., [redacted]

Kingsbury, Robert C., [redacted]
Loizeaux, Paul H., [redacted]
McCumber, Myron L., [redacted]
Nestler, William H., Jr., [redacted]
Pablos, Gliceria T., [redacted]
Pica, John (NMI), [redacted]
Sanderson, John M., [redacted]
Scott, Jack (NMI), [redacted]
Sellors, William H., [redacted]
Teodor, Peter (NMI), [redacted]
Tripp, Cecil D., [redacted]
Weaver, Fred III, [redacted]
Yamauchi, Hiroshi (NMI), [redacted]
Yates, James E., [redacted]

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Dalessandro, Angelo A., [redacted]
Mogerman, Donald M., [redacted]

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Bamel, Solomon, [redacted]
Cruzjimenez, Pedro R., [redacted]
Wakefield, Charles T., [redacted]
Wiese, Lowell M., [redacted]

LINE OF THE AIR FORCE

Major to lieutenant colonel

Bettner, Donald J., [redacted]
Brand, Roderick P., [redacted]
Brenzel, Robert C., [redacted]
Christoffersen, Neil, [redacted]
Crump, Ronald H., [redacted]
Clutter, James W., [redacted]
Dorris, John W., [redacted]
Dunlap, Richard M., [redacted]
Elliott, George G., [redacted]
Fiegel, David A., [redacted]
Flook, Gerald L., [redacted]
Green, Thomas A., [redacted]
Hengel, Raymond J., [redacted]
Holen, John A., [redacted]
Hubbard, Charles R., [redacted]
Loucks, Justin E., [redacted]
Noack, Leonard A., [redacted]
Parkinson, Thomas H., [redacted]
Porter, Harl M., [redacted]
Radko, Anatole, [redacted]
Schmitt, Arthur E., [redacted]
Smith, Donald, [redacted]
Stegenga, Peter, Jr., [redacted]

CHAPLAIN CORPS

Major to lieutenant colonel

Pearson, John R., [redacted]

NURSE CORPS

Major to lieutenant colonel

Colley, Helen L., [redacted]

MEDICAL CORPS

Major to lieutenant colonel

Andre, Donald A. [redacted]
Cabatbat, Inocencio, [redacted]
Davey, Joseph J., [redacted]
Donahue, James M., [redacted]
Gauvin, Lloyd D., [redacted]
Hoag, Harriet A., [redacted]
Kendle, Ellis M., [redacted]
Kharod, Upendrakuma, [redacted]
Payen, Hermilando P., [redacted]
Satir, Ahmet S., [redacted]
Schwartz, Gary P., [redacted]
Sisson, William R., [redacted]
Tremblay, Normand F., [redacted]
Turlington, James T., [redacted]
Vandersarl, Jules V., [redacted]

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Nash, Merle W., [redacted]

IN THE NAVY

The following-named commanders of the United States Navy for temporary promotion to the grade of captain in the staff corps as indicated, pursuant to Title 10, United States Code, Sections 5773 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

Abbott, Mark O.
Addison, Robert G.
Angelo, Don S.
Baker, James C.
Bellanca, Joseph J.
Bouvier, John J.
Browning, Robert W.
Clayton, William E.
Cloutier, Charles T.
Cook, Taylor I.
Donnell, Robert L.
Drake, Anthony M.
Dunne, Michael J.
Dwinnell, Frank L.
Evertson, Larry R.
Fink, Lawrence H.
Foreman, David R.
Gabel, Ronald E.
Garvin, David F.
Gross, Theodore D.
Harrison, William O.
Harvey, Claude A.
Hauser, James L.
Heffner, Dennis K.
Henrichs, Walter D.
Higgins, Robert W.
Hodges, Leon C., Jr.
Hoskins, William J.
Howard, Noel S.
Johannes, James D.
Kaminsky, Howard H.
Kellogg, Gordon F.
Korbelak, Robert M.
Lench, Joel B.
Lyons, James F.
Maginnis, Michael A.
Majewski, Paul L.
Mannarino, Francis G.
McAllister, Clyde H.
McCarthy, Michael P.
McClurkan, James M.
Milroy, William C.
Negron, George L.
Noel, Ewell C., Jr.
Osborne, John E.
Peloquin, William H.
Peterson, Douglas W.
Pickett, Charles D.
Rasmussen, Bruce D.
Reed, Charles N. II
Ricketson, George M. III
Roberts, James D.
Sandri, Piero F.
Santiago, Lombardo M.
Schwabe, Mario R.
Senechal, John H.
Smyth, Joseph P.
Symonds, Ronald D.
Velat, Gary F.
Vogt, Philip J. W.
Weaver, Joseph W.
Welham, Richard T.
Williams, Loys E.
Williams, Theodore G.

SUPPLY CORPS

Austin, Walter I.
Bell, Ronald M.
Bian, John W.
Biver, David A.
Boese, Fred M.
Brown, James W.
Crane, Lee D.
DeMayo, Peter
Dempsey, Edward J.
Drake, Claude H.
Eckelberger, James E.
Evans, Steven H.
Felt, John D.
Filipiak, Francis L.
Gray, Lloyd C.
Hatchett, John W.
Hauenstein, William H.
Hoopes, Ronald G.
Huffman, Haldon J.
Iverson, Ronald I.
Jaap, Joseph D.
Jaecques, Raymond C.
Jarrett, William A.
Johnson, Omer L.
Kelly, James A.
Knight, James W., Jr.
Kuhns, Howard E.
Lavely, Lawrence W.
Lingenbrink, Robert A.
Lord, Charles W.
Lynam, Edward J.
Maginniss, Christopher M., Jr.
McAdams, William M.
Montgomery, Samuel S.
Muenster, William S.
Nichols, Gerald M.
Nix, Harvey W., Jr.
Olson, Engwall A., III
Overman, Douglas R.
Patterson, Jerry G.
Powell, Hal B.
Rader, Lynden L.
Randall, Harold N., Jr.
Risinger, Robert E.
Rogers, William J., Jr.
Sherwood, William C.
Spillane, James J.
Vanni, Ralph J.
Walther, Harrison N.
Wardrup, Leo C., Jr.
Weatherson, Harvey D.
Wheeler, J. C., Jr.
Willis, Gerald W.
Wood, Allen

CHAPLAIN CORPS

Ahrnsbrak, Leonard L.
Baez, Samuel
Beach, Stanley J.
Brennan, Joseph F.
Davis, Lex L.
Dempsey, Richard J.
Doffin, James E., Jr.
Dolaghan. John
Ecker, Robert J.
Ferguson, Edmond B.
Finn, Daniel E.
Goetz, Herbert M., Jr.
Hamilton, Edward A.
Hathaway, Dudley C.
Hawley, Quinn L.
Hiskett, Walter A.
Holwager, Philip J.
Hunsicker, David S.
Landry, Gene D.
Lewis, Herbert T.
MacCullagh, Richard E.
Mack, Wilfred B.
McCue, Richard T.
McDonnell, Francis W.
McNamara, John R.
Moran, Eddy B.
Pfannenstiel, James D.
Plishker, Richard A.
Rushing, Leslie W.
Smith, William A.
Stewart, Wayne A.
Weaver, John F.
Witting, Martin J.

CIVIL ENGINEER CORPS

Alexander, Robert E.
Bodamer, James E.
Bottorff, David E.
Caughman, James B., Jr.
Cook, Jan W.
Dallam, Michael M.
Davis, Gene
Dettbarn, John L.
Donovan, Lawrence K.
Gilmore, Gordon R.
Harrell, Haywood H.
Holmes, Henry A.
Ives, Jon R.
Jacobsen, John R.
Kau, Julian M. F.
Leonard, Daniel B., Jr.
McCorvey, Donald L., Jr.
McLaughlin, Edwin W.
Miller, Robert K.
Montoya, Benjamin F.
O'Donnell, William J.
Peltier, Eugene J., Jr.
Steadley, Alfred M., Jr.
Walter, John A.

JUDGE ADVOCATE GENERAL'S CORPS

Anderson, John W.
Campbell, Hugh D.
Debobes, Richard D.
Donato, Dan, Jr.
Drapeau, John W.
Drew, Kenneth W.
Googe, James P., Jr.
Hoffman, James L., Jr.
Kercheval, John W., II
Medlin, William R.
Nerseth, Marvin P.
Stumbaugh, Everette D.
Vanslate, Jean E.
Woods, Theodore K., Jr.

DENTAL CORPS

Ahl, Dennis R.
Allen, John M.
Andrzejewski, David A.
Antrim, Donald D.
Back, Jim P.
Barton, Terry L.
Bickenbach, Alan P.
Billy, Edward J.
Bollinger, Thomas E.
Branham, Gerald B.
Branon, Anthony W.
Buchholtz, William J.
Calder, David R.
Canal, John W.
Clark, George E.
Copeland, Richard A.
Crooks, Walter G.
Delaossa, Arthur D.
Demeyer, John H.
Emery, Clare A., Jr.
Fady, James A., Jr.
Fields, Marion S.
Flinton, Robert J.
Fortman, Kenneth V.
Foster, George S.
Frazier, James L.
Glazer, Sanford A.
Grisham, John P.
Groff, Gordon B.
Hancock, Everett B.
Heibel, John L.
Hicks, Morris L.
Hillenbrand, Ronald E.
Hillenbrand, Dennis G.
Hinman, Robert W.
Hirschfeld, William E.
Ho, Patrick
Holtan, James R.
Horton, Charles B.
Howe, David J.
Hunter, Thomas A.
Hirschfeld, William E.
Isaacs, Jerome E.
Julienne, Charles H.
Kehoe, Joseph C.
Kennard, John T.
Kepley, Benjamin F
King, Ronald C.
Kjome, Robert L.
Knehans, William E.
Kobes, Peter
Koenigs, Joseph F.
Lawton, Robert A.
Lehman, Paul C.
Leonard, Edward P.
Lineberger, Luther T.
Lohr, John R.
Lufkin, John C.
Luhtala, Jay L.
Maastraight, William H.
Martin, Richard L.
Matson, John E.
McDavid, Paul T., Jr.
Mitchell, Donald L.
Mohr, Richard W.
Morris, Don R.
Mowad, Massoud G.
Mullins, Harry C.
Nelson, Ronald T.
Nieusma, Gerald E.
Oatis, George W., Jr.
Oldfield, Ronald E.
Orthmeyer, Harold J.
Ostrowski, John S.
Paulk, Glenn L., Jr.
Perry, Frank U.
Petri, William H., II
Porter, John W.
Regan, Paul F.
Ross, George R.
Sadler, John F.
Schaberg, Siegfried J.
Sconyers, Jimmy R.
Scoralle, Donald L.
Seck, Dale W.
Shafer, Robert T.
Shanley, James J.
Sharrow, Barry E.
Shoemaker, Philip W.
Skyberg, Russell L.
Smith, Cameron M.
Smith, Gary L.
Snell, William H., Jr.
Splitgerber, Thomas C
Stanton, Herbert J.
Stob, John A.
Streicher, Carl W.
Thetford, Oris H.
Vazzana, Lorenzo S.
Webster. Roger A.

Whitlock, Richard P.
Whittaker, James F.
Wible, James H.
Wight, Thomas A.
Wisser, Robert C.
Wittgow, Walter C., Jr.
Young, Raymond F.
Zendt, Robert R.

MEDICAL SERVICE CORPS

Baldauf, George W.
Hodges, Richard C.
Law, Malcolm K.
Wentworth, Richard L.

NURSE CORPS

Barnes, Julia O.
Brase, Beverly J.
Clunan, Claudette C.
Emal, Janice A.
Holbrook, Helen A.
Jean Elizabeth A.
Jennett, Jo Ann
Kendall, Kathleen M.
Ledgerwood, Mary C.
Liakos, Angeline G.
Lisec, Helen A.
Lyons, Barbara A.
Meehan, Mary K.
Nelson, Marijean V.
Peters, Edna L.
Ross, Stella A.
Swetonic Marjorie A.
Weidt, Bew P., II
Young, Mary L.

Comdr. Andrew S. Markovits,* Medical Corps, of the Reserve of the U.S. Navy, for temporary promotion to the grade of commander, in the Medical Corps of the U.S. Navy as a Reserve officer, pursuant to title 10, United States Code, sections 5505 and 5793, subject to qualification therefor as provided by law.

The following-named ensign of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Duke, Lawrence K.

Executive nominations received by the Secretary of the Senate August 28, 1979, under authority of the order of the Senate of August 3, 1979:

DEPARTMENT OF STATE

Thomas M. Tracy, of Florida, a Foreign Service officer of class 1, to be an Assistant Secretary of State, vice John M. Thomas, resigned.

John P. Condon, of Oklahoma, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga and as Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

THE JUDICIARY

Thomas A. Clark, of Florida, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Nathaniel R. Jones, of Ohio, to be U.S. circuit judge for the sixth circuit, vice John W. Peck, retired.

Arthur L. Alarcon, of California, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Harry Pregerson, of California, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Stephanie K. Seymour, of Oklahoma, to be U.S. circuit judge for the tenth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Alcee L. Hastings, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95-486, approved October 20, 1978.

Scott E. Reed, of Kentucky, to be U.S. district judge for the eastern district of Kentucky, vice a new position created by Public Law 95-486, approved October 20, 1978.

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*Ad Interim

Executive nominations received by the Senate September 5, 1979:

COUNCIL ON WAGE AND PRICE STABILITY

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability, vice Barry P. Bosworth, resigned.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Aarons, Ronald D., [redacted].
Abbott, Sherwood S., [redacted].
Abel, Raymond E., Jr., [redacted].
Abel, Thomas R., [redacted].
Abels, J. A., [redacted].
Abendschein, Frederick E., [redacted].
Abernathy, Charles R., [redacted].
Abney, Billy W., [redacted].
Acke, Edward H., [redacted].
Adams, Gerald R., [redacted].
Adams, Harold B., [redacted].
Adams, Harold C., II, [redacted].
Adams, Henry A., III, [redacted].
Adams, James D., [redacted].
Adams, Stephen D., [redacted].
Adkins, Joel E., [redacted].
Agnew, John T., [redacted].
Aikman, Lynn A., [redacted].
Aitken, James G., [redacted].
Akers, Gibson C., [redacted].
Albertson, Fred W., Jr., [redacted].
Alexander, Jon R., [redacted].
Alexander, Joseph D., [redacted].
Alexander, Thomas L., [redacted].
Alford, Benjam F., III, [redacted].
Alfred, Robert E. L., Jr., [redacted].
Alldredge, Charles H. S., [redacted].
Allen, George W., [redacted].
Allen, Jerrold P., [redacted].
Allen, John J., [redacted].
Allen, Richard L., [redacted].
Alley, Charles E., [redacted].
Allgaier, William A., III, [redacted].
Allgood, John R., [redacted].
Allick, Samuel O., [redacted].
Almand, Larry M., [redacted].
Almond, Russell H., Jr., [redacted].
Alpert, Harold S., [redacted].
Alverson, Kintner W., [redacted].
Amann, John J., [redacted].
Ambrose, John W., III, [redacted].
Amels, Bernard J., [redacted].
Ames, Laurence W., [redacted].
Amundson, Robert C., [redacted].
Anders, Wayne R., [redacted].
Andersen, Roland E., [redacted].
Anderson, Arnold R., Jr., [redacted].
Anderson, Darwin C., [redacted].
Anderson, Frank W., Jr., [redacted].
Anderson, Harlan L., [redacted].
Anderson, James R., [redacted].
Anderson, John F., [redacted].
Anderson, John M., [redacted].
Anderson, John M., Jr., [redacted].
Anderson, John R., [redacted].
Anderson, Martin G., [redacted].
Anderson, Michael E., [redacted].
Anderson, Ralph J., [redacted].
Andrade, Martin G., [redacted].
Andreus, Frank C., II, [redacted].
Andrews, Franklin J., [redacted].
Andrews, Robert G., [redacted].
Andrews, Robert P., [redacted].
Andrews, Victor C., [redacted].
Anthony, Ron A., [redacted].
Antol, Wayne M., [redacted].
Apple, Robert C., [redacted].
Applegate, William P., [redacted].
Arent, Lauren E., [redacted].
Armentrout, Alden H., [redacted].
Armstrong, James C., Jr., [redacted].
Arnold, Alfred F., [redacted].
Arnold, John M., [redacted].
Arnold, William D., [redacted].
Arzola, Nelson, [redacted].
Ashby, Randolph W., [redacted].
Ashman, David, [redacted].
Ashton, Gerald L., [redacted].
Atchley, Gordon H., [redacted].
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Baars, Thomas E., [redacted].
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Cirillo, Francis A., Jr., [redacted].
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Cook, Lee W., [redacted].
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Epner, Gerald I., [redacted].
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Eppler, Gary D., [redacted].
Epps, James H., [redacted].
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Erbacher, John K., [redacted].
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Evatt, Garvin T., Jr., [redacted].
Everts, Russell A., [redacted].
Ewart, Robert F., [redacted].
Ewing, Jon W., [redacted].
Eychner, George L., [redacted].
Fagan, Michael T., [redacted].
Faggard, Lionel E., [redacted].
Fairbrother, Clarence L., [redacted].
Faix, Joseph L., [redacted].
Fal, John W., [redacted].
Fales, David P., [redacted].
Fandel, William T., [redacted].
Farmer, Charles T., [redacted].
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Farr, Herbert M., [redacted].
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Fette, John H., [redacted].
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Fields, McArthur, [redacted].
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Files, William S., Jr., [redacted].
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Font, Argentino, Jr., [redacted].
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Horner, Lyle G., [redacted].
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Introne, Robert E., Jr., [redacted].
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Israel, Kenneth R., [redacted].
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Roadruck, Max J., Jr. [redacted].
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Turner Leo K., Jr., [redacted].
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Wrublewski, Adam F., [redacted].
Xander, Thomas C., [redacted].
Yagmin, James F., [redacted].
Yamamoto, James T., [redacted].
Yarolem, Wayne R. [redacted].
Yeager, John G., [redacted].
Yoachim, William G., [redacted].
Yoste, Florian H. III, [redacted].
Young, Douglas, [redacted].
Young, James A., [redacted].
Young, John E., [redacted].
Young, Samuel E. Jr., [redacted].
Young, William J. Jr., [redacted].
Zachousky, James S., [redacted].
Zajicek, Thomas P. [redacted].
Zambelli, Anthony C., [redacted].
Zebley, Frederick L. Jr., [redacted].
Zellmer, Kenneth E. [redacted].
Zent, Llewellyn II, [redacted].
Zerbe, Michael S. [redacted].
Zettler, Wilbur T., [redacted].
Zielie, Paul A. [redacted].
Zimmermann, Conrad R., [redacted].
Zinsser, Harry F. Jr., [redacted].
Zody, James G., [redacted].
Zuniga, Jerome B., [redacted].
Zwerg, John W., [redacted].

CHAPLAIN CORPS

Black, Vernon R. [redacted].
Booke, Peter W., [redacted].
Boone, Joseph F., [redacted].
Donahugh, Donald E., [redacted].
Dzik, Richard F., [redacted].
Frissell, Charles R., [redacted].
Galloway, Edward E., [redacted].
Hancock, Jimmie L., [redacted].
Harnett, James R., [redacted].
Hendry, Owen J., [redacted].
Hubbard, Beryl T., [redacted].
Jahren, John C., [redacted].
Lipscomb, William W., [redacted].
Macrander, Charles W., [redacted].
Manning, Joseph H., [redacted].
McAllister, Robert L., [redacted].
McGuffey, Kenneth D., [redacted].
Moffitt, Robert E., [redacted].
Nicita, Vincent R. [redacted].
Oleary, Niall F., [redacted].
Pressley, Clyde F. Jr., [redacted].
Rhyne, Jerry L., [redacted].
Riza, Bradford L., [redacted].
Rowell, Albert J., [redacted].
Sassman, William A., [redacted].
Shepanski, Donatus C., [redacted].
Singletary, John D., [redacted].
Tripp, Robert J., [redacted].

DENTAL CORPS

Blaser, Paul K., [redacted].
Domine, Patrick L., [redacted].
Dufort, Charles R., [redacted].
Engelmeier, Robert L., [redacted].
Farhood, Vincent W., [redacted].
Farr, Stephen C., [redacted].
Gieser, Dennis P., [redacted].
Giles, Joseph E., [redacted].
Gross, Stephen, [redacted].
Hager, Ronald C. [redacted].
Hanson, Robert W. [redacted].
Haveman, Carl W., [redacted].
Hess, David S., [redacted].
Igo, Robert M. [redacted].
Knowles, James W. Jr., [redacted].
Lagree, Jay D., [redacted].
Langston, John R., [redacted].
Lewis, Jeffrey D., [redacted].
Loden, Claude D. [redacted].
Loeckel, Richard E., [redacted].
Mayhew, Robert B., [redacted].
Neudigate, William C., [redacted].
Oesterle, Larry J., [redacted].
Roggenkamp, Clyde L., [redacted].
Rome, William J., [redacted].
Sarg, Ronald G., [redacted].
Schrader, James A., [redacted].
Scott, James R., [redacted].
Sherrill, Yowell M., [redacted].
Snell, Gerald M., [redacted].
Staley, Jon E., [redacted].
Stoffers, Kenneth W., [redacted].
Swan, Richard H., [redacted].
Thurmond, John W., [redacted].
Westbrook, Steve D., [redacted].

JUDGE ADVOCATE

Allen, Robert D. M., [redacted].
Anderson, Perry L., [redacted].
Balch, Edwin H., Jr., [redacted].
Brasel, Jerry M., [redacted].
Bristol, Matt C. C., III, [redacted].
Callinan, Michael C., [redacted].
Capio, Ralph J., [redacted].
Carnahan, Burrus M., [redacted].
Carrington, Royle P., III, [redacted].
Clarke, Leonard S. [redacted].
Corbin, Norman L., [redacted].
Darter, Lewie J., III, [redacted].
Davidson, John P., [redacted].
Donat, James L., [redacted].
Driscoll, David J., [redacted].
Dumerer, James E., [redacted].
Durham, Bryant L., [redacted].
Elliott, William R., Jr., [redacted].
Emerson, Michael R., [redacted].
Engebretsen, David H., [redacted].
Fiore, Joseph C., [redacted].
Harrington, Donald J., [redacted].
Hornbrook, Edwin F., [redacted].
Ingram, James E., Jr., [redacted].
Johnson, Phillip A., [redacted].
Leonard, Robert H., [redacted].
Moran, Francis C., Jr., [redacted].
Mounts, Robert T., [redacted].
Nolte, Donald A., [redacted].
Novak, Richard A., [redacted].
Petersen, James O., [redacted].
Purdon, Richard L., [redacted].
Ranciglio, Alessandro J., [redacted].
Rigsby, Allen W., Jr. [redacted].
Rothenburg, Richard F., [redacted].
Scanlin, Thomas D., [redacted].
Schilling, Edwin C., III, [redacted].
Shaughnessy, John R., Jr., [redacted].
Smallridge, Gary C., [redacted].
Summerfield, Ralph S., [redacted].
Sweeney, Howard P., [redacted].
Tate, Robert W., II, [redacted].
Tomes, Robert E., [redacted].
Warren, Stephen A., [redacted].
Wheeler, Jon S., [redacted].
Wickham, Richard J., [redacted].
Wilson, Michael B., [redacted].

MEDICAL CORPS

Abraham, David A., [redacted].
Arnold, Colin B., [redacted].
Bishop, John A., [redacted].
Burch, John E., Jr., [redacted].
Christian, Charles B., Jr., [redacted].
Clark, Max A., [redacted].
Clarke, William R., [redacted].
Coburn, Bry H., [redacted].
Cramer, Frederick S., [redacted].
Dematte, Eugene M., [redacted].
Eglinton, Gary S., [redacted].
Fisk, David E., [redacted].
Floyd, John L., Jr., [redacted].
Gilstrap, Larry C., III, [redacted].
Gutierrez, Armando N., [redacted].
Harasimonwicz, Joseh A., [redacted].
Hoffman, Peter F., [redacted].
Holt, Gilbert A., Jr., [redacted].
Hoogerland, David L., [redacted].
Lainof, Kerry W. [redacted].
Lentz, Carl W., III, [redacted].
Mendlick, Richard M., [redacted].
Noffsinger, Jay E., [redacted].
Rasmussen, Reed C., [redacted].
Ryan, Mitchell N., [redacted].
Sanderson, John N., [redacted].
Schwender, George E., [redacted].
Shepler, Thomas R., [redacted].
Spadoni, James R., [redacted].
Stith, John A. [redacted].
Thornton, William V. S., [redacted].
Tolley, Douglas G., Jr., [redacted].
Vanbuskirk, Ronald, [redacted].
Walters, Charles L., [redacted].
Wright, Donald G., [redacted].

NURSE CORPS

Aldridge, Patricia D., [redacted].
Armstrong, Frances P., [redacted].
Baiocchetti, Loreto A., [redacted].
Cadieux, Arthur J., [redacted].
Cook, Rosa L., [redacted].
Cramer, Ladonn B., [redacted].
Cummings, Myra F., [redacted].
Easley, Phyllis A., [redacted].
Fadusko, Jeanne A., [redacted].
Forbes, Janyce L. [redacted].
Garner, Patricia C., [redacted].
Gebhart, Eileen G., [redacted].
Gokee, Henry F., [redacted].
Goker, Elizabeth J., [redacted].
Hagens, Robert L., [redacted].
Hotop, Marcella C., [redacted].
Huber, Priscilla J., [redacted].
Hughes, Ellen A., [redacted].
Jackson, Melissa R., [redacted].
Kaplan, Mary M., [redacted].
Knight, Annamarie, [redacted].
Lavine, Jean A., [redacted].
Link, Vincent H., [redacted].
List, Sara F., [redacted].
Lowery, Antoinette T., [redacted].
Lunceford, Marilyn Y., [redacted].
Lux, Frances P., [redacted].
Maher, Janet T., [redacted].
Messer, Monica S., [redacted].
Miller, James E., [redacted].
Mootz, Paul E., [redacted].
Norgaard, Gayle D., [redacted].
Norton, Patricia, [redacted].
Ontko, James P., [redacted].
Owen, Carolyn F., [redacted].
Purdy, Patricia A., [redacted].
Rinne, Michael S., [redacted].
Ritter, Patricia J., [redacted].
Ryan, Elizabeth K., [redacted].
Salmons, Freddie E., [redacted].
Satterley, Daniel B., [redacted].
Semrad, Louis, Jr., [redacted].

Shockley, George E., Jr., [redacted].
Tadano, Margaret C., [redacted].
Thomas, Awilda, [redacted].
Vancavage, Caroline J., [redacted].
Watkins, Sylvia A., [redacted].
Wenzel, Sandra L., [redacted].
Wilder, Barbara E., [redacted].
Willis, Juanita M., [redacted].
Workman, Connie D., [redacted].
Zweck, Robert L., [redacted].

MEDICAL SERVICE CORPS

Bjerken, Paul A., [redacted].
Bloomquist, Carroll R., [redacted].
Breault, George A., [redacted].
Brown, Charles W., III, [redacted].
Burchfield, Larry R., [redacted].
Chappelle, Raymond J., Jr., [redacted].
Coleman, Steven L., [redacted].
Dikes, James E., [redacted].
Driver, David C., [redacted].
Garcia, Joe, [redacted].
Hare, Charles E., [redacted].
Harrison, James T., [redacted].
Holtz, Daniel D., [redacted].
Knight, Jimmy M., [redacted].
Lee, Jerry N., [redacted].
Mayo, Billy W., [redacted].
McCausland, Orrin J., [redacted].
McGough, Richard G., [redacted].
Moore, William W., [redacted].
Petermann, Mark H., [redacted].
Phill, Charles M., [redacted].
Raynor, Richard R., [redacted].
Renoudet, Donald D., [redacted].
Wilson, Ira D., [redacted].
Young, Chester L., [redacted].

VETERINARY CORPS

Albersmeyer, Michael M., [redacted].
Bekaert, Denis A., [redacted].
Cartledge, Robert M., [redacted].
Gunnels, Robert D., [redacted].
Hewins, Stanley O., [redacted].
Mills, Andrew C. S., [redacted].
Pletcher, John M., [redacted].
Rankin, James T., Jr., [redacted].
Skalka, Dennis R., [redacted].
Somers, Rick A., [redacted].
Vandellen, Adrian F., [redacted].

BIOMEDICAL SCIENCES CORPS

Alter, William A., III, [redacted].
Arnold, Barbara P., [redacted].
Bowen, Victor G., [redacted].
Brannon, Larry D., [redacted].
Campbell, James M., [redacted].
Chavella, Joyce D., [redacted].
Clegern, Robert W., [redacted].
Crouse, Dan T., [redacted].
Elliott, Nancy R., [redacted].
Erwin, Charles S., [redacted].
Gibson, Sidney C., [redacted].
Goodson, Richard A., [redacted].
Hadden, David A., [redacted].
Hughes, Robert O., [redacted].
Jenkins, James L., [redacted].
Jernigan, Mary Ann, [redacted].
Jones, Charles R., [redacted].
Jones, Wayne D., [redacted].
Key, James A., [redacted].
Kiffer, James J., [redacted].
Kolquist, Saundra A., [redacted].
Lombard, Robert A., Jr., [redacted].
Lynch, Thomas P., Sr., [redacted].
Majors, James S., [redacted].
Pauls, Chester F., [redacted].
Ricker, Philip R., [redacted].
Sayre, Larry E., [redacted].
Sellers, Richard F., Jr., [redacted].
Shaffstall, Robert M., [redacted].
Smith, Jack R., [redacted].
Taylor, Boyce A., [redacted].
Thomson, David F., [redacted].
Tremblay, James W., [redacted].
Webb, Thomas S., [redacted].
Weber, Leo R., [redacted].
Wells, Robert L., [redacted].
Wilkerson, Lillard C., [redacted].
Wilson, Lawrence F., [redacted].
Wood, David G., [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Berryman, William C., [redacted].
Bowling, Rodney I., [redacted].
Brown, Harold S., [redacted].
Bryant, Rudolph, [redacted].
Collar, Robert D., [redacted].
Dollar, Jerry, [redacted].
Fox, John F., [redacted].
Gambrell, Samuel C., [redacted].
Green, Paul M., [redacted].
Gunn, James E., [redacted].
Kerr, Keith H., [redacted].
Knight, Roger P., [redacted].
Kowalski, Louis E., [redacted].
Lorenz, Karl A., [redacted].
Naples, Anthony F., [redacted].
Paynton, Jan H., [redacted].
Pennycuick, Robert F., [redacted].
Provencher, Paul, [redacted].
Reay, Tommy L., [redacted].
Redmond, Michael, [redacted].
Rigg, Richard J., [redacted].
Schellhase, Walter R., [redacted].
Spikes, Harold J., [redacted].
Valtunas, Andrew V., [redacted].
Walker, Jack W., [redacted].
Wojtas, Jerome R., [redacted].

CHAPLAIN

To be colonel

Epps, Bryan C., [redacted].
Shaub, Robert W., [redacted].
Terry, Frederick D., [redacted].

MEDICAL CORPS

To be colonel

Hamilton, Thomas P., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Wygle, Peter R., [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3367 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Adkinson, William E., [redacted].
Alvarado, Paul H., [redacted].
Andersen, Jerry M., [redacted].
Armstrong, Arthur R., [redacted].
Atherton, James T., [redacted].
Biles, Derwood C., [redacted].
Black, Joseph L., [redacted].
Boudoucies, John A., [redacted].
Brannon, James F., [redacted].
Brown, Doris M., [redacted].
Bryan, Jerry G., [redacted].
Buckley, John B., [redacted].
Bultman, Roger C., [redacted].
Burgess, Roland P., [redacted].
Campbell, Hugh B., [redacted].
Carr, George L., [redacted].
Carr, Joseph V., Jr., [redacted].
Cary, John, [redacted].
Casey, Patrick H., [redacted].
Caulkins, Lawrence T., [redacted].
Clayton, Marvin C., [redacted].
Conlon, Joseph F., [redacted].
Crittenden, James M., [redacted].
Cruthirds, Niles D., [redacted].
Curtis, Chester R., [redacted].
Daniel, Dennis K., [redacted].
Dayhuff, Charles H., [redacted].
Deloney, Leslie C., [redacted].
Denker, Hugo C., [redacted].
DeShon, Harry A., [redacted].
Dixon, Lyle A., [redacted].
Doolittle, Max L., [redacted].
Doyle, Glenn A., [redacted].
Drake, Harry F., [redacted].
Drapeau, Robert L., [redacted].
Dugger, Daniel R., [redacted].
Edmondston, Francis M., [redacted].
Felhoelter, William B., [redacted].
Ferris, James J., [redacted].
Fisher, Harold G., [redacted].
Freshour, Charles E., [redacted].
Garlock, Joel D., [redacted].
Giacoppe, George N., [redacted].
Giudice, Henry M., [redacted].
Goldsmith, George Jr., [redacted].
Goodwin, Ray C., [redacted].
Griffin, John L., [redacted].
Gunning, Ronald T., [redacted].
Hahn, David G., [redacted].
Haley, John M., [redacted].
Hartnitt, Bruce D., [redacted].
Hartzog, Robert L., Jr., [redacted].
Heath, Dwright N., [redacted].
Hesselink, Gerald D., [redacted].
Hix, Gayle D., [redacted].
Huff, Marvin, [redacted].
Hutson, Robert A., [redacted].
Hyams, James E., [redacted].
Janco, Peter R., [redacted].
Janelle, Roland H., [redacted].
Kelly, Peter J., [redacted].
Kidd, Ronald M., [redacted].
Kiger, Louis S., [redacted].
Knopp, Harry T., [redacted].
Kofmettl, William F., [redacted].
Kosowski, Bernard M., [redacted].
Krach, Donald F., [redacted].
Laney, Charles A., [redacted].
Lanham, John W., [redacted].
Lanham, Zeddie D., [redacted].
Lavy, Jack W., [redacted].
Leander, Denny W., [redacted].
Lemieux, Gerard M., [redacted].
Litton, James L., [redacted].
Lowman, John S., [redacted].
Lowrie, Virgil A., [redacted].
Lubbe, Joseph R., [redacted].
Lunde, Raymond H., [redacted].
Lynch, Howard F., [redacted].
Macaluso, Anthony, Sr., [redacted].
MacHemehl, Jerry L., [redacted].
MacLachlan, Bruce B., [redacted].
Mahon, John J., [redacted].
Martin, Joseph D., [redacted].
Martinez-Olivo, Reinaldo, [redacted].
Mason, Robert W., [redacted].
Masterson, Joseph A., [redacted].
Maze, Franklin, [redacted].
McBride, Charles L., [redacted].
McCage, Ronald D., [redacted].
McCann, Paul L., [redacted].
McGrew, John H., [redacted].
McKenna, John J., [redacted].
McVeigh, James P., [redacted].
Meikle, James W., S., [redacted].
Miller, John S., [redacted].
Moates, William A., [redacted].
O'Reilly, John J., [redacted].
Pasholk, Ronald W., [redacted].
Patterson, David H., Jr., [redacted].
Peacock, Thomas A., [redacted].
Pearson, Robert W., [redacted].
Perrone, Paul J., [redacted].
Perry, Donald T., [redacted].
Possumato, Nicholas D., [redacted].
Prisk, Gary R., [redacted].
Pulsifer, William P., [redacted].
Purdy, James A., [redacted].
Reitzel, Maurice D., [redacted].
Revis, Paul N., [redacted].
Rewerts, Milan A., [redacted].
Rich, Terrence L., [redacted].
Roth, John C., [redacted].
Sargent, George W., [redacted].
Schrader, Johnie R., [redacted].
Schwartz, Francis D., [redacted].
Shade, Luke L., [redacted].
Shideler, Robert W., [redacted].
Simon, Benjamin J., [redacted].
Sloan, Allan P., [redacted].
Smith, James B., [redacted].
Smith, William C., [redacted].
Soltes, Charles R., [redacted].
Starnes, Donald D., [redacted].
Stoll, Walter J., [redacted].
Storat, Richard E., [redacted].

Styles, Charles F., [redacted].
Taylor, David P., [redacted].
Tramma, Joseph M., [redacted].
Trobaugh, James E., [redacted].
Truett, Curtis P., [redacted].
Vaughan, Cristopher C., [redacted].
Vigelis, Eugene, [redacted].
Wagner, Richard E., [redacted].
Waldman, Richard J., [redacted].
Waldrup, William C., Jr., [redacted].
Warr, James W., [redacted].
Wetherby, Carlton L., [redacted].
Wittsell, Edward L., [redacted].
Woodruff, Philip, [redacted].
Woodworth, David K., [redacted].
Wright, Thomas E., [redacted].

CHAPLAIN

To be lieutenant colonel

Durbin, Paul G., [redacted].
Hert, Darrald P., [redacted].
Johnson, Clifford H., [redacted].
Rose, Robert H., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Luna, Rodrigo F. C., [redacted].
May, Duane L., [redacted].
Urizar, Rodrigo E., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Woodard, John R., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Brooks, Clifton R., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Baszynski, Alice J., [redacted].
Stevenson, Margaret R., [redacted].

DENTAL CORPS

To be lieutenant colonel

Boyko, Nicholas, [redacted].
Cancellara, Anthony N., [redacted].
Carbone, John W., [redacted].
Cremer, Jerry L., [redacted].
Griffin, Robert E., Jr., [redacted].
Johnson, Richard L., [redacted].
Lopez, Jesus, Jr., [redacted].
Olechowski, George W., [redacted].
Oleskeyvich, James M., [redacted].
Pulskamp, Frank E., [redacted].
Randolph, Richard B., [redacted].
Taves, Melvin E., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Adams, Billy M., [redacted].
Bell, Exter F., [redacted].
Bell, William H., [redacted].
Berryman, Arthur H., [redacted].
Bianco, Emidio A., [redacted].
Bice, Clarence M., [redacted].
BoLene, Robert V., [redacted].
Campbell, Carlos B., [redacted].
Campbell, Mike C., [redacted].
Chai, Kyong S., [redacted].
Chaput, Christopher J., [redacted].
Cierebiej, Albert, [redacted].
Davies, Ross S., [redacted].
Drennen, Robert V. E., [redacted].
Engel, Rolf R., [redacted].
Eves, John H., [redacted].
Gladue, Joseph R., [redacted].
Guanzon, Leo A., [redacted].
Harvey, John C., [redacted].
Hickerson, James S., [redacted].
Hughes, Edward M., [redacted].
Kahane, Stanley B., [redacted].
Kilbury, Merlin J., Jr., [redacted].
Klutzow, Friedrich, [redacted].
Kurtze, Arthur G., [redacted].
Lugo-Faria, Merlin D., [redacted].
Marcel, Jesse A., Jr., [redacted].
McCree, Robert L., [redacted].
McLaughlin, Max V., [redacted].
Montes, Jose A., [redacted].
Oliver, Richard T., [redacted].
Roldan, ErLinda C., [redacted].
Saldana, Guido F., [redacted].
Smith, Leonard, [redacted].
Stelter, Gerald P., [redacted].
Tankleff, Bert N., [redacted].
Tucker, Wayne L., [redacted].
Updegraff, Bryan R., [redacted].
Varnado, Jimmie W., [redacted].
Waldman, Martin L., [redacted].
Watanabe, Henry K., [redacted].
Weiss, Joseph F., [redacted].
West, Edward T., Jr., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Guinn, Joe L., [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Code, section 3494:

MEDICAL CORPS

To be colonel

Boone, Stephen C., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Clark, Charles F., [redacted].
Levine, Matthew E., [redacted].
Moorman, Claude T., [redacted].
Stouder, Stephen R., [redacted].
Talbot, Asa R., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 3385:

ARMY PROMOTION LIST

To be colonel

Appel, Darvin R., [redacted].
Blair, Ollie J., [redacted].
Bourgeois, Charles A., [redacted].
Bowen, Francis J., [redacted].
Brown, Ralph H., [redacted].
Burdick, Donald, [redacted].
Cole, Francis E., [redacted].
Cook, William A., [redacted].
DeMara, Richard D., [redacted].
Donnelly, Raymond J., [redacted].
Farley, Norman H., [redacted].
Finley, Philip B., [redacted].
Fleming, James B., [redacted].
Hall, Ernest E., [redacted].
Hiatte, Donald L., [redacted].
Hohnbaum, Donald C., [redacted].
Horgan, Francis J., [redacted].
Jackson, Earnest L., [redacted].
Lander, Richard J., [redacted].
Maruzzella, Frank R., [redacted].
Miller, Walter W., [redacted].
Mitchell, Don E., [redacted].
Moore, William E., [redacted].
Morris, James R., [redacted].
Niven, Benjamin F., Jr., [redacted].
Noel, Martin A., [redacted].
Riggs, Howard N., [redacted].
Roberts, Harold E., [redacted].
Russell, Oscar G., Jr., [redacted].
Springer, Bobby J., [redacted].
Thrash, Melvin C., [redacted].
Timmerman, Raymond T., Jr., [redacted].
Vath, Alvin R., [redacted].
White, Donald L., [redacted].
Woolpert, Deane V., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Anderson, John W., [redacted].
Sutton, Lewis J., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Adair, Bennie C., [redacted].
Adams, Gary L., [redacted].
Allmon, Douglas J., [redacted].
Arnett, Jack D., [redacted].
Bowden, Marion A., [redacted].
Bray, Lloyd L., [redacted].
Bruck, John D., [redacted].
Carter, William D., [redacted].
Chapman, George C., [redacted].
Christy, Donald E., [redacted].
Collazo-Irizarry, Nector, [redacted].
Davis, John C., [redacted].
Echols, Robert L., [redacted].
Franke, Loren W., [redacted].
Frate, Philip, Jr., [redacted].
Gault, Billy F., [redacted].
George, Samuel A., Jr., [redacted].
Gershner, Leon, Jr., [redacted].
Hallock, Francis C., [redacted].
Hamilton, Johnnie C., [redacted].
Haralson, John W., [redacted].
Harkins, John F., [redacted].
Harrison, Robert L., [redacted].
Houston, Charles D., [redacted].
Howard, Thomas E., [redacted].
Jacobs, Wesley V., [redacted].
Johnson, Peter L., [redacted].
Kane, William C., [redacted].
Klein, Kenneth C., [redacted].
Koonce, Calvin E., [redacted].
Mangraviti, James, [redacted].
McGilbra, Allan F., [redacted].
Moreno-Rodriguez, Gilberto, [redacted].
Morgano, Vito, [redacted].
Moore, Leon, [redacted].
Munford, Paul H., [redacted].
Myers, Charles D., [redacted].
O'Leary, Joseph P., [redacted].
Peterson, Laurice K., [redacted].
Ramey, John B., [redacted].
Ripley, John J., [redacted].
Robberson, DeLano G., [redacted].
Rochester, Earle F., [redacted].
Rooney, Edward J., [redacted].
Roper, Olin W., [redacted].
Samuels, James B., [redacted].
Schaub, Cornelius C., [redacted].
Schmidt, Richard C., [redacted].
Shott, Ernest M., [redacted].
Showalter, Stephen A., [redacted].
Sivilla, John M., [redacted].
Snyder, Ernest M., [redacted].
Stachel, Jorg, [redacted].
Swenson, Zack, [redacted].
Torres, Reinerio, [redacted].
Van Fleet, Frank C., [redacted].
Whitaker, Charles W., [redacted].
Williams, Earl W., [redacted].
Wills, Robert C., [redacted].
Wood, William B., [redacted].
Young, William D., [redacted].
Zanoff, John, [redacted].

CHAPLAIN

To be lieutenant colonel

Beverley, James A., [redacted].
Hoyal, James A., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Brown, Virginia S., [redacted].

DENTAL CORPS

To be lieutenant colonel

Andrews, Hugh H., [redacted].
Hall, Robert P., 424-30-7645.

MEDICAL CORPS

To be lieutenant colonel

Bicknell, Donald S., [redacted].
DeCarlo, Gasto, [redacted].
Laidlaw, William M., [redacted].
Melton, Robert A., Jr., [redacted].
Neun, Charles J., Jr., [redacted].
Sargeant, James G., [redacted].
Schillhamer, William R., Jr., [redacted].
Schwartz, Jack, [redacted].
Steinbeck, Herbert F., [redacted].
Toms, Stephen, [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Nissen, Thomas R., [redacted].

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United

States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be major

Acton, Michael R., [redacted].
Adam, Klaus M., [redacted].
Adams, Melville W., [redacted].
Akers, Frank H., [redacted].
Albright, Carl W., [redacted].
Aleva, Robert J., [redacted].
Alexander, George M., [redacted].
Alexander, James P., [redacted].
Allanach, William C., [redacted].
Allen, Gerald W., [redacted].
Allen, Jon J., [redacted].
Allen, Richard D., [redacted].
Allison, Robert C., [redacted].
Almes, Edward W., [redacted].
Almojuela, Thomas N., [redacted].
Amick, David B., [redacted].
Amiot, Robert J., [redacted].
Andersen, Timothy W., [redacted].
Anderson, Ben L., [redacted].
Anderson, Dale R., [redacted].
Anderson, David M., [redacted].
Anderson, Edward G., [redacted].
Anderson, John D., [redacted].
Anderson, Leonard G., [redacted].
Anderson, Louie H., [redacted].
Anderson, Melvin L., [redacted].
Andrews, Edward L., [redacted].
Andrie, John C., [redacted].
Angell, Raymond S., [redacted].
Angell, Gary M., [redacted].
Angsten, Joseph J., [redacted].
Anthony, Edward H., [redacted].
Anthony, Henry G., [redacted].
Antoine, Lawrence V., [redacted].
Aquino, Paschal A., [redacted].
Archebelle, Edwin B., [redacted].
Arko, Anthony, [redacted].
Armstrong, David J., [redacted].
Arrants, William M., [redacted].
Arthur, David W., [redacted].
Asiello, Robert M., [redacted].
Asimakopoulos, Peter L., [redacted].
Atchison, Jere L., [redacted].
Atkins, Edsel R., [redacted].
Auger, John D., [redacted].
Augsburger, Grayson, [redacted].
Avriett, Robert J., [redacted].
Back, John F., [redacted].
Badger, James L., [redacted].
Baily, Charles M., [redacted].
Baird, Thomas F., [redacted].
Baker, Richard L., [redacted].
Baker, Robert M., [redacted].
Baker, Thomas W., [redacted].
Barbara, James C., [redacted].
Barbee, William R., [redacted].
Barefoot, Allen, Jr., [redacted].
Barnes, Darvin E., [redacted].
Barnhill, Jerry R., [redacted].
Barrington, John E., [redacted].
Barry, William A., [redacted].
Bartley, Randall B., [redacted].
Battcher, John A., [redacted].
Baumgartner, Glenn, [redacted].
Beale, Thomas L., [redacted].
Beard, Otis R., [redacted].
Beaver, John W., [redacted].
Belch, Peter P., [redacted].
Bell, Ronald D., [redacted].
Belz, George D., [redacted].
Benefield, Johnie H., [redacted].
Bennett, Kelley E., [redacted].
Berg, David B., [redacted].
Bergeron, Alfred J., [redacted].
Bergman, William K., [redacted].
Berkey, Richard O., [redacted].
Bernard, Joseph P., [redacted].
Berry, Gerald J., [redacted].
Berry, Steven D., [redacted].
Bertagnolli, Joseph, [redacted].
Beverley, William W., [redacted].
Biegen, William K., [redacted].
Bijold, Gerald P., [redacted].
Bikus, John J., [redacted].
Billings, Darryl R., [redacted].
Bischoff, Robert C., [redacted].
Bise, Lanny C., [redacted].
Bishop, Lewis M., [redacted].
Black, John H., [redacted].
Blackburn, David A., [redacted].
Blackwell, Leon B., [redacted].
Blades, Jon W., [redacted].
Blanchard, Sherman, [redacted].
Blaylock, Norman R., [redacted].
Bloyd, John R., [redacted].
Blumenfeld, Charles, [redacted].
Bock, William P., [redacted].
Bockman, Frank W., [redacted].
Bohuslar, John W., [redacted].
Boles, Edward A., [redacted].
Bolick, Miles A., [redacted].
Bond, Peter A., [redacted].
Bonnell, Kenneth L., [redacted].
Borek, Theodore B., [redacted].
Bornmann, Rex N., [redacted].
Bounds, Gary L., [redacted].
Bowen, Kenneth G., [redacted].
Bowles, Edward S., [redacted].
Boyd, Michael F., [redacted].
Boyer, Robert F., [redacted].
Brasili, Samuel A., [redacted].
Braudaway, Jessie A., [redacted].
Braze, David J., [redacted].
Breman, Stephen L., [redacted].
Bridges, Franklin G., [redacted].
Bridges, Terrell D., [redacted].
Brinker, Walter E., [redacted].
Brisbine, Glen E., [redacted].
Brittingham, Michael, [redacted].
Broadhurst, Carl R., [redacted].
Brockington, Anthony, [redacted].
Brooks, Susan, [redacted].
Brown, Bradford M., [redacted].
Brown, Clark C., [redacted].
Brown, David J., [redacted].
Brown, Donald F., [redacted].
Brown, Floyd L., [redacted].
Brown, Jerry A., [redacted].
Brown, Robert J., [redacted].
Brown, Robert M., [redacted].
Brown, Wayne K., [redacted].
Bruegger, Robert D., [redacted].
Brunnhoeffer, Gilbert, [redacted].
Bryant, Hurley D., [redacted].
Bryant, James W., [redacted].
Bryson, Gene K., [redacted].
Buchwald, Clarence, [redacted].
Buckley, Daniel J., [redacted].
Buczacki, John B., [redacted].
Buetti, Anthony J., [redacted].
Bullock, Howard R., [redacted].
Bumanglag, Carlos J., [redacted].
Bundons, Albert R., [redacted].
Burbidge, John M., [redacted].
Burdette, Robert J., [redacted].
Burnette, Larry R., [redacted].
Burns, Kennith R., [redacted].
Burnside, John G., [redacted].
Busch, Brian J., [redacted].
Bush, Charles D., [redacted].
Bush, John R., [redacted].
Buys, Albert P., [redacted].
Buzby, Brian, [redacted].
Byard, Frederick B., [redacted].
Byrne, William G., [redacted].
Cabot, O. H. Perry, [redacted].
Cadorette, Raymond, [redacted].
Cain, James R., [redacted].
Caine, Bruce T., [redacted].
Calek, Joseph R., [redacted].
Callahan, Francis R., [redacted].
Callaway, John H., [redacted].
Callaway, Larry W., [redacted].
Cameron, Tom O., [redacted].
Campbell, Carole M., [redacted].
Campbell, Julian M., [redacted].
Canar, Robert G., [redacted].
Cannon, Walter W., [redacted].
Canon, Charles M., [redacted].
Capozzi, Roy M., [redacted].
Capps, James H., [redacted].
Cardell, Larry E., [redacted].
Carden, Joe B., [redacted].
Carlson, Kenneth G., [redacted].
Carlton, John W., [redacted].
Carmack, James R., [redacted].
Carpenter, Ronald B., [redacted].
Carr, Jerry T., [redacted].
Carter, Willard T., [redacted].
Cartwright, Robert, [redacted].
Carzoli, Richard L., [redacted].
Casalengo, Roger W., [redacted].
Case, James W., [redacted].
Catalano, Thomas S., [redacted].
Cathey, Theodore F., [redacted].
Cecere, Peter M., [redacted].
Cecil, Gerald T., [redacted].
Celani, Albert F., [redacted].
Cepak, Charlie J., [redacted].
Cercone, Joseph A., [redacted].
Ceremenaro, James A., [redacted].
Chambers, James V., [redacted].
Chapman, Abner B., [redacted].
Chapman, William J., [redacted].
Cheatham, Calvin W., [redacted].
Chellis, Allen R., [redacted].
Chidichimo, Salvatore, [redacted].
Childs, Ernest L., [redacted].
Chilton, Forrest S., [redacted].
Christiano, Michael, [redacted].
Christiansen, Edward, [redacted].
Ciarlo, Fred H., [redacted].
Clare, Joseph F., [redacted].
Clark, Douglas M., [redacted].
Clark, Hugh D., [redacted].
Clark, James E., [redacted].
Clark, Louis R., [redacted].
Clark, Michael R., [redacted].
Clark, Patrick W., [redacted].
Clark, Wesley K., [redacted].
Clegg, Ronald W., [redacted].
Clemens, Judd L., [redacted].
Coates, Charles F., [redacted].
Coats, Landis R., [redacted].
Cobb, Douglas H., [redacted].
Cochran, Franklin H., [redacted].
Coen, Kendall B., [redacted].
Coffey, Robert S., [redacted].
Coffman, Raymond J., [redacted].
Coggins, Gary M., [redacted].
Cole, Carlos E., [redacted].
Cole, William P., [redacted].
Coleman, Bruce S., [redacted].
Coleman, Charles E., [redacted].
Collard, Nelson B., [redacted].
Collier, Samuel M., [redacted].
Collins, Carl L., [redacted].
Collins, James L., [redacted].
Collins, Kenneth R., [redacted].
Collmeyer, Michael, [redacted].
Condon, John L., [redacted].
Conley, John E., [redacted].
Connally, Sharon C., [redacted].
Conner, James C., [redacted].
Connolly, John F., [redacted].
Conrad, Thomas F., [redacted].
Cook, Joseph L., [redacted].
Cook, Paul E., [redacted].
Cooney, Norman R., [redacted].
Cooper, James P., [redacted].
Cooper, William E., [redacted].
Coradini, William J., [redacted].
Corbin, James E., [redacted].
Cordes, Arben P., [redacted].
Cork, Stephen D., [redacted].
Corley, Milton D., [redacted].
Corn, Vollney B., [redacted].
Corthell, Jeffrey L., [redacted].
Cosgrove, Colin B., [redacted].
Cottrell, Peter J., [redacted].
Coughlin, John F., [redacted].
Cowings, John S., [redacted].
Cowsert, Garrett T., [redacted].
Cox, Ronald H., [redacted].
Coyle, Raymond A., [redacted].
Crabtree, Jack D., [redacted].
Craig, Aubrey D., [redacted].
Craig, Terry L., [redacted].
Cravens, James J., Jr., [redacted].
Crawford, Danny L., [redacted].
Cretella, Joseph G., [redacted].
Crews, Gerald L., [redacted].
Crittsinger, Clifford, [redacted].
Crocker, George A., [redacted].
Crockett, John R., [redacted].

Cropper, Siegfried, [redacted]
Crosby, Robert W., [redacted]
Crowell, David V., [redacted]
Cruikshank, Ralph H., [redacted]
Culbreth, Larry M., [redacted]
Cullem, James M., [redacted]
Cummings, Charles G., [redacted]
Curl, Terry W., [redacted]
Curtis, Craig H., [redacted]
Cushing, John R., [redacted]
Dalfonzo, Joseph A., [redacted]
Daly, Lawrence T., [redacted]
Daly, Timothy E., [redacted]
Daniels, Jerry W., [redacted]
Daprato, Norman P., [redacted]
Darley, Roger G., [redacted]
Darnell, Ronald H., [redacted]
Darone, Ronald D., [redacted]
Davies, James, III, [redacted]
Davis, Homer L., [redacted]
Davis, James H., [redacted]
Davis, Louis R., [redacted]
Davis, Merrill W., [redacted]
Davis, Nathan, [redacted]
Davis, Richard N., [redacted]
Dawson, Lester P., [redacted]
Day, Lawrence W. [redacted]
Dean, Byron K., [redacted]
Debiase, James P., [redacted]
Delaney, Russell J., [redacted]
Delgado, Richard, [redacted]
Delk, Lucious E., [redacted]
Dellomo, John L., [redacted]
Dempsey, Daniel J., [redacted]
Denniston, Leroy W. [redacted]
Deperro, John F., [redacted]
Dephillips, Terry L., [redacted]
Derby, Anson W., [redacted]
Derouen, Donald B., [redacted]
Derr, Stanley E., [redacted]
Devlin, Donald L., [redacted]
Dickens, James A., [redacted]
Dickinson, Paul W. [redacted]
Difiore, Matthew F., [redacted]
Dismukes, William F. [redacted]
Divalentin, Anthony, [redacted]
Divita, Joseph M., [redacted]
Dixon, Gerald E., [redacted]
Dixon, James H., [redacted]
Dock, William E. [redacted]
Dombrowsky, Thomas, [redacted]
Donahoe, John F., [redacted]
Donnithorne, Larry, [redacted]
Dooley, Buryl E., [redacted]
Dopler, Jack E., [redacted]
Dorsey, Mercer M., [redacted]
Dort, Dean R. [redacted]
Doty, Donald W., [redacted]
Dougherty, Russell, [redacted]
Dowling, Ted K., [redacted]
Doyle, James B., [redacted]
Doyle, James T., [redacted]
Drewes, Carl E., [redacted]
Driscoll, Eugene J., [redacted]
Droke, Willard B., [redacted]
Dubia, John A., [redacted]
Duncan, Franklin E., [redacted]
Duncan, Jimmy L., [redacted]
Dunn, Carroll H., [redacted]
Dunnem, Alvin E., [redacted]
Durazzo, Franklyn P., [redacted]
Durbin, Terrence E., [redacted]
Eakin, William C., [redacted]
Eastman, Robert J., [redacted]
Eaton, Bruce R., [redacted]
Ebbitt, Harold K., [redacted]
Eberle, John C., [redacted]
Eckel, Hasko K. [redacted]
Ecuyer, Lawrence J. [redacted]
Edge, Harold B., [redacted]
Edgerton, Thomas J., [redacted]
Edwards, Floyd E., [redacted]
Edwards, Jerome G., [redacted]
Ehart, Stephen H., [redacted]
Eichenberger, David, [redacted]
Eiland, Lewis K., [redacted]
Eisenberg, Stephen, [redacted]
Elder, Robin L., [redacted]
Elders, James F., [redacted]
Elders, Telford E., [redacted]
Eller, Thomas H., [redacted]
Emerick, Robert G., [redacted]
Emerson, Samuel C., [redacted]
Eng, Harry F., [redacted]
English, Ronald W., [redacted]
Epperson, Gary E., [redacted]
Ericksen, Scott R., [redacted]
Ernst, Carl F., [redacted]
Ernst, Federick G., [redacted]
Esmay, Jerry D., [redacted]
Estes, John R. [redacted]
Estrada, Martin, [redacted]
Evans, Gordon E., [redacted]
Evans, Mickey S., [redacted]
Everitt, Donald B., [redacted]
Ewing, Vernon C., [redacted]
Eye, Richard D., [redacted]
Faber, Morris R., [redacted]
Fagersten, James R., [redacted]
Fairhead, Michael P., [redacted]
Falcon, John D., [redacted]
Farewell, Thomas E., [redacted]
Farrar, John L., [redacted]
Farrell, Henry R., [redacted]
Farris, Karl, [redacted]
Farthing, Clifford, [redacted]
Fassett, Richard M., [redacted]
Faust, Edmond L., [redacted]
Fazen, Robert P., [redacted]
Felch, John E., Jr., [redacted]
Fellenz, Michael P., [redacted]
Felletter, Vincent, [redacted]
Fender, Charles K., [redacted]
Ferguson, Richard E., [redacted]
Ferguson, William E., [redacted]
Ferrea, Albert J., [redacted]
Feurer, Michael H., [redacted]
Fichter, James M., [redacted]
Fields, Clifford L., [redacted]
Fields, Harold D., [redacted]
Fields, Thomas J., [redacted]
Fields, Timothy G., [redacted]
Figgins, Charles E. [redacted]
Filson, James W. [redacted]
Finch, Alfred J., [redacted]
Fincke, Dale E., [redacted]
Finley, Earl W., [redacted]
Fish, John H., [redacted]
Fitzgerald, Henry E., [redacted]
Fitzgerald, Thomas, [redacted]
Fitzpatrick, Joseph, [redacted]
Fix, Donald J., [redacted]
Flanders, Charles L., [redacted]
Flannery, Corbett M. [redacted]
Fleming, John J., [redacted]
Fletcher, Douglas M., [redacted]
Flowers, James H., [redacted]
Fontenot, Russell J., [redacted]
Ford, Robert L., [redacted]
Foster, Douglas E. [redacted]
Foster, Michael R., [redacted]
Fousek, Richard J., [redacted]
Fowler, David F., [redacted]
Fox, Richard W., [redacted]
Frankel, Ronald S., [redacted]
Franklin, Jerry L. [redacted]
Frazer, Schley J., [redacted]
Frazier, Billy W. [redacted]
Frazier, Thomas M., [redacted]
Frederick, James L., [redacted]
Freitas, William F., [redacted]
Frey, Douglas J., [redacted]
Frey, Jeffery B. [redacted]
Frost, Billy W. [redacted]
Fry, Jerry R., [redacted]
Fry, Michael D., [redacted]
Fuentes, Vincent O., [redacted]
Gabel, Kolman A., [redacted]
Gagne, John P., [redacted]
Gagnon, Robert L., [redacted]
Galligan, Francis B., [redacted]
Garretson, Peter W., [redacted]
Garst, Robert E., [redacted]
Gartenberg, Joel M., [redacted]
Genter, Billy V., [redacted]
Gentry, Don R., [redacted]
George, Wayne D., [redacted]
Gerald, Stuart W., [redacted]
Gerard, William F., [redacted]
Gerding, Richard L. [redacted]
Gesker, Joseph M., [redacted]
Gibson, Claud L., [redacted]
Gibson, Donald A., [redacted]
Gibson, Emmitt E., [redacted]
Gilbert, Richard H., [redacted]
Gilbertson, Clark D., [redacted]
Gilbertson, Michael, [redacted]
Gildersleeve, James, [redacted]
Gill, Paul C., [redacted]
Gillenwater, Paul G., [redacted]
Gilliam, Charles E., [redacted]
Gimbert, Jack H., [redacted]
Gimiam, Allan D., [redacted]
Glann, George W. [redacted]
Glass, John D. [redacted]
Gleason, James C., [redacted]
Glisson, Henry T., [redacted]
Goertemiller, John, [redacted]
Gollattscheck, Mark, [redacted]
Gonzales, Joe C., [redacted]
Goodhart, Raymond R., [redacted]
Gooding, Jerold L., [redacted]
Goodman, Michael J., [redacted]
Gordon, Jonathan C., [redacted]
Gorgas, Frederick K., [redacted]
Gornto, Ronald E., [redacted]
Gorski, Richard V. [redacted]
Gorton, Ashton, E. [redacted]
Graham, Roger D., [redacted]
Grandel, Ronald D., [redacted]
Grant, Arthur V. [redacted]
Grant, Thomas A., [redacted]
Grass, Stephen A. [redacted]
Grau, Lester W., [redacted]
Graves, Arthur J., [redacted]
Graves, Harold G., [redacted]
Gray, John W., [redacted]
Gray, Kenneth D., [redacted]
Gray, Robert E., [redacted]
Greaney, Arthur L., [redacted]
Green, Louis C. [redacted]
Green, Robert A., [redacted]
Green, Ronald A., [redacted]
Green, Wesley, III, [redacted]
Greene, Robert F., Jr., [redacted]
Greene, William P., [redacted]
Greenwood, Robert M., [redacted]
Greeson, Jon M., [redacted]
Grice, Kenneth R., [redacted]
Griesse, Ronald M. [redacted]
Griffin, James G., [redacted]
Griffin, Karl R., [redacted]
Griswold, Wilburn C., [redacted]
Gross, John E., [redacted]
Grugle, Roger A., [redacted]
Guin, Jerry R., [redacted]
Guy, Earl P., [redacted]
Hackett, John L., [redacted]
Haeme, Raymond A. [redacted]
Hagler, Ralph L., [redacted]
Halliday, Robert W. [redacted]
Hallums, James D., [redacted]
Hamilton, Gary E., [redacted]
Hampton, Marvin E., [redacted]
Hampton, Ralph C., [redacted]
Hanau, Steven L., [redacted]
Haney, Richard J., [redacted]
Hanson, Charles M., [redacted]
Harbison, Larry J., [redacted]
Hardister, James C., [redacted]
Hardwick, Danny G., [redacted]
Harley, George E. [redacted]
Harman, William R., [redacted]
Harold, Robert S., [redacted]
Harper, Paul R., [redacted]
Harper, Richard T., [redacted]
Harper, Sidney W., [redacted]
Harrington, Peter B., [redacted]
Harris, Boyd M., [redacted]
Harris, Nick C. [redacted]
Harris, Richard H., [redacted]
Harris, Robert F., [redacted]
Harris, Steven R., [redacted]
Harrison, Matthew C., [redacted]
Hart, J. D., [redacted]
Hart, John, Jr., [redacted]
Hart, Robert R., [redacted]
Hartford, Thomas F., [redacted]
Hartley, Charles R., [redacted]
Hartley, Lonnie G., [redacted]

Hartline, Franklin, [redacted].
Harvey, Noel M., [redacted].
Harvey, William T., [redacted].
Harvill, Daniel O., [redacted].
Harville, Jerry L., [redacted].
Hassen, David E., [redacted].
Hassett, James P., [redacted].
Hassinger, Richard, [redacted].
Hathaway, Edward N., [redacted].
Hathorn, Frederick, [redacted].
Hauck, Robert L., [redacted].
Hauser, John R., [redacted].
Hawkins, William E., [redacted].
Hayes, James M., [redacted].
Hayes, John R., [redacted].
Haynes, Thomas R., [redacted].
Hayward, Lucille B., [redacted].
Hazen, James C., [redacted].
Hazer, Kaleem, Jr., [redacted].
Heacock, Edgar J., [redacted].
Heath, Frederick G., [redacted].
Hedges, Paul C., [redacted].
Hedgpath, Donald R., [redacted].
Heimericks, Leonard, [redacted].
Hemphill, Douglass, [redacted].
Hemphill, John R., [redacted].
Henderson, Aubrey E., [redacted].
Henderson, John H., [redacted].
Henderson, Morey M., [redacted].
Hendricks, David P., [redacted].
Hendrix, John W., [redacted].
Hennigh, Thomas L., [redacted].
Hepler, John F., [redacted].
Hermoyian, Edward J., [redacted].
Herndon, Robert L., [redacted].
Hess, Robert E., [redacted].
Hicks, Charles R., [redacted].
Hicks, Robert R. [redacted].
Hill, Carl D., [redacted].
Hill, Howard W., [redacted].
Hiltbrand, Lance K., [redacted].
Hines, Jimmy R., [redacted].
Hink, William M., [redacted].
Hinkle, Lawrence R., [redacted].
Hirning, Ervin N., [redacted].
Hirsch, Patrick R., [redacted].
Hitchcock, John L., [redacted].
Hixon, William F., [redacted].
Hmara, Jeffrey L., [redacted].
Hobrle, John W., [redacted].
Hock, Frank M., [redacted].
Hodes, Robert W. [redacted].
Hoerle, Arno J., [redacted].
Holborn, Alden J., [redacted].
Holder, Leonard D., [redacted].
Holland, John L., [redacted].
Hollis, Wardell, Jr., [redacted].
Hollowell, Paul C., [redacted].
Holmes, Miles W., [redacted].
Hood, John E., [redacted].
Hoodenpyle, James C., [redacted].
Hoose, Frederick R., [redacted].
Hoover, Steven P., [redacted].
Hopkins, Frank E. [redacted].
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Hopp, Carl F., [redacted].
Horridge, David J., [redacted].
Horst, Kelso W., [redacted].
Hotard, Ernest P., [redacted].
Howe, Robert L., [redacted].
Howell, Briley W., [redacted].
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Hughes, Lyttle P., [redacted].
Hugus, David K., [redacted].
Humphrey, Elbert A., [redacted].
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Hunt, Russell C., [redacted].
Hunter, Harold L., [redacted].
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Monday, Joseph A., [redacted]
Monteverde, Miguel, [redacted]
Montgomery, Waldo W., [redacted]
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Mooney, Jackie E. [redacted]

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Orvold, Theodore S., [redacted]
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Overcash, Clyde S. [redacted]
Owen, David W., [redacted]
Owens, John M., [redacted]
Pack, Richard A., [redacted]
Paduano, Ralph J. [redacted]
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Rossow, Allen F., [redacted]
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Stream, Joel, [redacted]
Stubbs, Fred J., [redacted]
Stuck, William W., [redacted]
Stull, Terry G., [redacted]
Sullivan, Cavin F., [redacted]
Sullivan, Michael R., [redacted]
Sullivan, Thomas J., [redacted]
Summerford, Ted W., [redacted]
Sutton, James C., [redacted]
Swain, Richard M., [redacted]
Swain, Thomas E., [redacted]
Sweeney, Robert T., [redacted]
Sweeney, Thomas W., [redacted]
Swisher, Ted A., [redacted]
Szabo, Bela A., [redacted]
Tannehill, George L., [redacted]
Tarpley, John J., [redacted]
Tarpley, Thomas J., [redacted]
Tauscher, Elwood R., [redacted]
Taylor, Carl T., [redacted]
Taylor, Daniel E., [redacted]
Taylor, David R., [redacted]
Taylor, Harry O., [redacted]
Taylor, John C., [redacted]
Taylor, Michael E., [redacted]
Taylor, Richard H., [redacted]
Templer, Thomas W., [redacted]
Tenis, Andrew, [redacted]
Thatcher, Leslie D., [redacted]
Theriault, Raymond, [redacted]
Theroux, Thomas R., [redacted]
Thimblin, Michael D., [redacted]
Thoden, Richard W., [redacted]
Thomas, Charles L., [redacted]
Thomas, Clifford M., [redacted]
Thomas, Edward R., [redacted]
Thomas, Evert S., [redacted]
Thomas, James A., [redacted]
Thomas, Michael A., [redacted]
Thomas, Nathaniel L., [redacted]
Thomason, Joel F., [redacted]
Thomason, Melvin F., [redacted]
Thompson, Conley C., [redacted]
Thompson, Grover F., [redacted]
Thompson, Robert R., [redacted]
Thompson, Roger G., [redacted]
Thornblom, Douglas, [redacted]
Thornton, Michael G., [redacted]
Thorpe, William C., [redacted]
Throckmorton, Edward, [redacted]
Tifft, Richard P., [redacted]
Tiller, William F., [redacted]
Tillman, George R., [redacted]
Timmes, Thomas A., [redacted]
Tison, Joesph T., [redacted]
Todd, Albert T., [redacted]
Todd, Terry L., [redacted]
Tonn, George W., [redacted]
Toohey, James P., [redacted]
Tooke, Michael S., [redacted]
Torres, Charles B., [redacted]
Tracy, Stephen A., [redacted]
Traubel, William E., [redacted]
Trout, Marvin D., [redacted]
Troxel, Timothy S., [redacted]
Trujillo, Arthur H., [redacted]
Tucker, Larry W., [redacted]
Tucker, Thomas A., [redacted]
Turbish, James W., [redacted]
Turnbull, James W., [redacted]
Turner, Courtney K., [redacted]
Underwood, James A., [redacted]
Upchurch, Robert H., [redacted]
Utley, Robert C., [redacted]
Utter, George B., [redacted]
Vail, Richard H., [redacted]
Vanalstyne, John A., [redacted]
Vance, Richard L., [redacted]
Vandel, Robert H., [redacted]
VanHelsland, Marshall, [redacted]
Vanprooyen, Jan A., [redacted]
Vansickle, James E., [redacted]
Vanzant, James W., [redacted]
Voelkel, Robert L., [redacted]
Vogt, Robert V., [redacted]
Vose, Leonard C., [redacted]
Vowell, William O., [redacted]
Wagner, Anthony L., [redacted]
Waity, Raymond T., [redacted]
Wald, Ralph L., [redacted]
Waldo, Daniel W., [redacted]
Walker, Darrell W., [redacted]
Wallace, George R., [redacted]
Wallace, Norman W., [redacted]
Waller, William D., [redacted]

Walls, Richard D., [redacted].
Wallschlaeger, Charles, [redacted].
Walsh, Richard M., [redacted].
Walters, Billy F., [redacted].
Walton, Willard Jr., [redacted].
Warburton, Albert E., [redacted].
Ward, Mack C., [redacted].
Ware, George A., [redacted].
Wark, Richard W., [redacted].
Warner, Bruce E., [redacted].
Warren, Larry D., [redacted].
Warshawsky, Arnold, [redacted].
Washburn, Dennis A., [redacted].
Watkins, John M., [redacted].
Watkins, Peter F., [redacted].
Watson, Don R., [redacted].
Weathers, Brandon C., [redacted].
Webb, Charles H., [redacted].
Webb, Hershel B., [redacted].
Webster, George K., [redacted].
Weddle, Paul C., [redacted].
Weis, Gerhard W., [redacted].
Weis, Joseph R., [redacted].
Weise, David G., [redacted].
Weiskopf, James D., [redacted].
Welch, Albert C., [redacted].
Welch, James C., [redacted].
West, Oliver I., [redacted].
West, Robert M., [redacted].
Wheeler, James P., [redacted].
Wheeler, Jesse T. [redacted].
Wheeler, William L., [redacted].
Wheeless, Douglas C., [redacted].
Whisker, Dennis W., [redacted].
Whitaker, Gary D., [redacted].
White, Byron W. [redacted].
White, James L., [redacted].
White, Richard A., [redacted].
White, Ronnie R., [redacted].
White, William K., [redacted].
Whitley, Kenny W., [redacted].
Whitling, David L., [redacted].
Whittier, Walter C., [redacted].
Whitton, Robert W., [redacted].
Wight, William J., [redacted].
Wild, John W., [redacted].
Wilkins, John C., [redacted].
Wilkinson, Robert A., [redacted].
Willer, Clinton W., [redacted].
Willhoite, Howard W., [redacted].
Williams, Carroll W., [redacted].
Williams, Charles J., [redacted].
Williams, David E., [redacted].
Williams, Duane E., [redacted].
Williams, Floyd, [redacted].
Williams, Herbert D., [redacted].
Williams, James L., [redacted].
Williams, John J., [redacted].
Williams, Lewis R., [redacted].
Williams, Marion G., [redacted].
Williams, Robert B., [redacted].
Williams, Robert P., [redacted].
Williams, Stephen A., [redacted].
Williamson, Cline H., [redacted].
Williamson, Donald, [redacted].
Williamson, Rex P., [redacted].
Willison, Gary S., [redacted].
Wilson, Bruce M., [redacted].
Wilson, Gerald R., [redacted].
Wilson, Harvey L., [redacted].
Wilson, Hogan M., [redacted].
Wilson, Woodrow O., [redacted].
Winter, Donald C., [redacted].
Winterling, Grayson, [redacted].
Wisdom, Jerry L., [redacted].
Wise, James C., [redacted].
Witczak, Chester W., [redacted].
Wood, Piers M., [redacted].
Woodard, James A., [redacted].
Woodruff, Robert F., [redacted].
Woods, Gerry W., [redacted].
Woodward, Richard D., [redacted].
Workman, Earsel G., [redacted].
Wray, George L., II, [redacted].
Wright, Cooper L., [redacted].
Wright, Donald A., [redacted].
Wright, Edgar, III, [redacted].
Wright, James E., [redacted].
Wright, James M., [redacted].
Wright, Nelson B., [redacted].
Wright, Richard W., [redacted].
Wright, Robert D., [redacted].
Wright, Walter G., [redacted].
Wylie, Alexander C., [redacted].
Wyrosdick, James D., [redacted].
Yacovelli, Phillip, [redacted].
Yarger, Harry R., [redacted].
Yates, Clyde P., [redacted].
Yenrick, Philip C., [redacted].
Yim, Gordon T., [redacted].
Youmans, Tommy B., [redacted].
Young, Earl W., [redacted].
Zaehringer, Theodore, [redacted].
Zamory, David A., [redacted].
Zeller, Richard H., [redacted].
Zepko, John J., [redacted].
Zierdt, John G. [redacted].
Zimmerman, Leroy, [redacted].
Zink, Gale R., [redacted].
Zoglman, Robert R., [redacted].
Zwirner, Adolf A., [redacted].

CHAPLAIN CORPS

To be major

Allen, John M., [redacted].
Berger, Robert F., [redacted].
Garrison, Raymond E., [redacted].
Goldsmith, Richard, [redacted].
Grace, James N., [redacted].
Stenbakken, Richard, [redacted].
Sullivan, Max D., [redacted].

DENTAL CORPS

To be major

Agar, John R., [redacted].
Backenstose, William, [redacted].
Baker, Kim J. [redacted].
Carbone, David O., [redacted].
Cressler, John W., [redacted].
Crumpler, Lyle E., [redacted].
Edge, Marion J., [redacted].
Hlista, Richard J., [redacted].
Hooks, Thomas W., [redacted].
Hughbanks, James C., [redacted].
Hunter, Ronald D., [redacted].
Johnson, Ralph G. [redacted].
Lemoine, David L., [redacted].
Marcoot, Ralph M., [redacted].
McQuade, Michael J., [redacted].
Nagy, William W., [redacted].
Osborne, William H., [redacted].
Rathofer, Steven A., [redacted].
Sharbo, Paul W. [redacted].
Sigala, Joseph L. [redacted].
Stalker, William H., [redacted].
Stefani, Dennis E., [redacted].
Swain, Gary R., [redacted].
Turner, Kenneth D. [redacted].
Wampole, Harry S., [redacted].

MEDICAL CORPS

To be major

Berliner, Daniel S., [redacted].
Cole, Gary B. [redacted].
Coppin, David F., [redacted].
Dalton, Bruce A., [redacted].
Davis, Geoffrey V., [redacted].
Dewitt, Ralph O., [redacted].
Doty, Richard D., [redacted].
Ewart, Thomas W., [redacted].
Fullerton, Leroy R., [redacted].
Grabow, Thomas W., [redacted].
Head, Harold D., [redacted].
Jenna, Russel W., Jr., [redacted].
Kinane, Thomas J., [redacted].
Manning, George S., [redacted].
Obyrne, Stuart A., [redacted].
Parker, John S., [redacted].
Peake, James B., [redacted].
Piskun, Walter S., [redacted].
Poling, Charles W., [redacted].
Rawlings, James S., [redacted].
Redmond, John, III, [redacted].
Rogers, Jack A., Jr., [redacted].
Salander, James M. [redacted].
Watson, Richard A., [redacted].
Wheeler, Leigh F., [redacted].
Wilson, Lynnford S., [redacted].
Wilson, Torrence M., [redacted].

MEDICAL SPECIALIST CORPS

To be major

Allemond, Pierre, [redacted].
Ammerman, Frederick, [redacted].
Anderson, Robert M., [redacted].
Aoki, Wayne C., [redacted].
Ashmore, Lee F., [redacted].
Badgett, Arthur L., [redacted].
Barrett, John A., [redacted].
Bell, William H., [redacted].
Beringer, George R., [redacted].
Beumler, Henry C., [redacted].
Blackwell, Russell, [redacted].
Bodenbender, David, [redacted].
Bogue, Ronald A., [redacted].
Bosetti, Larry G., [redacted].
Boyd, Willie H., [redacted].
Braendel, Douglas A., [redacted].
Brown, Samuel A., [redacted].
Bunch, James S., [redacted].
Church, Zaldos N., [redacted].
Clegg, Thomas A., [redacted].
Coleman, Richard L., [redacted].
Crum, John W., [redacted].
Damato, James J., [redacted].
Debree, William P., [redacted].
Delaney, Gerald L., [redacted].
Elizondo, Raymundo, [redacted].
Ferinde, John, [redacted].
Fields, Jerry L. [redacted].
Foust, Jerome V., [redacted].
Galenes, Alexander, [redacted].
Gaston, Gary W., [redacted].
Ginn, Richard V., [redacted].
Greene, Stonell B., [redacted].
Griffin, Bruce N., [redacted].
Gulley, Myra I., [redacted].
Hamilton, John, [redacted].
Hammond, Sterling D., [redacted].
Haugen, Lawrence A., [redacted].
Hawkins, Robert T., [redacted].
Hembree, Stephen C., [redacted].
Herndon, Michael E., [redacted].
Hiu, Patrick S., [redacted].
Hohmann, James G., [redacted].
Hohn, Dennis E., [redacted].
Hooker, Scottie T., [redacted].
Horrell, Ronald L., [redacted].
Howard, David, [redacted].
Hunt, William C., [redacted].
Inazu, William M., [redacted].
Jasper, William R., [redacted].
Jeffrey, Timothy B., [redacted].
Johnson, Barry J., [redacted].
Jordan, Charles F., [redacted].
Juchau, Simmeon V., [redacted].
Kaisershot, Gordon, [redacted].
Knisely, Benjamin M., [redacted].
Krupka, Thaddeus A., [redacted].
Langhorne, Webster, [redacted].
Leblanc, Robby J., [redacted].
Lyons, Joseph F., [redacted].
Madkins, Lawrence H., [redacted].
Marsteller, Clyde C., [redacted].
McAdams, Spurgeon A., [redacted].
McKinstry, Earl R., [redacted].
McLain, Frederick R., [redacted].
Miles, Ronald D., [redacted].
Miller, Dewey R., [redacted].
Moody, Hershell L., [redacted].
Moore, Clayton, H., [redacted].
Morris, Arnold E., [redacted].
Morris, Harold B. [redacted].
Odell, Thomas E., [redacted].
Olson, Roger, [redacted].
Ostrander, James H., [redacted].
Owen, John T., [redacted].
Partin, Daniel H., [redacted].
Peters, Curtis A., [redacted].
Pozniak, Thomas B., [redacted].
Quinn, Frank X., [redacted].
Rodman, Terral L., [redacted].
Salko, Joseph E., [redacted].
Schulz, Jeffrey B., [redacted].
Slifer, William E., [redacted].
Smith, Clarence W., [redacted].
Steen, David B., [redacted].
Sullivan, John E., [redacted].
Swallow, Gary L., [redacted].
Taylor, James A., [redacted].

Thompson, Jerry F., [redacted].
Touchard, George H., [redacted].
Valdes, Victor M., [redacted].
Vatne, Clarence G., [redacted].
Ward, Larry G., [redacted].
Washington, Curtis, [redacted].
White, Julius C., [redacted].
Williams, James N., [redacted].
Williams, Michael D., [redacted].
Wortham, James T., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be major

Bell, Clyde H., [redacted].
Brown, Clarence D., [redacted].
Ford, Daniel T., [redacted].
Grabhorn, Juanita J., [redacted].
Jenkie, Ronald A., [redacted].
Kersey, Douglas A., [redacted].
Liu, George K., [redacted].
Maize, Roy S., [redacted].
Pennell, Clifford R., [redacted].
Sater, Derrol H., [redacted].

VETERINARY CORPS

To be major

Allshouse, Harvel F., [redacted].
Antosh, Thomas F., [redacted].
Carlisle, Eddie L., [redacted].
Catanzaro, Thomas E., [redacted].
Kastello, Michael D., [redacted].
Lewis, George E., [redacted].
Ridder, William E., [redacted].
Vescovi, Ronald E., [redacted].
Zotter, Jon G., [redacted].

ARMY NURSE CORPS

To be major

Accardo, Wilbert J., [redacted].
Allanach, Bruce B., [redacted].
Arndt, Georgene E., [redacted].
Arnold, Joseph V., [redacted].
Arrowsmith, David R., [redacted].
Babson, Beverly R., [redacted].
Barsh, John E., [redacted].
Baysinger, Douglas, [redacted].
Breeden, Linda J., [redacted].
Brillant, Eugene G., [redacted].
Brockschmidt, Frederick, [redacted].
Bryan, Gareth D., [redacted].
Bystran, Sharon F., [redacted].
Chadwick, Mary L., [redacted].
Clark, Dorothy J., [redacted].
Courcy, Ernest H., [redacted].
Cox, Janice M., [redacted].
Deloach, James H., [redacted].
Frelin, Alyce J., [redacted].
Gleeson, Roberta L., [redacted].
Guida, Robert A., [redacted].
Heston, James V., [redacted].
Hickman, Kathleen R., [redacted].
Hopkins, Roger N., [redacted].
Howard, Duane L., [redacted].
Hudock, John M., [redacted].
Hutcheson, Marguerite, [redacted].
Knepper, Glenn B., [redacted].
Kraemer, William J., [redacted].
Laur, Margaret H., [redacted].
Leavell, Ronald E., [redacted].
Lemieux, Elizabeth, [redacted].
Lenig, Richard C., [redacted].
Leonard, Lawrence C., [redacted].
Leonhard, John F., [redacted].
Long, Jerry D., [redacted].
Maloney, Joseph P., [redacted].
McCarthy, Mary M., [redacted].
McDonnell, Robert C., [redacted].
McEntire, Jackie J., [redacted].
Metcalf, Franklin L., [redacted].
Meyer, Robert A., [redacted].
Meyers, Edward M., [redacted].
Mika, Walter V., [redacted].
Minahan, Sue P., [redacted].
Misener, Terry R., [redacted].
Mitten, John N., [redacted].
Morales, Sandra S., [redacted].
O'Connor, Stephen J., [redacted].
Oliver, Randall L., [redacted].
Parr, Thomas E., [redacted].
Patnode, Louis G., [redacted].
Person, Rodney M., [redacted].
Pfaehler, Karl H., [redacted].
Phelps, Frederick O., [redacted].
Price, Barbara J., [redacted].
Riedman, John A., [redacted].
Riley, EllenE., [redacted].
Roscoe, Ronald R., [redacted].
Sanford, Dan M., [redacted].
Sapolis, Richard J., [redacted].
Schanding, Donald W., [redacted].
Seureau, Kathleen N., [redacted].
Sexton, Michael P., [redacted].
Seymour, Richard S., [redacted].
Shellabarger, Virginia, [redacted].
Showman, Lonnie J., [redacted].
Smith, Charles L., [redacted].
Spencer, Joanne M., [redacted].
Stamper, Roy R., [redacted].
Strieper, Sarah S., [redacted].
Swanson, Bruce E., [redacted].
Sylvester, Marilyn, [redacted].
Tiers, Sharon M., [redacted].
Urick, George M., [redacted].
Vail, James D., [redacted].
Welch, Christopher, [redacted].
Wimett, William J., [redacted].
Wimmer, Sidna P., [redacted].
Woldt, Gerald D., [redacted].
Wolf, Richard C., [redacted].

The following-named officer for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Martin, Peter H., [redacted].

ARMY PROMOTION LIST

To be captain

King, Jeffrey L., [redacted].
Schwing, Fred K., [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3442 and 3447:

DENTAL CORPS

To be lieutenant colonel

Baumgartner, John C., [redacted].
Beebe, John E., [redacted].
Madden, Robert J., [redacted].
Stevenson, Michael E., [redacted].

IN THE NAVY

The following-named midshipman (Naval Academy) to be appointed a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Andrew W. Acevedo

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Amy S. Comstock
David G. McRae
Robert N. Nixon

The following-named Navy enlisted scientific education program candidates to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Armstrong, James D.
Arnold, Ronald R.
Bainbridge, Richard L.
Baldwin, Craig W.
Ballard, Stephen D.
Banks, Albert J.
Barber, Frederick L.
Beckley, James M.
Blake, Donald S.
Borer, Chris J.
Bouma, John C.
Bowen, John D.
Bowling, Douglas F.
Boyer, Phillip O.
Brewster, Edward Y.
Bridges, Stephen M.
Brown, Michael S.
Brozzo, Michael R.
Burnfield, Daniel L.
Cabe, William C.
Caldwell, Billy A.
Carter, Lawrence R.
Ceci, David M.
Chappell, David C.
Cheeks, Lee A.
Childs, Robert D.
Christiano, Brian A.
Coleman, Leland E.
Coleman, Leland L.
Correllus, William A.
Critch, Ronald W.
Cronan, John L.
Demuth, Donald E.
Dotson, Robert W.
Drown, Douglas R.
Duncan, Armanda V.
Estabrook, Murry W.
Evans, Leonard F.
Fleming, Gary W.
Flynn, John T.
Forbes, Wilfred J.
Franklin, Gene C.
Gibbs, Robert B.
Gilmore, Thomas N.
Goble, Dale L.
Goode, Gregory L.
Crafton, Thomas R.
Hamman, Thomas R.
Harris, Brian K.
Hatzenbuehler, Mark
Hawes, Stephen L.
Headley, Edward W.
Heinbaugh, Richard A.
Hess, Timothy N.
Hill, James R.
Hoffman, Randall L.
Holley, Earl T.
Hooper, Daniel P.
Hopkins, Charles L.
Howard, Dean E.
Hoyt, Werner F.
Hurley, James J.
Ingram, Vernon D.
Johnson, James M.
Langford, Leonard L.
Lashbrook, David L.
Lea, Timothy D.
Ledesma, Alfred
Lee, Stanley K. C.
Lester, Donald J.
Long, Roland E.
Longest, Jerry M.
Lozano, Carlos
Lybarger, Charles D.
McGowan, Gerald K.
McSwain, William R.
Maker, Jerome J.
Malmberg, Roy D.
Manos, Thomas F.
Martello, Charles
Martinig, Richard
Miller, Robert S.
Miller, Theodore A.
Molyneux, Harry F.
Morlang, Gary M.
Mortenson, Rodney D.
Moss, Daniel S.
Mulcady, John M.
Munyon, Thomas J.
Oakes, Montford E.
O'Donnell, Henry E.
Oliver, Wayne S.
Persyn, John M.
Porter, Scott W.
Posey, Robert L.
Poteat, Gary N.
Pratt, Douglas A.
Ptetl, Robert T.
Purdy, Darrel W.
Rains, Terry D.
Rattz, Donald E.
Reiff, Thomas V.
Robles, Marcelino
Rodante, Robert S.
Rombough, Lance W.
Rosenau, Chris A.
Rubin, James B.
Schimizze, Richard R.
Scott, Gary L.
Seidel, Walter A.
Semrite, Alexander J.
Setzer, Christopher J.
Shropshire, Caroll L.
Silver, Mark I.
Simpson, Robert F.
Smith, Mark B.
Spears, Thomas M.
Steele, James J.
Stever, Daniel K.
Swetnane, Michael S.
Thomas, Michael S.
Tillotson, Daniel D.
Tisdale, Charles W.
Troan, James W.
Vanbracklin, Kermit
Voyles, Steven R.
Walker, Jimmy D.
Weeden, Dana K.
Wentland, Cynthia
White, Keven M.
Wilhelm, Robert H.
Williams, Mary C.
Williams, Michael D.
Wilstrom, Kenneth A.
Wissenbach, Lewes E.
Wolber, Raymond W.
Wolfe, Robert C.
Wood, Charles L.
Wood, Michael E.
Workman, Chester J.
Wortherly, Clemon R.
Wright, Steven W.
Wright, Walter J.
Wrigley, Samuel R.
Yuna, Joseph D.
Zeiler, John E.

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

James D. Abshear
Robert E. Allen
Wilfred J. Bean
David D. Buckley
Allison L. Carson, Jr.
George J. Casey
James V. Emme
Gary L. Farwell
Michael R. Finn
Clarence B. Glover, Jr.
Gilbert M. Gonzales
Billy P. Hrbacek
John S. Kelley
James M. Lewis
Gary W. Reash
Charles R. Warner

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

John J. Geren
Jon J. Hanlon
Bernard P. Novak

The following-named (ex-U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Michael W. Kistler
*Jack S. Resnick
*John P. Sands, Jr.

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 28 June 1979–8 July 1979.

The following-named (ex-U.S. Air Force officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Stephen R. Stouder

The following-named (civilian college graduates) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Nejat H. Akbiyik
*William A. Sheremata

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gayle A. Owens

The following-named (U.S. Navy officer) to be appointed a temporary commander, in the line, in the U.S. Navy, subject to the qualifications therefor as provided by law:

David J. Friel

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications therefor as provided by law:

Aichelmann, Frank M.
Andrews, Richard H.
Austin, Stanley M.
Barber, Gary W.
Barnes, Gregory W.
Barrow, Robert H.
Bartels, William L.
Bassett, William G.
Beaty, Timothy J.
Beekman, Patrick L.
Beeton, Clifford F.
Benford, Robert C.
Bennett, John S.
Berg, David W.
Blair, Kevin L.
Bohn, Michael S.
Bracken, Stephen T.
Bradley, Loretta G.
Brent, Rober C.
Brinn, Chauncey J.
Brogan, Michael M.
Brooker, Michael F.
Brown, Jerome W.
Brozozowksi, Mark M.
Bryant, John J.
Calhoun, Powell T., II
Capitano, Richard G.
Carper, Robert W., Jr.
Chace, Stephen D.
Conn, Daniel J.
Corscadden, Robert A.
Cross, Lyle M.
Curley, James M.
Cusick, Robert P.
Dalton, Pat F., III
Daniels, Robert J.
Daugherty, George L.
David, John W.
Davis, Claude H., III
Dean, Michael J.
Deatherage, Raymond F.
Dedeaux, Waldon A.
Decker, Michael H.
Defazio, George W.
Delaney, William F.
Dickerson, Curtis R.
Diehl, Curtis W.
Digregorio, Frank J.
DiSilva, Debra A.
Doll, James L.
Edmonds, Alan K.
Ellison, Christopher D.
Elwing, David W.
Ennis, Timothy K.
Eoff, David M.
Eskew, Mitchell A.
Fitzgerald, C. Scott
Fitzgerald, Robert A.
Flick, Edmond J.
Fulcher, Mark A.
Gearhart, Robert A.
Geerlings, Norma S.
Gelles, Thomas N.
Gibney, John R.
Gibson, Charles R.
Giorgio, John, Jr.
Golebiowski, Joseph, Jr.
Gossard, Ronald S.
Gray, William K.
Grecco, David J.
Gregory, Thomas E.
Grillo, Christopher
Guzauskas, Susan L.
Hall, Terry L.
Harben, Richard L.
Harding, William W.
Harris, William E.
Hartman, Mary R.
Hartway, Gordon E.
Hastings, Calvin E.
Haynes, Charles T.
Healey, Regina M.
Helmly, Reed L.
Hinman, Craig N.
Hoflen, Kent G.
Horton, David B.
Huete, Timothy H.
Huskey, Gregory A.
Jackson, Timothy J.
Jeffries, James H.
Johnson, Joanne
Jones, Frank A., Jr.
Kane, Paul J.
Keffer, Paul N.
Kelly, Donald W.
Kelly, Thomas R.
Kjell, Nils E.
Kleinfelter, Peter J.
Knauff, Kathy L.
Koppenhaver, James
Lacrosse, John M.
Lake, Brian D.
Lee, Mickey F.
Leech, Frank J.
Leinenkugel, Richard J.
Letts, Steven J.
Luigard, Timothy E.
Lukeman, James W.
Lynes, Jerome M.
Lynn, David B.
Mahnke, Peter A.
Manthe, Brian
Manuel, Larry K.
Martin, Jonathan B.
Masterpool, Michael M.
McAfee, David P.
McCown, James E. III
McLaughlin, Daniel J.
McNeive, James F.
Mortensen, Joseph A.
Moseley, William J.
Munch, Joseph C.
Muse, Mittie C.
Nellis, Stephen M.
Neuwirth, Mark E.
Nitkowski, Suzanne B.
Nixon, David B.
Noblit, Mark L.
Noxon, Robert B.
O'Donnell, Michael R.
Oles, Gary R.
O'Neil, Michael S.
Orawczk, Walter H.
Pearson, Warren L.
Peck, David T.
Platel, Craig A.
Pleasant, Timothy W.
Powell, Curtis J.
Pravati, Lucian M.
Psillas, Christopher F.
Putnam, Adin P.
Rains, Cal II
Renegar, Edwin S.
Richardson, Byron G.
Riley, James E.
Rinaman, Timothy W.
Ritonia, Michael J.
Roberson, David L.
Rood, John A.
Rooney, Joseph J.
Rugar, Mark J.
Sapp, Donald W.
Scott, Francis P.
Shumay, Michael A.
Sitler, David F.
Skinner, Mike T.
Smith, Charles D.
Smith, David E.
Smith, Matthew
Sommerhof, William S.
Sorfleet, William D.
Stebbins, Lee A.
Stinnette, Jesse W.
Stork, Harlan A.
Stroman, Mark H.
Switay, Kenneth M.
Talmon, Kent R.
Tanks, Bobby H.
Treacy, Jonathan T.
Vaughn, Daniel L.
Wakefield, Bruce A.
Walchessen, Nora S.
Wasdin, Ricky S.
Wassermann, Helene S.
Wheeler, Mark E.
Wheeler, Robert F.
White, David L.
White, Patrick J.
Whittle, Frederick J.
Wholley, James R.
Wilson, Jimmy L.
Wolf, Frances B.
Young, Frank A.
Zolman, Richard L.

The following-named Marine Corps enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5583, subject to the qualifications therefor as provided by law:

Averitt, Bruce A.
Duckworth, Frank H.
Krug, Daryl V.
Mason, Christy C.
Zirkelbach, Kurt V.

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 28 June 1979–8 July 1979.

HOUSE OF REPRESENTATIVES—*Wednesday, September 5, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will extol Thee, my God and King, and bless Thy name for ever and ever. Every day I will bless Thee, and praise Thy name for ever and ever. Great is the Lord, and greatly to be praised, and His greatness is unsearchable.—Psalms 145: 1–3.

O Lord, as we praise Your name, so bless our coming together this day, and cause Your grace to be with those who labor here for the welfare of all people. May Your providence guide our Nation and give the vision for the path of justice and mercy.

When we are selfish and look only to our own needs, give us forgiveness and a new beginning, when we speak the truth and are faithful to our responsibility, then confirm and encourage in the right.

Bless all Your people, Lord, and may Your Spirit daily strengthen us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 2, 1979:

H.R. 2729. An act to authorize appropriations for activities for the National Science Foundation for fiscal year 1980, and for other purposes.

On August 3, 1979:

H.J. Res. 373. Joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

On August 6, 1979:

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes.

On August 8, 1979:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

On August 13, 1979:

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes;

H J Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; and

H J Res 209 Joint resolution designating the week of October 14, 1979, as "National Diabetes Week."

On August 14, 1979:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States;

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance pro-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

grams and for the Peace Corps, and for other purposes;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4057. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code; and

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the act of January 2, 1976, as amended, and for other purposes.

On August 15, 1979:

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2282. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; and

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 88. An act for the relief of Soerjanti Bonzoumet-Soetarto;

S. 151. An act for the relief of Jerry W. Manandic and Ceferino W. Manandic;

S. 216. An act for the relief of Chong Hui Schrein;

S. 319. An act for the relief of Chan Siu Ha (also known as Linda Chan);

S. 566. An act to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes;

S. 707. An act for the relief of certain aliens;

S. 885. An act to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes;

S. 914. An act to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation;

S. 974. An act for the relief of Tin Foo Chan (also known as Michael Chan);

S. 1037. An act to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits;

S.J. Res. 41. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; and

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day."

The message also announced that the President pro tempore, pursuant to Public Law 95-561, appointed Mr. John P. Dunfey, Senator SPARK M. MATSUNAGA, and Mr. John Dellenback to be members of the Commission on Proposals for the National Academy of Peace and Conflict Resolution.

The message also announced that the Vice President, pursuant to Public Law 95-45, appointed Mr. WILLIAMS (Chairman), Mr. DECONCINI, Mr. STAFFORD (Vice Chairman), and Mr. THURMOND to the 66th Interparliamentary Union Conference, to be held in Caracas, Venezuela, September 13-21, 1979.

COMMUNICATON FROM THE CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 3, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 2, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed H.R. 896, An Act for the relief of Joseph J. Andrews;

That the Senate passed H.R. 899, An Act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

That the Senate passed H.R. 932, An Act for the relief of Doris Mauri Coonrad; and

That the Senate passed H.R. 1158, An Act for the relief of James C. Wilkinson.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

August 6, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 2, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate agree to the amendments of the House of Representatives to the bill S. 1146, An Act to amend title XIV of the Public Health Service Act, as amended by the Safe Drinking Water Act (88 Stat. 1680, 42 U.S.C. 300j), to extend for three fiscal years the authorization for appropriations, and for other purposes; and

That the Senate passed without amendment H.J. Res. 244, to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, August 2, he did on Friday, August 3, sign the following enrolled bills:

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the national capital region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week";

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week";

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; and

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932.

☐ 1210

MESSAGE FROM CONSTITUENTS

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I have just returned, as many of the Members have, from traveling around my district for 1 month, talking and listening to the constituents in my area of Florida. I want the Members to know that it is my feeling, from the feedback that I get, that there is no great demand from the public for any new major initiatives from this Congress. The message that I received was that we simply address as quickly as possible the energy and inflation problems facing this Nation—and everyone realizes they are tied together—do it as quickly as possible and adjourn and go home.

The public is not looking for much more than that. I think the message they are giving us is that they are asking us to make a commitment to give a little, asking all of the Members of Congress to just give a little bit, to try to come to some reasonable compromises that can turn this Nation around and let the people know that we are willing and capable to take a little action to get us on our feet again.

The only other area of concern for the seniors of my area is, obviously, health care for senior citizens, and they are looking for assistance. This is an area that is long overdue for consideration.

BLOODY AUGUST IN IRELAND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, in the long, sad, and violent history of Ireland, August 1979 may be remembered as one of the bloodiest months ever. On August 27 IRA terrorists killed Lord Mountbatten and the very next day 21 British soldiers were ambushed and killed. These were acts of sheer madness and brutal criminality. Those responsible should be prosecuted to the fullest extent of the law.

As chairman of the 130-member ad hoc Congressional Committee for Irish Affairs, I deplore the overall escalation of violence. I am especially distressed over the resurgence of purely sectarian based violence which had been at a lull over the past 18 months.

The reemergence of violence points up graphically the fact that the Irish issue is far from resolution. However, we cannot be content merely reacting to these latest atrocities. We must be in a position to work to prevent further atrocities.

We on the ad hoc committee have been involved in a number of peace initiatives—all designed to have the United States play a more positive role in advancing peace and justice for Ireland. On August 7 I met with President Carter to urge he undertake a "Camp David" type plan for Ireland.

We seek to aid the peace process as friends and not meddlers. The ad hoc committee operates with the conviction that the final resolution in Ireland must come from the people of Ireland. However our peace efforts will be frustrated as long as violence and lawlessness prevails in Ulster. We plea for the forces of reason to reassert themselves in Ireland.

STATEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives during one rollcall vote on Thursday, August 2, 1979; inasmuch as I was attending a meeting of a subcommittee of the House Judiciary Committee.

On Rollcall No. 428 the House approved, by a vote of 306 yeas to 9 nays, the Journal for Wednesday, August 1. If I had been present I would have voted "aye."●

A TRIBUTE TO SENATOR HOMER E. CAPEHART

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to pay tribute to one of the best known and most popular figures in the political life of my home State of Indiana, Senator Homer E. Capehart, who died this past weekend.

For 18 years, from 1945 to 1962, Senator Capehart represented Indiana in the U.S. Senate.

A vigorous and active Republican, he had many friends among Democrats as well as Republicans, a fact for which his affable and outgoing personality was in large part responsible.

Mr. Speaker, Homer Capehart was not only a U.S. Senator for three terms, but also a highly successful businessman.

Mr. Speaker, to Senator Capehart's widow, the former Irma Mueller, and to his son, H. Earl, and daughter, Patricia Pearson, as well as to his 12 grandchildren, I extend my deepest sympathy.

TRIBUTE TO JOHN F. O'LEARY, FORMER DEPUTY SECRETARY OF THE DEPARTMENT OF ENERGY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, as of today, John F. O'Leary is no longer Deputy Secretary of the Department of Energy, and I, for one, regret that he is no longer serving his country in that capacity.

Mr. O'Leary was with the Department since it was created in October 1977. He brought a wealth of talent and experience to the position.

As a member of the Interior Subcommittee on Appropriations, I particularly appreciated his cooperation and candor each time he came before the committee to testify. He expertly and succinctly analyzed problems presented to him and recommended possible and realistic solutions.

Hopefully, the suggestions he made in the past will be considered by Congress as it attempts to deal with perplexing energy issues. But, we will miss his wisdom and leadership in the future because we are only beginning to come to grips with the energy problems facing our Nation. Without his capable leadership our task is more difficult. But, it is not impossible. I would like to challenge all of us as Members of Congress to respond to our serious energy situation in a manner as thoughtful and well-reasoned as that displayed by our former Deputy Secretary of Energy, John O'Leary.

OIL IMPORTS ROSE DURING GAS CRISIS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, once again the American public is faced with the news that big oil may have ripped off the consumer during the summer months. Banner headlines in the Boston Globe read, "Oil Imports Rose During Gas Crisis."

While the American motorists were waiting in gas lines earlier this year, the major oil companies were importing 9 percent more crude oil than they did in 1978. The increase in crude oil would have supplied an additional 3 weeks of gasoline to the American motorist this summer.

Mr. Speaker, even as imports increased steadily in the first half of 1979, the oil companies cut gasoline supplies to service stations by as much as 15 percent. We all are painfully aware of what resulted—a 50-percent increase in the price of gasoline.

I find that difficult to reconcile in light of the fact that imports were up by 9 percent, while worldwide oil production was up 5.8 percent in the first 6 months of this year.

This is just another reason why this Congress must continue to scrutinize the activities of the oil industry.

SOVIET TROOPS IN CUBA

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the presence of Soviet combat troops in Cuba is an event of international importance. Whatever the reason for their presence, the fact that they are there at all is a propaganda coup for the Soviet Union. Four or five years ago it would have been unthinkable for the Soviets to take such a gamble. Now, exploiting the weakness of the present administration, they send combat troops 90 miles from our shores and they do so with apparent impunity. The United States has lost a battle, a battle of ideas, no matter what the ultimate outcome of this situation.

For the present, we have the irony of seeing Fidel Castro speaking for the "nonalined" nations. Castro, the attack dog of Soviet imperialism, with a Soviet chain around his neck, his daily sustenance coming from the Soviets tells the world he is unalined. In fact he barks when the Soviets say "bark" and rolls over on command. And yet this administration has pushed the idea of an "opening to Cuba."

It is my hope that the Senate hearings being held today will clarify this situation. For the time being I can only say that the United States has suffered a humiliating defeat in the area of world opinion.

☐ 1220

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4760

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I rise to ask unanimous consent that my name be removed as a cosponsor from H.R. 4760. When I agreed to cosponsor this bill, I did so believing that it simply reduced taxes. Over the recess I learned that it does far more than that, for it authorizes spending $900 million to subsidize the development of gas turbine vehicles. I would not want to be a party to such a massive redistribution of property, so I ask that my name be removed immediately.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. Paul)?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

Committee on Public Works and
Transportation,
Washington, D.C., July 30, 1979.
Hon. Thomas P. O'Neill,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on July 26, 1979:

ALTERATION

Chicago, Illinois, John C. Kluczynski Federal Building.

Middle River, Maryland, Federal Depot.

Washington, D.C., Housing and Urban Development Building.

Philadelphia, Pennsylvania, U.S. Customhouse and Appraisers Store.

Boston, Massachusetts, John F. Kennedy Federal Building.

Washington, D.C., Liberty Loan Building.

Washington, D.C., Interstate Commerce Commission Building.

ACQUISITION

Boston, Massachusetts, Food and Drug Administration Building.

LEASE

Washington, D.C., Page Building No. 1.

The original and one copy of the authorizing resolutions are enclosed.

Sincerely,
Harold T. (Bizz) Johnson,
Chairman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
August 10, 1979.
Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 12:45 p.m. on Friday, August 10, 1979, and said to contain a message from the President whereby he transmits the 1978 annual aeronautics and space report of the President.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

THE 1978 ANNUAL AERONAUTICS AND SPACE REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and together with the accompanying papers, referred to the Committee on Science and Technology:

To the Congress of the United States:

I transmit this report on the Nation's progress in space and aeronautics during 1978. This report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476).

Included in this report are statements of policy designed to maintain American space leadership. This report concentrates on the most significant Federal space and aeronautical activities. These emphases have enabled us to reduce the amount of detail and number of separate agency program descriptions.

Jimmy Carter.
The White House, *August 10, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
August 16, 1979.
Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:45 p.m. on Thursday, August 16, 1979, and said to contain a message from the President wherein he transmits in accordance with the Impoundment Control Act of 1974, the report of four new deferrals of budget authority totalling $204.5 million.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

FOUR NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-175)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of budget authority totalling $204.5 million. These items involve economic support fund assistance for Egypt, the White House Conference on Aging, the National Alcohol Fuels Commission, and the National Commission on the International Year of the Child.

The details of the deferrals are contained in the attached reports.

Jimmy Carter.
The White House, *August 16, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.
August 16, 1979.
Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received this date in the Office of the Clerk at 2:45 p.m., and said to contain a message from the President wherein he transmits the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

THE 1978 ANNUAL REPORT OF HEALTH ACTIVITIES UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Act.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this Report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

Jimmy Carter.
The White House, *August 16, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
August 27, 1979.
Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received on this date in the Office of the Clerk, and said to contain the 17th annual Employment and Training Report of the President.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SEVENTEENTH ANNUAL REPORT PERTAINING TO EMPLOYMENT AND OCCUPATIONAL REQUIREMENTS, RESOURCES, USES, AND TRAINING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am transmitting to you the 17th annual report pertaining to employment and occupational requirements, resources, uses, and training, as required by section 127(a) of the Comprehensive Employment and Training Act (CETA) Amendments of 1978.

This *Employment and Training Report of the President* also includes a report on how social services, vocational education, and other programs administered by the Secretary of Health, Education, and Welfare are being integrated into State and local CETA activities, as required by section 127(b) of the 1978 CETA Amendments; a number of special reports that respond to additional reporting requirements in the amended CETA; a report on services for veterans, as required by the Vietnam Era Veterans' Readjustment Assistance Act; and a response to the requirements of section 4 (f) (2) (B) of the Full Employment and Balanced Growth Act of 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 27, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:00 p.m. on Monday, August 27, 1979, and said to contain a message from the President wherein he transmits the 12th Special Message for 1979, in accordance with the Impoundment Control Act of 1974.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THREE NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–176)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totalling $30.1 million. These items involve human development services in the Department of Health, Education, and Welfare, emergency refugee and migration assistance in the Department of State, and the National Commission on Social Security.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 29 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office on Tuesday, August 28, 1979, at 4:40 p.m., and said to contain a message from the President wherein he transmits his proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PROPOSAL FOR FEDERAL PARTICIPATION IN INTERNATIONAL EXPOSITION ON ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with statutory requirements, I am transmitting to you my proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee from May through October 1982. The Congress has already received an FY 1980 budget amendment request, in the amount of $20.8 million, to support Federal participation. The Department of Commerce is submitting the authorizing legislation as well.

It is my determination that Federal participation is in the national interest. The Exposition will provide for an international exchange of ideas on energy development, innovative energy technology, energy conservation, solar energy, synthetic fuels and other subjects important to the national interest. Moreover, the Exposition will stimulate tourist travel to the United States, thereby improving our balance of trade, promote international cultural exchange and accelerate capital growth and investment in the Knoxville area.

My proposal includes all statutory requirements:

(1) assurance that the Exposition meets all criteria for recognition and has been recognized;

(2) a statement that the Exposition has been registered by the Bureau of International Expositions on April 27, 1977; and

(3) a plan prepared by the Commerce Department and other interested departments for Federal participation.

The plan for Federal participation provides for construction of a pavilion and preparation of energy-related exhibits.

I urge that this plan be given prompt and favorable consideration by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

□ 1240

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 29, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office on Tuesday, August 28, 1979 at 4:40 p.m., and said to contain a message from the President wherein he transmits copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

COPIES OF REPORTS ISSUED BY UNITED NATIONS JOINT INSPECTION UNIT DURING 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with Section 301(e) (3) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2221), I am transmitting herewith copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
August 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:24 a.m. on Friday, August 31, 1979, and said to contain a Message from the President wherein he transmits to the Congress his recommendations concerning Federal pay, together with a Federal Pay Comparability Alternative Plan.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PAY COMPARABILITY FOR FEDERAL CIVILIAN EMPLOYEES AND MILITARY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-177)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Under the Pay Comparability Act of 1970, an adjustment in Federal white collar pay will be required on October 1, 1979.

I have reviewed the report of my Pay Agent and the recommendations of the Advisory Committee on Federal Pay relative to a pay adjustment. Their findings indicate that an average 10.41 percent increase, at a cost of about $6 billion, would be required to achieve full comparability with the private sector.

However, pay comparability for Federal civilian employees and the military must be viewed in the light of the current economic situation. Inflation continues to be the single greatest threat to our economy and is a national problem of foremost concern. In considering last year's Federal pay increase, I relied heavily on the pay standards the Administration was considering to guide decisions of all employers in determining pay increases. I am continuing that practice for this year's increase.

Accordingly, under the authority given to me by the Pay Act to propose an alternative pay adjustment which I consider appropriate in the light of "economic conditions affecting the general welfare," I have determined that an alternative plan consisting of an overall 7 percent increase and a partial exemption from the full effect of the limitation for the lowest-salaried civilian employees is appropriate for the Federal increase. This increase will be within the pay standard being developed by the Council on Wage and Price Stability that will apply to all employees in the country for 1980. It is somewhat higher than the increase anticipated by my 1980 budget. However, last January when my budget was submitted, we expected significantly lower rates of inflation than we have actually experienced. I believe that the loyal and outstanding service given to the country by the Government's civilian and military personnel warrants recognition of that changed circumstance and of the new pay standards for 1980.

Accordingly, I strongly urge the Congress to support the alternative plan which is attached.

JIMMY CARTER.

THE WHITE HOUSE, *August 31, 1979.*

REPORT BY HEW TO THE PRESIDENT ON DISEASE CONTROL PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Report to the President on Disease Control Programs.

This report was prepared by the Department of Health, Education, and Welfare in accordance with P.L. 94-317, the "National Consumer Health Information and Health Promotion Act of 1976."

JIMMY CARTER.

THE WHITE HOUSE, *September 5, 1979.*

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

The SPEAKER. Does the gentleman want the call of the House previous to the motion to go into the Committee of the Whole?

Mr. BAUMAN. I will do whatever the Speaker says. I always do. Would the Speaker rather have a vote on the motion?

The SPEAKER. The gentleman from Maryland has changed his attitude since the vacation.

Mr. BAUMAN. A month off does everyone good, Mr. Speaker.

The SPEAKER. The Chair will recognize the gentleman from Maryland (Mr. LONG).

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 6, not voting 66, as follows:

[Roll No. 435]

YEAS—362

Abdnor
Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carr
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind
Fary
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Scheuer
Schroeder
Schulze
Sebelius
Seiberling

Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—6

Bauman
McDonald
Myers, Ind.
Paul
Snyder
Wilson, Bob

NOT VOTING—66

Albosta
Alexander
Anderson, Ill.
Applegate
Ashbrook
AuCoin
Beard, Tenn.
Bowen
Byron
Campbell
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Conyers
Cotter
Crane, Daniel
D'Amours
Davis, S.C.
Dellums
Diggs
Dingell
Dodd
Fascell
Fish
Flood
Florio
Ford, Tenn.
Frenzel
Goldwater
Hammerschmidt
Hansen
Heftel
Hollenbeck
Holt
Hughes
Jeffords
Johnson, Colo.
Latta
McEwen
Maguire
Mathis
Mikva
Miller. Calif.
Mitchell. Md.
Moffett
Moorhead, Pa.
Myers, Pa.
O'Brien
Pashayan
Peyser
Pritchard
Rodino
Rousselot
Russo
Santini
Satterfield
Sawyer
Smith, Iowa
Spellman
Treen
Watkins
Weaver
Wolff
Young, Alaska

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, July 19, 1979, the Clerk had read through line 4 on page 6, and pending was an amendment offered by the gentleman from Florida (Mr. YOUNG).

Without objection, the Clerk will again report the amendment.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

The Clerk read the amendment as follows:

Amendment offered by Mr. YOUNG of Florida: On page 6, line 2, strike "$267,280,000" and insert in lieu thereof $263,330,000".

And on line 4 strike the period and insert the following: ": *Provided further*, That not more than $126,050,000 shall be available for the United Nations Development Program."

The CHAIRMAN. The Chair at this time will recognize the gentleman from Florida (Mr. YOUNG) for 5 minutes on behalf of his amendment.

Mr. YOUNG of Florida. Mr. Chairman, I am happy to welcome back our colleagues from their district work periods by offering an amendment that gives them an opportunity to do what we promised for the last 4 weeks, by telling our constituents that we are going to cut as much unnecessary and wasteful spending out of Government as we possibly can.

This amendment would reduce our contribution to the United Nations Development Program to last year's level.

Mr. Chairman, the appropriation for the United Nations Development Program in this bill is $130 million. Last year we appropriated $126,050,000. All this amendment does is reduce the fiscal year 1980 appropriation for the UNDP to last year's level. It is not going to hurt any UNDP program; it is certainly not going to hurt the United Nations Development Program itself.

As a matter of fact, UNDP would not even miss this money if they would use wise fiscal practices such as we must do in the Congress, such as our city, county, and State officials are required to do; if they would put their money on deposit in banks with interest-bearing accounts rather than non-interest-bearing accounts, they would get enough interest to more than make up for this minor cut which my amendment proposes to make.

In the UNDP there is an awful lot of waste. I am not going to take 5 minutes to berate the programs because they have some good programs but I am here to tell you that of this $126,050,000, if we appropriate that much, we are going to be sending part of that money to places like Cuba, South Yemen, Mozambique, Vietnam, Ethiopia, Laos, and a number of other countries that I personally have questions about.

Mr. Chairman, I yield back the balance of my time.

☐ 1300

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I thank the gentleman from Florida for his past help; but unfortunately, I do have to rise in opposition to the gentleman's amendment. The UNDP is the technical assistance arm of the United Nations which provides needed assistance directly to the poorest sector of many of the poorest nations of the world.

UNDP is not perfect, of course. Small amounts of assistance often do go to rich countries, such as Saudi Arabia, where the UNDP provides technical assistance to programs intended to benefit the legions of the poor of that nation. Even so, Saudi Arabia contributes to the U.N. more than it receives. I think that is important to keep in mind.

The UNDP also does have small planned programs for countries, such as Vietnam, which in my opinion are not deserving of such aid. This assistance is not in the form, however, of cash contributions to Hanoi, but in the form of technical assistance for projects benefiting the needy, which from my observation on my trip there last month, are unfortunately the vast majority of the Vietnamese people.

Finally, the committee is recommending an increase of only 3 percent. It is one of the smallest increases we have recommended in the bill.

Mr. Chairman, I hope the House will defeat the amendment.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding. I want to concur in the remarks the gentleman from Maryland has made in opposing the amendment of the gentleman from Florida. I rise to do so only because of the fact that I have had an opportunity to talk to the administrator of this program, Brad Morse, a former colleague of ours, just last week. I was impressed with the caliber of the work he is doing and with the high regard which Brad Morse and the UNDP program has in the international community. I think it is one of the real bright spots in the entire U.N. system. It may well be that it will be one of the first programs which will be supported to conduct additional activities without controversy because of the outstanding nature of the work that has been going on there.

It is for this reason that I feel it would be highly inappropriate to in effect give a slap in the face to this extremely successful operation at a time when it may be asked to undertake additional responsibilities.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from California.

I agree with Mr. Morse, who was, incidentally, a member of the minority side of this House and has been doing a good job as Ambassador.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman.

Mr. SCHEUER. Mr. Chairman, I want to add my support to the gentleman's position opposing this amendment. I, too, spent time with Brad Morse last week, not only in Vienna in the Conference on Appropriate Technology, but a day later in Columbo in Sri Lanka at the Conference on Population and Development.

Now, in both of these conferences there was a clear drumbeat of pressure on the developed countries vastly to increase the order of magnitude of their aid and they talked about our only giving 0.27 percent of our GNP for aid and they wanted it to be three-quarters of 1 percent or 1 percent.

I think they realized that is fortunate, but I do make the point that a reduction, even a small reduction in our aid to UNDP I think would be taken as a symbol that we do not want to make. It would be taken as a symbol of our further walking away from the problem, of our further indicating that our aid to the developing world has less priority. I do not think that we want to send that signal, particularly in the case of an agency that is as well run or better than any other U.N. agency, where a former colleague in whom all of us across the aisles have real confidence in his integrity and his efficiency and when the gentleman as a Congressman and I and others have talked to him about the need for getting away from high technology projects that benefit the elite and to job creating, labor-intensive technology to help the people, when he has indicated that he believes in the principles of that approach and intends to follow it.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I would simply like to make the point that this amendment goes to the integrity of the committee system. This is not unique to this amendment. Under the able leadership of the gentleman from Maryland (Mr. Long), our committee has spent a considerable amount of time in hearings listening to the justifications for this particular program and others.

The administration requested $140 million for the UNDP in its budget request. Our subcommittee reduced that request from $140 to $130 million. We did so based upon the hearings and the discussions we had in committee. The gentleman from Florida has every right to offer his amendment, of course, and I am not critical of that; but I think it is important in these situations to give some weight to what the committee has done thoughtfully during its hearing process.

This amendment would cut approximately $4 million from what the committee is asking for. As the chairman has pointed out, this request is only a 3-percent increase over last year's appropriation. That does not keep pace with inflation. We think it is a reasonable request.

I hope the Members of the House will give consideration and due weight to what our subcommittee and the full Appropriations Committee have done.

As has been pointed out, this program is a worthwhile program. It does not provide cash to any government. It provides technical assistance on the ground for projects which are critical to some of the poorest countries of the world.

It is also worth noting, I think, that the United States actually secured more in contracts than we contributed in appropriations by about 12 percent in 1978; so this program helps not only the poorest people with technical assistance, but it also returns to the United States in contracts more than we actually contribute. I therefore hope that this amendment will be defeated.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I think this a very modest cut. The United States last year provided 19 percent of the total funding for UNDP, whereas the whole list of OPEC countries provided only 2 percent. I know that in the last 5 years UNDP has given $49 million to Vietnam. This Congress has voted against sending our taxpayers' hard-earned money to Vietnam.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I am happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, we have heard now from several of our colleagues who talked to our former colleague and friend, Brad Morse, during the recess. Of course, Brad is the Director of the UNDP. He is not going to tell us anything that is not good about the UNDP program, but let me read a statement that a White House official made about the UNDP to an international meeting dealing with the United Nations. Here is what he said:

> In surveying UNDP assistance programs to individual countries, we have noticed a disturbing trend toward increased fragmentation of effort.

Now, that is different from what good old Brad said.

> In one recent instance it was determined that the UNDP resident representative himself was ignorant of more than half of the resources being provided by donors through U.N. agencies.

That is different from what good old Brad said.

> The host country was no more aware than the UNDP resident representative of some of these programs. Both donors and recipients are getting less value than they should from available resources.

Now, that is not what good old Brad said. What did good old Brad say? Here is a report, Evaluation Study No. 2, concerning rural development, put out by the United Nations development program itself and in here they repeat some of the very same charges included in the White House statement made last year in Geneva.

Now, if you think the UNDP programs are all beds of roses and milk and honey, you are wrong. They are not. I did not want to start off today with a great tirade against the UNDP, but if I have to I will.

I will cite program after program where the money has been wasted, where it has been used for social reasons or political reasons, rather than economic or development reasons.

□ 1310

Mr. Chairman, I say that is wrong. Let me say this again: This modest cut of some $3 million plus is money that UNDP would never miss.

If they would put their money in bank accounts where they drew interest, like our county commissioners have to do and like our city officials have to do, they would get interest on their deposits. If our newspapers back home ever got word of a mayor or county commission chairman putting public money in noninterest bearing accounts, they would run them out of office or have them indicted. Yet the United Nations has millions and millions of American dollars and dollars from other donors in bank accounts that draw no interest. They let most of their projects without competitive bidding.

Let me tell the Members something. The way they handle their business is sad, it is tragic, and I say they should be able to get by with the same amount of money we gave them last year. And that was too much last year, by the way.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the subcommittee chairman.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentlewoman for yielding.

The gentleman from Florida (Mr. Young) will be interested to know that I agree very strongly with him on this business of putting deposited money in non-interest bearing accounts, and I feel the subcommittee should hold hearings on this question at a very early date. The gentleman from Florida has been very helpful in these matters in the past, but I do not think that this issue is really related to the question of a cut.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, it is my understanding from my conversations with him that it is the intent of the subcommittee chairman to ask our investigative staff to look into those very practices that are costing the UNDP and other U.N. agencies millions of dollars in interest that they could be getting. This represents more money that is lost by their shoddy business practices than I am trying to remove by this amendment to the bill.

I say, let us give our taxpayers a break. Let us save them a couple of million dollars every time we get a chance to do it. Here is a way we can do it, and the UNDP will never miss it.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, let me say that we should not only investigate the deposit of funds by the UNDP in non-interest bearing accounts but the deposits by all the multilateral agencies. This should be a task for the subcommittee in the months ahead to complete.

However, that would not negate the need for the money represented here. I would hope that we would not vote for the gentleman's amendment but that we would wait until we have a chance to examine this aspect of the matter.

Mr. YOUNG of Florida. Mr. Chairman, I agree with the chairman of my subcommittee on the importance of this investigation.

I ask for an aye vote on the disposition of this amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will only take a minute. I just want to point out that the U.S. contribution to UNDP is 18 percent of the total UNDP amount this year, as opposed to an amount which was about 35 percent in 1970. I think that indicates the burden sharing for this program has considerably changed in our favor.

The House has already made four cuts in this bill, and I would urge the House to stick with the committee on this matter in the interest of preserving the integrity of the committee process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Young).

The question was taken; and on a division (demanded by Mr. Young of Florida) there were—ayes 27, noes 24.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 139, not voting 61, as follows:

[Roll No. 436]

AYES—234

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boland
Boner
Bouquard
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Carney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Devine
Dicks
Dingell
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Findley
Flippo
Foley
Fountain
Frost
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nelson
Nichols
Nowak
Patten
Paul
Perkins
Petri
Pickle
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—139

Addabbo
Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
Baldus
Barnes
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Collins, Ill.
Conte
Conyers
Corman
Dellums
Derrick
Derwinski
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fazio
Fenwick
Fisher
Fithian
Florio
Ford, Mich.
Forsythe
Fowler
Fuqua
Garcia
Gephardt
Giaimo
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holtzman
Howard
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Matsui
Mazzoli
Mikulski
Mineta
Moakley
Moffett
Murphy, Ill.
Natcher
Nedzi
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Stark
Stewart
Stokes
Studds
Swift
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki

NOT VOTING—61

Albosta
Alexander
Anderson, Ill.
Ashbrook
AuCoin
Beard, Tenn.
Bowen
Breaux
Byron
Campbell
Carter
Chappell
Cheney
Clay
Conable
Crane, Daniel
D'Amours
Davis, S.C.
Dickinson
Diggs
Fascell
Fish
Flood
Ford, Tenn.
Frenzel
Goldwater
Hammerschmidt
Hansen
Harsha
Hillis
Hollenbeck
Holt
Horton
Hughes
Jeffords
Johnson, Colo.
Jones, Tenn.
Kemp
Latta
McEwen
McKinney
Mikva
Miller, Calif.
Mitchell, Md.
Moorhead, Pa.
Myers, Pa.
O'Brien
Pashayan
Pepper
Peyser
Pritchard
Rodino
Rousselot
Sawyer
Smith, Iowa
Spellman
Stockman
Treen
Weaver
Wolff
Young, Alaska

☐ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Rodino against.

Mr. Albosta for, with Mr. Pepper against.

Messrs. LEE, STUMP, and TAUKE changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Population, Development Assistance: For necessary expenses to carry out the provisions of section 104(b), $201,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for obligation until September 30, 1981.

AMENDMENTS OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a series of amendments, all dealing with aid to Panama, and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. BAUMAN: On page 6, line 20, strike out "$201,000,000" and insert "$195,500,000".

On page 6, line 25, strike out "$141,000,000" and insert "$140,590,000".

On page 7, line 12, strike out "$125,000,000" and insert "$118,590,000".

On page 7, line 19, strike out "$400,000,000" and insert "$399,750,000".

On page 23, line 10, strike out all of section 526 and insert the following:

"SEC. 526. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any economic or military aid to Panama, excepting those funds appropriated for food and medical assistance."

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland (Mr. BAUMAN) that the amendments be considered en bloc?

There was no objection.

Mr. BAUMAN. Mr. Chairman, this is simply a prohibition against any aid to the Republic of Panama excepting aid for food programs or medical assistance.

This bill contains $12 million for various programs for the Republic of Panama, and, while some may have no particular objection to the people of Panama benefiting from the U.S. taxpayers' largess, if it is done in a proper manner for appropriate programs, I would call attention of the committee to the fact that on October 1, the Republic of Panama will become the owner and controller of the Panama Canal, all of its capital improvements and all of the land encompassed within that area with a value of many billions of dollars.

This will mean that within the first year, according to projected estimates now available to us, that the Republic of Panama will receive from the income of that canal, instead of the approximately $2½ to $3 million presently being paid to them, something in the neighborhood of $75 million a year or more; and projections over the next several years would indicate it may go over $100 million a year.

My thesis, therefore, is very simple, and that is that with the unusual type of aid being given to Panama, a multi-billion-dollar capital improvement paid for by the American taxpayers, turned over to that Government, and most of its income, we have no further obligation to pay in addition to the Government of Panama $12 million in foreign aid.

Now, the amendment makes exceptions for medical assistance and food, but the House has already addressed this question of aid to Panama in authorizing legislation, and this bill does not contain an absolute prohibition against aid to Panama, such as the House supported in an overwhelming vote.

I think it is also worth mentioning that in the last several months, the dimensions of Panama's intervention in the affairs of other Latin American nations, including Nicaragua in concert with the Communist government of Cuba, has certainly become widely known.

At one time it was necessary for us to discuss that issue in this body in a secret session because of the intelligence aspect, but now the government of Somoza has fallen. We now know the extent of that Panamanian-Cuban activity. It certainly cannot give American taxpayers any great comfort to see the picture in the newspaper the other day of the true ruler of Panama, Gen. Omar Torrijos, embracing the Marxist dictator of Cuba, Mr. Castro, and to know this is the character of government to which we are giving the Panama Canal. But that is not the issue here.

This issue is simply whether we should continue 12 millions of dollars in foreign aid to a nation that will in effect get one of the biggest subsidies and one of the biggest gifts ever handed to a nation anywhere.

I ask the House to stand by the provisions it has already enacted on several other occasions and to strike the aid from the bill as my amendment proposes.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, these amendments are redundant unless we want to tie the hands of the President and make it impossible for him to operate in an area which is probably one of the most strategic in the world from the standpoint of our national interests.

Let me point out in section 24 of the authorizing legislation, it says:

> None of the funds authorized to be appropriated by this title may be made available for assistance to the Republic of Panama, its agencies or instrumentalities—

That is economic or military assistance—

> unless the President determines that assistance to Panama is in the national interest of the United States.

Now, let me point out, the United States and Panama are embarked on a period when cooperation is crucial to the smooth operation of the canal, the central goal of our aid to Panama. The aid programs are not directly related to the treaties or implementing legislation, but to abruptly cut off all programs just as we enter this new relationship would have all of the wrong implications for Panama.

Payments to Panama under the treaty are not a windfall. Investment requirements in canal-related services and activities will place a new burden on Panama. Those payments are in any case not assistance but come from canal tolls. They are basically payments for the use of Panama's land and water.

There is a good working relationship between Panama and the United States. The human rights picture has improved over the past 2 years and is now quite good. Political liberalization has moved ahead smartly with the legalization of political parties, popular elections for the National Assembly in 1978 and popular elections of the next President scheduled for 1984.

AID assistance to Panama is aimed at attacking poverty that prevails among rural and urban poor whose annual per capita income is less than $450.

I am one of the most severe critics of foreign aid that probably ever occupied the chair of the subcommittee. I have found not very many foreign aid programs around the world that meet with my approval. I did, however, find a program in Panama that, to my surprise, was one of the best that I have seen anywhere. A program where fish ponds were being delivered to large numbers of people, not just demonstration programs, but actually deliveries of programs.

☐ 1340

Panama is a democracy, at least for Latin America. We ought to encourage it.

But, let me make another point. Aid to Panama and our relations with Panama in this treaty have been a popular subject for opposition on the part of right wing politicians. Let me point out that if the Castro types ever should try to take control of the Panama Canal, we want to have at least some of the Panamanians on our side. Without this treaty, they will all be against us.

My son was with the 82d Airborne Division, and at a time when this treaty was under consideration he was in jungle training down in Panama. He telephoned me and he said,

> Dad, there is not a single member of the 82d Airborne who is not for that treaty.

He said,

> We do not want to have to come down here and fight another unpopular war in a jungle.

This treaty will at least give us some friends, and I plead with the Members to put us in a position where we have some friends if we ever have to fight a guerrilla war, a jungle war, in Panama. I urge that these amendments be defeated.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I want to rise to oppose the amendment.

Mr. Chairman, I want to support everything the chairman has said on this amendment, and make a few very simple points. No. 1, in the rural areas of Panama where most of this assistance will be directed, the average per capita income is about $8 a week. Now, those people with incomes of that level are hardly the people we want to punish because of our unhappiness with certain aspects of General Torrijos' regime. In fact, those people, if we really are standing for what America is supposed to stand for in this world, those are the kinds of people we ought to be trying to help, because those are the kinds of people who, in dictatorships, most often get left out.

Let me also point out that strictly in terms of our own national interest, our own national interest is not advanced by making cuts of this nature. We have a simple question before us: What is in our own national interest; to express our unhappiness with the Torrijos' regime, to express our unhappiness about a past action, an action already taken by the Senate, namely, the ratification of the Panama Canal Treaty, or is it in our national interest to try to help create the kind of stable society in Panama which will enable that canal to remain open and which will enable that canal to help serve American economic interests through the remainder of the century?

That is what our national interest is, I submit; not the former. If we are going to transfer the Panama Canal, and that decision, as we all know, has already been made—some people like it, some people do not—but if the jurisdiction over that canal is in fact going to be transferred, then it is in our interest, our national interest, to transfer it in the most effective way possible. Amendments like this will make that transfer ineffective. They will not serve the national interest of the United States.

I urge the Members to support the chairman and defeat the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. OBEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would only say to the gentleman that he misreads the intention of the gentleman from Maryland if he thinks the amendment is prompted because of my unhappiness with the Panama Canal Treaties. The treaties, as the gentleman correctly states, are the law of the land, and on October 1 they will take affect. My sole purpose is not to punish Panama, but simply to say that with the extraordinary amount of money they will be receiving, we ought to delete $12 million from this bill which ordinarily would have been given them as bilateral aid had there been no treaty. I think they are getting a very unusual type of foreign aid including the canal and all of its operating funds, and an annual income of $75 to $100 million. That is enough.

Mr. OBEY. If I can take back the remainder of my time, the gentleman's position on Panama is well known and his position on the treaty is well known. I think the House would have been surprised if the gentleman did not offer his amendment, given his position on the treaty. Where the gentleman and I differ is simply on interpretation of what constitutes an effective instrument of foreign policy in Panama. I do not think his amendment meets that need.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken, and on a division (demanded by Mr. LONG of Maryland) there were—ayes 32; noes 30.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 247, noes 128, not voting 59, as follows:

[Roll No. 437]

AYES—247

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bouquard
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Carney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine

Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Fish
Fithian
Flippo
Florio
Forsythe
Fountain
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Harsha
Heckler
Hefner
Heftel
Hightower
Hinson
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen

Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Oakar
Panetta
Paul
Perkins
Petri
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes

Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Vanik
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—128

Akaka
Ashley
Aspin
Baldus
Barnes
Bedell
Beilenson
Bingham
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Corman
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Downey
Drinan

Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Fary
Fazio
Fenwick
Findley
Fisher
Foley
Ford, Mich.
Fowler
Garcia
Gephardt
Gonzalez
Gray
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holland
Holtzman
Howard
Jacobs
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland

Long, Md.
Lowry
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mikulski
Mineta
Moakley
Moffett
Murphy, Ill.
Myers, Pa.
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pickle
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Roybal

Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Solarz
St Germain
Stack

Stark
Steed
Stewart
Stokes
Studds
Thompson
Udall
Van Deerlin
Vento

Walgren
Weiss
Williams, Mont.
Wirth
Wolpe
Wright
Yates
Zablocki

NOT VOTING—59

Albosta
Alexander
Anderson, Ill.
Ashbrook
AuCoin
Beard, Tenn.
Bowen
Breaux
Byron
Campbell
Carter
Chappell
Cheney
Collins, Ill.
Conable
Conyers
Crane, Daniel
D'Amours
Davis, S.C.
Diggs

Edwards, Ala.
Fascell
Flood
Ford, Tenn.
Frenzel
Giaimo
Goldwater
Hammerschmidt
Hansen
Hillis
Hollenbeck
Holt
Hughes
Jeffords
Johnson, Colo.
Latta
McEwen
Mikva
Miller, Calif.

Mitchell, Md.
Moorhead, Pa.
O'Brien
Pashayan
Pepper
Peyser
Pritchard
Rodino
Rousselot
Sawyer
Smith, Iowa
Spellman
Stockman
Swift
Treen
Ullman
Waxman
Weaver
Wolff
Young, Alaska

□ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Albosta for, with Mr. Pepper against.

Mr. Daniel B. Crane, for, with Mr. Mitchell of Maryland against.

Mr. Ashbrook for, with Mr. Rodino against.

Messrs. MAVROULES, COTTER, and LUKEN changed their votes from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sahel development program: For necessary expenses to carry out the provisions of section 121, $100,000,000, to remain available until expended: *Provided*, That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 per centum of the total contributions to such program.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 8, line 17, strike "$100,000,000" and insert in lieu thereof "$80,250,000".

Mr. YOUNG of Florida. Mr. Chairman, the $80,250,000 that this amendment would leave in the bill is 7 percent greater than the Sahel funding for last year. I want to make this point as I begin my remarks. I am not opposed to the Sahel project. I think it is a necessary program. I think it is one that could work if we can put enough pressure on the people who are responsible for spending the money.

The problem that I have with the program is too much of the money is being wasted and not getting to the people that we are intending to help.

Let me give you an example of what I am talking about. There are funds being spent by personnel in the Sahel area from AID, from the Peace Corps, the International Development Association, the World Bank, the International Fund for Agricultural Development, the United Nations Development Program, West African Development Bank, African Development Bank, Food and Agricultural Organization, UNESCO, OPEC Special Fund, Kuwait Fund for Arab Economic Development, Arab Bank for Economic Development in Africa, France, Canada, Netherlands, Denmark, Belgium, West Germany, United Kingdom, Switzerland, European Development Fund, and the list goes on and on.

□ 1410

The problem is that all this money is coming into the Sahel, and it hits and it splatters. It is being spent by a lot of people who are drawing salaries and travel expenses, and it is not helping the people we want to help.

The purpose of my amendment is to apply some pressure to the people who are spending the money wastefully and get them to spend it to accomplish what we want to accomplish, and that is to help the poor people in the Sahel.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding.

There is, of course, no more vigilant watchdog of the public purse than the distinguished gentleman from Florida, and I want him to know that as the chairman of the Subcommittee on Africa, which has the authorizing jurisdiction over this program, I share some of the concerns which the gentleman just expressed.

This is, of course, as the gentleman knows, probably the poorest part of the world. It is a region of Africa where the average life expectancy is 37 years, where over 90 percent of the people are illiterate, where the average per capita income is less than $100 a year, where one out of every four babies dies by the age of 1, and where two out of every four children die by the age of 5.

So as the gentleman indicated, this is an important program. It is a program designed to make it possible for the people of the Sahel to achieve agricultural self-sufficency by the end of the century so that they will not be confronted again, as they were several years ago, with the kind of devastating famines which resulted in the needless deaths of literally hundreds of thousands of people.

But the gentleman is also right in saying that the taxpayers of our country have every right to expect that literally every cent we spend on this program will be well spent, and that literally every dollar that is not being well spent at the present time will be spent so that it can be put to more productive purposes either back home or elsewhere in the world.

If it will be helpful to the gentleman, I want to make it clear that our committee will engage in rigorous oversight of this program prior to the time the foreign aid bill comes up next year. I want to make sure that whatever level of funding we recommend is a level of funding which can be justified in terms of the return which we expect to receive for the money we spend on this program.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the comments of the gentleman. He does hold a very important position relative to oversight on this subject. I appreciate very much the thoughts that he has offered here today. If I felt there were enough of us in this House who are willing to take that same position—because what I am trying to do is get the money where it is needed—and if I could get enough help to do that, I would be satisfied.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, I will say to the gentleman from Florida (Mr. Young) that I can join him in saying that our aim in the programs for Africa and every part of the world is that we are concerned with efficiency. The report the gentleman is citing does have some negative things connected with it, but it is not a totally negative report. I am informed that in a lot of the projects that are under criticism, they are starting to work and are proceeding well, and as the distinguished gentleman from New York points out, the Sahel program is part of a program of over 21 countries.

These are probably some of the most needy people in the world.

Mr. Chairman, I pledge myself to work with the gentleman and see that that program is efficient, and if there are needs for cutbacks in next year's budget we will support that effort.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has has expired.

(By unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. DIXON. Mr. Chairman, will the gentleman yield further?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DIXON. So, Mr. Chairman, since we agree the program is well intended and well needed, I certainly want to join my colleagues here in seeing that there is efficiency. I will work with the gentleman to make sure that next year the program is effective as well as efficiently run.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate my colleague's confirmation in this matter. The gentleman serves on the committee which has jurisdiction over this matter, and he can be helpful in solving this critical problem.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to point initially that a number of countries in the Sahel have a per capita income of less than $350 per year. Malawi and Upper Volta, for instance, have a per capita GNP of $110. Niger has a per capita GNP of something like $110, and Chad a mere $70.

The point is well taken by my distinguished colleague, the gentleman from California (Mr. Dixon), that this program is needed and is well intended. But I certainly understand the motivation of my distinguished colleague, the gentleman from Florida (Mr. Young), who offered this amendment, not in an effort to challenge the credibility of the objectives of the program but as one who is concerned about how those resources are being spent and who benefits from them.

I certainly would join my colleagues on this side of the aisle in insisting that all the resources that are at the disposal of the people in the Sahel actually go to deal with the poverty and misery of all those who desperately need them in the Sahel.

I take the floor at this moment to join my colleague in saying that in the next several months, prior to the time the foreign aid budget comes to the floor, we will try to make sure that every single thing is done that can be done to bring pressure on the Treasury and other appropriate agencies to see to it that we remove all these inefficiencies that have been alluded to in the GAO report. I join my colleague in that effort.

Finally, let me say that given these assurances, I hope my colleague will see fit to withdraw the amendment. Certainly we have made legislative history, and a number of us have joined together to challenge these inefficiencies and to see that the resources go to the people who are definitely in need of help.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the comment of the gentleman.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the subcommittee chairman, the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I know that the gentleman from Florida (Mr. Young) is one of the genuine watchdogs that we have over foreign aid. I have appreciated that from the very first.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has again expired.

(On request of Mr. Long of Maryland, and by unanimous consent, Mr. Young of Florida was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield further, I want to thank him for all his efforts in the subcommittee.

Let me point out that there has been good, constructive progress in the Sahel, and there are very good programs. I could read them all, but I do not think we need to do that at this time.

Let me point out that this is really one of the poorest places in the world. It is a place where people really are very miserable. We know that the Russian Communists are fishing in troubled waters all over Africa. What we want to do is to build this part of the world up so that we do not provide the Russians a vehicle for a takeover.

Mr. Chairman, I hope the gentleman can withdraw his amendment.

Mr. YOUNG of Florida. Mr. Chairman, I thank my subcommittee chairman for his comments.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in opposition to the proposed cut in funding for the Sahel development program. Careful analysis of the projects to be undertaken through this program show them to be manifestations of the new direction in foreign assistance. The projects help to develop not only the local management skills necessary to undertake development, but concentrate on renewable energy resources, reforestation, agricultural development, health, and education. AID's plan for the region and specifically the Sahel nations, reflects the orientation toward fulfilling the basic human needs of the local populations.

Recently the General Accounting Office published a report entitled, "U.S. Development Assistance to the Sahel—Progress and Problems." According to the report some of the major problems with foreign assistance and development in the region included the absorptive capacity of the recipient nations, slow arrival of the equipment and lack of coordination among other donors. In addition, the report stated that AID was pursuing an outdated development strategy and further that agricultural assistance fostered dependence rather than self-sufficient food production. In addressing each of these criticisms, I believe that I will be able to convey to you both the importance of the program and its effectiveness in goal achievement.

Mr. Chairman, it is a fact that currently a large unobligated balance for the Sahel programs remains. At the end of fiscal year 1979, $155 million will be in the pipeline, but these funds are not without a purpose. The first years of the program focused on planning and project design. Now is the time for project implementation. Economic development, as we are all aware is a long-term process requiring long-term planning. AID has spent time carefully analyzing the needs and resources of the eight Sahelian nations. Should they be criticized for a commitment to a well-formulated strategy for that region's development? And further, should they be criticized for laying the foundation for such development through training and resource development? Years of preliminary work have set the stage for economic development which can evolve in a systematic fashion. In fact 70 percent of the fiscal year 1979 funds have been obligated and the remainder will be obligated before the close of the fiscal year.

A second major flaw revealed in the report is a reputed lack of coordination among aid agencies in the nations. The report states:

> A review of the proposed 1980 program indicates that very few new projects are of a multi-donor, multi-recipient nature.

My review of the Sahel program reveals precisely the opposite. Of the 15 regional projects for fiscal year 1980, 12 are being planned with other nations and other international organizations. Of the 67 projects for specific nations, 46 are multidonor and multirecipient. Coordination among nations and organizations has been the hallmark of the Sahel program.

The report further states that AID's regional strategy for the Sahel is outdated. I would like to ask the Members if they believe that agricultural development and self-sufficiency in food production are outdated? Are village-based health systems, human resource projects to strengthen the capability of Sahelian institutions and transportation networks outdated? How about reforestation and renewable energy techniques. Again, contrary to what the report states, AID's plan incorporates the basic elements of a concise plan of economic development. Their integrated program, multicoordinated in nature, is as far from outdated as I have seen.

Finally the report states that little has been done to convert food assistance from short-range emergency uses to development applications. It is true that when the United States first joined the Sahel program, food assistance was a major component. But times and goals have changed. For this upcoming year, there are 39 agricultural development projects ranging from irrigation, seeding improvement, and fertilizer development, to marketing and production techniques. The nature of the land of the Sahel requires vast concentrations of resources for agricultural production—but surely these projects illustrate a concern with self-sufficiency in food production.

The eight nations of the Sahel are at an extreme disadvantage. With annual per capita incomes ranging from $100 in Mali to $390 in Senegal, literacy rates averaging 10 percent, a life expectancy of 38 years and mortality rates of 160 per 1,000 births, this region is without a doubt one of the poorest in the world. The dire situation is complicated by the lack of economic resources to facilitate development. External assistance is fundamental.

Mr. Chairman, the Sahel program is good. The need of the nations is indisputable. Coordination among donors is evident. Let us not cut the funding for a program which so clearly demonstrates U.S. commitment to economic development and to the fulfillment of basic human needs in one of the world's most deprived areas.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has again expired.

(By unanimous consent, Mr. Young of Florida was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. Mr. Chairman, I think we have just seen created here on the floor a coalition and a force that could become very, very effective in this field of foreign assistance and especially in the Sahel program, which we concede is an important program.

Mr. Chairman, in view of the tremendous amount of support that we are going to have now in our efforts in the coming months, I believe that in the long run we can save the American taxpayer more money than this amendment would save them today. I think that as far as the money that is spent is concerned, we will see that it gets to the people in Africa who really need that help.

Mr. Chairman, in view of the commitments made by so many of our colleagues on the floor today, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

International narcotics control: For necessary expenses to carry out the provisions of section 481, $42,000,000: *Provided*, That not more than $6,242,000 shall be available for the Republic of Colombia for the interdiction of drug traffic.

AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. ROSENTHAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rosenthal: Page 10, line 11, strike out "$42,000,000" and insert in lieu thereof "$51,758,000".

Page 10, line 12, strike out "$6,242,000" and insert in lieu thereof "$16,000,000".

□ 1420

Mr. ROSENTHAL. Mr. Chairman, this amendment adds $10 million to the narcotics interdiction program, and the money would go, principally, to the Government of Colombia for their work in the narcotics interdiction program.

The amendment is the result of my concern, which I am sure every Member in the Chamber shares, for the illicit drug traffic within our country.

The Drug Enforcement Administration claims that the one way to accomplish anything significant in interdiction is to do it at the source. Colombia, for which 75 percent of the cocaine and marihuana coming to the United States is the source, is making a very creditable and a very singularly important effort to do something about the problem. They have asked for a total of $16 million. This would be $3.5 million for area campaigns, for program support, including fuel and maintenance repairs for coastal and border vehicles, $1.5 million for radar procurement, installation and maintenance, $5 million for three coastal patrol craft, $6 million for six helicopters, and $600,000 for vehicles.

I visited Colombia last October, and I met with all of the Government officials who had relevant responsibilities in this area. I myself was convinced that they take this assignment very seriously, that they intend to pursue it with vigor, and it is the most efficacious method for dealing in this area.

Colombia is the only South American democracy that has moved to cooperate with major U.S. drug programs, and I believe that we should support this effort.

Mr. de la GARZA. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Texas.

Mr. de la GARZA. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend my distinguished colleague for offering the amendment and join with him. I, too, visited Colombia and was quite impressed with what the Government of Colombia is doing, with what our Ambassador, Ambassador Asencio, is doing there. Certainly they merit our support and cooperation. The country has meager resources, but yet they have dedicated all they have to this effort that is so important to us and to our youngsters and the people in the United States. I think we should help them in every way possible, and certainly this is a major effort on that behalf. I commend my colleague for offering this amendment.

Mr. ROSENTHAL. I thank the gentleman for his contribution.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Maryland (Mr. Long), the distinguished chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I was in Colombia earlier this year. I perceived a genuine desire on the part of the Colombian Government to deal with this problem given the resources.

I have talked to my colleagues on the majority side; we have no objection to the amendment.

Mr. ROSENTHAL. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would like to ask the gentleman if he is really convinced that the allegations of the past of wrongdoing on the part of the Colombian officials have been resolved to his satisfaction.

Mr. ROSENTHAL. Yes, indeed they have. I am absolutely convinced that they are serious and they intend to pursue with vigor and determination the war against drug traffic in that country.

Mr. YOUNG of Florida. If the gentleman will yield further, I have had the opportunity to visit with our Ambassador, also. This is what he tells me. And, believe me, I want to be convinced. If we can stop the flow of drugs and narcotics at the source, we have saved this country billions and billions of dollars, not only in dollars, but in suffering and in pain, and if the gentleman is as convinced as he seems to be, I would have no objection to this amendment.

Mr. ROSENTHAL. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I understood the gentleman to say that he had met with the appropriate officials who are in charge of this program and by this direct contact the gentleman is convinced of the desire that they have to totally cooperate with us.

Mr. ROSENTHAL. I have. We visited with the Minister of Justice and all other relevant officials down there, and, as some of my colleagues suggested, our own Ambassador is himself convinced of their seriousness and their determination of purpose.

Mr. DERWINSKI. May I point out, Mr. Chairman, that this is certainly strong evidence of the value of this amendment; but, furthermore, it also demonstrates the great practicality of congressional travel.

Mr. ROSENTHAL. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to my colleague, the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to commend the gentleman for his amendment, as well.

As the gentleman knows, he brought this amendment up in the policy committee, and we had quite a discussion about it. From that discussion, and from my visit to Colombia 2 years ago and from what has subsequently transpired there, I think that the new government is really trying to do something about it. I think if we can encourage them with this additional assistance it will be of great help to them and it will also be a good example to other countries in the area that have not been as forthcoming.

Mr. ROSENTHAL. I thank the gentleman.

● Mr. LAFALCE. Mr. Chairman, I rise in support of the amendment, and I congratulate the gentleman from New York (Mr. ROSENTHAL) for proposing it.

We all know that drug trafficking is a vile and pernicious problem, and that the traumatic effects of drug abuse, particularly among our youth, is staggering. I believe that the gentleman's amendment proposes a significant response to these problems, because it seeks to more effectively halt drug trafficking at its source, and directly impede the flow of illegal drugs into this country.

Colombia has the unfortunate reputation of being the source of most of the cocaine and marihuana which is smuggled into the United States. It is estimated that this illicit export trade come to $500 million to $1 billion a year. The Colombian Government, however, has begun serious and concerted efforts to crack down on this criminal activity. The U.S. Government has actively encouraged these efforts, and through this amendment we can send a clear message to Colombia that we will support them as much as we can.

The Colombian Government has exhibited that it is a willing partner in controlling and eliminating the flow of narcotics to the United States. As a first step, President Turbay has placed the Guajira Peninsula—the major shipment point for marihuana and cocaine—under the jurisdiction of Colombia's Armed Forces. The result has already been a substantial number of arrests and confiscation of contraband goods ready for shipment. The Turbay government has also allowed U.S. Secret Service agents into Colombia in an effort to eliminate illegal counterfeiting rings which have hitherto operated freely. In short, we have a partner in Colombia which is committed to eliminating this multimillion dollar business.

This amendment reinforces the realization that only through sincere and cooperative attitudes can we pose an end to this illicit and immoral business.

In passing, I would like to add that I have introduced three bills, which would enable U.S. law enforcement officials to more effectively curtail international drug trafficking here in the United States. These bills, and this amendment, and the many other proposals dealing with this issue demonstrate how crucial it has become. One of the ways we can begin to deal with it, is to terminate the flow of narcotics into this country. I heartily recommend the adoption of this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ROSENTHAL).

The amendment was agreed to.

Mr. EVANS of Delaware. Mr. Chairman, I ask unanimous consent to proceed out of order and go back to page 9, line 10, and offer an amendment concerning the Sudan.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

Mr. LONG of Maryland. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, as amended, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, $15,964,000: *Provided*, That not to exceed $1,036,000 of previously appropriated funds shall also be available for necessary expenses during the current fiscal year.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I make a point of order against the proviso which begins on line 21, of page 10, on the ground that it constitutes a reappropriation of unexpended balances, and violates rule XXI, clause 6.

The proviso would apply to all previously appropriated funds, those which by their terms would remain available during the current fiscal year and those which by their terms would not otherwise remain available during the current fiscal year, that is, fiscal year 1980.

By extending the availability of the previously appropriated funds, this proviso constitutes a reappropriation and is not in order.

The CHAIRMAN. Does any Member wish to speak on the point of order or to contest the point of order? If not, the Chair rules that it is a reappropriation and, accordingly, sustains the point of order against the proviso.

The Clerk will read.

The Clerk read as follows:

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

For expenses necessary to carry out the provisions of title IV of the International Development Cooperation Act of 1979, $23,750,000, to remain available until expended.

AMENDMENT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOTT: Page 11, line 1, strike out "Institute for Scientific Technology" and all that follows through line 5.

Mr. LOTT. Mr. Chairman, the amendment I am offering would eliminate that portion of the bill which appropriates funds for the Institute for Scientific and Technological Cooperation. Included in this year's foreign assistance appropriation bill is a sum of $23,750,000. In addition to this sum, $66,586,000 of funds provided to the Agency for International Development are planned to be transferred to and administered by the Institute.

The purpose of the Institute is to promote enhanced cooperation between the United States and less developed countries in conducting scientific and technological research to hasten economic growth and development. Who could quarrel with such goals? I certainly do not. And yet, at a time when every Member of this House is, I am sure, concerned about keeping the lid on increased Federal spending, how can we justify a new Institute, the need for which is still unclear?

The principal function of the Institute will be responsibility for some $66 million of research now centrally funded by the Agency for International Development under the assumption that the Institute would be better able to manage these programs. One wonders, if we are to make such a commitment to research, why we could not make this same commitment within the AID program and eliminate the need for a new Federal agency. In fact, just how the ISTC's activities will differ from those of AID's science and technology programs is still not clear. What we need is better administration of AID and not setting aside a new separate agency to soak up more money each year as it grows and grows.

After even a cursory review of this plan, it is evident that the proposal for the new Institute is poorly planned. One example of such inadequate planning is the fact that the name of the body has been changed several times already. The proposed Institute was formerly called the Foundation for Technological Cooperation or the Institute for Technological Cooperation. In the first instance, there was apparently some concern that the term "foundation" would imply Government funding to universities to solve academic development problems. It seems that whenever criticism of the Institute appears, the name is changed. The fact is that the proponents of this plan actually are not sure what the ISTC would do.

It also needs to be pointed out that there is an overlapping of the ISTC with other program activities, including those of the National Science Foundation. Certainly this is an example of the kind of costly duplication of effort which occurs when new agencies spring into being without our first considering what such an agency can do that is not already being done.

What needs or demands of the United States will the Institute satisfy? Certainly this question is a valid one and one which has never been answered to my satisfaction.

Today not one of us is unaware of the crying need for fiscal restraint, the necessity for assigning priorities to those areas which are the most urgent, and the careful allocation of our resources to those problems which are obviously in the Nation's best interest. The funding request for the Institute is not great. However, it is the totality of funds allocated to many such programs which has proved to be such a burden to the taxpayer and which has caused him to send us a message that he will tolerate no further Government growth.

I do not seek elimination of funds for the Institute for Scientific and Technological Cooperation because it is a bad concept or because I am not aware of the needs of the less developed countries. I ask you to support this amendment because it is paramount that we establish priorities and be selective in the manner in which we allocate the taxpayer's money; $23,750,000 is not a lot of money, but it is definitely money that could be better spent elsewhere—or even saved. In this case, I ask you to oppose the creation of an additional layer of expensive bureaucracy and an agency which merely duplicates that which already exists.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding

Mr. Chairman, I would like to point out to the gentleman, when he said that this is no time to be creating a new $24 million program, this $23,750,000 is not all that the Institute for Scientific and Technological Cooperation gets.

☐ 1430

As a matter of fact, there is an additional $66 million that is being transferred from the AID budget to this new ISTC or whatever it is called today. I wanted to point that out because $24 million is just part of the overall cost.

Mr. LOTT. If the gentleman will let me respond to that, it is sort of like this original gas rationing bill we had. Even the title of the program has changed several times. This has been going on through the process.

At one point it was called the Foundation for Technological Cooperation. Then it had, as I understand it, a couple of other titles, thinking maybe if you change the title a little bit, that would give it greater support, greater strength. That again just shows I do not think there is any clear direction for this new institute. They do not know how it is going to work. They are going to set it up, move money in, which comes to a total of $100 million, and then they are going to decide how they are going to use it.

Mr. YOUNG of Florida. If the gentleman will continue to yield, I think that all those who support our AID program—Agency for International Development—should be concerned that this is the beginning of a dismantling of that agency. This first $66 million out of their budget is a good indicator. A lot of the scientific work that this new agency would do is presently being done by AID. And if we would talk to our friends at AID, I think we would find that, while on the surface, they might toe the line and agree to support this new agency, the truth is they are not really for it because they see it as taking from AID and putting it someplace else wherever it might end up.

Mr. LOTT. That is certainly true.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when this came before the House in the authorizing bill, I voted against it. I had a chance after that to understand more completely what this program is about.

In my opinion, this is not really a new program. It is simply a pulling together of programs that have been scattered all over the place. Research has been going on in AID but has had no coordination. The purpose of this program is to set up one central organization in which we can consolidate all foreign aid research, and, as the gentleman from Florida points out, we are going to take $66 million out of the regular AID budget and add it to this $25 million and get a real, consolidated, research program. The United States has a tremendous amount to offer to economic development in these various developing countries. Things that are awfully important that we have not been doing well to this point.

We have been overlooking the genius existing in our universities that can be used to help our foreign aid development program. We have been overlooking a great bit.

I would hope very much that we can defeat this amendment. I will watch over it and make sure that this program is executed in an efficient, effective way.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment is defeated. Some of the best minds in the country have gone into this particular plan, and they have come out with what I think, serving on the committee for 21 years now, is one of the most promising things in the foreign aid field.

Just this morning I received a letter from the White House, and it says:

> As you know, the Congress authorized creation of the Institute shortly before its recess; we expect the Institute to begin operations October 1.
>
> You may be interested in what the President said about ISTC in his message to the UN Conference on Science and Technology for Development held in Vienna in late August: "The . . . Institute for Scientific and Technological Cooperation, which we plan to establish this fall, . . . is one of our most important innovations to help developing countries who so desire create and adapt the technologies best suited to their needs. Its work will receive my strong personal support."
>
> At the same Conference, Father Hesburgh, (Pres. of Notre Dame Univ.), who headed the US delegation, described the Institute to the Conference in more detail: "In order to respond to the challenge of building such indigenous capacity, we are establishing, at the personal initiative of President Carter, a new Institute for Scientific and Technological Cooperation. The Institute's principal functions will include:
>
> "Enlisting developing countries' assistance in establishing research and development priorities;
>
> "Long-term research and development on critical development problems;
>
> "Marshalling research and development activities of various US public and private agencies;
>
> "Facilitating greater attention by US scientific and technical institutions to joint research, training and other cooperative activities; and
>
> "Involving the private sector in the United States in efforts to improve science and technology for development."
>
> The next step affecting the Institute's effectiveness will be Congressional action regarding appropriations. The Congress authorized $23.75 million. The House will vote on this shortly after the recess, and the Senate Appropriations Committee will then consider the matter.
>
> The Institute is a key element of the President's reorganization of our foreign assistance program. We hope the entire program will receive your support when the appropriations bill reaches the floor.
>
> Thanks again for your help.
>
> Sincerely,
>
> FRANK PRESS.
> HENRY OWEN.

Mr. Chairman, I rise in support of the newly created Institute for Scientific and Technological Cooperation. Science and Technology have come to be viewed as critical tools in the development process of every nation. The growth of our own country was, without a doubt, the function of our technological prowess and scientific accomplishment. Such factors play a particularly crucial role in the case of the third and fourth world's striving for economic growth, yet constrained by the local means of adapting to new technology and barriers to both knowledge and skill acquisition.

It is undeniable that America has long been the world leader in technological innovation, research, and development. We have also been generous in transferring ideas and technology to the developing world. Yet, such transfers can have serious consequences for the recipient nation. It is a recent revelation that a fundamental problem in development, and a major reason behind some of our past failures, is that development has not been a local process. Initially, programs of both the multilateral institutions and bilateral organizations were tailored not to the unique characteristics of the developing world, but to our own values, cultures and ideas. We know now that the developing world may have neither the capacity nor the desire to accept western technology and ideas. Further, technology not appropriate to their needs may increase the problems associated with underdevelopment, further skewing the distribution of income, heightening unemployment, or intensifying the dual nature of their economies.

Since 1973 and the advent of the new direction in foreign aid, appropriate and light capital technology have become the hallmarks of our development assistance. But this new orientation is only a beginning. We must now begin research and development to determine what is truly appropriate to the developing world. The Institute for Science and Technology lays the foundation to begin such a process.

Some of my colleagues have argued that this new Institute is unnecessary—that the same programs are being carried out elsewhere. This is not so. The Institute brings a totally fresh approach and a much needed one, to the problems of adapting science and technology to the developing world. The agencies currently charged with foreign assistance have neither the structure nor the orientation to deal with this issue. These agencies are concerned primarily with large resource transfer. They have a short time frame in which to demonstrate results and decisionmaking is organized largely around bilateral relationships and restrictions on eligibility which exclude a growing number of the more advanced developing countries. This atmosphere is hardly conducive to scientific research and development.

The new Institute will concern itself with the establishment of local research and development capacities. It will not exclude the middle income countries who often are those whose continued support offers the greatest long term political, economic and strategic benefits to the United States. It will emphasize not country programs, but problem areas. It is a cooperative effort, not of nations, but of ideas—the best of both the developed and the developing world. We will finally be able to work side by side with the developing world to formulate appropriate strategies for the use of science and technology which will hasten, not impede development. And it is a mutually beneficial venture. Increasing agricultural productivity will help to prevent the massive food deficit predicted for the eighties which will not only lead to famine, but skyrocketing prices around the globe. Improving population programs will keep us off the collision course we are now on with respect to the Earth's biological systems. Energy planning and new supplies will help to develop sources appropriate to both developed and the developing world. This can potentially decrease our vulnerability to the whims of the current energy suppliers. And environmental protection and natural resource management will help to solve global problems such as pollution, which recognize no national boundaries.

Our experiences with economic development have been marked by great accomplishments, unmitigated failures and profound reassessments. This new Institute is a result of such reassessments. Utilizing the lessons of the past, we are moving into a new era in economic development—one of true cooperation and a sharing of ideas. By channelling and harnessing the best energies of both the developed and developing worlds, the Institute for Technological Cooperation offers us an opportunity for a truly cooperative effort to solve the problems which have plagued man since the beginning of time. I, therefore, urge your support of this endeavor.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for his very eloquent statement.

Let me give just one example of what we can do. Everyone who has traveled knows the problem of polluted water all over the world. There is hardly a developing country where you can get a drink of clean water. You have to drink all kinds of sparkling water and so on, the kind of water that is not available to the average poor person. We know the problem with intestinal diseases. We know the blindness diseases. We know all of the many other diseases people have to suffer in all these poor countries.

This is something that our own genius can deal with. We now know how to deal with the problem of polluted water. It is a question of bringing our scientific technology to bear on this problem. We can affect hundreds of millions of people with relatively small sums of money if we really go to work on it. We have not been doing it. This program is a good stairway by which to reach this goal.

☐ 1440

Mr. SCHEUER. Mr. Chairman, I move to strike the last word, and I rise to oppose the amendment.

Mr. Chairman, I wish to rise to support the position of my distinguished colleague from Massachusetts (Mr. CONTE) and my colleague from Maryland (Mr. LONG) in opposing this amendment. I just returned from Vienna, where I joined Father Hesburgh and others there in supporting a new approach to scientific interchange. The purpose of this new entity is to focus all of our assets into a far more effective use of necessarily limited scientific resources in a way that will be very much more productive to the recipient developing countries.

Up until the present time there has been a proclivity on the part of the chiefs of state of these developing countries to engage in high technology investments that are capital intensive and that provide little or no employment, especially in the rural areas where over 80 percent of the poor populations of the developing countries live. They have had a preoccupation with pulp and paper mills, petrochemical plants, steel mills, and so forth, which the ruling elites of these countries generally own. They manufacture a product for sale in international commerce. They bank the profits in a numbered account in Switzerland and pay little or no taxes, and create few or no jobs. Very few people in these developing countries are benefitted thereby.

Now, the whole new approach that we have heard our distinguished chairman espouse on the floor of the House is not toward high technology, but toward the kind of technology that is appropriate to each of these countries. Frequently, that means labor intensive technology instead of capital intensive technology. It means job producing development in the rural areas especially available to women, because when there is sufficient literacy and jobs for women, they have a new perception of themselves. They feel that they are not just put on Earth, to till the soil, raise the food, and bear children.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I am glad the gentleman raised this point, one that I did not expand on sufficiently when I gave my own statement of purposes. The purpose of this institute is not to spend money, but to save it. One of the features that won my support was their pledge to make this a very effective vehicle for the development and promulgation of capital saving technology.

We have a worldwide shortage of capital. When we pile the fertilizer too high in one corner of the field, we do not have any left to fertilize the rest of the field. A lot of money is going to the wealthy with this sophisticated technology, and very little to help the masses of the poor.

I have seen some very encouraging examples of delivery of capital saving technology on my recent trip—the kind of thing this Institute has been designed to push so that we can save our foreign aid by today money directly to the poor people with very cheap capital instruments, $100 or $200 on the average per person. If we can do that, we can accomplish the job of helping the poor people of the world by reaching all of the 1 billion poor people of the world with far less expenditure on the part of the taxpayers of the United States.

So, I support this program, not as a means of wasting money, but as a means of saving money for the taxpayer.

Mr. SCHEUER. I thank my colleague. It is basically a sophisticated means of helping these countries use what they have got locally in more effective and in more scientifically sophisticated terms; using their local materials, using their local sources of energy; looking at their markets, looking at their manpower, and devising means of employing people and producing products mostly for sale and use in that country that build on their infrastructures of manpower, materials, energy, and the like, instead of just automatically transferring in a sort of meaningless and mindless way our high technology to those countries when it may be most inappropriate and hurtful kind of development.

So, I thoroughly support the program, and I urge that the amendment be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant opposition to the amendment, not because I do not disagree with the amendment, but because of the great respect I have for the gentleman who offered the amendment (Mr. LOTT) and for Mr. YOUNG of Florida, who is also supporting this amendment. The Members all know, if they have paid any attention to my voting record, that I do not often vote for new agencies or new programs, but I think that the Institute for Scientific and Technological Cooperation is a modest but a very important means to strengthen our relations with the Third World in a practical, sensible, and a more effective way.

As has already been mentioned, the House approved the ISTC on April 9 by a good margin after a full hearing in the Foreign Affairs Committee. I had grave doubts about this proposal until I heard the debate and talked to some of the people who are going to be running this Agency. After I did that, I came to the conclusion that it makes good sense as a new approach to our foreign assistance program, and it would be unreasonable for us to deny the funds. It is sensible; it will enable us to do things well in the future which we have been deficient on over past years.

I have in mind that the ISTC plan will deal with problems that inhibit the development effort on a long-term, sustained basis, apart from the country-by-country approach of AID. It will enlist greater participation in development of our science and technology community—in universities, industry, and the private sector generally. There are a lot of people who would take part in this kind of program, who do not want to take part in what they consider to be a Government handout program. They might be right and they might be wrong, but that is the feeling they have.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. I would like to commend him on his statement and on his opposition to the amendment.

Just to underline what the gentleman was mentioning, I am sure that he will remember in the testimony that there were many distinguished scientists and people who are reluctant to go to work for AID, partly because it may seem political or it is short run, who would be attracted to perform real service in an agency of this kind. I agree with the gentleman that it is a fresh approach, and one that is very badly needed. I am glad to associate myself with the gentleman's remarks.

□ 1450

Mr. LAGOMARSINO. I thank the gentleman and I agree with his remarks as well. By the testimony of many of our science and technology leaders we are just not putting our best foot forward. There is great underused strength and much need abroad for better application of science and technology. We need this Institute if only for this reason and the improved performance it would bring to our total approach to these problems.

It also would establish a system of collaboration with middle-income countries in science and technology on cost-shared, mutually beneficial basis. Many of these middle-income countries have gone beyond aid arrangements either because of eligibility standpoints or, in some cases, because they are just plain too proud to take what they consider to be a handout. So we need a new cooperative style, and it will benefit them as well as this country.

These countries are important to us. Just to name a few, Mexico, and we all know how important that is; Brazil, Venezuela, countries that in many cases are just plain too proud to accept foreign aid, even if we could give it to them.

Some of these problems were mentioned earlier and I came across another one just the other day. Malaria is making a new comeback in India and other countries in Asia. These are things that we can all work on together. These are just a few of the net gains that we will make through the ISTC program. A specialized small agency such as ISTC makes very much sense. It would build on our great strength in science and technology and is designed to bridge the gap to our private sector.

I want to repeat that I think this is a most important element. It is a small investment compared to the potential gain and I think it deserves our support.

Just a short time ago this House by a pretty good vote voted to cut money out of the U.N. development program. I suspect that the reason as many people voted for that amendment as did, and I was one of them, was because they just do not have the faith in that organization to do the kinds of things we are talking about there. What we are really doing here, I think it might be said, is creating a means of cooperating with other countries, a way to do the same thing that UNDP was supposed to do, but to do it in a practical and a beneficial way.

I urge defeat of the amendment.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, it seems inconceivable to me that we should return from a 30-day so-called in-district work period, if indeed Members were in their districts, and be able to come to this floor and advocate within a matter of 3 hours after our meeting the creation of another governmental agency at the cost of nearly $24 million a year. That, of course, as we know, is the downpayment on this Institute. It will cost much more.

The gentleman from Maryland offered an amendment earlier this year dealing with this matter and, unfortunately, it was rejected. I suspect that perhaps the 30 days at home might have done something to show us the disposition of the American people and their desires. In my district the people with whom I talked uniformly were complaining about the size, the cost of Government, heavy taxation, and inflation. All of that is a piece with this proposal before us, and that is why I strongly support the amendment of the gentleman from Mississippi.

It is also strange to me that after all of these years since the Marshall plan in 1947 we are suddenly told that the U.S. Government does not know how to give away money. I think it has learned that far too well. We have studied it and we have looked at it backward and forward, and now we are told we need an institute to research how many more ways we can give away the taxpayers' money.

Mr. LOTT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I am delighted to yield to the distinguished author of the amendment.

Mr. LOTT. I thank the gentleman. I want to emphasize again that this has been a controversial issue. Just a couple of the questions that were raised during the hearings were: "Will ISTC constitute a meaningful mechanism in dealing with powerful forces that determine foreign assistance flows or will it be a cosmetic and costly advisory group?"

Also, "Just how will its activities differ from those already going on in AID?"

Another question was: "How acceptable are plans to give foreign scientists and politicians a greater role in determining the allocation of U.S. development assistance funds?"

There was an editorial in the Washington Post entitled, "Just Another Research Subsidy," by Werner Fornos, and he pointed out that it is a new institute and like all other new Federal agencies, it will grow like Topsy. As proof of this, as originally proposed, it would have gone from funding of $25 million the first year to $40 million in fiscal year 1981, a 60-percent increase in 1 year. Of course, that is not in the authorization as it finally passed, but it shows what will happen with this new institute. And that does not mention, of course, the moneys that will be transferred from AID.

I urge my colleagues, this is one new institute in a foreign aid bill where we can save just a few millions of dollars. Let us not let this opportunity get by us.

Mr. BAUMAN. The gentleman is correct in his observation that the closest thing to eternal life is a Federal agency once created. Certainly this Institute falls into that category.

I might add one other thought. Research in this country has been an imperative for us to expand and grow over the two centuries and more of our existence. But we also ought to acknowledge the fact that research has become a part of the ruling establishment in this country. Many people make their substantial livings from taxpayer financed research. Much of it is wasted, duplicative and unneeded.

Mr. McHUGH. Mr. Chairman, I move

to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I think most of the points have been made. I think the gentleman from Mississippi and the gentleman from Maryland on the face of it have raised a very legitimate question. Most of us in the House, and certainly most Americans, are not favorably inclined to creating another Federal agency. Generally, we have had enough of that, and we have seen the inefficiencies and the costs involved. We should establish a new agency only if there is a solid reason to do so.

I think that there is a very solid reason to do so in this case, not only because it is a modest proposal, $23.7 million, but because AID, based on the experience that we have had, is simply not able to address effectively the type of research projects and programs that we are concerned about. AID necessarily has to deal with the most immediate problems, the day-to-day crises. We are all familiar with the terrible conditions in many of the countries where AID has to work. AID's focus, therefore, and this is not a criticism, is necessarily on the quick fix for the immediate problem. What we are trying to do by funding this Institute is to refocus some of our research endeavors to the intermediate research questions, those questions which are absolutely critical if we are going to deal ultimately and effectively with some of the problems relating to food, health, population, energy, the environment, and the other matters of substantial interest to all of us.

The members of the committee believe that the only way to address these intermediate research programs is by separating out of AID these kinds of projects. That is what this Institute in a very, very modest way is designed to do. It would involve not just expenditures by the United States; it would involve cost-sharing with the developing countries where we are trying to address these important research programs.

Accordingly, I think it is important to distinguish what AID is charged with doing, that is, attempting to address the immediate crises, from what this Institute is designed to address, namely, the more intermediate research programs which are just as important and perhaps ultimately more important than the immediate crises.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I will yield to the gentleman.

Mr. CHARLES WILSON of Texas. I would think that the circumstances of today and of the weekend would certainly strengthen the gentleman's arguments in that certainly people at AID for the last week, and probably for the next month are going to be concerned with disaster relief from the hurricanes that have taken place and the great loss of life in the Dominican Republic and Puerto Rico. Without the amendment this will provide a separate entity that will be able, without having its efforts diluted, without losing track, to work in an uninterrupted fashion toward coordinating and focusing technical efforts that are already in place. So in this case it is more, it is more a reorganization rather than adding a new agency, and I would like to add my support.

Mr. McHUGH. The gentleman is absolutely right. It is a refocusing of our research efforts so we adequately relate to these intermediate and long-term problems that are at the heart of these development concerns we have. It will improve the quality of our research effort in cooperation with developing countries at a very small cost, $23.75 million. I hope the Members will reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. LOTT).

The question was taken; and on a division (demanded by Mr. LONG of Maryland) there were—ayes 24, noes 19.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 234, not voting 34, as follows:

[Roll No. 438]

AYES—166

Abdnor
Andrews, N.C.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Benjamin
Bennett
Bethune
Bevill
Boner
Bowen
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Ga.
Evans, Ind.
Fountain
Frenzel
Gaydos
Gephardt
Gibbons
Gingrich
Ginn
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Hefner
Heftel
Hightower
Hinson
Holland
Hopkins
Hubbard
Huckaby
Ichord
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kindness
Kramer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
McKay
Marlenee
Marriott
Martin
Mathis
Michel
Mikulski
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
Oakar
Patterson
Paul
Petri
Pursell
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rudd
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Stangeland
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wyatt
Wylie
Yatron
Young, Fla.

NOES—234

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erlenborn
Ertel
Evans, Del.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frost
Fuqua
Garcia
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hillis
Holtzman
Horton
Howard
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson, Calif.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Pickle
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Royer
Runnels
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Snowe
Solarz
St Germain
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—34

Albosta
Alexander
Anderson, Ill.
Applegate
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Fascell
Flood
Ford, Mich.
Giaimo
Goldwater
Hansen
Hollenbeck
Holt
Hughes
McEwen
Mikva
Miller, Calif.
Pashayan
Peyser
Pritchard
Rodino
Rousselot
Roybal
Sawyer
Smith, Iowa
Spellman
Treen
Weaver
Wolff
Young, Alaska

☐ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Goldwater against.

Mr. Carter for, with Mr. Hollenbeck against.

Mr. Hansen for, with Mr. Pritchard against.

Mrs. FENWICK and Mr. LEVITAS changed their votes from "aye" to "no."

Mr. TAUKE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1520

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed $10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) has a point of order. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, I make a point of order against the appropriation for entertainment allowances in lines 9 and 10 on page 11 on the ground that the appropriation is not authorized by law.

The CHAIRMAN. The Chair will inquire, is the gentleman referring only to the parenthetical language?

Mr. YOUNG of Florida. That is correct, Mr. Chairman. I refer to the language, "(including not to exceed $10,000 for entertainment allowances)".

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) concede the point of order?

Mr. LONG of Maryland. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; $248,951,000: *Provided*, That these funds shall be administered in a manner that insures equity in the treatment of all refugees receiving Federal assistance: *Provided further*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: On page 12 of the bill, line 13, strike out "$248,951,000" and insert in lieu thereof "$456,241,000".

Mr. LONG of Maryland. Mr. Chairman, the purpose of this amendment is to add $207,290,000 to the migration and refugee assistance account in order to carry out the President's recent announcement to provide additional assistance to the Indochinese refugees. On July 26, 1979, the President sent up a request for this amount to cover the costs of transportation, reception, and placement of an additional 84,000 Indochinese refugees in fiscal year 1980. This would allow the resettlement of 14,000 Indochinese refugees per month in the United States as was announced by the President recently. These funds would also provide for the U.S. share of the costs for care and maintenance for increased numbers of refugees in Southeast Asia as well as for the establishment of special refugee processing centers in that area.

There are presently 375,000 Indochinese refugees overflowing the refugee camps in Southeast Asia, thousands of refugees have lost their lives in seeking safety and asylum and the prospect of the continued expulsion of refugees from Indochina threatens the peace and security of the entire region. We all have been kept informed about the terrible plight of the poor refugees fleeing in the boats from Indochina and facing unheard of hardships. The people of Southeast Asia have tried to help these people, but their economies and facilities are strained beyond the breaking point. Some of the boats have been turned away and some have been allowed to land only to be refitted and then turned back to the open sea. This is a frightful situation, and a large humanitarian effort is needed to avoid further disaster.

As the Members know, on July 20 and 21, a refugee meeting was held in Geneva to discuss this overall situation. According to State Department representatives, the meeting was held to be a success. A number of the Members of this body attended that meeting, and I would defer to them as to the success of the meeting.

However, the State Department representatives indicate that as a result of the Geneva meeting the U.N. High Commissioner received resettlement offers for 260,000 refugees in the coming 18 months, the UNHCR received new pledges of financial support totalling $190 million, with Japan underwriting 50 percent of the UNHCR's budget for the Indochinese program, and the Philippines has offered to provide a site for a new refugee processing center to accommodate up to 50,000 refugees. The possible creation of an International Resettlement Fund was discussed, and Vietnam indicated a willingness to stem the flow of refugees from its borders and regularize departures from Vietnam directly to resettlement countries. I might also point out that discussions are also being conducted with the Peoples' Republic of China to encourage them to accept additional numbers of the Indochinese refugees, the ethnic Chinese.

I want to go on record at this point that I believe the administration should do much more to encourage other countries to accept refugees permanently. I think the United States has adequately demonstrated its humanitarian interests in caring for these refugees in monetary terms and in permanent resettlement of large numbers of the refugees in the United States. We need to do more, and the administration needs to be more aggressive in negotiating with the other countries to resettle more Indochinese refugees within their own borders. I am talking about permanent resettlement.

I think the American people are willing to accept these people into the United States, as we have already done, with about 230,000 coming in through August and probably nearly 300,000 by the end of the year. But I do not believe this is going to be an open-ended invitation if the other countries show no willingness to open their doors.

Mr. Chairman, I urge the adoption of this amendment which will provide increased funding for the Indochinese refugee program.

Incidentally, I visited some of the refugee camps on my trip to Asia, in Hong Kong, and elsewhere, and I can tell the Members that the money is not being thrown away. The average expenditure runs around a dollar, and in some cases less, per person per day, and yet they live very cleanly.

One would think, when you get thousands of people living on one floor, with many in one room, that the sanitary conditions would be terrible. Yet, although we saw places where 30 people live in one room, the sanitary conditions were remarkable.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. LONG) has expired.

(By unanimous consent, Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, as I say, on the whole the sanitary conditions were absolutely remarkable. I have never seen anything like it.

These are good people, they are hardworking people, and I think we have done the right thing in trying to help them.

Incidentally, when we were in the Soviet Union, we saw that in the Soviet Union and in Indochina they were very concerned that the 7th Fleet was picking these people up. They asked, "Why didn't we send them merchant vessels?"

I pointed out that pictures of these people overflowing the boats and falling into the water were horrifying the American people who were demanding that the President act immediately to help these refugees.

The President had to do something dramatic to show the world and the American people that we were helping these people. Sending the 7th Fleet was the most dramatic and the most effective thing we could have done. I think we are doing all we can do in the present circumstances.

I do not think that other countries are doing nearly enough.

□ 1530

It is up to our State Department to push leaders to get other countries to do more. But in the present situation, I hope that the Members will support this unanimous committee amendment for these extra moneys to provide for the President's program.

Mr. CONTE. Mr. Chairman, I rise in support of this amendment to appropriate an additional $207 million for Indochinese refugees. The plight of the refugee is one of the most immediate and critical issues facing the world today. Literally hundreds of thousands of these displaced persons have fled their homes, particularly in Cambodia and Vietnam, because of excessive human rights violations in those nations. The situation has been complicated by the fact that the neighboring Asian nations have been so flooded with refugees that their economies can assimilate no more.

Unfortunately the ordeal of the refugee does not end with their escape. He often faces equally adverse circumstances in the already overcrowded camps or may even be denied this asylum. Mere survival becomes a never-ending struggle for the refugee.

The additional aid proposed here is part of a multifaceted effort to fulfill the pledge of our President to accept 14,000 refugees per month. It will also fund efforts to rescue refugees in distress at sea, establish the international refugee processing center, and increase contributions for the care and maintenance of refugees in camps. The refugee issue has become an international problem with international responsibilities.

Some may question the wisdom of accepting increased numbers when the United States is experiencing so many domestic problems. But there are several good reasons to do so. First, the refugee resettlement programs have been an unmitigated success. With a low record of unemployment, the majority of refugees when resettled have become some of the most productive contributors to our society. Second, America's humanitarian spirit and sense of responsibility dictate that we extend our hand to those in distress. Finally, this is aid in the true sense of the word—its purpose is to help people to merely survive and hopefully rebuild their shattered lives. I strongly urge that this amendment be accepted.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, I am happy to rise in strong support of the Long amendment adding funds for the initial resettlement of Indochinese refugees. I was pleased to be a member of the U.S. delegation to the recent United Nations Conference on Refugees in Geneva, Switzerland, where 65 nations were represented to discuss this enoromus human problem created by the massive outflow of refugees from Vietnam, Laos, and Cambodia. In our discussions with the representatives of many nations in attendance, we stressed the commitment of the United States to accept a large share of these refugees. We asked the various countries represented to follow our lead and accept their share of refugees for resettlement.

During the earlier months of this year, because of a lack of funding being available, our rate of acceptance had to be reduced causing further pressures on the already strained facilities in the refugee camps in Southeast Asia with unfortunate results for the refugees. We must not let this happen again, and the amendment will provide the funds necessary to live up to our commitments and allow refugees to be moved out of the camps at the 14,000 per month rate.

I note that the amendment also contains additional funding for the United Nations High Commissioner on Refugees. As you know, the camps in Southeast Asia are maintained by funds through this office. There are recent developments which I wish to call to the Members' attention. First, the Japanese Government has agreed to underwrite 50 percent of the High Commissioner's budget dealing with the Indochinese refugees thereby replacing the United States as the UNHCR's principal supporters. Second, the Government of the Philippines at the Geneva conference announced its willingness to make land available to the High Commissioner for the establishment of a refugee processing center, capable of holding up to 50,000 refugees. Third, Canada generously accepted 50,000. This is some indication of the success of our efforts to involve other countries in the resettlement process, and I congratulate the governments of these countries. It is obviously necessary that the United States continue its support of the High Commissioner's efforts in this area.

I congratulate the chairman and ranking member of the subcommittee on their leadership in bringing this urgent matter to the full House. I am pleased to join with them in strong support.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman on one portion of his statement, and that deals with the original cause of this refugee problem. I believe too little has been said about why these people are fleeing their native land. They are fleeing, because the free world, and yes, the United States, gave up in our effort to help them stay free. Too many Americans—including many in this Congress who are now wringing their hands about this refugee problem—are some of the very ones who swallowed the line that the Vietnam Communists were simply a nationalistic movement from which we had nothing to fear. At the time I remember hearing many of these same people saying that the Vietnamese did not care who or what kind of government they had. Well, we know for sure now that our effort there was worthy and right, because the Vietnamese people by the hundreds of thousands are leaving all their worldly goods, their native land, risking their lives, and they are voting with their feet by leaving.

I am sympathetic with these people in their plight, but I must admit some bitterness at those among us who helped put them there.

Mr. CONTE. I thank the gentleman.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman from Massachusetts for yielding.

Mr. Chairman, I rise in strong support of this amendment. I supported it in the Committee on Appropriations on which I am pleased to serve and consider it of utmost importance to this Nation's humanitarian pledge and human rights policy.

The gentleman just mentioned the holocaust that is going on in Southeast Asia. I would remind the House that last week was the 40th anniversary of the invasion of Poland by Nazi Germany, a parallel situation comes to mind. In those dark days we chose to turn our backs on the refugees aboard the *St. Louis* who sought asylum in our country, and their subsequent imprisonment in "death camps" at the hands of the Nazis will forever be to our shame. We must never again, through any action or lack of action, allow innocent people to perish at the hands of an oppressive government in any part of the world, not as long as we have the will and way in which to be of help.

Those Indochinese refugees require our assistance now. We must act swiftly and decisively in their behalf, for to do otherwise would be to allow them to continue to suffer and die on monsoon-swept seas and in woefully inadequate camps. While I feel strongly that we must encourage other nations to participate in these assistance efforts to the greatest extent possible, we must not make our aid contingent upon theirs. We are not playing diplomatic games, we are dealing with human lives—abused and forlorn people who should be rescued and resettled and be permitted to begin rebuilding their shattered lives where they can have some hope for the future. The administration and particularly Mr. CLARK are to be congratulated for advocating this $207 million in aid.

Mr. Chairman, these people want freedom and hope, what more can we suggest must a people do before they receive our helping hand?

This money, as my friend in the well pointed out so articulately, will be used to rescue these people and provide for their immediate needs. I have been extremely heartened by the generous offers of my constituents in western New York to assist these people, and I know that I speak for the vast majority of Americans when I rise in support of this amendment to provide immediate assistance for these unfortunate, homeless people.

Our Nation, our family can do no less—we must condemn this holocaust today in Southeast Asia for the same reasons we should have done so in the 1930's. I was not in Congress then, but I am now and I say, never again.

Mr. Chairman, I hope this passes unanimously.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I was a member of the mission to visit the refugee camps in Hong Kong a couple of weeks ago, and something that really struck home very forcefully to me was the very simple answer that those people gave when we asked them, "Why did you leave?" Three different refugees in different places, where they could not have overheard what the others said, answered, in reply to that question, one word: "Freedom."

I think we certainly, as the bastion of freedom in the world today, owe a moral and legal duty to do what we can to help.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, in all of the discussion that I have heard regarding this amendment, which doubles, almost, the amount of money in this bill to about one-half billion dollars, there has been no reference to what commitments have been made or are being carried out by other nations.

I understand we have had meetings in Geneva and elsewhere.

Are the American taxpayers to pay the complete bill for this, or are other nations going to give some similar aid? I think certainly they have an obligation as well.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I did not take my full time earlier, and my remarks on the subject of the gentleman's question will appear in the RECORD on that point.

One of the items in this amendment calls for funds for the U.N. High Commissioner for Refugees, which has the prime responsibility in the camps in Southeast Asia.

It is interesting to note that Japan now pays 50 percent of the U.N. High Commissioner for refugee's bills. We used to pay 50 percent. Japan now has become the major contributor to the U.N. High Commissioner. We are down to 30 percent.

Second, I might point out, in response to our move to double the number of refugees coming in, Canada announced that it would take in, in the next fiscal year, 50,000 refugees, which is 3 or 4 times the number they were taking in before that.

The other success we had was in getting the Philippines to agree to a camp for a population of 50,000, which they are in the process now of setting up.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I advised my colleagues on July 24 of my intention to offer an amendment, identical to the one now proposed by the gentleman from Maryland (Mr. LONG). Therefore, I wish to compliment him, his subcommittee, and the Committee on Appropriations for proposing this very important amendment.

The President in Tokyo and the Vice President in Geneva made a commitment that we would double the number of refugees that we were taking from Southeast Asia. Unfortunately, there was no money to back that promise. If funds are not provided in this bill for fiscal year 1980 we will create an enormous credibility crisis. We would have made a promise, refugees would have been relying on it, other nations would have been relying on it, and the funds simply would not have been there. In fact, we saw a similar problem arise just this past spring, when Congress was forced to resort to a supplemental appropriation for refugees. We had to go through the lengthy process of supplemental funding while refugees were languishing in camps. At that time, the asylum nations in Southeast Asia were concerned that the United States was not keeping its commitment to take refugees because money was not available to process, transport, and resettle them.

In fact, this problem may have contributed to a more rigid asylum policy on the part of some countries, which then began to force refugees out to sea.

I am glad that, after the prodding of my colleague, the gentleman from New York, the ranking minority member of the Subcommittee on Immigration (Mr. FISH), and myself, OMB finally agreed to submit the budget amendment calling for full funding of the President's commitment and that the Committee on Appropriations acted as promptly as it did.

This is a crucial amendment if our Government intends to honor the commitments that have been made to the refugees and to the world. It must be kept. I strongly urge the adoption of this amendment.

□ 1540

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Let me say from what I have been able to see, money is the least of our problems on this. We have gotten commitments from other countries for about $190 million. What we really need are commitments from other countries to take more refugees on a permanent basis.

On this basis, the United States has been the front runner. We do not have to be ashamed of what we have done. We will by the end of this year have taken nearly 300,000. We do not seem to be able to get that kind of commitment from other countries. I think it is up to our State Department to do a much harder-nosed job of getting that type of permanent refugee commitment from the other nations.

Ms. HOLTZMAN. Let me tell the gentleman from Maryland, after I visited Southeast Asia last February, I learned that we had no coherent policy for asking other countries to do their share and that we had not even approached Japan to ask them for resettlement assistance. Finally, after much prodding, our Government made such an effort to involve other countries in what must be an international operation. I would agree with the gentleman that more needs to be done. I think it is very important that the United States maintain its humanitarian position and, if we are going to make commitments, there ought to be money to back them. At the same time we ought to be getting other nations of the world to do their share.

I was pleased at Geneva to see other nations were making a larger commitment than ever before on this problem Clearly, more needs to be done. Vietnam has to change its policy to permit an orderly and humane exodus instead of forcing people out. I think some progress is being made on all these fronts.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentlewoman for yielding.

I want to rise and commend the gentlewoman from New York for her leadership on this issue and for holding the hearings in the judiciary, and the ranking minority member, Mr. FISH, for their work. I think this commitment is one we should have made and that we should keep. Without these additional resources we are going to spread the services much too thin so we would not be able to do the type of job that should be done for these refugees who are being brought to this country. I think we all see manifest in our districts and throughout this country problems that have been and are created by bringing in refugees who have not had the proper resources and services in the camps and in locations where they can be prepared to enter this country in an appropriate manner.

The current situation of the refugees has been brought to my personal attention because of the large number of Indochinese refugees in St. Paul and because of the compassionate concern of the late Dr. Ted Mitau.

This amendment would provide an additional $207.3 million for the Indochinese refugee program. I understand that this money is essential if we are going to keep our commitment made to other countries and if we are going to provide the needed initial services to these refugees.

The plight of the Indochinese refugee is well known. We are all aware of the sometimes heroic journey these people have made to escape the persecution of despotic regimes. In fact, in many instances these people are forced to leave their homeland because of their past cooperation with U.S. military and intelligence forces.

The amendment jells perfectly with the administration's new initiative on refugees and meshes with the immigration reauthorization legislation proceeding through the House and Senate.

Of the additional $207.3 million, $84 million will be transferred to the United Nations High Commission on Refugees. Some of this will be used to establish a refugee processing center in Southeast Asia. This is desperately needed to relieve the pressure placed on Maylasia, Thailand, and Hong Kong by the rapid influx of hundreds of thousands of refugees. Without a processing center, these countries may be forced to revert back to the policy of turning away refugees at their border.

More than half of this money will be used to directly finance our increased commitment of accepting 14,000 Indochinese refugees a month.

Five million dollars will be used by the State Department to increase the efficiency of the selection and documentation of refugees for permanent resettlement to the United States. This money is urgently needed to bring the processing up to speed in these camps. The current situation is so bad that in many cases refugees have been waiting for more than 4 years.

The amendment also provides $54.5 million for transportation to the United States and $45 million in per capita grants to voluntary service organizations for initial resettlement expenses. It also provides $17 million in reimbursement to the Navy for their expenses in picking the boat people out of the ocean.

A final and extremely important purpose of the amendment will be to enhance the medical screening of the refugees. The medical problems are enormous. In addition to the problems of malnutrition and in some cases starvation, there is a very high incidence of communicable diseases. Medical personnel working with these refugees have seen a high incidence of tropical diseases which are not common in the United States.

I recently met with many individuals from my district who are providing health care for refugees. It is the opinion of these health care providers that the typical Indochinese refugee is still faced with serious health problems even after several months in this country. Enhanced medical screening together with improved health care of refugees in the processing and resettlement camps is desperately needed. The $840,000 appropriated for this purpose will do much to improve the health of these people. It is essential for their safety and well-being as well as in the public health interests of the United States that we provide sufficient money to institute comprehensive health screening of these refugees.

Mr. Chairman, these are nuts and bolts of this amendment. I think a close examination shows that this is not an extravagant expenditure. Indeed, it is a well reasoned and compassionate request for additional funds.

The basic argument concerning this amendment is whether we will keep our commitments to the international community and our commitments to these people. Vice President MONDALE has hammered out an agreement with other nations to provide an international framework for dealing with the refugee problem. I applaud this agreement because it recognizes that no single nation can accept the full responsibility for the refugees. It is our opportunity to demonstrate that we support the multinational approach. This additional appropriation is in the best interests of the United States and the best interests of the Indochinese refugees.

I urge my colleagues to support the amendment of the gentlewoman from New York.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment.

I want to compliment the gentlewoman from New York and all the other members of the subcommittee who have worked so hard on this. One of the things I really want to bring to the attention of this body is what is happening to the refugees once they get here, because this is a very important piece of the equation. I do not think we have really taken enough responsibility for it at the national level.

I have not visited any of the refugee camps, but I was in my district all last month; and things got very, very tense there. As you know, once the refugees get to America, they may go anywhere to settle.

We can recommend they go to certain places, but if they want to go somewhere else, they certainly are free to do that.

I come from Denver, Colo., where we have been very, very heavily impacted by the large numbers moving in and great tension has been caused because of the pressure on services that are already really overstressed and understaffed. We cannot forget a portion of that equation. Getting the refugees here is only part of the problems.

I am very worried because the minimal funding that is there is running out at the end of this month. I think one of the things we have done traditionally in this country is say, "Give me your tired, your poor," and once they get here, we have not paid enough attention to them. I hope that this body does not forget. Helping the communities adopt and adapt these families and bring them into America and really make them a part of the country rather than just getting them here and throwing them in to compete for really valuable resources against other groups who already feel they are being shortchanged is very important.

I compliment everyone who has worked so hard on this amendment, but also say, "Don't forget," the money is running out September 30 and we must act on that, also. I think we are really under the gun.

Mr. MARRIOTT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would just like to make a point that if we want to get a testimony of the problems of the refugees, we should have spent the last month with the gentlewoman from Illinois (Mrs. COLLINS), and others, and myself included, in Congressman WILSON's delegation as we visited the refugee camp at Ban Van Ai up near the Mekong River and also the refugee camps in Hong Kong.

We spent a half day helping refugees off the trucks and seeing the problems they are faced with and trying to understand the problem.

I think after that experience, I can honestly say that I sincerely believe that the money, additional money of $207 million, would be well spent to help these people.

Pol Pot in Cambodia has executed at least 2½ million people. Ethnic Chinese now who are leaving North Vietnam primarily are drowning at sea. The last count was about 60 percent of those people are drowning before they find refuge.

I think we have an obligation to do all we can to help that situation. I think a good point has been made that we should also encourage other countries to do their share in helping these refugees. Japan, I think, has not done enough. Australia has not done enough. I think a point to be made, though, is many of the countries in Southeast Asia cannot do any more than they are now doing. Some of the people in the refugee camps are living better than the farmers in Thailand, for example. I think that we then have the greatest resources to help these people.

I want to make just one other point in support of this amendment.

I think, Mr. Chairman, the solution to the refugee problem is not in running around the country trying to encourage other countries, who have problems of their own, to take in these refugees. The problem is through the United Nations and through the governments of all of the countries to put the pressure on the Communist Government in Hanoi, as the gentlewoman from New York stated earlier, to stop the ungodly condition that is resulting in the proliferation of these refugees. I think that is the bottom line in terms of solving this problem.

Until we get to that point, I support and congratulate the chairman on his amendment. I think it is absolutely necessary.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Just so the record is correct, I agree with the statement of the gentleman. However, in the case of Australia, I think the record should show that on a per-capita basis, Australia has taken in more refugees than has the United States. I do not think they should be one of the countries that is criticized in this particular instance.

Mr. MARRIOTT. I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. The gentleman may be interested to know that when I and a delegation totaling 12 Congressmen were in Hanoi in mid-August, we got some assurances from the Vietnamese that they would do what they could to regularize the outflow of emigrants. Of course, they were a little bit puzzled. On one hand, we ask them to let people go when they want to leave. On the other hand, we ask them not to let them go to create too great a refugee problem.

So there is a bit of an ambiguity there. Also, when we say, "Don't create a lot of refugees," we are really asking them not to be Communists. They are not about to do that. It is a rough regime, and a lot of people do not want any part of it and do not want to stay there.

I might point out, people in Vietnam are seeing all these pitiful boats full of refugees drowning. The Vietnamese Government is naturally not showing the picture, so a lot of these people are leaving the country without any knowledge of what they are getting into. These are some of the complicating factors I thought the gentleman might be interested in.

Mr. MARRIOTT. I thank the gentleman for that. I still maintain we should do all we can to help these people if they make that decision to leave and then to continue putting the pressures on the Communist governments. I thank the gentleman.

I yield back the balance of my time.

□ 1515

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me slow things down just for a second here, so the Members will know exactly what we have been doing for the refugees from Indochina.

In the fiscal year 1979 bill we appropriated $38 million for Indochina refugees. We came back just a few months ago and in a supplemental bill for fiscal year 1979 we appropriated an additional $72,176,000.

According to former Senator Clark, who heads up our refugee program now, when one takes those figures plus what all we have done for Indochinese refugees, we have spent $1 billion through 1979 for Indochinese refugees.

In the fiscal year 1980 bill, the bill as before us today, the committee has approved an additional $138,844,000 for Indochinese refugees. This amendment adds an additional $207,290,000 for Indochinese refugees.

We will be receiving in this Congress very shortly a budget amendment from HEW for an additional $246 million to care for the refugees once they get here to the United States, for a grand total of just in this 12-month period $702 million, nearly a billion dollars for Indochinese refugees.

I do not raise these figures to express my opposition to caring for these unfortunate people. I did not visit any of the refugee camps during the recess, but I do not have to visit a refugee camp to have compassion for one of God's creatures.

But I have to say, Mr. Chairman, I want to use this argument just to inject another thought into today's conversation. The gentlewoman from Colorado said "Give me your tired, your poor." She was quoting, as the Members know, from the inscription on the Statue of Liberty.

Let me tell the Members who is tired. The American people are tired. The American taxpayers are tired because the American taxpayers realize that in this same bill appropriating this over $300 million to take care of refugees created by Vietnam, in what our chairman says was an excessive denial of human rights, and he is so right, in this very same bill we are appropriating American tax dollars that will go to that very same repressive government of Vietnam who is creating the situation that is requiring us to spend this more than a billion dollars on Indochinese refugees.

A little bit later in this bill the Members will have an opportunity to take care of the other side of this. I am not going to oppose this addition of $207 million to help people that cannot help themselves, but the Members are going to see a strong effort made to make sure that no other American tax dollar appropriated by this bill today goes to Vietnam through our AID programs or through the United Nations development programs, or through the World Bank or the Asian Development Bank or any other international institution to which we contribute. If the Members feel strongly about caring for these refugees, look at the other side, look at the bad guys that are creating the situation that makes these refugees. When that opportunity comes to prevent any possible use of American money to help the Vietnamese Government, vote with me to stop it.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words, and rise in support of the amendment.

In response to the gentleman from Florida, I would only remind this House that the United States bears some responsibility for the refugee problem, the fact is we have spent $150 billion in destroying that country. If the gentleman does not think that had something to do with the terrible, harsh living conditions in that country, some of the conditions that make people want to leave, then I am afraid the gentleman has no understanding about the effects of war on a society.

When one couples that with the fact that Vietnam has had two successive crop failures; they were hit by a typhoon last year that left 6 million people homeless, coupled with 30 years of war, has just left that country devastated with the most terrible, unimaginable, harsh living conditions. That perhaps more than anything is the primary reason why those people want to leave and find some of the peace and some of the freedom and some of the prosperity they have come to associate with America.

It is only fitting and proper that having to bear some of the responsibility for those conditions that we should bear some of the responsibility for helping those people who have become refugees as a result of it. But I submit to the gentleman from Florida and the rest of the Members of this body that some money spent on some economic aid, food aid and developmental assistance in Vietnam itself would do a great deal more good for the people of Vietnam and for this country than all of the money that we spent by trying to deal with the problem after the fact, as we are in the case of the refugees.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have heard some convoluted reasoning in my time, but that certainly takes the cake. When Cornwallis surrendered at Yorktown the band played a little ditty called "The World Turned Upside Down." I have to say that when I heard the argument that the reason these poor people are fleeing by the thousands from Vietnam is because of the United States, I knew there has got to be something wrong somewhere in the logic, if any, attached to such an argument.

One of the major themes that a mass of politicians in this country called liberals preached for years was that the United States ought to get out of Vietnam and let the Communists take over so that the good life would follow, the wonderful existence that would be provided to each of the people if Ho Chi Minh and his successors were allowed to take over that government. Well, they have taken over and now suddenly the explanation for the occurrence of precisely what we conservatives predicted would happen is that the United States caused it.

At some point logic does have to intrude in debate. Let us help the refugees, but place the blame where it belongs, not on the U.S. taxpayers, or the Congress, or the several Presidents of the United States, or the thousands of dead and wounded Americans who were trying to preserve freedom and fight against those that now are causing this refugee problem and all of the associated suffering that follows. The United States is not where the blame lies. It lies with brutal communism and the type of vicious people that now control Vietnam. Until you liberals learn the difference between freedom and communism, you will continue to make inane arguments of this nature which have no basis in logic or in fact.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

Mr. LAGOMARSINO. I thank the gentleman for yielding. The gentleman has hit the nail right square on the head. The Vietnamese officials themselves told us there were two reasons refugees (boat people) were leaving. "One, because they cannot live under our system, they are capitalists, not Communists, and the second reason is because they are Chinese, they are Chinese and they belong to an ethnic race we want out of our country."

Mr. BAUMAN. Yes, there is an ethnic tinge to this mass persecution.

Mr. LAGOMARSINO. And if the gentleman will continue to yield, they did promise to try to regularize the immigration because they said when these people leave illegally they steal boats and, of course, these boats belong to them in the first place. And also another "terrible" thing is that when they leave they take with them their possessions. That is why they are leaving, because as one refugee told me, they cannot live with communism. It has nothing to do with the economic situation.

Mr. BAUMAN. I agree with the gentleman and if this insane liberal appeasement of communism continues to go on in this way long enough we will probably wind up with Jane Fonda as Secretary of State, and then we will all have to take to the boats, but the question is where will we go?

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

I would like to address the question to my dear friend and colleague from Maryland. Does the gentleman happen to know how many left these United States after Cornwallis surrendered, how many Tories left and where they went?

Mr. BAUMAN. If the gentleman will yield, there were a certain number who found that they were disaffected with the new government, and I assume they returned to their homeland in England, which has been the recipient of any number of billions of dollars in aid from this country subsequently.

Mr. JOHN L. BURTON. Many people did leave after we won, after the domocracy won against the monarchy, people did leave these United States.

Mr. BAUMAN. A certain number, but a great many stayed here.

Mr. JOHN L. BURTON. And a great many stayed over I think in Vietnam also.

Mr. BAUMAN. Many people stayed here and came here with strange sounding American names like Burton and Bauman and others.

Mr. JOHN L. BURTON. In the event that the Communists in China invade the Communists in Vietnam, because the Communists in Vietnam invaded the Communists in Cambodia, which Communists are the Communists and should be the Communists that we, the Democrats and Republicans, feel are the bad Communists versus the good Communists?

Mr. BAUMAN. If the gentleman will continue to yield, I would yield to the gentleman to answer his own question, because I know the gentleman to be an expert on Chinese and Asian matters. I heard him say at a banquet in Peking a few months ago that he was with them even before 1949.

Mr. JOHN L. BURTON. Yes, I did say that. I do think that the point here is well taken from the colloquy that many of the people are leaving Vietnam for two reasons, Chinese ethnic discrimination that is happening to them, and also the fact that many of them were supporters of the government that was in control and that was not exactly what one would call your democracy. The last time that I saw a Buddhist monk burn himself to death to protest a democracy was in Vietnam when we were defending that democracy.

I really think the question is simpler than the gentleman states it, and I do not require much knowledge to know the position of my good friend from Florida on this amendment, but I would only say at this time, and I think it is very important I do say so, that I would yield back the balance of my time.

□ 1600

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the committee, I shall not take 5 minutes, but I would simply like to respond to my distinguished colleague from Maryland who stated that most of us who opposed America's involvement in Vietnam in some way promised some great future. I was one of those persons elected to this Congress in 1970. We stated very clearly that we thought our involvement was illegal, immoral, and indeed insane. We did not ever promise to our fellow Americans that withdrawing from Vietnam and from the mentality of death and destruction as a way of solving human problems and addressing human imperatives would grant a great panacea.

But, what we did realize was that they had no chance to do it as long as we were raining terror, death and destruction, engaging in defoliation, moving people from villages and burning them, looting people, engaging in all kinds of warfare, madness, in violation of any notion of human decency.

I would suggest to my colleague that we thought it was important to withdraw from that mentality. We never suggested that some great country would evolve out of this situation, but we thought they would at least have a chance to do it. I would like to state that in the remarks of my distinguished colleague, he said that there were two kinds of refugees leaving. One are the Chinese. The Vietnamese have been very paranoid about the Chinese, who challenged them, and thousands of them were killed; and the Pol Pot regime, who indeed murdered tens of thousands of human beings. The second group tend to be those persons who fought on the side of the United States in the Vietnamese war, and who themselves feel very paranoid vis-a-vis this particular government. The gentleman's statement is well taken, he can walk away from murders and destroying lives of those people, broke family ties in this country, and that makes them walk away and say that they have no responsibility to them.

I realize I am advocating a position that may not necessarily be popular, but I do think that it is a moral position. I do not think we can destroy and walk away without providing some resources. I think we ought to give aid to the refugees where we can, but I suggest that we ought to do far more than that. We burned and destroyed and it seems to me that we have some ethical obligation to deal with that. It is not that we were playing games.

As to Jane Fonda, I would like to suggest that she also is a citizen of the United States. She is covered by the Constitution of the United States. She has the right of free speech, and I would suggest that she has the right to say whatever she said. If it happens to be on the question of the Vietnam war, our incredible involvement, our mentality, our militarism, she and I agree.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I just want to emphasize that in my district there are 1,000 plus Hmongs. These mountain people worked for us during the Vietnam conflict. They fought on our side during the war. They deserve this type of assistance we are talking about. This help is an American responsibility whether we are liberals or conservatives. We must meet whatever responsibility and commitments that have been made and are due.

Mr. DELLUMS. I thank the gentleman.

Mr. AKAKA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland (Mr. LONG) to increase funding for refugee assistance, and urge my colleagues to support this amendment.

This amendment would provide assistance for the resettlement of the 7,000 additional refugees that the President has agreed to admit into the United States each month. I commend the President for this important decision. We now have the opportunity to implement his decision by offering Indochinese refugees the means of getting to the United States and beginning a new life. By this action, our country will demonstrate its continued willingness to assist these people and ease their unbearable suffering. We are all aware of the special obligation we have in this area.

We must demonstrate to the world community our willingness to commit our resources to this difficult problem.

Our positive action will be well received and make it easier for other nations to support this cause. Many believe that the United States has special responsibilities towards the refugees, and are waiting for us to act. Other nations, notably Japan, have already committed resources to assist Indochinese refugees. The time has come for us to offer a strong helping hand.

Without this assistance, our decision to double the immigration quotas for Indochinese refugees will be only a hollow gesture. Funds for the processing, transportation and resettlement of refugees are essential if these people are to adjust properly to their new surroundings and resume a normal existence. Southeast Asian refugees have demonstrated an overwhelming desire to achieve financial self-sufficiency and integration within our society. They cannot, however, do this without some basic help.

We have all read of the suffering and overwhelming misery of Asia's boat people. The opportunity is now before us to demonstrate our concern in terms that will have real impact and prevent further suffering.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Long).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $14,129,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed $24,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

Mr. YOUNG of Florida. Mr. Chairman, I am just standing preparing to raise a point of order.

The CHAIRMAN. Let the Chair suggest to the gentleman that he speak up, because he has been standing up over the last three paragraphs, and the Chair does not know where he intends to offer his amendment. So, the Chair would request that the gentleman speak up. Is the gentleman asking for recognition?

Mr. YOUNG of Florida. Mr. Chairman, let me thank the Chair for that admonition, and suggest that I have never been bashful about speaking up.

The reason I was standing was because I could not hear the reading clerk, and I just wanted to make sure that I was protecting my opportunity to raise a point of order.

The CHAIRMAN. The Chair wants to protect the gentleman in offering his amendments or making his points of order; but the gentleman has not asked for recognition, or at least the Chair cannot hear him. For what purpose does the gentleman rise?

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, on page 15, beginning on line 5, I make a point of order that the following words are out of order on the ground that they are not authorized by law. Those words are:

And not to exceed $24,000 for entertainment allowances for members of the Board of Directors.

The CHAIRMAN. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. LONG of Maryland. I would like to be cleared up on the question of whether the objection to the language the point of order refers to wipes out the allowance or wipes out merely the limitation, so that it might be unlimited amounts for entertainment.

The CHAIRMAN. As the Chair understands, the point of order goes to the language on line 5 of page 15, starting with the last word:

And not to exceed $24,000 for entertainment allowances for members of the Board of Directors.

That is what the point of order goes to. Does the gentleman concede the point of order?

Mr. LONG of Maryland. I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 504. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 17, line 1, the following words: "or any prior Act" constitutes legislation in a general appropriations bill, and are therefore out of order.

□ 1610

The CHAIRMAN. Does the gentleman from Maryland (Mr. Long) have any comment?

Mr. LONG of Maryland. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained against those four words "or any prior Act."

The Clerk will read.

The Clerk read as follows:

SEC. 508. Of the funds appropriated or made available pursuant to this Act, not to exceed $122,800 shall be for official residence expenses of the Agency for International Development during fiscal year 1980: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. Young) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 17, section 508, the following words are out of order in that they are appropriations not authorized by law:

Of the funds appropriated or made available pursuant to this Act, not to exceed $122,800 shall be for official residence expenses of the Agency for International Development during fiscal year 1980:

The CHAIRMAN. Does the gentleman from Maryland (Mr. Long) concede the point of order?

Mr. LONG of Maryland. Mr. Chairman I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 509. Of the funds appropriated or made available pursuant to this Act, not to exceed $15,000 shall be for entertainment expenses of the Agency for International Development during fiscal year 1980.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. Young) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, on page 18, section 509, I make a point of order that it is out of order because that section is not authorized by law.

The CHAIRMAN. Does the gentleman from Maryland (Mr. Long) have a statement to make on the point of order?

Mr. LONG of Maryland. Mr. Chairman I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Section 509 is stricken in its entirety.

The Clerk will read.

The Clerk read as follows:

SEC. 510. Of the funds appropriated or made available pursuant to this Act, not to exceed $108,200 shall be for representation allowances of the Agency for International Development during fiscal year 1980: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. Young) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 18 the following words of section 510 are not authorized by law:

> Of the funds appropriated or made available pursuant to this Act, not to exceed $108,200 shall be for representation allowances of the Agency for International Development during fiscal year 1980:

The CHAIRMAN. Does the gentleman from Maryland have a statement to make?

Mr. LONG of Maryland. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained up to the proviso after the figure "1980."

The Clerk will read.

The Clerk read as follows:

> SEC. 514. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Angola, the Central African Empire, Cambodia, Laos, or the Socialist Republic of Vietnam.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. YOUNG of Florida: On page 19, line 12, after the word "directly" add the following: "or indirectly".

Mr. YOUNG of Florida. Mr. Chairman, this is the amendment that I alluded to in our conversation on the $207 million add-on for Vietnamese refugees. What I am attempting to do by this amendment is to make sure that no American tax dollar goes to Vietnam either directly or indirectly in the form of foreign aid.

The Members might wonder why I am so concerned about this. We have talked about it so much. The World Bank last year approved a $60 million loan for Vietnam, and the American taxpayer is the largest contributor to that $60 million loan. There are five or six more loan applications for Vietnam pending before the World Bank.

Mr. Chairman, the last time this bill was before the House we had heard conversation to the effect that all Vietnam loans have been frozen, that the proceeds of the first $60 million loan are not going to be distributed, and everything else is in a deep freeze.

Mr. Chairman, I wrote a letter to our Executive Director at the World Bank, the U.S. Executive Director, and also a letter to Mr. McNamara, and I asked them certain questions, for example: "Was this freeze official?"

I still have not been told officially that there is a freeze on.

No. 2, I asked: "How long is the freeze going to last?"

I asked: "Who made the decision that there was going to be a freeze?"

The other question was: "Who would have the authority to lift the freeze?"

After I did not get any answers for quite a long time I sent a Mailgram to both of these gentlemen again asking them to respond to my initial letter, and I received a letter from Mr. McNamara. He tells me that Mr. Bill Dixon has responded for the Bank, Mr. Bill Dixon, who was at the time our Alternate Executive Director.

The funny thing is that after all of this communication, after all of this delay, after all of these statements that there is a freeze on loans to Vietnam through the World Bank, to which we are the largest contributor, the fact is that nobody will confirm that—at least nobody at the World Bank. So I say to the Members that if we do not want American taxpayers' dollars going to aid the Government of Vietnam, the very same people who are creating these uncivilized conditions, for which we have spent nearly a billion dollars taking care of the refugees, then vote for this amendment. It simply adds to a prohibition that is already in this bill against any direct aid to those countries mentioned, including Vietnam. It merely adds the words "or indirectly." That means that the money of our American taxpayers, our constituents, will not go to Vietnam, no matter how tragic some of our Members might feel about our relationship with Vietnam.

I hope the day will come when we can have a good relationship with Vietnam, but I feel no obligation to rebuild or develop a nation that is still a warring nation. I feel no obligation to send American tax dollars to Vietnam to help them do the very things that are costing us hundreds of millions of dollars on the other side to try to correct.

This House has passed this amendment before with an overwhelming vote. We have had difficulty with this amendment in the other body. But it is a new ball game over there, too, this year. See what they are doing on some of these issues of foreign aid. See what they are doing on foreign policy.

I say if the House will stand by its guns, if we would support this prohibition against any direct or indirect aid to Vietnam, we will have struck a real blow for those American taxpayers who are so tired of giving and giving and giving to the enemy and the people in Vietnam who are creating a refugee situation that has cost us nearly $1 billion in the last 12 months. Vote for this amendment.

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. OBEY to the amendment offered by Mr. YOUNG of Florida: Add the words "through international institutions funded through this Act" immediately after the word "indirectly" wherever it appears in the amendment.

Mr. OBEY. Mr. Chairman, I rise both in support of my amendment and in opposition to the Young amendment. Let me simply explain my amendment. My amendment simply makes clear—and I do not think it would be controversial irrespective of what happens to the actual Young amendment—that when we use the word "indirectly" as the gentleman from Florida (Mr. YOUNG) does in his amendment, what we are talking about is limiting aid of the United States which goes through international financial institutions. I think there is a great deal of confusion about that, and this amendment is simply meant to clarify what the intent of the Young amendment is. I doubt that there will be any controversy about it. I would urge the Members to adopt that amendment, regardless of what they are going to do with the Young amendment.

Let me assert my reasons for opposing the Young amendment. First of all, let me say that I, like the gentleman from Florida (Mr. YOUNG), feel no obligation to rebuild Vietnam. I feel no sense of guilt about what happened, and I think that, while I opposed the Vietnam war for years, it is terribly destructive for us to continue to engage in this search for guilt within our own country, which makes it impossible to deal with the Vietnamese issue on a rational basis.

□ 1620

Let me simply say I feel no need to rebuild Vietnam. I have a niece who is a refugee from Vietnam and while I am glad to have her as part of the family I very deeply regret the nature of the government which forced her to come here.

Let me simply say that the Young amendment does not do what the gentleman from Florida (Mr. YOUNG) claims it will do. The Young amendment will not eliminate funding for Vietnam. All the Young amendment will do is to insure that the United States will no longer participate in the international financial institutions which are the real target of this amendment.

Mr. Chairman, we have gone through this many times. As is known, eight former secretaries of the Treasury, Robert Anderson, Joseph Barr, John Connally—not exactly a radical—C. Douglas Dillon, Henry Fowler, David Kennedy, George Schultz, William Simon—also not necessarily a Vietnam-loving radical—all of them have indicated that if amendments like this pass, our leadership ability in the banks is finished because we cannot under their charters make that money available to the banks. All that happens then is that you increase the likelihood that countries such as Vietnam are going to be able to receive money because we will no longer be there in strong position to oppose it. Our voting force will be reduced in the banks and I do not think it makes any sense to do that.

I also want to point out that while the gentleman from Florida (Mr. YOUNG) chooses not to recognize it, there is, in fact, a freeze on Vietnam funding at the World Bank. I have a copy of the letter to the gentleman from Florida (Mr. YOUNG) from Mr. Dixon at the bank which reads as follows:

> . . . the Bank has made clear that it would be completely inconsistent with its basic policies for any new loan commitments to be approved until the situation in Vietnam changes.
>
> As you know, in January, 1979, Mr. Fried emphasized to Bank management and to other members of the Board that lending to Vietnam should be discontinued. Other Executive Directors made similar representations.

Mr. Chairman, the fact is there have been no new loans to Vietnam and none are planned for the foreseeable future.

There have been no loans for Vietnam in the past year.

It is also my understanding, and I understand the gentleman from New York (Mr. Downey) will verify this, Mr. McNamara personally in a conversation with a number of Members of Congress made quite clear there is, in fact, a bank freeze on Vietnam lending.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I thank the gentleman for yielding.

I would say about a month and a half ago President McNamara was at a meeting with at least 12 other Members of Congress. This question was put to him specifically with respect to bank involvement in Vietnam and he said categorically that the bank was not involved and that there was a freeze in funding.

Mr. OBEY. Mr. Chairman, I thank the gentleman.

Mr. Chairman, let me point out we also have a letter from Cy Vance. The last time I looked he was still working for the Government. His letter reads as follows:

> No new lending to Vietnam has taken place since mid-1978 nor do we expect any loans to be brought forward for approval this year. It is clear that Vietnam's deliberate policy of expelling large numbers of refugees brings into question the appropriateness of any loan to Vietnam at this time.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Obey was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, I would repeat, the only effect of this amendment will be to eliminate the U.S. participation in the banks, because the banks' charters prohibit the acceptance of contributions if they are limited in any way by any donor country. There are a lot of people who do not happen to like that. I happen to think that is in our advantage, because the last time I looked around the world I found there were a lot of countries that were rather undependable in terms of choosing friends. I do not believe it would be in the interest of the United States to politicize the banks and to have each donor country in the world saying, "Here is my list of no-noes, boys, and if you do not go along with that list of no-noes, you are not going to get my money."

That would destroy the effect of the banks, and the result would be that we would be back to bilateral lending only as a basis for international assistance, and as we all know the United States bears a disproportionate share of that burden.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the Young of Florida amendment.

Mr. Chairman, this, of course, is no new amendment. I find myself in something of a quandary on it. I have strongly opposed any aid to Vietnam, direct or indirect. In fact, when I was in Hanoi in the middle of August, some of the delegation seemed to indicate that if they acted favorably on refugees and on the missing in action question, there might be aid to Vietnam. I said that as chairman of the Foreign Operations Subcommittee on Appropriations I would strongly oppose aid to Vietnam no matter what they did. I felt if they made any concession on refugees they should do it in order to get a better relationship between our countries and not in response to the idea that they were going to get any money. We ought to make that clear.

Mr. Chairman, we have had this amendment before us before. All it has done is just gum up the works. The Senate will not take it, the President will not take it. Frankly, I am inclined to agree with the gentleman from Florida. I do not think the charters forbid their taking this money under those conditions; they simply don't want to take the conditions and our administration backs them up on this interpretation. The President can always get lawyers in this town to tell him anything he wants to hear, but the fact is, we have a problem; we must include language in the bill that will be workable for both bodies. Two years ago in a conference with the Senate on this issue we broke up in disagreement. We finally went back to conference and dropped out the language. That I do not think is very helpful.

Mr. Chairman, I hope we can leave this language out.

Mr. Chairman, I think there is another way we can solve the problem. The next time the appropriation bill is considered we indicate that any money the banks give to Vietnam in the future will be matched by a corresponding cut in the amount of appropriations that will be given. That is a solution that will work.

This indirect solution I do not believe will work. I hope the Young amendment will be not agreed to.

Mr. Chairman, I must say I do not understand the Obey amendment. The Obey amendment simply says you cannot provide funds through the banks. There are other ways in which indirect aid can be going to Vietnam. For example, India receives bilateral aid and then indirectly, launders it into Vietnam.

The amendment proposed by the gentleman from Wisconsin (Mr. Obey) would provide a clearer signal for that kind of indirect aid to be given. I do not like that particular language.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me point out it does not refer only to the World Bank. It simply adds the words, "through international institutions funded through this Act."

Mr. LONG of Maryland. I know that, Mr. Chairman.

Mr. OBEY. Mr. Chairman, it simply makes clear that when you use the word "indirect," that you are talking about American money as funneled through all international institutions.

Mr. LONG of Maryland. I understand.

Mr. OBEY. That is exactly what the Young amendment does.

Mr. LONG of Maryland. Apparently it leaves open the possibility of doing it through the U.N. or doing it, in a manner I just described, where India decides that she will take some of our bilateral aid and launder it to Vietnam.

Mr. OBEY. Will the gentleman yield further, Mr. Chairman?

Mr. LONG of Maryland. I yield further to the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Chairman, it does absolutely nothing of the kind. It simply makes clear when you say, "indirectly," you are talking about what in fact we are talking about, and that is all the amendment does.

☐ 1630

Mr. LONG of Maryland. I do not understand why the gentleman wants to use the language then. The gentleman is implying that in some other way indirectly is OK. I do not believe the gentleman means that.

Now, on the question of whether the World Bank has stated that no new lending will be provided to Vietnam, I gather that is true; although, I have not been informed of that officially.

On the other hand——

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. JOHN L. BURTON. She wore a glove because she had warts.

Mr. LONG of Maryland. I am afraid I did not hear what the gentleman said.

Mr. JOHN L. BURTON. The gentleman said, "On the other hand."

I said, "She wore a glove because she had warts." It is a timeworn joke told me by the gentleman from Texas, Dr. Paul.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Long) has expired.

(By unanimous consent, Mr. Long of Maryland was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. McNamara stated there would be no new lending to Vietnam; but Mr. McNamara cannot speak for other lending institutions; it may be moot as far as the World Bank is concerned, but it is not moot as far as these other financial institutions are concerned.

Mr. YOUNG of Florida. Mr. Chairman, I rise to speak against the Obey amendment to the Young amendment.

Mr. Chairman, let me just state what is happening. The language of the Obey amendment appears to be very innocuous. But, I want to take us back to July when there was a similar amendment offered by the gentleman from Florida on the International Development Association to prevent any funding through that agency to Vietnam.

The gentleman from New York (Mr. McHugh) who is on the floor at the present time, offered an amendment to that amendment, at which time the gentleman said, "Notwithstanding, however, that none of the restrictions shall prevent any assistance to Egypt or the Sudan."

Now, if you recall the conversation that took place then, I raised considerable suspicion that the intent of that amendment was not favorable. The gentleman from New York responded, and I have the record here, I could read it word for word, but it is very lengthy; the gentleman said no, he just wanted to protect Egypt and Sudan.

I suggested that it was a tactic to nullify my original amendment.

The gentleman said, "Oh, no, that is not the case."

I remind my colleagues that the gentleman from New York (Mr. McHugh) is on the floor now, so that the gentleman knows what I am saying. At that time the gentleman from New York (Mr. McHugh) had an amendment which had been prepared for him by attorneys outside of the gentleman's own office. Those attorneys are now chuckling, and if you read some of the latest news accounts you would find the World Bank attorneys themselves are saying that the McHugh amendment nullified the Young amendment, so that the work the House did as it related to IDA and Vietnam is null and void.

Now, Mr. Chairman, that is about what is going to happen to us here now. We are going to see a little dazzling footwork. We are going to see another innocuous little amendment that is going to attempt to nullify this prohibition against American dollars going to Vietnam.

I appeal to my friends on the other side. I appeal to my friends to let us have a straight vote on the issue of aid to Vietnam. Let us either allow them to have it or let us not allow them to have it, but let us not clutter up the issue with a lot of parliamentary footwork, with a lot of innocuous amendments that are intended to destroy the effectiveness of the main amendment.

Now, that is exactly what happened on the McHugh amendment to the Young amendment back in July to the International Development Association. That is what I fear is about to happen to us now.

I just think that the people of America deserve for their Congress to take a position, not try to waffle out of it, not try to cloud the issue, but take a position, either you want American tax dollars going to Vietnam indirectly, or however they get there, or you do not. Let that be the vote and let us not fool around with these innocuous sounding amendments that eventually have the effect of nullifying everything we thought we were doing.

AMENDMENT OFFERED BY MR. M'HUGH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. McHUGH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh as a substitute for the amendment offered by Mr. Young of Florida:

On page 19, at line 12, add the words "or indirectly" immediately following the word "directly"; and on page 19, at line 14, strike the period and insert the following: ", except that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds indirectly that could be used to finance any assistance to Israel, Egypt, Mexico, the Dominician Republic, Indonesia, Malaysia, Thailand or any other nation not specifically mentioned in this paragraph otherwise eligible to receive assistance.".

Mr. McHUGH. Mr. Chairman, in proposing this amendment I would also like to respond to the comments made by the gentleman from Florida (Mr. Young). I think it is clear from the record, if the gentleman from Florida (Mr. Young) will review it carefully, that I was not suggesting by my prior amendment that I was trying to protect only Egypt and Sudan. As I clearly indicated at that time, those countries were simply illustrative of the problem that is presented by the amendment of the gentleman from Florida (Mr. Young) which would prohibit "indirect" assistance.

The problem was very eloquently and effectively described by the gentleman from Wisconsin (Mr. Obey). The problem is that we have a series of legal opinions from competent legal authorities, as well as the opinions of the last eight Secretaries of the Treasury, Republican, and Democrat, that the effect of the Young amendment is not to preclude aid to Vietnam alone. That is not the issue, and in that sense the amendment of the gentleman from Florida (Mr. Young) is the red herring in this debate.

As these competent authorities have pointed out, the effect of the amendment of the gentleman from Florida (Mr. Young) is to preclude all U.S. contributions from going to the International Organizations, because their charters prohibit the receipt from any country of contributions which are conditioned for political or other reasons. That is the problem with the Young amendment and let no one misunderstand.

The reason we offer these amendments is to avoid that very dramatic and unfortunate result. Let there be no misunderstanding about it. If the gentleman from Florida (Mr. Young) misinterpreted what I was doing the last time, let me make it clear that the substitute amendment which I am offering now is to give the Members of this body an opportunity to avoid the result that would follow from the amendment of the gentleman from Florida (Mr. Young), which would be to preclude U.S. participation in any of the international lending institutions.

There is no issue with respect to Vietnam here. Our bill expressly prohibits direct assistance to Vietnam and, therefore, no U.S. dollars would go directly to Vietnam under this bill.

Moreover, there is no real issue here of indirect assistance, because, as has been pointed out, there is no intent on the part of the World Bank to offer loans to Vietnam. In fact, since 1975, there has only been one loan to Vietnam. It was for an irrigation project in a rural area to serve people with incomes per year of less than $200. That was the only loan, and there is no intention to provide additional direct or indirect assistance to Vietnam.

Now, what is this substitute amendment I am offering? It very clearly provides that nothing in the Young amendment or in paragraph 514 as amended by Mr. Young should preclude the use of U.S. funds by these international lending institutions for countries which are eligible for aid, including those friendly to us. I specify a number of those countries: Israel, Egypt, Mexico, the Dominican Republic, Indonesia, Malaysia, and Thailand. The amendment also protects any other nation not specifically mentioned in this paragraph which would otherwise be eligible to receive assistance.

The point is to protect our contributions, to permit them to go to these international lending institutions, to permit countries which we want to help through these institutions to receive our help.

The choice is clear. If that is what you want to do, then you should vote for the McHugh substitute. If you want to preclude all U.S. contributions from going to the multilateral lending institutions, then you should vote for the Young amendment. It is that simple. That is the issue. There is no razzle-dazzle. There is no attempt at parliamentary footwork. The purpose of my amendment is to set up clearly for the Members of the House the issue. By precluding indirect aid the Young amendment would remove the United States from participation in the international lending institutions. Those institutions would ultimately collapse without our participation, and that is the problem.

I hope that the Members will adopt my substitute and vote down the amendment offered by the gentleman from Florida (Mr. Young).

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. M'HUGH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Obey to the amendment offered by Mr. McHugh as a substitute for the amendment offered by Mr. Young of Florida: Add the words "through international institutions funded through this Act" immediately after the word "indirectly' whenever it appears in the amendment.

□ 1640

Mr. OBEY. Mr. Chairman, I am attempting to do to the McHugh amendment exactly what I am trying to do to the Young amendment. I do not believe either one of them serves the purposes of good legislation, although I would infinitely prefer the McHugh amendment to the Young amendment.

All this amendment does again is simply say, whether we adopt the McHugh amendment or whether we adopt the Young amendment, that if we adopt either amendment, we are simply making it clear that what we are talking about is what we are talking about. And what we are talking about is a limitation on the American funds which go to another country through the device of international financial institutions.

Believe it or not, after this issue has been discussed for 4 and 5 years in a row on this House floor, there is still some confusion about what the word, "indirectly," means.

The gentleman from Florida (Mr. Young) has verified that what he is talking about is the international financial institutions. This amendment does not try to give anybody more aid, and it does not try to take any aid away. It simply tries to make clear what the intent of the Young amendment is and what the intent of the McHugh amendment is.

I personally do not favor either amendment, because I agree with the statement of the eight former Secretaries of the Treasury that we cannot limit American contributions to the banks or, rather, we cannot earmark or provide any limitation on American contributions to the banks without wiping out our entire contribution to the banks. That is what the Secretaries of the Treasury have said, going all the way back to Eisenhower.

I do not think that John Connally and I do not think that Bill Simon are trying to sell the Congress a bill of goods on behalf of Jimmy Carter. The last time I looked, Mr. Connally was trying to do just the opposite.

Mr. Chairman, I suggest to the Members that we should heed the advice of eight Secretaries of the Treasury and oppose these amendments.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, in the gentleman's clarifying amendment he mentions international institutions. Does the gentleman intend the United Nations development program to be included as one of those international institutions?

Mr. OBEY. Mr. Chairman, first let me ask the gentleman what he is intending by his amendment.

Mr. YOUNG of Florida. I am intending to definitely preclude any American funding from going to Vietnam through the UNDP.

Mr. OBEY. Then my amendment would do the same thing. My amendment simply makes clear that we are talking about international institutions. We are not talking about anything else except international institutions.

Mr. YOUNG of Florida. So the gentleman's amendment would apply to the UNDP fund, and it would apply to the World Bank as well as the Asian Development Bank?

Mr. OBEY. Mr. Chairman, this amendment would apply in the same manner as the amendment offered by the gentleman from Florida.

Mr. YOUNG of Florida. I think that is enough legislative history on that, and I thank the gentleman for yielding.

Mr. OBEY. Then may I ask the gentleman a question? The gentleman indicated earlier he is opposed to my amendment. In light of the legislative history we have just had, would he retract that opposition?

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield, I will say that I am opposed to the gentleman's amendment to my amendment, but I am not nearly as opposed to that amendment as I am to the substitute.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, would the gentleman then allow aid to go, say, to India, to be laundered to Vietnam?

Mr. OBEY. My amendment does not allow anything that is not allowed by the Young amendment. It does not preclude anything that is not precluded by the Young amendment.

Mr. LONG of Maryland. Then why does the gentleman indicate "international financial institutions"? I ask that because bilateral aid given India has been laundered into Vietnam.

Mr. OBEY. As far as I know, there is no way to track that.

Mr. LONG of Maryland. Mr. Chairman, the Young language, as it is, would preclude that, although the language of the amendment offered by the gentleman from Wisconsin (Mr. Obey) specifies "international financial institutions."

Mr. OBEY. Mr. Chairman, if I may answer the gentleman's question and if I may reclaim my time, my understanding is that the Young amendment does not reach that problem. As the gentleman knows, there is no way to reach that problem except to cut off all aid, period. There is no bookkeeping way to keep track of that. We are simply trying to clarify for the benefit of the Members exactly what we are talking about in the event either one of these ill-advised amendments is adopted.

Mr. Chairman, I yield back the balance of my time.

Mr. LONG of Maryland. Mr. Chairman, I would like to hear from the gentleman from Florida (Mr. Young) on that question, whether the intent of his amendment is to preclude such aid.

The CHAIRMAN. The gentleman from Wisconsin (Mr. Obey) had the time, and he has given it up. Does the gentleman from Maryland (Mr. Long) seek time on his own?

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the McHugh substitute.

The CHAIRMAN. The gentleman from Florida (Mr. Young) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I did not realize how prophetic my earlier comment was going to be on the parliamentary razzle-dazzle here, but now that the McHugh substitute comes along, it bears out what I was saying happened before and what I thought was going to happen again. And it has happened.

I hope that we will definitely defeat the McHugh substitute. I prefer, of course, the Obey amendment to the McHugh substitute because that will clean it up somewhat, but it would not really be to my satisfaction.

I would like to respond to the issue raised by the gentleman from Maryland (Mr. Long). The gentleman wants to know what my intent is.

The gentleman from Wisconsin (Mr. Obey) says that his amendment would have the same effect as my amendment would. The effect of my amendment and what I intend is this, and I would like to have the whole world know this and understand it: I intend to make sure that no American tax dollar goes to Vietnam in the form of foreign assistance, either directly through any of our aid programs or indirectly through any of our multilateral international foreign aid programs. That means zero. I do not want any American dollar going to Vietnam. That is what I intend, and that is what the effect of my amendment would be.

Let me respond to something the gentleman from New York (Mr. McHugh) said about how that really was not my intent. I want the Members to please believe me, Mr. Chairman, that is my intent.

The gentleman from New York (Mr. McHugh) suggests that my intent is to stop all U.S. contributions to the international banks. That is not the case. That is not what I intend, and that, Mr. Chairman, would not be the effect of my amendment.

Every year when we have this argument, the gentleman from Wisconsin (Mr. Obey) raises the issue of the letter from the eight former Secretaries of the Treasury. All I can say to the gentleman and to those eight former Secretaries is this: They have not read the charter. Nowhere in their letter do they specify what article or chapter or paragraph or sentence of the charter makes that preclusion or prohibition that prevents them from accepting restricted funds.

This is very interesting. During oversight hearings on this very point, I presented that question to the Assistant Secretary of the Treasury who handles international banks for us, and I asked him to point to that place in the charter where it is prohibited. Despite the fact that he had a roomfull of staff and a lot of attorneys present, he was unable to do it. He knew that question was going to come up, because we have been arguing about it for 3 years, but when the question was raised at an oversight hearing, he could not cite the section of the charter.

Mr. Chairman, I challenge any Member in this Chamber or anyone from the Treasury Department or anyone from the World Bank to cite for me a section of the charter that prohibits them from accepting restricted funds. It is not there.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, let me ask the gentleman, was the citation I gave him the last time he raised this point somewhat narrow?

Mr. YOUNG of Florida. No, that citation was not germane.

Mr. JOHN L. BURTON. Was that not a citation from the charter that prohibited them from keeping or accepting earmarked or "strings-on" funds? Was that the wrong citation?

Mr. YOUNG of Florida. That was the wrong citation. As a matter of fact, when I reread the charter after we had that conversation, I found that citation, No. 1, does not exist.

Mr. JOHN L. BURTON. Wait. Which charter was the gentleman reading?

Mr. YOUNG of Florida. No. 2, there is no prohibition in the charter on the acceptance of restricted funds. So on that issue it is only opinion that they do not believe they would accept those funds. Maybe they would not, but there is nothing in the charter that prohibits them from accepting the funds.

Mr. JOHN L. BURTON. In other words, the citation I gave the gentleman did not appear in the charter itself?

Mr. YOUNG of Florida. That is correct, I regret to inform my friend and colleague.

Mr. Chairman, despite the many arguments that we hear, it is not my intent to stop U.S. participation in the international banks or in the United Nations development program. It is my intent, purely and simply, to make sure that my constituents' tax money and the tax money of the constituents of other Members is not taken from them by our constitutional taxing authority and then, through our appropriations process, sent to Vietnam either directly or indirectly.

Mr. Chairman, I remind the Members that I raised this issue earlier today when we talked about an amendment adding an additional $207 million to care for Indochinese refugees. These are people whose lives we are saving. These are people whose lives are being saved by the expenditure of hundreds of millions and, yes, a billion American dollars.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Obey amendment.

Mr. Chairman, I rise not only in support of the Obey amendment, but to take the opportunity to respond to the gentleman from Florida.

It has been pointed out by the gentleman from Wisconsin (Mr. Obey), but I think it needs emphasis, that while the gentleman from Florida (Mr. Young) and perhaps the gentleman from Maryland (Mr. Long) think, off the tops of their heads, that the word "indirectly" would not have the effect of precluding all U.S. contributions to the development banks, the fact is that competent lawyers have looked at this very carefully and have rendered a different opinion. Their opinion is that precluding "indirect" aid would preclude all U.S. participation in the development banks. These opinions have been rendered by the General Counsel of the Treasury Department, the Comptroller General of the United States, the American Law Division of the Library of Congress, the International Law Division of the District of Columbia Bar, and others.

The gentleman from Florida (Mr. Young) talks about citations, but he has not provided one piece of evidence that there is a legal opinion carefully thought out which supports his off-the-top-of-the-head view.

In my office I have a Government publication which sets forth all of the charters of the international lending institutions. I regret very much that I do not have that book here, but I did write down the provision in those charters which the legal opinions have indicated would preclude all U.S. contributions if the word "indirectly" is adopted. The provisions which are included in the charters read as follows:

> To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of this Agreement, all property and assets of the Bank shall be free from restrictions, regulations, controls, and moratoria of any nature.

The pages where these provisions are found and which relate to the specific charters of the banks in question are on pages 446, 456, 505, 553, 568, and 599. I will provide for the record, as soon as I can, the publication I am referring to and its official citation. I want to emphasize, however, that based upon the legal opinions that I have cited and my own observations of the bank charters, it is clear that this language has the effect of precluding all U.S. participation if the Young of Florida amendment is adopted. For that reason I hope that the Members of the House will reject the Young of Florida amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out, also, that the Library of Congress CRS service, American Law Division, indicates as follows, in a letter dated July 16, to me. It has the following language:

> It is therefore, by virtue of interpretation of otherwise non-specific charter provisions, as well as by board of governors resolutions, that the November 16 memorandum—

Which is an earlier memorandum which they sent—

> concluded that conditional monetary contributions would be offensive to the charters and board of governors resolutions of the various financial institutions.

The therefore conclude that the opinion indicated by the eight Secretaries of the Treasury is in fact the correct one.

You have a choice. You can believe the gentleman from Florida (Mr. Young) or you can believe that Robert Anderson, Joe Barr, John Connally, C. Douglas Dillon, Henry Fowler, David Kennedy, George Schultz, and William Simon are not telling a lie to the Congress of the United States.

The only conclusion you can draw if you take the viewpoint of the gentleman from Florida (Mr. Young) is that they are misleading the American Congress, because they are "some lawyers," as the gentleman from Florida (Mr. Young) described them, who will simply roll over and play dead anytime the White House asks them to do something.

I think these are eight distinguished Americans who were trying to indicate that there is a trap into which we would fall if we were to adopt the Young of Florida amendment. I urge you not to fall into that trap.

The CHAIRMAN. The time of the gentleman from New York (Mr. McHugh) has expired.

(On request of Mr. Obey and by unanimous consent, Mr. McHugh was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, we have a choice of deciding what is in the national interest of the United States. The amendment of the gentleman from Florida (Mr. Young) is only theoretical. Both Mr. McNamara and Mr. Dixon made it quite clear that Vietnam "ain't going to get no money," they "ain't going to get no money" from the World Bank, and that ought to be clear by now.

Our point is whether we want to take a theoretical swipe at Vietnam, and make us all feel good, or whether we want to continue American leadership in those banks. If you want to stop revolutions around the world that we do not like and that we do not need, you have to ask yourself what is the best technique to do it. One of the techniques is to have strong military capability which you can rely on, and the other technique is to try to assure the kind of social and economic conditions around the world that make those revolutions unlikely. That is what the banks are trying to do. They are too important to the national interest of the United States for us to scuttle in this manner by adopting the Young of Florida amendment. I urge the Members to oppose the Young of Florida amendment.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Florida (Mr. Young).

Mr. Chairman, the gentleman and I have offered that amendment over the years. Back in the days when we did not have as direct and forthright a ranking minority member on the Committee on Appropriations I offered the amendment. Now that the gentleman speaks with a strong and direct voice I have not had to do that. I support him wholeheartedly.

I cannot help but think that this entire amendment tells us a lot about the House of Representatives. There are two words we are talking about that tells us everything we need to know about this body and why we are in trouble with the American people: Direct and indirect.

I have been around here long enough to know, and I sit back and smile, this House will do anything except act directly. Given any excuse to avoid, to put aside, to shove off, to put the heat on someone else, to get a hook to hang on. anything but act direct. I think that is why I appreciate our colleague, the gentleman from Florida (Mr. Young). He speaks directly, openly, and honestly.

I have been sitting back and thinking about all of the copouts. We do not act on things, because there is a letter which has been sent down based on some change in the future. But you notice the operative sentence in that letter, "until things change."

I remember a few years ago siting and listening to Averill Harriman when a major policy of the United States was going to be changed, and he said he had the assurance of friendly intentions of our adversaries. Asked what those friendly intentions were, he said, "Well, we had cocktails with them the other day and they smiled at us." It takes about that kind of friendly intention to change a policy. Do you think that letter from the World Bank means anything? They spell it out for you: Until conditions change.

Change to what we are talking about? Of course not. Changes which would be meager but just enough to let them do what they already want to do.

That is copout No. 1.

Copout No. 2: Rather than act directly ourselves, we talk about what former Secretaries of the Treasury have done. By the way, the dollar is in such good shape, I think I will take the advice of what these former Secretaries of the Treasury have done. They have done so well with the American dollar and handling our affairs that we ought to take their word on "direct" and "indirect."

Copout No. 3: "Well, the Senate will not accept this."

Of course, they may not. But why do we fail to act directly because the Senate may or may not do something?

Copout No. 4: "The President may veto it."

Oh, let us roll over and play dead, let us not act directly, let us put the heat on the President, give him the onus. Because he might veto it we do not want to act directly.

We have not gotten to copout No. 5 as yet and that is, "Well, we will put something in the report," or copout No. 6, "Some bureaucrat will not really use all of the authority we give him."

Rather than act directly ourselves we are always looking for some reason not to act directly.

Then I have seen the copout over the years that we do not want to take a position so we put in the bill, "Well, if the President deems it in the national interest, he can change the entire policy we set up. Give him the authority."

Time and time and time again we see examples that this body, the majority in this body, will do anything but act direct, will act indirectly everytime it gets the chance. The majority will do anything except be specific.

I think that is one of the reasons the American people hold in low esteem this body.

☐ 1700

Here is a precise example. We are talking about laundered funds. Anybody in politics knows what laundered money is. Some of you may even have received some laundered money over the years. We know what laundered money is. It is money that goes to someone, and they give it to someone else to accomplish a purpose which may be illegal or may be improper, or again, you want to avoid the responsibility.

This is a laundered money amendment.

I hope we vote down the substitute and support the amendment of the gentleman from Florida.

I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the Obey amendment to the McHugh substitute.

Mr. Chairman, we are coming to a couple of issues now that we ought to resolve. On the question of whether there is a freeze on, for example, I say that I have not been responded to. Others say where have I been, that there is definitely a freeze on.

The gentleman from Wisconsin (Mr. Obey) just a few minutes ago, said there is not going to be any of the money distributed to Vietnam.

If I were the gentleman from Wisconsin (Mr. Obey), or the gentleman from New York (Mr. McHugh), I think I would get tired of being told one thing by World Bank people, while they are telling somebody else something else.

Here is an edition of Barron's September 3, 1979. They interviewed a Mr. Frederick Nossal, financial relations adviser of the Bank's Information Department. Mr. Nossal told Barron's that the freeze has nothing to do with the $60 million loan that is being disbursed now.

True, as the Dixon letter says, there have been no disbursements to date, but $25 to $30 million have been committed to the project through letters of credit, which when presented for payments by suppliers, will automatically be honored.

Director Fried told us—this is Barron's again—that he has not asked the Bank to hold up disbursement of the $60 million and that he fully expects the money to be spent.

So, who is telling you the truth? I am telling you that there is no confirmation of a freeze. Mr. Nossal says the $60 million is going to be disbursed.

You are on the floor telling us now there is a freeze. Well now, there is something wrong when two different stories coming out of the same source end up here in the House of Representatives.

Now, if there is a freeze, why will they not tell me? I hold the position of ranking minority member on this subcommittee. I spend a lot of time on the floor when this bill is on the floor. I try not to waste a lot of time otherwise.

But if that is the case, and if there is a freeze, why would not Mr. McNamara or Mr. Dixon or Mr. Fried tell me that there is a freeze on? Why would not they tell me who put the freeze into effect? Who decided, Mr. Chairman, that there is going to be a freeze? Mr. McNamara? Mr. Fried? Mr. Bill Dixon? The Board of Directors, who, according to the charter, are the only ones to make that kind of a decision?

Who has the authority to lift the freeze? Well, obviously the same one who put the freeze in effect, if in fact there is a freeze in effect, and if in fact that freeze is going to last.

Mr. Nossal says the $60 million is going to be distributed.

I say the question of a freeze is phony, and if it is not phony, why will not Mr. McNamara come out in the open and answer the questions of a Member of Congress who asked specific questions more than a month ago? Why? Because the arrogance of the President of the World Bank is such that he feels he does not have to answer to the American people through their elective representative in Congress. Is that the problem? Why sure, that is one of the big problems.

The people who run the World Bank consider themselves supersovereign, answerable to no one but themselves, and that is why we are getting all this flak about whether or not they can accept American dollars if we impose a restriction. You can listen to all of the argument on this floor, as you have for years, that they cannot take it, but still no one has picked up this copy of the articles of agreement and cited one paragraph or section that says they cannot take the money. That argument, my friends, also, is a phony.

Now, the gentleman from New York (Mr. McHugh) made the point that I had never offered any legal opinions relative to this issue. As a matter of fact, I did. As a matter of fact, I cited a Library of Congress Congressional Research Service opinion that they could accept the funds, but then all of a sudden the pressure built up; and the same person who wrote that first opinion wrote a second one and said, well, but maybe they could not.

Let me tell my colleagues about another one. I cited it. Look at the record. It is in the minority views that I filed. It is on page 87 of the report. This is an analysis by the National Law Center. They say this:

> The World Bank has misconstrued its powers under its articles, and in view of current international relations, its position is outmoded and untenable. The Bank's articles do not preclude it from considering human rights factors in loan decisions.
>
> Indeed, they seem to impose responsibility to do so. Contrary to long-standing IBRD precedent, human rights are not the internal political affairs of members.

And it goes on.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has expired.

(At the request of Mr. Obey and by unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Let me simply repeat again for the third time that what Mr. McNamara has told Members of Congress and what Mr. Dixon made clear in his letter to the gentleman and what Mr. Vance has made quite clear to the committee in his letter to us, is that there are no new loans being approved by the bank, and none are expected to be approved by the bank as long as Vietnam continues its outrageous behavior. The key word is "new."

The gentleman and I both know there is a legal contractual obligation which exists between Vietnam and the bank on its previous loan, and the conditions under which that loan can be disbursed are related only to the economic preparation of that package, but no new loans are being made. That is the word of the Secretary of State. That is the word of the former Assistant Director of the bank, Mr. Dixon.

Let me also point out to the gentleman that I recognize that nobody's word seems to be good enough for the gentleman from Florida, but the fact is eight Secretaries of the Treasury still indicate that the bank's interpretation of their charter is correct.

Now, somebody has to be telling the truth sometime. People do not just tell the truth if they happen to agree with the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I only ask this: I ask any one of those eight former Secretaries of Treasury to show me where in this charter that prohibition exists. That is all I am asking for. They are entitled to their opinion, but I am entitled to ask the question. Here is the charter. Come and read it. Tell me where the prohibition is.

I say to my colleagues that it is not there.

One further point: If Mr. McNamara has been willing to respond to certain Members of Congress on the question of this freeze, why is Mr. McNamara unwilling to respond to this Member of Congress who has a formal responsibility in this particular issue? Why has he failed to respond to me? Why will he not tell me whether or not this freeze is a formal freeze or an informal freeze? Why will he not tell me who made the decision to impose the freeze? Why will he not tell me who has the authority to make a decision to lift the freeze?

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(At the request of Mr. McHugh and by unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

The gentleman has referred to a legal opinion which he believes sustains his position, and that is contained in the Journal of International Law and Commissions, which I have in my hand. This is an article the gentleman refers to. It is written by a 1978 graduate of the American University Law School. This Journal was published in 1978, so what we are talking about is an article written by one person, a 1978 graduate, stacked up against all of the weighty legal opinions we have cited earlier.

It seems to me, if the gentleman is straightforward about it, that he would have to agree that this particular opinion, written by a 1978 graduate, is not only not the opinion of this law school or center, but is not very persuasive when compared with the opinions rendered by the Comptroller General of the United States, the Library of Congress, the International Law Division of the District of Columbia Bar, and the others which have been cited.

☐ 1710

I hope the Members will take that into account in weighing the merits of this argument.

Mr. YOUNG of Florida. We can easily resolve this whole issue. Would the gentleman cite for me what article or what paragraph in the charter or articles of agreement prohibit the acceptance of funds?

Mr. McHUGH. I have already explained that to the gentleman.

Mr. YOUNG of Florida. Would the gentleman cite a specific article?

Mr. McHUGH. If the gentleman will yield further, I have specifically cited pages from a Government publication which sets forth the bank charters, including the provisions the gentleman is asking for.

Mr. YOUNG of Florida. Would the gentleman cite a specific article in the charter?

Mr. McHUGH. I have cited the express words of the provisions in those charters. I have read it to the gentleman and the entire committee, and it is very clear that the banks subject to those charters cannot accept money which is restricted. It is very clear.

Mr. YOUNG of Florida. Would the gentleman cite the specific language in the charter itself?

Mr. McHUGH. I have cited it to the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey) to the amendment offered by the gentleman from Florida (Mr. Young).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey) to the amendment offered by the gentleman from New York (Mr. McHugh) as a substitute for the amendment offered by the gentleman from Florida (Mr. Young).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh) as a substitute for the amendment offered by the gentleman from Florida (Mr. Young), as amended.

The question was taken; and on a division (demanded by Mr. Obey) there were—ayes 19, noes 24.

Mr. McHUGH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1720

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. McHugh) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 153, noes 244, not voting 37, as follows:

[Roll No. 439]

AYES—153

Addabbo
Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Conyers
Corman
Danielson
Daschle
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fowler
Frost
Garcia
Gephardt
Giaimo
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Holland
Holtzman
Howard
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
McCormack
McHugh
McKinney
Maguire
Markey
Matsui
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nolan
Nowak
O'Brien
Obey
Ottinger
Patten
Patterson
Pease
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
St Germain
Stack
Stark
Stewart
Stokes
Studds
Swift
Thompson
Traxler
Udall
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Wright
Yates
Zablocki

NOES—244

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer

Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hance
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.

Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McKay
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
Oakar
Oberstar
Panetta
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes

Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—37

Albosta
Alexander
Anderson, Ill.
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Collins, Ill.
Davis, S.C.
Dodd
Flood
Ford. Mich.

Hagedorn
Hansen
Hollenbeck
Holt
Hughes
Lundine
McEwen
Madigan
Mikva
Miller, Calif.
Pashayan
Pepper
Peyser

Pritchard
Rodino
Rousselot
Roybal
Smith, Iowa
Spellman
Treen
Ullman
Weaver
Wolff
Young, Alaska

☐ 1740

Messrs. BOLAND, SABO, and ASHLEY changed their vote from "no" to "aye."

Mr. APPLEGATE changed his vote "aye" to "no."

Mr. DONNELLY changed his vote from "present" to "aye."

So the amendment offered as a substitute for the amendment, as amended was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 281, noes 117, not voting 36, as follows:

[Roll No. 440]

AYES—281

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Fish
Fithian
Flippo

Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McKay
Madigan
Marks
Marlenee

Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Oakar
Panetta
Patten
Patterson
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible

Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins

White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.

Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—117

Akaka
Ashley
Aspin
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Corman
D'Amours
Danielson
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.

Erlenborn
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Foley
Garcia
Gephardt
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Holtzman
Hyde
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Matsui
Mikulski
Mineta

Mitchell, Md.
Moffett
Moorhead, Pa.
Murphy, Ill.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Pease
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Solarz
Stark
Stewart
Stokes
Studds
Swift
Thompson
Vento
Waxman
Weiss
Wirth
Wolpe
Yates
Zablocki

NOT VOTING—36

Albosta
Alexander
Anderson, Ill.
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Dickinson
Flood
Gilman
Hagedorn

Hansen
Hollenbeck
Holt
Hughes
McEwen
Mikva
Miller, Calif.
Pashayan
Pepper
Peyser
Pritchard
Roberts

Rodino
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Treen
Ullman
Weaver
Wolff
Wright
Young, Alaska

☐ 1800

Mr. TAUKE changed his vote from "no" to "aye."

Mr. STEWART changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 515. None of the funds appropriated in this Act shall be used for any form of aid directly to Cuba.

AMENDMENT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PAUL: On page 19, line 16, after the word "Cuba." strike the period and insert a comma and add tne following: "the Union of Soviet Socialist Republics, and the People's Republic of China."

Mr. PAUL. Mr. Chairman, this amendment is not complex at all. It merely adds the words, "the Union of Soviet Socialist Republics, and the People's Republic of China." This would mean that no funds appropriated in this act would be used in any form to aid these two countries in addition to Cuba.

While I was home on my last visit during the month of August, I did not have one individual or one constituent come up to me and advocate that we here in the Congress spend money on foreign aid. I think foreign aid is one of the sore spots in my district and throughout Texas as well, if not throughout this country.

Today people are starting to really feel the bad effects of big Government and inflation. And every time we talk about foreign aid and expenditures of this sort, if we fail to recognize that this has to come from the American taxpayers and if we fail to recognize that it comes from the poor and the average taxpayer, when we spend more of the taxpayers money, I do not think we will ever clean up the mess up here in Washington. The American taxpayer is beginning to recognize that foreign aid is coming out of his pocket, and it does have an effect on the inflation rate.

This is not an earth-shattering amendment. I fully recognize that to date we have not given any direct aid to China or Russia, even though some indirect aid has gone to Russia. This amendment would not involve any indirect aid.

I feel that this amendment is noncontroversial, and I hope that both sides will agree to adding these two countries. I think this would be a tremendous reassurance to our taxpayers that we are going on record at least in opposing aid to Russia and China, as well as Cuba, in this day and age when the taxpayers are suffering so much.

I think we are moving into an age when we are improving our relations with China and Russia, and there may be a day when there is most-favored-nation status granted to them.

Under these conditions, I would like to protect the American taxpayer, and it is up to us, I think, to at least go on record as opposing direct aid to these two Communist nations, because if there is any way to rub salt on the wounds of the American taxpayer, it is by giving foreign aid to our sworn enemies. With this amendment we would be on paper at least as prohibiting foreign aid from going to nations of this sort, nations which have proven to be the most violent and vicious violaters of human rights.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, let me ask the gentleman, does this mean that aid could go directly to Albania?

Mr. PAUL. This amendment has nothing to do with Albania, and it has nothing to do with indirect aid.

Mr. JOHN L. BURTON. So an amendment to the gentleman's amendment would be in order to prevent direct aid from going to Albania?

Mr. PAUL. Surely. I would think so.

Mr. Chairman, I yield back the balance of my time.

□ 1810

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 620(f) of the Foreign Assistance Act of 1961, prohibits any assistance to any Communist country. This provision includes by name the Soviet Union and the People's Republic of China. Adding these countries to the list of prohibited countries under the appropriation act is both unnecessary and redundant.

The administration announced that it has no intention of providing assistance to these countries under the Foreign Assistance Act and has noted that such assistance is prohibited by law. These unnecessary amendments would single out these countries for a gratuitous insult at a very sensitive time when we are trying to come to some decision on the SALT Treaty.

When I was in Russia it was pretty clear that the Russians want good relations with us. I do not see any reason why we should turn around and kick them in the teeth when we have no particular reason to, when the matter is in the law already.

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The question was taken; and on division (demanded by Mr. PAUL) there were—ayes 30, noes 78.

Mr. PAUL. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 19, insert "or indirectly" in line 16, after "aid directly".

Mr. ASHBROOK. Mr. Chairman, it shall not take more than 30 seconds to explain this amendment. I would do precisely in section 515 what has already been accomplished in section 514. The section would then read:

None of the funds appropriated in this Act shall be used for any form of aid directly or indirectly to Cuba.

We debated over an hour on this subject. The House has spoken. I would assume we would apply the same standard to Cuba.

Mr. LONG of Maryland. Mr. Chairman, we do not oppose this amendment.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will take only 30 seconds in response to the gentleman.

Obviously, the votes on the prior amendment indicate how this one will turn out. I simply would like to point out that not only would the impact of this amendment be to preclude any U.S. contributions going to the banks, because of this indirect prohibition relative to Cuba, but Cuba is not even eligible to receive assistance from the banks. So the amendment is more ludicrous, if that is possible, than the prior amendments which were adopted, and I certainly hope that the Members will reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 522. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism, unless the President of the United States finds that the national security requires otherwise.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Page 21, line 3, strike out "an" and insert in lieu thereof ", or is being sought by any other government for prosecution for, any war crime or".

Mr. LONG of Maryland. Mr. Chairman, this amendment would prohibit assistance to any government which gives sanctuary to those sought by another state for prosecution for a war crime. This is a prohibition that would put governments which have harbored Nazi war criminals for many years on notice that the United States expects their full cooperation in the extradition of those war criminals for prosecution elsewhere. Any government which fails to cooperate in extradition should be ineligible for economic assistance or Export-Import Bank credits.

The need for this amendment becomes apparent when one considers the case of Dr. Mengele, the infamous "Angel of Death" who was chief "doctor" at Hitler's Auschwitz concentration camp during World War II. He stands accused of the most heinous crimes against the inmates of that camp, including the torture, disfigurement, and murder of at least 200,000 children in perverted experiments. Warrants for his arrest have been issued by the public prosecutors in Frieburg, in Breisgau and in Frankfurt, Germany, based on the statements of many survivors of Auschwitz and on court findings from previous war crimes trials.

This man, who is responsible for some of the most unspeakable horrors the world has ever known, is living freely today in Paraguay, as a Paraguayan citizen, according to the Simon Wiesenthal Center for Holocaust studies. In fiscal year 1980 Paraguay will receive $3.83 million in economic aid from the United States. Yet there is no record of any action by the Paraguyan Government to assist in bringing Mengele to justice.

This is not only a violation of civilized behavior but a violation of the UN charter.

It is time for us to make it clear that governments who tolerate Mengele and other such war criminals known to be living in certain Latin American countries will not get another dime of assistance from the United States unless their policies change dramatically.

☐ 1820

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say on behalf of the minority, we are willing to accept this amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from Maryland (Mr. Long), in regards to section 522, when he uses the words ". . . any individual, who has committed an act of international terrorism," talking about granting sanctuary from prosecution to that individual, I wonder if perhaps this might not also cover the Government of Chile, which is now harboring an individual who is wanted by the U.S. Government for prosecution in this country for committing a terrorist bombing on the streets of Washington about 3 years ago? Would this cover that also, to a country like Chile that is harboring that individual who is wanted for prosecution?

Mr. LONG of Maryland. That would be my understanding. Let me point out that is not part of my amendment, because it is already included in the bill.

Mr. HARKIN. That kind of thing is covered by section 522?

Mr. LONG of Maryland. That is covered by the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Long).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 526. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance any military assistance to Panama.

AMENDMENT OFFERED BY MR. MINISH

Mr. MINISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Minish: Page 23, after line 12, insert the following:

Sec. 527. None of the funds appropriated or otherwise made available pursuant to title II or title III of this Act shall be obligated or expended to finance any assistance to Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Qatar, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates, or Venezuela.

Mr. MINISH. Mr. Chairman, the measure before us today contains more than $250 million in direct aid to members of the OPEC cartel.

In April of this year, I attempted to amend the International Development Cooperation Act to deny aid to OPEC nations. At the time, opponents of my amendment argued that the assistance in the bill was earmarked for our "friends" in OPEC.

I think everyone who voted against my amendment in April should reconsider his or her vote in light of some recent actions by our so-called friends in OPEC.

Back in April, OPEC supplied oil to the United States at a price of $14.54 per barrel. Today the going rate is closer to $20.

Indonesia is one of our alleged friends in OPEC that is scheduled to receive $241 million in today's legislation. Indonesia, which has traditionally charged about $1.50 per barrel above the OPEC market price for her oil, hit the American consumer with a costly 12-percent surcharge the very day after this amendment failed in April.

Indonesia's action, which I do not consider to be the act of a friend, has cost the American people more than $1 million per day in extra crude oil costs.

Another one of our so-called OPEC friends is Nigeria. A July 31 report in the national press stated that Nigeria is considering cutting its production by 10 percent. Why? To further put the squeeze on hapless consumers by tightening the supply of oil. This action would undoubtedly contribute to further oil price increases.

There are those who have argued that the wealth generated by the oil in these countries never reaches the poor and middle classes. The fact remains, the price fixing and profiteering by OPEC—as a block—have been the single greatest cause of inflation in this country. The effects of inflation on our own middle and lower-income people, particularly those on fixed incomes, concerns me far more than the effect on OPEC of cutting off this aid. It will be very difficult for our own people to pay their energy bills this winter.

And it is also important to remember that these countries are always among the first to add surcharges to the regular OPEC price for oil. Indonesia was under no obligation to charge a surcharge, but it did anyway.

The American people have been more than generous to OPEC over the years. Since World War II, we have contributed more than $6.6 billion in direct aid to these countries. I need not comment on how this generosity has been repaid.

Indonesia is a perfect example of how the American people are being treated in return for their help. In 1970, we imported 70,000 barrels per day of Indonesian oil at a cost of about $2 per barrel. Today we import over 500,000 barrels daily at $20 a barrel. Yet, in the years 1962 through 1969—in a time of cheap oil when a case might legitimately have been made that American aid was necessary—we gave Indonesia a total of $4.5 million in direct assistance. This year, however, when our oil needs will cause us to pay Indonesia about $3.65 billion for crude oil, we add to that figure by supplying $241 million in string-free assistance. It does not make sense.

Mr. Chairman, I say the OPEC countries are profiting enough from the exorbitant prices they demand for their oil. I see no need to further burden the American taxpayers by appropriating more funds for the members of this cartel.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. MINISH. I would be happy to yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman from New Jersey (Mr. Minish) for his remarks on cutting off foreign aid to OPEC. But I know that his amendment only relates to titles II and III of this bill, which is the bilateral economic and military assistance.

Why has not the gentleman broadened his amendment to include all of the funds so that we can get at the funds that would be extended to OPEC countries indirectly through the multilateral aid programs?

Mr. MINISH. If the gentleman has an amendment, I will accept it. Does the gentleman want to amend it?

Mr. SENSENBRENNER. I do.

☐ 1830

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have to rise in opposition to this amendment. I know we all feel frustrated about the cost of our imported oil and the way the OPEC countries have consistently raised the oil prices. But let us face it, the real basic problem is that we did not take action to deal with our own internal oil supply problem or our alternate energy problem in years past.

In fiscal year 1980 the administration plans to provide some form of bilateral aid to 4 of the 13 OPEC nations. All four of these countries have had long-term bilateral aid programs with the United States, and a closer look at their economic profiles does not fulfill the visions one has of an oil rich OPEC nation.

Three of the four recipients—Ecuador, Gabon, and Nigeria—receive a total of only $17 million altogether. The fourth recipient, Indonesia, receives the lion's share, $241 million. Indonesia is a country desperate with overpopulation, illiteracy, poverty, and hunger. Indonesia supports a population of 143 million people. It has a per capita income of less than $240.

The transportation systems are nearly nonexistent and their vast natural resources go untapped.

The AID program is aimed at increasing the low, overall agricultural production and rural incomes; stemming the population growth; helping to alleviate the acute shortage of trained people. Since 1973 U.S. assistance has concentrated on improving the condition of rural poor. A series of decentralized projects attempt to create employment and increase rural productivity.

At a time when the U.S. needs all the moderate support within OPEC that it can muster, it does not seem prudent to offer a slap in the face to four of its members who have been long-term allies of the United States and major trading partners with its manufacturers.

The main countries that are leading the movement and are raising our oil prices are not getting any aid so they are not touched by this amendment. What we are doing is hitting the small number of countries getting aid who are not the major offenders.

Mr. Chairman, this is a harmful amendment and I hope it will be voted down.

AMENDMENT OFFERED BY MR. SENSENBRENNER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MINISH

Mr. SENSENBRENNER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. SENSENBRENNER as a substitute for the amendment offered by Mr. MINISH: Page 23, insert the following after line 12:

"SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries."

Mr. SENSENBRENNER. Mr. Chairman, I believe this amendment takes care of the problem which I brought up in my colloquy with the distinguished gentleman from New Jersey (Mr. MINISH). That is it gets at the indirect aid that would be provided to the OPEC countries under the bill. I believe very strongly that we ought to cut out the $259 million worth of bilateral assistance. The gentleman from New Jersey's amendment takes care of that. But I am certain that there is multilateral assistance that goes to the OPEC countries as well. We should not be using American taxpayers' dollars to help the rich get richer.

I strongly urge that my amendment in the nature of a substitute be approved.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I am afraid I did not really hear the gentleman's amendment. I wonder if he could say just exactly how this substitutes for the other amendment?

Mr. SENSENBRENNER. The substitute reads as follows:

None of the funds appropriated or otherwise made available pursuant to this act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries.

Mr. LONG of Maryland. If the gentleman will yield, I cannot see any difference between the gentleman's amendment and that of the gentleman from New Jersey. Therefore, my remarks in opposition to the amendment of the gentleman from New Jersey have to apply to the gentleman now speaking in the well. I think it is harmful. The gentleman's amendment in the nature of a substitute is aiming at the very countries who are not the main reasons why we are having to pay higher oil prices. They are not rich countries. So the gentleman is wrong on that. These are poor countries and they are only four of them altogether.

In other words, we are aiming at the wrong target and going to make very angry the people who feel that we are trying to aim at them by missing. I think the gentleman's amendment is a harmful amendment.

Mr. SENSENBRENNER. If those countries that are wanting American foreign aid are feeling so poor they can resign their membership from OPEC and they would be immediately eligible for foreign aid under my substitute amendment as soon as they get out of OPEC.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know what the popular thing to do is on this amendment. We have all come from our home districts and it is obvious to me today that having done that we are willing to do exactly what has gotten this country in so much trouble in the first place. Apparently we are collectively willing to respond to every instant pressure that comes from any source without having the guts and the thoughtfulness to explain to people why sometimes what they may be suggesting is not necessarily in the interest of the United States.

Mr. Chairman, both of these amendments are essentially blunderbuss amendments. What they do is bring into serious question whether this Congress really wants to do anything significant on the issue of energy supply. Oh, we are great, we are just great at offering this amendment or that amendment to convince people we have done something to instantly solve or respond to their frustrations over energy.

I have heard 50 people on this floor today talk to me about how weak President Carter appears based on their discussions they have had back home with people in their districts. Then what do we do? We come back to Washington and help make President Carter weaker by adopting amendment after amendment that limits his ability to deal with international affairs in a way which defends the national interest of the United States. That is not politically smart and it is not substantively wise.

Let me suggest to the Members the only countries affected by both amendments, despite the intent of the gentleman from Wisconsin, his amendment is erroneously drawn, the only countries who are affected by either amendment are the countries laid out by the gentleman from Maryland, the chairman. They are Ecuador, Indonesia, Gabon, and Nigeria.

Before Members vote on this amendment, I want them to keep in mind what we get from those countries in oil every day. From Ecuador we get 64,000 barrels of oil a day. From Indonesia we get 540,000 barrels of oil a day. From Nigeria we get 904,000 barrels of oil a day.

Do the Members really think they increase the likelihood that we will continue to get that oil and we will continue to get it at a price which we are paying today if we adopt this amendment? What are the Members going to say to their constituents 3 or 4 months from now if this amendment passes and we have had another round of OPEC price increases and that round of OPEC price increases has been as a result of their anger at the U.S. Congress for its passage of this amendment? I know Members do not like to hear that and I know I do not like to go to my constituents and say it. But the hard fact is that all those countries have to do to compensate for this amendment is to raise oil prices again, and the Members are inviting them to do so if they pass this amendment.

□ 1840

Second, I would point out to the Members that three of the four countries involved are countries which did not participate in the original oil boycott in 1975. Nigeria did not; Indonesia did not; Ecuador did not do it. These are not the rich countries. The only countries being funded in this bill are the countries which are the poorest in the world. The amendment does not cut off any funds to Saudi Arabia. The amendment does not cut off any funds to Qatar or any of the wealthy OPEC countries. It only attacks the least wealthy OPEC countries, countries which have in times past served the national interest of the United States.

Mr. Chairman, I urge the Members to do the responsible thing and oppose this amendment.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, the gentleman apparently did not hear my remarks when he said that this amendment was offered after visiting the district. This amendment was offered in April.

And, since when do they do us a favor by giving us this oil. We pay $20 a barrel. The day after a similar amendment was defeated, this past April our so-called friend Indonesia increased the price by an additional $2 a barrel, this additional surcharge cost the American consumers an additional $500 million per year.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. OBEY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. RUSSO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Chairman, I thank the gentleman for yielding. As I indicated earlier, the very day after this amendment was defeated this past April Indonesia increased the price of oil by $2 a barrel.

If you are worried about the constituents, my friend, let me tell you that you are going to be worried a lot more when the price of heating oil for their homes goes up to around 80 cents a gallon, as it is in New Jersey. Here, we are giving this country $200 million in aid and they are charging us $20 a barrel for oil. They do not need and do not deserve this assistance. It is ridiculous to say that they will not sell us the oil. They have all the reason in the world to sell us more oil at these prices.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I would simply respond to the gentleman that the U.S. Congress is not going to determine how much oil we get from these countries. The only man in the United States who has any real influence over what happens on that is the President, and if we pass this amendment we weaken his ability to deal with each and every OPEC country we need oil from in order to keep our economy functioning. What we do is continue the process of weakening the very man who we are criticizing for being weak.

Mr. MINISH. I think it will strengthen the President's hand.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I will be happy to yield to the gentleman from Missouri.

Mr. VOLKMER. I would just like to have a question——

Mr. JOHN L. BURTON. I will be happy to answer it. I knew about oil before they even sold it for profit.

Mr. VOLKMER. My difficulty with the amendment is that it was Saudi Arabia, even though it will not apply, which increased their production just this summer in order to make sure that we do not have a shortfall, as I understand the increase in production.

The other thing that concerns me is, if this amendment is adopted——

Mr. JOHN L. BURTON. Excuse me—his amendment or his amendment?

Mr. VOLKMER. Either one. As to Nigeria and Ecuador and Indonesia, that applies to approximately 10 percent of our daily import of oil. If they cut it off, how do we replace it? I would like to ask the gentleman from New Jersey that if the gentleman from California will yield to the gentleman from New Jersey.

Mr. JOHN L. BURTON. I yield.

Mr. VOLKMER. Where do we get the oil from to replace that oil?

Mr. MINISH. I do not think the gentleman should assume that Indonesia is going to cut off selling us oil at $20 a barrel.

Mr. VOLKMER. All right.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make a few comments in opposition to both of these amendments. First of all, I would associate myself with the remarks of my distinguished colleague from Wisconsin (Mr. OBEY), who I think has laid out the issue very clearly. I would just like to move a little further.

I was home in my district, as I am sure all Members were at some point during this break. I happened to do a radio interview where people called in. One of the callers called in and asked on the air of me, "Do we in this country provide foreign assistance to OPEC countries?"

My answer was "Yes."

His response was, "Oh, my God."

The political response to that could have been to say, "Oh, my God," as well. But, I chose not to do that because I think it is terribly important, as I have said many times on this floor, that we have a profound obligation to do more than simply be mirror images of unenlightened, uninformed public opinion. My response to that person is the statement I would make to the Members.

There are times when governments do have differences of opinion as to questions of policy, but the bigger story is that in many of these OPEC countries there are literally tens of thousands of human beings who are poverty stricken and who are desperate. We are perhaps the wealthiest nation in the world, and we are only spending 1.5 percent of our total budget to deal with the question of starvation.

It would seem to me that even though we disagree at a level of policy with respect to governments, we should not substitute those who are nongovernment, who are living in poverty and disease. To that extent I think both of these amendments will strike at only the politics of the situation; not the realities of the world, and certainly not the reality of our energy bill.

I also point out to the author of the amendment that American oil companies, indeed, have contributed significantly to the energy crisis in this country. We are not penalizing the American oil companies.

One of my colleagues, the author of the substitute amendment, indicated that we would make the rich richer. I find that ludicrous, because I think that if we could take that voting record of that particular person and look at it, we will see that when we have debated and discussed the energy bill and the role of the big oil companies here in this Nation, we certainly have not penalized them. It seems to me that we go in one direction and make possible multimillionaires of the oil companies for billions of dollars, and yet we are prepared to strike out those poor people in OPEC nations.

We are essentially paying the same price to England to buy their oil; to Norway to buy their oil; to Canada to buy their oil, and from Texas, absolutely, from the United States in purchasing their oil. So, where is the continuity? Where is the consistency in these amendments that, with all due respect to the people who offered them, I think are misguided? I think they make no sense.

Finally, I would end on this note: We are perhaps the wealthiest nation in the world. If governments differ, let us discuss those differences, but the poor, impoverished, desperate people do have to have foreign aid, and should not be penalized. We should be larger than that, bigger than that. To vote in support of these amendments is to respond to that, "Oh, my God," response of an unenlightened, uninformed American people. But, as the people have reached that question, it would seem to me that if we can respond to it intelligently and wisely, people will understand.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would just like to remind the Members of this House—and again I know that this is not a popular thing to say—but I heard this morning Members have 1-minute speeches praising the departing Under Secretary of the Department of Energy, Mr. O'Leary. He made the statement a couple of weeks ago that we all ought to remember that we might not like the price Saudi Arabia is charging; we all ought to remember, for instance, that all they need to process to meet their own domestic needs is 4.5 million barrels of oil, and today every barrel above that amount they process and supply to the United States is simply a gift to world stability. I do not think we contribute to a relationship with that country if we adopt this amendment.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from New Jersey.

Mr. MINISH. Let me say that from the time we were paying $2 a barrel for oil we were giving them $4.5 million a year. Now we are giving them $241 million a year plus $3.5 billion for the oil. So I think the money is there.

When the gentleman mentions England, I am sure the gentleman knows that we are not giving foreign aid to England. I am saying that we want to take it out of OPEC nations.

□ 1850

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words. Both of these amendments aim at the wrong parties and hit the wrong people, the people who are not guilty. I hope very much that the House will vote down both these amendments.

Mr. MINISH. Will the gentleman yield? The gentleman is doing the grandstanding.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to these politically appealing but shortsighted amendments. Do not get me wrong. I believe the U.S. Government must do much more to combat OPEC's arbitrary production and pricing policies. But we should not blindly flail away at OPEC. Rather we should weigh our options carefully, understand fully OPEC's vulnerabilties, recognize the diversity among the member nations of OPEC, and then get on with supporting those steps that offer really effective means of reducing our vulnerability to OPEC.

There are several problems with these amendments. Let me explain a couple of its drawbacks.

First, they give the impression of striking a meaningful blow against the OPEC cartel. The plain truth of the matter is that most of the member nations of OPEC are not even eligible to receive any of the development assistance to be funded by this bill. The oil-rich states of the Middle East like Saudi Arabia and Libya could care less whether these amendments pass.

I for one think that if we are going about throwing punches at OPEC that we at least ought to be certain to land a punch where it will hurt. It is time we stop boxing with the shadow of OPEC and get serious about what effective steps we can take to begin to offset some of OPEC's clout.

Second, these amendments seem to be based upon the premise that all member nations of OPEC are luxuriously rich and their leaders are modern-day "robber barons" preoccupied with the task of finding ways to spend all of their money. They fail to take into account the tremendous divergence of interests and needs among the nations that constitute OPEC. Consequently, the only countries that would really be significantly influenced by this amendment would be Ecuador, Gabon, Indonesia, and Nigeria. We would be punishing the poorest among the member nations of OPEC under the guise of getting tough with the oil-rich Arab nations.

To understand the unanticipated, harmful effects this amendment would have, consider the case of Ecuador. This tiny South American nation of nearly 8 million people has just returned to civilian democratic government after 9 years of dictatorship. Hopefully, the government of President Roldos will be able to set an example that will be emulated elsewhere among the military dictatorships of South America.

But the new democracy in Ecuador must come to grips with immense problems of poverty, hunger, and illiteracy among the Ecuadorian people if it is to survive. We should be striving to find ways in which our country can help nurture democratic traditions in this region. Instead these amendments would have us turn our backs on the new developments in Ecuador in a misguided attempt to get back at OPEC.

The annual per capita GNP of Ecuador is $640 in contrast with that of Saudi Arabia which is $4,480 or Kuwait which is $15,480. In addition, in 1977, the United States bought nearly $609 million worth of oil from Ecuador, but at the same time Ecuador bought approximately $565 million worth of U.S. exports. So our trade with Ecuador was almost balanced in contrast with that of other members of OPEC.

Developing countries like Ecuador who happen to be members of OPEC deserve better treatment that would be extended them by measures such as the Sensenbrenner amendment. For this reason, I hope these amendments will be defeated. Should they pass, I hope they will at least be amended to provide exemptions for Ecuador, Nigeria, Indonesia, and Gabon.

Mr. MINISH. Mr. Chairman will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New Jersey.

Mr. MINISH. I thank the gentleman for yielding.

Does the gentleman really believe that Indonesia has treated us fairly? After giving them 3.5 billion—billion dollars—in aid, they increased the surcharge after the original increase by another $2 per barrel. I am amazed at the poor people in the other countries. I want the Members to know that there are a lot of poor people in our cities who are not going to be able to afford this oil.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Pease) has expired.

(At the request of Mr. McHugh, and by unanimous consent, Mr. Pease was allowed to proceed to 2 additional minutes.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding, and I thank him for his remarks. He has rightly pointed out that there are only four countries affected by this amendment in any way. The one that I think is affected the most is Indonesia which would receive under our legislation, before the cuts which have been adopted, $242 million.

The basic things I think the Members should remember about Indonesia are, first of all, that it is a country of 130 million people with a per capita income per year of less than $300. Secondly, it provides over 500,000 barrels of oil to this country today. Thirdly, it did not participate in the OPEC embargo in 1973. Finally—and this is a point that has not yet been made—the Indonesian Government is participating in a very constructive way in dealing with the refugee problem. It is accepting refugees into its shores despite some public opposition. It is providing some processing centers and has offered to do more in that respect. I think for all of these reasons it would simply be against the U.S. interest to adopt this amendment, as politically attractive as it is on its face.

I thank the gentleman for yielding.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Chairman, to get back to the difference between the pending amendment and the amendment originally offered by the gentleman from New Jersey (Mr. Minish), the pending amendment attempts to get at the indirect aid that is given to OPEC countries as well as the direct aid. Among the World Bank, the Asian Development Bank, and the Inter-American Development Bank, which are substantially funded by American taxpayers' dollars, OPEC countries get $1,071,000,000 more in aid, in addition to the $259 million in aid that they get directly through bilateral aid programs. So I would urge a yes vote on the pending amendment to try to get at that aid money, too.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Sensenbrenner) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. Minish).

The question was taken; and on a division (demanded by Mr. Sensenbrenner) there were—ayes 17, noes 53.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Minish).

The question was taken; and on a division (demanded by Mr. Minish) there were—ayes 28, noes 53.

□ 1900

Mr. MINISH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and three Members are present, a quorum.

The pending business is the demand of the gentleman from New Jersey (Mr. Minish) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

● Mr. HALL of Ohio. Mr. Chairman, I rise in opposition to the Young amendment that was offered to limit appropriations for the United Nations Development Program to $126,050,000.

The Appropriations Committee has recommended an appropriation of $130 million for the U.N. Development Program. It is important to keep in mind that the amount in the committee bill already is $10 million below the amount requested by the administration. It also is $10 million below the amount authorized for fiscal 1980 by the House Foreign Affairs Committee in the International Development Cooperation Act.

The Appropriations Committee increased UNDP funding for fiscal 1980 by only $3,940,000 over the fiscal 1979 level. The effect of the Young amendment would be to keep funding at the 1979 level and eliminate the slight increase approved by the Appropriations Committee.

The Foreign Affairs Committee authorized the full amount recommended by the executive branch for the UNDP. We did so in recognition of the importance of UNDP as the principal U.N. body for coordinating technical assistance programs for economic and social development. Over the years, U.S. support of UNDP has been an important factor in encouraging other nations to support the program.

UNDP assistance, administered cooperatively by recipient countries and the U.N. specialized agencies, supports large-scale development projects in such sectors as transportation, communications, agriculture, forestry, fisheries, and industrial development. The success and continuity of these programs has significantly depended upon the leadership and commitment of the United States.

"Technical assistance" refers to the transfer of expertise, as distinct from the large-scale transfers of capital involved in projects such as the construction of dams, major roads, or industrial facilities. U.N. technical assistance helps recipient developing countries to prepare themselves to effectively utilize the outside capital inflows they receive for local development.

From all sources—voluntary and assessed contributions—the U.N. agencies spent approximately $663 million on technical assistance in 1977. This amounted to 27.6 percent of the total funds available within the U.N. system. The effect of this money is multiplied several times since the technical assistance activities stimulate followup investments on a larger scale from the private sector and from international financial institutions.

Our contribution to UNDP represents

a solid investment in the developing world for which we can expect high returns both on a short-term and on a long-term basis. As my colleague from Ohio, Mr. PEASE, pointed out in a colleague letter he circulated in July, the United States has shared significantly in the $19 billion in investment opportunities the UNDP helped generate during its first programing cycle (1971–76). In addition, the United States ranks first among all nations in UNDP equipment purchases, UNDP subcontracts, and in hosting UNDP fellowships. On a long-term basis, the United States will benefit from the opportunities for trade and investment which emerge from the development brought about with UNDP technical assistance.

Now is not the time to cut back on the valuable investment the UNDP holds both for the developing world and for our own country. This is not a "giveaway" program—it is a mutually beneficial development mechanism that contributes to global stability and progress.●

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4473) making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4473, just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maryland (Mr. LONG).

There was no objection.

CONFERENCE ON S. 230, EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96–419)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—NURSE TRAINING

SEC. 101. (a) This title may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than sections 204, 208, and 313) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $2,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) (42 U.S.C. 296d) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 104. Subsection (f)(1) of section 810 (relating to capitation grants) (42 U.S.C. 296e) is amended by striking out "and" after "1977," and by inserting after "fiscal year 1978" the following: "and $24,000,000 for the fiscal year ending September 30, 1980."

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) (42 U.S.C. 296k) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) (42 U.S.C. 296l) is amended by striking out "and" after "1977", and by inserting after "for fiscal year 1978" the following: ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) (42 U.S.C. 296m) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) (42 U.S.C. 297) is amended by striking out "and" after "1977," and by inserting before the period ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) (42 U.S.C. 297a) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) (42 U.S.C. 297c) is amended (1) by striking out "and" after "1977," in the first sentence and (2) by inserting before the period in the first sentence ", and $13,500,000 for the fiscal year ending September 30, 1980", (3) by striking out "fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (4) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) (42 U.S.C. 297e) is amended by striking out "September 30, 1980, and not later than December 31, 1981" and inserting in lieu thereof "September 30, 1983, and not later than December 31, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) (42 U.S.C. 297j) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years," (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

(c) The amendments made by subsections (a) and (b) do not authorize appropriations for the fiscal year ending September 30, 1979, for scholarships under section 845 of the Public Health Service Act in addition to the amount available for such scholarships under section 101(a) of Public Law 95–482.

SEC. 111. Subpart I of part B of title VIII (relating to traineeships) is amended by adding after section 830 (42 U.S.C. 297) the following new section:

"TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

"SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists.

"(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980.".

SEC. 112. Section 836(b)(3) (relating to student loans) (42 U.S.C. 297b(b)(3)) is amended (1) by inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979,", and (2) by striking out "any such loan" and inserting in lieu thereof "any such loan made before such date".

SEC. 113. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study—

(A) to determine the need to continue a specific program of Federal financial support for nursing education.

(B) to determine the reasons nurses do not practice in medically underserved areas and to develop recommendations for actions which could be taken to encourage nurses to practice in such areas, and

(C) to determine the rate at which and the reasons for which nurses leave the nursing profession and to develop recommendations for actions which could be taken to encourage nurses to remain or re-enter the nursing profession, including actions involving practice settings conducive to the retention of nurses.

(2) The part of the study described in paragraph (1)(A) shall include consideration of the following:

(A) The need for nurses under the present health care delivery system and under such system as it may be modified by increased use of ambulatory care facilities or as it may be changed by the enactment of legislation for national health insurance. Determination of such need shall include determination of the need for nurses trained in each type of school of nursing (as defined in section 853(2) of the Public Health Service Act), for nurses with graduate training in the varying nurse practitioner clinical specialties, and for nurse administrators and nurse educators.

(B) The cost of nursing education and a comparison of the cost of education at each type of school of nursing (as so defined) and comparison of the cost of each of the graduate programs of nursing.

(C) The availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study, required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agreement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary, after consulting with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(2) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(4) The Secretary shall undertake such preliminary activities as may be necessary to enable the Secretary to enter into an arrangement for the conduct of the study at the earliest possible date.

(c) Not later than six months after the date the arrangement for the conduct of the study is entered into under subsection (b), the Secretary and the entity conducting the study shall each report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives their respective preliminary recommendations respecting the matters described in subparagraphs (A), (B), and (C) of subsection (a)(1) and, if a need for continued Federal financial support for nursing is found, the form in which the support should be provided. Not later than two years after such date, the Secretary and the entity which conducted the study shall each report to such Committees recommendations respecting such matters (including the form of Federal financial support for nursing) and the basis for such recommendations.

TITLE II—OTHER HEALTH PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) (42 U.S.C. 294(a)) is amended—

(1) by inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education as such schools requires such increase"; and

(2) by inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. (a) Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) (42 U.S.C. 294u(b)(5)(A)) is amended by striking out "(not to exceed three years)" and inserting in lieu thereof "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

(b)(1) Such section 752(b)(5)(A) is further amended by adding after the first sentence the following: "With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed one year or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training.".

(2) The last sentence of such section is amended by striking out "such".

(3) Section 752(b)(5)(B) is amended by striking out "other than a school of medicine, osteopathy, or dentistry" and inserting in lieu thereof "other than a school referred to in subparagraph (A)".

(c) Section 338(a) is amended by striking out "$70,000,000" and inserting in lieu thereof "$82,000,000".

SEC. 203. Section 281(c) (relating to requirements for participation of schools in area health education center programs) (42 U.S.C. 295g-1(c)) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 204. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transition provisions on area health education centers) is amended—

(1) by striking out "for the next fiscal year" and inserting in lieu thereof "for the next three fiscal years";

(2) by striking out "no payment shall be made to an entity under such a contract" and inserting in lieu thereof "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) by inserting before the period at the end thereof the following: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 205. (a) Paragraph (4) of section 788(b) (42 U.S.C. 295g–8(b)(4)) is repealed and paragraphs (5) and (6) of such section are redesignated as paragraphs (4) and (5), respectively.

(b) Subparagraph (B) of section 788(e)(2) is amended by striking out $5,000,000" and inserting in lieu thereof "$10,000,000".

SEC. 206. (a) Section 748(b)(3)(B) (42 U.S.C. 294e(b)(3)(B)) is amended (1) by striking out "or" at the end of clause (iv), (2) by striking out the period at the end of clause (v) and inserting in lieu thereof ", or", and (3) by adding after clause (v) the following:

"(vi) maternal and child health.".

(b) Section 792(a) (42 U.S.C. 295h–1(a)) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) maternal and child health.".

SEC. 207. Section 771(d)(5) (42 U.S.C. 295f–1(d)(5)) is amended by striking out "may waive (in whole or in part) application to a school of dentistry of the requirement of any paragraph of this subsection if the Secretary" and inserting in lieu thereof "may—

"(A) in the case of a school of dentistry which increased its enrollment of full-time first-year students in accordance with paragraph (3), waive (in whole or in part and under such conditions as the Secretary may prescribe) application of the requirement of subsection (a)(1) that it maintain its increased enrollment of such students, and

"(B) in the case of any school of dentistry, waive (in whole or in part) application of the requirement of any paragraph of this subsection,

if the Secretary determines".

SEC. 208. Section 401 of the Health Programs Extension Act of 1973 (42 U.S.C. 300a–7) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act, or the Development Disabilities Assistance and Bill of Rights Act may deny admission or otherwise discriminate against any applicant (including applicants for internships and residencies) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to or consistent with the applicant's religious beliefs or moral convictions.".

SEC. 209. Section 1701(b) (42 U.S.C. 300u(b)) is amended by striking out "and" after "1978," and by inserting before the period a comma and the following: $14,000,000 for the fiscal year ending September 30, 1980. $15,000,000 for the fiscal year ending September 30, 1981, and $16,000,000 for the fiscal year ending September 30, 1982".

TITLE III—PUBLIC HEALTH SERVICE ADMINISTRATION

SEC. 301. This title may be cited as the "Public Health Service Administrative Amendments of 1979".

SEC. 302. (a) Section 203 (42 U.S.C. 204) is amended by adding at the end thereof the following new sentence: "Warrant officers may be appointed to the Service for the purpose of providing support to the health and delivery systems maintained by the Service and any warrant officer appointed to the Service shall be considered for purposes of this Act and title 37, United States Code, to be a commissioned officer within the commissioned corps of the Service.".

(b) Section 205(b) (42 U.S.C. 206(b)) is amended by striking out "six" and inserting in lieu thereof "eight" and by inserting after "the Chief Dental Officer of the Service," the following: "the Chief Nurse Officer of the Service, the Chief Pharmacist Officer of the Service,".

SEC. 303. Section 205(c) (42 U.S.C. 206(c)) is amended to read as follows:

"(c)(1) The Surgeon General, with the approval of the Secretary, is authorized to create special temporary positions in the grade of Assistant Surgeons General when necessary for the proper staffing of the Service. The Surgeon General may assign officers of either the Regular Corps or the Reserve Corps to any such temporary position, and while so serving they shall each have the title of Assistant Surgeon General.

"(2) Except as provided in this paragraph, the number of special temporary positions created by the Surgeon General under paragraph (1) shall not on any day exceed 1 per centum of the highest number, during the ninety days preceding such day, of officers of the Regular Corps on active duty and officers of the Reserve Corps on active duty for more than thirty days. If on any day the number of such special temporary positions exceeds such 1 per centum limitation, for a period of not more than one year after such day, the number of such special temporary positions shall be reduced for purposes of complying with such 1 per centum limitation only by the resignation, retirement, death, or transfer to a position of a lower grade, of any officer holding any such temporary position.".

SEC. 304. (a) The third sentence of subsection (a) of section 206 (42 U.S.C. 207(a)) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Officers of the assistant grade—first lieutenant;

"(6) Officers of the junior assistant grade—second lieutenant;

"(7) Chief warrant officers of (W-4) grade—chief warrant officer (W-4);

"(8) Chief warrant officers of (W-3) grade—chief warrant officer (W-3);

"(9) Chief warrant officers of (W-2) grade—chief warrant officer (W-2); and

"(10) Warrant officers of (W-1) grade—warrant officer (W-1).".

(b) Section 206(c) (42 U.S.C. 207(c)) is repealed.

(c) The first sentence of section 206(d) (42 U.S.C. 207(d)) is amended by striking out "junior assistant grade" and inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 305. Section 207(a)(1) (42 U.S.C. 209 (a)(1)) is amended by inserting immediately after "original appointments to the Regular Corps may be made only in the" the following: "warrant officer (W-1), chief warrant officer (W-2), chief warrant officer (W-3), chief warrant officer (W-4),".

SEC. 306. Section 209(c) (42 U.S.C. 210b (c)) is amended by striking out "assistant grade" and by inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 307. (a) Section 210(d)(1) (42 U.S.C. 211(d)(1)) is amended by striking out "Officers in the junior assistant grade" and by inserting in lieu thereof the following: "Officers in the warrant officer (W-1) grade, chief warrant officer (W-2) grade, chief warrant officer (W-3) grade, chief warrant officer (W-4) grade, and junior assistant grade".

(b) Section 210(g) (42 U.S.C. 211(g) is amended—

(1) in the first sentence by striking out "an officer of the Regular Corps in the junior assistant grade" and inserting in lieu thereof the following: "an officer of the Regular Corps in the warrant officer (W-1) grade or junior assistant grade";

(2) in the second sentence by striking out "an officer of the Regular Corps in the assistant, senior assistant," and inserting in lieu thereof the following: "an officer of the Regular Corps in the chief warrant officer (W-2), chief warrant officer (W-3), assistant, senior assistant,";

(3) in paragraph (1) by striking out "if in the assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-2) or assistant grade"; and

(4) in paragraph (2) by striking out "if in the senior assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-3) or senior assistant grade".

SEC. 308. Section 211(e) (42 U.S.C. 212(e)) is amended by striking out "a part of a year of active service of six months or more shall be counted as a whole year and a part of a year of active service which is less than six months shall be disregarded" and by inserting in lieu thereof the following: " a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded".

SEC. 309. (a) Section 214(c) (42 U.S.C. 215(c)) is amended by striking out the comma immediately after "nonprofit educational research" and by inserting immediately after "Service" the following: "to any appropriate committee of the Congress or".

(b) Section 214(d) (42 U.S.C. 215(d)) is amended by inserting after the first sentence the following new sentence: "In the case of detail of personnel under subsections (b) or (c) to be paid from applicable Service appropriations, the Secretary may condition such detail on an agreement by the State, subdivision, or institution concerned that such State, subdivision, or institution concerned shall reimburse the United States for the amount of such payments made by the Service.".

SEC. 310. (a) The first sentence of section 218(b) (42 U.S.C. 218a(b)) is amended to read as follows: "Any officer whose tuition, fees, and other necessary expenses are paid pursuant to subsection (a) while attending an educational institution or training program for a period in excess of thirty days shall be obligated to pay to the Service an amount equal to two times the total amount of such tuition, fees, and other necessary expenses received by such officer during such period, and two times the total amount of any compensation received by, and any allowance paid to, such officer during such period, if after return to active service such officer voluntarily leaves the Service within (1) six months, or (2) twice the period of such attendance, whichever is greater.".

(b) The third sentence of section 218(b) (42 U.S.C. 218a(b)) is amended by striking out "reimbursement" wherever it appears and by inserting in lieu thereof the following: "payment".

SEC. 311. Section 219(c) (42 U.S.C. 219-1 (c)) is repealed.

SEC. 312. Section 221(a) (42 U.S.C. 213a(a)) is amended by adding at the end thereof the following new paragraphs:

"(12) Section 1552, Correction of military records: claims incident thereto.

"(13) Section 1553, Review of discharge or dismissal.

"(14) Section 1554, Review of retirement or separation without pay for physical disability.".

SEC. 313. (a) The table in section 201(a) of title 37, United States Code, is amended by striking out "Surgeon General." in the fourth column of such table and by inserting in such column to correspond with pay grade O-9 the following: "Surgeon General.".

(b)(1) Section 1006(a) of title 37, United States Code, is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(2) Section 1006(b) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(3) Section 1006(c) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(4) Section 1006(c) of such title is amended by inserting immediately after "members of the armed forces" the following: "or of the Public Health Service".

5) Section 1006(d) of such title is amended by inserting immediately after "from his armed force" the following: "or from the Public Health Service".

(6) Section 1006(e) of such title is amended by inserting before the period the following: "and the Public Health Service,".

(7) Section 1006(h) of such title is amended by inserting immediately after "members of an armed force" the following: "or of the Public Health Service".

(c) Section 415(d) of title 37, United States Code, is amended to read as follows:

"(d) An allowance of $250 for uniforms and equipment may be paid to each commissioned officer of the Public Health Service who is—

"(1) on active duty or on inactive duty training status; and

"(2) required by directive of the Surgeon General to wear a uniform.

An officer is not entitled to more than one allowance under this subsection.".

SEC. 314. The amendments made by sections 303, 304, 305, 306, 307, and 313 shall take effect on October 1, 1979.

And the House agree to the same.

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID E. SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
HARRISON A. WILLIAMS, Jr.,
GAYLORD NELSON,
ALAN CRANSTON,
C. PELL,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
ORRIN G. HATCH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATIONS OF APPROPRIATIONS

A. Nurse training

The Senante bill and the House amendment each provided authorizations of appropriations for programs of nurse training for fiscal year 1980 in the amount of $103 million. However, the Senate bill provided $4 million for construction authority while the House amendment provided $2 million for construction and $2 million for traineeships for the training of nurse anesthetists.

The conference substitute conforms to the House amendment (Table 1).

B. National Health Service Corps

The Senate bill contained a provision not included in the House amendment which would increase the authorization of appropriations under section 338 of the Public Health Service Act for the National Health Service Corps program from $70 million to $82 million for fiscal year 1980.

The conference substitute conforms to the Senate bill.

C. Health information and health promotion

The Senate bill provided authorizations of appropriations of $14, $15, and $16 million for fiscal years 1980, 1981, and 1982, respectively, for programs of health information and health promotion under Title XVII of the Public Health Service Act. The House amendment did not contain these provisions; however, the House had authorized identical appropriations for these programs in another House-passed measure (H.R. 3641).

The conference substitute conforms to the Senate bill.

TABLE I.—AUTHORIZATIONS OF APPROPRIATIONS FOR PROGRAMS OF NURSE TRAINING FOR FISCAL YEAR 1980

[In millions of dollars]

Authority	Fiscal year 1979 appropriation	Proposed fiscal year 1980 authorization		Fiscal year 1980 authorization, conference substitute
		Senate bill	House amendment	
Capitation	24	24.0	24.0	24.0
Advanced training	12	13.5	13.5	13.5
Nurse practitioner training	13	15.0	15.0	15.0
Special projects	15	17.0	17.0	17.0
Construction	0	4.0	2.0	2.0
Interest subsidies		1.0	1.0	1.0
Loans	13.5	13.5	13.5	13.5
Loan repayment	.75	(1)	(1)	(1)
Traineeships	13	15.0	15.0	15.0
Scholarships	9	(1)	(1)	(1)
Nurse anesthetist		0	2.0	2.0
Total	100.25	103.0	103.0	103.0

[1] No line item.

TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

The House amendment contained a provision, not included in the Senate bill, which added a new section 831 to the Public Health Service Act authorizing the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") to make grants to cover the costs of traineeships for the training of nurse anesthetists.

The conference substitute conforms to the House amendment.

The managers recognize the current need for providing support for the training of nurse anesthetists. However, adoption of this grant program at this time is intended to serve only as a short-term mechanism for the provision of financial assistance to these health practitioners. Next year, when this bill expires, it is the managers' intent that this grant program be subjected to the same review and possible revision as all other nurse training authorities.

STUDY OF FEDERAL SUPPORT FOR NURSING EDUCATION

Both the Senate bill and the House amendment require the Secretary to arrange for a study to determine the need to continue a specific program of Federal financial support for nursing education. Several minor differences occurred between the Senate bill and the House amendment. Those differences and the agreements of the conference substitute follow:

(1) Study Content: Both the Senate bill and the House amendment provide that the study shall determine the need to continue a specific program of Federal financial support for nursing education. The Senate bill also calls for recommendations regarding ways to encourage nurses to practice in medically underserved areas, and recommendations to stimulate the retention or re-entry of nurses into the nursing profession. In addition, the Senate bill provides more specific direction as to the factors which must be taken into account in conducting this study, such as the effect that increasing utilization of ambulatory care in health maintenance organizations and other settings might have on the numbers and types of nurses needed in both inpatient and outpatient services. The conference substitute conforms to the requirements of the Senate bill.

(2) Study Contractor: Both the Senate bill and the House amendment provide that the Secretary is first to request the National Academy of Sciences, acting through the Institute of Medicine, to undertake the study. If the Academy declines the request, the Secretary is to enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct the study. The Senate bill provides that arrangements with any entity other than the National Academy of Sciences may be made only after consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The conference substitute conforms to the Senate bill.

(3) Study Submittal: Both the Senate bill and the House amendment require the National Academy of Science's Institute of Medicine (or any other entity conducting the study) to submit its findings and recommendations to the Secretary. The House amendment requires simultaneous submittal of the same material to the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives. The conference substitute conforms to the House amendment.

(4) Timing of Reports: The Senate bill requires a final report to be submitted to the Congress by the Secretary not later than January 15, 1980. The House amendment requires a preliminary report within six months after formal agreements are completed between the Secretary and the National Academy of Sciences (or other appropriate entity), and a final report not later than two years from that date. The conference substitute conforms to the intent of the House amendment.

The managers are aware that studies on this same issue are currently underway in both HEW and within the nursing profession. The purpose for authorizing yet another study stems from the managers' awareness of the longstanding—and thus far unresolved—controversy between the nursing profession and the Department of HEW over the need for Federal support of nursing education programs. While all available data and recommendations regarding possible revisions to the Nurse Training Act authorities will be considered when this legislation expires, this independent study will be a particularly valuable source of information as it is designed to represent an objective assessment of the problem. The results of this study should be of enormous value to the Congress.

It is the managers' intent that the negotiations surrounding the formal agreement between the Secretary and the Academy (or other entity, in the event the Academy declines the Secretary's request) not be protracted. In view of the short time frame within which assessment must be completed, the conferees expect the agreement to be formalized within 60 days from the date of enactment of the proposed legislation, and would urge the two parties to reach agreement within a month of the date of enactment.

DEFERRAL OF SERVICE OBLIGATION FOR NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP RECIPIENTS

The Senate bill and the House amendment each contain a provision amending section 752(b)(5)(A) of the Public Health Service Act regarding the period of time which the Secretary, at the request of a medical, osteopathic, or dental school scholarship recipient, is required to defer that individual's service obligation to enable him to complete an internship, residency, or other advanced clinical training. Existing law limits such deferral to a period not to exceed 3 years. The provisions of the Senate bill, the House amendment and the conference substitute would authorize the Secretary to extend the period of deferral for such an individual beyond 3 years, if such additional deferral is consistent with the needs of the Corps.

In addition, the House amendment requires the Secretary to defer such service obligation for not less than one year for veterinarians, optometrists, podiatrists, or pharmacists who received National Health Service Corps scholarships, in order to complete their advanced clinical training. The conference substitute provides that the Secretary shall at the request of such individuals, defer their service obligation for a period of one year, or such greater time as the Secretary may authorize consistent with the needs of the Corps, for such internship, residency, or other advanced clinical training. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

FINANCIAL DISTRESS GRANTS FOR HEALTH PROFESSIONS SCHOOLS

The Senate bill and the House amendment each contain a provision amending section 788(e)(2)(B) of the Public Health Service Act increasing the maximum amount of funds authorized under section 788(e)(1) which may be obligated for financial distress grants for schools of the health professions from $5 million to $10 million. In addition, the House amendment repeals section 788(b)(4) of the Public Health Service Act which limits second and subsequent financial distress grants for health professions schools to 75 percent of the prior year grant award. The conference substitute conforms to the House amendment. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP AWARDS

The Senate bill removes all restrictions on the percentage of National Health Service Corps scholarship funds which must be used to support specific professional training. Current law provides that 90 percent of appropriated funds are to be obligated for scholarships for medical, osteopathic, and dental students, and that at least 10 percent of that 90 percent must be used to support dental students. The House amendment continues to place a restriction on the percentage of funds obligated for specific professional training by requiring that at least 9 percent of all appropriated funds be obligated for students of dentistry. The conference substitute retains existing statutory provisions. Both Committees intend to undertake a major review of the National Health Service Corps program next year during consideration of the reauthorization of the Health Professions Educational Assistance Act. This review will include, in part, an assessment of the need for the various health practitioners by the Corps. Consequently, the managers believe that any action which affects the distribution of National Health Service Corps scholarships should be postponed until that review is completed.

TRAINEESHIPS AND SPECIAL PROJECT SUPPORT FOR MATERNAL AND CHILD HEALTH

The House amendment includes maternal and child health among those disciplines within schools of public health eligible to receive traineeship and special project support under sections 748(b)(3)(B) and 792(a) of the Public Health Service Act. The Senate bill contains no similar provision. The conference substitute conforms to the House amendment.

CAPITATION SUPPORT FOR SCHOOLS OF DENTISTRY

The House amendment authorizes the Secretary to waive the maintenance of increased enrollment requirement for dental school capitation support under section 771(a)(1) of the Public Health Service Act, and to impose such other conditions as he may prescribe, when a dental school is in jeopardy of losing its accreditation if its increased enrollment is maintained. The Senate bill has no similar provision. The conference substitute conforms to the House amendment. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

PUBLIC HEALTH SERVICE ADMINISTRATION

The House amendment provides a series of amendments not contained in the Senate bill to Title II of the Public Health Service Act (Administration) to improve the management of the Commissioned Corps of the Public Health Service. The major provisions of the House amendment include: (1) Amendment of section 203 of the PHS Act to authorize the appointment of warrant officers to the Commissioned Corps of the Public Health Service; (2) Amendment of section 205 of the PHS Act to establish the positions of Chief Nurse Officer and Chief Pharmacist Officer for the Public Health Service; to include such positions among those designated as Assistant Surgeons General; and to increase from three-fourths of 1 percent, to 1 percent, the number of active duty officers of the Corps who may hold the special temporary grade of Assistant Surgeon General; (3) Repeal of section 206(c) of the PHS Act which automatically promotes any Public Health Service Division Chief to the grade of "Director" for the duration of such assignment; (4) Amendment of section 207 of the PHS Act to extend to officers of the Reserve Corps the same education and training credits currently available to officers of the Regular Corps; (5) Amendment of section 211 of the PHS Act to clarify the manner of computation of creditable service years for retirement pay; (6) Amendment of section 214 of the PHS Act to authorize the conditioning of the detail of a Commissioned Officer of the Public Health Service by requiring the entity to which the officer is detailed to reimburse the United States for the costs of that detail, and specifically include appropriate Committees of the Congress among those entities to which officers may be detailed; (7) Amendment of Section 218 of the PHS Act to require an officer to pay back two times the total of all sums paid by the Public Health Service for his training programs if he voluntarily leaves the Service following such training within either six months or twice the period of training, whichever is greater; (8) Repeal of section 219 of the PHS Act which prohibits the granting of earned annual leave between the time an officer of the Public Health Service applies for or is directed to accept retirement, separation, or release from active duty, and the actual date of such action; (9) Amendment of section 221 of the PHS Act to extend Commissioned Officers of the Public Health Service the same rights now provided for Commissioned Officers of the Army, Navy, Air Force, Marine Corps, and Coast Guard relative to: (a) correction of military records; (b) review of discharge or dismissal; and (c) review of retirement or separation without pay for physical disability; (10) Amendment of the PHS Act to add a new section 228 to prescribe the method of calculation for severance pay upon involuntary release from active duty of Reserve Corps officers of the Public Health Service, and (11) Amendment of Title 37 of the United States Code: (a) to establish the position of Surgeon General of the Public Health Service at the same level as the Surgeon General of the Army; (b) to provide the same authority for advance payment of compensation and allowances to Commissioned Officers of the Public Health Service that is currently provided for members of the Armed Forces; (c) to provide one year of credit for a Commissioned Officer of the Public Health Service who earned a masters degree before entry or reentry into active duty where such degree was required for appointment, and to provide three years of such credit for an earned doctoral degree required for appointment; and (d) to provide for a second uniform allowance to any Commissioned Officer of the Public Health Service required to wear the uniform of the United States Coast Guard.

The conference substitute conforms to the House amendment except that provisions numbered 4, 10, and 11(c) above have been deleted by the managers at the request of the Administration as being too costly. In addition, the managers agreed to delete provision number 11(d) because the managers view as inappropriate the practice of officers of the Public Health Service wearing a uniform other than that prescribed for the Public Health Service.

Harley O. Staggers,
Henry A. Waxman,
David E. Satterfield,
Richardson Preyer,
James T. Broyhill,
Tim Lee Carter,
Managers on the Part of the House.

Edward Kennedy,
Harrison A. Williams, Jr.
Gaylord Nelson,
Alan Cranston,
C. Pell,
Richard S. Schweiker,
Jacob K. Javits,
Orrin G. Hatch,
Managers on the Part of the Senate.

CONFERENCE ON S. 544, HEALTH PLANNING AND RESOURCES DEVELOPMENT OF 1979

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and resources development:

Conference Report (Rept. No. 96–420)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and resources development, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE; REFERENCES TO PUBLIC HEALTH SERVICE ACT; AND TABLE OF CONTENTS

Section 1. (a) This Act may be cited as the "Health Planning and Resources Development Amendments of 1979".

(b) Whenever in this Act (other than in subsections (j) and (k) of section 115 and subsection (a) of section 128) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

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TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

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TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

SEC. 101. (a) (1) (A) Section 1501 is amended (i) by striking out "and shall, as he deems appropriate, by regulation revise such guidelines" in subsection (a), and (ii) by adding after subsection (c) the following:

"(d) The Secretary shall, on an annual basis, review the standards and goals included in the guidelines issued under subsection (a). In conducting such a review, the Secretary shall review the health systems plans and annual implementation plans of health systems agencies and State health plans. If the Secretary proposes to revise a guideline issued under subsection (a), he shall make such revision by regulations promulgated in accordance with section 553 of title 5, United States Code.

"(e) (1) The Secretary may collect data to determine whether the health care delivery systems meet or are changing to meet the goals included in health systems plans under section 1513(b) (2) and State health plans under section 1524 and to determine the personnel, facilities, and other resources needed to meet such goals. The Secretary shall prescribe (A) the manner in which such data shall be assembled and reported to the Secretary by health systems agencies, State health planning and development agencies, and other entities, and (B) the definitions which shall be used by such agencies and entities in assembling and reporting such data.

"(2) The Secretary shall from the data collected under paragraph (1) periodically make public a (A) statement of the relationship between the goals contained in the health systems plans and the State health plans and the status of the supply, distribution, and organization of health resources with respect to which such goals were established, and (B) summary of changes (either through additions or reductions) in resources needed to meet such goals.".

(B) The amendments made by subparagraph (A) do not authorize the enactment of new budget authority before October 1, 1979.

(2) Subsection (b) (1) of section 1501 is amended by adding at the end thereof the following: "Such standards shall reflect the unique circumstances and needs of medically underserved populations in isolated rural communities.".

(3) Subsection (c) of section 1501 is amended by striking out "In issuing guidelines under subsection (a) the Secretary shall" and inserting in lieu thereof "At least 45 days before the initial publication of a regulation proposing a guideline under subsection (a) or a revision under subsection (d) of such a guideline, the Secretary shall, with respect to such proposed guideline or revision,".

(b) (1) Section 1513(b) (1) is amended by adding after and below subparagraph (F) the following: "The agency shall also assemble and report to the Secretary such data (including data on the personnel, facilities, and other resources needed to meet the goals set forth in the agency's health system plan) as the Secretary may require to carry out his responsibilities under section 1501(e). The Secretary may not require the assembling and reporting of data under this paragraph which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title.".

(2) Section 1522(b) (10) is amended by inserting after "require the State agency to" the following: "(A) assemble and report to the Secretary data (other than data which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title) which the Secretary may require to carry out his responsibilities under section 1501(e), including data on the personnel, facilities, and other resources needed to meet the goals set forth in the State health plan, and (B)".

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

SEC. 102. (a) (1) Section 1502 is amended by adding at the end the following:

"(12) The identification and discontinuance of duplicative or unneeded services and facilities.

"(13) The adoption of policies which will (A) contain the rapidly rising costs of health care delivery, (B) insure more appropriate use of health care services, and (C) promote greater efficiency in the health care delivery system.

"(14) The elimination of inappropriate placement in institutions of persons with mental health problems and the improvement of the quality of care provided those with mental health problems for whom institutional care is appropriate.

"(15) Assurance of access to community mental health centers and other mental health care providers for needed mental health services to emphasize the provision of outpatient as a preferable alternative to inpatient mental health services.

"(16) The promotion of those health services which are provided in a manner cognizant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health.".

(2) Section 1502(9) is amended by inserting before the period the following: "and the development and use of cost saving technology".

(b) Section 1503(b) (1) is amended (1) by striking out "fifteen" and inserting in lieu thereof "twenty"; (2) by inserting "the Assistant Secretary for Rural Development of the Department of Agriculture," after "Defense,"; (3) by striking out "not less than five shall be persons who are not providers of health services" and inserting in lieu thereof "not less than eight members shall be persons who are not providers of health care and those members shall include individuals who represent urban and rural medically underserved populations"; and (4) by inserting "not less than one member shall represent hospitals," after "Federal Government,".

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

SEC. 103. (a) Section 1502(a) is amended by adding after paragraph (16) (added by section 102(a)) the following new paragraph:

"(17) The strengthening of competitive forces in the health services industry wherever competition and consumer choice can constructively serve, in accordance with subsection (b), to advance the purposes of quality assurance, cost effectiveness, and access.".

(b) Section 1502 is amended (1) by inserting "(a)" after "1502.", and (2) by adding at the end the following:

"(b) (1) The Congress finds that the effect of competition on decisions of providers respecting the supply of health services and facilities is diminished. The primary source of the lessening of such effect is the prevailing methods of paying for health services by public and private health insurers, particularly for inpatient health services and other institutional health services. As a result, there is duplication and excess supply of certain health services and facilities, particularly in the case of inpatient health services.

"(2) For health services, such as inpatient health services and other institutional health services, for which competition does not or will not appropriately allocate supply consistent with health system plans and State health plans, health systems agencies and State health planning and development agencies should in the exercise of their functions under this title take actions (where appropriate to advance the purposes of quality assurance, cost effectiveness, and access and the other purposes of this title) to allocate the supply of such services.

"(3) For the health services for which competition appropriately allocates supply consistent with health systems plans and State health plans, health systems agencies and State health planning and development agencies should in the performance of their functions under this title give priority (where appropriate to advance the purposes of quality assurance, cost effectiveness, and access) to actions which would strengthen the effect of competition on the supply of such services.".

(c) Section 1513(a) is amended (1) by striking out "and" at the end of paragraph (3), (2) by inserting "and" at the end of paragraph (4), and (3) by adding after paragraph (4) the following:

"(5) preserving and improving, in accordance with section 1502(b), competition in the health service area,".

(c) Section 1532(c) is amended by adding at the end the following:

"(11) In accordance with section 1502(b), the factors which affect the effect of competition on the supply of the health services being reviewed.

"(12) Improvements or innovations in the financing and delivery of health services which foster competition, in accordance with section 1502(b), and serve to promote quality assurance and cost effectiveness.".

DESIGNATION OF HEALTH SERVICE AREAS

SEC. 104. (a) (1) Section 1511(b) (4) is amended to read as follows:

"(4) The Secretary shall review on his own initiative or at the request of any Governor or designated health systems agency the appropriateness of the boundaries of the health service areas established under paragraph (3) and, if he determines that—

"(A) the boundaries for a health service area no longer meet the requirements of subsection (a), or

"(B) the boundaries for a proposed revised health service area meet the requirements of subsection (a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts,

he shall revise the boundaries in accordance with the procedures prescribed by paragraph (3) (B) (ii). If the Secretary acts on his own initiative to revise the boundaries of any health service area, he shall consult with the Governor of the State or States which would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, and the designated health systems agency or agencies and the established Statewide Health Coordinating Council or Councils that would be affected by the revision. A Governor may request a revision of the boundaries of a health service area only after consultation with the Governor of any other State or States that would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, and the designated health systems agencies and the established Statewide Health Coordinating Council or Councils that would be affected by the revision and shall include in such request the comments concerning the proposed revision made by such individuals and entities. A designated health systems agency may request a revision of the boundaries of its health service area only after consultation with the Governor of the State or States that would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, the Statewide Health Coordinating Council of such State or States, and the health systems agencies that would be affected by the revision and shall include in such request the comments concerning the proposed revision made by such individuals and entities. No proposed revision of the boundaries of a health service area shall comprise an entire

State without the prior consent of the Governor of such State. In addition, for each proposed revision of the boundaries of a health service area, the Secretary shall give notice and an opportunity for a hearing to all interested persons and make a written determination of his findings and decision.".

(2) Not later than one year after the date of the enactment of this Act the Secretary shall by regulation prescribe criteria for the revision of health service area boundaries under section 1511(b)(4) of the Public Health Service Act (as amended by paragraph (1)).

(b) Section 1511(c) is repealed.

(c)(1) Section 1536(a) is amended by inserting "the Commonwealth of Puerto Rico," before "the Virgin Islands".

(2) Section 1531(1) is amended by striking out "and the Commonwealth of Puerto Rico".

DESIGNATION OF HEALTH SYSTEMS AGENCIES

SEC. 105. (a) Section 1515(b)(4) is amended by striking out the last sentence and inserting in lieu thereof: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval. When the Secretary enters into an agreement with an entity under paragraph (1), the Secretary shall notify the Governor of the State in which such entity is located of such agreement.".

(b) The last sentence of section 1515(c)(2) is amended to read as follows: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval.".

(c) Section 1515(c) is amended by adding after paragraph (3) the following:

"(4) Before renewing an agreement with a health systems agency under this subsection, the Secretary shall provide the State health planning and development agency of the State in which the health systems agency is located an opportunity to comment on the performance of such agency and to provide a recommendation on whether such agreement should be renewed and whether its renewal should be made subject to conditions as authorized by paragraph (3).

"(5) If the Secretary enters into an agreement under this subsection with an entity or renews such an agreement, the Secretary shall notify the Governor of the State in which such entity is located of the agreement, its renewal, and, if any conditions have been imposed under paragraph (3), such conditions.".

(d)(1)(A) Paragraphs (1) and (3) of section 1515(c) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall take effect with respect to designation agreements entered into under section 1515(c) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1515(c)(1) is amended—

(A) by inserting "(A)" after "(c)(1)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the entity is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate, under subparagraph (A)(ii), an agreement with an entity for designation as the health systems agency for a health service area, the Secretary shall—

"(i) consult with the Governor and the Statewide Health Coordinating Council of each State in which is located the health service area respecting the proposed termination,

"(ii) give the entity notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the entity is not in compliance with the agreement, and (II) the actions that the entity should take to come into compliance with the agreement, and

"(iii) provide the entity with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the entity with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the entity an opportunity for a hearing on the matter specified in the notice.".

(e) Section 1515(c) (as amended by subsection (d)) is amended by adding after clause (ii) of paragraph (1)(A) the following: "A designation agreement under this subsection may be terminated by the Secretary before the expiration of its term if the health service area with respect to which the agreement was entered into is revised under section 1511(b)(4) and the Secretary determines, after consultation with the Governor and Statewide Health Coordinating Council of each State in which the health service area (as revised) is located, that the health systems agency designated under such agreement cannot effectively carry out the agreement for the area (as revised). In terminating an agreement under the preceding sentence, the Secretary may provide that the termination not take effect before an agreement for the designation of a new agency takes effect and shall provide the agency designated under the agreement to be terminated an opportunity to terminate its affairs in a satisfactory manner.".

(f) Section 1514 is amended (1) by striking out "may" and inserting in lieu thereof "shall", and (2) by striking out "(including entities" through "section 304)".

(g) Section 1515(d) is amended (1) by inserting "agreement" after "If a designation", and (2) by inserting "or is not renewed" after "prescribed for its expiration".

(h) Section 1515(c)(3) is amended (1) by inserting "(A)" after "(3)"; (2) by inserting "during the period of the agreement to be renewed" after "section 1513"; and (3) by adding at the end thereof the following new subparagraph:

"(B) If upon a review under section 1535 of the agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1513 during the period of the agreement to be renewed or does not continue to meet the requirements of section 1512(b), he may terminate such agreement or return such agency to a conditionally designated status under subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate the agreement with such agency or enter into an agreement with such agency under paragraph (1). The Secretary may not take the action authorized by the first sentence of this subparagraph unless the Secretary has—

"(i) provided the agency with notice of his intent to return it to a conditional status or terminate the agreement with the agency and included in that notice specification of any functions which the Secretary has determined the agency did not satisfactorily fulfill and of any requirements which the Secretary has determined the agency has not met;

"(ii) provided the agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the action proposed to be taken by the Secretary; and

"(iii) in the case of a proposed termination of an agreement, consulted with the National Council on Health Planning and Development respecting the termination.".

PLANNING GRANTS

SEC. 106. (a) Section 1516 is amended by redesignating subsection (c) as subsection (d) and by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The amount of any grant under subsection (a) to a health systems agency designated under section 1515(b) shall be determined by the Secretary.

"(c)(1) Except as provided in paragraph (2), the amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) shall be the greater of the amount determined under subparagraph (A), (B), or (C) as follows:

"(A) The amount of a grant to a health systems agency shall be the lesser of—

"(i) the product of $0.60 and the population of the health service area for which the agency is designated, or

"(ii) $3,750,000.

"(B)(i) If the application of the health systems agency for such grant states that the agency, in its latest fiscal year ending before the period in which such grant will be available for obligation, collected non-Federal funds meeting the requirements of clause (ii) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(I) the amount determined under subparagraph (A) or (C), whichever is applicable, and

"(II) the lesser of the amount of such non-Federal funds or $200,000 or the product of $0.25 and the population of the health service area for which the agency is designated, whichever is greater.

"(ii) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by clause (i) shall be funds which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(C) The amount of a grant to a health systems agency may not be less than—

"(i) in the case of a grant made in the fiscal year ending September 30, 1979, $175,000 and, to the extent appropriations are specifically made after October 1, 1979, to provide the additional amount authorized by this clause, an amount which bears the same ratio to $50,000 as the number of days beginning in the period beginning on October 1, 1979, and ending on the date of the period for which the grant was made bears to 365,

(ii) $225,000 in the case of a grant made in the fiscal year ending September 30, 1980, and

"(iii) $245,000 in the case of a grant made in the fiscal year ending September 30, 1981, and

"(iv) $260,000 in the case of a grant made in any succeeding fiscal year.

(2) If the Secretary determines, after review of the budget of a health systems agency and after consultation with the State health planning and development agency of

the State in which such agency is located, that the amount of a grant which is to be made to the agency in accordance with paragraph (1) is in excess of the amount needed by the agency to adequately perform its functions under its designation agreement, the amount of the grant to the agency shall be such amount as the Secretary determines the agency needs for the performances of such functions.".

(b) Subsection (d) (as so redesignated) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Of the amount appropriated under paragraph (1) for any fiscal year, the Secretary may use not more than 5 per centum of such amount to increase the amount of grants in such fiscal year to health systems agencies under subsection (a) to assist the agencies in meeting extraordinary expenses (including extraordinary expenses resulting from any agency's health service area being located in more than one State or from an agency serving a large rural or urban medically underserved population or a geographically large health service area) which would not be covered under the amount of a grant that would be available to an agency under subsection (c) and in improving their performance as a result of the development and implementation of innovative health planning techniques.".

"(3) Notwithstanding subsection (c)(1), if the total of the amounts appropriated under paragraph (1) for any fiscal year (reduced by the amount to be retained by the Secretary for use under paragraph (2)) is less than the amount required to make grants to each health system agency designated under section 1515(c) in the amount prescribed for such agency by subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall make a pro rata reduction in the amount of the grant to each such agency, but, to the extent of available appropriations, no such agency shall receive a grant in an amount less than the amount prescribed by such subparagraph (C) for such fiscal year.".

(c) The second sentence of section 1516(a) is amended by inserting "(including submission of the health systems agency's budget)" after "such conditions".

CARRYOVER OF GRANT FUNDS

SEC. 107. (a) Section 1513(c)(3) is amended by striking out the period at the end of the fourth sentence and inserting in lieu thereof the following: "unless another grant or contract is made or entered into, in which case the funds under the first grant or contract shall remain available for the period of the second grant or contract. Funds from a first grant or contract which remain available for obligation in the period of a second grant or contract shall not be considered in determining the amount of the second grant or contract.".

(b)(1) The second sentence of section 1516(a) is amended by striking out ", and shall be available for obligation" and all that follows in such sentence and inserting in lieu thereof a period.

(2) Such section is amended by inserting after the second sentence the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, except that (1) no funds under any grant to an agency may be obligated in any period in which a designation agreement is not in effect for such agency, and (2) notwithstanding clause (1), a grant made to a conditionally designated entity with which the Secretary will not enter into a designation agreement under section 1515(c) shall be available for obligation for such additional period as the Secretary determines such entity will require to satisfactorily terminate its activities under the agreement for its conditional designation.".

(c) The second sentence of section 1525(a) is amended to read as follows: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

(d) Section 1526(c) is amended (1) by striking out "(1) such a grant" and all that follows through "(2)", and (2) by inserting at the end the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

MEMBERSHIP REQUIREMENTS

SEC. 108. (a)(1) Clause (i) of section 1512(b)(3)(C) is amended (A) by inserting "(I)" after "shall be", and (B) by striking out all after "providers of health care" and inserting in lieu thereof ", and (II) broadly representative of the health service area and shall include individuals representing the principal social, economic, linguistic, handicapped, and racial populations and geographic areas of the health service area and major purchasers of health care (including labor organizations) in the area.".

(2) The first sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "residents of" and inserting in lieu thereof "residents of, or have their principal place of business in,", (B) in subclause (I), by inserting "podiatrists, physician assistants," after "optometrists,", (C) by inserting "rehabilitation facilities," after "long-term care facilities," in subclause (II), (D) by striking out "substance abuse" in subclause (II) and inserting in lieu thereof "alcohol and drug abuse", (E) by striking out "and" at the end of subclause (IV), and (F) by inserting before the period a comma and the following: "and (VI) other providers of health care".

(3) The second sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "one-third" and inserting in lieu thereof "one-half", and (B) by inserting before the period at the end the following: "and of such direct providers of health care, at least one shall be a person engaged in the administration of a hospital".

(b)(1) Section 1512(b)(3)(C)(iii)(I) is amended by striking out "and other representatives of governmental authorities" and inserting in lieu thereof "and other representatives of units of general purpose local government".

(2) Subclause (II) of such section is amended (A) by striking out "is equal" and inserting in lieu thereof "is at least equal", and (B) by striking out "and" at the end.

(3) Such section is amended by striking out subclause (III) and inserting in lieu thereof the following:

"(III) include (through consumer and provider members) individuals who are knowledgeable about mental health services,

"(IV) if the health systems agency serves an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration, include, as a nonvoting, ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated for such purpose, and

"(V) if the agency serves an area in which there is located one or more health maintenance organizations, include at least one member who is representative of such organizations.".

(c) Section 1512(b)(3)(C) is amended by inserting after and below clause (iv) the following: "For purposes of clause (iii)(I), to be considered a representative of a unit of general purpose local government, an individual must be appointed by such unit or a combination thereof, and the State government of a State which is comprised of a single health service area shall be deemed to be a unit of general purpose local government. A member of a governing body appointed pursuant to clause (iii)(IV) shall not be considered in determining the number of members of the governing body for purposes of the numerical limit prescribed by subparagraph (A).".

(d)(1) Section 1512(b)(3)(C)(i) is amended (A) by striking out "(nor within the twelve months preceding appointment been)", and (B) by inserting "(including labor organizations and business corporations)" after "major purchasers of health care".

(2) Section 1531(3) is amended to read as follows:

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, optometrist, physician assistant, or ancillary personnel employed under the supervision of a physician) in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, rehabilitation facilities, alcohol and drug abuse treatment facilities, outpatient facilities, and health maintenance organizations) in which such case is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration;

"(B) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii) or (iv) of subparagraph (C) other than an entity described in such clause which is also an entity described in section 501(c)(3) of the Internal Revenue Code of 1954 and which does not have as its primary purpose the delivery of health care, the conduct of research, the conduct of instruction for health professionals, or the production of drugs or articles described in clause (iii) of subparagraph (C);

"(C) who receives (either directly or through the individual's spouse) more than one-fifth of his gross annual income from any one or combination of—

"(i) fees or other compensation for research into or instruction in the provision of health care,

"(ii) entities engaged in the provision of health care or in research or instruction in the provision of health care,

"(iii) producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care, or

"(iv) entities engaged in producing drugs or such other articles;

"(D) who is the member of the immediate family of an individual described in subparagraph (A), (B), or (C); or

"(E) who is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

An individual shall not be considered a provider of health care solely because the individual is the member of the governing board of an entity described in clause (ii) or (iv) of subparagraph (C).".

(e) Section 1512(b)(3)(C)(iv) is amended (1) by striking out "of its members", and (2) by adding before the period at the end a comma and the following "except that appointments shall be made to such subcommittees and groups in such a manner that a majority of their members shall be consumers of health care".

GOVERNING BODY SELECTION

SEC. 109. Section 1512(b)(3) is amended by adding after subparagraph (C) the following new subparagraph:

"(D) SELECTION.—Each health systems agency shall establish a process for the selection of the members of its governing body which process is designed to assure that (i) such members are selected in accordance with the requirements of subparagraph (C), (ii) there is the opportunity for broad participation in such process by the residents of the health service area of the agency, and (iii) the participation of such residents will be encouraged and facilitated. Such process shall prohibit the selection of more than one-half of the members of such body by members of such body. Each agency shall make public such process and report it to the Secretary. The requirements of this subparagraph shall apply with respect to the selection of members of a subarea advisory council if the council is authorized to select or selects one or more members of the governing body of a health systems agency.".

RESPONSIBILITIES OF GOVERNING BODIES

SEC. 110. (a) Section 1512(b)(3)(B)(i) is amended to read as follows:

"(i) shall be responsible for—

"(I) the internal affairs of the health systems agency, including matters relating to the staff of the agency and the agency's budget, except that the governing body for health planning of an agency which is a public regional planning body or unit of general local government shall not be responsible for the establishment of personnel rules and practices for the staff of the agency or for the agency's budget unless authorized by the planning body or unit of government, and

"(II) procedures and criteria developed and published pursuant to section 1532 and applicable to its functions under subsections (e), (f), and (g) of section 1513;".

(b) Section 1512(b)(3)(A) is amended (1) by striking out "have a governing body for health planning, which is established in accordance with subparagraph (C)," and inserting in lieu thereof "appoint a governing body for health planning in accordance with subparagraph (C)", (2) by striking out "which has exclusive" and inserting in lieu thereof "which shall have exclusive", and (3) by striking out "not more than twenty-five members" and inserting in lieu thereof "not less than ten members and not more than thirty members".

(c) Section 1512(b)(3)(B)(iv) is amended by striking out "(g), and (h)" and inserting in lieu thereof "and (g)".

(d)(1) Paragraph (4) of section 1512(b) is amended to read as follows:

"(4) LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) a health systems agency shall not, by reason of the performance of any duty, function, or activity, required of, or authorized to be undertaken by, the agency, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof) if the member of the governing body of the agency or employee of the agency who acted on behalf of the agency in the performance of such duty, function, or activity acted within the scope of his duty, function, or activity as such a member or employee, exercised due care, and acted without malice toward any person affected by it; and

"(ii) no individual member of the governing body of a health systems agency or employee of a health systems agency shall, by reason of his performance on behalf of the agency of any duty, function, or activity required of, or authorized to be undertaken by, the agency, be liable for the payment of damages under any law of the United States or any State (or political subdivision of a State) if he believed he was acting within the scope of his duty, function, or activity as such a member or employee, and, with respect to such performance, acted without gross negligence or malice toward any person affected it.

"(B) EXCEPTION.—Subparagraph (A) does not apply with respect to civil actions for bodily injury to individuals or physical damages to property brought against a health systems agency or any member of the governing body of or employee of such an agency.".

(2) Section 1524 is amended by adding at the end thereof the following new subsection:

"(d) No individual who as a member or employee of a SHCC shall, by reason of his performance of any duty, function, or activity required of, or authorized to be undertaken by, the SHCC, be liable for payment of damages under any law of the United States or any State (or political subdivision of a State) if he believed he was acting within the scope of his duty, function, or activity as such a member or employee, and acted, with respect to that performance, without gross negligence or malice toward any person affected by it.".

(e)(1) The first sentence of section 1512(b)(3)(A) is amended by striking out "to perform for the agency" and inserting in lieu thereof "to perform".

(2)(A) Section 1512(b)(3)(B)(ii) is amended by inserting before the semicolon the following: "and in the case of a health systems agency which is a public regional planning body or unit of general local government, the planning body or unit of government shall be given, in accordance with sections 1513(b)(2) and 1513(b)(3), a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the governing body and to propose additions to and other revisions in it".

(B) The amendment made by subparagraph (A) shall not apply with respect to a health systems agency for which a designation under section 1515 of the Public Health Service Act was in effect on January 1, 1979, and which is a unit of general local government.

(3) Clauses (iii) and (iv) of section 1512(b)(3)(B) are each amended by striking out "approval" and inserting in lieu thereof "approval or disapproval".

(4) Section 1513(b)(2) is amended by adding at the end the following: "If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed HSP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the HSP established by the agency shall be appended to the HSP. If the goals contained in the HSP are not consistent with guidelines issued by the Secretary under section 1501, it shall provide the State health planning and development agency and the Secretary with a detailed statement of the reasons for the inconsistency between such goals and guidelines. When making such HSP available to a Statewide Health Coordinating Council under section 1524(c)(2)(A), the agency shall also report such statement to such Council.".

(f) Section 1513(a) is amended by adding after the first sentence the following: "None of the funds authorized to be appropriated under this title may be used by a health systems agency directly to pay any individual to influence the issuance, amendment, or revocation of any Executive order or regulation by any Federal, State, or local chief executive officer or agency or to influence the passage, amendment or defeat of any legislation by the Congress or by any State or local legislative body. The preceding sentence does not apply with respect to compensation paid by a health systems agency to an employee of the agency unless the primary responsibility of the employee for the agency is to influence such governmental action.".

MEETINGS AND RECORDS

SEC. 111. (a) Section 1512(b)(3)(B)(viii) is amended by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the agency (other than any part of a meeting in which it is likely, as determined by the governing body, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and inserting in lieu thereof "records and data of the agency (other than records or data respecting the performance or remuneration of an employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee and records or data of the agency relating to its participation in a judicial proceeding)".

(b)(1) Section 1512(b)(6)(A) is amended by inserting after "such information" the following: "(other than information respecting the performance or remuneration of an employee of the agency the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee or information relating the agency's participation in a judicial proceeding)".

(2) Section 1512(b)(6) is amended by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D) and by adding before subparagraph (B) (as so redesignated) the following:

"(A) provide that any executive committee of the agency and any entity appointed by the governing body or executive committee of the agency shall (i) hold in public meetings to conduct the business of the committee or entity (other than any part of a meeting in which it is likely, as determined by the executive committee or entity, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating the agency's participation in a judicial proceeding will be disclosed), and (ii) give adequate notice of its meetings to those persons who have requested such notice;".

(c) Section 1522(b)(6) is amended (1) by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the State Agency (other than any part of a meeting in which it is likely, as determined by the State Agency, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and inserting in lieu thereof "records and data of the agency (other than records or data respecting the performance or remuneration of an employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee and records or data of the agency relating to its participation in a judicial proceeding)".

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

SEC. 112. (a) Section 1512(b)(3) is amended by adding after subparagraph (D) (added by section 109 of this Act) the following new subparagraph:

"(E) SUPPORT.—Each health systems agency shall have an identifiable program of providing assistance to the members of its governing body, executive committee (if any), and any entity appointed by the governing body or executive committee in making decisions for the agency, and shall include in such program means to determine the support needs of the members and to provide for meeting those needs (including the provision of training and continuing education).".

(b) Section 1512(b) (3) (B) (vi) is amended (1) by striking out "reimburse" and inserting in lieu thereof "reimburse (or when appropriate make advances to)", and (2) by inserting "and performing any other duties and functions of the health systems agency" after "governing body".

(c) Section 1512(b) (2) (A) is amended by adding at the end the following: "At least one member of the staff shall be designated to have the responsibility of providing the members of the governing body of an agency (particularly the consumer members) with such information and technical assistance as they may require to effectively perform their functions.".

CONFLICTS OF INTEREST

SEC. 113. (a) Section 1512(b) (3) is amended by adding after subparagraph (E) (added by section 112 of this Act) the following new subparagraph:

"(F) CONFLICTS OF INTEREST.—No member of a governing body, executive committee, or any entity appointed by a governing body, or executive committee may, in the exercise of any function of the agency described in subsection (e), (f), or (g) of section 1513, vote on any matter before the governing body, executive committee, or any such entity respecting any individual or entity with which such member has (or, within the twelve months preceding the vote, had) any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. A governing body, executive committee, and any entity appointed by a governing body or executive committee shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the governing body, committee, or entity to make a written disclosure of such relationship before any action is taken by the body, committee, or entity with respect to such matter in the exercise of any function of the agency described in section 1513 and to make such relationship public in any meeting in which such action is to be taken.".

(b) Section 1524 is amended by adding at the end the following new subsection:

"(d) No member of any SHCC may, in the exercise of any function of the SHCC described in subsection (c) (6), vote on any matter before the SHCC respecting any individual or entity with which such member has (or, within the twelve months preceding the vote, had) any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. Each SHCC shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the SHCC to make a written disclosure of such relationship before any action is taken by the SHCC with respect to such matter in the exercise of any function under subsection (c) and to make such relationship public in any meeting in which such action is to be taken.".

STAFF EXPERTISE

SEC. 114. Section 1512(b) (2) (A) is amended (1) by striking out "health resources" in the first sentence and inserting in lieu thereof "health (including mental health) resources", (2) by striking out "and" after "health planning," in such sentence, (3) by inserting before the period in such sentence a comma and the following: "(v) financial and economic analysis, and (vi) prevention of disease and other public health matters", and (4) by striking out "health resources" in the second sentence and inserting in lieu thereof "health (including mental health) resources".

HEALTH PLAN REQUIREMENTS

SEC. 115. (a) Section 1524(c) (1) is amended by striking out "Review" and inserting in lieu thereof "Establish (in consultation with the health systems agencies in the State and the State Agency) a uniform format for HSP's and review".

(b) (1) Section 1513(b) (2) (A) is amended by inserting '(primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities, and other providers of health care and to other health resources)" after "healthful environment".

(2) Section 1513 (b) (2) is amended (A) by striking out "establish" in the first sentence and inserting in lieu thereof "establish (in accordance with the format established pursuant to section 1524(c) (1))", and (B) by inserting after the first sentence the following: "The HSP of the agency shall include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure under which persons (acting as an advisory group or subcommittee appointed by the agency or, if the agency requests and is authorized by the Secretary to use an existing group, acting as part of such a group) knowledgeable about such services (including services for alcohol and drug abuse) will be consulted with respect to such goals.".

(3) Section 1522(b) (7) is amended (A) by striking out "and" at the end of clause (A), and (B) by inserting before the period the following: ", and (C) provide for consultation and coordination (in accordance with regulations of the Secretary) between the State Agency, the Statewide Health Coordinating Council, the State mental health authority, and other agencies of the State government designated by the Governor".

(c) (1) (A) Section 1523(a) (1) is amended by inserting "(A)" after "(1)" and by inserting before the period a comma and the following: "and (B) determine the statewide health needs of the State after providing reasonable opportunity for the submission of written recommendations respecting such needs by the State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor for the purpose of making such recommendations, and after consulting with the Statewide Health Coordinating Council".

(B) Section 1523(a) (2) is amended (i) by striking out "statewide health needs" and inserting in lieu thereof "statewide health needs determined under paragraph (1) (B)", and (ii) by inserting after the first sentence the following: "In carrying out its functions under this paragraph, the State Agency shall refer the HSP's to the State health authority, the State mental health authority, and other agencies of the State government (designated by the Governor to make the review prescribed by this sentence) to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements.".

(C) Subsection (a) of section 1523 is amended by adding after and below the last paragraph the following: "If in determining the statewide health needs under paragraph (1) (B) or in preparing or revising a preliminary State health plan under paragraph (2) the State Agency does not take an action proposed in a recommendation submitted under the applicable paragraph, the State Agency shall when publishing such needs or health plan make available to the public a written statement of its reasons for not taking such action.".

(D) Section 1524(c) (2) is amended (i) by inserting "as determined by the State Agency of the State" after "statewide health needs" each place it occurs, and (ii) by inserting at the end of subparagraph (B) the following: "If in preparing or revising the State health plan the SHCC does not take an action proposed in a recommendation submitted under section 1523(a) (1) (B), the SHCC shall when publishing such plan make available to the public a written statement of its reasons for not taking such action.".

(2) Section 1513(b) (2) is amended (A) by striking out "and" after "resources of the area;", (B) by striking out "resources" and inserting in lieu thereof "resources (including entities described in section 1532(c) (7))", and (C) by inserting before the period at the end of the first sentence a semicolon and the following: "(D) which are responsive to statewide health needs as determined by the State health planning and development agency".

(d) (1) The first sentence of section 1513 (b) (2) (as amended by subsection (c) (2)) is further amended by inserting before the period at the end a semicolon and the following: "(E) which describe the institutional health services (as defined in section 1531 (5)) needed to provide for the well-being of persons receiving care within the health service area, including, at a minimum, acute inpatient (including psychiatric inpatient, obstetrical inpatient, and neonatal inpatient), rehabilitation, and long-term care services; and (F) which describe other health services needed to provide for the well-being of persons receiving care within the health services area, including, at a minimum, preventive, ambulatory, and home health services and treatment for alcohol and drug abuse".

(2) Section 1513(b) (2) is amended by adding after the sentence added by subsection (b) (2) the following: "The HSP shall describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the HSP and shall state the extent to which existing health care facilities are in need of modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired.".

(3) Section 1524(c) (2) (A) is amended by adding after the second sentence the following new sentences: "The plan shall also describe the institutional health services (as defined in section 1531(5)) needed to provide for the well-being of persons receiving care within the State, including, at a minimum, acute inpatient (including psychiatric inpatient, obstetrical inpatient, and neonatal inpatient), rehabilitation, and long-term care services; and also describe other health services needed to provide for the well-being of persons receiving care within the State, including, at a minimum, preventive, ambulatory, and home health services and treatment for alcohol and drug abuse. The plan shall also describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the plan and shall state the extent to which existing health care facilities are in need of modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired."

(e) Section 1513(b) (3) is amended (1) by inserting after "goals of the HSP" in the first sentence the following "(as stated in the HSP of the agency or, if revised under section 1524 (c) (2) (A) when included in the State health plan, as so revised)", and (2) by adding at the end the following "The AIP shall include a statement of the personnel, facilities, and other resources which the agency determines are required to meet the objectives described pursuant to the first sentence. The AIP shall be established, annually reviewed, and amended in accordance with the procedures set forth in the last two sentences of paragraph (2). If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed AIP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the AIP approved by the agency shall be appended to the AIP.".

(f) Section 1513(b)(2)(C) is amended by striking out "and is consistent with".

(g) Section 1524(c)(2) is amended by adding at the end the following:

"(C) The State health plan or any revised State health plan approved by the SHCC shall be the State health plan for the State for purposes of this title after it is approved by the Governor of the State. The State health plan for a State may be disapproved by the Governor of the State only if the Governor determines that the plan does not effectively meet the statewide health needs of the State as determined by the State Agency for the State. In disapproving a State health plan, a Governor shall make public a detailed statement of the basis for the determination that the plan does not meet such needs and shall specify the changes in the plan which the Governor determines are needed to meet such needs. Subparagraph (B) does not apply to the preparation of revisions of a State health plan disapproved by a Governor.

"(D) In carrying out its functions with respect to the goals and resource requirements for mental health services of the State health plan, the SHCC may establish a procedure under which persons (acting as or as part of an advisory group or subcommittee appointed by the SHCC) knowledgeable about mental health services (including services for alcohol and drug abuse) will have the opportunity to make recommendations to the SHCC respecting such services.

"(E) The State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor, shall carry out those parts of the State health plan which relate to the government of the State.

"(F) If a State health plan as required by this subsection is not in effect for a State, the Secretary may not make any grant under section 1525 to the State Agency for such State.".

(h) Section 1513(c)(2) is amended (1) by striking out "may" and inserting in lieu thereof "shall", and (2) by inserting "in obtaining and filling out the necessary forms and may provide other technical assistance" after "technical assistance".

(i)(1)(A) The first sentence of section 1513(b)(2) is amended by striking out "annually" and inserting in lieu thereof "triennially".

(B) The second sentence of section 1513(b)(2) is amended by striking out "Before establishing an HSP" and inserting in lieu thereof "Before establishing or amending an HSP and in its review of an HSP".

(2) The first sentence of section 1523(a)(2) and the first sentence of section 1524(c)(2)(A) are each amended by striking out "and review and revise as necessary (but at least annually)" and inserting in lieu thereof ", review at least triennially, and revise as necessary".

(3) Section 1524(c)(1) (as amended by subsection (a)) is amended by striking out "review annually and coordinate the HSP and AIP" and inserting in lieu thereof "review and coordinate at least triennially the HSP and review at least annually the AIP".

(4) The third sentence of section 1524(c)(2)(A) is amended by striking out "for each year".

(j)(1) Section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding after and below paragraph (16) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(2) Section 409(e) of the Drug Abuse Office and Treatment Act of 1972 is amended by adding after and below paragraph (13) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(k)(1) Section 237(a) of the Community Mental Health Centers Act is amended in the matter preceding paragraph (1) by inserting "shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act and" before "shall be".

(2) Paragraph (2)(D)(iv) of section 314 of the Public Health Service Act (as so redesignated by section 128(b)) is amended by striking out "a plan" and inserting in lieu thereof "a plan which is consistent with the State health plan in effect for the State under section 1524(c) and".

CRITERIA AND PROCEDURES FOR REVIEWS

SEC. 116. (a)(1) The first sentence of section 1532(a) is amended (A) by striking out "; and in performing" and inserting in lieu thereof "; in performing", and (B) by inserting before the period a semicolon and the following: "and in performing its review functions a Statewide Health Coordinating Council shall (except to the extent approved by the Secretary) follow procedures and apply criteria developed and published by the Council in accordance with regulations of the Secretary".

(2) The second sentence of such section is amended by striking out "and State Agencies" and inserting in lieu thereof ", State Agencies, and Statewide Health Coordinating Councils"

(b)(1) Subsections (b) and (c) of section 1532 are each amended—

(A) by striking out "agency and State Agency" each place it occurs (other than in paragraph (11) of subsection (b)) and inserting in lieu thereof "agency, State agency, and Statewide Health Coordinating Council", and

(B) by striking out "agency or State Agency" each place it occurs and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(2) Subsection (b)(4) of such section is amended by striking out "agency or a State Agency" and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(3) Section 1532(c)(1) is amended by striking out "HSP and AIP" and inserting in lieu thereof "HSP, AIP, and State health plan".

(c) Section 1532(a) is amended by adding at the end the following: "Health systems agencies, the State Agency, and, if appropriate, the Statewide Health Coordinating Council within each State shall cooperate in the development of procedures and criteria under this subsection to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.".

(d)(1)(A) Section 1532(b)(1) is amended (i) by striking out "Written" and inserting in lieu thereof "Timely written", and (ii) by inserting before the period "and, if a person has asked the entity conducting the review to place the person's name on a mailing list maintained by the entity, such notification shall be sent to such person".

(B) Section 1532(b)(7) is amended by striking out "Notification" and inserting in lieu thereof "Timely notification".

(2) Section 1532(b)(2) is amended by adding at the end the following: "If, after a review has begun, a State Agency, health systems agency, or Statewide Health Coordinating Council requires, in accordance with paragraph (3), the person subject to the review to submit information respecting the subject of the review, such person shall be provided at least fifteen days to submit the information."

(3) Section 1532(b) is amended by adding after paragraph (11) the following new paragraph:

"(12) The following procedural requirements with respect to proceedings under a certificate of need program:

"(A) Hearings under a certificate of need program shall be held before a State Agency or a health systems agency to which the State Agency has delegated the authority to hold such a hearing. In a hearing under the program, any person shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the matter which is the subject of the hearing, any person directly affected by the matter which is the subject of the hearing may conduct reasonable questioning of persons who make factual allegations relevant to such matter, and a record of the hearing shall be maintained. The requirements of this subparagraph do not apply to hearings held by a health systems agency in the performance of a review under section 1513(f).

"(B) Any decision of a State Agency to issue or to not issue a certificate of need or to withdraw a certificate of need shall be based solely (i) on the review of the State Agency conducted in accordance with procedures and criteria it has adopted in accordance with this section and regulations promulgated under this section, and (ii) on the record established in administrative proceedings held with respect to the application for such certificate or the Agency's proposal to withdraw the certificate, as the case may be. Any decision of a State Agency to approve or disapprove an application for an exemption under section 1527(b) shall be based solely on the record established in the administrative proceedings held with respect to the application.

"(C)(i) The State Agency shall establish the period within which approval or disapproval by the State Agency of applications for certificates of need and for exemptions under section 1527(b) shall be made. If, after a review has begun by the State Agency, the State Agency or health systems agency requires, in accordance with section 1532(b)(3), an applicant to submit information respecting the subject of the review, the period prescribed pursuant to the preceding sentence shall, at the request of the applicant, be extended fifteen days.

"(ii) If the State Agency fails to approve or disapprove an application within the applicable period under clause (i), the applicant may, within a reasonable period of time following the expiration of such period, bring an action in an appropriate State court to require the State Agency to approve or disapprove the application.

"(D) The program shall provide that each decision of the State Agency to issue, not to issue, or to withdraw a certificate of need or to approve or disapprove an application for an exemption under section 1527(b) shall, upon request of any person directly affected by such decision, be administratively reviewed under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies or, if there is no such State law, by an entity (other than the State Agency) designated by the Governor.

"(E) Any person adversely affected by a final decision of a State Agency with respect to a certificate of need or an application for an exemption under section 1527(b) and a health systems agency if the decision respecting the certificate of need is inconsistent with a recommendation made by the agency to the State Agency with respect to the certificate of need may, within a reasonable period of time after such decision is made (and any administrative review of it completed), obtain judicial review of it in an appropriate State court. The decision of the State Agency shall be affirmed upon such judicial review unless it is found to be arbitrary or capricious or not made in compliance with applicable law.

"(F) There shall be no ex parte contacts—

"(i) in the case of an application for a certificate of need, between the applicant for the certificate of need, any person acting on behalf of the applicant, or any person opposed to the issuance of a certificate for the applicant and any person in the State Agency who exercises any responsibility respecting the application after the commencement of a hearing on the applicant's application and before a decision is made with respect for it; and

"(ii) in the case of a proposed withdrawal of a certificate of need, between the holder of the certificate of need, any person acting on behalf of the holder, or any person in favor of the withdrawal and any person in the State Agency who exercises responsibility respecting withdrawal of the certificate after commencement of a hearing on the Agency's proposal to withdraw the certificate of need and before a decision is made on withdrawal.

The requirements of this paragraph are in addition to the requirements of the other paragraphs of this subsection and may as appropriate, apply to other review programs.".

(e) Section 1532(b) is amended by adding after paragraph (12) (added by subsection (d)) the following new paragraph:

"(13)(A) In the case of reviews by health systems agencies under section 1513(f) and by State Agencies under paragraphs (4) and (5) of section 1523(a)—

"(i) provision for applications to be submitted in accordance with a timetable established by the reviewing agency,

"(ii) provision for such reviews to be undertaken in a timely fashion, and

"(iii) provision for all completed applications pertaining to similar types of services, facilities, or equipment affecting the same health service area to be considered in relation to each other (but no less often than twice a year).

"(B) In the case of reviews by health systems agencies under section 1513(g) and by State Agencies under paragraph (6) of section 1523(a), provision for reviews of similar types of institutional health services affecting the same health service area to be considered in relation to each other."

(f) Section 1532(c)(6) is amended to read as follows:

"(6) In the case of health services proposed to be provided—

"(A) the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services,

"(B) the effect of the means proposed for the delivery of such services on the clinical needs of health professional training programs in the area in which such services are to be provided,

"(C) if such services are to be available in a limited number of facilities, the extent to which the health professions schools in the area will have access to the services for training purposes,

"(D) the availability of alternative uses of such resources for the provision of other health services, and

"(E) the extent to which such proposed services will be accessible to all the residents of the area to be served by such services.".

(g)(1) Section 1532(c)(9)(B) is amended by inserting "and on the costs and charges to the public of providing health services by other persons" after "construction project".

(2) Section 1532(c) (as amended by section 103(c)) is amended by adding at the end the following:

"(13) In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed.".

"(14) In the case of existing services or facilities, the quality of care provided by such services or facilities in the past.".

(h) Section 1532(a) is amended by adding after the sentence added by subsection (c) the following: "The Secretary shall review at least annually regulations promulgated under this section and provide opportunity for the submission of comments by health systems agencies, State Agencies, and Statewide Health Coordinating Councils on the need for the revision of such regulations. At least forty-five days before the initial publication of a regulation proposing a revision in a regulation of the Secretary under this section, the Secretary shall, with respect to such proposed revision, consult with and solicit the recommendations from health systems agencies, State Agencies, and Statewide Health Coordinating Councils."

(i)(1) Section 1532(b)(3) is amended by adding at the end the following: "Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to asssure that requests for information in connection with a review under this title are limited to only that information which is necessary for the agency, State Agency, or Statewide Health Coordinating Council to perform the review.".

(2) Section 1532(b)(10) is amended by striking out "pertinent" and inserting in lieu thereof "essential".

CERTIFICATE OF NEED PROGRAMS

SEC. 117. (a) Part C of title XV is amended by adding at the end the following:

"CERTIFICATE OF NEED PROGRAM

"SEC. 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall, in accordance with this section, provide for the following:

"(1) Review and determination of need under such program for—

"(A) major medical equipment and institutional health services, and

"(B) capital expenditures, shall be made before the time such equipment is acquired, such services are offered, substantial expenditures are undertaken in preparation for such offering, or capital expenditures are obligated.

"(2) The acquisition and offering of only such equipment and services as may be found by the State Agency to be needed; and the obligation of only those capital expenditures found to be needed by the State Agency. Except as otherwise authorized by this section, review under the program of an application for a certificate of need may not be made subject to any criterion and the issuance of a certificate of need may not be made subject to any condition unless the criterion or condition directly relates to—

"(A) criteria prescribed by section 1532(c),

"(B) criteria prescribed by regulations of the Secretary promulgated under section 1532 (a) before the date of the enactment of the Health Planning and Resources Development Amendments of 1979, or

"(C) criteria prescribed by regulation by the State Agency in accordance with an authorization prescribed by State law.

The Secretary may not require a State to include in its program any criterion in addition to criteria described in subparagraphs (A) and (B).

"(3) An application for a certificate of need for an institutional health service, medical equipment, or a capital expenditure shall specify the time the applicant will require to make such service or equipment available or to obligate such expenditure and a timetable for making such service or equipment available or obligating such expenditure. After the issuance of a certificate of need, the State Agency shall periodically review the progress of the holder of the certificate in meeting the timetable specified in the approved application for the certificate. If on the basis of such a review the State Agency determines that the holder of a certificate is not meeting such timetable and is not making a good faith effort to meet it, the State Agency may, after considering any recommendation made by the health systems agency which received a report from the State Agency on such review, withdraw the certificate.

"(4) In issuing a certificate of need, the State shall specify in the certificate the maximum amount of capital expenditures which may be obligated under such certificate. The program shall, in accordance with regulations promulgated by the Secretary, prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditures obligated or expected to be obligated for the project exceed the maximum specified in the certificate of need.

"(5) The program shall provide that (A) the requirements of section 1532 shall apply to proceedings under the program, and (B) each decision to issue a certificate of need (i) may only be issued by the State Agency, and (ii) shall, except in emergency circumstances that pose a threat to public health, be consistent with the State health plan in effect for such State under section 1524(c).

"(b)(1) Under the program a State shall not require a certificate of need for the offering of an inpatient institutional health service or the acquisition of major medical equipment or the obligation of a capital expenditure for the provision of an inpatient institutional health service by—

"(A) a health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least 50,000 individuals, (ii) the facility in which the service will be provided is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization or organizations in the combination;

"(B) a health care facility which (i) primarily provides inpatient health services, (ii) is controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least 50,000 individuals, (iii) the facility is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization or organizations in the combination, or

"(C) a health care facility (or portion thereof) which (i) is leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least 50,000 individuals and on the date the application is submitted under paragraph (2) at least fifteen years remain in the term of the lease, (ii) the facility is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization.

if, with respect to such offering, acquisition, or obligation, the State Agency has, upon application under paragraph (2), granted an exemption from such requirement to the organization, combination of organizations, or facility.

"(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under paragraph (1) from obtaining a certificate of need before offering an institutional health service, acquiring major medical equipment, or obligating capital expenditures unless—

"(A) it has submitted, at such time and in such form and manner as the State Agency shall prescribe, an application for such exemption,

"(B) the application contains such information respecting the organization, combination, or facility and the proposed offering, acquisition, or obligation as the State Agency may require to determine if the organization, combination, or facility meets the requirements of paragraph (1), and

"(C) the State Agency approves such application.

"(3) Notwithstanding subsection (d), a health care facility (or any part thereof) or medical equipment with respect to which an exemption was granted under paragraph (1) may not be sold or leased and a controlling interest in such facility or equipment or in a lease of such facility or equipment may not be acquired and a health care facility described in subparagraph (C) of paragraph (1) which was granted an exemption under paragraph (1) may not be used by any person other than the lessee described in such subparagraph unless—

"(A) the State Agency issues a certificate of need approving the sale, lease, acquisition, or use, or

"(B) the State Agency determines, upon application, that (i) the entity which the facility or equipment is proposed to be sold or leased or which intends to acquire the controlling interest is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of clause (i) of subparagraph (A) of paragraph (1) and (ii) with respect to such facility or equipment, the entity meets the requirements of clauses (ii) and (iii) of such subparagraph (A).

"(4) Under the program a State may apply its certificate of need requirements to the institutional health services, major medical equipment, and capital expenditures of a health maintenance organization or of a health care facility which is controlled, directly or indirectly, by a health maintenance organization only to the extent that the organization or facility is not exempt under paragraph (1) and then only to the offering of inpatient institutional health services, the acquisition of major medical equipment, and the obligation of capital expenditures.

"(5) Notwithstanding section 1532(c), if a health maintenance organization or a health care facility which is controlled, directly or indirectly, by a health maintenance organization apply for a certificate of need, such application shall be approved by the State Agency if the State Agency finds (in accordance with criteria prescribed by the Secretary by regulation) that—

"(1) approval of such application is required to meet the needs of the members of the health maintenance organization and of the new members which such organization can reasonably be expected to enroll, and

"(2) the health maintenance organization is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable and cost-effective manner which is consistent with the basic method of operation of the organization and which makes such services available on a long-term basis through physicians and other health professionals associated with it.

Except as provided in subsection (b) and notwithstanding subsection (d), a health care facility (or any part thereof) or medical equipment with respect to which a certificate of need was issued under this subsection may not be sold or leased and a controlling interest in such facility or equipment or in a lease of such facility or equipment may not be acquired unless the State Agency issues a certificate of need approving the sale or acquisition or lease.".

"(c) Notwithstanding section 1532(c), an application for a certificate of need for a capital expenditure which is required—

"(1) to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations,

"(2) to comply with State licensure standards, or

"(3) to comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the Social Security Act or payments under a State plan for medical assistance approved under title XIX of such Act,

shall be approved unless the State Agency finds that the facility or service with respect to which such capital expenditure is proposed to be made is not needed or that the obligation of such capital expenditure is not consistent with the State health plan in effect under section 1524. An application for a certificate of need approved under this subsection shall be approved only to the extent that the capital expenditure is required to eliminate or prevent the hazards described in paragraph (1) or to comply with the standards described in paragraph (2) or (3).

"(d)(1) Under the program a certificate of need shall, except as provided in subsection (b), be required for the obligation of a capital expenditure to acquire (either by purchase or under lease or comparable arrangement) an existing health care facility if—

"(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(B) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the services or bed capacity of the facility will be changed in being acquired.

"(2) Before any person enters into a contractual arrangement to acquire an existing health care facility which arrangement will require the obligation of a capital expenditure, such person shall notify the State Agency of the State in which such facility is located of such person's intent to acquire such facility and of the services to be offered in the facility and its bed capacity. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the facility with respect to which the notice is given.

"(e)(1)(A) Except as provided in subsection (b) and subparagraph (B), under the program a certificate of need shall not be required for the acquisition of major medical equipment which will not be owned by or located in a health care facility unless—

"(i) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(ii) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services for inpatients of a hospital

"(B) The certificate of need program of a State may include a requirement for a certificate of need for an acquisition of major medical equipment which requirement is in addition to the requirement for a certificate of need established by subparagraph (A), except that after September 30, 1982, the certificate of need program of a State may not be changed to include any such additional requirement.

"(2) Before any person enters into a contractual arrangement to acquire major medical equipment which will not be owned by or located in a health care facility, such person shall notify the State Agency of the State in which such equipment will be located of such person's intent to acquire such equipment and of the use that will be made of the equipment. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.

"(3) For purposes of this subsection, donations and leases of major medical equipment shall be considered acquisitions of such equipment, and an acquisition of medical equipment through a transfer of it for less than fair market value shall be considered an acquisition of major medical equipment if its fair market value is at least $150,000.

"(f) Notwithstanding section 1532(c), when an application is made by an osteopathic or allopathic facility for a certificate of need to construct, expand, modernize, acquire major medical equipment, or add services, the need for that construction, expansion, modernization, acquisition of equipment, or addition of services shall be considered on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. The State Agency shall consider the application in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels.

"(g) In approving or disapproving applications for certificates of need or in withdrawing certificates of need under such a program, a State Agency shall take into account recommendations made by health systems agencies within the State under section 1513(f).".

(b)(1) Section 1523(a)(4)(B) is amended (A) by striking out "new institutional health services proposed to be offered or developed within the State" and inserting in lieu thereof "the obligation of capital expenditures within the State and the offering within the State of new institutional health services and the acquisition of major medical equipment", and (B) by striking out "which is satisfactory to the Secretary" and inserting in lieu thereof "which is consistent with standards established by the Secretary by regulation".

(2) The second sentence of section 1523(a)(4) is amended to read as follows: "A certificate of need program shall provide for procedures and penalties to enforce the requirements of the program."

(3) Section 1531 is amended (i) by striking out "For purposes of this title" and inserting in lieu thereof "Except as otherwise provided, for purposes of this title", and (ii) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of sections 1523 and 1527, the term 'capital expenditure' means an expenditure—

"(A) made by or on behalf of a health care facility (as such a facility is defined in regulations prescribed under paragraph (5)); and

"(B)(i) which (I) under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or (ii) is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and "(ii) which (I) exceeds the expenditure minimum (II) substantially changes the bed capacity of the facility with respect to which the expenditure is made, or (III) substantially changes the services of such facility. For purposes of subparagraph (B)(ii)(I), the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure described in subparagraph (B)(i) is made shall be included in determining if such expenditure exceeds the expenditure minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under section 1527 shall be considered capital expenditures for purposes of sections 1523 and 1527, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of such sections if a transfer of the equipment or facilities at fair market value would be subject to review under section 1527. For purposes of this paragraph, the term 'expenditure minimum' means $150,000 for the twelve-month period beginning with the month in which this paragraph is enacted and for each twelve-month period thereafter, $150,000 or, at the discretion of the State, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in an index maintained or developed by the Department of Commerce and designated by the Secretary by regulation for purposes of making such adjustment.

"(7) For purposes of sections 1523 and 1527, the term 'major medical equipment' means medical equipment which is used for the provision of medical and other health services and which costs in excess of $150,000, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861(s) of such Act. In determining whether medical equipment has a value in excess of $150,000, the value of studies, surveys, designs, plans, working drawings, specifications, other activities essential to the acquisition of such equipment shall be included.

"(8) The term 'health maintenance organization' means a public or private organization, organized under the laws of any State, which—

"(A) is a qualified health maintenance organization under section 1310(d); or

"(B)(i) provides or otherwise makes available to enrolled participants health care services, including at least the following basic health care services: usual physician services, hospitalization, laboratory, X-ray, emergency and preventive services, and out of area coverage; (ii) is compensated (except for copayments) for the provision of the basic health care services listed in clause (i) to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health care services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and (iii) provides physicians' services primarily (I) directly through physicians who are either employees or partners of such organization, or (II) through arrangements with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis).".

(4)(A) Section 1522(b)(13) is amended (i) by striking out "(3),", (ii) by inserting "in a timely manner" after "reviewed" in subparagraph (A), and (iii) by inserting after "agencies," in subparagraph (A) the following: "or, if there is no such State law,".

(B) Section 1522(b)(13)(B) is amended by inserting "under subparagraph (A)" after "the reviewing agency".

(5) Section 1532(c)(8) is amended by striking out "for which assistance may be provided under title XIII".

(c) The Comptroller General shall conduct an evaluation of the exemption authority provided by section 1527(b) of the Public Health Service Act. In conducting the evaluation, the Comptroller General shall determine—

(1) the health maintenance organizations, combinations of health maintenance organizations, and health care facilities which have applied to receive an exemption under that section,

(2) the services, facilities, and equipment with respect to which applications have been submitted under that section,

(3) the impact of the exemption on existing contractual arrangements between health maintenance organizations and health care facilities and on plans of such organizations respecting such arrangements, and

(4) the impact of the exemption on health care delivery systems, including its impact on the cost, availability, accessibility, and quality of health care.

The Comptroller General shall report the results of the evaluation to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than February 1, 1982.

(d) Within one hundred and eighty days of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall promulgate such regulations as may be necessary to enable the States to establish certificate of need programs which meet the requirements of section 1527 of the Public Health Service Act.

APPROPRIATENESS REVIEW

SEC. 118. (a)(1) Section 1513(g)(1) is amended by striking out "all institutional health services offered in the health service area of the agency" and inserting in lieu thereof "at least those institutional and home health services which are offered in the health service area of the agency and with respect to which goals have been established in the State health plan".

(2) Section 1523(a)(6) is amended by striking out "all institutional health services being offered in the State" and inserting in lieu thereof "all institutional and home health services which are offered in the State and with respect to which goals have been established in the State health plan".

(b)(1) Section 1513(g) is amended by adding at the end the following:

"(3) In making the appropriateness review required by paragraph (1) of a health service, each health systems agency shall at least consider the need for the service, its accessibility and availability, financial viability, cost effectiveness, and the quality of service provided.".

(2) Section 1523(a)(6) is amended by adding at the end the following: "In making the appropriateness review required by this paragraph of a health service, the State Agency shall at least consider the need for the service, its accessibility and availability, financial viability, cost effectiveness, and the quality of service provided.

REVIEW AND APPROVAL OF PROPOSED USES OF FEDERAL FUNDS

SEC. 119. (a) Section 1524(c)(6) is amended—

(1) by striking out "approve or disapprove" in the first sentence and inserting in lieu thereof "recommend approval or disapproval of (A)",

(2) by striking out "or the Comprehensive" in the first sentence and inserting in lieu thereof "section 409 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive",

(3) by inserting before the period at the end of the first sentence a comma and the following: "and (B) any application (and any revision of an application) submitted to the Secretary by a State for a grant or contract under any provision of law referred to in clause (A) for projects in more than one health service area of the State",

(4) by amending the third sentence to read as follows: "If a SHCC recommends disapproval of such a plan or application, the Secretary, after making a finding that such plan or application is not in conformity with the State health plan, may not make Federal funds available under such State plan or application.",

(5) by inserting after the third sentence the following new sentence: "If the Secretary makes such a finding, he shall notify the Governor of his finding and the reasons therefor and advise him that he has thirty days in which to submit a revised State plan or application that conforms with the State health plan.", and

(6) by striking out "If after such review" in the last sentence and inserting in lieu thereof the following: "If after reviewing a recommendation of a SHCC to disapprove such State plan or application,".

(b)(1) Section 1513(e)(1)(A)(i) is amended—

(A) by inserting "of 1972" after "Treatment Act", and

(B) by inserting after "health resources" the following: "by any entity other than the government of a State unless such resources are solely within the health service area of such agency".

(2) Section 1513(e)(1)(A)(ii) is amended by striking out "an allotment" and inserting in lieu thereof "an allotment, contract, or grant".

(3) The first sentence of section 1513(e)(1)(B) is amended by striking out "under title IV, VII, or VIII of this Act" and all that follows in such sentence and inserting in lieu thereof the following: "for research or training unless the grants or contracts are to be made, entered into, or used for the development, expansion, or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area or which, in the case of grants or contracts for research, would significantly change the delivery of health services, or the distribution or extent of health resources, available to persons in the health service area other than those who are participants in such research.".

(4) Section 1513(e)(2) is amended—

(A) by striking out "such paragraph" in the first sentence and inserting in lieu thereof "paragraph (1)(A)(i)", and

(B) by striking out "If" in the second sentence and inserting in lieu thereof "If under paragraph (1)(A)(i)".

(5) Section 1513(e) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) The Governor of a State shall allow health systems agencies sixty days to make the review required by paragraph (1)(A)(ii). If under such paragraph an agency disapproves a proposed use of Federal funds in its health service area, the Governor may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Governor shall give the State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Governor its comments on the decision. The Governor, after taking into consideration such State Agency's comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Governor to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.".

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

SEC. 120. (a) Section 1513(d) is amended (1) by redesignating paragraph (4) as paragraph (5); (2) by striking out "and" in paragraph (3); and (3) by adding after paragraph (3) the following new paragraph:

"(4) any entity of the State in which the agency is located which reviews the rates or budgets of health care facilities located in the agency's health service area, and".

(b) Section 1522(b)(7)(A) is amended by inserting before the comma at the end the following: "and for the coordination by the State Agency in the conduct of its activities with any entity of the State which reviews the rates or budgets of health care facilities in the State".

(c)(1) Section 1526 is amended—

(A) by striking out "(not later than six months after the date of the enactment of this title)" in the first sentence of subsection (a); and

(B) by striking out the last sentence of subsection (a).

(2) Such section is further amended—

(A) by inserting before the period in the first sentence of subsection (a) "or to any other entity of the government of a State which has so indicated an intent to regulate such rates";

(B) by striking out "A State Agency" in subsection (b)(1) and inserting in lieu thereof "An entity";

(C) by striking out "the State Agency" in subparagraphs (A) and (F) of such subsection and inserting in lieu thereof "the entity";

(D) by inserting "if it is a State Agency," after "(D)" and "(E)", respectively, in such subsection;

(E) by adding after and below subparagraph (G) of such subsection the following: "If an entity which is not a State Agency receives a grant under subsection (a), such entity shall coordinate its activities under the grant with the State Agency for the State in which such entity is located, share with the State Agency data obtained from such activities, and for purposes of such activities, develop with the State Agency criteria for the review of institutional health services, equipment, and facilities which guidelines are not in conflict with criteria adopted by the State Agency.";

(F) by striking out "a State Agency" in subsection (b)(2) and inserting in lieu thereof "an entity" and by striking out "the State Agency" in such subsection and inserting in lieu thereof "the entity"; and

(G) by striking out "State Agency" in subsection (d) and in the first sentence of subsection (c) and inserting in lieu thereof "entity".

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

SEC. 121. (a) Section 1513(d) is amended (1) by inserting "(including area agencies on aging and local and regional alcohol abuse, drug abuse, and mental health planning agencies)" after "administrative agencies" in paragraph (3).

(b) Subsection (d) of section 1513 (as amended by section 120(a)) is amended (1) by inserting "(1)" after "(d)", (2) by redesignating paragraphs (1), (2), (3), (4), and (5) as subparagraphs (A), (B), (C), (D), and (E), respectively, and (3) by adding at the end the following:

"(2) Each health systems agency which has all or part of its health service area within a part of a standard metropolitan statistical area (as determined by the Office of Management and Budget) shall coordinate its activities with the activities of any other health systems agency which has any part of its health service area within such standard metropolitan statistical area. Such coordination shall at least provide that each health systems agency designated for a health service area within any part of a single standard metropolitan statistical area shall review (A) each HSP and AIP for each such health service area, (B) the criteria used in accordance with section 1532 for reviews affecting any such area, and (C) each decision under certificate of need programs which affect any such area.

"(3) The Secretary shall by regulation provide for the sharing by health systems agencies of health planning data with Indian tribes and Alaska Native Villages.

"(4) Health systems agencies that have an Indian tribe or intertribal Indian organization (referred to in subsection (e)(1)(B)) located within such agencies' health service areas shall carry out their functions under this section in a manner that recognizes tribal self-determination. Such agencies shall seek to enter into agreements with the Indian tribes and intertribal organizations located within their health service areas on matters of mutual concern as defined in regulations of the Secretary.".

(c) Section 1513(e) is amended by inserting "as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act)" after "Indian tribe" in paragraph (1)(B).

COLLECTION AND PUBLICATION OF HOSPITAL CHARGES

SEC. 122. (a) Subsection (h) of section 1513 is amended to read as follows:

"(h)(1) Each health systems agency shall collect annually on a form developed in consultation with the State health planning and development agency (or agencies) the rates charged for each of the twenty-five most frequently used hospital services in the State (or States) including the average semiprivate and private room rates.

"(2) Each health systems agency shall make available to the public for inspection and copying (at a reasonable expense to the public) the information supplied to the health systems agency pursuant to this subsection in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health systems agency's health service area.".

(b) Section 1522(b)(5) is amended by adding before the semicolon the following: "and contain provisions to assure compliance with requests for information made by health systems agencies in accordance with section 1513(h)".

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 123. (a) Section 1521(b)(4) is amended (1) by inserting "(A)" after "(4)"; (2) by inserting "upon a review under section 1535 of the State Agency's operation and performance of its function" before "he determines"; (3) by adding at the end of paragraph (4) the following: "Before renewing an agreement under this paragraph with a State Agency for a State, the Secretary shall provide each health systems agency designated for a health service area located (in whole or in part) in such State and the Statewide Health Coordinating Council of such State an opportunity to comment on the performance of the State Agency and to provide a recommendation on whether such agreement should be renewed."; and (4) adding at the end thereof the following new subparagraph:

"(B) If upon a review under section 1535 of the State Agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed or if the applicable State administrative program does not continue to meet the requirements of section 1522, he may terminate such agreement or return the State Agency to a conditionally designated status under paragraph (2) of subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate its agreement with such State Agency or enter into an agreement with such State Agency under paragraph (3) of subsection (b). The Secretary may not take the action authorized by the first sentence of this subparagraph unless the Secretary has—

"(i) provided the State Agency with notice of his intent to return it to a conditional status or terminate the agreement with it and included in that notice specification of any functions which the Secretary has determined the State Agency did not satisfactorily fulfill and of any requirements which the Secretary has determined it has not met;

"(ii) provided the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the action proposed to be taken by the Secretary; and

"(iii) in the case of a proposed termination, consulted with the National Council on Health Planning and Development respecting the termination.".

(b)(1)(A) Paragraphs (3) and (4) of section 1521(b) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall apply with respect to designation agreements entered into under section 1521(b)(3) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1521(b)(3) is amended—

(A) by inserting "(A)" after "(3)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the designated State Agency is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate an agreement with a designated State Agency under subparagraph (A)(ii), the Secretary shall—

"(i) consult with the Statewide Health Coordinating Council of the State for which the State Agency is designated respecting the proposed termination,

"(ii) give the State Agency notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the State Agency is not in compliance with the agreement, and (II) the actions that the State Agency should take to come into compliance with the agreement, and

"(iii) provide the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the State Agency with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the State Agency an opportunity for a hearing on the matter specified in the notice.".

(c)(1)(A) Section 1522(b)(13) is amended by striking out ", (g), or (h)" and inserting in lieu thereof "or (g)".

(B) Section 1513(a) is amended by striking out "through (h)" and inserting in lieu thereof "through (g)".

(2) Paragraph (3) of section 1523(a) is amended by striking out "review of the State medical facilities plan required under section 1603, and in the".

(3) Section 1523(a) is amended by adding after paragraph (6) the following new paragraph:

"(7) Prepare an inventory of the health care facilities (other than Federal health care facilities) located in the State and evaluate on an ongoing basis the physical condition of such facilities. Such inventory and evaluations shall be reported to the health systems agencies designated for health service areas located (in whole or in part) in the State for purposes of the functions of the agency under section 1513(b).".

(d) Subsection (d) of section 1521 is amended to read as follows:

"(d)(1) If an agreement under subsection (b)(3) for the designation of a State Agency for a State is not in effect upon the expiration of—

"(A) the fourth fiscal year which begins after the calendar year in which the National Health Planning and Resources Development Act of 1974 is enacted; or

"(B)(i) if the legislature of the State is in a regular session on the date of the enactment of the Health Planning and Resources Development Amendments of 1979 and the legislature will be in session for at least twelve months from such date, twelve months from such date, or

"(ii) if the legislature of the State is in session on such date of enactment but twelve months do not remain in such session after such date or if the legislature of the State is not in session on such date, twelve months after the beginning of the first regular session of the legislature beginning after such date, whichever occurs later, the Secretary shall take the action prescribed by paragraph (2).

"(2) If upon the expiration of the period applicable under paragraph (1) an agreement is not in effect for the designation of a State Agency for a State, the Secretary shall until such an agreement is in effect take the following action:

"(A) During the first twelve months after the date of the expiration of the applicable period, the Secretary shall reduce by 25 percent the amount of each allotment, grant, loan, and loan guarantee made to and each contract entered into with an individual or entity in such State during such period under this Act, the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972.

"(B) During the second twelve months after such expiration date, the Secretary shall reduce by 50 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

"(C) During the third twelve months after such expiration date, the Secretary shall reduce by 75 percent the amount of each such allotment, grant, loan, loan guarantee and contract.

"(D) After the expiration of thirty-six months after such expiration date, the Secretary may not make or enter into any such allotment, grant, loan, loan guarantee, or contract.".

(e)(1) Section 1522(c) is amended by striking out "once each year" and inserting in lieu thereof "once every three years".

(2) Section 1523(a) (as amended by subsection (c)(3)) is amended by adding the following new paragraph at the end thereof:

"(8) Provide technical assistance to individuals and public and private entities in obtaining and filling out the necessary forms for the development of projects and programs.".

(f) The first sentence of section 1521 (b)(2)(B) is amended by inserting before the period a comma and the following: "except that the Secretary may extend the period for such additional time as he finds appropriate if he finds that the designated State Agency is making a good faith effort to comply with the requirements of section 1523".

(g)(1) Paragraph (5) of section 1523(a) is amended by striking out "1413(f)" and inserting in lieu thereof "1513(f)".

(2) Section 1521(b)(1) is amended by striking out "this part" and inserting in lieu thereof "this title".

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

SEC. 124. (a)(1) Section 1524(b)(1)(A)(ii) is amended by inserting before the period a comma and the following: "except that the number of representatives on the SHCC to which a health systems agency designated for a health service area which is not entirely within the State shall be a number which is based on the relationship of the population of the portion of such health service area within the State to the population of the largest health service area located entirely within the State, except that each such agency shall be entitled to at least one representative on the SHCC".

(2) Section 1524(b)(1)(A)(iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State shall be entitled to at least one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care and who are not providers of health care.".

(3) Section 1524(b)(1)(A)(i) is amended (A) by inserting "(or if the number of representatives on the SHCC to which health systems agencies are entitled under the second sentence of clause (iii) is less than sixteen, no fewer than the number to which they are entitled)" after "sixteen representatives", (B) by striking out "at least five", and (C) by adding at the end the following: "Each agency shall submit a number of nominees to the Governor which is at least twice the number of representatives on the SHCC to which the agency is entitled.".

(4) Section 1524(b)(1) is amended by adding at the end thereof the following new paragraph:

"(E) Members of the SHCC who are consumers of health care and who are not providers of health care shall include individuals who represent rural and urban medically underserved populations if such populations exist in the State."

(b) Section 1524(b)(2) is amended to read as follows:

"(2) The Governor may select, by and with the advice and consent of the State senate, or, in the case of a State with a unicameral legislature, of the State legislature, the chairman of the SHCC from among the members of the SHCC. If the Governor does not select the chairman, the SHCC shall select the chairman from among its members.".

(c)(1) Section 1524(b)(1)(C) is amended by striking out "one-third" and inserting in lieu thereof "one-half".

(2) Section 1524(b)(1)(D) is amended by striking out "two" and inserting in lieu thereof "one".

(d) The first sentence of section 1524(c)(2)(B) is amended by striking out "State agency" and inserting in lieu thereof "State Agency".

CENTERS FOR HEALTH PLANNING

SEC. 125. (a) Section 1534(b)(1) is amended (1) by inserting "and it will be able to provide assistance and dissemination of information to health systems agencies and State Agencies as provided in subsections (a) and (c)," after "paragraph (2)", and (2) by inserting "and is able to provide such assistance and dissemination of information" after "such requirements".

(b) Clause (2) of section 1534(c) is amended to read as follows: "(2) shall develop and use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies planning approaches, methodologies (including methodologies to provide for education of new board members and new staff and continuing education of board members and staff of such agencies and State Agencies), policies, and standards.".

DEFINITIONS

SEC. 126. (a)(1) Section 1531(5) is amended to read as follows:

"(5) The term 'institutional health services' means health services which (A) are provided through private and public hospitals, rehabilitation facilities, nursing homes, and other health care facilities, as defined by the Secretary by regulation, and (B) entail annual operating costs of at least $75,000. For purposes of this paragraph, the term 'expenditure minimum means $75,000 for the twelve-month period beginning with the month in which this paragraph is enacted and for each twelve-month period thereafter, $75,000 or, at the discretion of the State, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in an index maintained or developed by the Department of Commerce and designated by the Secretary by regulation for purposes of making such adjustment.".

(2) After the date of the enactment of this Act, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives before promulgating regulations defining health care facilities for purposes of section 1531(5) of the Public Health Service Act as amended by paragraph (1).

(b) Section 1531 is amended by adding after paragraph (8) (added by section 117 of this Act) the following new paragraphs:

"(9) For purposes of sections 1523(a)(4)(B), 1527, and 1531(5), the term 'rehabilitation facility' means an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision. For purposes of the remaining provisions of this title, the term 'rehabilitation facility' means an inpatient facility described in the preceding sentence and, in addition, an outpatient facility which is operated as described in such sentence.

"(10) The term 'medically underserved population' has the same meaning as such term has under section 330(b)(3).

"(11) Any reference to the term 'health' includes physical and mental health.

"(12) The term 'physician' means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by a State.".

AUTHORIZATIONS

SEC. 127. (a) Section 1516(d)(1) (as amended by section 106) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $150,000,000 for the fiscal year end-

ing September 30, 1980, $165,000,000 for the fiscal year ending September 30, 1981, and $185,000,000 for the fiscal year ending September 30, 1982".

(b) Section 1525(c) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $35,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $45,000,000 for the fiscal year ending September 30, 1982".

(c) Section 1526(e) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $6,000,000 for the fiscal year ending September 30, 1980, $6,000,000 for the fiscal year ending September 30, 1981, and $6,000,000 for the fiscal year ending September 30, 1982".

(d) Section 1534(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $6,000,000 for the fiscal year ending September 30, 1980, $8,000,000 for the fiscal year ending September 30, 1981, and $10,000,000 for the fiscal year ending September 30, 1982".

(e) Section 1640(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $20,000,000 for the fiscal year ending September 30, 1981, and $30,000,000 for the fiscal year ending September 30, 1982".

TECHNICAL AMENDMENT

SEC. 128. Section 1903(m)(2)(C) of the Social Security Act is amended by striking out "the date the entity enters into a contract with the State under this title for the provision of health services on a prepaid risk basis" and inserting in lieu thereof "the date the entity qualifies as a health maintenance organization (as determined by the Secretary)".

EFFECTIVE DATE

SEC. 129. (a) The amendments made by this title (other than by sections 101, 102, 103, 104(c), 105(d), 106, 107, 117, 123(b), 127, and 128) shall take effect one year after the date of the enactment of this Act, except that on and after the date of the enactment of this Act—

(1) the changes in the membership of the health systems agencies and the Statewide Health Coordinating Councils required by amendments to sections 1512, 1524, and 1531 shall be implemented through selections of members to fill vacancies occurring after such date,

(2) a health systems agency, a State health planning and development agency, and a Statewide Health Coordinating Council may make the organizational and related changes required by the amendments to sections 1512, 1522, 1523, 1524, and 1531 of the Public Health Service Act, and

(3) health systems agencies, State health planning and development agencies, and Statewide Health Coordinating Councils may act in accordance with the changes in their functions made by the amendments to sections 1513, 1522, 1523, 1524, and 1532 of the Public Health Service Act.

(b)(1) Except as provided in section 1516(c)(1)(C)(i) of the Public Health Service Act as amended by section 106, the amendments made by section 106 shall apply with respect to grants made under section 1516 of the Public Health Service Act after the date of the enactment of this Act from appropriations under an appropriation Act enacted for the fiscal year ending September 30, 1980.

(2) The amendments made by section 117 shall take effect on the enactment of this Act, except that if the Secretary of Health, Education, and Welfare determines that any amendment made by such section will require a State to change its laws before the State health planning and development agency designated for such State may perform its functions under section 1523(a)(4)(B) of the Public Health Service Act, such amendment shall take effect in such State—

(A) if the legislature of the State is in a regular session on the date of the enactment of the Health Planning and Resources Development Amendments of 1979 and the legislature will be in session for at least twelve months from such date, twelve months from such date, or

(B) if the legislature of the State is in session on such date of enactment but twelve months do not remain in such session after such date or if the legislature of the State is not in session on such date, twelve months after the beginning of the first regular session of the legislature beginning after such date.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

SEC. 201. (a) Part B of title XVI is repealed.

(b)(1) Subsections (a) and (b) of section 1620 are amended to read as follows:

"(a)(1) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, make loans from the fund established under section 1622(d) to any public or nonprofit private entity for projects for—

"(A) the discontinuance of unneeded hospital services or facilities,

"(B) the conversion of unneeded hospital services and facilities to needed health services and medical facilities, including outpatient medical facilities and facilities for long-term care;

"(C) the renovation and modernization of medical facilities, particularly projects for the prevention or elimination of safety hazards, projects to avoid noncomplance with licensure or accreditation standards, or projects to replace obsolete facilities;

"(D) the construction of new outpatient medical facilities; and

"(E) the construction of new inpatient medical facilities in areas which have experienced (as determined by the Secretary) recent rapid population growth.

"(2)(A) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to public and nonprofit private entities for medical facilities projects described in paragraph (1), and

"(ii) the Federal Financing Bank for its loans to public and nonprofit private entities for such projects, payment of principal and interest on such loans.

"(B) In the case of a guarantee of any loan to a public or nonprofit private entity under subparagraph (A)(i) which is located in an urban or rural poverty area, the Secretary may pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by not more than one half the net effective interest rate otherwise payable on such loan if the Secretary finds that without such assistance the project could not be undertaken.

"(b) The principal amount of a loan directly made or guaranteed under subsection (a) for a medical facilities project, when added to any other assistance provided such project under part B, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the principal amount, when added to other assistance under part B, may cover up to 100 per centum of such costs.".

(2) Section 1622(b)(2)(D) is amended by striking out "minus 3 per centum per annum" and inserting in lieu thereof the following: "minus any interest subsidy made in accordance with section 1620(b)(2) with respect to a loan made for a project located in an urban or rural poverty area".

(3) Section 1622(e)(2) is amended (A) by striking out "and" after "1977,", and (B) by inserting before the period a comma and the following: "September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982".

(c) Section 1625 is amended to read as follows:

"PROJECT GRANTS

"SEC. 1625. (a)(1)(A) The Secretary may make grants for construction or modernization projects designed to—

"(i) eliminate or prevent in medical facilities imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or

"(ii) avoid noncompliance by medical facilities with State or voluntary licensure or accreditation standards.

"(B) A grant under subparagraph (A) may only be made to—

"(i) a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for any medical facility owned or operated by the State or political subdivision; and

"(ii) a nonprofit private entity for any medical facility owned or operated by the entity but only if the Secretary determines—

"(I) the level of community service provided by the facility and the proportion of its patients who are unable to pay for services rendered in the facility is similar to such level and proportion in a medical facility of a State or political subdivision, and

"(II) that without a grant under subparagraph (A) there would be a disruption of the provision of health care to low-income individuals.

"(2) The amount of any grant under paragraph (1) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $40,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $5,000,000 for the fiscal year ending September 3, 1982. Funds available for obligation under this subsection (as in effect before the date of the enactment of the Health Planning and Resources Development Amendments of 1979) in the fiscal year ending September 30, 1979, shall remain available for obligation under this subsection in the succeeding fiscal year.

"(b)(1) The Secretary may make grants to public and nonprofit private entities for projects for (A) construction or modernization of outpatient medical facilities which are located apart from hospitals and which will provide services for medically underserved populations, and (B) conversion of existing facilities into outpatient medical facilities or facilities for long-term to provide services for such populations.

"(2) The amount of any grant under paragraph (1) may not exceed 80 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $15,000,000 for the fiscal year ending September 30, 1981, and $15,000,000 for the fiscal year ending September 30, 1982.".

CONFORMING AMENDMENTS

SEC. 202. (a) Part A of title XVI is repealed and parts C, D, E, and F of title XVI are redesignated as parts A, B, C, and D, respectively.

(b) Part C (as so redesignated) of title XVI is amended by striking out section 1630, by redesignating section 1631 through 1635 as section 1622 through 1626, respectively, and by insering before section 1622 (as so redesignated) the following:

"GENERAL REGULATIONS

"SEC. 1620. The Secretary shall by regulation—

"(1) prescribe the manner in which he shall determine the priority among projects for which assistance is available under part A or B, based on the relative need of different areas for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities.

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas.

"(D) to projects designed to (i) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards, and

"(E) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including out-patient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under part A or B general standards of construction, modernization, and equipment, which standards may vary on the basis of the class of facilities and their location; and

"(3) prescribe the general manner in which each entity which receives financial assistance under part A or B or has received financial assistance under part A or B or title VI shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances.

An entity subject to the requirements prescribed pursuant to paragraph (3) respecting compliance with assurances made in connection with receipt of financial assistance shall submit periodically to the Secretary data and information which reasonably supports the entity's compliance with such assurances. The Secretary may not waive the requirement of the preceding sentence.

"APPLICATIONS

"SEC. 1621. (a) No loan, loan guarantee, or grant may be made under part A or B for a medical facilities project unless an application for such project has been submitted to and approved by the Secretary. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) An application for a medical facilities project shall be submitted in such form and manner as the Secretary shall by regulation prescribe and shall, except as provided in paragraph (2), set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) in the case of an application for a grant, assurances satisfactory to the Secretary that (i) the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for, and (ii) in the case of a project to construct a new medical facility, it would be inappropriate to convert an existing medical facility to provide the services to be provided through the new medical facility;

"(C) in the case of a project for the discontinuance of a service or facility or the conversion of a service or a facility, an evaluation of the impact of such discontinuance or conversion on the provision of health care in the health service area in which such service was provided or facility located;

"(D) a description of the site of such project;

"(E) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1620(2);

"(F) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(G) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(H) the type of assistance being sought under part A or B for the project;

"(I) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(J) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients at such facility who are in need of hospital care; and

"(K) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (D) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1620(2), and

"(ii) the requirement of subparagraph (E) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B) of this paragraph.

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined in section 1624 or as designated by a health systems agency, and

"(ii) for which the applicant seeks a loan under part A the principal amount of which does not exceed $20,000.".

(c) Part C (as so redesignated) of title XVI is amended by adding at the end thereof the following new section:

"ENFORCEMENT OF ASSURANCES

"SEC. 1627. The Secretary shall investigate and ascertain, on a periodic basis, with respect to each entity which is receiving financial assistance under this title or which has received financial assistance under title VI or this title, the extent of compliance by such entity with the assurance required to be made at the time such assistance was received. If the Secretary finds that such an entity has failed to comply with any such assurance, the Secretary shall report such noncompliance to the health systems agency for the health service area in which such entity is located and the State health planning and development agency of the State in which the entity is located and shall take any action authorized by law (including an action for specific performance brought by the Attorney General upon request of the Secretary) which will effect compliance by the entity with such assurances. An action to effectuate compliance with any such assurance may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary and the Secretary has dismissed such complaint or the Attorney General has not brought a civil action for compliance with such assurance within six months after the date on which the complaint was filed with the Secretary.".

TECHNICAL AMENDMENTS

SEC. 203. (a) Part A (as so redesignated) of title XVI is amended—

(1) by striking out section 1621 and by redesignating sections 1620 and 1622 as sections 1601 and 1602, respectively,

(2) by striking out "section 1622(d)" in subsection (a)(1) of section 1601 (as so redesignated) and inserting in lieu thereof "section 1602(d)", and

(3) by striking out "section 1620(b)(2)" each place it occurs in subsection (d) of section 1602 (as so redesignated) and inserting in lieu thereof "section 1601(a)(2)(B)".

(b) Section 1625 of part B (as so redesignated) is redesignated as section 1610.

(c) Subsection (a)(1) of section 1622 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(d) Section 1623 (as so redesignated) is amended by striking out "STATE" in the heading for such section.

(e) Section 1624 (as so redesignated) is amended by striking out paragraphs (1) and (2) and by redesignating paragraphs (3) through (16) as paragraphs (1) through (14), respectively.

(f) Section 1626 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(g)(1) Section 1602 (as so redesignated) is amended by adding at the end thereof the following:

"(f)(1) The Secretary may take such action as may be necessary to prevent a default on a loan made or guaranteed under this part or under title VI, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a medical facility shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

"(2) The Secretary may take such action, consistent with State law, respecting foreclosure procedures as he deems appropriate to protect the interest of the United States in the event of a default on a loan made or guaranteed under this part or under title VI, including for a reasonable period of time taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.".

(2) Paragraph (1) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f).".

(3) Paragraph (2) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by inserting "and" at the end of subparagraph (E), and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f),".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect October 1, 1979, except that the amendments made by section 201 (b) respecting the payment of an interest subsidy for a loan or loan guarantee made under part A of title XVI of the Public Health Service Act shall apply only with respect to loans and loan guarantees made after October 1, 1979, and with respect to loans and loan guarantees made under such part before such date the Secretary shall continue to pay the interest subsidy authorized for such loans and loan guarantees before such date.

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

AUTHORIZATION OF PROGRAM

SEC. 301. (a) Title XVI, as amended by title II of this Act, is amended by adding at the end the following new part:

"PART E—PROGRAM TO ASSIST AND ENCOURAGE THE VOLUNTARY DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES AND THE CONVERSION OF UNNEEDED HOSPITAL SERVICES TO OTHER HEALTH SERVICES NEEDED BY THE COMMUNITY

"ESTABLISHMENT OF PROGRAM

"SEC. 1641. The Secretary shall, by April 1, 1980, establish a program under which—

"(1) grants and technical assistance may be provided to hospitals in operation on the date of the enactment of this part (A) for the discontinuance of unneeded hospital services, and (B) for the conversion of unneeded hospital services to other health services needed by the community; and

"(2) grants may be provided to State Agencies designated under section 1521(b) (3) for reducing excesses in resources and facilities of hospitals.

"GRANTS FOR DISCONTINUANCE AND CONVERSION

"SEC. 1642. (a) (1) A grant to a hospital under the program shall be subject to such terms and conditions as the Secretary may by regulation prescribe to assure that the grant is used for the purpose for which it was made.

"(2) The amount of any such grant shall be determined by the Secretary. The recipient of such a grant may use the grant—

"(A) in the case of a grantee which discontinues the provision of all inpatient hospital services or an identifiable part of a hospital facility which provides inpatient hospital services, for the liquidation of the outstanding debt on the facilities of the grantee used for the provision of the services or for the liquidation of the outstanding debt of the grantee on such identifiable part;

"(B) in the case of a grantee which in discontinuing the provision of an inpatient hospital service converts or proposes to convert an identifiable part of a hospital facility used in the provision of the discontinued service to the delivery of another health service, for the planning, development (including construction and acquisition of equipment), and delivery of the health service;

"(C) to provide reasonable termination pay for personnel of the grantee who will lose employment because of the discontinuance of hospital services made by the grantee, retraining of such personnel, assisting such personnel in securing employment, and other costs of implementing arrangements described in subsection (c); and

"(D) for such other costs which the Secretary determines may need to be incurred by the grantee in discontinuing hospital services.

"(b) (1) No grant may be made to a hospital unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form and submitted in such manner as the Secretary may prescribe and shall include—

"(A) a description of each service to be discontinued and, if a part of a hospital is to be discontinued or converted to another use in connection with such discontinuance, a description of such part;

"(B) an evaluation of the impact of such discontinuance and conversion on the provision of health care in the health service area in which such service is provided;

"(C) an estimate of the change in the applicant's costs which will result from such discontinuance and conversion; and

"(D) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(E) such other information as the Secretary may require.

"(2) (A) The health systems agency for the health service area in which is located a hospital applying for a grant under the program shall (i) in making the review of the applicant's application under section 1513(e), determine the need for each service or part proposed to be discontinued by the applicant, (ii) in the case of an application for the conversion of a facility, determine the need for each service which will be provided as a result of the conversion, and (iii) make a recommendation to the State Agency for the State in which the applicant is located respecting approval by the Secretary of the applicant's application.

"(B) A State Agency which has received a recommendation from a health systems agency under subaragraph (A) respecting an application shall, after consideration of such recommendation, make a recommendation to the Secretary respecting the approval by the Secretary of the application. A State Agency's recommendation under this subparagraph respecting the approval of an application (i) shall be based upon (I) the need for each service or art proposed to be discontinued by the applicant, (II) in the case of an application for the conversion of a facility, the need for each service which will be provided as a result of the conversion, and (III) such other criteria as the Secretary may prescribe, and (ii) shall be accompanied by the health systems agency's recommendation made with respect to the approval of the application.

"(C) In determining, under subparagraphs (A) and (B), the need for the service (or services) or part proposed to be discontinued or converted by an applicant for a grant, a health system agency and State Agency shall give special consideration to the unmet needs and existing access patterns of urban or rural poverty populations.

"(3) (A) The Secretary may not approve an application of a hospital for a grant—

"(i) if a State Agency recommended that the application not be approved, or

"(ii) if the Secretary is unable to determine that the cost of providing inpatient health services in the health service area in which the applicant is located will be less than if the inpatient health services proposed to be discontinued were not discontinued.

"(B) In considering applications of hospitals for grants the Secretary shall consider the recommendations of health systems agencies and State Agencies and shall give special consideration to applications (i) which will assist health systems agencies and State Agencies to meet the goals in their health systems plans and State health plans, or (ii) which will result in the greatest reduction in hospital costs within a health service area.

"(c) (1) Except as provided in paragraph (3), the Secretary may not approve an application submitted under subsection (b) unless the Secretary of Labor has certified that fair and equitable arrangements have been made to protect the interests of employees affected by the discontinuance of services against a worsening of their positions with respect to their employment, including arrangements to preserve the rights of employees under collective-bargaining agreements, continuation of collective-bargaining rights consistent with the provisions of the National Labor Relations Act, reassignment of affected employees to other jobs, retraining programs, protecting pension, health benefits, and other fringe benefits of affected employees, and arranging adequate severance pay, if necessary.

"(2) The Secretary of Labor shall by regulation prescribe guidelines for arrangements for the protection of the interests of employees affected by the discontinuance of hospital services. The Secretary of Labor shall consult with the Secretary of Health, Education, and Welfare in the promulgation of such guidelines. Such guidelines shall first be promulgated not later than the promulgation of regulations by the Secretary for the administration of the grants authorized by section 1641.

"(3) The Secretary of Labor shall review each application submitted under subsection (b) to determine if the assurances described in paragraph (1) have been provided with the application and if they are satisfactory and shall notify the Secretary respecting his determination. Such review shall be completed within—

"(A) ninety days from the date of the receipt of the application from the Secretary of Health, Education, and Welfare, or

"(B) one hundred and twenty days from such date if the Secretary of Labor has by regulation prescribed the circumstances under which the review will require at least one hundred and twenty days.

If within the applicable period, the Secretary of Labor does not notify the Secretary of Health, Education, and Welfare respecting his determination, the Secretary of Health, Education, and Welfare shall review the application to determine if the applicant has provided the assurances described in paragraph (1) and if such assurances are satisfactory. The Secretary may not approve the application unless he determines that such assurances have been provided and that they are satisfactory.

"(d) The records and audits requirements of section 705 shall apply with respect to grants made under subsection (a).

"(e) For purposes of this part, the term 'hospital' means, with respect to any fiscal year, an institution (including a distinct part of an institution participating in the programs established under title XVII of the Social Security Act)—

"(1) which satisfies paragraphs (1) and (7) of section 1861(e) of such Act,

"(2) imposes charges or accepts payments for services provided to patients, and

"(3) the average duration of a patient's stay in which was thirty days or less in the preceding fiscal year,

but such term does not include a Federal hospital or a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act).

"GRANTS TO STATES FOR REDUCTION OF EXCESS HOSPITAL CAPACITY

"SEC. 1643. (a) For the purpose of demonstrating the effectiveness of various means for reducing excesses in resources and facilities of hospital (referred to in this section as 'excess hospital capacity'), the Secretary may make grants to State Agencies designated under section 1521(b)(3) to assist such Agencies in—

"(1) identifying (by geographic region or by health service) excess hospital capacity,

"(2) developing programs to inform the public of the costs associated with excess hospital capacity,

"(3) developing programs to reduce excess hospital capacity in a manner which will produce the greatest savings in the cost of health care delivery,

"(4) developing means to overcome barriers to the reduction of excess hospital capacity,

"(5) in planning, evaluating, and carrying out programs to decertify health care facilities providing health services that are not appropriate, and

"(6) any other activity related to the reduction of excess hospital capacity.

"(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1644. To make payments under grants under sections 1642 and 1643 there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $75,000,000 for the fiscal year ending September 30, 1982, except that in any fiscal year not more than 10 percent of the amount appropriated under this section may be obligated for grants under section 1643.".

(b) Section 1624 is amended by striking out "For purposes of this title" and inserting in lieu thereof "Except as provided in section 1642(f), for purposes of this title".

STUDY

SEC. 302. The Secretary of Health, Education, and Welfare shall conduct a study of the effect on the elimination of unneeded hospital services made during the two fiscal year period ending September 30, 1981, by the program authorized by part E of title XVI of the Public Health Service Act. The Secretary shall not later than January 1, 1982, report the results of the study to Congress together with his recommendations for any revisions in the program under such part E which he determines to be appropriate, including any revision in the authorizations of appropriations for grants under such program.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
HARRISON A. WILLIAMS, Jr.,
GAYLORD NELSON,
ALAN CRANSTON,
CLAIBORNE PELL,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
ORRIN G. HATCH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate recedes from its disagreement to the amendment of the House to the title of the bill.

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

Reporting on health planning

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary of the Department of HEW to review on an annual basis the goals and standards established as part of the National Guidelines for Health Planning. In carrying out this review, the plans developed at the State and areawide level should be reviewed and used as a basis for revising existing or developing new goals or standards. The Secretary is also required to collect data to determine whether the health care delivery systems are changing to meet the standards and goals included in the Guidelines and the resources required to meet the goals. The Secretary shall rely on the health systems agencies, the State health planning and development agencies and other entities to assemble and report such data. The Secretary is also required periodically to make a public statement about the goals contained in the health systems plans and the State health plans and to summarize the resources required to meet them (section 101 (a) and (b)).

The conference substitute conforms to the House amendment except that the Secretary may collect data to determine whether the health care delivery systems meet or are changing to meet the goals contained in HSA and state health plans (section 101(a) and (b)).

The conferees encourage the Secretary to actively pursue the collection of data under this section so that the federal government may better benefit from the planning which takes place at the local and state levels.

CONSULTATION REQUIREMENTS

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to consult with various groups at least 45 days prior to initial publication or revision of the National Health Planning Guidelines (section 101(a)).

The conference substitute conforms to the House amendment (section 101(a)).

UNIQUE NEEDS OF MEDICALLY UNDERSERVED POPULATIONS

The Senate bill contains a provision, not included in the House amendment, which requires the standards promulgated as part of the National Health Planning Guidelines to reflect the unique circumstances and needs of medically underserved populations including isolated rural communities (section 101(c)).

The conference substitute conforms to the Senate bill (section 101(a)).

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

Purpose of act

The Senate bill contains a provision, not included in the House amendment, which amends the Congressional findings established in P.L. 93-641. It states that lack of effective coordination between the mental health care system and physical health care system, their providers and planners, have promoted fragmentation, lack of continuity, and inappropriate utilization of the Nation's health care resources. It also finds that there has been a lack of attention to and emphasis on the behavioral aspects of physical health care and status (section 151).

The conference substitute conforms to the House amendment.

National health priorities

The Senate bill contains a provision which adds to the National health priorities the promotion of those health services which are provided in a manner cognizant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health (section 151).

The House amendment adds to the national health priorities the following: the discontinuance of duplicative or unneeded services and facilities, and the adoption of policies that will (a) contain rapidly rising costs of health care delivery, (b) insure more appropriate use of health care services and (c) promote greater efficiency in the health care delivery system. It also establishes priority for the development and use of cost saving technology.

The conference substitute, as a compromise, includes the priorities in the Senate bill and the House amendment (section 102(a)).

NATIONAL COUNCIL MEMBERSHIP SIZE AND REPRESENTATION

The Senate bill contains a provision, not included in the House amendment, which expands the size of the National Council on Health Planning and Development from 15 to 20 members; adds the Assistant Secretary for Rural Development of the Department of Agriculture as a non-voting ex-officio member; and provides that not less than 8 of the members shall be persons who are not providers of health services including individuals who are members of urban and rural medically underserved populations (section 101(a)).

The Conference substitute conforms to the Senate bill with a modification that the Council shall include individuals who represent urban and rural medically underserved populations (section 102(b)).

Hospital Representation on the National Council

The House amendment contains a provision, not included in the Senate bill, which requires that at least one member of the Council be an administrator of a private hospital (section 102(b)).

The Conference substitute conforms to the House amendment by requiring that at least one member of the Council be a representative of a hospital (section 102(b)).

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

Role of competition in health planning

The Senate bill amends the national priorities for health planning by adding consideration of the strengthening of competitive forces in the health services industry where competition and consumer choice can constructively serve to advance the purpose of quality assurance and cost effectiveness. It adds to the purpose of health systems agencies the preservation and improvement of competition in the health service area. Review criteria are modified by requiring consideration of less costly alternatives that are consistent with consumer preferences and that review criteria pertaining to the relationship of services reviewed to the existing health care system take into account the need to maintain and improve competitive conditions. The Senate bill also establishes additional criteria for HSA and State agency reviews pertaining to improvements or innovations in the financing and delivery of health services which foster competition and serve to promote quality assurance and cost effectiveness (section 154).

The House amendment makes congressional findings that extensive coverage by health insurance, particularly of inpatient health services, and the prevailing methods of paying for health services through health insurance have (1) resulted in decisions being made respecting the use of health services without regard to price, (2) diminished the effect of market forces on decisions respecting the supply of health services, and (3) consequently have encouraged duplication and excess supply of health resources. For health services such as institutional health services, for which market forces do not or will not appropriately allocate supply, the House bill would require HSA's and SHPDA's to take actions to allocate the supply of health services. For health services for which market forces appropriately allocate or will appropriately allocate supply, HSA's and SHPDA's would be required to give priority to actions which will strengthen the effect of market forces. The amendment adds to an HSA's purpose the strengthening of the effects of market forces in cases where they can appropriately allocate the supply of health services. It also amends review criteria by requiring that HSA's, SHPDA's and SHCC's consider the effect of market forces on supply and demand in their project review activities.

The conference substitute as a compromise includes findings which make it clear that for health services, such as inpatient health services and other institutional health services for which competition does not or will not appropriately allocate supply consistent with the plans of health planning agencies, the agencies should perform their functions to allocate the supply of those services where appropriate to advance the purposes of quality assurance, cost effectiveness, and access and the other purposes of title XV. For health services for which competition appropriately allocates supply consistent with the agency's plans, the HSA and State agency should in the performance of their functions give priority (where appropriate to advance the purposes of quality assurance, cost effectiveness, access and the other purposes of title XV) to actions which will strengthen the effect of competition on the supply of those services. The compromise adds to the HSA's purposes, preserving and improving, in accordance with new section 1502(b), competition in the health service area. Two new review criteria are also established in section 1532(c). First, in accordance with new section 1502(b), the agency should consider the factors which affect the effect of competition on the supply of the health services being reviewed. Second, the planning agency should consider improvements or innovations in the financing and delivery of health services which foster competition in accordance with new section 1502(b), and serve to promote quality assurance and cost effectiveness.

DESIGNATION OF HEALTH SERVICE AREAS

Area redesignation

Existing law provides that the Secretary shall review on a continuing basis and at the request of any Governor or designated health systems agency the appropriateness of the boundaries of established health service area, and if he determines that the boundary for a health service area no longer meets the requirements for area designation, he may revise the boundary.

The requirements provide that:

1. The area shall be a geographic region appropriate for effective planning and development of health services;

2. To the extent practical, the area shall include at least one center for the provision of highly specialized health services;

3. The area shall have a population of not less than 500,000 or more than 3,000,000 except in certain circumstances;

4. To the maximum extent feasible, the boundaries of thearea shall be appropriately coordinated with the boundaries of professional standards review organizations, existing regional planning areas and State planning and administrative areas;

5. The boundaries shall be established so that the economic or geographic barriers to receive those services in nonmetropolitan areas are taken into account;

6. Boundaries shall be established to recognize differences in health planning and health services development needs between metropolitan and nonmetropolitan areas; and

7. Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which the standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of the subsection, the health service area should contain only a part of the standard metropolitan statistical area.

The Senate bill directs the Secretary to review on his own initiative or at the request of any Governor or health system agency (HSA), the boundaries of a health service area and to redesignate those boundaries if he finds that they no longer meet the requirements of section 1511(a) or if the boundaries for the revised health service area meet the requirements of section 1511(a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts. This bill also amends the various consultation requirements required prior to an area redesignation and requires the Secretary by January 1, 1980 to establish by regulation criteria for the revision of health service area boundaries (section 102).

The House amendment provides that the Secretary may redesignate areas if the Secretary determines the area no longer is the geographic region appropriate for effective planning and development of health services and that the proposed revision of the boundaries of the health services area would establish a region appropriate for effective planning and development and would meet at least one other of the area designation requirements (section 104(a)).

The conference substitute conforms to the Senate amendment, however, area redesignation criteria would have to be published within one year of enactment (section 104(a)).

The conferees wish to emphasize that a health service area boundary should be altered only when absolutely necessary and only after the Secretary balances the cost of redesignation (in terms of disruption to the health planning process, nonproductive changes in the governing body membership or erosion of local support for health planning) against any potential benefits from such redesignation. The conferees expect that area redesignation will occur only in those circumstances where there is no doubt that positive benefit will accrue for health planning in the area.

Entities eligible under section 1536

The House amendment contains a provision, not included in the Senate bill, which adds the Commonwealth of Puerto Rico to the States and territories that fall under the provisions of section 1536. That section that no health service area or health systems agency be established and permits the State agency to perform the functions of the HSA (section 104(c)).

The conference substitute conforms to the House amendment (section 104(c)).

Area designation for interstate standard metropolitan statistical areas

The Senate bill contains provision, not included in the House amendment, which would change existing law to permit the Governor of a State, which contains a health service area including part of an interstate standard metropolitan statistical area to recommend that the area be broken up in order to meet the other designation criteria (section 101(b)). Existing law requires that the Governor of each State in which a standard metropolitan statistical area is located determine that a split is necessary.

The conference substitute conforms to the House amendment. The conferees note that one of the most important criteria for the designation of health service areas is that a standard metropolitan statistical area not be divided. In any redesignation of health service areas the conferees expect the Secretary to give considerable weight to this criteria.

DESIGNATION OF HEALTH SYSTEM AGENCIES

Governor and SHCC involvement in agency designations

The Senate bill provides that in considering applications for HSA designations, the Secretary shall give priority to any application which has been recommended by a Governor or a SHCC for approval (section 127 (d) and (e)).

The House amendment provides that the Secretary shall give priority to any application which has been recommended for the approval by the Governor (section 105).

The conference substitute conforms to the Senate bill (section 105 (a) and (b)).

Consultation with National Council on Agency Termination

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to consult with the National Council on Health Planning and Development prior to terminating or failing to renew an HSA or State agency designation (section 105(d) and section 122(g)).

The conference substitute conforms to the House amendment (section 105(d), section 123(b)).

Assistance to entities desiring to become HSA's

The Senate bill contains a provision, not included in the House amendment, which requires the Secretary to provide technical assistance to entities desiring to become HSA's (section 125).

The conference substitute conforms to the Senate bill (section 105(f)).

Limits on designated agencies

The Senate bill would allow the Secretary to return an HSA to conditional designation status for one year if the agency's operation and performance of its functions has not been fulfilled in a satisfactory manner (section 127).

The House amendment provides that if the Secretary determines that an HSA does not continue to meet requirements of the Act, the Secretary may renew a designation agreement for such agencies under such conditions as the Secretary determines appropriate (section 105).

The conference substitute conforms to the Senate bill (section 105(h)).

Periodic review of performance

The Senate bill contains a provision, not included in the House amendment, which provides that the Secretary shall consider the comments submitted by any interested person when making reviews of the performance of health systems agencies and State agencies (section 150).

The conference substitute conforms to the House amendment.

PLANNING GRANTS

Minimum grants

The Senate bill increases the minimum grant which an HSA must receive to a level of $250,000 for fiscal year 1980; $270,000 for fiscal year 1981; and $290,000 in any succeeding fiscal year (section 129).

The House amendment provides that an HSA may not receive less than $200,000 for fiscal year 1980; $215,000 for fiscal year 1981; and $230,000 in any succeeding year (section 106).

The conference substitute as a compromise specifies that an HSA may not receive less than $225,000 in fiscal year 1980; $245,000 in fiscal year 1981; and $265,000 in each succeeding year (section 106).

Funding formula

The House amendment contains a provision, not included in the Senate bill, which modifies the existing HSA formula to provide that an HSA receive $.70 per capita for its first million population, $.50 per capita for its section million population or part thereof, and $.30 per capita for any population over two million. However, if the Secretary determines that the amount provided by the formula is not needed by the agency, the amount of the grant may be reduced (section 106(a)).

The conference substitute as a compromise specifies that an HSA should receive an amount equal to $.60 per capita.

If the formula yields an amount which is not needed by the Agency to adequately perform its functions, the amount of the grant may be reduced by the Secretary following a hearing (section 106).

Extraordinary expenses

The Senate bill allows the Secretary to increase the funding levels of health systems agencies to recognize any extraordinary expenses including, but not limited to, expenses resulting from the agency's health service area being located in more than one State, from the agency serving a large urban and rural medically underserved population or a large health service area and expenses due to the development of innovative planning techniques. Up to 5% of the total amount appropriated could be used for this purpose (section 129).

The House amendment provides that the Secretary may use up to 5 percent of the amount appropriated to assist an agency in meeting extraordinary expenses including extraordinary expenses resulting from the agency's service area being located in more than one State or from the agency's serving a large health service area (section 106(b)).

The conference substitute conforms to the Senate bill. (section 106(b)).

In authorizing this discretionary funding of HSA's to meet certain extraordinary expenses, conferees are cognizant that immediate or full implementation of this authority could result in some HSA's initially receiving less funds in fiscal year 1980 than they had in fiscal year 1979. Full implementation of this authority should be dependent on the availability of additional HSA funding in fiscal year 1980 which would not necessitate reductions in the per capita funding of HSA's.

MEMBERSHIP REQUIREMENTS

Labor organizations

The Senate bill clarifies provisions of existing law that major purchasers of health care include, but are not limited to, unions and corporations (section 110).

The House amendment clarifies that the requirement to include major purchasers of health care on an HSA governing body includes labor organizations (section 108(d)).

The conference substitute conforms to the Senate bill (section 108(d)).

Representation of medical schools

The House amendment contains a provision, not included in the Senate bill, which adds to the categories of providers in section 1512(b)(c)(ii) (1) the dean of at least one school of medicine in the area (section 108(a)(2)).

The conference substitute conforms to the Senate bill (section 108(a)(2)).

Mental health representation

The Senate bill strikes out health care in each place that it occurs and inserts in lieu thereof health or mental health care in both sections 1512(b)(3)(c) and 1531(3) (section 113(b)).

The House amendment modifies the HSA governing board membership to include (through consumer and provider members) individuals who are knowledgeable about mental health services (including services for substance abuse) (section 108).

The conference substitute as a compromise includes the House provision and establishes a reference to health which includes physical and mental health (section 126).

In changing the law with respect to mental health representation, the conferees expect each health systems agency to solicit the active involvement on their governing board and committees of persons knowledgeable about mental health services, including services for alcohol and drug abuse. This is particularly important given other changes in the bill which emphasize that mental health goals are to be included within the health systems plan. Because of the importance of mental health, drug abuse, and alcoholism issues, the conferees feel that it is important that at least one provider and one consumer member of the HSA board be knowledgeable about these services.

Medicine and osteopathy

The Senate bill contains a provision, not included in the House amendment, which clarifies that the term physician includes both doctors of medicine and osteopathy (section 112).

The conference substitute conforms to the House amendment although a definition of physician is added to the law (section 126).

Non-professional health worker

The Senate bill contains a provision, not included in the House amendment, which broadens requirements pertaining to an HSA governing body by adding non-professional health workers to the provider categories (section 113).

The conference substitute conforms to the House amendment.

Alcohol and drug abuse

The Senate bill contains a provision, not included in the House amendment, which strikes the word "substance" and inserts in lieu thereof "alcohol and drug" in section 1512(b)(3) and section 1531 (section 113).

The conference substitute conforms to the Senate bill (section 108).

Direct providers

The House amendment contains a provision, not included in the Senate bill, which requires that at least one half of the providers shall be direct providers and at least one of them shall be engaged in the administration of hospitals (108(a)(3)).

The conference substitute conforms to the House amendment (section 108).

Broadly represented HSA board

The House amendment contains a provision, not included in the Senate bill, that modifies existing law by requiring that the consumer members of an HSA governing body be broadly representative of the health service area and include individuals representing the principal social, economic, linguistic, handicapped, and racial populations in geographic areas of the health service area and major purchasers of health care (section 108(a)).

The conference substitute conforms to the House amendment (section 108(a)). The conferees emphasize that, the consumer member are to be "broadly representative" of the health service area. Several different approaches in insuring meaningful involvement in HSA decisions by all segments of society are permissible. However, it was not the intent of the Congress in enacting this provision to mandate a quota system requiring the selection of representatives of a particular category strictly proportionate to its representation in the population of the area or to require that representatives of a category be members of the class they represent. Instead, the Congress intended, in implementation of this requirement, that health systems agencies have the flexibility to adopt selection processes most appropriate to local needs.

The conferees note that there has been some confusion about the qualifications necessary to be a representative of a specific population. Such qualification would include membership in the population group, or selection by members of the group.

The Congress received considerable evidence, which indicated that the broadly representative requirement for the consumer members of HSA governing bodies is not being met particularly with regard to low and moderate income persons. The conferees expect that HEW will now move rapidly to issue regulations concerning this and other governing body requirements in this legislation.

Local elected official participation

The Senate bill requires that HSA's must include public elected officials and other representatives of units of general purpose local government on their governing bodies. In the latter case individuals would have to be appointed by a unit of general purpose government or a combination thereof. In a case of a single State health service area, the State government of the State would be deemed a unit of general purpose local government for the purposes of this provision (section 107(b)).

The House amendment clarifies the requirement that public elected officials and other representatives of general purpose local government are required to be included in the membership of the health systems agency governing body (section 108(b)).

The conference substitute conforms to the Senate bill (section 108(b)).

Definition of provider of health care

The Senate bill modifies the definition of provider of health care by providing that an individual shall not be considered an indirect provider of health care solely because he is a member of a governing body of an entity engaged in the provision of health care or in research or in instruction or engaged in producing drugs or other articles. The Senate bill also strikes the word "substance" and inserts in lieu thereof "alcohol and drug" (section 141).

The House amendment revises the definition of provider of health care by deleting the notion of indirect provider. Deleted from the existing definition of provider are the following: (1) board members of voluntary health organizations who do not have as their primary purpose the delivery of health care, the conduct of research or the conduct of health professional instruction; and (2) the immediate family of a provider with the exception of the providers spouse. The income test for a provider is changed from one-tenth to one-third (section 108).

The substitute as a compromise includes the Senate and House provisions with the exception of the deletion of the immediate family of a provider from the definition of a provider, and a change in the income test for a provider from one-tenth to one-fifth (section 108(d)).

Waiting period for providers

The Senate bill contains a provision to remove the stipulation that consumers on HSA boards cannot have been providers of health care within the 12 months preceding the appointment (section 110).

The House amendment includes a similar provision although it applies only to indirect providers (section 108(d)).

The conference substitute conforms to the Senate bill (section 108(d)).

Veterans' Administration participation

The Senate bill clarifies that "ex officio" means non-voting when referring to the ex-officio members of a health systems agency governing body (section 114(b)).

The House amendment provides that the representative of the Veterans' Administration shall not be included in determining the numerical limits of an HSA, i.e., an HSA required to have a VA representative can have a 31 member governing body (section 108(b)(3)).

The conference substitute as a compromise contains both the provisions of the Senate bill and the House amendment (section 108(b)(3)).

CONSUMER MAJORITY ON COMMITTEES

The Senate bill provides that a majority of the members of any HSA subcommittee or group, must be consumers of health or mental health care (Section 115). It also deletes the requirement that all committees meet the other representational requirements and deletes the phrase "of its members".

The House amendment provides that appointments will be made to HSA subcommittees and groups in such a matter that a majority of their members shall be consumers of health care (section 108(e)).

The conference substitute as a compromise conforms to the House amendment and includes the Senate provision which makes it clear that other than governing body members can serve on the HSA's committees (section 108(e)).

GOVERNING BODY SELECTION

The Senate bill sets forth guidelines for the process to be used by the HSA in selecting members of its governing body and subarea councils. That selection process should assure that members are selected in accordance with the compositional requirements of the Act, that there is opportunity for broad participation by the residents of the health service area, that such participation will be encouraged and facilitated, and that HSA governing body members do not select other members of the governing body. The selection process is to be made public and reported to the Secretary (section 106).

The House amendment contains a similar provision except that any required change in the selection process would have to be made only to the extent permitted by the State law applicable to the incorporation of the agency and the existing members would not be prohibited from selecting new members of the governing body (section 109).

The conference substitute requires that one-half of the members of the governing body be selected by other than the existing members of the governing body. It also provides that if the subarea council is authorized to select or selects one or more members of the governing body of the health systems agency, then one-half of the members of the subarea council must be selected by other than the existing members of the subarea council (section 109).

The conferees express particular concern about testimony concerning the process through which consumer and provider representatives are selected to HSA governing bodies. The present law allows an HSA governing body to be self-selected. The conferees are concerned as a result these agencies, which are supposed to be open and accessible can become closed with a self-perpetuating board providing policy direction unsupported by the general public. The conferees view such a prospect with concern and have thus adopted this provision which will prohibit self-perpetuation.

RESPONSIBILITIES OF GOVERNING BODIES

Public HSA responsibilities

The Senate bill provides that an HSA that is a public regional planning body or a unit of local government shall not be required to delegate to the separate governing body for health planning the exclusive authority to appoint and with cause remove members of the governing body for health planning, establish personnel rules and practices for staff or approve the agency's budget or any combination of these activities (section 107(a)).

The House amendment provides that when a health systems agency is a public regional planning body or a unit of local government, the public board shall be responsible for the establishment of personnel rules and practices for the staff of the agency and for the agency's budget unless the governing body for health planning is specifically authorized to perform these functions. It also provides for the public board to appoint the members of the separate governing body for health planning. The House amendment in addition specifies that when an HSA elects to have a governing body of more than 30 members and establishes an executive committee that has authority to take action for the board, then the executive committee shall be composed of not less than 10 members, or more than 30 members. Existing law limits the committee to 25 members (section 110(a) and (b)).

The conference substitute conforms to the House amendment (section 110(a) and (b)).

Liability

The Senate bill amends existing law to revise and broaden the scope of protection against personal liability for money damages and to provide protection for consultants and agents of the HSA, as well as members and employees. The bill provides that no such individual will be considered liable if the individual believed he or she was acting within the scope of official duties and acted without gross negligence or malice toward any person affected by it. The Senate bill also extends the same protection against personal liability suits to SHCC members, employees, consultants, and agents (section 116).

The House amendment clarifies the immunity from liability for money damages for HSA board members and employees and extends the immunity to the HSA. An exception to this immunity is established for civil actions for bodily injury to individuals or physical damage to property (section 110(d)).

The conference substitute includes both the Senate bill and the House amendment although the Senate provision extending immunity to consultant or agents of HSAs or SHCCs is not included (section 110(d)).

Plan development in a public HSA

The House amendment contains a provision, not included in the Senate bill that provides that in the case of a health systems agency such as a public regional planning body or a unit of general local government, the planning body or unit of government shall only be given a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the governing body and to propose additions to and other revisions in it. It further provides that any such proposed additions or revisions not included in the plan by the agency shall be appended to the plan. This provision would not affect the authority over the plan of the four existing HSA's which are units of local government (section 115(g)).

The conference substitute conforms to the House amendment which would allow four existing HSA's which are units of local government (those serving Montgomery County, the City of Chicago, Santa Clara County, and the Navajo Nation) to review and approve the health systems plan and the annual implementation plan. All other public HSA's would be given a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the separate governing body for health planning and to propose additions to and other revisions in it. The separate governing body for health planning of all public health systems agencies including the four HSA's (designated above) which are units of local government, shall have exclusive authority to perform all the other functions described in section 1513 (section 110(e)).

The conferees note that the purpose of this substitute is to permit the effect of the decision in *Montgomery County, Md. v. Califano*, 449 F.Supp. 1230 (1978) to continue only with regard to review and approval of the health systems plan and annual implementation plan by the four existing HSA's (designated above) which are units of local government.

Prohibition against lobbying

The House amendment contains a provision which provides that none of the funds authorized under Titles XV and XVI shall be directly or indirectly used to pay for the personal services of individuals intended to influence executive orders or legislation (section 110).

The conference substitute as a compromise provides that no funds may be used by health systems agencies directly to pay any individual to influence executive orders or regulations or legislation. The prohibition, however, does not apply with respect to compensation paid by a health systems agency to an employee of the agency unless the primary responsibility of the employee is to influence such governmental action (section 110(f)).

This provision was adopted to prohibit an HSA from hiring or contracting with an individual to lobby. The conferees, however, recognize that HSA staff and board members have a right to represent their agency's view before both executive and legislative branches. This amendment is not intended to, in any way, to alter that right.

The conferees also wish to make it clear that the substitute does not prohibit an HSA from joining a tax-exempt organization, such as the American Health Planning Association, which might lobby consistent with its tax-exempt status.

MEETINGS AND RECORDS

The Senate bill would amend existing law to exclude from the open meeting requirement meetings or portions of meetings called to discuss the performance or remuneration of an HSA employee which, if public, would constitute a clearly unwarranted invasion of personal privacy of such individual. The bill extends similar scope of protection to HSA and State personnel records and data including restrictions on the Secretary's access to such records and data (section 109).

The House bill amends existing law to provide that the health systems agency is not required to conduct in public those portions of business meetings that deal with information of a personal nature the disclosure of which would constitute a clearly unwarranted invasion of personal privacy or, information relating to the agency's participation in a judicial proceeding. Similar provisions would apply to the agency's data and records. The House amendment provides that the State agency is to conduct its business meetings in public and make records and data available in accordance with State law. Similar provisions to insure openness in the health planning process are added in regard to an agency's executive committee (section 111).

The conference substitute as a compromise provides that HSAs and State agencies are to hold their meetings in public, except that any part of a meeting may be closed if the governing body or State agency determines that information respecting the performance or remuneration of an employee of the agency will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy of that employee, or that information relating to an agency's participation in a judicial proceeding would be disclosed. Similarly, HSAs and State agencies would be required to make available, upon request, to the public all their records and data except for personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, and records or data relating to their participation in a judicial proceeding (section 111).

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

Support for governing body members

The House amendment contains a provision, not included in the Senate bill, which requires that each health systems agency have an identifiable program to provide assistance to the members of its governing body and committees including a means to define the support needs of the members and to provide the members with the support, training, and continuing education which is needed (section 112(a)).

The conference substitute conforms to the House amendment (section 112(a)).

Reimbursement for members of governing bodies

The Senate bill modifies existing law to allow HSA's when appropriate to make advances to HSA members for their reasonable costs incurred in attending meetings and performing other needed functions of the health systems agency (section 108).

The House amendment provides that the HSA, where appropriate, can make advances to the Board members for the reasonable costs incurred in attending meetings in the governing bodies (section 112(b)).

The conference substitute conforms to the Senate bill (section 112(b)).

Governing body staff support

The Senate bill provides that at least one member of the staff should be designated as having the responsibility to provide the consumer members of the governing body with such assistance as they may require to effectively perform their functions (section 105(c)).

The House amendment has a similar provision although the designated staff member would be responsible for providing assistance to both consumer and provider members of the governing body (section 112(c)).

The conference substitute conforms to the House amendment except that it provides that the staff assistance is particularly for the consumer members (section 112(c)).

The conferees have adopted this addition to the House amendment because consumers generally have less familiarity with health care issues and medical practices than provider members of the board and thus in many instances may require special staff assistance.

CONFLICTS OF INTEREST

The Senate bill provides that each health systems agency and Statewide health coordinating council (SHCC) shall adopt procedures to insure that no member, employee, consultant or agent participates in any matter regarding any person, institution, organization or other entity with which he or she has had in the past three years substantial direct or indirect employment, fiduciary, competitive, medical staff, or ownership or financial interest (section 104 (a) and (b)).

The House amendment provides that no member of the governing body or its subunits may vote on project reviews regarding an individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. It also requires adequate disclosure of any such conflict of interest in relationship to any matter before the HSA. Similar requirements are added for members of the Statewide health coordinating council (section 113 (a) and (b)).

The conference substitute as a compromise conforms to the House amendment with the addition of medical staff relationships and a one year period during which a member may not have had a conflict of interest (section 113).

STAFF EXPERTISE

The Senate bill requires HSA staff to have expertise in financial and economic analysis, public health and disease prevention, mental health planning and development, and the use of mental health resources. It further provides that to the extent practical HSA's must have staff meeting these and other requirements. It also clarifies that the functions of planning and of development of health resources include mental health resources (section 105(a) and (b)).

The House amendment adds expertise in both financial and economic analysis and the prevention of disease and other public health matters to the list of expertise which should be present, to the extent feasible, in a health systems agency staff (section 114).

The conference substitute as a compromise adds expertise in both financial and economic analysis, the prevention of disease and other public health matters to the list of expertise that must be present on the health systems agency staff. It also clarifies that expertise in health planning includes mental health planning just as references to health resources include mental health resources (section 114).

HEALTH PLAN REQUIREMENTS

Health plan format

The Senate bill provides that the SHCC shall establish (in consultation with the HSA's within the State and the State Agency) a uniform format for health systems plan and annual implementation plans. It also requires the HSA to develop its plan in accordance with the format prescribed (section 138).

The House amendment provides that the SHCC shall establish a uniform format for health systems plans and require that the HSA develop its plan in accordance with that format (section 115 (a) and (b)).

The conference substitute conforms to the Senate bill (section 115(a)).

Planning agencies involvement in environmental health issues

Both the Senate bill and the House amendment contain a provision which provides that a health systems plan's goals relating to the description of a healthful environment are to be concerned "primarily with regard to health care equipment, and health services provided by health care institutions, health care facilities, and other providers of health care and health resources" (section 115(b)).

It is the intent in adding this provision to encourage health systems agencies to focus their energies on issues directly relating to health planning and resources development.

The conferees intend, however, that this provision not prevent an HSA from involving itself in improving the environment which impacts on health. In fact, the conferees expect that this bill will expand and enhance the role of disease prevention activities (particularly involvement in environmental, occupational, nutritional health programs) in the health planning and implementation process. It is expected that HSA's and State health planning agencies will focus greater attention, personnel, and resources on identifying and correcting preventable diseases and conditions. Too little effort has been directed at disease prevention under health planning legislation in the past.

At the same time, the conferees recognize that in many areas environmental, occupational, nutritional health programs are presently in existence. In such cases, it is not the conferees intent to require duplication of effort by health planning agencies. Health planning agencies should be actively involved in identifying problems and unmet needs in existing disease prevention programs. The planning agency should identify the consequences to the health of its areas citizens and the impact on rising costs of the failure to address adequately environmental health problems. It should serve as a catalyst for action to improve public health in such circumstances.

Mental health and the HSP

The Senate bill requires the health systems plan to include an identifiable alcohol abuse, drug abuse and mental health component and to address specifically the needs of all medically underserved populations in the health service area (section 119(c)).

The House amendment requires that the HSP include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure through which persons knowledgeable about such services will be consulted (section 115(b)).

The conference substitute conforms to the House amendment (section 115(b)).

The conferees expect that the goals and related resources requirements for mental health and drug abuse and alcoholism services will be integrated into the health systems plan by an HSA. While an HSA may desire to have separate sections of the plan dealing with these issues, it is not required to do so. The conferees realize that the manner in which the health goals are included in the plan will vary from agency to agency and will depend in large part on the taxonomy with which an HSA is viewing the health system and in turn developing its plan.

Statewide health needs

The House amendment contains a provision not included in the Senate bill, which requires the State health planning and development agency to determine the health needs of the State which are statewide and requires the health systems plan to be developed in a way which is responsive to those statewide health needs. In determining statewide health needs, recommendations are to be sought from the State health authority, State mental health authority and other agencies in State government and the Statewide Health Coordinating Council (section 115(c)).

The conference substitute conforms to the House amendment (section 115(c)).

Coordination of health and mental health planning

The Senate bill requires that the preliminary State health plan include an indentifiable alcohol abuse, drug abuse and mental health component to be prepared by the respective alcoholism, drug abuse and mental health authorities designated by the Governor.

The alcohol abuse, drug abuse and mental health components of the HSP's submitted by the HSA's for inclusion in the State Health Plan may, if found necessary by the respective State authorities, contain revisions of such components to achieve their appropriate coordination or to deal more effectively with Statewide alcohol abuse, drug abuse, and mental health needs. The remainder of such preliminary State plan, may, if found necessary by the State Agency, also contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with Statewide health needs. The preliminary State plan is submitted to the SHCC for approval or disapproval and for use in developing the final State health plan (section 135(b)).

The House amendment requires the State Agency to refer the HSP's to the State health authority, the State mental health authority and other agencies of State government designated by the Governor to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements. If the State Agency does not take one of the actions proposed in a recommendation submitted under this procedure, the State Agency will make available to the public a written statement of its reasons for taking such action. In reviewing these portions of the State health plan, the SHCC may establish a procedure under which persons knowledgeable about mental health services will have an opportunity to make recommendations to the SHCC. The State health authority, the State mental health authority and other agencies of State government are required to carry out those parts of the State health plan which relate to State government (section 115(c)).

The conference substitute conforms to the House amendment (section 115(c)).

The Senate bill requires the coordination of the State health plan with the State mental health plan, the State alcohol abuse plan and the State drug abuse plan (section 118 (d)).

The House amendment requires the plan required by section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 and the plan required by section 409(e) of the Drug Abuse Office and Treatment Act of 1972 to be consistent with the State health plan in effect for such State. It also makes changes in the Community Mental Health Centers Act to assure consistency between the two planning processes (section 115(j) and (k)).

The conference substitute as a compromise requires that the mental health, drug abuse and alcoholism plans be consistent with the State health plan (section 115(j)).

The conferees have adopted provisions contained in both bills which seek to integrate mental health, alcohol and drug abuse planning into the general areawide and state health planning process. The act requires that State programs must provide for consultation and coordination with the appropriate responsible State agency for these health services. Moreover, the laws governing mental health, alcohol and drug abuse activities have been amended to require that each respective State plan be consistent with the State health plan under this act.

The conferees were unable to avoid the development of dual State health plans required by existing law. However, it is expected that every effort will be made by the Secretary to eliminate overlap and duplication between the State plans and to reduce the requirements imposed by regulations on those organizations seeking Federal support in these areas. The conferees expect that efforts will be undertaken to allow the mental health, alcohol and drug abuse plans to be completely incorporated into the SHP.

In the meantime it is expected that the State health plan be the policy plan for all health services in the State and that each of the categorical plans set forth programs for State health plan implementation for their respective areas of responsibility.

HEALTH SYSTEMS PLAN AND STATE HEALTH PLAN REQUIREMENTS

The Senate bill sets forth specific material to be included in health plans. In addition to the other requirements, the HSP and the State health plan must include a description of the institutional health services needed for the well being of persons receiving care within the health service area, including at a minimum, the number of type and medical facilities, rehabilitation facilities, nursing homes, beds and equipment needed to provide acute inpatient, psychiatric inpatient, obstetrical inpatient, neonatal inpatient, long-term care, and treatment for alcohol and drug abuse; the extent to which existing medical facilities, rehabilitation facilities, nursing homes, beds and equipment are in need of modernization or conversion to new uses; and, the extent to which new medical facilities, rehabilitation facilities, nursing homes, beds and equipment need to be constructed or acquired. Similar information would have to be provided on other non-institutional health services including the number and type of health maintenance organizations, outpatient facilities, rehabilitation facilities, facilities for treatment of alcohol and drug abuse and other medical facilities, and home health agencies and equipment needed to provide public health services and outpatient care (section 118 (a) and (d)).

The House amendment requires that the health systems plan include a statement of the resources—personnel, facilities, and other resources—which the agency determines are needed to meet the goals set forth in the health systems plan. The HSA may identify in such statement any health care facility which provides inpatient health services which should undertake such changes in (section 115(b)).

The conference substitute as a compromise provides that both the health systems plan and the State health plan shall describe the institutional health services needed in the area including at a minimum, acute inpatient, rehabilitation and long-term care services and other health services needed to provide for the well being of persons receiving care within the health service area including at a minimum preventive, ambulatory, and home health services. The health systems plan shall also describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the health systems plan and shall state the extent to which existing health care facilities need modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired (section 115(d)).

The conferees note that in adopting this provision it is their desire that plans developed at the areawide and State level become more specific in order to improve their usefulness as a regional or statewide guide for the development of new, or modification of existing, health care services. In doing so the planning agency is expected as appropriate to identify the health care facilities, organizations, or individuals, which should undertake the proposed changes set forth in the plan.

Health plan procedures

The Senate bill adds a public hearing requirement for the establishment, review, and amendment of the annual implementation plan as well as the HSP (section 119(b)).

The House amendment requires the annual implementation plan to include a statement of the resources needed to meet the objectives of the AIP. It also requires that the HSA assure that the public has adequate input into the development and revision of the AIP. It also provides that if an HSA is a public regional planning body or unit of general local government, the public board shall have an opportunity to review and comment on the AIP (section 115(e)).

The conference substitute combines the Senate and House approaches (section 115 (e)).

The conferees note that the requirement for notification and a public hearing by an HSA regarding revisions in its AIP or HSP is intended to give interested persons an opportunity to present their views on the proposed plan or proposed changes in existing plans which are substantive in nature. It is not intended that public hearings be held for every conforming, editorial, or other minor change in an existing plan.

Plan and the national guidelines

The Senate bill deletes the requirements of existing law that the goals in the health systems plan are to be consistent with the national guidelines for health planning. The HSA shall submit to the SHPDA, SHCC and the Secretary a detailed statement of the reasons for any inconsistencies between the HSP and the AIP and the national guidelines and priorities (section 119(d) and (e)).

The House amendment deletes the requirement in section 1513(b)(2) that the goals of the SHP are to be consistent with the national guidelines for health planning. This makes it clear that the HSA can establish goals that are different from the national guidelines in order to be responsive to the unique needs and resources in its area. It also requires that if the goals contained in the HSP are not consistent with the national guidelines, the HSA shall provide the SHPDA and the SHCC with a detailed statement for the reasons for the inconsistency (section 115(g)).

The conference substitute conforms to the House amendment with the Senate bill's reporting requirement (section 115(f)).

Governors' involvement in the State health plan

The Senate bill requires that the State health plan prepared by the SHCC have the concurrence of the Governor (section 118 (c)).

The House amendment provides that the State health plan approved by the SHCC shall be the State health plan for the State unless within 60 days after its approval, the Governor disapproves the plan because it does not effectively meet the established statewide health needs. In doing so, the Governor shall make a detailed statement on the basis for his determination that the plan does not meet statewide health needs and shall specify the changes in the plan which are needed (section 115(h)).

The conference substitute as a compromise specifies that the State health plan, as approved by the SHCC, shall be the State health plan only with the approval of the Governor. The State health plan may be disapproved by the Governor only if the Governor determines that the plan does not effectively meet statewide health needs. In disapproving the plan, the Governor shall make public a detailed statement of the basis for his determination that the plan does not meet statewide health needs and shall specify the changes in the plan which are needed (section 115(g)).

Plan as a condition of a grant

The Senate bill contains a provision, not included in the House amendment, which stipulates that until a State health plan is in effect, the Secretary may not make any grants to the State health planning and development agency pursuant to section 1525 (section 118(e)).

The conference substitute conforms to the Senate bill (section 115(g)).

Technical assistance by HSA's

The Senate bill contains a provision, not included in the House amendment, which requires the HSA to provide technical assistance in obtaining and filling out necessary forms to applicants applying for projects to achieve the HSP (section 120).

The conference substitute conforms to the Senate bill (section 115(h)). The conferees note that this requirement is added so that the health systems agency will include in the technical assistance it provides guidance to applicants and others in completing the agency's forms and in meeting the necessary application requirements for a certificate of need. It should be clear that the HSA is not expected to complete the forms and applications but merely to assist the applicant in meeting the application requirements.

Planning cycle

The Senate bill requires that plans be reviewed at least every three years (sections 119(a), 120(b), 136(c)).

The House amendment provides that plans be reviewed on a biennial basis (section 115(i)).

The conference substitute conforms to the Senate bill (section 115(i)).

The conferees in accepting the Senate provision that HSA's and SHCC's be required to review the complete health systems plans every third year believe that this will reduce or eliminate paperwork and duplication of effort currently caused by annual reviews and allow more time to be spent on plan implementation. Nevertheless, it is expected that those agencies which have not fully developed their plans or those agencies whose plans do not address the full scope of covered services or institutions in their areas will continue to review and revise their plans on a more frequent basis until such time as the plans are complete. All HSA's are encouraged to update or modify their plans as necessary.

HSA's and Indian tribes and organizations

The Senate bill adds a new requirement for HSA's having an Indian tribe or intertribal Indian organization located within its health service area. The HSA is directed to carry out its functions in a manner that recognizes tribal self-determination and is to seek to enter into agreements with the tribes or organizations on matters of mutual concern as defined in the regulations of the Secretary (section 153).

The House amendment adds a new provision to clarify that the development of a health systems plan or annual implementation plan in an area that includes an area under the jurisdiction of an Indian tribe or an Alaskan Native Village does not affect the authority of the tribe or village to establish and carry out the health plan for the Indian health programs under its jurisdiction. If a health plan for Indian health programs is developed, the HSA shall include such plan in the HSP. The House amendment also provides for the sharing of data between the HSA and Indian tribes and Alaskan Native Villages (section 115(f) and section 121).

The conference substitute conforms to the Senate bill and adds a provision related to the sharing of HSA data with Indian tribes and Alaskan Native Villages (section 121(b)).

CRITERIA AND PROCEDURES FOR REVIEWS

Review of criteria and procedures

The House amendment contains a provision, not included in the Senate bill, which requires that in the conduct of reviews of plans or applications for Federal funds, the SHCC shall, to the extent appropriate, use the procedures and criteria that apply to other reviews under Title XV listed in section 1532. It also provides that in the conduct of reviews the agencies shall consider the relationship of the health services being reviewed to the applicable State health plan in addition to the relationship to the relevant HSP and AIP (section 116).

The conference substitute conforms to the House amendment (section 116(a)).

Failure to complete review

The Senate bill contains a provision which provides that the failure of a health systems agency or a State agency to complete a review within the period prescribed for the review may not be deemed by the agency to constitute a negative finding, recommendation, or decision.

The House bill provides that certificate of need review shall be completed within 90 days or such additional time on which the applicant and the agency can agree; or such additional time as prescribed in State law in cases in which a request is made to the State agency for a hearing under section 1532(b)(8) or the State batches applications; or when the applicant has been cited by the Secretary of HEW for a violation of the Civil Rights Act of 1964 (section 116(b)).

The conference substitute as a compromise requires the State agency to establish a period within which approval or disapproval of the application for a certificate of need shall be made. If a State agency fails to approve or disapprove an application within the applicable time period the applicant may bring an action in an appropriate State court to require the State agency to approve or disapprove the application (section 116(d)).

The conferees wish to point out that this provision requires each State to set a time certain for the completion of a certificate of need review. The conferees emphasize, that, while the period of review may vary according to the type of application or the relevant review procedures, it is important that the applicant know at the beginning of a review the length of such review period and have a right of action against the State agency if a decision is not made within that period of time. The conferees are particularly concerned with the practice of some States in the past in which their failure to make a decision has meant automatic disapproval of the application. The conference substitute is designed to prohibit this practice. The conferees expect each State agency to make decisions within the time period which is set forth and would expect the Secretary of HEW to carefully monitor a State's performance with regard to this requirement and take whatever actions are necessary to assure that it is met.

Judicial review

The Senate bill contains a provision, not included in the House amendment, to provide for judicial review of any final decisions rendered by a State agency in regards to a certificate of need review or appropriateness review. Any person adversely affected by such decision may within a reasonable period of time after such a decision is made and any further administrative remedies are exhausted obtain judicial review of such a decision in an appropriate State court. Upon such judicial review, the decision of the State agency shall be affirmed unless it is arbitrary or capricious or was not made in conformity with the applicable law (section 133).

The conference substitute conforms to the Senate bill except that it requires judicial review to be limited to certificate of need decisions made by a State agency, and to other reviews, where appropriate (section 116(d)).

Judicial review has not been required for appropriateness review because the Act does not authorize the use of appropriateness review to require a health care institution to terminate services or to close it's facility. However, the conferees intend that, any review of the appropriateness of services which could result in a health care institution being unable to provide a service or having to close in total or in part it's facility or the imposition of any other sanctions as a result of the review, shall be subject to the judicial review requirements agreed to bv the conferees.

Administrative review

The House amendment contains a provision, not included in the Senate bill, that requires that each decision of the State agency not to issue a certificate of need shall upon request of the person who applied for the certificate be reviewed under an appeals mechanism which is consistent with the State law governing the practices and procedures of administrative agencies or, if there is no such law, by an entity designated by the Governor (section 117(a)).

The conference substitute conforms to the House amendment and provides that any person directly affected by such decision may request a review (section 116(d)).

Notification

The Senate bill contains a provision, not included in the House amendment, which requires timely written notification to all affected parties at the beginning of a review and requires that all persons who have asked to be placed on a mailing list maintained by the HSA or State Agency be notified of certain reviews by such agencies. It also provides for timely notification of providers of health services and other persons of certain information. It requires that public hearings be held prior to any decision made in the course of HSA or State Agency review as requested by persons directly affected by the review (section 145, 146, and 147).

The conference substitute conforms to the Senate bill (section 116(d)).

Procedures for review

The Senate bill contains a provision, not included in the House amendment, which establishes requirements for HSA and State Agency reviews of certificate of need applications and reviews of the appropriateness of existing institutional health services, and where appropriate, for other reviews. The requirements are that each participant may present evidence and arguments orally or by written submission, each participant may cross examine any other participant who makes a factual allegation relative to such review. A hearing record must be maintained. HSA and State Agency decisions must be based solely on the hearing record and there is a prohibition on ex parte contacts with individuals voting in the review process (section 144(c)).

The conference substitute requires a formal hearing before the State agency if requested, requires the decision to be made on the record, sets forth an administrative review mechanism, provides that any person adversely affected by a final decision of a State agency may obtain judicial review and that there shall be no ex parte contact between the applicant and any person in the State agency with responsibility respecting the application after the commencement of a hearing on the application (section 116 (d)).

The conferees intend that a formal hearing be held if the State agency is requested to do so. If an HSA has been delegated this hearing responsibility by the State only one formal hearing is required. If an HSA has not been delegated this hearing responsibility then, if requested, the HSA may also hold a hearing which may be either formal or informal at the HSA's discretion (section 116 (d)).

Criteria for review

The Senate bill provides that in reviewing construction projects the HSA and the State Agency shall consider effect of the application on the costs and charges to the public of providing health services by other persons; that in the case of existing services the quality of care provided by such facility in the past must be considered, and that in both cases consideration must be given to the extent to which such proposed services will be accessible to all residents of the area to be served by such services (section 148).

The House amendment requires that in adopting criteria the planning agency shall consider, in the case of health services proposed to be provided, the effect of their proposed services on the clinical need of health professional training programs, the extent to which such programs will have access to those services if they are to be available in a limited number of facilities and the extent to which such services will be accessible to all residents of the area to be served by the services. It also requires that in the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those provided be considered in the review process (section 116(d)).

The conference substitute as a compromise contains provisions of both the Senate bill and the House amendment (section 116 (f) and (g)).

Additional procedures

The Senate bill amends section 1532(a) to stipulate that procedures and criteria for review by HSA's and State Agencies must provide that applications be submitted in accordance with established timetables, reviews be undertaken in a timely fashion, applications of similar types of services and facilities be considered in relation to each other no less often than twice a year, and reviews of similar types of institutional health services affecting the same service area must be considered in relationship to each other. It also provides that HSA's and State Agencies must cooperate in the development of procedures and criteria to the extent appropriate to the achievement of efficiency in their review and consistency in criteria for such reviews (section 143).

The House amendment provides that reviews may be conducted in a manner that batching of applications can occur with comparisons being made among applications. It also requires the HSA, the SHPDA and the SHCC to work together in developing criteria and procedures for review (sections 116(c) and 117(a)).

The conference substitute conforms to the Senate bill (section 116(e)).

Requests for information

The House amendment contains a provision, not contained in the Senate bill, which requires health planning agencies to develop procedures that assure that requests for information are limited to only that information which is necessary to perform reviews. It also allows an applicant to designate data which he believes should not be released to the public and to submit such data separately. If the agency proposes to release such data, it shall notify the applicant at least 30 days before the release. The House amendment would also provide that the agency's procedures assure that the general public have access to all written materials "essential" rather than "pertinent" to a review (section 116(g)).

The conference substitute requires the agencies to give the applicant 15 days to provide any data requested after a review has begun.

Review of procedures

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to annually review the regulations promulgated pursuant to section 1532 relating to procedures and criteria and to allow the health planning agencies opportunity to comment on the need for the revision of the regulations. These agencies shall be consulted at least 45 days before initial publication (section 116(f)).

The conference substitute conforms to the House amendment (section 116(h)).

CERTIFICATE OF NEED PROGRAMS

State health plan and certificate of need

The Senate bill requires that certificate of need decisions be consistent with the State health plan except in emergency circumstances that pose a threat to public health (section 118(b)).

The House amendment provides that a decision to issue a certificate of need shall not be inconsistent with the State health plan (section 117(a)).

The conference substitute conforms to the Senate bill (section 117(a)).

Sanctions and withdrawal

The Senate bill contains provisions, not included in the House amendment, which require a certificate of need program to be consistent with standards established by the Secretary. It also provides that such a program shall provide for procedures and penalties to enforce the provisions of the program and that after a certificate of need is issued a periodic review (at least every 24 months) shall be conducted of the progress being made in making the service or facility for which the certificate was issued available for use. The program shall provide for withdrawal of the certificate if there has not been substantial progress (section 136).

The House amendment provides that after a certificate of need is issued an annual review shall be conducted of the progress being made and if adequate progress is not being made, the certificate shall be withdrawn (section 117(a)).

The conference substitute combines the two provisions. (Section 117 (a) and (b)).

General provisions

The House amendment contains an amendment not included in the Senate bill, which clarifies and expands required certificate of need coverage with respect to major medical equipment, institutional health services and capital expenditures. It requires that States shall specify in the certificate the maximum amount of capital expenditures which may be obligated. It requires the Secretary to prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditure exceeds the maximum specified (section 117 (a) and (b)).

The conference substitute conforms to the House amendment (section 117(a)).

Required approval of certain applications

The House amendment contains a provision not included in the Senate bill that requires the approval of an application for a certificate of need for a capital expenditure which is required to eliminate or prevent eminent hazards, to comply with State licensure standards, or to comply with accreditation standards, but only to the extent that the capital expenditure is required to eliminate or prevent such hazards or to comply with such standards (section 117(a)).

The conference substitute, as a compromise, includes the House amendment with the added requirement that approval is not required if the State agency finds that that the facility or service with respect to which such capital expenditure is proposed to be made is not needed or that the obligation of the capital expenditure is not consistent with the State health plan in effect under section 1524 (section 117(a)).

Congress recognizes that some health facilities whose continued operation is absolutely necessary and is consistent with the SHP may be required, because of licensing problems, to apply for a certificate of need for the limited purposes of coming into compliance with life safety code requirements or accreditation standards.

Congress hopes to limit the necessity for planning agencies to go through a highly formalized and time-consuming review over those projects which are clearly needed. Yet Congress is also fully aware of the burdensome costs created by excess capacity and does not intend that this provision be used to fund capital projects in facilities which are unneeded or determined, by the State agency to have excess capacity.

Limitations on criteria or conditions under a certificate of need program

The House amendment contains a provision, not included in the Senate bill, which requires that the issuance of a certificate of need may not be made subject to any criterion or condition unless the criterion or condition directly relates to (a) the ability of the applicant to provide the service for which the certificate is to be issued (b) the quality of the service and (c) the availability and accessibility of the service to patients in need of it or is otherwise directly related to a determination of the need for such service (section 117(a)).

The conference substitute as a compromise provides that the review of an application for a certificate of need shall not be made subject to any criterion and the issuance of a certificate of need may not be made subject to any condition unless the criterion or condition is directly related to the criteria prescribed by section 1532(c), the criteria prescribed by regulation promulgated under section 1532(a) before the date of enactment of this Act (See 42 C.F.R. § 123. 409–11), or criteria prescribed by regulation by the State agency in accordance with an authorization prescribed by State law. This compromise reflects the agreement of the conferees that certificate of need approval should not be subject to conditions or criteria which are not based upon Federal or State law. Furthermore, the certificate of need program may not be required to include any criterion in addition to criteria described or set forth pursuant to section 1532 (section 117(a)). This provision prohibits the Secretary from withholding approval of a State certificate of need program under section 1523(a)(4)(B) until or unless the State adopts criteria or authorizes the imposition of conditions other than those referenced by this provision.

In order to avoid semantic arguments, the conferees wish to make clear that in this section, the term criteria means a standard or rule which may be applied to certificate of need applicants during the review process; the term condition means a required action applied to a specific applicant and established as part of a certificate of need decision following review. These general definitions would apply regardless of what term is used in State Law or regulation which describes these concepts.

Coverage of major medical equipment outside a health care facility

The Senate bill requires a State certificate of need program to provide for review and determination of need prior to the acquisition of diagnostic and therapeutic equipment which will not be owned by or located in a health care facility if notice is not filed as required or the State agency finds that the equipment will be used to provide services on a regular basis for inpatients of a hospital. Before any person enters into a contractual agreement to acquire diagnostic or therapeutic equipment that will not be owned by or located in a health care facility such person must notify the State agency of the State in which such equipment will be located of such persons intent to acquire such equipment. Such notice must be made in writing at least 30 days before the contractual arrangements are entered into to acquire the equipment with respect to which notice is given. Diagnostic or therapeutic equipment is added to the definition of institutional health service (section 136 and section 142).

The House amendment excludes from required certificate of need coverage the acquisition of major medical equipment that is not owned or located in the health care facility unless the equipment will be used to provide services for inpatients of a hospital. Any person who plans to acquire major medical equipment shall notify the SHPDA of such intent so that the agency can determine if the acquisition requires review. Major medical equipment is defined as any equipment in excess of the capital expenditure minimum, except that the term does not include medical equipment acquired by or on behalf of independent clinical laboratories to provide clinical laboratory services.

The conference substitute conforms to the House amendment by providing that all States must require a certificate of need under their certificate of need programs for the acquisition of major medical equipment that is not owned by or located in a health care facility if that equipment is to be used to provide services for inpatients of a hospital. However, as a compromise, the conference substitute allows the States to require a certificate of need for any other uses of major medical equipment not owned by or located in a health care facility if they currently provide for the additional requirements or if they provide for such additional requirements prior to September 30, 1982. After that date, a state would be prohibited from changing its certificate of need program to include requirements that are in addition to the minimum requirements set forth in title XV (section 117(a)).

The conferees note that in order for a certificate of need program to be acceptable under title XV, it must provide for the review and approval of the acquisition of major medical equipment that will be used to provide services to patients who are inpatients of a hospital at the time the service was provided. Equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services is not required to be reviewed. The conferees want to make clear that this provision is a minimum requirement of an acceptable certificate of need program, and that a State is permitted to cover medical equipment acquired for use in other than inpatient settings, which costs less than $150,000 or which is acquired by a clinical laboratory. Although States would be prohibited from changing their law to go beyond the minimum requirement after September 30, 1982, no State which had imposed additional requirements before that date would be required to alter those requirements.

The conferees also wish to make clear that the term "contractual arrangement" is not intended to prohibit normal marketing negotiations for purchase of equipment such as a notice of intent to purchase. However, such a notice of intent to purchase would have to contain a condition to the effect that the notice of intent would only become a contractual arrangement thirty days after the filing of the purchaser's required notice to the State Agency of intent to acquire such equipment.

Coverage of health maintenance organizations

The Senate bill establishes special criteria under which certificate of need applications of health maintenance organizations will be reviewed and approved. Applications of Federally qualified HMO's for new institutional health services must be approved by the State agency if it finds that (1) approval is required to meet the needs of present HMO members and new members who can reasonably be expected to enroll, and (2) that the HMO is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable and cost effective manner consistent with the basic method of operation of the HMO and which makes such services available on a long term basis through physicians and other health professionals associated with the HMO. It further provides that no certificate of need program shall have provisions for the review and determination of need of the services, facilities, equipment and organization of health maintenance organizations and the entities through which their services are provided except for new institutional health services of hospitals controlled directly or indirectly by health maintenance organizations and diagnostic and therapeutic equipment of health maintenance organizations (section 148 and section 136).

The House amendment requires a State to exempt from its certificate of need program the development of new institutional health services, the acquisition of major medical equipment and the obligation of capital expenditures of (1) a health maintenance organization, (2) any other provider of health care which provides ambulatory and inpatient health services on a prepaid basis if at least 75 percent of the patients who use the service or equipment which is exempt are enrollees of the organization or provider and (3) any other provider who has entered into agreements to serve enrollees of an HMO or other providers (described in 2 above) if at least 75 percent of the annual revenues from the service, equipment, or expenditures are derived from such agreements.

If in any year an exempt HMO or provider fails to meet the 75 percent patient or revenue requirement, the State shall prohibit the HMO or provider from using the service, equipment or expenditure to provide services to individuals other than those enrolled on a prepaid basis with the HMO or provider. Notice shall be provided to the Secretary and the State Medicaid agency that the provider is prohibited from using the service, equipment or expenditure to provide services to individuals who are entitled to benefits under Titles XVIII and XIX of the Social Security Act unless the individuals are enrolled on a prepaid basis with an HMO or other exempt provider. The House amendment also provides that the certificate of need program may apply to an HMO only to the extent that it is not exempt and then only to the acquisition of major medical equipment, the offering of new institutional health services, and the obligation of capital expenditures as required in Title XV (section 117(a)).

The conference substitute, as a compromise, provides that a certificate of need program may not require a certificate of need for the offering of an inpatient institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure for the provision of an inpatient institutional health service by: (1) a health maintenance organization or combination of health maintenance organizations; (2) a health care facility which primarily provides inpatient services and is controlled directly or indirectly by a health maintenance organization or a combination of health maintenance organizations; or (3) a health care facility or portion thereof which an HMO or combination of HMO's has leased for a period of at least 15 years at the time of approval of the application. To be eligible for an exemption under this provision, health maintenance organizations must meet the definition of a health maintenance organization set forth in this bill and must have an enrollment of at least 50,000 individuals singly or in combination, the facility in which the service will be provided must be geographically located so that the service will be reasonably accessible to such enrolled individuals and at least 75 percent of the patients who can reasonably be expected to receive the institutional health services to be exempted will be individuals enrolled with such organization or organizations in combination. The applicant must submit to the State agency an application which allows the State agency to determine if the organization, combination, or facility meets the necessary requirements. A health care facility (or any portion thereof) or medical equipment owned or controlled by an HMO or combination of HMO's with respect to which an exemption was granted under this provision may not be sold or leased or a controlling interest in such facility or equipment may not be acquired; and a health care facility (or any portion thereof) or medical equipment leased by an HMO or combination of HMO's with respect to which an exemption was granted under this provision may not be used by anyone other than the lessee HMO or combination of HMOs, unless the State agency issues a certificate of need approving the sale, lease, acquisition, or use or the State agency determines (upon application) that the entity to which the facility is proposed to be sold or leased or which intends to acquire controlling interest is a health maintenance organization or combination of organizations which meet the requirements of the section. The substitute also requires the Comptroller General to conduct an evaluation of the exemption authority established under this Act.

The substitute also provides that a State may apply its certificate of need requirements to the institutional health services, major medical equipment, and capital expenditures of a health maintenance organization or of a health care facility which is controlled, directly or indirectly, by an HMO only to the extent that the organization or facility is not exempt under this provision, and then only to the offering of inpatient institutional health services, the acquisition of major medical equipment, and the obligation of capital expenditures as required under title XV. The substitute also contains a special provision for review of applications for certificates of need for non-exempt HMO's or for facilities controlled, directly or indirectly, by an HMO. Such applications shall be approved by the State agency if the State agency finds that an approval of the application is required to meet the needs of the members of the HMO and that the HMO is unable to provide its services through services and facilities which can reasonably be expected to be available to the organization in the community.

For purposes of this section indirect control of a health care facility could include such situations in which a majority of the members of the board of the hospital corporation are employees, officers or directors of an HMO or in which members of the board of an HMO are the same as the members of the board of the hospital corporation.

The conferees have allowed a "combination of health maintenance organizations" to meet the 50,000-enrollee minimum in order to permit two or more HMOs to join together to own, or control a corporation or other entity which owns, or lease a health care facility.

In permitting an exemption for an institutional health service which is owned, controlled, or leased by a combination of HMOs, the conferees intend that each of the HMOs in the combination will use the institutional health service.

Definition of capital expenditure

The House amendment contains a provision, not included in the Senate bill, which defines the term capital expenditure for purposes of a certificate of need program. A capital expenditure is defined as an expenditure made by or on behalf of a health care facility and which under generally accepted accounting principles is not chargeable as an expense of operations and maintenance or is made by a lease or comparable arrangement and which (1) exceeds the expenditure minimum, (2) substantially changes the bed capacity of the facility with respect to which the expenditures made, or (3) substantially changes the services of the facility (section 117(a)).

The conference substitute conforms to the House amendment with the exception of the provision relating to the exclusion from the definition of capital expenditure the acquisition of existing health care facilities (section 117(b)). The substitute provides that a certificate of need shall be required for the obligation of a capital expenditure to acquire (by purchase or under lease or comparable arrangement) an existing health care facility if (1) notice is not provided to the State agency before a contractual arrangement is entered into, or (2) if the State agency finds within 30 days after the date it receives such notice that the services or bed capacity of the facility will be changed in being acquired (section 117(a)). The conferees note that while this provision sets forth conditions under which a certificate of need will be required, it does not preclude a State from adopting broader coverage requirements or requiring that all acquisitions be reviewed under normal certificate of need procedures.

Definition of expenditure minimum

The House amendment contains a provision, not included in the Senate bill, which establishes a definition for the term expenditure minimum to mean $150,000 for the first 12 month period after enactment and for each 12 month period thereafter $150,000 adjusted to reflect changes in the composite construction cost index maintained by the Department of Commerce (section 117(b)).

The conference substitute would allow a State to increase the capital expenditure and annual operating cost threshold of their certificate of need programs to reflect the change in the preceding twelve-month period of an index maintained or developed by the Department of Commerce and designated by the Secretary of HEW for purpose of making such adjustment (section 117(f)).

Osteopathic considerations

The Senate bill contains a provision that adds to the criteria required for HSA and State agency consideration the special needs and circumstances of osteopathic facilities accredited for post graduate training (section 148).

The House amendment provides that in reviewing an application for a certificate of need the HSA and State agency shall consider the application on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. State agencies shall also consider the impact of the approval of application on training programs for doctors of osteopathy and medicine.

The conference substitute conforms to the House amendment (section 117(a)).

APPROPRIATENESS REVIEW

Minimum issues for appropriateness review

The Senate bill contains a provision, not included in the House amendment, which requires that in carrying out appropriateness reviews, HSA's shall at a minimum address issues of need, accessibility, financial viability, cost effectiveness, costs and charges to the public and quality of service provided (section 123(a)).

The conference substitute as a compromise specifies that both HSA's and SHIPDA's, in carrying out appropriateness reviews, shall at a minimum address issues of need, accessibility, financial viability, cost effectiveness, and quality of services provided (section 118 (b)).

The conferees note that appropriateness review findings can be made on either an areawide basis or institution-specific basis. The decision on how specific to make an appropriateness review recommendation or finding by the health systems agency or the State agency should be based upon the nature and the seriousness of the problem which makes the service inappropriate, its susceptibility to change, the amount of information the agency has about the problem, and judgments about how best to achieve needed changes within the agency's area. It is the conferees' intent that agencies within each State make the decision on how best to handle this issue. It is the conferees' expectation that over time agencies will be able to make detailed appropriateness review findings. Such findings should provide the consumer with better information about the health services which are available so that informed choices can be made about the institutions from which services are received. Such specific findings should also provide institutions with recommendations of the changes which should take place to make the services of the area appropriate. When an agency makes its recommendation or finding on an institution-specific basis, the committee expects that it will establish hearing procedures to ensure that each institution under review will have an adequate opportunity to present all relevant information regarding its services and facilities.

REVIEW AND APPROVAL OF PROPOSED USES OF FEDERAL FUNDS

Review of project and allotment grants

The House amendment contains a provision, not included in the Senate bill, that requires the SHCC to review any application submitted to the Secretary by a State for a grant or contract awarded under the Public Health Service Act, the Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment and Rehabilitation Act, or section 409, of the Drug Abuse Office and Treatment Act for projects in more than one health service area. If the SHCC recommends disapproval, the Secretary may not make Federal funds available if he finds that the application is not is conformity with the State health plan. The amendment also provides that when a State is making grants or contracts in a health service area from funds received under the covered acts, the Governor of the State shall allow the health systems agency 60 days to review the proposed use of those funds in its area and approve or disapprove such use. The Governor, after taking into consideration the HSA's decision and any comments which the SHPDA has developed, may make such Federal funds available for use notwithstanding the disapproval of the HSA only if the decision of the Governor is made available to the appropriate HSA and SHPDA and contains a detailed statement of the reasons for the decision (section 119).

The conference substitute conforms to the House amendment (section 119(a)).

Review of research and training proposals

The Senate bill provides that grants or contracts under Titles IV, VII or VIII of the Public Health Service Act should not be reviewed by the HSA unless they are made, entered into, or used to support the development of health resources, or the delivery of health services that would make a significant change in the health services offered within the health service area (section 123(b)).

The House amendment provides that research and training under the Public Health Service Act should not be reviewed unless the grants are to be made, entered into, or used for the development, expansion or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area, or which, in the case of grants or contracts for research, would change the delivery of health services, or the distribution or extent of health resources available to persons in the health service area other than those who are participants in such research (section 119 (b)).

The substitute conforms to the House amendment (section 119(b)). The conferees note that research includes clinical trials. Such trials include demonstration projects designed to answer questions about the general applicability of procedures, drugs, or devices with potential usefulness that have not been tested in nonlaboratory settings. The conferees intend that such projects shall not be reviewed unless the projects are initiated with a community or institutional commitment to continue them beyond their research stage or unless the projects involve a change in the health services of the area as detailed above.

Review of Federal facilities

The Senate bill provides that when a health systems agency is requested by or on behalf of a Federal department or agency to review a proposed use of Federal funds to support the development of institutional health services intended for use in the health service area, the health systems agency shall, within 60 of receiving a request, submit its views on such a proposed use to the Federal department or agency involved and to the appropriate committees of the Congress (section 152).

The Conference substitute conforms to the House amendment. Although the conference substitute does not require, as did the Senate bill, a health systems agency, when requested, to review and comment on a proposed use of federal funds to support the development of institutional health services intended for use in a health service area, the conferees believe that when a Federal agency requests a health systems agency's views on a use of funds proposed by the agency, the HSA should respond to such request even though its response is purely advisory and in no way binding on Federal decision making.

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

Rate regulation grants

The House amendment contains a provision, not included in the Senate bill, which amends section 1526 by providing that rate regulation grants can be made to any unit in the State which regulates rates although provisions are added to assure adequate coordination with the State planning agency (section 120(a) and (b)).

The conference substitute conforms to the House amendment (section 120(c)).

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

Coordination within standard metropolitan statistical areas

The House amendment contains a provision, not included in the Senate bill, which requires that HSA's which are part of a standard metropolitan statistical area shall develop a mechanism to coordinate their plan development and project review functions (section 121).

The conference substitute conforms to the House amendment (section 121(b)).

The conferees intend the required coordination to include the joint review of each health systems plan and annual implementation plan developed for each health service area included within the SMSP, the joint review of criteria used in making reviews affecting the region, and the joint review of each decision under certificate of need which affects the region. Moreover, the conferees would encourage the development of a number of joint activities between or among such HSA's, including joint task forces on the establishment of planning goals for the SMSA, coordination and an integrated use of data for the SMSA, and joint planning and review task forces.

Coordination with other entities

The Senate bill contains a provision which provides that an HSA will also coordinate its activities with entities which review rates and budgets of health care facilities and with appropriate area agencies on aging, local and regional alcohol abuse, drug abuse, and mental health planning agencies. The State agency is also to coordinate its activities with any entity which reviews rates and budgets of health care facilities (section 122).

The House amendment provides that each HSA and SHCC shall coordinate its activities with any agency which reviews rates and budgets of health care facilities (section 120 (a) and (b)).

The conference substitute conforms to the Senate bill (sections 120 and 121).

COLLECTION AND PUBLICATION OF HOSPITAL CHARGES

Collection and publication

The Senate bill amends section 1513 by adding a new section requiring the States to collect annually on a form developed in consultation with the State agency, the rates charged for each of the 25 most frequently used hospital services in the State including the average semiprivate and private room rates. The HSA must make such information available to the public for inspection and copying in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health service area.

The conference substitute conforms to the Senate bill (section 122(a)).

The conferees note that if a State has an agency which reviews hospital rates then the HSA should work closely with that agency in carrying out this function.

Penalty for not providing information on charges

The Senate bill provides that a State certificate of need program shall provide that no hospital shall be an applicant for a certificate of need unless such hospital has complied with all reasonable requests from an HSA for information needed to comply with the HSA's mandate to collect and publish hospital charges (section 136).

The conference substitute requires that the State administrative program contain provisions to assure compliance with requests for information made by an HSA in carrying out this function (section 122(b)).

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

Redesignation or termination of State agency agreement

The Senate bill contains a provision, not included in the House amendment, which provides for the redesignation of State health planning and development agency for up to a three year period, and permits the Secretary the option of either terminating or returning a fully designated State agency to conditional status for a one year period for nonperformance of its functions. After the one year period, the Secretary must either fully designate the State agency or terminate its agreement. Before renewing the agreement, the Secretary shall provide such HSA and the SHCC an opportunity to comment on the performance of the agency. It also provides that the Secretary shall review a State administrative program for health planning not less often than once every three years (sections 131 and 134).

The conference substitute conforms to the Senate bill (sections 123 (a) and (b)). The conference substitute also provides for the Secretary to enter into agreement with the fully designated State agency for a period of up to 36 months rather than annually as currently provided. The conferees believe it is unproductive for every State agency to be subject to an annual detailed review and that necessary monitoring of the State agency's performance can be accomplished through regular reporting requirements. However, for those fully designated State agencies which are still expanding or developing their programs, the conferees expect the Secretary to use the designation period of one to two years so that HEW can effectively monitor performance; but, as these State agencies mature and reach an appropriate level of performance, the conferees expect that their designation agreement will be for three years.

Medical facility planning

The House amendment contains a provision, not included in the Senate bill, which repeals the functions required pursuant to section 1513(h) respecting the need for the HSA to make separate recommendations to the State on medical facility projects for modernization and construction. It also adds to the functions required to be performed by the State agency preparation of an inventory of medical facilities located in the State and an evaluation of the physical condition of such facilities. Such determination shall be reported to the HSA's to be used in the preparation of their HSP's (section 122).

The conference substitute conforms to the House amendment (section 123(c)). With this change in law and the requirement that the State health plan be more specific and include resource requirements, the conferees intend that the State health plan serve as the document for medical facilities planning for the State. The requirement for a separate State medical facilities plan as required by Title XVI is no longer needed and is deleted from existing law.

Failure to qualify for full designation

The Senate bill contains a provision, not included in the House amendment, that provides that a State without a designated SHPDA in effect by September 30, 1980 would be subject to a 25 percent reduction in the amount of any allotment of a grant, loan, loan guarantee, or any contract under the Public Health Service Act, Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, Rehabilitation Act of 1980. Such amounts would be reduced by 50 percent if an agreement weren't in effect by September 30, 1981, by 75 percent after September 30, 1982, and by 100 percent after September 30, 1983 (section 132).

The House amendment provides that if a State does not have a fully designated agency upon the expiration of (1) fiscal year 1980; (2) the first regular session of the legislature of the State which begins after the promulgation of regulations under section 117(e) of these amendments; or (3) the sixth month after the month in which such regulations are promulgated whichever occurs later, no grant may be made to or contract entered into with the State with funds authorized the Public Health Service Act or related Acts (section 122(d)).

The conference substitute as a compromise provides for percentage reductions in the penalty as set forth in the Senate bill which would take effect upon the expiration of (1) fiscal year 1980, or (2) if a legislature of a State is in a regular session on the date of enactment of these amendments, and the legislature will be in session for at least 12 months from such date, or (3) if the legislature of a State is in session on the date of enactment but there is not 12 months remaining in such session after such date or if the legislature of the State is not in session on such date, 12 months after the beginning of the first regular session of the legislature beginning after such date, which ever occurs later (section 123(d)).

State agency technical assistance

The Senate bill contains a provision, not included in the House amendment, which requires the State Agency to provide technical assistance in obtaining and filling out the necessary forms to individuals and public and private entities for the development of projects and programs (section 135).

The conference substitute conforms to the Senate bill. Conferees emphasize that the intent in adding this section is not to require the State Agency to prepare an application for an individual desiring a certificate of need or other agency forms, but merely to assist him in understanding the application requirements (section 123(e)).

Extension of State agency conditional designation

The Senate bill contains a provision which would allow a State health planning and development agency to be designated for up to 48 months (section 131).

The House amendment provides that the Secretary may extend the period of conditional designation (now limited to 36 months) for such additional time as he finds appropriate if he finds that the designated State agency is making a good faith effort to comply with the requirements of section 1523 (section 122(g)).

The conference substitute conforms to the House amendment (section 123(f)).

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

Membership

The Senate bill contains a provision, not included in the House amendment, to clarify that consumers and providers of health care include consumers and providers of mental health care for purposes of SHCC composition. It further provides for exofficio representation of the Veterans' Administration on the SHCC when the State has at least one VA facility (section 138(c)).

The conference substitute as a compromise specifies that the VA shall have ex-officio non-voting representation on the SHCC when the State has at least one VA facility (section 124(c)).

Review of drug abuse

The Senate bill expands the mandate of SHCC review of State plans to include section 409 and 410 of the Drug Abuse Office Treatment Act (section 138(d)).

The House amendment expands SHCC review of State plans to include section 409 of the Drug Abuse Office and Treatment Amendments of 1972 (section 119(a)).

The conference substitute conforms to the House amendment (section 119(a)).

Representation of medically underserved

The Senate bill provides that members of the SHCC who are consumers of health and mental health care and who are not providers of health or mental health care must include individuals who are members of rural and urban medically underserved populations if such populations exist in the State (section 138(e)).

The conference substitute require representatives of medically underserved population on the SHCC (section 124(a)).

Representation of interstate HSA's

The House amendment contains a provision, not included in the Senate bill, which provides that while HSA's, other than interstate HSA's, are to have equal representation on the SHCC, interstate HSA's are to have proportional representational (but at least one representative). It also provides that in States with more than 10 HSA's each may be entitled to one representative (section 123(a)).

The conference substitute conforms to the House amendment (section 124(a)).

The conferees note that this provision was adopted so that the size of the SHCC can be kept manageable in States which have a large number of HSA's. The conferees wish to point out that while HSA's in States with more than 10 HSA's would be entitled to only one representative, this would not preclude the Governor from allowing each HSA to have more than one representative and thereby establishing a larger Statewide Health Coordinating Council.

Selection of State Health Coordinating Council Chairman

The House amendment contains a provision, not included in the Senate bill, which provides that the Governor may select the Chairman of the State Health Coordinating Council with the advice and consent of the State Senate (section 123(b)).

The conference substitute conforms to the House bill (section 124(b)).

Provider representation

The House amendment contains a provision, not included in the Senate bill, which provides that (1) half of the providers represented on the SHCC shall be direct providers, (2) members of the SHCC shall represent the provider classifications listed in section 1512(b)(3)(c)(ii), and (3) of such members at least one shall be engaged in the administration of a hospital (section 123(c)).

The conference substitute as a compromise specifies that at least one half of the providers on the SHCC shall be direct providers (section 124(c)).

CENTERS FOR HEALTH PLANNING

The Senate bill contains a provision, not included in the House amendment, that requires the Secretary to enter into grants with Centers for Health Planning. In addition, it adds the requirement that centers develop and disseminate methodologies to educate new board members and staff and provide continuing education for present HSA members of the staff and State Agency staff (section 149).

The conference substitute conforms to the Senate bill although both grants or contracts can be used (section 125).

Definitions of HMO

The Senate bill contains provisions, not included in the House amendment, which add definitions of a health maintenance organization to the Act (section 153).

The conference substitute conforms to the Senate bill (section 117).

Definition of medically underserved population

The Senate bill contains a provision not included in the House amendment, which provides that the term "medically underserved population" has the same meaning as such term as under Section 330(b)(3) of the Public Health Service Act (section 153).

The conference substitute conforms to the Senate bill (section 126).

Definition of rehabilitation facilities

The Senate bill defines rehabilitation facilities as any facility which is operated for the primary purpose of providing rehabilitation services to handicapped individuals and which provides singly or in combination one or more of a list of services for handicapped individuals (section 153).

The House amendment defines rehabilitation facilities as an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons who are in an integrated program of medical and other services which are provided under competent professional supervision (section 117(c)).

The conference substitute as a compromise adopts the definition in the House amendment for certificate of need purposes and defines rehabilitation facilities as an inpatient or outpatient facility for the other purposes of this legislation (section 126).

The compromise provides that a broad definition shall apply to HSA governing board representation, definition of "provider of health care," and inclusion of rehabilitation services in health system agency plans and State health plans. The report adopts the House definition of rehabilitation facility for purposes of certificate of need coverage. The conference committee adopts this compromise with the understanding that any proposed conversion of acute care beds or services to inpatient rehabilitation beds or services by any hospital would require review under a state certificate of need program.

The objective of this compromise is to include both inpatient and outpatient rehabilitation facilities in all phases of the health planning system other than certificate of need which shall be limited to inpatient facilities, including conversion of existing service capacity to rehabilitation usage.

AUTHORIZATIONS

Health systems agencies authorization

The Senate bill provides authorization of appropriations for HSA's at a level of $150,000,000 for fiscal year ending September 30, 1980, $175,000,000 for fiscal year ending September 30, 1981, and $200,000,000 for fiscal year ending September 30, 1982 (section 129(c)).

The House bill provides authorizations for appropriations for HSA's at a level of $150,000,000 for fiscal year ending September 30, 1980, $160,000,000 for fiscal year ending September 30, 1981, and $170,000,000 for fiscal year ending September 30, 1982 (section 124(a)).

The conference substitute as a compromise provides for $150,000,000 for fiscal year 1980, $165,000,000 for fiscal year 1981, and $185,000,000 for fiscal year 1982 (section 127(a)).

State health planning authorization

The Senate bill provides for authorizations of appropriations for State agencies at a level of $40,000,000 for fiscal year 1980, $45,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982 (section 139).

The House amendment provides for authorizations of appropriations for State agencies at a level of $35,000,000 for fiscal year 1980, $37,000,000 for fiscal year 1981, and $39,000,000 for fiscal year 1982 (section 124(b)).

The conference substitute as a compromise specifies authorizations of appropriations of $35,000,000 for fiscal year 1980, $40,000,000 for fiscal year 1981, and $45,000,000 for fiscal year 1982 (section 127(b)).

Rate review authorizations

The Senate bill provides authorizations of appropriations for rate setting under section 1626(e) of $6,000,000 for fiscal year 1980, $6,000,000 for fiscal year 1981 and $6,000,000 for fiscal year 1982 (section 140).

The House bill provides authorization of appropriations for rate review of $6,000,000 for fiscal year 1980, $7,000,000 for fiscal year 1981, and $8,000,000 for fiscal year 1982 (section 126(e)).

The conference substitute conforms to the Senate bill (section 127(c)).

Centers for health planning

The Senate bill provides authorizations of appropriations for centers for health planning and technical assistance of $6,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981 and $10,000,000 for fiscal year 1982 (section 149).

The House amendment provides authorizations of appropriations for carrying out section 1534 of $10,000,000 for fiscal year 1980, $11,000,000 for fiscal year 1981, and $12,000,000 for fiscal year 1982 (section 125(d)).

The conference substitute as a compromise specifies authorizations of appropriations for the support of activities under section 1534 $6,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981, and $10,000,000 for fiscal year 1982 (section 127(d)).

Area health services development fund

The Senate bill contains no authorizations of appropriations for the area health services development funds.

The House amendment contains authorizations of appropriations for the same purpose at a level of $25,000,000 for fiscal year 1980, $40,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982 (section 125).

The conference substitute as a compromise provides $20,000,000 for fiscal year 1981 and $30,000,000 in fiscal year 1982 (section 127(e)).

TECHNICAL AMENDMENT

Percentage of HMO enrollees

The House amendment contains a provision amending section 1903(m)(2)(c) of the Social Security Act to allow a health maintenance organization three years from the time it is qualified to meet the requirement that at least 50 percent of an HMO's enrolled population be made up of other than Medicare and Medicaid recipients (section 126).

The conference substitute conforms to the House amendment (section 128).

Miscellaneous amendments

The Senate bill contains a provision, not included in the House amendment, which repeals section 314(a)(b) and (c) and Title 9 in its entirety.

The conference substitute conforms to the Senate bill.

Report on effectiveness of planning law

The House amendment contains a provision, not included in the Senate bill, which specifies that the Secretary shall report to the Congress on the results of the review conducted pursuant to Section 1535 respecting improvements in health and health care and restraints on increases in health care costs (section 125).

The conference substitute conforms to the Senate bill.

EFFECTIVE DATES

The Senate bill provides that amendments to Title XV shall take effect on the date of enactment of this Act, except that certain amendments shall take effect one year from the date of enactment and other amendments shall take effect six months from the date of enactment except that on or after the date of enactment, the HSA's, the State Agencies, and the SHCC's, may make the organizational and related changes required and may act in accordance with the changes in their functions made by such amendments (section 157).

The House amendment provides that certain amendments shall take effect one year after the date of enactment except that on or after the date of enactment, the changes in membership of the HSA's, and the SHPDA's shall be implemented through selection of members to fill vacancies occurring after such date, except that the HSA, the State Agency and the SHCC may make the organizational and related changes required and act in accordance with the changes in their functions at any time. Changes in certificate of need requirements become effective 180 days after enactment except when a change in law is required in which case a longer period is allowed (section 127).

The conference substitute conforms to the House amendment (section 129).

The conferees note that the changes in the HSA funding provisions are not effective until the Congress has adopted an appropriation for fiscal year 1980.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

Approval of medical facilities plan

The Senate bill contains a provision, not included in the House amendment, which requires the Governor as well as the SHCC to approve the State Medical Facilities Plan (section 201).

The conference substitute conforms to the House amendment.

Repeal of allotment grants

The House amendment contains a provision, not included in the Senate bill, which repeals Part B of Title XVI, the Part which provides allotment grants to States for facility construction and sets forth requirements for the State medical facilities plan (section 201).

The conference substitute conforms to the House amendment (section 201(a)).

Loan fund capitalization

The Senate bill contains a provision, not included in the House amendment, which authorizes additional capitalization of the loan fund in any fiscal year through 1981 (section 203).

The conference substitute conforms to the Senate bill (section 201(b)).

Purposes of loan and loan guarantee authorization

The House amendment contains a provision, not included in the Senate bill, which restructures the loan and loan guarantee provisions of section 1620 to provide assistance for projects in the following priority areas:

1. Modernization of medical facilities;
2. Construction of new outpatient medical facilities;
3. Construction of new hospitals in (a) areas of rapid population growth or (b) areas where mergers or closure of medical facilities results in a reduction of new beds; and
4. Conversion of existing medical facilities, outpatient medical facilities, or facilities for long term care (section 201(b)).

The Senate Bill contained similar provisions.

The conference substitute as a compromise provides that the loan fund may be used to support projects for (1) the discontinuance of unneeded hospital services or facilities, (2) the conversion of unneeded hospital services and facilities to needed health services and medical facilities, including outpatient medical facilities and facilities for long term care; (3) the renovation and moderization of medical facilities, particularly projects for the prevention or elimination of safety hazards or the avoidance of noncompliance with the licensure or accreditation standards, or projects to replace obsolete facilities; (4) the construction of new outpatient medical facilities in areas which have experienced recent rapid population growth (section 201(b)).

Interest subsidies

The Senate bill provides that the Secretary may pay to the holder of a loan amounts sufficient to reduce up to one-half of the net effective interest rate otherwise payable on the loan if the Secretary finds that without such assistance the project could not be undertaken (section 207(d)).

The House amendment provides that the Secretary shall pay the holder of any loan amounts sufficient to reduce by 3 percent per annum the net effective interest rate otherwise payable on the loan if the project is located in an urban or rural poverty area (section 201(b)).

The conference substitute as a compromise provides that the Secretary may pay the holder of a loan an amount sufficient to reduce by not more than one-half the net effective interest rate if the loan is located in an urban or rural poverty area (section 201(b)).

Loan guarantee support for public entities

The Senate bill contains a provision, not included in the House amendment, which would allow the Secretary to guarantee the loans of non-federal lenders to public entities in addition to non-profit private entities (section 207(b)).

The conference substitute conforms to the Senate bill (section 201(b)).

Grant support to nonprofit private entities

The House amendment contains a provision, not included to the Senate bill, which would allow grants to be made under section 1625 to nonprofit private hospitals. This section authorizes grants for construction or modernization projects to eliminate imminent safety hazards and avoid noncompliance with licensure and accreditation standards. Existing law limits grants to public medical facilities (section 201(c)).

The conference substitute as a compromise restricts the eligibility of private non-profit medical facilities for such grants. The conferees intend to permit only those private non-profit medical facilities to be eligible for grants which can demonstrate that they serve their community in a capacity similar to that of a public hospital. The conferees adopted three criteria for this determination: the demonstrated level of community service; the proportion of patients served who are unable to pay for such services themselves or through third party reimbursement; and the impact on services to low-income individuals if the grant was denied. These eligibility criteria are to be used in addition to the other criteria currently used to determine the award of grants under section 1625.

The conferees intend that "level of community service" refer to the well-established definition of that phrase under the Hill-Burton program, and not be interpreted as simply a measure of the relative poverty level of the local population.

The conferees also intend that the lack of access to a public hospital be considered by the Secretary as part of the impact on services to low-income individuals criteria in determining eligibility for grants under this section.

Authorization for grants for modernization

The Senate bill provides authorizations of appropriations under section 1625(d) modernization of public hospitals of $40,000,000 in fiscal year 1980, $50,000,000 in fiscal year 1981, and $50,000,000 in fiscal year 1982 (section 204).

The House amendment contains authorizations of appropriations of $50,000,000 for each of those three fiscal years (section 201(c)).

The conference substitute conforms to the Senate bill (section 201(c)).

Outpatient medical facilities

The House amendment contains a provision, not included in the Senate bill, which establishes a project grant program for the construction of outpatient medical facilities in medically underserved areas and the conversion of existing facilities into outpatient medical facilities or facilities for long term care. A grant could be awarded for up to 80 percent of the cost of such projects and 100 percent of the costs of such projects located in urban or rural public areas. Fifteen million is authorized for each fiscal year from 1980, 1981 and 1982 for this purpose (section 201(c)).

The conference substitute conforms to the House amendment except that no funds are authorized for fiscal year 1980 (section 201(c)).

Continued availability of funds under section 1625

The Senate bill contains a provision, not included in the House amendment, which provides that funds appropriated in fiscal year 1976 for medical facility construction under section 1613 but not yet expanded may be available through fiscal year 1980 to carry out the purposes of 1625(d) which provide grants to public hospitals for the modernization and construction to meet life and safety code violations (section 202).

The conference substitute conforms to the Senate bill (section 201(c)).

TECHNICAL AND CONFORMING AMENDMENTS

The House amendment contains a provision, not included in the Senate bill, which adds conforming and technical amendments to Title XVI (sections 202 and 203).

The conference substitute conforms to the House amendments (sections 202 and 203).

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

ESTABLISHMENT OF PROGRAM

The Senate bill would establish a program under which financial assistance would be provided to hospitals for the discontinuance of unneeded hospital services and the conversion of unneeded hospital services to services needed by the community. Under the program debt payments, incentive payments, and conversion payments would be provided for the discontinuance of all inpatient health services or an identifiable unit of a hospital or an identifiable part of a hospital which provides inpatient health services. Funds appropriated for this program could also be used by the Secretary of HEW to make grants to State health planning and development agencies for planning, evaluating, or carrying out programs to decertify health care facilities providing health services which are not appropriate.

The House amendment would establish a program under which grants and technical assistance would be provided to hospitals to assist and encourage them to discontinue all hospital services or of an inpatient hospital service by converting an identifiable part of a hospital facility to the provision of other health services. The House amendment would also make separate authorizations of appropriations for the Secretary to make grants to State health planning and development agencies to assist such agencies in addressing the problems of excess capacity reduction.

The conference agreement conforms to the House amendment with the following changes.

1. Grants and technical assistance may also be provided for the discontinuance of an identifiable part of a hospital facility.

2. The hospital's application to the Secretary shall include reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 and section 2 of the Act of June 13, 1934.

3. In determining the need for any service or services proposed to be discontinued or converted by an applicant, a health systems agency and State agency shall give special consideration to the unmet needs

and existing access patterns of urban or rural poverty populations.

The conferees note that there have been numerous suggestions that the health planning program deal with the problem of excess capacity by adding a mandatory decertification authority to the existing mandate for certification of the need for proposed new institutional health services. The approach envisioned in this bill however, is purely voluntary in nature and depends for its success on the cooperation of both providers and planning agencies. The conferees also note their concern that the voluntary incentives could create the situation in which some communities might be tempted to close where politically or financially vulnerable services such as those provided by a public general hospital. Similarly, during the past several years, private hospitals located in low income inter-city neighborhoods have either transferred their facilities to outlying suburban areas or established satellite facilities in suburban areas which then drain needed rescources away from inter-city communities. Such closures or phase outs deny access to needed services by the poor and minorities and can be particularly devastating if the clinics or departments involved are the source of scarce emergency or outpatient services. The conferees intend that the guidelines and priorities of this program are such that they assure that the facilities and clinics needed by the poor and minorities for inpatient and outpatient care are not discontinued unless adequate provision for alternative facilities and clinics are made available. The conferees have agreed to permit grants to be used to discontinue the provision of an identifiable part of a hospital facility so that, for instance, an entire wing of a hospital may be taken out of service. This authority is not to be used to discontinue an identifiable service unit, such as one of four operating rooms.

The conferees recognize that the closing of unneeded facilities and services will affect many employees. In requiring the hospital discontinuing services to make fair and equitable arrangements to protect the interests of employees, the conferees intend for the hospital to protect employees against a worsening of their positions respecting employment. This means that the hospitals should make a reasonable effort to obtain comparable employment for affected employees and should substantially preserve the rights achieved by the employees. The Secretary of Labor should describe the issues which hospitals must address in making fair and equitable arrangements, and is expected to actively encourage and foster adequate protections for all employees affected by grants under this section.

Grants to States for reduction of excess hospital capacity

The Senate bill authorizes the Secretary to make grants to SHPDA's for planning, evaluating or carrying out programs to decertify health care facilities (section 205).

The House amendment contains a provision which authorizes grants to States for the purpose of demonstrating the effectiveness of various means of reducing excess hospital capacity. Such grants would assist SHPDA's in identifying excess capacity, informing the public of its costs, and developing a program to reduce excess capacity in a way that provides the greatest savings in the cost of health care delivery. Four million dollars is authorized for each of the next three years (section 118(b)).

The conference substitute combines the two approaches in new section 1643. Support for SHPDA's under this section would be limited to 10 percent of the amount appropriated under new section 1644 (section 301).

Harley O. Staggers,
Henry A. Waxman,
David Satterfield,
Richardson Preyer,
James T. Broyhill,
Tim Lee Carter,
Managers on the Part of the House.

Edward Kennedy,
Harrison A. Williams, Jr.,
Gaylord Nelson,
Alan Cranston,
Claiborne Pell,
Richard S. Schweiker,
Jacob K. Javits,
Orrin G. Hatch,
Managers on the Part of the Senate.

SEVENTY-EIGHT-YEAR-OLD VIRGINIA MAN TOO YOUNG TO RETIRE

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, considerable debate is taking place now regarding the desirability of retirement at a given age.

One man who could no doubt contribute greatly to the debate simply does not have time for it.

Mr. Downey Murphy of Swansonville, Va., is that man. Mr. Murphy will be 78 come October and he continues to farm and operate a service station.

Mr. Murphy's life is a challenge to us young pups and I should like to, at this point, insert in the Record an interview with this gentleman which appeared in the July 26 issue of the Chatham, Va., Star-Tribune:

Staying Busy Keeps Doctor Away Says 77-Year-Old Swansonville Man

Most men look forward to retirement when they reach 65.

After working hard all their young years they expect to take it easy in their old age. In fact, most men are not physically able to do any hard work after they pass 65 . . . and certainly not after going over 70.

Downey Murphy of Swansonville is an exception.

On his coming birthday, October 20, Murphy will be 78 years old . . . or to put it more correctly—78 years young.

At this ripe old age most men who are still living spend much of their waking time nodding in a rocking chair at a nursing home. Murphy, however, is busy on his farm working in his mammoth garden, tending to his hay crop and tobacco, and operating a little service station.

"I thank the Lord that every morning I can get up and have some work to do," Murphy exclaimed. His 77 years haven't been a big handicap.

He philosophizes that for anyone, young or old—having a job to work at, will breed in you temperance and self-control, diligence and strength of will, cheerfulness and contentment—and many virtues which the idle never know.

Murphy's work is growing vegetables to sell. He has four acres of garden peas, 9 acres of Silver Queen corn, an acre of butterbeans, an acre of watermelons—and in the fall an acre of turnip greens. He doesn't have any help, but does all plantings, working and picking the vegetables by himself. He operates his tractors to do the plowing and cultivating.

Murphy also has 35 acres of hay which he has baled for ready sale.

This year he felt that he didn't have enough work to keep him busy, so the 77-year-old man planted an acre of dark tobacco—"To give me a little extra job," he noted.

In the winter months, he keeps little jobs on hand—like sawing slab wood for sale.

"I've worked hard all my life. It ain't nothing new to me," Murphy explained; although he says "I get tired a little quicker than I used to, and have to pace myself now."

Why does he continue this hard, tiresome work, he was asked.

"My children and friends often tell me to slow down—don't work so hard! I've seen too many men quit working when they get up in age. But I would just waste away if I didn't have something to do—to occupy my mind. I'd not be satisfied unless I'm working, doing something," he explained.

"One of the ills of this country," Murphy says, "is too many people are trying to get out of work. Parents are not teaching their children the blessings of busy hands and the health-giving advantage of work.

"The government is promoting idleness by giving food stamps and welfare checks to people who don't work," Murphy stated.

"Food stamps are all right for the needy," he observed, "but some folks are getting them that should be working."

He pointed to the difficulty farmers are having in hiring labor. "Farmers are having to bring in migrant help. There are people living around here who don't work because they can get on government welfare programs."

Murphy emphasized he doesn't have to continue working. He pointed out at his age he receives Social Security and has income from leasing out his tobacco allotment from his 70 acre farm located on Rt. 41, near Swansonville.

Of course his good health is a contributing factor to continuing to work. His only visit to a hospital was in 1945 while plowing in a field, he struck a hornet's nest . . . and within seconds he was literally covered with an angry swarm of stinging hornets. He almost died of the stings before a doctor administered an antedote against the hornets' sting poison.

Murphy is married to the former Viola Shelton and they celebrated their 58th wedding anniversary last November—"She has been my main blessing . . . there is nothing in this world like a good wife," he exclaimed.

They are the parents of two daughters, Mrs. Virginia Owen of the Rondo community and Mrs. Arline Giles of the Weal neighborhood. There are two granddaughters, Mrs. Andrea O. Coleman of Danville and Mrs. Dixie Lee Giles of Rondo.

Mr. and Mrs. Murphy are members of the Primitive Baptist Church at Malmason, and still pack their picnic baskets for those dinners on the grounds for which the Old Baptists are famous in the Summer months.

Murphy says he isn't thinking about slowing down . . . even though his 78th birthday is coming up in October.

"I'm going to do some fencing and I'm adding some cows this fall. . . ." he says.

He operates a little service station in his spare time—"It's a place to loaf when I don't have anything else to do," he laughed.

For keeping healthy and active, Murphy offers this advice: —"hard work, and staying busy every day in the field."

CANADA PROVOKES AMERICAN RETALIATION

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, Canada's seizure of 19 American tuna vessels is deplorable and could lead to actions that would jeopardize the friendly relations enjoyed by our two nations.

It would seem that reasonable men could discuss the situation and arrive at an agreement that could meet the needs of each nation. The alternative to such an approach is an escalation that will damage the fishing industry, if not the entire economy, of each nation.

It would be interesting to speculate about the course that retaliatory actions might take as the situation escalates into an increasingly hostile one that leaves no winner.

Certainly the seizures could have an effect on the Senate's consideration of six fishing agreements with Canada that were negotiated by our State Department ambassadors, and could have an equally devastating impact when the House considers implementing legislation.

Congress could urge the administration to order a secondary embargo of all fish products in addition to the embargo of tuna products that was invoked automatically under provisions of the Fishery Conservation and Management Act. Congress could also move to amend the FCMA to provide for automatic extensive embargo in cases such as the tuna embargo where the effect is rather minimal.

Americans could mount extensive fisheries, targeting specifically species such as herring that feed in domestic waters before returning to Canadian waters to spawn. By harvesting herring in our waters we could disrupt the multimillion dollar herring roe fishery that Canada has developed. The same type of intensive fisheries could be mounted on Fraser River sockeye and pink salmon that pass through domestic waters en route to spawning beds in Canada. Or we could end Canadian access to our waters for halibut, cod, and scallops.

In short, America could take intemperate, hasty actions that would match the illogical, irrational tuna boat seizures that Canada has undertaken.

But no one wants these things to happen, nor should they. Yet, I am afraid that, absent any timely constructive progress in easing the current crisis, these types of initiatives could be pursued to everyone's detriment.

The quickness with which the administration imposed the embargo on the importation of tuna products is laudable, but may not be sufficient to warn Canada that her actions are intolerable and could provoke America to respond in kind.

I met with Ambassador Negroponte this morning to urge his consideration of some of the alternative actions that America could take if the situation continues to deteriorate. While I am confident that reason will prevail, I am prepared, if necessary, to introduce an amendment to the Fishery Conservation and Management Act to mandate the administration to impose a substantial embargo instead of a limited one of little effect. It may also be necessary to terminate all fishing agreements with Canada so we may concentrate on a comprehensive salmon agreement. In addition, I may recommend hearings in Seattle to determine why a comprehensive agreement cannot be concluded expeditiously as required by Federal law.

My optimism about our future relationship with Canada has been clouded somewhat by her disruption of American fishing for tuna. I hope the situation stabilizes before our Government is forced to act on the range of options available. If it does not, the situation will undoubtedly deteriorate to the detriment of the fishermen in both countries.

HOSPITALS VOLUNTARY EFFORTS ARE WORKING

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, as hospital cost control proposals are submitted by the administration and Congress, we are hearing a lot about how Government health planning will save Americans millions of dollars. Yet, the Federal planners rarely mention the private cost-cutting systems which hospitals are implementing to utilize their facilities more efficiently.

One excellent example of this voluntary initiative is St. Luke's Episcopal Hospital, in Houston, Tex. St. Lukes, which includes a children's hospital and a heart institute, has installed a computer system to control heat and air conditioning which has saved them $590,000 (adjusted for inflation) in the first year. According to Bob Nast, administrator of the hospital, the "JC 80 Feedback Analysis" will continue to increase savings for the hospital even as time and energy costs continue to go up.

During the first 12 months of operation, JC 80 not only saved thousands of dollars in expenditures for chilled water and steam, but the system will pay for itself in savings within 1.22 years. The following is a summary of the cost savings at St. Luke's Hospital:

ST. LUKE'S EPISCOPAL HOSPITAL, TEXAS CHILDREN'S HOSPITAL, TEXAS HEART INSTITUTE

PROJECTED PAYBACK OF JC-80

	Estimated savings [1] February 1978 to January 1979	Estimated payback [2] (years)	Actual savings [3] February 1978 to January 1979	Estimated payback [2] (years)
I. Savings based on 20 percent reduction of chilled water meter reading:				
Chilled water	$330,769		$324,484	
Steam [4]	(2,688)		624	
Subtotal	328,081		325,108	
Maintenance contract	(30,000)		(30,000)	
Subtotal	298,081	2.43	295,108	2.46
Cost adjustments	204,324		299,007	
Total	502,405	1.44	594,115	1.22
II. Savings based on 25 percent reduction of chilled water consumption:				
Chilled water	$398,215		$324,484	
Steam [4]	(2,688)		624	
Subtotal	395,527		325,108	
Maintenance contract	(30,000)		(30,000)	
Subtotal	365,527	1.98	295,108	2.46
Cost adjustment	271,770		299,007	
Total	637,297	1.14	594,115	1.22

[1] Based on 1st 3 mo (February, March, and April 1978) actuals.

[2] The cost of the JC-80 used in calculating the payback period was $724,619.

[3] Actual savings during 1st twelve mo of JC-80 operation (February 1978 through January 1979).

[4] Assumed a 5 percent reduction.

Mr. Speaker, private hospitals such as St. Luke's do not need government plans to tell them how to save money. The free enterprise system is built on individual know-how and drive. The hospital industry's voluntary effort is proving that private plans can succeed without bureaucratic interference.

In calling for a reduction in health care costs, it is also necessary to remember that medical care today is expensive due to the factors that have contributed to inflation in a-1 areas of the economy: Unstable world-wide economic conditions; energy shortages; balance of payments ups and downs; high labor costs; government deficit spending; devaluation of the dollar. In addition, the American public perceives their health care system somewhat differently than those calling for more government cost control. A 1978 Gallup Poll revealed that: 90 percent of Americans express satisfaction with their most recent visit to a physician; 69 percent feel they can pay for ordinary health care costs; 51 percent feel confident they can pay costs incurred during a major illness.

Furthermore, almost all services relating to everyday living have risen higher than medical care. For example, the 1979 Consumer Price Index (1967=100) revealed that medical care was at

237.7. The cost of housing maintenance and repairs is at 255.5. Automobile repairs have reached 242.0 and postal charges have gone up to 257.3.

It is easy for Congress and Federal officials to criticize, yet our own house is not in order. Politicians and bureaucrats point fingers at health care spending, yet the Federal budget for fiscal year 1980 has been estimated to reach $690 billion compared to a mere $10 billion in 1940. Less than 20 years ago the Federal budget was still below $100 billion; it had taken the Nation 186 years to reach that spending level. In the next 9 years, Federal spending went up another $100 billion; in 4 more years, another $100 billion; 5 years later spending exceeds half a trillion.

Since 1940, when Federal Government was collecting $77 per person, our taxes have increased 26 times over to an average of $2,013 per capita in 1979. Taxes rose by $225 or almost 13 percent from 1978. This year's increase follows tax hikes of 12 percent in 1978 and 19 percent in 1977.

In comparison to the horrendous growth of government, the increase in hospital expenditures does not seem so overwhelming. Congress should concentrate on curbing its own spending habits before passing more regulation for an industry which is actually proving it can cut costs through voluntary planning efforts. I have yet to see this trend in Congressional or Federal spending.

WHAT WE DID ON HIS VACATION

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, as we return from the August recess, I think that many of us might feel somewhat the same as young people returning to school from summer vacation. Certainly many parallels can be drawn. Among the similarities, of course, is the desire of Members to "show and tell" their vacation experiences. Since so much has happened to all of us, I take the opportunity this morning to invite the attention of the Members to Art Buchwald's column of Sunday, September 2, in the Los Angeles Times entitled, "What We Did on His Vacation," and I insert this column at this point in the Record.

What We Did on His Vacation

Washington.—Some people read the newspaper this summer and some people didn't. Hammacher, who was in Maine, didn't, so I had to help him catch up on what went on.

"What did I miss?" he wanted to know as he unpacked his rubber raft and outdoor cooking utensils from the trunk of his car.

"It was a very quiet summer," I assured him. "President Carter came back from Vienna and Japan and announced he had a major speech on energy. Then he went to Camp David and decided to go fishing instead."

"Did he catch anything?"

"No, but a lot of people came up to Camp David to tell him he was a lousy President."

"I'll bet he didn't like that," Hammacher said.

"On the contrary, he seemed to enjoy it. When he finally came down from the mountain he went on television and told us what everyone said he was doing wrong. Then he revealed the energy crisis was real and he was going to take strong measures to do something about it."

"What did he do?"

"He fired Califano, the Secretary of Health, Education and Welfare."

"It sounds like he meant business."

"He did. The President said he was very worried about the malaise in the country so he planned to go out every week and meet with the real American people instead of those who work for him in Washington. It was a real shot in the arm for the people in Kansas City."

"What about his energy program?" Hammacher wanted to know.

"Well, Congress had to go home on vacation, so the President said there was no hurry and he'd deal with the urgent energy crisis when they came back."

"That was good of him. What did he do next?"

"He booked himself and Rosalynn and Amy on the Delta Queen, a paddle wheeler, and took a 10-day ride down the Mississippi."

"That was a good idea, especially since there wasn't anything going on in Washington."

"Right. But while he was jogging around the deck of the Delta Queen, U.N. Ambassador Andy Young met secretly with the PLO in the Kuwaiti ambassador's apartment. When the State Department found out about it, Andy didn't tell them what had happened, so State got miffed and called the President and said Young had to go. Andy resigned and all the black leaders in the United States got mad at Israel."

"You're making all this up."

"There's more. The Southern Christian Leadership Conference decided to take over the negotiations in the Middle East. The President was very upset about this because he had sent Bob Strauss to the Middle East to see if he could get Egypt and Israel to agree on a U.N. resolution.

"Strauss thought he was in charge of the Middle East, but the President passed word from the Delta Queen that Vice President Mondale was in charge. Secretary of State Vance got mad at this, so Jody Powell, the President's press secretary, said there was a mistake and Vance was in charge. Strauss then said he wanted to be an unpaid ambassador to the Middle East so he could practice law on the side. Mondale decided he wanted to visit China, and the Rev. Jesse Jackson has offered to meet with Yasser Arafat of the PLO when he comes to New York."

"Isn't there any good news that happened this summer?" Hammacher wanted to know.

"Yes, Carter told his Bible class a few weeks ago that when he went to South Korea in late June he tried to make President Park a Christian."

"Now I know you're pulling my leg," Hammacher said.

I looked at him sadly. "Believe me, I wish I were."

TOO SWEET NOW

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEDERER. Mr. Speaker, the House will probably consider the controversial sugar bill, H.R. 2172, sometime in the near future. I am pleased to report that newspapers from throughout the Nation have exposed the bill for what it is—an inflationary outrage.

Hundreds of editorials have been written in opposition to the bill. They have appeared in small and large newspapers in all parts of the Nation—even in "sugar country."

Another excellent editorial appeared in the New York Journal of Commerce last Friday. I include the editorial in the Record for the edification of my colleagues.

Too Sweet Now

What shared interest brings together such seemingly diverse groups as Common Cause, the National Restaurant Group, the Consumer Federation of America, the Independent Bakers Association, and the American Association of Retired Persons? These groups, plus such other strange bedfellows as the Community Nutrition Institute, the National Council of Senior Citizens, Public Citizen/Congress Watch, the Soft Drink Association, and the U.S. Cane Sugar Refiners Association, are united in opposition to the sugar price support bill reported out by the House Ways and Means Committee before Congress left for its August vacation.

The bill, approved earlier after weeks of agonizing by the House Agriculture Committee, would use import fees and quotas to increase the price of foreign sugar, which sells at lower prices than American, to 15.8 cents a pound for the 1979 crop year. In addition, to help small U.S. producers, it would provide direct payments of up to a half-cent a pound with a limit of $50,000 a producer. The bill would allow the sugar price objective to increase by up to 7 percent in 1980 and 1981.

The measure also would bring into force the International Sugar Agreement, under which sugar stocks would be accumulated or released in an effort to keep the world price between 11 and 21 cents a pound.

The wonder is not that sugar price support legislation should be in trouble—consumer groups and sugar users were successful in obtaining the last-minute defeat, 194–177, of a 1978 compromise House bill raising sugar subsidies—but that it should stand any chance at all. There are after all, no more than 12,000 beet sugar producers and 2,000 cane sugar producers in the United States, fewer than 1 percent of all American farmers. "More acreage in our country is devoted to sunflower seeds than to sugar," says Nicholas Kominus of the U.S. Cane Sugar Refiners Association.

Arguments against increasing sugar subsidies center in their heavy cost to consumers at a time of sharply rising prices for almost everything else. Alfred E. Kahn, the president's chief inflation fighter, has said that every 1-cent increase in the price of domestic sugar means $250 million to $300 million directly out of consumer pockets and as much as $150 million to $200 million indirectly.

By way of contrast, imported sugar which now accounts for half the American market, commands far lower prices than the U.S. product. Sugar can be produced abroad in many areas for 8 cents a pound and landed in this country for 10.5 cents. This is two-thirds the 13 to 14 cents domestic growers say it costs them to produce sugar and the 14.73 cents they have been receiving as price support, which they claim is too little.

The mystery of how such a tiny fraction of U.S. farmers could command such political clout is easily answered. Although few in number, they come from nearly half the states. Moreover, they enjoy the active support of such important figures as Sen. Frank Church, D-Idaho, who heads the Senate Foreign Relations Committee; Sen. Russell B. Long, D-La., who heads the Senate Finance Committee; and Rep. Al Ullman, D-Oreg., who heads the House Ways and Means Committee.

In addition, the sugar growers have struck an alliance with corn growers and refiners whose liquid sweeteners, particularly high fructose corn syrup, are growing in use and benefit from rising sugar prices. This adds another block of states to the legislative lineup.

For two years President Carter used opposition to a rise in the price of sugar as a symbol of his administration's determination to wage war against higher farm and food prices. But early this year he caved in, agreeing to give the growers much, if not all, they had asked. He apparently had become convinced that he could no longer oppose the big guns of Congress who had the seniority and commitee posts affecting much of the administration's legislative program.

Complicating the situation is the growth of the government-held sugar surplus acquired under grower loan programs. Some 200,000 short tons, which the Department of Agriculture is trying desperately to get rid of, were acquired by the Commodity Credit Corp. under the 1977 loan program. The figure is expected to grow to more than 1 million tons when additional sugar is surrendered under the 1978 program. With some of the stored sugar approaching the age at which it starts to deteriorate, the government is hard pressed not only to find buyers but satisfactory storage facilities.

By law, the CCC is prohibited from selling the stored sugar at less than 105 percent of the current loan level plus transportation and handling charges. That puts the floor right now at just under 14 cents a pound. The CCC is also obligated to make its sales so as not to disrupt the market. That means, in the minds of government officials, wide geographical dispersion of the sales.

The CCC could sell its sugar at less than 15 cents—if the stored product had begun to deteriorate or if it were used for a non-food or non-traditional use. That has prompted Publicker Industries Inc., a Philadelphia maker of industrial alcohol as well as whisky and other distilled spirits, to propose a deal. It would take the government's surplus sugar at 8 cents a pound convert it to fuel-grade alcohol, mix it with gasoline, and sell it as gasohol.

Sugar growers know they can't sell the $140 million cost to the Treasury as a grower subsidy. But, at a time of dwindling gasoline supplies and long lines at service stations, such an expenditure might be justified as a necessary cost of developing a substitute fuel. That, at least, appears to be the motivation of Sen. Church, who has urged speedy consideration of the offer.

But the alliance between consumer groups and sugar users seems determined to resist. When consumers already are paying $1.3 billion a year to protect U.S. sugar growers, they say, there is no justification for even more expensive protection. We agree.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Chairman, I was unavoidably detained off the floor during rollcall No. 440, the vote on the amendment offered by the gentleman from Florida (Mr. YOUNG) to prohibit indirect aid to the Central African Empire, Cambodia, Laos, and Vietnam. Had I been present, I would have voted "yes."

☐ 1910

THE 40TH ANNIVERSARY COMMEMORATION OF THE INVASION OF POLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the month of September marks the 40th anniversary of the invasion of Poland and the beginning of the most tragic and destructive war in the history of the world—World War II. On September 1, 1939, the forces of Nazism invaded Poland from the West and on September 17, the forces of communism invaded Poland from the East.

Throughout history, Poland has served as a bulwark of Christian civilization in Europe, restraining the Tartars and the Turks as they plundered and pillaged across the continent.

In the fall of 1939, there was no one to protect Poland or to preserve her civilization, and this long-suffering land became a nation without a state, a tyrannized and persecuted country, deprived of half its territory and millions of its people. Alone and unaided, the 830,000 soldiers and officers of the Polish Army fought heroically against the overwhelming odds and inhuman terror unleashed by the invaders.

Thousands of Polish infantry, Navy, and Air Force troops, forced to flee the military might of the invaders, joined the allies and took up arms once more in France, Norway, North Africa, Italy, and Sicily. As the regular army slowly disintegrated with the country, an underground movement developed, directed by the Polish Government-in-exile. Stray divisions of the Polish Army together with civilian men, women, and children, intrepidly destroyed enemy planes, ammunition dumps, bridges, and other military installations.

Often forced to survive for months, or even years, in forests and mountains, members of the resistance and the Polish populace at large reacted consistently with spirit and conviction. Refusing to betray their national honor and collaborate with the enemy, 6 million Poles preferred self-respect and death to capitulation and cringing life. The nation lost close to one-quarter of her population, and the romantically beautiful city of Warsaw, the Polish Capital, was leveled to the ground.

Millions of Poles suffered deportation and imprisonment in labor camps in Siberia and Asiatic Russia, as the Communists systematically attempted to destroy Polish cultural and religious life. Even in 1945 there was no peace for Poland. Absorbed by Soviet imperialism, the Poles have continued to fight for personal liberty and national integrity.

Those who have emigrated to the United States have brought with them their love of liberty and their respect for law and order. They have contributed much socially, economically, politically, and culturally, to the advancement of our Nation, and have helped make the United States one of the greatest countries in the world.

I take this opportunity, Mr. Speaker, to give recognition to the great number of Polish Americans who reside in the 11th District of Illinois whom I am proud to represent in the Congress. They form a substantial part of the group of solid hard-working American citizens who are the backbone of our country. As we again observe this anniversary in the House of Representatives, I am honored to join Americans of Polish descent in Chicago and all over the Nation in their hopes and prayers for the reentry of Poland into the community of free nations. The long-suffering Polish people still look to a strong America for moral support in their continuing struggle to achieve their just aspirations to national liberty.

Mr. Speaker, free peoples all over the world must never weaken their vigilance against the encroachments of Communist totalitarians, and George F. Will recently wrote a thought-provoking article on this subject in the August 30, 1979, edition of the Washington Post. His article on the spiritual weakness of the Western nations on September 1, 1939 follows:

WESTERN WEAKNESS AND WAR

It is regrettable, if understandable, that Sept. 1 will pass with much less notice in the United States than in Europe. At dawn, Sept. 1, 40 years ago, German troops crashed into Poland. Seventeen million combatants and many millions of civilians would die in the next six years. But John Lukacs, the historian, writes: "The outbreak of no other great war in the modern history of Europe caused so little surprise." And unlike in 1914, Europeans went to war with resignation rather than enthusiasm.

It is arguable (and A. J. P. Taylor does argue) that the Second World War actually began in April 1932, when Mao Tse-tung declared war on Japan in the name of the Kiangsi soviet. Americans think the war began Dec. 7, 1941.

What did begin 40 years ago was (in the words of the title of Lukacs' superb history) "The Last European War: September 1939/December 1941." This war, as Lukacs says, was the decisive phase of the larger war. If Hitler had beaten Britain or Russia then, he would have won the war.

He came close in Russia. On Oct. 15, 1941, there was the first traffic jam in the history of the Soviet Union as government officials and others privileged enough to have cars fled east. Others scrambled to buy German-Russian dictionaries. Lukacs believes, "A single German parachute regiment could have taken Moscow." After 1941, with the United States in the war, Hitler could not win, and since 1941 the destiny of Europe has depended on two extra-European powers, the United States and the U.S.S.R.

In 1917, Germany sent Lenin into Russia. In 1939, Germany, with the Nazi-Soviet pact, brought Stalin into Europe. These two deeds help explain why, as Lukacs says, the rising importance of the eastern, relative to the western, half of the continent is a major theme of European history in this century.

The war in the West began slowly. Six years before Hiroshima, the British pulled 300-year-old howitzers from museums, the French sent to Finalnd some guns used in the Crimean war, and the Norwegian navy included a warship commissioned in 1858. King George VI practiced pistol shooting in the garden at Buckingham Palace.

British and German troops did not meet until April 20, 1940, in Norway. In the first 15 months of the war, there was only one small Allied victory on land, at Narvik, Norway. But Hitler's victory in Norway brought Churchill to power, and his invasion of Norway and Denmark helped dissipate isolationist feelings in the American Middle West, home of many people of Scandinavian extraction.

Hitler understood better than his enemies the revolution in warfare wrought by the internal combustion engine. Some of his troops even used Michelin guides in their invasion of France. But Germany's use of mechanized forces does not fully explain its devastating successes early in the war.

In 1938, Britain was, for the last time, the principal factor in world politics. In 1938, France had five allies, at least in theory, and Germany had none. But it is widely and wrongly assumed that the German army swept to early victories in the West because it had overwhelming material advantages.

It had some. But in 1939 German aircraft production was about the same as British production. German tank production was less than British production. The British and French navies were larger than the German navy, and Germany did not launch a ship larger than a destroyer during the war.

The crucial point is that in the last European war, as Lukacs says, equipment told: but never apart from the martial qualities. As Lukacs says, Hitler "was one of the most terrifying creators of national confidence."

The Second World War began because of the moral more than the material weaknesses of the democracies. The two kinds of weaknesses often go together. Forty years later there is rising anxiety about the provocative weakness of the West. Consider, for example, the swift transformation of the SALT II debate. During three weeks of hearings in July, it became a debate about how to rectify the U.S. military weaknesses that SALT II reflects and ratifies.

It is another sign of the uneasy times that on the 40th anniversary of the beginning of war in Europe, the fiction best-seller list includes a novel written as a warning by some British NATO officers and advisers. Its title is "The Third World War: August 1985." ●

THE GULF OF MEXICO DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, the attention of the world has been focused on the immense disaster caused by the passage of Hurricane David through the Caribbean. No one yet knows the extent of the physical damage, nor even the number of lives lost. The great storm is, beyond any doubt, as great as any natural disaster of its type, and it must call forth from us not only our sympathy but our technical, material, and financial help.

At the same time, before, during, and after the great storm, the Gulf of Mexico has been subjected to a manmade disaster, the greatest oilspill of all time. Up until June 3, the worst ocean oilspill had been the wreck of a tanker, *Amoco Cadiz*, last year. That shipwreck loosed a million and a half barrels of oil. But the oil flowing in the Gulf of Mexico today makes that disaster laughable by comparison. Since June 3, the Ixtoc I oil well in the Bay of Campeche has been blowing out something like 30,000 barrels of oil a day. No one knows when the well can be brought under control. No one knows what the final damage will be, but it is certain that this is an environmental disaster for which no one is prepared, to which no one has responded adequately, and that requires an extraordinary response from Congress.

This particular disaster has revealed the frozen indifference of the Governor of Texas, his own conflicts of interest, his attempts to deny that there is even a problem and finally his arrogant disregard for the people of Texas. Beyond that the blowout has revealed the same kind of indifference by the Government of Mexico, whose own officials have deep financial involvements in oil exploration and in this particular well, whose pride prevents them from accepting sound advice, admitting the scale of this catastrophe, or even from doing what they can do limit the damage. In their arrogance, they will not provide necessary technical information, not permit foreign experts a free hand in dealing with the situation, nor even permit their own workers the freedom of action to put forth a maximum effort.

On our side, the U.S. Government has a pitiful $4 million allocated to deal with this disaster. Because of the limited resources, no effort at all is being made to keep oil off the beaches of Texas, with the result that 150 miles of beach area have so far been fouled. The only real defense is being put up in coastal inlets, where booms and skimmers are used to try to hold the oil out of estuaries and ecologically fragile areas—the marshes and wetlands, the cradles of the rich sea life of the gulf.

This disaster originated on June 3 at a drilling platform in the Bay of Campeche. The well was being drilled for PEMEX, the Government oil monopoly of Mexico.

As it happened, the drilling platform was owned by SEDCO, a company founded by Governor Clements, and which is operated by his son. The platform was leased to Permargo, a company owned by the director general of PEMEX. Perhaps it was these financial interests of the PEMEX official, Jorge Diaz Serrano, and those of Governor Clements, impelled them both to claim that the blowout of IXTOC I was no great thing, though they both knew that in fact the well was uncontrollable and would spew into the sea the greatest amount of oil ever spilled. Even today, 3 months after the blowout, no one is certain when or how the well can be controlled. Yet PEMEX engineers complacently claim that there has been no great damage, that the well will be controlled in a day or two, and that the flow of oil has been shut back to a mere 10,000 barrels per day.

It is too much to expect that the Governor of Texas, with his immense financial interests in the offshore drilling business in general and in Mexican exploration in particular, and in the blown out Campeche Bay well specifically, could ignore his interests or subordinate them to his official duty. With this conflict of interest, it is only natural that Governor Clements would react in the same way that the Mexican officials did—to deny that there is much of a problem, to resist preparation for dealing with the disaster, to hold back on seeking disaster aid, to denounce those who recognize the responsibility of his Mexican business partners, and to react with rage when anyone reminds him of his business and financial connections.

It was only a few days ago that Governor Clements found himself compelled to admit that a disaster has occurred, and that Federal assistance should be provided to the persons who have suffered economic losses from this disaster.

It is clear, however, that the Federal programs that are now available never contemplated a catastrophe of this scope or complexity. Special circumstances like this one call for special responses.

There needs to be, in the first instance, coordination of Federal, State and local efforts to cope with the drifting oil in the Gulf of Mexico. This could be done through the establishment of a coordinating body that would at a minimum include the Coast Guard, the Commerce Department, the Small Business Administration, the Corps of Engineers, appropriate State and local government representatives, and a number of citizens from the affected areas.

There needs to be consideration of new statutes to provide financial relief to people whose businesses have suffered economic damage, just as surely as if they had been struck by some natural disaster.

There needs to be action by the U.S. Government to determine what domestic entities, if any, have some liability for this accident, and action to recover from those interests suitable redress. Those responsible ought to be held duly accountable.

There needs to be leadership from our Government to establish an international agreement to determine financial responsibility for oil accidents that damage coastal areas. An international agreement on oil accidents is needed, just as urgently as any agreement on the law of the sea.

Incredibly and unforgivingly, in the face of this great disaster governmental response has been routine. Routine treatment is not sufficient, for this is not just another oil spill; it is by far the worst accident of its kind anywhere, anytime.

Congress has a responsibility to awaken the slumbering powers of Government, so that this crisis will get the attention that is necessary. I am preparing a bill to provide the powers that are needed to respond to this situation, and to express the will and determination of Congress that the emergency be given the urgent attention it requires. The complacency of both Austin and Washington in this situation is inexplicable and unforgivable.

There is no way to measure the amount of damage that has been, and will be done by the oil spill in the Gulf of Mexico. It is certain that the most beautiful beaches in America have been despoiled, that one of its prime fisheries is severely threatened, and that the whole ecological balance of the gulf may be permanently, disastrously affected. Recovery from this accident will certainly take years, and possibly decades. There is no time to allow for complacency. The need is for action now. Let the President invoke all the powers he can command to meet this crisis; let the Congress provide such additional powers as are needed. The need is immediate, the crisis is real, and the time to respond to it, is now.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The June 1979 list includes:

NATIONAL DEFENSE

Army's FY 1980 Programs for Procuring Conventional Ammunition, Modernization, and Expansion. Acc. No. 109703, LCD–79–416, June 15.

Army Plans to Modernize the Rock Island Arsenal May Be Inappropriate. Acc. No. 109559, LCD–79–418, June 6.

Inadequate Methods Used to Account for Personnel in DOD's Transportation Function. Acc. No. 109550, FPCD–79–38, May 25.

The Multinational F–16 Aircraft Program: Its Progress and Concerns. Acc. No. 109722, PSAD–79–63, June 25.

Efforts to Charge for Using Government-Owned Assets for Foreign Military Sales: Marked Improvement But Additional Action Needed. Acc. No. 109558, FGMSD–79–36, June 1.

Navy Shipyard Accounting System Needs Improvement. Acc. No. 109552, FGMSD–79–34, June 6.

Letter reports

Review of Army AN/APR 39 contract with E-Systems, Inc. Acc. No. 109589, PSAD–79–77. May 30.

The price of Navy's prime subcontract to Pratt & Whitney in Bridgeport, West Virginia, was overstated by about $525,000. Acc. No. 109631, PSAD–79–84, June 13.

Problems in the military's test and evaluation of six weapon systems should be resolved. Acc. No. 109720, PSAD–79–86, June 25.

Projected savings for proposed realignment of the Aerospace Defense Command have decreased. Acc. No. 109720, LCD–79–119, June 25.

Information obtained for wife of Air Force Captain reported missing over Hanoi in 1972. LCD–79–121, June 26.

INTERNATIONAL AFFAIRS

Background Information Bearing Upon Panama Canal Treaty Implementing Legislation. Acc. No. 109557, ID–79–33, June 4.

Meeting U.S. Political Objectives Through Economic Aid in the Middle East and Southern Africa. Acc. No. 109530, ID–79–23, May 31.

Examination of Financial Statements of the Inter-American Foundation for FY Ended September 30, 1978 and 1977. Acc. No. 109622, ID–79–29A, June 14.

ENERGY

Federal Facilities for Storing Spent Nuclear Fuel—Are They Needed? EMD–79–82, June 27.

Energy-saving Strategies for Federal Procurement. Acc. No. 109648, EMD–79–68, June 19.

The Nation's Nuclear Waste—Proposals for Organization and Siting. EMD–79–77, June 21.

Issues Related to Foreign Oil Supply Diversification. Acc. No. 109697, ID–79–36, May 31.

Policy Needed to Guide Natural Gas Regulation on Federal Lands. Acc. No. 109649, EMD–78–86, June 15.

Nuclear Power Costs and Subsidies. Acc. No. 109680, EMD–79–52, June 13.

Increased Productivity Can Lead to Lower Costs at Federal Hydroelectric Plants. FGMSD–79–15, May 29.

Factors Influencing Size of the U.S. Strategic Petroleum Reserve. Acc. No. 109645, ID–79–8, June 15.

Natural Gas Reserves Estimates: A Good Federal Program Emerging, but Problems and Duplications Persist. Acc. No. 109648, EMD–78–68, June 15.

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Profile of Energy Department employees. Acc. No. 109528, EMD–79–53, May 1.

What caused the delay in the permit process for the California pipeline project sponsored by the Standard Oil Company of Ohio? Acc. No. 109699, EMD–79–75, June 5.

The Energy Department should reconsider the rationale for charging the Air Force the full cost for producing depleted uranium penetrators. Acc. No. 109729, PSAD–79–88, June 13.

The Defense Logistics Agency can improve its management of bulk petroleum products. Acc. No. 109624, LCD–79–218, June 14.

The Department of Energy should do more to foster contracting with small business. EMD–79–83, June 26.

NATURAL RESOURCES AND ENVIRONMENT

Water Supply for Urban Areas: Problems in Meeting Future Demand. Acc. No. 109630, CED–79–56, June 15.

Federal Leasing Policy—Is the Split Responsibility Working? Acc. No. 109747, EMD–79–60, June 4.

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Allegations that Federal agencies providing disaster assistance had failed to collect monies from victims' insurance policies. Acc. No. 109739, CED–79–90, June 18.

State and local governments should retain ownership of lands within the Golden Gate, Gateway, and Cuyahoga Valley national recreation areas if they can protect and manage the lands adequately. Acc. No. 109668, CED–79–98, June 19.

AGRICULTURE

Computation of Average Market Price of Rice Questioned—Independent Evaluation and Unimpeded GAO Access to Records Needed. Acc. No. 109719, CED–79–85, June 25.

COMMERCE AND HOUSING CREDIT

Selected FCC Regulatory Policies: Their Purpose and Consequences for Commercial Radio and TV. Acc. No. 109651, CED–79–62, June 4.

Letter reports

Military exchange services should discontinue using the Military Postal System for transfers of foreign made goods. Acc. No. 109745, LCD–79–213, June 1.

The Delano Relay Station was selected to back up the Voice of America's Satellite system because of its superior antenna system. Acc. No. 109704, ID–79–42, June 20.

A more accurate inventory of commercial tankers needs to be developed. LCD–79–215, June 29.

TRANSPORTATION

Communication and Management Problems Hinder the Planning Process for Major Mass Transit. Acc. No. 109533, CED–79–82, June 5.

COMMUNITY DEVELOPMENT

Decisive Government Action Needed to Resolve Problems of Community Action Programs in Los Angeles. Acc. No. 109632, HRD–79–91, June 11.

Examination of Financial Statements of the National Flood Insurance Program December 31, 1977. CED–79–70, June 1.

Letter reports

Portland, Oregon's use of Community Development funds to match Land and Water Conservation funds is legal. Acc. No. 109590, CED–79–89, June 4.

The Interstate Commerce Act would have to be amended to allow independent carriers to haul for private fleets and maintain their independent status. Acc. No. 109698, CED–79–99, June 15.

How valid were relocation payments to tenants residing in a boatyard acquired by the Fish and Wildlife Service in Alviso, California? Acc. No. 109738, CED–79–95, June 15.

Information on the effectiveness of the Economic Development Administration's Title IX program is lacking. CED–79–104, June 28.

SOCIAL SERVICES

Rehabilitating Blind and Disabled Supplemental Security Income Recipients: Federal Role Needs Assessing. Acc. No. 109556, HRD–79–5, June 6.

Letter reports

Should preceptual and visual training be included as a CHAMPUS benefit? Acc. No. 109513, HRD–79–81, May 31.

Several problems restrict agencies' ability to meet the requirements of the Federal Equal Opportunity Recruitment Program. Acc. No. 109560, FPCD–79–62, June 19.

HEALTH

Better Regulation of Pesticide Exports and Pesticide Residues in Imported Food is Essential. Acc. No. 109731, CED–79–43, June 22.

Hospital Loan Assistance Programs: Actions Needed to Reduce Anticipated Defaults. Acc. No. 109743, HRD–79–64, June 27.

Legislative and Administrative Changes Needed in Community Mental Health Centers Program. Acc. No. 109529, HRD–79–38, May 2.

Letter reports

HEW's Smokenders Program estimate of $1.5 million in costs to the taxpayers is too high. Acc. No. 109553. HRD–79–93. June 6.

Railroad Retirement Program—How Does it Compare to Other Selected Retirement Programs? Acc. No. 109573, HRD–79–41, June 8.

Multiple Problems With 1974 Amendments to Federal Employees' Compensation Act. Acc. No. 109591, HRD–79–80, June 11.

Part-time and Other Federal Employment: Compensation and Personnel Management Reforms Needed. Acc. No. 109532, FPCD–79–19, June 5.

ADMINISTRATION OF JUSTICE

The Interstate Organized Crime Index. Acc. No. 109516, GGD–79–37, May 25.

Actions Needed to Improve Military Chain of Command and Inspectors General Grievance Procedures. Acc. No. 109592, FPCD–79–23, June 11.

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Justice Department's handling of a complaint alleging restraints of trade on independent theaters by large motion picture companies. Acc. No. 109623, GGD–79–76, June 14.

GENERAL GOVERNMENT

Science and Engineering Manpower Forecasting: Its Use in Policymaking. Acc. No. 109742, PSAD–79–75, June 27.

Grand Auditing: A Maze of Inconsistency, Gaps, and Duplication That Needs Overhauling. Acc. No. 109700, FGMSD–79–37, June 15.

Firesafety Violations in Two Buildings Leased by GSA. Acc. No. 109549, LCD–79–312, May 22.

IRS Can Better Plan for and Control its ADP Resources. Acc. No. 109647, GGD–79–48, June 18.

Federal Seed Money: More Careful Selection and Application Needed. Acc. No. 109705, GGD–78–78, June 22.

Recommendations of the Commission on Government Procurement: A Final Assessment. Acc. No. 109521, PSAD–79–80, May 31.

Senate Barber Shops Revolving Fund for Calendar Year 1978. Acc. No. 109534, GGD–79–66, June 5.

Audit of the Financial Statement of Federal Crop Insurance Corporation, FY 1978. Acc. No. 109127, CED–79–22, May 31.

Examination of Financial Statements of Federal Home Loan Bank Board for 1978 and 1977. Acc. No. 109701, GGD–79–72, June 21.

Letter reports

Guidelines for effective management and operation of Executive Branch legislative liaison offices. Acc. No. 109643, FPCD–79–41, April 6.

Monitoring incoming telephone calls at GSA's service centers could help insure that accurate information is provided to the public. Acc. No. 109548, HRD–79–62, May 1.

VA's planned replacement of the Austin, Texas, data processing center's equipment is not warranted. Acc. No. 109644, FGMSD–79–27, May 23.

The proposed computerized National Recipient System needs further study. Acc. No. 109514, HRD–79–88, May 29.

Release of impounded funds for the Energy Department. Acc. No. 109520, OGC–79–12, May 30.

The Export-Import Bank can improve its internal accounting controls and operational efficiency. Acc. No. 109519, ID–79–34, June 1.

GAO comments on Labor's "Price Behavior of Products Under Import Relief." Acc. No. 109551, ID–79–37, June 5.

GSA should reduce its leasing rates to the Equal Employment Opportunity Commission for office space in Los Angeles. Acc. No. 109555, LCD–79–316, June 6.

Why don't small businesses use SBA's occupational safety and health loan program? Acc. No. 109746, HRD–79–82, June 6.

Space problems and lack of adequate funds and staff at the Federal Labor Relations Authority have impeded efforts in organizing the agency. Acc. No. 109599, FPCD–79–67, June 11.

The Federal Trade Commission should expedite the processing and issuance of consent orders—legally binding promises by businesses to stop or correct certain practices. Acc. No. 109613, HRD–79–94, June 13.

Repairs to the National Mall due to the American farmers' demonstration will cost the Federal Government about $220,900. Acc. No. 109646, CED–79–100, June 14.

The Director, Administrative Office of the U.S. Courts, should determine the most cost-effective method of implementing a standard fiscal operation system in all U.S. courts where automation is warranted. Acc. No. 109702, FGMSD–79–30, June 21.

Impoundment of funds for the Department of Interior's Geological Survey. Acc. No. 109741, OGC–79–13, June 26.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, room 1518, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275–6241.●

LEGISLATION TO AMEND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing comprehensive legislation to insure that the surviving spouses are adequately protected under private pension plans. My bill amends the Employee Retirement Income Security Act of 1974 (ERISA).

Women currently fare badly under private pensions. Although ERISA significantly reformed private pensions, it was developed with an eye to the problems men traditionally faced under the system. Women are now participating in the labor force in record numbers, but their employment patterns are still different from those of men. Because of child-bearing and child-care responsibilities, women tend to work part time and to leave the labor force for long stretches of time much more frequently than men. Because of this, comparatively few women work long enough to qualify independently for pension benefits. Thus, most women are entitled to pension benefits only after their husbands die, as surviving spouses under these pension plans. It is critical, therefore, that survivor's benefits be adequate. Currently ERISA falls short on this count.

Many wives have assumed they would be entitled to receive benefits under their husbands' pension plans and are rudely surprised to find this is not so. Many husbands assume the same. But several provisions of ERISA deny this protection to hundreds of thousands of women.

First, even if an employee's benefits are fully vested, his spouse is not entitled to any survivor's benefits if he dies before reaching earliest retirement age or 10 years before the normal retirement age. And even if the employee reaches early retirement and chooses to continue working, in order for his survivor to be protected in the event that he dies before reaching normal retirement age, the employee must affirmatively elect joint and survivor coverage within a given period of time. This means that the employee must be aware of the need to elect and know how to proceed.

When an employee lives to normal retirement age, ERISA provides that his survivor is automatically entitled to survivor's benefits after his death. Even then, however, the survivor may be left unprotected because the employee has an absolute right to decide, without the knowledge or consent of his wife, to forego joint and survivor's coverage in return for higher retirement benefits.

A woman married to an employee who leaves a job where his pension is fully vested is entitled to survivors benefits only if her husband retires completely. Under ERISA, if he takes another job instead, she is entitled to no survivor's benefits.

Even those who do receive survivor's benefits often find them inadequate. Under ERISA, the payment may be as little as one-half of the payments that would have been made as a joint annuity to the employee and the survivor. For example, if an employee is entitled to $100 a month from his pension plan, and elects joint and survivor coverage, the payment to him and his spouse is then reduced to $80 a month. If the employee who is receiving the pension then dies, according to IRS interpretations, the surviving spouse may receive as little as $40 a month. If the spouse dies first, the employee continues to receive the $80 a month. The lower benefits for the survivor have proven totally inadequate.

My bill addresses these problems in several ways. First, it provides that if the employee is married, he and his spouse will be deemed to have elected the joint and survivor's option unless they submit a statement by both parties that they do not want this coverage. At any later time, this decision may be reversed in the same manner. This means that the survivor will be automatically protected as soon as benefits are fully vested unless there is a joint decision to forego this protection.

In addition, the bill requires that at full vesting, an employee must be told that his pension is vested, that he has the option of joint and survivor coverage and what the implications of such coverage is in terms of level of benefits.

The bill will also require that when pension benefits are fully vested and an employee leaves his job, his survivor is entitled to benefits whether he takes another job or completely retires.

The bill addresses the problem of inadequate survivor's benefits by providing that the survivor's benefits can be no less than three-quarters of the joint and survivor benefit.

In addition, the bill corrects two other inadequacies in the present system. Currently IRS requires that the spouse be married to the participant for 1 year prior to death and 1 year prior to retirement. This means that if an employee gets a divorce after retirement and then remarries, neither spouse gets the benefits for which the emeployee agreed to receive reduced payments. My bill requires only that the spouse be married to the employee 1 year before election of joint and survivor's benefits.

Finally, my bill removes the current forfeiture of survivor's benefits when the employee dies within 2 years of electing joint and survivor coverage.

I think this bill would go a long way toward providing adequate survivor's coverage. I urge its prompt enactment.●

EXTENSION OF FUNDS FOR MEDICAID FRAUD UNITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

○ Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference a bill to extend Federal funding of State medicaid fraud control units for 2 more years.

There are few people in Washington who would quarrel with the notion that fraud and abuse is a serious problem in medicare and medicaid. Hearings by the House Select Committee on Aging, of which I am chairman, and by the Senate Committee on Aging have provided ample evidence.

In response to these disclosures of massive fraud, the Congress created the Office of Inspector General in the Department of Health, Education, and Welfare in 1976. In 1977, the Congress passed the medicare and medicaid antifraud and abuse amendments which, among other things, authorized Federal funds to States to help establish local units to ferret out fraud. The idea to set up these units originated with Val J. Halamandaris, an expert in this field, who now serves as special counsel to our committee.

Unfortunately, only 25 States have been able to take advantage of the Federal funds so far with the deadline of October 1, 1980, fast approaching. Several States have informed our staff that they would like to establish fraud units if they can have some assurances of funding for more than 1 year. Accordingly, my bill would extend Federal funding through October 1, 1982.

I have been pleased with the success of some of these State units, notably, the New York unit headed by Deputy Attorney General Charles J. Hynes. I hope that my bill can be enacted so that the war against fraud and abuse can continue.●

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, as a result of the public financial disclosure reporting requirements of Public Law 95–521, the Ethics in Government Act of 1978, and the new House rule on financial disclosure, I had tentatively decided that it was no longer necessary to file an annual public financial disclosure of my personal finances in the CONGRESSIONAL RECORD.

However, since an interest still is being expressed in the form of disclosure which I have been reporting since 1963, and since this disclosure does differ in important respects from the report which we are required by law and by the House rules to file, I am continuing my practice of placing in the CONGRESSIONAL RECORD a report on my financial condition which covers the calendar year 1978.

My report also includes the amount of Federal, State, and real estate taxes paid in 1978:

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1978

Cash account with the Sergeant at Arms, House of Representatives	$455.56
Cash	$19.15
Securities	None
Residential real estate:	
Arlington house and lot (1977 assessed evaluation)	112,900.00
Less mortgage	24,462.32
Equity	88,437.68
House, Sun Prairie, Wisconsin	29,000.00
Plus improvements	1,766.00
Lot	1,200.00
Total	31,966.00
Less first mortgage	16,474.44
Less second mortgage	4,500.00
Total	20,974.44
Equity	10,991.56
Household goods and miscellaneous personalty	7,500.00
Miscellaneous assets, deposits with U.S. civil service retirement fund through December 31, 1978, available only in accordance with applicable laws and regulations	54,798.03
Additional retirement fund deposit, 1976	1,130.00
Cash surrender, value of life insurance	None
On life of Robert W. Kastenmeier	544.00
On the life of Dorothy C. Kastenmeier	400.00
Donaldson Run Deposit	----------
Automobiles:	
1976 Oldsmobile	2,500.00
1978 Mercury	5,500.00
Total assets	172,275.98
Less personal notes outstanding, National Bank of Wash	3,500.00
Net assets	168,775.98
Income for calendar year 1978:	
Gross rent, Sun Prairie Home	2,290.00
Income total	2,290.00
Taxes paid:	
1978 Federal	11,571.15
1978 State (Wisconsin)	4,174.00
1978 City of Sun Prairie real estate taxes	870.12
1978 Arlington County real estate taxes	1,877.85
Total taxes paid	18,493.12

I also am reporting on the separate estate of my wife, Dorothy C. Kastenmeier, which is not subject to my control and thus, not necessarily required to be reported. Fair values are estimated and certain interests in property are subject to life estates in others:

Unimproved land, 129 acres Chireno, Tex	$10,000.00
Unimproved land, 160.5 acres Nacogdoches, Tex	10,000.00
Frame House and lot, 413 Myrtle Street, Nacogdoches, Tex	12,000.00
Lot and Building, 106 Marilyn Street, Nacogdoches, Tex	12,000.00
158 Shares Fredonia State Bank, Nacogdoches, Tex	6,320.00
Total	50,320.00
All interest in minerals and timber subject to life estate of others:	
Rental income	675.00
Lease income	80.25
Total	755.25

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THE CONDOMINIUM CONVERSION CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 5 minutes.

● Mr. ROSENTHAL. Mr. Speaker, the United States is rapidly heading toward the worst national housing crisis since the shortage that followed the end of World War II. A leading cause of this crisis is the widespread and growing practice in our cities of converting rental housing to condominiums. The short-term consequence of this practice is the forced displacement of thousands upon thousands of elderly, low- and moderate-income families from their apartments. Condominium conversions have also severely reduced the availability of rental housing in many metropolitan areas, pushing rents in existing buildings to record highs. The long-term consequence of the condominium conversion crisis, unless national action is taken soon, will be the disappearance of private rental housing in the United States.

This future described above is not inevitable. The Federal Government can take steps to prevent the forced displacement of millions of tenants and halt the decay of the rental housing market. The Condominium-Cooperative Conversion Moratorium Act of 1979 would start us on the road to reversing the current dangerous trend. This bill would:

First: Effectively prohibit the conversion of rental housing to condominiums and cooperatives for a 3-year period—long enough to give a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions time to study the situation, recommend solutions, and get national legislation passed to deal with the problem.

Second: Ease the difficulties faced by displaced tenants by requiring developers to provide them with relocation assistance and by providing tax relief to tenants who are forced to move as a result of the conversion of their building to a condominium or a cooperative.

Third: Force localities to either regulate the conversion process or guarantee adequate housing to displaced tenants by placing restrictions on community development block grants.

Fourth: Would reduce the tax incentives that currently encourage conversion and would increase the tax advantages of owning and rehabilitating rental housing.

The Condominium-Cooperative Conversion Moratorium Act of 1979 will not solve the Nation's housing crisis. But it will be an essential first step in the direction of a solution.

THE ROOTS OF THE CRISIS

Condominiums—individually owned housing units in multiunit projects—are not a new form of housing. Documents unearthed in the Near East reveal that the owner of a two-story house in ancient Babylonia sold the first floor to another family while retaining title to the second floor. Condominiums were popular during the Middle Ages and have long been common in Europe and Latin America.

They were first introduced to the United States when Puerto Rico enacted laws permitting condominium ownership in 1951. By 1968 all 50 States had passed legislation to permit condominium ownership.

The purchaser of a condominium acquires full title to his unit plus an undivided interest in the project's common areas—such as the parking lot, hallways, recreation facilities, and the land under the building. Condominiums differ from cooperatives, which are owned by nonprofit corporations whose shareholders own an undivided portion of the entire building and who have the right to occupy individual units. Condominiums offer purchasers the tax advantages of single-family home ownership while allowing them the conveniences of apartment living, such as ease of maintenance and proximity to urban centers. In addition, condominiums are often less expensive than detached homes, making the benefits of property ownership available to a larger share of the population.

In 1970 there were only 85,000 condominium units in the United States. By 1975 this figure had climbed to 1,340,000 units. Roughly a quarter of all for-sale housing starts in 1973 and 1974 were for condominiums. HUD's most recent estimate (1975) was that close to 4 million Americans reside in condominiums. HUD estimates that within 20 years half the population of the United States will be living in condominiums.

The real problem lies not with condominium development but with condominium conversion. Conversion is the process whereby a developer takes a previously completed rental property and turns it into a condominium. Conversions are popular, according to HUD, because of the "large potential profits which can be made in a relatively short period of time * * *" Rapidly rising construction costs and a shortage of land zoned for multifamily housing have made conversion more appealing to the developer than new construction. In addition, the tax reforms of 1969 provided an incentive for conversion by reducing the tax advantages of purchasing used rental property. Provisions in the 1976 Tax Reform Act covering accelerated depreciation also made it more difficult for landlords to make a profit from rentals.

Profits from condominium conversions can be enormous—returns can run from 50 to 500 percent, and profits can usually be turned in 3 to 6 months for the developer with a proven track record. When a conversion takes place almost everyone makes money on it. Real estate agents realize new commissions, to the tune of $16 million annually in Chicago alone. Lawyers collect closing fees. Title insurance firms must conduct a title search on each unit. Banks make high-interest loans and enjoy a quick turnover of mortgage money.

With millions of dollars in easy money to be made by condominium conversions, it is no wonder that "condomania" is sweeping our Nation's cities. HUD estimated that over 100,000 units were converted to condominiums between 1970 and 1975. Housing experts say there were 50,000 conversions in 1977 and over 100,000 in 1978. Projections for 1979 range from 130,000 to 250,000. But these nationwide statistics mask the extent of conversion in specific cities. According to a recent report in Forbes magazine, "condomania" is gobbling up close to 50 percent of the for-sale markets in southern California, Chicago, and Washington, D.C., and over half in southern Florida and San Francisco. Citicorp Real Estate reports that the conversion trend is broadening and becoming significant in new markets. Cities which reported virtually no conversions last year are experiencing booms this year. The following table lists conservative estimates of conversion trends in 18 U.S. cities.

ESTIMATED CONVERSIONS BY CITY, 1977–79

City	1977	1978	1979 (projected)
Atlanta		200	2,000
Boston		3,000	2,000
Chicago	16,000	24,000	30,000
Dallas	1,000	1,000	1,000
Denver	1,000	4,000	8,000
Detroit		1,000	2,500
Houston	13,000	5,000	1,500
Los Angeles-Orange County	1,000	3,000	7,000
Miami-Fort Lauderdale		2,000	2,000
Minneapolis-St. Paul	1,500	2,000	3,000
New York [1]	10,500	20,500	34,000
Philadelphia		500	2,000
Phoenix		1,000	2,000
San Diego	1,000	2,000	3,000
San Francisco-Oakland	1,500	2,000	2,000
Seattle	1,000	4,000	2,000
Tampa-St. Petersburg		2,500	2,500
Washington, D.C. [2]	4,000	7,500	12,000

[1] Includes cooperatives.

[2] Includes suburban area.

Sources: U.S. Housing Markets, Apr. 20, 1979, Forbes, Nov. 13, 1978.

THE CONSEQUENCES OF CONVERSION

The immediate effect of a condominium conversion is the displacement of tenants who cannot afford or do not wish to purchase their unit. Many renters, especially the elderly, cannot afford to pay for apartments that often cost more than 150 times their monthly rent. HUD in 1975 found that the monthly cost of owning a condominium unit (including mortgage interest, property tax payments, and maintenance fees) went up an average of 30 to 35 percent over the previous monthly rent. Subsequent studies in specific communities have found increases of over 50 percent. These cost increases impact most severely on the elderly and on those with low or moderate incomes. The District of Columbia's Housing Market Analysis in 1976 found that the typical D.C. tenant, who had been spending 26 percent of his income on rent, would have to spend 70 percent to own his converted apartment. Costs of converted units continue to soar. In Chicago's prime rental areas units that sold for $50 to $60 a square foot in 1977 went for $100 to $200 a square foot in 1978. For apartments whose monthly costs were $360 as recently as 1976, the mortgage and maintenance costs per month came to over $800 last year.

The higher costs of converted units adversely affect many tenants: persons without accumulated wealth, particularly those of average or lower than average income; young persons who expect to move as their family grows; persons who prefer to rent, usually through personal choice or because they are at a stage in life where mobility is important; and older persons with locational attachments and no desire or need to accumulate the equity or take advantage of the tax breaks that condominium ownership brings.

The elderly, those who can least afford to move, are the major victims of condominium conversion. A study conducted in Washington, D.C. by the Center for Urban Policy Research at Rutgers found that the typical displaced tenant was over 60, had a small household and an income under $10,000 a year (chiefly from social security and pensions), and had lived in the same apartment for more than 5 years. Purchase of the unit would have increased their housing costs to almost 53 percent of their income, and was out of the question.

The magnitude of the displacement problem is enormous. HUD found in 1975 that an average of 80 percent of rental tenants moved rather than bought their converted units. Those who move face a host of problems. First, forced moves often result in severe social and psychological disruptions. A study by the National Council of Senior Citizens of elderly low- and moderate-income tenants in Washington, D.C. found that the bulk of the displaced tenants found it harder to see their families, go to church, and visit their doctors after moving. Close to half of the respondents experienced ill health effects which were often described more particularly as depression, mental distress, and great anxiety. Second, forced moves can wipe out the savings of many lower and moderate income families. According to the American Movers Conference a typical intercity move costs several hundred dollars. This can be devastating to a low-income elderly household. Third, and perhaps most important, displaced tenants often find it difficult to find new housing, and the apartments they do find usually charge higher rents. The National Council of Senior Citizens' survey found that close to one-fourth of the respondents took 4 or more months to find substitute housing, and close to three-fourths of the displaced low- and moderate-income elderly paid at least 20 percent more for rent when they moved. Conversions can thus break up stable neighborhoods. A study in Evanston, Ill., found that the average tenant in a building undergoing conversion had lived in the town for over 20 years, yet over half of the displaced tenants expected to leave Evanston. As HUD concluded in 1975:

> In a city where rental vacancy rates are low and where rental units are occupied by elderly, who are often on fixed incomes, and by low- and moderate-income families, the displacement potential of this conversion process appears awesome.

The second major consequence of condominium conversion is the depletion of rental housing stock and subsequent rent increases in remaining apartments. HUD observed that most conversions occur in areas with already low rates of rental vacancy. Because conversions lead to a decreased supply of rental units while not decreasing the demand for them, rents in alternative buildings tend to rise and become higher than prior to conversion. At the same time, today's reduced rate of home building and continued high prices for housing have forced more people into the rental market. The result is that condominium conversions force rental vacancy rates down to critically low levels.

According to HUD's Economic and Market Analysis Division when a rental vacancy rate (the percentage of available rental housing in a community) falls below 5 percent, "market parity is destroyed and tenants are forced to pay higher rents than they can afford, accept housing below previous standards, or uproot their family and move to different jurisdictions with higher vacancy rates." A look at Chicago and Washington, D.C. shows that condominium conversions are largely responsible for the depletion of rental housing stock in those cities. Chicago neighborhoods where conversions are rampant have rental vacancy rates varying from less than $.25 percent (Hyde Park) to nearly 1 percent. Evanston, where 13 percent of the rental property has been converted, has experienced a drop in its rental vacancy rate to 0.5 percent, and rents have risen as high as 60 percent in some buildings. In suburban Oak Park conversions of 15 percent of the rental units have reduced the rental vacancy rate to less than 1 percent. Conversions on Chicago's North Side have forced rents up nearly 50 percent, and so lucrative is the conversion boom that only four new apartment buildings have gone up in Chicago in the past 4 years.

The situation is similar in Washington, D.C. In 1970, the vacancy rate stood at 4.4 percent, or 22,300 units. Between 1970 and 1974, 20,000 rental units were converted to condominiums, and very few new buildings were constructed for rental purposes. The result: a vacancy rate of 1 percent, or 5,000 units—making the Nation's capital perhaps the Nation's tightest rental market.

Condominium conversions clearly create a vicious cycle in the rental housing market of a city. They occur where a shortage of adequate rental units already exists, thus panicking many people into buying converted units. This reduces the availability of rental housing even further, and drives up the rents in remaining apartments. The combination of lower vacancy rates and higher rents then prompts another round of "condomania." In short, the demand for many converted condominiums is partially artificial—created by shortages that have been created by developers. As a study in Hyde Park, Ill., concluded:

> If there were no such thing as condominium developers, and the only time a building was converted into condominiums was when tenants wanted them, there would be few condominiums in Hyde Park. . . . The demand for condominiums in Hyde Park does not exist apart from the insufficient supply of rental units.

The forced nature of most conversions means that a high percentage of tenant purchasers does not necessarily indicate acceptance of the conversions. While only 20 percent of the tenants purchase in an average conversion, the percentage who purchase their converted units often runs somewhat higher. Yet many of these tenants are reluctant purchasers. Faced with the choice of buying or being evicted, they buy even if they feel they cannot afford to. The Palo Alto condominium conversion study in 1974 found that approximately 75 percent of the tenants who purchased bought because they were afraid they would not find another apartment to rent in Palo Alto, which had a rental vacancy rate of close to 1 percent. They also feared that if they moved to another building, it too would soon be converted to a condominium. The Hyde Park study found a similar percentage of reluctant purchasers. The situation in Chicago—where the number of conversions climbed from 3,100 in 1974 to 24,000 in 1978—has deteriorated to the point where Forbes magazine conducted in November 1978 that "a middle-class would-be apartment tenant wishing to live in the city has little alternative to condo purchase."

THE END OF RENTAL HOUSING?

The crisis caused by condominum conversion in Chicago and Washington, D.C. are rapidly spreading to other cities. New York, Los Angeles, San Francisco, and Miami all have vacancy rates around 2 percent, and all are experiencing a boom in condominium conversions. In Manhattan the squeeze is so severe that it is forcing tenants to double and triple-up, to fight for the privilege of paying $700 a month for one-bedroom apartment, and to make illegal payoffs to agents and managers. Nationwide the rental vacancy rate has fallen to 4.8 percent, the lowest it has been since the housing shortage that followed the end of World War II.

Projections for the future are even dimmer. Many are now predicting the demise of private rental housing in the United States. Former HUD Secretary Robert Weaver wrote earlier this year that rental housing is now an "endangered species." Urban housing expert George Sternlieb told the House Subcommittee on General Oversight and Renegotiation that "we are presiding over the end of the classic rental housing industry." And Chicago real estate investor Samuel Zell predicts that within the next 10 to 15 years, thanks to condominium conversions, there will be no more rental apartment buildings in the United States:

> Today, the cheapest housing deal in Chicago is still to rent. It's a bargain. Even when you consider all the tax writeoffs when you buy, it's more expensive to buy. This will last for the next 12 to 36 months. But in 5 to 10 years, so many apartments will have gone condo that nationwide, people will start paying a premium for the privilege of renting.

Continued reductions in the supply of private rental housing would be a social and economic disaster for the country. It would drastically reduce geographic mobility, and by restricting people's freedom to move and live where they want, would diminish opportunities for upward social and economic mobility as well. An ever-increasing proportion of Americans are in transition: from one part of the country to another, from bachelorhood to marriage, from job to job. Many people in flux cannot be tied down to a mortgage and cannot take on the responsibilities of homeownership; 26 million households—1 in every 3—either must or prefer to rent today. To allow condominium conversions to continue unabated would deprive these households of a large degree of their freedom. As George Sternlieb warns,

> Ours is a society that depends on mobility and that depends upon flexibility. It is a society in which people are not going to die in the same job they started with. And more and more they are not going to spend most of their lives even in the same metropolitan area that they started out with. And the greatest facilitator of that flexibility clearly is the availability of rental housing rather than having to buy in.

The decline in rental housing stock will also mean that more and more Americans will be forced to pay a greater percentage of their income on housing. Currently, the average household spends one-fourth of its income on housing—a standard that has already priced more than half of the families in the market for new homes out of that market. As housing costs continue to outpace increases in personal income, we are going to become more like the Europeans, who pay 40 to 45 percent of their income for housing. The consequences of such a situation could be catastrophic. Millions of middle-class families will find their disposable income cut by one-fourth to one-half. This in turn will generate massive new demands on the Federal Government for goods and services traditionally provided by the private sector. The United States would increasingly come to resemble England—where two-thirds of the rental housing supply is publicly owned and taxes are soaring out of control to pay for it.

THE NEED FOR NATIONAL LEGISLATION

A number of cities and States have taken steps to deal with the problems caused by condominium conversion. Legislation to assure the quality of conversions and protect condominum purchasers from fraud and other abuses has been passed in several States. A few localities have attempted to restrict conversions. New York City and San Francisco allow conversions only when 35 percent or more of the tenants in a project agree to purchase their units. Palo Alto and Washington, D.C. restrict conversions when the rental vacancy rate falls below a specified percentage. A law just passed in New York State prohibits the eviction of elderly tenants who refuse to purchase their converted unit if they meet certain eligibility requirements. The building is allowed to go condo, but the elderly tenants are allowed to stay on as renters. Montgomery County protects tenants from early eviction. Alameda, Calif. requires developers to pay moving expenses to tenants displaced by conversions.

Yet these local regulations are the exception rather than the rule. Although they do provide some protection to tenants and some restrictions on conversions, very few of them adequately deal with the crisis at hand. Vacancy rates by and large continue to decline, rents continue to soar, and conversions continue unabated. Even though "condomania" is spreading across the country few areas have laws to deal with it. Many municipalities are just now beginning to realize the extent of the problem, and most are reluctant to act because of pressure from real estate interests and a belief that condominiums will produce more revenues from property taxes (not true in all cases). By the time our cities and States realize a crisis exists thousands more units will have been converted and thousands of tenants displaced. Once an apartment goes condo it is effectively lost to the rental market forever.

The Federal Government has a responsibility to deal with the conversion crisis. Our national housing policy commits the Government to insuring a decent home and suitable living environment for every American family. We are already spending billions of dollars to provide rental housing for the poor, and numerous Federal programs seek to increase the supply of rental housing. Federal leadership in regulating the conversion process in order to preserve and create new rental opportunities clearly has ample policy precedent. Since local and State action has been minimal and inadequate, national legislation must be passed now to halt displacement and prevent the demise of the rental housing industry.

THE CONDOMINIUM-COOPERATIVE CONVERSION MORATORIUM ACT OF 1979

The Condominium-Cooperative Conversion Moratorium Act of 1979 is an essential first step in protecting displaced tenants and preserving rental housing. The bill if enacted would cost the Government virtually nothing, yet it would go a long way toward alleviating the conversion crisis and preventing us from experiencing the kind of future that continued unregulated conversions would bring.

Title I of the legislation would effectively prohibit condominium and cooperative conversion for a 3-year period. By placing restrictions on the use of federally related loans, Federal assistance, interstate commerce, and the mails, this bill would provide the Nation with the time necessary to study the crisis in rental housing without committing us to a specific course of action. Without a moratorium, conversions will continue at such a pace that in many communities the question will become moot before legislation and regulations are enacted. It may already be too late for Chicago and Washington, D.C. To allow conversions to continue while the administration and Congress study the issue for several years would only spur developers on to convert quickly before restrictions are imposed (in the 7 months prior to enactment of the Chicago Condominium Conversion Ordinance more than 7,000 units were converted to condominiums). A moratorium is not without precedent. Over 15 cities—including Washington, D.C., San Francisco, Seattle, Palo Alto, Skokie, and San Jose—have enacted moratoria on conversions while they considered legislation. The moratorium would include cooperative housing—currently popular in relatively few cities—because restrictions on condominiums alone might cause developers to convert to co-op instead. The construction of new condominiums and cooperatives will in no way be affected.

Title II of the bill establishes a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions. The Commission is to be composed of representatives of consumer organizations, labor unions, tenant groups, builders, and urban planners. It will have 1 year to study the issue and report its findings and recommendations to the Congress. Congress and the President will then have 2 years in which to pass regulations and legislation.

The need for an independent commission becomes apparent when one examines HUD's efforts (or lack thereof) with regard to conversions. An amendment to the Housing and Community Development Act of 1974 required HUD to investigate the problems associated with condominiums and cooperatives. Although the 1975 study downplayed abuses in the condominium industry and overlooked many aspects of the conversion crisis, it did make clear that serious problems existed. Yet HUD has done virtually nothing about condominium conversions since. Department officials admit that they do not even have any idea how many conversions have occurred since 1975. Clearly, the situation must be studied by an independent group of experts who are not all tied to the same special interest groups and industries.

Title III of the Condominium-Cooperative Conversion Moratorium Act would require developers to provide relocation assistance to tenants displaced by conversions (by prohibiting a developer from receiving federally related loans or Federal assistance unless he contracts with each tenant to pay for moving expenses up to $400). Haywood, Alameda, Palo Alto, and San Francisco, Calif.—as well as Washington, D.C.—currently require that developers provide assistance to tenants they have forced out of their building. This provision will lease some of the burdens of moving, thus cutting down somewhat on the number of forced purchases of condominium units. It will also reduce the developer's profit and give him less of an incentive to convert.

Title III also prohibits community development block grants from going to localities that do not either restrict conversions or guarantee adequate rental housing to displaced low- and moderate-income tenants. A major purpose of the Housing and Community Development Act is to preserve low- and moderate-income housing. Yet condominium conversions are removing units from the low- and moderate-income housing stock faster than Federal subsidies could ever replace them. By barring CD block grants from communities unless HUD determines that the locality does not permit the conversion of low- and moderate-income rental units to condominium or cooperative units for higher income persons (unless all of the persons displaced are assured of decent rental housing at rents similar to those existing in the units from which they were forced out), the bill would give added protection to displaced tenants as well as providing an impetus for communities to control conversions.

Title IV makes three changes in the U.S. tax code with respect to conversions. First, it provides tax relief to displaced tenants by allowing low- and moderate-income housholds to deduct moving expenses paid or incurred in connection with a move if within 90 days of the move the unit is converted to a condominium or a cooperative housing unit. Second, it amends the Internal Revenue Code to make the profits from conversion treated as ordinary income, not capital gains. This should reduce developers' incentive to convert. Third, title IV improves the tax incentives for owning and rehabilitating rental property. The section of the tax code which allows for depreciation deductions for the rehabilitation of low-income housing is amended to include all forms of rental housing, and the amount of deduction that can be claimed is increased from $30,000 to $50,000. Just as present tax laws encourage conversions to condominiums, so title IV should encourage the maintenance and improvement of rental housing.

This is not a complete solution to the condominium conversion crisis. The Presidential Commission called for in the bill will have to devise long-term plans for preserving rental housing and protecting displaced tenants. But the bill will provide time for a review of the problem without allowing things to deteriorate. It will also provide some modest relief to displaced tenants and will create disincentives for conversion while strengthening the incentives for maintaining rental property.

Unless this Congress desires the forced displacement of millions of elderly and low- and moderate-income tenants from their homes, unless we wish to further restrict the mobility of Americans by allowing the rental housing supply to continue to dwindle, and unless we want to witness in our lifetimes the death of private rental housing in the United States and the onset of a costly government-owned and run rental housing industry, we must begin to control and restrict the conversion of rental property to condominiums and cooperatives. We cannot afford not to act.

The text of my bill follows:

A bill to prohibit for three years the conversion of residential rental units to units in condominiums or cooperatives; to establish a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions; to provide relocation assistance to low- and moderate-income persons occupying rental units which are converted to condominium or cooperative units; to deny community development block grants to communities which contribute to the shortage of housing for low- and moderate-income persons by permitting condominium and cooperative conversions without appropriate restrictions; and to amend the Internal Revenue Code of 1954 to treat gain from such conversions as ordinary income, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "Condominium-Cooperative Conversion Moratorium Act of 1979: For Tenant Protection and for the Preservation of Rental Housing".

TITLE I—CONDOMINIUM-COOPERATIVE CONVERSION MORATORIUM

PROHIBITION OF THE USE OF FEDERALLY RELATED MORTGAGE

LOANS FOR CONDOMINIUM OR COOPERATIVE CONVERSIONS

SEC. 101. (a) During the period specified in section 104, no lender may make a federally related loan which is to be used, directly or indirectly, with respect to the—

(1) conversion of residential rental units to units in a condominium or cooperative project; or

(2) purchase of a unit in a condominium or cooperative project which has been converted, after the date of the enactment of this Act, to such a unit from a residential rental unit.

(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan association or similar institutions shall inform such institutions that any Federal approval, insurance, or other form of Federal assistance made available to them is conditioned on their compliance with the provisions of subsection (a).

PROHIBITION OF THE USE OF FEDERAL ASSISTANCE FOR CONDOMINIUM OR COOPERATIVE CONVERSIONS

SEC. 102. During the period specified in section 104, no Federal grant, loan, insurance, or other form of assistance may be utilized, directly or indirectly, with respect to—

(1) the conversion of residential rental units to units in a condominium or cooperative project; or

(2) units in a condominium or cooperative project which have been converted, after the date of the enactment of this Act, to such units from residential rental units.

CRIMINAL PENALTY FOR THE USE OF THE MAILS OR INSTRUMENTS OF COMMUNICATION OR TRANSPORTATION IN INTERSTATE COMMERCE IN CONNECTION WITH CONDOMINIUM CONVERSIONS

SEC. 103. (a) During the period specified in section 104, no person may make use of any means or instruments of transportation or communication in interstate commerce or of the mails with respect to—

(1) the converting of residential rental units to units in a condominium or cooperative project; or

(2) the sale of any such units which have been so converted after the date of the enactment of this Act.

(b) Any person who violates the provisions of subsection (a) shall be fined not more than $50,000 and imprisoned not more than 5 years, or both.

TIME LIMIT

SEC. 104. The provisions of this title shall apply only during the period beginning on the date of the enactment of this Act and ending three years thereafter.

DEFINITIONS

SEC. 105. For purposes of this title—

(1) the term "cooperative project" means any real estate (and improvements thereon) owned by an organization in which the members are entitled to the use of a unit in the building as a result of owning an interest in the organization;

(2) the term "condominium project" means any real estate (and improvements thereon) which has portions designated as units for separate ownership and the remaining portions designated for common ownership solely by the owners of such units, with each owner having an undivided interest in the common elements; and

(3) the term "federally related loan" means any loan which—

(A) is made in whole or in part by any lender the deposits or acounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is regulated by any agency of the Federal Government;

(B) is made, in whole or in part, under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency of the Federal Government;

(C) is intended to be sold by the originating lender to the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or a financial institution from which it is to be purchased by the Federal Home Loan Mortgage Corporation; or

(D) is made in whole or in part by any creditor, as defined in section 103(f) of the Consumer Credit Protection Act, who makes or invests in residential real estate loans aggregating more than $1,000,000 per year.

TITLE II—PRESIDENTIAL COMMISSION

SEC. 201. (a) The President of the United States shall establish a Commission on Problems Relating to Condominium-Cooperative Conversions (hereinafter referred to as the "Commission").

(b) The President shall, not later than 30 days after the date of the enactment of this Act appoint 11 members to the Commission. In appointing these members, the President shall provide that at least the following groups are represented:

(1) consumer organizations;

(2) labor unions, especially the construction trades;

(3) tenant organizations;

(4) builders; and

(5) urban planners.

(c) The Commisssion shall study the problems resulting from the conversion of residential rental units to units in condominium or cooperative projects. After completing such study, the Commission shall report, no later than 13 months after the date of the enactment of this Act, to the Congress its findings, conclusions, and recommendations concerning solutions to such problems.

(d) The Chairman of the Commission shall be elected by its members, and the Commission shall meet at times and places specified by the Chairman.

(e) The Chairman stall appoint, to the extent of funds available, staff members to assist the members in carrying out their duties.

(f) The head of each Federal instrumentality shall cooperate, to the maximum extent practicable, with the Commission in supplying information requested by the Commission.

(g) No salary shall be paid the members of the Commission, but they shall be paid per diem expenses, to the extent of funds available, while carrying out the duties of the Commission.

(h) The Commission shall terminate after it has made the report described in subsection (c).

TITLE III—ASSISTANCE FOR PERSONS DISPLACED BY CONDOMINIUM-COOPERATIVE CONVERSIONS AND RESTRICTIONS ON COMMUNITY DEVELOPMENT BLOCK GRANTS

ASSISTANCE FOR DISPLACED PERSONS

SEC. 301. (a) After the period described in section 104 of this Act, no lender may make a federally related loan, as defined in section 105 of this Act, which is to be used, directly or indirectly, with respect to the conversion of residential rental units to units in a condominium or cooperative project, as defined in such section, unless the person who is to carry out such conversion certifies (and provides sufficient supporting material for such certification) to the lender that such person has entered into, or made an offer to enter into, a contract (with each of the households lawfully in possession of and not in default with respect to the units which are to be so converted) which obligates such person to pay (prior to the beginning of the construction associated with such conversion) such household for actual and reasonable moving expenses up to $400.

(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall inform such institutions that any Federal approval, insurance, or other form of Federal assistance made available to them is conditioned on their compliance with the provisions of subsection (a).

(c) After the period described in section 104 of this Act, no Federal instrumentality may make any grant, loan, insurance, or other form of assistance available with respect to the conversion of residential rental units to units in a condominium or cooperative project, as defined in section 105 of this Act, unless the person who is to carry out such conversion certifies (and provides sufficient supporting material for such certification) to the Federal instrumentality providing the assistance that such person has entered into, or made an offer to enter into, a contract (with each of the households lawfully in possession of and not in default with respect to the units which are to be so converted) which obligates such person to pay (prior to the beginning of the construction associated with such conversion) such household for actual and reasonable moving expenses up to $400.

(d) Any person who knowingly presents any false information with respect to making the certifications described in subsections (a) and (c) shall be fined not more than $50,000 or imprisoned not more than 5 years, or both.

RESTRICTION ON COMMUNITY DEVELOPMENT BLOCK GRANTS

SEC. 302. Title I of the Housing and Community Development Act of 1974 is amended by adding the following new section at the end thereof:

"RESTRICTIONS ON CONDOMINIUM AND COOPERATIVE CONVERSIONS

"SEC. 121. (a) Notwithstanding any other provision of law, no grant may be made to a unit of government under this title unless the Secretary makes a determination that the unit of government does not permit the conversion of residential rental units for low- or moderate-income households to units for higher income persons in condominium or cooperative projects unless all of the persons displaced as a result of such conversion are assured of obtaining decent, safe, and sanitary rental housing with rental charges similar to those units from which such persons were displaced.

"(b) For purposes of this section—

"(1) the term 'cooperative project' means any real estate (and improvements thereon) owned by any organization in which the members are entitled to the use of a unit in the building as a result of owning an interest in the organization;

"(2) the term 'condominium project' means any real estate (and improvements thereon) which has portions designated as units for separate ownership and the remaining portions designated for common ownership solely by the owners of such units with each owner having an undivided interest in the common elements; and

"(3) the term 'low- or moderate-income households' means households whose incomes do not exceed 100 percent of the median income for the area as determined by the Secretary with adjustments for smaller and larger households, except that the Secretary may establish income ceilings higher or lower than 100 percent of the median for the area on the basis of findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low household incomes or other factors."

TITLE IV—AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954

Sec. 401. (a) Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining the capital gains and losses) is amended by adding at the end thereof the following new section:

"Sec. 1256. Gain From Conversion of Residential Rental Property Into Condominium or Cooperative Housing

"(a) General Rule.—If any property is disposed of in a disposition to which this section applies, the excess of—

"(1) the amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value of the property (in the case of any other disposition), over

"(2) the adjusted basis of such property, shall be treated as gain which is ordinary income. Such gain shall be recognized notwithstanding any other provision of this title.

"(b) Dispositions to Which This Section Applies.—This section applies to any disposition by the taxpayer of a condominium or stock in a cooperative housing corporation if—

"(1) the condominium, or the dwelling unit to which such stock relates, is in a building which was residential rental property, and

"(2) such residential rental property was converted into a condominium project, or transferred to the cooperative housing corporation—

"(A) by the taxpayer, or

"(B) by any other person if the adjusted basis of the property in the hands of the taxpayer is determined (in whole or in part) by reference to the adjusted basis of such property in the hands of such other person.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Residential rental property.—The term 'residential rental property' means any property which was residential rental property (within the meaning of section 167(j)(2)(B)) for any taxable year within the period of the 5 taxable years preceding the taxable year in which the disposition occurs.

"(2) Cooperative housing corporation.—The term 'cooperative housing corporation' means a corporation which meets the requirements of subparagraph (B) of section 216(b)(1).

"(3) Certain rules made applicable.—Under regulations prescribed by the Secretary—

"(A) rules similar to the rules applicable under section 1245 (other than subsection (b)(4) thereof) shall be applied for purposes of this section, and

"(B) amounts treated as ordinary income under this section shall be treated in the same manner as amounts treated as ordinary income under section 1245."

(b) The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1256. Gain from conversion of residential rental property into condominium or cooperative housing."

(c) the amendments made by this section shall apply to dispositions after the date of the enactment of this Act in taxable years ending after such date.

Sec. 402. (a) Section 217 of the Internal Revenue Code of 1954 (relating to moving expenses) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) Special Rules in the Case of Condominium Conversions, Etc.—For purposes of this section—

"(1) In general.—In the case of qualified condominium conversion moving expenses—

"(A) such expenses shall be treated as paid or incurred in connection with the commencement of work by the taxpayer as an employee at a new principal place of work, and

"(B) the limitations of subsection (c) shall not apply.

"(2) Qualified condominium conversion moving expenses.—The term 'qualified condominium conversion moving expenses' means moving expenses paid or incurred in connection with a move from a dwelling unit rented by the taxpayer if—

"(A) within 90 days after the commencement of such move, such dwelling unit was converted into a condominium project or transferred to a cooperative housing corporation (as defined in section 1256(c)(2)), and

"(B) the taxpayer's household is a low- or moderate-income household within the meaning of section 121(b)(3) of the Housing and Community Development Act of 1974."

(b) The amendment made by subsection (a) shall apply to amounts paid or incurred after the date of the enactment of this Act in taxable years ending after such date.

Sec. 403. (a) Subsection (k) of section 167 of the Internal Revenue Code of 1954 (relating to depreciation of expenditures to rehabilitate low-income rental housing) is amended—

(1) by striking out "January 1, 1982" each place it appears and inserting in lieu thereof "the termination date", and

(2) by adding at the end of paragraph (3) the following new subparagraph:

"(E) Termination date.—The term "termination date' means the date 3 years after the date of the enactment of this subparagraph."

(b) Subparagraph (A) of section 167(k)(2) (relating to limitations) is amended by striking out '$20,000" and inserting in lieu thereof "$50,000".

(c)(1) Subparagraph (B) of section 167(k)(3) of such Code is amended to read as follows:

"(B) Rental housing.—The term 'rental housing' means any building the dwelling units in which are held for occupancy on a rental basis."

(2) Subsection (k) of section 167 is amended—

(A) by striking out "low-income rental housing" each place it appears and inserting in lieu thereof "rental housing", and

(B) by striking out "LOW-INCOME RENTAL HOUSING" in the subsection heading and inserting in lieu thereof "Rental Housing".

(d) The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act in taxable years ending after such date.●

IN SUPPORT OF THE DOE ORGANIZATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Ottinger) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, today I am introducing a bill which will consolidate all of the solar energy research, development, demonstration, and commercialization activities in the Department of Energy under the authority of one Assistant Secretary for Renewable Energy Sources. Included also will be the conservation programs already located in the Office of the Assistant Secretary for Conservation and Solar Applications.

This legislation comes at a particularly opportune time as the Department of Energy is undergoing a change in leadership and a consequent reorganization. My proposed legislation has several significant impacts.

First, and most importantly, the chaos and disorganization caused by the present scheme of having solar energy programs scattered over the Department will have some chance of being resolved. The problems caused by the current organizational setup are staggering. One example has been the difficulty in creating and managing the Solar Energy Research Institute (SERI) and the Regional Solar Energy Centers (RSEC's). Organizationally, SERI has reported to the Assistant Secretary for Energy Technology and the RSEC's to the Assistant Secretary for Conservation and Solar Applications. This has resulted in almost no communication between SERI and the RSEC's and tremendous difficulty in developing their missions. SERI should concentrate on research and development as well as commercialization activities which require a nationwide perspective and the RSEC's should concentrate their efforts on the commercialization of solar technologies in their regions. It is critical that these two organizations work closely together on a day-to-day basis, something which has been made difficult, if not impossible, under the present arrangement.

A second impact is to remove an institutional impediment to bringing solar technologies into commercial use. The Department's present structure envisions solar technologies moving from the research stage through development and demonstration and finally to the marketplace while passing through the jurisdiction of three Assistant Secretary level officials. No bureaucrat likes to give up a project and the staff and budget that go with it. So under the present arrangement there is a built-in disincentive to move a solar technology along to next phase. There is always a little more research which can be done. My bill addresses that problem.

Further, there is the accurate public perception that with the solar energy effort spread all over the Department, that there is no one focal point for solar energy's constituency to direct its concerns. The bureaucratic shell game of sending inquiries from office to office and denying knowledge or responsibility reigns supreme. This legislation will consolidate accountability as well as functions.

I urge your support and cosponsorship of this legislation. We cannot allow more time to slip by while we wait for the executive branch to get its bureaucratic act together.

The text of the bill follows:

H.R. 5169

A bill to amend the Department of Energy Organization Act in order to ensure that solar energy, renewable resources and energy conservation receive the highest national priority.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Reorganization Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the Federal Government's renewable energy research, development, demonstration and commercialization programs have been managed in an ineffective and undirected manner;

(2) in order to meet the Nation's goals for the development and utilization of its renewable energy resources, such programs must be conducted in the most effective manner; and

(3) toward this end, the consolidation of all renewable energy research, development, demonstration and commercialization activities under the jurisdiction of a specified assistant secretary of energy should be undertaken.

(b) The purposes of this Act are—

(1) to achieve the more effective management of the Federal Government's renewable energy programs; and

(2) to provide increased awareness of and improved access to the Federal Government's activities in the development of the Nation's renewable energy resources.

AMENDMENTS TO THE DEPARTMENT OF ENERGY ORGANIZATION ACT

SEC. 3. (a) Section 203(a) of the Department of Energy Organization Act is amended by inserting the following new sentence immediately after the first sentence thereof:

"One of such Assistant Secretaries shall be entitled the 'Assistant Secretary for Renewable Energy Resources.' "

(b) Such subsection (a) is further amended by adding the following new sentence at the end thereof:

"The Assistant Secretary for Renewable Energy Resources shall be responsible for the functions specified under paragraphs (2) (A), (B), (C); and (9) and for all programs to make commercial use of such technologies.●

WE SALUTE PETER W. RODINO, JR., FOR HIS LONG AND CONSISTENT LEADERSHIP FOR HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, members of the Congressional Black Caucus and leaders of civil rights organizations, such as the NAACP and PUSH, have identified the 1980 elections as representing a pivotal point in the struggle of blacks and other minorities for equality in the United States. To insure that the rights and protections set forth in our Constitution and laws are not diminished and are vigorously enforced, these groups must participate fully in the political process.

A massive voter registration and education drive is the method to achieve that end. The purpose of such an effort is to enable these constituencies to pierce the political rhetoric and to measure realistically an incumbent's or challenger's true commitment to equal rights.

The cardinal political rule is that one who fails to represent adequately his or her constituents' needs runs the risk of not being reelected. As Members of the national legislature, we are keenly aware of the voting records of our colleagues and of the enforcement efforts by the executive agencies on issues critical to minority communities. Furthermore, we are aware that many of our colleagues in the House represent districts with substantial numbers of blacks and other minorities; this is especially true in the South and in the major urban centers. We urge constituent organizations to share the records of Representatives with their members before the 1980 elections.

PETER W. RODINO, JR., dean of the New Jersey congressional delegation, represents a large urban area with a substantial minority population. This outstanding leader and statesman can proudly point to a distinguished career as a defender of human rights. He has consistently demonstrated his personal commitment to human rights since first being elected to the U.S. House of Representatives in 1948.

We would like to note some highlights of Mr. RODINO's record in support of human rights and to commend him for his continuing efforts.

The distinguished gentleman from New Jersey has remained steadfast in this commitment even when it was politically expedient to vote the other way. Prior to 1954 and the unanimous Supreme Court decision in Brown against Board of Education, Mr. RODINO voted against the dehumanizing doctrine of separate-but-equal. At a point in this country's history—1949—when it was socially, morally, and politically safe to support the status quo, he voted to integrate SPARS, the Women's Auxiliary of the Coast Guard. When, in 1952, Representative Rankin offered a bill to establish a Jim Crow Veterans Hospital, PETER W. RODINO voted no to such segregation.

Since 1950, Mr. RODINO has served on the House Committee on the Judiciary. This great committee has shaped the Civil Rights Acts of 1957, 1960, 1964, 1968, and the Voting Rights Act of 1965. This legislation has sought to fulfill the fundamental constitutional right of equal opportunity and protection of our laws. These laws were enacted because of: First, the contradictions between this Nation's stated principles, as set forth in the Constitution, and its practices; and second, the personal commitment and leadership of Representative RODINO and others to the principles of equal rights. Each succeeding Civil Rights Act has sought to extend the scope of protected rights, defining these rights with greater clarity and securing them for all through more effective enforcement techniques.

The Civil Rights Act of 1957 created the U.S. Commission on Civil Rights, an independent, nonpartisan, factfinding agency within the executive branch whose mandate is to report to the Congress and the President on discriminatory practices and to recommend solutions. The Commission and its 51 voluntary State Advisory Committees has become our national conscience and has made us more sensitive to discrimination on the basis of race, national origin, color, religion, sex, age, and handicap status. The 1957 act also established within the Department of Justice the Civil Rights Division to assure that civil rights violations could be effectively challenged by our chief law enforcer, the Attorney General.

Against the backdrop of freedom riders and nonviolent resistance, the 1964 Civil Rights Act prohibited discrimination in public accommodations. That and other provisions of the act are as vital today as they were in 1964: Title VI prohibits the use of Federal financial assistance to discriminatory programs and activities. Title VII, which established the Equal Employment Opportunity Commission, prohibits employment discrimination. Title X established the Community Relations Service within the Department of Justice to provide assistance to communities to resolve disputes or difficulties arising from discriminatory practices and conflicts over such issues as public school desegregation and charges of excessive use of force by the police.

The Civil Rights Act of 1968 addresses the rights and protections of native Americans. Title VIII of that act prohibits discrimination in housing. Enforcement of its provisions is the responsibility of the Department of Housing and Urban Development.

Mr. RODINO has played a critical role in guiding such legislation through the committee process and to final debate and action on the floor. At each stage in the legislative process, he has fought against amendments to gut or water down the provisions of civil rights legislation.

The right and the need for citizens to participate in the electoral process have long been advocated by the distinguished gentleman from New Jersey. As early as 1949, Mr. RODINO voted for a bill to abolish the poll tax. This tax, as well as other devices, were used to preclude blacks and Hispanics from full participation in the political process. Fortunately, the poll tax and other discriminatory practices were abolished by the Voting Rights Act of 1965, perhaps the most important civil rights bill of this century. Its coverage has been extended in 1970 and again in 1975.

In addition to a 7-year extension, the 1975 amendments broadened the act's coverage to extend the franchise to certain language minorities. These amendments were added after it became clear, in extensive hearings before the House Judiciary Committee, that language minorities, especially Hispanics, had been denied the right to full political participation.

Since 1973, Mr. RODINO has served as chairman of the House Judiciary Committee, carrying out his responsibilities thoughtfully and effectively. He has helped shape committee policy, and he has appointed a competent committee staff to address the myriad issues encompassed by the committee's jurisdiction. During Mr. RODINO's tenure as chairman, the committee has continued to generate legislation with important civil rights implications and has conducted effective oversight hearings on civil rights enforcement.

In our governmental system of checks and balances, oversight hearings enable the Congress to review the executive branch's successes or failures in carrying out and enforcing our laws. The Judiciary Committee, in meeting its oversight function, has reported to the Congress on some of the following issues: Fair employment practices of American corporations doing business in South Africa; the civil rights implications of revenue sharing; equal employment opportunities within the various bureaus of the Department of Justice, including the FBI, U.S. marshals, and Drug Enforcement Agency; and equal opportunities in housing.

During the 95th Congress, two important Judiciary Committee measures with civil rights implications were approved by the Congress—a proposed constitutional amendment granting full congressional voting representation to the District of Columbia and the Omnibus Judgeship Act.

As noted earlier, Chairman RODINO has always fought to extend the franchise to all American citizens. In most instances, obstacles have been removed through statutory enactments, such as the Voting Rights Act. For the 700,000 persons now residing in the District of Columbia, the obstacle is best removed by constitutional mandate. As approved by Congress, the District of Columbia amendment would give the District two Senators and the number of Representatives it would be entitled to if it were a State. With the leadership of the Judiciary Committee chairman, the proposed amendment was enacted by two-thirds of the House, as required by the Constitution. Efforts to diminish the amendment's purpose and intent were defeated both in committee and on the floor. Enactment in the House spurred Senate action; indeed, hearings had not even been scheduled in the Senate until final passage of the District of Columbia amendment in the House.

As dean of the New Jersey congressional delegation, Mr. RODINO has played a crucial role protecting the rights of New Jersey citizens in legislation enacted at the Federal level. His senior status has also enabled him to work cooperatively with the leadership of his State's legislature. It is this cooperation which explains, in part, why New Jersey was the first State to pass the District of Columbia voting rights amendment.

The 95th Congress also produced the Omnibus Judgeship Act. Both the House and Senate held hearings on legislation to increase the number of Federal judges to handle the escalating caseload of the Federal Courts. Thanks to the strong leadership of Mr. RODINO, the House version provided for greater civil rights protections by urging the President to appoint more minorities and women; this provision was accepted by the Senate. In addition, Mr. RODINO and other House conferees convinced the Senate to adopt compromise language to modify a provision contained in the Senate bill and supported by the then Senate Judiciary Committee chairman, James O. Eastland. That provision would have split the 5th Circuit of Appeals (Alabama, Florida, Georgia, Louisiana, and Texas) into a deep South (Alabama, Florida, and Georgia) and South (Louisiana and Texas) Circuits. Reports by civil rights groups, such as the NAACP Legal Defense Fund predicted that such a split would have had a devastating impact on civil rights litigation in that circuit. Mr. RODINO recognized the danger and firmly opposed the repugnant language.

No discussion of Chairman RODINO's commitment to civil rights would be complete without a discussion of school desegregation and the issue of "busing."

Mr. RODINO shares our understanding that equitable social change is difficult and that the resistance to desegregation efforts is manifested in various ways and degrees of intensity. As the struggle for public school desegregation expanded beyond the South to urban areas in the North and West, the resistance to school desegregation and the use of student transportation as a means of achieving desegregation intensified.

Members of the House have introduced numerous proposed "antibusing" amendments to the Constitution, which were assigned to the Judiciary Committee. Although no hearings were scheduled on these proposed amendments, the committee did hold hearings on numerous other forms of discrimination (such as those in housing and employment) which tend to foster segregated schools. The committee's findings were reported to the Congress.

Chairman RODINO has resisted the politically expedient "solutions" and worked diligently to inform his colleagues in the House on the facts and magnitude of all forms of racial discrimination. In 1975, he successfully and vehemently argued against efforts to force the Democratic Caucus to instruct the Judiciary Committee to report out a proposed "antibusing" amendment to the floor for House action.

Mr. RODINO's commitment was again clearly demonstrated in his leadership in opposing House Joint Resolution 74, another "antibusing" amendment, in July of this year. As a committee chairman and senior Member of the House, he urged the President and the Attorney General to speak out against this dangerous approach. They responded and opposed the amendment, despite arguments that this was an in-house matter to be resolved only by the Congress. Mr. RODINO's firm leadership in educating his colleagues in the House on the potential dangers of such a proposal was overwhelmingly persuasive and correct. He was so convincing that three of those Members who signed the petition to discharge his committee voted against final passage of the resolution, which was soundly defeated.

We commend Mr. RODINO, a statesman and a leader, for his continuing commitment to human rights. He stands out as a beacon to those who support equality of rights for all. It is an honor to serve with him in this august body.—PARREN MITCHELL, LOUIS STOKES, SHIRLEY CHISHOLM, CARDISS COLLINS, WALTER FAUNTROY, and WILLIAM CLAY. ●

PETER RODINO AND CIVIL RIGHTS

● Mr. RANGEL. Mr. Speaker, on behalf of the Members of the Congressional Black Caucus, I rise to express tribute to PETER W. RODINO, JR. for his leadership in the continuing struggle for human rights.

We have learned, from hard experience, to recognize the differences between those who give lip service to civil rights causes when it is easy and fashionable to do so and those who remain deeply committed to the struggle even when the going is tough.

And we have learned on this long road to the fulfillment of civil rights to spot the talkers and the occasional bandwagon followers, who seem to outnumber the doers and the leaders.

None of us has any doubt about the kind of ally and leader PETER RODINO is. In the hard times as well as the good times, in the periods when our cause is ignored as well as in the periods when it is popular, he is deeply committed. He is a doer. He is a leader.

Since his first election to Congress in 1948, Mr. RODINO has written an outstanding record of achievement in the struggle for equal rights and equal opportunities.

Here are just a few of the highlights of his record.

Before 1954 and the Supreme Court decision in Brown against Board of Education, Mr. RODINO voted against the dehumanizing doctrine of "separate-but-equal." In 1949, he voted to integrate SPARS, the women's auxiliary of the Coast Guard. In 1952—another status-quo, go-slow year—he voted against a bill by Representative Rankin to build a segregated veterans' hospital.

Mr. RODINO has been a member of the House Committee on the Judiciary since 1950. That committee shaped the Civil Rights Acts of 1957, 1960, 1964 and 1968—and the Voting Rights Act of 1965. Mr. RODINO authored all the committee reports for those historic acts.

Today, we continue to benefit from the fruits of those acts. The Civil Rights Act of 1957, for example, created the U.S. Commission on Civil Rights and established the Civil Rights Division in the Department of Justice. The great Civil Rights Act of 1964 prohibited discrimination in public accommodations and established the Equal Employment Opportunities Commission. The Civil Rights Act of 1968, managed on the House floor by Mr. RODINO, prohibited discrimination in housing.

Mr. RODINO's leadership has been critical in securing voting rights for all

Americans. He voted for legislation to abolish the poll tax in 1949. He fought for the Voting Rights Act of 1965, which may be the most important, far-reaching civil rights legislation in this century. He worked to extend its coverage in 1970 and again in 1975. And his leadership was decisive in extending the Voting Rights Act coverage to other minorities, especially Hispanics.

In the recent 95th Congress, Mr. RODINO worked successfully for House passage of the proposed constitutional amendment to give District of Columbia residents full voting rights and full representation in Congress. His State of New Jersey was the first State to approve the amendment.

Mr. RODINO has led the Judiciary Committee as its chairman since 1973. Under his leadership, the committee has continued to generate legislation with impact on civil rights and has conducted extensive oversight hearings on civil rights enforcement. The committee's oversight work has focused on such issues as fair employment practices of American firms engaged in business in South Africa, the civil rights implications of revenue sharing, and equal opportunities in housing.

Chairman RODINO has never wavered from his commitment to equal educational opportunity. He has consistently worked for school desegregation and against the so-called antibusing legislation. This past July, he led the civil rights forces in the House to victory over an attempt to amend the Constitution which would have turned back the clock a quarter of a century to the pre-Brown against Board of Education days.

PETER W. RODINO, JR., has won rare recognition from civil rights organizations for his statesmanship. His honors include the "Hubert H. Humphrey Civil Rights Award" from the Leadership Conference on Civil Rights in 1978, the A. Philip Randolph Institute Award in 1975, and the "Martin Luther King Award" from the Southern Christian Leadership Conference in 1975. He was the first recipient of both the Humphrey and the Randolph awards. In his home city of Newark, he was the 1977 winner of the Law Enforcement Award from the Bronze Shields, Inc.●

SAY SOMETHING GOOD ABOUT AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

Mr. ADDABBO. Mr. Speaker, I recently had the great pleasure of attending a performance of the world renowned singer and entertainer, Mr. Anthony Newley. Though born in England Mr. Newley has lived in the United States for a great many years. In that time he has had the opportunity to travel throughout our country meeting people from all walks of life. His life here in the United States has moved him to compose a song that stood out that evening. Entitled "Say Something Good About America," this patriotic song captures the spirit and essence of what makes America the greatest nation on the face of the Earth today. It is my belief that this song proves that patriotism is alive and well in the hearts of many and that we should be as proud of our heritage as ever before especially as we hear it from an adopted son.

Mr. Speaker, I include, by unanimous consent, the words of Anthony Newley and his song in the CONGRESSIONAL RECORD, as follows:

SAY SOMETHING GOOD ABOUT AMERICA

(Words and music by Anthony Newley)

". . . as many of you know, I'm an Englishman. But I've lived here for many years. I've watched my children grow up here and I've had a chance to travel the length and breadth of this great land. Like you, I share the concerns of this Nation and so I composed that most despised of musical forms—a patriotic song. Singing a patriotic song today could make you as popular as asking the Pope if he knows any Polish jokes. Nevertheless I'd like to sing it for you tonight—and I dedicate it to the country I have come to call home . . ."

The other day, like most of you I turned on television
And watched as Mister Carter told us all . . .
"Our neck is stretched across the fence—
And OPEC holds the knife . . .!"
Like you, I guess, I trembled at the thought.

The President went on to say
His voice racked with emotion
—and trying hard to show that famous grin—
"Say something good about this land—
Whenever there's a chance!"
Whenever there's a chance!"
Well, here's our chance.
Excuse me while I sing . . .

Say something good about America
Ring out that Liberty Bell!
Whether your address
Is Main Street, or Broadway
Say it your way
"America's swell!"

Show that you care about America
Wear something red, white and blue
What good will it do
To worry and curse
Things'll get much better
(If they don't get much worse!)

Sing out your song
C'mon America!
Grey skies are goona be blue
I love you . . .
America!
I love you.

(Talk) ". . . say something good about America! She's had to swallow some bitter pills over the last few years. Pills with ugly names like Viet-Nam and Watergate . . . She's lost that sparkle in her eye. But a country is her people—and the genius of the American people is still the envy of the world. Everyone wants a piece of the American pie. And with her usual generosity America goes on giving and giving and lending and lending—and are they ever satisfied? No! Because what the world really wants is the recipe!

But the recipe only works here! That's why it's called—the American dream!

There's a purity—almost a naiveté about the dream the founding fathers had. The Declaration of Independence may have been forged in blood but the pen that wrote it was dipped in hope! It said, "—this is possible only if men are willing to wórk and suffer for it!"—and by God(!) it will work . . . but it takes guts and it takes more than two hundred years . . . when we English were two hundred years old we were still running around naked covered in blue paint!!!

No, my friend! If you don't believe it's lucky to have been born American, get on a plane and see the rest of the world. Visit the glories of France, the treasures of Italy, the splendor that was England. And when you had enough of castles and palaces, crowns and kings, get back on that plane and come home quick! Because they are all trying to get over here!

Say something good about America
Get all that gloom off your chest
Look around the world and
You'll understand why
From Bombay to Shanghai
America's best!!

Shout it outloud you Yankee Doodle proud
Above the old U.S. of A!
Tho' gasoline lines
May drive us apart!
The stuff that drives America
Comes straight from the heart. . . .

(Talks) ". . . let those gentlemen who by some accident of birth or geography find themselves sitting on top of the black gold that runs the machinery of the western world enjoy their stranglehold over us while they may.

It is my belief that somewhere in the heartlands of this great nation one of those damn Yanks with the genius that is uniquely American is already inventing an alternative to the oil that holds us captive—and when that day comes, my friends, those gentlemen from the East can take their oil and stick it up a camel's ass! . . . Let's see what kind of mileage they get out of that! ! !"

". . . Take me home, mister professor!"

Stand up and shout about America
Don't let them burst our balloon
I'm right here at home
With my Uncle Sam:
Who cares if everything we own
Was made in Japan!

(Gong!)
Strike up the band and sell America
Kick up a hullabaloo
I love you . . .
America!
I love you.

America!
(Band music builds.)
Say something good about America
Who knows . . . it could be contagious!

I love you . . .
America!
I love you.

VIOLATION OF NUCLEAR WEAPONS TESTING TREATIES AND AGREEMENTS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, the United States and the Soviet Union have signed treaties and agreements on limiting nuclear weapons testing to underground shots, and on the yields that can be tested. It has been of serious concern to me and members of the House Armed Services Committee that while the United States has restricted its R. & D. weapons testing efforts to stay strictly within the agreed-to provisions, the Soviets may be violating these provisions.

On January 22, 1979, a member of the Armed Services Committee wrote the President asking if, in fact, the Soviets had and were continuing to violate the underground testing treaty and the 150-kiloton threshold test agreement. The response from the State Department was that the Soviets had not conducted an atmospheric test. No one claimed they had. With regard to violations of the underground testing provisions, the State Department stated they would provide a classified briefing on possible violations. Why should the committee receive a classified briefing when it is all of the American people who should know if the Soviets violate agreements whenever they believe there will be no recriminations for such violations?

Evans and Novak had an excellent article in the September 5, 1979, issue of the Washington Post on "Violations of the Test Ban?" I would like to see a response from the administration on that article. If such a response is made, I would hope it makes more sense than the response the committee received in February to the letter to the President.

The Evans and Novak article follows:

VIOLATIONS OF THE TEST BAN?

(By Rowland Evans and Robert Novak)

Behind the turgid drama of the SALT II debate, the Soviet Union has been engaged in intensive underground weapons testing with indications of repeated violations of two test-ban treaties, one limiting the size of weapons tested, the other prohibiting "venting" of radioactive fallout into the atmosphere.

This hyperactive Soviet testing, the most intensive in years, has been overlooked in the vigorous Carter administration effort to ratify the new strategic arms limitation treaty. But there are growing indications that the Kremlin may be systematically cheating in the rush to complete a vast "data base" for building new and better nuclear explosives before U.S.-Soviet agreement on the comprehensive test-ban treaty now being negotiated.

A key issue here is U.S. trust of its Russian negotiating partner, a trust that President Carter's administration had seemed particularly inclined to accept.

Lack of healthy suspicion was the crux of the tragic failure of the United States to talk privately to Ludmilla Vlasova, the Soviet ballerina whose husband defected and who might have done so herself if she had had the chance. Alerting Soviet diplomats here in advance to the fact that the United States wanted that private talk made it impossible. She was spirited off to an Aeroflot IL-62 by Soviet secret police.

The Soviets' record of actual and attempted cheating is unambiguous, beyond the ability of Soviet apologists to disprove. Yet such "gentlemanly" conduct as Deputy Secretary of State Warren Chistopher's telephone call alerting the Soviet embassy here to U.S. interest in the Vlasova affair persists. In the infinitely more important case of Soviet underground weapons testing, trust in Soviet declarations or intentions could lead to graver results.

During 1978, at least three underground tests (among the estimated 27 exploded in the Soviet Union) are believed to have violated the 1974 "threshold" test-ban treaty with its 150-kiloton ceiling. In addition, at least 13 of the 1978 tests almost certainly produced illegal "venting"—the escape of poisonous radioactive materials such as krypton and other fission products into the atmosphere.

The three probable violations occurred in August, November and December. Seismic instruments—not on Soviet territory because Moscow rejects on-site inspection—indicated that each of the three tests were well above the 150-kiloton limit.

This year, as the Russians continued their most active underground test program in 15 years, a June explosion is believed to have had the force of 225 kilotons and a July shot possibly as high as 400 kilotons. The United States has never announced the July test.

Soviet refusal to permit on site inspection by seismic sensor—and the imprecision of distant seismographs—make it virtually impossible to prove violations. This is true despite sensitive Swedish seismic instruments that pick up and record most Soviet tests. But Soviet violations of the 1963 treaty can be proved by the empirical evidence of dust particles collected in the atmosphere over Japan, Korea and other areas.

"It is intolerable that the United States should permit the Soviets to cheat at the margin without even raising a protest," one specialist told us privately. Yet, no violation has yet been charged under either the 1974 treaty (which sets the ceiling on explosive power) or the 1963 Limited Test-Ban Treaty (which prohibits venting).

The farthest the Carter administration has ventured is to "raise a question" with Moscow about one of the tests this summer and three of the 1978 tests. The predictable Soviet response: *nyet*, and you can't prove we did. Furthermore, Moscow is armed with a strange concession it got from the United States: two tests a year may "slightly" exceed the limit.

What makes this produce sleepless nights for some U.S. officials is its implication in the nightmarish world of atomic weaponry. The data base now being accumulated by the Soviets, with a test program perhaps three times that of the United States and rising, will probably be used to perfect warheads for the new crop of post-SALT II long-range missiles.

Thus, if the comprehensive test-ban—a near-total ban on all tests for a period of perhaps five years—is agreed on anytime soon, the Soviets could leap-frog U.S. technology by translating its test data into new types of higher-yield, lower-weight weapons with the United States powerless to catch up.

The Soviets have not pyramided their testing program to today's awesome level just for fun. The testing of warheads that violate treaties has its grim purpose: to surpass U.S. weapons technology. Refusal of the United States to challenge Moscow out loud on its presumed violations thus becomes dangerously counterproductive.

Worse, it ensures the very gains in Soviet weaponry that the president insists will be curbed by SALT II—thus undermining what he regards as his most important mission.●

THE 150TH ANNIVERSARY OF SYRACUSE, N.Y., POST-STANDARD

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, this month, the Syracuse morning newspaper, the Post-Standard, will celebrate its 150th anniversary. And, Mr. Speaker, "celebrate" is the proper word. There are not many businesses, let alone newspapers, still in existence today, who can trace their lineage back to 1829.

The Post-Standard can and will, with justifiable pride, do just that in a few days.

The enormous power and influence a daily newspaper wields today is the result of years, indeed centuries, of struggle to record and report those events which newspaper people consider significant, often against the weight of political and special interests.

The struggle continues today. That patriarch of publishing, the Times of London, which began with accounts of the French Revolution in the 18th century and rose with the Empire through the 19th, is today silenced temporarily by a dispute with printing unions over new technology.

In defending John Peter Zenger and his New York Weekly Journal from the tyranny of Gov. William Cosby in 1735, Alexander Hamilton told the jury:

> . . . But every man who prefers freedom to a life of slavery will bless and honor you as men who baffled the attempt of tyranny, and, by an impartial and uncorrupt verdict, have laid a noble foundation for security to ourselves, our posterity and our neighbors, that to which nature and the laws of our country have given us a right—the liberty both of exposing and opposing arbitrary power by speaking and writing truth.

And so now, in 1979, we have come to expect much from our press. The line between and demonstrable fact, so vague in the early years of publishing, is today more clearly, if not perfectly, drawn.

The line, too, between commenting on and observing political policies, and the making of those policies, has been broached many times. The instances of journalists transformed into politicians was, perhaps, more prevalent in the past.

In fact, it was Vivus W. Smith, the founder of the Onondaga Standard (September 16, 1829), the forerunner of today's Post-Standard, who bolted his own Democratic Party to join the Whigs in 1838, and eventually became one of the founders of the Republican Party.

As the publisher of a weekly newspaper, Vivus Smith became a great and intimate friend of William H. Seward in neighboring Cayuga County.

Though begun as a weekly, the Onondago Standard (in 1829, Onondago Hill was the county seat) became a daily in 1850 as the telegraph increased flow of news.

Just before the turn of the century, another daily was started in Syracuse by Frank W. Palmer named the Post. With three dailies competing in a community of 150,000, the economics soon forced a merger of the Post with the Standard. The first edition of the combined Post-Standard appeared on Sunday, January 1, 1899.

Begun originally as a political organ in 1894, Frank Palmer's Post achieved a reasonable perspective on most issues, and, with its acquisition of the weekly newspaper the Post Express, it assumed a major role in Central New York's journalism. When it combined with the Standard in 1899, it was a marriage of convenience for both papers, since the technological revolution in the printing industry was just getting underway. New, more complicated presses and typesetting equipment meant huge capital outlays, and these were possible only with combined resources.

The Post-Standard has counted some famous people among its staff over the years. Jerome Barnum joined the paper as a reporter in 1907, became advertising manager in 1910, and publisher and treasurer of the corporation in 1916. During his 26-year stint as publisher, he was president of the American Newspaper Publishers Association, and established the annual farm dinner during State Fair week.

Horace Bull also joined in 1907, and served as managing editor from 1923 to 1944. He had an incredible capacity for working 12 hours a day, 7 days a week.

Two other names stand out from the Post-Standard's ranks. Mike Brewster in the teens and early 1920's covered news events personally by means of a bicycle, then a motorcycle before the telephone became so functional.

Robert L. Voorhees joined in 1920. He was named associate editor in 1932, and editor in 1946. Known for his well-researched and efficiently written articles, Voorhees, for years, authored the "Rod Hunter" Sportsman's Corner.

In February 1960, J. Leonard Gorman became editor, having joined the paper in 1933. A past president of the New York Society of Newspaper Editors, Mr. Gorman, involved with many civic organizations, has given strong, definite, and fair leadership to this morning daily.

I can attest personally to the integrity of this fine newspaperman, Mr. Speaker, for he has shown a willingness and openness to listen to political and social ideas which basically are in disagreement with the views of this independent Republican newspaper. And, though I bring a naturally Democratic view to many issues, we always are able to discuss ideas on a friendly basis.

We would be naive to think that the Post-Standard, or any daily newspaper, exists solely to present happenings and issues of the day. This newspaper is a business, meant to produce a profit by being a functional means of communicating news, views and advertising messages.

It is this blending of the practical purpose with the artful purpose which we celebrate. Delivered to 100,000 homes in central and northern New York each weekday morning, since 1899, the Post-Standard has survived in the rough and tumble of the newspaper business (as stated in a recent editorial):

> . . . by growing and improving, offering greater service and more thoughtful leadership to the tens of thousands who consider the paper their daily oracle and a source of reliable information.

I know my colleagues will join me in saluting the Post-Standard in its 150th year, Mr. Stephen Rogers, its publisher, and Mr. J. Leonard Gorman, its executive editor. It is men like these who not only know the newspaper business but love it, who make the daily paper such a vital part of our lives.

TRIBUTE TO SAMUEL I. NEWHOUSE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the opportunities and promise inherent in the American economic and social structure never have been more vividly personified than in the life of Samuel I. Newhouse.

Mr. Newhouse passed away at the age of 84 on August 29, 1979. He has left behind a legacy of personal and business achievement that is a textbook study of individual determination.

In an extraordinarily perceptive review, David Jacobs of the Newhouse News Service wrote:

> He was an office boy at 12, a publisher at 16, a lawyer at 21, and, by the time of his death, he had put up more than half a billion dollars, most of his own cash, to acquire 31 newspapers, seven magazines, six television stations, five radio stations and 20 cable TV systems employing, in all, more than 15,000 people in 22 cities.
>
> Shy, seemingly diffident, unpretentious, and always courtly with strangers, he was staunchly independent, unhesitant and exacting in personally directing the vast, complex organization he had created, one of Amreica's major privately held corporations.
>
> He saw himself as a businessman whose business was news, and he recognized editorial quality as the heart of a newspaper. Almost unnoticed, he fundamentally altered the nature of editorial management of group-owned newspapers by leaving editorial decisions to the individual editors on the local scenes. This policy, which he called local autonomy, has reshaped the character of American journalism. It is followed today by most major publishers. His approach not only fostered responsible papers sensitive to local needs, but financially was far more successful than the personal hornblowing of the old-time publishing tycoons.

My own experience with S. I. Newhouse and his editorial policy stems from my association with the two leading daily papers in central New York, the Syracuse Herald-Journal and the Post-Standard. Though both are Newhouse publications, they are fiercely independent and competitive, often editorializing against one another.

An owner of many newspapers across the Nation, S. I. Newhouse met the frequent criticism of monopoly control by urging his editors to keep their reporters battling for news of their communities, and by supplying each newspaper with the best available sources for world, national, and regional news.

An unassuming man, S. I. Newhouse was born in a tenement on Manhattan's Lower East Side in 1895, the son of recent immigrants. Early deprivation, family illnesses, and basic hardships were faced in stoic family discipline and an underlying discipline of love and culture to form a man of sympathy, understanding, and fierce determination.

His father's illness prevented his attending high school after he completed public school and forced him into the responsibilities of heading a family of eight: Four sisters and three brothers.

Forsaking high school, his father was able to persuade a friend, Bayonne, N.J., lawyer Hyman Lazarus, to take S. I. on for $2 per week. It was Lazarus who inspired S. I., and showed him that it was possible for, as he put it, a Jew in America to succeed as well as anyone.

Studying at night, he qualified for law school by passing State regents exams he had missed, because he never went to high school.

His interest in the newspaper business began when his mentor Lazarus took over the Bayonne Times on default. Lazarus assigned S. I. the responsibility of "closing it out."

This was S. I. Newhouse's first contact with the newspaper business. Rather than close it out, he nursed it back to health, forsook his law career, and began on the road that has made him the most successful publishing tycoon in mid-20th century America.

The Newhouse School of Communications stands as an enduring monument to this man. His $15 million gift in the early 1960's made this complex at Syracuse University possible.

S. I. Newhouse was the embodiment of the true spirit of this Nation—a man who, through tireless hard work, tremendous foresight, and a keen business sense, built an empire out of a dream.

Even after his great successes, he never forgot his roots and never hesitated to donate his resources for the betterment of his fellow man. His dedication to the news business and to the education of those entering the communications field was unmatched. I consider it a privilege to have known this remarkable man, and we all shall be the poorer for his passing.

ROLLAND B. MARVIN

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the city of Syracuse buried one of its leaders and, indeed, one of its rescuers on August 16, 1979.

Rolland B. Marvin, 82, mayor of Syracuse for five terms between 1930 and 1941, is recognized on both sides of the political aisle as a civic giant. As naturally as the name Marvin goes with mayor—so, too, did the man go with the city. For Mayor Marvin was the right man at the right time for the Syracuse of the depression-ridden 1930's.

His first administration began just 2 months after the stock market crash of 1929, and he immediately put in force reductions and restrictions of city expenditures to keep taxes down.

He induced police, firemen, and school teachers to take a 10-percent salary cut.

He pushed for the removal of main line trains from the streets of downtown Syracuse, creating a special elevated track system requiring hundreds of badly needed jobs.

He used the former Franklin automobile plant on the city's west side as a lure to the then relatively new Carrier Air Conditioning Corp. Their move from New Jersey to Syracuse meant more jobs in the late 1930's, and resulted, ultimately, in developing one of today's industrial giants.

He was instrumental in the Federal Government's decision to build the model pioneer homes public housing project in Syracuse, one of the first in the Nation.

Mayor Rolland B. Marvin's accomplishments are many. Suffice it to say he was a tough, inspiring leader at a time when tough, inspiring leaders were needed. The depression years demanded faith and trust in our elected officials—to avert a sense of despondency that well may have resulted in a loss of unity. Mayor Marvin had that faith and that trust from the people of Syracuse. He brought the city through its darkest times, when as many as 30,000 were unemployed.

Born in 1897 on the outskirts of Syracuse, he worked his way through college and law school at Syracuse University. After establishing a law partnership with the late Horace M. Stone, Marvin, whose father had been a county sheriff, was elected a Republican committeeman. At 29, he was elected president of the Syracuse Common Council, and 4 years later ran for mayor and won in 1929.

After leaving office, Mayor Marvin devoted most of his time to his law practice. His office in the State Tower Building was a place of refuge and counsel for political leaders of both parties in recent years. And I am proud to count myself among those who sought the benefits of the Marvin perspective.

Certainly, it would be appropriate to say Mayor Marvin was to Syracuse, what Franklin Roosevelt was to the Nation in the depths of the depression—a resourceful, inspiring leader who helped a shaken people rise up in unity and strength.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

● Mr. LENT. Mr. Speaker, on rollcall vote No. 422 on August 1, 1979, I am listed as not voting. Had I been present, I would have voted "aye" on the Moffett amendment directing the President to establish and maintain a national set aside program to provide middle distillates for residential heating purposes.●

GENERAL LEAVE

Mr. RATCHFORD. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentlewoman from Illinois (Mrs. COLLINS).

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHAPPELL (at the request of Mr. WRIGHT), for today on account of official business.

To Mr. CAMPBELL (at the request of Mr. RHODES), until 2:15 p.m. today on account of effects of Hurricane David.

To Mr. WOLFF (at the request of Mr. WRIGHT), for today on account of medical reasons.

To Mr. RODINO (at the request of Mr. WRIGHT), for today on account of illness in the family.

To Mrs. HOLT (at the request of Mr. RHODES), for today and the balance of the week, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. LENT, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 60 minutes, September 11.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. ROSENTHAL, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. ADDABBO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. AKAKA, prior to the vote on the Long of Maryland amendment to H.R. 4473 in the Committee of the Whole today.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. ROYER.

Mr. LEWIS.

Mr. LENT in two instances.

Mr. GRADISON.

Mr. CONTE in three instances.

Mr. COLLINS of Texas in three instances.

Mr. PAUL in three instances.

Mr. ERLENBORN.

Mr. WHITEHURST.

Mr. DERWINSKI in three instances.

Mr. DORNAN in two instances.

Mr. TAUKE.

Mr. ARCHER.

Mr. DANIEL B. CRANE.

Mr. GILMAN.

Mr. WYDLER.

Mr. REGULA.

Mr. KEMP.

Mr. QUAYLE.

Mr. BROOMFIELD.

Mr. CONABLE.

Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CAVANAUGH in five instances.

Mr. MCDONALD in 10 instances.

Mr. PEPPER in five instances.

Mr. NOWAK in five instances.

Mr. HOLLAND in five instances.

Mr. COELHO.

Ms. OAKAR in two instances.

Mr. SEIBERLING in 10 instances.

Mr. DRINAN in five instances.

Mr. YOUNG of Missouri.

Mr. HARRIS.

Mr. GUARINI.

Mr. ROE.

Mr. MAZZOLI.

Mr. BREAUX.

Mr. STUMP in two instances.

Mr. BRINKLEY in two instances.

Mr. LEHMAN.

Mrs. COLLINS of Illinois.

Mr. LEACH of Louisiana.

Mr. HALL of Ohio.

Mr. DELLUMS in three instances.

Mr. WAXMAN.

Mr. STARK.

Mr. BENNETT.

Mr. RANGEL.

Mr. ZABLOCKI in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 88. An act for the relief of Soerjanti Bonzoumet-Soetarto; to the Committee on the Judiciary;

S. 151. An act for the relief of Jerry W. Manandic and Ceferino W. Manandic; to the Committee on the Judiciary;

S. 216. An act for the relief of Chong Hui Schrein; to the Committee on the Judiciary;

S. 319. An act for the relief of Chan Siu Ha (also known as Linda Chan); to the Committee on the Judiciary;

S. 566. An act to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an anti-recession fiscal assistance program, and for other purposes; to the Committee on Government Operations;

S. 707. An act for the relief of certain aliens; to the Committee on the Judiciary;

S. 885. An act to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; to the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs;

S. 974. An act for the relief of Tin Foo Chan (also known as Michael Chan); to the Committee on the Judiciary;

S.J. Res. 41. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on Post Office and Civil Service; and

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day," to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week";

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week"; and

H.J. Res. 244. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes;

S. 1146. An act to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act; and

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 896. For the relief of Joseph J. Andrews;

H.R. 899. For the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. For the relief of Doris Mauri Coonrad;

HR. 1158. For the relief of James C. Wilkinson;

H.R. 2807. To amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States;

H.R. 3324. To authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. To authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. To amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4057. To increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes;

H.R. 4476. To extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes;

H.R. 4616. To make certain technical and clerical amendments to title 5, United States Code;

H.R. 4811. For the relief of the city of Nenana, Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes;

H.J. Res. 19. To provide for the designation of a week as "National Lupus Week"; and

H.J. Res. 209. Designating the week of October 8 through October 14, 1979, as "National Diabetes Week."

ADJOURNMENT

Mr. ADDABBO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 22 minutes p.m.), the House adjourned until Thursday, September 6, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2192. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consolidate, and provide additional authority for the Secretary of Agriculture to establish methods for efficient and equitable marketing of tobacco; to the Committee on Agriculture.

2193. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions, to authorize U.S. marshals to serve warrants under the act, and for other purposes; to the Committee on Agriculture.

2194. A letter from the President of the United States, transmitting amendments to the requests for appropriations for fiscal year 1980 (Doc. No. 96–178); to the Committee on Appropriations and ordered to be printed.

2195. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of August 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (Doc. No. 96–179); to the Committee on Appropriations and ordered to be printed.

2196. A letter from the Secretary of Defense, transmitting three reports of violations of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the revised statutes, as amended; to the Committee on Appropriations.

2197. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement, for the quarter ended June 30, 1979, pursuant to section 820 of Public Law 95–457; to the Committee on Appropriations.

2198. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the Defense Department's intention to obligate certain amounts in the Army stock fund and the Navy stock fund for war reserve stocks, pursuant to section 836 of Public Law 95–457; to the Committee on Appropriations.

2199. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the second quarter of fiscal year 1979 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment and material, pursuant to section 813 of Public Law 95–457; to the Committee on Appropriations.

2200. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification have been made of a 159-acre tract of lands to be included in the San Luis Water District, Central Valley Project, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means or irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2201. A letter from the Comptroller General of the United States, transmitting his review of the proposed deferral of budget authority contained in the message from the President dated July 24, 1979 (H. Doc. No. 96–165), pursuant to section 1014(b) of Public Law 93–344 (Doc. No. 96–180); to the Committee on Appropriations and ordered to be printed.

2202. A letter from the Secretary of Defense, transmitting a report on the real and personal property of the Department of Defense as of September 30, 1978, pursuant to 10 U.S.C. 2701(b); to the Committee on Armed Services.

2203. A letter from the Secretary of Defense, transmitting notice of the approval of annual compensation rates exceeding $45,000 for various officials of the Institute for Defense Analyses, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

2204. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the act of August 29, 1974 (88 Stat. 795; 10 USC 8202 note), as amended (92 Stat. 719; 10 USC 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force and to provide continuing authority for certain existing personnel management procedures in the armed forces, and for other purposes; to the Committee on Armed Services.

2205. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a quarterly report as of May 31, 1979, on enlistment and retention incentives for the Selected Reserve, pursuant to 10 USC 2134, 38 USC 308b(e), and 38 USC 308c(e); to the Committee on Armed Services.

2206. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve and the Air Force Reserve, pursuant to 10 USC 2233a(1); to the Committee on Armed Services.

2207. A letter from the Director, Office of Economic Adjustment, Department of Defense, transmitting a report on the resolution of a conflict over the use of surplus naval lands in Rhode Island, pursuant to section 610 of Public Law 94–431; to the Committee on Armed Services.

2208. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain chemical agent/munitions at the Chemical Agent Munitions Disposal System, Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121; to the Committee on Armed Services.

2209. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of chemical agent identification sets at Rocky Mountain Arsenal, Colo., pursuant to section 409(b)(4) of Public Law 91–121; to the Committee on Armed Services.

2210. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets, and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

2211. A letter from the Assistant Secretary of the Air Force for Research, Development and Logistics, transmitting a draft of proposed legislation to authorize the Secretary of Defense to enter into cooperative military airlift arrangements with the armed forces of allied governments; to the Committee on Armed Services.

2212. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting the semiannual report covering the period January 1, 1979, through June 30, 1979, on Air Force research and development procurement actions of $50,000 and more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2213. A letter from the Secretary of the Treasury, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1978; to the Committee on Banking, Finance and Urban Affairs.

2214. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during July 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2215. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Taiwan Power Co. exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2216. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Government of Tunisia exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2217. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with the Korea Electric Co., pursuant to section 2(b)(3)(iii) of the Export-Import Bank of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2218. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Air Canada exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2219. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–75, "To clarify the right of tenants to purchase their homes and to extend the period of required offer in cases of the sale of multi-unit housing, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2220. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–76, "To amend the District of Columbia Health Care Facilities Regulation (Reg. 74–15) to establish certain licensing requirements for community residence facilities for mentally retarded persons, and for related purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2221. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–77, "To amend the Consumer Lay Away Plan Act of 1978 regarding service charges," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2222. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–78, "To provide for the confidentiality of and penalties for the unauthorized disclosure of records relating to abused and neglected children," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2223. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 8–80, "To establish a comprehensive program for animal population control in the District of Columbia, and for other purposes, "pursuant to section 602(c) of Public Law 93–298; to the Committee on the District of Columbia.

2224. A letter from he Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–81, "To extend the length of time within which a vehicle may remain parked in one location from 24 to 72 hours," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2225. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–83, "To amend the provisions of the Manual of the Metropolitan Police Department setting age qualifications for appointment to the Department," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2226. A letter from the Chairman, District of Columbia Armory Board, transmitting the annual reports and financial statements for the fiscal year ended December 31, 1978, of the District of Columbia National Guard Armory and the Robert F. Kennedy Memorial Stadium, pursuant to section 10 of Public Law 80–605 and section 10 of Public Law 85–300; to the Committee on the District of Columbia.

2227. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1978 on the administration of the Fair Labor Standards Act of 1938, as amended, pursuant to section 4(d)(1) of the act; to the Committee on Education and Labor.

2228. A letter from the Secretary of Labor, transmitting a report on the study of exemptions from the minimum wage and/or overtime provisions applicable to domestic service employees under the Fair Labor Standards Act, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

2229. A letter from the Secretary of Labor, transmitting a report on the exemption from the overtime provisions of the Fair Labor Standards Act for substitute parents in nonprofit educational institutions, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

2230. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed final regulations governing the Emergency School Aid Act-TV (ESAA-TV), pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2231. A letter from the Chairman, National Commission for Employment Policy, transmitting a report on the impact of CETA eligibility criteria on single heads of household, pursuant to section 503(10) of the Comprehensive Employment and Training Act of 1973, as amended (92 Stat. 2003); to the Committee on Education and Labor.

2232. A letter from the Chairman, National Advisory Committee for Juvenile Justice and Delinquency Prevention, transmitting the third annual report of the Committee, covering fiscal year 1978, pursuant to section 208(b) of Public Law 93–415, as amended; to the Committee on Education and Labor.

2233. A letter from the President of the United States, transmitting a report on the investigation of statutory and regulatory provisions which discriminate against U.S. citizens living abroad, pursuant to section 611(b) of Public Law 95–426; to the Committee on Foreign Affairs.

2234. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination No. 79–12, finding that the financing under the Arms Export Control Act of the sale of certain sophisticated weapons systems to Thailand is important to the national security of the United States, pursuant to section 4 of the act; to the Committee on Foreign Affairs.

2235. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination No. 79–13, finding that the sale of certain sophisticated weapons systems to Egypt is important to the national security of the United States, pursuant to section 4 of the Arms Export Control Act; to the Committee on Foreign Affairs.

2236. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate William D. Wolle and his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2237. A letter from the Deputy Assistant Secretary of State for Budget and Finance, transmitting the quarterly report on programing and obligation of international narcotics control funds as of June 30, 1979, pursuant to section 481 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2238. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2239. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2240. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2241. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2242. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the status of the contingency fund for the third quarter of fiscal year 1979, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2243. A letter from the Acting Administrator, Agency for International Development, Department of State, transmitting the annual report on military expenditures by recipients of U.S. economic assistance, pursuant to section 620(s) of the Foreign Assistance Act of 1961, as amended (83 Stat. 820); to the Committee on Foreign Affairs.

2244. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in The Gambia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2245. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Tanzania, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2246. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Tunisia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2247. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Yemen, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2248. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Lebanon and the West Bank and Gaza, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2249. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Indonesia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2250. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Sri Lanka, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2251. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Thailand, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2252. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Panama, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2253. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Peru, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2254. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, Group of Controllers' evaluation reports by the Inter-American Development Bank, and post-evaluation reports by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2255. A letter from the Acting Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of March 31, 1979, pursuant to section 613(c) of the Foreign Assistant Act of 1961, as amended; to the Committee on Foreign Affairs.

2256. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the annual report and audit of the American National Red Cross for the year ended June 30, 1978, pursuant to section 6 of the act of January 5, 1905 (36 U.S.C. 6); to the Committee on Foreign Affairs.

2257. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn. in 1982, and for other purposes; to the Committee on Foreign Affairs.

2258. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budget level of operation for Radio Free Europe/Radio Liberty, Inc., during the third quarter of fiscal year 1979, pursuant to section 8 of the Public Law 94–350, as amended; to the Committee on Foreign Affairs.

2259. A letter from the President of the United States, transmitting the fourth annual report listing the number of records contained in any system of records for each Federal agency which were exempted from the provisions of the Privacy Act of 1974, pursuant to 15 U.S.C. 552a(p); to the Committee on Government Operations.

2260. A letter from the General Counsel, Office of Administration, Executive Office of the President, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2261. A letter from the Acting Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting various reports of the Federal procurement data system on Federal acquisition awards, covering the first and second quarters of fiscal year 1979; to the Committee on Government Operations.

2262. A letter from the Director of Management, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2263. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2264. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2265. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Office of the Secretary of Defense, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2266. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2267. A letter from the Deputy Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Marine Corps, pursuant to 5 U.S.C. 552 a(o); to the Committee on Government Operations.

2268. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records systems for the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2269. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records system for the Department of the Navy, pursuant to 5 U.S.C. 552 a(o); to the Committee on Government Operations.

2270. A letter from the Deputy Secretary of Energy, transmitting notice of various proposed new and amended records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2271. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the quarterly report on the activities of his office covering the period April 1 to June 30, 1979; to the Committee on Government Operations.

2272. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during July 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2273. A letter from the Comptroller General of the United States, transmitting a report on the implementation by civil agencies of the Office of Management and budget circular A-109 regarding major system acquisitions (PSAD-79-89, August 14, 1979); to the Committee on Government Operations.

2274. A letter from the Comptroller General of the United States, transmitting a report analyzing the effects of indexing for inflation on Federal expenditures (PAD-79-22, August 15, 1979); to the Committee on Government Operations.

2275. A letter from the Comptroller General of the United States, transmitting a report on needed improvements by Federal civil agencies' negotiating procedures for noncompetitive contracts priced over $100,000 (PSAD-79-93, August 21, 1979); to the Committee on Government Operations.

2276. A letter from the Comptroller General of the United States, transmitting on federal agencies' accounting systems, (FGMSD-79-40, August 24, 1979); to the Committee on Government Operations.

2277. A letter from the Administrator of General Services, transmitting a report on actions taken in response to recommendations contained in the April 1978 report of the President's Commission on Military Compensation, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2278. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the study of health and welfare effects caused by suspended particulate matter, pursuant to section 403(a)(1) of Public Law 95-95; to the Committee on Interstate and Foreign Commerce.

2279. A letter from the Director of Office Administration, Nuclear Regulatory Commission, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2280. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

2281. A letter from the Secretary of the Interior, transmitting a report that an adequate soil survey and land classification have been performed on 5,692 acres of land transferred to him from the Department of Energy for sale to the owners of farms destroyed by the flood resulting from the collapse of the Teton Dam, pursuant to section 210 of Public Law 95-283; to the Committee on Interior and Insular Affairs.

2282. A letter from the Secretary of the Interior, transmitting the annual report of the U.S. Comptroller for American Samoa on the financial condition of American Samoa as of September 30, 1978; to the Committee on Interior and Insular Affairs.

2283. A letter from the Secretary of the Interior, transmitting a report on the availability of ground water on Federal land near the Ak-Chin Indian Reservation, Ariz., pursuant to section 2(a) of Public Law 95-328; to the Committee on Interior and Insular Affairs.

2284. A letter from the Acting Secretary of the Interior, transmitting a report by the U.S. Government Comptroller for Guam and the trust territory on Federal grant management of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

2285. A letter from the Acting Secretary of the Interior, transmitting the final report of the American Indian Religious Freedom Task Force established by the President, pursuant to section 2 of Public Law 95-341; to the Committee on Interior and Insular Affairs.

2286. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of October 21, 1976. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the national park system, and for other purposes; to the Committee on Interior and Insular Affairs.

2287. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2288. A letter from the Acting Secretary of Transportation, transmitting the annual report for fiscal year 1978 on progress achieved in implementing the Northeast corridor improvement project, pursuant to section 703(1)(D) of Public Law 94-210; to the Committee on Interstate and Foreign Commerce.

2289. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on model standards for community preventive health services, pursuant to section 314 of Public Law 95-83; to the Committee on Interstate and Foreign Commerce.

2290. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the present and future direction of the National Health Service Corps, pursuant to section 116(c) of Public Law 95-626; to the Committee on Interstate and Foreign Commerce.

2291. A letter from the Secretary of Health, Education and Welfare, transmitting the 1978 annual report on the National Health Service Corps, pursuant to section 329(g) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

2292. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1977 and 1978 on the emergency medical services program, pursuant to section 1210 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

2293. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program held on August 21 and 22, 1979, in New York, N.Y., and on August 29, 1979, in London, England; to the Committee on Interstate and Foreign Commerce.

2294. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products and sales of retail gasoline for May 1979, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2295. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting notice of proposed orders prohibiting the burning of petroleum as a primary energy source at certain Consolidated Edison Co. powerplants in the State of New York; to the Committee on Interstate and Foreign Commerce.

2296. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting a report on low-income energy assistance; to the Committee on Interstate and Foreign Commerce.

2297. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on sludge, prepared pursuant to section 8002(g) of the Solid Waste Disposal Act, as amended (90 Stat. 2831); to the Committee on Interstate and Foreign Commerce.

2298. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 9206, Absorption of Switching Charges, Southern Territory, within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

2299. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of April 1979, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2300. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, covering the month of April 1979, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2301. A letter from the chairman, Task Force on Environmental Cancer and Heart and Lung Disease, transmitting the task force's second annual report, pursuant to section 402 of Public Law 95-95; to the Committee on Interstate and Foreign Commerce.

2302. A letter from the Attorney General, transmitting notice of the Justice Department's intention not to defend the constitutionality of the provision of section 202 of the Social Security Act which provides certain death and disability benefits for female but not male spouses of wage earners, pursuant to section 13(a) of Public Law 95-624; to the Committee on the Judiciary.

2303. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

2304. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for the 6-month period ending June 30, 1979, pursuant to section 203(f) of the act; to the Committee on the Judiciary.

2305. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2306. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2307. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

2308. A letter from the secretary, Aviation Hall of Fame, Inc., transmitting the organization's annual report and audit for calendar year 1978, pursuant to section 15 (b) of Public Law 88-372; to the Committee on the Judiciary.

2309. A letter from the treasurer general, National Society of the Daughters of the American Revolution, transmitting the audit reports of the society for the fiscal years ended February 28, 1978, and February 28, 1979, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

2310. A letter from the chairman, Board of Directors, Future Farmers of America; transmitting a report on the audit of the accounts of the organization for the fiscal year ended June 30, 1979, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

2311. A letter from the Secretary of Commerce, transmitting the annual report on the Department's activities under the Marine Mammal Protection Act of 1972, covering the period of April 1, 1978, through March 31, 1979, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

2312. A letter from the Secretary of Commerce, transmitting the interim report on the President's oil pollution insurance study, pursuant to section 305(d) of Public Law 95-372; to the Committee on Merchant Marine and Fisheries.

2313. A letter from the Secretary of Commerce, transmitting a report covering the year ended March 31, 1979, on research studies on salmon stocks and the problems of incidental taking of marine mammals in the Japanese high seas salmon fishery, pursuant to section 14(d) of the North Pacific Fisheries Act of 1954, as amended (92 Stat. 405); to the Committee on Merchant Marine and Fisheries.

2314. A letter from the General Counsel, Department of the Air Force, transmitting a report on the investigation of allegations of mismanagement at the commisary at Scott Air Force Base, Ill., pursuant to 5 U.S.C. 1206 (b)(5)(A); to the Committee on Post Office and Civil Service.

2315. A letter from the Acting General Counsel, Department of the Navy, transmitting a report on the investigation of allegations of theft of Government property at the Philadelphia Naval Shipyard, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2316. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 301, title 13, United States Code, to protect confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Post Office and Civil Service.

2317. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report covering the quarter ended June 30, 1979, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482); to the Committee on Post Office and Civil Service.

2318. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement on the Yellowstone and Tongue Rivers project, Miles City, Mont., pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2319. A letter from the Acting Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, for use in determining apportionment factors for Interstate System funds authorized for fiscal years 1981 and 1982, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works and Transportation.

2320. A letter from the Acting General Counsel of the Department of Housing and Urban Development, transmitting a draft of proposed legislation to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to remove the statutory ceiling on the residential moving expense allowance, to eliminate the matching requirement for downpayment assistance payments, to simplify procedures for programs and projects carried out by State agencies with assistance from two or more Federal agencies, to authorize property owners knowingly and voluntarily to give or donate real property to acquiring agencies without prior determination of just compensation, and for other purposes; to the Committee on Public Works and Transportation.

2321. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 521 12th Street NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2322. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 1825 Connecticut Avenue NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2323. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 6001 to 6010 Executive Boulevard, Rockville, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2324. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 1750 Pennsylvania Avenue NW., Washington, D.C. pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2325. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease at 320 First Street NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2326. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2327. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-U.S. Courthouse at 4th and F Streets, Anchorage, Alaska, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2328. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus for alterations at the Courthouse, 1010 Fifth Avenue, Seattle, Wash., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2329. A letter from the Acting Deputy Administrator of General Services, transmitting a revised prospectus for alterations at the U.S. Post Office-Courthouse, Cincinnati, Ohio, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2330. A letter from the acting Federal cochairman, Appalachian Regional Commission, transmitting a report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact of commission programs on outmigration and the welfare of Appalachian migrants; to the Committee on Public Works and Transportation.

2331. A letter from the Secretary of Commerce, transmitting the annual report for fiscal year 1978 on the implementation of the procedures of the national voluntary laboratory accreditation program; to the Committee on Science and Technology.

2332. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of certain research and development funds appropriated to NASA for fiscal year 1977 to modify two buildings at the Lewis Research Center, Cleveland, Ohio, for helicopter transmission testing under the helicopter transmission systems technology program, pursuant to section 3 of the NASA Authorization Act, 1977; to the Committee on Science and Technology.

2333. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1978 through February 1979, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2334. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1978 through January 1979, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2335. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October-December 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2336. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Social Security Administration for fiscal year 1978, pursuant to sections 704, 1611(e)(3)(B), and 1875(b) of the Social Security Act, as amended, and section 426(b) of Public Law 91-173; to the Committee on Ways and Means.

2337. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1979, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

2338. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to modify the boundary of the Cibola National Forest in the State of New Mexico, and for other purposes; jointly, to the Committee on Agriculture, Armed Services, and Interior and Insular Affairs.

2339. A letter from the Comptroller General of the United States, transmitting a supplemental report to the Comptroller Generals report (CED-78-60, April 24, 1978) on the effect of the Department of Labor's current resource allocation formula on efforts by State employment service agencies to place food stamp recipients in jobs (CED-79-79, August 15, 1979); jointly, to the Committees on Government Operations and Agriculture.

2340. A letter from the Comptroller General of the United States, transmitting a report on difficulties in Selected Army Reserves recruiting under the All-Volunteer Force (FPCD-79-71, August 20, 1979); jointly, to the Committees on Government Operations and Armed Services.

2341. A letter from the Comptroller General of the United States, transmitting a report on the Army's need to reassess its intended procurement of 10-kilowatt, 60-hertz gas turbine generators (PSAD-79-95, August 9, 1979); jointly, to the Committees on Government Operations and Armed Services.

2342. A letter from the Comptroller General of the United Statees, transmitting a report on the status of the Roland missile program, (PSAD-79-100, August 17, 1979); jointly, to the Committees on Government Operations and Armed Services.

2343. A letter from the Comptroller General of the United States, transmitting a report on the need for the Congress to reevaluate the role and structure of the military's direct medical care system in peacetime (HRD-79-107, August 16, 1979); jointly, to the Committeees on Government Operations and Armed Services.

2344. A letter from the Comptroller General of the United States, transmitting a report on weaknesses in servicing and accounting for home mortgages held by the Department of Housing and Urban Development (FGMSD-79-41, August 16, 1979); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

2345. A letter from the Mayor of the District of Columbia, transmitting a copy of his response to the Comptroller General's report on Forest Haven, pursuant to section 736(b)(3) of Public Law 93-198; jointly, to the Committees on Government Operations and the District of Columbia.

2346. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the guidelines for compensation for Federal employee injuries (HRD-79-78, August 22, 1979); jointly, to the Committees on Government Operations and Education and Labor.

2347. A letter from the Comptroller General of the United States, transmitting an updated report on U.S. participation in international organizations (ID-79-26, August 10, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

2348. A letter from the Comptroller General of the United States, transmitting a report on the vulnerability of key crude oil and products pipelines (EMD-79-63, August 27, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

2349. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the vocational rehabilitation program (HRD-79-84, August 23, 1979); jointly, to the Committees on Government Operations and Education and Labor.

2350. A letter from the Comptroller General of the United States, transmitting a report on the implementation of the coordination and information dissemination provisions of the Juvenile Justice and Delinquency Prevention Act (GGD-79-63, August 3, 1979); jointly, to the Committees on Government Operations, the Judiciary, and Education and Labor.

2351. A letter from the Comptroller General of the United States, transmitting a report on actions the Congress and the Secretary of Transportation can take to help reduce aircraft delays at major U.S. airports (CED-79-102, September 4, 1979); jointly, to the Committees on Government Operations and Public Works and Transportation.

2352. A letter from the Comptroller General of the United States, transmitting a report on ways for the Federal Government to improve management of scientific, technical, and other specialized information (PSAD-79-62, August 6, 1979); jointly, to the Committees on Government Operations and Science and Technology.

2353. A letter from the Comptroller General of the United States, transmitting a report on the Internal Revenue Service's selection of corporate income tax returns for audit (GGD-79-43, August 3, 1979); jointly, to the Committees on Government Operations, and Ways and Means.

2354. A letter from the Comptroller General of the United States, transmitting a report on the provision of noncontributory social security wage credits for military service performed after 1956 (FPCD-79-57, August 8, 1979); jointly, to the Committees on Government Operations and Ways and Means.

2355. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the current system of unemployment compensation (HRD-79-79, August 28, 1979); jointly, to the Committees on Government Operations and Ways and Means.

2356. A letter from the Comptroller General of the United States, transmitting a report on funding of State and local government pension plans (HRD-79-66, August 30, 1979); jointly, to the Committees on Government Operations, Ways and Means, and Education and Labor.

2357. A letter from the Comptroller General of the United States, transmitting a report reviewing the Social Security student benefit program (HRD-79-108, August 30, 1979); jointly, to the Committees on Government Operations, Ways and Means, and Education and Labor.

2358. A letter from the Secretary of the Interior, transmitting a consolidated report covering calendar year 1978 on the public disclosure of certain financial interests by officers and employees of the Department of the Interior performing functions under the Energy Policy and Conservation Act, the Mining in the Parks Act, the Federal Land Policy and Management Act of 1976, and the Outer Continental Shelf Land Act Amendments of 1978, pursuant to sections 522(b)(2), 13(b)(2), 313(b)(2), and 605(b)(2) of the respective acts; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

2359. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 16th report on abnormal occurrences at licensed nuclear facilities, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted August 17, 1979]

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2759. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; with amendment (Rept. No. 96-411, pt. 2. Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House August 2, 1979, the following conference report was filed on August 3, 1979]

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 2774; with amendment (Rept. No. 96-412). Ordered to be printed.

[Submitted Aug. 8, 1979]

Mr. BROOKS: Committee on Government Operations. Report on Emergency Planning Around U.S. Nuclear Powerplants: Nuclear Regulatory Commission Oversight (Rept. No. 96-413). Referred to the Committee of the Whole House on the state of the Union.

[Pursuant to the order of the House on July 31, 1979, the following report was filed on Aug. 31, 1979]

Mr. ULLMAN: Committee on Ways and Means. H.R. 3712. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax; with amendment (Rept. No. 96-414). Referred to the Committee of the Whole House on the State of the Union.

[Submitted Sept. 5, 1979]

Mr. PRICE: Committee on Armed Services. Report on allocation of budget authority and outlays by major program and legislation savings in the fiscal year 1980 budget resolution; (Rept. No. 96-415). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 740. A bill to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands (Rept. No. 96-416). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. House Joint Resolution 383. Joint resolution to validate the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to Indian tribes or groups (Rept. No. 96-417). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on S. 230 (Rept. No. 96-419). Ordered to be printed.

Mr. STAGGERS: Committee of conference. Conference report on S. 544 (Rept. No. 96-420). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 920. A bill to authorize the Secretary of the Interior to convey certain lands in Placer County, Calif., to Mrs. Edna C. Marshall, and for other purposes (Rept. No. 96-418). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5163. A bill to authorize the sale to certain foreign nations of certain excess naval vessels; to the Committee on Armed Services.

By Mr. BIAGGI:

H.R. 5164. A bill to amend certain inspection and manning laws applicable to small vessels carrying passengers or freight for hire, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLINS of Texas:

H.R. 5165. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

By Mr. ERDAHL (for himself and Mr. Lent:)

H.R. 5166. A bill specifying the period within which contributions, equivalent to social security taxes, should be made by States having in effect agreements for social security coverage of State and local employees under section 218 of the Social Security Act; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 5167. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to provide additional information and protections with respect to joint and survivor annuities under qualified pension, profit-sharing, and stock bonus plans; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. NICHOLS:

H.R. 5168. A bill to extend certain expiring provisions of law relating to personnel management of the Armed Forces; to the Committee on Armed Services.

By Mr. OTTINGER (for himself and Mr. Fish):

H.R. 5169. A bill to amend the Department of Energy Organization Act in order to insure that solar energy, renewable resources, and energy conservation receive the highest national priority; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. PEPPER:

H.R. 5170. A bill to amend title XIX of the Social Security Act to extend the period of funding of State medicaid fraud control units; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 5171. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 5172. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 5173. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. RODINO:

H.R. 5174. A bill to amend section 209 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 5175. A bill to prohibit for 3 years the conversion of residential rental units to units in condominiums or cooperatives; to establish a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions; to provide relocation assistance to low- and moderate-income persons occupying rental units which are converted to condominium or cooperative units; to deny community development block grants to communities which contribute to the shortage of housing for low- and moderate-income persons by permitting condominium and cooperative conversions without appropriate restrictions; and to amend the Internal Revenue Code of 1954 to treat gain from such conversions as ordinary income, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mrs. SCHROEDER:

H.R. 5176. A bill to establish an independent personnel system for employees of the General Accounting Office; to the Committee on Post Office and Civil Service.

By Mr. TAUKE:

H.R. 5177. A bill to amend the Emergency Petroleum Allocation Act of 1973 to establish a standby national set-aside program to provide middle distillates to meet shortages in agricultural production and agricultural transportation requirements; to the Committee on Interstate and Foreign Commerce.

H.R. 5178. A bill to amend title XVI of the Social Security Act to provide that interest on savings accounts (and other amounts similarly paid on deposits in financial institutions), if less than $60 in a calendar quarter, shall be excluded in determining an individuals' income for eligibility and benefit purposes under the SSI program; to the Committee on Ways and Means.

By Mr. TREEN (for himself and Mr. Studds):

H.R. 5179. A bill to amend title IV of the Outer Continental Shelf Lands Act Amendments of 1978 with respect to the fishermen's contingency fund; to the Committee on Merchant Marine and Fisheries.

Mr. UDALL:

H.R. 5180. A bill to restore a deductible status expenses incurred attending conventions in Mexico and Canada; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 5181. A bill to provide that savings banks shall not be considered to be State banks for purposes of determining whether a national bank may establish and operate any branch; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNES:

H.R. 5182. A bill to amend the Chesapeake and Ohio Canal Development Act to change the termination date of the Chesapeake and Ohio Canal National Historical Park Commission from the date 10 years after the effective date of such act to the date 20 years after such effective date; to the Committee on Interior and Insular Affairs.

By Mr. BOWEN:

H.R. 5183. A bill to amend the copyright law to provide that certain performances and displays of profitmaking educational institutions are not infringements of the exclusive rights of copyright owners; to the Committee on the Judiciary.

By Mr. BOWEN (for himself, Mr. Buchanan, Mr. Gudger, Mr. Harris, and Mr. Montgomery):

H.R. 5184. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 5185. A bill to amend the Internal Revenue Code of 1954 to increase the amount of certain employees' death benefits which may be excluded from gross income; to the Committee on Ways and Means.

H.R. 5186. A bill to establish an energy development and demonstration corporation, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. UDALL (for himself and Mr. Santini):

H.R. 5187. A bill to establish a forgivable loan program for geothermal reservoir confirmation, to amend existing geothermal leasing and permitting laws, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Science and Technology.

By Mr. FOWLER:

H.J. Res. 389. Joint resolution designating the month of September 1980, as "National Rehabilitaion Month"; to the Committee on Post Office and Civil Service.

By Mr. LOWRY (for himself and Mr. Green):

H.J. Res. 390. Joint resolution to authorize and request the President to issue a proclamation designating Sunday, September 30, 1979 as "National Good Neighbor Day"; to the Committee on Post Office and Civil Service.

By Mr. WALKER:

H. Res. 400. Resolution expressing the sense of the House of Representatives that the President, in the interests of national security, should immediately communicate to the Government of the Soviet Union our insistence that it remove its military troops from Cuba and, until such time as the Soviet military presence is ended, that all proceedings with regard to the ratification of the proposed Strategic Arms Limitation Treaty be suspended; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LENT:

H.R. 5188. A bill for the relief of Ana Maria Escandell; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 5189. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.R. 5190. A bill for the relief of Jacobo Cosio-Franco; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

276. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to emigration of Russian Christians; to the Committee on Foreign Affairs.

277. Also, memorial of the Legislature of the State of Texas, relative to urging the Federal Republic of Germany to abolish or extend the statute of limitations relating to Nazi war crimes; to the Committee on Foreign Affairs.

278. Also, memorial of the Legislature of the State of California, relative to Federal reclamation law; to the Committee on Interior and Insular Affairs.

279. Also, memorial of the Legislature of the State of Montana, relative to further designations of wilderness areas; to the Committee on Interior and Insular Affairs.

280. Also, memorial of the Legislature of the State of Montana, relative to Federal payments to the States based upon the

amount of Indian lands within the boundary of such locality; to the Committee on Interior and Insular Affairs.

281. Also, memorial of the House of Representatives of the State of Washington, relative to the proposed Yakima River Basin water enhancement project; to the Committee on Interior and Insular Affairs.

282. Also, memorial of the Legislature of the territory of Guam, relative to the Omnibus territories bill of 1979; to the Committee on Interior and Insular Affairs.

283. Also, memorial of the Legislature of the territory of Guam, relative to proposed nuclear waste storage on Guam; to the Committee on Interior and Insular Affairs.

284. Also, memorial to the Senate of the Commonwealth of Massachusetts, relative to reform of psychotropic drug usage on the mentally retarded; to the Committee on Interstate and Foreign Commerce.

285. Also, memorial to the Senate of the Commonwealth of Massachusetts, relative to assuring adequate supplies of home heating oil to Massachusetts; to the Committee on Interstate and Foreign Commerce.

286. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to requiring the television broadcast industry to caption news programing and emergency announcements; to the Committee on Interstate and Foreign Commerce.

287. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to a comprehensive heating oil allocation program; to the Committee on Interstate and Foreign Commerce.

288. Also, memorial of the Legislature of the State of Montana, relative to continuation of the rail service provided by the Milwaukee Road; to the Committee on Interstate and Foreign Commerce.

289. Also, memorial of the House of Representatives of the State of Washington, relative to continued use of the Olympia postmark; to the Committee on Post Office and Civil Service.

290. Also, memorial of the Legislature of the territory of Guam, relative to providing honorable discharges from the Armed Forces of the United States for members of the Guam Combat Patrol and the Guam Civilian Scouts; to the Committee on Veterans' Affairs.

291. Also, memorial of the Legislature of the State of California, relative to taxation of savings account interest; to the Committee on Ways and Means.

292. Also, memorial of the Legislature of the State of Texas, relative to Federal inheritance taxes; to the Committee on Ways and Means.

293. Also, memorial of the Legislature of the State of Montana, relative to the Pacific Northwest Electric Power Planning and Conservation Act; jointly, to the Committee on Interior and Insular Affairs and Interstate and Foreign Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 605: Mr. Murphy of New York, Mr. Whitley, Mr. Nelson, Mr. Mica, Mr. Pritchard, and Mr. Sabo.

H.R. 1071: Mr. Petri.

H.R. 1102: Mr. Railsback.

H.R. 1576: Mr. Frenzel, Mr. Hightower, Mr. Stenholm, Mr. Slack, Mr. Spence, Mr. Hance, and Mr. Leach of Louisiana.

H.R. 1577: Mr. Frenzel, Mr. Hightower, Mr. Stenholm, Mr. Slack, Mr. Spence, Mr. Markey, Mr. Hance, and Mr. Leach of Louisiana.

H.R. 1578: Mr. Frenzel, Mr. Hightower, Mr. Stenholm, Mr. Slack, Mr. Spence, Mr. Hance, Mr. Leach, of Louisiana.

H.R. 1911: Mr. Corrada, Mr. Neal, Mr. Mitchell of Maryland, Mr. Drinan, Mr. Addabbo, Mr. Richmond, Mr. Rangel, Mr. Goodling, Mr. Gudger, Ms. Ferraro, Mr. Hollenbeck, Mr. Pepper, and Mr. Stack.

H.R. 1912: Mr. Addabbo, Mr. Rosenthal, Mr. Conyers, Mr. Edwards of California, Mr. Drinan, Mr. Evans of Georgia, Mr. Vento, Mr. Downey, Mr. LaFalce, Mr. Weaver, Mr. Ottinger, Mr. Wolpe, Mr. Heftel, Mr. McHugh, Mr. Kildee, Mr. Hughes, Mr. Neal, Mr. Dornan, Mr. Dougherty, Mr. Bonior of Michigan, Mr. Scheuer, Mr. Richmond, Mr. Zeferetti, Mr. Rangel, Mr. Mitchell of Maryland, Mr. Markey, Mr. Kemp, Mr. Gilman, Mr. Nolan, and Mr. Harkin.

H.R. 1971: Mr. Albosta, Mr. Bedell, Mr. Downey, Mr. Ertel, Mr. Fithian, Mr. Gilman, Mr. Hughes, Mr. Ichord, Mr. Mineta, Mr. Panetta, Mr. Richmond, and Mr. Weaver.

H.R. 2272: Mr. Heftel.

H.R. 2411: Mr. Evans of the Virgin Islands.

H.R. 2777: Mr. Coughlin and Mr. Stokes.

H.R. 3105: Mr. Robinson and Mr. Campbell.

H.R. 3106: Mr. Gramm.

H.R. 3251: Mr. Brown of Ohio.

H.R. 3345: Mr. Leland, Mrs. Fenwick, and Mr. Solarz.

H.R. 3567: Mr. Livingston, Mr. Donnelly, Mr. Edwards of Oklahoma, Mr. Carter, Mr. Beard of Rhode Island, Mr. Studds, Mr. Pritchard, Mr. Burlison, Mr. Udall, Mr. Corrada, Mr. Simon, Mr. Satterfield, Mr. Oberstar, Mrs. Snowe, Mr. Luken, Mr. Lewis, and Mr. Brown of Ohio.

H.R. 3584: Mr. Hance.

H.R. 3676: Mr. Tauke.

H.R. 3677: Mr. Pickle.

H.R. 3697: Mr. Brodhead, Mr. Rosenthal, Mr. Oberstar, Mr. Pritchard, Mr. Cotter, Mr. Markey, Mr. Erdahl, Ms. Ferraro, Mr. Mitchell of New York, Mr. Thompson, Mr. Yatron, Mr. Patten, Mr. Stokes, Mr. Dougherty, Mrs. Schroeder, Mr. Marks, Mr. Wirth, Mrs. Snowe, Mr. Kildee, Ms. Mikulski, and Mr. Kemp.

H.R. 3729: Mr. Tauke.

H.R. 3852: Mr. Evans of the Virgin Islands.

H.R. 4105: Mr. Hamilton.

H.R. 4211: Mr. Gudger.

H.R. 4309: Mr. Lederer.

H.R. 4310: Mr. Stack, Mr. Bonker, Mr. Bauman, Mr. Akaka, Mr. Lent, Mr. Young of Alaska, Ms. Mikulski, Mr. Bowen, Mr. Bafalis, and Mr. Bonior of Michigan.

H.R. 4313: Mr. Albosta.

H.R. 4363: Mr. Rousselot.

H.R. 4442: Mr. Fish.

H.R. 4504: Mr. Patterson, Mr. Gray, Mr. Gephardt, Mr. Glickman, and Mr. Tauke.

H.R. 4526: Mr. Whitehurst, Mr. Mineta, Mr. Pepper, Mr. Hughes, Mr. Panetta, Mr. LaFalce, Mr. Flood, Mr. Barnes, Mr. Preyer, Mr. Erdahl, Mr. Lagomarsino, Mr. Coelho, Mr. Barnard, Mr. Vento, Mr. Guarini, Mr. Tauke, Mr. Wirth, and Mr. Gudger.

H.R. 4531: Mr. Hollenbeck, Mr. Richmond, Mr. Addabbo, Mr. Lehman, Mr. Leach of Louisiana, Mr. Harkin, Mr. Corman, and Mr. Bedell.

H.R. 4567: Mr. Murphy of Illinois.

H.R. 4648: Mr. D'Amours, Mr. Dixon, Ms. Ferraro, Mr. Gephardt, Mr. Gray, and Mr. Nolan.

H.R. 4656: Mr. Abdnor, Mr. Archer, Mr. Bafalis, Mr. Barnard, Mr. Beard of Tennessee, Mr. Bethune, Mr. Broyhill, Mr. Butler, Mr. Campbell, Mr. Philip M. Crane, Mr. Collins of Texas, Mr. Robert W. Daniel Jr., Mr. Dannemeyer, Mr. Dickinson, Mr. Hammerschmidt, Mr. Jeffries, Mr. Kramer, Mr. Kelly, Mr. Leath of Texas, Mr. Loeffler, Mr. Marriott, Mr. McDonald, Mr. Montgomery, Mr. Quillen, Mr. Robinson, Mr. Rousselot, Mr. Rudd, Mr. Satterfield, Mr. Sebelius, Mr. Spence, Mr. Stump, Mr. Symms, Mr. Trible, Mr. Whitehurst, Mr. Whittaker, Mr. Winn, Mr. Young of Florida, Mrs. Holt, Mr. Buchanan, and Mr. Hinson.

H.R. 5050: Mr. Conte and Mr. Rinaldo.

H.J. Res. 275: Mr. Shelby, Mr. Gore, Mr Ratchford, Mr. Moorhead of Pennsylvania, Mr. Bereuter, and Mr. Bethune.

H.J. Res. 336: Mr. Anthony, Mr. Bauman, Mr. Brinkley, Mr. Brown of Ohio, Mrs. Byron, Mr. Findley, Mr. Gilman, Mr. Green, Mr. Guarini, Mr. Gudger, Mr. Horton, Mr. Howard, Mr. Jenkins, Mr. Kogovsek, Mr. Lent, Mr. Lewis, Mr. Lowry, Mr. Madigan, Mr. McCloskey, Mr. Moorhead of Pennsylvania, Mr. Nichols, Mr. Pepper, Mr. Quillen, Mr. Railsback, Mr. Roe, Mr. Santini, Mr. Satterfield, Mr. Sawyer, Mr. Simon, Mr. Slack, Mr. Staggers, Mr. Stenholm, Mr. Stockman, Mr. Taylor, Mr. Walgren, Mr. Williams, of Ohio, Mr. Charles Wilson of Texas, Mr. Young of Alaska, Mr. Zablocki, Mr. Steed, Mr. Bennett, Mr. Blanchard, Mr. Broyhill, Mr. Fowler, Mr. Fuqua, Mr. Hefner, Mr. Ireland, Mr. Jones of North Carolina, Mr. Ritter, Mr. Rose, and Mr. Young of Florida.

H.J. Res. 338: Mr. Patten and Mr. Kastenmeier.

H. Con. Res. 121: Mr. Stokes.

H. Res. 302: Mr. Roe.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4760: Mr. Paul.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

184. By the SPEAKER: Petition of the mayor of Nea Smyrne, Greece, relative to Cyprus; to the Committee on Foreign Affairs.

185. Also, petition of the Western States Land Commissioners Association, Sacramento, Calif., relative to Western States land management and welfare; to the Committee on Interior and Insular Affairs.

186. Also, petition of Donald Orand, Steilacoom, Wash., relative to redress of grievances; to the Committee on the Judiciary.

187. Also, petition of John L. Quigley, Chelsea, Mass., relative to Federal grants for renovations of veterans' homes; to the Committee on Veterans' Affairs.

188. Also, petition of the First Michigan Congress on the Arts, Detroit, Mich., relative to Federal estate tax laws; to the Committee on Ways and Means.

189. Also, petition of the City Commission, Kilgore, Tex., relative to the proposed windfall profits tax bill; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

OMB/OPM REPORT CITES IMPORTANCE OF PRODUCTIVITY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, a draft report to the National Productivity Council entitled "Federal Actions to Support State and Local Government Productivity Improvement" has recently been issued. This August 1979 report resulted from the efforts of a study team cochaired by the Office of Management and Budget and the Office of Personnel Management.

I am happy to note that one of the five recommendations made closely corresponds with legislation I introduced on March 8, the Intergovernmental Productivity Improvement Act of 1979—H.R. 2735 and S. 1155, introduced May 15 by Senator CHARLES PERCY.

Our legislation would amend the Intergovernmental Personnel Act of 1970 by authorizing this program to make grants in the area of productivity improvement. This expansion of authority would improve the way in which Federal grants are utilized in conjunction with State and local governments by emphasizing efforts which improve productivity. Productivity improvement offers a real opportunity for maintaining or increasing the level of services without necessarily increasing taxes.

The draft report also recognizes the importance of the Federal grant-in-aid system and states:

> * * * the mechanics of the grant-in-aid system itself have a negative effect on State and local productivity.

The report concludes that these two needs—improving the grants system and rationalizing existing and future productivity support activities—should receive priority attention.

Recognizing the importance of the grant-in-aid system, especially in terms of productivity, I joined Congressman LES AUCOIN in introducing H.R. 4504 on June 18. Companion legislation, S. 878, was introduced on April 4 by Senator WILLIAM ROTH. This legislation, the Federal Assistance Paperwork and Regulation Reduction Act, would streamline and simplify Federal grant programs.

For the benefit of my colleagues, I include in the RECORD at this point the Executive Summary of the August 1979 draft report to the National Productivity Council entitled "Federal Actions to Support State and Local Government Productivity Improvement":

EXECUTIVE SUMMARY: THE FEDERAL INTEREST IN STATE AND LOCAL GOVERNMENT PRODUCTIVITY

State and local governments play a vital role in accomplishing specific national objectives and carrying out federally-mandated programs. The Federal Government helps finance these activities through grants-in-aid and loans. Grant-in-aid outlays to State and local governments in 1978 were $77.9 billion, and will rise to an estimated $82.1 billion in 1979.

It is incumbent on the Federal Government to see that these dollars are spent wisely, and that future requirements reflect the efficient and effective use of Federal tax dollars by State and local governments. There are many ways that the Federal Government can and does try to achieve this goal. This report addresses one of these ways—encouraging and supporting State and local productivity improvement so that they can make the best possible use of the available resources.

Although there have been a number of recent studies on State and local government productivity improvement, there is no consensus on the actions that the Federal Government should take to support these efforts. In order to address this issue, the National productivity Council, which serves as the focal point for Executive Branch efforts to improve private and public sector productivity, requested that a study be conducted. The objective of the study was to identify those actions that the Federal Government can and should take to support State and local government productivity improvement.

FEDERAL ACTIONS TO SUPPORT STATE AND LOCAL GOVERNMENT PRODUCTIVITY IMPROVEMENT

In examining those actions that the Federal Government can and should take to encourage and support State and local government productivity improvement, we have reached two principal conclusions. First, and somewhat ironically, the mechanics of the grant-in-aid system itself have a negative effect on State and local productivity. Improvements to the grants system are a basic element of Federal support of State and local government productivity improvement. Secondly, there currently are a number of Federal programs and projects that encourage and support State and local productivity improvement. They do not, however, constitute a rationalized or planned approach.

These two needs—improving the grants system and rationalizing existing and future productivity support activities—should receive priority attention. Beyond these comprehensive needs, there are three specific efforts that merit more attention by the Federal Government:

Increasing the capacity of State and local management to identify and implement productivity improvements;

Finding solutions to State and local service delivery problems through research and development of improved methods and technologies; and

Providing information and assistance on improved methods and technologies to help State and local governments effect productivity improvements.

THE FEDERAL GRANTS SYSTEM

One of the major ways that the Federal Government affects State and local government productivity is through the grants system itself. The impact is primarily negative because of the delays and additional costs caused by the myriad of regulations and excessive "red tape." In addition, most major Federal grant programs do not reward grantees for productivity performance either in distribution of funds or evaluation of grantee use of funds. Further, State and local governments have little incentive on their own to be concerned about productivity in using Federal grant funds.

There is a major Executive Branch effort currently under way to simplify and improve the Federal grants system. Major components of this effort include:

The Federal Grants and Cooperative Agreement Act of 1977, which requires a comprehensive review of Federal assistance management practices, and proposals for reforming the Federal assistance system.

The Eligibility Simplification Project, which is a comprehensive review of major public assistance programs to find ways of simplifying the complex and burdensome process of determining eligibility for these programs.

Planning Requirements Reform, an effort to simplify and consolidate the numerous planning requirements associated with Federal grants to insure consistency among different agencies and programs and to lessen the burden on State and local government recipients.

Compliance with OMB Circular A-95, which is an effort to assure that major grant-making agencies follow prescribed procedures for evaluation, review, and coordination of federally assisted programs, and to clarify the role of State and local areawide clearinghouses in reviewing the impact of major Federal programs on local plans and programs.

In contrast, very little work has been done on the development of productivity incentives in the Federal grants system. This is a very complex issue that was considered beyond the scope of this study.

RATIONALIZATION OF FEDERAL PRODUCTIVITY SUPPORT ACTIVITIES

Although a complete inventory of Federal activities supporting State and local government productivity improvement does not currently exist, many examples have been identified. Some are highly visible programs specifically intended to support productivity improvement efforts; many others are projects or activities that are part of other agency programs, and are often not specifically identified with productivity improvement. To a large degree more effective Federal support can be achieved by rationalizing and planning this support, hopefully precludng the need for additional resource investment. There needs to be an organizational and procedural framework in which this rationalizaton and future program development takes place. The first step in establishing this framework is the designation of a lead Federal agency.

Recommendation: Designate OPM as Lead Agency. The Office of Personnel Management should be designated as the lead Federal agency for State and local government productivity improvement. Two positions and $100 thousand should be allocated for this purpose.

As lead agency, OPM should work with other Federal agencies, State and local governments, and other interested groups to plan and develop a program for Federal support of State and local government productivity improvement. OMB now has under way an effort to inventory current Executive Branch activities that support productivity improvement in the private and public sectors. The results of this survey should be used by OPM to identify "gaps" in support for State and local governments, duplicative efforts, and opportunities for agency cooperation.

BUILDING STATE AND LOCAL MANAGEMENT CAPACITY

A key factor in State and local government productivity improvement efforts is the capacity of management to identify productivity problems and to develop and implement solutions. This requires basic capability in a broad spectrum of management activities, including planning and evaluation, goal and priority setting, resource allocation, and the management systems that support these activities—personnel administration, budgeting, financial management, and information systems.

There are few Federal programs specifically designed to improve the capacity of State and local governments in these areas. The assistance programs that are available include: (1) the Intergovernmental Personnel Act, a $20 million grant program that finances improvements in personnel management systems; (2) the Department of Housing and Urban Development's "701" program, a comprehensive planning assistance program; (3) HUD's Governmental Capacity Strengthening Program, which focuses on improving financial practices; (4) the National Science Foundation's Intergovernmental Program, which focuses on the use of scientific and technical information in management activities; and (5) the Department of Labor's Public Employee Labor Relations Program.

These programs do not represent a comprehensive program effort. More effective Federal support would involve expanding support to other management activities. The most often mentioned method is to amend the Intergovernmental Personnel Act to authorize grants and cooperative agreements in other management areas (information systems, program evaluation, etc.). There also have been suggestions that the focus of the IPA program be redirected—at least partially—from a "seed money" program that supports improvements in individual jurisdictions to a program that emphasizes the development and testing of management systems and techniques that can be adopted or adapted by a large number of jurisdictions.

Recommendation: Change Nature of IPA Program. The Intergovernmental Personnel Act should be amended to authorize grants and cooperative agreements in any management area. Award criteria should be revised to give more emphasis to the development and testing of management systems and techniques.

Closely associated with management capacity is the area of productivity measurement. Productivity data help managers to identify problems and opportunities and measure the results of improvement efforts. Various studies have estimated the percentage of jurisdictions with productivity measurement programs to be from 10 percent to over 50 percent. This relatively limited use of productivity measurement is partly due to the lack of measurement techniques for some areas, and to the lack of information on quality and effectiveness of service.

Although several Federal agencies support State and local productivity measurement in specific program areas, the Federal Government does not have any major or comprehensive program to support productivity measurement efforts in State and local governments. The range of possible Federal initiatives to fill this void includes research on measurement techniques for State and local activities not currently measured, the development of statistics comparing the productivity of various jurisdictions, and the development of an overall State and local productivity index. These latter two efforts would be very expensive to implement.

Recommendation: Continue Limited Federal Support of Productivity Measurement. The costs and relative benefits of a Federal effort in this area compared to other forms of Federal support do not warrant a major Federal investment at this time. More analyses of the conceptual problems and approaches should be made. In the meantime, Federal agencies should be encouraged to continue their individual efforts to support State and local government productivity measurement and, where possible within their own budget priorities, expand such efforts.

IMPROVED METHODS AND TECHNOLOGIES

The performance of State and local governments can be improved through the development and application of improved methods and technologies to service delivery problems. A number of Federal agencies currently are involved in the identification of State and local service delivery problems, research and development on possible solutions, and dissemination of research findings. Most of this effort is carried out by the mission agencies within their own program operations. There are, however, a few cross-cutting or comprehensive efforts. The Intergovernmental Science, Engineering, and Technology Advisory Panel (ISETAP), in the Office of Science and Technology Policy, initiated a process this year to rank State and local research needs in priority order. In the information dissemination area, the National Science Foundation funds several information sharing networks, including the Urban Consortium. There remains, however, a need to: (1) establish the needs assessment processes on a more permanent basis; (2) test and evaluate promising technologies; and (3) improve information sharing.

Recommendation: Assign OSTP Lead Responsibility for Research Needs Assessment. The Office of Science and Technology Policy, through ISETAP, should take the lead in identifying the research needs of State and local governments. An additional two positions and $100 thousand should be dedicated to this activity.

Recommendation: OPM, Working with OSTP, Should Encourage Needed Research. The Office of Personnel Management, in its role as lead agency, should work with OSTP to encourage Federal agencies to undertake research that supports State and local government needs, particularly "breakthrough" technology that could lead to major improvements in productivity.

Improved information sharing is discussed in the next section.

INFORMATION SHARING

Although over one hundred and sixty government agencies and non-Federal groups provide productivity-related information and data to State and local governments, we have concluded there is a major gap between this information and that desired by State and local governments. To a large degree the current information is not provided in a timely manner, and does not satisfy the problem-solving needs of many State and local operations. Federal actions should focus on improving the usefulness of information from Federal programs, especially the results of research programs. Since State and local officials accord higher credibility and trust to non-Federal sources, non-Federal information networks should be utilized and supported wherever possible, especially where more cost-effective.

Recommendation: OPM Should Develop an Information Sharing Program. The Office of Personnel Management, as part of its lead agency responsibilities, should develop an information sharing program. Three positions and $400 thousand are recommended to support this activity.

RESOURCE REQUIREMENTS

Implementation of the study recommendations would involve five additional positions and $500 thousand for the Office of Personnel Management, and two positions and $100 thousand for the Office of Science and Technology Policy. We believe that the need for further resource increases can be precluded by the better utilization of resources currently devoted to productivity improvement, and by giving higher priority to State and local needs within existing program funding. Resource requests beyond those recommended in this report should be supported by fully documented cost-benefit analyses.●

TRIBUTE TO THELMA DALEY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FAUNTROY. Mr. Speaker, on behalf of the residents of Washington, D.C., I would like to take a moment to salute Mrs. Thelma Thomas Daley of Baltimore, Md., national president of Delta Sigma Theta Sorority, Inc., a predominantly black public service organization of approximately 95,000 college educated women. Mrs. Daley will be relinquishing her office in just a few days after a series of outstanding public service accomplishments both by herself and by Delta Sigma Theta.

In the years that I and other members of the Congressional Black Caucus have had the opportunity to work with Mrs. Daley and her sorority we became truly impressed at the commitment to service of the sorority under her dynamic leadership.

For more than half a century this sorority has undertaken an array of activities designed to carry out its commitment to public service in areas such as education, economic development, legislation, housing, arts and letters, et cetera. Annually, more than $500,000 is awarded to deserving students to assist them in attending colleges and universities. In 1978 alone, the national office provided assistance to 32 students totaling more than $16,000. Contributions to other groups—such as the United Negro College Fund, NAACP, YMCA, NCNW, Urban League, and numerous agencies and institutions at the local community level—total more than $750,000. Each year Delta Sigma Theta, Inc., makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program.

Mrs. Daley and Delta Sigma Theta, Inc., in addition to the above have just recently compiled an even more impressive list of contributions in the struggle for the preservation of human worth and dignity. Those significant contributions include: $134,000 grant from Department of Health, Education, and Welfare to develop a women's educational equity training and assessment program;

Establishment of four national "life development centers," designed to meet a variety of community needs related to its program goals of public service;

Establishment of the distinguished professor endowed chair to render perpetual support to black colleges;

Awarded in 1978 mini-grants to seven black colleges; and

Establishment of a resource center in science and engineering to increase the number of low-income minority group students with the assistance of a $2.76 million grant from the National Science Foundation.

In my city, the District of Columbia, Delta Sigma Theta, Inc. has been just as active. Here, the District of Columbia alumnae chapter was the recipient of a $5 million grant to provide housing for senior citizens and handicapped persons. And in furtherance of full human and civil rights for all Americans, the D.C. chapter, in cooperation with the national office, continues to assist in the efforts to impact on full voting representation for the District of Columbia and ERA.

I could go on and on about the accomplishments of Mrs. Daley and Delta Sigma Theta, Inc., but suffice it to say Mrs. Daley and her sorority are an integral part of the black community and the larger community, in general.

Mrs. Daley is presently employed by the Baltimore City Board of Education and she has just completed a 2-year loan to the Maryland Department of Education as a consultant in career education and as Federal project director.

Listed in Who's Who in black America and as one of the 100 most influential black women, Mrs. Daley's and the organization's awards are numerous.

We in the congressional Black Caucus and others who knew her intimately through her generous work will miss her greatly. As she leaves office we salute her for her leadership, courage and accomplishments as president of Delta Sigma Theta, Inc. Moreover, we rejoice and do not despair because Mrs. Daley's leadership will continue to blossom in the hands of a new president, buoyed by an enduring institution in our community—Delta Sigma Theta.●

JOHN B. BRECKINRIDGE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues in expressing deep sorrow on the death of the honorable John B. Breckinridge, late a U.S. Representative from Kentucky's Sixth Congressional District.

John's service in the public sector followed the distinguished heritage of his forefathers and added to its luster and accomplishment.

John Breckinridge's outstanding career in public life began in the Commonwealth of Kentucky where, after graduating from the University of Kentucky's Law School in 1939, he became special attorney for the Anti-Trust Division of the U.S. Department of Justice. He served the U.S. Army in World War II and attained the rank of colonel.

John Breckinridge was elected a member of the Kentucky House of Repesentatives in 1956 and served as attorney general of the Commonwealth of Kentucky for 8 years. He was elected to the U.S. House of Representatives in 1973 where he served with dignity and effectiveness through the end of the 95th Congress.

Concern for the betterment of his fellow man and woman, and a devotion to developing new legislative efforts to make America a better home for us all characterized John's service in the House. He worked diligently on behalf of his constituents of the Sixth District.

His service as chairman of the Executive Committee of Congressional Rural Caucus and his service on the Committee on Agriculture and the House Small Business Committee gave him the standing and the opportunity to help the people and the industries of his constituency.

John was not a celebrity Member of the House. But, he was a good man and a diligent, thoughtful Member of Congress.

The Kentucky congressional delegation has lost a friend. The House has lost an effective Member. The Commonwealth of Kentucky and the Nation has lost a patriotic citizen.

I extend condolences and sympathies to John's widow, Helen, and to all of his bereaved family.●

HON. WRIGHT PATMAN: A GREAT AMERICAN

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GONZALEZ. Mr. Speaker, one of the great privileges and happy moments I have had thus far in my life has been the opportunity to have gotten to know, serve with, and join in battle with one of—if not the—greatest Texans and Americans of this century. His birthday would have been celebrated on August 6, and I speak of Wright Patman, of Patman's Switch, as he was wont to say.

I do not use hyperbole when I describe him as great. I mean the word in its fullest sense.

Wright Patman died as the dean of the House, and was called from us while still vigorous and virile and mentally alert.

What strong and powerful opponents and banking and special interests had not succeeded in doing once every 2 even numbered years in the half century of his service, was finally accomplished by his Democratic Caucus peers. But he did not become soured and embittered. He chaired the subcommittee of his predilection and performed admirably until the very end.

Oh, that his voice were here to rail against the usurers and greedy who have managed to take over our Congress and country as he himself would say in quoting an old rhyme:

> He has no enemies, you say. My friend, the boast is poor. He who hath mingled in the fray of duty that the brave endure must have foes.
>
> If he has none, he has hit no traitor on the hip, has cast no cup from perjured lip. Has never turned the wrong to right. He's been a coward in the fight.

Chairman Patman, sire, sure wish you were here.●

MAJOR OIL COMPANIES SQUEEZE OUT INDEPENDENTS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, the oil crunch of recent months has taken a heavy toll on American consumers. It also has done considerable damage to small, independent domestic refiners, that number about 150 companies and account for 30 percent of domestic refining capacity, and to the businesses that purchase oil from them.

The independent refiners, who purchase most of their crude oil from the major oil companies, have been forced to cut back their refinery production because of cutbacks in supplies from the major companies. Despite Federal law that mandates the equalization of refinery utilization, small refineries have been operating at 70 to 75 percent, while the refineries of the majors have been operating at 85 to 90 percent rates.

The lack of crude oil available to the small refiners has led to a decline in their sales of gasoline and No. 2 fuel oil. Between December 1978 and March 1979 the major oil companies increased their sales of No. 2 fuel oil by 770 million gallons and of gasoline by 240 million gallons, while the independents saw a decrease of 461 million gallons in sales of No. 2 oil and 88 million gallons in gasoline. The net effect was to boost the major oil companies' market power at the expense of the independents.

The Oil Imports Act of 1979 (H.R. 3604), which Representatives BENJAMIN ROSENTHAL, CHARLES ROSE, and myself, along with 52 other Members, have sponsored provides a remedy for the independents and the industrial firms that depend on them. The legislation would create a Federal nonprofit corporation to purchase all the foreign oil brought into the United States. The corporation would resell the oil it buys to all qualified purchasers in ways that spur competition among domestic marketers, insure equitable distribution in times of shortage, and that maximizes domestic refining capacity. Among its other purposes, the legislation recognizes the national interest of maintaining an independent sector within the American oil industry and lessening its dependence on the majors.

The July 9, 1979, issue of Energy User News spells out the difficulties the independent refiners have been experiencing in recent months. I commend to my colleagues the following article, "Small Refiners Cut Supply 50 percent." I am hopeful they will share with me the urgent sense of transforming the existing oil import and distribution system.

The article follows:

SMALL REFINERS CUT SUPPLY 50 PERCENT

(By Paul Vidich)

NEW YORK.—Independent oil refiners, hard-pressed for crude oil, are being forced to impose deeper than industry-average cuts in fuel oil and gasoline sales to their commercial and industrial customers.

While the major oil companies, such as Exxon and Mobil, have been allocating their fuel oil and gasoline supplies at 70 to 90 percent for the last three months, the allocations imposed by the independent refiners are falling in the range of 50 to 80 percent.

Truck and car fleets of commercial and industrial firms served by the independent refiners are in turn being hard-pressed for supplies.

The woes of the independent refiners, who number approximately 150 companies and contribute 30 percent of the nation's refining capacity, are in part attributable to the major oil companies, a survey of independent refiners, petroleum industry consultants, trade organizations and just published Energy Department data reveals.

The evidence suggests that while the major oil companies saw significant improvements in their imports of crude oil in the first four months of 1979—Shell, for example, was up 46.1 percent over the same period of the previous year—the major oil firms also cut back or eliminated deliveries of crude oil to small refiners.

Small refiners have been unable to deliver less fuel as a result. For example, while the top 15 U.S. refiners saw their sale of No. 2 fuel oil increase by 770 million gallons from December 1978 to March 1979, over the same period in the previous year, sales by the rest of the refining industry declined by 461 million gallons.

The major oil companies have publicly defended their behavior by explaining that the shutdown of the Iranian oil fields created a world shortage, and they could not supply all their customers.

The story, as it has been pieced together over two months, follows:

Within 30 to 40 days after Iran ceased exporting crude oil on last Dec. 27, all but one of the major oil companies announced cutbacks in crude deliveries to third parties—a category into which independent refiners in this country fall.

Exxon cut back third parties 10 percent; Texaco a week later cut back 8 percent; British Petroleum 45 percent and Gulf 20 percent of its Middle Eastern crude. Shell's cutbacks varied from customer and only Mobil Oil announced no cutbacks.

Among those cut back were Delta Refining, which had been supplied by British Petroleum; National Cooperative Refinery Assoc., whose 59,400 barrel per day (B/D) refinery in McPherson, Kan., had obtained 40 to 50 percent of its crude from two international majors, and Powerine, a 44,120 b/d refinery in Santa Fe Springs, Calif., which had obtained 25 to 30 percent of its crude through an international oil firm. Powerine in May and June has been on a 50 percent allocation fraction.

At the same time that the major oil companies announced "force majeure" (inability to fulfill agreements) on their contracts to supply crude to the small refiners, the major oil firms' imports of crude into the U.S. rose significantly, and continued to do so for the first four months of 1978. That is the latest period for which information is available.

HIGHER IMPORTS

Information collected by the Department of Energy, but not publicly distributed by the agency, reveals that the major oil firms' imports of crude during the first four months of 1979 were higher than the same period of 1978 by the following amounts: Exxon up 12.8 percent; Mobil up 14.1 percent; Chevron up 12 percent; Gulf up 29.7 percent; Shell up 46.1 percent. Only Texaco was down, falling 1.4 percent.

These figures are for Petroleum Administration Districts I–IV, which essentially is the continental U.S. East of the Rockies. This distinction is meaningful because the West Coast started to receive crude from the Alaskan North Slope in 1978.

Comparison to the first four months of 1977, which might be considered a more normal year because of the historically high level of crude stocks during the beginning of 1978, indicates that the major's crude imports were still up substantially. Exxon up 30 percent; Chevron up 3.3 percent; Gulf up 6.8 percent; Mobil up 1.0 percent; Shell up 2.0 percent and Texaco up 0.7 percent.

Total crude imports for the U.S. fell, 6.7 percent when the first third of 1977 is compared to 1979, so the result has been that the majors substantially increased their share of total imports.

While small refiners have in some cases been able to make up for the lost foreign crude through a Department of Energy program—known as the buy-sell program—which forces a major to supply crude to a small refiner, the program does not include all small refiners. Powerine, for example, can not participate because it has access to a port terminal into which foreign crude can be brought, says Andy Pfass, of Powerine.

The problem suffered by United Refining in Pennsylvania, says William M. Petre, corporate secretary, is that shipment of crude under the DOE buy-sell program is often late. For a period in June Uniteds 48,000 b/d refinery was operating at 18,000 b/d. That meant that United customers in northwest Pennsylvania and western New York would not get 900,000 gallons per day of gasoline, No. 2 fuel oil and diesel fuel.

Despite the efforts of the DOE's buy-sell program to distribute crude supplies so that all refiners have the same refinery utilization rate—as the DOE is mandated to do under the terms of the Emergency Petroleum Allocation Act of 1973—small refiners are operating their refineries at 70 to 75 percent says a spokesman for the Washington-based American Petroleum Refiners Association, a group of independents.

The majors, on the other hand, have publicly stated they have been operating their refineries at approximately 85 percent for the past few months. In July, Texaco announced its refinery utilization would rise to 91.7 percent.

The lack of crude, and the resulting lower utilization of refinery capacity, has severely restricted the small and independent refiner's ability to supply gasoline and No. 2 oil to their customers.

From December 1978 to March 1979 U.S. refiners other than the top 15, saw their sales of No. 2 fuel oil decline by 461 million gallons from the same period in the previous year. In the same period, the sales of No. 2 fuel oil by the top 15 refiners increased 770 million gallons, reports the Energy Information Administration, an arm of the Energy Department.

The share of the total No. 2 fuel oil market controlled by the top 15 firms rose from 68.9 in December 1978 to 71.7 in March 1979.

The share of the national gasoline market controlled by the firms other than the top 15 refiners, also declined. It went from 30.4 percent in December to 27.8 percent. In March 1979, the small and independent refiners actually supplied 88 million gallons of gasoline less than they did in March 1978. However, the top 15 refiners supplied 240 million gallons more.

While it is dangerous to place too much emphasis on four months of data, it does appear that the major oil companies have weathered the oil crisis considerably better than the small and independent refiners.

Assessing the woes of the small refiners, Robert Kane of the American Petroleum Refiners Association said:

"I'm sure you'll find many of those guys very willing to sell their facilities right now." ●

TO SLOW THE ARMS RACE—NOT EXPAND IT

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BARNES. Mr. Speaker, as a freshman Member of this House, I did not have the opportunity to serve here with Representative Charles W. Whalen, Jr., who served his Ohio district as a Republican Member of Congress for six distinguished terms. He was a leading and respected member of the Foreign Affairs Committee, and recognized as 1 of the 10 outstanding Members of the House in 1978.

I have, however, had the delightful opportunity of getting to know and to work with Chuck Whalen in two capacities during this past year. Most importantly, he remains a familiar figure in the Halls of Congress as president and chief executive of New Directions, the national citizens lobby for world security. And, not unimportantly, I am honored to have Chuck Whalen as a constituent, who is now a registered resident of my district in Montgomery County.

In his role as president of New Directions, which lists as the first of its fundamental goals "to reduce the threat of war and nuclear annihilation," the Honorable Charles W. Whalen, Jr., wrote the President of the United States to urge that the line be held against those who would "place their trust in military rather than arms control solutions."

Mr. Whalen's letter is a very thoughtful evaluation of the four factors which he contends belie the claims of many that the strategic balance has shifted and that the United States is now in danger from the Soviet Union.

Mr. Speaker, I urge my colleagues to consider the counsel of their former colleague, Charles Whalen, whose message to the President follows:

AUGUST 2, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We were pleased to learn of your assurance, given last week to out-of-town editors, that you would not seek sharply increased military spending "just to get" Senate votes for SALT II. We urge you to continue to hold the budgetary line against the pressures generated by Senator Nunn, former Secretary Kissinger and others who see a shift in the strategic balance and who seem to place their trust in military rather than arms control solutions.

The strategic balance has not shifted. Rather, what troubles some Americans is the fact that the United States has lost the monopoly on world power that it enjoyed after World War II. Today, we are still "Number One" in the world. But we live on a more complex planet, coexisting with power centers in the Soviet Union, Western Europe, China, Japan and the OPEC countries. While we no longer exercise overall strategic superiority over the Soviet Union, we still deploy a nuclear force so vast that there are approximately as many warheads on our submarines as there are in the entire Soviet arsenal.

Those who urge you to boost military spending above the very high levels projected for coming years assume that the Soviet Union is gradually becoming dominant on the world scene and that the United States has been standing still militarily. They ignore four factors: (1) U.S. strategic programs and strengths; (2) Soviet weaknesses; (3) the unlikelihood of translating nuclear arsenals into political advantage, and (4) the mounting difficulty of verifying some new weapons systems.

Let me comment briefly on each of these points.

1. In the past decade the United States has increased the number of its strategic warheads by 5,250, the Soviets by 3,590. As Dr. Kissinger once said when he worked in the government, it is warheads, not delivery vehicles, that kill people and destroy targets. Moreover, during the same period the United States upgraded its existing missiles by adding new guidance systems and more powerful warheads; hardened the Minuteman silos; developed the highly accurate air-launched cruise missile, which will virtually nullify the large Soviet air defense system; made major modifications in the B-52 bomber; and developed the Trident submarine and Trident I missile. We have not been standing still.

2. The Soviet Union is a military superpower but it has major economic and diplomatic weaknesses. The inefficient Russian economy requires its leadership to import grain and technology from the West. This dependence will increase as the growth rate of the Soviet economy dips below 1% in the mid-1980's, as estimated by the CIA. After six decades in power, the Soviet leadership has no big-power allies. It is surrounded by a hostile China and restive East European countries. The USSR has an ally in Vietnam and a number of client states. Some of the latter are strategically located; all are poor or impoverished.

3. Russia has been unable to use its nuclear weapons for political advantage, or even to prevent a number of developments that were inimical to Soviet power. Despite their 5,000 strategic warheads, the Soviets were unable to prevent Pope John Paul II from speaking in Poland, unable to prevent Hua Kuo-feng from visiting Eastern Europe, unable to require Romanian acceptance of a military budget increase voted by the Warsaw Pact, and unable to dissuade the Japanese from signing a peace treaty with China. In a world of two nuclear armed superpowers, there is no known way for one of them to use weapons of mass destruction for limited political gains. The one new use of military power by the USSR, the transport of Cubans to Africa, has been accomplished by conventional forces.

4. Your Administration is now struggling with methods for verifying the MX missile under the terms of SALT II. The difficulties obviously come from trying to monitor a weapon system which is specifically designed to be elusive. Yet, ground-launched cruise missiles—for which there is a growing clamor—would create, because of their small size, even more formidable problems of verification. In their pursuit of military solutions, many of those who seek to load SALT II with additional military programs ignore how difficult it could become in the 1980's and 1990's to achieve verifiable arms control.

We hope, Mr. President, that you will stand fast against the doomsayers, bring some of these arguments into the public debate, and help preserve the SALT process as a means of reducing arms.

Sincerely,

Charles W. Whalen, Jr.,
President.●

THE FUTILITY OF THE GAS ALLOCATION SYSTEM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GILMAN. Mr. Speaker, I want to draw to the attention of my colleagues what I consider to be the biggest culprit of our most recent energy crisis; the Federal gas allocation system.

The coincidence of two events in the early 1970's shook the historical economic foundations of the oil industry. First, the United States ceased to have a surplus of domestically produced oil and became a net importer of oil. Second, following the Arab oil embargo, the price of foreign produced oil quadrupled. These developments prompted Government intervention at all levels of petroleum pricing and supply, including new Federal controls over gasoline price and supply.

It was the Arab oil embargo that sparked the first congressional attempt to deal effectively with the oil industry's new disposition. Accordingly, Congress passed the Emergency Petroleum Allocation Act (EPAA) in November 1973, in an attempt to counter the petroleum product shortages and price gougings that were direct consequences of the Arab oil embargo. Congress was well aware that as a result of the oil shortage, the large oil corporations would act to protect their own interests first. Therefore the legislation maintained that a mandatory allocation program "be so structured as to prevent major oil companies from inequitably restructuring crude production for their own use or from favoring their directly owned outlets over independent marketers in the sale or distribution of refined petroleum products." The wording in this conference report make it quite clear that Congress was ready to fully accept its responsibilities to insure that the preservation of competition and equitable distribution of critically short supplies took place in the market.

In fact, Congress recognized that anticipated shortages of crude oil, home heating fuel, and gasoline would eventually "create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods * * *" 15 U.S.C. 751(a)(2).

In order to minimize the multi-adverse impacts of shortages and price gouging on the American public and the economy, Congress specifically directed the President to make an "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry * * * and among all users." 15 U.S.C. 753(b)(1)(F).

The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) was given the responsibility of carrying out this obligation. However, the regulations and allocations put forth by the ERA and DOE to do the job designated by Congress, have actually managed to cause more severe disruptions of gasoline supplies and even to encourage wasteful consumption of petroleum products. So although it is clear that the expressed national energy policy is to conserve energy resources while continuing to maintain the strength of the economy, it is not clear why the DOE has failed to carry out this mandate with regard to allocations of gas supplies.

Present policies make allocations solely a function of gas consumption, whether or not that consumption is consistent with the plan to conserve energy, and certainly irrespective of the effect that changes in supplies have on the economies of different areas. This has resulted in encouraging States to increase their gas consumption in order to obtain larger supplies of gas.

Although the long lines from the recent crisis at the pumps are fading away, it is obvious that the problem of allocation is still far from being solved. To fully understand how the DOE allocation regulations propelled a one State shortage into a national epidemic, let us examine how these regulations work. The fundamental principle underlying the allocation network is that every wholesale distributor of gasoline has an obligation to provide every business to which he sold gasoline during a certain period of time (the so-called base period) with the same of amount of gasoline each year thereafter. A simple example can illustrate this: If refinery A sold wholesale jobber B 1 million gallons during August of the base period year, then refinery A must sell 1 million gallons to jobber B in August 1979. Depending on the available supply of crude on the world market, if the refiner is unable to meet all of its obligations, it must add up the total of its obligations, figure out its ratio between obligations and supply on hand, and then provide each of its customers with the same proportion of their allotment. Therefore, if refiner A has 100 customers just like jobber B (1 million gallons per month per base period volume) but all of a sudden has only 95 million gallons available, it must sell each jobber 950,000 gallons, or 95 percent of their base period use.

It is obvious that this type of allocation system is riddled with inequities. The reason for this, of course, is that the base period is a false indicator of demand. New roads, changing weather conditions, different percentage of car sales and tourism, delayed planting or early planting by farmers, population shifts, even individual driving habits; all help change the volume of gasoline needed in any particular area at any given time.

The situation under this allocation system can only become worse, because the further the base period from the present period, the greater the discrepancy between supply and demand. Until January of this year, the DOE was using 1972 as the base period. This is ludicrous. The country has changed so drastically since then, I find it a miracle that we did not experience this crisis any sooner. The DOE, recognizing the chaos created by their faulty allocation system, moved to give it a shot-in-the-arm by updating the base period to 1978. Yet, there have already been some major changes in driving patterns, population shifts, and other factors that determine the market situation. This has had its detrimental impact on my own district in a very bizarre manner. Those people living in larger cities, and commuting to New York City during the work week, could not obtain the gasoline they needed to get there. However, in the rural areas of my district, there was never a shortage of gasoline, in fact, some stations reported that incoming gas shipments had to be turned away on several occasions. Most recently, the commuters to New York City have been supplied with the gas needed, however, now the rural stations are being forced to close down. I am certain that this is only one example of what has been happening all across the country.

Since the allocation network and its accompanying regulations are doing little to conserve energy, we can safely assume that the past scenario is bound to be repeated, perhaps on a larger scale. Under the present rules, what is not pumped in 1 year is lost in one's allocation the following year. This "pump it-or lose it" philosophy compels the dealer to pump all he can in order to survive. So besides working against fuel conservation, the allocation system has created a quagmire of regulations that are working against the concept of free competition. The Small Business Administration's Office of Advocacy recently released a report (July 17, 1979) which concluded that the DOE regulations "are so complex they are incomprehensible" and that they most certainly discriminate against small gasoline retailers and, ultimately, the consumer. SBA spokesmen said in a cover letter to the Energy Secretary, that "major company marketing practices and DOE regulations appear to be functioning as two millstones grinding small business into a smaller and smaller share of the distribution market."

Yet despite this, New York State has done as much, if not more than any other States, to conserve fuel consumption. In a recent hearing held before the Department of Energy, Commissioner James Larocca of the New York State Energy Office commented that—

> Of critical importance here is that among large States, New York has the smallest per capita use of gasoline. United States Department of Transportation data shows that New York only uses 349.5 gallons per person while Texas uses 690.9 gallons (New York Times, May 28, 1979, p. 1). The average national usage is 531.9 gallons per person.

Therefore, New York already being the most fuel efficient State in gasoline usage, should quite obviously not have to be subjected to the same percentage cutbacks in allocations as that of those States which do not show any degree of energy conservation. Simply put, under the present regulations, it does not pay to be energy efficient. Accordingly, we should be looking toward legislation which will do more than add cosmetic changes to the conceptually failing allocation system.

It is imperative that the basic Federal allocation regulations be changed. The regulations have to be changed in such a manner that those States which display energy efficiency will be rewarded for their act of responsibility, while those States which have ignored the call for conservation, will ostensibly be alloted proportionately smaller allocations. The allocation fractions of wholesalers should be based on rolling averages, and not on a yearly fixed base period.

Further, priority users should not receive 100 percent of their base period usage, rather, receive 100 percent of their current "need." This will provide them with the needed gasoline from season to season, since it is arbitrary to assume that farmers and all other priority users will have the same needs at any given time of any given year. These two major changes will serve to, ultimately, encourage the principles of conservation, and, penultimately, keep the economy wealthy.

Mr. Speaker, at this point in the Record, so that we may share their views, I am inserting recent articles from the New York Times, Time magazine, and Human Events, which have analyzed both the general and specific problems mentioned above.

[From Time Magazine, July 9, 1979]

Red Tape and More Red Tape—Why Allocations Don't Work

If a driver in New York City has to wait in line for hours to buy a few gallons of gas, why is there plenty available for a driver in, say, What Cheer, Iowa? The answer lies in some complicated federal regulations that were originally designed, oddly enough, to prevent such inequities.

Under the 1973 Emergency Petroleum Allocation Act, the Department of Energy has the power to direct the distribution of gasoline supplies to the nation's 12,000 wholesalers and 225,000 retailers whenever shortages occur.

The nation is divided into five areas known as Petroleum Administration for Defense Districts (PADDs). Late each month, the oil companies estimate just how much fuel they will have available for sale in each region in the coming month. From this total supply, they subtract 5% to be set aside and distributed at the descretion of state authorities to alleviate local crisis. They then subtract the amount they will require to supply all the needs of top priority customers like the military and farmers. The rest gets divided among retail gas stations.

It seems simple so far, but the rules require 400 pages of DOE instructions. Allocations are expressed not in gallons but as a percentage of what each individual customer, wholesaler and retailer, received in a given base period. What base period? Well, it can differ from customer to customer. The oil companies must work out not only how much they supplied each customer in the same month of last year but also how much they supplied, on average, in a five-month period from October 1978 to February 1979. If the latter is at least 10% higher than the corresponding month last year, then it becomes the base period.

DOE names the priority customers, like farmers, but makes no attempt to change the list quickly or to check that the customers really need what they ask for. Farmers, long after spring planting has been completed, can simply say that they need so many gallons, and the local distributor must supply that amount. The result is oversupply and hoarding in agricultural areas.

The program has been altered since the shortages began to get bad—the state set-aside was boosted from 3% to 5% so that spot shortages could be eased, and the five-month-average base was introduced in an effort to deal with seasonal population shifts—but the problems have not been solved. Criticisms are now mounting; last week the state of Maryland filed a lawsuit against DOE, challenging the allocation system as unfair. Says Economist Walter Heller: "I've heard it said that if God wanted us to have gasoline, he would never have created the Department of Energy."

[From the New York Times, June 2, 1979]

Allocation of Gas Under Attack

(By Steven Rattner)

Washington, June 1.—Gasoline has become a prized commodity in some parts of the country, as evidenced by the long filling station lines that have occurred in California. But in Atlanta and other places gasoline remains plentiful and stations still stay open late into the night.

These discrepancies and others largely result from the Department of Energy's complex mandatory allocation requirements, which by almost every account tend to aggravate the impact of the shortage.

"As it is being operated, allocation adds to the problem rather than subtracting from it," said Jack Blum, general counsel of the Independent Gasoline Marketers Council, a group of large dealers. "The act of forcing people into allocation slows the distribution of supply and encourages hoarding."

While some customers gain by allocation, more almost certainly lose. Take, for example, the case of Texaco Inc., which plans to deliver this month only 70 percent of the gasoline it gave its stations last June.

Texaco says that its gasoline supplies will total 84 percent of year-earlier levels. But, under Department of Energy regulations, the company must put aside sufficient gasoline for what are called "priority uses"—for agriculture, the military and the like.

Then the company must provide 5 percent of the total to state governments to distribute as they wish. Until last week, these state "set-asides" totaled only 3 percent, and Texaco said that the increase may force it to reduce further its other sales.

Next the company must make an allowance for "high growth" stations, those that showed sales increases of more than 10 percent during a five-month period last year. But many of these stations are thought to be in resort areas and the like where a sharp rise for a period does not always mean sustained growth.

Finally, Texaco and the other companies divide up what's left among their customers who do not qualify for special treatment. The result, for a typical motorist at a typical station, is less gasoline than most companies' overall supply situation would suggest.

The average company will probably deliver only about 5 percent less gasoline this month than a year ago but the base allotment for most gasoline stations will be about 20 percent less than a year ago.

"Does the allocation program make the effects worse?" asked one New York oil executive. "Absolutely," he said.

For many motorists, the shortage is made still worse by the rigidity of the formulas, which, with the exception of the provision for "high-growth" stations, ignore local circumstances. The result is widely varying gasoline availability.

Thus, according to Federal figures, a state like Massachusetts with low growth in gasoline use was probably short only about 4.5 percent of its needs in May. But Arizona, with more rapid growth, may have been short 16.4 percent of its needs.

The Department of Energy was expected to propose abolition of the allocation system as part of its plan to decontrol gasoline prices. But that proposal was shelved when the loss of Iranian supplies late last year promised the shortage that has now arrived.

Energy officials contend that it is necessary to prevent the large refiners that control much of the gasoline supply from taking advantage of the shortage. The department's authority to allocate gasoline stems from a law passed during the 1973 Arab oil embargo, when the major companies were accused of using the shortage then to halt sales to unbranded cut-rate dealers and to withdraw from less profitable areas of the country.

"Allocation says that every dealer has rights under the program and that the refiners must supply them," said Doris Dewton, a department official. "Allocation keeps a lot of people supplied who probably wouldn't see any gasoline."

Those people are quite pleased with the system. "We're in favor of agriculture receiving an allocation priority or whatever you want to call it," said a spokesman for the Farm Bureau, a trade organization in Illinois. "And not just the farmer, but the whole food chain."

The companies maintain that they have ample internal procedures to insure equitable distribution and cite the voluntary allocation programs now in effect on other fuels, such as heating oil.

"It makes it easier for companies to manage supplies and balances if we don't have to worry about allocation regulations," said Ron Hall, general manager of oil products at the Shell Oil Company. "I don't think the regulations help even out discontinuities in supplies."

In addition to gasoline allocation, the Energy Department has allocation regulations to govern crude oil. Critics see at least equally damaging effects from those provisions.

The oil regulations, of similar origins and purposes, require the large companies with large amounts of crude oil to sell some of it to independent refiners without crude oil supplies.

In principle, that sounds like a useful provision, aimed at keeping the little guy from being squeezed out of business. But many independent refiners are so small and inefficient that they cannot produce significant quantities of gasoline or home heating oil, let alone a still more complex product like unleaded gasoline.

[From Human Events, July 7, 1979]

ALLOCATIONS PROGRAM CAUSES GAS LINES

(By M. Stanton Evans)

Americans fed up with sitting in gas lines—or doing without gasoline entirely—can thank the federal government for their frustrations.

The surest sign of federal responsibility in the matter is that certain parts of the country are groaning under shortage while others have more gasoline than they require. Absent government intervention, such a thing could never happen. In a free market, the upward push of prices in high-demand areas would immediately attract supplies from areas where demand is lower. There could never be a situation in which there is a chronic shortage in one place, a chronic surplus in another.

This movement of supply to meet demand is something that happens every day in our economy, without anyone's giving it a second thought. It can't happen in the energy sector, though, because the government prevents it. The Department of Energy, in its wisdom, is administering a bureaucratic "allocation" program which decides who gets how much gas, and when. As a result, the normal operations of the market are totally fouled up.

Virtually everything about the allocation system is haywire, beginning with the fact that it is a classic case of federal intervention feeding on itself. The reason we have such a program is that government controls on petroleum have hindered our domestic production, which in recent months has been declining at a rate of four per cent a year. The usual response when government controls create a shortage is to impose still more controls, in the form of rationing. That is what the allocation program is—a federal effort to divide up a federally-created scarcity.

Such programs always give rise to trouble, but the allocations program has some special wrinkles of its own. Until March of this year, it was based on consumption patterns that prevailed in 1972, ignoring the fact that certain areas had experienced tremendous population growth in the interim, and that other changes had occurred in gas-consuming habits. And when the feds finally got around to changing the system—moving the base period up to 1977–78—they managed to compound the error even further.

Under the system now in effect, gas dealers are permitted to increase their allocations if they experienced a surge of demand last fall and winter compared to the preceding summer. This is supposed to take account of growth, but has the obvious consequence of discriminating in favor of warm-weather regions where there is considerabile travel in winter months, and against the North and Middle West. On top of this, the system makes almost no allowance for changes in consumption created by the shortage itself.

Last summer, for example, there was heavy traffic from Washington to the resort areas on the Eastern shore of Maryland. This year, as noted by Rep. David Stockman (R.-Mich.), people are afraid of being stranded, and such travel has declined appreciably (by 20 per cent on one recent weekend). Yet because allocations reflect last year's usage, the Eastern shore and Washington have proportionately the same amount of gas as they had a year ago. Result: Plenty of gas on the Eastern shore, an agonizing shortage in D.C.

Again, given a free market, such a situation could never come about. Gas would move from the Eastern shore to Washington in response to the pressures of demand, as the pricing system emitted its constant flow of signals. But the energy planners not only refuse to let the pricing system work, they forbid the movement of gas supplies unless their seal of approval is stamped on the transaction. There is no way that they can make the proper decisions in thousands upon thousands of such cases, but in dogged bureaucratic fashion they keep trying.

The complexity of the task may be savored by examining the countless pages of energy regulations appearing in the Federal Register. These guidelines are full of verbiage about wholesalers, retailers, base periods, base period changes, end-use consumers purchasers-resellers reassignment of entitlements, adjusted supplies, purchasers without an allocation level, standing exceptions to the rules, temporary exceptions to the rules, and so on in dreary profusion. The planners are trying to substitute their judgments for the automatic workings of the market—an enterprise that always fails.

Nor is this, bad as it is, the whole of the story: The allocaton system also removes some 15 percent of the gas supply for special customers—state government set-asides, farmers, transportation companies, and other "high-priority" users.

As Stockman puts it: "Over-all, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price, to boot."

In short, the colossal gas lines Americans have had to face are entirely the doing of the federal government, a typical product of controls. In the most obvious sense, this is bad—because it imposes a lot of unnecessary hardship on innocent people. But in another sense it is good, because it means the problem can be solved almost instantaneously.

All that is needed to end the gas lines, and ease the energy shortage generally, is to abolish the allocations program. Once it is gone, and the market is permitted to do its work, supply will flow to meet demand, and gas lines will be a thing of the past. Then we can get on with the real job at hand—abolishing the Department of Energy.

Mr. Speaker, I urge my colleagues to seriously consider supporting some fundamental changes in the allocation regulations, before it once again imposes further hardships on our constituents.●

REV. HERBERT GUICE: 29 YEARS WITH BETHEL MISSIONARY BAPTIST CHURCH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. STARK. Mr. Speaker, Sunday, August 12, some of my friends and constituents from the Bethel Missionary Baptist Church will honor their spiritual leader, Rev. Herbert Guice. The Reverend Guice will be marking 29 years with the church. Reverend Guice began 29 years ago as pastor with a flock that numbered less than 50 adults. Today, Bethel Missionary Baptist Church is a major institution in Oakland and a lot of the credit belongs to Reverend Guice.

Whether it is providing leadership to build and finance a new church building, spear-heading a scholarship program for deserving students, helping find jobs for those in need or organizing a society to lower funeral costs, Reverend Guice has not been found waiting. His leadership qualities have been a resource for the community outside his church as well for he has played an active leadership role in such diverse organizations as the NAACP, the Alameda Branch of the National Red Cross, the Oakland OIC, the Oakland Unified School District just to mention a few of the many organizations that have benefitted from his counsel.

A native of Rentisville, Okla., and now a pillar of the Oakland community, Reverend Guice is indeed a mighty oak on which many lean for support and others rely upon for shelter from the cares of our difficult world. Religious leaders such as Reverend Guice provide our communities with a stability and a wisdom that is the cement which holds us together and helps make progress possible. I regret that I will be unable to join the many admirers of Rev. Herbert Guice who join on August 12 in recognizing the very great service he has provided for almost three decades in Oakland.●

THE SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FISHER. Mr. Speaker, I wish to express my support for the Social Services and Child Welfare Amendments of 1979 just passed by the House. This bill raises the ceiling on funds for title XX social service programs from its temporary limit of $2.9 billion to $3.1 billion beginning in fiscal year 1980 and makes important improvements in child welfare, foster care, and adoption assistance programs. The major child welfare and related provisions are:

Eligibility and matching funds: To receive child welfare funds, a State would have to show it had set up foster care safeguards as set out in this bill, had reviewed all children already in foster care, and would be spending 40 percent of the new funds for services to keep children in their own homes.

States would have to put up a 25 percent matching share. Currently all States spend enough of their own funds on child welfare that this matching requirement should not require a new commitment of State money.

Limitation on spending: States will be limited to the fiscal year 1979 amounts of Federal funds for certain purposes—foster care maintenance, adoption assistance and job-related day care. In other words the increase in Federal funds is to be directed at other services such as those that will help children to stay in their homes.

Foster care protections, procedures, and services: In order to receive increased child welfare funds, a State must do the following with regard to foster care:

First, services to keep families together must be provided before a child can be removed from the home, except in emergencies;

Second, judicial determinations (court hearing) required for involuntary removal of child from his home;

Third, parents must sign an agreement before they voluntarily place a child in foster care;

Fourth, foster care homes must be family-like and near child's real home;

Fifth, reunification services must be available after child is removed;

Sixth, individual plan must be written for each foster care child, plan must be reviewed every 6 months, court must rule on a case after 18 months of foster care; and

Seventh, fair hearings must be provided for parents.

Federal matching funds for foster care placements: AFDC funds can be used to pay for foster care for children voluntarily placed in foster care and for children placed in institutions caring for 25 or fewer children.

Adoption assistance: Adoption assistance payments can be made on behalf of an AFDC-eligible child who has special needs.

Special needs are defined as specific conditions which make it difficult to place a child for adoption. The conditions are age, handicaps, member of a minority, or sibling group.

The amount of the adoption assistance will be agreed on by the State and the adopting parents, based on their economic situation and the needs of the child. The maximum would be the foster care payment. One time adoption costs could be included.

Medicaid eligibility would continue as if the child were in AFDC foster care.

Payments would continue until child reaches 18 (21 if handicapped).

The bill, as approved by the Ways and Means Committee, would have made the $266 million annual authorization for child welfare services an entitlement, to be phased in over 2 years. The House has changed this provision so that the funds will be subject to the appropriations process. I hope that the necessary funds are made available to help the States implement these vital improvements in their child welfare services.

The emphasis in H.R. 3434 is on providing stable homes for children. When children must be removed from their homes, every effort must be made to help their families so that they can be reunited. When this is not possible, services and assistance will be provided to help these children find suitable foster or adoptive homes. Few goals can be more important in a caring, humane society.

One of the major controversies in the last few years has been over abortion. If this society is going to encourage pregnant women to give birth to their babies, then it must also stand ready to provide them with services to protect and care for their children. This legislation works toward that end.

The increased ceiling in social services funds serves related goals over a broader range of services. A wide variety of services are provided with title XX funds. Many of these services assist people so that they can stay in their own homes instead of going into nursing homes, have jobs instead of sitting idle, and benefit in many other ways. Child care is one of the services assisted under title XX. To encourage the States to offer child care the bill sets aside $200 million to be spent for this purpose without the usual 25 percent matching requirement. This is a crucial service for many parents who have to work.

I am pleased the House has approved this bill and hope that the Senate will act on it expeditiously.●

IN THESE TIMES REPORT ON PLANT SHUTDOWNS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, the American economy is in deep trouble. Big companies like big cities are tottering on the brink of bankruptcy. Major industrial plants in the Northeast and Great Lakes regions are closing down, throwing workers out of their jobs, and creating economic chaos in many local communities. The remains of small businesses, that have gone under cover the landscape. Factories and equipment have deteriorated for lack of new capital. Productivity keeps sinking, adding to the cost of the goods and services we purchase. The inflation rate is the highest in nearly three decades, and unemployment once again is expected to reach crisis proportions.

A central question is who will assume the leadership in the major task of revitalizing the industrial and urban base of American society.

In recent issues of In These Times, the weekly independent socialist newspaper published in Chicago, a series of indepth articles have appeared exploring the dimensions of industrial disinvestment—plant shutdowns and the horrendous effects these have had on the workers and communities involved. The series, "Shuttered Factories, Shattered Communities," authored by Reporter David Moberg, is must reading for all Americans concerned about this issue, and I strongly recommend the following excerpts to my colleagues:

IN THESE TIMES REPORT ON—PLANT SHUTDOWNS

Len Balluck was discouraged, bitterly discouraged. A few months ago he had hopes that the old Campbell steel mill of Youngstown Sheet and Tube would reopen again under worker-community ownership. He and his fellow workers might have their jobs again.

From his own experience of 20 years in the mill and from the studies made by various experts, he was convinced they could make the mill an economic success and prove that their factory had been scuttled by the exploitative mismanagement of the Lykes conglomerate, not by inevitable forces of the market, nor by Japanese competitors, nor by environmental regulations.

Sitting in the Isaly's ice cream shop in Struthers, where he regularly shares the news of the community with other steelworkers and local leaders over his morning cup of Sanka, Balluck condemned the recent federal government rejection of the request by the Ecumenical Coalition of the Mahoning Valley for a $27 million grant and guarantees of $245 million in loans to reopen the mill.

"We had high hopes of getting 1,600 jobs back," he said, referring to the first phase of the reopening. "Then we get turned down by Washington. Jimmy Carter will have to bear the burden of that. The people at Isaly's say he hasn't done enough for this valley. Don't even come around here talking to me about Jimmy Carter."

Balluck had organized several hundred of the 4,100 laid-off steelworkers into Steelworkers United for Employment (SUE) after complaining last fall that the Ecumenical Coalition, which has led the fight to reopen the mill, failed to mobilize the steelworkers for the project. It hadn't been easy. Many of the former workers were skeptical about the plan and its clerical sponsors. Others were just listless and depressed. Nobody wanted to get his hopes up only to have them crushed again. Balluck knew how precarious many of their lives had been since the sudden September 19, 1977, shutdown.

"I can tell you about the drinking, the suicides, the psychiatric wards," he said. "I can tell you all these things."

One friend who was making $24,000 a year as a skilled worker now works as a laborer for $11,000 a year. He's comparatively lucky. While calling for support for SUE, Balluck heard the mother of one young worker explain that her son's benefits had run out last December. The pressure of still having no job got to him. Now he's in a mental hospital. Two people Balluck knew killed themselves. Nearly a quarter of those laid off had retired early with reduced benefits.

Few of them are willing to talk about their hardships. They're the sort of people, according to a survey taken by a team from the local university, who find it hard to ask other people for help. They're the sort of people who, despite their anger at the Lykes Corporation and at Jimmy Carter, still blame themselves somewhat for not having a job.

It's tough finding a job in the Mahoning Valley now. Over 9,000 people applied when the local General Motors assembly plant at Lordstown announced it would accept applications. As of late last summer, 80 to 90 percent of the laid-off workers were still in the Youngstown area and only 35 to 40 percent of them had found jobs. Some still have benefits coming, but by now nearly all of the financial cushion has vanished.

That financial aid—unemployment compensation, supplementary unemployment benefits and Trade Readjustment Assistance—"was a pacifier, welfare," Balluck says. Although it made life almost comfortable for a while, it also undermined the workers' sense of urgency and thus hurt the movement to reopen the mill.

But the shocks keep coming. By the end of this year, the Brier Hill steelworks, employing 1,100 people, will close, according to the directors of the LTV Corporation, the new owners. Soon the U.S. Steel Ohio and Macdonald Works may also be abandoned, throwing 4,000 more workers on what Balluck calls, "the industrial garbage pile."

Across town, in the union hall of Local 1462 of Brier Hill, William Vaughan, a 35-year-old black steelworker who had been in the mill for 15 years, talked about what he would do when his job ended. "I want to find a halfway decent job, maybe go to college and get a B.A. degree so I'll have something to fall back on. I know one thing, I'm not gonna get another job like the mill, work 15-20 years and lose my job again.

"I thought about leaving Youngstown three or four times," he said. "But I've lived here nearly all my life." In theory, Vaughan is supposed to be as mobile as capital, shifting with the opportunities. But like so many workers faced with shutdowns, Vaughan saw Youngstown as not only a place of employment but above all as a home and a community to live in.

Although his wife's part-time job will help out in supporting the three kids, Vaughan's impending loss of his job will hit his family in more than its pocketbook. "My father was just getting to the point where he could do something with his life," Kenny, a top student and athlete in high school, said. "He had some extra money to take trips, pay for college. Now it means I have to get a scholarship. I never thought things like this could happen, that management could say, 'You've got 15 years in the mill. Now we're shutting it down.'"

THE HIGH COST OF CLOSINGS

More people are discovering what Kenny Vaughan has now learned at an early age. Business shutdowns can wreak havoc with the lives of individuals and the well-being of communities. Of course, businesses have failed in the past. Or they have shifted from one region to another. Because of lack of appropriate statistics, it's hard to say definitely whether the frequency of shutdowns has increased or not.

The awareness of the consequences of factory and other business "terminations" is changing, however. The Youngstown closing and the fight to keep the mill open, unsuccessful as it now appears to be, have heightened the sense of public urgency and of the possibilities for action. Similarly, there has been a growing interest in legislation to provide advance notice of shutdowns and to compensate workers and communities for the loss, stimulated by the work of the Ohio Public Interest Campaign (OPIC).

Although "runaway shops" and "disinvestment" have been on the lips of activists in northern industrial cities for many years now, there is a greater sense of urgency now as the scope of the issue widens. Partly that is a result of the steadily worsening impact of conglomerate and major corporate investment decisions on the economic vitality of hundreds of communities. Partly it is a result of a drearier general economic prospect. No longer is there the same faith that new industries will arise to replace those that have closed up shop, since the entire economy faces a period of uncertainty and slow growth.

"The broadest, most fundamental starting point is the clear assessment that the postwar boom is really over," says Gar Alperovitz, director of the National Center for Economic Alternatives, which supervised the development of the Youngstown community-worker ownership plan. "Second, no one believes there will be a 'return to normalcy.' Therefore, you can't simply allow short-term dislocation. People begin to say, 'What can we do?' The context has changed."

With that changed context and changing perception comes the possibility of a new political thrust that could radically transform the U.S. economy. There is a growing awareness of the life-and-death power that capital has over communities and individuals, and of how there is no democratic accountability for the exercise of that power.

The new movement beginning demands greater public control over investment decisions, financial capital and choices of business location. It demands that public needs be considered alongside the private balance sheet. It points in the direction of decentralized planning in the interest of local economic vitality.

"It is very narrow to look at the issue only as plant closings," Alperovitz argues. "The issue is community economic health. It's a much broader question. It's partly plant closings; it's partly new entrances; it's partly expansion.

"In order to give us a broad enough vision and a strong enough moral posture, the issue is the health of American communities, not just one plant closing. That's also the way people see it."

Yet it is usually a factory closing that jolts people into a new awareness, partly because manufacturing is often the center of community economic life, providing the "export" income that helps to stimulate other local businesses.

The community often feels diffusely that an implicit contract has been broken. Not only the suddenly jobless workers but other businesses, their employees, local government and other public institutions have relied on the bigger businesses. They pay dearly for the closings. Then some people realize that there was no need for the sudden shutdown. Even if the business died for "natural" reasons—such as inability to compete profitably—communities could plan for the death's effects with proper notice.

But often the community loss reflects a decision that is only rational from the viewpoint of a single corporation intent on expanding its profit, size and power, even if that means unnecessarily destroying factories and communities in the process. Especially with the growth of conglomerates and their special strategies there is an increasingly stark choice: win greater democratic control of capital or accept greater domination of society by capital.

When a factory dumps wastes in a nearby stream, other people pick up the tab: loss of clean water, destruction of fish and wildlife, decline of recreation areas, illness and even death, costs of cleaning up after the corporation. Thanks to the environmental movement, there is a growing recognition in the law and public opinion that the costs of maintaining a healthy environment should be assumed by the firm and not treated as an "externality."

When a factory closes down after years of operation, there are also many costs to the workers, other local businesses and their employees, urban institutions and local government, and taxpayers throughout the state and nation. Taking all those costs into account can lead to a much different view of the economic rationality of a plant closing. Yet those costs are regarded, as environmental costs were in the past, as external to the business balance sheet.

The most immediate costs are borne by the laid-off workers. Because of their unusually high unemployment benefits—in large part a public cost—the workers at Youngstown suffered less than many workers would have. Yet especially because they were in a highly-paid, unionized industry, their long-term earning prospects for the future are grim.

Economist Louis Jacobson, in research for the Labor Department, estimates that workers in those industries with low turnover—usually those with high earnings, unions and predominantly male workforces as well, such as steel and auto—suffer most from plant closings.

On the average, workers in such industries will lose the equivalent of about two years' earnings—roughly $30–35,000—in the first five years after the shutdown. Over their working careers, they will lose 10 to 15 percent of what they might have earned. Although older workers may be severely hurt financially because they are forced to retire early, Jacobson finds that workers with three to eight years seniority lose most in the long run because their loss affects more working years.

CONGLOMERATE VERSUS COMMUNITY

When the shutdown occurs in a labor market with high unemployment, or in a small labor market—typical of Youngstown and many other older industrial cities now facing repeated plant closings, the losses are even greater. If unemployment is one-third greater than the national average, the loss can double in a given year. Seeking jobs in a small labor market again boosts the loss. The figure worsens by half again if all the men who drop out of the labor market are included. So steelworkers in a small, depressed community might suffer earnings losses of 30 to 50 percent as a result of a shutdown if these effects are compounded, not counting loss of above average benefits.

After a factory closing, many women typically drop out of the labor force. If we count their loss of earnings along with the loss of women who return to other jobs after a layoff, then women as a group suffer proportionately higher earnings losses than men. Men in high turnover industries are more likely to be out of work from time to time, to accumulate fewer seniority benefits and to work in less-skilled jobs than men in low-turnover industries. These men—in fields such as cotton weaving, television and electronic component manufacture, toys, clothes and shoemaking—lose proportionately less than men in autos, steel, meatpacking, aerospace or petroleum refining, Jacobson reports.

Workers can, of course, move at their own expense, often taking a loss on their investment in their home. Since young people are most likely to move, the community future is hurt also. But family and community ties hold many workers. A study of Youngstown Sheet and Tube workers by Policy Management Associates (PMA) indicated that only one-fifth were thinking of leaving. It's not surprising: 77 percent of them had lived in the area over 20 years and only 16 percent had been born more than 200 miles away.

When a factory shuts down, the effects quickly spread—to suppliers, to retail businesses, to wholesalers and transportation firms, and to various service agencies. The PMA study estimated that an additional 1,650 to 3,600 jobs would be lost in the Youngstown area as a result of the Campbell works shutdowns. Other studies have estimated the indirect job loss at 11,199 to 13,000. Using the PMA estimate, indirect job losses would cause a retail sales drop of $12.2 to $23 million each year, pushing the total sales lost to the range of $66 to $102 million a year.

These costs exact a collective public toll as well. The same PMA study estimated that in the first three-and-a-quarter years after the shutdown, local communities around Youngstown would lose up to $7.8 million in taxes, the county would lose $1.1 million, the state up to $8 million and the federal government up to $15.1 million—a grand total of between $26.8 and $32 million.

At the same time the cost of the various relief programs—mainly Trade Readjustment Assistance—would run between $34.2 and $37.9 million. By this accounting, the public loss from the shutdown could reach nearly $70 million in slightly over three years.

But even these sums of direct public and private expenses due to a plant closing are inadequate measures. A massive shutdown or a series of smaller closings can disrupt the fabric of the community, upsetting the network of/local business transactions and precipitating failures, threatening the quality of public services such as schools, and undermining civic institutions (corporate and payroll contributions to the Youngstown United Appeal, for example, dropped by nearly half in the first year after the shutdown). Especially in a small town, a factory closing can destroy the focus and meaning of community life as a whole.

But the most tragic part of plant closings shows up in the stories traded by workers in the Isaly's of industrial America—the stories of depression and despair, of broken spirits, of broken marriages. They show up, too, as statistics in scientific studies and social work agencies. Yet even there they are understated. As Sidney Cobb and Stanislaw Kasl remarked in their conclusion of a study of physiological and psychological effects on two plant closings, "In the psychological sphere the personal anguish experienced by the men and their families does not seem adequately documented by the statistics of deprivation and change in affective state. . . . The numbers don't seem commensurate with the very real suffering that we observed."

Yet the statistics are bad enough. They found increased frequency of ulcers in the laid-off men and their wives, greater likelihood of future heart ailments and diabetes, greater hypertension and more swollen joints. Most of the men compared the experience of the factory closing with the stress of getting married (midway on a scale of life events where 10 equals a traffic ticket, 80 divorce and 100 death of a spouse), but over one-fourth found the experience as shattering as divorce or more so. It took most close to half a year to recover, but as time went on those who were still unemployed tended to blame themselves for their plight. Some became convinced that they couldn't hold a job. Others eventually turned to suicide—at a rate 30 times greater than the national norm.

Similar conclusions can be drawn by projecting the results of a study of the consequences of unemployment. Harvey Brenner, in a study for the Joint Economic Committee, concluded that a 1 percent increase in unemployment over six years has in recent decades been associated with an increase in 36,887 deaths, including 20,240 from heart ailments, 920 suicides, 648 homicides, 4,227 state mental hospital admissions and 3,340 state prison admissions. Counting only the workers in the Youngstown area directly dumped by the Lykes Corporation, Brenner's figures would suggest that the single plant closing will lead to over 130 additional deaths.

Plant shutdowns bring on more family quarrels and violence, mental health problems and alcoholism. In Youngstown, for example, the Help Hotline had twice as many calls the January after the Campbell shutdown as it had the January before, and the number continued to climb. Calls about battered women, child abuse and family or marital problems tripled in the year following the shutdown. The local Alcoholic Clinic * * * in the number of steelworkers seeking treatment. Referrals to the Eastern Mental Health Clinic doubled in the year after the shutdown.

Adding up all these costs provides one side of what economist David Smith has labeled "the public balance sheet." Benefits of any action taken should be weighed in the same balance. The results are often surprising, and quite at odds with the private accounting. For example, Smith assumes that the government should expect a 9 percent return on its money invested in an attempt to save the Youngstown economy. Even the conservative estimates of the PMA study suggest that reopening the Campbell works would bring in enough tax money to justify a $75 million equity investment, far more than the Coalition's proposal for Community Steel would have required. If we figure in all of the other costs and benefits, an even larger public equity investment would be justified.

"What is at issue is the differing perspectives, and therefore cost-benefit calculations, that will be made by an analyst charged with investing on behalf of a public account," Smith writes in *The Public Balance Sheet*, soon to be released by the National Center for Economic Alternatives. "Arguments over 'justification' miss the point that the public has a legitimate right to be concerned about the differential imposition of costs and benefits between the public and private sectors." ●

FEDERAL AID FOR LOCAL COMMUNITIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HAMILTON. Mr. Speaker, I insert in the CONGRESSIONAL RECORD a copy of a letter I recently sent to public officials in the Ninth District of Indiana. The letter suggests ways for public officials to increase their chances of obtaining Federal aid for their communities:

LETTER OF LEE HAMILTON

1. BECOME INFORMED

The federal aid system is complicated, but it is not impossible to understand. Take the time to read and research to find the information you must have.

Don't be afraid of the Federal Catalogue of Domestic Assistance. While it is sometimes as confusing as the system it purports to explain, take time to become familiar with it. It is a good first source of information. Follow up on any programs that seem good by contacting the administering agency for more data.

Subscribe to trade association publications. There is a publication for just about every interest, and it usually gives its readers valuable program information.

Put yourself on agency mailing lists. Most agencies have them, and those on the lists are sent announcements of new programs or new information on old programs.

Attend national conferences if you can afford it. Many good ideas are exchanged at these meetings. Applying for federal grants sometimes means "thinking big," and national conferences are part of that way of thinking.

2. ASK FOR HELP

Too many officials submit applications "blind", simply on the basis of a program announcement. While some of these applications are successful, most aren't. They fail to comply with technical requirements, miss the point of the program, or are ignored by reviewing officials.

Draw on your regional development commissions. You pay tax dollars for them to provide you with technical assistance. They can suggest programs to meet your needs, help you in drafting proposals, and represent you before state and federal agencies. They have had much practice with programs you may have dealt with only once or twice.

Contact the agencies themselves for technical assistance. Many agencies routinely work with applicants to prepare a successful proposal, but others will do so only if asked. The agencies can keep you from writing a bad proposal.

Get to know a contact person in an agency with which you deal frequently. Consult with that person whenever you think that he or she can assist you.

Request feedback if an application is turned down. Comments and criticisms make for a better application next time. They also draw attention to your proposal a second time.

3. FOLLOW DIRECTIONS

It is frightening to know how many applications fail for lack of a signature on a form. Program paperwork seems immense and the required procedures overwhelming, but small slip-ups can result in delays that push applicants over a deadline to await the next funding cycle.

If something is confusing, call and ask for clarification.

Follow up the call with a written confirmation of what you understood.

Be prompt in seeing to corrections or requests for additional information.

4. HAVE A STRATEGY

There are three basic strategies a community can use to get aid. The best strategy for a given community depends on a whole host of factors.

In the first case, local leaders assess the situation, rank their needs, and look for a program that would meet the most pressing needs. While this is the most logical strategy from the community's point of view, it is not necessarily the most successful in obtaining grants. Funding mechanisms may not exist to meet the community's highest priorities, at least as the community conceives them.

In the second case, the local leaders adapt their projects slightly to accommodate the existing funding mechanisms. For example, if a community needs a center but can't take on a loan from the Farmers Home Administration, the community needs to think about using historic preservation funds to restore an old building that could be used as a center. This strategy is often more successful because it is more flexible.

In the third case, local leaders start by finding out what money is available and work up proposals to get that money. At first glance, this strategy seems inefficient since the kinds of money available may not fit the community's purposes. However, grants generate other grants. As a community becomes better known to federal officials, acquires a reputation for carrying out projects effectively, and gets better at designing imaginative proposals, if may not be as hard as it first appeared to get money for the community's greatest needs.

5. UNDERSTAND EACH APPLICATION PROCESS

Just mailing the application in before the deadline is not enough. A community should know something about the steps of the review and the timing involved.

Don't ignore the date of the agency's yearly allotment. If the money comes in October, have your application ready beforehand, by July.

Don't leave the tracking of your application to the engineer. Know your review office and check to make sure that your application is not being held up.

Don't wait through months of silence. If you hear nothing and you suspect that there may be a problem, try to find out how things are going.

On the other hand, don't pester federal officials unnecessarily. If you are sure that your application is complete and the announcement says that awards will be made on a certain date, wait for that date before making contact.

6. MAKE YOURSELF KNOWN

A major problem small communities have in obtaining federal aid is their lack of visibility. A community often finds itself in the "big time," with much larger cities whose needs have been widely publicized. Even when applications are being handled by an Indianapolis office or by a state agency on behalf of the federal government, there is no guarantee that reviewing officials will have familiarity with small communities. Fortunately, there are ways to make a small community visible.

Attend your Congressman's conferences and take advantage of the opportunity to meet with state and federal officials there. Besides just making their acquaintance, you can get up-to-date program information from them.

Ask for a site visit if you have a serious difficulty in your community. Federal officials will be more impressed with its seriousness if they see it firsthand. Also, the visit gives them a chance to meet you. They will have a much clearer idea of your proposal's potential benefit.

Participate in the state planning process. Many federal grant programs are run principally by the state. The state is required to draw up a plan before it can spend the funds. If a community takes an active role in the formulation of the plan, it can help steer money toward certain sorts of projects and make its own needs better known.

7. BE AWARE OF YOUR LIMITATIONS

A generous grant can be a heady prospect for a small community. Forethought and attention to detail are essential if the grant is to be put to work in the most beneficial way.

Don't "bite off more than you can chew." Be able to administer the project once you get the money. Part of getting more grants is the fostering of a solid reputation for using funds efficiently. For example, community development money is denied to towns that have not spent a sufficient amount of the funds given in an earlier project year.

Don't expect to get something for nothing. Most federal programs give loans, matching grants, or seed money. Be able to make good your commitment by paying back the loan, coming up with your matching funds, or finding a way to continue service once the seed money has run out. Even with a full grant, it costs money and takes time to draw up the proposal.

Don't try to do everything yourself. Be able to get others to help you. In small communities where public officials are part-time and often unpaid, it is good to find a dedicated citizen who can be a "grantsperson". Send him or her to a training seminar, pay the out-of-pocket expenses, and get the reference materials required for an adequate job.●

THE ALL-VOLUNTEER FORCE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ASPIN. Mr. Speaker, the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower goals. These figures should dispel the popular notion that the services cannot recruit enough volunteers.

Each month when the recruiting goals are missed, the news gets a lot of attention. But no one notices all the months when the goals are met.

What is more, the services frequently miss a recruiting goal but end up making their total manpower goal because fewer people leave the service than anticipated. In other words, reenlistment rates outrun expectations.

The worst year for the All-Volunteer system was 1975 when the four services combined ended up the year 41/100ths of 1 percent short of the planned goal. That is still a batting average of 0.999 and is nothing to be sniffed at in any league.

The last man was drafted in December 1972. Since then, the services have ended three of the succeeding years with slightly fewer men than desired and the other three years with slightly more men than desired. On average, the services have been short only 5/100ths of 1 percent of their year-end goals.

End of calendar year	End strength (thousands)		Goal missed by—	
	Goal	Actual	Number	Percentage
1973	2,199.5	2,200.7	+1,200	+0.05
1974	2,140.6	2,138.8	−1,800	−.08
1975	2,092.0	2,083.4	−8,600	−.41
1976	2,071.3	2,071.1	−200	−.01
1977	2,057.7	2,059.4	+1,700	+.08
1978	2,038.8	2,039.8	+1,000	+.05
Average	2,100.0	2,098.9	−1,100	−.05

Ironically, a lot of people said the all-volunteer system would only get enough volunteers when there was a recession. Yet the only year in which the services missed their goals by a measurable amount was 1975—and most of that year we were in a recession.

The services ended both of the last 2 years with slightly more personnel on board than they had budgeted for—hardly an indication that the all-volunteer system is falling.

Some people look at the numbers on the chart and notice that the totals are declining from one year to another. There is an immediate suspicion that the goals are reduced each year because of difficulty making them.

Two points should be made here.

First, the size of the services dropped by even greater amounts each year from the end of the Korean war until the Kennedy administration took office in 1961 and expanded the forces that year and the next. They then declined each year again until the Vietnam war began.

That does not indicate the draft was a failure any more than the modest drops of recent years indicate the all-volunteer system is a failure. It simply indicates that various economies are taking place. It is like flour settling in the flour bin.

For the record, the services declined on average by 156,000 men each year from 1954 to 1960, by 19,000 a year from 1962 to 1965 and by 32,000 a year from 1973 to 1978.

Second, many of these cuts have been imposed by economy-minded members of the Armed Services Committees, which are hardly hotbeds of love and support for the all-volunteer system.

The Congress first began authorizing manpower levels for each of the services in fiscal year 1974. Congress cut the President's request in the first 5 years since then by numbers ranging from 2,800 to 30,800. The end strength request was raised only in the budget for the current year, fiscal year 1979, when 6,750 slots were added.

These numbers do not definitively prove that the all-volunteer military is a great success. They do, however, definitely disprove the simplified allegations of some that the All-Volunteer Force is unable to recruit enough people to fill the assigned slots.●

THE CYPRUS TRAGEDY CONTINUES

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BRADEMAS. Mr. Speaker, we observe this month the fifth anniversary of a tragedy. On August 14, 1974, Turkish military forces, armed with American-supplied weapons, invaded and occupied 40 percent of the sovereign nation of Cyprus.

This invasion was carried out in clear violation of American laws and bilateral agreements already in effect which prohibited the use of American weapons for offensive purposes.

Unlike Turkey's Cyprus action of the previous month, which was mounted in response to a coup instigated on the island by a Greek junta, this August invasion took place at a time when hostilities had ceased, the junta had fallen, a ceasefire was in effect, and the interested parties were engaged in peace talks at Geneva. In summary Mr. Speaker, there was no provocation, no justification whatever for the second invasion of Cyprus.

The sorry consequences of that action, in respect of American relations with the nations of the eastern Mediterranean, are too well known to bear repeating here. Suffce it to say that fundamental misjudgments within the American executive branch permitted the invasion of Cyprus to take place and further misjudgments have allowed the occupation of Cyprus to continue for these many years.

But, Mr. Speaker, beyond the political and strategic consequences of severely damaged relations with the governments of the nations involved, there are human consequences which cannot be ignored. In fact, as we observe this fifth anniversary, those consequences are the most distressing:

After 5 years, 200,000 Greek Cypriots—nearly one-third of the country's population—remain driven from their homes in the northern portion of the island;

After 5 years, there are more than 2,000 missing persons unaccounted for by the Turkish occupation forces;

After 5 years, those occupation forces still number more than 25,000 armed troops, and

After 5 years, Turkey has not withdrawn from a single acre of Cypriot land.

Mr. Speaker, when Congress was persuaded last year to remove the partial embargo it had imposed in accordance with American law, it did so in the expectation that such an action would lead to moderation of Turkish intransigence on Cyprus. This expectation, as we all recall, was fostered by the Carter administration, whose officials argued that continuation of the embargo was the most significant factor preventing Turkish action on Cyprus.

Mr. Speaker, the hollowness of that argument has become evident to all of us.

Turkey has taken no positive actions whatever on Cyprus, nor is there any evidence that such actions will soon be forthcoming.

In the midst of this sorry record, Mr. Speaker, there is some small reason for optimism. The House of Representatives voted overwhelmingly this summer—303 to 107—against providing grant military assistance to Turkey. As the debate on that issue made clear, Turkey's failure to act on Cyprus was the key factor in the House's decision to put some limits on what was in other respects a most generous economic and military package for Turkey.

Although the final shape of this package is still to be worked out with the Senate, it should be clear to the Turkish Government—and to its supporters within the Carter administration—that Congress will not close its eyes to Turkey's record on Cyprus. Rather, as the sixth year of the Turkish occupation begins, we will do all we can to promote a swift and equitable end to the continuing tragedy of Cyprus.●

SAUDIS ASSAIL OIL COMPANIES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROSENTHAL. Mr. Speaker, I wish to bring to my colleagues attention how the Saudis note the role of the multinational oil companies in the recent oil crisis. In a recent radio commentary on the Ryadh domestic radio following the ending of OPEC planning committee which was delegated the responsibility for drawing up a new strategy for OPEC, the Saudi stated:

> While the conduct of the producing and consuming states is governed by the realities of this situation and the nature of current circumstances, there is a third party who is exploiting the extremely serious, tense and contradictory situation at the expense of the producing states. This party is represented by the oil companies, whose control of the means of distribution so greatly affects the international market as to create many problems.
>
> How often we have warned that these companies are following parallel policies. They are amassing huge oil reserves, which they plan to keep in storage in order to put pressure on the market. And this is in the face of the growing urgency of the daily needs of private individuals, industries and the development of communities. And at the same time they are exerting pressure on the oil-rich regions to tempt them to increase their production with lies about growing demands and market needs for a greater quantity than that which is produced at present.
>
> As evidence of this it may be pointed out that the American companies alone achieved in the second quarter of this year an average profit of 68.9 percent, while those participating in the oil industries secured a profit averaging 19.4 percent compared with 18.6 percent achieved by the largest 100 major oil companies.
>
> This very briefly means:
>
> 1. World production of oil does not go directly for consumption, but passes through accounting processes determined by profit-and-loss conditions of the international companies that control the oil industry; and
>
> 2. The shortfall arising from the difference between average production and consumption is in fact kept in stockpiled reserves to insure the continuation of their ability to control world markets at the appropriate time and in the appropriate manner.
>
> On the political side, the direct aim of this serious conduct is to insulate public opinion of the consumer states from the truth of the oil companies' blatant exploitation and to portray the oil states as arbitrarily using this wealth as a means of pressure by determining prices and controlling the world market in order to achieve strategic gains in favor of their own interests.

In some ways the Saudi viewpoint of the American multinational oil companies is not unlike the American public's. It certainly adds fuel to the fire that oil companies have had adequate crude oil stocks to refine, make unbelievable profits and blatantly exploited the existing market situation.●

FEDERAL EFFORTS TO IMPROVE PRODUCTIVITY CITED

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, the July issue of State Legislatures, published by the National Conference of State Legislatures, includes an article by Washington editor Andrea Kailo regarding the Federal role in productivity improvement at the State and local level. I introduced legislation on March 8 which would encourage productivity improvement in the public sector, H.R. 2735 the Intergovernmental Productivity Improvement Act of 1979—the companion bill, S. 1155, was introduced on May 15 by Senator Charles Percy. I commend the article to my colleagues and insert it in the Record at this point:

Productivity: The Washington Connection

(By Andrea Kailo)

> The world according to GARPS would be a place in which the federal government provided a focal point for enhancing state and local productivity.
>
> GARPS—the Grants Assessment, Research and Productivity Section—was recently established under the Office of Personnel Management's Intergovernmental Personnel Programs (OPM/IPP) to give both technical and financial assistance to states and localities to improve public management.
>
> As interest grows in improving productivity in the federal government, more and more federal studies are concluding, as did an OPM task force report last year, that "improvement in state and local government productivity is essential to any national program."
>
> Addressing nearly 100 state and local government representatives at a March Workshop on State and Local Government Productivity Improvement, U.S. Comptroller General Elmer Staats noted that, "with state and local government expenditures now comprising over 15 percent of the GNP, the fiscal status and productivity of this sector has become more important for a healthy national economy. . . . Federal concern for state and local productivity has been further stimulated by realization that successful implementation of many federal social and regulatory programs is critically dependent on effective state and local management of these programs."

In a December 1978 report to Congress, Staats summarized the General Accounting Office's (GAO) recommendations on the federal role in state and local government productivity improvement:

"We concluded (Staats wrote) that the Federal Government can best promote increased levels of State and local productivity by (1) developing from existing Federal programs a general management improvement program for the benefit of State and local managers, and (2) making changes in the Federal grants system to remove hindrances to State and local productivity and to incorporate positive performance incentives in grant programs, thereby encouraging improved productivity in federally assisted services."

Though the GAO report concludes that the most significant impact—and a primarily negative one—of the federal government on state and local productivity is the federal grants system, the National Productivity Council in December authorized a study "to determine the appropriate role of the federal government in supporting the productivity improvement efforts of State and local governments" which is *not* intended to "provide a review of the federal grants system to identify changes to provide incentives for productivity improvement."

The report is intended to identify the kind of assistance which would be most supportive of state and local efforts to improve productivity and then to determine if and how the federal government could provide this assistance. According to study co-leader Edward Chase of the Office of Management and Budget (OMB), the focus is on four major areas: management capacity building, information sharing, productivity measurement, and new methods and technologies.

Chase now expects that the final report, originally due on April 30, will not be presented to the National Productivity Council until at least the end of July. Both Chase and Lou Phillips, who heads the IPP/GARPS program, were reluctant to discuss the study's conclusions and recommendations until the draft is approved by an interagency study team. Chase did say, however, that "most of the recommendations we're talking about could be implemented by this fall."

JUMPING THE GUN

In fact, though one objective of the study is to determine "whether it is appropriate for the federal government to provide the assistance," GARPS already has been set up in anticipation of the report's findings. Despite its location in the Office of Personnel Management, GARPS will deal with more than just the personnel aspects of productivity improvement, Phillips says. He expects about $5 million to be budgeted for the program which will concentrate on four basic areas:

Networking—IPP will coordinate the programs of public interest groups, private sector organizations, federal agencies and state and local governments to promote cooperative efforts in productivity improvement. Phillips and other IPP staff have begun meeting with public interest group representatives, including NCSL, to seek assistance in setting up the GARPS program.

Information exchange—A Productivity Resource Exchange and a bimonthly newsletter will be used to distribute information on significant productivity improvement projects in states and localities.

Training and technical assistance—Existing IPP training and technical assistance will be expanded to promote the development of productivity improvement activities. Though a number of federal programs currently provide technical and financial assistance for state and local management and productivity improvement, the GAO study found that these efforts are "varied and fragmented and are not well coordinated."

Grants—Productivity improvement projects will be supported through Intergovernmental Personnel Act (IPA) grants based on a project's consistency with state and local priorities, the potential transferability of results and the degree to which management capacity will be strengthened. NCSL's Project TRAIN could be used to focus on the potential increases in productivity resulting from improved legislative procedures.

At present, Phillips said, IPA grants must be related to personnel management. Legislation introduced this session by Rep. Tom Corcoran (HR 2735) and Sen. Charles Percy (S 1155) would amend the Intergovernmental Personnel Act to permit OPM to make grants to state and local governments for up to 90 percent of the "costs of developing and carrying out programs or projects to strengthen the capability to improve productivity of state and local governments."

(In a letter to Corcoran supporting his bill, NCSL stressed that "efforts to perform the work of government more efficiently must be given a high priority." Noting the "increasing burden" placed on states in managing federal programs and responding to regulatory requirements, NCSL maintained that states" must be aided by federal assistance to efficiently and effectively carry out federal programs." It noted that the pending bill allows IPA grant funds to be directed "precisely at productivity improvement," not simply at personnel management.)

Although the current federal focus is on providing technical, financial and "clearinghouse" assistance to improve state and local productivity, the GAO report concluded that "the role of Federal technical assistance is secondary or supportive at best. . . . Generally, we found that the impact of Federal funds for productivity improvement has been to support locally originated efforts, not to initiate new productivity efforts." In fact, the GAO study noted, "state and local officials seem to accord higher credibility and trust to information and assistance received through informal and formal networks of their own counterparts and private consultants of their own choosing."

Asked to set their own priorities from among the areas on which the National Productivity Council report will focus, state and local representatives at the OPM-sponsored workshop in March introduced grant reform and grant consolidation as a key priority for federal involvement in improving state and local government productivity.

Paul Posner, who worked on the GAO report, reasoned that the National Productivity Council decided to concentrate first on the technical aspects of assistance because this would be more likely to lead to early action. (Indeed, as noted above, GARPS has been established even before being officially recommended.)

On the other hand, Posner explained, the federal grants system is seen as "an undulating monster, difficult to get your hands on." With federal grants comprising over one-quarter of state and local spending for FY 1979, the OPM task force headed by Lou Phillips last September noted that "the efficiency and effectiveness of federal assistance programs is often compromised by the policies and procedures of the system designed to manage them."

What the GAO study cites as the negative impacts of the grant system comes as no surprise to those at the state and local level who deal with the administration of federal grant funds.

"Such factors as the paperwork burden, compliance with costly federal standards, excessive delays involved in launching programs, matching and maintenance of effort requirements, federal funding formulas, and the excessive categorization of federal assistance impose excessive costs on state and local governments. As such, *the grants system retards state and local productivity levels* and poses additional barriers to public managers on launching productivity improvement efforts. (emphasis added)

In a chapter on "Federal Impacts on State and Local Productivity,"* Harold Hovey points out that federal grant requirements hinder state and local productivity to the extent that they "distort" the priorities which would otherwise have been set. Basing his conclusion on the fact that, in the absence of federal involvement, "public officials tend to select more effective instruments over less effective ones," Hovey notes that federal policies are designed to influence these decisions, shifting state and local priorities to attain national goals.

"The question is not whether grant requirements reduce productivity, which they generally do," Hovey says, "but whether the reductions in productivity are justified by whatever results the cross cutting requirements produce."

Posner views the grant problems as stemming from a lack of accountability. "States really have no incentive to be productive with federal grant monies," he said. "And you have to wonder whether the federal agencies are all that concerned."

Categorical grants "leave something to be desired' in terms of management control and resulting productivity, Posner commented. While noting that factors other than productivity levels must be taken into account, he acknowledged that "in terms of paperwork burden, General Revenue Sharing is the most productive program on the books." The greater state control encouraged by block grants and revenue sharing leads to greater state concern about program management and, Posner, concluded, likely results in improved productivity.

The GAO recommendations for major grant system changes reflect both Posner's views on accountability and Hovey's concern with excessive grant requirements. To "remove some of the negative impacts on state and local productivity," the report recommends:

Reduction of federal reporting and paperwork requests and requirements;

Standardization of "cross-cutting" requirements, such as nondiscrimination and environmental review, across all federal programs, with designation of an appropriate federal agency to certify compliance with each requirement;

Consolidation of categorical grant programs into block grants whenever feasible:

Elimination of many procedural requirements over grants administration "if accountability for program results based on quantitative performance standards is established;" and

Wider use of incentives and performance standards in the creation or reauthorization of federal grant programs.

These recommendations are similar to those which have been put forth by NCSL, calling for increased state administrative and legislative flexibility and responsibility in the management of federal grant programs. Both Chase and Posner indicated that the role of federal grant reform in improving state and local government productivity is next on the list for a National Productivity Council/OMB study. Perhaps, as with the establishment of GARPS, some of the reforms could precede completion of the final report.

FEDERAL PRODUCTIVITY

It must be remembered that the federal government's interest in state and local government productivity derives from concern about its own.

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* In *Productivity Improvement Handbook for State and Local Government*, prepared by the National Academy of Public Administration; to be published by John Wiley & Sons, fall 1979.

The concern is relatively new and so are the available acts anyone embarking on a study of federal productivity and hoping to compare data from one decade to the next would run out of data after the first comparison. Though the Department of Labor's Bureau of Labor Statistics (BLS) has been measuring private-sector productivity since 1898, systematic data collection on federal productivity did not begin until FY 1972, at which time information was gathered retrospectively from FY 1967.

While public employee productivity has a significant impact on Federal expenditures, conceptual difficulties have hindered productivity measurement in the Federal Government. Much of the final output of Government is in the form of services, which cannot be measured as readily as the production and profit figures of private industry.

In 1962, however, a study by the U.S. Bureau of the Budget (now the Office of Management and Budget) concluded that valid productivity measures could be developed for many Government activities. But a shift in priorities left Federal productivity measurement on the back burner until 1970, when Senator William Proxmire, then vice chairman of the Joint Economic Committee, asked the Comptroller General to investigate the feasibility of measuring the productivity of the Federal Government.

Based on the recommendation of a joint interagency team (made up of the Civil Service Commission, the General Accounting Office and the Office of Management and Budget), a task force as established to collect the data needed to develop a Federal productivity index. In 1973, when continuation of the project was endorsed by OMB, the Bureau of Labor Statistics was given responsibility for collecting the necessary data and developing productivity measures.

Defining productivity as the ratio of the volume of goods and services produced to the staff years required to produce them, Federal productivity for the sample measured rose at an average annual rate of 1.3 percent from 1967 through 1977, about the same as the private sector productivity increase for the period. The Federal figures varied substantially from year to year, ranging from a drop of 0.6 percent from FY 1973 to FY 1974 to a gain of 2.9 percent from FY 1976 to FY 1977.

Federal productivity data for FY 1977 (FY 1978 data will be published this fall) covered 52 agencies, 64 percent of the Federal civilian work force, and measured over 1,900 output indicators in 28 functional groupings. These groupings include such items as communications, medical services and equipment maintenance.

Output indicators measure the final products of an agency activity, not the intermediate products along the way. The output indicator of a library, for example, would reflect its use (as in the number of books loaned or number of information requests), rather than its internal administrative functions (such as the number of books catalogued). Jim Urisko, director of the BLS Federal Productivity Measurement System, says that the number of indicators, which he expects to reach 3,000 for FY 1978, reflect the reliability of the data. The nature of the indicators varies substantially, including such diverse items as telegrams sent and deportable aliens located.

In a recent *Civil Service Journal* article (Jan/Mar 1979), Jerome Mark, Assistant Commissioner for Productivity and Technology at the Bureau of Labor Statistics, highlighted a number of problems encountered in determining final output indicators for the federal government. These include identifying specific units of service that "are countable, are fairly homogeneous over time, can be adjusted for quality changes, and reflect a significant proportion of the agencies workload." Difficulties also arise in measuring work which is contracted out, done over a time period longer than the fiscal year, handled by someone who is not devoting full time to one output, or done within an agency which has been reorganized.

While noting the current emphasis on refining measurement techniques, it is important to remember that adequate productivity data—measurement for measurement's sake—is itself an intermediate, not final, output of the federal government's productivity efforts. The goal is productivity improvement, and the relationship between measurement and improvement was well explained in the 1977 Annual Report of the recently disbanded National Center for Productivity and Quality of Working Life:

"Measurement is a tool which, when used as a part of any productivity improvement effort, can serve many purposes. Productivity measurement in the Federal Government is a means for providing an objective yardstick for tracking progress over time of attemtps of agencies to use their work force more effectively. Areas of lower or declining productivity can also be detected through measurement. In addition, measurement is a technique which can be used to motivate agencies to adopt productivity improvement programs."

Or, as Office of Personnel Management (OPM) Director Alan Campbell said in a recent speech, "you can't tell if you're winning if you can't keep score."

THE PLAYERS

When the Bureau of Labor Statistics in 1973 was assigned the role of collecting federal productivity data, the responsibility for other aspects of productivity improvement was divided among a number of federal agencies. Generally, the assignments specified that:

The Office of Management and Budget would provide general policy guidance;

The Civil Service Commission (CSC) would provide leadership, guidance and technical assistance in aspects of productivity involving personnel management;

The General Services Administration (GSA) would provide guidance and technical assistance regarding work measurement and productivity measurement systems development; and

The Joint Financial Management Improvement Program (JFMIP), an interagency group, would analyze the factors involved in productivity change and prepare an annual report to the President and Congress.

While these responsibilities were being sorted and carried out, the National Commission on Productivity, established in 1970 to emphasize the importance of productivity to the national economy, was undergoing a multiple metamorphosis. In 1974, it became the National Commission on Productivity and Work Quality, with a mandate to help "the morale and quality of work of the American worker." A year later, the National Center for Productivity and Quality of Working Life emerged, directed under Public Law 94–136 to "focus, coordinate, and promote efforts to improve the rate of productivity growth," to develop "a national policy for productivity growth in the public and private sectors," and to expire on September 30, 1978.

Most recently, President Carter has created the National Productivity Council (Executive Order 12089; October 23, 1978) "to provide for coordinated and effective Federal programs to improve productivity in the public and private sectors." The Council is composed of the heads of 10 federal agencies, with the Director of the Office of Management and Budget serving as chairman. Agencies are assigned specific leadership responsibilities in the federal productivity effort.

OPM has since established a Workforce Effectiveness and Development Directorate (WED) to improve the productivity of the federal workforce. Using the task force report as a base, an integrated federal productivity program has been organized within the directorate's Office of Productivity Programs.

Until initiation of this latest federal productivity improvement effort, productivity data had been reported to the Bureau of Labor Statistics on a voluntary basis. In a December 1978 memorandum, however, the Office of Management and Budget instructed the heads of all executive departments and agencies with over 200 full-time permanent employees to follow a detailed 17-page Agency Instruction Package in submitting productivity data, which will now form part of the budget process.

One area of emphasis in data collection will be measuring common services within different departments and agencies. OPM productivity analyst Allan Udler believes that the measurement of common administrative services holds a lot of promise for productivity improvement. There are a number of administrative areas, such as personnel management and procurement, which extend over most government agencies, Udler explained. By developing a method whereby all agencies can report on these common functions on the same basis, he said, comparisons can be made which will assist managers and supervisors in improving their output.

Such a measurement system was recently developed and applied in the area of federal government personnel management. After determining what activities of a personnel office could be quantified, a task force divided the office into five functional areas: staffing and employment, position classification, employee and labor relations, employee development, and general administration and support. Data is now being collected for each of these functions in 31 federal personnel offices across the country. The methodology used to develop this system will be applied in other common services, with OPM and BLS cooperating to design appropriate measurement techniques.

The personnel management component under OPP's Productivity Services Division rests in large part on recently enacted civil service reform measures, particularly the establishment of the Senior Executive Service. Experiments with positive incentives will be encouraged to improve lower-level management and motivate individual employees. Possible incentives include bonuses, shared cost-savings, job rotation, career development, reimbursement for unused sick leave and educational opportunities. In addition, the establishment of performance appraisal systems in all federal agencies will, as the task force report notes, "introduce an accountability mechanism that is crucial to productivity improvement."

The Research and Program Development Division of OPP was set up to develop and analyze techniques to improve organizational performance. Along with doing the basic research, the division will test and demonstrate productivity improvement approaches such as improved management systems and organizational change.

Finally, within the capital investment component of the program, OPM will work with other members of the Productivity Council to stimulate capital investment in the federal service. Task force findings show that 40 to 60 percent of the productivity increases in the private sector are related to capital investment which, they concluded, "could become the largest single force in increasing Federal productivity as well."

As the final report of the National Center for Productivity and Quality of Working Life pointed out, "the public sector needs special encouragement to improve productivity."

"Without a clear-cut indicator of accomplishment, such as profits (the report continued), the incentives to improve productivity are not as strong as in the private sector; indeed, there are strong incentives to maintain the status quo. Professional pride has motivated many public managers to try to improve government productivity, but—especially at the local level—improvement requires the support and leadership of elected offices. There are few political incentives to improve productivity, however. The incentives are to use available public funds to satisfy immediate public demands, by which voters judge the performance of elected officials."

In this post-Prop 13 time of tax and spending limitations, the Administration has embarked on a productivity improvement program for both the public and private sectors in an effort to promote the more efficient use of our nation's resources. Recent surveys have shown, however, that taxpayers not only want reduced government spending, but also seek greater value for their tax dollars. They want effectiveness as well as efficiency in government.

OPM Director Campbell recently told a meeting of government accountants:

". . . what we are looking for in all of these programs is a combination of efficiency and effectiveness. To achieve one without the other will leave us short of our goals. We can say we are efficient if we find ways to turn out more forms or process more applications in a shorter time or at less cost. To be able to claim that such efficiency is also effectiveness, we must be sure that the final product is improved service to the public."

While OPM analyst Allan Udler sees productivity data as "a surrogate measure of effectiveness" in that low productivity can be an indication of worker deficiencies, Jim Urisko of the Bureau of Labor Statistics believes that "any discussion of effectiveness right now is fanciful." Efficiency can be determined through statistics, Urisko said, but effectiveness—how well an agency is discharging its mission—is subjective. "We don't have effectiveness measures yet," he acknowledged. "That's down the road."●

SALT TREATY NOT VERIFIABLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KEMP. Mr. Speaker, Lt. Gen. Edward Rowny has made some excellent points concerning his assessment of the verifiability of the SALT Treaty. I believe his remarks, which follow, bear your careful consideration:

REMARKS BY LT. GEN. EDWARD ROWNY

THE TREATY IS NOT VERIFIABLE

The conclusion I reached in my assessment of 21 May 1979 to the JCS regarding verifiability was that the Treaty is not adequately verifiable. Problems in verification stem in large measure from the great advantages accruing to the closed society of the U.S.S.R. over the open society of the U.S. The U.S.S.R. playing its cards close to the chest whereas we play ours face up on the table, has little difficulty in verifying U.S. systems. The press, unclassified Congressional hearings, production reports and other U.S. publications provide the Soviet Union with all the information it needs to satisfy its verification needs. Practically no information of a similar nature is available to the U.S. I shall not discuss here in open session the recent difficulties facing the U.S. in monitoring Soviet activities which already aggravate the problem of verifiability. My assessment of verifiability rests for the most part not on monitoring but on the unsatisfactory provisions of the agreement itself to which monitoring applies. The U.S.S.R. has consistently refused to agree to provisions necessary to assure adequate verification of mobile ICBMs, MIRVed ICBMs and SLBMs, new types of ICBMs, heavy bombers and cruise missiles. Many of the provisions to which we agreed involve ambiguities and contain loopholes.

Provisions pertaining to the verifiability of mobile ICBMs are loosely drawn. The Soviets have agreed not to deploy the SS–16 mobile ICBM during the period of the Treaty. However, the U.S. did not insist that the third stages of such missiles be destroyed. Hence the U.S.S.R. could, in a break-out scenario, employ these (or clandestinely produced third stages) on any of the SS–20s it has in its inventory.

As for the verifiability of numbers of MIRVed systems, the Soviets have agreed to the "look-alike/count-alike" rule. However, there are those who agree with the Soviets that they granted us a concession and that counting launchers as MIRVed are exceptions to—rather than compliance with—agreed counting rules. Thus we cannot be certain that the Soviets will accept our interpretation of this counting rule in the future.

The provisions for the verifiability of new types of ICBMs are so loosely drawn that it is extremely unlikely that the Treaty will restrict the Soviets to one new type of ICBM. Parameters which would make effective verification more likely were not agreed to by the Soviets and therefore are not a part of this agreement.

Provisions for verifying heavy bombers are practically nonexistent, largely because the Soviets insisted that no definition of a heavy bomber be included in the Treaty. Hence, under the Treaty, an aircraft is a heavy bomber if it is specified by a side that it is one. Under this arrangement the Backfire, clearly a heavy bomber based on estimates derived from data gathered by national technical means, is not included as a heavy bomber simply because the U.S.S.R. asserts that it is not a heavy bomber. What is often forgotten is that Vladivostok resulted in the U.S. counting its large number of bombers in the total aggregate while the U.S.S.R. has fewer to include in its total and subsequently succeeded in excluding not only its Backfires but its dual purpose bombers used for anti-submarine warfare and reconnaissance. Thus the basic objective of achieving equal aggregates of central systems turned out to be a net loss rather than a gain.

Whether or not a cruise missile is nuclear-armed can be verified with some degree of confidence since storage and handling techniques for nuclear warheads are much more elaborate and specialized than for conventional warheads. This confidence could be assured if cooperative or intrusive measures were adopted. However, the Soviets, using the pretext that the type of armament of cruise misiles is non-verifiable, succeeded in getting the U.S. to count conventionally-armed cruise missiles as though they were nuclear-armed.

The JCS have repeatedly stated that access to unencrypted telemetry is essential to verification. The United States does not encrypt telemetry. However, the U.S.S.R. has encrypted telemetry on a number of its ICBM tests. Encryption of telemetry can have only one purpose—to deny or conceal information. The Treaty provision finally agreed upon has three parts: (1) the freedom of a side to encrypt, (2) a ban on encryption which deliberately impedes verification, and (3) a requirement that such deliberate interference must relate to provisions of the agreement. The most satisfactory resolution of the problem would have been an insistence on availability of information needed to verify the agreement. However, the Soviets have not agreed to provisions with respect to the new type ICBM which would establish a requirement for unencrypted telemetry. Left unclear is what is impeded or concealed, what is deliberate and not deliberate, and who is to be the judge? It begs the question to leave this critical issue to the Standing Consultative Commission. This issue should be resolved in the Treaty. Thus, the language on encryption of telemetry finally agreed upon is virtually meaningless.

Proponents of the current SALT agreement state that in the absence of a Treaty the Soviets could interfere with national technical means of verification. This is not so. Existing agreements—the ABM Treaty for example—prohibit such interference. Moreover, the absence of agreement on what constitutes national technical means makes verifiability of this Treaty tenuous. We have already heard Soviet statements that overflights of territory of our allies are not national technical means. Proponents of this Treaty also maintain that it is adequately verifiable because the United States could detect cheating which altered the strategic balance in time to take corrective action. I challenge this view. Surprises can come at any time and the lead-time for countering them is great. The history of SALT is a history replete with surprises. In 51 U.S. national intelligence estimates of predicted Soviet performance over the past ten years, 49 have underestimated the situation, some by a large margin. Early in 1979 U.S. officials publicly stated that the U.S. intelligence community had badly underestimated the speed with which the U.S.S.R. could develop and deploy its MIRVed missile systems. With this consistently poor record of predictability in the past, there is little assurance that in the future we can detect significant changes which would affect the strategic balance in time to take corrective action.

THE TREATY UNDERMINES DETERRENCE

An essential condition of the effectiveness of any SALT agreement is that the composition and size of the force of strategic arms possessed by one of the two sides is that the other side be deterred from taking actions which it might otherwise take which would lead—consciously or inadvertently, to a nuclear exchange. Measured against this standard, the Treaty signed in Vienna will undermine deterrence. The static and dynamic criteria by which strategic parity are generally measured demonstrate clearly that the U.S. will fall behind the Soviets strategically in the early 1980s. The fact that the U.S. will be strategically inferior to the U.S.S.R. from the early 1980s to at least the end of the Treaty is the primary factor undermining the potential of our strategic forces to fulfill their role of deterrence. Furthermore, our current plans call for our MX in a mobile basing mode to be deployed in 1986 and the system fully operational by 1989. Accordingly, our ICBM force will, under current plans, remain vulnerable for the next ten years. I am distressed over talk that we need not be overly concerned about our fixed ICBM vulnerability because we could launch from under attack. Adoption of the bankrupt policy which such action implies would mark the end of intelligent arms control. Aside from the technical difficulties and risks inherent in such a situation, we should simply not place the President of the United States in positions which result from an espousal of such a course of action. Indeed, we should take rigorous action to minimize chances that any U.S. President will be put in such a position.

Whether or not future Soviet leaders are deterred is a subjective judgment they will make. A situation in which the U.S. is strategically inferior and its ICBMs vulnerable can only cause future Soviet leaders to be less deterred than they would otherwise be if these two conditions did not exist. This is not to argue that Soviet leaders will deliberately risk a first-strike against the U.S.

It does argue, however, that Soviet leaders will be more adventuresome and far less inhibited from taking risks in some future crisis such as a Berlin crisis. Who knows where the next crisis could arise. It could, for example, be occasioned by Soviet interference in a possible Yugoslav leadership successorship, or perhaps denial of Middle East oil. If the Soviets feel they are strategically superior to us in such crisis it could contribute to the Soviet's announced objective of spreading their hegemony and contribute to escalation to situations in which nuclear arms might be employed.

Thus, I agree with the Joint Chiefs of Staff that essential equivalence will be lost in the early 1980s and that we should first arrest and then reverse this strategic situation as a matter of the highest national priority. A SALT Treaty which required the U.S.S.R. to accept greater reductions and to eliminate the asymmetries in ICBM warheads and throw-weight would make the achievement of the U.S. task of regaining strategic parity more rapid and less expensive. It is for this reason that I believe we should decide to renegotiate the provisions of this Treaty. There are two ways to regain strategic equality—one by building up our forces and the other by having the Soviets reduce theirs. I believe the second course of action is more conductive to arms control, is sensible, and is possible. It should therefore not be ruled out.

I agree with the Joint Chiefs of Staff who expressed it as their most serious concern that SALT II could be allowed to become a tranquilizer to the American people and the adverse trends confronting us could be irreversible. I also applaud Senator Nunn's statement that if the Senate believes SALT II will prevent our nation from taking the necessary steps to reverse current trends it should be rejected. However, I have heard no official and authoritative voice call for urgent and major additions to the Defense budget. We are apparently prepared to live with strategic inferiority from the early '80s until the '90s when the long-range correctives will hopefully begin to have an impact. This appears to me to be a dangerous acquiescence to the threat of Soviet pressure which will be backed up by superior military might. What we need is immediate and concrete action—no promises but action—in the form of major supplements to our defense budget in both the strategic and conventional fields.

THE TREATY DOES NOT CONTRIBUTE TO STABILITY

The Treaty signed in Vienna does not contribute to stability. The fundamental fact is that the Treaty does not blunt the momentum of the massive Soviet buildup in strategic offensive arms. It has been stated that requiring the Soviets to reduce their number of strategic offensive arms and restricting them to one new ICBM will add to stability because it will enable us to know the size and composition of their strategic force structure. This hope has little chance of being realized. There is no evidence that the Soviets will reduce their current commitment of resources to strategic arms. I agree with Admiral Turner's judgment that "a SALT agreement along the lines currently being discussed is not likely to slow the growth of Soviet defense spending significantly." He estimated that "such an agreement would probably not reduce the rate of growth of (their) total defense spending by more than one-fifth of a percentage point per year." Since provisions in the Treaty limiting the qualitative improvement of systems are practically non-existent, Soviet resources can be expected to be channeled into less predictable and less verifiable qualitative fields.

Moreover, since the Soviets will soon have sufficient warheads to cover all U.S. targets, to include a 2-on-1 attack on U.S. ICBMs, the route of qualitative improvements is clearly the one Soviet planners can be expected to pursue.

What concerns me most is the growing realization at home and abroad that the U.S.S.R. will soon have a decisive advantage in the strategic field. This will allow the Soviet Union to move against nations friendly to the U.S. with greater certainty that the U.S. will not respond.

THE TREATY COULD WEAKEN NATO

The Treaty signed in Vienna could weaken NATO. The Protocol constrains, for the most part, U.S. systems. While the deployment of mobile systems for the period of the Protocol is denied both sides, the remaining portions of the Protocol deal with ground and sea-based launched cruise missiles, systems that the U.S. and NATO—but not the Soviet Union—require. Soviet spokesmen have on numerous occasions stated that they expect the provisions of the Protocol to be extended and remain in force. Indeed, the Joint Statement of Principles states that protocol issues will be resolved in SALT III. Moreover, there would be no reason for the Soviets to insist that there be a Protocol if they did not consider it would serve as a precedent. In the absence of a Protocol the U.S. would have great incentive for entering into sorely needed accelerated programs for developing long range ground and sea launched cruise missiles for early deployment in Europe.

Article XII of the Treaty states that the parties undertake not to circumvent the provisions of the Treaty "through any other state or states, or in any other manner." However, this provision is so broad that it will certainly be interpreted by the U.S.S.R. in a manner which suits their best interests. Thus, the United States can fully expect Soviet challenges to arise when it attempts to transfer systems or technology to its NATO or other allies. Accordingly, the interest of our allies, and especially our NATO ones, can be expected to be damaged by our hesitancy, that is our conceivable unwillingness, to transfer systems and technology to NATO. Such challenges of U.S. actions by the Soviets will, under their interpretation, be permissible by the Treaty.

I am of course aware that the leaders of our NATO allies have expressed support of SALT II. I suggest that this Committee carefully study General Haig's comments which explain these Allied attitudes. His views conform to my own observations resulting from the close contacts I have maintained with military leaders in NATO. Like Secretary Kissinger and General Haig, I take little comfort in the mixed views one hears from Western Europe. NATO's leaders would be unquestionably in favor of an equitable and verifiable Treaty and one which did not raise serious questions about their own security interests. In the last analysis, what is their alternative but to support the official position of the United States?

THE BASIC PROBLEM: SOVIET MOMENTUM IS NOT CURBED

As I have mentioned above, the crucial problem facing the U.S. is the large and continuing buildup of Soviet strategic forces. This momentum continued unabated while SALT was being negotiated, and there is no evidence that this Soviet momentum will slacken. As early as 1965, Secretary McNamara decided to scrap 300 B–58 bombers, which were then only three years old. Further, he decided that the U.S. would not add to its force of heavier ICBMs and would limit itself to 1000 light MM ICBMs. He said that the U.S.S.R. had neither the intention, nor the capability, of matching us strategically. He was clearly wrong. By the time the Interim Agreement was signed the Soviet Union had a greater than 50 percent lead over us in ICBMs and submarines. Thus, Secretary McNamara initiated a trend, which has continued throughout the SALT negotiating process, that puts faith in the belief that our examples of unilateral constraints will be followed by the Soviets. This helps explain the cancellation of the B–1, the shutdown of the MM production line, the delays in the Trident program, and the delays in the MX and cruise missile programs. Meanwhile, the Soviets have neither slowed down nor have they cancelled weapons programs which create a climate conducive to better bargaining in SALT negotiations. Their tactic is to develop and deploy systems and then negotiate from the higher levels achieved. Even if we were to spend 40 percent more per year for stratgic forces to restore our position of strategic equality, we would be unable to regain parity before 1986 and probably not even before the end of the decade. Thus the Treaty signed at Vienna will sanction and codify U.S. strategic inferiority. This situation, in my judgment, could have been avoided if the SALT II Treaty had been so negotiated that it did not permit gross inequalities and large asymmetries to exist. This situation can still be corrected by reopening negotiations.

MY ASSESSMENT OF THIS TREATY

In making my assessments I have not been unmindful of the plus side of the ledger. The objectives sought by many proponents of the Treaty are goals which I share. Like the proponents of this Treaty I favor the continuation of the SALT negotiating process. I am convinced that this process will continue irrespective of whatever course of action the Senate decided upon. However, the shortcomings of this Treaty and its failure to meet the important objective criteria by which it should be measured in actual fact tilts the balance heavily against the United States. This Treaty is seriously flawed. This Treaty in its present form will, in objective terms, harm rather than enhance our security. Furthermore, rather than contribute to the continuation of the SALT process, the ratification of the Treaty signed at Vienna is bound to make it virtually impossible to negotiate a good SALT III agreement.

In my more than six years of negotiating with the Soviets I have met with them more than 350 times for a total of more than 1,000 hours. My six years at the negotiating table convinces me that a Treaty meeting the criteria of acceptability set down by the Joint Chiefs of Staff was—and still is—attainable. Like the JCS, I strongly favor arms control, provided it does not undermine our security.

Most of the discussion on this Treaty in the Senate so far has focused on arguing whether an unequal Treaty might or might not be preferable to no Treaty. We should instead compare this Treaty with a fair and equal one. I also reject the view that the challenge facing us in the long run will be greater if this Treaty is not ratified.

There have also been arguments before the Senate that this Treaty does not prohibit us from pursuing any U.S. programs we wish to build. I challenge these arguments. The Treaty will undoubtedly constrain—and the Soviets can be expected to press to prohibit altogether—our deployment of the MX missile in a mobile mode. Additionally, it will certainly constrain, if not prohibit, the deployment of long-range ground and sea launched cruise missiles. The Treaty will require us to give up ICBM or SLBM launchers if we wish to deploy more than one-third of our planned development of 170 carriers of air launched cruise missiles. It will constrain us from deploying long range conventionally armed cruise missiles. And I could go on. The simple fact of the matter is that the Treaty places constraints on U.S. forces and far fewer meaningful constraints on Soviet forces which will soon be superior in capabilities, as they are now in numbers, to the United States.

One point needs to be thought through most clearly. It is clear that the Soviets have been building, and are continuing to build, their strategic forces at a near war-time level of effort which is at—or near—their capacity. The Soviets cannot greatly increase their defense spending further or continue their warlike footing indefinitely. At the same time, this Treaty will not serve to blunt or to reverse their momentum. Therefore the sooner we realize our precarious position and cause the Soviets to turn their momentum around the better. Now is the time to tell the Soviets clearly and firmly that we will only ratify a Treaty which is fair and equal and that we will not ratify a treaty which codifies U.S. acceptance of Soviet unilateral rights which make the Treaty unequal. The Soviets want and need a treaty and will, in view of their own economic constraints, not wish to arouse us to develop to the utmost our full economic/financial and technological resources. If they find us resolute on renegotiating the Treaty, we stand a good chance of arriving at one which will put us on the road to true arms control, one which will contribute to deterrence and stability and will save us—and them—money.

If the Soviets are unreceptive to renegotiation, I am convinced they will not be so for long but will soon return to the negotiating table. The Soviets know that a Treaty is in their long-term interest. What they do not yet know is that we will not ratify an unequal Treaty.

We can, if we need to do so, afford to spend what it takes to regain and to maintain our national security. We cannot afford not to do so. It is imperative that we decide now to act quickly and decisively to regain parity we will soon lose. Spending a single percentage point of our GNP will maintain our position of parity, once regained, for the indefinite future.

I have been asked why I believe we can get a better deal when others have said that this is the best deal we can get. My answer is simple—I was there—intimately involved with the Soviets at various negotiating levels. I know that the Soviets want and need a Treaty. I know that we, the United States, made reaching almost any SALT Treaty an over-riding policy objective. As a result our security has suffered. Unlike the Soviets who put their security first, we have tailored our military planning to optimistic expectations of the outcome of the SALT process. Like the Joint Chiefs of Staff I believe we should pursue two tracks: arms control and our security. I believe we have pursued the first track at the expense of the second. In my professional judgment the risks to our national security under this agreement are too great for the hoped-for gains in arms control. It is my considered view that approval of this Treaty as it now stands will undermine our security and will hinder and not further the process and the likely progress of arms control.

In summary, the Treaty signed in Vienna on 18 June 1979 does not meet minimally acceptable standards. It is my considered and professional military judgment that this Treaty is not equal and not adequately verifiable. It will neither enhance deterrence nor add to stability. It could well detract from NATO security and allied coherence. It could seriously damage the prospects for significant reductions in any future SALT negotiations. This particular SALT agreement is not in the interest of the United States and should be renegotiated.●

STATE EFFORTS TO IMPROVE PRODUCTIVITY CITED

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, the July issue of State Legislatures, published by the National Conference of State Legislatures, includes an article by Associate Editor Dan Pilcher regarding State efforts to improve productivity. I introduced legislation on March 8 which would encourage productivity improvement in the public sector, H.R. 2735, the Intergovernmental Productivity Improvement Act of 1979—the companion bill, S. 1155, was introduced on May 15 by Senator CHARLES PERCY. I commend the article to my colleagues and insert some excerpts from it in the RECORD at this point:

PRODUCTIVITY

It is said that somewhere, beyond the forests of government agencies and the mountains of budget documents, lies a golden land of efficient, effective government. During the past year, seekers of that land have often proceeded under the banner of "productivity"—spurred by Proposition 13, by efforts to limit government, and by analyses and polls documenting the full extent of voter dissatisfaction.

Few would question the worth of this crusade. But the states—which embarked on it well before the federal government did—have found the path lined with political pitfalls. With a few exceptions, they have found that *formal* productivity programs may not be the best of all remedies for the perceived ills of government.

One reason, of course, is that elected public officials stressed the new concept of limiting the size of state and local government and also reducing taxes, instead of focusing on productivity as such.

Many states, moreover, had already pursued innovative policies in recent years to increase the efficiency and effectiveness of state government without necessarily placing these efforts under the rubric of productivity.

The nature of productivity programs and the history of such efforts in various states is an additional reason that such programs have yet to become a visible political issue for most state governments, despite the imprint of Howard Jarvis on national and state politics.

The complex nature of productivity improvement, the length of time required, and the need for broad political support, are often all simply incompatible with a desire for highly visible executive and legislative action with quick, demonstrable results.

Nonetheless, two organized efforts to improve productivity are taking place in North Carolina and New York. Carol Ann Meares of the Productivity Information Center of the U.S. Department of Commerce's National Technical Information Service says that North Carolina is "having some real successes because they have commitment from the top (the governor). New York is still doing some very good things."

"But, so far as the other states are going," says Meares, who monitors state productivity efforts and federal actions which affect state and local government productivity, "you're really not seeing very much."

Elsewhere, however, the author of a chapter on state government productivity in a forthcoming book assents that the "pace of state productivity improvement efforts has quickened" in the last five years, though "there is also great concern about the durability of these efforts."

"Most states that have experienced failure exhibit a deadly skepticism and cynicism," writes Edgar G. Crane, Jr., "an expectation that the next new-fangled fad will also be a dud and a conviction that new systems are strictly for public relations." *

Crane summarizes the current state of productivity efforts in four categories, each progressively requiring more effort and higher priorities:

Twelve states have selective efforts at the initiative of operating agencies.

Sixteen states have centralized management groups which identify priorities and offer technical assistance.

Seventeen states have or are developing measures of efficiency and effectiveness.

And five states have comprehensive programs seeking to muster public support and develop "total productivity monitoring information systems."

THE FIRST SURGE

The first major wave of interest in productivity improvement occurred in the early 1970s when the quantity and quality of government services were increasingly questioned. The 1973–75 recession placed the states squarely in the path of rising demands for services, increasing costs and (for some) dampened revenues.

Two states which launched highly visible productivity programs at that time were Wisconsin and Washington under the initiatives of then-Governors Patrick J. Lucey and Daniel Evans. Political dissension and subsequent changes in administrations, though, apparently took their toll of those productivity efforts.

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IS IT WORTH DOING?

Today's debate over the roles of the private sector and government now provides an additional dimension to the productivity issue. Before productivity improvement is addressed, it is necessary to answer the question of whether or not a state should continue an existing program or initiate a new program.

The traditional legislative approach, when a state faces limited revenues and competing demands of constituents, is to assign priorities to programs and cut away the dead wood. But, as always, one person's dead wood is another person's redwood.

Legislators thus need more systematic ways to supplement traditional statehouse politics to determine the "need" for, and priority of, programs. Performance indicators, when included in legislative intent statements and the budget, provide the tool for legislative appraisal of the effectiveness and efficiency of programs.

Lawmakers, of course, have n the past promoted productivity in government without anyone necessarily labeling it as such. These traditional steps have included the influence of the legislature's leadership on a governor and the budget as well as budget reductions and tax cuts.

Increasingly more common now, as legislative staff has become more professional, are the use of audits and program and fiscal evaluations, along with performance budgeting, to encourage efficiency and effectiveness. If lawmakers include productivity as a normal part of legislative oversight, then political support may be forthcoming for productivity improvements.

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* Crane's comments are in *Productivity Improvement Handbook for State and Local Government*, written under the auspices of the National Academy of Public Administration, due to be published this fall by John Wiley & Sons.

Whether or not productivity improvement can be sold on the state political market will depend to a large degree on the support of the governor and the legislature. But even if a formal productivity program is not politically feasible, the host of measures to improve government efficiency and effectiveness may still go forward without the productivity label.

PRODUCTIVITY PROGRAMS

After a decision is reached on continuing or beginning a program, the subsequent question can be raised: What is the most cost-effective way to deliver a quality service? This, of course, leads into the specifics of a productivity effort.

A state considering a productivity push faces the problem of how it is to be structured. North Carolina and Washington, for example, chose productivity advisory bodies. In New York the legislature recently replaced the three-year-old temporary productivity commission with a new Commission on Economy and Efficiency in Government, composed of both senators and assemblymen.

The support of the governor is seen as a major factor for a productivity plan. "I think it is fairly crucial for the reason that most productivity recommendations are addressed to the executive branch," said Marsh. Active lobbying by the governor will help pass the necessary changes in law, he said, and a governor will also need to issue executive orders for other changes.

Another consideration is how large and centralized should be the state unit responsible for the program. Susan Clark, a productivity consultant for the National League of Cities, sees a problem with large-scale efforts because they ". . . tend to be burdened with fairly heavy administrative costs at the beginning because you have to develop a measurement system, and the kind of professionals that you need to implement such a system are high level and expensive."

"And the difficulty for policymakers," adds Clark, "is that the payoffs (for large efforts) are often longrun, and that they're not easy to sell . . . when you're talking about a big initial start-up cost."

Programs which are begun without grassroot support in state government "tend not to be successful—at least that's been my experience in the past," Clark notes. The opposite approach, then, is to concentrate on improving productivity in selected agencies where certain programs are such that favorable results are likely.

Meares, of the Productivity Information Center, points out that a state can begin "by identifying in the government the things that are already going on (which promote productivity) by other names."●

THE CONSUMER HONOR ROLL GROWS TO 236 MEMBERS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ST GERMAIN. Mr. Speaker, when the House returns in September, your Banking Committee will be taking up legislation which would authorize the establishment of interest-bearing checking accounts for consumers all over the Nation. The Consumer Checking Account Equity Act—H.R. 4986—was reported from the Financial Institutions Subcommittee on July 26 and when the House recessed on Thursday, August 2, the bill had 236 cosponsors in the House.

The bill would provide for nationwide NOW accounts; authorize share drafts at credit unions in all 50 States; authorize remote service units; and authorize automatic transfer accounts for commercial banks. The NOW account provision in the bill will go into effect on September 30, 1980, to allow all institutions more than adequate time to make sound business judgments and to adequately prepare for the offering of the new service and to insure competitive equality among the institutions. Data drawn from the records of the supervisory agencies show graphically the benefits to consumers from NOW accounts:

> For the month of November, 1978 (one month):
>
> Commercial banks in New England paid $8,683,000 in interest on NOW accounts and imposed $323,000 in service charges—a net to consumers of $8,360,000;
>
> Mutual savings banks paid $4,056,000 in interest and imposed $219,000 in service charges—a net to consumers of $3,837,000;
>
> Savings and loan associations paid $1,755,000 in interest and imposed service charges of $96,000—a net to consumers of $1,659,000.

In addition, NOW accounts can be an important tool to a financial institution in attracting new depositors. The July 1979 issue of the Savings & Loan News carries an article on the New England NOW experience:

> The lessons learned from the New England experience are that the costs of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price.

With the clear success of the NOW's in the 6 New England States and more recently in New York State, it is a matter of simple equity to extend this privilege to the citizens of the other 43 States. The bill is backed by the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Mutual Savings Banks, the Public Interest Research Group, the Grey Panthers, the National League of Insured Savings Associations, the Consumer Federation of America, the AFL–CIO, and Congress Watch. The bill is also supported by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation and strongly supported by the Treasury Department on behalf of the administration.

In addition to the thousands of letters the subcommittee has received from credit union members in support of the bill, we have received correspondence from small savings and loan associations and commercial banks pointing out the advantages of this new option to their efforts to compete and attract new accounts.

The legislation gives us a marvelous opportunity in these times of double-digit inflation to give our constituents a chance to earn interest on their idle checking account funds and to provide new flexibility to financial institutions. The legislation is based on freedom of choice. It is not mandatory for either the financial institution or the customer. It is up to the individual institution to decide whether it wants to offer one of these interest-bearing accounts and it is up to each consumer to decide whether he or she wants to open one of the accounts or remain with the traditional checking or savings accounts currently available.

If you wish to join your colleagues in cosponsoring the bill, please call the subcommittee at 57141.●

DOES WEST GERMANY REALLY SUPPORT THE SALT II TREATY?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SYMMS. Mr. Speaker, all of us have been told that our West European allies strongly support the new SALT II Treaty. However, under close examination, I think that my colleagues will find that European support for SALT is highly qualified. On May 11, 1979, the West German publication Die Welt carried an interview with Manfred Wörner. chairman of the Armed Services Committee of the German Bundestag.

I would like to include the Wörner comments in my remarks for the benefit of my colleagues:

May 11, 1979.

TREATY IN NO WAY BRINGS MORE SECURITY TO EUROPE

An Interview with Manfred Wörner, Chairman, Armed Services Committee, of the German Bundestag.

DIE WELT

Welt. Does the SALT II bring more or less security for Western Europe and does this treaty influence the conventional components of defense?

Wörner. The SALT II Treaty in no way brings more security for Western Europe. European security depends on the balance of power at all levels. Of decisive importance is the credibility of the U.S. nuclear deterrent. The massive Soviet buildup in the area of intercontinental weapons will lead by the beginning of the 80s to the vulnerability of the land-based American intercontinental missiles and through it to a threatening imbalance in favor of the Soviet Union. The SALT agreements do not change anything here. It is indispensable for European security that the United States reestablish the invulnerability of its land-based strategic missiles and that thte SALT provisions not prevent it from doing this.

In the area of medium-range weapons, the protocol of the SALT II Treaty creates an imbalance at the expense of Europe, which would be unbearable in the long run. The Soviet medium-range weapons (SS–20 missiles and the Backfire Bomber) are unrestricted towards Western Europe, whereas the cruise missiles, one of the possible counter weapons of the West, are subject to limitations. Europe can live under these provisions only if it is made clear that the protocol expires after three years and will not be made a basis for the SALT III negotiations.

It is also important to European security that the non-circumvention clause be so unequivocally defined and so understood that it does not hamper the defense efforts of NATO in the nuclear and conventional area.

The establishment of nuclear parity in the strategic area increases the necessity of reducing the superiority of the USSR at the other threshold levels, including the conventional one.

Welt. Is the NATO doctrine that rests on the total system of flexible deterrence not put in jeopardy?

Wörner. The NATO doctrine of flexible deterrence grows out of the linkage between conventional, tactical-nuclear and strategic nuclear levels, and thus imposes unacceptable risks for the potential attacker. A Soviet superiority in the strategic area, or in the field of theater nuclear weapons, would cut this connection and would practically detach Europe from the United States' nuclear protection, with all of its political and military consequences. The SALT Treaties should not sanction such a situation and they should not close the road to a balancing of power.

Welt. How can SALT II constitute the basis for the negotiations intended by the West on the so-called gray area weapons?

Wörner. This question cannot be answered definitively either without the knowledge of exact treaty texts. However, it is important that for the gray area weapons the principle of parity be established. The continuing expansion of the Soviet medium-range potential undermines the strategic equilibrium and makes Europe a hostage of the Soviet Union against the United States. Counter measures by NATO are urgently needed.●

PEACE AT THE PRICE OF FREEDOM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SYMMS. Mr. Speaker, I wish to call to the attention of my colleagues a recent article by Dr. Hans Rühle, the director of the Social Science Research Institute of the Konrad Adenauer Foundation, in the Federal Republic of Germany.

The article discusses in eloquent detail some of the major differences becoming increasingly evident on the political scene of the German Federal Republic. In particular, the article illustrates that an underlying sentiment in the Federal Republic of Germany exists that could lead to an erosion of that country's role in the NATO Alliance, and a shift in its relations with the Soviet Union.

As we face a major and ongoing Soviet buildup of military power, unimpeded by any arms control process, and a corresponding perception of a weakening United States, we are seeing the loss of U.S. prestige, a loss of Allied confidence, and we are witnessing an increasingly emboldened and adventurous Soviet foreign-military policy.

The following article, while discussing an internal political debate in the German Federal Republic, is of serious concern to me, and I recommend it to my colleagues:

[From the Deutsche Zeitung—Christ und Welt, Nov. 12, 1979]

PEACE AT THE PRICE OF FREEDOM

(By Hans Rühle*)

The Socialist-Liberal Federal Government has Turned the Priorities of Adenauer's Foreign Policy Upside Down.

Despite the many public pronouncements that come from Bonn these days, there can be little doubt, that the political consensus which existed in the German Federal Republic through most of the World War II period has eroded, and is now a thing of the past. In particular, increasing differences can be found, subtle as they might still be, concerning the future role of the Federal Republic, its position in NATO, and its relationship between East and West. Thus, Herbert Wehner's[1] disarmament proposals, and the emergency of stale (German) reunification concepts, bear witness to a fundamental ongoing reassessment of the hierarchy of values and objectives in the Federal Republic's body politics.

In recent months, when the Socialist-Liberal[2] coalition policy in general, or the political dimensions of German Ostpolitik[3] in particular, were discussed, the name of Egon Bahr,[4] and more recently that of Herbert Wehner, has been in the center of events.

Yet whatever has been brought forward—or is still about to be brought forward—against Bahr or Wehner, it will not basically change anything. Attacks on individuals are bound to miss the real target, the Socialist-Liberal coalition's foreign and security policies as such. Nor can concern with the personalities within the present Bonn Government free the CDU[5] sufficiently from its original trauma about the Government's Ostpolitik so that the party can reveal the better foreign policy alternatives which the opposition has to offer.

Freedom, peace, and unity were not only the goals of Konrad Adenauer's[6] foreign policy, formulated by the leading representatives of the CDU—and the Party Convention speech by Eugen Gerstenmaier[7] in 1954 is the best example of this—but the faithful preservation of the sequence of this triad stood for a self-evident foreign policy concept.

First and above all, Adenauer was concerned with safeguarding freedom, the most essential value of all. Territorial integrity, freedom of action in foreign policy, and freedom of domestic self-determination were necessary conditions for the existence of the country and its people and therefore were an absolute priority, which had to be defended accordingly. The consequence was the early—for many too early—entry of the Federal Republic of Germany into NATO, whereby it was expressly stipulated that in case of aggression against the Federal Republic by foreign powers—that is a threat to its freedom—the Federal Republic was determined to respond with military means.

The goal of guaranteeing freedom was clearly placed before the goal of unconditionally maintaining it. Peace serves freedom: it was its highest goal. Had the sequence of fundamental political values been the reverse, this logically would have meant reacting with surrender to an enemy attack—which would have made pointless Adenauer's policy of alliance.

Adenauer saw this problem very clearly. For him peace was an important value, but only as a peace in freedom, as a deliberately qualified peace. Adenauer did not create an arbitrary scale of priorities of the fundamental political values of freedom and peace merely because of the specific circumstances of his day; he implemented the only possible basic political orientation in a democracy facing a military superpower with pretensions of worldwide domination. Any other scale of political values would have meant and would always mean the abandonment of the essence of democracy.

With the coming of the Socialist-Liberal government this basic orientation of German foreign policy has slowly but surely changed. In the course of Ostpolitik, and an Inner-German policy which was advertised as a "peace policy", with completely demagogic intentions—anybody who was against it was characterized as a warmonger—peace was raised soon to the highest ranking fundamental political value. The pertinent quotations to this effect by responsible SPD-politicians have become legion. They stretch from Brandt[8] and Bahr to Stobbe[9] and Chancellor Helmut Schmidt, who stated on the occasion of the 30th anniversary of the end of the Second World War: "There is no higher goal in world policy than peace".

With this change in the list of priorities of fundamental political values German foreign policy was changed completely and basically. Because anyone who raised peace to the highest fundamental value could not mean peace in freedom—otherwise freedom would be higher-ranking—but must mean peace at any price. Within just a few years a policy of qualified peace had changed to a policy of unconditional peace.

Peace at any price cannot be maintained by military means, but in the last consequence and with absolute certainty only through self-disarmament, thereby depriving oneself of the possibility to act unpeacefully. In clear understanding of this context Clausewitz coined a phrase a long time ago that the guilty in war is only the defender. The attacker always prefers to make his conquest peacefully. For practical application it follows by necessity that a policy which characterizes peace as the highest fundamental value must regard armed forces as completely superfluous or has decided in advance to surrender in case of difficulties.

The explosive effect of these contexts is evident. The Socialist-Liberal coalition has, with the modification of the sequence of fundamental political priorities, not only altered the policies of Adenauer but also has adopted a concept that is irreconcilable—in principle and eventually in practice—with a democracy armed and ready to defend itself and with the active membership of the Federal Republic of Germany in the Atlantic Alliance. Here, in this fundamental analysis of possible policies for Germany the foreign policy alternative of the current opposition is clearly visible.

The bewildered or indignant objection will come at this point, claiming that all of this is pettifogging or, at best, logic which can be reduced to absurdity by the political reality. Because, after all, the Socialist-Liberal coalition emphasizes week after week its readiness for national defense, announces its loyalty to the Atlantic Alliance, and has not questioned the German contribution to NTO in terms of material and manpower since 1960. And this, in fact, is true.

This, however, does not refute the result of the preceding analysis. It would apply only if it could be said that these facts concerning security policy represent the entire policy and stand for a homogenous, accepted foreign and security policy concept. But this is not the case

Beneath the official government level of deeds and proclamations the total peace policy shows clear effects, especially in the SPD. It is not true that acceptance and wide circulation at the highest levels of the SPD of the concept that peace is the first priority is in itself the beginning of the end of national military defense? Is not this thesis—

Footnotes at end of article.

in which war does not even exist for the defense of freedom—only a less suspicious definition of a policy of peace at any price with all its consequences?

What is the meaning of this politically guided disarmament campaign? For a long time now, it has ceased to include as a condition of disarmament the goal of undiminished or increased security but instead presents disarmament—without consideration to what the potential enemy is doing—as the self-sufficient aim. It is presented as the goal "without alternatives", the comfortable and cheap solution to the problem of German security, to make it palatable to a grateful public. How should a policy be evaluated which on the one hand accepts grim analyses of the security situation in Europe at NATO-meetings and signs corresponding communiques, but on the other hand discredits realistic discussion of the present threat on the domestic level and tries to prevent it by proclaiming any such consideration to be contrary to detente.

What political consequences are sought, when the SPD parliamentary floor leader can announce without official contradiction that the Soviet Union's military might is defensive? Such qualification not only is directed against NATO's raison d'etre but, moreover, has never been claimed by the Soviet Union itself and can therefore be regarded as objectively wrong. What does it mean when, after an obscure campaign under the auspices of the highest authority, the introduction of a weapon into NATO's arsenal is being prevented, a weapon which undeniably would have reduced the decisive military deficit of NATO?

How credible and independent is a policy which, though severely—and justly—condemning human rights violations in South America, remains silent with respect to the same violations in East European countries? What use can self-determination have for a government that no longer dares to identify the enemies of freedom and prevent their influence in public affairs? Finally, what is to be thought of a political party which has never seriously endeavored to restrict the overt pacifism and anti-Americanism in its own youth-organizations?

There is no need to fear that a policy of peace at any price linked with the abolition of the Federal Armed Forces and the withdrawal from NATO will be decreed officially. The danger is that from the overall policy of the present government—independently from the development of threats—an unrealistic euphoria will arise in the course of time to which a policy of an armed defense of freedom would appear superfluous and thus possibly lose the majority of votes in its favor. What the consequences would be have been described by Kissinger in the introduction to his dissertation: "Whenever," Kissinger wrote, "the maintenance of peace—peace conceived as the avoidance of war—has been the primary goal of a state or a group of states, the fate of the international system was controlled by the most ruthless member of the international community."

To prevent the domination of the most ruthless member of the international system is our highest duty in the foreign and security policy areas. The monopolization of the peace concept by the SPD will not make this task easier in any way. The word "peace" will continue to be a club used to try to kill everything that is offered as an alternative to unconditional peace. But this and the unpopularity that is to be expected when one tries to alter the "peace policy" that endangers freedom and wants to criticize the apologists of this policy must be taken in stride. Such abuse must be tolerated at least until it is made clear to the public that there are two forms of peace policy: one which means relative peace in freedom, and another that unavoidably leads to absolute peace in fear and terror.

However, it does not suffice to make this alternative evident. It must also be shown that peace rhetoric can be a means of war in the Soviet conception of policy and that caution is called for when lip service to peace is accompanied by an arms build-up which cannot be justified by the legitimate defense interests of the Soviet Union.

Not without reason, Lenin wrote a marginal note, calling "splendid" the previously mentioned remarks by Clausewitz. In 1931 Manuilskij gave a classic formulation for his strategy of peace for the fight against capitalism. "Until the attainment of complete military superiority" Manuilskij said, "we will start the most theatrical peace movement that has ever existed. There will be electrifying proposals and extraordinary concessions, the capitalist countries, stupid and decadent, will be working with pleasure at their own destruction. They will be lured by opportunities for new friendships and as soon as we see a weak point in their defense we will smash them into pieces with our clenched fist."

That there were times when even the SPD recognized this context and the essential problems of their own peace rhetoric was proved by Schumacher's [10] statements at the SPD Party Convention of September 17, 1950. Without any "ifs" or "buts", Schumacher said not only that "the peace formula as a magic formula which removes all difficulties has its intellectual roots neither in the scientific nor humanitarian teachings of Socialism", but also pointed out that "there is a kind of guided pacifism in the service of war preparation" and—even more explicitly—that "the peace formula is an essential part of the Communist war preparation and aggression."

Meanwhile, times have changed. The SPD's "peace offensive" continues apparently unabated; or at any rate until the CDU begins to raise awareness for the background values of these problems and the medium and long term practical consequences of a policy of peace at any price—at least of the Federal elite.

The sequence of the "classical" post-war value-triad—freedom, peace, unity—is currently being rearranged by the German Social Democracy not only with regard to the first two values. Moreover, it is becoming increasingly evident that the collision of the basic values freedom and unity will be inevitable in connection with the renaissance of the ancient hopes for one Germany initiated by prominent Social Democrats.

The vehicle for this intentional collision is the current disarmanent campaign which treats only superficially the question of the theory and practice of actual disarmament, but is essentially more interested in the redefinition of the security policy situation of the Federal Republic of Germany vis-a-vis the Soviet Union. For after all, in dealing with a Soviet Union whose "military armament is defensive", and for whom political use of military superiority is unthinkable, there is no need for military balance or a corresponding alliance—at least according to Herbert Wehner in his reply to a speech by Manfred Wörner in Santa Barbara.[11]

But the reorientation of foreign policy in the Federal Republic of Germany cannot be reached by the shortest route—that much is clear even to the chief thinkers in the SPD. It calls for a circuitous route and has its price. Above all, it must be denied verbally until German policy has slackened old ties to such a degree that it is in fact without alternative. The ground for this is being prepared thoroughly at present.

On the one hand, through criticism of the leadership ability of the United States, the latent anti-Americanism—traditionally existent in the SPD—is being revived and the first seeds of doubt planted in the minds of those Germans, who up to now were pro-American. On the other hand, the Soviet Union is depicted in such a way that its limitless love for peace and ideological tolerance not only makes it appear not dangerous, but on the contrary, makes it seem a downright requirement to invest one-sided trust in this relationship. The reward for the realization of this option: the reunification of Germany.

The promoters of this development are taking it in stride that this unity is possible only in Socialism. But with this, freedom would be sacrificed for unity subsequently and finally, making the classical triad of values—freedom, peace, and unity—completely obsolete.

This policy is still in its beginning phase, but this is exactly the time to resist it. The advocates of the primacy of freedom should not fool themselves: Coupling the longing for peace and German unity can create a demolition charge which may not be highly explosive, but still able to move something. And yet, there is a good chance to preserve the goal of a qualified German unity, the "unity in freedom" without compromises. The population of the Federal Republic is familiar with the realities of Socialism in the German Democratic Republic and abhors it almost unanimously. The prospect of having even half of these "Socialist achievements" might well be unbearable in the long run and therefore unattractive in the Federal Republic, even if this half constituted the price for German reunification.

Thus, the danger does not lie with the will of the people. On the one hand it lies in the fact that the German government is creating facts one by one which, though unimportant if taken individually, are presaging sinister developments; and on the other hand, that the Federal Republic, having stripped itself militarily vis-a-vis the Soviet Union, could be forced into accepting this unity under terms set by the Soviet Union.

The precondition for the successful continuation of political discussions about this entire problem complex is that the CDU itself once again comes to grips with its own foreign policy, i.e. the sequence of priorities of fundamental political values. The statements by some prominent CDU-politicians leave some doubts in this respect.

FOOTNOTES

*Dr. Rühle is director of the Social Science Research Institute of the Konrad Adenauer Foundation in St. Augustin, Federal Republic of Germany. He also serves as advisor to Dr. Manfred Wörner, chairman of the Armed Services Committee of the German Bundestag, and is a lieutenant colonel in the Bundeswehr (Federal Armed Forces).

[1] SPD floor leader in the Bundestag.

[2] Socialist-Liberal coalition: A coalition of the Social Democratic Party (SPD) and the Free Democrats (FDP), which has constituted the German Federal Government in Bonn since 1969.

[3] Ostpolitik: The Federal Republic's policy toward the Soviet Union and the East European countries.

[4] SPD executive secretary.

[5] Christian Democratic Union, which with its Bavarian sister-party, the Christian Social Union (CSU), has constituted the parliamentary opposition in Bonn since 1969.

[6] A principal founder of the CDU and, with the founding of the Federal Republic of Germany in 1949, its first chancellor.

[7] Then a CDU member of the Bundestag; elected its president November 16, 1954.

[8] Ex-chancellor Willy Brandt, chairman of the SPD.

[9] Dietrich Stobbe, Lord Mayor of (West) Berlin.

[10] Kurt Schumacher was a founder of the post-World War II Social Democratic Party in the Federal Republic of Germany.

[11] SPD Bundestag floor leader Herbert Wehner, replying to a speech in Santa Barbara, California, by Manfred Wörner. In the Bonn parliament, Dr. Wörner frequently speaks as a CDU expert on military and security matters.●

WILLIAM MINTER DISCUSSES U.S. INVOLVEMENT IN SOUTHERN AFRICA IN CHRISTIANITY AND CRISIS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DRINAN. Mr. Speaker, the controversy over the new Muzorewa government in Zimbabwe-Rhodesia is being influenced by a host of factors taking place in the neighboring countries of South Africa and Namibia. Southern Africa is a region of complex and intertwined relationships that have a great effect on the issues that confront it. Some pertinent observations about the nature of these conflicts and of U.S. involvement in the region is the subject of an article by Mr. William Minter which appeared in the June 25 issue of Christianity and Crisis.

I commend this piece to my colleagues. Its clarity in examining the dynamics of the current struggles in southern Africa can aid in understanding the issues before this body and provide constructive insights for further action. As the latest events in Rhodesia unfold, Mr. Minter's piece can give us a clearer view of the underlying forces at play. Major portions of the article follow:

WANDERING INTO A NEW QUAGMIRE—THE UNITED STATES IN SOUTHERN AFRICA

(By William Minter)

If there is increasing internal violence in South Africa, a Carnegie Endowment poll asked Americans early this spring, should the US support the whites, support the blacks or not get involved? Although some one-fifth expressed no opinion, 66 percent of those who did answer were opposed to US involvement. Thirteen percent spoke of possible mediation, 11 percent called for supporting the whites and 3 percent for supporting the blacks. The majority for non-involvement held up even when the pollsters asked what people would think if there were Communist (Soviet bloc) support of black insurgents, or even direct involvement of Soviet bloc troops.

These poll results reflect a healthy post-Viet Nam skepticism about overseas military involvement. But the questions themselves are also indicative of assumptions, apparently dominant among pollsters and public alike, that obscure the steps which have already taken the US some distance into a quagmire every bit as treacherous as that in Indochina. Neither increasing violence nor US involvement is just a future contingency: both are present realities:

The years since 1976 have already seen an unprecedented escalation of the conflict in southern Africa—in Namibia, still under South African colonial control, and in white-settler-dominated Rhodesia, for which South Africa has served as model and patron. Raids on the independent "front-line" African states bordering the white-minority-ruled south have become a daily affair, accentuated by occasional massive air and ground attacks. Even in the South African heartland, guerrilla infiltration is now pervasive and armed confrontation recurrent, if still on a small scale.

The United States, deeply involved on the side of southern African counterinsurgency since the independence wars began against Portugal in the early 1960's, is still a bulwark of practical support for South Africa and Rhodesia—in spite of diplomatic statements and initiatives that have projected sympathy for African aspirations. Through economic links of vital importance to the white-minority regimes, and through massive indirect and/or covert contributions to South Africa's impressive military strength, the weight of US influence has been thrown against the African liberation movements.

A strong right-wing offensive, portraying administration diplomatic efforts as biased in favor of African guerrilla movements, has build a strong momentum in Congress and is almost certain to lift US sanctions against Rhodesia this year. With the Rhodesian elections held in April being deceptively portrayed as the basis of a "free and fair" transition to "black majority rule," the groundwork is being laid for more open support for the settler regime's counterinsurgency campaign. The installation of a black prime minister in Rhodesia—and perhaps in Namibia as well before the end of the year—while making little or no change in the balance of privilege and power may provide a new pretext for Western intervention.

The war in southern Africa is not just a series of separate conflicts in Rhodesia, Namibia and South Africa. Nor is it a simplified apocalyptic vision with all whites lined up on one side and all blacks on the other, engaged in mutual slaughter. Rather it is much more complicated, a prolonged confrontation with ingrained structures of exploitation. These structures are sustained above all by the South African economic system and state, and by its more vulnerable sibling in Rhodesia, both closely linked to Western interests which share in the profits. When challenged, whether by peaceful protest or by military confrontation, southern Africa's rulers have replied with both repression and deceptive promises of reform.

RIGHT HAND, LEFT HAND

The guerrilla wars in Rhodesia and Namibia date from 1966, after it became clear that Britain would not force the Rhodesian settlers to give up power, and that United Nations resolutions would not oust South Africa from Namibia. But it was only after the final collapse of the Portuguese colonial empire (1974–1976), that the liberation forces began to pose a serious military challenge in these two countries. Simultaneously, a new political upsurge in South Africa, symbolized by Soweto, brought thousands of new recruits to the South African liberation movement.

The response has been twofold—on the one hand, expansion of military strength and harsh repression of dissent, and, at the same time, new political strategems aimed at dividing and demobilizing opposition with promises of negotiations, reforms and eventual power sharing. Thus, in South Africa, the 1976–1977 mass Black Consciousness upheaval was met with police violence, the murder of Steve Biko, banning of the Christian Institute and other organizations. Meantime, two of South Africa's reserves ("homelands") were moved to the status of "independence," blacks were recruited into the South African military and the Government promised elimination of "discrimination." In Namibia and Rhodesia, the ruling white minority planned "internal settlements" granting nominal black rule, and persisted in negotiations over Western-initiated compromises while presiding over a dramatic expansion in the scale and brutality of counterinsurgency.

In Zimbabwe in particular the toll of war has mounted; in recent months as many as 100 to 200 deaths a day have been recorded. More than 90 percent of the country has been under martial law in 1979, and in martial law areas, according to a Rhodesian Government Ministry of Information pamphlet (December 1978), the "security forces can make their own laws to help them find and kill terrorists. They will not have to follow the ordinary laws because they take too much time . . . [Their] courts have the power to sentence people to gaol and death." During the year of a "transitional government," in which African leaders Muzorewa, Sithole and Chirau theoretically held equal power with Ian Smith, the security forces continued unrestrained, and secret hangings for political offenses continued. One church source told a British parliamentary delegation observing the elections that in March alone, 28 people were hanged in Salisbury for political offenses.

The states bordering Rhodesia and Namibia have been subject to ever more unrestrained attacks. In August 1976 a Rhodesian attack on a refugee camp at Nyazonia in Mozambique took more than 600 lives, attracting minimal attention in the Western press and a mild response from Western governments. In 1977 guerrilla and refugee camps near Chimoio, Mozambique, suffered a similar fate. In May 1978 South African troops killed over 700 Namibians, mostly civilians, at camps near Cassinga, Angola. Later that year Rhodesia began a series of attacks on Zimbabwean camps in Zambia, and in early 1979 South African and Rhodesian planes reportedly joined for an air raid on a Zimbabwean camp in eastern Angola. Botswana has suffered raids and border incursions, the kidnapping of political refugees from its capital and the destruction of the Zambezi ferry linking it to Zambia. And the Mozambican border area has become a regular combat zone, from which the government has had to withdraw UN and other foreign aid personnel.

The "internal settlements" are unlikely to result in a modernization of the conflict. Neither Bishop Muzorewa's team in Salisbury nor a prospective "independent" government in Namibia will have the power to modify the basic structures of injustice that are the cause of conflict, even if one assumes the best intentions on their part. A careful reading of the Rhodesian constitution reveals that the state apparatus (civil service, military, police, judiciary) remains under white control, and that modification of these arrangements, or of others concerning the all-important distribution of land in the country, requires 78 votes in the new parliament. But 28 of 100 seats are reserved for the white four percent population minority, and are controlled by Ian Smith's Rhodesian Front.

Since the admission of blacks to the transitional government in March, 1978, the Rhodesian military has been officially independent of civilian control, the authority resting with an all-white National Military Council. From that time on, Ian Smith and his black colleagues have consistently denied foreknowledge of or responsibility for the military's actions, including attacks on neighboring countries. Any realistic effort by Bishop Muzorewa to assume real power would involve gaining control over the military. He is reported to have a "private army" of some 10,000, and the Rev. Ndabaningi Sithole, whose party won 12 seats in parliament, is said to have some 2,000. But with the exception of some trained in Libya (for Muzorewa) and in Uganda (for Sithole), they have all been trained and armed by the Rhodesian security forces, and are being integrated into their command structure. If, in some improbable coup, these were able to win power from the Rhodesian army, they would be no match for the Patriotic Front guerrillas without the mechanized ground and air capability of the present Rhodesian military.

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DOCTRINAL ASSUMPTION

Since 1901, with the formation of the Union of South Africa, the dominant assumption in the West has been that Africa south of the Zambezi River, at least, is "White Man's Country," and that the best guarantee for Western interests is cooperation with the local states dominated by white minorities. This assumption attained notoriety in the Kissinger-Nixon formulation of National Security Study Memorandum (NSSM) 39, of 1969: "The whites are here to stay, and the only way that constructive change can come about is through them." But it also prevailed during the Kennedy-Johnson era, when scores of African states further north gained independence, and lies behind the failure of the successive diplomatic initiatives of the Ford and Carter Administrations.

That theme, combined with the need to caution white regimes against intransigence and to advise them on appropriate concessions, is pervasive in recently declassified State Department documents from 1962–1963. It can also be seen in the negotiating strategies followed by Kissinger in 1976, and subsequently by the Carter Administration. U.S. officials have argued to South Africa and Rhodesia that their essential interests would best be preserved by compromise arrangements including the Namibian and Zimbabwean liberation movements. If the movements come to power under carefully controlled and agreed-upon conditions, the argument continues, their radicalism can be tempered, while an escalation of war can only promote further radicalization. The Patriotic Front (Zimbabwe's insurgent forces) and Namibia's Southwest Africa People's Organization (SWAPO) must be included or the wars will not be stopped. But while South Africa and Rhodesia have been happy to drag out highly confusing negotiations, they have been unwilling to make meaningful compromises.

Significantly, the Western governments have not used available levers of pressure against the white-minority regimes, even when African liberation movements have been willing to take chances in accepting Western plans they feel stacked against them. Western vetoes have protected South Africa from UN Security Council sanctions over the Namibian issue, and the flow of oil to Rhodesia has continued unabated, while Western governments close their eyes to the open secret of the intermediary role played by oil firms—Caltex, Mobil, Shell, BP and Total.

In May 1977, when Vice President Mondale met with then South African Prime Minister Vorster in Vienna, he said that "without evident progress toward full political participation by all citizens of South Africa," relations with the US would certainly suffer. The State Department prepared a list of possible steps toward gradual disengagement. But with the exception of a US vote for a UN arms embargo against South Africa following the death of Steve Biko later that year, almost none of that projected leverage has been employed.

Instead the U.S. has replaced Britain as South Africa's leading trade partner (with a 70.8 percent increase in South African exports to this country from 1977 to 1978), and U.S. investment is growing at over 7 percent a year. Moreover, it has become increasingly apparent that even the arms embargoes on Rhodesia and South Africa have sprung massive leaks. Not only do U.S. investments in such fields as vehicle manufacture and the computer industry have direct military application, but also, according to U.S. reports, recent arms flows have dramatically increased the striking power of the Rhodesian air force and have provided South Africa an arms inventory far in excess of that previously estimated by standard sources. Rhodesia, for example, was able to acquire recently 11 Agusta Bell 205 helicopters, and, since 1976, more than 20 Cessna Reims F 337 reconnaissance and light strike aircraft, and four Rockwell OV-10 Broncos, all containing U.S. components. South Africa has been able to acquire, since the voluntary arms embargo of 1963, and even since the mandatory embargo of 1977, vast quantities of arms, much of it of U.S. manufacture, including tanks, and armored personnel carriers, fighter aircraft, helicopters, ammunition and strategic electronics and computer technology. According to Michael Klare, a leading researcher on U.S. arms sales, the scale of the arms flow at best "suggests an *indisposition* on the Government's part to establish the kind of enforcement measures needed to curb such shipments; at worst, it suggests an unofficial policy of covertly aiding the minority regimes by failing to stop the clandestine arms trade." (A memorandum with details is available from the Institute for Policy Studies, 1901 Q St., N.W., Washington, D.C. 20009, and a collection of articles on *U.S. Military Involvement in Southern Africa* has been published by South End Press, Box 68, Astor Sta., Boston, MA 02123.)

PRESSURES FOR APPEASEMENT

South Africa and Rhodesia, in dismissing Western diplomatic compromises, seem to have calculated correctly that the Western governments, instead of responding firmly, will continue with a policy of appeasement, adjusting their compromises rightwards step by step in response to the white regimes' intransigence. South African Foreign Minister Roelof (Pik) Botha, formerly ambassador in Washington, advised Vorster in 1976 that Pretoria could turn the tables on Carter and his Africa team by appealing directly to Congress and other influential constituencies in the U.S. So far, the strategy appears to be working well for both South Africa and Rhodesia.

The U.S. Senate vote of May 15, advising President Carter, by a margin of 75 to 19, to lift U.S. sanctions on Rhodesia, is indicative of that success. The resolution, which expressed the Senate's judgment that Rhodesia's elections had been "free and fair," was taken without the benefit of hearings by the Foreign Relations Africa Subcommittee, headed by Senator McGovern. And conspicuously absent was former Senator Dick Clark, a leading liberal spokesman on Africa. He had been defeated for reelection in 1978 by a powerful right-wing drive fueled by anti-abortion single-issue voting and financed, in part, by $125,000 of laundered South African government funds.

The core of the pro-Rhodesian push has been the radical right, represented in the Senate by figures such as North Carolina Senator Jesse Helms and California Senator S. I. Hayakawa, who previously made no secret of their sympathy for Ian Smith's regime. But, most ominously, it has been joined by the heirs of cold war liberalism, many of whom seem to accept white South Africa's definition of the regional conflict as a struggle to contain "Soviet-backed Communist terrorists." The alliance is appropriately symbolized by the role of Freedom House, which sent a team of observers to the Rhodesian election and returned with a highly general report certifying it as "free and fair." Freedom House, whose board includes such figures as Senators Case, Javits and Moynihan, backed moderate civil rights efforts in the 1950's and 1960's, and even once chose South African Liberal Alan Paton for its annual Freedom Award. But it was also an enthusiastic backer of hawkish positions on U.S. involvement in Indochina, while, worldwide, right-wing regimes have usually benefited from more lenient Freedom House evaluations than their leftist counterparts receive.

Support for these positions has been expanded even further by Rhodesia's success in conveying its version of the war and of the elections to U.S. audiences. Massacres carried out by the security forces in neighboring countries have not penetrated public consciousness here, while killings of white missionaries in particular have received wide publicity, unaccompanied by the qualifying information that many independent observers believe most, if not all, such incidents to be the work of special Rhodesian army units, rather than of the guerrillas. Media coverage, especially on the TV networks and in the wire service accounts, which receive the widest distribution, has been blatantly partial, and has failed to note the limitations imposed by Rhodesian censorship.

US coverage of the elections, with the partial exception of Gary Thatcher in *The Christian Science Monitor*, consistently failed to penetrate the facade erected by the Rhodesian regime during the elections, although many British journalists and the British Parliamentary Human Rights Group documented such widespread intimidation and coercion "as to render the election results meaningless." The Freedom House report, which avoided the detail presented by Lord Chitnis' British Parliamentary team, boosted the credibility of the elections. Bayard Rustin, who lent his name to the Freedom House report, subsequently told *Africa News* and House subcommittee hearings that the elections "were not free and fair," but his prestige was nevertheless used in favor of the vote to lift sanctions. (Excerpts from the Freedom House and Chitnis reports are available in *Africa News*, June 1, 1979).

While UN Ambassador Andrew Young and other Africanists in the State Department have opposed the lifting of sanctions and endorsement of the new Rhodesian Government, well knowing that such moves would destroy whatever credibility the Administration has built up with independent Africa, they have failed to mount an effective campaign against the right wing's initiative. To do so would require leadership and significant involvement from the White House, with intensive efforts to explain to the Congress and the American people the realities of southern Africa, denouncing and exposing the intransigence of the white regimes. But just as the Administration has been unwilling to confront Rhodesia or South Africa with substantive pressures, so it has been unwilling to mount a full-scale challenge to their friends in this country.

LEADERSHIP LACKING

The Administration is so hobbled by self-imposed limitations that it is virtually reduced to appeasement as the only policy in the face of Rhodesia, South Africa or their US backers. Andrew Young has been outspoken on the moral bankruptcy of the South African system, to the point of embarrassing more staid diplomats, but publicly at least he has acquiesced in the fiction that the US is not massively involved on the side of the white regimes. The result: Diplomatic efforts that are biased, if anything, *against* the African liberation movements can be portrayed by the right wing as supportive of terrorism.

President Carter, responding to National Security Advisor Zbigniew Brzezinski's global preoccupations, raised the scare of Soviet and Cuban involvement in the second Shaba uprising in Zaire in May 1978. Through the Administration later admitted the absence of any evidence for such involvement, it had already reinforced the perception that the primary threat in Africa is Soviet intervention rather than the persistence of white-minority rule. As a result, the Administration barred itself from communicating the dominant African perception that in southern Africa, Soviet military aid to liberation movements and front-line states is still far from adequate to counter South Africa's Western-supplied military arsenal.

The Administration now seems engaged in an elaborate dancing away from accepting responsibility for the Western rapprochement with the new Rhodesian regime, as both the Conservative British Government and the U.S. move closer and closer to recognition and the lifting of sanctions. The British wish to avoid a strong African reaction, particularly before the August Commonwealth conference in Lusaka, Zambia. And both countries want to minimize reprisals from Nigeria, a leading oil supplier. But delays, and calls for new negotiations between the Patriotic Front and the Muzorewa Government, are unlikely to be convincing to either side, or to the US Congress, which seems prepared to accept the onus of lifting sanctions if President Carter fails to do so.

The American public might well be ready for disengagement from support of the white-minority regimes in southern Africa. An overwhelming 86 percent of respondents told the Carnegie pollsters that South Africa's *apartheid* system is wrong, against only 2 percent saying it is right. Pluralities in 1977 and 1979 polls have supported restrictions on US trade and investment in South Africa, and even compliance with a UN resolution calling for a full cutoff of trade. Fifty-six percent in the Carnegie poll said that whites in South Africa are not justified in using force to preserve their position. Large majorities are also opposed to actions which might lead to US military support for either side. But if these sentiments are to be translated into policy, to provide an alternative to the right wing drift, the American people must have available a more accurate portrayal of southern African realities.

Robert McAfee Brown wrote last year in *C&C* (March 13) of the "Hitler exception," referring to the international response to South Africa's internal policies. The parallel applies at another level as well. Britain's appeasers of the 1930's again and again refused to accept the evidence of Hitler's intransigence, in part from willful ignorance and the hope for peaceful solutions, and in part from the convictions of many that Nazi policies were at least to be preferred to the Bolshevik alternative. The South African military machine, potentially nuclear-equipped with the aid of US and West European technology, assumes the right of military intervention in all of sub-Saharan Africa (in the terms of a 1975 law). And the wars continue to escalate.

Meanwhile, an ambivalent US Administration, far from disengaging from the multiple ties that strengthen that military machine, is being pushed step by step, under right wing pressure, into relinquishing even token opposition to the regimes of white-minority privilege in southern Africa. President Carter may have calculated that any political capital he has must be saved for SALT II, and not expended on "peripheral" African issues. Or he may be willing to write off black American opinion, judging that a pro-African policy excites little concern among other Americans. If he is to be proved wrong, and if the trend toward an ever more overt US tilt against African liberation is to be reversed, large numbers of Americans will have to be willing to speak out strongly for enforcing and extending sanctions rather than lifting them.●

CZECHOSLOVAKIA'S SAD ANNIVERSARY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ZABLOCKI. Mr. Speaker, while the Congress was in recess this August, an important but very sad anniversary took place. August 21 marked the 11th anniversary of the Soviet invasion of Czechoslovakia. That fateful day in 1968 followed a springtime and summer of careful plans and measured hopes for political and economic reforms. It marked the rejection of Czechoslovak aspirations and the beginning of 11 years of repression. The U.S. Congress condemned the invasion on several occasions and expressed its support for the end of Soviet domination of the Czechoslovak people.

Subsequently, the Final Act of Security and Cooperation in Europe, signed by the United States and 35 European States, including Czechoslovakia, brought fresh hopes that the principles of political, civil, economic, and social freedom would be observed. The gap between principle and practice, however, appears to have grown wider. It is encouraging to learn that nearly 1,000 Czechoslovak men and women signed Charter 77 in which they petitioned their Government to adhere to the Helsinki agreements. However, it is greatly distressing to learn that the authorities have responded to this courageous effort by harassing the signatories of Charter 77 and stepping up their arbitrary arrest. The picture is bleak. August 21 marks a sad anniversary. In commemorating it, we pay just tribute to the Czechoslovak people for their spirit in seeking the freedoms of an open society.●

SAM K. SEYMOUR GENERATING PLANT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PICKLE. Mr. Speaker, it was a pleasure and honor to participate in the dedication of a new coal plant on July 27, operated jointly by the city of Austin and the Lower Colorado River Authority. The facility is located in Fayette County, near La Grange, some 60 miles southeast of Austin.

This ceremony was indeed special for two reasons. In the first place, the city of Austin and the LCRA are taking President Jimmy Carter's energy policies seriously. This new coal plant has reduced the two utilities' dependency remarkably on natural gas and oil.

In the second place, the plant was named in honor of one of central Texas' best known and most beloved humanitarians. Mr. Sam K. Seymour, Jr., is the longest serving member of the LCRA Board of Directors. He has served the LCRA community well for 34 outstanding years, an indication of Sam K.'s leadership and vigor.

Sam K. Seymour's activities belie the fact that he is well into his eighties. Besides heading the Colorado County Federal Savings & Loan Association in Columbus, Tex., he was also the owner of Sam K. Seymour Lumber & Hardware, a family institution in Columbus some 75 years. He has long been active in a variety of community affairs. Sam K. and his wife, "Muddie," are kind-hearted, generous people. Five different Texas Governors have appointed Sam K. to the LCRA Board. When Seymour was first appointed, the LCRA was generating just about 200 megawatts of electricity to serve surrounding rural communities and co-ops. Now, the LCRA generates 1,500 megawatts, much of it from the Sam K. Seymour Power Plant.

Sam K. Seymour has presided over, and has been a part of the LCRA's continuing task of providing electrical generating power to thousands of Texans. It is quite fitting that this newest facility, built by leaders in the goal of energy independence, should be named in honor of a man who has been a leader all his life.●

TRIBUTE TO LEON SANDERS, JR., OF PLAIN DEALING, LA.

HON. CLAUDE (BUDDY) LEACH

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LEACH of Louisiana. Mr. Speaker, it is traditional in the House of Representatives to recognize citizens who have made outstanding contributions to their country, and I wish to so honor Mr. Leon Sanders, Jr. of Plain Dealing, La.

The Honorable Mr. Sanders, who serves as the mayor of Plain Dealing, has just been presented the highly prized John Campanius Holm Award for outstanding accomplishments as a volunteer observer for the National Weather Service of the United States.

Mr. Sanders has taken daily readings of the high and low temperatures and has recorded the precipitation as it occurred in Plain Dealing for the past 29 years. The citation said Mr. Sanders was honored for his "years of outstanding public service in continuing a family tradition of meticulous and conscientious weather reporting that began in Plain Dealing in 1894. In addition to furnishing the information to the local news media, Mr. Sanders has kept all original climatological records and has made these available upon request."

His service is all the more remarkable because of the family tradition which began before the turn of the century. Mr. Sanders' grandfather, Mr. Leon T. Sanders, made the first weather observation on March 1, 1894 and continued until February 28, 1902. Then Mr. Sanders' father, Leon Sanders, took up the volunteer work which he continued through December 23, 1949. It was then that Mr. Leon Sanders, Jr. began his career as a third generation volunteer weather observer, a labor of love he continues to this day.

It is very appropriate that the award presented to Mr. Sanders, the John Campanius Holm Award, is named for another family that pioneered the work of the 12,000 volunteer weather observers who now take daily readings in all parts of the United States. The Reverend John Campanius, a Lutheran minister, recorded the climate in the American colonies in 1644 and 1645. This information was published by his grandson, Thomas Campanius Holm in 1702, and their names were combined in the prestigious National Weather Service award.

I know all of you join me today in honoring Mr. Leon Sanders and his forebears of Plain Dealing, La., who have served their community and their Nation so unselfishly for more than 85 years.●

BLACK OWNERSHIP

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, this Nation was founded upon the premise of the widest possible distribution of private property ownership. "Power follows property," said John Adams, and the Founding Fathers knew that the preservation of liberty required the dispersion of power—and this widely distributed property ownership.

Recently the National Association of Property Owners held a national conference on land use here in Washington. Among the speakers on the NAPO program was the distinguished black educator Dr. Nathan Wright, professor of urban life at the State University of New York at Albany. Dr. Wright reaffirmed the truth of the proposition that liberty can be maintained only when private property is widely owned by the people. He pointed out that over the years white America has, whether consciously or unconsciously, erected serious barriers to the extension of property ownership to black Americans and members of other minority groups. These barriers prevented black Americans from making the contribution they might have made, not only to their own well-being, but also to the strength of their country. Dr. Wright called for a renewed effort to protect private property ownership from Government invasion, and for a renewed dedication to the idea of extending property ownership to those Americans who can now dream of being owners of a share in America.

Mr. Speaker, I am honored to know Dr. Nathan Wright, Jr., and I am an admirer of his wise philosophy. I would like to bring a commentary on his NAPO address by Gov. Ronald Reagan to the attention of my colleagues by inserting it in the RECORD.

BLACK OWNERSHIP

(By Ronald Reagan)

In July, the National Association of Property Owners held its first conference on land use in Washington. It brought together many kinds of people, among them national park in-holders, farmers, ranchers, loggers, Indian chiefs from Minnesota's Boundary Waters, Alaskans fighting to keep control of their state's resources.

Conferees heard addresses from such congressional leaders as House Majority Leader Jim Wright of Texas, Senator Ted Stevens of Alaska and Senator Roger Jepson of Iowa.

But of all the addresses perhaps the most moving was that of a black educator, Dr. Nathan Wright, Jr.

Nathan Wright is now professor of urban life at the State University of New York. For many years he has been quietly influential in the movement for civil rights and economic equity for black Americans. He was chosen to chair the landmark National Conference of Black Power in 1967, and is the author of 18 books on history, theology and civil rights.

Dr. Wright took his listeners back to the early days of the republic. He recounted how our founding fathers had believed that the essential ingredient for a republican form of government, and for the preservation of individual liberty itself, was a wide distribution of genuine private property ownership.

Property owenrship symbolized an investment in the life of the nation, a stake in the well-being of society. Those who owned property, he said, viewed their public duties in quite a different light than the propertyless. They saw themselves as responsible for promoting the common weal, while the property-less thought more about how the common weal could benefit and support them.

Dr. Wright told how, over two centuries of independence, black Americans were systematically denied the opportunity to become owners of property.

Instead of helping former slaves and their descendents to acquire ownership and contribute to the strength of their community and nation, all too often white people—whether deliberately or unconsciously—threw up barriers to black ownership.

This Dr. Wright labels "the law of conveniently lowered vision of human worth," as he says it is a "law" which robbed America of the contributions that millions of minority Americans could have made had they been given a reasonable opportunity.

Dr. Wright then offered his prescription for his country: constantly broaden the distribution of private property ownership; help all Americans to earn a tangible share in their nation's wealth; protect private property against the seemingly insatiable desires of government bureaucrats at all levels, who consider it a nuisance to be removed, rather than a source of the nation's economic and political strength.

He added: end low-rent public housing by selling the units to tenants and tenant cooperatives on generous terms (densely populated Singapore does this with success); help all Americans achieve the sense of dominion that goes with ownership, and which encourages free men and women to contribute to their country's good.

Bold proposals, and plenty of food for thought for all Americans, from a man who has spent a lifetime working for solutions to problems.●

BALTIC DISSIDENTS IN SOVIET URGE FREEING OF THREE REPUBLICS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, as sponsor of House Concurrent Resolution 147, expressing the sense of Congress with respect to the Baltic States, I am particularly interested in news from behind the Iron Curtain of demands for self-determination of the Baltic Republics. On August 23, according to the press, 45 citizens from Latvia, Lithuania, and Estonia demanded self-determination for their three Soviet republics. A copy of an article in the New York Times on August 25, 1979, noting the event in Moscow, is of special interest.

The article follows:

BALTIC DISSIDENTS IN SOVIET URGE FREEING OF 3 REPUBLICS

MOSCOW, August 24.—A group of 45 citizens from Latvia, Lithuania and Estonia have demanded self-determination for the three Soviet republics on the ground that they were annexed illegally under the 1939 nonagression pact between the Soviet Union and Nazi Germany.

The 45 persons issued a statement to Western reporters yesterday on the 40th anniversary of the treaty, which placed the then-independent Baltic states in Moscow's sphere of influence.

A dissident Soviet leader, Andrei D. Sakharov, along with members of the groups monitoring Soviet compliance with the 1975 East-West Helsinki accords and other prominent Moscow dissidents, issued a separate statement supporting the Baltic group, which includes four priests.

The appeal to the United Nations and the Governments of the Soviet Union and West and East Germany argued that the Soviet Army moved into the Baltic republics in 1940 as a result of secret protocols to the pact signed by the Soviet Foreign Minister, Vyacheslav M. Molotov, and the German Foreign Minister, Joachim von Ribbentrop.●

CONGRESSIONAL SALUTE TO THE HONORABLE LOUIS INFALD OF NEW JERSEY, OUTSTANDING CITIZEN, COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROE. Mr. Speaker, on Friday, September 7 the residents of my congressional district and State of New Jersey will gather in testimony to the outstanding public service rendered by one of our most distinguished citizens, esteemed lawyer, community leader and good friend, the Honorable Louis Infald, whose standards of excellence on behalf of our people have truly enriched our community, State, and Nation.

Mr. Speaker, as Lou Infald retires as superintendent of recreation for the city of Paterson, I know you will want to join with me and his many, many friends in deep appreciation of all of his good works and share great pride in the success of his endeavors with his wife, Rose; their daughter, Mrs. Carol King whose husband is a member of the Paterson Fire Department; their son Kenneth, a member of the Paterson Fire Department who is married to the former Mary Weiss; and their grandchildren Michael and David King, Mark and Ann Michelle Infald.

His retirement testimonial dinner is being sponsored by longstanding friends and associates of Lou under the able direction of the following leaders of our community:

HONORARY CHAIRMAN

The Honorable:

Lawrence F. Kramer, Mayor of Paterson; Sam Sibilio, Mayor of Haledon.

COMMITTEE

The Honorable:

Fred Nachimson, Chairman; Mac Schulman, Co-Chairman; Claire Pagano; Nathan Cohen; Lou Cuccinello; George Dimond; Larry Worth; Jacob Moskow; Jerry Okin; Dom Trouse; John Currie; William Garner; Abe J. Greene; William Pascrell; Robert King; Oscar Brown; George Gero; Claire Saviano; Frank Napier; Jack McLaughlin; Jeff Mallory; Dr. A. Harry Hewitt; Fred Burgos; Chauncey Brown; Frank X. Graves.

Mr. Speaker, we are proud to boast that Lou Infald was born in our historic city of Paterson, N.J., which is located in my congressional district where he attended elementary and secondary schools and he is a graduate of the New Jersey Law School.

Over three decades ago, in 1948, Lou first commenced his public service career with the city of Paterson as a member of the recreation department. In 1956 he served as Secretary to the late Mayor Edward O'Byrne and in 1960 was appointed city prosecutor. He returned to the recreation department in 1962 as assistant superintendent and the following year was appointed as superintendent of recreation.

Lou Infald has, by his example and lifetime of dedication to our people in the vanguard of leadership in the recreational endeavors of the city of Paterson, attained the highest of respect and esteem of our people. His personal commitment to the development of our young people is applauded by all of us.

Throughout his lifetime he has excelled in everything he has set out to do. The quality of his leadership and sincerity of purpose have been extended unselfishly with dedication and devotion in meeting the needs of our people. He has been an active participant in the following professional, social, and civic organizations:

Veritans (served as past president).
YM-YWHA of North Jersey (member, board of directors).
Old Timers A.A. of Greater Paterson.
Bergen-Passaic-Hudson Counties Parks & Recreation.
New Jersey Park & Recreation Association.
Passaic County Bar Association.
Paterson Midget Baseball League.
Temple Emanuel of Paterson.
Roosevelt Club.

Mr. Speaker, it is indeed my privilege and honor to call Lou Infald's good works to your attention and seek this national recognition of his splendid efforts and lifetime record of achievement in public service to our people which have truly contributed to the quality of life and way of life in our community, State, and Nation. We do indeed salute a good friend and great American, the Honorable Louis Infald of Paterson, N.J.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following vote on July 24, 1979. If I had been present I would have voted the following: Rollcall No. 371, "yes." ●

FREE ENTERPRISE: THE AMERICAN SUCCESS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ARCHER. Mr. Speaker, I would like to share with my colleagues an outstanding essay written by Chuck Watson, a senior at Spring Woods High School in Houston, Tex. Chuck's essay earned him a $250 scholarship in an essay contest sponsored by the Memorial Exchange Club. It was my great pleasure to have Chuck visit Washington, D.C., last year as the Spring Woods High representative to my student intern program. I hope that you will enjoy his excellent work.

FREE ENTERPRISE: THE AMERICAN SUCCESS

(By Chuck Watson)

When the Mayflower sailed into Plymouth Bay in 1620, it came with a precious cargo of Pilgrims who had ventured to this new land in search of religious freedom. Over a hundred years later, our forefathers once again found themselves searching for freedom. Their quest was for political and economic freedom from their once "mother country." They wanted freedom from the tyrannical rule of Britain's King George III and won it, all because of their love and belief in this freedom and its advantages. Our progenitors wanted to secure these freedoms such as "Life, Liberty, and the Pursuit of Happiness" for their posterity and did so with the careful construction of one of the most important documents ever written, our Constitution. From the humble beginnings of our country to its rise as a world power, another type of freedom has played an equally important role in America's ascent, free enterprise. The question which must follow this statement is, "Why Free Enterprise?"

In an effort to answer this question "Why Free Enterprise?" we must consider the meaning of free enterprise. Webster's Dictionary defines free enterprise as, "the economic doctrine or practice of permitting private industry to operate with a minimum of control by the government." We must now realize the broad scope of free enterprise as an essential part of our heritage and its role in the preservation of freedom itself in America. We as free men have an obligation to defend our Constitution and free enterprise because in a sense they are the complements of each other, for only in a society of free men can an economic system of competitiveness and innovation thrive and produce national wealth in such a vast quantity, as it has in America. In allowing private industry to grow and expand within its own structure of competititon, America has become the richest country in the world agriculturally, technologically, and in the way of monetary richness. Perhaps this is "Why Free Enterprise" has been successful in building a strong America, but free enterprise is not without its critics.

An argument for "Why Free Enterprise" should be maintained and advocated ardently in America, should now be formulated because of criticism of free enterprise. In recent years many have challenged free enterprise's ability to control its own abuses; however, when Cornell C. Haier stated that free enterprise is not perfect for safeguarding against greed, corruption, and exploitation, but that it provides freedom of opportunity and the bounty of the good things in life, he justified the latter half of free enterprise's definition. There is a need for government control, but a very minimal one. Government has been of late increasing its dominance and overstepping its boundaries into the free enterprise system in America, and it has threatened our American way of life and prosperity. If free enterprise is continually being comprised by government regulation, the only foreseen result can be disaster, a disaster which has now begun to plague the British because of their quest for a utopian-like society using strict government regulations and ownership with little or no free enterprise included. It has been stifled by the British government. This is a situation we as Americans should hope to avoid and can avoid if we check government control before "Nationalization" and other governmental evils begin to flourish. In light of all the criticism of free enterprise, we need to look at free enterprise with a sense of retrospect and understand that free enterprise has not failed. President Franklin Roosevelt once said the problem "is not that the" system of free enterprise has failed, but that it has not yet been tried." If government reenters their bounds of control and allows free enterprise to work, unobstructed, perhaps then our economy will reach new heights in prosperity. This is an excellent argument for "Why Free Enterprise?" should be maintained and advocated ardently in America.

The answer to the question "Why Free Enterprise?" should now be apparent. It is the system which promotes the greatest economic growth and opportunities and has done so since the beginning of America and has provided, for the majority of the residents of America, an income of such vastness with which no other countries can compare. Columnist Ed Roberts once said, "It is not necessary to argue that the [free] market mechanism is perfect or that capitalism doesn't cut some people with its rough edges. It is necessary only to state as fact that it is the economic system that works best for the most people." These are all important reasons "Why Free Enterprise" and why it should be allowed to continue to flourish in America.●

DOE STUDY CLEARING OIL FIRMS CALLED "PROPAGANDA EXERCISE"

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROSENTHAL. Mr. Speaker, during the recent inflation and FTC hearings of the Commerce, Consumer and Monetary Affairs Subcommittee, which I chair, it became quite obvious to the members of the subcommittee that the Department of Energy and the Justice Department have been blocking attempts to investigate the gasoline crisis. The Department of Energy regards the oil industry as a client—not as an industry to be regulated in an arm's length way. The Department of Energy is callous to the consumer and public interest. The Department of Justice has refused to clear an investigation into worldwide production of crude oil. Both Departments refuse to undertake a comprehensive investigation and to use their subpena powers.

In this connection, I wish to bring to

my colleagues attention the following article which appeared in the Sunday, August 12, 1979, Washington Post, which further confirms the efforts of the Department of Energy and Justice in striving to fail in carrying out their duties in investigating the oil crisis:

ENERGY OFFICIALS IGNORED CARTER ORDER

(By Jonathan Neumann and Patrick Tyler)

On May 25, as the gasoline shortage continued to spread along the Eastern Seaboard, President Carter issued a strongly worded directive ordering the departments of Energy and Justice to begin a major investigation of the oil industry.

"You shall jointly conduct a comprehensive investigation of the apparent gas shortage situation, using all available and appropriate authority and resources at your disposal, to determine whether there is a reason to believe that the apparent shortfall is a result of concerted activity by firms at the refining and/or marketing level, or of excessive stockpiling or hoarding of supplies," the presidential order said.

Ten days later, in response to the presidential directive, Deputy Energy Secretary John O'Leary called a large group of DOE officials into his conference room in the Forrestal office building to discuss how to conduct the investigation.

But at that meeting in O'Leary's office and continuing at numerous other sessions at the department through June and July, energy officials ignored the specific orders in President Carter's directive, The Washington Post has found.

As a result, the 53-page DOE report released by the White House last week clearing the oil industry of charges of holding back fuel supplies was described by one to official who worked on it as "a propoganda exercise."

"If the report was taken to be a conclusive finding that there was no conspiracy by the oil companies to jack up prices, then I would say it was misleading," said another official, William Lane, director of the DOE Office of Competition.

Interviews with the officials who prepared the study also revealed:

The report's central conclusion, that there was no holding back by oil refiners, deliberately sidestepped what the officials said were more relevant allegations that the industry manipulated amounts of domestic oil production, foreign imports and reserves, thus intentionally creating a shortage.

Twenty-two of the 27 information sources cited in the appendix of the special report were not used in the report, according to Al Linden of the DOE's energy information administration. He said he did not know why the unused sources were listed in the appendix.

One data source listed the appendix but not used in the report, for example, is a Bureau of Mines report containing "data on fuel oil stocks by sulfur content."

Five of the same 22 information sources cited in the appendix were considered as unverified by DOE officials and were stamped "not valid," Linden said.

The man who wrote the report, Carlyle Hystad of the DOE's policy branch, previously had written speeches, press statements and congressional testimony for then-energy secretary James R. Schlesinger Jr. and his assistants. In those statements, Hystad had drawn conclusions about the causes of the gasoline shortage.

Parts of Hystad's draft of the special presidential report were almost verbatim versions of those earlier statements, several officials said.

DOE general counsel Lynn R. Coleman, who supervised the study, rejected suggestions to pursue key issues, such as whether the oil companies deliberately cut back on crude oil production and failed to import all of the foreign oil they could. Department officials also abandoned an early proposal to hold public hearings in which oil company executives would be subpoenaed.

The original draft of the report cleared the oil industry of all charges of wrongdoing. The wording of the report was changed after two officials argued that DOE had yet to investigate most of the serious allegations against the oil companies.

"This was not an investigation," Lane said. "It clearly has been a summary of what we already knew."

The special report was released by the White House last Monday. Coleman, who conceded that the Energy Department relied entirely on data supplied by the oil industry, strongly defended it. He called the report "an intensive effort to analyze and display facts that ordinarily show up as numbers on a computer printout."

The White House has had no comment on the report.

Interviews with Energy Department officials who prepared the report and an examination of DOE and White House records give this picture of how the special study developed:

On Friday, May 25, Carter signed a one-page memorandum to the attorney general and the secretary of energy ordering the "comprehensive investigation" of the oil industry.

He ordered that the probe should begin with an examination of the California gasoline shortage, and that an initial report of the findings should be sent to him within 30 days.

Although the directive was dated May 25, DOE officials said they did not receive the document until a week later.

"It went from the White House to the Justice Department, then back to the White House," one official said. "Then we finally got it. It was sort of kicking around the front office for a few days before anybody started focusing on it."

Ten days after the president ordered the probe, O'Leary called DOE officials into his conference room.

The session was short. Paul Bloom, the DOE's special counsel, told the group of the audits he had already begun of gasoline pricing and allocations.

Most of the remainder of the meeting was organizational, officials said. O'Leary said that DOE general counsel Coleman would supervise the investigation. Linden would supply the data from existing DOE files. Hystad would write the report.

"When we left the meeting there was a sort of feeling that what we were going to do was put together a systematic display of data which we already had, but which was never put together in any clear fashion," one official said.

Almost all meetings after that were held in Coleman's conference room. Although dozens of people were involved in the discussions, only six officials regularly attended most meetings.

And of those six, only two, Coleman and Hystad, were considered by the others as the architects of the report. The other four, Lane, Bloom, Linden and Barton House, were consulted and asked to read drafts of the report as it was being written.

Hystad wrote five drafts before the group agreed on a final version.

After he wrote each draft, copies were circulated among the six officials and others in the Energy Department.

The officials often joined in informal sessions at Coleman's office. They were usually called in the morning for an afternoon meeting. The meeting would last for 30 minutes to two hours, officials said.

Usually, four of the officials would be satisfied with the Hystad drafts, with Lane and Bloom raising most of the objections or suggestions for major changes.

Despite the urgency of Carter's May 25 directive, most of the president's specific requests were set aside. For one, the Energy Department and Justice Department decided not to conduct a joint investigation, but to conduct separate probes, with each department reviewing and commenting on the work of the other.

The Justice Department had no hand in writing the DOE report, according to Donald Kaplan, chief of the energy section of the Justice Department's Antitrust Division.

Regarding the president's order on how the probe should be conducted, "using all available and appropriate authority and resources at your disposal," both the Energy and Justice departments chose not to subpoena any oil industry data or witnesses. Both had the authority to do so.

Regarding the first area of inquiry ordered by the president, whether there was "concerted activity by firms at the refining and/or marketing level," DOE officials conducted no audits or field investigations.

Early in the probe, Lane suggested, and at one point Schlesinger reportedly agreed, that the DOE hold public hearings. Top oil officials would be subpoenaed and asked "hard questions," officials said.

"Schlesinger felt that public hearings, much like Senate hearings, would give the investigation more credibility," one official said. "But, by mid-July, as the lines began to fade, we felt the situation is cooling off. Why start things up again with hearings? So the idea just sort of faded out."

Energy officials also rejected suggestions to look into the question of whether oil companies bought all the foreign oil they could from countries with which they had contracts.

Officials said that Lane, who argued in favor of such a probe, was turned down by Coleman.

"Every time Lane raised the question, he was told, 'Well, we can't check it, we don't have any data on it'," one official said.

Two officials, who asked not to be identified, said they felt they were engaged in an exercise that would lead to foregone conclusions already publicly stated by the department. They pointed to the original drafts by Hystad, which appeared to have been taken verbtaim from the statements he had previously written for Schlesinger and O'Leary.

Two officials complained that as the study progressed it became clear the focus was on areas that would not provide answers to the most fundamental questions arising from the gasoline shortage.

One official likened the investigation to a man who dropped a dollar on a dark street "and instead of looking for it where he dropped it, he looked for it under a street light."

Officials also said that the original wording of the report, which had cleared the oil industry of any wrongdoing, was changed because Bloom was still conducting audits of the oil companies.

Bloom reportedly argued that the exoneration was "grossly premature," because his findings could lead to civil or criminal charges. In addition, he said, a blanket finding by the DOE that oil companies did nothing wrong could later be used in court as a defense by an oil firm.

Linden, who was responsible for supplying all of the data used in the report, said he was relying on the honesty of the oil companies, since his data was derived from their reports.

He also said he did not offer conclusions for the study. Coleman and Hystad took that role, he said.

In reviewing the 27 sources of data listed in the report's appendix, Linden said that only five of them were used in the report.

Five others that were not used, he said, were considered unreliable because the information had not been verified. He said those reports were stamped with the words: "Not Valid," a label that did not appear in the appendix.

Asked why 22 sources of data that were not used in the report were included without written explanation in the report to the president, Linden said, "It's in the appendix, um . . . because the appendix was a document taken out of something else."

The content of the report was written, debated, rewritten and debated again over a period of about six weeks, energy department officials say. It was completed by mid-July.

On July 17, a summary of the findings of the report was leaked to The New York Times, which published an article on its financial page.

The report was delivered to the White House July 24, two months after Carter had ordered that he receive the report within 30 days.

On Aug. 5, the Los Angeles Times and The Washington Post published front-page articles reporting that a DOE investigation had cleared the oil industry of charges of hoarding. Both newspapers had been leaked copies of the report, which still had not been publicly released.

The following day, on Monday, at 4 p.m., the White House officially released the report. Carter made no statement that day, and he and his spokesmen refused to answer any questions about the report.●

FLORIDA'S SILVER HAIRED LEGISLATURE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LEHMAN. Mr. Speaker, I would like to draw my colleagues' attention to the August 5, 1979, Miami Herald article discussing the fine work that is being done by Florida's Silver Haired Legislature.

The senior citizens of Florida, who make up the membership in the Silver Haired Legislature, are making sure that the issues of deep concern to our senior citizens are not being ignored.

The article follows:

"SILVER HAIRED" VOTES CARRY CLOUT

(By Eleanor Hart)

Irwin and Geneva Miller, who retired to North Miami Beach from Boston five years ago, have already completed two terms in Florida's Silver Haired Legislature in Tallahassee.

The Millers were among the 38 senators and 119 representatives in this year's senior citizens' legislative group, funded by a $50,000 federal grant to give the elderly better access to state government.

Irwin, 73, formerly with the food retail industry, served as a member of the House of Representatives, and Geneva, 68, a former bank comptroller, was Senate president pro tempore. During the annual week-long session in July, Geneva Miller co-sponsored a bill requiring adequate notice for residents of apartment buildings being converted to condominiums.

Though she feels the group "accomplished more than last year," Irwin Miller regrets that his bill to encourage employment and retraining of the elderly didn't make it. "It was the last bill of the session. It passed the Senate, but . . . we ran out of time . . . had only half a minute," he says.

The Millers feel the condo bill is among the priority items the group will present when the Florida Legislature convenes next April.

Other lobbying issues include:

Prohibiting grocery stores from raising prices of food items already marked and on the shelf.

Requiring geriatric courses as part of basic medical school curricula.

Permitting trailer park residents to organize and discuss grievances.

Tuition-free admission to state universities on a space-available basis.

Labeling prescription drugs and medicine with expiration date and generic name.

Statewide volunteer escort system for the disadvantaged which would provide mileage reimbursement and insurance for volunteer escort drivers.

Establishment of public health-care clinics focusing on nutrition, physical fitness and health education under the Public Health Department.

Cutback on utility charges.

Property tax relief providing a freeze on assessments of homestead property, increasing homestead tax exemptions and providing exemption from ad valorem taxation by school districts.

Licensing denture clinics to make and sell false teeth.

Review of the state foster care program.

Granting retired state employees cost-of-living pension increases.

The outcome for these proposals is up to to the Legislature. But Needham W. Smith Jr., Jacksonville, president of the Silver Haired Senate, and Tomi Crofut, Shalimar, speaker of the House, will be there lobbying, the Millers say.

Will the Millers, also active in the National Council of Senior Citizens and the Florida Senior Citizen Council, return to Tallahassee for a third term?

"If we are able, and if the people elect us," they say. "We need leadership, but primarily we need people from the grass roots."●

WINDFALL PROFITS FOR OPEC

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. WHITEHURST. Mr. Speaker, the people of the Greater Boston area of Massachusetts, in particular those who read the Boston Herald American, are truly fortunate in having the opportunity to read the regular column written by Warren Brookes. Regrettably, Mr. Brookes is not syndicated; his cogent and intelligent comments deserve a much wider audience.

I would like to take this opportunity to share with my colleagues the August 16, 1979, column entitled "Is the Windfall Tax a Windfall for the OPEC Nations?" He raises some excellent points, which should be given careful consideration by all of us before further action is taken on any sort of windfall profits tax.

Let me commend Mr. Brookes for his research and his perceptiveness. I only wish there were more like him:

IS THE WINDFALL TAX A WINDFALL FOR THE OPEC NATIONS?

(By Warren Brookes)

The other night, ABC nightly news made a major point of telling the American people that Exxon's profits had risen by 20 percent in the second quarter (over the same quarter in 1978).

What they did not tell you is that ABC's own profits had risen a healthy 36 percent.

They also did not tell you that while Exxon's average profit as a percentage of sales was 4.7 percent, ABC's was a rather comfortable 11.4 percent.

But the most important thing ABC failed to tell you is that primary reason for Exxon's profit growth (and that of the industry) was not domestic sales and operations, but overseas.

While Exxon's first half overseas profits (See Table) rose by 76 percent, its domestic profits acutally declined by 5 percent. Precisely the same thing happened to California Standard (Chevron), whose overseas profit soared 104 percent, but whose domestic profits declined 9 percent. Or take the case of Gulf Oil, whose overseas profits boomed 136 percent—but whose domestic profits barely kept pace with inflation at 12 percent.

Now, what does this mean? And, why is it happening?

The answer is simple: the combination of overseas tax-breaks, price controls in the U.S. and the entitlements program have steadily promoted the expansion of these companies, not in the U.S., but abroad. They can make much more money exploring, developing and refining abroad, than they can here—so they are doing it, thus helping OPEC, and hurting us.

And, they are being encouraged to do this, by the policies of your Congress, and your DOE.

For example, since 1974, the major refineries of this country have paid out some $30 billion in "entitlement" taxes for refining domestic oil (price-controlled). This $30 billion, in turn, has been paid to refiners for refining imported (OPEC) oil. In other words, we have been penalizing the production of domestic oil (to the tune of about $2.50 per barrel), and subsidizing the import of OPEC oil (to the tune of $2.50 per barrel).

It is no wonder that domestic oil production (which is being "taxed") is dropping by 3 percent per year, while OPEC oil imports (which are being subsidized) have been rising about 7 percent per year.

Why are we doing this? For the simple reason that the eastern states (particularly New England) which import all their oil, are being subsidized by the Western states which produce most of their own oil, by a process that "equalizes" the price differential between domestically-controlled oil (averaging about $9.60 per barrel), and imported oil, which until this year averaged about $13.60 per barrel.

In other words we have been forcing the domestic oil industry to transfer costs from OPEC to the domestic oil industry (from consumers to producers).

As a result of this incredible mess (invented by New England congressmen) the major refiners have naturally found it much less profitable to produce and refine domestic oil—and much more profitable to produce and refine oil overseas.

This is why, among the top 20 oil companies, and particularly among the top 10, you will find that 50–70 percent of their profits are now being made, not on domestic production, but on overseas operations.

Part of this, of course is the fact that, on overseas operations, they now enjoy a significant tax break, because they can deduct royalties, paid to OPEC, as taxes. Unfortunately, Carter's much vaunted "windfall profits" tax will merely make the whole situation worse.

Why? Because it will defeat the whole purpose of de-controlling domestic oil prices—namely to encourage increased U.S. production and exploration.

How so? Because it will tax some 75–80 percent of every increased sales dollar, gained from de-controlling the prices, thus making domestic operations continue to be far less profitable than overseas operations. This is why the American Petroleum Institute's Charles DiBona correctly warned that Carter's windfall tax will actually reduce the potential benefits of price de-control, by more than one million barrels a day.

If Mr. Carter really wants to stimulate domestic oil and gas production—and discourage overseas development and imports by the major oil companies, he should simply apply the windfall profits tax concept to overseas earnings—while turning domestic price controls (and profits) loose.

In other words, make it more profitable for energy companies to produce and invest in domestic energy development than overseas. This could be done by two simple devices:

1. As part of the de-control program, eliminate all tax credits on royalties paid overseas.

2. To force all increased domestic profits to be re-invested in energy development, simply outlaw all further horizontal mergers by energy companies with sales over $200 million, unless approved by the DOE.

The effect of these two moves would be to turn the domestic energy industry around, and focus attention on domestic production and profits. Since the government would still collect 50 cents of every dollar collected through de-control, the revenues generated (together with the elimination of the overseas tax break) would more than equal the "windfall tax."

More important the de-control process would so stimulate all forms of domestic energy production (natural and synthetic) that the government would not have to get involved in the whole "synfuels" boondoggle at all.

It is a sensible approach—but that may preclude its acceptance by Carter or Congress. Unfortunately, their plans, as presently conceived, will simply make OPEC richer, and the U.S. energy-poorer.●

INVESTIGATION OF AUGUST BEEF PRICES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROSENTHAL. Mr. Speaker, on Monday, August 27, 1979, telegrams were sent to six agencies requesting an immediate investigation into allegations of beef wholesale price and commodity futures manipulation during August 1979. Each of the agencies has responded and the Commerce, Consumer, and Monetary Affairs Subcommittee which I chair will monitor the progress of the agencies as they pursue the substantive issues and questions involved.

I now insert the press release and samples of telegrams in the RECORD:

ROSENTHAL ALLEGES BEEF PRICE MANIPULATION

Congressman Benjamin S. Rosenthal (D-NY), Chairman of the Commerce, Consumer and Monetary Affairs Subcommittee (House Government Operations Committee) today demanded an immediate investigation into charges that beef prices were manipulated at the wholesale level in mid-August by several major beef packers and commodity futures speculators and, as a result, will increase dramatically for the consumer within days. The New York legislator sent telegrams to the Federal Trade Commission, Commodity Futures Trading Commission, Departments of Justice and Agriculture, Council on Wage and Price Stability and the Securities and Exchange Commission outlining allegations that price-fixing and collusion influenced a wide market swing in wholesale beef price during the past few weeks and requesting immediate action to determine what criminal and civil laws may have been violated.

Consumer groups and sources inside the industry told Rosenthal that the "yellow sheet", a private wholesale price listing, was pushed to an artificial low in early August. This resulted in panic selling by farmers and promotion plans for beef sales by retailers (who schedule price specials in advance but contract to pay the future yellow sheet price). Then, during the next two weeks the wholesale prices climbed and the speculators who bought low could sell high. One source estimated that ten traders alone may have shared at least $5 million in turnaround profits. Analysts who have already charged that the yellow sheet pricing mechanism is based on too small a sample of sales, may now find proof that it can easily be manipulated for personal gain.

In response to inquiries by the subcommittee, the Department of Agriculture confirmed that last week the cost of hamburger for its school lunch program jumped 12.04% (from $1.0797 cents per pound to $1.2097 cents for the 1,732,500 pounds purchased the week ending August 24). We were told the increase was "unexpected and unexplainable" and as big as the Department has ever seen.

"Only immediate action to roll back the artificial prices for beef reported the last week in August will stem retailers' losses and keep prices down for consumers already struggling with inflation," said Rosenthal, who chaired hearings in eight different cities this past May on the impact of inflation on consumers.

The regulatory agencies have been requested to look specifically at trading by employees and principals of Iowa Beef Processors, Inc. (Dakota City, Nebraska) and Spencer Packing Company (Spencer, Iowa), and related activities by a number of Chicago Mercantile Exchange firms which trade in the futures market.

"We are interested in whether the agencies which have jurisdiction over these practices have failed to prevent manipulation of the marketplace," Rosenthal said, "but my concern right now is for consumers who will pay for these profits in the days to come. The cost of food is an issue which affects us directly and daily." Rosenthal added that his subcommittee will continue to monitor the situation.

Copies of the telegrams are attached.

TELEGRAM

As Chairman of the Commerce, Consumer and Monetary Affairs Subcommittee (House Government Operations Committee), I am asking the Commodity Futures Trading Commission (CFTC), as the agency charged with the regulation of futures trading and agricultural and other commodities traded on commodity exchanges, to begin an immediate investigation into charges brought to my attention by consumer groups and industry sources, that beef prices were manipulated at the wholesale level in mid-August by several major beef packers and commodity futures speculators. My subcommittee has received complaints that price fixing and collusion influenced a wide market swing in wholesale beef prices during the past few weeks and that, as a result both retailers and consumers will be paying dramatically higher prices for beef within days.

In response to a subcommittee inquiry, the Department of Agriculture confirmed that last week the cost of hamburger for its school lunch program jumped 12.04% (from $1.0797 cents per pound to $1.2097 cents for the 1,732,500 pounds purchased the week ending August 24). We were told the increase was "unexpected and unexplained" and as big as the Department has ever seen.

Consumer groups and sources inside the industry have told the subcommittee that the "yellow sheet", a private wholesale price listing, was pushed to an artificial low in early August. This resulted in panic selling by farmers and promotion plans for beef sales by retailers (who schedule price specials in advance but contract to pay the future yellow sheet price). Then, during two weeks the wholesale prices climbed and the speculators who bought low could sell high. One source estimated that ten traders alone may have shared at least $5 million in turnaround profits. Analysts from the Department of Agriculture have already charged that the yellow sheet pricing mechanism is based on too small a sample of sales and your agency may now find proof that it can easily be manipulated for personal gain by price-fixing, dissemination of false and misleading market information and other unfair and illegal market practices.

The CFTC was established as an independent agency in 1974 in order to more effectively regulate commodity futures trading yet it would seem from these allegations that the market has indeed been manipulated and prices distorted. Market users are to be protected against cheating, fraud, and abusive practices in commodity transactions yet it appears retailers and consumers have been caught by a costly scheme.

Specifically, the market may have been interferred with as follows:

1. Present and former officers and employees of certain major beef packing companies pressed the beef wholesale market down sharply on the yellow sheet with artificial packer-to-packer sales;

2. Farmers then sold cheaply to protect themselves, cattle futures were depressed, and retailers were induced to schedule beef price specials;

3. These same present and former officers and employees purchased cattle futures contracts at these depressed prices through certain commodity brokerage firms;

4. They then had their companies purchase large quantities of cattle, driving up prices on the futures exchange;

5. They sold their futures contracts for a quick and substantial profit through these same commodity brokerage firms;

6. The beef was sold by the packing companies "on a market basis", that is, at the yellow sheet price on a certain future agreed-upon dates;

7. To avoid a loss for their companies, these present and former employees manipulated the yellow sheet upward, again with artificial packer-to-packer sales;

8. The now sharply higher yellow sheet wholesale prices are causing huge losses to retailers who had scheduled price specials and contracted for future purchases;

9. Retailers must now increase their margins to recoup these losses and the combination of higher wholesale prices plus increased retailer margins will dramatically increase costs for the consumer.

Your investigation of possible civil violations and other illegal activities should begin with present and former officers and employees of Iowa Beef Processors, Inc. (Dakota City, Nebraska) and Spencer Packing Company (Spencer, Iowa) and the brokerage firms of Rufenacht, Bramagen & Hertz, Inc.; O'Connor Grain Company; Ray E. Friedman & Company; Paine, Webber, Jackson & Curtis; and Saul Stone & Company, all members of Chicago Merchantile Exchange.

Only immediate action by your agency and the other agencies which have jurisdiction over these practices to roll back the artificial prices for beef reported the last week in August will stem retailers' losses and keep prices down for consumers already struggling with the rising cost of food. My immediate concern is for consumers who may have to pay the price for this manipulation in the days to come.

The results and conclusions of your investigation should be made available to the subcommittee as soon as possible. Whatever action you can take now to protect the consumer from these cost increases will aid our overall fight against inflation.●

QUESTIONNAIRE RESULTS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MICHEL. Mr. Speaker, having just returned from the August recess, we all should have a fresh perspective on what our constituents expect their Government to be doing. It is refreshing, and sometimes reassuring, to listen to what the people have to say. We probably did our country more good talking to our constituents than we would have done by remaining in Washington. While I was back in my district, I not only received the personal opinions of those I met, but I also received the results of our annual questionnaire sent to some 189,000 households. I found the survey results of great interest and would like to share them with my colleagues.

The following is a tabulation of the results:

Question	Percent		
	Yes	No	No answer
Would you vote for standby gas rationing?	47.2	49.3	3.5
Would you drive less if gas rises to $1.25 per gallon?	52.6	46.5	.9
Do you favor continued development of nuclear power for energy?	72.7	24.7	2.6
Did the Three Mile Island nuclear plant accident in Pennsylvania alter your thinking?	22.7	74.6	2.7
Would you favor relaxing the environmental protection laws to enable industries to use coal?	85.3	12.7	2.0
Do you favor mandatory wage and price controls to combat inflation?	46.6	49.8	3.6
Should the Federal Government institute a program of national health insurance?	28.0	68.2	3.8
Should the Senate ratify the SALT II treaty with the Soviet Union?	39.8	47.7	12.5
Do you think we ought to reinstitute the draft?	56.4	39.1	4.4
Do you favor registration all 18- or 19-year-olds for possible military service?	70.5	26.2	3.4

●

PEACE CORPS RESPONDS TO CONCERNS OF A VOLUNTEER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had recently with Richard Celeste, the Director of the Peace Corps. This correspondence was prompted by a very thoughtful and detailed letter from a Peace Corps volunteer.

This volunteer described some serious problems and concerns regarding Peace Corps recruitment and placement, comportment of volunteers in-country, policies on medical evacuations, wasteful activities, and poor supervision of volunteers. The criticisms were presented in a constructive way and I attempted to relay them to the Peace Corps for consideration.

I am pleased with the response from the Director of the Peace Corps because he took the criticisms seriously, was aware of most of the problems, and claims some corrective actions have been undertaken. Some of Mr. Celeste's statements on Peace Corps policy regarding certain matters will be helpful in clarifying the disposition of the Peace Corps when volunteers in foreign countries find themselves in difficult situations.

I have always believed that part of the vitality of the Peace Corps depends on volunteers feeling free to share their evaluations and criticisms of their experiences and on a positive receptiveness and responsiveness by Peace Corps administrators to such feed-back from volunteers.

The correspondence with the Director of the Peace Corps follows:

PEACE CORPS,
Washington, D.C., July 30, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. HAMILTON: Thank you for your inquiry of July 9 concerning issues raised in a letter to you from a Peace Corps Volunteer. I will address these issues within the same format as you presented them in your letter.

1. *Recruitment and placement.*—All Volunteer assignments are agreed upon by the in-country Peace Corps staff and officials of the appropriate host agency. Agency officials specify the qualifications they desire for each position and only those individuals with appropriate backgrounds are recruited. I do not believe that cases of Volunteers being "mismatched" to their assignment are as frequent as your letter would imply.

However, the question of Volunteer success or failure is frequently not one of whether the Volunteer is qualified for the work she or he is assigned to do, but rather whether the Volunteer is able to meet the unique challenges presented to Peace Corps Volunteers who must live as a part of the host community at approximately the same level as the people with whom they work.

It is my firm belief that the majority of Volunteers are successful in meeting this challenge. We, however, are concerned that every Volunteer sent overseas have the greatest possible chance for successful service and we have made and continue to make significant progress toward this goal.

During the past two years, several initiatives have been implemented to improve the quality and suitability of the Volunteers which the Peace Corps attracts. Recruitment materials have been redesigned to emphasize commitment to Volunteer service and to provide more precise and complete information concerning the Volunteer experience. Careful attention is now being given to the screening of applicants through personal interviews with recruiters. We are increasing pretraining programs and providing more in-depth country and assignment specific information. A major focus of these screening procedures is motivation. A variety of administrative improvements also have been initiated within both the recruitment and placement operations, all of which are aimed at freeing recruiters and placement officers from time consuming paperwork so that they can give more time and personal attention to getting the right Volunteer into the right assignment.

An important factor in providing qualified and effective Volunteers is the training they receive. We have made significant progress in upgrading Peace Corps training during the past year and this will continue to be a priority during the coming months. The average length of training programs will increase substantially from about 8 weeks to more than 12 weeks in FY 1980.

As the Peace Corps moves to recruit from a broader spectrum of educational backgrounds, increased emphasis will be placed on technical skill training. As we place more Volunteers in rural areas, where the poorest citizens of a country are usually located, we are giving increased attention to local language training and cross-cultural orientation. In general, the amount of time devoted to language training will increase significantly.

Volunteers will also receive training in secondary skills, personal health skills and perspectives on women in development. And, once a Volunteer is placed in the field, we are providing more in-service training to ensure his or her ongoing effectiveness. We will continue to seek new ways of improving training so that all of our Volunteers will arrive at their assignments with the insights and skills necessary to their success.

I am convinced that these efforts will have a major impact in reducing the level of Volunteer attrition. In addition, I think it is important to note that Peace Corps Country Directors are reporting significant improvements in the quality of Volunteers they are receiving, especially in the areas of commitment and flexibility.

2. *Comportment of volunteers in-country.*—It has been and will continue to be the Peace Corps' policy that any Volunteer found to be involved with the use of illegal drugs will be immediately terminated from the Peace Corps and returned to the United States. Volunteers are repeatedly made aware of this policy during both recruitment and training. Overseas staff members are aware that enforcement of this policy is an important responsibility. Realistically, I am sure that there are some Volunteers who do use drugs just as many other Americans do despite all public and private efforts to discourage such activity. However, in my opinion, the vast majority of our Volunteers are aware of the potentially serious social, political and legal impact of illegal drug use and, therefore, avoid such activity.

All Peace Corps Volunteers are subject to the laws of the country in which they are serving. If a Volunteer is arrested for any reason, including on drug-related charges, the Peace Corps does not interfere with established legal procedures but does continue to provide the Volunteer with every appropriate form of support, including the provision of legal representation if necessary.

We have a professional staff in each of the countries in which Volunteers serve whose primary responsibility is to provide support to the Volunteers. This includes counseling them should difficulties arise between Volunteer and host country nationals, either on-the-job or socially, and working with the Volunteer and other individuals involved in an attempt to find a mutually agreeable solution.

From time to time, we do find it necessary to terminate a Volunteer's service due to his or her inability or unwillingness to live up to the commitments made when entering the Peace Corps. The decision to terminate a Volunteer is made by the Country Director. Following this termination, a Volunteer has the option of appealing this decision to Washington, with the final decision being made by the Director of the Peace Corps.

The appeal procedure is carefully structured to protect the rights of the Volunteer and includes reviews by our Office of Special Services, our General Counsel and various Regional staff members. If a Volunteer wishes to appeal his or her termination in person, he or she has the option of returning directly to Washington following the termination at Peace Corps expense.

3. *Policy on medical evacuation.*—Husbands and wives do not automatically accompany their spouses during medical evacuations. If it is decided by the Peace Corps Medical Officer and the Country Director that the medical situation is of a serious nature, or that the support of the spouse would be of assistance, they can authorize the spouse to travel at Peace Corps expense. In fact, in most cases the spouse does accompany the husband or wife, especially when a lengthy recuperative period may be involved.

The Peace Corps tries to provide quality medical care to its Volunteers, frequently under very difficult circumstances. In each country where Peace Corps Volunteers serve, we assign either a Peace Corps doctor or nurse, or contract with a local doctor, to serve as a Medical Officer who is responsible for the health care of the Volunteers. In addition, each training program now includes health instruction designed to familiarize Volunteers wtih the various health hazards which they might encounter and to better equip them to meet their own routine health and medical needs while serving in remote areas.

During service, the Peace Corps is responsible for providing its Volunteers with all necessary medical care. Following service, Peace Corps Volunteers are eligible for medical coverage under the Federal Employees Compensation Act (FECA) administered by the Office of Workmen's Compensation with the Department of Labor. Under the FECA, Volunteers are eligible for coverage for any service-related injury or illness. Peace Corps staff members are available in Washington to assist returned Volunteers with the processing of claims and are willing to provide follow-up services should problems develop with a claim which has been filed with the OWCP.

4. *Wasteful activities and poor supervision of volunteers.*—The Peace Corps operates under a limited budget and, in an effort to limit costs wherever possible, it is our policy to authorize travel, workshops and conferences only in those instances when they clearly contribute to the effectiveness of our program.

We do utilize staff and Volunteer workshops as a means of both program development and in-service training. We feel it is important to allow Volunteers the occasional opportunity to get together with other Volunteers and staff members so that they can share their experience and seek solutions to mutual problems. This allows staff members the opportunity to obtain group feedback concerning the quality of assignments, the effectiveness of programming, and the adequacy of pre-service training from Volunteers who have been in the field and working for a period of time. I do not know to which "workshops and conferences" the Volunteer refers in the letter to you and, therefore, cannot be more specific in my response to this question.

Each Volunteer is assigned to a project administered by a host country agency and they work under the direct supervision of the personnel of that agency. Peace Corps in-country staff have the responsibility of providing support to the Volunteers. Again, given the budget constraints, these staffs tend to be "lean." Still they make every effort to visit Volunteers in the field on a regular basis. Our staff members are also always available to assist a Volunteer should he or she be experiencing any particular problem.

During the past two years, the Peace Corps has been moving to place Volunteers in assignments which address the basic human needs of the poorest citizens of the nations in which they serve. This has included a substantial increase in the number of Volunteers assigned to rural areas and a movement away from assignments, such as university education programs, which would place Volunteers in capital or other large cities.

Volunteers are expected to live as part of their host communities and are not expected to be in the capital city, or away from their sites at all, unless they are using their annual leave time, seeking necessary medical attention, or on assignment-related business. I do not think it is accurate to state as a generalization that Volunteers "have a tendency to lay around capital cities." Once again, without knowing to which specific country this Volunteer is referring, it is difficult for me to respond more completely.

5. *Appeal and complaint process.*—Volunteers can "surface" their complaints to their Country Directors and to Washington and they can get results. This is one of the primary functions of our country staffs and to a certain extent every Peace Corps office in Washington is directly responsible for meeting the needs of our Volunteers.

A Peace Corps Volunteer has complete confidentiality, if he or she so desires, when voicing criticism of Peace Corps operations. We welcome, and indeed seek, the advice of our Volunteers. In fact, I have recently instituted the practice of personally meeting for an hour once each week with any returned Volunteer who might be in Washington and has something he or she would like to talk over with me.

I can assure you that no Volunteer is going to suffer in any way because he or she criticizes the way we do things. Frankly, with 6,000 very individualistic Peace Corps Volunteers, I receive a wide range of advice—some sound, some constructive though critical, and some just not feasible.

We are also recruiting an increased number of former Volunteers to serve as overseas staff members. One recent initiative in this area has been the re-establishment of the "Peace Corps Fellows Program." Through this program, outstanding returning Volunteers are selected for an extended training program here at our Washington headquarters and are then returned overseas as Associate Country Directors. This ensures that our in-country staffs will have an in-depth understanding of the problems with which Volunteers must deal and, therefore, will be more effective in helping them to overcome these.

No office handles Volunteers problems, complaints and suggestions exclusively. As I stated above, every office—especially our Country Desk Officers and our Office of Special Services—is meant to be as responsive as possible. A Volunteer is encouraged to contact the appropriate office in an effort to resolve any problem he or she might be experiencing.

However, it is usually more effective if they deal directly with the country staff members, including the Country Director, who are more familiar with our Washington operations and can usually expedite the resolution of a Volunteer's problem unless, of course, it involves a problem with the country staff itself.

Each year the Peace Corps conducts a "Volunteer Survey" through which Volunteers comment on many facets of Peace Corps operations. The data compiled from this survey is an essential evaluation tool for those of us with senior management responsibilities, since it allows us to secure a better perspective on what our Volunteers generally think about a variety of issues, including those which you have raised.

I hope the Volunteer who has written to you will not hesitate to contact his or her country staff concerning any specific problems he or she may be experiencing. And I would welcome any advice he or she might have for me.

I greatly appreciate your having taken such an in-depth interest in the Peace Corps on behalf of your constituent. If I can provide you with additional information concerning these or any other issues, please do not hesitate to contact me.

With best regards,

RICHARD F. CELESTE,
Director.●

OUR COUNTRY IS ALIVE AND WELL

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BRINKLEY. Mr. Speaker, most of us during the August district work period had an opportunity to touch home base and to feel the pulse of grassroots America. I am happy to report from my own perspective, that is, Georgia's Third District, that our country is alive and well.

As an example of the positive, upbeat activities which are the healthy heartbeat of a strong and progressive nation, I should like to share with you now a letter written by my constituent, Dr. M. S. Silberman, and published in the Taylor County press.

The letter follows:

EMORY UNIVERSITY SCHOOL OF MEDICINE,
Atlanta, Ga., August 15, 1979.

EDITOR,
Taylor County News/Butler Herald,
Butler, Ga.

DEAR EDITOR: This is an open letter to the people of Taylor County. During these times when uncertainty and confusion appear to be becoming a way of life, some very positive things have happened in Taylor County and after a little reflection it is obvious that they spell out a bright future for our citizens.

Just this past week Mr. Bobby Gene Swain, representing the Taylor County Shriners Club, presented a check for over $2,000.00 to the Board of Education. This money was collected by the Shriners over a period of time through various events sponsored by the club. Here is just one example of that bright future—generous, civic-minded men donating their time, money and energy to help insure a better future for the youth of the community. Their faith in our young people is obvious.

This past June Mrs. Edith Guy once again took her Debating Team to a national competition. They bested teams from all over this nation to become the national Debating Team champions. Mrs. Guy certainly didn't allow a despair to enter her life and, with her students, brought national recognition to

Taylor County and introduced many to young people, who certainly don't meet the stereotyped, myopic image portrayed by much of the media.

Most recently Mr. Shan Young, a 1979 honor graduate of Taylor County High School showed the "mettle" of our youth. He mesmerized a graduation audience with the eloquence of his presentation during a speech at graduation. Now he has placed third in the national Mr. U.S.A. Team Competition held in Minneapolis, Minnesota. To achieve this status he had to show scholastic excellence, athletic participation, maturity in personality, a record of service and achievement both in school and in the community and a team "image". His parents, teachers, relatives and friends certainly have every right to be proud of Shan. Shan has shown he has what it takes and with the support of family and friends and his personal perseverance will go all the way in whatever venture he chooses.

So: Thanks Bobby Gene Swain and the Shriners for your faith and love of the youth of this community. You have shown me that there is reason for optimism and, with civic groups such as your supporting us, education will progress in our county.

Mrs. Guy, thanks for reminding us once again of the excellent teachers we have in this county. Your dedication and love of our youth and community is infectious and as long as we have educators like you our future is insured. The young people who worked so hard have also reminded us that we need not "bemoan" the sorry state of today's youth. These young adults will straighten out the obvious problems we are leaving them as an inheritance if we give them half a chance.

To Shan Young, a very special thanks for showing this country what our youth are made of. You have given me a great pride in our school system and an assurance that the future of our county, state and country need not be questioned. You remind us all that the great majority of our young people are moral, honest human beings. Your own actions and behavior are examples to all of us and give us a goal to pursue.

So things are pretty good in Taylor County. We have the greatest civic clubs, our teachers are as good as anywhere in this nation and our greatest asset, the youth of this community, are an example to the whole country.

Sincerely,

M. S. SILBERMAN, D.V.M.,
University Veterinarian/Assistant Professor of Pathology, Chairman, Taylor County Board of Education.●

MASSACHUSETTS GROUPS DEMONSTRATE AUTO SAFETY TECHNOLOGY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● **Mr. CONTE.** Mr. Speaker, last week in Boston, a group of Massachusetts-based medical, insurance, consumer, highway safety and disabled persons' organizations met to emphasize the need for automatic crash protection in cars. I wish to draw to my colleagues' attention a news article about that event and a statement in support of airbags by my friend John Volpe, the distinguished former Governor of Massachusetts who also was an outstanding Secretary of Transportation.

This information will be useful to the Members as we prepare to vote next week on the Dingell amendment which would forbid the NHTSA from implementing the passive restraint standards as it pertains to airbags. I intend to oppose this amendment and I am heartened by this support from former Secretary Volpe and this disparate group of organizations concerned about highway safety.

The article and statement follow:

MASSACHUSETTS GROUPS DEMONSTRATE AUTO SAFETY TECHNOLOGY

A large group of Massachusetts-based medical, insurance, consumer, highway safety and disabled persons' organizations met today in Boston at Prudential Tower to emphasize the pressing need—and vigorous support—for automatic crash protection in automobiles.

Joan B. Claybrook, Administrator of the U.S. Department of Transportation's National Highway Traffic Safety Administration, a special guest and keynote speaker, said she was "pleased to announce that Commercial Union Assurance Companies, Liberty Mutual Insurance Company and Prudential Insurance Company will purchase fuel efficient automobiles equipped with automatic restraint systems for their corporate fleets when such vehicles are available. The three companies have over 4,000 vehicles in their fleets.

"Such a commitment is a sound business and social undertaking as air bags and automatic seat belts can prevent many deaths and serious injuries. Until such time as the systems are available, the three insurance companies will continue to promote use of the present manual seat belt equipment," she said.

The U.S. Department of Transportation has required that, beginning in 1982, automobiles start being equipped with some form of automatic crash protection. Automobile manufacturers, while considering automatic safety belts and air cushion restraint systems as ways of meeting the federal performance requirements, have already delayed introduction of these proven lifesaving devices for almost 10 years.

The diverse groups explained their individual reasons for supporting automatic crash protection in automobiles:

MEDICAL GROUPS

Head impacts in automobiles are the single largest cause of epilepsy, producing approximately 20,000 new cases of epilepsy in the U.S. each year;

Automobile crashes are the single largest killer and crippler of children, killing approximately 4,500 children between the ages of 1 and 14 each year, and seriously injuring 240,000 children from birth to age 14 each year;

Automobile crashes are the single largest cause of paraplegia and quadriplegia.

INSURANCE COMPANIES

Industry data show that policyholders will save approximately $1.9 billion annually once automatic crash protection is available in every car.

CONSUMER GROUPS

The U.S. Department of Transportation's requirement, as it now stands, will for the first time give consumers a choice of restraint systems. This freedom of choice will allow them to buy cars which use modern technology to protect people from death and serious injury in most crashes.

HIGHWAY SAFETY GROUPS

While continuing to encourage use of currently available seat belts, many years of past experience have shown that such efforts have failed to raise belt use above 14 percent. Devices that protect people automatically have proven their livesaving and injury reducing capability.

The groups demonstrated that air cushions are capable of saving lives by showing an air cushion equipped car that several years ago was involved in a serious crash in Florida. A Florida woman and her two grandchildren walked away from the crash with only minor injuries. Christopher Burns, a 20-year-old resident of Scarsdale, New York, talked to reporters about his air-bag crash experience. These cars were among the few air bag equipped cars manufactured by General Motors between 1974 and 1976. Liberty Mutual, a Boston-based insurance company, used a specially equipped car to demonstrate how air cushions deploy from the hub of the steering wheel and from under the dash panel to protect front seat occupants in a serious crash. Until a serious crash occurs, the cushions remain stowed out of sight. The groups also demonstrated automatic safety belts, already available as options on a limited number of small cars, and a display of child protection devices.

Organizations sponsoring the event include:

American Academy of Pediatrics, Massachusetts Chapter.
Association of Massachusetts Consumers.
Commercial Union Assurance Companies.
Epilepsy Foundation of America, Massachusetts Chapter.
Liberty Mutual Insurance Company.
Massachusetts Association of Emergency Medical Technicians.
Massachusetts Association of Paraplegics.
Massachusetts Department of Public Health, Division of Preventive Medicine.
Massachusetts Safety Council.
National Spinal Cord Injury Foundation.
Prudential Life Insurance Company of America.

STATEMENT OF HONORABLE JOHN A. VOLPE

I'm very sorry that I will be out of state on August 30th when you will be sponsoring the demonstration and press conference at Prudential Tower, to emphasize the need for, and effectiveness of, automotive crash protection in automobiles. Inasmuch as I cannot be present, I would like to state my views with regard to this very important subject.

It was almost 10 years ago when I instigated efforts to try to improve safety in our automobiles. It is too bad that a passive restraint system is not yet mandatory in the automobiles being manufactured today. It was our estimate then, and apparently not too different today, that passive restraint systems could save approximately 10,000 lives per year. Some people do not feel that air bags are completely safe. The regulations that Secretary Adams proposed, as well as those I proposed, do not require the air bags—it can be a passive belt restraint system such as has been used in VW's for the past three years. The regulation would provide for the utilization of either of these two systems.

Thousands of cars during the last few years have been equipped with both the air bag system and the passive belt system and in no case has there been any record of cases of the air bags not working properly (as some people have claimed).

I believe in a proper time frame, which it seems has been allowed, for the utilization of these systems to be incorporated in the cars manufactured in accordance with the law, which now provides that they will go into automobiles starting with the model year 1982, and be mandatory in all cars by 1985.

I want to add my voice to those who feel that the cost/benefit ratio involved in the use of these systems is certainly worth every dollar invested and I trust that there will be no further delay in their utilization.●

THE "DISAPPEARED" IN ARGENTINA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GILMAN. Mr. Speaker, tomorrow marks an important occasion for Agentina. It is the beginning of a 2-week visit by the Inter-American Human Rights Commission of the Organization of American States. This important visit signals, at long last, a change in attitude by the ruling junta to regain international respectability and remove some of the barriers of secrecy surrounding the tragic situation in that nation.

One of the truly motivating forces within Argentina working for just such an opening has been the Mothers of the Plaza de Mayo. This group of women consists of mothers whose children or relatives have disappeared. Their activities began as a completely spontaneous movement and continue to operate without political ties.

Having jointly endured the long vigils in various government offices seeking information on their relatives, they joined forces in 1977. After individually exhausting all legal remedies they took their case to the streets in silent vigils every Thursday afternoon in the Plaza de Mayo. Although the government has blocked their access to the plaza since the beginning of this year, they have continued their efforts in behalf of the thousands of Argentine citizens who have disappeared.

On a recent trip abroad that included a stop in Washington, the mothers expressed their hope and concern about the OAS Commission's visit. They are hopeful that this action will shed some light on the fate of the disappeared and begin the long process of healing the nation's wounds.

On the other hand, however, they are concerned about the many disappeared who are still alive in detention centers. There is alarm that these witnesses to Argentina's excesses may be eliminated in the wake of the Commission's visit. A May 29 statement by General Viola, the commander-in-chief of the army and a member of the ruling junta, acknowledged for the first time that there are "disappeared" whom he called the "absent forever."

During my most recent meeting with several of the mothers they provided me with testimony from a woman, Ms. Estrella Iglesias, who had disappeared and been held at a secret detention camp. Ms. Iglesias, who now resides in Europe, identified 18 people who are on the lists of the disappeared and who were with her in secret detention. Her testimony provides documented proof of the existence of secret detention centers and their disappeared inhabitants.

In an effort to share this important story of the efforts of the mothers of the Plaza de Mayo with my colleagues and to call attention to the visit of the OAS Commission, I am inserting Ms. Iglesias' entire testimony in the RECORD at this point:

TESTIMONY

Name: Estrella Iglesias.

Age: 31.

Date of birth: March 29, 1948.

Nationality: Spanish.

Domicile: Buenos Aires (Argentina) since May 24, 1949.

Profession: Skilled worker at Squibb laboratory in Argentina.

On August 11, 1978, I was detained by personnel of the police and joint forces at my home, 311 Maipu Street, 10th floor, Apartment 3, Partido de Vicente Lopez, in Buenos Aires province.

The search of the premises was carried out, without a warrant, by twelve persons in civilian dress and a dog. The motive for the detention was the accusation of my active participation in the Communist Party (Marxist-Leninist) of Argentina, formerly the Communist Vanguard.

After I was taken from my house and just as the above persons put me inside a Peugot 504, a patrol squad of the Buenos Aires province police passed by and waved to those involved in the detention operation. From here I was taken to General Paz Avenue, where I was blindfolded. The vehicle went along General Paz Avenue to its intersection with Ricchieri Avenue, then followed this road for about ten minutes. Upon arriving at Cintura Road, we went along a small road and entered a building to which a very strong floodlight was attached. Given my prior knowledge of the area through which they drove and the changes in light that I could capture through the blindfold, I was able to observe those details despite my being blindfolded.

The place where we stopped is in a military zone, the La Tablada Infantry Regiment. I was taken to a construction consisting of three separate houses, a patio, garage and swimming pool. The houses were similar to chalets, with red roofs.

During the entire trip from my house to this building, they socked me in the face and on my body. They also told me that I wasn't detained, nor had I disappeared, nothing like that; now I'd just been absorbed, kidnapped, "sucked up."

When they took me from the car, they led me through a series of rooms until we reached one where, hitting and pushing me, they removed my clothes and tied me to a table. At this point, they began to torture me. The torture consisted of applications of electric current to the genitals, breasts, toenails, mouth and gums; stretching my arms, mostly my right arm until they dislocated it; putting rats on my face and between my legs. All this was accompanied by questions as to my political activity, people with whom I had contact, and knowledge of other political groups and activists.

The person leading the interrogation responded to the nickname, "the Frenchman." He was about 40 years old, with black wavy hair, a moustache, approximately 1.80 meters tall, and of stout build. This torturer at one point lifted my hood and asked me to look at him since he said he wasn't afraid to have me know him. They call me the Frenchman, he said.

I don't know the actual length of time they tortured me because for three days I lost consciousness of the passage of time. The first time they tortured me, it lasted all night. When they took me from that place, they left me at another house. There they threw me onto the floor and shackled me to the wall. Several days later they gave me a blanket, because it was incredibly cold and I was half naked.

On August 17, 1978, the anniversary of the death of General San Martín, a national holiday in Argentina, I heard the sounds of a military marching band. The march was that of the Infantry Regiment. The persons who guarded us followed the orders of an officer named Chavez. The guards inside the house wore blue overalls with laced shoes. The guards outside the house were in civilian dress, working 24 hours with 48 hours rest. There were eight guards outside the house and two inside. There was also the officer in charge and the intelligence service personnel who carried out the torture. On August 22, 1978, the number of guards was increased, and that day, while being taken to the toilet, I saw a uniformed Army lieutenant entering the room.

In the house where I was, there were other people who to this day continue on the list of the disappeared. The majority were men although there were also some women. Among the women were:

Beatriz Perosio: President of the Buenos Aires Phychologists Association and member of the National Federation of Psychologists. This 31 year old women was shackled to the wall, thrown on the floor in a hut without a roof. It should be added that we were all held in those conditions.

Norma Falcone: Lawyer for Political Prisoners. 29 years old.

Ester Gerber: Metalurgical worker, 24 years old, lost a child while six months pregnant, due to torture. She had a miscarriage at a military hospital. Then they returned her to where we all were.

Alicia de la Rubia: Homemaker, 53 years old. She was held as a hostage because they were looking for her daughters.

Among the men, hooded and shackled to the wall, were:

Roberto Cristina: Teacher, 38 years old.

Jorge Montero: Mechanic, 33 years old.

Ruben Kritzkautsky: Dentist, 42 years old.

Ernesto Scerszewisz: Technician, 39 years old.

Victor Volloch: Metalurgist, 33 years old.

Elias Seman: Lawyer, 42 years old.

Abraham Hochman: Lawyer, 40 years old.

Saul Micflic: Smeltery worker, 39 years old.

Osvaldo Balbi: Writer, 33 years old.

Mauricio Poltarak: Electronics technician, 36 years old.

Martin Vazquez: Worker, 19 years old.

Luis Diaz Salazar: Worker, 26 years old, Spanish.

Hugo Waisman: Technician, 30 years old.

Guillermo Moralli: Employee, 30 years old.

Juan Miguel Tanhauser: Student, 19 years old.

Also Luis Perez, a bank employee who died under torture at 42 years old.

They stopped calling us by our respective names and gave us a code which we weren't to forget. The code used was "Empresa Vesubio," which was the name used among the intelligence services for the place at which they held us. V.25 came to replace my name in the list that was made daily before the change of guard.

The men there who'd been tortured and had disappeared as was my case had had their clothes taken away. They had been given brown jackets and slacks, as well as the traditional hood which covered the head.

In talking with various people there, I learned of the presence of Cristina Moralejo, leader of the Health Workers Union, Quilmes Sector, Buenos Aires province, and of her husband Hugo Sanchez, both of whom had been transferred from this location in May.

On several occasions I was asked if I knew her. They questioned me during the torture sessions since I too was a member of the Health Workers Union of Buenos Aires.

Cristina Moralejo and her husband Hugo Sanchez are still among the disappeared persons.

In this house the guards said that our situation was resolved and that we'd be transferred to another concentration camp.

After my 15th day as a disappeared person, I was approached by someone whom everyone called "Sir." The guards called him by the nickname "Teco," a contraction of Lieutenant Colonel. "The Frenchman" asked me, in the presence of this other man, if I had relatives in Spain. When I replied negatively, I heard them talking between themselves and the "Frenchman" said, "Yes, this is Estrella." This person who accompanied "the Frenchman" is the same person who took Ester Gerber to the hospital when she had her miscarriage.

Two days after this questioning session, they changed me to another house. I crossed a patio and they took me to a room where there were more women. On the way, a guard said to me, "You're saved, shorty." While I was in this house, they took down my personal data, the names of my parents and other family members.

On September 14th they divided us into groups of seven each one of which I was in. They put us into a vehicle, hooded and with our hands tied from behind with plastic cord. After a short distance the small truck carrying us stopped. They told us not to scream that they could deliver seven people or seven cadavres. The people who'd been driving walked away. We heard voices and then silence. Fifteen minutes passed and someone outside said: "I think someone was calling." "Is there someone there?" "They said yes." This whole farce took place outside the truck; no one inside the truck was speaking. They opened the door and took off my hood. The first thing I saw was an Army Lieutenant who asked me my name and who I was; then he asked if I was a prostitute and what I was doing there.

Another uniformed person, also of the armed forces, came over with an envelope marked with my name and said: "It says here that she's a Communist." They took us all out of the truck, without hoods and with hands tied behind. I heard them yelling insults while they had us get into an Army truck. There was an officer and another person in civilian dress who now had the envelopes marked with our names. I found that I was in a neighborhood street. We went some 300 meters and were taken into the Third Infantry Regiment barracks. They again asked our names. We were there for 30 minutes without leaving the truck. Then they took us to the Third Commissariate of Valentin Alsina, West Lanus, Buenos Aires province. There another lieutenant and a sergeant again took down my personal data, and then they put me together with three other women from the same truck in a cell one meter wide. It was completely dark, with an iron grate in front for a wall. It was very cold and had no ventilation. It was lacking the most minimal hygiene conditions: we had to urinate and defecate while up against the door, since most of the time they wouldn't take us to the bathroom. Once a day they fed us, from the leftovers of the Commissariate staff. Most often the meal consisted of soup with some potatoes and bits of meat and vegetables. While I was there, one night a Lieutenant Colonel approached me during the guard duty of officer Rodriguez and the captain Velazquez. In their presence I was informed that I was under the jurisdiction of a Court Martial.

Several days later they opened the door of our cell and allowed me to be in the hallway between the cell and the bathroom. Three boys who came in with us in the same truck were held 45 days without leaving the cell at all, with no air or light.

Until October 31, 1978, I was held incommunicado and as a disappeared person. That day my family received authorization from Colonel Basilis, President of the Special Permanent Court Martial, based in Palermo, Buenos Aires, to visit me once a week, for an hour. They were permitted to bring me clothing and food.

On November 6, 1978, I was visited by the legal counsel of the Spanish Embassy in Buenos Aires, Mr. José Luis Dicenta. This man told me that the Spanish government through the King of Spain during his next visit to Argentina on November 26, 1978, would bring a list with names of Spanish citizens imprisoned for political reasons. My name was on that list. On November 12, 1978, at the Commissariat, I signed an authorization for the Spanish Consulate in Buenos Aires to process my expatriation, or my expulsion from Argentina.

On December 22, 1978, I was transferred from this Commissariat to Prison Unit No. 2 of Villa Devoto, Buenos Aires. They put me in Cell Division No. 4 of Section 5, Cell No. 120, together with three other women.

Until January 19, 1979 I was once more held incommunicado, only then was I again allowed to see my family. That day I saw my mother through a glass pane and talked to her using a microphone. From then on, it was like that; I never had any kind of physical contact.

While in the penitentiary, I asked the legal division to state my legal status and why I was being held. They replied that I was under jurisdiction of the military, the Special Permanent Court Martial 1/1.

On the morning of March 6, 1979, they took me before this Court Martial. There, four Air Force officers interrogated me. They asked questions and I signed a statement in which for the first time after seven months detention an accusation was brought against me through a Court Martial. The accusation was presumed illegal and active participation in the Communist Party (Marxist-Leninist).

On April 7, 1979, they again took me to Palermo where I was told that the Court Martial did not have jurisdiction over my case. I continued in detention without any defense and without being able to see a lawyer. In the Penitentiary I was visited three times by the Embassy Counsellor, Mr. Dicenta. On April 24, 1979, my family received a letter from the Ministry of the Interior in which they were told that I was not being held at any State facility, that there were no charges against me, and that they would continue looking for me. The Spanish Consulate in Buenos Aires has this letter. On May 15, 1979, they took me to the Justice Department. I appeared before the court of justice presided over by Dr. Rivarola, the office of Dr. Curuchet, where they told me that I must agree to make a statement in response to the accusation of having transgressed Law 21,325 which prohibits all political, union, student, professional, etc. activity, as well as National Security Law 20,840. For the first time, they permitted me to select a defense lawyer. On May 17, 1979, they again took me to the Justice Department where, in the Office of Dr. Curuchet, they told me that I was to be released for lack of evidence, i.e., there was no proof, but that I could not leave the country because the case remained open. They took me back to the Penitentiary, Unit 2, and at 10 p.m. they again came to get me. They transferred me to the offices of the Superintendent of Federal Security.

At 5 p.m. on May 18, 1979, after again having been interrogated as to the reason for my detention, the name of my family, photographs, and fingerprints, I was released.

At the door was waiting my family, as well as the families of twelve others who were also under the same conditions as me.

On June 13, 1979, I left Argentina on a flight to Rio de Janeiro from Ezeiza International Airport, Buenos Aires, with my documents. In Rio de Janeiro, I was met by members of the United Nations Committee on Political Refugees and the Spanish Consul of that city.

On June 15, 1979, I arrived in Madrid, Spain, on Iberia flight No. 994. There, my husband Carlos Perez Gresia was waiting for me.

Estrella Iglesias Espasandin,
Argentine Federal Police Identity Card No. 5.575.221.

July 4, 1979.

(Note. The names listed in my handwriting on pages 2 and 3 belong to the list of disappeared persons; these persons were with me while I was in the situation of disappeared.)

Estrella Iglesias Espasandin.●

COLLECTIVE FARMING IN AMERICA?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to a news report that appeared in the Houston Post on August 3, 1979. Congress should know that this administration is setting up collective farms in the south. Apparently mass farming, like mass transit and mass shortages, is the wave of the future. I find it incredible that the taxpayers' money is being used in this operation to collectivize farms, and I hope that the leadership of this Congress will act to stop this attempt to destroy individual enterprise in America.

The article follows:

Israeli Experts to Help Start U.S. Kibbutzim

Washington.—The Carter administration is planning to import Israeli agricultural experts to set up kibbutz-like farms in the rural South, Agriculture Department sources said Thursday.

It is an effort to stop the growth of large corporate farms and retain land for the rural poor, the sources said. The chief beneficiaries of the experimental program would be black sharecroppers and tenant farmers in Florida, Louisiana and Alabama.

Agriculture Secretary Bob Bergland soon will call together officials from four federal agencies and two private foundations to sign the necessary contracts to launch the program, sources said. That ceremony is expected within the next few days.

Known as a "Family Farm Cooperative," the program would establish an unspecified number of farm collectives similar to the Israeli kibbutz. The Israeli government and a farm trade association plan to send experts to train the farmers in cooperative management practices, the sources said.

In addition to the federal agencies, the Ford Foundation, the Israeli Center for International Agricultural Cooperation, the Israeli Association of International Cooperation and the Southern (U.S.) Development Foundation will participate in the experimental project.

About 40 farmers will be selected to raise fruit and vegetable crops on these cooperative farms. Each farm will include about 1,200 acres of land.

A new federal corporation, the Small Farm Development Corporation, will use federal money to purchase the land in Macon and Bullock counties in Alabama, Manatee County in Florida and in St. Landry and Evangeline parishes in Louisiana.

The Farmers Home Administration will create the new corporation. It also will provide money to launch the program and offer low-interest loans to help the cooperative farmers buy their land from the corporation.●

VOLUNTEER DEVELOPMENT CORPS A FOREIGN AID SUCCESS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

• Mr. COELHO. Mr. Speaker, this Nation unquestionably has a responsibility to the people of less developed countries. No one, I think, will shrink from our responsibility to aid the victims of disaster—the victims of flood, drought, hurricane, earthquake, or pestilence. Beyond that we have a responsibility to do what we can to help the people of these countries improve their agriculture, develop their commercial institutions, raise their incomes, improve their health, better their housing, increase their fund of information, and develop their communities.

Some of us, however, have been less than satisfied that our annual appropriations for foreign assistance are achieving these desired results. Therefore, I was very pleased to have a constituent of mine, Karl L. Falk of Fresno, report to me recently on his work in the Philippines—work financed in large part by the Agency for International Development.

One of AID's grantees is a small, private organization formed by U.S. cooperatives 9 years ago to provide short term, technical help to cooperatives in developing countries at their request—Volunteer Development Corps. VDC has its headquarters here in Washington.

In the Philippines, a private organization, the Cooperatives Consultative and Coordinating Committee, and a government agency, the Bureau of Cooperative Development, Ministry of Local Government and Community Development, jointly asked VDC's help in planning the development of housing cooperatives.

Filipinos have had only scattered experience with housing cooperatives. Specifically, they asked VDC to advise them on, (1) the type or types of cooperative housing most appropriate at this time; (2) housing co-op bylaws to protect and promote the interests of both present and future members; (3) general feasibility of various types of construction; (4) potential sources of financing; and (5) a federation of housing co-ops to serve both as a technical service organization for new co-ops and as spokesman for Philippine housing co-ops.

VDC invited Dr. Falk to handle this work. Of all the persons who might have been chosen, VDC felt he was best qualified. I certainly can understand why.

Dr. Falk is vice chairman of the board of trustees of Foundation for Cooperative Housing. He has served as chairman of the international development committee of U.S. Savings & Loan League, as president of National Association of Housing and Redevelopment Officials, as chairman of the Housing Authority of the city of Fresno, and as a member of California's Commission on Housing and Community Development.

Dr. Falk led in organizing First Federal Savings & Loan Association of Fresno in 1957, served 19 years as its president, and is now chairman of its directors. This association has an enviable record of pioneering new financial and construction techniques to bring decent housing within the reach of farmworkers, low-income families, and elderly persons living on fixed incomes. He taught economics at Fresno State College for 29 years, served as chairman of its social science division, and was interim president in 1969–70.

Dr. Falk had handled two previous VDC assignments—one in Malaysia in 1977, where he advised National Land Finance Cooperative Society on self-help housing for its 80,000 members throughout the country who operate the society's plantations, and one in Jordan earlier this year, where he advised Jordan Cooperative Organization on a national cooperative housing effort.

The Filipinos believe cooperative housing can serve those families with incomes of $1,000 to $5,000 a year. Forty-nine percent of the urban families are in this group. Forty-eight percent are below this level. Three percent are above.

Dr. Falk was somewhat surprised to find that opportunities for cooperative housing also exist in rural areas of the Philippines, thanks largely to an 8-year cooperative education effort among former agricultural workers who are buying their 6 or 8 acres of land from the government. Here, he advised his hosts, self-help cooperative housing is a real possibility, especially since building materials are more available than in Greater Manila.

The 30 members of one village rice growers marketing cooperative north of Manila are also making building blocks without cement, Dr. Falk explained, using locally available limestone, silica with iron and alumina, and wood for charcoal. The blocks cost half what cement blocks do and they are much more durable.

Their first decision, Dr. Falk advised his hosts, is: Who will lead? Will it be a government agency that understands cooperatives but not housing? Or a government agency that understands housing but not cooperatives? Or a half-private, half-public apex organization established for the sole purpose of promoting cooperative housing?

Their second move, he said, must be to establish a secondary market for home mortgages. This does not now exist. Generally speaking, only those who can afford to pay 18 percent to 20 percent interest can get a mortgage. Officials of Federal National Mortgage Association and Federal Home Loan Bank Board have indicated to Dr. Falk their willingness to help.

Dr. Falk was pleasantly surprised that Philippine officials were not interested in borrowing additional funds from the United States to get a cooperative housing movement underway. They are concerned about their ability to repay past borrowings, now that petroleum imports are such a drain on the islands payments balance, and they prefer to mobilize the savings of their own people. Only 5 percent of the Philippines' gross national product finds its way into savings accounts.

Through the experience of my constituent, I have become interested in the organization that sent him. Volunteer Development Corps has five professionals on its staff. This year VDC expects to complete nearly 40 projects similar to Dr. Falk's. VDC has $9,163 and 54 days of Dr. Falk's time invested in this project.

The principal ingredient in VDC's success, I am convinced, is the volunteered services of experienced, highly qualified men and women. Each is selected for particular skills that match the specific request VDC receives.

Another reason VDC seems to succeed is that nothing happens until a group of persons overseas or a government agency there asks VDC for help. No one else decides that they should receive help—not their government, not the U.S. Government, not someone trying to be helpful. They alone can initiate a VDC project.

Four national organizations of U.S. cooperatives provide leadership for VDC. These are Agricultural Cooperative Development International, American Institute of Cooperation, National Council of Farmer Cooperatives, and National Rural Electric Cooperative Association. AID provides most of VDC's funds—a $550,000 grant this year.

I like this emphasis on technical help as the basis of foreign assistance. I like the use of volunteered U.S. skills and experience. I like the emphasis on self-help. I would feel more comfortable about our foreign assistance appropriations, Mr. Speaker, if I heard more like this.•

TRIBUTE TO JULIUS F. CASTELAN, DALY CITY COMMUNITY ACTIVIST

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

• Mr. ROYER. Mr. Speaker, on the evening of September 7, 1979, many friends will join together to recognize a resident of Daly City, Calif., who has given of himself to the community for over 40 years—Julius F. Castelan.

Julius F. Castelan was born on August 19, 1898, in Guaymas, Mexico, and came to the United States of America at the age of 2. He married Carmen in 1922, and his daughter Gloria has given him three fine grandsons.

In 1936, he became the first city engineer of Daly City. He later started his own civil engineering firm in Daly City, and remains active in the profession today.

He has a long and distinguished record of successful political involvement which reaches back to three campaigns for President Franklin D. Roosevelt. He has served as chairman of the San Mateo County Democratic Central Committee, president of the Daly City Democratic Club, and treasurer of the statewide Mexican-American Political Association in California.

What makes Julius F. Castelan a truly remarkable human being deserving of the honors bestowed upon him is his long and tireless advocacy on behalf of human needs. He continues to raise his voice for those who often do not or cannot speak for themselves—the elderly, the poor, and the Spanish-speaking residents of Daly City. In fulfillment of this role in his life, he served as the first director of the Daly City Senior Citizen Nutrition Project, and is credited with salvaging and breathing new life into the Daly City Community for Children's Services program. He also directed a Comprehensive Employment and Training Act program which enabled over 100 low-income Daly City families to have their homes painted. In addition to many other organizations, he has served as a commissioner on both the San Mateo County Economic Opportunities Commission and the Commission on Aging.

Julius F. Castelan is truly an outstanding member of the Daly City community and deserves the recognition he will gain on the 7th of September. I am proud to join his many friends in paying him tribute.●

NEW RESPONSIBILITIES FOR CAPT. JOSEPH V. WIELERT, USCGR, RETIRED

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LENT. Mr. Speaker, I would like to bring to the attention of my colleagues an important advancement for a very good friend of mine, Capt. Joseph V. Wielert, USCGR, retired, of Long Island City, N.Y. Joe has just been elected to a 2-year term as the Coast Guard Representative on the National Executive Committee of the Reserve Officers Association of the United States (ROA). He succeeds Capt. Bennett Sparks, USCGR, of Hollywood, Calif.

Mr. Speaker, this is a position of no small responsibility. As we are aware, the Congress has chartered the ROA with the mission of working for a military policy that will provide adequate national security. There is no doubt in my mind that in his influential position on the ROA's National Executive Committee, Captain Wielert will make a substantial contribution toward achieving that policy so vital to our future as a nation.

Joe Wielert has dedicated his life to the defense of our country with military service during World War II and the Korean conflict, and in work with Coast Guard Reserve organized and volunteer training unit programs. His service has won him the Coast Guard Commendation Medal.

Since his retirement from active duty in June 1977, Captain Wielert has continued to devote much of his time to Coast Guard and ROA activities, having served as president of the Department of New York, and on several national committees of the ROA. Currently Joe is vice president, public relations for Development Direction, Inc., of New York City.

Mr. Speaker, I congratulate Captain Wielert on his election to the National Executive Committee of the ROA, and I know that with his able assistance, the ROA will continue to provide the leadership our Nation needs to insure its security. Like the minutemen of two centuries ago, the ROA stands on the alert to any threat to our national security.●

CHICAGO AND SCHOOL BUSING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, columnist Mike Royko of the Chicago Sun-Times has gained a well-deserved reputation for meeting tough issues head on. In his column of September 4, he discusses the confrontation between Chicago and HEW bureaucrats on the issue of busing students to achieve racial goals in school attendance.

I concur with Mr. Royko's basic viewpoint that Federal bureaucrats will perform a disservice to the individual students and to the Chicago school system, and therefore, I wish to insert his article at this point:

INTEGRATION, WITH A VENGEANCE—A BIT OF BUSING BALONEY

(By Mike Royko)

David Tatel is a name not known to most Chicagoans. Maybe Tatel prefers it that way. He's a Washington bureaucrat, and most bureaucrats prefer to hide behind their agencies. In Tatel's case, he is head of the civil-rights office of the Department of Health, Education, and Welfare.

Yet, as little as Tatel is known, he could have almost as powerful an impact upon this city as Mrs. O'Leary's cow. The difference is that the cow didn't know what it was doing; Tatel should know, but doesn't seem to care.

He is the bureaucrat who is possessed by the idea of trying to integrate Chicago's schools, regardless of cost and chaos, and despite only 19 per cent of the students being white.

He seems determined to bus black and white students across the city until there will not be even one school that has a white majority.

Even if Tatel should achieve this goal, we will not really have an integrated school system, since there aren't enough white students to go around. And with Tatel's office unleashing proposals that look like the creation of a mad scientist, there probably will be even fewer white students available to him in the future.

It's difficult to grasp Tatel's purpose. Better education for black students? Broader education for white students? The easing of overcrowding in classrooms? Providing of special programs for troubled students?

Those used to be the arguments given for busing. And in some cases, limited busing achieved those results.

But they aren't the reasons for Tatel zeroing in on Chicago.

All he and his office seem to care about are statistics—integration purely for the sake of having neat columns of figures showing that a certain percentage of students in a school are white and a larger percentage are black.

This is what his latest proposal consists of: Let's see, if we take 62 per cent of the students from this white school, and drive them only 10 miles to this black school, and if we take 47 per cent of the students in the black school, and take them only 10 miles to the white school—ahah! We will have a 51 per cent black majority in each school. Give the HEW computer a kiss.

The computers and Washington zombies who created Tatel's plan have even worked out the travel time. They say that no bus trip will take more than 35 minutes. That's right: It never will take more than 35 minutes for a bus to go from the Far Northwest Side to the Near West Side during rush hours.

I wish Tatel's traffic experts could work that out for the rest of us, who often spend an hour—longer when it snows—inching from the Northwest Side to the Loop.

If you ask Tatel what effect his social juggling will have on the quality of education and on the lives of the children who are being shoved around to satisfy his computer, he answers: "That isn't my concern."

Just what is his concern? Your guess is as good as anybody's.

Tatel came in one day to try to sell me on his goals. He's an intense young man who obviously believes that what he's doing is good. He used to be a Chicago lawyer—idealistic and involved in civil rights issues.

But as he talked, I had the uneasy feeling that revenge could be part of his motive.

He dwelt on Chicago history, specifically the way Chicago's schools had been systematically kept segregated in the 1930s, '40s, '50s and '60s.

He was right, of course. During those decades, Chicago's racist political and real-estate power structure used timid school administrators to isolate Chicago's black. It shifted school boundaries and crammed black students into mobile classrooms.

That's when we could really have used an aggressive approach by Washington, but nothing was done.

Now comes Tatel, either trying to punish Chicago for its past or vainly trying to undo the past.

But if Tatel wants to punish Chicago, he's got the wrong defendants. The children—white and black—who will be bused aren't the villains. So why should they spend up to two hours a day in Chicago's congested traffic to receive the same education available a few blocks from their homes? Their parents aren't at fault, either. Many of them were children themselves when those past since were being committed.

I'm not sure who deserves punishment today. The people who set Chicago on its segregated course are gone. The current population has more pressing problems to deal with than the question of whether there is a white face in an otherwise black classroom.

But Tatel doesn't seem to recognize that. He's a man fighting battles of the 1960s, when the 1980s are almost here.

Idealistic as he may be, Tatel is a dangerous character. If the school administration doesn't offer a plan that is to his liking, he will take the city to a federal court. And he'll probably win because if there is anyone with less sense of reality than a Washington bureaucrat, it is a federal judge.

And if that happens, the main results will be tens of thousands of confused children, thousands of angry parents, a huge real-estate turnover, a shrinking city population and a multimillion-dollar busing bill.

One thing you can say for Mrs. O'Leary and her cow: We didn't have to pay them for creating a mess.●

FEDERAL EMPLOYEES RIGHT TO A JURY TRIAL UNDER ADEA

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PEPPER. Mr. Speaker, again this year the Committee on Aging is studying, and investigating, the effectiveness of enforcement mechanisms in the Age Discrimination in Employment Act. We want to make sure that the age discrimination in employment law is not a toothless lion that only places violators in danger of being gummed into compliance. Generally, we have been impressed with enforcement mechanisms of the ADEA. There is, however, a note of discord.

You may recall that the 1978 amendments added language to section 7(c) of the act (dealing generally with enforcement) that clarified the right to a jury trial. As chairman of the Select Committee on Aging, I learned recently that the courts are struggling with a question of whether Congress' election not to include this same clarifying language on a jury trial in section 15c (dealing with a Federal employee's right to bring a civil action) evidenced an intention to deny a jury trial to Federal employees.

Following is the chronology that led to the development of this controversy:

Even prior to the 1978 amendments, there was language in section 7(c) of the act (dealing generally with enforcement) that said an aggrieved person—

> May bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this act.

This provision is still a part of the Age Discrimination in Employment Act, and the language was not changed by the 1978 amendments. In 1974 Federal employees were brought under the act. Included in the enforcement mechanisms for Federal employees was language almost identical to the previously quoted language of section 7(c). More specifically the pertinent section (15c) says that an aggrieved Federal employee,

> May bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

In Lorillard against Pons, a case decided in 1978 (98 S. Ct. 866) the Supreme Court was asked whether the right to a jury trial is assured under language of section 7c of the act that says an aggrieved person may bring an action for "legal or equitable" relief. The Court held that plaintiffs have the right to demand a jury trial in ADEA suits brought against private employers. The Court reasoned that the word "legal" in the act's authorization to pursue "legal or equitable relief" has a well defined meaning in judicial circles, and carries with it the right to a jury trial. More specifically, the Court said:

> The word "legal" is a term of art: In cases in which legal relief is available and legal rights are determined, the Seventh Amendment provides a right to a jury trial.

Whether a jury trial is also authorized under section 15c of the act, dealing with a Federal employee's right to bring an action for "legal or equitable relief" was not before the Court, or considered by the Court. However, the identical entitlement to "legal or equitable relief" under the language of sections 7c and 15c leads to a very compelling conclusion that if the Court had considered whether a Federal employee's entitlement to "legal or equitable relief" included a right to a jury trial, the Court would have held that the term "legal relief" under section 15c carries with it a right to a constitutionally guaranteed jury trial.

In 1978 a paragraph was added to section 7c of the act. This paragraph says a person is

> Entitled to a trial by jury of any issue of fact in any such action for recovery of amounts owing as a result of a violation of this Act, regardless of whether equitable relief is sought by any party in such action.

The language of section 15c that talked about a Federal employee's action for legal or equitable relief was not amended to include the amplifying language of section 7c.

When the Kennedy amendment which added the amplifying language of section 7c was being considered in the Senate, Senator KENNEDY justified the amendment by saying:

> Mr. President, I would point out that three out of the four circuits which have ruled on the availability of a jury trial under this act have held that it is the right of the individual to seek a jury solution.
>
> It seems to me to be wise to insure that particular protection to those who are subject to age discrimination. (Congressional Record, Oct. 19, 1977, p. 34318.)

Since the unamended language of section 7c(1), dealing with civil actions generally for aggrieved employees, and the language of section 15c, providing a civil action for Federal employees, are virtually the same, and the Kennedy amendment was enacted to clarify the intention of Congress to authorize a jury trial under that language, it would be reasonable to suppose that the spillover from section 7c would be in the direction of assuring a jury trial under section 15c. Despite appellate decisions that hold a jury trial is authorized, and a legislative history that says the jury trial language added to section 7c is intended to clarify an already existing right, there are still those who contend that the act does not authorize a jury trial on the grievances of Federal employees.

There is nothing in the House or Senate debate that indicates there was any thought that Federal employees should be denied a jury trial. When the Kennedy amendment was discussed on the floor of the House, Mr. Quie told us:

> The third Senate amendment made explicit provisions for trial by jury in actions for monetary relief under the Act. Subsequent to passage of the Senate amendment the Supreme Court in Lorillard against Pons held that the act as originally enacted did afford a right to trial by jury for claims for recovery of lost wages under the act. However, the court expressed no view on whether the act implicitly authorized a jury trial for claims for liquidated damages under the act. In adopting a revision of the Senate amendment, the conferees make it clear that a jury trial is available for deciding those factual issues underlying claims for amounts owing as a result of a violation of the act. Liquidated damages are explicitly authorized as an amount owing under section 7(b) of the act.

Those who participated in the House and Senate debates would be surprised to learn that legislative efforts to confirm the right to a jury trial have been construed as a denial of that right. It would be indefensible to deny Federal employees the right to a jury trial. Under any legislative enactment in the field of civil rights, the Federal Government should be the leader not a grudging participant. At this juncture we do not know whether further legislative action will be needed to dispel any notion that Federal employees are entitled to a jury trial. As chairman of the Committee on Aging, I will continue to watch developments in this area, and will ask for further delineation of the right of Federal employees to a jury trial if conflicting judicial interpretations are not resolved in favor of a jury trial.●

TRIBUTE TO LOU BROCK

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I would like to take a moment to pay tribute to one of the great athletes in St. Louis history; a man who has stolen more bases than any other player in baseball, and a man who on August 13, 1979 became the 14th player in baseball history to achieve 3,000 hits.

Lou Brock, who plans to retire at the end of this baseball season, has shown the people of St. Louis and the baseball world that a player can develop the skills of speed and finesse to the level of greatness. He has become a hero since his arrival in St. Louis in 1964, when his batting and base-stealing led the Cardinals to victory in the World Series.

In recognition of Lou Brock's achievements, I am inserting several editorials about his 3,000th hit. The first is from KMOX-Radio in St. Louis:

EDITORIAL FROM KMOX-RADIO

> The magic number was 3,000. And the Cardinal's Lou Brock performed that special magic last night at Busch Stadium. He made baseball history by getting his 3,000th hit.
>
> The baseball record books and sports commentators will analyze the special significance of Brock's achievement to the game of baseball. They will give all the facts on how only 13 other players have achieved this milestone. They will talk about the other Brock record in base stealing. These are major achievements in the special world of baseball.
>
> However, we believe Lou Brock's 3,000th hit has even more significance. We think it is an example of how sports can unify and

electrify an entire city. It is an example of how sports can be far more than a mere game to a metropolitan area.

In the past few days, thousands of residents and visitors alike have crowded into downtown St. Louis to see the Cardinals-Cubs series and to see Lou Brock reach his 3,000th hit. Their interest and enthusiasm affected the entire atmosphere of our city. The positive impact was found in all segments of the community, from the oldest city neighborhood to the newest suburb. We are all proud of Lou and proud to be St. Louisans.

This burst of civic pride and solidarity will have constructive effects for months and years to come as our citizens work together to confront and surround civic problems.

Another sports milestone went into the record books last night with Lou Brock's 3,000th hit, but it was a very special civic milestone, too.

Next, an editorial from the St. Louis Globe-Democrat:

TRUE LOU

What else can be said of Lou Brock?

The front pages and the sports pages have had first crack at doing right by the classy Cardinal who has brought glory to himself, to St. Louis and to the uniform he wears so proudly.

Still, old editorial writers feel a need to join in the love fest saluting Lou.

Everyone may have a favorite recollection of Lou's superb performance on the diamond as he set all-time stolen base records and hit safely 3,000 times. Others admire him for being the gentleman that he is.

An editor recalls meeting Lou for the first time under unusual circumstances.

Some years ago, in the off season, Lou wanted to make a good case for himself in negotiating his next contract. So he came into The Globe-Democrat offices and borrowed the figures lovingly compiled by Harry Mitauer, famous staff statistician.

Then Lou sat down on the rim of the sports copydesk, like one of the boys, and took notes. Throughout his visit Lou was congenial, as he almost always is except when pitchers are dusting him. But more than that, he was thoroughly businesslike and every bit a professional in his approach.

Anyone who imagines Lou Brock's greatness is the product of chance or good luck doesn't know the man. Lou knows how to get facts as well as hits.

Like Stan the Man, Lou is one of a kind. And only the two of them have achieved their distinctive superiority wearing St. Louis Cardinal uniforms.

Congratulations, Lou, on joining Stan in the hearts of St. Louis fans. You're True Lou.

And an editorial in the St. Louis Post-Dispatch:

LOU'S LESSON

On Sept. 10, 1961, in Hyannis Port, Mass., President Kennedy deplored Soviet Russia's refusal to halt nuclear testing in the atmosphere; in Washington, the U.S. announced it would enlarge its forces in Europe by 40,000, to 250,000; in St. Louis, the city began considering the merger of Homer G. Phillips and City hospitals because of rising costs, and in Chicago, Lou Brock stepped to the plate for his first major league at-bat. He singled.

On Aug. 13, 1979—17 years and 11 months later—some things seemed not to have changed at all. The U.S. was still quarreling with Russia, NATO forces were still being strengthened and the two city hospitals were still being merged. Lou Brock, on the other hand, had made considerable progress. He got his 2,999th and 3,000th base hits, an achievement that may not rank with an end to the Cold War or even cost cutting at City Hall, but nevertheless provides a wholesome, entertaining and, yes, inspiring diversion pending nirvana in either municipal finance or arms control.

His achievement is testimony to more than a keen batting eye, for there are, after all, better hitters who will never joint the elite 3,000-hit club. What truly sets him apart is the self-discipline and fidelity to purpose that made possible the consistency and stamina demanded by such a sports milestone. The same attributes, of course, were the sine qua non of his standing as a base stealer. Though microscopically few of us will ever possess Lou Brock's baseball skills, all of us can aspire to the qualities that have made him such a singular player—for they are attributes that are valuable in any endeavor.

And an editorial from the St. Louis Labor Tribune:

LOU! LOU! LOU! LOU!

In an age of the anti-hero or no heroes at all, it is nice to know that Lou Brock exists. It is even nicer to know that we in the metropolitan St. Louis area are his neighbors, so to speak.

When Lou smashed that line drive last Monday night for his 3,000th hit, he did it not only for Lou Brock but for everything this nation stands for: decency, honesty, courage and just plain old-fashioned goodness. Lou Brock is all that and more.

Last Monday Lou Brock guaranteed his immortality. Thanks Lou. We don't have a heck of a lot to cheer about anymore, but you are one of them.

Thanks for the memories.

Finally, an editorial from the Washington Post:

GOING OUT ON TOP

Louis Clark Brock got two singles in a baseball game in St. Louis Monday night. There is nothing unusual about that—he has been doing it for years. But these were hits No. 2,999 and 3,000 of his major league career. That, as every sports fan knows, puts Mr. Brock in one of baseball's special categories. As important as those 3,000 hits are to the keepers of records, however, they are not what makes Mr. Brock special. There are other things.

One of them is that Lou Brock and a tiny handful of other players restored to baseball in the 1960s something it seemed to have lost. Unlike the strong men whose bats propel balls over shortened fences, he was a player whose success depended upon speed, skill and finesse. He was a terror on the base paths and reminded fans there is as much joy (and anguish) in stealing a base as there is in hitting a home run.

The other thing about Mr. Brock is this: When he got those two hits the other night, he was almost two months beyond his 40th birthday. Some of us find that one of baseball's more gratifying statistics. Folklore has it that men of his age, are, as they say, over the hill. But this year, Mr. Brock at age 40 has been tearing up the league, hitting more frequently than ever before and outplaying men 10 and 15 years his junior.

It is the last year he will do so. He announced last winter, and has stuck with it ever since, that this summer will be his last on the playing fields. That announcement, if the reports from St. Louis are correct, brought grimaces from those who pay his salary. He has had a disastrous season in 1978 and they wanted him to quit. No man, the pundits said, could come back at 40 from so bad a performance and play well in a sport demanding such good eyes and quick reflexes.

But Lou Brock said he didn't want to go out as a flop. One more year, even at 40, and perhaps, just perhaps, he could go out on top. He got the year, he is having the season he longed for, and he is going out where he wanted to be. That's class and that, more than the 3,000-plus hits and the 900-plus stolen bases, is what makes Lou Brock special.●

SEVENTY-FIFTH ANNIVERSARY OF LODGE 661, POLISH NATIONAL ALLIANCE, PITTSFIELD, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. CONTE. Mr. Speaker, on Saturday, September 8, 1979, Lodge 661 of the Polish National Alliance of Pittsfield, Mass., will celebrate its 75th anniversary. I would like to take this time to share with my colleagues my remarks prepared to honor this occasion.

It is not often that I am afforded the opportunity to congratulate the members of a group that has such a history of dedicated service to the community, the church, and the Polish people of the Berkshire area. It is all too rare to find an organization that serves one of these purposes; but perhaps the longevity of the Pittsfield Lodge of the Polish National Alliance is due in large part to its dedication to many causes, and the spirit in which its members fully devote themselves to each.

If we go back in time to when the Polish National Alliance in Pittsfield was founded, back to the turn of the century, we will see the beautiful Berkshires, those green rolling hills, the home of many farms for raising vegetables and cattle. Already, however, communities had cropped up around centers of learning and manufacturing.

The first Polish immigrants arrived in this area at about that time. Many families came over together, or sent one family member ahead to find work. But because most of them could not speak English, employment was not easy to find. Many of the Poles who worked on farms when they first arrived saved their money to buy their own land to farm. Others took jobs in the mills, where, because of the lack of English proficiency, they were often overworked and taken advantage of.

At this point in time, the family served as the nucleus for all activity—social, religious, and economic. Those whose families remained in Poland sent what money they could to relatives still in Poland, with the hope that in the future those loved ones left behind could eventually join them in the new country.

These first emigres were solitary people—they spoke a different language, dressed a little differently, ate different foods, and did not always understand the ways of those who lived around them. As separate families became established and grew in number, they became less afraid of being "different" and found more strength in the other Polish families in the area. Because they shared the same Roman Catholic religon, it was not difficult to worship together, and in time they could help support their church, the Holy Family Church in Pittsfield.

As time went on, however, many of the Poles decided it was not enough to center their lives around only those who shared the same religious and ethnic background. Their own community had flourished from within; it was time to reach out.

When the Pittsfield Lodge of the Polish National Alliance was first founded in 1904, the group's main purpose was to bring together people of Polish descent in order to provide everyone with a sense of belonging in a new country. Soon afterward, when members of the Polish community had firmly established themselves in local businesses and government, the Polish National Alliance began to address itself to the community at large. Their reasons for involvement in community affairs can be seen in the same light as anyone elses—in trying to make the world a better place in which to live. Yet, this commitment is intensified when one considers that the Polish people also wanted to thank their community for harboring them and their families at a time when they were being turned out in other places around the world.

I am sure that we all feel a sense of obligation to our children to make life somehow easier for them. The first members of the lodge were faced with that feeling, yet the difficulties they had all endured in coming to America were difficulties they perhaps would not wish on their children, but would want their children to understand. In introducing Polish culture into the mainstream of their small area, they were educating their children, but, more importantly, educating all of those around them.

As I understand, to this day the Polish National Alliance devotes many of its activities to the church and members of the community. By visiting the elderly and shut-ins, and by sponsoring a scholarship rogram for the youth of the community, the lodge has been more than fulfilling its commitment to the quality of life in the Berkshires. This type of activity on the surface may seem small, but in judging achievement of any magnitude, it is necessary to search for the root—and that root usually lies in the community.

Throughout my years in public service, I have always taken pride in the people of the First Congressional District and in the communities they have established. Through the years each small city and town has welcomed new ethnic groups to their population and has incorporated their cultures into those values already standing in the community. Needless to say, this same process is the root of our American civilization—to respect the beliefs of others and to welcome those with different ideas to share in how we feel and what we think.

Unfortunately, this is not the case in all parts of the globe. I need not remind you that as I speak and congratulate 75 years of dedication to church and service to community, there are millions of people in Eastern Europe who are holding clandestine church meetings because those who control the government will not accept a difference of opinion or even a belief in God.

The hope of much of the Western World for religious freedom in Eastern Europe has now been placed in one man—Pope John Paul II. An able and educated man, the Pope has already made great strides in showing that he is taking a strong but well-reasoned stand in his desires to release the churches of Eastern Europe, Catholic and non-Catholic, from the bondage of the Soviets.

When the Pope visits this country in the fall, I am sure he will stir the hearts of all Polish-Americans and cause us all to reflect on the plight of our Catholic counterparts in Eastern Europe.

In closing, I would like to congratulate all the members of the Pittsfield Lodge of the Polish National Alliance—its officers and its founders. I hope that God will continue to guide its members in the pursuit of excellence in community service, church service, and everyday life.●

STOP ENCOURAGING PLO TERRORISM

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LENT. Mr. Speaker, I have viewed with the gravest concern a sudden swell of public support for the Palestine Liberation Organization (PLO) since the resignation of Andrew Young as U.S. Ambassador to the United Nations. I have been appalled that some of my colleagues in the Congress have joined in misguided efforts to push the United States into negotiations with the PLO.

Whatever one's feelings may be about Mr. Young's resignation—I personally believe it was necessary to maintain the principle of Presidential responsibility—it is a most dangerous error to use Young's departure as an excuse for advocating that the United States deal with the terrorist PLO in any official way.

The proponents of such a course are asking the United States to break a firm, written commitment to Israel not to negotiate with the PLO until the PLO accepted both the existence of Israel as a nation, and the terms of the United Nations Security Council Resolutions 242 and 338.

Furthermore, there is a moral issue of the utmost importance involved. By recognizing the PLO in any official way, the United States would be endorsing the use of terrorism, the principal tool of the PLO since its founding in 1964.

Mr. Speaker, no one recognizes this important fact more than Mr. Bayard Rustin, one of this Nation's outstanding black leaders, and a key figure in the civil rights struggle. In the New York Times of August 30, Mr. Rustin wrote a most eloquent and learned exposition of the moral issue involved in official dealings with the PLO. The clarity and force of his reasoning is most impressive. I commend Mr. Rustin's article to each of my colleagues and to the President and all members of the executive branch who deal with U.S. policies in the Middle East. As Mr. Rustin states so precisely:

> Any links with the PLO, no matter how limited, would give legitimacy and tacit approval to the rule of the gun.

Exactly so.

Mr. Speaker, I insert the full text of Mr. Rustin's article at this point in the RECORD:

TO BLACKS: CONDEMN PLO TERRORISM

(By Bayard Rustin)

Amid the heated controversy following Andrew Young's resignation as the United States delegate to the United Nations, some black people have suddenly embraced the Palestine Liberation Organization.

As I see it, some black leaders have turned to the P.L.O. in an effort to act as conciliators between Israel and the Palestinians.

Other blacks, I believe, met the P.L.O. representatives in New York to demonstrate their independence from official United States policy.

And still others viewed such meetings as a way of striking back against Israel and the American Jewish community for their supposed involvement in engineering Mr. Young's ouster.

But regardless of motivation, I think black people must clearly understand the moral—yes, moral—issue involved here.

For in seriously considering links with a group like the P.L.O., the black community is moving beyond the realm of mundane "politics as usual."

We are moving into an area where we face three enormous risks.

First, we risk causing serious divisions within our own ranks; second, we risk the forfeiture of our own moral prestige, which is based on a long and noble tradition of nonviolence; and third, we risk becoming the unwitting accomplices of an organization committed to the bloody destruction of Israel—indeed of the Jewish people.

Some people have pointed to a few superficial parallels between the P.L.O. and American civil rights movement. Naturally, this talk about the P.L.O. as a "civil rights" group or a minority movement within Israel has generated sympathy for the Palestinians among black people. But this identification and even solidarity with the P.L.O. is based on a terrible perversion of the truth, not only the truth about the P.L.O. but the truth about our own movement as well.

Looking back on the history of the P.L.O., one thing has become abundantly clear: The P.L.O., from the day of its creation in 1964, has never once uttered a word in support of any form of nonviolent resistance, peaceful relations between Israelis and Palestinians, or a political solution to the complex problems in the Middle East.

By contrast, black leaders in America, especially central figures like Dr. Martin Luther King Jr. and A. Philip Randolph, never once in the long history of the civil rights struggle countenanced violence or terrorism.

American civil rights leaders, of course, chose nonviolence for many political and tactical reasons, but Dr. King once identified the key source of the movement's strategy when he noted that the black American rejected physical force "because he believed that through physical force he could lose his soul." In short, the choice of nonviolence was based on deeply-held moral principles. It was based on a desire to build community, to unleash the creative force of love, and to protect and enhance the God-given human dignity of all people, be they friend or foe.

The P.L.O., however, espouses the opposites of all these principles.

In word but more importantly in deed it espouses violence, hatred and racism. It repeatedly scorns reconciliation. While Dr. King frequently spoke of nonviolence as "the sword that heals," the P.L.O. exalts the sword that kills.

My description of the P.L.O. here is no exaggeration. Its tactics, values and goals are candidly set forth in its national Covenant and other official documents. Its legacy of terrorism is written in innocent blood across Israel and Western Europe, and even across the Arab lands of Jordan and Lebanon.

Between 1967 and 1977, for example, the P.L.O. was directly responsible for killing over 1,100 unarmed men, women and children; its terrorists activities maimed nearly 2,500 people; and it held over 2,700 hostages. Moreover, this organization has trained and armed other terrorist groups such as the Baader-Meinhof gang in West Germany and the Red Brigades in Italy.

Considering this record, I fear that individuals who see similarities between our struggle and the terror campaign of the P.L.O. are ignoring or twisting the facts.

By harshly criticizing the P.L.O., I do not mean to suggest that black leaders have no business concerning themselves with Middle Eastern problems. Nor am I arguing that blacks should shun the P.L.O. so as to ingratiate themselves with American Jews. Rather, I am saying that if black Americans are to pay any constructive or conciliatory role in shaping American policy in the Middle East, we must do so in a manner totally consistent with the moral and spiritual tradition of nonviolence.

We must therefore reject hasty and expedient moves; we must reject any formal or organizational relationship with the P.L.O.

Any links with the P.L.O., no matter how limited, would give legitimacy and tacit approval to the rule of the gun.

Dr. King, in his letter from the Birmingham jail, included a story to illustrate the rewards of perseverance in the nonviolent tradition. He wrote about a 72-year-old black woman who walked a long distance every day during the bus boycott. Frequently she was jeered by hostile whites; she was tired and physically weak, but she refused to use the buses. Someone asked her why she continued to support the nonviolent protest. Her response, I believe, will always be precious; "My feets is tired," she said, "but my soul is at rest."

By shunning and condemning the terrorism of the P.L.O. we too can be assured that our souls will be at rest, as we preserve our tradition of nonviolence.●

THE CASE AGAINST THE OIL COMPANIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LAFALCE. Mr. Speaker, there has been a great deal of confusion and controversy about the profits of the oil companies. On the one hand, Mobil Oil repeatedly and rather sanctimoniously insists that oil companies' profits are very moderate, although that moderation did not prevent Mobil from acquiring Montgomery Ward. On the other hand, consumer groups charge the oil companies with highway robbery in broad daylight.

I do not believe that there ever will be a definitive resolution of this uncertainty, but there is a related issue which is amenable to a simple solution. The oil companies' spending on research and development, in comparison to other high technology industries, has been so minuscule that it is ludicrous or unpardonable, depending on your point of view. Faced with dwindling supplies of domestic oil and unreliable supplies from abroad, one would have expected the oil companies, which are really energy oligopolies, to try to emulate the efforts of the computer industry or aerospace community and develop new technologies. That expectation has for some inexplicable reason not been met.

The oil companies cannot legitimately argue that the field lacks sufficient opportunities, but their miserable record in research and development is one of the most powerful arguments for a stiff windfall profits tax which would fund research, development and marketing for synthetic fuels and solar enrgy.

Ms. Jessica Tuchman Mathews in an article in the August 7 edition of the Washington Post has explored this question in solid detail. I want to commend this insightful article to my colleagues' attention.

The article follows:

WHERE HAVE ALL THE DOLLARS GONE?

(By Jessica Tuchman Mathews)

The argument over oil company profits shows no sign of ending. Are they outrageously high, about average for all industries or (as Mobil claims) not high enough? Without getting mired in the debate, there is cause for suspicion that something's not quite right about an industry whose principal asset has recently quintupled in value and which can still claim that without every penny of the resulting revenue there will not be enough to finance further exploration and production.

What does the oil industry do with all that money? In particular, why has it spent so small a fraction of its wealth on research and development? The answers bear directly on the government's energy plans, and on the potential for adequate energy supplies in the years ahead.

	Sales (billions)	R. & D. as percent of—		Profits (billions)
		Sales	Profits	
Aerospace	30.8	3.7	93.0	1.2
Automotive	132.2	2.8	70.2	5.2
Chemicals	68.6	2.5	41.3	4.1
Conglomerates	44.8	1.7	44.1	1.7
Drugs	32.7	4.7	48.4	3.2
Electrical	36.9	2.5	41.7	2.2
Electronics	20.9	2.6	56.1	.9
Information processing	42.3	6.0	54.8	4.6
Instruments	9.9	3.9	69.9	.5
Semiconductors	7.2	5.8	102.3	.4
Oil	228.9	.4	8.6	11.3

The accompanying table summarizes information from a recent Business Week survey of all industrial spending on R&D. It shows that spending as both a percent of sales and a percent of profits. The 10 industries covered all involve high technology and are among the country's largest. Their average R&D spending in 1978, before the recent wave of oil price increases, was 3.5 percent of sales and 62.1 percent of profits. The comparable figures of the oil industry are .4 percent and 8.6 percent—about 800 percent lower. The full survey covered 30 industrial sectors—including tires, appliances, farm machinery, building materials, leisure time, paper, apparel and tobacco. Business Week's composite for all 30 shows R&D to be 1.9 percent of sales and 34.4 percent of profits. Whether counterparts, or the entire spectrum of U.S. industry, oil company spending on R&D is so low that it practically falls offscale.

Why? Part of the reason is that the oil industry spends vast amounts on exploration, most of which is not counted in this measure of R&D. Another part is that the oil companies are so rich that these small percentages hide large numbers of dollars. But neither explanation accounts for the huge discrepancy in a field literally bursting with vitally important research opportunities: tertiary oil recovery methods, procedures for the production of the country's huge unconventional gas resources (including geopressurized methane, gas in tight sands and deep gas), techniques for burning or recycling used lubricant and motor oil, solar technologies, magnetohydrodynamics for the clean burning of coal, synthetic fuel technologies (those now available are pre-World War II vintage), energy-efficiency improvements for furnaces and engines, etc. These are only a few examples arbitrarily chosen from a long list of possibilities.

Yet the record of the past 13 years reveals few important discoveries made by the energy conglomerates. There have been modest improvements in production and refinery techniques, and advances in seismic prospecting and offshore drilling processes. There has been progress in other areas as well, but only the invention of the zeolite catalyst (which vastly increases the yield of gasoline when crude oil is cracked or broken down), stands out as a truly fundamental advance. Other major sectors—electronics, computers, aerospace, for example—are virtually unrecognizable when compared with the state of the art 15 years ago.

Economic survival or competitive advantage is the primary motive for most R&D spending. Judging from their record, the oil companies don't feel the pressure. This is true despite the fact that domestic oil and gas reserves have fallen steeply and steadily since 1970, even though there was an even sharper increase in the number of wells drilled in the same period. The hitch is that, like it or not, the oil companies are not just oil companies: They are this country's energy companies. They own and can control the production of large portions of the country's coal, gas and uranium resources. Except for the federal government, which will spend about $3.5 billion on energy R&D this year, only they have the steady economic and technical base to undertake the large-scale and long-range research programs that are needed.

Scientific and technical excellence have long been this country's strong suit, and the energy field offers an almost unparalleled opportunity to get the good of it. The problem is how to bring the oil giants into the effort.●

WELCOMING A TORTURER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, from time to time, observers of our foreign affairs, myself included, have been disturbed at the erratic conduct of the administration's human rights policy. Although the major newspapers barely covered the event, in early August Washington was visited by Sekou Toure, President of Guinea. He was received by, among others, President Carter and Secretary of State Vance. Having one of the worst human rights records in the world, President Toure's treatment here should confuse everyone concerned about America's position on human rights in the world. The following column by Michael Novak, appearing in the Washington Star, August 22, 1979, is an interesting commentary on President Toure's visit:

WELCOMING A TORTURER

(By Michael Novak)

Mayor Marion Barry presented a key of Washington, D.C., the city of Jefferson and Lincoln and Franklin Delano Roosevelt, to Guinea's President Sekou Toure, the world's most accomplished extinguisher of human rights. This was Barry's first venture into international politics. It does not speak well for his judgment or his moral values.

Barry has met Toure before, and should know his record well. At the beginning of his Marxist days, back in 1964, Toure invited Barry and other leaders of the Student Non-Violent Coordinating Committee to Guinea. Stokley Carmichael, the leader of SNCC, now lives in Guinea. In July of this year, Toure and Barry met again in Africa. So Barry is in a strong position to know Toure drove at least one million of his little nation's 5.5 million people from the country in the 1960s.

In 1972, Newsweek described one massive purge: "Getting confessions has proved easy. As one Guinean recently told a reporter for The New York Times. 'They put you in a little kennel where there's no room to stand, and nobody pays any attention to you for five or six days. No water, no food, nothing. Then, they take you to the interrogation room, where there's a glass of water you can have if you say what they want to hear. It's not too long before you start saying, yes, I was spying for the French, and for the Germans and for the Americans, and here's a list of the others who were doing it, too.'"

A book by Jean Paul Alata, African Prisons, reports on systematic torture and death among Toure's political prisoners. In 1977, the International League for Human Rights in a 300-page report based on eyewitness accounts, accused Toure of conducting a reign of terror. Freedom House gave Guinea a "seven" rating on political rights and liberties in 1978, as low as it is possible to score. Only 14 other nations are thoroughly repressive enough to hit "seven," but Toure did it.

Toure is only 56 years old. He was 40 when he turned his nation in Moscow's direction, and made war on the most talented individuals among his people. Although Guinea has almost one-third of the world's bauxite (necessary for aluminum), uranium deposits, potential oil fields, and rich agricultural lands, Toure's socialism has kept his population one of the poorest in the world, with an average income of $140 a year.

This great exponent of human rights was put up for the night in Blair House in early August, had a meeting with President Carter "that went beyond the usual courtesies accorded a foreign leader on a private visit" according to news reports, and also met with Secretary of State Vance. The meaning of the Carter campaign for human rights was thereby, no doubt, clarified for all the world.

One hopes Carter assured Toure, just as he assured the Shah of Iran in 1978, that all his people love him. One hopes Carter also promised to support Toure just as loyally as he supported President Somoza of Nicaragua, even though his human rights ratings fall below those of Nicaragua under Somoza. One hopes Carter practiced "evenhanded diplomacy."

To be sure, Toure has thrown out the Soviets, and desperately wants U.S. businessmen to come mine his bauxite and his uranium, find oil for him, and help his agriculture. The U.S., he believes, needs new anti-Soviet friends in Africa. Toure expressed the hope South Africa would accept "majority black rule" just as peacefully as the city of Washington has, where "we see black leaders who welcome us and a city council that reflects the will of the majority."

Perhaps out of embarrassment, the city's major papers ignored the news of Toure's visit, except in Section B of The Post and the Portfolio section of The Star. Thus, the style of the visit was covered, but not its political significance: A rhythm and blues band played on one side of the door, and the U.S. honor guard and the 3rd U.S. Infantry's Old Guard Fife and Drum Corps, in red and white Colonial army uniforms, played on the other.

A key to the city of Washington flashed gold in his blood-stained hand, and the President of Guinea smiled as he received it.●

EDUCATION RIGOR MORTIS: POLITICIZING EDUCATION, PART II

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ERLENBORN. Mr. Speaker, a paralysis has befallen Federal education policymaking. As Fred Hechinger reports in a New York Times article below, there is literally no one running HEW's education shop—the Office of Education, the National Institute of Education, and the Bureau of Student Financial Assistance.

This has jeopardized implementation of the Elementary and Secondary Education Act Amendments of 1978 and prevented OE from reaching decisions relative to reauthorization of the Higher Education Act.

The administration has been unwilling to fill these top education slots in the wake of departures by our Government's chief educrats. The administration, sobered by its near-defeat in the House of its misguided attempt to create a Cabinet Department of Education, has not wanted to appoint replacements and thereby chance alienating any additional segment of the education community, thereby endangering the bill's chances of final passage.

As Mr. Hechinger points out, it is ironic, indeed, that legislation trumpeted as sure to increase education's strength in the Federal bureaucracy has already led to a policymaking paralysis which has weakened its position. This is yet another manifestation of the unfortunate consequences attendant to a further politicizing of education.

Making education political has been a hallmark of the current administration's approach to the subject, beginning in 1976 with Candidate Carter's promise to exchange his support of a separate Department for the National Education Association's endorsement of him. Earlier this year, as I pointed out in my extension of remarks on June 29 ("Politicizing Education"), the administration floated at least five names of possible Secretaries of Education prior to the House vote in hope of picking up a vote here or there.

We read now that the administration has apparently settled on former New Mexico Governor Jerry Apodaca, who, it hopes, will cement Chicano support for the President's 1980 reelection drive. As an article reprinted with my June 29 remarks made clear, even in the selection of HEW's Assistant Secretary for Education, Mary Berry, as Acting Commissioner of OE (for a 30-day term which ended July 31) wreckage was strewn across OE's landscape, injuring the professional reputation of the individual the administration has chosen initially to head OE on an interim basis. Members of the Black Caucus, it was reported, had threatened to oppose the Department bill if the name of the administration's initial choice had not been withdrawn.

These earlier examples, reinforced by OE's inability today to formulate education policy, should convince skeptics not only that a Department of Education would further politicize education, but also that the bill in Congress has already had this effect. Worse still, establishing this Department would reward an administration which has created the present paralysis in the education bureaucracy, and has thus shown itself to be richly undeserving of any reward.

The article follows:

DISARRAY IN WASHINGTON

(By Fred M. Hechinger)

The Federal education bureaucracy is in disarray. Its top position of United States Commissioner of Education has been vacant since July 1, and there has been no Acting Commissioner since Aug. 1. The director of the National Institute of Education, the establishment's research arm, resigned two months ago. The head of the Bureau of Student Aid has just left for a job in private industry, and his deputy a week ago told his staff of his impending departure.

The Office of Education, with a staff of some 3,000, administers a $12 billion budget. Among the more than 130 programs under its supervision is the vital Elementary and Secondary Education Act, all student aid, and the new and growing support for handicapped children and youths.

Insiders who keep the wheels turning, despite the top leadership's departure, are loath to speak for quotation, but privately they express their frustration. Outsiders, such as state education officials, who depend on close cooperation with the Federal Government, are equally concerned about the uncertainties of personnel and direction.

Most observers of the Washington education scene attribute the present hiatus at least in part to President Carter's determination to make good on his campaign pledge to give education greater visibility and clout by taking it out of the Department of Health, Education and Welfare and creating a separate department of education.

The bill to accomplish this has been approved overwhelmingly by the Senate but, to everybody's surprise, squeaked through the House by only four votes. It remains in the Senate-House conference committee, encumbered by a number of controversial amendments. Its supporters, who are led by the National Education Association and coordinated by Vice President Mondale, say they are confident that the measure will be approved soon after Congress gets back to work, but opponents, including the American Federation of Teachers and much of the higher education establishment, say that there is a good chance that the bill will be rejected.

Meanwhile, there is reluctance all around to fill vacancies in the Office of Education while the department's future remains uncertain. Thus, ironically, the move that is intended to boost education's strength has had the effect, at least for the moment, of weakening its position in Washington.

In summary, this is what has led to the present leadership impasse.

Ernest L. Boyer and Patricia A. Graham resigned, respectively, as United States Commissioner and Director of the national institute before the new conflict-of-interest legislation went into effect on July 1. Under its regulations, persons who leave Federal posts are barred for a period of two years from dealing with Federal agencies. (The rules have been softened somewhat, exempting certain academic positions, but they would still apply to Mr. Boyer, who is president-elect of the Carnegie Foundation.)

Dr. Mary F. Berry, H.E.W.'s Assistant Secretary for Education, was named Acting Commissioner July 1, but another relatively new regulation limits "acting" in top posts to 30 days, a restriction imposed in reaction to President Nixon's tendency thus to avoid confirmation showdowns in the case of controversial appointees.

The absence now of even an Acting Commissioner creates problems. For example, state plans that must be submitted for funding approval can only be signed by the Commissioner or an Acting Commissioner. John Ellis, the highest-ranking deputy, says that as many plans as possible were rushed through in time for Dr. Berry's signature, but not all plans had been received in time.

Leo L. Kornfeld, who recently left his post as Deputy Commissioner for Student Financial Assistance, has been replaced by Acting Commissioner Tom Butts, on leave from the University of Michigan. The bureau's second-in-command, Peter Voight, has resigned and will depart at the end of this month.

Meanwhile, observers point out, a political comedy of errors in H.E.W. itself, the Office of Education's parent body, has done little to shore up stability. In June, Joseph A. Califano Jr., then Secretary of Health, Education and Welfare, persuaded Barbara Newell, president of Wellesley College, to ask her trustees for a leave of absence in order to become his second-in-command as Under Secretary. According to insiders, Mr. Califano stressed at the time that he expected to do a good deal of campaigning for the President's reelection in 1980 and wanted a strong deputy to mind the store. (Mr. Califano, though discreet about the matter, was lukewarm about a separate department of education and may have turned to a noted educator as his aide as a means of underscoring H.E.W.'s interest in education.)

Within weeks after Mrs. Newell accepted the invitation, however, Mr. Califano became the first victim of Mr. Carter's Cabinet shake-up, and Mrs. Newell's invitation was rescinded. According to sources close to the original negotiations, the possibility still remains that Mrs. Newell will be asked to join the Federal education establishment, but for the moment this is merely one of the many uncertainties of education's representation in Washington.

Patricia R. Harris, who succeeded Mr. Califano, has indicated to associates that she plans, at least for the moment, to act as her own Under Secretary until other uncertainties, such as the future of H.E.W.'s education component, are resolved.

How do all these shifts and the present headless state of the education office affect education itself? Insiders say that they can readily handle routine, procedural business but admit their concern over a lack of a sense of momentum and direction.

They point out that a number of key policy decisions ought to be faced now, such as details surrounding reauthorization of the Higher Education Act of 1972, which represents most of the Federal Government's aid to colleges, universities and students and has only one more year to go.

"Higher education moves into an enormously difficult decade," said one official, underscoring that planning for it ought not to be in limbo. Others make the same point about the uncertain future of the public schools.

Yet, there are few observers who see a chance for more than a holding action until the fate of the department of education is decided. Even then, it is estimated that the leadership pieces will not be fully in place for at least six months from now, a long hiatus for education planning that is, in the view of most Washington experts, compounded by uncertainties about the Carter Administration's own future.●

TO RETHINK OUR VALUES

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. TAUKE. Mr. Speaker, recently I had the opportunity to review an exceptional address presented by Dr. George Nash at the 105th anniversary celebration of the birth of President Herbert Hoover.

Dr. Nash's remarks not only highlight the career of this distinguished public servant who was born in my home State of Iowa, but also inspire one to rethink the values which have made our country great: Equality of opportunity, hard work and initiative, and a commitment to humanitarian goals.

The values Herbert Hoover cherished are just as relevant today as they were in his time. For the review of my colleagues, I include Dr. Nash's speech in the RECORD as follows:

THE SOCIAL PHILOSOPHY OF HERBERT HOOVER

Fifty years ago last March a man born only a few hundred yards from where I stand became President of the United States. What do you think about when you hear his name, Herbert Hoover? All of you, no doubt, automatically associate Mr. Hoover with the Great Depression of the 1930's. Most of you are doubtless aware of his Quaker upbringing and of his enormous humanitarian relief work in Europe during and after World War I. Four years ago, Aleksandr Solzhenitsyn remarked that the American Relief Administration under Herbert Hoover's direction saved the lives of literally millions of Russians during the great famine of 1921–1923. Many of you know that he was the first President born west of the Mississippi River and that he was the man who appeared in the first public demonstration of television in 1927.

Just down the hill, in sight of his grave, you can see another of his important benefactions: the Herbert Hoover Presidential Library. When Mr. Hoover died only fifteen years ago, he had lived ninety extraordinarily productive years—including a full fifty in public service. I can think of few other Americans whose careers were as multifacted and remarkable as his.

What is significant for us today about the life of this man? In the case of Herbert Hoover, our concern transcends, I think, the transient particularities of "human interest." For Hoover did not simply lead a career rich in accomplishment; he reflected on the circumstances which made such a career possible. He developed and in his time came to personify a perception of America, a version of America, a political and social philosophy which could explain the greatness of the country he loved. It is in this vision and this philosophy that we can discover some of the enduring significance of Herbert Hoover.

He was born in West Branch, Iowa in 1874—the son of the village blacksmith. Before he was seven his father had died. His mother, a recorded minister in the Society of Friends, passed away a little over three years later, so that in early 1884, before he was ten, young Herbert was an orphan.

Despite these traumas, Hoover's later reminiscences of his Iowa childhood were gentle, almost idyllic. In the most famous of these recollections he began:

"I prefer to think of Iowa as I saw it through the eyes of a ten-year-old boy—and the eyes of all ten-year-old Iowa boys are or should be filled with the wonders of Iowa's streams and woods, of the mystery of growing crops."

Of his native state he declared: "The good Lord originally made it the richest stretch of agricultural land that ever blessed any one sovereign government. It was populated by the more adventurous and the more courageous, who fought their way along the ever-extending frontier."

From Iowa in 1885 young Herbert Hoover was sent west to Oregon to live with the family of an uncle. In 1891 he traveled down to California to become a member of the entering class at newly-founded Stanford University. After graduating in 1895, Hoover spent some time working in California and the southwest until, in early 1897, opportunity beckoned half a world away, in the gold mines of Western Australia.

Hoover's journey to Australia in 1897 via Europe, the Suez Canal, and India, must have been an intensely stimulating one to a young man of twenty-two. Years later, reflecting on this voyage, he remarked significantly, "History became a reality and America a contrast." It was Hoover's first exposure to the world outside the United States, and in his responses to that world we find one of the sources of his later social philosophy.

When Hoover disembarked on the coast of Australia that year, he headed inland nearly 400 miles to the mining towns of Coolgardie and Kalgoorlie, deep in the inhospitable "outback" (the region, incidentally, where, a few weeks ago, Skylab fell to earth). Hoover's description of life in this desolate land were vivid. "It's a country of red dust, black flies, and white heat," he wrote to an American friend. "I could not portray the misery of any one of them on paper. The country is an endless desert, no water, no nothing but mines." It was a land to make one think of home. Writing to a friend in 1897, Hoover declared: "Am on my way back to Coolgardie. Am glad to get back within the borders of civilization. . . . Anybody who envies me my salary can just take my next trip with me, and he will then be contented to be a bank clerk at $3 a week for the rest of his life, just to live in the United States."

In late 1898 Hoover left Australia for a new and more responsible mining position in China. Once more Herbert Hoover, not yet twenty-five years old, found himself living among strangers and encountering a foreign civilization.

At this point we can detect one of the threads of Herbert Hoover's early life. From the cornfields here in Iowa to the orchards of Oregon, to the spacious acres of Stanford University, to the rugged Sierra Nevadas, to the dusty goldfields of Australia, even to the coal mines of northern China, we discern a repeated pattern: Herbert Hoover's early days were spent on or near frontiers. His was largely an outdoor life, lived in environments which rewarded initiative, industry, resourcefulness, and merit. Since the day when Hoover's ancestor, Andreas Huber, landed in

Philadelphia from the Old World in 1738, the Hoover clan had moved gradually westward, until, with Herbert, the trek circled the globe. Benjamin Franklin is supposed to have said that America is a country where we ask of a man not "Who is he?" but "What can he do?". Hoover's was a society populated substantially by people who held this attitude and who had moved away from a constricted and stratified civilization.

In late 1901 Hoover left China for England and a partnership in an eminent firm of mining engineers. Until World War I London, England was his base of operations while he traveled continually, inspecting, financing, and developing mines from Burma to Australia, from South Africa to Siberia. For some Americans with similar careers the temptation might have been irresistible to become an expatriate. For Herbert Hoover, if anything the opposite was true. Throughout these years abroad, his thoughts turned often toward his native land. As early as 1907 he expressed to the President of Stanford University his longings to retire from his profession and to turn to a life of service in the United States.

And all the while, Hoover was observing, analyzing, and evaluating the social systems of the Old World and the New. Long voyages at sea gave him an opportunity to read about the politics, economics, and culture of countries all over the earth. On one of these ocean trips, a British lady asked him what his profession was. An engineer, he said. "Why," she exclaimed, "I thought you were a gentleman!" This anecdote, which Hoover recounts in his *Memoirs*, epitomizes, I think, his distaste for the class consciousness and social rigidities of Europe. From all of this he turned. In a revealing letter written to an American friend in 1912 Hoover observed:

"The American is always an alien abroad. He never can assimilate, nor do other peoples ever accept him otherwise than as a foreigner.

"His own heart is in his own country, and yet there is less and less of a niche for him when he returns. . . . I am disgusted with myself when I think how much better off you people are who stuck by your own country and place. When you walk down the street you meet a hundred men who have a genuine pleasure in greeting you. I am an alien who gets a grin once in nine months."

Two years later, the conflagration of World War I changed the course of Herbert Hoover's life. While huge European armies bogged down in the trenches, Herbert Hoover, working without pay, directed the Commission for Relief in Belgium, a neutral organization which procured and distributed food to the civilian population of Belgium, caught between the German army of occupation and the British naval blockade. It was a noble undertaking which ultimately brought food to 10,000,000 people a day and which catapulted Hoover to worldwide fame as a humanitarian.

But behind the uplifting routine of providing daily food to needy Belgians lay a depressing world of conspiracy, national rivalry, and festering intrigue. Many times, weary from incessant conflicts with one or another belligerent power, Hoover contemplated and even threatened resignation. Hoover, of course, did not quit, but his prolonged exposure to the emotions of war and the ancient antagonisms of Europe was a disillusioning encounter.

In 1917 Hoover sailed back to America to direct our wartime Food Administration. But within two years he returned once more, this time to feed Europe while President Woodrow Wilson strove to draft a peace treaty at Versailles. From November 1918 to September 1919 Herbert Hoover crisscrossed Europe as Director-General of the American Relief Administration, organizing the supply of food for starving millions and facilitating the emergence of stable economies. The grim alternative was chaos, famine, a new generation of embittered Europeans, and the possibility of Communist revolution over much of the continent.

But if Hoover could take comfort from his outstanding humanitarian accomplishment in postwar Europe, there was much that he saw which profoundly alarmed him and helped to determine his future political thought. The New World, he came to believe, was remote from the imperialism, fanatic ideologies, racial antipathies, dictatorships, power politics, and class stratification of Europe. As he later expressed it in his Memoirs, "the forces which lay behind the rejection of American ideas at Paris in 1919 were far deeper than the intrigues of diplomacy or the foibles of European statesmen. Here was the collision of civilizations that had grown three hundred years apart."

In 1921 Hoover became Secretary of Commerce of the United States; in 1929 he became President. Of the thirty-eight men who have occupied the Oval Office, Herbert Hoover undoubtedly enjoyed more extensive acquaintance with foreign peoples and their social systems than any of his predecessors or successors. In another respect, too, he was unusual: he attempted to distill from his unique experiences a coherent understanding of the American experiment that he cherished.

According to Hoover, the revolutionary upheavals of World War I and its aftermath had produced a world in ferment. In this cauldron, several ideologies (he called them "social philosophies") were competing for the minds of men—among them Communism, Socialism, Nazism, Syndicalism. To Hoover, who had seen the vicious results that emanate from a blending of "bestial instincts" with idealistic humanitarian jargon, the need for a definition of the American system was urgent. He called this system "American Individualism."

By this he did not mean unfettered, old-fashioned laissez-faire. Hoover was anxious that individual initiative always be stimulated and rewarded, but it must, he said, be "tempered" by "that firm and fixed ideal of American individualism—an equality of opportunity." Equality of opportunity—this, in Hoover's words, was "our most precious social ideal." Hoover insisted that equal opportunity and a "fair chance" for individuals to develop their abilities were "the sole source of progress" and the principal impulse behind American civilization.

Hoover did not believe that equality of opportunity was automatically self-sustaining in a modern, technological economy. A certain measure of governmental regulation and guidance, some governmental legislation, were necessary, he felt, to prevent inequality of opportunity and the throttling of individual initiative. But the nature and extent of this government involvement must be carefully defined and, above all, kept consistent with the broad American traditions of voluntary cooperation, local self-government, and individual initiative. While not unmindful of the faults of unchecked capitalism, Hoover was an uncompromising foe of socialism and the totalitarian state.

For the rest of his life Hoover expounded, often with eloquence, the philosophy he forged in the aftermath of World War I. Speaking before a Boy's Club in 1940, for example, he said:

"By a classless America our forefathers meant far more than a sociological expression. There were to be stratifications in life that handicapped the rise of any boy from the bottom to the top. . . . The human particles should move freely in the social solution. This idea of a fluid classless society was unique in the world. It was the point at which our social structure departed from all others."

And always he drew the contrast between the America he loved and the Old World with its pestilent ideologies. Listen to his words here in West Branch in 1948:

"I have seen the squalor of Asia, the frozen class barriers of Europe. And I was not a tourist. . . .

"My every frequent homecoming has been a reaffirmation of the glory of America. Each time my soul was washed by the relief from grinding poverty of other nations, by the greater kindliness and frankness which comes from the acceptance of equality and a belief in wide-open opportunity to all who want a chance."

How, though, could equality of opportunity be preserved? For Hoover there were many answers. One, perhaps the most crucial, was our educational system. Another mechanism, in Hoover's eyes, was the Boys Club movement; in it, he claimed, "there is a restoration of equal opportunity with all the other boys." Indeed, many of Hoover's governmental policies and charitable activities over the years, including his long concern with child welfare, acquire a kind of thematic unity if we perceive them as attempts to promote equality of opportunity for all Americans, especially the young.

It was part of Herbert Hoover's ordeal in his later years that the vision of America that he expressed came to seem abstract and anachronistic for many Americans. It was all right for Hoover to extol the social system that had produced him, many people seemed to think, but were his tributes to America's traditional values truly relevant any longer, now that the continent was settled and we lived in an industrialized society? Wasn't America's pioneer past over now, and with it the supposedly outmoded values of individualism, neighborly cooperation, and private initiative?

Herbert Hoover responded forcefully to such criticisms. It was not the mere accidental availability of abundant land and natural resources that had blessed America, he insisted. It was our social system, animated by the ideal of human freedom. To Hoover the principles of American Individualism were not anemic platitudes, to be uttered, perhaps, on the Fourth of July. And he warned against the notion, increasingly fashionable today, that America has become a closed, stagnant society in which progress has irrevocably halted. This, he said, is the concept of a static nation. It is necessarily the philosophy of decadence. No society can become static, it must go forward or back. . . . No society will function without confidence in its future opportunities.

Now some of you may believe that Hoover's viewpoint is irretrievably outmoded. Certainly it is true that America—and the very nature of our government—have altered in the half century since he was President. A half century is a very long time.

And yet I suggest that there is today an increasingly resonance to Herbert Hoover's philosophy, more than a decade after his death. The challenges we confront raise philosophical questions to which Hoover's answers deserve our attention. Consider, for instance, the increasingly pervasive, and legally countenanced, use of quotas in the hiring of men and women for jobs in business, universities, and government. In our commendable desire to eliminate past discrimination, are we not perhaps invoking an antithetic creed, which measures us by the crude and irrelevant categories of race, gender, and ethnic origin? Herbert Hoover's philosophy has much to say on this point.

Or consider the much-discussed "energy crisis." If Herbert Hoover were living today, I suspect that as a life-long champion of efficiency and the elimination of waste he would vigorously encourage efforts towards conservation of our resources. But he would also stress that a far more precious resource than oil must not be allowed to atrophy.

This is our social energy. And the source of this liberating social energy is not an overweening, coercive, stultifying, bureaucratic government but free men and women, uncommon men and women, competing and cooperating voluntarily in an open, fluid society. It is a proper function of government, I think he would say, to stimulate initiative and to foster its harmonious use. It is not the proper function of government to try to monopolize social energy like a giant parasitic sponge.

Finally, I have emphasized today the roots of Herbert Hoover's philosophy in the contrast he perceived between the Old World and the New. I ask you, in closing, to ponder anew the ghastly practical consequences of some of the alternative social philosophies which have motivated men and women in this often bloody century. Consider the tens of millions who have perished in the Gulag Archipelago. Consider the death camps at Auschwitz. Consider, today, the agony of the Vietnamese boat people who would literally rather run the risk of drowning at sea than live under the "social philosophy" called Communism.

Free societies, such as the one we today enjoy, are a rarity in human history, and they are not self-sustaining. To survive they require a cogent understanding of their fundamental, undergirding values. This Herbert Hoover realized. He spent much of his life attempting to apply these values and to teach us what he learned. If you examine the record of what he did and what he said, you will find that he speaks to us still.●

THE DRAFT AND ADDITIONAL SERVICE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, when H.R. 4040 is taken up by this House, much of the debate will center on registration for the draft and national service. I would like all of my colleagues to read this article that Prof. Charles Fried of the Harvard Law School published in the Washington Post on March 15, 1977. What right do we have to deprive innocent persons of their liberty for 1 year, or 2 years, or any length of time? What crime have all 18-year-olds committed that requires them to be registered and to serve at hard labor? We ought to take these questions seriously, if we are not simply hyprocritical when we speak of human rights. Or does one have to be 21 before one becomes a human being?

COMPULSORY PUBLIC SERVICE: A BAD PRECEDENT

(By Charles Fried)

Proposals for a program of compulsory public service for all young people have been making the rounds in congressional and editorial circles. One major network news commentator hailed such a program as an idea "whose time has come."

I disagree. In this, the beginning of our third century of liberty, it is shocking that so many should be ready to impose in so drastic and total a way on the liberties of a whole generational slice of the American population. And it is particularly disheartening that the liberties of our young people should be casually disposed of on such ill-conceived and essentially self-serving grounds.

The proposal, which has attracted so much favorable comment, is this: All youths—say at high school-leaving age—would be required to spend a year in some form of public service activity, but his obligation could be discharged by enlistment in one of the military services. The proposal is thought to be good in principle and good in practice. In principle, it is thought to affirm the notion of an obligation of public service. And practically it would help alleviate a problem which is showing up in the volunteer army. It appears that the volunteer army is turning out to be very expensive while still failing to attract recruits of a desirable quality. It is thought that by instituting a general obligation of service, many more will find it worth their while to discharge that obligation in the military, thereby improving the quality of the army and lessening the burden on the taxpayers.

The idea is wrong in principle and would surely be a nightmare in practice.

The idea is wrong in principle because the liberty of young people is worth no less than the liberty of middle-aged politicans and editorializers who would take from them the right to determine how to live their lives during a substantial period of time. I would not wish to denigrate the principle that we all have an obligation to serve our community, but the notion that we may be compelled to do so absent manifest necessity and some clear national emergency, is foreign to our traditions. The shoddiness of the proposal, indeed, reveals itself when we see that it really boils down to a desire on the part of the middle-aged to get something—a high quality defense manpower pool—without paying for it. If the nation needs a military establishment of a particular quality, then the nation as a whole should pay for it, and not force a small segment of the population to contribute its services unwillingly for nothing.

But if the argument of principle doesn't convince, the practicalities should. All one has to do is consider the difficulties of tens of thousands of local school boards in enforcing useful activities on high school students during some five or six weekday hours, to see how unlikely we would be to be able to provide and supervise a meaningful, compulsory year-long, 24-hour-a-day experience for every 18-year-old in the nation. (And make no mistake about it, anything less total would not have the desired effect of driving large numbers of youths into the military as a preferred alternative.)

I ask those who would casually deprive their fellow citizens of their liberty for a year of their lives, who would administer these programs? Who would determine what constituted appropriate public service alternatives? Who would enforce attendance, and discipline participants who snuck away for an hour, or a day, or a week? Who would keep order in the dormitories? Or would there be dormitories? What about drinking and drugs? Would there be exemptions for students? For persons engaged in essential activities? And so on.

I would have thought the loathing the American people have displayed for multiplication of Bureaucracies and regulations would indicate that the last thing in the world the public would want at this point would be a program that turned over every 18-year-old in the nation (man and woman) to a wholly undefined, non-extent set of total institutions.●

CONGRESS SHOULD SUPPORT BICYCLING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ANDERSON of California. Mr. Speaker, while I always like to take the time to read Roll Call, the fine weekly newspaper that is distributed up here on Capitol Hill, I was particularly pleased to note one article in the August 2 edition. That article, entitled "Bicycling," spotlighted what one of our colleagues is doing to save our Nation's energy, while gaining healthful exercise for himself.

Congressman Bob Whittaker, Republican of Kansas, bicycles from his home to the Capitol, 10.2 miles, at least once a week. That is quite a trip for him to make, but I think it demonstrates his personal concern for the energy crisis this Nation has found itself in.

This body will have the opportunity soon to demonstrate its collective concern. I will be offering an amendment to H.R. 4440, the Department of Transportation Appropriations bill, which will bring to $10 million the total appropriations level for the Nation's bicycle program. I am pleased to say that our Appropriations Committee has seen fit to recommend funding for this program for the first time, at a level of $4 million. The statutory authorization is $20 million, so my amendment would modestly fund the program at half of what it could—and I personally believe should—be.

Mr. Speaker, our colleague from Kansas bicycles over 10 miles into work. If just 1 percent of all trips of only half that distance, that is 5 miles or less, which are currently being made in an automobile, were made by bicycle, this Nation would save about 131 million gallons of gasoline per year.

This Government and this Congress ought to be in the business of encouraging gasoline conservation through the increased use of bicycles.

So, I hope our colleagues will take a minute to read the article which I am submitting for the Record, and then think about what they are doing to help save energy. If they do, I am confident that the Anderson amendment will be added to H.R. 4440.

The following is from the August 2, 1979, Capitol Hill—Roll Call:

BICYCLING

(By Myron Struck)

It was hot on the floor of the House of Representatives and Bob Whittaker could feel the sweat breaking out beneath his suitcoat. The week was nearly over and all he wanted to do was relax. No more talk about President Carter's Energy Conservation policies, SALT II or the balancing of the Federal budget . . . just a relaxing couple of days.

The freshman Republican headed back to 516 Cannon where the humidity and temperatures were stifling. He bade the staff goodbye and—glancing out the window—saw the bright white cumulous clouds softly hovering above. He headed to the garage and a bicycle rack.

Rep. Bob Whittaker (R-Kans.) had adopted a new policy—he would bicycle the 10.2 miles from his Arlington, Virginia, home to the Capitol at least once a week. More, he said, if his schedule permitted.

But alas, the ominous portent of a Friday the 13th hit the ambitious 39-year-old solon. As he headed across The Mall the clouds began to close in. By the time he reached the Kennedy Center, doubt began to replace the perspiration. The air chilled a bit. The clouds overhead were leaden. At the Whitehurst Freeway—well, the way Whittaker tells it—"it was like the great flood."

The deluge "covered the streetcar tracks with water and I kept getting the wheel stuck. It was awful."

Rep. Whittaker waited out the storm, sheltered from the pelting rain but not from the relieving breeze that it blew under the Freeway.

Undaunted, he says he'll continue wheeling to work.

"I feel that Congressmen need to set an example of conserving energy," he said. "I honestly believe that we have an energy shortage, and that it is not going to go away in the near future."

During his 1978 primary election campaign in Kansas' 5th District—an open seat—Rep. Whittaker decided he'd renew an old interest in bicycling.

"I could hit up to 300 homes a day using a bike, going door-to-door," he guessed at the time. "I never got to 300, but I easily doubled the number I could reach on foot."

Since Kansas forbids cross over voting in its primary elections, Whittaker sought only to reach Republican voters during the outings. He didn't have to go from one door to another, but from one Republican home to another.

"It wasn't meant as a campaign gimmick and I never used it that way," he says. "But I knew I had to stay in shape, physically, while I got involved in campaigning. It's easy to exhaust yourself on the campaign trail or physically while bicycling or jogging; but one helps your body and the other one wears you out."

Since he revived his bicycling interest about six weeks ago he's managed about a dozen trips aboard his two wheeler.

"Some other Representatives are talking about a conservation plan that would have everyone leave their cars at home one day a week," Rep. Whittaker said. "Congressmen might be able to do a lot more to encourage conservation if they would set an example by conserving in their own energy use."

Whittaker would like to see better security for those who bicycle to and from Capitol Hill. Currently there are racks in the Cannon garage and the Rayburn garage as well as beside the Longworth Building, on the House side, but the fear of having an expensive bicycle stolen "hasn't subsided" enough to encourage more people to take up the hobby.

"If somebody proposes it, I'd support it," he said, hedging on whether or not he should personally lead an effort to "spend just a few taxpayer dollars, not too many," to promote his cause.

In a press statement, Whittaker said: "Last year, we paid $43 billion to foreign countries for oil, and that figure may be closer to $70 billion this year. We need to conserve not only because of the energy shortage, but also to help shore up the dollar and improve our trade balance."

He says he is serious about trying to deal effectively with the nation's energy crisis in Congress, hence taking the opportunity to use a press statement about his bicycling adventures to push across a philosophical point.

"But I'm having the time of my life," he adds. "It's a relaxing 45 minutes and the towpath along the (William O. Douglas) Canal is beautiful." Currently, only two other Congressmen have taken to the cycle as a regular means of transportation. One is Rep. Bob Eckhardt (D-Tex)—a man nearly twice Whittaker's age. The other is Rep. Bob Edgar (D-Pa).

"Eckhardt's the only one I've seen on a bike," said Whittaker. "I've seen him take one from the office buildings to the Capitol for a vote."

Maybe they should get together and start a group—perhaps a Bicycling Caucus?●

THE ASIAN HOLOCAUST

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, today I want to bring to the attention of my colleagues an article from the editorial page of the Chicago Tribune of Sunday, June 17, 1979. This article compares the present situation in Southeast Asia with the holocaust during World War II. It points out that the Vietnamese regime is stripping its victims of their wealth exactly as the Nazis stripped their victims. The article asks a very important question, are we breaking the promise we made at the conclusion of World War II when we vowed that these atrocities would never be allowed to happen again? This editorial is worth consideration by my colleagues.

The editorial follows:

THE ASIAN HOLOCAUST

There is a grim familiarity about the events now transpiring in Southeast Asia. An entire ethnic group—the Chinese of Viet Nam—is being singled out for racist persecution. Their property is being confiscated, and they are being driven out of the country or imprisoned in concentration camps. The international community is ignoring their plight even as they suffer and die by the tens of thousands. Their crime is simply being of Chinese extraction, a vigorously industrious people who are despised for their success.

The historical parallel is obvious. The Vietnamese communists are carrying out a policy that differs from Hitler's "Final Solution" only in scale and detail.

In scale it does not match the six million victims of the holocaust, but an estimated 200,000 have died from drowning, exposure, or thirst upon the high seas, another quarter million or more scattered around the world as refugees, and perhaps 1.2 million are in Viet Nam waiting to be cast adrift at sea or to undergo whatever further "solution" the Vietnamese authorities may devise.

In detail, the Vietnamese regime is stripping its victims of their wealth exactly as the Nazis did [this monstrous expulsion program is Viet Nam's most lucrative export activity]. The victims are not, to our knowledge, being murdered outright, but they are being sent to sea in boats that are both overloaded and unfit for the open ocean. Western officials have estimated that about half perish, a proportion that is expected to rise soon to 70 per cent because ever smaller and less seaworthy craft are being used as the expulsions continue. Those who refuse to be driven out or who lack the reported $3,000 in gold required for exit permission are being sent to concentration camps. Their fates there are not known.

A few countries are trying to help [the U.S. is the leading one, having accepted more than 200,000 refugees on our shores, but even that is too little]. Most of the rest of the world is behaving with a venality that ranges from mere indifference to an outright refusal to rescue distressed boats or to let them land.

We would not like to live with the consciences of those [including some Americans] who opposed U.S. involvement in Viet Nam yet refuse to condemn the new horrors there.

China, the victims' cultural motherland, refuses to absorb these few hundred thousand souls into the vastness of its land and population. The Soviet Union, the most self-righteous castigator of Germany's wartime atrocities, is Viet Nam's chief international sponsor and the supplier of its arms. But not only have the Russians failed to halt this madness, they are actually accepting payment for weapons in the very gold that was taken from the doomed Chinese.

After World War II, when the full enormity of the holocaust began to sink in, virtually the entire civilized world vowed that it would never be allowed to happen again.

We are breaking that promise.●

WESTERN NEW YORK CITIZENS COMMITTEE OBSERVES CAPTIVE NATIONS WEEK

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. NOWAK. Mr. Speaker, the Western New York Citizens Committee to observe Captive Nations Week held their 20th anniversary commemoration dinner dance on Saturday, July 21, 1979, in Buffalo, N.Y. The following resolution, proposed by Mrs. Dasha Procyk, was adopted by the committee. Mrs. Procyk has asked me to bring the resolution to the attention of my colleagues in Congress to remind us of our Nation's role as an example of independence and freedom to all captive nations throughout the world throughout the year.

The resolution follows:

CAPTIVE NATIONS COMMITTEE OF WESTERN NEW YORK

Whereas, two decades ago, the legislators of our land passed Public Law 86–90 whereby requesting the President to proclaim the third week of July of each year as Captive Nations Week; and

Whereas, the intent of this law is to render moral support to all captive nations craving to regain their lost freedom and independence; and

Whereas, the past twenty years have seen a steady and disturbing erosion of national and human rights in different parts of our shrinking world; and

Whereas, political prosperity can only be guaranteed when supported by morality in all endeavours of public life; and

Whereas, true freedom and liberty cannot be established without adherence to the fundamental tenets that national and human right is a basic pre-requisite to world peace; and

Whereas, universal freedom is still not attained and the quest for same is daily challenged by subversive forces that flagrantly abuse basic national and human rights; and

Whereas, only a strong United States can be a deterrent to further encroachments of Communist Rusian expansionist designs and a bipartisan alliance of our political leaders is most urgently needed to adopt a national strategy of peace through strength; and

Whereas, a viable society is achieved by not those who talk but by those who do—the achievers and individual excellence paves the road to national prominence; and

Whereas, America has demonstrated a traditional regard for excellence and has shown in times of national crises that it can draw on this fountain for sustenance; and

Whereas, by recognizing that we are now being challenged by multiple problems at home and abroad exacerbated by the same worldwide conspiracy that toppled the once free nations;

Now, therefore, be it resolved, that we, gathered here tonight to observe the twentieth anniversary of the Captive Nations Week will individually exercise our utmost efforts to work toward the realization of the ideals of freedom and sovereignty for all nations and shall endeavour to urge our elected officials on all levels of public office to re-dedicate their efforts to the ideals that made our country great and by doing so give a new dimension to efforts of other nations to attain freedom and sovereignty.

THE CARIBBEAN: A NEW IMPERATIVE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LaFALCE. Mr. Speaker, the overthrow of the Somoza dynasty in Nicaragua has focused long overdue attention on the volatile situation in the whole Caribbean area. Although this area contains the Panama Canal and is in close geographic proximity to the United States, it has generally been ignored by the media and the administration.

The downfall of the unlamented Somoza regime and the chronic instability of a substantial number of other Central American and Caribbean governments illustrate why the United States should be more active in this area. Since gunboat diplomacy has been consigned to its proper oblivion, this country is faced with only two options. First, it could ignore the area, which would be foolhardiness of the first order. Second, it can significantly increase its economic and technical assistance to these poor and underdeveloped countries, through either bilateral assistance or multilateral assistance funneled through the Inter-American Development Bank.

In a compelling editorial in its August 4 edition, the Niagara Gazette states the case for the second alternative in a very persuasive manner; and I would like to share its arguments with my colleagues.

The editorial follows:

NEW RED SCARE

The fall of Nicaragua's Somoza dictatorship has spurred a number of reports that Nicaragua and other small Central American and Caribbean countries are in danger of being taken over by communists, in the fashion of Cuba.

It's not clear where these reports are coming from, but it seems reasonable to assume that many come from the people and organizations who see Red under every bed, and who believe that only dictatorships can prevent the spread of communism. Disappointment does not deter them. Though neither Portugal nor Spain, India nor Iran went communist after their dictators were overthrown, they still hope in a morbid sort of way that their predictions of catastrophe will be vindicated. In a slightly more positive vein, they hope their predictions will spur American intervention, preferably military but covert CIA action would do, to make sure the "right" people are put in control of the countries they believe are in danger.

American intervention in Central America and the Caribbean is certainly needed.

But not the kind of intervention the fearmongers have in mind.

Many of the governments of the region are unstable. A number of countries harbor active revolutionary movements. Coups and revolts are certainly to be feared, especially after the success of the Sandinista revolt in Nicaragua. And doubtless many of the revolutionaries are Marxists of one kind or another.

But the way to combat the discontent that flowers into revolution is to combat the conditions that cause unrest. These countries are mostly poor. In most of them, what wealth there is is mostly in the hands of a few powerful families, a few dominant businesses, and a few corrupt government officials. In such conditions, ordinary people have little hope of improving their desperate lot in any ordinary way, so they are ripe for the promises of revolutionaries.

The kind of U.S. intervention that is the kind that will give some hope to these peoples—hope for more food, better homes, some control of their own destinies. And the tools of that intervention are not military forces or spies, but well-tested programs that have worked in other countries—programs to improve food production, to improve agricultural marketing, to organize producer and consumer cooperatives, to improve human and animal health, and so on.

It would help a great deal if the U.S. government put some discreet pressure on the governments of the region to undertake land reform and other measures of economic justice. But even without that kind of reform, effective people-to-people aid programs can do much to improve people's lives and give them hope of making their economic and political systems more responsive to their needs.

Next year, the U.S. is scheduled to give $155 million in aid to the countries in the Caribbean basin. That may seem like a lot, but it is not: the local governments of Niagara County, where 235,000 people live on 500 square miles of land, spend more than that in a year. The Caribbean basin includes millions of people and hundreds of thousands of square miles. $155 million can be spread pretty thin by inventive programming and administration, but after a certain amount of spreading it gets too thin to do much good.

The president and Congress should make a new assessment of Caribbean needs—an assessment, if they like, based as much on fear of communism as on a desire to help poverty-stricken people, for poverty begets communism when poverty becomes desperate enough, and it would certainly be damaging to the U.S. if other Caribbean countries besides Cuba become communist satellites.

Then the U.S. should decide to spend enough money to make Central America and the Caribbean hostile territory to communism—that is, territory where there are a quality of life and of social justice sufficient to make democracy and free enterprise more attractive than communism.

MARINE SANCTUARIES: A PROGRAM WE DO NOT NEED

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BREAUX. Mr. Speaker, on July 31, 1979, I introduced H.R. 5018, a bill to repeal the marine sanctuaries title (Title III) of the Marine Protection, Research, and Sanctuaries Act of 1972. I believe that the marine sanctuaries program, administered by the Department of Commerce, is wholly unnecessary to provide for the protection of the marine environment. The Clean Water Act, the Outer Continental Shelf Lands Act Amendments of 1978, Title I of the Ocean Dumping Act, the National Environmental Policy Act and numerous other authorities which are being very successfully implemented, render the marine sanctuaries program redundant. The way in which that program has been administered has shown very little regard to the existence and efficient implementation of other relevant programs. This has led to unnecessary and unduly expensive bureaucratic effort. Illustrative of the poor performance of the marine sanctuaries program is a critical commentary by the Interior Department on a particular sanctuary proposal.

This commentary follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 12, 1979.

Ms. JOANN CHANDLER,
Director, Sanctuary Programs Office, Office of Coastal Zone Management, Washington, D.C.

DEAR MS. CHANDLER: We have reviewed the Draft Environmental Impact Statement (EIS) for the Proposed East and West Flower Gardens Marine Sanctuary. The Department of the Interior (DOI) supports this proposed sanctuary but believes that the regulatory scheme described in the Draft Environmental Impact Statement (EIS) is unsatisfactory. It is our position that the existing regulatory program administered by the Department of the Interior is adequate to protect the Flower Garden Banks from damage caused by oil and gas exploration and development activities. Additional restrictions that would be imposed on OCS lessees under the proposed designation are unnecessary, inappropriate, and inconsistent with the President's policy to eliminate unnecessary Federal regulations. The failure of the EIS to justify additional regulation of OCS oil and gas operations in the vicinity of the Flower Garden Banks is discussed in detail below.

We also find the EIS to be poorly organized and difficult to follow. Alternatives to the "Preferred" alternative are inadequately addressed. Interpretation of the scientific evidence is tenuous at best. In places the EIS seems to be more of an attack on DOI's policies and procedures than an analysis of the environmental impact of the proposed action.

Our general comments on the proposed designation described in the EIS are presented below. Immediately following this discussion is a section containing our specific page-by-page comments.

GENERAL COMMENTS

1. Necessity for further regulation of oil and gas operations within the proposed sanctuary boundary.

The Department of the Interior is statutorily mandated to regulate all OCS oil and gas development activities in such a way that the environment is protected. For years the Department has recognized the unique and fragile nature of the Flower Garden Banks and has administered the OCS leasing program in the vicinity of the Banks so that the coral reefs and associated communities are not injured by oil and gas development. All lease agreements between the Department and the lessees of tracts in the Flower Garden Banks vicinity contain stipulations which are specifically designed to protect the reefs. These stipulations are described in the EIS. They include such restrictions as a "no activity zone" where all exploration or development operations are prohibited, a shunting requirement, a monitoring requirement, and certain prohibitions against bulk discharges of muds or use of toxic bactericides. These restrictions are included in the contractual agreement between the government and the lessee as lease stipulations. They were estabilshed after intense scientific investigation by independent scientific personnel and are continuously scrutinized.

There is a lack of justification for altering the existing regulatory scheme involving the "no activity zone" which DOI has established.[1] A justification presented in the EIS for the proposed modification of the existing zone is that the extension is necessary to avoid discharges directly into the crinoid zone on the Banks (F–33). The discussion does not acknowledge, however, that under the terms of the existing lease stipulations, BLM already has the authority to prevent discharges directly into the crinoid zone. The lease stipulation (on OCS–G–3316 for example) provides that if the shunting method is not adequate to protect the unique character of the area outside the DOI "no activity zone" (out to 3 miles from the 85 meter isobath), the Supervisor has the authority to require barging of the material. Another EIS justification for the extension of the "no activity zone" states that "Well established hard bank communities, namely crinoids, do however extend below the 85 meter isobath to 100 meters (328 ft.) or more and represent a transition zone of significance which could be impacted by a platform" (E–29). Well established hard bank communities exist wherever there is a hard bank, regardless of depth; the communities differ depending on depth and other factors. Crinoids are found throughout the Gulf of Mexico, and neither as a community nor as a species do they require special protection. Hermatypic coral communities which are unique and productive do require such protection; DOI has been affording them continued protection for over five years. Numerous studies by both BLM, industry, and independent scientific organizations have shown that oil and gas operations under DOI's current restrictions have had no adverse impact on the reefal communities.[2]

Under the proposed regulatory scheme, lessees within the sanctuary boundaries would be required to shunt drilling discharges to within 6 meters of the bottom instead of the 10 meters now required by Interior. The only justification for this change is that "shunting to 6 meters offers greater probability that the material will actually be deposited in the nepheloid layer than does the present BLM requirement of shunting to 10 meters" (F–27). However, the discussion then adds that the "Bureau of Land Management reef monitoring studies have not indicated any effects on the reefs from shunting activities that have occurred to date" (F–38). Apparently there is no evidence whatsoever that the 10 meter restriction is inadequate, yet the proposal would alter this restriction. Additionally, there is no mention of the fact that shunting to less than 10 meters may cause mechanical problems; cuttings may accumulate causing the shunt pipe to become blocked and result in surface discharges.

The regulations would also prohibit the discharge of ". . . drilling muds in bulk" (C–12). With this prohibition is tied the questionable alternative of barging these materials away from the drilling sites, which involves the need to moor large surface craft to the drilling facility over long periods of time even in adverse weather conditions. Barging could be an extremely dangerous requirement to those conducting the activity and, in the case of spills, would be more hazardous to the environment from surface disposal than shunting these materials to the bottom. In addition, the term "bulk" should be defined.

Under the proposed regulations, shunting would be required within a larger area than is now required by DOI. The four nautical miles (nmi) from the 100 m isobath for the sanctuary boundary appears arbitrary. The EIS contains no discussion of why it is necessary to extend the shunting requirement out an additional mile. BLM studies have shown repeatedly that the Banks are not being harmed under current regulations, at least with regard to oil and gas operations. The extension will not truly afford ". . . a higher level of protection to the Banks' ecosystems than currently exists under Federal authorities" (C–13). As there is no detectable damage to the Banks, an extended boundary will not afford a higher level of protection because there is no higher level than one which results in no detectable harm. Unless there is some compelling evidence that the present regulatory scheme is inadequate, there is no justification for imposing this costly requirement on the lessees within the area.

The proposal does not reflect the extensive scientific effort that has been conducted at the Flower Gardens. Statements such as "There presently is no program for long-term assessment at the Banks" (D–3) simply have no basis in reality. BLM's monitoring program over the last five years has had the objectives to map the banks, assess and monitor the health of the reefs (qualitatively and quantitatively using active and passive, in-water, visual methods), monitor drilling activities when they occur, and measure seasonal changes in hydrographic conditions, including currents. The program is given short mention in the EIS; we question how much of the information was utilized in the EIS formulation. The discussion of drilling muds and cuttings (E–17 through E–26) dwells on isolated laboratory studies in which unrealistic conditions and concentrations are encountered; these same discussions barely mention those in-situ studies conducted by and for DOI. Evidence to date clearly shows that no study yet held under conditions prevailing in the field has shown any adverse impact on reefal communities.

The proposed regulations require monitoring in the entire sanctuary, whether it be within 4 nmi of the 100 m isobath or 3 nmi of the 85 m isobath. The EIS gives no justification whatsoever for this requirement. Several monitoring studies within 1 nmi of the 85 m isobath have shown no adverse impacts from drilling. To require monitoring out to 4 nmi from the 100 m isobath (or even to 3 nmi of the 85 m isobath) is excessive. We agree that monitoring near the Banks is necessary; the evidence indicates that monitoring is necessary to no more than 1 nmi from the 85 m isobath.

Despite the consistent efforts of the Department to protect the coral banks and the lack of evidence that ongoing oil and gas operations in the area have caused any damage to the resource, the proposed regulations would alter the conditions and restrictions originally imposed on lessees at the time they contracted for oil and gas development rights in the area. This might be justifiable if a showing were made that the lease stipulation restrictions were inadequate to protect the coral or that Interior was not properly enforcing its regulatory scheme on oil and gas leases. This, however, has not been done. The reasons given in the EIS for the proposed changes in the regulation of oil and gas operations are highly speculative and totally unsubstantiated.

The Department of the Interior presently regulates each and every phase of OCS exploration and development activities, remaining consciously aware of biological requirements and environmental precautions. DOI may suspend operations if threats to the environment arise. Under the 1978 Amendments to the Outer Continental Shelf Lands Act, the Secretary has the authority to cancel leases for environmental reasons, and to compensate the lessees. In light of the strong Interior regulatory program currently being implemented and in the absence of any evidence that the reefs are being implemented and in the absence of any evidence that the reefs are being damaged by oil and gas operations, the Department of the Interior requests that NOAA reconsider the entire proposed regulatory scheme for oil and gas operations within the Sanctuary, and adopt the controls currently established by the Department of the Interior.

2. A Five-Year Moratorium on OCS oil and gas activities.

DOI believes that a moratorium is unnecessary. In view of all the studies the Department has already funded, as well as studies by others, we believe that we can confidently proceed with oil and gas operations near these Banks provided that the restrictions as currently applied by DOI are continued.

The EIS justification for a five-year moratorium is to provide time to research the effects of oil and gas activities on the Flower Garden Banks. Even if a moratorium were warranted, there is a lack of specificity on the type and extent of the research program to be carried out during the moratorium. The research efforts that will be pursued and completed during the moratorium should be identified and adequately addressed in the EIS and designation. Who would design the research? Conduct it? With what money? What would be monitored? Is there any guarantee that five years is enough time? What findings would allow a decision to resume oil and gas development? Research difficulties could extend the moratorium indefinitely. This void of research objectives is unacceptable.

This is not to say that we do not support stepped up coordinated studies at the Banks. We urge OCZM and EPA to consult with us in developing such a program. We feel the proposal by EPA and NOAA (received by letter of April 12, 1979), to set up an interagency committee which would supervise and evaluate monitoring studies on the Flower Garden Banks, is a good one.

3. Modification of Lease Terms.

Certain restrictions have been imposed by stipulation on leased tracts within the proposed sanctuary boundary. These stipulations specifically describe areas where exploration and development activities will not be allowed and impose certain conditions and restrictions on activities that are allowed. The lease agreements containing these stipulations are contractual in nature and generally define the relationship between the government-lessor and lessee. While the EIS recognizes this contractual relationship

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[1] It is difficult to determine the degree of size difference in these zones because the EIS is not clear on this point and the diagrams depicting the zones are not drawn to scale (F–25 and F–36). However, it appears that in some areas there is very little difference in the DOI boundary and the proposed boundary, while in other locations it may be significant.

[2] ". . . On the basis of information gathered during 1977–78 we have found no evidence that drilling activities in the vicinity of the East Flower Garden (sic) have had deleterious effects on the reef communities through the Spring of 1978." (*Northwestern Gulf of Mexico Topographic Features Study*, Final Report, Contract No. AA550–CT7–15, Texas A&M Research Foundation and Texas A&M Department of Oceanography, December 1978; p. VII–36.)

(F-3), only cursory treatment is given to the associated issues.

If an extension of the "no activity zone" on a lease results in the lessees inability to develop the resources that could have been developed under the terms of the lease (contract), the lessee may have an action for breach. The success of such an action would depend on whether some other provision of the contract provides that additional restrictions on drilling and development may be imposed. It is clear that the Department of the Interior may, through regulation, impose additional restrictions on the lessees if necessary to protect the natural resources.[3] Thus an expansion of the "no activity zone" could probably be accomplished by Department of the Interior regulation. However, to the extent that the lessee's ability to recover resources is diminished, compensation may be necessary.

The EIS does not discuss this legal issue, does not address in any detail the issue of whether resource recovery may be affected, and does not even identify the possibility that cancellation and compensation could be involved. We suggest that these matters cannot be ignored. Even if the difference in the boundaries between the 100 m isobath and the 85 m isobath is minor, the possibility of loss of recovery must be considered since very small adjustments in platform placement can sometimes result in resource loss.

4. Use of the NPDES Permit System.

The EIS explains that EPA's authority to issue National Pollution Discharge Elimination System (NPDES) permits will be used to enforce several aspects of the proposed regulatory program including the Five-Year drilling moratorium the expanded "no activity zone", the monitoring requirements, and other requirements such as no-discharge contingency plans, spill contingency plans, and miscellaneous discharges. Concerning the Five-Year moratorium and the "no activity zone", the EIS indicates that EPA will simply refuse to grant NPDES permits for oil and gas operations in those areas.

The extent and limits of EPA's authority to condition NPDES permits should be explained in the EIS if it is, in fact, to be used as an enforcement mechanism. We do not understand why you propose that the NPDES permit system be used as the mechanism to promulgate the regulatory scheme. The Department of the Interior is the agency with the proven regulatory program in the Gulf of Mexico. EPA, on the other hand, has never controlled discharges in the Gulf, even after we terminated our controls at its request. Because EPA has not chosen to regulate discharges in the Gulf, by letter of September 22, 1978, we offered to use the Department's existing capability to reassert environmentally safe operations in the Gulf. A copy of the letter is attached for your information. In short, we question the wisdom of turning the proposed regulatory activity over to the agency which has not performed in precisely this type of effort and in this region.

We believe that the EIS should contain a better explanation of how this EPA regulatory program would be used. The EIS does not identify how present or potential lessees would be able to obtain a permit. While the EIS identifies attainment criteria, it does not identify how these criteria were obtained or how a lessee could comply. It is our understanding that NPDES permits must be considered on the merits of the application on a case-by-case basis. Thus we question how NOAA can state, in such absolute terms, that "EPA will issue no NPDES permits for discharges from operations in any lease awarded after the effective date of the marine sanctuary regulations" (C-16).

EPA has promulgated interim final effluent limitations and guidelines defining best practical control technology currently available (BPT) for oil and gas extraction point sources. (44 Fed. Reg. 22069, April 13, 1979). In addition to the authority to set these technology-based standards, EPA also has authority under Section 403 of the Clean Water Act (33 U.S.C. Section 1343) to protect the quality of receiving waters. The use of this authority as a basis for imposing conditions on NPDES permits for offshore oil and gas operations has been challenged by the industry on the grounds that no regulations which establish ocean discharge criteria under Section 403 have been promulgated and that the ocean dumping criteria cannot be used to condition ocean discharge permits. See *Tenneco Oil Co.* v. *EPA*, Nos. 78-1684, 78-1687, and 78-1688, 5th Cir., 1978. This case is important because it involves precisely the kind of NPDES conditions that would be imposed on lessees under the proposed marine sanctuary program.

Similarly, much emphasis is put on future actions and responsibilities of the Fisheries Management Council (FMC). The FMC to date has not addressed corals and coral reef management; some indication of what activities or directions the FMC will be pursuing in the Gulf of Mexico in the next year or two would be enlightening.

5. The development and analysis of the proposed sanctuary's management and enforcement plan.

A detailed management plan should be developed as part of the proposal and addressed in the EIS, rather than deferred until later. Management is the salient feature of a sanctuary designation proposal and must be spelled out in detail. Since the management scheme may have significant environmental implications of its own, it certainly should be subjected to the EIS analysis, review and comments, and public hearing procedures required by NEPA. We regard the failure to develop and analyze a management plan for the proposed sanctuary serious enough to render the EIS inadequate.

Much the same can be said about the lack of a detailed analysis of the means for enforcing the sanctuary regulations. The means for enforcing regulations for managing the Flower Garden Bank biota will be extremely difficult since the distance from shore is so great. Both management and enforcement procedures should be described in detail in the designation documents.

In summary, we consider the protection of the biota of the Flower Garden Banks to be achievable and of great importance. As far as oil and gas activities are concerned, we are providing such protection. There is a need for a change in management practices only to the extent that it would afford protection to the Banks from other uncontrolled activities, such as anchoring, tankers flushing bilges, damage from careless sport divers, etc. There is no indication in this EIS that sanctuary designation as presently presented would provide such protection. We therefore feel that the Final Environmental Impact Statement needs considerable revision especially in the areas of a management plan, enforcement scheme, research proposals, and regulations. We would be happy to work with NOAA on the preparation of the final document.

Sincerely yours,

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Assistant Secretary.●

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[3] Section 5(a) of the OCSLA gives the Secretary the authority to promulgate regulations which apply to leases already issued. It provides in part:

> "The Secretary may at any time prescribe and amend such rules and regulations as he determines necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the Outer Continental Shelf . . . and such rules and regulations shall, as of their effective date, *apply to all operations conducted under a lease issued or maintained under the provisions of this Act.*"

The lease agreements also contain provisions which specifically subject the lessee to all existing and future conservation regulations of the Department of the Interior.

H.R. 3434—MOVING IN THE RIGHT DIRECTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BIAGGI. Mr. Speaker, before this body recessed for the August district work period, an important and admirable piece of legislation was passed on August 1. This legislation, H.R. 3434, the Social Services and Child Welfare Amendments of 1979 was passed by a vote of 401 to 2 and addresses most directly the issue of reducing this Nation's undue reliance upon our foster care system.

Much of the credit for this bill goes to the Ways and Means Committee for their insight and timely attention to helping to make the social service programs in this country more directly attuned to the needs of our children who find themselves without permanent homes and families.

I would like to make note of a major study, released this year by the blue-ribbon commission appointed to study foster care in America, the National Commission on Children in Need of Parents. The findings of this Commission are most relevant to a discussion of this bill. More importantly, they show that we have only just begun to bind the wounds which the foster care system in this country has made upon our children.

I would like to highlight what this group has determined to be the major problems with the foster care system in America today:

First. Of the 500,000 children presently in foster care, many do not belong there by virtue of the fact that they could be adopted.

Second. The courts are often the major cause for children remaining in foster care by refusing to terminate the rights of the biological parents when there remains a mere "flicker of interest" in the child by the natural parents.

Third. Federal aid is another disincentive to placing children in permanent homes. Federal funds will support a child in foster care but will be terminated upon adoption. Many families want to adopt their foster child, but financially cannot afford another child without subsidy payments. In turn, inadequate support payments to families result in frequent turnover of homes.

Fourth. This problem of financial disincentives also adversely affects the children in foster care who are left with the stigma of being a "foster child" rather than an "adopted family member."

Fifth. The foster care system is overburdened, understaffed, and often unprepared professionally to handle many of the complex family and personal problems of children and their families.

Sixth. Taxpayers and contributors to charity are not getting their money's worth when it comes to foster care.

Seventh. Children become lost in foster care—the most tragic of the findings of this Commission. The Federal Government's mandate that data be collected and maintained is often ignored by States and local agencies. This lends credence to the conclusion that there is no "foster care" system in this country worthy of the name.

Our Nation's most precious natural resource, our children, have been squandered, ignored, and abused by this so-called foster care system. Since a procession of homes is highly destructive and often fatal to the welfare of the child, it would seem logical that some incentives are needed, in order to promote the placement of children into permanent, adoptive homes. As the study noted, "Logical, perhaps, but a far cry from reality."

Of the $2 billion spent annually on foster care in this country, 97 percent of this amount goes to support foster care services, while the remaining 3 percent is left for adoptive services. In New York City, institutions can receive up to $2,000 per month to maintain a child. If the child is adopted and leaves, the institution suffers a substantial loss until it receives another child. Interestingly enough, under AFDC/FC in 1976, this Government paid out $176.7 million to support children in foster care. Not 1 penny of this money would have been available to support any of these children if they were adopted.

The goal of permanence is the forgotten objective in our entire foster care system. This entire monolithic structure is a monument to the insensitivity of a system which we have allowed to perpetuate. Not only have we been unresponsive to this problem as it relates to the children, but we have also allowed a financial monster of a program, lacking in direction and cost-effective incentives to perpetuate unchecked for years.

This bill, H.R. 3434, establishes a comprehensive set of reforms with regard to foster care protections, procedures, and services which will guard both children and families against "unwarranted removal of children from their homes and inappropriate and unnecessary prolonged foster care placement." More specifically, these safeguards include: First, no child be placed in foster care, except in emergency situations when the parents have refused assistance and counseling; second, no child will be involuntarily removed from his or her home unless ruled by a judicial authority as such; third, no child will be placed in foster care unless the parents voluntarily agree; fourth, increase the attempt to place a child with relatives or in the "least restrictive family-type setting in which any special needs may be met"; fifth, reunification services are available to the child; sixth, each child will be individualized by case which must be reviewed at least every 6 months; seventh, there will be a disposition hearing by the court within 18 months of the child's placement in foster care; and eighth, a fair hearing will be given to any parent, child or guardian who feels that they have been aggrieved by any Federal action taken under this new law.

These procedures were some of the direct results of hearings which I held as a member of the Select Education Subcommittee in 1975 in the New York metropolitan area. The hearing examined 77 voluntary child care agencies which were responsible for over 25,000 children each and were receiving Federal moneys to support these children.

The findings were astounding. Over 26 percent of the children in these homes were there for their entire lives. For each of these children, the home received $36.90 per child per day. It was discovered that only 5 to 10 percent of this allotment was used and that the homes were investing the remaining 90 to 95 percent and making millions of dollars in profits—all at the expense of the children they were being paid to support. Estimates were that the profits of these homes ran somewhere between $300 and $500 million. These abuses by these homes were enumerated in a series of articles in the New York Daily News written by Bill Heffernan and Stuart Ain and their insights into this problem were an invaluable asset to the subcommittee's hearings and subsequent findings.

The Child Welfare and Social Service Amendments of 1979 take important initiatives to help eliminate the fiscal abuse that have become a major problem in the foster care and child care system. Title IV–B Child Welfare Services would make $226 million per year available to States on an entitlement basis for IV–B child welfare services, replacing the present IV–B authorization of $226 million which was funded at $56.5 million in fiscal year 1979. Additionally, the definition of "child welfare services" will be changed to shift the emphasis on services directed at preventing the continual removal of children from their families and to encourage, if necessary their placement in suitable adoptive homes.

I have long been aware of the problems and pitfalls of our child welfare system. We have unearthed many of them, brought them into the public eye, and have been able to correct some of them. In the passage of H.R. 3434, we have gone even further. We have reaffirmed the commitment of this Nation to the betterment of the lives of our children. We have taken a step in the right direction, and in this International Year of the Child, I am confident that we will be able to go even further to insure that each child in foster care is first and foremost, respected as a human being and treated with both dignity as well as compassion.●

WORK HABITS OF FEDERAL EMPLOYEES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HARRIS. Mr. Speaker, today I would like to direct the attention of my colleagues to a report which was recently released by the General Accounting Office concerning the work habits of Federal employees. As a result of their study, GAO investigators discovered that "the vast majority of the Nation's 2.1 million Federal employees work at least the required 40 hours a week." Moreover, it was discovered that a significant number of workers actually work more than the required 40-hour workweek, and often they are not compensated for these extra hours.

Currently a wave of anti-Federal employee sentiment is sweeping the country. It has become politically popular to fault the bureaucracy for vague transgressions such as "poor productivity" and "lack of responsiveness." Morale at the Federal worksite has suffered many adverse effects as a result of these attacks.

Certainly we should work to improve the quality and delivery of necessary services to the public. However, I feel that this report indicates that shortcomings in these areas for the most part lie with the system, and not with the dedicated work force which the Federal Government employs.

The passage which follows is the digest which accompanies the recently issued GAO report. I urge all of my colleagues to review this material, for I feel it will aid us all in appreciating the demonstrated dedication of the vast majority of Federal workers:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: MOST FEDERAL EMPLOYEES ON THE JOB 40 HOURS OR MORE WEEKLY: TIGHTER CONTROLS AMONG PROPOSALS FOR THOSE WHO WORK LESS

Contrary to widespread public perception, the vast majority of the Nation's 2.1 million Federal employees work at least the required 40 hours a week and adhere to lunch and coffeebreak rules. When time lost due to a small number of abusers is taken into account, taxpayers appear to be getting hundreds of millions of dollars of "free" labor each year from the many Federal employees who regularly work extra time without compensation. (See ch. 2.)

GAO reached this conclusion after analyzing questionnaire responses from about 3,000 randomly selected employees at the 7 largest Federal agencies (collectively employing 70 percent of all civilian workers). GAO also observed employee work-hour practices and interviewed 238 personnel officers, supervisors, and union representatives in the 7 agencies in various locations across the country. *GAO studied time spent at the workplace, not the productive use of that time.* (See p. 3.)

Of the questionnaire respondents:

75 to 83 percent worked at least the 40 hours per week,

18 to 27 percent worked 41 to 70 hours, and

17 to 26 percent worked 33.5 to 39.9 hours.

That some employees' extra hours are not compensated may violate the Fair Labor Standards Act. Projected to the universe of employees in these seven agencies, all uncompensated hours are worth between $660 million and $800 million per year at regular pay rates. Time lost due to work-hour abuses costs between $85 million and $120 million a year. The net gain to taxpayers may be between $500 million and $700 million. (See pp. 28 to 33.)

Work-hour and lunch/coffeebreak rules are violated for several different reasons. Some tardiness results from factors beyond the individual's control, i.e., traffic congestion and bad weather. Early departure is a less serious problem than tardiness because most of those who leave early charge the unworked time to leave.

Extended lunchbreaks appear to be the most frequent abuse, particularly in urban locations where eating facilities are often congested. Many who reported taking extended lunches said this was permitted by unofficial agency policy or was undetected by management or that they had made up the lost time by extending their workdays. Others said they had taken long lunches because they had not taken coffeebreaks.

Coffee/restbreak abuses were not extensive. In fact, many employees did not even take authorized breaks, although, as noted, some added unused coffeebreak time to extend their lunch periods. Even though this appears common, it is contrary to existing laws that distinguish between lunch periods and coffeebreaks. (See ch. 2.)

Supervisors generally do not place high priority on monitoring work hours, because they trust employees to follow policy, believe most employees work 40 hours a week and make up any lost time, and believe deadlines are met. Supervisors give even lower priority to monitoring breaks and lunches because they are more difficult to control and because eating and break facilities are inadequate or inconvenient in many buildings. (See p. 6.)

Unofficial absences are costly to taxpayers and unfair to the vast majority of employees who follow the rules. Workplace absences can be reduced in several ways.

For example, greater use of flexible work schedules would reduce tardiness by permitting employees to vary starting times. Similarly permitting lunch periods to vary in length could also help reduce lost time if employees who took more than the prescribed time had to extend the length of their workdays accordingly. Providing employees longer breaks in their daily routines is a practice that some believe reduces the effects of today's stressful environment.

Even with existing work-hour policies, management could reduce abuses by (1) arranging more convenient eating and break facilities, where possible, (2) ensuring that employees were aware of agency workhour policies, and (3) ensuing that policies were fair and were enforced consistently and equitably. (See ch. 3.)

Work-hour policies vary depending on agency, work unit, and supervisor. On the one hand, varied policies are necessary in some cases because of different functions and work environments. For example, offices serving the public may require employees to take lunch at the same time each day to ensure continuous office coverage. Not all work environments may be conducive to flexible work and lunch schedules. And it seems prudent to vary coffee/restbreaks by the physical or mental demands of a job.

On the other hand, it is inequitable to the majority of Federal workers who abide by agency work-hour policies to allow some paid extended lunches. And it seems only fair that employees in similar positions working in similar environments have similar coffee/restbreaks.

Agencies could develop more equitable work-hour policies if they had more guidance. For example, agencies currently lack adequate information on the optimum number and length of breaks which should be given, types of employees that would most benefit, and circumstances in which breaks should be granted. GAO believes that the Office of Personnel Management should develop and provide managers such guidance and monitor and evaluate agency work-hour policies and practices. (See p. 40.)

LONG-TERM POLICY ISSUES

This report raises major long-term policy issues that should be considered by the Congress and the Office of Personnel Management as they work to hold down personnel costs and increase worker output.

One issue is the length of the workweek and its effect on employment and productivity. Legislation proposed in the 95th Congress would reduce the standard private sector and Federal workweek to 35 hours by 1982 and require double pay for overtime. Some private sector employers already schedule less than 40-hour weeks; in effect, Federal employees who take extended lunches without making up the time work less than 40 hours. Proponents believe shortening the workweek would decrease unemployment or at least prevent some employees from losing their jobs.

At the Federal level, the Office of Management and Budget believes a shorter workweek might require more Federal employees. In considering reductions in the Federal workweek, attention should be given to relating the shorter workweek to equal or greater levels of output or fringe benefit tradeoffs. (See p. 48.)

Another issue is the focus of Government control. The Government's control of work hours is based on 5 U.S.C. 6101, which requires agency heads to schedule 40 hours of work per week, normally in 8-hour days, for each full-time employee. In addition, the Comptroller General, as authorized by statute, requires supervisor-approved daily records of time and attendance. To comply with these requirements, agencies use timekeepers and other means, such as timeclocks, sign-in and sign-out sheets, or most often supervisory observation. Because of the Government's unique characteristics, including the obligation to be accountable to the public, agencies will always need some controls.

As Federal programs and technology have become more complex, the Government has employed more professionals and highly trained technicians and fewer clerical and lower skilled personnel. For these higher skilled jobs the private sector typically puts greater emphasis on performance and output than on hours spent at the workplace. And the limited research available suggests that focusing control on worker output rather than on hours spent at the workplace may be desirable. More research is needed, however, before making such a change for Federal employees. (See p. 45.)

RECOMMENDATIONS

GAO recommends that the Director, Office of Personnel Management:

1. To better establish, monitor, and manage work-hour policies for the Federal work force, obtain Government-wide information on all agencies' official and unofficial policies and practices on scheduled work hours, lunch, and breaks; compare and evaluate those policies and practices; identify the need for additional guidance; and issue necessary guidance and require necessary changes. This guidance should, as a minimum, provide agencies sufficient information to determine increments for leave charges, protect against Fair Labor Standards Act overtime violations, and highlight the benefits of assessing work-hour practices through internal audits or personnel management evaluations.

With the information obtained above, assess whether the Federal Personnel Manual Bulletin 610–30 has been effective, that is, whether each agency has reviewed its lunch period practices and made necessary modifications. Where changes are needed, agencies should evaluate the alternatives discussed in this report. If flexible schedules or improved facilities are not feasible, agencies should lengthen lunch periods, for example, to 45 minutes or 1 hour, and correspondingly the workday to reflect the convenience and adequacy of existing facilities.

Provide agencies more information and guidance on coffee/restbreak policies covering the appropriate number and length of breaks and types of Federal jobs that would most benefit. Developing such guidance would require research and study.

Revise work-hour regulations to require that agencies communicate to employees, at least annually, agency work-hour policies.

While actively encouraging agencies to participate in the 3-year experiment with flexible work schedules (under the Federal Employees Flexible and Compressed Work Schedules Act of 1978), promote the use of flexible and variable lunch bands and emphasize such potential benefits as fewer unofficial absences.

2. As one of the research and demonstration projects authorized in the Civil Service Reform Act, design an experiment to test the use of performance measures rather than hours at the workplace as the basis on which personnel are paid. This experiment should also test the effects of tight versus lenient controls.

Efforts to emphasize performance rather than time at work would be in keeping with the intent of the Civil Service Reform Act of 1978. A major difficulty in implementing the act, which provides for employee incentives on the basis of performance, is lack of reliable data on performance.

GAO recommends that the Congress, in considering any bill to reduce the workweek, relate Federal work-hour decreases to changes in overall productivity or other measures of performance or fringe benefit tradeoffs. To do this, better data from work measurement, productivity, and cost systems would be needed. In addition, a total compensation comparability policy would need to be established by the Congress.

Although the past three decades have seen many changes in the work environment and the work force, the work-hour policies of title 5 of the United States Code have seen little change. The Federal Employees Flexible and Compressed Work Schedules Act of 1978 was one effort to temporarily suspend some of the rigidities in title 5. Although additional changes may not be warranted at this time, the results of the research and demonstration project recommended above should be used to evaluate the need for changes in the legislation.

The Office of Personnel Management agreed that it should become more actively involved in work-hour policies but not to the extent GAO recommends. In addition, the National Federation of Federal Employees and the Public Employee Department of the American Federation of Labor-Congress of Industrial Organizations believed that collective bargaining would best settle many work-hour issues. GAO continues to believe that information, guidance, feedback, and evaluation are necessary. The Office of Personnel Management is also considering the recommended research project and a study of work-scheduling issues.●

U.S. CAMBODIA POLICY QUESTIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DRINAN. Mr. Speaker, in a recent book by William Shawcross, "Sideshow: Kissinger, Nixon, and the Destruction of Cambodia," revelations about U.S. involvement in Cambodia in the early 1970's is extremely well documented. This new volume is a devastating indictment of the executive branch's efforts to withhold information from the Congress and the American people about this country's bombing of Cambodia in 1970. The release of this book has rekindled interest in the not-so-distant events of the past, as indicated by a recent exchange of letters to the editor of the New York Times. Prof. William M. Goldsmith of Brandeis University and Martin Herz, formerly with the American Embassy in Saigon, have called for a congressional investigation into U.S. Cambodian policy—each from a decidedly different viewpoint. They claim an investigation would provide for a necessary public accounting.

There may be lessons to learn from a full disclosure of our Cambodia policy that will help us understand the difficult situation that Kampuchea faces today. We shall not be certain until this country takes the time to explore further. The texts of the letters to the editor of the New York Times follows:

[From the New York Times, July 15, 1979]

NEED FOR A CONGRESSIONAL INVESTIGATION OF U.S. CAMBODIA POLICY

To the Editor:

William Shawcross's exposé in "Sideshow: Kissinger, Nixon and the Destruction of Cambodia" clearly identifies President Nixon and his National Security Affairs adviser in a complex labyrinth of deceitful and unconstitutional actions. What is striking about this new book is not the argument, which has been heard before, but the wealth of documentation from official sources. It is not surprising that Henry Kissinger is reportedly revising the Cambodian section of his memoirs in the light of these disclosures.

But a debate between one of the chief protagonists of this country's Cambodian policy and his principal accuser is one thing. A public accounting is quite another.

What is needed in view of this evidence is a full-scale investigation of this dreadful human tragedy. Such an inquiry was under way during the impeachment of President Nixon, but was stifled by the failure of the House Judiciary Committee to support the Fourth Article of Impeachment, which dealt with Nixon's constitutional violations in Cambodia.

The tragic consequences of the role of the United States in Cambodia is currently reflected in the daily newspaper accounts of the wretched condition of that nation and the even worse plight of its former citizens. These lost souls are men, women and children without a country, bullied and persecuted, first by their own nationals and then by their Thai neighbors, whipsawed back and forth across their own border. Their countryside and rural cities and towns have been decimated, their economy destroyed, their social and political institutions dismembered. Surely in all justice, they are more than entitled to a full explanation for their difficulties, and compassion and assistance in their present situation.

The impact upon our own political institutions is equally serious. The continued status of the Cambodian question as an unexamined public issue serves as an ominous threat to the constitutional limits of Presidential power. It is no coincidence that President Ford, inspired by Nixon's example, violated newly imposed Congressional restrictions in the Mayagüez incident. As the House Judiciary Committee minority report argued: ". . . it is difficult to imagine Presidential misconduct more dangerously in violation of our constitutional form of government than Mr. Nixon's decision secretly and unilaterally to order the use of American military power against another nation, and to deceive and mislead the Congress about this action. . . . The Constitution does not permit the President to nullify the warmaking powers given to the Congress. Secrecy and deception which deny to the Congress its lawful role are destructive to the basic rights of the American people to participate in their Government's life and death decision."

The appropriate action at this time would be the appointment of a joint Senate-House committee to conduct an investigation and to prepare a full report on United States policy in Cambodia. Failing to achieve support for such an official inquiry, a public commission made up of outstanding Americans of unquestionable integrity and without consideration of party affiliation should be formed immediately to undertake this responsibility. President Nixon's resignation muted public concern over this question, but the higher court of historical record and the preservation of our constitutional system of checks and balances require nothing short of such an inquiry.

WILLIAM M. GOLDSMITH,
Associate Professor, American Studies,
Brandeis University.

WALTHAM, MASS., *July 10, 1979.*

(The writer is the author of "The Growth of Presidential Power.")

[From the New York Times, July 23, 1979]

ANOTHER VIEW OF UNITED STATES POLICY ON CAMBODIA

TO THE EDITOR:

I support Professor Goldsmith's proposal for a Congressional investigation of U.S. Cambodia policy [Letters July 15], but for reasons very different from those that he adduces. He cites approvingly the book, "Sideshow" by William Shawcross, which he believes to contain proof that the U.S. caused the Communist attack on Cambodia.

This is the equivalent of saying that elephant tusks are made out of piano keys. The truth, which a Congressional hearing would surely bring out, is that Mr. Shawcross' book, and letters like that of Professor Goldsmith's, constitute a gigantic mystification of the public about the sequence of events in Cambodia in 1970.

Mr. Shawcross in his book makes much of the alleged "neutrality" of the Cambodia of Prince Sihanouk. However, the book itself contains evidence that the Prince had an agreement with the Democratic Republic of Vietnam (then North Vietnam) to run a supply line to them from the port of Sihanoukville to their sanctuaries along the South Vietnamese border. How neutral is a country that actively cooperates with a foreign belligerent on its own territory?

Mr. Shawcross tries to prove that the United States "pushed" the Communists into Cambodia by its invasion of 1970. He ignores that the North Vietnamese and Vietcong commenced hostilities against the Cambodian army in late March, 1970. The Times itself reported on the rapid advance of Vietnamese Communist troops in the direction of Phnom Penh. The U.S. "invasion," which took advantage of the preoccupation of the Communists with Cambodia, and offered limited relief to the defenders of Phnom Penh, came one month after hostilities had begun between the Vietnamese Communists and the Cambodians.

Mr. Shawcross also tries to establish that the United States was behind the coup that overthrew Prince Sihanouk in March, 1970. He fails to offer anything else than insinuations and hints about dark mysteries. In particular, he slanders Prince Sirik Matak, a Cambodian patriot, by making him out to be a tool of the Americans. Sirik Matak, like many other self-respecting Cambodians, had become tired of the hypocritical game played by Prince Sihanouk who had supported the Vietnamese Communists and complained against American "aggression" when the U.S. had taken counteraction on the ground across the border.

But the most extraordinary mystification perpetrated by Mr. Shawcross is the web he tries to weave about Prince Sihanouk's acquiescence in American B-52 bombing of the Cambodian sanctuaries. True, Mr. Nixon and Mr. Kissinger didn't trumpet to the world or to the Congress that we were bombing those sanctuaries after May, 1969. But the fact that Prince Sihanouk didn't protest those bombings is not immaterial. We were taking him at his word that he would not complain if we took counter-action against North Vietnamese Communist encroachments on his territory that he claimed to "know nothing about."

In short, while there is a major question whether Congress should have been informed or consulted about the bombing of the sanctuaries, the other major points made by Mr. Shawcross should be subjected to complete and public examination in Congressional hearings. The book reviewers, almost without exception, were either taken in by his propaganda or gleefully joined in his mystifications.

It is extraordinary how many liberals, instead of coming to the aid of Cambodians whose sufferings they deplore, seem intent on proving that the plight of those unfortunate people is the fault of those who tried to help Cambodia defend itself against Communist aggression—not the fault of those who prevented the United States from giving it effective assistance in its struggle.

Could it have something to do with some lingering feelings of doubt whether Lon Nol wasn't a lot better than Pol Pot, and whether such critics of Nixon and Kissinger saw the situation right?

MARTIN HERZ.

WASHINGTON, *July 15, 1979.*

(The writer was Minister-Counselor for Political Affairs, American Embassy Saigon, 1968–70.)

[From the New York Times, Aug. 5, 1979]

ONE ADMINISTRATION'S CAMBODIAN BURDEN

To the Editor:

I am pleased that in his July 23 letter the former Minister-Counselor for Political Affairs in the American Embassy in Vietnam, Mr. Herz, approves of my proposal for a Congressional investigation of U.S. Cambodian policy, even if the reasons for his agreement are very different from those I outlined in my July 15 letter to The Times.

His tortured defense of the Nixon-Kissinger policies in Cambodia is quite another matter, as is his misrepresentation of my argument.

Neither William Shawcross nor I ever suggested that American policy in Cambodia was responsible for Communist aggression in that country. It is an absurd notion. What Mr. Shawcross does charge and brilliantly documents is that Nixon and Kissinger's deceptive and unconstitutional bombing and invasion of that neutral country contributed substantially to its ultimate downfall. It widened the war and inflicted irreparable destruction upon the people of Cambodia, their economy, their social and religious institutions and ultimately their elected government. It encouraged the growth of the local Communist movement, the Khmer Rouge, and did very little to weaken the North Vietnamese and Vietcong efforts in Vietnam.

Moreover, Mr. Shawcross also quite effectively argues that the clumsy efforts of the Nixon Administration to aid the Lon Nol Government added to the woes of that ill-fated regime and hastened its defeat rather than protected it from Khmer Rouge takeover.

If former President Richard M. Nixon, his National Security Affairs Adviser, Henry Kissinger, or even the Minister-Counselor for Political Affairs in Saigon (who writes as if he had a vested interest in the defense of these policies) can disprove Mr. Shawcross's well-documented case, then we will all be in debt to them for such enlightenment. It could help us regain some of the respect and integrity this country lost as a result of their policies.

If, on the other hand, they fail to make a successful and convincing defense before the public tribunal I am proposing, they will stand indicted before the entire world as being responsible for the crimes against humanity with which Mr. Shawcross charges them.

The country can only benefit and regain some of the lost respect of the rest of the world by such an impartial and objective investigation.

WILLIAM M. GOLDSMITH,
Associate Professor, American Studies, Brandeis University.

WALTHAM, MASS., *July 26, 1979.*●

PSYCHOLOGY DAY 1979

HON. JOHN WILLIAM WARNER

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, September 5, 1979

● Mr. WARNER. Mr. President, April 6 of this year marked what I believe to be two firsts of national significance for Virginia and Virginia psychologists that I would like to share with my colleagues. On that date the Honorable John Dalton, Governor of Virginia, issued the following proclamation:

Certificate of Recognition:

By virtue of the authority vested by the Constitution in the Governor of the Commonwealth of Virginia there is hereby officially recognized "Psychology Day 1979".

A century ago in Leipsig, Germany, Wilhelm Wundt opened the first laboratory for the study of psychology, initiating professional status for the men and women who observe and try to understand human behavorial problems.

In recognition of this milestone and the profession it began, the Virginia Psychological Association has set aside April as Psychology Day in Virginia, and I call the message it carries to the attention of all Virginians.

I believe this is the first such proclamation ever issued by a Governor in the United States. It was made on the same day the Virginia Psychological Association held its annual spring meeting with its program theme "Psychology in Virginia: Prospect and Retrospect." I further believe this made VPA the first body of organized psychology in the United States to officially celebrate the 100th anniversary of the founding of psychology as a science.

There follows a brief history of the association:

VIRGINIA PSYCHOLOGICAL ASSOCIATION, 1956–1973—PART I

(By Frank W. Finger, VPA Historian)

The history of the Virginia Psychological Association is meaningful only to the extent that it is reconstructed within the broad context of Psychology in the Commonwealth. Hence, this account begins with VPA's predecessor organization and intertwines with the development of legal controls of psychological practice.

PSYCHOLOGY SECTION, VIRGINIA ACADEMY OF SCIENCE

In one sense, the history of VPA passed its half-century mark in 1973, the golden anniversary of the Virginia Academy of Science. The Academy's organizing committee was informed by the American Association for the Advancement of Science that about fifty scientists with an interest in psychology or sociology resided in Virginia. Therefore the Section of Psychology and Education was established as one of the four original components of the Academy in 1923, with 18 charter members. This union of the two disciplines foreshadowed later cooperation between VPA and the Virginia Association of School Psychologists. Over the next twelve years, eight meetings of the Section were held, with a total of 64 scientific papers reported. In 1934–35 the Section of Psychology was differentiated as a separate entity within the Academy. This act of separation, it may be speculated, reflected the strivings within the psychology of that decade for independent and respected status in the scientific community; it may be noted that it was in 1934 that the first Ph.D. in psychology was awarded in Virginia. (The first several dozen doctorates were limited to the experimental and physiological areas).

The scientific tradition has continued in the Psychology Section in the years since, with more than 700 papers being presented in the four decades prior to 1975. Among the topics of roundtables and invited addresses in the early years were "The Concept of Personality" (Professor J. F. Dashiell), "Psychotechnology" (Dr. John Jenkins), "The Future of Social Psychology" (Dr. S. H. Britt), and "Motivation" (Professor Clark Hull). The Section was accepted into affiliation with the American Psychological Association in 1948.

LEGAL CONTROL OF THE PRACTICE OF PSYCHOLOGY: EARLY YEARS

Prior to and during the 1944 meeting of the Section there had been considerable discussion of the general problem of improving training of psychologists working in the applied areas. One consequence was an aborted effort to establish a masters degree in clinical psychology at the University of Virginia. The principal outcome, however was the establishment of a special committee on training and standards.

For some years prior to this time, the statutes of Virginia had recognized "Approved Mental Examiners," who were authorized to serve on commissions for the determination of feeblemindedness. The only stated qualification was the ability to administer "the Binet Simon Test or other approved mental tests." The Superintendent of Mental Hygiene and Hospitals, feeling that he was unable to judge such competence, had made overtures to the psychologists of the State for their help in such evaluation. At the same time, in view of the increasing demand for mental health services both in the military and on the home front, it seemed appropriate that some basis for additional recognition and utilization of the profession be established by law. After some informal conversations, the committee on July 9, 1945 met at the University of Virginia with several other psychologists, for a discussion of standards to be proposed and of legislative strategies to be followed. Within a month the proposals were approved by the membership of the Section and discussions were under way with the Virginia Neuropsychiatric Society and the Mental Hygiene Association. The few clinicians working in state agencies fortunately had established favorable working relations with the psychiatrists, and as a result the medical profession provided far more help than hindrance in the legislative effort. For example, the new Commissioner was the principal spokesman at the hearings before the legislative committees. Senate Bill 237 was signed by Governor Tuck on March 26, 1946, the first legislation in the United States certifying clinical psychologists. The statute provided that the five-person Examining Board be appointed by the Executive Committee of the Section of Psychology of the Virginia Academy of Science—and that point alone made the establishment of an independent psychological organization inevitable.

The first meeting of the Board (unofficial, since it preceded the effective date of the legislation by six weeks) was held on May 9, 1948 at the John Marshall Hotel in Richmond. There being until 1948 no agency in the state government to support the machinery of certification, the Board established its own operating procedures, including a $10 examination fee (later ruled by the Attorney General to be illegal, necessitating the first amendment, in 1950). The initial examinations were conducted in January 1937, and by 1950 a total of five certificates by examination, in addition to those given by grandfathering the Approved Mental Examiners, had been awarded. Against the Total income of $50, operating expenses in the amount of $22.67 were charged.

THE NEED FOR A NEW ORGANIZATION

The principal force leading to the establishment of an autonomous organization of psychologists was the restriction placed upon the Psychology Section by virtue of its position within the Virginia Academy of Science. It is true that the Section for several years was able to ignore the restrictions theoretically placed on it by the parent body. At the time of its affiliation with APA, a constitution providing restricted membership and an independent dues structure was adopted. A number of professional activities were undertaken. The Section Newsletter and Directory dated from 1943. Legislation for the licensing of clinical psychologists was prepared in 1949, and a sponsor was obtained for its presentation to the House of Delegates. While lack of coordination with the Medical Society and Neuropsychiatric Society might be blamed for this bill's withdrawal from the 1950 Legislature, it was not so much political impotence but the Legislative Committee's judgment that licensure at that time would hamper the development of psychology, which led to the legislative quiescence in the years immediately following. And yet an ultimate showdown between the Academy and the Section seemed inescapable. The complete absence of qualifications for voting membership, imposed by the Academy, seemed to be incompatible with APA affiliation and posed at least a theoretical danger to the proper choice of Examining Board members. As a last attempt at compromise, a draft constitution prepared during the winter of 1955–56 by a special committee, referring to a "Virginia Psychological Association," for consideration to the Academy officers (specifically to a committee of one, Sidney Negus), it was rejected unequivocally as contrary to the Academy's principle of open membership. Dr. Negus advised forming a completely independent organization, although he expressed the hope that the Section, by now about one hundred strong, would continue as a vigorous component of the Academy.

PART II

INCEPTION OF VPA, AND THE FIRST DECADE

Under these circumstances, those present at the May 11, 1956 business meeting of the Section could only adjourn and reconvene as individuals to found the Virginia Psychological Association and to elect the first slate of officers. Recognizing the desirability of interaction between research-oriented academicians and practitioners, reflected in the statutory emphasis on experimental and physiological psychology and statistics as basic in the training of clinicians, it was agreed that the annual meeting would be held conjointly with VAS Psychology Section's.

Appropriately enough, at the May 1957 meeting a symposium on the functions of state organizations attempted to suggest ways of dividing the scientific, educational, and professional responsibilities between the two bodies. One decision, amicably made, transferred the affiliation with APA's Council of State Psychological Associations to VPA. A fall meeting of VPA was added, to facilitate catching-up on the backlog of professional concerns. The process of incorporation was begun, and an expanded series of Newsletters was launched. The proposals for licensing legislation were resuscitated, with the principal uncertainty relating to the desirability of two-level control.

The new organization learned, however, that independence and a changed name did not guarantee prompt success in the halls of the Capitol. While as early as the spring of 1957 the Legislative Committee agreed that general licensing was desirable, they believed that there was too little time prior to the 1958 biennial General Assembly to mount a successful campaign. Therefore postponement to 1960 was agreed upon. Through an unlucky combination of circumstances, the chairmanship of the committee changed three times in as many years, and the impetus seemed to be lost. Finally, in January 1962, Senate Bill 82 was introduced. Opposition from psychiatry, sociology, and psychology submasters—some expected and some unexpected—was sufficient to kill it in committee. Assurances were given that the constructive action of referral to the Virginia Advisory Legislative Council for study would be forthcoming, but in the last-day rush in the House the bill was overlooked, reportedly through clerical error. Hence another two-year delay.

In September 1963, a proposal which had been prepared by the Department of Professional and Occupational Regulation at the request of the Virginia Examining Board for Clinical Psychologists was discussed with the VPA Legislative Committee, and the services of the Department were offered for the final drafting. In response to queries concerning the possible reaction by the Virginia Neuropsychiatric Society, it was learned by the president of VPA in October that the Society had, six months before, resolved to ask the Virginia Board of Medical Examiners to develop methods for licensing clinical psychologists. By now the Medical Board had framed such legislation, and its Secretary notified the VPA Legislative Committee that the Medical Board could not support the VPA Legislation. As might have been expected, a stand-off resulted in the 1964 General Assembly, and the issue was assigned to the VALC for examination during 1965.

The bill reported to the 1966 General Assembly as the result of the VALC study was a compromise. A clinical psychologist was to be added to the Medical Board, the license as psychologist was to be issued by the Virginia Board of Psychologists Examiners, and the license as clinical psychologist was to be issued by the Medical Board upon recommendation by the Board of Psychologists Examiners. The last provision aroused initial VPA opposition, but with deletion of the proposed prerogative of the Medical Board to define clinical psychology, it was felt that on balance the whole package could be supported. Title 54, Chapter 5.1 of the Code of Virginia became effective July 1, 1966, the culmination of seventeen years of effort by the psychologists of the State.

Politics was not the sole preoccupation of the fledgling association, however. Stimulating meeting programs were arranged, with the emphasis upon topics of mutual interest to research psychologists and practitioners. A sampling from the early years includes "Psychological Research in Virginia, Recent and Projected" and "The Improvement of Teaching" (1958); "The Graduate Training of Psychologists" and "The Implications of the National Defense Education Act for Psychologists" (1959); "Recent Research on Gradients of Generalization" (1960); "Experimental Analysis of Behavior of Chronic Psychotics" and "Recent Developments in Physiological Psychology with Implications for Control of Behavior" (1961); "The Concept of Drive", "Implications of the Joint Commission Report for Psychology", and "Applying Psychology to Space" (1962). Financial support was given the Careers Committee of the Virginia Council on Health and Medical Care, as it had been by the VAS. The Committee on Education and Training sought ways of upgrading psychological training, especially at the graduate level. The Committee on Ethics and Welfare cooperated with APA and with the Board of Psychologists Examiners in maintaining high ethical standards in the State. And the Membership Committee engaged in the perennial task of making the Association more broadly representative of psychology in the State.

LEGISLATION IN THE SEVENTIES

The first odd-year session of the General Assembly, 1973, was marked by three pieces of legislation affecting psychology in Virginia. The first, freedom-of-choice for health insurance policy-holders, was instigated by VPA. As more and more policies were written to include mental health coverage, it is not surprising that psychologists (as well as enlightened members of the public) felt that the profession should be granted independent status in this matter. The national move was reflected in Virginia. While some insurance carriers recognized the autonomy of properly qualified psychological practitioners, the Blue Cross-Blue Shield group was resistant.

The American Psychological Association, through its Committee on Health Insurance, and the offshoot Council for the Advancement of the Psychological Professions and Sciences, led the push at the national level. In Virginia, there was briefly in 1972 reason to believe that the Blues would grant payment for the rendering of psychological services without the prescription and supervision of a physician—at least by licensed clinical psychologists and perhaps also by licensed psychologists processing the equivalent internship experience. The Examining Board, in cooperation with the VPA's ad hoc Insurance Committee collected a self-listing of various psychological specialties among the licensees, emphasizing adherence to the profession's Code of Ethics as the basic criterion and suggesting the one-year internship or equivalent as an objective criterion to guide the would-be practitioner. The cooperation of the State Blues, however, broke down at the physician-dominated governance level. It was deemed appropriate, then, to accomplish the same end by legislation. After a whirlwind campaign of lobbying (in cooperation with the opticians and optometrists), House Bill 1412 was approved on March 19, 1973, presumably giving properly licensed psychologists the independence sought.

A second piece of legislation approved, the brain-child of psychiatrists, gives to the physician the prerogative of delegating to his technical helpers the performance of those services which he is not qualified to supply. This was in response to the Examining Board's insistence that the administration of certain psychological tests required either the license or the supervision by a psychologist licensee, and that nothing in the Code of Virginia permitted a psychiatrist to void this requirement.

The third legislative effort directed at psychology, failed, but had far-reaching consequents. Its background extended to the first months of the 1966 legislation, revolving around the Examining Board's difficulty in judging degrees in education, guidance, and-or personnel counseling to fulfill the requirement for "psychological" training. A 1966 applicant for licensure, holding a Masters degree with emphasis on guidance and personnel work, was denied a grandfathered license. He most vigorously and persistently protested this action with at least one informal and two formal hearings before the Board, and petitions to the Courts for relief. Failing in those efforts, he was able in the succeeding sessions of the Legislature to have bills introduced that would in effect exempt him and those of like qualifications from the restrictions in practice.

The bill introduced in 1973 (Senate Bill 804) would have, in the view of the Examining Board and many other psychologists, greatly reduced the protection of the public from unqualified practitioners. In spite of vehement protestations by the Board and VPA, the bill passed the Senate, and failed in the lower chamber only by virtue of a tie vote in Committee. The legislators made it abundantly clear that unless a bill was forthcoming in the next session, which would increase the number of persons permitted to render regulated service to the public, such an alternative as the rejected proposal would undoubtedly be adopted. For the first time, it appeared, the burden of formulating legislation was placed on the Examining Board, in addition to its responsibility of interpreting existing legislation.

The Examining Board expressed its desire to VPA that input from the broadest segment of psychologists in the State be received. In response, an ad hoc committee was formed, including representatives of the Virginia Association of School Psychologists. The committee members met with the Board, among themselves, and with the two associations during their May 1973 meeting. Simultaneously. VPA constituted an ad hoc committee on generic licensing, in an effort to eliminate the involvement of the Medical Board in the licensing procedure. The Examining Board received the consensus of these committees during May 1973. It was made clear at all times, however, that since it was upon the Board that the Legislature had placed the responsibility, the final decision as to the details of the amendments to be forwarded to the Capitol in the Board's name would necessarily be the Board's. The Board met on July 24, 1973 with representatives of the two associations, for discussion of the various proposals.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 6, 1979, may be found in the Daily Digest of today's Record.

MEETINGS SCHEDULED

SEPTEMBER 7

9:30 a.m.

Commerce, Science, and Transportation

To continue hearings to examine the economic regulation of the trucking industry focusing on the effects of State and Federal regulations on fuel consumption.

235 Russell Building

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To continue joint hearings on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to resume mark up of S. 932 (as passed the House), to extend through September 30, 1981, provisions of the Defense Production Act, and to begin consideration of pending nominations for the Board of Directors of the National Consumer Cooperative Bank.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 1492, 1286 and 839, to provide for the maintenance through financial assistance of the Milwaukee Railroad's freight-carrying capacity.

5110 Dirksen Building

Conferees

On S. 1030, to grant authority to the President to create an emergency program to conserve energy.

S–207, Capitol

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Joint Economic Committee

To hold hearings on the employment-unemployment situation for August.

1202 Dirksen Building

2:00 p.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

SEPTEMBER 10

9:30 a.m.

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 1654, to improve the Federal judicial machinery relating to international trade in the United States.

6226 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings to examine the alleged use and misuse of the drug benzodiazatine by the medical profession.

4232 Dirksen Building

10:00 a.m.

*Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Foreign Relations

To resume hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

2:00 p.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Select Committee on Ethics

To hold an open business meeting.

5226 Dirksen Building

SEPTEMBER 11

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.

235 Russell Building

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.

3110 Dirksen Building

Judiciary

Business meeting, to consider pending nominations and legislation.

2228 Dirksen Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Foreign Relations

To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S–116, Capitol

Judiciary

Criminal Justice Subcommittee

To hold oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.

5110 Dirksen Building

11:00 a.m.

Judiciary

To hold hearings on proposed revisions to the Criminal Code.

2228 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

SEPTEMBER 12

8:00 a.m.

Agriculture, Nutrition, and Forestry

Rural Development Subcommittee

To hold oversight hearings on rural health care programs.

322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1979.

235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to begin mark up of S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark., military reservation.

5110 Dirksen Building

Environment and Public Works

Business meeting on pending calendar business.

4200 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Foreign Relations

To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S–116, Capitol

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

Special on Aging

To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.

6226 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

SEPTEMBER 13

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.

235 Russell Building

10:00 a.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Judiciary

To resume hearings on proposed revisions to the Criminal Code.

2228 Dirksen Building

Judiciary

Criminal Justice Subcommittee

To resume oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.

5110 Dirksen Building

Special on Aging

To continue hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.

6226 Dirksen Building

2:00 p.m.

To continue hearings, in closed session, on the SALT II Treaty (Exec. Y., 96th Cong., 1st sess.).

S–116, Capitol

SEPTEMBER 14

9:00 a.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

10:00 a.m.

Foreign Relations

To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

SEPTEMBER 18

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee

To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

1202 Dirksen Building

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1486, to exempt family farms and nonhazardous small business from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

2:00 p.m.

Finance
Health Subcommittee

To hold hearings to review the administration and operation of the professional standards review program.

2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee

To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

6226 Dirksen Building

Labor and Human Resources

To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting on pending calendar business.

322 Russell Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1480, 1462, and 1463, bill to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

2:00 p.m.

Finance
Health Subcommittee

To continue hearings to review the administration and operation of the professional standards review program.

2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.

Governmental Affairs
Intergovernmental Relations

To resume oversight hearings on the scope of general revenue sharing programs.

3302 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 21

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 25

10:00 a.m.

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

SEPTEMBER 26

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 27

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee

To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee

To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

OCTOBER 1

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

OCTOBER 2

9:30 a.m.

*Veterans' Affairs

To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

457 Russell Building

OCTOBER 3

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

OCTOBER 4

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee

To hold hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

OCTOBER 5

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee

To continue hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

OCTOBER 9

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee

To resume hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

OCTOBER 10

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

OCTOBER 17

8:00 a.m.

Labor and Human Resources
Child and Human Development Subcommittee

To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.

4232 Dirksen Building

SENATE—*Thursday, September 6, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Our Father God, as we look inward at national concerns and outward at international problems give us grace and wisdom to look upward that we may discern Thy will for our Nation. Make us wise in all we ought to know, and strong in all that matters. Keep us alert in every emergency and ready for every test.

"Thy love divine hath led us in the past;
In this free land by Thee our lot is cast;
Be Thou our Ruler, Guardian, Guide and Stay.
Thy word our law, Thy paths our chosen way."

—DANIEL C. ROBERTS, 1876.

May Thy Spirit live within the President, the Vice President, the Members of Congress, and all who work with them for the welfare of our Nation, the peace of the world, and the upbuilding of Thy kingdom.

In the spirit of Christ we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 6, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished minority leader.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order this morning and I am prepared to reserve it, or yield it to the majority leader, or whatever.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Mr. President, he may wish to reserve his time. I have a little statement I will make on a matter that is, I suppose, not very controversial.

Mr. BAKER. Mr. President, judging that there is just an outside chance it might be controversial, I will, therefore, reserve my time.

SALT II AND RUSSIANS IN CUBA

Mr. ROBERT C. BYRD. Mr. President, my statement has to do with the Chrysler Corp. matter. But anent the current and ongoing discussions with reference to the Cuban situation, I think I should state for the RECORD that the administration will have adequate time to work out a resolution of the problem of the Soviet combat personnel in Cuba before the SALT Treaty is brought to the floor for debate.

CHRYSLER AID THROUGH AN EMPLOYEE-OWNED TRUST

Mr. ROBERT C. BYRD. Mr. President, on July 31, after experiencing a second quarter loss of $207 million, Chrysler Corp. formally approached the Treasury with a proposal for a $1 billion advance of future tax benefits. The company argued that without significant financial assistance from the Federal Government, it would be unable to make the capital investment necessary to meet competition and comply with federally imposed mileage and pollution regulations. By logical extension, Chrysler has alleged that without Federal financial help or waiver of Federal regulations, the company would be forced to wind down its operations or resort to bankruptcy proceedings.

Secretary Miller turned down the company's request for a tax advance but suggested that it rework the proposal in the form of a loan guarantee ranging from $500 to $750 million. Although he made no commitment, his suggestion of an alternative approach indicates that the Congress may be asked to consider some form of governmental assistance for Chrysler. A number of questions present themselves as a framework for considering any Federal assistance to the company:

First. Has the company exhausted every conceivable form of self-help and private sector initiative so as to avoid receivership or liquidation without Federal help?

Second. If, after exhausting all self-help possibilities, bankruptcy is likely without Federal help, what would be its impact on employment, competition, credit and equity markets, and the general economy?

Third. What would bankruptcy cost the Federal Treasury in terms of lost tax revenue, increased social costs, and most significantly, obligations of the Pension Benefit Guarantee Corporation to fund the guaranteed vested benefits of Chrysler's pension funds

Fourth. What are the philosophical issues raised by asking the taxpayer to rescue a large, privately owned company? In this context, might an approach which would funnel a Government guarantee through an employee-owned trust fund resolve some of the philosophical problems inherent in public assistance to a private firm?

PRIVATE SECTOR SELF-HELP

According to press reports, Chrysler has made some substantial strides in raising capital through the sale of nonessential assets.

Its financing subsidiary has sold $730 million in receivables; it has sold its real estate subsidiary for $200 million and a $70 million reduction in debt; and it has been successful in reducing its enormous inventory of $700 million (80,000) cars to about half. Its recently announced $400 rebate plan appears to be meeting with success.

However, these successes invite further challenges. The company owns 15 percent of Peugeot-Citroen and 15 percent of Mitsubishi. Is the sale of these assets practicable? Are there other assets which the company can liquidate? Are suppliers doing everything possible to extend payment terms? Can the company engineer manufacture and market a car or a line of cars which will reverse its plummet from a 16-percent share of the domestic auto market in 1970 to its current 9 percent? These are questions for which we need answers.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

BANKRUPTCY

It is still unclear whether the company will face bankruptcy without Federal assistance. But if that case is made convincingly, Congress must then attempt to evaluate the economic impact of bankruptcy of our third largest car maker.

Bankruptcy is generally triggered when creditors refuse to continue extension of credit. It usually takes the form of reorganization of a company's obligations or liquidation of its assets under a court ordered receiver. Reorganization is a much more likely avenue than liquidation in Chrysler's case. While there is no question that reorganization would involve some paring down, it is unclear how protracted or severe the impact of reorganization under bankruptcy would be. If a formal request for aid is made, hopefully Congress will address this question in depth.

COST TO THE GOVERNMENT—PENSION PLANS OBLIGATIONS

Besides estimating the impact of a Chrysler bankruptcy on Federal tax revenues and social service costs, Congress must also face the possibility that the Government, through the Pension Benefit Guarantee Corporation—PBGC—could lose up to three-quarters of a billion dollars.

In the worst case scenario, should Chrysler's pension funds terminate, the PBGC would be required to fund the unfunded pension benefits owed to Chrysler's workers.

Created by the Employee Retirement Income Security Act, the PBGC guarantees against shortfalls between pension plan assets and their liability for guaranteed vested benefits.

According to PBGC estimates, Chrysler's major pension plans have a shortfall of approximately $940 million. The insufficiency is not a problem as long as the plans continue to be funded by Chrysler and the large majority of plan beneficiaries continue working. The problem arises if the plans are terminated—which is a possibility if the company is forced into bankruptcy.

Chrysler's funds are not now fully funded, because the company anticipates, like the social security system anticipates, that people will "retire" over time, not all at once. Termination of the plans effectively grants all the workers their retirement benefits simultaneously.

The Federal Government does have the ability to step in as a senior creditor if it is forced to fund the plans' insufficiency. However, its priority over other creditors is limited to 30 percent of the company's net worth. The company's stock is trading at such a low level that the Government could probably recover only about $200 million under this priority formula. This would leave the Pension Benefit Guarantee Corporation with a $740 million obligation.

The enormous level of the PBGC potential shortfall is largely due to a quirk in the legislative history of ERISA. If net worth were based on book value, the PBGC would enjoy a comfortable margin of the company's assets from which to recover. But the Finance Committee's report on ERISA specifically states that net worth is to be determined by market value. Because of this definition, the Federal Government, through the PBGC, in the worst of all worlds, could lose up to three-quarters of a billion dollars.

EMPLOYEE TRUST FUND APPROACH

Chrysler's request has stimulated debate over the principle of Government aid to a large private firm. But this debate cannot exist in a vacuum. It must consider the cost of not helping as well as the form which the assistance takes.

Instead of a Government guarantee which is issued to Chrysler, I suggest that consideration be given to an employee trust, which would receive the benefit of the Federal guarantee. With the guarantee, the fund could go to the private markets and borrow money with a payback schedule consistent with Chrysler's needs. The fund could then lend the money to Chrysler with repayment terms similar to its borrowing from the public, with these two exceptions.

First, it would charge Chrysler a rate of interest higher than the rate it pays, since the Federal guarantee will allow it to borrow at a subsidized interest rate. The "spread" or profit that the trust earns on the interest rates would be passed on to the Federal Government as a fee for the use of the full faith and credit of the Government.

Second, the trust would lend to Chrysler through a debt instrument which could be converted into stock at the trust's option; for example, convertible debentures. The price at which the debt could be converted to stock would be the price at which the stock is trading on the date of any formal proposal.

If the company does turn around, the stock price will climb. In that case, the trust would convert its debentures into stock at the conversion price. It would sell enough stock at the higher prevailing price to repay its debt obligations, and still end up with a handsome block of Chrysler's stock which it could then sell, hold, or distribute directly to the workers.

The incentive to the workers to moderate pay increases in order to save their jobs exists already. This plan would offer a tangible financial reward to make the sacrifices necessary to keep their company a major competitive force in the domestic auto market.

If the company fails to rebound and continues to limp along, the funds will repay its creditors overtime with the payments it receives from Chrysler. The workers do not lose or gain anything. The Government will still collect its fee.

If the company defaults, the Government will honor its guarantee. Again, this plan would cost the workers nothing and the Government would be in the same situation it would have been in if it had offered the guarantee directly to the company.

I would like to emphasize again that we have not received enough information to reach a verdict on what role, if any, the Government should play in assisting Chrysler. Until the questions which I have raised today can be addressed, I shall reserve my final judgment. With that caveat, I hope that as the debate on Chrysler unfolds, serious consideration be given to the program of worker incentive which I have outlined.

Mr. President, I am ready to yield back my time, or reserve it, whichever.

Mr. BAKER. Mr. President, I might say a word on this subject, and the majority leader, I think, probably will not find it too controversial, but he may wish to reserve his time in that event.

Mr. President, I am sure no one will be put off by the mention of politics in this Chamber. Therefore, no one will be embarrassed when I say that I spent the month of August traveling about the country on a political adventure. To be exact, I covered 25 States in 28 days talking to Republicans and mentioning from time to time the possibility of the Republican Presidential nomination in 1980.

With that by way of preface to a brief remark about the distinguished majority leader's statement on Chrysler, I admit to some surprise that in the dozens, probably hundreds of meetings I attended in which questions were put by the audience, that one of the most often-asked questions was my possible attitude on Chrysler.

I had not assumed that issue had reached such proportions in the country; but based on that experience, I judge it had.

It is a matter of extreme interest to a great number of people. I am not prepared at the moment to say what the consensus of opinion is. I am prepared to report that it has already become an issue of great importance to at least the people I talked to.

My reply, Mr. President, was, "Frankly, I haven't made up my mind about Chrysler yet."

I talked to Mr. Riccardo, the chairman of the board of Chrysler, and told him at the time I was really not greatly attracted to the idea of creating an advance tax credit just by Treasury payment of $1 billion over 2 years, but that I would hope they would proceed with other suggestions and ideas.

I applaud the statement by Secretary of the Treasury Miller. I would add to the situation only these suggestions and recommendations, for whatever they are worth.

The first thing I want to insure is whether Chrysler can be saved. I do not want to see money poured down a rat hole. I hope Chrysler can be saved, but I want to see a detailed and careful analysis of their present situation and what might result from any sort of effort, whether a loan guarantee or a provision of chapter 11 of the Bankruptcy Act, or whatever.

I want to be reassured before we take any action that Chrysler can make it.

Second, I want to make sure that everything is done within the scope of propriety within the Chrysler organization. That includes both management and the employees of Chrysler, including the employees' pension trust.

Third, I want to examine not only what effect any sort of Federal action for Chrysler might have on Chrysler but also what effect it might have on the other automobile companies that make up the industry in this country and those which import automobiles into the United States. What will it do to the competitive nature of the auto industry in the United States?

Last, Mr. President, how can we do this without doing grave injury and jeopardy to the free enterprise and free market system, if in fact we do elect to find some sort of relief for Chrysler?

So it is a complex matter, one on which I have sought advice from distinguished bankers and security analysts and representatives and dealers in New York and others around the country.

It is a subject on which I have not made up my mind. I am pleased that the majority leader has brought this subject to our attention this morning.

I might say, parenthetically, that this is the second day of the resumption of our deliberations after the August break, and the second morning on which I have responded to his statements, and I do not intend to make this a miniforum of national issues. But I think this is one issue that deserves special attention, not only because of its importance but also, as I said earlier, because I have found that it is of concern to a great number of people.

I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

DOROTHY BURNS

Mr. BAKER. Mr. President, it has been almost 30 years since Dorothy Burns first entered the service of the Republican membership of the Senate.

Since May of 1950, serving first under Minority Secretary Mark Trice and then with his successor Bill Hildenbrand, Dorothy Burns has been the calm in the midst of many a legislative storm, a steady rock amid the changing tides of political fortune.

For three decades, she has made an important contribution to keeping the Republican membership well organized, well informed, and well equipped to deal with issues as current as those on today's legislative calendar and as historical as the Korean war.

Now, having amassed more seniority here than any Republican Senator except Milton Young, having worked in 15 Congresses and under 7 Presidents, Dorothy Burns is about to retire.

It is a sad thing to see someone with so much experience, with such a sweeping view of the history of this institution, leave the place that has been her professional home for so long. Such things are inevitable, I suppose, but that does not make the prospect of losing a Dorothy Burns any more pleasant.

I have enjoyed my association with her as Republican leader, just as four of my predecessors in this office enjoyed that same association.

I know my colleagues on both sides of the aisle, and especially my fellow Republicans, will join me in thanking Dorothy for almost 40 years of loyal service to her country—including her previous service in the executive branch—and in wishing her good health and much happiness in her new life.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to Mr. Bradley, on my side.

Mr. BAKER. Mr. President, I yield the remainder of my time to the Senator from New York, on my side.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) is recognized for not to exceed 15 minutes, and then the Senator from New York (Mr. Javits) is scheduled to speak.

Mr. JAVITS. We are ready now.

Mr. ROBERT C. BYRD. Mr. President, the time that the minority leader and I have yielded to Mr. Bradley and Mr. Javits is yielded with the intention that they be recognized at this time, if the Chair so pleases.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. JAVITS. Mr. President, I ask unanimous consent that our special order for this morning be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON THE STUDY MISSION TO THE OECD

Mr. JAVITS. Mr. President, on behalf of Senator Bradley and myself, I present to the Senate a report on a study mission to the OECD in Paris that we undertook on July 2 and 3, 1979. We were accompanied on this trip by Representative Wyche Fowler of the House Ways and Means Committee.

The purpose of our trip was to have an exchange of views with Ambassador Herbert Salzman and senior members of the U.S. Mission to the OECD and OECD Secretary-General Emile van Lennep and his senior staff on the major issues facing the international economy.

The United States is indeed fortunate in having such a distinguished and highly competent diplomat as Herbert Salzman as our Ambassador to the OECD. Both he and his very knowledgeable staff not only thoroughly briefed us but also demonstrated to us their close working relationship with the OECD Secretariat which insures strong U.S. influence in this international organization.

I believe that Senators will be interested in the views of Secretary-General van Lennep and the OECD economists with whom we talked, for they are among the very best that can be found in the international economic organizations. Mr. van Lennep conducted meetings forcefully and imparted a strong understanding of the critical nature of the issues the international system faces.

I would like to draw the attention of my colleagues to the recommendations section of our report and particularly to our recommendation that Senate and House members of committees concerned with international economic and monetary problems should avail themselves of the high degree of expertise found in the OECD Secretariat through regular briefing sessions similar to the one we recently undertook. Consideration should be given by the leadership to making such briefing sessions official missions for representatives of such committees, as these sessions provide very keen insight and innovative approaches to many of the international economic issues that will continue to face us for a long time.

Mr. President, I ask unanimous consent that the report be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Report on Study Mission to the Organization for Economic Cooperation and Development (OECD)

I. Introduction

The purpose of the study mission to the OECD was to have an exchange of views with Ambassador Herbert Salzman and senior members of the US Mission to the OECD and OECD Secretary-General Emile van Lennep and his senior staff on the major issues facing the international economy.

The idea for such a mission arose at a meeting in March in Washington between Senators Javits and Bradley, Secretary-General van Lennep, and US Ambassador to the OECD Herbert Salzman at which Mr. van Lennep indicated the OECD's ongoing interest in having such exchanges of views with Parliamentary delegations from member governments to make the OECD more useful to the member countries. Senators Javits and Bradley welcomed the opportunity to hold such a meeting and underlined the importance such a meeting could have in improving the understanding in the Congress of the OECD and its functions.

As a result of this initial meeting, Senators Javits and Bradley, joined by Congressman Wyche Fowler from the House Ways and Means Committee, participated in two days of discussions in Paris. They were accompanied by Jacques Gorlin, Special Assistant to Senator Javits for Economic Affairs.

The OECD plays an important role in international economic organizations. It has had a long history of providing an important forum for international economic decision-making. Its membership is restricted to the industrialized democracies, and its value can be found in the organizational flexibility that permits a whole range of economic issues to be covered and analyzed in its forums.

It is especially important in serving as the locus for economic policy coordination among the industrialized countries and provides the United States with a unique institution in which to advance and develop appropriate objectives and the means to attain them for the international economy.

The OECD is the successor of the Organization for European Economic Cooperation (OEEC), which was established in 1948 to administer Marshall Plan aid and the cooperative effort for European recovery from the economic devastation of World War II. As the 1950's drew to a close, it became increasingly obvious that changed economic conditions throughout the world called for new arrangements. The US and Canada joined with the countries of Western Europe to establish the OECD on September 30, 1961.

The Organization's objective is to promote policies designed to:

Achieve the highest sustainable economic growth and employment, while maintaining financial stability;

Contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and

Contribute to the expansion of world trade on a multilateral, non-discriminatory basis.

The twenty founding members were later joined by Japan (1963), Finland (1968), Australia (1971), and New Zealand (1973) as full members of the Organization. Yugoslavia has been associated with, and the Commission of the European Communities has participated in the work of, the Organization since it was founded. (See attachment for a complete list of members and constituent groups of the OECD.)

Throughout the 1960's the principal value of the OECD to the US lay in the opportunity it provided for structured discussion among policy makers from member countries on current economic issues. The Organization was also used to address selected policy issues: qualitative and quantitative upgrading of official foreign assistance programs, the world food problem, regulatory approaches to ocean freight conferences, the liberalization of current and capital account transactions, and the avoidance of double taxation.

In the early 1970's, however, the fundamental character of the OECD and its value as an instrument of US and other industrialized nation foreign economic policy began to change. The breakdown of the Bretton Woods monetary system, the synchronized expansion and recession in the major OECD countries, unacceptably high rates of inflation, the oil embargo and the subsequent quintupling of the price of imported oil, and the increasing economic focus, political coherence, and militancy of the developing countries caused the US and others to turn to the OECD as the forum in which to seek solutions to these interrelated problems.

II. BRIEFING BY US MISSION

The two-day session began with a briefing for the delegation given by Ambassador Salzman and his senior staff at the US Mission on US interests in the OECD. Ambassador Salzman stressed that the OECD does not disburse funds, like the World Bank or other regional banks, nor does it assist in the functioning of the international monetary system, like the IMF; neither does the OECD have any sovereignty, like the European Economic Community. Rather, the OECD provides a valuable forum in which the process of international cooperation among the industrialized countries can unfold. Furthermore, the OECD provides both a place and an opportunity for the industrialized countries to caucus and work out their collective position visa-vis the developing countries on North/South developmental issues in preparation for UN meetings, such as UNCTAD. The OECD also provides a forum for the exchange of information on such diverse issues as East-West trade, developmental assistance, steel issues, environmental concerns, drug control, tourism, women's affairs and the negotiation of codes on the transfer of technology, foreign investment and on the behavior of multinational corporations.

The OECD also provides the industrialized countries with a highly skilled and motivated Secretariat which undertakes coordination and preparation for such high-level international meetings as the annual big power Economic Summits.

The annual Ministerial meeting of the OECD provides the member governments with an opportunity to review all economic issues in an interrelated context and to provide guidance to the member governments on economic policy for the coming year. Quite often, as this year's Communique, which is appended, demonstrates, the OECD Ministerial provides individual governments with the international impetus they require to take politically difficult courses of action.

In addition, Ambassador Salzman stressed the important role that the OECD and Secretary-General van Lennep have played in dealing with such adhoc issues as the recent consortium to provide increased capital transfers to Turkey. Another important function of the OECD is its relationship with the international business and labor communities through the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC).

Following Ambassador Salzman's overview presentation, the Mission staff briefed the delegation on the OECD's role in international energy cooperation. The main body within the OECD is the International Energy Agency (IEA), which is composed of all OECD members with the exception of France, Iceland, Finland, and Portugal.

The IEA was created within the OECD framework in 1974 to serve as the focal point for consumer country cooperation. As explained by the Mission staff energy specialist, the IEA has agreed upon measures for emergency sharing of supplies in case of a future embargo, has a significant and growing research and development program for alternative energy sources, and has agreed upon a collective IEA-wide oil import objective of 26 million barrels a day in 1985—a 5 percent reduction from projected oil imports for 1979—as well as principles for reduced dependence on imported oil. The IEA conducts annual reviews of members' policies and progress towards achieving reduced dependence objectives. The OECD/IEA will have a key role in the follow up to the energy commitments made at the Toyko Economic Summit.

The US joined the Nuclear Energy Agency (NEA), which is the nuclear energy entity within the OECD framework, on October 1, 1976. The NEA is principally concerned with the nuclear fuel cycle and health and safety problems. Both the IEA and NEA are participating in the International Nuclear Fuel Cycle Evaluation (INFCE).

The delegation was particularly interested in the OECD Economic Policy Committee, chaired by US Council of Economic Advisors Chairman Schultze. Three times a year, the Committee, which brings together leading economic experts from the member countries, meets to make economic projections and provide recommendations for macroeconomic demand management, that is, recommendations on how monetary and fiscal policies can be used to bring supply and demand into balance based on full employment policies.

In this regard, the delegation agreed with the OECD assessment that present international economic conditions no longer permit the resolution of economic problems solely through demand management; that is, full employment can no longer be attained solely through traditional fiscal and monetary policies. Ambassador Salzman informed the delegation that, as a result of this perception, the OECD experts in the Economic Policy Committee have turned their attention to the supply side of the economic equation with a resultant transition from policies stressing demand management to those stressing the positive adjustment of the individual economies to the new realities and structure of the world economy. To aid the individual member governments to adopt suitable economic policies, the OECD has focused its efforts in recent years on the effect of various forms of governmental intervention in impairing the flexibility to adjust to changed conditions of the free market systems that generally characterize member country economies. The OECD has begun to apply cost-benefit analyses to the various domestic economic policies in the hope of improving productivity. Ambassador Salzman indicated that the "transparency" resulting from such OECD analyses helped member governments to choose among various policies by identifying—and, in some cases, quantifying—the costs of various national subsidies and interventions in the free markets.

III. PLENARY SESSIONS WITH OECD OFFICIALS

The delegation held two lengthy sessions with OECD officials. Representing the OECD Secretariat at these sessions were: Secretary-General van Lennep; Mr. Charles Wootton, Deputy Secretary-General; Mr. Gerard Eldin, Deputy Secretary-General; Dr. Ulf Lantzke, Executive Director, International Energy Agency; Mr. J. Wallace Hopkins, Jr., Assistant Executive Director, International Energy Agency; Mr. Stephen Marris, Economic Counselor to the OECD Secretariat; Mr. Plesse, Deputy to Mr. Marris; Mr. John D. Fay, Chief, Economic and Statistics Department, OECD; Mr. John Lewis, Chairman, OECD Development Assistance Committee (DAC); Mr. Fuhrer, Member, DAC Directorate; Mr. Gian Luigi Valenza, Special Counselor to the OECD Secretariat; and Mr. Kobayashi, Special Counselor to the OECD Secretariat.

In addition, the following members of the US Mission attended: Ambassador Herbert Salzman, Permanent Representative; Mr. Ralph Korp, Minister-Counselor for Economic and Financial Affairs; and Mr. Paul Stahnke, Counselor for Economic and Social Affairs.

Turning to the question of membership, the OECD officials stressed that, while the OECD has no intention of expanding its membership beyond the industrialized countries, it was quickly developing a functional involvement with non-members. The Secretariat cited the representation of individual OPEC donor countries on the Developmental Assistance Committee, which coordinates the actions of donor countries in providing official foreign assistance to the developing countries. The OECD has also invited some of the Newly Industrialized Countries (NICs) with significant steel production capacities to sit on the OECD Steel Committee. Also, individual NICs are invited to meet with the OECD to discuss matters of mutual concern in the area of trade-in manufactured goods. The delegation was able to clarify that these contracts were for the purposes of exchanging information and were not directed at any market allocation schemes.

With respect to East-West relations, the delegation sensed a certain reluctance on the part of certain member countries to deal with the Eastern bloc multilaterally through the OECD and a continued preference to deal bilaterally with the East.

The plenary sessions focused on the impact of energy developments on the future economic performance of the member governments, the international macroeconomic situation, and North/South and other developmental issues. The discussions were particularly timely in light of both the OPEC Ministerial meeting held the week before in Geneva at which the Cartel had announced a significant increase in the price of oil and the Tokyo Summit, which concluded with an agreement on international energy cooperation.

A. General discussion

Before launching into a substantive discussion on the economic issues, Secretary-General van Lennep provided a brief description of how the OECD operates. The Secretary-General indicated that the OECD is a homogenous organization that operates under a unanimity rule, which has instilled in the member governments a sense of responsibility for arriving at collective decisions. In fact, the Secretary-General views the OECD, by institutionalizing strengthened consultative procedures, as a model for other international organizations. The delegation was struck by the critical role of the US in the OECD and that, without US leadership in undertaking policy initiatives, the OECD would not be seized with the critical issues facing the international economy.

The homogeneity of membership does provide added strength to the OECD in following through on the US initiatives. Secretary-General van Lennep indicated that, since all the countries were democracies and followed "market economy" principles, the OECD was able to gear its analytical work to those economic issues which were of mutual concern to the member governments. The delegation notes that, in those areas in which a consensus has developed among member governments on policy direction, the OECD has been able to assume a leadership role in recommending policies. This has occurred in the area of science policy, where a consensus has developed on the need for policies that support innovation and R&D. In areas such as trade, monetary policy, and North/South relations, however, a consensus has not yet emerged among member countries; and, as a result, the OECD has more of an informational and consultative role than a policy direction role.

The delegation was particularly interested in the change in the OECD's research focus away from the short-term towards increased concentration on analyses of the long-term processes in such areas as energy, macroeconomics, and developmental issues. In this regard, the OECD is particularly suited to providing analyses on the relationship among functional issues and their implications for economic policy. As one member of the Secretariat indicated, the strength of the OECD is in its ability to interrelate work in different sectors of the national economies and especially in relating sectoral (i.e. manufacturing, agriculture, services, etc.) analyses to the larger economic issues. The delegation has reviewed a number of these inter-sectoral analyses undertaken by OECD economists and recommends them highly as important contributions to broader economic understanding. The delegation expressed its concern to the OECD officials that there was too little awareness, especially in the US Congress, of the valuable contributions the OECD is making. In response, the Secretary-General indicated that the OECD seeks to avoid institutional publicity in order not to antagonize certain member countries. The delegation is concerned that the lack of institutional identification that is reflected in this "low profile" approach could lead to a loss in the support for the OECD among member Parliaments.

B. The international energy situation

Dr. Lantzke, Executive Director of the International Energy Agency, briefed the delegation on the role of the IEA in coordinating international energy policy. Dr. Lantzke, while not minimizing the short-term energy problem facing the consuming countries, indicated that the real problem facing the consuming countries was in the long-term. The IEA projection of a short-term (1979–1980) shortfall of two million barrels of oil a day can be dealth with through artificial demand constraints. In the medium-term, through 1983–1984, the IEA sees a tight balance due to a slowdown in worldwide economic activity. Dr. Lantzke warned, however, that in this period any one producing country could cause major difficulties for the system and that the consuming countries should be prepared for sudden short-term problems due to possible supply disruption.

The delegation was also briefed on the mathematical model used by the IEA to forecast the energy situation through the year 2000. Under the best of circumstances (average economic growth of 3.4 percent per year; energy/GDP ratio of .8 and with Saudi Arabia producing 15 million barrels of petroleum per day), the IEA still projects a potential shortfall of 4 million barrels per day by 1985 and 20 million barrels per day by the year 2000.

The delegation concluded from Dr. Lantzke's briefing that the real energy problem facing the member countries was not the identification of required policies to meet these projected shortfalls but rather the willingness of member governments to implement the policies on a national level.

For example, Dr. Lantzke, while stressing the medium-term need of more effort in the energy/GDP ratio and the longer term need to accelerate coal, nuclear, and gas energy utilization, stressed the immediate political problems that the IEA has had with member countries. For example, the IEA has had great difficulty in convincing the Japanese to negotiate with their utilities to plan for the use of coal; the US to move away from artificially low energy prices; and, finally, both the Germans and the US to replace imports of heavy crude oil with coal imports. The delegation supports these efforts of the IEA to develop rational energy policies among its member governments.

The delegation questioned the IEA Secretariat officials about the possible political effects the energy problem might have on Western cohesiveness and the ability of the consuming countries to present a unified front against the OPEC cartel. France's unwillingess to join the IEA was cited by the delegation as a case in point. Dr. Lantzke expressed his concern that energy differences could break up the Western alliance and stressed the analytical and informational functions of the IEA, which could be used to avoid such devisiveness. Dr. Lantzke added that, since France's overall energy policies were in harmony with those of the other IEA countries, its non-membership did not pose a problem to IEA operations.

In a later meeting with US Ambassador to France Arthur Hartman, the delegation discussed the effect of France's absence from the IEA on the collective energy decisions taken it the Tokyo Economic Summit. The delegation stressed the importance of finding some method of bringing France into closer collaboration with the other countries within the IEA context. The delegation felt the IEA, as an international institution, should not be weakened.

With respect to alternate sources of energy, IEA officials took exception to the delegation's view about the potential for commercial use of solar energy. Dr. Lantzke indicated that IEA experts do not believe that the state of solar energy technology will make solar energy commercially viable through the end of the century. Dr. Lantzke agreed that investment must be funneled into the supply side of the energy equation in replacing, for example, heavy crude with coal sources in the European refining structure and in undertaking programs for demonstration plants for synthetic fuels. The delegation emphasized, however, that conservation measures were as important as increasing energy supply.

C. International Macroeconomic Situation

John Fay, Chief of the Economic and Statistical Department, provided the delegation with the OECD assessment of the international macroeconomic situation. As background, Fay indicated that, until three years ago, the OECD economists had had an optimistic view of the macroeconomic situation, with the US economy cooling off to lower inflation and Japan and Germany consciously expanding their economies to improve the management of the international economic system. While a 4½ percent annual growth rate is generally viewed as the minimum rate of growth needed to wind down unemployment, the OECD forecasters did not believe that more than a 3½ percent annual increase in economic growth was possible until a significant drop had occurred in worldwide inflation. The OECD economists warned the delegation that even before the most recent oil price increase member countries had to face up to the reality of slow growth and increased unemployment.

Now, with the oil price increase, the situation is even darker. Rather than a 3½ percent to 4 percent economic growth, as originally forecast, real growth of GNP will be 2 percent in the immediate (1979–1980) period. The US economy is now expected to be flat while the other countries will grow at about 2–2½ percent. As a result, unemployment will rise. the OECD is most concerned, however, that, in response to the oil increase, the Japanese and Germans will undertake tighter monetary and fiscal policies, which will have a further slowing-down effect on the world economy. The OECD economists estimate that the US will have about a 12 percent inflation rate, while Germany and Japan will have rates in the range of 7–10 percent with the other OECD countries being in the 12–15 percent range.

The delegation is most struck by the instability to the international payments system that the most recent oil price increase will cause. The OECD Secretariat estimates that the OECD countries will have a current account deficit of $25–30 billion. With respect to the impact of the latest oil price increase on the non-oil importing developing countries, the OECD estimates that they will run cumulative deficits of $40 million. These deficits will once again have to be financed either through the commercial markets or through government recycling mechanisms. While the international recycling system, mostly through the commercial banks, responded adequately, in 1973–75 to the first oil price shock, the OECD Secretariat economists shared the delegation's concerns about whether the system can adequately respond this time around.

The ability of the developing countries to finance their growing debt is of special concern to the delegation, especially if consumer confidence weakens in the industrialized countries, which could lead to a major recession and increased protectionism, which would stifle the exports of the developing countries.

D. North/South issues

(1) Trade

Stephen Marris, Economic Counselor to the OECD Secretariat, briefed the delegation on the impact of the Newly Industrialized Countries (NICs) on world trade. He cited a recent OECD staff report analyzing the trading relationships in manufactured goods between the industrialized countries of the OECD and ten developing countries characterized by the staff as Newly Industrializing Countries (Brazil, Greece, Hong Kong, Korea, Mexico, Portugal, Singapore, Spain, Taiwan, and Yugoslavia). (A brief press release reviewing the study is appended.)

The results of the study show that, on balance, exports of industrialized countries to these NICs rose at a higher rate between 1963–1977 than did imports to the industrialized country markets from the NICs. This resulted in the gain of 500,000 jobs related to exports from the OECD countries to the NICs above those lost in comparison with imports from these countries. Mr. Marris indicated that, according to the OECD estimate, the US was an exception and, as a result of going into deficit in trade and manufacturing with the NICs, actually lost 200,000 jobs in the manufacturing balance. He hastily noted that this did not include the important area of US agricultural exports.

The delegation noted with interest the findings of the study and their implications for international ecomonic policy. The delegation agreed with the OECD's assessment that the preferred economic policy for these NICs should be to translate the fruits of their rising productivity into increased purchasing power for their populations by balancing their trade accounts and letting their currencies appreciate.

The delegation indicated, however, that this was not generally the economic policy that these NICs were following and recommended to the OECD Secretariat that it was in a better position that US officials to provide this policy advice to the governments of the NICs since the OECD's advice would be better received by these governments.

The delegation recognizes that, while the US has sought to encourage the Secretariat to engage in open exchanges of information on functional issues with the NICs, there has been resistance from other OECD governments. While it understands the OECD Secretariat's reluctance in this regard, the delegation urges the Secretariat to continue to undertake such consultations where possible.

The OECD Secretariat was particularly interested in the delegation's views on prospects for increased protectionism in the US. The delegation stressed the importance of finding new markets for the NICs in order to shift the focus of their exports away from sole reliance on OECD markets. While conceding the need for the development of Third World markets, the OECD Secretariat felt that the most critical factor for sustained LDC growth was a continuation of growth in the industrialized countries. The Secretariat has, in fact, discovered a correlation between the fear of rising protectionism in the industrialized countries and the level of anticipatory investment in the NICs.

The delegation notes that the importance of the NICs is in their demonstrated effect as success stories for other countries to follow in pursuing their developmental efforts. The Secretariat indicated that possible candidates for future NIC status were Chile, Argentina, Colombia, Malaya, Thailand, and the Philippines. Whether these countries actually attain such status depends on political circumstances as well as economic conditions. The delegation recommended to the OECD Secretariat that it should develop a grand design, including plans for a large capital fund, to deal with this issue of avoiding protectionism in the industrialized countries and increasing investment in Third country markets in order to foster the transition of more LDCs to NIC status.

(2) Developmental Assistance

The delegation was briefed by Mr. John Lewis, Chairman of the Developmental Assistance Committee (DAC) on how the OECD deals with the more traditional North/South issues:

1. The DAC coordinates and monitors every member country's performance in providing official assistance and provides a forum for the coordination of the industrialized countries' positions in the North/South Dialogue in preparation for meetings of such international organizations as UNCTAD.

2. The Executive Committee in Special Session permits senior economic officials at the level of US Under Secretary of State Cooper and his counterparts in other capitals to meet and discuss the broad range of macroeconomic issues that affect the developing countries.

3. The IEA has a special group on North/South relations.

Mr. Lewis described the OECD development strategy as having three broad elements:

1. better co-management of the world's interdependence with direct encouragement to the LDCs to assume new responsibilities for this co-management;

2. the need to try to maintain an open world economy and acceptance of mutually beneficial change. (The OECD estimates that, by the year 2000, the LDCs could represent 18–20 percent of the world's manufacturing capacity); and

3. the need to deal with the world's poverty through not only a "basic needs" strategy but also an industrialization strategy.

The delegation learned that, based on this three-part strategy, the OECD has sought to encourage both foreign and domestic investment in certain economic sectors of the LDCs, such as mining, energy, and food production, in order to better manage the world's resources and meet the needs of the LDC populations. Furthermore, the OECD, through the DAC, is attempting to review both the quality and quantity of official development assistance, which would improve the trading prospects of the NICs in Third country markets. The delegation especially concurs with the OECD Secretariat's recommendation that the North/South Dialogue could be improved through more contacts in diversified regional and functional forums rather than plenary sessions on a global basis.

Both the OECD developmental specialists and the delegation agreed that trade and maintenance of open markets were important to the success of the North/South Dialogue and that it was critical to move the LDCs to an open market strategy and away from their continued concern for managing the world economy. Mr. Lewis was especially concerned that, because of the OPEC price increases starting in 1973, the world, and especially the non-oil developing countries, have become dependent on large capital transfers through the commercial banking system. While this structure has propped up growth rates and put a floor under a worldwide recession in the past, all the discussants agreed that it is a very fragile basis on which to continue economic growth.

The delegation expressed its concern that, in the face of the most recent oil price increases, it will be very difficult to go beyond maintenance of present growth in the LDCs and suggested that the long-term answer was not more capital flows but the maintenance of open markets in the industrialized countries for LDC exports.

With respect to the effect of the oil price increase on the poorest countries, the delegation was informed that there was very little luxury use of energy, and, hence, one can expect very little cutback in energy use in these LDCs. Energy imports will continue to have priority claim for these LDCs, which will push aside other imports and add to the already severe strains facing these developing countries.

Recommendations

1. The Congressional delegation found the OECD Secretariat to be highly informed with a high degree of expertise. Senate and House members of committees concerned with international economic and monetary problems should avail themselves of the expertise and take part in such briefing sessions on a regular basis but no less than once a year. Consideration should be given to making this an official mission for representatives of such committees.

2. The delegation endorses the OECD's decision to focus on long-term issues. While such studies may not have an immediate impact on the policies of the member governments, the economic issues we are facing today are so complex and deal so much with the basic structure of the world economy that long-term analyses may very well uncover the only effective solutions. This will, however, put pressure on member governments of the OECD to ensure that the OECD's long-term proposals are carefully considered by policy makers.

3. The OECD Secretariat should be urged to increase its visability in providing international solutions to such pressing issues as energy; coordination of macroeconomic policy, especially in developing positive adjustment strategies; and the North/South Dialogue, including greater coordination of development assistance among donor countries.

4. The delegation is, however, concerned that some members would be reluctant to permit the OECD Secretariat greater visibility. This is a political issue within the Western alliance and should be resolved at the diplomatic level. The State Department should begin consultations—initially at the OECD Permanent Representative level—to develop a consensus behind giving the Secretariat greater freedom to analyze and provide policy prescriptions to deal with the major issues facing the present international economic system.

5. The OECD should undertake the development of a grand design which would bring together investment capital from the OECD countries and OPEC surplus countries for investment in the non-OPEC LDCs. This could involve guarantees by the OECD countries to the OPEC countries but would also involve the direct assumption by OPEC of risks in the economies of the recipient countries.

6. In developing such a "grand design for economic readjustment," the OECD Secretariat could work together with other specialists at the World Bank, the IMF, and regional development banks.

OECD, IEA AND NEA MEMBERSHIP

OECD	IEA	NEA
Full members:		
North America:		
Canada	Yes	Yes.
United States	Yes	Yes.
Western Europe:		
EC:		
Belgium	Yes	Yes.
Denmark	Yes	Yes.
France	No	Yes.
Germany	Yes	Yes.
Ireland	Yes	Yes.
Italy	Yes	Yes.
Luxembourg	Yes	Yes.
Netherlands	Yes	Yes.
United Kingdom	Yes	Yes.
Other:		
Austria	Yes	Yes.
Finland	No	Yes.
Greece	Yes	Yes.
Iceland	No	Yes.
Norway	Associate member.	Yes.
Portugal	No	Yes.
Spain	Yes	Yes.
Sweden	Yes	Yes.
Switzerland	Yes	Yes.
Turkey	Yes	Yes.
Far East:		
Australia	Yes	Yes.
Japan	Yes	Yes.
New Zealand	Yes	No.
Associated with the OECD: Yugoslavia	No	No.
Observer status, participates in the work of the OECD: Commission of the European Communities.	Yes	Yes.

MAIN BODIES OF THE OECD, WITH SELECTED SUBGROUPS

(By subject area)

GENERAL

Council. The decision-taking body of the Organization. Meets at least once a month except during August.

Executive Committee in Special Session (XCSS). Established in 1972 at U.S. initiative to consider significant interrelated economic policy issues which do not fall neatly within the scope of a single OECD body.

Ad Hoc High Level Group on Economic Relations Between Member Countries and Developing Countries (North-South Group) and High Level Group on Commodities (HLGC). Senior policy groups which backstop North-South issues. The Ad Hoc Group on the Common Fund, a subgroup of the HLGC, is the OECD caucus for the common fund negotiations.

INTERNAL OECD MATTERS

Executive Committee. Fourteen members. Act as screening body for reports, recommendations, etc. going to the Council. Other duties as instructed by the Council.

Budget Committee. Advises the Council on all questions related to the financial administration of the Organization, including preparation of annual budget.

ECONOMIC POLICY

Economic Policy Committee (EPC). Keeps under review the economic and financial situation and policies of Member countries, paying special attention to the international aspects of national policies.

Temporary Ad Hoc Working Party (TWP). Considers the economic, monetary and financial problems that could arise in relations between Member countries and oil-producing countries (excluding investment matters). Backstopped G-8 participation in the Financial Affairs Commission of CIEC. Follows balance of payments developments in smaller OECD countries.

Working Party No. 2 on Problems Concerning Economic Growth and the Allocation of Resources (WP-2).

Working Party No. 3 on Policies for the Promotion of Better International Payments Equilibrium (WP-3).

Working Party No. 4 on Costs of Production and Prices (WP-4).

Economic and Development Review Committee (EDRC). Conducts annual reviews of the economic situation in each Member country and reviews Member countries' economic policies.

Committee for Monetary and Foreign Exchange Matters. Established in 1973, it provides a forum open to all Members to discuss problems of monetary cooperation.

ENVIRONMENT

Environment Committee. Established in 1970 at U.S. initiative, it deals with all aspects of the environment with special emphasis on pollution problems. Has numerous subgroups for specific environmental problem areas.

DEVELOPMENT AND TECHNICAL ASSISTANCE

Development Assistance Committee (DAC). Concerned with all aspects of making national resources available to developing countries. Conducts annual reviews of Member countries' foreign assistance programs. Issues comprehensive annual report.

Technical Cooperation Committee (TECO). Supervises the Organization's technical cooperation activities with developing Member countries.

TRADE

Trade Committee. A forum for the confrontation of general trade policies and the examination of specific trade problems.

Working Party of the Trade Committee (TCWP). Carries forward the work of the Trade Committee between sessions of the Committee. Considers policy issues.

Group on Preferences. Established at U.S. initiative in 1971 to consider problems relating to the system of generalized preferences.

Group on Export Credits and Guarantees. Has concentrated on harmonizing export credit policies of Member countries.

FISCAL AND FINANCIAL MATTERS

Consortium for Greece and Consortium for Turkey. Established in 1962 to assist in financing the Greek and Turkish development programs. Chaired by a distinguished person, secretarial services provided by the OECD Secretariat. The Consortium for Greece is now inactive.

Committee for Invisible Transactions. Oversees the Code of Liberalization of Current Invisible Operations and the Code of Liberalization of Capital Movements.

Group of Film Experts. Deals with national restrictions on films.

Committee on Financial Markets. Established in 1969 at U.S. initiative to study means to improve the operation of national capital markets and the international financial market.

Payments Committee. Advises the Council on activities in this area and reviews reports and proposals by the Committee for Invisible Transaction.

Committee on Fiscal Affairs. Handles taxation matters, including the OECD's model convention on the avoidance of double taxation. Numerous working parties.

INTERNATIONAL BUSINESS AND INVESTMENT AND TOURISM

Committee for International Investment and Multinational Enterprises (CIME). Established in 1975 at U.S. initiative, the CIME deals with all aspects (except short-term capital flows) of the Organization's work on multinational enterprises and enterprises engaged in international investment.

Insurance Committee. Handles all insurance-related problems.

Committee of Experts on Restrictive Business Practices. Deals with the entire area of restrictive business practices. Has several working parties.

Tourism Committee. Handles the Organization's work in the field of tourism

TRANSPORTATION

Maritime Transport Committee (MTC). Handles all aspects of the Organization's work in the field of maritime transport. Has subgroups on UNCTAC Shipping Questions, Container Transport, Flags of Convenience, and Flag Discrimination.

Program of Cooperation in the Field of Road Research. All Member countries except Australia and New Zealand participate in a cooperative research program on problems of road transport.

CONSUMER AFFAIRS

Committee on Consumer Policy. Established in 1969 at U.S. initiative, it deals with all aspects of consumer affairs. Has subgroups on Labeling, Safety, Credit, and Undesirable Marketing Practices.

SCIENCE, TECHNOLOGY AND INDUSTRY

Committee for Scientific and Technological Policy (CSTP). Established in 1972 at U.S. initiative to deal with all aspects of science and technology. Includes social sciences, technology development and transfer, computer-based telecommunications and data processing subgroups.

Industry Committee. Overall responsibility for the Organization's work in the field of industry. Sector oriented, with subgroups for Textiles and Clothing, Pulp and Paper, Iron and Steel, Aluminum, Services, Regional Development Policies, and Future Industrial Structure.

SOCIAL AFFAIRS, MANPOWER AND EDUCATION

Manpower and Social Affairs Committee (MSA). Deals with manpower questions connected with the general objectives of the Organization and those social questions closely linked with manpower problems, including youth unemployment. At U.S. initiative, a Working Party on the Role of Women in the Economy was established in 1974. The MSA has numerous subgroups.

Education Committee. Established in 1970 to evaluate prospects and policies for educational growth and development to meet social and economic objectives. Several subgroups.

Center for Educational Research and Innovation. Established in 1967 to conduct programs in educational research and innovation. Has its own Governing Board. Mandate expires at the end of 1981.

AGRICULTURE AND FISHERIES

Committee for Agriculture. Has mandate to consider, advise and make recommendations to the Organization on agricultural problems and policies. Several subgroups.

Fisheries Committee. Established to deal with all aspects of fisheries. Meets infrequently and has minimal work program.

ENERGY

Committee for Energy Policy (CEP). Established in 1975 to replace the Oil Committee and the Energy Committee. Deals with all energy resources. Provides an OECD forum for interaction between the 18 IEA Members and Norway, an Associate IEA Member, and the OECD Members (Australia, Finland, France, Iceland and Portugal) which do not participate in the IEA.

International Energy Agency (IEF). Established in 1974 (at U.S. initiative) within OECD framework, its objectives are:

Development of a common level of emergency self-sufficiency in oil supplies;

Establishment of common demand restraint measures in an emergency;

Establishment and implementation of measures for the allocation of available oil in time of emergency;

Development of a system of information on the international oil market and a framework for consultation with international oil companies;

Development and implementation of a long-term cooperation program to reduce dependency on imported oil;

Promotion of cooperative relations with oil-producing countries and with other oil consuming countries.

Nuclear Energy Agency (NEA). Established in 1956 within the OEEC framework and continued under the OECD. The NEA promotes the "confrontation and harmonization of programs and projects of participating countries relating to the development of research and industry in the field of the production and uses of nuclear energy for peaceful purposes . . ." The U.S. shifted from associate status to membership on October 1, 1976. New Zealand is the only OECD Member not participating in the NEA.

COMMUNIQUE

1. The Council of the Organisation for Economic Co-operation and Development met at Ministerial level on 13th and 14th June, 1979, under the chairmanship of Dr. Hannes Androsch, Vice-Chancellor and Federal Minister of Finance of Austria.

2. Renewed inflation and uncertain energy supplies have become major obstacles to achieving sustained economic growth and more jobs in OECD countries. Economic and energy policies must respond if serious consequences for both developed and developing countries are to be avoided. It will be easier to take the difficult decisions required if Member countries act together.

3. Ministers therefore agreed on the need for greater solidarity among Member countries. They carried forward the concerted action programme adopted last year, revised in the light of the current economic and energy situation, and agreed on some guidelines for policies over the medium term. They reviewed the outcome of UNCTAD V and reaffirmed their commitment to constructive co-operation with the developing countries.

I. OVERCOMING THE OBSTACLES TO SUSTAINED ECONOMIC GROWTH

4. The programme of internationally concerted action adopted last year has yielded positive results in more internationally balanced economic growth, reduced payments imbalances and greater exchange rate stability. It is encouraging that:

Some countries succeeded in bringing inflation back down to the level of the 1960s;

Where capacity utilisation has risen and profitability has improved, productive investment has picked up; and,

Where demand management policies and exchange rates have been working in the right direction international payments imbalances have been sharply reduced.

5. On the other hand:

Even before the sharp rise in oil prices the underlying rate of inflation had begun to pick up again in a number of countries;

Unemployment remains unacceptably high in most Member countries;

There has been a serious turn for the worse in the shorter and medium term energy situation; and,

With slow growth and high unemployment there is an ever present threat of increased protectionism in all its many forms.

6. Inflation. Ministers agreed that the most obdurate obstacle to faster growth and more jobs is the continuing high rate of inflation in many Member countries, and the risk that it may accelerate. Inflation undermines growth directly by creating uncertainty and inhibiting investment; it may also require governments to pursue restrictive demand management policies.

7. Energy. Ministers examined the economic implications of the energy situation. They took note of the outcome of the meeting of the IEA Governing Board at Ministerial level on 21st-22nd May. There is now a real danger that, without responsible policies by oil consumers and producers alike, the energy situation will seriously damage the world economy.

8. Without effective action to restore balance in world oil markets the rise in oil prices could set off a new inflation-generated recession as in 1974–75. Many of the measures needed to reduce the growth of energy consumption quickly may be painful, but if they are not successful the inevitable consequences in terms of increased inflation leading to less growth and more unemployment will be far more costly and socially detrimental.

9. There is no escape from the reduction of real incomes caused by higher prices for imported oil; claims for compensatory increases in money incomes will only make matters worse by aggravating inflation and increasing unemployment.

10. Payments imbalances. Welcome progress has been made in reducing payments imbalances within the OECD area, but they could re-emerge due to strengths and weaknesses in countries' competitive positions, and become again a constraint on growth.

11. Higher oil import bills will inevitably worsen the current account situations of oil importing countries. While existing financial mechanisms seem capable of providing sufficient finance to meet higher current deficits in most cases, the resulting increase in indebtedness is a matter of concern to oil importing countries, especially the developing countries among them. Ministers noted that in present circumstances, countries highly dependent on the spot market may face particular difficulties.

THE POLICY RESPONSE

12. Ministers recognised that economic and energy policies have become inseparable. They are convinced that there is a combination of policies which can, over time, significantly ease the energy and inflation constraints on economic growth and permit continued economic and social progress. To this end they have agreed on the following guidelines for policy.

POLICIES FOR THE NEXT 12-18 MONTHS

13. Ministers agreed that:

(i) The demand management elements in last year's concerted action programme will be carried forward with particular emphasis on:

The need for a cooling-off period in the United States to achieve an important reduction in the rate of inflation;

The desirability of avoiding a significant slackening of the growth of domestic demand in the rest of the OECD area, taken as a whole; and the role that, to varying degrees, Germany, Japan, Switzerland, Belgium, the Netherlands and Austria can play in this respect; and,

The need for virtually all other countries to pursue cautious demand management policies in order to reduce inflation and, in some cases, external deficits which pre-date the latest oil price rise.

(ii) To this end, however, effective action to reduce energy consumption, or increase production, or both, so as to implement the commitments agreed to in different fora to reduce Member countries' demand for oil on the world market by some 2 mbd is essential. The present degree of understanding of the operation of the oil market is unsatisfactory and should be improved.

(iii) Higher oil prices should be passed on in an appropriate manner to energy users in order to encourage conservation and the development of alternative energy sources. Member countries that have not already done so should raise the price of domestically produced oil to the world level as soon as possible.

(iv) Important efforts will be made to gain acceptance of the fact that the rise in oil prices reduces, for all social groups, the scope for higher real incomes.

(v) An assessment is being made, as a matter of urgency, of the progress that countries have made towards reduction of oil demand, and, under the direction of the Economic Policy Committee, of the macroeconomic consequences of the energy situation. When these have been completed the Organisation will examine the implications for demand management policy. If effective energy policies are not being implemented and substantial further oil price increases have occurred, growth objectives for 1980 will have to be reduced. Failure to limit the pass-through of higher oil prices into higher money incomes could also make more cautious demand management policies inevitable.

(vi) Close monetary co-operation, including through arrangements agreed between the United States, Germany, Japan and Switzerland, through the European Monetary System and through the IMF, will be continued.

POLICIES FOR OVERCOMING THE MEDIUM TERM CONSTRAINTS ON GROWTH—THE INFLATION CONSTRAINT

14. Although there are differences between Member countries in the success they have had in restoring the conditions needed for sustained non-inflationary growth, improved economic performance requires consistent and sustained attention to the price stabilization objective. Countries where domestic pressures on the price level have been reduced are better placed to increase economic activity and reduce unemployment. Other countries must concentrate on achieving better price stability; as they succeed in this they will create the conditions for sustained growth and policies can become more growth-orientated.

15. Better price performance requires cautious and steady monetary and fiscal policies. Budget deficits should not exceed any excess of savings in the private sector. Where rising taxes and social security charges have generated inflationary pressures the share of public expenditure in GNP will have to be restrained.

16. Better price performance also requires further efforts to seek greater consensus and where appropriate modify wage and price setting behaviour to restore the profitability of productive investment, ease inflationary pressures caused by the wage-price spiral, and facilitate necessary changes in relative prices and the structure of wages.

17. There is a risk that slow growth becomes self-perpetuating. It inhibits investment and encourages defensive attitudes on the part of Governments, business and labour such as protectionism and support for declining and inefficient activities. These reactions generally impair productivity and sharpen the inflation constraint on growth by raising costs and reducing the supply of available goods. It makes little sense to accept the need for a further period of unsatisfactory growth performance because of the inflation constraint if Governments then try to mitigate the effects on employment by measures which reduce productivity or increase costs and prices in other ways.

18. Cautious demand management policies should therefore be combined with action—or the unwinding of previous actions—to improve the supply side by benefiting from lower cost imports, encouraging investment, and facilitating necessary structural adjustments.

19. Ministers therefore stressed the importance of the special two-year programme on positive adjustment policies just adopted by the Organisation. All competent bodies of the Organisation will pay special attention to policies in their field of competence which have an impact on structural change. A special group of senior officials has been created to keep under review the macro-economic and international consequences of measures promoting or hindering necessary structural adjustments in the field of manpower, industrial, agricultral, regional, trade and other policies.

20. Positive adjustment should rely as far as possible on market forces to encourage mobility of labour and capital to their most productive uses. Measures to help sectors or

firms in difficulty should be temporary and integrally linked to the implementation of plans to phase out obsolete capacity and re-establish financially viable entities. Positive adjustment can be facilitated by the dissemination of better information on the costs and benefits of government measures, proper consultation between labour and management, vigorous action to maintain competition and curb monopoly power, policies that encourage research, innovation and investment, well designed regional policies, and efforts to avoid unnecessary regulation and reporting requirements.

21. Ministers also reaffirmed their attachment to an open world trading system and their determination to continue to fight against protections in all sectors and to work towards improvements in the system. They therefore:

(i) Welcome the completion of the Multilateral Trade Negotiations, and stressed the need for timely and effective implementation of the results.

(ii) Extended their 1974 Trade Declaration (the "Trade Pledge") for an additional year.

(iii) Agreed to make particular efforts in the work of the Organisation in the coming year to study the problems of agricultural trade.

22. Ministers agreed that better functioning of commodity markets, including improved market access and security of supplies, would benefit both consumers and producers and reduce one potential source of inflation.

23. There was broad agreement on the need, in appropriate cases, to pursue efforts to promote higher employment, particularly among the disadvantaged groups.

(i) There may be scope for modifying hiring practices in the public and private sectors to alleviate the problems of youth and disadvantaged groups and to respond to the growing demand for flexible part-time job openings. The Organisation should study the possible role of marginal employment subsidies, and of shifts away from heavy payroll taxes, as well as the impact of migration policies on employment and the efficient functioning of labour markets.

(ii) The possibility of work-sharing arrangements should be assessed; but attempts to increase the number of jobs by accelerating the tendency towards a shorter working week have to be looked at with caution since they may have inflationary consequences.

(iii) There may be scope for expanded training and retraining programmes as a vehicle for improving skills and hence future productivity, while reducing current unemployment.

Measures such as those described above should be undertaken only after consideration of their possible adverse impact on productivity and inflation.

THE ENERGY CONSTRAINT

24. Without strengthened policies energy supplies over the medium run will not be sufficient to support an adequate rate of economic growth. Taking into account the different situations in Member countries, Ministers agreed on the urgent need for:

(i) A pricing and tax policy for oil and other energy sources which recognises that the long-term trend of real energy prices is almost certainly upwards, and that this expectation should become firmly embedded in the consciousness of energy users.

(ii) Conservation programmes based on an appropriate mix of pricing policies, voluntary programmes, fiscal incentives and disincentives and mandatory controls where necessary; a major effort to increase production, trade and use of coal and gas; production of indigenous oil; continued development of nuclear power with the necessary safeguards, having due regard to legal and constitutional provisions; major R & D efforts on new energy techniques and renewable energy resources; and assistance to non-oil developing countries in the identification and development of their energy resources.

THE BALANCE OF PAYMENTS CONSTRAINT

25. To ease the balance of payments constraints on growth:

(i) Countries in a strong external position should maintain the momentum of domestic demand; deficit countries should concentrate on controlling domestic inflation; and exchange rates should play their proper role in the adjustment process.

(ii) The structural imbalances that remain call for resolute policies to improve productivity and stimulate exports in the deficit countries, and policies by the surplus countries to encourage imports and rely primarily on domestic demand for economic growth.

(iii) When current account imbalances nevertheless remain important, surplus countries should ensure offsetting capital outflows on a sustained basis. The Organisation is instructed to give further attention to these questions.

II. WORLD INTERDEPENDENCE AND RELATIONS WITH DEVELOPING COUNTRIES

26. Ministers considered the implications of global economic trends, for relations with developing countries. They reaffirmed the need for strengthened co-operation with the developing countries which is an indispensable element in achieving more sustained and stable world economic growth and which provides an improved basis for development policies. They stressed that in view of the difficult global policy challenges ahead, improved co-operation with developing countries had assumed even greater importance.

27. Ministers discussed the results of UNCTAD V. They felt that, although the overall results of the Conference had been limited, valuable progress had been made in specific areas. It is now essential to continue constructive cooperation with developing countries in the appropriate fora and in the preparations for the new International Development Strategy. In this connection, Ministers noted the importance of the participation of all countries, including the industrialised countries outside OECD, in the international development effort.

28. Ministers welcomed the convening of the United Nations Conference on Science and Technology for Development to be held in August in Vienna as a major opportunity to promote effective international scientific and technological cooperation, especially for the benefit of developing countries, and pledged to work towards its successful conclusion.

29. Ministers noted the value of pragmatic forms of consultation and co-operation with developing countries in areas of significant mutual interest. The contribution that the Organization can make in this regard should be actively examined.

Trade and adjustment

30. An expansion of world production and trade and further changes in their structures are essential means to raising living standards and promoting economic and social progress in developed and developing countries alike.

31. Ministers acknowledged the desire of developing countries to industrialise further and to contribute a larger share of world trade in accordance with their comparative advantage. They stand ready to assist in this process in such areas as trade, investment and technical co-operation.

32. Ministers stressed the importance to trade relations with developing countries of the general measures to maintain and further improve the open international trade system now being taken. In particular they:

(i) Underlined the significance of the new special two-year programme of the Organisation on positive adjustment policies to facilitate mutually beneficial structural change in production and trade.

(ii) Emphasized the significance of the renewed Trade Pledge for their trade with developing countries.

(iii) Declared their determination to implement the results of the Multilateral Trade Negotiations and to build on these results taking into account the particular concerns of developing countries.

33. While OECD countries bear a particular responsibility in the maintenance of an open international economic system, they believe that developing countries, in particular those which have reached a relatively advanced stage of industrialisation and have shown their capacity to compete effectively on international markets, should gradually take a larger part in this effort: by liberalising trade both among themselves and globally, complying more fully with international rules in this field, and more generally adopting politics contributing to satisfactory trade and payments relations.

ENERGY CO-OPERATION

34. Ministers reaffirmed their willingness to contribute to international energy co-operation among developed and developing countries and to discuss energy questions of mutual interest with oil-exporting and oil-importing developing countries. They welcomed the adoption by the World Bank of an energy programme which should serve to strengthen the domestic energy production of oil-importing developing countries and noted related activities by other international and regional institutions. They stressed the urgency of examining with interested developing countries the scope for strengthened co-operation to identify and develop these countries' energy resources. They welcomed the report of the OECD Council Working Party established last year to develop a co-ordinated effort to help developing countries to bring into use technologies related to renewable energy, especially in the light of the forthcoming United Nations Conference on New and Renewable Energy Resources.

Commodities

35. Ministers noted with satisfaction the results of the negotiations on the Common Fund. They agreed to pursue, in a positive spirit, the establishment of this mechanism as well as the current discussions and negotiations on individual commodity agreements. They emphasized their interest in examinng the scope for further action to strengthen food and commodity production and processing in developing countries, bearing in mind their development needs and priorities.

Environment

36. Stemming and reversing environmental degradation through deforestation, desertification and soil and water erosion is a matter of global concern and required international co-operation. Ministers recognised that developing countries have limited resources for such purposes and need international support.

Aid and financial resource transfers

37. Ministers underlined the importance of substantially-increased and stable flows of aid, finance and investment. Recognising the essential role of aid. Ministers called for an expanded, qualitatively-improved, and equitably shared collective effort for official development assistance. Concessional transfers should, as far as possible, be concentrated of the least-developed and other developing countries most in need. They invited the Development Assistance Committee, bearing in mind the studies on this subject in other international fora, to conduct an in-depth review of the scope for improved financial co-operation with developing countries, at adequate levels and reflecting their specific development problems, including their debt problems with a view to

contributing positively to the new International Development Strategy.

III. INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES

38. The Ministers undertook the Review foreseen in the 1976 agreements on International Investment and Multinational Enterprises.* They noted with satisfaction that the three related instruments approved in 1976, dealing respectively with guidelines for multinational enterprises, national treatment for enterprises under foreign control and with incentives and disincentives for investment, have demonstrated their effectiveness as a framework for strengthened international co-operation in matters related to international investment and multinational enterprises not only for the Member governments but also for the business community and the labour organisations.

39. Ministers affirmed and continued commitment of their governments to the 1976 Declaration. They agreed to steps designed to further strengthen the effectiveness of their co-operation in future. In this connection, as regards the guidelines for multinational enterprises, where one addition is being introduced, the follow-up procedures at national and international levels are to be strengthened and developed further through additional arrangements for consultations with business and labour and for reporting. Ministers also approved new work to be undertaken on the use of investment incentives and disincentives and the international repercussions on other countries of such measures.

THE IMPACT OF THE NEWLY INDUSTRIALISING COUNTRIES (NIC's)

Increased competition from newly industrialising countries such as Korea, Mexico and Brazil has been a cause of concern in the developed countries. For the first time, the OECD Secretariat has produced a detailed analysis of the facts, to put this phenomenon into perspective. Imports from these countries have been concentrated on a few products which have added to adjustment problems in certain sectors. But the main message of this report, which is published under the responsibility of the Secretary-General, is that, if appropriate policies are followed on both sides, considerable mutual benefits will continue to be derived from increasing trade in manufactures in both directions with the newly industrialising countries. For the advance industrialised countries these benefits take the form of cheaper goods for consumers, a spur to increased productivity and reduced inflation at home, and new and prosperous export markets abroad. For the newly industrialising countries they include higher investment, productivity and real incomes and the foreign currency needed to help finance accelerated economic development.

THE FACTS

The analysis is based on a representative sample of ten countries—Brazil, Greece, Hong Kong, Korea, Mexico, Portugal, Singapore, Spain, Taiwan and Yugoslavia—which have significantly increased their share in world production and efforts of manufacturers since the early 1960s. This is a somewhat arbitrary selection since the borderline between old and newly industrialising countries and between the NIC's and other developing counties is imprecise and moving all the time (paras. 3-4, 78-94). The countries selected for study do not by any means constitute an homogeneous group.

The NICs included in the study have together increased their share in OECD imports of manufactures from 2.6 per cent in 1963 to 8.1 per cent in 1977 (see Chart A, and for individual OECD countries, on a fob basis, Table 10). The NICs in the Far East made the biggest gains.

Despite this impressive increase, only slightly more than 1 per cent of OECD consumption of manufactures came from the NICs in 1967-77, up from ¼ per cent in the early 1960s (paras. 99-100).

OECD exports of manufacturers to the NICs have risen more than imports from them (exports by $43.6 billion, from $5.0 billion to $48.6 billion; imports by $31.6 billion, from $1.2 billion to $32.8 billion) (paras. 111-117). Thus the large OECD trade surplus in manufactures with the NICs increased from $4 billion to $18 billion (Table 10 and paras. 118-131). This trade surplus in manufactures has tended to be increasingly concentrated on Japan, Germany and Italy, while the United States and Canada have moved into deficit (see Chart A).

The relative importance of trade in manufactures with the NICs varies considerably as between OECD countries. In 1977, the share of imports from the NICs ranged from 7 percent or less in the United Kingdom, France and Italy and most smaller countries, to 18.5 per cent in Japan and 20 per cent in the United States. Export shares showed a more narrow spread around a higher average. (For further country details, see Annex Tables III and IV).

In 1963 the share of the NICs in OECD imports exceeded 10 per cent only in clothing and manufacturers of wood. By 1977 this level was surpassed in all broad groups of finished consumer manufactures (see Chart C), as well as in electrical machinery, textiles and leather goods (paras. 101-110 and Table 5). Within these broad groups there has been a heavy concentration of individual products reflecting marketing strategies and specialisation in NICs. The very high and rapidly changing market penetration by specific products which characterises NICs' exports is perhaps the main reason why they have attracted so much attention in OECD countries.

THE ANALYSIS

Among the factors explaining the emergence of the NIC's, particular importance is attached to the rapid diffusion of technology. These have accelerated the "product cycle" which determines the relocation of production, also helped by the growing reliance on offshore processing and assembly by subsidiaries of transnational enterprises or under subcontracting arrangements (paras. 15-18, 131-161).

On balance, the trade policies of advanced industrial countries have been beneficial to the new exporters of manufactures, especially to those which have avoided excessive concentration of their exports in the traditional "sensitive" sectors. But, particularly since 1973, the increasing reliance on non-tariff measures, particularly in the traditional areas of textiles, clothing and footwear, has become a matter of great concern for the NICs (paras. 163-182).

The OECD Secretariat suggests that OECD exports of manufactures to the NICs create around ½ million more jobs than are lost to imports from them; however, the estimates widely differ according to the methods used (paras. 23-24, 183-203).

While the net employment effect—positive or negative, depending on the change in the trade balance—is quite small, there can be substantial gross employment losses in some sensitive industries, concentrated on certain regions and categories of workers (e.g. women and unskilled). The gains from expanding exports are much more diffuse and less visible (part of them accrue outside the manufacturing sector and in very different locations). In times of slow or negative overall employment growth, gross employment losses can create serious frictional adjustment problems. But most calculations show that in the longer run, the cost of adjustment tends to be smaller than the benefits of trade liberalisation, including lower rates of inflation and higher consumers' welfare (paras. 203-208).

Given the extreme diversity of their economic structures and conditions, the NICs have only in common, to varying degrees, the emphasis which they place on outward-looking growth policies. These include a liberal trade and payments regime; an exchange rate policy geared to increased competivity on foreign and domestic markets; fiscal incentives and direct assistance to production for exports; fairly tight domestic fiscal and monetary policies to enhance competitiveness, increase the pressure to sell abroad and reduce the import propensity of the household sector; and, finally, a major investment drive, in some but not all cases, coupled with encouragements to the inflow of direct foreign investment (paras. 209-237).

Rapidly rising productivity in the NICs has gone hand in hand with high investment ratios and strongly rising real incomes (Tables 23 and 24). The rise in unit labour costs, adjusted for changes in effective exchange rates, has generally been faster than for the advanced industrialised countries (Table 22). Imports have risen strongly, both of manufactures and of food and primary products from both developed and developing countries (paras. 238-246).

POLICY IMPLICATIONS

The prospects of present and potential NICs will depend crucially on policies pursued by them and on the policy stance adopted by the advanced industrial countries.

In the longer run, strong forces—some economic, others social and political—are pushing towards a balanced trading relationship between countries at different levels of economic development. Moreover, as long as exports of advance industrial countries rise pari passu with—and tend for at least some time to exceed—their imports from NICs, new market opportunities will open. The bulk of manufactured exports to NICs will, no doubt, continue to consist of investment goods, an area where rapid technological progress tends to produce continually improved, if not entirely new, products. This will go together with rapidly growing exports of managerial and entrepreneurial skills and organisational talent in production, marketing and finance (paras. 33-43).

There is every reason to believe that, over time, trade with the NICs will be both balanced and mutually beneficial. Over the shorter term, however, there is no guarantee that the necessary adjustments will come about smoothly and, even within a globally satisfactory adjustment process, individual industrial countries as well as NICs are likely to get out of line. Moreover, structural change is, by definition, highly differentiated and can create serious adjustment problems for individual industries, regions and segments of the labour force within each country.

In fact the painful adjustment problems which OECD countries have run into since 1973 owe far more to inflation, slow growth and disparities in competitive positions among them, than to competition from outside. Policies which lead to improved performance in these respects are badly needed; they will also help to ease the overall problems of adjustment and structural change which can be attributed to trade with the NICs (para. 46).

Competition from NICs can make an important contribution to industrial efficiency and to the fight against inflation in advanced industrial countries and thus improve the chances of achieving sustained non-inflationary growth and higher levels of employment. Although in the short run putting up barriers to keep out imports from developing countries may save a few jobs, in the longer run it will mean more inflation, more restrictive policies and hence more unemployment (para. 47).

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*Except the Turkish Government, which had not participated in the 1976 Declaration and abstained from the Decision.

It is essential to improve the cost/price relationship in the OECD area as a whole and relative real wage levels in individual advanced industrial countries, through an appropriate combination of demand management, exchange rate and price and income policies. This would help to boost productive investment, the inadequacy of which aggravates the problems of structural adjustment (paras. 51–52).

Major efforts are needed to increase the adaptability and flexibility of the economy of advanced industrial countries. In this respect, a shift to more positive adjustment policies, as endorsed by the OECD Council at Ministerial level in 1978 is of crucial importance (paras 53–63).*

Despite the fast expansion of their productive potential, the NICs have in common with other poor countries a large pentup demand for private and public consumption and infrastructural investment. With expansionary monetary and fiscal policies, this can easily lead to "over-adjustment", with accelerating inflation, balance-of-payments crises, a drop in domestic savings and investment, and a progressive loss of industrial dynamism. But there is also a risk of "under-adjustment". An under-valued exchange rate, or other policies increasing the profitability of exports, if pushed too far, may result in the build-up of an excessively export-oriented industrial structure (paras. 65–68, 247–256).

The report stresses, therefore, the need for the NICs to progressively dismantle tariff and quota protection and other administrative obstacles to imports. More generally it also emphasizes the need for demand management, exchange rate and overall development policies which ensure that rising productivity is translated into higher real wages, and accompanied by an appreciating real exchange rate (paras. 70–74).

"It is impossible to say", the report concludes, "whether the current difficulties will prove to be only a temporary interlude in the progressive integration of the world economy, or whether they will lead to a major shift towards defensive policies in the advanced industrial countries, followed by retrenchment in the NICs." . . . But "a shift to defensive policies by OECD countries would progressively undermine the open multilateral trading system which has served them so well, just when the benefits of such a system are beginning to spread out to the developing world on a significant scale" (paras. 75–77).

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*See The Case for Positive Adjustment Policies, OECD, June 1979.

"The Impact of the Newly Industrialising Countries on Production and Trade In Manufactures". 96 pages, OECD, Paris, 1979. US $12.00; £5.90; F 48. ISBN 92–64–11943–4. Available from OECD Sales Agents—see attached list.

TABLE 10.—TRADE OF OECD COUNTRIES WITH NIC'S IN MANUFACTURES

	Imports (percent)						Exports (percent)						Trade balance[1] (billions)		
	1963		1973		1977		1963		1973		1977		1963	1973	1977
	A[2]	B[3]	A	B	A	B	A	B	A	B	A	B			
Canada	3.2	1.0	3.2	3.4	3.6	4.9	1.3	3.3	1.0	4.0	1.0	3.6	$0.03	−$0.20	−$0.63
United States	36.3	5.9	42.2	17.1	42.9	20.0	26.2	9.5	22.5	16.4	21.8	14.8	.92	.06	−2.62
Japan	2.2	1.8	10.1	17.1	7.1	18.5	12.6	13.1	22.3	18.9	26.1	16.7	.62	4.94	10.63
France	3.0	1.0	4.9	3.7	7.2	6.3	9.0	8.1	7.1	8.2	7.3	7.5	.43	1.32	1.35
Germany	11.7	2.8	12.8	7.3	14.4	8.9	16.5	6.6	17.8	8.8	15.8	7.6	.71	3.23	3.30
Italy	4.4	1.6	3.2	4.2	3.6	6.1	8.1	10.6	6.6	10.4	6.2	8.2	.36	1.42	1.96
United Kingdom	22.6	7.3	9.1	8.2	6.9	7.0	11.2	6.3	6.9	9.1	7.1	8.1	.32	.64	1.34
OECD NIC's	8.3	5.2	1.8	3.3	1.6	5.2	.6	6.5	1.5	8.3	1.3	6.9	−.06	.15	.10
Other OECD	8.3	.8	12.6	3.0	12.5	3.7	14.5	5.2	14.2	6.5	13.4	6.2	.64	2.48	2.73
OECD	100.0	2.8	100.0	7.2	100.0	8.2	100.0	7.6	100.0	10.6	100.0	9.6	3.97	14.04	18.16

[1] F.o.b.-f.o.b.

[2] Percentage share of country in OECD total.

[3] Percentage share of NIC in country total.

N.B.: Shares for imports are not identical to those shown in table 4 because of adjustment to f.o.b. for countries other than the United States and Canada.

TABLE 21.—STRUCTURAL CHARACTERISTICS OF THE NIC'S (1976)

	Population (millions)	Area (thousand square kilometers)	Inhabitants (per square kilometer)	GNP per capita (U.S. dollars)	Distribution of GDP (percent)			Merchandise trade (billions of U.S. dollars)		Foreign trade turnover as percent of GNP	Share of manufactures in exports (1975)
					Agriculture	Industry	Services	Exports	Imports		
Korea	36.0	99	363	670	27	34	39	7.7	8.8	68	82
Taiwan	16.3	36	452	1,070	12	45	43	8.1	1.6	90	85
Mexico	62.0	1,973	31	1,090	10	35	55	[1] 3.3	[1] 6.0	[1] 14	[1] 52
Brazil	110.0	8,512	12	1,140	8	39	53	10.1	13.6	19	27
Yugoslavia	21.5	256	83	1,680	15	43	42	4.9	7.4	34	72
Portugal	9.7	92	105	1,690	18	43	39	1.8	4.3	37	71
Hong Kong	4.5	1	4,500	2,110	2	34	64	[2] 8.5	[3] 8.9	[2,3] 183	[2] 97
Greece	9.1	132	68	2,590	18	31	51	2.5	6.0	36	48
Singapore	2.3	1	2,300	2,700	2	35	63	[2] 6.6	[3] 9.1	[2,3] 252	[2] 43
Spain	35.7	505	70	2,920	9	39	52	8.7	17.5	25	70

[1] Excluding trade of the free trade border zone.

[2] Including reexports.

[3] Including imports for reexports.

Source: World Development Indicators, World Bank.

TABLE 23.—REAL OUTPUT AND DEMAND IN NIC'S

[Percentage changes at average annual rates]

	Gross domestic product		Per capita gross domestic product		Per capita private consumption		Gross domestic fixed capital formation	
	1963–73	1973–76	1963–73	1973–76	1963–73	1973–76	1963–73	1973–76
Greece	7.7	2.7	7.2	1.8	6.3	3.5	10.8	−7.4
Portugal	7.1	1.0	7.2	−3.0	6.9	.5	8.3	1.3
Spain	6.8	2.7	5.5	1.5	4.9	2.2	8.8	.9
Yugoslavia [1]	5.9	5.4	4.9	4.4	5.0	4.9	5.3	7.5
Brazil	8.2	8.2	5.3	5.3	4.1	[2] 9.4	10.3	[2] 13.8
Mexico	7.1	4.0	3.5	.5	3.5	−1.0	9.7	3.5
Hong Kong	9.0	7.1	6.8	5.2	7.2	2.8	6.2	6.3
Korea	10.3	10.8	8.1	9.0	6.5	4.4	17.6	12.8
Singapore	10.5	5.1	8.3	3.7	5.5	3.1	18.8	5.4
Taiwan	10.4	5.0	7.4	3.2	5.9	2.9	16.7	9.6
Memorandum item: OECD total	4.9	1.6	3.8	.8	3.8	1.7	5.9	−2.7

[1] National definitions.

[2] 1973–75.

Mr. JAVITS. Mr. President, I urge a deeper and more involved interest by the Senate in the work of the OECD. I hope that our mission may have started this process of greater interest by other Members. Either of us—I know that Senator BRADLEY feels as I do—will assist diligently any Members who find an interest in this subject, and I believe a great many should. Members of the Finance Committee, the Joint Economic Committee, the Appropriations Committee, the Budget Committee, the Governmental Affairs Committee, and the Banking Committee should be very deeply involved in and knowledgeable about the OECD's work. I find it hard to think of any committee which would not profit from having a good look at what the OECD does and how the OECD's extensive economic research can be adapted for use by the committees of this body.

Mr. President, I yield to Senator BRADLEY.

Mr. BRADLEY. Mr. President, I thank my distinguished colleague from New York with whom I had the opportunity on July 2 and 3 to attend meetings at the OECD and exchange ideas with senior members of the U.S. mission and the senior staff of the OECD proper on matters pertaining to world economy. I found it a most rewarding and thought-provoking experience.

I was very impressed by the high quality of the OECD experts and I was left with the strong impression that they make a rich contribution to the international discussion of economic issues. I feel that they represent a unique resource for information and analysis and that the OECD as an institution is particularly suited to act as a mechanism for coordinating the economic decisionmaking of member countries. I was left with no doubt that this role is one that will be expanded and that the United States can make for greater use of the expertise at the OECD that we have made in the past.

This is particularly important, I believe, given the condition of interdependence that exists in our world economy today and the need for coordination of economic policies so as to assure ever-growing prosperity worldwide. The world economy is totally interdependent and we have common economic problems ranging from inflation, recession, unemployment, currency instability, energy dislocations to trade imbalances. In the OECD we have an institution through which we can address those problems in a common manner.

I think that perhaps this is the most important function that the OECD can provide. It offers a framework of cooperation and coordination which over time can act as a bulwark against the kinds of counterproductive beggar-thy-neighbor economic policies which have proved so disastrous to the world in previous years.

An aspect of our visit to the OECD that I found particularly edifying was our discussion with the International Energy Agency and its most able Executive Director, Dr. Lantzke. As most Members of the Senate know, the International Energy Agency is addressing the crucial task of coordinating energy policies in an effort to promote energy security. It lists among its accomplishments a program for energy sharing in emergency situations, and agreement among members to cooperate in setting oil import objectives, and a growing research and development program on energy development and alternatives. All of these are accomplishments of which the International Energy Agency should be proud.

However, I was somewhat disappointed to learn in the course of our discussions that the IEA staff has given, in my view, inadequate recognition to the potential role for conservation and solar energy in the long-term development of member countries' energy policies.

I believe, as do a number of Members of this body, that they are sound alternatives to the fossil fuel development into which we now find ourselves locked. Further, they complement the wide-ranging coordination of economic policies necessary to preserve the prosperity of the world economy. If we emphasize conservation and solar in a coordinated manner through the IEA, we will have the opportunity to take another step toward wrestling control of our lives away from the OPEC countries. Recapturing control requires that we have a capacity to generate our own energy sources. For this reason I was disappointed that Dr. Lantzke and his distinguished staff did not recognize that the opportunity for coordination in energy conservation and the development of solar systems is as promising an opportunity for OECD coordination as is the opportunity for OECD coordination of macroeconomic policies generally.

Nevertheless, overall, I found the trip extremely encouraging and valuable. I hope that Members of the Senate will read the report. It lays out very clearly what we discovered and what our hopes are for further cooperation among member governments, and for greater interaction between our Government, including Members of the Senate, and the OECD—a valuable resource indeed that should be frequently used in the years ahead.

Mr. JAVITS. Mr. President, will the Senator yield briefly?

Mr. BRADLEY. I yield.

Mr. JAVITS. I express my pleasure at the association which we had on our mission to the OECD. It was the first such mission that I undertook with the Senator from New Jersey, and I wish to congratulate and compliment him on the fine way in which he undertook his responsibilities as a member of the mission and for his contribution to the report that we are today submitting to the Senate.

Mr. BRADLEY. I thank the Senator very much and say on my own part it was an honor to travel in company with such an august and perceptive Member of this body.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized under the previous order for a period not to exceed 15 minutes.

(Mr. HEFLIN assumed the chair.)

RUSSIAN COMBAT TROOPS IN CUBA

Mr. HARRY F. BYRD, JR. Mr. President, the American public has reason, I feel, for great concern about recent developments in the field of foreign affairs and national defense.

To me it is astonishing that the Secretary of State would tell a committee of the Senate in July that there were no Russian combat troops in Cuba and then in August confirm that there is a combat brigade of Russian troops in Cuba. To make it even more astonishing, after having stated last week that this was a first ascertained development, yesterday the State Department indicated that those troops may have been in Cuba for several years.

In addition, the State Department last week expressed little concern, but now professes much concern.

None of this enhances the reputation of the State Department.

There is a difference of opinion, I suppose, as to how serious it is from the point of view of the United States to have a Russian combat unit on an island just off of our shores. There is a difference of opinion, I suppose, as to whether it is undesirable from the point of view of the United States to have Russian military aircraft on this island off of our shores.

I happen to feel that it is totally contrary to the Monroe Doctrine. I think it is highly undesirable from the point of view of the Western Hemisphere and the nations of Latin America. None of us know where this might lead.

No one, apparently, neither the State Department nor our intelligence agencies, know the purpose for which those troops have been put in Cuba. No one seems to know with any certainty whether the troops have been put there just recently or whether they have been there over a period of time.

To me that is probably the most significant aspect of this whole rather bizarre development of recent days.

I say sadly that it does not reflect well on our intelligence-gathering organizations. Also it brings to mind that it took months and months for our intelligence sources to learn of the tremendous buildup of North Korean forces. Yet, as we all know, the United States has many troops in South Korea and one would think that our intelligence activities in regard to North Korea would be of the best.

When you take what happened in North Korea, a tremendous buildup of troops there, and couple that with what has happened recently just off of our shores in Cuba, I think it is cause for much concern as to just how capable our intelligence operations are. My confidence has been much shaken.

The American public, I find, are greatly confused by all of this, and I certainly do not blame them for that. The American people collectively, although not as highly educated as many in Washington, have sound commonsense.

I have heard many individuals in the

last few days say, "Well, if our intelligence-gathering organizations and if all of our military potential were not able to discern the presence of 2,300 to 3,000 Russian combat troops on this small island off our coast, how in the world will we ever be able to determine the location and the number of Russian intercontinental missiles based in their own country of 3 million square miles?"

I think what has happened in Cuba has a very definite impact on the Strategic Arms Limitation Treaty. As one Senator, I think it would be undesirable for the Senate to begin debate on the Strategic Arms Limitation Treaty until the Russian combat troops and the Russian aircraft are removed from Cuba. I might emphasize, too, that removal of the troops and aircraft would not be grounds for supporting the treaty—but only a condition for even considering the document.

It appears to me that what has happened in Cuba makes a mockery of the assertion that the United States at all times can know exactly where the Russian missiles are in Russia and how many missiles there are. Frankly, I have little confidence in such assertions—and even less so now, after what has occurred in Cuba.

Mr. President, I have found it difficult to reach a conclusion that the pending treaty is advantageous to the United States. I feel even more so as a result of continued Russian involvement throughout the world, and now a serious Russian involvement in the island just off our shores.

The SALT agreement should not be considered alone—but must be considered in the context of Soviet activity worldwide.

Mr. MOYNIHAN. Mr. President, I would wish to resume the comments in the context of the remarks of the Senator from Virginia.

The PRESIDING OFFICER. I believe we are now ready to go into morning business, if the Senator will make his remarks under morning business.

Mr. MOYNIHAN. I will.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield for a parliamentary inquiry, how much time does the Senator from Virginia have remaining?

The PRESIDING OFFICER. He has 6 minutes.

Mr. HARRY F. BYRD, JR. I yield 6 minutes to the Senator from New York or would the Senator prefer to go into morning business?

Mr. MOYNIHAN. If we may, if we went into morning business, we would not be bound.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for a period of not to exceed 15 minutes, with statements limited to 5 minutes each.

Would the Senator want 5 minutes plus the 6 minutes?

Mr. MOYNIHAN. I would if the Chair would be so gracious as to——

The PRESIDING OFFICER. The graciousness comes from the Senator from Virginia.

Mr. MOYNIHAN. That is embarrassingly so.

RUSSIAN COMBAT TROOPS IN CUBA

Mr. MOYNIHAN. Mr. President, while the distinguished Senator from Virginia is on the floor, may I simply say that I have listened with great care to what he has said.

I came here this morning for the purpose of making three observations of my own. I speak as someone who is a friend of this treaty and is disposed to its purpose. But I have not been reassured by the statements attributed to our good friend, the distinguished chairman of the Committee on Foreign Relations, as quoted on the front page of today's Washington Post in which he said:

> There is no likelihood whatever that the Senate would approve SALT II as long as the Soviet combat troops remain in Cuba.

I would like to state that I hope there is no corollary that if the Soviet troops are withdrawn, if the Soviets withdraw their troops, then conditions have been sufficiently established to accept the SALT treaty.

I see the Senator rises.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, that is the position of the Senator from Virginia. The withdrawal of the Russian troops and the withdrawal of the Russian aircraft from Cuba would not change the position of the Senator from Virginia in regard to the SALT treaty.

My view is the Senate should not even consider the merits of the treaty until those two events take place. I think that is what the Senator from New York was indicating.

Mr. MOYNIHAN. I meant simply to say that it would be extraordinary if we were, in effect, to give the Soviets a military control over our policy decisions by rewarding them for not doing, for undoing, something they ought not to have done in the first place.

We used to talk about a "code of détente." Certainly combat troops in Cuba do not comport with that code. Having posed, as it were, this threat, we ask them if they will withdraw. It is not a very big threat, we are not exactly quaking. But we are asking what kind of people are we dealing with. We are not saying that if they withdraw the threat, then, "You can have your treaty."

May I refer to the ancient practice of our friends the Danes who used to show up along the coast of northern France, England, and Ireland every springtime and say, "Well, now, you have two choices. You can pay us to go away," a payment called the Danegeld, "or we will burn down your town."

There was a great line of G. K. Chesterton:

> If once you have paid him the Danegeld
> You never get rid of the Dane.

Are we to look forward to an annual excursion of the Russian military into the Caribbean such that in return for their leaving we will perhaps give them wheat instead of selling it to them?

Mr. HARRY F. BYRD, JR. The Senator from New York phrased it so well that I think the way the Senator from New York has put the question and has answered his own question is the attitude that I would hope the Senate and the American people would take.

The withdrawal of Russian troops from Cuba should not in any way be a means of rewarding the Russians for doing, as the Senator from New York just stated, something they should not have done in the first place.

Mr. MOYNIHAN. Right.

Mr. HARRY F. BYRD, JR. But until they do that, until they do take that step, until they do get their military aircraft and combat troops out of Cuba then, it seems to me, it would be unwise for the Senate to even consider the merits of the SALT Agreement.

I realize there are differences of viewpoints within the Senate as to whether the agreement now pending should be ratified or not ratified. But that is a different issue.

Mr. SCHMITT. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. SCHMITT. I must admit to having identically the same thought when I read this morning's headline and the first few paragraphs in the Washington Post.

I was afraid that we were being, in a sense, set up for the withdrawal of these troops, and that therefore everybody can agree that the SALT treaty is a good treaty.

The two events have no direct correlation with respect to the value of the treaty. The treaty is not only of value with respect to the words written on the page, but it has to be of value in the context of the total international and other defensive environment related to this country. I know the Senator from New York and the Senator from Virginia feel this way also.

This is an additional factor that has been introduced into the debate, but it in no way changes the need for the SALT Treaty to be evaluated in the context of everything else that will affect its implementation.

Mr. MOYNIHAN. Precisely. If the SALT treaty were to be adopted as a reward for the military adventurism of the Soviet Union, then the United States would be reduced to a condition not contemplated in our time.

We can think of a number of reasons why those troops may be there. I observe in this morning's New York Times a column by Mr. William Safire which speculates they might be there to protect Soviet telecommunications intercept facilities being built on the island.

I cannot imagine our Department of State will raise much objection to those facilities being in Cuba, as they do not object to the same practice in the city of Washington, much less my city of New York, where it began. If it is all right to intercept telephone conversations from Riverdale, I cannot see why they should feel that, coming from Cienfuegos or some place, it would be less appropriate.

A similar point I would like to make, and the last one, is not unconnected. We read in the Washington Post this morning that a unique event took place in Cuba yesterday. President Aristides Royo of Panama said something not hostile to the United States. The Washington Post reports that this is the first time in 3 days that something not hostile to us has been said at the conference of nonalined nations.

These are the nations with which the administration, from the President and the Secretary of State on down, repeatedly tell us relations have never been been better. One begins to wonder. If our relations have never been better, while their pronouncements have never been more hostile, how does the Department of State and the administration define "better"?

I have read, during our recent recess, the 70-page draft of the final acts of the nonalined conference. I have agreed with the nonalined movement at times, and have been sympathetic with its purpose.

But, Mr. President, this draft is completely Sovietized. Two-thirds of the nations of the world are about to subscribe to it, and the administration says our relations with those two-thirds of the world's nations have never been better.

This is, I suppose, a variation on Senator Aiken's famous formula for getting out of Vietnam, which was simply to declare victory and leave. But it really does raise the question, how serious should—as the French say, serieux—how serious are the men who run our foreign policy?

I thank the Chair and my always gracious and distinguished friend from Virginia, and my uniquely scientifically capable friend, the Senator from New Mexico.

Mr. SCHMITT. Mr. President, before the Senator from New York departs the floor, I would just associate myself with his remarks. His perspective on the history, not only the modern but the ancient history of the world, is as unique in the Senate as any capability I may have in the scientific profession. Having been a modest student of history myself, it is a delight to me to hear this perspective added to our deliberations and consideration of policy as well as more detailed legislative matters.

The issue that the Senator raises is one of great moment. We do see an increasing drift, if not a stampede, of the so-called nonalined nations toward the Soviet orbit. I think the people of those countries will be the losers by such a drift, for these is nothing in modern history, or any history, to indicate that a drift, for there is nothing in modern hisbenefit the people of any country, certainly not in the long term, as history has shown.

This Nation and our allies offer, through technological development, through compassion, and through many other I think very fine attributes, a hope for the nonalined countries for their future light, even though the light at the end of the tunnel no longer has to be the light of an onrushing train. If the leaders of these nonalined nations do not realize that, they are ignorant. If they do realize it, then they are subverting the interests of their people to their personal interests for power and for influence with the Soviet Union.

Mr. MOYNIHAN. Will the Senator allow me a comment on what he has just said?

Mr. SCHMITT. Be happy to.

Mr. MOYNIHAN. I am sure the Senator has heard the argument advanced that one of the most important aspects of the SALT treaty is the sorting process; that the powers in the Soviet Government are divided between those who are for more weapons and those who are for less—although SALT provides for more in either case—in a sort of hawk-dove paradigm, and we must encourage the differences. Well, this may be so.

But may I say that in the nonalined nations with which I have had some experience, there is equally a continuum, and sometimes it is bimodal, between persons known to be pro-Western and persons known to be pro-Soviet. As long as the United States feels that the ascendancy of the pro-Soviet forces is an entirely agreeable condition so far as we are concerned, then they give no leverage whatever to the pro-Western forces.

No one in the pro-Western forces states, "You see, you have got them very upset, they don't like what you have just said about them, and there will be consequences here in our world, and so you should not take that Soviet line."

But while we are perfectly willing to encourage this kind of dichotomy in our adversaries, it seems never to occur to us, for example, that India is filled with persons of the greatest ability who are fundamentally democratic, pro-Western, and anti-Soviet. The United States will never support them; it only allows their adversaries to take the position, "Look we have a simple problem; the Soviets will mind, the Americans will not."

Will the Senator permit me to take one moment for a story?

Mr. SCHMITT. Yes.

Mr. MOYNIHAN. Up in the Tigris-Euphrates Valley, where you reach the Turkish border, there are a group of people who are despised by their Islamic neighbors because they are thought to be devil worshipers. This is not fair to them, and it is not just. They are not devil worshipers; they are a residuum of the old dualism or Middle East Manichaeism; they believe there are two principles, one good and one evil. They spend their time looking after the evil one. Bernard Lewis, the eminent scholar has called this a form of "theological nonalinement." They are like people who say, "If you are against the Soviet Union, that is a problem, but if you are against the United States, relations have never been better for their affinity with the Soviet Union."

Mr. SCHMITT. The Senator's story, once again, shows his perspective of world affairs, not only the current but the past.

The situation is clearly one where this country must, as he has indicated, provide an alternative articulation of good versus evil. It is that simple, but we must not just assume that everybody knows it. We have to give the basis for these more pro-Western or pro-human, I believe, nations to be able themselves to articulate their beliefs. At the same time, as we do that, we have to provide positive alternative relationships for these people.

We are entering into an era now of international conferences. The Law of the Sea Conference and the General World Administrative Radio Conference are becoming political forums. This country is still treating them as if they were still purely technical forums and they are not.

I must say, in due respect to Ambassador Richardson, he understands that. He understands the political nature of the Law of the Sea Conference, whereas, on the other hand, many other participants in things like WARC, World Administrative Radio Conference, do not, in my mind, fully understand how absolutely political those kinds of conferences become. We must go into those conferences and other international relationships not only with good solid technical alternatives for the developing world, for the Third and Fourth Worlds, but also good political alternatives for them, and we have not done that.

Mr. MOYNIHAN. Good point.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

TREASURY-POSTAL SERVICES APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 4393, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 4393) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 399

The PRESIDING OFFICER. The pending question is on amendment No. 399 by the Senator from Michigan, on which there shall be 10 minutes, to be equally divided and controlled.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum. I yield time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the purpose of this amendment is to allow for the distribution of mail between local school districts which are constituent parts of an intermediate school district. Michigan and, I believe, some other States have what are called intermediate school districts which have constituent parts, local school districts. The intermediate school district is allowed, under the regulations as they now exist, to distribute their materials directly to each constituent local disrict, but apparently, that same van is not allowed to pick up the mail from one local school district on its own route and distribute it to that other constituent part. This seems to me to be very wasteful. The intermediate school district and the local school districts are governmental units. This is intergovernmental material which is being distributed or would be allowed to be distributed under this amendment during the course of delivery by vehicles which are on the route anyway. They are not going off their normal routes to deliver this material.

It seems wasteful, to me, not to allow this interschool district material to be distributed while the van is distributing materials from that intermediate higher level. This amendment, I believe, is acceptable to the managers of the bill, but I shall let them speak for themselves on this matter.

Mr. CHILES. Mr. President, we have looked at the amendment by the Senator from Michigan. I have a hard time, to tell the truth, understanding why the Post Office is concerned about this situation, with essentially interoffice mailing going from a school district and circulating around through that school district, just as we circulate interoffice mail between the House and the Senate. Our mail is hand-carried. We do not ever think about the fact that it should have to go by the postal system.

It seems we are dealing with the same thing. As I understand it, the intermediate school district is in charge of the overall operation. We are talking about circulating correspondence between that school district and the schools which are under the intermediate school district, and correspondence going from school to school within that.

So it just strikes me that it is so much like an interoffice mail situation.

I can see the concern, perhaps, of the post office when we start writing exceptions into the postal monopoly. I think they might well be concerned about seeing exceptions—it has been tested in court and generally upheld—and they are concerned about whether that is under attack.

I would hope that if we take the amendment, there would be a way for the Postal Service to work out the problem that the Senator from Michigan has so well portrayed here and that we could find a solution to this matter so that we would not have to actually argue this in conference.

But I cannot understand why the post office cannot work a solution. Let us take the amendment and see if there is some way of working out a solution to this.

Mr. SCHMITT. Mr. President, I would agree with the chairman on that procedure.

It does seem that this type of exception, in one way or another, already exists. I would hope the Postal Service would recognize that and work with the Senator from Michigan to make it possible for this, I think, limited addition to the exceptions that already exist to go forward.

Certainly, this should give him some leverage to discuss that with the Postal Service.

I, for one, think that if the Postal Service is not willing to work something out, some discussion in the conference will be warranted—and I suspect our colleagues in the other body may be sympathetic.

At any rate, I am certainly willing to accept the amendment and hope that the Postal Service recognizes our interest in this matter.

Mr. CHILES. Mr. President, I yield back any time we have.

Mr. LEVIN. Mr. President, I yield back the balance of my time.

I do thank my friends and colleagues from Florida and New Mexico for their cooperation and sensitivity.

Hopefully, something can be worked out so that there will be no need to press this at conference, if there is an objection in conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 399) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 524

(Purpose: To provide that no funds may be used to formulate or carry out any new rule or regulation which would cause the loss of tax exempt status of any private school)

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized to call up an amendment.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, I send to the desk an unprinted amendment on behalf of the Senator from North Carolina and the able Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 524.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the appropriate place in the Act add the following:

"SEC. . None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard, or measure which would cause the loss of tax-exempt status to private, religious, or church-operated schools under section 501(c)(3) of the Internal Revenue Code of 1954 unless in effect prior to August 22, 1978."

Mr. HELMS. Mr. President, I want to be as brief as possible in discussing this amendment because I feel we covered the subject thoroughly yesterday in debating the amendment by the distinguished Senator from New York (Mr. JAVITS).

Mr. President, the purpose of this amendment is quite simple: it places a 1-year moratorium on the ability of the Internal Revenue Service to establish new procedures—and I emphasize the word "new"—regarding the termination of the tax-exempt status of private schools. This prohibition is forward looking only. It is not retroactive. IRS would still be able to enforce all regulations which were in effect as of August 22 of last year.

Under my amendment, the IRS may still move to withdraw the tax exempt status of a school which has failed to meet the standards of Revenue Procedure 75-50.

Under Revenue Procedure 75-50, the racially nondiscriminatory policy of every private school must be stated in its governing instruments and governing body resolution, and in its brochures, catalogs, and similar publications. This policy must be publicized to all segments of the general community served by the school, either by notice in a newspaper or by use of broadcast media. All programs and facilities must be operated in a racially nondiscriminatory manner and all scholarships or comparable benefits must be offered on such a basis.

Mr. President, Revenue Procedure 75-50 states the information that every school filing an application for recognition of exempt status must provide. Also included are an assortment of recordkeeping requirements, mandating the retention for at least 3 years of records indicating the racial composition of the school's student body, faculty and administrative staff; records documenting the award of financial assistance, copies of all brochures, catalogs, and advertising dealing with student admissions, programs, and scholarships; and copies of all materials used by or on behalf of the school to solicit contributions. Failure to maintain or to produce the required reports and information creates a presumption that the school has failed to comply with the law and thus has a racially discriminatory policy as to students.

Under existing law, a private school must be able to affirmatively demonstrate, as in the case of an audit, that it has adopted a racially nondiscriminatory policy as to students and that this policy has been made known to the general public, and that since the adoption of that policy the school has operated in a good faith manner in accordance with it.

The existing law provides substantial procedures for the IRS to deny the tax exempt status of schools which discriminate.

In fact, IRS has denied the tax-exempt status of over 100 schools which it, or a court, has found to be discriminatory. My amendment today does not change the existing law contained in Revenue Procedure 75–50, and thus it preserves the ability of IRS to act against offending schools on a case-by-case basis.

My amendment is necessary to allow Congress the time to consider the numerous legislative proposals which have been introduced to deal with this problem.

For example, earlier this year I was joined by Senators FORD, SCHWEIKER, STEVENS, and ZORINSKY in introducing S. 995, the Private School Non-Discrimination and Due Process Act of 1979. This legislation would for the first time expressly authorize the IRS to move to terminate the tax-exempt status of private schools which discriminate. It also provides considered and balanced safeguards to protect the first amendment rights of the schools involved.

Congress should address this problem as the policymaking branch of the Federal Government. My amendment is necessary in order to preserve this opportunity and to allow the public debate on this issue to continue.

Mr. President, I am not going to consume the time of the Senate in reading in the RECORD all of the details of Revenue Procedure 75–50 and other existing regulations dealing with tax exempt schools which would not be affected by my amendment. Suffice it to say that this is a forwardlooking amendment. It simply provides that no new procedures regarding determination of the tax-exempt status of private schools will be funded under this legislation now pending before the Senate.

Mr. President, the testimony before the Oversight Subcommittee of the House Ways and Means Committee of Randolph W. Thrower, a former Commissioner of the Internal Revenue Service, eloquently answered a question raised yesterday by the distinguished Senator from New York and the distinguished Senator from Ohio (Mr. METZENBAUM) about the low number of black students that often is reflected in enrollment in a private school.

Mr. Thrower was attempting to explain the difficulties of private schools in this matter and he presented to the House committee a copy of an advertisement circulated by a black organization urging black students not to enroll in private schools.

I will read part of it. It says:

> Our public school system is the best way to go. There are rumors that the I.R.S. (the Internal Revenue Service) is cracking down on all private schools that were established to escape from the public school system during the time of integration. It is also rumored that the private school needs 45 black students within a 60-day period to save the private school.
>
> The Black Youth Coalition is asking black parents to please keep your children in the public schools. Don't be used up in private schools! Don't be a backlash on your roots!

Mr. President, this documentation by Mr. Thrower suggests that there was a deliberate effort on the part of at least one black organization to prevent the enrollment of black students in private schools.

I feel this advertisement should appear in the RECORD, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, the Senator from North Carolina is aware that the drawings in the advertisement cannot be reproduced in the RECORD—I wish it could be done—but that the text of this advertisement can be.

With that, I reserve the remainder of my time.

EXHIBIT 1

OUR PUBLIC SCHOOL SYSTEM IS THE BEST WAY TO GO

There are rumors that . . . . I.R.S. (the Internal Revenue Service) is cracking down on all private schools that were established to escape from the public school system during the time of integration.

It is also rumored that . . . . the private school needs 45 black students within a 60-day period in order to save the private school.

The Black Youth Coalition is asking black parents to please keep your children in the public schools.

Don't be used up in private schools!

Don't be a backlash on your roots!

Mr. CHILES. Mr. President, this amendment also was discussed in the committee.

Contrary to the Dornan amendment, which Senator JAVITS sought to strike yesterday, the committee felt that by adopting the Dornan amendment, we had basically covered the situation. That said that the IRS revenue procedure concerning themselves with the issue of private schools could not be issued. We felt that it was a little redundant to have Dornan and Ashbrook basically saying the same things.

Ashbrook is drawn considerably broader and did not address itself solely to the present controversy. It says "under no circumstances," could anything be done and members of the committee, including myself, thought that was a little broad. Was that to say that if private schools taught the overthrow of the U.S. Government by force, the IRS could not issue some rule or regulation to say that that was improper? To carry it to its ridiculous extreme, it would be that way.

Mr. HELMS. I do not think that will happen in a Christian school.

Mr. CHILES. As the Senator knows, this amendment is not drawn just as to a Christian school.

Mr. HELMS. But the IRS has taken aim at Christian schools. I think the Senator knows that. This amendment is designed to provide relief for Christian schools.

Mr. CHILES. The other regulations were aimed at Christian schools and they were dealt with in the Dornan amendment, which the Senate upheld.

Mr. HELMS. I will not haggle with the Senator. He is my friend and I am his.

Mr. CHILES. My feeling is that we covered it yesterday. However, considering the vote we had yesterday, considering the time, with Members in committees now, and considering the vote that took place on the floor of the House on this particular amendment, I am disposed to say that the Senate has sort of spoken on this question yesterday, and that we will just take the amendment, or have a voice vote on it.

Mr. HELMS. I thank the Senator. I want him to know that I deeply appreciate his willingness to voice vote this amendment so that we can move along.

Mr. SCHMITT. Mr. President, I concur generally with the remarks of the distinguished chairman of the subcommittee, the floor manager of the bill.

I supported retention of the Ashbrook amendment in committee, although I did have the same reservations about it being drawn technically more broadly than probably necessary to address the particular problem.

I, for one, think we all must be alert if the IRS runs into some inadvertent problem on another issue because of the language of this amendment. I am sure the Senator from North Carolina also will do that. We can imagine the ridiculous extremes, as the Senator from Florida has indicated, in which the IRS might use this as an excuse not to do something they should do.

Mr. HELMS. I assure the Senator that I will cooperate with and support any effort to prevent such activity in the unlikely event that an episode of that nature should occur.

Mr. SCHMITT. Of course, this would have effect only for the appropriations year, fiscal year 1980 and can be reviewed, if a problem developed over that period, during the next appropriation cycle.

So I concur with the Senator from Florida that we should accept the amendment. The House is strongly in favor of it, and I think we will have more important things to do in conference.

Mr. HELMS. I thank the Senator from New Mexico and the Senator from Florida, who have been most cooperative.

Mr. CHILES. Mr. President, I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum. I believe the Senator from New York would like to have a chance to speak on this subject.

Mr. HELMS. Mr. President, in that case, I withdraw my offer to yield back my time, and I will reserve the remainder of my time.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum, on the committee's time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTE TO OCCUR AT 12:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, it is my understanding there will be a rollcall vote on the pending amendment. I ask unanimous consent that that rollcall vote occur at 12:30 p.m. today.

Mr. CHILES. To be immediately followed by the Metzenbaum amendment.

Mr. ROBERT C. BYRD. That is already in the order and that is the remainder of the order as entered yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SCHMITT. By the interaction of the two orders now that means that the vote on final passage, assuming we get through third reading here momentarily, will occur immediately after the vote on the Helms amendment.

Mr. ROBERT C. BYRD. Under the order that was previously entered Mr. METZENBAUM has the option of offering an amendment following the disposition of the amendment by Mr. HELMS. That was the order of yesterday.

Mr. SCHMITT. I ask the Senator from Ohio if he will offer an amendment?

Mr. METZENBAUM. I say at this moment I am not at all certain I will offer such an amendment. I do not wish to waive my rights. But I think it is fair to advise the Senator that there is good likelihood I will not offer such an amendment, but I wish to reserve my rights at this point.

Mr. ROBERT C. BYRD. In either case the bill will then advance to third reading, following Mr. METZENBAUM's amendment, or if he does not offer one, following disposition of the Helms amendment we will go to third reading immediately.

Did the order provide for any debate on third reading, may I ask the Chair?

The PRESIDING OFFICER. There is no further debate following the disposition of the amendments.

Mr. ROBERT C. BYRD. So final passage would then occur immediately.

Mr. SCHMITT. When will the Senator from Ohio know when he is going to offer his amendment? We are dragging this bill out. A lot of us have other things scheduled for the afternoon. We anticipated we would be through shortly this morning.

Mr. METZENBAUM. I say to my good friend from New Mexico I am trying to give him the best of my knowledge at this moment. I tried to say to him that I think it is doubtful that I will offer an amendment, but I do not wish at this moment to waive my right. I do wish to speak with my staff about the subject, but I think it is very doubtful that I will offer the amendment after the Helms amendment is disposed of.

Mr. SCHMITT. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, while I have the floor, if Mr. METZENBAUM intends to ask for the yeas and nays perhaps it could be done now on the amendment and then every Senator would know there will be a rollcall vote. Does the Senator intend to ask for the yeas and nays?

Mr. METZENBAUM. Yes; I am sorry, I did not hear the majority leader.

Mr. ROBERT C. BYRD. Will he ask for them now?

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays on the Helms amendment.

The PRESIDING OFFICER. Which amendment is the Senator talking about?

Mr. ROBERT C. BYRD. On the amendment by Mr. HELMS.

Mr. METZENBAUM. The pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered on the Helms amendment.

Mr. ROBERT C. BYRD. I thank the Chair, thank Mr. METZENBAUM and thank all Senators.

Mr. METZENBAUM. I thank the Senator.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays are ordered on final passage.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, there is some feeling that the amendment that is before us today fits hand in glove with the amendment that was passed by this body yesterday.

I would like to make the point unequivocally clear that there is a broad, broad difference between the amendment of yesterday and the amendment that is before us today. The amendment yesterday had to do with the use of IRS funds which relate to the matter of schools having appropriate policies that conform with the Constitution. It had to do with the issues of integration, segregation, and civil rights.

This amendment goes far, far beyond that. As a matter of fact, the members of the Senate Committee on Finance received a report from the Tax Committee staff dated July 24, 1979, concerning this very amendment. The memorandum states:

> Although the intent of this amendment was to prevent the IRS from implementing its guideline as it related to discrimination in private schools, the amendment is far broader.

The staff went on to report:

> Critics would point out that this amendment would prevent the IRS from implementing any of its rules and regulations relating to tax-exempt schools regardless of the basis. For example, if a particular tax-exempt school was permitting part of its net earnings to inure to the benefit of a private shareholder, the IRS would not be able to enforce its regulations and revoke the tax-exempt status of the school.

This is an unbelievable amendment in many respects. It locks in perpetuity the tax-exempt status of private, religious or church-operated schools.

How can anyone possibly argue that that makes good sense? In fact, the Appropriations Committee, when it dealt with this issue, voted to remove the provision from the legislation before us.

Can anyone say that tax-exempt status ought to remain in perpetuity regardless of whether the institution conforms with all applicable laws? Can anyone say that a school should retain tax exempt status if its funds are used to line the pockets of one of the individuals connected with the school.

Obviously, that would be grossly inappropriate. There is not any Member of the Senate who would stand on the floor and say the tax-exempt status ought to remain in effect after such an occurrence.

Let me go even beyond that point. Let us assume for the moment that Mr. Jones contributes $1 million to a tax-exempt school, and that the school thereafter uses those funds for direct lobbying purposes. The school lobbies for or against any particular kind of legislation which has nothing at all to do with the school. Would anybody then suggest that that school ought to thereafter be entitled to continue its tax-exempt status?

We have lived a long time in this country and nobody has ever claimed that you can use tax-exempt funds for lobbying purposes no matter how worthy the cause may be. Yet that is exactly what it proposed under this particular amendment.

Mr. President, I think we have to separate the wheat from the chaff in this particular situation. There are many Members of this body who saw fit to vote in the affirmative yesterday on the subject having to do with the tax-exempt status of schools which are open to question by reason of the schools' policies concerning segregation.

That issue is behind us. The Senate has spoken its mind. That was adopted by, I think, a vote of something like 54 to 31. However, this is not the same issue. This amendment does not even relate to that issue. The Senate has already determined, over the objection of some of us, that IRS funds cannot be used to inquire into that subject. But does it follow that we ought to put into law a provision that will provide continued tax-exempt status in perpetuity for certain schools and institutions? I do not believe anybody can reasonably make that point.

Mr. President, I see the distinguished Senator from New York on his feet. I know he wishes to be heard on this subject. I do have some additional remarks, but I am very happy to yield to him at this point.

Mr. JAVITS. I thank my colleague very much.

Mr. President, the thing that brought me to my feet was the Senator's assertion of yesterday's vote. I thoroughly agree with him, and that is the tradition of this body. We debate a question, no matter how diligently and how passionately, and that is the end of that.

It was my very distinct feeling that many Members had in their minds yesterday the fact that the IRS proposed to make certain rules and regulations which affected church-operated schools, and I think that was a major element in the thinking of many Members.

The thing that strikes me about Ashbrook is its commitment forever, and also its commitment to "private schools." The categorization is very specific: "private, religious, or church-operated schools."

It seems to me really most imprudent to give what the Senator describes properly as a permanent exemption to private schools. However we may desire to have great solicitude about separation of church and state and noninterference with the traditional school function of many religions, we certainly cannot apply that to private schools.

Yet this very complete, locked-in exemption would apply to private schools. As the Senator says, whatever they may do with the money which is contributed to them, the contributor would have tax exemption; indeed, a contributor for that kind of an institution could avoid many of the restrictions which the tax laws impose upon contributors to charitable and other educational activities if it were not a private school.

So I would like to express my complete concurrence with the Senator. The question is different; of course, the result in the Appropriations Committee was different; and I hope very much the result here on the floor will be different.

I must also suggest to the Senate that we should, without any question, have a vote on the record on this matter, which I now understand we have ordered, and I am very pleased that the Senator has asked for that. I hope very much that Senators will carefully examine this amendment, and see that the completeness of it and the application to this broad, broad category of private schools makes it extremely unwise, and we should really, as the Senator says, make no such exemption for any institution in this country forever, and that therefore this amendment will be defeated and the Appropriations Committee in this case sustained.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, this matter was debated on the floor of the House. At that time some very profound words were offered by the chairman of the Oversight Subcommittee of the House Ways and Means Committee. He described the potential dangers of the amendment pending before us. What he said at that time was the following:

> What the gentleman has done in his amendment is open a field day for those who watch this Internal Revenue Code like hawks. Every time there was any potential loophole there, there was nothing new to stop them from setting up something that is described as a religious institution or school or something, and conduct a private business out of it and pocket untold amounts of tax-free money. I think the gentleman just goes too far.

That, I believe, is what this amendment is all about. It just goes too far. I am concerned that many of those who may see fit to vote for this amendment today will do so unaware of its total consequences. Some of those who will vote in the affirmative today are the same ones from whom we hear regularly about conservatism in Government, about concern for the Federal treasury, and about the question of evading and avoiding tax responsibility. Yet that is what will be made possible if the Senate votes to lock in place, in perpetuity, the tax exempt status of a private, religious, or a church-operated school.

Frankly, I am a little less concerned about the church-operated school; somewhat concerned about the religious school, but very much concerned about the private school that has a tax-exempt status. Do we really want, and does the author of this amendment truly want, to provide a means of circumventing the law, of saying that in this Nation there is such a category of schools, private schools, that can do whatever they want, however they want to do it, regardless of what the issues are, and still remain their tax-exempt status?

I have great respect for the Senator from North Carolina. He is a strong advocate. He fights for what he believes in, and I know that he is a fair man. Yet I say to him, "Do you really want—I know your views expressed with respect to the subject yesterday, but do you really want to create a special group of private schools that can lobby or enhance the pockets of their promoters without ever having their tax status questioned?"

I have difficulty believing that that is the Senator's intent, and yet I believe that is what he will achieve if he is successful in this amendment. I have difficulty in understanding why he wants to go that far.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 44 minutes and 40 seconds remaining.

Mr. HELMS. I thank the Chair. I thought there was a 1-hour time limitation, to be equally divided.

The PRESIDING OFFICER. That was expanded.

Mr. HELMS. I see.

Mr. CHILES. Mr. President, the expansion was just for the rollcall vote, the time for the rollcall vote to occur. There was no time expansion on the limitation for either side. I do not think there was any expansion of time; we just said we would delay the rollcall.

Mr. SCHMITT. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Chair would note that the effect of extending the time for the vote is to extend the time on the amendment.

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. There is nothing to prevent the Senate from taking up time on another matter, is there?

Mr. CHILES. The intention of the leaders was that we were going to set the rollcall for 12:30, but we were going to finish the debate and take up another matter.

Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President, I object to that point.

Mr. CHILES. I do not think it is objectionable for me to suggest the absence of a quorum.

Mr. METZENBAUM. The Senator is right. I just wanted to support the Senator's position.

Mr. CHILES. I just wanted to suggest the absence of a quorum because I think we ought to confer with the majority leader. I withdraw it.

Mr. METZENBAUM. I just wanted to point out the fact that the Senator from Ohio still has time remaining—no, I guess that point would not be valid; my time would come after the rollcall vote, so that is not correct.

But I do agree to that, that it was not the understanding that we were expanding the time, and I for one have no particular desire to do so.

I do not have much more to say.

Mr. HELMS. Mr. President, I am sure that neither the Senator from Florida nor the Senator from North Carolina desires to spend that much time. In any case, I am sure the manager of the bill would afford the Senator from North Carolina such time as he needed.

Mr. President, the Senator from Ohio is my friend and has spoken very charitably of me, and I have the same regard for him.

However, I must confess a bit of puzzlement at the extent to which he has imagined a horrendous potential of this amendment. It is beyond my comprehension that the Senator could see the bogeyman that he says he sees.

At one point my friend from Ohio told the Senate that this amendment would lock in, in perpetuity, this provision. Not so. This is a 1-year bill, Mr. President.

As the Senator from Florida and the Senator from New Mexico and the Senator from North Carolina have agreed, if a problem does come up—which it will not—but if any problem does come up, the three of us and the Senator from Ohio, the Senator from New York, indeed the entire Senate will rise up and act quickly if such a horror story should present itself. The plain truth, Mr. President, is that we are talking simply about getting the Internal Revenue Service off the backs of well-intentioned, well-operated, private Christian religious schools in America.

I shed no tears over clipping the wings of the Internal Revenue Service. They have asked for it. By heavy-handedness, by arbitrariness, by harassment of Christian schools, the Internal Revenue Service has asked for precisely what Congress is doing. I say to my friend from Ohio, this Senator is not going to back up one inch, because this kind of arrogant tyranny has to stop.

That is my sole interest. I have watched these private schools. I know the people who are operating them in my State. I know what kind of citizens they are. I know what kind of character they have.

I say to the Senator from Ohio, he need

not worry about them. They are not going to engage in any un-American activities. They do not lobby. They simply operate schools conditioned upon precepts that this Senator feels made this country great.

No, sir. Have no fear about these private Christian schools. They have no ulterior motive. They simply want to offer education which, by their perception, is better and different from the kind of education available in some of the public schools of this country today.

I said yesterday that I visited one of these schools in northeastern North Carolina earlier this year, and I was taken on a tour of the facilities. I shall never forget a farmer who was proudly showing me one classroom. He stretched forth his calloused hands and said, "Senator HELMS, I laid every cinder block in this room myself, because I wanted my young'un to have a better education than I had."

This is the character, this is the dedication, this is the motive of the people who are supporting these private schools.

We hear so much obfuscation about alleged discrimination. Earlier today, I referred to a statement by the former IRS Commissioner, Randolph W. Thrower which criticized the actions by IRS at issue here. I placed in the RECORD an advertisement by the so-called Black Youth Coalition, urging—urging—black parents not to send their children to private schools so that the private schools could be destroyed by the Internal Revenue Service. That is what has been going on, Mr. President, and I do not think the Senate ought to yield to that kind of tactic.

This amendment was passed by the House of Representatives by a vote of 297 to 63. That is almost 5 to 1. Will anybody in the Senate now suggest that 297 Members of the House did not know what they were doing?

One final note on this subject of alleged discrimination. Mr. Jerome Kurtz, the IRS Commissioner, testified before the Senate Subcommittee on Taxation and Debt Management earlier this year. When he was asked about widespread discrimination in private schools, he said flatly that it is not happening.

So, Mr. President, if we do not adopt this amendment, those who favor this bill are going to shoot themselves in the foot, because this bill will surely be tied up in conference. I have no idea whatsoever that the House of Representatives will yield on this amendment and discard it. We should have gone ahead and passed it by a voice vote and get it behind us. There should have been none of these farfetched bogeyman stories. What we are talking about is the harassment, by the IRS, of good, honest citizens, who are doing the best they can to improve the quality of education for their children.

No, sir, they do not like the drug trafficking going on in public schools; they do not like the violence; and neither do the teachers who are being assaulted, and sometimes raped and killed in the public schools.

Yes, sir, they want prayer in their schools. And I think they are right on all counts. They have a right to be left alone, and that is what my amendment is all about.

I said yesterday that there were a lot of Americans who would be watching the vote on that amendment. And you can jolly well assume, Mr. President, that the same Americans are going to be watching the vote on this amendment today.

I reserve the remainder of my time.

Mr. CHILES. Mr. President, I remember when this appropriation bill would take about 20 minutes to present. I remember that I used to think that it would be good to be chairman of the Subcommittee on Treasury, Postal Service, because there was never any controversy about it. The only questions were just what to do about funding levels. What we had to do was consider funding the departments and the Post Office. After all, the Treasury Department through IRS collects the money so there cannot be anything much wrong with that.

I now find that we have become a sort of legislative committee to handle disputes from anything to do with how much oil is in tankers to Post Office matters—naming the postmasters; whether the Post Office department should be in telecommunications or not; private school matters; to all firearms legislation.

There is a Committee on Finance that is supposed to have jurisdiction over the Internal Revenue Service. There are post office and civil service committee and subcommittees that have legislative jurisdiction. There are many other committees that have legislative jurisdiction. But suddenly, we have been here 2 days now, and we have not been arguing numbers on this bill; we have not been arguing appropriations.

The chairman of the Committee on the Budget stood on the floor and thanked us for being within the budget allocation of the committee to date, questioned whether we could hold that. We assured him that that was certainly going to be our intent to do that. That deliberation took 2 or 3 minutes. But we have spent the rest of the hours on this bill, it seems, dealing with legislative subjects here that run far afield.

Our committee has held no hearings on these legislative matters. We have seen no witnesses. We have not had staff that visited the sites which we are talking about here. We are not set up to do that. That was not the purpose of our committee to start with. I do not know how we have gotten into this situation where legislation is continually attached to the appropriations bill.

But I can say one thing. It looks to me as if we can do away with the authorizing committees and just have everything come on the appropriations bills. We are going to be on the floor all the time on these appropriations matters, but maybe that is the way it should be.

With those remarks, Mr. President, I want to go back and say the way I, as chairman of the committee and, I think, the way the membership of the committee is approaching the Dornan and Ashbrook amendments. First, we have legislative amendments, and they are legislation, that came on in the House. We had a series of amendments. We had two Dornan amendments dealing with schools, then we had the Ashbrook amendment. We looked at those and saw, in the Dornan amendment, that it was addressing itself specifically to proposed Internal Revenue Service revenue procedures. Those proposed regulations dealt with some of our religious schools.

The first regulations they issued they withdrew after there was a firestorm of protest. But the first regulations that they came out with, in effect, shifted the burden of proof to the private schools, to the religious schools, and said for those schools that were organized after the Brown case, in effect had to make certain affirmative showings that they were not segregated.

That brought about a fire storm of protest from many schools, private and religious schools, that had not organized themselves for purposes of segregation. But they wondered, "Why are we changing the whole form of the law to say we are guilty and must prove ourselves innocent?"

Congress got into that. Many of us wrote the IRS. I, among others, complained about that. IRS withdrew those regulations and started holding hearings on other proposed regulations. They went so far as to issue—not final regulations—but another set of regulations for comment. The second set did not go as far as the first set, but many felt the second set of regulations went too far also. I did, and others did.

The IRS still had those in the comment period, and that is sort of where it was when the amendments were added in the House.

The Dornan amendment said that no funds under this bill, that being the way we have to legislate on the appropriations bill, should be used to implement the provisions. More specifically, they stated:

> None of the funds available under this Act may be used to carry out proposed revenue procedure 4830-01-M of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-Exempt Schools" (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79-4801), and proposed revenue procedure 4830-01 of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-Exempt Schools" (43 F.R. 37296 through 37298, August 22, 1978, F.R. Document 78-23515), or parts thereof.

We had a debate on this in the committee. We addressed specifically the actions that the IRS was contemplating. That is, that they had issued one set of regulations, then withdrawn them, and the second set of regulations that they had proposed and were in the comment period and the committee, by a preponderant vote, felt IRS was going too far, regardless of the fact that we realized we were not the right committee to consider this. We realized that at the time we voted to include the Dornan amendment, and we did that. The Senate backed the decision of the committee yesterday when it defeated the Javits amendment that would have struck the Dornan amendment.

We also then looked at the Ashbrook amendment. The Ashbrook amendment in section 103 of the bill said that—

> None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard, or measure which would cause the loss of tax-exempt status to private, religious, or church-operated schools under section 501(c)(3) of the Internal Revenue Code of 1954.

It was the feeling of the committee in a close vote, 12 to 11, that the Ashbrook amendment went considerably further than was necessary. It was saying prospectively that they cannot issue any guideline, any rule, any regulation, any procedure, regarding the tax-exempt status of private and religious schools.

It did not say, "You can't shift the burden of proof." It did not say, "You can't do these things."

It, in effect, said that there is just nothing we can do to any school that is now tax exempt, no matter what action they take, no matter what they do, no matter what they teach, no matter whether they are operating and taking money and using that money for different purposes. Nothing there can be covered.

It seems to me that is awfully broad and inappropriate to say it in an appropriation bill.

I personally was opposed to what the IRS was attempting to do. In the initial regulations they issued, even in the second set, I think they went too far. But I can conceive, certainly, things private schools could do that I would result in them not being entitled to a tax-exempt status. I think my good friend from North Carolina could conceive of things that private schools could do that he would also feel would result in them not being entitled to tax-exempt status.

It is something of privilege to receive tax-exempt status. It is a foregoing of revenue.

So it would seem there certainly are items or actions they could take contrary to the national interest of the United States that we would want to say something about.

But here, under the Ashbrook amendment, we would be prohibited from doing that.

For that reason, I think the Ashbrook amendment is too broad, and I think we have covered the problem in the Dornan amendment which we have now by a substantial vote in this body kept within the bill. It is in the House bill, also.

So it appears to me that the IRS has to stop what they were doing with their regulations, at least until the next appropriation comes around.

I would still think this matter should be dealt with in the authorizing legislation and put into the tax code, because that is where it belongs. It does not belong here on the appropriations bill.

Mr. SCHMITT. Will the Senator yield?

Mr. CHILES. I am delighted to yield.

Mr. SCHMITT. Will the Senator yield for an additional comment on the two themes raised by the Senator from Florida?

Mr. HELMS. Certainly.

Mr. SCHMITT. Mr. President, first of all, as I said earlier, I agree. I think it is too broad. But I think at this point for a year, and I support the Senator from North Carolina this far, that we should tell the IRS they have gone too far in this and, hopefully, they will assume some other area in their exercise of legislative authority.

However, I am not sure how I will react to this next year, if it comes up again, because I agree completely with the Senator from Florida that we have gotten ourselves in this point in the history of this country in a very difficult situation with respect to the normal process of authorization and appropriation.

If I may discuss that for a moment, I think it is because the Congress through the years, and particularly the last couple of decades, has transferred so much legislative power to the agencies of Government that we are now searching for a way to oversee that legislative activity which, basically, is what the IRS has undertaken, and other agencies have, also, and the reason we see this proliferation of legislation on appropriations bills.

It is the only annual mechanism we have that is reasonably reliable, to say, "Agency, you shall not do that. You shall not legislate in that area, because Congress does not want you to legislate in that area."

But we have given them such broad authority to do so, this is the only way we have to try to get back some of that authority.

As the Senators know, I have been offering an alternative with my distinguished colleague in the other body, Representative Levitas offered that also. There is another way to do it. But I think until we are willing to give ourselves a legislative veto as another process, independent of appropriations, to oversee a regulatory; that is, the legislative activity of the bureaucracy, we will be faced with this kind of operation to legislate on appropriation bills, because we cannot do it any other way.

I am going to resist, and I am sure the Senator from Florida will, at every reasonable opportunity, legislating on appropriation. But I cannot say that there will not be circumstances in which inappropriate legislation by the bureaucracy will not have to be dealt with in this way.

So, once again, I support the Senator from North Carolina this year on this matter, but I do think the amendment to be there forever or to be renewed annually is too broad. It could cause considerable difficulties in areas beyond the specific issue of the regulation of the tax status of schools.

Mr. HELMS. Mr. President, I could not agree more with the Senator from New Mexico, and I do not really disagree with the Senator from Florida. I think that, deep down in his heart, Senator Chiles has no fear that the private schools of America will rise up and do monstrous things. He knows better. He was merely citing an extreme hypothetical possibility, which is not a possibility at all.

However, I do not have the distaste for what is called legislating on appropriations bills as some other Senators do, because the surest way this Senator knows to put an end to an arbitrary bureaucratic practice is to cut off the money to the bureaucrats. Money is what greases the wheels of these bureaucrats; and the more money they have, the more they spend and the more they heap their arrogance upon the taxpayers of this country. So I do not have any distaste for legislating on an appropriations bill, if it is essential to do so in order to get at a problem.

Mr. SCHMITT. Mr. President, will the Senator yield on that point?

Mr. HELMS. I yield.

Mr. SCHMITT. I am sympathetic to that, but I do think there is a better, more efficient way to do it, and that is through consideration of the regulation before it becomes law.

Mr. HELMS. The Senator knows that I agree with him wholeheartedly.

Mr. SCHMITT. Then we act as an appropriate legislative body, as elected representatives of the people, and say, in that period of time, "No, that shall not be a law," or, by acquiescence, "Yes, it shall." Then we do exactly what we were elected to do.

Mr. HELMS. Exactly.

Mr. SCHMITT. But we are not doing that today, and we have to go after those laws after they become law.

Mr. HELMS. Well, I say again, all this amendment will do is to give Congress this year to look at it, to deal with the problem.

I say to the Senator, as I said earlier, that if there is any reason whatsoever to remedy any improper activities, I will be right in there, in the frontline, with the Senator from New Mexico and the Senator from Florida and others. But again, I do not think it will happen.

Mr. SCHMITT. I think that, particularly because of the colloquy on this issue and the current concerns the three of us and others have expressed, the IRS would be very remiss in their understanding of the issue if they moved to do things beyond what we are directing then, in a way, to do; and if institutions that are aware of this debate move to take advantage of a loophole that may be created by this amendment, then they also should be on notice that the Senate will move swiftly, at least in the next appropriations bill, to make sure that those loopholes do not exist any longer.

Mr. HELMS. I agree with the Senator absolutely.

I think that perhaps the opposition to this amendment falls a little under the category of much ado about nothing; because, as I said earlier, under this amendment, the Internal Revenue Service still can move to withdraw the tax-exempt status of a school which has failed to meet the standards of Revenue Procedure 75-50. I urge Senators to look at the true intent of this amendment.

There is no reason to be apprehensive about the private Christian schools. These people are motivated by the highest principles.

It is time for Congress to make clear that the IRS must get off the backs of these schools. That is what this amendment is about. It may cause a little discontent at IRS. Good. It might clip the wings of some bureaucrats. Good. As the Prince of Denmark is said to have remarked:

> That is a consummation devoutly to be wished.

It is time we clipped a lot of bureaucratic wings in Washington, D.C.

In conclusion, I go back to my earlier observation that I have no distaste for so-called legislation on an appropriation bill when it is essential. I think we should do whatever may be necessary to bring the entire Federal bureaucracy in line.

I recall that a Federal arts group used Federal funds some years ago to give about $2,900 of the taxpayers' money to some creative genius who came up with a one-word theme. It was one word—spelled wrong—L-I-G-H-G-H-T. They gave him $2,900 for that remarkable bit of creativity. Most Americans will be forgiven for regarding this as a foolish waste of the taxpayers' money.

Mr. President, I urge the Senate to approve my amendment, because it gives Congress 1 year to deal with the problem along the lines, it is hoped, suggested by the distinguished Senator from New Mexico. In the meantime, no harm will be done in this Nation by the good people who are operating the private Christian religious schools throughout America.

I reserve the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

Mr. HELMS. I yield back my time, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, the vote on the amendment by Mr. Helms will occur at 12:30 p.m. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. And immediately following that vote, Mr. Metzenbaum has the option of calling up an amendment, if he so desires. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. If Mr. Metzenbaum does call up such an amendment, upon the disposition of that amendment, the bill will go to third reading. If Mr. Metzenbaum does not call up an amendment, then upon the disposition of the amendment by Mr. Helms, the bill will go to third reading. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, if no Senators desire further time, I ask unanimous consent that the Senate stand in recess until 12:30 p.m., at which time the vote will begin.

There being no objection, the Senate, at 11:38 a.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Bradley).

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), and the Senator from Washington (Mr. Magnuson) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Garn), the Senator from Utah (Mr. Hatch), the Senator from Oregon (Mr. Hatfield), the Senator from Iowa (Mr. Jepsen), the Senator from Nevada (Mr. Laxalt), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

On this vote, the Senator from Utah (Mr. Hatch) is paired with the Senator from Oregon (Mr. Hatfield). If present and voting, the Senator from Utah would vote "yea" and the Senator from Oregon would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote and have not done so?

The result was announced—yeas 47, nays 43, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—47

Armstrong
Baker
Bentsen
Boren
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Ford
Goldwater
Gravel
Heflin
Helms
Hollings
Huddleston
Humphrey
Johnston
Kassebaum
Long
Lugar
McClure
Metzenbaum
Morgan
Nunn
Pryor
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—43

Baucus
Bayh
Bellmon
Biden
Boschwitz
Bradley
Burdick
Cannon
Chafee
Chiles
Church
Cranston
Durenberger
Durkin
Eagleton
Exon
Glenn
Hart
Hayakawa
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Moynihan
Muskie
Nelson
Packwood
Percy
Proxmire
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—10

Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Pell
Pressler

So the amendment (UP No. 524) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table and ask for the yeas and nays.

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment (UP No. 524) was agreed to.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye) and the Senator from Washington (Mr. Magnuson) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Garn), the Senator from Utah (Mr. Hatch), the Senator from Oregon (Mr. Hatfield), the Senator from Iowa (Mr. Jepsen), the Senator from Nevada (Mr. Laxalt), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The PRESIDING OFFICER (Mr. Baucus). Are there any other Senators who wish to vote?

The result was announced—yeas 45, nays 45, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—45

Armstrong
Baker
Bentsen
Boren
Bumpers
Byrd, Harry F., Jr.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Ford
Goldwater
Gravel
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Johnston
Kassebaum
Long
Lugar
McClure
Morgan
Nunn
Pryor
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—45

Baucus
Bayh
Bellmon
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Durenberger
Durkin
Eagleton
Exon
Glenn
Hart
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—10

Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Pell
Pressler

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion to reconsider.

Mr. HELMS. The yeas and nays, Mr. President. We have been going along on this thing; let us go ahead. Vote all day.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the amendment was agreed to. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

Mr. THURMOND. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—43

Baucus
Bayh
Bellmon
Biden
Boschwitz
Bradley
Burdick
Cannon
Chafee
Chiles
Church
Cranston
Durenberger
Durkin
Eagleton
Exon
Glenn
Hart
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Proxmire
Randolph
Ribicoff
Sarbanes
Stafford
Stevenson
Tsongas
Weicker
Williams

NAYS—47

Armstrong
Baker
Bentsen
Boren
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Ford
Goldwater
Gravel
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Johnston
Kassebaum
Long
Lugar
McClure
Morgan
Nunn
Pryor
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—10

Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Pell
Pressler

So the motion to reconsider was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. METZENBAUM) is recognized if he wishes to call up an amendment.

Mr. METZENBAUM. Mr. President, I do not wish to offer an amendment.

Mr. CHILES. Mr. President, third reading.

The PRESIDING OFFICER. Under the previous order, there will now be third reading of the bill.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

● Mr. ROTH. Mr. President I would like to commend the distinguished chairman and ranking minority member of the Treasury, Postal Service Subcommittee for the effort they have made to hold down spending in this bill. I fully support the committee's effort to reduce spending.

Last year, as leader of the bipartisan task force in the Senate, the Save-Our-Bucks—SOB's—I announced that not only would we suggest areas in which to reduce appropriations but would also applaud when serious efforts to hold spending were achieved. Mr. President, I believe that this is such an occasion.

If we compare this bill to last year's appropriation subtracting the amount of the one time payment made last year, we have a modest increase of 3.9 percent.

Mr. President, this is a time when the need for fiscal restraint requires us to take serious and responsible action. I believe this bill moves us in the direction of fiscal restraint.●

Mr. ROBERT C. BYRD. Mr. President, as the Senate gets underway after the August recess, it seems appropriate that the first order of business should be an appropriations bill—H.R. 4393, which makes appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal year 1980. The 13 appropriations bills—6 of which have been passed by the Senate—are among the most important pieces of legislation which the Congress must pass each year.

I take this opportunity to commend the distinguished chairman of the Senate Appropriations Committee (Mr. MAGNUSON) the ranking minority member (Mr. YOUNG) and committee members for the considerable time and attention they give to each and every appropriations bill. Of course, I need not remind my colleagues of the importance of completing action on all these bills in a timely fashion.

The bill we are considering today, H.R. 4393, funds programs which are both numerous and varied. Upon review of the committee report, it becomes evident that the distinguished Senator from Florida (Mr. CHILES) chairman of the Appropriations Subcommittee on the Treasury and the Postal Service, and the committee members have given close attention to every program covered in this bill.

The committee has sought savings wherever possible. While the bill as reported by the Appropriations Committee is over that amount passed by the House, it is still below fiscal year 1979 appropriations and below fiscal year 1980 estimates. It should be noted that much of the funding contained in this bill is for agencies under permanent authority which are not considered by the Congress during the annual appropriations process. Among these are payment of interest on the public debt, interest on Internal Revenue Service refunds of income tax payments, payments in connection with the Civil Service Retirement and Disability Fund, and others. Given these uncontrollable expenditures, the committee was still able to find savings which reduced overall funding levels below last year's appropriations and this year's budget estimates.

Let me cite a few areas where the committee has taken steps to reduce costs. Under title I, which includes the functions of the Department of the Treasury, the committee has approved a reduction of eight permanent positions in personnel in the Office of the Secretary. While this reduction may not appear significant, it represents thousands of dollars in savings. For the Bureau of Alcohol, Tobacco and Firearms, which also comes under title I, the committee has again reduced the number of personnel.

The Appropriations Subcommittee on the Treasury and the Postal Service has jurisdiction over 11 independent agencies, whose activities range from those performed by the General Services Administration to those of the Committee for Purchase from the Blind and Other Severely Handicapped. Here, again, the committee has given close attention to each agency's needs, making reductions where possible and increases where necessary.

Overall, Mr. President, the Appropriations Committee has reported a bill which is balanced in its funding recommendations. Again, I commend Senator CHILES, chairman of the Appropriations Subcommittee on the Treasury, Postal Service and General Government, the ranking minority member, Mr. SCHMITT, and the members of the full Appropriations Committee for the time and hard work they have put into this bill.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. SCHMITT. The Senator from New Mexico yields back his time.

Mr. CHILES. I yield back our time.

The PRESIDING OFFICER. All time is yielded back. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 88, nays 2, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—88

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon

Ford
Glenn
Goldwater
Gravel
Hart
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—2

Nelson
Weicker

NOT VOTING—10

Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Pell
Pressler

So the bill (H.R. 4393), as amended, was passed as follows:

Mr. CHILES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 4393.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. Chiles, Mr. Bumpers, Mr. DeConcini, Mr. Magnuson, Mr. Eagleton, Mr. Schmitt, Mr. Laxalt, Mr. Young, and Mr. Hatfield conferees on the part of the Senate.

JOHN F. KENNEDY CENTER AUTHORIZATIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1142, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 1142) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from West Virginia (Mr. Randolph) and the Senator from Rhode Island (Mr. Chafee), with 30 minutes on any amendment, except an amendment by the Senator from New Mexico (Mr. Domenici) relating to tickets, on which there shall be 1 hour, and with 20 minutes on any debatable motion, apeal, or point of order.

Who yields time?

Mr. NELSON. I suggest the absence of a quorum.

Mr. BAKER. Mr. President, I ask unanimous consent that the time consumed by a quorum call not be charged against the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 525

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment to S. 1142.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. Moynihan) proposes an unprinted amendment numbered 525:
>
> Strike out all ater the semicolon on line 4, page 2, and change the semicolon to a period.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MOYNIHAN. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that during the consideration of and voting on S. 1142 the following members of the staff of the Committee on Environment and Public Works be granted the privilege of the floor: John Yago, Dick Harris, Robert Peck, Joe Bowman, Bailey Guard, Hal Braman, Steve Swain, and Nina McClain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Miss Mimi Feller of my staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, the amendment before the Senate is a technical one owing to a printer's error. Although I do not want to hold our estimable printers responsible, a final clause was included in the bill which extends it to fiscal year 1981. This was not the intention of the committee. The amendment, by striking those final words, confines this measure to fiscal year 1980. I believe this is the purpose of the committee.

Mr. CHAFEE. No objection.

Mr. MOYNIHAN. I move the amendment.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. MOYNIHAN. I yield back time on the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, this measure, S. 1142, is a quiet one which we bring to the Senate as an interim proposal with respect to the management of the affairs of the John F. Kennedy Center for the Performing Arts. It has been clear for some time that the present arrangement for the financing of the Center is not satisfactory. A loan extended by the Treasury to the Center has not been repaid; the Center has not found it possible to maintain interest payments. The magic of compound interest, of which Lord Keynes spoke, is turning out to be a very unfavorable magic for the Center which now has accumulated debt of $37 million from the original $30 million.

Arrangements with the concessionaire for the parking services have not been satisfactory, and there are a number of other matters which concern the management and the record of the Center which need to be attended to. But I should like to note at this point that the Center, in general, has been ordinary. It has quite changed the city of Washington and given it something we are all proud of.

It has been the purpose of the Committee on Environment and Public Works to draw a major reorganization and present it to the Senate as a bill in the course of this session, and that we will do.

We have held hearings. We are in the process of drafting our proposals which were outlined by our distinguished colleague Senator Domenici and myself in statements on the floor on July 17, 1979.

But pending the adoption of such a measure, if indeed it is to be adopted, the existing arrangements need to go forward, and this measure will make that possible.

I understand there are a number of colleagues in the Chamber who wish to speak, and my distinguished friend from Rhode Island might wish to speak at this point also.

Mr. CHAFEE. I thank the Senator.

I pay tribute, Mr. President, to the leader of our subcommittee, the junior Senator from New York, for his fine leadership in this matter and his concern for the Kennedy Center.

As has been mentioned, we held hearings on the Center. We expect to come forward with legislation trying to solve those problems that exist. We do not think this is the proper measure to undertake the solution of those problems. But as has been mentioned we will come forward with additional legislation at an appropriate time.

Mr. President, I support the passage of S. 1142. This measure provides a monetary authorization for the National Park Service for the fiscal year of 1980, of $4,287,000 which is slightly up from the $4,200,000 for the current fiscal year.

Without these additional funds the Park Service cannot continue beyond the end of this month to carry out the responsibilities it is given by law which are to provide those services necessary to the nonperforming arts functions of the Kennedy Center. As you know, and the Members of the Senate know, the John F. Kennedy Center for the Performing Arts is one of the great tourist attractions in the city of Washington. I understand it is the second most visited attraction in Washington. And millions of people come through the Center just to view the works of art that are there and the gifts made by numerous countries throughout the world.

Consequently, much of the expense of the Center is not associated with the performing arts part of the Center. The National Park Service provides for the cost of that portion attributable to it being a tourist center and a memorial to President John F. Kennedy.

Without the money that is authorized by this legislation, of course, there cannot be the maintenance and upkeep of the building and the grounds. I think we all wish to do a first-class job to perpetuate this legacy that is really a national cultural center and at the same time a national memorial.

As our chairman mentioned, we have had hearings on the Center. In July we heard testimony from Mr. Roger Stevens who is the Chairman of the Board of Trustees of the Center. We heard testimony from Mr. John Mazola, president of the Lincoln Center in New York City, from the distinguished senior Senator from Illinois, Senator PERCY, and others on the operation of the Kennedy Center.

But it is more appropriate to postpone action in those matters until we have had a chance to come up with our recommendations.

And I believe that under the legislation that has been introduced by Senator MOYNIHAN and Senator DOMENICI, namely S. 1532, that a revolving fund of some nature can be set up and that the indebtedness problem can be solved satisfactorily so that we can go forward on an even keel for the future and we will not be bogged down by this debt which was incurred sometime ago.

I reserve the remainder of my time, Mr. President.

Mr. MOYNIHAN. Mr. President, I observe that the distinguished chairman of our committee, the incomparable senior Senator from West Virginia, is in the Chamber, and we would be honored if he who has been in so many ways the father of this great enterprise wishes to speak something of his promising offspring.

Mr. RANDOLPH. Mr. President, the Senator from New York (Mr. MOYNIHAN) is subject at times to exaggeration, but I am very grateful to be joined with the Senator who in company with the able Senator from Rhode Island manages this legislation.

The articulate and able Senator from New York recalls, as do others on our 14-member committee, that the legislation before us this afternoon was reported in May of this year. It authorizes $4.287 million to the National Park Service to carry forward in fiscal year 1980 those nonperforming arts functions to which the Federal Government has been contributing since the John F. Kennedy Center opened early in this decade.

These Government-funded activities include policing and information services, activities the Park Service routinely provides at our national memorials.

I stress, Mr. President, that the Kennedy Center is a unique national memorial, and that our committee is aware that the Center has unique obligations and responsibilities.

I think the Center is a very positive force here in the Nation's Capital across a broad range of cultural and entertainment activities.

The Center does have the problem of a debt to the U.S. Treasury in connection with the actual construction of the building. I have cosponsored the legislation, S. 1532, that was also sponsored by Senator MOYNIHAN and Senator DOMENICI. We are trying to provide a reasonable basis for settling that debt and increasing the Center's public service activities.

The committee held hearings on that bill on July 20, and we hope to report remedial legislation before this present year is concluded.

The Bible does not say to us, "Deliver us from problems." The Bible says, "Deliver us from evil." There is no evil that has been wrought, but there are problems that have arisen. We understand them and we are trying to be very positive in our approach to solving of these financial problems in connection with the Center. But we do want to recognize that the accomplishments are very substantial in connection with the founding and the efforts that have been made in the arts since that time.

There has been a stimulation wrought here in the Nation's Capital. The Nation's Capital is a catalyst, it is a focal point, and Americans everywhere, as well as nationals of other countries. They repair here, not especially to hear debate in this Chamber, although that has had, I hope, a salutary effect at times. But Washington is a vibrant Capital. It is a people's Capital. It is a Capital that, hopefully, brings out that which is best, recognizing always that there are difficulties that prevail as we push forward and upward toward our goals.

I think the Kennedy Center has not been just a place of entertainment. I think it has been a forum of great utility for both American and foreign artists.

I am a believer in the English language. I am sorry when I see it mutilated. I see that happening, and I am not appreciative of that deterioration of our language.

I often talked with my sister's son, who is no longer with us, about the dialects of India. He understood more than 20 of them, he taught them, he wrote them, and he was able to speak them. Although he was an American through and through, Senator MOYNIHAN, he, because of the understanding of languages, became a citizen of the world. There is nothing wrong with that type of citizenship. There are citizenships that can cross borders and are still very strong citizenships.

I remember I authored the legislation in earlier years to give an honorary citizenship to Winston Churchill in the United States of America, his mother being a citizen of the United States.

So, I wish to say there is a sensitivity which crosses boundaries; there is that sensitivity which comes from the understanding of one culture of another culture.

So if the Kennedy Center is distinctly American, and I commend it as such. It has remained that which would not be imitated but that which would be a cauldron, a catalyst, a center, as it were, for many, of these interests and commitments of the people to the arts and the humanities.

Having known, as Members of the Senate knew him, President John F. Kennedy, I use an illustration now which is a true one.

West Virginia was born as a State through the signature of President Lincoln in 1863. In 1963, John Kennedy was the President of the United States. He came on the 100th anniversary of our State to speak from the plaza of the State capitol.

It had rained all night on June 19, and into the morning hours of June 20, which was our official birthday. There were thousands of people who had been drenched with rain and who had continued to stand through the night and into the morning. As John Kennedy walked up to speak on our centennial, I remember well those persons who wanted to hold an umbrella over his head, and he pushed them aside, of course in the right way. The first words that he spoke as he looked over the throng were, "The Sun may not always shine in West Virginia, but the people always do."

Well, that may be just a phrase, yes, but it was an expression of something he felt. He felt it, and when I speak today, I feel that this John F. Kennedy Center is something very important. I feel it is very real, and I feel that here, on the banks of the historic Potomac, not only a building rose but there was a recognition that this was the time and this was the place to do what has been done.

We have to take action from time to time to carry out maintenance, or to consider the problems that occur with the structure of a building. It is not for me to argue those points here today, except to say that I hope that whatever the Senate does in this matter will be done with the full appreciation of the fact that we are not just thinking of another building. This is a center—a center for culture, a center for bringing out, hopefully, the best for humankind.

Mr. MOYNIHAN. Mr. President, our beloved chairman has graced this debate and added a dimension which none of us could have done. I would call attention to his remarks that he hoped the Center for the Performing Arts would not be imitative. I know there are here on the floor today other Senators who wish to speak on that point, if they will bear for a moment, and I might just introduce their remarks, if they will bear for a moment, by indicating that one of the lines, as I know the chairman will recall, that John F. Kennedy most enjoyed quoting on appropriate occasions, as in his address to the Legislature of the Commonwealth of Massachusetts just before his inauguration, was a line from Pericles, who said of the Athens of his day:

> We do not copy our neighbors, but are an example to them.

I know that one of the great hopes for the Kennedy Center is that it will be such a place of creativity. On the walls of this Senate Chamber we find the motto of the United States—one of its many—"Novus Ordo Seclorum": We are a new order of the world. That has been the case, perhaps, with our Nation. It may be too soon to propose it for the Kennedy Center, but there needs must be a beginning.

I see on the floor the Senator from New Jersey (Mr. BRADLEY) who wishes to speak to this matter. I know the Senator from Wyoming does. We have had the courteous attention, as always, of the Senator from Illinois, who is a member of the Kennedy Center's board. I see the Senator from New Jersey is on his feet; I yield him such time as he may require.

Mr. BRADLEY. I thank the distinguished Senator from New York for yielding.

Mr. President, the Kennedy Center was designed and built with Government support as a showcase for the best in American theater. It saddens me, however, to note that it may well have become an exclusive artistic club which appears to have demonstrated a pattern of discrimination against plays which are not produced under its own aegis.

This exclusively appears also to have affected its management of the National Theater, where no subscription series has been permitted, apparently in an attempt to avoid competition with the highly successful series at the Eisenhower Theater.

In a quick glance at the last five seasons at the Eisenhower Theater in the Kennedy Center, it is disturbing to note that 81 percent, or 29 of the 35 subcription plays, were produced by the Kennedy Center itself. I was very much concerned to note that such notable American playwrights as Neil Simon or Sam Shepherd have consistently been refused the opportunity to produce their plays at the Eisenhower Theater.

It is implausible to me that in Washington there is no public interest in their productions. It is equally distressing to note that the subscription productions at the Eisenhower Theater have never included any minority productions, and again I seriously question whether that results from a lack of public interest. I believe a serious investigation of these matters is warranted.

While I do not want to take the time of my colleagues today to try to resolve this problem, I have noted with interest the John F. Kennedy Center Act Amendments of 1979, submitted by Senator MOYNIHAN. I know he shares my concern in this matter, as does the junior Senator from Wyoming (Mr. SIMPSON), and I do hope the opportunity will be found in the consideration of this legislation to analyze the problem I have described, and to propose possible remedies. I assure our good colleague the Senator from New York that I will do everything that I can to assist him in trying to rectify and clarify the situation that has now developed at the Eisenhower Theater.

Mr. MOYNIHAN. Mr. President, I would like to express my appreciation, and I think that of the Senator from Rhode Island (Mr. CHAFEE) as well, for the observations the Senator from New Jersey has made. They are timely, accurate, and important. They will be part of the legislative history of this interim measure, and they should be central to our concern in establishing a permanent arrangement for the Kennedy Center. It is a matter we shall take up with the Director and with the Board of Directors. The Senator has done the Center a service in what he has brought to the attention of the committee and of the Senate.

Mr. CHAFEE. Mr. President, I wonder if I might ask a question of the Senator from New Jersey.

Mr. MOYNIHAN. I yield for that purpose.

Mr. CHAFEE. I am not sure I completely understood his remarks about the Eisenhower Theater and the performances there, but as I understood him, he said that 21 out of 26 performances were given by the Kennedy Center performing group. Is that correct?

Mr. BRADLEY. No; 29 out of 35 subscription plays were produced by the Kennedy Center itself, which means that no independent producer could come into the Center and produce a play.

In the case of examples that I have given, 29 of 35 were by the Center itself.

Mr. CHAFEE. I see. I thank the Senator.

Mr. President, I should like to make one comment about the minority performances. In testimony before our committee, Mr. Stevens listed a series of activities that are taking place within the Kennedy Center outreach activities, if you want to call them that, in which they have a specially priced ticket program for students and handicapped and the elderly and enlisted personnel. He stated that nearly half a million people have attended free events there.

In addition, the Center and Office of Education cooperated in sponsoring a State network, the Alliance For Arts.

They underwrote an annual American College Theater Festival, which I have been familiar with. The Friends of the Kennedy Center has presented free weekly symposia.

Mr. STEVENS also pointed out that the National Advisory Commission has been working to expand black and other minority participation in the performing arts at the Center and across the country, both in terms of artists and audiences. More than half a million dollars in private funds has been expended and committed in a score of projects recommended by the Commission in the 3 years since its inception.

So the second point the Senator was making there is being tackled by the Center and by those associated with it.

Mr. BRADLEY. I respond to the Senator by say I am sensitive to and appreciative of the work being done by the Center to broaden theatrical opportunities for the broad range of people in our society. I think we have to look at specifics. I hope that, as a result of the work of the committee and its investigation and discussion, we shall have a much broader availability for producers to come into the Center from the outside and produce plays—in particular, plays that relate to problems of minorities in this country.

Mr. CHAFEE. I thank the Senator.

Mr. SIMPSON. Will the Senator yield for approximately 5 minutes?

Mr. MOYNIHAN. May I ask the Presiding Officer, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes and 2 seconds.

Mr. CHAFEE. Mr. President, I shall let the Senator from Wyoming speak on my time.

Mr. MOYNIHAN. I appreciate that.

Mr. SIMPSON. I thank the Senator.

Mr. President, let me say, after hearing my fellow members of the Environment and Public Works Committee speak, I commend and respect them. That is a spirited committee in every sense. I have enjoyed my participation thoroughly. The chairman is one of the most remarkable men I have come across in my time. He is a delightful person. He has been most kind to me.

Let me briefly touch on what Senator BRADLEY was speaking of. I appreciate the opportunity to discuss very briefly a serious issue concerning the John F. Kennedy Center for the Performing Arts, which I feel is appropriate at this time, during this debate on the fiscal year 1980 funding authorization bill.

The Kennedy Center has the very special distinction of being a most remarkable and active performing arts center, as well as serving as a living national memorial to the late President Kennedy. The unique character of the Center is further confirmed by the fact that the Federal Government, through the National Park Service, appropriates substantial funding, a proposed $4.3 million in fiscal year 1980, for the purpose of maintaining the "nonperforming arts" function of the Center.

The Kennedy Center has been an ongoing subject of a great deal of public and congressional attention and debate since its completion. The Center has received well-deserved national recognition for its outstanding contribution to raising the level of the performing arts in the Nation's Capital. I commend that. I think it is a remarkable mission, and it has been effective. However, there have been persistent problems, and the chairman spoke of them.

There are others. There are issues with regard to faulty construction, resulting in expensive repairs. There have been troublesome financial concerns—the parking bond question, criticism of the Center's management policy. We shall solve these.

It is this latter point I wish to develop just a moment more. That is, the management policy of the Center, which is of particular concern to me.

The Center's performing arts schedule is under the sole direction of Roger L. Stevens, chairman of the Center's board of trustees. Mr. Stevens also serves as president of the Kennedy Center Production, Inc., the organization which also produces many of the plays performed at the Center. Under the current management policies, the selection of plays and other cultural activities for the Center is controlled by this one person, whose dual role as a producer must inevitably lead to serious conflicts of interest.

Increasingly, I think, concern has been expressed that the Kennedy Center's management policies are discriminatory and provincial. It appears that European playwrights are afforded unwarranted favoritism over American playwrights, whose works attract financial backing as well as produce profits: Neil Simon, the dean of the class, with his deeply human warmth and humor, as well as David Mamet, Sam Shepherd, David Rabe as other examples. It disturbs me greatly that a proportionately small number of American playwrights is selected for productions at the Kennedy Center.

The allegations concerning the management policies, or perhaps the mismanagement policies, merit our thorough consideration because of the fact that the Kennedy Center, itself, is really the crown jewel in this National Center for the Performing Arts. The director of the Center does not and must not indulge himself in the luxury of pettiness or the exercising of arbitrary decisions concerning the selection of playwrights and plays. If we are to embrace a limited selection process at this national center, then its theater should be appropriately maintained primarily by corporate and private interests and contributors and patrons and not by the Federal Treasury.

It is my understanding that the concept of a resident theatrical company was originally discussed with the founding of the Center and was found to be unworkable, financially and for many other reasons. But the notion still underlies this important public perception of the Center as being a very unique national showcase of American talent. I believe that this perception should be emphasized and nurtured and developed to the fullest extent possible in all aspects of the Center's management policies and programs. I truly believe that the issue at stake in this discussion is the fact that all of America's taxpayers are funding the Center with a substantial sum each year. As long as this Federal support is required and continued, it is my deep conviction that the Center should reflect commensurate commitments to American citizens, creatively involved in the performing arts.

I share the concerns regarding this matter voiced by my colleage (Mr. BRADLEY), a person I have come to admire and respect greatly. I am most pleased that Senator MOYNIHAN has indicated a cooperativeness and willingness to chair appropriate hearings in the Environment and Public Works Committee on this issue and other issues that we shall find related to the management of the Center.

My recommendations to the committee will include, among other things, the broadening of the selection process and perhaps increasing the number of persons who determine what is to be performed at the Center. That might be achieved through the establishment of a selected group of individuals. It might be that we shall find, then, a clearer emphasis on American playwrights and American artists.

There are many other possibilities to resolve the matter. Senator BRADLEY and I shall be pursuing them with our colleagues and with the chairman and the subcommittee chairman through the hearing process. I pledge my cooperation and support, but I think it is an issue that needs to be addressed and addressed carefully.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Wyoming for a remarkably clear, forceful, and large-minded statement. I know that he would share my concern that the artistic integrity of the Center and the autonomy of its direction be preserved.

Still, there are themes to enterprises such as this, and the Senator from Wyoming and the previous speaker from New Jersey have set forth such a theme.

If it is thought we ought to have hearings, we will have hearings. We can learn from them, and we should. As part of the general legislation, we look forward to seeing our way to the end of the session with the cooperation we always have from our chairman and the ranking member.

I thank the Senator from Wyoming for his remarks.

UP AMENDMENT NO. 526

(Purpose: Amendment to define the ability of the John F. Kennedy Center to provide free or reduced price tickets)

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 526.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2 after line 5, insert the following:

SEC. 2. The John F. Kennedy Center Act (Public Law 85–874, as amended; 20 U.S.C. 761) is amended further by adding at the end thereof the following new section, to be numbered accordingly:

"SEC. . (a) No tickets for events for which a specific schedule of charges is provided to the public may be distributed without compensation in accordance with such schedule, except tickets may be distributed—

"(1) at reduced rates to persons aged sixty-five years or older;

"(2) at reduced rates to assure access to the performing arts for persons, including the handicapped, who otherwise could not afford to attend such events;

"(3) at reduced rates, or without compensation, when it is determined, no more than twenty-four hours before a particular performance, that those tickets to be distributed without compensation or at reduced rates could not reasonably be expected to be sold in accordance with the schedule of charges;

"(4) without compensation to accredited members of the press whose purpose is to review that performance; or

"(5) without compensation to the President of the United States and his family and their party when the President or members of his family attend a particular performance at the Center.

"(b) For the purpose of this section the term 'schedule of charges' shall mean any list of ticket prices contained in an advertisement or display for an event.

"(c) Any official of the Center violating this section shall be liable to a fine of no more than $100.".

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, it is my understanding that I have 1 hour on this amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I say to my colleagues who are present, and for the RECORD, that I had heretofore submitted a printed amendment, which would be known in the RECORD as printed amendment No. 331. I have sent to the desk an amended version of it, amended only in two ways.

On page 2, section (a)(2), I have added the words "including the handicapped" for those persons who cannot otherwise afford the performances.

Then, in (5) I have clarified my intention by adding "and his family and their" and "or members of his family attend."

To simplify that, what I am saying is that the thrust of the amendment is that the President, his immediate family and their guests will always be admitted free, and I wanted to expand it to include family members because in the previous amendment, strictly interpreted, it was just the President.

Mr. President, I do not intend to use the entire hour allotted to this amendment. I will proceed through as rapidly as possible.

This amendment, basically, seeks to assure that the Kennedy Center no longer gives away its product. Its only product that it has to sell is tickets, tickets that are presently being given away to staff of the White House and the Congress, to Members of the Congress, the Cabinet, and others here in Washington who can well afford such tickets, when, at the same time, the Center is coming to the taxpayers for special funds and for the underwriting of other costs to the Kennedy Center.

What I am trying to say is that in spite of all of the goodwill of the American people who have contributed, of a Board of Trustees that spends their time, of a manager that perhaps is as good as there is in the country, and a facility that has been underwritten to the tune of some $90 million, most of that $90 million is not today's dollars at all, but dollars of 8 or 10 years ago, probably in today's dollars that would be $200 or $300 million.

But, not only did we do that, and do it willingly, when we paid for it, not only do we every year put something in their operation and maintenance, and we do that willingly, but now we have a situation where, if we assume that all of the theaters are in operation a reasonable number of times per year, that makes for about 350 performances. The number of free tickets that are given away, as I have just described, at today's rates, amounts to about $235,000 a year.

I know that does not sound like much money. For those who insist that it has a very important goodwill attribute, yes, it does. But I believe that now is the time in this country when the American people are having a difficult time. To take issues like this one, small, issues that the average American calls the freebees that float around Washington for Washington's elite, and to say "No" to most of those people who receive them either through the White House or through the man that runs the institution at the request of its trustees or for himself, when hundreds and hundreds of people get these, for whatever reason, it just appears to me that is inconsistent with coming here again and saying, "We need more money. We can't pay one cent of the parking bond debt of $37 million." Yet we have cars drive in and pay fees all the time, and not one cent of principal and interest has been retired on the parking debt.

As a matter of fact, most of that parking revenue goes into the operation of the theater and of the performances and of the other things we spend money for. I think most people thought that when that bond indebtedness was approved and then we started charging cars to park that, like most paid businesses we would apply that to the indebtedness we incurred, to partially pay for that parking facility that is there. That has not occurred.

I do not know who gets the tickets. I do not know who gets these free tickets from the White House and from the man who runs the institution, in his own name or on behalf of the trustees. I do not know. I asked him to submit them. I did not push the matter very hard. He refused to, and that is all right with me.

But I am certain that with as many tickets as they have to give away, because the President of the United States does not attend very frequently, his box accommodates, for the Opera House, 8 seats; for the concert hall, it is 12; for the Eisenhower Theater, it is 8; and then we have the 4 Stevens' seats at each performance.

When we add those up, they come to the figure I have just described. They are in the $15 to $16 range, and that is where the $235,000 comes from.

Let me say from the outset, I do not intend that the President of the United States be denied this privilege. Nor do I believe, as some would suggest, that for him to exercise this privilege judiciously and properly that we have to reserve them all year long. That has been one argument before the committee, we do not know when he is going to come and, if he decides to go, we cannot have sold the tickets. Well, they can find a way.

But, mind, my amendment provides that if they cannot, on the day of the performance they would give them away to four handicapped people who need them.

I just do not believe that is the way it has to work. I think most of the time Presidents know when they are going, or their family, and wife and children. But if they do not, obviously, patrons who have paid will be glad to accommodate and let the President have those seats and they can come another time, or find for those patrons seats that will let him attend.

Again, I want to make this point: $235,000, 8 very specially reserved seats, 12 very specially reserved seats, 10 very specially reserved seats—that is not very much. That is not a big issue. But when we come back here, year in and year out, and ask for more money of Congress, not less, and we place no restrictions on the White House or on Mr. Stevens in behalf of himself or the trustees, with respect to the use of these tickets, then it seems to me that today is an opportune time, while we are reauthorizing and providing additional resources, to say "No more of this. Provide for our President. As to the others, sell them, if you can. If you cannot, then, at the last minute, give them to people who really cannot afford to attend these kinds of performances."

We do some of that. Some deserving people who cannot afford it are provided admittance through other avenues and by other approaches. This will be an additional one, in the event the tickets could not be sold.

I repeat, most of them would be sold. I repeat, for a typical year, last year, this would yield more than $200,000, and I am convinced of that. I think it is time we ask the man who is running it, the Director, to find that additional $200,000, thus diminishing the amount the taxpayers have to pay.

I know that our trustees, some of whom are my best friends, work hard and work long hours for free. I do not think they really insist upon having these free tickets. In fact, I would be surprised if they used them very often themselves. I know they may very well, on occasion, need them for special patrons who might end up contributing.

In that regard, I do not believe we need to reserve the tickets year-round for that purpose, either. I think that can be accommodated without the kind of gratuity sitting there which ultimately, I am sure, is used by the management and by the individual trustees on a daily basis.

My amendment is very simple. It will continue to allow reduced priced seats to the handicapped. It will continue to allow press seats. It will continue to allow free seats to the President and his party when the President attends a performance at the Center. But, if adopted, my amendment will mean that 40 seats a night are no longer made available for free to the White House and the Center's Director, Roger Stevens.

The taxpayers should not be asked to underwrite such tickets when the Center dollars in the form of writing off its parking bonds and spending millions more to refurbish the threaters and for extra janitorial services.

At every performance in the Opera House, eight seats are now given free to the White House, and four more are available free in the Stevens box. For a ballet, as one example, each of those seats sells for something over $20. Box seats in the Eisenhower Theater, eight White House seats, and four Stevens seats at each performance—typically sell for $16 each. Box seats in the Concert Hall—12 White House seats and 4 Stevens seats per performance—sell in the $15 range.

Thus, assuming each theater offers 350 performances a year—probably a low number given the number of matinees that are also presented—the Stevens and White House "freebies" represent a yearly loss in revenue to the Center of about $235,000.

Granted, that is not very much cash. But it is about equal to the Center's share of the revenues from its parking garage. The Center has siphoned those parking revenues to subsidize its theater operations, not putting any funds toward its parking debts. Thus, if the Center had had revenue from the White House and Stevens seats in the past, it would have been able to begin to address the problem of its debt owed on the parking garage.

It may be argued that I do not know specifically who uses those freebie seats. That is right, I cannot give a list. I wrote Mr. Stevens last spring asking for a list of some of those persons who have used his box. He never answered that letter. And then Mr. Stevens refused to supply this information during our July hearing.

It may also be argued that the President would not be able to attend a performance at the last minute under my amendment. That is not true. I have no quarrel if the Center set aside a Presidential box, then sold the tickets to the box at the last minute, when it becomes clear that the President personally will not use them. I think such a sale would prove to be a marvelous fund raiser for the Center, as such choice seats would probably sell at well above the usual ticket price. Or I see no objection to setting aside such tickets for the use of the elderly and the poor. But I do not see why we should perpetuate this system of free tickets for a privileged few in Washington.

The issue is this: Should the taxpayers underwrite the Kennedy Center so Senators and Congressmen can attend free? Or should they underwrite it so that culture can be available to a greater number of persons who would not otherwise—for reasons of health or economic status—have an opportunity to attend? Clearly, I believe the latter is a preferable alternative.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the taxpayers' support of the Kennedy Center to date, together with my additional views, which were a part of the committee report.

I reserve the remainder of my time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SPECIAL TAXPAYER SUPPORT OF THE KENNEDY CENTER

Direct Appropriation—$23.000,000.

Parking Bond Debt—$37,000,000 in principal and interest by the end of this year (not a dime repaid to date).

Roof Repairs—$4,500,000.

Theater Renovation—Center Request—$3,500,000.

Regular National Park Service spending at the Center—including S. 1142—about $25,000,000.

Increased Federal spending for operations—center request—?

Total: Over $90,000,000.

Additional Views of Mr. Domenici

I am pleased that the Committee on Environment and Public Works has agreed to address the many issues relating to the financing of the Kennedy Center for the Performing Arts before the Senate considers this legislation on the floor. Resolution of the parking-bonds debt and other aspects of the Center's finances must logically be considered before additional tax dollars are authorized for the Center.

Parking Bonds.—In addition to $23,000,000 in direct appropriations provided for the Center in the 1960's, the Congress authorized $20,400,000 in parking bonds for the Center. These bonds are due to be redeemed in the years 2017–2019. According to the General Accounting Office: "The bonds state that the interest and principal are to be paid from parking-revenues. However, the Center has not set aside any funds or made any provision to pay the interest or amortize the principal of the bonds."

By the original agreement with the Treasury Department, interest on the bonds was deferred until December 31, 1978. The Kennedy Center has since had that date extended to December 31, 1979. By the end of this year, the Center will owe the Treasury Department some $17 million in back interest (not counting principal). It disturbs me that the Center has been unwilling to set aside even a dime towards the bonds or the accumulated interest. It is rather like a homeowner who spends to the limit of his paycheck, then refuses to pay anything on the mortgage of his home. Citizens can't get away with this; apparently the managers of the Kennedy Center can.

The problem goes back to the period before the Center was completed. The Center was running out of cash for construction work. So, rather than go to private contributors or to the Congress, it borrowed $3.5 million from the company that obtained the concession on the parking garage. The money was used to complete construction on the theaters. To obtain the loan, the Center pledged the use of its parking revenues, those same revenues that were to go to pay the parking bonds. Says GAO: "The (parking) company's proposal to provide this advance . . . was an important factor in its selection to manage the Kennedy Center's parking facility."

Currently, the Center charges $2.50 for every car that uses the three-level, 1,408-car parking garage in the evening, plus hourly charges during the day. This brings in some $1.5 million yearly. Of these revenues, 5 percent off the top goes to the parking company as a "management fee." Next, the parking company is paid for all its operating and maintenance costs. Next, a payment of about $400,000 is made yearly to the parking company toward the principal and interest on the $3.5 million, 15-year loan. Then, and only then, does the Kennedy Center receive any revenues from the garage—50 percent of the residue. (The split becomes 70 percent Kennedy Center, 30 percent to the parking company once the loan is paid off, with an 80–20 split on revenues exceeding $1.5 million.)

From 1972 through 1978, the parking garage received total revenues of $8,716,426. Of that sum, the concessionnaire received $7,253,939, while the Center received $1,462,487. And those parking revenues received by the Center were used for theater operations, according to the General Accounting Office.

As early as 1975, the Committee on Environment and Public Works made the following observation:

> The Committee is greatly concerned over indications from the recent General Accounting Office report and hearings on this bill that the Center may be unable to meet its accumulated debt and to make necessary repairs, both outside the memorial aspects of the Center: This question will come into focus by 1978 when unpaid debts on the parking garage bonds fall due; the interest due in 1978 is estimated at $14.6 million.
>
> The Committee urges that the Center and the Department of the Interior recognize what might be termed the precarious financial position of the Center and report, within one year, to the Congress on what efforts are and will be made by the Center to raise the funds needed to meet this debt, as well as to meet any costs of major repairs that may be necessary. Such a report should contain a detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burden of such added and unnecessary costs.

A year later, the committee expanded on this view:

> During the 1976 hearings before the Committee, representatives of the Kennedy Center alluded to Treasury Bonds issued to finance construction of the parking garage at the Center. Payment of interest on the $20.4 million in bonds may be deferred by the Center until December 31, 1978. At that time $14.6 million in accrued interest will be due. Officials of the Center stated that existing revenue sources, because of the manner the funds are committed, are unlikely to yield sufficient funds to pay the interest. While no specific request for Federal assistance was made, the testimony indicated that the Kennedy Center would be seeking relief from its obligations in the future.
>
> Members of the Committee, during consideration of H.R. 14360 in the last Congress, expressed opposition to granting such relief. The Committee believes there is need for better information on the Center's overall financial needs and operations, and perhaps also to establish clearer lines of responsibility for the Center's disparate functions; the center for the performing arts, and the national monument and major tourist attraction. The Committee plans to review these matters, and may propose changes in the division of responsibilities between the Kennedy Center Board and the Federal Government. The interest of the Federal Government in the Center in this legislation is limited to providing effective oversight of the building's structural integrity in order to assure that adequate maintenance and rehabilitative measures needed to maintain its functional and aesthetic qualities are carried out.

It should be noted that the amended bill and the parking bonanza are not the only on-going Federal supports provided to the Center. Because of shabby construction work, the Congress has appropriated $4.5 million to repair leaks in the roof and in the driveway. And more work is needed inside. According to the Park Service, the Opera House needs $1,000,000 in work (carpet, wall coverings), the Concert Hall needs $300,000 (carpet, broken seats), the Eisenhower Theater needs $400,000 (carpet, ceiling fabric), and there is a need to spend $700,000 to reinsulate the garage. The total: $3.5 million, including contingencies.

And the list of taxpayer supporters goes on. While the National Endowment for the Arts gives no money directly to the Kennedy Center, the Center is still the beneficiary, both directly and indirectly, of large sums provided yearly by the Endowments. One of the Endowments' programs is its dance touring program, which provided $3,886,000 nationally in fiscal year 1978 to pick up about a third of the costs of touring dance companies. Of that sum, the Kennedy Center received $253,500 to finance a total of 9 weeks of performances by the American Ballet Theater and the New York City Ballet. The Endowment provides $3,000,000 yearly to the American Film Institute, money which indirectly enables the Institute to rent its theater in the Center.

The public has a right to know exactly how much the Center receives from the taxpayers in order to make a proper analysis of future requests, such as relief of the parking bonds.

Tickets.—An issue related to the millions of taxpayer dollars provided yearly to the Center involves free tickets. I have introduced legislation (S. 558) that would limit the Center's ability to hand out free tickets to those who can easily afford to pay, while the Center continues to come to the taxpayers for this smorgasbord of financial supports. The Center provides approximately $500 daily in free tickets (the most choice of seats) to the White House and to the Center's chairman, Roger Stevens. The White House tickets are normally used by the staff of the White House and the Congress, while the Stevens tickets are used by a variety of people, including persons being lobbied on wildlife protection issues.

The annual value of these tickets is some $175,000 yearly. While this sum certainly will not retire the Center's debt, the principle of giving freebies to those who can afford to pay, while begging for more tax dollars, is simply wrong.

I applaud the Committee for its decision to confront the various issues relating to the finances of the Center, and I agree that this must be done before this legislation is considered on the floor.

Mr. MOYNIHAN. Mr. President, I would like to respond briefly, because there are persons of authority in the Chamber who will want to speak to this matter from long experience and responsible involvement.

I do not think this amendment is necessary. The Senator from New Mexico knows of my fondness for him. He joined me in proposing a new regime for the Center, and I hope he will understand my feeling that this is a matter that could best be put off to a discussion with the management of the Center and made part of the legislative history, perhaps, of a new regime, and not included here. It is not the purpose of the proposed legislation to change the regime at the Center.

Second, we heard testimony, as my friend knows, from distinguished producers, great men of the theater, such as John Mazola, who runs the Lincoln Center, with its vast complexities; Joseph Papp, who brought Shakespeare to Central Park; Joseph Golden, whose Cultural Resources Council of Syracuse has done wonders in New York State. To a man, when asked, "Are there free tickets in your enterprise," they answered, "Of course, there are."

The two oldest traditions of the theater, I suppose, are that actors may not be buried in consecrated ground and managers always have some free tickets. [Laughter.]

They do not sell these tickets. They use them to promote their enterprise.

We heard John Mazola—with whom I had the honor to graduate from high school in East Harlem many years ago—say how he gets people to perform at the Metropolitan Opera, at the Beaumont Theater—the great actresses and actors. He brings them in and shows them—"Look what we can do with La Traviata. We can do it with you." He brings in promoters. He brings in contributors. They do not make money. They raise money, and they raise money by entertainment.

The theater is an earthy place. I refer to a remark made not long ago by the chairman of the Committee on Finance, who said, "Entertainment is to business what manure is to farming." This is the way they grow audiences, grow patrons—by entertaining. Entertaining to what? To the performances they give.

I have been surprised at the Kennedy Center, at how meager the contributions from the board appear to be—not in sum indeed, but still a rather small proportion of the trustees actually make contributions. One would hope a nominal contribution would come from most. It need not be much—just a gesture.

It may be that the Center has not used its opportunities as it should, but it should have the opportunity to do so. That is my view.

I see the Senator from Illinois in the Chamber, and I wonder whether he wishes to speak to this matter, bringing the authority and concern that he so singularly has.

Mr. PERCY. I would be very happy to respond.

Mr. President, this is now the 13th year I have served on the Board of Trustees of the Kennedy Center, and the last 4 or 5 years I have served as Vice Chairman of the Board.

I express deep gratitude to all members of the Committee on Environment and Public Works for the outstanding job they have done in working with the Kennedy Center trustees and its management.

I attended a trustees' executive committee meeting at noon today, and once again I marveled as I picked up the papers in front of us. I think I mentioned to the distinguished Senator from New York at the committee's July 20 hearing that 13 years ago, Senator Dirksen called me into his office and asked me if I would mind if he sent my name to the President of the Senate to be nominated as a minority member on the Board of Trustees of the Kennedy Center.

I had presumed that it was because Everett Dirksen was aware that I had worked for years with the Lyric Opera in Chicago. I had followed closely the Chicago Symphony all those years and my mother is a concert violinist. I thought he was asking me to serve on the Board because of my knowledge of choreography. I am happy to report—or unhappy to report—that I have been buried in balance sheets ever since; that I never have been asked an artistic question since I have been on the Board.

As I went to the meeting of the trustees today, the executive meeting, the first papers presented to me, in which I was buried until I came here for a vote, were balance sheets and profit and loss statements. I am happy to report to my distinguished colleagues that we do not have the red ink that every other cultural center in the world has, there is not another national cultural center that does not present to a legislative body a big operating deficit and ask the legislators to appropriate money to operate the cultural center.

Once again, under the genius of our Chairman of the Board, Roger Stevens, who serves without even a dollar a year compensation, the budget was not only met but exceeded as well. We did not have a deficit; we had a surplus. Once again, the trustees can come to the Congress of the United State and say there is no request for operating funds. We are operating in the black.

What we did not take into account, of course, is the tremendous influx of people. I could hardly walk through the corridors at noon today since so many tourists were going through that building. We never anticipated that our performances would run to 85 percent of capacity, year in and year out. We never anticipated that this Center would be so popular, probably the second most important tourist attraction in the city of Washington.

We never anticipated the outflow that we would have from every embassy that is located in Washington—the way they have identified and associated themselves with the Kennedy Center.

The Japanese have given $3 million to the Center to finance the Terrace Theater, so that now we have a small theater where we can put on attractions that do not require the kind of production that the Eisenhower Theater and the Opera House would have.

For that reason I now turn to my distinguished colleague, Senator DOMENICI, and his amendment.

The first reaction I have is always we should not, really as a matter of principle, try to legislate on the floor the operation of the Center. We always have a tendency, and I know it is a tendency for someone who served as a chief executive officer to get into the executive branch of Government, to start running things, to have a veto for every regulation that can be issued and to get into every kind of an issue that is dealt with in the executive branch of Government.

But speaking on behalf of my fellow trustees, Senator WILLIAMS who is in the Chamber, Senator KENNEDY, who has been a devouted trustee, Members of the House of Representatives, and the other trustees of the Kennedy Center, I can assure my distinguished colleague that the very issue that he has talked about in the Chamber is an issue that does preoccupy the trustees time: What the function of the Kennedy Center should be and how it should relate to the elderly. My distinguished colleague, Senator DOMENICI, serves as ranking minority member of the Special Committee on Aging. I serve on that committee with him and selected it as my optional committee because of our joint devotion to the aging.

But, I can assure my distinguished colleague that for the 13 years that the Senator from Illinois has been on the board and all the years that the Kennedy Center has been open, the trustees have had that same sense of compassion. I do not know of a person 65 or over who has simply shown his social security card at the box office, unless it is an absolutely sold out performance, who does not get a reduced fare ticket right today under the present rules of the Kennedy Center. We have anticipated these matters, and the trustees I think have very wisely opened up the Kennedy Center to the disabled, to the handicapped, to children, to students, and to others. Through the years, hundreds of thousands of reduced price tickets have been made available.

Speaking on behalf of the trustees, I hope that the Senate and the House of Representatives will not get into running the details of the Center. This responsibility should be left to the distinguished board of trustees of 45 members approved and appointed by the President from the Senate or the House of Representatives and public members, all of whom are devoted to the same principles my distinguished colleague has.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my good friend from Illinois and to the Senate he is absolutely correct when he refers to the poor and the handicapped. I have just codified in my amendment the policy of the board of trustees with reference to those groups of people. I was not saying that my amendment would be for the first time a policy change to help those who cannot afford it or who are handicapped.

Quite to the contrary. I am merely codifying what we have done and then added that the President also has this permission with his family. I wish to clarify that for my good friend.

Mr. PERCY. Mr. President, I appreciate that clarification, and I simply say to my colleagues that it is really redundant then to codify, to put into law, to make rigid something the board of trustees has already done and has fully taken into account. In fact, we go way beyond what has been done free for the public, the citizens of this Nation and this Nation's Capital and visitors here. We have gone way beyond what has been provided for in the pending amendment.

But I wish to clarify—yes?

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. CHAFEE. Pursuing that point, I noticed that the amendment presented in the Chamber says reduced ticket rates may be given to those who could not already afford to attend such events, including the handicapped. That is in the amendment of the Senator from New Mexico. But I also know that currently the Center provides reduced rates for students. It provides reduced rates for enlisted men in the military service. And under this amendment of the Senator from New Mexico that would no longer be permitted unless they otherwise could not afford. I do not know whether the intent of the amendment is to require means test for enlisted men and students before they get the present half-rate structure.

I wonder if the Senator from New Mexico could help us on that.

Mr. DOMENICI. I say to my good friend, that this language is language that we obtained from the Center that covers their reduced admissions policy, and we certainly did not intend that students were not covered. If it has to be clarified we assumed it was in paragraph 2, reduced rates for those persons who otherwise could not afford. We think that is how they are covered now, I say to my good friend, Senator CHAFEE.

Mr. CHAFEE. I point out that Roger Stevens gave us testimony in which he set forth some of the things that they did, and in his testimony he said:

> Fifteen percent of the tickets to regular performances are made available at half price to students, the handicapped, persons over 65, low income groups, and enlisted military personnel.

The amendment that has been presented here—the way I read it—certainly does not provide that.

Mr. DOMENICI. I say to my good friend, Senator CHAFEE, that if he wants to offer an amendment I will accept it. If he wishes to make it legislative history, it is my understanding that that which Mr. Stevens said was the case today shall continue other than as it pertains to the White House seats and the 12 Stevens seats. Other than those it is the exact same policy that we have now.

Mr. PERCY. I think that the very argument that has been made by the distinguished Senator from Rhode Island shows the weakness of trying to legislate these matters. We are going to have all kinds of interpretations on it. Does that then require the Board of Trustees to put a means test to people?

Last year under the specially priced ticket program, which has operated successfully since the doors of the Kennedy Center opened, up to 15 percent of all tickets were made available for these various groups that have been mentioned. In fiscal year 1978, 130,000 tickets were dispensed through this program, resulting in a total price reduction of $770,000, three-quarters of a million dollars.

Here is a successful program that has worked extraordinarily well. Already we are beginning to see the problems and the trouble that this action will create if we put this program into law. There has been no trouble up to now. There has been not a word of complaint ever issued that the Kennedy Center was unfair in any respect with this program.

Does it really then mean if it is in law that a person has to demonstrate need, or something like that? I mean it just gets terribly complicated.

I also wish to point out that in 1977 more than 400,000 people attended nearly 600 free events at the Center. There is no law that requires us to provide these events. The Board of Trustees has simply said anything that we can do for the public and use that Center as a national monument to enrich the quality of life of our citizens we should do. We have done that by offering 600 free events at the Center, including special performances, symposia, lecturers, and exhibitions. These numbers were only reduced by repair work last year, but they are expected to be similar next year.

The Center and HEW cooperates in an alliance for arts education program which supports exemplary arts education programs in the States, and produces a model children's program at the Center. In fiscal year 1978, 105,603 children attended free performances of music, theater, dance, poetry, and puppetry put on by groups from around the country.

Mr. President, I wish to point out factually one problem that we have with the figures presented by Senator DOMENICI. Senator DOMENICI assumed that all of the tickets that were offered were made available free and that the value of those tickets was roughly $200,000.

The Senator from Illinois knows that that is not true because from practical experience many times tickets are not requested and they are, of course, sold. We try to maximize boxoffice receipts as much as we can. In contrast with the $200,000 figure given, the actual figures for the past full year of the Center's share of additional net revenues for the President's box is $23,051.70; for the trustees box, approximately $12,000; total of $35,051.70.

Now that really then represents the facts that you have to take into account, first of all, those seats are not always used; second, the full revenue from those seats does not go to the Kennedy Center. You must share that revenue with the producer of the production. The Kennedy Center nets out only a portion of the revenues for the seats sold. The letter which I saw go out on this amendment showed a much larger figure for the annual value of these seats. I have detailed figures showing how much the seats were for every major performance in the Kennedy Center during this past year.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. PERCY. I would be happy to yield.

Mr. MOYNIHAN. Is the Senator aware that there are many occasions when persons are turned away from the Kennedy Center because there are no seats left? There are indeed rare performances where they are totally sold out.

Mr. PERCY. Absolutely.

Mr. MOYNIHAN. But many times you have empty seats when you state otherwise. You just say there are no seats left; and then there are those seats that the management body has which otherwise would be so.

Mr. PERCY. That is right. The theater is run as closely as we can do so in accordance with the standards established in the commercial world other than the discount seats that are offered.

Obviously, the trustees' seats—and I can say this because I have used them in 13 years so rarely for one very practical reason, that being that my hearing impairment makes it extraordinarily difficult for me to hear in the trustee's box, I buy seats down in the third, fourth, or fifth row. I do this because if I want to enjoy a performance, I want to be able to hear it, and I much prefer sitting down there. But on occasion I have taken the trustees' box in order to take distinguished people whom I am trying to interest in contributing to the Kennedy Center and, for the most part, trustees do that.

One other thing we should take into account is although the cost to the Kennedy Center was $12,000 for the trustees' box, I hope Senator DOMENICI will appreciate the fact that the trustees, who are not compensated for their efforts, are expected to contribute substantially to the Kennedy Center. Of 45 trustees, 43 of them contribute $1,000 a year just for the maintenance of the little lounge that is outside the Opera House. That is $43,000 against the $12,000. So already the Kennedy Center has received a very large return on its investment.

But this is minuscule compared to what the trustees really contribute to the Kennedy Center. The trustees in the last 3 years have contributed about $200,000. Since the Kennedy Center was founded the 45 trustees have contributed several million dollars.

If they want to go to a performance—and take guests who, they hope, will be interested in becoming members of the corporate fund and contributing and working on behalf of the Kennedy Center—I think that it is little enough that can be offered to have those seats available so that the trustees can have that extra added benefit from their services. Certainly they pay for it many, many times over.

So I hope that my distinguished colleagues will feel that this amendment is unnecessary. It is redundant. But, on the other hand, it does simply give us an opportunity to talk about what the Kennedy Center has done, and from that standpoint I am very grateful to my distinguished colleague from New Mexico.

Again I pay tribute to the distinguished members of the prevailing committee on the floor today in the way they have worked intimately and well with us and how they will continue to work with us to solve this nagging, difficult problem that the Senator from Illinois has raised at virtually every trustees' meeting since he has been on the board: What are we going to do about this tremendous burden we have of accrued interest that we owe and the principal amount that is owing on it? The trustees are prepared to face the principal. The problem is the interest, the accrued interest that has mounted up and mounted up. Not only is the Kennedy Center supposed to perform its functions as a national monument but also it is supposed to turn a profit and pay a profit on the money borrowed, and I just think that is stretching it too far.

I think at an appropriate time in the future the committee will grapple with this particular issue. I pledge to work in any way I can on this matter, along with Senator WILLIAMS and Senator KENNEDY, who are trustees with me on the Kennedy Center Board.

Mr. MOYNIHAN. Mr. President, when the late and beloved Everett Dirksen appointed the Senator from Illinois he may not have thought of his esthetic depth, but he did know he had been running the

Bell & Howell Co. at a considerable advantage to his stockholders and, thank goodness, he has been where he is.

Mr. President, another distinguished member of the Board of the Kennedy Center is with us on the floor today, and has been throughout the debate, and I see he has risen, our neighbor and counsel, the senior Senator from New Jersey (Mr. Williams).

The PRESIDING OFFICER (Mr. Exon). The Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator from New York.

Mr. President, the John F. Kennedy Center for the Performing Arts is truly the cultural center of our Nation. To the 30 million people who have visited the Kennedy Center, it is a showcase for the finest expressions of our Nation's cultural achievements. At the same time, it is a living memorial to our great President John F. Kennedy, who did so much to advance the cultural health of our Nation through his vigorous patronage of the arts.

Under the enlightened leadership of Chairman Roger L. Stevens, the Kennedy Center has brought the best in the performing arts to our Nation's Capital. In addition, it has initiated a number of public service programs designed to educate the public and to encourage new works, new artists, and new audiences throughout the Nation. For example, the Center offers performing arts programs for school children and workshops for teachers. It commissions new works for young audiences through an annual national children's festival.

The center encourages participation in the performing arts by minorities and other disadvantaged groups through such programs as the national black music colloquiums and competition. It offers free concerts and other events at Christmas and Easter, which attract people of all ages and incomes.

As a member of the board of trustees of the Kennedy Center, I have been able to see the benefits of these public service programs and the great progress the Center has made in filling its role as a national cultural center.

The bill before us today deals only with the nonperforming arts functions of the Kennedy Center, which come under the jurisdiction of the Secretary of the Interior, through the National Park Service. The bill provides needed funds for the National Park Service to carry out its responsibility to provide maintenance, security, and other services related to the Center's nonperforming arts functions.

Mr. President, I do not believe that the amendment offered by the distinguished Senator from New Mexico is relevant to this legislation. It is a frivolous amendment, which I hope my colleagues will oppose.

The amendment would have the Federal Government usurp the Kennedy Center management's authority to issue free or reduced fare tickets. It would put the Federal Government into a management role which I feel would be extremely unwise and inappropriate.

The Kennedy Center currently reserves a Presidential box and a trustees' box in each of its three main theatres. These seats are provided free, with access to the Presidential box controlled by the White House, and access to the trustees' box controlled by the chairman of the Center. Free seats are also provided to members of the press who are reviewing a particular performance. In addition, the Center provides reduced fare tickets to the elderly, poor, handicapped, students, and enlisted military personnel.

This amendment would eliminate the Presidential box and trustees' box, allowing free tickets to be given only to the President and his entourage when the President himself attends, and to the working press. Reduced rates would be available only to the elderly, and to those who cannot afford to pay the full price.

By eliminating the 40 free seats in the Presidential and trustees' boxes, Senator Domenici claims that the Center could save $175,000 to $200,000. However, these figures are totally unrealistic, since they apparently assume that every seat in every box would be sold at every performance. Based on actual ticket sales, the Kennedy Center has estimated that the elimination of the Presidential box would bring additional revenues of $41,000 and the elimination of the trustees' box would bring $20,000 to $24,000. Only about $35,000 of this total would actually go to the Center, with the remainder going to presenters of attractions as their share of ticket sales. Thus, actual savings would be $35,000 rather than the projected $175,000 to $200,000. This amount would certainly not have a significant impact on the Center's financial picture.

Beyond the financial considerations, there are a number of reasons why the amendment is unsound.

First, I believe it is totally appropriate for our national cultural center to reserve a special place for the President and visiting dignitaries. This symbolizes the importance which we place on the arts in our national life, and it is consistent with the practice of other major nations.

For security reasons, it is essential that the President's box be separate and reserved. The President often does not decide to attend a performance until the last moment. If the seats were sold in advance to others, the President would lose this option.

The trustees' box is similar to the seats reserved for the management of virtually every other theater in this or any other nation. It helps to encourage the active involvement and participation of the trustees in Center activities. It is a small price to pay for the considerable time, money and expertise which many trustees devote to the Center. The trustees box may also be used to invite patrons of the arts, who are a major source of private funding for the Center's programs. In addition, it is used by producers, technical advisers, and other professionals who have a role in the development of a performance.

Besides eliminating the free box seats, the amendment as originally proposed would also have eliminated the Center's reduced fare program for the handicapped, for students, and for enlisted military personnel. Without this program many people who now benefit from it would be unable to attend Kennedy Center performances. I believe the small savings to be realized by eliminating reduced student, handicapped, and military fares would be more than offset by the loss of these special audiences. I understand that the amendment has now been revised to correct this and allow the reduced fares to continue for these groups. Nevertheless, the basic flaws in the amendment remain.

Mr. President, artistic institutions by their very nature are involved in the promotion of intangible objectives. The benefits derived from the arts clearly cannot be measured in dollars and cents. By the same token, the use of free and reduced fare tickets at the Kennedy Center provides such intangible benefits as the good will of patrons, greater visibility for performances attended by high government officials, and the enhancement of the abilities of technical personnel.

The Federal Government is in no position to assess the importance of these benefits, or to decide how the Kennedy Center management should spend such a miniscule portion of its operating budget. We are in no position to determine which individual factors and policies contribute to the Kennedy Center's great achievements. The worldwide acclaim for these achievements speaks for itself. Let us not be so petty as to tamper selectively with manifest success.

While this bill before us today deals only with the nonperforming arts functions of the Kennedy Center, which come under the jurisdiction of the Secretary of the Interior, the whole debate has been, I think, very worthwhile because it has gone to the meaning of the Kennedy Center. It has addressed itself to the contributions which the Center has made to the cultural life here in the Nation's Capital and to all the people of this country. I commend the Senator from New York, the Senator from West Virginia, who is the chairman of the Committee on Environment and Public Works, and the Senator from Illinois, for their remarks which have dealt with the true meaning of the Kennedy Center. While it is basically still in its infancy, the Center has become a great resource that has had a remarkable impact on our Nation's Capital.

Those of us who were in Washington in the fifties and early sixties, before there was a Kennedy Center for the Performing Arts, can recall so clearly that we lived then in a cultural desert.

Well, that is not the case now, thanks to this great institution.

Part of the debate, and a worthwhile part, has consisted of some reservations about the Kennedy Center, its artistic management and artistic judgment. This debate opens avenues, I am sure, for the committee to consider. The feeling has been expressed that perhaps the Center has followed exclusionary policies and that minorities and other groups have not been encouraged to perform there. Those of us who work on the board know that this is not true. There have, in fact, been many all-black productions at the Kennedy Center, including "The Wiz," "Timbuktu," "The Mighty Gents," and the Alvin Ailey Dance Theater, to name a few. Individual black performers—Richard Pryor and Sarah Vaughn, for example—have also contributed their talents to the Center. In addition, the Kennedy Center has formed a National Black Commission to increase the involvement of the black community in the Center's activities and to sponsor programs that give greater visibility to black artists. The Commission, headed by Dr. Archie L. Buffkins, released a report on its activities last March. I believe many of my colleagues would be interested in this report, and I ask unanimous consent that a summary of it be inserted at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF COMMISSION'S ROLE AND PROJECTS INITIATED

The primary concern of the Commission has been to systematically identify and analyze the various means by which the Kennedy Center can at once maintain its quality programming and increase significantly its involvement with the Black community. Roger L. Stevens obtained private funding, due to his strong personal commitment to the Commission's purpose, with which activities exemplifying the Commission's findings could be promoted and sponsored.

The Kennedy Center, by aggressively initiating progress in this vital area, has performed a great service for the Black community and for the nation as a whole, a service whose impact is already being felt in many areas. For how many major centers—performing arts or others—have purposefully and methodically set out to realize, within the parameters of their overall role and function, the goals of cultural diversity with specific emphasis on the Black community? Clearly, the Kennedy Center's initiative will cause other organizations to consider undertaking similar positive actions. However, in order for a program of this nature to be successful, its sponsor must recognize an important human need which its regular operations do not satisfy and be prepared to try a wide variety of new approaches to rectify the situation.

By establishing the Commission, the Kennedy Center recognized the existence of such a need and demonstrated its fundamental "caring commitment" toward the Black community. It is this undercurrent of concern which has served to inspire our work and, therefore, we have felt it to be of particular importance to fully inform the Black community of the Kennedy Center's commitment. The Commission has, by doing so, provided that community a measure of hope and reassurance that major institutions of the establishment, in general and, the Kennedy Center, in particular, care about the developing and culturally diverse peoples of the nation.

Ultimately, the number of Commission than the realization by the Black community that the Kennedy Center *cares about it* and has made a commitment to it and that that commitment will endure over the long term. Indeed, our final recommendations reflect the firm belief of the Commission that this realization is not ill-founded, for they suggest a variety of steps the Kennedy Center may take so as to continue the work of the Commission.

The Commission has felt from the outset of our work that the Kennedy Center commitment must be made clear to the Black community, if Black people are to fully appreciate the significance of it. Therefore, the Commission has considered it to be of the utmost importance to inform Black people throughout the nation of the existence of the Commission. To accomplish this the Commission met with a broad range of groups and individuals. Performing artists—professionals, students, amateurs, administrators and educators—were, of course, contacted. The Commission, furthermore, conferred with Black political, religious, educational, fraternal, social and business leaders to apprise them of the Kennedy Center's concerns. Also, through visits, telephone conversations and correspondence, the Commission communicated its function to a great many members of the Black general public.

Our involvement with the Black community, however, was not limited to making it aware of the Kennedy Center's commitment and of our work. Both elements necessarily involve determining that which the Black community feels the Kennedy Center should undertake in order to further its involvement with Blacks. The Commission, therefore, inquired of the Black community what it felt ought to be done and, in doing so, made apparent to that community the fact that its input is of great importance to the Kennedy Center.

In order to obtain this input, a variety of methods were employed. Direct meetings and conferences were held with Black leaders, media persons, performing artists and members of the general public. Questionnaires specifically requesting input were sent to Black performing arts educators, performing artists, Kennedy Center employees, predominantly Black higher educational institutions and the state arts councils. In addition, many Commissioners represented the Commission at various functions involving the Black performing arts. The President of the Commission was asked to and did on numerous occasions represent the Commission at performances as well as community and high-level national meetings to convey the existence, work and purpose of the Commission to the Black community. Such personal encounters facilitated the flow of deeply desired community input to the Commission. On the basis of all the input—informal and formal—received, the final recommendations, actions taken and suggestions of the Commission, discussed in detail herein, were formulated. More generally, the Commission was able to better understand the needs and desires of the Black community vis-à-vis the Kennedy Center.

THE COMMISSION INTRODUCED MANY BLACKS PERFORMING ARTS GROUPS AND ARTISTS

The community outreach activities of the Commission caused its role to expand in direct response to the aspirations and expectations expressed by those whom we contacted. Indeed, the Commission developed into a sort of "clearinghouse" for the Black performing arts. As such, the delivery of services to the Black community became a very important function of its operations. For with increasing frequency, Blacks were contacting the Commission with regard to information about and opportunities in the local and national performing arts scene. To meet their needs, Commissioners often met with and advised groups and individuals on such technical matters as the preparation of funding requests, resumes and proposals. Also, in many cases the Commission assisted Black performing artists and persons interested in arts administration and related areas to locate employment opportunities at the Kennedy Center and elsewhere. Essentially, every effort was made by the Kennedy Center to increase minority employment and particularly Black employment. Clearly, Black employment has increased significantly throughout the Kennedy Center since the Commission began its work.

The Commission also received numerous proposals from groups and individuals desirous of Commission sponsorship for their work. From the outset of our work, we recognized that the nature of the Kennedy Center could and should allow only certain kinds of expansion in its activity. For the Kennedy Center is not and certainly should not become a performing arts supermarket. Therefore, those proposals received which went beyond the parameters of the Kennedy Center's role were directed to alternate sponsors. As a result, the Commission introduced many Black performing arts groups and artists to the various federal agencies, private foundations, educational institutions, state arts councils and businesses interested in the development of such work. It also directed a number of groups and individuals to the National Endowments for the Arts and Humanities.

We emphasize here that such referrals were not a passive activity of the Commission. Rather, we met with a broad selection of administrators, staffs and beneficiaries of the organizations mentioned above, discussed our work with them and that of those we referred to them. As a result, active cooperation and communication was developed between the Commission, the organizations involved and the Black performing arts community. The majority of those who contacted us in this regard found our referral service to be most valuable as their proposals were eventually undertaken and funded. In this manner, the Commission served as a catalyst for positive change and growth in a manner that has had national ramifications. The Commission has become the lively nucleus of a national clearinghouse on Black performing arts and has well served those who involved themselves with our work. Special mention should be made here of the fact that this activity has included supplying the chairmen of the National Endowments for the Arts and Humanities with position papers and other important information as well as providing assistance in this area to the legislators and sponsors of the White House Conference on the Arts.

Many of the proposals received were in consonance with Kennedy Center activities and were given direct consideration. Action on many of them is complete or underway.

For example, the Commission underwrote "Soul of the Classics," a Washington radio program devoted to Black classical music, and also developed and implemented a Black theatre/playwright project through which six Black theatre companies and playwrights across the nation were awarded substantial funding with which to produce new Black dramatic productions.

Other projects include an upcoming jazz recital by Nathan Davis dedicated to the memory of Dr. Martin Luther King, Jr., a recently-published national directory of Black theatres, and funds for a new production by the Harlem Children's Theater.

The Commission has already carried out sponsorship of a full concert at the Kennedy Center by the Urban Philharmonic, an orchestra composed mainly of minority musicians. This concert featured works from both the classical orchestral repertoire and major Black composers.

Also of importance was the "First Graders and the Wonders of the Kennedy Center" project. The Commission brought groups of Black school children—augmenting thousands already attending regular children's programs sponsored by the Kennedy Center's Education Department—to the Center for tours, a catered luncheon, and a sneak preview of the Stuttgart Ballet's production, "The Sleeping Beauty." This particular project demonstrated the Commission's concern for involving Black youngsters in the mainstream of Kennedy Center activity in the same way as other projects were designed to involve mature members of the Black community.

A major project now underway involves

identifying the nation's finest young Black string instrumentalists and pianists through a program designed to reach all 50 states. Finalists will attend special symposia at the Kennedy Center and give recitals both in their respective regions and at the Center with particular emphasis on the works of Black composers

In addition to the above projects, we expanded Kennedy Center linkages with the Black media and invited many Blacks—individually and in groups—to Center social functions and events.

Thus, by introducing the Black community to the Commission, making it aware of our function and the Kennedy Center's commitment; extending our work to the delivery of necessary services, thereby becoming a Black performing arts clearinghouse; assisting those with projects to gain sponsorship within the Kennedy Center or elsewhere; sponsoring large and small "demonstration" projects at a cost of several hundred thousand dollars to both increase Black participation and identify Black performing arts talent; providing Blacks with the opportunity to utilize the Kennedy Center as consumers of the performing arts; performers; creators; administrators; and technicians; and by extending the Kennedy Center's welcome in tangible ways, the Commission acted to make cultural diversity a reality and significantly expanded Black participation at the Kennedy Center.

RECOMMENDATIONS

The following recommendations represent a broadly based, all encompassing approach to the short- and long-range goals and involvements of the Kennedy Center. After considerable, serious deliberation, we chose not to list the more than fifty recommendations we had originally formulated. Rather, we thought, a few major recommendations—whose effects and ramifications would be manifold—would best serve the overall purpose of the Commission. We believe these recommendations will allow the Kennedy Center to fulfill the visions and aspirations of the Commission. At the same time, we trust the recommendations will serve to strengthen and enhance the professional performing arts stature of the Kennedy Center as a national institution.

In light of the above, the Commission recommends that the Kennedy Center:

(a) continue to provide strong and aggressive national leadership in the professional performing arts with reference to bringing visibility and respectability to the concept of "cultural diversity;"

(b) establish a small, permanent committee (Committee on Cultural Diversity in the Performing Arts) to monitor development of Commission projects already funded; to advise and assist the Chairman of the Board of Trustees on present and future matters relating to cultural diversity within the context of public policy, programs, personnel, projects and practices;

(c) continue and, where appropriate, institutionalize selected activities and projects activated under the auspices of the Commission;

(d) develop and vigorously implement the most diplomatic, effective and communicative method possible to convey to the White House the importance of appointing minorities in general and Blacks specifically to the Kennedy Center Board of Trustees as vacancies occur;

(e) establish an award—"Excellence in the Performing Arts"—for outstanding contributions in the performing arts with emphasis on cultural diversity;

(f) utilize the national organizational structures of the "Friends of the Kennedy Center" and the "Alliance for Arts Education" to establish a nationwide arts-oriented network within minority communities in order to maintain and facilitate communication between the Kennedy Center and these communities;

(g) inaugurate a highly sophisticated "Executive Internship Program in Arts Administration" that would expose one extremely talented and knowledgeable person each year to the full complexities involved in the operation of a major professional performing arts institution such as the Kennedy Center;

(h) sponsor, on a yearly basis, an "International Festival on Cultural Diversity in the Performing Arts," comprised of seminars and performances, emphasizing the best the world is able to produce in this overall area;

(i) continue to use funds from the "Corporate Fund for the Performing Arts at the Kennedy Center" to sponsor and promote demonstration projects that will foster the concept of "cultural diversity and quality" in the performing arts;

(j) explore the idea of establishing an "Office of Education and Community Affairs" in order to consolidate and coordinate the present and future activities and programs of these two areas which will reinforce the publicly-announced new thrust of the Kennedy Center; and

(k) continue—in a comprehensive manner—the well thought-out affirmative action practices and understandings now in operation at the Kennedy Center.

Mr. WILLIAMS. As far as this amendment is concerned, all that I have mentioned in my statement has already been said in one way or another, with the exception of one thing. That is the regret I would feel if the President of the United States wanted to attend a performance and all the seats in the Presidential box had been sold out. When President Carter has gone to the Kennedy Center, it has generally been without announcement, at the last minute, because he had a couple of free hours to see a performance. I would hate to have the President show up and not be able to get a seat. It just does not seem quite right, all for a net return to the Kennedy Center of about $23,000 a year.

The Senator from New Mexico has made profound contributions to this body in debate after debate. However, this amendment appears to me to be frivolous, because of its de minimis nature. I certainly hope the amendment will be defeated.

Mr. MOYNIHAN. Mr. President, the Senator from New Jersey makes a serious argument ably and effectively, but he has left out the one argument that ought to concern all of us in this matter—it would be characteristic of him to have left it out—which is that when HARRISON A. WILLIAMS stands on the floor of the U.S. Senate and asks his colleagues not to do something concerning a matter in which he has been intimately involved, that resolves the question in our minds, or in mine, and I hope it will that of the Senator from Rhode Island.

Mr. DOMENICI. In that case, I withdraw my amendment.

Mr. MOYNIHAN. Third reading.

Mr. CHAFEE. Just a moment. Mr. President, the arguments have been well presented against this amendment. The amendment presents great difficulty on its face, and I think the only reason we gave it consideration was the distinction of the gentleman who has presented it.

He has argued so valiantly and effectively on this floor in behalf of innumerable important causes that when we saw it was his amendment, we gave it extra special importance.

As the Senator from Illinois has said, there is not a cultural center in the world, whether it is La Scala in Milan, the Guthrie Theater in Minneapolis, or the Trinity Square Theater in Providence, that carries its operating costs, to say nothing of its capital costs. So to have this Kennedy Center operating in the black is a remarkable achievement.

Obviously every seat cannot be sold out for every performance. The Presidential and trustee boxes do involve a small amount of cost in the neighborhood of $35,000, perhaps, but to me that is a very good investment.

Let me just note that last year funds were raised as follows: Corporate giving raised about $1.5 million for the Kennedy Center. About 200 individuals donated $1,000 or more, entitling them to membership in the "Golden Circle." In addition, small donations from 50 cents to $1,000 totaled about $100,000. Finally, foundation gifts and benefits raised significant amounts. In aggregate, the Center raised about $2.5 million to support its operations.

Let me add that we have to be awfully careful with an amendment like this. For example, let me ask whether the Senator from New Mexico meant to do this: The Vice President shows up. He has to pay for a ticket at the box office under this amendment.

If the President is away and the Vice President goes to the Center, does he have the privilege to sit in the President's box? No, no; $8.50, please, Mr. Vice President, because that is what the amendment says. And if he does not pay the $8.50, or the $12, or whatever it is——

Mr. DOMENICI. $16.

Mr. CHAFEE. If he does not pay, the manager of the Center is fined $100.

I do not think that is the kind of country we want to be running. The Vice President stands in line at the box office, and if his wife is present, he gets her a ticket, too.

So, Mr. President, despite the distinction of the man who proposed this amendment, I certainly hope it will be rejected.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. The Senator has 17 minutes and 47 seconds.

Mr. DOMENICI. And how much time does the Senator from New York have?

The PRESIDING OFFICER. Fifty-five seconds.

Mr. DOMENICI. I was going to say I would cut mine in half if he would cut his, but he does not have any time left. I yield myself 4 minutes.

Let me first say I appreciate the kind words of the Senator from Rhode Island. If we were to include the Vice President, I wonder if he would support the amendment.

Mr. CHAFEE. That is the problem. I brought up point after point. Each time he said, "Let us include them." How about the Secretary of State? The Secretary of State comes in with the Foreign Minister of France or of England. Do they pay at the door?

Mr. DOMENICI. No, no, not pay at the door.

Mr. CHAFEE. $14?

Mr. DOMENICI. No, not pay at the door at all, but buy tickets like everybody else. The State Department has plenty of money, and the Secretary makes more than we make as Senators.

Let me tell you the issue. The issue is this: My arithmetic reveals—and I am going to use 350 performing days; I am going to use 28 White House seats in all the theaters per night, and 12 for Mr. Stevens acting on behalf of the board of trustees. My arithmetic says what is at stake is 14,000 free tickets per year. That is what it is, whether he gives them away or whether, for the most part, the White House gives them away to various and sundry people as sort of the ongoing way to distribute favors around Capitol Hill and in Washington.

If we want to do that in the name of making sure our President has a White House seat when he wants to attend one of those theaters, then keep it that way. I honestly believe this amendment is being attacked as being picayune and redundant. I say it is picayune to say you are going to shut the President out of his box seat if this Domenici amendment prevails. That is insane and incredulous. And contrariwise, to assume that in order to assure him of that seat, you have to have 14,000 free tickets per year is absolute insanity.

It might be small potatoes; it might not amount to much, but that is the issue. The issue is not shall poor people continue to have gratis tickets or shall students, or shall trustees continue to have some very discreet privilege they are entitled to. They are distinguished Americans and wonderful Senators, the three that serve here. Give them certain discreet privileges; but do we have to have 14,000 availabilities for Mr. STEVENS in their behalf and his behalf to distribute, and the White House in its behalf, in order to discreetly take care of our President, Vice President, his beautiful family, and our trustees when they need some special privilege? I think not.

I do not care if all the seats are not filled all the time, or if, instead of 235,000, it is only 150,000. I do not care if it is only 90,000. The issue is the issue as presented here: Shall we continue to have that many seats available to be given out, at $16 or $20 each?

I close by saying this: It is good that the wonderful aspects of this Center have been debated here today. I hope no one misconstrues my motives in that regard. It is, indeed, a cultural wonderland, an oasis in what would have been a desert, without a doubt. But it is taxpayers' money, for the most part, paying for it, regardless of all the wonderful charity being described.

The Lincoln Center, someone says here they are not so petty about who gets free tickets; they are promoting the Center. But that Center is not owned by the people of America, and it is not paid for by taxpayers' dollars. That is a significant difference.

A significant difference. And today, it is more different than ever. The American people are tired of those who can afford it getting things free here and they not knowing about it. When they find out about it, they do not like it very much, especially with taxes what they are, inflation what it is. You cannot plan anything for your family. You make money and you go backward instead of forward. They do not like this. I kind of think they are right, and that is the issue. I am sorry I have to raise it.

I thank the Senators for their kindness. I think it is a serious issue, as serious as parking privileges, as serious as other issues that many of you who argue against this raise on your own when it comes to the subject of gratuity for Federal servants who are otherwise assumed to be paid adequately.

Mr. President, I yield back the remainder of my time.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am afraid I have only 55 seconds. I am happy to yield it to the Senator from Illinois.

Mr. PERCY. Will the Senator from New Mexico yield me 2 minutes?

Mr. DOMENICI. I am pleased to yield 2 minutes to the Senator if I have it.

Mr. PERCY. Mr. President, I would like to make one correction. In contrasting $12,000 of free tickets with the contributions of the trustees, I said the trustees had contributed $200,000, I think, over the past 3 years. It is $300,000 over the last 2 years.

Mr. President, the trustees or management box is common to every major theater in America, such as the Lincoln Center, the Milwaukee Center, and the Los Angeles Music Center. Although there are 45 trustees who can use this box, the seats are also used by producers, investers and consultants in cultural activities. They have an opportunity to view performances in order for them to potentially participate in the development of the production.

The Kennedy Center is a unique institution, it is a national cultural center which is located in the Nation's Capital. In capitals around the world, heads of states have royal or state boxes reserved for their use in attending state theaters. This is a normal, proper, and traditional procedure. The Presidential box at the Kennedy Center is also used by Cabinet members, visiting dignitaries and other major figures from around the world. To eliminate or restrict the President's use of this box would say something about our National Cultural Center. In fact, it would really detract from what the Nation had in mind in establishing it in the first instance.

As I said at the beginning, I think it would be a mistake for the Senate of the United States to try to codify or run the Kennedy Center from here rather than leave it as the responsibility that has been delegated to the board of trustees. The board of trustees is extraordinarily sensitive whenever anything is brought to their attention that can be improved. Certainly, Senator DOMENICI's statement here, the strong feelings he has expressed, will cause the trustees to take another look at this to make certain that we do not have any privileges offered that do not really inure to the full benefit of the Kennedy Center and the people of the United States of America.

With that, Mr. President, I trust the pending amendment will be defeated and that the responsibility for fulfilling and carrying out the charter of the Congress of the United States will be left to the board of trustees of the Kennedy Center.

The Kennedy Center for the Performing Arts is undoubtedly the centerpiece of Washington's cultural scene. Some people had termed Washington as "little more than a cultural sahara" before the opening of the Kennedy Center. However, since the Center opened in 1971, Washington's prominence as a cultural center has blossomed. With its Opera House, Eisenhower Theatre, Concert Hall, American Film Institute, and Terrace Theatre the Center has provided an ever-increasing number of people an opportunity to be exposed to and to participate in the performing arts.

The Kennedy Center's reputation and influence, however, extend well beyond the banks of the Potomac. David Merrick has called the Kennedy Center the "most successful cultural facility in the world." I quite agree with that comment. I suggest that for those who visit the Opera House, they will find the acoustics to be virtually the finest in the world. The Kennedy Center is far more than a facility, a structure or a building. It is a memorial to a loved president and a Nation's investment in the arts.

Millions of patrons have attended performances at the Center since its opening. This has led to an outstanding 85 percent attendance record for the Center which is testimony to the growing awareness and support of the public in the visual and the performing arts. The Kennedy Center has provided a broad range of programs of superb quality to audiences of all ages. Hundreds of thousands of half-priced tickets have been purchased by the elderly, the handicapped, students, military and people on low-fixed incomes. In addition, the Center has sponsored thousands of free events, such as children's theater, concerts in the Grand Foyer, symposia films and exhibitions. Thus, the Center has played a dynamic role in providing cultural activities for all who are interested.

In 1977, a dedicated group of business executives organized for the express purpose of raising $1 million from the corporate sector for the Kennedy Center's ongoing activities. They raised a million dollars and are continuing to work to raise another million and a half dollars for this year, so that the trustees do not have to come to the Congress of the United States, as every other national culture center in the world does to other legislative bodies and say, "Look, this is what our deficit is this year." I believe this is a sound venture. All of the funds contributed will be used to encourage the development of new theatrical and musical talents and to make available outstanding performing arts presentations.

I pay tribute to the distinguished chairman of the board of Mobil Corps, Mr. Rawleigh Warner, Jr., who serves as chairman of the board of governors, ably supported by the following board members of the Corporate Fund:

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The role of the Kennedy Center can not be discussed on only the local or national level. It has brought internationally acclaimed performers to the United States. Mikhail Baryshnikov, perhaps the world's most highly acclaimed dancer has said that "the Kennedy Center has given ballet new life." It is extremely important for the United States to have an outstanding cultural facility. Not only does the Kennedy Center provide American audiences with an opportunity to be exposed to international artists, but more importantly, it provides the stage on which America's cultural heritage can be explored and expanded.

Mr. DOMENICI. Mr. President, at this time, I yield myself 1 minute and, in advance, yield back the remainder of my time. I do want to vote and I know everybody here wants to.

I want to make this point, that Senator WILLIAMS and Senator PERCY are both trustees. They have both been on the floor here today. I do not truly think I have to say this, because I think they know of the great esteem in which I hold both of them.

I do want to say it has been my privilege to work on the floor with Senator WILLIAMS on a number of matters. It has been truly a joy to do that. We have had some successes, some failures, and I can say the same of Senator PERCY. It is in no way a reflection on the commitment to their responsibilities of the trustees that I brought this up. They are tremendous people. It is merely to try to establish a point that we must begin to minimize this kind of available gratuity at the national level if we intend to retain the confidence of the American people in what we are trying to do on their behalf across the board, far beyond just cutural centers and such facilities as this one.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I yield myself 1 minute on the bill.

I should like to take this opportunity to reciprocate the generous remarks of my colleague from New Mexico. He knows of our respect for him in this matter. He knows that he and I are together in proposing the legislation that will come later in the year with respect to the general management of the center. He knows that he has been heard.

I think he may also know that he may not prevail today, but he has been heard. This is indeed one quality he has, and it is certainly not in bit the least unattractive.

Mr. President, I believe all time has been yielded back.

The PRESIDING OFFICER. All time has been either used or yielded back. The question then is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 23, nays 66, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—23

Armstrong
Bellmon
Burdick
Danforth
Domenici
Exon
Hart
Heflin
Helms
Humphrey
Kassebaum
Leahy
Packwood
Proxmire
Riegle
Roth
Schmitt
Simpson
Stevens
Stone
Thurmond
Tower
Wallop

NAYS—66

Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
DeConcini
Dole
Durenberger
Durkin
Eagleton
Ford
Glenn
Goldwater
Gravel
Hayakawa
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Levin
Long
Lugar
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Percy
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Schweiker
Stafford
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—11

Bayh
Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Laxalt
Magnuson
Pell
Pressler

So Mr. DOMENICI'S amendment (UP 526) was rejected.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order, so that we can continue with the business of the Senate. The Chair asks that the well be cleared. The Chair will recognize the Senator from New York as soon as the Senate is in order. Members will please take their seat. Will Senators please clear the well?

Are there further amendments?

Mr. MOYNIHAN. Mr. President, I move the third reading of the bill.

The PRESIDING OFFICER. Do the managers yield back their time?

Mr. MOYNIHAN. I yield back my time.

Mr. CHAFEE. I yield back my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act (Public Law 95–874, as amended; 20 U.S.C. 761) is amended by adding at the end thereof the following: "There is authorized to be appropriated to carry out this subsection not to exceed $4,287,000 for the fiscal year ending September 30, 1980."

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REFUGEE ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 643, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 643) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, at the beginning of line 5, insert "SEC. 101. (a)";

On page 2, at the beginning of line 18, insert "(b)";

On page 3, line 13, after "opinion" insert a comma and the following: or (B) any person who has been displaced by military or civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.

On page 3, beginning with line 21, strike through and including page 5, line 3, and insert in lieu thereof the following:

"Sec. 207. (a) (1) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand, unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special concern to the United States who will be in need of resettlement. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(2) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of refugees is in the national interest, and to provide such members with information that may include—

"(A) a description of the nature of the refugee situation:

"(B) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement, an analysis of conditions within the countries from which they originated;

"(C) an analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

"(D) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(E) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(F) such additional information as may be appropriate or requested by such members.

On page 7, line 7, strike "Or (2),";

On page 7, line 7, insert a comma after "General" and strike "may, in his discretion and";

On page 7, line 15, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

On page 7, beginning with line 20, strike through and including page 9, line 5, and insert in lieu thereof the following:

"(b) (1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101(a) (42) (A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a) (42) (A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b) (1) (A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4) (A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a) (42) (A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) or section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

On page 12, line 19, after the period, strike through and including line 24;

On page 12, line 6, strike "conditionally admit into the United States," and insert "admit into the United States conditionally or for lawful permanent residence, in his discretion and";

On page 12, line 16, strike "207" and insert "207(a)";

On page 13, line 2, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

On page 14, line 7, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.

On page 14, line 13, strike "the words";

On page 15, line 19, strike "per centum" and insert "percent";

On page 16, line 6, strike "per centum" and insert "percent";

On page 17, line 4, strike "is authorized to withhold the deportation" and insert "shall not deport,";

On page 17, line 5, strike "of";

On page 17, line 6, strike "subject to such terms and conditions as he may prescribe,";

On page 17, line 10, after "opinion" insert a comma and the following: unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees

On page 17, line 20, after "207" insert "of that Act";

On page 17, beginning with line 21, strike through and including page 18, line 10;

On page 18, line 21, after the semicolon, insert the following: for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

On page 20, line 6, after "(G)" insert "for interim support assistance during the period of initial adjustment, and";

On page 20, line 9, strike "is eligible for" and insert "receives";

On page 20, at the beginning of line 18, insert "(2)";

On page 20, line 18, strike "paragraph" and insert "subparagraph";

On page 20, line 19, strike ", (D), (E),";

On page 20, line 19, after "(G)" insert "of paragraph (1)";

On page 20, line 23, strike "other than a Cuban refugee who entered the United States before October 1, 1978";

On page 21, beginning with line 1, insert the following:

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

On page 21, line 8, strike "(2)" and insert "(4)";

On page 21, line 14, strike ", as amended";

On page 21, beginning with line 20, insert the following:

Sec. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refugee Act of 1979".

TITLE I—PURPOSE

Sec. 101. (a) The Congress declares that it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution in their homelands, including, where appropriate, humanitarian assistance for their care and maintenance in asylum areas, efforts to promote opportunities for resettlement or voluntary repatriation, aid for necessary transportation and processing, admission to this country of refugees of special concern to the United States, and transitional assistance to refugees in the United States. The Congress further declares that it is the policy of the United States to encourage all nations to provide assistance and resettlement opportunities to refugees to the fullest extent possible.

(b) The objective of this Act is to provide a permanent and systematic procedure for the admission to this country of refugees of special concern to the United States, and to provide comprehensive and uniform provisions for temporary and transitional assistance to those refugees who are admitted.

TITLE II—ADMISSION OF REFUGEES

SEC. 201. (a) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101 (a)) is amended by adding after paragraph (41) the following new paragraph:

"(42) The term 'refugee' means (A) any person who is outside any country of his nationality or, in the case of a person having no nationality, is outside any country in which he last habitually resided, and who is unable or unwilling to return to, and is unable to or unwilling to avail himself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group, or political opinion, or (B) any person who has been displaced by military or civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.".

(b) Chapter I of title II of the Immigration and Nationality Act is amended by adding after section 206 (8 U.S.C. 1156) the following new sections:

"ANNUAL ADMISSION OF REFUGEES

"SEC. 207. (a)(1) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand, unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special concern to the United States who will be in need of resettlement. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(2) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of refugees is in the national interest, and to provide such members with information that may include—

"(A) a description of the nature of the refugee situation:

"(B) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement an analysis of conditions within the countries from which they originated;

"(C) an analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

"(D) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(E) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(F) such additional information as may be appropriate or requested by such members.

"(3) Subject to the numerical limitation established pursuant to paragraph (1) the Attorney General, pursuant to such regulations as he may prescribe, shall admit for lawful permanent residence any refugee who is not firmly resettled in any foreign country, is within a group or class of refugees determined to be of special concern to the United States, and is admissible as an immigrant under this Act, except for the fact that he does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

"(b)(1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101(a)(42)(A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a)(42)(A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b)(1) (A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4)(A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a)(42)(A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

"ADMISSION OF EMERGENCY SITUATION REFUGEES

"SEC. 208. (a) If the President determines, after consultation by the President's designated representatives with the Committees on the Judiciary of the Senate and the House of Representatives, that (1) an unforeseen emergency refugee situation exists; (2) the admission of certain refugees in response to the emergency refugee situation is justified by grave humanitarian concerns or is otherwise in the national interest; and (3) that the admission into the United States of these refugees cannot be accomplished under section 207, the President may fix a number of refugees to be admitted into the United States in response to the emergency refugee situation.

"(b) The admissions authorized by subsection (a) shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President.

"(c) Subject to the numerical limitation established pursuant to subsection (a), the Attorney General may admit into the United States conditionally or for lawful permanent residence, in his discretion and pursuant to such regulations as he may prescribe, any alien who is a refugee within a group or class designated pursuant to subsection (b) and who is not firmly resettled in any foreign country.

"SPOUSES AND CHILDREN OF REFUGEES

"SEC. 209. A spouse or child (as defined in section 101(b)(1) (A), (B), (C), (D), or (E)) of any alien who qualifies for admission under section 207(a) or 208 shall, if not otherwise entitled to admission under such section, be entitled to the same admission status as such alien if accompanying, or following to join, such alien, and upon the spouse's or child's admission into the United States, such admission shall be charged against the numerical limitation established in accordance with the section under which the alien qualifies for admission. A spouse or child who is admitted for lawful permanent residence in accordance with this section shall be required to establish admissibility to the United States as an immigrant except for the requirements of paragraph (14), (15), (20), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

"GRANTING OF IMMIGRANT STATUS TO EMERGENCY SITUATION REFUGEES

"SEC. 210. (a) Notwithstanding any numerical limitation specified in this Act, any alien who has been admitted into the United States conditionally under section 208 or 209—

"(1) whose admission has not been terminated by the Attorney General pursuant to such regulations as he may prescribe;

"(2) who has not acquired permanent resident status; and

"(3) who has been physically present in the United States for at least two years,

shall, at the end of such two years, return or be returned to the custody of the Service for inspection and examination for admission into the United States as an immigrant in accordance with the provisions of sections 235, 236, and 237.

"(b) Any alien who, pursuant to subsection (a), is found, upon inspection by an immigration officer or after a hearing before a special inquiry officer, to be admissible as an immigrant under this Act at the time of his inspection and examination, except for the fact that the alien does not meet the requirements of paragraph (14), 15), (20), (21), (25), or (32) of section 212(a), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival. The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.".

SEC. 202. Section 211 of the Immigration and Nationality Act (8 U.S.C. 1181) is amended—

(a) by inserting in subsection (a) after "Except as provided in subsection (b)" the following: "and subsection (c)"; and

(b) by adding a new subsection (c) at the end thereof to read as follows:

"(c) The provisions of subsection (a) shall not apply to an alien when the Attorney General admits to the United States for lawful permanent residence under section 207.".

SEC. 203. (a) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151 (a)) is amended to read as follows:

"SEC. 201. (a) Exclusive of special immigrants defined in section 101(a)(27), immediate relatives specified in subsection (b) of this section, and aliens who come within the provisions of sections 207, 208, and 209, the number of aliens born in any foreign state or dependent area who may be issued immigrant visas or who may otherwise aquire the status of an alien lawfully admitted to the United States for permanent residence, shall not in any of the first three quarters of any fiscal years exceed a total of seventy-two thousand and shall not in any fiscal year exceed two hundred and seventy thousand.".

(b) Section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in subsection (a);

(2) by striking out "(8)" in subsection (a) and inserting in lieu thereof "(7)";

(3) by striking out "or conditional entries" and "and conditional entries" in subsection (e);

(4) by striking out "20 per centum" in subsection (e)(2) and inserting in lieu thereof "26 percent";

(5) by striking out paragraph (7) of subsection (e);

(6) by striking out "(7)" in paragraph (8) of subsection (e) and inserting in lieu thereof "(6)"; and

(7) by redesignating paragraph (8) of subsection (e) as paragraph (7).

(c) Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in subsection (a);

(2) by striking out "20 per centum" in subsection (a)(2) and inserting in lieu thereof "26 percent";

(3) by striking out paragraph (7) of subsection (a);

(4) by striking out "and less the number of conditional entries and visas available pursuant to paragraph (7)" in subsection (a)(8);

(5) by striking out "or to conditional entry under paragraphs (1) through (8)" in subsection (a)(9) and inserting in lieu thereof "under paragraphs (1) through (7)";

(6) by redesignating paragraphs (8) and (9) of subsection (a) as paragraphs (7) and (8);

(7) by striking out "(7)" in subsection (d) and inserting in lieu thereof "(6)"; and

(8) by striking out subsections (f), (g), and (h).

(d) Sections 212(a)(14), 212(a)(32), and 244(d) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(14), 1182(a)(32), 1254 (d) are amended by striking out "section 203 (a)(8)" and inserting in lieu thereof "section 203(a)(7)".

(e) Subsection (h) of section 243 of the Immigration and Nationality Act (8 U.S.C. 1253) is amended to read as follows:

"(h) The Attorney General shall not deport, or return any alien (other than an alien described in section 241(a)(19)), to any country where such alien's life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion, unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees.".

(f) Section 5 of the Act of October 5, 1978 (Public Law 95-412) is amended by striking out "September 30, 1980" and inserting in lieu thereof "the effective date of the Refugee Act of 1979".

(g) Any reference in any law to section 203 (a)(7) of the Immigration and Nationality Act shall be deemed a reference to section 207 of that Act.

TITLE III—TEMPORARY AND TRANSITIONAL ASSISTANCE TO REFUGEES

SEC. 301. (a) Section 2(b) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(b)) is amended to read as follows:

"(b)(1) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(A) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or persons in behalf of whom he is exercising his good offices; for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

"(B) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the foreign policy interests of the United States;

"(C) for payments to appropriate public or nonprofit private agencies to aid in the placement, resettlement, and care of refugees;

"(D) for projects and programs to assist adult refugees in gaining skills and education necessary to become employed or otherwise self-reliant, including facility in English, vocational and technical training, professional refresher training and other recertification services, and social and employment services;

"(E) for payments to State and local agencies for projects to provide special educational services (including facility in English) to refugee children in elementary and secondary schools;

"(F) for child welfare services, including foster care maintenance payments and services and health care, furnished in any of the first twenty-four months during any part of which the refugee is in the United States or, in the case of a child who enters the United States unaccompanied by a parent or other close adult relative (as defined by the President), until the month after such child attains age eighteen (or such higher age as the State's child-welfare services plan prescribes for the availability of such services to any other child in that State), if later; and

"(G) for interim support assistance during the period of initial adjustment, and for income maintenance and medical assistance, except that if a refugee receives aid or assistance under a State plan approved under part A of title IV or under title XIX of the Social Security Act, or for supplementary security income benefits (including State supplementary payments) under the program established under title XVI of that Act, funds authorized under this subsection shall only be used for the non-Federal share of such aid or assistance, or for such supplementary payments.

"(2) No payment shall be made under subparagraph (C) or (G) of paragraph (1) with respect to aid or services, furnished directly or through a project or program, to a refugee who entered the United States more than twenty-four months prior to receiving such aid or services.

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

"(4) As used in this section, the term 'refugee' has the same meaning as that prescribed by paragraph (42) of section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)).".

(b) Subsection (a) of this section shall not be considered a law enacted on or after February 7, 1972, for purposes of section 15 (a)(1)(A) of the Act of August 1, 1956 (22 U.S.C. 2680(a)(1)(A)).

SEC. 302. Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is further amended by striking out "$25,000,000" in paragraph (2) and inserting in lieu thereof "$50,000,000".

SEC. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TITLE IV—EFFECTIVE DATE

SEC. 401. (a) Except as provided in subsection (b), this Act shall become effective on October 1, 1979.

(b) The repeal of subsections (g) and (h) of section 203 of the Immigration and Nationality Act, made by section 203(c)(8) of this Act, shall not apply with respect to any individual who before the effective date of this Act was granted a conditional entry under section 203(a)(7) of the Immigration and Nationality Act (and under section 202 (e)(7) of the Immigration and Nationality Act, if applicable), as in effect immediately before such date, nor shall it apply to any alien paroled into the United States before the effective date of this Act who is eligible for the benefits of section 5 of the Act of October 5, 1978 (Public Law 95-412).

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 214, which is the budget waiver in connection with the pending business, and this has been cleared on both sides.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 214) waiving the Congressional Budget Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 214) waiving the Congressional Budget Act with respect to the consideration of S. 643.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 643. Such waiver is necessary due to unforeseen refugee emergencies and factors that developed subsequent to the introduction of this legislation, requiring slightly revised authorizations.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent while we are waiting on certain Senators that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Kansas.

SENATE RESOLUTION 228—SUBMISSION OF A RESOLUTION ON SOVIET TROOPS IN CUBA

Mr. DOLE. Mr. President, I am deeply concerned about the presence of Soviet troops in Cuba. In the past few days the stationing of some 3,000 combat troops, 40 tanks, and 100 troop carriers 90 miles off our shores have come to light.

At a time when this Chamber is deliberating on the SALT II treaty as a possible advancement of détente, we are confronted with another test of U.S. determination to enhance stability in the Carribean.

I believe the Senate must take a firm stance on repeated Russian intransigence and doubledealing, and I am, for that reason, introducing a sense of the Senate resolution to implement such a firm stance. I feel so strongly, since increased Russian military presence in Cuba raises questions of whether we ought to continue considering a treaty touted as a step toward better superpower relations while the other side is deviously digging in deeper against our interests.

Mr. President, the idea of arms control, such as attempted in SALT II, rests upon a foundation of mutual conciliation and consideration for each other's security. Recent Soviet actions in Cuba again raise the question of whether such a foundation exists.

INTELLIGENCE MISMANAGEMENT

For the past few years, I have expressed doubts as to the competence of U.S. foreign policymaking. Why is it? I cannot help but wonder why the American national security apparatus is so consistently caught by surprise. Competent national security management is not supposed to be surprised so often. Most recently, the discovery of Soviet combat troops in Cuba was a surprise in part because of our own measures.

Based on these feelings, I am this afternoon introducing a resolution calling for the Senate to withhold deliberation of the SALT treaty on the Senate floor until final resolution of this incident—until we are better able to gage what the Russians are up to by such dangerous maneuverings, and whether the necessary foundation exists for any arms limitation agreement at all.

The latest Cuban incident raises a host of other concerns troubling the Senator from Kansas. Early in 1977, President Carter halted the flights of Blackbird reconnaissance planes over Cuba in an act of accommodation to what I do not know, given the presence of 40,000 Cuban troops in Africa. The Russians immediately snatched this opportunity to build up troop strength in the Western Hemisphere without detection.

How many times do we have to be surprised before we recognize that our enemies will move in wherever and whenever U.S. resolve or strength falters, or U.S. policy managers make bad decisions?

In January, we were surprised to learn that North Korea had accomplished a phenomenal military buildup over the years, to the point where the North Koreans now have the fifth largest ground army in the world.

Again in January we were surprised by the crumbling of the government of our close allies in Iran.

Mr. President, we have been continually surprised over the pace and magnitude of Soviet strategic buildup, now known to be far in excess of President Carter's forecast just 1 year ago. We have been surprised over the Warsaw Pact modernization program, again in excess of what President Carter anticipated 1 year ago.

These events must lead us to question the competence of U.S. national security management. National security management and intelligence operations are not supposed to be surprised by events, rather they are supposed to anticipate events and attempt to reduce their impact.

Many other officials, including the Senator from Kansas, I am pleased to say, have not been so surprised. I was concerned over possible Soviet-Cuban shenanigans throughout the continent when the Senate was debating the Panama Canal treaties.

Others expressed a view opposite that of the Senator from Kansas, as is reported in the CONGRESSIONAL RECORD of March 20, 1978.

DÉTENTE IN NAME ONLY

Détente has long been presented as a panacea for United States-Soviet relations. Thus the misconception has been spread that relaxation of tensions would include a significant slowdown of Soviet interference in other countries. On May 29, 1972, the United States and Russia signed, in the spirit of détente and at the time of SALT I, the document "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics." In that document both parties pledged to help prevent the development of situations capable of causing a dangerous exacerbation of their relations, to do their utmost to avoid military confrontations, to promote conditions in which all countries will live in peace and security and will not be subject to outside interference in their internal affairs.

Mr. President, let us hold the Soviets at their word. The resolution presented here, to halt further consideration of the SALT II treaty, would be a first step.

I only say, in conclusion, that I, of course, cannot proceed to call up this resolution at this time, but I suggest that at the earliest possible time the Senator from Kansas will offer the resolution as an amendment to the appropriate vehicle. I think it is an amendment that can be supported by nearly everyone in the Senate. The Senator from Kansas resolution would simply direct the President to notify the Senate of one or two things with regard to Cuban-based Soviet troops:

First, that Soviet combat troops have been removed from Cuba or, second, any Soviet troops remaining in Cuba pose no threat to the security or to the foreign policy interests of the United States or our treaty allies throughout Latin America.

Mr. President, I ask unanimous consent that following my statement the resolution be printed in the RECORD in full.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 228

Whereas the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979, has as its primary purpose the reduction of the risk of an outbreak of war between the two Parties to the Treaty;

Whereas the proliferation of nuclear weapons is only one of the paths which could lead to armed confrontation between such Parties:

Whereas any international arms control agreement depends for its enforcement on the good faith and peaceful intentions of the Parties to such agreement;

Whereas the introduction by the Soviet Union of combat troops and their support units into Cuba raises grave doubts as to the willingness of the Soviet Union to reduce the risk of armed conflict with the United States;

Whereas there exists the implied threat that such troops and support units may be used to intervene in the internal affairs of countries in the Western Hemisphere or otherwise to threaten freedom and democracy in the Western Hemisphere; and

Whereas the primary duty of the Senate in considering whether to advise and consent to the ratification of treaties is to protect the interests of the United States: Now, therefore, be it

Resolved, That it shall not be in order in the Senate to consider the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, or the resolution of ratification with respect thereto, until the President of the United States reports to the Senate in writing that—

(1) all Soviet combat troops have been removed from Cuba, or

(2) any Soviet troops remaining in Cuba pose no threat to the security or foreign policy interests of the United States or of our treaty allies throughout Latin America.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I appreciate the fact that the distinguished Senator from Kansas has indicated that it is his intention to call up an amendment at some point that is designed to put the Senate on record as opposing the calling up of the SALT II Treaty until certain things in connection with the presence of 2,800 Soviet combat personnel in Cuba are certified to by the President.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will the Senate please be in order?

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, the Senator has put the Senate on notice that he intends to call this matter up as an amendment.

I must state that I will oppose that amendment when it is called up. It does not make any difference who calls it up. I will oppose it.

I am concerned about the presence of Soviet combat personnel in Cuba, but I think that we have to give diplomacy some opportunity to work. The administration has some responsibilities in this regard, and I think the administration should have an opportunity to exercise its best efforts through diplomatic channels.

I think we should go slowly in the Senate in regard to laying down any ultimatum or before taking a hardened position on this matter.

There is plenty of time. I said months ago that there is plenty of time to say "no" on the treaty. And there is plenty of time to say "yes" on it. I have not said "yes" or "no" up to this point. I do not know what the resolution to this Cuban matter will be, and I am not attempting to state what it should be. But I do feel the administration should have time to bring about a resolution of this matter before the treaty is called up.

The Senate should be fully aware of what it is doing should it specify that a treaty will not be called up until thus and so happens.

The majority leader would hope to have the confidence of his colleagues that he will do what is best, after assessing all the facts, after discussing the matter with Senators who have to manage measures and with the policy committee. The majority leader should have some flexibility as to when to bring a measure up.

So I do not want the Senate to scuttle the treaty by acting, in essence, in a way that lays down some kind of ultimatum or deadline or threshold which would make it impossible for proper diplomacy to effectively work its way. The Senate is not in the business, nor does it have the responsibility under the Constitution, of conducting the diplomatic work of this country.

Certainly we can and should influence foreign policy. But let us keep a cool head. Let us keep a steady hand.

Six weeks from now we may want to say that we will not take up the treaty until thus and so happens, if we so desire. We do not have to say it today, we do not have to say it tomorrow, we do not have to say it Monday.

But at this time I would oppose to the utmost of my strength and ability any amendment tying the timing of Senate consideration of the SALT II treaty to specific action on this issue. I will oppose any such amendment offered by any Member of the Senate on either side of the aisle.

(Mr. TSONGAS assumed the chair.)

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Just a moment and I will yield, and the Senator is entitled to have me yield.

I have a lot of respect for the Senator from Kansas. I do not think the Senator from Kansas has made up his mind on the treaty. That is the impression I get. For those who have made up their minds, that is their right; that is their business. But I have the impression that the Senator from Kansas is still studying the matter and giving it thorough consideration.

The treaty is still in committee. The committees have not completed their hearings on the treaty yet, so why all the rush? Committees will complete their hearings in due time, and after they complete their hearings and the treaty is reported, I will discuss this matter with the policy committee, the Republican leadership, with the chairmen and ranking members of the committees which have jurisdiction, and the decision as to when to call it up will be made.

I have said from the beginning that this Senator does not intend to make up his mind on this treaty on the basis of some peripheral issue, no matter how important. The central issue is whether the treaty itself is in the best security interests of this country now and for years to come and it conceivably may be.

I am not saying it is. I am not saying it is not. We are not discussing the treaty or the merits of it today, but the Senate will decide that issue when it comes up, and, hopefully, on the merits of the issue.

I believe there is time enough to resolve these other matters. I am not rushing to bring up the treaty the day it is reported out or 3 days after. I said earlier that I would like to bring it up around the first of October. This does not mean that it might not be the middle of October, the first of November, or later.

Mr. President, I ask that I may be permitted to proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I hope the Senator from Kansas will not take what I have said in a personal way. I know that there was some thought today on my side of the aisle of offering such an amendment. My remarks are not meant to be personal toward the Senator from Kansas.

I have talked with Senators on my side of the aisle, and I have urged that no such amendment be offered. Certainly, a Senator may offer a resolution, which will be referred to a committee. Let it take its proper course. But I do hope that no Senator will call up any amendment to any measure that will instruct the leadership not to proceed with the treaty until some certain guidelines or criteria that have been conceived by a Senator are met.

Let us give the administration some time. Let us allow diplomacy to have an opportunity to work, this matter may be resolved satisfactorily. I hope that it will.

But to put the Senate on record that it will not consider the treaty until thus and so happens is one way of keeping thus and so from happening. So I urge Senators to let those who have the responsibility of making diplomacy work have an opportunity to make it work. Efforts are being made, discussions are going on. Let us not rush to put diplomacy in a straitjacket. There will be plenty of time down the road.

I assure the Senator from Kansas that there is going to be adequate time. I could have waited to speak until he called his amendment up. But I want to call the attention of the Senate to the dangers of proceeding in this way. I am urging Senators to let diplomacy have a chance to work. We can always say "No." There is plenty of time to cut the chicken's head off when the water is boiling.

The day the Senate takes such a position, I think the Senate will be overreaching. The straitjacketing will be not so much of the Senate leadership, as it will of diplomacy and of the Nation's ability to bring about an adequate resolution of a problem.

Now I yield, and I thank the Senator from Kansas for his patience.

Mr. DOLE. The Senator is correct in almost every instance. Certainly my effort is not directed at the majority leader. I think the key word, which you have mentioned many times, is the word "time." That is why the Senator from Kansas introduced the resolution today, to put the Senate on notice that at some time soon I will be offering this resolution as an amendment to the appropriate legislative vehicle.

I also might add, in response to the distinguished majority leader, that the resolution provides for one of two things. First, whether or not the troops have been removed, or second, the President reports that if any Soviet troops remain in Cuba they are not a threat to our security or foreign policy interests. I am not certain of the final notice, but I agree we must let diplomacy work, and that is why the resolution was so worded.

Mr. ROBERT C. BYRD. I respect him for that, as I have stated.

Mr. DOLE. As the Senator from West Virginia knows, he was kind enough to carry a letter from me to Mr. Brezhnev several weeks ago, raising some questions concerning the treaty. As for those of us who voted for SALT I and might like to vote for SALT II, the Cuban troops pose a problem.

The PRESIDING OFFICER. The Chair would advise the Senator his time is expired.

Mr. ROBERT C. BYRD. Mr. President, I hesitate to impose further on the time and patience and the good nature of the Senator from Massachusetts and the Senator from North Carolina——

Mr. THURMOND. South Carolina.

Mr. ROBERT C. BYRD. From South Carolina. I hope the Senator will accept my apology. I was born in North Carolina.

Mr. THURMOND. The apology is accepted. They are both wonderful States.

Mr. ROBERT C. BYRD. I ask that the Senator from Kansas have 5 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator from Kansas is recognized.

Mr. DOLE. So the Senator from Kansas would state to the majority leader that this is a new dimension which we must consider. The Senator understands very well the timing. I was not suggesting calling up the resolution now. It might be on the floor this week or next week, or I assume maybe next month. But it would seem to me, as one who has said very honestly he is uncommitted, as one who has said he would like to vote for SALT II, to indicate very strongly my dissatisfaction and puzzlement at the discovery, of Soviet combat troops in Cuba. It certainly makes it much more difficult for those of us in the undecided column.

For those who are against it, it is a plus, a bonus. For those who are undecided, it is a negative or a minus, and for those who have been for the treaty, it may be moving them into a different, undecided position.

Hopefully, the resolution presented by the Senator from Kansas would do two things. First of all, it would say to the President of the United States, "Certainly I do not want to interfere with your diplomacy, if it can be resolved."

If the President of the United States makes a finding that whatever troops may be remaining pose no threat, and presents that finding to the Senate, that would satisfy my questions.

I understand the scheduling, and who determines what may be called up and the order in which it is called up, and I have never in my 11 years in the Senate tried to frustrate the efforts of the leadership to call up a matter. I hope the majority leader understands my intent. It was not to frustrate the powers of the majority and minority leadership. I understand that, and I think I have always abided by it.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. DOLE. Yes.

Mr. BAKER. Mr. President, I thank the Senator from Kansas, and would like to commend him on expressing his intention with respect to this resolution. As I understand the situation at this time, it has not been offered as a resolution for immediate consideration, and has not been offered as an amendment, but rather for referral, as a statement of the Senator from Kansas' point of view for consideration at some future time.

I would hope that by this action, by statements many of us have made, including me, in the last 24 hours, that we are withholding judgment on what ought to happen to SALT vis-a-vis the report of combat troops in Cuba, we will be of assistance to the President, that it will underscore the importance of this, and give leverage to the administration in trying to negotiate a removal of the troops from Cuba or otherwise a satisfactory resolution of the matter.

On yesterday I indicated, as did Secretary Vance in his statement, that this administration will not accept the status quo. I do not know what that means, but I assume it means they are going to have to do something about those troops. I also hope, for my part, it means that the Russians will accept some understanding of the fact that the Senate is going to give its advice before it gives its consent to this treaty, and I hope it does.

In any event, I think the Senator from Kansas has made his point clear. I think it is entirely appropriate for him to express it in this way. I hope it turns into something of value to the administration in their negotiations with the Soviet Union, and not something destructive. I do not believe, as the Senator from Kansas has expressed, that it is any effort to thwart the legitimate efforts of the majority leader in trying to arrange the schedule and activities of the Senate.

Mr. DOLE. I appreciate the minority leader's remarks. I might suggest that it could mean calling up the treaty and having it recommitted until the troops are removed. I would hope this might be avoided by expressions of the Senator from Kansas and other similar expressions by others on both sides of the aisle.

Mr. ROBERT C. BYRD. Mr. President, the thrust of what I had to say was not that anyone was directing an action against the majority leader or the majority. That is secondary and would certainly be unintentional in any event.

The main thrust of my argument is that the Senate ought to make haste slowly in venturing into the diplomatic field. In any case the Senate will not take this treaty up for a while. In the meantime, the administration should be allowed to proceed with its diplomatic efforts.

I realize that a majority of the Senate can recommit a treaty. I certainly would not want to call up the treaty if a majority here opposed considering it.

After all, it takes two-thirds to approve the ratification of a treaty. The distinguished minority leader has stated how he feels about the treaty, the distinguished Senator from Kansas has stated how he feels, and I stated to the President 2 days ago how I feel. I told the President I have not made up my mind on the treaty.

In the meantime, I urged that every action that can be taken is taken to defuse the issue of Soviet combat troops in Cuba. Regardless of whatever decision I might reach on the treaty, I do not want the treaty brought up in an atmosphere in which peripheral matters, or emotions, may discolor the judgment of the Senate and cause it to reach anything other than a considered judgment on such an important treaty.

The PRESIDING OFFICER. The Chair advises the majority leader that his time has expired.

Mr. ROBERT C. BYRD. I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. When I talked with the President 2 days ago, I indicated that it is very important that this matter of Soviet combat troops in Cuba be resolved.

I do not know how this matter might be resolved, as of now. I do not know how long the troops have been there. I understand they may have been there for 17 years. As of now, I do not know what their mission is. But these are matters we need to pursue.

I hope the Senate will not take a step it may regret, such as laying down criteria which have to be met before that treaty can be called up.

I have said that I am not going to rush to call up the treaty. It will be called up in due time, if it is called up. I would not consider calling up this treaty without discussing it with Senator BAKER, the minority leader; Senator JAVITS, ranking member on Foreign Relations; Senator GOLDWATER, ranking member on the Intelligence Committee; and Senator TOWER, the ranking member on the Armed Services Committee.

Let us not act in haste to put the Senate on record and lay down specific criteria. I do not know what criteria should be laid down. I do not know what the results would be. There might be other alternatives that will be equally satisfactory to the Senator from Kansas and that would relieve his concern, other than just the two he has set forth.

One of them, I think, may be reasonable—that the President certify certain matters to the Senate but that can be achieved without laying down that kind of stricture by the Senate, because such a constraint could make it difficult for diplomacy to achieve its end.

Again, I apologize to the Senators who have patiently waited. What I have said I have said in the best spirit with the utmost respect for the Senator from Kansas.

SENATE RESOLUTION 229—SUBMISSION OF A RESOLUTION ON SOVIET TROOPS IN CUBA

Mr. DeCONCINI submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 229

Whereas intelligence sources of the United States have revealed the presence of Soviet combat troops and their support units in Cuba;

Whereas the presence of such troops and support units poses a provocation to the United States and other countries in the Western Hemisphere; and

Whereas the President has submitted to the Senate for its advice and consent to ratification the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979: Now, therefore, be it

Resolved, That it shall not be in order in the Senate to consider the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, or the resolution of ratification with respect thereto, until the President notifies the Senate that the Government of the Union of Soviet Socialist Republics has removed all its combat troops and their support units from Cuba.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DeCONCINI. Mr. President, I am offering a sense of the Senate resolution on the question of SALT II and the existence of Soviet combat troops in Cuba.

The administration has now confirmed a force of approximately 2,300 to 3,000 combat troops in Cuba. While the presence of these troops does not, per se, appear to violate any specific agreement between the United States and the Soviet Union, it is nonetheless a provocative act. In my view, Mr. President, the Soviet leadership has been engaged for some time in a process of testing American resolve and commitment. In almost every instance, the American response to these challenges has been retreat—retreat justified by countless excuses, but retreat nonetheless.

The presence of Soviet combat troops in Cuba is serious. There is every indication that the Carter administration, speaking through Secretary of State Vance, agrees that it is serious. There has been a welcome and unambivalent expression of a similar nature from the distinguished chairman of the Senate Foreign Relations Committee. All agree, however, that the seriousness of the situation is appreciably different from that which characterized the Cuban missile crisis.

Rather than being presented with an actual and immediate threat to American security—as the presence of Soviet missiles did—we are being presented with a generalized threat to the American position in the Western hemisphere and a threat to the general tranquility of the area. The Monroe Doctrine has been the most enduring and historically important principle of American foreign policy. If the United States fails to respond in a manner sufficiently commensurate with the threat, the Soviet leadership will have made a mockery of that policy. But more is at stake even than the continued viability of the Monroe Doctrine. For if the United States does not respond adequately, it will widely be interpreted that we lack the courage to stand behind our principles and our commitments. Furthermore, Soviet combat troops 90 miles from our shores must be seen as the beginning of a policy that, if left unchecked, will continue to grow. Three thousand troops can quickly become 30,000. It is the nose of the camel in the tent.

American success in the world is, ultimately, based upon American credibility. Having power—even vast power—is useless without the will to use it. And, ironically, that will to use power—and thus be credible to others—is precisely what allows a Nation to pursue its objectives peacefully. By failing to respond we might be telling the world that we have lost our nerve, lost our national will. This can only encourage our adversaries to press even further, treading over more dangerous ground. And such a course of action by them will inevitably confront us with a true crisis, a crisis that might lead to war.

By failing to respond, the United States may well send a message to allies, potential allies, and members of the uncommitted bloc who look to us for guidance and protection. They may see danger to themselves in our failure to act. If they have counted upon us to shield them from the Soviets and we fail to effectively deal with such a clear provocation, prudence might lead them to accommodate Soviet interests. And, Mr. President, what would the effect of such a message be on the turbulent politics of the Middle East?

The American people have been told repeatedly that the Soviet Union is genuinely committed to peace. Détente, we are told, which is a policy of mutual accommodation, now characterizes our relationship. The SALT process itself is often cited as proof of this view. I hope—no, I pray—they are right. But if the Soviets are truly committed to peace, let them prove it. If they are truly committed to détente, let them prove it. Let them withdraw their combat troops from Cuba.

Mr. President, the resolution I propose is simple. It expresses the sense of the Senate that the debate on SALT II should be forestalled until the President of the United States can certify to the Senate that Soviet combat troops have been withdrawn from Cuba. I believe, Mr. President, that this resolution reflects the views of a majority of my colleagues; but, more importantly, I believe it expresses the deep feelings of the majority of the American people. For the sake of America's long-term national and security interests, I urge my colleagues to support this effort, and I urge the members of the Foreign Relations Committee to give quick and favorable consideration to this proposal.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator's time has expired.

Morning business is closed.

REFUGEE ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume consideration of S. 643. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Massachusetts and the Senator from South Carolina, with 30 minutes on any amendment and 20 minutes on any debatable motion, appeal, or point of order, if such is submitted.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

Before explaining the essential features of the bill, Mr. President, I want first of all to pay tribute to the Senators, some 14 Senators, who have cosponsored this legislation, and the members of the Committee on the Judiciary, who worked closely together in reporting this legislation out unanimously.

I especially thank those Senators who have expressed an interest in supporting efforts to reform the laws on how we help resettle refugees—especially Senator BOSCHWITZ, who has been particularly active and who, though not a member of the committee, has taken a great interest, along with other Members of the Senate, in this matter; also, I want to thank Senator CHURCH and Senator JAVITS of the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that Jerry Tinker, Antonia Hernandez, and Ben Dixon of Senator BAYH's staff be granted the privilege of the floor during debate and any votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Roger LeMaster of my staff may be granted the privilege of the floor during debate and voting on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Dusenbury, Mr. Hultman, and Miss Rogers of the Committee on the Judiciary be granted the privilege of the floor during consideration of this legislation today and tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the bill we are considering today—S. 643, the Refugee Act of 1979—deals with one of the oldest and most important themes in our Nation's history: Welcoming homeless refugees to our shores. It also will give statutory meaning to our national commitment to human rights and humanitarian concerns, which are not now reflected in our immigration laws.

They relate to our country's ability to respond to the needs of refugees and homeless people around the world—which touch at the heart of America's foreign policy.

Refugees have become a worldwide phenomenon of our time—the tragedy of countless men, women, and children forced to leave their homes and lands for as many reasons as there are for the violence and conflict among people and nations.

Almost daily, we see their tired, sad, weary images on our televisions and in our newspapers. Whether they be the "boat people" fleeing the upheavals in Indochina, refugees in Southern Africa fleeing racism or guerrilla war, or Soviet Jews and Eastern Europeans seeking the promise of the Helsinki Accords, their plight is known to us.

And America has responded.

We have a proud record of accomplishment in offering a helping hand to refugees, and I believe our national policy of welcome to the homeless has served our country and our traditions well.

Today we are considering legislation that will help us to do this job better—to resettle refugees more humanely, with greater planning, and at reduced costs.

For too long, our Nation's policy toward refugee assistance and resettlement has been AD HOC with refugees being admitted in fits and starts, and after long delays and great human suffering—because our existing immigration law is inadequate, discriminatory, and totally out of touch with today's needs.

The legislation before us will update our law governing the admission and resettlement of refugees. It will help insure greater equity in our treatment of refugees. It will rationalize and put in the statute how we treat all refugees, and make our law conform to the United Nations Convention and protocol relating to the status of refugees, which we signed in 1969.

Briefly, the bill accomplishes five basic objectives:

First, it repeals the current immigration law's discriminatory treatment of refugees by providing a new definition of a refugee that recognizes the plight of homeless people all over the world, and by according refugee admissions the same immigration status given all other immigrants.

Second, it raises the annual limitation on regular refugee admissions from 17,400 to 50,000. This is accomplished without—and let me emphasize this—without really increasing overall annual immigration to the United States in recent years, since the parole authority has been used repeatedly to exceed the current 17,400 limit on refugee admissions.

Third, the bill provides an orderly but flexible procedure for meeting emergency refugee situations and any other situations of special concern to the United States, if the resettlement needs of the homeless people involved cannot be met within the regular 50,000 ceiling.

Fourth, it provides for the first time the statutory requirement that Congress be consulted before refugees are admitted, and defines and exerts congressional control over the process.

Fifth, it provides for Federal support of the refugee resettlement process and extends coverage to all refugees entering the United States for 2 years for cash and medical benefits, and for a longer period for other programs that help the refugees normalize their lives in their adopted communities.

MAJOR PROVISIONS OF THE BILL

Mr. President, for the record, let me review in more detail the major provisions of the bill and the action the Judiciary Committee took before unanimously reporting it to the Senate.

NEW REFUGEE DEFINITION

First, the bill provides a new statutory definition of a refugee which basically conforms to that used under the United Nations Convention and protocol relating to the status of refugees, which we signed in 1969. It eliminates the geographical and ideological restrictions now applicable to conditional entrant refugees under section 203(a)(7) of the Immigration and Nationality Act.

The new definition was amended by the committee to include "displaced persons" who are not technically covered by the United Nations Convention, to insure maximum flexibility in responding to the needs of the homeless who are of special concern to the United States. This flexibility is needed, for example, to handle such situations as the evacuation of Saigon. The Vietnamese refugees we evacuated in 1975 were "displaced persons" and "evacuees," and would not be covered by the U.N. definition originally in the bill.

The committee also believes that the addition of the phrase referring to a "displaced person" as a person "uprooted because of arbitrary detention" and "unable to return to his usual place of abode" will accommodate political prisoners and detainees who need resettlement opportunities outside their country.

Mr. President, we have heard some people say that this new definition of a refugee encompasses the world, and that it will open the floodgates. Let me state now, in no uncertain terms, that this change in the legal definition of a refugee will not mean that an unlimited number of refugees can or will be admitted to the United States.

What is "unlimited" is not the pending bill, but current law. Under the use of the parole authority in section 212(d)(5) of the Immigration and Nationality Act, both the numbers as well as the procedures involved in bringing groups of refugees to the United States are totally unlimited by law.

The pending bill limits the admissions of refugees, not only by establishing a "normal flow" ceiling of 50,000, but more importantly by exerting congressional control over the entire process—including emergency situations. The bill writes into law what is now governed merely by custom and ad hoc practice. It establishes specific procedures and requirements the President must follow prior to a decision to admit refugees beyond the 50,000 ceiling—not after the fact.

The definition in the bill reflects our treaty obligations to refugees under the U.N. convention and protocol. But in terms of large group admissions of refugees, it adds the important caveat that they must be "of special concern to the United States." In practice, this has been the informal rule governing our current admission policies. Under the existing definition—which reflects the 1952 view of refugees as coming only "from communism or certain areas of the Middle East"—more than a million Palestinian refugees were technically eligible for resettlement in the United States. Obviously, such numbers were not admitted—not because of the definition in the law, but because we made a policy determination that our best humanitarian response to the needs of Palestinian refugees was to assist them where they were locally settled and that resettlement in the United States was not necessary.

In short, Mr. President, simply because a group of refugees meets the refugee definition in our law does not mean automatic resettlement in the United States. That is a public policy question that must be made in each case by the American people through their elected representatives and the President. The phrase in S. 643—"of special concern"—establishes this requirement in law, rather than leaving it to vague custom or practice.

PROVISIONS FOR ADMITTING REFUGEES

In fact, Mr. President, the central feature of this bill is the establishment of a statutory framework governing the admission of refugees during "normal flow" periods as well as during emergency situations.

Sections 207 through 210 of the bill write into the Immigration and Nationality Act the role of Congress in the admission process, ending the years of ad hoc use of the parole authority. The bill provides for a normal flow of refugees, not to exceed 50,000 each year, except as provided to meet emergency situations that can be foreseen before the beginning of the fiscal year, and for which prior planning can be undertaken. Again, as I noted earlier, the admission numbers will be allocated to groups of refugees "of special concern to the United States." The President may admit more than the annual normal flow of refugees if, after consultation with the Committees on the Judiciary, he believes it is justified by urgent humanitarian concerns or is otherwise in the national interest.

For example, if the bill were law today, the President would have determined some months ago, as he has, that the national interest calls for the admission of more than 50,000 refugees of special concern to the United States in fiscal year 1980. But he would have first submitted his proposal to, and "consulted" with, the Judiciary Committees.

As the Senate knows, Mr. President, under current authorities, the President has decided to resettle some 200,000 refugees next year. Both the authorization and appropriations bills needed to implement this decision are well on their way toward enactment. And, without this bill, parole authority would be used to respond to the emergency situation that exists today among Soviet Jewish refugees and Indochinese refugees.

What is missing, however, from the current decisionmaking process is the overall framework and efficiency the pending bill would have brought to the process if it were law.

Over the past several years, millions of dollars could have been saved through the more effective planning this bill calls for. Although it is hard to place an exact dollar figure on the savings that might have been made, some examples are readily at hand.

For instance, just this past March, a backlog of some 10,000 Soviet Jewish refugees developed at the processing center in Rome simply because immigrant numbers were temporarily oversubscribed under the 7th preference, and no parole numbers were available. The result was that, over a 3- to 4-month period, some $10 million were wasted on unnecessary care and maintenance costs for refugees clearly destined for the United States. The money should have been spent helping them resettle here, rather than keeping them waiting over there.

A second example is the fits and starts that have characterized our Indochinese refugee program since 1976. There have been five different parole actions, and five different parole programs started. They ended only to have new ones start again some months later when refugee numbers mounted. This required five different ups-and-downs in the bureaucratic structure necessary to process the refugees; five different staffing requirements of the Department of State and Immigration Service; five different leasing of buildings, and support services—all for what was, in fact, a continuing program. But because of the limitations of current law and practice, it did not function as such. The estimated costs of this fruitless exercise cannot be fully tabulated, but they run into the millions.

Another example, referred to by the voluntary agencies in their testimony in support of the bill, is the savings that could be made if the agencies were better able to plan and prepare for refugee arrivals. They are plagued by the uncertain, ad hoc character of the current program. It makes it virtually impossible for them to efficiently plan for the resettlement of refugees.

Also, the States have rightly complained that they are unable to effectively coordinate State or community services if they have no idea before the beginning of the fiscal year—or even during the fiscal year—about the number of refugees expected to be resettled in ther States and communities.

In short, if the pending bill were law, the chaotic character of our current refugee resettlement effort would give way to a process of planning and advanced programing. Before final decisions were made in the executive branch, there would have been greater congressional control and involvement. The refugees would have been treated more equitably. The voluntary agencies and others assisting in the resettlement process would have been given advanced notice. And finally, considerable taxpayers' money could have been saved.

TOTAL IMMIGRATION

For the record, Mr. President, let me emphasize that the 50,000 annual refugee numbers authorized in the bill will not really increase our annual immigration flow, since by use of the parole authority over the past several decades the United States has accepted, on an average, 45,000 refugees each year. These statistics are outlined in tables I and II on page 6 of the committee report.

However, refugees admitted under the emergency provisions in the bill, would fall outside the annual immigration ceiling—as they have been in practice over the past 30 years.

CONSULTATION PROCESS

Mr. President, in considering the bill, the Judiciary Committee was concerned that the role of Congress should be explicitly stated in the decisionmaking process governing the admission of refugees. As amended by the committee, the bill specifically defines the "consultation process" and codifies what is currently an informal, customary process. The bill establishes what "consultation" with Congress means, thereby exerting congressional control over each group of refugees admitted to the United States.

Specifically, section 207(a)(2) provides that "consultation" means "personal contact"—not just a letter or communication—by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible U.S. participation—to discuss the reasons for believing that the proposed admission of refugees is in the national interest.

Also, as you can see on pages 6 and 7, the President must provide detailed information on:

First, description of the refugee situation;

Second, a description of the refugees who may be admitted, plans for their resettlement, estimated cost of their resettlement, analysis of their resettleability, and an analysis of conditions within the countries from which they originated;

Third, an analysis of the anticipated social, economic, and demographic impact to the United States;

Fourth, a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

Fifth, an analysis of the impact of the United States participation in the resettlement of such refugees on U.S. foreign policy interests; and

Sixth, such additional information as may be appropriate.

ADMISSION PROCEDURES

Mr. President, the bill provides that "normal flow" refugees will be admitted as lawful permanent residents, rather than under the current 2-year conditional entry status. This is an important reform that ends the discriminatory practice of not granting to refugees what we grant to all other immigrants that we anticipate will come to the United States in any given year. This has all kinds of implications in terms of being able to find employment and being able to involve themselves in various community activity. All persons accepted for immigration purposes will be treated equally, and granted permanent resident status. Like other immigrants, refugees can be admitted with a visa or other immigrant document prescribed under regulations established by the attorney general.

This provision of the bill was strongly supported by the voluntary agencies who have carried the principal burden of helping refugees resettle in the United States over the past three decades.

ASYLUM PROVISION

Mr. President, another extremely important reform achieved by this bill is the establishment, for the first time, of a clearly stated asylum provision in our immigration law. Section 207(b) improves and clarifies the procedures for determining asylum claims filed by aliens who are physically present in the United States.

The bill requires the Attorney General to establish a uniform procedure for passing upon an asylum application. We believe such a uniform procedure should allow all asylum applicants an opportunity to have their claims considered outside a deportation and/or exclusion proceeding, provided the order to show cause has not been issued.

The bill provides that persons granted asylum shall be placed into a conditional admission status equivalent in most respects to that provided under current law to refugees admitted under present section 203(a)(7) or under this bill's proposed section 208. The bill also makes it clear that the Attorney General may terminate the conditional admission status if conditions change in the individual's home country so that he would no longer be subject to persecution upon return.

The bill allows the use of up to 5,000 numbers a year for adjustment of status of a refugee granted asylum to that of lawful permanent resident.

EMERGENCY ADMISSION PROCEDURES

Mr. President, an essential feature of the bill is the establishment, for the first time, of procedures governing the admission of refugees in unforeseen emergency situations. If the President determines, after consultations with the Judiciary Committees, that an emergency refugee situation exists—that the admission of refugees in response to such an emergency is justified by grave humanitarian concerns or is otherwise in the national interest—he may fix a number of refugees to be admitted. Allocation of those admissions will be in accordance with a presidential determination to be developed during his consultations with the Judiciary Committees.

Thereafter, the attorney general will admit to the U.S. emergency situation refugees who establish that they meet the refugee definition and that they are not firmly resettled in any foreign country. The attorney general may admit them as conditional entrants or as permanent resident aliens.

DOMESTIC RESETTLEMENT ASSISTANCE

Mr. President, a crucial part of this bill is title III, which authorizes Federal assistance in resettling refugees in the United States. Because the admission of refugees is the result of a national policy decision, and by Federal action, obviously the Federal Government has a responsibility to assist States and local communities in resettling the refugees—assisting them until they are self-supporting and contributing members of their adopted communities.

As the committee report notes, title III amends the Migration and Refugee Assistance Act of 1962, which has been the underlying source of authority for allover refugee programs. The bill expands these programs to cover all refugees admitted to the United States, and builds upon the experience and lessons learned from the Cuban and Indochinese programs.

Specifically, title III carries forward and expands upon the current domestic resettlement programs authorized under the Indochina refugee assistance program—which expires on September 30, 1979. This program primarily provides qualified refugees with cash assistance under a modified aid to families with dependent children program. Secondly, it provides medical assistance according to each State's medicaid program. And, finally, it provides social services of the title XX type of the Social Security Act according to the plan approved for each State by the Federal Government. These services vary from State to State and include such services as: Day care, hygiene, family planning, cultural counseling, home management, transportation, housing improvement, ethnic skills, protective service for adults, life skills, vocation services and training, English as a second language training, job referral, nutrition, driver's education.

These three types of Federal assistance are provided through a 100-percent reimbursement to the States for all refugees who do not qualify for the regular AFDC-medicaid programs. For those who do qualify for the regular programs, the funds cover the State's portion of payment for these services.

The specific assistance programs authorized in title III are outlined on pages 11 and 12 of the committee report.

Mr. President, in considering this section of the bill, the committee was mindful of the deep concern of many State and local agencies that Federal assistance authorized under these programs should be for a reasonable period of time—to assure that local communities will not be taxed for a program they did not initiate. The committee was also concerned that we must learn from the Cuban refugee program—which has continued on year after year—that we must establish some limits on Federal responsibility.

As the bill was originally submitted by the administration, there was a 2-year limitation on most programs authorized in title III. The committee felt that this 2-year, across the board limitation, was too restrictive, and was inadequate to meet the resettlement needs of refugees. Therefore, we amended the bill to place no time limitation upon assistance programs authorized by title III, except for the 100 percent reimbursement of cash and medical payments.

The bill was also amended to continue the "special project" funds currently authorized in the Indochina Migration and Refugee Assistance Act of 1975, to provide up to $40 million annually "for special projects and programs, administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and in gaining skills and education necessary to become self-reliant."

In testimony before the committee, the voluntary agencies strongly felt these provisions were adequate, and that a 2-year funding of cash and medical assistance was adequate. The administration believes that the vast majority of the refugees are self-supporting and contributing members of their communities within 2 years.

Obviously, Mr. President, there will be residual needs among some refugees beyond 2 years, but the committee believes these needs can be met through the other programs authorized in the bill—such as social service programs—when the 2-year limit on Federal support of cash and medical payments end.

It is important to remember that refugees are really not a dependent population. Most were productive, contributing members of their home countries before circumstances forced them to flee as refugees. As a report, undertaken by the new Transcentury Foundation for HEW has recently concluded:

> Generally, refugees should be viewed, not as dependent populations, but rather as persons who are temporarily unemployed who need specialized types of support systems, such as language training, cultural orientation, and the ability to transfer skills from their former socioeconomic system to that of the United States.

That is precisely the kind of assistance authorized in the bill, and we believe for an adequate period of time, at reasonable cost to the Federal Government.

BUDGET SUMMARY

Mr. President, as the report of the committee notes, the purpose of S. 643 is to establish a permanent authority in the law to admit and to assist refugees resettling in the United States. It does not authorize specified sums, since funding requirements for refugees will depend upon the number of refugees admitted each year. Annual authorizations and appropriations will obviously be necessary, and budget requests will be submitted each fiscal year to the appropriate committees.

For fiscal year 1980, budget requests are already being considered by the appropriate committees and, as I noted earlier, final action is scheduled this week in the House and shortly thereafter in the Senate. According to the revised estimate of the Congressional Budget Office, the cost estimate for 1980 under the provisions of this bill is $245,000,000.

In addition to these domestic costs authorized under this bill, there are other refugee costs overseas, as authorized each year in the Department of State authorization bill. All together, we will be spending approximately $450 million in direct support of refugees—both overseas as well as in the United States.

OTHER QUESTIONS CONCERNING THE BILL

Finally, Mr. President, since the committee filed the report on the bill, some additional questions and concerns have been raised which I would like to clarify briefly, as well as provide a brief history of this legislation. First, why is this bill needed now; to respond to the "boat people"?

No, this reform legislation has been pending in various forms in Congress for some years. However, the current crisis of refugees in Indochina has underscored the need for the permanent structure and framework this legislation will bring to our refugee resettlement programs.

I first introduced a similar version of this bill 10 years ago, in 1969. Reform of our immigration laws governing the admission of refugees is one of the major unresolved issues left after the major reforms were enacted in 1965. As the committee notes in the report, last year, at my request, the administration, in consultation with the commitee, renewed efforts to draft a bill reflecting a consensus on what needed to be done to bring remedial reform to our refugee laws and programs. After several months of intensive activity—with close consultations with Members of Congress, with the volunteer agencies, with State and local agencies—the bill was introduced in both the House and Senate at the joint request of the Secretary of State, the Attorney General, and the Secretary of Health, Education, and Welfare.

Hearings were held on March 14 by the full Judiciary Committee and the record kept open for over a month, to solicit additional views from concerned citizens and groups.

Again, the current refugee crisis in Indochina—and the earlier backlog of Soviet Jews in Rome—only illustrates the need for remedial reform in this important area of public policy.

WHO SUPPORTS THIS LEGISLATION?

The bill, of course, has the strong support of the administration. But it also has the support of every major religious and church group in the United States. It has the support of all of the voluntary agencies, the AFL–CIO, and many other organizations who have written to the committee in the strongest possible terms.

For example, here is what the American Council of Voluntary Agencies has written just this week to every Senator:

> The voluntary agencies since World War II have resettled over a million and a half refugees from all walks of life, with various religious convictions from all parts of the world, demonstrating a true national commitment on the part of the American people to provide a haven for the homeless. In recent years, however, the very restrictive definition of refugee has encumbered their admission to the United States. It has been demonstrated time and time again that the limited numbers contained in the present law

> are insufficient to meet the requirements for their admission to this country. The Congress and the administrative branches of our Government have struggled through one refugee situation after another to find a means of admitting the refugees so that we may live up to the humanitarian principles on which our Nation was founded. The solution, all too often as a last resort, has been the use of the parole authority by the Attorney General of the United States. This ad hoc approach results in problems of the funding which is required for the movement and resettlement of the refugees.
>
> For the voluntary agencies it becomes extremely difficult to plan and carry out effective resettlement programs. It is impossible for us to determine how many refugees will be admitted in a given period of time, the rate of admission and the Government funding which will be available to assist in the resettlement process. Thus inhibited, it is not always possible to martial and utilize the vast resources of the private sector which ultimately will determine the success or failure of any resettlement program.
>
> The Refugee Act is the result of many years of research, study and work and has been developed in consultation with the voluntary resettlement agencies. A well balanced approach has been developed and it is our hope that the formulas suggested will be maintained so that the objectives of the legislation can be achieved. We urge your support of this extremely vital legislation.

The AFL–CIO has submitted a strong statement in support of the bill at the time of the hearing, and renewed support for that in a letter to me today. The AFL–CIO states:

> The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and abiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hilter's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.
>
> While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.
>
> The "refugee act of 1979" is long overdue.
>
> In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

Concerned citizens, such as the distinguished black leader, Bayard Rustin, have expressed their strong support for the bill. In a personal statement read at the committee hearing, Bayard Rustin said:

> The black community has a deep and continuing interest in the fate of political refugees, whether they be victims of South Africa's apartheid, Pol Pot's perverse paranoia, Idi Amin's atrocities, Soviet inhumanity, or Vietnamese retribution.
>
> We live in constant struggle. We hunger for freedom. We understand what it means to be pushed aside and forgotten. Nearly 1 year ago, more than 90 black leaders from civil rights, labor, business, community and professional organizations signed a statement which appeared in the New York Times urging the admission of Indochinese refugees into the United States.
>
> For black Americans to allow a linkage between our continuing struggle for economic and political freedom and the struggles of political refugees to be broken can surely diminish our own chances for success.
>
> The most common objection to admitting additional political refugees into our country is that the unemployment situation is already intolerable. No group of people in the United States suffer more from unemployment than black Americans. Yet, the nine black leaders who signed the New York Times statement rejected such an argument as dehumanizing for black people and American ideals. As I am sure you are aware, so has the AFL-CIO Executive Council.
>
> I offer my unqualified support of the Refugee Act of 1979 and am confident that my views are shared by many others in the black community.

Mr. President, the committee has received many other such statements, and most are printed in the appendix of the committee's hearing on the bill—beginning on page 148.

What are other countries doing to accept refugees?

Mr. President, we sometimes hear the complaint that the United States is accepting more refugees than anyone else—and why should we do more for refugees when other countries are not.

The plain fact is, Mr. President, that other countries are acting in support of refugees. And while the United States, as a large country accepts a large number of refugees, in per capita terms we accept less than several countries. For example, even in terms of Indochinese refugees—for whom we have a special concern—the United States has taken fewer "boat people" per capita than either Australia or France. And in total numbers, China has accepted more Indochinese refugees than we have.

More importantly, following the recent Geneva meeting on the Indochinese refugee crisis, almost every nation participating in the U.N. High Commissioner for Refugees' program redoubled their efforts to resettle more refugees—as this table shows, which I will insert in the RECORD. However, without the leadership of the United States—our expressed willingness to do more—few other countries would not have responded, and thousands of "boat people" would have been left to drown at sea.

Also, we must acknowledge the special refugee burdens some countries are carrying in helping refugees. For even as we stress that we accept thousands of refugees from Indochina and Eastern Europe, especially Soviet Jews, many countries are resettling or providing safehaven for large numbers of refugees as well—such as the 200,000 African refugees accepted in recent years by Tanzania, one of the 25 poorest countries in the world, which nonetheleses has a remarkable record of hospitality toward refugees.

Countries such as Israel, Germany, and Britain also have responded to the resettlement needs of thousands of certain ethnic refugees for whom they feel a special responsibility. So the United States is one of many countries assisting refugees.

What about the vast costs involved in resettling refugees?

As I noted earlier, Mr. President, S. 643 does not authorize specific sums. It provides a permanent authorization for admitting and assisting refugees resettling in the United States. The future costs involved will depend upon the number of refugees admitted each year, and that will be governed by annual appropriations voted by Congress.

However, it is anticipated that some $450 to $500 million will be required to fund all aspects of our refugee resettlement program in fiscal year 1980. While this is a large sum, it must be seen in comparison to other Federal expenditures that may not affect the fate of thousands of human beings, and which reaches to the core of what America is all about.

Mr. President, it is hard to place a dollar figure on what the Statue of Liberty and our humanitarian traditions are worth. I do not believe $500 million is too high.

What about the work of the Select Commission on Immigration and Refugee Policy?

Mr. President, last year I helped expedite legislation that estalished a Select Commission on Immigration and Refugee Policy to undertake a 2-year study of our Nation's immigration laws—which are a generation out-of-date. We are still living with the 1952 statute, which was enacted over President Truman's veto. It was flawed from the beginning with discriminatory and anti-alien provisions. Some of the more blatant sections were repealed by the 1965 act. But not much else has changed.

The task of the Select Commission is to recodify our immigration law, and to recommend what our total immigration policy should be for the remainder of this century. The Commission has now begun its important assignment.

But, Mr. President, the existence of the Select Commission must not mean that Congress should stand idle on pressing immigration issues. It must not be an excuse for delaying consideration of urgent, remedial immigration reforms. The Judiciary Committees should not ignore legislative proposals in the immigration field, for which there is already a broad consensus on the need to act, pending the report of the Select Commission in 1981.

Action on refugee legislation clearly falls into this category—as the Chairman of the Select Commission, former Gov. Reubin Askew, has publicly acknowledged. Similarly, the existence of the Select Commission will not deter the Judiciary Committees from considering certain other immigration reforms. For example, both houses will soon consider an immigration "efficiency package," submitted by the Immigration and Naturalization Service, to repeal several unnecessary and archaic provisions of the Immigration and Nationality Act.

Elimination of these provisions will save the taxpayers some $1.5 million each year. Surely, no one would argue that the Congress delay passage of such legislation until the final report of the Select Commission is issued in 2 years.

Why does the bill ignore the general question of immigration flow, including undocumented aliens?

Again, Mr. President, such broad questions are beyond the scope of the pending bill. S. 643 simply provides remedial reforms to a single section of the immigration law: refugee admissions. In reporting out such refugee reforms, the Judiciary Committee was not unconcerned about other aspects of immigration policy, or other issues of immigration law. The committee has before it, for example, a number of legislative proposals and studies on the undocumented alien question: Hearings, reports, and other actions will likely follow during this Congress.

But, more importantly, these broad questions are in the province of the Select Commission's mandate—to review overall aspects of our immigration law and migration patterns to our country. The Senate Judiciary Committee has already indicated its strong support for this task. In a report I had prepared on the committee's program for the first session of the 96th Congress, we noted that:

> One of the primary concerns of the committee * * * will be to assure the effective functioning and successful work of this Select Commission. The resources of the committee, and the time of its members and staff, will be made available for this purpose.

In conclusion, Mr. President, for the RECORD, I would like to submit the text of a letter I received yesterday from the AFL–CIO reaffirming their strong support for the pending refugee bill.

I would also like to include for the RECORD the important statement issued in support of the bill today by the American Council of Voluntary Agencies.

I ask that both statements be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., September 5, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Judiciary Committee, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Senate is scheduled this week to consider S. 643, the "Refugee Act of 1979." This bill is designed to improve the procedures for the admission of refugees into the United States. It has the strong support of the AFL–CIO.

The American labor movement has a deep and abiding commitment to aid refugees from discrimination and oppression. S. 643 is designed to provide such assistance and enactment of legislation along the lines provided for in this bill is long overdue.

We believe that the principal fears to which opponents of S. 643 may give voice—that it will open the country to unmanageable number of refugees and that the cost of their resettlement permanently in the United States will be prohibitive—are unwarranted.

The bill increases the number of refugees who could be admitted each year from 17,400 to 50,000, but this does not represent an actual increase in the number who have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

S. 643 is humanitarian legislation of great importance. It will do much to improve procedures for admission of refugees into the United States and provide sound implementation of our international commitments in this respect. The bill has the strong support of the AFL–CIO and we urge its passage by the Senate.

Sincerely,

KENNETH YOUNG,
Director, Department of Legislation.

STATEMENT BY THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and abiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increasing tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the lack of a consistent and coherent policy toward political refugees. This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, an end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish. President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not as yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

How is it that the AFL-CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in the fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL-CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a non-issue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exist.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the "Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill." While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international travel, make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL–CIO's continuing involvement in urging a more generous, open-ended U.S. policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL–CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiative, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON INDOCHINESE REFUGEES

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-minded policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the Southeast Asian Refugee Fund to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.

AMERICAN COUNCIL OF
VOLUNTARY AGENCIES FOR
FOREIGN SERVICE, INC.,
New York, N.Y., August 31, 1979.

DEAR SENATOR:

As you are aware, the last major revision of the provisions of the U.S. Immigration and Nationality Act dealing with the selection and admission of refugees into the United States was made in 1965. Since that time the number of refugees has unfortunately increased not only in total number, but also in the area of geographical location. Our present laws cannot respond to the humanitarian needs of the refugees and the international concerns of our country.

Thus, we the voluntary resettlement agencies who are charged with reception and resettlement of refugees admitted to the United States are most gratified with the action taken by the Senate Judiciary Committee in unanimous reporting out S. 643, the Refugee Act of 1979. This measure will come to the floor of the Senate for consideration immediately after the August recess.

The voluntary agencies since World War II have resettled over a million and a half refugees from all walks of life, with various religious convictions from all parts of the world, demonstrating a true national commitment on the part of the American people to provide a haven for the homeless. In recent years, however, the very restrictive definition of refugee has encumbered their admission to the United States. It has been demonstrated time and time again that the limited numbers contained in the present law are insufficient to meet the requirements for their admission to this country. The Congress and the Administrative branches of our Government have struggled through one refugee situation after another to find a means of admitting the refugees so that we may live up to the humanitarian principles on which our nation was founded. The solution, all too often as a last resort, has been the use of the parole authority by the Attorney General of the United States. This ad hoc approach results in problems of the funding which is required for the movement and resettlement of the refugees.

For the voluntary agencies it becomes extremely difficult to plan and carry out effective resettlement programs. It is impossible for us to determine how many refugees will be admitted in a given period of time, the rate of admission and the government funding which will be available to assist in the resettlement process. Thus inhibited, it is not always possible to martial and utilize the vast resources of the private sector which ultimately will determine the sucecss or failure of any resettlement program.

S. 643 provides a meaningful definition of refugee, a reasonable number of visas available to accommodate the normal refugee flow and provides a mechanism whereby emergency situations can be addressed by the Administration after consultation with appropriate committees of the Congress. In addition, it provides the authorization for the funding necessary for the selection, movement and resettlement of all refugees and on an equal basis. We realize, of course, it is not possible to predict with a great degree of certitude the extent and therefore the needs of emergency situations. The procedures proposed in this legislation will obviate the necessity of invoking in the future the ad hoc approaches of the past.

The Refugee Act is the result of many years of research, study and work and has been developed in consultation with the voluntary resettlement agencies. A well balanced approach has been developed and it is our hope that the formulas suggested will be maintained so that the objectives of the legislation can be achieved. S. 643 will be considered by the full Senate immediately after the August recess. We urge your support of this extremely vital legislation.

MRS. INGRID WALTER,
Chairman, Committee on Migration and Refugee Affairs, American Council of Voluntary Agencies for Foreign Service.

Mr. KENNEDY. Mr. President, I would like to yield to my colleague and ranking member of the committee.

Mr. THURMOND. Mr. President, the Senate is considering today legislation that has been a subject of controversy in the past, yet is inherent in the fabric of American history. S. 643, the Refugee Act of 1979, establishes for the first time a comprehensive approach tc the resettlement and treatment of foreign refugees who come to our country.

Historically, our refugee policy has been one of compassion tempered with enlightened self-interest. In the past, this policy has served our Nation well. But the realities of recent times have changed substantially our atitudes toward a national refugee policy. This bill, by making certain changes in our current refugee laws, alters past practices.

First, it drops the current law distinctions of ideological and geographical difference and provides a new definition of "refugee" that recognizes such persons on the same status of other immigrants. It also adds flexibility to the administration of the refugee laws by including a new definition of "displaced persons."

Second, the bill raises the annual limitation on regular refugee admissions from 17,400 to 50,000, bringing the total annual level of immigrants to 320,000. Although this is a fairly large increase in numbers, it is not that large when compared to recent annual refugee levels which came about through the exercise of the parole authority by the Attorney General and not by the provisions of the current statute.

Third, there is created an orderly flow of refugees to meet the "emergency" conditions experienced recently with the Vietnamese "boat people." A more flexible procedure is established in the bill which allows for the resettlement needs of homeless people that cannot otherwise be met within the regular 50,000 ceiling.

The bill also provides a statutory requirement that Congress be consulted before additional refugees over the 50,000 level are admitted and more clearly defines the congressional controls over this process.

Finally, S. 643 provides for Federal assistance for a 2-year period for refugees once they have entered the country. These domestic assistance programs are provided mostly on a 100-percent reimbursement basis with the States.

Mr. President, I have not opposed this legislation in the Judiciary Committee, even though I have certain reservations about the extent and size of America's commitment to the world's refugee problems. Although events of recent months have been encouraging to me, and I am sure to other Senators, the long-term commitments of the United States, both in this bill, S. 643, and other legislation, must be carefully weighed.

An international response to the world refugee problem has been underway under the auspices of the United Nations since December 1978. The conference officially met in Geneva, Switzerland, on July 20 and 21, 1979. The preliminary results of that meeting appeared to be a world-wide effort to deal with this problem:

Vietnam announced that it would cease its program of expelling certain people from its borders.

Five, first-site countries where refugees had been landing, indicated they would not repel further landing attempts.

Japan announced its intentions to pay for one-half the costs of relocating up to 300,000 refugees.

Canada said it would increase its refugee numbers from 8,000 a year to 50,000 a year.

The United States ordered the 7th Fleet to the South Pacific to aid in the recovery of boat people floating at sea. Only time will tell if these commitments will be fulfilled, of course, but it portends a good beginning to solving a recognized world problem.

As a result of the President's action of doubling the monthly influx of refugees to the United States, about 168,000 refugees will enter our borders this year. This creates problems of an immediate nature that are not really resolved or affected by the passage of S. 643. The immediacy of the current problem does, however, offer some insights into the long-range impact of the bill on our future refugee policy.

For example, a provision for conditional entry should be retained in our refugee laws. S. 643 does provide for a 2-year period of conditional status for those refugees beyond the yearly normal flow of 50,000. This period would allow Immigration and Naturalization Service authorities to properly identify such refugees, their backgrounds and their intentions within the United States. During the conditional period, refugees would be allowed to receive domestic assistance, such as welfare payments, health care and job training, but they would not yet receive immigration visas.

More important, however, the conditional entry period allows time for the Government to assess the impact of these excess numbers of refugees on American society. Are there regions of the country where certain refugees are more suited and can be best integrated into society? Do some refugee groups adjust to conditions in America better than others? Has the influx of refugees had an adverse impact on social services or local communities? Answers to these and other questions should be examined carefully during the 2-year conditional entry period.

Mr. President, although the number of changes in our immigration and refugee laws are few, they are significant. S. 643 makes an increased American commitment to future world refugee problems. It is almost coincidental that the refugee situation in Southeast Asia has escalated at the same time the Senate considers this legislation. For that reason, I believe it is important, as the ranking Republican member of the Judiciary Committee, to place on the record a complete background about current refugee policy and the effect of this legislation on our future policy.

According to the Congressional Research Service of the Library of Congress, in 1978 there were more than 13 million refugees worldwide. Some 37 countries are sources of refugees. This has come about primarily because of the growth in number of independent, Third World countries which are experiencing problems of governmental instability and economic unrest. The presence of unfriendly neighboring nations and political, religious, and ideological struggles internally encourage civil wars and consequently, refugees.

The sudden growth of refugee numbers in recent years has found the existing international organizations and agencies incapable of meeting the demands of resettlement and assistance. The United States supports international refugee relief efforts through contributions to the United Nations High Commissioner for Refugees (UNHCR) and the Intergovernmental Committee for European Migration (ICEM), as well as a number of other governmental and nongovernmental voluntary agencies. The financial assistance given by the United States is substantial.

Mr. President, for fiscal year 1980, the Department of State is asking for $179.9 million for refugee programs. The Department of Health, Education, and Welfare is asking for $224.5 million. Adding in other funding commitments of the United States, a total of $404.4 million will be expended in 1980 for refugee assistance. This is a major contribution by the U.S. Government in an effort to underwrite these international agencies which assist refugees worldwide. Some of these funds will be used for domestic assistance within the United States. I believe that a certain amount of financial support should be provided, but in the context of a shared effort on an international basis.

The United States should support efforts to help refugees around the world, especially those fleeing Communist-backed dictatorships of Vietnam and other Southeast Asian countries. But we should not bear this financial load alone. It must be a combined effort by all nations of the world which are committed to assisting these poor people who seek escape from tyranny and oppression.

Much good was accomplished at the United Nations Refugee Conference in Geneva, Switzerland, on July 20 and 21. The nations who are the fountainhead of the refugee problem in Southeast Asia were convicted in the court of world opinion of calculated and deliberate wrong-doing to certain ethnic groups of their population in order to force these groups to leave their homelands under conditions fraught with danger on the open seas and overland. I would hope that those nations will heed the warning given to them in no uncertain terms.

I would hope the verdict of history will tell those who come after us that we were true to our heritage as a people and a Nation and lastly, but above all, we cared.

Mr. President, as I have indicated earlier in my remarks, I have not opposed this legislation in the Judiciary Committee. I support its objectives and its reforms. But I also feel compelled to make sure the Senate has the opportunity to clearly consider S. 643 in the context of our overall refugee policy. If amendments are offered to the bill, I will consider them carefully and perhaps, if I believe they will improve the bill, I will support them.

In any event, the Senate should act on this legislation. Authorization is needed for the refugee programs to go forward and prompt action by the Senate will ensure that the United States can continue to meet its obligations in this matter.

Mr. CHURCH. Mr. President, first of all, I would like to congratulate my distinguished colleague from the State of Massachusetts for his leadership in bringing forth this bill dealing with refugee matters. He has for years demonstrated concern with the situation of the less fortunate, and S. 643, the Refugee Act of 1979, is another example of his leadership in these matters. This bill not only makes it possible for the United States to deal more effectively with the much-publicized plight of the refugees in Southeast Asia, but also to place the overall refugee policy of the United States on a sound basis.

I would like to call the attention of the distinguished Senator to the fact that title III of S. 643, entitled "Temporary and Transnational Assistance to Refugees," amends the Migration and Refugee Assistance Act of 1962, which was handled by the Committee on Foreign Relations. Similarly, the Indochina Migration and Refugee Assistance Act of 1975 and its subsequent amendments were sponsored by the Committee on Foreign Relations and the Committee on Human Resources. Since the Refugee Act of 1979 amends laws which were sponsored by the Committee on Foreign Relations and deals with matters affecting foreign policy as well as U.S. immigration policy, it falls within the jurisdiction of the Committee on Foreign Relations as well as the Judiciary Committee.

Mr. President, I know that my distinguished colleague, the ranking Republican member of the Foreign Relations Committee, would also like to comment in respect to this point.

Mr. JAVITS. I thank my colleague.

Mr. President, I would like to sustain Senator CHURCH in this matter. It is very important to consider the jurisdiction of both the Judiciary Committee and the Committee on Foreign Relations because it is very clear that this is a matter distinctly, very heavily, of foreign relations, as we are seeking the cooperation of the world, and many nations are seeking our cooperation.

We are actively engaged on the high seas right now in rescuing these refugees.

So I lay before the chairman of the Judiciary Committee, together with the chairman of the Foreign Relations Committee, my judgment supporting his position respecting the jurisdiction of the Committee on Foreign Relations, together with the Judiciary Committee.

The PRESIDING OFFICER. The Chair informs the Senator that the statements of the last two Senators have come out of the time of the Senator from Massachusetts.

Mr. KENNEDY. That is agreeable.

Mr. President, I want to make clear that we acknowledge the role and the interest and the jurisdiction of the Foreign Relations Committee in the whole area of refugees.

As the Senator from New York knows full well, the extension social service programs in the Indochina refugee assistance program were considered, I believe, 2 years ago, by the Committee on Labor and Human Resources.

Mr. JAVITS. That is correct.

Mr. KENNEDY. So far as I am concerned, we recognize the role and the jurisdiction of the Foreign Relations Committee in those areas in which they have been involved and active over a period of years. We have enjoyed working closely with the members of the Foreign Relations Committee as well as with the members of the Human Resources Committee. I believe we can look forward to acknowledging their jurisdiction in the areas which are touched by title III and to working with them in the future on these areas, as well as those that would be affected by the Human Resources Committee.

Mr. CHURCH. I say to the Senator that it is in that spirit of cooperation that I raise the point, because, as Senator JAVITS has said, we both recognize that there is a definite urgency for the Senate to act.

The Indochina Migration and Refugee Assistance Act of 1975 expires on September 30 of this year, and thus the compelling need for proceeding with this bill. In view of this need and of the heavy schedule of the Committee on Foreign Relations, involving the SALT II treaty and other matters, I am willing to waive the jurisdiction of the Committee on Foreign Relations on this particular occasion, and I do so without prejudice to the committee's jurisdictional rights.

I think the RECORD should make that point clear, so that we are not faced in the future with any precedent that might inhibit the committee's jurisdiction.

Mr. JAVITS. If the Senator will yield, that is satisfactory to me, and I hope Senator KENNEDY will expressly accept that in order to preserve our jurisdiction.

Mr. KENNEDY. I am glad to accept that interpretation.

I point out that the principal aspects of this legislation dealt with provisions of the Immigration and Nationality Act, which goes back to its passage in 1952, especially in connection with the power of the Attorney General to parole various refugees and others into this country; and it has been this instrument by which the President has used that authority of law to bring people into the United States. And that is a matter which is the sole jurisdiction of the Judiciary Committee.

I have been through enough of these jurisdictional issues myself, and I assure the chairman of the Foreign Relations Committee and the ranking minority member, as well as my other colleagues, that I believe we can work this out. I have been successful, with one exception, in being able to work out all matters of jurisdiction.

I acknowledge the title III representations which have been made by the chairman of the committee and the ranking minority member, and I look forward to working with them on any matters which affect the Foreign Relations Committee in the future.

Mr. JAVITS. I thank the Senator.

Mr. CHURCH. I thank the Senator very much.

I thank the Senator from South Carolina for his courtesy.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, I think the Senator from Minnesota had just a general statement, and then if it is agreeable with the Senator from Kentucky, then we will begin with the Senator's amendment if that is agreeable.

Do I understand the situation correctly?

Mr. BOSCHWITZ. That is correct.

Mr. KENNEDY. I yield.

Mr. THURMOND. Mr. President, I am pleased to yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Time is yielded to the Senator from Minnesota. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I wish to also add a word of commendation to the distinguished chairman of the Judiciary Committee, and the distinguished ranking minority member because, indeed, this is very important legislation that I think sets apart our country from other countries in the world.

When I was home in Minnesota during our recent recess, I spoke to a young man who is marrying a young lady from Finland. He recently went to Finland to meet his new family and during his visit had an opportunity to see the border between Russia and Finland. At the border, there was a very high tower in which a guard sat looking down over a minefield. Even at the most northern reaches of Finland and the Soviet Union there was a fence to separate these two countries. In the Soviet Union, which is perhaps our principal opponent in the world, they must build fences, they must lay minefields and build towers around their borders in order to keep their people in.

In the United States, on the other hand, the situation is entirely different. We have to adopt legislation that will limit the number of people who want to come to this great country. I think that is a great tribute to our country. Indeed, our problems will begin when that situation changes and we do not have people waiting in line who want an opportunity to live in our great country.

I would like for a moment to speak about my youth. When fleeing Europe, my family went from country to country because the United States did not have a well-defined procedure for accepting refugees. We went from country to country seeking means of admission to the United States. Finally, we found an American consul who would let us in.

My wife and her family had a similar experience. Her family went to Brazil where they met an American consul who luckily had been befriended in South Africa by my wife's uncle. So in that rather unsystematic way, my wife and her family were able to come to this country.

Certainly, a bill like S. 683, which systematizes and establishes a permanent procedure for refugees, is well in order. It really is in the best interest of the United States.

The United States is the only country that is a country of refugees. We are the only country in the world that is a genuine country of the refugees which has been energized and given substance by people who came to our country to start anew.

This act also provides for domestic assistance to refugees, assistance to help them make the necessary transition and to join the great family we call American.

When my family came to the United States there was no such assistance. This particular act limits the time period of that assistance, and I must say I approve of that. And, I imagine that the refugees who come to this country would approve of it as well. If history is any type of precedence, they will quickly adapt and become very constructive members in our society.

Mr. President, this bill provides for the immigration of about 50,000 refugees a year; 50,000 refugees would only be one-fiftieth of 1 percent of the population of the United States.

Even if you add this 50,000 to the 290,000 immigrants who are currently allowed to enter the United States each year under the immigration quota, (which makes 340,000) this is still only one-seventh of 1 percent of the population of our country. This is certainly not an influx, certainly not a horde that is going to jeopardize jobs for Americans; certainly not such a large group of people that we need to be concerned about the budgetary impact.

But, indeed, it is a group of people who are going to reenergize us once again. They are people who are going to exemplify the most noble aspects of this country. No other country on Earth has people standing in line waiting to enter their country. This sets our country apart. It makes this country something special, and that is why I am so anxious and so eager to lend my support to this bill.

Americans ought to be proud of our accomplishments—our willingness to offer a helping hand to the less fortunate of the world reflects well on Americans and serves as a noble example to other countries throughout the world.

However, we are here today to consider legislation, the Refugee Act of 1979, that will help us to do an even better job in the future. Although our willingness to help the refugees has always been strong and sincere, our current policies are insufficient to meet today's demands.

We need a permanent and systematic procedure for the admission of refugees so as to insure all refugees that they will be treated equally and fairly. Our policy today lacks consistency and planning. We respond to crises on a case-by-case basis with no established policy or statute that guides our actions. Our response to each crisis is subject to the mood of the times rather than being guided by a set procedure that must be applied to all the refugees seeking admission to the United States.

The result is that we fail to give equal treatment to the different refugee groups and we waste valuable time and money while we decide how we should best respond. We want to avoid situations like we have faced in the last couple of months with the Indochinese boat people. When people are in need of help, we must be ready to respond quickly without long delays.

This legislation provides that organization and planning we so desperately need. It allows us to take into consideration the particular needs of the refugees as well as our own resources. It lays out an established process that the President and Congress must follow at the beginning and end of each year to determine how many refugees the United States can take that year and the resources necessary to resettle those refugees. And, for ongoing resettlement assistance, S. 643 expands these programs to cover all refugees so that the Cuban, Indochinese, Soviet Jews and all others receive equal assistance.

The domestic resettlement assistance provisions also provide moneys the States and local communities who have taken on the responsibility of resettling the refugees. A great emphasis has been placed on the important role of social service programs such as vocation services and training, home management, family planning, cultural counseling. All help speed the process of assimilation and assist the refugees in becoming self-supporting, productive members of their new communities.

It has been my experience that our Federal moneys are best spent at this early stage on these types of programs; they can be viewed as an investment for the future. In most cases, if refugees receive Federal assistance in the early years of the resettlement process, their needs for public assistance are usually limited and temporary in nature.

Another very important and central provision of this legislation is its new definition of refugees. It corrects the inadequacies of our current definition which have long been overlooked. The definition which we use today is very narrow in scope—it defines refugees as those people fleeing Communist countries and the Middle East. Human suffering is not limited to certain ideologies or geographical areas. If our commitment to help desperate, homeless people is sincere, we must be willing to help all in need of assistance despite their ideologies or countries or origin.

In closing, I think this legislation represents a great step forward for U.S. participation in the world refugee problem. The consideration of this type of legislation is a sign that the United States not only intends to continue our noble efforts, but that we are anxious to improve our ability to respond to those in need of help. The adoption of this national refugee policy will be symbolic of our age-old commitment to human rights and humanitarian concerns that has played such an important role in our Nation's history.

● Mr. HATFIELD. Mr. President, as a cosponsor of the Refugee Act of 1979, I urge my colleagues to approve this important reform of our somewhat archaic national refugee policies. Its enactment is essential to provide for the orderly admission to our country of those for whom we feel a special responsibility.

The history of modern civilization includes the certain ebb and flow of refugee migration—a phenomenon which knows no particular ideological or geographic boundary. It is incumbent upon the free nations of the world to assist in the resettlement effort according to their capabilities. To some countries, that means providing financial aid, to others, permanent homes while yet others may be able to offer only temporary domicile until permanent host countries can be found.

S. 643 contains necessary revisions in current law to insure more orderly processing of refugees by replacing the somewhat arbitrary parole authority of the Attorney General with a more uniform procedure to include both administration and congressional input. In addition, it raises the annual limitation on refugee admissions to 50,000 and redefines "refugee" to include a wider range of compelling reasons for admission.

Mr. President, the United States is recognized as the leading nation offering hope and aid to homeless refugees whether they come from Cuba, Indochina, the Soviet Union, or from any other corner of the world where they face personal danger and loss of liberty. As a result of our efforts and encouragement, other nations are following our example. At the recently held Geneva Conference on Refugees, nearly every nation in attendance pledged to increase aid and admit significantly larger numbers of refugees into their borders.

To most of the world populations, the United States continues to represent not only a nation built and enriched by immigrants, but a haven for deserving and oppressed peoples. Our laws and policies must continue to demonstrate our commitment to individual worth and provide opportunity for new beginnings.●

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. KENNEDY. Mr. President, if the Senator will just yield for a unanimous-consent request——

Mr. HUDDLESTON. I yield.

Mr. KENNEDY. I ask unanimous consent that the committee amendments be considered and adopted en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

(Mr. BOREN assumed the chair.)

Mr. HUDDLESTON. Mr. President, S. 643 is probably the most important piece of immigration legislation to come before the Congress since 1965. I want to commend the distinguished chairman of the Judiciary Committee and the ranking minority member for the interest they have demonstrated in this legislation and the consideration they have given to me, both the Senators and the staffs, with respect to concerns I have had about this issue and about this particular piece of legislation.

To the extent that the bill would streamline the current uncoordinated ad hoc refugee program I support it, and I hope my colleagues will do likewise. However, the bill goes far beyond this streamlining and, in addition, creates an open-ended admissions program with little congressional control. It also establishes the precedent of substantially increasing total immigration quotas without determining the domestic impact of such increases prior to making them.

S. 643 would make substantial and permanent increases in the U.S. immigration quota at a time when legal immigration to America stands at the highest level since 1924. And, if we include illegal aliens the immigration level may be the highest in our history. I am deeply concerned that at a time when immigration may be at unprecedented levels we are attempting to increase quotas without adequate knowledge of the consequences. This lack of information has been fully and conclusively documented. President Carter's Interagency Task Force on Immigration found in its March 1979 staff report that:

> Little attention has been given to the collection and analysis of data on legal immigration and, as a result, there is presently a lack of data with which to evaluate immigration policy.

If it is true that as late as March the staff experts on immigration law found that there were insufficient data with which to evaluate our present immigration policy, how can we decide a few months later that it is in the best interest of the country to increase the total immigration quota?

In fact there are no supporting data for this increase. The testimony on S. 643 all centered on the need to assist more refugees and the need for more money to pay for the program. However, the record contains no rationale for increasing the worldwide ceiling on immigration into the United States. The vast majority of the witnesses were from private organizations whose primary function was assisting refugees or public agencies which administered the assistance programs. There is no testimony given from the standpoint of a general economist, sociologist, or demographer to support the need and appropriateness of substantially increasing the total immigration quota. The result is that not only do we not know if the increase is justified, we do not know at this time if the existing quota is excessive given present high levels of legal and illegal immigration.

IMPACT OF OUR POLICY ON REFUGEE POPULATION OF WORLD, MALAYSIA, HONG KONG, AND INDONESIA

At one time this administration recognized the extreme lack of information and pursued a policy of not advocating an increase, even for refugees, without a great deal more study. In 1977 the official position of both the U.S. Department of Justice and State Department was to require the deduction of any increases in refugee numbers from the total annual immigration quota. Mr. John DeWitt, Deputy Administrator for the Bureau of Security and Consular Affairs of the State Department, testified before the House Judiciary Subcommittee on Immigration in 1977. At that time he said:

> The Department (of State) believes that the 20,000 limitation on "normal flow" refugees should be deducted from the overall hemispheric totals . . . in order to preserve the existing grand total of 290,000. While we recognize that this determination is one for the Congress to make, we favor leaving the total numerical limits unchanged until there is a more solid basis for determining the optimum rate of annual immigration for the United States.

At the time this statement was made the world refugee picture was not significantly better than it is today. Further, we knew from the Cuban experience that we would face unexpected situations when the United States would be expected to admit large numbers of refugees. Even though the administration was aware of these facts, its policy rightly reflected the need to know more about immigration in this country before making permanent and substantive changes.

Last year the Congress concurred in the determination that we need more information and a comprehensive review of immigration and refugee law. This concurrence was in the form of legislation creating the Select Commission on Immigration and Refugee Policy. The general mandate to the Commission was to "study and evaluate * * * existing laws, policies, and procedures governing the admission of immigrants and refugees to the United States and to make administrative and legislative recommendations to the President and to the Congress."

However, the Commission was "particularly" instructed to "assess the social, economic, political, and demographic impact of previous refugee programs and review the criteria for, and numerical limitations on the admission of refugees to the United States." In order to accomplish this goal the Commission has been given a budget of about $2.5 million.

Although the Commission will probably issue its final report by December of 1980, the Congress is being told that it should not wait before substantially increasing our immigration quota. I would be able to understand this if the decision not to increase the quota might jeopardize our efforts to offer assistance to refugees next year. However, a decision not to increase the worldwide ceiling would have no effect on that program. In fact, if S. 643 had no quota at all for refugees the United States could still have a refugee assistance program of the same size and magnitude as that presently contemplated by the administration under other provisions of S. 643.

Mr. President, in my judgment, the most significant failing of S. 643 is that it is a repeat of the same mistake we have made in regard to immigration policy before and which the Select Commission was supposed to rectify. S. 643 is a piecemeal approach to the immigration issue. It makes no attempt to integrate the refugee program into a total comprehensive immigration policy.

There are three major components of U.S. immigration which must be considered jointly if our immigration system is to have any overall purpose and direction. These components are legal immigration which is about 400,000 per year and is the highest in the world; a de facto policy which permits millions of illegal aliens to enter the United States virtually unchecked; and an open-ended refugee assistance program which has no outer perimeters as far as I can determine.

The underlying purpose of the Select Commission was to approach the problem in a comprehensive manner. Congressman EILBERG, who floor-managed the bill on the House side stated that:

> Our immigration law has not been reviewed in over 25 years and that almost every aspect of the American community is affected by immigration. In my judgment, it is vital that every effort be made to reevaluate our immigration policy and that it be done in a comprehensive fashion.

Many have tried to obfuscate the issue by arguing that increasing the permanent yearly refugee quota to 50,000 could not possibly have any adverse impact upon the United States. If this were the only immigration number we were dealing with, their argument would be valid. However, it is not the only number and that is the vital point which must be understood. We are dealing with millions of illegal aliens, hundreds of thousands of legal immigrants and, as would be established by this bill, undetermined hundreds of thousands of refugees. I believe that we have passed the point where we can safely continue to consider these three components in an isolated manner. Other major immigrant-receiving nations also seem to have reached this conclusion. Some have recently completely revamped their immigration laws. The interagency task force found, in its comparative study of other nations:

> All the major immigrant-receiving nations have conducted recent reevaluations of their immigration policy. All have moved away from racially and ethnically discriminatory laws in favor of more universalist policies which are tied to articulated national goals. Since 1976 both Canada and Australia have enacted new immigration statutes, each of which is tied to its nation's goals in the areas of population growth and economic development.

Since 50 percent of the population growth in the United States may be attributable to immigration, I sincerely believe that we should also enact comprehensive immigration legislation as soon as possible.

Many Americans have voluntarily made the decision to have fewer children in order that they and their children may enjoy more of the benefits this country has to offer. However, this personal decision is being undermined and overshadowed by our current uncontrolled immigration policy, which is being fed by the worldwide population explosion, high unemployment and political unrest.

All the reports in this regard say the same—the outlook for the next 20 years is ominous. The Population Reference Bureau warns that the millions of unemployed and underemployed will move into the already overcrowded cities of the Third World. Of the additional 2 billion people expected worldwide by the year 2000 the Third World countries will gain about 1.2 billion, or an increase of 162 percent. According to the Bureau:

> These two aspects alone, a growing labor force and increased urbanization, pose the threat of mounting social and political tensions, massive unrest, and spreading conflicts.

The Library of Congress underscored this projection when its August 1979 report on the world refugee crisis found that:

> The Crisis shows no sign of abating. On the contrary, the findings in this report indicate that the refugee flow around the world will continue and that the number of refugees will probably rise markedly over the next few years.

This increase will be in addition to the 14 million refugees who are in the world today. And, it is this growing pool of millions of people which will fit within the new expanded definition of refugee under S. 643.

Any immigration legislation which allows our national ceilings to be breached by unlimited numbers must contain appropriate safeguards to assure that that discretion is always exercised responsibly and with full knowledge of the implications. One of the major problems with our existing refugee program is that neither the Congress nor the public have had a complete disclosure of information prior to the decision to admit more people. Unfortunately, S. 643 does not correct this.

The cost factor, both direct and indirect, has been almost impossible to determine on the existing program. The cost of the program in dollars is slowly becoming available but it is still incomplete. However, we know that the costs are escalating rapidly. For example, the Cuban refugee program cost us $1.3 billion over a period of about 20 years. The Indochinese refugee assistance program cost us $1 billion over a period of 4 years (1975–79). However, after much digging it has become evident that the cost of our total refugee assistance effort in fiscal year 1980—that is, 1 year—will be about $1 billion.

However, indications are that the cost

to the States will be in the tens of millions of dollars.

The indirect costs are even more difficult to ascertain. The impact on unemployment should be one of our considerations. We are told by agencies which assist the refugees that they have a high rate of employment. However, we are not told quite so loudly that much of this employment is underemployment and that about one-third of the refugees from Indochina are still receiving some type of welfare assistance. Further, we are not told if the jobs taken by immigrants contribute to our already high unemployment figures. Indications are that they do.

Mr. President, it is difficult for me, and I think for many American citizens, to feel that the administration is serious about restraint of Federal spending and balancing budgets when we are willing to lay out a billion dollars per year for refugee assistance, for paying the cost of bringing new citizens into this country.

This is not a firm figure, and it could be much more. HEW assures me that they cannot compute the cost to the States which under S. 643 would have to begin picking up part of the welfare expenses for refugees who have been in this country for 2 years.

The Interagency Task Force on Immigration found that if immigration occurs near the bottom of a business cycle when many U.S. workers are unemployed, it is unlikely to produce any significant benefits and it clearly will exacerbate unemployment or lower the relative wages of low-skilled workers or both. Many economists are predicting a deep recession next year with unemployment possibly exceeding 8 million people. In other words, we will experience the "bottom" of a business cycle. Unfortunately our response to this unemployment is not to attack some of the causes directly but to go on grinding out Federal job creation programs which cost the taxpayers billions of dollars. In 1978 the Federal Government spent approximately $9 billion on these types of job creation programs.

There are also social costs attached to any immigration program. Every nation has limits on the number of individuals it can effectively assimilate without experiencing severe social disruption. With regard to the large scale refugee program we are seeing increasing signs of social stress, which is certain to escalate as the numbers increase. News reports are becoming more frequent in which minorities and Vietnam veterans say that refugees "are taking needed jobs, housing, educational programs, and Government assistance."

I do not believe that any of these costs require that we stop our refugee assistance program. However, I do believe that they require that we take a close look at our total immigration policy to assure that it is in the best interest of the citizens of this country. If we find that a particular part of our immigration program is costing too much we will have to make the decision to either cut it back or to offset it in some other way. The crucial point to bear in mind is that our immigration policy must be as fair to American citizens as it is to those who wish to immigrate. As elected officials we owe our first allegiance to our citizens and their future generations.

Many people respond to the argument that we must place reasonable limitations on total immigration with the statement that we are a nation of immigrants and that to do so would be a repudiation of the inscription on the Statue of Liberty.

We, are, in fact, a nation of immigrants, just as are most other nations in the world. The only difference is that the immigration to other countries took place much earlier than our own. However, this has not stopped other nations, including those with large land masses such as Canada and Australia, from imposing reasonable immigration controls which are tied to their domestic needs.

As to the assertion that reasonable restraint would be a repudiation of the inscription on the Statue of Liberty—which, incidentally, were the words of a French poet and not a reasoned policy developed by the Congress or the people of the United States—I believe that reason must be applied here also. The statue was erected in 1884, when the population in the United States was about 50 million and we, as a nation, had what was thought to be an unlimited supply of energy, resources, and land. Today, we have a population well over 200 million, which is growing rapidly. In addition, we have an energy crisis, excessive pollution, mounting congestion, dwindling resources, high unemployment and decreasing rural land.

To fail to recognize these problems and to integrate them properly into our immigration program would be a mistake.

Mr. President, I am not advocating an isolationist policy which attempts to close our doors to all immigration. We can and should have an active immigration policy in the United States. I firmly believe that it is healthy for our country to have an infusion of new blood on a regular basis and that we have a moral duty to assist the homeless of the world in every reasonable fashion.

I am not unaware or unappreciative of the tremendous contribution that foreign-born individuals in the United States have made to the development of this great country. Certainly, we could not have populated and developed the vast areas of the United States in the manner that we did without those who came to us from foreign shores. The image of the United States as the great melting pot of the world has contributed to the strength that we have enjoyed throughout the entire world.

However, we must have a total immigration policy which is as fair to American citizens as it is to immigrants. We will never accomplish this as long as we continue deciding immigration questions in a piecemeal fashion and without adequate information on the ultimate consequences.

It seems that all of these questions arise at a time of great emotional appeal, when dire circumstances exist at some point in the world and we do not have information, we do not have real understanding of the economic, social, political, or demographic impact of our present immigration levels.

I believe that it is time that we act responsibly on this issue by discovering the facts before we continue down a road with so many potential pitfalls. Once we have traveled this road, it will be impossible to retrace our steps.

It is vitally important that we have a comprehensive immigration policy for the United States. That policy should be made by the Congress of the United States with a clear understanding of what we are doing and, with the citizens of the United States being fully aware of the policy we are developing. Furthermore, it should be a policy devised in the light of conditions which exist today and which anticipates our needs and our interests in the future.

My suggestion is simply that the time has come for a total review and reassessment of the immigration policies of the United States, including the refugee problem. This will enable us to have a better understanding of the scope of the problem that exists now and a better hope of developing the kind of policy and procedures that will be in the best interests of the citizens of this country—and, indeed, in the best interests of those who desire to immigrate and become citizens of the United States.

Another thing that it seems to me, Mr. President, has not entered into the discussion and debate and consideration of the legislation that we are considering now is what the impact of U.S. policy is on the rest of the world relating to refugees. Are we really helping solve the refugee problem by having a generous, open-ended, virtually unlimited policy or are in fact, creating more refugees? Some officials in Malaysia, Hong Kong, Indonesia, who are there every day, wrestling with this flood of refugees, have been highly critical of U.S. policy. They say that by going onto these vast programs, by announcing them, we are signaling to all those who are dissatisfied for any reason that the doors of the United States will always be open, that we will pay for their passage; we will guarantee them a job, sustenance for all their life, as a matter of fact. They say that we are, perhaps, creating more refugees than we are eliminating. I have heard very little discussion of that problem in the development of this particular legislation.

Mr. President, at the appropriate time, I shall offer some amendments that I think will improve this legislation, will lead us toward a saner refugee and immigration policy in the United States.

I thank the distinguished Senator for yielding to me at this time.

UNANIMOUS-CONSENT AGREEMENT—S. 1477

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Massachusetts let me proceed for 1 minute?

Mr. KENNEDY. Yes, Mr. President.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that, upon the disposition of the pending business, the Senate proceed to the consideration of Calendar Order No. 324, S. 1477, to provide for improvements in the structure and administration of the Federal Courts, and for other purposes, and that there be a time agreement on that bill as follows: One hour equally divided on the bill, to be controlled by Mr. DeConcini and Mr. Dole; 30 minutes on any amendment, to be equally divided in accordance with the usual form; 4 hours equally divided on the amendment to be offered by Mr. Bumpers on administrative procedures; 20 minutes on any debatable motion, appeal, or point of order, if such point of order is submitted to the Senate for discussion; and that the agreement be in the usual form; provided further that, following the amending process on S. 1477 and just prior to third reading, S. 1477 be set aside until the Senate has considered and passed the original bill by Subcommittee on Improvements in Judicial Machinery on judicial tenure and that, upon passage of that bill, the language of that bill be considered as having been added to S. 1477 and that S. 1477 be considered as having been read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, Mr. President, would the Senator from West Virginia allow us to have a short quorum call? I do not ask him to withdraw.

Mr. ROBERT C. BYRD. Mr. President, let me make one correction: The time on the minority side will be under the control of Mr. Thurmond.

Mr. STEVENS. Right.

Reserving the right to object further, Mr. President, it is my understanding that the bill that is before the Senate now will continue over until tomorrow if it is not finished this evening?

Mr. ROBERT C. BYRD. Yes, that is correct, Mr. President.

Mr. STEVENS. And we will then bring up this bill for consideration tomorrow.

Mr. ROBERT C. BYRD. After the disposition of the pending business.

Mr. STEVENS. The refugee bill, yes.

The additional provision setting aside this bill until the Senate has passed the original bill of the Subcommittee on Improvements in Judicial Machinery on judicial tenure—what will be the impact of that as far as the time agreement is concerned? Will that mean that this bill will be set aside tomorrow until this other bill is then considered?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. STEVENS. That was my further question. That other bill is not out of committee yet?

Mr. ROBERT C. BYRD. That is correct, Mr. President.

Just prior to third reading, the bill, S. 1477, would be set aside until such time as the original bill by the Subcommittee on Improvements in Judicial Machinery on judicial tenure is called up and passed.

Mr. STEVENS. Just so there is an understanding of that, I have no objection. I thank the majority leader for making the change. It is my understanding that the time will be under the control of the Senator from South Carolina.

Mr. ROBERT C. BYRD. That is correct, Mr. President, or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1477 (Order No. 324), a bill to provide for improvements in the structure and administration of the Federal courts, and for other purposes, debate on any amendment (except an amendment on administrative procedures to be offered by the Senator from Arkansas (Mr. Bumpers), on which there shall be 4 hours; shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Arizona (Mr. DeConcini) and the Senator from South Carolina (Mr. Thurmond): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

UNANIMOUS-CONSENT AGREEMENT—S. 1125

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 268, S. 1125, the Federal crop insurance bill, is called up and made the business of the Senate—and it will not be called up until Monday—it will be the pending business on Monday if the other two matters are disposed of that we have just referred to—there be a time agreement on that bill as follows: Two hours on the bill, to be equally divided between Mr. Huddleston and Mr. Helms; 1 hour on any amendment, equally divided; 30 minutes on any amendment in the second degree, equally divided; 20 minutes on any debatable motion, appeal, or point of order if the Chair entertains discussion by the Senate on a point of order; and that the agreement be in the usual form.

Mr. STEVENS. There is no objection, Mr. President. I understand that, in any event, it would not be called up until Monday.

Mr. ROBERT C. BYRD. Until Monday.

Mr. STEVENS. There is no objection.

Mr. ROBERT C. BYRD. It would be the intention of the leadership to have that up on Monday. Mr. Huddleston will be the manager on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so odered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1125 (Order No. 268), a bill to improve and expand the Federal crop insurance program, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Kentucky (Mr. Huddleston) and the Senator from North Carolina (Mr. Helms): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I thank Senator Kennedy for his indulgence.

May I just simply say that there will be rollcall votes tomorrow.

REFUGEE ACT OF 1979

The Senate continued with the consideration of S. 643.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Kentucky has made a very extensive statement with regard to the figures and the statistics on the numbers of people who are entering into the United States. However, we have compiled immigrations figures, in a request to the Library of Congress, with the help of the Bureau of Census as well as the Immigration and Naturalization Service, which dispute his figures.

I will, as part of the Record, insert a copy of their report.

So rather than taking the time and making the general response to the Senator, I will make the Library of Congress report available to the Members of the Senate, in order to expedite consideration of the bill.

Then we will welcome the opportunity to consider the amendments of the Senator from Kentucky.

I ask unanimous consent that the Library of Congress report, prepared at the Judiciary Committee's request, be printed at this point in the Record, with supporting documents.

There being no objection, the report was ordered to be printed in the Record, as follows:

To Senate Judiciary Committee, Attention: Jerry Tinker, Counsel for Immigration and Refugee Affairs.

From Joyce Vialet, Specialist in Social Legislation, Education and Public Welfare Division.

Subject Assessment of Environmental Fund's Estimates of U.S. Population Growth.

This is in response to your request for an assessment of the National Parks and Conservation Association's assertion that "The United States has the fastest-growing population among industrialized nations in the world," based on a study by the Environmental Fund. According to documentation supplied to you by the Environmental Fund, "The largest component of U.S. growth is illegal immigration."

As discussed with you, we asked the Immigration and Naturalization Service to examine and comment on the Environmental Fund's estimate of undocumented immigration and its contribution to United States population growth. The INS analysis is attached. Summarizing briefly, the INS analysis concludes that the Environmental Fund's estimates are based on speculative assumptions about the number of illegal aliens, overstate recent rates of legal immigration, and fail to take into consideration emigration (outmigration from the United States) which has a significant negative impact on overall population growth.

The Environmental Fund publishes two U.S. population growth rate estimates in its chart entitled "World Population Estimates, 1978". Based on the INS analysis, the Environmental Fund's second or "alternative" estimate of current U.S. population growth at 1.7 percent per year, which is adjusted to include the Environmental Fund's estimate of illegal immigration, appears to be based on inadequate data and unwarranted assumptions. It is this figure which is the basis for the statement that the United States has the fastest-growing population among industrialized nations.

We also consulted with our Foreign Affairs and National Defense Division, which indicated that the population growth estimates for industrialized nations cited by the Environmental Fund appeared to be generally accurate, although they questioned the omission of Canada and several other countries from this category.

Using the Environmental Fund's first estimate of current annual U.S. population growth rate (.9%), which is higher than the Census Bureau's estimate, the following nations identified by the Environmental Fund as "industrialized" have population growth rates equal to or higher than the United States, based again on Environmental Fund figures: Japan (1%), Poland (1%), Romania (1%), Yugoslavia (1%), U.S.S.R. (.9%), and Australia (1%). In addition, the following countries categorized by the United Nations as "more developed" but not included in the Environmental Fund's category of "industrialized nations" also have equal or higher population growth rates: Canada (1.3%), Iceland (.9%), Ireland (1.1%), Albania (2.3%) Greece (.9%), Spain (1%), Argentina (1.3%), and Chile (1.5%).

Please let us know if we can be of further assistance.

ANALYSIS BY THE IMMIGRATION AND NATURALIZATION SERVICE OF THE ENVIRONMENTAL FUND'S ESTIMATE OF UNDOCUMENTED IMMIGRATION AND ITS CONTRIBUTION TO UNITED STATES POPULATION GROWTH

Accurate data on the size and characteristics of the undocumented population residing in the United States do not exist; therefore our comments on the undocumented population are directed toward the "evidence" provided by the Environmental Fund. The relative contributions of fertility, immigration and emigration to U.S. population growth are discussed briefly.

The Environmental Fund's method of estimating the growth of the undocumented population is speculative at best. The difference between the Census Bureau's estimate of 12 million persons of Hispanic origin in 1978 and the 16 million figure mentioned by the President could be the result of differences in data sources, population coverage, date of the estimates or a number of other factors not mentioned by the Environmental Fund. The conclusion that "in 1977–78 probably 850,000 illegal Hispanics were added to our population, adding .38 percent to our growth rate" is based on unverifiable assumptions about the rate of growth of an unknown population. Furthermore, no mention is made of the findings of two investigators (Korns, 1977 and Heer, 1978) that undocumented immigration appears to have increased considerably during the late 1960's but that there might have been little increase between 1970 and 1976.

We were unable to verify the Environmental Fund's figures on legal immigrants admitted during 1978 because the I&NS computer tallies of the 1978 data are still in progress. Regardless of its origin, the figure of 606,000 immigrants in 1978 is not representative of the recent annual level of immigration to the United States. During the 1970–1976 period the average number of immigrants admitted for permanent residence was slightly less than 400,000 per year. Furthermore, the Environmental Fund failed to mention emigration, which is a significant component of U.S. population change. Recent estimates by I&NS and Census Bureau demographers indicate that emigration from the United States amounts to roughly 150,000 persons each year. Thus the level of net immigration used by the Environmental Fund is approximately double the recent level of net immigration.

Fertility rather than immigration is likely to continue to be the major determinant of U.S. population growth in the future. For example, the most recent population projections of the Census Bureau (Series P–25, No. 704) indicate that the net addition of 400,000 immigrants annually for the next 25 years would increase the U.S. population by 12.6 million persons (10 million immigrants and 2.6 million descendants). During the same 25 year period, the number of births is projected to be 95.0 million, or nearly 10 times the projected number of immigrants.

In summary, the size and rate of change of the undocumented population residing in the United States is unknown. The available evidence suggests that a few million undocumented aliens could be residing in the United States but the rate of growth, if any, is unknown.

THE ENVIRONMENTAL FUND,
Washington, D.C., June 7, 1979.

Mr. JERRY TINKER,
Staff Director, Select Committee on Refugees, U.S. Senate, Washington, D.C.

DEAR MR. TINKER: Ms. Gerda Bikales of the National Parks and Conservation Association has told me of your interest in her recent testimony on refugees before the Senate Judiciary Committee and of concerns you had with some of the points therein.

I am enclosing an analysis of the statement that "the U.S. has the fastest growing population in the industrialized world." I believe it to be completely accurate.

As for the source of our material, it is all from the U.S. Bureau of the Census. Boyce Rensberger of the New York Times has written of our data:

"Its estimates, based on a variety of sources . . . are considered highly reliable because they include revisions and corrections for errors that, for a variety of reasons, are not included in the official reports of governments or international agencies." (B. Rensberger, *NY Times News Service*, November 15, 1978).

I hope that the enclosed analysis is helpful to you. Should you have any questions, please do not hesitate to contact me.

Sincerely,

PETER R. HUESSY.

ANALYSIS

Statement: The United States has the fastest-growing population among industrialized nations in the world.

Evidence: Last year, the number of births in the United States stood at 1.53 percent, deaths at .87 percent. This produced a natural increase of .66 percent.

During FY 1978, the latest period for which figures are available, the United States admitted 460,000 immigrants. 110,000 other people were granted permanent resident status. In addition, 36,000 refugee-parolees were admitted. This total of 606,000 additional people increased our population an additional .27 percent.

Natural increase, plus legal immigration, increases our population by .93 percent annually, nearly 1 percent a year.

To what extent does illegal immigration increase our population growth?

No doubt to a considerable degree. In order to be as conservative as possible, we have relied upon a statement by President Carter to answer this question.

The President recently noted that there are 16 million people of Hispanic origin in this country. The Census Bureau, on the other hand, counted only 12 million (as of March 1978). There are thus at least four million illegal Hispanics in this country, added to our country since 1970.

Annual population growth in the United States is the combination of natural increase (.66 percent) legal immigration (.27 percent) and illegal immigration (at least .38 percent). This total growth rate of 1.31 percent annually is, in fact, higher than that of any other industrialized nation in the world. A chart is attached that contains the growth rates of every nation in the world. The figures speak for themselves.

This rate of .38 percent annually assumes that illegal immigration has maintained a constant flow since 1970. Obviously, since the apprehension figures have increased more than 300 percent in that time, this is an extremely conservative assumption. Accordingly, the rate is no doubt higher than .38, and the 1.31 percent growth rate figure is also too low. In that illegal immigrants of Hispanic origin are only part of the total flow of illegal immigrants, the population growth rate of the U.S. is higher than indicated here; very much higher, if estimates of the INS officials are believed.

We know that illegal immigration has been increasing since 1970. Taking this into account, and starting with a total of 225,000 illegal residents added between 1970 and 1971, we reach a total of 4 million illegal "Hispanics" by 1978 by increasing the annual rate by 75,000 each successive year after 1971. Thus, in 1977–78 probably 850,000 illegal Hispanics were added to our population, adding .38 percent to our growth rate.

If the percentage rates sound insignificant, it must be remembered that these percentages are drawn from an enormous base number. The United States adds three million people to its population each year—a number that is exceeded only by India and China.

UP AMENDMENT NO. 527

(Purpose: To require that the President provide certain information in the consultation process to the Judiciary Committees and each House of Congress, and to require that each Judiciary Committee hold a hearing and issue a report on the President's proposal)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 527.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 3, insert "(A)" immediately after "(2)".

On page 6, line 11, insert ", the Speaker of the House of Representatives, and the President pro tempore of the Senate," immediately after "such members".

On page 6, line 11, strike out "may" and insert in lieu thereof "shall".

On page 6, line 12, strike out "(A)" and insert in lieu thereof "(i)".

On page 6, line 14, strike out "(B)" and insert in lieu thereof "(ii)".

On page 6, line 19, strike out "(C)" and insert in lieu thereof "(iii)".

On page 6, line 22, strike out "(D)" and insert in lieu thereof "(iv)".

On page 7, line 1, strike out "(E)" and insert in lieu thereof "(v)".

On page 7, line 4, strike out "(F)" and insert in lieu thereof "(vi)".

On page 7, between lines 5 and 6, insert the following:

"(B) Upon receipt of the information specified in subparagraph (A), the Judiciary Committee of the Senate and the Judiciary of the House shall each hold a hearing on such information and shall submit, within 30 days of continuous session of the Congress beginning on the date the consultation process concludes, a report to their respective Houses of Congress. For purposes of this subparagraph, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded.".

Mr. HUDDLESTON. Mr. President, this is the first of three amendments which I think will correct some of the problems connected with S. 643 which I have outlined in my opening statement.

The amendments which I offer were arrived at after long and protracted discussions with the administration and the Senate Judiciary Committee. I am told that these amendments are acceptable to the Judiciary Committee on both the majority and minority side. Also, these amendments have been shown to the administration and it does not oppose them.

I believe that amendments will go a long way toward establishing an effective means of establishing reasonable refugee admissions into this country. They will strengthen the consultation requirement with Congress, provide a more effective screening device for admitting refugees above the normal flow level, and assure a timely congressional review of the new quotas.

I still believe that we have a long way to go before establishing a comprehensive and rational immigration policy but, I am convinced that this is a good beginning. This bill and the amendments have generated a great deal of discussion about our immigration policy and, in the final analysis, it will be this public attention which will be determinative. S. 643 still has to undergo close scrutiny in the House and I am certain that some of the discussions which began here in the Senate will be carried on there.

The first amendment would firmly establish that the whole Congress shall have input into a decision to increase the refugee admissions before that decision is finalized. The amendment would require the President to provide detailed information on:

First, description of the refugee situation;

Second, a description of the refugees who may be admitted, plans for their resettlement, estimated cost of their resettlement, analysis of their resettleability, and an analysis of conditions within the countries from which they originated:

Third, an analysis of the anticipated social, economic and demographic impact to the United States;

Fourth, a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

Fifth, an analysis of the impact of the United States' participation in the resettlement of such refugees on U.S. foreign policy interests; and

Sixth, such additional information as may be appropriate.

Further, it would require the Judiciary Committee to hold public hearings on the proposal to admit more than the normal flow and to issue a report on the proposal within 30 days.

Members of Congress will have the opportunity to either agree or disagree with the proposal at the hearings. In the event that Members do not have a prior opinion on the proposal, they will have the benefit of receiving all the facts in the form of a committee report. This is a tremendous improvement over the present informal method of deciding to admit large numbers of refugees before the whole Congress is fully aware of the details. I believe that this amendment will firmly establish the principal that Congress, as a whole, will establish immigration policy for the country in an informed and open manner.

I believe the manager of the bill has indicated that this would be acceptable.

Mr. KENNEDY. Does this amendment, which, as I understand it, combines some of the other amendments that the Senator from Kentucky was going to offer, but does it include the sunset provisions, or not; is that included?

Mr. HUDDLESTON. The sunset provision is not in this.

Mr. KENNEDY. It is not in this amendment?

Mr HUDDLESTON. It is in a later amendment.

Mr. KENNEDY. Mr. President, the amendment that the Senator offers is entirely agreeable to me.

I would urge the Senate to accept it. It identifies the areas of special responsibility which we, as a country, would feel about those refugees.

It seems to me that makes commonsense. It has been our past tradition in terms of refugee circumstances—that is barring the other kinds of inhibitions which have existed in refugee policy.

The idea of a report and a hearing is completely acceptable, I hope the members of the committee would accept this amendment.

What we have attempted to do in the other provisions of the legislation is to require the administration to set out before the beginning of the fiscal year, what the expectation is going to be over the period of the year so that Congress would have some degree of understanding as to the numbers of refugees to be admitted. That does not exist at the present time.

Obviously, by the nature of the subject matter we are considering today, it is not always easy to do this because of the nature of the problem of refugees. Refugee movements do not rise and fall according to a Senate budget calendar or the appropriations process. But, to the best of their judgment the administration is trying to estimate the nature of future refugee needs so that the Members of the Senate will know those facts early in our budgetary process.

The Senator from Kentucky wants to insure that we have a hearing on these special requests. That seems to be entirely desirable, that the information be available to the Senate, that a report be made. I think that is advisable.

What has happened in the past is that one or two members of the Judiciary Committee would be notified one evening and arrive the next. Perhaps an appropriations subcommittee would be marking up something at a particular time, and these matters would move on through without, I think, full notice and awareness of the Senate.

We have been aware of that and we are trying to regularize the process.

I think the recommendation the Senator from Kentucky has made in these areas would be useful and helpful and carry on the spirit of the legislation.

So I would urge acceptance of them by the Senate.

Mr. HUDDLESTON. I thank the distinguished Senator.

Mr. KENNEDY. I am prepared, unless others want to speak to it, to just yield back the remainder of time on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HUDDLESTON. I will yield back my time on this amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (UP No. 527) was agreed to.

UP AMENDMENT NO. 528

(Purpose: To amend the standard upon which the President admits refugees above the 50,000 quota under section 207(a)(1))

Mr. HUDDLESTON. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 528.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, beginning on line 13, strike out "special concern to the United States who will be in need of resettlement" and insert in lieu thereof "special responsibility to the United States."

Mr. HUDDLESTON. Mr. President, my second amendment would address the fact that the United States cannot respond to the needs of all 14 million refugees in the world today and the many millions who will be added in the future. The bill attempts to focus our resettlement assistance for refugees above the normal flow number on those refugees of special concern to the United States who will be in need of resettlement. Unfortunately, the concept "special concern" can have virtually any meaning and does not serve as an effective focusing device.

My amendment would require that the United States have a "special responsibility" for those refugees who are admitted above the normal flow level. It means that the United States must have a special relationship with that group of refugees. This could include a close social, economic, cultural, or political association that is not shared with other groups of refugees. Even though "special responsibility" has a narrower meaning than "special concern," it is still flexible enough to allow the President, in consultation with Congress, a great deal of latitude in providing reasonable assistance for refugees.

Since the United States is establishing a normal flow of 50,000 refugees per year, I believe that it is not unreasonable to require a "special responsibility" before exceeding it. Although this would be the first criteria to be met it would not automatically assure the admission of a particular group of refugees. The President would still be required to fully consult with Congress and provide ample justification for his decision to exceed the normal flow quota.

I believe this amendment is acceptable to the manager of the bill.

Mr. KENNEDY. It is entirely acceptable for the reasons I gave earlier.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back my time.

Mr. HUDDLESTON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 529

(Purpose: To amend the purpose provisions of the Act, and to terminate the authority to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary)

Mr. HUDDLESTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 529.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 17 and 18, insert the following:

(b) The Congress finds that the new immigration quotas established by this Act should be subjected to a timely review and reevaluation taking into consideration recommendations which may be made by the Select Commission on Immigration and Refugee Policy.

On page 2, line 18, strike out "(b)" and insert in lieu thereof "(c)".

On page 5, line 4, insert "(A)" immediately after "(1)".

On page 6, between lines 2 and 3, insert the following:

"(B) At the end of the fiscal year ending September 30, 1982, the authority under subparagraph (A) to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary of the Senate and the House of Representatives under paragraph (2) of this section shall terminate. Thereafter, all refugee admissions under subparagraph (A) shall be granted in any fiscal year in accordance with a determination made by the President, prior to the beginning of the fiscal year and after consultation in accordance with paragraph (2) of this section by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States who will be in need of resettlement. Refugee admissions shall be allocated in accordance with the provisions of subparagraph (A).

Mr. HUDDLESTON. Mr. President, my third amendment would terminate the increased 50,000 per year refugee quota after 3 years leaving only the special admission procedures under the remainder of the bill.

There has been a great deal of discussion and controversy about the need and wisdom of increasing the total U.S. yearly immigration quota in this manner. I am one of those who believe that we do not have sufficient information to make this determination at this time. Further, I believe that it would undermine the responsibility of the Select Commission on Immigration and Refugee Policy in its effort to make constructive recommendations on refugee numerical limitations. However, there are others who hold strongly to the contrary view.

In an effort to deal constructively with this issue, I have decided to introduce this amendment. In essence, the amendment would "sunset" the 50,000 per year after 3 years. In effect this guarantees that Congress will come back to this issue in 3 years and reevaluate its actions at that time. In so doing we are assured that this controversial change will not be firmly implanted forever in statutory law. Also, it would assure that the select commission can carry out its mission of fully evaluating refugee policy with the knowledge that its recommendations will be seriously considered within 3 years.

The most important aspect of this "sunset" provision is that it dramatizes the fact that the increased quota is highly controversial and that both sides recognize that fact. Hopefully, this action will focus more public attention on this provision in the bill and bring about an eventual final settlement of the issue.

I believe this amendment, also, has been considered by the manager of the bill.

Mr. KENNEDY. Mr. President, the Senate has debated sunset provisions in the past. I think there are many more deserving aspects of law that are worthy of sunsetting than this particular provision. However, I have indicated to the Senator from Kentucky that the Select Commission on Immigration and Refugee Policy will be reporting to the Senate within 2 years. They will be making general recommendations in terms of immigration as well as refugee policy, and this perhaps gives some additional support and legitimacy to their efforts, at least so far as I am concerned. Although my own sense is that we really are not achieving a great deal by sunsetting just the 50,000 normal flow ceiling in the bill.

Actually, the other provisions that regularize the process will remain intact. The equal treatment of refugees from different parts of the world will remain intact. Those aspects are not being altered or changed by the amendment of the Senator from Kentucky. It is just the normal flow figure.

So I would be willing to take the amendment to conference and find out what our other colleagues feel as to that particular provision.

I feel that it probably is not necessary. I would rather leave the figure in and then adjust it, change it or abolish it, depending on the Select Commission's recommendations, rather than doing it the other way. I know the Senator from Kentucky feels strongly about it, and I am willing to recommend that we accept it and find out what the other Members feel about that provision.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the name of the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor of the three amendments I have just offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I believe the amendment is meritorious. I have joined the distinguished Senator as a cosponsor of the amendment, and I am pleased to support it.

Mr. KENNEDY. I yield back the remainder of my time, Mr. President.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I understand that an amendment is to be offered by Senator CRANSTON and Senator HAYAKAWA. Also, an amendment probably will be offered by the Senator from Florida (Mr. CHILES), and another will be offered by the Senator from Utah (Mr. HATCH). Mr. SARBANES and Mr. DOLE wish to speak with respect to this measure.

I doubt we can conclude action on the measure this evening. The leader has given assurance that we will be able to bring up this matter at the earliest possible hour in the morning, and we hope to be able to conclude it at an early time in the morning.

Mr. President, I understand that Senator DOLE is on his way to the Chamber. I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. KENNEDY. How much time does the Senator from Kansas want?

Mr. DOLE. One minute, maybe two minutes.

Mr. KENNEDY. I yield to the Senator.

Mr. DOLE. Mr. President, in the last weeks the attention of the Senate, and indeed the world, has been repeatedly directed to the plight of Indochinese refugees. On June 25 I introduced a concurrent resolution along with the Representative from New York (Mr. SOLARZ). That same day, I incorporated the language of the resolution to an amendment to the appropriations bill introduced by my colleague (Senator BOSCHWITZ). That legislation called for increasing our assistance and resettlement of refugees and was passed by the Senate. Heeding to congressional initiative, the President came out in total support of our action by announcing at the Tokyo summit meetings that the number of refugees the United States would accept would be doubled, thus setting an example for other nations.

Other nations have also pledged to increase their efforts to deal with the problem. As a result of the U.N. Conference on Refugees held in Geneva on July 20 and 21, a total of 260,000 refugees have been promised asylum by the 65 nations participating in the conference. This was an increase from only 125,000 resettlement places available as of May of this year. In the recent public discussions of this problem much reference has been made to the 1938 conference held in Evian, Switzerland which produced no real assistance for the persecuted Jews of Nazi Germany and Austria. I am gratified that the international community has refused to repeat history, and is committed to taking concrete steps to aid those refugees.

Even so, Mr. President, there is no time to lose. Some 350,000 refugees are scattered around Southeast Asia. Secretary of State Vance, in testifying before the Judiciary Committee on July 26, made the rough guess that tens of thousands of boat people have died in the current exodus from Vietnam. Of course, it is impossible to quantify the outrages being inflicted on the refugees of Indochina. As Secretary Vance pointed out in his testimony, Vietnam has not indicated any intention to moderate its efforts to expel ethnic Chinese from within its borders.

The United States has by no means been negligent in its efforts to deal with the problem, having accepted the largest number of Indochinese refugees to date. Other nations, including France, the Philippines, Indonesia, Great Britain, Canada, and China have aided in the resettlement of refugees.

Now, with the bill that is before the Senate, the United States has the opportunity to step forward and provide once again the leadership in dealing with the problems of refugees on the long-term basis that is called for. Though the Judiciary Committee favorably reported out S. 643 by unanimous vote on July 17, this bill has been held from consideration by the Senate to allow the asylum nations of the world to deliberate at the U.N. conference and chart the course of further international humanitarian efforts. Indeed, the feeling was, and justly so, that the United States cannot and should not be expected to support all of the refugees without assistance from other countries.

I urge my colleagues to vote favorably on S. 643. This bill establishes a uniform and comprehensive policy toward refugees that would correct the injustices and simplify the complexity of the present maze of procedures. It creates an orderly mechanism for accepting changing numbers of refugees, all the while insuring congressional participation in refugee policy. Certainly this response to the refugee problem will not be cheap. The anticipated cost of this refugee assistance program for fiscal year 1980 is $404.4 million. Yet other nations are also investing their resources in this effort. For example, Japan has promised to underwrite up to half of the costs of the U.N. refugee program.

There are legitimate concerns about the possible impact of this bill. The United States should not shoulder the humanitarian burden of resettling refugees alone. The response of the international community at the Geneva conference suggests that other nations will meet their responsibilities in this regard, and we must encourage them to continue to do so.

In addition, Mr. President, we must never fail to remember that the whole reason for a refugee problem is that countries like Vietnam and Cambodia produce refugees. Though Vietnam has promised to regulate the flow of refugees, it has not promised to moderate its policy of expatriating ethnic Chinese. On the contrary, Vietnam has promised before that it would not adopt such discriminatory policies. In the Vietnam Peace Agreement signed in 1973, the South Vietnamese parties, including the Hanoi-backed Vietcong, promised in article 11 of the document, to ensure the liberties of all the people, including, and I quote, "Freedom of Residence." Such is the credibility of the governments which produce refugees.

We must also care that any refugee policy we embrace does not allow our humanitarian impulse to be twisted into the means by which other nations can expatriate their unwanted minorities with impunity. Such blatant violations of basic rights we cannot countenance.

I believe S. 643 allows us to offer reasonable resettlement opportunities to refugees while allowing us the flexibility to deal with the problems I have just mentioned. Furthermore, we as a people benefit from our reception of refugees. Throughout our history, repeated immigration to our land has fertilized us with the talents, hard work, and dedication of people from a variety of other lands.

Once again, I urge the Senate to support this measure.

I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. On anyone's time.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 391

(Purpose: To provide continued Federal reimbursement for public assistance to Indochina refugees for two years and thereafter to limit such assistance to Indochina refugees in the United States for less than thirty-six months)

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself and Mr. HAYAKAWA proposes amendment numbered 391.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 18, strike out "No payment" and insert in lieu thereof "Except as provided in paragraph (5), no payment".

On page 21, line 11, strike out the close quotation marks and the second period.

On page 21, between lines 11 and 12, insert the following:

"(5) Payment may be made under paragraph (G) with respect to aid or services, furnished directly or through a project or program, to any Indochina refugee who entered the United States prior to October 1, 1979, without regard to the limitation specified in paragraph (2) of subsection (b) for the fiscal years ending September 30, 1980, and September 30, 1981, and thereafter such payments may be made for aid and services furnished under paragraph (G) to any Indochina refugee who entered the United States less than thirty-six months prior to receiving such aid or assistance. For the purposes of this paragraph, the term 'Indochina refugee' means a refugee from Cambodia, Vietnam, or Laos.".

UP AMENDMENT NO. 530

(Purpose: To provide that the two-year limitation on payments under section 2(b) (2) of the Migration and Refugee Assistance Act of 1962 not apply during the period beginning on the date of enactment and ending on September 30, 1981)

Mr. CRANSTON. Mr. President, I send to the desk a substitute for the amendment.

The PRESIDING OFFICER. Has the time on the amendment been yielded back?

Mr. CRANSTON. On which amendment?

The PRESIDING OFFICER. Until the time on the amendment has been yielded back a substitute amendment will not be in order.

Mr. CRANSTON. All right. I yield back time on the original amendment.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. KENNEDY. I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself and Mr. HAYAKAWA proposes an unprinted amendment No. 530 to amendment No. 391.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, beginning on line 2, strike out "Except as provided in paragraph (5), no payment" and insert in lieu thereof "(A) Subject to the provisions of subparagraph (B) of this paragraph, no payment".

On page 2, strike out lines 1 through 16 and insert in lieu thereof the following:

On page 20, after line 24, add the following:

"(B) The period beginning on the date of enactment of this Act and ending September 30, 1980, shall not be counted for purposes of computing the twenty-four month limitation period specified in subparagraph (A) of this paragraph.".

Mr. CRANSTON. Mr. President, the original amendment was offered by Senator HAYAKAWA and myself, and we have now offered the substitute amendment.

I want to thank the two Senators handling the bill on the floor, the chairman and the ranking member of the Judiciary Committee, Senator KENNEDY and Senator THURMOND, for their thoughtful cooperation in working out an acceptable form of this amendment that deals with the very, very difficult problem concerning the refugees in our country and the expenses that are entailed in their presence here until they are able to stand on their own feet.

The amendment provides continued Federal funding for full reimbursement of cash and medical assistance provided to Indochina refugees under the Indochina refugee assistance program (IRAP) for 1 year.

The effect of the bill will be to terminate at the end of this month full Federal reimbursement for cash and medical assistance provided to Indochina refugees who entered the country prior to September 30, 1977. This constitutes the great majority of the 213,000 or so refugees from Southeast Asia currently living in the United States.

Of this number, "officially" about 59,000 live in California. The remainder live in Texas, Pennsylvania, Louisiana, Virginia, Washington, Florida, Illinois, New York and Minnesota, in that order.

The fact is no one really knows where all the Indochina refugees actually live. No Federal agency has conducted a census of refugees.

There is reason to believe that as many as 100,000 live in California and not where HEW assumes they live.

The California Department of Social Services does know that 43,000 Indochina refugees presently receive cash assistance. If my State's "official" refugee population is accurate, over 67 percent of the refugees in California are on welfare. A shocking statistic. However, I have reason to believe that the refugee population in California is much higher than generally reported by official sources.

The majority of these refugees on assistance actually work. But they work at menial jobs at minimum wages with which they attempt to support families often numbering in excess of ten persons. It cannot be done. Therefore, they receive supplemental cash assistance.

Most of these 43,000 welfare refugees arrived before September 30, 1977, according to the State. The direct result of the committee bill will be to shift a substantial portion of their cash and medical assistance subsidy onto State and local taxpayers. It will still be paid. It will just be a shift as to who pays it.

The long-term consequences of this shift can be better appreciated when we look at data from Los Angeles County which show that the average refugee case has been on the welfare rolls for more than 30 months while the average domestic welfare case has been on the rolls for only 22 months. This implies that the refugees are not becoming economical self-sufficient as originally expected.

It also implies that as new refugees enter the country we can expect a substantial percentage to go immediately onto some form of welfare assistance.

The amendment I am offering with Senator HAYAKAWA is intended to give the States 1 year to increase and strengthen their social service programs to refugees. The committee bill generously provides an open authorization without a time limit for appropriations to fund social services provided by State and local governments to refugees. Clearly, this money needs to be utilized aggressively by the States to train and educate refugees to become self-sufficient.

The California legislature under the leadership of Speaker Leo McCarthy is accepting new responsibility for legislative oversight of State social service programs to refugees. Hearings by the Health Subcommittee, chaired by Assemblyman Art Torres, will be held in Los Angeles the week of September 17. I am confident these efforts will produce good results in California.

By relieving States and local governments of extra welfare costs, my amendment assures that earlier refugees will not be discriminated against in favor of the newcomers.

The costs of our amendment will be $110 million in 1980.

Unless job and language training programs are very successful, California and the Nation will have a substantial subclass of persons with increasing social problems.

Few in Government anywhere are fully aware of the dimensions of the social problems confronting us as we undertake the humanitarian response to persons fleeing certain death. I totally support the policy of S. 643. I know that my good friend, Senator KENNEDY, knows of my support. I know that he shares this grave concern.

The task ahead of us is indeed large and it will be an expensive undertaking. There is no way to mask that fact.

I have supported limitations on Federal reimbursement for refugee costs because I feel that the States, including my State of California, should be under some constraint to seek affirmatively ways of helping the refugees to become self-supporting. But the burden must not fall on a handful of States and counties exclusively. The Federal Government needs to do its share. One reason it should do its share is that it is national policy, not local governmental policies, that has led to the presence of the refugees in this country. My amendment helps to see to it that the Federal Government does indeed do its share.

The Department of HEW has not given the refugee problem the priority attention needed if we are to avoid some very serious social problems ahead. As a member of the Committee on Labor and Human Resources, I intend to pursue this matter vigorously with the Department.

I want to express my great appreciation to my fellow Californian, Senator HAYAKAWA, for his support of my amendment and for his unwavering commitment to the well-being of refugees. We have worked together consistently on the problems of Indochina refugees for the past 3 years. His collaboration has been most welcome, very effective, and I thank him for that.

I again thank Senator KENNEDY and Senator THURMOND, and I urge the Senate to support our proposal.

The PRESIDING OFFICER (Mr. PRYOR). Who yields time?

Mr. KENNEDY. I think the Senator from California has the time. However, I will be glad to yield the time.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I thank the Senator.

This substitute amendment which I have introduced with Senator CRANSTON to the Refugee Assistance Act of 1979 would provide continued Federal reimbursement for 1 more year to all Indochinese refugees who are still in need of assistance. Refugees who enter the

United States after the bill is passed would be provided with 2 years' assistance by the Federal Government under this legislation.

These costs are currently covered for the Indochinese refugees under the Indochina Refugee Migration and Assistance Act which will expire September 30. This authorizing statute has paid for the assistance given to Indochinese refugees since their arrival in the United States in 1975.

S. 643, as it was amended by the Judiciary Committee, will continue with the "special project" funds currently authorized in the Indochina Migration and Refugee Assistance Act to provide $40 million annually for special projects and programs. However, the bill limits the 100-percent Federal support of medical, cash, and employment programs to the first 2 years after the refugee's entry into the United States. This would place an enormous burden on those States in which the refugees have settled. Despite the fact that these remarkable people have achieved an impressive record of assimilation into our society, many of the refugees require more than 2 years to become self-sufficient. A thoroughly adequate period of time is needed to properly complete the resettlement process.

The withdrawal of Federal funds at this point, when the refugees are still in need of this assistance, would place the financial burden of this task on private agencies and State and local governments. This would mean an especially heavy burden on those States in which the refugees tend to settle. In Los Angeles County, the data shows that 88 percent of the IRAP caseload are refugees who have been in the United States for 36 months or more, demonstrating that Federal aid should be continued for a period of time longer than the amount of time proposed by the legislation.

Terminating 100 percent Federal assistance for refuges already in the United States would cost State and local governments at least $110 million by 1981. California alone would have to bear more than $60 million of this cost. Approximately 27 percent of the refugees are now in California. In Los Angeles County alone, one-third of the 16,000 Indochinese welfare recipients migrated to the county from other States. States with high concentrations of Indochinese refugees—California, Texas, Pennsylvania, Louisiana, Washington, Virginia, Illinois, Florida, New York, and Minnesota—can expect to continue receiving large numbers of refugees, as new admissions favor those with relatives in the United States, and the remigration process within the United States is further concentrating refugees. This will present problems for local communities unless Federal funds can be continued for one more year to meet the resettlement needs of the refugees.

Mr. President, I am proud of the ways in which America has responded to the Indochinese refugee crisis. I get letters every day from constituents who express their concern for the refugees in Southeast Asia. They often offer to send assistance to needy refugees, or to help them into the society when they get to the United States. But some constituents express their concerns that the refugees will become an economic drain to their local communities. I believe that it is vitally important that the Federal Government alleviate the concerns of these citizens by bearing the burden of the cost of the Indochinese refugees for a reasonable period of time.

The conflict in Southeast Asia was a burden that was borne jointly by all the States. The refugee crisis that resulted from that conflict is also a burden to be borne corporately as a nation. President Carter has responded with concern and compassion to the plight of the refugees, and Vice President MONDALE, in addressing the U.N. Conference on Indochinese refugees in Geneva outlined the immediate steps needed to be taken to deal with the refugee crisis. Special delegations of congressional leaders have been sent to the refugee camps to view the conditions there. And now, as the refugees are accepted into the United States to begin to live new lives in this free country, it is imperative that the Federal support continue.

The disproportionate burdens to local property taxpayers should Federal support be prematurely cut off has moved the National Association of Counties to urge Congress to enact legislation that would extend the Indochinese Refugee Assistance Program at 100 percent Federal funding for income and medical assistance and social services.

The American people stand ready to help the needy people of the world, and this refugee legislation is a noble effort in that regard. However, we must be prepared to follow through with that effort, and provide for the needs of the refugees for a reasonable period of time once they have entered the country. It would be counterproductive to our aims to cause the financial burden of the refugees to be borne in a few local areas. We must be prepared, as a nation, to provide the financial assistance the Indochinese refugees need to become self-sufficient members of this society.

May I also at this point thank the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from South Carolina (Mr. THURMOND) for their assistance in working out a program plan which makes sense to all of us, to Senator CRANSTON and to me, as well as to both of them.

Mr. KENNEDY. Mr. President, I urge the Senate to accept the amendment of the Senators from California (Mr. CRANSTON and Mr. HAYAKAWA). The purpose of the legislation is to try to bring our various refugee programs into some orderly fashion and procedure, to give a clear signal to the States and local communities about what they might, and might not, expect over the period of the next several years.

I think many communities have done an absolutely extraordinary job in welcoming these refugees. I can remember very powerful testimony by Governor Ray of Iowa. When I was out in Iowa I had the opportunity of talking with some of those who were involved in the excellent refugee settlement program in that State. In fact, I want to note that my distinguished colleague on the Judiciary Committee, the Senator from Iowa, (Mr. CULVER) joins in supporting this amendment.

The States and local communities in many instances have done an absolutely superb job. On the one hand, we want to make sure that they do not assume unnecessary burdens in the resettlement of these refugees, and on the other hand we have some responsibility to insure that there is not going to be an unlimited, open-endedness to these Federal programs. California has a unique situation in that it has the largest number of refugees of any particular State, and, as the Senators have pointed out, there is a great deal of secondary movement among the refugees in this country, such as probably exists in the general population, moving to California in joining families and joining with other groups as they become more familiar both with the language and with the country.

We have had communications from California legislators, including the speaker of the California Assembly, Mr. Leo McCarthy, who has indicated that a very extensive study is now under way about the California situation, trying to make recommendations to their own legislature and to make information available to us, so that they can accept their responsibility within that State, and also so that they can get greater documentation for more responsible planning in the future.

It seems to me that this amendment provides some degree of transition. It also establishes very clearly, we hope, a degree of certainty as to what expenditures can be expected over the period of these next several years. I hope that the Senate will accept the amendment, and that there will be no objection to it. I am prepared to yield back the remainder of our time.

Mr. THURMOND. Mr. President, this is a matter which I have had considerable doubt about. We have reached a compromise on it that will allow one more year for these people to be trained and integrated into society. Then any new people coming in would have just 2 years.

I am sure the American people want to help refugees all they can. The people of our country are sympathetic, and no people have been more generous than the people of the United States. But I emphasize again that the people of the United States cannot support all the refugees in the world, and when refugees have been here for a period of 2 years, it is my opinion that by then they ought to be trained and be on their own. We just cannot carry these people on, year after year after year. We are doing more for them than we do for our own people, because they are receiving grants, handouts, welfare, and other forms of aid here when our own people do not get it.

We think probably in this particular case it is warranted to do this, but it will be my policy to take the position that after refugees have been here for 2 years, they have had time enough to be trained, and ought to go on their own.

In view of the situation as it exists

now, I will agree to go along with this amendment as it has been amended, and I am ready to yield back the remainder of my time.

Mr. CRANSTON. I thank the Senator very much. I think we are prepared to yield back the remainder of our time.

Mr. KENNEDY. We yield back the remainder of our time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment in the second degree.

The amendment (UP No. 530) was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the first degree amendment, as amended.

The amendment (No. 391, as amended) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. KENNEDY. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 531

Mr. HART. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) offers an unprinted amendment numbered 531:

On Page 7, between lines 5 and 6, insert the following:

The information provided in subparagraphs (A) through (E) of this paragraph shall also be provided to the Governors of each State, along with information regarding the number of refugees to be admitted, and a description of Federal programs available to assist in the resettlement of refugees.

Mr. HART. Mr. President, first I want to commend the distinguished Senator from Massachusetts for his leadership on the refugee problem, which I think is becoming more and more apparent to more and more Americans as a serious problem, not only for the world but for this country specifically as we attempt to shoulder a larger piece of the whole problem of the refugees, particularly from the Southeast Asian region.

One of the problems that have surfaced particularly in the State of Colorado is the fact that as more and more refugees have arrived, and a number of thousands of them have arrived from Southeast Asia in the Denver area, conflicts have arisen between those refugees and the people native to the area, many of whom are minority people. There is great conflict over housing accommodations, which are still a considerable problem in the Denver area, particular between Vietnamese refugees and the Chicano community.

There is a strong feeling, particularly on the part of the Governor of Colorado and I think many of his colleagues in other States, that it would be one measure of considerable help to the State governments in this country in planning to accommodate the increasing numbers of refugees if they had information available about the long-range plans of the Federal Government to take in refugees, the numbers, character, and size of families involved, and any other data that the State Department or any other agency of the Federal Government may have.

That information is made available to Congress. It is essentially the same information that this amendment would require be made available to the State Governors of this country, so that they can make planning arrangements and housing arrangements, working with the cities and the local communities, to accommodate the refugees that are arriving.

It is a commonsense amendment, which assures that the States will have the same information available to them that the Federal Government and Congress have. I am hopeful that the Senator from Massachusetts will accept this amendment and that it will become a part of this very important bill.

Mr. KENNEDY. Mr. President, I welcome the amendment of the Senator from Colorado. Clearly one of the important aspects of this bill is to get information out on the resettlement of refugees, both to Congress and to the American people. The Senator from Colorado has pointed out the importance of the Governors, who accept important leadership responsibilities in the development of these programs, with church groups and voluntary agencies.

Clearly, the information that comes to Congress ought to go to the Governors. I think it is a very constructive, helpful, and positive contribution to the legislation. I urge the Senate to accept it.

Mr. President, I yield back the remainder of my time.

Mr. HART. I thank the Senator.

Mr. THURMOND. Mr. President, the amendment appears to be meritorious. I do not know of any objection to it. I am willing to accept it.

I yield back my time.

Mr. HART. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Senator from Massachusetts as to whether or not there is going to be a rollcall vote on passage of the bill?

Mr. KENNEDY. I should like to, if we can get through tonight.

Mr. ROBERT C. BYRD. Mr. President, will there be a rollcall vote on passage?

Mr. KENNEDY. There will be.

Mr. ROBERT C. BYRD. May we order it now?

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, there is a possibility, as I understand it, that the bill may be finished today. That is not certain, because there is an amendment, I believe, that is under discussion at this time. It depends on how that is resolved. I suggest Senators may wish to stay around a little while yet so that the outcome may become more clear.

Mr. President, I suggest the absence of a quorum and I ask that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 532

Mr. CHILES. Mr. President, I send to the desk an amendment and ask that it be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES), for himself and Mr. STONE, proposes an unprinted amendment numbered 532.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 23, insert the following: "Except that for Cuban refugees who entered the United States and received assistance prior to October 1, 1979, assistance will be reimbursed at the rate of 75 percent of non-federal costs in fiscal year 1980, 60 percent in fiscal year 1981, 45 percent in fiscal year 1982. No reimbursement will be provided for these costs after September 30, 1983, except for the costs associated with current recipients of supplemental security income, for which 100 percent funding will be provided for all years; no recipients who become eligible for supplemental security income after September 30, 1978, will receive this special treatment."

Mr. CHILES. Mr. President, this amendment brings the refugee assistance authorization into conformity with the 6-year phaseout compromise which was adopted in the 1978 Labor-HEW appropriations bill. This compromise has passed the Senate in each of the last 3 years. Since 2 years of the phasedown have already passed, this amendment only deals with the 3 years of 1980 to 1982.

Cuban refugee assistance is currently funded on an open-ended basis under the Migration and Refugee Assistance Act of 1962. The bill reported by the Judiciary Committee provides 2 years of funding for refugees newly entering the country. Unfortunately, it would abruptly terminate the funding of the Cuban refugee program. Appropriations for the Cuban program have already been reduced from a peak of $145 million in 1973, down to $53 million in the 1980 conference report. The Appropriations Committee has worked out an orderly phase down, and I believe we ought to keep that compromise, which has been accepted by both the House and the administration. The administration bill provided a total exemption for current Cuban refugees from the 2-year limit. This amendment is therefore tighter than the administration proposal, and reduces the phase down by 1 year.

Mr. President, most people are not familiar with the important facts and figures about the Cuban refugee assistance program. Since 1959, approximately 700,000 Cubans have come to the United States. To give you an idea of what that means, that is more people than live in the city of Boston. Almost 500,000 of the Cubans have ended up in Dade County, Fla. That is a level of impact far beyond any other refugee group affected by this legislation. Most people are not aware that we airlifted Cubans to the United States as recently as 1974, when an additional 5,000 Cubans came to Florida.

While the Cuban community has been a major asset to Dade County, the large influx also has imposed many costs. Our schools must be truly bilingual for all students. A disproportionate number of the refugees were elderly and disabled, who were pushed out of Cuba. That is why we find that while only 25 percent of Dade County's population is Cuban, a full two-thirds of Dade County's SSI population is Cuban. To get SSI, you must be both poor and either elderly or disabled. It is only this most disadvantaged group which we have singled out for 100-percent funding. That will not be a permanent cost, since it only refers to the elderly and disabled currently in the rolls. They need a tremendous amount of medical and social services, and that is what we have agreed to provide in the appropriations compromise, and what I hope we will agree to in this amendment.

Mr. President, I have discussed this amendment with the chairman and the ranking minority member. I hope they will accept the amendment.

Mr. KENNEDY. Mr. President, the Senator from Florida has reviewed the long history of this program. It has been an extremely unique program. The actual scaling down of the figures would clearly indicate that the State and local communities are prepared to assume these responsibilities. I think it is a worthwhile amendment. I strongly recommend that the Senate be willing to accept it.

Mr. THURMOND. Mr. President, this has been a very tough question for me to act on, frankly. My opinion is that after people have been here 2 years, that is a long enough time to get them trained and to give them the assistance that is needed. I get deeply concerned when people feel they can stay here year after year at the taxpayers' expense. In an effort to try to work this matter out with the distinguished Senators from Florida, I have agreed to go along with it, provided that the last year there was eliminated.

I want to say now, and I want to put those on notice who are interested in these refugees, that it is fair, after a refugee has been here 2 years, to put him on his own; otherwise, we give special preference to refugees over American citizens.

I have gotten many complaints; I have had any number of Senators call me about this matter. They are tired of having to carry these people for so many years. I have gotten, I do not know how many, letters and communications on these questions. But, as I have said, in an effort to accommodate the Senators from Florida and in an effort to try to work this matter out without hardship, I have agreed to go along with this amendment as the same has been amended.

I yield back my time on the amendment.

Mr. KENNEDY. I yield back the remainder of our time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 533

(Purpose: To amend the definition of the term "refugee" to include economically oppressed emigrants from Haiti)

Mr. STONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes an unprinted amendment numbered 533.

Mr. STONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 16, insert the following immediately after "abode": ", or (C) economically oppressed emigrants from Haiti".

Mr. STONE. Mr. President, this is an amendment to construe and define the economically oppressed immigrants from Haiti as refugees.

Mr. President, offshore of my State of Florida, Haitians are being pushed overboard by people trafficking in this misery when it looks like smuggling them in is about to be discovered. These Haitians, when they do arrive in Florida and on the east coast, are frequently incarcerated and they are treated so differently from the boat people in other oceans and from other immigrants of a status which is not clear that the black community in my State is under the impression that this borders on racism.

I have to say that the Haitians that are being squeezed out of the Bahamas and squeezed out of their own homes and are in fear of starvation as well as oppression, deserve better treatment than that. So, to clarify their status, I offer this amendment.

Mr. KENNEDY. Mr. President, this is a problem that I know faces the State of Florida as well as a number of other communities. But we cannot accept economic factors alone as causing someone to be defined as a refugee. We do have the Select Commission on Immigration and Refugee Policy, that is considering a wide variety of different immigration problems and also refugee problems. I am a member of that Commission, along with Senator DECONCINI and Senator SIMPSON and Senator MATHIAS from the Judiciary Committee. I would be glad to write the Chairman of the Commission and urge they give special consideration to this problem, urge that they have a hearing in Florida at the Senators' convenience, to really focus on this and to give us recommendations about ways that we might proceed. But economic motivations are not covered in the bill's definition of a refugee, or in the U.N. Convention and Protocol.

Mr. STONE. Mr. President, on that assurance, I shall withdraw this amendment at this time and join with the Senator from Massachusetts in making special efforts to take care of this situation.

Those people need help. They need direct attention. I hope and trust that the Special Commission can do that.

I withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

The amendment was withdrawn.

● Mr. WARNER. Mr. President, on September 5, 1979, the State of Virginia made known its official position with respect to S. 643, the Refugee Act of 1979.

I ask that the official position of the State of Virginia be printed in the RECORD.

The statement follows:

REFUGEE ACT OF 1979 (S. 643): STATE OF VIRGINIA

The following constitutes the official position of the State of Virginia with respect to S. 643, as amended July 10 by the Senate Judiciary Committee. Virginia enthusiastically supports S. 643 as amended by the Senate Judiciary Committee, with the exception of the provision which limits full federal funding for cash and medical assistance, and child welfare services provided to refugees for the two-year period following entry into the United States. Two years of full federal funding is inadequate and will subject Virginia and its local political jurisdictions to an intolerable demand on limited resources to respond to an international calamity.

On August 3, Senators Cranston and Hayakawa introduced an amendment to S. 643 which, if modified, would make S. 643 totally acceptable to the State of Virginia. The Cranston/Hayakawa Amendment provides for two additional years of full federal funding for "Indochinese" refugees receiving "public assistance" as of September 30, 1979. Additionally the Cranston/Hayakawa Amendment provides for full federal funding for a period of 36 months for all new refugees from Indochina following the date of entry into the United States. An amendment to S. 643 should not limit itself to "Indochinese" refugees for a two-year transition period and 36 months thereafter while retaining a two-year limitation for all other refugees.

We would, therefore, suggest that the current refugee population be provided cash and medical assistance, and child welfare services for an additional two-year period of time and that all new refugees be provided cash and medical assistance, and child welfare services for a period of three years with full federal funding. S. 643 amended to incorporate these recommendations would be fully supported by the State of Virginia.●

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER (Mr. RIEGLE). Are there any Senators in the Chamber who wish to vote and have not done so?

The result was announced—yeas 85, nays 0, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—85

Armstrong
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Zorinsky

NAYS—0

NOT VOTING—15

Baker
Bayh
Culver
Garn
Hatch
Hatfield
Inouye
Jepsen
Johnston
Laxalt
Magnuson
Muskie
Pell
Pressler
Young

So the bill (S. 643) was passed, as follows:

S. 643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refugee Act of 1979".

TITLE I—PURPOSE

SEC. 101. (a) The Congress declares that it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution in their homelands, including, where appropriate, humanitarian assistance for their care and maintenance in asylum areas, efforts to promote opportunities for resettlement or voluntary repatriation, aid for necessary transportation and processing, admission to this country of refugees of special concern to the United States, and transitional assistance to refugees in the United States. The Congress further declares that it is the policy of the United States to encourage all nations to provide assistance and resettlement opportunities to refugees to the fullest extent possible.

(b) The Congress finds that the new immigration quotas established by this Act should be subjected to a timely review and reevaluation taking into consideration recommendations which may be made by the Select Commission on Immigration and Refugee Policy.

(c) The objective of this Act is to provide a permanent and systematic procedure for the admission to this country of refugees of special concern to the United States, and to provide comprehensive and uniform provisions for temporary and transitional assistance to those refugees who are admitted.

TITLE II—ADMISSION OF REFUGEES

SEC. 201. (a) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding after paragraph (41) the following new paragraph:

"(42) The term 'refugee' means (A) any person who is outside any country of his nationality or, in the case of a person having no nationality, is outside any country in which he last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group, or political opinion, or (B) any person who has been displaced by military or civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.".

(b) Chapter I of title II of the Immigration and Nationality Act is amended by adding after section 206 (8 U.S.C. 1156) the following new sections:

"ANNUAL ADMISSION OF REFUGEES

"SEC. 207. (a) (1) (A) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(B) At the end of the fiscal year ending September 30, 1982, the authority under subparagraph (A) to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary of the Senate and the House of Representatives under paragraph (2) of this section shall terminate. Thereafter, all refugee admissions under subparagraph (A) shall be granted in any fiscal year in accordance with a determination made by the President, prior to the beginning of the fiscal year and after consultation in accordance with paragraph (2) of this section by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States who will be in need of resettlement. Refugee admissions shall be allocated in accordance with the provisions of subparagraph (A).

"(2) (A) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of refugees is in the national interest, and to provide such members, the Speaker of the House of Representatives, and the President pro tempore of the Senate, with information that shall include—

"(i) a description of the nature of the refugee situation;

"(ii) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement, an analysis of conditions within the countries from which they originated;

"(iii) an analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

"(iv) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(v) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(vi) such additional information as may be appropriate or requested by such members."

The information provided in subparagraphs (i) through (v) of this paragraph shall also be provided to the Governors of each State, along with information regarding the number of refugees to be admitted, and a description of Federal programs available to assist in the resettlement of refugees.

"(B) Upon receipt of the information specified in subparagraph (A), the Judiciary Committee of the Senate and the Judiciary of the House shall each hold a hearing on such information and shall submit, within thirty days of continuous session of the Congress beginning on the date the consultation process concludes, a report to their respective Houses of Congress. For purposes of this subparagraph, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded.

"(3) Subject to the numerical limitation established pursuant to paragraph (1) the Attorney General pursuant to such regulations as he may prescribe, shall admit for lawful permanent residence any refugee who is not firmly resettled in any foreign country, is within a group or class of refugees determined to be of special concern to the United States, and is admissible as an immigrant under this Act, except for the fact that he does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

"(b) (1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101 (a) (42) (A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a) (42) (A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b) (1) (A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4) (A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a) (42) (A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

"ADMISSION OF EMERGENCY SITUATION REFUGEES

"SEC. 208. (a) If the President determines, after consultation by the President's designated representatives with the Committees on the Judiciary of the Senate and the House of Representatives, that (1) an unforseen emergency refugee situation exists; (2) the admission of certain refugees in response to the emergency refugee situation is justified by grave humanitarian concerns or is otherwise in the national interest; and (3) that the admission into the United States of these refugees cannot be accomplished under section 207, the President may fix a number of refugees to be admitted into the United States in response to the emergency refugee situation.

"(b) The admissions authorized by subsection (a) shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President.

"(c) Subject to the numerical limitation established pursuant to subsection (a), the Attorney General may admit into the United States conditionally or for lawful permanent residence, in his discretion and pursuant to such regulations as he may prescribe, any alien who is a refugee within a group or class designated pursuant to subsection (b) and who is not firmly resettled in any foreign country.

"SPOUSES AND CHILDREN OF REFUGEES

"SEC. 209. A spouse or child (as defined in section 101(b) (1) (A), (B), (C), (D), or (E)) of any alien who qualifies for admission under section 207(a) or 208 shall, if not otherwise entitled to admission under such section, be entitled to the same admission status as such alien if accompanying, or following to join, such alien, and upon the spouse's or child's admission into the United States, such admission shall be charged against the numerical limitation established in accordance with the section under which the alien qualifies for admission. A spouse or child who is admitted for lawful permanent residence in accordance with this section shall be required to establish admissibility to the United States as an immigrant except for the requirements of paragraph (14), (15), (20), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

"GRANTING OF IMMIGRANT STATUS TO EMERGENCY SITUATION REFUGEES

"SEC. 210. (a) Notwithstanding any numerical limitation specified in this Act, any alien who has been admitted into the United States conditionally under section 208 or 209—

"(1) whose admission has not been terminated by the Attorney General pursuant to such regulations as he may prescribe;

"(2) who has not acquired permanent-resident status; and

"(3) who has been physically present in the United States for at least two years.

shall, at the end of such two years, return or be returned to the custody of the Service for inspection and examination for admission into the United States as an immigrant in accordance with the provisions of sections 235, 236, and 237.

"(b) Any alien who, pursuant to subsection (a), is found, upon inspection by an immigration officer or after a hearing before a special inquiry officer, to be admissible as an immigrant under this Act at the time of his inspection and examination, except for the fact that the alien does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival. The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.".

SEC. 202. Section 211 of the Immigration and Nationality Act (8 U.S.C. 1181) is amended—

(a) by inserting in subsection (a) after "Except as provided in subsection (b)" the following: "and subsection (c)"; and

(b) by adding a new subsection (c) at the end thereof to read as follows:

"(c) The provisions of subsection (a) shall not apply to an alien whom the Attorney General admits to the United States for lawful permanent residence under section 207.".

SEC. 203. (a) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151(a)) is amended to read as follows:

"SEC. 201. (a) Exclusive of special immigrants defined in section 101(a) (27), immediate relatives specified in subsection (b) of this section, and aliens who come within the provisions of sections 207, 208,, and 209, the number of aliens born in any foreign state or dependent area who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence, shall not in any of the first three quarters of any fiscal year exceed a total of seventy-two thousand and shall not in any fiscal year exceed two hundred and seventy thousand.".

(b) Section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in subsection (a);

(2) by striking out "(8)" in subsection (a) and inserting in lieu thereof "(7)";

(3) by striking out "or conditional entries" and "and conditional entries" in subsection (e);

(4) by striking out "20 per centum" in subsection (e)(2) and inserting in lieu thereof "26 percent";

(5) by striking out paragraph (7) of subsection (e);

(6) by striking out "(7)" in paragraph (8) of subsection (e) and inserting in lieu thereof "(6)"; and

(7) by redesignating paragraph (8) of subsection (e) as paragraph (7).

(c) Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in subsection (a);

(2) by striking out "20 per centum" in subsection (a)(2) and inserting in lieu thereof "26 percent";

(3) by striking out paragraph (7) of subsection (a);

(4) by striking out "and less the number of conditional entries and visas available pursuant to paragraph (7)" in subsection (a)(8);

(5) by striking out "or to conditional entry under paragraphs (1) through (8) in subsection (a)(9) and inserting in lieu thereof "under paragraphs (1) through (7)";

(6) by redesignating paragraphs (8) and (9) of subsection (a) as paragraphs (7) and (8);

(7) by striking out "(7)" in subsection (d) and inserting in lieu thereof "(6)"; and

(8) by striking out subsections (f), (g), and (h).

(d) Sections 212(a)(14), 212(a)(32), and 244(d) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(14), 1182(a)(32), 1254(d)) are amended by striking out "section 203(a)(8)" and inserting in lieu thereof "section 203(a)(7)".

(e) Subsection (h) of section 243 of the Immigration and Nationality Act (8 U.S.C. 1253) is amended to read as follows:

"(h) The Attorney General shall not deport, or return any alien (other than an alien described in section 241(a)(19)), to any country where such alien's life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion, unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees.".

(f) Section 5 of the Act of October 5, 1978 (Public Law 95-412) is amended by striking out "September 30, 1980" and inserting in lieu thereof "the effective date of the Refugee Act of 1979".

(g) Any reference in any law to section 203(a)(7) of the Immigration and Nationality Act shall be deemed a reference to section 207 of that Act.

TITLE III—TEMPORARY AND TRANSITIONAL ASSISTANCE TO REFUGEES

SEC. 301. (a) Section 2(b) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(b)) is amended to read as follows:

"(b)(1) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(A) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or persons in behalf of whom he is exercising his good offices; for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

"(B) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the foreign policy interests of the United States;

"(C) for payments to appropriate public or nonprofit private agencies to aid in the placement, resettlement, and care of refugees;

"(D) for projects and programs to assist adult refugees in gaining skills and education necessary to become employed or otherwise self-reliant, including facility in English, vocational and technical training, professional refresher training and other recertification services, and social and employment services;

"(E) for payments to State and local agencies for projects to provide special educational services (including facility in English) to refugee children in elementary and secondary schools;

"(F) for child welfare services, including foster care maintenance payments and services and health care, furnished in any of the first twenty-four months during any part of which the refugee is in the United States or, in the case of a child who enters the United States unaccompanied by a parent or other close adult relative (as defined by the President), until the month after such child attains age eighteen (or such higher age as the State's child-welfare services plan prescribes for the availability of such services to any other child in that State), if later; and

"(G) for interim support assistance during the period of initial adjustment, and for income maintenance and medical assistance, except that if a refugee receives aid or assistance under a State plan approved under part A of title IV or under title XIX of the Social Security Act, or for supplementary security income benefits (including State supplementary payments) under the program established under title XVI of that Act, funds authorized under this subsection shall only be used for the non-Federal share of such aid or assistance, or for such supplementary payments.

(A) Subject to the provisions of subparagraph (B) of this paragraph, no payment shall be made under subparagraph (C) or (G) of paragraph (1) with respect to aid or services, furnished directly or through a project or program, to a refugee who entered the United States more than twenty-four months prior to receiving such aid or services, except that for Cuban refugees who entered the United States and received assistance prior to October 1, 1979, assistance will be reimbursed at the rate of 75 percent of non-Federal costs in fiscal year 1980, 60 percent in fiscal year 1981, 45 percent in fiscal year 1982, no reimbursement will be provided for these costs after September 30, 1983, except for the costs associated with current recipients of supplemental security income, for which 100 percent funding will be provided for all years; no recipients who become eligible for supplemental security income after September 30, 1978, will receive this special treatment.

"(B) The period beginning on the date of enactment of this act and ending September 30, 1981, shall not be counted for purposes of computing the twenty-four month limitation period specified in subparagraph (A) of this paragraph.

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

"(4) As used in this section, the term 'refugee' has the same meaning as that prescribed by paragraph (42) of section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)).".

(b) Subsection (a) of this section shall not be considered a law enacted on or after February 7, 1972, for purposes of section 15(a)(1)(A) of the Act of August 1, 1956 (22 U.S.C. 2680(a)(1)(A)).

SEC. 302. Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is further amended by striking out "$25,000,000" in paragraph (2) and inserting in lieu thereof "$50,000,000".

SEC. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TITLE IV—EFFECTIVE DATE

SEC. 401. (a) Except as provided in subsection (b), this Act shall become effective on October 1, 1979.

(b) The repeal of subsections (g) and (h) of section 203 of the Immigration and Nationality Act, made by section 203(c)(8) of this Act, shall not apply with respect to any individual who before the effective date of this Act was granted a conditional entry under section 203(a)(7) of the Immigration and Nationality Act (and under section 202(e)(7) of the Immigration and Nationality Act, if applicable), as in effect immediately before such date, nor shall it apply to any alien paroled into the United States before the effective date of this Act who is eligible for the benefits of section 5 of the Act of October 5, 1978 (Public Law 95-412).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I want to express my thanks to the distinguished Senator from South Carolina, the ranking minority member of the Judiciary Committee (Mr. THURMOND), for his contributions and support of this important reform legislation.

I also want to thank Jerry Tinker, counsel to the Committee for Immigration and Refugee Issues, for his long and important work in moving this legislative proposal to its final consideration tonight by the Senate.

And I would like to acknowledge with thanks the important contributions of several staff members of the committee, including Mr. Barney Dusenbury of Senator THURMOND's staff.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 643.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may speak therein up to 5 minutes each, and that the period not extend beyond 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOVIET COMBAT TROOPS IN CUBA

Mr. THURMOND. Mr. President, the disclosure earlier this week of the presence in Cuba of Soviet combat battalions and support forces represents a direct challenge to President Carter, greatly complicates passage of the SALT II Treaty, and clearly violates the Monroe Doctrine.

In addition, it raises serious questions as to the capability of our own intelligence forces when troops of a brigade size can be placed within 90 miles of our borders without our knowledge. Obviously, these troops were secretly moved into Cuba in a piecemeal fashion over a period of months or years while at the very same time the Soviets have been negotiating with us on SALT and other matters.

The Senate might well consider what would have been the effect of this disclosure had it come when President Carter was in Vienna meeting with Secretary Brezhnev. The embarrassment to our President would have been great and he may have been forced to break up the conference as did Khrushchev when the U-2 plane was shot down prior to the meeting with President Eisenhower.

FOOLISH TO CONSIDER SALT II

My own reaction to this news is that the U.S. Senate would be foolish to even consider any agreement with the Soviet Union under such circumstances. World leaders must certainly wonder about the will and the strength of our Nation when we cannot control events in our own hemisphere.

I do not believe we would be facing such problems if we had moved rapidly to deploy the MX missile, build the B-1 bomber, modernize our Army, and increase the size and strength of our Navy. There is no dounbt in my mind this administration and its policies have been instrumental in placing us in the situation we find ourselves today. Further, the Congress itself must bear some of the blame for accepting these misguided defense policies.

The question now arises as to what is the proper U.S. response in a period of "essential equivalence." Further, what will be our response if a similar situation arises in the early 1980's when the Joint Chiefs of Staff say we will no longer enjoy "essential equivalence?"

STRONG ACTION NEEDED

In my opinion, we must take strong action or the lack of U.S. resolve will be seen as a signal throughout the Western Hemisphere that we are unable to deter Soviet expansionism through its proxy state, Cuba. World leaders would certainly admire us for defending our own turf. If we cannot do that, our ability to act in NATO and elsewhere comes into question. It is better to stand firm now because the longer we wait to act, the weaker our hand will become.

The Senate may recall that the Carter administration suspended the flights of the SR71 Blackbird spy plane over Cuba in 1977. This ill-advised action was taken despite the fact that our intelligence agencies were being seriously damaged by attacks from within the Congress and the administration itself.

In addition to these troops, the Soviets have introduced into Cuba the nuclear-capable Mig-23 aircraft. For a number of months the pilots of the Soviet Air Force have been flying these aircraft in the Caribbean area while Cuban pilots were on combat missions in Africa. Further, Soviet naval activities in Cuba have been expanding for years. Only last month a Soviet naval task force was headed for Cuba before being turned around at the last moment.

Taken all together, the Soviets are moving toward establishing a military outpost in Cuba either to protect Cuba or to strengthen Cuba's hand as it attempts to transfer communism into Latin America.

SOVIET EXPANSION THROUGH CUBA

Mr. President, there is little doubt that Cuba aided Panama during the successful promotion of the Panama Canal treaties. Furthermore, the hand of Cuba was heavily involved in the revolution in Nicaragua and in addition, Cuba sent "advisers" to Grenada to assist the revolutionary government there which recently took power in that island nation in the Caribbean.

The purpose of the Soviet troops may well be to provide security for Cuba as it steps up its activities to establish Communist governments throughout South and Central America as has been done in Africa. The timing for such a move may be triggered by the obvious weakening of U.S. defense forces as reflected in our smaller Navy, the lack of modernization of our Army and the approaching missile gap in our strategic forces.

Mr. President, regardless of the reasons for the location in Cuba of fully equipped combat units, the United States cannot turn its head as we have done in Africa. We must project a forceful policy to meet this challenge, and until such a policy is implemented, only then would the Senate be in a position to evaluate the worth of an agreement with the expansionistic leaders of the Soviet Union.

If we fail to rapidly promote such a policy, we will be inviting trouble throughout Central and South America. Our lack of response will be seen as weakness and an invitation for the Soviets to promote, through Cuba, Communist governments throughout Latin America.

SOVIET TROOPS IN CUBA: IT IS TIME TO DRAW THE LINE

Mr. WARNER. Mr. President, the matter of Soviet combat troops in Cuba has now become a national issue of great significance.

The past few days have seen repeated calls for removal of those troops and some Senators have now urged that consideration of the SALT II Treaty be suspended until such time as those troops are removed.

Clearly, it is time to respond to this latest Soviet provocation with actions, not words. Accordingly, we must take action to let the Soviets know that we are drawing the line—perhaps belatedly, but we are going to draw a line.

There seems to be a trend whereby the United States is failing to respond forcefully to the provocations of the Soviet Union and its proxy countries and, by so failing to respond, we have, in fact, encouraged further provocations.

Consider an event which took place less than a year ago. U.S. intelligence agencies detected the presence of new Soviet M16–23 jet aircraft in Cuba. For the first time the Soviet Union had placed highly capable high performance aircraft in Cuba which were capable of carrying nuclear weapons.

The United States protested the presence of these aircraft in Cuba but quickly accepted a Soviet assurance that the aircraft did not have all the equipment necessary to carry the nuclear weapons.

The nuclear capable aircraft are still in Cuba.

Now we learn that Soviet combat troops are in Cuba, and Secretary Vance is seeking Soviet assurances that those troops do not have a hostile intention or purpose.

I suggest that, if words are our only response this time, the Soviet troops, like the M16–23's, will remain in Cuba for a long time to come.

A strong response is certainly in order, but we must not act hastily and imprudently. Those who have argued that the SALT II Treaty should be held hostage until the Soviet troops are removed have put forth one alternative course of action. But this may or may not be a productive course to pursue, and its consideration must be made in the context of careful analysis of all alternatives.

This morning I requested that the chairman of the Armed Services Committee convene prompt hearings to develop facts and consider alternatives, and I am pleased that those hearings have now been set for Monday morning.

There are alternative courses of action, and I would like to suggest some of them to my colleagues for their consideration.

There are some actions that can be taken now which will send a clear message to Moscow. The United States could suspend indefinitely the granting of trade credits to the Soviet Union. Perhaps it is time that we halt the Soviets from buying tangible goods and advanced technologies with paper promises. Perhaps it is time to stop lending the Soviet Union money at rates cheaper than American home buyers can obtain.

Further, the United States might consider denying indefinitely most-favored-nation status to the Soviet Union—a status which would grant concessionary tariff rates and other advantages to the Soviet Union.

I believe that these and other potential responses should be considered carefully by the President. We can no longer afford to sit idly by and engage in polite diplomatic discourse while the Soviet Union continues to discredit the United States in the eyes of the world.

It is time for the United States to draw the line. Actions speak louder than words.

Mr. President, I ask unanimous consent to have printed in the Record a letter I have addressed to the chairman of the Committee on Armed Services, Senator John C. Stennis, in connection with this matter.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Armed Services,
Washington, D.C., September 6, 1979.
Hon. John C. Stennis,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In response to our conversation of this morning, I would like to formally request that immediate hearings be convened by the Senate Armed Services Committee on the critical issue of the newly-confirmed presence of Soviet combat troops in Cuba.

It is my judgment that this matter clearly falls within the jurisdiction of the Senate Armed Services Committee. I believe the Committee membership should immediately bring to bear its extensive expertise on military matters and provide the Senate and the Nation with our assessment of the current situation.

This is an extremely serious matter, not only from a military and geopolitical viewpoint, but also because it raises serious questions with regard to the adequacy and the integrity of our intelligence-gathering capabilities. I need not remind you that it was only a few short weeks ago that the Senate was assured by senior Administration officials that there was no evidence of any substantial increase in the Soviet military presence in Cuba over the past several years.

Of immediate importance, the Senate is now considering the SALT II Treaty and I, and many of my Senate colleagues, believe that the SALT II Treaty cannot be considered in isolation. Soviet military activities around the world are an important backdrop to our deliberations on the SALT Treaty. Further, there is some sentiment in the Senate that consideration of the SALT Treaty should be held up until the Soviet troops are removed from Cuba. Early hearings would provide a useful forum for considering the implications of such an alternative.

The Senate and the Nation urgently need to have a credible evaluation of the facts on this matter.

With best wishes, I am
Sincerely,
John W. Warner.

ANNIVERSARY OF NEW YORK STATE WORKMEN'S COMPENSATION LAW

Mr. MOYNIHAN. Mr. President, this year, New Yorkers can be proud as we celebrate the anniversary of a pioneering event in the history of social legislation—the enactment 65 years ago of our State workers' compensation law. At its meeting in New York City on May 15, 1979, the Workers' Compensation Board of the State of New York unanimously adopted a resolution, and I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Board Resolution

Whereas, Workers' Compensation in New York State is entering upon its 65th year of continuous operation, having been enacted by Laws of 1913, Chapter 816, effective January 1, 1914, and

Whereas, the 1910 recommendations of the Wainwright Commission to the State Legislature urging the enactment of a Workers' Compensation Law based on the principle of liability without regard to the question of fault heralded a new era of social legislation in this country, and

Whereas, the early legislative recognition of the then novel principle of Workers' Compensation by the largest industrial State in the Union broke down the barriers of opposition and led the way for other States to enact Workers' Compensation legislation, and

Whereas, notwithstanding the declared unconstitutionality of the 1910 Act and the consequent necessity of a State constitutional amendment to make workers' compensation effective, the victory for workers' compensation in the United States was first won in New York in 1910, and

Whereas, millions of workers in this State and elsewhere throughout the country have benefited through the years since 1910, and will continue to benefit from the broad social vision demonstrated by Labor, Management and Government in New York, and

Whereas, New York has set an inspiring example to the rest of the Nation by its enlightened Workers' Compensation program based on the injured worker's free choice of physician, an effective rehabilitation program and the acceleration of workers' compensation adjudications without sacrificing any of the rights of the parties, and

Whereas, New York will host the 65th Annual Convention of the International Association of Industrial Accident Boards and Commissions from September 9th to the 13th, 1979, therefore,

Be it resolved that the New York State Workers' Compensation Board on the occasion of this 65th anniversary dedicate itself anew to the alleviation of the job hazards of accident and occupational illness in our State by achieving the Law's lofty social purposes in the interests of the working men and women of the State, industry and the public alike, and

Be it further resolved that the New York State Workers' Compensation Board celebrate the 65th Anniversary by sponsoring suitable public events designed to re-acquaint the working men and women of our State, industry and the public with the momentous accomplishments of our State in the field of Workers' Compensation, and

Be it further resolved that the New York State Workers' Compensation Board record its recognition and appreciation to those in labor, management, insurance, public service and the medical and legal professions who have labored so faithfully to make Workers' Compensation in New York an effective program.

May 15, 1979.

U.S. ARMS SALES TO IRAN

Mr. PROXMIRE. Mr. President, plans to resume $5 billion in arms sales to Iran are foolhardy and shortsighted. Secretary Kissinger's blank check arms policy failed miserably in Iran and now the current administration is moving down the same path.

When President Nixon and Secretary Kissinger gave the Shah of Iran a blank check on which to order any U.S. weapons, U.S. policy in that region took an inexorable course toward self-destruction. The $8 million per day in weapons ordered by the shah drained his country of financial resources needed for internal development, education, health, and the building of democratic institutions. U.S. policy failed miserably.

Now the Carter administration is starting down the same path in Iran by considering the resumption of $5 billion in standing defense orders from that country.

When the shah was overthrown, Iran had pending orders of $12.6 billion with the United States. The list of weapons read like the most sophisticated lineup in the U.S. arsenal: Spruance class destroyers, F-16 aircraft, Harpoon missiles, Standard missiles, Phoenix missiles, the AWACS, TOLL missiles, and the improved Hawk system. Initially the new Iranian Government and the United States canceled $10.6 billion of the $12.6 billion. Now, however, consideration is being given by certain Iranian spokesmen and U.S. officials to a resumption of $5 billion of prior orders including helicopters, ammunition, artillery, spare parts, and maintenance materials.

Yes, indeed, Iran may sell us three-quarters of a million barrels of oil a day—4 to 5 percent of what we use.

Sure, we get more oil to run our cars, transport our goods, operate our factories, heat and cool our homes and offices. Yes, we might get less if we fail to sell those arms to Iran.

And that means we might have to make a sacrifice if we say no more arms to Iran.

So this is what the great principle of human rights means to us. We are for it if all we have to do is to speak out for it. We are for it if we do not have to give up anything to achieve it. But if we have to risk the loss of some oil to achieve it—then forget it.

What kind of people have we become if our own comfort and ease, our own convenience is more important than human life?

For what purpose are these weapons we give the Iranian dictator to be used. The U.S. State Department says, "to maintain stability in Iran."

The stability of a murdering regime, the government of the Ayatollah that has maintained its power with executions and reprisals.

U.S. arms will be used to subjugate the Kurdish minorities in Iran fighting for autonomy. The United States once encouraged the Kurds to revolt against the Iraqis. Then we pulled the rug out from underneath them. It would be the height of duplicity if we now armed the new Iranian regime so they could further repress minorities in Iran. Surely this would make a mockery of the President's intense concern over human rights.

Mr. President, I ask unanimous consent that a copy of my letter to President Carter on this issue be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 28, 1979.
JIMMY CARTER,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: I have noted that there is increasing speculation that the United States may be entertaining the resumption of significant arms sales to Iran. I personally oppose such sales as an instrument of U.S. policy on many grounds, but I want to bring to your attention just one factor that seems to be forcing the issue at this time.

The Iranian regime is seeking renewed arms sales in order to provide military equipment and supplies for the campaign against the Kurdish minorities in Western Iran. You may remember that the United States covertly supplied the Kurds with military assistance during the early 1970's in order to tie down Iraqi military forces in the Middle East. The Central Intelligence Agency was the vehicle for this aid. Our support was withdrawn precipitously, however, when Secretary Kissinger reached an agreement with the Shah to make the Iranian borders more secure. Thousands of Kurds were killed or displaced in the ensuing military debacle.

Now we are faced with a situation where our military assistance may be brought to bear once again against the Kurdish population—a people who for centuries have fought for independence or local autonomy. This is a clear cut case of repression against a minority population and the systematic violation of their human rights.

May I urge you to consider this factor when the arms sales proposals are brought to your attention. Arms sold to suppress people seeking their political and economic freedom do not well represent U.S. traditions.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

EXPORT-IMPORT BANK FINANCING PRENOTIFICATION

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed loan to assist the export of U.S. goods and services to be used for a gas liquefaction plant (LNG-3) in Algeria. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in an amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a loan in the amount of $313,500,000 to Sonatrach, the state-owned oil and gas monopoly of Algeria, to assist in the purchase from the United States of goods and services to be used in the construction and operation of the LNG-3 gas liquefaction plant at Arzew, Algeria for a total export value of $418 million. Eximbank has previously supported the export of U.S. goods and services for two other liquefaction plants (LNG-1 and LNG-2) and related gas field treatment facilities and a gas pipeline.

The credit proposed by Eximbank for the LNG-3 plant will cover 75 percent of the total cost of U.S. goods and services to be exported from the United States. The loan would bear interest at the rate of 8.5 percent per annum and be repayable in 20 semiannual installments beginning December 31, 1984. The loan will be guaranteed by the Banque Algeriene de Developpement, a government-owned development bank on behalf of the Democratic and Popular Republic of Algeria.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 2, 1979.
Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

H. K. ALLEN.

Enclosure.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 2, 1979.
Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Algeria.

A. DESCRIPTION OF TRANSACTION

1. Purpose.—

Eximbank is prepared to extend a direct credit in the amount of $313,500,000 to Societe Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH), a state-owned enterprise of the Democratic and Popular Republic of Algeria, to assist in financing the export from the United States of U.S. goods and services for the LNG-3 gas liquefaction plant at Arzew, Algeria (LNG-3 Plant).

The total cost of the LNG-3 Plant is estimated at $2,680,900,000, with non-Algerian costs amounting to $1,864,200,000, including U.S. costs of $418,000,000. There has been strong competition for the sale of exports for the LNG-3 Plant by other countries which are providing officially supported export financing totalling $800,000,000.

The LNG-3 Plant is the third large-scale liquefied natural gas plant to be built in the industrial zone at Arzew. The three LNG plants are supported by gas field treatment facilities at Hassi R'Mel in the Sahara desert and five 315-mile gas pipelines connecting the gas field facilities with the LNG plants.

Prior Eximbank financing has been extended to SONATRACH to support the sale and export of U.S. goods and services for the LNG-1 and LNG-2 plants, related gas field treatment facilities, a portion of the gas pipelines, and other related facilities.

2. Identity of the Parties.—

SONATRACH is the state-owned monopoly of Algeria under the jurisdiction of the Ministry of Energy and Petrochemical Industry charged with the responsibility for the development of Algeria's oil and gas resources.

Banque Algerienne de Development is the government-owned development bank which will guarantee repayment of Eximbank's credit for and on behalf of the Democratic and Popular Republic of Algeria.

3. Nature and Use of Goods and Services. The principal goods and services to be exported from the United States for use in the construction and operation of the LNG-3 Plant include U.S. services for engineering, procurement, and construction supervision, and U.S. goods consisting of process vessels, heat exchangers, pumps, steam generators, bulk construction materials and equipment, and portable camp housing. The major U.S. supplier for the project is the Foster Wheeler Corporation, Livingston, New Jersey.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons. The proposed extension of a $313,500,000 credit by Eximbank will facilitate the export of $418,000,000 of U.S. goods and services. In addition to the engineering, design, and construction work that will result from this project for Foster Wheeler, many other firms throughout the United States will receive contracts to supply equipment. Export sales generated by the project will result in an estimated 16,700 man-years of employment in the United States.

There has been very active foreign competition offering official export credit support for this project from, among others, Belgium, Canada, France, Germany, Japan, the Netherlands. and the United Kingdom.

None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services.

The LNG-3 Plant and related system are major elements of Algeria's long-range plan to develop its vast reserves of natural gas. They will generate substantial amounts of foreign exchange earnings for Algeria and will help to expand the world supply of energy. Algeria does not normally dedicate the output of each LNG plant to particular sales contracts; the LNG-1 Plant, which is supplying liquefied natural gas to the U.S. is an exception. However, all of the output of the LNG-3 Plant will be needed to meet the requirements of buyers in Western Europe and the United States under existing sales contracts.

Because of present and past sales of U.S. goods and services with the support of Eximbank financing for Algeria's program for the development of its natural resources, American firms will be in a better position to compete for further export sales under Algerian plans for other projects in such development

2. The Financing Plan. The total cost of U.S. goods and services to be exported from

the United States for the LNG–3 Plant is estimated to be $418,000,000, which will be financed as follows:

Cash payment	$104,500,000	25%
Eximbank credit	313,500,000	75%
Total	418,000,000	100%

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8.5% per annum, payable semiannually. A commitment fee of ½ of 1% per annum will be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms. The Eximbank credit will be repaid by the Borrower in twenty equal semiannual installments beginning December 31, 1984.

Sincerely,

H. K. ALLEN.

EXIMBANK PRENOTIFICATION OF PROPOSED LINE OF CREDIT TO TUNISIA

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed $100 million line of credit to be extended in favor of the Government of Tunisia to finance U.S. export sales to Tunisia. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the proposed line of credit would be utilized by means of a series of subloans to be approved jointly by Eximbank and the borrower on a case-by-case basis. The minimum value in each case would be approximately $3 million. The line of credit would cover 100 percent of the total cost of U.S. goods and services to be purchased by Tunisian entities. The first 50 percent of each subloan (tranche I) will bear interest at a blended rate of between 5 and 5.5 percent per annum and will be repayable over the term normally set by the Bank for the type of project or equipment being financed. The other 50 percent of each subloan (tranche II) will bear interest at the rate of 3.75 percent per annum and be repayable in 36 semiannual installments commencing after a 7-year grace period from the date of authorization by the Bank. The overall repayment term would be 25 years. Eximbank contends the extraordinary terms of the line of credit are necessary to meet competition from "mixed-credit" financing provided to Tunisia by the Governments of France, West Germany, and Japan. Mixed credits blended standard export credits and concessional aid credits to yield terms more concessionary than are customarily offered by export credit agencies.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF
THE UNITED STATES,
Washington, D.C., August 20, 1979.
Hon. WALTER F. MONDALE,
President of the Senate, U.S. Capitol, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Tunisia.

A. DESCRIPTION OF TRANSACTION

1. *Purpose.*—Eximbank is prepared to authorize the establishment of a line of credit of $100,000,000 in favor of the Government of Tunisia (Borrower) to finance the sale of U.S. capital equipment and services (other than commercial jet aircraft) for the use of various Tunisian private or public entities as selected by the Ministry of Planning of the Government of Tunisia.

The purpose of the line of credit is to meet officially-supported mixed-credit financing which is being offered in Tunisia by the Governments of France, West Germany and Japan so as to provide U.S. suppliers equal access to the Tunisian market. The terms of the line of credit, as described below, are designed to match such financing as closely as possible.

Other official export credit agencies have developed the practice of offering "mixed credits" to support their exports. Mixed credits constitute a blending of standard export credits and concessional aid credits, with resulting terms which are much more concessionary than are customarily offered by export credit agencies. Eximbank is opposed to this practice and has attempted, with the assistance of other U.S. Government agencies, to reach agreement with the other major trading countries to refrain from extending mixed credits. Pursuant to Section 908 (a) of the Export-Import Bank Act Amendments of 1978 the Congress authorized and requested the President ". . . to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits, in third country markets as well as within the United States". As reported in the President's letter to the Congress of March 16, 1979, little progress has been made in this regard. As a result, as stated in the President's letter "Eximbank will continue its recently adopted policy of matching mixed credits on a selective basis".

Tunisia is a market which is the recipient of several mixed credit lines. It appears to Eximbank that the only way U.S. exporters can participate in any significant way in sales to such market will be if the U.S. exporters are armed with financing which neutralizes the concessionary financing terms offered by their competitors.

B. EXPLANATION OF THE EXIMBANK FINANCING

1. *General Terms.*—The line of credit will be utilized by means of a series of subloans which will be approved by both Eximbank and the Borrower on a case by case basis. It is expected that each subloan will be used to finance projects in Tunisia having a minimum U.S. export value of approximately $3,000,000 although equipment and smaller transactions may be considered. Subloans under the line of credit may be approved during the period of one year from the date of the agreement establishing the line, unless the period is extended by Eximbank.

2. *The Financing Plan.*—The total cost of the U.S. goods and services to be purchased by Tunisian entities and financed under each subloan will be financed as follows:

	Percent of U.S. cost
Eximbank Credit—Tranche 1	50
Eximbank Credit—Tranche 2	50
Total	100

(a) *Eximbank Charges.* Tranche 1 of each subloan will bear interest at a rate which when blended with the overall cost of the financing for each subloan will result in a blended rate of between 5 and 5.5%. Tranche 2 of each subloan will bear interest at the rate of 3.75% per annum. The Borrower will also pay a commitment fee of 0.5% per annum on the undisbursed portion of each subloan, accruing from the date such subloan is approved by Eximbank.

(b) *Repayments.* Tranche 1 of each subloan will be repaid over a term which Eximbank would normally set for the type of project or equipment being financed under such subloan. Repayment under Tranche 1 will commence approximately six months after completion of the project or delivery of the products being financed by the subloan. Tranche 2 of each subloan will be repaid in 36 semiannual installments commencing after a seven-year grace period from the date of authorization by Eximbank of such subloan for an overall term of 25 years.

Sincerely,

JOHN L. MOORE, Jr.,
President and Chairman.

PRENOTIFICATION OF EXIMBANK LOAN TO TAIWAN

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $212,500,000 to assist the export of U.S. goods and services to be used in construction of the second stage of a steel mill in Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 85 percent of the $250 million in U.S. goods and services to be used in the steel mill project. This loan follows a 1974 Eximbank credit of $80 million and financial guarantee of $40 million for stage I of the steel mill and will enable the facility to double its output to 3 million metric tons per year. The Bank contends that the net employment impact on the U.S. economy will be positive. The Eximbank credit will bear interest at the rate of 7½ per cent per annum and will be repayable in 20 semiannual installments beginning December 30, 1982.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.
August 17, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(1) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make a credit of $212,500,000 available to China Steel Corporation (CSC) to assist CSC in the purchase from United States suppliers of capital equipment, engineering services, related equipment and services for use in the construction of the second stage of an integrated steel mill located at Kaohsiung on the southern coast of Taiwan.

The total cost of the project is estimated to be $1,771,000,000, of which the total cost of U.S. procurement is presently estimated at $250,000,000. The latter figure may be increased to $300,000,000 at a later stage of construction. CSC will obtain export credits or guarantees from the official export credit agencies of Japan and Germany for financing Japanese and German goods and services for the project, estimated at $250,000,000 equivalent from each country, and will also obtain bank loans and make equity contributions to finance the local costs and working capital costs of the project.

In 1974 Eximbank authorized a direct credit of $80,000,000 and a guarantee of a $40,000,000 private loan to assist CSC in financing the U.S. procurement for Stage I of this steel mill. The proposed financing is for Stage II and is expected to increase production from 1,500,000 metric tons (MT) a year to 3,000,000 MT a year.

As of the date hereof $183,000,000 of the initial estimated U.S. costs have been contracted for with the balance to be contracted within the very near future. USS Engineers and Consultants, Inc. (UEC) of Pittsburgh, Pennsylvania, a division of U.S. Steel Corporation, prepared the feasibility study for the project and will perform the engineering, the writing of equipment specifications and the construction and management services. The contract cost for the UEC engineering services is estimated at $18,000,000. Dravo Corporation, also of Pittsburgh, has been awarded the sinter plant and material handling system contracts estimated at $32,800,000.

Combustion Engineering of Windsor, Connecticut has been awarded the steam boiler contract estimated at $5,500,000. Morgan Engineering of Alliance, Ohio and Cleveland Crane of Wickliffe, Ohio have been awarded the crane supply contracts estimated respectively at $18,500,000 and $5,100,000. Wean United of Pittsburgh, Pennsylvania has been awarded a contract having an estimated value of $83,300,000 for various types of equipment. General Electric Company of Salem, Virginia is biding on the drive systems equipment having an estimated value of $60,000,000.

2. Identity of the parties

CSC, organized in 1971 to construct and operate an integrated steel mill, is a corporation 94 percent owned by the governing authorities on Taiwan. The balance of its shares are owned by local private investors. CSC has maintained an excellent credit relationship with Eximbank. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143, through the American Institute in Taiwan, to the Coordination Council for North American Affairs on behalf of CSC.

The Coordination Council for North American Affairs acting on behalf of the governing authorities on Taiwan will unconditionally guarantee payment of CSC's indebtedness under the direct credit.

3. Nature and use of goods and services

The goods to be exported from the United States are equipment for a sinter plant and material handling system, cranes, steam boilers, drive systems, and equipment for related ancillary facilities. The services to be exported are engineering, technical and procurement services connected with the construction and initial operation of the project, as well as ocean freight charges on U.S. flag vessels.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $212,500,000 will facilitate the export of $250,000,000 of United States goods and services. In the event the U.S. export value is increased to $300,000,000, additional financial assistance may be provided at a later date.

The market in the United States for the equipment and services to be financed by the direct credit has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States equipment manufacturers' and engineers' business and enable those firms to retain specialized engineering and technical staffs and production work forces. General Electric Company reports that its Drive Systems Division in Salem, Virginia, as an example in this instance, continues to operate at a depressed level of employment due to lack of domestic and international orders. Over 700 people have been dismissed at this facility as a result of the lack of orders during the last two years. GE is thus in a position to contribute significantly to the improvement of employment in this area as a direct result of orders secured for this project.

Set forth below is a table indicating the U.S. employment estimated as a result of this project (based on a procurement from the United States of $250,000,000):

States	Number of people employed	Number of man-years
Alabama	60	120
Illinois	112	224
Indiana	57	114
Iowa	26	52
Maryland	25	50
Michigan	83	166
Mississippi	55	110
New Jersey	60	120
New York	1,006	2,012
North Carolina	87	174
Ohio	1,077	2,154
Pennsylvania	2,050	4,100
Texas	663	1,326
Virginia	169	338
West Virginia	40	80
Wisconsin	125	250
Total	5,695	11,390

The details for the major suppliers are as follows (area unemployment rates as of March 1979):

(a) UEC supplying engineering and technical services—720 man-years from Pittsburgh, Pennsylvania (6.7 percent unemployment rate);

(b) Dravo Corporation supplying equipment for a sinter plant and material handling system—1,312 man-years principally from Pittsburgh, Pennsylvania (6.7 percent unemployment rate), Newark, New Jersey (6.6 percent unemployment rate), Philadelphia, Pennsylvania (8.0 percent unemployment rate) and Baltimore, Maryland (6.8 percent unemployment rate);

(c) Combustion Engineering supplying the steam boilers—220 man-years principally from Chattanooga, Tennessee (5.1 percent unemployment rate) and Chicago, Illinois (5.5 percent unemployment rate);

(d) Morgan Engineering supplying cranes—740 man-years principally from Alliance, Ohio (6.2 percent unemployment rate);

(e) Cleveland Crane supplying cranes—100 man-years from Wickliff, Ohio (4.5 percent unemployment rate);

(f) Wean United supplying various equipment—3,332 man-years principally from the Pittsburgh, Pennsylvania, Warren and Youngsown, Ohio area (unemployment rates between 6.1 per cent and 6.9 percent); and

(g) General Electric bidding to supply drive systems equipment principally from Salem, Virginia (6.6 percent unemployment rate).

In addition to the U.S. goods and services for this project CSC states that it will purchase in the United States coal and spares to operate the project and the existing mill in the aggregate amount of $20,000,000 to $30,000,000 a year for the foreseeable future.

It should be noted that because of fierce competition regarding price and financing terms from suppliers in Japan, Germany, the United Kingdom and France, supported by their respective official export credit agencies, Eximbank was required to offer the best possible financial package. Some of the proposals offered by suppliers in those countries were cheaper in price than the similar U.S. goods and initially all of the financing costs were lower than those proposed by Eximbank.

In view of the magnitude of the transaction, the necessary repayment term for the type of project and the officially supported foreign competition, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. Impact of transaction on the U.S. economy

According to information supplied to Eximbank by CSC, a portion of the steel from this project is expected to be marketed in the United States. CSC forecasts exports to the U.S. of approximately 100,000 MT of steel plate during the years 1983–1989, an average of about 16,000 MT a year. This annual volume represents about 1.5 percent of U.S. steel plate imports in 1978 and less than one percent of U.S. production of steel plate. Eximbank estimates that if all these imports displaced U.S. production (considered unlikely), this transaction would affect adversely only 560 man-years of U.S. steelworker employment during the term of the Eximbank loan. CSC expects to discontinue its exports to the United States after 1989 because local demand then is expected to consume their entire production.

The project also forecasts exports of around 12,000 MT a year to other Asian markets for the years 1983–1989. If these were to displace U.S. exports to Asia ton for ton (extremely unlikely), the project would affect adversely an additional 420 man-years of U.S. steelworker employment. Hence the potential total negative impact on the U.S. economy would be a maximum of 980 man-years of U.S. steel-worker employment.

This potential adverse impact, however, must be compared with the favorable U.S. employment impact associated with the $250,000,000 in U.S. export sales for the project. These sales will support over 11,390 man-years of U.S. employment, including directly some 5,000 man-years in various steel equipment manufacturers throughout the United States. Thus the net positive economic impact in just the steel product area is over 4,000 man-years of U.S. labor. These employment figures become even more positive when the favorable impact from the related exports of U.S. coal and spares are added.

Finally, it should be noted that CSC intends to construct this project and export the products therefrom whether or not they are able to source their procurement in the United States supported by Eximbank financing. Therefore, the possible negative effects from the project on the U.S. economy will be felt in any event. By providing financial support for U.S. exporters, Eximbank enables these negative factors to be offset by the much larger positive benefits resulting from the export of some $250,000,000 of U.S. goods and services.

3. The financing plan

The total cost of United States goods and services to be purchased by CSC will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$37, 500, 000	15. 0
Eximbank credit	212, 500, 000	85. 0
Total	250, 000, 000	100. 0

(a) *Eximbank charges*

The Eximbank credit will bear interest at the rate of 7½% per annum, payable semi-annually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) *Repayment terms*

The Eximbank credit will be repaid by CSC in semiannual installments beginning December 30, 1982.

Sincerely,

JOHN L. MOORE, Jr.

THE GENOCIDE CONVENTION: A NEW COMMITMENT

Mr. PROXMIRE. Mr. President, history has taught us that there are times when a dynamic leader with a fresh approach can capture the imagination of a people and guide them in a new direction. Such a leader was John F. Kennedy.

In his stirring inaugural address, President Kennedy stated that his generation of Americans was "unwilling to witness or permit the slow undoing of those human rights to which this Nation has always been committed."

Mr. President, I sincerely believe that J.F.K.'s view of our commitment to human rights still holds true in 1979. Yet there are times when the strength of that commitment is called into question. One reason is the Senate's failure to ratify the Genocide Convention.

We in the Senate have stood by while seven consecutive administrations have urged the treaty's ratification. Republican and Democratic administrations alike have urged the Senate to approve this treaty and thus bring the United States back into the mainstream of the human rights drive. And the Senate has consistently refused.

Mr. President, it is time to ask ourselves whether we are genuinely committed to furthering human rights. Were President Kennedy's eloquent words in 1961 a misperception of the values this Nation holds? I do not believe so.

I am confident that this body will not permit the "slow undoing" of human rights in any area of the world. In this light, I am also confident that the Senate will recognize the need for ratifying the Genocide Convention.

ILLINOIS BRICK LEGISLATION

Mr. PRYOR. Mr. President, in recent weeks I have given careful consideration to S. 300, the so-called Illinois Brick legislation, which would overrule the Supreme Court decision by that name. Based on a thorough evaluation of all sides of this important issue—consumers, business and legal—I have decided to oppose the enactment of S. 300 in its present form.

In the Illinois Brick case the Supreme Court held that only the first, or direct, purchaser has the right to sue a violator of the antitrust laws. Because they feel it is unfair to forbid suits by consumers and other indirect purchasers who end up bearing the cost of price-fixing violations, supporters of S. 300 would allow suits against alleged violators by everyone in the chain of distributions—direct and indirect purchasers alike. If an overcharge resulting from price-fixing is passed through the different levels of distribution, the recovery would be allocated among the people who had to pay it.

While this arrangement may sound ideal, the Supreme Court expressed grave concerns, which I share, that it asks the courts to do the impossible. In effect, courts would have to bring every potential claimant into a single lawsuit and then try to sort out who gets what. Faced with the prospect of imposing such unmanageable administrative burdens on the court system, the Supreme Court chose practicality over judicial chaos and thereby limited price-fixing suits to those brought by direct purchasers. In view of overwhelming burdens already confronting the courts, I feel that this was a wise decision.

I also think that the Court made the correct decision in Illinois Brick in terms of promoting the effective enforcement of the antitrust laws.

The main purpose of private antitrust suits for treble damages is to deter violators. Congress added the treble damage feature to induce private actions and complement Government enforcement efforts.

In Illinois Brick the Court found that the deterrent effect is greater when only direct purchasers can sue. This is because direct purchasers are in the best position to detect violations, their claims are usually large and their chances of winning significant awards is a powerful inducement to bring suit against a violator.

A study prepared for the Senate Judiciary Committee in 1978 by Francis Kirkham, examined the enforcement activity in two important antitrust districts where suits by indirect purchasers were clearly permitted. The findings sharply contradict one of the basic premises of S. 300: That direct purchasers do not sue their suppliers. The study shows that a large majority of price-fixing cases were brought by direct purchasers, while indirect purchasers brought suit in only a few instances and actually initiated the litigation in almost none. I am convinced that the treble damage feature is functioning as Congress intended it do, and price-fixing suits by direct purchasers are an effective deterrent against violators.

While the legislation which the Judiciary Committee ordered reported is somewhat different than the Illinois Brick that was originally introduced, in my view, it would still seriously undermine the effective enforcement of the antitrust laws and overburden the court system. Consumers, the intended beneficiaries, would be the ultimate losers, while lawyers would reap a bonanza. Therefore, Mr. President, I oppose S. 300 as presently drafted.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended under the same conditions for a period of not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders numbered 317, 318, 319, and 321.

The PRESIDING OFFICER. Without objection, it is so ordered.

BICENTENNIAL MEDALS

The bill (S. 1515) to authorize the striking of bicentennial medals, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the adoption of the Constitution of the United States of America and of those individuals who participated in the American Revolution, the Secretary of the Treasury shall strike and furnish to the United States Capitol Historical Society (hereinafter referred to as the "Society") not more than fifty thousand medals each year with suitable designs, emblems, and inscriptions to be determined by the Society, with the concurrence of the Commission of Fine Arts, subject to the approval of the Secretary of the Treasury. Subject to the availability of the production facilities of the Bureau of the Mint, the medals shall be struck and delivered at such time as may be required by the Society in quantities not less than two thousands medals of each alloy authorized in this Act, but no medals shall be struck after December 31, 1989. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes (31 U.S.C. 368).

Sec. 2. The medals shall be furnished by the Secretary of the Treasury to the Society at a price equal to the cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, plus a surcharge equal to 50 per centum of such cost of manufacture. Such surcharge shall be deposited in the Treasury as miscellaneous receipts. Security satisfactory to the Director of the Mint shall be furnished by the Society to indemnify the United States for full payment of the cost of manufacture.

Sec. 3. The medals authorized to be issued pursuant to this Act shall be struck in bronze, silver, and gold and shall be of such size or sizes as is determined by the Secretary of the Treasury in consultation with the Society.

Sec. 4. Any agreement or contract entered into by the Society and an individual or corporation for the marketing of the medals authorized by this Act shall provide that at least 75 per centum of the net profit arising from the sale of the medals shall accrue to the Society.

SEC. 5. The Comptroller General of the United States shall have the right to examine all books, records, documents, and other data of the Society as may be related to the medals authorized by this Act, including all records and documents pertaining to the marketing of the medals.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The bill (S. 1454) to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and section 850(1)(B) and section 8521(a)(1) of title 5, United States Code, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Act of August 10, 1956, as amended (70A Stat. 619) (33 U.S.C. 857a(a)), is amended by adding at the end thereof the following new paragraph:

"(13) Section 716, Commissioned officers: transfers between armed forces.".

SEC. 2. Section 716 of title 10, United States Code, is amended—

(1) by inserting the words "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the term "armed force" wherever it appears in the first sentence;

(2) in the second sentence, by striking out the word "and" after the word "Defense" and inserting in place thereof a comma, and by inserting after the word "operating" the words ", and the Secretary of Commerce"; and

(3) inserting the following sentence at the end thereof: "An officer transferred under this section shall be credited for retirement and pay purposes with the same years of service with which he had been credited on the day before his transfer.".

SEC. 3. Section 1006 of title 37, United States Code, is amended by inserting the following sentence at the end of subsection (a): "For the purpose of this section the term 'armed force' includes the Commissioned Corps of the National Oceanic and Atmospheric Administration.".

SEC. 4. Title 5, United States Code, is amended as follows:

(1) Clause (1)(B) of section 8501 is amended to read "(B) as a member of the armed forces or the Commissioned Corps of the National Oceanic and Atmospheric Administration;" and

(2) Clause (a)(1) of section 8521 is amended by inserting the phrase "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the phrase "armed forces".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVITALIZING THE UNITED STATES DOMESTIC CRUISE AND PASSENGER SERVICE

The Senate proceeded to consider the bill (S. 1281) to clarify that the steamship *United States* may operate in the domestic and/or foreign commerce of the United States and/or between foreign ports, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. Notwithstanding the provisions of section 506 of the Merchant Marine Act, 1936 (46 U.S.C. 1156), section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), and any other provision of law, the Secretary of the department in which the United States Coast Guard is operating shall cause the vessel Oceanic Independence (official Coast Guard numbered 261147) and the vessel steamship Santa Rosa (official Coast Guard numbered 276598) to be documented as vessels of the United States entitled to engage in the coastwise trade, so long as—

(1) in the case of the Oceanic Independence—

(A) the vessel is in compliance with the usual requirements for vessels engaging in the coastwise trade,

(B) any rebuilding or repair work on the vessel shall be accomplished after documentation as a vessel of the United States, except that the vessel shall not lose its coastwise privileges if the work necessary to install a bow thruster in the vessel and to equip it with sewage holding tanks to comply with international standards is performed outside the United States, its territories (not including the trust territories) or its possessions before the vessel engages in the coastwise trade following enactment of this Act,

(C) the vessel is owned by a citizen or citizens of the United States as defined in the applicable laws prescribing the qualifications for vessels to engage in the coastwise trade, and

(D) for hire carriage in such trade is limited to passengers and their accompanying baggage.

(2) in the case of the steamship Santa Rosa—

(A) prior to such documentation the owner of the steamship Santa Rosa repays to the Secretary of Commerce, upon such terms and conditions as the Secretary may prescribe, an amount which bears the same proportion to the total construction differential subsidy paid for such vessel as the remaining economic life of the vessel bears to the total economic life of the vessel, and

(B) for hire carriage in such trade is limited to passengers and their accompanying baggage.

SEC. 2. Section 2 of Public Law 92–296 (86 Stat. 140), as amended by Public Law 94–536 (90 Stat. 2497), is further amended by inserting after the words "American flag" the following "in the domestic and/or foreign commerce of the United States and/or between foreign ports notwithstanding the provision of section 506 of the Merchant Marine Act, 1936: *Provided*, That for hire carriage in the domestic commerce of the United States is limited to passengers and their accompanying baggage,".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship United States, steamship Oceanic Independence, and steamship Santa Rosa into the trade.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL BANKING ACT AMENDMENTS

The bill (S. 1646) to amend the International Banking Act of 1978 (Public Law 95–369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(b) of the International Banking Act of 1978 (Public Law 95–369) is amended by the addition of the following new paragraph:

"Notwithstanding the previous paragraph, a branch of a foreign bank in operation on the date of enactment of this Act which has applied for Federal deposit insurance pursuant to section 5 of the Federal Deposit Insurance Act by September 17, 1979, and has not had such application denied, may continue to accept domestic retail deposits until January 31, 1980.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1937. A communication from the Assistant Secretary for Food and Consumer Services, Department of Agriculture, transmitting, pursuant to law, a report on "Food Consumption and Nutrition Evaluation, The National School Lunch Program; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1938. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes, as amended, for the appropriation: Emergencies in the Diplomatic and Consular Service, State, 1979, 1990522; to the Committee on Appropriations.

EC–1939. A communication from the Secretary of Defense, reporting, pursuant to law, three violations of the Anti-Deficiency Act (Section 3679, Revised Statutes), and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations"; to the Committee on Appropriations.

EC–1940. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $9.5 million in the Army Stock Fund and $16.1 million in the Navy Stock Fund for reserve stocks; to the Committee on Appropriations.

EC-1941. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter April 1, 1979 through June 30, 1979; to the Committee on Appropriations.

EC-1942. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, relating to certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—San Luis Water District—Central Valley Project, California; to the Committee on Appropriations.

EC-1943. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment and material for the second quarter of fiscal year 1979; to the Committee on Appropriations.

EC-1944. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Difficulties in Selected Army Recruiting Under the All-Volunteer Force," August 20, 1979; to the Committee on Armed Services.

EC-1945. A communication from the General Counsel, Department of the Air Force, transmitting, pursuant to law, a report of investigation re allegations made by Mr. Donnie G. Lee, an employee of the commissary of Scott Air Force Base, Illinois; to the Committee on Armed Services.

EC-1946. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Army Procurement of 10kw, 600Hz Gas Turbine Generators Is Highly Questionable," August 9, 1979; to the Committee on Armed Services.

EC-1947. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting, pursuant to law, a report concerning the Selected Reserve recruiting and retention incentives authorized by those sections of public law; to the Committee on Armed Services.

EC-1948. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on real and personal property of the Department of Defense, as of 30 September 1978; to the Committee on Armed Services.

EC-1949. A communication from the Secretary of Defense, reporting, pursuant to law, on approvals under section 407(a) of the annual compensation of any office or employee of a Federal Contract Research Center (FCRC) in excess of $45,000 from federal funds; to the Committee on Armed Services.

EC-1950. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the Act of August 29, 1974 (88 Stat. 795; 10 U.S.C. 8202 note), as amended (92 Stat. 719; 10 U.S.C. 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force and to provide continuing authority for certain existing personnel management procedures in the armed forces, and for other purposes; to the Committee on Armed Services.

EC-1951. A communication from the Secretary of the Army, reporting, pursuant to law, that the U.S. Army intends to initiate chemical agent/munitions disposal operations for the M55 rocket, GB filled, at the Chemical Agent Munitions Disposal System (CAMDS), Tooele Army Depot, Tooele, Utah on or about September 10, 1979; to the Committee on Armed Services.

EC-1952. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend Section 7227, title 10, United States Code, to provide for the furnishing of routine port services at no cost to visiting naval vessels of a friendly foreign country, when by agreement or custom such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

EC-1953. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 52 Selected Acquisition Reports (SARs) and the SAR Summary Tables for the quarter ending June 30, 1979; to the Committee on Armed Services.

EC-1954. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Weaknesses in Servicing and Accounting for Home Mortgages Held by HUD," August 16, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-1955. A communication from the Acting Secretary of Transportation, transmitting, pursuant to law, a report on the Northeast Corridor Improvement Project, Fiscal Year 1978: to the Committee on Commerce, Science, and Transportation.

EC-1956. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36525, Sierra Railroad Company v. Southern Pacific Transportation Company, et al., within the specified time limits; to the Committee on Commerce, Science, and Transportation.

EC-1957. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products—May 1979"; and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline—May 1979"; to the Committee on Energy and Natural Resources.

EC-1958. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the Presidential Oil Pollution Insurance Study; to the Committee on Energy and Natural Resources.

EC-1959. A communication from the Acting Secretary of Transportation, transmitting, pursuant to law, a revised estimate of the cost of completing the National System of Interstate and Defense Highways prepared for the purpose of determining apportionment factors for Interstate System funds authorized for the fiscal years ending September 30, 1981, and September 30, 1982; to the Committee on Environment and Public Works.

EC-1960. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Courthouse, 1010 Fifth Avenue, Seattle, Washington, in the amount of $3,989,000; to the Committee on Environment and Public Works.

EC-1961. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal Building-U.S. Courthouse, 4th and F Street, Anchorage, Alaska, in the amount of $6,968,000; to the Committee on Environment and Public Works.

EC-1962. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Universal North Building at 1875 Connecticut Avenue, N.W., Washington, D.C.; to the Committee on Environment and Public Works.

EC-1963. A communication from the Acting Deputy Administrator, General Services Administration, reporting, pursuant to law, that a prospectus submitted July 5, 1978, for the U.S. Post Office-Courthouse, Cincinnati, Ohio, in the amount of $3,784,000, presently before the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation, be removed from the list of prospectuses pending congressional approval and requesting it be returned to the General Services Administration (GSA); to the Committee on Environment and Public Works.

EC-1964. A communication from the Chairman, Task Force on Environmental Cancer and Heart and Lung Disease, transmitting, pursuant to law, the second annual report of the task force, August 7, 1979; to the Committee on Environment and Public Works.

EC-1965. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement on Yellowstone and Tongue Rivers, Miles City, Montana, project; to the Committee on Environment and Public Works.

EC-1966. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Noncontributory Social Security Wage Credits for Military Service Should be Eliminated," August 8, 1979; to the Committee on Finance.

EC-1967. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "IRS Can Improve its Process for Deciding Which Corporate Returns to Audit," August 3, 1979; to the Committee on Finance.

EC-1968. A communication from the Special Representative for Trade Negotiations, reporting, pursuant to law, on certain trade practices of foreign governments; to the Committee on Finance.

EC-1969. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report of the Social Security Administration; to the Committee on Finance.

EC-1970. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Yemen; to the Committee on Foreign Relations.

EC-1971. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Tanzania; to the Committee on Foreign Relations.

EC-1972. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (BRD), the Group of Controllers' evaluation reports by the Inter-American Development Bank (IDB), and post-evaluation reports by the Asian Development Bank (ADB); to the Committee on Foreign Relations.

EC-1973. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days atfer the execution thereof; to the Committee on Foreign Relations.

EC-1974. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Participation in International Organizations: An Update," August 10, 1979; to the Committee on Foreign Relations.

EC-1975. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–1976. A communication from the Secretary of State, transmitting, pursuant to law, the twenty-sixth report on the extent and disposition of United States contributions to international organizations for the fiscal year 1977; to the Committee on Foreign Relations.

EC–1977. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1978; to the Committee on Foreign Relations.

EC–1978. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Civil Agencies Can Do a Better Job of Negotiating Noncompetitive Contracts Priced Over $100,000"; to the Committee on Governmental Affairs.

EC–1979. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC–1980. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC–1981. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend sec. 301, title 13, U.S.C. to protect confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Governmental Affairs.

EC–1982. A communication from the Deputy Secretary of Energy, transmitting, pursuant to law, a report on a new system of records for the Department of Energy under the Privacy Act; to the Committee on Governmental Affairs.

EC–1983. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Information Management Policies Needed: A Study of Scientific and Technical Bibliographic Services"; to the Committee on Governmental Affairs.

EC–1984. A communication from the General Counsel of the Office of Administration, Executive Office of the President, transmitting, pursuant to law, a report on a new system of records for the Executive Office of the President under the Privacy Act; to the Committee on Governmental Affairs.

EC–1985. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 17, 1979; to the Committee on Governmental Affairs.

EC–1986. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 17, 1979; to the Committee on Governmental Affairs.

EC–1987. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 3, 1979; to the Committee on Governmental Affairs.

EC–1988. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, the ninth quarterly report covering the activities of the Office of Inspector General for the period April 1 to June 30, 1979; to the Committee on Governmental Affairs.

EC–1989. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Analysis of the Effects of Indexing for Inflation on Federal Expenditures"; to the Committee on Governmental Affairs.

EC–1990. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for July 1979; to the Committee on Governmental Affairs.

EC–1991. A communication from the Acting Administrator of the Office of Federal Procurement Policy, Executive Office of the President, transmitting, pursuant to law, the first and second quarterly reports and selected special analyses as initial publications of the Federal Procurement Data System; to the Committee on Governmental Affairs.

EC–1992. A communication from the President of the United States, transmitting, pursuant to law, the fourth annual report of executive branch activities covered by the Privacy Act of 1974; to the Committee on Governmental Affairs.

EC–1993. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Marine Corps under the Privacy Act; to the Committee on Governmental Affairs.

EC–1994. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC–1995. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC–1996. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC–1997. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC–1998. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Implementation of Major System Acquisition Process—A–109—Is Inconsistent Among Civil Agencies"; to the Committee on Governmental Affairs.

EC–1999. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Availability of Ground Water on Federal Land near the Ak-Chin Indian Reservation, Arizona—A Reconnaissance Study"; to the Select Committee on Indian Affairs.

EC–2000. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law the final report of the American Indian Religious Freedom Task Force; to the Select Committee on Indian Affairs.

EC–2001. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

EC–2002. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 1,555 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC–2003. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC–2004. A communication from the Chairman, Board of Directors, Future Farmers of America, transmitting, pursuant to law, a report of audit of the Future Farmers of America for the fiscal year ended June 30, 1979; to the Committee on the Judiciary.

EC–2005. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Juvenile Delinquency-Related Activities: Coordination and Information Dissemination Are Lacking," August 3, 1979; to the Committee on the Judiciary.

EC–2006. A communication from the Director of Management, Office of the Special Representative for Trade Negotiations, transmitting, pursuant to law, a report on requests for documents under the Freedom of Information Act (FOIA); to the Committee on the Judiciary.

EC–2007. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 844 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC–2008. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 2,394 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–2009. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1978 annual report on the National Health Service Corps; to the Committee on Labor and Human Resources.

EC–2010. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report for FY 1977 and 1978 on roles, resources, and responsibilities of Federal programs and activities relating to Emergency Medical Services; to the Committee on Labor and Human Resources.

EC–2011. A communication from the Chairman, National Commission for Employment Policy, transmitting, pursuant to law, a report entitled "The Impact of CETA Eligibility Criteria on Single Heads of Households," June 28, 1979; to the Committee on Labor and Human Resources.

EC–2012. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the present and future direction of the National Health Service Corps (NHSC); to the Committee on Labor and Human Resources.

EC–2013. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

EC–2014. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Effect of the Department of Labor Resource Allocation Formula on Effort to Place Food Stamp Recipients in Jobs (A Supplement to Comptroller General's Report CED–78–60 April 24, 1978)," August 15, 1979; to the Committee on Labor and Human Resources.

EC–2015. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1978 to January 1979; to the Select Committee on Small Business.

EC–2016. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October-December 1978; to the Select Committee on Small Business.

EC–2017. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, August 1979; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, and the Select Committee on Small Business, jointly, pursuant to the order of January 1, 1975.

PETITIONS

The **PRESIDING OFFICER** laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–416. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION NO. 36

"Whereas, Section 301 of Title 37 of the United States Code has been amended to deny flight crew status, and thus incentive pay for flight duty, to Air Force nurses; and

"Whereas, Air Force Regulation 35–41 requires Air Force Reserve and Air Guard nurses to be actively employed in their field two days per week or pursuing a degree in nursing; and

"Whereas, Noncompliance with Air Force Regulation 35–41 results in nonactive, nonpay reserve status until the person dies or retires; and

"Whereas, No other profession in the reserves imposes such a requirement, nor do Army or Navy reserves impose such requirements; and

"Whereas, The result is a severe and disparate impact on females because a large majority of reserve nurses are female; and

"Whereas, This disparate treatment is unfair to these loyal reserve nurses who have served their country with compassion and devotion; and

"Whereas, The Air Force nurses have exhausted all available manners of redress at their disposal; and

"Whereas, The Air Force nurses are supported by the American Nurses' Association as well as the California Nurses' Association which has long espoused the rights of registered nurses to fair and equitable treatment in conditions of employment; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California memorializes the Congress of the United States to amend Section 301 of Title 37 of the United States Code and the Department of the Air Force to amend Air Force Regulation 35–41 so that they no longer produce a discriminatory impact on Air Force nurses; and be it further

"*Resolved,* That the Legislature of the State of California memorializes the Congress of the United States to establish a special investigatory committee to review other labor practices engaged in by the Air Force which might result in discrimination against Air Force nurses and to implement a program to avoid any such discriminatory practices in the future; and be it further

"*Resolved,* That the Secretary of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Secretary of Defense, the Secretary of the Air Force, the Assistant Secretary of the Air Force, the Air Force Chief of Staff, the Speaker of the House of Representatives, the Chairman of the Senate Committee on Armed Services, the Chairman of the House of Representatives Committee on Armed Services, and to each Senator and Representative from California in the Congress of the United States."

POM–417. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION NO. 40

"Whereas, It is the policy of the State of California to encourage the preservation and improvement of rail passenger service as an important national resource and a necessary alternative to long-distance travel by private automobile during these times of scarcity and escalating costs of fuel; and

"Whereas, The Department of Transportation of the State of California (Caltrans) on May 14, 1979, filed a complaint in the United States District Court for the Eastern District of California to enjoin the severe reductions in rail passenger service proposed by the President and Congress for the National Railroad Passenger Corporation (Amtrak) not only within California but also across the nation; and

"Whereas, The proposed reduction in rail passenger service will, among other adverse impacts within California, eliminate approximately 300 route miles of service; terminate service to such important communities as Stockton, Riverbank, Merced, and Hanford; discourage prospective rail passengers between Los Angeles and Chicago by increasing the travel time 11½ hours; hinder the state program of underwriting certain Amtrak operating deficits instituted pursuant to Section 4 of Chapter 1130 of the Statutes of 1975; and cause increases in both air pollution and fuel consumption particularly within the San Joaquin Valley which is even presently not in compliance with federal air pollution standards; and

"Whereas, The proposed reductions in rail passenger service will, among other adverse impacts for the rest of the nation, eliminate access to intercity rail passenger service for approximately 41 million persons; displace approximately 5,800 Amtrak and operating railroad employees; terminate rail passenger service at approximately 213 stations with consequent environmental, cultural, economic, and historical impacts; result in an increase in energy consumption in 28 of the 42 states directly affected by the proposed reductions in service; cause increased air pollution in 41 of these 42 states; burden interstate trucking by causing increases in the number of cars and buses on interstate highways; and disrupt local transportation and community planning; and

"Whereas, These proposed cutbacks in Amtrak service are embodied in a controversial Final Report to Congress prepared by the United States Department of Transportation dated January 1979, and this report fails to include either a detailed environmental impact statement as required by the National Environmental Policy Act or the information required by the Amtrak Improvement Act of 1978; and

"Whereas, The proposed reductions in service will violate the Clean Air Act, the National Historic Preservation Act, and significant constitutional rights of the citizens of California, such as the right of travel and the due process guarantee of a full and fair hearing relating to the discontinuance of rail passenger service; and

"Whereas, The State of Texas has also filed a lawsuit in the United States District Court for the Southern District of Texas on May 22, 1979, to enjoin these rail passenger service reductions; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California expresses its support for the legal actions instituted by Caltrans to enjoin the proposed reductions in rail passenger service by Amtrak, respectfully memorializes the President and Congress to act swiftly to eliminate these ill-advised proposed cutbacks in Amtrak service, and urges all other states which would be adversely affected by restructured and reduced Amtrak service to institute legal actions similar to those instituted by California and Texas; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the United States Department of Transportation, and to the Governors of all the other States in the United States."

POM–418. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION NO. 33

"Whereas, An important function of government is to provide safe and efficient transportation facilities and services for the people of California and the United States including a safe air transportation system; and

"Whereas, Many major airports in the State of California serve both commercial air carriers and general aviation; and

"Whereas, The collision of a commercial passenger airliner with a small private airplane over San Diego on September 25, 1978, has focused attention on the concern for air travel safety in the congested airspace near major airports; and

"Whereas, Aviation professionals across the nation have expressed concern that actions proposed by the Federal Aviation Administration as a result of the San Diego midair collision may not significantly improve air travel safety in congested airspace near major airports; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Congress of the United States is respectfully memorialized to require an impartial agency not presently responsible for air safety matters at the earliest possible date to conduct a study of congested airspace problems and to consider appropriate measures to maximize air safety for the benefit of the traveling public, including the feasibility of allowing both general and commercial aviation traffic in the same airspace above major air carrier airports and the state of current technology on collision avoidance systems; and be it further.

"*Resolved,* That copies of this resolution be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of Transportation, and to the Administrator of the Federal Aviation Administration."

POM-419. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Commerce, Science, and Transportation:

"HOUSE JOINT RESOLUTION No. 43

"Whereas, rail transportation is critically important to agriculture and the entire economy of Montana, and agriculture and industry in Montana are vitally in need of adequate and efficient rail transportation; and

"Whereas, the current bankruptcy proceeding involving the Chicago, Milwaukee, St. Paul and Pacific Railroad, commonly known as the Milwaukee Road, is of great concern to Montana; and

"Whereas, the proposed abandonment of rail lines serving Montana will work a significant hardship on the citizens of the state; and

"Whereas, the Milwaukee Road employs about 750 persons in Montana, serves 23 counties, and contributes approximately $750,000 a year in property taxes; and

"Whereas, the Milwaukee Road is a major component of the state transportation system, serving over 150 stations and providing both direct service and connections with other lines; and

"Whereas, the Milwaukee Road serves 31 public warehouse and grain dealer facilities, and these facilities have a storage capacity of 4,332,000 bushels and would be without rail service in the event the Milwaukee line is abandoned; and

"Whereas, the maintenance of a balanced transportation system is desirable to foster competition; and

"Whereas, if abandonment occurs, Montana will lose jobs, shipping capacity, local tax revenues, and the advantages of competition; and

"Whereas, numerous state agencies and officers, including the Attorney General, the Department of Agriculture, the Department of Highways, and the Public Service Commission, are actively involved in the Milwaukee Road proceedings and in developing plans to revitalize and rehabilitate rail transportation.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature strongly supports those actions designed to minimize the reduction of the Milwaukee Road system and encourages private enterprise to develop and promote plans to revitalize the rail transportation system.

"Be it further resolved, that the Legislature urges the bankruptcy court in the Milwaukee Road case (Cause No. 77 B 8999, In the Matter of the Chicago, Milwaukee, St. Paul and Pacific Railroad) to direct Trustee Hillman to develop and work towards an alternative to abandonment which would allow viable and profitable operation of the Milwaukee Road.

"Be it further resolved, that the Legislature supports the expansion of markets for Montana products including but not limited to agricultural and forest products and coal resources and other minerals.

"Be it further resolved, that priority consideration for maintaining the Milwaukee Road is required to facilitate movement of such products and associated services.

Be it further resolved, that the Legislature commends and supports the efforts of private citizens and private groups such as SORE (Save Our Railroad Employment) to maintain the Milwuakee Road.

"Be it further resolved, that the Legislature urges the Congress of the United States to continue and expand federal programs and assistance designed to revitalize and rehabilitate the nation's rail transportation system.

"Be it further resolved, That copies of this resolution be sent by the Secretary of State to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of Montana's Congressional Delegation, the Secretary of the Department of Transportation, the bankruptcy court in the Milwaukee Road case, and to the trustee of the Chicago, Milwaukee, St. Paul and Pacific Railroad attesting the adoption of this joint resolution by the 46th Legislature of the State of Montana."

POM-420. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 37

"Whereas, the Pacific Northwest has a unique electrical generating system which has in the past been dependent upon private and public hydroelectric facilities; and

"Whereas, implementation of a comprehensive energy conservation program combined with generation of expensive thermal electric power will both be required to insure adequate energy in the future; and

"Whereas, the region's power facilities are linked in a delivery system administered primarily by the Bonneville Power Administration, the United States Army Corps of Engineers, and the Bureau of Reclamation; and

"Whereas, Congress has considered and will consider several bills dealing with regional energy planning in the Pacific Northwest, including the Pacific Northwest Electric Power Planning and Conservation Act, which will be introduced in the current session of Congress; and

"Whereas, some of the proposals, including the Act, would grant significant powers to the Bonneville Power Administration in the areas of regional power planning and resource acquisition; and

"Whereas, because of Montana's abundant energy resources and its inclusion in the Bonneville Power Administration marketing area, Montana will be significantly affected by any regional energy plan which is implemented; and

"Whereas, Montana has enacted numerous statutes enabling its citizens through their legislature to control energy and resource development in this state, including the Montana Major Facilities Siting Act, the Montana Strip and Underground Mine Reclamation Act, and the Strip and Underground Mine Siting Act, among others; and

"Whereas, the legislature, the citizens, and the Congressional delegation of the state of Montana desire to insure that federal legislation relating to Pacific Northwest Regional Energy Planning will not preempt the Montana Major Facility Siting Act and environmental laws relating to electric utilities or the ratemaking power of the Montana Public Service Commission; and

"Whereas, Montana reaffirmed its commitment to control energy development when its citizens overwhelmingly approved a ballot initiative requiring public approval on the siting of nuclear facilities; and

"Whereas, the Administration and the Congressional delegation of the state of Montana, as reflected in the testimony of the Governor on the Pacific Northwest Electric Power Planning and Conservation Act, are concerned that some of the proposals for Pacific Northwest regional energy planning, including the Act, may preempt those statutes and the ratemaking power of the Montana Public Service Commission; and

Whereas, Montana state government representatives and Montana citizens in testimony on this legislation have reaffirmed Montana's commitment to energy conservation and have stated their concern that those ultimately responsible for regional energy are accountable to the public; and

"Whereas, similar programs for citizen control of development or resources, of energy conservation, and of ratemaking exist in the other Pacific Northwest states; and

"Whereas, the coordination of regional energy policy is a major concern of the Pacific Northwest states and the federal government, and will require that decisions about the region's energy policy be reached collectively; and

"Whereas, the proposed legislation should permit the unique use of Bonneville Power Administration power revenues to finance cost-effective investments in energy conservation and renewable energy sources and should establish a more open planning process.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature of the state of Montana call upon the United States Congress to consider the following if the Pacific Northwest Electric Power Planning and Conservation Act or any act regarding regional energy policy in the Pacific Northwest is considered or enacted:

"(1) the development of guidelines by the Bonneville Power Administration for forecasting regional needs and resources. Individual states should be allowed to determine their own needs and this will become an integral part of the regional forecast. However, should the states be incapable of providing such a forecast, the Bonneville Power Administration should offer this service.

"(2) provisions allowing states to keep their rights in power plant siting and retail ratemaking;

"(3) A reaffirmation of the priority of Montana in the allocation of power under the Hungry Horse authorization and preference act and the authorizations and appropriations for the Libby dam project;

"(4) a mechanism to allocate federal power within the Pacific Northwest that would clarify the intent of the preference clause of the Bonneville Project Act, 16 U.S.C. 832, to give preference to legitimate public utilities while minimizing the electrical price difference between consumers of the region.

"Be it further resolved, that Montana call upon the United States Congress to pass legislation regarding Pacific Northwest regional energy policy only if such proposed legislation has the support of the Governors and Congressional delegations of Montana, Washington, Oregon, and Idaho and the ad hoc committee that the Western Conference of the Council of State Governments has established.

"Be it further resolved, that the Secretary of State send copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Chairmen of the United States House and Senate Energy Committees, the Chairman of the United States House Interior and Insular Affairs Committee, the Secretary of Energy, the Congressional delegations of Washington, Idaho, Oregon, and Montana, and the legislative assemblies of Washington, Idaho, and Oregon."

POM-421. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 22

"Whereas, Pine Flat Dam on the Kings River, California, was authorized by the Flood Control Act of 1944 for construction by the U.S. Army Corps of Engineers primarily as a flood control project with incidental conservation storage of water for irrigation; and

"Whereas, The Kings River water users owned 100 percent of the rights to use such Kings River water for more than 80 years before such flood control dam was built; and

"Whereas, The Kings River water users have paid or contracted to pay all the costs allocable to irrigation storage behind Pine Flat Dam; and

"Whereas, For many years, representatives of the United States repeatedly stated that this project would not come under reclamation law or the restrictions thereof; and

"Whereas, By virtue of building the dam, no 'new' water was created, no 'new' lands came into cultivation, no 'arid' lands were reclaimed, and no 'public' lands were opened for settlement; and

"Whereas, No distribution facilities were built by the United States; and

"Whereas, A substantial portion of the Kings River service area lies within the Tulare Lake Basin and is not susceptible to farming in small tracts due to periodic flooding and other factors; and

"Whereas, In spite of such aforementioned facts, the Ninth Circuit Court of Appeals has reversed a judgment of the trial court and decreed that the reclamation laws of the United States apply to all waters stored behind Pine Flat Dam; and

"Whereas, Such decree will cause the larger users to forego storage of their privately owned water and use it under natural flow conditions as was done before Pine Flat Dam was built; and

"Whereas, Such natural flow use will destroy most of the recreation benefits of the reservoir and harm the smaller users of Kings River water by substantially increasing their reliance on already overdrafted and costly groundwater supplies; and

"Whereas, As a matter of fairness and equity, such aforestated facts dictate that the beneficiaries of the Pine Flat Project should be exempt from the provisions of reclamation law; and

"Whereas, Legislation has been introduced in the House of Representatives specifically to exempt such Kings River service area from such laws; and

"Whereas, Legislation has also been introduced in the House of Representatives which would modernize such reclamation laws to recognize the changes that have taken place in agriculture, this state's number one industry, over the past 76 years; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation to specifically exempt the Kings River service area from the provisions of reclamation law and also to modernize such reclamation laws to recognize the changes that have taken place in agriculture; and be it further.

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-422. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"*Whereas,* the United States is entering the forthcoming winter season with stockpiles of heating oil inadequate to assure that basic energy needs will be met; and

"*Whereas,* these circumstances threaten to create a severe shortage of heating oil this winter; and

"*Whereas,* such a shortage, in combination with anticipated substantial price increases in heating oil, will result in substantial disruptions to the economic well-being of the New England area, as well as to the public health and safety of the citizens of the Northeast; and

"*Whereas,* the continued lack of a comprehensive heating oil allocation program will result in long term and irretrievable economic catastrophe to the people of the Northeast in general and the people of the Commonwealth of Massachusetts in particular; therefore be it

"*Resolved,* that the Massachusetts House of Representatives hereby memorializes the Congress of the United States to adopt and implement a comprehensive system of heating oil allocation and price controls, and an emergency assistance program to minimize disruptions to the economic well-being, the public health and safety and the public welfare; and be it further

"*Resolved,* that copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the presiding officer of each branch of Congress and to each Member thereof from this commonwealth."

POM-423. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"*Whereas,* out of friendship for the United States, the Republic of Cape Verde, a small undeveloped country, has purchased and is donating the Schooner Ernestina, the old wooden sailing vessel that has been called the 'Mayflower of the Cape Verdean People'; and

"*Whereas,* the Ernestina is historically significant because she is the only remaining class A Gloucester Schooner in the world, was the flagship of Admiral Robert Byrd's expedition to the North Pole earlier in this century and was used as a packet ship between the United States and the Cape Verde Islands when drought and starvation plagued the islands' people; and

"*Whereas,* a national organization dedicated to restoring the vessel and returning it to the United States from the Cape Verde Islands where she is now docked has submitted a detailed two hundred fifty thousand dollar proposal to facilitate said purposes to the United States Department of the Interior through a sponsoring agency, the National Trust in Washington, D.C.; therefore be it

"*Resolved,* That the Massachusetts House of Representatives hereby urges the Secretary of the Interior and the Congress of the United States to effect such action as may be necessary to provide for the restoration and return of the Schooner Ernestina to American shores; and be it further

"*Resolved,* That copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the Secretary of the Interior, to the presiding officer of each branch of Congress, and to each Member thereof from this Commonwealth."

POM-424. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"*Whereas,* the people of Massachusetts are uniquely dependent on oil for home heating; and

"*Whereas,* they cannot develop adequate alternative fuels or energy sources in time for the coming winter; and

"*Whereas,* shortage of home heating oil will cause serious economic hardship and physical suffering; and

"*Whereas,* the poor and the elderly are particularly vulnerable to this suffering; and

"*Whereas,* all predictions are that a major shortage of heating oil will exist this winter; now therefore be it

"*Resolved,* that the Massachusetts Senate hereby urgently requests the President to recognize this situation as critical, to act immediately to guarantee that emergency assistance will be available according to genuine need, and to communicate his personal assurance to the people of Massachusetts; and be it further

"*Resolved,* That copies of these resolutions be forwarded by the clerk of the Senate to the President of the United States, the Secretary of the Department of Energy, the presiding officer of each branch of Congress, and to each member thereof from this Commonwealth."

POM-425. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 20

"Whereas, The United States has one of the lowest savings percentages among the democracies of the world; and

"Whereas, Almost every democracy in the world provides for the exemption of interest derived from savings accounts, to encourage savings; and

"Whereas, It is essential that savings be encouraged to provide funds for housing for the people of the United States; and

"Whereas, Savings accounts provide investment capital which is necessary for the advancement of the American economic system; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to exempt from federal income taxes a portion of the interest derived annually from savings accounts; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-426. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTION

"Whereas, there are many mentally retarded citizens residing in the Commonwealth's State Schools for the Retarded, in private facilities, and in alternative settings created by the Department of Mental Health, that are being administered psychotropic drugs; and

"Whereas, these drugs are being administered as chemical restraints and for the purpose of control; and

"Whereas, one of the major drug groups still being administered is known as phenothiazine, all but two of which have never received FDA approval for administration to persons with uncomplicated mental retardation; and

"Whereas, in addition to this immoral misuse of human life through drug control, that many of these psychotropic drugs institute a potentially dangerous and harmful effect to the retarded due to the drugs' adverse physical and mental side effects; and

"Whereas, it is the intent of this legislative body to offer humane and safe treatment to its retarded population in a way that will benefit their growth and well-being as citizens of this Commonwealth; and

"Whereas, this potential for drug misuse falls in the area of programs receiving both State and Federal funding; and

"Whereas, the U.S. General Accounting Office has an established record of integrity in fact-finding in previous audits of both State and federally funded programs for the retarded within this Commonwealth; now, therefore be it

"*Resolved,* That the Massachusetts Senate respectfully requests the President of the United States and the Congress to initiate an audit and investigation of the use of psychotropic drugs in programs for the mentally retarded by the U.S. General Accounting Office; and be it further

"*Resolved,* That this investigation should include a comparison of facilities reducing drug misuse, so as to benefit not only programs within the Commonwealth, but to set a standard of excellence for the retarded across our Nation; and be it further

"*Resolved,* That the Massachusetts Senate respectfully requests the President of the United States and the Congress to then utilize this fact-finding to give those programs reducing drug misuse additional Federal assistance in order to create an environment of greater respect for the retarded citizen in which he may gain a purpose for living with dignity and self-respect; and be it further

"*Resolved,* That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the Presiding Officer of each branch of the Congress, and to the Members thereof from this Commonwealth."

POM-427. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 6

"Whereas, additional acreage in the Western States is being considered for inclusion in the National Wilderness Preservation System; and

"Whereas, the designation of large areas of the Western States as federal wilderness restricts or eliminates access by the great majority of Americans; prohibits the harvesting of mature and overmature timber essential for the building of America's homes and businesses; prevents the development of needed mineral resources and makes difficult the improvement of rangeland by the reseeding of grasses and the eradication of undesirable vegetation; interferes with the control of forest fires, insect damage, and diseases and the development of water resources, thereby limiting the national food supply and timber harvest and decreasing the value of wildlife habitat; and

"Whereas, the federal government has advanced a wide variety of other programs which affect land, water, and other natural resource management decisions of the several states, including, in addition to wilderness, roadless and essentially roadless study areas, primitive, wild, and scenic rivers, and other administrative and statutory designations for areas managed in a highly restrictive manner resulting in de facto wilderness; and

"Whereas, each of these programs and others create an allocation of the natural resources within the states without regard to state policy decisions, state objectives, or economic well-being; and

"Whereas, these federal program decisions, in which input by state policymakers is limited, work to reduce the ability of the states and their citizens to govern themselves and work to reduce employment opportunities in the private sector; and

"Whereas, the Roadless Area Review Evaluation II Study (RARE II) apparently has, as its purpose, the expansion of the wilderness system by the inclusion of additional large tracts of western lands, which is to be accomplished without sufficient responsiveness to or consultation, communication, or involvement with the state and local governments affected; and

"Whereas, while federal lands belong to the entire citizenry of the nation and should be managed under multiple-use concepts consistent with the Multiple-Use Sustained-Yield Act of 1960 for the benefit of all, state interests should be of the highest priority, followed by regional and national interests, except in cases of national security."

POM—428. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 14

"Whereas, Public Law 94-565 provides for payments to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality; and

"Whereas, the payments offset the loss in tax revenue to local governments resulting from the exempt status of such public lands; and

"Whereas, Public Law 94-565 does not provide for payments based on lands held by or for Indians; and

"Whereas, Indian land lies within the boundaries of units of local government but is exempt from the taxing power of such governments; and

"Whereas, H.R. 13961 has been introduced in the 95th Congress to amend Public Law 94-565 to provide for similar payments to local governments based on land held by or for Indians.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Congress of the United States is urged to amend Public Law 94-565 to include lands held by or for Indians as public lands for which a federal payment will be made.

"Be it further resolved, that copies of this resolution be sent to the Secretary of State, to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of the Montana Congressional Delegation."

POM-429. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 271

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, it has come to the attention of the people of Guam that the United States is proposing to locate a nuclear waste storage facility in the Western Pacific; and

"Whereas, it is the unanimous consensus of the members of the Guam Legislature and the people of Guam that location of such a facility within Guam's boundaries or in the vicinity of Guam would be hazardous to the health, safety, and well-being of the people of Guam and would also be detrimental to the flora and fauna as well as the marine resources of the territory of Guam; and

"Whereas, the people of Guam do not wish a recurrence of the Three Mile Island incident in Guam or elsewhere in Micronesia, especially in this much maligned Pacific; and

"Whereas, the people of Guam vehemently and totally oppose the selection of any island or area within one thousand miles of Guam for a nuclear waste storage facility; and

"Whereas, Pacific islanders have been abused long enough and will not tolerate continued misuse, the atomic testing in the Bikini Atoll is a perfect example of unconscionable action by the Federal Government; and

"Whereas, the members of the Guam Legislature deplore the fact that the Federal Government is making such a proposal without first consulting the Pacific island governments; and

"Whereas, the people of Guam have gone on record opposing the use of Guam as storage for nerve gas and other dangerous chemicals; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of Guam, hereby expresses its unanimous opposition to any use of Guam or any nearby island or area as a site for a nuclear waste storage facility; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Assistant Secretary of State for Asian and Pacific Affairs; to the Chairman of the House Committee on Interior and Insular Affairs; to the Chairman, Senate Committee on Energy and Natural Resources; to the Chairman, House Subcommittee on Pacific Affairs; to the President of the United States; to the Speaker of the House of Representatives; to the President of the Senate; to the Speaker of the Northern Marianas Legislature; to the Governor of the Northern Marianas; to the President of the Federated States of Micronesia; to the Prime Minister of the Marshall Islands; to the Speaker of the Palau District Legislature; to the Governor of Hawaii; to the Governor of American Samoa; to the President of Nauru; to the Executive Director, South Pacific Commission; and to the Governor of Guam."

POM-430. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Labor and Human Resources:

"RESOLUTION

"*Whereas,* although benefits for working employees are currently a mandatory subject of bargaining by union and management, renegotiation of such pension benefits for already retired workers is merely a subject for permissive bargaining; and

"*Whereas,* though some employers bargain voluntarily on this subject, others have refused to include retirement benefits for already retired employees in talks with union negotiators; and

"*Whereas,* modification of the National Labor Relations Act is necessary to insure that our retirees, who have given long years of their working lives to their employers, are not squeezed between the spiraling costs of an inflation rate which fluctuates around the double-digit threshold and the limited income provided by pensions scaled to the living costs of the past; and

"*Whereas,* our responsibility and commitment to providing for those who have worked so hard for their retirement benefits is deep and abiding and the legal framework of our labor relations system should reflect this fact: The directive to bargain collectively on the issue of pension benefits for retired workers should be mandatory; therefore be it

"*Resolved,* that the Massachusetts House of Representatives hereby urges the Congress of the United States to enact legislation to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired emloyees; and be it further

"*Resolved,* that copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of the Congress and to the Members thereof from this Commonwealth."

POM-431. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Veterans' Affairs:

"RESOLUTION NO. 235

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, during World War II and subsequent years thereafter, hundreds of our people served as members of the Guam Combat Patrol and the Guam Civilian Scouts; and

"Whereas, these people risked their lives and the lives of their loved ones and families in pursuit of energy stragglers who are still at large in the jungles of Guam; and

"Whereas, some of our people lost their lives in pursuit of capturing enemies who would not surrender to the United States military forces after the end of World War II; and

"Whereas, some of our people who became members of the Guam Combat Patrol and the Guam Civilian Scouts were maimed in line of duty during and after the end of the Japanese occupation of the Island of Guam; and

"Whereas, members of the Guam Combat Patrol and the Guam Civilian Scouts did guard duty in military prisons for captured enemies; and

"Whereas, during and after the end of World War II, members of the Guam Combat Patrol were given certain military privileges; and

"Whereas, Senator Alan Cranston, Chair man of the Committee on Veterans' Affairs, United States Senate, in his letter to Senator Antonio R. Unpingco, dated May 1, 1979, indicated that the GI Improvement Act of 1977 included provisions to "authorize the Secretary of Defense to review the historical records and other available evidence about groups, like the Guam Combat Patrol and the Guam Civilian Scouts, whose service took place, and to determine whether that service should be recognized as military service; and

"Whereas, it is the expressed desire of the Fifteenth Guam Legislature to explore all avenues of assistance to our people who were members of the Guam Combat Patrol and the Guam Civilian Scouts so that any benefits entitled them may be forthcoming; and

"Whereas, the proposed public hearing will allow the opportunity for our people to express their involvement in the Guam Combat Patrol and the Guam Civilian Scouts as well as the extent of their involvement; and

"Whereas, pursuant to Section 1, Subsection e, Rule XV of the Standing Rules of the Fifteenth Guam Legislature, the Speaker may appoint a Special Committee to assist him in the performance of his official duties; now, therefore, be it

"*Resolved*, that the Special Committee conduct a public hearing to ascertain and allow those of our people the opportunity to testify before the Legislature relative to their involvement in the Guam Combat Patrol and the Guam Civilian Scouts in line with the provisions of the GI Improvement Act of 1977; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of Defense; to the Secretary of the Navy; to the Secretary of the Air Force; to the Secretary of the Army; to the President of the United States; to the President of the Senate; to the Speaker of the House of Representatives; to Senator Alan Cranston, Chairman, Veterans' Affairs Committee, United States Senate; to Congressman Antonio B. Won Pat; to the Director of Public Safety; to the families and members of the Guam Combat Patrol and the Guam Civilian Scouts, both living and deceased; and to the Governor of Guam."

POM-432. A resolution adopted by the city commission of Kilgore, Tex., relating to the windfall profits tax bill; to the Committee on Finance.

POM-433. A resolution adopted by the Oak View Sanitary District, Oak View, Calif., regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-434. A petition from a private citizen, calling for an amendment to the Constitution of the United States that will cut, limit and control Federal spending and the amount of taxes which can be imposed on U.S. citizens now and in the future; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS—CONFERENCE REPORT

Mr. KENNEDY submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes (Rept. No. 96-313).

ORDER FOR STAR PRINT OF S. 1329

Mr. MORGAN. Mr. President, I ask unanimous consent that S. 1329, a bill for the relief of Mrs. Elsie Belle Blackburn, be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 1718. A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic disbursements to owners of nonindustrial private forest lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EAGLETON:

S. 1719. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1980 and 1981; to the Committee on Finance.

By Mr. KENNEDY:

S. 1720. A bill to assure provision of adequate comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent jointly.

By Mr. MORGAN:

S. 1721. A bill for the relief of Erasmo Ramirez Cruz, Jr., M.D., and Emelito Riego de Bios Castor Cruz, M.D., husband and wife; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 1718. A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic disbursements to owners of nonindustrial private forest lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

WOODLOT MANAGEMENT FOR ENERGY OF 1979

Mr. LEAHY. Mr. President, it was timber from the forests that made possible America's independence and built this great Nation of ours. This forest resource heated our homes, built our cities, and was the rockbed of America's commerce.

Today, however, the picture is not so bright. America's independence is now threatened by the unholy alliance of oil companies and OPEC nations whose control of oil supplies looms ominously as a sword of Damocles across America's throat. And one of our most valuable resources, private nonindustrial forests, are underutilized and linger in a limbo of nonproductivity.

Mr. President, wood and other resources from our forests can be the saving grace to help return America to energy independence. With proper management and available credit, forest resources could once again form the foundation of America's economy.

The people of Vermont have recognized the dilemma that America's past policies of depending on oil while ignoring our forest resources has produced. Vermonters have done something about this dangerous situation by conserving fossil fuels while steadily increasing their reliance on renewable resources from our forests to meet their energy needs.

Vermont proudly boasts the first public utility in the Nation to depend on wood for the generation of electricity at a competitive cost. Also, Vermonters have always known a simple fact that many Washington bureaucrats only now begrudgingly admit. Wood burns, and in burning it gives off heat that can be used to warm homes and industries. This is just plain commonsense, although many people in Washington see it as some sort of revelation. In fact, over 63 percent of all Vermont homes depend on wood energy for their primary or secondary source of heat.

Mr. President, today I am introducing the Woodlot Management for Energy Act to foster a return to wood as a primary resource to meet America's energy needs. I realize that to rush into forest resource development to meet our energy needs is a dangerous prospect if the other valuable contributions of our forests' resources are not carefully considered and protected. In line with this, the Woodlot Management for Energy Act has been carefully tailored to insure that other nonenergy related values of our forests' resources like wilderness, construction materials, recreation areas, wildlife and water and soil resources are protected. The bill is a comprehensive approach to forest development, taking all these issues into consideration. Ironically, the demand for wood for energy purposes could be the unprecedented opportunity to enhance all the potential resources of our forests.

Mr. President, this legislation not only recognizes the wide range of assets contained in our forests, but also represents a comprehensive approach to their preservation, enhancement, and development.

One critical point to remember is that the bill is designed with flexibility so that the needs and opportunities of each State's individual forest can be best met. Through reliance on individual State foresters to design forest management programs, the legislation guarantees that the unique needs of each State's forests will be studied, developed, and properly managed.

Mr. President, the Woodlot Management for Energy Act has three basic components. The first provides loans to private nonindustrial woodlot owners for forest management. This section is similar to H.R. 4718 as introduced in the House by Representative HUCKABY, Mr. HUCKABY is to be congratulated for developing this loan program. Its potential value to private foresters was sounded again and again at field hearings held by Mr. HUCKABY.

The second component provides grants to States to employ additional State foresters to aid in private woodlot management.

The third is designed to demonstrate and test the effectiveness of three bills which were signed into law last year but are as yet unfunded. These three acts are the Cooperative Forestry Assistance Act of 1978, the Forest and Rangeland Renewable Resources Research Act of 1978, and the Renewable Resources Extension Act of 1978.

Mr. President, this legislation would provide loans to private woodlot owners for forestry management. This loan program has been endorsed by both the Department of Agriculture and the Office of Management and Budget.

These loans will be coupled with a forest management plan to insure proper forest resource development. While a State forester must review and approve each plan, woodlot owners and State foresters are encouraged to use private foresters in the development of these management plans.

Mr. President, any legal entity owning nonindustrial private forest land can participate in this loan program, provided the ownership does not exceed 5,000 acres. Each loan has an annual ceiling of $50,000.

Our private forests are not being adequately used to meet America's timber needs. I think one major cause of this shortfall in production is the lack of financial incentives for small private, nonindustrial landowners to invest in production or reforestation. Timber investments require a substantial amount of working capital and management skills, and the return on investment is relatively long-term. With Federal loans for forestry management, these woodlot owners will have the necessary cash flow they need to make and keep their woodlots productive.

This loan program with periodic loan disbursements is a novel idea. In light of this, the legislation requires annual reports and is a pilot project sunsetted after 5 years. If it works, it is the intent of the legislation that eventually the program would move wholly to the private sector.

Mr. President, the legislation recognizes that this country must increase its forest production soon. The bill provides grants totaling $13 million in fiscal years 1980 and 1981 to States for employment of additional State foresters. Each State's forests will be assessed for their underutilization and productivity potential. Grants will be awarded to each State based upon this assessment.

Finally, the Woodlot Management for Energy Act includes a demonstration project to be carried out in 10 States to test the effectiveness of the Cooperative Forestry Assistance Act, the Forest and Rangeland Renewable Resources Research Act, and the Renewable Resources Extension Act. Ten States will be selected to participate in the demonstration program.

The demonstration will cover virtually all aspects of forestry development and management, from seed to harvest. It will aid research for seed development and multipurpose use of forests, and will fund competitive forestry research grants. Also, it will aid in timber stand management, provide technical assistance to private woodlot owners and develop 5-year management plans for the selected States' forests. Moreover, it will make effective a forestry extension program whose responsibilities and operations were authorized and outlined in the Renewable Resources Extension Act.

Mr. President, as you can see, this is truly omnibus legislation to approach forestry development in a comprehensive fashion so as to realize the full potential of our woodlands. Timber is our largest renewable resource. However, it is well documented that future timber demands will far exceed our current timber supplies. The Forest Service estimates that U.S. timber production on commercial forest lands must increase from 13.3 billion cubic feet in 1976 to 28.7 billion cubic feet in 2030 to meet the projected, rising demands. By the Federal Government's own figures, the projected increase in demand can best be met by increased production from our abundant private, nonindustrial forest lands which account for 59 percent of all commercial forests. Unfortunately, the present timber growth and production on our private forest lands fall far short of their projected potential, because public policy continues to draw solely on our national forests for supply. This policy is particularly alarming because, again by the Federal Government's own figures, the national forests are presently producing at full capacity and cannot meet projected demands.

I hope my Senate colleagues will recognize the potential our private forests represent for meeting our energy needs by supporting the Woodlot Management for Energy Act.

The experience in Vermont has been that renewable resources from our forests can replace our dangerous dependence on fossil fuels. This bill will allow and enhance the opportunities for this experience to be shared with the entire Nation.

Mr. President, I ask unanimous consent that the Woodlot Management for Energy Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Woodlot Management for Energy Act of 1979".

FINDINGS AND POLICY

SEC. 2. The Congress finds and declares that—

(1) adequate supplies of timber and other forest resources are essential to the Nation's well-being;

(2) the Nation's publicly owned forests cannot alone supply needed timber and wood products;

(3) the Nation's capacity to produce timber and wood products is significantly dependent on nonindustrial private forest lands;

(4) substantial investment is often needed to increase the productivity of forest lands;

(5) long timber rotation periods and the lack of regular periodic returns from forestry investments may discourage owners of nonindustrial private forest lands from managing their timberlands at levels of high productivity;

(6) the availability and cost of capital can be a significant determining factor in a forest landowner's decision as to whether or not to undertake a forest management program;

(7) owners of nonindustrial private forest land frequently are unable to obtain credit at rates and terms sufficiently reasonable to enable them to undertake a forest management program;

(8) it is in the national interest for the Secretary of Agriculture to conduct a pilot program to determine whether loans providing periodic disbursements to owners of nonindustrial private forest land would result in increased productivity of such land; and

(9) it is the intent of Congress that, if such pilot program is feasible, it should ultimately be placed within the private sector.

ESTABLISHMENT OF PILOT PROGRAM

SEC. 3. (a) In order to encourage owners of nonindustrial private forest land to implement and maintain forest management programs, and thereby increase the production of crops of industrial wood, the Secretary of Agriculture (hereafter in this Act referred to as the "Secretary") is authorized and directed to conduct a pilot program of financial assistance to such owners. Such program shall include but, may not be limited to—

(1) the insuring and guaranteeing of loans which will provide periodic loan disbursements to eligible landowners;

(2) consolidating for resale in private capital markets the loan obligations of individual landowners; and

(3) loaning funds to lawfully organized lending institutions for the purposes of making guaranteed loans under this Act.

(b) Such pilot program shall operate for five consecutive calendar years, beginning with the first full calendar year occurring after the date of enactment of this Act. No new loan may be insured or guaranteed under such program after the close of the fifth fiscal year during which such program has been in effect.

(c) The Secretary is authorized to defer the repayment of principal and interest under such conditions as the Secretary shall deem appropriate.

ELIGIBLE BORROWERS

SEC. 4. Any private individual, or any group, Indian tribe, or other native group, association, partnership, corporation, or other legal entity that owns forest land capable of producing crops of industrial wood shall be eligible to receive loans under this Act if the applicant certifies in writing, and the Secretary determines, that the applicant is unable to obtain sufficient credit elsewhere at rates and terms comparable to those provided under this Act.

TERMS AND CONDITIONS OF LOANS

SEC. 5. (a) The Secretary shall insure or guarantee no portion of any loan under this Act to any one landowner which involves a disbursement in excess of $50,000 annually.

(b) The total period of time permitted for a loan insured or guaranteed under this Act shall not exceed forty years.

(c) The Secretary may guarantee any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other lawfully organized lending institution against risk of nonpayment arising out of the financing of activities under this Act, except that not to exceed 90 per centum of that portion of the overall loan obligation which exceeds the market value of the assets securing the loan may be guaranteed.

(d) Loans provided under this Act shall be made upon the personal liability of the borrower and shall be secured by either (1) the land described in section 4, (2) the timber grown thereon, or (3) the land and such timber, and such other security as the lender may require. If such loans to landowners are secured under clause (2) of the preceding sentence, additional security may include insurance on the timber crop against natural hazards, if such insurance and performance bond insurance on the outstanding loan obligation are available.

(a) Loans guaranteed under this Act shall bear interest at rates to be agreed upon by the lender and landowner but not in excess of such rate as may be determined by the Secretary. Each loan insured under this Act shall bear interest at a rate determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturity of such loan, adjusted to the nearest one-eighth of 1 per centum, plus not to exceed 1 per centum, as determined by the Secretary.

(f) The landowner shall prepare, keep current, and adhere to an individual forest management plan which shall be developed in cooperation with and be approved by the State forester or equivalent State official and which shall describe the activities needed to maintain or increase the productivity of the forest land of the landowner. Such management plan shall also include estimates of the volume of timber to be harvested during the term of the loan and the value thereof. The estimated value shall serve as the basis for determining the principal amount of the loan. The landowner may use the loan proceeds in any manner he deems appropriate, as long as the provisions of the management plan and loan agreement are observed. The Secretary shall encourage landowners and State foresters or equivalent State officials to use private consulting foresters, agencies, organizations, and firms to the extent possible for the preparation of individual forest management plans.

(g) The amount of the periodic loan disbursement shall be based upon the future expected market value of the timber securing the loan, but in no case shall the total principal and interest obligation exceed 80 per centum of the future expected market value of the timber as estimated in the management plan.

(h) Individual loan agreements and forest management plans may be periodically reviewed by the lender, landowner, and the preparer of the forest management plan. Following such review, the loan period, principal amount, interest rate, and amount and interval of the periodic disbursement may be adjusted as agreed by both landowner and lender.

(i) At the discretion of the lender, loans guaranteed under this Act may, upon the application of the landowner, be transferred to, and assumed by, a new landowner who agrees to the terms and conditions of the loan, assumes any outstanding liability and obligations thereunder and who otherwise qualifies under the provisions of this Act. Further, any individual loan guaranteed under this Act, in which timber alone secures the loan, may be, upon the approval of the landowner, sold to a private organization, which will assume the obligations of the lender and which will have a lien against the timber securing the loan.

(j) The borrower shall be entitled to prepay without penalty all or any part of the outstanding loan obligation insured or guaranteed pursuant to the provisions of this Act. Income from the sale of timber covered by the loan agreement shall be applied to the outstanding loan obligation. Periodic loan disbursements may continue over the full term of the loan even if payments applied to the loan obligation are made during the loan period.

(k) Except for guaranteed loans, the landowner shall agree that if at any time it shall appear to the Secretary that the landowner may be able to obtain a loan from any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other lawfully organized lending institution at rates and terms comparable to such rates and terms provided for in this Act for loans for similar purposes and periods of time, the landowner shall, upon request by the Secretary, apply for and accept such loans in sufficient amount to repay the Secretaray or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

PILOT PROGRAM DEVELOPMENT AND EVALUATION COMMITTEE

SEC. 6. To advise in the development of the pilot program authorized under section 3, and to aid in preparing recommendations regarding the continuance and expansion of such program, the Secretary shall appoint a committee of not less than five persons, including, but not limited to, representatives from public agencies, private lending institutions, private forestry concerns, and individual landowners. The Secretary shall also consult with the committee in the preparation of such reports as required in section 8. Individuals who serve on the committee and who are not employed by the Federal Government, shall be paid such compensation for their services as the Secretary shall determine but such compensation shall not exceed the daily rate prescribed for grade GS-18 under section 5332 of title 5, United States Code, for each day when actually employed, and actual necessary traveling and subsistence expenses or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently, when advising in the development of such pilot program away from their homes or regular places of business.

PILOT PROGRAM AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) The pilot program authorized by section 3 shall be funded using funds drawn from the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act and subject to the provisions governing such Fund. The Secretary is authorized to use such funds to carry out the activities described in paragraphs (1) through (3) of section 3(a).

(b) There are authorized to be appropriated such sums as may be necessary for administrative expenses incurred in carrying out sections 3 through 7, including reimbursement to State foresters or equivalent State officials, and reimbursement to the Rural Development Insurance Fund for funds withdrawn for the operation of the program. Such sums are authorized to remain available until expended.

ADDITIONAL STATE FORESTERS

SEC. 8. (a) The Secretary of Agriculture is authorized to make grants through the Forest Service to the States for the employment by the States of additional State foresters or equivalent State officials.

(b) In determining the amount of financial assistance to be provided to a State under subsection (a) the Secretary shall consider the underuse of forest growth in the State and the potential use in the State of wood as a fuel in place of oil.

(c) In addition to any sums otherwise authorized to be appropriated, there are authorized to be appropriated to the Secretary to carry out subsection (a) the sum of $6,500,000 for the fiscal year 1980, and the sum of $6,500,000 for the fiscal year 1981.

DEMONSTRATION PROGRAMS

SEC. 9. (a)(1) The Secretary of Agriculture, through the Forest Service, is authorized by contract, grant, or other arrangement to conduct 10 State-wide demonstrations of cooperative forest programs involving the exercise of authorities conferred upon the Secretary of Agriculture by the Cooperative Forestry Assistance Act of 1978, the Forest and Rangeland Renewable Resources Act of 1978, and the Renewable Resources Extension Act of 1978.

(2) In carrying out paragraph (1), the Secretary of Agriculture shall assure that each such program provides a model for comprehensive forest resource planning and development at the State level and provides for additional resource assessment and public involvement.

(3) For each program conducted under this subsection, the Secretary of Agriculture shall cooperate with appropriate agencies of the United States, State officials and agencies, and political subdivisions of States.

(b) There are authorized to be appropriated to the Secretary of Agriculture to carry out this section for the fiscal year 1980, $5,000,000, of which amount not to exceed $750,000 may be made available for any demonstration project.

RULES AND REGULATIONS

SEC. 10. The Secretary shall, not later than 120 days after the date of the enactment of this Act, and in accordance with section 553 of title 5, United States Code, promulgate such final rules and regulations as the Secretary deems appropriate to implement the provisions of this Act. The Secretary may, in accordance with such section, promulgate rules and regulations modifying the rules and regulations promulgated under the preceding sentence.

REPORTS

SEC. 11. (a) The Secretary shall report annually to the Congress on the progress of the pilot program authorized by section 3 of this Act. The first such report shall be submitted upon completion of the first calendar year of operation of such program. The final report shall be submitted before completion of the fifth calendar year of operation of such program and shall include the recommendation of the Secretary on whether additional loans shall be insured or guaranteed.

(b) The Secretary shall prepare and transmit to the Congress not later than 32 days after the close of the fiscal year 1980, a report setting forth the progress made in implementing section 9 and, not later than 30 days after the close of the fiscal year 1981, a report setting forth the progress made in implementing section 8.

By Mr. EAGLETON:

S. 1719. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1980 and 1981; to the Committee on Finance.

SOCIAL SECURITY PAYROLL CREDIT ACT OF 1979

• Mr. EAGLETON. Mr. President, when American taxpayers examined their statements of earnings last January, they found both good and bad news. The good news was that most taxpayers enjoyed a reduction in their income tax. This, of course, was the result of the $18.7 billion tax cut passed by the 95th Congress. The bad news was that most taxpayers paid far more in social security taxes than ever before. In most instances, the social security tax hike was greater than the income tax reduction, resulting in a net tax increase.

The bad news will continue in 1980 and 1981, when both the social security tax rate and the wage base will rise even higher.

In 1980 the base wage will increase to $25,900—an increase of $3,000 over the 1979 level. In 1981 the base wage will be $29,700 and the tax rate will increase to 6.65 percent—up from the 6.13 percent which will be levied in 1979 and 1980. In 1979 it is projected that the Government will collect approximately $106 billion in social security taxes. This figure is projected to increase to $140 billion by 1981. That is a $34 billion increase in 2 years, an increase which will come directly out of the pockets of almost every working man and woman in the country.

This large tax increase, coupled with inflation and the recent OPEC oil price increase, has prompted many of our country's leading economists to suggest the possibility that another tax cut in 1980 and 1981 is needed in order to mitigate a recession.

In light of continuing high inflation and in light of our commitment to balance the Federal budget, I am not yet convinced that a tax cut is in order. However, should the Congress deem a cut to be necessary, I think it should be made fairly, and I think the fairest way to cut taxes would be, in effect, a payroll tax cut.

Prior to President Carter's tax cut proposal of 1978, I introduced legislation which would have authorized an income tax credit equivalent to 15 percent of what each taxpayer contributes to the Social Security Trust Fund. I suggested this approach because the President's income tax cut was proposed, in part, to offset higher payroll taxes. My proposal would have kept the income tax cut from turning into an unearned windfall for those who do not participate in the social security system. Unfortunately, my proposal was not accepted by the 95th Congress.

Today, Mr. President, I am reintroducing my bill to give a tax credit based on the amount of social security tax paid. My bill is identical to H.R. 4990, which was introduced in the House on July 23 by my colleague from Missouri, Congressman GEPHARDT. My legislation will provide employees, self-employed persons, and employers with a refundable credit against income taxes equal to 20 percent of payroll taxes paid for tax years beginning in 1980 and 1981.

My legislation provides for a refundable tax credit. This means that even if a taxpayer owed no income tax, he still would receive the credit in the form of a refund.

The credit also would be available and refundable for employers who, under the principle called "parity" now embedded in our social security system, also are subject to the payroll tax increases. However, because employers already receive an income tax deduction for payroll taxes paid, my bill would require that their deduction be reduced by the amount of the credit taken, so that, in essence, a double-deduction would not result.

According to the Joint Committee on Taxation, this legislation would decrease Federal revenues by approximately $16 billion in fiscal year 1980 and $26 billion in fiscal year 1981. I offer this proposal as an alternative for Congress to consider if economic conditions lead us to believe that a tax cut is necessary.

Government employees and others who do not pay social security will be quick to note that there is nothing for them in my proposal. Obviously I do not offer this plan as a total tax cut package; the 8 million Americans who do not participate in social security also are entitled to share in any tax cut scheme. However, inasmuch as workers who pay social security taxes have borne a significantly larger share of the burden of recent tax increases, I feel they should also get a larger portion of the tax relief.

I hope that my plan for a social security-based credit would constitute a major portion, although possibly not all, of a comprehensive tax cut plan.

This legislation is not a rollback of the payroll tax nor does it provide direct general revenue financing for social security. It does provide 2 years of financial relief for taxpayers and a quick boost for the economy at a time when such a boost might be needed. I must again emphasize that as of today there is no consensus on the need for a tax cut, and in fact, such a consensus may not materialize. If Congress does decide on a tax cut, however, I urge my colleagues to give this plan their careful consideration.

Mr. President, I ask unanimous consent that an article by Walter H. Heller that appeared in the August 2 edition of the Wall Street Journal be placed in the RECORD at the end of my statement. In addition, I ask unanimous consent that the text of my bill be placed in the RECORD at the end of my statement.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Payroll Credit Act of 1979".

SEC. 2. CREDIT FOR SOCIAL SECURITY TAXES PAID IN 1980 AND 1981.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR SOCIAL SECURITY TAXES.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle for any taxable year beginning in the calendar year 1980 or in the calendar year 1981 an amount equal to 20 percent of the taxpayer's social security taxes for that calendar year.

"(b) SOCIAL SECURITY TAXES FOR 1980 OR 1981.—The taxpayer's social security taxes for the calendar year 1980 or the calendar year 1981 are—

"(1) the taxes imposed by section 3101 (relating to tax on employees under the Federal Insurance Contributions Act) which are paid by the taxpayer with respect to wages received by the taxpayer during that calendar year;

"(2) the taxes imposed by section 3111 (relating to tax on employers under the Federal Insurance Contributions Act) which are paid by the taxpayer with respect to having individuals in his employ during that calendar year; and

"(3) the taxes imposed by section 1401 (relating to tax on self-employment income under the Self-Employment Contributions Act of 1954) which are imposed on the self-employment income of the taxpayer for the taxpayer's taxable year beginning in that calendar year.

"(c) ONLY NET AMOUNT OF SOCIAL SECURITY TAXES INTO ACCOUNT.—The amount of the social security taxes of a taxpayer which may be taken into account for any taxable year for purposes of this section shall be the total amount of such taxes reduced by an amount equal to that portion of any refund or credit under subsection (b) or (c) of section 6413 which is attributable to such taxes.

"(d) DENIAL OF TRADE OR BUSINESS DEDUCTION.—No deduction shall be allowed a taxpayer under this chapter for that portion of the taxes imposed by section 3111 which is equal to the amount of the credit allowable under this section.

"(e) WAGES DEFENDED.—For purposes of this section, the term 'wages' has the meaning given to it by section 3121(a), except that such term also includes remuneration covered by an agreement made pursuant to section 218 of the Social Security Act.

"(f) SPECIAL RULES IN CASE OF SECTION 218 AGREEMENTS COVERING STATE AND LOCAL EMPLOYEES.—Under regulations prescribed by the Secretary, in the case of an agreement made pursuant to section 218 of the Social Security Act—

"(1) amounts deducted from the employee's remuneration as a result of the agreement (whether or not such amounts have been paid to the Secretary) shall be treated as taxes paid under section 3101, and

"(2) amounts paid by the employer as a result of the agreement which are equivalent to taxes imposed by section 3111 shall be treated as taxes imposed by such section.

"(g) PAYMENTS TO NON-TAXABLE ENTITIES.—In the case of—

"(1) a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under this subtitle for its taxable year),

no credit shall be allowable under this section for any taxable year, but (in lieu of such credit) the Secretary shall pay to such State subdivision, agency, instrumentality, or organization, without interest, an amount equal to the amount of the credit which would otherwise be determined under this section with respect to such State, subdivision, agency, instrumentality, or organization.".

(b) CREDIT TO BE REFUNDABLE.—Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended—

(1) by striking out "lubricating oil), and

43" and inserting in lieu thereof "lubricating oil), 43";

(2) by striking out "earned income credit)" and inserting in lieu thereof "earned income credit), and 44D (relating to credit for social security taxes)"; and

(3) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44D".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for social security taxes."

Sec. 3. Effective date.

The amendments made by this Act shall apply only with respect to remuneration received or paid, and taxable years beginning, in the calendar years 1980 and 1981.

AN ANTI-INFLATIONARY TAX CUT

(By Walter W. Heller)

With an eye cocked on the dollar, the Federal Reserve recently tightened credit and President Carter appointed the internationally respected Paul Volcker to head the Federal Reserve System. These moves confirm the historic November 1 commitment to defend the dollar, even at some expense to the domestic economy. They confirm further that actions to keep the OPEC "oil tax" from dragging us into too deep and too long a recession will have to come primarily from the fiscal rather than the monetary side. And with the country, the Congress and Mr. Carter firmly determined to hold federal spending in check, it becomes ever clearer that tax cuts are the way to go.

But not any old tax cuts. They have to be carefully contoured to fit the shape of today's economy. The purchasing power lost to OPEC must be restored in ways that will reduce the cost and price bulges in today's economy and provide incentives to boost productivity in tomorrow's. Can it be done? Yes.

A tax cut to neutralize the $25 billion to $30 billion OPEC oil drag can be so structured that every dollar of tax relief will ease cost and price pressures and/or boost productive incentives. The centerpiece would be a $15 billion to $20 billion cut in Social Security payroll taxes on employers and employes.

Consider the advantages:

Every dollar lopped off the employers' net payroll tax would be a dollar cut in business costs. Given the prevalence of mark-up pricing, this should quickly pass through to consumer prices. It is widely agreed that through this process most of the employer-paid payroll tax eventually ends up on the backs of employes. The same process should work in reverse.

Every dollar lopped off the employes' payroll tax is an increase in take-home pay that government can offer workers as part of the price for accepting more restrained wage increases. In the face of what will be predominately a cost-push inflation in the period ahead, this potential easing of wage-push pressure has particular relevance.

Payroll tax cuts are an especially fitting response to OPEC price increases that have been pummeling lower income groups with skyrocketing gasoline and heating oil prices. The payroll tax, like the "OPEC tax," makes no concessions for small incomes or big families, a bane when the tax rises, but a boon when it drops.

INTEGRITY OF SOCIAL SECURITY

So payroll tax cuts are tailor-made to fit the needs of an economy badgered by both inflation and recession. But what of the integrity of the Social Security system? That integrity can be readily protected by shifting Medicare health insurance from payroll tax to general revenue financing. Unlike old age and survivors insurance and unemployment compensation, there is no particular link between wages and health benefits. The shift to general revenue financing would be good short-run fiscal policy, good long-run social policy, and good for the consumer price index.

What would it cost? A payroll tax cut of $21.5 billion (the projected 1980 tax revenues for the hospital insurance program) could be enacted at a net revenue cost of $17.7 billion to the overall federal budget. Because payroll taxes are a deductible business expense, the $10 billion-plus of employers' payroll tax savings would boost business income-tax liabilities by $3.7 billion.

If the health insurance transfer proves too controversial, there is an easy alternative: Simply grant a refundable credit against income taxes for a specified percentage of payroll taxes paid. Congressman Gephardt, for example, has introduced a bill pegging the cut at 20 percent for both employers and employes. This would do the trick, but since it operates through the income tax in a more roundabout way, it might blur the favorable impact of the tax cut on costs and prices.

A second, closely related component of the anti-inflationary tax cut would be a revised form of real wage insurance. This year's proposal wilted under the heat of price run-ups in oil, food and home building. In contrast, 1980 should be a year of receding inflation, a much more reassuring context in which to consider wage insurance.

Changes in the plan would have to be geared to any changes in the base line of the White House wage-price standards. Instead of calling for income-tax credits for complying wage earners if the consumer price index rises by more than 7 percent, as in this year's proposal, the benchwork might be raised to 8 percent.

At an inflation rate half a percent above the norm, the 1979 proposal would have cost $2.5 billion. If legislation for 1980 were to allow $5 billion for the wage-insurance plan, it would cover reasonable contingencies. To assure that it wouldn't bust the budget in case of a new inflationary breakout, one could apply the co-insurance principle and also put a cap on tax credits at three percentage points above the inflation base line. But such limits would correspondingly dilute the inducement to comply with the wage restraints.

Some observers consider wage insurance a first step toward income-tax indexing, a view that attracts some and repels others. But both sides are missing the point. Unlike indexing, which would try to accommodate inflation by indexing taxpayers against it, wage insurance would serve as an incentive to unions and workers to comply with the wage guidelines and thereby join the battle against inflation. The point is to fight inflation, not adjust to it.

One should note that most of the revenue impact of any wage insurance plan would be delayed until 1981. But with a scheduled payroll tax increase of $15 billion coming up in 1981, the White House and Congress need to take a two-year perspective on tax cuts in any event.

A third major piece of the anti-inflationary tax cut would be a significant easing of depreciation allowances. It is clear that the time has come for such action partly as a response to high inflation rates and partly as an incentive for the increases in business investment and productivity that can help curb inflation in the longer run.

Last year, Congress enacted a major cut in the capital gains tax, thereby improving the general atmosphere for investment. Next year, it should focus more directly on decisions to invest in plant, machinery and equipment by allowing more rapid write-offs that would cut the effective cost of every capital outlay by business. This measure could also add clout to the wage-price restraint program if, as Arthur Okun has suggested, companies would have to certify compliance with the wage-price guidelines in order to qualify for accelerated depreciation.

A first-year cut of about $5 billion in business tax liabilities would be an appropriate target for the easing of depreciation allowances. A careful appraisal of revenue impacts in future years will be essential.

Even as modest a tax cut as the one here proposed—only slightly more than 1 percent of next year's $2.5 trillion GNP—has to be tested for its impact not just on the cost and supply side of inflation but also on the demand side. In this connection, one should take into account that we are at a curious dual turning point on inflation, downward in the ovarall rate but upward in the underlying rate:

The overall rate should drop from its torrid 13.3 percent in the first six months of this year to less than 10 percent by year-end as the economy softens, beef and other food prices ease, the fuel price explosion slows down and mortgage interest rates taper off. In other words, there's a downturn in "demand-pull" and "external shock" inflation just ahead.

But at the same time, we are on the verge of an upturn in the underlying "cost-push" or "wage-push" inflation rate.

There is no reason to believe that the proposed tax cuts would reverse the easing of demand inflation. The tax cut is designed not to pump up the economy but to control the damage done by OPEC's rapacious price increases. True, tax cuts cannot restore the real income that the 1979 price explosion is leeching out of the consumers' pockets. But without tax cuts to offset the OPEC drag on purchasing power, recession will lengthen and deepen. To the insult of lost output, jobs, investment and productivity would be added the injury of lost real income. On inflation's demand side, then, an OPEC-offsetting tax cut poses no threat.

What of the cost and supply side? Thus far, thanks in large part to the much-maligned but not ineffective wage-price guidelines, zooming food, fuel and home building costs have not been built into wage increases. Contrary to widespread impressions, the rise in the average hourly earnings index actually tapered down during the 12 months ending in May and average pay increases from June 1978 to June 1979 were lower than in the preceding 12 months.

THE HONEYMOON IS OVER

But the honeymoon seems to be just about over. The game of wage catch-up is about to begin—catch-up with soaring food and fuel prices and non-union catch-up with unions. With little or no productivity gains to absorb the wage increases, the great bulk of wage boosts will pass through to price boosts. The present bedrock or basic inflation rate of around 7 percent could well be boosted to 8 percent or more, thus making the winding down of inflation vastly more difficult.

To forestall or at least minimize the imbedding of the food-fuel-home price bulge into the wage-price structure and into the hardcore inflation rate requires that the wage-price guidelines be revised, reaffirmed and revitalized. A carefully crafted tax cut could go a long way in putting new life and starch into the guidelines and slowing down the price-wage-price merry-go-round.

If the government could strike a wage-moderating bargain with labor by offering a meaningful menu of tax actions to boost take-home pay and provide real wage insurance, prospects for curbing cost-push inflation would brighten overnight. Even if a formal endorsement is out of reach, such tax actions will strengthen the appeal of the wage-price restraint program to millions of workers and to the public in general.

While it is too early to push the panic button on a tax cut, it is none too early to push the planning button. Given the realities of the political process and in particular the budget process, Jan. 1, 1980, is probably the earliest practical effective date for a tax cut. Even that date will require prompt planning, firm proposals by fall and hearings late in the year as a prelude to rapid action after Congress convenes next January. But the earlier the tax cut is announced, the more support it can provide for the wage-price restraint program.

Recently, Vice President Mondale aptly noted that most of the tough economic problems we face involve "solutions that inevitably *front-load* pain and *back-load* pleasure." Surely, that is true of the energy problem and the use of economic slack and slowdown to cope with the inflation problem. But a tax cut, properly structured, can be *both* front-loaded and back-loaded with pleasure ●

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. CRANSTON, Mr. JAVITS, Mr. METZENBAUM, Mr. PELL, Mr. RIEGLE, and Mr. WEICKER):

S. 1720. A bill to assure provision of adequate, comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

HEALTH CARE FOR ALL AMERICANS ACT

Mr. KENNEDY. Mr. President, I am pleased to introduce "the Health Care for All Americans Act," a proposal for universal, comprehensive national health insurance with across-the-board cost controls, along with my distinguished colleagues, Senators WILLIAMS, CRANSTON, JAVITS, METZENBAUM, PELL, RIEGLE, and WEICKER. Congressman HENRY WAXMAN is introducing an identical proposal today in the House, cosponsored by 59 colleagues.

Mr. President, the details of this proposal were made public on May 14. Those details have now been drafted into legislative form. I have discussed the details of this proposal publicly on several occasions, including a preliminary appearance before the Senate Finance Committee. I will not repeat those details now, though I do ask unanimous consent to have the text of the bill, a section-by-section analysis, a cost estimate, and other summary materials printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, 4, and 5.)

Mr. KENNEDY. Mr. President, the Department of Health, Education, and Welfare has just released new data on U.S. health expenditures for 1978. They are no surprise to anyone who has followed the wild escalation of health care costs. This Nation spent a staggering $192 billion on health care in 1978, an increase of $22 billion in 1 year. We spent $863 for every man, woman and child in 1978, compared with $768 in 1977. Of the $22 billion 1-year increase, private expenditures accounted for $13 billion, public expenditures for $9 billion. We spent an unacceptable 9.1 percent of our GNP on health.

I ask my colleagues—when will it stop? When will we act? Who will assume the responsibility for allowing health care costs to bankrupt this Nation?

Mr. President, the only way to control health care costs is through a comprehensive health plan that enables across-the-board cost controls.

They will not be controlled through voluntary efforts. They will not be controlled through budgets on hospitals only. They will not be controlled if controls are placed only on the public sector. They will not be controlled without a national budget. We budget for everything else in this country—for defense, for education, for fighting crime. Families budget their expenses every week. Only health care has a blank check.

Budgeting is at the very heart of "the Health Care for All Americans Act."

Mr. President, yesterday the administration startled the Congress by acknowledging that because of the outrageous increase in home heating oil, citizens of this Nation—the wealthiest on Earth—would have to choose next year between heating oil and food. That may be new to some people. But the fact is that people in this Nation have been choosing between food and health care, between heating oil and health care, for years.

With the new increases in heating oil prices, that problem is only exacerbated. And it is intolerable. No other nation in the Western World except South Africa holds health care hostage to income.

Mr. President, the record should show that the members of the Committee for National Health Insurance, the coalition which developed this proposal, worked closely with the administration for many months in an effort to develop an accommodation on this issue. "The Health Care for All Americans Act" is itself a product of that effort. Unlike the "Health Security Act," it builds on the private sector, it minimizes on-budget expenditures and is administratively streamlined. These major compromises were an effort at accommodation. What was not compromised, and what cannot be compromised are the basic principles which must underlie any acceptable proposal: First, universal coverage; second, comprehensive benefits; third, across-the-board cost controls, including prospective budgeting; fourth, system reforms to promote HMO's, disease prevention, and so forth; and fifth, quality controls.

Any proposal meeting these principles would be worthy of enactment. Neither the President's proposal, nor the various catastrophic insurance proposals, meet these principles. Catastrophic health insurance is grossly inflationary, is devoid of cost controls, system reforms, quality controls and will accelerate the bankruptcy of this Nation. It is not a prudent first step in the right direction. It is a step away from a national health plan because it expands upon and solidifies the faults in the present system and thus makes needed reforms more difficult to obtain.

President Carter's proposal is also unacceptable. As I indicated last June, the American people will ask two questions about any national health plan:

(1) Does it control runaway costs and place a budget on health expenditures?

(2) Does it treat all Americans fairly? Do they all share equally in the benefits? Do they all bear a proportionate share of the costs? Is it a one-class system of care, regardless of age, income or any other factor?

The President's proposal, though well motivated, does not meet these two fundamental tests. By failing to set a national budget, by inadequately controlling hospital costs, by failing to control doctors' fees in the private sector, by creating two separate and unequal systems of care, the President's plan may well become the straw that breaks the back of the American health care system . . .

Mr. President, national health insurance has been talked about for many years. Now, at last, serious proposals have been introduced by Members in both Houses of Congress. Soon the President's proposal will be introduced. I hope that now the debate can begin in earnest. This can still be the national health insurance Congress. I look forward to working with the President, my colleagues in the Congress and the members of the coalition for national health insurance to achieve the goal of quality health care for all Americans at costs they can afford to pay.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

S. 1720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Health Care for All Americans Act".

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SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that, in order to promote the general welfare and health of the people of the United States and the commerce among the States in a rational and equitable manner and to avoid the cumulative adverse impact on the nation, interstate commerce, and Federal expenditures of unmet health needs and inappropriate means of financing health care, it is necessary to establish a national health insurance system which—

(1) provides for universal participation;

(2) provides for coverage of health care providers and payers acting within States, as well as among States;

(3) is progressively and equitably financed primarily through mandatory private-sector premiums;

(4) is administered primarily through qualified participating insurers and health maintenance organizations, acting in accordance with standards established by a National Health Board; and

(5) provides for incentives to promote the appropriate competition, in interstate and intrastate commerce, in the offering and sale of health insurance plans.

(b) PURPOSES.—The purposes of this Act, and of the national health insurance system established by this Act, are—

(1) to make comprehensive, high quality health-care services available to all Americans, through the expertise of private health insurers and providers and the assistance of government;

(2) to provide health-care services of the same quality to all Americans, regardless of their economic condition and without discrimination on the grounds of race, religion, or national origin;

(3) to insure that the total cost of health care for the United States and its people does not increase at a rate faster than the annual rate of growth in the gross national product;

(4) to improve the organization and delivery of health-care services;

(5) to minimize the financial burden of health care on employers by providing for assistance to impacted employers and to minimize such burden on employees and other insured persons by setting a ceiling on their contributions;

(6) to distribute equitably the total cost of the health-care services provided in the United States;

(7) to enhance the quality of health-care services and the practical availability of such services in every area of the United States;

(8) to encourage the prevention and early detection of disease and disability;

(9) to provide reasonable compensation and incentives to the providers of health-care services who choose to participate in the national health insurance system; and

(10) to assure full public accountability of all aspects of the system and guarantee consumer participation in its development, administration, and improvement.

SEC. 3. STATEMENT OF RIGHTS OF ELIGIBLE INDIVIDUALS, PROVIDERS, AND INSURERS.

(a) RIGHTS OF ELIGIBLE INDIVIDUALS.—Each eligible individual has the right—

(1) to choose the participating provider who or which provides a covered health-care service under this Act unless, by enrolling

in qualified health plans offered by certain insurers or health maintenance organizations, the individual has agreed to limit the choice of providers;

(2) to have all decisions pursuant to this Act concerning the individual made promptly and accurately;

(3) to be heard on any grievance related to health care, insurance, or benefits provided pursuant to this Act;

(4) to expect that individually identifiable health and other information collected pursuant to this Act is treated as confidential and that its use is strictly limited to the treatment of the individual or to activities essential to the effective administration of this Act; and

(5) to make the individual's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the individual, and to have those views considered.

(b) Rights of Providers.—Each provider of health-care services has the right—

(1) to decide whether or not to participate in the national health insurance system established under this Act;

(2) if a participating provider entitled to receive payment for services under this Act, to receive prompt and accurate payment for such services;

(3) in the case of a physician provider, to choose the mode and place of the physician's practice; and

(4) to make the provider's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the provider, and to have those views considered.

(c) Rights of Insurers and Health Maintenance Organizations.—Each insurer and health maintenance organization has the right—

(1) to decide whether or not to participate in the national health insurance system established under this Act;

(2) to carry on a health insurance business covering benefits for health care services supplemental to the benefits paid and payable under this Act; and

(3) to make the insurer's or organization's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the insurer or organization, and to have those views considered.

Sec. 4. Definitions.

(a) General Terms.—As used in this Act:

(1) Annual Budget.—The term "Annual Budget" means the budget prepared and adopted by the National Health Board under section 301.

(2) Annual Rate of Increase in the Gross National Product.—The term "annual rate of increase in the gross national product" means, for a year, the percentage by which the gross national product in current dollars (as published in February of the succeeding year by the Department of Commerce) for the last quarter of the year exceeds the gross national product (as published in February of the year by the Department of Commerce) for the last quarter of the previous year.

(3) Annual State Budget.—The term "annual State budget" means the budget adopted by each State Health Board, pursuant to section 302, to implement applicable portions of the Annual Budget.

(4) Employee, Payroll Period, Employer, and Wages.—The terms "wages", "payroll period", "employee", and "employer" have the meanings given such terms in subsections (a) through (d), respectively, of section 3401 of the Internal Revenue Code of 1954, except that the term "employee" does not include (A) any Medicare-eligible individual or (B) any member of a uniformed service on active duty or any family member of such a member.

(5) Governor.—The term "Governor" means, with respect to a State, the chief executive officer of the State.

(6) Federal Institution.—The term "Federal institution" means a residential institution owned and operated by the Federal Government (or any agency or instrumentality thereof) for any purpose other than education or health.

(7) First effective year.—The term "first effective year" means the third year after the year in which this Act is enacted.

(8) Health resources distribution fund.—The term "Health Resources Distribution Fund" means the Fund established by section 501(b).

(9) Medicare.—The term "Medicare" means the program of health insurance established under title XVIII of the Social Security Act.

(10) National health insurance system.—The term "national health insurance system" means the system of health insurance established under this Act and Medicare for the financing of the provision of health-care services.

(11) State.—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(12) State institution.—The term "State institution" means a residential institution owned and operated by a State (or any political subdivision or instrumentality thereof) for any purpose other than education or health.

(13) United states.—The term "United States", when the term is used in a geographical sense, means the area of all of the States.

(b) Terms Relating to Individuals.—As used in this Act:

(1) AFDC-eligible individual.—The term "AFDC-eligible individual" means an individual while the individual is receiving assistance under a State plan approved under title IV of the Social Security Act (relating to aid to families with dependent children).

(2) Consumer.—The term "consumer" means any enrollee who is not—

(A) a provider of health care, as described in section 1531(3) of the Public Health Service Act,

(B) a health-care provider, insurer, or health maintenance organization, or employee thereof, or

(C) an employee of the National Health Board, a State Health Board, or a Commission.

(3) Dependent.—The term "dependent" means, "with respect to—

(A) who is a member of a uniformed service on active duty, a child of the individual described in subparagraph (E) of section 1072 of title 10, United States Code, or, if the individual is alive, a parent or parent-in-law (described in subparagraph (F) of such section) of the individual, or

(B) another individual, the son or daughter of the individual (or a descendant of either) or the stepson or stepdaughter of the individual, who is under the age of 22 and over half of whose support is being provided by the individual (as determined in accordance with standards established by the National Health Board).

(4) Eligible individual.—The term "eligible individual" means an individual who, under section 102, is eligible for health-care benefits under this Act.

(5) Enrollee.—The term "enrollee" means an eligible individual who is enrolled, or deemed to have been enrolled, in a qualified health plan, pursuant to part B of title I, or in Medicare.

(6) Family, family unit.—The terms "family" and "family unit" mean, with respect to an eligible individual who is not a dependent of another individual—

(A) the individual,

(B) the individual's spouse (if any), if the spouse is an eligible individual, and

(C) the individual's dependents (if any), if the dependents are eligible individuals.

(7) Foreign visitor.—The term "foreign visitor" means an eligible individual described in section 101(a)(4).

(8) Medicare-eligible individual.—The term "Medicare-eligible individual" means an individual while the individual is entitled to health insurance benefits under Medicare.

(9) Member of a uniformed service on active duty.—The term "member of a uniformed service on active duty" means a member of one of the uniformed services (as defined in section 1072(1) of title 10, United States Code) who is on active duty.

(10) Spouse.—The term "spouse" means, with respect to an individual, the person to whom the individual is married (as determined under section 143 of the Internal Revenue Code of 1954), except under such circumstances relating to sepaartion of married individuals as the National Health Board may provide.

(11) SSI-Eligible individuals.—The term "SSI-eligible individual" means an individual with respect to whom payments are being made under title XVI of the Social Security Act (relating to supplemental security income for the aged, blind, and disabled).

(c) Terms Relating To Administered Bodies.—As used in this Act:

(1) Consortium and consortia.—

(A) Consortium and consortia.—The term "consortium" means a clearinghouse with respect to the financing of covered health-care services that is certified pursuant to section 412, and the term "the consortia" means all the clearinghouses certified under such section.

(B) Applicable consortium.—The term "applicable consortium" means, with respect to a participating insurer or health maintenance organization or an enrollee in a qualified health plan offered by such an insurer or organization, the consortium of which the insurer or organization is a member.

(2) Commission.—The term "Commission" means one of the advisory Commissions established by the National Health Board under this Act.

(3) Health maintenance organization, participating health maintenance organization.—

(A) Health maintenance organization.—The term "health maintenance organization" means an organization described in section 1301 of the Public Health Service Act.

(B) Participating health maintenance organization.—The term "participating health maintenance organization" means a health maintenance organization which has entered into a participation agreement under section 411.

(4) Health systems agency.—The term "health systems agency" means such an agency as designated under section 1515 of the Public Health Service Act.

(5) Insurer, applicable insurer, participating insurer, self-insurer.—

(A) Insurer.—The term "insurer" means an entity licensed or otherwise authorized under State law to offer for sale enrollment in health plans, and includes a self-insurer (as defined in subparagraph (D)).

(B) Applicable insurer.—The term "applicable insurer" means, with respect to an eligible individual, the participating insurer which offers the qualified health plan in which the eligible individual is enrolled or deemed to be enrolled.

(C) Participating insurer.—The term "participating insurer" means—

(i) the National Health Board, with respect to Medicare-eligible individuals who are not enrolled in a qualified health plan offered by a participating health maintenance organization;

(ii) the Secretary of Defense, with respect to health plans offered to members of a uniformed service on active duty (and members of their families);

(iii) the Secretary of State (or such entity designated by such Secretary), with respect to health-care services provided to foreign visitors under this Act; and

(iv) an insurer which has entered into a participation agreement under section 411, with respect to other indivduals.

(D) SELF-INSURER.—The term "self-insurer" means an entity (other than an insurer or health maintenance organization described in paragraph (1), (2), (3), or (4) of section 412(a)), including a fund, that provides for the offering, directly or indirectly, of basic covered health-care services to members of specific groups and individuals, and includes Taft-Hartley jointly managed labor-management funds and similar entities.

(6) PROFESSIONAL STANDARDS REVIEW ORGANIZATION.—The term "professional standards review organization" means such an organization as conditionally or otherwise designated under part B of title XI of the Social Security Act.

(7) STATE HEALTH BOARD.—The term "State Health Board" means the board of directors of a corporation chartered in a State in accordance with section 407.

(8) STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.—The term "State Health Planning and Development Agency" means such an agency as designated under section 1521 of the Public Health Service Act.

(d) TERMS RELATING TO HEALTH PLANS AND HEALTH CARE SERVICES.—

(1) BASIC COVERED HEALTH-CARE SERVICES.—The term "basic covered health-care services" means covered health-care services described in part A of title II.

(2) COVERED HEALTH-CARE SERVICES.—The term "covered health-care services" means, with respect to an individual, health-care services required to be provided or paid for under a qualified health plan for that individual.

(3) HEALTH PLAN.—The term "health plan" means an insurance or other plan which provides for payment with respect to the provision, or for the direct provision, or any combination thereof, of health-care services to an individual.

(4) QUALIFIED HEALTH PLAN.—The term "qualified health plan" means—

(A) with respect to a Medicare-eligible individual, either—

(i) the Medicare program, or

(ii) except for individuals eligible for Medicare benefits because of section 226A or section 1881(d) of the Social Security Act, a health plan offered by a participating health maintenance organization which provides for at least the benefits provided for under Medicare;

(B) with respect to a member of a uniformed service on active duty (and members of such member's family), a health plan provided pursuant to chapter 55 of title 10, United States Code;

(C) with respect to foreign visitors, such a health plan providing for basic covered health-care services to such visitors as the Secretary of State, in consultation with the National Health Board, decrees; and

(D) with respect to any other eligible individual, a health plan which provides for payments, on behalf of each enrollee, with respect to the provisions, or for the direct provision, or any combination thereof, subject to the provisions of this Act and without charge to the enrollee, of at least the basic covered health-care services (described in part A of title II) furnished to the individual during the period of the individual's enrollment.

(e) TERMS RELATING TO PROVIDERS.—As used in this Act, except as otherwise specifically provided:

(1) INSTITUTIONAL PROVIDER.—The term "institutional provider" means a hospital, skilled nursing facility, home health agency, community mental health center, health clinic, community health center and other organized health or mental health center, as determined by State Health Boards in accordance with regulations established by the National Health Board, and man include such another category provider, including health maintenance organization, as the National Health Board may provide.

(2) PARTICIPATING PROVIDER.—The term "participating provider" means a provider of health-care services who or which (A) qualifies, in accordance with this Act and Medicare, to provide basic covered health-care services and (B) has entered into a provider participation agreement under section 1866 of the Social Security Act.

(3) PROVIDER; PROVIDER OF HEALTH CARE.—The terms "provider" and "provider of health care" mean an individual or entity that furnishes health-care services.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENROLLMENT

SEC. 101. ELIGIBILITY.

(a) IN GENERAL.—Each individual who is—

(1) a citizen of the United States;

(2) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act);

(3) an alien admitted to the United States as an officer or employee (or member of the immediate family of such officer or employee)—

(A) of a foreign government or an instrumentality of a foreign government, or

(B) of an international organization (as such term is defined in the International Organizations Immunities Act).

if the government or organization, respectively, has entered into an agreement described in subsection (b)(1) with the United States; or

(4) an alien admitted as a temporary visitor to or while traveling through the United States and who is a national or citizen of a nation which has entered into an agreement described in subsection (b)(2),

is eligible for health-care benefits under and in accordance with this Act.

(b) AGREEMENTS WITH FOREIGN GOVERNMENTS OF INTERNATIONAL ORGANIZATIONS.—

(1) RELATING TO EMPLOYEES OF FOREIGN GOVERNMENTS OR INTERNATIONAL ORGANIZATIONS.—The National Health Board, after consultation with the Secretary of State, shall recommend to the President that the President enter into an executive agreement with the government of a foreign nation or with an international organization under which officers and employees (and members of the immediate families of such officers and members) of the government or international organization who are employed and residing in the United States are made eligible for health care benefits under and in accordance with this Act in return for the payment, with respect to such individuals, of—

(A) the national community-rated premium, in the amount determined under section 331, and

(B) amounts, with respect to each such officer or employee, which the National Health Board estimates (after consultation with the Secretary of the Treasury) to be equivalent to the amounts which would be payable under sections 3101(b) and 3111(b) of the Internal Revenue Code of 1954 if such employment were employment for the purpose of those sections.

(2) FOREIGN VISITORS AGREEMENTS.—The National Health Board, after consultation with the Secretary of State, shall recommend to the President that the President enter into an executive agreement with the government of any foreign nation under which—

(A) the nationals or citizens of that nation who are foreign visitors in the United States would be enrolled in a qualified health plan in the United States, and

(B) citizens and permanent resident aliens (described in subsection (a)(2)) of the United States would receive comparable health care benefits while temporarily visiting in or traveling through that other nation,

but such recommendation shall only be made if the Board determines that such an agreement is in the national interest.

SEC. 102. ENTITLEMENT.

Each eligible individual is entitled—

(1) in accordance with part B, to enroll in a qualified health plan of the individual's choice offered by a participating insurer or health maintenance organization and to change such enrollment, during general open enrollment periods and at special enrollment periods, in accordance with such part;

(2) to have payment made on the individual's behalf and not to be charged any fee for the furnishing of basic covered health-care services (set forth in part A of title II) to the individual under the qualified health plan; and

(3) as an enrollee to be issued a health insurance enrollment card, in accordance with section 111(a)(2).

PART B—ENROLLMENT

SEC. 111. ENROLLMENT IN GENERAL.

(a) IN GENERAL.—

(1) RIGHT TO ENROLL.—Each eligible individual may enroll in any qualified health plan of a participating insurer or health maintenance organization in accordance with this part or be deemed enrolled in a qualified health plan offered by a participating insurer or health maintenance organization in accordance with this part.

(2) HEALTH INSURANCE ENROLLMENT CARDS.—Upon an eligible individual's enrollment, or change of enrollment, in a qualified health plan offered by a participating insurer or health maintenance organization, the insurer or organization shall issue to the individual (and to each other member of the individual's family covered under the plan with the individual) a health insurance enrollment card that identifies—

(A) the individual,

(B) the health plan in which the individual is enrolled, and

(C) the participating insurer or organization which offered the plan,

but does not otherwise identify (directly or indirectly) the category or basis for the individual's enrollment under this Act. In lieu of issuing such a card for foreign visits, the Secretary of State may provide for such other identification (in conjunction with the issuance of visas for entry or otherwise) of such foreign visits' entitlement to health-care services under this Act as such Secretary, after consultation with the National Health Board, determines to be appropriate and consistent with this Act.

(b) PROVISION OF ENROLLMENT INFORMATION.

(1) PREPARATION BY NATIONAL HEALTH BOARD.—The National Health Board shall provide for the preparation of information on enrollment and changes of enrollment under this section and for distribution of the information to, and by, employers, participating insurers and health maintenance organizations, particpating providers, the Commissioner of Social Security, State Health Boards, and others. Such information shall be prepared in a manner that is clear, accurate, and easy-to-read, and shall be available in a form which is understandable by

the visually-handicapped and shall be available in such other languages (other than English), as designated by the National Health Board, as may be commonly used by any significantly-sized group of eligible individuals.

(2) Distribution of information.—Information on enrollment (and change in such enrollment) under this part shall be readily available and provided—

(A) by employers, to their employees;

(B) by or through the National Health Board, to Medicare-eligible individuals;

(C) by the Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare, to members of a uniformed service on active duty (and members of their families) under each jurisdiction;

(D) by the Commissioner of Social Security, through district offices of the Social Security Administration, to SSI-eligible individuals;

(E) by the managers of Federal and State institutions, to residents of such institutions;

(F) by single State agencies (established or designated under section 402(a)(3) of the Social Security Act) to AFDC-eligible individuals; and

(G) by or through State Health Boards, to other individuals (including individuals who are receiving general assistance) and eligible individuals generally.

(3) Notice to unenrolled eligible individuals by State health boards.—The National Health Board shall notify each State Health Board of the identity of eligible individuals who, in the filing of certain information returns with the Federal Government, have failed to indicate an enrollment in a qualified health plan under this part, and participating providers shall transmit to the State Health Board (for the State in which the provider is located) requests for payment for eligible individuals who did not indicate, at the time of receiving basic covered health-care services, an enrollment in a qualified health plan under this part and such identifying information on such individuals as the National Health Board may require. The State Health Board shall make special efforts to locate such individuals to notify them of their opportunity to enroll under this part and to provide for such enrollment.

(c) General Enrollment Periods.—For purposes of this part:

(1) First general enrollment period.—The term "first general open enrollment period" means the period beginning on June 1 and ending on November 30 of the year before the first effective year.

(2) General open enrollment periods.—The term "general open enrollment period" means the period beginning on September 1 and ending on November 30 of each year beginning with the first effective year.

(d) Special Enrollment Periods.—For purposes of this part, the term "special enrollment period" means, for an eligible individual and pursuant to regulations of the National Health Board, the time period (beginning in or after the first effective year) when—

(1) the individual first becomes an eligible individual (other than as a member of a family) or a Medicare-eligible individual; or

(2) the individual is no longer able to continue enrollment in the previous qualified health plan because of a change in the individual's (or a family member's) employment, marital status, family unit, area of principal residence, or other factor,

and such other time periods as the National Health Board may provide by regulation.

(e) Effective Dates and Duration of Enrollment.—

(1) Effective dates of enrollments during general enrollment periods.—Any enrollment made during the first general open enrollment period and any change of enrollment made (other than pursuant to a special enrollment period) during any general open enrollment period shall take effect with respect to health-care services furnished on or after January 1 of the year succeeding the year in which the period occurs.

(2) Effective dates of enrollments during special enrollment periods.—Any enrollment made during a special enrollment period because of—

(A) commencement of new employment, shall be effective for health-care services furnished on or after the date of the commencement of the employment;

(B) the individual's first becoming an eligible individual, shall be effective for health-care services furnished on or after the date with respect to which eligibility was first established;

(C) the individual's becoming a Medicare-eligible individual, shall be effective for health-care services furnished on or after the first day of the month for which such eligibility is established; or

(D) such other reasons, shall be effective for health-care services furnished on or after such date as the National Health Board shall provide.

Any eligible individual who has not enrolled or been enrolled under this part in a timely manner shall, for purposes of collection and payment of premiums and making of benefit-payments to providers under qualified health plans, be deemed to have enrolled in a timely manner in the qualified health plan in which the individual is subsequently enrolled.

(3) Duration of enrollment.—An enrollee in a qualified health plan remains enrolled in the plan until—

(A) the first date on which the individual is no longer an eligible individual,

(B) the date the individual (other than a Medicare-eligible individual or a member of a uniformed service or the family member of such a member) commences employment, if (i) the new employer does not offer the plan in which the individual has been enrolled, and (ii) no member of the individual's family is employed by an employer who offers the plan in which the individual has been enrolled,

(C) the date the individual's family changes its principal permanent residence, if (i) the family is enrolled in a qualified health plan offered by a participating health maintenance organization and (ii) the new residence is outside the area served by the organization, and

(D) the effective date of a change in the individual's enrollment under this part.

(f) Treatment of Family Members Generally.—Except as otherwise provided by the National Health Board under this part, all members of a family (other than members who are Medicare-eligible individuals, SSI-eligible individuals, or residents of a Federal or State institution) are enrolled at any particular time in only one qualified health plan under this part.

Sec. 112. Enrollment By Employees and Offering of Qualified Health Plans by Employers.

(a) Required Offering of Plans.—Each employer shall—

(1) during the first general enrollment period (as defined in section 111(c)(1)) offer to each qualified employee (as defined in subsection (f)(1)),

(2) during each general open enrollment period, offer to each such employee, and

(3) during a special enrollment period with respect to a qualified employee, offer to such employee,

enrollment in a qualified health plan in accordance with this section.

(b) Choice Among Plans.—In offering enrollment in a plan to a qualified employee under this section, the employer shall offer the employee the choice of enrollment under—

(1) at least one of the qualified health plans offered by a participating insurer belonging either—

(A) to the blue cross-blue shield consortium (described in section 412(a)(1)), or

(B) to the commercial insurance carrier consortium (described in section 412(a)(2)); and

(2) at least one of the qualified health plans offered by any participating health maintenance organization belonging to either of the consortia for health maintenance organizations (described in paragraph (3) or (4) of section 412(a)), if such a plan is available in the area in which qualified employees and their dependents obtain health-care services,

and may also offer (at the option of the employer) the employee the choice of enrollment in one or more qualified health plans offered by a self-insurer. If any qualified employees of the employer are represented by a collective bargaining representative or other employee representative designated or selected under law, the offer of enrollment of such employees in one or more qualified health plans from among the plans provided in paragraph (1) or (2) shall first be made to such representative and, if such offer is accepted by such representative, shall then be made to each such employee. If a qualified health plan otherwise offered under paragraph (1) or (2) does not have the capacity to enroll all qualified employees (and family members) who may desire to enroll, the employer shall provide for offers of enrollment with other qualified health plans under such paragraph.

(c) Election By Employee; Automatic Enrollment.—Each qualified employee shall, in accordance with procedures established by the National Health Board, elect the plan in which the employee (and each qualified dependent of the employee) will be enrolled. In the absence of such election, the employer shall, in accordance with such procedures as the National Health Board shall establish, enroll the employee (and each qualified dependent of the employee) in one of such plans.

(d) Offering of Plans With Supplemental Benefits.—If an employer offers, as part of or in conjunction with the offering of a qualified health plan under this subsection, a health plan that offers benefits for other than basic covered health-care services the employer shall provide to the employee written information (in a form meeting guidelines established by the National Health Board) regarding any additional cost to the employee of the employee's election to accept the plan.

(e) Treatment of Other Family Members.—

(1) Coverage of dependents.—Any qualified health plan or supplementary health plan offered pursuant to this section by an employer to a qualified employee shall provide for coverage of the employee and of each qualified dependent of the employee.

(2) Overlapping coverage.—If more than one member of a family is offered a choice of qualified health plans under this section (because more than one such member is a qualified employee), the members of that family may choose to enroll under only one health plan from all of the choices made available to members of the family.

(3) Permitting multiple membership in the case of divided families.—In accordance with such regulations as the National Health Board may provide, the provisions of paragraphs (1) and (2) shall not apply to qualified dependents of an employee who do not share the same household with the qualified employee and under such other circum-

stances as the National Health Board may provide.

(f) Definitions.—For purposes of this section:

(1) Qualified employee.—The term "qualified employee" means an employee who is an eligible individual and who is not—

(A) a Medicare-eligible individual,

(B) a member of a uniformed service on active duty or a member of such member's family, or

(C) an individual described in paragraph (3) or (4) of section 101(a) (relating to certain foreign employees and foreign visitors).

(2) Qualified dependent.—The term "qualified dependent" means a member of a qualified employee's family, if the member is an eligible individual and is not—

(A) a Medicare-eligible individual or an SSI-eligible individual,

(B) a member of uniformed service on active duty or a dependent of such a member,

(C) an individual described in paragraph (3) or (4) of section 101(a) (relating to certain foreign employees and foreign visitors), or

(4) a resident of a Federal or State institution.

(g) Enforcement.—

(1) Civil penalty.—Any employer that knowingly does not comply with one or more of the requirements of this section shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this subsection for each thirty-day period such noncompliance continues. Such penalty may be assessed by the National Health Board and collected in a civil action brought by the United States in a United States district court.

(2) Proceedings.—In any proceeding by the National Health Board to assess a civil penalty under this subsection, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the National Health Board shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification by the National Health Board of a noncompliance.

Sec. 113. Enrollment of Members of a Uniformed Service On Active Duty, Medicare-Eligible Individuals, and Foreign Employees and Visitors.

(a) Enrollment of Members of a Uniformed Service and Their Families.—

(1) In General.—Each eligible individual who is a member of a uniformed service on active duty shall choose to enroll (and may change such enrollment during general open enrollment periods) in a qualified health plan from among such health plans, offered by or through the Department of Defense, as the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, the Secretary of Transportation, and the Secretary of Commerce, and with the National Health Board, finds consistent with chapter 55 of title 10, United States Code, and with the policy of requiring that the provision of basic and other covered health-care services to such members and members of their families be through facilities of the uniformed services.

(2) Treatment of Other Family Members.—

(A) Coverage of dependents.—Any health plan offered pursuant to this subsection to a member of a uniformed service on active duty shall provide for coverage of family members of such member who are eligible individuals but are not Medicare-eligible individuals.

(B) Permitting multiple membership in the case of divided families.—In accordance with such regulation as the National Health Board may provide, subparagraph (A) shall not apply to such a spouse or dependents of a member of a uniformed service who do not share the same household with the member and under such other circumstances as the National Health Board may provide.

(b) Enrollment of Medicare-Eligible Individuals.—Medicare-eligible individuals shall enroll, or be enrolled, with the National Health Board or with a participating health maintenance organization in accordance with the Medicare program.

(c) Foreign Employees.—Eligible individuals described in section 101(a)(3), relating to employees of foreign governments and international organizations, are entitled to enroll (and change such enrollment) in a qualified health plan from among such qualified health plans as shall be provided under the provisions of the agreement described in section 101(b)(1).

(d) Foreign Visitors.—Foreign visitors are entitled to enroll in such qualified health plan or plans as the Secretary of State provides, after consultation with the National Health Board.

Sec. 114. Enrollment of Other Individuals.

(a) Enrollment of SSI-Eligible Individuals and Residents of Federal Institutions.—Each individual who is an SSI-eligible individual or who is a resident of a Federal institution and who is not otherwise enrolled under section 112 or 113 may—

(1) during the first general enrollment period (as defined in section 111(c)(1)), enroll,

(2) during each general open enrollment period, change enrollment, and

(3) during each special enrollment period with respect to the individual, enroll or change enrollment, in any qualified health plan available to the individual.

(b) Enrollment of AFDC-Eligible Individuals, Residents of State Institutions, and others.—Each eligible individual who is an AFDC-eligible individual, resident of a State institution, or otherwise not enrolled, or eligible to enroll, under section 112 or 113 or subsection (a) of this section may—

(1) during the first general enrollment period (as defined in section 111(c)(1)), enroll,

(2) during each general open enrollment period, change enrollment, and

(3) during each special enrollment period with respect to the individual, enroll or change enrollment, in any qualified health plan available to the individual.

(c) Mandatory Enrollment—Pursuant to regulations established by the National Health Board and rules and procedures established by State Health Boards—

(A) in the case of any SSI-eligible individual described in subsection (a) who fails to enroll in a qualified health plan, the Commissioner of Social Security shall,

(B) in the case of any resident of a Federal or State institution described in subsection (a) or (b) who fails to enroll in a qualified health plan, the manager of the institution shall, and

(C) in the case of any AFDC-eligible individual or other individual (other than a resident of a State institution) described in subsection (b) who fails to enroll in a qualified health plan, the State Health Board shall,

notify the individual of the choices of enrollment available to the individual, and, in the subsequent absence of any such election and in accordance with such procedures as the National Health Board shall estabilsh, enroll the individual in one of such plans.

(d) Coverage of Other Family Members.—Any qualified health plan offered pursuant to this section to an eligible individual (other than an SSI-eligible individual or a resident of a Federal or State institution) shall provide for coverage of the individual and of eligible individuals who are members of the individual's family (other than Medicare-eligible individuals, SSI-eligible individuals, or residents of Federal or State institutions).

TITLE II—BENEFITS AND PROVIDERS

Part A—Basic Covered Health-Care Services

Sec. 201. Inpatient and Outpatient Hospital Services.

(a) In General.—Inpatient hospital services and outpatient hospital services, including services of hospital-based physicians, are basic covered health-care services.

(b) Limitation.—Inpatient mental health services are basic covered health-care services only to the extent of—

(1) 150 consecutive days of Medicare-eligible individuals, or

(2) 45 consecutive days for other eligible individuals,

during certain periods of treatments, as determined under section 1812(c) of the Social Security Act.

Sec. 202. Physicians' Services.

(a) In General.—Physicians' services are basic covered health-care services.

(b) Limitation.—Physicians' services primarily for the diagnosis or treatment of mental illness and outpatient mental health services (described in section 208(b)) are basic covered health-care services only to the extent that expenses for such services in a calendar year do not exceed the fee-equivalent of 20 psychiatric visits per year (as determined under section 1833(c) of the Social Security Act).

Sec. 203. Home Health Services.

Home health services are basic covered health-care services for up to 100 visits during a calendar year.

Sec. 204. Post-Hospital Skilled Nursing Facility Services.

Post-hospital extended care services are basic covered health-care services for up to 100 days during any spell of illness.

Sec. 205. Preventive Health Services.

(a) Initial Services.—Basic covered health-care services include, as defined by the National Health Board—

(1) basic immunizations,

(2) pre- and post-natal maternal care,

(3) well-child care (including periodic physical examinations, hearing and vision screening, and developmental screening and examinations) for individuals up to the age of 18 years, and

(4) such other health-care services as are designed to prevent, or to minimize the effect of, illness, disease, or medical condition as the National Health Board may add under subsection (b).

(b) Additional Services.—

(1) Addition.—In addition to the services listed in paragraphs (1), (2), and (3) of subsection (a), the National Health Board, after consultation with such experts as it deems appropriate, may add on a year-by-year basis as preventive health services, subject to paragraph (2), such health-care services (described in subsection (a)(4)), under such conditions or limitations as may be established by the Board, as the Board determines will provide for the cost-effective delivery of health-care services under this Act and Medicare.

(2) Budget limitation.—For the provision of preventive health services described in subsection (a)(4) in any year under this Act and under Medicare, the anticipated expenditures contained in the Annual Budget (established under section 301) for the year for such services shall not exceed—

(A) if the year is the first effective year, $500,000,000, and

(B) if the year is a subsequent year, the amount determined under this paragraph for the previous year increased by the average annual rate of increase in the gross national product for the three-year period ending with the year before such previous year.

SEC. 206. MEDICAL AND OTHER HEALTH SERVICES.

Other medical and other health services, including—

(1) services and supplies incidental to the provision of physician's services;

(2) hospital services incidental to physicians' services rendered to outpatients;

(3) diagnostic services furnished to outpatients of hospitals;

(4) outpatient physical therapy services, outpatient speech pathology services, and outpatient occupational therapy services;

(5) health clinic services, including rural health clinic services;

(6) home dialysis supplies and equipment;

(7) diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests;

(8) X-ray (and related) therapy;

(9) durable medical equipment used in the patient's home;

(10) ambulance service, to the extent provided in regulation;

(11) prosthetic devices (other than dental) which replace all or part of an internal body organ (including lens after cataract surgery), including replacements of such devices; and

(12) leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including necessary replacements, are basic covered health-care services.

SEC. 207. INSULIN AND OUTPATIENT PRESCRIPTION DRUGS FOR CHRONIC ILLNESS FOR MEDICARE-ELIGIBLE INDIVIDUALS.

Insulin and outpatient prescription drugs for treatment of chronic conditions are covered health-care services, but only for Medicare-eligible individuals, to the extent and under such restrictions as are provided under Medicare (as amended by this Act).

SEC. 208. MENTAL HEALTH SERVICES.

(a) MENTAL HEALTH DAY CARE SERVICES.—

(1) IN GENERAL.—Mental health day care services are basic covered health-care services.

(2) LIMITATION.—Mental health day care services are basic covered health-care services only to the extent of two days for each day of inpatient mental health services permitted under section 201(b).

(b) OUTPATIENT MENTAL HEALTH SERVICES.—

(1) IN GENERAL.—Outpatient mental health services are basic covered health-care services.

(2) LIMITATION ON MENTAL HEALTH SERVICES.—Outpatient mental health services and physicians' services primarily for the diagnosis or treatment of mental illness (described in section 202(b)) are basic covered health-care services only to the extent that expenses for such services do not exceed in a calendar year the fee-equivalent of 20 psychiatric visits per year (as determined under section 1833(c) of the Social Security Act).

(3) MENTAL HEALTH SERVICES DEFINED.—For purposes of this subsection and section 202 (b), the term "mental health services" means treatment, diagnosis, evaluation, or crisis intervention of a mental illness or condition.

SEC. 209. AUDIOLOGICAL EXAMINATIONS AND HEARING AIDS.

(a) IN GENERAL.—Audiological examinations by a physician or qualified audiologist and the provision of hearing aids are basic covered health-care services.

(b) LIMITATION.—Audiological examinations are basic covered health-care services only to the extent of one examination per individual per year and hearing aids are basic covered health-care services only to the extent of provision of one hearing aid per individual for any three-year period.

SEC. 210. EXCLUSIONS.

(a) IN GENERAL.—Basic covered health-care services do not include items and services for which payment may not be made under Medicare, including expenses for items or services—

(1) other than preventive health services, not reasonable or necessary for the diagnosis or treatment of illness, injury, or condition, or to improve the functioning of a malformed body member;

(2) not provided within the United States;

(3) which constitute personal comfort items;

(4) other than preventive health services, for routine physical checkups, eye-glasses and eye examinations;

(5) for custodial care;

(6) for cosmetic surgery, except for prompt repair of accidental injury or for improvement of the functioning of malformed body member;

(7) where such expenses constitute charges imposed by immediate relatives of the individual or members of the individual's household;

(8) other than preventive health services, in connection with the care, treatment, filling removal, or replacement of teeth or structures directly supporting teeth, except for in patient hospital services in connection with treatment of underlying medical conditions; and

(9) for treatment of flat feet, subluxations of the foot, or routine foot care, unless required to prevent serious handicapping for patients with a diagnosed case of diabetes mellitus.

(b) ADDITIONAL EXCLUSIONS FOR NON-MEDICARE ELIGIBLE-INDIVIDUALS.—Basic covered health-care services do not include, for other than Medicare-eligible individuals, payment for—

(1) orthopedic shoes or other supportive devices for the feet.

(2) services of physicians described in section 1861(r)(5) of the Social Security Act, and

(3) certain inpatient hospital services furnished outside the United States (described in section 1814(f) of the Social Security Act).

(c) ADDITIONAL EXCLUSIONS.—The National Health Board, after consultation with the Commission on Health-Care Benefits and the Commission on Quality of Health Care, may provide, upon the basis of the cost and effectiveness of providing particular health-care items or services that, notwithstanding any other provision of this Act or title XVIII of the Social Security Act, payment may not be made, under a qualified health plan under this Act or under Medicare, for such an item or service.

PART B—PROVIDER STANDARDS AND CERTIFICATIONS

SEC. 211. STANDARDS FOR SERVICES, PROVIDERS, AND CERTIFICATION OF PROVIDERS.

(a) IN GENERAL.—The provisions of titles XI and XVIII of the Social Security Act with respect to—

(1) definitions of terms and descriptions of health-care services, providers of services, and other health-care providers (under section 1861 of such Act);

(2) conditions of participation for health care providers (under section 1866 of such Act) and use of State and other agencies in determining compliance with standards (under sections 1863 and 1864 of such Act);

(3) suspension and disqualification of providers (under sections 1862 and 1866 of such Act);

(4) limitations or exclusions from payment for items and services (under sections 1812, 1814, 1833, 1834, and 1862 of such Act);

(5) certifications (under sections 1814 and 1835 of such Act) with respect to the provision of items or services; and

(6) application of professional standards review (under part B of title XI of such Act) with respect to items and services furnished under Medicare,

shall apply to basic covered health-care services provided under qualified health plans to the same extent as they apply to items and services for which payment may be made under title XVIII of such Act.

(b) ADDITIONAL CONDITIONS FOR PROVISION OF CERTAIN SERVICES.—In order to encourage payment for items and services under such circumstances as are likely to improve health care, the National Health Board, after consultation with the Commission on Health-Care Benefits and the Commission on Quality of Health Care, may establish a list of high-risk, high-cost, elective, or overutilized items or services for which payment may be made under a qualified health plan under this Act or under Medicare only if one or more of the following conditions are met with respect to its provision by a provider:

(1) The provider is certified by an appropriate specialty board in the relevant medical specialty.

(2) The diagnosis and recommended provision of the service by the provider is supported by (A) a second opinion by a qualified physician which confirms the diagnosis and proposed treatment or (B) specific objective findings.

(3) The provider is an institution that is adequately equipped and staffed (in accordance with regulations of the National Health Board) to furnish the service.

(4) The provider is a specialist or an institution providing care to a patient who has been referred to that provider by a primary-care physician (as determined by the National Health Board).

(5) The provider has demonstrated, through statistical evidence, that it provides high-quality health-care services and that it properly uses appropriate methods and technologies.

(c) RESIDUAL MEDICAID PROGRAM.—For amendments to title XIX of the Social Security Act (popularly known as the Medicaid program) providing for—

(1) replacement of Federal grants-in-aid with a Federal guarantee of payments of certain additional payments for group-rated premiums of AFDC-eligible individuals in qualified health plans,

(2) establishment of maintenance of effort requirements, and

(3) requirements with respect to additional mandatory services,

see section 636.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

Subpart I—Budget Process

SEC. 300. BUDGET TIMETABLE.

The timetable with respect to the budget process for the national health insurance system for a year is as follows:

Action to be completed:

On or before January 15: Proposed annual State budgets submitted to National Health Board.

On or before March 1: Annual Budget submitted to Congress.

On or before July 1: Annual State budgets adopted.

On or before September 1–November 30: Open enrollment period.

On or before January 1 of following year: Budget year begins.

SEC. 301. ANNUAL BUDGET.

(a) PREPARATION.—

(1) SUBMITTAL OF PROPOSED ANNUAL STATE BUDGETS.—After taking into consideration the policies of the National Health Board, the Health Care Improvement Plan (most recently prepared under section 305), and recommendations of the Commissions, each State Health Board, not later than January 15 of each year, shall prepare and transmit to the National Health Board a proposed annual State budget (described in section 302) for that State for the succeeding year.

(2) FEDERAL EXPENDITURES ESTIMATE.—The National Health Board shall prepare and transmit to the President on a timely basis,

for inclusion without change in the Budget transmitted by the President under section 201(a) of the Budget and Accounting Act, 1921, an estimate of the anticipated Federal expenditures related to the appropriate Annual Budgets.

(3) PREPARATION AND ADOPTION.—The National Health Board shall prepare and adopt, not later than March 1 of each year a comprehensive Annual Budget which establishes the level of expenditures authorized for covered health-care services and for administrative costs pursuant to this Act, and the revenues needed to finance such expenditures, for the succeeding year.

(4) PRESENTATION OF ANNUAL BUDGET.—Upon adoption of an Annual Budget, the National Health Board shall transmit a report on such budget to the President, the Congress, and to the Governor and the State Health Board of each State and shall make such budget available to the public.

(5) CONGRESSIONAL BUDGET OFFICE ANALYSIS OF BUDGET.—The Congressional Budget Office shall prepare and submit to the relevant committees of the Congress, as soon as practicable after receipt of an Annual Budget, an analysis of the impact of the Annual Budget on the Federal Budget.

(b) CONTENTS.—Each Annual Budget for a year shall set forth the following:

(1) ANTICIPATED EXPENDITURES.—The amount of anticipated expenditures, consistent with subsection (c), attributable to each of the following for the year for all States and for each State:

(A) ADMINISTRATIVE COSTS.—Costs of administration for (i) the National Health Board, (ii) State Health Boards, (iii) the consortia, and (iv) participating insurers (other than the Secretary of Defense) and participating health maintenance organizations.

(B) PROVISION OF COVERED HEALTH-CARE SERVICES.—Payments to participating providers for the provision of covered health-care services to enrollees, broken down by category of health-care service provided, category of provider, or both, as determined by the National Health Board.

(C) CAPITAL, EDUCATION, AND RESEARCH BUDGET.—Costs of capital investment, education of health care providers, and research for which funds are available under this Act.

(D) MEDICAL TRUST FUND EXPENDITURES.—Expenditures from the trust funds established under title XVIII of the Social Security Act.

(E) ADJUSTMENTS FOR PREVIOUS BUDGETS.—Increases in, or decreases from, the expenditures otherwise allowable in the year because of deficits or surpluses, respectively, in the budget of the national health insurance system for the preceding year.

(F) CONTINGENCY FUND.—Amounts which will be reserved to provide for unanticipated expenditures which cannot otherwise be budgeted.

(G) MEDICAID GUARANTEE AND RESIDUAL MEDICAID.—Payments made under State plans under title XIX of the Social Security Act (relating to the residual medicaid program) and payments made to States under section 1903(a)(1) of such Act and section 636(f) of this Act (relating to federal guarantee against additional State expenditures for AFDC-eligible individuals).

(H) MISCELLANEOUS EXPENDITURES.—Such other costs incurred under this Act as the National Health Board may specify.

For purposes of this subsection, the term "expenditures" does not include expenditures by the Department of Defense or the Veterans' Administration.

(2) ANTICIPATED REVENUES.—The amount of anticipated revenues attributable to each of the following for the year:

(A) WAGE-RELATED PREMIUMS.—Payments of premiums related to wages (described in section 341).

(B) NON-WAGE-RELATED INCOME PREMIUM.—Payments of premiums related to nonwage income (described in section 342).

(C) FEDERAL GROUP-RATED PREMIUMS.—Payments by the Federal Government of group-rated premiums on behalf of SSI-eligible individuals and for individuals who are residents of Federal institutions.

(D) STATE GROUP-RATED PREMIUMS.—Payments by State governments of group-rated premiums on behalf of AFDC-eligible individuals and for individuals who are residents of State institutions.

(E) PAYMENTS BY FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS.—Payments of premiums paid by foreign governments and international organizations (under section 343) pursuant to executive agreements described in section 101(b).

(F) MEDICARE TAXES, PREMIUMS, AND INTEREST.—Tax revenues received, premiums paid, and interest earned on trust funds, with respect to medicare.

(G) RESIDUAL FEDERAL PAYMENTS.—Payments by the Federal Government (under section 346) to consortiums for defaults in the payment of required premiums and payments by the Federal Government by appropriations from general revenues of the Federal Government.

(H) MISCELLANEOUS REVENUES.—Such other revenues as the National Health Board may specify. For establishment of premium rates consistent with total anticipated revenues for a year equaling the total of anticipated expenditures for the year, see section 331.

(3) SEPARATE SCHEDULES.—

(A) MEDICARE PROGRAM.—The anticipated expenditures and revenues (broken down by source) under medicare with respect to covered health-care services furnished under medicare program.

(B) OTHER PUBLIC PROGRAMS.—The anticipated expenditures and revenues under this act with respect to (i) SSI-eligible individuals, (ii) AFDC-eligible individuals, (iii) residents of Federal institutions, and (iv) residents of State institutions.

(C) PRIVATE INSURANCE PLANS.—The anticipated expenditures and revenues under this act with respect to individuals (other than medicare-eligible individuals, foreign visitors, or individuals described in subparagraph (B)).

(D) INTRASTATE AND INTERSTATE AREAS.—Upon the request of a Governor of a State or the Governors of adjoining States, the National Health Board may provide for a separate schedule of anticipated expenditures for different areas within a State or for areas including parts of more than one State.

(F) HEALTH RESOURCES DISTRIBUTION FUND AND RELATED PROGRAMS.—The anticipated expenditures from, and appropriations to, the Health Resources Distribution Fund, including the amount to be requested from Congress for programs under such fund and for each other authorized program administered by the National Health Board.

(4) PREMIUM RATES.—The national community-rated and group-rated premium and national premium rate established (under part C) for the year.

(5) FIVE-YEAR PROJECTIONS.—A projection of the anticipated expenditures (described in paragraph (1)) and the anticipated revenues (described in paragraph (2)) for each of the succeeding five years, showing any effect on such expenditures or revenues of the expenditures from the Health Resources Distribution Fund or of cost-control efforts.

(c) LIMITATION ON EXPENDITURES.—

(1) LIMITATION ON RATE OF INCREASE IN EXPENDITURES IN RELATION TO GROWTH IN GROSS NATIONAL PRODUCT.—The total anticipated expenditures for a year in an Annual Budget may not exceed the amount of the estimated expenditures under such Budget in the previous year by more than the average annual rate of increase in the gross national product for the three-year period ending with the year before the year in which the Annual Budget is adopted.

(2) MAXIMUM EXPENDITURES IN A YEAR.—

(A) LIMIT ON SYSTEM-WIDE EXPENDITURES.—The amounts set forth in an Annual Budget as total anticipated expenditures for the United States and for any State for covered health-care services (including administrative costs of insurers, health maintenance organizations, and consortia, but excluding services and costs relating to members of a uniformed service on active duty and members of their families) for any year are the maximum amounts that may be expended for such services for all States and for the State, respectively, for that year.

(B) LIMIT ON STATE EXPENDITURES.—A State Health Board, in implementing its annual State budget and in negotiating agreements or schedules pursuant to this part, may not provide for total expenditures for items covered in the budget in excess of those contained in the Annual Budget with respect to the State.

(C) LIMIT ON EXPENDITURES BY PROVIDER OR TYPE OF SERVICE.—(i) NATIONAL LIMITS.—Within such percentage variations as the National Health Board may permit, the amounts set forth in subsection (b)(1)(B) in an Annual Budget as total anticipated expenditures for the United States and for any State for any year for the provision of basic covered health-care services within a category of services or of providers, or both, are the maximum amounts that may be expended for such basic covered health-care services pursuant to qualified health plans and for covered health-care services under Medicare for all States and for the State, respectively, for that year.

(3) ESTABLISHMENT OF STATE EXPENDITURE LIMITS.—The percentage increase in the anticipated expenditures per capital for covered health-care services in the Annual Budget for a State and in the State's annual State budget for a year over the actual expenditures for such services in the State for the previous year—

(A) shall, except as provided under subparagraph (B) or (C), inversely reflect the degree to which per capita expenditures for health-care services in the State (calculated, to the extent feasible, on a price-adjusted basis) for the previous year are less than such per capita expenditures in the United States for that year;

(B) may not be less than 80 percent or more than 120 percent of the percentage increase of such expenditures per capita in the Annual Budget for that year over such expenditures per capita for the previous year; and

(C) may provide, notwithstanding subparagraph (B), for a higher rate of increase for the State if the State has a severely medically-underserved population with respect to which a special development program has been approved in the Health Care Improvement Plan established under section 305 or to the extent to which the State has an Indian health program, migrant health program, community health center, or other health program providing services to medically underserved populations.

SEC. 302. ANNUAL STATE BUDGETS.

(a) IN GENERAL.—

(1) PROPOSED ANNUAL STATE BUDGET.—In order to assist in the preparation of the Annual Budget for each year, each State Health Board shall prepare and submit, not later than January 15 of the previous year, to the National Health Board, in accordance with regulations established by the National Health Board, a proposed annual State budget for the State for the year.

(2) ANNUAL STATE BUDGET.—In order to implement the applicable portions of each Annual Budget for a year adopted by the National Health Board with respect to expenditures for covered health-care services

to be furnished in the State, each State Health Board shall adopt, not later than July 1 of the previous year, and submit to the National Health Board an annual State budget. Each annual State budget adopted for a year shall take into consideration, within the constraints of the such budget, all pertinent conclusions, including recommended changes in resource availability, contained in the most recently revised health care improvement plan for the State, prepared under section 306.

(b) BASES FOR ANNUAL STATE BUDGETS.—Each annual State budget shall, to the extent not inconsistent with policies established by the National Health Board—

(1) be prepared after consultation with, and consideration of any comments submitted by, the State government (and political subdivisions), State advisory commissions (established by the State Health Board under section 407(b)(3)), representative of consortia, participating insurers and health maintenance organizations operating in the State, participating providers in the State, and consumers residing in the State;

(2) be based on agreements negotiated, and any schedules for maximum amounts of payments agreed to in negotiations, by the State Health Board with participating providers with respect to payments to such providers for covered health-care services; and

(3) be based on prospective budgets that have been submitted by participating institutional providers and approved by the State Health Board.

(c) CONTENTS.—Each annual State budget shall contain the information described in section 301(b), but only with respect to expenditures, premiums, and the premium rate in that State.

Subpart II—Planning Process

SEC. 305. NATIONAL HEALTH CARE IMPROVEMENT PLAN

(a) PREPARATION.—The National Health Board, in consultation with the President's Commission on the Health of Americans, shall prepare and annually revise, before the adoption of each Annual Budget, a National Health Care Improvement Plan which describes—

(1) the needs over the five-year period beginning on the date of the Plan is prepared or revised (whichever occurs later) in the United States relating to the accessibility of health care, the quality of health care, and the cost of health care,

(2) the effect to date and projected effect of the implementation of provisions of this Act in meeting such needs, and

(3) recommended additional actions that should be taken to meet such needs.

The description of needs in paragraph (1) and recommended actions in paragraph (3) shall take into account the statement of needs and recommended actions contained in the State Plans for Health Care Improvement prepared under section 306.

(b) USE IN PREPARING GUIDELINES AND STANDARDS.—The National Health Board, in establishing any guidelines or standards under this Act, shall describe how such guidelines and standards facilitate meeting the needs projected in the most recently revised Health Care Improvement Plan prepared under this section.

SEC. 306. STATE HEALTH CARE IMPROVEMENT PLANS.

The Governor of each State shall prepare and annually revise a State Health Care Improvement Plan (hereinafter in this section referred to as the "State Plan") which, in accordance with standards and guidelines promulgated by the National Health Board, describe—

(1) the needs over the five-year period beginning on the date the State Plan is prepared or revised (whichever occurs later) in the State relating to the accessibility of health care, the quality of health care, and the cost of health care; and

(2) the specific actions the State intends to take to meet those needs.

A State Plan shall take into account and, to the extent appropriate, include the objectives of the current State health plan in effect for the State under section 1524 of the Public Health Service Act, the State medical assistance plan in effect for the State under title XIX of the Social Security Act, and any current plan submitted on behalf of the State to receive financial assistance under the Public Health Service Act or the Community Mental Health Centers Act.

PART B—PAYMENTS TO PROVIDERS

Subpart I—Payments to Providers Generally

SEC. 311. WHO MAKES PAYMENTS TO PROVIDERS.

(a) PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—Each participating insurer and health maintenance organization shall provide for making payment, in accordance with this part, to a participating provider which furnishes covered health-care services to an enrollee enrolled in a qualified health plan offered by the insurer or organization.

(b) PAYMENT FOR SERVICES TO INDIVIDUALS DEEMED ENROLLED.—Whenever a participating provider furnishes covered health-care services to an eligible individual who is not an enrollee, the provider shall be paid for such services by the participating insurer or health maintenance organization which offers the qualified health plan in which the individual later enrolls or is enrolled.

(c) PAYMENTS FOR SERVICES TO MEDICARE-ELIGIBLE INDIVIDUALS.—With respect to covered health-care services furnished to a medicare-eligible individual by a participating provider, payment for such services shall be made, if the individual is—

(1) not enrolled in a qualified health plan offered by a participating health maintenance organization, by the National Health Board from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund, in accordance with this part and medicare or

(2) enrolled in such a plan, by the organization, in accordance with this part and medicare.

(d) PAYMENTS FOR SERVICES TO MEMBERS OF UNIFORMED SERVICE ON ACTIVE DUTY.—With respect to covered health-care services furnished to a member of a uniformed service on active duty (or a member of that member's family), payment for such services shall be made by the Secretary of Defense in accordance with chapter 55 of title 10, United States Code.

SEC. 312. BASIS ON WHICH PAYMENTS MADE.

(a) ALLOCATION TO INSTITUTIONAL PROVIDERS BASED ON PROPORTIONATE SHARE OF BUDGET AND ADMINISTRATIVE SIMPLICITY.—

(1) GENERAL RULE.—Each participating insurer or health maintenance organization, which offers a qualified health plan whose enrollees receive covered health-care services from an institutional provider for which they are entitled to have payment made under this Act, shall provide for payments of such allocated portion of the approved prospective budget (established under section 321) of the provider as reflects, in accordance with regulations of the National Health Board (established in accordance with paragraph (2)), the proportion of the costs in the budget used to provide such services to such enrollees. Except as approved by the State Health Board, no payment may be made pursuant to this Act for expenditures by an institutional provider for covered health-care services it furnishes to the extent these expenditures are not included in its prospective budget approved under this section.

(2) ESTABLISHMENT OF METHODS OF APPORTIONMENT.—Such regulations of the National Health Board shall provide for such method or methods of apportionment of costs among insurers and health maintenance organizations as will allocate costs in a manner that is administratively simple and reasonable, will reflect the portion of costs for which the insurer or organization is responsible, and provide for payment to the provider of the revenues projected for the provider in its approved prospective budget with respect to covered health-care services provided to its enrollees. Such methods may include apportionment based on—

(A) the number of treatments of particular conditions or of particular diagnoses;

(B) the relative value of the health-care services furnished, as determined in accordance with indices of relative values to be established by the National Health Board;

(C) the number of admissions, number of patient days, number of diagnoses, or other such easily determinable factor that may fairly allocate costs; or

(D) any other method approved by the National Health Board.

In establishing the method or methods of apportionment of costs, the Board shall take into account the desirability of limiting billing and administrative costs by limiting the amount of data that the provider is required to furnish.

(3) SELECTION AMONG METHODS OF APPORTIONMENT.—If these regulations provide for more than one method of apportionment for any type of provider in a State, the State Health Board may select, and require the use of, one of such approved methods by that provider, and participating insurers and health maintenance organizations with respect to that provider, but only after the State Health Board has considered the relative merits of the methods approved by the National Health Board for that type of provider. The method of apportionment so selected with respect to a provider may be changed by a State Health Board at any time.

(4) EXPERIENCE REPORTS AND ADJUSTMENTS.—Each institutional provider in a State with an approved prospective budget shall transmit to the State Health Board, at the close of each year, data and a reconciliation showing differences between the actual expenditures of, and services provided by, the provider in a year with such expenditures and services allowed for in its approved prospective budget for the year. If expenditures of the provider were below those predicted because of actions taken that increased the efficiency of the provider, the State Health Board shall provide for the retention, by the provider, of one-half of the amount of such savings. The State Health Board shall provide, to the extent appropriate, for adjustments in the amounts of the payments made by different insurers and health maintenance organizations or in the prospective budget for the following year in order to properly correct unintended differences in the amount or source of payments to a provider.

(b) PAYMENTS TO INDIVIDUAL PROVIDERS BASED ON FEE SCHEDULE.—

(1) IN GENERAL.—For covered health-care services (other than drugs, hearing aids, durable medical equipment, or laboratory services) furnished by a participating provider (other than an institutional provider) the provider shall be paid for each such health-care service in accordance with the lowest of—

(A) the fee charged by the provider,

(B) the fee agreed upon between the provider and the participating insurer or health maintenance organization making payment for the service, or

(C) the applicable maximum fee schedule for the service (established under section 322).

The National Health Board may provide, upon the recommendation of a State Health

Board and on an individual-by-individual basis, for an increase in the amount of payment made for the provision of a covered health-care service service by a physician provider in order to recognize performance of unusual merit by the physician in providing the service.

(2) Salary Equivalent.—In lieu of payment under paragraph (1), payment may be made to a provider described in that paragraph, at the election of the provider, on a salary or fee-for-time basis if the total amount payable in a year to the provider by the use of such method is not greater than the total amount payable for the equivalent amount of services as computed (in accordance with regulations established by the National Health Board) on the basis of the applicable maximum fee schedule (established under section 322).

(c) Payments to Providers for Durable Medical Equipment, Laboratory Services, Drugs, and Hearing Aids.—For the furnishing of covered durable medical equipment, laboratory services, drugs, and hearing aids, the provider shall be paid the sum of—

(1) lowest of—

(A) the charge for the equipment, laboratory service, drug, or hearing aid,

(B) the charge agreed upon between the provider and the participating insurer or health maintenance organization making payment for the equipment, laboratory service, drug, or hearing aid, or

(C) the maximum reasonable cost for the equipment, laboratory service, drug, or hearing aid (established under section 323); and

(2) in the case of drugs and hearings aids, the lowest of (A) the provider's fee charged for dispensing the drug or hearing aid, (B) the fee agreed upon between the provider and the participating insurer or health maintenance organization for such service, or (C) the highest fee permitted under the applicable maximum fee schedule (established under section 323).

(d) Other Covered Health-Care Services.—For the furnishing of other covered health-care services, the provider shall be paid the lowest of—

(1) the charge for the service,

(2) the charge for the service agreed upon between the provider and the participating insurer or health maintenance organization making payment for the service, or

(3) the maximum reasonable cost of the service, as established by the State Health Boards in accordance with guidelines and standards established by the National Health Board.

(e) Experiments and Demonstrations.—Notwithstanding subsections (a) through (d), the National Health Board may permit payment to be made to institutional and other participating providers using an experimental or demonstration method of reimbursement if the Board finds that the demonstration of, or experimentation with such method will further the purposes of this Act.

(f) Periodic Review.—Once every five years or at such more frequent intervals as the National Health Board may provide and upon the presentation of a petition signed by one-fourth of the participating providers within a category of provider, the National Health Board shall conduct a hearing concerning the methods of reimbursement (including any guidelines or standards related thereto) provided under this part for that category of provider. The Board shall invite to the hearing representatives of the providers involved. After such hearing, the Board may provide for such modifications of the guidelines and standards for reimbursement of that type of provider, and such recommendations to the Congress for changes in this Act, as it deems appropriate.

Sec. 313. Application of Budget Limits.

(a) Monitoring, Reports, and Investigations on Expenditures.—

(1) Monitoring.—The State Health Boards, the consortia, participating insurers and health maintenance organizations shall monitor payments made to participating providers in each year to assure that such expenditures do not exceed the applicable limits on such expenditures for the year under the annual State budget.

(2) Reports.—Each participating insurer and each consortium operating within a State shall report to the State Health Board whenever it determines that payments are being made with respect to a category of provider or services at rates which may result in the total of such payments being greater than the anticipated expenditures level provided for under the Annual Budget or annual State budget for that category of provider or those services.

(3) Investigation.—The State Health Board shall investigate the circumstances of payments described in paragraph (2), including utilization rates and any other pertinent factors, and shall, with the approval of the National Health Board and after consultation with consortia, participating insurers, health maintenance organizations, and providers involved, take appropriate corrective actions (described in subsection (b)) in accordance with this section.

(b) Corrective Action.—A State Health Board may take the following actions, after consultation with consortia, insurers, organizations, and providers involved, to correct for expenditures for health care services in excess of those provided for under the annual State budget:

(1) Shifting of Funds Among Categories of Services or Providers.—The State Health Board may transfer expenditures between categories of services or providers within percentage allowances established by the National Health Board.

(2) Use of Contingency Fund.—To the extent such excess expenditures are determined to be due to unforeseen circumstances beyond the control of the insurers, organizations, and providers involved, the State Health Board may authorize the use of funds from contingency funds established by consortia in accordance with section 353(a)(1) or from the national contingency fund, but only in accordance with policies established by the National Health Board and only to the extent that amounts are available from such funds in the annual State budget.

(3) Modification of Reimbursement Methods.—With the approval of the National Health Board and after consideration of any comments submitted by organizations of providers involved, the State Health Board may provide for such modification of the methods of reimbursement of such providers by participating insurers and health maintenance organizations in the State, including pro-rated decreases in the amount of payments made to such providers, as it determines to be appropriate under the circumstances.

(4) Additional Certifications.—To the extent permitted by the National Health Board, the State Health Board may provide that payment may be made with respect to the provision of particular covered health care services or covered health care services provided by particular providers only if such additional certification with respect to the need for the services or qualifications of the providers as it may establish are provided.

(5) Requiring Risk Sharing.—The State Health Board, in accordance with guidelines established by the National Health Board, may require that in a period participating insurers and health maintenance organizations make payments for covered health-care services in amounts in excess of the amounts of the premiums they are provided for that period under section 352 to the insurer's and organizations.

Sec. 314. Treatment of Philanthropic Contributions and State and Local Government Supplementary Payments.

(a) In General.—Philanthropic contributions and supplementary payments by States and political subdivisions thereof may be made to finance the provision of health-care services in addition to those reimbursed under this Act.

(b) Relation to Capital Expenditures.—A State Health Board, in its review of prospective budgets and establishment of maximum fee schedules, shall not recognize expenses associated with capital expenditures which were assisted by contributions or payments described in subsection (a), unless such expenditures have been approved under the applicable planning process under this Act.

Subpart II—Methods of Reimbursement of Providers

Sec. 321. Payments To Institutional Providers on Approved Prospective Budgets.

(a) Submittal and Contents of Prospective Budgets.—

(1) Form and Contents.—Each participating institutional provider in a State shall submit, not later than the deadline established by the State Health Board and in such form and manner as the State Health Board and the National Health Board may require, to the State Health Board its proposed prospective budget for the subsequent year. Each such budget shall cover all the health care services (not merely covered health-care services) provided by the provider and shall include, as provided in guidelines of the National Health Board—

(A) anticipated costs, broken down by schedules for at least costs associated with (i) operations, (ii) capital items, (iii) inpatient services, (iv) outpatient services, and (v) nursing services by or under the supervision of a registered nurse;

(B) the proportion of the total anticipated costs associated (i) with the provision of covered health-care services to eligible individuals, and (ii) with provision of other health-care services; and

(C) anticipated revenues, broken down by source with respect to each class of items of anticipated costs.

Such guidelines shall be developed in consultation with institutional providers and representatives of such providers and after considering the views of the consortia and representatives of consumers and shall vary to reflect the circumstances of different categories of institutional providers.

(2) Accompanying Documentation.—Each such budget submitted shall be accompanied by such documentation as the National Health Board may establish in order to provide for the review of the budget, including documentation relating to—

(A) changes in services or capital expenditures during the two-year and five-year periods following the year of the budget;

(B) previous budgets of the provider;

(C) the impact on costs of anticipated changes (including additions, modifications, and terminations) in the health care services provided, in the provider's productivity, or in utilization of the provider's health care services, and the reasons for such anticipated changes;

(D) volume of health-care services provided; and

(E) relevant characteristics of the provider's patient population.

(3) Treatment of certain costs in prospective budgets.—With respect to proposed expenditures contained in a prospective budget submitted by an institutional provider:

(A) Inclusion of services of contract physicians.—There shall be included as costs the services of all physicians who are under contract with the provider, of all radiologists and pathologists providing health-care services with respect to inpatients of the provider, and, in the case of psychiatric hospitals, of all physicians furnishing health-care services with respect to inpatients of the hospital. The amount budgeted for payment for such services shall be reasonable in relation to the cost of obtaining such services of physicians on a salaried or other basis, whichever is less.

(B) Inclusion of wages and fringe benefits of nonsupervisory employees.—

(i) In general.—There shall be included in costs, subject to this subparagraph, the total cost of wages and fringe-benefit payments for (or on behalf of) nonsupervisory employees of the provider.

(ii) Minimum wages.—The rate for wages reflected in any such prospective budget for nonsupervisory employees shall in no case be less than the minimum wage rate specified and applicable under section 6(a)(1) of the Fair Labor Standards Act of 1938.

(iii) Collective bargaining and other negotiated agreements.—If any nonsupervisory employees of a provider are covered by a collective-bargaining agreement or other negotiated agreement, the amount set forth for wages and fringe-benefit payments for these employees shall be in accordance with the rates (including any prospective changes in such rates) provided for in the agreement.

(iv) Review by Secretary of Labor.—If the Secretary of Labor finds, after a hearing in accordance with regulations of such Secretary, that the rates of wages or fringe-benefits proposed in a prospective budget, for nonsupervisory employees with respect to whom there is not a collective-bargaining agreement or other negotiated agreement described in clause (iii) in effect, are above the rates of wages or fringe-benefits, respectively, which prevail with respect to comparable employees of providers of the same type in the same locality (as determined by such Secretary), the rates of wages or fringe-benefits for such employees allowable as reimbursable in the prospective budget shall not exceed such prevailing rates.

(v) Nonsupervisory employee defined.—As used in this subparagraph, the term "nonsupervisory employee" means any employee other than an employee who devotes a major portion of employed time exercising authority, in the interest of the provider, (I) to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove any other employee of that provider, or (II) to adjust a grievance (other than through a merely routine or clerical action) of any other such employee or to recommend such an adjustment.

(C) Inclusion of unreimbursed services.—There shall be included in reimbursable costs the cost of basic covered health-care services furnished to individuals who are not eligible individuals if no reimbursement or other payment for such services is obtainable by such provider.

(D) Treatment of depreciation and related capital items.—

(i) In general.—Subject to clause (ii), there shall not be included in costs under the budget the costs of depreciation.

(ii) Treatment of certain items.—There may be included as costs under the budget—

(I) the cost of paying the principal amount due on any debts incurred by the provider before the date of the enactment of this Act, unless such cost is not reimbursable under Medicare;

(II) the cost of acquiring minor capital items (as defined by the National Health Board);

(III) the cost of expenditures for major capital items, in the form of a lump sum or amortization payments for debt repayment, to the extent that the acquisition of such an item is approved in accordance with subsection (c); and

(IV) the cost associated with closing of a facility or reduction in services provided by or through a facility of the provider, including the reasonable cost of easing personnel dislocations arising from any such closing or reduction in services, if the closing or reduction is approved in accordance with the planning process provided under subsection (c).

(E) Inclusion of return on investment for proprietary providers.—

(i) Hospitals and skilled nursing facilities.—There shall be included, in the case of a proprietary hospital or skilled nursing facility, provision for recognition of a reasonable rate of return on equity capital, whether reflected in working capital or capital invested in the provider's facilities and used in the furnishing of covered health care services, in lieu of other allowances to the extent that they reflect similar items.

(ii) Other institutional providers.—There shall be included, in the case of a proprietary institutional provider other than a hospital or skilled nursing facility, to the extent (in accordance with regulations established by the National Health Board) the State Health Board finds it feasible and appropriate, provision for recognition of a reasonable rate of return on equity capital, whether reflected in working capital or capital invested in the provider's facilities and used in the furnishing of covered health care services, in lieu of other allowances to the extent that they reflect similar items.

(iii) Amount of return on investment.—The rate of return recognized under clause (i) or (ii) for a year shall not exceed one and one-half times the average of the rates of interest, for each of the months of the year, on obligations issued for purchase by the Federal Hospital Insurance Trust Fund.

(4) Working capital and reserves.—There shall be provided for in the budget reasonable amounts required for working capital and reserves for contingencies.

(5) Technical assistance.—The National Health Board shall the provision of technical assistance to institutional providers which primarily provide primary ambulatory health care services in their preparation and submittal of budgets under this section.

(b) Policies and Procedures for Review of Prospective Budgets.—

(1) National health board.—

(A) Establishment of general policies and guidelines.—The National Health Board, after consultation with institutional providers and representatives of such providers and after considering the views of the consortia and representatives of consumers, shall establish policies and guidelines, which shall vary to reflect the circumstances of different categories of institutional providers, respecting review and approval by State Health Boards of proposed prospective budgets of institutional providers.

(B) Use of screens and random sampling.—Such guidelines shall include the requirement that standards (commonly known as "screens"), which shall vary by category of institutional provider, be applied to each proposed prospective budget to determine which budgets (and which proved without the need for individual scrutiny and close examination and the requirement that a random sample of all such budgets be reviewed in detail to assure quality control and verify the validity of the screens. Such standards may include, with respect to providers of inpatient services, for review of at least the following:

(i) Annual rate of increase.—The rate of increase, from year to year, in the provider's total budget, average total cost per inpatient, and average per diem costs per inpatient.

(ii) Average costs.—The provider's costs, for each type of facility of the provider, by average total costs per inpatient, average per diem costs per inpatient, average cost per outpatient visit, and average educational cost per student (by type of student).

(iii) Cost ratios.—The cost-ratios of the provider, including the ratio of administrative costs to total costs and the ratio of costs of particular services to total costs and to the costs of services daily, per admission, or on such other appropriate unit basis.

(C) Uniform reporting.—Such guidelines shall provide for the collection and reporting (and making available to the public), in such uniform manner as the National Health Board may provide, of data that is required for review and approval of prospective budgets.

(2) State health boards.—

(A) Duty of review.—Each State Health Board shall, in accordance with the policies and guidelines established under paragraph (1), review each proposed prospective budget submitted to it under this section and shall make available to the public the results of its review. Each such review shall include—

(i) an assessment of the extent to which any description, contained in documentation described in subsection (a)(2)(A), of changes in services or capital expenditures during the two-year and five-year periods following the year of the budget conforms to the current approved plan of the health systems agency for the area in which the provider functions and to the most recent state health care improvement plan (established under section 306); and

(ii) a review of the quality, accessibility, and effectiveness of services furnished by the provider,

and in such review shall take into consideration any relevant findings of professional standards review organizations and of any national provider accreditation organization for that category of provider.

(B) Notice and opportunity to comment.—Before a State Health Board disapproves costs contained in a proposed prospective budget, the Board shall inform the provider of such pending disapproval and permit the provider an opportunity to comment thereon.

(C) Consideration of certain recommendations.—In performing such a review of a prospective budget proposed by a provider, the State Health Board shall take into consideration any timely recommendations submitted as a result of negotiations between groups of consumers, the provider, and representatives of any organizations representing the employees of the provider, or in the absence of such timely recommendations, such material as may be submitted by any such party. The State Health Board shall make available to such groups of consumers and organizations such technical assistance as may promote or assist in such negotiations.

(D) Delegation of review function.—A State Health Board may delegate to an appropriate independent entity, in accordance with regulations of the National Health Board, the function under this subsection of conducting reviews (but not approvals) of proposed prospective budgets submitted to it.

(c) Review and Approval of Capital Expenditures.—No amount may be provided for in a prospective budget of a provider for any capital acquisition or expenditure (other than minor expenditures, as determined by the National Health Board), for any costs of operation resulting from such acquisitions and expenditures, and for costs associated with the closing or reduction of services, unless the provider participates in, or has established and maintains, a planning process in accordance with this subsection and regulations of the National Health Board, under which—

(1) the proposed budget is submitted on a timely basis to the State Health Planning and Development Agency for its review under title XV of the Public Health Service Act, and

(2) costs related to proposed acquisitions, expenditures, closings, or reductions may not be included in the approved budget unless such action is approved by such Agency.

(d) Approval of Prospective Budgets.—

(1) State health board.—Each State Health Board shall, after and in accordance with its review of each prospective budget submitted to it by a provider under this section, approve the budget, with or without any modification. In approving prospective budgets, each State Health Board shall take account of—

(A) total limits on anticipated expenditures established (or expected to be established) in the applicable Annual Budget and in the annual State budget;

(B) the plan of the health systems agency for the area in which the provider functions;

(C) pertinent demographic factors;

(D) the impact of any expected inflation during the year of the budget on the costs set forth in the budget;

(E) the effect of any approved capital expenditure or reduction and service modification plans;

(F) the effect of acceptable future wage increases granted to employees of the provider; and

(G) objectives for efficiency and cost-effectiveness for that provider established by the Board, which objectives are based upon comparison of the provider with similar providers and take into account differences in patient mix and such other factors as the Board determines to be appropriate.

Except as otherwise provided in this part, the amount approved in a prospective budget of a provider establishes the total amount that is payable pursuant to this Act to that provider for the year of the budget.

(2) Modifications required by annual budget.—A State Health Board shall require, as a condition of the approval of a prospective budget for a year before the National Health Board's adoption of the Annual Budget for the year, that the budget be resubmitted for approval if a modification is required because the anticipated expenditures for the State under the Annual Budget were higher than the amount of such expenditures set forth in the Annual Budget adopted.

(3) Transfers within an approved budget.—An approved prospective budget may establish maximum expenditure and payment levels for parts of the budget and may permit, subject to restrictions established by regulation by the National Health Board, transfers between parts of the budget.

(4) Transmittal to approved insurers.—Upon approval of a prospective budget of a provider, the State Health Board shall provide for the transmittal of the budget to approved insurers which are likely to be required to make payments to the provider for services provided to enrollees of plans offered by the insurers.

(5) Treatment of disapproved expenditures.—Except as approved by the State Health Board, no payment may be made pursuant to this Act for expenditures by an institutional provider for covered health-care services it furnishes to the extent these expenditures are not included in its prospective budget approved under this section.

Sec. 322. Maximum Fee Schedules for Professional Services.

(a) Establishment by State Health Boards.—

(1) In general.—Each State Health Board shall provide for the development of maximum-fee schedules, applicable to covered health-care services (other than durable medical equipment and laboratory services) furnished for a year in the State by a physician or other non-institutional provider, consistent with this subsection and the guidelines for such schedules developed under this subsection.

(2) Conformity with annual budget and annual State budgets.—Total levels of payments expected under such schedules in a State shall be consistent with the anticipated expenditures for services of the type covered by the schedule, as set forth in the Annual Budget and annual State budget for the State in which the services are furnished, and shall be developed based upon the best available projections as to the demand for, and the utilization of, that type of provider or service during the period in which the schedule will be applied.

(3) Use of negotiations.—Maximum-fee schedules shall be developed only after providing opportunity for negotiations with participating providers to occur, in accordance with section 324.

(b) National Guidelines for Establishment of Schedules.—The National Health Board shall develop guidelines for the development and modification of maximum-fee schedules by State Health Boards. Such schedules applicable to services furnished in the first effective year shall be the maximum fee schedules applicable (pursuant to section 602(b)) under Medicare in the previous year as modified to reflect application of these guidelines. Such guidelines shall include the following:

(1) Relative value scale.—A guideline establishing the relative value of particular covered health-care services, which takes into consideration—

(A) the time and effort required to furnish the service;

(B) the level of skill required in performing such service;

(C) the cost (including indirect costs) to the provider of furnishing such service; and

(D) the relative cost-effectiveness of providing such service.

(2) Geographical variation.—A guideline providing for appropriate variations in fees with respect to services provided in different geographic areas, which takes into consideration—

(A) the relative costs of practice in the different areas;

(B) the relative earnings of non-physicians in the different areas;

(C) the relative rate of change in physicians' fees in the different areas; and

(D) the need to encourage the provision of such services in underserved areas.

(3) Treatment of similar services.—A guideline which provides that where two or more categories of health personnel are qualified to provide a particular health-care service of a comparable quality, the maximum fee for that service shall be the lowest of the maximum fees authorized for that service for such categories of personnel.

(c) National Formula for Updating Maximum-fee Schedules.—The National Health Board shall develop a formula for establishing permissible year-to-year changes in the maximum-fee schedules established pursuant to this section. Such formula shall take into account—

(1) the increase in an index of the earning of non-physicians,

(2) the increase in an index of the cost of operation of offices of the different types of providers,

(3) limitation on increases for expenditures permitted for the service provided under the Annual Budgets,

(4) changes in the utilization of the different services, and

(5) applicable negotiations undertaken pursuant to section 324,

and shall provide that the maximum fee permitted for a service for a year under such a schedule shall not be less than the maximum fee permitted for the service under the schedule for the previous year.

Sec. 323. Payment for Durable Medical Equipment and Laboratory Services on a Reasonable Cost Basis and for Drugs and Hearing Aids on a Cost-Plus-Fee Basis.

(a) In General.—Payment shall be made for the provision of—

(1) durable medical equipment and laboratory services on the basis of the lower of the charge or reasonable cost of the equipment or services (as determined under subsection (b)), and

(2) drugs and hearing aids on the basis of the lower of the charge or the reasonable cost of the drug or hearing aid (as determined under subsection (b)) plus a reasonable professional fee (as determined under subsection (c)).

(b) Computation of Reasonable Cost.—

(1) In general.—The National Health Board shall establish guidelines for the reasonable cost of durable medical equipment, laboratory services, drugs, and hearing aids. Such guidelines shall provide that the reasonable cost for such an item shall be the lowest cost at which such item of comparable quality is (or could be made) generally available in an accessible area. In the case of drugs, the Board shall establish categories of generic equivalent drugs which will be treated as drugs of comparable quality for purposes of this subsection.

(2) Lists.—Each State Health Board shall establish and distribute information listing the limitations that exist under this subsection with respect to the reasonable cost of different items of durable medical equipment, laboratory services, and hearing aids. The National Health Board shall establish and distribute information listing the limitations that exist under this subsection with respect to the reasonable cost of different drug items.

(c) Computation of Professional Fee.—

(1) Hearing Aids.—The amount of professional fee that is payable under this section for provision of a hearing aid is the lesser of (A) the charge for such provision, or (B) such amount as may be provided in a maximum-fee schedule established by the State Health Board in a manner consistent with section 322. In establishing such a schedule, the Board may provide for such fees as reflect reasonable salary levels for providers of hearing aids in the area in which such items are provided.

(2) Drugs.—The amount of professional dispensing fee that is payable under this section for the dispensing of a drug is the lesser of (A) the charge for such dispensing, or (B) such amount as may be provided in a maximum-fee schedule established by the National Health Board in a manner consistent with section 322. In establishing such a schedule, the Board may provide for such fees as reflect reasonable salary levels for dispensers of drugs in the area in which the drugs are dispensed. The National Health Board may delegate to State Health Boards the function of establishing maximum-fee schedules under this paragraph.

Sec. 324. Use of Negotiations in Determining Amounts of Payments

(a) State-Level Negotiations.—

(1) In General.—Each State Health Board shall regularly and periodically invite representatives of participating providers in the

State (selected in accordance with subsection (b)) to meet and negotiate with representatives of persons (including consortia, participating insurers and health maintenance organizations, employers, and employees) who pay, directly or indirectly, for covered health-care services furnished to enrollees in that State concerning—

(A) screens, maximum rates, and other limitations with respect to payments made (in accordance with section 321) to institutional providers on the basis of approved prospective budgets;

(B) maximum-fee schedules with respect to payments made in accordance with sections 322 or 323;

(C) reasonable cost levels with respect to payments made in accordance with section 323; and

(D) any other method for the control of costs involved in the provision of such services. Such State Health Board shall supervise such negotiations.

(2) Incorporation of Agreements.—A State Health Board may incorporate within its annual State budget the provision of any agreement achieved as a result of such a negotiation under this section if the effect of it would keep expenditures within the limit on expenditures for the State under the annual State budget.

(b) State Negotiating Groups.—

(1) Representation of various providers.—The National Health Board shall establish criteria for the selection of persons to be members of the provider negotiating groups in each State for each of the following groups of providers (which groups may be modified from time to time by the National Health Board):

(A) (i) Hospitals.

(ii) Skilled nursing facilities.

(iii) Home health care agencies.

(iv) Other institutional providers, including community health centers, migrant health centers, and health clinics.

(B) Physician providers.

(C) Other non-institutional providers, such as pharmacists, physical therapists, and occupational therapists.

(D) Employees of hospitals (regardless of profession or occupation).

(2) Required representation within groups.—

(A) All groups.—Within each such group established, representatives of providers shall be elected for each type of geographic area (including at least representatives of urban area, rural areas, and suburban areas in which the providers represented in the group furnish services in the State.

(B) Institutional providers.—Within each group described in paragraph (1)(A), representatives shall be elected to represent employees of the institutional providers.

(C) Physician groups.—Within the group described in paragraph (1)(B), representatives of physicians shall be elected for—

(i) each medical and osteopathic specialty included in the group, and

(ii) each style of medical practice (including at least solo practice, group practice, and institution-based practice) engaged in by providers represented in the group.

(3) Selection of representatives.—The National Health Board shall, after consultation with any existing negotiating groups and other associations of health-care providers or institutions, and may revise from time to time general guidelines for the election of representatives for each provider negotiating group. Such guidelines shall provide for—

(A) differences in the sizes of the various negotiating groups;

(B) proportional representation for each type of health-care provider (as determined by the National Health Board) in the group, in terms of—

(i) the number of providers of that type in the State,

(ii) the recommended number of providers of that type in the State specified in the health care improvement plan of the State.

(iii) the percentage of total amount of payments made pursuant to this Act in that State which are for payment for services furnished by providers of that type, and

(iv) the percentage of total amount of payments recommended to be made in the State which are for payment for services furnished by providers of that type;

(C) three-year terms for each representative; and

(D) methods for the nomination and election of such representatives, each of which assures full information being made available to the providers of that type and opportunity for the nomination of candidates and the election of representatives by all of the providers of that type and, as appropriate, their employees in each group.

(4) Establishment of groups.—Each State Health Board, in accordance with the guidelines established by the National Health Board under paragraph (3) and after consultation with any existing negotiating groups and other associations of health-care providers in the State, shall establish (and may revise from time to time) the size, composition, and other characteristics of the provider negotiating groups within the State and the process for nomination and election of the members of those groups and shall conduct (or oversee the conduct of) these elections.

(c) Election and Conduct of Negotiating Groups.—The election of representatives to serve on providers negotiating groups under this section shall be by secret ballot. The negotiating sessions of such negotiating groups established under this section shall be open to the public, except under such circumstances as the National Health Board may provide.

Part C—Determining Amounts of Premiums and Incentive Payments and Benefits

Sec. 331. Determination of National Community-Rated Premium and Rate and Group-Rated Premiums.

(a) Community-Rated Premium and Rate.—

(1) Establishment.—The National Health Board shall establish, in conjunction with the adoption each year of an Annual Budget and after conducting negotiations with consortia and with participating insurers and health maintenance organizations in accordance with subsection (c)—

(A) a national community-rated premium, and

(B) a national premium rate.

(2) National community-rated premium—

(A) Basis.—The national community-rated premium for a year shall be established in such manner so that if the members of each family (other than Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, residents of Federal or State institutions, or members of a uniformed service on active duty or members of such members' families) of which a member is enrolled under section 112 or 113(c) were to pay premiums based on such community-rated premium, the amount of the premiums paid for the year would equal the anticipated cost for the year under the Annual Budget for expenditures (including administrative costs, other than for State Health Boards, for the National Health Board, and for professional standards review organizations, and contingency funding as well as payments to participating providers for the furnishing of basic covered health-care services) under qualified health plans but excluding the portion of such cost associated with or attributable to the furnishing of covered health-care services to individuals while they are Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, residents of Federal or State institutions, or members of a uniformed service on active duty or members of such members' families.

(B) Schedules for different size families.—The national community-rated premium shall be established in three schedules, one for one-member families, another for two-member families, and a third for families with three or more members. The apportionment of the premium among such schedules shall be based on the relative actuarial costs of furnishing basic covered health-care services to families of these different sizes.

(3) Basis for national premium rate.—The national premium rate shall be established for a year in such a manner so that—

(A) the sum of the wage-related premiums (under section 341), non-wage related premiums (under section 342), the government payment for unpaid private premiums (under section 346), and voluntary premiums under international agreements (determined under section 343 on the basis of the community-rated premium) anticipated to be paid for the year,

is equal to—

(B) all the anticipated expenditures contained in the Annual Budget for the year, other than those expenditures associated with or attributable to the furnishing of covered health-care services to individuals while they are Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, or residents of Federal or State institutions.

(b) Group-Rated Premium.—

(1) Establishment.—The National Health Board shall establish a group-rated premium for SSI-eligible individuals and for residents of Federal institutions who are enrolled in a qualified health plan.

(2) Basis.—Such group-rated premium shall be designed, for each such group of individuals, so that the total amounts paid during each year by or on behalf of such individual's equals the anticipated expenditures contained in the Annual Budget associated with or attributable to the furnishing of covered health-care services to individuals in that group. In making such determination, the Board shall take in account—

(A) the previous cost experience associated with provision of covered health-care services to such groups of individuals, and

(B) estimates of premium and other payments, with respect to health-care services provided to such groups of individuals, that may be made by or on behalf of such individuals,

and shall prevent the disclosure to consortia or others, in the process of compiling data in order to establish such premiums, of the fact that any particular individual is a member of such a group. The Board shall provide for the adjustment of such premium at the end of a year to reflect the actual cost experience (including any dividend or rebate payment made or additional benefits made available under a qualified health plan) with respect to expenditures associated with or attributable to such groups of individuals during the year.

Sec. 332. Determination of State Community-Rated Premium, Premium Rate, and Group-Rated Premium.

(a) In General.—

(1) Application of national premiums and rate.—Except as provided in paragraph (2) the national community-rated premium and the national premium rate established under section 331 shall apply as the State community-rated premium and premium rate for each State.

(2) State negotiated premium.—If a State, for a year, is able in its annual State budget to reduce its level of approved expenditures likely to be realized by an amount below the level of expenditures provided for in the

Annual Budget with respect to the State, the National Health Board, upon the request of the State Health Board, shall provide for such decrease in the community-rated premium and the premium rate for the State, below the national community-rated premium and premium rate, as will reflect a reduction of premium payments under this act no greater than the amount of such reduction in its approved expenditures.

(b) Group-Rated Premium.—

(1) Establishment.—Each State Health Board shall establish a group-rated premium for AFDC-eligible individuals and for residents of State institutions who are enrolled in a qualified health plan. Such premium may vary by area within each State (in accordance with guidelines established by the National Health Board).

(2) Basis.—Such group-rated premium shall be designed, for each such group of individuals, so that the total amount of premiums paid during each year by or on behalf of individuals in the group equals the anticipated expenditures contained in the Annual Budget with respect to the furnishing of basic covered health-care services to individuals in that group. In making such determination, each State Health Board shall take into account—

(A) the previous cost experience associated with provision of covered health-care services to such groups of individuals, and

(B) estimates of premium and other payments, with respect to health-care services provided to such groups of individuals, that may be made by or on behalf of such individuals,

and shall prevent the disclosure to consortia or others, in the process of compiling data in order to establish such premiums, of the fact that any particular individual is a member of such a group. Each State Health Board shall provide for the adjustment of such premium at the end of a year to reflect the actual cost experience (including any dividend or rebate payment made or additional benefits made available under a qualified health plan) with respect to such groups of individuals during the year.

Sec. 333. Insurer and Health Maintenance Organization Benefits, Dividends, and Rebate To Promote Cost-Effectiveness.

(a) Provision of Supplemental Benefits, Dividends, or Rebates.—

(1) Offering to non-medicare enrollees.—A participating insurer or health maintenance organization may offer eligible individuals (other than Medicare-eligible individuals) an incentive to enroll with (or to change their enrollment to) a qualified health plan offered by the insurer or organization—

(A) by providing the individuals with health insurance coverage with respect to health-care services in addition to basic covered health-care services, or

(B) by paying dividends or by making cash rebates on premiums,

or both.

(2) Offering to medicare-eligible individuals.—A participating health maintenance organization may offer Medicare-eligible individuals an incentive to enroll in (or to change their enrollment to) a qualified health plan which is offered by the organization and which provides for all covered health-care services provided under Medicare—

(A) by providing the individuals with health insurance coverage with respect to health-care services in addition to the covered health-care services under Medicare, or

(B) by paying dividends or by making cash rebates on premiums,

or both.

(b) Condition for Offering Additional Benefits.—A participating insurer or health maintenance organization may not offer to an individual enrolled under a qualified health plan the incentive described in subsection (a)(1)(A) or (a)(2)(A), respectively, unless—

(1) the incentive is also made available to all individuals enrolled under that plan, and

(2) the insurer or organization provides to individuals, before their enrollment under the plan, with a statement of the actuarial value of the benefits added by that incentive.

(c) Distribution and Treatment of Dividends and Cash Rebates.

(1) Distribution.—

(A) In general.—Subject to subparagraph (B), any dividend or cash rebate provided under subsection (a)(1)(B) or (a)(2)(B) shall be paid to the enrollee.

(B) Payment of portion to employer.—In the case of rebates or dividends provided with respect to an enrollee who is employed, the rebate or dividend shall be divided between the enrollee and the employer in proportions determined in accordance with procedures established by the National Health Board. Such procedures shall provide that if any of the employees of an employer are represented by a collective bargaining representative or other employee representative designated or selected under any law, the issue of the division of such rebate or dividend shall first be presented to such representative for negotiation with the employer.

(2) Tax and other treatment of rebates and dividends.—Notwithstanding any other provision of law, any cash rebate or dividend received by an individual pursuant to this section—

(A) shall not be treated as income to the individual, for purposes of subtitle A of the Internal Revenue Code of 1954;

(B) shall not be treated as income or other resources, for purposes of administration of any Federal or Federally-assisted welfare program (as defined by the National Health Board), including programs under titles IV, XVI, or XIX of the Social Security Act, or the Food Stamp Act of 1977; and

(C) shall not reduce the amount of any credit due under section 334 (relating to a limit on amount of private premium payments).

Sec. 334. Limit on Amount of Private Premiums.

(a) In general.—The sum of the amount of—

(1) 35 percent of the wage-related premiums paid, under section 341(a)(1), with respect to members of a family unit as employees, and

(2) the non-wage-related premiums paid, under section 342, by members of the family unit,

may not, for a year, exceed the amount of the state community-rated premium (established under section 332(a)) for a family unit of that size in that State for that year. In computing the size of a family unit, there shall not be counted individuals who, on January 1 of the year, are Medicare-eligible individuals, SSI-eligible individuals, or residents of Federal or State institutions.

(b) Request for refund.—In accordance with regulations established by the National Health Board, family units for which premiums have been paid in a year in excess of the limit specified under subsection (a), may apply to the applicable consortium with respect to which the members of the unit are enrolled for a refund of the amount of such excess payments. Refunds of such amounts to members of a family unit shall, in the absence of agreement among members of the family unit, be apportioned to each such member in accordance with the amount of premiums paid with respect to the income of such member.

Part D—Payment and Collection of Premiums

Sec. 341. Wage-Related Private Premiums.

(a) Payments Based on Wage Income.—

(1) Payment by employer.—Each employer is obligated to make payments, with respect to each employee for each payroll period, of an amount equal to the product of—

(A) the amount of wages paid to the employee during the period in any year, and

(B) the state premium rate (determined under section 332(a)) for the year in which the period occurs,

not later than 15 days after the last date of the payroll period.

(2) Payment to consortia.—The payment under paragraph (1) with respect to an employee enrolled (or whose family is enrolled) in a qualified health plan shall be made to the applicable consortium.

(3) Employee contribution.—

(A) Mandatory contribution.—An employer may, subject to section 334 and to any applicable collective bargaining agreement, require each employee, with respect to whom a payment is made under paragraph (1), pay the employer, by deduction or other reasonable method (approved by the National Health Board), an amount not to exceed 35 percent of the amount of the payment made on the employee's behalf under paragraph (1).

(B) Voluntary contributions.—In order to assist in payment of premiums under section 342, if an employee requests (in a manner specified by the National Health Board) his employer to withhold or otherwise deduct from payments due the employee and to pay to the appropriate consortia specific amounts, in addition to any amounts withheld under subparagraph (A), the employer shall deduct and so make payments of such amounts to the appropriate consortia and the consortia shall apply such amounts as a credit toward payment of any non-wage-income-related premium payable, under section 342, with respect to the family unit of which the employee is a member.

(b) Grants and Credits for Impacted Employers.—

(1) Application and entitlement.—Any employer may apply to the National Health Board for certification as an impacted employer for a year. Such an application shall be submitted at such time and in such manner as the National Health Board shall provide. If the National Health Board determines, on the basis of such an application, that the employer is an impacted employer (as defined in subsection (c)(2)) for the year, the Board shall certify such fact and the employer shall be entitled, if the employer is—

(A) not a State employer or a nonprofit employer, to a credit against such taxes for the tax year in which the year ends (in accordance with section 44D of the Internal Revenue Code of 1954), or

(B) a State employer or a nonprofit employer, to a payment from the National Health Board,

in the amount determined under paragraph (2).

(2) Amount of grant or credit.—The amount of any credit or grant for an employer under this subsection, in the case of a credit or grant—

(A) for the first effective year, is equal to one-half,

(B) for the year after the first effective year, is equal to one-third, and

(C) for the second year after the first effective year, is equal to one-sixth,

of the lesser of (i) the incremental increase in employee health insurance costs (as defined in subsection (c)(3)) for the employer for the year, or (ii) in case of an employer which is not a State employer or nonprofit employer, the amount by which the employer's absolute net income for the year is less than the employer's absolute net income for the base year.

(3) LIMITED APPLICATION OF SUBSECTION.—No credit or grant may be provided under this subsection for a year after the second year after the first effective year.

(4) SPECIAL RULES.—For purposes of this section, rules similar to the rules under section 44D(c) of the Internal Revenue Code of 1954 shall apply.

(5) REGULATIONS.—The National Health Board, in consultation with the Secretary of the Treasury, shall promulgate regulations to carry out this subsection, subsection (c), and section 44D of the Internal Revenue Code of 1954.

(c) DEFINITIONS.—For purposes of this section (and section 44D of the Internal Revenue Code of 1954):

(1) EMPLOYER, NONPROFIT EMPLOYER; STATE EMPLOYER.—

(A) EMPLOYER.—The term "employer" does not include an agency or instrumentality of the United States.

(B) NONPROFIT EMPLOYER.—The term "nonprofit employer" means an employer exempt from tax under subtitle A of the Internal Revenue Code of 1954.

(C) STATE EMPLOYER.—The term "State employer" means an employer which is a State or any political subdivision thereof, or any agency, instrumentality, or corporation wholly owned by such a State or subdivision thereof.

(2) IMPACTED EMPLOYER DEFINED.—The term "impacted employer" means, for a year, an employer—

(A) for which the product of—

(i) the amount by which the amount of the employer's health insurance premiums per full-time employee equivalent (as defined in paragraph (4)) for the year exceeds the amount of such premiums in the base year, and

(ii) the number of full-time employee equivalents for the employer for the year,

is greater than 3 percent of the wages paid by the employer in the year, and

(B) in the case of an employer which is not a State employer or nonprofit employer—

(i) the employer's net income as a percentage of gross income for the year is less than the employer's net income as a percentage of gross income for the base year, and

(ii) the employer's absolute net income for the tax year ending in the year is less than the employer's absolute net income for the tax year ending in the base year.

(3) INCREMENTAL INCREASE IN EMPLOYEE HEALTH INSURANCE COSTS DEFINED.—The term "incremental increase in employee health insurance costs" means, for an employer for a year, the lesser of—

(A) the product of—

(i) the amount by which the amount of the employer's health insurance premiums per full-time employee equivalent for the year exceeds the amount of such premiums in the base year, and

(ii) the number of full-time employee equivalents for the employer for the year,

less 3 percent of the wages paid by the employer in the year, or

(B) in the case of an employer which is not a State employer or a nonprofit employer—

(i) the product of (I) the percentage by which the employer's net income as a percentage of gross income for the year is less than the employer's net income as a percentage of gross income for the base year, and (II) the gross income for the year, or

(ii) the amount by which the employer's absolute net income for the year is less than the employer's absolute net income for the base year.

(4) HEALTH INSURANCE PREMIUMS PER FULL-TIME EMPLOYEE EQUIVALENT DEFINED.—The term "health insurance premiums per full-time employee equivalent" means, for a year, the amount of the health insurance premiums of the employer for the year divided by the number of full-time employee equivalents of the employer in the year.

(5) HEALTH INSURANCE PREMIUMS.—The term "health insurance premiums" means—

(A) for the base year, the amount paid by the employer to insurers or health maintenance organizations for health plans for its employees during the year, and

(B) for a year after the base year, the amount of payments made by the employer pursuant to subsection (a)(1) for the year, less the amount of employee contributions which are made (under subsection (a)(3)(A)) with respect to such payments for the year.

(6) FULL-TIME EMPLOYEE EQUIVALENTS DEFINED.—The term "full-time employee equivalents" means, for an employer for a year, the sum of—

(A) the sum of the fractions, for each salaried non-hourly employee by the employer in the year, of the year in which such employee was employed in a salaried non-hourly position by the employer; and

(B) the number of hours of employment for other employees of the employer (not counting any such hours which would be in excess of the maximum hours permitted under section 7 of Fair Labor Standards Act of 1938 (29 U.S.C. 207) without payment of excess compensation) in the year, divided by 2000.

(7) BASE YEAR.—The term "base year" means the year before the first effective year (as defined in section 4(a)(7).

SEC. 342. NON-WAGE-INCOME RELATED PRIVATE PREMIUMS.

(a) IN GENERAL.—

(1) OBLIGATION TO PAY.—Each individual (other than an exempt individual, as defined in subsection (c)(1)) is obligated to pay a premium based on non-wage-related income of the individual's family unit in accordance with this section.

(2) TO WHOM PAID.—The premium provided for under paragraph (1) shall be paid by the individual to the applicable consortium.

(3) WITHHOLDING OF PREMIUMS FROM WAGES OR PENSIONS.—

(A) WAGE WITHHOLDING. — Individuals with respect to whom premiums are payable under this section who are employees may have such premiums withheld from income and paid to the applicable consortium in accordance with section 341(a)(3)(B).

(B) PENSIONS WITHHELD.—Under such procedures as the National Health Board shall provide, individuals under the age of 65 years who receive pensions or other regular sources of income, upon which a premium is based under this section, from a previous employer, may have the entity paying the pension withhold from such payments and pay, in whole or in part, the amount of premiums due under this section.

(4) AMOUNT OF PREMIUM.—The amount of premium due under this section for a year is (subject to the limitation on total private premiums under section 334) equal to the product of—

(A) one-half of the state premium rate for the year (determined under section 332) for the State in which the family unit is enrolled, and

(B) the amount of the non-wage-related income (as defined in subsection (d)) of the family unit of which the individual is a member attributable to the individual.

(b) MANNER AND TIME OF PAYMENT.—

(1) INFORMATION RETURNS.—Each individual obligated to pay a premium under subsection (a) shall provide, in conjunction with the quarterly filing of such information returns (required to be filed under the Internal Revenue Code of 1954) as the National Health Board (after consultation with the Secretary of the Treasury) designates by regulation or as the National Health Board otherwise provides, for the filing of such information as will provide for the computation of the amount of any premium due under this section and the consortium or other entity to which such a premium is due. After appropriate verification of the information filed, the National Health Board shall forward information respecting amount of premiums due from individuals under this section to the appropriate consortia for collection.

(2) QUARTERLY AND ANNUAL PAYMENTS.—Premiums due under this section are payable quarterly on such an estimated basis as the consortia may provide, consistent with procedures established by the National Health Board, and in final settlement on an annual basis.

(3) LATE PAYMENTS.—The National Health Board may provide for the charging of a collection surcharge for an individual's failure to pay a premium required under this section on a timely basis, but such a surcharge may not exceed, for any 12-month period, 15 percent of the premium due. The Board may provide for waiver of such a surcharge under such circumstances as it deems appropriate.

(c) DEFINITIONS.—For purposes of this section:

(1) EXEMPT INDIVIDUAL.—The term "exempt individual" means a Medicare-eligible individual, a member of a uniformed service on active duty (and the member's spouse, if any), a foreign visitor, an eligible individual described in section 101(a)(3), or a dependent of another individual.

(2) NON-WAGE-RELATED INCOME.—The term "non-wage-related income" means, with respect to a family for a calendar year, the sum of the adjusted gross incomes (as defined in section 62 of the Internal Revenue Code of 1954) for each member of the family for the calendar year, less—

(A) wages paid to members of the family in the calendar year;

(B) such income as is attributable to dependents in the family or to individuals who, during the month in which the income accrues, are Medicare-eligible individuals; and

(C)(i) $4,000, in the case of a family unit consisting of an individual and the individual's spouse, with or without dependents, or

(ii) $2,000, in the case of any other family unit.

In the case of income attributable to more than one individual, the income, for purposes of this section, shall be pro-rated among the individuals in accordance to their legal interest in such income. For each year after the first effective year, the dollar amounts specified in subparagraph (C) shall be increased by the same percentage as the consumer price index for all urban consumers (as published monthly by the Bureau of Labor Statistics of the Department of Commerce) for the first month of the year exceeds the consumer price index for the first month of the first effective year.

SEC. 343. VOLUNTARY PREMIUMS UNDER EXECUTIVE AGREEMENTS.

(a) HEALTH INSURANCE PREMIUMS PAYMENTS.—Premium payments (described in section 101(b)(1)(A)) due with respect to eligible individuals described in section 101(a)(3) are payable on the basis of the national community-rated premium for the family units of the eligible individuals (or on such other basis as is otherwise provided) to the applicable consortium.

(b) PAYMENTS MADE IN LIEU OF HOSPITAL INSURANCE (MEDICARE) TAX.—Payments (described in section 101(b)(1)(B)) due with respect to eligible individuals described in section 101(a)(3) are payable to the National Health Board for deposit into the Federal Hospital Insurance Trust Fund (established under section 1817 of the Social Security Act).

Sec. 344. Hospital Insurance Tax and Premiums for Medicare-Eligible Individuals.

For changes in the Medicare hospital insurance tax and premiums for Medicare-eligible individuals, see section 633.

Sec. 345. Federal and State Payments for Premiums on Behalf of Certain Recipients of Federal and State Assistance.

(a) Federal Payments.—The National Health Board shall provide for the payment on a monthly basis of premiums to each consortium for qualified health plans, offered by participating insurers or health maintenance organizations under the consortium, provided to enrollees while they are SSI-eligible individuals or residents of Federal institutions on the basis of the group-related premium established under section 331(b).

(b) State Payments.—Each State shall provide for the payment on a monthly basis of premiums to each consortium for the qualified health plans, offered by participating insurers or health maintenance organizations under the consortium, provided to enrollees while they are residents of State institutions and to enrollees (and members of their families) while they are AFDC-eligible individuals on the basis of the group-related premium established under section 332(b).

Sec. 346. Government Payment and Collection of Unpaid Premiums.

(a) Payment by Government on Behalf of Enrollee.—If a consortium has attempted, in accordance with procedures established by the National Health Board, to collect premiums due under this part and has not been able to collect such premiums within a reasonable time period of the time they were due, the National Health Board shall pay the consortium the estimated amount of the premiums due. In any such case (except in the case of an employer which is an agency of a State or political subdivision of a State), the National Health Board shall be subrogated to the right to collect such premium and such unpaid premiums shall constitute a claim of the United States for money arising out of activities of the National Health Board (for purposes of the Federal Claims Collection Act of 1966, 31 U.S.C. 951 et. seq.).

(b) Application to State and Local Governments.—If an employer which is an agency of a State or political subdivision of a State fails to make the payment of an amount required to be paid by the agency as an employer under section 341(a), the National Health Board shall provide for the deduction and transfer to the appropriate consortia, from any amounts otherwise owing or due to any agency of the State under any program under the jurisdiction of the Board, of an amount equal to the amount not paid and shall provide for an additional such deduction equal to 50 percent of such amount to be paid into the Health Resources Distribution Fund.

Part E—Distribution of Premiums Among Consortia, Insurers, and Health Maintenance Organizations

Sec. 351. Computation of Adjusted Capitation Amounts.

(a) Capitation Amounts.—

(1) Computation.—With respect to each capitation individual (as defined in paragraph (2)) in a qualified health plan offered by a participating insurer or health maintenance organization in a State, the consortia jointly shall compute an amount (hereinafter in this section referred to as the "capitation amount") which is equal to the average anticipated expenditures contained in the approved annual State budget of the State with respect to the individual, including administrative costs of the consortium and the insurer or organization with respect to the individual and funds for the contingency fund (under section 352) but excluding administrative costs of the State Health Board. The consortia shall report capitation amounts they have computed to the National Health Board for its review and approval.

(2) Definitions.—For purposes of this part:

(A) Capitation individual.—The term "capitation individual" means an enrollee other than a non-capitation individual.

(B) Non-capitation individual.—The term "non-capitation individual" means an enrollee while the enrollee is a group-rated individual (as defined in subparagraph (C)), Medicare-eligible individual, or a member of a uniformed services (or a member of such member's family).

(C) Group-rated individual.—The term "group-rated individual" means an enrollee while the enrollee is an AFDC-eligible individual, SSI-eligible individual, or a resident of a Federal or State institution.

(b) Adjustments for Area Costs and Acturial Risks.—Each consortium shall adjust the capitation amounts in order to reflect, for a specific capitation individual—

(1) the relative actual costs of providing covered health-care services to enrollees in the area in which the individual resides, as reflected and permitted in the applicable annual State budget, and

(2) the acturial risk associated with an enrollee with the individual's characteristics (including age, sex, institutional status, disability status, and any other relevant factors) obtaining, or incurring expenses with respect to, covered health-care services for the year. Such adjustment shall be made in such manner as would eliminate any financial incentive for insurers or health maintenance organizations to practice risk selection or experience rating of premiums to reflect the health of enrollees or otherwise to prevent attainment of the objectives of this Act.

(c) Total Amounts.—The total of the capitation amounts and the total of adjusted capitation amounts with respect to the capitation enrollees in a State in a year shall be equal to the total expenditures in the annual State budget relating to the provision (and administration by the consortia, insurers, and health maintenance organizations with respect to) covered health-care services to capitation individuals, other than administrative expenses of the State Health Board.

Sec. 352. Allocation of Premiums Among Consortia, Insurers, and Health Maintenance Organizations.

(a) Basic Allocation.—

(1) Insurers and health maintenance organizations.—Each consortium shall provide for the apportionment to each of its members of an adjusted capitation amount for each capitation individual as determined under section 351 and of the group-rated premium (established under part C) for each group-rated individual. Such apportioned amount shall be paid out to members in such installations as the consortium may provide, consistent with guidelines approved by the National Health Board.

(2) Additional payment to new health maintenance organizations based on approved prospective budgets.—The National Health Board shall provide for payments from the Health Resources Distribution Fund of payments, supplementary to the payments provided under paragraph (1), to participating health maintenance organizations that have been in operation for less than five years. In order to be eligible to receive such a payment, the organization must submit to, and have approved by, the applicable State Health Board a prospective budget in accordance with the procedures and policies established under section 321. The amount of such a payment under this paragraph shall be equal to such proportion of the reasonable costs contained in the prospective budget, for covered health-care services provided to eligible enrollees, in excess of the payments received under paragraph (1) as the National Health Board determines to be appropriate.

(b) Allocation of Premiums Among Consortia.—In accordance with guidelines established by the National Health Board, the consortia shall provide for the redistribution of premiums collected by each of the consortia in order to assure that each consortium is provided—

(1) an adjusted capitation amount (determined under section 351) for each capitation individual enrolled in a qualified health plan offered by a member of the consortium, and

(2) a group-rated premium for each group-rated individual enrolled in a qualified health plan offered by a member of the consortium.

Sec. 353. Treatment of Shortages and Overages; Use of Contingency Funds.

(a) Use of Contingency Funds.—Each consortium shall maintain from the premiums collected and allocated to it a contingency fund to be used for expenditures associated with unforseen and unanticipated circumstances, beyond the control of insurers or organizations, relating to enrollees in plans offered by its members.

(b) Loan Guarantees to Prevent Premium Shortfalls.—

(1) Authority to make loan guarantees.—If for any year the amount of the premiums collected and collectable under this Act are less than the amounts of such premiums provided for in the Annual Budget, the National Health Board is authorized to guarantee, and to make commitments to guarantee, the principal and interest (including interest accruing between the date of default and the date of the payment in full of the guarantee) of loans issued by the consortia for the purpose of assuring revenues for a year in order to provide for the furnishing of covered health care services under this Act.

(2) Terms of loan guarantees.—Loan guarantees under this subsection shall be on such terms and conditions as the National Health Board determines, except that no guarantee, or commitment to make a guarantee, may be made pursuant to paragraph (1) unless the National Health Board certifies that—

(A) such a loan is required because premium revenues for a year will be below those specified in the Annual Budget for the year,

(B) the loan bears interest at a rate not to exceed such annual per centum on the principal obligation outstanding as the National Health Board, after consultation with the Secretary of the Treasury, determines to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar loans and risks by the United States;

(C) the terms of such loan require full repayment over a period not to exceed three years;

(D) the total amount of loans guaranteed under this subsection for a year will not exceed the amount by which (i) the antipated expenditures for the year contained in the Annual Budget or (ii) the actual expenditures for the year under such Budget, whichever is less, exceeds the actual revenues for the year.

(3) Fees.—The National Health Board shall not charge any fees for the investigation of an application for a guarantee or for the issuance of a commitment to make a guarantee under this subsection.

(4) Default.—In the event of any default by the consortia on a loan guaranteed under this subsection, the National Health Board is authorized to make payment in accordance with the guarantee.

(5) Adjustment of subsequent budgets.—

In the event that loans are guaranteed in a year under this subsection, the National Health Board shall provide for appropriate adjustments in subsequent Annual Budgets and annual State budgets to provide for the recoupment of the costs of securing the loans and the prompt retirement of such loans.

(6) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this subsection with respect to both principal and interest, including interest, as may be provided for in the guarantee, accruing between the date of default under a guaranteed loan and the payment in full of the guarantee.

(c) SURPLUS PREMIUMS.—If for any year the premiums collected and collectable under this Act are greater than the amounts provided for in the Annual Budget, the National Health Board shall provide for the maintenance and distribution of such excess funds by the consortia in accordance with guidelines established by the Board. Such guidelines shall provide for appropriate adjustments in subsequent Annual Budgets and annual State budgets to take account of such surpluses and interest on such surpluses.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

Subpart I—National Health Board and Commission on the Health of Americans

SEC. 401. ESTABLISHMENT OF NATIONAL HEALTH BOARD.

(a) ESTABLISHMENT.—There is established as an independent establishment (as defined in section 104 of title 5, United States Code) the National Health Board (hereinafter in this subpart referred to as the "Board").

(b) ORGANIZATION.—

(1) APPOINTMENT OF MEMBERS.—The Board shall consist of five members appointed by the President by and with the advice and consent of the Senate. The President shall first submit the nominations of individuals to serve as members of the National Health Board not later than 60 days after the date of the enactment of this Act.

(2) CHAIRMAN.—The President shall designate a member of the Board to serve as chairman of the Board at the pleasure of the President. If, because of death, retirement, expiration of term, or other reason, the chairman ceases to be a member of the Board, the member who has served as a member for the longest period of time, shall serve as acting chairman, until a new chairman is designated by the President.

(3) POLITICAL AFFILIATION, OUTSIDE EMPLOYMENT.—Not more than three members of the Board shall be of the same political party. An individual may not engage in any other business, vocation, or employment while serving as a member of the Board.

(4) TERM OF OFFICE.—

(A) BASIC TERM.—Except as provided in subparagraphs (B) and (C), the term of office of a member is five years.

(B) INITIAL STAGGERED TERMS.—Of the members first appointed to the Board—

(i) one shall be appointed for a term of one year,

(ii) one shall be appointed for a term of two years,

(iii) one shall be appointed for a term of three years, and

(iv) one shall be appointed for a term of four years,

as designated by the President at the time of appointment.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(5) COMPENSATION.—Each member of the Board shall be paid at a rate equal to the rate of basic pay payable for level II of the Executive Schedule.

(6) REMOVAL.—Any member of the Board may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

(c) STAFF OFFICES.—

(1) DIRECTOR.—The Board shall, without regard to section 5311(b) of title 5, United States Code, have a Director who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level III of the Executive Schedule.

(2) STAFF.—Subject to such rules as may be prescribed by the Board, the chairman of the Board may appoint such additional personnel as the chairman considers appropriate.

(d) GENERAL PROVISIONS.—

(1) QUORUM.—A quorum for the transaction of business of the Board shall consist of a majority of the members.

(2) OFFICIAL SEAL.—The Board may have an official seal, which shall be judicially recognized.

(3) OFFICE SERVICES.—The General Services Administration shall furnish the Board with such offices, equipment, supplies, and services as it is authorized to furnish to any department, agency, or independent instrumentality of the United States.

SEC. 402. AUTHORITY AND DUTIES.

(a) DUTIES OF THE BOARD.—In addition to the specific functions prescribed for it by this Act, the Board shall—

(1) establish and maintain such commissions, bureaus, divisions, offices, and other entities as are required by this Act or as it deems appropriate for the efficient and effective conduct of its responsibility and the execution of its powers and duties;

(2) perform the functions of a participating insurer or consortium with respect to any area in which, or group of insurers for which, there is no participating insurer or consortium certified under part B;

(3) perform the functions of a State Health Board with respect to any State in which a State Health Board has not been established in accordance with subpart II;

(4) establish administrative procedures for receiving and acting upon appeals from consumers and providers from decisions of State Health Boards respecting enrollment, eligibility for benefits, benefits, and certification; and

(5) be responsible for the general implementation and administration of the functions of the Federal Government under this Act.

(b) CONTINUING EVALUATION.—The Board shall, on a continuing basis after the date health-care benefits are first made available under this Act, study and evaluate the operation of this Act, including the adequacy and quality of services furnished under this Act, of the cost of each type of health-care service furnished, of the effectiveness of measures taken to restrain the costs under this Act, and of the economic impact on employers and employment of wage-related premiums charged pursuant to this Act. In addition, the Board may conduct such other studies as it considers appropriate for the evaluation or improvement of the operation of this Act.

(c) TRANSFER OF FUNCTIONS.—There are transferred to, and vested in, the National Health Board all functions of the Secretary of Health, Education, and Welfare, or other officers and components of the Department of Health, Education, and Welfare, relating to—

(1) the following provisions of the Social Security Act:

(A) title V,

(B) sections 1121, 1123, 1124, and 1126,

(C) section 1131, but only with respect to decisions relating to Medicare,

(D) part B of title XI,

(E) title XVIII, and

(F) title XIX,

and any other functions performed under any authority of law by the Administrator of Health Care Financing;

(2) all the provisions of the Public Health Service Act, except—

(i) provisions of title II (other than sections 226 and 227),

(ii) the following provisions of title III: sections 301 through 303, the biomedical research authorities of section 307, 310, through 318, and parts C (except section 330), E, F, G, H, I, and J,

(iii) title IV,

(iv) title V,

(v) title X, and

(vi) title XIV;

(3) the Community Mental Health Centers Act;

(4) such functions under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 as the Secretary determines, after consultation with the National Health Board, relate primarily to treatment of alcoholics or alcohol abusers;

(5) such functions under the Drug Abuse Office and Treatment Act of 1972 as the Secretary determines, after consultation with the National Health Board, relate primarily to treatment of drug addicts or abusers; and

(6) the provision of health-care services to American Indians, including functions of the Secretary, under the Indian Health Care Improvement Act (Public Law 94–437).

SEC. 403. OFFICES AND COMMISSIONS OF THE BOARD.

(a) OMBUDSMAN.—

(1) APPOINTMENT.—The Board shall have an Ombudsman who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) FUNCTION.—The Ombudsman shall investigate complaints made to the Board respecting the operation of the national health insurance system, report to the Board the results of such investigations, and make recommendations to the Board respecting such administrative actions as the Ombudsman determines on the basis of such investigations should be taken.

(b) ADVOCATE.—

(1) APPOINTMENT.—The Board shall have an Advocate who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) FUNCTION.—The Advocate shall, upon request, assist consumers in determining their rights to services and reimbursements under the national health insurance system, assist consumers in obtaining such services, and take such action as may be appropriate to protect such rights. The Advocate shall give priority to requests for assistance from the elderly, the disabled, members of minorities, and other disadvantaged groups and from women.

(C) INSPECTOR GENERAL.—

(1) APPOINTMENT.—The Board shall have an Inspector General who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) DUTIES.—The Inspector General shall

(A) supervise, coordinate, and provide policy direction for auditing and investigative activities of the Board relating to the national health insurance system;

(B) recommend policies for, and conduct, supervise, or coordinate other activities carried out or financed by the Board for, the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, the national health insurance system; and

(C) recommend policies for, and conduct, supervise, or coordinate, relationships between the Board and other Federal agencies, State and local government agencies, and nongovernmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, the national health insurance system, or (ii) the identification and prosecution of participants in such fraud or abuse.

(3) AUTHORITIES.—In carrying out the duties prescribed by paragraph (2), the Inspector General may—

(A) have access to all records, reports, audits, reviews, documents, papers, recommendations or other material available to the Board which relate to activities under the national health insurance system with respect to which the Inspector General has responsibilities under paragraph (2);

(B) request such information or assistance as may be necessary for carrying out such duties from any Federal, State, or local governmental agency or unit thereof; and

(C) require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of such duties, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate district court of the United States.

(4) CONTRACTS WITH STATE FRAUD AND ABUSE UNITS.—The Inspector General shall, to the extent or in such amounts as are provided in advance in appropriations Acts, contract with State medicaid fraud control units (certified under section 1903(q) of the Social Security Act) for such unit to conduct activities described in such section with respect to health care services provided under the national health insurance system.

(d) COMMISSIONS.—

(1) ESTABLISHMENT.—The Board shall establish the following Commissions:

(A) COMMISSION ON BENEFITS.—A Commission on Benefits, which will—

(i) review on a continuing basis the provision of basic covered health-care services provided under qualified health plans and determine their cost and effectiveness in improving the health of the public;

(ii) examine the cost and effectiveness of other health care services in improving the health of the public; and

(iii) recommend to the Board such changes in the coverage of such services, particularly with respect to actions that may be taken to expand the scope or type of basic covered health-care services (such as preventive health services, mental health services, drugs, vision care, long-term care, home health care, and dental care) for which coverage under this Act is limited, as it deems appropriate based on its reviews and examinations.

(B) COMMISSION ON QUALITY.—A Commission on Quality, which will—

(i) review on a continuing basis the quality of the health care services provided pursuant to this Act;

(ii) examine the standards used with respect to the qualification and certification of participating providers (including health maintenance organizations); and

(iii) recommend to the Board actions which should be taken to maintain and improve the quality of such services.

(C) COMMISSION ON ACCESS.—A Commission on Access, which will—

(i) review on a continuing basis the utilization of covered health-care services by the different categories of eligible individuals;

(ii) examine the specific problems of rural, elderly, migrant, American Indian, inner-city, disabled, imprisoned, and institutionalized eligible individuals, and other groups of disadvantaged eligible individuals, in achieving access to covered health-care services on a basis equal to that of other groups in the population; and

(iii) recommend to the Board actions which should be undertaken to maintain and improve the accessibility of covered health-care services to all eligible individuals.

(D) COMMISSION ON HEALTH CARE ORGANIZATION.—A Commission on Health Care Organization, which will—

(i) review on a continuing basis the cost and effectiveness of methods for the delivery of covered health-care services to eligible individuals;

(ii) particularly examine the relative performance of health maintenance organizations, community health centers, community mental health centers, migrant health centers, maternal and child health centers, and other innovative methods in providing cost-effective health care services; and

(iii) recommend to the Board actions which should be taken to support and encourage the creation and expansion of more cost effective organizational methods for the provision and financing of covered health care services pursuant to this Act.

A Commission may include in its recommendations to the Board recommendations for legislation, establishment of budget guidelines or requirements, changes in regulations, and use of the Health Resources Distribution Fund or other authority of the Board.

(2) MEMBERSHIP.—The Board shall determine the number of members to be appointed to each commission and their terms of office. At least one-half of the members of each Commission shall be consumers or representatives of consumers and shall also include such representatives of various participating institutional and other health care providers, their employees, and participating insurers and health maintenance organizations as the Board determines to be appropriate. The members of a Commission shall serve without pay. Members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties vested in the Commission.

(3) STAFF.—The Board shall, upon request, detail to each Commission such of the Board's full-time personnel as may be necessary to enable the Commission to carry out its functions, with at least one such staff member detailed specifically to assist members who are or represent consumers.

SEC. 404. COMMISSION ON THE HEALTH OF AMERICANS.

(a) ESTABLISHMENT AND DUTIES.—There is established the Commission on the Health of Americans. The Commission shall on an ongoing basis review the health status of the population of and population groups in the United States, review a broad range of proposals (and their costs), including research, environmental programs, highway safety, public health programs, and personal health services programs, for improving such health status, and recommend to the President the proposals which the Commission determines would be effective in improving such health status, including those which could be implemented by the National Health Board.

(b) MEMBERSHIP.—The Commission shall consist of nine members appointed by the President. The chairman of the Commission shall be selected by the members of the Commission. The members of the Commission shall serve at the pleasure of the President.

(c) COMPENSATION.—Members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties vested in the Commission.

(d) STAFF.—The Commission may appoint such personnel as it considers necessary for the performance of the Commission's duties. Upon request of the Commission, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties.

(e) OFFICE SERVICES.—The General Services Administration shall furnish the Commission with such offices, equipment, supplies, and services as it is authorized to furnish to any department, agency, or independent instrumentality of the United States.

SEC. 405. NATIONAL INSTITUTES OF HEALTH CARE RESEARCH.

(a) ESTABLISHMENT.—There is established, under the direction of the National Health Board, a National Institutes of Health Care Research which shall be composed of an Institute of Health Statistics, an Institute of Health Service Research, and an Institute of Health Technology Evaluation.

(b) GENERAL TRANSFER OF FUNCTIONS.—There are transferred to the—

(1) Institute of Health Statistics, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health statistics and all of the functions of the Secretary and the National Center for Health Statistics under section 306 of such Act;

(2) Institute of Health Services Research, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health services research and all of the functions of the Secretary and the National Center for Health Services Research under section 305 of such Act; and

(3) Institute of Health Technology Evaluation, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health care technology and all of the functions of the Secretary and the National Center for Health Care Technology under section 309 of such act.

(c) INSTITUTE OF HEALTH STATISTICS.—

(1) ESTABLISHMENT OF DATA SYSTEMS.—In addition to the functions transferred to the Institute under subsection (b)(2), the Institute of Health Statistics shall—

(A) propose to the National Health Board regulations, guidelines, and policies with respect to the establishment and operation by the Board of such data systems as will assure the appropriate flow of information for—

(i) management of the national health insurance system, including the budget process; and

(ii) monitoring the impact of the cost, accessibility, and quality of health-care services provided pursuant to this Act on morbidity and mortality in the United States; and

(B) assist in the analysis of data gathered from such systems in order to meet the needs of administrators, consumers, and health care providers under the national health insurance system.

(2) BASIS FOR SYSTEMS.—The Institute shall provide that the data systems described in paragraph (1)(A)—

(A) are based on such uniform minimum data sets as have been developed under section 306 of the Public Health Service Act;

(B) include the entire population of the United States and all health care services provided to residents of the United States; and

(C) are designed in such a manner as to—

(i) promote efficiency and effectiveness in the collection, processing, analysis, and dissemination of information.

(ii) minimize duplication in the data gathering activities of consortia, State and local governments, and the National Health Board, and

(iii) provide such information as will facilitate consortia, employers, participating insurers and health maintenance organizations, participating providers, and consumers in making informed decisions with respect to their involvement with the national health insurance system.

Subpart II—State Health Boards

SEC. 407. ESTABLISHMENT.

(a) STATE HEALTH INSURANCE CORPORATIONS.—In accordance with such guidelines as shall be issued by the National Health Board, each State shall charter as a public corporation a State Health Insurance Corporation.

(b) STATE HEALTH BOARDS.—

(1) MEMBERSHIP.—The board of directors of a State Health Insurance Corporation shall be a board to be known as the State Health Board. Each State Health Board shall consist of five members appointed by the Governor of the State by and with the advice and consent of the National Health Board. At least two members of a State Health Board shall be individuals who represent the interests of employers, labor unions, or other major purchasers of qualified health plans, at least one other member shall be a consumer, and not more than three members may be members of the same political party. A vacancy in a State Health Board shall be filled in the same manner as the original appointment was made.

(2) TERM OF OFFICE.—

(A) BASIC TERM.—Except as provided in subparagraphs (B) and (C), the term of office of a member is five years.

(B) INITIAL STAGGERED TERMS.—Of the members first appointed—

(i) one shall be appointed for a term of one year,

(ii) one shall be appointed for a term of two years,

(iii) one shall be appointed for a term of three years, and

(iv) one shall be appointed for a term of four years,

as designated by the Governor at the time of appointment.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(3) OFFICES AND COMMISSIONS.—In accordance with such guidelines as the National Health Board shall issue, a State Health Board shall establish an ombudsman, an advocate, and such advisory commissions as may be appropriate to carry out its functions. The functions of the ombudsman and advocate shall correspond to the functions of the Ombudsman and Advocate of the National Health Board and the memberships and functions of the commissions shall correspond to the commissions appointed by the National Health Board.

(4) FUNCTIONS.—A State Health Board shall perform the functions prescribed for it by this Act and shall also provide for the establishment of administrative procedures for receiving and acting upon appeals from consumers and providers in the State from decisions of participating insurers and health maintenance organizations and the consortia respecting enrollment, eligibility for benefits, benefits, and certification. Each State Health Board that has an Indian tribe or intertribal Indian organization located with its State shall carry out its functions under this section in a manner that recognizes tribal self-determination, and shall seek to enter into an agreement with each such tribe or organization on matters of mutual concern, as defined in regulations of the National Health Board.

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

SEC. 411. PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.

(a) STANDARDS.—

(1) APPLICATION.—Each insurer and health maintenance organization may apply to the National Health Board for certification as a participating insurer or participating health maintenance organization under the national health insurance system.

(2) REQUIREMENTS.—The National Health Board may not certify an insurer as a participating insurer or a health maintenance organization as a participating health maintenance organization unless—

(A) it is satisfied that the insurer (other than a self-insurer) or organization may lawfully act as an insurer or health maintenance organization, respectively, in each State in which it intends to operate,

(B) the insurer or organization, if previously certified, has not violated the terms of any previous participation agreement under this section, and

(C) the insurer or organization enters into a participation agreement under subsection (b).

(b) PARTICIPATION AGREEMENT.—The National Health Board shall provide for a participation agreement between itself and insurers and health maintenance organizations. This agreement would include the following provisions, and such other provisions as the National Health Board determines to be appropriate to carry out this Act:

(1) CONSORTIUM MEMBERSHIP.—The insurer or organization agrees to apply to and serve as a member of the consortium for its type of insurer or organization or (with the approval of the National Health Board and of the consortium) of another consortium and comply with such rules as the consortium may establish consistent with this Act.

(2) OFFERING OF BASIC PLANS.—The insurer or organization agrees to offer enrollment in at least one qualified health plan which provides for at least all basic covered health-care services, without charging (with respect to such basic services) any fee, deductible, coinsurance, copayment, or other charge in addition to the premiums provided for under this Act.

(3) OPEN ENROLLMENT.—

(A) IN GENERAL.—The insurer or organization agrees to accept for enrollment, during enrollment periods provided in section 111, in a qualified health plan it offers all eligible individuals (with respect to the plan) in the order in which they apply for enrollment, up to the limits of its capacity and without restriction (except as may be authorized by regulation of the National Health Board).

(B) ENROLLMENT RESTRICTIONS.—The National Health Board shall provide by regulation for limitations on the number and kinds of individuals required to be enrolled under subparagraph (A) to reflect the needs for (i) capacity to develop cost-effective services, and (ii) the special characteristics of qualified health plans which are offered by self-insurers and which have been negotiated or arranged between employers and employees.

(4) ISSUANCE OF HEALTH INSURANCE ENROLLMENT CARDS.—The insurer or organization agrees to provide for the issuance of a health insurance enrollment card for each eligible individual enrolled in a qualified health plan offered by the insurer or organization.

(5) PAYMENT OF PROVIDERS.—

(A) INSURERS.—The insurer agrees to provide for the payment to participating providers (and other providers to which payments may be made under qualified health plans), in such amounts no greater than the amounts permitted under this Act and at such intervals and in such manner as is consistent with this Act, for their provision of covered health-care services to eligible individuals enrolled in a qualified health plan offered by the insurer.

(B) HEALTH MAINTENANCE ORGANIZATIONS.—The health maintenance organization agrees to—

(i) provide for the payment to participating providers (and other providers to which payments may be made under qualified health plans), in amounts no greater than the amounts permitted under this Act and in such manner as is consistent with this Act, for their provision, or

(ii) provide directly,

or a combination of both, of covered health-care services to eligible individuals enrolled in a qualified health plan offered by the organization.

(C) REPORTS ON PAYMENTS.—The insurer or organization agrees to report to the State Health Board and its consortium on payments made (and on expenses incurred) under this Act during appropriate periods of any year.

(D) NOTIFICATION OF INDIVIDUALS.—The insurer agrees, in accordance with regulations of the National Health Board, to notify enrollees of the fact and the service with respect to which a payment by the insurer has been made on the enrollees' behalf.

(6) INFORMATION AND ACCESS.—The insurer or organization will maintain such records and afford such access thereto by the applicable consortium, State Health Boards, and the National Health Board as the National Health Board finds necessary to carry out the purposes of this Act, and to provide for such confidential treatment to its individually-identifiable records as the National Health Board may provide for by regulation.

(7) EQUAL REBATE POLICY.—The insurer or organization agrees that if any rebates, cash dividends, or additional health-care benefits are offered with respect to a qualified health plan pursuant to section 333, such rebates, dividends, or benefits are made available to all eligible individuals enrolled in the plan on the same basis, subject to the provisions of section 333(c)(1)(B) (relating to payment of portion of rebate to an employer).

(8) FAIR HEARING.—The insurer or organization agrees to establish and maintain procedures pursuant to which—

(A) an individual enrolled in a qualified health plan offered by the insurer or organization who is dissatisfied by reason of his failure to receive without additional cost to the individual (or have payment made for) any health care service to which the individual believes he is entitled under the plan shall, if the amount in controversy is over such threshold amount as the National Health Board shall establish, be entitled to opportunity for a fair hearing by the insurer or organization, and

(B) a participating provider, providing covered health-care services to individuals enrolled in a qualified health plan offered by the insurer or organization, who is dissatisfied by reason of the insurer's or organization's failure to make payment properly and with reasonable promptness in accordance with this Act shall, if the amount in controversy is over such threshold amount as the National Health Board shall establish, be entitled to an opportunity for a fair hearing by the insurer or organization.

(9) PAYMENT OF INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—The National Health Board agrees that, in return for such services and understandings, the insurer or organization shall be provided, by the consortium of which it is a member, payment for each enrollee in a qualified health plan offered by the insurer of such amounts as are established under part E of title III.

(10) Other conditions.—The insurer or organization agrees to perform functions otherwise required to be performed by participating insurers or health maintenance organizations under this Act and to comply with such reasonable regulations (respecting marketing and customer service practices and other areas) as the National Health Board establishes.

(c) Period of Certification.—Each certification under this section shall be for a term of at least one year, as determined by the National Health Board, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term; except that the National Health Board may terminate any such certification at any time (after reasonable notice and opportunity for hearing to the insurer or organization involved as it may provide in regulations), if it finds that the insurer or organization (1) has failed substantially to carry out the participation contract, (2) is carrying out the contract in a manner inconsistent with the efficient and effective administration of this Act, or (3) no longer substantially meets the applicable conditions to be an insurer or a health maintenance organization. The effective date of such a certification shall be specified in the agreement pursuant to regulations of the National Health Board.

(d) Limitation on Available Providers as a Condition on Enrollment Under a Plan.—A participating insurer or health maintenance organization may provide that, as a condition of an individual's enrollment under a qualified health plan offered by the insurer or organization, payments will only be made under the plan with respect to covered health-care services furnished to the individual by specified participating providers or offered by the organization.

Sec. 412. Consortia.

(a) Establishment.—The National Health Board shall provide for the certification of corporations, lawfully established and able to operate in each of the States, to serve as consortia with respect to this Act. The Board shall certify one such consortium to carry out functions with respect to each of the following types of participating insurers or health maintenance organizations:

(1) Blue cross-blue shield consortium.—Non-profit State-chartered medical/hospital services corporations.

(2) Commercial insurance carrier consortium.—Profitmaking commercial insurers which do not directly furnish health care services.

(3) Prepaid group practice HMO consortium.—Health maintenance organizations which provide basic covered health-care services through physicians or other health professionals who are members of the staff of the organization or a medical group (or groups) (as such term is defined in section 1302(4) of the Public Health Service Act).

(4) Individual practice association HMO consortium.—Health maintenance organizations which provides basic covered health-care services through (A) an individual practice association (or associations), as such term is defined in section 1302(5) of the Public Health Service Act, or (B) a combination of such association (or associations), medical group (or groups), staff, and individual physicians and other health professionals under contract with the organization.

(5) Self-insurer consortium.—Insurers that are self-insurers (as defined in section 4(c)(5)(D)).

An insurer or health maintenance organization, with the approval of the National Health Board and of the consortium, may apply and serve as a member of a consortium other than the consortium to which it would otherwise belong under this subsection.

(b) Standards for Certification.—

(1) Blue-cross and commercial insurance consortia.—The National Health Board may not certify a corporation as a consortium described in paragraph (1) or (2) of subsection (a) unless the consortium has members which offer qualified health plans to such extent, in all the States and in each major area of each of the States, as will provide for such plans to be effectively available to all eligible individuals in the United States.

(2) Certification.—The National Health Board may not certify a corporation as a consortium unless—

(A) it is satisfied that the corporation (i) may lawfully act as a consortium in each State in which it intends to operate and (ii) has sufficient resources and plans of operation to carry out the functions of a consortium under this Act,

(B) the consortium, if previously certified, has not violated the terms of any previous participation agreement under this section, and

(C) the consortium enters into a participation agreement under subsection (c).

(c) Participation agreement.—The participation agreement referred to in subsection (b) between the National Health Board and a consortium shall include the following provisions, and such other provisions as the National Health Board determines to be appropriate to carry out this Act:

(1) Consortium membership.—The consortium agrees to accept for membership each participating insurer (of the type described in subsection (a) with respect to the consortium) which applies, which has not previously violated the rules of the consortium, and which agrees to comply with such rules as the consortium may establish consistent with this Act.

(2) Premium collection.—The consortium agrees to provide for the collection of premiums and the reallocation, in concert with the other consortia, of such premiums in accordance with this Act and to provide for such good faith efforts to collect wage and non-wage-related premiums (provided for under sections 341 and 342) as the National Health Board may provide.

(3) Payment of consortium members.—The consortium agrees to pay, from premiums collected under this Act, each member of the consortium for each enrollee in a qualified health plan offered by the member such amounts as are established under part E of title III.

(4) Contingency fund.—The consortium agrees to maintain a contingency fund, in accordance with section 353(a).

(5) Monitoring utilization and payments.—The consortium agrees to monitor, and report regularly—

(A) to the National Health Board on (i) amounts of premiums collected, (ii) payments made to members in the States, (iii) number of enrollees of its members and their characteristics (as established by the consortia for risk-setting purposes), (iv) transfers of premiums between consortia, and (v) such other information as the National Health Board may require, and

(B) to each State Health Board, on (i) levels of utilization of the different covered health-care services in the State, and (ii) payments made (to institutional and other providers) from the funds of members of the consortium for such services.

(6) Representation of and assistance to members.—

(A) Participating in negotiations.—The consortium agrees to participate in negotiations with provider negotiation groups in the establishment of prospective budgets for institutional providers and maximum-fee schedules in the areas in which its members offer qualified health plans, except that no representative of the consortium shall participate in any negotiation concerning a State or area in which the consortium has no members or in which no member of the consortium offers a plan pursuant to this Act.

(B) Facilitation of enrollment.—The consortium agrees to assist members of the consortium in the enrollment of eligible individuals.

(C) Facilitation and arrangement of payment of institutional providers.—The consortium agrees to facilitate and assist members of the consortium in the payment of institutional providers.

(7) Fair hearing.—The consortium agrees to establish and maintain procedures pursuant to which individuals and participating providers dissatisfied with the determination of a member of the consortium after a hearing under section 411(b)(8), shall be entitled, if the amount in controversy is over such threshold amount as the National Health Board shall establish, to opportunity for a review of such determination by the consortium.

(8) Other conditions.—The consortium agrees to perform functions otherwise required to be performed by a consortium under this Act and to comply with such regulations, respecting standard claims forms and procedures, rights of privacy of enrollees and participating providers, and other areas, as the National Health Board establishes.

Sec. 413. Promotion of Competition.

(a) Application of anti-trust laws.—

(1) Defense in certain actions.—There shall be available as a defense to any civil or criminal action brought under the anti-trust laws (or any similar State law) in respect to actions taken by a participating insurer or health maintenance organization or a consortium or the consortia (if such actions were not taken for the purpose of injuring competition) that such actions were taken in the course of carrying out duties required of them as insurers, health maintenance organizations, and consortia under agreements entered into under this Act, and in a manner meeting standards and procedures established under paragraph (2). Persons interposing the defense provided by this subsection shall have the burden of proof, except that the burden shall be on the person against whom the defense is asserted with respect to whether the actions were taken for the purpose of injuring competition.

(2) Regulations.—The National Health Board, after consultation with the Attorney General and the Federal Trade Commission, shall prescribe by rule standards and procedures (including those related to open meetings and maintenance of records) for the conduct of insurers, health maintenance organizations, and consortia in a manner consistent with promotion of competition and with the proper conduct of their responsibilities under this Act.

(3) Anti-trust laws defined.—For purposes of this subsection, the term "anti-trust law" means (A) the Sherman Act, (B) the Clayton Act, (C) the Federal Trade Commission Act, (D) sections 73 and 74 of the Wilson Tariff Act, and (E) sections 2, 3, and 4, of the Act of June 19, 1936, chapter 592 (15 U.S.C. 21a, 13a, and 13b).

(b) Complaints of Anticompetitive Activities.—A participating insurer or health maintenance organization may file a complaint with the National Health Board that another participating insurer or organization (or the consortium of which it is a member) has engaged in an anticompetitive activity, including (1) the establishment of a formula for determining adjusted capitation amounts under section 351 which does not reflect actuarial risk or (2) a marking or enrollment practice which results in risk-selection of enrollees. The National Health Board shall provide for investigations of such complaints and, where it determines that such activities have occurred, provide for such adjustments in participating agreements under section 411 or 412 and such other relief under this Act as it deems appropriate.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM

Sec. 501. Establishment of Program and Fund.

(a) Establishment.—The National Health Board shall establish a program to improve the distribution, in accordance with this part, of health care resources in the United States in order to promote the improvement in the quality, accessibility, and efficiency in the provision of health-care services under this Act.

(b) Health Resources Distribution Fund.—There is established, in the Treasury of the United States, an account to be known as the "Health Resources Distribution Fund".

(c) Authorization.—There is authorized to be appropriated, to be deposited into the Health Resources Distribution Fund for use under this title—

(1) for the fiscal year beginning before the first effective year, $500,000,000, and

(2) for each succeeding fiscal year, the amount authorized to be provided in the previous fiscal year under this section increased by the average annual rate of increase in the gross national product for the three-year period ending with the year in which the previous fiscal year begins.

Sec. 502. Use of Health Resources Distribution Fund.

(a) Use of Fund by National Health Board.—The National Health Board shall, in accordance with subsection (b), make grants to the State Health Boards from the Health Resources Distribution Fund and, from the Fund, may provide directly or by grant or contract for projects to improve the quality, accessibility, or efficiency in the provision of health care-services under this Act, including any of the following projects:

(1) Closure and Conversion.—For the conversion or closure of health care facilities, where such conversion or closure would improve the efficiency of use of such facilities in the area.

(2) Health Personnel.—For the provision of needed health-care services in health manpower shortage areas.

(3) Renovations.—For renovations of institutional health care facilities to enable institutional providers to meet specific health, safety, or other critical requirements.

(4) Delivery systems.—For the stimulation and support of health maintenance organizations, community health centers, migrant health centers, and other cost-effective health care delivery systems.

(5) Education of health professionals.—For educational programs for health professionals, in order to meet projected needs for health manpower in the various specialties and professions.

(6) Continuing professional education.—For programs, through professional standards review organizations or other private entities, of continuing educational and professional development with respect to current clinical practice and improvements in practice patterns.

(b) Grants to State Health Boards.—

(1) In general.—From the Health Resources Distribution Fund, the National Health Board shall provide for an amount to be provided to each State Health Board, based on the State's needs as reflected in the national Health Care Improvement Plan and the ability of the State Health Board to use such amount to achieve the purposes of the plan. In allocating funds among the State Health Boards, the amount of any such grant to a State Health Board may not be less, with respect to the total amounts of such grants made under this subsection, than one-half of the ratio of the population of the State Health Board's State to the population of all the States.

(2) Use of grant.—Grants provided to a State Health Board under this subsection may be used directly, or for grants or contracts, for any of the purposes for which the National Health Board may use the Fund.

Sec. 503. Health Education Program.

Each State Health Board shall provide for the conduct of a program for the education of consumers in the State concerning health, self-care, the effective use of health care resources, and their rights and privileges under this Act. As part of such a program, each such Board shall provide for the development of material, suitable for distribution through the media, for classroom instruction at various levels, and for training of professionals, concerning—

(1) the impact on health and availability of health resources of different habits and practices relating to life style and utilization of health resources, and

(2) the appropriate participation of patients in the provision of health care services.

Sec. 504. Special Studies and Projects.

(a) Study of Residual Medicaid Program.—The National Health Board shall, through its Commissions or otherwise, study and evaluate—

(1) the impact of this Act on the programs of States under title XIX of the Social Security Act, including its impact on the comprehensiveness, accessibility, and quality of services (particularly long-term care services) provided under such programs; and

(2) means of improving such programs with respect to the comprehensiveness, accessibility, and quality of services (particularly long-term care services) provided under the programs.

Based on such study and evaluation, the National Health Board shall take such steps within its authority, including establishment of guidelines in the budget process, use of funds from the Health Resources Distribution Fund, the promulgation of regulations, and recommend such legislation as may be appropriate to implement improvements in such programs. The National Health Board shall report to Congress, not later than five years after the date of the enactment of this Act, on such recommendations and include in the report what means it recommends to meet the needs for long-term care in the United States.

(b) Demonstration projects.—The National Health Board may develop and demonstrate, or make grants and contracts for the development and demonstration of, methods designed to provide for improvements in—

(1) the coordination of health care services furnished by different providers,

(2) the adequacy, quality, or accessibility of health-care services or greater efficiencies in the provision of such services, and

(3) peer review and control of utilization and quality in the provision of drugs, laboratory services, and other health-care services, under this Act and Medicare. The National Health Board may waive any of the reimbursement requirements of part B of title III in the case of such a demonstration project.

(c) Hospice Project.—The National Health Board shall provide for the conduct of demonstration projects to evaluate the feasibility of providing hospice services as part of basic covered health-care services. Such projects will be funded from funds available from the Health Resources Distribution Fund.

(d) Analysis of Malpractice.—The National Health Board shall provide for an analysis (based, to the extent feasible, on existing studies) of the incidence and circumstances of provider malpractice and the provision of maplractice insurance, and its impact on patients, providers, and health care costs. The Board, not later than two years after the date of the enactment of this Act, shall transmit to the Congress a report on such analysis, together with recommendations for such changes in the laws relating to provider malpractice and in the national health insurance system as will most effectively protect patients and providers and contain costs to the system.

Sec. 505. Demonstration Project in Personal Care Services.

(a) Establishment.—The National Health Board (hereinafter in this section referred to as the "Board") shall provide for the conduct of a demonstration project (hereinafter in this section referred to as the "project") in the organization, delivery, and financing of personal care services (as defined in subsection (f)) to groups of individuals likely to require such services.

(b) Grant Programs.—In conducting the project, the board shall make grants, with funds provided from the Health Resources Distribution Fund, to participating public or nonprofit providers or public or nonprofit local community agencies or organizations to assist them in establishing and maintaining programs to provide, or assist in the provision of, personal care services for a substantial population of individuals residing in their homes who, without such services and by reason of their disability or other health-related factors, would be required (or be expected to be required) to reside on a continuing basis in an institution that provides personal care services.

(c) Application and Requirements.—No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Board and unless the Board is satisfied that—

(1) the applicant is capable of developing and willing to develop, within a reasonable time period, a program of comprehensive personal care services for populations at risk;

(2) the applicant will provide for non-Federal financing of such proportion of the costs of the program as is appropriate in view of the resources of, and available to, the applicant and the community in which the applicant is located;

(3) the program will provide for such combination of health care and other services (including all basic covered health-care services, other than inpatient institutional services, through participating providers) as is appropriate to enable individuals, otherwise requiring inpatient services, to continue to maintain themselves outside institutions.

(4) the program will provide for coordination of services provided under the program with the health or personal care services furnished by others to individuals participating in the program;

(5) the program provides for the establishment of a committee, composed of at least one physician, one professional nurse, one professional social worker, three consumers of personal care services, and such other qualified personnel as the Board may require (A) to review and approve, in accordance with specified criteria, applications of individuals seeking assistance under the program, (B) to review utilization of services by individuals who will be provided assistance under the program, and (C) to terminate assistance to any such individual when, in accordance with specified criteria, such assistance is no longer needed; and

(6) the program provides for such methods of evaluation of the program, including evaluation of the assistance provided to individuals and of the cost of such assistance, as will enable the Board to evaluate and make recommendations with respect to the feasibility of providing for (or assisting in the provision of) some or all of personal

care services as part of basic covered health-care services under the national health insurance system.

(d) Duration.—No grant may be made under the project for a period of longer than four years.

(e) Payments.—

(1) Installments.—Payments under grants under this section may be made in advance or by way of reimbursement and in such installments and on such conditions as the Board may establish. The Board may provide for such decrease over time in the proportion of costs of a program assisted under this section as it deems appropriate and the Board may provide for such increase in the funds provided for a program where it determines that the reasonable costs of the program will exceed original estimates.

(2) Continuation.—The Board shall provide, to the extent of available funds, that grants which have been approved under this section will not be terminated except for such grounds, other than lack of funding, as would otherwise justify termination of such a grant.

(3) Source.—The Board shall provide that, of the funds available from the Health Resources Distribution Fund in each year, not less than $100,000,000 shall be available for the purpose of making grants under this section.

(f) Reports.—

(1) Annual report.—The Board shall periodically evaluate each program assisted under under this section and shall annually report to the Congress on the results of the project.

(2) Five-year report.—The Board, not later than five years after the date of the enactment of this Act, shall transmit to Congress a comprehensive report describing and evaluating the project conducted under this section, together with such recommendations with respect to—

(A) making available to all communities which lack such programs, programs of personal care services to individuals requiring such services as an alternative to institutional services,

(B) the sources and means of continued financing of such programs, and

(C) the proper role of the national health insurance system in the provision of personal care services.

(g) Personal Care Services Defined.—For purposes of this section, the term "personal care services" means such services, including homemaker and home help services, home maintenance services, laundry services, meals-on-wheels and other nutrition services, assistance with transportation and shopping, as may be appropriate to maintain individuals, otherwise requiring institutionalization, in a noninstitutional residential setting.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AMENDMENTS

Part A—Effective Dates and Transition Provisions

Sec. 601. Effective Dates.

(a) In General.—

(1) In general.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act, but shall only apply to health-care services furnished in or after the first effective year.

(2) Budget authority.—The authority of the National Health Board to enter into contracts under this Act is effective for any fiscal year only to such extent or in such amounts as may be provided in advance in appropriations Acts.

(b) Preparation of Annual Budget and Annual State Budgets.—Except as provided in section 602, the National Health Board shall first provide for an Annual Budget, and State Health Boards shall provide for the preparation of annual State budgets, for the first effective year.

(c) Enrollment and Benefits.—

(1) Non-medicare eligible individuals.—Eligible individuals (other than Medicare-eligible individuals) shall first be enrolled in qualified health plans, offered pursuant to this Act, during the year before the first effective year and such plans shall first be effective for basic covered health-care services furnished on or after January 1 of the first effective year.

(2) Medicare-eligible individuals.—The amendments made to section 226(a) of the Social Security Act shall apply to months beginning with January of the first effective year.

(d) Premium Payments.—

(1) Wage-related premiums.—

(A) In general.—Except as provided under subparagraph (B), premiums are first payable under section 341, relating to wage-related premiums, for wages paid on or after October 1 of the year before the first effective year.

(B) Special premium rate.—In applying section 341 to the period from October 1 of the year before the first effective year through December 31 of such year—

(i) the National Health Board shall establish a special national premium rate (under subparagraph (C)) which will be applied in place of the state premium rate under subsection (a)(1)(B) of such section;

(ii) amounts payable with respect to wages paid in the month of October are not due until November 15; and

(iii) subsection (b) of such section shall not apply to premiums paid during such period.

(C) Special national premium rate.—The National Health Board shall, in consultation with the consortia, establish a special national premium rate to be applied under this paragraph. Such rate shall be computed so as to provide for sufficient payments, during the three-month period described in subparagraph (B), so as to assure prompt payment of benefits provided under this Act and the administrative expenses thereunder during the early months of the program establish by this Act and to provide an initial contingency reserve. Such rate may not exceed the national premium rate established under section 331 for the first effective year.

(2) Non-wage-related private premiums.—Premiums are first payable under section 342, relating to non-wage-related private premiums, for calendar years beginning with the first effective year.

(3) Other premiums.—Premiums are first payable under sections 343 and 345 for December of the year before the first effective year and shall be payable at the national group-rated premium established under section 331 for the first effective year.

(4) Medicare taxes.—The amendments made by section 633(a), relating to changes in certain employment taxes, shall apply to wages and other income paid on or after January 1 of the first effective year.

(e) Miscellaneous Provisions.—

(1) Health care improvement program.—The provisions of title V of this Act shall apply to fiscal years ending in or after the first effective year.

(2) Internal revenue code amendments.—The amendments made by section 641, relating to the Internal Revenue Code of 1954, shall apply to taxable years beginning on or after January 1 of the first effective year.

(3) Medicaid amendments.—The amendments made by section 636, relating to the residual medicaid program, shall apply to calendar quarters beginning on or after January 1 of the first effective year.

(f) Repeal of section 1310 requirement.—The repeal of section 1310 of the Public Health Service Act, made by section 642 (b)(1) of this Act, shall apply to calendar years beginning with the first effective year.

Sec. 602. Transition Provisions.

(a) Intent of Congress.—It is the intent of the Congress that levels of appropriations in effect on the date of the enactment of this Act for programs providing for health-care services for the needs of special populations, such as migrant health programs and programs relating to community health centers, rural health services, and Indian health services, should be continued at least at such levels after the effective date of health benefits, under section 601, in order to carry out the objectives of this Act.

(b) Area fee schedules.—

(1) Establishment.—The National Health Board shall establish for localities within each State maximum fee schedules (applicable to health-care services reimbursable under part B of Medicare) based on the average level of allowable charges for the services under Medicare in the locality during the previous year. Notwithstanding any other provision of law, effective with respect to requests for payment made on or after July 1 of each year but before January 1 of the first effective year, payment may be made under part B of Medicare for the furnishing of a service only to the extent it does not exceed the lesser of—

(A) the customary charge or actual charge for the service, or

(B) the greater of (i) the maximum fee for the service otherwise permitted under section 1842 of the Social Security Act for the year before the first year for which a maximum fee schedule is established under this subsection, or (ii) the amount provided in the maximum-fee schedule (established under this subsection) for the services, increased, for each year after the first year of such schedule, to the extent that the National Health Board determines, on the basis of appropriate economic index data, that such higher fee levels are justified by economic changes.

(2) Application to insurers.—

(A) In general.—Notwithstanding section 411, as a condition for an insurer to be a participating insurer under this Act, the insurer must not make payments for services described in paragraph (1) to the extent such payments exceed the maximum payment that may be permitted for such payment under the Medicare program under paragraph (1).

(B) Exclusion of past contracts.—Subparagraph (A) shall not apply to services performed under contracts entered into before the date of the enactment of this Act.

(c) Developing and testing of administrative structure.—

(1) Testing of administrative structures.—As soon as possible after the date of the enactment of this Act and before the first effective year, the National Health Board shall establish such regulations, guidelines, standards, and procedures as will provide for the orderly administration of this Act and shall provide for the testing of the efficacy of such procedures and operations before such effective year.

(2) Report to congress.—The National Health Board shall report to the Congress, not later than 18 months after the date of the enactment of this Act, on its progress under paragraph (1) in establishing procedures to implement this Act and on any technical or administrative changes, including authorization of additional authorities, which would facilitate the implementation of this Act.

(3) GAO study.—The Comptroller General shall review, and report to Congress (not later than 18 months after the date of the enactment of this Act) on, the National Health Board's progress in establishing procedures required to implement this Act on a timely basis.

(4) Testing of budget and planning process.—The National Health Board shall

provide to the extent feasible, for the testing on a thorough basis of the budget and planning process established under title III as it would apply to the year before the first effective year.

SEC. 603. IMPACT ON EXISTING EMPLOYER-EMPLOYEE HEALTH PLANS.

(a) NO SHIFTING OF OBLIGATIONS.—No provision of this Act (other than this section) shall affect or alter any contractual or other nonstatutory obligation of an employer to pay for or provide health-care services to present and former employees and their dependents and survivors, or to any of such persons, or the amount of any obligation for payment (including any amount payable by an employer for insurance premiums or into a fund to provide for any such payment) toward all or any part of the costs of such services if the effect or alteration shifts the obligation in any part to such persons.

(b) CONTINUATION OF OBLIGATIONS.—Any contractual or other nonstatutory obligation of the employer to pay all or part of the cost of the health-care services described in subsection (a) shall continue, but any payment of wage-related premiums under section 341(a) shall be credited against such obligation to the extent such payments do not exceed the greater of—

(1) the per capita monthly amount of the cost to the employer of providing or paying for health care services (either through insurance premiums or into a fund) on behalf of persons described in subsection (a), for September of the year before the first effective year, or

(2) the per capita monthly amount of the cost the employer would have incurred had this Act not been enacted.

(c) CONTINUED PAYMENTS.—At least for the duration of any obligation of an employer described in subsection (a), the employer shall arrange to pay to eligible employees, former employees, and survivors described in subsection (a) such amounts by which the per capita monthly costs to the employer of providing or paying for health-care services described in subsection (a) in September of the year before the first effective year exceed the sum of (1) the per capita monthly costs to the employer of the premiums, and (2) any other employer contributions for health insurance premiums or health benefits or services provided by the employer after January 1 of the first effective year. By agreement between the employer and his employees or their representatives, an employer may provide other benefits of an equivalent monetary value in lieu of such payments.

(d) COMPUTATION OF COSTS.—For purposes of subsections (b) and (c), the per capita amounts and per capita costs for an employer shall be determined by dividing the aggregate amounts and the aggregate costs by the number of eligible employees, former employees, and survivors on the date as of which the determination is made.

SEC. 604. PROVISIONS RELATING TO TRANSFER OF FUNCTIONS.

(a) EFFECTIVE DATE.—The transfers of functions made by subpart I of part A of title IV of this Act shall take effect 120 days after the members of the National Health Board first take office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of the enactment of this Act the National Health Board may promulgate regulations pursuant to subsection (b)(5)(B)(ii). Funds available to a department or agency (or any official or component thereof) functions of which are transferred to the National Health Board under this Act may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

(b) TRANSITIONAL AND SAVINGS PROVISIONS.—

(1) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used arising, from, available to or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedure Act of 1950, are transferred to the National Health Board for appropriate allocation. Unexpended funds transferred pursuant to this paragraph shall only be used for the purposes for which the funds were originally authorized and appropriated.

(2) EFFECT ON PERSONNEL.—Except as otherwise provided in this subsection, the transfer pursuant to this Act of full-time personnel (except special Government employees) and part-time personnel holding permanent positions pursuant to this Act shall not cause any such employee to be separated or reduced in grade or compensation for one year after the effective date of such transfer. Any person who, on the effective date of such transfer, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed by the National Health Board to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in the new position.

(3) AGENCY TERMINATIONS.—Whenever all of the functions vested by law in any agency or any component thereof, have been transferred from that agency or component by this Act, the agency or component shall terminate. If such an agency or component terminates pursuant to this paragraph, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office of position at level III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316), shall terminate.

(4) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, in consultation with the National Health Board shall make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by an agency or component affected by this Act to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, as he may deem necessary to accomplish the purposes of this Act.

(5) SAVINGS PROVISIONS.—

(A) PREVIOUS RULINGS.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(i) which have been issued, made, granted, or allowed to become effective by the President, any Federal department, agency, or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the National Health Board after the date of enactment of this Act, and

(ii) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the National Health Board, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(B) PREVIOUS PROCEEDINGS.—

(i) EFFECT.—The provisions of this Act shall not affect any proceedings or any application for financial assistance pending at the time this Act takes effect before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and order issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this clause shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(ii) REGULATIONS.—The National Health Board is authorized to promulgate regulations providing for the orderly transfer of such proceedings to the Board.

(C) SUITS.—Except as provided in subparagraph (E)—

(i) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(ii) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(D) NO ABATEMENT.—No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of an agency function of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(E) NAMED PARTIES.—If, before the date on which this Act take effect, any agency, or officer thereof in his official capacity, is a party of a suit, and under this Act any function of such agency or officer is transferred to the National Health Board or any official, then such suits shall be continued with the Board or other official, as the case may be, substituted.

(6) REFERENCE.—With respect to any functions transferred by his Act and exercised after the effective date of this Act, reference in any other Federal law to any department, or agency, or any officer of office the functions of which are so transferred shall be deemed to refer to the National Health Board, or other official or component of the National Health Board in which this Act vests such function.

(7) PRESIDENTIAL AUTHORITY.—Nothing contained in this Act shall be construed to limit, curtail, abolish, or terminate any function of, or authority available to, the President which he had immediately before the effective date of this Act; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

PART B—MEDICARE-RELATED AMENDMENTS

Subpart I—General Amendments and Eligibility

SEC. 611. GENERAL AMENDMENTS.

(a) REFERENCES IN THIS PART.—Except as otherwise specifically provided in this part, whenever in this part an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

(b) Section 1801.—Section 1801 is amended by striking out "the practice of medicine" and all that follows through "compensation" and inserting in lieu thereof "the selection or tenure".

(c) Heading.—The heading to part A of title XVIII is amended to read as follows:

"Part A—Hospital and Hospital-Related Insurance Benefits for the Aged and Disabled".

(d) Application of Definitions to Health Care for All Americans Act.—Section 1861 is amended by inserting "and of the Health Care for All Americans Act" after "For the purposes of this title" before subsection (a).

Sec. 612. Medicare Eligibility.

(a) Amendments to Section 226.—

(1) Heading.—The heading to section 226 is amended to read as follows:

"Entitlement to Health Insurance Benefits"

(2) Subsection (a).—Subsection (a) of such section is amended to read as follows:

"(a) Every individual who—

"(1) has attained age 65, and

"(2)(A) is entitled to monthly insurance benefits under section 202 or is a qualified railroad retirement beneficiary, or

"(B) is a citizen of the United States or an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall be entitled to health insurance benefits under title XVIII for each month for which the individual meets the condition specified in paragraph (1). To the extent possible, the National Health Board shall provide for the distribution of information regarding enrollment to such individuals at least 60 days before the date they become eligible for such benefits.".

(3) Subsection (b).—Subsection (b) of such section is amended—

(A) by striking out ", and has for 24 consecutive months been entitled to";

(B) by striking out ", and has been for not less than 24 consecutive months";

(C) by striking out "hospital insurance benefits under part A of title XVIII" and inserting in lieu thereof "health insurance benefits under title XVIII or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of such benefits"; and

(D) by striking out "twenty-fifth consecutive" and inserting in lieu thereof "first".

(4) Subsection (c)(1).—Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) entitlement of an individual to health insurance benefits for a month shall consist of entitlement to have payments made under, and subject to the limitations in, title XVIII for services described in such title and furnished him or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of at least such services during such month; except that no such payment may be made for post-hospital extended care services or post-hospital home health services unless the discharge from the hospital required to qualify such services for payment under part A of title XVIII occurred (A) on or after the first day of the month in which he attains age 65, or (B) if he was entitled to health insurance benefits pursuant to subsection (b), at a time when he was so entitled; and".

(5) Subsection (e).—Subsection (e) of such section is amended by striking out "hospital insurance benefits" and inserting in lieu thereof "health insurance benefits" each place it appears.

(b) Amendments to Section 226A.—

(1) Subsection (a).—Subsection (a) of section 226A is amended by striking out "to benefits" and all that follows through the end and inserting in lieu thereof the following: "to health insurance benefits under title XVIII."

(2) Subsection (b).—Subsection (b) of such section is amended by striking out "under part A and eligibility to enroll under part B of title XVIII" and inserting in lieu thereof "described in subsection (a)".

(3) Subsection (c).—Subsection (c) of such section is amended—

(A) by striking out "the requirements of section 1881(b), entitlement to benefits under part A and eligibility to enroll under part B of title XVIII" in paragraph (1) and inserting in lieu thereof "requirements established by the National Health Board, entitlement to benefits described in subsection (a)", and

(B) by striking out "under part A and eligibility to enroll under part B of title XVIII" in paragraphs (2) and (3) and inserting in lieu thereof "described in subsection (a)".

(c) Part A.—

(1) Section 1811.—Section 1811 is amended—

(A) by inserting "or are citizens or permanent resident aliens in the United States" before ", (2)"; and

(B) by striking out "have been entitled for not less than 24 consecutive months" and inserting in lieu thereof "are entitled".

(2) Section 1818.—Section 1818 is repealed.

(d) Part B.—

(1) Section 1831.—The text of section 1831 is amended to read as follows:

"Sec. 1831. The insurance program for which entitlement is established by sections 226 and 226A provides basic protection against the costs of physicians' services and certain other medical services in accordance with this part, to be financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government.".

(2) Sections 1836 and 1837.—Sections 1836 and 1837, relating to eligible individuals and enrollment periods, are repealed.

(3) Section 1838.—The text of section 1838 is amended to read as follows:

"Sec. 1838. (a) The period during which an individual is entitled to benefits under this part shall begin on the first day of the first month in which the individual first is eligible for benefits under this title.

"(b) In the case of an individual whose entitlement to benefits under this title is based on a disability, rather than on his having attained the age of 65, the period during which the individual is entitled to benefits under this part shall be terminated as of the close of the last month for which the individual is entitled to benefits under this title.".

(4) Section 1843.—Section 1843, relating to State agreements for coverage of certain individuals, is repealed.

(e) Amendments to Section 7 of Railroad Retirement Act of 1974.—

(1) Section 7(d)(1).—The first sentence of paragraph (1) of section 7(d) of the Railroad Retirement Act of 1974 is amended to read as follows: "The National Health Board shall, for purposes of this subsection, have the same authority to determine that rights of individuals described in subdivision (2) to have payments made on their behalf for health insurance benefits under title XVIII of the Social Security Act (or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of such benefits) as the National Health Board has under such title with respect to individuals to whom such title applies."

(2) Section 7(d)(2).—Paragraph (2) of such section is amended—

(A) by striking out "for not less than 24 consecutive months and (B) could have been entitled for 24 consecutive calendar months, and" and inserting in lieu thereof "and (B)", and

(B) by striking out "to the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "to the National Health Board".

(3) Section 7(d)(4).—The first sentence of paragraph (4) of such section is amended—

(A) by striking out "to have payment made on their behalf for the services referred to in subdivision (1) but provided" and inserting in lieu thereof "with respect to provision of inpatient hospital services, posthospital extended care services, posthospital home health services, and outpatient hospital diagnostic services which are provided" in the first sentence;

(B) by striking out "the Secretary of Health, Education, and Welfare" in the first sentence and inserting in lieu thereof "the National Health Board";

(C) by striking out "1867, 1868," in the first sentence; and

(D) by striking out "extended care facility" in the second sentence and inserting in lieu thereof "skilled nursing facility".

(4) Section 7(d)(5).—Paragraph (5) of such section is amended—

(A) by striking out "the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "the National Health Board"; and

(B) by striking out "part A of".

Subpart II—Benefits

Sec. 615. Part A Benefits.

(a) Scope of Benefits.—

(1) Section 1812(a).—Subsection (a) of section 1812 is amended—

(A) by striking out "or, in the case of payments referred to in section 1814(d)(2) to him" in the matter before paragraph (1);

(B) by inserting "and of the Health Care for All Americans Act" after "subject to the provisions of this part" in the matter before paragraph (1);

(C) by amending paragraph (1) to read as follows:

"(1) inpatient hospital services;";

(D) by striking out "and" at the end of paragraph (2);

(E) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(F) by adding after paragraph (3) the following new paragraph:

"(4) mental health day care services (as defined in section 1861(cc)).".

(2) Section 1812(b).—Subsection (b) of such section is amended to read as follows:

"(b) Payment under this part for services furnished an individual during a spell of illness may not be made for post-hospital extended care services furnished to him during such spell after such services have been furnished to him for 100 days during such spell.".

(3) Section 1812(c).—Subsection (c) of such section is amended to read as follows:

"(c)(1) Notwithstanding any other provision of this part or of the Health Care for All Americans Act, payment may not be made under this part and basic covered health-care services under the Health Care for All Americans Act do not include inpatient psychiatric hospital services, inpatient hospital services primarily for the diagnosis or treatment of mental illness, or mental health day care services for more than—

"(A) 150 consecutive days, in the case of an individual eligible for benefits under this title, or

"(B) 45 consecutive days, in the case of any other individual,

beginning with the first day of hospitalization or other provision of such services which occurs more than 60 days after the last date of such hospitalization or provision of such services.

"(2) In determining the period of consecutive days of inpatient mental health services described in paragraph (1)—

"(A) each day in which an individual is provided inpatient psychiatric hospital services or inpatient hospital services primarily for the diagnosis or treatment of mental illness is counted as a day, and

"(B) each day in which the individual is provided mental health day care services is counted as half a day.".

(4) Section 1812(e).—Section (e) of such section is amended by striking out "subsection (b), (c), and (d), inpatient hospital services, inpatient psychiatric services, post-hospital extended care services," and inserting in lieu thereof "subsections (c) and (d), post-hospital extended care services".

(5) HMO election.—Subsection (f) of such section is redesignated as subsection (g) and the following new subsection is inserted after subsection (e):

"(f) An individual eligible for benefits under this title other than because of section 226A or section 1181(d), in lieu of the entitlement provided under subsection (a), may elect, in such manner as the National Health Board provides under the Health Care for All Americans Act, for the individual to enroll in a qualified health plan offered by a participating health maintenance organization.".

(b) Inclusion of Hospital-Based Physician Services.—

(1) Section 1861(b).—Section 1861(b) is amended—

(A) by inserting "or (4)" after "paragraph (3)" in the matter before paragraph (1);

(B) by striking out "and" at the end of paragraph (2);

(C) by inserting "and" at the end of paragraph (3); and

(D) by striking out "excluding, however" and all that follows through the end and inserting in lieu thereof the following:

"(4)(A) medical or surgical services provided by a physician, resident, or intern, provided under such a resident-in-training program or teaching program as the National Health Board may approve;

"(B) medical or surgical services provided by a physician under contract with the hospital;

"(C) medical services provided by a radiologist or pathologist; and

"(D) medical services of a physician primarily for the diagnosis or treatment of mental illness,

excluding, however, medical or surgical services (other than described in paragraph (4)(D)) provided by a physician, resident, or intern or the services of a private-duty nurse or other private-duty attendant.".

(2) Conforming amendments.—

(A) Section 1861(h).—Section 1861(h)(6) is amended by striking out "medical services" and all that follows through "subsection (b)" and inserting in lieu thereof "medical or surgical services described in subsection (b)(4) provided by a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection (1))".

(B) Section 1861(m).—Section 1861(m) is amended by striking out "medical services" and all that follows through "subsection (b)" and inserting in lieu thereof "medical or surgical services described in subsection (b)(4) provided by the hospital".

(C) Section 1861(q).—Section 1861(q) is amended by striking out "(but not including services described in subsection (b)(6))" and inserting in lieu thereof "(but not including services described in subsection (b)(4)(D))".

Sec. 616. Part B Benefits.

(a) Section 1832.—

(1) Subsection (a).—Subsection (a) of section 1832 of the Social Security Act is amended to read as follows:

"(a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made on his behalf (subject to the provisions of this title and of the Health Care for All Americans Act) for—

"(1) medical and other health services (except such of those services as are described in section 1861b) (4)),

"(2) home health services for up to 100 visits during a calendar year; and

"(3) outpatient prescription drugs for treatment of chronic conditions.".

(2) HMO election.—Such section is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) An individual eligible for benefits under this title other than because of section 226A or section 1881(d), in lieu of the entitlement provided under subsection (a), may elect, in such manner as the National Health Board provides under the Health Care for All Americans Act, for the individual to enroll in a qualified health plan offered by a participating health maintenance organization.".

(b) Application of Certain Limitations Under Sections 1833 and 1835.—Section 1833 is amended—

(1) by amending subsection (c) to read as follows:

"(c) Notwithstanding any other provision of this part or of the Health Care for All Americans Act, payment may not be made under this part and basic covered health-care services under the Health Care for All Americans Act do not include expenses for physicians' services, health clinic services, or outpatient mental health center services primarily for the diagnosis or treatment of mental illness, to the extent these expenses exceed in a year the equivalent of 20 times the fee contained in the maximum fee schedule (established under section 316 of the Heatlh Care for All Americans Act) for a visit with a psychiatrist in the area in which the individual resides."; and

(2) by striking out the subsection (g) that begins "In the case" and inserting in lieu thereof the following:

"(g)(1) In the case of outpatient physical therapy services, outpatient speech pathology services, or outpatient occupational therapy services described in the second sentence of section 1861(p), payment may not be made under this title and is not provided as basic covered health-care services under the Health Care for All Americans Act for expenses incurred for such services in excess of $100 in any calendar year.

"(2) In the case of outpatient occupational therapy services, payment may not be made under this title and is not provided as basic covered health-care services under the Health Care for All Americans Act for services beyond such short-term period as the National Health Board provides.".

(c) Changes in and Additions to Definitions of Services.—

(1) Outpatient physical therapy, speech pathology, and short-term occupational therapy services.—Subsection (p) of section 1861 is amended—

(A) by amending the heading to read as follows: "Outpatient Physical Therapy, Speech Pathology, and Occupational Therapy Services";

(B) by striking out "The term 'outpatient physical therapy services' means physical therapy services" before paragraph (1) and inserting in lieu thereof "The terms 'outpatient physical therapy services', 'outpatient speech pathology services', and 'outpatient occupational therapy services' mean physical therapy services, speech pathology services, or occupational therapy services, respectively";

(C) by inserting ", speech pathology services, or occupational therapy services, respectively," in paragraph (2) after "physical therapy services";

(D) by striking out "by a physician (as so defined)" in paragraph (2) and inserting in lieu thereof "either by a physician (as so defined) or by a qualified physical therapist, speech pathologist, or occupational therapist, respectively";

(E) by inserting ", speech pathology services, or occupational therapy services, respectively," in paragraph (4)(A)(i) after "physical therapy services";

(F) by inserting "qualified speech pathologists, or qualified occupational therapists, respectively," in paragraph (4)(A)(ii) after "qualified physical therapists,";

(G) by striking out "The term 'outpatient physical therapy services' also includes physical therapy services" in the second sentence and inserting in lieu thereof "The terms 'outpatient physical therapy services', 'outpatient speech pathology services' and 'outpatient occupational therapy services' also include physical therapy services, speech pathology services, or occupational therapy services, respectively,";

(H) by inserting ", speech pathologist, or occupational therapist, respectively," in the second sentence after "physical therapist";

(I) by striking out "such term includes physical therapy services" in the third sentence and inserting in lieu thereof "such terms include physical therapy services, speech pathology services, and occupational therapy services, respectively,"; and

(J) by striking out the fourth sentence.

(2) Medical and other health services.—Subsection (s) of such section is amended—

(A) by inserting ", outpatient speech pathology services, and outpatient occupational therapy services" before the semicolon at the end of paragraph (2)(D);

(B) by striking out "rural" in paragraph (2)(E) and the second sentence of such subsection;

(C) by striking out "and" at the end of subparagraph (E);

(D) by inserting after paragraph (2)(F) the following new subparagraphs:

"(G) hearing examinations conducted by a physician or qualified audiologist and hearing aids; and

"(H) outpatient mental health services (as defined in section 1861(cc));";

(E) by inserting "and lens after cataract surgery" in paragraph (8) after "colostomy care";

(F) by inserting "(A)" after "(8)" in paragraph (8) and striking out "and" at the end of such paragraph; and

(G) by inserting after paragraph (8)(A) the following new subparagraph:

"(B) orthopedic shoes (to the extent and as defined in regulations); and".

(3) Outpatient prescription drugs for treatment of chronic conditions defined.—Subsection (t) of such section is amended by inserting "(1)" after "(t)" and by adding at the end the following new paragraph:

"(2) The term 'outpatient prescription drugs for treatment of chronic conditions' means insulin or a drug—

"(A) which is only available to an individual upon the prescription of a physician;

"(B) which is provided by a pharmacy or pharmacist to an individual who is not an inpatient of a hospital or skilled nursing facility; and

"(C) the name of which is contained on a list, prepared by the National Health Board after consultation with appropriate experts, of drugs that are appropriate for the treatment or control of a chronic illness, disease, or other condition (as determined by the Board).".

(4) HEALTH CLINIC SERVICES.—Subsection (aa) of such section is amended—

(A) by striking out "rural health clinic" each place it appears in subsection (aa) and inserting in lieu thereof "health clinic", and

(B) by striking out the second and third sentences of paragraph (2).

(5) PREVENTIVE HEALTH SERVICES, MENTAL HEALTH DAY CARE SERVICES, AND OUTPATIENT MENTAL HEALTH SERVICES DEFINED.—Such section is amended by adding after subsection (aa) the following new subsections:

"Preventive Health Services

"(bb) The term 'preventive health services' means services, described in section 205 of the Health Care for All Americans Act, which are basic covered health-care services for purposes of that Act.

"Mental Health Day Care Services; Outpatient Mental Health Services

"(cc) The terms 'mental health day care services' and 'outpatient mental health services' mean the following items and services furnished to an individual as a day patient or as an outpatient, respectively, by a community mental health center (meeting the conditions of section 201 of the Community Mental Health Centers Act) or other qualified provider (as determined by the National Health Board)—

"(1) active diagnostic and therapeutic services furnished by qualified mental health professionals (as defined by the National Health Board in regulations), including psychologists, psychiatric social workers, and counselors;

"(2) drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered; and

"(3) such items and services (including comprehensive mental health services described in section 201(b) of the Community Mental Health Centers Act) as are ordinarily furnished to day patients or outpatients, respectively, in connection with an active mental health program of diagnosis and treatment,

excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital.".

(d) CONFORMING AMENDMENTS.—Section 1861(r) is amended—

(1) by inserting "section 1862(a)(13)(C)," in clause (3) after "section 1835,", and

(2) by inserting "or to the provision of preventive health vision services (as defined by the National Health Board)" in clause (4) after "prosthetic lenses".

SEC. 617. RENAL PROGRAM BENEFITS.

(a) SECTION 1881(b).—Section 1881(b) is amended—

(1) by striking out "if payments for his other professional services" and all that follows through "paragraph (3)(A) of this subsection" in paragraph (1)(A) and inserting in lieu thereof "if there is no separable charge associated with such routine services";

(2) by striking out "to or on behalf" in pargaraph (1)(B) and inserting in lieu thereof "on behalf";

(3) by striking out paragraphs (2) and (3);

(4) by striking out "on the basis of a target reimbursement rate (as defined in paragraph (6))" in pargaraph (4) and inserting in lieu thereof "on the basis of a prospective budget, approved under section 321 of the Health Care for All Americans Act"; and

(5) by striking out paragraph (6).

(b) SECTION 1881(d).—Section 1881(d) is amended—

(1) by striking out "(without regard to the deductible, premium, and coinsurance provisions of this title)"; and

(2) by striking out "parts A and B of" each place it appears.

(c) SECTION 1881(e).—Section 1881(e)(1) is amended by striking out "(without regard to the deductible and coinsurance provisions of this title) for the reasonable cost of" and inserting in lieu thereof "for".

(d) SECTION 1881(f).—Subsection (f) of section 1881 if repealed.

SEC. 618. TREATMENT OF EXCLUSIONS.

(a) BASIC EXCLUSIONS.—Subsection (a) of section 1862 is amended—

(1) by inserting "or under the Health Care for All Americans Act" after "under this title";

(2) by inserting "(except for preventive health services)" in paragraph (1) after "which are";

(3) by striking out "illness or injury" in paragraph (1) and inserting in lieu thereof "illness, injury, or condition";

(4) by striking out paragraphs (2), (3), and (5);

(5) by inserting "(other than for preventive health services)" in paragraph (7) after "where such expenses";

(6) by inserting "(in excess of one every three years)" in paragraph (7) after "hearing aids" and by inserting "(in excess of once per individual per year)" in such paragraph after "or examinations";

(7) by striking out paragraph (8), relating to orthopedic shoes;

(8) by inserting "(other than for preventive health services)" in paragraph (12) after "for services";

(9) by striking out "or" at the end of paragraph (12);

(10) by striking out the period at the end of paragraph (13)(C) and inserting in lieu thereof ", unless prescribed by a physician as seriously handicapping or a danger to general health for a patient with a diagnosed case of diabetes mellitus; or"; and

(11) by adding at the end thereof the following new paragraph:

"(14) which are for insulin or prescriptions for outpatient prescription drugs for treatment of a chronic condition to the extent the prescription is in excess of such maximum amounts as the National Health Board may establish with respect to the drug.".

(b) APPLICATION TO HEALTH CARE FOR ALL AMERICANS ACT.—

(1) SUBSECTION (b).—Subsection (b) of such section is amended—

(A) by inserting "or under the Health Care for All Americans Act" after "under this title" the first place it appears;

(B) by inserting "or under such Act" after "under this title" the second place it appears; and

(C) by inserting "or to the appropriate consortium under such Act" after "by this title".

(2) SUBSECTION (d).—Subsection (d) of such section is amended—

(A) by inserting "or under the Health Care for All Americans Act" in paragraph (1) after "under this title" in the matter before subparagraph (A);

(B) by inserting "or under such Act" in paragraph (1)(A) after "under this title" each place it appears;

(C) by amending subparagraph (B) of paragraph (1) to read as follows:

"(B) has submitted or caused to be submitted bills or requests for payment under this title or such Act containing charges or costs for services rendered which are determined, in accordance with guidelines established by the National Health Board, to be substantially in excess of the amount permitted under part B of title III of such Act, unless the National Health Board finds there is good cause for such bills or requests containing such charges or costs; or";

(D) by inserting "or under the Health Care for All Americans Act" in paragraph (1)(C) after "the program under this title";

(E) by striking out "the Secretary", "him", and "he" in paragraph (1)(C) and inserting in lieu thereof "a State Health Board", "the Secretary", and "the Secretary" respectively;

(F) by striking out "of this Act" in paragraph (1)(C);

(G) by inserting "or under such Act" in paragraph (1)(C) after "under this title";

(H) by striking out "the Secretary" in the first sentence of paragraph (2) and inserting in lieu thereof "a State Health Board";

(I) by striking out "the Secretary" in the second sentence of paragraph (2) and inserting in lieu thereof "the State Health Board";

(J) by striking out "the Secretary" in the second sentence of paragraph (3) and inserting in lieu thereof "a State Health Board"; and

(K) by striking out "by the Secretary to the same extent" in paragraph (3) and all that follows through the end of such paragraph and inserting in lieu thereof "by the National Health Board in the manner provided in section 402(a)(4) of the Health Care for All Americans Act.".

(3) SUBSECTION (e).—Subsection (e) of such Act is amended—

(A) by inserting "or the national health insurance program under the Health Care for All Americans Act" in paragraph (1) after "under title XIX";

(B) by inserting "and under such Act" in paragraph (1) after "under this title" the second place it appears;

(C) by inserting "or under such Act" in paragraph (1) after "under this title" the third place it appears;

(D) by amending the second sentence of paragraph (1) to read as follows: "Any such practitioner who is dissatisfied with a determination made by the National Health Board under this subsection shall be entitled to reasonable notice and opportunity for a hearing thereon by the National Health Board, in such manner as the National Health Board shall provide by regulation.";

(E) by iinserting "or under such Act" in paragraph (2) after "under this title";

(F) by inserting "the consortia and" in paragraph (2)(A) after "notify"; and

(G) by striking out "the Department of Health, Education, and Welfare" in paragraph (2)(B) and inserting in lieu thereof "the National Health Board".

Subpart III—Certification of Services, Participating Providers, and Professional Standards Review

SEC. 621. CERTIFICATION STANDARDS.

(a) PART A.—Section 1814(a)(2) is amended by striking out "or" at the end of subparagraph (D) and by adding after subparagraph (E) the following new subparagraphs:

"(F) in the case of inpatient psychiatric hospital services, inpatient hospital services primarily for the diagnosis or treatment of mental illness, and mental health day care services, such services constitute an active treatment of the individual's condition and such services are or were medically required, and, in the case of mental health day care services, such services are or were medically necessary; or

"(G) in the case of electroshock therapy treatment, the patient required such services because of severe depression and such treatment was approved under standards established by a professional standards review organization;".

(b) PART B.—Section 1835(a) is amended—

(1) by inserting "or other qualified health care provider (as determined by the National Health Board)" in paragraph (2) after "(2) a physician";

(2) by striking out "physical or speech therapy" in paragraph (2)(A) and inserting in lieu thereof "physical or occupational therapy or speech pathology services";

(3) by striking out "and (D)" in paragraph (2)(B) and inserting in lieu thereof "(D), and (G)";

(4) by inserting "or in section 1861(bb)" in paragraph (2)(B) after "section 1861(s)(2)";

(5) by striking out "and" at the end of subparagraph (B) of paragraph (2);

(6) by striking out subparagraphs (C) and (D) and inserting in lieu thereof the following:

"(C) in the case of outpatient physical therapy services, outpatient speech pathology services, or outpatient occupational therapy services, (i) such services are or were required because the individual needed physical therapy services, speech pathology services, or occupational therapy services, respectively, (ii) a plan for furnishing such services has been established, and is periodically reviewed, by a physician or qualified physical therapist, speech pathologist, or occupational therapist, respectively, (iii) such services are or were furnished while the individual is or was under the care of a physician or a qualified physical therapist, speech pathologist, or occupational therapist, respectively, and (iv) in the case of occupational therapy services, there is a substantial likelihood of improvement in the individual's functioning; and

"(D) in the case of outpatient prescription drugs (other than insulin) for treatment of a chronic condition, such drugs are or were medically required because of the chronic condition of the individual and are appropriate in the dosage, quantity, and duration prescribed, and, in the case of insulin, it is or was medically required.";

(7) by striking out "subparagraph (A) or (B)" in the second sentence and inserting in lieu thereof "subparagraph (A), (B), (C), or (D)"; and

(8) by inserting ", speech pathology, or occupational therapy" in the third sentence after "outpatient physical therapy".

SEC. 622. PARTICIPATING PROVIDER AGREEMENTS.

(a) Amendments to subsection (a)(1).—Subsection (a)(1) of section 1866 is amended—

(1) by striking out "(except a fund designated for purposes" and all that follows through "Secretary an agreement" in the matter before subparagraph (A) and inserting in lieu thereof the following: "(as defined in subsection (e)) shall be qualified to serve as a participating provider under this title and under the Health Care for All Americans Act and shall be eligible for payments under this title and under such Act only if it files with the State Health Board (established under title IV of such Act) an agreement";

(2) by striking out ", except as provided in paragraph (2)," in subparagraph (A);

(3) by inserting "or such Act" in subparagraph (A) after "under this title";

(4) by striking out "or for which such provider is paid pursuant to the provisions of section 1814(e)" in subparagraph (A);

(5) by inserting "or such Act" in subparagraph (B) after "under this title";

(6) by inserting "of section 1862(a)" in subparagraph (B) after "paragraph (7) or (9)";

(7) by inserting "and of such Act" in subparagraph (B) after "of this title";

(8) by striking out "and" at the end of subparagraph (C);

(9) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and";

(10) by adding after subparagraph (D) the following new subparagraphs:

"(E) to be paid for items and services to which individuals are entitled to have payments under this title or under the Health Care for All Americans Act in accordance with the applicable provisions of this title and of part B of title III of such Act;

"(F) not to discriminate on the ground of race, color, or national origin in the furnishing of items or services to an individual for which the individual is entitled to have payment made under this title or such Act;

"(G) to furnish such information and reports as may be required for the making of payments to the provider under this title or such Act or as may be required by a professional standards review organization or for approval of a prospective budget with respect to the provider;

"(H) to permit such examination of records as may be necessary for verification of the information upon which requests for payment (and payments) are based;

"(I) to meet the special requirements under subsection (f) with respect to prescription and filling of prescriptions for outpatient drugs; and

"(J) to comply with such other requirements as the National Health Board may reasonably establish by regulation."; and

(11) by striking out the second sentence.

(b) AMENDMENTS TO SUBSECTION (a)(2).—Subsection (a)(2) of such section is amended.—

(1) by striking out subparagraph (A);

(2) by inserting "or under the Health Care for All Americans Act" in subparagraphs (B)(i) and (B)(ii) after "under this title" the first place it appears;

(3) by inserting "or under such Act" in subparagraphs (B)(i) and (B)(ii) after "under this title" the second place it appears;

(4) by striking out "(or, if less, the customary charges for)" in subparagraph (B)(ii);

(5) by striking out subparagraph (C);

(6) by striking out "a provider of services" in subparagraph (D) and inserting in lieu thereof "an institutional provider";

(7) by inserting "or under the Health Care for All Americans Act" in subparagraph (D) after "under this title" the first place it appears; and

(8) by inserting "or under such Act" in subparagraph (D) after "under this title" the second place it appears.

(c) AMENDMENTS TO SUBSECTION (b)—Subsection (b) of such section is amended—

(1) by striking out "(and in the case of a skilled nursing facility, prior to the end of the term specified in subsection (a)(1))" before paragraph (1);

(2) by striking out "6 months" in paragraph (1) and inserting in lieu thereof "12 months";

(3) by inserting "or of the Health Care for All Americans Act" in paragraph (2)(A) after "of this title";

(4) by inserting "or under the Health Care for all Americans Act" in paragraph (2)(C)(i) after "under this title";

(5) by inserting "or under the Health Care for All Americans Act" in paragraph (2)(D) after "under this title" the first place it appears;

(6) by inserting "or under such Act" in paragraph (2)(D) after "under this title" the second place it appears; and

(7) by inserting "or under such Act" in paragraph (2)(E) after "under this title".

(d) AMENDMENTS TO SUBSECTION (c).—Subsection (c) of such section is amended—

(1) by striking out "under this title" and inserting in lieu thereof "under this section" each place it appears in paragraph (1);

(2) by striking out paragraph (2); and

(3) by striking out "(1)".

(e) SUBSECTION (d) AMENDMENT.—Subsection (d) of such section is amended by inserting "or under the Health Care for All Americans Act" after "under this title".

(f) SUBSECTION (e) AMENDMENT.—Subsection (e) of such section is amended to read as follows:

"(e) For purposes of this section, the term 'provider of services' includes a clinic, rehabilitation agency, physician, community mental health center, or any other provider of health-care services which provides health care services for which payment may be made under this title or under the Health Care for All Americans Act.".

(g) ADDITIONAL SUBSECTION.—Such section is amended by adding at the end the following new subsection:

"(f) The requirements for prescription of outpatient drugs referred to in subsection (a)(1)(J) are as follows:

"(1) A provider who prescribes outpatient drugs for chronic illness agrees to prescribe such drugs only under such generic or other names and not in smaller or larger quantities per prescription as the National Health Board may provide to insure quality of treatment and efficiency in provision of such drugs.

"(2) A provider that fills a prescription for a drug described in paragraph (1) agrees to fill such prescription in quantities not less than or greater than such quantities as the National Board may establish.".

(h) HEADING.—The heading to such section is amended to read as follows:

"PARTICIPATING PROVIDER AGREEMENTS".

SEC. 623. USE OF AGENCIES IN DETERMINING CONDITIONS OF PARTICIPATION.

(a) SECTION 1863.—Section 1863 is amended—

(1) by striking out "and (o)(6)" and inserting in lieu thereof "(o)(6), (aa)(2), and (cc)"; and

(2) by striking out "the Health Insurance Benefits Advisory Council established by section 1867, appropriate State agencies" and inserting in lieu thereof "the Commission on Quality of the National Health Board, State Health Boards".

(b) SECTION 1864(a).—Section 1864(a) is amended—

(1) by striking out "rural" each place it appears;

(2) by inserting "or whether a community mental health center or other qualified provider meets the requirements of section 1861(cc)" before the period at the end of the first sentence;

(3) by striking out "or home health agency" in the second sentence and inserting in lieu thereof "home health agency, or community mental health center or other qualified provider";

(4) by inserting "or under the Health Care for All Americans Act" in clause (1) of the fifth sentence after "under this title";

(5) by striking out ", and for the Federal" in subsection (b) and all that follows through the end of such subsection and inserting in lieu thereof a period;

(6) by inserting "or other institutional providers" in subsection (c) after "hospitals"; and

(7) by inserting "or other national provider accreditation organization for that category of provider" in subsection (c) after "Joint Commission on Accreditation of Hospitals".

(c) SECTION 1865.—Section 1865 is amended—

(1) by striking out "or (o)" in the third sentence of subsection (a) and inserting in lieu thereof "(o), (aa)(2), or (cc)";

(2) by striking out "to the hospital" in subsection (b) and inserting in lieu thereof "to the institution"; and

(3) by striking out "of the numbered paragraphs of section 1861(e)" in subsection (b) and inserting in lieu thereof "within

the appropriate subsection (or paragraph of a subsection) of section 1861."

Sec. 624. Amendments Relating to Part B of Title XI (Professional Standards Review).

(a) General Application to Health Care for All Americans Act.—Part B of title XI is amended—

(1) by inserting "or under the Health Care for All Americans Act" in section 1151 after "under this Act";

(2) by inserting "or under such Act" in section 1151 after "under the Social Security Act";

(3) by inserting "or of the Health Care for All Americans Act" in section 1152(e) after "(other than this part)";

(4) by inserting "or of the Health Care for All Americans Act" in section 1152(e) after "any provision of this Act";

(5) by inserting "or under the Health Care for All Americans Act" in section 1153 after "under this Act";

(6) by inserting "or under the Health Care for All Americans Act" in section 1155 (a)(1) after "under this Act";

(7) by inserting "or under the Health Care for All Americans Act" in section 1156 (c)(1) after "under this Act";

(8) by inserting "and no funds used by a participating insurer under the Health Care for All Americans Act" in section 1158(a) after "(other than title V)";

(9) by inserting "or under such Act" in section 1158(a) after "program established pursuant thereto";

(10) by inserting "or under the Health Care for All Americans Act" in section 1158 (c) after "under this Act";

(11) by inserting "or under the Health Care for All Americans Act" in section 1160 (a)(1) after "under this Act" the first place it appears;

(12) by inserting "or under such Act" in section 1160(a)(1) after "under this Act" the second place it appears;

(13) by inserting "or under the Health Care for All Americans Act" in section 1160 (b)(1) after "under this Act";

(14) by inserting "or under the Health Care for All Americans Act" in section 1162 (e)(1) after "by this Act";

(15) by striking out "Department of Health, Education, and Welfare" in section 1163(c) and inserting in lieu thereof "the National Health Board";

(16) by inserting "or qualified health plans offered pursuant to the Health Care for All Americans Act" in section 1165 after under this Act"; and

(17) by inserting "or under the Health Care for All Americans Act" in section 1171 (b)(2) after "of this Act".

(b) Additional Amendments.—

(1) Section 1154(g).—Section 1154(b) is amended by striking out "and, in addition" and all that follows through the end and inserting in lieu thereof "or by other health care providers.".

(2) Section 1155(g).—Section 1155 is amended by striking out subsection (g).

(3) Section 1156(b).—Section 1156(b) is amended—

(A) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(B) by inserting after such paragraph the following new paragraph:

"(3) that physicians, as a part of their medical practice, should closely monitor workers and other populations at special risk because of past exposure to environmental and occupational hazards.".

(4) Section 1157.—Section 1157 is amended by striking out "Secretary" and inserting in lieu thereof "the State Health Board (established under the Health Care for All Americans Act) for the State".

(5) Section 1159.—Section 1159 is repealed.

(6) Section 1160.—Section 1160 is amended—

(A) by striking out "to the Secretary" in subsection (b)(1) and inserting in lieu thereof "to a State Health Board";

(B) by striking out "as the Secretary may prescribe" in subsection (b)(1) and inserting in lieu thereof "as the State Health Board may provide, in accordance with guidelines established by the National Health Board";

(C) by striking out "the Secretary" in subsection (b)(2) the first place it appears and inserting in lieu thereof "a State Health Board";

(D) by striking out "the Secretary" in subsection (b)(2) the second place it appears and inserting in lieu thereof "the State Health Board";

(E) by striking out "the Secretary" in subsection (b)(3) and inserting in lieu thereof "a State Health Board";

(F) by inserting "or to the appropriate consortium under the Health Care for All Americans Act (as the case may be)" in subsection (b)(3) after "United States" the first place it appears;

(G) by inserting "or by the appropriate consortium under the Health Care for All Americans Act (as the case may be)" in subsection (b)(3) after "instrumentality thereof)";

(H) by striking out "the Secretary" in subsection (b)(4) the first place it appears and inserting in lieu thereof "a State Health Board"; and

(I) by striking out "the Secretary" the second place it appears and all that follows through the end of subsection (b)(4) and inserting in lieu thereof "the State Health Board pursuant to section 407(b)(4) of the Health Care for All Americans Act".

(7) Section 1168.—The text of section 1168 is amended to read as follows:

"Sec. 1168. Expenses incurred in the administration of this part shall be payable from funds appropriated to carry out the provisions of this part. The National Health Board shall make payments to Professional Standards Review Organizations (whether designated on a conditional basis or otherwise) from such funds (without any requirement for the contribution of funds by any State or political subdivision thereof) for expenses incurred in the performance of duties by such Organizations.";

(8) Section 1172.—Section 1172(4) is amended by striking out "incurred under" and all that follows through "by such titles" and inserting in lieu thereof "incurred under this part".

(9) Section 1861(w).—Section 1861(w)(2) is amended by striking out "insured under part A of this title or" and "part B of".

Sec. 625. Health Maintenance Organizations.

(a) Section 1876.—Subsection (a) of section 1876 is amended to read as follows:

"(a) In the case of an individual eligible (other than under section 226A or section 1881(d)) for benefits under this title who has elected, in accordance with the Health Care for All Americans Act, to enroll with a participating health maintenance organization for receipt of such benefits, the National Health Board shall provide for payment, in such proportions from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund as the Board may provide, of the amounts otherwise payable with respect to such individuals, amounts established under part B of title III of the Health Care for All Americans Act.".

(b) Definition of HMO.—Subsection (b) of such section is amended—

(1) by amending subparagraph (A) of paragraph (1) to read as follows:

"(A) provides to its enrollees—

"(i) who are insured for benefits under this title (hereinafter in this subsection referred to as 'Medicare-eligible individuals') through institutions, entities, and persons meeting the applicable requirements of section 1861, all of the services and benefits covered under this title, or

"(ii) who are not Medicare-eligible individuals and are enrolled with the organization pursuant to the Health Care for All Americans Act (hereinafter in this subsection referred to as 'non-Medicare eligible individuals') through institutions, entities, and persons meeting the applicable requirements of section 1861, all of the services and benefits treated as basic health-care services under such Act;

which are available to individuals residing in the geographic area served by the organization;";

(2) by striking out clauses (i), (ii), and (iii) of paragraph (1)(B) and inserting in lieu thereof the following:

"(i) the term 'basic health services' and references thereto shall be deemed to refer, for purposes of Medicare-eligible individuals, to services and benefits included under this title and, for purposes of non-Medicare eligible individuals, to basic covered health-care services (as described in part A of title II of the Health Care for All Americans Act), and";

(3) by inserting "and under the Health Care for All Americans Act" in paragraph (1)(B)(iv) after "by this title";

(4) by striking out clauses (i) and (ii) of paragraph (1)(C) and inserting in lieu thereof the following:

"(i) the term 'basic health services' and references thereto shall be deemed to refer, for purposes of Medicare-eligible individuals, to services and benefits included under this title and, for purposes of non-Medicare eligible individuals, to basic covered health-care services (as described in part A of title II of the Health Care for All Americans Act), and";

(5) by striking out "subsection (k) of this section" in paragraph (1)(C)(iii) and inserting in lieu thereof "the Health Care for All Americans Act"; and

(6) by amending paragraph (2) to read as follows:

"(2) The duties and functions of the National Health Board as they involve making determinations as to whether an organization is a 'health maintenance organization' within the meaning of paragraph (1) shall be integrated with the administration of subsections (a) and (b) of section 1312 of the Public Health Service Act.".

(c) Subsection (c).—Subsection (c) of such section is amended to read as follows:

"(c) The benefits provided under this section or under the Health Care for All Americans Act (hereinafter in this section referred to as 'the Act') to enrollees of a health maintenance organization which has entered into a contract with the National Health Board pursuant to subsection (1)(2)(A) shall consist of—

"(1)(A) in the case of a Medicare-eligible individual, to have payment made on his behalf for all services described in section 1812 and section 1832 which are furnished to him by the organization in which he is enrolled pursuant to the Act, or

"(B) in the case of a non-Medicare eligible individual, to have payment made for basic covered health-care services as established under the Act; and

"(2) entitlement to have payment made by such organization on the individual's behalf for (A) such emergency services (as defined in regulations), (B) such urgently needed services (as defined in regulations) furnished to the individual during a period of temporary absence (as defined in regulations) from the geographic area served by the organization which enrolls the individual, and (C) such other services as may be determined, in accordance with subsection (f), to be services which the individual was entitled to have furnished by the organization, as may be furnished to the individual by a physician, supplier, or provider of services, other than the organization.".

(d) Further Amendments.—Such section is further amended by striking out subsections (d) and (e) and inserting in lieu thereof the following:

"(d) A Medicare-eligible individual and a non-Medicare eligible individual are eligible, in accordance with the Act, to enroll with a health maintenance organization that serves the geographic area in which the individual resides.".

(e) Subsection (f).—Subsection (f) of such section is amended by striking out ", if the amount" and all that follows through the end and inserting in lieu thereof the following: "be entitled to a hearing as provided in the Act.".

(f) Further Amendments.—Such section is further amended by striking out subsections (g) and (h) and paragraphs (1), (2) and (3) of subsection (f).

(g) Subsection (1)(6).—Subsection (1)(6)(B) of such section is amended—

(1) by striking out ", in the case of" and all that follows through "paragraph (2)(A),", and

(2) by striking out ", as defined in clause (iii) of subsection (a)(3)(A),".

(h) Subsection (k).—Subsection (k) of such section is amended to read as follows:

"(k) Each health maintenance organization with which the National Health Board enters into a contract under this section shall have a general open enrollment period in accordance with the Act under which it accepts up to the limits of its capacity and without restriction, except as may be authorized in regulations, Medicare-eligible individuals and non-Medicare-eligible individuals in the order in which they apply for enrollment unless to do so would result in enrollment of enrollees substantially nonrepresentative, as determined in accordance with regulations of the National Health Board, of the population in the geographic area served by such organization.".

Subpart IV—Conditions of Payments

Sec. 628. Changes in Conditions of Payment.

(a) Repeal of Deductibles and Coinsurance.—Section 1813 and paragraph (3) of section 1861(y) are repealed.

(b) Amendments to Section 1814.—

(1) Subsection (a).—Subsection (a) of section 1814 is amended—

(A) by striking out "subsections (d) and (g) and in section 1876" in the matter before paragraph (1) and inserting in lieu thereof "subsection (f)";

(B) by striking out "eligible therefor" in the matter before paragraph (1) and by inserting in lieu thereof "participating providers of health care"; and

(C) by striking out "such individual" in paragraph (1) and inserting in lieu thereof "an authorized representative of such provider"; and

(D) by striking out "the individual" in paragraph (1) and inserting in lieu thereof "the provider".

(2) Amount paid to providers.—Subsection (b) of such section is amended by striking out "shall," and all that follows through the end and inserting in lieu thereof "shall be the amount determined under part B of title III of the Health Care for All Americans Act".

(3) Payment to federal providers.—Subsection (c) of such section is amended to read as follows:

"No Payments to Certain Federal Providers of Services

"(c) Except as provided in subsection (j), no payment may be made under this part, or under a qualified health plan offered pursuant to the Health Care for All Americans Act (other than a plan described in section 4(d)(4)(B) of such Act), to any Federal provider of services administered by or under the control of the Department of Defense or the Veterans Administration or, with respect to services provided to a member of a uniformed service on active duty (or a member of the member's family), of the Public Health Service; and no such payment may be made to any provider of service for any item or service which such provider is obligated by a law of, or a contract with, the United States to render at public expense.".

(4) Emergency hospital services.—Subsection (d) of such section is repealed.

(5) Payment for certain inpatient services.—Subsection (e) of such section is repealed.

(6) Conforming amendment.—Subsection (f) of such section is amended—

(A) by striking out "hospital insurance benefits" each place it appears and inserting in lieu thereof "health insurance benefits"; and

(B) by striking out the second sentence of paragraph (4) and inserting in lieu thereof the following: "The amount payable with respect to such services shall be equal to such reasonable amount as, in accordance with regulations of the National Health Board, is consistent with part B of title III of the Health Care for All Americans Act.".

(7) Payment for certain physician services in a teaching hospital.—Subsection (g) of such section is repealed.

(8) Conforming amendment.—Subsection (j)(1) of such section is amended by striking out "hospital insurance benefits" and inserting in lieu thereof "health insurance benefits".

(c) Change in Payments to Providers.—

(1) Institutional providers.—Section 1815 is amended—

(A) by striking out "(a) The Secretary shall periodically determine" in subsection (a) and inserting in lieu thereof "The National Health Board, consistent with part B of title III of the Health Care for All Americans Act, shall determine".

(B) by striking out "(but not less often than monthly)" in subsection (a).

(C) by striking out subsection (b). and

(D) by inserting "or under the Health Care for All Americans Act" in subsection (c) after "under this title".

(2) Other providers.—Section 1833 is amended—

(A) by amending subsection (a) to read as follows:

"(a) Subject to the succeeding provisions of this section, there shall be paid from the Federal Supplementary Medical Insurance Trust Fund, in the case of each individual who is covered under the insurance program established under this part and has been furnished services with respect to which benefits are payable under this part, amounts determined in accordance with part B of title III of the Health Care for All Americans Act.";

(B) by striking out subsection (b);

(C) by striking out "(or would be entitled except for section 1813)" in subsection (d);

(D) by striking out subsection (e);

(E) by striking out "(f)(1)" in subsection (f) and inserting in lieu thereof "(f)";

(F) by striking out paragraphs (2) and (3) of subsection (f);

(G) by striking out "(4)" in paragraph (4) of subsection (f) and inserting the rest of such paragraph at the end of such subsection; and

(H) by striking out the subsection (g) which begins "With respect to".

(3) Section 1835.—Section 1835 is amended—

(A) by amending the heading to read as follows: "PROCEDURE FOR PAYMENT OF HEALTH CARE PROVIDERS";

(B) by striking out "subsections (b), (c), and (e)" and all that follows through "under section 1866(a)" in the matter before paragraph (1) of subsection (a) and inserting in lieu thereof "subsection (b), payment for services described in section 1832(a) furnished an individual may be made only to providers of health services which are eligible therefor under section 1866(a) and under the Health Care for All Americans Act";

(C) by striking out "such individual" in paragraph (1) and inserting in lieu thereof "such provider or an authorized representative of such provider";

(D) by striking out "the individual" in paragraph (1) and inserting in lieu thereof "the provider".

(E) by striking out the third sentence of subsection (a);

(F) by striking out subsection (b);

(G) by striking out subsection (c);

(H) by amending subsection (d) to read as follows:

"(d) No payment may be made under this part to any Federal health care provider of services or other Federal agency administered by or under the control of the Department of Defense or the Veterans Administration or, with respect to services provided to a member of a uniformed service on active duty (or a member of the member's family), of the Public Health Service; and no such payment may be made to any provider of services or other person for any item or service which such provider or person is obligated by a law of, or a contract with, the United States to render at public expense."; and

(I) by striking out subsection (e).

(d) Repeal of Reasonable Cost.—

(1) Repeal.—Subsection (v) of section 1861 is repealed.

(2) Conforming amendments.—

(A) Section 1870.—Section 1870 is amended—

(i) by striking out subsections (a) through (f); and

(ii) by amending subsection (g)—

(I) by striking out "(g)"

(II) by striking out "under section 1818(c) of the Social Security Act or under section 1837" and inserting in lieu thereof "under this title";

(III) by striking out "in the priorities specified in paragraphs (2) through (7) of subsection (e)" and inserting in lieu thereof "in such priorities as the National Health Board may establish".

(B) Section 505.—Paragraph (6) of section 505(a) is amended to read as follows:

"(6) provides for payment for inpatient hospital services in amounts determined in accordance with part B of title III of the Health Care for All Americans Act;".

(e) Conforming Amendments.—

(1) Sections 3, 403, 1003, 1403, 1603.—Sections 3(a), 403(a), 1003(a), 1403(a), and 1603(a) are each amended by striking out "(including expenditures" and all that follows through "or the cost thereof" in paragraph (1) before subparagraph (A) and in paragraph (2).

(2) Section 1861(e).—Section 1861(e) is amended—

(A) by striking out "sections 1814(d), 1814(f) and 1835(b)" in the first sentence and inserting in lieu thereof "section 1814(f)";

(B) by striking out "section 1814(d)" and all that follows through "and subsections (i)" in the third sentence and inserting in lieu thereof "section 1814(f)(2) and subsections (i)"; and

(C) by striking out "sections 1814(d), 1814(f)(2), and 1835(b)" in the fourth sentence and inserting in lieu thereof "section 1814(f)(2)".

(3) Section 1861(s).—The second sentence of section 1861(s) is amended by striking out "section 1814(d)" and inserting in lieu thereof "section 1814(f)(2)".

SEC. 629. CONTRACTS FOR THE ADMINISTRATION OF BENEFITS.

(a) HEADING.—The heading to section 1842 is amended by striking out "CARRIERS" and inserting instead "PUBLIC AND PRIVATE ENTITIES".

(b) SUBSECTION (a).—

(1) STANDARDS.—The matter in subsection (a) of that section preceding paragraph (1) is amended—

(A) by striking out "under this part" the first two places it appears and inserting in lieu thereof "under this title";

(B) by striking out "and with a view to further in coordination of the administration of the benefits under part A and under this part,";

(C) by striking out "carriers, including carriers with which agreements under section 1816 are in effect," and inserting instead "public and private entities"; and

(D) by striking out the semicolon and all that follows up to the colon.

(2) FUNCTIONS.—Such section is further amended—

(A) by inserting "(subject to such review by the Secretary as may be provided for by the contract)" in paragraph (1)(A) after "determinations";

(B) by striking out "this part" each place it appears and inserting in lieu thereof "this title";

(C) by striking out "on a reasonable cost or reasonable charge basis (as may be applicable)" in paragraph (1)(A);

(D) by striking out "and" at the end of paragraph (3);

(E) by redesignating paragraph (4) as paragraph (5); and

(F) by inserting after paragraph (3) the following new paragraph:

"(4) provide consultative services to entities furnishing health services to enable them to establish and maintain fiscal records necessary for purposes of this title and otherwise to become or remain eligible for payments under this title; and".

(c) SUBSECTION (b).—

(1) COMPETITIVE BIDDING.—Subsection (b) of such section is amended by striking out paragraph (1).

(2) TERMINOLOGY.—Such subsection is amended by striking out "carrier" each place it appears and inserting in lieu thereof "entity".

(3) CARRIER CONTRACTS.—Paragraph (3) of such subsection is amended—

(A) by inserting ", as appropriate," in the matter preceding paragraph (A) after "provide";

(B) by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) will take such action as may be necessary to assure that payments will be made under this title for services in a manner consistent with the provisons of part B of title III of the Health Care for All Americans Act;

"(B) will notify each individual on whose behalf a payment has been made under this title of the fact and service or benefit with respect to which the payment was made;";

(C) by striking out "this part" in subparagraph (C) each place it appears and inserting in lieu thereof "this title";

(D) by striking out "part" in subparagraphs (D) and (E) and inserting in lieu thereof "title";

(E) by inserting "(and to its claims processing operations)" in subparagraph (E) after "thereto";

(F) by striking out the second, third, and fourth sentences and all that follows the fifth sentence;

(G) by striking out "fiscal intermediary," in the fifth sentence; and

(H) by striking out "Department of Health, Education, and Welfare" in the fifth sentence and inserting in lieu thereof "National Health Board".

(4) USE OF FACTORS.—Paragraph (5) of such subsection is amended—

(A) by inserting "or pursuant to a qualified health plan under the Health Care for All Americans Act" after "under this part";

(B) by striking out "(except as provided in section 1870)";

(C) by striking out "such individual or (pursuant to an assignment described in subparagraph (B)(ii) of paragraph (3))";

(D) by striking out "(pursuant to an assignment described in subparagraph (B)(ii) of paragraph (3))" the second place it appears;

(E) by striking out "an assignment from the individual to whom the service was provided or"; and

(F) by striking out "assignment or".

(d) SUBSECTION (c).—Subsection (c) of such section is amended to read as follows:

"(c) Any contract entered into with an entity under this section may provide for advances of funds to the entity for the making of payments by it under this title.".

(e) SUBSECTION (d).—Subsection (d) of such section is amended—

(1) by striking out "carrier" each place it appears and inserting in lieu thereof "entity", and

(2) by striking out "surety" and inserting in lieu thereof "fidelity".

(f) SUBSECTION (e).—Subsection (e)(3) of such section is amended by striking out "carrier" and inserting in lieu thereof "entity".

(g) SUBSECTION (f).—Subsection (f) of such section is repealed.

(h) SUBSECTION (g).—Subsection (g) of such section is repealed.

(i) REDESIGNATION.—Such section, as amended by this section, is redesignated as section 1868 and inserted into part C of title XVIII of the Social Security Act after section 1867.

(j) REPEAL OF FISCAL INTERMEDIARY PROVISION.—Section 1816 is repealed.

(k) CONFORMING AMENDMENTS.—

(1) SECTIONS 506(f)(1) AND 1903(i)(1).—Sections 506(f)(1) and 1903(i)(1) are each amended by striking out "under the fourth and fifth sentences of section 1842(b)(3)" and inserting in lieu thereof "under part B of title III of the Health Care for All Americans Act".

(2) SECTION 1106(d)(1).—Section 1106(d)(1) is amended by striking out "carriers, intermediaries," and inserting in lieu thereof "entities with an agreement under section 1868".

(3) SECTION 1124(a)(2)(C).—Subparagraph (C) of section 1124(a)(2) is amended to read as follows:

"(C) an entity that is acting as a fiscal intermediary with respect to one or more providers (for purposes of title XVIII or title XIX) pursuant to (i) an agreement under section 1868, or (ii) an agreement with a single State agency administering or supervising the administration of a State plan under title XIX; or".

(4) SECTION 1158(c).—Section 1158(c) is amended by striking out "agencies and organizations" and all that follows through "section 1842" and inserting in lieu thereof "entities which are parties to contracts entered into by the National Health Board pursuant to section 1868".

(5) SECTION 1165(a).—Section 1165(a) is amended by striking out "agencies and organizations and all that follows through "section 1842, and (3)" and inserting in lieu thereof "entities which are parties to contracts entered into by the National Health Board pursuant to section 1868, and (2)".

(6) SECTION 1841(i).—Section 1841(i) is amended by striking out "1842(g)" and inserting in lieu thereof "1868(g)".

(7) SECTION 1866(a)(1)(D).—Section 1866(a)(1)(D) is amended by striking out "fiscal intermediary or carrier (for purposes of part A or part B, of both, of this title)" and inserting in lieu thereof "contracting entity under section 1868".

(8) SECTION 1877(d).—Subsection (d) of section 1877 is amended to read as follows:

"(d) Whoever is a participating provider under this title or under the Health Care for All Americans Act and provides covered health-care services under this title or such Act and who knowingly, willfully, and repeatedly violates the term of the agreement of subparagraph (A), (B), or (C) of section 1866(a)(1), shall be fined not more than $2,000, imprisoned for not more than six months, or both.".

(9) SECTION 1879.—Section 1879 is amended—

(A) by striking out "pursuant to an assignment under section 1842(b)(3)(B)(ii)" in subsection (a)(1), and

(B) by striking out "1842(b)(3)(C)" in subsection (d) and inserting in lieu thereof "1868(b)(3)(C)".

(l) TRANSITIONAL PROVISION.—Contracts with entities under section 1868 of the Social Security Act may be entered into during the five-year period beginning with the date of the enactment of this Act without regard to section 3709 of the Revised Statutes or any other provision of law requiring bidding.

Subpart V—Taxes, Trust Funds, and Premiums

SEC. 633. HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE-ELIGIBLE INDIVIDUALS.

(a) REVISION OF HOSPITAL INSURANCE TAX.—

(1) SECTION 3101.—Section 3101(b) of the Internal Revenue Code of 1954, relating to rate of hospital insurance tax on employers, is amended by striking "employment (as defined in section 3121(b))" and inserting in lieu thereof "medicare employment (as defined in section 3121(u))".

(2) SECTION 3111.—Section 3111(b) of such Code, relating to rate of hospital insurance tax on employees, is amended by striking out "employment (as defined in section 3121 (b))" and inserting in lieu thereof "medicare employment (as defined in section 3121(u))".

(3) SECTION 3121.—Section 3121 of such Code is amended by adding after subsection (t) the following new subsection:

"(u) MEDICARE EMPLOYMENT.—For purposes of section 3101(b) and 3111(b), the term 'medicare employment' means employment, as defined in subsection (b), except that the exclusions contained in—

"(1) paragraphs (5) and (6), relating to service performed for the United States or instrumentalities,

"(2) paragraph (7), relating to service performed for States and instrumentalities,

"(3) paragraph (8), relating to service performed for charitable organizations,

"(4) paragraph (9), relating to service performed by certain employee representatives,

"(5) paragraphs (10) and (13), relating to service performed by certain students, and

"(6) paragraph (17), relating to service performed for certain organizations,

shall not be applied.".

(b) TRUST FUND CHANGES.—

(1) PART A TRUST FUND.—Section 1817 is amended—

(A) by adding at the end of subsection (a) the following new sentence: "There shall be deposited into the Trust Fund payments, described in section 101(b)(1)(B) of the Health Care for All Americans Act, made by foreign governments and international organizations.";

(B) by striking out "Secretary of Health, Education, and Welfare" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board";

(C) by striking out "Administrator of the Health Care Financing Administration" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board, or his designee"; and

(D) by striking out subsection (g).

(2) Part B Trust Fund.—Section 1841 is amended—

(A) by striking out "Secretary of Health, Education, and Welfare" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board";

(B) by striking out "Administrator of the Health Care Financing Administration" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board, or his designee"; and

(C) by striking out subsection (f).

(c) Part B Premiums and Mandatory Enrollment.—

(1) Section 1839.—Section 1839 is amended by striking out subsections (d) and (f).

(2) Section 1840.—

(A) Subsection (c).—Subsection (c) of section 1840 is amended—

(i) by inserting "(1)" after "(c)";

(ii) by striking out "may" and inserting in lieu thereof "shall";

(iii) by striking out "such portion of the monthly premiums for such period as he desires" and inserting in lieu thereof "the remaining portion of the monthly premiums for such period in such manner as the National Health Board may specify"; and

(iv) by adding at the end the following new paragraph:

"(2) In the case of an individual who is entitled to benefits under this title and is an SSI-eligible individual (as defined in the Health Care for All Americans Act), monthly premiums payable with respect to the individual shall be paid by the Secretary of the Treasury from any moneys in the Treasury not otherwise appropriated.".

(B) Subsection (h).—Such section is amended by striking out subsection (h).

Subpart VI—Miscellaneous Medicare and Other Social Security Act Amendments

Sec. 635. Miscellaneous Medicare Amendments.

(a) Definition of Provider of Services.—Section 1861(u) is amended by striking out "or, for purposes of section 1814(g) and section 1835(e), a fund" and inserting in lieu thereof "health clinic, or such other institutional provider as the National Health Board may provide by regulation".

(b) Repeal of Certain Sections.—Sections 1867 and 1869 are repealed.

(c) Section 1872.—The text of section 1872 is amended to read as follows:

"Sec. 1872. The provisions of section 216 (j) and of subsections (a), (d), (e), and (1) of section 205, shall also apply with respect to this title and to the Health Care for All Americans Act to the same extent as they are applicable with respect to title II, except that any reference to the Secretary of Health, Education, and Welfare or to the Department of Health, Education, and Welfare shall, for such purposes, be deemed a reference to the National Health Board.".

(d) Section 1874.—Section 1874 is amended—

(1) by striking out "Secretary" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board", and

(2) by striking out "the Secretary" in subsection (c) and inserting in lieu thereof "each member of the National Health Board".

(e) Section 1875.—Section 1875 is amended—

(1) by striking out "programs under parts A and B;" in subsection (a) and inserting in lieu thereof "program under this title; and",

(2) by striking out "; and (3)" and all that follows through the end of subsection (a) and inserting in lieu thereof a period, and

(3) by striking out "programs under parts A and B" in subsection (b) and inserting in lieu thereof "program under this title".

(f) Section 1877.—Section 1877 is amended—

(1) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" in subsection (a)(1);

(2) by inserting "or such Act" after "under this title" in clause (i) of subsection (a);

(3) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" in subsections (b)(1)(A) and (b)(2)(A);

(4) by inserting "or such Act" after "under this title" in subsections (b)(1)(B) and (b)(2)(B);

(5) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" the first place it appears in subsection (b)(3)(A);

(6) by inserting "or such Act" after "under this title" the second place it appears in subsection (b)(3)(A); and

(7) by striking out "or home health agency" in subsection (c) and inserting in lieu thereof "home health agency, health clinic, community mental health center or other qualified provider".

(g) Section 1879.—Section 1879 is amended—

(1) by striking out "under part A or part B of this title" in subsection (a)(1) and inserting in lieu thereof "under this title or under a qualified health plan under the Health Care for All Americans Act";

(2) by striking out "by a provider of services or by another person" in subsection (a)(1) and inserting in lieu thereof "by a participating provider of health services";

(3) by striking out "part A or part B" in subsection (a)(2) and inserting in lieu thereof "this title or such a plan";

(4) by inserting "or under such Act" in subsection (a) after "permitted by this title";

(5) by inserting "or such Act" in subsection (a) after "objectives of this title";

(6) by striking out "the Secretary" in subsection (a) and inserting in lieu thereof "the National Health Board or, in the case of such Act, the participating insurer";

(7) by striking out "such part A or part B" in subsection (b) and inserting in lieu thereof "this title or pursuant to such Act";

(8) by striking out "then the Secretary" in subsection (b) and inserting in lieu thereof "then the National Health Board or, in the case of such Act, the participating insurer";

(9) by striking out ", subject to the deductible and coinsurance provisions of this title," in subsection (b);

(10) by striking out "by the Secretary" in subsection (b) and inserting in lieu thereof "by the National Health Board or the participating insurer";

(11) by striking out "case the Secretary" in subsection (b) and inserting in lieu thereof "case the National Health Board or such insurer";

(12) by striking out "he" in subsection (b) and inserting in lieu thereof "it";

(13) by inserting "and no payments need be made under a qualified health plan under such Act" in subsection (c) after "under this title";

(14) by striking out "under part A or part B" in subsection (c) and inserting in lieu thereof "under this title or under such Act"; and

(15) by striking out "under section 1869 (b)" in subsection (d) and all that follows through "under part (b)" and inserting in lieu thereof "under section 1868(b)(3)(C)".

(h) Section 1880.—Section 1880 is amended—

(1) by striking out subsection (a),

(2) by striking out "Notwithstanding subsection (a), a" in subsection (b) and inserting in lieu thereof "A", and

(3) by striking out subsection (c) and redesignating subsection (d) as subsection (c).

(i) Miscellaneous Conforming Amendments.—

(1) Section 202.—Subsections (t)(9), (u)(1), and (v) of section 202 are amended by striking out "part A of" each place it appears.

(2) Section 1131.—Section 1131(a)(1) is amended (A) by inserting "or" at the end of subparagraph (A), and (B) by striking out subparagraph (B).

(3) Section 1861. — Section 1861 is amended—

(A) by striking out "hospital insurance benefits under part A" in subsection (f)(3) and inserting in lieu thereof "health insurance benefits under this title", and

(B) by striking out "part A" in subsection (g)(3) and inserting in lieu thereof "this title".

Sec. 636. Residual Medicaid Program.

(a) Federal Guarantee and Elimination of Federal Grants-in-Aid.—Section 1903 is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

"(1) subject to subsection (e), an amount equal to the excess State payments (as defined in subsection (e)(2)) made during the quarter; plus";

(2) by striking out "75 per centum" in subsection (a)(2) and inserting in lieu thereof "90 per centum";

(3) by striking out "75 per centum" in subsection (a)(3)(B) and inserting in lieu thereof "90 per centum";

(4) by striking out paragrah (5) of subsection (a);

(5) by striking out "50 per centum" in subsection (a)(7) and inserting in lieu thereof "90 per centum"; and

(6) by inserting after subsection (d) the following new subsection:

"(e)(1) For purposes of subsection (a)(1), the term 'excess payments' means, for a quarter, the amount by which—

"(A) the sum of (i) the expenditures of the State (excluding Federal expenditures) under the State plan approved under this title with respect to care and services which were available under the plan for a period of not less than two years before January 1 of the first effective year (as defined in paragraph (2)(A)) and (ii) the State's expenditures for premiums under section 346 of the Health Care for All Americans Act on behalf of AFDC-eligible individuals (as defined in paragraph (2)(B)),

for the quarter exceeds—

"(B) the product of (i) the expenditures of such State (excluding Federal expenditures and expenditures for premiums under section 636(b) of the Health Care for All Americans Act) under the State plan under this title for the quarter ending on the day before the first effective year, and (ii) a factor for growth (determined under paragraph (2)(C)).

"(2) For purposes of paragraph (1):

"(A) The term 'first effective year' means, as defined in section 4(a)(7) of the Health Care for All Americans Act, the first year in which health care benefits are provided under such Act.

"(B) The term 'AFDC-eligible individual' means an AFDC-eligible individual (as defined in section 4(b)(1) of the Health Care for All Americans Act) who is enrolled in a qualified health plan, and includes such members of the individual's family as are enrolled with the individual under such plan.

"(C) The term 'factor for growth' means, for a quarter, the ratio of the total anticipated expenditures under the Annual Budget (under the Health Care for All Americans Act) of the National Health Board with respect to that quarter over the total anticipated expenditures under such budget for the quarter beginning on January 1 of the first effective year.".

(b) Temporary Medical Assistance.—There shall be treated as medical assistance provided under a State plan approved under title XIX of the Social Security Act payments of the State for group-rated premiums under section 345 of this Act for the month of December of the year before the first effective year.

(c) Additional Plan Requirements.—Section 1902(a) is amended—

(1) by striking out "either pursuant" and all that follows through "or similar charges under part B of title XVIII for individuals eligible for benefits under such part," in clause (II) of paragraph (10) and inserting in lieu thereof "by reason of the payment of premiums under such part by the State agency on behalf of such individuals";

(2) by amending paragraph (13) to read as follows:

"(13) provide—

"(A) for the inclusion of such care and services (other than covered health-care services provided pursuant to qualified health plans under the Health Care for All Americans Act) in such amount, duration, and scope as either (i) were covered under the plan as in effect in the quarter before the first effective year (as defined in section 1903(e)(3)(A)), or (ii) are specified in regulations established by the National Health Board,

"(B) for the payment of premiums, under section 345 of such Act, with respect to AFDC-eligible individuals and residents of State institutions who are enrolled in a qualified health plan under such Act; and

"(C) for the payment of hospitals, skilled nursing facilities and intermediate care facilities, and other institutional providers (as defined in the Health Care for All Americans Act) in such manner, consistent with the method established under section 321 of such Act, as the National Health Board may establish;";

(3) by amending paragraph (14) to read as follows:

"(14) provide that enrollment fees, premiums, deductions, cost sharing or similar charges may only be imposed under the plan in the case of such individuals and in such amounts as the National Health Board permits by regulation;";

(4) by striking out paragraph (15);

(5) by striking out "as provided for in section 1903(i)(4)" in paragraph (30);

(6) by striking out "and" at the end of paragraph (39);

(7) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and";

(8) by inserting after paragraph (40) the following new paragraph:

"(41) meet such other standards, including standards relating to quality of care and services provided pursuant to the plan and reimbursement of providers for care and services provided under the plan, as the National Health Board may establish by regulation."; and

(9) by striking out "and of section 1903(i)(4)," in the next to last paragraph.

(d) Other Changes.—Title XIX is further amended—

(1) by striking out "hospital insurance benefits" in section 1903(b)(1) and inserting in lieu thereof "health insurance benefits":

(2) by striking out subsection (i) of section 1903;

(3) by amending subsection (m) of section 1903 to read as follows:

"(m) The term 'health maintenance organization' means a participating health maintenance organization under the Health Care for All Americans Act.";

(4) by inserting ", other than basic covered health-care services under the Health Care for All Americans Act," in section 1905(a) after "the following care and services";

(5) by striking out "rural" each place it appears in subsection (a)(2)(B) and (1) of section 1905; and

(6) by striking out "RURAL" in the heading to section 1910 and "rural" in subsection (b) of such section.

(e) States Not Participating in Medicaid Program.—In the case of any State that does not have a plan approved under title XIX of the Social Security Act, the National Health Board shall require that as a condition for the State's receipt of any funds from the Health Resources Distribution Fund or under title IV of the Social Security Act in the State, that the State must enter into an agreement with the National Health Board under which—

(1) the State agrees to pay premiums, under section 345 of the Health Care for All Americans Act, with respect to AFDC-eligible individuals and residents of State institutions who are enrolled in a qualified health plan under section 116(b) of such Act; and

(2) the National Health Board agrees to provide financial assistance to the State in a manner comparable to that provided under section 1903(a)(1) of the Social Security Act to States with plans approved under such title.

Sec. 637. Part A of Title XI.

(a) Section 1121.—Section 1121 is amended by inserting "or under the Health Care for All Americans Act" in subsection (a) after "under this Act".

(b) Section 1122.—

(1) Repeal.—Section 1122 is repealed.

(2) Conforming amendments.—

(A) Title V.—Title V is amended—

(i) by striking out "section 1122" in sections 505(a)(6) and 509(a) and inserting in lieu thereof "the Health Care for All Americans Act"; and

(ii) by striking out subsection (g) of section 506.

(B) Title XIX.—Title XIX is amended—

(i) by striking out "section 1122" in section 1902(a)(13)(D) and inserting in lieu thereof "the Health Care for All Americans Act", and

(ii) by striking out paragraph (2) of section 1903(b).

(c) Section 1123.—Section 1123 is repealed.

(d) Section 1124.—Section 1124 is amended—

(1) by inserting "or under the Health Care for All Americans Act" in subsection (a)(1) after "XX" each place it appears;

(2) by striking out "or" at the end of subparagraph (C) of subsection (a)(2);

(3) by striking out the period at the end of subparagraph (D) of subsection (a)(2) and inserting in lieu thereof "; or"; and

(4) by inserting after subparagraph (D) of subsection (a)(2) the following new subparagraph:

"(E) a participating insurer or a consortium under the Health Care for All Americans Act.".

(e) Section 1126.—Section 1126(a) is amended—

(1) by inserting "or under the Health Care for All Americans Act" after "XX" each place it appears; and

(2) by striking out "in the Department of Health, Education, and Welfare" and inserting in lieu thereof "of the National Health Board".

Sec. 638. Treatment of Certain Premium Payments Under SSI and AFDC Programs.

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (12) the following new paragraph:

"(13) any health premiums paid, pursuant to the Health Care for all Americans Act, by or on behalf of the individual (or his spouse).".

(b) AFDC Program.—Section 402(a) is amended—

(1) by striking out "and" at the end of paragraph (8)(A)(i);

(2) by striking out "; and" at the end of paragraph (8)(A)(ii) and inserting in lieu thereof ", and";

(3) by inserting after clause (ii) of paragraph (8)(A) the following new clause:

"(iii) any health premiums paid, pursuant to the Health Care for All Americans Act, by or on behalf of any of the persons specified in clause (ii); and";

(4) by striking out "and" at the end of paragraph (28);

(5) by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; and"; and

(6) by adding after paragraph (29) the following new paragraph:

"(30) provide for payment by the State of premiums due, under section 345 of the Health Care for All Americans Act, with respect to State enrollees in the State.".

Part C—Miscellaneous Amendments to Other Acts

Sec. 641. Amendments to Internal Revenue Code of 1954.

(a) Medical Expense Deduction.—

(1) In general.—Subsection (a) section 213 of the Internal Revenue Code of 1954 (relating to itemized deductions for medical, dental, etc., expenses) is amended to read as follows:

"(a) Allowance of Deduction.—There shall be allowed as a deduction the amount, not compensated for by insurance or otherwise, by which the amount of the expenses paid during the taxable year for medical care of the taxpayer, his spouse, and dependents (as defined in section 152) exceeds 3 percent of the adjusted gross income."

(2) Conforming amendments.—Paragraph (1) of section 213(e) of such Code is amended—

(A) by inserting "or" at the end of subparagraph (A);

(B) by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (C).

(b) Employer Credit for Excess Health Insurance Expenses.—

(1) Credit.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"Sec. 44D. Excess Health Insurance Credit.

"(a) Allowance of Credit.—In the case of an impacted employer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year, an amount equal to the amount of the impacted employer credit for the calendar year ending in the taxable year.

"(b) Definitions.—For purposes of this section—

"(1) Impacted employer.—The term 'impacted employer' means any employer—

"(A) for which a certification is in effect under section 341(b) of the Health Care for All Americans Act for the calendar year which ends in the taxable year, and

"(B) which is not exempt from tax under this subtitle.

"(2) Impacted employer credit.—The term 'impacted employer credit' means the amount determined under section 341(b) of such Act for such calendar year.

"(c) Special Rules.—For purposes of computing the impacted employer credit under section 341(b) of the Health Care for All Americans Act—

"(1) CONTROLLED GROUP OF CORPORATIONS.—All employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case the credit (if any) allowable under subsection (a), to each such member shall be its proportionate contribution to the incremental increase in health employee costs giving rise to such credit. For purposes of this paragraph, the term 'controlled group of corporations' has the meaning given such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(2) EMPLOYEES OF PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations established by the National Health Board—

"(A) all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(B) the credit (if any) allowable by subsection (a) with respect to each trade or business shall be its proportionate contribution to the health insurance premiums giving rise to such credit.

The regulations prescribed under this paragraph shall be based on principles similar to the principles which apply in the case of paragraph (1).

"(3) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the National Health Board—

"(A) ACQUISITIONS.—If, after the base year, an employer acquires the major portion of a trade or business of another person (hereinafter in this subparagraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying subsection (a) for any calendar year ending after such acquisition, the amount of the health insurance premiums deemed paid and the number of full-time equivalent employees employed by the employer during periods before such acquisition shall be increased by so much of such premiums paid and full-time equivalent employees employed by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(B) DISPOSITIONS.—If, after the base year—

"(i) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which subparagraph (A) applies, and

"(ii) the employer furnishes the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying subsection (a) for any calendar year ending after such disposition, the amount of the health insurance premiums deemed paid and the number of full-time equivalent employees employed by the employer during periods before such disposition shall be decreased by so much of such premiums paid and full-time equivalent employees employed as is attributable to such trade or business or separate unit.

"(4) CHANGE IN STATUS FROM SELF-EMPLOYED TO EMPLOYEE.—If—

"(A) during the base year an individual has net earning from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(B) for any portion of a succeeding calendar year the individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year ending in such succeeding year, the employer's aggregate health care premiums and the number of full-time employee equivalents shall be increased by the amount of such premiums and such employees in such base year.

"(5) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation (as defined in section 1371)—

"(A) the amount of the credit determined under this section for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(B) any person to whom an amount is apportioned under subparagraph (A) shall be allowed a credit under subsection (a) for such amount.

"(6) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(A) the amount of the credit determined under this section for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

"(B) any beneficiary to whom an amount is apportioned under subparagraph (A) shall be allowed a credit under subsection (a) for such amount.

"(d) APPLICATION OF SECTION.—This section shall apply to taxable years which begin during the period of 3 calendar years beginning with the first calendar year in which health-care benefits are provided under the Health Care for All Americans Act."

(2) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 44C the following:

"Sec. 44D. Excess health insurance credit.".

(3) REFUNDABLE CREDIT AMENDMENT.—

(A) SECTION 6401.—Subsection (b) of section 6401 of such Code (relating to excessive credits treated as overpayments) is amended—

(i) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to excess health insurance credit)", and

(ii) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44D".

(B) SECTION 55.—Paragraph (2) of section 55(a) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof", 43, and 44D".

(C) SECTION 56.—Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(D) SECTION 6201.—Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended by striking out "or section 43 (relating to earned income)" and inserting in lieu thereof ", section 43 (relating to earned income), or 44D (relating to excess health insurance credit)".

(E) SECTION 882.—Paragraph (2) of section 882(c) of such Code (relating to tax on income of foreign corporations connected with United States business) is amended by striking out "or the credit" and inserting in lieu thereof ", the credit" and by inserting before the period ", or the credit provided by section 44D for excess health insurance expenses".

SEC. 642. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

(a) SERVICE REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS.—Section 1301 (b)(1) of the Public Health Service Act is amended—

(1) by inserting "and" before "(C)" in the first sentence,

(2) by inserting a period after "community rating system" in the first sentence and striking out the remainder of that sentence, and

(3) by striking out the second sentence.

(b) ORGANIZATIONAL REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS.—Section 1301 of the Public Health Service Act is amended—

(1) by striking out "the provisions of subsection (d)" in paragraph (4) of subsection (c) and inserting in lieu thereof "title I of the Health Care for All Americans Act";

(2) by amending paragraph (6) of subsection (c) to read as follows:

"(6) have an advisory board—

"(A) to the policymaking body of the health maintenance organization, or

"(B) in the case of a public health maintenance organization, to the policymaking body of the public entity operating the organization,

which advisory board is organized in such a manner that at least one-third of the membership of the board will be members of the health maintenance organization and that there will be equitable representation on the board of members from medically underserved populations served by organization, and to which advisory board may be delegated policymaking authority for the organization;";

(3) by striking out paragraph (9) of subsection (c) and

(4) by striking out subsection (d).

(c) DEFINITION OF BASIC AND SUPPLEMENTAL HEALTH SERVICES.—Section 1302 of the Public Health Service Act is amended—

(1) by striking out the first five sentences of paragraph (1) and inserting in lieu thereof the following: "The term 'basic health services' means basic covered health-care services, as described in part A of title II of the Health Care for All Americans Act.";

(2) by inserting before the semicolon in paragraph (2)(A) the following: "not included as a basic health service";

(3) by striking out "under paragraph (1) (D)" in paragraph (2)(D); and

(4) by striking out "and" at the end of subparagraph (F) of paragraph (2), by redesignating subparagraph (G) of such paragraph as subparagraph (J), and by inserting after subparagraph (F) of such subparagraph the following new subparagraphs:

"(G) treatment and referral services (including referral services to appropriate ancillary services) for the abuse of or addiction to alcohol or other drugs, not included as a basic health service;

"(H) home health services not included as a basic health service;

"(I) preventive health services not included as a basic health service; and".

(d) EMPLOYEES' HEALTH BENEFITS PLANS.—

(1) REPEAL OF SECTION 1310.—Section 1310 of the Public Health Service Act is repealed.

(2) CONFORMING AMENDMENTS.—

(A) SECTION 1302.—Section 1302 of such Act is amended by adding after paragraph (9) the following new paragraph:

"(10) The 'qualified health maintenance organization' means (A) a health maintenance organization which has provided assurances satisfactory to the Secretary that it provides basic and supplemental health services to its members in the manner prescribed by section 1301(b) and that it is organized in the manner prescribed by section 1301(c), and (B) an entity which proposes to become a health maintenance organization and which the Secretary determines will when it becomes operational provide basic and supplemental health services to its members in the manner prescribed by section 1301(b) and will be organized and operated in the manner prescribed by section 1301(c).".

(B) SECTION 1311.—Subsections (a)(2) and (b) of section 1311 of such Act are each amended by striking out "for purposes of section 1310 (relating to employees' health benefits plans)".

(C) SECTION 1312.—Section 1312 of such Act is amended (i) by striking out "or which was included in a health benefits plan offered to employees pursuant to section 1310" in subsection (a), (ii) by striking out subsection (b)(1), and (iii) by striking out "(2)" in subsection (b) and inserting in lieu thereof "(b)".

(D) SECTION 1315.—Paragraph (1) of section 1315(a) of such Act is amended by striking out "and a list of the health maintenance organizations which during such period became qualified health maintenance organizations for purposes of section 1310".

(E) SECTION 1316.—Section 1316 of such Act is amended by striking out "sections 1310 and 1312" and inserting in lieu thereof "section 1312".

EXHIBIT 2

SUMMARY OF HEALTH CARE FOR ALL AMERICANS ACT

INTRODUCTION

This proposed new national law has been developed using the social insurance principles that were embodied in the Health Security Act and supported by a broad coalition of institutions, including labor unions, health providers, religious organizations, social agencies, and others. The Health Care for All Americans Act proposes to implement these social insurance principles through private insurers, rather than government. This new act proposes, indeed, a progressively financed comprehensive health insurance program for all Americans using government-regulated private insurance.

Major features of this program include:

Income-related premiums.

Maximum on premium payments of individuals equal to the value of the protection received (most individuals will pay considerably less).

Limits on the rise in health costs through budget controls and reimbursement reforms.

Fair, negotiated, reimbursement rates.

Incentives to individuals, insurers, States, and providers to keep down rates.

The redress, over time, of the maldistribution of resources.

Reform of Medicaid, eliminating the means tests as a condition of eligibility for covered benefits.

Retention and improvement of Medicare.

The Health Care for All Americans Act would rely heavily on private health insurers, health care providers, employers, unions, and the American consumer. Most of the costs of the improved insurance coverage and most of the administrative responsibility is left with these private institutions and individuals, and outside of government.

The government's role is to guarantee that every American is provided comprehensive health insurance coverage, and to assure that private institutions work to make good health care available to every American at costs that the individual, employers, the taxpayer, and the Nation can afford to pay. The government performs these roles by presiding over negotiations on private insurance premiums and doctor and hospital payments, by regulating private insurers and setting budgetary limits on total health care costs, and by encouraging competition. Finally, the Federal Government would operate an improved Medicare program covering all elderly and disabled Americans, and States would operate a residual, reformed Medicaid program.

This proposed new law, in short, proposes to implement Health Security principles by building on the best in both private institutions and government. The new Federal costs for this broad program, with no deductibles and coinsurance, would approximate $30 billion when implemented in 1983.

SUMMARY

This national health insurance plan is designed to assure every American choices among the best health plans our Nation has to offer and free choice of provider of health care at a cost that employers, individuals, and government can afford to pay.

1. The plan preserves and builds on the best in private health insurance and health care.

Private health insurance carriers and HMOs would be a mainstay of the program. They would be called on to provide insurance plans which meet or surpass Federal standards and to administer the insurance according to insuring practices now in use. The benefit standards for the insurance program would be modeled after the best private plans now available through employers and labor unions, without deductibles and coinsurance. Under this plan insurers and HMOs would be able to compete for business, both on the basis of their efficiency and service to customers and on the basis of the range of benefits they offer above the standard benefits or the actual price of their program for the employee or individual. Employers and unions would continue as at present to negotiate with insurers and HMOs for the best possible plan and pay premiums to these insurers. Individuals who are not employed, including those currently on Medicaid programs, would also be provided choices among the same insurers.

The program depends on private doctors, hospitals, health centers, and other health care practitioners to provide the care it covers. In return for caring for the program's beneficiaries, providers would be guaranteed fair payment from the participating private insurers, HMO's, or Medicare. Doctors, hospitals, and other providers would be parties to negotiations to establish fair budgets and fees in every State or area. Negotiations would also relate to improvement in the accessibility, efficiency, and quality of care.

2. The plan preserves and strengthens the medicare program for the elderly and disabled—and reforms Medicaid.

Medicare would be extended to all Americans over 65 or disabled and would be improved to include the same broad coverages as the standard private insurance plan, with no deductibles and coinsurance. In addition, Medicare and private insurance plans would operate identically in how they pay doctors, hospitals, and other providers, and how they administer their activities. Medicare eligibles would receive additional benefits beyond those covered for the general population.

The private health insurance plan of their choice would be provided to people formerly on Medicaid, including all people who receive Supplemental Security Income. No means test would have to be met any longer by any American to receive these private insurance benefits. The Medicaid program would be reduced to residual State programs to provide service not covered by the private insurance plan.

3. The plan assures freedom of choice.

Employers, unions, and individuals would have the freedom to choose their private insurer or HMO, and to choose their physicians. Medicare eligibles also would enjoy a broadened choice of HMOs or other health care arrangements. Most Americans could choose the same insurer, HMO, or physician they have today, but would find other options open to them—if they want to change—as the program develops.

Likewise, insurers and health care providers would be free to participate in the program or not, and to choose their styles and place of practice or business. Through four national consortia, insurers and HMOs would regulate their own affairs within broad Federal regulations. Through elected representatives, doctors and hospitals would negotiate fees, budgets, and other provider concerns under the plan.

The basic rules of the plan, such as requiring everyone not eligible for Medicare to choose insurance coverage, requiring payment of income-related premiums, requiring participating physicians to accept plan fee payments as payment in full for all patients, and requiring open enrollment and community rating by insurers, are necessary to assure that all Americans are provided full insurance coverage and quality health care. Most restrictions in the plan, such as those resulting from yearly limits on national, state, and area expenditures for health care, maximum doctor fees and hospital budgets, and community insurance rates would be based on good faith negotiations among providers, insurers, employers/unions, consumers, and government aimed at assuring good health care for all, at reasonable costs with fair payment to providers.

4. Every American could choose the best in private insurance or HMO plans, privately or through Medicare in the case of the aged and disabled, regardless of whether he is employed, whether he is part-time or full-time what his health status may be, or any other factor.

All employers must contribute toward a plan meeting at least the Federal standard for all of their employees. Self-employed and non-employed individuals would enroll in these same plans and pay a premium related to their incomes. Individuals would enroll or change enrollment with the insurer or HMO of their choice during an annual open enrollment season. No one could be turned away or charged more than the premium set by law. People who change jobs or are unemployed might stay with their same insurer or elect a new one, but their coverage would never stop.

Government agencies would help small employees and individuals shop for insurance and enroll in the plan of their choice.

Finally, no one can ever be deprived of their right to insurance. Even if individuals default on their premiums, the insurance continues, with bad debts paid to insurers by government and collected through the existing government system for collecting amounts owed to it.

5. All Americans would be guaranteed that their doctors or hospitals would be paid in full by insurance for covered health services—from birth to death—with no gaps between jobs or waiting periods.

Under the plan, the government would guarantee doctors, hospitals, and other providers that they would be paid at negotiated rates. For patients who have forgotten to enroll, lost their health care, or do not know who their insurers are, the doctor or hospital would bill a public agency, which would identify the appropriate insurer or enroll the individual with an insurer and require that the provider be paid.

Neither the doctor, hospital, nor insuring organization would need to know whether the patient is rich or poor, employed or unemployed, self-sufficient or on welfare. The health insurance card indicates only with whom they are enrolled—and even without the card, payment is guaranteed.

6. All employers and individuals are assured they will pay a fair and affordable premium for health insurance.

Traditional insurance premiums are set on the basis of an individual or group of health care experience, and the same flat premium is charged to employers and individuals for everyone in the same group or with the same experience. Individuals with low incomes and employers with less profitable businesses find it hard to pay such a flat premium per person and usually buy minimal insurance or none at all.

Under this new national health insurance plan, employers and employees pay premiums related to wages—and individuals with non-wage income over $2,000 per year pay an income-related premium. The maximum paid by an individual would be the negotiated community rated premium, which would not exceed the actual value to the individual of the health insurance coverage.

This approach allows all employers and individuals to afford to buy the best in health insurance or HMO coverage, paying a premium based on wages or income, without regard to past health care experience or any other factor. It also means that virtually every person with income makes a contribution toward the cost of the plan—proportional to their income.

As is the case at present with the best insurance plans in the Nation, the employer would pay most of the total premium, with the employee sharing up to 35 percent, or less based on labor/management agreements. In order to be fair to higher income individuals, a limit is set such that the employee or other individual's premium share never exceeds the actual community insurance rate for their insurance coverage.

In order to be fair to employers, if the premiums for this new insurance exceed their current premium as a percentage of wages by more than three percent and if their profits are adversely affected by it—the government will credit their taxes for part of the excess.

The burden of health costs of people on welfare would not be placed on employers or individual premium payers. Instead, the premiums for insurance for people who are on welfare (including those receiving Supplemental Secretary Income) would be paid by the State and Federal Government based on the actual costs of health care provided to these individuals. The States' costs for these premiums and residual Medicaid would be limited to no more than would have been the Medicaid cost in the absence of the plan. The States would overall, experience lower costs under the plan, especially if the costs of State-owned facilities are taken into account.

All wage-related and income-related premiums are paid to the insurers' consortia. The premiums would then be allocated by the consortia to individual insurers on an experience-rated premium basis for each insurer's enrollees. In most cases, the insurers would be the same ones people deal with now. The government would guarantee that the wage-related and income-related premiums raise enough revenue to pay for all health care covered by the plan except for those persons eligible for Medicare, SSI, AFDC.

Financing for the separate and improved Medicare program would be as now, except that participation in the full program would be mandatory, and Medicare taxes would apply to all wage earners.

7. All Americans would be assured they can afford the health care they need.

The plan would cover everyone for a broad array of unlimited health services, with provisions for developing expanded long-term care, home health care, and other benefits over time. These services would be paid for by the insurer or HMO at no additional cost to the individual beyond the income-related premium.

Doctor, hospital, and other health care bills would be sent directly to the insurer based on the patient's health card, and the insurer would pay them directly at negotiated rates. The patient would never have to pay the bill and then be reimbursed nor would there be any additional charge to the patient over and above what the insurance pays. The payment system itself would be easier and less costly for both providers and insurers.

These provisions virtually eliminate the fear of unaffordable health care costs from Americans' lives.

8. The plan would work to make the best in American health care more accessible in every community.

The plan aims, over time, at getting adequate numbers of physicians, health centers, and other needed services actually available in every community—while discouraging still more services where there is already an excess. The plan would encourage a redistribution of health services by slowing growth in hospital budgets and total expenditures in oversupplied areas and encouraging more rapid growth in shortage areas. Consistent with State plans for health care, health care providers, employers, unions, and consumers would develop State and national health budgets that allocate available resources to the communities where need is greatest, and they would negotiate fee schedules and budgets for individual physicians, hospitals, health centers, and other providers consistent with these budgets.

The plan would also establish a Health Resources Distribution Fund to make grants to start up needed services and would establish programs of data collection, research, and demonstration to identify problems and find ways to furnish good health care to everyone in the country over time. Special studies would focus early on the needs of special populations, such as the elderly, disabled, migrant workers, American Indians, the poor, and women.

9. The plan would work to slow down the rise in costs of health care and insurance premiums in the Nation for employers, for government, and for individuals.

The plan aims at slowing rising costs through competition, through negotiations, and through budgeted limits.

Competitive Incentives for Insurers and HMOs: Insurers and HMOs are given competitive incentives to operate efficiently, to assure provider fee schedules and budgets are complied with, and to offer health care in more cost-effective ways. First, they are free to market their plans to everyone in the Nation, and the more people who enroll because of the advantages of their plan, the more the insurer stands to benefit. This creates an incentive to control costs in order to offer broader benefits at the negotiated community rates, or the standard benefits at a reduced rate. The plan allows insurers to do both by permitting "rebates" or "dividends" to be paid to enrollees when the plan's costs are lower than the community rate.

Second, insurers and HMOs would have to absorb any financial losses incurred if their negotiated community rate fails to cover the costs of health care services to their enrollees—i.e., they are "at risk." This creates further incentive for efficiency and careful monitoring of claims, fee schedules and budgets.

Third, insurers and HMOs would be permitted to make special arrangements with doctors, hospitals, or other providers to pay amounts less than the amounts that would result from following the negotiated fee schedules or budgeted rates. They would then offer such special arrangements to everyone who enrolls with them, with any savings from the community-rated premiums converted into more benefits or premium rebates.

Finally, incentives for insurers to compete by experience rating or risk selection—which aggravate the overall costs of care problem by increasing costs to the ill—are eliminated by careful government regulation of open enrollment, how plans are priced and advertised, and other marketing practices, and by the insurers and HMOs self-regulating efforts within consortia.

Incentives for Providers of Health Care and Payment Negotiations:

Providers of health care would be given incentives to assure fair billing and good medical practice in order to keep health care costs to the levels they helped budget for the State, and for which they negotiated fee schedules and budgets. This is accomplished by putting providers "at risk" for any cost overrun. That is, doctors would have to renegotiate or "pro rate" fees for the remainder of the year if, based on reports to the government by the insurers, fee payments were being made at rates that would exceed the budget (except for epidemics and other explainable causes). Hospitals also would be required to absorb any such overruns. In addition, providers would be encouraged to form HMOs and would be free to make desirable arrangements with insurers or HOMs for new forms of care at payment rates at or below the costs that would result from following the negotiated fee schedules and budgets in order to compete for patients.

Negotiation of fee schedules, hospital and other provider budgets, and national and state community-rated premiums are critical to the plan's approach to cost control. Under the plan, providers of health care negotiate with those who ultimately pay for health care—namely, employers, unions, individual consumers, and government—to agree on what payment rates and budgets are fair and reasonable. In turn, based on these fee schedules and budgets, the government negotiates with insurers and HMOs to establish fair and reasonable community-rated premiums to cover services in every State, and to set national wage-related and income-related premiums adequate to pay these community-rated premiums.

Incentives for Employers, Employees, and State Governments:

Employers, unions, government, and individuals are given incentives to negotiate to keep costs down by a provision that allows the actual wage-related premiums for a State to be reduced below the national rate if the State spends less on health care than its budget limit allows. The State's premium for AFDC beneficiaries would also be reduced by lower health costs.

All of the negotiations, both those with providers of care and those with insurers, are based on a joint effort to plan needed services in each State, project their realistic costs, and make necssary choices under the budget limits set for the Nation and each State by formulas in the law.

Budget limits:

The overall national and state budget limits in the plan are designed to slow cost increases to the rate of overall increase in the rest of the economy, and to encourage some services and areas of the country to increase faster than others. They are not designed to stop increases in health care costs, and are generous enough to allow improvments in the quality and accessibility of care. These budget limits would be firm and stated specifically in the law. They could not be exceeded by the wage-related or income-related premiums set under the plan, or by the community-rated premiums negotiated with insurers and HMOs.

The combined effect of these incentives, negotiations, and budget limits would result in providing more and better health care, which after just a few years would be provided at lower costs than if our health system were left unchanged.

10. American citizens would be assured that private insurance and health care institutions would retain most of the responsibility for this plan—and would be required to meet higher standards set by government to assure every American obtains the best in insurance and health care.

Under this plan, government at the Federal and State levels would act as a convenor of private institutions to plan, budget, and negotiate, and as a regulator to assure all parties participate by agreed upon rules designed to assure fairness, competition, and individual and institutional rights. In addition, the elderly and disabled would be served by a government-run Medicare program responsive to their special needs—and as a standard for other insurance.

The plan would result in more responsibility being placed with insurers and providers than ever before in the history of the Nation, and would define a new government role in health care, putting government at a considerable distance from the actual day-to-day provision of health care.

EXHIBIT 3

SUMMARY OF COST ESTIMATES FISCAL YEAR 1983[1]

[In billions of 1980 dollars]

	Present law	Kennedy plan	Difference
I. Total spending for services covered by the plan	$171.4	$211.4	$40.0
II. Total on-budget Federal cost	51.0	79.6	+28.6
III. Total non-Federal cost	120.4	131.8	+11.4

[1] All estimates prepared by Gordon Trapnell of Actuaria Research Corp.

Note: Actuary estimates an employer/employee premium of 7 to 8 percent, depending upon the success of cost containment programs.

CROSSOVER POINT[1]

The crossover point is the year in which, under this plan, the Nation spends less on health care than if it enacts no legislation.

Crossover—4 years after passage.

In 1988, for example, the Nation would spend $38,000,000,000 less than if no law is enacted.

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[1] Figures prepared by Prof. Isidore Falk, professor emeritus Yale School of Medicine.

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN[1]—TOTAL POPULATION

[In billions of 1980 dollars]

	Part A[2]	Part B[3]	Mental[4]	Prevention[5]	Drugs[6]	Administration	Total
Total	81.2	66.5	5.2	0.7	5.0	12.8	171.4
Private payments	40.9	45.2	2.5	.6	4.1	9.7	103.0
Paid out of pocket	7.0	21.6	1.1	.4	3.7		33.8
Private insurance	33.0	22.7	1.2	.2	.4	9.2	66.7
Other private payments	.9	.9	.2	(1)	(1)	.5	2.5
Government required insurance	1.7	4.6	(1)	0	(1)	1.3	7.6
Medicare		2.5				.2	2.7
National health plan							
Workmen's compensation	1.7	2.1	(1)		(1)	1.1	4.9
Federal taxpayers	34.5	13.3	1.0	.1	.6	1.5	51.0
Medicare	26.3	7.6	.2			1.0	35.1
Medicaid/SSI beneficiary costs	4.2	3.3	.4	.1	.4	.4	8.8
Employment subsidies							
Federal facilities and grants	4.0	2.4	.4	(1)	.2	.1	7.1
State and local taxpayers	4.1	3.4	1.7	(1)	.3	.3	9.8
Medicaid/AFDC recipient costs	3.3	2.6	.3	(1)	.3	.3	6.8
State or local facilities and grants	.8	.8	1.4	(1)	(1)	(1)	3.0
Bad debts and unbilled services[7]	2.9	5.9	.3	(1)	.1		9.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL[1]—TOTAL POPULATION

	Part A	Part B	Mental	Prevention	Drugs	Administration	Total
Total	85.2	95.5	6.9	2.2	6.8	14.8	211.4
Private payments							
Paid out of pocket							
Private insurance							
Other private payments							
Government required insurance	39.7	65.9	4.2	1.9	2.2	11.1	125.0
Medicare		2.6				.2	2.8
National health plan	38.0	61.3	4.2	1.9	2.2	9.8	117.4
Workmen's compensation	1.7	2.0	(1)		(1)	1.1	4.8
Federal taxpayers	42.2	27.0	2.4	.3	4.3	3.4	79.6
Medicare	36.8	21.5	1.8		3.8	2.0	65.9
Medicaid/SSI beneficiary costs	.6	1.1	.2	.2	.4	.2	2.7
Employment subsidies[8]	2.5	3.8	.3	.1	.1	.7	7.5
Federal facilities and grants	2.3	.6	.1			.5	3.5
State and local taxpayers	3.3	2.6	.3	(1)	.3	.3	6.8
Medicaid/AFDC recipient costs	3.3	2.6	.3	(1)	.3	.3	6.8
State or local facilities and grants							

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN[1]—AGED AND DISABILITY INSURANCE BENEFICIARIES

	Part A	Part B	Mental	Prevention	Drugs	Administration	Total
Total	36.1	19.1	1.2	0	2.8	4.1	63.3
Private payments	5.9	6.9	.5		2.3	2.5	18.1
Paid out of pocket	2.2	3.7	.3		2.0		8.2
Private insurance	3.4	3.0	.2		.3	2.4	9.3
Other private payments	.3	.2			(1)	.1	.6

Footnotes at end of table.

Government required insurance	.4	2.7	(1)		(1)	.4	3.5
Medicare	(1)	2.5				.2	2.7
National health plan							
Workmen's compensation	.4	.2	(1)		(1)	.2	.8
Federal taxpayers	28.6	8.7	.3		.3	1.1	39.0
Medicare	26.3	7.6	.2			1.0	35.1
Medicaid/SSI beneficiary costs	1.3	.9	.1		.3	.1	2.7
Employment subsidies							
Federal facilities and grants	1.0	.2			(1)	(1)	1.2
State and local taxpayers	1.2	.8	.4		.2	.1	2.7
Medicaid/AFDC recipient costs	1.0	.7	.1		.2	.1	2.1
State or local facilities and grants	.2	.1	.3		(1)	(1)	.6
Bad debts and unbilled services [7]	1.7	1.3	.1		.1		3.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—AGED AND DISABILITY INSURANCE BENEFICIARIES

Total	37.5	24.4	1.8		3.8	2.4	69.9
Private payments							
Paid out of pocket							
Private insurance							
Other private payments							
Government required insurance	.4	2.8				.4	3.6
Medicare		2.6				.2	2.8
National health plan							
Workmen's compensation	.4	.2	(1)		(1)	.2	.8
Federal taxpayers	37.1	21.6	1.8		3.8	2.0	66.3
Medicare	36.8	21.5	1.8		3.8	2.0	65.9
Medicaid/SSI beneficiary costs							
Employment subsidies							
Federal facilities and grants	.3	.1					.4
State and local taxpayers							
Medicaid/AFDC recipient costs							
State or local facilities and grants							

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN [1]—AFDC/SSI BENEFICIARIES

Total	3.6	2.8	0.3	0.1	0.5	0.5	7.8
Private payments	.5	.3	(1)	(1)	.3	.2	1.3
Paid out of pocket	.2	.2	(1)	(1)	.3		.7
Private insurance	.3	.1	(1)			.2	.6
Other private payments	(1)	(1)				(1)	(1)
Government required insurance	(1)	.1				(1)	.1
Medicare							
National health plan							
Workmen's compensation	(1)	.1				(1)	.1
Federal taxpayers	1.7	1.3	.1	.1	.1	.2	3.5
Medicare							
Medicaid/SSI beneficiary costs	1.7	1.3	.1	.1	.1	.2	3.5
Employment subsidies							
Federal facilities and grants	(1)	(1)		(1)	(1)	(1)	(1)
State and local taxpayers	1.4	1.1	.2		.1	.1	2.9
Medicaid/AFDC recipient costs	1.4	1.1	.1		.1	.1	2.8
State or local facilities and grants	(1)	(1)	.1			(1)	.1
Bad debts and unbilled services [7]	.1	.1	(1)	(1)	(1)		.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—OTHER POPULATION

Total	43.8	67.4	4.6	2.0	2.3	11.8	131.9
Private payments							
Paid out of pocket							
Private insurance							
Other private payments							
Government required insurance	39.3	63.1	4.2	1.9	2.2	10.7	121.4
Medicare							
National health plan	38.0	61.3	4.2	1.9	2.2	9.8	117.4
Workmen's compensation	1.3	1.8	(1)			.9	4.0
Federal taxpayers	4.5	4.3	.4	.1	.1	1.1	10.5
Medicare							
Medicaid/SSI beneficiary costs							
Employment subsidies [8]	2.5	3.8	.3	.1	.1	.7	7.5
Federal facilities and grants	2.0	.5	.1			.4	3.0

Footnotes at end of table.

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—OTHER POPULATION—Continued

State and local taxpayers
Medicaid/AFDC recipient costs
State or local facilities and grants

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[1] Assumes passage during 1979 of Administration hospital cost control proposal.

[2] Includes services covered by part A of medicare and hospital based physician services, except those provided by psychiatric facilities.

[3] Includes services covered by part B of medicare, except hospital based physician and psychiatric facility services.

[4] Includes services in psychiatric facilities that are covered by proposal.

[5] Services for children only.

[6] Limited to a formulary for chronic conditions.

[7] Bad debts are services for which a valid bill is presented to a patient but is not paid, unbilled services are those for which a provider normally charges but are not billed for some patients.

[8] Assumes larger employment subsidy than specified in bill.

EXHIBIT 4

COALITION OF NATIONAL HEALTH INSURANCE ORGANIZATIONS

Amalgamated Clothing and Textile Workers.
Amalgamated Meat Cutters.
American Association of Retired Persons.
American Council of the Blind.
American Federation of Labor-Congress of Industrial Organizations (AFL–CIO).
American Federation of Teachers.
American Nurses Association.
American Psychological Association.
American Public Health Association.
Americans for Democratic Action.
Association of Federal, State, County and Municipal Employees (AFSCME).
Bakery and Confectioner Workers.
Baptist Joint Committee.
Bridge and Construction Workers.
Building and Construction Trades Department.
Center for Community Change.
Chemical Workers Union.
Citizens Against High Blood Pressure, Inc.
Coalition of American Public Employees.
Coalition of Labor Union Women.
Consumer Federation of America.
Food and Beverage Trades.
Group Health Association of America.
International Association of Machinists.
International Brotherhood of Electrical Workers.
International Brotherhood of Teamsters.
International Ladies Garment Workers.
International Longshoremens Association.
International Printing and Graphics Communications Union.
International Union of Bricklayers and Allied Craftsmen.
International Union of Operating Engineers.
League of Women Voters.
Mexican-American Legal Defense Fund.
National Association for the Advancement of Colored People.
National Association of Counties.
National Association of Farmworker Organizations.
National Association of Neighborhood Health Centers.
National Association of Social Workers.
National Coalition for Children and Youth.
National Coalition of Hispanic Mental Health and Human Services Organizations.
National Conference of Catholic Charities.
National Congress of American Indians.
National Consumers League.
National Council of Jewish Women.
National Council of Senior Citizens.
National Education Association.
National Farmers Union.
National Urban League.
National Women's Political Caucus.
Newspaper Guild.
Oil, Chemical and Atomic Workers Union.
Physicians National Housestaff Association.
Pipefitters Union.
Population Resource Center.
Retail Clerks International Union.
Service Employees International Union.
United Auto Workers (UAW).
United Church of Christ.
United Methodist Church.
United Presbyterian Church.
United Steelworkers.
U.S. Catholic Conference.
Women's Lobby.
Workmen's Circle.

EXHIBIT 5

SECTION-BY-SECTION ANALYSIS

The "Health Care For All Americans Act" assures the provision of adequate comprehensive health care services, including protection against catastrophic health care expenses, to all residents of the United States at affordable prices through a system that provides for cost control.

Section 1 includes a Table of Contents, as follows:

TABLE OF CONTENTS

Sec. 1. Short Title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Statement of rights of eligible individuals, providers, and insurers.
Sec. 4. Definitions.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENTITLEMENT

Sec. 101. Eligibility.
Sec. 102. Entitlement.

PART B—ENROLLMENT

Sec. 111. Enrollment in general.
Sec. 112. Enrollment of employees and offering of qualified health plans by employers.
Sec. 113. Enrollment of members of a uniformed service on active duty, medicare-eligible individuals, foreign employees and visitors.
Sec. 114. Enrollment of other individuals.

TITLE II—BENEFITS AND PROVIDERS

PART A—BASIC COVERED HEALTH-CARE SERVICES

Sec. 201. Inpatient and outpatient hospital services.
Sec. 202. Physicians' services.
Sec. 203. Home health services.
Sec. 204. Post-hospital skilled nursing facility services.
Sec. 205. Preventive health services.
Sec. 206. Medical and other health services.
Sec. 207. Insulin and outpatient prescription drugs for chronic illness for medicare-eligible individuals.
Sec. 208. Mental health services.
Sec. 209. Audiological examinations and hearing aids.
Sec. 210. Exclusions.

PART B—PROVIDER STANDARDS AND CERTIFICATION

Sec. 211. Standards for services, providers, and certification of providers.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

SUBPART I—BUDGET PROCESS

Sec. 300. Budget timetable.
Sec. 301. Annual budget.
Sec. 302. Annual state budgets.

SUBPART II—PLANNING PROCESS

Sec. 305. National health care improvement plan.
Sec. 306. State health care improvement plans.

PART B—PAYMENTS TO PROVIDERS

SUBPART I—PAYMENTS TO PROVIDERS GENERALLY

Sec. 311. Who makes payments to providers.
Sec. 312. Bases on which payments made.
Sec. 313. Application of budget limits.
Sec. 314. Treatment of philanthropic contributions and State and local government supplementary payments.

SUBPART II—METHODS OF REIMBURSEMENT OF PROVIDERS

Sec. 321. Payments to institutional providers based on approved prospective budgets.
Sec. 322. Maximum fee schedules for professional services.
Sec. 323. Payment for durable medical equipment and laboratory services on a reasonable cost basis and for drugs and hearing aids on a cost-plus-fee basis.
Sec. 324. Use of negotiations in determining amounts of payments.

PART C—DETERMINING AMOUNTS OF PREMIUMS AND INCENTIVE PAYMENTS AND BENEFITS

Sec. 331. Determination of national community-rated premium and rate and group-rated premiums.
Sec. 332. Determination of state community-rated premium, premium rate, and group-rated premiums.
Sec. 333. Insurer and health maintenance organization benefits, dividends, and rebates to promote cost-effectiveness.
Sec. 334. Limit on amount of private premiums.

PART D—PAYMENTS AND COLLECTION OF PREMIUMS

Sec. 341. Wage-related private premiums.
Sec. 342. Non-wage-income related private premiums.
Sec. 343. Voluntary premiums under executive agreements.
Sec. 344. Hospital insurance tax and premiums for medicare-eligible individuals.
Sec. 345. Federal and State payments for premiums on behalf of certain recipients of federal and State assistance.
Sec. 346. Government payment and collection of unpaid premiums.

PART E—DISTRIBUTION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

Sec. 351. Computation of adjusted capitation amounts.

Sec. 352. Allocation of premiums among, consortia, insurers, and health maintenance organizations.

Sec. 353. Treatment of shortages and overages; use of contingency funds.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

SUBPART I—NATIONAL HEALTH BOARD AND COMMISSION ON THE HEALTH OF AMERICANS

Sec. 401. Establishment of National Health Board.

Sec. 402. Authority and duties.

Sec. 403. Offices and Commissions of the Board.

Sec. 404. Commission on the Health of Americans.

Sec. 405. National Institutes of Health Care Research.

SUBPART II—STATE HEALTH BOARDS

Sec. 407. Establishment.

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

Sec. 411. Participating insurers and health maintenance organizations.

Sec. 412. Consortia.

Sec. 413. Promotion of competition.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM

Sec. 501. Establishment of program and fund.

Sec. 502. Use of Health Resources Distribution Fund.

Sec. 503. Health education program.

Sec. 504. Special studies and projects.

Sec. 505. Demonstration project in personal care services.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AMENDMENTS

PART A—EFFECTIVE DATES AND TRANSITION PROVISIONS

Sec. 601. Effective dates.

Sec. 602. Transition provisions.

Sec. 603. Impact on existing employer-employee health plans.

Sec. 604. Provisions relating to transfer of functions.

PART B—MEDICARE-RELATED AMENDMENTS

SUBPART I—GENERAL AMENDMENTS AND ELIGIBILITY

Sec. 611. General amendments.

Sec. 612. Medicare eligibility.

SUBPART II—BENEFITS

Sec. 615. Part A benefits.

Sec. 616. Part B benefits.

Sec. 617. Renal program benefits.

Sec. 618. Treatment of exclusions.

SUBPART III—CERTIFICATION OF SERVICES, PARTICIPATING PROVIDERS, AND PROFESSIONAL STANDARDS REVIEW

Sec. 621. Certification standards.

Sec. 622. Participating provider agreements.

Sec. 623. Use of agencies in determining conditions of participation.

Sec. 624. Amendments relating to Part B of title XI (professional standards review).

Sec. 625. Health maintenance organizations.

SUBPART IV—CONDITIONS OF PAYMENTS

Sec. 628. Changes in conditions of payment.

Sec. 629. Contracts for the administration of benefits.

SUBPART V—TAXES, TRUST FUNDS, AND PREMIUMS

Sec. 633. Hospital insurance tax and premiums for medicare-eligible individuals.

SUBPART VI—MISCELLANEOUS MEDICARE AND OTHER SOCIAL SECURITY ACT AMENDMENTS

Sec. 635. Miscellaneous medicare amendments.

Sec. 636. Residual medicaid program.

Sec. 637. Part A of title XI.

Sec. 638. Treatment of certain premium payments under SSI and AFDC programs.

PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

Sec. 641. Amendments to Internal Revenue Code of 1954.

Sec. 642. Amendments to the Public Health Service Act.

SECTIONS 2, 3, AND 4—FINDINGS, RIGHTS, AND DEFINITIONS

Section 2 declares that Congress finds that in order to promote the general welfare and health of the people of the United States and the commerce among the States in a rational and equitable manner and to avoid the cumulative adverse impact on the nation, interstate commerce, and Federal expenditures of unmet health needs and inappropriate means of financing health care, it is necessary to establish a national health insurance system which—(1) provides for universal participation; (2) provides for coverage of health care providers and payers acting within States, as well as among States; (3) is progressively and equitably financed primarily through mandatory private-sector premiums; (4) is administered primarily through qualified participating insurers and health maintenance organizations, acting in accordance with standards established by a National Health Board; and (5) provides for incentives to promote the appropriate competition, in interstate and intrastate commerce, in the offering and sale of health insurance plans.

The purpose of the Act and of the health insurance system established by the Act, are: (1) to make comprehensive and high-quality health-care services; (2) to provide health-care services of the same quality to all Americans, regardless of their economic condition and without discrimination on the grounds of race, religion, or national origin; (3) to insure that the total cost of health care for the United States and its people does not increase at a rate faster than the annual rate of growth in the gross national product; (4) to improve the organization and delivery of health-care services; (5) to minimize the financial burden of health care on employers by providing for assistance to impacted employers and to minimize such burden on employees and other insured persons by setting a ceiling on their contributions; (6) to distribute equitably the total cost of the health-care services provided in the United States; (7) to enhance the quality of health-care services and the practical availability of such services in every area of the United States; (8) to encourage the prevention and early detection of disease and disability; (9) to provide reasonable compensation and incentives to the providers of health-care services who choose to participate in the national health insurance system; and (10) to assure full public accountability of all aspects of the system and guarantee consumer participation in its development, administration, and improvement.

Section 3 provides statements of rights for eligible individuals, providers, and insurers. Each eligible individual has the right (1) to choose the participating provider who or which provides a covered health-care service under this Act unless, by enrolling in qualified health plans offered by certain insurers or health maintenance organizations, the individual has agreed to limit the choice of providers; (2) to have all the decisions pursuant to this Act concerning the individual made promptly and accurately; (3) to be heard on any grievance related to health care, insurance, or benefits provided pursuant to this Act; and (5) to make the individual's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the individual, and to have those views considered.

Providers have the right (1) to decide whether or not to participate in the national health insurance system established under this Act; (2) if a participating provider entitled to receive payment for services under this Act, to receive prompt and accurate payment for such services; (3) in the case of a physician provider, to choose the mode and place of the physician's practice; and (4) to make the provider's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the provider, and to have those views considered.

Insurers and health maintenance organizations have the right (1) to decide whether or not to participate in the national health insurance system established under this Act; (2) to carry on a health insurance business covering benefits for health care services supplemental to the benefits paid and payable under this Act; and (3) to make the insurer's or organization's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the insurer or organization, and to have those views considered.

Section 4 defines the following terms for purposes as used in the Act: (1) annual budget, (2) annual rate of increase in the gross national product, (3) annual state budget, (4) employee, payroll period, employer and wages, (5) grovernor, (6) federal institution, (7) first effective year, (8) health resources distribution fund, (9) Medicare, (10) national health insurance system, (11) state, (12) state institution, (13) United States, (14) AFDC-eligible individuals, (15) consumer, (16) dependent, (17) eligible individual, (18) enrollee, (19) family and family unit, (20) foreign visitor, (21) Medicare-eligible individual, (22) member of a uniform service on active duty, (23) spouse, (24) SSI-eligible individuals (25) consortium and consortia, (26) applicable consortium, (27) commission, (28) health maintenance organization and participating health maintenance organization, (29) health systems agency, (30) insurer, applicable insurer, participating insurer and self-insurer (31) professional standards review organization (32) state health board (33) State Health Planning and Development Agency (34) basic covered health-care services, (35) covered health-care services, (36) health plan, (37) qualified health plan, (38) institutional provider, (39) participating provider, and (40) provider and provider of health care.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENTITLEMENT ELIGIBILITY

Section 101(a) declares that the following persons are eligible for health care benefits under this Act: (1) U.S. citizens; (2) aliens admitted as immigrants or otherwise permanently residing in the U.S. under color of law, including refugees; (3) aliens employed in this country by a foreign government or international organization which has entered into an agreement with the U.S.; or (4) aliens admitted as temporary visitors from a nation which has entered into an agreement with the U.S.

Section 101(b)(1) directs the National Health Board (hereinafter referred to as the

Board), after consulting with the Secretary of State, to recommend to the President that the President enter into executive agreements with foreign governments or international organizations to make officers and employees of such governments of organizations who are employed and residing in the U.S. eligible for health care benefits under this Act. Requires payment for such individuals of the national community-rated premiums plus amounts equal to what would otherwise be payable as the Medicare hospital insurance payroll tax if such individuals were subject to such tax.

Section 101(b)(2) directs the Board to recommend similar executive agreements between the President and foreign governments to allow foreign visitors to enroll in qualified health plans in the U.S. and U.S. citizens and permanent resident aliens to receive comparable health care benefits while temporarily in such foreign nations, but only if such agreements are in the national interest.

ENTITLEMENT

Section 102 states that each eligible individual is entitled to: (1) enroll in a qualified health plan of the individual's choice offered by a participating insurer or HMO, and to change enrollment at specified times; (2) have payment made on the individual's behalf and not be charged any fee for basic covered healthcare services; and (3) be issued a health insurance enrollment card.

PART B—ENROLLMENT

ENROLLMENT IN GENERAL

Section 111(a)(1) provides that each eligible individual has the right to enroll in any qualified health plan or be deemed enrolled with a participating insurer or HMO.

Section 111(a)(2) provides for issuance, by a participating insurer or HMO, of a health insurance enrollment card to each enrollee and covered family member upon enrollment in or change of enrollment to a qualified health plan. Requires that the card identify: (1) the individual; (2) the health plan; and (3) the participating insurer or organization, but not identify the category or basis for the individual's enrollment. In lieu of enrollment cards for foreign visitors, the Secretary of State may provide for other identification of entitlement to services under this Act, after consultation with the Board.

Section 111(b)(1) directs the Board to provide for the preparation and distribution of enrollment information which is clear, accurate, easy-to-read, accessible to the visually handicapped, and in foreign languages commonly used by any significantly sized group of eligible persons.

Section 111(b)(2) requires enrollment information to be readily available and provided: (1) by employers to employees; (2) by or through the Board to Medicare-eligible individuals; (3) by the Secretaries of Defense, Transportation, and HEW to active-duty uniformed service personnel under their jurisdiction; (4) by the Social Security Commissioner to SSI (Supplemental Security Income)—eligible individuals; (5) by managers of Federal and State institutions to the residents of such institutions; (6) by State welfare agencies to AFDC (Aid to Families with Dependent Children)—eligible individuals; and (7) by or through State health boards to other individuals (including individuals who are receiving general assistance) and eligible individuals generally.

Section 111(b)(3) directs the Board to notify State health boards of the identity of eligible individuals who, in certain Federal information returns, have failed to indicate enrollment under a qualified plan. Requires participating providers to transmit to their respective health boards requests for payment for eligible individuals who did not indicate enrollment in a plan at the time of receiving services. Directs State health boards to make special efforts to locate such persons and provide for their enrollment.

Section 111(c)(d) defines the terms "first general open enrollment period"; "general open enrollment period"; and "special enrollment period" for purposes of the program.

Section 111(e)(1) specifies effective dates of enrollment during the first general open enrollment period and any change during a general open enrollment period.

Section 111(e)(2) specifies effective dates of enrollment during special enrollment periods. Provides that any eligible individual not enrolled will, for purposes of collection and payment of premiums and making of benefit payments to providers under qualified plans, be deemed to have enrolled in the qualified plan in which the individual is subsequently enrolled.

Section 111(f) states that, except as otherwise provided by the Board, all members of a family (other than those who are Medicare-eligible or SSI-eligible) are enrolled at any time in only one qualified plan.

Section 112(a) requires each employer to offer qualified employees enrollment in a qualified health plan during specified enrollment periods.

Section 112(b) requires employers to offer qualified employees the choice of enrollment under—(1) at least one of the qualified plans offered by a participating insurer belonging either to the Blue Cross-Blue Shield consortium or the commercial insurance carriers consortium and (2) at least one of the qualified plans offered by a participating HMO belonging to either of the HMO consortia, if such a plan is available in the area in which qualified employees and their dependents obtain health care services. The employer may also offer enrollment in one or more qualified plans offered by a self-insurer. For qualified employees represented by a collective bargaining representative or other representative designated or selected under law, the offer of enrollment in any qualified plan must first be made to such representative, and if accepted, then be made to each employee. If a qualified plan does not have the capacity to enroll all qualified employees (and family members) who desire to enroll, the employer must provide for enrollment with other qualified health plans.

Section 112(c) provides that each qualified employee will, in accordance with established procedures, elect the plan in which the employee (and qualified dependents) will be enrolled. In the absence of such election, requires the employer, in accordance with established procedures, to enroll the employee (and qualified dependents) in a plan.

Section 112(d) requires any employer offering, as part of or in conjunction with a qualified plan, a health plan with benefits supplemental to basic covered health-care services, to provide employees with written information (in accordance with guidelines) regarding any additional employee cost for the supplemental plan.

Section 112(e)(1) requires any qualified plan or supplemental plan offered by an employer to provide coverage of the employee and each qualified dependent.

Section 112(e)(2) provides that a family which is offered a choice of qualified plans (because more than one family member is a qualified employee) may enroll under only one plan.

Section 112(e)(3) provides that, in accordance with regulations, the requirements of paragraphs (1) and (2) above do not apply to qualified dependents who do not share the same household with the qualified employee and under such other circumstances as the Board may provide.

Section 112(f) defines the term "qualified employee" to be an employee who is an eligible individual and not (1) Medicare-eligible, (2) an active-duty member of a uniformed service or a member of such member's family, or (3) a foreign employee or foreign tourist covered under special agreements. Defines the term "qualified dependent" to be a member of a qualified employee's family, if the member is an eligible individual and is not Medicare-eligible or a member of a uniformed service on active duty or a dependent of such a member.

Section 112(g)(1) provides for a civil penalty of not more than $10,000 for any employer who knowingly fails to comply with requirements of this section. Continued noncompliance may result in the penalty being assessed and collected for each 30-day period the noncompliance continues. The penalty may be assessed by the Board and collected in a civil action brought in a U.S. district court.

Section 112(g)(2) provides that, in any penalty assessment proceeding, no penalty will be assessed until the employer so charged has been given notice and opportunity to present its views. Requires the Board, in determining the amount of the penalty, to consider the gravity of the noncompliance and the demonstrated good faith of the employer in trying to achieve rapid compliance after notification of noncompliance.

ENROLLMENT OF MEMBERS OF UNIFORMED SERVICES ON ACTIVE DUTY, MEDICARE-ELIGIBLE INDIVIDUALS, AND FOREIGN EMPLOYEES AND VISITORS

Section 113(a)(1) requires each eligible individual who is an active-duty member of a uniformed service to enroll (and change such enrollment) in a health plan from among such health plans, offered by or through the Department of Defense, as the Secretary of Defense, after consulting with the Secretary of HEW and the Board, finds consistent both with chapter 55 of title 10 of the U.S. Code and with policy requiring provision of basic and other covered health care services to such members and members' families through facilities of the uniformed services.

Section 113(a)(2) requires any health plan offered to an active-duty member of a uniformed service to cover family members who are eligible individuals but not Medicare-eligible. Stipulates that this provision does not apply to the member's spouse or dependents who do not share the same household and under such other circumstances as the Board may provide.

Section 113(b) requires Medicare-eligible individuals to enroll, or be enrolled, with the Board or with a participating HMO in accordance with the Medicare program.

Section 113(c) provides that eligible employees of foreign governments and international organizations are entitled to enroll (and change enrollment) in a qualified plan in accordance with provisions of special executive agreements.

Section 113(d) provides that foreign visitors are entitled to enroll in any qualified plan the Secretary provides to them after consultation with the Board.

ENERGY OF OTHER INDIVIDUALS

Section 114(a) provides that SSI-eligible individuals or residents of Federal institutions not otherwise enrolled may enroll or change enrollment during specified periods in any qualified health plan available to such individuals.

Section 114(b) provides that each AFDC-eligible individual, resident of a State institution, or other individual not otherwise enrolled may enroll (or change enrollment during specified periods) in any qualified health plan available to the individual.

Section 114(c) provides that, in accordance with regulations of the Board and rules and procedures of State health boards for an SSI-eligible individual who fails to enroll in a qualified health plan, the Social Security Commissioner is to notify the individual of the available choices of enrollment, and, in the subsequent absence of any election of plan and in accordance with procedures established by the Board, enroll the individual in a plan.

Provides that the manager of a Federal or State institution is to perform such functions for any resident of those institutions who fails to enroll. Provides that the State health board is to perform such functions for AFDC-eligible individuals or others who fail to enroll.

Section 114(d) requires any qualified plan offered pursuant to this section to an eligible individual (other than SSI-eligible individual) to provide for coverage of both the individual and family members (other than individuals who are Medicare-eligible or SSI-eligible).

PART A—BASIC COVERED HEALTH-CARE SERVICES

INPATIENT AND OUTPATIENT HOSPITAL SERVICES

Section 201(a)-(b) provides that inpatient and outpatient hospital services, including hospital-based physicians' services, are basic covered health-care services. Limits inpatient mental health services to 45 consecutive days (150 consecutive days for Medicare-eligible individuals).

PHYSICIANS' SERVICES

Section 202 (a)-(b) provides that physicians' services are basic covered health-care services. Limits coverage of mental health outpatient services and physician diagnosis or treatment of mental illness to expenses not exceeding the fee-equivalent of 20 psychiatric visits per year.

HOME HEALTH SERVICES

Section 203 provides that home health services for 100 visits per calendar year are basic covered health-care services.

POST-HOSPITAL SKILLED NURSING FACILITY SERVICES

Section 204 provides that post-hospital extended care services for 100 days per spell of illness are basic covered health-care services.

PREVENTIVE HEALTH SERVICES

Section 205(a) provides that preventive health services which initially are basic covered health-care services include the following (as defined by the Board): basic immunizations, pre-natal and post-natal maternal care, well-child care (including physical exams, hearing and vision screening, developmental screening and exams) for children up to age 18, and other preventive health care services which the Board may add.

Section 205(b)(1) permits the Board to add such additional preventive services on a year-by-year basis as it determines will provide for cost-effective delivery of health-care services.

Section 205(b)(2) limits expenditures for preventive health services to $500 million in the first year in which benefits are provided and, in any subsequent year, to the previous year's amount increased by the average annual rate of increase in the gross national product for the three-year period ending with the year before such previous year.

MEDICAL AND OTHER SERVICES

Section 206 provides that the following medical and other health services are basic covered health-care services: services and supplies incidental to physicians' services; hospital services incidental to physicians' services to outpatients; outpatient diagnostic services; outpatient physical, speech, and occupational therapy services; health clinic services, including rural health clinics; home dialysis equipment and supplies; diagnostic x-ray, laboratory, and other diagnostic tests; x-ray therapy; durable medical equipment for home use; ambulance services; prosthetic devices; and braces and artificial limbs.

INSULIN AND OUTPATIENT PRESCRIPTION DRUGS FOR CHRONIC ILLNESS FOR MEDICARE-ELIGIBLE INDIVIDUALS

Section 207 provides that insulin and outpatient prescription drugs for chronic conditions are covered services but only for Medicare-eligible individuals, to the extent provided under Medicare as amended by this Act.

MENTAL HEALTH SERVICES

Section 208(a)-(b) provides that mental health day care and outpatient mental health services are basic covered health-care services. Limits coverage for mental health day care services to 2 days for each day of covered inpatient mental health services. Limits coverage for outpatient mental health services and physicians' services primarily for diagnosis or treatment of mental illness to expenses not exceeding the fee-equivalent of 20 psychiatric visits.

AUDIOLOGICAL EXAMINATIONS AND HEARING AIDS

Section 209(a)-(b) provides that basic covered health-care services include one hearing exam per individual per year and one hearing aid per individual every 3 years.

EXCLUSIONS

Section 210(a) states that basic covered health-care services do not include items or services excluded under Medicare, including the following items or services: those not reasonable or necessary for diagnosis or treatment of illness, injury, or condition (other than preventive health services and hearing exams); those provided outside the United States; personal comfort items; routine physical check-ups; eyeglasses and eye exams (other than preventive health services); custodial care; cosmetic surgery except for prompt repair of accidental injury or for functional improvement of malformed body members; expenses which are charges imposed by the patient's relatives or household; routine dental care; routine foot care except for diabetic patients.

Section 210(b) excludes (except for Medicare-eligibles) coverage of orthopedic shoes, services of chiropractors, and certain inpatient hospital services furnished outside the United States.

Section 210(c) permits the Board, after consultation with the Commissions on Health-Care Benefits and Quality of Health Care, to prescribe, upon the basis of the cost and effectiveness of providing particular health care service, health care for which payment may not be made under a qualified health plan or Medicare.

PART B—PROVIDER STANDARDS AND CERTIFICATION

STANDARDS FOR SERVICES, PROVIDERS, AND CERTIFICATION OF PROVIDERS

Section 211(a) makes the following provisions of title XI and XVIII of the Social Security Act applicable to basic health-care services provided under qualified health care plans to the same extent as they are applicable under Medicare: definitions under section 1861; conditions of participation under section 1866 and use of State and other agencies for determining compliance under section 1863 and 1864; suspension and disqualification of providers under section 1862 and 1866; limitations or exclusions from payment for items and services under sections 1812, 1814, 1833, 1834, and 1862; certifications under section 1814 and 1835; professional standards review under Part B of title XI.

Section 211(b) permits the Board, after consulting with the Commissions on Health-Care Benefits and Quality of Health Care, to establish a list of high-risk, high-cost, elective, or overutilized items or services for which payment may be made only if one or more of the following conditions are met: (1) the provider is board-certified in the relevant specialty; (2) the diagnosis and recommended service are supported by a second qualified opinion or specific objective findings; (3) the provider-institution is adequately equipped and staffed; (4) the specialist or institution is providing care upon referral by a primary-care physician; (5) the provider has demonstrated through statistical evidence that it provides high-quality services and properly uses appropriate methods and technologies.

Section 211(c) states that certain amendments to Medicaid providing for a residual program and requirements for maintenance of effort and additional mandatory services are found in section 636 of this Act.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

SUBPART I—BUDGET PROCESS

BUDGET TIMETABLE

Section 300 sets forth the annual timetable for the budget process for the national health insurance system as follows: by January 15th, proposed annual State Budgets are to be submitted to the Board; by March 1st, the annual budget for the national program is to be submitted to Congress; by July 1st, the annual State budgets are to be adopted; from September 1 through November 30, there is to be an open enrollment period; and the following January 1st, the budget year begins.

ANNUAL BUDGET

Section 301(a)(1) directs each State health board, after considering policies of the Board, the most recent Health Care Improvement Plan, and recommendations of the Commissions, to prepare and transmit to the Board, not later than January 15 of each year, a proposed annual State budget for the succeeding year.

Section 301(a)(2) directs the Board to prepare and submit to the President an estimate of Federal expenditures to be included in the President's annual budget message.

Section 301(a)(3) directs the Board to prepare and adopt, not later than March 1 of each year, a comprehensive annual budget establishing the expenditure level authorized for covered health care services and administrative costs, and the necessary revenues for the succeeding year.

Section 301(a)(4) directs the Board to transmit a budget report to the President, Congress, each Governor and State health board, and to make the budget available to the public.

Section 301(a)(5) directs the Congressional Budget Office to prepare and submit to relevance Congressional committees an analysis of all aspects of the budget as soon as practicable after its receipt.

Section 301(b)(1) requires the annual budget to stipulate the anticipated expenditures for the nation and each State attributable to the following:

Administrative costs for the Board, State health boards, consortia, and participating insurers;

Payments to providers for provision of covered health-care services categorized by type of service, provider, or both;

Costs of capital investment, health provider education, and research;

Medicare trust fund expenditures;

Adjustments for previous budgets;

A contingency fund for unanticipated expenditures;

Payments for the residual Medicaid program and for the Federal guarantee against additional State expenditures for AFDC-eligible individuals.

Miscellaneous expenditures.

Section 301(b)(2) requires the annual budget to set forth the anticipated revenues attributable to the following:

Wage-related premiums;

Non-wage related income premiums;

Federal group-rated premiums for SSI-eligible individuals and residents of Federal institutions;

State group-rated premiums for AFDC-eligible individuals and residents of State institutions;

Premium payments paid by foreign governments and international organizations for their employees and officers;

Medicare taxes, premiums, and interest;

Residual Federal payments to consortia for defaults in premium payments and appropriations from general Federal revenues.

Miscellaneous revenues as the Board may specify.

Section 301(b)(3) requires the budget to also set forth separate schedules for expenditures and revenues under the Medicare program and certain other public programs and also for individuals enrolled in qualified private health insurance plans. Permits the Board, upon a Governor's request, to provide for a separate schedule of anticipated expenditures for different intrastate or adjoining interstate areas. Further requires the budget to show the anticipated expenditures from and appropriations to the Health Resources Distribution Fund.

Section 301(b)(4)–(5) requires the budget to include the national community-rated and group-rated premium amounts and national premium rate for the year. Further requires the budget to project anticipated expenditures and revenues for the succeeding five years showing any effects from the Health Resources Distribution Fund or cost-control efforts.

Section 301(c)(1) stipulates that the total anticipated expenditures for a year may not exceed the previous year's expenditures by more than the average annual rate of increase in the gross national product for the three-year period ending with the year before the year in which the annual budget is adopted.

Section 301(c)(2) states that the amounts set forth as total anticipated expenditures nationally and for each State for covered health-care services (including administrative costs of insurers, HMOs, and consortia, but excluding services and costs for active-duty members of the uniformed services and their families) are the maximum amounts that may be expended for that year. Prohibits a State board, in implementing its annual State budget and negotiating various agreements or schedules, from providing for total expenditures in excess of those contained in the Board's annual national budget with regard to that State. Within percentage variations permitted by the Board, sets similar maximum limits on expenditures nationally and for each State by category of provider or type of service.

Section 301(c)(3) provides that the annual percentage increase in anticipated expenditures per capita for covered services for a State and in the annual State budget over the actual expenditures for such services for the previous year is to inversely reflect the degree to which such actual expenditures in the State (calculated to the extent feasible on a price-adjusted basis) for the previous year are less than such per capita expenditures nationally for that year. Limits the State's allowable percentage increase for anticipated per capita expenditures to not less than 80 percent or more than 120 percent of the percentage increase for such expenditures nationally for that year over such expenditures for the previous year.

Further provides that the State's allowable percentage increase may provide for a higher rate of increase than calculated above if the State has a severely medically-underserved population for which a special development program has been approved in the Health Care Improvement Plan, or if the State has an Indian health, migrant health, or other health program for medically underserved populations.

ANNUAL STATE BUDGETS

Section 302(a) requires each State health board to prepare and submit, not later than January 15 of the previous year, a proposed annual State budget to the Board, in accordance with regulations. Requires each State health board to adopt, not later than July 1 of the previous year, and submit to the Board an annual State budget. Requires the State budget to take into consideration all pertinent conclusions, including recommended changes in resource availability, in the most recently revised State health care improvement plan.

Section 302(b) requires each annual State budget to be prepared after consultation with, and consideration of any comments submitted by the State government (and political subdivisions), State advisory commission, representatives of consortia, insurers, and HMOs, participating providers and consumers in the State. Requires the budget to be based on agreements negotiated (and any maximum payment schedules agreed to in negotiations) by the State health board with providers with respect to payments for covered services. Further requires the budget to be based on prospective budgets submitted by participating institutional providers and approved by the State health board.

Section 302(c) requires the State budget to contain the same types of information required for the national budget but only with respect to expenditures, revenues, premiums, and premium rates in that State.

Subpart II—Planning Process

NATIONAL HEALTH CARE IMPROVEMENT PLAN

Section 305(a)(1) requires the Board, in consultation with the President's Commission on the Health of Americans, to prepare and annually revise, before adoption of each annual budget, a five-year national Health Care Improvement Plan describing the needs in the United States relating to accessibility, quality, and cost of health care.

Section 305(a)(2) requires the Plan to describe the current and projected effect of this Act in meeting such needs.

Section 305(a)(3) further requires the Plan to recommend additional actions that should be taken. Provides that the description of needs and recommended actions is to take into account the needs and actions contained in the State plans for health care improvement.

Section 305(b) requires the Board, in establishing any guidelines or standards under this Act, to describe how such guidelines and standards facilitate meeting the needs projected in the most recently revised Health Care Improvement Plan.

STATE HEALTH CARE IMPROVEMENT PLANS

Section 306 requires each State governor to prepare and annually revise a State health care improvement plan describing the State's five-year needs relating to accessibility, quality, and cost of health care and the specific actions the State intends to take to meet those needs. Requires the State plan to take into account and, to the extent appropriate, include the objectives of applicable State plans in effect under section 1524 of the Public Health Service Act and title XIX of the Social Security Act, and any current State plan submitted for financial assistance under the Public Health Service Act or the Community Mental Health Centers Act.

TITLE III, PART B—PAYMENTS TO PROVIDERS GENERALLY

Part B—Payments to Providers

Subpart I—Payments to Providers Generally

WHO MAKES PAYMENTS TO PROVIDERS

Section 311(a) requires participating insurers and HMOs to make payments to participating providers furnishing covered health-care services to their respective enrollees.

Section 311(b) requires an insurer or HMO to pay providers for covered services rendered to an individual who is not an enrollee at the time of services but subsequently enrolls or is enrolled with the insurer or HMO.

Section 311(c) requires the Board to pay providers for covered services furnished to Medicare-eligible individuals.

Section 311(d) requires the Secretary of Defense to pay for services furnished to an active-duty member of the uniformed services (or the member's family) in accordance with chapter 55 of title 10 U.S.C.

BASIS ON WHICH PAYMENTS MADE

Section 312(a)(1) requires an insurer or HMO to pay an institutional provider an allocated portion of the institution's approved prospective budget which reflects the costs of providing services to the insurer's or HMO's enrollees. Prohibits payment for expenditures not included in the institutional provider's approved prospective budget, except as approved by the State health board.

Section 312(a)(2) requires regulations of the Board to provide for a method or methods of cost apportionment among insurers and HMOs that will allocate costs in an administratively simple and reasonable way, will reflect the portion of costs for which the insurer or HMO is responsible, and will provide for payment to the provider of revenues projected in its approved prospective budget. Provides that such methods may include apportionment based on the number of treatment of particular conditions or diagnosis; the relative value of the services furnished, in accordance with indices or relative values established by the Board; the number of admissions, patient days, diagnoses, or other such easily determinable factor that may fairly allocate costs; and any other method approved by the Board. Requires the Board in establishing the cost apportionment method to take into account the desirability of limiting billing and administrative costs by limiting the amount of data the provider must furnish.

Section 312(a)(3) permits a State health board (when regulations provide for more than one apportionment method for any type of provider in the State) to select and require the use of one of such approved methods, but only after it has considered the relative merits of the various approved methods. Permits the State health board to change its selected method at any time.

Section 312(a)(4) requires each institutional provider with an approved prospective budget to transmit to the State health board, at the close of each year, data and a reconciliation showing differences between the actual expenditures and services provided by the provider with the expenditures and services allowed in its approved prospective budget. If expenditures are below those predicted because of efficiency, the State health board is required to provide for the retention by the provider of one-half the savings. Requires the State health board to provide, to the extent appropriate, for adjustments in the amount of payments made by different insurers and HMOs or in the prospective institutional budget for the following year in order to correct unintended differences in the amount or source of payments to a provider.

Section 312(b)(1) provides that, in general, non-institutional providers are to be paid for furnishing covered health care services (other than drugs, hearing aids, medical equipment or laboratory services) in accordance with the lower of (A) the fee charged by the provider; (B) the fee agreed upon between the provider and the insurer or HMO; or (C) the applicable maximum fee schedule for the service as established by the State health board. Permits the Board, upon recommendation of a State health board and on an individual basis, to provide for an increase in the payment to a physician for performance of unusual merit.

Section 312(b)(2) permits payment in lieu of the above to be made to a provider at the provider's election, on a salary or fee-for-time basis if the total amount payable in a year to the provider through such method is not greater than the total amount payable for the equivalent amount of service as computed on the basis of the applicable maximum fee schedule in that State.

Section 312(c) provides that payments to providers for durable medical equipment, laboratory services, drugs, and hearing aids are to be the sum of (1) the lower of (A) the charge for the item or service or (B) the maximum reasonable cost of the service or item, plus (2) for drugs and hearing aids, the lowest of (A) the provider's dispensing fee, (B) the fee agreed upon between the provider and the insurer or HMO, or (C) the highest fee permitted under the applicable maximum fee schedule.

Section 312(d) provides that for other covered health-care services, the provider is to be paid the lower of the fee charged by the provider, the fee agreed upon between the provider and participants, insurer or HMO, or the maximum reasonable cost of the service, as established by the State health board in accordance with national guidelines and standards.

Section 312(e) permits the Board to allow payment to be made to institutional and other providers using an experimental or demonstration method of reimbursement if it furthers the purposes of the Act.

Section 312(f) requires the Board to conduct a hearing on reimbursement methods (including related guidelines and standards) at least once every five years or more frequently as the Board may provide and upon presentation of a petition signed by one-fourth of the participating providers within a particular provider category. Requires the Board to invite representatives of the providers involved. Permits the Board, after such hearing, to modify reimbursement guidelines and standards for that type of provider and to recommend to Congress appropriate changes in the Act.

APPLICATION OF BUDGET LIMITS

Section 313(a)(1) requires the State health boards, the consortia, insurers and HMOs to monitor payments to providers to assure that expenditures do not exceed the applicable limits under the annual State budget.

Section 313(a)(2) requires each insurer and consortium in a State to report to the State health board whenever it determines that payments are being made for a category of provider or service at rates that may result in total payments exceeding the anticipated expenditure level provided for under the national or State budget for that category of provider or service.

Section 313(a)(3) requires the State health board to investigate such excessive payment rates, including utilization rates and other pertinent factors, and to take corrective actions, after approval of the Board and consultation with consortia, insurers, HMOs, and providers involved.

Section 313(b)(1) permits a State health board to correct for expenditures for services in excess of those provided for under the annual State budget by transferring expenditures between categories of services or providers within percentage allowances established by the Board.

Section 313(b)(2) permits a State health board to take other corrective action by authorizing the use of funds from contingency funds established by consortia or from the national contingency fund when excess expenditures are due to unforseen circumstances beyond the control of the insurers, HMOs, and providers involved.

Section 313(b)(3) permits the State health board, with the approval of the Board and after consideration of comments from organizations of providers, to modify reimbursement methods, including pro-rated decreases in the amount of payments made to such providers as determined appropriate.

Section 313(b)(4) permits the State health board, to the extent permitted by the Board, to provide that payment be made for particular covered services or to particular providers only if additional certification of the need or qualifications of the provider are met.

Section 313(b)(5) permits the State health board, in accordance with national guidelines, to require insurers and HMOs to make payment for covered services in a particular period in amounts exceeding the premium amounts provided for in that period.

TREATMENT OF PHILANTHROPIC CONTRIBUTIONS AND STATE AND LOCAL GOVERNMENT SUPPLEMENTARY PAYMENTS

Section 314(a) permits philanthropic contributions and supplementary payments by State and political subdivisions to be made to supplement provision of covered services under this Act.

Section 314(b) prohibits a State health board, in reviewing prospective budgets and establishing maximum fee schedules, from recognizing expenses associated with capital expenditures assisted by such philanthropic contributions or government supplementary payments unless such expenditures have been approved under the applicable planning process under this Act.

TITLE III—PART B

Subpart II—METHODS OF REIMBURSEMENT OF PROVIDERS

PAYMENTS TO INSTITUTIONAL PROVIDERS BASED ON APPROVED PROSPECTIVE BUDGETS

Section 321(a)(1) requires each participating institutional provider to submit to the State health board (in accordance with established deadlines and in the required form and manner) its proposed prospective budget for the subsequent year. Requires the budget to cover all health services (not merely covered health-care services) provided by the provider and to include the following:

Anticipated costs, broken down by schedules for costs associated with operations, capital items, inpatient services, outpatient services, and nursing services;

The proportion of anticipated costs associated with provision of covered services to eligible individuals and with provision of other services; and

Anticipated revenues broken down by source.

Section 321(a)(2) requires the budget to be accompanied by documentation (as established by the Board for review purposes) including that related to:

Changes in services or capital expenditures during the two-year and five-year periods following the budget year;

Previous budgets of the provider;

Impact on costs of any anticipated changes in services, the provider's productivity, or utilization of services, and reasons for changes;

Volume of services; and

Relevant characteristics of the patient population.

Section 321(a)(3)(A) requires the budget to include as costs the services of all physicians under contract with the provider, all radiologists and pathologists providing services to inpatients, and, in the case of psychiatric hospitals, all physicians furnishing services to inpatients. Requires the amount budgeted for payment for such services to be reasonable in comparison to the cost of obtaining such services on a salaried or other basis, whichever is less.

Section 321(a)(3)(B) requires the budget to include the total cost of wages and fringe-benefit payments for or on behalf of nonsupervisory employees. Requires that the rate budgeted for nonsupervisory wages be at least the minimum wage rate applicable under section 6(a)(1) of the Fair Labor Standards Act of 1938. Requires that, if any nonsupervisory employees are covered by a collective-bargaining or other negotiated agreement, wages and fringe-benefits (and any prospective changes) are to be in accordance with the agreement. Requires the rates for wages or fringe benefits for nonsupervisory employees not covered by a collective-bargaining agreement not to exceed the prevailing rates for comparable employees of providers of the same type in the same locality. Defines the term nonsupervisory employee.

Section 321(a)(3)(C) requires that reimbursable costs must include the cost of basic covered health-care services furnished to non-eligible individuals if no other payment for such services is obtainable by the provider.

Section 321(a)(3)(D) excludes depreciation costs from the budget except for payment of debt principal incurred before enactment of the Act; cost of acquiring minor capital items as defined by the Board; cost of major capital items if approved through the planning process; and costs associated with closure or reduction in services, including reasonable costs of easing personnel dislocations.

Section 321(a)(3)(E) provides that the budget will include, for a proprietary hospital or skilled nursing facility, a reasonable rate of return on equity capital in lieu of other allowances, to the extent they reflect similar items. Requires that, for other proprietary institutional providers, the budget also include provision for a reasonable rate of return on equity capital in lieu of other allowances to the extent (and in accordance with regulations) the State health board finds feasible and appropriate. Provides that the rate of return recognized for proprietary providers must not exceed one and one-half times the average of the rates of interest, for each month of the year, on the obligations issued for purchase by the Federal Hospital Insurance Trust Fund.

Section 321(a)(4) requires that the budget include an amount for working capital and reasonable reserves for contingencies.

Section 321(a)(5) ensures technical assistance to primary care institutional providers in the preparation and submission of their budgets.

Section 321(b)(1)(A) requires the Board, after consulting with institutional providers and their representatives and after considering views of the consortia and consumer representatives, to establish policies and guidelines (with variations for different categories of institutional providers) for review and approval by State health boards of proposed prospective budgets.

Section 321(b)(1)(B) requires the guidelines to include standards (commonly known as screens), varied by category of institutional provider, to be applied to each proposed budget to determine which budgets (and elements within) may be approved without individual scrutiny and close examination. Also requires the guidelines to provide for detailed review of a random sample of all such budgets to assure quality control and to verify the validity of the screens. Provides that standards may include review of at least the following: the annual rate of increase in the provider's total budget and average total and per diem costs per inpatient; the provider's costs, for each type of facility of the provider, by average total and per diem costs per outpatient visit, and average educational cost per student by type of student; and the cost-ratios of the provider, including the ratio of administrative costs to total costs and the ratio of costs of particular services to total costs and to the costs of services on a daily, per admission, or other appropriate basis.

Section 321(b)(1)(C) requires the guidelines to provide for uniform collection and reporting (and making available to the public) of data required for review and approval of budgets.

Section 321(b)(2)(A) requires each State health board to review, in accordance with established policies and guidelines, each proposed prospective budget and to make the results of its review available to the public. Requires each review to assess the extent to which any described changes in services or capital expenditures conform to the current approved plan of the health systems agency in the area and the most recent State health care improvement plan. Also provides for review of the quality, accessibility, and effectiveness of services furnished by the provider. Requires the review to consider any relevant findings of the professional standards review organizations and any national provider accreditation organizations for that category of provider.

Section 321(b)(2)(B) requires the State health board, before it disapproves costs contained in a proposed prospective budget, to inform the provider of the pending disapproval and permit the provider an opportunity for comment.

Section 321(b)(2)(C) requires the State health board to consider any timely recommendations submitted as a result of negotiations between consumer groups, the provider, and representatives of employee organizations, or in the absence of such recommendations, material submitted by any such party. Requires the State health board to make available to consumer groups and employee organizations technical assistance to promote or assist in negotiations.

Section 321(b)(2)(D) permits the State health board to delegate the prospective budget review function (but not approvals) to an appropriate independent entity, in accordance with regulations.

Section 321(c)(1)–(2) disallows any amounts in a prospective budget for capital acquisitions or expenditures (other than minor expenditures, as determined by the Board) and any related operating costs unless the provider participates in, or has established and maintains, a planning process in accordance with regulations. Requires such process to provide for submission of the proposed budget on a timely basis to the State health planning and development agency (under title XV of the Public Health Service Act) for its review and approval of any such acquisitions or expenditures.

Section 321(d)(1) requires each State health board, after and in accordance with its review, to approve the budget with or without any modification. Requires each State health board to take account of the following:

Total limits of anticipated expenditures in the applicable national and State budget;

The plan of the health systems agency for the area in which the provider functions;

Pertinent demographic factors;

Impact on costs of any expected inflation;

Effect of any approved capital expenditures and service modification plan;

Effect of acceptable future wage increases; and

Objectives for efficiency and cost-effectiveness for that provider as established by the Board, based on comparisons with similar providers with consideration for differences in patient mix and other factors. Provides that the amount approved in a prospective budget is the total amount payable pursuant to this Act for that provider for the budget year.

Section 321(d)(2) requires that, as a condition of approval, a prospective budget be resubmitted if modification is required because expenditures allocated to the State under the national budget as adopted are lower than the amount which had been anticipated for the State under the national budget as proposed.

Section 321(d)(3) permits a budget to establish maximum expenditure and payment levels for its various parts and, subject to regulations, to provide for transfers between parts.

Section 321(d)(4) requires the State health board to provide for transmittal of an approved prospective budget to approved insurers likely to pay the provider for services furnished their enrollees.

Section 321(d)(5) disallows any payment pusuant to this Act for expenditures by an institutional provider for covered health-care services not included in its approved prospective budget.

MAXIMUM FEE SCHEDULES FOR PROFESSIONAL SERVICES

Section 322(a)(1) requires each State health board to provide for the development of maximum fee schedules, applicable to covered health-care services (other than durable medical equipment and laboratory services) furnished by a physician or other non-institutional provider.

Section 322(a)(2) requires total payments under such fee schedules to be consistent with expenditures anticipated in the national and State budgets for services of the type covered by the schedule. Requires the level of payments to be based on the best available projections as to demand for and utilization of that type of provider or service.

Section 322(a)(3) provides that maximum fee schedules be developed only after opportunity for negotiations with participating providers.

Section 322(b)(1) requires the Board to develop guidelines for the development and modification of maximum fee schedules by State health boards. Requires that the schedules applicable to services furnished in the first effective year will be the maximum fee schedules applicable under the Medicare program in the previous year with certain modifications. Requires the guidelines to include the relative value of particular covered health-care services taking into consideration the time and effort required to furnish the service; the level of skill required; the cost (including indirect costs) to the provider of furnishing the service; and the relative cost-effectiveness of providing such services.

Section 322(b)(2) requires the guidelines to include appropriate variation in fees for different geographic areas, taking into consideration the relative costs of practice in different areas; relative earnings of non-physicians in different areas; relative rate of change in physicians' fees in different areas, and the need to encourage provision of services in underserved areas.

Section 322(b)(3) requires the guidelines to provide that, where two or more categories of health personnel are qualified to provide a particular health-care service of comparable quality, the maximum fee for that service will be the lowest of the maximum fees authorized for that service for such categories of personnel.

Section 322(c) requires the Board to develop a formula for establishing permissible year-to-year changes in fee schedules, taking into account the following:

The increase in an index of the earnings of non-physicians;

The increase in an index of the cost of operation of offices of the different types of providers;

Budget limits on expenditure increases permitted for the service;

Changes in utilization;

Applicable negotiations by the State health board with providers. Further requires that the maximum fee permitted for a particular year cannot be less than the maximum fee for that service in the previous year.

PAYMENT FOR DURABLE MEDICAL EQUIPMENT AND LABORATORY SERVICES ON A COST BASIS AND FOR DRUGS AND HEARING AIDS ON A COST-PLUS FEE BASIS

Section 323(a)(1)–(2) provides payment to be made for provision of durable medical equipment and laboratory services based on the lower of the charge, or the reasonable cost of the equipment or services, and for drugs and hearing aids based on the lower of the charge, or the reasonable cost plus a reasonable professional fee.

Section 323(b)(1) requires the Board to establish guidelines for the reasonable cost of durable medical equipment, laboratory services, drugs, and hearing aids. Requires the reasonable cost for such an item to be the lowest cost at which such item of comparable quality is widely available in an accessible area. Requires the Board to establish categories of generic equivalent drugs to be treated as drugs of comparable quality.

Section 323(b)(2) requires each State health board to establish and distribute information listing the limitations pertaining to the reasonable cost of different items of durable medical equipment, laboratory services, and hearing aids. Requires the Board to establish and distribute information listing the limitations pertaining to the reasonable cost of different drug items.

Section 323(c)(1) provides that the amount of professional fee payable for provision of a hearing aid is the lesser of the charge, or the amount provided in a maximum fee schedule established by the State health board. Permits the State health board to provide for fees which reflect reasonable salary levels for providers of hearing aids in the area in which such items are provided.

Section 323(c)(2) provides that the amount of professional dispensing fee payable for dispensing of a drug is the lesser of the charge, or the amount provided in the maximum-fee schedule established by the Board. Permits the Board to provide for fees which reflect reasonable salary levels for dispensers of drugs in the given area. Permits the Board to delegate the establishing of such maximum fee schedules to the State health boards.

USE OF NEGOTIATIONS IN DETERMINING AMOUNTS OF PAYMENTS

Section 324(a)(1) requires each State health board to regularly and periodically invite representatives of participating providers in the State to meet and negotiate with representatives of persons (including consortia, participating insurers, HMOs, and employers) who pay, directly and indirectly, for covered health-care services. Provides that the negotiations will concern the following:

Screens, maximum rates, and other limitations on payments to institutional providers on the basis of approved prospective budgets;

Maximum fee schedules for professional services;

Reasonable cost levels for certain other items and services; and

Any other method for control of costs. Requires the State health board to supervise such negotiations.

Section 324(a)(2) permits a State health board to incorporate within its annual State budget the provision of any agreement achieved through such negotiations if it keeps expenditures within the budgeted State limit.

Section 324(b)(1) requires the Board to establish criteria for the selection of members of the provider negotiating groups in each State for each of the following groups (which may be modified by the Board):

Hospitals; skilled nursing facilities; home health-care agencies—other institutional providers, including community health centers, migrant health centers, and health clinics; physicians providers; other non-institutional providers, such as pharmacists, physician therapists, and occupational therapists; hospital employees (regardless of profession or occupation).

Section 324(b)(2) requires provider representatives to be elected for each type of geographic area (including at least urban, rural, and suburban areas). Requires election of employee representatives for each type of institutional provider. Requires election of physician representatives for each medical and osteopathic specialty and style of practice (including at least solo practice, group practice, and institution-based practice).

Section 324(b)(3) requires the Board to develop, after consulting with any existing negotiating groups and other associations of health care providers or institutions, general guidelines for the election of representatives for each provider negotiating group. Requires guidelines to provide for differences in the size of various negotiating groups; proportional representation for each type of provider; three-year terms for each representative; and nomination and election methods which assure full information and opportunity for participation being made available to all providers of that type and, as appropriate, their employees.

Section 324(b)(4) requires each State health board, in accordance with national guidelines and after consulting with any existing negotiating groups and other associations of health care providers in the State, to establish the size, composition, and other characteristics of the provider negotiating groups within the State; the process of nomination; and the election of members. Further requires such boards to conduct (or oversee the conduct of) these elections.

Section 324(c) requires the election of provider representatives to negotiating groups to be by secret ballot. Requires negotiating sessions to be open to the public, except as the Board may provide.

TITLE III, PART C—AMOUNTS OF PREMIUMS

PART C—DETERMINING AMOUNTS OF PREMIUMS AND INCENTIVE PAYMENTS AND BENEFITS

DETERMINATION OF NATIONAL COMMUNITY-RATED PREMIUMS AND RATE AND GROUP-RATED PREMIUMS

Section 331(a)(1) requires the Board to establish each year a national community-rated premium and a national premium rate.

Section 331(a)(2) requires that the national community-rated premium be established in such manner that if all enrollees (excluding certain individuals) paid the same amount, the sum of such premiums (including certain administrative costs) equals the expenditures associated with the furnishing of basic covered services to all persons (excluding certain individuals) enrolled in qualified plans. Excluded from the expenditures are costs associated with or attributable to the furnishing of care to Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals and residents of Federal and State institutions. Excluded from the divisor in determining the premium amount are all Medicare-eligible individuals and members of a uniformed service on active duty and their dependents. Requires that the national community-rated premium be established in three schedules: one for one-member families; one for two-member families; and a third for families with three or more members. Requires that the apportionment of the premium among such schedules be based on the relative actuarial costs of furnishing basic services to each size family.

Section 331(a)(3) requires that the national premium rate be established in such manner that the sum of all wage-related premiums, non-wage related premiums, the government payment for unpaid private premiums, and the voluntary premiums under international agreements equals the anticipated expenditures for covered services furnished Medicare-eligible individuals, SSI-eligible individuals, AFC-eligible individuals and residents of Federal and State institutions.

Section 331(b)(1) requires the Board to establish a group-related premium for SSI-eligible individuals and for residents of Federal and State institutions who are enrolled in a qualfied plan.

Section 331(b)(2) requires that the group-related premium be designed so that the total amounts paid by or on behalf of the individuals in the group equal the expenditures attributable to the furnishing of care to the individuals of such group. Requires the Board to take into account previous cost experience and other estimates in making such determinations, and requires that the Board prevent disclosure to consortia and others that any particular individual is a member of such group. Requires the Board to make premium adjustments annually to reflect actual cost experience with respect to expenditures for such groups of individuals.

DETERMINATION OF STATE COMMUNITY-RATED PREMIUM RATE, AND GROUP-RATED PREMIUM

Section 332(a)(1) provides, except for subsection (a)(2), that the national community-rated premium and the national premium rate are to apply as the State community-rated premium and the premium rate for each State.

Section 332(a)(2) provides for a decreased community-rated premium and premuim rate for a State, if that State is able to negotiate a lower level of approved expenditures than would otherwise be provided for in the national budget.

Section 332(b) requires each State to establish a group-rated premium for AFDC-eligible individuals and for residents of State institutions who are enrolled in a qualified plan. Such premium may vary by area within a State. Requires that such premium be designed so that the total amounts paid by or on behalf of the individuals in the group are equal to the expenditures attributable to the furnishing of care to the individuals of such group. Requires the State to take into account previous cost experience and other estimates in making such determinations, and requires that the State prevent disclosure to consortia and others that any particular individual is a member of such group. Requires the State to make premium adjustments annually to reflect actual cost experience with respect to expenditures for such groups of individuals.

INSURER AND HEALTH MAINTENANCE ORGANIZATION BENEFITS, DIVIDENDS AND REBATES TO PROMOTE COST-EFFECTIVENESS

Section 333(a)(1) permits a participating insurer or HMO to offer eligible individuals (other than Medicare-eligible persons) an incentive to enroll in a qualified plan by providing services in addition to basic covered services or by paying dividends or cash rebates on premiums.

Section 333(a)(2) permits participating HMOs to offer the same kinds of incentives to Medicare eligibles.

Section 333(b) requires that such incentives may be offered only if the incentives are available to all individuals enrolled under a plan, and only if individuals receive a statement of the actuarial value of the benefits added by such incentives.

Section 333(c)(1) requires that such dividends or cash rebates be paid to enrollees. Requires, in the case of enrollees who are employed, that dividends or rebates be divided between the employees and the employer in proportions determined in accordance with procedures established by the Board. Requires that such arrangements be presented to the collective bargaining representative of employees or other employee representatives where appropriate.

Section 333(c)(2) provides that dividends and cash rebates are not to be treated as taxable income to individuals nor as income or other resources under Federally-assisted welfare programs, or reduce any tax credit due under Section 334.

LIMIT ON AMOUNT OF PRIVATE PREMIUMS

Section 334(a) provides that the sum of 35 percent of wage-related premiums, any non-wage-related premiums, and any premiums paid for members of uniformed service may not, in any year, exceed the amount of the State community-related premium established for a family unit of that size in that State for that year.

Section 334(b) provides for a refund to families of amounts in excess of the limits established under subsection (a). Requires further that, in the absence of an agreement among the members of a family, such refund is to be apportioned in accordance with the amount of premiums paid with respect to the income of each family member.

TITLE III, PART D—PAYMENT AND COLLECTION OF PREMIUMS

PART D—PAYMENT AND COLLECTION

WAGE-RELATED PRIVATE PREMIUM

Section 341(a)(1) requires each employer to pay on behalf of each employee for each payroll period an amount equal to the product of the wages paid during such period and the State premium rate applicable for such period. Such payments must be made by employers not later than 15 days following the last date of the payroll period.

Section 341(a)(2) provides that employer payments be made to an applicable consortium.

Section 341(a)(3) permits an employer (subject to any applicable collective-bargaining agreement) to require employees, by deduction or other reasonable method, to pay an amount not exceeding 35 percent of the amount paid on an employee's behalf under subsection (a)(1). Also requires employers to pay any voluntary contributions an employee may wish to have made on his behalf. Such contributions are to be credited toward non-wage income-related premiums payable, if any, provided for under Section 342.

Section 341(b)(1) permits an employer to obtain certification from the Board as an impacted employer. If so determined, an employer which is not a State employer or a non-profit employer is to be entitled to a tax credit as provided in subsection (b)(2). A State employer or non-profit employer is to be entitled to a payment from the Board as provided for in (b)(2).

Section 341(b)(2) provides for tax credits or payments equal to one-half of the lesser of the incremental costs of health insurance for the employer for the first effective year, or in the case of an employer which is not a State employer or non-profit employer, the amount by which the employer's absolute net income for the year is less than the employer's net income for the base year. Credits or payments are to be reduced to one-third of such amounts for the year after the first effective year and to one-sixth of such amounts for the second year after the first effective year.

Section 341(b)(3) provides that no credits or payments may be made for such purpose for any year after the second year after the first effective year.

Section 341(b)(4) provides that rules similar to those under Section 44D of the IRS Code of 1954 will apply under this section.

Section 341(b)(5) authorizes the Board, in consultation with the Secretary of Treasury, to promulgate regulations to carry out this subsection, subsection (c), and section 44D of the IRS Code of 1954.

Section 341(c)(1) defines, for purposes of this section and section 44D of the IRS Code of 1954, the terms: employer, non-profit employer and State employer. "Employer" does not include an agency or instrumentality of the United States. "Non-profit employer" means an employer exempt from tax under subtitle A of the IRS Code of 1954. "State employer" means an employer which is a State, or any political subdivision thereof, or any agency, instrumentality or corporation wholly owned by such State or subdivision thereof.

Section 341(c)(2) defines "impacted employer" as one for which the product of (A) the amount by which the employer's premium per full-time employee equivalent for a year exceeds the amount of such premiums in the base year, and (B) the number of full-time employee equivalents, is greater than 3 percent of the wages paid by the employer. In addition, employers that are neither state or non-profit employers must satisfy two other requirements—(A) that net income, expressed as a percentage of gross income, for any year is less than such income, for the base year, and (B) that the employer's absolute net income, for the tax year ending in a year is less than such income for the tax year ending in the base year.

Section 341(c)(3) defines "incremental increase in employee health insurance costs" to mean the product of (A) the amount by which an employer's premium per full-time employee equivalent in a year exceeds such amount in the base year and (B) the number of full-time employee equivalents minus, 3 percent of the wages paid by the employer. However, in the case of an employer that is neither State or non-profit employer, the "incremental increase" is the lesser of that calculation; or the product of the percentage by which (A) net income (expressed as a percentage of gross income) for a year is less than such income for the base year, and (B) the gross income for the year; or the amount by which the employer's absolute net income for a year is less than the employer's absolute net income for the base year.

Section 341(c)(4) defines "health insurance premiums per full-time equivalent" to mean the amount of employer premiums for a year divided by the number of full-time employee equivalents of that employer during that year.

Section 341(c)(5) defines "health insurance premiums" to mean (A) for the base year, the amount paid by an employer to insurers or HMOs for its employees during the year, and (B) for any year thereafter, the employer's share of the payments required by this section.

Section 341(c)(6) defines "full-time employee equivalents" to mean (A) the sum of fractions for each salaried, non-hourly employee, plus (B) the number of hours of employment for other employees (not counting hours in excess of the maximum permitted under section 7 of the Fair Labor Standards Act); divided by 40.

Section 341(c)(7) defines "base year" to mean the year before the first effective year (as defined in section 601(a)).

NON-WAGE INCOME-RELATED PRIVATE PREMIUMS

Section 342(a)(1) requires all persons (except certain exempted individuals) to pay a premium based on non-wage-related income of such persons' family units. In the absence of an agreement among family members, such premiums are to be in proportion to an individual member's contribution to such income in the family.

Section 342(a)(2) requires that such premiums be paid to the applicable consortium.

Section 342(a)(3) authorizes employees to have non-wage-related premium amounts withheld from wage income, as provided for in section 342(a)(3). Also authorizes such withholding from pensions or other regular sources of non-wage-related income.

Section 342(a)(4) establishes the amount of such premiums as equal to the product of (A) one-half the State premium rate for the State in which the family is enrolled, and (B) the amount of non-wage-related income of the family units of which an individual is a member.

Section 342(b) requires individuals to file quarterly information returns relating to computation of the amount of premiums due, in accordance with regulations prescribed by the Board. Requires that premiums be paid quarterly, with final settlement on an annual basis. Authorizes the Board to impose a collection surcharge (not to exceed 15 percent of the amounts due) for failure to pay on a timely basis.

Section 342(c)(1) defines an "exempt individual," for purposes of this section, as Medicare-eligible individuals, members of a uniformed service on active duty, alien employees of foreign governments and organizations, and dependents of another individual.

Section 342(c)(2) defines "non-wage-related income" to mean family adjusted gross income minus the sum of: wages paid family members; income attributable to family dependents and Medicare-eligible individuals; and $4,000 in the case of family units consisting of an individual and spouse (with or without dependents), or $2,000 in the case of any other family unit. Income attributable to more than one individual is to be prorated among individuals according to their legal interest in such income. The dollar amounts ($4,000 and $2,000) are to be increased annually according to changes in the consumer price index.

VOLUNTARY PREMIUMS UNDER EXECUTIVE AGREEMENTS

Section 343(a) requires that payments due with respect to alien workers of a foreign government or organization be paid on the basis of the national community-rated premium for the family units of such individuals to the consortium in which such individuals are enrolled.

Section 343(b) requires that payments made in lieu of the Medicare hospital insurance tax be paid to the Board for deposit in the Hospital Insurance Trust Fund.

HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE-ELIGIBLE INDIVIDUALS

(See Section 633).

FEDERAL AND STATE PAYMENTS FOR PREMIUMS ON BEHALF OF CERTAIN RECIPIENTS OF FEDERAL AND STATE ASSISTANCE

Section 345(a) requires the Board to make monthly premium payments to consortia on behalf of SSI-eligible individuals and residents of Federal institutions.

Section 345(b) requires each State to make monthly premium payments to consortia on behalf of AFDC-eligible individuals and residents of State institutions.

GOVERNMENT PAYMENT AND COLLECTION OF UNPAID PREMIUMS

Section 346(a) requires the Board to pay a consortium any premiums due, after such consortium has made a reasonable effort to collect such premiums, but has not received payment. Except in the case of States (or political subdivisions), the Board is to be subrogated the right of collection, and the unpaid amounts are to constitute a claim of the United States.

Section 346(b) provides that, if a State or political subdivision fails to make a required employer payment, the Board may deduct such permium amounts from any amounts otherwise owing to the State or subdivision under any program under the jurisdiction of the Board. An additional assessment, equal to 50 percent of the amount due, is to be paid into the Health Resources Distribution Fund.

TITLE III, PART E—DISTRIBUTION OF PREMIUMS

PART E—DISTRIBUTION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

COMPUTATION OF ADJUSTED CAPITATION AMOUNTS

Section 351(a)(1) requires the consortia to compute for each capitation individual in a qualified plan offered by a participating insurer or HMO in a State an amount equal to the average anticipated expenditure in the State budget for the individual, including certain administrative costs and funds for the contingency fund, but excluding State health board administrative costs. Requires the consortia to report capitation amounts so computed to the Board for review and approval.

Section 351(a)(2) defines the term "capitation individual", "non-capitation individual", and "group-rated individual" as used in this part.

Section 351(b) requires each consortium to adjust capitation amounts to reflect, for a specific individual, the relative actual costs of providing covered services in the area where the individual lives, and the actuarial risk for someone with the individual's characteristics obtaining or incurring expenses for covered services for the year. Provides for adjustment to be made to eliminate financial incentives for insurers or HMOs to practice risk selection or experience rating.

Section 351(c) requires that the total of capitation amounts and adjusted capitation amounts for capitation enrollees in a State in a year be equal to the total expenditures in the State budget for provision and administration (excluding State health board administrative expenses) of covered services to capitation individuals.

ALLOCATION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

Section 352(a)(1) requires each consortium to apportion to its members an adjusted capitation amount for each captation individual and a group-rated premium for each group-rated individual. Requires these apportioned amounts to be paid to members in installments consistent with Board guidelines.

Section 352(a)(2) directs the Board to provide supplementary payments from the Health Resources Distribution Fund to participating HMOs in operation for less than five years. Requires eligible HMOs to submit a prospective budget to the State health board for approval. Provides for the supplementary payment to be equal to that proportion of reasonable costs in the prospective budget, for covered services provided to enrollees, in excess of regular payments received, as the Board finds appropriate.

Section 352(b) requires consortia to provide, in accordance with Board guidelines, for redistribution of collected premiums to assure that each consortium is provided an adjusted capitation amount for each capitation individual enrolled, and a group-rated premium for each group-rated individual enrolled.

TREATMENT OF SHORTAGES AND OVERAGES; USE OF CONTINGENCY FUNDS

Section 353(a) requires each consortium to maintain a contingency fund for expenditures for unforeseen and unanticipated circumstances, beyond the insurers' or HMOs' control.

Section 353(b)(1) authorizes the Board, in any year when premiums collected are less than amounts provided for in the annual budget, to guarantee the principal and interest of loans issued by the consortia to assure revenues for a year to furnish covered services.

Section 353(b)(2) provides for loan guarantees to be made under Board terms and conditions. Provides that none may be made unless the Board certifies that: (A) the guarantee is required because premium revenues are below those specified in the budget; (B) the loan bears a reasonable interest as determined by the Board; (C) the terms of the loan require full payment within three years; and (D) the total amount of loans guaranteed for a year will not exceed the amount by which the lesser of anticipated expenditures or actual expenditures exceed actual revenues.

Section 353(b)(3) directs the Board to charge no fees to investigate an application for or to issue a commitment to make a loan guarantee.

Section 353(b)(4) authorizes the Board to make payment under the guarantee if the consortia default.

Section 353(b)(5) directs the Board, when loans are guaranteed, to make appropriate adjustments in annual budgets and State budgets to provide for the recoupment of the costs of securing the loans and for the prompt retirement of the loans.

Section 353(b)(6) pledges the full faith and credit of the U.S. to the payment of all guarantees made for both principal and interest.

Section 353(c) requires the Board, in any year when premiums collected are greater than provided for in the annual budget, to provide for the consortia to maintain and distribute such excess funds in accordance with Board guidelines, including appropriate adjustments in subsequent national and State budgets to account for surpluses and interest on them.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

Subpart I—NATIONAL HEALTH BOARD AND COMMISSION ON THE HEALTH OF AMERICANS

ESTABLISHMENT OF NATIONAL HEALTH BOARD

Section 401(a) provides for the establishment of the National Health Board as an independent establishment (as defined in Section 104 of title 5, U.S.C.).

Section 401(b) requires the Board to have five members appointed by the President with the advice and consent of the Senate, the nominations to be submitted within 60 days after enactment of the Act. Requires the President to designate a member of the Board to serve as chairman. Provides that not more than three Board members may be of the same political party and none may engage in any outside employment while serving on the Board. Provides for the term of office and compensation of Board members. Permits the President to remove a Board member only for inefficiency, neglect of duty, or malfeasance in office.

Section 401(c) requires the Board to have a Director, appointed by the chairman, and, subject to Board rules, permits additional personnel, to be appointed by the chairman.

Section 401(d) describes general provisions for the Board, including provisions for a quorum, an official seal, and office services.

AUTHORITY AND DUTIES

Section 402(a) requires the Board, in addition to other specific functions prescribed for it by the Act, to: (1) establish and maintain commissions, bureaus, divisions, offices, and other entities required by the Act or deemed appropriate; (2) perform the functions of a participating insurer, HMO, or consortium for any area in which, or group of insurers for which, there is no certified participating insurer or consortium; (3) perform the duties of a State health board for any State in which one has not been established; (4) establish administrative procedures for handling consumer and provider appeals of various decisions of State health boards; and (5) be responsible for general implementation and administration of the functions of the Federal Government under the Act.

Section 402(b) directs the Board to study and evaluate, on a continuing basis, the operation of the Act, including the adequacy and quality of services, the cost of each type of service, the effectiveness of cost control measures, and the economic impact of wage-related premiums on employers and employment. Permits the Board to conduct other appropriate studies.

Section 402(c) transfers to, and vests in, the Board all functions of the Secretary of HEW, or other officers and components of the Department of HEW, relating to—

(1) the following provisions of the Social Security Act:

(A) title V (Maternal and Child Health and Crippled Children's Services);

(B) sections 1121 (uniform reporting system for health service facilities and organizations), 1123 (program for determining qualifications for certain health care personnel), 1124 (disclosure of ownership and related information), and 1126 (disclosure of certain individuals who have been convicted of certain offenses);

(C) portions of Section 1131 (notification of social security claimant with respect to deferred vested benefits) relating to the Medicare program;

(D) part B of Title XI (PSROs);

(E) title VIII (Medicare);

(F) title XIX (Medicaid);

and any other functions performed under law by the Administrator of Health Care Financing;

(2) all provisions of the Public Health Service Act, except the following:

(A) provisions of title II (administration) other than sections 226 (administration of grants in certain multigrant projects) and 227 (annual report);

(B) certain provisions of title III (general powers and duties of the Public Health Service)—sections 301 (general), 302 (narcotics), 303 (mental health), the biomedical research authorities of section 307 (international cooperation), 310 (health conferences and health education information), 311 through 318 (Federal-State cooperation), part C (hospitals, medical examinations, and medical care), part D (primary health care) except for section 330 (community health centers), part E (narcotic addicts and other drug abusers), part F (licensing—biological products and clinical laboratories and control of radiation), part G (quarantine and inspection), part H (grants to Alaska for mental health, part I (National Library of Medicine), and part J (assistance to medical libraries);

(C) title IV (National Research Institutes);

(D) title V (Miscellaneous)

(E) title X (population research and voluntary family planning programs); and

(F) title XIV (safety of public water systems);

(3) the Community Mental Health Centers Act;

(4) such functions under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as the Secretary determines, after consultation with the Board, relate to the treatment of alcoholics or alcohol abusers;

(5) functions under the Drug Abuse Office and Treatment Act of 1972 as the Secretary determines, upon consultation with the Board, relate to the treatment of drug addicts or abusers; and

(6) the provision of health care services to American Indians. (Public Law 94-437.)

OFFICES AND COMMISSIONS OF THE BOARD

Section 403(a) requires the Board to have an Ombudsman, appointed by the chairman, who is assigned to investigate complaints about program operation.

Section 403(b) requires the Board to have an Advocate, (appointed by the chairman) assigned to assist consumers in determining their rights to services and reimbursements under the program, to assist consumers in obtaining such services, and to take appropriate action to protect these rights. Requires the Advocate to give priority to requests for aid from the elderly, disabled, members of minority groups, other disadvantaged groups, and women.

Section 403(c)(1)-(2) requires the Board to have an Inspector General, appointed by the chairman. Requires the Inspector General to direct the auditing and investigative activities of the Board; to recommend policies for, and conduct other activities carried out or financed by the Board to promote administrative economy and efficiency or to prevent and detect fraud and abuse; and to recommend policies for, and handle relationships betweeen, the Board and other Federal agencies, State and local governmental agencies, and nongovernmental entities concerning the promotion of administrative economy and efficiency, the prevention of fraud and abuse, or the identification and prosecution of participants in fraud and abuse.

Section 403(c)(3) permits the Inspector General to have access to all materials available to the Board relating to the Inspector General's responsibilities; to request necessary information or assistance from any Federal, State, or local governmental agency; and to require by subpoena, enforceable by a U.S. District Court, any information or evidence necessary.

Section 403(c)(4) requires the Inspector General to contract (to the extent or in amounts provided in advance in appropriations Acts) with State Medicaid fraud control units to conduct these activities concerning health care services under the program.

Section 403(d)(1)(A) requires the Board to establish a Commission on Benefits to review the provision of basic and other services and determine their cost and effectiveness in improving health and to recommend appropriate changes in covered services, particularly to expand the scope or type of services for which coverage is limited.

Section 403(d)(1)(B) requires the Board to establish a Commission on Quality to review the quality of health services, examine standards concerning qualifications and certification of providers (including HMOs), and recommend actions to maintain and improve the quality of services.

Section 403(d)(1)(C) requires the Board to establish a Commission on Access to review the utilization of services by different types of eligible individuals, examine the problems of the disadvantaged in achieving equal access to services, and recommend ways to maintain and improve accessibility for all eligible individuals.

Section 403(d)(1)(D) requires the Board to establish a Commission on Health Care Organization to review the cost and effectiveness of methods for delivery of services, examine the relative performances of HMOs and other types of ambulatory facilities in providing cost-effective health care services, and recommend ways to support and encourage more cost-effective organizational methods to provide and finance services.

Section 403(d)(2) requires the Board to determine commission memberships and terms of office. Requires at least one-half the members to be or represent consumers and requires inclusion of representatives of various types of providers. Provides for compensation of commission members.

Section 403(d)(3) requires the Board to provide staff for the commissions.

COMMISSION ON THE HEALTH OF AMERICANS

Section 404(a)-(b) establishes a nine-member Commission on the Health of Americans to be appointed by the President. Requires the Commission to review the health status of the U.S. population (and sub-groups within) and to recommend proposals (and their costs) for improving this health status, including those which could be implemented by the Board.

Section 404(c)-(e) provides for compensation of commission members and for staff and office services.

NATIONAL INSTITUTES OF HEALTH CARE RESEARCH

Section 405(a) establishes under the direction of the Board the National Institutes of Health Care Research to be composed of Institutes of Health Statistics, Health Services Research, and Health Technology Evaluation.

Section 405(b) transfers functions from the Public Health Service Act to these various Institutes, as follows: (1) to the Institute of Health Statistics, all of the functions of the Secretary of HEW under section 304 of the Public Health Service Act relating to health statistics and all of the functions of the Secretary and the National Center for Health Statistics under section 306; (2) to the Institute of Health Services Research, all of the functions of the Secretary under section 304 relating to health services research and all of the functions of the Secretary and the National Center for Health Services under section 305; and (3) to the Institute of Health Technology Evaluation, all of the functions of the Secretary under section 304 relating to health care technology and all of the functions of the Secretary and the National Center for Health Care Technology under section 309.

Section 405(c)(1) requires the Institute of Health Statistics to also (A) propose to the Board ways to establish and operate data systems to assure information to manage the national system and monitor the impact of the cost, accessibility, and quality of health care on morbidity and mortality; and (B) help analyze data gathered from the data systems to meet the needs of administrators, consumers, and providers.

Section 405(c)(2) requires these data systems to be based on uniform minimum data sets developed under section 306 of the Public Health Service Act; to include the entire U.S. population and all health services provided to residents; and to be designed to (1) promote efficiency and effectiveness in collecting, processing, analyzing, and disseminating information; (2) minimize duplication in data gathering; and (3) provide information to facilitate informed decision-making by consortia, employers, insurers and HMOs, providers, and consumers.

Subpart II—STATE HEALTH BOARDS

ESTABLISHMENT

Section 407(a) requires each State, in accordance with the Board's guidelines, to charter as a public corporation a State Health Insurance Corporation.

Section 407(b)(1) provides that the board of directors of a State Health Insurance Corporation is to be known as the State health board, and consist of five members appointed by the Governor with the advice and consent of the Board. Requires: (A) the members of each State health board to be representatives of employers, labor unions, or other major purchasers of qualified health plans, (B) at least one member to be a consumer, and (C) not more than three members to be members of the same political party.

Section 407(b)(2) provides for the term of office of State health board members.

Section 407(b)(3) requires each State health board, in accordance with the Board's guidelines, to establish an ombudsman and an advocate, with functions corresponding to those of the Board's ombudsman and advocate, and advisory commissions corresponding to those of the Board.

Section 407(b)(4) requires each State health board to perform functions prescribed by this Act and also to establish procedures for handling consumer and provider appeals from various decisions of insurers, HMOs, and the consortia.

TITLE VI, PART B—CERTIFIED INSURERS AND CONSORTIA

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATION

Section 411(a)(1) permits each insurer and HMO to apply to the Board for certification as a participating insurer or HMO.

Section 411(a)(2) directs the Board not to certify an insurer or HMO unless—(A) the insurer or HMO may lawfully operate in each State in which it intends to operate; (B) the insurer or HMO has not violated the terms of any previous participation agreement; and (C) the insurer or HMO enters into a participation agreement.

Section 411(b) requires the Board to provide for a participation agreement between itself and insurers and HMOs containing certain specified provisions.

Section 411(b)(1) requires the insurer or HMO to become a member of the appropriate consortium for its type or (with the approval of the Board and the consortium) of another consortium and comply with the consortium's rules.

Section 411(b)(2) requires the insurer or HMO to offer enrollment in at least one qualified health plan which provides at least all basic covered health care services without any charge other than the premium.

Section 411(b)(3)(A) requires the insurer or HMO to accept during open enrollment all eligible individuals in the order they apply, up to the limits of its capacity, and without restriction (except as authorized by the Board).

Section 411(b)(3)(B) permits the Board to provide for limitations on enrollment to reflect needs for the capacity to develop cost-effective services and for the special characteristics of plans offered by self-insurers which have been arranged between employers and employees.

Section 411(b)(4) requires the insurer or HMO to issue a health insurance enrollment card for each eligible enrolled individual.

Section 411(b)(5)(A) requires the insurer to pay participating providers (and other providers to which payments may be made under qualified plans), in amounts no greater than permitted under the Act, at intervals, and in a manner consistent with the Act, for provision of covered services.

Section 411(b)(5)(B) requires HMOs to pay participating providers (and other providers to which payments may be made), in amounts no greater than permitted under the Act and in a manner consistent with the Act for covered services, or to provide services directly (or a combination of both).

Section 411(b)(5)(C) requires the insurer or HMO to report to the State health board and to its consortium on payments made (and expenses incurred).

Section 411(b)(5)(D) requires the insurer to notify enrollees of the fact and the service for which a payment has been made on the enrollee's behalf.

Section 411(b)(6) requires the insurer or HMO to maintain and afford access to records by the consortium, State health boards and the Board and to provide for confidential treatment of individually-identifiable records.

Section 411(b)(7) requires the insurer or HMO, if a qualified plan offers any rebates, cash dividends, or additional benefits, to offer such to all eligible enrollees on the same basis.

Section 411(b)(8) requires the insurer or HMO to establish and maintain procedures to provide for a fair hearing for either: (A) an individual enrolled in a plan who is dissatisfied by his failure to receive without additional cost any service to which he believes he is entitled, if the amount exceeds the threshold amount established by the Board; or (B) a participating provider who is dissatisfied by the insurer's or HMO's failure to make payment promptly, if the amount exceeds the threshold amount established by the Board.

Section 411(b)(9) requires the Board to agree that, in return for agreed-upon services and understandings, the insurer or HMO is to be paid by its consortium for each enrollee in a qualified plan.

Section 411(b)(10) requires the insurer or HMO to perform other functions required under the Act and to comply with reasonable regulations established by the Board concerning marketing and customer service practices and other areas.

Section 411(c) requires each certification to be for at least one year, as determined by the Board, and permits automatic renewal in the absence of notice by either party to terminate. Provides, however, that the Board may terminate certification at any time (after reasonable notice and opportunity for hearing to the insurer or HMO involved) if it finds that the insurer or HMO (1) has failed to carry out the contract; (2) is carrying out the contract inefficiently or ineffectively; or (3) no longer substantially meets the applicable conditions. Requires the effective date of certification to be specified in the contract.

Section 411(d) permits an insurer or HMO to provide that, as a condition of an individual's enrollment, payments are to be made only for covered services furnished by specified participating providers or by the organization.

CONSORTIA

Section 412(a) requires the Board to certify corporations lawfully operating in each State, to serve as consortia. Requires the Board to certify one consortium to carry out functions for each of the following types of insurers or HMOs:

(1) a Blue Cross-Blue Shield consortium, representing nonprofit State-chartered medical/hospital services corporations;

(2) a commercial insurance carrier consortium, representing profit-making commercial insurers not directly furnishing health care services;

(3) a prepaid group practice HMO consortium, representing HMOs which provide basic services through member physicians or other member health professionals or a medical group (or groups);

(4) an individual practice association HMO consortium, representing HMOs which provide basic services through an individual practice association or a combination of such an association, medical group, staff, and individual physician and other health professionals under contract;

(5) a self-insurer consortium, representing insurers that are self-insurers. Permits an insurer or HMO, with the Board's and consortium's approval, to apply and serve as a member of a consortium other than that to which it would otherwise belong.

Section 412(b)(1) states that the Board may not certify a corporation as either a blue cross-blue shield consortium or a commercial insurance consortium unless it has members offering qualified plans to such an extent in all States and in each major area of each State that plans are effectively available to all eligible individuals in the U.S.

Section 412(b)(2) states that the Board may not certify a corporation as a consortium unless the corporation may lawfully act in each State and has sufficient resources and plans of operation to carry out the functions; the consortiums has not violated the terms of any previous agreement;

and the consortium enters into a participation agreement.

Section 412(c) requires the participation agreement between the Board and a consortium to include certain specified provisions.

Section 412(c)(1) requires the consortium to accept for membership each participating insurer of the appropriate type which applies, has not previously violated consortium rules, and agrees to comply with consortium rules.

Section 412(c)(2) requires the consortium to provide for premium collection and reallocation, in concert with other consortia, and to provide for good faith efforts to collect wage and non-wage-related premiums as the Board may provide.

Section 412(c)(3) requires the consortium to pay to consortium members from premiums collected, for each enrollee in a qualified plan.

Section 412(c)(4) requires the consortium to maintain a contingency fund.

Section 412(c)(5) requires the consortium to monitor and report regularly to the Board on premiums collected, payments made to members, number of enrollees and their characteristics, transfers of premiums between consortia, and other information required by the Board; and to each State health board on utilization of services in the State and payments made to providers from consortium member funds.

Section 412(c)(6)(A) requires the consortium to negotiate with provider groups in establishing prospective budgets and maximum fee schedules in areas where its members offer plans, except that no consortium representative is to participate in a negotiation concerning a State or area where the consortium has no member, or where no member offers a plan pursuant to the Act.

Section 412(c)(6)(B) requires the consortium to assist members in enrolling eligible individuals.

Section 412(c)(7) requires the consortium to establish review procedures for individuals and providers dissatisfied with a member's determination, after a hearing, if the amount in question exceeds the threshold amount set by the Board.

Section 412(c)(8) requires the consortium to perform certain other functions and to comply with regulations concerning standard claims forms and procedures, privacy rights of enrollees and providers, and other areas.

PROMOTION OF COMPETITION

Section 413(a)(1) requires that with respect to civil or criminal actions brought under Federal or State anti-trust laws regarding actions taken by a participating insurer, HMO, consortium, or consortia (if such actions were not taken to injure competition) that there be available as a defense that such actions were taken in carrying out duties required under agreements under this Act and in accord with regulations established by section 413(a)(2) below. Requires that persons interposing this defense are to have the burden of proof, except that the burden is to be on the person against whom the defense is asserted with respect to whether the actions were taken to injure competition.

Section 413(a)(2) requires the Board, after consulting with the Attorney General and the Federal Trade Commission, to prescribe standards and procedures (including those related to open meetings and maintenance of records) for the conduct of insurers, HMOs, and consortia in a manner consistent with promotion of competition and the proper conduct of their responsibilities.

Section 413(a)(3) defines the term "anti-trust laws" as used in this subsection.

Section 413(b) permits an insurer or HMO to file a complaint with the Board that another insurer or HMO (or its consortium) has engaged in anti-competitive activity, including the establishment of a formula for determining adjusted capitation amounts under section 351 which does not reflect actuarial risk, or a marketing or enrollment practice resulting in enrollee risk-selection. Requires the Board to provide for investigations of such complaints, and, where such activities have occurred, to provide for appropriate adjustments in contracts and for other appropriate relief.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM; HEALTH RESOURCES DISTRIBUTION FUND

TITLE V—HEALTH CARE IMPROVEMENT PLAN

ESTABLISHMENT OF PROGRAM AND FUND

Section 501(a) requires the Board to establish a program to improve the distribution of health care resources in the U.S. in order to promote improvement in the quality, accessibility, and efficiency of health-care services.

Section 501(b) establishes in the U.S. Treasury an account known as the Health Resources Distribution Fund.

Section 501(c)(1)–(2) authorizes appropriations of $500 million to be deposited in the Health Resources Distribution Fund for the fiscal year beginning before the first year health care benefits are available under this Act. Authorizes for each succeeding fiscal year, the amount authorized for the previous fiscal year increased by the percentage increase in total expenditures contained in the annual budget over the annual budget for the preceding year.

USE OF HEALTH RESOURCES DISTRIBUTION FUND

Section 502(a)(1)–(2) requires the Board to make grants to State health boards from the Health Resources Distribution Fund and permits the Board to provide directly, or by grant or contract, for projects to improve health care services, including any of the following projects:

For closure or conversion of under-utilized health care facilities;

For provision of needed health services in health manpower shortage areas;

For renovation of institutional health facilities to meet specific health, safety, or other critical requirements;

For stimulation and support of HMOs and other cost-effective health delivery systems;

For education of health professionals to meet projected needs in various specialties and professions;

For programs of continuing professional education.

Section 502(b)(1)–(2) requires the Board to allocate amounts from the Health Resources Distribution Fund to each State health board, based on State needs. Provides that the grant to a State may not be less than one-half of the ratio of the population of the State to the population of all the States. Permits State grants to be used directly, or for grants or contracts, for any purposes for which the Board may use the Fund.

HEALTH EDUCATION PROGRAM

Section 503 requires each State health board to provide for a program of consumer education concerning health, self-care, effective use of health resources, and consumer rights and privileges under the Act. Requires the State health board to develop material for classroom instructions and for training of professionals about the impact on health and availability of health resources of different personal life styles.

SPECIAL STUDIES AND PROJECTS

Section 504(a)(1)-(2) requires the Board to study and evaluate the impact of this Act on State Medicaid programs and the means of improving such programs with respect to comprehensiveness, accessibility, and quality of services (particularly long-term care). Requires the Board to take steps appropriate to implement improvements in State Medicaid programs, including establishment of guidelines in the budget process, use of Health Resources Distribution Funds, promulgation of regulations and recommendations for legislation. Requires the Board to report its recommendations to Congress within five years after enactment and to include recommendations for long-term care.

Section 504(b) permits the Board directly or by contract to develop and demonstrate methods to improve (A) the coordination of health services furnished by different providers; (B) the adequacy, quality, accessibility of services or greater efficiencies in the provision of services; and (C) peer review and control of utilization and quality in the provision of drugs, laboratory services, and other health services. Permits the Board to waive certain reimbursement requirements for such demonstration projects.

Section 504(c) requires the Board to provide, from funds available from the Health Resources Distribution Fund, for demonstration projects to evaluate the feasibility of hospice services as part of basic covered health-care services.

Section 504(d) requires the Board to provide for a study (based, to the extent feasible, on existing studies) of provider malpractice and malpractice insurance and its impact on patients, providers, and health costs. Requires the Board to transmit to Congress within two years after enactment a report on such study together with recommendations for any statutory changes.

DEMONSTRATION PROJECT IN PERSONAL CARE SERVICES

Section 505(a) requires the Board to provide for a demonstration project on the organization, delivery, and financing of personal care services to groups of individuals likely to require such services.

Section 505(b) requires the Board to make grants, from the Health Resources Distribution Fund, to participating public or nonprofit providers or public or nonprofit local community agencies or organizations for programs to provide personal care services for a substantial population of individuals in their homes, who without such services would require (or be expected to require) continuing inpatient services.

Section 505(c) makes project grant approval contingent upon submission to the Board of a satisfactory application showing the following:

The applicant can and will develop within a reasonable time period a program of comprehensive personal care services for populations at risk;

The applicant will provide for partial non-Federal financing of program costs, as appropriate to the community's and applicant's resources;

The program will provide for such combination of services (including all basic covered health-care services, other than inpatient services) which enable individuals to remain outside institutions.

The program will provide for coordination with other health or personal care services furnished to individuals participating in the program;

The program provides for a committee of health personnel and consumers to review and approve applications for assistance; to review utilization of services by individuals assisted under the program; and to terminate assistance to any individual when no longer needed; and

The program provides for program evaluation, including evaluation of the feasibility of providing for some or all of personal care services as basic covered health-care services.

Section 505(d) limits project grant duration to a maximum of four years.

Section 505(e)(1) provides that grant payments may be made in advance or by way of reimbursement and in installments and on conditions established by the Board. Permits the Board to decrease over time the proportion of program costs assisted under this section and to increase funds where the reasonable costs of the program exceed original estimates.

Section 505(e)(2) requires the Board not to terminate approved grants except for such grounds (other than lack of available funds) as would otherwise justify termination.

Section 505(e)(3) requires the Board to provide that at least $100 million from the Health Resources Distribution Fund be available for such project grants.

Section 505(f) requires the Board to report annually to Congress on the program and to transmit to Congress within five years after enactment a comprehensive report on demonstration projects for personal care services. Requires the report to include recommendations with respect to making such programs available to all communities; the continued financing of such programs; and the proper role of the national health insurance system in the provision of personal care services.

Section 505(g) defines the term personal care services as services, including homemaker and home help services, home maintenance services, laundry services, meals-on-wheels and other nutrition services, assistance with transportation and shopping, as may be appropriate to maintain individuals otherwise requiring institutionalization in a noninstitutional resident setting.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AND AMENDMENTS

PART A—EFFECTIVE DATES AND TRANSITION PROVISIONS

EFFECTIVE DATES

Section 601(a) provides that this Act and its amendments are to take effect upon enactment, except otherwise provided, but only for health care services furnished in or after the first effective year. Provides that the authority of the Board to enter into contracts is effective for any fiscal year only to such extent or in such amount as provided in advance in appropriations Acts.

Section 601(b) requires the Board and State health boards, except for transitional provisions, to first provide for annual budgets for the first effective year.

Section 601(c) provides that non-Medicare-eligible individuals are first to be enrolled in qualified health plans during the year before the first effective year and that such plans are first to be effective for covered services furnished on or after January 1 of the first effective year. Provides that amendments to section 226(a) of the Social Security Act are to apply to months beginning with January of the first effective year.

Section 601(d)(1) provides that wage-related premiums are first payable for wages paid on or after October 1 of the year before the first effective year. Provides for a special national premium rate, established by the Board, for the period between October 1 and December 31 of the year before the first effective year. Provides that the rate will be computed to assure prompt payment of benefits and administrative expenses during the early months of the program and to provide an initial contingency reserve.

Section 601(d)(2) provides that non-wage-related private premiums are first payable for calendar years beginning with the first effective year.

Section 601(d)(3) provides that certain other premiums are first payable for December of the year before the first effective year and are to be payable at the national group-rated premium for the first effective year.

Section 601(d)(4) provides that amendments to Medicare relating to changes in certain employment taxes are to apply to wages and other income paid on or after January 1 of the first effective year.

Section 601(e) provides effective dates for certain miscellaneous provisions pertaining to the Health Care Improvement Program, and amendments to the Internal Revenue Code and Medicaid.

Section 601(f) provides that the repeal of section 1310 of the Public Health Service Act applies to calendar years beginning with the first effective year.

TRANSITION PROVISIONS

Section 602(a) declares it to be the intent of Congress that appropriations levels in effect on the date of enactment of this Act for programs providing for health services to special populations such as those served by community health centers, rural health services, and Indian health services, are to be continued at such levels after the effective date of this Act's health benefits.

Section 602(b)(1) requires the Board to establish, for localities within each State, maximum fee schedules (applicable to services reimbursed under Medicare Part B) based on the average level of allowable charges for services under the Medicare program in the locality in the previous year. Provides that, for payment made on or after July 1 of each year but before January 1 of the first effective year, payments may be made under Medicare part B only for the lesser of (A) the customary charge or actual charge for the service, or (B) the greater of the maximum fee otherwise permitted under section 1842 of the Social Security Act for the year before the first year for which a maximum fee schedule is established, or the amount provided in the maximum fee schedule, increased for each year after the first year of such schedule to the extent the Board determines, on the basis of appropriate economic index data, that is economically justified.

Section 602(b)(2) prohibits participating insurers from making payments for services described above to the extent such payments exceed the maximum payment permitted under the Medicare program under paragraph (1). Excludes from this requirement services performed under contracts entered into before the date of enactment.

Section 602(c)(1) requires the Board to (A) establish (as soon as possible after enactment and before the first effective year) regulations, guidelines, standards, and procedures providing for the orderly administration of the Act; and to (B) provide for testing the efficacy of such procedures and operations before such effective year.

Section 602(c)(2) requires the Board to report to Congress not later than 18 months after enactment on its progress in establishing implementation procedures, along with recommendations for any technical or administrative changes to facilitate implementation.

Section 602(c)(3) requires the General Accounting Office to review and report to Congress not later than 18 months after enactment on the Board's progress in establishing implementation of procedures on a timely basis.

Section 602(c)(4) requires the Board to provide, to the extent feasible, for the thorough testing of the budget and planning process as it would apply to the year before the first effective year.

IMPACT ON EXISTING EMPLOYER-EMPLOYEE HEALTH PLANS

Section 603(a) provides that no provision of this Act affects or alters any contractual or other nonstatutory obligation of an employer to pay for or provide health services to present and former employees if the effect or alteration shifts the obligation in any part to such persons.

Section 603(b) provides that any payment of wage-related premiums is to be credited against any contractual or other obligation of an employer for employee health services to the extent such payments do not exceed the greater of (A) the per capita monthly cost to the employer of providing or paying for health services for September of the year before the first effective year, or (B) the per capita monthly cost the employer would have incurred had this Act not been enacted.

Section 603(c) requires employers (at least for the duration of any contractual or other obligation) to arrange for payments to employees, former employees, and spouses, of amounts equivalent to that by which the total per capita monthly cost in the preceding September exceeds the sum of: (A) the per capita premium cost; (B) the cost of the contractual or other obligation; and (C) any other contributions for premiums or benefits or costs of services provided after January 1 of the first effective year. Permits an employer to provide other benefits of an equivalent monetary value in lieu of such payments.

Section 603(d) provides for determination of the per capita amounts and costs for an employer for purposes of subsections (b) and (c).

PROVISIONS RELATING TO TRANSFER OF FUNCTIONS

Section 604(a) provides that transfers of functions made by subpart I of part A of title IV of this act will take effect 120 days after Board members first take office, or on such earlier date as the President may prescribe.

Section 604(b)(1) provides for transfer and allocation to the Board of appropriations and personnel associated with functions transferred by the Act to the Board. Provides that unexpended funds be used only for the originally authorized and appropriated purposes.

Section 604(b)(2) provides that such transfers of personnel are not to result in employee separations or reductions in grade or compensation for one year after the effective date of transfer. Provides for certain protection of compensation rates for employees compensated in accordance with the Executive Schedule.

Section 604(b)(3) provides for termination of agencies, or their components, for which all functions have been transferred elsewhere.

Section 604(b)(4) requires the Director of the Office of Management and Budget, in consultation with the Board, to make necessary determinations regarding incidental transfers of personnel, appropriations, etc.

Section 604(b)(5) provides for continuation in effect of certain previous Government rulings, proceedings, and suits where the functions of the departments, agencies, or components or officials thereof have been transferred to the Board.

Section 604(b)(6) provides that references in any other Federal law to departments, agencies, or officials whose functions are transferred by the Act are to be considered as referring to the Board.

Section 604(b)(7) provides that nothing in this Act is to be construed to limit, curtail, abolish, or terminate any function of, or the delegation of any function of, or any authority available to, the President which he had before the Act's effective date.

TITLE VI

PART B—MEDICARE-RELATED AMENDMENTS

Subpart I—GENERAL AMENDMENTS AND ELIGIBILITY

GENERAL AMENDMENTS

Section 611 amends section 1801 of the Social Security Act to delete the prohibition against Federal supervision or control over the practice of medicine and the compensation of employees and officers of health care providers.

MEDICARE ELIGIBILITY

Section 612(a) amends section 226 of the Social Security Act by (1) specifying that all references to "hospital insurance" be changed to "health insurance"; (2) broadening Medicare entitlement to include citizens of the United States, persons legally admitted for permanent residence, and certain other persons who are age 65 and over; (3) deleting the 24 month waiting period for Medicare eligibility for the disabled; and (4) providing that all individuals entitled to Medicare benefits are entitled to enroll in a participating health maintenance organization.

Section 612(b) makes conforming and technical amendments to Medicare entitlement and eligibility provisions related to end-stage renal disease.

Section 612(c) conforms the description of Medicare Part A with the new eligibility amendments specified in section 612(a), and repeals the provision which permits certain uninsured individuals to enroll for Part A benefits.

Section 612(d) changes Medicare Part B from a voluntary insurance program to an entitlement program financed by premium payments and Federal funds.

Section 612(e) specifies conforming technical amendments to section 7 of the Railroad Retirement Act of 1974.

Subpart II—Benefits

PART A BENEFITS

Section 615(a) makes conforming technical amendments and modifies the scope of benefits under Medicare Part A by (1) deleting the limitation on inpatient hospital days; (2) adding mental health day care services; (3) replacing the existing limitation on inpatient psychiatric hospital services with a 150 consecutive day limit for Medicare purposes and a 45 consecutive day limit for purposes of the Health Care for All Americans Act; and (4) specifying that each day of mental health day care services counts as half a day of inpatient psychiatric hospital services.

Section 615(b) amends the definition of inpatient hospital services to include services by certain hospital-based physicians.

PART B BENEFITS

Section 616(a) makes conforming technical amendments and modifies the scope of benefits under Medicare Part B by (1) specifying that Part B benefits are payable only on behalf of beneficiaries; (2) including insulin and outpatient prescription drugs for treatment of chronic conditions; and (3) permitting beneficiaries to enroll in a participating HMO for Part B benefits.

Section 616(b) amends the provision relating to payment of Part B benefits to establish new limitations also applying to the Health Care for All Americans Act. Payment for outpatient psychiatric services and services related to the diagnosis or treatment of mental illness is limited annually to an amount equal to 20 times the maximum fee under the Health Care for All Americans Act for a psychiatrist's visit. Payment for certain outpatient therapy services in the therapist's office or in the beneficiary's home is limited to $100 annually.

Section 616(c) modifies certain definitions under Medicare to include outpatient speech and occupational therapy on the same basis as outpatient physical therapy; to include health clinic services, hearing examinations conducted by a physician or qualified audiologist, hearing aids, outpatient mental health services, and lens after cataract surgery in the definition of medical and other health services. Defines the term "outpatient prescription drugs for treatment of chronic conditions" and changes the term "rural health clinic" to "health clinic". Also defines preventive health services, mental health day care services, and outpatient mental health center services.

Section 616(d) specific technical conforming amendments to the Medicare definition of the term "physician".

RENAL PROGRAM BENEFITS

Section 617 amends Medicare coverage for end-stage renal disease to conform reimbursement and various technical provisions to the provisions of the Health Care for All Americans Act.

TREATMENT OF EXCLUSIONS

Section 618(a) modifies Medicare's exclusions from coverage to (1) extend the applicability of exclusions to the Health Care for All Americans Act; (2) delete certain technical exclusions; (3) specify that preventive health services are not excluded from coverage; (4) exclude hearing aids and related examinations only if they exceed one every three years, and one per individual per year, respectively; (5) delete the exclusion relating to orthopedic shoes; (6) permit the waiver, under certain conditions, of the foot care exclusions for persons with diabetes mellitus; and (7) add a new exclusion for insulin or outpatient prescription drugs for chronic conditions exceeding maximum amounts established by the Board.

Section 618(b) conforms certain other exclusions relating to services covered under a workmen's compensation law and Medicare's program abuse to the appropriate provisions of the Health Care for All Americans Act.

TITLE VI, PART B

Subpart III—Medicare Amendments Relating To Certification and Providers

CERTIFICATION STANDARDS

Section 621 makes various conforming and technical amendments to Medicare Parts A and B relating to requirements for certification and requests for payment.

PARTICIPATING PROVIDER AGREEMENTS

Section 622 specifies conforming and technical amendments to section 1866 of the Social Security Act relating to agreements with participating providers. Requires agreements to be filed with the State health board and to apply to both Medicare and the Health Care for All Americans Act. Requires payments to be made in accordance with the applicable Medicare and Health Care for All Americans Act provisions, and providers to comply with certain specified criteria, including requirements established by the Board. Requires providers who prescribe outpatient prescription drugs to use only generic or other names and specify only such amount as the Board may provide to insure quality and efficiency. Requires providers filling prescriptions to provide only the amount specified by the Board.

USE OF AGENCIES IN DETERMINING CONDITIONS OF PARTICIPATION

Section 623 makes various conforming and technical amendments to Medicare relating to the use of State agencies to develop and determine compliance with conditions of participation for providers of services. Requires the Secretary, in determining conditions of participation, to consult with the Commission on Quality and the State health boards.

AMENDMENTS RELATING TO PART B OF TITLE XI

Section 624(a) specifies various technical and conforming amendments to Part B of title XI of the Social Security Act relating to professional standards review organizations (PSROs). Requires professional standards review to apply to the provision of health care services under the Social Security Act and the Health Care for All Americans Act.

Section 624(b) requires PSROs to assume review responsibility during the conditional period for services provided both in institutions or by other health care providers. Deletes special reference to shared health facilities. Requires in conjunction with development of norms for heatlh care services, that physicians closely monitor workers and other populations at risk because of past exposure to environmental or other hazards. Provides that payments to PSROs are to be made by the Board from appropriated funds.

HEALTH MAINTENANCE ORGANIZATIONS (HMO'S)

Section 625 makes certain conforming changes in Medicare relating to payments to HMO's. Directs the Board to provide for payment to HMO's on behalf of eligible individuals under Medicare and the Health Care for All Americans Act. Modifies Medicare's definition of an HMO to conform to the benefits provided under the amended Medicare program for Medicare-eligibles and the Health Care for All Americans Act for other persons. Requires participating HMO's to have a general open enrollment period in accordance with regulations.

TITLE VI, PART B, SUBPARTS IV AND V—MEDICARE AMENDMENTS RELATING TO CONDITIONS OF PAYMENT, TAXES AND PREMIUMS

Subpart IV—Conditions of Payments

CHANGES IN CONDITIONS OF PAYMENTS

Section 628(a) repeals the deductible and coinsurance provisions of the Medicare Part A program.

Section 628(b) makes certain conforming changes in Medicare relating to payments to participating providers. Payments are to be the amounts determined under the provisions of the Health Care for All Americans Act. Also makes explicit (with certain minor exceptions) that no Medicare payments may be made to any Federal provider of services administered by or under the control of the Department of Defense, the Veterans Administration or for services provided to members of uniformed services on active duty.

Section 628(c) makes various changes in Medicare relating to payments to institutional and other providers. Requires the Board to determine, consistent with the provisions of the Health Care for All Americans Act, the amounts to be paid various providers of services. Authorizes payments into the Supplementary Medical Insurance Trust Fund of certain amounts needed to pay for services under Part B, in accord with the provisions of the Health Care for All Americans Act. Repeals the deductible, coinsurance and other patient cost-sharing requirements of Medicare.

Section 628(d) repeals the existing definition of "reasonable cost." Deletes provisions relating to overpayments and the settlement of claims filed on behalf of deceased individuals. Provides that refunds of premiums in the case of deceased individuals be made according to priorities prescribed by the Board.

CONTRACTS FOR THE ADMINISTRATION OF BENEFITS

Section 629 makes various amendments to Medicare relating to the administration of benefits. Deletes most of the existing provisions relating to intermediaries and carriers. Provides that public and private entities are to bid competitively to administer the benefits provided under the revised Medicare program. Requires such entities to make payments for services in a manner consistent with the provisions of the Health Care for All Americans Act, and to notify individuals on whose behalf such payments are made. Permits contracts with entities to provide for advances of funds for payment of claims. Contains a transitional provision permitting contracts with entities without regard to competitive bidding requirements for a period of five years following enactment of the legislation.

HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE—ELIGIBLE INDIVIDUALS

Section 633(a) expands the definition of employment now subject to the Medicare hospital insurance tax to include employment with Federal, State and local governments, service performed for charitable organizations, service performed by certain employee representatives, certain students and for certain organizations.

Section 633(b) authorizes deposit into the Hospital Insurance Trust Fund of certain payments made on behalf of certain employees of foreign governments and international organizations. Designates the Chairman of the Board as a member of the Board of Trustees of the HI and SMI trust funds, in lieu of the Secretary of HEW.

Section 633(c) deletes the Medicare Part B premium surcharges for late enrollment and the definition of "continuous period of eligibility." Also requires individuals who receive cash benefits under the Social Security program to pay any balance due, if such cash payments are less than premium payments for health insurance. Authorizes payments from general revenues for the premiums of Medicare beneficiaries who are also SSI-eligible indivduals.

TITLE VI—PART B

Subpart VI—Miscellaneous Medicare and Social Security Act Amendments

Subpart VI—Miscellaneous Medicare and Other Social Security Act Amendments

MISCELLANEOUS MEDICARE AMENDMENTS

Section 635(a) repeals Medicare provisions relating to the establishment of the Health Insurance Benefits Advisory Council (HIBAC) and determinations of entitlement of individuals to the Medicare program, and to appeals thereof.

Section 635(b) applies various provisions of title II of the Social Security Act relating to such matters as evidence, procedure, etc., to Medicare and to the Health Care for All Americans Act. Designates, where appropriate, responsibilities for certain actions to the Board in lieu of the Secretary of HEW.

Section 635(c) designates the Chairman of the Board as the administrator of the Medicare program, in lieu of the Secretary of HEW.

Section 635(d) deletes certain studies from the list of studies pertaining to the Medicare program.

Section 635(e) amends Medicare provisions relating to penalties for certain acts to extend such provisions to the Health Care for All Americans Act.

Section 635(f) extends Medicare provisions relating to limited beneficiary liability under certain circumstances to the qualified health plans under the Health Care for All Americans Act, and makes various other conforming changes.

RESIDUAL MEDICAID PROGRAM

Section 636(a) replaces the present Federal Medicaid-matching arrangement with a new temporary arrangement to remain in effect following the first date on which benefits become available under the Health Care for All Americans Act.

Under the new arrangement, the Federal Medicaid payment is to be equal to "excess State payments." "Excess Payments" are to be calculated in the following manner: for any calendar quarter, expenditures (excluding Federal expenditures) made by a State for Medicaid services provided for a period of at least two years prior to January 1st of the "first effective year" are to be added to a State's expenditures for premiums paid under the Health Care for All Americans Act on behalf of certain AFDC-eligible individuals. From such sums is to be subtracted the product of the expenditures (excluding Federal expenditures and the expenditures for one month for the premiums on behalf of certain AFDC, SSI and certain other recipients) of the State for the quarter prior to the "first effective year" and calculation of the "factor for growth."

Specifies that the term "first effective year" is the first year in which benefits are provided under the Health Care for All Americans Act. The term "factor for growth" is the ratio of total anticipated expenditures under the annual budget of the Board for any quarter to the total anticipated expenditures under such budget for the first quarter of the "first effective year."

Increases the Federal share of certain other State Medicaid expenditures: (A) for the training and compensation of skilled professional personnel, from 75 to 90 percent; (B) for operation of management information systems, from 75 to 90 percent; and (C) for general administration, from 50 to 90 percent. Deletes increased matching rate for family planning services.

Section 636(b) counts as medical assistance under present Medicaid-matching arrangements premium payments of a State on behalf of certain recipients for the month of December of the year before the first effective year.

Section 636(c) establishes certain additional State Medicaid plan requirements. Requires States to continue to provide such care and services (other than those covered under the Health Care for All Americans Act), in the amount, duration and scope, as were covered by the States in the quarter before the first effective year of the program (or those which are specified in regulation by the Board). Requires States to pay premiums on behalf of AFDC-eligible recipients. Requires States to reimburse providers in a manner consistent with the methods established by the Board. Permits imposition of enrollment fees, premiums, deductions, and other cost-sharing only in amounts permitted by the Board. Permits the Board to prescribe other standards, relating to quality of services and reimbursement.

Section 636(d) makes various technical and conforming changes in the Medicaid program.

Section 636(e) requires any State that does not have a Medicaid program to enter into an agreement with the Board under which the State agrees to pay premiums on behalf of AFDC-eligible recipients and certain other persons, and receives financial assistance from the Board in a manner comparable to the methods described above. Provides that failure to enter into such an agreement results in loss of funds from the Health Resources Distribution Fund and under title VI of the Social Security Act.

PART A OF TITLE XI

Section 637(a) amends Section 1121 of the Social Security Act to extend the provisions for uniform reporting to the Health Care for All Americans Act.

Section 637(b) repeals Section 1122 of the Social Security Act relating to limitations of Federal participation for capital expenditures.

Section 637(c) repeals Section 1123 of the Social Security Act relating to programs for determining the qualifications of certain health care personnel.

Section 637(d) amends Section 1124 of the Social Security Act to extend the provisions for disclosure of ownership and related information to the Health Care for All Americans Act.

Section 637(e) amends Section 1126 of the Social Security Act to extend disclosure requirements of certain persons who have been convicted of certain offenses to the Health Care for All Americans Act.

TREATMENT OF CERTAIN PREMIUM PAYMENTS UNDER SSI AND AFDC PROGRAMS

Section 638(a) excludes from the definition of income of SSI recipients any health premiums paid pursuant to the Health Care for All Americans Act by or on behalf of such persons.

Section 638(b) excludes from the definition of income of AFDC recipients any health premiums paid pursuant to the Health Care for All Americans Act by or on behalf of such persons. Requires State AFDC plans to provide for payment of such premiums for State enrollees.

TITLE VI, PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

Part C—Miscellaneous Amendments to Other Acts

Section 641(a) amends Section 213(a) of the IRS Code of 1954 by eliminating the present deduction for amounts paid during a taxable year for health insurance. Permits deduction for amounts of medical expense, not compensated for by insurance or otherwise, in excess of 3 percent of adjusted gross income.

Section 641(b) amends Section 44 of the IRS Code adding a new excess health insurance credit for impacted employers, equal to the amount determined under Section 341(b) of the Health Care for All Americans Act.

Section 641(c) amends the IRS Code to establish special rules for computing the impacted employer credit for controlled groups of corporations; employees of partnerships, proprietorships; etc.; in the case of acquisitions or dispositions; in the case of changes in status from self-employed to employee-status; for subchapter S corporations; and for estates and trusts.

Section 641(d) amends the IRS Code to apply the provisions of Section 641 to the taxable years which begin during the period of 3 calendar years beginning with the first calendar year in which benefits are provided under the Health Care for All Americans Act.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

Section 642(a) amends certain provisions of title XIII of the Public Health Service Act relating to health maintenance organizations (HMOs) by eliminating the authority to impose nominal payments for the provision of specific services.

Section 642(b) amends organizational requirements for HMOs, by requiring an open enrollment period in accordance with the provisions of the Health Care for All Americans Act. Requires both private and public HMOs to have advisory boards composed of at least one-third HMO members and equitable representation from medically underserved populations served by the HMO. Deletes requirements that HMOs provide medical social and health education services.

Section 642(c) amends definitions of basic and supplemental services of HMOs, by defining basic services as those services described in Part A of title II of the Health Care for All Americans Act. Adds to the definition of supplemental health services: medical treatment and referral for alcohol abuse or addiction, and home health services and preventive services not included as basic services.

Section 642(d) deletes existing requirements for employers to provide an HMO option in their health benefit plans. Makes various other conforming and technical amendments.

● Mr. WILLIAMS. Mr. President, I am pleased to join today with Senator KENNEDY and others in introducing the Health Care for All Americans Act.

The bill represents over a decade of hard work by Senator KENNEDY and the Committee for National Health Insurance. Over the years, a variety of proposals have been developed by the committee and debated in the public forum. This new legislation reflects the collective wisdom and expertise of the committee's experiences. Perhaps most important, the bill confronts today's fiscal realities without compromising the committee's principles of comprehensive benefits, universal coverage, strong cost controls, system reforms and quality assurance.

As a nation we are only beginning to understand the relationship of quality health care to the stability of our economy and the well-being of our society. Quality health care is not a luxury. It is a right, just as basic education is the right of every American.

The need for the Health Care for All Americans Act is clearly reflected in the achievements and failures of the present health care system in improving the health of Americans.

Our achievements are many. In the past 15 years, the difference in infant mortality rates for nonwhites and whites has been cut in half. In the past 10 years, deaths from heart disease have decreased by 22 percent and the life span of Americans increased by 2.7 years.

Yet much remains to be done as illustrated through comparisons of the health status of Americans with other industrial nations.

Twelve other countries are more successful in preventing death from cancer. Eleven countries have lower rates of infant mortality. Life expectancy is higher for men in 14 countries and higher for women in 6.

In addition, basic health benefits are unavailable or inadequate for over 20 percent of the American people, particularly the elderly, the disabled, and the working poor. They cannot afford to be ill.

Today's bill confronts these and other failures of our complex American health care delivery system. It responds to our needs for a national health policy; a policy which treats all Americans equally. No distinctions are made between benefits or quality of care received by the poor, the elderly, the middle class, or the rich. The Health Care for All Americans Act utilizes the private insurance companies, rather than Government, to administer the program. Consumers are given freedom of provider and health plan choice. It gives providers freedom of choice of practice mode. It controls health expenditures while minimizing Federal interference in the day-to-day operations of providers through a prospective budgeting system.

The provisions of this bill will come under intense scrutiny by the Senate and will be compared with alternatives offered by Senator Long, President Carter, and others. In examining the issues, the crucial question will be how much the current economic situation will permit us to spend on health care.

If the Health Care for All Americans Act was enacted in fiscal 1980, it would cost $28 billion. But under the act, the total cost of health care will be less within a few years than it would be under current programs because of the immediate and long-range cost control requirements of the bill. Despite this important fact, we will probably be unable to afford to provide all proposed benefits to all Americans now. Benefits for other than the most seriously ill, the elderly, and children may need to be delayed until our economy is less inflationary and we can demonstrate that health care costs can be stabilized. This is no reason to delay enactment of the cost controls and other structural reforms of the health care delivery system. Without these reforms no national health insurance plan can succeed. Among the current legislative proposals, only the Health Care for All Americans Act includes the necessary controls.

As chairman of the Senate Committee on Labor and Human Resources, I look forward to committee debate on the national health insurance. I am eager for the challenges and opportunities it will present the Senate.●

● Mr. JAVITS. Mr. President, I am pleased to cosponsor the Health Care for All Americans Act. It is designed to effect necessary structural reforms in how we pay for medical treatment and in how health care delivery is distributed across the country. In this way, in my judgment, we can be on the way to insuring to every American the right of access to adequate health care at reasonable cost.

Mr. President, now is the time to choose sides on the issue of a national health plan. The introduction of this bill will crystalize the great debate that has come to focus now on but two alternatives—enactment of a national health plan that addresses the needed reforms and establishes the necessary administrative structure, or enactment of a narrow bill for catastrophic health insurance that will not deal with the problems and only will further aggravate the impediments that now exist in health care delivery and financing. Let there be no mistake about the consequences of this choice; we are now paying a heavy price for our earlier inability to act in order to address runaway costs, maldistribution of health care services, and the tragedy facing millions of Americans who have no health insurance at all or clearly inadequate coverage. We cannot afford to continue to ignore the extent and persistence of these problems.

Catastrophic health insurance alone will not control health care costs, it will aggravate them. Catastrophic health insurance alone will not solve the problems faced by thousands of communities with inadequate health care services—it will perpetuate them. Catastrophic health insurance alone will not benefit the millions of Americans without adequate health insurance—it will benefit only a miniscule percentage of those urgently needing medical care.

The comprehensive bill introduced by Senator KENNEDY, myself, and six other Senators today is a realistic and pragmatic response to the need for action. It is far remove from earlier proposals which advocated a unitary Government-run national health system.

The Health Care for All Americans Act is based upon the need for a strong private sector role, minimizes the additional costs to the Federal budget, reduces the regulatory burden on health care providers, and is easily adapted to being phased-in over time in order to smooth implementation and cushion its fiscal and economic impact.

These features are consistent with my long-held position on the need for national health legislation. I have always believed that adequate health care should be a right to be enjoyed by all Americans regardless of economic means, location, age, race or religion. I have vigorously advocated the adoption of broader health insurance benefits by the Congress since 1949, when I introduced my first national health insurance bill as a Member of the House of Representatives. Since that time, as a member of the Senate Labor and Human Resources Committee, I have introduced 14 major bills designed to provide comprehensive health insurance protection to the people who most need it.

Today, the need for a comprehensive national health plan is greater than ever. An estimated 18 million Americans have no health insurance whatsoever, and another 18 million have only inadequate coverage. We should no longer accept a health care system that leaves 36 million citizens without access to its benefits at a reasonable cost. There is no need to permit almost one person in six to continue to live without this most basic of human rights—the right to adequate health care when needed.

Mr. President, public opinion poll after public opinion poll has demonstrated wide support for a comprehensive national health plan. In a recent poll conducted by the New York Daily News, nearly 8 of 10 New Yorkers surveyed favored adoption of a national health insurance plan. In fact, half of those polled said that they would support a plan even if it meant higher taxes.

The American people have put the need for a national health plan high on the agenda of the 96th Congress. The President has proposed a first-stage plan and many Senators and Representatives have announced their own versions of a national health bill. In my judgment, the issue is no longer whether or not we need a national health plan. We simply cannot responsibly afford to go without one. The financial crisis that runaway medical costs have generated has combined with this Nation's long-nurtured goal of universal health insurance in this Congress to produce a mandate for action.

The real issue today is, therefore, one of implementation: How to structure a national health plan in such a way as to build upon the strengths of our existing health care providers, yet encourage needed innovation and cost-efficiencies, while fairly allocating the costs of expanded services in a noninflationary manner. These are complex and difficult issues which cannot be addressed in isolation from every other facet of health insurance, organization and delivery.

I have earlier introduced Senate Joint Resolution 21, which would overcome the fragmentation that currently exists in both House and Senate committee jurisdiction in the health policy area and would permit a truly comprehensive resolution of the difficult issue of implementation of a national health plan.

The bill we introduce today is based upon the emerging national consensus with regard to three of these implementation issues: First, that the plan should utilize the strengths of the private insurance industry in administration, claims management, and handling of premiums, and also to minimize the Federal budgetary impact of broader health insurance protection; Second, that the plan should establish incentives favoring cost-efficiencies; and Third, that the plan should address the need for reforms in the organization and delivery of health care services.

The administrative and budgetary impact can be further minimized through a gradual phasing-in of the full plan. The Health Care for All Americans Act can easily be phased to accomplish this objective by both population and cost-sharing mechanisms. Thus the bill is firmly within the practical realities of today's fiscal and economic concerns.

Mr. President, I would like to discuss the three major characteristics of the Health Care for All Americans Act which are based upon these themes.

First, the bill is premised upon and strengthens the established pattern of employment based private health insurance coverage. This approach both reduces costs to the Government and builds upon the strength of the private sector. Employers already provide some type of health coverage for over 69 million employees, over 80 percent of our work force; 85 million more are insured as dependents of these employees. This insurance is financed by some $41 billion in annual premiums. I see no need for the Government to attempt to administer this sum.

The bill builds upon the established system by requiring employers to offer insurance covering a minimum benefit package, and by requiring coverage to be continued for employees whose employment status changes during the year. Employers who already meet these standards will be, in effect, exempt from the bill.

The bill would also strengthen the private sector insurance role by adding provisions designed to encourage active competition. The bill would give most employees a choice among at least two different insurance or HMO providers. The insurers will be encouraged to compete in offering extra benefits or cash rebates in order to attract subscribers. Insurers and HMO's will enjoy an expanded market in addition to the right to invest prepaid premiums. In sum, the bill would strengthen the role of the private sector by expanding the market for insurers, introducing increased competition among insurers, and maintaining administration of premiums and payment of claims within the private insurance industry.

Second, the bill would introduce the necessary systemic measures to control costs. Today, the third party reimbursement system is the primary reason costs are expanding beyond our ability to pay. Consumers on average pay only 6 percent of hospital bills and 39 percent of physicians' fees. Providers are reimbursed for whatever services they themselves decide to provide. It is not surprising under these circumstances to find that health expenditures nationally rose from $127.7 billion in 1975 to an estimated $206 billion in 1979, or that health care as a percentage of GNP grew from 8.6 percent in 1975 to 9.1 percent in 1979.

Forceful action is needed to change this pattern. The bill incorporates two principal tools that are absolutely vital to better management of our health budget—prospective budgeting for hospitals; and negotiated fee schedules for fee-for-service providers.

I believe that the consequences of continuing our present course in runaway health spending are both well known and disastrous. Only prospective budgeting and negotiated fee schedules are likely to bring costs under effective management without impairing the quality of service.

Finally, the Health Care for All Americans Act is designed to encourage needed reforms in the organization and delivery of health care services. The bill will help remove the barriers, other than insurance, which continue to impede access to health care for millions of Americans. Approximately 50 million—almost one-quarter of our population—live in areas of the country which suffer from a serious shortage of health care services.

The bill would help States reduce many of the disparities in fee schedules which now induce physicians to concentrate in wealthier areas. It would also establish a health resources and development fund to support new services in previously underserved areas.

Efficiency in health care delivery can be dramatically improved. Many medical services are today delivered in inappropriate and high-cost settings—simple procedures and routine tests are performed in hospitals because insurance coverage is limited to inpatient services. Cost-effective preventive care is neglected for lack of adequate reimbursement. When the average cost for 1 day of hospitalization has grown to $203, as it has today, we must encourage alternatives to keep unnecessary hospitalization to a minimum.

The bill provides for unlimited routine and preventative care in appropriate settings. Physicians' visits, diagnostic tests, and immunizations will be fully covered.

A major area of prevention that must be quickly implemented under a national health plan is comprehensive health care for mothers and children. Nothing is more precious to our children than their health. I have long advocated greater support of maternal and child health programs, but major deficiencies persist. The Health Care for All Americans Act would provide for all basic immunizations, pre- and post-natal care, and well-baby care. Children up to age 18 would have unlimited physician visits. These benefits would go a long way toward protecting the health of our children. Child health benefits are cost effective. These benefits are the soundest investment we can make in the future of our Nation.

The Health Care for All Americans Act would greatly benefit those most in need of better health care services—our poor and our elderly. The "dual-class" system that has inhibited the services available under medicaid would be eliminated by shielding the source of payment information from the provider. States and localities would enjoy substantial fiscal relief as many persons now eligible for medicaid would be covered under either private sector or federally paid premiums.

Perhaps the largest beneficiaries of the bill's provisions are this Nation's medicare recipients. Their cost sharing would be eliminated and their benefits broadened.

The bill has been designed to spread the cost of adequate health protection as broadly as possible, in order to minimize the short-term economic effects of higher premium payments in the private sector. We must remember, however, that in the long term only a program such as the one in this bill is capable of controlling health care expenditures while at the same time insuring adequate levels of services.

Mr. President, the themes incorporated in this measure that I have elaborated are based both on an emerging consensus as to what threatens the future of health care in this country and what must be done by way of a cure. They are not radical or impractical. This is no time for rhetoric—it is a time for action. Either we face up to the need to look at health care as a complete system in legislation such as this, or we default the chance to better manage this critical service by considering only narrow "catastrophic" insurance programs. The needs of the American people require no less than enactment of a comprehensive national health plan and I submit that the bill we introduce today is worthy of the earnest consideration of every Senator concerned about health care.●

● Mr. METZENBAUM. Mr. President, I am pleased to join the Senator from Massachusetts in introducing the Health Care for All Americans Act of 1979.

I believe that quality medical care should be a fundamental right for all Americans, and I believe that a comprehensive national health insurance program is the first essential step toward securing that right.

For many years now, the American people have heard from Presidents of both parties that the Nation cannot afford national health insurance. But the fact is, Mr. President, that we cannot afford to be without national health insurance.

Health care is now the third largest industry in this country. In fiscal year 1978, Americans spent $138 billion—8.8 percent of the GNP—on health care.

In that same fiscal year, more than 12½ cents of every Federal tax dollar—a total of nearly $60 billion—went for health care. And spending in the health care industry continues to rise at an annual rate of 12 percent.

Yet, despite increased costs, despite the most advanced health technology in the world, despite very competent practitioners, and despite the new and important research findings occurring every day, our Nation still does not rank in the upper 50 percent among developed nations with respect either to infant mortality or adult mortality.

These statistics are shameful and to make matters worse, there are persistent inequities in health among the subgroups of our population. Racial minorities in the United States still have a life expectancy that is 6 years less than the majority population. And the mortality rate among minorities is 40 percent higher than it is for whites.

I believe that it is scandalous that our system distributes quality medical care on the basis of ability to pay. The system provides the well-to-do with the world's best in services and care, and it leaves the less privileged to cope as best they can.

Too many people in this country—poor people, people living in rural areas—do not have access to the medical services they require. Too many people in this country, too many of our average working people, do not qualify for existing Government programs and do not have comprehensive and expensive medical insurance. These Americans go without medical care because they simply cannot afford it.

At least 20 million Americans have no health insurance coverage at all; of these, about 13 million have incomes above the poverty line.

More than 18 million Americans have inadequate insurance that fails to cover basic hospital bills, doctors' bills, or medical tests.

About 85 million Americans—40 percent of the population—do not have insurance against very large medical bills.

Private health insurance often does not cover preventive and ambulatory services—those which are among the most beneficial and cost effective.

Some people argue that medicare and medicaid provide health insurance coverage for the elderly and poor. But the fact is that these Americans can be denied care if the doctor refuses to accept assignment. Moreover, the elderly and disabled, who live on fixed incomes, are not completely compensated by medicare. They must still cover the deductible and coinsurance portions of their medical expenses. If the fee is substantially above the medicare-allowed rate, and the doctor refuses to accept assignment, the elderly patient can often be held liable up to an amount equal to or even greater than that paid by medicare.

Catastrophic health insurance proposals alone will not help these Americans. In fact, any program that is not comprehensive in nature will become a disaster over the long term. It will add to the inflationary spiral of health care costs by encouraging expensive care services where they are not required; it will further skew the inequitable distribution of practitioners away from the rural areas; and it will fail to deal with problems of access to care by leaving the present delivery system intact.

I believe the time has come to modify that system and create a link between our country's medical resources and those Americans they are designed to serve. This Nation needs a new, better, and more equitable way to meet the health needs of its people.

It is my conviction that the best way to create that link and to meet those needs is a comprehensive national health insurance program as detailed in this bill.

The President has told us that we cannot afford a comprehensive national health program at this time. He says that the money is not there.

However, if this Nation can find $125 billion a year to protect us from hostile foreign powers, we can also find $28 billion to protect our people from sickness, suffering, and financial ruin; if we can find $4 billion a year to explore the vast reaches of space, we can also find the money to improve health here on Earth; and if our national economy can tolerate a decontrol giveaway to the oil companies of $100 billion between now and 1985, we can surely find the resources to meet the pressing health care needs of this Nation.

I believe that the time has come to decide what is truly important for this Nation's future; the time has come to translate talk about national priorities into concrete action; the time has come to guarantee affordable and quality medical care as a fundamental right for every American; the time has come to enact comprehensive national health insurance.

For the sake of the health and welfare of our people, I am proud to stand up as a firm supporter of the Health Care for All Americans Act. And once again, I would like to commend Senator KENNEDY, Congressman WAXMAN and the other members of the Coalition for National Health Insurance for their diligence in this admirable effort.●

● Mr. RIEGLE. Mr. President, I am pleased to join Senator KENNEDY today in introducing the Health Care for All Americans Act.

Although our Nation can boast of one of the most sophisticated health care systems in the world, too many of our citizens are denied the health care they need because of inadequate health insurance protection. Eighteen million Americans have no health insurance protection at all. Another 19 million Americans have health insurance which fails to cover them against basic hospital costs, doctor bills and medical tests. And a staggering 43 million Americans have no protection against the oftentimes ruinous medical bills which can accompany chronic or catastrophic illness and injury.

These statistics measure social injustice, as much as they reflect the failures of our present patchwork system of public and private insurance. The time is long overdue when every American—regardless of his or her income or age, where he or she lives or where he or she works—can count on access to basic medical care.

The Health Care for All Americans Act would extend protection against the costs of illness and chronic disease to all Americans. Every citizen would be covered for the basic costs of hospital care, physician services, laboratory tests, X-rays, ambulance services and medical equipment. Certain preventive services are included, as are limited benefits for home health care, nursing home care and mental health services.

As chairman of the Senate Subcommittee on Alcoholism and Drug Abuse, I feel a special responsibility to describe the bill's impact on the 10 million Americans who are directely affected by alcoholism and alcohol abuse, the third greatest cause of death in the United States.

Because the Health Care for All Americans Act is designed to provide health care for individuals rather than for a limited list of diseases, benefits are defined in terms of covered services, not covered conditions. Individuals suffering from alcoholism and alcohol-related health and mental health conditions are covered on an equal footing with those suffering from other illnesses, within the context of covered inpatient, outpatient, and mental health care where each is appropriate.

The act covers unlimited inpatient hospital services provided in general acute care hospitals and qualified residential alcoholism treatment centers which meet licensing and certification standards for the hospital services they provide. All hospital services provided by State-licensed, accredited residential alcoholism treatment centers would be covered under this provision.

Similarly, outpatient physicians' services and laboratory tests provided by outpatient alcoholism clinics attached to hospitals or eligible residential centers would be covered without limitation. These services would also be covered when provided to alcoholics or those suffering from alcohol abuse in traditional outpatient settings and physicians' offices.

Alcoholics requiring mental health-related care will be eligible for inpatient care up to 45 consecutive days of active psychiatric treatment, provided no such care has been utilized in the previous 60 days, in either psychiatric hospitals or residential alcoholism treatment centers which are licensed to provide inpatient psychiatric care. For each day of this inpatient psychiatric benefit not used, an individual would be eligible for 2 days of outpatient mental health day care services in a community mental health center, an alcoholism treatment center qualified to provide outpatient mental health care, or a similar setting.

Counseling, group therapy, and related mental health treatment for alcoholism provided in outpatient settings would be covered up to a cost set at an amount equivalent to 20 psychiatric visits, which are generally among the most expensive forms of treatment. These services are covered if provided in a psychiatrist's office, in a community mental health center, in an alcoholism treatment center qualified to provide such mental health care, or in a similar outpatient facility, including an outpatient alcoholism program attached to an inpatient hospital or alcoholism facility. This mental health benefit would also be available to "significant others"—spouses, children, and family members who are affected by an alcoholic's illness, for example—who require mental health treatment on this basis.

For individuals eligible for medicare, the National Health Board established under the act will establish a list of diseases and conditions found to be chronic and the drugs to be covered for each such disease and condition. Antabuse is an example of the kind of drug which could be made available without cost under this provision for alcoholics who qualify for medicare coverage. The Board is also authorized, upon the advice of a panel of experts, to authorize preventive services which are deemed likely to be effective, if the first-year cost would not exceed $500 million.

Americans suffering from drug abuse or addiction or from drug-related health and mental health conditions will be eligible for the same kinds of services. The act will thus help reduce the Nation's annual economic loss of more than $50 billion from alcoholism and drug abuse. Experience in the insurance industry indicates that providing such alcoholism and drug abuse coverage will also decrease inappropriate utilization of other health services.

The Federal Government must, of course, maintain its commitment to the battle against alcoholism and other addictions. In the long run, we need much more extensive educational and preventive campaigns, such as those conducted by the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, and the Office of Education's Alcohol and Drug Abuse Education Program. Passage of the Health Care for All Americans Act will not mean that we have solved the Nation's alcoholism and drug abuse problems. It will mean, however, that the millions of Americans suffering from these diseases, like Americans suffering from other diseases, will have access to quality health care without regard to their income.

Equally important, the Health Care for All Americans Act offers important new tools for restraining the growth in health care costs and encouraging badly needed competition in the health care market place.

Over the last decade, increases in health expenditures have outpaced virtually all other price increases in the national economy. Health care costs are roughly doubling every 5 years. The proportion of our gross national product allocated to health care has risen from 5.2 percent in 1960 to an estimated 9.1 percent in 1979. Unless something is done, this figure will increase to 10.2 percent of GNP by fiscal year 1984. In 1968, the average cost of a hospital stay was $56 a day. By 1977, it had climbed to $183 a day. By 1984—unless we take action—it will reach $400 a day.

This alarming inflation in health care costs—and the staggering increase in Federal spending for health services which it triggers—must be turned around. It has reduced the purchasing power of our citizens, particularly the poor and the elderly. It has strained the national economy. It is rapidly eating away at the Federal budget.

The Health Care for All Americans Act, by instituting strong cost controls and incentives for cost efficiency across the board, will give us the tools we need to bring this costly escalation in health care costs under control. Prospective budgeting for hospitals, negotiated fee schedules for physicians, and incentives for enrollees to join health maintenance organizations and other cost-effective arrangements—all of which are incorporated in this legislation—hold the promise of significantly altering the inflationary forces which are inherent in our present health care system. Insurers who are able to reduce costs could either rebate savings to their enrollees or expand covered services at no additional cost—a provision designed to foster competition among insurers for enrollees and to stimulate negotiation between providers and insurers for reduced rates. Because of these and related provisions, within 4 years after passage of the Health Care for All Americans Act it is estimated that the Nation will actually be spending less for health care than it would if no bill were enacted.

The Health Care for All Americans Act builds on existing programs and relies heavily on the private sector. Private insurers would underwrite and market policies and administer claims processing. Beneficiaries would be eligible to choose between a private insurer and a qualified health maintenance organization. The medicare program would remain in place, but would be expanded to offer more adequate protection to seniors and disabled citizens. States would continue to play a major role in rate setting, planning, qualifying providers and managing a residual medicaid program.

In short, Mr. President, the Health Care for All Americans Act would finally assure that no citizen is turned away from the door of our health care system because he or she cannot afford basic medical care. It would establish strong and effective cost controls and encourage a more competitive health care market place. It would build on existing private and public systems and thereby avoid the need for a massive new bureaucratic structure.

This bill that I and others submit today is a reflection of our thinking at this time. It has been modified and improved from our earlier drafts of national health insurance legislation. Further modifications, refinements, and improvements will be made as we move through the legislative process. I stand ready to work cooperatively and constructively during that process with all the parties at interest: consumers, doctors, insurers, health service institutions, and all others. We must work together in a spirit of openness and good will to develop public law that truly serves the public interest and which is balanced and fair in its final construction.

The American people have waited too long for a national health insurance program which meets these goals. I urge my colleagues to join with me in working for the enactment of the Health Care for All Americans Act.●

● Mr. WEICKER. Mr. President, today, I am pleased to join with Senator KENNEDY and others in introducing the "Health Care for All Americans Act of 1979." I rise to offer my full and bipartisan support for legislation that will shape a new policy of quality and affordable health care for all Americans.

I support a national health program which is based on the principle that all Americans, regardless of age or income, are entitled to the best health care available. The participation of private sector insurers must be included in a health insurance scheme. I believe that the private institutions in this country should work with the Federal Government to make good health care accessible to every American at costs the individual, employer, taxpayer and the Nation can afford to pay.

The citizens of this country do not need economic advisors or the Consumer Price Index to tell them that health care costs are going up. In 1978, Americans spent an estimated $183 billion on health care services—about $750 for each person, or more than $3,000 for a family of four. Besides health care, the present inflationary state of the economy affects other necessities of life; this includes housing, food, and education. The future of an individual or family is maimed with the prospect of financial bankruptcy.

In addition, according to the Department of Health, Education, and Welfare, in fiscal year 1979, Federal outlays for health care are estimated to be $62 billion. In 1966, a year before medicare and medicaid, the Government shared 26 percent of the Nation's health bill; today it is 42 percent. In nearly three decades, the share of our gross national product accounted for by health care expenditures has risen steadily from 4.5 percent to over 9 percent.

Mr. President, whatever the reason is for this leap in health care expenses—waste, the growth and aging of the population, income and general inflation trends or changes in consumer preferences which may demand more and better health care—I believe it is incumbent upon this Congress to enact legislation that would protect Americans from skyrocketing medical bills while providing the needed quality care.

The legislation being introduced today by Senator KENNEDY, the Health Care for All Americans Act, offers a proper and measured response to this health care dilemma.

The health care industry in this country includes: the individuals, groups and hospitals that provide the care, including HMO's; the organizations through which consumers pay for it, like Blue Cross and commercial insurers; and finally, the Federal Government which guarantees adequate health care for the aged and poor through medicare and medicaid. The focus of the Kennedy health care program is on the entire health care industry. In doing so, this plan provides universal and comprehensive coverage, cost and quality controls system.

Mr. President, this legislation is designed to assure every American choices among the best health plans our Nation's private sector insurers have to offer and free choice of provider of health care at an affordable cost. An individual can freely choose those health services he or she desires from a member of any of the four national consortiums: a commercial insurance company; Blue Cross-Blue Shield; a qualified health maintenance organization; or a prepaid, independent practice association. A special consortium will be available for those health plans which are directly or jointly administered by unions and employers. With these choices, competition is built into the health program; competition means efficiency. And, by better administration or agreements with doctors or hospitals to give care for lower rates, efficient insurers could offer subscribers cash rebates or added benefits. Profit would be the incentive and reward for efficient operation.

The Government's role, then, is to guarantee comprehensive health care coverage to every American. There will be full coverage of inpatient hospital services, X-rays, and lab tests. Costs of catastrophic illness will be covered since there will be no arbitrary nonmedical limits on the number of hospital days or physician visits. To the private sector insurers, this will not mean that they cannot continue to market insurance, including supplemental coverage not mandated under the plan.

In addition, they can continue to collect income-related premiums under the rules of their consortium, adjust those premiums to area cast and enrollee risk, and pay health care providers the maximum fee allowable under the area's prospective budget. Mr. President, there is no proposal before this Congress that will offer a more competitive role for the private insurers and allow growth and development than this bill.

For the poor and near poor, this legislation would replace medicaid with a uniform national health plan of all mandated benefits. Medicaid will cover only those services such as long-term nursing care which are not incorporated in the national health insurance plan. The States will contribute only what they are presently spending for medicaid, and no more. Therefore, this program will insure adequate coverage for those who need our special care and will insulate the States from burgeoning medical costs.

For the elderly and eligible disabled, this legislation will extend and improve medicare in the first year of implementation of the act by injecting over $20 billion in new benefits to the disabled and all persons 65 years of age or over. Some of the new benefits include prescription drugs, hearing aids and examinations, and eye examinations. Under this act, senior citizens will no longer have to pay 38 percent of their medical bills; no deductibles or coinsurance. In this way, they will be insured from being financially wiped out. Finally, physicians will no longer bill medicare beneficiaries but will be paid directly by the insurance company.

Mr. President, a unique aspect of the Kennedy health plan is that because of the immediate and long range cost control application, total costs of health care within 4 years of passage will be less than they would be under current programs. The budgetary impact in the first year is estimated to be $40 billion. But, over $20 billion would be for coverage of the poor and for improving medicare.

Mr. President, I must stress that a piecemeal approach of building upon the existing system is not the way to guarantee quality and affordable health care to every American in this country. What is needed is embodied in the Kennedy Health Care for All Americans Act: comprehensive benefits; universal coverage; the strongest possible quality and cost controls; system reforms to encourage preventive medicine and prepaid group practice. In addition, it gives a meaningful role to the private sector insurers. If we build on the best in both the private sector and the Government, we will attain that goal.

The Health Care for All Americans Act of 1979 makes sense. To me, this is what a national health insurance plan should include; what the Congress should pass; and most importantly, what the people of this country deserve. Again, I am pleased to lend my support to this legislation and will push actively for its adoption during this Congress.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced today by Senator KENNEDY for himself and others dealing with health care be referred jointly to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. MORGAN:

S. 1721. A bill for the relief of Erasmo Ramitrez Cruz, Jr., M.D., and Emelito Riego de Bios Castor Cruz, M.D., husband and wife; to the Committee on the Judiciary.

● Mr. MORGAN. Mr. President, today, I am introducing a private bill for the relief of Drs. Erasmo and Emelito Castor Cruz, who now reside in Brooklyn, N.Y.

These two doctors, husband and wife, came from the Philippines in 1974 to do their internship and residency. They passed the Federal licensing examination, and have been licensed in New York and Maryland. They have concluded their studies this summer and they plan to settle in Norwood, N.C. The major obstacle to their appearing before the North Carolina Board of Medical Examiners and being licensed in the State is an emigration point.

Norwood, Mr. President, is like many rural communities in this country—it has no, I repeat—no doctors. Yet, here we have two doctors, trained in the United States, not overseas, ready to come to this small town and provide it with needed medical attention. This is not the case of some doctors who attempt to come to our country directly from overseas, without any familiarity with our medical procedures and practice.

These two doctors offer this small community the opportunity for nearly complete medical coverage, as one is a pediatrician and the other is a general practitioner. Facilities are available for their use and the community has expressed interest in their coming to live in Norwood.

Norwood has been designated to be a medically depressed area by the Department of Health, Education, and Welfare. It appears that private legislation is the proper course in this case to manage the immigration question and to move quickly to provide this community with adequate medical attention.●

ADDITIONAL COSPONSORS

S. 93

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 93, a bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 110

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 110, a bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business.

S. 111

At the request of Mr. BUMPERS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 111, a bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress.

S. 252

At the request of Mr. GLENN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 252, the Anti-Arson Act of 1979.

S. 259

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 259, a bill to establish the goal of reducing Federal paperwork costs by 225 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes.

S. 326

At the request of Mr. BUMPERS, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 326, a bill entitled the "Taxpayers' Bill of Rights Act."

S. 414

At the request of Mr. BAYH, the Senator from South Carolina, (Mr. HOLLINGS), and the Senator from New Hampshire, (Mr. DURKIN), were added as cosponsors of S. 414, the University and Small Business Patent Procedures Act.

S. 487

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 487, a bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in original issue stock of small businesses.

S. 506

At the request of Mr. BAYH, the Senator from Vermont, (Mr. LEAHY), and the Senator from Massachusetts, (Mr. TSON-

GAS), were added as cosponsors of S. 506, the Fair Housing Amendments.

S. 653

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 653, a bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain in the proceeds from the sale of incentive stock if those proceeds are reinvested in such stock, and for an incentive in basis for incentive stock held for certain periods.

S. 793

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 793, a bill to amend the Small Business Act.

S. 1090, S. 1091, AND S. 1092

At the request of Mr. TALMADGE, the Senator from Texas (Mr. TOWER), the Senator from Montana (Mr. MELCHER), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1090, S. 1091, and S. 1092, bills to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to church plans.

S. 1096

At the request of Mr. STEVENS, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1096, a bill to amend title 39, United States Code, to provide for an extension of the provisions of section 3626(a) relating to reduced rates.

S. 1179

At the request of Mr. BAYH, the Senator from Mississippi (Mr. COCHRAN), was added as a cosponsor of S. 1179, a bill to incorporate the Gold Star Wives of America.

S. 1268

At the request of Mr. BAYH, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from New York (Mr. MOYNIHAN), were added as cosponsors of S. 1268, the Gasohol Marketing Freedom Act.

S. 1364

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1364, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station to obtain excess property from the United States.

S. 1424

At the request of Mr. JAVITS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1424, the International Health Act of 1979.

S. 1465

At the request of Mr. TALMADGE, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1486

At the request of Mr. CHURCH, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

S. 1592

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1592, the Financial Regulation Simplification Act of 1979.

S. 1608

At the request of Mr. RIEGLE, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1608, the National Employment Priorities Act of 1979.

S. 1711

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1711, a bill to amend the authorization for the Santa Ana River flood control project in the State of California.

SENATE RESOLUTION 216

At the request of Mr. PROXMIRE, the Senator from North Dakota (Mr. BURDICK) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Resolution 216, a resolution relating to the construction of office buildings for the Senate.

AMENDMENT NO. 363

At the request of Mr. MCCLURE, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of amendment No. 363 intended to be proposed to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

AMENDMENTS SUBMITTED FOR PRINTING

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 400 THROUGH 402

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for Mr. HATFIELD) submitted three amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal Reclamation Law, as amended and supplemented, and for other purposes.

Mr. STEVENS. Mr. President, on behalf of the Senator from Oregon (Mr. HATFIELD), I submit three amendments to S. 14, the Reclamation Reform Act of 1979.

I ask unanimous consent that a statement by Senator HATFIELD relating to these amendments be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HATFIELD

A great deal of controversy and criticism has surrounded S. 14, the Reclamation Reform Act of 1979. Before the Senate immerses itself in debate over conflicting facts and scenarios, I would like to take this opportunity to discuss briefly the history of reclamation in the West and explain my view of how S. 14 stands in the one-hundred year development of this issue.

During the middle of the 19th century the West was being settled by ambitious miners, cattlemen, and traders. The development of agriculture in the arid westlands was very much in question until the 1850's when members of the Mormon Church demonstrated that through proper irrigation these desert lands could be cultivated.

Expansion on this beginning was limited to several small locations because of the inadequate supply of water. Reclamationists at that time had not developed adequate techniques for water storage and delivery. In addition, agricultural developers found that farm practices in the humid areas of the Midwest and South did not apply to the arid region of the West. Congress, as well, found that the Homestead Act of 1862 established public lands policy but did little for growing farm interests in the West. Nevertheless, the passion for land heightened as men and women desired homesteads, and railroad companies and speculators envisioned profit from land investment.

With the passage of the Desert Lands Act in 1877, Congress encouraged agricultural development in the West by authorizing the sale of public lands to any person who could successfully cultivate the desert soil. The statute provided for a twenty-five cent per acre filing fee and an additional dollar per acre sale upon proof of compliance. This, the Federal Government's first major reclamation policy, was to be changed four years later after speculators and large economic interests exploited the law by buying promising parcels and selling the undeveloped land for profit.

During the 1880's and 1890's farmers and reform advocates banded together to form the Farmers Alliance which later became the Populist Party. With strong political support from the West and South, the Populist Party sought to reform federal reclamation policy and rid the country of special interest domination.

Behind the Populist Movement in 1891, Congress passed the General Revision Act which attempted to eliminate abuses and encourage private development of western lands. Farmers of public lands were required to submit plans and had to be residents of the state in which they were filing. Maximum acreage was lowered to 320 acres and title could not be transferred unless an eighth of the land was cultivated within three years.

The next major reform was the Carey Act of 1894, introduced by Wyoming Senator Joseph M. Carey. The Carey Act granted public lands to states which would in turn contract with private construction companies to build irrigation works. By 1902 barely 11,000 acres had been reclaimed of the one million acres which had been turned over by the Federal Government.

After thirty years it was becoming increasingly apparent that if agricultural development of the West was to succeed in the near-term, the Federal Government was going to have to become directly involved in the construction of reclamation facilities.

After 1900, federal reclamation policy became an explosive issue on the national political scene. The 56th Congress began with a number of reclamation proposals and nearly every party and interest group expressed a position on the future of reclamation policy.

Southern and midwestern Congressmen opposed reclamation on the grounds that development of large agricultural interests in the West would compete with existing farm operations in their states. Aid to western irrigators, they argued, would be unfair to farmers in other parts of the country. Supporters brought forward social and financial arguments promising the legislation would relieve population pressures, stabilize the national farm economy, assist the drought-stricken Midwest and, above all, restrict the federal reclamation benefits to families, not corporations, who wanted to reclaim desert lands.

Both supporters and opponents of reclamation legislation were keenly aware of the primacy of water to the development of the West and understood the need to manage the valuable benefits which would be created by federal reclamation projects. Previous reclamation policy did not address these important concerns.

Representative Francis G. Newlands of Nevada introduced the bill which, after several modifications, passed both Houses by a wide margin and which was signed into law by President Roosevelt on June 17, 1902. The Reclamation Act of 1902 represented the culmination of efforts to conform public lands policy to the social and agricultural needs of the nation. While the benefits of reclamation water would flow primarily to western farmers, southern and midwestern representatives played an influential role in seeing that reclamation law was for the benefit of the nation as a whole and not just the seventeen western states.

As we look at the debate surrounding reclamation reform today, these same concerns are expressed. How is Congress to manage the benefits of reclamation water? How is Congress to protect the public's interest from being exploited by land speculators and abused by large agribusinesses? How is Congress to update the 1902 law to meet the agricultural, economic and social needs of today?

The period between 1902 and 1926 was marked by extreme devotion of the Bureau of Reclamation to the engineering aspects of reclamation projects. Many of the economic and social purposes of the 1902 Reclamation Law were put aside to solve the technical problems involved with delivering water. An attempt was made in 1926 to strengthen the economic and social elements when Congress passed the Omnibus Adjustment Act. Further restrictions were placed on speculators and would-be monopolists while the economic burden for small farmers was lifted by suspending $14 million worth of construction costs.

Throughout the '40's, '50's and '60's, development of the West took on a new look. Industry, as well as agriculture, put further demands on the scarce water supply. Multi-use projects were built to meet the growing need for power, irrigation and industrial water supply, transportation, and flood control in western states. Farmers, developers and conservationists clashed over the management and use of natural resources.

The '60's and '70's saw the executive branch and the courts attempt to untangle reclamation policy from the battles of these interest groups of the previous decades. Still, a vague impression of the agricultural and social purposes of the program remained despite the confusion created by various decisions. In 1961 the Department of Interior reversed itself on the question of exempting the Kings River project in California from the provisions of Reclamation Law, deciding finally that acreage limits should apply. The Ninth Circuit Court of Appeals ruled in 1969 to abrogate acreage limits in the Imperial Valley Irrigation District, but nearly contradicted itself by upholding residency requirements.

While the Congress has struggled over the issue of reclamation policy for the past 100 years, it has maintained the agrarian values upon which the reclamation program was founded. Congress has continually recognized the public's interest in reclamation law by upholding safeguards against the program's exploitation by other than the family farmers it was meant to assist. There is grave concern at this time, however, that S. 14 does not adequately protect the public's interest in seeing that the federal subsidy continues to encourage viable family owned farms.

Specifically, I believe the program is vulnerable to abuse in the short-term lease exemption of Sec. 7 of S. 14 and in the pay-out provision of Section 6. Through the loose language contained in these sections a large agribusiness could simply avoid acreage limitations by signing one-year leases or by satisfying repayment obligations before the end of the contract periods.

In addition, I believe that because landholders have been able to sell excess land to business associates and distant relatives to maintain their effective control and benefit, a limited lottery provision should be adopted to allow a farmer to sell only 1280 acres of his excess land at his discretion, or up to 3840 acres to his lineal descendents with the remainder to be sold to other qualified recipients through an impartial lottery.

I believe that these three changes in S. 14 are necessary to preserve the basic intent of reclamation policy in the West. I say this as a member of the Senate from a reclamation state and as a former governor of such a state. Without these amendments S. 14 will effectively allow landholders to benefit from unlimited reclamation water service and will greatly reduce opportunities to expand family farm opportunities in the West. Congress has been conscious of such abuses in the past and should maintain its vigilence in seeing that a meaningful reclamation policy continues.

NOTICES OF HEARINGS

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, has scheduled hearings on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing. The hearings are presently scheduled for Monday, September 17, 1979, in room 6226, Dirksen Senate Office Building at 9:30 a.m.

Any persons wishing to submit written statements for the hearing record should send them to Ben Dixon, 102–B Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, has scheduled a markup session on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing.

The markup will be held in room 457, Russell Senate Office Building on Wednesday, September 19, 1979 at 9:30 a.m.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. DANFORTH. Mr. President, on September 21 at 10 a.m., in room 3302, of the Dirksen Senate Office Building, the Subcommittee on Federal Spending Practices and Open Government will hold hearings on S. 691, a bill to prohibit the use of appropriated funds to lobby members of state legislatures and legislative bodies of political subdivisions. Interested persons should call Christopher Brewster of my office at: 224–6154.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate beginning at 2 p.m. today, September 6; Tuesday, September 11; and Wednesday, September 12, 1979, to hold markup sessions on synthetic fuel measures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. ROBERT C. BYRD. I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the sessions of the Senate on Wednesday, September 12; Thursday, September 13; and Friday, September 14, 1979, to hold hearings on the capabilities of the reconnaissance system of the intelligence agencies of the United States to monitor the provisions of the SALT II treaty.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the sessions of the Senate on September 18, 19, 27, and 28, 1979, to hold oversight hearings on the Federal Trade Commission.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE BRAZILIAN EXPERIMENT IN ALCOHOL FUELS

● Mr. BAYH. Mr. President, to my great satisfaction, interest in the potential of alcohol as an energy source is gathering steam all over this country and, indeed, all over the world.

Last year, the Congress authorized formation of a National Alcohol Fuels Commission, of which I am privileged to be chairman, to help speed commercialization of this new liquid energy supplement. Commission staff recently met in Washington, with one of the leading alcohol experts in Brazil, which has embarked on a major ethanol to energy program. As many of my colleagues are aware, the Government of Brazil is counting on alcohol as a key tool in decreasing that nation's heavy dependence on imported oil—to the point that some predict Brazil will decrease its oil imports by 50 percent by 1985. This would solve several national problems at once: The energy shortage, the world glut in sugar and uneven income distribution and overly rapid urban migration. I hope the Senate will take note of this as we consider energy legislation this fall.

Mr. President, the June and July 1979 editions of Brazil magazine have informative articles on Brazil's efforts. I ask that they be printed in the Record for the information of my colleagues.

The articles follow:

THEY ARE RUNNING WELL ON PURE ALCOHOL

The world may be losing its sweet tooth, but as far as Brazil's sugar industry is concerned there are many other uses for the product. One of these uses is of vital importance—energy. Sugar can be transformed into energy in the form of ethanol. And the source of that energy—the sun—is renewable, unlike oil and coal (or uranium, for that matter) which are extracted from diminishing fossil and mineral reserves.

Four years ago sugar prices reached the all-time high on the London commodities exchange of more than US $1,200 per metric ton. In September, 1978, sugar was selling for one-sixth that amount. But sugar producers in the world's largest sugar producing country are not particularly worried. Brazil has not joined any of the commodities cartels springing up. Nor has there been a retraction in planting, despite the disorder in the world's commodity markets. Instead, sugar is being used in novel ways.

One of the most striking new sugar projects—Brazil's Proalcool Plan—involves a technology about 2,000 years old when alcohol was first distilled from fermenting vegetable matter. But in Brazil alcohol is being produced on a rapidly increasing scale with up-to-date nationally developed technology: if all the ethyl alcohol distilled in Brazil this year were converted into gin, there would be five cases for each person living in this country. Of course, alcohol is not being used for a massive binge.

A small part of it is exported, the chemical industry uses about 17 percent of the production and the remaining 82 percent is mixed with gasoline to propel Brazil's more than 6.5 million passenger cars. A small but significant number of vehicles already run, in fact, on pure alcohol.

C_2H_6O is the stuff that gives Grandfather's martini its kick, but in increasing amounts, it is being used to move Mom's sedan as she makes her weekly purchases at the supermarket, especially if she lives in Brazil. The Proalcool Plan, proponents claim, will solve two perplexing problems: the energy shortage and the world glut in sugar.

Liquid fuel—Energy shortages have become a part of daily life, and not just in Brazil. In 1973, when the petroleum cartel quadrupled the price of crude oil, Brazil was reaching an annual vehicle production of nearly one million cars, trucks, buses and tractors, all propelled by a fuel that, suddenly, was no longer inexpensive. Because Brazil imports about 80 percent of the more than 900,000 barrels of crude petroleum consumer daily, in one year's time the nation's trade balance went way out of control. An almost US $5 billion deficit was recorded in 1974. Draconian import measures were just one of the immediate results.

Another result was a widening search for new energy sources. A number of factors account for the rapid emergence of alcohol as a high-priority element in Brazil's energy strategy. The country has practical experience dating back to the 1920's in using alcohol as a fuel for automobiles.

Fairly large-scale use only occurred immediately after World War II, but with the oil crisis, the Federal Government shifted gears and started encouraging the production of even more alcohol. An important factor in the growing use of alcohol in motor fuels is the experimental evidence that ethyl alcohol, despite its low caloric heat content compared to gasoline, is a competitive fuel when burned in a properly designed engine, delivering liter for liter as much power with less pollution. Yet another factor in alcohol's emergence was the realization that the manufacture of alcohol can employ raw materials other than sugarcane, which requires relatively good soils. For instance, alcohol is now being commercially produced from *manioc* (cassava), a root crop that grows in all parts of the country, and of which Brazil is the world's largest producer.

Don't think sugar—The cyclical world sugar glut is also an important factor. Possibly representing a long term trend, the demand for sucrose has been steadily declining. There appear to be shifts in social attitudes towards sugar, among these a dramatic dietary switch away from sugar in the industrialized nations. Several British and North American commodities experts predicted that, by 1985, consumption of one sugar substitute alone, high fructose corn syrup, will be displacing about 2 to 3 million tons of sugar a year in the United States. In addition, there has been a major effort by traditionally sugar-importing nations to become self-sufficient in the product. Some make sugar from beets, others are planting sugarcane. The United Nations Food and Agriculture Organization predicts world output should grow at an annual rate of 2%—3% by 1985, and that 70% of that increase will be in countries which formerly imported sugar. Demand is expected to grow at a lower rate in the same period.

And for this reason, sugar producers have been looking to other end-uses for relief from lower demand patterns. In Brazil, the search is centering on chemicals and petrochemicals. With oil reserves generally declining and prices on the upswing, sugar is becoming more attractive as the building block for other vital basic inputs. Ethylene, methylene, and butadiene—the raw materials used in the manufacture of plastic and synthetic rubber—are being produced from alcohols with increasing efficiency.

A steady growth—Low world sugar prices probably were the most decisive factor in the Brazilian Government's decision to re-allocate the sugarcane equivalent of 2.1 million metric tons of sugar to the alcohol program between June 1, 1978 and May 31, 1979.

The trend line for Brazilian alcohol production shows a steady growth pattern for more than two decades followed by a drastic jump with the 1977–1978 sugarcane harvest (see table). The 23–year average annual alcohol production between the 1954–1955 harvest and the 1976–1977 harvest is about 475 million liters (126 million gallons) with a deviation of around 100 million liters (29 million gallons). The 1977/1978 harvest yielded about 1.5 billion liters (396 million gallons). For the current crop year, the expected volume is 2.5 billion liters (660 million gallons), which will raise the annual average to 600 million liters (158 million gallons) for the 25-year period with a deviation of about 480 million liters (127 million gallons), or in non-statistical terms—a big jump.

Facing the nation, however, is an even bigger increase in alcohol production. Extensive tests have demonstrated that with alcohol mixtures up to 20 percent, no major adjustments in car motors are required. Diesel engines can run on a 50 percent mixture with the only major design change being a dual carburetion system. If just the 20 percent mixture in passenger car fuel is attained by 1980 (as called for in the Proalcool Plan), the nation will be able to reduce its petroleum imports about 10 percent, thus allowing trade savings of about US$ 500 million annually.

From 8 percent to 20 percent—Brazilian cars are presently burning gasoline containing 8 percent alcohol (national average), and the mixture of gasoline and alcohol reaches 20 percent in some states—particularly the bigger industrial states like Sao Paulo. Annual alcohol production is now reported around 2.5 billion liters (661 million gallons), a more than 300 percent increase in only two years.

Proponents of the alcohol program would like to see an even bigger jump—to an output of 30 billion–35 billion liters (7.94 billion to 9.26 billion gallons) by 1985. This would theoretically permit a 50 percent reduction in Brazil's expensive oil imports, currently running at more than US $4 billion annually. An increase of such magnitude (more than ten-fold) would require structural industrial changes. For instance, the electrical generating plants now burning fuel oil could be switched to cleaner-burning alcohol. Car and truck motors would require some design modifications. Additional storage capacity would be needed, particularly in the Northeast, where sugarmills are still selling residual molasses on the international commodities markets—at a relative loss.

Brazilian alcohol has traditionally been produced from the residual molasses left over from crystal sugar productions. But in 1979 the Government decision to convert the entire sugarcane equivalent of 2.1 million tons of sugar directly into alcohol resulted in the sharply increased production described above.

Overall view—At the opening session of last year's National Sugar Producers' Conference at Campos, in the state of Rio de Janeiro, one of the opening session's panelists, Antonio Delfim Netto, provided an overall assessment of the Proalcool Plan's possibilities.

The former Ambassador to France, peripatetic economist and Minister of Finance during the preceding Federal Administration (and now Minister of Agriculture) regretted the alcohol program had not received Governmental impetus even earlier.

Delfim Netto noted that going to a 30 billion–35 billion liter annual alcohol production will involve yet another notable modification of enormous strategic importance. Planting, cultivating, irrigating, transporting and processing sufficient sugarcane to meet an increased demand for alcohol-based fuel will require a larger agricultural labor force.

To attract a bigger labor force, Delfim Netto observed, a mechanism could be established that would greatly help alleviate two serious economic problems: unevenly distributed income and structural urban difficulties. The Brazilian Government would like to make the uptrending gross domestic product more accessible but at the same time somehow slow the migration overloading Brazil's major urban areas.

In Delfim Netto's words: "Proalcool has extraordinary possibilities. There will be an increased demand in Brazil for sugarcane and wheat and other primary alcohol-yielding products which would bring about a great improvement in the agricultural sector. It should lead to improved wages for agricultural labor. What would the social costs be? I feel we could expand production of alcohol-yielding products with very low social costs. At any rate, the social costs of producing these products would certainly be much less than what is now involved in obtaining the dollars to buy petroleum." A tenfold jump to a 30 billion–35 billion liter annual alcohol production will require serious study. Such factors as production costs—alcohol is still about twice as expensive to produce as gasoline—and the lead time needed to establish additional alcohol producing infrastructures will be carefully examined as Brazil charts its strategy for the upcoming years.

ENERGY

A reduction of dependence on oil imports, through efforts to expand domestic production (presently about 20 percent of consumption needs), and the development of alternative energy sources will continue defining the strategy of the energy policy of the new Administration.

A new and redoubled effort will be exerted in the area of alternative energy sources, endeavoring to accelerate the achievement of targets set by the National Alcohol Program (Proalcool). For example, the production of 2.6 billion liters of ethanol predicted for 1980 will already be achieved in 1979. Added to gasoline in a proportion of up to 15 percent, production of alcohol should make possible substantial savings in gasoline. The main aim of Proalcool, which will be achieved in the short-run, is ethanol-gasoline mixture, with 20 percent of ethanol (see Brazil Trade and Industry, June, 1979 issue).

In addition, Brazilian technicians and scientists are presently working on the manufacture of engines exclusively fueled by alcohol, and the auto industry has already proposed the production of up to 100,000 ethanol-powered cars annually, about 10 percent of Brazilian annual production. The use of fleets of 100 percent alcohol-run vehicles is scheduled for the second phase of Proalcool.●

EARL MOUNTBATTEN OF BURMA

● Mr. MATHIAS. Mr. President, Louis Mountbatten died at sea, yet the sea had not claimed him. Neither had any bold, declared enemy stalked him to his death. Nor had a demented assassin struck at him while he held a great office of state and was a visible target for acts of public discontent.

Although any one of these deaths was possible for him, Louis Mountbatten's death at the hands of terrorists came improbably in a pleasure boat while setting out for an afternoon fishing expedition with his family.

It was almost as though even death did not dare to tackle him when his guard was up. This dashing figure who had survived shipwreck in the Aegean Sea, presided with dignity over the wrenching events that preceded India's independence and helped bring the Royal Navy from the age of Jutland to the age of Hiroshima, was apparently immune to most mortal dangers. And so Louis Mountbatten had to be taken off guard.

He had outlived his enemies or made peace with them. He had long since discharged his last duties as Viceroy of India and First Sea Lord. His last battle had long since been fought. He was a man at peace.

And yet he still had a weak spot, a curious vulnerability. It was, in fact, the luck of being born a great grandson of Queen Victoria. He was famous and his violent death would be notorious. That was what made him a target for terrorists when he was no longer a rational target in a classic contest that accorded him the right of self defense.

The way in which death came to Earl Mountbatten does not dishonor him; on the contrary, it illuminates the honors that he won for himself and for his country. It does dishonor his murderers and all who give them comfort or shelter. Finally, his death cries out again for a total condemnation of terrorism by all of us in the civilized world in whatever posture we may stand in respect to any existing controversy.

I ask that the account of Lord Mountbatten's life that appeared in the New York Times on August 28, 1979, be included in the RECORD.

The material follows:

[From the New York Times, Aug. 28, 1979]

EARL MOUNTBATTEN OF BURMA, 79, MILITARY STRATEGIST AND STATESMAN

(By Albin Krebs)

One night in 1955, a campaign worker for Britain's Conservative Party called at Broadlands, the country home of Earl Mountbatten of Burma, to plead for money.

Turning the man down, Lord Mountbatten said: "We're on the other side, you know. You'll have better luck in the servants' wing. They're all Tories."

It should not have surprised the Tory canvasser that Lord Mountbatten, born into the royal establishment and proud of his kinship with Europe's dynasties since Charlemagne, always voted Labor. Unorthodoxy, with Lord Mountbatten, was commonplace.

Few people of royal lineage played a more versatile and colorful role than Lord Mountbatten, who refused to live the idle life of the royal and the rich.

Instead, he became a daring sailor and military strategist, a suave political negotiator, a trusted adviser to prime ministers. He was a major planner for the invasion of occupied Europe in World War II, later the Supreme Allied Commander for Southeast Asia, the Viceroy to India who ended British rule there. First Sea Lord of the Royal Navy, Admiral of the Fleet and chief architect of the overhaul of Britain's defense system.

He was sometimes ruthless. He was also bold, courageous, imaginative and intelligent. Knowing all this, he acknowledged his vanity. He welcomed occasions on which he could wear full uniform and display the 10 rows of medals and decorations, including Knight Companion of the Most Noble Order of the Garter, that emblazoned his chest. The biography he supplied the British "Who's Who" runs to more than a thousand words and is the longest in the volume.

"I am," Lord Mountbatten once said, "the most conceited man I have ever known."

Although he dearly loved the pomp and circumstance of royal ceremonies, Lord Mountbatten detested the spit-and-polish traditions of some of his fellow navy officers, many of whom disliked him. "Admirals are a lot of damned snobs," he said after becoming Admiral of the Fleet.

It was that sort of frankness that led to criticism of Lord Mountbatten from officialdom but made him popular among the public.

GREAT-GRANDSON OF VICTORIA

He was born Louis Francis Albert Victor Nicholas Battenberg on June 25, 1900, at Frogmore House on the grounds of Windsor Castle. His father was the Austrian-born Prince Louis of Battenberg, who was to become First Sea Lord, and his mother was Princess Victoria, granddaughter of Queen Victoria.

Even in infancy he displayed what was to become one of his trademarks, a lack of awe in the presence of the great. At his christening, Queen Victoria bent down to have a look at him, and the infant knocked off her spectacles. The Queen immediately handed him over to be baptized.

At first, his parents, his brother, George, and his sisters, Alice and Louisa, called him Nicky. But when their royal relative, Czar Nicholas and his family, came to visit, it was decided that there were too many Nickys around, so he became Dickie. The nickname stuck for the rest of his life.

When he was 13 years old, he entered the Royal Naval College at Osborne, on the Isle of Wight. At graduation, he was 35th in a class of 79. It was at Osborne that he experienced an emotional shock that became the turning point in his life.

FATHER FORCED TO QUIT

This was in 1914, just after the outbreak of World War I, and his father, Prince Louis, was First Sea Lord of the Royal Navy. After two German cruisers eluded British naval forces in the Mediterranean, Prince Louis became a victim of anti-German hysteria sweeping Britain.

Although he was enormously popular in the Navy, the penny press and its militant readers put relentless pressure on the Government to dismiss him because of his German ancestry. Although reluctant, Winston Churchill, then First Lord of the Admiralty, was forced to ask Prince Louis for his resignation, which was promptly given.

In 1917, the family name, as another result of anti-German feeling, was changed from Battenberg to Mountbatten and Prince Louis became the first Marquess of Milford Haven.

His father's humiliation was said to have had a lasting effect on Lord Louis Mountbatten, whose driving ambition it became to one day be First Sea Lord.

From Osborne he went to Dartmouth Naval College for a war course and finished near the top of his class. Aboard the H.M.S. Lion, to which he was posted as a midshipman at the age of 16, he attracted notice for his tenacity at learning the sailor's trade, devoting even his free hours to studying gunnery, navigation and seamanship. The Admiralty sent him to Christ's College, Cambridge, after the war.

While cultivating the trust and friendship of such men as Churchill, who were to be enormously helpful in his career, the handsome and always charming young naval lieutenant also quickly became a debutantes' delight. In addition, he became the favorite cousin of the fun-loving Prince of Wales, who became King Edward VIII and, ultimately, the Duke of Windsor. The Prince took Lord Mountbatten alone on a world tour in 1920 and on a state visit to India the following year.

The Prince was Lord Mountbatten's best man when, on July 18, 1922, he married Edwina Cynthia Annette Ashley, the beautiful daughter of Baron Mount Temple. She was the heir to a $100 million fortune left by her grandfather, Sir Ernest Cassell, King Edward VII's private banker and confidant. Lord Mountbatten, although not poor, was far from wealthy, and his wife's money allowed them to live handsomely.

After a five-month honeymoon abroad, the couple became the much-photographed, much-written-about leaders of London's bright young set of the 1920's. Their tireless socializing, however, did not divert Lord Mountbatten from his naval career.

He served with the Mediterranean fleet, attended the Signal School at Portsmouth and later taught there from manuals he wrote himself. Operating from Malta, he was signal officer for the Second Destroyer Flotilla. During that tour, he invented an electric stationkeeping device that became standard equipment in the Royal Navy. Known as a "mountbatten," it enabled ships steaming in line to remain a safe distance from each other.

On Malta, he became obsessed with the idea of becoming a fine polo player and, although he was not a born sportsman, learned the game so determinedly that he wrote a book about it. Calling the treatise "Introduction to Polo," he published it under the whimsical pseudonym of "Marco."

On duty at the Admiralty in 1937, Lord Mountbatten, against much opposition from officers long entrenched in power, began to push a plan to arm British warships with the Oerlikon-Gazda 20-millimeter machine gun, which could fire a thousand shells a minute. The gun, which was not put in service until 1939, proved during World War II to be the Navy's most effective defense weapon against aerial attack.

IRKED FELLOW OFFICERS

In this cause as in others in which he believed, Lord Mountbatten did not hesitate to use his royal connections to get what he wanted. Consequently, he incurred the wrath and dislike of many fellow officers.

In the early months of the war, Captain Mountbatten was in command of a destroyer flotilla, operating from the decks of a trim new destroyer, the H.M.S. Kelly. Years later he called it "the thing I loved best in all my life."

Shortly after he took command, the Kelly was damaged by a mine in the North Sea. After repairs, she took part in the evacuation of Allied forces from Norway and was hit by a torpedo. Repaired again, she was torpedoed in another action. Finally, in the Battle of Crete, a German dive bomber made a direct hit with a 1,000-pound bomb, and the Kelly went down with the loss of half of her crew of 240. Lord Mountbatten and the other survivors spent nearly four hours clinging to wreckage while being strafed by German planes before they were rescued.

In the public eye, Lord Mountbatten was a dashing hero, but in some quarters at the Admiralty he was considered a bit too intrepid for his own good—not to mention the good of his ship and crew. When his friend Noel Coward made a film of the Kelly epic called "In Which We Serve," Lord Mountbatten's critics dubbed it "In Which We Sink."

APPOINTED BY CHURCHILL

However, Lord Mountbatten had the confidence and affection of the man who really counted, Prime Minister Churchill, who in 1941 made him Chief of Combined Operations, the secret task force charged with planning the invasion of Europe.

With his zest for action and armed with the temporary ranks of vice admiral, air marshal and army lieutenant general to allow him to deal with high officers with ease, Lord Mountbatten called in scientific and technological experts from the universities and industry to help devise new weapons and tactics. Several of his own ideas, such as the basic concept of the LST (landing ship tank), were used with great success on D-Day.

Lord Mountbatten was also charged with training commando troops whose mission was to make quick "butcher and bolt" raids on strategic targets in occupied Europe. He directed raids on Vagsoy, Norway, and on St.-Nazaire, Bruneval and Dieppe, France. They resulted in heavy loss of life and questionable gains, and he was severely criticized for them after the war.

A particular disaster was the raid on Dieppe. Not a single main objective was taken, yet casualties among the 6,000 soldiers and commandos were 60 percent. Lord Mountbatten had to assume major responsibility for the debacle.

CHIEF IN SOUTHEAST ASIA

In 1943, Churchill and Roosevelt met at Hyde Park, N.Y., and made a deal; an American would be in command of Operation Overlord, the invasion of northern Europe, and a Briton would be Supreme Allied Commander for Southeast Asia. Roosevelt had met and come to like Lord Mountbatten and was delighted to concur in Churchill's choice of him for the Southeast Asia post.

While the Allies had been concentrating on taking North Africa and Europe, the Japanese had overrun almost all of Southeast Asia and in 1943 were poised to sweep across India to New Delhi. In the spring of 1944, Japan opened the New Delhi offensive, but within a year Lord Mountbatten had halted the drive and struck back with tremendous gains of his own. About 100,000 Japanese were killed, Mandalay was liberated, the Burma Road reopened and Rangoon captured to open Burma to seaborne supplies.

Even while setting the foundations for his title, Lord Mountbatten of Burma, he continued to create friction. Generals and admirals under his command resented the fact that even in wartime he maintained, in New Delhi, a lavish headquarters and a staff of 3,000, including a personal band of 30 musicians. At the same time his detractors noted, Lord Mountbatten made forays into the jungles to give pep talks to his weary troops, a practice the critics found hypocritical.

STILWELL'S COMMENTS

One of his chief antagonists was the American who served as his deputy commander, Lieut. Gen. Joseph W. Stilwell, widely known as Vinegar Joe, a sobriquet richly earned and maintained. To his face he called Lord Mountbatten "Limey Louis," while behind his back he was "Glamour Boy," "a welcher," "a loathsome limey" and "Curly Lashes." Toward the end of the war, however, Stilwell warmed somewhat toward Lord Mountbatten.

Throughout the war, Lord Mountbatten's wife worked tirelessly for the welfare of the wounded, repatriated prisoners of war and the families of servicemen. She joined her husband in Southeast Asia as the war ended to direct aid to former prisoners and civilians who had been interned by the Japanese.

"The fabulous Mountbattens," as the popular press called them, were seen in action to their greatest advantage in the closing phases of British rule on the subcontinent.

Acclaimed as a hero on his return to England in 1946, Lord Mountbatten was persuaded by Clement Attlee, the Labor Prime Minister, to become the last Viceroy to India and to preside over the liquidation of British rule there, bringing political independence and self-determination to the 450 million people of the subcontinent.

Britain, spent by war and no longer able to rule India, was sitting on a powderkeg. The Hindus were striving for sovereignty and the Moslems were bitterly demanding a separate state. Lord Mountbatten arrived in New Delhi on March 22, 1947, determined that the British Raj would end within a year and without religious and communal war.

Lord Mountbattan proved to be a nimble negotiator, extracting agreements from Hindus and Moslems to form an interim joint government pending partition of the subcontinent into the states of Moslem Pakistan and Hindu India. Both Lord and Lady Mountbatten cultivated the friendship of Moslems and Hindus, a new pattern of social behavior for a viceroy and his wife. Indians who had once languished in the viceroy's jails were invited to parties at Government House.

Independence for India and Pakistan came on Aug. 15, 1947, only 145 days after Lord Mountbatten's arrival. Immediately afterward, many thousands died in rioting. By November, Lady Mountbatten was directing relief work for more than a million Moslems, Hindus and Sikhs who had fled their homes after the new boundaries had been set.

It was chaotic, but the Labor Government in London expressed its full confidence in Lord Mountbatten, maintaining that had he not acted as he did to relinquish British power quickly, the consequences would have been even bloodier.

As for the Conservatives back home, many considered Lord Mountbatten a traitor to his class and country for having "presided over the dissolution of the British Empire." Among his critics was his old friend and mentor, Churchill.

FIRST GOVERNOR GENERAL

Lord Mountbatten became India's first Governor General, and he served in that post until June 1948, when he returned to Britain determined to resume his naval career.

As Earl Mountbatten of Burma, a title created in 1947 to supersede that of Viscount Mountbatten of Burma, created a year earlier, he went back to sea a rear admiral in October 1948. A year later he became a vice admiral and served successively as Fourth Sea Lord, commander of the Mediterranean fleet and Commander in Chief, Allied Forces, or NATO, in the Mediterranean.

Churchill, whose Conservative Party regained power in 1951, apparently forgave Lord Mountbatten for his role in India's independence because in 1955 he decided that it was time Lord Mountbatten achieved his lifelong ambition. He appointed him First Sea Lord, the position Lord Mountbatten's father had had to give up 41 years earlier.

As head of the Royal Navy, Admiral of the Fleet Mountbatten pushed ahead its modernization, introducing guided-missile ships, aircraft carrier task forces and nuclear submarines.

CHIEF OF DEFENSE STAFF

In 1959 he became the first Chief of the Defense Staff, fostering the plan for a unified defense system and administration similar to the United States Department of Defense. In unifying command of the British defense forces, he met opposition from admirals and generals who resisted change, but he won.

Countess Mountbatten died in 1960 during a welfare tour in North Borneo. In accordance with her will, she was buried at sea off Portsmouth as a gesture of affection for her seafaring husband.

Lord Mountbatten, who retired in 1965 but from time to time served his Government as a good-will ambassador and chairman of various commissions, continued to live at their London home, at Broadlands in Hampshire and at Castle Classiebawn in Ireland, one of the Countess's inherited residences. He liked to romp at Classiebawn with his grandchildren, the offspring of the Mountbattens' two daughters, Patricia, who was married to the seventh Baron Brabourne, and Pamela, wife of David Hicks, an interior decorator. Lord and Lady Brabourne and their twin sons, Timothy and Nicholas, were aboard the boat on which Lord Mountbatten was killed. Nicholas and a friend, also aboard, were killed in the explosion and the others and Lord Brabourne's mother were injured.

He remained a close confidant of his nephew, Philip, son of his sister Alice and Prince Andrew of Greece. In 1947 Philip married Princess Elizabeth, who became Queen Elizabeth II in 1952. Lord Mountbatten was a naval aide de camp to the Queen, as he had been to her father, King George VI, and to her uncle, the former King Edward VIII.●

WILL SALT II BRING ARMS CONTROL?

● Mr. McGOVERN. Mr. President, the second phase of the SALT hearings opens today in the Committee on Foreign Relations. A recent article in the F.A.S. Public Interest Report, a publication of the Federation of American Scientists, examines the outcome of the first phase of hearings from July and finds that the SALT II Agreement is being denuded of arms control benefits. I share many of the concerns raised in this article. Since it will help us focus attention on some of the major problems of arms control ratification, I submit the article for my colleagues.

The text of the article follows:

SALT II Agreement Being Denuded of Arms Control Benefits

As the first three weeks of SALT hearings ended, traditional arms control supporters were being whiplashed beyond any anticipation.

We had, of course, anticipated that the treaty would be only a shell of high limitations under which forces would continue to increase in destructiveness and effectiveness. Under less embattled circumstances, arms controllers would have been virtually unanimous in denouncing it as wholly inadequate, if not simply a sham, and, at the very least, would have demanded the firmest commitments as to follow-on progress. Under the circumstances, many put on, instead, what *Bulletin of the Atomic Scientists* Editor Bernard Feld called a "brave front."

PREMATURE DECISION ON MX

The next price to be exacted was the pressure to make a technologically premature decision on MX. This multibillion dollar missile system has arms race implications and costs that, in strategic terms, clearly exceed those of the treaty itself. Testimony by Secretary Brown revealed that the President himself reassured the Secretary of Defense not to worry, that some suitable basing scheme would be found, and hence that it would be all right for the President to announce MX would go forward in advance of the June SALT summit. The Department of Defense is scrambling now to confirm the President's projection, with a design scheme due for August. Never has a major weapon system been so tangibly encouraged by a SALT treaty.

Nevertheless, dismay in the arms control community, used as it is to losing, was muted by two disparate perceptions. In the first place, it was generally assumed that, in the absence of the treaty, MX authorization might be quite as inevitable. Further, it was widely believed that MX might well fall of its own weight, notwithstanding what commitments were made early when its basing problems became clear in subsequent years.

CONVENTIONAL FORCES ENCOURAGED

Once MX commitments seemed assured, however, Senate attention turned to the beefing up of conventional forces. Senator Sam Nunn, followed by General Alexander Haig, made a commitment to the treaty contingent on major increases in NATO spending on NATO theater weapons. The four or five percent real growth in our defense budget desired by Senator Nunn could cost several billion dollars in real dollars and more than 15 percent increases in current dollars at current rates of inflation.

The week after this revelation, Henry Kissinger not only reinforced these complaints but argued, among other things, for, direct—and even periodic renewal of—linkage of the world political situation to SALT. Under his scheme, the Senate would review every two years whether it believed that the Soviets were acting in a fashion consistent with SALT. And this process of linkage would be begun in an initial Senate resolution explaining what the Senate would, and would not, tolerate. Thus was the link between SALT and detente—a traditional concern of disarmament supporters—also held ransom.

The only silver lining in this matter was a development looked on with great suspicion by the disarmament community—the rising proclivity of its traditional Senate opponents to adopt a rhetoric supporting an end to the arms race, and deep reductions. Senators Helms and Garn, following in the footsteps of Senator Henry Jackson, who had for some years been putting forward disarmament proposals, were arguing that the treaty should be recommitted with a view to urging reductions.

While most saw in this maneuver simple hypocrisy, a few saw in it the emergence of a national consensus in favor of arms reductions. Discontinued sincerity as of limited relevance in political affairs, they seized upon this development to urge consensual support for a resolution shaping the future of SALT toward sharp reductions. Without such consensus, no reductions would occur in any case. Senator George McGovern championed this approach. SALT was being made safe for MX, for NATO, for linkage; would it be made safe for SALT?

SOVIET UNEASE PROJECTED

There were some straws in the wind to be reflected upon. The Soviet Union's Politburo, seeing the shift in tide in U.S. thinking, must be concerned. The U.S. hare was about to bolt ahead of the tortoise again, as after Sputnik in the arms race and in the space race. Would the post-Brezhnev Politburo take an approach more forthcoming than heretofore? One could hope for a discontinuity in Soviet practices.

On the Carter Administration side of the equation, one could expect renewed determination to try to get sharp reductions. There were indications that the President himself was strongly in favor of them and sympathetic to the method of percentage reductions. (See January *PIR*.)

And there was, of course, the fact that, ratified or not, the SALT II structure of definitions and limits existed, to which one could apply percentages to try to secure reductions.

But there was not much more to point to. It seems evident that the SALT ratification process will always be, as Kissinger put it, "an opportunity to address problems which should be addressed anyway." Unfortunately, it provides the opportunity in a context in which one third of the Senate can hold the treaty hostage. The gimlet-eyed scrutiny by the Senate of a treaty so easy to veto will always make treaties expensive.●

SEVEN-PERCENT SOLUTION

● Mr. STEVENS. Mr. President, I am pleased to learn of the President's decision to recommend to Congress that Federal employees be given a 7 percent pay raise beginning October 1. I am especially pleased to note that the President did provide a 7 percent increase rather than the 5.5 percent increase which was believed would be the President's recommendation. However, it is widely known that in order for Federal employees' salaries to be comparable to private industry, they should receive a 10.4 percent increase. A 10.4 percent increase would be consistent with the Federal Pay Comparability Act of 1970. I hope that we can get back to the concept embodied in that act and start paying Federal employees comparable wages to that paid in private industry. Mr. President, recently the Washington Post editorialized on this subject. I believe the editorial makes a couple of cogent points which I hope my colleagues will consider when we debate proposals dealing with Federal employees' salaries and fringe benefits. Mr. President, I ask to print at the end of my remarks the editorial from the Washington Post of September 4, 1979, entitled "Seven-Percent Solution."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Seven-Percent Solution

There is a large acknowledgment of failure in President Carter's decision to raise Federal pay 7 percent instead of 5.5 percent next month. The failure is, of course, the administration's inability to bring inflation down. When 7 percent was still a reasonable guideline for wage and price hikes in the private sector, holding federal raises to 5.5 percent made sense as a good example and a slightly deflationary step. Now, with inflation rocketing ahead, keeping pace with the private sector—as measured by comparability formulas—would require raises of about 10.4 percent. Thus Mr. Carter has been pushed to a higher middle ground between that form of indexing and stinginess.

Assuming that Congress goes along, which seems likely, this will be the second straight year that general federal increases have been held down. The cumulative loss of buying power is going to cause some pain, especially for workers in lower brackets. Yes, federal employment does offer special compensations, such as job security and excellent fringe benefits. But those are not much solace at the grocery store. Unfortunately, the current pay-adjustment law makes it hard to give larger increases to those in lower-paid jobs or higher-cost areas. This is one more reason for overhauling the salary system, as the administration has proposed.

Congress is apparently not about to tackle the whole federal pay system this year. But there is one aspect that the lawmakers will have to take up, however reluctantly, this month. That is the always-prickly problem of their own pay and the top-level executive salaries that are tied to it. Those salaries have been frozen since February 1977. If Congress does nothing, the annual-adjustment system will provide two raises in October—this year's 7 percent, plus the 5.5 percent increase that was deferred a year ago. That would be too much. So far, though, the legislators have been unable to agree on a more seemly figure. When the House tried in June, it wound up in a general snarl and the subject was shelved.

How much should Congress give itself? There is no magic point at which fairness and political comfort balance out. The more important question is whether Congress will be able to look beyond its own pay problems and grant some relief for the thousands of federal executives whose salaries are being held down. Many of them have had no increase for 2½ years. Moreover, each general raise in the federal scales pushes more people against the ceiling, causing more inequities. At a time of so much emphasis on improving federal management, Congress should treat the top federal managers more reasonably.●

DEATH OF JOHN L. McMILLAN

● Mr. HOLLINGS. Mr. President, on Labor Day one of South Carolina's greatest public servants passed away. John L. McMillan served both his district and his Nation well during a career spanning 34 years.

An all-Southern Conference football star in college, John McMillan had politics in his blood. After attending the University of South Carolina Law School, he came to Washington as secretary to Congressman Allard Gasque, beginning a public life that saw him become one of the most influential men in Washington.

Upon Gasque's death in 1938, "Johnny Mac" entered and won the Democratic primary and the general election for the Sixth Congressional District seat. For the next 34 years, John McMillan represented the people of the district, holding the seat longer than any other person in history.

No one knew the problems of the farmers better than John McMillan. And no one worked harder in Washington to bring about some solutions. As a ranking member of the House Agriculture Committee and its Tobacco Subcommittee, he took the hearings out of Washington and brought them down to the district so his constituents could add their voice to the decisionmaking process. His door was always open and his word was good.

During the years, he rose to the chairmanship of the House District of Columbia Committee, a position that earned him the title of "unofficial mayor of Washington."

He oversaw the rapid growth of Washington during the years following World War II and guided the day-to-day operations of the Nation's Capital. In that capacity, he was one of the most influential men in Washington for over two decades.

I was most proud to be a participant in the groundbreaking ceremonies 5 years ago for the John L. McMillan Federal Building in Florence, S.C. No finer tribute could be paid my friend. It will stand as an everlasting reminder of his service and dedication to the people of the Sixth District.

South Carolina has lost a dedicated and able public servant. I have lost a dear and old friend.●

CHARITABLE CONTRIBUTIONS BILL ENDORSED BY COMMUNICATIONS WORKERS OF AMERICA

● Mr. PACKWOOD. Mr. President, today I am delighted to announce the endorsement of the Communications Workers of America for S. 219, the Packwood-Moynihan charitable contributions bill. This bill would permit all taxpayers making charitable contributions to deduct those contributions on their Federal income tax returns, whether or not they "itemize" their other deductions.

This bill is vital to nonprofit organizations to assist the important accomplishments and advances that have been made and will be made in many areas of endeavor, including education, the arts, health, civil rights, womens' rights, and a wide variety of other community needs. Encouragement of charitable giving will help encourage support for these organizations that give us so many services.

I appreciate the endorsement of S. 219 by the Communications Workers of America. This is an important step forward in encouraging the passage of this legislation.

I ask that the endorsement letter and policy resolution by the Communications Workers of America be printed in the RECORD.

The material follows:

COMMUNICATIONS WORKERS
OF AMERICA,
Washington, D.C., August 29, 1979.

Hon. BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: The 41st Annual Convention of this Union, on July 18, 1979, adopted a policy resolution, "Deductions for Charitable Contributions," supporting an income tax treatment proposal of which you are a key sponsor.

For your information and use, I am enclosing a copy of the resolution.

With all good wishes, I am,
Sincerely yours,
GLENN E. WATTS,
President.

DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS

More than any other nation, the United States always has relied heavily on voluntary organizations to help meet community needs. The non-profit segment of the private sector reaches into almost every field of human interest supporting a wide variety of institutions, including symphonies, museums, libraries, religious organizations, health clinics and hospitals, colleges and universities, civic and social service organizations such as United Way, Salvation Army, 4–H Clubs, day care centers, half-way houses and cooperatives. Taken together, these groups constitute an indispensable part of American life.

Today, as Federal, State and local governments are being pressed to cut back on public dollars for social services, education and the arts, Americans are being pressed to turn more to the private sector for assistance.

Unfortunately, philanthropy—the private giving of time, money and effort—has declined in recent years. Voluntary organizations of all kinds are experiencing difficulties in keeping up with inflation and maintaining their services. A major reason cited for the decline in charitable giving has been the drive toward tax simplification. During the last nine years, this trend has provided welcome relief for low-income Americans and easier tax return filing, in the "short form" 1040A. However, these tax code changes inadvertently created some disincentives to charitable giving by low- and moderate-income families. Increases in the standard deduction have had the effect of reducing the number of taxpayers electing to itemize deductions. Since the charitable contributions deduction is only available to itemizers, these changes eliminate the tax incentive to give from an estimated 80 percent of taxpayers.

In order to help the voluntary-giving sector, four Members of Congress are sponsoring legislation to allow all taxpayers to deduct charitable gifts from their taxable incomes whether or not other deductions are itemized. This legislation, offered in the 95th Congress and reintroduced in the 96th, is sponsored by Representatives Joseph L. Fisher of Virginia and Barber B. Conable of New York and Senators Daniel P. Moynihan of New York and Bob Packwood of Oregon. Their bipartisan effort received considerable support in committee in the last Congress, with help from the voluntary sector. However, the proposed charitable giving provisions were struck from the 1978 Revenue Act, in part due to the Congressional budget process. These members are continuing their efforts in the 96th Congress, with a new emphasis on tax relief for Americans of moderate incomes.

Resolved: That this 41st Annual Convention of the Communications Workers of America support the Fisher-Conable-Moynihan-Packwood proposal to allow itemization of charitable deductions for all taxpayers, whether they use the short or long form tax return.●

CONGRESSMAN JOHN BRADEMAS AWARDED HONORARY DEGREE BY INDIANA STATE UNIVERSITY

● Mr. BAYH. Mr. President, the distinguished majority whip of the House of Representatives, my friend and colleague from Indiana, the Honorable JOHN BRADEMAS, was recently awarded the honorary degree of doctor of civil law by Indiana State University in Terre Haute.

Mr. BRADEMAS also delivered the commencement address on this occasion.

Mr. President, Congressman BRADEMAS was presented for the honorary degree by a constituent of his and mine, a distinguished attorney from Goshen, Ind., and president of the board of trustees of Indiana State University, Charles W. Ainlay.

The degree was conferred by Richard G. Landini, president of Indiana State University.

Mr. President, I submit for the RECORD the statements of Mr. Ainlay and President Landini.

JOHN BRADEMAS

Mr. President, it is an honor to present John Brademas, the distinguished Representative of the Third District of Indiana, and Majority Whip of the United States House of Representatives.

A native of Mishawaka, Indiana, also my hometown, he is a 1945 graduate of South Bend Central High School. After service in the Navy, he was a Veterans National Scholar at Harvard University, where he earned the Bachelor of Arts degree, magna cum laude, and was elected to Phi Beta Kappa. He was awarded a Rhodes Scholarship for study at Oxford University, where he earned the Doctor of Philosophy degree in Social Studies, in 1954.

He served as an Executive Assistant to Adlai Stevenson from 1955 until 1956 and was in charge of research issues for the first months of Mr. Stevenson's 1956 Presidential campaign. Prior to his election to Congress in 1958, he was an assistant professor of political science at Saint Mary's College, South Bend, Indiana.

Mr. Brademas was Chief-Deputy-Majority Whip for four years before being appointed Whip for the 95th Congress. He was reappointed for a second term at the beginning of the 96th Congress. As third-ranking member of the Majority Leadership, he serves as assistant Majority floor leader.

He is a member of the Education and Labor Committee and its Subcommittees on Post Secondary Education and Select Education. He is a member of the House Administration Committee and is Chairman of its Subcommittee on Accounts. He is a member of the Joint Committee on the Library of Congress.

During his 20 years of service on the Education and Labor Committee, he has had a principal role in writing major legislation on elementary and secondary education, higher education, vocational education, services for the elderly and handicapped, and Federal support for libraries, museums, and the arts and humanities.

He is chief architect of the National Institute of Education, the principal Federal Agency supporting research in education. He was a major sponsor of the Omnibus Education Act of 1972 and the Higher Education Amendments of 1976.

Mr. Brademas was principal author of major provisions of the 1974 and 1976 Federal Election Campaign Act and was cited by Common Cause for his role in reestablishing the Federal Election Commission in 1976. He is also a skillful political campaigner, as I can attest to from personal experience.

A former member of the Board of Overseers of Harvard, Mr. Brademas serves on the Overseers' Committee to visit the Graduate School of Education. He is a member of the

Advisory Council to the College of Arts and Letters at the University of Notre Dame, and he serves on the boards of the Church Society for College Work and the Woodrow Wilson International Center for Scholars. He is also a member of the Central Committee of the World Council of Churches, and he was a delegate from the United Methodist Church to the Fifth Assembly of the World Council in Nairobi, in 1975.

He has been elected a Fellow of the American Academy of Arts and Sciences. In 1978, he received the annual Award for Distinguished Service of the Arts of the American Academy and Institute of Arts and Letters.

In 1975, he was cited as one of the nation's most influential leaders in higher education. The New York Times described him in 1977 as "Congress' most articulate and effective spokesman for aid to culture."

Mr. President, I am pleased to present John Brademas for the honorary degree, Doctor of Civil Law, honoris causa.

JOHN BRADEMAS

(Conferral statement by Richard G. Landini, President, Indiana State University, May 13, 1979)

John Brademas, distinguished statesman, scholar, and friend of education, and ardent advocate of the arts and humanities, in recognition of your long and successful support for education, the arts and humanities, and the common good of our great nation, by the authority vested in me by the Board of Trustees, I hereby confer upon you the degree, Doctor of Civil Law, honoris causa, with all the rights and privileges thereto appertaining, hand you this diploma in testimony thereof, and present to you the academic hood appropriate to that degree.●

SALT II TREATY

● Mr. JAVITS. Mr. President, as we begin our postrecess consideration of the SALT II Treaty, I commend to your attention a recent analysis of the issues involved written by Arthur B. Krim, a member of the General Advisory Committee on Arms Control and Disarmament and a leading New York lawyer. The article appeared recently in the New York Times.

The beauty of the analysis is in its simplicity—its willingness, in the author's words, to "cut through" the fog and the maze to "the bottom line"—the layman's view of SALT II. In the author's view, and in my mind, our decision turns on essentially two issues:

One, is ratification of the SALT II Treaty in our national interest or not. As Mr. Krim puts it, "Which of (our) objections to the terms of SALT II would be satisfied or alleviated by repudiation of the treaty?"; and

Two, what can we propose to do "to enhance our security that cannot be done under SALT II?"

On the first issue Mr. Krim concludes that the "principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified."

As to the second, Mr. Krim argues that—

> Whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II.

Mr. Krim has made a valuable contribution to the national debate on SALT II by providing in terms simply understood the pivotal issues for consideration.

I recommend highly the reading of Mr. Krim's article to my colleagues and I ask that it be printed in the RECORD at the conclusion of my remarks.

The article follows:

[From the New York Times, Aug. 21, 1979]

TWO QUESTIONS ON SALT

(By Arthur B. Krim)

To those millions of Americans to whom evaluation of the strategic-arms treaty has become lost in technicalities and conflicting generalities, I suggest that you ask your Senators two basic questions. You will be amazed by the extent to which the answers will cut through to the bottom line, not only for yourself, but also for your Senators as they approach their own moment of truth in making one of the most crucial decisions in our country's life.

1: *Which of your objections to the terms of SALT II would be satisfied or alleviated by a repudiation of the treaty?*

The fact is that the principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified.

As an example, take the argument that the treaty allows the Soviet Union the unfair advantage of the 308 heavy missiles now in place. If there were no treaty, this limit would be lifted; even more, the Soviet Union could then arm each of these missiles with up to 30 warheads, instead of the limit of 10 provided by the treaty, an overall potential increase of 6,000 warheads or more, which would otherwise be prohibited under SALT II.

Or take the argument that the Soviet Backfire bomber is not counted within the treaty ceiling. If there were no treaty, the Soviet Union could increase the range of the Backfire and its production rate without limits. Instead, in assurances that are integral to the treaty, the Soviet Union has specifically agreed to restrict the capacity of the Backfire to less than intercontinental range and to limit its production to no more than 30 a year.

Or, take the argument that compliance with the terms of the treaty is not adequately verifiable. If there were no treaty, we would be required to rely entirely on our ability to penetrate what is happening in a closed society in order to know what missiles the Russians were testing or deploying. Instead, under the treaty the Soviet Union is required to take affirmative steps to aid us in monitoring these same developments.

Or, take the argument that our Minutemen missiles will be vulnerable in the early 1980's. No one can argue that this is in any way due to, or caused by, the terms of SALT II. However, any steps to counteract this vulnerability are made much simpler by knowledge under SALT II that the threat to be counteracted comes from a limited and known number of Soviet missiles.

You may be surprised to find that your Senator, if he is opposed to the treaty, may not be able to point to a single substantive objection that would be remedied to any extent by a defeat of ratification.

2: *What do you propose be done to enhance our security that cannot be done under SALT II?*

The fact is that whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II. Should we deploy the MX missile and, if so, how? Should we enlarge our nuclear forces in the European theater?

You may again be surprised to find that our choices on these and the other important issues of security remain the same, SALT II or not. The difference is that under SALT II we can make these choices with greater certainty of the extent of the strategic forces deployed against us.

The argument that SALT II should not be ratified unless and until these choices are made, even though they are unrelated to any SALT II restrictions, in effect says that one-third instead of a majority of our Senators should control our defense decisions.

These two questions recognize that your Senator's decision cannot turn on what an ideal treaty might be but on whether we are better off under the terms of this treaty or by opting for the foreseeable future to go our own way without restraints on either side. If you insist on satisfactory answers, the bottom line becomes clear.●

LAURENCE STERN, PRIZE-WINNING POST EDITOR, DIES AT 50

○ Mr. McGOVERN. Mr. President, I was saddened to learn of the death of Larry Stern. Larry was a man of uncommon ability and sensitivity. His perceptive analyses will be sorely missed by all of us who sought an intelligent, insightful view of an issue, whether domestic or international. But those of us who were privileged to know him will most of all miss his unique presence. Mr. President, I ask that an article by Richard Harwood that appeared in the Washington Post of August 12, 1979, be printed in the RECORD.

The article follows:

LAURENCE STERN, PRIZE-WINNING POST EDITOR, DIES AT 50

(By Richard Harwood)

Laurence Marcus Stern, reporter, editor and author, died of a probable heart attack yesterday while jogging at Martha's Vineyard, Mass.

He was 50 years old.

Stern, an assistant managing editor of The Washington Post, was vacationing with old friends—Ward Just, John Newhouse, Jonathan Randal and Jim Hoagland. They played tennis yesterday and then Stern and Newhouse went jogging.

As they were running, Stern bent over, grabbed his ankle and said he had been stung by a bee. He collapsed. Newhouse gave mouth-to-mouth resuscitation. It didn't work. Stern was taken to Martha's Vineyard Hospital, but he was dead when he arrived.

Stern had been a writer and editor for The Post since 1952, winning awards and cutting a wide swath in both American and international journalism.

Benjamin Bradlee, executive editor of The Post, issued this statement:

"His paper and his friends will be a long time getting over the loss of Larry Stern. He was a world class journalist. He wrote like a dream, with grace and precision. His commitment to excellence, to his staff, to his friends and to The Washington Post will be an example for all of us."

Stern was a newspaper child. His father, Augustus (Gus) Stern, worked in Washington for many years as a copy editor for various local newspapers, the last being The Post.

Larry Stern followed his father. He served in the Army after World War II and got a taste of journalism working for the military newspaper, The Stars and Stripes.

Thereafter he was educated at the University of Missouri and the New School for Social Research in New York. He worked briefly for the former United States Information Agency and joined The Post in 1952 as a reporter on the metropolitan staff.

He took off in that business like a great running back—national reporter, national editor, foreign correspondent, editor of Style and, finally, assistant managing editor for national news.

He wrote a much-admired book, "The Wrong Horse," which dealt with the tragedy of Cyprus, and he contributed to several other books. He wrote magazine articles and, even as an editor responsible for a large staff, constantly, looked for opportunities to write. He found them frequently.

Stern had another, informal, function at The Post. He was a bridge between this country and journalists from around the world. They sought him out always—Vietnamese, Englishmen, Frenchmen, Turks, Greeks. That was a tribute to his international understanding and to his personality.

His career had an interesting progression. He won many awards writing about politics and corruption in the Washington metropolitan area. He moved then into the national arena and was singularly successful in dealing with the social and political issues of American life. But in the last years of his life, it was really international questions that absorbed his interest and energies.

He became early in the '70s, The Post's first "Dulles Airport correspondent," available day or night to fly anywhere in the world for the big story. The job took him to Vietnam, Cambodia, and Laos for almost two years, where he observed in combat the collapse of the American effort. He covered the war in Cyprus, reported from the Middle East, from Italy, from London, from Paris, from Greece.

British journalists intrigued him most of all. Among them, his friends were legion. He admired, especially, the Insight team of the Sunday Times of London and set up his own Insight unit at The Post in the late 1960s. There was an "Insight" project at the top of his list when he died yesterday.

Stern, one of his subordinate editors said yesterday, was "something of an enigma. It became something of a newsroom conceit, after Larry had had a dialogue with a colleague, to say, 'I don't know what he said. I don't speak Zen.' This never detracted from the fact that Larry knew exactly what a news article should say and how it should be said."

One reporter on the national staff of The Post who had worked for Stern for several years volunteered this observation:

"When Larry Stern was working on the national staff as a reporter, you could feel the whole atmosphere change. He was a reporter who made a difference—not only because of what he contributed to the paper under his own byline but because of the standard he set for everyone around him. Other reporters found themselves writing with more life and crispness because he was there doing it—pushing the rest of us."

There was a certain disorganization about his life. He made too many luncheon dates on the same day. He loved many women. Budgets never enthralled him. His checkbook was not often tidy. It was a legend at The Post that Stern mumbled ambiguous instructions, might or might not show up for this meeting or that and probably would forget where he had parked his car.

But when it came to the job, to getting things done, he had no superior. He could produce instant and rather profound work—books, newspaper series, essays.

The honors his own profession gave him were impressive—the George Polk Memorial Award, the American Political Science Association Award, the Headliners Club Award, the Newspaper Guild Award, the fellowship of the Carnegie Endowment for International Peace. He was proud, for reasons his friends never knew, of having been one of the inventors of a game called "Influence," a political version of Monopoly.

His children, Catherine O'Brien, Marcus Gunther, and Christopher, shared that pride.

One of Stern's friends responded to his death with a fragment from a poem:

Oh, I have slipped the surly bonds of earth.
And danced the skies on laughter's silvered wings.
Sunward I've climbed and joined the tumbling mirth
Of sunsplit clouds, and done a hundred things you've not dreamed of . . . .
And while with silent, lifting mind I've trod,
The high untrespassed sanctity of space,
Put out my hand and touched the face of God.●

WORLD ADMINISTRATIVE RADIO CONFERENCE

● Mr. GOLDWATER. Mr. President, on several occasions I have addressed the Senate on the World Administrative Radio Conference (WARC) to be convened in Geneva, Switzerland, on September 24, 1979. The decision made at WARC must be ratified by the Senate.

In addition to the study done by the Congressional Research Service, which was included in the Record on July 12, 1979, the Committee on Commerce, Science and Transportation contracted with Arthur D. Little, Inc. (ADL) for further assistance in analyzing the prospects for U.S. proposals at WARC.

That report is now available and I request that it be printed in the Record following my remarks. Unfortunately, it confirms my fears that the United States is going to have a difficult time at the conference and our future national telecommunications needs may suffer as a result.

I am hopeful that the U.S. delegation at WARC is fully prepared for the opposition that some of our proposals will encounter.

The report follows:

An Analysis of Probable Worldwide Reactions to United States Proposals to the 1979 World Administrative Radio Conference

I. BACKGROUND

During early July of 1979 the Minority Staff of the Subcommittee on Communications of the Senate Committee on Commerce, Science and Transportation contacted Arthur D. Little, Inc. (ADL) expressing concerns regarding United States preparations for the World Administrative Radio Conference to be convened at ITU Headquarters in Geneva, Switzerland for a period of ten weeks commencing on September 24, 1979.

In these early discussions, it was indicated to ADL that there is a need to identify those key WARC–79 issues where U.S. proposals for international radio frequency reallocation may encounter difficulty at the Conference and where it may be desirable for the U.S. delegation to prepare alternate proposals or back-up negotiating positions.

ADL assistance was requested in identifying those U.S. proposals for frequency reassignment where significant opposition to the U.S. position might be expected from other areas of the world so that the Senate could recommend additional preparatory work by the U.S. delegation and its advisors prior to the delegation's departure for WARC and the commencement of technical working group sessions. To this end, the Committee entered into a contract with ADL on July 15, 1979. This report represents the results of our analysis on the matter.

It should be pointed out that ADL's assignment on this task was merely to identify the likely positions to be taken by other countries, or regions, on these key issues and to indicate the reasons for which those positions might be taken. It was considered beyond the scope of the project for ADL to evaluate on a technical basis the U.S. proposals or to recommend alternate proposals and possible back-up negotiating strategies. However, in the course of our deliberations, a few alternate approaches on some of the individual issues were developed and, where appropriate, they will be suggested in our report for consideration by the Committee.

II. APPROACH

Due to the limited budget and time available to perform this analysis it was decided, in concurrence with the Sub-committee staff, to limit the evaluation to ten major issue "areas," specifically those which are generally regarded as the most controversial and those which could have significant impact—favorable or unfavorable—on the U.S. radio communication industry and on users of radio communications services in the U.S. Although we actually considered 14 issues, four of these are highly related in that they deal with the proposed allocation of HF channels to Amateur Radio services.

To assist in our selection of the key issues to be evaluated, the ADL study team reviewed four pieces of government-furnished documentation:

1. The Final Report and Order on FCC Docket 20271 in the matter of "An Inquiry relative to preparation for a General World Administrative Radio Conference of the International Telecommunications Union to consider revision of the International Radio Regulations" adopted December 5, 1978 and released December 28, 1978.

2. Official U.S. Proposals to the ITU World Administrative Radio Conference (Geneva, 1979) dated 31 January 1979, Documents No. 40–E through 50–E.

3. Congressional Research Service Study "The World Administrative Radio Conference of 1979: U.S. Preparations and Prospects" forwarded to Senators Barry Goldwater and Harrison Schmitt by Library of Congress CRS letter of June 29, 1979.

4. U.S. State Department Correspondence and Enclosure forwarded to Senator Barry Goldwater on February 13, 1979 by Douglas J. Bennett, Jr. Assistant Secretary for Congressional Relations.

Following this review and the selection of ten (10) key issue areas, they were reviewed with the Sub-Committee staff for concurrence.

Thereafter, we drew upon the personal experience of four key ADL industry experts, who have carried out recent in-country interview research in the leading telecommunications countries of the world, to portray the likely positions that would be taken by these nations on the selected issues and to identify the principal reasons why such positions would be taken. We also carried out a program of literature research to obtain position statements on WARC–79 that had been presented publicly by telecommunications officials of some of the leading countries that will be most active in WARC–79 negotiations. At the outset of this evaluation, it was decided that the ADL study team would not interview conference delegates or other parties involved in preparations for WARC—except to raise questions of a clarifying or procedural nature—in order to provide a completely objective, detached analysis.

In our joint working sessions within ADL, we then drew conclusions as to which issues were likely to be approved by WARC and which were likely to be disapproved by WARC and for which other alternate proposals would be offered by opposing, sponsoring nations.

The selection of individual countries for this evaluation was based on direct prior knowledge by members of the ADL team and our perception of those countries as leaders or "chief influencers" at the Conference. The remaining nations of the world were considered in groups on a regional basis. Table 1 presents a list of the countries and regional areas evaluated by ADL in this analysis.

TABLE 1.—Countries, regions evaluated by ADL for WARC–79 analysis

Canada, Brazil, Andean countries, other Latin America, United Kingdom, Germany, France, other Western Europe, USSR and Eastern Bloc countries, Africa, Saudi Arabia, Egypt, other Middle Eastern countries, India, PRC, South Asia (inc. Australia, Micronesia), Japan.

III. KEY ISSUES ON U.S. PROPOSALS TO WARC–79

From our review of the documentation provided to us by the Sub-Committee Staff and our evaluation of the U.S. proposals to WARC, the ADL study team has concluded that the following fourteen (14) issues will be the more controversial and the outcome of these will have significant impact on the U.S. radio communications industry and U.S. radio operations of all kinds.

1. The proposed sharing of HF Shortwave Broadcast services with Fixed HF services at frequencies that are presently assigned exclusively to Fixed HF service.

2. A proposed increase in exclusive Amateur Radio service allocations at frequencies currently shared with Fixed Mobile and Radionavigation HF services.

3. A proposed increase in the exclusive Amateur Radio Service allocation between 3.5–3.9 MHz (the so-called 80-meter band) in Region 2, contrasted to the current situation wherein the 3.5–4.0 MHz band is shared with Fixed Radio services.

4. A proposed reassignment of 100 KHz of spectrum each in the 10, 18, and 25 MHz bands to Amateur Radio service from Fixed and Mobile services.

5. The proposed exclusive assignment to Amateur Radio services in Regions 1 and 3 from 7.1–7.25 MHz to bring those regions into alignment with Region 2.

6. The proposed reassignment of various frequencies in the 3–27.5 MHz band from HF Fixed services to HF International Broadcast services.

7. The proposed splitting of the 4.438–4.650 MHz band between HF Maritime services (4.38–4.5 MHz) and HF Fixed and Mobile services (4.5–4.65 MHz) contrasted to the current situation wherein the lower half of this band is shared among the three services.

8. The proposed sharing of the VHF–UHF spectrum between 470–890 MHz in Region 2 among Broadcast and Land Mobile services compared to the current situation wherein this frequency range (with the exception of 608–614 MHz assigned to Radio Astronomy) is assigned to Broadcasting on a primary basis.

9. The proposed reallocation to Fixed Satellite services on a primary basis from Fixed Point-to-Point services of selected frequencies in the 2, 3 and 6 GHz bands as follows:

1.850–2.250 GHz Satellite Down-Links.
3.400–3.700 GHz Satellite Down-Links.
6.425–7.115 GHz Satellite Up-Links.

10. The proposed splitting in Region 2 of the 12.5–13.25 GHz band between Fixed Satellite and Broadcast Satellite services, contrasted to the current allocation wherein this band is shared by Fixed Satellite and Mobile services.

11. The proposed new allocation to Mobile Satellite services of frequencies in the 7–8 GHz, 20.2–21.2 GHz and 30–31 GHz bands.

12. The proposed assignment of selected SHF–EHF channels for use in earth-sensing and space research applications.

13. The proposed assignment of frequencies above 30 GHz to advanced and experimental radio services.

14. The proposed assignment of a channel in the 2.45 GHz band for future Solar Power Satellite applications.

IV. DISCUSSION OF 14 KEY WARC–79 ISSUES

On the following pages each of the fourteen (14) key issues identified earlier in this report will be discussed individually. In each case, we briefly describe the U.S. proposal, comment on the major technical or political forces that are likely to affect the outcome of the proposal, indicate the probable outcome on a country-by-country or region-by-region basis giving the reasons for the expected positions to be taken by each, and estimate the probable outcome of each in the WARC–79 technical working groups, in the technical committees or in the plenary sessions where final votes on each matter will be cast.

While this analysis does not predict hard-and-fast results, it does attempt to make reasonable estimates of the positions to be taken by other members of ITU on these matters, based on our experience with those countries and regions and our understanding of their attitudes, priorities and uses of radio services.

In the Appendix to this report, a summary table is prepared indicating our expectations of the voting outcome on each of the fourteen issues in question.

In summary, it appears that the U.S. will see favorable action on five of the issues:

The split of HF frequencies between Fixed HF service and HF Maritime service,

The sharing of the VHF–UHF spectrum between 470–890 MHz by Broadcast and Land Mobile service,

The allocation for mobile satellite services,

The allocation of SHF–EHF channels for passive earth-sensing and space research, and

The allocation of channels above 30 GHz for advanced and experimental services.

Issue No. 1

Description

The sharing of HF channels by Fixed HF Services and HF Shortwave Broadcast services contrasted to the current exclusive assignment to Fixed HF at the following frequencies: 5900–5950 KHz, 7300–7350 KHz, 9375–9500 KHz, and 9775–9825 KHz.

Comment

It is likely that this proposal will be supported only by nations using extensive HF broadcast service or countries having manufacturers of HF broadcast equipment.

This proposal will receive opposition from both developed and developing countries wanting to protect in-country fixed HF services.

Some third world countries may oppose this proposal on "political" grounds, viewing it as a frequency-grab by the U.S.

Probable Outcome

It appears likely that both Eastern and Western Europe countries will oppose this proposal with the possible exception of the U.K.

Most Latin America countries will probably oppose this proposal on the grounds that there are an adequate number of HF broadcast channels presently available and because they will want to protect fixed HF allocations.

All African countries will very likely oppose this item to protect fixed HF service allocations due to their heavy commitment to these services.

Middle Eastern Countries may not see a need for additional HF broadcast channels and could remain neutral on this issue.

All South Asia countries (including India) will not see a need for additional HF broadcast channels and will very likely join others in opposing this proposal on these grounds.

Canada will probably support this proposal on the grounds that it will obviate the need for out-of-band operation. They will also support the proposed power limitations and recommendations for conversion to single sideband (SSB).

The P.R.C. would probably view this proposal as a "frequency grab" by the U.S. and, on the grounds that they have relatively modest HF broadcast requirements, and have extensive Fixed HF networks, will undoubtedly oppose this proposal.

Conclusion

It appears that this proposal will receive very little support from within Region 2 or other parts of the world and will very likely not prevail at WARC–79.

Issue No. 2

Description

Increase in exclusive allocations for Amateur Service as opposed to the current situation wherein Amateur Service shares spectrum with Fixed HF, Mobile HF and Radio navigation services.

This particularly applies in the 1860–1900 KHz region where Amateur service now shares 1860–2000 KHz with Fixed service, Mobile and Radionavigation.

Comment

We should recognize that Amateur Service is not allowed in many authoritarian countries, many of which also have strong vested interests in HF fixed service.

The 1800–2000 KHz band is not currently congested with Amateur requirements outside the U.S.

Opponents will argue that Amateurs are receiving adequate uncontested spectrum above 30 MHz.

This proposal may be viewed as buttressing the MF AM broadcast proposal by the U.S. as a means to develop support from countries sympathetic to that requirement.

Probable Outcome

Support can be expected from Canada, Japan, U.K., Brazil and India.

Opposition can be expected from the rest of the world except Western Europe.

Western European countries will very likely be neutral on this issue.

Conclusion

This proposal will very likely be defeated because of insufficient demand for Amateur service outside the U.S. and because a very large majority of the ITU member countries will want to protect Fixed HF/MF service allocations. The sheer number of opposition votes will affect the outcome of this matter.

Issue No. 3

Description

Increase in the exclusive HF Amateur allocation between 3.5–3.9 MHz (the so-called 80 meter band) in Region 2 contrasted to the present situation wherein the 3.5–4.0 MHz band is shared by Amateur, Fixed and Mobile services.

Comment

Although this is only a Region 2 issue, other regions will be concerned due to the precedence aspects of this matter.

Amateur service is not allowed in some authoritarian, Region 2 countries.

Demand for Amateur Service in this spectrum area is not heavy in Region 2 outside of North America.

Many developing Latin America countries will want to protect allocations for Fixed and Mobile services at this frequency.

Probable Outcome

In Region 2, there will probably be support from Canada and Brazil.

Mexico will probably oppose this proposal due to its heavy commitment to Fixed HF service in its infrastructure.

The Andean countries and remainder of Latin America will very likely oppose this proposal.

The remainder of the developed free-world countries will probably remain neutral on this issue.

The communist countries and developing countries of Africa and South Asia will very likely register opposition to this proposal.

Conclusion

Because of the sheer number of opposition votes in Region 2 and in the remainder of the world and because of our inability to muster strong support from otherwise neutral countries, it appears that this proposal will be defeated at WARC.

Issue No. 4

Description

Reassignment of 100 KHz in spectrum from Fixed and Mobile Services in the 10, 18 and 25 MHz bands to Amateur Services.

Comment

This assignment of spectrum to Amateur Radio services will very likely be opposed by both developed and developing nations of the world that have very little amateur service demand and who will wish to protect allocations to Fixed and Mobile HF services for which they have significant demand.

Probable Outcome

Support for this proposal may be expected from Japan, Australia, and New Zealand.

Opposition will very likely be evidenced by all the remaining areas of the world.

Conclusion

The U.S. proposal in this area will very likely be defeated at WARC-70 by the sheer number of opposing "votes."

Issue No. 5

Description

Assign spectrum currently allocated to Broadcast service in Region 1 and 3 to exclusive Amateur use in order to realign those regions with the current Region 2 assignment at 7.1–7.25 MHz, leaving Broadcast service the adjoining space at 7.25–7.3 MHz.

Comment

This rationalization of the 40-meter band is one area where the entire Amateur radio community could benefit.

Such realignment could eliminate the considerable interference problems that currently exist on a worldwide basis between Amateurs and HF Broadcasters.

This proposal could be viewed as "politically desirable" to put the entire world on a consistent, non-interfering basis between the two services.

Probable Outcome

Support for this proposal could be obtained among the majority of Free World and uncommitted developing countries with the exception of Western Europe countries and some of their traditional "friends."

Opposition to this proposal will very likely come from the USSR, Eastern Bloc countries and their "friends," from Western European countries and their traditional allies, as well as from P.R.C.

Conclusion

The outcome of this proposal is still in doubt and will very likely be decided on a close vote and will depend on the U.S. ability to sell the worldwide standardization, non-interference argument. A U.S. "win" on this issue is quite possible.

Issue No. 6

Description

Reassignment of a number of channels in the 3–27.5 MHz from HF Fixed Service to HF International Broadcast Service.

Comment

Specific areas where this proposal will be most controversial:

1. At 6 MHz, where 50 KHz is proposed as Exclusive International Broadcast as opposed to the current Fixed HF service assignment and where 50 KHz is proposed to be shared between International Broadcast and Fixed service, contrasted to the current exclusive assignment to Fixed service.
2. Between 7.3–7.5 MHz where it is proposed that these channels be reassigned to exclusive International Broadcast from its current Fixed Service assignment.
3. Between 7.5–7.55 MHz where it is proposed that International Broadcast and Fixed Service share this spectrum, contrasted to the current assignment to Fixed HF service.
4. Between 9.375–9.5 MHz and between 9.775–9.825 MHz where it is proposed that spectrum be reassigned exclusively to International Broadcast from its current Fixed HF service assignment.

This proposal also includes provisions for transmitter power limitation and for conversion to single sideband (SSB) operation by 1995.

Probable Outcome

This proposal will very likely be supported by NATO countries including the U.K. and Canada and, similarly, may be supported by Japan.

Opposition to this proposal can be expected by countries ruled by authoritarian governments who wish to limit international broadcast activity and by developing countries that have a heavy commitment to Fixed HF service. This constitutes the majority of the countries participating in ITU.

Conclusion

We can foresee support for this proposal from a maximum of 15 countries, therefore, it will very likely be defeated at WARC-79.

Issue No. 7

Description

Splitting of the current Fixed HF service assignment between HF Fixed and HF Maritime service as follows:

4.438–4.5 MHz to Maritime Service.

4.5–4.65 MHz to Fixed Service.

Comment

This proposal will very likely be supported by OPEC countries and by nations who are heavily dependent on maritime shipping and defense operations.

Opponents who favor fixed HF services may argue that this requirement will be diminished somewhat by the prospective emergence of INMARSAT as an operational system.

Probable Outcome

Support for this proposal will undoubtedly come from the U.K. and most other Western European countries; from Brazil, Venezuela, Mexico, Canada and possibly Argentina in Region 2; from Egypt and other North African and Middle Eastern OPEC countries; from Japan, the P.R.C. and the USSR. It should be noted that the USSR generally tends to favor shared allocations, particularly between mobile and fixed services for reasons of flexibility.

It is expected that Eastern Bloc European countries will remain neutral on this issue to establish a negotiating position on other issues.

Opposition to this proposal will very likely come from Central and Southern African countries with the possible exception of Nigeria; from South Asian countries, including India and all Micronesia and from the other Latin American countries not mentioned above as supporters.

Conclusion

It is likely that the world maritime leaders may succeed in swinging a favorable vote on this issue but only after considerable debate and negotiation. It is observed that the U.S. delegation may want to trade off other less popular, controversial HF issues to gain acceptance on this matter.

Issue No. 8

Description

Sharing of the UHF spectrum in the 470–890 MHz area in Region 2 between Land Mobile and Broadcast services, compared to the current situation wherein this is assigned on a primary basis to Broadcast Services.

Comment

Although this is basically a Region 2 issue, nations in other regions can be expected to vote on the matter due to the precedence setting aspects of the issue.

The proposal permits regional coordination such as is being carried out, at present, between the U.S. and Canada and Mexico.

Power restrictions on land mobile and broadcast operations in this band can be used to offset arguments raised by nations who are concerned about across-the-border propaganda broadcasting.

If an unfavorable outcome is experienced in this area, the U.S. could "footnote" the regulations and continue to operate on a regional-coordination basis.

Probable Outcome

Within Region 2 the only strong support will probably come from Brazil where land mobile operations are increasing congestion and where UHF broadcast frequencies are not as crucial.

The remaining Latin American countries will undoubtedly remain neutral since they have less congestion and demand among land mobile services.

Mexico and Canada will undoubtedly support the proposal in principle but may have counter-proposals for specific frequency assignments for the two services.

In Western Europe much of this band is unavailable for mobile services due to NATO assignments. That region also has heavy demand for broadcast channels as well as for land mobile service where considerable congestion exists. Therefore, counterproposals from European countries may be expected in this general area.

Australia and Japan will probably support this area.

The remaining countries of the world will either remain neutral to this proposal or will oppose it on "political grounds."

Conclusion

It appears that a plenary session vote on this issue could be favorable to U.S. interests, although specific splitting proposals of other nations could prevail. If, however, the conference vote turns out to be adverse to U.S. interests, footnoting of the regulations can be employed by the U.S. to accommodate regional coordination.

Issue No. 9

Description

The provision of fixed satellite services on a primary basis at 2, 3 and 6 GHz together with Fixed point-to-point and Mobile services currently assigned to operate in the same area, with these services to operate here on a secondary basis. The specific frequencies where this fixed satellite proposal applies are:

1.850–2.200 GHz Space-to-earth down links.

3.4–3.7 GHz Space-to-earth down links.

6.425–7.115 GHz Ground-to-space up links.

Comment

This proposal is technically very complicated and will be confusing to WARC attendees, as presently written. A more detailed (proposed) channel allocation plan is needed to identify corresponding up and down-link channels.

The 2 GHz down-link aspects of the proposal will result in considerable interference with existing terrestrial microwave systems.

Terrestrial microwave systems can co-exist with up-links at 6.427–7.115 GHz.

Coordination between fixed terrestrial systems and satellite down links will be very difficult.

This proposal is most important only to the U.S. because of heavy usage and congestion among domestic systems.

The two-octave frequency range of earth station antennas implied by this proposal appears to violate the interests of low-cost earth station proponents in the U.S. and of U.S. space communications policy on this matter as well as to the interests of other nations who have interest in relatively simple, low-cost earth stations.

Most opposition to this proposal will come from nations with heavy investment in fixed terrestrial point-to-point microwave systems and from nations desiring low-cost earth stations.

Probable Outcome

Support for this proposal could possibly come from such countries as India, Australia, Japan, Indonesia, and Malaysia. We expect that there will probably be fewer than 10 supporting votes for the present proposal.

Canada will probably remain neutral on this issue.

Opposition to this proposal will undoubtedly come from all African nations, from Latin American countries, from both Eastern and Western European countries, from Middle Eastern countries who fail to see the need for additional frequencies for satellite services, and from the P.R.C. who prefer to operate fixed satellite service in the 10–11 GHz region.

Conclusion

The U.S. will probably experience an unfavorable reaction to this proposal and may alternatively want to propose this allocation on a secondary basis in Region 2 only, where coordination with other countries on a case-by-case basis is possible.

Issue No. 10

Description

The split of the 11.7–12.75 GHz spectrum in Region 2 between Fixed Satellite and Broadcast Satellite services as follows:

11.7–12.2 GHz Fixed Satellite, space-to-earth.

12.2–12.5 GHz Broadcasting Satellite.

12.5–12.7 GHz Broadcasting Satellite.

12.7–12.75 GHz Fixed Satellite earth-to-space.

12.75–13.25 GHz Fixed Satellite earth-to-space (all Regions).

Comment

This proposal will have support from broadcast satellite proponents who are relatively few in number throughout the world and will be opposed by authoritarian countries who may be concerned about the flow of propaganda information into their countries.

Some support from "marginal" countries, who tend to favor broadcast satellites for education purposes, can probably be obtained by stressing the fact that the importation of information can be controlled at earth stations or distribution points.

The proposal has the favorable technological argument of bringing Region 2 into alignment with the rest of the world in this area.

Probable Outcome

Within Region 2, the proposal will probably be opposed by Latin American countries for emotional propaganda reasons and by Canada because the down-link proposals will interfere with a planned terrestrial microwave network.

Elsewhere in the world, support can be expected from the more "democratic" nations such as Western Europe (except Holland), Japan, India and Australia.

Otherwise, opposition can probably be expected from the USSR and Eastern Bloc countries, from Africa, from Middle Eastern countries and from South Asia.

Conclusion

This proposal will undoubtedly be defeated within Region 2 as political reasoning overcomes sound, rational, technical argument. The rest of the world can therefore be expected to follow the pattern of Region 2, since the matter is moot to them—i.e., they already have broadcasting and fixed satellite service either sharing or splitting these frequencies.

Issue No. 11

Description

The addition of Mobile Satellite service on a primary basis in the bands 7.25–7.75 GHz and 7.9–8.4 GHz and deletion of terrestrial fixed and mobile services from the 7.9–7.975 GHz band. Also the provision of mobile satellite services in the 20.2–21.2 GHz and 30–31 GHz bands.

Comment

The principal applications for mobile satellite services will be in the highly sophisticated countries where advanced mobile communications services are likely to develop.

Within the U.S., the DOD has allocations for its military satellite communications programs at 7–8 GHz.

It will be difficult to defend these allocations on technical or system economic grounds and the lesser developed countries may argue that such an allocation is premature for this reason.

There appears to be less controversy at the higher frequencies because there is little likelihood that operational systems will be implemented in those bands during the next 20 years.

Probable Outcome

Canada will probably oppose the 7–8 GHz portion of the U.S. proposal (except for the military portion of the allocation) because of its conflict with terrestrial microwave, however it will probably support the proposals at the higher frequencies.

Western European countries will probably not oppose these proposals and NATO countries will very likely support them.

Japan will undoubtedly support the proposals and it is likely that the USSR and Eastern Bloc countries will also support it.

Third World and developing countries and P.R.C. will very likely remain neutral on this issue and argue that making such allocations at this time is premature.

Conclusion

Because of the lack of strong, organized opposition to these proposals, we can expect that they will probably be approved by WARC with some modifications by working committees en route.

Issue No. 12

Description

The addition of passive earth exploration and space research services to the SHF–EHF bands as follows:

4.2–4.4 GHz—adding to aeronautical radionavigation services.

10.6–10.7 GHz—adding to Fixed, Radiolocation, Mobile (except.

18.6–18.8 GHz—Aeronautical Mobile) and Radio Astronomy services.

In all of these proposals, power limits for terrestrial stations of other services are proposed to protect passive services.

Comment

Although there appears to be little opposition to "progress" in this area, recognition must be given to concerns over the control of data collected by passive satellite sensors on the part of authoritarian countries.

Probable Outcome

Support for this proposal can be expected from Western European countries, from the USSR and PRC, from India and from Canada and Brazil in Region 2.

Other nations will undoubtedly remain neutral or give lukewarm support to the proposal.

Conclusion

This proposal will very likely to be approved by WARC because of the strong support of world leaders. However this outcome will only occur if the confidence of other nations is established and they are assured that cooperation in the control of collected data will occur.

Issue No. 13

Description

Proposed allocation of spectrum between 30–40 GHz for advanced and experimental services in the following areas:

Fixed Satellite.

Mobile Satellite.

Standard Frequency Satellite.

Space Research.

Earth Exploration Satellite (Passive).

Radio Astronomy.

Mobile Service.

Radionavigation.

Radiolocation.

Fixed Radio Service.

Comment

Although it may be premature to make allocations for such services in this frequency region at this time, current allocations do exist so that the concept of allocating this portion of the spectrum has been accepted.

Probable Outcome

Very little opposition to this proposal can be expected because most nations do not believe that there is a likelihood that requirements will develop for specific services in this area during the next 20 years. It is possible that certain nations could unexpectedly voice opposition to this U.S. proposal as a "bargaining" tool to win support for other proposals. However, it appears that such opposition would be spotty and disorganized.

Conclusion

U.S. proposals for the region above 30 GHz are very likely to prevail at WARC.

Issue No. 14

Description

The allocation of 2.45 GHz for the wireless transmission of energy from space to earth for the Solar Power Satellite (SPS) program, provided that such use does not cause harmful interference in adjoining bands for Radiolocation, Amateur, Fixed and Mobile services.

Comment

The outcome of this issue is likely to be decided on emotional, rather than technical, grounds.

Very little supporting argument on technical grounds can be developed that will offset emotional concerns.

Probable Outcome

This appears to be strictly a U.S. proposal with no strong support likely from any other nation at the conference.

Opponents will effectively argue that worldwide allocation for this service is premature at this time.

Conclusion

This issue will very likely see results at WARC that are unfavorable to the U.S. proposal.

APPENDIX A

SUMMARY OF PROBABLE REACTIONS TO U.S. PROPOSALS TO WARC 1979

[Legend: 0=Oppose—S=Support—N=Neutral]

	Share fixed HF with shortwave broadcast	Increased exclusive HF amateur vs. share fixed	Increased region 2 exclusive HF amateur 3.5–3.9 MHz	Reassign to amateur at 10, 18.25 MHz from fixed/mobile	Region 1 and 3 exclusive amateur 7.1–7.25 MHz	Reassign fixed HF to international broadcast	Split HF fixed with maritime	Region 2 share 470–890 MHz broadcast/mobile	Reassign to fixed satellite 2.3.6 GHz from fixed point-to-point	Split 12.5–13.25 GHz fixed/broadcast	Mobile satellite allocation	Earth-sensing space res. SHF–EHF	Advanced and exper. services >30 GHz	Solar power satellite 2.45 GHz
Canada	S	S	S	0	S	S	S	S	S	0	0	S	S	0
Brazil	0	S	S	0	S	0	S	S	0	0	N	S	N	0
Andean countries	0	0	0	0	S	0	0	S	0	0	N	N	N	0
Other Latin America	0	0	0	0	S	0	S	N–0	0	S–0	N	N	N	0
United Kingdom	0	S	S	0	S	S	S	0	0	S	S	S	S	0
Germany	0	N	N	0	0	S	S	S	0	S	S	S	S	0
France	S	N	N	0	0	S	S	0	0	S	S	S	S	0
Other Western Europe	0	N	N	0	0	S	S–N	0	0	S	N–S	S	N–S	0
U.S.S.R. and Eastern bloc	0	0	0	0	0	0	S–N	N–0	0	0	S	S–N	N–S	0
Africa	0	0	0	0	N–S	0	0	N–0	0	0	N	N	N	0
Saudi Arabia	N	0	N	0	N–S	0	S	N	0	0	N	N–S	N	0
Egypt	N	0	N	0	N–S	0	S	N	0	0	N	N–S	N	0
Other Middle Eastern countries	N	0	N	0	N–S	0	S–N	N	0	0	N	N	N	0
India	0	S	S	0	S	N	0	S	N–S	S	N	N–S	N	0
PRC	0	0	0	0	0	0	S	N	N–0	0	N	S	N	0
South Asia (Micronesia Australia	0	0	0	0	N	0	0	S	N–S	N–0	N	N	N	0
Japan	S	S	S	S	S	S	S	S	S	S	S	S	S	0

Source: Arthur D. Little, Inc., estimates.

FTC FRANCHISE DISCLOSURE RULE

● **Mr. NELSON.** Mr. President, recently, the Select Committee on Small Business conducted a hearing to review the Federal Trade Commission's proposed "franchise disclosure rule." That rule, now scheduled to take effect on October 21, 1979, will require "franchisors," as defined in the rule, to disclose to prospective franchisees certain basic business information.

In the July issue of Photo Marketing, Sheldon London, the director of Government Relations for the Photo Marketing Association, provided an excellent summary of the rule's requirements. There has been a great deal of confusion concerning what types of businesses may be covered, and what disclosures would be required if coverage exists. The committee found Mr. London's overview very useful.

As a result of the committee's efforts, the FTC announced on July 24 that it had narrowed the scope of coverage to exclude the typical wholesale/retail distribution system.

I ask that the article be printed in the RECORD.

The article follows:

UNCLE SAM WON'T DO IT ALL FOR YOU

(By Sheldon London)

Eight years after initiating a rule-making proceeding, the Federal Trade Commission has published the Franchise Rule which will become effective on July 21, 1979.

The popularity of franchising over the last two decades is a well documented phenomenon. A recent U.S. Department of Commerce study indicates that franchising sales of goods and services of nearly a half-million outlets will exceed $300 billion in 1979.

The Federal Trade Commission issued the Rule in response to widespread evidence of deception and unfair practices in connection with the sale of franchises. The agency concluded that prospective franchisees lack essential and reliable information about businesses in which they are asked to invest their resources. The Rule is designed to deal with this deficiency by requiring franchisors to furnish prospective franchisees with information about the franchisor, the franchised business, and the terms of the franchise agreement.

These disclosures, which are detailed below, together with additional information if claims have been made about actual or potential earnings, must be provided to the prospective franchisee at the first meeting with the franchisor or not less than 10 days prior to the execution of a contract or payment of consideration on a franchise. The Rule is only applicable to franchise relationships established after July 21, 1979.

There are two categories of franchise relationships: (1) "Package" or "Business Format" franchises, and (2) "Product" franchises, which will be subject to disclosure requirements. Let us look at the elements that are required for each of these two different types of franchises.

PACKAGE FORMAT

The three elements which must be met under this category are that:

The franchisee "operates under" the trademark or trade name of the franchisor and meets the franchisor's quality standards:

The franchisor exerts or has authority to exert a "significant degree of control" over the franchisee's "method of operation" or in the alternative, that the franchisor gives "significant assistance" to the franchisee in the latter's method of operation; and

The franchisee must pay to the franchisor or an affiliated person at least $500 over the first six months of the operating franchise.

PRODUCT FRANCHISES

This second type of franchise under the Rule also has three elements. These are:

The franchisee sells goods or services identified by the franchisors' trademark;

The franchisor has a significant degree of control over the franchisee's method of operation or in the alternative, gives the franchisee significant assistance in the method of operation; and

The franchisee is required to pay the franchisor or his affiliate at least $500 within the first six months of the franchise.

EXEMPTIONS

These are some significant exemptions under the Rule, and they include:

"Fractional franchises," where the franchisee has been in the business for more than two years and the franchise represents no more than 20 percent of his sales;

Leased departments, in which an independent retailer leases space in the store of a large retailer;

Purely verbal agreements;

Relationships where less than $500 is paid by the franchisee.

Membership in retailer-owned cooperatives which wholesale goods or furnish services primarily to their member retailers.

DISCLOSURE DOCUMENT

The major innovation of this Rule is the required disclosures. The Rule specifies that the disclosure document contain information on the following 20 subjects:

Identifying information about the franchisor; business experience of the franchisor's directors and key executives; the franchisor's business experience; litigation history of the franchisor and its directors and key executives; bankruptcy history of the franchisor and its directors and key executives; description of the franchise; money required to be paid by the franchisee to obtain or commence the franchise operation; continuing expenses to the franchisee in operating the franchise business that are payable in whole or in part to the franchisor; a list of persons who are either the franchisor or any of its affiliates, with whom the franchisee is required or advised to do business; realty, personality, services, etc. which the franchisee is required to purchase, lease or rent, and a list of any persons from whom such transactions must be made; description of consideration paid (such as royalties, commissions, etc.) by third parties to the franchisor or any of its affiliates as a result of a franchisee's purchase from such third parties; description of any franchisor assistance in financing the purchase of a franchise; restrictions placed on a franchisee's conduct of its business; required personal participation by the franchisee; termination, cancellation and renewal of the franchise; statistical information about the number of franchises and their rate of terminations; franchisor's right to select or approve a site for franchise; training programs for the franchisee; celebrity involvement with the franchise; financial information about the franchisor.

SUBSTANTIATING EARNINGS

As indicated earlier, there are strict rules requiring substantiation by the franchisor of earnings, representations about actual or potential sales, income, or profits of existing or prospective franchisees if this information is given. Where it is provided, this information must meet three criteria:

There is a reasonable basis for the representation;

The representation has been prepared in accordance with generally accepted accounting principles; and

The franchisor has evidence to substantiate every representation and such evidence is available to the prospective franchisee or to the Federal Trade Commission upon reasonable demand.

STATE LAWS

The FTC is seeking to create a minimum federal standard of disclosure which would be applicable to all franchise offerings. Thus, the FTC Rule will preempt state and local laws to the extent that these laws are in conflict, but the Commission has determined that state or local laws which either are consistent with the Rule or, even if inconsistent, which would provide protection to prospective franchisees equal to or greater than that imposed by the Rule, would be permissible.

Fifteen states have enacted legislation requiring presale disclosure. Another 11 states have developed substantive rules for the regulation of franchising and four states have enacted laws specifically designed to regulate non-franchise business opportunities.

THE UFOC

The Uniform Franchise Offering Circular (UFOC) was created by the Midwest Securities Commissioners Association, Inc., and is in use by all states with franchise disclosure requirements. The FTC will permit franchisors to use the UFOC format in lieu of the disclosure document which was described above, containing the 20 subject areas.

A model UFOC Circular is available from Photo Marketing Association's Washington Office.

SANCTIONS

When the Rule becomes effective, it will be considered an unfair or deceptive act or practice within the meaning of Section 5 of the Federal Trade Commission Act for any franchiser to:

Fail to furnish prospective franchisees, within time frames established by the Rule, with a disclosure document containing information on 20 different subjects relating to the franchisor, the franchise business and the terms of the franchise agreement.

Make any representations about the actual or potential sales, income, or profits of existing or prospective franchises except in the manner set forth in the Rule.

Make any claim or representation (such as in advertising or oral statements by salespersons) which is inconsistent with the information required to be disclosed by the Rule.

Fails to furnish prospective franchisees, within the time frames established by the Rule, with copies of the franchisor's standard forms of franchise agreements and copies of the final agreements to be signed by the parties.

Fail to return to prospective franchisees any funds or deposits (such as down-payments) identified as refundable in the disclosure document.

Violators are subject to civil penalty actions brought by the commission of up to $10,000 per violation. ●

TV AND SALT II DEBATE

● Mr. JAVITS. Mr. President, a corollary issue that has arisen respecting Senate debate on the question of SALT II is whether or not the Senate floor debate should be televised live. A number of Senators already have expressed themselves on this question, and the Foreign Relations Committee has considered the arguments for and against live television coverage of the SALT debate.

In the interest of keeping our colleagues informed on this issue, I wish to print in the RECORD a resolution adopted at the recent annual meeting of the American Federation of Television and Radio Artists, which has its headquarters in New York City. AFTRA, like so many elements of the media, supports in its resolution live television broadcasts of the debate.

A text of the AFTRA resolution follows.

LIVE COVERAGE OF SALT II DEBATE

Be it resolved, that this 1979 AFTRA Convention believe that since the Senate's debates of the Salt II treaty are vital to the lives of the American people, and that the people are thus entitled to the fullest possible information about the treaty and the debates, it follows that Americans are entitled to observe the course of those debates in live broadcast form; and

Be it further resolved, that the National Executive Secretary be directed to call upon officers of the United States Senate to authorize such live coverage so the American people will not be denied their just participation in these historic debates.

Approved July 15, 1979.

HOMER CAPEHART

● Mr. BAYH. Mr. President, from time to time, each of us is touched in some way by truly unique individuals; people who leave a lasting impression that we carry with us throughout our careers.

Homer E. Capehart, the distinguished former Senator from my home State of Indiana was such a person. He was what I would call a self-made man who possessed a keen business sense as well as being highly skilled in the fine art of politics.

Mr. President, I was deeply saddened yesterday to learn that Homer Capehart passed away in Indianapolis at the age of 82. For 18 years, from 1945 until 1963, Senator Capehart served the people of Indiana in this august body with dedication and distinction. His hard work enabled him to eventually rise to the position of chairman of the Banking and Currency Committee where he had a significant influence on legislation pending in the Senate and the issues of the day.

Senator Capehart was the son of a tenant farmer, and remained active in farming throughout his retirement, having managed farms in Daviess and Hendricks Counties, Ind. Indeed, he learned about business the hard way by going into business with little more than his dreams and wits. In 1928, he founded the Capehart Corp. which was the first of a number of successful business ventures Mr. Capehart was to engage himself in over the years. In later life, he attended to his varied investments with a careful eye.

Homer Capehart was a true patriot, and was the first volunteer for World War I from Daviess County, Ind. It was at this early time when he began to develop his keen political sense, which eventually carried him through three statewide elections. I know first hand of Senator Capehart's skill because he was my opponent when I was a young State legislator seeking to come to Washington in 1962. It was a tough campaign, and although we strongly disagreed on some issues and the solutions to some problems, we maintained a mutual respect for each other.

I know all of my colleagues will join me in extending our deepest sympathy to Senator Capehart's wife, Irma, and to his son and daughter, Earl and Patricia.●

SALT II RATIFICATION: THE MEASURE OF THE SENATE

● Mr. CRANSTON. Mr. President, at the time we adjourned for the August recess, hearings had been actively under way for several weeks before the Foreign Relations Committee, the Armed Services Committee, and the Intelligence Committee with respect to SALT. Those hearings, I believe, demonstrate that the opponents and critics of the SALT II Treaty have been unable to establish that there are any basic flaws in the treaty.

For example, the issue of verification—which a few months ago appeared to be the key issue upon which the critics of SALT II would focus—has, for all practical purposes, vanished. An adamant opponent of the treaty, who is one of the most astute and knowledgeable members of the Intelligence Committee—Senator BARRY GOLDWATER—has announced publicly that he is satisfied that SALT II presents no significant verification problem.

Faced with this inability to find any serious flaws in the SALT II Treaty, opponents have shifted their attack.

The major new issue now being linked to ratification is the amount of our defense spending on both strategic and conventional forces. Senators NUNN, JACKSON, and others have called for a real increase in defense spending of 5 percent a year for each of the next 5 years. Former Secretary of State Kissinger has called for an "obligatory commitment" to an increase in the defense budget, as well as a commitment to proceed with the M–X missile and multiple point basing system.

I welcome a responsible and thorough examination of our defense spending with respect both to conventional and strategic forces. But I question the wisdom of, and oppose the effort to, condition an affirmative vote on the SALT II Treaty upon any "obligatory commitment" or arbitrary 5 percent yearly real increase in defense spending. Both the SALT II Treaty and the issue of defense spending must be examined on their separate, individual merits. To an extent, the two are linked—just as conventional and strategic spending are linked, or defense and nondefense spending are linked. But arbitrary linkage of arms expenditures with arms control serves neither the cause of national security through arms control nor the cause of national defense through arms expenditures.

A second issue critics of SALT II now are focusing on is the theoretical vulnerability of one leg of our triad of strategic forces—our ICBM's. Current strategy holds that even if one or two legs of the triad is destroyed, our surviving nuclear forces would be more than adequate to inflict unacceptable death and destruction upon the Soviet Union. Our retaliatory capability, therefore, acts as deterrent to a nuclear offensive by the Soviet Union. The opponents of SALT argue, however, that even the appearance of a Soviet threat to any part of our Triad is unacceptable. Perception of vulnerability, they contend, is as important as actual vulnerability. They argue that if the Soviets perceive vulnerability, they will try to exploit it in various theater encounters with the United States. Therefore, they conclude, the United States must make all legs of the Triad—and, in particular, our ICBM's—invulnerable to any possible Soviet first-strike, or the so-called surgical strike, even a theoretical one.

Leading proponents of this theory—particularly the theory that perception of vulnerability is important—are Mr. Nitze and Mr. Kissinger. Mr. Kissinger, it should be noted, supports SALT provided we increase defense spending and take steps to eliminate this perceived ICBM vulnerability. The Pentagon, the State Department, and the President appear to believe that by the early to mid-1980's the United States will be vulnerable to a Soviet surprise attack that could wipe out at least 90 percent of our ICBM's. They seem to have concluded that this perceived vulnerability must be corrected or it will be "exploited" by the Soviet Union.

Mr. President, during the August recess, a provocative and informative article entitled "The Doomsday Debate—'Shall We Attack America?'," sought to address the fundamental issue that is involved here. That article is a substantive analysis of the so-called surgical or first-strike doctrine. The authors point out that nothing in Soviet military literature or military doctrine envisions a possible Soviet first strike against U.S. ICBM's. The possibility of such a theoretical strike has been raised—and promoted—only by Americans, not by Russians. Even our NATO allies do not share this view.

Mr. President, because of its import and the fact that it was published during the August recess, I ask that the full text of the article, "The Doomsday Debate—'Shall We Attack America?'," written by Robert G. Kaiser and Walter Pincus in the Washington Post for Sunday, August 12, 1979, be printed in the RECORD.

The article follows:

THE DOOMSDAY DEBATE: "SHALL WE ATTACK AMERICA?"

(By Robert G. Kaiser and Walter Pincus)

Will the United States soon be vulnerable to a sudden thermonuclear attack by the Soviet Union that could wipe out America's land-based missile force in a single blow? Yes, reply most of the experts—even the president of the United States. The 1980s will be perilous for America because of this "vulnerability," according to Henry A. Kissinger and many others.

A seemingly simple mathematical fact leads to this gloomy forecast. By the early 1980s the Soviets will have enough accurate warheads on their land-based rockets to target two bombs on every American missile silo while still holding in reserve most of their offensive forces. Theoretically, this would give the Soviets high confidence of "killing" 90 percent of the American silos.

In the past, America has relied on its "triad" of strategic forces—the combination of land-based missiles, submarine-based missiles and bombers—to insure survival of an adequate strategic force. If two or even one of those systems survived, that would be adequate to destroy the Soviet Union, according to the theory.

In a time of steadily increasing Soviet forces, however, the original "triad" theory has fallen victim to a new argument. Simply stated, the new theory is that even the *appearance* of a Soviet strategic advantage over one of the three elements of the "triad" would be dangerous. "Perceptions" about vulnerability are just as important as reality, according to this theory; the Soviets or other nations could misinterpret this perception as a genuine sign of American weakness. This is a theory devised and promoted entirely by Americans.

However, the most important question about vulnerability has not been asked: How would the Russians see it? The Soviet military literature contains no analysis of a possible Soviet first strike against U.S. land missiles. Then how might Soviet military planners exploit "vulnerability" five years from now, when their theoretical advantage will be greatest?

It is Aug. 10, 1984. The new Soviet leadership is finally in place in the Kremlin. The long bickering that followed Leonoid Brezhnev's death in his sleep in late 1983 produced a showdown between the so-called *Mir* ("Peace") and *Cil* ("Strength") factions in the Politburo. This longstanding split has never been publicly revealed, but it has been the crucial division in Soviet politics since the early 1970s. Brezhnev led the "Peace" faction, and it has now been beaten. The new general secretary of the Communist Party is Vladimir Ivanov, 63, a resourceful politician who ran the Ukraine for several years. The outside world knows nothing of Ivanov's plans or policies.

In fact they are ominous. His secret platform in the just-completed leadership struggle was simple: The time has come for the ultimate showdown with the imperialists. The Soviet economy is slipping badly, Ivanov argued; oil is running out; the people are restless and hungry for consumer goods; the non-Russian nationalities are threatening rebellion. Most serious, the comrades who run the Red Army are upset by the latest developments in the imperialist camp—the new American MX missile, the stationing in Europe of new ballistic and cruise missiles aimed at the Motherland of socialism, and much more. This may be the last chance to win the ultimate showdown, so we must move now. That is what Ivanov and his colleagues argued, and they won.

Soon after taking power Ivanov had called together the seven-man team under Col. Lev Perlshtein that had long been responsible for the Soviet Union's most sophisticated strategic thinking. Ivanov asked Perlshtein and his group to produce a crash study on how the Soviet Union could initiate and win a nuclear showdown with the capitalist camp. Ivanov told Perlshtein he was especially interested in the concept of the "window of vulnerability" that he had read about in the Politburo's private translations of American publications.

On this sticky August afternoon Perlshtein assembled his group in the Kremlin's wood-paneled situation room, four stories below the ground. He brought with him all six of his team, including Vladimir Kuznetsov, an apparatchik who had worked for almost two decades on strategic issues on the secretariat of the Central Committee. Perlshtein was particularly proud of Kuznetsov, who was his own devil's advocate, a man steeped in strategic lore whose job it was to argue against whatever course of action the colonel himself chose to argue.

Ivanov was both excited and a little nervous about this encounter. Excited because he really did hope Perlshtein could produce a workable plan. Nervous because although he had won the power struggle, the "Peace" faction was still well represented on the Politburo, and he wasn't sure he could command a majority for an aggressive policy. On this day he had invited only four colleagues to the situation room—four men who were utterly loyal to him, though only one, Marshal Nikolai Antonov, his new minister of defense, had expert knowledge of strategic matters.

The other three were former regional party secretaries like Ivanov, all of whom he had brought to Moscow in the last few months: Fyodr Trepotkin from Leningrad, Alexei Stepanov from Minsk, Archil Shevshadze from Tbilisi. All were smart; all were tough; all had helped Ivanov to power.

The room was cool, unlike Red Square that sunny afternoon. Perlshtein and his group sat on one side of the long meeting table covered wih green felt and dotted with bottles of Narzan mineral water. Ivanov and his four colleagues sat across from the experts. Ivanov nodded to Perlshtein to begin the briefing. This is what he said:

"First, comrades, a warning. You have put before us an unprecedented task. No power has ever used thermonuclear weapons. (I skip over the imperialists' atomic bombing of Japan, with which you are all familiar.) Also, the attack suggested by the general secretary will require launching 350 of our rockets almost simultaneously, an unprecedented feat.

"Nevertheless," Perlshtein went on, "Comrade Ivanov has indicated he hopes to pursue this course. I intend to present our best thinking on how it could be done. We are encouraged by the extensive American literature on this subject, particularly analyses by the most determined imperialist warmongers, who are obviously convinced that we could succeed with a surprise attack.

"Let me add at the outset," Perlshtein said, "that, as usual, Comrade Kuznetsov disagrees with the thrust of my briefing. He will offer his dissent when I have finished.

"Let me outline our analysis of how a surprise attack could be launched against the imperialist camp. First, we must strike without provocation, when the imperialists believe our relations are on a sound, peaceful footing. It might be advisable to pick a moment when the Bolshoi Ballet or the Moscow Circus is touring the United States.

"There can be no hint of what we plan. They are watching us intensely by satellite, and they are listening in on our communications. Need I recall the embarrassing revelations in the imperialist press some years ago of conversations picked up from Comrade Brezhnev's limousine telephone as he drove to his dacha? We must assume capitalist agents are well placed in our country, though we are confident they are not in our strategic rocket forces' chain of command.

"Our first aim must be to prevent America from going on any alert. With no alert we have a good chance of destroying all of their Minuteman and Titan missiles, at least half of their missile-carrying submarines and more than half of their bombers, which we would catch in port or on airfields.

"No matter what we do, you should keep in mind that the Americans' aggressive policies lead them to maintain much larger submarine missile and long-range bomber forces on alert, even in peaceful times, than we do. For example, we believe that more than 100 of their bombers can be put in the air, aimed at our homeland, within 15–30 minutes of an order to do so.

"Even without an order from the president, the notoriously reckless commanders of the U.S. Strategic Air Command can more than double this number by raising the level of alert. And American naval commanders can quickly add to the number of missile-carrying submarines at sea. In peaceful times, we calculate that the Americans usually have 350 submarine missiles at sea, carrying about 3,000 warheads. With an alert these numbers would rise."

At this point Kuznetsov, the devil's advocate, quietly interrupted his boss. "One point of information," he said. "To prevent the Americans from going on alert, we cannot go on alert. We must leave 80 percent or more of our submarines in port, where they usually are. We cannot move any bombers, including our Backfires, from their normal bases or otherwise change their behavior. We cannot evacuate any civilians. It may even be impossible for all of our leadership cadre to take advantage of the shelters that have been built for us."

"Quite right," Col. Perlshtein agreed. "But we do retain the element of surprise. To continue: The objective of this attack would be to eliminate the American land-based missiles and all of the missile-carrying submarines and bombers that would remain unalerted at the time of the strike.

"To do this we would propose firing 350 to 400 of our best long-range rockets, 200 RS20s (the one the Americans call the SS18) and 150 to 200 RS18s (the SS19). These would carry 2,450 to 2,800 warheads, each with explosive power of more than 500,000 tons of TNT. This would enable us to aim two warheads from two different rockets at each of America's 1,054 missile silos, and would give us a healthy margin to compensate for possible misfirings and to attack submarine and bomber bases."

Ivanov perked up as Perlshtein completed his description of the attack. "What was that about misfirings?" he asked. His question prompted a remark from Marshal Antonov.

"Comrade Perlshtein," Antonov said, "I think you should describe some of the technical challenges involved here."

"I was just coming to that," Perlshtein replied briskly. "As I said at the outset, we have been asked to describe an attack that no one has ever attempted. By its nature it is not something we can practice. Thus we will face a number of unique 'technical challenges,' to use Marshal Antonov's expression. Let me outline the principal ones.

"To be successful, this attack must be timed with a precision that neither we nor the Americans have ever attempted. Our warheads must land within seconds of each other—to be precise, within 20 to 40 seconds of each other—on each target, each of which is at least 10,000 kilometers (6,000 miles) from our missile silos. To guarantee the destruction of each silo we attack, we will want to achieve two explosions: one at ground level, one several hundred meters in the air. If the warheads arrive at their target more than about 20 seconds apart, the effects of the explosion of the first will probably disable the second as it arrives.

"To achieve this precision at the targets, each of our rockets will have its own, precise instant of launch. Each rocket will travel a unique flight path, each over a precise and unique distance, as will each of our warheads. As you know, our missiles are based in silos that stretch across about 1,600 kilometers [1,000 miles] across our country. Naturally, our command communications to launch the hundreds of rockets in this maneuver will have to be perfected."

Ivanov perked up again. "What has happened in the past when our people have tried something of this kind?" he asked.

"We have never tried anything of this kind," Perlshtein responded crisply. "But we do have an advantage over the Americans in these matters. We have tested our missiles from operational silos, so we know how they will work in a real attack."

"How many have we tested at one time?" Ivanov asked.

"Usually one at a time," Perlshtein replied. "Never more than 10."

"But what about the misfirings you mentioned?" Ivanov asked.

"That is another matter," Perlshtein said. "We know from experience that some rockets will fail to ignite, fail to stick to their course, or fail to go off on time. For this reason we will fire more rockets than we think we need—a margin of safety, if you will."

"Another point of information," Kuznetsov interjected. "Col. Perlshtein has told you that some rockets—we estimate 10 percent, by the way—will misfire. Unfortunately, we cannot predict which rockets these will be. But all our rockets must be targeted in advance. This means the targets of those rockets that misfire will not be hit, or will be hit with only one warhead. But we will not know which targets these might be, so we will not know where to target the extra missiles we plan to fire to provide the 'margin of safety.' In summary, we have to acknowledge that we will miss some targets."

"Thank you, comrade," Perlshtein remarked. "Let me continue.

"Obviously, our attack must be based on the assumption that our rockets and warheads are now as accurate as even the Americans' best. We believe they are. Also, because our warheads are bigger than the Americans', we can be more confident they will actually destroy the U.S. silos, because they will have such enormous explosive power. As you know, we now believe we can hit any target in America within a margin of error of 300 meters [about 1,000 feet].

"Before Comrade Kuznetsov offers another point of information, let me explain one small problem regarding accuracy. This is a matter that has never been discussed by even the Americans in public, but our intelligence has discovered that the Americans refer to the problem as 'bias.'

"As some of you may know, during our rocket tests we have always had some difficulty hitting the planned target, particularly in early phases of testing. Our mathematicians tell us there are geodetic anomalies that can distort the flight path of a missile or a warhead. That means a flight path over the ocean will not be the same as a flight path over mountain ranges with high iron-ore content, to give an example. Of course you all remember that the earth is not a perfect sphere but a slightly distorted one. This too can influence flight paths.

"We have compensated for this by adjusting our targeting mechanisms. Now, when we fire our rocket systems from west to east, we can hit targets with the anticipated accuracy. Some pessimists among our scientists believe that when we fire missiles over the North Pole at the United States, we will discover that our computations no longer apply, that new factors we have never experienced will distort our flight paths. Obviously we cannot test this hypothesis."

"What do the optimists say?" Ivanov asked.

"They don't think these factors could take us far off target, and that the large explosive power of our warheads should compensate for whatever error occurs," Perlshtein said.

"A point of information," Kuznetsov interjected. "I think the Americans use the word 'bias' precisely because it is an irrational, unpredictable factor. In the end our mathematicians could not explain the constant and consistent error in our targeting systems that our test flights revealed. We have just made an arbitrary compensation in our aiming. We don't know why we always went off target before."

This exchange elicited the first comment from Trepotkin, the former party boss from Leningrad. Had he the gift of candor, Trepotkin would already have admitted that this entire meeting was quite astounding. Instead he asked Perlshtein a question:

"I'm not sure I understand," he said. "Is Comrade Kuznetsov saying that we won't be able to hit the targets?"

"No, no," Perlshtein replied. "Comrade Kuznetsov is saying there is some possibility—some unmeasurable possibility—that we won't hit the target with each warhead."

"We might miss the targets," Kuznetsov said in a low voice. Perlshtein ignored him.

"While we're talking about targets," Marshal Antonov commented, "perhaps you should discuss what the Amercians have been doing to protect their missile silos."

"I was just coming to that," Perlshtein replied. "The Americans have recently completed what they call the 'hardening' of their Minuteman silos. This involves building thick barriers of concrete and steel around each silo. The Americans claim these silos can withstand pressures of 2,000 pounds per square inch. If true, this would mean they have good protection against anything but an almost perfect direct hit. Unfortunately, the atmospheric test ban treaty prevents us—and the Americans—from knowing exactly how strong these hardened silos might be. We can't test a real silo with a real bomb in normal conditions. It seems possible the silos are only half as strong as we think."

"Or twice as strong," Kuznetsov observed.

"Let me continue," Perlshtein said. "Of course this attack will not occur in a vacuum. We have also studied the political environment. Specifically, we have considered how the American president might react.

"We conclude that American satellites will detect our first barrage of 100 or more rockets as soon as they have taken off. Infrared detectors on satellites that hover in space 25,000 miles above our territory provide that information, and it is impossible for us to eliminate those satellites. That information will go through military channels to the White House, and it is supposed to reach the president almost instantly. But, as Dr. Kissinger and others have noted, it may not be easy to find the president at once.

"But we must assume he would get word of the attack within minutes. At first he will probably question the report, since he will see no provocation for an attack. Indeed, for the same reason the American military might withhold the information for further checking before passing it to the president. But this initial confusion could not last more than five minutes or so, because the Americans will soon detect our second and third barrages, and their radar will begin confirming what their satellites have told them already.

"As you know, the American system is poorly designed. The president alone can order a nuclear attack. But we assume he would inevitably consult with his ministers and perhaps some members of Congress. He would also have to flee at once to the airplane set aside for his use as a command post during an attack. We assume the president would also try at once to contact you, Comrade Ivanov, on the hot line. All these things take time. We have high confidence that the southernmost missile silos would be destroyed by the time the president could satisfy himself that he knew what was going on. I am talking of a period about 30 minutes after the initial launches.

"This is the crucial moment. By our calculation it will take another 30 minutes to complete our attack. The president will realize what we are doing. He will also realize that we have avoided attacking any major city, even Washington. The Americans have done studies on this kind of attack and they know that it will cause minor losses—perhaps 10 million people, perhaps 20 million."

Ivanov started at this last observation. He recalled the Great Patriotic War [World War

II], when the Soviet Union was largely laid waste and 20 million people were killed. "Are you saying that 20 million dead is a minor loss?" he asked.

"Only by standards of nuclear war," Perlshtein replied. "We calculate that by targeting the American population, we could easily kill 150 million. The president knows this too. He will see it is a minor attack.

"To continue. The president will have to realize that if he retaliates with his remaining forces—the bombers that have escaped our attack and the missiles on submarines—he will use up most of his remaining weapons and can only strike at our cities and industry. Without land-based rockets, he won't have weapons of sufficient accuracy to fire at our remaining land-based force.

"But this is a horrible option for the president. If he exercises it, he knows that we will retaliate, and both our countries will be destroyed. But if he holds back and tries to negotiate, he can save his country—maybe even save the world. American presidents are romantics. We assume he will opt for negotiation, which of course will amount to surrender. And I might add, this is just what many American experts have predicted.

"We assume he will opt for negotiations," Kuznetsov interjected, "because we have to assume so. Otherwise our attack will fail. We would lose our country if the president decided to retaliate instead."

"Yes, yes," Perlshtein replied. "That is a hypothetical possibility."

Perlshtein put down his notebook and opened a bottle of Narzan. The bubbly water spilled into his tumbler. While he took a drink Marshal Antonov scribbled a note and passed it to Ivanov. The general secretary read it and turned to Perlshtein:

"I would like Marshal Antonov to ask a few questions. Marshal?"

"First let me say that Col. Perlshtein has done his usual fine job. Then let me ask some questions. First, colonel, as you know, if we saw an American attack coming at our missile silos, we would immediately launch our rockets, so they would not be in their holes when the American warheads arrived. Why wouldn't the Americans do the same thing? I know they have written about this idea as something called 'Launch Under Attack.' I remember my friend Harold Brown threatening to do just that."

"I am grateful you raised that point," Perlshtein replied. "Our people are dubious that the Americans are well-enough organized to launch under attack. Remember, they will be caught completely by surprise. And although I grant they have written and talked about this possibility, we have seen no sign that they have adopted it as a strategy."

"But what if they only began to launch their missiles after the first of ours had landed?" Antonov asked. "Couldn't they still fire off more than half of their land-based rockets before we could destroy them?"

"That is a hypothetical possibility," Perlshtein replied.

"On another matter," Antonov said, "during this attack, what happens to America's bombers in Europe and on their aircraft carriers—what we call the forward-based systems in SALT talks? Don't we know that at least 200 of them are on 15-minute alert, and can carry their nuclear weapons to our homeland in less than an hour?"

"We have two options," Perlshtein replied. "We could target those bombers with our medium-range missiles, wiping them out simultaneously with our attack on the American missiles. But this would mean destroying much of Western Europe, so we rejected that idea. No, we must assume that the president would be as reluctant to use these weapons as any of his others."

"Let me ask about the number of American missiles that might survive our attack," Antonov went on. "I gathered earlier that we assume that even if our attack goes very well indeed, we would miss 10 percent—about 100 missiles. Is that right?"

"Right," Perlshtein replied.

"And how did we arrive at that figure?"

"It's a mathematical probability, marshal. Our people say it is the sort of failure rate we could expect."

"Could it be 20 percent, or 30?"

"I don't know how to answer that, marshal. Ten percent is a hunch. Twenty percent could be another hunch."

"You mentioned that some American bombers would take off before we could destroy them on the ground. Wouldn't some of these bombers be the newly fitted type that can carry 20 of the most accurate cruise missiles? Wouldn't all of them at least carry potent bombs? What would happen to them?"

"Again, marshal, we have to assume that the president would decide not to use those weapons," Perlshtein replied.

"You'd also have to assume that there are no Dr. Strangeloves—wasn't that the name?" Kuznetsov interjected. "I mean, you have to assume that none of those American pilots would take it upon themselves to retaliate against the Soviet Union."

"Americans usually obey orders," Perlshtein replied.

"I should ask the same question about the Americans' submarines. You said, I believe, that there would be more than 20 of them hidden at sea during and after our attack, with more than 3,000 warheads?"

"Again," Perlshtein said, "we have to assume the president won't try to use them."

Perlshtein sat down and opened another bottle of Narzan, nodding toward Kuznetsov as he did so. The man from the Central Committee took the cue. He shuffled his notes and began to speak.

"My assignment, comrades, is to argue the weaknesses in the briefing you have just heard. Speaking frankly, I'm not certain that you need to hear any more arguments against this idea, but please permit me to add one or two new points, and then to summarize what Marshal Antonov has referred to as the technical challenges.

"All of us are familiar with the consequences of conventional warfare on a nation. The general secretary has already recalled the sufferings of our Motherland 40 years ago, from which we are still recovering. I would remind the group that we are talking about something quite different. Perhaps this is something I am especially well placed to discuss. On Comrade Khrushchev's instructions, I was present in July 1962 when we detonated the largest hydrogen bomb ever exploded—about 50 megatons.

Mr. CRANSTON. Mr. President, this month the final hearings on SALT will be held and, in all probability, the SALT II treaty will be reported by October 1 to the full Senate. I hope that during the remainder of these hearings attention is directed to several essential issues raised in the foregoing article by Messrs. Pincus and Kaiser. Some of these issues are:

First. The wisdom of tying defense expenditures to arms control: SALT II and defense spending are both important parts of our national security policy. Thus, each should be evaluated on the contribution it makes to our national defense independent of the other. After all, none of the defense challenges we face will be easier to solve without SALT; in fact, they will be harder to solve without SALT.

Second. The actual need for the MX and its effect on arms stability inasmuch as such a counter-force weapon will make the Russian ICBM force totally vulnerable: (Soviet ICBM's constitute 70 percent of their strategic forces; our ICBM's constitute only 30 percent of American strategic forces.)

Third. The need for a multiple aim point system or mobile missiles—whether it be the new MX "racetrack" basing mode, making the Minuteman III missiles mobile, or otherwise: If the United States makes its ICBM's mobile, what choice do the Soviets have other than to make their ICBM's mobile? And what will that do to verification?

Fourth. What is the real risk to the United States of the appearance or perception of a Soviet strategic force advantage or a Soviet capacity to engage in a strategic "surgical" strike or first strike? In fact, does perception of Soviet or U.S. strategic power affect the outcome of conflicts between Soviet and U.S. interests in other areas? Was this true in Iran? Or Angola? Or Afghanistan? Or in the Chinese-Vietnamese war? The list could go on. But I question the validity of this perception argument, both from a review of past United States-Soviet encounters and from a consideration of possible future encounters.

Fifth. Is the ICBM vulnerability a real or a mythical possibility? What are the realistic possibilities of the Soviets ever either conducting such a surgical first strike or being able to use the capacity to conduct such a first strike to their advantage in other areas of United States-Soviet conflicting interests?

The entire SALT debate to date, it seems to me, has tended to ignore the nature of these things called "strategic weapons." The fact is they are nuclear weapons of unprecedented and unimaginable power for death and destruction. The fact is that the human race has never possessed such means of self-destruction and nuclear contamination of all life on Earth. The application of conventional theories of war and defense to nuclear weapons appears to be an absurdity at worst, and highly dangerous and questionable at best.

As I listened to the low-keyed testimony of Mr. Nitze, Dr. Kissinger, and others about the prospects of limited nuclear war and the exchange of a first-strike by the Russians and a counter-strike by the United States, I noticed the lack of attention given to the scope of destruction and the magnitude of death involved. Nuclear weapons are new and unprecedented scientific creations, yet we continue to apply traditional and shopworn concepts of geo-politics and diplomacy in an effort to solve this unique problem: The actual capacity of two antagonistic nations to destroy each other as functioning societies. How, then, can anyone subscribe to a doctrine of "limited" nuclear war? Once the first nuclear warhead is launched, how likely is it, really, that there will be some stopping point short of holocaust? I believe the only sound doctrine is one of preventing any nuclear exchange.

This fundamental weakness in the "limited" war or surgical strike doctrine of the opponents and critics of SALT II was the subject of an editorial in the New York Times for August 15, 1979, entitled "Arms Control Out of Control." Because this editorial also was published during the August recess, and because of the substantive import of the editorial, I ask that it be printed in full in the RECORD.

The editorial follows:

ARMS CONTROL OUT OF CONTROL

Whatever becomes of the second arms limitation treaty with the Soviet Union, one thing is now clear: it will not significantly limit arms.

It is better than nothing. The pressure for new weapons would be even greater without the treaty. But a decade of so-called arms control has contained neither the costs nor the risks of the nuclear arms race.

It has become fashionable to blame this on the Russians. While the United States has supposedly practiced weapons restraint, they are said to have built bigger and better nuclear arms—not violating past agreements but corrupting their spirit. That, however, is a debatable proposition. More obviously to blame for the buildup are the rapid changes in strategic technology and theory. Both have outrun diplomacy.

SALT I, for example, prescribed a limit on the number of missile launchers at the very time that both powers were making that number irrelevant by packing ever greater numbers of warheads into each one. Limiting the vehicles, because they were easily counted, turned out to be a crude and ultimately ineffective way of limiting their cargo.

More usefully, SALT I seemed at least to prohibit any effective defense. By outlawing antimissile missiles, it tried to guarantee that war would destroy both nations, no matter which fired first. The desired effect was to keep tens of millions of Russians and Americans hostage, a grander version of the primitive idea a generation ago that they send each other several thousand of their most respected citizens to discourage attack. But there has now appeared a new theory that even well-buried missiles might soon be vulnerable to a surprise attack that deprives the victim of the power to retaliate massively. A possibly overwhelming offense has thus been redefined as a useful defense.

And that doctrine, called counterforce, is fast eroding the fundamental concept of arms control—that weapons could be safely limited so long as nuclear war means certain suicide. In theory, at least, it seemed pointless to keep adding or perfecting weapons if there was no profit in ever using them. If war means the end of civilization, why waste money to make the end more luxurious? This concept no longer applies, many strategists contend, because Moscow rejected it. The Russians are said to be preparing not for suicide but for a war they could win. They don't even need such a war, it is said; the mere capacity to wage it would make them politically supreme.

But that, too, may be unfair to the Russians. There are in fact many Americans who hanker after precisely such a limited-war capacity. They think it is immoral to hold 100 million civilians hostage, and in any case dangerous to leave a President with no choice of waging war except at the price of national destruction. They want to be able to fight, or at least threaten, some nuclear war, more or less confined to so-called military targets. If this ambition prevails, there will be no end to the ambition for ever-better weapons and defenses. Any doctrine of limited nuclear war will have to mean virtually unlimited preparation for it.

And that is where SALT II, if ratified, and its attendant weapons build-up would lead—unless SALT III finally arrests the trend. It won't arrest the trend unless Moscow and Washington first recognize their failures and recommit themselves to the goal of genuine arms control. They need to prohibit weapons systems that keep alive the possibility of limited nuclear war. They need to reaffirm that they will leave their populations forever hostage to any nuclear exchange. There is no more morality—and much less practicality—in the idea that half a population might be saved, if the other half is regarded as expendable.

Mr. President, I submit that the foregoing article on Russian consideration of a nuclear first strike against our ICBM's, and the foregoing editorial concerning the present status of the SALT process, demonstrate that in the SALT debate to date we have yet to focus upon and appreciate the magnitude of the problem created by the capacity of nuclear arms for death and destruction. It may be too late to achieve any sort of meaningful nuclear arms limitation in SALT II, but it is not too late for this Senate to insist that SALT III result in a meaningful nuclear arms reduction agreement. To me, that is now the essential issue—not whether this Senate ratifies SALT II, but whether in the process of ratifying SALT II we can establish the essential foundation for SALT III. That foundation must be built on a doctrine of preventing any nuclear war. The doctrine of limited nuclear war espoused by the critics and opponents of SALT II must be rejected: any such doctrine means virtually unlimited preparation for such an impossible and unacceptable event.

The treatymaking power—and responsibility—is vested both in the President and the Senate. I submit that in negotiating and signing SALT II the executive branch of Government may not have achieved any genuine arms control but it has taken a modest and essential step toward that goal. It is now up to this Senate, and each Member of this Senate, to ratify that modest but essential step and to require the executive branch to proceed to genuine arms control in SALT III.

That is the task remaining before us. I believe that the merit of the Senate as an institution will be measured by whether the Senate meets that task. And I believe that the merit of each of us as Senators will be so measured.●

PROPOSED LONDON CONFERENCE ON ZIMBABWE

○ Mr. BAUCUS. Mr. President, I wish to applaud the diplomatic efforts which have led to the proposed London Conference on Zimbabwe. As all the world is painfully aware, Zimbabwe has been wrenched apart by civil turmoil for many years. There have been times when the prospect for a fair and permanent end to that country's upheaval have looked grim indeed. There have been times of bitter disappointment and hostile accusation. There have been times when an escalation of the bloody and divisive civil war seemed the only gloomy outcome possible. It is an unfortunate truth that the steady deteriorating situation in Zimbabwe has led much of the world to nearly despair of a peaceful situation.

But now there is reason to hope. Mr. President, today a solution is possible. The recent Commonwealth Conference held in Lusaka, Zambia, resulted in a dramatic and encouraging about-face. All the disputing parties are understandably weary of the bitter civil war and have agreed to meet in London on September 10 to try to resolve some very profound differences. While there is no guarantee they will be completely successful, it is encouraging that all the participants are eager and willing to accept the challenge of negotiating in the spirit of compromise.

The London Conference will bring together the three crucial negotiating parties: the Patriotic Front; Bishop Muzorewa's Internal Settlement Government; and Great Britain. Bringing these three together represents a unification which can bear forth the fruit of peace so long hoped for.

But make no mistake about it, participants have a difficult task ahead of them. Among the many crucial areas confronting the negotiators is the fundamental necessity of bringing about genuine black majority rule in Zimbabwe. This rule involves drafting a new constitution which allows for free and democratic elections. At the same time, the participants know that it is essential that the safety of the minority in Zimbabwe be protected as well.

Accordingly, I believe the U.S. Government, as well as other nations, should not interfere in the proceedings of the London Conference. Truly, this is a matter of world concern, but it is a problem these parties must resolve within themselves. At present, they are best able to find the means for black and white to live together. Still, I think I speak for my colleagues in expressing my enthusiastic support of the Conference.

Zimbabwe is on a new and promising road to peace. Without a new constitution and subsequent election of a black majority government however, Zimbabwe is sure to suffer economic chaos and increasing isolation from the rest of the global community. There is reason for concern, and there is reason to encourage and expect a fruitful and positive conference in London on September 10.●

THERE'S NO SUCH THING AS WAGE STABILITY

● Mr. DOLE. Mr. President, next month the Council on Wage and Price Stability is expected to raise the percentage pay increase that it deems consistent with the administration's wage-price guidelines. Since the Council now has a standard of 7 percent and inflation is pushing past 13 percent for this year, it is admirable that the Government should consider allowing American workers to make up a bit of what they will lose to inflation this year. If the administration had an effective anti-inflation program, perhaps they would be so generous as to allow wage earners to break even with inflation.

Of course, many salaries are going up more than the wage guidelines suggest, and many taxpayers will keep pace with inflation this year. At least they will believe that they have. But these taxpayers will not have reckoned with the U.S. Treasury which is going to make certain that they will not maintain their earning power. Many citizens were dismayed that last year Congress voted an income-tax cut but at the same time raised social security taxes. They should be more dismayed to know that every year they keep pace with inflation, they pay more taxes.

This is so because the tax brackets, the zero bracket amount, and the personal exemption are set in fixed dollar terms. Every year the real value of those dollar terms declines, and individuals with modest earning power end up paying taxes at rates originally designed for upper incomes. In periods of inflation, our progressive tax structure automatically increases the tax burden through "bracket creep." That is why the concept of wage stability has little meaning for our citizens. Wage increases which match inflation cannot protect the taxpayer's purchasing power because his tax burden will automatically increase.

Mr. President, this is unfair and unnecessary. It is deceptive for the Government to encourage the belief that wages can really keep up with inflation when there is a tax penalty for doing so. There is a simple cure for this injustice. The Senator from Kansas has introduced legislation which would adjust the tax brackets, zero bracket, and personal exemption to reflect the increase in the consumer price index for the previous year. These adjustments, which are easy to make, would guarantee that tax rates correspond to real income, not to the nominal dollar value of inflated income. It would not stop the Government from raising or lowering taxes, but it would compel the Government to tell the people exactly what it is doing.

Mr. President, our rate of inflation is unacceptable, and the Senator from Kansas will do everything in his power to return the Nation to the path of economic stability. But so long as our Government fails to get a grip on inflation, it is unjust for that same Government to benefit from its failure and receive automatic increases in revenues. Indexing the income tax for inflation would keep the Government honest and would be the most meaningful tax reform that Congress could undertake. The Senator from Kansas urges that Congress and the administration adopt indexing of the income tax in recognition of the Government's obligation to play fair with our citizens. It may even restore some meaning to the concept of wage stability.●

OVERSIGHT HEARINGS OF THE SMALL BUSINESS ADMINISTRATION

● Mr. NELSON. Mr. President, the Senate Select Committee on Small Business has planned an extensive series of oversight hearings on the Small Business Administration and its programs. Various Senators have agreed to chair these hearings.

Mr. President, I ask that a table showing the date, place, time, subject matter, and chairing Senator be printed in the RECORD.

Mr. President, it should be noted that these hearings are subject to change. More detailed information may be obtained by calling the committee offices at 224-5179.

The schedule follows:

Date, time, Senator, issue, and place:

September 7, 9:30, Huddleston, Energy, 424 Russell.

September 11, 9:00, Huddleston, Energy, 424 Russell.

September 12, Sasser, 501, 502 Local Development Company Program, 424 Russell.

September 18, Baucus, SBA Loan Oversight, 424 Russell.

September 19, 9:00-11:00, Baucus, SBA Loan Oversight (Losses in 7(a) program), 5302 Dirksen.

September 20 or week of September 24? Culver?, SBA Mgt. Assistance, 424 Russell.

September 25, Stewart, Export Assistance, 424 Russell.

September 26, Huddleston, Energy, 424 Russell.

September 27, Stewart, Health Care, 424 Russell.

September 28, Levin, Export Assistance.

October 2, 9:30-11:30, Huddleston, Mission SBA Advocacy, 424 Russell.

October 3, Huddleston, Mission SBA Advocacy, 424 Russell.

October 3, Morgan, Export, 457 Russell.

October 4, Morgan, Procurement.

October 4, Stewart, SBA Mission, 424 Russell.

October 5, Morgan, Procurement, 424 Russell.

October 16, Morgan/Pressler, Media concentration, 424 Russell.

October 17, Morgan/Pressler, Media concentration, 424 Russell.

October 18, Levin/Weicker, Privacy, 424 Russell.

October 19, Levin/Weicker, Privacy, 424 Russell.

October 23, Stewart, Economic Policy, 424 Russell.

October 24, Stewart, Economic Policy, 424 Russell.

October 25, Stewart, Economic Policy, 424 Russell.

October 26, 8:30-10:30, Baucus, Economic Policy Capital Formation.

October 27, 9:30, Huddleston, Energy, 424 Russell.

Week of November 12, 9:30, Nelson, SBA Surety Bond GAO Analysis, 424 Russell.●

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair will advise the Senator none at this time.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate now proceed to the consideration of Calendar Order 324, S. 1477.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

> Calendar Order No. 324, S. 1477, a bill to provide for improvements in the structure and administration of the Federal courts, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments.

ORDER TO RESUME CONSIDERATION OF S. 1477 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the orders for the recognition of the two leaders or their designees tomorrow the Senate then resume consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in tomorrow at 9:30 a.m. The two leaders will be recognized under the standing order, and then the Senate will proceed to the consideration of S. 1477, Calendar 324.

There will be rollcall votes in connection with that measure. The bill is under a time agreement. Mr. BUMPERS has an amendment which I believe will consume 4 hours. How much of those 4 hours will be required remains to be seen. But rollcall votes will undoubtedly occur on tomorrow.

I would hope that the Senate could complete action by 3:30 p.m. tomorrow.

RECESS UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to; and at 7:04 p.m., the Senate recessed until Friday, September 7, 1979, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, September 6, 1979*

The House met at 10 a.m.

Rev. Paul Lewis Brooks, First Baptist Church, Marianna, Fla., offered the following prayer:

Almighty God, our heavenly Father, I thank You that I am an American. I thank You for our democratic form of Government so splendidly expressed on this Hill and in this Chamber. For these men and women who pilot our Nation, I ask three things: Grant them wisdom to lead us, character to inspire us, and courage to govern us. In Jesus' name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. PAUL LEWIS BROOKS

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I am honored to have as my guest today the Reverend Paul Lewis Brooks, pastor of the First Baptist Church of Marianna, Fla., his lovely wife Becky, and their children Sean, Mark, and Rachel.

The Reverend Brooks has previously served in churches in Vicksburg and Greenville, Miss. In delivering our opening prayer today, I wish to commend his inspirational words to my colleagues as a guidance not only for our deliberations but for the conduct of our daily lives.

We are proud of the great work that Reverend Brooks is doing. I am pleased that my parents are members of his church.

THE LATE HONORABLE JOHN L. McMILLAN

(Mr. DAVIS of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of South Carolina. Mr. Speaker, it is my sad duty to announce to this House the death of our former colleague, the late Honorable John L. McMillan, who died on Monday, September 3, in Florence, S.C.

John McMillan was elected to Congress in 1938 and served the people of the Sixth District of South Carolina in this body until 1972, a period of 34 years. For 22 of those years, he served as chairman of the House District Committee. In that period before the enactment of home rule for the District of Columbia, he was often regarded by friend and foe alike as the unofficial "Mayor" of Washington.

John McMillan served the people of his district and his Nation with honor, with ability, and with distinction. I am proud to have known him and I am proud that my time in this body coincided, however, briefly, with part of his own term of office.

The funeral services will be held at Central United Methodist Church in Florence on Friday, September 7. I know that my colleagues join with me in expressing profound sorrow to his widow, Margaret, and his son, Johnny.

GENERAL LEAVE

Mr. DAVIS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable John L. McMillan.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

MAYBE WE SHOULD SUSPEND SALT II UNTIL THE RUSSIANS ADOPT THE ENGLISH LANGUAGE, TOO

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARR. Mr. Speaker, linking SALT II to the presence of Russian combat troops in Cuba has to win the Dumb Award for 1979.

What is the danger posed by these troops? Nobody can say. Whom do they threaten? Nobody can say that either. Could it be we are afraid they will create a Communist government in Cuba?

And if this nonidentifiable danger is of such cosmic significance, how can it be that its effect is, to this very day, imperceptible? Apparently we have chugged along for some years—perhaps for a decade—in complete ignorance of the presence of these troops, and what we did not know did not hurt us. Now that we know about them, it appears they have considerable power to hurt us by somehow provoking us into statements of higher stupidity.

Mr. Speaker, yesterday Henry Cabot Lodge said of this nonissue:

> I don't think it has a direct bearing on SALT II. All we have to do is look at the alternative of no SALT II. That's a convincing enough argument.

Apparently, Ambassador Lodge is more rational than the entire other body combined.

CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the devastation of Hurricane David along the eastern coast is a grim reminder for the need of upgrading the multipurpose civil defense program in our Nation. The purpose of civil defense is to protect our population, to protect it from hurricanes, tornadoes, floods, nuclear accidents like the one at Three Mile Island and, of course, the protection in the event of an enemy attack.

Soon we will have an opportunity to adopt a stronger civil defense program at a reasonable funding level with an amendment that I will offer to the defense authorization bill. In addition, this amendment will make civil defense a part of our Nation's strategic defensive planning. I urge the adoption of this measure to give our country a much-needed strong civil defense.

OFFICIAL PICTURES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 401) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 401

Resolved, That at a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new editions of "We the People" and "The Capitol". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER pro tempore. (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I do not think it is necessary to take any time. This is a routine authorization that the House normally gives, permitting the Capitol Historical Society to take pictures of the House in actual session for inclusion in these publications.

It is tentatively planned, subject to the Speaker's change, that this picture would be taken on Wednesday, September 19.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, the gentleman implies, by the offering of the resolution, that permission of the House is required to take still photographs of our session and proceedings.

The House has previously granted permission for the televising of our proceedings by directing the Speaker to make those available. Do I infer from this resolution that any change in the televised proceedings of the House will also require the concurrence of the House?

Mr. WRIGHT. Mr. Speaker, I am not sure that I can respond to that. Any major change, I feel, would require the concurrence of the House. I believe the Speaker has made comments to that effect. This immediate resolution, as the gentleman is aware, does not affect televising of the House but, rather, lets the Members be on notice that they might expect an official photograph at the appropriate time.

Mr. BAUMAN. Certainly the gentleman from Texas will show up nicely in the picture, based on his past appearances.

Mr. WRIGHT. The gentleman would certainly hope so.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 11, answered "present" 1, not voting 62, as follows:

[Roll No. 441]

YEAS—360

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—11

Bauman
Edwards, Calif.
Jenrette
Lloyd
McDonald
Mitchell, Md.
Myers, Ind.
Paul
Snyder
Symms
Wilson, Bob

ANSWERED "PRESENT" 1

Mikulski

NOT VOTING—62

Ambro
Andrews, N.C.
Applegate
AuCoin
Beard, Tenn.
Beilenson
Boggs
Bonker
Burton, John
Carter
Chisholm
Collins, Ill.
Diggs
Dingell
Dixon
Dodd
Dougherty
Duncan, Oreg.
Eckhardt
Findley
Flood
Ford, Mich.
Giaimo
Goldwater
Hagedorn
Hansen
Heckler
Hinson
Hollenbeck
Holt
Hughes
Hutto
Ireland
Jeffries
Johnson, Colo.
McDade
McEwen
Madigan
Mathis
Miller, Calif.
Moffett
Pepper
Peyser
Ritter
Rodino
Rosenthal
Rousselot
Roybal
Santini
Seiberling
Simon
Smith, Iowa
Spellman
Stark
Swift
Treen
Vander Jagt
Waxman
Weaver
Wilson, C. H.
Wolff
Young, Alaska

□ 1020

Mr. ALBOSTA changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, September 5, 1979, the Clerk had read through line 12 on page 23.

Mr. BEDELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the bill, H.R. 4473, the fiscal year 1980 Foreign Assistance Act. As with nearly every piece of legislation, there are certain provisions of this measure which are disturbing. Particular aspects of the bilateral assistance contained in this bill greatly concern me, especially that assistance provided to the Philippines.

H.R. 4473 would appropriate $25 million for grant military assistance funding (MAP), $700,000 in international education and training, and $50 million in military credit sales for the Philippines. As such, it is a clear statement of support for the current Marcos government in the Philippines, an act which effectively legitimizes Mr. Marcos' rule.

The justification given for U.S. bilateral assistance of this type to the Philippines is that it is in the best national interests of the United States to preserve its presence in that country in order to maintain the geopolitical balance in Southeast Asia. The recent renegotiation of the base agreement between the United States and the Philippines paved the way for this assistance, and it is now claimed that the United States must honor its obligations to a faithful ally.

I would be the first to admit that the United States and Filipino peoples have a bond of friendship that goes back many years and that is deserving of extra consideration. That is all the more reason for the concern that I have about the present government in the Philippines and the implications for its continued support.

Stated very simply, it does not appear to me that the Marcos regime is moving toward democratic rule. The elections of a year ago destroyed any hope of the people that such a change might occur. In a trip to the Philippines after that election I found almost everyone agreeing that these elections were not free elections. For that, reason, there is great unrest in the country.

During my stay in the Philippines this year, I also visited with people who were in prison. Some of these people had been in prison anywhere from 7 to 9 years, never having been accused, much less convicted, of any crime. These people were being tried under military courts rather than civilian courts, in which it was plain they should be tried. This situation needs to be rectified.

Because it is not in the long-term national interest of the United States to associate itself with a government which refuses to meet the fundamental needs of its people I would hope that Congress not approve the funds to the Philippines called for in this legislation. I believe such an action should be taken in order to signal American disapproval of the human rights violations taking place under the repressive Marcos regime and will help to end any legitimacy the United States has lent this regime through our bilateral assistance.

In saying this, it is important to note a critical difference between multilateral and bilateral aid. Bilateral aid may be cut to specific countries without affecting U.S. aid programs to any other country. However, this is not the case with multilateral aid. It is imperative that the United States not restrict the banks' use of funds to any particular country because in effect it would take the United States out of the banks totally. This is very simply due to the provision in the charter of the banks that prevents them from accepting funds that are restricted in such a manner.

In conclusion, then, Mr. Chairman, I continue to have severe reservations about the advisability of bilateral U.S. military assistance to the Philippines, as well as to any other government that consistently violates its citizens' basic rights. I believe that H.R. 4473 would be greatly improved if the funding for such assistance was deleted.

Thank you.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 23, after line 12, insert the following section:

SEC. 527. Of the total budget authority provided in this Act, for payments not required by law, 5 per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed 10 per centum, and *Provided further*, That this reduction shall not apply to the appropriation in this Act for Israel and Egypt.

☐ 1030

Mr. MILLER of Ohio. Mr. Chairman, this is the standard reduction amendment that I have offered on so many of the appropriation bills. In this case we are facing reality. First of all, it is a 5-percent reduction that would reduce the bill $265 million, with no line item being reduced more than 10 percent. This means, of course, that the high-priority items would not need be reduced at all. It does one other thing. It exempts Israel and Egypt, because the forces within the Congress are not going to let any amendment be approved that will reduce funds for Israel and Egypt. Therefore, we would have a $265 million reduction if the 5-percent reduction is made with exemptions.

The bill at the present time is approximately $30 million over the committee recommendation because of the increases that have taken place here on the House floor, primarily the refugee assistance increase from $249 to $456 million.

If the 5-percent reduction is made, the bill will still be $204 million higher than it was when it first came to the House floor. When we have this $532 billion fiscal year 1980 budget and a $887 billion debt, and we are paying about $144 million a day interest on that debt, it is time for us to take a look at where we can cut back, and we certainly can cut back at this point.

We have people around the world who are loaning us money. I have given this on the floor before, and I think it is important enough that we convey the message as to where we stand now. West Germany has received $4.9 billion from us in aid, and they are today loaning us $41 billion for our national debt. Forty-one billion dollars of their money we borrow from them, and in addition to that, last year we paid them $2.2 billion interest on that money we borrowed. Denmark, Finland, Italy loan us money. Here is one. There is no doubt about it. The gentleman from Maryland (Mr. LONG) and the gentleman from Florida (Mr. YOUNG) have worked hard on this bill attempting to do what is right. Some of the rest of us not on that particular subcommittee should also have an opportunity to have input.

We have heard how we must help India. To some degree we need to help India. But let us take a look at what is going on there. Would you believe that we have assisted India to the tune of $9.9 billion? Would you believe that we have borrowed and we now have $682 million of India's money that we are using to pay our national debt?

We have given, under the Foreign Assistance Act, $3.9 billion to Japan. We have now $28 billion of their dollars paying our national debt. In other words, we owe it to them. They have purchased our Government Treasury securities, $28 billion worth, and last year we sent them $1.7 billion interest on that $28 billion. I will insert this material in the RECORD at this point:

Public debt

[In billions of dollars]

1958	279.7
1959	287.8
1960	290.9
1961	292.8
1962	303.3
1963	310.8
1964	316.8
1965	323.2
1966	329.5
1967	341.3
1968	369.8
1969	367.1
1970	382.6
1971	409.5
1972	437.3
1973	468.4
1974	486.2
1975	544.1
1976	631.9
1977	709.1
1978	780.4
1979 estimate	839.2
1980 estimate	899.0
1981 estimate	940.3
1982 estimate	951.9

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978[1]
Europe:			
Austria	157.1	130.3	52.2
Belgium-Luxembourg	1,137.5	1,211.4	742.1
Denmark	215.5	590.0	1,474.1
Finland	36.4	74.6	49.8
France	3,044.0	3,345.1	6,490.1
Germany	22,275.5	26,001.0	41,086.6
Greece	60.1	75.3	95.1
Italy	1,640.2	4,796.9	3,965.0
Netherlands	2,256.4	2,503.3	2,164.3
Norway	532.9	632.7	791.2
Poland		.6	.7
Portugal	2.4	.2	.3
Spain	1.5	2.2	2.2
Sweden	1,343.1	2,208.6	2,600.3
Switzerland	5,092.3	7,352.9	14,874.1

Footnotes at end of table.

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978—Continued

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978[1]
EUROPE—Continued			
Turkey	(2)	(2)	(2)
United Kingdom	1,125.1	12,070.6	6,344.3
U.S.S.R.			
Yougoslavia	13.1	9.0	27.1
Other Europe	448.8	489.9	283.5
Total, Europe	39,381.9	61,584.6	81,043.0
Canada	3,446.7	2,334.8	2,510.0
Latin America and Caribbean:			
Argentina	57.1	15.6	.9
Bahamas	13.5	13.4	4.0
Bermuda	14.1	(2)	19.1
Brazil	5.1	2.4	.3
British West Indies	4.0	6.2	12.6
Chile	.2	.3	2.2
Colombia	231.3	483.1	333.6
Cuba			(2)
Ecuador	5.1	18.6	8.5
Mexico	27.9	25.8	27.4
Netherlands Antilles	125.2	176.6	180.0
Panama	22.7	13.7	15.8
Peru	(2)	2.1	(2)
Trinidad and Tobago		17.1	
Uruguay	.1	(2)	(2)
Venezuela	545.5	490.7	153.0
Other Latin America and Caribbean	146.5	157.2	83.0
Total, Latin America and Caribbean	1,198.3	1,422.9	841.0
Asia:			
China:			
Mainland	(2)	(2)	(2)
Taiwan	258.2	211.6	24.8
Hong Kong	152.9	201.3	221.4
India	451.5	774.5	682.7
Indonesia	96.1	128.4	69.0
Israel	3.6	9.1	(2)
Japan	12,397.3	18,633.1	28,864.0
Korea	30.7	436.7	450.1
Lebanon	(2)	(2)	.2

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978[1]
Malaysia		244.9	190.8
Pakistan		41.9	12.4
Philippines	10.2	30.3	12.0
Singapore	594.2	696.7	622.4
Syria			
Thailand	233.5	234.7	356.4
Middle East oil-exporting countries	9,765.8	13,483.9	10,837.7
Other Asia	418.8	75.1	71.2
Total, Asia	24,452.8	35,202.2	42,415.1
Africa:			
Egypt	1.4	75.4	36.9
Ghana		(2)	12.8
Liberia			1.2
Morocco			
South Africa	18.8	46.8	53.6
Zaire	6.2	7.8	10.1
African oil-exporting countries	1,246.8	1,005.7	1,585.2
Other Africa	108.1	101.8	45.3
Total, Africa	1,381.3	1,237.5	1,745.1
Other countries:			
Australia	1,566.7	734.0	447.2
All other	27.0	21.6	8.0
Total	1,593.7	755.6	455.2
Total, foreign countries	71,454.7	102,537.6	129,009.4
International and regional:			
International	5,570.2	5,319.6	5,251.0
European regional			2.7
Latin American regional	135.6	103.3	51.7
Asian regional	5.4	8.9	.2
African regional	23.1	20.0	17.2
Total, international and regional	5,734.3	5,451.8	5,322.8
Grand total	77,189.0	107,989.4	134,332.2

[1] Preliminary.

[2] Less than $500,000.

Source: Department of the Treasury, OASEP/EI/EIS.

ESTIMATED INTEREST PAYMENTS ON FOREIGN HOLDINGS OF PUBLIC DEBT SECURITIES, CALENDAR YEARS 1975–78

[In millions of dollars]

	1975 interest	1976 interest	1977 interest	1978 interest
Argentina	1.5	5.5	5.5	12.0
Australia	158.5	85.5	64.5	39.0
Austria	12.0	8.5	8.0	9.0
Belgium	115.5	59.5	71.5	71.0
Canada	238.0	228.0	171.0	144.5
Denmark	15.5	18.5	40.0	77.5
France	270.0	207.5	174.0	346.0
West Germany	1,391.5	1,329.5	1,435.5	2,214.5
Italy	69.5	32.0	144.5	288.0
Japan	604.0	659.5	779.5	1,739.5
Mexico	2.0	3.0	1.5	2.0
Netherlands	174.0	121.0	131.0	189.5

	1975 interest	1976 interest	1977 interest	1978 interest
Norway	20.0	27.5	36.0	61.0
Spain	(1)	(1)	(1)	(1)
Sweden	108.5	109.0	92.0	183.5
Switzerland	237.5	263.5	274.0	607.0
Thailand	8.5	6.5	14.0	18.5
United Kingdom	108.0	71.0	387.5	624.5
Oil producing countries	300.0	600.0	791.5	874.0
International	136.0	241.0	288.5	332.5
All other	279.0	182.0	295.5	364.5
Total[2]	4,250.5	4,258.5	5,205.5	8,198.5

[1] Less than $500,000.

[1] Totals may not add due to rounding.

FOREIGN HOLDINGS OF U.S. DEBT SECURITIES

[In billions of dollars]

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978[1]
Nonmarketable:			
Bills and certificates of indebtedness:			
Dollar	1.7	1.7	7.0
Foreign currency			
Total	1.7	1.7	7.0
Bonds and notes:			
Dollar	19.1	19.3	20.6
Foreign currency	1.5	1.2	1.9
Total	20.6	20.5	22.5
Marketable:			
Bonds and notes[2]	15.8	38.0	43.3
Bills	39.1	47.2	61.5
Total	54.9	85.8	104.8
Total	77.2	108.0	134.3

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978[1]
Official holdings	70.2	108.5	126.1
Banks and other foreigners	1.3	1.8	2.9
International and regional organizations	5.7	5.7	5.3
Total	77.2	108.0	134.3

[1] Preliminary.

[2] Date represents estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 yr. Data are based on a benchmark survey as of Jan. 31, 1977, and on monthly transactions reports submitted by banks and brokers in the United States.

Source: Department of the Treasury.

FOREIGN HOLDINGS OF FEDERAL DEBT

[In billions of dollars]

Fiscal year	Interest on debt held by public	
	Total	Foreign
1965	9.8	0.5
1966	10.4	.5
1967	11.6	.6
1968	12.6	.7
1969	14.1	.7
1970	15.6	.8
1971	16.3	1.3
1972	16.6	2.4
1973	18.5	3.2
1974	22.4	4.1
1975	24.7	4.5
1976	28.7	4.4
Transition quarter	7.6	1.2
1977	33.0	5.0
1978	39.2	7.9

INTEREST

[In millions of dollars]

Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget authority:					
Interest on the public debt	48, 695	59, 800	65, 700	68, 000	67, 800
Other interest:					
Interest on refunds of tax collections	317	321	326	332	337
Interest on loans to the Federal Financing Bank	−2, 748	−4, 101	−5, 504	−5, 653	−5, 073
Other	−2, 297	−3, 255	−3, 500	−3, 552	−3, 521
Subtotal, other interest	−4, 728	−7, 035	−8, 679	−8, 873	−8, 257
Total, budget authority	43, 967	52, 765	57, 021	59, 127	59, 54

Mr. Chairman, I would request an "aye" vote on the amendment.

AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. OBEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: On page 23, after line 12, insert the following:

"SEC. 527. Of the total budget authority provided in this Act, except for payments required for law two percentum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, except for payments required by law, the amount withheld shall not exceed five per centum."

Mr. OBEY. Mr. Chairman, there are two distinct differences between this amendment and the amendment offered by the gentleman from Ohio. His amendment cuts 5 percent except it exempts Israel and Egypt, which means in fact that the cuts for all countries except Israel and Egypt would have to be significantly larger than the 5-percent cut, which on the surface appears to be the amount by which most items would be cut under the gentleman's amendment. My amendment simply substitutes for that a 2-percent cut across the board, period, and it makes no exemption for Israel and Egypt. I do so for two reasons.

No. 1, I do not think it makes much sense, frankly, for our foreign aid bill to become a captive of one region of the world. I do not believe that it is justifiable to provide an exemption, for instance, for Israel when Israel is receiving under this bill a per capita aid of $500 per person—in other words, in this bill there is contained enough money for $500 for every man, woman, and child in the State of Israel—while, the gentleman's amendment is trying to carve out way over 5 percent in cuts for countries whose per capita income is less than half of the amount on a per capita basis which this bill is providing in aid alone to Israel.

Most of the countries who will receive aid under this bill have a per capita income of less than $200 a year—a year. That is less than 1 week's check of a United Auto worker in this country—$200 per year.

This bill has already been cut $17.7 million in the IDB, $145 million in the IBRD, $5.8 million in the IDA IV, $4 million in the ADB, $4 million for UNDP, and $12.2 million for Panama—which, ironically, is the only country which defended us yesterday at the conference in Cuba.

I would just suggest to the Members that this bill is now $1.4 billion, 15 percent, below the President's budget.

□ 1040

You have had your chance to cut, you have had your pound of flesh and you have had it again and again, but do not seriously ask us, do not seriously ask us to further gouge the aid for the poorest countries in the world while you exempt the richest countries in the bill from sharing that shortage.

This is typical of what happens in this Congress. Time and time again we ask for belt tightening, but the belts that get tightened are not usually the belts around the fattest bellies. That happens domestically and it happens internationally as well. It is not moral. It is not moral for the Congress to proceed in this kind of direction.

This bill, despite all the misapprehensions about it, costs the average person in this country about the cost of a martini a week and I would suggest to you that we can afford it. Morally we cannot afford not to meet that obligation. In the interest of offending our own American national needs we cannot afford not to meet that obligation.

I would urge you to adopt the substitute I have offered to the gentleman's amendment.

Mr. LONG of Maryland. Mr. Chairman, I make a point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate the proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1050

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the Obey substitute.

Mr. Chairman, I rise in opposition to the Obey substitute, as well as to the Miller of Ohio amendment.

The purpose of the Obey amendment is to try to head off the 5-percent cut and to try to get some additional support by making this apply to the Middle East. That would be a great mistake. We should fund the treaty, provide the kind of money that Israel and Egypt are going to need to defend themselves. They both have more powerful enemies in that part of the world with troops and weaponry that far exceed what Israel has. To start cutting down on the Middle East situation undermines our treaty and opens the door to future cuts.

I would hope very much we could stop this now. I am asking you to put a finger in the dike. I hope you will vote down the Obey amendment then after that please vote down also the Miller of Ohio amendment.

□ 1100

AMENDMENT OFFERED BY MR. MILLER OF OHIO TO THE AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: In line 2, in lieu of "two per centum" insert "five per centum".

In line 6, in lieu of "five per centum" insert "ten per centum".

The CHAIRMAN. The gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Chairman, I will not take the 5 minutes.

We are very much aware of what took place a few minutes ago and what we have before us. We have the first amendment that was offered, my original amendment, which is a 5-percent reduction, but exempting Israel and Egypt. That would amount to approximately $265 million.

The gentleman from Wisconsin (Mr. OBEY) offered a substitute for the amendment for 2 percent and would not exempt Israel and Egypt. That would amount to approximately $165 million.

The amendment that I have offered now to the substitute is the 5-percent amendment as originally drafted, giving us the amount in the original amendment, but it does not exempt Israel and Egypt because the gentleman from Wisconsin conveys the message that we are allowing Israel and Egypt to be home free without a reduction.

So this gives the House an opportunity to reduce by 5 percent overall or at least on those items that are of low priority.

That is where we stand at the present time. That would include about $104 million additionally over and above the amount that was reduced in the original 5-percent amendment that I offered. So that $265 million plus the $104 million now would total $369 million. That is the reduction in the amendment that is before us at the present time.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I would like to get an understanding of the gentleman's position because I could not quite hear it.

As I understand it, the gentleman's amendment really basically modifies the gentleman's original amendment to make the cut apply to Israel and Egypt?

Mr. MILLER of Ohio. That is correct.

Mr. LONG of Maryland. Is that correct?

Mr. MILLER of Ohio. That is absolutely correct.

Mr. LONG of Maryland. Mr. Chairman, of course, I oppose that amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I know the gentleman has already given us the information, but I would like to get it again so I may be sure I understand it correctly.

The amount by which the gentleman's amendment reduces aid to Israel is what?

Mr. MILLER of Ohio. About $104 million.

Mr. OBEY. $104 million?

Mr. MILLER of Ohio. Yes, for Israel and Egypt.

Mr. OBEY. Israel and Egypt?

Mr. MILLER of Ohio. That is correct.

Mr. OBEY. What would be the figures for each country?

Mr. MILLER of Ohio. It is $104 million in total, with $37.5 million for Egypt and $66.7 million for Israel.

Mr. OBEY. Mr. Chairman, I thank the gentleman.

Mr. MILLER of Ohio. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. McHUGH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh to the amendment offered by Mr. Miller of Ohio:

Strike out "five" appearing in the first sentence and insert in lieu thereof "two".

Strike out "ten" appearing in the second sentence and insert in lieu thereof "five".

After the word "Act," appearing in the first sentence, insert the following: "except for the appropriation for Israel and Egypt, and the appropriations entitled 'Agriculture, rural development, and nutrition, Development Assistance', 'Health, Development Assistance', 'Migration and refugee assistance', 'United States emergency refugee and migration assistance fund', 'Assistance to African refugees', and 'International disaster assistance',".

Delete the last proviso in the amendment dealing with the exception for Israel and Egypt.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman. I reserve a point of order on the amendment, and I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, as read, the amendment did not indicate to which Miller amendment now pending this amendment is being offered.

The CHAIRMAN. The Chair will state that it would only be in order to one amendment.

Mr. BAUMAN. I will ask the Chair as to whether the amendment is properly drafted.

The CHAIRMAN. The amendment is properly drafted. It is an amendment to the original Miller amendment.

Mr. BAUMAN. The original amendment?

The CHAIRMAN. The gentleman is correct.

Mr. BAUMAN. I thank the Chair.

The CHAIRMAN. Does the gentleman from Maryland (Mr. Bauman) reserve a point of order on the amendment?

Mr. BAUMAN. No, Mr. Chairman.

The CHAIRMAN. The gentleman from Maryland (Mr. Bauman) withdraws his reservation.

The gentleman from New York (Mr. McHugh) is recognized for 5 minutes.

Mr. McHUGH. Mr. Chairman, let me say at the outset that I am opposed to any across-the-board cut, whether it is on a foreign operations appropriation bill or any other bill, because I think an across-the-board cut adopted on the floor is generally irresponsible.

We have now cut this bill about $1.4 billion, a substantial reduction in the administration's budget request. We have done that after considerable hearings in committee, we have done it in the markup process, we have done it in the full Committee on Appropriations, and we have done it here on the floor. In each case we have done it by considering a specific cut to a specific account and for reasons which were well stated.

An across-the-board cut makes no distinction whatsoever between the good programs and the bad programs. It makes no distinction between priorities which are important to this country and its foreign policy and matters which are less critical. Such an amendment is a blunderbuss approach, and I have heard Members on both sides of the aisle speak eloquently against across-the-board cuts offered to other bills. I think especially of the gentleman from Illinois (Mr. Michel), the distinguished minority whip, who on other occasions has spoken against these amendments, and I think his opposition to them has been well stated.

Accordingly, I hope the Members will reject both the 5-percent and the 2-percent cut. However, if the Members for whatever reason, political or otherwise, think it is necessary to adopt an across-the-board cut, I certainly think it should be a 2-percent cut. That is less irresponsible, in my judgment, than the original Miller amendment providing for a 5-percent cut.

If we adopt an amendment for a 2-percent cut, it seems to me important that we try to make some distinctions on priorities, that we exempt those things which are absolutely critical to our foreign policy.

Mr. Chairman, that is what my amendment to the Miller amendment would do. In addition to reducing the cut to 2 percent, my amendment would exempt those programs which we believe are most important. Specifically, my amendment would exempt from an across-the-board cut the appropriations for the Middle East, a region of extreme sensitivity in which we have vital interests.

☐ 1110

It would also exempt health and nutrition accounts which attempt to deal with the most pressing problems of the poorest people in the world.

My amendment would also exempt refugee assistance. None of the across-the-board cuts in their present form, either Miller of Ohio or Obey, would exempt refugee assistance.

If there is anything that presents this country, and indeed the entire world, with a challenge, it is the horrendous situation in Indochina with regard to refugees. For us to adopt an across-the-board cut which reduces the funds we have previously provided in this bill for refugee assistance would be the height of irresponsibility, and I think that this refugee example points up very well the problem of an across-the-board cut. It does not distinguish between the most important and the least important things. In this case the amendments presently before us would cut refugee assistance, and for that reason alone they should be rejected. But, as I say, if the membership believes it necessary to adopt some additional cut, let us exempt refugee assistance. That is what my amendment would do.

Finally, my amendment would exempt international disaster assistance, which in my judgment falls into the same category as refugee assistance.

Mr. Chairman, I sincerely hope that the membership, if it sees the need to adopt a cut, will also adopt my amendment exempting these absolutely vital matters to our foreign policy.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the McHugh amendment.

Mr. Chairman, the McHugh amendment removes my objection to the Obey amendment. It keeps the power in the hands of Congress to decide where the money is going to get spent. These across-the-board cuts simply turn congressional power over to the administration to decide where the cuts take place. I think that is wrong. We have a treaty, creating a policy in the Middle East, which can be eroded by this first opening in the dike. I want us to put a finger in the dike right now and make sure that it does not break open.

We all know, of course, about disaster assistance, migration and refugee assistance, assistance to African refugees, international disaster assistance. These are important programs. Every nickel is going to be needed. In fact, we are going to have to come back with a supplemental for more refugee and disaster assistance. We know that. Why should we grandstand here with a cut when we know we are going to have to ask for more money for these programs in the future.

So I hope very much that the McHugh amendment to the amendment can be supported, and with that amendment I think I can support the attempts to make this a 2-percent cut.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, since we now have, I believe, four amendments before us, could the gentleman from Maryland explain the situation of just where we are at this moment on these four amendments?

Mr. LONG of Maryland. As I understand it, the original Miller of Ohio amendment would cut 5 percent but exempt the Middle East from the cut. The Obey amendment undertook to change this to a 2 percent, which would include the Middle East in the cut. The gentleman from Ohio (Mr. MILLER) came back with another amendment to make it a 5-percent cut, which would also include the Middle East in the cut. Now the gentleman from New York (Mr. McHUGH) wants to make it a 2-percent cut excluding not only the Middle East, but disaster refugee assistance and health care problems from the cut. The McHugh amendment is excellent and I support it wholeheartedly.

Mr. GILMAN. I thank the gentleman, and I want to join the gentleman in his comments. I believe that the gentleman's arguments are certainly worthy of our consideration as we review this proposed broad across-the-board cut in a measure of this nature. Such an across-the-board cut gives up the authority that the Congress has so zealously guarded over the years of deciding where and how appropriations should be expended.

Mr. LONG of Maryland. I am glad to have the gentleman's help. Would the gentleman agree that this 2-percent sum, which may not be a large sum, is the opening in the dike that could very well lead to much more? As a matter of fact, one of the strong supporters of this Obey amendment—I do not want to mention his name—said to me: "Of course, that is what I want. I want to break it open."

Mr. GILMAN. I believe the gentleman's warning is certainly well taken. I appreciate his comments and urge my colleagues to oppose the broad unrestricted cuts suggested by the Obey amendment and I urge support of the McHugh amendment.

Mr. LONG of Maryland. I thank the gentleman from New York very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHUGH) to the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the Miller amendment to the Obey substitute. For what purpose does the gentleman from Ohio (Mr. MILLER) rise?

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. The Chair will state to the gentleman that his request comes too late. The Chair held back as long as he could on the announcement, and the gentleman was not on his feet before the Chair put the question on the next amendment.

The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY) as a substitute for the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 18, noes 24.

Mr. MILLER of Ohio. Mr. Chairman, I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The Chair will advise the gentleman that is not in order in the Committee of the Whole.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

PARLIAMENTARY INQUIRY

Mr. GILMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GILMAN. Mr. Chairman, I believe that there is some confusion on the floor as to whether the Miller of Ohio amendment that we are not voting on does or does not include an exemption to the Middle East.

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry. There is a point of order pending.

Mr. GILMAN. Mr. Chairman, would it be a proper parliamentary inquiry to ask the Chair to read the amendment?

The CHAIRMAN. At this time it would be out of order, a quorum not being present.

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that the Miller of Ohio amendment does not include exemptions for Israel and Egypt; is that correct?

The CHAIRMAN. The Chair is not in a position at this point to entertain any statements from members of the Committee, since it has been established that there is no quorum present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1130

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. GILMAN. Mr. Chairman, could I ask that the Clerk reread the amendment that is before us at this time?

The CHAIRMAN. Without objection, the Clerk will rereport the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: In line 2, in lieu of "two per centum" insert "five per centum".

In line 6, in lieu of "five per centum" insert "ten per centum".

PARLIAMENTARY INQUIRY

Mr. LONG of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that the Miller amendment would cut 5 percent all across the board, including the Middle East. Is that correct?

The CHAIRMAN. The Chair will advise the gentleman that is not a proper parliamentary inquiry.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand by the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 228, not voting 28, as follows:

[Roll No. 442]

AYES—178

Abdnor
Albosta
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bowen
Brinkley
Brooks
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Collins, Tex.
Conable
Corcoran
Coughlin
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Findley
Flippo
Forsythe
Fountain
Gaydos
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Hefner
Heftel
Hillis
Hinson
Holland
Hopkins
Hubbard
Huckaby
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen

Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nichols
Pashayan
Patterson
Paul
Perkins
Petri
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Royer
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Udall
Vander Jagt
Walgren
Walker
Watkins
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wyatt
Wydler
Wylie
Yatron
Young, Fla.

NOES—228

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Conte
Conyers
Corman
Cotter
Courter
D'Amours
Danielson
Dellums
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hightower
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Kastenmeier
Kemp
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Rudd
Sabo
Scheuer
Seiberling
Shannon
Sharp
Skelton
Slack
Snowe
Solarz
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weiss
White
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—28

Beard, Tenn.
Carter
Collins, Ill.
Diggs
Dornan
Flood
Giaimo
Hansen
Hollenbeck
Holt
Lundine
McEwen
Miller, Calif.
Nolan
Pepper
Peyser
Pursell
Rodino
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Treen
Wampler
Weaver
Wilson, C. H.
Young, Alaska

☐ 1150

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Pepper against.

Mr. Wampler for, with Mrs. Collins of Illinois against.

Mr. Young of Alaska for, with Mr. Rodino against.

Mrs. Holt for, with Mr. Diggs against.

Messrs. SCHEUER, AUCOIN, DONNELLY, CHARLES WILSON of Texas, and HUGHES changed their votes from "aye" to "no."

So the amendment to the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CONTE TO THE AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO, AS AMENDED

Mr. CONTE. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. CONTE to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio, as amended: After the word "Act," appearing in the first sentence, insert the following: "except for the appropriation for Israel and Egypt, and the appropriations entitled 'Agriculture, rural development, and nutrition, Development Assistance', 'Health, Development Assistance', 'Migration and refugee assistance', 'United States emergency refugee and migration assistance fund', and 'Assistance to African refugees',".

Mr. CONTE. Mr. Chairman, I do not intend to take the 5 minutes. We have labored over this bill now for a good many days. I think everyone understands my amendment.

Mr. Chairman, this amendment is to a 2-percent cut across the board exempting Israel and Egypt and appropriations for agriculture, rural development, and nutrition development assistance, health, development assistance, migration and refugee assistance, U.S. emergency refugee and migration assistance.

Mr. Chairman, I hope the amendment will pass.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Wisconsin.

Mr. OBEY. I would simply like to say I certainly accept this as an amendment to my amendment and urge everyone to support it.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding and congratulate him on his amendment to the Obey substitute because it is essentially the same as the amendment I offered earlier and if the House adopts this particular amendment, it will be faced essentially with a choice between my amendment and his, either of which is acceptable.

Mr. CONTE. I thank my good friend, the gentleman from New York, and I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would hope the gentleman from Massachusetts would clarify his proposal for the House. Does the gentleman's amendment provide a 2-percent cut with these exceptions that were set forth by the gentleman from New York (Mr. McHUGH) in his earlier amendment of those areas set forth including Israel and Egypt Agriculture Development, Health Development Assistance, and Migration and Refugee Assistance.

Mr. CONTE. Mr. Chairman, the gentleman is exactly correct. They are totally excepted for the 2-percent across-the-board cut. It exempts from the 2-percent across-the-board cut Israel, Egypt and the other agencies I have mentioned.

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman from Massachusetts for helping to clarify this complicated procedural situation.

Mr. Chairman, I urge my colleagues to support the gentleman's amendment which advocates a judicious selective reduction of expenditures rather than an across-the-board meat-ax approach.

☐ 1200

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I merely rise in support of the gentleman's amendment.

We have all heard so many contradictory explanations as to the causes of our Nation's energy problems that it is easy to lose perspective. Today, I want to focus our attention on a mistake the House is about to make that could have serious consequences for U.S. energy supplies in the 1980's.

Consider the following recent developments:

On June 26, the House passed by a 368-to-25 margin a bill (H.R. 3930) which authorizes $3 billion to be spent on subsidizing a synthetic fuels industry in the United States. Specifically, a goal was set to produce the equivalent of 500,000 barrels of oil per day by 1985.

On July 15, President Carter announced plans to ask Congress to approve legislation to create an energy security corporation that would use up to $88 billion worth of Federal financial incentives to facilitate the production of at least 2.5 million barrels of oil substitutes per day by 1990.

Then on July 18, the House by a narrow 216-to-196 margin approved an amendment offered by our colleague, Congressman Trent Lott, to the fiscal year 1980 foreign assistance appropriation bill which cuts the U.S. contribution to the World Bank for fiscal year 1980 from $318 to $163 million, thereby crippling a new Bank program for oil and gas development which was expected to add 2.65 million barrels of oil per day to the world's supply from non-OPEC developing countries by 1985.

That simply does not make sense. Now, I strongly agree with the emphasis that President Carter and this House have placed upon expanding our efforts to create a synthetic fuels industry. But this does not mean we should ignore good opportunities to add to the world's oil and gas supplies from non-OPEC countries. Yet that is exactly what the effect will be of the recently approved Lott amendment and further across-the-board cuts proposed to this bill.

If the House ultimately goes along with the Lott amendment which reduces the World Bank appropriation for fiscal year 1980 from $318 million to $163 million and then compounds this mistake by approving percentage across-the-board cuts, it is highly unlikely that any significant results will flow from the World Bank's program to accelerate oil and gas production in non-OPEC developing countries. Given our current willingness to support massive outlays of money and manpower in advanced but not-yet economic technologies and energy resources, it makes no sense to neglect a source that is so potentially significant in its benefits. Keep in mind that the recent shortfall in the world's supplies which helped produce our gas lines this spring and summer was less than 1 million barrels per day, whereas the World Bank program is expected to bring on line 2½ times that much oil from non-OPEC developing countries within the next 5 years.

I opposed the Lott amendment and I strongly oppose any amendments designed to provide further across-the-board cuts in this bill. I do so for two overriding reasons which are of great significance to America's energy future.

First, it serves the economic and national security interests of the United States to facilitate the diversification and proliferation of sources of oil and gas in non-OPEC developing countries through such means as the World Bank program.

Second, the most immediate and effective blow we can strike against the OPEC cartel is to do all we can to add to the world's oil supply from non-OPEC sources. In this way, increased pressure will be brought to bear on OPEC members to reduce prices or impose production limits which are certain to create friction within their own ranks.

It is vitally important for this House to support and encourage the World Bank's energy lending program in its early stages. It is one instance where the administration's endorsement of world oil and gas exploration is being fulfilled with concrete action. I urge you to give this promising new initiative a chance by opposing arbitrary across-the-board cuts in the foreign aid appropriations bill.

Mr. CONTE. Mr. Chairman, I may say before yielding back the balance of my time that I want to take this opportunity to compliment the ranking minority Member, the gentleman from Florida (Mr. Young), for a very, very difficult task in bringing this bill to the floor of the House. No one in this House of Representatives has worked harder on a more vexing bill, the foreign aid bill, than the gentleman from Florida (Mr. Young). I want to take this opportunity to compliment the gentleman.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Conte amendment.

Mr. Chairman, the Conte amendment is basically the same as the McHugh amendment. I support it. It is a responsible amendment for several reasons. First, it cuts 2 percent, in addition to cuts made by the committee of $1.4 billion below the appropriation request.

Second, this amendment takes away from the administration really the power to decide where the cuts are going to be made and keeps it in the control of Congress and that is what we want to do. We have been giving too much power to the administration and what the Conte amendment does is to exempt from the cut the Middle East, agricultural rural development and nutrition, development assistance, health development assistance, migration and refugee assistance, emergency refugee and migration assistance, and assistance to African refugees. These are important items to keep under our control, so I urge you to support the Conte amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Conte) to the amendment offered by the gentleman from Wisconsin (Mr. Obey) as a substitute for the amendment, offered by the gentleman from Ohio (Mr. Miller), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 395, noes 12, not voting 27, as follows:

[Roll No. 443]

AYES—395

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo

Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Slack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—12

Bingham
Carr
Conyers
Corcoran
Findley
Kastenmeier
Mitchell, Md.
Oakar
Rahall
Rangel
Stark
Stewart

NOT VOTING—27

Applegate
Beard, Tenn.
Carter
Collins, Ill.
Diggs
Flood
Giaimo
Hansen
Hollenbeck
Holt
McEwen
Miller, Calif.
Pepper
Peyser
Pursell
Rodino
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Thompson
Treen
Weaver
Wilson, C. H
Wolff
Young, Alaska

☐ 1210

Messrs. DELLUMS, SEIBERLING, and GRAY changed their votes from "no" to "aye."

Mr. FINDLEY changed his vote from "aye" to "no."

So the amendment to the amendment offered as a substitute for the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey), as amended, as a substitute for the amendment, offered by the gentleman from Ohio (Mr. Miller), as amended.

Mr. MILLER of Ohio. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair will inquire, is the gentleman's amendment to the Obey substitute?

Mr. MILLER of Ohio. It is to the Obey substitute, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

☐ 1220

PARLIAMENTARY INQUIRY

Mr. OBEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OBEY. Mr. Chairman, is a further amendment in order?

The CHAIRMAN. It certainly is. Certainly amendments are in order.

The Chair is not advised as to what the amendment contains.

The Clerk will report the amendment.

AMENDMENT OFFERED BY MR. MILLER OF OHIO TO THE AMENDMENT OFFERED BY MR. OBEY, AS AMENDED, AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO, AS AMENDED

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment to the amendment, as amended offered as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. Miller of Ohio to the amendment offered by Mr. Obey, as amended, as a substitute for the amendment offered by Mr. Miller of Ohio, as amended: In line 2, in lieu of "two per centum" insert "four per centum".

In line 6, in lieu of "five per centum" insert "eight per centum".

Mr. OBEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MILLER of Ohio. Mr. Chairman, I will not take the 5 minutes. We had an overwhelming vote a few minutes ago on the Conte amendment to the Obey amendment. This amendment will do only one thing. It has all the exemptions that were in the Conte amendment to the Obey amendment. I will list those exemptions.

Exemptions for Israel and Egypt, agriculture, rural development, and nutrition, development assistance; health, development assistance; migration and refugee assistance; U.S. emergency refugee and migration assistance fund; and assistance to African refugees.

When the Members voted on the last amendment, they voted on the exemptions that I just read. The amendment that we have before us now has in it the same exemptions. The difference is that it increases the dollar reduction.

Instead of a 2-percent reduction, it is 4 percent. Instead of a $90 million reduction at 2 percent, it is a $180 million reduction at 4 percent.

I would request a yes vote on the amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. In this amendment, is Egypt and Israel specifically exempted?

Mr. MILLER of Ohio. They are exempted exactly the same as in the Conte amendment that we just voted on. It is not only Egypt and Israel, but all of the other exemptions that were in the Conte amendment are in this amendment. It only increases the dollar amount that would be reduced. That would be 2 to 4 percent.

Mr. CHARLES WILSON of Texas. I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. Miller).

The CHAIRMAN. The gentleman from Maryland (Mr. Long) will be recognized for 5 minutes, but the Chair will first inquire of the gentleman from Wisconsin (Mr. Obey) if he insists on his reservation of a point of order.

Mr. OBEY. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. LONG of Maryland. Mr. Chairman, the committee made the biggest cut in this bill below the budget request that any committee has ever made in the history of foreign aid. We have cut this bill, together with the cuts made on the floor, by $1,400,000,000 below the budget request. I think we have done our job. If you adopt this 4 percent, you are making further cuts in many valuable development programs, which I think would be ill considered. Furthermore, we are turning over power to the administration to decide where the cuts should be made. I believe the Congress should keep the power in its own hands, instead of turning it over to the administration.

I ask that the amendment offered by the gentleman from Ohio (Mr. Miller) be voted down.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes. I simply want to echo the words of our chairman and urge the Members to vote against this amendment.

As the chairman indicates, we have already cut this bill $1,400,000,000, and we will cut it by $100,000,000 more in the next amendment, in the Conte amendment, and in the McHugh amendment. We have voted to cut this bill six times on the floor already. I think that is quite sufficient. You will have an opportunity to cut it again on the next vote by another $90 million. I urge the Members to vote against this amendment. I do not think that we want to take a further cut in disaster assistance, I do not think we want to take a further cut in the Peace Corps, I do not think we want to take a further cut in American schools and hospitals abroad or in population control programs, or in UNICEF.

I urge the Members to vote against the amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to join the chairman of the subcommittee and the gentleman from Wisconsin (Mr. Obey) in opposing the amendment. We just had a rollcall vote on the amendment that I offered to the Obey substitute which carried overwhelmingly in the House, and I am sure that everyone felt that they were voting for the 2-percent cut across the board. I had many, many Members come to me, and they felt that that was the vote that they were voting on. We will definitely get a vote on the Obey amendment with the exemptions that I have put in of the 2-percent cut across the board. I hope that this amendment is defeated. As the gentleman from Wisconsin and as the chairman of the subcommittee said, this committee has done an excellent job. There is a $1,400,000,000 cut, one of the largest cuts, I think, in recent history by a subcommittee and by the House of Representatives. Therefore, I think the responsible thing would be the 2-percent cut.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Ohio (Mr. Miller) to the substitute.

Mr. Chairman, I think it is time we take stock of where we are now. It has been said that we have reduced the bill by over $1 billion, and there have been a number of cuts that have been made on the floor, as well as in committee, as well as in subcommittee. But the truth is, Mr. Chairman, the bill is still larger than it was last year for comparable programs. We have added over $200 million for Indochinese refugee assistance over and above what the bill originally provided. We are probably going to add another $25 million for disaster relief in the Caribbean area when we finish with this. So you see the bill is not as small as you might be led to believe.

All the Miller of Ohio amendment would do to the Obey substitute for the original Miller amendment is to make another 2-percent reduction. Do not tell me that these agencies handling foreign aid funds cannot absorb that extra 2 percent. I believe they can, just like any other agency of the Government. We are not talking about a lot of money. As far as the independent agencies are concerned, they can absorb it. They are not going to miss it that much, especially the World Bank and some of the others.

The point is that, with the Miller amendment to the substitute, you do have a reasonable cut. If you want to tell your voters that you voted to make an across-the-board reduction in foreign aid, do it with the 4 percent that the Miller of Ohio amendment would have you do. The 2 percent that the gentleman from Wisconsin (Mr. OBEY) is allowing us to vote on is a drop in the bucket. It is better than nothing, but not much.

Let us go with the Miller of Ohio amendment. It has all of the exemptions. It exempts Israel, it exempts Egypt, it exempts all of these food and nutrition programs. Let us vote for the Miller of Ohio amendment so that we can tell our voters that we really tried to do a job in cutting down the size of this foreign aid bill.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman for his statement. He is a very helpful Member. I thought I heard the gentleman say a short while ago that this 2 percent was quite a satisfactory cut and the statement really helped in the passage of the previous amendment. Now the gentleman, it seems to me, having gotten the 2 percent, is moving on to something more.

Can the gentleman clear up my bafflement?

Mr. YOUNG of Florida. I will be happy to clear up your bafflement. Because of the noise in the Chamber it is very likely that the gentleman did not hear what I said. When I was willing to accept the Conte amendment and I said that, to the Obey amendment, it would be about a $90 million cut, which is not bad; but a $180 million cut is a whole lot better. That is why I say that 4 percent is a reasonable across-the-board cut.

Mr. LONG of Maryland. Could I ask the gentleman, having gotten the 2 percent and then moving for 4 percent, is the gentleman intending to move on for another 6 percent or more?

☐ 1230

Mr. YOUNG of Florida. Mr. Chairman, the answer to that is "No." If we can adopt the Miller amendment now, that makes a 4-percent, across-the-board cut with the exception provided for Israel and Egypt, and these others, I am satisfied I am not going to offer any further amendments to reduce this bill.

Mr. LONG of Maryland. In a motion to recommit, will the gentleman vote against a further cut?

Mr. YOUNG of Florida. I would say to the gentleman if this Miller amendment is adopted, that I will not offer a motion to recommit with a further reduction.

Mr. LONG of Maryland. Would the gentleman vote for a motion to recommit or against it? I am trying to find out where the gentleman wants to stop.

Mr. YOUNG of Florida. Mr. Chairman, I think, to make that deal with the gentleman, I would have to get 6 percent on the Miller amendment.

Mr. LONG of Maryland. I think the gentleman has established his position.

Mr. SOLOMON. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, the gentleman from Ohio (Mr. MILLER), stood up here before, and I was appalled, as are the American people, to find out that we have given foreign aid to countries—I think he mentioned West Germany and Japan—and these countries are turning around and buying U.S. Treasury notes with the money we have given to them—this is how we built up a $900 billion deficit in this country that is costing us $60 billion interest a year.

Here these counties that we are giving foreign aid to, such as India who now holds $600 million in U.S. Treasury securities, are buying these notes, and we are having to pay them interest on this money. That is outrageous.

Let me tell my colleagues something more outrageous than that. These same countries we are giving foreign aid to are subsidizing the manufactured goods that are being imported into this country building up a $30 billion trade deficit, which is bankrupting the private sector in this country. Here we are giving foreign aid to subsidize their industries to ship goods in, where our own industries cannot be competitive. It is causing mass unemployment in this country. It is disgraceful. We ought to cut this foreign aid bill 30 percent. I strongly urge we support this amendment.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the course of this debate, which has gone on much too long, there have been many misstatements and many misunderstandings. I think my colleague from New York exemplifies that problem.

The gentleman from New York has just indicated that we are giving foreign assistance to West Germany and Japan. Nothing could be further from the truth. There is no aid in this bill for either country. Unfortunately, that is a reflection, I am afraid, of why he has voted the wrong way consistently on this bill.

I would hope that when the Members vote, not only on this amendment but on final passage of this bill, they will do so with some thoughtfulness and with some understanding and appreciation for the need for a responsible American foreign policy.

The gentleman's remarks and the amendment before us are certainly not consistent with that.

I yield back the balance of my time.

Mr. PEASE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will be very brief also, but I think we are missing a point when we talk about these cuts. The point is energy—a very important one to the American people as each one of us heard in August when we were back in our districts.

The Conte amendment does not exempt from these cuts the World Bank, and in a previous amendment adopted before the recess, an amendment submitted by our colleague, the gentleman from Mississippi (Mr. LOTT), the House cut the World Bank down from $308 million to $153 million.

This amendment, if it is adopted, would provide an additional 4-percent cut for the World Bank. The World Bank had hoped to embark on a major new initiative to develop oil and gas resources in non-OPEC countries.

The World Bank estimated that its program, if it could get funding for that program, would produce by 1985, 2.58 million barrels additional of oil every day from non-OPEC countries.

Also before the recess, we in the House pushed billions of dollars into a synthetic fuels program, which we hope may produce 500,000 barrels of oil per day by 1985.

It seems to me that if we are really concerned about increasing the world energy supplies and reducing the impact of OPEC on the United States, one of the best ways we can do it is to support the World Bank's program of developing oil in non-OPEC countries.

What this amendment would do would further cripple the World Bank's ability to do that.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding and I would just like to point out that the administration would not necessarily be obligated to take 4 percent from the World Bank appropriation. The administration has considerable leeway on how they would apply this 4-percent cut. There are some items that maybe they would not cut anything from. So the World Bank would not necessarily be mandated a reduction.

Mr. PEASE. I thank the gentleman. That is true, but considering the cuts that have already been made through the whole process, it seems to me that most items are going to be rock bottom for the administration and they may be reluctant to cut others 10 or 12 percent in order to protect an item like the World Bank.

It is important that we fund the World Bank and that we not cut this program any more.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. No line item under the amendment could be reduced more than 8 percent, so we could not go into the 10 or the 12.

Mr. PEASE. I would hate to see even an 8-percent cut in a program that could help make the United States free from the domination of OPEC.

Mr. MILLER of Ohio. If the gentleman would yield further, all those line items that are high priority would be stacked up at the top, and they would not need be touched, so the low-priority items could be and should be reduced, but a maximum of 8 percent.

Mr. PEASE. I appreciate the gentleman's comment. I am just saying at this point in the game, after all of the cuts, nearly everything is going to be high priority.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

I just want to say we have now cut this bill over $1.4 billion. We have a responsible job, and I want to keep this bill in the hands of the Congress instead of turning discretion over to the administration.

I urge the committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY), as amended, as a substitute for the amendment offered by the gentleman from Ohio (Mr. MILLER), as amended.

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 44; noes 62.

RECORDED VOTE

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 144, not voting 36, as follows:

[Roll No. 444]

AYES—254

Abdnor
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Frenzel
Frost
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patterson
Paul
Perkins
Petri
Pickle
Preyer
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walgren
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—144

Addabbo
Alexander
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Conable
Conte
Corman
Danielson
Dellums
Derwinski
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn
Fowler
Garcia
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Harris
Hawkins
Holtzman
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Peyser
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Seiberling
Shannon
Solarz
St Germain
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Zablocki

NOT VOTING—36

Bafalis
Beard, Tenn.
Brown, Calif.
Carter
Collins, Ill.
Conyers
Derrick
Diggs
Flood
Fountain
Fuqua
Giaimo
Gingrich
Goodling
Hansen
Hollenbeck
Holt
McEwen
Mathis
Mikva
Miller, Calif.
Pepper
Pritchard
Rodino
Rousselot
Roybal
Royer
Simon
Smith, Iowa
Spellman
Thompson
Treen
Walker
Weaver
Wilson, C. H.
Young, Alaska

☐ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Pepper against.

Mr. Gingrich for, with Mr. Rodino against.

Mr. Hollenbeck for, with Mr. Conyers against.

Mr. Beard of Tennessee for, with Mrs. Collins of Illinois against.

Mr. Bafalis for, with Mr. Diggs against.

Mr. FORD of Michigan and Mr. CHARLES WILSON of Texas changed their votes from "aye" to "no."

Mr. PURSELL changed his vote from "no" to "aye."

So the amendment to the amendment, as amended, offered as a substitute for the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY), as amended, as a substitute for the amendment, offered by the gentleman from Ohio (Mr. MILLER), as amended.

The amendment, as amended, offered as a substitute for the amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 23, after line 12, insert the following new section:

"SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Nicaragua without prior approval of Congress."

POINT OF ORDER

Mr. LONG of Maryland. Mr. Chairman, I make a point of order on the ground that this is legislation in an appropriation bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LONG of Maryland. Since it requires prior approval of the Congress to maintain this legislation on an appropriation bill, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) wish to be heard on the point of order?

Mr. BAUMAN. Mr. Chairman, this

does not constitute under the precedents of the House a limitation which is in fact legislation on an appropriation bill. I would refer the chairman to chapter 25, section 11, of Deschler's Procedure, in which it has been held:

> It is in order, by way of a limitation on an appropriation bill, to make an appropriation contingent upon a future event, such contingency is germane to the appropriation and the restriction does not change existing law.

This was held on June 11, 1968, where an amendment providing that no part of the appropriations therein shall be available, without the express authorization of Congress, for maintenance of more than 525,000 troops in Vietnam or for an invasion of North Vietnam. That was held by the Chair to be a proper limitation.

The language before the Members does not in any way change existing law. There is no existing law that says we shall either give or not give aid to Nicaragua. The bill does contain in excess of $2 billion for Nicaragua as requested by that if any aid is to go to that nation, it must be done after approval of this Congress.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) wish to state anything further?

Mr. LONG of Maryland. Mr. Chairman, this undertakes to enact a law, something which is not in existing law, and I maintain that this is legislation in an appropriation bill and insist on my point of order.

The CHAIRMAN (Mr. KAZEN). The Chair is ready to rule.

The gentleman from Maryland (Mr. BAUMAN) cites a fairly recent precedent and in the absence of any argument convincing the Chair to distinguish, to explain, or to contradict that precedent, the Chair overrules the point of order.

□ 1300

Mr. BAUMAN. This amendment simply says that if the U.S. Government is going to make a major policy decision allowing financial assistnce to the new Government of Nicaragua, which has been in existence for only a few weeks, that Congress should make that decision, together with the President of the United States. There should be no unilateral decision on the part of the State Department and the President.

Mr. Chairman, I need not cite the recent history of the policy of the Carter administration regarding the current Government of Nicaragua. The liberals in the State Department were adamantly opposed to the Somoza government for reasons which they found justified. They applied considerable pressure over a period of months to President Somoza including the cutoff of financial assistance such as we are proposing in this bill, and they did so to the detriment of the existence of that government. As they wished, the duly elected and constitutional Government of Nicaragua finally fell.

Whatever we think of the Somoza government it is gone, the issue is settled and there is a new government in its place.

Mr. Chairman, I do not pretend to have the ability to judge what the full political composition of that new government is, but I do think that the Congress of the United States must examine this question at length in full and appropriate hearings before we would authorize any aid at all, just as we would if we were being asked to authorize aid for Castro's Cuba.

This particular bill already forbids aid to Cuba and I think we should at least add a somewhat less stringent restriction, no aid to Nicaragua unless the Congress approves of it.

What would the amendment require? That the administration come to the appropriate committees of the House and Senate, both authorizing and Appropriation Committees I would assume, make their case and bring it to the floor of the House where debate can be had.

Mr. Chairman, I know that it is rather hard to find out in the public media in this country, precisely what is going on in other countries, particularly when some in the press seems to support those leftist governments. It is no secret the media in this Nation opposed Somoza and have generally dealt very kindly with his Sandinista successors.

Mr. Chairman, it is not too much to say that some of the officials of the new government are Communists. If you have not been reading the press, I suggest some of you might want to get from the State Department as I do each day the Daily Report of Latin American News and read the truth of what is happening there to the extent that local papers and radio report what has been happening.

The Somoza property has been confiscated, yes, but almost all other private property of any wealth has been confiscated.

There is no free press in this new nation. There is one paper, La Prensa, which is being permitted to publish but under government restrictions. Every radio station in operation is required to carry the Sandinista propaganda.

Mr. Chairman, the Cubans have already sent a number of advisers into Nicaraugua. Three thousand combat ready Soviet troops in Cuba we already know have become an issue in the last few days and they are only a matter of a few minutes flying time from Nicaragua.

How many of us know that 3,000 Nicaraguan children and students in colleges and grade schools are already scheduled to go to Cuba for training? That is a program now under way. Cuban teachers have already arrived in Nicaragua.

How many of you know that the new government has endorsed the PLO at the expense of Israel?

How many of you have read the violently anti-American statements coming from the nonalined conference in Havana made by the various members of the Nicaraguan junta now ruling that nation, attacking the United States for imperialism and alleged control over other nations?

Mr. Chairman, the history of this new government is plain. It came to power with Communist backing, and overt Cuban backing. They may well offer a threat to other nations in the Latin American region. They have already requested U.S. military aid. One of their officials was here in Washington last week negotiating for military aid if you can believe that. While we were away in our districts or wherever else, the Washington Post and other papers ran a series of articles, one of which said the State Department was planning a long-range, $100 million aid program to Nicaragua.

Mr. Chairman, all I am saying is, let us step back, take time, examine the facts and let the Congress make the decision. Potentially, this nation could be a danger to this hemisphere as is Cuba.

So that you need not vote blindly on my amendment I refer you to an article by the noted columnist and author, M. Stanton Evans:

AT HOME

Despite the bland denials of our government and a stream of glowing press reports, Communism is fastening its grip on Nicaragua.

President Carter, for one, hastened to assert that the rise to power of the Sandinista had nothing to do with Communism in general, Fidel Castro's Cuba in particular. "I do not attribute at all the change in Nicaragua to Cuba," Mr. Carter told a press conference. Reporters in Managua, meantime, have been staging a daily competition to see who can write the most breathless prose in admiration of the Sandinista.

An Associated Press account in the Washington Star, for instance, informs us that the Sandinista government is taking "methodical steps to establish democracy . . . while avoiding any suggestion it has Communist designs for the future." The government is credited with having moved "to re-establish civilian control . . . taken down roadblocks, created an atmosphere of public safety, and restored press freedom." Interior Minister Tomás Bórge is quoted as saying: "We are not planning a socialist revolution here, we are planning the reconstruction of Nicaragua."

Despite which, the evidence is overwhelming that Nicaragua is well on its way to becoming another Cuba. Clearest indication of this fact is the dominant role being played by the self-same Tomás Bórge. Bórge is a member of the nine-man directorate that presently runs the country and of the three-man group that will control the Nicaraguan "people's army." In addition, as Minister of the Interior, he will control the nation's police force.

What makes these developments particularly ominous is that Bórge is a hard-core Communist revolutionary, and scarcely troubles to conceal that fact. Although AP neglects to mention it, Bórge was trained in Cuba, is a close ally and confidant of Castro, and openly espouses Marxist revolutionary doctrine. His Communist background is so flagrant that Agence France Press refers to him as "the Nicaraguan Castro."

In 1977, Bórge was one of a group of Nicaraguan revolutionaries captured and tried by the Somoza government and sentenced to a thirty-year prison term for terrorist activities. In the course of his trial, he acknowledged the extensive guerrilla training he and his confederates had received in Cuba. Last year, he was freed from prison as part of a ransom deal when the Sandinista invaded the Nicaraguan legislature. He flew to Cuba via Panama for further discussions with Castro—a meeting that was featured in the Cuban press.

The Cuban connection has been vividly underscored since the Sandinista came to power. In late July, Castro spokesman Ramón Sanchez told a group of reporters in

Washington that Cuba had given aid to the Sandinista, including "arms and things like that," and that "our support for Nicaragua has intensified as the struggle has intensified." That same week, two high-ranking Sandinista flew to Havana to pay their respects to the Castro regime. And in mid-August, Bórge himself made yet another sojourn to Havana.

Nor is Bórge the only Marxist in the new regime. A recent issue of *Newsweek* ticks off the background of some others: Humberto Ortage, a former Communist youth leader trained in Havana; Victor Manuel Tirado, a Mexican-born Communist; Carlos Nuñéz, "one of the Sandinista's most committed radicals." Add to these Father Ernésto Cardenal, a noted devotée of Castro (he made the Havana pilgrimage in July). And, it should be recalled, the unified Sandinista operation was put together with the guidance of Castro himself.

The performance of the new regime—contrary to the euphoric AP report—is entirely in keeping with these data. As noted by *Human Events*, the actions of the Sandinista government point directly toward a Castro-style dictatorship: abolition of the elected legislature, indefinite postponement of next year's scheduled elections, projected nationalization of some private property, and a crackdown on the press.

One of the first acts of the new government was to shut down the paper *El Pueblo* and arrest its editor; through early August, only one newspaper, radio station, and TV channel, all officially controlled, were being allowed to operate.

How does this square with the AP report that the Sandinista had "restored press freedom"? The answer apparently lies in the explanation of Sandinista official Bayárdo Aroe: "We support freedom of the press. But, of course, the freedom of the press we support will be a freedom of the press that supports the revolution."

Add to all of this reports of summary executions of Somoza supporters, members of the National Guard, and other enemies of "the people." Representatives John Murphy (D., N.Y.) and George Hansen (R., Idaho) report a veritable reign of terror in the country. The Costa Rican newspaper *La Nacion* discloses that in some parts of Nicaragua "hatred and vengeance have teamed up against the military forces of the deposed Anastasio Somoza regime or its sympathizers and hundreds of them have been publicly executed or pursued in house-to-house searches or in the hills."

What is Happening in Nicaragua, in sum, is what has happened in nearly every country that has been captured by the Communists, which explains why Castro and Panama's Omar Torrijos were so eager to assist the Sandinista. It does not explain why the U.S. Government and media have covered up—and continue to cover up—the extent of Communist involvement in the Nicaraguan revolution.—M. Stanton Evans.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. I am somewhat ambivalent about this particular amendment, but I would like to ask the gentleman in the well if he is aware that there has been press speculation that the Soviet soldiers in Cuba are there to replace the Cuban soldiers that are in Nicaragua.

Mr. BAUMAN. Or in Africa or in a number of other places around the world.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that the Sandinista government has nationalized all of the banks in Nicaragua?

Mr. BAUMAN. Among other things nationalized that is correct.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that all cotton, sugar, meat, and corn must be sold to the government, that farmers are not allowed to sell their products?

Mr. BAUMAN. That is one of the stipulations they have already imposed by decree.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Charles Wilson of Texas, and by unanimous consent, Mr. Bauman was allowed to proceed for 3 additional minutes.)

Mr. BAUMAN. I yield to the gentleman from Texas (Mr. Charles Wilson).

Mr. CHARLES WILSON of Texas. Is the gentleman aware of the difficulty to the degree that it is practically impossible to acquire a visa to leave the country in Nicaragua, a circumstance which it took Castro 2 years to arrive at in Cuba?

Mr. BAUMAN. Not only are many of the decrees being issued following the pattern of the Castro takeover in Cuba but I can refer to a press report within the last 6 days in which the Sandinista government announces there will be revolutionary trials held for thousands of people now being detained in jails there, none of which has been reported in the United States, and there has been the threat by one of the top junta officials that perhaps 5,000 will be expelled at an appropriate time if they are not imprisoned or taken care of by other means.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. The gentleman from Texas has brought up a number of interesting points, but I might say the previous government had a $35 million U.S. aid line which had been stopped by the United States. The previous government had paid the contractors in Nicaragua 100 percent of the money due them out of their government funds, feeling that at some future point the aid money would be released to the government.

The United States has now released these aid funds to the new government, even though the contractors have been paid by the previous government so I would think there would be quite a substantial amount of money in the aid pipeline and that the amendment of the gentleman from Maryland certainly deserves the support of the House.

In line with some of the statements the gentleman was making earlier, I might make the statement that the most powerful personality in Nicaragua at the present time is a man named Tomás Bórges who is the Minister of the Interior. The Ministry of the Interior controls the police and the military. He is a Marxist trained in Cuba and makes no bones about his allegiance to Cuba and not to his own state, incidentally.

The Minister of Education is a Marxist.

The Foreign Minister is a Marxist.

There is one thing about Nicaragua prior to the present takeover, there was an excess of teachers in Nicaragua. At the present time there are 1,000 Cubans, most of them teachers, moving into the educational system in that country and I think we also can analyze the fact that a 30-day mandatory indoctrination period has just been ordered for all students from the grammar school grades right up through higher education in a special course designed to show them the benefits of the Sandinista revolution.

Mr. Chairman, I would think if we are going to look below the mask that some people are attempting to put on Nicaragua, the amendment of the gentleman from Maryland would be very easy to support because it would bring to the Congress the opportunity to investigate, to study and to see just what direction this government, such as it is, what direction it is taking and what type of face is on it.

☐ 1310

So we could take the mask off right here in the Congress when we came back.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Bauman) has expired.

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. LONG of Maryland. Mr. Chairman, reserving the right to object, I think this procedure is somewhat irregular. Each person who is asking to speak on this question could have perfect freedom to ask for his own time instead of extending time under unanimous consent.

I would hope that we could have a chance for the Chair and others to speak on this without further extensions.

Mr. Chairman, I withdraw my reservation of objection on this, but any further requests for time under this procedure, I will have to object to.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. Murphy)?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I thank my colleague from Maryland for his sufferance.

I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I thought I would expedite the debate by just taking a few moments of the time of the gentleman from Maryland.

One of the things the United States insisted upon in the previous regime was free and open elections in Nicaragua; yet, when I asked the State Department when will this new regime have free and open elections, the answer was, "Well, we don't expect it within 2 years."

Well, the normal elections were supposed to take place in 1981, as was pointed out in House debate on a number of times. Now we have a government that is in effect dodging and sideslipping free and open elections, a government that has not offered an amnesty, a government whose human rights record was clearly laid out in congressional testimony before the Committee on the Panama Canal as to wholesale violations in those areas; so I think the Congress could well support the amendment of the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, if I could make one last point. The reason we need some sort of restriction allowing congressional approval of any more Nicaraguan aid is that the administration has already tipped its hand. Within hours after we left last month for the in-district work period, they sent down a request to the subcommittee now presenting this legislation here on the floor and asked for a reprograming of something in excess of $7 million, perhaps $8 million to go to the Sandinista government.

To the credit of the chairman, the ranking member and others, they said no, not without further hearings, which I understand will be scheduled; but we already know that the administration wants to give foreign aid, military assistance, economic assistance, to this nation, perhaps as much as $100 million.

What I am saying with this amendment is that we should reserve that fundamental decision about a nation that is a new beachhead for communism in the Americas. That decision ought to be made as a partnership between the President and the Congress. Without this amendment, it will not be. And may I add if you oppose this amendment you do so with the full knowledge of the type of regime you are endorsing with your vote.

Mr. LONG of Maryland. Mr. Chairman I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I opposed the Somoza regime, not because I thought it was the worst regime in Latin America, because that is stiff competition, but because I thought it was an undesirable crowd and American money should not be going there. However, when the State Department came through with a reprograming request after Congress had adjourned, I objected to the reprogramming for the new regime. I received a great deal of pressure, including what must have been a hundred dollars worth of cables from the various Members, including the Secretary of State, asking me to withdraw my objection.

I pointed out that they had 2 weeks in which to notify us that reprograming would be forthcoming if during which we could have held hearings. Hearings could have been held if we would have been in a position to make an informal decision. If the State Department 'took 2 weeks to do this, why should Congress be asked to make a decision on reprograming, when we were all scattered, not able to consult our staffs, not able to find out the facts and so on. Anyone can see I became hardly a stooge of the administration on this point. I said that I would hold hearings of the subcommittee as soon as we could get the subcommittee members together, possibly early next week.

Nicaragua is right next to Panama. We certainly do not want a Communist government in Nicaragua in a position to imperil the Panama Canal. We want as many friends there as we can get.

Is the present government of Nicaragua a Communist government? I understand the current government of Nicaragua contains a broad spectrum of ideological tendencies, with the moderates so far seeming to predominate. However, the country's economic situation is desperate and without help the Nicaraguans may feel that they have to try some extreme solutions.

We are simply saying to the Nicaraguans, through this amendment: "You are not going to get anything from the United States. So go ahead and be as extreme as you want to."

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Mr. Chairman, if the gentleman would let me proceed.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield at that point?

Mr. LONG of Maryland. I will be glad to let the gentleman proceed after my statement. The gentleman took about 9 or 10 minutes, and if the gentleman would let me give my summary I would appreciate it.

Mr. BAUMAN. Mr. Chairman, did the gentleman say he would not yield? I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, before I was so charmingly interrupted, let me go back to my original train of thought.

We have a delicate situation there. I do not know what the facts are but I do not think we are going to find the facts on the floor of Congress. I hope the Members will trust the subcommittee to hold hearings on this and to come forth with a real decision.

I can tell you this, if I think there is any attempt there by the Communists to use American aid to take over Nicaragua, I am going to do everything I can to prevent any future reprograming.

There is only $1.8 million for Nicaragua in this bill so far asked for, so that anything that might be asked for in the future would have to be another reprograming. They are going to have to come to the Congress and notify us and at that point we can make our objections and I certainly shall if warranted. The gentleman from Florida (Mr. YOUNG), who as we know is also no stooge for the State Department, and I will cooperate on this and I think we can come through with a decision which will be satisfactory to the House.

I will hope you will trust the committee to do this, instead of trying to do the job of the committee here on the House floor without hearings.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding.

My position is not that there should be eventually no aid to Nicaragua, but that if, indeed, the character of the government is such as I have described it from published reports, and I disagree with the gentleman's description of what that government is like, I think it is decidedly pro-Marxist; but if, indeed, we are to give aid, it should not be a decision only for the gentleman's subcommittee, or even for the full Appropriations Committee; if we are going to give aid to a newly controlled Communist government in this hemisphere at the same time we are trying to drive 3,000 Russian troops out of Cuba, we are being totally inconsistent. This Congress should make the decision.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this is a very difficult stand for me to take. I joined my friend, the gentleman from Texas (Mr. CHARLES WILSON), in the past in opposing a similar amendment when Somoza was the head of the Government in Nicaragua. That was here on the floor, and as the gentleman from Texas knows very strongly in the committee, I voiced my objection to the State Department actions.

I think what we are doing today here is as the chairman said delicate. It is a very delicate and sensitive situation. I hope that the amendment does not pass.

Numerous times in the past I have spoken of the trade-off between risk and opportunity inherent in many of our foreign policy decisions. I think that the decision we face today with respect to foreign assistance to Nicaragua is fraught with the same realities.

What are the opportunities? What are the risks? I think that for this year alone we ought to leave it alone and then next year if things are moving in the direction that the gentleman from Maryland says that they are, and maybe they are, then maybe that is the time to put the brakes on.

☐ 1320

But to slam the door now and burn the bridge now is, I think, a very, very dangerous thing to do.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding.

I am not saying we should close the door. I am saying this fundamental question ought to be addressed by both Houses of Congress, and we can decide it next month or at some time in the future if a supplemental appropriation is requested. But we should not trust to luck. We know what is happening down there.

I think the gentleman is right; it is a delicate situation. But it is also rather plain as to the Communist character of the new government. Now is the time to let us have our say rather than after the fact, after the crash landing has occurred. For the gentleman's education I include an accurate account of the new Nicaraguan Government from the current issue of the National Review Bulletin:

ON THE LEFT

The new government of Nicaragua has a breathtaking assortment of friends. "Our relations are as cordial and as easy as I've ever witnessed with any government," says U.S. Ambassador to Nicaragua Lawrence Pezzullo. "There is no great policy agony on our part as far as I know, and I'm Ambassador here." To show how sincere the cordiality is, the U.S. is shipping more than 150 tons of food a day to Nicaragua, and Pezzullo says the Administration plans to activate loans totaling over $35 million that were approved by Congress before the fall of Samoza but never issued. Come October, when the new fiscal year begins, the Administration is expected to seek a sizable sum for reconstruction. U.S. military aid is just a little further down the road. "We're prepared to be thoughtful and understanding about it," says Pezzullo.

The editors of the *Militant* have been equally thoughtful and understanding; they devoted the entire August 24 issue of the Trotskyist newspaper to the Nicaraguan revolution. Somoza's ouster was only partly responsible for the lavish attention. What most delighted the *Militant* was the rulers that succeeded Somoza, the Sandinista. In a lengthy lead article from Managua, the paper warned its readers that the new rulers would have to make some concessions for tactical reasons: to get as much international aid as possible. One concession, for example, is the announcement that they don't plan to execute any of the captured National Guard. Another concession is the composition of the official government, the Government of National Reconstruction. Three of its five members are from the pro-capitalist forces that opposed Somoza; only one is a leading Sandinista. To the innocent observer, then, it appears that Nicaragua is safely in the hands of a coalition government tilted in favor of the capitalists. "The reality," says the *Militant*, "is different." Nicaragua, the paper states bluntly, "is being run by the Joint National Directorate of the FSLN [Sandinista National Liberation Front], made up of nine Sandinista commanders. All nine are Fidelistas. All have lived in exile in Cuba." Real power, the paper continues, "is in the hands of the FSLN. With each capitalist minister in the government they have put a Sandinista commander. And the ministers do not act unless the Sandinista approve their actions."

Prior to Somoza's ouster, an article appeared in the Soviet journal *Latinskaya Amerika* explaining the significance of the battle for Nicaragua. "The outcome of the struggle in Nicaragua," the article said, "will evidently tip the scales to one or the other side in the correlation of forces in the neighboring countries. To a certain degree, it can change the political climate of the whole continent."

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will yield if I have sufficient time, and I will ask for more time.

(By unanimous consent, Mr. Conte was allowed to proceed for 3 additional minutes.)

Mr. CONTE. I yield to the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. The gentleman from Massachusetts (Mr. Conte), I think, would agree that we do not do anything in this House without a subcommittee action; is that not correct?

Mr. CONTE. That is right.

Mr. LONG of Maryland. The subcommittee is pleading for an opportunity to hold hearings on the whole matter. We want to hold hearings and then come forth with a recommendation. Then, of course, anything we do can always be acted on on the floor.

So I would hope the House would give the subcommittee an opportunity to hold hearings on this matter, and I assure the Members these hearings will not be slanted in any way. We are going to come forth with an objective finding on the facts.

Mr. Chairman, I thank the gentleman for yielding.

Mr. CONTE. Mr. Chairman, I thank the gentleman from Maryland (Mr. Long).

Mr. Chairman, I would like to read from a letter I received from Lawrence A. Pezzullo, the Ambassador to Nicaragua. This is what he said:

> The passage of such an amendment would be extremely unfortunate, and I hope that you will oppose it. Nicaragua is emerging from the trauma of a revolution in which a dynasty of a half century's duration was overthrown. The Nicaraguans who overthrew that dynasty hold a variety of political ideologies; but on balance the new Government has been remarkably moderate so far when one considers the depth of emotions engendered by the just-concluded civil war.
>
> The new Government has been friendly in its relations with the United States and has indicated that it wants the cooperation and assistance of the United States. I am firmly convinced that we should offer a neighborly hand to Nicaragua.
>
> The new Government in Nicaragua desperately needs help to relieve human suffering and to rebuild the country's economy. By assisting in that rebuilding we will also be in a position to help in the rebuilding of a free enterprise system and to encourage the development of democracy in Nicaragua. If we fail to play a role, the situation in Nicaragua could deteriorate and radicalize.
>
> It is clear to me that any amendment to tie our hands in our relations with Nicaragua would be contrary to U.S. interests.

Mr. Chairman, I plead with the Members of the House to be responsible on this issue. It is a tough vote. I plead with the Members to be statesmanlike on this amendment and vote against this amendment.

Let us give it 1 year. Let us have the hearings before our committee, before the authorizing committee, but let us not burn the barn down, let us not tear the bridge down.

The political and economic circumstance of much of Latin America is in a precarious state. The majority of nations, although middle-income developing countries, are marked by the problems facing much of the developing world—uneven income distribution, continuing inflation, high unemployment, rapidly expanding populations, and high debt burdens. Economic development has proceeded, but at times not fast enough to offset the so-called revolution of rising expectations.

Subsequently the political situation of much of that continent is marked by uncertainty. Historically, the government has wavered between populism and autocratic forms of power. While the legitimacy of the government has rested upon its ability to satisfy the demands of the majority, when this has failed, dictatorships rapidly emerge. In numerous governments the people are now demanding more representative government. Revolutions are beginning. The situation is ripe for Communist infiltration in numerous spots. Nicaragua is a prime example of such.

Yet such infiltration can be halted. The United States and Western Powers are afforded the opportunity to begin a new relationship with Latin America—one of cooperation and friendship. And there is no better time than now to do so.

Latin America is becoming more and more important to U.S. interests. Since 1965, the region has tripled its exports to the United States, while their imports of U.S. products has increased to almost $20 billion. By the year 2000 this will be the single largest market for U.S. goods.

In addition, Latin America and the Caribbean provide 26 percent of our petroleum, 23 percent of our iron ore, 88 percent of bauxite and 40 percent of the copper we use. And these are just the most obvious examples. U.S. direct foreign investment in that continent now exceeds $20 billion, a figure which is growing. These numbers only serve to show that Latin America has assumed an important position in U.S. economic affairs, a place which will expand in the future.

We can now demonstrate to the developing world our interest in representative governments. Our help is desperately needed. An estimated 90 percent of Nicaragua's industry and commerce has been damaged or destroyed. Reconstruction could run between $4 and $5 billion. And if Western aid is not forthcoming, they may be forced to turn to the East. The United States has too much at stake in Latin America and in Nicaragua, economically, politically, and strategically. When all arguments are considered, the opportunities at hand greatly outweigh the risks. I therefore strongly urge that this amendment be defeated.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, about the only thing that I have agreed with the gentleman from Maryland (Mr. Bauman) on over the course of the last 2 days' debate is his statement that whether we like it or not, the Nicaraguan revolution is over and we ought to proceed from here. I agree with that.

What I want the Members to do is simply to analyze what in fact is in this bill for Nicaragua and then ask themselves whether they think it is in the national interests of the United States to eliminate that funding or not.

Primarily what we have in this bill is a tiny amount of money essentially for reconstruction aid. The money will go primarily for hospitals, schools, and things like that.

As far as what the new government will be, we have no idea. Some of us may think we are prophets, but we have no idea unless we have a direct line to God what course that government is in fact going to follow over the next 4 or 5 years.

The leftists in that government have discovered a rather strange thing. They have discovered that a lot of the countries that were so very noisy in supporting the revolution before it occurred are now sitting on their duffs and providing very little in the way of human and material assistance to Nicaragua. And the very gentleman that the gentleman from New York referred to, the Minister of the Interior, said this:

> Nicaraguans should be grateful for the United States aid which has come at a moment of real need. All the Latin American countries supported us before, but now we have not gotten any aid from them.

I think it is to our benefit to have people like that making observations like that at this time. Aid can play a crucial role in determining which faction in that government eventually winds up on top and in determining what the policy of that government is eventually going to be.

As the gentleman from Massachusetts (Mr. CONTE) said, a year from now, after we have had time to discern in which direction that government is moving, we will be able to have a clear view of whether we ought to cut off aid to that country or not. But at the present time I ask the Members not to try to play Secretary of State.

This country cannot afford to have 435 Secretaries of State on every issue facing the country. We have one Secretary of State at a time. We ought to give him the responsibility for doing what is sensible and what is in the national interest and then raise Cain with him if he does not do the sensible thing after the evidence is in. But if we pass this amendment we preclude not only any money in this bill being used for rudimentary human assistance, we also preclude any reprograming that the committee might think is wise.

Mr. Chairman, I do not know what the gentleman means by his amendment when he says that no funds can be expended without prior approval of Congress. Does that mean we would have to withhold all aid to Nicaragua until the Congress passes a resolution? Does it mean we would have to withhold all the money from Nicaragua until we pass a new foreign aid bill? What does it mean? Nobody really knows. I do not think the gentleman from Maryland knows either.

I want to say one other thing—and I hope no one is offended by this—I have observed that some people who asserted before the revolution that the only alternative to Somoza was communism are now behaving in a way which, at least in my judgment, guarantees that they will be prophets. I think the best friends Castro has and I think the best friends the Communists and the Marxists in Nicaragua have are the people in this country who are trying to systematically dismantle the President's ability to deal with that issue in a rational and an effective way. The more we deny the opportunity for the President to use all the tools at his command, the more we guarantee that that prophecy will in fact be fulfilled.

Mr. Chairman, if that happens, I do not think we will have served the interests of the United States.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from Wisconsin (Mr. OBEY) has, as usual, eloquently stated the case in opposition to the amendment, and I associate myself with everything he has said.

I think what we decide here today will have a great deal to do with the direction that Nicaragua takes, certainly in the short term over the next few years. It will determine not only the relationship that the Government of Nicaragua has with the United States, but the attitude that the people in Nicaragua will have toward the United States.

I think it is important to emphasize that Nicaragua should not be seen in black and white terms. As in most other countries, there are different elements in that society. Even the coalition which rules in Nicaragua today is a blend of different ideologies. There certainly are leftists, and some of those leftists have made statements which have been offensive to us, but there are others in that coalition as well. There are more moderate elements, including a number of civic leaders. Beyond the Government coalition, there are moderate elements in that society which have been there for years, and which continue to be there. There are moderate elements in the private sector, there are moderate elements in the media, and there are moderate elements in the church. We should try to put ourselves in the position of those moderate elements in Nicaragua, a country which has been devastated by a civil war, a country which does not have sufficient food or medicine, a country which does not have a private enterprise which can operate because the facilities of private enterprise, like the facilities of Government itself, have been destroyed.

□ 1330

Those people are desperate now. Those people need food, medicine, and modest support now, not only from the United States but from other people of good will now. They cannot wait until Congress in its deliberations over the next year or two decides whether it is going to provide food and medicine to people who are desperate now. I think that is the issue. If we were in the position of the Nicaraguan people, if we were in the position of those moderates in and out of government, and the United States at this critical juncture turned its back on us in our desperate need, how would we feel? I submit that we would not be well disposed to America.

I might point out, Mr. Chairman, that others are helping now. The Western Europeans are helping. Other Latin American countries are helping, moderate ones included. And, of course, Cuba is helping. Just yesterday there was an article in the Wall Street Journal which was entitled "Cuba's Drive To Help Grenada, Other Isles, Worries U.S. Officials."

Cuba is beginning, wisely, in my judgment, to extend help to many countries through cultural exchange, through the building of hospitals, through efforts to meet the needs of other peoples in the hemisphere and beyond the hemisphere.

Certainly we do not approve of Cuba's policies in other areas. Its Government has been irresponsible in many ways. But if we were in the position of the Nicaraguans and the Cubans responded to our needs with food and medicine and hospitals and cultural and trade exchanges, and the United States at a critical juncture turned its back, where would we go? We can predict with certainty here today that Nicaragua will turn leftist, will become less moderate, will associate with the Cubans, if it is Cuba that responds to its basic needs and we turn our back. That is what this amendment is all about.

On its face, the amendment offered by the gentleman from Maryland (Mr. BAUMAN) would seem reasonable. Congress should study the issues, Congress should deliberate and decide, and there is nothing wrong with that. The chairman has indicated he will do it. As a member of that subcommittee, I will too. But that will take time, and the time of critical need in Nicaragua is now, not a year from now. That is the problem with this amendment. I hope that we will exercise our responsibility, will do what we can to promote a meaningful relationship with Nicaragua, by rejecting this amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, I suppose, in support of the amendment, although, as I said before, I am ambivalent.

I do think that there are some things that should be pointed out. I might say at the outset that I do not like to disagree wih my friend, the gentleman from New York (Mr. McHUGH), and my friend, the gentleman from Wisconsin (Mr. OBEY), on a matter about which they feel deeply. We have disagreed before, but, especially in the case of the gentleman from Wisconsin (Mr. OBEY), he has never questioned my motives; and I appreciate that.

I would just like to point out to the House some things that I think should be considered. I think if we look back in the House Journals in the 2 years following Castro's success in Cuba, we would find many of the same things said. I shall put in the RECORD the New York Times articles by Mr. Matthews in the 2 years following Castro's success in Cuba, which outline all of the reasons why the United States should extend a friendly hand to that government, which we largely did.

I think, though, that there are some other things that are important. I think that it is imporant to point out that the State Department was unconcerned about the poor, about the hungry, about the needy in the countryside of Nicaragua, as long as there was a government there of which they disapproved, because the aid that was withheld was not military aid but it was basic human needs aid. My friend, the gentleman from Iowa (Mr. HARKIN) and myself, have talked about that on one or two occasions. It was aid for rural nutrition and aid for rural education, which were the two symbolic loans.

But essentially there is something else. This debate is going to go on and on, not just today. Today, this bill will, believe it or not, be finished. But the debate over Nicaragua will go on and on for the next couple of years, and I think we should be careful to keep the record as straight as we can.

The things that I have read indicate a very strong anti-American sentiment in Nicaragua. That does not necessarily mean that we should forbid this aid. But we should not paint a picture that does not exist. The Washington Post of August 7, 1979, said that Barricada, which is the Sandinista newspaper, the only one that is published without censorship, has "shown an increasing tendency to portray the success of the Nicaraguan revolution as a defeat for 'U.S. imperialism'."

The article goes on to say:

> Junta member Alfonso Robello blamed the Carter administration for a shortfall in international food aid to Nicaragua, despite the fact that the United States has provided more emergency relief than any other nation.

This newspaper, which has promptly reported the shipments of food and medical teams from Cuba, Mexico, Chile, West Germany, and other countries, waited a week before mentioning that our own Ambassador had returned to Nicaragua with a planeload of emergency supplies sent as a gift from President Carter. The revolutionary government failed to mention the United States among the donors of emergency aid.

The Interior Minister, Mr. Borge, said at the beginning of August that the junta "probably would not stop volunteer Nicaraguans from fighting with guerrilla groups active in Guatemala and El Salvador."

Later, when he asked for American arms, he contradicted this statement.

I merely bring these points to the attention of the House because I think they are very important. I think that they will be discussed in the hearings that our subcommittee will conduct over the next couple of weeks. I think it is possible that we could resolve the entire issue at that time with the possibility of a supplemental appropriation bill, which I understand is going to be forthcoming from the administration. But the basic point that I want to make is the duplicity of the State Department. They care about the hungry and the poor when they approve of the government or when they hope there will be a government that they approve of. They care nothing about the hungry and the poor if they want to make an example. They do not care if people are starving to death in the jungles of Nicaragua if they do not approve of the government that is in place at that time. If it is a government that they approve of, then, of course, there is great wailing.

I find this very upsetting and I find it very difficult to appropriate my taxpayers' money for our foreign policy as it is being conducted by this administration.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I find myself in sympathy with many of the things said by my friend, the gentleman from Texas (Mr. CHARLES WILSON). I find myself very much in sympathy with many of the things that were said by the gentleman from New York (Mr. MURPHY). I have no particular brief for the Sandinistas. But I oppose this amendment because I think it is quite possible that by gratuitously and publicly slapping the Nicaraguans in the face, we might inadvertently drive them into the orbit of world communism.

There are times in the history of the world when the future of a nation will hang in the balance, teetering like a seesaw. That may be occurring in Nicaragua today.

Can you imagine what an enormous difference it might have made in the history of mankind about 60 years ago if the Alexander Kerensky regime had been successful in Russia? There might have been a parliamentary system in the Soviet Union, respecting human rights, electing its public officials, participating cooperatively and amicably in the councils of free peoples.

There are some who believe that 20 years ago a slightly different attitude on the part of those in the administration of the U.S. Government might have made a difference with the turn of events in Cuba. I do not know that. I am not sure that Castro was or was not a congenital Communist. But there was a time when Castro, right after his successful seizure of the government of Cuba, came to the United States in search of friendship. Those then in the White House 20 years ago refused to see him. They would not grant him an audience.

Is it possible that, by refusing to open our minds, not necessarily to the likelihood, but just to the possibility that he might have been swayed toward a democratic form of government, we may have driven him in the other direction? I do not know. I suggest the possibility.

I agree with the gentleman from Texas that the State Department has not always played an evenhanded game in Nicaragua. I was present in my office when representatives of the State Department made commitments to the gentleman from Texas (Mr. CHARLES WILSON) which were not fulfilled with respect to the aid program in Nicaragua. I do not blame him for being angry.

The gentleman from New York (Mr. MURPHY) sought at one point to be an intermediary to establish a personal line of communication between President Somoza, who, whether we liked him or not, was the elected president of Nicaragua under a constitutional system, and the President of the United States, Mr. Carter. President Somoza sought to speak personally and directly with our President. Our State Department did not grant that privilege, although I was led to believe that the privilege would be granted. It might have made a difference at a critical juncture, but that possibility was frozen out.

□ 1340

So I can understand that a certain amount of bitterness exists. But our judgment should not be influenced by anger over things that have occurred in the past. What we must deal with is the present.

I do not know the color or the shape or the exact direction of the present Government of Nicaragua. I do know that whatever direction it takes, we and Latin America and all of the hemisphere are going to be affected by it. For that reason, I plead with you not to take this gratuitous slap at the people of Nicaragua. There are needs there that are genuine, needs for humanitarian help. It is a very poor nation. Many of its people are hungry. Let us not drive them, as Cuba was allowed to be driven, into the quicksand of the Soviet orbit.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. The Soviet Union is supporting Cuba, which has become a pebble in our national shoe, to the tune of $8 million a day. Approximately $3 billion of Soviet aid goes indirectly to Cuba each year.

The Soviet Union buys Cuban sugar at five times the world market price. The Soviet Union is providing all of the petroleum used by the Cuban nation at 40 percent below the OPEC stated market price.

In these and other ways, it is buttressing and holding up the Communist government of Cuba, which is a surrogate of the Soviet Union.

Do we dare encourage by an act of open hostility the creation of yet another such situation in our hemisphere? I think not.

There is no guarantee that we can win the friendship of the Nicaraguan Government, but there is no certainty that we cannot. I believe that we have the friendship of the Nicaraguan people, because I have been there. I have talked with those people. I know that their three great heroes are Abraham Lincoln, Franklin D. Roosevelt, and John F. Kennedy. There are memorials to those three Americans in that country.

Let us not abandon the possibility that we may retain and build upon an historic friendship with the Nicaraguan people.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think even my good friend from Maryland, the maker of the amendment, would probably agree that if this amendments passes, you guarantee the radical Marxist element that may or may not be in total control an excuse to seek and go only one way, toward the Soviet Union, and that may not be something that we want.

I do not think that because the government happens to be Marxist that they have to be an enemy of ours.

What was the most moderate government and the most moderate spokesman in the Havana conference that was going on? The oldest leader of a revolution, of a Marxist revolution in his country and the only leader of a revolution of the old days that is still alive and ruling—Tito. He is a Marxist. He is a Communist. He causes the Soviet Union more trouble than the Americans cause him, because he is, "One of their own."

You might have a government that may tilt Marxist, but still can be an independent force and still can be friendly with the United States.

You might be able to have a government become non-Marxist, if that is our whole hope in life.

I hope that our hope in life is to have a government that responds to its people, that does not go around the world killing other people, involving itself in other people's internal affairs, as does Cuba on many occasions, and unfortunately as has our own country on many occasions.

I could talk about $1.7 million. I think good General Somoza left with 10 times that much in his own pocket which he could have left behind for his people. I do not know that our State Department turned their back on him until it was obvious he was going down the tube.

I do not remember their supporting any of the amendments that we had over the years trying to cut off aid to Nicaragua until it was obvious that Samoza was going, and then they played the usual gutsy role and kind of backed off and wanted to leave an opening for the new government that was taking over.

I think we just guarantee ammunition for those who want to make us the bad guys. I think that the amount of money involved, $1.7 million, is a lot of money out of the taxpayers' dole, although we vote that in a second in our own weapons budget and things.

I think this debate in and of itself would be congressional approval if the amendment is defeated. I hope it is, because really, if it does not guarantee they are going to go toward Russia, if they are not already there, it gives the ammunition and the rationalization to do it.

I would say this. What would the difference have been had we been in a different posture toward Castro? They might have been Marxist still, but they still would rather trade, I think, with a country 90 miles away than have to do business with the Russians who are so much farther that you cannot even count.

I would just like to say I really think the amendment should be defeated, because it guarantees if there is any chance of stopping this Nation from becoming a puppet of Cuba or hegemonists, as our good friends in China used to say, it can happen with this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I only asked him to yield to make the record clear that the gentleman from Maryland does not share his view that this amendment will in fact drive the current government or any successor governments of Nicaragua into the hands of either the Soviet or Cuban Communists. This amendment simply says, and all it says, is that if indeed the Carter administration adopts a policy of aid to this government, that Congress must be allowed as a coequal branch to have a say in that decision.

Mr. JOHN L. BURTON. It is the effect of the gentleman's amendment. The amendment does not say that.

Mr. BAUMAN. It does say just that. If I may elaborate further, already in this debate it has been admitted 38 millions of dollars held up for the previous Somoza government are now flowing into Nicaragua from our Treasury, and a request for $8 million more is pending before this subcommittee and it can be approved within a matter of a week. It is not as though we are cutting off that aid. It will still be there. What I am saying is with all of that money flowing already to a Communist government, we should have some say as the taxpayers' representatives about the future policies in what could be another Cuba. That is all I am asking.

Mr. JOHN L. BURTON. I think we would guarantee it would be another Cuba with the adoption of this amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I would simply remind the House we may be in somewhat a similar situation to that in which we found ourselves in the revolution in Portugal. At that time no one thought we had a chance to keep that government from going totally anti-West. The previous administration under the leadership of Ambassador Carlucci brilliantly executed a plan which wound up against all of the wise predictions of the newspapers and even the initial skepticism of Mr. Kissinger, pulling that Portuguese Government into a far more moderate position than anyone thought possible.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, which way is Nicaragua going is the prevalent question that keeps coming up all of the time. It seems to me that there are those who by their words and by their actions want Nicaragua to only go one way. That is the way of being a totally Marxist state, a totally Marxist country under the domination and influence of the Soviet Union.

□ 1350

Why? I do not know. Perhaps it is because they want to satisfy if not their own minds and justify in their own minds, perhaps they wish to justify to their contemporaries their past support for the government of Anastasio Somoza.

I believe what we have to do is correct some of the remarks that have been stated here in the well and on the floor surrounding this debate on this amendment. Concerning the banks, some have said that they have nationalized the banks. Well, Somoza owned almost all of the banks anyway. Plus, in the year before Somoza finally left the country over $550 million left Nicaragua. In the last few days of the Somoza regime, Somoza ordered to be printed over $35 million in 50- and 100-cordoba notes, which they packed in suitcases and took out of the country with them. When Somoza finally left there was $3,000 left in the National Bank of Nicaragua.

That is what prompted the Government to have the people come in and bring in their 50- and 100-cordoba notes and turn them in to the Government. The Government then turned around and issued them money in different denominations so that this $35 million that was printed in the last few days would not come back to flood the country.

Farm products. We have been told the Government is now going to control the buying and selling of all of the farm products. Absolutely not true. The Government has taken over the distribution of those farm products they have in the country right now to relieve some of the famine in that country. It is true that the Government has taken over the exporting and the importing of farm products, but not the total farm products within the country itself.

It has been said that the Foreign Minister of Nicaragua is a Marxist. Absolutely untrue. The Foreign Minister of Nicaragua, Michel Discoto is a Catholic priest, an acquaintance of mine, and absolutely not Marxist.

It has been said they are going to teach the revolution in all of the grade schools, it is going to be required teaching. I can remember when I was in grade school in a small country school in Iowa, one of the first things I remember being taught was our own American revolution and why we fought that revolution and why we have the kind of country we have today. Plus the fact that in Nicaragua today there are over 40,000 children below the age of 12 who are orphans, 40,000 children that are going to be asking the question: "Why is my father dead? Why don't I have a family? Why am I an orphan?" They have to understand what the revolution was all about.

Which way is Nicaragua going? If we adopt this amendment it is only going to go one way.

I listened to the remarks of our distinguished majority leader. They were very good remarks with good reasoning behind them. But I want to approach this amendment from a different aspect, one of human needs, of the suffering that is going on in that country and what we are going to do in terms of alleviating it.

I would like to read to my colleagues from a letter from Kurt Waldheim of the United Nations dated August 21, 1979:

> The first and most critical task is to deal with the humanitarian problems. The Government has estimated that 45,000 people have been killed and around 160,000 wounded. Thousands of families have been dispersed, and almost 40,000 children under the age of 12 have been orphaned. Many houses were totally or partially destroyed, basic utilities and services were disrupted, and many roads and bridges damaged. The whole productive structure of the country has been brought to a halt by the conflict

> and by the massive exodus of senior managerial and professional personnel.
>
> One of the most urgent requirements is for food as the country is facing widespread famine. More than 1 million people are without food. In addition, 40,000 pregnant or lactant mothers and 160,000 children under the age of six will require supplementary and rehabilitative food during the next six months."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 5 additional minutes.)

Mr. HARKIN. The letter continues:

> Taking into account the food donations presently being received, there is still a daily food deficit of about 150 tonnes.
>
> Equally urgent is assistance to deal with the serious health problems. Gastro-enteritis, diarrhoea and malnutrition are all widespread, affecting young children particularly. One of the major hospitals has reported that 80 per cent of the patients require re-hydration treatment. Vaccines are also urgently required. Hospitals have reported shortages of staff, equipment, supplies and medicines. Serious concern is being felt as a result of the disruption of the anti-malaria campaign. The Government, therefore, urgently requires malaria-related drugs, equipment and technical assistance to rehabilitate the malaria eradication programme.
>
> Very few basic food grains have been sowed in Nicaragua during the 1979 season and it is estimated that 50 per cent of the commercial crop production has been destroyed.
>
> Among the major seed requirements are cotton, maize, rice and beans. There is also a critical need for fertilizer and agricultural tools and equipment.
>
> Nicaragua is also faced with the need to resettle refugees. A UNHCR mission, which has just returned from Nicaragua, was informed by the authorities there that, of the some 100,000 Nicaraguan refugees abroad, some 40,000 have so far returned.
>
> Another urgent requirement is quick-disbursing financial assistance to meet the immediate needs of the country until longer-term financial arrangements can be worked out.

Mr. Chairman, what we are dealing with is a nation that has been totally ravaged by war, a nation that has been laid waste, a nation that is starving, a people that need some help to get back on their feet. Which way is Nicaragua going? Adopt this amendment and there is only one way they are going to go. If we defeat this amendment we will once again reiterate to our friends in Nicaragua that we understand their revolution and we remember our own revolutionary heritage in this country. We will tell them that we know from whence we came, that our forefathers fought the same kind of revolution that they did against tyrants to build their own freedom, and justice, and social system in this country, and that we are going to say to the people of Nicaragua that we here in the House of Representatives do not sit out here blindly, that we look down here and we read these three words: "justice, tolerance and liberty." Let us tell the Nicaraguan people we are going to act on those words and befriend the people of Nicaragua.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I will yield to the gentleman.

Mr. BINGHAM. I thank the gentleman for yielding.

He has made a very eloquent statement and I would like to associate myself with it and commend him for it. I think it would be a tragedy if at this stage in our history we were to say no to the suffering people in Nicaragua. We have a chance to save Nicaragua from some further totalitarianism.

The adopting of this amendment and this legislation would destroy that chance.

Mr. HARKIN. I thank the gentleman.

I would only close by saying let us not be mean spirited, let us not be vindictive. Again, let us read these words of justice, of tolerance and of liberty, and let us defeat this amendment.

Mr. RUDD. Mr. Chairman, I move to strike the last word.

I rise in support of the amendment. I would like to point out that at the end of World War II statistics provided to me indicate that at that time nearly half of the world's population was able to decide what kind of a government they were going to have, to decide who their governors would be. Today that percentage has fallen to about 17 percent of the world who are able to choose their own governors. That is because of international communism and Communist inroads.

You bet the people of Nicaragua are friends of the United States, but the people of Nicaragua do not have any choice as to who their governors will be. I do not know either whether the government or the junta or whatever one wants to call it in Nicaragua is Communist, but I will say this, Fidel Castro, who is a self-admitted Communist, has stated that three out of every four of the people in that government are Communist, are Marxist. The Marxists and the Communists are not our friends, they are our enemies. The reason the inroads have been made by international communism is because we are willing to compromise. Communism will never be our friend under any circumstances, and will destroy us unless we oppose this force wherever encountered. I urge this amendment be adopted.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

□ 1400

Mr. Chairman, I rise in opposition to this amendment. I will try not to reiterate arguments that have already been made, but I think that we do have to agree that what was, ain't and is never going to come back. It does not make any difference what kind of label you put on it. The fact is that a change has taken place in Nicaragua. That is the bottom line, and I do not think anybody here thinks that there is going to be a resurgence to a personalized government in that country.

This is not a new fight in Latin America. Those Members who are personally acquainted with and have been following the area know that this fight has been going on for a long time and has had many leaders and many names. Some were called Communists. But the Caribbean League for Freedom and many other similar groups and individuals who fought for freedom and peace in Latin America, and to bring something to their people, fought simply to bring 80 to 90 percent of those people into their societies, because theretofore they had been totally excluded. Give this fight whatever name you want. For many Latin Americans capitalism has had a horrible reputation, for all it meant for them was the needs of no more than 5 percent of the people were satisfied, and that 5 percent stayed in power through repression. That is not a very good example for capitalism. One does not have to be very smart if one is on the short end of the stick in Latin America to say, "Don't give me any more of that." As the old story goes, I can only stand about two bits of that.

We can sit here and put labels on people, and we can put labels on movements, but we cannot change the facts of life in Nicaragua. Whatever went on there for 30 years has now changed, and some way, somehow, the Nicaraguan people are going to try to establish a new way of life and a new government.

As a people on the outside we have very limited options. One of them is to do absolutely nothing, or to turn our back on Nicaragua. That would be very easy, but in my judgment not the sensible way to approach it. To the limited extent that we can demonstrate our concern and our interest and our willingness to help the people—and I am not talking about a government with a label—to help the people find themselves economically, socially, politically, and whatnot, I think we ought to take that step. I think it is in the best interests of the United States to take that step. It is in the best interests of our own people to have a form of government in Nicaragua by which the majority of the people will have an opportunity to establish the kind of society they want. Mark you, I am not saying that it will be in the image of our participatory democracy or republican constitutional form of government. I am not saying that. They can, maybe, get close to it. They do have capitalists in Nicaragua. Those who stayed there and fought, those who are willing to make an effort in a new government, those capitalists will fight. There are moderates in this Government and among the people themselves who are not going to stand for a different kind of repression.

We ought not to turn our backs on those people. We ought to tell those people with consciences and who are moderates politically that we, the United States, recognize they are an ally, that they are part of that country, and that we are going to help them. And if some elements of the Sandinistas who are Marxist decide, because they have the guns or they have the political power that they are going to run this revolution and distort it for themselves, rather than for the benefit of the people of Nicaragua, then we ought to let them know that that would be a mistake. That is what we will do if we try to aid this Government right now, which has remarkably agreed to honor all of its international debts, although they know that Nicaragua was taken for a ride in incurring some of those debts by the last ruler of that country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. FASCELL. They have promised to honor those debts. They have asked for assistance, and we ought to honor that request for assistance as rapidly as possible. We ought not to be shy about it. If they have educational problems and medical problems, instead of crying in our beer and saying, "they sent 600 students to Cuba," we ought to say, "we will take 6,000 in the United States." If we are going to fight the Marxists on a philosophical basis, a political basis, on an ideological basis, let us get in the fight. You do not win a fight by walking away from it.

One other thing, a personal observation, if you will permit me. Many of us have been in Nicaragua. I have been one of those fortunate people. I went down there some years ago as part of a U.S. delegation for the inauguration of a family member of the former rulers. We waited all day to be called for the ceremonies in the main stadium. We waited all day from 9 o'clock in the morning to 10 o'clock in the evening with everybody else, as they called the roll. We finally came up slowly through the crowds and through the audience, and as Americans are wont to, we got out of our car and shook hands with everybody. Finally we were close enough where we could hear the announcements, and as the announcer announced the delegations that were coming in, there would be applause and cheers and whatnot. Of course, we as Americans had our own applause meter, and we were down at the end of the line. I do not mind telling you we were extremely nervous about the kind of reception we were going to get, because all the others, Communists and otherwise, had already been through. We could measure the waves of the applause and the response of this tremendous crowd.

Finally came our turn. It was dark, about 10 o'clock at night by the time we got there, and they announced us. The U.S. delegation went in with flags flying and the windows down, and everybody was waving. That place was absolute pandemonium. People stood up and cheered and wept and threw pillows and hats in the air, and broke out of the stands. I will never forget that.

We hear so many times of the wellspring, the background of friendship and understanding we have with the majority of the peoples of Latin America. It is there. It is for us to cultivate and nurture and gather and work with.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LONG of Maryland, and by unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman. I must admit, though, I thought I had said it all.

Mr. LONG of Maryland. I hope the gentleman will give me an opportunity to make a couple of points. The gentleman I think would agree that we in opposition to and the supporters of this amendment, are in substantial agreement on one thing: we do not want the Communists in Nicaragua. We want a regime which is friendly to the United States, which would end up with a reasonable, moderate, democratic procedure. The whole difference is on the question of how best we do it.

Mr. FASCELL. The gentleman is absolutely right. Our motives, our views on both sides are the same. The opponents and the proponents of the amendments desire the same thing. The question is the best way to approach it.

Mr. LONG of Maryland. Is the best way to do this by helping the moderates and our friends, because I do not know anybody who would deny there are some moderates in Nicaragua, somebody who does not want the Communist regime?

Mr. FASCELL. Mr. Chairman, I would rather take the chance.

Mr. LONG of Maryland. Or is the way to do this to kick them in the face? Let me say if we vote for this amendment, it is going to be heard all over Nicaragua as a kick in the teeth for the present Nicaraguan regime and a kick in the teeth for moderate government in Nicaragua. Will the gentleman from Florida agree with that?

Mr. FASCELL. I will say this: A great deal more attention is paid to what we say and do in this Congress than we believe. Everything is read with some kind of sign. We have plenty of time to cut off assistance or take some other action if it is necessary. At this time it seems in the best interests of the U.S. Government to extend a helping hand to this government.

Mr. LONG of Maryland. Will the gentleman agree the way to handle this thing is to hold some hearings and follow the regular proceedings of Congress, or to do what we have to do here, make a decision on what we read in the newspaper? I would hope the gentleman would agree we should have some hearings on this. In fact, I have already scheduled hearings for Monday or Tuesday on this whole question. We will give a full hearing to both sides.

□ 1410

Mr. HYDE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am going to oppose the amendment of my good friend from Maryland (Mr. BAUMAN) for none of the reasons so beautifully expressed by the homilies we have heard from the well today on behalf of the poor and the hungry, the sick, lame, or disordered. I am going to oppose the amendment because I think as long as there is the remotest chance we can divert Nicaragua away from becoming another client state of the Soviet Union we ought to take that chance, in our own national interest, notwithstanding our feeling of unhappiness about the events in Nicaragua and our feeling of dismay and disapproval at that hall of fame of hypocrisy, the State Department. However, I cannot let this moment pass without commenting that some future student of abnormal psychology will doubtless thumb through the pages of the CONGRESSIONAL RECORD in amazement at how we concern ourselves with some sick, some poor, some lame, and some halt but we ignore others in the same condition.

Mr. Chairman, I am speaking of Rhodesia, I am speaking of Chile, I am speaking of South Korea, I am speaking of those countries whose regimes we do not like and where our directors at the international banks vote "no" on projects to help the poor people of those countries whose rulers are on bad paper at State. We are only concerned about the poor of leftist countries and I find that double standard insupportable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 29, noes 50.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and nineteen Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 221, not voting 24, as follows:

[Roll No. 445]

AYES—189

Abdnor
Ambro
Andrews,
  N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, R.I.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
English
Evans, Del.
Evans, Ind.
Fish
Flippo
Fountain
Frost
Gaydos
Gilman
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-
  schmidt
Hance
Harsha
Heckler
Hillis
Holland
Hopkins

Horton
Hubbard
Huckaby
Hutto
Ichord
Jacobs
Jeffries
Jenrette
Jones, N.C.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Mavroules
Mica

Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Nelson
Nichols
O'Brien
Pashayan
Paul
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway

Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—221

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Coughlin
D'Amours
Danielson
Daschle
de la Garza
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar

Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, Md.

Lowry
Luken
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Martin
Mathis
Matsui
Mattox
Mazzoli
Mikulski
Mikva
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Royer
Russo
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Skelton

Snowe
Solarz
St Germain
Stack
Stanton
Stark
Steed
Stewart
Stokes
Studds

Swift
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Vento

Walgren
Waxman
Weiss
Williams, Mont.
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki

NOT VOTING—24

Beard, Tenn.
Carter
Conyers
Derrick
Flood
Fuqua
Hansen
Hinson

Hollenbeck
Holt
Lundine
McEwen
Miller, Calif.
Patterson
Pepper
Rousselot

Roybal
Simon
Smith, Iowa
Spellman
Treen
Weaver
Wilson, C. H.
Young, Alaska

□ 1430

Messrs. LOTT, HORTON, GLICKMAN, GRISHAM, and Mrs. HECKLER changed their votes from "no" to "aye."

Mrs. BOGGS changed her vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. EVANS of Delaware. Mr. Chairman, I ask unanimous consent to return to page 9, title II, of the bill for purposes of introducing an amendment at that point, an amendment which I have discussed with the chairman of the subcommittee and the ranking minority member. It is my understanding that they have no objection to this unanimous-consent request, and I think we can easily dispose of the matter, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

AMENDMENT OFFERED BY MR. EVANS OF DELAWARE

Mr. EVANS of Delaware. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EVANS of Delaware: Page 9, line 10. Strike out "$1,917,000,000" and insert in lieu thereof the following: "$1,927,000,000".

Mr. BINGHAM. Will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from New York.

PERSONAL EXPLANATION

Mr. BINGHAM. Mr. Chairman, on rollcall No. 443, on the Conte amendment to the Obey substitute for the Miller of Ohio amendment, I was wrongly advised as to the purport of the amendment. I voted "no." I would like the record to show that I would be in favor of the amendment.

Mr. EVANS of Delaware. Mr. Chairman, I had a long dissertation prepared, and I have cut that back in the interest of time and in the interest of, I think, all the Members.

Mr. Chairman, this is a very simple but important amendment. It adds $10 million to the economic support fund for assistance to a country that is a friend of ours, a country that has demonstrated that friendship at great peril. I am speaking of the largest country in Africa, Sudan.

Sudan is a country which has a tremendous potential from an agricultural standpoint. There are 200 million potentially arable acres in the Sudan and of those 200 million acres, only 2 million are under cultivation today.

In addition, the Chevron Oil Co. has recently discovered an undetermined amount of oil in the southern part of Sudan which could be a significant help to the free world's oil supply problem.

Sudan has consistently supported the peace process in the Middle East. They have suported the efforts of the United States, and they still do.

What have they received for that support? What have been the consequences? Well, first of all, Iraq cut off their oil supply and, secondly, a desperately needed loan from the Saudis has not been forthcoming. President Nimeiri, who is the leader of Sudan and the immediate past chairman of the Organization of African Unity, along with his country, has been castigated rather violently throughout that region of the world. But he and his country have stuck by the treaty, and by the United States.

I believe now that our friends as well as foes are looking to the United States for our response. Those countries want to know if the United States will back up its allies, especially an ally like the Sudan which is suffering economically and which is supporting us in a courageous manner.

Let me add that the Soviet Union, Cuba, Libya, and other client states of the Soviet Union would dearly love to see the Nimeiri government fall.

I commend the committee, the subcommittee chairman, the gentleman from Maryland (Mr. LONG), and the ranking minority member, the gentleman from Florida (Mr. YOUNG), for their work in this area, and I think that given the Sudan's serious economic crisis, we should lend our support wholeheartedly to that country. Let me very briefly speak for just a moment about some of the difficulties that face Sudan.

□ 1440

They have a balance of payments problem that is approaching a $500 million deficit for 1979. They received as much rain in 2 days in 1978 as they were projected to receive for the next 3 years. That damaged, as you can imagine, the very fragile infrastructure there and their wheat production has been decreased. It is all compounded by a refugee problem. Close to 1 million men, women and children have come into Sudan recently from Uganda, from Chad, from Ethiopia. Let me remind you that Sudan is a country that has a per capita income of $236 per year. The refugee problem is a drastic drain on already scarce resources there and we need to help them. The needs of the Sudan are tremendous and an additional $10 million will only solve a small part of the problem. But it is absolutely critical for the United States to clearly demonstrate its commitment to Sudan.

We must demonstrate to the countries who want Sudan to fail that we are going to stand behind her as she seeks to pull herself up by the bootstraps.

Mr. Chairman, Sudan also sits astride one of the most strategically important areas of the world. The Soviet Union recognizes the importance of the Horn of Africa, and is working vigorously, particularly through its Cuban proxies, to overthrow governments and gain a toehold in the Horn of Africa, we are fortunate to have a friend in Sudan. A friend who has stood beside us when it was very easy to cut and run.

I urge this House to clearly recognize that friend by increasing economic support funds by $10 million.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. EVANS) has expired.

(On request of Mr. LONG of Maryland and by unanimous consent, Mr. EVANS of Delaware was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, let me say that I congratulate the gentleman on his amendment. The majority side of the committee has examined it, and I have no objection to it. We hope it passes.

Mr. EVANS of Delaware. I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I ask this question not in any contentious way to be against the amendment, but because I am generally concerned.

Is not the Sudan where our American Ambassador was assassinated?

Mr. EVANS of Delaware. In answer to the gentleman from Texas (Mr. GONZALEZ), yes, our American Ambassador was assassinated there, but that happened over 6 years ago, by the Black September group despite the efforts by the Sudanese Government to obtain our Ambassador's release. Since that time there has been a turn-around.

That was at a time when the Russians were there. The Russians have been kicked out of the Sudan. President Nimeiri has been very pro-West. He has been very pro-United States and he has been very pro for the peace process for the entire Middle East. I think he deserves our support.

Mr. BONKER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to commend the gentleman from Delaware for offering this amendment. It is timely and it is necessary.

I think the New York Times, in a recent article entitled "Economic Troubles in the Sudan Threaten Sadat's Neighboring Friend" says it all. The President of the Sudan has been a foremost friend of the United States. He has consistently supported the Middle East peace accord, which has resulted in economic sanctions from Arab countries, the result of which has left his country in economic chaos.

I might add that President Nimeiri guided his government to a model of human rights policies. He has placed a great emphasis on local government. He has been very progressive in economic policies. The Sudan is strategically located in the Horn of Africa, as the gentleman pointed out. We have observed what happened to Ethopia. On the other side is Libya. There is insecurity all over the Horn of Africa. Throughout that region, the Sudan stands as a model of U.S. support and progressive policies.

If we do not provide the kind of support that was promised in the authorization bill to increase aid and let President Nimeiri and the people of that country know that the United States stands fully behind them, I am afraid that it will precipitate his downfall. One can only guess that his successor would be another Marxist-type ruler, as we have seen in Ethiopia.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

Mr. Chairman, I believe the Members of the House will ponder the words of the gentleman from Washington, who very accurately and very properly analyzed the situation. I urge support of the amendment.

I would also note that I understand the chairman of the subcommittee and the ranking minority member both support the amendment. So any amendment which has the support of those two normally debatable gentlemen must have great merit.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr Chairman, I want to say that I wholeheartedly support the amendment which the gentleman from Delaware (Mr. EVANS) has brought forth. I think the facts are clear. I think we are overdue in sending a message to President Nimeiri that we support him and that we are going to continue to support him.

Mr. BONKER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. EVANS).

The amendment was agreed to.

Ms. OAKAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in listening to the debate concerning this bill, I have been somewhat amazed that no word has been uttered about the unwarranted and, apparently, illegal use of American weapons in the country of Lebanon that are contributing to the devastation of that poor country.

Now, is there no conscience for a country that has always been our ally? And since April we are told that more than 200 men, women, and children have been killed, and we are told that more than 400 have been wounded.

Ambassador Young, in his eloquent remarks before the U.N. Security Council on August 29, 1979, concerning U.S. policy in Lebanon, indicated that the people of Lebanon and, indeed, the entire Middle East, look to the United States to point the way. We in Congress can do no less, it seems to me.

Mr. RAHALL. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentlewoman for yielding.

Mr. Chairman, I would like to associate myself with the gentlewoman's remarks and not only express concern that no mention has been made of the atrocities that are occurring at the present time in Lebanon, but the fact that that has not been mentioned during the consideration of this bill is something that should concern every Member of this House. Not only that fact, but the fact that there are other, in my opinion, reverse priorities in this foreign aid bill that we are considering today.

The question that we ought to consider in Lebanon is certainly whether the Israelis have violated provisions of the Arms Export Control Act. The administration appears to have acknowledged that this has occurred in a letter from the Secretary of State to Chairman ZABLOCKI of August 6.

I would like to direct a question, if I might, to the distinguished chairman of the Subcommittee on Appropriations, the gentleman from Maryland (Mr. LONG), and ask him if his committee has received any communications from the administration or from the Secretary of State indicating any violations of the AECA by the Israelis?

Mr. LONG of Maryland. If the gentleman will yield. No, we have not received any such communication. Of course, we are aware of the situation; that PLO-based raids have been made repeatedly on Israel, and that Israel has suffered casualties as a result of these raids. Any raids by Israel on Lebanon would undoubtedly stop, if there were a cessation in the PLO-based atrocities visited on Israel.

Mr. MOFFETT. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I appreciate the responses of the distinguished subcommittee chairman.

This is, obviously, a very difficult situation. The attacks on Israel by the PLO are certainly condemned by all of us. They are sickening. They are reprehensible. They are disgraceful. I have sent wires to the PLO representative at the U.N. condemning them.

But I cannot see where the Israeli retaliatory raids are accomplishing anything other than the killing of yet more innocent people. I think a lot of people in this country, not only Lebanese-Americans, but many Jewish-Americans, agree.

I think we should be as familiar with the damage that is being done to civilians in Lebanon as we are with the damage that is being done to civilians in Israel.

In a July 27 letter I received from the very competent U.S. representative in Lebanon, Ambassador Dean, he notes the progress that Lebanon is making. This is the only Arab country in the Middle East that, in the last 30 years, has not engaged in attacks on Israel.

Now, one can argue that the central government should control the PLO; we only wish that they had the ability to do that. But Ambassador Dean points out that the Lebanese Army is being strengthened with our help. We support that effort. They are doing their best. But the fact is that the army, as well as the United Nations forces, are being interfered with by a number of different groups: the Palestinians, the Christian militia and the Israelis. I think our concern here today is that we be cognizant of this country that is caught in the midst of this explosive situation—obviously hurt by and unhappy with the PLO bases on its soil, obviously hurt by fights within its own populace and obviously hurt by the repeated air raids.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. OAKAR) has expired.

(On request of Mr. MOFFETT and by unanimous consent, Ms. OAKAR was allowed to proceed for 5 additional minutes.)

□ 1450

Mr. MOFFETT. The Ambassador points out the heavy civilian toll, the Lebanese women and children included in the casualties from the air raids. I would hope that we would be cognizant of the facts. I am not sure these air raids are accomplishing anything. It is one thing to say that Israel is defending itself; but a public relations firm trying to devise the worst possible P.R. campaign for Israel would include these air raids as a major component of it. It is just simply not in Israel's interest. I think many Israelis share this feeling.

There is a debate in Israel on this very question. It is only fitting to ask there be a debate in the U.S. Congress, then, over whether the raids are worthwhile. As my friend from West Virginia points out, there may well be violations of U.S. law involved here.

I thank the gentlewoman for yielding.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. If there are violations of law, it seems the administrative branch has ample machinery for discovering them and either to take administrative action or to recommend appropriate action to Congress.

This question of whether the raids are doing any good from Israel's point of view is a matter of judgment. I doubt if Israel is going to do anything consciously that would be damaging to its own cause. You will have to convince the Israelis that it is not in their interest to respond. They feel very strongly they have been patsies long enough. They have been hit and hit and hit and hit. What other way is there to respond?

If Israel is going to be hit continually by these guerrillas based in Lebanon, what else can it do?

Mr. MOFFETT. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I would be happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentlewoman for yielding. I do not have an answer, and the gentleman does not have an answer. What we are saying here, first of all, is that the United Nations Force deserves to be supported. The United Nations Forces, made up of different people from different nations, go into a region under attack by both Israeli and Palestinian crossfire. This is not easy for these troops. This is not easy for Israel. The question of Israel's security, as we know, is not an easy issue. We try to understand the frustrations these attacks cause Israel. It is terrible that a nation should be subjected to this murderous terrorism.

We condemn it. We are not offering an amendment here to cut Israeli aid, as the gentleman knows. That is not our goal. We think the appropriate committees should be informed about what is happening to the civilian population. It is, basically, an innocent population. Is the price worthwhile for Israel, particularly when it directly involves U.S. weaponry?

I thank the gentlewoman.

Mr. ABDNOR. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from South Dakota.

Mr. ABDNOR. I thank the gentlewoman for yielding.

Mr. Chairman, I would just like to point out that no country has received the destruction and the consequences of damages from our military assistance to other countries than Lebanon. I am just curious, and I would like to ask the chairman, if I might, the gentleman from Maryland, are there any specific moneys earmarked in this $8 million-plus that will help these poor people out, very specific moneys earmarked? I see here in the committee report that says Lebanon is scheduled to receive assistance under the international military education and training and the military credit sales. That is not worth a darn to them. Is there anything to help the poor people out?

Mr. LONG of Maryland. There is money in the bill which is given on an illustrative basis for Lebanon, but not earmarked.

Mr. ABDNOR. There is money going to help these people?

Mr. LONG of Maryland. Yes, for recovery.

Mr. ABDNOR. Are we talking about a few thousand dollars?

Mr. LONG of Maryland. To repair the devastation, reconstruction and that kind of thing, military aid, and so forth.

Mr. ABDNOR. Does the gentleman have any idea how much it will come to? We are not talking about a few thousand dollars, I hope.

Mr. LONG of Maryland. The figure that I have here from the table is $33 million, which is a fair sum of money.

Mr. ABDNOR. That is for everybody, $33 million. I hope that——

Mr. LONG of Maryland. That is for Lebanon.

Mr. ABDNOR. I certainly hope that everybody realizes the damage and destruction that has taken place.

Mr. LONG of Maryland. We deplore the situation, naturally.

Mr. ABDNOR. That is all military. I am talking about assistance and aid.

Mr. LONG of Maryland. This is economic, in response to the gentleman, economic and military assistance.

Mr. ABDNOR. It is mostly military. What they need is some assistance and aid and disaster relief.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. OAKAR) has expired.

(By unanimous consent, Ms. OAKAR was allowed to proceed for 5 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. If I could make a correction, I was wrong. The table I read from said total economic/military assistance, but I understand that for 1980 this is entirely military assistance. But in the past, we have been giving economic assistance, also, and we also, of course, give moneys, as the gentleman knows, to the University of Beirut, as well as through the United Nations.

Mr. ABDNOR. That is all great, but I am thinking of starving people and the destruction of their homes and businesses through no fault of their own, who have no part in this, and because of the generosity of America to give money away to other countries who do, I think we have some responsibility there.

Mr. LONG of Maryland. We have wanted to give money for reconstruction aid to Lebanon, but we do not want to build installations there that are going to be promptly knocked down. We wanted some assurance that the war would stop before we started rebuilding permanent installations.

Mr. GREEN. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentlewoman.

Mr. Chairman, I wanted to say to the gentlewoman that I think her concern for the civilian population of Lebanon is, of course, an entirely proper and humanitarian one. I do want to report to the House, however, that when I had a chance to speak to some Lebanese Christians who had come through the good fence into Israel last year, when I was visiting there—they had come for medical help—their complaint was essentially that the United Nations Force was unable to protect them from the PLO, and that they were in fact suffering shelling by the PLO because of the inadequacy or unwillingness of the U.N. Force in protecting them.

Ms. OAKAR. Let me just respond to the gentleman, my friend from New York, that the purpose of my bringing this to the attention of the House is to deplore violence of any kind. I do not think we can say that violence on the part of the PLO certainly is justified.

By the same token, irrespective of who the Israeli aircraft and forces are attempting to hit, violence to the refugees or to native Lebanese is also irresponsible.

I know in this foreign aid bill that so much money is given to military aid. I certainly would have no objection to any country getting economic help, but when you militarize the world in this fashion and then you see how weapons are used, I think it is deplorable.

I would hope, if what the gentleman is saying is true, and I have no doubt that the gentleman is sincere in what he is saying, and I have no reason to doubt what the gentleman is saying, why does not this Congress have a comprehensive congressional hearing on this issue of violence in Lebanon and other related Middle Eastern issues?

I think this is what we are trying to see so that we can put an end to violence everywhere in the Middle East and in all parts of the world.

Mr. RAHALL. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentlewomen for yielding.

I would like to emphasize the comment that the gentlewoman expressed about violence occurring not only in Lebanon but the PLO attacks in Israel, whether it be terrorist attacks anywhere in the world, is what we are talking about here, violence wherever it might occur is our main concern.

Of course, I would hope that the committee will continue to press the administration for a definite determination of whether Israel has violated any provisions of the Arms Export Control Act. Just a determination one way or another, I think, would assure not only a lot of innocent Lebanese civilians and children who are suffering, but a lot of Israelis who are also concerned about this question. I would hope that the committee will pursue that and secure from the administration in writing a definite determination of violations of this act.

I might also draw the attention of my colleagues to an editorial that appeared in the Washington Post this past Sunday on the situation in Lebanon, and it addresses itself to the Israeli image in the international community and the effects that the present terrorist attacks are having upon the image.

I thank the gentlewoman for yielding.

Ms. OAKAR. I thank the gentleman for his comments and I just want to conclude by saying that I do not think Americans want their tax dollars used for violence. That is the principle.

□ 1500

I will never condone any type of violence on the part of any people. I think that is the spirit in which this Congress ought to prevail and that is the spirit that I would hope will get some consideration in the appropriate committees. I believe since this issue has been brought forward we have not had the kind of hearings that this kind of activity has warranted.

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am happy to yield.

Mr. SEIBERLING. I thank the gentlewoman for yielding.

I want to associate myself with her remarks and commend the gentlewoman from Ohio for having raised this issue. It seems to me that her last remark that we do not want American dollars and weapons to be used for violence, regardless of the auspices, is absolutely the guts of the whole issue. I think we should do what she recommends and air this whole thing in an orderly and responsible way.

Ms. OAKAR. I thank the gentleman.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FASCELL: Page 23, immediately after line 12, insert the following:
>
> TITLE VI—SPECIAL CARIBBEAN HURRICANE RELIEF
>
> FUNDS APPROPRIATED TO THE PRESIDENT
>
> SUPPLEMENTAL INTERNATIONAL DISASTER ASSISTANCE
>
> For additional expenses necessary to enable the President to carry out the provisions of section 491 of the Foreign Assistance Act of 1961, there is appropriated for the fiscal year ending September 30, 1980, out of any money in the Treasury not otherwise appropriated, $25,000,000 for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. Funds appropriated by this title shall remain available until expended and shall be available for obligation and expenditure notwithstanding section 10 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2412).

POINT OF ORDER

Mr. CARNEY. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CARNEY. I make a point of order against the amendment on the following grounds:

One, the appropriation provided for is unauthorized by law.

Two, the language "remain available until expended" is in violation of clause 2, rule XXI. I would cite Deschler's Procedures, chapter 26, paragraph 7.1, where it says:

> Language in a paragraph of a general appropriation bill providing that funds provided in that paragraph shall remain available until expended is generally conceded to be legislation in violation of clause 2, rule XXI unless the authorizing legislation permits such availability.

The third ground is that language "notwithstanding section 10 of the act entitled 'An act to amend the Foreign Military Sales Act, and for other purposes'" is legislation on an appropriation bill in that it changes existing law and, therefore, is in violation of clause 2, rule XXI, prohibiting legislation on an appropriation bill.

The CHAIRMAN. The gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I must commend my distinguished colleague from New York for being so thoroughly prepared on the rules as to have the point of order so well and thoroughly briefed spontaneously, on the spur of the moment.

Without going into all the ramifications of what the gentleman has alluded to, I certainly concede that the first citation he has quoted is absolutely correct, because otherwise the amendment would not have been before us if it had not been an emergency and necessary to waive all of the rules.

The CHAIRMAN. Does the gentleman from Florida concede the point of order?

Mr. FASCELL. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to say that had the amendment been ruled in order it would have been my purpose to have offered the amendment because of the fact that the disaster relief money in this appropriation bill is $21.8 million. So what is happening is we are drawing down now on whatever is left in the 1979 programing and 1980 will be used up very, very shortly, which will leave no money in the fund. Obviously we could come back with a supplemental and do all the other things that are necessary, but this appropriation bill is here. The facts are apparent to everyone—there is a disaster in the Caribbean which is far greater than most of us had anticipated. David was no baby. The damage in the Dominican Republic alone is estimated at $1 billion. I know from personal conversations that I have had recently that the people are without potable water, food, transportation, communication. Over 100,000 people are displaced, and some people, indeed, have not yet been found.

We have sent in assistance; other countries have sent in assistance. Suffice it to say that with the damage to the Dominican Republic and Martins and the other islands and with Frederick coming right along behind it, the chances are that in cooperation with other governments we in the United States will probably quickly use up for emergency assistance—that is, sending out helicopters, assessment teams, and what not—$25 million.

The idea was to avoid the necessity—based on the facts which are already available to us—of coming through again with another supplemental on this bill. That is the only reason the amendment was offered in this way. I know of no way to write the amendment that would not be subject to a point of order. If the gentleman is insistent, it is unfortunate.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will yield to the chairman of the full committee.

Mr. ZABLOCKI. I thank the gentleman for yielding. I want to commend the gentleman from Florida for offering this amendment which is so vitally necessary at this time. I agree with the gentleman from Florida that this is our one chance to deal with this problem quickly and expeditiously by providing the funds necessary to help the victims of this unfortunate disaster, particularly those in the Dominican Republic. As the gentleman from Florida has stated, the devastation there is terrible, almost beyond the imagination. At least 1,000 people have lost their lives and the count is continuing.

For these reasons I would hope that the gentleman from New York would change his mind about raising a point of order. Yes, this matter can be taken care of under a supplemental or some other legislative process, but the need is now. Already our Government has provided $2.5 million on an emergency basis. More is needed, however, and other countries are looking to the United States to take the lead in providing additional assistance to alleviate the suffering that has been caused as a result of Hurricane David. I would hope there would be a change of heart with respect to the point of order. We have always been recognized as a humanitarian nation. How can we be so heartless at this time?

Mr. FASCELL. Not only that, and I thank the gentleman for his comments, but let me just add I think there is ample protection here if we take this unusual route and provide the additional $25 million, because obviously it would come within the disaster relief funding for the Caribbean and both the Appropriation Committee and the authorizing committees would have the opportunity to follow it very carefully. Obviously this bill is not going to get through for some time and we have $21.8 million already in it. That might be sufficient and you could hold the $25 million for other purposes. It just seemed like a lot easier than doing a lot of reprograming and all of that kind of thing.

Mr. Chairman, that was the whole purpose. The Appropriations Committee is here now and there is $21.8 million for disaster relief for fiscal 1980, so it is quite clear that it will not be sufficient for normal purposes because this is already an abnormal year with David and Frederick already in the Caribbean. We thought it would be prudent, and wise at this point, expeditious at this point and good business management to put another $25 million in the disaster relief account now, even though it is not authorized, in order to have that money available in case we need it immediately. Then, if necessary, we could take up whatever corrective action needed to be taken by way of a supplemental authorization or otherwise.

Mr. YOUNG of Florida. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, since we are debating the amendment, although it has been determined to be out of order, I thought I would make a point. I would not have objected and was not going to raise a point of order on this, but I did intend to reserve a point of order for the purpose of engaging in this very debate. I have no problem with adding this money.

□ 1510

The other body will probably add the money anyway, and in conference the money would be kept in and it would be there. But I wanted to use this opportunity to raise a point that is one of the disagreements that I have with our whole approach to foreign aid, and that is we are willing to do things for people in other parts of the world that we refuse to do for our own people here in America. This matter may appear to be somewhat parochial, and that is exactly what it is.

In May of this year my part of Florida and other parts of Florida were seriously damaged by storms and floods. Whether it is 100 people, 1,000 people, or 10,000 people, the injury to that one party is just as serious no matter how many others are involved. The damage to Florida was serious enough that the Governor in a very short period of time determined an emergency and requested the President to declare a disaster. The President responded almost immediately with a declaration of disaster. The people of Florida were given a lot of hope that their immediate problem was going to be solved, or at least temporarily solved by the Federal Government but, Mr. Chairman, those poor people in Florida wanting disaster relief had to wait for a supplemental.

The Members recall the argument that we had about that as the supplemental moved through the process. There was a large delay, and the people of Florida had to wait for a supplemental.

Mr. Chairman, even after the supplemental was approved the people of Florida still had to wait. As a matter of fact, the last people who needed help from their government back in May finally got it 2 weeks ago. There is something wrong with that when the American people who got this aid are going to have to pay it back. While the people in the Dominican Republic are not going to pay it back. The Dominican Republic itself is not going to pay it back. I just use this as an opportunity to point out how, through our foreign aid programs, we are willing to do for other people what we refuse to do for our own people.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. CARNEY. I thank the gentleman for yielding.

It certainly was not my intention to debate the merits of the amendment. I made the point of order because the amendment was faultily written and it violates the rules of the House. But since there has been debate on it, I would just like to add to that on the floor of this House just a couple of months ago there was an amendment offered to the small business appropriations by my colleague, the gentleman from Mississippi (Mr. HINSON), to reduce the rate from 3 to 1 percent on disaster loans for the people of America. This Congress thought that it would be improper, that it would be too expensive for us to do that to help our own people and reduce the rate. That bill which now has a 3-percent rate is still in the Senate waiting to be passed. It has been there for 2½ months. We do not respond to the people of America, but we are ready to put a contingency fund of $25 million in effect and have it readily available for the people of the Caribbean.

There are people in my district whose basements have been flooded for the last year and a half, and they are offered a 7⅞-percent rate on a small business loan. We corrected it half way in the House to 3 percent.We refused to correct it to 1 percent, and yet we can have this $25 million hanging around for foreign nations.

It was not my intention to debate the merits of the amendment. I offered the objection on the ground that it was a violation of our rules, and I do not think we should pass anything in violation of our rules. As long as we did debate the merits of this, as I said, I wanted to bring up the points that my colleague, the gentleman from Florida (Mr. YOUNG) brings out. Let us help the people in America first before we help people in other areas. If we have excess moneys, we can then help the people around the world.

Mr. FASCELL. Mr. Chairman, will the gentleman from Florida yield?

Mr. YOUNG of Florida. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding. I just want to say that I am very sorry the gentleman has had the trouble he has had with programs in his area. In my area, when we have had a disaster, we have had the finest cooperation from the Small Business Administration and the Farmers Home Administration. We have run into the normal bureaucratic snafus but nothing else.

We are talking about humanitarian assistance, so I think you can make the case between helping your own constituents and helping some poor unfortunate in another country who is your next door neighbor, but I do not think you ought to equate your constituents with the plight of those people because the two are not equatable.

Mr. YOUNG of Florida. I will respond to the gentleman, in the opinion of my constituents the plight is equal if not more on their side. They had serious problems with water up to their ceilings, they were not satisfied with their treatment, and I do not blame them.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield to the gentleman.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

If the gentleman thinks he has got trouble, the people in my district suffered from a drought, and the disaster relief people, who do not know how to deal with a drought, said, "Give us a fire; give us an earthquake; give us a flood. We can deal with that. We do not know how to deal with a drought." It took a whole lot of kicks in the tail and if took a whole lot of effort, such as screaming which only the junior member of the Burton family can do at times, to get them to pay the slightest bit of attention to the plight of dairy farmers. And they were developing health problems because they did not have enough water to wash dishes in their restaurant businesses.

I strongly agree with the gentleman's point of view that the bureaucrats do not respond. I do not know how they respond to a disaster in the area that the gentleman is talking about. I would hope that they would respond on a humanitarian basis fairly fast, but the way they responded to the people in Marin County during a drought was they kept praying for rain because they did not know how to deal with it.

We have to shake up the bureaucracies, and I think our people should get 3-percent loan money instead of having to pay 7 or 8 or 9 percent. They told my farmers to go to the bank and get a loan at 10 percent. My guy said, "I will be bankrupt."

Finally we forced them to do something, and through the Small Business Committee we got Agriculture to get through small business loans because FHA did not want to give them the help and did not want the Small Business Administration to do it.

So I think the gentleman and I agree on this, besides the fact that we both know the Russian revolution was a Communist plot.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before we vote on this bill I would like to recapitulate where we are. The committee cut the Presidents' budget for this program by $1.2 billion before we came to the floor. That bill meant a cost to each American of about 57 cents per week which, as I indicated, is less than the cost of any good martini in this town. In fact, It is less than the cost of any bad martini. I think that is a cost which we must be willing to pay if we are serious about defending the national interest.

This bill is part of a strategy. That strategy is to use a balanced use of military and economic power within this country to defend the U.S. interests in a deteriorating world. It is also, I hope, not of secondary interest to the people on this floor that it is also meant to help some 50 to 70 million people who will starve to death in the world this year. There are 50 to 70 million people alive today who will not be alive a year from now because they will have starved to death in the countries we are trying to help in this legislation. There are 500 million people whose diets are so inadequate that they suffer from retarded brain development.

Faced with these facts, in my judgment, the House has shown us a classic case of its refusal to defend the national interest. What I think it has done is take the easy way out.

I think that by a series of votes we have ducked our responsibilities to be public educators. We know that our constituents do not support and often do not understand the necessity to become involved in the world, both militarily and economically, so what we have done is to cut the World Bank by 70 percent. We have exempted some of the richest countries from across the board cuts and then gouged the rest of them with additional cuts.

□ 1520

That leaves us with this result: For weapons of war in the defense appropriation bill we will have 11-percent real growth. For nuclear weapons appropriations we will have a 12-percent real growth. For NASA we will have a 14-percent real growth. But for the tools of peace found in this bill we will have less growth than is necessary to meet increased inflation that means that we will lose ground in using one of the tools available to us to both preserve economic and social order in the world and to promote the national interests of the United States. We have behaved as 435 Secretaries of State and the result is potentially devastating on the country.

As a result of action taken by this House, we have in the case of Panama, for instance, now not only managed to give away the canal but we have managed to do it in a way which is least advantageous to the United States. Through a series of actions we have taken on amendments cutting off aid to Panama, we have reduced to a great degree the public relations benefit we could have achieved throughout Latin America. The result is that we give away the canal but we gain very few of the benefits we had hoped would come along with that.

Mr. Chairman, we have devastated the ability of the World Bank to function at sensible levels and we have adopted amendments to cut off funding to countries who were not receiving any funding anyway and in the process weakened our leadership position in the banks.

Mr. Chairman, what offends me more than the product which has been produced through this action is the process by which we have gotten here.

Mr. Chairman, it is obvious to me that no matter what level of funding this committee had suggested to the House, the majority of Members of this House found it politically necessary, without attention being paid to the specific matters involved, to provide further cuts. That means that regardless of all of the work that went into the committee process—and regardless of how much the committee has cut, without regard to merit, the House found it necessary politically to go even further.

Mr. Chairman, I can even accept that but what I cannot accept is when Member after Member after Member comes up to me, having voted for these amendments and says to me on a personal basis, "Oh, you have done a good job, the committee has done a great job. I know I should not have voted for that amendment but you guys can fix it up in conference." That is a lousy way for the House to approach foreign policy. It is dangerous, irresponsible meddling.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. That kind of thinking demeans the legislative process in this House, it reduces the respect the American public has a right to have for its institutions of government, and it produces lousy public policy. Our constituents do not want us voting in opposition to their wishes but even more than that, I believe, they want us to be honest in the way we cast our votes. And I submit there has been very little honesty on a number of amendments which have been voted on today.

Mr. Chairman, I want to submit to the Members that this process exemplifies one reason why the Presidency is being systematically weakened in its ability to defend the national interest in international affairs. It erodes the willingness of the committees of the Congress and especially the appropriations committees to deal with issues objectively. It makes it more and more likely that the Appropriations Subcommittees and the Budget Committee will simply add a little money to each of their bills in the form of "Cut Insurance," taking for granted that the House will be irrational in the way it approaches any appropriations bill.

Mr. Chairman, I do not think this House can afford that, I do not think we can afford it individually in terms of the lack of self-respect that results and I certainly think it distorts the balanced sense of priorities which this House ought to bring to a sensitive issue of this nature.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been in a minority legislative position for some 20 years now and I have lost a lot more than I have won but I have never accused any of my colleagues of voting without honesty.

I am a little surprised to hear the gentleman from Wisconsin make the comment that there was very little honesty in some of the votes cast by the Members.

I just want to say to all the Members of this House whether they supported my efforts in this bill this year, last year or the year before, whether they supported me or opposed me, that I believe they did it with integrity and I believe they did it with honesty and I would never question the motivation of another Member's vote, why he voted yes or no or did not vote.

Mr. Chairman, I feel a little hurt that our colleague from Wisconsin would take the position that some of the votes that were cast here today and yesterday were cast, in his words, with very little honesty. I would hope the gentleman would offer an apology to the Members of the House because I do not believe anyone has cast a dishonest vote.

Mr. OBEY. Mr. Chairman, will the gentleman yield since the gentleman mentioned my name.

Mr. YOUNG of Florida. Yes, I will be happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me simply say I felt since people in the House would be surprised if one day went by during which I did not make somebody in the House mad, that I ought to make the previous speech.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to my chairman.

Mr. LONG of Maryland. Let me say I have a great admiration for the gentleman from Florida. The people in his district who sent him to Congress knew what they were doing. Mr. Young has made a very valuable contribution. While I have fought him on many, many of his cuts, I know every one of them has been offered in good faith. We have come now at long last after 5 or 6 days to a bill that is lean and responsible and I hope all the Members here can vote for it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I cannot help but respond also to the statement of my friend and colleague from Wisconsin. There have been 10 times in the last 2 years and 4 times this year that the Members have voted one way in the committee and either 5 minutes or 1 hour later, under pressure, reversed their votes when the measure was taken from the Committee of the Whole House back into the House.

Mr. Chairman, what kind of voting is that? That is where you are enlightened, evidently. That is where leadership pressures you.

Mr. Chairman, we have had 10 votes in the last 2 years where, either 5 minutes or 1 hour later a vote in this Committee was later reversed.

Mr. Chairman, once in a while I am sure enlightenment comes that way but I think we know that is pressure. I think the American people know what an honest vote is. We have had honest votes in the last few days. I think we ought to examine some of those votes of the last 2 years and look at the Members who switched. Then we can see where the honest votes are.

I thank the gentleman for yielding.

Mr. YOUNG of Florida. Mr. Chairman, I just want to say whether my colleagues go with me or against me on this or any other issue, I believe their votes were cast honestly and with good motivation.

● Mr. WEISS. Mr. Chairman, I am pleased to support the Long amendment to H.R. 4473, the foreign assistance appropriations bill for fiscal year 1980. This amendment will add $207.3 million to aid Indochinese refugees. It will finance the added costs of bringing an extra 7,000 refugees per month—up to 14,000—into the United States, the air-sea rescue program for refugees recently ordered by President Carter, the U.S. contribution for an international refugee processing center, and increased contributions to the U.N. High Commission on Refugees.

The human tragedy occurring in Southeast Asia cries out for action by the United States. Hundreds of thousands of people are being exiled; many are being sent to a certain death. The State Department has estimated that 60,000 persons will be forced from their homes in Southeast Asia this month. Perhaps one-third of these people—20,000 individuals—will die at sea.

The United States has, so far, responded quickly and courageously to this tragedy. In addition to agreeing to accept 14,000 refugees per month, our Government has engaged in negotiations with other nations to provide refugee processing centers in Southeast Asia. Recently, President Carter ordered the U.S. 7th Fleet to initiate an air-sea rescue program in the South China Sea. Thus far, several boatloads of refugees have been saved.

These actions are consistent with our country's long tradition of aiding those persons fleeing from persecution in other countries. Our country's actions have done much to alleviate the agony of these refugees, but there is more that must be done.

When confronted with reprehensible policies and repression, all people have an obligation to raise their voices in protest. Let us continue to speak out and to work for those who have no voice, no home, no secure future. The Long amendment is a necessary step in this direction. I urge my colleagues not to turn their backs on those who most need our Nation's help and to support this amendment.●

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

☐ 1530

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Kazen, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4733) making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 183, not voting 27, as follows:

[Roll No. 446]

YEAS—224

Addabbo
Akaka
Alexander
Ambro
Annunzio
Ashley
Aspin
Atkinson
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hutto
Hyde
Ireland
Jeffords
Johnson, Calif.
Johnson, Colo.
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Ottinger
Patten
Pease
Peyser
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Royer
Sabo
Santini
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Skelton
Snowe
Solarz
Stack
Stanton
Stark
Stockman
Stokes
Stratton
Studds

Swift
Tauke
Thompson
Traxler
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—183

Abdnor
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boner
Bouquard
Bowen
Brinkley
Brooks
Brown, Ohio
Broyhill
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Coelho
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ind.
Flippo
Fountain
Gaydos
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Hefner
Hightower
Hillis
Hinson
Hopkins
Hubbard
Huckaby
Hughes
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Marlenee
Marriott
Martin
Mathis
Mattox
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Oakar
Obey
Panetta
Pashayan
Paul
Perkins
Petri
Pickle
Quayle
Quillen
Rahall
Regula
Ritter
Robinson
Rose
Roth
Rudd
Runnels
Russo
Satterfield
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
St Germain
Staggers
Stangeland
Steed
Stenholm
Stump
Symms
Synar
Taylor
Thomas
Trible
Udall
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wirth
Wyatt
Wylie
Young, Fla.

NOT VOTING—27

Anderson, Ill.
Carter
Clausen
Conyers
Flood
Fuqua
Hansen
Holland
Holt
Livingston
McEwen
Michel
Miller, Calif.
Mitchell, Md.
Patterson
Pepper
Roberts
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Stewart
Treen
Weaver
Williams, Ohio
Young, Alaska

□ 1550

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of Maryland for, with Mr. Roberts against.

Mr. Pepper for, with Mr. Carter against.

Mr. Conyers for, with Mr. Hansen against.

Mr. Anderson of Illinois for, with Mrs. Holt against.

Until further notice:

Mrs. Spellman with Mr. Williams of Ohio.

Mr. Weaver with Mr. Livingston.

Mr. Roybal with Mr. Young of Alaska.

Mr. Simon with Mr. Patterson.

Mr. Holland with Mr. Smith of Iowa.

Mr. Fuqua with Mr. Rousselot.

Mr. Miller of California with Mr. McEwen.

Mr. Stewart with Mr. Clausen.

Mr. PASHAYAN and Mr. RITTER changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and that in revising my remarks I may include certain extraneous and tabular material.

The SPEAKER pro tempore (Mr. SHANNON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION AND CROSS-REFERENCES IN ENGROSSMENT OF H.R. 4473

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 4473, the Clerk be authorized to correct section numbers, punctuation, cross-references, and make other necessary and technical adjustments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISABILITY INSURANCE AMENDMENTS OF 1979

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 310 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 310

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(l)(5)(B) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against sections 4 and 13 of the bill for failure to comply with the provisions of clause 5, rule XX are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and an amendment printed in the Congressional Record of June 5 by, and is offered by, Representative Simon of Illinois, which shall not be subject to amendment. At the conclusion of consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this rule brings up an intensely controversial bill out of the Committee on Ways and Means. As chairman of the Committee on Rules, I found the bill so controversial, in the first instance, that I delayed its consideration for some time so that the opponents of certain provisions of the bill would have an opportunity to express their opposition. Having done that, and having been fair to those opponents, I then turned around and saw to it, as best I could, that the bill came out, because I believed that the Committee on Ways and Means and, particularly, its subcommittee, chaired by the distinguished gentleman from Texas (Mr. PICKLE), deserved their day in court, at least to the extent that they would be granted a rule, and by a very narrow vote the rule was granted.

The matter is intensely controversial, and the controversy is limited, as I understand it, to the question of certain caps on certain kinds of disability provisions.

I think the Members will be well-advised to listen to the debate on the rule, because it is going to go into the substance of the bill.

My impression is that the people who oppose certain provisions strongly support other provisions. So you have an extraordinarily difficult decision to make. I had people whom I trusted on both sides of the issue tell me very intensely that they were 100-percent right, and since I trusted both sides, I was very confused. Frankly, I am still confused. But since the committee, by a very substantial majority, reported the bill out, I think it deserves to be heard; and I propose to yield most of the time on the rule to members of the Committee on Ways and Means who are proponents of the bill. Pending that, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset let me say that it is good to have our friend, the gentleman from Missouri (Mr. BOLLING), back with us today.

Mr. Speaker, this rule provides for 1 hour of general debate on H.R. 3236, the Disability Insurance Amendments of 1979. No amendments will be in order except for committee amendments which are not amendable and an amendment to be offered by the gentleman from Illinois (Mr. SIMON) which also is not amendable.

The Simon amendment delays the implementation of section 13 of the bill by 1 year. That section would reimburse state vocational rehabilitation agencies for having rehabilitated a disabled recipient only if that recipient has successfully returned to work. This provision would become effective in fiscal year 1981 under the reported bill.

The rule does not provide for pro forma amendments, so on the Simon amendment, there will be only 5 minutes of debate in favor and 5 minutes of debate in opposition. Under this rule, it is not going to take long to complete action on this bill.

The rule also waives points of order for failure to comply with two requirements of the House rules. First, points of order are waived for failure to comply with the requirement in rule XI that the committee report bear upon its cover an indication that a cost estimate prepared by the Congressional Budget Office is included. In this case the committee report includes a Budget Office cost estimate. The problem is the failure to indicate this on the cover of the report.

Second, points of order are waived against sections 4 and 13 of the bill for failure to comply with the rule prohibiting appropriations on a legislative bill. These sections transfer existing funds to new purposes, and technically this constitutes appropriations for new purposes.

Mr. Speaker, the purpose of the bill made in order by this rule is to provide better work incentives and improved accountability in the disability insurance program. For fiscal year 1980, the Congressional Budget Office estimates that this bill will reduce outlays from the disability insurance trust fund by $17 million. Unfortunately, the first budget resolution assumed savings of $62 million for fiscal year 1980. Therefore this bill saves $45 million less in fiscal year 1980 than the first budget resolution projected.

By 1984, savings under this bill could be in access of $1 billion.

☐ 1600

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, very briefly, I do want to rise in support of the adoption of this rule and of this legislation.

I usually have a lot of reservations about modified closed rules, if that is what we call them, but this is the standard way we do consider legislation that deals with social security-type amendments, so there is nothing new about that. I think it is the only way to get this legislation up and get it considered reasonably and quickly. The subcommittee and the committee have done an outstanding job on this bill, particularly the gentlemen from Texas (Mr. PICKLE and Mr. ARCHER). There are many good features in this legislation. It doubles the trial work period that is now allowed.

It eliminates the second waiting period for medicare coverage. It allows the deduction of all work expenses related to the disability before computing continued eligibility for benefits.

There are a lot of good features in this legislation. While we had some difficulty getting it out of the Rules Committee, I think we finally did take the right action. It was passed by voice vote by the Committee on Ways and Means.

I hope we will act quickly on the rule and adopt this good legislation.

I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I thank the gentleman. I will not take the 5 minutes.

Let me talk to the Members of this House. This bill culminates 5 years of very intensive review of the disability program by the Committee on Ways and Means.

The bill was passed out of the committee unanimously, a rare event. It seldom happens. We bring to the Members a rule. It is the normal kind of rule that we have when we bring up a social security bill.

Now, there are some who want to defeat this rule because they have been told the bill hurts old people and those already receiving disability benefits. That is absolutely not true.

This bill does not affect anyone receiving survivor or retirement benefits. Anyone under the program now is not affected. The bill does not affect anyone now on the disability roll.

Now, some want to defeat the rule because they want to remove the cap on benefits.

Let me make a plea. Social security was never meant to cover 100 percent of a worker's pay before disability. It was never meant to do that. How can we justify not having some kind of a cap? This is an eminently fair and reasonable cap approved by all of the members of the Committee on Ways and Means when we passed it out of the committee.

Now, Mr. Speaker, disability benefits are designed to help workers get through a period of disability, along with savings, private pensions and insurance, and it is in line with that basic objective of the social security system that we bring the Members this bill.

Nobody benefits from poor social security policies. It is bad economic policy in the face of climbing inflation and climbing deficits. This is an eminently fair and reasonable bill.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding.

I would like to support the position taken by the distinguished chairman of the committee. I think this is a good bill. It is a good rule. The bill constitutes very modest reform of a portion of the social security system that has needed reform for a long time. There is nothing punitive about it. It has the effect, in my view, of rationalizing the rules relative to disability to a substantial degree. I think it should have the strong support of the House, and I want to urge all my colleagues, as the chairman has done, to support the rule and the bill itself.

We will have more to say during the debate in support of the reasonableness of this proposal. If we cannot accept this degree of reform in an area of social security that has needed reform for some time, then I will tell my colleagues the future of the social security system itself is in serious doubt.

Mr. ULLMAN. I thank the distinguished ranking minority member.

I urge the Members of this House to support a fair and reasonable and sound proposal to do a little tightening where it is very much needed in the disability social security program.

I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I rise to provide a budgetary perspective on the Disability Insurance Amendments of 1979 (H.R. 3236).

This bill was assumed in the first budget resolution for fiscal year 1980. The budgetary impact of the bill in fiscal year 1980 is modest, because the benefits of current recipients would not be affected. Over time, however, the budgetary impact of this bill would be substantial: by fiscal year 1984, annual outlay savings would be $1.1 billion.

I personally believe that the members of the Committee on Ways and Means who unanimously reported this bill are to be congratulated for addressing in a fair and responsible manner the problems created by an overly complicated benefit structure which appears to discourage work. I will defer to the experts on the Ways and Means Committee to explain the specific provisions of this bill. Instead, I would like to provide some budgetary perspective on the legislative savings assumed in the bill.

In January of this year, the President proposed a number of benefit changes to the social security program which would have reduced spending and the deficit by $609 million in fiscal year 1980. Because the specific proposals in the President's package were highly controversial, most of us rejected the proposals out of hand.

The Committee on Ways and Means recommended in its March 15 report that we assume outlay savings of $62 million, which was the cost estimate at that time of the bill before us today. This target savings was included in the first budget resolution. Responsible reviews of the benefit structure are an indispensible component of the issue of social security financing because the social security trust funds can be kept solvent not only by increasing income but also by decreasing outgo.

Next year, we will be debating the financing of the social security system. There is a general consensus emerging that the social security tax rates which we approved just 2 years ago are too high. As a result, many people are proposing general fund subsidies to the social security trust funds. Unfortunately, because of the current economic situation, the social security trust funds would be in serious trouble within a few years even if these tax rates were to remain in effect. On July 31, 1979, Dr. Rivlin wrote me indicating that CBO projects the combined balances of the old-age and survivors and disability insurance funds may decline by fiscal year 1984 to 12.4 percent of outlays. In contrast the combined balances in the trust funds are currently about one-third of outlays. I ask unanimous consent that the letter from Dr. Rivlin to me on this subject be inserted in the RECORD following this statement.

I would caution my colleagues that general fund financing is not a panacea. While general fund revenues may well be a way to reduce the burden of the payroll tax, we will only be substituting deficit financing for payroll tax financing unless there are enough general fund revenues to pay the subsidy without borrowing. If we rely exclusively on general fund subsidies to keep the trust funds solvent because we are not willing to examine the benefit structure to insure that it remains relevant to the needs of American society, we will be passing onto our children and grandchildren an increasing burden as the "greying" of America continues.

This bill is the product of a nonpartisan effort over the past several years by the Committee on Ways and Means. If we reject the bill, I am concerned that we will be sending a signal to the American people and the White House that the Congress is unwilling to make sure that the social security program remains equitable not only to the elderly and the disabled who receive benefits but also to the American workers who finance these benefits.

This bill should be supported. We have got to try to tie benefits to income better than we do. There is great concern in the land, when you go home and talk to people about the social security system, particularly the younger working people.

I have had any number of them say to me, "There won't be any social security system for me 20 or 30 years from when I retire," and there is great concern over this. We have got to remove this concern, and the way to do it is to tighten up via the reform route and not to hurt people in any way. This bill does not hurt anyone. It brings this disability insurance program into a better sense of reality and equity for all of the working men and women of America.

The letter referred to follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., July 31, 1979.
Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR BOB: As part of its updated budget projections prepared for the House Budget Committee, CBO has reestimated the revenues and outlays of the Social Security Trust Funds for fiscal years 1979 to 1984. These reestimates indicate that there could be a significant deterioration in the financial soundness of the Social Security System during the next five years. While the wage base and tax rate increases called for in the 1977 amendments to the Social Security Act were expected to be sufficient to fund the Old Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs over the next 40 years, the recent inflation and anticipated economic slowdown have brought the short run financial soundness of the Social Security System into question again.

The specific problem lies in the OASI program. Using the five year economic assumptions developed for the House Budget Committee markup of the Second Budget Resolution for fiscal year 1980, balances in the OASI fund are projected to fall from 34 percent of outlays in fiscal year 1979 to 8.0 percent of outlays in fiscal year 1983 and 5.4 percent in 1984 (see Table 1). These levels would be insufficient to maintain the cash flow of the program.

Balances in the DI fund are projected to grow from 31 percent of outlays in fiscal year 1979 to 56 percent in fiscal year 1984. Over the same period, balances in the Hospital Insurance (HI) fund are projected to rise from 57 percent to 92 percent of outlays (see Table 2). The strength of the DI fund is partially attributable to tightened administration over the past two years which has resulted in a sharp decline in the rate of increase of disabled beneficiaries. The strength of the HI fund is, in part, related to the moderation in the growth of real hospital expenditures over the past 12 months, some of which has been attributed to the voluntary effort of hospitals to control costs.

Because the OASI program is so much larger than the DI and HI programs, the combined balances of the social security funds also decline considerably. Between fiscal years 1979 and 1984, the combined OASI and DI trust fund balance falls from 34 percent of combined outlays to 12 percent; and the combined balance of all three programs—OASI, DI and HI—falls from 38 percent of combined outlays to 27 percent.

These estimates, of course, depend critically on future economic conditions. Under the more optimistic economic assumptions used by CBO last January, the OASDI funds combined did not deteriorate significantly by 1984 (see Tables 3 and 4). However, the current outlook for high inflation and rising unemployment will have adverse effects on the financial status of social security. Outlays will rise rapidly because benefits will rise automatically with inflation, and the rising benefits and weak labor market conditions will induce more people to retire. At the same time, revenues will lag as employment and wage rates fall or grow less rapidly.

The economic assumptions prepared for the Senate Budget Committee's markup of the Second Budget Resolution do not show a markedly different outlook for the social security system from those outlined here (see Tables 3 and 4). The projections recently made by the Administration also indicate a decline in OASDI balances as a percent of outlays, but the decline is not as great as estimated by CBO (see Tables 3 and 4). The Administration's projections differ from CBO's because of differences in methodology as well as in economic assumptions.

If the situation develops as the CBO reestimates suggest, steps may have to be taken to ensure the solvency of the OASI trust fund. Among the available options are:

1. Funds could be borrowed or transferred from the HI and/or DI programs to the OASI program. This could still leave the system vulnerable should the economy go into a deeper recession than is now expected.

2. The OASI tax could be raised. This would, however, have the effect of increasing unemployment and adding inflationary pressure during a period when we will be trying to reduce both.

3. The OASI Trust Fund could be permitted to borrow from general revenues. This would be feasible if changes were simultaneously made that would lower future benefits (or raise future taxes) enough to allow a repayment.

4. The rate of benefit increase for OASDI could be cut in a way that could be quickly implemented. For example, the June benefit increase could be limited to the rate of increase allowed for wages under the President's wage guidelines if the cost of living increase exceeds the wage rise. (The June, 1979 increase was 9.9 percent while the wage guidelines called for 7 percent and actual money wages increased by 8.2 percent. CBO is projecting a 10.3 percent benefit increase for June, 1980 under the automatic indexing system.) This would share the difficulties caused by the recession more evenly between workers and retirees although it could cause hardship for some OASDI beneficiaries.

5. General revenues could be used to finance part of the OASI system. It has been suggested that general revenue finance the so called "welfare" portion of OASI and DI benefits, although such a change may involve too many issues to be implemented in the short run. Another suggestion is to finance the revenue shortfall and outlay over-run attributable to economic downturns by a general fund transfer.

6. The HI program could be financed from general revenues and the HI trust fund balances and tax receipts transferred to the OASI program. Although HI is generally received only by families with social security contributions, the amount of HI benefits received by an individual is not related to the amount of past payroll tax contributions. Thus, the case for using general revenues to finance the HI program may be stronger than that for the OASI or DI programs. Because the HI receipts would be more than sufficient to maintain a reasonable OASI fund balance relative to outlays, the total payroll tax rate could be cut if it was determined that a non-inflationary form of fiscal stimulus was called for.

I will be happy to provide your Committee with any additional detail on the reestimates or options if it is of interest.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE 1.—OLD AGE AND SURVIVORS INSURANCE, DISABILITY INSURANCE, AND COMBINED OASDI OUTLAYS, BUDGET AUTHORITY, TRUST FUND REVENUES, AND TRUST FUND BALANCES[1]

[By fiscal year, in billions of dollars]

	1979	1980	1981	1982	1983	1984
Old age and survivors insurance (OASI):						
Outlays	90.5	104.0	119.8	135.7	150.4	165.3
Budget authority	86.7	99.4	113.1	131.7	147.3	163.8
Trust fund balance at end of year	27.2	22.7	16.0	12.0	8.9	7.4
Trust fund balance at beginning of year as a percent of outlays	34.3	26.2	18.9	11.8	8.0	5.4
Disability insurance (DI):						
Outlays	14.0	16.1	18.5	21.9	24.0	26.7
Budget authority	15.3	17.4	20.7	24.3	27.4	30.7
Trust fund balance at end of year	5.7	7.0	9.1	11.5	14.9	18.8
Trust fund balance at beginning of year as a percent of outlays	31.4	35.4	37.8	41.6	47.9	55.8
Combined OASDI:						
Outlays	104.5	120.1	138.3	157.6	174.4	192.0
Budget authority	102.0	116.8	133.8	156.0	174.7	194.5
Trust fund balance at end of year	32.9	29.7	25.1	23.5	23.8	26.2
Trust fund balance at beginning of outlays	33.9	27.4	21.5	15.9	13.5	12.4

[1] Based on the House Budget Committee, July 1979 economic assumptions.

TABLE 2.—COMBINED OLD AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE HOSPITAL INSURANCE AND COMBINED OASDI OUTLAYS, BUDGET AUTHORITY, AND TRUST FUND BALANCES[1]

[By fiscal year, in billions of dollars]

	1979	1980	1981	1982	1983	1984
Combined OASDI:						
Outlays	104.5	120.1	138.3	157.6	174.4	192.0
Budget authority	102.0	116.8	133.8	156.0	174.7	194.5
Trust fund balance at end of year	32.9	29.7	25.1	23.5	23.8	26.2
Trust fund balance at beginning of year as a percent of outlays	33.9	27.4	21.5	15.9	13.5	12.4
Hospital insurance (HI):						
Outlays	20.6	23.6	27.1	31.3	36.0	41.2
Budget authority	22.0	25.4	32.8	39.6	44.7	50.0
Trust fund balance at end of year	13.2	15.0	20.7	28.9	37.7	46.5
Trust fund balance beginning of year as a percent of outlyas	57.3	55.9	55.4	66.1	80.3	91.5
Combined OASDHI:						
Outlays	125.1	143.7	165.4	188.9	210.4	233.2
Budget authority	124.0	142.2	166.6	195.6	219.4	244.5
Trust fund balance at end of year	46.1	44.7	45.8	52.4	61.5	72.7
Trust fund balance at beginning of year as a percent of outlays	37.7	31.1	27.0	24.2	24.9	26.8

[1] Based on the House Budget Committee, July 1979 economic assumptions.

☐ 1610

Mr. GIAIMO. This is a very worthwhile reform which this committee, this great Committee on Ways and Means is reporting out and reported out unanimously. It deserves to be supported.

I know there has been a lot of propagandizing and a lot of lobbying against this bill. Do not listen to it. It is that kind of attitude that says we will not reform anything, we will not cut back in any way, we will not reevaluate any existing program of the Government.

If we go down that road, if we go down that road we are going to destroy the whole program because we will quickly get to the point where we will not have the money to pay the benefits which we so easily and so frequently vote in this Congress. I urge support of this legislation.

Mr. BOLLING. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Texas, the chairman of the subcommittee (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, first I want to express my appreciation to the Chairman of my committee, Mr. ULLMAN, and to Mr. CONABLE, the ranking minority member, for their endorsement and assistance on this measure. I particularly want to thank Mr. GIAIMO for his endorsement and for his very strong enunciation of what we are trying to accomplish in this bill.

I rise in support of the rule. Let me take just a brief moment to tell my colleagues first that there are two controversial sections: one with respect to the cap, and one with respect to the dropout year.

I would ask my colleagues to keep in mind that those amendments, that cap, does not affect the aged, will not affect veterans' benefits, and not affect anybody on the rolls today because those now on the rolls are grandfathered in under this bill. It will not even affect the great majority of the future disability beneficiaries. The corrections that we make will affect less than 2 percent of the outlays under this program.

But they are important, because I will tell my colleagues that either now or later these recommendations, or something more severe, are going to be passed because the American people are going to demand we not give benefits larger than they were receiving predisability.

The second part of the bill contains many liberal benefits. This is what I hope the Members will listen to. We considered this for 5 years. Last year the subcommittee, under the then-Chairman James Burke of Massachusetts, passed an almost identical bill to this. We did it for the purpose of giving to those disabled people liberal benefits so that there would be work incentives to get off the disability rolls and go back to work. Now that is the purpose of the bill.

It has been embroiled now in a propaganda proposition that we want to "cut benefits." That is not the objective. It is primarily to give work incentives, and we do it in this way: We say to a person you do not just have 1 year work trial period in which you can work and retain eligibility for benefits, we give you 1 extra year.

We will say to you, you do not have just 1 year of medicare coverage, we will give you 3 additional years, 36 extra months. And we will say to you that if you did get a job and you went just beyond the SGA, the substantial gainful activity level, and you then got off the disability roll, you would not be drawing benefits, but you would not lose your eligibility.

As it is now, a person only gets, really 9 months, a 1-year work trial period, and he only gets 12 months medicare, and after that he has to reestablish medicare eligibility and endure a 2-year waiting period.

What happens is that the great majority of the people on disability will say I would rather keep my medicare than go back to work. As a consequence, they do not make the effort to go out and get a job. I rather imagine if my colleagues were in their position they would do the same thing.

What this bill attempts to do is to give these liberalizations and say to the worker, go back to work, and you will not lose your eligibilities, and that heavy hammer will not hang over your head. That is really what this bill is trying to do, and that is what it can accomplish, but the debate gets hung up on the caps, and it is unfortunate.

One other thing, it gives a lot of benefits in speeding up procedures. We used to have 60 percent or 70 percent of preadjudicative reviews. Now it has dropped down to about 5 percent sample, postadjudicative. We do not have any review of the individual, and an individual can get on disability now, and he can ride it through, 5, 10, 15 years, and he stays on the rolls and he does not have to say he is either able or not able to go to work. We are trying to say to the recipient that we believe the average person wants to go to work, and we are giving him the incentive to do it, and that is really what the bill does.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the chairman.

Mr. ULLMAN. I want to commend the distinguished chairman of the Social Security Subcommittee, who has done a most responsible job with his subcommittee in looking at this whole problem, has held extensive hearings going back over what we have done the last 5 years, and come up with a bill that is eminently fair and eminently responsible.

Is it not true, I would say to the gentleman, is it not true that the vast majority of people who are under this program have been in the work force many years and do not have dependents? Is it not also true they would not be affected in any way adversely by this bill?

Mr. PICKLE. That is correct, 70 to 80 percent of the people would not be affected because the cap applies only to family benefits.

We have come to the Members with a modified rule. Originally the committee passed this unanimously, both the subcommittee and the full committee. In the full committee two amendments were offered, one by Mr. GEPHARDT of Missouri and the other by Mr. HEFTEL of Hawaii. Mr. GEPHARDT's amendment would have made a much more severe cap under the family benefits. The other amendment would have said we had to rely solely on medical factors rather than medical and vocational factors. Those amendments were defeated by only one or two votes, by very narrow votes.

We then went to the Rules Committee and said this bill passed unanimously, but we would like to have the right to have a vote on these two amendments. Some members of the Rules Committee felt that it would not be fair because the amendments were just going to make the bill tougher instead of more liberal, and they did not think that it was a fair choice. So we got the two Members to withdraw their request to offer amendments, and that is why we have come to you with this rule.

The only amendment is the one affecting vocational rehabilitation.

I will conclude by saying that we are trying to reach a balance between what is proper benefits and what is proper incentive. That is the key to this whole problem, and we think we have it.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana (Mr. Jacobs).

Mr. JACOBS. Mr. Speaker, I believe among his other eloquent utterances, Hubert Humphrey once said he deemed it his duty to see to it that the Government did something to comfort the afflicted, and in some cases to afflict the comfortable. I do not claim that the bill we reported from the Ways and Means Committee is precisely in line with that philosophy, but it is not far off.

Most of the propaganda, including full-page advertisements that I have seen in opposition to this legislation, speak in terms of the severely disabled workers. The severely disabled workers are helped by this bill. This bill addresses itself to a problem which is understandable, it seems to me, by any citizen in this country.

The proposition is very simple: Should a person on disability payments from the social security system get more than they got when they were working, particularly in view of the fact that the people who are paying them that income are their fellow workers, not on a progressive income tax, but on the regressive social security tax, who still runs the lathes and are working in the offices? That is the fundamental issue, not the severely disabled, but those who are going to receive more than they got when they were working.

I hear it said that the way to reduce social security taxes is not to cut the benefits.

□ 1620

What kind of crazy, upside-down, sideways logic is that? How else in the world can you cut the cost of anything except to cut the thing itself? The disability program began in in the mid-1950's as nothing more than insurance that when you reached old age you would receive social security benefits, and it has grown humongous since then. And I applaud much of the growth. It has done a good thing for our country and the people in our country. But, for heaven's sake, we ought to know by now that one of the reasons we are in such dire trouble with the social security system generally, and the tax on those working people in this country who must continue to work to pay these benefits, is that the benefits in some cases have allowed those who are not severely disabled to hit the jackpot on the nickel of those who are.

This bill seeks to do more than ever for those who are severely disabled, those who have lost the use of their legs and their arms, and that kind of seriousness, but at the same time it seeks commonsense. I appeal to the House to respond to that and then we will be doing equity both to the severely disabled and to the mildly disabled, as well as doing equity to the people who pay the bills.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. Mikva).

Mr. MIKVA. Mr. Speaker, the difficulty with this bill is not what is in it, but what is perceived to be in it by people who are opposed to any change, and that is a problem that comes up not only on the bill, but comes up on the rule. There is no way that the bill could have achieved the kind of unanimous support that it did in the subcommittee and the full committee if it did not take into account the needs, the concerns, and the responsibilities of all the citizenry who are going to be affected by it. Most of what has been written about this bill just is not there, most of the problems that have been claimed from this bill just are not to be heard, and the rule reflects that in that it tells the Members of the House that we have a chance to either make the changes that have been agreed upon or there is nothing that can be done at this point except wait for a worse situation to develop later on down the pike. I doubt that there is a single issue that comes before the Congress on which we get more mail and less understanding than social security. That is true whether we are talking about disability or whether we are talking about the tax rate, or whether we are talking about administrative procedures. All of it comes up in a context of much heat and very little light. I can only say that this bill was given, as our distinguished chairman, the gentleman from Texas (Mr. Pickle) has said, 5 years of conscientious attention. We reviewed everything that could be done. What is in this bill are the only changes that are consensual. Anything other than that that is in this bill at this point is something that cannot be achieved. It would be great if we could take the cap off and give everybody everything that conceivably they would be entitled to or that they might think they were entitled to. There is not that kind of money in the fund; there never will be. It would be great if we could find a painless way of financing social security. This bill is all there is.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. Fisher).

Mr. FISHER. Mr. Speaker, I also rise to support this rule and, of course, the bill itself. As somebody has already said, this is a testing moment, whether this House, this Congress, can make some changes, some reforms, some improvements, some tightening, some savings in a social security program and retain the essential purpose and benefits of the program. This is a test. It is not the biggest test on this subject in this Congress, but it is the first one, and I hope we can pass this test and put ourselves in a position later on to consider improvements in larger reaches of social security that will at the same time preserve essential benefits that people deserve and have been promised, and at the same time tighten the administration and save a little money that need not be spent.

The critical point here is the cap. The savings come, because the cap will be lowered. Expenses under this program have grown very rapidly in the 1970's. It is well known that there are problems with the administration of the program. There are equity problems. It is not reaching fully some of the people it should reach, and it is providing funds to some people who really with incentive would get back to work, and at the same time those who do take the incentive and get a job are protected. They can get back under the coverage of disability insurance more readily under this bill than they can at the present time. This is a testing moment in a small way, and I hope very much my colleagues would approve this rule, go on to debate the bill and approve the bill.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. Gephardt).

Mr. GEPHARDT. Mr. Speaker, as one who urged an amendment in the subcommittee and in the committee to in some people's view make this bill tougher, and as someone who almost carried that amendment, short by two votes I think in the subcommittee and I think two votes in the committee, I rise in favor of this rule which does not make in order my amendment which I said was offered in the subcommittee, in the committee.

As has been eloquently stated, this is the work product of over 3 years in the subcommittee of the Committee on Ways and Means. The last time that many of us talked about social security was in 1977 when we passed the historic new taxes that people are now paying across America, and today we are going back on the part of social security that really caused those tax increases, the disability portion. There has been a lot of talk about the cap and, indeed, there should be. In 1967 the disability program cost in benefits in outgo from social security $1.9 billion. This year the outgo for disability for social security will be $15 billion, to give the Members some idea of what has happened with this program.

We are asking for a modest cap, in my view a very modest cap, but remember one other thing, this bill is much more than a cap on benefits. That is probably the least thing the bill does. Much more importantly, it greatly improved the administration of the social security program, the disability program. More than that, it protects the rights in many important ways of people who receive benefits under the disability program, and it gives positive incentives to people who decide they want to try to work when they are not sure whether they can work, who are disabled, to go into the marketplace to try to work and yet not lose their disability benefits while they are finding out whether they can work or not.

I urge the Members to support the rule.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

Does this bill alter in any manner substantially those who are 47 years of age or younger who receive disability payments?

Mr. GEPHARDT. I do not know at what age one could say there is a difference made with regard to this bill.

Mr. SKELTON. What concerns me is what I have been told as to someone who is a younger disabled person who comes out on the short end of the stick as opposed to someone who is older and is disabled. Would the gentleman explain that as to whether that is true?

Mr. GEPHARDT. I do not believe that is true in the way we look at what one made in the past in determining his disability benefit. We change the way one views past earnings. It is my understanding that that change will probably help the younger worker as opposed to the older worker.

Perhaps the chairman of the subcommittee could be more specific.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Texas.

□ 1630

Mr. PICKLE. The bill would have an effect on those between the ages of 47 and 27. Under the present law everyone gets 5 years dropout. We have found those who are younger get the 5 years, because they have been at work for a shorter period, can get a much higher benefit compared to the person who has been in the work force for 20, 30, or 40 years.

Mr. Speaker, the committee attempted to close the disparity between the younger and the older period. We hoped we had done it. There is now some controversy that we could have just added more years. One could go at it in any way, but it is a minor part of the measure. Everybody gets the 5 years of the dropout under the present law.

Mr. CONABLE. Mr. Speaker, will the gentleman yield to me?

Mr. GEPHARDT. I do yield to the gentleman from New York.

Mr. CONABLE. This has no effect on those drawing disability benefits now. What happens will have some impact on the formula for people drawing disability benefits in the future, who become eligible at some time in the future.

Mr. Speaker, one of the problems has been that young people, frequently, because of the manner in which the formula is set up, are drawing very substantially more disability pay than older disabled people.

Mr. GEPHARDT. Mr. Speaker, I would just respond to the gentleman from Missouri (Mr. VENTO). The attempt was made in the subcommittee to make better parity between the older worker and the younger worker, because of the affect of inflation upon younger workers' wages when you look at a composite of year's wages in determining the disability benefits. That is the reason we changed the dropout-year formula between the two. I do not think it is a major matter and I do not think it is a great disincentive for the younger worker.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. VENTO. The gentleman points out the cap does not change for existing workers. That is to say there is no new cap for existing workers who are receiving benefits. You do not eliminate any cost-of-living increases to them?

Mr. GEPHARDT. That is correct.

Mr. VENTO. Are there cost-of-living increases included or anticipated in the cap that will be in effect for workers that will fall under this new law?

Mr. GEPHARDT. Yes, the same law applies.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3236, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from Texas (Mr. ARCHER) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it will be the intention of the chairman of the Committee on Ways and Means to turn over the debate to the chairman of the subcommittee, the distinguished gentleman from Texas (Mr. PICKLE).

Mr. Chairman, I would like to open the debate by reasserting some of the arguments and some of the information presented in the debate on the rule.

Mr. Chairman, this bill culminates 5 years of intensive review of the disability program by the committee. It was unanimously passed by the committee and has the active support of liberals and conservatives, Democrats and Republicans. It is a modest bill that reduces benefits slightly for future beneficiaries and dramatically improves administration and assistance to people attempting to return to the work force.

These provisions include allowing deductions of work-related expenses before computing eligibility for benefits, extending medicare coverage for 3 years beyond current law and eliminating the second waiting period for medicare coverage if a person returns to work but is unable to hold a job because of his disability. This bill eliminates the risk, especially the loss of medical benefits, to a disabled person returning to work. Under current law, the decision to return to work is not easy. If an individual works for 1 year and then the impairment worsens or he is laid off because his boss claims he cannot handle the job, the disabled person must go through the whole application process again. He must wait another 24 months for medicare benefits and several months for cash benefits. This bill would eliminate these barriers to returning to work.

This bill improves the equity between younger and older workers by reducing the number of dropout years and by slightly reducing dependent benefits. These provisions have been controversial but several facts should be made clear: First, it does not affect anyone now on the rolls; second, it does not affect anyone in the social security retirement and survivors program; third, it does not affect the typical disabled worker who is 50 years or older and whose physical ability has been diminished by hard labor.

Under current law, workers of all ages are allowed to exclude 5 years of low earnings in determining average earnings which then determine the level of benefits. For a 29-year-old, who has worked 7 years, this represents a 71-percent exclusion, 5 years out of 7 are eliminated. For a person age 50, who has worked 28 years, this exclusion represents only 18 percent of his or her earnings' history. This bill relates the number of dropout years allowed to a worker's age. No dropout years would be allowed for workers under age 27, but the number of dropout years allowed would gradually rise to 5, like existing law, for workers aged 47 and over.

One provision that has proved particularly controversial is the cap placed on benefits. Benefits are limited to 80 percent of average indexed monthly earnings, or 150 percent of the worker's primary insurance amount. Some argue that this is unfair, that this will not increase a person's incentive to return to work and that this provision was enacted because the fund was in a crisis situation. We must keep a few facts firmly in mind. First, wages earned in 1965, for example, are today fully indexed to account not only for the growth in prices since 1965 but also for the growth in wages over that period. The cap in this bill is 80 percent of this average gross income which results in 100-percent replacement rates of net income for the typical case. After accounting for the fact that the disabled worker no longer has to pay the payroll tax, State, and Federal income taxes, or work expenses, 80 percent of gross income can easily exceed the amount of predisability take-home pay. Work expenses alone in our high price energy world can be from 6 to 15 percent of income. This is especially true for two-earner families. Data from the Congressional Budget Office indicates that over 60 percent of these families have more disposable income after the disability than before the disability.

Let me give you a specific example. Before his disability, a husband was earning $12,000 and his wife was earning $6,000 and they had two children. Their net income, after work expenses and taxes, would be $13,400. After the husband becomes disabled, and his wife continues to work, their income would increase to $14,200. The economic incentive for the husband to return to his former job is actually negative, —$800. Benefit limits in the committee bill would reduce net family income in that situation to $12,800. So returning to work would yield a small but positive rise in family income.

It does not make sense in our society when we place a great emphasis on work, that workers who become rehabilitated should experience a reduction in income as a result. This bill would eliminate that inequity.

I think the evidence is becoming increasingly clear that higher benefits do reduce the probability of becoming rehabilitated. A CBO analysis indicates that economic considerations do influence the DI caseload. When benefits rise relative to wages, so does the number of beneficiaries. A study by the Social Security Administration reveals similar results. Another study in the most recent issue by the Social Security Bulletin indicates that higher benefits produce lower recovery rates.

Finally, this bill improves the administration of the DI program. It insures that decisions are made more equally between the States. Current law studies have shown that there is wide disparity in how determinations are made from State to State. The bill contains a mechanism for reducing these differences. This bill also reinstitutes the comprehensive review of disability cases each 3 years.

I conclude by urging passage of this bill. Jake Pickle and other members of the subcommittee have studied this program in great depth for more than a year. Opponents of this bill say that we should wait until independent commissions have studied this in more depth. I question the adjective "independent" when several of their members organize lobby groups to oppose this bill. Furthermore, there are always studies in progress. If we waited for the last study to come in, we could wait forever. These independent commissions cannot determine the relationship between taxes and benefits. Only elected officials can make this determination. Our staff has been studying this for some time; HEW has been studying this for some time. Nothing significant will be learned that we do not already know. This bill was not passed in haste or in a climate of crisis, but was approved after careful consideration. I urge your full support.

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Mr. Chairman, I yield the balance of my time to the gentleman from Texas (Mr. PICKLE), who will handle that time.

Mr. PICKLE. Mr. Chairman, I thank the gentleman.

Mr. Chairman, this bill was passed in essence last year by the Subcommittee on Social Security. Earlier we were concerned then that there was a "run" on the disability program. It looked like the disability program was going to go broke, so in 1977 we passed a social security bill, and we raised taxes so that we would be certain that the American people would have the guarantee that there would be money there for their monthly checks.

Now, that was what we should have done. It took a lot of courage. I think we corrected four-fifths of the problem on social security when we passed that bill.

Some people will say, "Well, you don't really need now to do anything about the disability program, because we have money in the disability program."

Yes, the disability fund is in much better shape today. We should all know that and be glad about it; but we should also remember that in the last 3 years we have transferred some $3 billion per year from the other trust funds over to the disability fund, so that the disability fund would not go broke; so when you look at the fund you say, "Well, we don't really need to do anything. We don't need to cut back." That is not true, because we have actually reallocated some $9 billion over the last 3 years.

Second, we know that if there is a recession or a depression and if unemployment goes up, and that is the omen we have facing us now, then we know what is going to happen under the disability program. Applications are going to go up as they have in the past; so we have to be careful in what we do and not just say, well, there is plenty of money.

May I repeat that the objective of this bill was to give work incentive to these people to go back to work; things I mentioned a while ago such as giving them an additional year in the work trial period where they would not lose eligibility; such as giving them at least 3 additional years under medicare, and that is a great protection. We need to give that to the disabled people.

One other matter that I did not mention that I should have is that before you count your SGA, the level of earnings that determines substantial gainful activity, you can deduct all extraordinary work expenses. If you had to pay out extra money for a wheelchair or for medicine or expenses of that sort, you deduct that before determining whether or not you go off the rolls. Now, those are real incentives.

In addition, we have tried to speed up the judicial process so that these cases would not just go on and on and on. The court could remand this back down to the ALJ without cause or other reason which was weakening the appeal process at that level. We found that they were not having reviews of State decisions. It had degenerated to less than 5 percent of the review by the Federal Government of these cases.

Now this bill says that there would be review; in 1980 there would be a 15-percent review; in 1981, 35 percent, and 1982, 65 percent.

We also closed the record at the administrative law judge level.

More importantly, we put a provision in there that says that every 3 years each person not determined permanently disabled will be reviewed again to see whether they are disabled and should they be continued.

Now, we are taking nobody off the disabled rolls now. Everybody has been grandfathered, so those people who say we are going to "cut benefits," they are not correct, because we are not actually taking away any funds. We are simply making basic corrections.

We did not set about in this bill to "save money."

Some seem to think, well, we were trying to balance the Federal Government by virtue of savings under the disability program. Well, this would actually affect less than 2 percent of the outlays in this whole program. We would make a savings, perhaps, by virtue of these corrections of, oh, upward of a billion dollars in the next 5 years; but the fifth year from now we will be paying out $175 billion; so obviously, we are not trying to correct the Federal budget by this bill.

This is a good solid bill and deserves our support. If we do not pass the bill today, these thousands, some 2 million people who deserve protection under these work incentives will not get them this year or next year and we do not know when. That would be grossly unfair if we did not pass a bill which we think has good balance. I recognize there has been some opposition, some under the cap, some under the dropout.

The intent was good. We had no idea that we would run into this kind of opposition, because some groups say you simply cannot cut any kind of benefit. We think we can do it and show the public that they can have confidence in the social security program and that is the purpose of this bill.

Now let me go into a little more detail.

I have found time and time again that what has been heard about this bill and what is actually in this bill do not often bear much resemblance.

First, H.R. 3236 recognizes that the present system makes it very hard—sometimes makes it almost impossible—for a disabled person ever to go back to work. I find this particularly tragic in the case of younger disabled workers, who are thereby encouraged to remain on the disability rolls for a long time. It is no less tragic in the case of a middle-aged person who finds himself or herself rendered useless to society during the prime of the working years.

As one representative of the disabled aptly put it: "Disability may be permanent, but unemployability is not."

Unfortunately, the current system does not recognize this and insists on adding the tragedy of uselessness to the tragedy of ill health. These are people who have been in the work force and who have been leading useful lives, pursuing a career, trying to make ends meet. In about a third of the cases they have been raising a family. Suddenly before they are old, severe ill health strikes. Or, these are people who have struggled with handicaps for many years—sometimes for all of their lives. To take these people and offer them the choice of being a ward of society or else striking out entirely on their own is not a defensible policy for this Congress to assume. It is bad for these disabled people. It is bad for the taxpayers asked to support them. And, in the long run, it can only be bad for each of us in this room.

This small bill cannot do everything to correct the inhuman ways we shut off our disabled citizens and render them useless wards of public programs. But within the context of the social security disability program, it does a lot. It takes steps to allow them to have the health coverage disabled people continue to need and to allow them to earn more money while still maintaining the right to benefits when they need them. It makes more room for the person whose work performance may be erratic.

H.R. 3236 removes several barriers currently thrown up against a disabled person who would like to become a productive citizen. Again, it does not do everything, but it is a critical and humane first step.

1. DEDUCTION OF WORK EXPENSES

First it allows the deduction of all work expenses related to the disability before computing continued eligibility for benefits. This means that if a person needs a special wheelchair, other special equipment, or special medicines and care in order to work, that will all be subtracted from his or her earnings before deciding if this person has indeed moved successfully back into the workforce. This puts the disabled person's earnings on a par with a normal person's earnings because the government would only take into account wages clear and free of the disability.

2. MEDICARE IMPROVEMENTS

Second, it provides medicare coverage for 4 years after a disabled person returns to work. Currently, a disabled person trying to move back into the workforce has only 1 year of medicare coverage. Medicare is often the most important benefit for a disabled person, who is more likely to have high medical expenses. So, this change is vital and humane and something the disabled people have asked for time and time again.

Moreover, under the current law, a person must wait 24 months for medicare coverage. Then, if that person leaves the disability rolls and returns to them later, he or she is faced with a second 24-month waiting period for medicare coverage. H.R. 3236 would remove this onerous second waiting period. And it is very unlikely that this group of people would have acquired sufficient resources or sufficient private coverage to carry them through a second 2-year wait. This, again, is something which disabled persons have brought to our attention time and again.

3. DOUBLE TRIAL WORK PERIOD

The third major provision of this bill to remove barriers for disabled workers is to double the trial work period—the time in which a person can work without losing eligibility for benefits. Currently that period lasts 1 year. This bill would allow it to go for 2 full years. If at any time during this period the person's earnings dropped below the limits set by regulation then benefits would resume immediately.

4. TRIAL WORK FOR WIDOWS AND WIDOWERS

The bill also extends trial work period privileges to widows and widowers.

5. STUDY FOR "SGA"

And it authorizes experiments and studies to be made on the effect of raising the amounts disabled persons can earn before losing benefits, to see if that will also help.

Many disabled groups are quite excited about the prospects of this new study authority. There is still very much to be learned about how truly to help disabled persons, and they have many plans and ideas they are anxious to try out.

These benefit liberalizations may cost as much as half a billion dollars over the next 5 years. That is no small change, and it stands as testimony against those who would claim the purpose of this bill is nothing more than an attempt to cut back on the social security program.

Now, let me talk about the cap. The cap changes the current family maximum so that a worker will not receive benefits which can actually exceed his after-tax earnings. This is a problem which arose out of the old benefit formula and was not entirely corrected by the decoupling actions of the 1977 amendments.

There are still some areas where benefits can exceed prior earnings. By carefully studying a large sample of recent beneficiaries, HEW has determined that some 6 percent of newly disabled persons coming on the rolls actually receive more in disability benefits than they did in the highest 5 years of their earnings, and another large segment receive replacements of over 80 percent of their wages. In the disability program, which has a duty to balance benefit adequacy with work incentive, having a significant number of beneficiaries with extremely high replacements is a particular problem, especially when one remembers the benefits are tax free. Not only is it unfair to the taxpayers who must support the program, it is out of line with most benefits accorded in this program.

As recently as 1967, a worker with median earnings and a family could expect only 60 percent of his prior earnings to be replaced by his social security disability benefit. By 1976 that had climbed to 90 percent—and, meanwhile, recovery rates from disability dropped to one-half of what it had been earlier. Also, workers without dependents have always received much lower replacements—averaging only about 45 to 50 percent of prior earnings.

You have to keep in mind that social security disability benefits are tax free. So when you take someone who has been making about $11,000 and give him almost $9,000 in tax free benefits—which is sometimes the case when family benefits are awarded under current law—I think you can see we have a definite problem. That person likely will never return to the work force.

This holds, too, at the lowest income brackets, because there is rightfully some concern about the lower incomes. Someone with earnings of about $6,000 would receive under current law well over $5,000 in tax free family benefits.

I noted that the median replacement rate for family benefits in 1967 was some 60 percent. But this bill does not bring anyone down to a 60-percent level. It does not bring them anywhere near a 60-percent level. It sets an 80-percent level, which is a generous, replacement, especially in a program such as social security.

What the bill does is slightly modify the existing maximum on family benefits. Under existing law, a disabled worker does not receive unlimited amounts of dependents benefits. The worker's family is limited to 150 percent of the worker's benefit at the low income levels now—and to slightly higher levels at middle and upper incomes. H.R. 3236 simply extends the 150-percent limit across the board. It also limits the replacement of prior wages to an 80-percent level.

These overly high replacements do not occur in the case of workers without dependents—and these cases constitute over 70 percent of all disabled beneficiaries, and they are not affected by this provision. High replacements also do not occur in about an additional 10 percent of beneficiaries who do have dependents, but are already limited by the 150-percent level in the current family maximum. But in about 20 percent of the new awards being made, the benefits are exceeding—or nearly exceeding—the average of the highest 5 years of prior income, and this must be corrected.

This is not right in an insurance program. And it is not fair to ask the taxpayers to support these benefit levels. If we do not correct this situation now, while this is still a relatively new problem, then we will only sharpen the debate between the taxpayers and the beneficiaries down the road. The piper will be paid but his tune is likely to get more shrill as we go.

Let me review quickly what this means:

No current beneficiary would be affected;

About 75 percent of future beneficiaries would not be affected;

The worker's own benefit is totally guaranteed;

Only benefits out of line with the history and purposes of the program would be affected; and

This correction would affect only about $38 million out of some $2 billion new benefits that will be awarded in the last 9 months of fiscal 1980.

Now, let me turn to the second corrective measure. This, too, addresses a relatively new situation—a situation whereby a worker who has been supporting this system with his labor and his taxes for years and years can receive a much smaller disability benefit than his younger counterpart. This, too, is a fact which cannot be tolerated in an insurance program, and indeed is being challenged at this moment in a court in California under old age discrimination laws fathered here by the esteemed gentleman from Florida, Congressman PEPPER.

To explain the problem in the simplest terms: A young worker, age 27, who received maximum benefits under current law would get $568 a month. A 50-year-old worker with maximum benefits would get only $496. He has been supporting the system 23 years longer than the younger man and yet he receives a benefit 12 percent lower.

Some groups have charged this bill is cruel to young workers because the young worker is more likely to need the higher benefit. That point alone, is entirely debatable. However, the bill takes no drastic step. Even in the worst case, it only reduces a 12-percent discrimination against the elderly to a 9-percent discrimination.

Actually, the dropout years was not created to ease the situation whereby a person might have low earnings in a few years. The dropout years was placed in the law in 1954 and 1956 when several new groups were brought into the retirement program. Benefits are calculated based on earnings beginning in 1951; thus, the dropout provision in existing law allows 5 dropout years. It was noted in 1954 that dropout years would also help people who had a few years of sickness or unemployment, but this was not the primary purpose—and the disability program was not even in existence at that time.

The problem with this provision has come about only in recent years as the wage base has risen far more quickly and dramatically than anyone in 1956 imagined. Thus, the young worker can calculate benefits based on only a few years, possibly at very high earnings.

This, too, is a problem which we must correct now—or it will only become more difficult to correct in the future. But this, too, is not a drastic proposal at this time. It will affect only $14 million in benefits out of the some $2 billion new benefits expected to be awarded in the last 9 months of fiscal 1980. Once again, it does not affect anyone on the rolls today.

This bill also takes steps to increase accountability in the social security disability program. An accountable program is not just a smooth running program. The award and denial of benefits must be reasonably uniform throughout the United States. The program must also be responsive to the disabled. It must accord them the courtesy of a correct and early response. It must make that response understandable. And it must make the right decision the first time so that applicants and taxpayers alike will be freed from the costly and lengthy appeals processes.

These, too, are the objectives of H.R. 3236.

Accordingly, this bill would:

Require that applicants be given an individual statement of the reason for the decision in their case;

Increase payments for medical evidence;

Reinstitute a comprehensive review of cases;

Give the Secretary of HEW regulatory authority to establish and enforce standards of operation;

Transfer full authority for the rehabilitation program for social security beneficiaries to the regular VR program and institute instead a bonus system of awards from the trust fund based on successful returns to work;

Require an HEW study of how State employees would be protected if a State agency ever relinquished operation of the program; and

Institute a review of all disability cases at least once every 3 years so that a person would not be left on the rolls long after he or she may have recovered.

Let me make one final note. Some State agency employees had expressed concern about the bill as it emerged from subcommittee because there was no provision in it to protect their rights should the Federal Government ever have to assume the responsibility of running the program in any State.

This was corrected in the full committee by an amendment I offered to order the Secretary of HEW to report to us by January—and report in great detail—exactly how he would handle the assumption of the functions of a State disability agency. How would he process the State employees for Federal hire? How would he protect their pensions? How would he insure that service to disabled persons was not disrupted?

Because of this amendment, the national organization for these State employees—the National Association of Disability Examiners—has strongly endorsed this bill. This amendment affords these employees a protection they do not enjoy under present law.

This is a wide-ranging and balanced bill. It will help us to maintain public confidence in the social security program, and I strongly urge its passage.

Now, Mr. Chairman, I would yield 3 minutes to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, I will not even take the 3 minutes. I do not think it is necessary. This legislation before the House now, as I said a few moments ago, is not really complicated at all. If you want to do commonsense, if you want to help the people who are severely disabled and you want to make sure that nobody is doing better on disability than he or she did on the job financially, then this is the right bill for you.

I might add that if you sat on that committee through the years and listened to the testimony and examined the data, you would conclude that on the reform side this is a very, very mild, very weak cup of tea. There are other reforms that can be argued logically in the social security disability system that were not brought to the floor because they were perceived by some in the Committee on Ways and Means to be too controversial. What was brought here, apart from the propaganda, and I must say knee-jerk propaganda against this bill, is a very weak reform. If the House of Representatives and this committee cannot even achieve that weak reform, then I think that we have no cause for pride in the work we have done this day.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want at the outset to compliment the chairman of the subcommittee, the gentleman from Texas (Mr. PICKLE) for the outstanding work that the gentleman has done on this bill and all the members of the subcommittee, the chairman of the full committee and the ranking Republican on the full committee and all the members of the committee because as was mentioned earlier, this bill was unanimously approved by the subcommittee which represents, I believe, a cross-section of the philosophies in this entire House. It came out, as has been mentioned earlier, by a voice vote out of the full committee.

Mr. Chairman, H.R. 3236 is not a perfect bill. It does not solve all of the problems, as I see them, in the disability insurance program. If the legislation had been written to my own specifications, it would be different from the measure before us.

But if the bill had been tailored to my taste only—or to that of any other Member—it might not have progressed so far. H.R. 3236 has survived. It has passed all the tests: Unanimous approval by subcommittee, and voice vote endorsement by the parent committee.

The bill has succeeded, Mr. Chairman, because it represents a workable compromise, an appropriate blending of shared objectives. H.R. 3236 does not make as many changes as some of us would like; it makes more than others want. But, it is realistic, it is feasible, and it does include a number of significant and long-needed improvements in one of the two programs comprising our Nation's basic social insurance system.

First, the bill provides for disability benefit levels that are more reasonable and more equitable. Second, and equally as important, H.R. 3236 makes it easier and more attractive for a disabled beneficiary to return to work, if at all possible.

Actuaries have estimated that the bill would reduce outgo from the social security trust funds by $184 million in 1981. The "savings" would escalate annually, reaching a yearly level of more than $1 billion by 1984. The long-range deficit in the combined old age survivors and disability insurance trust funds would be cut 14 percent, from 1.4 to 1.2 of taxable payroll.

Although these "savings" are significant, I think they will be further enhanced if the added work incentives which the bill provides are fully taken into account. I believe that H.R. 3236 will help more people return to the labor force, thus producing more income for both the Treasury and the social security trust funds.

I also am convinced that these same provisions will bring about an even more important "savings" in human terms. Too many persons who are deemed to be disabled wind up on the shelves of our society. Through its improved work incentives and related provisions, H.R. 3236 should help many of these people to get back into productive pursuits, to rejoin the mainstream, and to enhance their own personal self-respect, a major key to happiness.

One of these provisions stems from my own long-held concern that some severely disabled persons have been discouraged from returning to full-time jobs because of the high cost of special equipment they need just to get around. Although they may be able to earn good wages, when they subtract from their earnings the special expenditures which allow them to function at work, they find they would be better off financially if they stayed home and continued receiving maximum benefits.

Section 5 of this bill would eliminate that disincentive to work. It provides that extraordinary expenses incurred by the severely disabled to keep them functioning will not be counted as earnings that will cause them to lose benefit status.

Other work incentives provided by H.R. 3236 would: Expand the trial work period from 9 to 24 months; extend medicare coverage for 3 years to the disabled who return to work; and elminate the second 2-year waiting period for those who try to work, but find they cannot continue and are forced to return to the benefit rolls.

The bill also toughens review procedures in the disability determination process. It requires Federal review of an increasing number of initial decisions by stage agencies (up to 65 percent by 1982), and demands that each disabled beneficiary be reviewed at least once every 3 years as long as there is a possibility of recovery and a return to work.

Perhaps the two most controversial provisions of H.R. 3236 have the net effect of lowering total benefits paid to, and on behalf of future disabled beneficiaries. One provision reduces the number of "dropout" years for benefit computation purposes. Under current law, all beneficiaries may exclude the 5 years of lowest earnings when their benefits are computed. For younger workers who become disabled, this can create disproportionately higher benefit payments. Because maximum covered earnings have risen dramatically in relatively recent years, younger workers who become disabled can have their benefits computed on a much higher average earnings base than older workers, who have to take into account more years of lower covered earnings. H.R. 3236 cuts this benefit disparity between older and younger workers by phasing out the so-called dropout years for workers aged 47 and younger. Those aged 42 through 46 would be given 4 such years; those 37 through 41 would have 3 years; those 32 through 36, 2 years; 27 years through 31, 1 year, and under 27, no dropout year.

Another controversial provision would place a new limit on the dollar benefits that could be paid to a disabled beneficiary and family. Studies by the administration, committee staff, and actuarial experts, have shown that many disabled beneficiaries and their dependents are receiving benefits which, when combined, make them better off financially than they were before the primary workers became disabled. This obviously has constituted a serious disincentive to return to work, and the Committee on Ways and Means' Subcommittee on Social Security has endeavored, on a bipartisan basis, to find an equitable way to alleviate this problem.

I think it is clear that a substantial majority of members, at both committee and subcommittee levels, have favored limiting benefits so that the disabled are not better off financially than they would be if they were working. There has been some disagreement, however, as to what the limit should be.

After months of deliberation, the Subcommittee on Social Security produced a formula which limits total disability "family" benefits to the lower of: either 80 percent of the worker's average indexed monthly earnings (career earnings, averaged-out) or 150 percent of the worker's primary insurance amount (basic benefit). Subcommittee members obviously thought this was reasonable and equitable, because they approved it unanimously.

Although the formula, like the bill itself, may not be perfect, it does represent a practical, nonpunitive compromise.

It is important to bear in mind that the primary benefit, paid to the disabled worker, would not be reduced by the new family maximum, and that no reduction would apply to beneficiaries now on the rolls.

It is also important to note that the limit on benefits is just one element among many in the bill before us. Taken as a whole, H.R. 3236 offers major improvements, without radical restructuring.

If we are to have any reform of the social security disability program. On balance, it is a good bill, Mr. Chairman, and I urge my colleagues to support it.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding. I want to join with the ranking member in complimenting the chairman for the outstanding job the gentleman has done in bringing us to this point.

Mr. Chairman, the principal opposition to this bill centers around the provision for removing certain family benefits by imposing a cap. In this connection, I would like to just indicate a few basic facts to put this in what I feel is proper perspective.

First of all, the cap on family benefits is only imposed on a prospective basis. No one currently disabled will have their benefits reduced. The cap applies only to those who become disabled after 1979.

Furthermore, the cap has no effect on disabled workers benefits. These payments will not be lowered.

Furthermore, the cap will not lower payments to disabled widows, widowers, or disabled children.

The cap on benefits, according to the estimates provided to the subcommittee, would affect only 30 percent of newly entitled disabled workers; in other words, 70 percent of people coming on the rolls in the future would not be affected by the new cap which this bill would impose.

Finally, the cap is hardly severe. Private disability insurance generally does not replace more than two-thirds of prior income.

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The cap provided under this legislation would be at a replacement rate of up to 80 percent, which is substantially above the level which prevails in the private sector today.

Mr. Chairman, what we face is the question of whether reform is a one-way street. I would hope that the reforms in this bill would be viewed in their total perspective, and that the pluses as well as the minuses from the point of view of the public reaction would be taken into account. In my judgment, this bill is not only important for what it includes, but is important as far as its implications for the future are concerned.

Let me point out that in the 1977 social security amendments this House did adjust the basic social security benefits that would be received in the future, and it adjusted them downward in a substantial manner, taking into account the fact that the formula provided under our earlier legislation for indexing of benefits against inflation was a faulty formula. I think much the same principle is involved here, Mr. Chairman, and that is that with the changes proposed by the subcommittee and approved unanimously by the Committee on Ways and Means, in my judgment we are going to end up with a more realistic total pattern of benefits under disability insurance, just as with the 1977 amendments we ended up with a better overall package of benefits for the basic social security program.

Mr. Chairman, I join with those Members who have spoken so far in support of this legislation.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 3236, Disability Insurance Amendments of 1979. I am particularly supportive of the provisions in the bill that remove disincentives from those who want to go back to work, those disabled persons who want to get back into the active work force.

I would like to tell the Members about an experience I had a short time ago when visiting a training center in Santa Barbara where mentally retarded youngsters were being trained to go to work. They were all young people on disability, they were all receiving their checks, and yet they were working hard in school so they might go out and engage in gainful employment. I was really quite moved when one of the young men there asked me a question. It was hard to understand him because he was severely retarded and had a speech defect.

He asked me this question: "How come when I work so much money is taken out of my paycheck to pay for people who won't go to work?"

The passage of this bill will make it easier for those and other dedicated young people to obtain employment, and it will take away the disincentive from those who fear that they might fail when they go to work and lose their security.

Mr. Chairman, I urge the passage of this bill.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the ranking minority member of the full committee, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I support H.R. 3236, because I believe it would make long-needed improvements in the social security system's disability insurance program.

It is a balanced bill, carefully developed over a long period of time. During its formative stages, including extensive public hearings, it received a great deal of praise and little adverse criticism. In recent months, however, it has been the target of vigorous—and in some cases, misleading—lobbying efforts, and I would like to address myself briefly to this 13th-hour assault.

Opponents of the measure seem to be concerned primarily with one provision, section 2 of the bill. Total social security benefits to any one family already are limited by law, and section 2 would lower this existing family maximum, prospectively only, with respect to benefits for the disabled and their dependents. Contrary to some of the criticism, the new ceiling would not be punitive, would not affect persons already drawing benefits, and would not reduce primary benefits in the future.

Studies by our committee staff and others have shown that, despite the present law ceiling on total family benefits, some disability insurance beneficiaries and their dependents are better off financially than they were before the onset of disability, when the insured breadwinner was a full-time worker. The program simply was not designed to achieve that result. From the outset, our social security system has offered insured workers and their dependents a "floor of protection" against a loss of earnings due to certain contingencies, one of which is disability. The idea has been to provide basic protection, not more spendable income.

Against that background, H.R. 3236 would limit total benefit payments to a disabled beneficiary, plus dependents, to the lower of: 80 percent of the beneficiary's average predisability earnings, or 150 percent of the primary insurance amount. Considering the tax-exempt status of social security benefits and based on a preponderance of evidence presented to the committee, this limitation appears reasonable and equitable.

Second, some adverse criticism has been directed at section 3 of the bill, which reduces so-called dropout years for younger workers. Under the present law, younger disabled workers receive benefits which are disproportionately higher than those paid to older disabled workers. This happens, because benefits are based on average covered earnings, which have risen dramatically in recent years. The younger the worker, the fewer years of lower earnings. The older the worker, the more years of lower earnings which have to be taken into account. H.R. 3236 would cut this benefit disparity by phasing down the earnings years which younger workers may exclude for benefit computation purposes.

To those who feel that H.R. 3236 goes too far in modifying future benefit levels or in making program changes, I would say that it is really a rather modest effort. It certainly does not go as far in any direction as some observers would like. During the 4 years in which the measure was being developed, the Subcommittee on Social Security heard a wide variety of proposals, including these:

To lower family benefits to levels far below those now in the bill;

To completely federalize the program, taking away from the States the task of making initial disability determinations;

To all but eliminate judicial review of appealed cases; and

To shorten the hearings and appeals process by abolishing the jobs of more than 600 administrative law judges.

These were just a few of the suggestions which the subcommittee entertained, but did not pursue, on the main ground that they were too controversial. What emerged from the subcommittee's lengthy deliberations was a series of amendments which were considered reasonable and enactable.

In essentially the same form it is in today, this legislation sailed through the subcommittee unanimously. The full committee made some minor alterations, then reported the bill, by voice vote.

Only after the bill had cleared the committee did the lobbying against any of its provisions develop in earnest. During public hearings on the measure, few voices were raised in protest. Praise, however, was effusive—and it came from scores of groups with diverse interests.

No wonder. Even the most strident opponent of sections 2 and 3 will concede that most of the bill contains sorely needed program improvements.

It would provide greater incentives for those beneficiaries who potentially are able to return to employment by lengthening the trial work period, by extending medicare coverage to those who do get back into the labor force, by eliminating any waiting period for medicare coverage for those who become disabled a second time, and by substantially liberalizing the impairment-related work expense deductions.

H.R. 3236 also would require the Government: First, to give claimants better explanations of disability determinations; second, to pay for existing medical evidence to support disability claims; third, to pay for a claimant's travel costs to obtain medical examinations; and fourth, to review periodically every nonpermanent case on the disability rolls.

These are all good provisions. The changes they would make in the disability insurance program are long overdue.

I submit, Mr. Chairman, that the sum of this bill is greater than any of its parts. And I suggest that if we cannot accept a modest set of proposals such as these, it is doubtful we ever can come to grips with some of the tougher social security issues that lie ahead.

Mr. PICKLE. Mr. Chairman, I yield 4 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman, I rise in opposition to this legislation. Rather than being a "reform" of the social security system, as its proponents claim, H.R. 3236 will have a devastating effect on those Americans who find themselves disabled and unable to find employment in a labor market already contracting under the pressures of our economy. Some of the proponents of this legislation have gone so far as to term these proposed changes "rather mild" in their impact on the disability insurance program. The fact is that this bill, if not defeated by the House today, will have a devastating impact on the disabled and their families.

H.R. 3236 would limit total benefits for future disabled workers to 80 percent of their average monthly earnings or 150 percent of the primary social security benefit they would have received upon normal retirement, whichever is less. This provision could reduce current benefit levels by up to 20 percent. Given that the average monthly benefit is only $340, a 20-percent reduction would place many beneficiaries below subsistence levels. Disabled workers usually lose valuable benefits, such as health care provided by their previous employer and, in addition, they often need to pay others to provide services they can no longer perform for themselves, such as home maintenance, transportation, and additional medical expenses caused by the disability. These increased costs dictate that more income than disabled workers now receive would be far more appropriate than the reducton which would occur under this bill.

While the negative effects of this legislation would apply to all disabled persons, I would like to turn for a moment to the effects that the two most damaging provisions of this bill will have on particular segments of the disabled population. The "cap" on the family benefit level in section 2 of the bill and the reduction in the number of "dropout years" for disabled beneficiaries under the age of 47 in section 3 will work the greatest hardship on younger disabled persons and their families.

Earnings, for most people, tend to rise in the early years of employment and reach a peak in the middle years. Thus, young disabled workers and their families are denied higher real earnings in the future. The ability to exclude low-earning years in computing benefits compensates in part for this loss. Since workers aged 26 or less "would not be allowed to exclude any years," under this legislation, these workers would be particularly penalized, because of the irregular work pattern of many young people.

The American Council of the Blind has indicated to me that the impact of this bill on blind Americans will be particularly startling. According to Social Security Administration statistics, one-third of the total 2.8 million disabled beneficiaries are under the age of 50. However, within the total number of blind beneficiaries, some 116,000, fully 71 percent are under 50 years of age. Thus, the detrimental impact upon the blind would be more than twice as great as upon disabled persons generally.

Blacks and other minorities would also be disproportionately harmed by the provisions in H.R. 3236. A recent review by the study group on social security indicates that "more blacks than whites become disabled and are more apt to have dependents." The 150-percent limitation of earnings on family benefits would be particularly hard on black and other minority workers with greater numbers of young children in their families. The alternative benefit limitation of 80 percent of a worker's average indexed monthly earnings would bear heavily on blacks because of their relatively low earnings records, especially during their younger years. The likelihood of low earnings records in the early years of a minority person's employment makes the current dropout years allowance an important compensation measure for minorities as well as younger workers. Black and other minorities also tend to have greater representation amongst younger disabled workers. Coupled with the high unemployment rate in minority communities, these workers would not only suffer the greatest cuts in benefits, as proposed by H.R. 3236, but they would also have the least hope of finding employment to replace their loss in benefit support.

Another group hit especially hard by these amendments is the Vietnam era veterans who are also in this younger age bracket. We have yet to deal compassionately and effectively with the legacy of our involvement in Southeast Asia, the plight of the Vietnam veteran. Now we are asking that they share a disproportionate burden in the name of "reforming" the social security system.

Public concern for fiscal responsibility cannot be misinterpreted as a license to assault social security benefits. If your constituents were faced with a choice between the type of "reforms" contained in this legislation and continuing to protect those Americans who find themselves disabled and without employment, I cannot believe that they would prefer to strip disabled Americans of what little support they currently receive. I strongly urge you to defeat this legislation.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I rise in support of H.R. 3236 and its goal of bringing much needed reform to the social security disability program. As you know, Mr. Chairman, during the 4½ years that I have served as a Member of this House, I have consistently advocated improvements in the operation of the disability program specifically, and the entire social security system in general. I believe that we must make changes if this system is to continue to receive public support. In 1977 and again this year, I introduced legislation aimed, generally, at reforming the disability insurance program, and particularly seeking to eliminate some of the work disincentives which exist in the present system. Portions of my bill, H.R. 536, have been incorporated into the legislation we have before us today.

The disability program as it operates today exemplifies many of the problems facing the entire social security system. It is a program which has a vital purpose: to provide for the needs of disabled workers and their families on a permanent basis or until the worker can resume gainful employment. No one should seriously question that this goal is proper as well as necessary.

Unfortunately, over the years the disability program has acquired features which serve to discourage beneficiaries from attempting vocational rehabilitation and then returning to the labor market. For example, Congress has frequently increased benefit levels in the interest of providing adequately for disabled persons and their dependents. However, testimony given to the Committee on Ways and Means indicated that the higher the level of income replacement ratio provided by a disability insurance program, the greater the deterrent to reemployment. Under our present program, income replacement ratios for the average disabled worker with dependents increased by about 50 percent between the years 1967 and 1976. Over the same period disability recovery rates decreased by about one-half. We now spend over $13 billion annually in benefit payments to disabled workers and their families. Judging from the level of our present replacement ratios, I must conclude that a significant portion of this money goes to create a major reemployment deterrent.

However, it is important to note that benefit levels alone are not the sole employment deterrent contained in the program. As it operates today, the disability program does not provide the type of positive support which I feel we need to encourage disabled people to return to work. For example, the present system allows only a 9-month trial work period during which time benefits can continue to be paid. If the individual works beyond this period and then finds that he cannot remain gainfully employed, he is required to initiate a complete new application in order to reestablish eligibility for benefits. He also loses his medicare coverage and must wait an additional 2 years to regain entitlement to the program.

As I mentioned a moment ago, I have introduced legislation aimed at reforming the disability program. My bill recognized that the disincentives in this program go beyond the level of benefit payments. I testified about this problem before the Committee on Ways and Means and pointed out that my legislation would establish a longer 24-month trial work period and eliminate the waiting period for renewing medicare benefits. I am pleased that the committee chose to incorporate these proposals in the bill which is now before us.

Another serious problem in the present disability program lies in the administration and review of the disability determination process. Under the present program, we have found that the Department of Health, Education, and Welfare has not developed a reasonable standard of performance to guide the State-operated disability determination agencies in their handling of disability claims. Worse still, we have found that the Department is reviewing only about 5 percent of all disability determinations. This lack of performance guidelines and low rate of decision review means that we cannot insure the level of accuracy and uniformity that we should have in a program of this size.

The legislation I originally proposed, H.R. 536, recognized the lack of adequate administrative review, and I stressed this problem in my testimony before the committee. I am pleased that H.R. 3236 mandates a phased increase in the review process to a point where 65 percent of all decisions will be reviewed each year starting in 1982. Furthermore, the bill addresses the problem of uniformity in the determination process by requiring the Secretary to develop a set of performance standards and guidelines to provide better direction for the State agencies in making disability determinations. This approach will allow us to implement criteria which should improve the accuracy and uniformity of disability determinations, while at the same time allowing us to maintain the present contractual arrangement with the State agencies.

Continuing this arrangement is fiscally sound as well as practical. The disability determination process does not have to be federalized to operate properly, and this bill does not seek that end. State employees will continue to make disability determinations. With this bill, we are merely seeking to obtain the highest level of uniformity possible in the determination process. We have a responsibility to do whatever we can to reasonably insure that a person claiming a disability in Georgia will receive the same determination as someone filing with a similar disability in any other State.

I am convinced that we should make these fundamental improvements in the disability program. The reforms are humane and, at the same time, fiscally responsible. This is an obligation we have to the people who support the program with their tax dollars. In 1977 the Congress raised social security taxes to insure the financial integrity of the disability program and the other social security trust funds. Had we not taken this action, the disability trust fund would likely have gone bankrupt sometime this year. We had an obligation to the disabled people of this country. They had contributed to social security in good faith and with the promise that benefits would be paid if they became unable to work. The Congress had to act to insure that those benefits would continue to be paid when they are needed.

Now that we have assured the funding of the system, I believe we have an obligation to those taxpayers who continue to contribute to the program. We must objectively evaluate the performance of this and other social security programs and make the changes we find necessary.

The need for fundamental reform was the reason that Congress created the National Commission on Social Security at the same time that contribution levels were increased. As you know, Mr. Chairman, I originated the idea for this Commission, and it is now pursuing its mandate to make a thorough review of the system and make recommendations for possible changes no matter how radical. The existence of this Commission gives me reason to be optimistic about the chances for creating a system which will serve us well for the remainder of this century and on into the next.

However, because of my strong support for the activities of the National Commission, some people have asked why I support changes in this or any other social security program before the Commission has had the opportunity to complete its work? The committee acknowledged in its report that these changes may themselves be changed when Congress undertakes a comprehensive review of the system. It is important to understand, however, that Congress is not going to incorporate the findings of the National Commission on Social Security into legislation on the day the final report is issued. That final report is over 1 year away and we all know that Congress will have to give it thorough consideration before taking any action.

On the other hand, the problems of the disability program have been clearly documented. They are continuing even as the National Commission goes about its work, and we cannot ignore that fact. I believe that we would be irresponsible to use our long-range reform plans as an excuse for inaction on specific and documented problems of this or any other social security program when we are presented with constructive solutions.

H.R. 3236 is a reasonable first stage approach to the problems of the disability program. Frankly, there are some features which trouble me. Most notably, I am concerned that the benefit reductions included in the bill will fall with equal weight on those families whose disabled member is totally incapable of ever returning to work as on those with temporary disabilities. I would have hoped that this could have been handled differently, or that we might at least have been given the opportunity to correct the situation on the floor. Unfortunately, the rule prohibits any amendment to this portion of the bill.

On balance, however, I believe the bill addresses the problems of the disability program by offering positive and humane incentives to encourage disabled people to try to return to work. The bill also seeks to insure a better administered program, and one that will, over the long run, curb the program's continually escalating costs. For all of these reasons, I have chosen to support H.R. 3236. I encourage my colleagues to do likewise.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I rise to make some comments on the legislative savings which would be achieved through the Disability Insurance Amendments of 1979 (H.R. 3236).

Most of the time I stand before you as chairman of the Budget Committee's Task Force on Legislative Savings, I discuss legislative savings proposals which have been developed by the executive branch and proposed in the President's budget. This bill is different, however, in that most of the proposed reforms come from a comprehensive examination of the social security disability program which has been conducted over the past several years by the Social Security Subcommittee.

Primarily because the administrative costs of this bill are higher than the estimates available to the Budget Committee and the Committee on Ways and Means in March of this year, the legislative savings in fiscal year 1980 will be less than the target of $62 million recommended by the Committee on Ways and Means in its March 15 report to the Budget Committee and assumed in the first budget resolution. The savings in the disability trust fund will be $17 million and there will be a small net cost of $24 million in the overall budget for the first year of operation under this bill.

The significance of legislative savings in a benefit program such as this, however, is not in the first year of implementation but in succeeding years. This occurs because the basic entitlement of current beneficiaries is normally not affected so that savings occur when people first become eligible for benefits. Typically with entitlement legislation, as the proportion of the beneficiaries who enter the program after enactment of reforms increases over time, the savings from reforms also increases. The Disability Insurance Amendments of 1979 are not an exception to the pattern. By fiscal year 1984, the legislative savings from this bill will be $1.1 billion in outlays. Total savings over the next 5 years will be $2.7 billion.

I think that the Committee on Ways and Means should be complimented for their political courage in bringing this bill before us. The appearance of reducing benefits for the needy is always a proposal that is not likely to capture the public's enthusiasm. Therefore, it is vital for the debate to focus on whose benefits will be affected by these reforms. The report accompanying this bill cites testimony by former HEW Secretary Joseph Califano that benefits in about 6 percent of the cases are actually higher than the disabled person's previous net earnings, and in 16 percent of cases, the benefits are more than 80 percent of net earnings before disability. Because of the impact of taxes and work expenses, a replacement rate of 80 percent of net earnings before disability is generally considered adequate to replace predisability income.

The major benefit changes in the bill would be a limit on the total family benefit at 80 percent of average earnings adjusted for inflation or 150 percent of a worker's primary benefit, whichever is lower. The bill would also reduce the benefit advantage which younger disabled persons receive compared with older persons who become disabled.

While achieving outlay savings of $2.7 billion over the next 5 years, the benefit reforms included in this bill will not jeopardize the benefits available to the needy.

The Congressional Budget Office has estimated that disability benefits allow families with one wage earner who becomes disabled to have on the average 95 percent of disposable family income before disability. This bill would reduce this percentage to an average of 89 percent.

For families with two wage earners, the Congressional Budget Office estimates that if one of the wage earners becomes disabled, disability benefits and other family income enable these families on the average to have disposable family income which is 5 percent above the income before disability. This bill would reduce this percentage to an average of 95 percent.

I would further note that protection against an income loss is provided to the low-income disabled. To the extent that disability benefits decline, low-income individuals will automatically be eligible for higher benefits under food stamps, the supplemental security income program, and in some cases aid to families with dependent children. These benefits from other programs will, at a minimum, replace dollar for dollar any income loss from changes in the disability benefit.

Thus, under this bill, we are not relegating disabled Americans to poverty but are avoiding the payment of benefits which in some cases will make people better off financially than when they were working.

It is not desirable public policy to provide financial incentives for people not to work. The Social Security Administration has found that as the percentage of previous income, which is replaced by disability benefits has increased over the past decade, the recovery rate has decreased dramatically. Between 1967 and 1976, the average replacement of previous wages increased by 50 percent. Over the same period, the recovery rate decreased by 50 percent.

In considering this bill, we should be aware that the most important budget problem which we will face over the next half century is the financing and benefit structure of programs which replace the earnings of retired and disabled Americans. The largest program in this category is social security with estimated outlays of $116.8 billion in fiscal year 1980. Other retirement and disability programs will have additional outlays of $49.7 billion in fiscal year 1980.

Ultimately, these programs will be financed through the taxes of workers. Whether the social security tax continues to be the primary way social security will be financed is an issue which involves the incidence of the tax, or in layman's terms from which pocket it will be paid and how the tax burden will be distributed among workers with different incomes. Thus, our major budgetary dilemma will be how to finance retirement and disability programs in a way which is fair to both recipients and to workers whose taxes finance the benefits.

The bill before us today is equitable for recipients and is fiscally responsible. I urge you to vote in favor of this bill.

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Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I would like to have a colloquy, if I may, with the chairman of the committee. I will just ask a couple of questions. I received a whole list of people who are now against the bill, and I think the gentleman answered partially why they are so up-tight about this; but I would like to ask a couple of questions, if I may, to get a few things clear.

Under the bill, if a person becomes disabled and then decides to go back to work and try it for a while and it does not work, and he then comes back under the disability benefits, does he come back on under less benefits than he had when he went off?

Mr. PICKLE. If the gentleman will yield, the answer is "no," he does not. He comes back at the same level.

Let me point this out to the gentleman: It is for that very purpose that we have made this change. We say to the man, "You may go back to work, and if you cannot make it, you come back on the rolls at the same level. You forego your benefits; you do not lose your eligibility. You just do not draw benefits during that time, but your eligibility is protected."

Mr. MARRIOTT. Now you have extended the trial work period from 9 months to 24 months; is that correct?

Mr. PICKLE. Yes; it was 1 year. We just extended it 1 additional year.

Mr. MARRIOTT. You are saying a person who is disabled and goes to work after 20 months, comes back under the program, he gets the same level of benefits he would have received under the old schedule?

Mr. PICKLE. That is correct. But with any increase that might have been added in the meantime. So that man is not adversely affected. As a matter of fact, it gives him a greater incentive to go out and make an attempt at a meaningful job.

Mr. MARRIOTT. There is one other thing that puzzles me, and that is that it is very difficult, first of all, to get on these benefits, to begin with. You have a 5-month waiting period. The definition of "disability" is about the worst definition you could ever find. It is any occupation disability definition. I do not understand, with that type of scenario, why we are cutting benefits at all.

Is it true that 84 percent of new people coming under the program will in fact come under with lower benefits? And we are not counting benefits, are we, which try to keep people from staying on the program? Let me just ask that question. Why are we cutting benefits here under this new program? We are not cutting taxes on our social security payers, are we?

Mr. PICKLE. No. The reason we are making this change is that statistics show us that over 6 percent of the people drawing maximum family disability benefits draw more benefits under disability than they were earning in predisability income. Up to 16 percent of them draw more than 80 percent of their average predisability earnings.

In that scenario, we say to you that it is difficult to explain to the American people why a person should receive more money tax-free on a disability than he earned before. That is why we put it in. We did not set out for the purpose of cutting taxes, cutting benefits, or trying to save money. We tried to correct a situation that was untenable and that must be corrected at some point.

Mr. MARRIOTT. The gentleman is not suggesting that the level of benefits has anything to do with how long people stay under a program, is he?

Mr. PICKLE. No. The secret, the key, to this whole program is that we are trying to get a proper balance of what is adequate benefits compared to work incentives—how much do you pay a man, how much does he have to earn—or not earn—before he gets off disability. It is a very difficult level to establish. We followed the leadership of HEW in that respect. Let me say to the gentleman in this connection, with respect to the cap and the drop-out rate and the bill as a whole, it was endorsed by former Secretary Joseph A. Califano, who strongly supported this bill, by Stanford Ross, Commissioner, Social Security Administration, and by the present HEW Secretary, Mrs. Harris. We know there are difficult decisions in these areas, but we think they are the right decisions.

Mr. MARRIOTT. I thank the gentleman.

Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I rise in strong opposition to H.R. 3236 which some have referred to as the disability insurance reform amendments of 1979. To consider this bill as a "reform" measure is a hoax when in fact its real impact would be to drive millions of disabled Americans deeper into the perils of poverty.

Let me say at the outset that I am joined in my opposition to this legislation by the distinguished chairman of the House Select Committee on Aging, Mr. CLAUDE PEPPER. I serve as chairman of the Aging Committee's Subcommittee on Human Services and CLAUDE PEPPER and I are especially concerned with the negative features of H.R. 3236 which impact on the sizable number of disability recipients over the age of 60. Older Americans and especially those on fixed incomes are already the most economically vulnerable segment of our population. Our legislative efforts should be directed at providing older Americans with greater—not less protection against inflation.

The bill's faults are many and can be traced in large measure to two false premises which proponents base this legislation on. The first is that the disability insurance program trust fund is in serious trouble and therefore benefits must be reduced. The 1979 report by the trustees of the social security trust fund predict a surplus in the disability program for the next 75 years. The second premise is that by reducing benefits you will be somehow providing a work incentive for those on disability. The facts are that many of those on disability are not capable of rehabilitation and in fact more than 70 percent of disability recipients are over age 50 and have chronic disabilities which make rehabilitation impossible. Work incentives are important but to apply them to this program in this broad a fashion is at best misguided intent.

Much of my objection to this bill stems from section 2 of which imposes a ceiling on family benefits calculated at 80 percent of averaged indexed monthly earnings or 50 percent of the benefit amount, whichever is lower. The impact of this provision is best illustrated by the following chart prepared by the AFL-CIO, a strong opponent of this legislation.

TYPICAL EXAMPLE

In order to demonstrate the actual effect of benefit reductions under H.R. 3236 for a typical family, a comparison is made below between current benefit levels with those provided by the bill for workers at different ages earning $15,000 at the time of disability. The example is for a worker with a wife and two children.

Workers age	Current family benefit (monthly)	Proposed benefit (monthly)	Percent reduction in benefits
30	$858	$730	15
40	843	714	15
50	819	702	14

The percentage reduction will vary according to age and income. For example, for incomes of $10,000 and $11,500 at the above ages, the cuts will be approximately 20 and 18 percent. On an average, the bill will result in a 15-percent benefit reduction for disabled workers with families.

Another especially punitive provision of the bill is contained in section 3. Presently all disability recipients are able to "drop off" 5 years where they received low or no earnings when calculating their disability benefit levels. Section 3 proposes to do away with this dropoff provision for those under 27 and not apply the 5-year dropoff until a person reaches age 47. This serves as an unnecessarily cruel penalty on younger workers who, under the rules of the program, have to prove higher degrees of disability simply to become eligible. Further, younger workers are frozen at average earnings levels at the time they became disabled. Finally, statistics have shown that over the past decade, the rate of unemployment among younger people, especially the minority young, has run far in excess of the national average, meaning that by age 27 some disabled may have just begun to work.

Perhaps the most fundamental objection I have to this bill is that it is premature. Here we are expected to vote on legislation making major changes in the disability insurance fund before even evaluating major reports which we mandated in 1977 legislation. These include reports by the National Commission on Social Security and the Advisory Council on Social Security.

The list of those opposing this legislation is impressive and should be persuasive. As mentioned earlier, the AFL-CIO is strongly opposed. The leading senior citizen organizations—the American Association of Retired Persons, the National Council of Senior Citizens, the National Council on Aging are all opposed. The Disabled Veterans of America and the Multiple Sclerosis Society and the National Organization of Women are opposed. Perhaps the most germane of all opponents are those who make up the SOS Coalition to protect social security. This group is led by former HEW Secretary Wilbur Cohen who has spoken out repeatedly in opposition to this legislation. Also on the SOS Coalition is Robert Ball, former Social Security Administrator under President Kennedy, Johnson, and Nixon. His two predecessors in that job, Mr. Charles Schottland and William Mitchell, are also part of the SOS Coalition opposed to the bill. These are men who administered the programs who feel these so-called reforms are not good for the program and the disabled of this Nation.

One other note about a distinguished opponent of this legislation. Our revered colleague, Wilbur Mills, who as chairman of the House Ways and Means Committee, had a truly outstanding knowledge of the workings of the social security system. In a letter dated June 18, indicated his opposition to H.R. 3236 until Congress may have an opportunity to further examine the situation.

Let me close with one observation. The social security system, since its inception more than 40 years ago, has been a source of great confidence to the American people. They had the confidence which comes when one enters into a contract which has a performance guarantee. The social security system has honored its contractual arrangements throughout its history by never missing a payday. Yet constant news of shortages in the social security trust fund coupled with attempts at legislative "reforms" such as H.R. 3236 begin to undermine the American people's confidence in the system. As the National Council on the Aging said:

> The social security system is an intergenerational compact which has served America well for three generations. Hastily construed adjustments to the system . . . constitute a precipitous and unnecessary challenge to the soundness of the system.

In conclusion I implore my colleagues to defeat this bill. It is premature—it is punitive and provides the most damage to those least able to afford it.

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Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, I thank the able gentleman and my devoted friend for allowing me that much time.

Mr. Chairman, as chairman of the Committee on Aging, I join several million individuals in over 100 organizations across the Nation in expressing my strong opposition to H.R. 3236, the Disability Insurance Amendments of 1979.

Mr. Chairman, I have the figures here from HEW, that 30 percent of the people who are affected by this legislation are 60 years of age and over, and the average age of the people who are covered by this disability insurance, the amount of which is attempted to be reduced, is 55-6/10ths. So this affects elderly workers as well as the average workers.

Of particular concern to the tens of millions of elderly and disabled persons are the so-called benefits cap and dropout provisions. Under section 2 of the bill as reported, beneficiaries would be limited to a maximum amount of total benefits: 80 percent of the worker's average monthly earnings, prior to his disability or 150 percent of the worker's primary insurance amount, whichever is lower. Section 3 of the bill would eliminate or reduce the number of low earnings or no earnings years that a disabled worker could "drop out," or disregard for the purposes of computing benefits.

As a member of the Committee on Rules, I urged that closed rule be denied H.R. 3236 so that these odious provisions could receive the scrutiny of this entire body. To my profound disappointment, the Rules Committee did not provide for discussion of this bill with a rule that would make amendments to strike these provisions in order.

As it is presented on the floor today, H.R. 3236 represent an alarming lack of mature and intelligent deliberation. The intent of the bill appears to be quite clear. The committee report defends the benefits cap and dropout provisions in terms of "the need for work incentives." It would seem that the supporters of these two provisions do not believe that recipients are in fact disabled. Mr. Chairman, nothing could be further from the truth.

Congress wrote strict eligibility requirements in 1956 when the disability program was initially added to social security; and 11 years later Congress rewrote the eligibility criteria to tighten them further still. Currently, to qualify for disability benefits, individuals must be severely impaired. No consideration is given to social or vocational limitations. Moreover, an applicant must wait 5 months before becoming eligible for benefits. Because unemployment compensation is payable only to employees able to work, the waiting period usually means almost half a year without income. I would add that the Social Security Administration has historically pursued a notoriously rigorous policy of implementing regulations to the extent that large numbers of people who should qualify by any humane standard, do not.

The authors of the report language, with their continual references to work disincentives, would have us believe that beneficiaries are living off the fat of the land at the expense of the American taxpayer. H.R. 3236, they claim, will end this alleged extravagance by lowering benefit levels to the point where these "freeloaders" will have an incentive to return to work.

But disability benefits are not glamorous—the average monthly payment is only $327.66. It is to take leave of commonsense to suggest that a sum of $80 per week will discourage individuals from returning to work. The fact is, Mr. Chairman, that most disability beneficiaries cannot return to work. In almost all cases the disability is chronic and progressive in nature, and in many the ailment is expected to terminate in death.

We are told, nevertheless, that these cutbacks are necessary to keep the trust fund intact. Very few of us in this Congress have failed to affirm our sense of fiscal responsibility to the American taxpayer. All too often, however, the fiscal knife has been wielded most enthusiastically on those tied to the stake of poverty and misfortune. H.R. 3236 is a tragic example of moral irresponsibility in the name of fiscal austerity.

The bitter irony is that the trust fund is in no danger of bankruptcy at all. The growth rate of the number of beneficiaries on the rolls is the lowest since the beginning of the program. Furthermore, the Social Security Amendments of 1977 rectified the error in indexing benefits that initiated the trust fund crisis. Mr. Chairman, that crisis has passed. But today we are in danger of creating a much greater one among the disabled population in America.

Whatever the intent of the bill, its effects cannot be mistaken. I quote from the language of the committee report:

> The 80-percent limitation is designed to affect wage earners at lower earnings levels.

The bill in fact will slash the benefits of the very individuals that need them the most—the low-income disabled. This attempt to goad the disabled and elderly back into the work force by reducing their benefits would serve only to punish those in desperate and legitimate need of Government support.

Mr. Chairman, to those of us who were around almost 45 years ago when the social security system was in its infancy and have seen it evolve into an ironclad intergenerational compact that has served America well for three generations, this bill is an abomination. This legislation would create a precedent which would fundamentally undermine that social compact. For the first time, concurrent beneficiaries in the same statutory categories would be treated differently depending upon when they first started receiving benefits. I cannot help but believe that the sharp reduction in the level of social security protection will make the over 110 million current contributors to the program and the 35 million current beneficiaries alarmed about the Government's intention to honor its commitments to them.

Finally, Mr. Chairman, I have the figures here from the report on page 34, showing the total amount proposed to be saved in the next 5 years from 1980 through 1984, which is $1,700 million.

Now, Mr. Chairman, from whom is that $1,700 million to be saved? From the crippled people of this country. A cap is to be put on the amount of income under the legislation that is now current that may be received by a family. That includes the children of disabled people who might be the head of a family.

Are we so destitute in America, are we so hard pressed that we have to turn to the cripple as the course of the purchase saving of revenue for the next 5 years?

Is this the leakage that is causing concern to our fiscal structure, the amount we are paying the handicapped of America?

I just hope that I will not be associated in an endeavor that has that purpose. It is regrettable, I think—I know it is commendable that my distinguished friend and those with him want to save money, but goodness knows, are there not other places where we could save a comparable amount without taking it from these people?

They say that they are getting too much money under the present law. How much are they getting? It is $320 a month on the average. That is about the poverty level.

They say, "Well, if we will cut the amount they are getting, we will push them back into regular employment." How do they know we can do that?

Most of them are seriously handicapped, seriously disabled. They are not able in many cases to go back. So if they are not able to go back, all your attempted coercion does is to reduce their standard of living, not only for the disabled person, but also for the children and the spouse of that disabled person, who may still have the honor and the responsibility of being the head of the family.

Mr. Chairman, with all my heart, I oppose this legislation and hope my colleagues will not adopt it.

Mr. PICKLE. I yield myself the remaining time. Mr. Chairman, I thank the gentleman.

I want to say to the gentleman from Florida that all of us on the committee, subcommittee, and the full committee have the highest respect for him as an individual, and we know that the points he has made are made in complete sincerity.

I hope he would give to us the same benefit of good intent when we bring to this floor a bill to give work incentives so people could come back to work.

I say to the gentleman that the amount of money that people get under the social security disability program is based on their earnings. They get so much based on what they have earned during their worktime. This is a social insurance program. It is not a welfare program. We cannot give everybody everything and all the amounts that they want. We must keep it somewhere on the insurance principle.

The replacement ratio has gone in 1967 from 60 percent up to over 90 percent in 1975. No private company would give anyone that kind of insurance.

Now, if there is extra money needed, then it ought to come from welfare, from AFDC, and I might say to my colleagues, SSI. Plenty of people are doing that. Those people who the gentleman says would be impoverished would be getting these moneys from other sources.

I say to the gentleman that we are trying to keep this program on an insurance basis, and we cannot defend the fact that we are going to give them more than they would have gotten before they became disabled.

May I make one other point to the gentleman? I love him as an individual, but if we keep on the same levels that we are, the individual then will not have any desire, or very little, to go back. A great many of them are handicapped. can never work, and they will never be affected.

In the first place, as the gentleman knows, we grandfather everybody in so that nobody is hurt, but if we do not give them the incentive, you know what we are doing, in my opinion? We are relegating those people to the closet. We are going to say to them, "You are going to become wards of the Government."

We ought to say to them instead, "Go out and work, and we will give you the protection of the work incentive so that you can find your rightful place in society, and if you can't make it, you have your benefits, and you come back." That is what we are saying.

We are not trying to cut them. We are trying to maintain the integrity of our program.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I am pleased to yield to my colleague from Florida.

Mr. PEPPER. My distinguished and beloved friend knows I have the most profound respect for him, and I am sure he is conscientious in his belief that maybe we should make some cuts in this program, but I have to resort to the logic of the situation and what I see is the fact.

Now, is what my honorable friend is saying that the crippled, the disabled people of the country are to be castigated as chiselers? They are not going back to work, because they are getting more under this law than they would get if they were working? That is a severe castigation of the disabled people of this country.

I believe that the incentive to better life for his family burns just as brightly in the heart of a disabled person as it does anybody else, including the Members of this House.

Mr. PICKLE. Does the gentleman from Florida realize that the amount of people who go off the disability rolls each year amounts to approximately 1.3 percent? That is an astounding figure, to me. At one time we did get 3 percent. At this point, the people who recover are so small that the program is not working.

This bill loses money the first year. That is why we are spending millions of dollars, though, in an effort to try to get people to go back to work.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I reluctantly yield to my distinguished colleague.

Mr. CORMAN. I thank the chairman, but I am fascinated by the gentleman's concern that only 1.3 percent of these people go back, because the law says that they have to be totally and permanently disabled before they go on.

Does it shock the gentleman that we administer this program so tightly that they really do have to be permanently and totally disabled before they go on, and of course they do not go back?

Mr. PICKLE. No; the gentleman knows better than that. There is a presumption that if a man is at a prescribed level of medical impairment he is disabled unless he is actually working and earning more than the substantial gainful activity level. That is the intent of the whole bill.

It is not that he is permanently disabled. If he is permanently disabled, he would not be subject to the rule.

Mr. CORMAN. My point is that the gentleman is concerned about the fact that those going back are such a small percentage, I say that that is proof that the program is being administered very tightly in the first place.

● Mr. STARK. Mr. Chairman, I rise in opposition to H.R. 3236, the Disability Insurance Amendments of 1979.

Mr. Chairman, the guts of H.R. 3236 is an average 15 percent reduction in benefits for the families of workers who became disabled after 1978. The question before the House today is not whether social security benefits can ever be cut. It is whether or not the cuts in this bill are fair and necessary.

According to the committee report the cut in family benefits is designed "primarily to strengthen work incentives for disabled beneficiaries." Is cutting family benefits a fair and effective way to get individuals who would otherwise meet the eligibility requirements of the disability program to stay off the program?

Current law states that an applicant for disability insurance must be unable, because of his or her impairment, to do any work that exists in the national economy, regardless of whether or not: First, such work exists in the immediate area in which he lives; second, a specific job vacancy exists; or third, the person would be hired if he applied for work.

Mr. Chairman, if the law is not being enforced—if there are people on the disability rolls who are able to "do any work that exists in the national economy" then does it not make more sense to improve on the eligibility determination process than to cut benefits across the board? The benefit cuts in this bill will hit 84 percent of newly disabled workers with dependents receiving benefits. That is reneging on promises we have made to U.S. workers over the years who have paid taxes year after year.

Mr. Chairman, in a letter to all Members dated July 17, 1979, the distinguished chairman and ranking minority member of the Ways and Means Committee observed that this bill is the result of 5 years of work. Yet in the committee report one justification advanced for an average 15 percent cut in benefits is the fact that it is "temporary and transition in the sense that when the social security benefit structure and formula are examined later in this Congress in a comprehensive way, other approaches might be found preferable for the long term."

With all due respects to my colleagues on the committee—would it not have made more sense to wait a few months until this comprehensive review is completed before we start placing a greater financial burden on the disabled? Frankly, I think disabled Americans have the right to have us get it straight the first time. If we have waited 5 years for a bill to make the disability program more "responsive to today's work force" then we can wait a little longer to see what a comprehensive look at the system teaches us.

Mr. Chairman, the disability insurance trust fund is in good shape financially. The committee report states that the 1977 amendments assured the solvency of the trust fund well into the 21st century.

It has been alleged that "special interest groups" have mounted an intensive campaign to defeat this bill. The allegation is correct. Organizations of the disabled, labor, women and church groups, civil rights groups, and senior citizens' organizations, and veterans organizations have banded together to protect the public—and I believe, to protect us, from a mistake—a grave mistake.

I would like to quote from just one of the dozens of letters that I have received asking me to vote against H.R. 3236. This one is on July 11 from Billy O. Hightower, national commander of the Disabled American Veterans. He wrote:

> . . . in a message to Congress on welfare reform the President stated that "even in a period of austerity and fiscal stringency" the Nation "cannot afford to ignore its most needy citizens." This plan he stated is guided by two principles, "those who can work should, and there should be adequate support for those who cannot." We must ask: Is H.R. 3236 the "adequate support" for those who are physically unable to work? We think not.

I urge defeat of the bill.●

● Mr. WEISS. Mr. Chairman, I oppose H.R. 3236. I regret that I cannot support this bill, for it contains much-needed reforms in the areas of work disincentives and administration. However, it also contains a clause restricting disability benefits to 80 percent of the recipient's previous average indexed monthly earnings (AIME), and I believe that this provision is destructive enough to outweigh the bill's positive features.

The proponents of this provision claim that under present law disabled workers can receive more in disability benefits than they ever received in pay, and that the 80-percent AIME cap will remove a substantial work disincentive by insuring that this does not occur. However, the cap is far more restrictive than it appears. The AIME is calculated by averaging all of a worker's earnings, including extremely low, and even part-time, wages, from the very beginning of the recipient's earnings history. In effect, this condemns disabled workers to benefit levels that are usually far below their earnings at the time that they were injured.

The destructive impact of this provision can be fully grasped only in light of the fact that at no point during the existence of the disability program have more than 3 percent of its recipients returned to work. This figure includes periods in which average disability benefits replaced only 60 percent of the recipient's prior earnings, so that incentives to return to work were extremely strong. The fact is that most disability recipients are simply incapable of supporting themselves and their families. It seems grossly unfair to make the existence of the great majority of disabled workers more difficult in order to force the few recipients, who could potentially be reemployed, off the disability rolls.

Mr. Chairman, it is unfortunate that a bill that contains so many constructive work incentives also contains provisions penalizing those who cannot support themselves under any circumstances. However strongly I support the concept of work incentives within disability programs, I cannot, in good conscience, support legislation that reduces benefits for the families of the totally disabled. In a period of inflation such as this one, there is no excuse for cutting the few resources they have.●

● Mr. MAGUIRE. Mr. Chairman, I urge my colleagues to oppose H.R. 3236, the Disability Insurance Amendments of 1979. H.R. 3236 has been publicized as a bill to improve the social security disability insurance program, yet it has been opposed by virtually every disability organization in the country and by numerous organizations representing women, minorities, children, and senior citizens.

The reason for this widespread opposition is clear. H.R. 3236 would drastically reduce benefits to families and to young, severely disabled workers.

Supporters of the bill have claimed that such cuts are necessary to reduce the "high" replacement ratio of benefits to previous earnings. However, social security disability insurance benefits are based upon average lifetime earnings, not earnings immediately prior to disability. Thus, a replacement ratio of 87 percent means that the disabled person and his family are receiving only 87 percent of average lifetime earnings, not 87 percent of actual previous earnings.

What does this mean to a disabled worker and his family? Under current law, a severely disabled person with average lifetime wages of $700 per month receives $328.40 per month in benefits if he had no dependents. The maximum family benefit that the worker with a family could receive would be $612.60, regardless of the size of his family or his salary before he became disabled. If H.R. 3236 is passed, the maximum family benefit allowed for a lifetime average of $700 per month would be $492.60, or $120 less than the current amount.

A young disabled worker would be penalized even more severely than would a disabled worker with a family. At the present time, all social security recipients are allowed to exclude their five lowest earnings years when averaging their lifetime earnings. If H.R. 3236 is passed, disabled persons under the age of 47 would not be allowed the full 5-year exclusions. This reduction in dropout years will lower their average wages upon which benefit levels are based. If they have families to support, the combination of a "cap" on family benefits and the reduction in dropout years can be substantial.

It is estimated that the reduction in dropout years and the "cap" on family benefits will reduce the cost of the DI program by $1.8 billion over a 5-year period. Every cent of that $1.8 billion, however, will be "saved" by reducing benefits to severely disabled workers and their families.

During the early 1970's, the disability insurance program faced increasing costs, increasing numbers of new recipients, and a serious financing problem for the future. Since that time, however, the number of new recipients has decreased, the benefit formula has been revised, and the trust fund has been pronounced sound by its trustees.

I urge my colleagues to delay action on the disability insurance program so that beneficiaries who are most dependent upon the system are not penalized needlessly by injudicious congressional action. The benefit cuts that have been proposed in H.R. 3236 are not minor, and the effect of those changes will be to undermine the very purpose of the disability insurance program.●

● Mr. GREEN. Mr. Chairman, I rise in support of H.R. 3236, the Disability Amendments of 1979. The decision to cast my vote in favor of these amendments was not an easy one for me. I have heard arguments for and against this bill from a number of distinguished and reputable individuals and organizations in the 18th Congressional District. After careful review and consideration of this bill, I have come to conclude that it embodies reasonable reform, representing 5 years of work by the Committee on Ways and Means, and that it deserves passage by this House.

There are several problems inherent in the present disability program which are addressed by this piece of legislation. Primarily, the present program makes stepping back into the working world—which is difficult anyway—even more arduous for the disabled individual by posing the threat of discontinuance of his or her current medicare coverage and social security benefits after only 1 year of successful employment. The present law forces the disabled person to forecast his or her medical needs a year in advance. H.R. 3236 removes this threat, by allowing for the continuance of coverage under medicare for 4 years after reentry into the work force and by providing for disability benefits for 2, instead of only 1 year. Moreover, should the work attempt prove unsuccessful, present law requires the individual to reapply for medicare coverage. The Disability Amendments of 1979 will eliminate the second waiting period for medicare coverage in the event of an unsuccessful work attempt. Most importantly, should a disabled individual be unable to continue working, H.R. 3236 would allow that person to receive precisely the same benefits to which he or she was entitled prior to the work attempt. Additionally, H.R. 3236 provides for the deduction of significant expenses, such as wheelchairs, which may be necessary to enable the person to work and also provides the spouse of a disabled person an extension of the trial work period. These necessary reforms are long overdue.

When considering the merits of H.R. 3236 I think it is important to keep in mind how beneficiaries may or may not be affected by this legislation. A great deal of the controversy surrounding this bill has centered on the 80-percent cap on the average monthly indexed earnings (AIME). One must remember that this cap will represent a lowering of benefits for a maximum of 30 percent of the individuals who will become enrolled in the social security disability insurance program subsequent to the passage of this bill; H.R. 3236 does not affect any individual enrolled in the disability program today. Under no circumstances will passage of H.R. 3236 eliminate cost-of-living increases due an individual enrolled in this or any other social security program.

When compared with the replacement rate in the old age and survivors insurance (OASI) program, the basic social security program for the elderly, a cap of 80 percent hardly seems severe. Since disability benefits are tax free, replacement of 80 percent of predisability income after taxes for the average recipment of 100 percent of predisability income after taxes for the average recipient. Under the OASI program the maximum replacement rate is 60 percent of preretirement income or roughly 80 percent of after-tax income. Moreover, private disability programs do not typically replace more than two-thirds of an individual's predisability income.

Further interest has focused upon the reduction in the number of dropout years permitted younger workers. A "dropout" year is a year of lower earnings for purposes of benefit calculation. Under present law, a worker age 27 entitled to the maximum benefit receives

$568 per month, while a worker age 50 with a maximum benefit receives only $496. Although the older worker has contributed to the system 23 years longer than the younger worker, he receives a benefit 12 percent lower. This situation is clearly inequitable and H.R. 3236 rectifies this situation by reducing the number of dropout years permitted younger workers.

The New York Times rcently addressed these issues in an editorial entitled "Don't Disable Social Security," which I should like to call to the attention of my colleagues:

Don't Disable Social Security

Some months ago, President Carter asked Congress for modest, sensible changes in Social Security to reduce the need for raising the payroll tax again. The Administration proposed, for example, curtailing some burial benefits and stopping subsidies to affluent student survivors. But Congress is so wary of offending beneficiaries that the House refused to touch even these generous benefits. The Ways and Means Committee did, however, approve the least controversial proposal—a reform of the disability program. But Congressional sensitivity remains; now even that bill seems to be in trouble. For it to fail would be a blow to good sense in the short term—and to Social Security recipients in the long run.

Disability payments have risen fivefold in ten years. Much of the increase is wholly justified, since those unable to work are being offered greater protection. But the increase also reflects the perverse financial incentives built into the system. Many people are eligible for larger payments than their wages. Once on disability, there are barriers to ever getting off. To work again means losing Medicare coverage even if continuing care is needed. And workers believe it may be difficult, once off the disability roll, ever to get back on. So for safety's sake they stay.

The House bill would, reasonably, limit benefits to a person's maximum take-home pay prior to becoming disabled. It would ease the transition from disability back to work by extending Medicare coverage for three years. And it would allow automatic reinstatement for those who try to return to work and find they can't. Stanford Ross, the Commissioner of Social Security, estimates the reforms would save about $1 billion a year by 1984—without costing beneficiaries a cent.

Then why the opposition? Some claim there is no need to limit cash benefits to a person's previous take-home pay. But surely there is no reason to invite fraud by making life more attractive on disability than off. The more plausible explanation is that traditional supporters of Social Security view any reduction in payments, no matter how justifiable, as the thin edge of a wedge that would eventually pry out other reductions.

There is some logic to this belief, but it's short-sighted. To defend wasteful aspects of the Social Security System is to invite criticism of the very idea of broad social insurance. The rapid growth in retirees and benefits has greatly increased the system's cost. Today's grumbling over the payroll tax is certain to become louder as already scheduled tax increases go into effect in the 1980's. Those who would protect Social Security have an obligation to help keep its house clean, lest others wield the broom.

The Disability Insurance Amendments of 1979 also contain a number of administrative improvements in the program. It is presently common procedure for an individual denied a benefit to receive merely a computerized notice stating that it has been determined that he or she is ineligible for coverage under the disability program. H.R. 3236 will require that an individual refused a disability benefit be given a detailed explanation of the reason he or she has been denied the benefit. The bill requires that this explanation be made promptly and that it be made understandable. Additionally, the Disability Amendments of 1979 establish uniform procedures for the award and denial of benefits in all 50 States.

Opponents of the Disability Amendments of 1979 frequently point to the fact that the disability insurance trust fund is at the moment financially sound, and therefore that it has been unfair to single out this program for legislative action. Clearly, the disability insurance fund should be made sound on a basis that does not jeopardize the old age and survivors insurance fund, on which the elderly depend for their social security. But this has been a case of "borrowing from Peter to pay Paul". Only 2 years ago, the disability insurance trust fund was on the verge of bankruptcy. The amount of money in the fund was not sufficient to cover its payments. This situation necessitated the legislative action in the Social Security Amendments of 1977, which transferred funds from the old age and survivors insurance fund to the disability insurance fund to make the former solvent. These 1977 amendments have resulted in the transfer of $3 billion each year from other social security funds to the disability trust fund. Old age and survivors insurance is the program which provides social security benefits to the elderly. It has been projected by the Congressional Budget Office that the balance-to-outlays ratio in the OASI program will fall from 34 percent in fiscal year 1979 to the dangerously low level of 5.4 percent in fiscal year 1984. Moreover, in the event of a recession the demand upon the disability insurance fund will increase.

In conclusion, Mr. Chairman, I would like to emphasize the positive accomplishments of the legislation before us today. The disability program as currently structured has strong disincentives for recipients to enter the work force and, thereby, gain their own self-respect and make a significant social and economic contribution to our Nation. The reforms embodied in H.R. 3236 which remove these disincentives are long overdue. The bill also rectifies glaring inequities in the treatment of beneficiaries which presently exist. Finally, this measure puts the disability insurance trust fund on a fiscally and independently sound footing. For all these reasons, Mr. Chairman, I hope the Members of the House will act responsibly and will approve this bill.●

Mr. PICKLE. Mr. Chairman, I have no further requests for time.

Mr. ARCHER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment. No amendments are in order except for the amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and an amendment printed in the CONGRESSIONAL RECORD of June 5, offered by the gentleman from Illinois (Mr. SIMON), which shall not be subject to amendment.

(The bill is as follows:)

H.R. 3236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Disability Insurance Amendments of 1979".

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LIMITATION ON TOTAL FAMILY BENEFITS IN DISABILITY CASES

SEC. 2. (a) Section 203(a) of the Social Security Act is amended—

(1) by striking out "except as provided by paragraph (3)" in paragraph (1) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "except as provided by paragraphs (3) and (6)";

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) Notwithstanding any of the preceding provisions of this subsection (but subject to section 215(i)(2)(A)(ii)), the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for any month on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits (whether or not such total benefits are otherwise subject to reduction under this subsection but in lieu of any reduction under this subsection which would otherwise be applicable) shall be reduced (before the application of section 224) to the smaller of—

"(A) 80 percent of such individual's average indexed monthly earnings (or 100 percent of his primary insurance amount, if larger), or

"(B) 150 percent of such individual's primary insurance amount.".

(b)(1) Section 203(a)(2)(D) of such Act is amended by striking out "paragraph (7)" and inserting in lieu thereof "paragraph (8)".

(2) Section 203(a)(8) of such Act, as redesignated by subsection (a)(2) of this section, is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(3) Section 215(i)(2)(A)(ii)(III) of such Act is amended by striking out "section 203(a)(6) and (7)" and inserting in lieu thereof "section 203(a)(7) and (8)".

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual whose initial eligibility for benefits (determined under sections 215(a)(3)(B) and 215(a)(2)(A) of the Social Security Act, as applied for this purpose) begins after 1978, and whose initial entitlement to disability insurance benefits (with respect to the period of disability involved) begins after 1979.

REDUCTION IN NUMBER OF DROPOUT YEARS FOR YOUNGER DISABLED WORKERS

SEC. 3. (a) Section 215(b)(2)(A) of the Social Security Act is amended to read as follows:

"(2)(A) The number of an individual's benefit computation years equals the number of elapsed years reduced—

"(i) in the case of an individual who is entitled to old-age insurance benefits or who has died (except as provided in the second sentence of this subparagraph), by 5 years. and

"(ii) in the case of an individual who is entitled to disability insurance benefits, by the number of years equal to one-fifth of such individual's elapsed years (disregarding any resulting fractional part of a year), but not by more than 5 years.

Clause (ii), once applicable with respect to any individual, shall continue to apply for purposes of determining such individual's primary insurance amount after his death or attainment of age 65 or an subsequent eligibility for disability insurance benefits unless prior to the month in which he dies, attains such age, or becomes so eligible there occurs a period of at least 12 consecutive months for which he was not entitled to a disability insurance benefit. If an individual described in clause (ii) is determined in accordance with regulations of the Secretary to have been responsible for providing (and to have provided) the principal care of a child (of such individual or his or her spouse) under the age of 6 throughout more than 6 full months in any calendar year which is included in such individual's elapsed years, but which is not disregarded pursuant to clause (ii) or to subparagraph (B) (in determining such individual's benefit computation years) by reason of the reduction in the number of such individual's elapsed years under clause (ii), the number by which such elapsed years are reduced under this subparagraph pursuant to clause (ii) shall be increased by one (up to a combined total not exceeding 5) for each such calendar year; except that (I) no calendar year shall be disregarded by reason of this sentence (in determining such individual's benefit computation years) unless the individual provided such care throughout more than 6 full months in such year, (II) the particular calendar years to be disregarded under this sentence (in determining such benefit computation years) shall be those years (not otherwise disregarded under clause (ii)) for which the total of such individual's wages and self-employment income, after adjustment under paragraph (3), is the smallest, and (III) this sentence shall apply only to the extent that its application would result in a higher primary insurance amount. The number of an individual's benefit computation years as determined under this subparagraph shall in no case be less than 2.".

(b) Section 223(a)(2) of such Act is amended by inserting "and section 215(b)(2)(A)(ii)" after "section 202(q)" in the first sentence.

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual whose initial entitlement to disability insurance benefits (with respect to the period of disability involved) begins on or after January 1, 1980; except that the third sentence of section 215(b)(2)(A) of the Social Security Act (as added by such amendments) shall apply only with respect to monthly benefits payable for months after December 1980.

WORK INCENTIVE—SGA DEMONSTRATION PROJECT

SEC. 4. (a) The Commissioner of Social Security shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of various alternative methods of treating the work activity of disabled beneficiaries under the old-age, survivors, and disability insurance program, including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of disabled beneficiaries to the end that savings will accrue to the Trust Funds.

(b) The experiments and demonstration projects developed under subsection (a) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program without committing such program to the adoption of any prospective system either locally or nationally.

(c) In the case of any experiment or demonstration project under subsection (a), the Secretary may waive compliance with the benefit requirements of titles II and XVIII of the Social Security Act insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least ninety days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner of Social Security to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

(d) The Commissioner of Social Security shall submit to the Congress no later than January 1, 1983, a final report on the experiments and demonstration projects carried out under this section together with any related data and materials which he may consider appropriate.

(e) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j) Expenditures made for experiments and demonstration projects under section 4 of the Disability Insurance Amendments of 1979 shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.".

EXTRAORDINARY WORK EXPENSES DUE TO SEVERE DISABILITY

SEC. 5. Section 223(d)(4) of the Social Security Act is amended by inserting after the third sentence the following new sentence: "In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to the individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions.".

PROVISION OF TRIAL WORK PERIOD FOR DISABLED WIDOWS AND WIDOWERS; EXTENSION OF ENTITLEMENT TO DISABILITY INSURANCE AND RELATED BENEFITS

SEC. 6 (a)(1) Section 222(c)(1) of the Social Security Act is amended by striking out "section 223 or 202(d)" and inserting in lieu thereof "section 223, 202(d), 202(e), or 202(f),".

(2) Section 222(c)(3) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof ", or, in the case of an individual entitled to widow's or widower's insurance benefits under section 202 (e) or (f) who became entitled to such benefits prior to attaining age 60, with the month in which such individual becomes so entitled.".

(3) The amendments made by this subsection shall apply with respect to individuals whose disability has not been determined to have ceased prior to the date of the enactment of this Act.

(b)(1)(A) Section 223(a)(1) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof "or, if later (and subject to subsection (e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(B) Section 202(d)(1)(G) of such Act is amended by—

(i) by redesignating clauses (i) and (ii) as clauses (I) and (II), respectively,

(ii) by inserting "the later of (i)" immediately before "the third month", and

(iii) by striking out "or (if later)" and inserting in lieu thereof the following: "(or, if later, and subject to section 223(e), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A)), or (ii)".

(C) Section 202(e)(1) of such Act is amended by striking out the period at the end inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(D) Section 202(f)(1) of such Act is amended by striking out the period at the end and inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(2) Section 223 of such Act is amended by adding at the end thereof the following new subsection:

"(e) No benefit shall be payable under subsection (d), (e), or (f) of section 202 or under subsection (a)(1) to an individual for any month after the third month in which he engages in substantial gainful activity during the 15-month period following the end of his trial work period determined by application of secton 222(c)(4)(A).".

(3) Section 226(b) of such Act is amended—

(A) by striking out "ending with the month" in the matter following paragraph (2) and inserting in lieu thereof "ending (subject to the last sentence of this subsection) with the month" and

(B) by adding at the end thereof the following new sentence: "For purposes of this subsection, an individual who has had a period of trial work which ended as provided in section 222(c)(4)(A), and whose entitlement to benefits or status as a qualified railroad retirement beneficiary as described in paragraph (2) has subsequently terminated, shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the physical or mental impairment, on which such entitlement or status was based, continues, but not in excess of 24 such months."

(4) The amendments made by this subsection shall apply with respect to individuals whose disability or blindness (whichever may be applcable) has not been determined to have ceased prior to the date of the enactment of this Act.

ELIMINATION OF REQUIREMENT THAT MONTHS IN MEDICARE WAITING PERIOD BE CONSECUTIVE

SEC. 7. (a) (1) (A) Section 226(b) (2) of the Social Security Act is amended by striking out "consecutive" in clauses (A) and (B).

(B) Section 226(b) of such Act is further amended by striking out "consecutive" in the matter following paragraph (2).

(2) Section 1811 of such Act is amended by striking out "consecutive".

(3) Section 1837(g) (1) of such Act is amended by striking out "consecutive".

(4) Section 7(d) (2) (ii) of the Railroad Retirement Act of 1974 is amended by striking out "consecutive" each place it appears.

(b) Section 226 of the Social Security Act is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) For purposes of subsection (b) (and for purposes of section 1837(g) (1) of this Act and section 7(d) (2) (ii) of the Railroad Retirement Act of 1974), the 24 months for which an individual has to have been entitled to specified monthly benefits on the basis of disability in order to become entitled to hospital insurance benefits on such basis effective with any particular month (or to be deemed to have enrolled in the supplementary medical insurance program, on the basis of such entitlement, by reason of section 1837(f)), where such individual had been entitled to specified monthly benefits of the same type during a previous period which terminated—

"(1) more than 60 months before that particular month in any case where such monthly benefits were of the type specified in clause (A) (i) or (B) of subsection (b) (2), or

"(2) more than 84 months before that particular month in any case where such monthly benefits were of the type specified in clause (A) (ii) or (A) (iii) of such subsection, shall not include any month which occurred during such previous period.".

(c) The amendments made by this section shall apply with respect to hospital insurance or supplemental medical insurance benefits for months after the month in which this Act is enacted.

DISABILITY DETERMINATIONS; FEDERAL REVIEW OF STATE AGENCY ALLOWANCES

SEC. 8. (a) Section 221(a) of the Social Security Act is amended to read as follows:

"(a) (1) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216(i) or 223(d)) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency in any State that notifies the Secretary in writing that it wishes to make such disability determinations commencing with such month as the Secretary and the State agree upon, but only if (A) the Secretary has not found, under subsection (b) (1), that the State agency has substantially failed to make disability determinations in accordance with the applicable provisions of this section or rules issued thereunder, and (B) the State has not notified the Secretary, under subsection (b) (2), that it does not wish to make such determinations. If the Secretary once makes the finding described in clause (A) of the preceding sentence, or the State gives the notice referred to in clause (B) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may make again disability determinations under this paragraph.

"(2) The disability determinations described in paragraph (1) made by a State agency shall be made in accordance with the pertinent provisions of this title and the standards and criteria contained in regulations or other written guidelines of the Secretary pertaining to matters such as disability determinations, the class or classes of individuals with respect to which a State may make disability determinations (if it does not wish to do so with respect to all individuals in the State), and the conditions under which it may choose not to make all such determinations. In addition, the Secretary shall promulgate regulations specifying, in such detail as he deems appropriate, performance standards and administrative requirements and procedures to be followed in performing the disability determination function in order to assure effective and uniform administration of the disability insurance program throughout the United States. The regulations may, for example, specify matters such as—

"(A) the administrative structure and the relationship between various units of the State agency responsible for disability determinations,

"(B) the physical location of and relationship among agency staff units, and other individuals or organizations performing tasks for the State agency, and standards for the availability to applicants and beneficiaries of facilities for making disability determinations,

"(C) State agency performance criteria, including the rate of accuracy of decisions, the time periods within which determinations must be made, the procedures for and the scope of review by the Secretary, and, as he finds appropriate, by the State, of its performance in individual cases and in classes of cases, and rules governing access of appropriate Federal officials to State offices and to State records relating to its administration of the disability determination function,

"(D) fiscal control procedures that the State agency may be required to adopt,

"(E) the submission of reports and other data, in such form and at such time as the Secretary may require, concerning the State agency's activities relating to the disability determination process, and

"(F) any other rules designed to facilitate, or control, or assure the equity and uniformity of the State's disability determinations.".

(b) Section 221(b) of such Act is amended to read as follows:

"(b) (1) If the Secretary finds, after notice and opportunity for a hearing, that a State agency is substantially failing to make disability determinations in a manner consistent with his regulations and other written guidelines, the Secretary shall, not earlier than 180 days following his finding, make the disability determinations referred to in subsection (a) (1).

"(2) If a State, having notified the Secretary of its intent to make disability determinations under subsection (a) (1), no longer wishes to make such determinations, it shall notify the Secretary in writing of that fact, and, if an agency of the State is making disability determinations at the time such notice is given, it shall continue to do so for not less than 180 days. Thereafter, the Secretary shall make the disability determinations referred to in subsection (a) (1).".

(c) Section 221(c) of such Act is amended to read as follows:

"(c) (1) The Secretary (in accordance with paragraph (2)) shall review determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216(i) or 223(d)). As a result of any such review, the Secretary may determine that an individual is not under a disability (as so defined) or that such individual's disability began on a day later than that determined by such agency, or that such disability ceased on a day earlier than that determined by such agency. Any review by the Secretary of a State agency determination under the preceding provisions of this paragraph shall be made before any action is taken to implement such determination and before any benefits are paid on the basis thereof.

"(2) In carrying out the provisions of paragraph (1) with respect to the review of determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216 (i) or 223(d)), the Secretary shall review—

"(A) at least 30 percent of all such determinations made by State agencies in the fiscal year 1980,

"(B) at least 60 percent of all such determinations made by State agencies in the fiscal year 1981, and

"(C) at least 80 percent of all such determinations made by State agencies in any fiscal year after the fiscal year 1981.".

(d) Section 221(d) of such Act is amended by striking out "(a)" and inserting in lieu thereof "(a), (b)".

(e) The first sentence of section 221(e) of such Act is amended—

(1) by striking out "which has an agreement with the Secretary" and inserting in lieu thereof "which is making disability determinations under subsection (a) (1)",

(2) by striking out "as may be mutually agreed upon" and inserting in lieu thereof "as determined by the Secretary", and

(3) by striking out "carrying out the agreement under this section" and inserting in lieu thereof "making disability determinations under subsection (a) (1)".

(f) Section 221(g) of such Act is amended—

(1) by striking out "has no agreement under subsection (b)" and inserting in lieu thereof "does not undertake to perform disability determinations under subsection (a) (1), or which has been found by the Secretary to have substantially failed to make disability determinations in a manner consistent with his regulations and guidelines", and

(2) by striking out "not included in an agreement under subsection (b)" and inserting in lieu thereof "for whom no State undertakes to make disability determinations".

(g) The amendments made by this section shall be effective beginning with the twelfth month following the month in which this Act is enacted. Any State that, on the effective date of the amendments made by this section, has in effect an agreement with the Secretary of Health, Education, and Welfare under section 221(a) of the Social Security Act (as in effect prior to such amendments) will be deemed to have given to the Secretary the notice specified in section 221(a) (1) of such Act as amended by this section, in lieu of continuing such agreement in effect after the effective date of such amendments. Therefore, a State may notify the Secretary in writing that it no longer wishes to make disability determinations, effective not less than 180 days after it is given.

INFORMATION TO ACCOMPANY SECRETARY'S DECISIONS AS TO CLAIMANT'S RIGHTS

SEC. 9. (a) Section 205(b) of the Social Security Act is amended by inserting after the first sentence the following new sentences: "Any such decision by the Secretary shall contain a statement of the case setting forth (1) a citation and discussion of the pertinent law and regulation, (2) a list of the evidence of record and a summary of the evidence, and (3) the Secretary's determination and the reason or reasons upon which it is based. The statement of the case shall not include matters the disclosure of which (as indicated by the source of the information involved) would be harmful to the claimant, but if there is any such matter the claimant shall be informed of its existence, and it may be disclosed to the claimant's representative unless the latter's relationship with the claimant is such that disclosure would be as harmful as if made to the claimant.".

(b) The amendment made by subsection (a) shall apply with respect to decisions made on and after the first day of the second month following the month in which this Act is enacted.

LIMITATION ON PROSPECTIVE EFFECT OF APPLICATION

SEC. 10. (a) Section 202(j) (2) of the Social Security Act is amended to read as follows:

"(2) An application for any monthly benefits under this section filed before the first month in which the applicant satisfies the requirements for such benefits shall be deemed a valid application (and shall be deemed to have been filed in such first month) only if the applicant satisfies the requirements for such benefits before the Secretary makes a final decision on the application and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).".

(b) Section 216(i) (2) (G) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed on such first day)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(c) Section 223(b) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed in such first month)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made, or if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(d) The amendments made by this section shall apply to applications filed after the month in which this Act is enacted.

LIMITATION ON COURT REMANDS

SEC. 11. The sixth sentence of section 205 (g) of the Social Security Act is amended by striking out all that precedes "and the Secretary shall" and inserting in lieu thereof the following: "The court may, on motion of the Secretary made for good cause shown before he files his answer, remand the case to the Secretary for further action by the Secretary, and it may at any time order additional evidence to be taken before the Secretary, but only upon a showing that there is new evidence which is material and that there is good cause for the failure to incorporate such evidence into the record in a prior proceeding;".

TIME LIMITATIONS FOR DECISIONS ON BENEFIT CLAIMS

SEC. 12. The Secretary of Health, Education, and Welfare shall submit to the Congress, no later than January 1, 1980, a report recommending the establishing of appropriate time limitations governing decisions on claims for benefits under title II of the Social Security Act. Such report shall specifically recommend—

(1) the maximum period of time (after application for a payment under such title is filed) within which the initial decision of the Secretary as to the rights of the applicant should be made;

(2) the maximum period of time (after application for reconsideration of any decision described in paragraph (1) is filed) within which a decision of the Secretary on such reconsideration should be made;

(3) the maximum period of time (after a request for a hearing with respect to any decision described in paragraph (1) is filed) within which a decision of the Secretary upon such hearing (whether affirming, modifying, or reversing such decision) should be made; and

(4) the maximum period of time (after a request for review by the Appeals Council with respect to any decision described in paragraph (1) is made) within which the decision of the Secretary upon such review (whether affirming, modifying, or reversing such decision) should be made.

In determining the time limitations to be recommended, the Secretary shall take into account both the need for expeditious processing of claims for benefits and the need to assure that all such claims will be thoroughly considered and accurately determined.

"Cost of Rehabilitation Services From Trust Funds

SEC. 13. (a) Section 222(d) of the Social Security Act is amended to read as follows:

"COST OF REHABILITATION SERVICES FROM TRUST FUNDS

"(d) (1) For the purpose of making vocational rehabilitation services more readily available to disabled individuals who are—

"(A) entitled to disability insurance benefits under section 223,

"(B) entitled to child's insurance benefits under section 202(d) after having attained age 18 (and are under a disability),

"(C) entitled to widow's insurance benefits under section 202(e) prior to attaining age 60, or

"(D) entitled to widower's insurance benefits under section 202(f) prior to attaining age 60,

to the end that savings will accrue to the Trust Funds as a result of rehabilitating such individuals into substantial gainful activity, there are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to enable the Secretary to reimburse—

"(i) the general fund in the Treasury of the United States for the Federal share, and

"(ii) the State for twice the State share,

of the reasonable and necessary costs of vocational rehabilitation services furnished such individuals (including services during their waiting periods), under a State plan for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), which result in their performance of substantial gainful activity which lasts for a continuous period of 12 months, or which result in their employment for a continuous period of 12 months in a sheltered workshop meeting the requirements applicable to a nonprofit rehabilitation facility under paragraphs (8) and (10) (L) of section 7 of such Act (29 U.S.C. 706 (8) and (10) (L)). The determination that the vocational rehabilitation services contributed to the successful return of such individuals to substantial gainful activity or their employment in sheltered workshops, and the determination of the amount of costs to be reimbursed under this subsection, shall be made by the Commissioner of Social Security in accordance with criteria formulated by him.

"(2) Payments under this subsection shall be made in advance or by way of reimbursement, with necessary adjustments for overpayments and underpayments.

"(3) Money paid from the Trust Funds under this subsection for the reimbursement of the costs of providing services to individuals who are entitled to benefits under section 223 (including services during their waiting periods), or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such individuals, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this subsection shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Secretary shall determine according to such methods and procedures as he may deem appropriate—

"(A) the total amount to be reimbursed for the cost of services under this subsection, and

"(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

"(4) For the purposes of this subsection the term 'vocational rehabilitation services' shall have the meaning assigned it in title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except that such services may be limited in type, scope, or amount in accordance with regulations of the Secretary designed to achieve the purpose of this subsection.

"(5) The Secretary is authorized and directed to study alternative methods of providing and financing the costs of vocational rehabilitation services to disabled beneficiaries under this title to the end that maximum savings will result to the Trust Funds. On or before January 1, 1980, the Secretary shall transmit to the President and the Congress a report which shall contain his findings and any conclusions and recommendations he may have.".

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 1980.

CONTINUED PAYMENT OF BENEFITS TO INDIVIDUALS UNDER VOCATIONAL REHABILITATION PLANS

SEC. 14. (a) Section 225 of the Social Security Act is amended by inserting "(a)" after "SEC. 225.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of this title, payment to an individual of benefits based on disability (as described in the first sentence of subsection (a)) shall not be terminated or suspended because the physical or mental impairment on which the individual's entitlement to such benefits is based has or may have ceased if—

"(1) such individual is participating in an approved vocational rehabilitation program under a State plan approved under title I of the Rehabilitation Act of 1973, and

"(2) the Commissioner of Social Security determines that the completion of such program, or its continuation for a specified period of time, will increase the likelihood that such individual may (following his participation in such program) be permanently removed from the disability benefit rolls.".

(b) Section 225(a) of such Act (as designated under subsection (a) of this section) is amended by striking out "this section" each place it appears and inserting in lieu thereof "this subsection".

PAYMENT FOR EXISTING MEDICAL EVIDENCE

SEC. 15. (a) Section 223(d)(5) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Any non-Federal hospital, clinic, laboratory, or other provider of medical services, or physician not in the employ of the Federal Government, which supplies medical evidence required by the Secretary under this paragraph shall be entitled to payment from the Secretary for the reasonable cost of providing such evidence.".

(b) The amendment made by subsection (a) shall apply with respect to evidence supplied on or after the date of the enactment of this Act.

PAYMENT OF CERTAIN TRAVEL EXPENSES

SEC. 16. Section 201 of the Social Security Act (as amended by section 4(e) of this Act) is amended by adding at the end thereof the following new subsection:

"(k) There are authorized to be made available for expenditure, out of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as determined appropriate by the Secretary), such amounts as are required to pay travel expenses, either on an actual cost or commuted basis, to individuals for travel incident to medical examinations requested by the Secretary in connection with disability determinations under section 221, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 210(i)) to attend reconsideration interviews and proceedings before administrative law judges with respect to such determinations. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Secretary) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health condition, as specified in such regulations.".

PERIODIC REVIEW OF DISABILITY DETERMINATIONS

SEC. 17. Section 221 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) In any case where an individual is or has been determined to be under a disability, unless a finding is or has been made that such disability is permanent, the case shall be reviewed by the applicable State agency or the Secretary (as may be appropriate), for purposes of continuing eligibility, at least once every 3 years. Reviews of cases under the preceding sentence shall be in addition to, and shall not be considered as a substitute for, any other reviews which are required or provided for under or in the administation of this title.".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

Mr. PICKLE. Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, considered en bloc, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The committee amendments are as follows:

Page 3, line 2, after "subsection" insert "other than paragraphs (3)(A), (3)(C), and (5)".

Page 4, after line 3, insert the following new paragraph:

(4) Section 215(i)(2)(D) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, such revision of maximum family benefits shall be subject to paragraph (6) of section 203(a) (as added by section 2(a)(3) of the Disability Insurance Amendments of 1979).".

Page 4, line 25, strike out "or who has died".

Page 5, lines 12 and 13, strike out "he dies, after "subparagraph),".

Page 5, line 10, strike out "death or".

Page 5, lines 12 and 13, strike out "he dies, attains such age, or" and insert in lieu thereof "he attains such age or".

Page 9, line 15, strike out the comma.

Page 19, line 6, strike out "30 percent" and insert in lieu thereof "15 percent".

Page 19, line 9, strike out "60 percent" and insert in lieu thereof "35 percent".

Page 19, line 12, strike out "80 percent" and insert in lieu thereof "65 percent".

Page 21, after line 6, insert the following new subsection:

(h) The Secretary of Health, Education, and Welfare shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate by January 1, 1980, a detailed plan on how he expects to assume the functions and operations of a State disability determination unit when this becomes necessary under the amendments made by this section. Such plan should assume the uninterrupted operation of the disability determination function and the utilization of the best qualified personnel to carry out such function. If any amendment of Federal law or regulation is required to carry out such plan, recommendations for such amendment should be included in the plan for action by such committees, or for submittal by such committees with appropriate recommendations to the committees having jurisdiction over the Federal civil service and retirement laws.

Page 22, strike out the sentence beginning on line 6.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

□ 1720

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: Page 29, line 15, strike out "1980" and insert in lieu thereof "1981".

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I thank the gentleman from Illinois for yielding. I rise in opposition to H.R. 3236. I would like to associate myself with the remarks of my distinguished colleague, the gentleman from Florida.

Mr. Chairman, I rise in opposition to H.R. 3236, the Social Security Disability Insurance Amendments of 1979. Certainly, nobody can argue with the goal of returning the disabled to useful employment. When H.R. 3236 was in the process of being drafted and considered in the Ways and Means Committee, we held high hopes that the legislation would provide appropriate incentives to get the disabled back to work.

Unfortunately, in the form in which H.R. 3236 comes before us, it will punish all recipients of social security disability benefits—those who can be rehabilitated and those who can never be rehabilitated, either under this bill or any other set of incentives we might propose.

With H.R. 3236 we are confronted with a piece of legislation which clearly contains valuable work incentive provisions, but, at the same time, it seriously undercuts the confidence that workers and their families have every right to place in the social security system.

All of the constituents who have contacted me regarding this legislation have urged me to oppose H.R. 3236, and I have heard from dozens of organizations and coalitions representing the elderly, the disabled, workers and retirees, and all of them vigorously and adamantly oppose H.R. 3236. Among these groups are: S.O.S. (Save Our Security) a Coalition to Protect Social Security; the National Organization for Women; the Community Service Society; the American Coalition of Citizens with Disabilities; the AFL–CIO; the National Council of Senior Citizens the National Association for Retarded Citizens; the Paralyzed Veterans of America; the Eastern Paralyzed Veterans Association; the Grey Panthers of New York City and the Brooklyn Grey Panthers.

Many of these groups see this legislation as a dangerous precedent for future assaults on the social security system. If reductions in disability benefits can be made today in H.R. 3236, perhaps reductions will be made tomorrow in benefits for widows, orphans, dependent children, or the poorest of our Nation's elderly.

Mr. Chairman, there are better ways to get at abuses of the system than to punish all recipients. Even more importantly, if we were to approve this legislation before us, we would be sending a shock wave throughout our Nation affecting all men and women who have contributed to social security all their working lives. If we were to approve H.R. 3236 we would be sending a message that the promises we have made—in law—over the more than 40 years since the social security system was initiated are not to be relied upon. I therefore urge the defeat of H.R. 3236.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague the gentleman from Virginia.

Mr. FISHER. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I would like to express my support for H.R. 3236, the Social Security Disability Insurance Amendments of 1979.

The social security disability insurance program replaces earnings lost by workers who are unable to continue working because of a disability. Disabled workers with dependents receive additional benefits. The disability insurance amendments make a number of changes and improvements in the program. The bill provides incentives for disabled people to return to work and improvements in the administration of the program.

Disabled people may want to attempt to return to work, but may fear the loss of the cushion provided by disability insurance and medical benefits. Several provisions in this bill will encourage disabled people to take the difficult step of attempting to work. If the work effort does not succeed, the disabled person will know that his eligibility for benefits will not be jeopardized. Among the work incentive provisions are the following: A longer trial work period during which a disabled worker can test his ability to work without losing either benefits or eligibility for benefits, an extended period during which disabled beneficiaries who return to work are eligible for medical benefits, and a deduction of extraordinary work expenses from a beneficiary's earnings in order to determine continued eligibility.

Although the provisions for work incentives and the ones improving administration of the program are not controversial, two other sections dealing with benefit levels are. One section makes a change in the limitation on family benefits. Currently the law limits the total amount that can be paid to a disabled worker and his dependents. The worker receives his full benefit—100 percent. With one dependent, the worker can also receive a dependent's benefit which is 50 percent of the worker's basic benefit. In some cases, an additional dependent increases the worker's benefit, but by less than another 50 percent of the basic benefit; the amount allowed for an additional dependent is based on the level of the worker's benefit. The maximum benefit that can be paid to a disabled worker with a family varies from 150 percent of the basic benefit to 188 percent, with the lower limit applying to those with lower benefits. The disability insurance amendments make all families subject to the 150-percent limit, or to a limit of 80 percent of the worker's predisability earnings, whichever is lower. This change affects only future beneficiaries.

Over the last decade, average benefits for disabled workers with families have increased substantially. In 1967, these beneficiaries had 60 percent of their predisability earnings replaced by disability benefits. Ten years later the replacement rate had increased to 90 percent. Many analysts consider such high replacement rates undesirable. Because disability benefits are nontaxable, it is even possible for a disabled worker to have more disposable income than he had while he was working. Disabled beneficiaries who could return to work are discouraged from rehabilitation efforts when benefits are so high. Even in the case of beneficiaries who can never be expected to work again, sound public policy should not provide benefit rates at such a high level. People who do not work should not be better off financially than those who do.

The second feature of the bill that has aroused controversy is the reduction in the number of dropout years for younger workers. Benefits are calculated on the basis of lifetime earnings. Presently all disabled workers are allowed to drop out their lowest 5 years of earnings before their benefits are calculated. This 5-year drop-out provision is more advantageous to younger workers than older ones because 5 years is a bigger proportion of their careers. The bill varies the number of drop-out years by age. The full 5 years would be allowed only to workers over age 47.

This variable drop-out years provision will improve the relationship between older and younger disabled workers' benefits. A young worker should not be able to receive higher benefits than an older worker who was employed for many years when wages were lower than they have been recently. The new provision will correct the disparity between the two groups and be more equitable.

The 1979 Disability Insurance Amendments contain a number of provisions to encourage work efforts among the disabled and improve the administration of the disability insurance program. It assures the active workers who pay the taxes to support this program that equitable benefits will be provided to individuals and families who suffer the misfortune of a disability that takes them out of the workforce.

I urge my colleagues to support this bill.

Mr. SIMON. Mr. Chairman, this amendment I believe is noncontroversial and I hope will be accepted by this body.

Under this bill as it was originally adopted by the Ways and Means Committee, the effective date would be fiscal year 1981. This bill would impose on State rehabilitation services, vocational rehabilitation services some appreciable additional burdens. This was recognized in the Ways and Means Committee report where it says "under the committee bill," and I am quoting the Ways and Means report now, "the effective date is fiscal year 1981 to provide for an orderly transition and for adjustment of the authorization of appropriation for the regular vocational rehabilitation program which is within the jurisdiction of the Education and Labor Committee."

"This is very important if the level of support for VR services to SSDI beneficiaries is to be maintained."

This is a complicated area. I think everyone recognizes that. I talked to the chief sponsor, my colleague from Texas, and requested that we postpone the date 1 fiscal year so that we can take a good look and make sure we know what we are doing in the way of providing assistance to State vocational rehabilitation services.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman.

Mr. PICKLE. The gentleman, I know, understands that the committee has looked at the dates and is perfectly agreeable to extending it from 1981 to 1982. We think it is in line. It is a split jurisdiction matter and it properly is resting in the gentleman's committee. We will go the extra year and we accept the gentleman's amendment on this side.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from Utah.

Mr. MARRIOTT. Mr. Chairman, I just want to get one thing straight. If we are going to extend this for a year, why do we not go back to committee and work on it for a year and come back? I do not understand what we are doing by the gentleman's amendment. Why not just vote this down and go back to committee, and then come back with a bill that solves the problem the gentleman has raised?

Mr. SIMON. If I could respond to my colleague from Utah, frankly this is an area that is exceedingly complicated. We are talking about, No. 1, the kind of support levels that the States can provide the State of Utah, and the State of Texas and the other States. We are talking about the level of support the Federal Government ought to provide. These are things one just cannot overnight go into. I think we would be wise in adopting this amendment at this time.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, this side accepts the amendment.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, we have no objections to the amendment and are completely pleased to accept it.

Mr. SIMON. Mr. Chairman, I yield back the balance of my time.

Mr. PERKINS. Mr. Chairman, it is with a feeling of regret that I must announce that I must vote against enactment of H.R. 3236.

My regret is occasioned by two reasons:

First, there are provisions in the bill which I certainly believe are desirable.

Secondly, I am aware of the hard work that the bill's sponsor, the gentleman from Texas (Mr. PICKLE) has put into bringing this bill to the floor. I have great respect for his dedication and his legislative skill.

Although undoubtedly the legislation is well intentioned, what is being advanced here today as a reform of disability administrative determinations in fact will reduce benefits that can be expected by workers who in the future will be confronted by the tragedy of disabling work injuries.

As I have indicated, I have reluctance in opposing the legislation because I do believe that disabled persons who want to go back to work should not lose their medicare coverage when they do so, nor should they be financially penalized by a decision to return to work when they can safely do so.

Features of the bill—

Which extend medicare protection for an additional 3 years after a disabled person returns to work;

Which permit automatic reinstatement for disabled persons who try to work but are not successful; and

Provisions which allow disabled persons to deduct impairment-related work expenses in determining whether they meet the disability earnings test.

All are desirable reforms of the social security disability program contained in H.R. 3236.

However, my view of section 2 and section 3 of the bill, which have the effect of reducing benefits, constitute regressive legislation of the worst sort and the evil these sections produce far overshadow any good feature the bill might have.

Let me cite an example of what this bill is trying to do under the guise of creating an economic incentive to return to work:

Assume that a worker would become disabled in 1980 with two dependents, and before disabled his earnings were $5,750. The current law would allow him $5,039 in disability benefits.

Understand, this is a big deal. The poverty level for a family of 3 is $5,000—but the committee bill would reduce this disability benefit to $4,600.

The fact is, you cannot force a disabled worker back to work—particularly where the disability sharply reduces the opportunity for any employment.

No, Mr. Chairman, this bill will not return the disabled to work.

But what we are doing by H.R. 3236 is budget cutting at the expense of thousands of the most needy American families.

It has been my experience that most disabled persons who can find and who can perform work are most anxious to do so.

This experience stems from frequent visits to the homes of individuals throughout the 27 Kentucky counties that it is my privilege to represent.

In 15 of the counties that I represent, 41 percent to 57 percent of the families are below the poverty level according to the most recent census data.

In 5, families below the poverty level were 30 percent to 37.5 percent.

Five more had in excess of 22.8 percent below the poverty level.

In 2 other counties, the comparable figures are 14.2 percent and 18.5 percent.

Being a rural district, the economic well-being of the residents has risen and fallen with what has happened generally with respect to the farmers' income. But in most of the counties the nature of the farming enterprise is marginal and provides at best a subsistence level of living for the families.

The economy of many of the rural areas depends upon the production of coal. Most of the coal operations are from very small operators whose annual tonnages are insignificant, but in the total, supply the Nation with a significant portion of its coal needs.

Thus, these scattered communities in the coal counties suffer even more severely than other coal-producing areas of the Nation because of the ups and downs of the coal situation.

Because of the isolation and remoteness of most of the communities in these 27 counties, health, medical, and nutritional services have been inadequate or nonexistent for decades.

Translated into human terms, this means that household, farm and mining injuries often project aggravated and lifelong disabilities.

One of the great social breakthroughs in my experience in Congress was when we were successful in enacting the disability provisions of the Social Security Act in 1956.

As I recall, it only passed the Senate by one vote.

This achievement was followed by a great disappointment on my part because, as a representative of the area that I have described, I saw harsh and restrictive bureaucratic regulations impede the just benefits that were due many disabled persons who could engage in no gainful employment.

For this reason, I have taken heart over the years in the liberalizing provisions of the disability provisions of the Social Security Act.

While it would serve no purpose to my colleagues, who are familiar with them, I want to stress that I regard as important the revision in the disability definition initiated in 1965, the reduction in quarters of coverage requirement in 1967, the liberalizing provisions of 1972 and the other additions enacted subsequent to 1965 which illustrate that our Government is, indeed, humanitarian.

I know that today, more than any other period in our history, we may be inclined to stress, out of some feeling of fiscal urgency, a tightening of the rules and regulations which determine a person's eligibility for disability benefits. But I want to stress a point that I know to be true—and that is that we have become too regimented and too bureaucratic in the determination of disability benefits.

I think this is particularly true in the case of congressional districts of the nature I am privileged to represent.

I hope that the Congress will look very carefully into what is happening in the rural areas of America with respect to benefit programs and reject legislation that could be disastrous for many needy families.

In initiating a claim for assistance, a rural inhabitant is at a great disadvantage, and with the new documentation that is being required for applicants for assistance, I feel that an unreasonable burden is being placed upon the inhabitants of rural areas.

It has always been disturbing to me that the executive and bureaucratic portion of our Government could be less compassionate than the legislative branch, but I feel that this is so, and I hope that all Members of Congress will be vigilant against the exercise of arbitrary administrative regulations in denying people benefits which their government intends them to receive.

Here, again, I want to stress that our goal is to help people in need.

Too often in devising neat administrative ways to do this we deny benefits to the very persons we as Members of Congress have in mind to help when we enact legislation.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Texas.

Mr. PICKLE. I realize the gentleman appeared before the committee and has some reservations about this particular bill.

Let me say to the gentleman the amendment before us is an amendment that was requested by the Education and Labor Committee, by Mr. Simon, in order that the vocational rehabilitation program could more properly rest with the Education and Labor Committee and maintain a regular State-Federal relationship. It has nothing to do with the overall bill other than it was the gentleman's committee's request that we just extend it 1 full year before that committee takes over the program under its jurisdiction.

Mr. PERKINS. After the year expires the gentleman's modification of the disability provision as presently in the law takes effect, am I correct in that assessment?

Mr. PICKLE. This is 1979 and the gentleman has 3 years in order to make the adjustment in his committee and the Appropriations Committee. We do not take away money from the trust fund, we give an extra bonus, a double amount of money to the States.

Mr. PERKINS. Does not the gentleman from Texas think it would be in order to go back before his committee and to have further hearings, further study and see if we cannot come up with some justifiable amendments in addition to this amendment? I think we go overboard with only this amendment and leave the rest unchanged.

Mr. PICKLE. If the gentleman will yield further, I must say I am somewhat confused and almost startled that there would be a note of opposition. We had no requests for this in the committee. It was not considered. We thought in the committee we were doing exactly what the gentleman's committee wanted, and that is why we have agreed to it and asked the Rules Committee for the rule.

Mr. PERKINS. Let me say to the distinguished gentleman from Texas he certainly did not do what I had in mind. I came before the gentleman's committee and opposed the amendment as vigorously as I knew how to oppose it because I knew that the Social Security Administration had always been very tough insofar as these people are concerned.

□ 1730

Mr. PICKLE. Mr. Chairman, I remember the gentleman opposed the bill, but not this amendment. I think the gentleman should understand that this is an amendment that delays the transfer of routine expenditures from the trust fund for the vocational rehabilitation program over to the jurisdiction of the gentleman's committee. I do not remember the gentleman opposing that amendment.

Mr. PERKINS. I did not oppose that amendment, but I opposed the modification.

Mr. PICKLE. Yes. If we could get that vote through, we are in agreement on that amendment.

Mr. PERKINS. I opposed the modification to the disability provision. It is my opposition to the disability provision and not to the amendment of the gentleman from Illinois.

Mr. PICKLE. I thank the gentleman from Kentucky.

Mr. JOHN L. BURTON. Mr. Chairman, in order not to make a preferential motion, I ask unanimous consent to speak for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHN L. BURTON. I ask the Chairman, what is the amount of money these people are getting now that is more than they got when they were working? Fifteen hundred dollars? Two thousand dollars a month on disability for being crippled?

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding. We have got a scale that goes all the way from $1,750 up to $16,000.

Mr. JOHN L. BURTON. Sixteen thousand dollars a month?

Mr. PICKLE. Annually. It is based on earnings.

Mr. JOHN L. BURTON. The point I am making is the gentleman is making a big point that people who are totally crippled are getting more money than they were making while they were working. I do not know anybody who would trade life or limb for more money.

Mr. PICKLE. I will say to the gentleman that is only with respect to family benefits. We do not take away any benefits they have earned and are entitled to.

Mr. JOHN L. BURTON. The gentleman is making a big point, my friend, the gentleman from Indiana, saying that there are people who are not working. In other words, there are people who are crippled who are getting more money because they happen to be in this program, with the cost of living getting more money than while they were working. I wonder if there is anybody in this Chamber who would become totally disabled in order to get a little bit more for being totally crippled for life than they would if they were still working.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I will point out to the gentleman that 80 percent of the average monthly wage means the gross monthly wage.

Mr. JOHN L. BURTON. If the gentleman will give me 1 more minute, I will let him go on.

Mr. JACOBS. I just want to say to the gentleman that that takes into account all of that, and the question still remains, who is going to pay the bill?

Mr. JOHN L. BURTON. I hear that the fund is in surplus. The gentleman from New York said that this fund is in surplus.

Mr. JACOBS. So was the social security fund a few years ago.

Mr. JOHN L. BURTON. But this fund was in surplus 75 years, and I do not think claiming people who are totally crippled because they are getting more money now maybe because of the cost-of-living index than they got when they were working is somehow ripping off the system.

Mr. JACOBS. Will the gentleman yield to make one point?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. JACOBS. This is only scratching the surface. On top of that there are college scholarships that go to that disabled person's children that other people cannot afford for their children.

Mr. JOHN L. BURTON. That is fantastic. That is fantastic. I do not know what good health is worth, but I think it is worth more than a scholarship for my kid. We are talking about totally crippled people.

This is my time, and I am taking it back. We are talking about totally crippled children. We are talking about a trust fund that is secure for 75 years, and I think it is some kind of a red herring that the committee is using. You are not going to save all that much money when it is terrific reform telling somebody who is crippled for life the day after the bill passes, "Tough eggs, buddy. You are only going to get so much money."

Mr. PICKLE. If the gentleman will yield, I must say to the gentleman we are not saying that to the individual at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

The CHAIRMAN. Under the rule, no further amendments are in order, and under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes pursuant to House Resolution 310, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. QUILLEN

Mr. QUILLEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. QUILLEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. QUILLEN moves to recommit the bill, H.R. 3236, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BIAGGI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 235, nays 162, not voting 37, as follows:

[Roll No. 447]

YEAS—235

Abdnor
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Bauman
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Boland
Bolling
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burlison
Butler
Byron
Carney
Chappell
Cheney
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derrick
Devine
Dicks
Dingell
Donnelly
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Findley
Fisher
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hanley
Hefner
Heftel
Hightower
Hillis
Hinson
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDonald
McHugh
Madigan
Martin
Mathis
Mattox
Mazzoli
Michel
Mikva
Miller, Ohio
Montgomery
Moore
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Neal
Nelson
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O'Brien
Panetta
Paul
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Petri
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Railsback
Regula
Rhodes

Ritter
Robinson
Rose
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Snowe
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Ullman
Vander Jagt
Volkmer
Walgren
Watkins
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Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, Tex.
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Addabbo
Akaka
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Anderson, Calif.
Annunzio
Applegate
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Badham
Bailey
Barnes
Beard, R.I.
Bethune
Biaggi
Bingham
Blanchard
Boggs
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Bonior
Brademas
Brodhead
Buchanan
Burgener
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Corman
D'Amours
Danielson
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Davis, S.C.
Deckard
Dellums
Derwinski
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Dixon
Dodd
Dornan
Dougherty
Drinan
Eckhardt
Edgar
Edwards, Calif.
Fary
Ferraro
Fish
Fithian
Ford, Mich.
Ford, Tenn.
Frost
Garcia
Gaydos
Gilman
Gonzalez
Gramm
Gray
Guarini
Hall, Ohio
Hammerschmidt
Harkin
Harris
Harsha
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hutto
Jeffords
Johnson, Calif.
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Lujan
McDade
McKay
McKinney
Maguire
Markey
Marks
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Matsui
Mavroules
Mica
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Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
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Nowak
Oakar
Oberstar
Obey
Ottinger
Pashayan
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Pepper
Perkins
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Quillen
Rahall
Rangel
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Reuss
Richmond
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Scheuer
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Snyder
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Stewart
Stokes
Studds
Traxler
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Van Deerlin
Vanik
Vento
Walker
Wampler
Waxman
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NOT VOTING—37

Barnard
Brown, Calif.
Campbell
Carter
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Conyers
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Flood
Fuqua
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Holland
Holt
Kastenmeier
Livingston
McEwen
Miller, Calif.
Mitchell, Md.
Moffett
Murphy, Ill.
Murtha
Patterson
Roberts
Rousselot
Roybal
Smith, Iowa
Spellman
St Germain
Stark
Symms
Treen
Weaver
Williams, Ohio
Young, Alaska
Young, Mo.

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of Illinois for, with Mr. Mitchell of Maryland against.

Mr. Livingston for, with Mr. Carter against.

Mr. Williams of Ohio for, with Mr. Clinger against.

Until further notice:

Mr. Murtha with Mr. Conyers.

Mr. Roberts with Mr. Stark.

Mr. Fuqua with Mr. Young of Missouri.

Mr. Cotter with Mr. Moffett.

Mr. Barnard with Mr. Smith of Iowa.

Mr. Brown of California with Mr. Symms.

Mr. Miller of California with Mr. Young of Alaska.

Mr. Patterson with Mr. Hansen.

Mr. St Germain with Mr. Dickinson.

Mrs. Spellman with Mr. Rousselot.

Mr. Holland with Mr. Cleveland.

Mr. Kastenmeier with Mr. Clausen.

Mr. Roybal with Mr. Campbell.

Mr. Weaver with Mr. McEwan.

Mr. Flood with Mrs. Holt.

Messrs. DANNEMEYER, McHUGH, RITTER, CARNEY, and BLANCHARD changed their votes from "nay" to "yea."

Messrs. GUARINI, STAGGERS, DECKARD, McDADE, D'AMOURS, FORD of Michigan, NEDZI, BLANCHARD, RITTER, and HARKIN changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUPPLEMENTAL SECURITY INCOME BENEFITS REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, during the last session of the 95th Congress, I introduced H.R. 14215, a bill which, if enacted, would have substantially reformed the eligibility requirements for aliens seeking supplemental security income benefits in the United States. Unfortunately, due to the heavy legislative agenda at the close of the 95th Congress, no action was taken on the bill, and American taxpayers are still being forced to pay enormous sums each year in welfare payments to newly arrived aliens.

Now, in an effort to focus more specifically on this pressing problem, I am introducing legislation similar to that which I sponsored last year; however, this new bill has one extra feature which further insures that aliens arriving with permanent residence status will not become a drain for our hard-earned tax dollars. This legislation will not only amend title XVI of the Social Security Act to provide a 3-year residency requirement for aliens receiving supplemental security income benefits, but it will also amend the Immigration and Nationality Act to require every alien admitted for permanent residence to have a proven means of support or to have a sponsor who will contract to support him for 3 years at a level comparable to the benefits he would receive if he were eligible for supplemental security income. This bill is identical to S. 1070, which was introduced on May 3 of this year by the Honorable CHARLES H. PERCY, of Illinois, and I am especially pleased to sponsor a companion bill to the one introduced by Senator PERCY.

Under our present laws, aliens arriving in this country with permanent residence status are supposed to be supported by sponsors who agree to be financially responsible for their well-being. Unfortunately, there are no provisions in our current social security laws which legally commit sponsors to support these aliens, and many of them become eligible for supplemental security income payments within 30 days after their arrival in this country. The bill which I am introducing today will close this loophole in our social security laws by providing a legally binding contract which places financial responsibility for these aliens precisely where it belongs—on the sponsors who pledged to assist them.●

WHY THE STATE DEPARTMENT POSITION ON THE MIDDLE EAST IS NOT IN AMERICA'S NATIONAL INTERESTS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, I am troubled by the recent direction of Middle East policy. It sometimes seems that the administration is more attentive to Palestinian concerns and Saudi demands than to our own national interests. It sometimes seems that the administration is apologetic for the Camp David accords, and embarrassed by the success of the Israeli-Egyptian negotiations. And on the issues of the PLO and southern Lebanon, it sometimes seems as if the administration and the State Department are waging a diplomatic guerrilla war against Israel.

The logic behind this policy escapes me. Most illogical is the Carter administration's 2-year flirtation with the Palestine Liberation Organization. Since 1977, the administration has engaged in an on-again, off-again effort to elicit a hint of moderation from this terrorist organization. With recognition and legitimacy dangled as bait, with inclusion in the peace negotiations proffered, the PLO has been encouraged to make a pro forma acknowledgment of Israel's right to exist. The PLO has chosen to remain committed to terrorism. It has stayed adamant in its opposition to any conciliation with Israel. In a sense, this ideological rigidity has saved American policy. It has done so because the PLO remains a violent, uncompromising, and destabilizing force. Had the PLO's leadership shown the pragmatism—or cynicism—to accept the ambiguous and weak demands made upon it by the United States, the PLO would certainly have been brought into the negotiations. Just as certainly, this would have doomed the peace process and sabotaged American efforts to build a genuine peace.

It is undeniable: The PLO cannot make peace with Israel. Israel's very existence is taken throughout the PLO as casus belli. In this situation, the United States must be willing to make the hard choice of excluding the PLO from the peace process. We must make that choice, and stick by it.

Mr. Speaker, the Carter administration seems unwilling to confront that reality. What we see emerging from the State Department and the National Security Council is all too often an uninspired and sometimes fearful pastiche of realpolitik and appeasement. We have been told that the Saudis back the PLO, and that accommodation must be sought in order to assure a steady flow of oil. We have been told that elements of the PLO are in fact moderate, but must maintain face under attack from the "radicals." We have been told that the PLO does not reject U.N. Security Council Resolution 242 per se, but requires revised wording to assure its "rights."

There is a Palestinian problem. No one denies that, least of all Prime Minister Begin and President Sadat. These two leaders are committed to a solution to Palestinian aspirations. Through the Camp David accords, so is the United States. But a resolution of Palestinian aspirations does not inevitably mean legitimization of the PLO. One does not follow from the other, despite Saudi threats and pressure, despite the glib arguments from State, and the NSC, and from some European allies.

American policy toward the Palestinian problem must establish a principled refusal to deal with the PLO. The PLO offers nothing to the United States. Those who talk of international realities and power politics should consider this. The PLO is avowedly anti-American, sworn to the diminution of American influence in the Middle East. The PLO is closely allied with the Soviet Union. Does anyone seriously believe that a PLO state would be anything but another Cuba or Angola, another base of Soviet-backed violence in an area crucial to the West?

Those who argue that American recognition of the PLO would moderate its stance should consider this: Over the last 6 years, dozens of states throughout the world have opened ties to the PLO. States of the Communist bloc; states of the Third World; states of Latin America; even some NATO countries. During that time, the PLO has not abandoned its terrorism against Israeli civilians. During that time, the PLO has not changed its national covenant, which calls Israel's existence null and void. On the contrary, in 1974 and again in 1977, the PLO reaffirmed its commitment to the covenant.

Since the first Carter administration signals to the PLO in 1977, the PLO has, if anything, become more antipeace, and more anti-American. This points up the most damaging aspect of the administration's flirtation with the PLO: This policy has undermined Egyptian and Israeli confidence in us, while bolstering Arab rejectionists, including the PLO, who cannot bring themselves to make peace with Israel. Seeking a formula for PLO inclusion in the peace talks has mortgaged the peace process to those who opopse it.

In early 1977, Secretary of State Vance outlined the conditions under which the United States would open dealings with the PLO. These were: An explicit recognition of Israel's right to exist; a renunciation of certain inflammatory sections of the national covenant; and acceptance of resolutions 242 and 338. Since that time, the United States has dropped its first two demands. It is clear from the recent maneuvers at the U.N. that were the PLO to accept 242 with reservations, this would be taken as evidence of PLO moderation, and ties would be established.

It is self-delusion. It also is profoundly destabilizing, for it would cast aside a solemn pledge made to Israel during the Ford administration not to recognize or negotiate with the PLO so long as it refused to recognize Israel's right to exist and resolutions 242 and 338. This pledge was made in 1975 because it was understood then that it was based on a confluence of interests between the United States and Israel. Certain members of the State Department and the NSC have let it be known that they no longer consider this convergence of interest to be in effect.

They are wrong. Wrong on two counts. Israel and the United States still share a powerful strategic interest. Moreover, the American mediation role in the Middle East depends on the trust which all parties have in our fairness and in our word. What influence will the United States have if we cast aside a solemn commitment before the specific conditions for ending that commitment are met? What respect will the United States be able to command if our word and oath is shown to be malleable to oil threats and political strongarm?

Mr. Speaker, I would like to see an American Middle East policy which puts aside clever ambiguity and makes unambivalently clear our support for whatever peace that can be achieved; for those who are willing to make peace; for a bilateral peace if that is all that can be achieved; for a principled rejection of threat and terrorism; for an unwillingness to bow to "international realities" which are in fact nothing more than unconfronted fears. Mr. Speaker, I think that I have some time to wait until this comes about.

American policy toward Lebanon provides ample evidence. For years, Lebanon has been the base of PLO aggression against Israeli citizens. In recent months, Israel has moved to prevent the murder of its citizens. This has elicited constant sniping from the State Department, and growing threats about the alleged misuse of American equipment in what is no less a legitimate exercise in self-defense than was our war with the Barbary Pirates. The United States looks past the bloody, repressive occupation of Lebanon by Syrian "peacekeepers." It chooses not to focus on the primary cause of the fighting in southern Lebanon: PLO terrorism against Israel. Instead, in what is an apparent effort to mollify radical Arab opponents of the Egyptian-Israeli peace treaty, the administration has chosen to pillory Israel.

On the question of what constitutes legitimate self-defense for Israel I call my colleagues' attention to the words of the late Senator Hubert H. Humphrey in a Senate address on October 1, 1974. Senator Humphrey put in perspective the situation in which Israel finds itself, neighbor to a country which harbors terrorists, provides a base for guerrilla attacks on Israeli citizens, and flaunts international law and the U.N. Declaration of Friendly Relations. In his remarks, which follow, Senator Humphrey pointed out that: "It has been made abundantly clear by eminent international legal scholars that Israel's retaliatory raids into Lebanon and Jordan are countenanced by international law, and constitute 'legitimate self-defense' as cited in the Foreign Assistance Act of 1961." He reaffirms the right of Israel to defend itself by taking steps which will put an end to these terrorist attacks, thereby protecting its national security.

Mr. Speaker, during my recent trip to Israel it became abundantly clear to me that the people of Israel live their lives in terror thanks to the constant threat of the PLO to destroy them. While Israel has acted in self-defense, the PLO is vigorously pursuing its admitted purpose to eliminate Israel, and the administration must not in any action or inuendo support that effort.

Let us understand that the very instability in southern Lebanon is much of the administration's own doing. It did not challenge the Syrian occupation and de facto annexation of Lebanon, an occupation which has stultified chances of Lebanese national reconciliation. Worse, the administration violated a pledge (also made in 1975) to consult closely with Israel at the U.N. and acceded last year in the establishment of a U.N. force in Lebanon (UNIFIL) which was constitutionally incapable of controlling Palestinian guerrillas. UNIFIL was chartered to oversee an Israel pullout from southern Lebanon. The United States, despite Israel pleas, refused to support a wider, necessary role for the UNIFIL force. Such cunning diplomacy has hardly won over Arab radicals; it has, however, been responsible for the unresolved tumult which still wracks Lebanon.

Mr. Speaker, it is apparent that what has been lacking all through recent American policy has been a forthright articulation of our own interests and energetic alinement with those nations which have proven by their actions their moderation and friendship. The successes at Camp David and in the Carter shuttle were remarkable and praiseworthy, then and now. But I fear that they are emerging as islands of principle and pragmatism in an ocean of fear and rigidity. Our Nation, and our friends deserve better. The appropriate alternatives are not shrouded in mystery. I hope the administration recognizes America's strengths as a superpower, and employs long-established American principle in order to vouchsafe our interests and promote our ideals.

[From the Near East Report, July 4, 1979]

The Late Senator Hubert H. Humphrey's Statement on Israeli Self-Defense

(After the Israeli-Syrian air battle over southern Lebanon last week, critics of Israel raised anew the question of what constitutes legitimate self-defense. This time they questioned not only whether raids on terrorist bases qualified as self-defense but also whether the use of F–15s—which the Carter administration says Israel can only use for defensive purposes—was legitimate.

(The late Hubert H. Humphrey addressed these questions on the Senate floor five years ago. Following are excerpts from his statement of Oct. 1, 1974.)

I have always felt that the State of Israel, in using military equipment that was supplied by us, in its efforts to do away with the terrorists and the guerrilla activities that have been harbored in other countries, was acting in self-defense. In other words, from time to time the Israeli Air Force has found it necessary to attack installations that were placed within villages beyond the border of its own country. It has done this because these installations have provided a launching pad, so to speak, for guerrilla activities within the State of Israel. . . .

For example, if there were guerrilla activities based in the nation of Lebanon, the state of Lebanon, that were crossing over the border, that were blowing up villages in Israel, and if the Israeli Air Force operates with American-made planes, some of them obtained under military sales or military credits, the State of Israel in no way is limited by this language in obtaining the supplies it needs for what it believes is its security.

It has been made abundantly clear by eminent international legal scholars that Israel's retaliatory raids into Lebanon and Jordan are countenanced by international law, and constitute "legitimate self-defense" as cited in the Foreign Assistance Act of 1961.

In accordance with the principles of international law, and the declaration on principles concerning friendly relations and cooperation among states adopted by the U.N. General Assembly on October 24, 1970, all member nations are duty bound not to tolerate any subversive or armed activities against other sovereign states. This declaration states:

International law imposes the duty upon every state as far as possible to prevent its own subjects, and such foreign subjects as live within its territory, from committing injurious acts against other states.

From the Declaration on Friendly Relations, official records of the General Assembly 25th session, supplement No. 18 (A/8018) we have:

Every state has the duty to refrain from organizing or encouraging the organization of irregular forces or armed bands, including mercenaries, for incursion into the territory of another state.

Israeli actions on Lebanese territory are also based on the inherent right of Israel to self-defense in accordance with Article 51 of the U.N. Charter.

And the U.N. General Assembly document A/AC.134/L.46 of April 12, 1974, of the Special Committee on the Question of Defining Aggression, Article 3 states:

Any of the following acts, regardless of the declaration of war, shall, subject to and in accordance with the provisions of Article 2, qualify as an act of aggression:

The sending by or on behalf of a state of armed bands, groups, irregulars or mercenaries, which carry out acts of armed force against another state of such gravity as to amount to the acts listed above or its substantial involvement therein.

Surely Israel's exercise of self-defense against these acts of aggression would be actions taken in "legitimate self-defense."●

TIME FOR NEW MONETARY POLICY

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, whether we like it or not, the gold markets serve as a rough barometer of monetary confidence. If there is a high level of confidence in official currencies, then the price of gold remains low and stable. If there is a lack of confidence, or shifting sentiments, the price of gold jumps up or down. Assuredly the gold market is fairly thin and subject to manipulation by governments, by large private interests, and perhaps even by the concerted action of individuals. Even so, it is not a market that can be dismissed or ignored.

The price of gold in the past few weeks has soared, and almost daily it posts new all-time highs. We are getting a signal, and the signal is that there is not much confidence in money generally, nor the dollar particularly. It is a signal that the so-called monetary float has little or no effect in keeping currencies within reasonable bounds of value.

The time has come for the United States to launch a new monetary policy—a new policy for our own domestic needs, and a new policy toward basic monetary arrangements on the international scale.

It has been just over 9 years since the fixed-par-value system set up by the Bretton Woods agreement collapsed. Since that time the world has been on a so-called floating system, by which monetary values are supposedly set by market forces. But we know all too well that the market forces are flawed, because no government is willing to let the value of its currency ride with the unrestrained forces of the speculative marketplace. The failure is proved by the fact that the United States and other governments intervene in the currency markets on a far more massive scale today than they did when fixed rates were in effect. Floating has not worked to redress trade balances; it has not worked to govern monetary values; and as the gold market is telling us, it has not worked to maintain confidence.

Here on the domestic side, the Federal Reserve has raised interest rates to record levels, and the prime interest rate is today 12¼ percent, and likely to go higher. Why was this done? For one thing, it was done to meet high interest levels offered abroad, so as to check some of the flow of hot money. But for another, it was done to produce greater recessionary forces, so as to theoretically moderate inflation. In the parlance of a half century ago, this kind of policy is supposed to build business confidence. What the Fed seems not to have known 50 years ago, nor understand today, is that what the business community fondly regards as confidence building policies are also the policies that impoverish individual citizens first, and business itself eventually. Freedom for the pike means death for the minnow.

The policies the Federal Reserve enforces today have been tried again and again in the past decade. Each time those policies have failed to moderate inflation; each time those policies have created new unemployment; each time those policies have led to higher budget deficits; and each time we have ended up worse off than before.

I believe that we and the world need new monetary arrangements, and that this needs to be done through the convening of a new monetary conference. We have in Paul Volcker a central banker of the experience, understanding, capacity and world stature the kind of person who could undertake such a task of leadership, and who could achieve the kind of monetary reform that is needed.

We need to devise new policies for the domestic economy, too—policies that do not rely on the continual and fruitless fiddling with money supply aggregates that is the mark of today's policy. We do not need to beggar our people; it has not worked in the past and will not work today.

Genuine economic leadership is needed today. I believe that the Federal Reserve has a responsibility to provide that leadership. I have written Chairman Volcker calling upon him to use all his powers to help us, and the world, emerge from the slough of despair. Mr. Speaker, I offer my letter to Chairman Volcker as part of the Record:

Washington, D.C.,
August 31, 1979.

Hon. Paul Volcker,
Chairman, Federal Reserve Board,
Washington, D.C.

Dear Paul: I am genuinely pleased that you have become Chairman of the Federal Reserve Board. No one in the country has the depth of experience that you have acquired at the Treasury, and as President of the Federal Reserve Bank of New York. No one is better equipped than you are to perceive the economic and monetary problems of this country and of the industrial world at large.

Given the fact that the Federal Reserve Board conducts its business as a collegial body, and given that you have not selected your colleagues, I realize that some time must elapse before you could exercise strong leadership, at least in matters of fundamental policy change. Yet I believe that fundamental policy change is in order, and that the need for it is urgent.

The money supply, as measured by M1, is showing no growth. This, of course, is reflected in the level of interest rates, with the prime now being at 12¼ percent. At the same time there is no sign that inflation is moderating, even though the economy is weakening steadily. Current policy is leading simply to a repetition of economic stagnation accompanied by immense inflation; it is a condition that the British dubbed stagflation, and that others have called the English Disease. But regardless of its name, the condition is neither sound nor tolerable.

Rising interest rates signal a decline in employment; they signal a fall in housing production; they signal an increased Federal deficit, as countercyclical budget forces come into play. None of these things will result in a stronger or better economy, or a better off people. None will do anything except further impoverish people who are already struggling to keep jobs, to keep a roof over their heads, to pay an immense burden of debt, to stay off welfare.

What is needed is a new direction in policy.

On the fundamental level, what is needed is new monetary arrangements. The system of floating currencies that has been in effect for the past seven years has not arrested inflation, has not redressed trade balances, and has not controlled disorder in the world monetary markets. On the contrary, it has been part and parcel of the whole dismal scene, a contributor to world problems.

On the domestic level what is needed is a new understanding of economic reality. The tight money, high interest policies currently in effect are not part of any solution; they are part of the problem. High interest rates do nothing for anybody except for the bankers who profit by them. To make usury legal, to encourage its growth, to make it universal, is not an economic policy at all, but the mere abandonment of responsibility.

We have seen time and time again in the past decade that strangling the economy does not arrest inflation. We have seen time and again that throwing people out of work does not produce sound growth in the months and years ahead. We have seen time and again that the kind of policies that the Fed has resorted to this year, and in the past decade, has only multiplied and exacerbated social problems of every description.

There is an opportunity now for new direction, for new leadership, for new prosperity. You are in a unique position to provide the leadership that the nation and, indeed, the world needs. You have an opportunity to lead the Federal Reserve away from the ruinous policies it now follows. I hope that you will use it.

With best wishes, I am,
Sincerely yours,
HENRY B. GONZALEZ,
Member of Congress.

THE HEALTH CARE FOR ALL AMERICANS ACT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

● Mr. WAXMAN. Mr. Speaker, I take great pride in introducing in the House of Representatives today the Health Care for All Americans Act, a new national health insurance proposal which I am sponsoring with Senator EDWARD M. KENNEDY.

This is a significant step for those of us who have always supported the concept of universal, comprehensive national health insurance. Senator KENNEDY and I are engaged in a mutual endeavor to get both Houses of Congress moving simultaneously on enactment of a new health insurance system—a promise first held out to Americans over a generation ago.

The Health and Environment Subcommittee will begin hearings on this bill before this session of Congress adjourns. The hearings could not be more timely. We are in the midst of a national debate on spiraling hospital costs, and their ripple effect on inflation in our national economy. Our bill, which would provide a national health care budget ceiling, provides a mechanism for streamlining our present chaotic health care delivery system, eliminating unnecessary and duplicative services, and bringing under control runaway health care costs. No other national health insurance proposal in Congress this year offers this cost-saving feature.

I made my decision to work on enactment of the Kennedy-Waxman bill in the House only after a long and careful analysis of the most probable alternative. The most probable alternative is to let our present health care delivery system drift aimlessly into costs far beyond the current high rate of inflation in the rest of the economy. I concluded that this alternative made no sense.

Some say we cannot afford national health insurance. I contend we cannot afford to be without it. Under our present chaotic approach to health care, costs soar, while health dollars buy less and less. Though difficult to calculate precisely, the costs of our runaway nonsystem are staggering. Last year we spent about $185 billion on health services—that is nearly $1,000 for every man, woman, and child in the United States. Without cost controls, present benefits will be eroded and health coverage will shrink rather than expand.

Unfortunately, there are many inaccurate preconceived notions about what kind of health care bill Senator KENNEDY and I would sponsor. I want to emphasize the fact that this bill varies sharply from earlier efforts—in its financing, in its administration, in its use of the private system, in its use of market incentives to bring competition and efficiency.

The thrust of this bill is to reform our present system, make it more efficient, and save dollars now wasted on unnecessary surgery, unnecessary hospitalization, and underused facilities. This proposal retains what works best in our present system.

For any national health insurance plan to succeed, we need the enthusiastic participation of American doctors, nurses, technicians, and other health professionals. It is not often said, but it needs saying, that the quality of American health care provided by our doctors and hospitals is the finest in the world. The education and training and expertise of American physicians is without parallel. Government and business leaders from all over the world travel to our medical centers for the most advanced diagnostic and lifesaving techniques.

I pledge to our health professionals that this bill will not interfere with the free exercise of their best medical judgment. Our bill will benefit the doctor and consumer by assuring that medical treatment is based entirely on sound medical practice, not on one's ability to pay for needed treatment.

How can a nation that spends each year $11 billion on cosmetics, $24 billion on jewelry, $16 billion on tobacco products—how can such a nation say it can not afford to meet the basic health needs of its people? How can a country be so rich and so poor at the same time?

I do not want the current crazy quilt of private insurance, medicaid, medicare, employer plans and straight cash payments to leave tens of millions of Americans perpetually anxious as to whether they or their loved ones will get the best care and all the care they need when illness strikes.

All over the United States, a private hospital can turn away the seriously ill and "dump" them in the emergency room of public hospitals, or simply turn them out in the street—if they have insufficient funds, no insurance or inadequate insurance.

Health care is a human need. We cannot, as the generous and good people I believe us to be forever defer serving this need. We can never know the suffering, pain or fear that might have been alleviated had this legislation been acted on sooner.

S. I. NEWHOUSE

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I would like to take this opportunity to pay tribute to Samuel Newhouse who died last week at age 84. It was a great privilege for me to know him.

The eldest son of immigrant parents, S. I. Newhouse had a deep sense of responsibility to his poverty-stricken family and to his community. He was raised in Bayonne, N.J., not far from my hometown of Newark. Next month the Rutgers School of Law in Newark will dedicate the S. I. Newhouse Center for Law and Justice because of the generous contributions he made to the school.

Samuel Newhouse's widespread philanthropy was carried on without fanfare because he was an unpretentious gentleman who shunned personal publicity. He built one of the Nation's largest communications enterprises from hard work, intelligence, and a commitment to a free press.

Mr. Speaker, reporters, editors, and others in the communications field know and appreciate the great contributions S. I. Newhouse made to the local control of news organizations. During a time when Americans fear a monolithic news media, lacking choice or diversity, S. I. Newhouse was committed to following a policy of editorial autonomy in his many local newspapers. His belief that the individual editors of the Newhouse newspapers should be left alone to decide the editorial content of their newspapers has resulted in a higher quality of journalism and a greater responsiveness to the needs of local communities.

I am proud that Newark is the home of New Jersey's leading newspaper, the Star-Ledger, which is a Newhouse publication. The Star-Ledger continues to make contributions to the community by providing a wide range of coverage of State, national, and international news, in-depth studies on issues, and a variety of editorial opinions.

Mr. Speaker, the communications industry can look with pride on the legacy left by S. I. Newhouse, and the readers and citizens of our country can be grateful for all his contributions.

Mr. Speaker, at this time I would like to insert into the RECORD a copy of the Star-Ledger editorial of August 31 on its publisher, S. I. Newhouse.

[From the Star-Ledger, Aug. 31, 1979]

S. I. NEWHOUSE: 1895–1979

Samuel I. Newhouse had a profound and enduring awareness of his humble beginnings. The eldest member of an immigrant family, he was deeply moved by the meanness of poverty. It was a searing experience for a youngster, but, fortunately, not in a psychic sense.

Rather, it was a formative stage that had a compelling influence in a long and extraordinarily successful and productive lifetime. At age 13, he was thrust into a responsible familial role—the male head of a family that included four girls and three other boys, along with a hard-working mother who, with the aid of her oldest son, kept the family together.

Responsibility, in varying degrees, was an obligation he assumed matter of factly all his life. It became a propulsive force in the business career of S. I. Newhouse, a career that spanned six decades and was to culminate in the building and operation of one of the nation's largest publishing enterprises.

It was a vaulted plateau that no doubt appeared to be beyond the realm of possibility for young Newhouse, who earned $2 a week as an office boy, became a fledgling publisher at 16 and an attorney at 21.

The law profession was a momentary way station for Mr. Newhouse after he realized the potential of a foundering newspaper in his hometown—the Bayonne Times—that he was directed to dissolve by an attorney who was his mentor.

His decision to attempt to revive the ailing paper was probably the most crucial choice he was called on to make . . . it became an invaluable training experience that was to be a practical foundation for the vast, complex communications organizations he forged, piece by piece.

An undertaking of this magnitude and complexity obviously required a keen and enterprising business acumen. S. I. Newhouse realistically envisioned himself as essentially a businessman whose business was news, but he was a firm believer in the corollary importance of the editorial quality of his newspapers.

It was in this pivotal compartmentalizing of business management and news gathering that Mr. Newhouse became a major innovative force in the newspaper pubishing industry. He tended the financial end in a scrupulous manner and insisted on editorial autonomy for the individual editors of his group-owned newspapers.

It was a division of authority from which he never deviated. He stoutly insisted that the family-owned newspapers should never be characterized as a chain operation. It was an eminently rewarding formula, providing a wide diversity of editorial opinion and an intimate responsiveness to the communities served by the individual newspapers.

Overall, the Newhouse newspaper career had a distinct two-phase formulation: In the early, starting-up stage, Mr. Newhouse and his brothers carefully nurtured ailing newspaper properties, transforming them by painstaking diligence and hardwork into successful operations.

The Star-Ledger epitomized this process: It was taken from insolvency and, over the years, developed into New Jersey's leading newspaper.

As his publications prospered, Newhouse opted for established newspaper properties. Time and again he set records for purchase prices; in 1977, he paid over $300 million for the Booth papers in Michigan and Parade magazine.

In a career that covered three-quarters of a century, Mr. Newhouse shunned the flamboyance that marked the professional and personal lives of earlier press titans. He maintained a low visibility, a low-keyed reflective style; he was devoid of pretensions, and considerate in his relations with others.

But there was a steely toughness of character in his business activities; he was a hard bargainer but respected for his fairness and probity.

He had a clearly defined philosophy of wealth and its uses. S. I. Newhouse viewed money in a perspective of enormous responsibility that demanded great discipline. It was evident in his liberal philanthropies, the millions of dollars vested in a family foundation to be used for a myriad of causes, the diverse personal interests of himself and his wife, Mitzi.

Typically, his principal philanthropy was concerned with his lifelong association with the media: The S. I. Newhouse School of Public Communications at Syracuse University received more than $20 million. Nor did he forget his brief association with the legal profession; he made a generous contribution to the Rutgers Law School to establish the S. I. Newhouse Center for Law and Justice, which will be dedicated next month in Newark.

Mrs. Newhouse was a similarly generous patron of the arts; she provided substantial funding for the Mitzi Newhouse Theater in Lincoln Center.

Samuel I. Newhouse, who died this week at age 84, has left an indelible imprint on the American newspaper publishing field, an unrelenting, vigorous advocacy of editorial independence. His legacy is as rich in personal accomplishments as in his vast holdings.●

EDUCATION AMENDMENTS OF 1980

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, I am today introducing the Education Amendments of 1980 with the cosponsorship of Mr. BUCHANAN, Mr. PERKINS, Mr. ASHBROOK, Mr. BRADEMAS, Mr. THOMPSON, Mr. BIAGGI, Mr. SIMON, Mr. PEYSER, Mr. GAYDOS, Mr. MURPHY of Pennsylvania, Mr. WEISS, Mr. RATCHFORD, Mr. BAILEY, Mr. JEFFORDS, Mr. EDWARDS of Oklahoma, Mr. TAUKE, and Mr. PETRI. This bill provides for a comprehensive reauthorization of the Higher Education Act including many important improvements in the programs. This bill will serve as the basis for markup by the Subcommittee on Postsecondary Education which I expect will begin in the near future. While this bill will, of course, be subject to the will of the committee and the House, it is very important to note that it is the product of a thorough and systematic legislative process.

In September 1978, I invited 61 organizations, associations and governmental bodies to submit to me their legislative recommendations for the reauthorization of the Higher Education Act. I requested that the recommendations be prepared in specific legislative language and in a format providing for a comparison of the suggested changes to current law and explaining the suggested changes. I was extremely pleased by the response of the higher education community. I received recommendations from 59 respondents, some additional people whom I overlooked in September having heard of my invitation and some whom I invited having chosen not to respond. A list of all of those responding to my invitation is included at the conclusion of this statement.

All of the recommendations which I received by the end of February were grouped according to the higher education program to which they referred and printed in a four-volume committee print. This print was made available to all of those who were invited or who submitted recommendations as well as to other interested parties. In addition, the print was distributed to the members of the Subcommittee on Postsecondary Education and their staff. Almost all of the recommendations were submitted in the format I requested and were received in time to be included in the committee print.

Hearings began on March 20 and were conducted to focus on individual programs or specific problems. The recommendations provided to the subcommittee by the higher education community as well as the bills amending the Higher Education Act which were referred to the subcommittee served as the basis for the discussion of each program authorized by the Higher Education Act. A total of 33 hearings were held including six field hearings outside of Washington. Two hundred forty-four witnesses appeared at the hearings representing a broad cross section of experts and professionals as well as the consumers of education, students. Twenty-seven student witnesses participated in the hearings, and they made thoughtful and effective contributions in the consideration of every program and particularly in the student assistance programs. The administration submitted its recommendations for reauthorization on July 19, and 5 days of hearings were held specifically on the administration's proposal.

This bill improves and builds on existing successful and popular programs by incorporating a large number of the thoughtful recommendations which were before us. An important centerpiece of the bill is the recognition of and increased financial assistance for today's increasingly adult, self-supporting student body. Student aid programs have been restructured to liberalize the assistance for these students while protecting and improving assistance to the "traditional" postsecondary education student. Access and supportive services for all students are improved by this proposal.

A major improvement in the student loan programs incorporates several ideas presented to us, makes loan capital more readily available and decreases the likelihood of loan defaults.

We propose to make the guaranteed student loan program available for parents to meet the high cost of postsecondary education for their children. Guaranteed loans will continue to be available to students, but the overall debt incurred by students should be reduced thereby reducing the temptation to default. A mechanism which will permit consolidation of student loans, and extended income-sensitive repayment will further decrease defaults.

The bill also consolidates a number of State programs and improves institutional assistance.

Title I of the Higher Education Act, Community Service and Continuing Education, is revised in the bill to become education outreach programs. It puts in a single place federally supported State activities in planning, education information services and continuing education with a clear focus on serving the needs of adults, particularly those adults who have lacked access and been underserved by educational programs. H.R. 4531, the Lifelong Learning Act of 1979, is the foundation upon which title I of the bill is built. This bill was introduced by Mr. RATCHFORD of Connecticut with 14 cosponsors. Title I incorporates the longstanding interest of Mr. BIAGGI of New York in student data banks as embodied in this Congress in H.R. 3513. A significant contribution to the title, with respect to State planning, was drawn from H.R. 5051 which was introduced by Mr. JEFFORDS of Vermont with the cosponsorship of Mr. RATCHFORD. Title I also includes the initiative of Mr. PEPPER of Florida and Mr. WAMPLER of Virginia from H.R. 3640, the Preretirement Education Act of 1979.

Title II, college library assistance and library training and research, is reorganized and its maintenance of effort provisions are strengthened. The maximum level of the basic grants for college library resources is increased to $10,000. A new part D, has been added to establish a National Periodicals Center, to serve as a national depository for periodicals, professional documents and journals to be made available to public and private libraries.

Title III, Strengthening Developing Institutions, is revised primarily in light of the recommendations of the administration. The purposes of the program are clarified to focus on strengthening institutions which enroll large numbers of students from low-income families, lack resources and are taking steps to improve their chances for survival. An emphasis is placed on having applicants prepare a comprehensive development plan, and options are provided for developing institutions to receive grant awards of longer duration.

The student assistance programs in title IV of the Higher Education Act are strengthened and improved without making any fundamental changes in the basic structure of the programs. One of the most nettlesome issues in student aid has been the requirement in current law that a student's basic grant may not exceed one-half of the cost of attendance. This limitation serves primarily to reduce the basic grants of low-income students attending low-cost institutions. I was delighted that representatives of the major sectors of higher education were able to reach a consensus of a proposal to modify the half-cost limitation in combination with increasing the amount of the maximum basic grant award in steps over the term of the bill. This proposal is included in the bill. I have also received additional proposals from the higher education community to assure that students in all sectors are treated equitably in the distribution of Federal student assistance. These ideas will, I am sure, be seriously considered during the subcommittee markup.

The supplemental educational opportunity grant program is simplified to make it a flexible campus-based grant program to more effectively serve the diverse needs of students. The very successful college work-study program is continued and additional flexibility is provided for institutions to be able to match the available funds with the needs of students and to develop off-campus jobs in the nonprofit sector.

A great deal of the subcommittee's attention was devoted to the subject of student loans, including 7 days of hearings on this subject. These deliberations identified four major areas of concern: The need to enhance the ability of parents to obtain the liquidity to pay their reasonable share of the costs of educating their children, the lack of capital availability in some areas of the Nation, the need to provide a mechanism for the consolidation of multiple student loans and the need to provide for extended and income sensitive repayment terms for borrowers with a large student loan debt.

The first of these concerns is addressed by the creation of a parent loan program. This program is modeled on the initiative of Senators KENNEDY and BELLMON who introduced the National Student Loan Reform Act of 1979 (S. 1600), which was the subject of hearings before the subcommittee. Under the parent loan program, parents could borrow up to $3,000 per year and $15,000 total for any one student. Parents could borrow for up to three students at any one time. The interest rate would be 7 percent but there would be no in-school interest subsidy as there is for loans to students. Parents would begin repaying a loan no later than 4 years after taking it out.

The Student Loan Marketing Association (Sallie Mae) is given the authority to become a direct lender for three specific purposes in addition to continuing its current role as a secondary market. Sallie Mae could make loans directly to students and parents in areas where there is a severe shortage of student loan capital, much as they are in effect doing currently in the District of Columbia. In addition, Sallie Mae could make a single consolidation loan to borrowers with multiple student loans or make loans with graduated or income sensitive repayment terms of up to twenty years length to those with large student loan debts. The concern to provide greater flexibility in repayment and the opportunity for loan consolidation was eloquently expressed to the subcommittee by Mr. MAGUIRE of New Jersey who sponsored H.R. 3769, the Fair Access to Higher Education Act of 1979 and by Mr. SMITH of Iowa, who sponsored H.R. 750.

The bill also phases out the dependency of Sallie Mae on Federal sources of capital and enhances its ability to raise capital in the private sector.

It became evident through the hearings that a great many questions concerning student loans remain unanswered, such as capital availability, the appropriate level of public subsidy of student loans, and the impact of student loans on student career choices, educational prices and the availability of other forms of student financial assistance. The lack of answers to these and many other related questions indicated that radical departures in the Federal student loan programs are not appropriate at this time. However, the bill establishes a National Commission on Student Loans to undertake a comprehensive study of these issues so that, when the Congress considers these programs in the future, we will be able to make an informed judgment on whether fundamental changes in the student loan programs are warranted.

It is my expectation that by providing parent loans and the opportunity for loan consolidation and more flexible loan repayment terms the likelihood of student loan defaults will be substantially reduced. In addition, the bill includes the provisions of H.R. 4507, introduced by Mrs. FENWICK of New Jersey and other Members of the New Jersey delegation. These provisions establish a system for the Commissioner of Education to share information on borrowers whose loans are in default with credit bureaus.

For both the national direct student loan program and the guaranteed student loan program the bill defines several new circumstances under which students can defer repayment of their loans. These circumstances include periods of up to 3 years for temporary total disability as proposed by Mr. BINGHAM of New York in H.R. 1646, periods of service in the commissioned Corps of the Public Health Services as suggested by Mr. STAGGERS of West Virginia and periods of service as a full-time volunteer with a nonprofit agency that engages in activities like the Peace Corps or Vista as suggested by Mr. MURPHY and Mr. LEDERER of Pennsylvania. The bill also incorporates a recommendation of Mr. BAUMAN of Maryland that for purposes of the cancellation of national direct student loans for teachers of the handicapped that the definition of handicapped students used in the Higher Education Act be made identical to the definition used in the Education of the Handicapped Act.

The bill proposes a dramatic simplification in the process of applying for Federal student aid. It requires that there be a single form for the collection of information from students to determine their eligibility. It also creates a mechanism to establish a single system of needs analysis for students. No longer will a student be determined to have one level of need under one program but a different level of need under another program even though we are dealing with a single student attending one institution who has a set amount of resources. The new system for establishing a single needs analysis will include the participation of the higher education community in the formulation of the new needs analysis and will preserve the right of the Congress to review the needs analysis.

The bill also specifies the major criteria to be used in assessing the financial strength of a student and the student's family in determining what they can be expected to contribute toward paying for educational costs. Included in these criteria is the requirement that the equity in a family's principal place of residence will not be considered as an asset. This approach was suggested by Mr. DRINAN of Massachusetts in H.R. 272. Other criteria are specified to provide for more equitable treatment of independent students, commuting students, the expenses of child care, and budget used for the family subsistence allowance and the costs of books and supplies.

The TRIO programs provide academic and career counseling, tutoring, remedial instruction, and information, to students to complement the student financial assistance programs. These programs are extended and the target populations and services to be provided are more clearly specified. The population to be served is broadened to include not only low-income persons but also those who are first generation in college, having neither of their parents a college graduate.

As recommended by the administration, the veterans cost of instruction program is expanded to enable institutions to serve veterans who are handicapped or incarcerated. Consortia arrangements among institutions serving veterans are encouraged.

Title V, Teacher Corps and Teacher Training Programs' is extended. More emphasis is placed on updating teachers in the use of technology and telecommunications and on utilizing the expertise of institutions of higher education. Educational service agencies are included as sites eligible for funding, and there is clear direction that grant awards be based on equitable geographic distribution.

Title VI of current law, Undergraduate Instructional Equipment, is repealed and replaced by a new title VI, Foreign Studies and Language Development, as recommended by the administration. The new title VI incorporates title VI of the National Defense Education Act, Language and Area Studies, as well as some provisions from the International Education Act to stimulate and support international and foreign language studies.

Title VII, Construction, Reconstruction and Renovation of Academic Facilities, is extended and simplified. New authority recommended by the administration, to support improvement of research facilities and compliance with section 504 is also included.

Title VIII, Cooperative Education, is extended and revised to permit greater flexibility in the types of institutional cooperative education programs eligible for support.

Title IX, Graduate Programs, is extended and clarified. The Commissioner is required to undertake a special study of graduate student financing. The $1 million limitation on the funding for training students from disadvantaged backgrounds in the legal profession is removed and this program is provided with a specific authorization of $5 million in fiscal year 1981 increasing to $10 million in fiscal year 1985. These changes were suggested by Mrs. CHISHOLM of New York.

Title X, Establishment and Expansion of Community Colleges, is repealed. This title has not been funded since its enactment in 1972. The Community College Unit is retained and the basic purpose of title X, expanding educational opportunities for persons whose educational needs have been inadequately served, is now reflected in the new title I, Educational Outreach Programs. The fund for the improvement of postsecondary education currently authorized under the General Education Provisions Act is transferred to the Higher Education Act as a new title X.

Title XI, Law School Clinical Experience, is extended and broadened to encourage the preparation of students through practical experience in all legal skills, not only courtroom practice. Title XI is also transferred to title IX, Graduate Programs, as a separate part of that title.

The Urban Grant University Act, H.R. 3181, is included in the bill as a new title XI. This new program will enable urban universities to forge a more effective partnership with urban governments to more effectively work toward the solution of urban problems. This legislation was introduced by me in the last Congress with 57 cosponsors. Five days of hearings were held on the bill in 1978. I reintroduced the legislation in this Congress, simplifying and clarifying it on the basis of what was learned through the hearings. H.R. 3181 has 72 cosponsors, and it has enjoyed broad support during the hearings on the reauthorization of the Higher Education Act.

Title XII, General Provisions, is modified to simplify the mechanism through which States provide assurances to the Federal Government for their participation in programs authorized under the Higher Education Act.

This bill, as introduced, may not be perfect, and I am sure that some improvements will be suggested during committee and floor consideration. However, I do believe that this bill represents a broad consensus of the most effective ways to strengthen and improve the programs authorized by the Higher Education Act. It incorporates the recommendations and best thinking of the higher education community as well as many members of this body.

The list of respondents follows:

Respondents Submitting Recommendations for Reauthorization of the Higher Education Act

Adult Education Association.

American Association of Colleges for Teacher Education.

American Association of Community and Junior Colleges.

American Association of State Colleges and Universities.

American Association of University Professors.

American Council on Education.

American Library Association.

American Personnel and Guidance Association.

American Vocational Association.

Association of American Law Schools.

Association of American Universities.

Association of Catholic Colleges and Universities.

Association of Colleges and Schools of Education in State Universities and Land Grant Colleges and Affiliated Private Universities.

Association of Independent Colleges and Schools.

Association of Independent Colleges and Universities of Michigan.

Association of Jesuit Colleges and Universities.

Clearinghouse for Community Based Free Standing Educational Institutions.

Coalition for Alternatives in Postsecondary Education.

Coalition of Independent College and University Students.

The College Board.

Ad Hoc Committee on Student Consumer Information.

Committee of the Urban Program Universities.

Consortium on Financing Higher Education.

Council of Chief State School Officers.

Council on Postsecondary Accreditation.

Department of Education of Michigan.

Department of Education of Pennsylvania.

Department of Education of Rhode Island.

Great Plains National Instructional Television Library.

International Liaison—U.S. Catholic Coordinating Center for Lay Volunteer Ministries.

I.T.T. Educational Services.

Joint Council on Educational Telecommunications.

Law School Admission Council.

Maryland State Board of Higher Education.

National Advisory Council on Extension and Continuing Education.

National Association for Equal Opportunity in Higher Education.

National Association of HEP/CAMP Directors.

National Association of Independent Colleges and Universities.

National Association of Schools and Colleges of the United Methodist Church.

National Association of State Scholarship and Grant Programs.

National Association of State Universities and Land-Grant Colleges.

National Association of Student Financial Aid Administrators.

National Association of Student Personnel Administrators.

National Association of Trade and Technical Schools.

National Coordinating Council of Educational Opportunity Associations.

National Council of Higher Education Loan Programs.

National Education Association.

National Hispanic Higher Education Coalition.

National University Extension Association.

Ohio Student Loan Commission.

Pennsylvania Higher Education Assistance Agency.

Presidents Council State Colleges and Universities (Michigan).

State Education Department of New York.

State Higher Education Executive Officers.

State of New Jersey Department of Higher Education.

State University System of Florida.

United States Student Association.

University of Mid-America.

Washington State Superintendent of Public Instruction.●

EQUAL ACCESS TO JUSTICE ACT

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am pleased to have today become one of the cosponsors of H.R. 2846, the Equal Access to Justice Act, sponsored by my distinguished colleague from Pennsylvania (Mr. ERTEL). A large number of Members, from both parties and of all political persuasions, have joined forces to promote passage of this legislation.

H.R. 2846 would allow the award of attorney fees and of other reasonable expenses to the prevailing party in any of several types of actions against the U.S. Government. Awards would not be possible if the courts found that the actions of the Government were "substantially justified," or if the award of expenses would be "unjust." H.R. 2846 is similar to S. 265, which passed the U.S. Senate on July 31, 1979, by a vote of 96 to 3.

We all recognize that our society has

grown from a simple agrarian culture into an incredibly complex post-industrial Nation. Accompanying that growth has been an increase in the size of government and in the number of Government rules and regulations. And as this regulatory maze increases in complexity the costs of dealing with it and with the Government have increases as well. I am concerned about this problem, so earlier this year I introduced legislation which trys to deal with one facet of it. H.R. 4729, the Small Business Promotion Act, has as one of its goals the reduction of Government redtape and especially of those regulations which hamper small businesses. Small firms are the backbone of this country's business community, yet they are least able to deal with sometimes burdensome Government requirements and in fact must deal with the same regulations as billion-dollar multinational corporations.

H.R. 2846 provides a companion bill to H.R. 4729, for just as the Small Business Promotion Act attempts to reduce Government regulation, the Equal Access to Justice Act insures that when that regulation is onerous, perhaps unjust or unnecessary, small firms will be able to go to court for an objective, unbiased hearing.

Simple justice requires that in any dispute the facts of the case, and the opinions of the parties involved, should be placed before an impartial judge. Yet because of the high and increasing costs of legal actions, businessmen may simply decide not to fight what may be a just battle. It is plain economics to see that if the cost of fighting a Government decision in administrative or legal courts exceeds the amount of any possible fine, most businessmen will pay the fine. Even if they believe themselves to be in the right, commonsense dictates acquiescense. And this is true not only for businessmen, but for private organizations and groups of all kinds, and for private citizens.

This is not justice. The outcomes of disputes should be determined by the facts, on the carefully considered merits of each party's case, not according to their financial status. And when one of the parties is the U.S. Government it is fairly clear that one side has a tremendous advantage over the other. This is why we wish to alter the normal American rule, which requires each party to bear the cost of his own suit.

Since H.R. 2846 would amend what has been a standard rule in American procedure, the bill contains a 3-year sunset provision. The entire process can be reviewed and reevaluated, and we can take a careful look at the effects of the legislation to see if it has really solved the problems it is directed toward.

I think H.R. 2846 provides us with a reasonable, effective means to deal with this situation, and I hope we can move rapidly to consider this legislation.●

INTERNS: LIFE-OR-DEATH DECISIONS ON NO SLEEP

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, I rise to offer for the RECORD an article which appeared in last Sunday's edition of the Washington Post. The article tells of the plight of our Nation's hospital interns and residents. It speaks of the long hours worked by medical interns, and the life and death decisions interns and residents must make.

The article demonstrates the need of enacting H.R. 2222 cosponsored by Mr. ASHBROOK and myself. It reiterates what I believe anyone who has spent time in a hospital knows, that the intern and resident doctors play a critical role in the delivery of health care, exercising a substantial degree of independent judgment and responsibility.

While the article speaks mainly of interns, I should point out that the NLRB has said that not only interns but also the more experienced residents are students without standing under the labor laws as employees. It makes little sense to say that these young doctors are mere students and therefore have no right to collectively bargain, a right enjoyed by other doctors. Aside from the absurdity of the notion that the intern-resident is not an employee, it is my belief that bringing them within the coverage of the National Labor Relations Act by enacting H.R. 2222 would ultimately help solve many of the serious problems raised in the article.

[From the Washington Post, Sept. 3, 1979]

Interns: Life-or-Death Decisions on No Sleep

(By Susan Okie)

They work up to 140 hours a week day and night, often in hectic 36-hour shifts with little or no sleep. Their patients' lives sometimes depend on their being able to pinch themselves awake enough to make critical, complex decisions.

They are the nation's doctors in training, living through the year-long initiation rite called internship.

Each July, in hospitals here and across the country, the fresh interns arrive to make their first life-or-death decisions as doctors.

Internship is a requirement, but it is more than that. It is part of price of admission to the medical fraternity. Senior physicians say it hones character, builds endurance and tests dedication.

But there is evidence that the exhaustion of internship can cause fatal medical mistakes, produce at least temporary psychiatric problems for the interns themselves and drive young physicians out of the front-line medical jobs the nation needs into specialties with more humane hours.

Despite a variety of educational and financial justifications offered for the system over the years, the medical internship system is coming under increasing criticism, and some physicians are saying it makes no sense to make people work when they are too tired to function effectively in a crisis.

Experienced physicians argue that the system, which originated a century ago as the result of an architectural quirk at Johns Hopkins Hospital in Baltimore, is ideal for training new doctors and staffing hospitals. But many of the same physicians tell their families and friends, "Don't get sick in July," when the interns are raw and even more exhausted than usual.

Dr. James Ramey, who teaches at George Washington University Medical School, says interns just do not work as well after a night without sleep.

He compared a sleep-deprived intern walking into an intensive-care unit to "an airline pilot who's been working 36 hours, coming in for a landing in his DC10." Confronted with a series of important, medical decisions that have to be made at once, Ramey said, exhausted interns are unlikely to call for help.

"If it's a snap decision, they make it," he said. "They can't recognize that they can't make it well."

Ramey said he always double-checks his hospitalized patients' test results because the interns who care for them tend to forget important details after being up all night.

Internship is the first and toughest year of residency, when medical school graduates work in hospitals under the supervision of established physicians before going out on their own. Residency often lasts three to five years, depending on the specialty, but doctors can be licensed to practice independently after completing their internships.

The typical intern works every weekday and spends every third night on duty in the hospital, admitting new patients and handling emergencies. This means the intern works a 36-hour shift at least twice a week, and although he or she may get some sleep during that period, it is common in busy hospitals or on bad nights to grab two hours of sleep or less.

"At four or five o'clock in the morning you ache," said Dr. James McAnally, the chief resident at Georgetown University Hospital, as he recalled his internship. "You're hungry, and there's no place to eat anything. You're irritated, and you want sleep.

None of the many interns and residents interviewed said they could recall making serious medical errors because of fatigue. But all admitted there were many times when they were insensitive to their patients' emotional needs, or even exploded in anger.

But researchers at the respected Columbia Presbyterian Hospital in New York have suggested the consequences of practicing medicine without sleep may be more ominous.

In a study of 14 interns, the researchers examined the effect of sleep deprivation on one's ability to perform a crucial medical task: reading electrocardiograms.

They found that after 32 hours without sleep interns made twice as many errors in spotting abnormal rhythms in the heartbeat than when they were rested. That is a potentially life-threatening mistake.

One intern's errors in the 1971 study increased from seven to 23.

Almost all the subjects in that study said they experienced difficulty in concentrating, depression and extreme irritability when they were exhausted. Several had loss of memory and a tendency to laugh at patients' problems.

One said he constantly wrote notes in the wrong patients' charts.

At Georgetown, where the schedule was recently modified to try to give interns more sleep, the program director has been known to order a resident off the ward for a night if he noticed unusual irritability or other signs of severe fatigue.

Although he believes working nights is essential training, Dr. Milton Corn, Georgetown's associate chief of medicine, said he worries about a tired intern's ability to weigh decisions, such as whether to aggressively treat a critically ill patient.

"The fatigued physician is more likely to make an error in compassion or in ethics than he is in actual clinical care," Corn said. But his concern is unusual among program administrators.

Corn and his colleagues trained at a time when residency demanded even longer hours, and many physicians who went through it a decade or more ago consider the lives of present-day interns easy compared to their own training.

Dr. Ramey of George Washington cited two psychological defenses that keep older physicians from recognizing flaws in the training system: One is that the stress of internship is so great that most doctors suppress the memory of it once they finish.

The other is that interns immediately assume a supervisory role over the group that follows them. He said they then "identify with the aggressor," viewing stress as necessary initiation.

"It's a self-perpetuating system," agreed a resident at Walter Reed Hospital. "I got beaten to death as an intern, and now I'm beating my interns to death."

The system originated at Johns Hopkins Hospital in the late 19th century.

According to Dr. Thomas B. Turner, archivist and former dean of Hopkins Medical School, it was something of an accident. Dr. John Shaw Billings, who designed the hospital in the 1870s, was intrigued by the Hopkins concept of a medical school where students would learn by working with patients. He added a few sleeping rooms for students to his hospital plan.

But when the hospital opened in 1889, four years before the medical school, graduates of other medical schools asked to come to the new hospital for additional training and lived in the rooms for a year.

That, said Turner, was the beginning of the internship system.

When Turner was at Hopkins after World War I, he recalled the requirements of residency were similar to those of the priesthood.

Residents were given only a small allowance, no salary, and they lived in the hospital or in row houses connected to the hospital by a switchboard so they could be responsible for patients day and night.

Residents were not permitted to marry, he said, until 1920, when "the chief resident on one service wanted to marry the professor's daughter.

"That was the first break in the dam."

But easing of the rules has been a slow, evolutionary process.

When Corn trained at Hopkins in the 1950s, residents were on duty every other night. And although he said he remembers his internship "with a great deal of pleasure, I also resent it.

"I feel it took an important year out of my life. I was married and had a child. No one will ever persuade me a fatigued physician is a better physician."

Since 1969, there have been sporadic efforts to unionize residents, the hospitals' so-called "house staff," and there have been a few strikes for better hours, pay and working conditions.

Interns generally make between $12,000 and $15,000 a year, which works out to about $2 or $3 an hour.

Eric Silfen, who did his internship at Washington Hospital Center last year, said it was "the worst year of my life."

Silfen said he compulsively stayed late at the hospital to make sure his patients were all right, and by February he had lapsed into a deep depression.

"I was in the intensive-care unit," he said. "It was the middle of winter. Patients were dying, and I couldn't help anybody. I felt like quitting."

By the end of the year, after being assigned to a clinic, Silfen said he was scheduling healthy patients for his clinic because he knew they would not show up and was transferring any patient who "looked the least bit sick" to the intensive-care unit rather than caring for them himself.

His interest in medicine had succumbed to exhaustion and cynicism.

Silfen has since been revitalized by a residency in emergency medicine, a field that combines exciting medical problems with regular hours.

Residents generally called internships an important learning experience, but several of those interviewed said it had driven them or their colleagues into "9-to-5" specialties like radiology or dermatology.

Silfen and his friends dreamed up what they called a "dough-to-work ratio" to define the good life.

One student charted all the branches of medicine on a graph to compare the money earned with the hours worked. The chart showed that some specialties, such as surgery, paid well but required many hours, whereas others—dermatology, cardiology, emergency medicine—paid almost as well but allowed more free time.

At the bottom of the scale, lowest in pay and highest in hours, were the specialties that health planners agree are most needed in the United States: internal medicine, pediatrics and family practice.

The inventor of the "dough-to-work ratio," Silfen said, is now practicing dermatology.

Some hospitals have tried to humanize interns' schedules in the interest of patient care and physician morale.

Under the "night float" system in effect at Strong Memorial Hospital in Rochester, N.Y., a fresh intern comes on duty at 10 p.m. to handle many of the crises that keeps interns awake at other hospitals.

Other doctors still work late, but the system does cut down on fatigue, said Dr. Donald Bordley, chief resident at Strong Memorial.

Providing technicians to draw blood and insert intravenous needles is another way to insure some sleep for doctors on duty, although it doesn't eliminate spending every third night in the hospital.

A physician familiar with Georgetown University Hospital, George Washington University Hospital and Washington Hospital Center said the hospital center residents get the most rest because technicians' services are available.

But hospital administrators balk at increasing technical support because of the cost, saying that hiring residents is cheaper than hiring nurses or physicians' assistants, because the residents can work so many hours.

The trend, however, is against adding any medical personnel to hospital staffs at a time when there is considerable pressure to hold down skyrocketing health costs and perform as much work as possible in outpatient facilities.

Dr. Robert J. Van Houten, associate dean at George Washington University Medical School, characterized the prevailing view:

"Everybody says everybody else ought to pay, not us (the hospitals, the schools, the patients, the insurance companies or the government). And there is nobody else."

But while the system persists, the practice of medicine will continue to be affected for those who can't forget the year they lived on little sleep.

Dr. Silfen, whose residency still requires some long hours, has made himself a promise.

"When I finish this," he vows, "I will never work a night again in my life."

[From the Washington Post, Sept. 2, 1979]

A Day in the Hectic Life of an Intern

8 a.m.—"Mike" and his team started rounds, bustling down the halls with the jocular efficiency that marks the beginning of the long day "on call." Mike was cocky, rested, eager to make a good impression. "You should have been here last week," he boasted. "The team was really busy."

Now the load was light: only 22 patients split between two interns, with a resident supervising. "But we could get killed tonight," he added. It was Monday, always a heavy day. He ducked in and out of rooms, listening to chests and checking each patient's lab results and treatment plan. It was 9:30 a.m. before he had seen them all.

As rounds ended, Mike was summoned to deal with the day's first crisis: a malaria patient had walked out of the hospital before finishing treatment.

10:45 a.m.—At teaching rounds, an intern who had worked the preceding day and night presented his new patient to the teaching physician. The woman had a complicated lung problem. The other interns were quizzed on the patient's X-ray (Mike missed a large pneumonia) and the specialist embarked on a lecture. Within a few minutes, the intern responsible for the patient was fast asleep—too exhausted from his 28 hours on duty to benefit.

1:30 p.m.—The lunch conference over, Mike ran to the lab to check morning blood results on his current patients. The critical blood counts on the diabetic with the urine infection were missing; the technician had missed the vein, and no one had told him. Cursing, he rushed upstairs to draw the blood himself.

2:30 p.m.—The team had four admissions, and two of the new patients were Mike's. He went to collect his medical bag from the residents' lounge and swore again: his instruments were gone. He settled down to a furious half hour of paging other interns before he found the one who had borrowed his equipment. At 3, he began the careful questioning of his first patient, a 57-year-old woman with a stroke and dangerously high blood pressure.

4 p.m.—As Mike finished examining the stroke patient, his resident summoned him upstairs. The medical student with Mike's other admission had called about the patient, a young man with chest pain.

The patient was lying on a table, breathing fast and burning with fever.

The medical student had wondered about a collapsed lung, but Mike's resident had been more worried about a blood clot.

A lung scan showed that half of the man's right lung was neither inflating nor receiving blood. This went against a blod clot and in favor either a collapsed lung or pneumonia, so the medical student called for a repeat X-ray. A blood test showed the man's blood had become low in oxygen, and he was given a high-flow oxygen mask.

As Mike's resident hurried downstairs to check the new X-ray, Mike and the medical student drew more blood tests. The patient's blood pressure was dropping alarmingly: They ordered new intravenous solution, ran fluid into the vein full tilt, and began collecting specimens to check for infection. Downstairs, the resident called the intensive care unit. The patient's X-ray showed a pneumonia that had filled half the lung within six hours.

10 p.m.—As the man with pneumonia was wheeled off to the intensive care unit, Mike wolfed down a roast beef sandwich. The cultures were sent, the antibiotics in the bloodstream. The intensive care intern would take over, but Mike had two new admissions yet to see, and his stroke patient's blood pressure had not yet come down. He ordered a new drug for her, then ran some blood samples down to the lab. In the cafeteria, he pocketed one of the snacks set out for the doctors on duty. He was still wide awake, the adrenaline flowing, but he had hours of paper work ahead.

1 a.m.—Mike was fading. His third patient had had a rare disease called lupus, but it was too late at night for him to spend as much time talking to her as he would have liked. Luckily, she was only in for a biopsy—the write-up would be short. He dropped into a chair to read the chart of what he hoped would be his last admission—a man who needed rehabilitation following surgery for

a brain tumor. It was a depressing case: the man now had speech difficulties. But he would require little medical care, and Mike might get an hour or two of sleep tonight.

6 a.m.—Mike stumbled into the on-call room and collapsed into bed. His three charts had taken almost four hours to complete. The stroke patient had been difficult: sorting out her medicines, reconstructing her symptoms from his sketchy, 12-hour-old notes, trying to remember which cerebral artery supplies the cortex that moves the leg and which cranial nerves come off the brain stem. He had meant to schedule a scan of her head for the morning. Now it would have to wait.

6:15 a.m.—His beeper jolted him awake. He dialed the nurses' station and was told that a patient with alcoholic liver disease had developed a fever.

Three minutes later, the beeper went off again. Another patient was having chest pain and trouble breathing—the nurse said it had been going on "for a couple of hours."

Mike said he would be down "in a little while." He rolled over and, in spite of himself, dropped back to sleep. The beeper squawked again. His stroke patient was vomiting.

He dragged himself out of bed and, bleary-eyed went to see the stroke patient. A reaction to her medicine, he told himself. It was almost 7 a.m. when he got to the man with chest pain, and he spent 45 minutes examining him and studying his chart before he decided the pain was probably not a heart attack. He ached all over. It was 7:45 a.m.—time for a quick shower, rounds, and another 10 hours of work ahead before he could go home.—Susan Okie.●

FEDERAL TRADE COMMISSION INTERFERENCE

The SPEAKER. Under a previous order of the House, the gentleman from Nebraska (Mr. Cavanaugh) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, in a classic case of Government interference the Federal Trade Commission is contemplating action that could lead to the loss of 800 jobs at the Kellogg's Omaha plant and have a devastating effect on the entire Nebraska economy. The FTC is attempting to break up Kellogg's, General Mills, and General Foods for conducting an alleged shared monopoly of the cereal market.

Representatives of the American Federation of Grain Millers came to Washington today to protest the FTC's proposed remedy, the creation of spin-off companies that could lead to a nationwide job loss of 2,700 workers. This "remedy" would have grave consequences for Nebraska. Last year, the Omaha plant purchased over 60 million pounds of corn grits, 31.3 million pounds of rice, 33.1 million pounds of wheat, 65.4 million pounds of sugar, and 26 million pounds of bran. Many of these commodities, especally corn and sugar, are purchased from Nebraska farmers.

Additionally, all of these products are transported in railway cars. If the FTC does succeed in creating regional spin-off companies it is doubtful that cereal prices will decrease and the economic dislocation created by assigning each plant a specific product may actually increase cereal cost. The FTC is showing callous disregard for the potential hardship and suffering their actions may cause. The FTC refuses to allow the union to become a participant in the legal proceedings before the administrative law judge. Moreover, the hearings have been marred by procedural irregularities that threaten the reputation of the Federal regulatory processes.●

PERSONAL STATEMENT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was absent for two rollcall votes regarding S. 1030 (Emergency Energy Conservation Act) on July 31 and August 1, 1979, and for six rollcall votes regarding H.R. 4473 (foreign assistance appropriations for fiscal year 1980) on September 5, 1979.

Had I been present, I would have voted as follows:

Rollcall No. 412, amendment to S. 1030 by Mr. Kramer which would have set the expiration date for all authority granted in the bill at September 30, 1980—vote, "no";

Rollcall No. 418, amendment to S. 1030 by Mr. Loeffler which sought to prohibit any Federal conservation plan from including measures that would regulate the operation of any energy production, exploration, processing or transportation facility unless such plan permitted any affected establishment to achieve an equivalent reduction in energy consumption by other means—vote, "no";

Rollcall No. 435, to resolve into the Committee of the Whole for further consideration of H.R. 4473—vote, "yes";

Rollcall No. 436, amendment to H.R. 4473 by Mr. Young of Florida which reduced contributions to international organizations and programs by $3.9 million—vote, "no";

Rollcall No. 437, amendment to H.R. 4473 by Mr. Bauman which prohibited any aid to Panama except for food and medical assistance—vote, "no";

Rollcall No. 438, amendment to H.R. 4473 by Mr. Lott which sought to delete all funds for the Institute for Scientific and Technological Cooperation—vote, "no";

Rollcall No. 439, Mr. McHugh's substitute to amendment to H.R. 4473 by Mr. Young of Florida which sought to insure that the prohibition of aid to countries specified in Mr. Young's amendment would not be construed to prevent the obligation or expenditure of funds for assistance to Israel, Egypt, Mexico, the Dominican Republic, Indonesia, Malaysia, Thailand, or any other country not specifically mentioned—vote, "yes"; and

Rollcall No. 440, amendment to H.R. 4473 by Mr. Young of Florida which prohibited indirect as well as direct aid to Angola, the Central African Empire, Cambodia, Laos, or Vietnam—vote, "no."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Pepper (at the request of Mr. Wright), for September 6 and 7, on account of official business.

Mr. Clinger (at the request of Mr. Rhodes), after 3 p.m. today, on account of official business.

Mr. Williams of Ohio (at the request of Mr. Rhodes), from 3 p.m. today, to adjournment on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Grisham) to revise and extend their remarks and include extraneous material:)

Mr. Corcoran, for 5 minutes, today.
Mr. Sawyer, for 5 minutes, today.
Mr. Kemp, for 20 minutes, today.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Waxman, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Ford of Michigan, for 10 minutes, today.
Mr. Udall, for 5 minutes, today.
Mr. Thompson, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Grisham) and to include extraneous matter:)

Mr. Rhodes.
Mr. Paul.
Mr. Goodling in three instances.
Mr. Coughlin.
Mr. Emery.
Mr. Michel in three instances.
Mr. Erlenborn.
Mr. Green in three instances.
Mr. Symms.
Mr. Dannemeyer.
Mr. Derwinski in two instances.
Mr. McCloskey.
Mr. Wydler.
Mr. Conable.
Mr. Lewis.
Mr. Lagomarsino.
Mr. Courter in two instances.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Carr in two instances.
Mr. Russo.
Mr. Ford of Michigan.
Mr. Dodd in two instances.
Mr. Nichols.
Mr. Vento.
Mr. Stokes in two instances.
Mr. Bedell.
Mr. Udall.
Mr. Gaydos.
Mr. Kildee.
Mr. Rostenkowski.
Mr. Rahall.

Mr. Harris.
Mr. Long of Maryland.
Mr. Waxman.
Mr. Fountain.
Mr. Stark.
Mr. Gore.
Mr. Scheuer.
Mr. Murphy of New York.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Friday, September 7, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2360. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2361. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend section 7227, title 10, United States Code, to provide for the furnishing of routine port services at no cost to naval vessels of a friendly foreign country, when, by agreement or custom, such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

2362. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended June 30, 1979, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

2363. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting updated test sections for the XM-1 tank, UH-60A Blackhawk, and the U.S. Roland programs, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2364. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of five construction projects proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2365. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Israel (transmittal No. 79–64), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2366. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to the United Kingdom (Transmittal No. 79–67), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2367. A letter from the Director, Defense Security Assistance Agency, transmitting a report on U.S. readiness of the Army's proposed sale of certain defense equipment to Kuwait (transmittal No. 79–68), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2368. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Spain (transmittal No. 79–69), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2369. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Saudi Arabia (transmittal No. 79–72), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2370. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Israel (transmittal No. 79–75), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2371. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of June 30, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2372. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of June 30, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2373. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Israel (transmittal No. 79-64), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2374. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to the United Kingdom (transmittal No. 79–67), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2375. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and service to Kuwait (transmittal No. 79–68), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2376. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Spain (transmittal No. 79–69), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2377. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Lebanon (transmittal No. 79–70), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2378. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Malaysia (transmittal No. 79–71), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2379. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Saudi Arabia (transmittal No. 79–72), pursuant to section 26(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2380. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Israel (transmittal No. 79–75), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2381. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting the third semiannual report on the status of action on the recommendations of the Commission on Federal Paperwork; pursuant to section 3(d) of Public Law 93–556; to the Committee on Government Operations.

2382. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of various proposed changes in existing records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2383. A letter from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2384. A letter from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2385. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting notice of a delay in the submission of the report on the relevance of the second law of thermodynamics to energy conservation programs, required by section 683 of Public Law 95–619; to the Committee on Interstate and Foreign Commerce.

2386. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program to be held on September 11 and 12, 1979 in New York, N.Y., and on September 13, 1979 in White Plains, N.Y.; to the Committee on Interstate and Foreign Commerce.

2387. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37135, *Increased Rates on Coal, BN, Montana to Superior, Wisconsin,* and six other related proceedings, within the specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

2388. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2389. A letter from the Chairman, President's Commission on White House Fellowships, transmitting a statement in support of proposed legislation to amend section 209 of title 18, United States Code, to permit private employers to pay the relocation expenses of their employees who take unsalaried leave of absence to participate in the President's exchange program and the White House fellowships program; to the Committee on the Judiciary.

2390. A letter from the Comptroller General of the United States, transmitting a report on the legal and administrative obstacles to extracting other minerals from oil shale (EMD–79–65, September 5, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN (for himself, Mr. Pepper, Mr. Maguire, Mr. Leland, Mr. Addabbo, Mr. Annunzio, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. John L. Burton, Mr. Phillip Burton, Ms. Chisholm, Mr. Clay, Mr. Corrada, Mr. Dixon, Mr. Drinan, Mr. Eckhardt, Mr. Edwards of California, Mr. Fascell, Mr. Fauntroy, Mr. Flood, Mr. Ford of Michigan, Mr. Ford of Tennessee, Mr. Gray, Ms. Holtzman, Mr. Howard, Mr. Kildee, Mr. Lehman, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nedzi, Mr. Nolan, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Price, Mr. Reuss, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Scheuer, Mr. Seiberling, Mr. St Germain, Mr. Shannon, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Thompson, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Won Pat, and Mr. Wolff):

H.R. 5191. A bill to assure provision of adequate comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. Buchanan, Mr. Perkins, Mr. Ashbrook, Mr. Brademas, Mr. Thompson, Mr. Biaggi, Mr. Simon, Mr. Gaydos, Mr. Murphy of Pennsylvania, Mr. Weiss, Mr. Bailey, Mr. Jeffords, Mr. Edwards of Oklahoma, Mr. Tauke, Mr. Petri, and Mr. Ratchford):

H.R. 5192. A bill to amend and extend the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. McDADE:

H.R. 5193. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 5194. A bill to amend the Internal Revenue Code of 1954 to provide that the residential energy credit shall apply to qualified energy conservation expenditures made by certain landlords of energy savings attributable to such experiences are passed through to tenants; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. Mitchell of New York, Mr. Mollohan, Mr. Leach of Louisiana, and Mr. Wyatt):

H.R. 5195. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PATTERSON:

H.R. 5196. A bill to authorize the Secretary of the Interior to engage in feasibility studies of a water supply for domestic, recreational, and municipal water users along the Colorado River in California; to the Committee on Interior and Insular Affairs.

By Mr. CORCORAN:

H.R. 5197. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for 3 years, or to have other means of support; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. GAYDOS:

H.R. 5198. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado (for himself and Mr. Kogovsek):

H.R. 5199. A bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and to increase the authorized expenditures ceiling for the Paradox Valley Salinity Control Unit, Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California (for himself and Mr. Drinan):

H.R. 5200. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. LEDERER:

H.R. 5201. A bill to extend for 3 years the provisions of law relating to the business expenses of State legislators; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. Blanchard, Mr. Albosta, and Mr. Jeffords):

H.R. 5202. A bill to require the use of solar energy systems to provide a certain percentage of the energy used in new Federal buildings and federally leased building space for heating water and for heating and cooling; to the Committee on Public Works and Transportation.

By Mr. MINISH:

H.R. 5203. A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 5204. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. MARTIN:

H.R. 5205. A bill to amend the Internal Revenue Code of 1954 with respect to the number of individuals who may be shareholders in subchapter S corporations; to the Committee on Ways and Means.

By Mr. CAMPBELL:

H.J. Res. 391. Joint resolution proclaiming the week of December 3–9, 1979, as "The Boy Scouts Calendar Distribution Week"; to the Committee on Post Office and Civil Service.

By Mr. McKINNEY:

H.J. Res. 392. Joint resolution authorizing and requesting the President to issue a proclamaton designating the week of January 21 through January 27, 1979, as "Junior Achievement Week"; to the Committee on Post Office and Civil Service.

By Mr. HOWARD (for himself, Mr. Johnson of California, Mr. Harsha, and Mr. Shuster):

H. Con. Res. 182. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

294. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to granting all servicemen enlisting in Guam overseas pay while serving Guam; to the Committee on Armed Services.

295. Also, memorial of the Legislature of the State of California, relative to discrimination against Air Force nurses; to the Committee on Armed Services.

296. Also, memorial of the Legislature of the State of California, relative to Amtrak; to the Committee on Interstate and Foreign Commerce.

297. Also, memorial of the Legislature of the State of California, relative to air travel safety; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Corcoran.

H.R. 811: Mr. Jeffords.

H.R. 1115: Mr. Bereuter, Mr. Chappell, Mr. Conable, Mr. Ichord, Mr. Leath of Texas, Mr. Lee, Mr. Lent, Mr. Lott, and Mr. Railsback.

H.R. 1789: Ms. Ferraro, Mr. Weiss, Mr. Zeferetti, Mr. Pepper, Ms. Holtzman, and Mr. Murphy of New York.

H.R. 1977: Mr. Corcoran and Mr. Glickman.

H.R. 2118: Mr. Seiberling.

H.R. 2246: Mr. Blanchard.

H.R. 2279: Mr. Goldwater, Mr. LaFalce, Mr. Nowak, Mr. Lungren, Mr. Lundine, Mr. Winn, Mrs. Schroeder, Mr. Symms, Mr. Pashayan, Mr. Courter, and Mr. Wolff.

H.R. 2846: Mr. Udall, Mr. Rahall, and Mr. Coelho.

H.R. 3335: Mr. Cotter, Mr. Dodd, Mr. McKinney, Mr. Moffett, Mr. Ratchford, Mr. Emery, Mrs. Snowe, Mr. Drinan, Mrs. Heckler, Mr. Markey, Mr. Mavroules, Mr. Studds, and Mr. Beard of Rhode Island.

H.R. 3558: Mr. Young of Missouri.

H.R. 3677: Mr. Wyatt.

H.R. 3750: Mr. Sabo.

H.R. 3795: Mr. Quillen.

H.R. 3832: Mr. Mitchell of Maryland, Mr. Bedell, Mr. Guarini, Mr. Hollenbeck, and Mr. Stokes.

H.R. 4056: Mr. Daschle and Mr. Goodling.

H.R. 4086: Mr. Lott.

H.R. 4377: Mr. Vento, Mr. Edgar, Mr. Stokes, and Mr. Fazio.

H.R. 4464: Mr. Beard of Rhode Island.

H.R. 4647: Mr. Dornan.

H.R. 4762: Mr. Weaver.

H.R. 4986: Mr. Boner of Tennessee, Mr. Sabo, Mr. Ertel, Mr. Hopkins, Mr. Kramer, Mr. Goldwater, Mr. Flood, Mr. Anderson of Illinois, Mr. Dingell, Mr. Eckhardt, Mr. Deckard, Mr. Dan Daniel, Mr. Stewart, Mr. Solomon, and Mr. Edgar.

H.R. 5080: Mr. Edwards of Oklahoma.

H.R. 5117: Mr. Whitehurst, Mr. Butler, Mr. Kogovsek, Mr. Nichols, Mr. Madigan, Mr. Gibbons, Mr. Sawyer, Mr. Cleveland, Mr. Goodling, and Mr. McClory.

H.J. Res. 69: Mr. Gilman, Mr. Royer, Mr. Santini, Mr. Gore, and Mr. Hammerschmidt.

H.J. Res. 145: Mr. Gephardt and Mr. Bedell.

H.J. Res. 321: Mr. Russo, Mr. Dodd, and Mr. Traxler.

H. Con. Res. 124: Mr. Jeffords, Mr. Roth, Mr. Deckard, Mr. Fithian, Mr. Loeffler, Mr. Stokes, Mr. Fazio, Mr. Rosenthal, Mr. Michel, Mr. Vander Jagt, and Mrs. Heckler.

H. Con. Res. 133: Mr. Lagomarsino, Mr. Frenzel, Mr. Devine, Mr. Solomon, Mr. Winn, Mr. Flood, and Mr. Stokes.

H. Con. Res. 149: Mr. Gray.

PETITIONS, ETC.

Under clause 1 of rule XXII,

190. The SPEAKER presented a petition of the Board of Regents, College of Micronesia, Ponape, East Caroline Islands, relative to the appropriation of authorized funds

for the College of Micronesia, which was referred to the Committee on Appropriations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 51

By Mr. MURPHY of New York:

—Page 66, after line 8, insert the following new paragraph and renumber succeeding paragraphs accordingly:

"(3) Notwithstanding any other provision of this section, the Secretary shall determine whether the siting and construction of any LNG facility are in compliance with standards prescribed under paragraph (1) of this subsection if such facility is one for which initial construction was completed at least four years prior to the date of enactment of this Act but which has not been placed in operation by such date. With respect to any such facility, the standards relating to location established under subparagraph (1)(A) of this subsection shall require such location to be in a remote area in order to minimize the dangers to persons and property from discharge, explosion, or other malfunction. If the Secretary determines that the facility is not in compliance with such standards, no application for the operation of such facility shall be approved by the Department of Energy."

EXTENSIONS OF REMARKS

A REPORTER'S VISIT TO VIETNAM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

• Mr. ROSENTHAL. Mr. Speaker, during the recent congressional recess the New York Times ran a series of articles on present-day Vietnam by the noted investigative reporter Seymour Hersh. Having visited Vietnam last month, I applaud the tone of these articles and request unanimous consent to insert them in the RECORD.

Mr. Hersh, who spent 10 days in Vietnam speaking with top government officials, United Nations and other relief officials, and Vietnamese citizens he had known as a war correspondent, depicts a Vietnam in severe economic need, and a political leadership angered by the U.S. commitment to the "China card" of international politics—which apparently precluded normalization of relations between our two countries last fall. He also reports that over 2 million Cambodians are threatened in the immediate future with massive starvation.

While our visit was not as long as that of Mr. Hersh, my observation is that the Hersh articles and vignettes portray the country well—its politics, its economy, its security concerns, and the flavor of the daily life. I commend the articles to my colleagues.

As a member of Members of Congress for Peace through Law, I think the series will be of special interest to MCPL members.

[From the New York Times, Aug. 7, 1979]

HANOI SAYS U.S. DIDN'T FOLLOW THROUGH AFTER REACHING ACCORD ON TIES

(By Seymour M. Hersh)

HANOI, VIETNAM, August 3.—Vietnam's Acting Foreign Minister said in an interview this week that his Government and the United States reached full agreement on normalizing their relations during secret talks in New York last fall, but that the Carter Administration did not follow through on the agreement.

Nguyen Co Thach, who holds the title of Secretary of State for Foreign Affairs, said that the breakthrough in the negotiations came last Sept. 28 when Vietnam dropped its demand that the United States agree to a major aid commitment before normalization.

[In Washington, Richard C. Holbrooke, an Assistant Secretary of State who led the American team, confirmed subsequently that the United States and Vietnam had settled the aid issue in meetings last fall. Washington's subsequent decision to slow normalization, Mr. Holbrooke added, was solely in response to questions involving Cambodia, the refugee exodus and a Soviet-Vietnamese economic accord, and had nothing to do with Washington decision to recognize Peking, as Mr. Thach charged.]

Once the Vietnamese demand for an American aid commitment was dropped, Mr. Thach said, "everything was agreed upon, except for the writing down." He and the American side had settled such matters as the size of the diplomatic missions in Washington and Hanoi and had even begun discussions over who would be assigned as heads of mission, he said.

The Vietnamese official said, however, that he left New York after waiting in vain for a final meeting to conclude and sign the agreement.

"THE CHINA CARD PREVAILED"

Instead, he said, the United States extended diplomatic recognition to China and later accused Vietnam of making normalization impossible because of its position on the outflow of refugees, its pending military involvement in Cambodia and its signing of a long-term economic aid agreement with the Soviet Union.

"I think they would like to arrange normalization with China and normalization with Vietnam," Mr. Thach said, "and the China card prevailed above the normalization of Vietnam. This is my assessment."

Mr. Thach has emerged in the last six months as one of his nation's leading spokesmen to the outside world, and Western and nonaligned diplomats here believe that he exerts great influence on Vietnam's foreign policies. Handsome and self-assured, the 56-year-old official made himself available for more than six hours of interviewing over two days in what seemed to be a major attempt to explain his country's policies directly to the American people. Mr. Thach speaks excellent English.

Among the other key points stressed by the Secretary of State during the interview were these:

Vietnam "has stopped and will continue to stop" the unauthorized flow of refugees from its shores.

Hanoi "categorically" rejects any assertion that the central Government has profited, directly or indirectly, from the illegal exodus of refugees, many of whom paid enormous amounts to be allowed to flee.

Vietnam is opposed to any international conference on the neutrality of Cambodia because the new Cambodian government headed by Heng Samrin "has its own destiny in its hand." No role for Prince Norodom Sihanouk, the former Cambodian head of state, is possible.

Cambodia is now facing a desperate famine that threatens the life of its four million people.

Thailand has been permitting troops of the former regime headed by Pol Pot to operate within its borders and to maintain the "sanctuaries" needed to sustain their guerrilla operations against the Heng Samrin government. Vietnam does not consider the action of the Thai Government to be "wise."

Vietnam's economy has suffered severe setbacks because of the border wars with China and the fighting with the Pol Pot forces in Cambodia, and the Government needs to import three million tons of food this year, a figure it does not expect to achieve.

As for renewed warfare with China, Vietnam is "prepared for the worst" and the Chinese "must think it over before they launch another invasion."

CARTER POLICIES CRITICIZED

The extended interviews with Mr. Thach took place in a simply furnished living room in the Government's guest house in the center of Hanoi. Throughout the interview Mr. Thach, dressed casually, as everyone is in hot and humid Hanoi in midsummer, repeatedly criticized the foreign policies of the Carter Administration, but he distinguished between what he called the Government and the American people.

"It is very bitter for the Government to swallow the defeat" in the Vietnam War, he said, "but for the American people it is another thing. They are proud of their support of Vietnam during an unjust war."

He accused China and the United States of conspiring to manipulate the refugee issue for international political reasons. "They would like, through the bias of the refugees, to solve the question of Cambodia," he asserted. "That is the biggest reason behind the noise about refugees."

"Who is criticizing Vietnam?" Mr. Thach asked. "First it is China and secondly the U.S.A. They are the most critical. The other nations are honestly very emotional about the refugees, but it is a realistic emotion. But, you see, the United States and China have encouraged these emotions."

The non-Communist countries in Southeast Asia—principally Thailand, Singapore, Indonesia and Malaysia—"have a right to be sensitive" about the refugee issue, Mr. Thach said. "It is a very great burden for them," he acknowledged. "But you see, nobody is excited about the fate of the four million Cambodian people who are starving and the three million Cambodians who were killed by Pol Pot with the help of China."

"DOUBLE STANDARD" ON REFUGEES

The Vietnamese minister repeatedly complained during the interviews about what he termed the double standard applied by the United States against his Government. "We have stopped the exit of refugees since 1975," he said, "but we were criticized because we had not given the people freedom to go away. Then we decided to let them go freely and we are criticized by the West for exporting refugees.

"And now we have agreed to channel them through legal exits in part through the United Nations High Commissioner on Refugees and to stop all illegal exits. But now the Seventh Fleet is coming in and encouraging the people to go illegally."

• **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

Repeatedly turning to the refugee issue, he said there were two broad categories of people fleeing the country. The first group, he said, consists of "the 1.5 million people who cooperated with the U.S. Army." He went on: "There was no bloodbath. We have shown our humanity to them, our clemency. But they could not stay. Why? Because they have guilty consciences and, secondly, they were used to the easy life under American aid. They cannot work hard, so they would like to go with the Seventh Fleet and so on."

After the Communist victory in the spring of 1975, many inhabitants of the former South Vietnam were sent to so-called reeducation camps, where an attempt was made to instill Communist principles. The austere life represented a sharp change for many.

"The second group of refugees," Mr. Thach said, "are the Chinese. There are two reasons they left. First, you should know that I have been in New York and I have talked with the Japanese. They told me that after Pearl Harbor the Japanese were all concentrated into camps and all their property confiscated.

"Here the Chinese are free. You can see them in the streets. But they have the difficulty of being caught in a crossfire. If they support the Vietnamese against the Chinese, the Chinese are suspicious. If they support the Chinese against the Vietnamese, the same. If they are neutral, they are doubted by both sides. So it's very difficult for them to stay. Secondly, they are mostly big businessmen and they don't like the socialist reformation of South Vietnam. They would like to go away."

Regarding the question of forced payments from the refugees, Mr. Thach again complained of a double standard. "Some people say that we have taken money from these refugees, and at the same time they say that they are forced to go," he said. "So it is contradictory: If they are forced to go, why must they pay money? If they must pay money to go, so they are not forced to go."

The minister, emphatically denying allegations that the central Government collected refugee funds, said: "There is no such policy. I can reject it categorically."

EMIGRES RESTRICTED ON VALUABLES

Mr. Thach said that Government policy called for punishment of those who took bribes but that illegal departures had an obvious advantage, because those who left could carry all their valuables with them, in contrast to the sharp restrictions on the valuables that those emigrating legally were permitted to take.

Discussing Vienam's economy, Mr. Thach acknowledged that most of the agricultural and industrial goals had not been met because of the wars with China and the fighting in Cambodia. "But this is not the most difficult time for Vietnam," he said. "The most difficult time for Vietnam is over. And if during the American war we can stand and we can produce, why can't we now produce and stand?"

The failure to meet industrial and agricultural quotas has been far more damaging to the former South Vietnam and especially to Ho Chi Minh City, formerly Saigon, than to the north, Mr. Thach said. He acknowledged that many people were out of work in Ho Chi Minh City and still slept and begged on the streets.

"They are having trouble, yes," he said, "but it is because they don't want to work hard. They would like to have an easy life."

[From the New York Times, Aug. 8, 1979]

2.25 MILLION CAMBODIANS ARE SAID TO FACE STARVATION

(By Seymour M. Hersh)

HANOI, VIETNAM, August 3.—United Nations and Red Cross officials said in interviews here and in Ho Chi Minh City this week that 2.25 million Cambodians were facing starvation.

The officials, who agreed to discuss their recent fact-finding trip to Cambodia after being promised anonymity, also described the widescale starvation, shocking as it was, as only one element of what seemed to be the near destruction of Cambodian society under the regime of the ousted Prime Minister Pol Pot.

"I have seen quite a few ravaged countries in my career, but nothing like this," one official said. He added that as much as $100 million in food and medical aid was urgently needed.

PLIGHT HELD WORSE THAN REFUGEES'

The officials, representing the International Committee of the Red Cross in Geneva and the United Nations Children's Fund in New York, expressed dismay that the concern of many Western nations over the plight of the Vietnam refugees had overshadowed what they said would be a far greater tragedy in Cambodia.

Relief efforts in Cambodia have been slowed in part because of suspicion over the authenticity of the new Cambodian Government headed by Heng Samrin, which was installed by Vietnam after the invasion of Cambodia early this year.

The relief officials also said that during their visit to Cambodia they had seen evidence of systematic torture in chambers operated by the Pol Pot Government at a prison near Phnom Penh, the capital. Members of the Pol Pot regime, they said, carefully logged the names and titles of their victims and the types of torture each suffered. The officials said they knew of one large burial site where the remains of perhaps hundreds of the torture victims had been found after the Vietnamese invasion.

The relief experts said that the former regime had not only forced citizens to evacuate Phnom Penh, and other cities to work in the fields, as had been earlier reported, but also had destroyed all vestiges of intellectual life and whatever they could find of 20th-century civilization in the country.

The Pol Pot Government took over Cambodia on April 17, 1975, after the defeat of the United States-backed Government of Marshal Lon Nol. Mr. Pol Pot believed that the salvation of Cambodia was possible only through the expulsion of all foreigners and foreign influence and through "purification," or evacuation, of the cities in an attempt to reconstruct Cambodia's war-damaged agricultural system.

SOME FOOD SUPPLIED BY VIETNAM

Since the fall of his Government and its replacement by the Vietnamese-backed regime of Mr. Heng Samrin early this year, Vietnam, itself faced with a deficit in food, has diverted some of its supplies to Cambodia.

Cambodia's social welfare apparatus has been left in shambles, the relief officials said, citing demolition of hospitals, schools, water supply facilities and sanitary systems. The destruction of such facilities has been on a scale far wider than previously believed, they asserted.

Intellectuals were systematically purged, the officials said. Survivors reported that all people who were known to speak foreign languages were hunted down, imprisoned and, in some cases, beaten to death with sticks. One doctor told the relief officials he had decided to hide his eyeglasses during the four years of Mr. Pol Pot's rule for fear of being revealed as an intellectual, and punished.

Of more than 500 doctors known to have been practicing medicine in Cambodia before the defeat of the Lon Nol regime by the Communist forces in 1975, the relief officials said, only 40 have been found. The rest are presumed to have been slain or to have died while working in the fields in the last four years.

OFFICIALS BESIEGED ON ARRIVAL

The relief officials told of having been besieged by Cambodians on their arrival in Phnom Penh * * * with many of them asking the visitors to mail letters to family members and friends abroad.

In one such letter, dated June 20, and written to a doctor in Australia, a Cambodian nurse, after explaining that only 6 of the 14 persons in her family had survived, pleaded: "Please, doctor, would be sure taking my family to work in your country?"

The woman added: "Sorry of my poor English, because I never read for four years ago. My life always upset, no ideas, darkness in mind."

The officials said they had read many of the public accounts of the isolation of Phnom Penh under the former regime, but they still had been unprepared for the extreme destruction they saw during their visit there.

"It cannot be understood," one experienced official said. "It's a dead city. I saw only one pipe with running water."

EVERY HOUSE HAS BEEN DESTROYED

"Honestly, we could not believe it," he went on. "Every house has been destroyed and there are piles of garbage and furniture on the sidewalks."

Under the Pol Pot administration, the officials said, foreign journalists and other visitors were permitted to walk down one main thoroughfare that had been cleared of debris. Seen from the street, buildings seemed to be empty but in relatively good condition.

In fact, the relief officials said, every home had been ransacked. "It was not looting," one official declared, "because the soldiers did not take anything for themselves." But, he said, all signs of modern civilization—typewriters, radios, television sets, phonographs, books—were destroyed. In the shuttered hospitals of the capital, all the medical equipment, textbooks and reference journals were found, broken and scattered, on the floor.

A Roman Catholic cathedral in the center of Phnom Penh had been razed, with not a sign of its existence remaining, the officials said. Similarly, the city's central market had been destroyed.

All the automobiles in the city, the officials said, were driven by soldiers to an empty field and abandoned, left to rust as further symbols of modern decadence.

OUTBREAKS OF PLAGUE REPORTED

The increase in rats and other vermin has caused outbreaks of plague and other diseases, the relief officials said. The treatment of the sick is complicated, they said, by a lack of medical equipment, since the former Government was scrupulously methodical in its destruction of hospitals.

For example, in a hospital at Kompong Speu, about 30 miles west of Phnom Penh, the relief team found 30 patients who had developed hepatitis in recent weeks because of a lack of sterilizers for surgical instruments. The hospital had 500 patients when the group visited it last month, with one Vietnamese doctor who shuttled between it and other facilities.

The relief officials reported that there were believed to be 10,000 orphans in Cambodia, none of whom had been provided with the most basic immunizations.

NEW EQUIPMENT URGENTLY NEEDED

Some medical supplies were provided earlier this year by Vietnam, the officials said, and an emergency shipment of $10,000 worth of drugs and syringes was sent in this week.

Still urgently needed, they said, are new surgical and medical supplies, such as X-ray machines and sterilizers, for the ransacked hospitals, most of which were in towns and therefore were shut down.

Complicating the medical supply efforts is the food crisis, the relief officials said. They were permitted to visit some outlying towns. One of them, Kompong Speu, had been completely destroyed, they said. Everywhere they saw hundreds of children with the blank looks and distended bellies of the starving.

The officials said that the fragile government of Mr. Heng Samrin had set the daily intake of rice per person at 130 grams, roughly 4.5 ounces. That is less than one-third the average quota for other Southeast Asian nations, they said.

The officials said that Cambodia's fall harvest was expected to yield almost nothing, since many of the rice fields had been devastated in guerrilla warfare between Vietnamese troops backing the Heng Samrin regime and the surviving Pol Pot forces. In addition, the growing famine has forced many peasants to eat rice seedlings to stay alive, the officials said.

EASTERN AREA CALLED A 'DESERT'

Yet another factor in the famine, the officials said, is the apparent absence of any significant population in the fertile rice-growing areas east of the Mekong River, the area between Phnom Penh and the Vietnamese border. "My first impression after passing the border is that at present no more than 5 percent of the fields are cultivated," one relief official explained. "The eastern half of the country is a desert—no boats, no one on the roads," he said.

The people who had lived in that area, the official said, were viewed with special suspicion by troops of the Pol Pot regime because of its proximity to Vietnam, and thus they were forced to move out.

One relief official recalled his sharing some canned litchi nuts with a group of Cambodian officials last month in the Government's guest house in Phnom Penh. He was astonished when the Cambodians told him it was the first fruit they had tasted in two years.

COUNTRY KNOWN AS "LAND OF FRUIT"

"You have to understand," the official explained, "Cambodia has always been known as the land of the fruit."

The first-hand evidence of torture was found at a former French high school in Phnom Penh that had been converted to a political prison, the officials said. They recalled having seen a prison file on a Cambodian doctor who was tortured to death there. "The file indicated that he was tortured at least 20 times," one official said with an expression of horror, "and there were 5,000 files in the prison."

"You just cannot find anybody alive in Cambodia who has not lost somebody in his family," the official added.

He told of one couple who were overheard speaking to each other in French shortly after the Pol Pot Government came to power. "They were accused of being intellectuals and arrested," the official said. "She was killed the next morning by sticks, but he escaped."

[From the New York Times, Aug. 9, 1979]

EXODUS OF SKILLED ETHNIC CHINESE WORSENS HANOI'S PLIGHT

(By Semour M. Hersh)

WASHINGTON, August 8.—A crew of skilled Soviet longshoremen are now hard at work in Vietnam's busy harbor at Haiphong, unraveling a huge tie-up caused by a lack of skilled workers.

There are precious few factories in under-industrialized Vietnam, but some of them had to be closed down recently because of a lack of skilled workers.

The missing workers were ethnic Chinese, and Vietnam's leaders acknowledged in interviews in Hanoi last week that their nation is facing a major "brain drain" in part because of the exodus of Chinese residents over the last year.

PROBLEMS ARE SEVERE

The drain, however, is only one of Vietnam's current difficulties. Other critical problems include the following:

The economy is stagnant, with little manufacturing and little foreign-trade revenue.

Inflation, difficult for an outsider to assess, has created 100 percent price increases over the last 18 months for some basic consumer goods.

Millions of tons of food have had to be imported to meet minimum food needs with much of that now being diverted to aid famine-stricken Cambodia.

Most Western nations, shocked by the recent flood of "boat people," have cut off aid programs in retaliation.

War with China and the ousted Pol Pot Government in Cambodia have thrown all of Vietnam's planning programs and quotas into disarray.

The one million residents of Hanoi, having gone through 30 years of war, still suffer from antiquated transportation facilities. The only automobiles in use are those owned by the Government and by diplomats.

Housing is still dilapidated and shockingly inadequate. One diplomat said he counted 80 residents living in the house next to his embassy.

IMPACT OF EXODUS

Vietnamese officials have found it impossible to calculate fully the extent of the nation's loss stemming from the exodus of ethnic Chinese in the last year. The Chinese population, which once totaled 1.2 million, traditionally has been concentrated in government offices, hospitals, schools and research institutes, Vietnamese officials said. They noted that 3,000 of the 13,000 Chinese living in Hanoi at the beginning of last year worked in central Government offices. Many of those have left, causing serious setbacks in the day-to-day operations of the bureaucracy.

One senior Vietnamese official acknowledged that because of the outflow of Chinese medical doctors, "Now you can find parts of Vietnam where there are none." He added: "We don't like to let the skilled people go away."

The loss has been felt not only in the upper reaches of Government and in medical clinics. More than 15 percent of Vietnam's coal miners were Chinese, and mining operations were said to have been hampered by the exodus of key workers.

Given all these problems, Hanoi's leaders remain firmly entrenched in power and seem serene and optimistic about the future.

THE PEOPLE SEEM HAPPY

During a weeklong visit to Hanoi, a correspondent could only describe the attitude of the people as happy. There were far more individual styles of dress, and boy-and-girl relationships were much more in evidence than during a visit to Hanoi in 1972, at the height of the Vietnam War.

Western values, manifested by blue jeans, T-shirts and rock music, have begun to take hold, albeit tenuously. One young Vietnamese interpreter, a dedicated Communist assigned to the Foreign Office, conceded that he had a hankering for Rod Stewart recordings.

In many interviews, Western and nonaligned diplomats in Hanoi confirmed that, despite the continuing hardships, individual loyalty to the Government was the cornerstone of Vietnam's viability.

Asked about the Government's seemingly strong support at home, Nguyen Co Thach, Vietnam's Acting Foreign Minister, raised the issue of foreign criticism over the refugee exodus.

"You see," Mr. Thach said in an interview, "there are some people from the West who say there is a lack of human rights and that lack is why people want to go from Vietnam. So I must tell you that if there are no human rights, Vietnam could not stand these 30 years through these unthinkable difficulties, these unthinkable tests, if we do not have the support of the people."

"There is no gap in Vietnam between the life of the people and the life of the officials," Mr. Thach added. "I share in the poverty of my people. That's the way we can overcome all the difficulties—even 50 million tons of bombs on our heads."

The Vietnamese certitude and self-assuredness is a source of constant annoyance to western diplomats, who repeatedly used the term "arrogant" to describe some Government views.

For example, Australia, New Zealand, Britain and the European Common Market recently cut back food aid and other programs in an attempt to influence Vietnam's refugees policies.

EMPTY BARRELS ARE VERY NOISY

Mr. Thach, however, when asked about those cutbacks, attributed them to those nations' support for China. "Their aid is very small, so it's not too bad," he said.

"You see," he added with a laugh, empty barrels are always very noisy."

If Vietnam's attitude toward the West sometimes seems high-handed, a correspondent encountered a touch of the same imperiousness toward the Soviet Union and its huge aid programs. While grateful for the Soviet aid, Vietnamese officials made it pointedly clear that the aid would never turn Vietnam into a Soviet satellite, as some American analysts seem to fear.

A senior American official who deals with Southeast Asian affairs, interviewed in Washington, expressed the view that the Soviet Union for political reasons stemming from a reluctance to anger the United States, had not sought bases or received bases in Vietnam. "They're laying low until after the SALT treaty passes," he said.

Mr. Thach and other Vietnamese officials said, however, that they would not let the Soviet Union or any other country maintain a base on their soil.

The Vietnamese officials also said that the Soviet Union had not interfered or applied pressure to induce Vietnam not to seek normalization with the United States. If such pressure was brought, they said, it would be dismissed out of hand.

A nonaligned ambassador in Hanoi said that the leadership of Vietnam had been impressed by the many social programs undertaken by the United States during the years of America's support for the South Vietnamese Government, and was anticipating large-scale aid to provide some needed development programs in the North.

Even more important, the ambassador said, choosing his words carefully, is "that with the United States, they don't have to cringe to accept aid; with the Soviets, they do."

Surprisingly, the long years of war have left Hanoi free of signs of damage, but even a casual traveler can see the cost in terms of social progress. The roads are few, narrow and hopelessly jammed. Hanoi is still a city of bicycles and freshly slaughtered pigs being slowly brought to market could be seen on the backs of the cycles.●

MARY JANE JOHNSON TRIBUTE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DELLUMS. Mr. Speaker, for many years people from throughout the United States have looked to the city of Berkeley, Calif., for innovative leadership and ideas in the field of education.

Its programs of school desegregation, compensatory education, and special education for minority and underachieving youths have been instrumental in providing the entire country with important guidelines to what is possible in elementary and secondary education programs. Berkeley is proud of its leadership role, and through its successes and failures have come a recognition of its distinguished position in American education.

One citizen of Berkeley, perhaps more than any other, has been both a symbol and an instrument in Berkeley education achievement. That person, Ms. Mary Jane Johnson, has recently retired from the board of education, after having served two terms as its president, and two as its vice president.

Mary Jane Johnson was active in education in Berkeley long before she served in her official capacities. She was a community leader who pioneered the desegregation program, and who fought for its retention and success. Throughout her career, her performances have been marked by an extraordinary combination of keen intelligence, inexhaustible energy, and a magnificent humility.

Those of us who have worked closely with her admire her without measure; we plan soon to pause, as a community, and communicate to her our sincere thanks and appreciation for her many years of service. Because that service has been a service to her State and her Nation, I felt it appropriate to enter these comments of commendation into the CONGRESSIONAL RECORD.●

THE 75TH ANNIVERSARY OF SOUTHWEST TEXAS STATE UNIVERSITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PICKLE. Mr. Speaker, on August 18, I had the honor of addressing the summer graduating class of Southwest Texas State University in San Marcos, Tex. Over 900 students sacrificed what could have been carefree summer vacations to complete their school work and become graduates of the same excellent institution as President Lyndon B. Johnson.

This graduating class helped celebrate the 75th anniversary of Southwest Texas State. During that time, the school has produced many national leaders, including President Johnson. I thought it would be appropriate to consider the concept of leadership in my remarks, to question why Americans seem not to want to be led, while sometimes craving for more benefits and stronger leaders.

Mr. Speaker, I would like to submit these statements for the RECORD, along with a resolution of congratulations from the leaders of San Marcos to these future leaders of tomorrow.

ADDRESS BY CONGRESSMAN J. J. PICKLE

To these critics who say that America has gone to heck in a handbasket, I say we have not—at least not yet. We are becoming a "softer Nation," and as such more independent. You have the same opportunities as graduates before you.

This morning, one thing we can all nod in agreement with—you deserve a healthy pat on the back for your achievements. Gaining a college education is one of the strongest vehicles you can have for entering the society. You are better equipped to enjoy our freedoms and economic system, while contributing something in return.

Every commencement speaker probably reminds his or her audience they are entering the most critical stage in our history. But like a successful play with different scenes and turns, opening in many cities, there are many stages. And the next few years will prove as critical. Perhaps in a different way, than any other time.

You are entering a job market, or the graduate school routine. At a time when people are questioning the strength of our institutions and the people who are supposed to lead.

A national publication recently addresses the problem quite well, in almost an agonizing fashion. We are experiencing a lack of leadership. Commentators and politics complain that President Carter is a nice guy, but he just cannot lead the country. Some of the same people who rejected the decisive leadership of a Lyndon B. Johnson today almost yearn for such a distinctive figure.

But the malaise in our country goes beyond the person who sits in the Oval Office, or who bangs the legislative gavel, or who directs a corporation. Americans have questioned the need for strong leadership and the willingness to be followers. As TIME puts it, "Americans in the '70s have developed almost a psychological aversion to leading and to being led, even while they complain that no one seems in charge anymore."

This curious contradiction arises during the time when the 1960's impetus to expand, to improve and make a better society has been substituted with the so-called "me-decade" of the 70s where we've lowered our expectations. The striving of the 60s, to go out and save the world, has been replaced by the self-improvement movements and fads of the 70s.

People don't seem to have time or the desire to follow a leader, because past leaders have not delivered on pledges, have not addressed the real issues, or have not avoided being convicted. We also worry about our own personal, economic concerns. Alexis de Tocqueville predicted in 1835, that the American Dream always ran the risk of degenerating into anxiety-ridden materialism . . . that Americans would be perenially unsatisfied, always wanting more, turning the land of plenty into the land of excess. Was Mr. de Tocqueville right? Are we becoming that materialistic?

This struggle for abundance is quite understandable. Traditional economics and personal finances don't seem to work anymore. As graduates, expecting to enter the housing market, you'll be shocked. Your college diploma salary will have trouble financing the average cost of a home, which is over $70,000. The Washington Post recently wrote that a house cannot be found for much under $100,000 in the nation's capital. In Washington, real estate wheeling, dealing and talking takes up almost as much time as running the government—and we are not far behind here in Texas—and elsewhere.

Instead of hopes for the future, young people are feverishly attaining goods, which may be cheaper today than they will be tomorrow. All the while, people run the risk of overextending themselves. Contrary to our country's early days of abundance, when we could always keep going West and conquer virgin areas, we have settled the frontiers. Our resources are finite. Americans are fighting for their turf instead of finding visionary leadership.

Because of past excesses, we have seen new government regulation, which, unchecked, could invade personal freedom. We have made progress in correcting those excesses, but we have paid a price. With less economic independence, it is every person or business for himself. Which has led to the politicization of business. Many corporations new resemble quasi-governmental enterprises. Leadership initiatives are easily stymied by courtroom challenges. Individuals feel they have little role to play in the continuing tug-of-war between big business and big government.

The emerging distinctions which mark our institutions are cloudy. Where do you fit in? This dilemma is sure to touch your lives. Are we willing to be lead?

Hedley Donovan, President Carter's Senior Advisor and new Economic consultant, put it succinctly, "One secret of America's strength is that two strains—rebelliousness and willingness to accept orders—run strongly through our national life."

The Imperial Presidency is gone. And has been for the past ten years. Americans elect—and then devour a President. Apparently, we concluded that the Presidency is not infallible and that we don't have to do what the President says. We want to protect our own interests and privileges more than we are willing to balance national interests. We want more income, less taxes, less regulation and more retirement than ever before.

This does not make us "bad people"—but rather that we have been accustomed to lead the good life and leave the accounting to others. We do not want to be controlled or regulated—or led—or, are we? Do you want strong leadership? Are you willing to accept it? I think we are. I think Americans, in this time of excesses and problem of energy shortages, are willing to do whatever is necessary—and follow a leader—if they believe it is necessary. Rebelliousness on our part today is not against a man or a single institution. It is an attitude that the individual should be let alone. That cannot be done—quickly, at least.

We should try to take a lot of government out of our individual and business life, but we must accept the fact that, in doing so, we must largely give up federal assistance. We can't have it both ways. We, the older generation, are trying to turn the corner now. As young leaders coming onto the scene, how do you vote?

Out of our materialistic desires and our lack of desire to be led, there is room to turn the tide. This country still possesses personal freedom and traditions to insure great personal opportunities. Your right to seize the opportunity is one of our strengths. We can and we must participate in the continuing evolution of excellence that marks our country's history and can characterize our future.

The most famous graduate of this University, who learned many principles of life in "Old Main" was President Lyndon B. Johnson. President Johnson excelled in his personal life and made an almost unmeasurable leadership contribution. He recognized that change is healthy, that constant improvements and reassessments constitute progress. Speaking to the 1965 commencement class at Howard University in Washington, the President said . . . "Our earth is the the home of revolution. In every corner of every continent, men charged with hope contend with ancient ways in the pursuit of justice. They reach for the newest of weapons to realize the oldest of dreams, that each may walk in freedom and pride, stretching his talents, enjoying the fruits of the earth."

Despite new problems and current crisis, the words of Lyndon Johnson apply today as they did 14 years ago. In ten years from now, your generation will have its name, just as the 60s was known as the activist generation and the 70s marked the "me-generation." You have the unique chance to seize the opportunity, to improve the human condition, promote freedom and liberty and to contribute to the strength of our country.

RESOLUTION FOR SOUTHWEST TEXAS STATE UNIVERSITY

Whereas, Southwest Texas State University commemorates 75 years of service as a state-supported institution of higher education during the 1978–1979 school year; and

Whereas, The official university slogan, "the progressive university with a proud past," also serves as the 75th anniversary celebration theme, one which encourages the university community and residents of the San Marcos area to reflect on the rich history and tradition that have helped to make Southwest Texas one of the state's truly outstanding colleges; and

Whereas, Chartered in 1899 by the State Legislature as a two-year normal school Southwest Texas State Normal School opened its doors to 303 students who were taught by 17 instructors; and

Whereas, After 75 years and three name changes, Southwest Texas State University had an enrollment of more than 15,000 students and a faculty of more than 600 members; and

Whereas, With its original red-steepeled building, Old Main, still in full academic use, the school blends its progressive educational programs with cultural enrichment and recreational opportunities that provide students with a well-rounded atmosphere for learning and maturing; and

Whereas, Known throughout the state for its teacher education program, Southwest Texas gained national attention when one of is most famous graduates, Lyndon B. Johnson, became president of the United States; and

Whereas, All university divisions have contributed to the anniversary observance, which culminates with the summer academic commencement; and

Whereas, Since its opening in 1903, Southwest Texas State University has grown into a first-class regional, state, and national institution of higher learning, and students, alumni, and all the people of Texas can be proud of its progress and its dedication to excellence; now, therefore, be it

Resolved by the Commissioners Court of Hays County, the City Council of the city of San Marcos, and the Board of Directors of the San Marcos Chamber of Commerce that these bodies commemorate the 75th anniversary of Southwest Texas State University and offer best wishes for continued growth and academic excellence; and, be it further

Resolved, That official copies of this resolution be prepared for Southwest Texas State University and for its president, Dr. Lee H. Smith, as an expression of highest regard from the citizens of the community.●

TRIBUTE TO THURMAN MUNSON

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. REGULA. Mr. Speaker, many people of our Nation were saddened August 2, by the tragic airplane crash which took the life of one of baseball's greatest catchers, the New York Yankee's Thurman Munson.

Thurman was a resident of the Stark County community in Ohio, and one of its best-known citizens. He was a devoted family man who also loved the city in which he learned to play baseball. He was a sports hero who won respect in the Horatio Alger manner of hard work and personal sacrifice.

Thurman was a rugged individualist, admired for the way he played the game. His teammates showed their respect for his abilities by recognizing him as the team leader and field general. Only the great Lou Gehrig before him had held that position.

He was an All-American while a student at Kent State University, the American League's Rookie of the Year in 1970, the league's Most Valuable Player in 1976 and an All-Star Team choice seven times.

Thurman Munson was admired for his brusque frankness and complete honesty, his extraordinary athletic talents and competitive spirit, and his unstinting loyalty to his team and his friends.

A teammate and friend, Lou Piniella, said of the Yankee captain: "He exemplified a leader, he played hard, he played tough, he played hurt."

He had a burning desire to excel and he did.

As the baseball season draws to its close, sports fans throughout the Nation are missing the exceptional play of one of the great baseball players of our time. Those who live in and near the community he loved so much miss his achievements even more.●

STATUS OF NATO AWACS PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues correspondence I have had with the Department of State concerning the status of the NATO AWACS program.

Early in August, it was reported that the Federal Republic of Germany, which, along with the United States, is the major participant in this project, might block funds allocated to it, because of the alleged slowness with which the United States had purchased certain West German communications and transportation equipment.

An August 21, 1979, letter from Mrs. Lucy Wilson Benson, Under Secretary of State for Security Assistance, Science and Technology, should help to clarify the situation regarding West German participation in this important program of NATO standardization and improvement.

The correspondence follows:

AUGUST 7, 1979.

HON. LUCY WILSON BENSON,
Under Secretary of State for Security Assistance, Science and Technology, Department of State, Washington, D.C.

DEAR MRS. BENSON: On August 3, 1979, The Washington Post reported that a leading member of the West German parliament had threatened to block West Germany's participation in the procurement of the AWACS aircraft for NATO because of what he considered a failure on the part of the United States to purchase in a timely fashion certain West German equipment.

In addition to a status report on the NATO AWACS deal and delineation of current bottlenecks, I would like answers to the following questions: To what extent has the United States lived up to any arms sales agreements made in conjunction with the NATO AWACS project; Have we, in fact, been slow in our procurement from West Germany; What concerns has the West Germany government raised on this subject; What is the exact nature and extent of the "compensatory deals" we have made with West Germany in connection with its participation in the NATO AWACS project; Would a determination by the West German government that the United States had not fulfilled commitments associated with the project be appropriate grounds for reconsideration, or even cancellation, of the West German role in that project; What do we plan to do in the near future to meet West German doubts on this count; and What similar arrangements have been made for U.S. purchases of military equipment from the other European participants in the NATO AWACS project and what is their status?

I appreciate the information you have provided me in the past on this NATO AWACS project and look forward to your response to these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe, and the Middle East.

[From the Washington Post, Aug. 3, 1979]

BONN POLITICIAN CRITICIZES U.S. SLOWNESS IN NATO ARMS DEAL

(By Michael Getler)

BONN, August 2—A leading defense specialist in West Germany's opposition party has threatened to block Bonn's participation in the $1.8 billion NATO project to buy U.S.-built early-warning radar planes unless the United States speeds up its promised compensatory purchases of German products.

The threat came in a letter from Christian Democrat Carl Damm to Bonn Defense Minister Hans Apel. Damm called on Apel to warn U.S. Secretary of Defense Harold Brown of the seriousness of the situation, and to urge that the United States "fulfill its responsibilities."

Damm is an influential member of the defense committee of parliament, and it is generally felt here that he has enough support to carry out his threat.

The letter reflects growing impatience in some quarters over getting the United States to live up to its commitment to a "two-way street" in international military hardware purchases. This frustration arises from a perception that the U.S. military, Congress or industrial lobbies can slow or derail foreign purchases to which the U.S. administration has agreed.

"As a parliament, we have to deal with the United States of America as a whole," said Damm in an interview, and not with the U.S. Army, trucking lobbies or the Congress.

After years of controversy and debate, NATO last year agreed to buy 18 of the big Boeing radar planes—known as AWACS, for airborne warning and control system—with West Germany picking up 30 percent of the cost, the United States paying 42 percent, and the other NATO nations sharing the remainder. In return for its major support, however, Bonn was promised a number of compensatory deals, including the U.S. military purchase of some 9,000 German vehicles worth $111 million and a German telephone system to replace the antiquated U.S. military network, for about $105 million.

Damm complained that rather than some 1,500 vehicles a year, the United States thus far has purchased only 282 vehicles and has not let the contract for the phone system.

In Damm's view, that is not nearly enough to give parliamentary committees here confidence that the United States will live up to its pledge, given its historical lack of interest in foreign purchases.

"I'm in favor of AWACS and don't want to kill it," Damm said. "What I'm trying to do is send a warning signal to the U.S. government—three or four months before the defense committee here meets—that if nothing happens before then, it is my feeling that we will not release the next $55 million in our 1980 budget for AWACS."

Another cause of German frustration, Damm said, is that purchase of the French-German Roland air defense missile is still stalled in congressional disagreement and the U.S. Army, rather than buying 10-ton trucks already in service with the German army, is going out for bids on another, similar vehicle.

Andreas von Buelow, the number-two man in Bonn's Defense Ministry, said in a radio interview, "If we should come to the conclusion that the American attitude is developing along the lines suspected by Damm, we would consider this a basis for destroying the contract." He added, "But for the time being this is not so."

Damm acknowledged that he has no hard evidence that the United States will eventually fulfill these projects. U.S. officials in Europe admit the truck program is going more slowly than it should, but they also say there is no intention to back out.

Under Secretary of State,
for Security Assistance,
Science and Technology,
Washington, D.C., August 21, 1979.
Hon. Lee H. Hamilton,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives.

Dear Lee: Thank you for your letter of August 7, 1979, concerning a report in The *Washington Post* of August 3, 1979, dealing with the procurement of AWACS and compensating United States purchases.

The US offered each government participating in the NATO AWACS program a Memorandum of Understanding that would permit its industries to compete on an equitable basis for US defense procurements until its share of AWACS acquisition costs (minus any economic benefits it received from AWACS acquisition expenditures) were offset. The MOU offered no guarantees, expressed or implied, to NATO governments. Only the FRG requested such an MOU, and it was signed on November 14, 1978.

The US government did not agree to procurements in Germany as compensation for its participation in the NATO AWACS program. On the other hand it seems clear that Carl Damm and a number of members of the Bundestag view the European Telephone System and administrative vehicle procurements as "compensation" for German participation in the NATO AWACS program.

To clarify this apparent discrepancy, we have reviewed the record and believe it demonstrates clearly that the United States proceeded with procurement of a European Telephone System (ETS) upgrade and with purchase of administrative use vehicles because, after long consideration, both were considered on their own merits to be cost-effective. In fact DOD evaluation of German administrative use vehicles began before initiation of discussions with our Allies concerning NATO AWACS.

However, the Bundestag Defense Committee linked both procurements to the NATO AWACS program by formally noting that its agreement to AWACS was based on the assumption that the US would go ahead with those procurements as well as concluding a license agreement for the 120 mm tank gun. The Defense Committee further requested the Ministry of Defense to submit relevant contracts at the beginning of deliberations on its 1980 budget request. It is in this context that some German officials have recently expressed displeasure with the pace of activity in the telephone system and administrative vehicle programs.

Progress on the telephone system has been on schedule. However, in a closed mark-up, the Defense Subcommittee of the HAC apparently cut ETS FY 80 from $17.5 million to $9 million. DOD hopes that the Congress will restore this reduction. Still, in the worst case, the program should be approved and started in October, but with fewer switches. Regarding administrative vehicles, the Air Force buy should be completed on schedule in FY 83 (3,032 vehicles valued at about $45 million). The Army program has not been as successful as originally anticipated, inasmuch as its FY 80–85 program is not firm at this time, but we expect that it will reach levels which, when coupled with the Air Force program, will total $100 million which was anticipated by both the FMOD and DOD for the Administrative Use Vehicles (AUV) buy.

I might add that the 120 mm tank gun program is proceeding on schedule and that both our governments are satisfied with its progress.

On balance, we believe that German Defense Minister Apel and his colleagues in the German government are convinced of the firmness of our commitment to arms cooperation and to improving NATO standardization and interoperability in order to increase the effectiveness of the Alliances' military forces.

I believe that the above answers all the questions raised in your letter. I would be pleased to discuss this matter further with you if you believe that might be useful.

With best regards.

Sincerely,

Lucy Wilson Benson.●

STUMP CALLS COLORADO RIVER ENVIRONMENTAL IMPACT STATEMENT DISCRIMINATORY

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STUMP. Mr. Speaker, on August 3, 1979, in the Federal Register, the National Park Services released a sham called the final Environmental Impact Statement for the proposed Colorado River management plan for the Grand Canyon. The final EIS calls for the ban of motorized trips down the Colorado River in the Grand Canyon within 5 years. This action will at the same time restrict the number of people wishing to take a trip through the Grand Canyon in the summer by a third.

The entire public participation and comment process has been a sham. Letters and cards written to the National Park Service opposing the removal of motors on the river were not included in the public response by the Park Service. Last August, during the public comment process, the Director of the National Park Service and the Secretary of Interior publicly announced in a newspaper interview that the National Park Service "will be cutting down on the number of popular motorized rafts allowed down the River." The comment was made before the plan had been completed and the public participation had concluded.

In March of last year, I called a meeting with National Park Service officials concerning the lack of any evidence that motorized rafts were harming the canyon, the Colorado River, or animal and plantlife in the canyon. In that meeting, Park Service officials admitted (and many times since) that the motors did not harm anything but "their own aesthetic values." A letter was sent to the Secretary of Interior by the Arizona delegation requesting empirical evidence of harm and answers to nine questions concerning the EIS. The Secretary responded to the requested information after 7 weeks; however, the information could not be sent to the public for inclusion in the Record, because it was received 1 day before the end of the public comment period.

Subsequently, on May 1, 1978, I asked the Secretary for a time line as to when the Environmental Impact Statement would be published. I did not receive a reply from the Secretary until October 23, 1978, almost 6 months later, and then with no specific details as to when the EIS would be announced. As you know, people make plans months, even years in advance to go on these river trips, and suspension of the motors would be disasterous to thousands making plans.

On January 31, 1979, the Park Service announced in a briefing that publication of the final EIS would be tentatively set for April 1979. This was later confirmed by lettter from the Park Service. April, May, June came and went. Public assurances were given that July 1, 1979, deadline would be met or the present system would be continued into the 1980 season.

On August 3, 1979, the final EIS was published.

Aside from the public participation sham under which the EIS was supposedly written, I have several major objections to this EIS.

Mr. Bill Whalen, Director of the National Park Service, on October 25, 1977, said at Estes Park, Colo., "we must work to remove all barriers that keep people out of the parks, for parks must not continue to be exclusive." I agree with Director Whalen that we must open up our national parks to the public and quit being exclusive. But the Colorado River-Grand Canyon EIS does just the opposite.

My chief objection is that the EIS would ban forever the use of motors on the river, and thus preclude the public of the option of going on the river through the canyon on a motorized craft. Approximately 80 percent of the public usage on the river is on motorized craft. The average motorized trip takes 7 days to complete, while most oar trips average 12 to 16 days. The average person with a 2-week vacation will be precluded from taking the trip, because of time constraints and the higher cost of the longer oar trips. As these trips are already expensive, increase in cost for the longer trips would place them financially out of reach of many people.

This discrimination would be further extended by safety factors in which the young and the very old are excluded. A 35-foot, 3-ton motorized raft is safer than a 16- to 20-foot, 400-pound boat going down the Colorado River in "the greatest white water in North America."

One further point—it looks as though, at first appearances, the Park Service has expanded the season and enlarged the user days. Just the opposite is true. Traveling the Colorado River in early spring or late fall when temperatures are around freezing during the day and below freezing at night is not feasible, and thus the park goes unused. The Park Service takes away the summer user day and puts it in the winter when no one wants to use it. Usage during prime time on the river will, in fact, decrease.

As I have said numerous times before, the Park Service should keep the use of motors, as there is no evidence anywhere that suggests harm to the canyon, the waters, plant, or wildlife. The perceived esthetic views of the Park Service should not be the dictates by which the American people can see their parks, especially the grandest of them all, the Grand Canyon.

I will be introducing legislation Friday to statutorily mandate the continued option for the American public of continued motorized trips on the Colorado River in the Grand Canyon.

Any Member wishing to join me in this legislation, please contact my office.●

THE LIFE AND DEATH OF ELLIOTT PODOLL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MAZZOLI. Mr. Speaker, Elliott Podoll was my friend. He was an outstanding physician, specializing in pediatrics. He practiced in Louisville until 1971 when he joined the faculty of the University of Miami Medical School.

Elliott fought a valiant battle against cancer. He lost the battle on July 1 of this year.

But, before he died, he recorded his thoughts, impressions—and, yes, his fears—on videotape so that future generations of doctors might learn how better to treat those who fall victim to the relentless scourge of cancer.

The following article about Elliott first appeared in the Miami Herald and was reprinted in the Louisville, Ky., Courier-Journal on August 5, 1979.

It is poignant. It is heart-rending. But, it is the stuff of life. And, life was what Elliott Podoll was all about.

In commending this article to my colleagues attention, I also commend it to oncologists and all physicians who deal with cancer patients.

As Elliott said:

> I don't want to be derogatory to the medical profession . . . but they need to soften their approach, establish a way of communication, build up a relationship with their patients . . .
>
> Young doctors can be taught respect of the human body, respect of the human mind ahead of medicines (and) respect of mechanical gadgets.

All of us who knew Elliott Podoll will miss him as a person, as a physician. But, he leaves with us a rich legacy which could—and I hope will—lead medicine to a new and more compassionate method of treating those who have contacted the most dread of diseases.

The article follows:

THE LIFE AND DEATH OF ELLIOTT PODOLL—A PERSONAL ACCOUNT OF DYING

(By Beth Dunlop)

Thousands of Louisville children learned to say "Dr. Podoll" about the same time they learned to say "Mommy" and "Daddy."

Dr. Elliott Podoll, 59, a pediatrician who practiced in Louisville for nearly 25 years, died July 1 in Key Biscayne, Fla., of lymphoma, a cancer that kills about 18,000 Americans a year. He had moved to Miami in 1971 and became associate professor of family medicine and pediatrics at the University of Miami.

Podoll was more than a doctor, as his six-page curriculum vitae shows. He was active in a variety of community projects both in Louisville and in Miami. He was also internationally known.

As a captain in the Army Medical Corps, he was assistant chief of medicine at the 49th General Hospital in Tokyo from 1945 to 1947. In 1976 he was director of the Summit School for Disturbed Adolescents in Jerusalem. He lectured at medical meetings in Venice, London and Jerusalem and was a consultant on family and community medicine in Bogota and Cartagena.

He was a 1939 graduate of the University of Louisville School of Medicine. His interests included hypnosis, psychiatry, psychotherapy, sex education, unwed mothers, mental health, drug addiction and adolescent diabetes. He had been president of the Louisville Children's Hospital staff and the Louisville Pediatric Society and was medical director at the Kentucky School for the Blind for 22 years.

Two and a half years ago, Podoll learned he had cancer. He fought the good fight and during his illness tried to persuade his colleagues to be less clinical, to treat people as people and not just patients. Podoll also found some humor in the process of dying.

He put his thoughts on videotape for the University of Miami Medical School, to be used as a teaching tool. The tapes are not universally popular with physicians. But Podoll's son, Dr. Ronald Podoll of Louisville, said, "The medical community knew him well. Some of his views were different but he was well respected."

The younger Podoll has 13 partners in the practice of emergency medicine at Suburban and Sts. Mary & Elizabeth Hospital. He said his father's example "is hard to live up to." Before his father's death, he visited him in Florida every other week for two months.

The following story originally appeared in The Miami Herald on July 8, a week after Podoll's death.

Elliott Podoll didn't want to be immortalized with bronze plaques on walls in hospitals. His legacy to life is captured on thin strips of mylar videotape.

In a 30-month struggle with cancer, Podoll —pediatrician, teacher, psychiatry student, counselor, husband, father—made videotapes analyzing the debilitation of his body, sharing his most personal thoughts, invading his own privacy to leave behind a teaching tool for generations of future doctors, looking at cancer as both a physician and a human being. He fought a weary battle, persuading his own colleagues to be less clinical and more empathetic as they tried to fend off the fast-multiplying cancer cells.

He was 57 when cancer struck.

It started simply, ironically. The doctor did a self-diagnosis. He thought he had a hernia. He went to a colleague for an operation.

When the anesthesia wore away, the colleague was there with abrupt and bad news. Podoll had a hernia, yes, but he also had cancer. The doctor told him matter-of-factly, succinctly.

That was 2½ years ago. He had two prolonged chemotherapy treatments, two bouts of radiation therapy. As the cancer spread finally and voraciously, he refused a third treatment of chemotherapy.

Throughout the videotapes—filmed for the University of Miami Medical School where Podoll taught in the department of family medicine—the doctor tells a story of anger and humanity suspended in time.

The first begins in January 1977. It captures Podoll three months into chemotherapy, both bitter and hopeful. Bitter about how medicine is practiced—"We're doing things the wrong way around: we find the disease, treat the disease, treat the person." Hopeful because the process was just beginning—"My personal belief is that illness can be controlled by the individual. If I had a poor attitude, I would start dying today. I'm feeling mentally and emotionally stronger than I ever was before."

The videotapes are informal interviews conducted by Thomas Crowder, a minister who teaches at the medical school. They are for use in classes on treating the terminally ill patient and for seminars for doctors and nurses throughout the community. Podoll made numerous other teaching tapes—most of them dealing with pediatrics, his specialty.

Podoll's first cancer film opens with a description of his self-diagnosis and the discovery of the lymphoma. He talks about his early dealings with his doctors.

His treatment was flatly outlined for him. "The oncologist said, 'You're going to get chemotherapy. We're going to give you the latest things. They're only five months old.' That's it. It wasn't reassuring.

"They separated my body from me as an individual. I felt schizoid. Your body is taken away from you. It belongs to the National Cancer Institute. It's like you're being invaded with a process.

"They gave me three drugs. The oncologist said they're going to make you sick as the devil. Then he took out three large syringes—which really frightened me. I'm a human being as well as a physician."

He wanted to read about the chemicals. He was told that anything in print would be out of date. He wanted to know everything he could about his body, his mind, his emotions.

"The oncologist said there's a 75 to 80 percent chance that I will get a remission. They talk about the quantity of life but not the quality of life. There's a feeling of split—the chemotherapy is working on this invader to my body."

The first night he had weird dreams—that he was choking to death, that he was skiing down an endless white mountain never reaching the bottom.

The next day, he went to work. "My immediate thought was, gosh, if 57 is my magic number, then that's it. If I'm going to live, then I want to be effective. I have a place in the world and I want to continue it."

The predominant emotion wasn't fear. "Gee, I'm lucky. Other people don't know they're going to be run over by an auto or murdered in this terrible world we live in. I'm lucky. I have a time span."

He threw himself into that time span—playing tennis, working, becoming a better teacher, a more empathetic doctor.

Once, he had lunch with a friend, who asked him why he was doing so much for other people and less for himself. It depressed him because "my self was out of my hands. It was in the hands of three large syringes—prednisone and these exotic antibiotics they're giving me."

Two months passed. Podoll did a short interview for a Miami television program. He talked more about his feelings, about his own treatment. His bitterness was more institutionalized, his optimism stronger.

"There was no informed consent," he said. "Just you have this, and this is what we're going to do."

He would have preferred a choice—even though the choice was chemotherapy or nothing.

"The key, the awful key, to medicine is two things: giving the patients the utmost education about the disease, plus giving them options about therapy. This puts the patients in the position where they are part of the treatment."

The camera panned from the interview set to Podoll swimming, to him and his wife, Rosalie, walking at the edge of the ocean. He talked about the new medical possibility of a cure for lymphoma. "I'm looking forward to that. I'm looking forward to a cure."

July 1977. He is making the second teaching film for the department of family medicine—a program for physicians who will work in pediatrics or general medicine. Later, Podoll confided that his teaching tapes were not universally popular with the doctors who saw them. They are too radical, too tough on doctors.

Yet cancer is tough. Cancer reduces the strongest, most analytical, most detached, to sheer humanity. It melds together the victims—who, in search of survival, surrender their bodies to the best of scientific knowledge. Cancer can even separate doctors from their colleagues.

By this time, Podoll has finished his initial, six-month chemotherapy. He has "an empty, hollow feeling." He hated the chemotherapy, hated his loss of control. But it was "sort of a protection—I still had a feeling I was getting treatment."

The distance of six months let him describe his feelings: "I was angry, depressed. Suddenly this magical figure that I thought was healthy, suddenly it went to pieces. My destiny was in those syringes in my veins."

It hurt. His veins ached. He lost hair. He was nauseated. His vision blurred. His skin had a "peculiar odor." His mouth had "a peculiar taste."

"Many times I thought I'd rather leave my life in God's hands. I persisted because I knew this was the only treatment."

But there was a distinct lack of psychological support from the professionals. "People with malignancies look for some hope, with some chance. They're looking for another human being saying, 'Hold on, old fella, we're going to give you some help.' The professionals thought they had to be objective. But objective is knowing there's a human being with feelings. You can't just treat a human being with medication.

"I was not able to communicate. I'd say, 'I'm hurting.' They'd say, 'We expect you to.' "

In 1978 there was a remission. Then the lymphoma recurred. It invaded his lungs, his respiratory tract, his throat. At the end, Podoll sat in a Mount Sinai hospital room, an oxygen tube his last lifeline.

It is June 18, 1979. He is filming the third—and final—teaching videotape.

This one is unedited. It begins with Podoll primping, worrying whether the oxygen tube will look bad.

He is dying. "The issue is," he is saying, "how long you want to stretch out the period when you're dying. The mind is well. Your body is being eaten by termites. You wonder if it would be better if you were in a coma."

The termites are very real to him—and very painful. They are his imagery for the cancer cells. He is using a positive-image method to fight off the pain.

"I'm alert, aware of the outside world. There is a detachment I have. I have a feeling of a hollow body with many termites inside. But they haven't gotten to my brain. Mentally, I'm trying to stamp out the termites. I have a feeling mentally I'm making progress."

He doesn't mind dying. "I'm prepared for death. I'm also prepared to fight death with a positive approach."

The decisions are easy at this point. No more chemotherapy. He has persuaded his doctors not to give him the cardiopulmonary resuscitation should his heart stop. He doesn't want to die with someone thumping on his chest.

"All I want is peace. That may be heroics. But I'm a person, and my body belongs to me. I fight for my ability to make decisions, to be part of my own therapy."

Too often, he says, patients aren't. "I call them victims of the PDR—the Physicians Desk Reference. The patient is always a page in the PDR. The physician can always find something in that book to control the patient."

Podoll chose to take Brompton's Cocktail—a mixture of cocaine, morphine and alcohol—a painkiller mixture often used with terminal cancer patients. The alternative would have left him simply coping with the pain of the now-enveloping cancer.

June 25—eight days after the final videotape and six days before his death—Podoll recorded his thoughts about dying, his feelings of the Brompton's mixture: "With the Brompton's mixture, medical science has found a way to dissect your head from your body. I'm very alert. I feel able to do anything. (But) physically, I walk from here to the john and I'm worn out."

He talked about the humor in dying—a virtually untouched topic, one that most shy away from—and about how people react to the dying patient, a dying friend. It is a blunt, loose, honest tape.

"Once everyone knows the diagnosis and the prognosis, their treatment of you changes. They don't come in to see you. They become uncomfortable. They become solicitous."

A dying patient, he said, loses his privacy. The hospital starts to own the temporal body.

"And yet I have the feeling that if I took off my pants and streaked down the hall, I'm sure the nurse would be severely critized because she's allowing her patient to expose himself. I'd love to do that. I'd love to run up and down the hall naked, be a streaker. The only reason not to do this is that you lose your creditability."

His friends, he said, didn't know what to expect. They would "come into the room expecting me to look much worse than I do. They say, "You look good.' There's humor in this, in how people expect someone who's dying to look. They expect you to be in agony. They expect you to be in a position where they can look at you and say 'God, he looks horrible. When you come up quote, unquote, looking good, that upsets them."

He told his friends and his physicians that he found humor in the fact that he could no longer sleep in a bed, that he had to get in a bathtub and run warm water to sleep or lie on the floor or in a hammock on the balcony of his Key Biscayne apartment. "You can say it was sad. I say it was humorous. I was preparing for death. As if someone was saying you can't live your life in a 12-hour day, so we have to make you uncomfortable at night. Although I suffered, I enjoyed thinking of ingenious ways to sleep."

June 28. He sat in a lounge chair—the only comfortable position for him—and talked about his message.

"I don't want to be derogatory to the medical profession," he said. "They do as well as they can. But they need to soften their approach, establish a way of communicating, build up a relationship with their patients. I often felt things were out of my control."

Control was very important to him. Keeping that control, that sense of dignity, of humanity, that sense of being a person—being respected and cared about—would stay with him until the last moments of life.

"Young doctors can be taught respect of the human body, respect of the human mind ahead of medicines, respect of mechanical gadgets."

And then he talked of why he—a person who so safeguarded his privacy, who strove to control even his ulitimate decisions—decided to share his emotions, his private thoughts.

"When you die, you leave part of yourself in a way in the feelings you express. I guess that's your big privilege. That's why I made the tapes. That's my way of leaving a piece behind—not just a plaque on a hospital wall. This is my philosophy. And it's a pholosophy of life, as well as a philosophy of death."

July 1. Elliott Podoll died in his sleep at 10:30 a.m. His widow, Rosalie, said death came peacefully. He did not suffer excruciating pain.●

ANOTHER UNKEPT CARTER PROMISE, OH-HUM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MICHEL. Mr. Speaker, instead of using space by giving a long preface to the article I will insert, let me simply state that Don Lambro, United Press International reporter, has examined the Jimmy Carter promise of cutting back on the bureaucracy and has found—how best to put this?—certain discrepancies between the Carter promises and the Carter performance.

So what else is new?

At this point I wish to insert in the RECORD, "Carter Has Not Fulfilled Pledge To Cut Bureaucracy" as published in Human Events, August 17, 1979:

CARTER HAS NOT FULFILLED PLEDGE TO CUT BUREAUCRACY

(By Donald Lambro)

Despite President Carter's campaign pledge to "cut the bureaucracy down to size" and throw out wasteful programs, few government agencies have actually been abolished.

One of Carter's major campaign promises in 1976 was to consolidate the bureaucracy's 2000-plus federal agencies and programs down to about 200 tightly organized units of government.

While much of this reduction, Carter said, would be achieved through general reorganization, he also vowed that through zero-based budgeting—under which each program must justify its existence—"unneeded or obsolescent programs" would be abolished.

"The challenge before the nation is to cut the bureaucracy down to size," he said in Columbus, Ohio, on Sept. 9, 1976. If elected, he promised he would "shut down out-dated agencies and programs once and for all."

How has the President succeeded two and a half years later?

Despite ambitious plans to reduce the size and cost of the bureaucracy, only a very tiny number of actual agencies have been actually abolished at a very small saving. On the contrary, by virtually every other measurable criteria the government has grown by leaps and bounds.

By this fall yearly spending will have increased by $70 billion since President Ford left office—up to $532 billion. Since January 1977 the total civilian payroll has risen by over 34,000 workers to more than 2.8 million, excluding 2 million military men and women.

But this is only part of the story. Other growth areas are hidden. The budget does not include about $9 billion in off-budget agencies. Also excluded from employee rolls are about one million workers in quasi-government agencies and four million contractors, researchers, consultants and local and state employes whose salaries are paid by the government.

As for Carter's campaign pledge to shrink government down to 200 consolidated units, White House officials would rather forget that he made it.

"I don't know where that figure actually came from," reorganization chief Harrison Wellford said in an interview. "Frankly, I wish it had never been used." A White House inventory—the first ever undertaken—found there were 1,846 departments, agencies, boards, commissions, administrations and advisory committees, which alone numbered over 1,000. (Excluded from this count are hundreds of interagency committees spread throughout the government which the White House says would be impossible to tabulate.)

From this master list, the Administration says it has trimmed a total of 760 units of government and added another 348, for a net reduction of 412 committees and agencies.

The cuts, however, are not as substantive as they may appear. This is because 677 of them are carved from the plethora of informal advisory committees which meet only occasionally, rarely involve any permanent staff, and represent little if any cost to a budget that spends $1.5 billion a day.

Yet even with the reduction of 677 through terminations and mergers, the cost of advisory committees is still up—from $64.9 million last year to an estimated $74.1 million this year. This is because both Congress and the White House continue to create new ones each year. In 1978, 204 new panels were added.

Excluding, then, these 677, that leaves 83 actual Cabinet or non-Cabinet agencies which the White House says it has abolished.

Closer examination, however, reveals that most of the 83 were merged into other, larger programs—with their missions and payroll still intact, and often enlarged.

In fact, only about a dozen functioning governmental units or agencies have actually been terminated in the last two years as a result of Carter's efforts, most of them being tiny advisory offices or councils, some with little or no staffing. And in most instances the employees of these agencies remain, taking other government jobs.

For example, one of the agencies the White House "abolished" was the White House Office of Telecommunications Policy (OTP), which was created by President Nixon to research and coordinate communications policies and technology.

In truth, the OTP was transferred to the Commerce Department and merged with its research arm, the Office of Telecommunications. The merged agency, which includes some related programs from HEW, was then renamed the National Telecommunications and Information Administration.

Did the merger result in a net savings? Before consolidation, the two agencies cost less than $10 million a year. Their cost for this fiscal year is nearly $12 million.

"It certainly cannot be considered a termination," a Commerce official said. "The program was simply lifted out of the White House and moved over here." Thus, while the White House unit was eliminated on paper, its costs, employes and functions continue to exist.

Similarly, while the Domestic Council, created under President Nixon, is considered abolished by the White House, its functions and job slots remain alive and well in Carter's now-named Domestic Policy Staff.

Other White House offices abolished by Carter, like the Energy Resources Council, the Federal Property Council and the Economic Opportunity Council were nothing but "shadow agencies," according to one White House official who said "they were pretty much moribund by the time we got to them."

More important, several independent agencies listed on the Administration's abolished list were killed because Congress chose not to extend their authority despite support for them by the Administration.

One was the Renegotiation Board, which died March 31 despite Carter's support, after Congress failed to reauthorize it. The President's fiscal 1980 budget asked for $7.3 million for the agency, an increase of $1 million over the previous year.

What happened to the board's 180 employes? Some sought early retirement or got jobs elsewhere, but many went to work for the White House Council on Wage and Price Stability, among other federal agencies.

Other agencies like the Commission on Federal Paperwork and the American Revolution Bicentennial Administration appear on the White House kill list. But both went out of business because Congress enacted "sunset" expiration deadlines for them, not because the White House sought their demise.

This was also the case with the Indian Claims Commission which went out of business last September, not because the Administration sought its termination, but because Congress in 1976 set a deadline for it to cease operations.

The National Center for Productivity and Quality of Working Life, for which Carter provided $3 million in his fiscal 1979 budget, closed its doors last September 30—again, because Congress had placed a termination date in its authorization law.

Yet the Center hasn't totally disappeared. Two employes continue part of its work at the Commerce Department's National Technical Information Service. And last October Carter created a "National Productivity Board."

More important, however, is the fact that many others the White House places in its "loss" column were just renamed and moved into larger agencies.

The National Fire Prevention and Control Administration was moved from Commerce, renamed the U.S. Fire Administration, and placed in a new agency called the Federal Emergency Management Agency (FEMA).

FEMA will in fact be the repository for many small agencies, including the Federal Disaster Assistance Administration, the Federal Insurance Administration, the Federal Preparedness Agency and the Defense Civil Preparedness Agency.

The Agriculture Department's 1,000-Employee Economic research Service, which does marketing reports for big agricultural industries, was merged with the Statistical Reporting Service and renamed the Economic Research and Statistics Service. A spokeswoman at ERS said that no one lost their job as a result of the merger.

Likewise, many of the old energy programs, like the Energy Research and Development Administration and the Federal Power Commission, now called the Federal Energy Regulation Commission, were moved lock, stock and barrel into the new Department of Energy.

Similar transfers of agencies occurred when the Civil Service Commission was abolished and renamed the Office of Personnel Management. The new agency inherited at least seven sub-agencies from the old Commission.

"I don't see too much evidence of programs being knocked out," said Senate Appropriations Committee staffer Tom Van Der Voort. "Instead of getting rid of old programs, they are starting new ones."

One of the new programs is the Department of Housing and Urban Development's $5 million "Livable Cities Program" for grants to local governments to support architectural and art programs. The city of Lewiston, Maine, for example, is seeking a grant under this program to finance its annual winter carnival.

In the past two years, at least 68 separate grant programs have been abolished, but in those two years Congress and the Administration put an additional 62 in their place.

Essentially, Carter is applying the same approach to organization that he did as governor of Georgia when he consolidated 300 state offices, boards and commissions into 22 super agencies. This effort, however, resulted in the state payroll going up from 34,322 employees to 42,400 and the state budget rising by 58.5 per cent.

The White House is sensitive about keeping its list of 760 abolished agencies and committees intact, believing it represents the truest picture of what the Administration's reorganization efforts have accomplished.

When asked to provide a distilled list of those agencies that were actually terminated—deleting the advisory committees and any agencies whose functions have been transferred elsewhere—a reorganization task force official said that such a list would be "impossible to compile."

White House reorganization officials speak bluntly about the obstacles they have had to combat in their two-year bureaucracy-cutting exercise.

"The reality is that there is no office so humble or useless that it doesn't have some passionate defender," Wellford said in an interview. "You don't have anyone lobbying for the elimination of unnecessary agencies. You never feel any pressure on that. But there is always someone pushing for one of these limp-along, useless groups.

"The zeal for pruning the bureaucracy in general never matches the resistance against cutting the specific," he continued. "That's just the way it is. This is a bad season for reformers. Interest groups are flourishing. It's very difficult to marshall grass-roots support and opinion on Congress. Look at them: Common Cause, Ralph Nader's Citizens Lobby, the Fortune 500. There's an extraordinary imbalance here. They are all protecting some program or privilege."

That is why, Wellford said, the Administration's focus moved from program termination, which Carter emphasized in the campaign, to one of program consolidation.

"The focus has widened," he said. "The emphasis is on improving efficiency—on consolidation. Having been in office for over two years, we feel this is the emphasis that is the wisest and best approach."

Why the change? "Obviously we are influenced by what the market will bear on the Hill," he said.

Wellford fervently believes there are still many more "programs and agencies we could get rid of," but he also is acutely aware that "the amount of political capital required to eliminate a government agency that has a Congressional subcommittee chairman as its protector, is very, very large."

By that he means that any fight to abolish some obscure program or agency inevitably leads to opposition in Congress, sometimes making permanent enemies of lawmakers whose votes the Administration needs for major legislative battles.

Carter, he explained, is better off conserving his "political capital" for major congressional battles, rather than waste it by alienating lawmakers in an attempt to erase some obscure $25-million agency.

"It doesn't make sense to alienate them," he added. "Carter came here with high ideals and came up against a wall of congressional resistance."

Has the President fulfilled his campaign promise to cut back the bureaucracy?

"Within the realm of the political climate and the political realities, I think he has," Wellford said. While conceding that overall "growth is up," the pace of that growth has been slowed.

Nonetheless, like its predecessors, the Administration's chief hurdle to cutting unnecessary programs and agencies remains the same: Congress.

As he did last year, Carter proposed that 80 existing programs or agencies—totaling $4.5 billion—simply be deleted from the fiscal 1980 budget. They run the gamut from $3.6 million in Beekeeper indemnities (payments for dead bees) to $1 billion in unnecessary or low priority public works projects.

White House sources say the list was itself pruned from an original proposal more than twice as long, but was whittled down, according to one White House official,"because it just would have created more enemies on the Hill than we can afford."

The consensus of opinion among congressional Appropriations Committee aides is that relatively few items on the list will be cut in this year's budget process.●

HANDGUN VIOLENCE CLAIMS 696 LIVES IN JULY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DRINAN. Mr. Speaker, the unnecessary misuse of handguns resulted in the death of 696 lives during the month of July—the largest number during any month yet this year. The continuing increase in the number of people who needlessly perish each month is a mandate to take strong measures to curb the misuse of these weapons. For the first 7 months of this year, a total of 4,512 media-reported handgun related deaths have been compiled by Handgun Control, Inc.

Legislation has been introduced in the House that will effectively combat this dangerous problem. I urge my colleagues to seriously consider such measures in a concerted effort to save lives, and protect innocent citizens from handgun misuse.

The Handgun Control, Inc., list follows:

ROLL OF HANDGUN DEAD

ALABAMA (14)

Walter Beasley, Salem; Ramsey Randolph, Mobile; Johnny Blackburn, Birmingham; Austen Couch Sr., Huntsville; Bonnie Couch, Huntsville; Alice Howard, Mobile; John Nadeau, Huntsville; Larry Parsons, Birmingham; Clince Phillips, Anniston; Clement Stewart, Mobile; Coines Walker, Tuscumbia; John Whisenant, Ider; Meredith Whisenant, Ider; Sharon Williams, Tuscaloosa.

ARIZONA (7)

Stanley Edberg, Phoenix; Albert Hert, Phoenix; Jennifer Hopkins, Phoenix; Will Peel, Wenden; Sherri Perez, Eloy; Joseph Tomberello, Phoenix; Debbie Vaughn, Phoenix.

ARKANSAS (4)

Carl Adams, Corning; Donald Frederick, Harrison; Leon King, Pine Bluff; Mildred Rogers, Arkadelphia.

CALIFORNIA (119)

Jamie Aponte, San Bernardino; Ali Badja, Los Angeles; John Barnes, Hollywood; Barbara Bennett, Lenwood; Ted Berman, Soledad; Ronald Bowles, San Diego; Joseph Cabiera, Riverside, Edward Calleros, San Bernardino; Jo Ella Champion, Torrance; Barbara Chase, Azusa; Alfred Clark, Los Angeles; Bruce Colemn, Compton; Larry Columbe, Modesto; Lynn Congaon, Azusa; Brad Conner, Sunnyvale; George Crocker, Marin Co.; Jesus Cruz, Moorpark; Roland De Armond, Los Angeles; Antonio Del Rio, Stockton; Felipe Espino, Watsonville.

Ada Ezes, Yucca Valley; Clarence Ezes, Yucca Valley; Evelyn Fischer, Vallejo; Policapio Flores, Oxnard; Juan Gaitan, Oxnard; Theresa Glass, Monterey; Ernesto Gomez, San Fernando; Michael Gonzales, Fresno; Ramon Gonzales, Modesto; James Graft, Lancaster; Vertis Hallman, San Diego; Helen Henry, San Diego; Segisfredo Herrera, Long Beach; George Hill, Torrance; Willie Hoefke, San Pedro; Robert Hope, San Rafael; Stephen Hopkins, Modesto; Ada Ives, Joshua Tree; Clarence Ives, Joshua Tree; Olin Jenkins, Riverside.

Kieron Kittle, Claremont; Douglas Krumpe, Central Valley; Carol Kumagai, Apple Valley; Rubin Levrette, San Bernardino; David Lewis, Oroville; Cornelio Llamas-Montes, Fallbrook; Michael Lynn, Fresno; Velma Lyons, Oakland; Manuel Magallanez, Bell Gardens; Juan Martinez, Torrance; Martha Maza, Lennox; Howard McDaniel, Pacifica; Michael Mejia, La Puente; Terrance Meyer, Lincoln; Eddy Montgomery, Hawthorne; Darlene Morford, Palo Alto; James Jorford, Palo Alto; Ronald Morrison, Inglewood; Roy Moulton, Wrightwood; David Myers, Woodland Hills.

Karl Neuenschwander, Buena Park; Philip Niles, Los Angeles; Alfonso Olivares, Santa Ana; Carl Olson, San Jose; Brian O'Neil, Huntington Beach; Robert Opel, San Francisco; Adolfo Partida, Los Angeles; Javier Pedrosa, El Rio; Antonio Perez, Dixon; Thomas Phillips, San Diego; Janette Pinental, San Francisco; Suwanna Quadro, Sunnyvale; Louis Ramirez, Torrance; Robert Reynoso, San Fernando; Adam Romero, San Bernardino; Reginald Scoby, Compton; Serena Savino, Indio; Perry Shuck, Roseville; Matilda Simental, Corona; David Simmons, Auburn; Jim Yi Simmons, Suisun City.

Otis Simmons, Suisun City; Rubin Solis, La Puente; Denim Suenram, Lake Sun; Ross Swift, Hollywood; John Treadway, Sunnyvale; Robert Vargo, Argus-Courier; Juan Vega, Santa Paula; Guido Viera, Anaheim; Virgil Vizina, San Diego; Anthony Volz, Indio; Heinrich Vorum, Daly City; Ronald Waddel, Hawthorne; Harold Ward, Riverside; Ronald Warner, Oxnard; Robert Weisswasser, Los Angeles; Lynn Whinnery, Fremont; Darryl William, Los Angeles; Billy Williams, Stockton; Joyce Williams, Petaluma; Raymond Wong, San Francisco; Joseph Yarbrough, Whitethorn; Clarence Young, Los Angeles.

Unidentified female, Sanger; unidentified female, Laguna Hills; unidentified male, San Francisco, 7–1; unidentified male, 23, San Bernardino, 7–8; unidentified male, 30, San Bernardino, 7–8; unidentified male, Los Angeles, 7–11; unidentified male, Madera, 7–16; unidentified male, Los Angeles, 7–17; unidentified female, Lenwood; unidentified male, Linda Vista, 7–20; unidentified male, Perris, 7–25; unidentified male, San Bernardino, 7–25; unidentified male, Simi Valley, 7–26; unidentified male, Los Angeles, 7–27; unidentified male, San Bernardino, 7–27; unidentified male, Lytle Creek, 7–27.

COLORADO (14)

James Cotter, Denver; Raymond Cuevas, Vail; Phyllis Elcess; Alvin Ephriam, Denver; Reginald Henry, Boulder; Steven Lambert, Denver; John Lilly, Jefferson Co.; Thomas MacDonald, Loveland; Kenneth Maughan, Westminster; Stella Patrick, Denver; Oscar Pugh, Pueblo; Oval Silvrants, Denver; Steven Tackett, Lakewood; Mary Westbrook, Denver.

CONNECTICUT (5)

Mattie Hooten, Stamford; Paul Izzo, West Haven; Alonzo Reed, Hartford; Melvin Rulnick, New Britain; Janice Walker, New Britain.

DELAWARE (1)

Anna Watson, Wilmington.

DISTRICT OF COLUMBIA (2)

Alexander Lecount and Loring Topp.

FLORIDA (22)

Solomon Anderson, Key West; Steve Aycock, West Dade; Dorothy Bell, Jacksonville; Willie Clark, Chiefland; Elva Dotson, Pensacola; James Filion Jr., Miami; Fannie Hand, Bainbridge; Freda Kelly, Pensacola; Daniel Laverne, Boynton Beach; Charles McFleld, Opa-Locka; Robert Nichols, Fort Lauderdale.

Beverly Novak, Miami; Ignacilio Nunez, Hillsborough Co.; Buelah Player, Jacksonville; Paul Salamida, Miami; Edward Singleton, Deerfield Beach; Iris Woolcock, Venice; Thomas Young, Sarasota; undentified male, Broward; unidentified male, Orlando; unidentified male, Apopka; unidentified male, Miami.

GEORGIA (29)

Gen. Grant Banks, Atlanta; Franklin Batts, Rome; Clarence Beard, Augusta; Dorothy Cooper, Ashburn; Grover Cooper Jr., Ashburn; Willie Cooper, Atlanta; Richard Ewins, Atlanta; Fulton Faniel, Atlanta; Porche Franklin, Atlanta; Madison Gordon, Ludowici; Charles Green, Savannah; Barbara Harris, Perry; Robert Harris, Perry; Charles Landers, Atlanta; Benjamin Langford, Atlanta.

Barbara Lanier, Atlanta; Chancey Lawson, Colquitt County; Elaine Lowery, Villa Rica; Willie Milsap, Atlanta; Julio Rozcorocco, Atlanta; Johnny Ruff, Atlanta; David Sinkfeld, Villa Rica; H. W. Smith, Decatur; Barry Spakowsky, Smyrna; Jobie Thomas, Atlanta; Alan Williams, Stephens County; Unidentified female, Macon; Unidentified male, Atlanta; Unidentified male, Doraville.

HAWAII (1)

Raymond Wolcott, Honolulu.

IDAHO (3)

Gail Bock, Naples; Deborah Rayfield, Lewiston; and Cecil Snapp, Weiser.

ILLINOIS (28)

Freddy Bell, Chicago; Leona Brantley, Chicago; Cheryl Dawkins, Chicago; John Dawkins, Chicago; Cleophus Fisher, Chicago; Boguslaw Grabski, Chicago; Jesus Gutierrez, Chicago; Melvin Horton, Arlington Heights; Alexander Jackson, Chicago; Van Jackson, Chicago; William Jenkins, Peoria; Kit Johnson, Chicago; Donald Lawson, Chicago.

Ronald Lee, Chicago; Michael Matusiak, Chicago; Patrick McAndrew, Chicago; Sylvester Norris, Chicago; Frank Parrilli, Evanston; Herve Ricourt, Chicago; Antonio Rodriguez, Chicago; Angel Roman, Chicago; Esther Sepmeyer, Edwardsville; Emily Thomas, Bolingbrook; Jonathan Thompson, Chicago; Donald Trier, Skokie; Oscar Williams, Chicago; Kathy Young, Chicago; Unidentified female, Harvey.

INDIANA (14)

Ned Brooks, Gary; Robert Brown, Gary; Warren Buel, Michigan City; Luther Collins, Indianapolis; Mae Collins, Indianapolis; Donald Cross, Anderson; Arnell Glass, Jr., Gary; Denise Glass, Gary; Kathy Jones, Indianapolis; Larry Marshall, Indianapolis; James Pounds, Indianapolis; Brett Rodgers, Starke County; Frederick Walker, Gary; George Williams, Indianapolis.

IOWA (4)

Brent Gullion, Des Moines; Robert Joslyn, Cedar Rapids; Tony Millard, Ottumwa; Jeffery Reisinger, Des Moines.

KANSAS (9)

Grant Avery, Peabody; Frank Foley, Lansing; William George, Wichita; Carol Meeker, Kansas City; Tito Mejia, Kansas City; Martha Schultze, Olathe; Amelia Skala, Belleville; Baron Slutter, Pittsburgh; Dorothy Tate, Leavenworth.

KENTUCKY (13)

Wesley Adams, Winchester; Gilbert Allen, Crab Orchard; Jesse Bowling, Confluence; Chester Grimes, Frankfort; Roger Hymer, Stamping Ground; Marsha Ingram, Flemingsburg; Robert Ingram, Flemingsburg; Robert Ingram, 9, Flemingsburg; Sam Jones, Carter County; Billy Martin, Lexington; Herbert Taylor, Jamestown; Neal Turner, Harlan; Marshall Witherspoon, Paducah.

LOUISIANA (24)

Jimmie Allen, Mansfield; John Bonnell, New Orleans; Darrell Brown, Monroe; Baldomero Cuarisha, New Orleans; Walter Dacks, Covington; Ronald Dean, Shreveport; Leonard Doucet, Jennings; Clinton Fuller, New Orleans; Edwin Goodwin, New Orleans; Anthony Holmes, New Orleans; Leon Jones, Port Barre; Vanessa Latson, Shreveport; Jessie Lewis, Shreveport.

Edith Marshall, New Orleans; Emile Maurice, New Orleans; Sandra Miro, New Orleans; James Pinkney, New Orleans; Dorothy Poland, Shreveport; Rosita Savoie, New Orleans; Lucita Ward, New Orleans; Thomas Watson, New Orleans; Leslie Webb Jr., Denham Springs; Charles Winn, West Monroe; unidentified male, Lake Charles.

MARYLAND (20)

R. D. Clark, Odenton; Bernard Clemons, Baltimore; Arthur Contee, Baltimore; Robert Dixon Sr., Baltimore; Horace Forney, Baltimore; John Frick, Baltimore; Melvin Glass, Elkton; Harold Jenkins, Baltimore; Henry Jones, Bowie; James Joshua, Baltimore; William Lawrence, Baltimore; Eric Rada, Ridgely; Leo Shapiro, Baltimore; Rully Sims, Baltimore; Harry Spalding, Hillcest Heights; James Vass, Baltimore; Steven Witherspoon, Baltimore; unidentified male, New Carrollton; unidentified male, Baltimore.

MASSACHUSETTS (5)

Sonny Alicea, Dorchester; Anthony Corlito, Boston; Roy Coull, Gloucester; Joseph Damelio, Boston; Faical Mouhaidly, Boston.

MICHIGAN (18)

Diane Benward, Bay City; Elethea Benware, Bay City; Jason Benware, Bay City; Jeffrey Benware, Bay City; Thomas Benware Bay City; Weldon Benware, Bay City; Verdia Billings, Pontiac; Theresa Coryell, Durand; Lenel Flemming Jr., Flint; Larry Jones, Flint; Robert Ledford, Flint; Pauline Murry, Flint; Theresa Onvell, Durand; Randy Pititti, Durand; Arthur Quentmeyer, Harrison; unidentified female, Detroit; unidentified male, Detroit; unidentified male, Detroit.

MINNESOTA (3)

Alonzo Bridges, Minneapolis; Victor Mercado, St. Paul; and Heidi White, Beardsley.

MISSISSIPPI (4)

David Bailey, Ackerman; Michael Mayer, Biloxi; Teresa Mayer, Biloxi; Alvin Seely, Biloxi.

MISSOURI (15)

Carl Adams, Corning; Jerry Bernat, Houston; Donald Brinkley, St. Louis; Osborne Campbell, Kansas City; Sheldon Collins, Springfield; Reubin Cruise, Kansas City; Kathryn Farnsworth, Kansas; Walter Hagan, St. Louis; Michael Johnson, St. Louis; Thomas Miller, Linn Creek; Charles Polatty, Springfield; Clarence Sampson, St. Louis; Ralph Sharick. Geene County; Ralph Smith, St. Louis; James Ward, Kansas City.

MONTANA (1)

Caroline Wylie, Columbia Falls.

NEBRASKA (4)

Leroy Dorman, Lincoln; James Goslee, Council Bluffs; Judy Ott, York; Sylvester Windholz, Omaha.

NEW HAMPSHIRE (2)

Joseph Demet, Hanover and Alaric Gustavson, Jefferson County.

NEW JERSEY (4)

Vincent Ferguson, New Brunswick; Cynthia Gold, Newark; Eileen Gold, Newark; Donald Leotta, Bellmawr.

NEW MEXICO (5)

Don Doucette, Albuquerque; Juan Garcia, Albuquerque; Chester Jones, Clovis; Epitacio Lucero, Albuquerque; Marybelle McCoy, Flora Vista.

NEW YORK (25)

Robert Borwn, Harlem; Scott Cantrell, South Salem; Michael Christmas, Roosevelt; Jocelyn Fermin, New York; Jose Fermin, New York; Nancy Gage, Queens; Robert Gage, Queens; Damon Gustavson, Long Island; Deborah Gustavson, Long Island; Lascelle Hines, Bronx; George Hollaway, Brooklyn; Warren Lewis, Buffalo.

Eliezer Lopez, Brooklyn; Earl Martin, New York; Mario Pinagas, Queens; Maurice Reid, Brooklyn; Victor Roudakoff, Rockland County; Fernando Santiago, Brooklyn; David Southard; Sally Stroup, Mattydale; Oscar Sussman, New York; Gerald Tillem, Staten Island; Robert Weisswasser, New York; Unidentified person, Salina; Unidentified male, New York.

NORTH CAROLINA (18)

Bobby Atkinson, Raleigh; Luther Davis, Greensboro; George Decher, Fayetteville; Arthur Hayes, Apex; Carolyn Hicks, Winston-Salem; Donald Howard, Kannapolis; Juanita Lamance, Sanford; Bert Lindsey, Jr., Bessemer City.

Robert McCauley, Mebane; Theodore McCray, Dunn; Charles McDonald, Dunn; Bradley Miles, Greensboro; Floyd Nichols, Durham; Pansy Nichols, Durham; April Radford, Mars Hill; Jane Richard, Reidsville; Charles Simpson, Atlantic Beach; Nathan Smith, Kenansville.

OHIO (36)

Frank Bly, Akron; Alfred Braxton, Cleveland; Walter Carter, Cincinnati; Stanley Cetner, Cleveland; Charles Clark, Cleveland; Antonio Conte, Brook Park; Alfred Davis, Columbus; James Davis, Cincinnati; Frank Dillard, Cincinnati; Duane Dixon, Cleveland; Lessie Ellison, Springfield Township; Violet Ellison, Springfield Township.

Richard Flowers, Lorain; John Frye, Rutand; Carl Greer, Columbus; William Guido, Brook Park; Sophie Hartman, Columbus; Clifford Hartwig, Norwalk; Darnell Jeffries, Columbus; James Kennedy, Columbus; James Lewis Jr., Canton; Thomas Liddy, Eastlake; Robert Maidlow, Toledo; Frank Morse, Columbus.

Leonard Ramseur, Cleveland; Jan Reiser, Cleveland; Ralph Schrader, Mimishillen Township; Charles Sedar, Cleveland; Mark Sipcich, Brilliant; Kenneth Smith-Burnett, Columbus; Timothy Talley, Aberdeen; Kenneth Tomaszewski, Lorain; Ronnie Wall, Cleveland; Joseph Wente, Cleveland; Deanna Wolgamott, Tuscarawas Township; Unidentified male, Springdale.

OKLAHOMA (11)

Elmo Gandy, Anadarko; Opal Gandy, Anadarko; Henderson Harris Jr., Oklahoma City; Jerry Husted, Oklahoma City; Dolly Joice, Wagoner; James Leach, Oklahoma City; John Malone, Muskogee; Sandra Malone, Tulsa; Kathryn Stelle, Broken Arrow; Steven Wisdom, Oklahoma City; Ray York, Oklahoma City.

OREGON (11)

John Arias, Beverton; Jasper Belle, Portland; Alan Blattman, Portland; Jerald Campion, Portland; Lawrence Ebbs, Dayton; Kym Fearrien, Redmond; Orville, Hakanson, Grants Pass; Donald Ryks, Eugene; Arthur Schroeder, Medford; George Sweitzer, Brookings; John Talbott, Bend.

PENNSYLVANIA (18)

Joel Bockol, Philadelphia; Michael Branch, Philadelphia; Theodore Cintron, Philadelphia; Juan Colon, Philadelphia; Robert Hartz, Philadelphia; Ollie Helem, Overbrook; Johnny Jennings, Philadelphia; Kinford Krauss Sr., Spinnerstory; Mrs. L. Krauss, Spinnerstory; James Lewis, Germantown; Janice Lewis, Germantown; John Pizzo, Philadelphia; Wiley Rogers, Philadelphia; Robert Sheppard, Germantown; Tom Singleton, Philadelphia; David Stanley, Philadelphia; Deborah Watkins, Philadelphia; Hilda Young, Philadelphia.

RHODE ISLAND (1)

John Simpson Jr., Providence.

SOUTH CAROLINA (9)

Ronnie Allen, Sr., Mount Pleasant; Elijah Belin, Sr., Florence; Belin, 1st name not given, Florence; Archie Craft, Columbia; John Gainey, Charleston; Sandra Gainey, Charleston; R. A. Mobley, Florence; Jerry Sieben, Summerville; George Skipper, Myrtle Beach.

SOUTH DAKOTA (1)

Brian Bundy, Rapid City.

TENNESSEE (36)

Phillip Adams, Nashville; Bob Beecham, Nashville; Peggy Beecham, Nashville; Joseph Berry, Nashville; Dana Boone, Memphis; Novella Bowling, Johnson City; Charley Boxley, Memphis; Norvin Brown, Memphis; Leonard Broyles, Memphis; Vance Crawford, Jr., Memphis; James Delones, Huntsville; Janet Durham, Whitehaven; Timothy Durham, Whitehaven; Monroe Frank, Memphis; Florine Gaines, Knoxville; Rachel Gibson, Cedar Grove; Norvell Hightower, Memphis.

Jerry Hord, Kingsport; Larry Jamerson, Athens; Lula Jones, Columbia; Fred Keyes, Jr., Rutherford County; Michael Knalls, Nashville; Robert Lynn, Winchester; Charles Maynard, Sevierville; Patricia Moss, Memphis; Andrew Owens, Memphis; John Purdy, Nashville; Tammy Ragsdale, Knoxville, Elizabeth Richardson, Johnson City; Robert Steele, Columbia; Walter Stewart, Gleason; Lon Tucker, Franklin County; Barbara Utt, Sullivan County; Ella Watson, Gallatin; Terry Watson, Nashville; Joe Wolfe, Rogersville.

TEXAS (102)

Corey Aiello, Richmond; Louise Allen, Houston; Lupe Araiza, Houston; Ed Attaway, Odessa; Pedro Avila, Santa Maria; Jimmy Bacon, San Antonio; Ernest Barrera, Houston; Felix Bermea, Midland; Lester Bernat, Houston; Lela Bradic, Plainview; Robert Brem, Odessa; Edward Burchell, Denton.

Clyde Burns Jr., Abilene; John Butler, Fort Worth; Kathy Carroll, Del Rio; Lonnie Carter, Dallas; Fred Casares, Dallas; Daniel Constancio, Lubbock; Richard Corona, Houston; Landa Davis, Dallas; James Eggert, Houston; Rosendo Elizando, Houston; J. P. England, Midland; Freddy Fletcher, Texas City.

Lindy Fonsera, Houston; Robert Ford, Harris County; L. B. Gamble, Mexia; Margaret Gamble, Mexia; Jesse Gaona, Galveston; Santiago Garcia, Houston; Ubaldo Garcia, Brownsville; Alfredo Garza, San Antonio; Leroy Gloger, Houston; Buck Gordon, Arlington; Allan Graham, San Antonio; Jacquelin Hancock, Woodway.

Martha Hart, San Antonio; Margaret

Hawkins, Hurst; Robert Haynie, Fort Worth; June Heffner, Everman; Robert Heffner, Everman; Maurice Herrera, Fort Worth; Rodolfo Hinojosa, Brownsville; Gerald Hunt, Houston; Adolphus Irabor, Houston; Anthony Jackson, Houston; George Jasso, San Antonio; Jack Kennedy, Dallas; Rebecca Kennedy, Houston; Randall Kingston, Beeville.

Jose Lara, Houston; Raymond Lawrence, Lone Star; Robert Leigh, Pecos; Aaron Lewis, Houston; Carl Livingston, Houston; Eddie Martin Jr., Houston; Marion McGee, Beaumont; Marcus McGuinn, Fort Worth; Richard Meadows, San Antonio; Terry Milton, Waco; Manuel Montoya, Giddings; Tommy Morlock, Fort Worth; Joaquin Nevarez, San Antonio.

Merle Newbauer, Wills Point; Norma Newbauer, Wills Point; Larry Padgett, Amarillo; Sandra Palmer, Fort Worth; Humberto Pecina, Houston; Marion Peppers, Dallas; Virginia Philen, Athens; Joel Pomeroy, Dallas; Margaret Pomeroy, Dallas; John Pool, Dallas; Pedro Portillo, Hart; Juanita Powell, Rosharon; Hans-Gerd Promper, Houston.

Enrique Ramirez, San Antonio; Jose Reyes, Baytown; Richard Reynolds, Crosby; Pablo Rios, Jr., Houston; Alejandro Rivera, Galveston; Obie Robinson, Marion County; David Rocha, San Antonio; Olivia Rodriguez, Lubbock; Melvin Roland, Fort Worth; Melvin Savoy, Beaumont; Ernest Simone, Houston; Mary Sproles, Fort Worth; Kevin Swain, Arlington.

Joyce Sypert, Haltom City; Felix Trinidad, Houston; Tran Minh Tung, Houston; Maria Vasquez, San Antonio; Rosendo Villarreal, Houston; Diana Wanstrath, Houston; John Wanstrath, Houston; Kevin Wanstrath, Houston; Elton Williams, Dallas; unidentified male, Houston; unidentified male, Houston; unidentified male, El Paso.

UTAH (2)

Donald Mitchell, Salt Lake City and Louise Valdez, Kearns.

VERMONT (1)

Howard Gould, Montpelier.

VIRGINIA (14)

Howard Allen, Portsmouth; Leroy Booker, Richmond; Shirley Booker, Richmond; Robert Deutsch, Evergreen; Bruce Draper, Evergreen; Renaa Franklin, South Boston; Eileen Fulcher, Roanoke; Robert Keating, McLean; Michael Mayo, Richmond; Lucille Net, Annandale; Todd Net, Annandale; Stephen Pilgreen, Evergreen; Eunice Sowers, Floyd Joyce Terry, Danville.

WASHINGTON (8)

Michael Braun, Tacoma; Ronald Estabrook, Seattle; Seigfried Harmon, Lakewood; Florence Mansfield, Ronald Nowicki, Tacoma; Ricky Wheeler, Tacoma; Patricia Wilcox, Prosser; Robert Wilson, Sumner.

WISCONSIN (6)

Marjorie Brunn, Fox Lake; Oliver Brunn, Fox Lake; John Denn, Ellsworth; Esteban Ledesman, Milwaukee; John Maertz, Menomonee Falls; Jose Renovato, Milwaukee.

WYOMING (3)

Susan Bradley, Point of Rocks; Martha Hopkins, Cheyenne; and Robert Middaugh, Douglas.

HOMER E. CAPEHART OF INDIANA

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. QUAYLE. Mr. Speaker, one of Indiana's distinguished and outspoken political leaders, former Senator Homer E. Capehart, passed away on Labor Day. Homer Capehart, a successful businessman, served the people of Indiana with distinction and fairness for three terms in the U.S. Senate from 1944 through 1962.

While I did not have the opportunity of working with Senator Capehart, or knowing him well, he did leave a legacy of accomplishment in the private and public sectors.

During his years in the Senate he left his imprint on business and housing legislation, and he was a staunch advocate of a strong defense and forceful foreign policy. As we view with alarm the growing presence of Soviet military forces in Cuba in 1979, we recall that it was Senator Capehart of Indiana who urged the blockading of Cuba and the forcing out of Soviet missiles and bases 90 miles from our shores in 1962.

Homer Capehart was the son of a tenant farmer whose love for his State and Nation enabled him to succeed as a salesman, advertising agency head, to manufacturing executive and to a lengthy and successful tenure in the U.S. Senate. In 1962 he returned to Indiana and remained active in the Republican Party.

Mr. Speaker, we extend our heartfelt sympathy to the Capehart family—his wife, Irma; his son Earl; and daughter, Patricia Pearson; and his 12 grandchildren. We pray that God will comfort them in their sorrow.●

TWO QUESTIONS ON SALT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BINGHAM. Mr. Speaker, a compelling short article on SALT by Arthur B. Krim appeared in the New York Times for August 21. Mr. Krim, a distinguished lawyer and motion picture executive, is a member of the President's General Advisory Committee on Arms Control and Disarmament. The article follows:

[From the New York Times, Aug. 21, 1979]

2 QUESTIONS ON SALT

(By Arthur B. Krim)

To those millions of Americans to whom evaluation of the strategic-arms treaty has become lost in technicalities and conflicting generalities, I suggest that you ask your Senators two basic questions. You will be amazed by the extent to which the answers will cut through to the bottom line, not only for yourself, but also for your Senators as they approach their own moment of truth in making one of the most crucial decisions in our country's life.

1: Which of your objections to the terms of SALT II would be satisfied or alleviated by a repudiation of the treaty?

The fact is that the principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified.

As an example, take the argument that the treaty allows the Soviet Union the unfair advantage of the 308 heavy missiles now in place. If there were no treaty, this limit would be lifted; even more, the Soviet Union could then arm each of these missiles with up to 30 warheads, instead of the limit of 10 provided by the treaty, an overall potential increase of 6,000 warheads or more, which would otherwise be prohibited under SALT II.

Or take the argument that the Soviet Backfire bomber is not counted within the treaty ceiling. If there were no treaty, the Soviet Union could increase the range of the Backfire and its production rate without limits. Instead, in assurances that are integral to the treaty, the Soviet Union has specifically agreed to restrict the capacity of the Backfire to less than intercontinental range and to limit its production to no more than 30 a year.

Or, take the argument that compliance with the terms of the treaty is not adequately verifiable. If there were no treaty, we would be required to rely entirely on our ability to penetrate what is happening in a closed society in order to know what missiles the Russians were testing or deploying. Instead, under the treaty the Soviet Union is required to take affirmative steps to aid us in monitoring these same developments.

Or, take the argument that our Minutemen missiles will be vulnerable in the early 1980's. No one can argue that this is in any way due to, or caused by, the terms of SALT II. However, any steps to counteract this vulnerability are made much simpler by knowledge under SALT II that the threat to be counteracted comes from a limited and known number of Soviet missiles.

You may be surprised to find that your Senator, if he is opposed to the treaty, may not be able to point to a single substantive objection that would be remedied to any extent by a defeat of ratification.

2. What do you propose be done to enhance our security that cannot be done under SALT II?

The fact is that whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II. Should we deploy the MX missile and, if so, how? Should we enlarge our nuclear forces in the European theater?

You may again be surprised to find that our choices on these and the other important issues of security remain the same, SALT II or not. The difference is that under SALT II we can make these choices with greater certainty of the extent of the strategic forces deployed against us.

The argument that SALT II should not be ratified unless and until these choices are made, even though they are unrelated to any SALT II restrictions, in effect says that one-third instead of a majority of our Senators should control our defense decisions.

These two questions recognize that your Senator's decision cannot turn on what an ideal treaty might be but on whether we are better off under the terms of this treaty or by opting for the foreseeable future to go our own way without restraints on either side. If you insist on satisfactory answers, the bottom line becomes clear.●

REDTAPE SYNDROME

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STUMP. Mr. Speaker, one of the major concerns voiced to me during the district work period was the excess amount of Government regulation and high taxes. The following poem, written by my friend Bobbie Broumley, clearly expresses the concern and feelings of many. I am sure you will find the "Redtape Syndrome" of interest.

"Redtape Syndrome"

A Crisis of Confidence the President said,
But he didn't hit the nail on the head.
The folks are just tired of all being bled,
And the nation is sorta "seeing all red . . ."
The President can see folks begin to relax,
When they get out of our pockets and off of our backs . . .

We've so much red tape and such regulations,
Enough to choke the entire world of nations;
Now, add to all that the rate of inflation;
And how Proposition 13 created sensation. . . .
If Washington wants the folks to relax
They can get out of our pockets and off of our backs. . . .
Long years ago when folks were discreet,
It often was mentioned those who work shall eat;
But with such give-aways and our own tax receipt,
Our Zero Bank Account's complete . . .
The Natives are restless but we could learn to relax,
If they'd get out of our pockets and off of our backs. . . .

Every expert has an instant solution,
For energy, inflation and horrendous pollution,
It seems there may be an expert's collusion,
That could bring about a New Tax Revolution. . . .
I believe, Mr. President the people would relax.
If Washington got out of our pockets and off of our backs. . . .

—Bobbie Russell Broumley, July 25, 1979.●

FORT SAM HOUSTON, TEXAS ARMY HEALTH SERVICES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GONZALEZ. Mr. Speaker, the most prestigious and historical defense installation of our country is Fort Sam Houston. Images and memories of great soldiers who served at Fort Sam are evoked: General John J. "Blackjack" Pershing, Foulois, Eisenhower—just to mention a few.

Here now at this memorable and much desired as a duty post is headquarters for the U.S. Army Health Services Command.

Despite great odds, such as perennial budgetary shortfalls, much needed modern physical facilities (I am continuing my 18-year-old fight to obtain the long overdue modern new hospital building for the Brooke General Hospital), the administrators and personnel have done and are continuing to do an outstanding job.

During the Vietnam war I saw miraculous and heroic performances by Army orthopedic surgeons, who seemed guided by Divine Providence, repair and restore fragmented bodies and spirits.

I wish to share with my colleagues a very fine article about the command which appeared in the San Antonio Light on Sunday, August 5.

[From the San Antonio Light, Aug. 5, 1979]

Care of Millions Routine at HSC

(By Donna Jones)

(It is hard to imagine an organization seeing 48,000 patients, dispensing 81,000 prescriptions or conducting 40,000 dental checkups—all in a single day.

(But that's part of the routine for the Army's Health Services Command, which is headquartered at Fort Sam Houston.

(Light medical writer Donna Jones examines the worldwide operations of the health service and what it means to San Antonio.)

The U.S. Army Health Services Command at Fort Sam Houston is housed in an innocuous building that belies its power.

Operating with an annual budget that tops $1 billion, the Army's physician-administrators at Fort Sam direct health services that cover 3 million beneficiaries and more than 3 million square miles.

Six years ago, when the Army was searching for a home for this impressive command, Fort Sam Houston was vying with posts in Washington, D.C., and Denver.

HSC chief of staff Col. R. E. Neimes speculates that San Antonio may have been chosen because since 1946, the city has been home to the Academy of Health Sciences, a clearinghouse for all Army medical personnel. Approximately 40,000 enlisted men and officers pass through the academy, the world's largest military training activity, annually, Neimes said.

And, he added, San Antonio is "a nice place to be."

Besides the Academy of Health Sciences, where students can earn college credits toward associate, bachelor and master degrees, Fort Sam is home to Brooke Army Medical Center and a Regional Dental Activity.

With 10,000 staff members, the HSC employs approximately 76 percent of the military personnel at Fort Sam Houston.

The command also employs 500 civilians from the San Antonio area.

Having a major command at Fort Sam Houston has obvious economic benefits for San Antonio merchants who serve the military population, Neimes said.

But, perhaps more importantly, the HSC enhances San Antonio's scientific community, he added.

The command often hosts scientific meetings, and the military's medical experts take time to share their knowledge with civilian researchers and physicians, he explained.

As a community service, the HSC operates one of the nation's five programs called Military Assistance to Safety and Traffic. This service makes available to civilian authorities military personnel and helicopters to quickly transport traffic accident victims and other medical emergency patients to local hospitals.

But, San Antonio is only a fraction of the HSC's service area. The command provides health care, throughout the continental United States, Alaska, Hawaii, Puerto Rico, Johnston Islands, Guam, the Pacific Islands and to other government departments, agencies and organizations.

In October, the command will assume responsibility for the Panama Canal health system.

On an average day, HSC facilities see 48,000 clinic patients, fill 81,000 prescriptions and perform 40,000 dental procedures and 25,000 veterinary procedures.

They also offer education programs and conduct research.

The far-reaching HSC, predictably, is not without problems, most of which imitate those faced by medicine in the private sector.

Manpower and escalating costs are two major problems, Neimes said.

"That's not to say that giving us money will solve all the problems," he added.

The military admittedly has problems in attracting and keeping competent physicians, Neimes said.

Relatively low salaries deter some physicians from going the military route.

An emergency room physician in the private sector might earn $75,000 annually, while the top salary for an Army physician in the same specialty is $46,000, Neimes said.

But, Neimes said, "What attracts a physician is job satisfaction."

And, the Army is striving to increase job satisfaction while making only "modest improvements" in salaries.

Part of what makes a job satisfying is working in a modern facility with modern equipment, Neimes said.

Plans for modernization at Fort Sam will add health and dental clinics and expand Brooke Army Medical Center during the next seven years. The improvements are expected to run up a bill approaching $160 million.

By training physicians' assistants at the academy, administrators seek to assure that physicians will devote their time to the challenging aspects of medicine while assistants take histories and do routine tests.

HSC stays in contact with congressmen and local leaders and keeps them up-to-date on the Army's medical needs and assets, Neimes said.

The Army is improving its health services not only because it wants to attract more physicians, but also because "It's an asset to the nation," Neimes concluded.

THE "MYTHS" OF VIETNAM

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BRINKLEY. Mr. Speaker, for the benefit of my colleagues, I wish to place into the Congressional Record an article which appeared in the Columbus Ledger-Enquirer on August 19, 1979, entitled "The 'Myths' of Vietnam." The author, Mr. Millard Grimes, draws some profoundly accurate conclusions regarding our Government's involvement in, and withdrawal from, South Vietnam.

This excellent analysis of the Vietnam situation sets the record straight, and I commend this superb commentary to my colleagues:

The "Myths" of Vietnam

(By Millard Grimes)

As the 1970s draw toward an end, several myths from the 1960s have become virtually accepted as truth and dogma, and they are dangerous myths that should not pass into the history books unchallenged.

First, there is the broadly-accepted myth that the U.S. leaders who made the decisions that led to this nation's mission in Vietnam were wrong in both vision and morality.

Secondly, there is the corresponding myth that the protesters, demonstrators and other vociferous critics of U.S. policy in Vietnam were right.

And thirdly there is the oft-repeated claim that the United States "lost" its first war in Vietnam.

The decision by the Kennedy and Johnson administrations to send U.S. military advisors and aid, and then troops and massive air support, to South Vietnam was based on a belief that it was in the best interests of the people of South Vietnam and of the United States for that country to maintain a non-communist, pro-western government, and that military aggression by North Vietnam should be discouraged and turned back.

Further, the policy-makers believed that if North Vietnam's aggression was successful in South Vietnam that it could lead to further aggression in Southeast Asia.

Today, some 16 years after the decisive moves toward implementing the U.S. policy, we know that the leaders at that time were right in their main conclusions:

South Vietnam was threatened by a Communist takeover from North Vietnam. The people of South Vietnam—and of Cambodia and other neighboring nations—were unquestionably better off under non-communist, pro-western regimes; and the best interests of the United States were better served by such regimes.

The leaders were also correct about the much-maligned "domino theory," as North Vietnam now controls not only South Vietnam, but also Cambodia and Laos, and poses a threat to Thailand, Malaysia and other Southeast Asian countries.

On one other important point the U.S. leaders were right and their critics wrong. The war in South Vietnam was not a "civil war." North Vietnam's armies completed the conquest and North Vietnam's government controls South Vietnam today, even to the point of changing the name of its capital city from Saigon to Ho Chi Minh City.

Whatever else might be said of the outcome, it is difficult to argue that the South Vietnamese or the Cambodians are better off than they were under the regimes which the U.S. attempted to bolster and sustain during the 1960s.

And it is on that point that the protesters, demonstrators and critics of U.S. policy in Vietnam stand clearly branded as having been wrong.

They contended that it did not matter what kind of regime governed South Vietnam.

Let them ask the "boat people" if it matters.

And then there is the oft-heard lamentation that the U.S. "lost" the Vietnam War.

The clear and indisputable record shows that the U.S. withdrew its troops from Vietnam—mainly because of domestic pressure from the demonstrators and the anti-Vietnam movement—in 1973, leaving the South Vietnamese government in control of most of the land area below the North-South border.

It was nearly two years after U.S. troops left Vietnam that North Vietnam launched an all-out military offensive—in violation of the treaty signed in 1973, which it had violated in lesser ways throughout the previous two years—and this offensive succeeded in routing the South Vietnam army.

The U.S. mission succeeded up to the point when its troops withdrew. The war was lost two years later, in 1975, when the U.S. government declined to again become involved militarily.

South Asia is a place of tragedy today, but it is a tragedy that U.S. policies of the 1960s sought to prevent, and which failed in large measure because of opposition from Americans who were wrong both factually and morally.

The U.S. mission in Vietnam was noble, and its warriors were brave and deserving of honor.

The "losers" were the people of Vietnam, both north and south, and the people of Cambodia, and eventually perhaps the people of Thailand, Malaysia and Burma.●

NATIONAL CENTER FOR LAW AND THE HANDICAPPED

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GRADISON. Mr. Speaker, a recent article by Bill Steif, a reporter for the Scripps-Howard News Service, attracted my attention and I wanted to share it with my colleagues. The column addresses the very important and vital work of the National Center for Law and the Handicapped which is housed at the University of Notre Dame Law School in South Bend, Ind. The center was conceived in 1972 and has received the endorsement of the American Bar Association and the President's Committee on Mental Retardation. As I know my colleagues are aware, few if any other federally funded projects have ever produced or fostered the development of young men and women directly in the field of handicapped law nor are there any other national resources providing help to the legal community, social workers, and parents of retarded and physically handicapped youngsters as is NCLH.

Clearly, the contributions of this organization extend far beyond the boundaries of my own congressional district and in that regard I believe Bill Steif's article focuses important and most needed attention on the center and its struggle for survival:

U.S. AND YOU

(By William Steif)

Three lawyers talk around a table in a small room. They're successful, urbane, middle-class professionals.

They are also loving fathers.

Each has a retarded child.

Lawrence A. Kane Jr., of Cincinnati has six children. The last is retarded, a boy now 12. Kane says his son is "almost a rare person."

He's had an impact on the rest of the family. Another son is "establishing a group home for juvenile delinquents." A daughter has graduated from George Peabody College in order to teach "special education," the dreadful American euphemism for teaching disabled children how to cope with their problems.

Dennis E. Haggerty of Philadelphia says, "My boy is 20. He has an IQ of 25, a vocabulary of about 20 words. He has given us purpose; my two elder daughters are in a special education. My 17-year-old daughter understands that not all citizens have 20-20 eyes," this is, they're not all "normal."

David M. Barrett's son was his first-born. The boy is "profoundly retarded, but this has been an enriching experience."

Kane says: "I think many people still have latent fears of disability. . . . But my perception of this new generation, people from 18 to 40, is that it is very humane, sensitive, even compassionate."

Retardation is only one of many handicaps, mental and physical, Americans suffer. There are about 30 million handicapped Americans, a third of them severely handicapped. About 6 million of the handicapped are 3 to 21.

All these children have rights to public education, appropriate to them, under federal law. But often those rights are infringed upon or ignored because parents don't know what's coming to their children, or sometimes because school authorities flout those rights.

Kane, Haggerty and Barrett want to ensure those rights.

They are, respectively, president, vice president and a director of the National Center for Law and the Handicapped, founded in 1972 at South Bend, Ind., and jointly sponsored by the American Bar Association, the Notre Dame law school and the Council for the Retarded of St. Joseph County, Ind.

"The law (for handicapped children) is on the books," says Haggerty. "Now it's a matter of implementing and supporting it."

That's what the center does. It has taken part in more than 100 court cases. It gets over 3,000 inquiries a year. Kane says: "The most important thing is for our consumers—parents of children—to know they can call (219-288-4751) or write us, and we can direct them to help in their communities."

The center has three fulltime lawyers and eight legal interns, Notre Dame law school students. It publishes a magazine, Amicus, that contains reports about law and the handicapped. It disseminates legal briefs and advice.

The center has published a valuable tool if you're the parent of a handicapped child. It is a 20-page booklet, "Parent's Guide to Ensuring the Educational Rights of Children." It's a straight-from-the-shoulder discussion of rights and remedies to which your child is entitled. It tells you what your schools are obligated to do and how to get them to fulfill their responsibilities. The booklet is available for $3 from the center, 211 West Washington St., Suite 1900, South Bend, Ind. 46601.

Right now the center's having a tough time financially. It's been funded yearly by the Health, Education and Welfare Department's Rehabilitation Services Administration. It asked for $286,000 in the coming fiscal year, starting Oct. 1. HEW's new Secretary, Patricia Roberts Harris, has given no indication on funding. Without it, says Barrett, "Our momentum will be dissipated. All we want is equal treatment of American citizens."

You can write Mrs. Harris, c/o HEW, 330 Independence Ave., SW., Washington, D.C. 20201, to urge her to continue the center's funding. An equally important person to write is Rep. John Brademas, Ind., the House Democratic whip, who represents South Bend—and was instrumental in starting the center. His address is Room 1236, Longworth House Office Building, Washington, D.C. 20515.

Another publication just off the presses can help you if you're seeking aid for children. It's entitled, "National Directory of Children and Youth Services '79," and it is a 540-page compilation of the name, address and phone number of every social service, health, mental health and youth service agency in the nation, broken down by states, counties, cities and towns.

Juvenile courts are included. Officials in charge are named. There's never been anything like this; it took a veteran newsman, Bill Howard, to organize and do the job. The directory is aimed at professionals, but you don't have to be a pro if you want to spend $39—reasonable, considering the work entailed—for this. Copies are available c/o CPR Directory Services Co., 1301 20th St., NW., Washington, D.C. 20036.●

ENERGY LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 5, 1979, into the CONGRESSIONAL RECORD:

ENERGY LEGISLATION

She stopped me on the main street of a small Indiana town and asked her question almost belligerently. I could not have missed her deep frustration over high fuel prices and the uncertainty and confusion of a hundred gloomy news reports. "What," she wanted to know, "have you and the Congress done about the energy crisis?" It is a fair question, one in fact that comes to me virtually every day from Ninth District residents. The short answer is, "Quite a lot, but certainly not enough." Let me explain.

Much has been accomplished in our effort to achieve our energy goals of increased conservation, greater domestic production, and rapid development of alternative sources.

There are many examples of progress. The number of car pools has risen sharply, the automobile industry is turning out more fuel-efficient vehicles, and the push to weatherize homes has been so strong that there has been a shortage of insulation. More natural gas is available, new exploration for oil has increased to record-breaking levels, and the utilities have helped to reduce oil imports by switching from oil back to coal. Finally, energy research is picking up, with solar power coming along faster than anticipated. The ultimate result of these and other trends is important: while the nation's economy grew by 3.9% last year, the demand for energy grew at about half that pace.

Some of the trends I have just mentioned are due to the operation of the free market, and others have been encouraged by legislation. The effect of legislation should not be underestimated. In the past three Congresses more than 100 bills relating to energy have been enacted. Congress has increased assistance to mass transit systems, set a fuel-saving and life-saving 55 mile-per-hour speed limit, required all cars made in 1985 and subsequent years to get 27.5 miles per gallon, mandated standards for greater efficiency in home appliances, demanded that federal agencies work up energy conservation programs and assisted the states in doing the same, decontrolled the price of oil and natural gas, accelerated the development of a variety of alternative sources of energy, created a national strategic petroleum reserve, fostered the exploration of oil shale deposits, raised oil production on federal lands, provided for the careful exploitation of offshore reserves, and brought Alaskan oil into production. The private sector has played a major role in most, if not all, of these initiatives.

This is by no means a complete list, but it should be sufficient to show that neither Congress nor the private sector has been "sitting on its hands" with respect to the energy problem. The initiatives have been taken with my full support. Everyone would agree, however, that much more needs to be done. The following are some initiatives that I am continuing to push:

Gasohol: I support a bill to provide loan guarantees for the construction of facilities to produce alcohol, with priority given to farmers. The bill would also expand research grants and provide tax incentives for the marketing of gasohol.

Synthetic fuel: I support a bill that within ten years could replace two million barrels of oil per day with synthetic fuel. The bill would offer financial incentives for the production of "synfuel" through any acceptable technology, whether coal gasification or liquifaction, extraction of oil from shale or tar sands, or conversion of garbage or crops into alcohol.

Wind energy: I support a bill to step up the development of wind energy. If the bill is passed and wind energy proves to be commercial, it could replace 1.5 million barrels of oil per day by the end of the century. Wind energy looks especially promising in rural areas.

Solar energy: I support a bill to create a solar energy development bank to make long-term, low-interest loans through private lending institutions. Homeowners and businesses would use the loans for the purchase of solar energy equipment. It has been estimated that solar energy could meet 20 percent of our needs by the year 2000.

Conservation: I support a bill to encourage additional energy conservation in residences, transportation, industry, and commerce. Under the bill, the government would seek private capital through the sale of bonds or notes and then use the capital to subsidize low-interest energy conservation loans of all sizes. Private lending institutions would make the loans.

Energy procedures: I support a package of bills to improve the way the government handles energy matters. One item in the package, a "fast track" bill, would expedite federal decisionmaking on a limited number of key energy projects each year without exempting the projects from current laws. A second item in the package would establish a permanent Energy Committee in the House to speed up action on energy legislation.

No single step can solve the energy problem, but these pending bills would help us reduce our dependence on imported oil, meet our energy needs through conservation, and develop a large number of alternative sources of energy. I will work hard to ensure the passage of as many of the bills as possible.●

KISSINGER LOOKS AT FUTURE OF NATO

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BROOMFIELD. Mr. Speaker, since its creation in 1949, the North Atlantic Treaty Organization has been of enormous value to both the United States and the European community. That the West has remained free and protected is in no small part attributable to the alliance. Most importantly, NATO has denied the Soviet Union the opportunity to dominate Western Europe and has provided the West with a sense of security and confidence. However, if the military imbalance in Europe is exacerbated, the next several decades will be most challenging to us all.

While attending the recent Brussels conference on the future of NATO as part of a study mission to Europe led by CLEMENT J. ZABLOCKI, my distinguished colleague and chairman of the Foreign Affairs Committee, I had the pleasure of meeting with Dr. Henry Kissinger, the keynote speaker. I believe that his opening statement at the conference, which examines the alliance's future strategic and conventional concerns, merits the attention of all my colleagues:

NATO—THE NEXT 30 YEARS

(By Henry A. Kissinger)

It is a somewhat strange phenomenon for me to talk to a NATO conference in Brussels in the presence of so many old friends that will consider my words an unnecessary interruption in the thoughts they are getting ready to launch at the conference sessions. When I see my old colleague Ambassador de Staercke sitting here it is almost like the old days—he functions as my conscience as he always has.

I think I speak for all of you if I thank the Foreign Minister for the extraordinary arrangements that have been made to make us all so comfortable.

I thought at the beginning of the conference the most useful thing I could do is to outline the concerns that I have about the future of NATO, the problems that in my estimation require supervision, if we are to retain our vitality and if we are to remain relevant to the challenges before us. Since the early 1960s every new American administration that has come into office promises a new look at Europe, a reappraisal and a reassessment. Each of these efforts has found us more or less confirming what already existed and what had been created in the late 40s and early 50s, with just enough Alliance adaptation to please the endlessly restless Americans who can never restrain themselves from new attempts at architecture.

Without going into which of these proposals were right or if any of these specific proposals were necessary, I think the fact that in the late 1970s we are operating an Alliance machinery and a force structure under a concept more or less unchanged from the 1950s should indicate that we have been depleting capital. Living off capital may be a pleasant prospect for a substantial period of time, but inevitably a point will be reached where reality dominates. And my proposition to this group is that NATO is reaching a point where the strategic assumptions on which it has been operating, the force structures that it has been generating, and the joint policies it has been developing, will be inadequate for the 80s.

I have said in the United States that if present trends continue, the 80s will be a period of massive crisis for all of us. We have reached this point not through the mistakes of any single administration. Just as the commitment to NATO is a bipartisan American effort, the dilemmas that I would like to put before this group—admittedly in a perhaps exaggerated form—have been growing up over an extended period, partly as the result of American perceptions, partly as a result of European perceptions.

Nor is this to deny that NATO, by all of the standards of traditional alliances, has been an enormous success; to maintain an alliance in peacetime without conflict for a generation is extremely rare in history. And it is inherent in a process in which an alliance has been successful, in which deterrence has operated, that no one will be able to prove why it has operated. Was it because we conducted the correct policy? Was it because the Soviet Union never had any intention to attack us in the first place? Was it because of the policies of strength of some countries or the policies of accommodations of other countries? So, what I say should not be taken as a criticism either of any particular American administration (even granting that there was one period of eight years in the past in which no mistakes were made) nor of any specific policies of European nations but rather as an assessment of where we are today.

Let me first turn to the strategic situation. The dominant fact of the current military situation is that the NATO countries are falling behind in every significant military category with the possible exception of naval forces where the gap in our favor is closing. Never in history has it happened that a nation achieved superiority in all significant weapons' categories without seeking to translate it at some point into some foreign policy benefit. It is, therefore, almost irrelevant to debate whether there exists a Soviet master plan for world domination or whether there is some magic date at which Soviet armies will head in some direction or another. I am willing to grant that there is no particular master plan nor that there is any specific deadline; I do not even consider that the present Soviet leaders are super-adventurous. That is fundamentally irrelevant.

In a world of upheaval and rapid changes, enough opportunities will arise in which the relative capacity and the relative willingness of the two sides to understand their interests and to defend their interests will be the key element. I do not believe the Soviet Union planned Angola or created the conditions for intervention in Ethiopia or necessarily had a deadline for the revolution in Afghanistan. But, all of these events happened to the detriment of general relationships. I would consider it a rash western policy that did not take into account that in the decade ahead we will face simultaneously an unfavorable balance of power, a world in turmoil, a potential economic crisis and a massive energy problem. To conduct business as usual is to entrust one's destiny to the will of others and to the self restraint of those whose ideology espouses the crucial role of the objective balance of forces.

This is my fundamental theme. And I would now like to discuss this in relation to specific issues.

First, at the risk of repeating myself, let me state once again what I take to be the fundamental change in the strategic situation as far as the United States is concerned and then examine the implications for NATO. When NATO was created, the United States possessed an overwhelming strategic nuclear superiority. That is to say, for a long period of time we were likely to prevail in a nuclear war, certainly if we struck first and for a decade perhaps even if we struck second; we were in a position to wipe out the Soviet strategic forces and to reduce the counterblow to us to an acceptable level. And that situation must have looked more ominous to the Soviet Union even than it looked favorable to us.

If we think back to the Cuban missile crisis of 1962 which all the policymakers of the time were viewing with a consciousness of an approaching Armageddon, one is almost seized with nostalgia for the ease of their decisions. At that time the Soviet Union had about seventy long-range missiles that took ten hours to fuel, which was a longer period of time than it would take our airplanes to get to the Soviet Union from forward bases.

Today, or even in the Middle East crisis of 1973, when we had a superiority of about eight to one in missile warheads, if one compares this with the current and foreseeable situation, we are approaching a point where it is difficult to assign a clear military objective to American strategic forces in a strategic nuclear exchange. In the 1950s and for much of the 1960s NATO was protected by a preponderance in American strategic striking power which was capable of disarming the Soviet Union, and by a vast American superiority in theater nuclear forces, although, as I will discuss, we never had a comprehensive theory for using theater nuclear forces. Since all intelligence services congenitally overestimate the rationality of the decision-making process which they are analyzing, it is probable that the Soviet Union made more sense out of our nuclear deployment in Europe than we were able to make ourselves. In any event, it was numerically superior. And it was in that strategic framework that the allied ground forces on the continent were deployed.

No one disputes any longer that in the 1980s and perhaps even today, but surely in the 1980s—the United States will no longer be in a strategic position to reduce a Soviet counterblow against the United States to tolerable levels. Indeed, one can argue that the United States will not be in a position in which attacking the Soviet strategic forces makes any military sense, because it may represent a marginal expenditure of our own strategic striking force without helping greatly in ensuring the safety of our forces.

Since the middle 1960s the growth of the Soviet strategic force has been massive. It grew from 220 intercontinental ballistic missiles in 1965 to 1600 around 1972–1973. The Soviet submarine-launched missiles grew from negligible numbers to over 900 in the 1970s. And the amazing phenomenon about which historians will ponder is that all of this has happened without the United States attempting to make a significant effort to rectify that state of affairs. One reason was that it was not easy to rectify. But another reason was the growth of a school of thought to which I, myself, contributed, and many around this conference table also contributed, which considered that strategic stability was a military asset and in which the amazing theory developed, i.e., historically amazing, that vulnerability contributed to peace and invulnerability contributed to the risks of war.

Such a theory could develop and be widely accepted only in a country that had never addressed the problem of the balance of power as a historical phenomenon. And, if I may say so, only in a continent that was looking for any excuse to avoid the analogies of the perils it was facing and that was looking for an easy way out. When the administration with which I was connected sought to implement an antiballistic missile program inherited from our predecessors, it became the subject of the most violent attacks from the theory that it was destabilizing, provocative, and an obstacle to arms control; initially the ABM could be sold only by being applied as a protection against the Chinese and not against the Soviet threat. In any case, the ABM was systematically reduced by the Congress in every succeeding session to a point where we wound up with a curious coalition of the Pentagon and the arms controllers, both finally opposed to it: the Pentagon because it no longer made any military sense to put resources into a program that was being systematically deprived of military utility and the arms control community because they saw in the strategic vulnerability of the United States a positive asset. It cannot have occurred often in history that it was considered an advantageous military doctrine to make your own country deliberately vulnerable.

I repeat, I contributed myself to some of the theories and thus I am not casting blame here on any particular group (because everyone here who knows me knows that the acceptance of blame is not the attribute for which I will go down in history). But I would like to stress it as a fundamental fact.

Now we have reached that situation so devoutly worked for by the arms control community: we are indeed vulnerable. Moreover our weapons had been deliberately designed, starting in the 60s, so as to not threaten the weapons of the other side. Under the doctrine of assured destruction, nuclear war became not a military problem but one of engineering. It depended on the theoretical calculations of the amount of economic and industrial damage that one needed to inflict on the other side; it was therefore essentially independent of the forces the other side was creating. It was a general theory that suffered two drawbacks.

One was that the Soviets did not believe it, and the other is that we have not yet bred a race of supermen that can implement it. While we were building assured destruction capabilities, the Soviet Union was building forces for traditional military missions capable of destroying the military forces of the United States. So that in the 1980s we will be in a position where (1) many of our own strategic forces, including all of our land based ICBMs, will be vulnerable and (2) such an insignificant percentage of Soviet strategic forces will be vulnerable as not to represent a meaningful strategic attack option for the United States. Whether that means that the Soviet Union intends to attack the United States or not is certainly not my point. I am making two points. First, that the change in the strategic situation that is produced by our limited vulnerability is more fundamental for the United States than even the total vulnerability would be for the Soviet Union because our strategic doctrine has relied extraordinarily, perhaps exclusively on our superior strategic power. The Soviet Union has never relied on its superior strategic power. It has always depended more on its local and regional superiority. Therefore, even an equivalence in destructive power, even assured destruction for both sides is a revolution in NATO doctrine as we have known it. It is a fact that must be faced.

I have recently urged that the United States build a counterforce capability of its own for two reasons. One, the answer of our NATO friends to the situation that I have described has invariably been to demand additional reassurances of an undiminished American military commitment. And I have sat around the NATO Council table in Brussels and elsewhere and have uttered the magic words which had a profoundly reassuring effect, and which permitted the Ministers to return home with a rationale for not increasing defense expenditures. And my successors have uttered the same reassurances and yet if my analysis is correct these words cannot be true, and if my analysis is correct we must face the fact that it is absurd to base the strategy of the West on the credibility of the threat of mutual suicide.

One cannot ask a nation to design forces that have no military significance, whose primary purpose is the extermination of civilians and to expect that these factors will not affect a nation's resoluteness in crisis. We live in the paradoxical world that it is precisely the liberal, humane, progressive community that is advocating the most bloodthirsty strategies and insisting that there is nothing to worry about as long as the capacity exists to kill one hundred million people. It is this approach that argues that we should not be concerned about the vulnerability of our missile forces when, after all, we can always launch them on warning of an attack. Any military man at this conference will tell you that launching strategic forces on warning can be accomplished only by delegating the authority to the proverbially "insane Colonel" about whom so many movies have been made. Nobody who knows anything about how our Government operates will believe that it is possible for our President to get the Secretary of State, Secretary of Defense, Chairman of the Joint Chiefs of Staff and Director of the CIA to a conference called in the fifteen minutes that may be available to make a decision, much less issue an order that then travels down the line of command in the fifteen minutes.

So the only way you can accomplish that situation is by delegating the authority down to some field commander who must be given the discretion that when he thinks a nuclear war has started, he can retaliate. Is that the world we want to live in? Is that where assured destruction will finally take us? And therefore I would say, which I might not say in office, the European allies should not keep asking us to multiply strategic assurances that we cannot possibly mean or if we do mean, we should not want to execute because if we execute, we risk the destruction of civilization. Our strategic dilemma isn't solved with reassurances. There is no point in complaining about declining American will or criticizing this or that American administration for we are facing an objective crisis and it must be remedied.

The second part of this problem is the imbalance that has grown up in theater nuclear forces. In the fifties and sixties we put several thousand nuclear weapons into Europe. To be sure we had no very precise idea of what to do with them but I am sure the Soviet intelligence figured out some purpose for these forces. And in any event it was a matter for disquiet. Now one reason we did not have a rational analysis for the use of these forces was for the very reason that led to the strategic theory of assured destruction. Let us face it: the intellectually predominant position in the United States was that we had to retain full control of the conduct of nuclear war and we therefore had a vested interest in avoiding any firebreak between tactical nuclear weapon and strategic nuclear weapon. The very reasoning that operated against getting a rational purpose to strategic forces also operated against giving a military role to tactical nuclear forces and this was compounded by the fact that—to be tactless—the secret dream of every European was, of course, to avoid a nuclear war but, secondly, if there had to be a nuclear war, to have it conducted over their heads by the strategic forces of the United States and the Soviet Union. But be that as it may, the fact is that the strategic imbalance that I have predicted for the 80s will also be accompanied by a theater imbalance in the 80s. How is it possible to survive with these imbalances in the face of the already demonstrated inferiority in conventional forces?

If there is no theater nuclear establishment on the continent of Europe we are writing the script for selective blackmail in which our allies will be threatened, and we will be forced into a decision where we can respond only with a strategy that has no military purpose, but only a population destruction purpose.

I ask any of you around this conference table if you were Secretary of State or Security Adviser what would you recommend to the President of the United States to do in such circumstances. How would he improve his relative military position? Of course he could threaten a full-scale strategic response, but is it a realistic course? It is senseless to say that dilemma shows that Americans are weak and irresolute. This is not the problem of any particular administration, but it is a problem of a doctrine that has developed. Therefore, I believe that it is urgently necessary either that the Soviets be deprived of their counterforce capability in strategic forces or that a U.S. counterforce capability in strategic forces will be rapidly built; it is also necessary that either the Soviet nuclear threat in theater nuclear forces against Europe be eliminated (which I do not see is possible) or an immediate effort be made to build up theater nuclear forces. Just as I believe it is necessary that we develop a military purpose for our strategic forces and move away from the senseless and demoralizing strategy of massive civilian extermination for our strategic forces, so it is imperative that we finally try to develop some credible military purposes for the tactical and theater nuclear forces, for the theater nuclear forces that we are building.

And third, it is time that we decide what role exactly we want for our ground forces on the continent. These forces were deployed in the 1950s when American strategic superiority was so great that we could defend Europe by the threat of general nuclear war. And they were deployed in Europe as I have often said as a means of ensuring the automaticity of our response if our forces were in Europe as hostage and everybody had a vested interest not to make the forces too large; so we wound up with a paradox that they were much too large for what was needed in the 80s. I tried for the years that I was in office to get some assessment of just what was meant by the ninety-day stockpile that we were supposed to have, and what the minimum critical categories were. I know that my friend whom I admire enormously, General Haig, has done enormous work in improving the situation; nevertheless I would be amazed if even he would believe that we can now say that our ground forces by themselves can offer a sustained defense without massive, rapid improvements.

If the Chairman will permit, I will move to a few political considerations.

Everything that I have said about the military situation would be difficult enough to remedy, but the situation is compounded by theories to which, again, I myself have no doubt contributed. In 1968, at Rekjavik, NATO developed the theory, which I believe is totally wrong, that the Alliance is as much an instrument of detente as it is of defense. I think that that is simply not correct. NATO is not equipped to be an instrument of detente; for example, every time we attempted to designate the General Secretary of NATO as one of the negotiating partners with the Warsaw Pact it was rejected. But this is a minor problem and detente is important. It is important because as the United States learned during Vietnam in a democracy you cannot sustain the risk of war unless your public is convinced that you are committed to peace. Detente is important because we cannot hold the Alliance together unless our Allies are convinced that we are not seeking confrontation for its own sake. Detente is important because I cannot accept the proposition that it is the democracies that must concede the peace issue to their opponents and detente is important so that if a confrontation proves unavoidable we will have elaborated the reasons in a manner that permits us to sustain a confrontation.

So I have always been restless with those who define the issue as "detente" or "no detente". All Western governments must demonstrate and must conduct a serious effort to relax tensions and to negotiate outstanding differences. But there is something deeper involved in the West. There is in the West a tendency to treat detente quite theatrically; that is to say, not as a balancing of national interests and negotiations on the basis of strategic realities but rather as an exercise in strenuous goodwill in which one removes by understanding the suspiciousness of a nation that otherwise would have no motive to attack. This tendency to treat detente as an exercise in psychotherapy, or as an attempt in good personal relations, or as an effort in which individual leaders try to gain domestic support by proving that they have a special way in Moscow—this is disastrous for the West. And it is the corollary to the assured destruction theory in the sense that it always provides an alibi for not doing what must be done.

Against all evidence we were told that ABM would ruin the chances of arms control. The fact was that Kosygin in 1967 told President Johnson that the idea of not engaging in defense was one of the most ridiculous propositions that he had ever heard. By 1970, when we had an ABM program, however inadequate, it was the only subject the Soviet Union was willing to discuss with us in SALT. When we gave up the B–1 we asked the Soviets to make a reciprocal gesture. We have yet to see it. When we gave up the neutron weapon, we were told that this position was correlation to the deployment of our SS-20. (If so it was an inverse correlation to the SS–20.) And now we are told that of course we are all for theater nuclear forces. But first let us have another effort at negotiation. I saw a report about a distinguished American Senator returning from Moscow the other day who said: "It is virtually certain that cruise missiles will be deployed and that NATO will undertake a build-up of its own unless negotiations to a new Treaty are begun soon." If this is our position, all the Soviets have to do is to begin a negotiation to keep us from doing what they are already doing, negotiation or no negotiation.

Such a version of detente leads to unilateral disarmament for the West. I favor negotiation on theater nuclear forces, but the talks will accelerate the more rapidly as we build such theater nuclear forces. Then we can consider some numerical balance or some deployment pattern, but we cannot defer the strategic decisions we must make for the sake of initiating a negotiation. We must have a detente, but the detente must be on a broad front in the sense that all of the NATO nations must pursue comparable policies. The illusion that some countries can achieve a preferential position with the USSR is theoretically correct, but it is the best means of dividing the Alliance. The illusion that some subjects can be separated for individual treatment of detente, while conflict goes on in all other areas, that turns detente into a safety valve for aggression.

My fundamental point is that we need a credible strategy; we need an agreed strategy, and we need to build urgently the required forces. We cannot wait two or three more years. We cannot conduct a foreign policy, even though each of our political systems encourage a policy in which we ease the domestic positions of the individual countries, by pretending that single forays to Moscow can solve our problems.

Unfortunately, the time frame of the evolution of programs that I have described is longer than the electoral period of most of our leaders. Therefore our leaders in all of our countries have an enormous temptation to celebrate the very successes that lead to a differential detente either as to subject or as to region. How is it possible that the states that have 70% of the world's gross national product will not conduct a common energy policy. This is not just because it has become a shibboleth that we must not have a confrontation.

When have nations been confronted by a massive decline of their economies without being willing to confront those who are contributing significantly to the decline. And after all it takes two to make a confrontation.

How is it possible that in the Middle East, two totally conflicting theories on how to proceed are being carried out simultaneously? How can it be that both Egypt and the PLO must simultaneously be encouraged, sometimes I confess, by our own government? But fundamentally the Europeans are playing one card and we playing another, so that both the radical and the moderate elements are being strengthened simultaneously. One of us has got to be wrong and it is just an evasion to pretend that we work one side of the street and the Europeans work another side of the street because what is really involved is an attempt to gain special advantages in a situation in which the market conditions do not permit special advantages but where once it is accepted that oil is a political weapon, the moderates have no excuse for not using it as a political weapon.

I'm not trying to suggest what the correct answer is, but I am saying that the nations represented around this table ought to ask themselves whether the two years of special advantages that either of them might gain is worth the ten years' disaster that could easily befall them.

I know we have many alibis. We have the alibi that none of the things I said are inevitable because there is China. And we have the alibi that after all the Soviets have never stayed anywhere and they're in deep trouble themselves. And we have the alibi that we can make such great progress in the Third World that all of this is irrelevant. In my view the Chinese have survived for 3,000 years by being the most unsentimental practitioners of the balance of power, the most sophisticated and the ones free of illusion. China will be an alibi for us only if we do what is necessary. China will not be on the barricades that we refuse to man as the victim of the forces which we have unleashed; so certainly we can have cooperation with China only if we create a balance of power.

Now the theory that the Soviets can never stay where they have been is amazingly widely held and supported by exactly one example, Egypt. I don't count Somalia-Ethiopia because I consider Somalia as a voluntary Soviet switch from one country to a larger country. And in Egypt the fact of the matter is that the balance of power was in favor of those that we supported and those who learned in three wars, of which two approached a U.S.-Soviet confrontation, that they could not achieve their aims by Soviet military arms. And only after that demonstration was there an Egyptian switch so we are right back to our original problem.

And the final nostalgia—that for the noble savage—the Third World. That we're going to sweep them over to our side; I have to confess I cannot give this an operational definition, or even what it actually means. As for the Third World nations, now meeting in Cuba, when I was in office I never read their resolutions, I regret to tell you which is just as well because I might have said something rather nasty. But I would think it is statistically impossible that over the period that these Third World nations have been meeting, the United States has never once done anything right despite the statistical improbability of that fact. Even by accident we're bound to do something right. I defy anybody to read through these documents to find one phrase on even the most minor thing that the United States has ever done. What are the prospects of progress in a world in which the Cubans can host the non-aligned conference.

It seems to me a nostalgia, not a policy; to appeal to radical elements in the Third World to change their operational politics: they can not because of the radical elements required for its bargaining position, a position between us and the Soviets and because its ideology is hostile to us and therefore, paradoxically, the more we approach them the more they are likely to pull away from us.

I'm not saying we should not deal with the radical elements of the Third World or that we should not do the best we can in the Third World. All I'm saying is the Third World is not our alibi, it is not our escape route, we may not lose there but we are not likely to win there by repeating their slogans. Now what am I saying? This is not intended to be a depressing account of difficulties. It is not to say that we have no favorable prospects. It is simply to point out that problems neglected are crises invited.

In the thirtieth year of NATO we have come far and have achieved our principal purpose. If we do not address ourselves immediately to at least some of the problems I have mentioned we will face the potentialities of debacles. And the weird aspect of it is that there is absolutely no necessity for it. The weird aspect is that the nations assembled in this room have three times the gross national product of the Soviet Union and four times the population. The Soviet Union has leadership problems, social problems, minority problems, all they have in their favor is the ability to accumulate military powers and perhaps that only for a transitory period.

So if one looks ahead for ten years and if we do what is necessary, all the odds are in our favor. The challenges I have put before this group do not indicate that we are bound to be in difficulties but only that we can defeat ourselves and by contrast, one can say we have an extraordinary opportunity to rally our people, to define new positive programs even for negotiations with the East if we do what is necessary. Or to put it another way, our adversaries are really not in control of their own future. Their system and their conditions in many ways make them victims of their past. We around this table are in the extraordinary position that we can decide a positive future for ourselves if we are willing to make the effort

We are in the position to say that the kind of world in which we want to live is largely up to us.

Thank you very much.●

UNITED STATES AID TO THE PHILIPPINES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DELLUMS. Mr. Speaker, as we discuss the foreign assistance appropriations bill this afternoon, I would like to bring to the attention of my colleagues the amount of money being requested by the Marcos regime to permit the United States to continue using its Philippine military bases—$500 million.

I would like to share with my colleagues a statement signed by many well known Americans opposed to this commitment of U.S. tax dollars.

UNITED STATES AID TO THE PHILIPPINES

SHOULD WE PAY $500 MILLION FOR USELESS MILITARY BASES IN THE PHILIPPINES?

In early January, the U.S. and Philippine Governments concluded negotiations on U.S. military bases in the Philippines. President Carter pledged to the repressive Marcos regime his "best efforts" to secure congressional approval of $500 million in security assistance over the next five years. Yearly operating expenses total $200 million more. All this for bases experts dismiss as nonessential.

ARE PHILIPPINE BASES VITAL TO OUR NATIONAL SECURITY?

The Carter administration consistently opposes human rights inspired cuts in aid to the Marcos regime claiming that: "Continued security assistance to the Philippines is a critical factor in assuring continued U.S. access to the important facilities at Clark Air Base and the Naval base at Subic Bay." Experts, however, dispute the alleged importance of the bases:

"U.S. bases in the Philippines are not essential to the national defense of the United States." Rear Admiral Gene R. LaRocque, U.S. Navy (Ret.)

"The bases are at best of limited utility . . . the effort and cost associated with maintaining the bases are not necessarily commensurate with their potential military benefits." Francis T. Underhill, former political counselor U.S. Embassy, Philippines; ex-Ambassador to Malaysia.

"Southeast Asia is not in fact of much importance to American security and nothing vital to the United States is dependent on the outcome of political struggles within any country there. Nor is any major American interest served by maintaining bases in or defense pacts with any of them." George McT. Kahin, Professor of International Studies, Cornell University.

THE DOMESTIC CONSEQUENCES: SOCIAL PROGRAM CUTBACKS

At a time of high unemployment and proposals of drastic cutbacks in social programs, lavishing huge sums of money on a dictator for military bases of doubtful utility is tragically immoral and the height of fiscal irresponsibility. Could we not better spend $500 million for basic human needs—like jobs, housing, education, health care, and care for the elderly and disabled?

. . . . . AND RUNAWAY SHOPS

The American taxpayer should not subsidize a dictatorship that exacerbates the runaway shops problems by luring foreign corporations with strike bans and union-busting (resulting in a $1.50 per day minimum wage), and special tax breaks detrimental to the average Filipino.

MUST WE ESCALATE AID TO A DICTATOR?

International organizations, including Amnesty International, have extensively documented torture and repression in the Philippines. Even the State Department concurs. Marcos' atrocious human rights record has so moved the Congress that for the past two years it has voted to reduce military aid to the Philippines. In the face of such Congressional disapproval, Pres. Carter has overstated our interests in the Philippines—justifying increased support to an old customer.

MARCOS' OPPOSITION DEMANDS DISMANTLING OF THE BASES

With unprecedented unanimity, a broad coalition of the democratic opposition in the Philippines recently demanded the dismantling of the bases (see accompanying statement). But we have unwisely chosen to align ourselves once again with a shaky, unpopular regime. Can we not learn from our past mistakes and at this time heed the aspirations of the nationalist opposition for genuine sovereignty?

THE BASES: SPRINGBOARDS FOR INTERVENTION

Perhaps worst of all, the bases could serve to entangle us in future interventionist wars. They have been proposed for use in Korea, the Middle East and Africa. Our close ties to Marcos could also involve our 13,000 troops stationed there in his territorial disputes with neighboring countries, or directly involve us in defense of his regime from the widespread rural and urban unrest that has developed in response to his failure to effectively address the social and economic ills of his country.

AN APPEAL TO PRESIDENT CARTER AND THE U.S. CONGRESS

To reduce wasteful military spending and release funds that could meet human needs; to abide by our concern for human rights; to avoid another senseless interventionist war; and out of respect for genuine Philippine sovereignty: We urge the Congress and President Carter to immediately begin the removal of U.S. military bases from the Philippines, and to refrain from appropriating any of our tax monies to the Marcos dictatorship.

SIGNATORIES FOR STATEMENT "NO TAX DOLLARS"

Eqbal Ahmad, Institute for Policy Studies.*
Hugh Aitken, Wm. Paterson College.*
Dr. William G. Alberts, Minister, The Community Church of Boston.*
Harald Bakken, University of Lowell.*
Marjorie Bakken, Wheelock College.*
Richard Barnet, Institute for Policy Studies.*
Helen M. Bearsley, Women Int'l. League for Peace & Freedom.*
Norma Becker, Chairwoman, War Resisters League.
Piers Beirne, Asst. Professor of Sociolcgy, University of Connecticut.
Jacqueline de Sieyes Bernard.
Daniel Berrigan, Jesuit Order.*
Philip Berrigan, Jonah House.*
Betsy Beyler.
James Bethune.
Karl Bissinger, War Resisters League.
Ann Blyberg, U.S. Coalition for Development Action.*
Louise Bruyn, Mobilization for Survival.*
Kenneth Neill Cameron.
Charles Cell, University of Wisconsin.*
Prof. Norman Chance, Dept. of Anthropology, University of Conn.
Frank Shaffer Corona, D.C. Board of Education.*
David Cortwright.
Margery W. Davies.
Chandler Davis, University of Toronto.
Shelton H. Davis, Director, Anthropology Resource Center.
Richard L. Deats, Fellowship of Reconciliation.*
Ralph Digia, War Resisters League.
Peter Dreier, Asst. Professor of Sociology, Tufts University.
Joanna Fabris, West Main Books.
Fr. Carl Feil, U S. Catholic Mission Council.*
Prof. Philip S. Foner, Lincoln University, Pa*
Ann Froines, University of Massachusetts.*
Joseph Carl Gerson, New England American Friends Service Committee.*
Harvey Goldberg, Dept. of History, University of Wisconsin.*

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*For identification only.

David Goldway, Science and Society.

Paul R. Gregory, United Church Board for World Ministries.*

Dr. George Gregoriou, Dept. of Political Science, William College, N.J.*

Rev. Hope Douglas Harle, Baltimore Clergy and Laity Concerned.

Burton Hatlen, Dept. of English, University of Maine.*

W. James Halfaker, Wash.-N. Idaho Conference, United Church of Christ.*

Travis Hedrick, Middletown College.*

Rev. Eugene A. Hessel, Minister, United Presbyterian Church in the U.S.A.*

Saddie Hughley, V.P., WILPF, Durham-Chapel Hill.

Rita J. Immerman, Asst. Professor, Wm. Peterson College.*

Robert Jay, Brown University.*

George Mct. Kahin, Aaron L. Binencorb Professor of International Studies, Cornell University.

Rev. A. D. Kirkpatrick, Black Theology Project of America.

Prof. Len Krimerman, Federation for Economic Democracy—Conn. Chapter.*

Stanley Kyriatides, Professor of Political Science, Wm. Paterson College.

Frances Moore Lappe, Institute for Food and Development Policy.*

Prof Bruce D. Larkin, University of California, Santa Cruz.*

Jane Leiper, Associate Director, Washington Office, National Council of Churches.*

Ed Luidens, Director, East Asia & Pacific Ocean, Division of Overseas Ministry, National Council of Churches.*

S. E. Luria.

Florence H. Luscomb.

Arthur MacEwan, Dept. of Economics, University of Massachusetts.*

Dr. Evelyn Mattern, Director, Peace & Justice Center, Catholic Diocese Raleigh, North Carolina.*

Fr. Jerome McKenna, Director, Social Concerns Office, Passionist Fathers Church Coalition for Human Rights in the Philippines.

David McRenolds, War Resisters League.

Belinda Adriano McAnn, Natl. Board, Women's International League for Peace & Freedom.*

Rev. Joyce L. Manson, Human Rights for Asia.*

Rev. Thomas J. Marti, Coordinator, Justice & Peace Office, Maryknoll Fathers.*

Michael Moffit, Institute for Policy Studies.*

Eugene Moore, Unity on the Left, Middletown, Ct.

Philip Morrison, Massachusetts Institute of Technology.*

Rev. H. C. Mulholland, Pastor, Mother of Mercy Church, NC.

Sis. Annette Mulry, Office of Social Concern, Maryknoll Sisters.*

Steve Nelson.

Kenneth J. Neubeck, Asso. Professor of Sociology, University of Connecticut.

Joan H. Nicholson.

Weldon Nisly, Coordinator, Discipleship Workshops.*

Lila Garner Noble, San Jose State University.

Richard Ohrmann, Wesleyan University.

Susan Gushee O'Malley, City University of New York.

Norman G. Owen, Dept. of History, University of Michigan.

Joseph V. Owens, Unity on the Left.

Sidney Peck, Clark University.

Penelope M. Poor, United Methodist Clergy.*

Joan Press, WILPF.*

Rev. Tom Peyton, MM, N.F.P.C. Justice and Peace Office, Chicago.

Jovelino Ramos, Brazilian Committee for Human Rights.

Bill Ramsey, American Friends Service Committee, SE.*

Earl Ravenal, Institute for Policy Studies.*

Howard A. Reed, Prof. of History, University of Connecticut.

Edwin O. Reischauer, Harvard University.

Terence Ripmaster, Asso. Professor, Wm. Paterson College, NJ.

Jack L. Roach, University of Connecticut.

Bruce D. Rubenstein.

John Russell, Local 525 Amalgamated Meat Cutters Union, NC.*

Dr. Stuart A. Schlegel, Chairman, Anthropology, University of California, Santa Cruz.

D. Boone Schirmer, National Coordinator, Friends of the Filipino People.

Harry M. Scoble, Human Rights Internet.*

Stephen R. Shalom, Wm. Paterson College.

Prof. Carole Sheffield, Wm. Paterson College.

Josephine Simon.

Mitch Snyder, Community for Creative Non-Violence.*

Mark Solomon, Professor of History, Simons College, Boston.

Prof. Robert B. Stauffer, University of Hawaii.

Burton Stern, Dept. of History, University of Hawaii.

Dirk J. Struik, MIT Emeritus Professor.

Paul M. Sweezy, Editor, Monthly Review.*

May Alice Theiler, National Lawyers Guild.*

Leonard Vogt, Wm. Paterson College.

Jean Linde Wagner, WILPF, North Carolina.*

George Wald, Nobel Laureate, Physiology, Medicine, 1967.

Peter Weiss, Center for Constitutional Rights.*

Donald Wesling, University of California, San Diego.

Rev. Chester L. Wickwire, Chaplain, Johns Hopkins University.

Rev. Paul Wilson, Intl. Human Rights Program, Christian Church (Disciples of Christ); Chairman, Church Coalition For Human Rights in the Philippines.

Laurie S. Wiseberg, Human Rights Internet.*

Prof. Howard Zinn, Boston University.●

MCPL NUCLEAR ALERT SERIES: V

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STARK. Mr. Speaker, despite all the negotiations and all the debate, the dangers of nuclear proliferation are growing, not lessening.

As one of the Members of Congress for Peace Through Law, and as one who visited Pakistan last month to witness the latest country to be discovered to be nearing atomic capability, I question whether any of our present initiatives for peace—ranging from SALT to bilateral negotiations or talks with other countries—will lead us away from the nuclear threat we now face.

The Pakistanis say they fear India's nuclear power. India, in turn, fears that of China. China fears the Soviets. And the Soviets, of course, fear us.

Obviously the danger of Pakistan developing a bomb reaches far beyond South Asia. Obviously, also, we cannot be part of the solution if we do not recognize that we are part of the problem.

I submit that our present policies—those which we have been following for the past 35 years—will never succeed in reducing the threat of nuclear proliferation. Neither will bilateral efforts made on a country-by-country basis. Rather, we must recognize that we, as the perpetrators of nuclear power, have little credibility as peace-seekers when we exclude ourselves from the limitations we seek to impose on others. If we are sincere about reducing the dangers, we end up, finally, with only one serious option: That is to renounce the use of nuclear weapons. And clearly, it is the superpowers who must lead the way: only then will the Pakistanis, the Israelis, the South Africans, or the numerous other potential atomic powers, ever be convinced by the legitimacy, equity and security of our arguments.

During the recent recess, Don Oberdorfer of the Washington Post wrote an excellent article which traces the legal and political loopholes which allowed Pakistan to acquire the components and technology necessary to make a bomb; it discusses Pakistan's fears and decision to go ahead with production; and it discusses the lack of power, and the resultant feeling of frustration, of the "nuclear club," including the United States, Britain, France and China, to stop Pakistan's "march toward the bomb."

The article, from the August 27 edition of the Washington Post, is an excellent summary of events outrunning diplomacy. I ask unanimous consent to insert it in the RECORD:

PAKISTAN: THE QUEST FOR ATOMIC BOMB

PROBLEM DISCUSSED BY WEST, MOSCOW, PEKING

(By Don Oberdorfer)

Behind an eight-foot-high stone wall near the sleepy town of Kahuta, 25 miles from Pakistan's capital of Islamabad, a clock is ticking for mankind.

Within three to five years by official United States estimate, and sooner in the reckoning of some, the heavily guarded industrial plant under construction there will produce enough highly enriched uranium for Pakistan to explode an atomic bomb.

A mushroom cloud rising from a test site in that undeveloped and unstable nation would have powerful repercussions on the world of the 1980s. It would be nearly certain to bring about a nuclear arms race between Pakistan and neighboring India and would pose a constant threat that, for the first time since Hiroshima and Nagasaki in 1945, nuclear weapons actually would be exploded to kill.

A Pakistani nuclear bomb also would be a grave setback to the international effort to stop or slow down the spread of atomic weapons. In the view of several experts, it would be an important milestone on the way to a world of "the nuclear armed crowd," where a long list of nations and possibly even subnational terrorist groups could threaten their enemies and everyone else with nuclear weapons.

In view of the momentous consequences, it is not surprising that the United States and several other governments recently have placed Pakistan high on their agenda of problems. President Carter and Soviet President Leonid Brezhnev inconclusively discussed Pakistan's nuclear activity at last June's summit meeting, and Carter has initiated secret correspondence on the question with the leaders of Britain, France, West Germany and Japan, among others. Washington also has taken up the matter at high levels with Peking.

In April, the United States announced the termination of economic and military aid to Pakistan because of its nuclear weapons program, as required by a U.S. antiproliferation law, and the United States, as well as other nations, has expressed concern in private diplomatic talks with Pakistani leaders. So far the action and talk have been to no avail.

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*For identification only.

Pakistan continues to deny publicly that it is seeking atomic bomb capability. Privately the Pakistani diplomatic response reportedly ranges from flat denial to "none of your business" to tacit acknowledgment of the uranium enrichment program, together with statements that its importance is exaggerated.

Inside the U.S. government, a task force of diplomatic, energy, intelligence and military officials was quietly formed the third week in June to devise a clearer strategy for dealing with the issue. Headed by Ambassador Gerard C. Smith, the top U.S. antiproliferation official, the "Gerry Smith South Asian study group" is expected to produce a set of policy alternatives for high-level consideration next month.

Few promising avenues have been discovered, to date. The more officials have learned about the physical and political aspects of the problem, the greater is their pessimism about halting Pakistan's march toward the bomb. Among the underlying reasons for the outlook, often summed up as "grim," are:

First, it is the judgment of U.S. technical experts that Pakistan has gone too far to be headed off by the denial of sensitive technology or key parts essential to the uranium enrichment plant it is constructing. Through a combination of clever tactics and good fortune, Pakistan is believed to have stolen the technology and deviously purchased the crucial components for its plant before the sluggish watchmen of the international nuclear establishment woke up to what was happening.

Officials of the British-Dutch-German uranium enrichment plant at Almelo, Holland, should have been alerted to Pakistan's potential, if not its intent, when a Pakistani physicist employed there in 1974 was caught reading secret documents he had not been authorized to see.

Abdul Qadar Khan, the scientist involved, left Holland without fuss in 1975 with lists of subcontractors and probably blueprints for the plant, according to intelligence reports. Khan reportedly is the director of Pakistan's Kahuta project, based on the Almelo model.

Pakistan's elaborate international purchasing efforts, which began in 1977, were detected long before anybody acted to cut them off. The British government expressed concern to Washington about the suspicious purchases in March 1978, but it took London seven months after that to impose effective export control on key items, and it took Washington a full year. In the meantime important equipment was exported to Pakistan by firms in Britain, the United States and western Europe.

Second, it is increasingly clear to American officials that Pakistan's military leadership has made a firm national decision to proceed with "the nuclear option," as it is politely called. The program is reported to have the solid backing of Pakistani ruler Mohammed Zia al Haq, who inherited it from the man he overthrew and later hanged, Zulfikar Ali Bhutto, the father of the Pakistani bomb.

The Pakistani high command is believed to support the program both as a matter of prestige and as a deterrent against India, which exploded a nuclear device in 1974. The more it is obvious that Pakistan is going ahead, the more pressure is on Indian leaders to respond with an active weapons program of their own. The prospect of this, in turn, spurs new fears and new determination in Pakistan.

Third, the Pakistani nuclear problem, seen in its full dimensions, is at the heart of overlapping circles of complexity involving nearly every alignment on the world scene.

It is a North-South issue because the United States, Europe and the developed world are seeking to turn around a developing country that recently joined the Conference of Non-Aligned States. Pakistani officials already have charged that the refusal of the United States and other donor nations to grant debt payment relief at a Paris meeting two months ago was nuclear pressure. The U.S. aid cutoff and talk of future economic pressures are seen in the same light by Islamabad.

Pakistan is an East-West problem because of its strategic location and increasing conflict with the Soviet Union. Moscow recently delivered several stiff warnings to Islamabad regarding alleged help to rebel forces fighting the ruling regime in Afganistan, Moscow's ally and Pakistan's neighbor.

The problem even has an East-West dimension, because the People's Republic of China is Pakistan's closest ally, while India is aligned more closely to Moscow.

China has supplied much military equipment but no known nuclear technology or help to Pakistan. Chinese leaders are reported to be privately cool to a Pakistani nuclear capability although much less resistant than Moscow, a strong foe of proliferation everywhere.

And it is a Mideast problem because of rumors that Libya and perhaps other Islamic nations support Pakistan's "Islamic bomb" capability, a concept coined by Bhutto, and fears that weapons material might be shared with Islamic nations for use against Israel. The Jewish state, which is believed to have its own nuclear weapons stockpile, is particularly vulnerable to atomic threats because of its size. Israeli operatives are believed to have been involved in the sabotage last April of a nuclear reactor being built in France for delivery to Iraq.

Both India and Israel have the military ability to take out the Kahuta plant through bombing or commando action. American officials said such action by either of those states seems unlikely at present, though it cannot be ruled out. U.S. officials tacitly acknowledge that American covert action to disable the plant was among the many ideas talked about early in the options-gathering process, but they said it was dismissed without serious consideration.

The Pakistani nuclear weapons problem is a classic case in the chain reaction that threatens to spread possession of the bomb throughout much of the world. The first U.S. atomic explosions (1945) led to acquisition of atomic weapons by its adversary, the Soviet Union (1949), which spurred on that nation's adversary, China (1964), whose weapons program stimulated its adversary, India, to explode an atomic device in 1974. Pakistan is reacting in large part to its adversary, India.

This chain of fear and tension is another complicating factor in nuclear weapons diplomacy. Pakistan insists that any self-imposed restrictions also apply to India, which insists that they also apply to China, which refuses to restrict itself because of its nuclear weapons disparity with the Soviets. And the two superpowers, the United States and the Soviet Union, which are far ahead of everyone else, continue adding to their already vast weapon stockpiles.

As early as 1965, in the wake of the Chinese weapons test the year before, Pakistan's Bhutto made it clear that if India developed atomic weapons, so would Pakistan. Later Bhutto declared that his country would match India "even if we have to eat grass."

Bhutto began late in 1973, before India's test but after certain knowledge of India's program, to negotiate with France for a nuclear fuel "reprocessing" plant capable of producing weapons-grade plutonium. The contract was signed in March 1976, to the alarm of the United States and other countries concerned about nuclear proliferation. Bhutto insisted in public that the plant was for peaceful use only, but virtually admitted the opposite in his final testament, smuggled from his prison cell last year.

Some of the circumstances of the French arrangement have given rise to speculation of a Libyan connection in Pakistan's nuclear program. Pakistani officials recently confirmed that Libya's Muammar Qaddafi had offered to finance the French reprocessing plant in return for access to the plutonium it produced. The officials said Pakistan rejected the offer and that Libya, in turn, canceled a plan to finance a Pakistani-French submarine production arrangement. The implication is that the submarine production was another part of the proposed deal.

Pakistan's links with Libya were cemented by a 10-year agreement of cooperation signed in 1974, and they have continued to be close. Pakistan supplies military advisers and training personnel to Libya, as well as to several other Arab countries. American officials said that, despite rumors and allegations to the contrary, they have no evidence of a Libyan-Pakistani deal involving Islamabad's current nuclear effort. But they concede they cannot be certain there is no such arrangement.

Pakistan's effort to obtain weapons-grade plutonium via the French plant generated a major diplomatic counterdrive by the United States in both the Ford and Carter administrations. A gradual turnabout in French policy brought about cancellation of the deal in August 1978, after most of the designs but very little sensitive equipment had been supplied.

Publicly, U.S. officials concerned with proliferation breathed a sigh of relief at the termination of the French arrangement last August. The decision was made in mid-September to restore Pakistan to eligibility for new U.S. economic and arms aid, which had been quietly suspended a year earlier because of antiproliferation laws and policies. A few American officials, however, were aware even as aid was restored that Pakistan still was seeking nuclear weapons capability through another, more secret route.

While openly negotiating to buy a plutonium plant from France in 1973–76, Pakistan also was working secretly to obtain a plant to make highly enriched uranium, an alternative weapons material, as early as 1975, American officials now believe. Washington sources suggest that the A. Q. Khan, the Pakistani physicist who was trained in Europe and worked at the Almelo gas centrifuge enrichment plant, persuaded Bhutto that this was a viable alternative that should be pursued. Funds for his purpose are believed to have been diverted from the French-related project.

By early 1977, before Bhutto's fall from power that July, orders from Pakistan are reported to have been placed with European firms for component parts of a centrifuge enrichment plant. Pakistan was shrewedly exploiting a loophole in the antiproliferation arrangements of "suppliers club" industrial nations, which banned the export of major weapons material facilities but did not address the purchase of components piece by piece.

Late in March 1978, a British embassy official in Washington called at the State Department to discuss U.S. plans to give greater attention to the enriched uranium route to nuclear weapons. The British official, according to informed sources, passed on "some disturbing information" that Pakistan had placed a suspicious order with a British firm for inverters, sophisticated voltage control mechanisms that could be used either for conventional industry or a nuclear enrichment plant.

"We didn't even know what an inverter was," said a State Department official later.

But a series of diplomatic and intelligence exchanges in the summer and fall of last year heightened the knowledge and interest in several capitals.

In July last year a British parliamentarian, Frank Allaun of the Labor Party, tabled a question in the House of Commons suggesting that equipment being exported would contribute to a Pakistani nuclear weapons program Allaun said later he acted, on a tip from "a friend who had a friend."

The British government responded to Allaun's question by saying the equipment was not subject to existing controls. Before London slapped on tighter controls last October, Emerson Electric Industrial Controls (a subsidiary of the U.S. firm Emerson Electric) had shipped 31 complete inverter systems capable of regulating a large number of centrifuge machines, which are the essential part of an uranium enrichment plant of this type. Emerson was working on 100 more inverters for Pakistan when the export controls were tightened to stop the shipments.

An elaborate purchasing system operated by a Pakistani ordnance official from an embassy office near Bonn placed large orders for industrial components in Switzerland, West Germany and other European countries as well as Britain. The number two man in the Pakistani embassy in Bonn, Abdul Waheed, is the first cousin of Pakistani President Zia. A career diplomat, Waheed denied any involvement in a nuclear purchase program and said reports of a weapons program are "nonsense and false."

Pakistan ordered from a California firm, which U.S. officials will not identify, about a half-dozen inverters evidently intended for the uranium enrichment plant. These were shipped from the United States last fall, after Washington had heard about Pakistan's efforts but before export controls were tightened this March 23, specifically to list inverters and other key components. State Department officials said there was no indication that other essential components for the Pakistani plant originated in the United States.

The decision to restore Pakistan to eligibility for U.S. aid last September, amid growing indications of a drive to obtain a secret uranium enrichment plant, was a ticklish one. Some officials suggest that U.S. intelligence was still uncertain at the time that Pakistan was going for a nuclear weapons capability via a new route (Members of Congress have been told by the Central Intelligence Agency that a "preponderance of evidence" to support this conclusion was available early last fall). Others involved in the decision said the U.S. sought to "plant some carrots" by promising new economic and military programs to create bargaining leverage with Pakistan.

By last January, the evidence of Pakistan's program was unmistakable and the United States began diplomatic talks with Islamabad on the subject. After Deputy Secretary of State Warren Christopher failed in a special mission March 1-2 to persuade Zia to call off his effort, the United States ordered a new cutoff of economic and military aid under the anti-proliferation law. This was made public April 6, after inquiries from the press.

Pakistan's repeated public denials of a nuclear weapons program are given no credence by American officials. Photographs of the heavily guarded and elaborate Kahuta plant as construction proceeds make it clear that its purpose is uranium enrichment, according to U.S. intelligence. And Pakistan has no civilian requirement for large amounts of enriched uranium.

The official U.S. estimate is that three to five years of construction and operation will be needed for the plant to turn out enough highly enriched uranium to make a bomb. This assumes, as officials do, that the Pakistanis will be able to procure enough natural uranium, from one source or another, as raw material. Some officials have said a bomb might be ready as soon as two years hence; others believe that unforeseeable construction and operating problems might consume much more time and might even prove insurmountable.

Pakistan's uranium enrichment effort has cost somewhat less than $100 million in the past four years, according to a U.S. estimate. The final cost is likely to be several hundred million dollars, a serious economic drain but well within the ability of a nation wth a mlitary budget of about $1 billion annually. One major worry is that to capitalize on its investment, Pakistan might some day export highly enriched uranium.

Pakistan also is believed to be continuing work on the French plant, without French help. This would take six to 10 years, according to informed estimates, to produce bomb material. And Pakistan also is believed to have a pilot "hot cell" reprocessing capability at its Institute of Nuclear Science and Technology at Islamabad, where a small amount of bomb material could be produced relatively quickly if the right ingredients were available.

How much time is available is a crucial question for American officials. They do not believe rumors, evidently originating in India, that a Pakstani explosion could take place this fall, but they have been surprised before and are wary of being surprised again.

It is highly uncertain how the time will be used, whether it is three to five years or a shorter period. The U.S. task force in search of a policy has yet to find an acceptable answer to Pakistan's nuclear quest.

Also contributing to this article were Bonn Correspondent Michael Getler and staff researcher Maralee Schwartz.●

COSTS OF PROTECTIONISM

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. CONABLE. Mr. Speaker, a new consumer group, Consumers for World Trade, recently sponsored a study of the impact on consumers of protectionism in international trade. The study, "Costs of Protectionism," was prepared by David Hartman of the department of economics at Harvard University. It is a tough analysis of the results of protectionist measures throughout our economy. We are all aware of the impact of imports upon jobs, but we rarely see any effort to determine the costs involved in saving jobs by Government intervention to reduce competition.

As we look forward to implementation of the recently approved Trade Agreements Act of 1979, I believe this study can be instructive for all those interested in our trade policies. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

COSTS OF PROTECTIONISM

What is "Protectionism"?

Government has many ways of interfering with trade in order to "protect" domestic industries from import competition. The best known types of protection are:

Tariffs and other fees, which add directly to the costs of imported goods.

Quotas, which put absolute limits on the physical quantity of certain goods that may be imported. Quotas often add indirectly to the cost of imports by creating an artificial scarcity, and by creating an equally artificial (but profitable) market for the sale of quotas by one foreign producer to another. As we learned under the old U.S. Sugar Act, quotas also invite governmental corruption.

"Voluntary" quotas, under which foreign governments agree to impose limits on what their own producers may export to the United States, currently apply to textiles, apparel, television sets, and footwear, among other products. These agreements, which are not really voluntary, are known as voluntary export restraints, and as Orderly Marketing Agreements (OMAs).

"Buy American" state and federal regulations, which exclude or limit foreign bids on government procurement, or impose a price differential favoring domestic producers, add significantly to the costs born by American taxpayers. These practices apply to all U.S. government purchases, including the Defense Department, Corps of Engineers, Amtrak and Conrail, and the General Services Administration (the largest nonmilitary procurement agency in the United States) and to many state and local purchases.

What does Protectionism cost?

Whatever form it takes, protectionism is a subsidy to a particular industry paid for by the consumer in higher prices.

During the past eight years, the U.S. Government has provided some form of protection from import competition to more than 70 domestic industries, from ball-bearings to horseshoes, from radial tires and nuts and bolts to instant potatoes.

The American consumer pays the cost of all these subsidies, in inflated prices.

It is impossible to calculate exactly the total out-of-pocket cost, to consumers, of protectionist subsidies. Too many products are involved. Too many variables affect prices—including the fact that, when protection forces import prices up, the prices for similar domestic goods usually increase too.

Nevertheless, responsible government and private organizations have conducted careful studies (and have come up with remarkably similar conclusions) on both the benefits of import competition, and the costs to consumers of restricting imports.

Here are some of the findings:

Consumer imports, on the average, are cheaper than comparable domestic goods.

In a four-city survey of retail prices (excluding food and automobiles), William R. Cline of The Brookings Institution of Washington, D.C., found (on weighted average basis) that imported goods cost 10.8% less than comparable domestic goods in the same categories. This means, according to Dr. Cline's analysis, an annual saving to American consumers of about $2 billion, thanks to the availability of lower-priced imports. There are further, incalculable consumer savings simply because import competition helps keep the prices of domestic goods down.

But if American consumers are saving $2 billion a year because of the imports that are available, how much are they losing because of protectionist measures which discourage, limit, or force up the costs of imports—and therefore make it easier for domestic producers to raise their prices?

Estimates vary, because the problem is so complex. Responsible estimates range from 8 percent to 12 percent of our total imports, or about $15 billion a year.

Following are some of the specific industry-by-industry costs which contribute to this enormous inflationary burden on the consumer.

The U.S. public is paying over $3 billion a year to protect textiles and apparel.

Textiles and apparel are the most heavily protected U.S. industries. The Council on

Wage and Price Stability (COWPS), which is the Government's inflation-monitoring agency, has studied the costs of this protection and finds that the 29.3 percent average tariff on apparel imports is costing American consumers $2.7 billion a year.

These inflated consumer costs break down this way:

$261 million goes to the government in customs duties;

$2.2 billion goes to U.S. apparel manufacturers who, because of tariff protection, can charge that much more for their own products;

Another $207 million is lost to the U.S. economy as a whole because tariff protection encourages domestic manufacturers to go on making uncompetitive products inefficiently, and because U.S. consumers (forced to pay higher prices for both domestic and imported apparel) end up buying fewer garments. This is what economists call a "deadweight loss" to the economy—lost production and lost consumption.

In addition to tariffs, textile and apparel imports are also subject to quotas which set rigid limits on the quantity of goods which 18 foreign countries are permitted to sell to the United States. According to COWPS, these quotas cost the American consumer $369.4 million a year, including $67.5 million in deadweight loss.

COWPS calculates that it is costing the American public $81,000 per year for each textile job protected by these tariffs and quotas. This cost is unreasonable since the U.S. textile industry has been expanding employment since 1975. In fact, the United States has for a number of years exported more textiles than it imports. It is true, however, that jobs are declining in certain sectors of the domestic apparel industry notably low-cost apparel, employing low-skill, low-wage labor.

Steel protection is costing consumers over $62,000 a year for each protected job.

The American steel industry has won several forms of government protection from foreign competition, including an orderly marketing agreement (OMA) for specialty steel from Japan, quotas on specialty steel from other countries, and the "trigger-price" mechanism (TPM) introduced last year. The full impact of the TPM is still uncertain but it has unquestionably led to higher steel prices for American consumers. Partly because of the continuing U.S. economic boom, steel imports did not begin to decline until November 1978, when imports began to fall sharply. Trigger prices (based on Japanese production costs, which are considered the world's most efficient) have served as a "floor," insuring against any lowering of steel prices, domestic or foreign. In fact, domestic steel producers raised their prices 9.5% during 1978.

Some private economists estimate that, because of the TPM alone, products containing steel (domestic or imported) will ultimately cost American consumers an additional $6-8 billion this year.

A recent study published by The Brookings Institution estimates that all other forms of steel protection (OMAs and quotas) are costing the American consumer $1.25 billion annually in inflated prices. If the intent is to protect jobs in the American steel industry, this means the American public is paying $62,700 a year for each protected steel job!

Sugar protection could cost $1.4 billion this year, and much more in the future.

Legislation before Congress in 1979 would artificially raise the wholesale price of sugar to 15.8¢ per pound, compared to the current world price of 9.46¢ landed in New York! The inflated cost to American consumers would be $1.4 billion annually, or 68% protection over current world price. Moreover, the bill would build in an annual increase in beet and cane sugar prices of 7 percent, costing consumers an additional $300 million every year.

And, if domestic corn sweeteners (25 percent of the domestic market) follow this legislated inflation, the costs to consumers next year could be boosted by an extra $330 million annually.

High beef costs are also, in part, the result of import protection.

Beef is protected by both quotas and orderly marketing agreements (OMAs) which limit imports to less than 6 pounds per capita (7 percent of total U.S. consumption). Because our imports of beef are used primarily for hamburger and relatively low-cost manufactured meat products, low-income consumers are hardest hit. The President's Council on Wage and Price Stability estimates that, in 1976, beef quotas cost American consumers between $350 million and $1 billion in inflated prices. The dead-weight loss to the economy was estimated at $22 million to $46 million.

In 1978, as domestic beef prices soared, President Carter temporarily relaxed beef-import restrictions slightly, but the increased imports (amounting to about one extra pound per person) are a drop in the bucket compared to the 16 pound-per capita decline in U.S. beef production since 1976. Strong opposition from the domestic cattle industry has prevented any further relaxation of import quotas, while beef prices continue to escalate.

Protecting U.S. TV-makers costs consumers $221 million a year.

Imports of color television sets from Japan have been limited by an Orderly Marketing Agreement since 1977. When South Korea and Taiwan moved into the gap with highly competitive products, OMAs were negotiated with them as well. Now that all three countries are covered by OMAs, total imports are expected to shrink to originally targeted levels. Earlier estimates by the Council on Wage and Price Stability probably still apply: protection of the domestic TV industry is costing the public $221 million a year.

Although some U.S. TV-makers are having trouble competing with foreign producers, the U.S. electronics industry continues to lead the world in high-technology products, and is a major exporter of electronic components, semiconductors, scientific measuring devices, computers and office machines. These are high-skill, high-wage, high-profit industries which need no protection.

Footwear protection costs $114,000 a year for each job protected.

Since the beginning of 1978, footwear imports are being protected through OMAs with two major exporting countries, Taiwan, and South Korea. Although no estimates are available on total consumer costs of this protection, the President's Council on Wage and Price Stability estimates that the consumer pays about $114,000 a year for each job protected in the U.S. footwear industry.

The OMA's have clearly resulted in higher retail prices for the consumer. The restrictions are aimed specifically at reducing imports in the low-price range. As a result, the unit value of imported footwear rose 17 percent in the year ending June 1978. At the same time, U.S. footwear manufacturers—taking advantage of reduced overseas competition—raised the unit of their nonrubber footwear products 14 percent in the third quarter of 1978, compared with a year earlier. (Prices were fairly stable in 1976–77.)

Costs of protection: more inflation, a less competitive U.S. economy.

Just these selected examples add up to $6 billion in inflated consumer prices paid to "protect" these few industries.

At least another $9 billion in consumer price inflation can be attributed to the literally hundreds of other forms of import protection that are already in force—not to mention new protectionist proposals now being pushed in Congress. Congress is now considering a new trade package which includes new forms of protection for a number of U.S. industries. If enacted, the bill will for example extend quotas on imported cheese to cover fully 85 percent of all U.S. cheese imports, and will probably freeze imports at present levels.

More protection can only mean more inflation. If inflation is now our No. 1 national concern, it makes no sense to go on protecting uncompetitive industries at rising consumer costs.

Besides, by restricting foreign competition we are undermining the market incentive for our least efficient industries (or our least competitive companies) to invest, modernize, improve worker skills (and earnings)—and to become competitive again in international trade.

The jobs we are protecting (at enormous cost per job) are usually low-skill, low-wage jobs in industries that failed to keep up with changes in technology or market demand. Keeping these companies afloat by protecting them from competition is a disservice to American workers. It makes the U.S. economy weaker and less competitive. It lowers American living standards in relation to the rest of the industrialized world.

Part of the answer is to plow more industrial profits into better technology, more efficient plant, higher productivity, improved U.S. competitiveness in world trade. At the same time, we should expand government "adjustment assistance" to industries and workers adversely affected by foreign competition—including retraining workers for better jobs in growth industries.

Protection against import competition is not an effective remedy. Our most efficient and competitive industries are exporting profitably, all over the world, and are more than holding their own in the domestic market. To expand U.S. exports, we have to keep our own markets open to imports—or risk protectionist retaliation from our trading partners.

The challenge to America is not to protect our weaknesses, by perpetuating our yesterday's industries, but to build up our strengths, by shifting capital and labor into tomorrow's industries. That's what our European and Japanese competitors are doing in many industrial areas where the United States was once supreme.

The historical American response is to welcome international competition head-on.●

MICHAEL BLANKFORT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. WAXMAN. Mr. Speaker, on November 18, 1979, the distinguished novelist and screenwriter, Michael Blankfort, will receive the Shlomo Bardin Award of the Brandeis-Bardin Institute.

Born in New York City, Michael Blankfort migrated to Los Angeles in 1937 and since that time has achieved considerable success in his work. His impressive career spans more than 40 years. His novels include "Behold the Fire," "Goodby, I Guess," "I Didn't Know I Would Live So Long" and "Take the A Train." In 1952 his novel, "The Juggler" was awarded the Samuel Daroff Prize for the best novel on a Jewish subject and later won acclaim as a major film. In 1965 he won the Gold Medal of the Commonwealth Club of San Francisco for the best novel of the year by a Californian. Recently the Hebrew University of Jerusalem honored Michael Blankfort with its S. Y. Agnon Award for literature. His screenplay credits include "Halls of Montezuma," "My Six Convicts," and "The Caine Mutiny," to mention only a few.

For the last 27 years the focal point of Michael Blankfort's life has been his close association with and deep commitment to the concepts and ideals of the Brandeis Institute. Much of his work has been influenced by the root ideas of the institute. Founded in 1941 by the late Dr. Schlomo Bardin at the urging of the late Supreme Court Justice Louis D. Brandeis, the institute conducts programs for college age youth, adults, and children in the ethics and culture of the Jewish tradition—its participants are Jews and non-Jews alike.

Michael Blankfort's first meeting with Shlomo Bardin lasted only half an hour but altered the course of the rest of his life. His play about Maimonides, written for Brandeis-Bardin, has been performed hundreds of times at the institute. Calling himself a "student of students," Michael Blankfort, for many years, attended almost every introductory institute where he shared with people coming there for the first time his thoughts and experiences as a Jew. His lectures were largely autobiographical, using his life as an example of the evolution of the American Jewish experience. He spent several summers at the institute teaching and lecturing in writing and literature. It was at Brandeis that he wrote his book, "The Strong Hand," a tale of spiritual crisis. His wife, Dorothy and daughters, Susan and Ellen, share his dedication to the work of the institute.

Michael Blankfort is a unique example of a complete individual. He enlightens as he himself learns, he enriches and endows others with his special enthusiasm and, above all, he always strives to achieve himself that which he encourages others to seek—the highest standards in human values and behavior.

I ask the Members to join me on this occasion in congratulating Michael Blankfort on his achievements and to wish him well for the future.●

KATHY L. WEINER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BENNETT. Mr. Speaker, as dean of the Florida delegation in Congress it is my sad responsibility to report to you that our good colleague WILLIAM LEHMAN lost his beloved daughter Kathy last Wednesday after a long and painful bout with cancer. All of us have the Lehman and Weiner families in our prayers and hope that their knowledge of the fine deeds of this young lady may give them some comfort in their grief.

I include two news accounts of this sad event:

[From the Washington Post, Aug. 31, 1979]

KATHY L. WEINER, DAUGHTER OF FLORIDA CONGRESSMAN

Kathy L. Weiner, 34, a former high school English teacher in Miami, and the daughter of Rep. William Lehman (D-Fla.) and his wife, Joan, died of cancer Wednesday at her home in Coral Gables, Fla.

Mrs. Weiner was born in Sao Paulo, Brazil, where her father was an instructor in aircraft maintenance for the Brazilian Air Force while serving in the Army Air Corps.

She attended the University of Wisconsin and earned a bachelor's degree in English from the University of Miami.

Mrs. Weiner frequently stayed with her parents here during the last three years while undergoing treatment at the National Institutes of Health and George Washington University Hospital.

Besides her parents, survivors include her husband, Donald, and two sons, Sean and Matthew, all of the home in Coral Gables and two brothers William Lehman Jr. and Tom Lehman, both of Miami.

[From the Miami Herald, Aug. 31, 1979]

KATHRYN LEHMAN WEINER, 34, TEACHER, DAUGHTER OF U.S. REPRESENTATIVE WILLIAM LEHMAN

Kathryn Lehman Weiner, 34, daughter of U.S. Rep. William Lehman, died of a brain tumor late Wednesday night at her home.

Mrs. Weiner was born in Sao Paulo, Brazil, where her father was serving as a civilian with the old U.S. Army Air Forces serving in Brazil.

Six months later, the family returned to Miami, where she graduated from Edison High School. She attended the University of Wisconsin and graduated from the University of Miami.

After graduation, she taught English briefly at Coral Gables Senior High School and later became a part-time teacher there, until she became ill.

When Carver and Coral Gables elementary schools were ordered integrated in the early 1970s, she became a part of a group of parents who worked to make the plan succeed.

Whispering Pines Principal Phylis Tannen, former principal at Carver, said, "She was part of a group of parents that tried to establish a climate of acceptance among the parents—to make them feel comfortable—and to ease the transition.

"She was a unique person with a unique group who met with parents at their homes to make things work for all the children.

"She was terrific," Miss Tannen said.

Mrs. Weiner had worked for the Democratic Party as a precinct leader in the Coral Gables area.●

A TRIBUTE TO SAMUEL I. NEWHOUSE

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GUARINI. Mr. Speaker, on Wednesday, August 29, 1979, Samuel I. Newhouse, publisher, died at the age of 84. Today, I ask my colleagues to join in this salute to Mr. Newhouse, a modern Horatio Alger in the truest and finest sense of the word.

Mr. Newhouse, at the time of his death, had interests in the Jersey Journal of Jersey City, the Newark Star-Ledger, as well as newspapers in New Orleans, Portland, Oregon, Birmingham, St. Louis, Cleveland, and Springfield, Mass. Recently he purchased Parade magazine and eight papers from the Booth chain in Michigan.

This remarkable American began his career in Bayonne, N.J., where he worked as an office boy to help support his family. He began working for a lawyer at a salary of $2 per week. By studying at night, he qualified for law school by passing the State regent's examination for those courses which he missed by never attending high school.

At the age of 16, Mr. Newhouse began his newspaper career at the faltering Bayonne Times daily newspaper. He developed such effective merchandising and sales campaigns to revive the paper financially that within 1 year, the Times was operating in the black.

After passing the bar at age 21 and practicing law for a short period, he devoted all his energy to newspaper publications, eventually becoming one of the leaders in his field.

Much of the profits derived from his publishing empire went to philanthropic causes. Through his generosity, the Mitzi Newhouse Theater at Lincoln Center was built. He also gave substantial sums to the S. I. Newhouse School of Publications at Syracuse University.

Thousands of journalists across the Nation developed and honed their skills with Mr. Newhouse as their publisher. His hard work and confidence in the American system resulted in the development of a communications conglomerate which included 31 newspapers, 7 magazines, 6 television stations, 20 cable television stations, and 5 radio stations. Administratively, S. I. Newhouse always had his finger on the pulse of his organization "to maintain control without dictating policy, to oversee without overwhelming."

Although Mr. Newhouse took care not to overwhelm his colleagues, his achievements were nothing less than astonishing by any standard. To his wife, Mitzi Newhouse, and his sons, Samuel I., Jr., and Donald, we extend our deepest sympathies. We know they will be consoled and gratified by the great accomplishments of this outstanding American. His exemplary life, love for his fellow man and high professionalism greatly merit the respect and admiration of the Members of the U.S. Congress.●

A SYMBOL OF CHAOS: THE GAS PUMP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. McDONALD. Mr. Speaker, the rush to blame the OPEC countries for our energy woes is incorrect. Nations which import virtually 100 percent of their oil are surviving nicely, such as Japan and West Germany. The OPEC nations, most of whom depend upon earning dollars with which to purchase imports are also feeling the effects of inflation and the weakening of the dollar on the international scene. Thus, to a great degree they need increased oil revenues. The answer to the energy problem is not conservation of decreasing amounts of fuel, but increased production. We should be working to get inflation under control and decontrol of the energy industry in general. Once both steps are achieved, the energy problem will solve itself. Prof. Hans Sennholz, who heads the economics department of Grove City College in Pennsylvania recently wrote a very perceptive article on this problem. It appeared in the Freeman for August 1979 and I commend it to the attention of my colleagues.

The article follows:

A SYMBOL OF CHAOS: THE GAS PUMP

(By Hans F. Sennholz)

Until just a few years ago most people were indifferent to all questions of energy. They were as heedless of the very industry that produces heat and power as of many other industries meeting their daily needs. Surely they were aware of basic materials such as wood, coal, gas or oil burned to produce heat and kinetic energy. But the term "energy industry" was yet unknown. Even the dictionaries of economics designed to include the terms commonly used in college courses listed neither energy nor the energy industry. It was left to the 1970s to call attention to the industry and bring us the energy crises.

In retrospect there were earlier indications of things to come. By 1970 there was a United States Department of Transportation, a Federal Power Commission, and an Atomic Energy Commission. In 1973 Congress added the Federal Energy Administration to centralize all regulatory functions relating to oil. The Energy Research and Development Administration came into existence in 1974. In October 1977, the Department of Energy brought all these governmental functions together into a single organization under the direction of a Secretary of Energy.

This observation of demonstrable facts raises a fundamental question: was the growth of government intervention in all matters of energy the cause or effect of the painful crisis that developed during the 1970s? If it can be proven that government intervention brought about the dilemma in which we find ourselves today, the solution can be no other than early reduction and ultimate abolition of this harmful intervention. But if the causes are found to be elsewhere, and the growth of government was merely a reaction to a new situation, we need to search for other solutions.

SURPLUSES AND SHORTAGES

Our search for an objective answer calls to mind a basic principle of political economy that may be applicable also to energy problems: whenever unhampered enterprise provides products and services, it tends to create surpluses that clear the market only through major sales campaigns. Its advertising message to the consuming public is to buy ever more and better products. Wherever government provides products and services, it invariably creates shortages that inconvenience the public and sometimes bring economic crises. Wherever government is in charge, its advertising message is always the same: consume less, eat less, drive less, let there be austerity! This has not changed from the wheat and bread shortages of 1918 to the gasoline shortages of 1979.

Where government is in charge and shortages inconvenience the public, we can observe yet another regularity. Through intensive publicity campaigns government officials and politicians point the finger of blame at one or several culprits who are bitterly denounced for selfishly causing the shortages. In televised press conferences the President of the United States himself may make ugly charges against oil producers, or any other producers whose regulated services are in short supply. Or he may point at some foreigners e.g., the Arabs, as the culprits who sinisterly inflicted the evil on us.

When unhampered individual enterprise generates surpluses, there are no press conferences, no headlines and no charges. The public looks at them with indifference in a mood of affluence that comes from choice and selection. The press ignores them although it prospers from the paid advertisements that seek to market the products. Radio and television thrive on advertisement campaigns that pay for the amusement and entertainment of the public.

But all such reflections may reveal mere coincidences that have no bearing on the energy crisis. Perhaps the politicians are correct in pointing at the OPEC countries for charging too much, at the oil companies for seeking ever higher profits, and at the public for consuming too much.

In that direction of deliberation lies a wide open sea of arbitrary judgments. What is "too much"? Millions of people are giving different answers to this very question throughout their busy days. They are making their choices as they are consuming oil and gas for heat, refrigeration and air conditioning, turning on electric lights, operating power tools, or driving up to the service station to tank up on gasoline. They are giving vivid answers to the question in long lines waiting to buy more fuel. We must not blithely ignore or reject their answers, nor those given by the oil companies or OPEC spokesmen.

If millions of people are said to be wrong wanting too much, is it not likely that the critic who is censuring them is judging too much? Is he proposing to change human nature by his criticism? Or, is he a would-be tyrant who is longing to impose his judgment and will on others? To explain the energy crisis in terms of value judgments or culprit condemnations is to open the gates for arbitrary judgment and political power.

IS OPEC CAUSING THE FUEL CRUNCH?

Such an explanation also leads to puzzling conclusions that seem to contradict human nature. If the Arab oil producers are causing our dilemma, why are they not accomplishing identical, or at least similar, effects on other nations? It is an established fact that they are treating their customers equally, charging identical prices and surcharges. But we know of no energy crisis other than ours. There are no reports of empty gasoline pumps in Europe, Africa, Asia, or Latin America, no empty oil tanks anywhere, except in these United States of America.

This observation is all the more startling as most of the oil we consume comes from wells within our national borders, while most foreign countries, such as Germany and Japan, lack any domestic production. And yet, they are prospering although the price of Arab oil has soared in those countries too. Surely, they too feel the pinch of rising energy costs, which reduces their productivity and income by corresponding amounts. Rising oil costs necessitate many changes in goods prices and readjustments of production patterns. But they do not breed an energy crisis that threatens to disrupt economic production and reduces standards of living severely.

Our energy crisis is all the more mysterious inasmuch as OPEC is accepting the United States dollar as its primary medium of exchange. Other buyers of Arab oil must scramble to earn dollars first before they can place oil purchase orders. But Americans can use their own currency for any quantity of Arab oil they may wish to acquire. Our monetary authorities may create any amount without cost, and thus facilitate the payment of Arabs with newly created money. That is, they can avail themselves of inflation as a tool of international finance, which partially shifts the burden of rising oil costs from the energy users to inflation victims. Thus the United States can victimize the Arabs themselves, who own large dollar balances, by exporting inflation in exchange for Arab oil.

It is obvious that such objectionable devices of international finance do not make for international peace and harmony. Since the United States was exporting inflation long before the oil producers combined to form an international oil cartel, we may understand the Arab reaction that led to OPEC. To them, joint action afforded the only way to adjust the price of oil to the ever-rising demand for oil payable in depreciating dollars. After all, there was no free and open Arab oil market on which the daily demand and supply determined the price.

UNDER GOVERNMENT MANAGEMENT AND CONTROL

The OPEC oil industry is a nationalized industry owned and managed by the member governments. They legislate every aspect of the industry from the allowable quota of production to the price of the product, and determine who may buy under what conditions, and so forth. Theirs is a political process that is very slow to adjust. When compared with the market process that facilitates adjustments from day to day, yea, minute to minute, the political process of managing an industry and marketing its products may appear irrational although its political planners are deliberate in devising their plans and adopting their policies.

In such a world of politics that seeks to manage nationalized industries, there is confusion and chaos—unless the governments as owners agree on a common plan and act jointly to restore some semblance of order. The international cartel arrangement is a natural manifestation of a world economy in which export industries are government owned and operated. It also points up the growing danger of international conflict through world-wide socialism.

It is idle speculation to deliberate on the world market of oil if market forces were unhampered and free to determine prices. If there were no OPEC, no nationalized oil industry, and no Department of Energy regulating and fixing United States production—just unhampered markets and unrestrained competition—the energy world would be quite different. Surely, the price of oil would be much lower without the staggering costs of politics. And there would be no energy crisis.

ARE THE OIL COMPANIES GOUGING THE PUBLIC?

To many critics, Arab behavior alone does not explain the energy crisis. They are pointing at the oil companies whose profits have been rising in recent years. Most politicians and even the President of the United States are openly denouncing the "disgraceful" and "exorbitant" profits and are demanding a tough "windfall profits" tax. Some politicians even are clamoring for a speedy expropriation and nationalization of the companies.

It is difficult to ignore this crescendo of cheap demagoguery, which, when left unanswered, may lead to most harmful and regrettable legislation. Every effort must be made to refute and explode the political propaganda and repeal the politicians who are anxious to extend their influence and power. Their attacks on the profits of one industry actually are attacks on the profits of all industries and on the profit system itself. Just listen to their charges against the energy industry. You will search in vain for a difference between those charges and those leveled against the private property order by the professional socialists and communists around the world.

It is rather inconsistent and therefore most puzzling that American politicians should be the most vocal critics of an industry that has been under their careful supervision and control. After all, the Nixon price control edict of August 15, 1971, was never lifted from the energy industry. Even today the ceiling prices as set by the Department of Energy are posted on every gasoline pump in the country.

The political attacks on the very industry that, under a heavy barrage of regulations and denunciations, continues to provide us with energy remind us of some gruesome tales of human behavior during the Dark Ages. When the black death was stalking Europe, public sentiment was often aroused against those people who bravely sought to alleviate the suffering, comforting the dying and healing the sick. Thousands of aging women who survived the disaster were accused of precipitating the disease through witchcraft and were put to a cruel death. Similar forces of darkness now accuse the American oil industry, which provided the people with an abundance of cheap energy for most of this century, of creating the shortage in order to reap ever higher profits in a moment of national crisis. Surely, no person will be put to death, merely our economic order.

At the trial of the private property order the defense is pointing out that the Government of the United States is enforcing energy prices that are arbitrary and confiscatory. They are fixed below those prices free people would choose to pay if there were no mandated ceilings. That is to say, the Government is forcing energy producers to sell their products and services below their objective exchange values and thereby causes the producers to be gouged on a massive scale. If a company tires of this legislated plunder and for a moment should ignore the price edict, it is hauled into court and charged with consumer gouging. That is, the political gougers are taking the victims to court and accusing them of the very crime that is perpetrated against them. If there were justice in the court of public opinion, the charges would be promptly dismissed and the persecutors would be arrested for expropriating private property without due process.

GROUNDLESS CHARGES

The charges against the energy companies are based on the crude assumption that their profits are the evil fruits of worker exploitation and consumer gouging. Profits are the scourge of greed and egotism, which is the charge all socialists and communists are making against the private property order. A mere glance at the living and working conditions of the people in capitalistic countries vividly disproves the charges. When compared with the conditions in the socialistic countries, the American people are living in a land of milk and honey, enjoying far greater material comforts and cultural opportunities. The steady stream of refugees and immigrants to American shores is illustrating the point.

Blinded by socialistic propaganda, the critics of the profit system fail to see its inherent benefits and justice. What is a profit. after all? It is the remainder of proceeds after all factors of production have been fully compensated. Businessmen may earn it through efficient management of their resources in the service of their customers. The most efficient producer earns the highest profits which give him the means to expand his production and render even more services. Surely, the profits thus earned benefit the people through more and better production. Similarly, the workers employed by profitable enterprises enjoy higher wages and more benefits than others less fortunate who happen to work for employers suffering losses.

Exceptionally high profits can only be reaped through the correct anticipation of changes. When a change in market conditions, e.g., in demand, supply, technology, institutional restrictions, international situations, and the like, necessitates quick readjustments in production, the most alert producer who correctly anticipates the changes and makes prompt preparations, may reap high entrepreneurial profits. His alertness and prompt action redound to the benefit of the public. In short, he who addresses himself to the most urgent needs of the public tends to earn the greatest rewards, which, as an economic principle of the market order, meets our criterion of justice. In an energy crisis, we expect the most efficient energy producer to earn the highest profits, as we would expect physicians and nurses to earn highest incomes in a public health crisis. To burn them at the stake of political demagoguery is preposterous.

IT IS SO EASY TO CREATE A SHORTAGE

The public hostility against business profits has brought chaos to the fuel pump. It has given rise to ever more government regulation, which is the root cause of the energy crisis. Politics has become hopelessly entangled in the production and distribution of energy.

In 1954 the Supreme Court set the tone by giving the Federal Power Commission control over natural gas prices in interstate commerce. These controls at first did not hamper production because they did not deviate by much from prices established by the demand and supply forces of the market. But during the 1960s, the United States Government legislated significant increases in demand and boosts in production costs. Environmental restrictions and pollution regulations that discourage the burning of coal, favoring the use of gas and low-sulfur fuel oil, mandated increases in consumption and made production much more expensive. In addition, the inflationary policies of the Government eroded the purchasing power of the dollars received by energy producers.

In 1971, President Nixon placed domestic crude oil under price control as part of his overall price-stop edict. While many other harmful controls were subsequently lifted, the price fixing of domestic oil and gas was continued. His successors continued to fix with vigor and force.

It is always much easier to prevent production and create shortages than to engage in productive activity. Every freshman economist knows how to create an energy shortage: impose rigid price ceilings, reduce the real price through monetary depreciation, legislate an increase in demand and raise the costs of supply. To make matters worse, he would impose substantially higher taxes on crude oil production, on the use of natural gas by industry and utilities, and boost the Federal gasoline tax. To intensify the pain of shortage and compound the confusion, he would entrust government officials with administering a ration coupon system that would allocate the scarce supply according to their rules of "fairness." And finally, to prolong the chaos he would create an economic incentive for hoarding the given supplies. For instance, on every first day of the month he would permit gasoline producers to raise their prices by less than they anticipate earning through storing their supplies until the controls are lifted. He would openly announce his program and pursue it for 28 months in order to assure maximum hoarding for 28 months. If it were not for the limitations of storage facilities he would cause all production to be withheld from the market.

Unfortunately, this is not just a theoretical exercise for freshman economists. This is the official policy of the United States Government, or at least the loudly touted program of the present administration. It touches 200 million Americans and threatens their way of life. It is an efficient policy in creating shortages, as our experience at the gasoline pumps so clearly demonstrates. As a policy designed to improve economic conditions it is counterproductive. The resultant chaos and damage is just as real, whether the policy is the poisonous fruit of socialistic thinking, or just a relic of the Dark Ages.●

THE ENERGY FOLLIES OF 1979

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ASHBROOK. Mr. Speaker, it seems like there is no end to the incredible tales of incompetence that spew forth from the Carter White House. The month of August supposed to be a time when nothing happens in Washington, yet this administration managed two major energy bloopers with most of its first and second string incompetents out of town. It goes to show that Mr. Carter has all but cornered the market on some of America's finest examples of the Peter Principle in operation.

The two examples of how Mr. Carter and company are assuring our energy dependence range from Iran to just across our southern border. In both situations the United States managed to squander valuable bargaining chips at the negotiating table, and in one case, throw away valuable energy resources as well. The facts are still surfacing in both cases, but there is enough information at hand to begin to shape the parameters of August's antics.

MEXICO DOWN THE DRAIN

In 1972 the Petroleos Mexicanos (PEMEX) brought in two gushers in central Mexico. Additional offshore finds in the Bay of Campeche ushered in a new energy age for Mexico. In the last 7 years the proven reserves for oil and gas found within the borders of our southern neighbor have skyrocketed from 5.4 billion barrels to 40.2 billion. Some estimates put possible reserves at close to 100 billion barrels placing Mexico second only to Saudi Arabia in world oil resources.

By 1976 Mexico had decided to rely on an oil-based domestic development plan and to sell the excess gas associated with the oil fields to the United States. On August 3, 1977, six U.S. gas pipeline companies, Tenneco, Texas Eastern Transmission, El Paso, Southern Natural Gas, Florida Gas Transmission, and Transcontinental Gas Pipeline, agreed with PEMEX officials to a letter of intent on a project to have Mexico build an 847-mile, 48-inch pipeline from Cactus to Reynose, which is about 100 miles from McAllen, Tex.; 800 million cubic feet of gas a day would be shipped, increasing to 2 billion cubic feet per day after additional facilities were constructed.

One would think that such an agreement would have met with rejoicing among energy officials in Washington, D.C. However, this was not the case. It seems that the price to be paid for Mexican gas ($2.60/1,000 cubic ft.) was 44 cents higher than that being paid for imported Canadian gas. Government officials proclaimed the private arrangement inflationary and forced the letter of intent to lapse in December 1977.

At this point our crack negotiators from the Departments of State and Energy took over the helm. Their first offer was $2.30/1,000 cubic ft. The Mexicans withdrew from active negotiations. It was not until Mr. Carter's embarrassing trip to Mexico in 1979 did talks resume to any extent. At that time the Mexican price had risen to $3.40 (or $1.24 more than was being paid for Canadian gas). The U.S. counter offered with a $3.00/1,000 cubic feet position that has just been rejected.

The missed opportunity of cheap (in retrospect) Mexican gas being ready for U.S. consumers is compounded by the indications that other factors have entered the negotiations, including possible policy concessions on the illegal immigrant problem. Only a government so blind and so prejudiced against market solutions could have grabbed defeat from the jaws of victory under these circumstances. The failure of the Mexican venture is eclipsed in its idiocy only by the bizarre turn of events with Iranian heating oil.

IRAN FIRST, AMERICA LAST

After months of pleading with the American people to conserve energy use Mr. Carter put everything in perspective early one morning on the Mississippi River. We were going to ship 1.5 million gallons of No. 2 heating oil to Iran, at a subsidized price because, in Mr. Carter's words:

> Most of their families were very poor, like I was when I was growing up.

It seems that the President has more compassion for the Iranians than the Ayatollah Khomeini whose firing squads and raids on the Kurds have become daily events in that nation. Who cares that the Ayatollah kicked the United States out of the country, that he shutdown our monitoring sites, that he imprisoned American workers. Who cares that New England and other regions of the United States may face severe fuel oil shortages this winter. Obviously Mr. Carter's nostalgic view of revolutionary Iran takes precedence over the realities of the situation.

The United States still has not come to grips with the situation in Iran. We still do not have any set policy as to whether it is in our interest to bolster the Ayatollah, or to let his bloodstained regime fall in the hopes that something better would emerge from the chaos that inevitably would ensue. Certainly Mr. Carter is not ready to take a firm stand on Iran, especially now that his alter ego, Andrew Young, is no longer in the foreign policy driver's seat. Yet what is Carter up to? Is he rewarding the Ayatollah for not killing more people than he has as a token of restraint in the name of human rights? Is Carter secretly against the Kurds and want to give up our oil resources as a pat on the back for suppressing a rebellion?

If it were only this simple. As of this writing there are no explicit quid pro quo arrangements with Iran on future oil shipments. Even if there were there are no guarantees that the present government could deliver. If Iran cannot keep its refineries in operation what is there to prevent its pipelines, pumping stations, or fuel docks from falling into similar states of disrepair? With no set policy regarding future relations with the Ayatollah how can any gesture be defined, especially one using our oil from our refineries?

The emotional outburst by Mr. Carter at 5 a.m. on the Mississippi might make good press, but Iran itself says it does not need the oil. In fact, it plans to resell the oil at a handsome profit. In a nation that is energy starved with an administration that screams oil company profits are obscene, what is so humanitarian about shipping off our oil so that Iranians can make obscene profits? This is carrying foreign aid a bit far.

The energy fiascos of August provide a new set of examples of why this Nation is facing such an energy crisis. It is no wonder that the President's ratings have declined far below those of Mr. Nixon.

America deserves better than what it is getting. Jimmy has to reach deeper and deeper into his bag of Rafshoon tricks in order to just keep his head above the rising tide of outrage over how he has driven this Nation into the ground. It is obvious that we did not need a Cabinet reshuffle in July, we needed a new dealer.●

TRIBUTE TO LEONA BEVIS, ACSW

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Ms. OAKAR. Mr. Speaker, today I rise in tribute to an outstanding woman and citizen. Leona Bevis, since 1972 the executive director of the Federation for Community Planning in Cleveland, is a person who has devoted her entire professional career to helping those less fortunate than she. After graduating from the University of Cincinnati and obtaining a masters degree in social work from Western Reserve University, Leona spent 20 fruitful years serving with the Welfare Federation in Cleveland. She was appointed associate director of the Federation in 1959. From 1971–72 Leona also served as associate executive director of the United Torch Services of Greater Cleveland.

Miss Bevis also gives a great deal of her free time in service to the community. She is a member of the board of trustees of Blue Cross of Northeast Ohio; chairman of the State Social Services Advisory Committee, a member of the Legal Aid Committee of the Bar Association of Greater Cleveland; and a member of the Visiting Committee School of Applied Social Sciences of Case Western Reserve University.

Leona's service has repeatedly been awarded by public and private agencies in the public welfare field. It is a great privilege for me to have this committed, self-sacrificing woman as a friend. She truly deserves the commendation of all the citizens of Cleveland as well as the Members of this House.●

WHAT'S RIGHT ABOUT SOCIAL SECURITY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ANDERSON of California. Mr. Speaker, I want to share with our colleagues an article that appeared in the Washington Post on August 9, 1979. The article, by Robert M. Ball, Commissioner of Social Security from 1962 to 1973, defends the much-maligned social security program, asserting that, on the whole, the program is one of which the United States can be proud.

WHAT'S RIGHT ABOUT SOCIAL SECURITY?

(By Robert M. Ball)

In recent years, various provisions of the Social Security program have come under attack—but little has been said about its overall effectiveness. What's right about Social Security?

In 1935, when the Social Security Act was passed, less than 15 percent of the jobs in the United States were covered by any sort of retirement system, and only a tiny proportion of those over 65 were drawing retirement benefits. Many people ended their lives in a now almost forgotten institution, the "county poor house." This year nearly 95 percent of the people reaching age 65 will be eligible for Social Security payments and most of those who are not will be eligible for retirement pay from some other government system, such as railroad retirement, federal civil service, or a state or local plan. Perhaps a third of those getting Social Security payments will also be eligible for a private pension supplementing their Social Security, although even for this fortunate one-third, Social Security is usually the larger payment and is inflation-proof and tax free.

According to a study by the Congressional Budget Office, without Social Security 60 percent of the families headed by people 65 and over would be below the government's rock-bottom definition of poverty. In fact, nearly half would have incomes less than 50 percent of the poverty level. Social Security lifts all but about one-fifth of elderly families above poverty, and when other government programs are taken into account, the proportion of elderly families who remain poor is reduced to about 14 percent. This is very substantial progress. As recently as 20 years ago, nearly 40 percent of those over 65 were below a comparable government definition of poverty.

But Social Security is much more than a program designed to reduce poverty. It is the base on which just about everyone now builds retirement income. The worker who has earned average wages throughout his life (this year $11,500) will receive about $400 a month in a Social Security benefit if he retired this year at 65. When a spouse's benefit is included, the amount is $600 a month. For such a couple, the amount paid is 62 percent of recent earnings. For the worker who has been earning the federal minimum wage, the proportion of recent earnings replaced by Social Security benefits is higher—78 percent for a couple. For the worker earning at the maximum amount, the proportion is less—47 percent for a couple.

Not only are these benefits tax free and inflation-proof once they are awarded, but prior to retirement the protection is automatically kept up to date with rising wages. Thus when a worker now in his early 40s retires at 65 after regularly earning the average wage, his benefit (assuming a continuing increase in wages comparable to the past) will be about $15,000 a year. The $15,000 reflects not only increases in prices but also the increase in the level of living arising from productivity increases. Because of the automatic provisions now in the law, if wages rise less than they have in the past, Social Security benefits will be lower, and if they rise more, benefits will be higher.

And Social Security is not just a retirement system. It is also life insurance, paying monthly benefits to widows, widowers and orphans to partly make up for income that is lost when a wage earner in the family dies. And it is disability insurance, providing protection for workers and their families against the loss of income due to long-continued total disabilities. It is well known that just about all older people get Social Security benefits but not so well known that every month the Social Security system pays monthly benefits to 5 million children. For many young families the life insurance and disability insurance protection—frequently with a face value of from $150,000 to $200,000—is the most important "asset" they have. And the survivors' and disability insurance, too, is automatically kept up to date with increases in the level of living before benefits are paid, and again the benefits are tax free and inflation-proof.

For the cash benefits I have described—and not taking into account the Medicare protection against the cost of hospital care—the worker today pays 5.08 percent of earnings up to maximum earnings of $22,900 a year. This amount is matched by the employer. According to the latest estimates of the Board of Trustees of the Social Security trust funds, the benefits and administrative costs of the system can be met for the rest of this century by a contribution rate of 5.5 percent of earnings. (The maximum on the earnings counted rises to $29,700 in 1981 and then rises automatically in proportion to the general increase in the wage level.)

In the next century, according to the trustees, if the proportion of retirees to earners increases as much as they expect, the contribution rate would have to be higher. Some 50 years from now the rate might need to be as high as 8 percent for an entirely self-financed system. Even this 8 percent rate in the distant future, however, would not seem to justify the kind of concern about Social Security financing now being expressed in various magazine and newspaper articles. For example, German workers and their employers each pay 8 percent currently for old-age, survivors' and disability insurance even though the cost of about one-fifth of the German system is borne by other revenue sources.

Certainly there are changes to be made in our Social Security system. I, among others, have proposed certain improvements in benefit protection and changes in the method of financing, but the point to be stressed is that the system works just as it is, and it works well. There is no crisis. Thirty-five million beneficiaries—one in seven Americans—get a check every month, on time, and in the right amount, and those who are working today can count on getting their Social Security benefits when they in turn become eligible.●

COUGHLIN CONSTITUENTS CITE GOVERNMENT, OIL COMPANIES IN GASOLINE CRUNCH

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COUGHLIN. Mr. Speaker, the intense national concern over this summer's gasoline problems is reflected in my annual mail poll in which 17,609 individual responses from constituents in Pennsylvania's 13th Congressional District were received before the July 31, 1979, deadline. This is an increase of 35 percent over last year's responses.

I am sure it comes as no surprise that the Federal Government and the oil companies are blamed for our gasoline woes. Forty-three percent of those answering cite the most significant cause of the shortage as "Government regulation and mismanagement," followed by 35 percent who perceive the situation as "A rip-off by the oil companies." Of the three specified choices listed, only 10 percent attribute the shortage to "lack of investment incentive to produce."

A space was provided for those who believe there is another reason that is the most significant cause. Of the 12 percent writing in their reasons, most were split between blaming the oil-producing countries and consumer waste, particularly in the United States.

Almost half of the questions pertained to our energy dilemma in the questionnaire poll mailed to every household and boxholder in my congressional district. In addition to sharing the results with colleagues, I also will mail them to constituents and to the White House.

A plurality of constituents—48 percent—oppose President Carter's proposal to decontrol domestic oil prices and impose a windfall profits tax. Forty percent favor the plan and 12 percent are undecided.

Of the 48 percent opposing the Carter proposal, 43 percent want to maintain controls. Thirty-one percent favor decontrol without a windfall profits tax. Of the three specified choices, 14 percent want to impose an excise tax on imported oil.

In the space provided for other recommendations, most of the 12 percent who wrote in their choices favor nationalization of the domestic oil industry.

A majority of constituents—52 percent—say they are cutting their driving "somewhat" in response to a question in which it was noted that gasoline prices are rising to $1 or more a gallon. One-third of those answering aver that they have reduced their driving "substantially." Ten percent say their driving will be affected "not at all."

Of the 5 percent specifying other reasons, most cite their businesses or occupations as reasons for not reducing their driving or the fact they already have cut personal motoring.

Fifty-eight percent of those responding to a question on U.S. nuclear generation want our present policy continued, but safety standards tightened. Almost one in four—24 percent—favor an immediate moratorium on building new nuclear plants. Thirteen percent opt for accelerating construction and cutting licensing time.

Five percent list other courses with many of them calling for a combination of accelerating construction and tightening safety standards. Much of the comment favors development of solar energy.

Three out of four answering want more coal used to power utilities and industrial plants even if air pollution standards must be lowered. Seventeen percent are opposed while 8 percent are undecided.

In a question on inflation, which pointed out that the rate has been running at double-digit figures in the first half of 1979, 48 percent of those answering say "no" to mandatory wage and price controls as a workable method of controlling inflation.

Forty-one percent—a steady percentage from last year's poll—respond "yes" to the question. In 1978, 42 percent of those responding favored mandatory controls in the fight against inflation. Eleven percent are undecided in this year's poll.

Across-the-board cuts in all expenditures are the most favored single step advocated to help stem inflation by reducing Federal spending. The 53 percent favoring this approach contrast to 17 percent who prefer reduced spending for domestic programs. Thirteen percent support decreased defense spending.

Of the 17 percent who wrote in other choices, the single program most cited for spending cutbacks is foreign aid. Many also want spending reduced for welfare programs and bureaucratic operations.

A majority of those answering support registration and a standby draft to be used in time of crisis. These 68 percent are opposed by 26 percent who do not want the system. Six percent register undecided.

Of the 26 percent who are opposed, 62 percent of these approve an alternative—a peacetime universal service proposal giving 18-year-olds a choice of active service, reserve military training or civilian service in the Peach or Job Corps. Thirty-two percent do not favor this alternative. Six percent are undecided.

A disparity of views is evidenced by a question on which type of health program—considering the cost—is preferred. Thirty-seven percent want national health insurance limited to catastrophic coverage while 27 percent favor compehensive national health insurance. One-third oppose any new national health insurance.

Of the 3 percent listing other options, most believe that the Government should regulate medical and hospital costs.

A majority of constituents responding consider limits on Federal funding of abortions—based on language enacted in the last Congress—to be "about right." Contrasted to this 53 percent are

35 percent who consider the law "too strict." Twelve percent believe the legislation is "too lenient."

Those answering a question on whether the Egypt-Israel peace settlement is worth the cost to the United States in providing more aid to the countries were divided. Forty-six percent respond "no" and 42 percent answer "yes." Twelve percent indicate they are undecided.

An even greater range of opinion was recorded on a question which asked whether the U.S. Senate should ratify the strategic arms limitation treaty (SALT II). Thirty-nine percent favor ratification, 33 percent oppose it, and 28 percent are undecided.

Results were compiled by my staff and no computer was used. To insure the greatest accuracy, answers were compiled by ZIP code. Final results compared with preliminary results; they did not vary by more than 2 percentage points either way.

QUESTIONNAIRE RESULTS

1. Energy costs and shortages are continuing problems.

A. What do you believe is the most significant cause for the gasoline shortage? (one only)

[In percent]

Government regulation and mismanagement	43
Lack of investment incentive to produce	10
A rip-off by the oil companies	35
Other (specify)	12

B. Do you approve of President Carter's proposal to decontrol domestic oil prices and impose a windfall profits tax?

[In percent]

Yes	40
No	48
Undecided	12

C. If your answer was "no," what would you recommend? (one only)

[In percent]

Decontrol but no windfall profits tax	31
Maintain controls	43
Impose an excise tax on imported oil	14
Other (specify)	12

D. With gasoline prices rising to $1 or more a gallon, will you reduce your driving?

[In percent]

Substantially	33
Somewhat	52
Not at all	10
Other (specify)	5

E. What course should the U.S. take on nuclear power generation? (one only)

[In percent]

Declare an immediate moratorium on building new plants	24
Continue present policy, but tighten safety standards	58
Accelerate new construction and cut licensing time	13
Other (specify)	5

F. Do you favor using more coal to power utilities and industrial plants even if air pollution standards must be lowered?

[In percent]

Yes	75
No	17
Undecided	8

2. Inflation in the first half of 1979 has been running at a double-digit rate.

A. Do you believe mandatory wage and price controls are a workable method of controlling inflation?

[In percent]

Yes	41
No	48
Undecided	11

B. What single step do you advocate to help stem inflation by cutting Federal spending? (one only)

[In percent]

Across-the-board cut in all expenditures	53
Reduce spending for domestic programs	17
Decrease defense spending	13
Other (specify)	17

3. The question of providing military manpower in an emergency has arisen as a result of deficiencies in the all-volunteer services.

A. Do you favor registration and a standby draft to be used in time of crisis?

[In percent]

Yes	68
No	26
Undecided	6

B. If your answer was "no," would you approve—as an alternative—a peacetime universal service proposal giving 18-year-olds a choice of active service, reserve military training or civilian service in the Peace or Job Corps?

[In percent]

Yes	62
No	32
Undecided	6

4. Considering the cost, which would you prefer? (one only)

[In percent]

National health insurance limited to catastrophic coverage	37
Comprehensive national health insurance	27
No new national health insurance	33
Other (specify)	3

5. Current law limits Federal funding of abortions to those necessary to preserve the life of the mother, in cases of rape or incest, and where severe and long-lasting physical health damage to the mother would result, as determined by two physicians. Is this limitation of funding abortions:

[In percent]

Too strict	35
Too lenient	12
About right	53

6. Do you believe the Egypt-Israel peace settlement is worth the cost to the U.S. in providing more aid to the two countries?

[In percent]

Yes	42
No	46
Undecided	12

7. Should the U.S. Senate ratify the Strategic Arms Limitation Treaty (SALT II)?

[In percent]

Yes	39
No	33
Undecided	28

Party preference of those responding:

[In percent]

Republican	62
Democrat	22
Non-partisan	16
Other	

Ages of those responding:

[In percent]

18 to 21	1
21 to 35	21
35 to 50	25
50 to 65	32
65 and over	21

SHATTER THE SILENCE, VIGIL 1979

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DODD. Mr. Speaker, over the past 4 years I have been involved in numerous efforts to facilitate the emigration of Soviet refuseniks who have been denied exit visas because of their political and religious beliefs. The recent release and subsequent emigration of Alexander Ginzburg, Valentin Moroz, Georgi Vins, Mark Dymshits, and Eduard Kuznetsov, and the pardons of Anatoly Altman, Hillel Butman, Leib Khnokh, Boris Penson, and Vulf Zalmanson are testimony to the effectiveness of public officials' and private citizens' declarations against Soviet repression of the rights of refuseniks as guaranteed by the Helsinki agreements.

But for every Soviet Jew who is given an exit visa, hundreds remain behind against their will. Dissidents like Anatoly Shcharansky, Ida Nudel, and Yosip Mendelevich are still incarcerated, despite repeated requests to Soviet authorities that they be released.

I would like to bring to your attention the cases of two refuseniks, Vladimir Slepak and Isaac Zlotver, who have been separated from their families by the prejudicial and arbitrary decision of the Soviet Government. Vladimir Slepak first applied for an exit visa in April 1970 and was refused permission to emigrate in June 1970.

After his application to emigrate, Vladimir was harassed and threatened and finally imprisoned. In June 1976, he became a Helsinki monitor, and his activism as a proponent of the rights of his people resulted in a sentence of 5 years in exile in the summer of 1978.

Vladimir Slepak now lives in exile in a remote area of Siberia with his wife. His two sons and their families were granted visas and now live in Israel. As an outspoken critic of Soviet discrimination against refuseniks, Slepak has sacrificed his health and well-being to champion the cause of religious and human rights in his country. We must, as legislators, continue to work for his release and the freedom for which he has struggled.

Isaac Zlotver is not a dissident. He is a man alone, with no living relatives left in the Soviet Union. Isaac first applied to emigrate in 1974 and permission to leave the country has been repeatedly refused, allegedly because of his army service 13 years ago.

Isaac's wife, Dina, died of cancer in 1977, and his daughter Lubo emigrated to Israel in 1971. Isaac himself has been seriously ill. It was Dina's last wish that her husband be reunited with his family. Perhaps, with our help, Isaac Zlotver may one day see his grandchildren in Israel.

I would urge my colleagues to join in this vigil for freedom and speak out against the continued violation of the 1975 Helsinki agreements by the Soviet Union. As a signatory of the United

Nations Declaration of Human Rights, the Soviet Union made a commitment that cannot be denied. For the sake of people like Isaac Zlotver and Vladimir Slepak, we must not allow that commitment to be so easily forgotten and shatter the silence that surrounds their oppression.●

ENERGY: THE NEED TO ACT

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. EMERY. Mr. Speaker, adopting a coherent, long-term energy policy for our Nation is the most urgent task facing this Congress. Continued indecision on energy will only lead to more inflation, greater personal hardship, higher oil imports, and diminished national security.

In a recent speech to the Brunswick, Maine, Chamber of Commerce, my distinguished colleague, Senator BILL COHEN, outlined several actions that are urgently required if we are to solve our worsening energy problem.

I hope that each of my colleagues will have an opportunity to review Senator COHEN's comments on energy, which I insert in the RECORD at this point:

SPEECH BY SENATOR WILLIAM S. COHEN

AUGUST 17, 1979.

An ominous cloud of frustration, anger, and, to some degree, hopelessness hovers over America. Our nation, accustomed to national prosperity and pre-eminence in world affairs, is now confronted with an uncertain economic future and a growing threat to our way of life.

As the turbulent decade of the Seventies draws to a close, we are a divided people, unsure about our goals, and increasingly distrustful of government leadership and institutions. Indecision on energy and other pressing national concerns has turned us into a nation of disbelievers and cynics. Somehow we feel better if we can assign blame for our problems, exonerating ourselves in the process.

To a great extent, the American mood is understandable. Our prolonged debate on energy has seemingly been marked by endless controversy, criticism, and outright confusion. Diverse interests, all pulling in opposite directions, have frustrated every attempt to adopt a coherent, long-term energy policy for our nation.

We cannot afford to be paralyzed by that frustration. The bleak history of energy mismanagement in this nation since the first shock waves of the 1973 oil crisis cannot be allowed to interfere with our decision-making and problem-solving processes today. We must move forward on energy, and we must do so immediately.

As we debate the energy challenge facing America, there are at least two questions that must be answered. Is there really an energy crisis and, if so, how do we respond to it?

I have no doubt that the crisis is real. Fifteen years ago, we imported almost no oil at all. Today, we import one-half of the oil we use—more than eight million barrels a day—at a cost of over $1 billion a week. Equally alarming is the fact that our dependence is concentrated in a handful of producing countries, many of which are openly hostile to U.S. interests and objectives. Our traditional allies in Western Europe and Japan are even worse off than we are.

Two factors make this dependence especially serious for us and for our allies in Western Europe and Japan. First, whether we like it or not, oil is indispensable to the functioning of our economies. Developing substitutes will take years. Secondly, world consumption of oil is increasing at a rate which suggests that we will need the equivalent of a new Saudi Arabia every three years just to keep up with projected demand. Attaining that objective is not a possibility a prudent man would bet heavily on.

We should not be lulled into complacency by the disappearance of gas lines, or the return of tourists to Maine, or assurances of adequate heating oil supplies for the coming winter. We remain, as the President has noted, dangerously dependent on the thin line of oil tankers stretching halfway around the world. Crisis is as near as the next political revolt in the Middle East.

Our choice is a simple one. We can make the maximum effort to reduce oil consumption and shift to alternatives, or we can simply wring our hands in exasperation, do nothing, and insure that we will face an even greater crisis down the road. In the end, this choice will not be made by the President and the Congress, but by people around the country such as you.

Few nations are blessed with the energy resources we enjoy. No nation on earth possesses the technological expertise we have developed. Putting these considerable assets to work is the challenge confronting America.

It will not be an easy task. Decades of cheap, abundant energy have left us ill-prepared to deal with the energy turbulence of the 1970's. What is required are fundamental changes in the way we use and think about energy.

As we contemplate the shift from an oil-driven economy, we can perhaps take some solace from the fact that major course corrections in energy supplies have been navigated in the past. Energy from wood burning was replaced by energy from coal. Coal was eventually replaced in large part by oil. We have now come full cycle, and are actively seeking to enhance the role of wood and coal as replacement fuels for oil.

Our current situation bears truth to H. G. Wells' observation that "human history becomes more and more a race between education and catastrophe."

How can we reverse the deteriorating energy situation we have been facing since early in this decade? What steps are necessary to restore rationality to the energy debate and set the nation on an orderly course leading to energy security at a reasonable cost? In my view, several actions are urgently required.

First, we must end the frantic and futile search for scapegoats. Each of us must be mature enough to accept part of the blame, and concerned enough to shoulder part of the solution. Blaming OPEC, the oil industry, the President, the Congress, the environmental movement, or the Department of Energy may make us feel better, but it only distracts us from the more immediate task at hand.

We must accept the uncomfortable fact that there is no cheap, quick fix. It will take years to bring our energy budget back into balance, and the job will be enormously expensive. It is imperative that we rid ourselves of the misguided notion that energy prices will ever again return to pre-OPEC levels.

Second, we must begin to view conservation as an absolute necessity, not a passing fad. It is the single most important step we can take to reduce oil imports, lower energy costs, preserve jobs, and lessen the environmental, health, and safety problems associated with energy use.

While it is true that Americans have become increasingly energy conscious as a result of rising prices and supply shortages, we have not begun to approach our potential in this critical area. We must build a vocal, national constituency for energy conservation. To do this, we must greatly expand existing incentives for individuals and businesses, and remove regulatory roadblocks that discourage conservation.

Use of energy is involved in almost every human decision. Whenever we turn on a light, heat an unused room, or live in an unnecessarily large house, we are making an energy decision. Whenever we join a car pool, buy an automobile, or choose a manufacturing process, it has energy consequences.

A policy that legislates energy conservation while maintaining powerful incentives to consume excessive amounts of oil and gas is self-defeating. By transmitting the wrong signals, our overly regulated energy markets encourage too much energy use, and too little conservation.

Third, we must forge a constructive relationship between the energy industry and the government. We need to recognize that the economic, environmental, social, and foreign policy implications of oil transactions make it necessary for government to remain an active partner with private industry in energy decisions.

Government efforts should supplement, not supplant those of private industry. The system that built this nation and made it great should be allowed to make America's energy choices for the future. We need to spur competition and innovation, not install an army of bureaucrats in the Department of Energy.

If we have learned anything over the past six years, it is that we must rely more heavily on our free enterprise system, and not less.

Four, we need to vastly overhaul our existing mechanisms for assessing the economic, environmental, and social impacts of major public and private energy projects. The way the administrative procedure works now, we waste too much time, spend too much money on litigation, and end up with too few decisions.

I respect the right of every citizen to participate in good faith in the process for judging major energy projects. But efforts to use the process simply to obstruct or endlessly delay a final decision are unacceptable.

In his most recent energy address, the President called for the creation of an energy mobilization board to coordinate and expedite decisions on major energy projects. That an energy mobilization board has become necessary is an admission by government that its own regulations and policies have only frustrated attempts to address the energy problem.

Five, we should seek to develop a long-term hemispheric energy policy through improved relations with Mexico and Canada. This Common Market approach on energy can be expanded to include joint efforts aimed at resolving other pressing, unresolved problems facing the North American community of nations.

We should also use our membership in international lending institutions such as the World Bank and the International Development Association to aggressively promote development of energy supplies in non-OPEC nations. Such an effort will not only diversify world oil sources, but enhance orderly economic development in less fortunate nations.

Six, any comprehensive set of recommendations for addressing our nation's energy problems must include policies and programs designed to stimulate the development of alternatives to oil and gas. But let's make sure we understand the consequences of our actions.

The President has suggested that we pour $88 billion into a crash program to develop synthetic fuels. How much research and development of automobile efficiency and mass transit could we buy with that kind of money? How many solar collectors could we build for that sum? How many homes could we properly insulate for a similar investment?

These are the kinds of questions we should be asking. When we make our choices, we should be guided by common sense, not by a utopian vision of energy abundance unsupported by solid scientific evidence.

Seven, we must continue to address the legitimate public concerns over nuclear power—specifically, the management and disposal of nuclear wastes, the safety of reactor operations, health and environmental risks, and proliferation of nuclear weapons through the use of reactor by-products. No thoughtful person can reflect on the Three Mile Island accident without wanting to reexamine the future role of nuclear power.

In my judgment, we should not view nuclear fission energy as the long-term answer to America's energy problems, but as a necessary and important transitional resource that will buy our nation time until alternative sources are fully developed.

Eight, Congress must recognize that state and local governments can and must play an expanded role in alleviating our nation's energy problems. We should immediately approve a broad range of economic incentives that will assist state and local governments in their efforts to conserve energy or promote greater use of renewable resources that would include small hydroelectric projects.

Nine, we need to gradually free domestic oil prices from federal regulations, subject to the following conditions:

Presentation of credible evidence that decontrol will stimulate significant additional production;

Demonstration that decontrol will not significantly worsen our nation's already serious inflationary problems;

Enactment of a workable windfall profits tax that will recapture, for the public benefit, a percentage of the vast new revenues that will result from decontrol;

Presentation of conclusive evidence that world prices reflect true U.S. marginal replacement costs;

Assurances that additional profits resulting from decontrol will be reinvested in exploration, development, and production of new energy supplies;

Approval of a broad range of economic assistance programs that will help consumers adjust to higher prices and convert to alternative sources of energy; and

Demonstration by the oil industry that it is willing to cooperate fully with government in such areas as verifying petroleum inventories and true production costs.

Ten, we should strictly adhere to the ceiling on oil imports agreed to at the recent Tokyo energy summit. We should turn to a stand-by gas rationing plan only as a last resort. Such a plan should have as few exceptions as possible.

For the years immediately ahead, we must recognize that our choices are limited. Rapid and effective implementation of an energy conservation policy seems to be the only real prescription for at least partial relief of our national energy headache. Energy conservation alone cannot close the energy gap. It will, however, reduce the magnitude of the problem by bringing supply and demand into closer correspondence while allowing us to stretch our nonrenewable fossil fuel resources.

The critical consideration is that we seek solutions that are politically acceptable, while at the same time making significant contributions to resolving our energy problems. As Robert Stobaugh and Daniel Yergin wrote in a recent edition of "Foreign Affairs," such a solution is better than one that might theoretically solve our problems altogether, but which has no chance of being adopted.

"It is time," Stobaugh and Yergin wrote, "for the United States to come to terms with the realities of the energy problem, not with romanticism, but in a pragmatic and reasonable way—and not out of altruism, but for the most pressing reasons of self-interest."

We are past the point where we can afford to discuss the energy issue from a detached or ideal perspective. The reality is that our own supply of conventional fuels has peaked, while our demand has not. Our sources of oil in the international market are charging what the the market will bear—a price considerably higher than we expected to pay at this point in our Nation's history.

The crisis in energy has only magnified the crisis in leadership that has paralyzed our nation in recent years. We are paying an extremely high price for that indecision, and will pay an even greater price if action is not taken immediately.

Clearly, the time is at hand to enact a comprehensive energy policy for the United States that looks beyond the next election and into the next generation. This task will require an immense amount of leadership, will, imagination, sacrifice, and courage. It will also require that we lay aside the philosophical and regional differences which have, to date, resulted in energy deadlock.

Checking inflation and solving the energy problem are not conflicting goals, but opposite sides of the same coin. Our citizens want decisive and effective action on energy, and they want it now.

As former Secretary of State Henry Kissinger said in a 1975 speech on energy, "History has given us a great opportunity disguised as a crisis."

Our challenge is to seize the opportunity while it is still available, and mold a comprehensive, farsighted energy policy for the United States. With your continued support and assistance, we can and will get the job done.●

THE DECREASING DOLLAR

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. PAUL. Mr. Speaker, when the Treasury engineered devaluations of the dollar in terms of gold—8 percent and 10 percent respectively—it was big news.

Since those days, the dollar has been devalued an incredible 87 percent, but there are no more headlines.

We hear about the rising price of gold, but that puts the monetary cart before the horse. Gold is not increasing in value, the dollar is decreasing, as the Federal Government prints more and more paper money, and balloons the supply of credit.

Now we get rumors that the U.S. Treasury plans to increase drastically its sale of gold, to try to lower the price. The planners are shamed by this barometer of their mistreatment of the people's money. And some are even suggesting that artificially and temporarily lowering the gold price would slow inflation, which makes as much sense as putting a piece of ice on a fever thermometer.

If Treasury is determined to get rid of our gold, let us, at least, sell it to Americans in the form of medallions, and not in 100 ounce bars to Arabs and international bankers. The average American deserves a chance to protect his savings from Government devaluation, just as much as the plutocrat or the sheik.●

ROCK ISLAND RAILROAD DISPUTE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BEDELL. Mr. Speaker, I would like to take this opportunity to express my grave concern with regard to the immediate harmful impact of the Rock Island railroad labor dispute. The seriousness of this problem is clearly understood by my fellow Representatives from the hard hit areas in the Midwest, but because this problem also threatens to have a negative effect on the entire Nation's economy, I would like to share my views with my colleagues in Congress.

The Rock Island railroad is a vital link in the transportation network of Midwest grain. A record grain harvest is predicted this year, but if already full grain elevators are not emptied soon to make room for the new harvest, Midwest farmers will lose millions of dollars. That is why, each day that the Rock Island does not operate at full capacity means substantial losses to the Nation's rural economy.

In addition, a significant and growing part of the grain harvested in Iowa and the Midwest is exported, and the continued disruption of grain transportation will affect our Nation's economy through the potential loss of overseas markets with a resulting negative impact on our country's balance of payments. This would be a serious loss as grain exports for 1979 are projected to exceed $30 billion in foreign trade earnings, which are critically needed to offset our growing oil import bill. Agricultural exports have been one of the few bright spots in the U.S. trade picture, and it would be pure folly not to do everything possible to see that their flow is uninterrupted.

The Rock Island line also transports a significant amount of low sulfur coal from the western coal region to midwestern power installations. Curtailment of these coal supplies will have an adverse effect on energy production as the fall harvest and winter heating seasons approach.

Mr. Speaker, it is no secret that our national rail transportation is far from optimum in its current state. This fact makes it all the more imperative that the service that does exist is not impaired further.

Obviously, the current Rock Island labor dispute, if allowed to continue, would seriously deprive Iowa and the other Midwest States of essential transportation service, and would have a negative impact on the entire Nation's economy. Therefore, I have asked Mr. Robert O. Harris, Chairman of the National Mediation Board, to review the Rock Island situation and to recommend the establishment of an emergency board with a 60-day cooling-off period, so that critical transportation services can be restored pending review of the Rock Island dispute.

I have also strongly urged President Carter to take immediate steps to prepare for the establishment of an emergency board, and to take whatever other action is necessary to end this potential crisis. I encourage all of my colleagues to join me and the rest of us from the Midwest, in calling for an early resolution to this dispute.●

EFFECT OF SALT AGREEMENT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the Members of this House will not have an opportunity to participate directly in the consideration of the strategic arms limitation treaty. We must, however, consider carefully the effect any such SALT agreement would have on American security. We must look carefully at our defense posture and determine whether, with or without SALT, our security position is adequately protected. It is a determination that cannot be made in isolation from Soviet actions.

I wish to call to the attention of my colleagues a recent editorial in the Los Angeles Times which clearly describes the importance of preventing a serious shift in the military power balance toward the Soviet Union.

The article, "The Shadow of Soviet Might," follows:

The Shadow of Soviet Might

Although the fate of the strategic arms limitation treaty will not be decided for some weeks yet, it appears probable that the agreement will be ratified by the Senate—but only after adequate assurances by President Carter that he will carry through with increases in the defense budget.

We sympathize with those who are disappointed that an arms control treaty should become a mile stone toward higher rather than lower military spending. To the American mind, it is obvious that both the United States and the Soviet Union would benefit if the military balance could be stabilized at a lower, less expensive level and that money put to more productive use.

Carter has made plain his own hope that the next stage of SALT negotiations will open the way to actual reductions in the strategic nuclear forces on both sides. Soviet leader Leonid I. Brezhnev has, at times, suggested that he shares this aspiration.

Unfortunately, there is no reason to believe that the Russians have any intention of reducing the most threatening portions of their strategic forces in order to satisfy American desires for a strategic balance.

In these circumstances, this country has no prudent choice but to take those steps that will prevent the power balance from sliding dangerously in favor of the Soviet Union. And that, regrettably, means that modestly higher spending is necessary, SALT II notwithstanding.

Those who believe that the United States should unilaterally cut defense spending, on the theory that the Soviet Union would follow suit, should understand that this country has, in effect, already tried that gambit. And it didn't work.

At the time of the Cuban missile crisis, the United States enjoyed overwhelming nuclear superiority. Under pressure of Vietnam war costs, the strategic budget and other non-Vietnam defense expenditures declined markedly in inflation-adjusted dollars.

When the Soviet Union was thereupon seen to be pursuing a massive missile-building program, Washington took the hopeful view that, once the Russians caught up, they would stop and settle for approximate strategic equality.

But they didn't. The Soviet Union continued to outspend the United States across the whole spectrum of military power, from conventional forces to military research and development.

As a result, the Soviets have long since surpassed the United States in most numerical measures of military power and are moving as rapidly as possible to close the qualitative gap.

Carter, since taking office, has made two unilateral gestures. He halted the B–1 bomber and indefinitely postponed deployment of the neutron warhead with U.S. forces in Europe. The Soviet response has been to move toward a new, B–1-type bomber and to deploy more short- and medium-range missiles targeted on Western Europe.

The reality is that this country's land-based Minuteman missile force will become vulnerable to a Soviet saturation attack by 1982, the aging B–52 fleet will lose its ability to penetrate Soviet air defenses by 1985 and missile-firing U.S. submarines are expected to become vulnerable in 1990 and beyond.

Nothing in the SALT II treaty will change this disturbing prospect.

Thus U.S. defense plans call for prolonging the survivability of the American nuclear deterrent—and therefore enhancing its credibility in a crisis—by putting some land-based ICBMs on wheels, mounting cruise missiles on bombers and building submarine-fired missiles with a longer range.

Even with these programs cranked into the military budget, U.S. defense spending will still be far less than the Soviet outlay. And in the framework of U.S. spending priorities, the strategic weapons budget will still be less, in inflation-adjusted dollars, than it was in the 1960s.

The fact remains, of course, that both the United States and Russians should be spending less for arms. But support of the second half of that proposition is notably lacking in the Soviet Union.

Soviet power and influence in the world have grown markedly in the last few years. This has not happened because the Russian version of communism is attractive to anybody, nor is it a tribute to the brilliance of Soviet diplomacy. It has happened because of the shadow cast by growing Soviet military power.

The day may come when economic strains will force the Soviet leadership to reconsider its spending priorities—especially if it becomes convinced that the United States will match whatever level of competition is necessary.

But as long as the military balance is shifting in their direction, and paying political dividends in the process, the Soviets will not willingly cash in what they see as a winning hand in order to satisfy the American longing to beat swords into plowshares.●

TAMA COUNTY FAIR CELEBRATED

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, on Sunday, September 9, the Third Avenue Merchants Association (TAMA) will sponsor the fourth annual TAMA County Fair along Manhattan's Third Avenue from 14th to 34th Streets to showcase the unique and diverse attractions of this historic and colorful avenue.

Hundreds of thousands of visitors from the tri-State area are expected to attend this "urban county fair" and acquaint or reacquaint themselves with one of New York's most vital commercial and residential communities.

The Third Avenue Merchants Association, an organization of small businessmen and women on Manhattan's East Side, has contributed greatly to the financial well-being and to the overall neighborly ambience of New York City with its many community projects.

As a Member of Congress from the 18th Congressional District, which encompasses "TAMA County," I commend the members of the Third Avenue Merchants Association not only for their sponsorship of this community event—the TAMA County Fair—but for their tireless efforts to promote a spirit of comaraderie on Third Avenue throughout the year.

I wish the association the greatest of all successes at the fourth annual TAMA County Fair on September 9.●

WILL DOPE BE RUN BY DOPES?

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ERLENBORN. Mr. Speaker, as a leading opponent of S. 210, the bill to create Federal Department of Education, I read with great interest school teacher Charles M. Frye's impressive essay in the September 3 issue of Newsweek magazine.

Those of us in the House who do not want a new department have been making two major arguments against it: that an Education Department would inevitably lead to further Federal control over our schools, and that it makes no sense in terms of management policy. To these, Mr. Frye adds a third, equally valid proposition:

> On the evidence, it would almost certainly tend to institutionalize the erosion of standards and calcify the inanities of the last ten to twenty years.

Mr. Frye's thesis reinforces my belief that the House acted unwisely when it rejected my amendment to name the proposed agency the "Department of Public Education" (DOPE).

I urge my colleagues, before they vote on the conference report on S. 210, to reflect on Mr. Frye's essay, which appears below:

Who Runs the Schools?

(By Charles M. Frye)

The quality of public-school education in the United States has been declining for the last decade and a half. This almost universal decline has been marked by plummeting Scholastic Aptitude Test scores, functionally illiterate high-school graduates and the general alienation of many students. It has been paralleled by an explosive growth in the non-teaching school bureaucracy, over-all cost increases vastly exceeding inflation, declining enrollment and a radical redefinition of school objectives. Educators flail their arms and point their fingers in self-defense at the home, the television sets and the shattered marriages. Or they cite the "expanded opportunities for the disadvantaged" and the development of "life-coping skills." They sound like a car dealer receiving a car for its tenth recall.

If a business or government agency had been experiencing a fifteen-year decline, somebody surely would have subjected the management to intense scrutiny at least. But various studies of the school problem have very carefully avoided dealing with the paramount question: Who runs the schools?

Credentials: The school Establishment consists of four major interlocking groups: the many and various graduate schools of education which train and certify teachers, administrators and the other bureaucrats; the Federal education complex; the various state departments of education, and the local school-administration corps.

The personnel of these groups are largely interchangeable and indistinguishable because they have all—from the professors of education, the HEW functionaries, the superintendents and principals to the most humble child-care directors—taken lots and lots of graduate courses while accumulating lots and lots of credentials in education. The capabilities of the people who take and teach these courses, and the almost total lack of content therein, create finally a remarkably homogeneous population.

Many, but certainly by no means all, of the graduate schools of education require the submission of a Graduate Record Examination. It can be safely assumed, given the education Establishment's commitment to seniority, that its more influential members began their graduate work some years ago, and hence data circa 1963–64 are most relevant indeed.

During that period, 77,000 candidates took the GRE. Of the 4,365 who were applying to graduate schools of education, 81 percent were below average in the verbal section (why Johnny can't read) and 84 percent below average in the quantitative. Only home-economics and physical-education candidates did worse. (Interestingly enough, of the nineteen principals under whom I have worked, at least six had a physical-education background.) Fewer than 100 compiled scores that would be considered distinguished. Bluntly, this is the number of academically highly qualified candidates available to all the "selective" graduate schools of education in the country.

By 1977, the entire graduate-school situation had changed—the number of GRE's administered each year had increased by approximately 120 percent, while the number of graduate-school-of-education candidates increased by about 300 percent. Only two-thirds of the education scores were below average during this period (an improvement!), exceeding only home economics, physical education and speech. If NASA had been staffed as selectively as the education Establishment, it would have been lucky to hit Tallahassee.

During the last ten to fifteen years, this Establishment has managed to keep its graduate schols employed and growing despite a steady drop in the school population and an embarrassing surplus of teachers and administrators. The schools of education of the California State University system, for example, have accomplished this by offering 28 different master's degrees, among them some virtually indistinguishable specialties, such as "communication handicapped," "learning handicapped," "physically handicapped" and "severely handicapped"; or, "special education" and "special-education supervision."

The California state department of education now requires a special-education credential or M.A. for the teaching of "gifted" children. Considering the dismal performance of GRE candidates for education, it is obvious that these requirements will effectively exclude most intellectually able adults from the "gifted" programs.

There is currently a concerted drive by the graduate schools of education to treat "black English" as a second language. This, of course, will require special educational programs and credentials, and the infusion of Federal "English as a Second Language" funds to support programs in the schools. (Had English as a Second Language existed when I was in high school, it would have meant extensive curricula in Italian, Bohemian, Slovakian, Moravian, Polish, Estonian, Lithuaian and Latvia—the mother tongue of the valedictorian of my class.)

Objective tests: The explosive growth in the education Establishment has been, and is being, drawn from among the weakest of our college graduates. It is, therefore, entirely consistent that they should attack or drop IQ testing, ability grouping and objective tests for teachers and administrators, while using their energies to develop myriad elective subjects and remedial programs. This type of growth has cost us all—in more ways than one.

The establishment of a Federal department of education would be a veritable bonanza for the Establishment, a potentially limitless source of jobs, funds and authority. On the evidence, it would almost certainly tend to institutionalize the erosion of standards and calcify the inanities of the last ten to twenty years.

The ultimate irony is that the fundamental responsibility for this state of affairs lies precisely with those institutions now most vociferously bemoaning the education product of schools; that is, with the colleges and universities that have permitted their graduate schools of education to grant valid master's degrees and doctorates in education in ever-increasing numbers to people they would not have deigned to consider for admission to any of their academic or professional schools. Clearly, the various components of this Establishment should be dismantled with all deliberate speed. But, in the meantime, it wouldn't hurt if school boards required the submission of employees' GRE scores, the better thereby to understand "who runs the schools" and how they have come to be conducted as they are.●

CONGRATULATIONS TO NEW CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 24 residents of Maryland's Second Congressional District who have chosen to become American citizens, with all of the responsibilities that freedom and citizenship entail. I hope you will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are:

Mr. Dilip Dunjbehari Derooka, Mr. David Pottash, Mr. Kyung Sun Noh, Mrs. Hiew Joyce Noh, Miss Yuet Ngor Lew, Mr. Jose Luis Pino Y Torres, Mr. Sergio A. Acle, Mr. Chiau-Wen Hsiao, Mrs. Dana Hsu Hsiao, Mr. Charles Lin, Miss Mei Mei Lin, Mrs. Eun Jum Jo.

Mrs. Helena Moran, Mr. Franklin W. Knight, Mrs. Jeong S. Lee, Mr. Sung Lee, Mrs. Deepa Sharma, Mr. Giovanni G. Di Fatta, Mr. Nirmal Kumar in behalf of Vaswati Sinha, Mrs. Maria Beleeos, Mrs. Purita Te de Guzman, Mrs. Mary T. Homan, Miss Maria Patricia Albornoz, Mrs. Kailas G. Amin.●

RETIREMENT OF CHIEF JUSTICE SUSIE SHARP OF THE NORTH CAROLINA SUPREME COURT

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. FOUNTAIN. Mr. Speaker, it is with a great deal of personal regret that I note the recent retirement of Chief Justice Susie Marshall Sharp of the Supreme Court of North Carolina.

Chief Justice Sharp, better known to her many friends, colleagues, and associates as "Miss Susie," compiled an outstanding record of public service and distinction during her long career. She was born in Rocky Mount, which is within my congressional district, and graduated from the North Carolina College for Women, now the University of North Carolina at Greensboro. She received her law degree from the University of North Carolina at Chapel Hill.

Her career in the law included 20 years in private practice, 10 of which she also served as city attorney for her hometown of Reidsville. She spent 13 years as special judge of the superior court of North Carolina before being appointed associate justice of the North Carolina Supreme Court in 1962 by Gov. Terry Sanford.

In 1974, Miss Susie was elected chief justice. A footnote to history will be that she was the first woman popularly elected in her own right to the position of chief justice of a State supreme court. More than that, to her fellow citizens of North Carolina, she was the right person for the job.

Mr. Speaker, I know that I speak for the other Members of the North Carolina delegation to Congress in wishing for Miss Susie a long and happy and successful retirement. Her presence in the legal affairs of our State—particularly at the appellate level—will be missed. But I know she will use her extra time to continue her service on behalf of her fellowman.

I commend to my colleagues' attention the following August 16 editorial from the Raleigh News and Observer which pays just tribute to Miss Susie's public service:

[From the Raleigh (N.C.) News and Observer, Aug. 16, 1979]

SUSIE M. SHARP: JURIST

"I broke the ice. I hope I made it a little easier for women who want to be lawyers and judges. But no one else can have the fun, the pleasure and the shock of being first."

Susie Marshall Sharp once used those words to explain how she felt about being the first woman Superior Court judge in North Carolina, the third woman in the country to sit on a state appellate court, the first woman to become chief justice of a state Supreme Court.

Her explanation typified the lucidity of thought and expression that marked her 30 years on the bench. Chief Justice Sharp refused to deny the thrill of being a pioneer for members of her sex. She could not fail to be conscious of the great responsibility she carried for all women in those 17 years at the Supreme Court.

But Susie Sharp earned esteem for more than breaking new ground in the judicial system for women. When she retired officially Aug. 1, the chief justice retained the respect and devotion of North Carolinians because she had done a good job as judge.

From the time Gov. W. Kerr Scott named her a special Superior Court judge in 1949 until she stepped down this month, she carried out her duties with diligence and dignity. Her competence never emerged more clearly than in the four and a half years she presided as chief justice.

Court historians will note her insistence on high judicial standards. Six district court judges were censured and one removed during her term as chief justice. She counseled and corrected in private others she felt were inviting disrespect for the courts. She remains convinced today that too many judges in the state don't come up to standard.

The chief justice's strong belief in the separation of powers and her emphasis on the duty of judges to interpret and not make laws built her conservative reputation. But she also spoke out and worked for reforms in the treatment of alcoholics and juvenile offenders, reform of the prisons and the justice-of-the-peace system and for assurance of quality legal representation for indigent defendants. The state listened and responded when she spoke from the heart.●

STATE DEPARTMENT COMMENTS ON VIEWS OF A PALESTINIAN MAYOR

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HAMILTON. Mr. Speaker, in the July 9, 1979, issue of Newsweek, Muhammad Milhem, the mayor of Halhul, a town of 13,000 Palestinians in the Israeli occupied West Bank, stated his reservations about the Camp David peace process and the Israeli-Egyptian peace treaty and why he feels the Palestinians are entitled to self-government and national independence.

I wrote the Department of State asking for their comments on Mayor Milhem's article and a specific critique of Mayor Milhem's reasons for rejecting the Camp David formula.

I would commend to my colleagues and all interested observers of the important Middle East peace process both Mayor Milhem's article and the Department of State's reply to it which follow:

A PALESTINIAN VIEW

If there is a single people in the Middle East more anxious than any other to seek peace, it is the Palestinian people. We have suffered enormously during the last 60 years—30 years of British occupation, followed by 30 years of fragmentation, exile and Israeli occupation.

I am the mayor of Halhul, a Palestinian town, which has itself seen the mass arrests, deportation, torture, house demolition, land expropriation and harassment of people at checkpoints and on the streets of their towns and villages that have characterized twelve years of Israeli military rule.

We who have suffered this also deserve peace, but instead, the Camp David accords have borne us bitter fruit. Two of our Halhul youngsters were shot dead by Israeli soldiers, and a sixteen-day curfew was imposed on our town while the Egyptian-Israeli treaty was being signed in Washington. During the curfew there were scores of arbitrary arrests. Farmers could not spray their vineyards, so that 30 per cent of this year's grapes were spoiled. Israeli soldiers smashed the windows of at least twenty homes to punish families where a child had strayed outside during the curfew. The authorities did not allow relief supplies to come, and prevented other West Bank mayors from publicly expressing concern for our plight. For us, these were the fruits of the "peace" treaty. We ask: what lies ahead?

RIGHTS

More than half a century ago, the international community, through the League of Nations, determined that the Palestinian people were entitled to selfgovernment and national independence. Today, we are offered "autonomy" for one-third of our people in one-fifth of our country. We know of no convincing justification for this severe diminishment of our national rights. We owe it to ourselves, the peoples of our region and the cause of lasting peace to strive for an equitable peace that can be willingly embraced, rather than for an oppressive settlement that must be grudgingly endured, divorced from our aspirations for nationhood. We are alarmed and angered by the present mutation of our hope for a comprehensive regional peace into a partial, bilateral settlement.

In recent years, an international consensus has taken shape regarding the nature of a just and lasting Middle East peace. This consensus, to which all but a few states subscribe, and which we Palestinians find to be an acceptable basis for a just and lasting peace, calls for a comprehensive settlement that includes the realization of the Palestinian people's right to self-determination, including their right to political independence in a national state on their native soil.

A settlement that is not comprehensive and omits Palestinian self-determination will produce a temporary truce, not a state of peace. The Camp David "Framework for Peace in the Middle East" and subsequent negotiations and agreements have given lip service to the "urgent necessity" for a just, comprehensive and lasting peace, but they have been unfaithful to this commitment by promoting formulas that blatantly ignore and circumvent the basic and essential prerequisites of such a peace.

The Palestinians and all the peoples of our region have a right to a genuine peace. Equally, we share the obligation and responsibility to resist and reject tranquilizing substitutes. We believe that Israel sought and obtained at Camp David a formula that can only lead to the dead end of a separate treaty with Egypt.

Camp David provoked Palestinian rejection for several reasons:

1. It spoke of "the inhabitants of the West Bank and the Gaza Strip" instead of the Palestinian people, thus ignoring the majority of our people who have suffered the most, and asking us, the minority, to represent the whole. While we live under occupation, we at least live in our homeland. Our brothers and sisters are the victims of forced exile. We cannot forget them or act without them.

2. Camp David accepted the principles that the other peoples concerned are free to designate their spokesmen and representatives, but denied this right to the Palestinians. The Palestine Liberation Organization is accepted by the Palestinian people and by the overwhelming majority of the nations of the world as the legitimate representative of the Palestinian people. Camp David requires the Palestinians to seek a substitute leadership as a condition of participation.

3. The agreements envision only "autonomy" for the inhabitants of one-fifth of Palestine. Autonomy is less than independence, and an autonomous region is a part of a larger state. The agreements, therefore, rule out the possibility of independence. We see no reason why we should negotiate a settlement that prohibits the option of independence for the Palestinian people. We have no interest in legitimizing Israeli occupation by consenting to a thinly camouflaged version of it.

4. Jerusalem, the heart of Palestinian history and heritage, was not mentioned. Jerusalem is also the geographic link between the northern and southern halves of the West Bank. We are neither willing nor able to envision the future without it.

5. The agreements did not require an internationally supervised cessation to Israeli settlement in the West Bank and Gaza, thus betraying a lack of good faith and a cruel disregard for the future of our people. A halt to the settlement is a sine qua non of the conference-building process that is alleged to be the principal achievement and merit of the ongoing diplomacy.

6. The agreements represent a regression from earlier international commitments to the Palestinian refugees. They make no mention of their internationally recognized right to choose repatriation or compensation. Before Camp David, there were agreed-upon solutions needing implementation. Now there is simply a "problem" that will someday be considered, without principles agreed upon in advance upon which negotiations can be based.

The Palestinian people are aware of the complexity of the issues. They certainly do not expect that the accumulated injustices will vanish overnight, and they do not daydream of easy and sudden freedom. But they are equally aware of the sterility of negotiating a settlement that in advance rules out the essence of their national identity, rights and aspirations.

The Palestinian people would be prepared to discuss how and when they are to achieve independence in their homeland. But they are not prepared, and no one has the right to expect them to be prepared, to discuss the modalities of denying them their freedom.

MOHAMMED MILHEM.

COMMITTEE ON FOREIGN AFFAIRS,
July 10, 1979.

HON. CYRUS R. VANCE,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Attached is an editorial from the July 9, 1979 issue of Newsweek written by Mohammed Milhem, the Mayor of the town of Halhul on the Occupied West Bank.

I would appreciate a detailed commentary by the State Department on the statements made by Mayor Milhem about the Camp David process in general and the specific reasons for rejecting the Camp David process, which he cites. Naturally, citation of actions taken, rather than rhetoric, provide a better basis for countering the Mayor's critique.

I appreciate your consideration of this matter,

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
August 27, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your letter of July 10 concerning the Newsweek article by Mayor Milhem.

Mayor Milhem has articulated in a coherent and effective way the case of the Palestinians in the West Bank and Gaza who distrust or find inadequate the negotiating process envisaged in the Camp David accords. It is not an unfamiliar position, nor is it one to which we are unsympathetic. It reflects, however, what in our opinion has been an unfortunate reluctance among Arabs and Palestinians to take advantage of an opportunity to end thirty years of hostility and to lay the foundation for peace and prosperity in the Middle East. While not achieving everything the Palestinian people want at a single stroke, the Camp David Agreements set in motion a political process that can significantly advance legitimate Palestinian objectives.

The following comments are keyed to the numbered points in Mayor Milhem's article:

1. The United States has consistently taken the position that resolution not just of the issue of the West Bank and Gaza, but of "the Palestinian problem in all its aspects" is central to achieving peace in the Middle East. This is called for in The Framework for Peace agreed to by President Sadat and Prime Minister Begin at Camp David last year, and reaffirmed in the Peace Treaty signed on March 26, 1979. The first stage of these negotiations began on May 25, 1979, with the objective of bringing into being a self-governing authority for the West Bank and Gaza. There are provisions for Palestinians not now in the West Bank and Gaza to have their representatives, as mutually agreed, join the negotiations on establishing the Self-Governing Authority. Throughout the transitional period in all the negotiations, responsive Palestinians in this area and outside almost certainly will reflect each other's views and concerns.

2. The United States would very much like to have Palestinian participation in the current negotiations. The foundation of these negotiations, as of all diplomatic efforts for peace since 1967, has been United Nations Security Council Resolution 242. Until the PLO explicitly accepts 242 and Israel's right to exist behind secure and recognized borders, it is hard to see how the PLO as an organization could be accepted into the negotiation process. On the other hand, the Camp David agreements do not prevent the involvement of PLO sympathizers and supporters from among the Palestinians in the West Bank and Gaza.

3. The Peace Framework provides that within three years of inaugurating an elected self-governing authority in the West Bank and Gaza, "negotiations will take place to determine the final status of the West Bank and Gaza and its relationship with its neighbors." Palestinians will participate in these negotiations, and they will have a clear voice in determining their own future. While it is too soon to predict what that final status might be, no possible outcome is precluded. In the meantime, the self-governing authority is to replace the Israeli military government and its civilian administration which will be withdrawn, and a withdrawal of Israeli military forces is to take place. For the first time in history, a Palestinian self-governing body is to be established. We believe this will be a major step toward fulfilling the legitimate rights of the Palestinian people.

4. It is generally agreed that Jerusalem is the most difficult problem in the entire range of Arab/Israeli issues. The United States believes that determination of the ultimate status of Jerusalem must be sought in the context of a just and lasting settlement of the conflict as a whole and must be based upon agreement among the parties concerned. The Camp David Agreements have established a framework for an eventual comprehensive settlement. The United States is committed to help the parties make progress toward that goal. We believe that a process has been set in motion offering hope for the permanent solution to the problem of the status of Jerusalem that people of all faiths and of all nations have so long sought.

5. The United States Government has repeatedly deplored new Israeli settlements in the West Bank and Gaza. Our belief is that the settlements are contrary to international law and an obstacle to peace. The question of the Israeli settlements in the West Bank and Gaza, and their relationship with the Self-Governing Authority (SGA) during the transitional period will have to be dealt with in the course of negotiations on the powers and responsibilities of the GSA. The question of the settlements and their status after the transitional period would be a matter for discussion during the negotiations regarding the final status of the West Bank and Gaza provided for in the Camp David Agreements.

6. At Camp David, Egypt and Israel committed themselves to work with other interested parties to establish agreed procedures for a prompt, just and permanent resolution of the refugee problem. The Agreement also provides for the creation of a mechanism which could permit the early readmission of persons displaced from the West Bank and Gaza in 1967. These people would be able to reestablish themselves in their homes and pursue their livelihoods for themselves and their families in dignity and justice.

Sincerely,

NELSON C. LEDSKY,
Acting Assistant Secretary for Congressional Relations.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GAYDOS. Mr. Speaker, in order to demonstrate the need for effective safety regulations, I would like to provide for my colleagues the following examples of tragedies in the workplace:

On November 3, 1978, an explosion and fire occurred at a chemical plant in Houston, Texas, killing one employee. The company involved was given two citations for violation of the OSH Act with a proposed penalty of $4,280.

On July 24, 1978, two employees of an offshore drilling company were killed when an explosion occurred at the drill site—120 miles southeast of Cameron, Louisiana. OSHA was refused entry to investigate the fatalities. A warrant was obtained by OSHA and served; entry was again refused.

On October 2, 1978, two employees were killed when a steel beam crashed during construction of an overpass on an expressway in Miami, Florida. The company involved was issued a citation by OSHA for violations of standards regarding construction. A penalty of $640 was paid by the company.

Tragedies such as the above continue to occur on a widespread basis, thus pointing out the need for extensive and comprehensive safety measures.●

THE GOOD NEWS ABOUT ENERGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from August 8, 1979, into the CONGRESSIONAL RECORD:

THE GOOD NEWS ABOUT ENERGY

Not all the news about energy these days is bad. Despite lines at service stations and rumors of shortages in home heating oil this winter, progress against the energy problem is being made on several fronts.

Our effort to conserve energy is beginning to make headway. Industrial use of energy has dropped 6 percent since 1973 in spite of a 12 percent rise in industrial output. Energy efficiency in homes is up 5 percent to 10 percent over the 1973 level, a gain due primarily to the fact that half of all homeowners have added insulation since that year. The energy efficiency of home appliances has increased 5 percent over the 1973 level, and the annual growth in the home use of electricity has been halved. The average rate of fuel consumption for a new car will be 20 miles per gallon in 1980, compared to 14.4 in 1974. The federal government cut its energy use by about 6.8 percent between 1975 and 1978.

These statistics reflect a very encouraging trend in the economy: the rate of economic growth is outpacing the rate of increase in energy consumption. The economy expanded at an annual rate of 3.9 percent last year, yet Americans consumed only 1.9 percent more energy in 1978 than they did the year before. Energy consumption is now growing less than half as fast as the economy. In addition, from 1975 to 1977 energy consumption grew only two-thirds as fast as the economy. The amount of energy needed for each dollar of the gross national product is going steadily down.

We are making slow but constant progress against the energy problem by exploiting alternative sources of energy. Gasohol, a mixture of gasoline and alcohol, was an experimental fuel only a few years ago, but its use in 1979 could approach 75–100 million gallons by the end of the year. There was practically no solar energy industry prior to 1974, but sales in that industry reached $225 million in 1977 and there are now more than 40,000 solar heating and cooling installations in place. President Carter has stated that we could get 20 percent of our energy from solar sources by the end of the century. Production of energy from municipal waste has risen dramatically in the past decade, with more than 25 special conversion plants completed or under construction across the nation. Recent action in Congress provides strong evidence that other alternative sources of energy are also being taken seriously. Just a few weeks ago, the House of Representatives overwhelmingly approved a comprehensive program to create synthetic fuels from coal and other materials.

Over and above these novel developments, research is moving ahead in the promising technologies of nuclear fusion, hydrogen production, small-scale hydropower, wind power, ocean thermal energy conversion, and geothermal steam. Behind the research is a ninefold increase in federal funding since 1970.

We have a mixed record on domestic production of energy from traditional sources, but here too, there is reason for cautious optimism. Coal production is going up again, from 552 million tons in 1971 to an estimated 715 million this year, and as much as 100,000 barrels of oil could be saved every day by consumers who switch from oil to coal. Natural gas production has fallen from a high of 22.6 trillion cubic feet in 1973 to 19.7 trillion last year, but new legislation enacted by Congress and the exploitation of reserves in Alaska could reverse the decline. Oil production was 8.7 million barrels a day in 1978, down from a peak of 9.6 million eight years before, but increased production in Alaska, accelerated leasing of offshore tracts, and President Carter's gradual decontrol of domestic oil prices could halt the downward drift.

One of the most disturbing aspects of the energy problem is our dependence on foreign oil. Although we have pulled out of a steep increase in imports that began over ten years ago, we are still importing about 8 million barrels of oil a day on the average, only 9 percent below the record we set in 1977. The overall level of imports is not the only cause for concern. A sizeable portion of our imports comes from nations in the volatile Middle East, and oil produced in that region cannot be regarded as secure even when it is readily available.

Conservation, alternative sources, and domestic production all tend to diminish our dependence on oil from abroad, but a more direct solution is being tried. Acting in concert with the leaders of the other industrialized nations, President Carter has agreed to hold our oil imports to 8.5 million barrels a day. His decision ensures that we will not become more dependent on foreign oil than we already are. The recent discovery of huge oil reserves in Mexico (estimated to contain as much as 100 billion barrels) and our rising imports from that country (they will grow fourfold from 1977 to 1980) mean that the foreign oil we must have will be more secure. We now buy about 80 percent of all Mexican oil exports, a total of 550,000 barrels each day.

Solving the energy problem will be one of our greatest challenges in the 1980s. However, we should realize that we have the will and the means to meet the challenge head-on. The progress we have made so far is significant, but it is only a small part of what we can and must do in the years to come.●

FORCE TO SOLVE ENERGY VULNERABILITY?

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CARR. Mr. Speaker, every once in awhile I receive a letter which stands out both in style and in substance. On July 25, I received one such notable letter from Scott McKell of Lansing, Mich. Last night as I watched the thoughtful NBC white paper "No More Viet Nams, But" I was reminded of Mr. McKell's letter in which he cautions against the temptation to use military force as a means of solving our energy vulnerability. I insert his letter at this point in the RECORD for the benefit of my colleagues:

LANSING, MICH.,
July 21, 1979.

Representative BOB CARR,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CARR: The newsmedia tells me that some people in government are seriously in favor of attempting to enforce the flow of oil from the Middle East, if it is determined to be feasible. I believe that attitude demonstrates an essential misunderstanding of the energy crisis; and I disagree with the idea of coercing foreign nations to meet domestic needs.

The issue of what constitutes "excessive" U.S. influence in other parts of the world is of great interest to me. U.S. governmental and business groups—ostensibly in my behalf, as citizen, consumer and stockholder—have taken varying degrees of control of governmental and economic policy decisions in many areas of the world, through covert and overt military actions, bribery, manipulation of public opinion—what have you. Official and unofficial documentation of this steadily builds up with little effective refutation.

Please allow me to express to you that these actions are not representative of my desires or best interests. I do not choose this manner of assuring that I and my kin have a comfortable standard of living. My opinion is that while we Americans may choose in our wisdom to maintain a standard of living that is excessively consumptive and wasteful of finite natural resources, to use force—military or economic—to coerce other nations to invest their resources or self-determination to our prosperity is simply immoral. I could no sooner support that than I could condone the robbery or extortion of a neighbor.

The lesson to be learned from our vulnerability to OPEC is not that OPEC is our enemy, but that our addiction to high energy usage is not without its own consequences; and so our solution to the energy crisis must focus on reconsidering our habitual energy consumption in light of the real cost of energy. All energy is going to remain almost prohibitively expensive until the day that solar power is well established. Shifting emphasis to coal is only a stop-gap measure, and nuclear energy is no longer even economically attractive.

I question what we will do when the resources actually run out—the oil and nickel and other minerals we depend on—and I wonder if the currently undeveloped nations will not eventually have the power to force us to stop exporting their varied resources. I would rather we work toward adapting to these inevitable changes than assume a posture of having the power to forever shape the world as is most convenient or profitable to us.

It would appear that the orientation of our society is such that we automatically reach for our guns or money to solve our problems. I believe that we must reach for wide alternatives now, including the morality to allow all the earth's people the whole power to govern their own lives, and a willingness to peacefully relinquish some of our material and psychological comforts to the end of allowing decent levels of security in all the world.

I thank you for your time and consideration.

Sincerely,

SCOTT MCKELL.●

NO GROWTH PEOPLE ATTACK MAGNETIC FUSION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. WYDLER. Mr. Speaker, over the last several years of our deliberations in the Congress on the question of the breeder reactor, one aspect of the no-growth opposition to technology has become apparent to me. The environmental zealots who are really interested in slowing industrial progress and its associated benefits only demonstrate concerns about energy options when it becomes clear that an option such as breeder technology is about to be demonstrated in a way that will convince people it is, in fact, sound.

The magnetic fusion option in the long run promises the most benign nuclear approach to generating electricity while at the same time we tap a virtually inexhaustible resource. I have warned the fusion community over the past 2 years that, once magnetic fusion energy reaches the threshold of becoming a reality for generating electrical power, the no-growth zealots will attack it.

I refer my colleagues to the recent Wall Street Journal on the progress of magnetic fusion for the first tangible evidence that this attack has begun. The no-growth faction through the Union of Concerned Scientists has raised questions about the initial use of tritium as a fuel in fusion reactors. It is clear that their strategy is to stretch out the demonstration for this relatively benign nuclear option by calling for an emphasis on advanced fuels which do not involve tritium handling. Although tritium has a much shorter half life than the isotopes of concern in nuclear fission, the environmental zealots have shown their hand by raising concerns about its use.

I hope the Congress and the citizenry have better sense than to allow these people to play on unreasoned fear about this attractive energy option and thus slow its critical progress.

The article outlines the promising evidence of recent progress in the magnetic fusion program and surfaces environmental concerns in the concluding paragraphs.

[From the Wall Street Journal, Aug. 28, 1979]

GETTING IT TOGETHER—PROSPECTS FOR ENERGY FROM NUCLEAR FUSION ARE IMPROVING AGAIN

(By Arlen J. Large)

PRINCETON, N.J.—For 28 years scientists have been struggling to re-create on earth the same source of sustained energy that powers the sun. After an initial glow of optimism, researchers on nuclear fusion went through a gloomy period of disappointment and frustration as experiments kept failing. Now, however, their mood is upbeat again.

So optimistic are fusion workers about recent scientific progress that they're getting impatient with the government's stately timetable stretching out research for another 40 years. Not until the year 2020, according to Energy Department plans, will fusion's tremendous heat be making electricity on a commercial basis.

One who would like to go faster is Melvin Gottlieb, director of the Princeton University Plasma Physics Laboratory here. "This is comparable to the effort to produce a bomb in the war," he says, "except that we aren't going at it on the same urgent basis." The pace "absolutely" could be speeded up, he says.

In fusion work, "plasma" is hydrogen gas so hot that its individual nuclei fuse together to produce helium and release energy. What's eye-catching for the layman is that the hydrogen can be obtained from a limitless supply of sea water, though the fuel source actually is more complicated than that. Fusion of the nuclei of hydrogen, the lightest natural element, releases more energy than the splitting (or fusion) of uranium, the heaviest, which has been producing commercial electricity for years amid growing controversy.

FEW ENEMIES

Fusion fans say their method doesn't have fission's safety problems. While there are doubters among environmentalists, fusion probably won't attract many committed enemies until actual electricity producing reactors are closer to reality. What's generally undisputed at this point is that fusion is ready to make the leap from the scientific laboratory to the engineering drawing boards.

"This is the year in which we can finally say that man can make and control a plasma of burning fusion fuel on earth with reasonably sized and reasonably simple equipment," says Edwin Kintner, director of the Energy Department's office of fusion energy. "This is a thought which is shared worldwide by people working in the fusion field."

And world-wide the field is, reflecting the willingness of rich governments to spend money on what they see as a promising future source of energy. Outside the U.S., aggressive research programs are moving ahead in Western Europe, Japan and the Soviet Union. Indeed, the annual U.S. fusion-research budget of $510 million accounts for just one-third of the world-wide effort.

GOVERNMENT MONEY

Because most of the work has no military application, there is a free and easy exchange of research data. Japan this year is putting up $12.5 million for fusion work in California.

In this country and abroad, fusion research depends almost entirely on government bankrolls. Energy Department officials estimate that the U.S. government will have spent $18 billion on this technology by the time it's ready to produce commercial electricity in the next century. But in the coming decades fusion will have to compete hard for research dollars with other potential sources of energy for central electricity-generating stations; fission-breeder reactors, electrified coal gas, solar-power satellites.

So far the expensive machines needed for fusion research have been built at government laboratories or at university campuses like Princeton. John Deutch, research director at the Energy Department in Washington, would like to see contracts awarded to private companies to build and operate future fusion-research machines. The companies wouldn't, however, be required to put up their own money, and the government has no plan to try to recapture its fusion-development costs from electric utilities that eventually may use the technology. Early-stage development of these new energy sources, says Mr. Deutch, "is a national responsibility."

HOW THEY WORK

Researchers think a fusion reactor could make commercial electricity along these lines:

A hollow metal doughnut is filled with a special mixture of hydrogen gas and heated to more than 100 million degrees Celsius, four times hotter than the center of the sun. Magnets surrounding the doughnut keep the electrified plasma from burning the walls. Nuclei of the hydrogen atoms fuse together to make new helium atoms, while releasing a shower of the atomic particles called neutrons. The neutrons, carrying 80% of the energy of the fusion reactions, bank into an outside blanket of lithium metal, making it hot. The heat is turned into steam, which drives the generator that turns on your light bulb.

That's one of many different conceptions, none of which has actually been tried. Princeton scientists using test doughnut devices called tokamaks have been fusing hydrogen and making neutrons at temperatures of up to 75 million degrees, but they're putting more start-up energy into the machines than comes back out.

Under construction here is the biggest tokamak yet, scheduled for completion in 1982. The scientists here are increasingly confident that by 1984 the machine will pass the break-even point, producing more energy than goes in, and by a significant amount.

The tokamak doughnuts, invented in the Soviet Union, have seemed to solve the problem of keeping the hot hydrogen plasma inside a stable magnetic "bottle," safely away from the metal walls. A famous experiment here last summer, though put down by Science magazine as a "media event" because of excited reports of a "breakthrough," nevertheless was important because it showed that plasma in the doughnut wouldn't break up at high temperatures.

While tokamak technology is the furthest advanced, the Energy Department continues to put chips on other potential fusion methods. Its long-term plan for picking the winning techniques for commercial development looks for all the world like the elimination brackets of a basketball tournament.

An alternative to the doughnut is a cylinder in which hydrogen plasma also is confined magnetically. To keep the plasma from seeping out the ends of the cylinder, magnetic fields or other devices serve as "mirrors" at each end. One such machine is being tested at the government-financed Lawrence Livermore Laboratory in California.

The first elimination is scheduled to come in 1984, when the Energy Department chooses between tokamaks and mirrors. The winning concept will be incorporated into a new machine called an engineering test facility scheduled to start operating in 1992. Princeton's Mr. Gottlieb and others rooting for a faster pace think work could start right away on certain parts of this machine that will be needed either for tokamaks or mirrors, no matter how the decision goes.

In 1997, according to the current schedule, officials will decide the fate of an entirely different way of fusing hydrogen to make energy. Work is under way at Lawrence Livermore Laboratory, the Los Alamos Scientific Laboratory and elsewhere on zapping a hydrogen-filled pellet with high-energy beams, either of laser light or atomic particles. The temperature in the pellet gets so high that fusion occurs, releasing the telltale shower of neutrons. To produce commercial electricity, a way must be found to shoot new pellets continuously into a chamber to be zapped by the high-energy beams.

Some researchers complain that work on this technique is hampered because some of it is classified as secret. The exact design of the pellet is related to what makes a hydrogen bomb go off.

The Energy Department's Mr. Deutch says pellet fusion "isn't in the same state of maturity" as plasmas confined in tokamaks or mirrors, which are being engineered specifically for commercial electrical production someday. Whatever technique looks most promising in 1997, however, will become the basis for a $1 billion engineering prototype reactor that will start operating in 2004.

The government's final effort, a scaled-up "demonstration" reactor using the winning technology, is scheduled for operation in 2015. Thereafter, private utilities would be expected to start building their own fusion plants, using all the scientific and engineering data the government has developed.

This is too long a wait for fusion's go-faster faction. Democratic Rep. Mike McCormack of Washington, a leading fusion fan in Congress, wants to have "the first commercial demonstration fusion plant on line by the year 2000." Energy research boss Deutch tries to placate such proponents by saying the timetable for those distant years is "flexible" and could be stepped up if future Congresses and future energy bureaucracies choose.

Fusion also has, however, a go-slower faction that wants to make sure that technical and environmental problems are solved before the government commits itself to a final design. The problems most often mentioned deal with the hydrogen fuel of a tokamak or mirror ractor.

The reaction that can occur at the most easily reached temperature requires two special forms of hydrogen: isotopes called deuterium and tritium. Deuterium can be obtained from sea water. Tritium doesn't occur in nature, but it can be produced artifically from lithium when those neutrons hit the metal during a fusion reaction. So most of the contemplated machines will breed their own tritium.

Tritium, however, is radioactive and will require special handling techniques and disposal methods. This disturbs the go-slow faction.

For example, the Union of Concerned Scientists, which wants no more of the current fission reactors built until disposal sites for the nuclear waste are found, thinks the government should investigate fusion technologies other than the deuterium-tritium approach. Steven Nadis, a research analyst for the union in Cambridge, Mass., says that at higher temperatures than those currently planned some particles will fuse to produce direct electric current without any neutron bombardment or radioactivity. However, he concedes that use of these so-called "advanced" fuels at higher temperatures "admittedly will be more difficult to achieve." ●

JOURNALISM AT ITS FINEST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, if you were to ask me what I believe to be the most important virtues in a newspaper I would give two answers: The courage to print the truth even though it may make the newspaper unpopular; and the honesty to take a second look at what you have printed and, if necessary, revise your original opinion in the light of later evidence. Good newspapers all have the first virtue of courage; truly great newspapers have both virtues.

With this in mind I want to insert "Anti-Nukes 'Use' Media" and "You Were Used in ICC Fight," both published in the Peoria Journal Star, August 15, 1979:

ANTI-NUKES "USE" MEDIA

Last Sunday Steve Strahler reported his findings in talking with the neighbors of several new nuclear power plants around this state, and the results were rather surprising in the wake of all the noise made over "The China Syndrome" and Three Mile Island and all.

Folks had various normal neighborhood complaints such as one might have over a coal-fired plant or any major industrial installation. "It adds traffic" or it "uses up good farm land"—but it was a rare neighbor who expressed any concern about the circumstance that these plants were nuclear much less any fear of nuclear "threat."

There was very little paranoia among the "real people" around these places, including the one Commonwealth is building in the La Salle area and the one Illinois Power is building in the Clinton area.

The anti-nuclear organizations, meanwhile, make noises out of all proportion to their role and representation.

The neighbors may not be concerned but Illinois Power is having its problems with the "professional" anti-nuclear movement, and to some extent the media—including us—has been "used" by the anti-nuclear zealots in their effort to stop, delay, hamstring or mess up that operation any way they can.

The "Prairie Alliance" for example is admittedly against nuclear power. It appears to us that in that pursuit, as seems to be fashionable these days, folks tend to abandon the old concept of "conscience" as a sense of honor—a guide to personal conduct—and now seek "honor" and "morality" by selecting a "cause," setting personal conduct free to bang away any old way at the supposed evil.

The Prairie Alliance has waged a propaganda campaign against the Clinton plant, using any device available, including the Illinois Commerce Commission rate-making process. This obviously seems to be merely a device for doing any injury they can to the builder of a nuclear plant—and not a sincere concern about costs or rates, as such. It also seems that in this pursuit they do not really care if their charges and claims and figures and quotes are accurate and reliable or not—just so it inflicts a wound.

But even with zealots there are tricks you don't expect—such as releasing documents identified as "evidence" presented or to be presented to the Commerce Commission in these formal hearings . . . never presented in fact.

Never subjected to standard of evidence, to examination, cross-examination and testing for validity.

That is hoodwinking the media. That is assuming a false identity with a formal process for other purposes altogether—in order to piggy-back on the ICC's serious business and mis-use it as a mere propaganda prop; to mislead and "use" the media as to what you are really doing; and to steal "authority" for your claims that they do not prossess.

That is part and parcel of a series of press conferences or releases designed to exploit the ICC hearings for propaganda, but not designed as bona fide procedures or evidence in the actual proceedings, in fact. (Also, probably not qualified to meet responsible standards for evidential matters which such bodies require in order to get responsible and reliable results.)

And by and large, much of the media fell for these devices, and we, next door, fell for some of the news "reports" arising from these mixed proceedings.

One result is the letter elsewhere on this page taking violent issue with one of our editorials on that subject. While the letter says things we would not interpret quite the same, its facts are facts and its criticism is valid.

Commonwealth Edison is the most experienced builder of more nuclear plants of any institution in the world and their cost "overruns" at La Salle, which is a comparable project, are almost identical to those being experienced by Illinois Power at Clinton—in IP's first experience building a nuclear plant. That's a fact.

Much broader comparison in the nuclear field also demonstrates that in this period of inflation together with changes and improvements in nuclear plant technology, the Clinton development is well within the standard range of everybody's experience.

Please read their letter. It's only fair—and they've been subjected to enough unfairness in recent weeks.—C. L. DANCEY.

YOU WERE "USED" IN ICC FIGHT

Dear sir: Your editorial entitled "No Way To Run A Nuclear Plant," published July 23 in the Journal Star is inaccurate, misleading and unfair.

It is inaccurate because Illinois Power is not constructing the same nuclear plant at Clinton that Commonwealth Edison is building "85 miles northeast of Peoria." Commonwealth Edison is building four larger units of different design while Illinois Power is building one unit. Even though Commonwealth Edison is benefiting from the economies of scale resulting from large orders for materials and equipment on that project, it is still experiencing cost increases of about 100 percent. More important, however, is that Commonwealth Edison is experiencing a cost increase of approximately 200 percent (as we are at Clinton) at the two-unit LaSalle County Station which is much more similar to Clinton.

The editorial is misleading because of the inferences and implied conclusions. For example, the statement: "The Illinois Commerce Commission detected a slight flaw in the costs of one of the new nuclear plants in the state," is incorrect. A member of the ICC Staff has alleged such "flaws," but was unable to prove his contentions when cross-examined in the pending IP rate case before the ICC. Nevertheless, the editorial proceeds to accept these "contentions" by making unsubstantiated references to "shoddy management," "loose management," "poor management," and "questionable management practices."

Although the editorial gives much attention to the "contentions" of the ICC staff member, it totally neglects the positive, favorable findings of this staff member. He testified that he authored a study of performance of electric generating units in Illinois which concluded in part, "In terms of power plant productivity, one Illinois investor-owned utility, Illinois Power Company, is among the best in the nation, and in terms of productivity from large coal units, it ranks in the top five nationally." It is disturbing that the editorial would exhibit such obvious selective bias as to emphasize negative contentions and omit positive findings.

Your readers may be aware of similar allegations made in a "white paper" by the Prairie Alliance. I would hope that the frequent references in the editorial to a "report" do not refer to this document, which is even more distorted, biased, and without foundation. The Prairie Alliance is simply working to fulfill the goal printed on its masthead, "Stop the Clinton Nuclear Power plant."

More importantly, this editorial is unfair to your readers and to the Illinois Power Company and its employees because it gives credence to unsubstantiated allegations and contentions and makes it difficult to differentiate between fact and opinion. It is then a small step to real or implied personal attack. Our management and board of directors should not be smeared by innuendo and implications. As serious as these abuses are, however, they are overshadowed by the consequences of the Journal Star being "used" by those whose purposes are to thwart and obstruct legally authorized power plant programs. Although they profess concern for the cost of energy, they work to delay projects, which will further increase their cost and the cost of alternate generative capacity required while they are delayed. The Journal Star is playing into their hands when you imply concurrence with their position (and therefore, their objective).

The editorial closes with the "hope that the Illinois Commerce Commission will stand fast on this recommendation." This statement could be interpreted as an expression of editorial policy of the paper. We "hope" that this is not the case and that you will re-evaluate the facts, the conclusions, and your editorial position. This could be very important to the people of downstate Illinois.—L. J. Koch, Vice President, Illinois Power Company.●

THE REGULATING STANDARDIZED TESTS: A RUSH TO JUDGMENT?

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GOODLING. Mr. Speaker, during the August recess, the Washington Post published an editorial which I feel every Member should read and consider. Proposed legislation to regulate standardized admissions tests is under consideration by the Elementary, Secondary, and Vocational Education Subcommittee. The Post writes that—

> At first glance, it's a terribly appealing idea.

However, the editorial continues with a well reasoned and balanced analysis of the dangers of hasty Federal action in this area. Similar legislation was recently enacted in New York State and is scheduled for implementation in January 1980. It would certainly be prudent to evaluate the results in New York before embarking on a grand scheme for the Nation.

We are not in a "testing emergency." There is no crisis. Therefore, we do have time for a careful analysis of the pros and cons on this issue. We must not be stampeded by rhetoric but rather pursuaded by the honest deliberation of the committee process before considering action on this issue.

I recommend to each of my colleagues the following Washington Post editorial of August 27, 1979:

SCORING THE ADMISSIONS TESTS

At first glance, it's a terribly appealing idea. A House subcommittee is now briskly proceeding with a bill giving students a legal right to see their college entrance examinations, with the questions and the corrected answers. For good measure, the bill would also establish broad federal supervision over all admissions testing. On a second and closer look, this legislation becomes less appealing.

Some of the support for it comes from people who simply think that students ought to be able to review their exams and see where they fell short. But some comes from people who want to change the nature of the tests, and the whole admissions process, on grounds that these are tilted against the poor and the minorities. Rep. Ted Weiss (D-N.Y.), the author of the principal bill under consideration, says that he doesn't want to regulate the tests. But his bill clearly lays the foundation for a regulatory system.

Young Americans take these tests by the millions every year for admission to college or professional school. The most widely used, the College Board's Scholastic Aptitude Test, is given more than 20 times a year throughout the country and abroad. Each new edition picks up a good many questions from the previous one, to ensure that the scores on a test given on one date will be comparable to those of another.

But Mr. Weiss' bill would require the College Board, after each test is scored, to give the student both the questions and the answers. Since the questions would immediately be passed around to other students, they could hardly be used again. The cost of the tests would go up, and the reliability of the scores would probably go down. If you think that competitive admissions tests are wrong in principle, fine. Certainly test scores aren't the only criterion for admissions. But to diminish their usefulness would force colleges to depend on the other and more subjective measures—not necessarily an advantage to the youngster who doesn't fit the usual pattern.

Mr. Weiss wants the scores reported to Congress by students' family income, race, sex and ethnic origin. What, precisely, do you suppose he has in mind? It's obvious that the children of educated middle-class parents tend to make higher scores than the children of poor and uneducated parents. But the increasing use of these tests has demonstrably been accompanied, even at the most rigorously selective colleges, by increased enrollments of children from disadvantaged families.

But not everybody likes the idea of an independent testing board run by the colleges that use it. The National Education Association, the country's largest teachers' organization, warmly supports the Weiss bill. Under it, the oversight of testing would reside in the new Department of Education, if Congress is unwise enough to create one. The strongest political influence within that new department would be the NEA. That's another reason for concluding that the Weiss bill has dangerous implications that go far beyond its author's stated intentions.●

BRYCE N. HARLOW

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RHODES. Mr. Speaker, it is with great pleasure that I share with my colleagues the contents of an editorial which appeared in the Baltimore Sun on Monday, August 13, 1979. The author is Stephen Hess, a senior fellow at the Brookings Institution and a former White House staff member in the Nixon administration.

The subject of the editorial is one of the most worthwhile persons I have ever known. Bryce N. Harlow served as chief clerk of the House Armed Services Committee under chairmen of both parties. He left Capitol Hill to become one of the most valuable staff members in the Eisenhower administration.

I first met Bryce Harlow shortly after the beginning of my congressional service in 1953. He was extremely patient in enduring the foibles of all Members of Congress, particularly the members of that rowdy Republican freshman class in the 83d Congress. Our friendship has always been one of my prized possessions. After becoming minority leader of the House of Representatives, I frequently called Bryce and asked to meet him for breakfast to talk over matters which I found particularly puzzling. His broad knowledge of the Government and the people involved therein, his insight into the workings of the business community, and his good commonsense helped me over many rough spots.

Perhaps the greatest and most unselfish contribution made to our Government by Bryce Harlow came about as a result of a dinner at a private home in Washington in the spring of 1973. Robert Haldeman and John Ehrlichman had resigned from the White House staff, and the course of the Nixon administration was indeterminate, to say the least. President Nixon obviously needed persons around him whom he could trust, and also who could be trusted by the people of the country and the Republican Party. The depth of the difficulties of the Nixon administration had not yet been plumbed, and it was felt by most of the Republican leadership, both in and out of Government, that the Nixon administration could and should survive.

This nice private dinner party turned into a real donnybrook with the result that at the end of the evening those of us present had drafted Bryce Harlow and Melvin Laird to go on to the White House staff to try to set a course which would preserve the effectiveness of the Presidency. Bryce Harlow served from July 1, 1973, to April of 1974. He and Mel Laird worked hard and effectively, and if it had been possible to save the Nixon Presidency, these two extremely capable men would have done so.

Only after the disclosures from the Nixon tapes did it become apparent to all of us that even Harlow and Laird could not restore the place of the Nixon Presidency in the eyes of the American people, which was a necessary prerequisite to the continuation of an effective executive department under that President.

It is my belief that of all the accomplishments of Bryce Harlow, his finest hour was this unselfish attempt to keep the country from suffering the wrenching pangs of Watergate. As it turns out, nobody could have succeeded in this endeavor, but nobody could possibly have tried harder than did Bryce Harlow. The editorial follows:

EISENHOWER ON HOLD—THE POWER BROKER

(By Stephen Hess)

WASHINGTON.—The time is November, 1968. The place is New York city, the Hotel Pierre, transition headquarters of President-elect Richard Nixon. Bryce N. Harlow has been called in to help plan the Republican administration that will take office in January. Mr. Harlow tells the story:

"I'm there in this room, phones ringing, jumping off the walls. Suddenly over runs a little twinkle-eyed secretary. She says, 'Mr. Harlow, President Johnson's calling.' I cut off who I was talking to and I said, 'Yes, Mr. President . . . yuppi yup, yuppity yup, yes sir . . .' And over runs the little twinkle-eyed secretary. I put my hand over the receiver. 'Yes, what do you want?' 'President Eisenhower is calling.' 'Tell him I'm talking to the President and I'll call him right back, or if he prefers, we'll put him on 'hold.' Believe me, we put President Eisenhower on hold. Now I've got the President [on the line], got the former President waiting. In runs Larry Higby, and he says, 'Mr. Harlow, Mr. Harlow,' very imperiously. 'The President-elect wants you in his office immediately.' "

Who is this Harlow whose counsel was once demanded simultaneously by a former president, a present president, and a future president?

Bryce Harlow has retired in the past year from business and public life, and it seems like an appropriate time to recall a remarkable person. But my purpose is not merely to pay tribute. There is instruction here on how government ought to operate. For Mr. Harlow's career is a reminder that government can only function well if the relations between those who have been given power are based on integrity and trust. No agenda of procedural reforms can ever be a substitute for what Mr. Harlow brought to public service.

Quickly the outlines of a life: Bryce Harlow was born in Oklahoma City, August 11, 1916, received his B.A. and M.A. at Oklahoma University, and came to Washington as the secretary to his district's congressman. During World War II he was a Pentagon liaison officer to Congress; after the war he was chief clerk of the Armed Services Committee in the House of Representatives.

He made one effort to return to Oklahoma, but was lured back to Washington in 1953 when Mr. Eisenhower became president. He served in the White House during Ike's two terms, as a presidential speechwriter, and eventually as head of the congressional relations staff, a job he also held at the beginning of the Nixon administration. President Ford made him a member of his informal "kitchen cabinet." Between periods of White House service, Mr. Harlow directed the governmental relations office of Procter & Gamble.

There is no law that bears his name, no grand design for restructuring social services or national defense that history will credit to him. Yet he was the "insider's insider" in Washington, who by virtue of his personality, knowledge, skill and tireless effort formed a bridge between executive and legislature.

What were the traits that made Mr. Harlow the quintessential broker of power?

First, he was an incredibly skillful negotiator. As go-between, he had an uncanny knack for discerning what was most crucial to each "player." He knew on what point a legislator could afford to give in, and where the legislator would have to stand firm. He understood that the trick was to insure, if possible, that everyone would be able to claim some victory.

Second, he was always a giver of credit. It was Robert Taft, I think, who once said that it's remarkable how much can be accomplished if you let the other fellow take the credit. In a city of great egos, Mr. Harlow's effectiveness was partly based on an unassuming nature. To those who aspire to see themselves on the network news, Mr. Harlow never posed a threat.

Third, he was imminently practical. There was a sign in his office at the Eisenhower White House: "Have you come with the solution, or are you part of the problem?" Mr. Harlow had firm views on public issues. But, basically, he was a solver of problems. Washington's job, I'm sure he felt, was to defend the nation and improve the lot of the citizenry rather than to turn legislation into moral imperatives.

Yet others have been skilled in negotiations, practical persons of modest mien. Ultimately, what made him the greatest power broker of his era—at least in the Republican party—was that he was worthy of trust. He reported each side accurately to the other. He did not promise what he could not deliver. He delivered what he promised. He made no cutting comments in drawing rooms or gossip columns. No opponent's motives were ever called into question. Surely there are lessons here for those who are now asking why government doesn't work.●

CONGRESSMAN GREEN CITES PUBLIC SUPPORT FOR GUN CONTROL

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, last year at this time I shared with our colleagues the results of a public opinion poll showing widespread support for Federal gun control legislation. This year during our recent August district work period, the results of a new ABC News-Harris survey were released and they show that most Americans continue to support handgun control by a wide margin. As one who feels strongly about this issue and as a cosponsor of legislation to impose mandatory minimum sentences for felonies committed with a handgun and to require registration of all firearms, I would like to draw attention to the results of this latest poll.

By a 78 to 20 percent majority, Americans favor "a Federal law requiring that all handguns people own be registered by Federal authorities." The massive majority backing of gun control continues at the same high level it has maintained over the past several years, despite the fact that effective gun control legislation has been thwarted in Congress.

In fact, Americans would like to go further than simply registering handguns. By 72 to 26 percent, a solid majority favors "Federal laws which control the sale of guns, such as making all persons register all gun purchases, no matter where the purchases are made." This level of backing for comprehensive gun control legislation has remained about the same throughout the 1970's. But according to the ABC News-Harris survey of 1,496 adults nationwide, it is higher than the 66 to 28 percent who felt the same way about registration of gun purchases in 1967.

In addition, this sample was asked:

> If a candidate for Congress in your district took a stand opposed to Federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not? (Base: Favor Federal law requiring registration of handguns.)

[In percent]

	Vote against	Not vote against	Not sure
June 1979	29	63	8
July 1978	33	57	10

> If a candidate for Congress in your district took a stand in favor of Federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not? (Base: Oppose Federal law requiring registration of handguns.)

[In percent]

	Vote against	Not vote against	Not sure
June 1979	37	54	9
July 1978	45	50	5

Thus, as pollster Louis Harris concluded:

> If Congress were to pass legislation controlling handguns, and those who voted for it were willing to make their vote a major issue in their campaigns, it is likely that the issue would help rather than hinder such candidates.

The need for such legislation is great and congressional action is long overdue. I am hopeful that the Members of the House will respond to the sentiments of the people, as reflected in this poll, and will give serious attention to substantive gun control legislation in this Congress.●

TRIBUTE TO EDGAR HARDEN

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CARR. Mr. Speaker, Edgar Harden, retiring president of Michigan State University, served his university community with uncommon distinction for 2 years. Called unexpectedly to lead the university, he responded with energy and commitment and led Michigan State University out of a period of lethargy into an era bright with promise. In an editorial comment telecast over WJIM-TV, Lansing, Mich., on July 25, Walter Adams, a past president of Michigan State University, singled out for praise the accomplishment of Edgar Harden, citing particularly his leadership capacity. I would like to share with my colleagues Professor Adams' remarks:

SALUTE TO A LEADER

(Guest editorial by Dr. Walter Adams, telecast over WJIM-TV, Lansing, Mich., July 25, 1979 (6 p.m. and 11 p.m. news)

I'm Walter Adams, and this is a guest editorial.

Ours is a time remarkably devoid of leadership—a period in which plastic personalities with pedestrian minds and opaque hearts are in charge of giant organizations—in government and politics, in industry and in education. Ours is the age of the bureaucrat—the administrator rather than the leader, the paper shuffler rather than the innovator, the manager rather than the thinker and doer.

A notable exception is Dr. Edgar L. Harden, MSU's 15th President, whose stellar performance these last two years will leave an indelible mark on Michigan's largest university.

His obvious achievements are familiar enough: He restored morale and enthusiasm to a megaversity seemingly adrift in uncertainty, lethargy, and purposelessness. . . . He was magically successful in stimulating the financial generosity of the legislature. . . . He brought the triple crown to East Lansing—in football, basketball, and baseball—a feat unprecedented in MSU athletics.

More important, however, he displayed a talent for tapping the better instincts and nobler ideals of people—a talent for making them transcend narrow self-interest and jurisdictional jealousies—to work for a common goal. He articulated a vision of MSU's purpose and mission, and inspired divergent groups to help him move that vision closer to realization. Approachable and accessible—with perennial bonhomie—he was open to the ideas of friends and critics alike, but never sought the shelter of committees to avoid decisions or to shrink from action. Big Ed was a leader because—no matter where the battle raged—he stood tall in the front ranks of his battalions, and never can it be said of him that "palsied hands were fumbling with the reins of empire."

At least, that's the way I see it.●

HUBBARD STREET FIRE FUND

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RUSSO. Mr. Speaker, there are some people back in my town of Chicago that deserve to be congratulated on a job well done. The story of what they have accomplished deserves to be studied as an example of what can happen when you combine compassion and generous hearts with specific goals and a practical approach to providing assistance to those in need.

"Kup's Column" speaks for itself. I know my colleagues join with me in commending all those involved with the Firemen's Fund.

The article follows:

[From the Chicago Sun Times, July 30, 1979]

KUP'S COLUMN

This is the story of a tragedy that cast a pall of gloom over Our Town 18 years ago. It's a story with a happy ending, if there can be any happiness in a fire that took the lives of nine Chicago firemen. That was the Hubbard St. fire on Jan. 28, 1961, in which the nine deaths were the most in modern Fire Department history. No sooner had the news of the devastating fire reached the public than Bill Veeck was on the phone to this reporter with a suggestion that "something must be done for the families of those firemen."

Let me refresh your memories by recalling the names of the firemen who died that night. Requiescat in pace Hillard F. Augustine, Robert E. Burns, William F. Hillistad, George E. Kuhn, Charles F. Rauch, George R. Rees, Lt. Louis Repkin, Stanley M. Sliwinski and Cyril Zuccarello. . . . Veeck's phone call started a chain reaction. The next day, the Firemen's Fund was established by this column. And in no time, we had offers to assist from Fire Comr. Bob Quinn, Pat Hoy, Joe Meegan, Arthur Morse and, of course, Veeck. They, along with this reporter, constituted the committee to administer the fund. Death has taken its toll here, too, and Quinn, Hoy and Morse have gone to their reward.

Chicagoans, stricken by the enormity of the firemen's death toll, responded with contributions that totaled $90,000. The committee asked the First National Bank to handle the money, and the bank replied that it not only would heed our request "pro bono publico" ("for the good of the public," which means no charge), but also would assign a top executive, George B. Rogers, as its representative on the committee. He, too, has since passed on. . . . Many suggestions on how to disburse the money were studied. One was to divide the funds equally among the nine widows. Another was to allocate the money according to need. Still another was to apportion the money according to the number of survivors.

The final decision was the best one—to use the funds solely for the education of the children of the dead firemen. This, the committee decided, would be the most pressing demand on the families down through the years. Other funds, like insurance and Fire Department provisions, would take care of the families' immediate financial problems. Education is costly and a long process.

Thirteen children were the beneficiaries of the fund. The Augustines had three—Gary, Gail and Sandra. The Burns family had three—Robert, Debra, and Dawn. The Hillistads also had three—William, Daniel and Ralph. The Zuccarellos had two—Cathi and Paul. There was one Reese child, Carol Ann, and one Repkin, Allan. There were other children of the dead firemen, but they either were beyond school age or had no need for financial help.

This is where Meegan, executive secretary of the Back of the Yards Council, became the stalwart of the fund. He and one of his staff assistants, Helen Dinucce, had the experience of dealing with bereaved families. They spent untold hours visiting the widows and their children to guide and encourage them in their educational pursuits. Thanks to Joe and Helen, all 13 children now have completed whatever educational desires they had, all paid for by the fund. In some instances, this meant from grammar school (public and parochial) through college, and in a few cases, even beyond to graduate school.

The cost of educating one family's children came to $19,571. Another family spent only $848. The total amount expended by the Firemen's Fund for education came to $68,255. The original amount raised, as we pointed out, was $90,000. But thanks to the adroit investing of the money by the First National, now represented by John Kloss, the fund still has an estimated $100,000 in the bank. That posed a problem for the surviving members of the original committee, now down to three—Meegan, Veeck and myself.

The decision was that it was time for the three of us to step aside. Our original purpose practically is finished. Only three of the children still are drawing on the fund for the completion of their college educations. The others have had their schooling fully paid for. The original intent of the Firemen's Fund now will be continued, but under the guidance of Fire Comr. Richard Albrecht. Therefore, we are turning over $100,000 to him, to be used for the education of the children of firemen killed in the line of duty. And in respect to the late Comr. Quinn, who helped make Chicago's Fire Department one of the best in the nation, the fund will bear his name.

To the young people whose education was made possible, we ask only that they make the most of their schooling and to remember how the big heart of Chicago responded to their tragedy. And to the committee, especially Meegan and Dinucce, who devoted so many hours in the intervening 18 years to make sure the job would get done, we express gratitude for an effort beyond the call of duty. It was, as the First National said, "pro bono publico." ●

ANOTHER ATOMIC ACCIDENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. STARK. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

[Excerpt]

EXPLOSION, CHALK RIVER, CANADA, DECEMBER 13, 1950

(Source: TID–8206 ("A Compendium of Information for Use in Controlling Radiation Emergencies"), February 1960.)

At Chalk River, Canada, on December 13, 1950, there was an explosion involving a relatively small amount of material, killing one man and injuring and contaminating five others. Only through good luck, 45.000 pounds of the same material in a room adjacent to the room in which the explosion occurred did not detonate. This accident is not widely known because there was much stricter security at the time the incident occurred. It is possible now to relate more about this accident and a few significant lessons that were learned from it. In fact, it may interest some of you to know that this accident helped initiate action on the part of the National Committee on Radiation Protection to produce Handbook 56, "Safe Handling of Cadavers Containing Radioactive Isotopes."

Many lessons were learned from this accident, and it should be of interest to quote the following from AEC 43/345, dated February 9, 1951:

"The relative urgency of different kinds of medical treatment became immediately complicated by radiation, since, in cases where shock would normally have been given priority, the doctors hesitated to make hypodermic injections through contaminated skin. The decontamination of wounds was complicated by the lack of a probe sufficiently directional to tell from what part of the wound the radiation was coming. The volume of contaminated materials became a sizeable problem. As a result of the explosion, four truckloads of materials required decontamination, while two more truckloads had to be scrapped. For two days after the accident, most of the medical facilities were tied up as a result of contamination. After preliminary treatment at the plant hospital at Chalk River, a new kind of decision had to be made concerning the extent to which the patient should be decontaminated before transfer to the townsite hospital could be allowed.

"Identification of the personnel was difficult because badges had been blown off or destroyed. One of the casualties had about 200 mr per hour over the face and chest, and this further inhibited work. Unprecedented problems arose in connection with transferring the contaminated body to an undertaker.

"The medical group at Chalk River had been planning for some time to rebuild the medical set-up at the plant, and, until this accident, their thinking had been almost entirely concerned with facilitating routine decontamination. The accident exposed shortcomings in the present set-up, and the experience of handling the contaminated and wounded patients dictated revision of their plans for rebuilding."●

GEORGE BUSH PROPOSES A STRONG COURSE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CONABLE. Mr. Speaker one of our former colleagues, George Bush of Texas, yesterday outlined at the National Press Club the serious dangers facing our Nation and offered his prescription for the course the national Government must follow to avoid a confluence of unhappy events which could transform the world. He urged a strongly integrated approach to shaping national policies with full recognition that every major policy decision affects a wide range of Government responsibilities. Ambassador Bush called for policy unity, coordination and continuity in dealing with the threats and problems we face in economics, in national security, in energy. Certainly an integrated approach has been terribly lacking in the present administration which gives the impression its decisions are made in a vacuum.

Mr. Bush is a serious and attractive candidate for our highest office and his views comprise a significant contribution to the dialog the people deserve to hear as we approach another Presidential election. To further that dialog, I request unanimous consent to print George Bush's remarks in the CONGRESSIONAL RECORD.

The remarks follow:

REMARKS OF GEORGE BUSH

Understandably, much of the public attention so far has been devoted to the personalities and the early polls. I'm as interested in them as the next fellow, and lately, I've been enjoying them more than I used to. But I would urge that the campaign soon move into a new phase—a more serious consideration of the issues at stake as we head into the 1980s.

Personally, I think those issues are terribly serious—deadly serious, in fact—and it is that vein that I would like to address you today.

We must soon face up to the fact that the United States in the 1980s will enter the most dangerous decade in the past 40 years. On three fronts—the economy, energy, and international affairs—dark clouds are now pushing over the horizon and promise to join together during the early years of the decade. This confluence of events—this "gathering storm" as Churchill might have called it—may be less visible than the threat hanging over the democracies in the late 1930s, but it is no less ominous and certainly it demands no less of a struggle.

To a striking degree, the issues that confront us are also inextricably bound together. Progress in one area requires progress in another, just as a setback on one front will ripple through other areas. Our economic progress, for example, will be closely tied to our ability to sustain the value of the dollar abroad and to ensure a steady flow of energy. By the same token, our ability to obtain crude oil from the Persian Gulf will hinge upon our willingness to bolster our defenses and strengthen our alliances. Yet it is equally true that our success in foreign policy will rest upon the vitality of our domestic economy and those of our allies.

So, the issues are closely tied together.

The engineering approach that we have applied to public policy in recent years, trying to separate out each issue and treat it in isolation, is totally inadequate for the 80s; what we need, and need desperately, is a strategy that deals with our domestic and international problems within an integrated, coherent and predictable framework.

Personally, I remain an optimist, guided by a powerful belief that, having come this far, this country will never surrender to the forces of adversity. We haven't been a nation of quitters, and we aren't going to start being one now. This past month, a number of distinguished men and women were kind enough to meet with me in Maine to talk about the 1980s. While many of them thought the immediate outlook was bleak, I was encouraged that all of them agreed with me that we could ultimately prevail. Indeed, there is good reason to believe that the late 1980s could usher in a new era of prosperity and hope for America.

But the point I must emphasize is this: The dangers that lie just ahead are real and they are serious. To minimize them, to ensure that they do not extend any further, to realize the bright promise of the future, it is crucial that we adopt an integrated strategy for the 1980s, and begin immediately to make the hard decisions that strategy demands. To err may be human; but to delay, to duck and dodge as we have—all of that would leave an inexcusable legacy for the next generation.

Let me be more specific about the nature of our challenges. Our economy today is in the worst mess since the Great Depression. Beyond Washington, where people aren't insulated from the ups and downs of the economic cycle, they are reeling from 13 percent inflation and many are now fearful of losing their jobs.

And the trends are nearly all pointing in the wrong direction. The growth in the productivity of our work force has fallen from the 3 percent range in the 1950s to 2 percent in the 60s, to minus 2.4 percent in the second quarter of 1979, annualized.

Our savings rate is the lowest of the major Democracies—consumer debt is now six times what it was only 20 years ago—the proportion of U.S. patents awarded to U.S. firms has dwindled—and our producers have dropped behind our international competitors in one field after another—cars, steel, television sets, and on and on.

Here in Washington, the Federal government—the driving force behind so much of our economic life today—has abandoned all sense of self-displine. We have piled up nearly three times as much debt in the past 15 years as we did during the first 188 years of our history combined, and the money supply has been expanding at rates more than double those of earlier years.

The fact that we're not in more trouble than we are is only a testament to the remarkable underlying strength of the American economy.

But the central problem now is that the steady, deteriorating trends in our economy almost surely guarantee a rough passage ahead. Among economists, there is now widespread agreement that the current recession could be shallow. But a shallow recession also means that inflation is likely to continue at runaway rates, so over the next few years, our economy may either begin a rollercoaster ride—with recession soon followed by inflation, followed by another recession, and so on—or we may have a short period of peace before the economy plunges into a severe, painful decline that may slow the inflation rate but also cause enormous social suffering. In either case, the first half of the 80s could be very difficult economically.

In the energy field, despite our best efforts on energy conservation, the downward trends may be even more perilous. By most reasonable estimates, in order to achieve even modest economic growth over the coming decade, we must expand our available supplies by some 20 percent—or the equivalent in oil of about 7 to 9 million barrels a day. But no one yet has figured out where we are going to find all that additional energy.

Under new quotas, for example, we can obtain precious little new oil from abroad. At home, most oil producers believe—and honestly so—that we will be doing well to hold production at present levels over the next decade—and that's with immediate decontrol. Similarly, authorities believe that we will be fortunate during the 80s to hold production levels steady in natural gas—and once again, that's with much greater decontrol.

So what's left to fill the gap? As attractive as they are, exotic fuels are years away from major development—and solar power is unlikely to make a major contribution to new supplies in the near term. Inevitably, then, one is driven to three major alternatives: nuclear power, coal, and greater conservation.

But I needn't tell you, as veterans of the Washington scene, how stubborn the resistance is in each of those areas. One of the greatest political challenges of the 80s, I believe, is to overcome that resistance, for unless we do, we will condemn ourselves to a long era of sluggish growth and social tension.

All that I have said so far about controlling inflation and bridging the energy gap is subject, of course, to the question of whether we can also navigate through the troubled waters abroad. As one surveys the unraveling of international order—the overthrow of regimes in countries like Iran, Afghanistan, and Nicaragua, the civil strife spreading from one continent to the next, the growing impunity with which nations like Vietnam and Ethiopia now attack their neighbors—even an incurable optimist must recognize that the 80s could bring convulsive changes in sensitive regions of the world.

Unfortunately, this threat of regional instability is greatly heightened—and this is a point I would underscore—by the shocking vulnerability of America's strategic forces. A day of reckoning—a day brought on by the massive increase in Soviet armaments and a persistent disregard for the state of our own force structures—is swiftly closing in upon us. In nearly all quarters, it is now agreed that in the early 1980s, the United States will enter a period of maximum and unprecedented vulnerability to a Soviet first strike. This "open window", as it is called, could last from the early 80s until the middle of the decade, and even then, we won't be able to shut it unless we move aggressively and immediately to bolster our forces.

The nightmare that troubles me about the 1980s is not that of a nuclear exchange with the Soviets. They continue to shrink from that possibility. No, what concerns me far more is that all of the troubles I have outlined to you—in the economic, energy and foreign fields—will come rushing together in a great thunderclap that will transform the world.

It is not inconceivable, for example, that sometime in the 80s, the U.S. could be in a precarious economic state, heavily dependent on foreign oil, and then a crisis could erupt in one of the important nations of the Middle East. At that point, assuming present trends go unchecked, the Soviets who will have an energy shortfall in the 80s, could move in quickly and present us with an impossible choice—either we yield a critical source of oil to their control, or we risk nuclear catastrophe.

In short, the Persian Gulf could become the scene of a second Cuban missile crisis—only this time, we might be the first to blink. I am not predicting such a crisis; I only point it out to illustrate how far we have drifted into dangerous waters over the past 15 years.

What is to be done? Our most pressing requirement is to stop kidding ourselves that by continuing on our present course—a temporary patch here, a bit more rhetoric there—we can somehow muddle through. The British once believed that, and they lost both an empire and their own prosperity before they pulled themselves together. Now we, too, must seize the opportunity for a change of direction.

At the same time, however, let us beware of politicians who promise quick, easy answers. President Carter captured the White House in 1976 by making more than 600 promises to the electorate. Now he claims that he can't fulfill them because people's confidence has failed; the truth is that the country has lost confidence because he has failed.

That same temptation to overpromise exists in this election campaign. From all sides, candidates are under pressure to promise they will significantly increase spending on defense, increase spending on energy, make deep cuts in taxes, and still balance the budget—and all in a flash. Over time, through discipline and steady policies, those goals can be achieved, but any candidate who promises instant relief is a fraud—and I don't mind saying so.

I propose to all Republican candidates today that in this campaign, we add a new commandment to our party's creed. The 11th commandment, as all of you know, says this: Speak no evil of a fellow Republican. Now let us adopt a 12th commandment for 1980: No phony promises to the American people. Not one.

The voters of this country don't want any more of the old baloney; they want a new vision—a new candor—and that is what we must deliver.

I have spoken to you about the critical problems that lie ahead. Let me now outline in greater detail some of the solutions that I favor.

The first goal of a new administration should be perfectly obvious: to put a firm leash on inflation. I am frankly dismayed that there is so little serious discussion in Washington today about slashing inflation to one percent or less—a goal that I think achievable. It would almost appear to be a conspiracy of silence between some of the politicians on the Hill and the White House, and for very clear reasons.

On the Hill, they know that Washington created this inflation and that every year the IRS reaps windfall profits as middle-income taxpayers are pushed into higher and higher tax brackets.

In the meantime, the President and his staff have little inclination to address the issue because they've run out of ideas. They have no policy to fight inflation—none whatsoever. Yet, the economy is visibly deteriorating. Three years ago, candidate Carter added together the nation's inflation rate and its unemployment rate and called it the "economic misery index." The misery index, he charged, was scandalously high, so Ford had to go. Today, that same misery index is more than a third higher than when Jimmy Carter was elected—indeed, it's at the highest rate since 1935—and yet the White House, incredibly enough, doesn't even have a fig leaf for a policy.

My plan to break the back of inflation involves some very simple elements:

In my first 100 days in office, I will submit a plan for a balanced budget into the Congress and will campaign hard for its acceptance. As a former member of the House Ways and Means Committee, I believe I can work with the Congress toward that end, but if not, I will not hesitate to take the veto club out of the closet again.

The Budget must not only be balanced, it must be balanced through limitations on the growth of federal spending that do not allow increased taxation.

Only through tight fiscal policy will it be possible for the Federal Reserve Board to pursue more moderate monetary policies.

At the same time, we must accelerate efforts to cut back the jungle of conflicting and redundant regulations, laws, and judicial procedures that are smothering economic growth—and giving few social benefits in return.

All of these steps may sound fundamental, and they are. But our problem is not that we have tried the fundamentals and they have failed; our problem is that for too long we have failed to try them.

As a second major goal of my Administration, I will seek to lighten the tax burden now crushing so many American families and discouraging productive investment in our economy.

One of the worst sins of the Carter Administration is that it has permitted federal taxes to rise from 18 percent to 21 percent of the GNP. After reviewing the most recent budget estimates of the Administration and taking into account the need for increased defense spending, I have concluded that we can—and should—cut taxes immediately, effective this January 1980, by $20 billion.

Such a tax cut should be divided into two parts:

Roughly one half should be directed to individual taxpayers, encouraging greater personal savings, encouraging greater energy efficiency, and providing tax incentives for home purchases through IRA type accounts. I would also cut payroll taxes in a way that would not jeopardize the integrity of the Social Security trust fund.

The other half of the tax cuts should be used to increase productivity and investments in the business sector. This would include more rapid depreciation, investment tax credits, tax incentives to hire and train young workers and to create jobs—especially in areas of high unemployment. So that investments can be planned ahead, I also propose a 1 percent per year cut in the corporate tax rate for each of the next five years.

All of these tax changes are aimed specifically at increasing the productive wealth of our nation—a step I believe is vital in overcoming inflation and in returning us to a stable, productive economy.

In the energy field, I believe it is urgent that we adopt a two-track system to attack both our near-term and long-term problems simultaneously. On one track, in order to fill the energy gap of the 1980s, we should immediately decontrol the price of oil; we should remove controls on natural gas in ways that are real, not phony, utilizing our awesome ability in science and technology to guarantee safety; we should expand nuclear power; we should also significantly step up our production and use of coal, even though that may mean temporary relaxation of some environmental standards; and we should find new methods of conservation.

On the second track, we must bring on line as quickly as possible, both synthetic fuels from our domestic resource base and the next generation of renewable fuel sources for the longer term. While I welcome the Administration's new found interest in synthetic fuels, I believe this program to spend $88 billion in tax money on 50 different plants—long before all of the technological problems have been addressed, much less solved—is needlessly wasteful and injects the government far more deeply into the energy field than is either desirable or necessary. We have a shortage of energy, but we already have a surplus of government.

As President, I would move immediately in cooperation with private industry, to build a limited number of synthetic fuel plants to perfect the technology. Then I would leave it to the private sector to choose which of those technologies make the most sense for full scale development. If the economics require government assistance to compete with fossil fuels, we can turn to guaranteed markets, loans, or price supports, so that we can move ahead as rapidly as possible.

For the longer term, let us also recognize that the development of energy sources such as solar, hydrogen, and nuclear fusion, require the best scientific minds in the free world—not the best bureaucrats in Washington, Paris or anywhere else. As President, I would bring together the best minds and talents that the free world can offer—from both consuming and producing nations—to work together so that we can realize the dream of renewable energy resources by the end of this century.

And let's tell our friends plainly: Join with us in projects to overcome our energy shortages; join with us in programs to expand our economics; and as we do that, let us join in expanding and invigorating our alliances.

This last point brings me to another fundamental position: To promote regional stability and counter the Soviets, we must build a new alliance system that girdles the globe, an alliance system that unites the seafaring nations of the world who share our values and interests. These alliances would not be just military in nature; they would also address our economic and energy interests, so that each nation shall have the strength of ten.

Such alliances, I should add, will not diminish in the slightest the need for us to repair our own defenses. In recent weeks, it has been suggested that the Senate might buy off on the SALT Treaty if the Administration promises to increase defense spending by 3–5 percent a year in real terms. I cannot accept that point of view. The SALT Treaty is seriously defective and should be corrected before it leaves Capitol Hill. As the debate proceeds, I think it will become clearer than ever that after correcting the Treaty, the Congress also ought to move ahead with several new weapons systems that have been cancelled or delayed by the Carter Administration—including a new manned bomber, the cruise missile, the MX, and a greatly strengthened Navy. Progress on those fronts will not immediately close the "open window" of the early 80s, but it will send a signal to Moscow that we are serious about our security and that in turn may promote world stability.

Ladies and Gentlemen: By now, my deep-seated concerns about the 1980s should be clear. Over the past 20 years, through indulgence, through neglect, through shortsightedness, this nation has drifted into fearful straits. The problems are not all of Jimmy Carter's making, but he has made them so much worse that there is no longer reason to ask whether he should stay or leave.

The critical question now before us is whether we as a people have the wisdom and the fortitude to face up to the challenges of the 80s and overcome them.

Forty years ago, peering into the gathering darkness, Winston Churchill wrote that he had watched his nation "descending incontinently, recklessly, the stairway at the beginning, but the carpet soon ends—a little further, there are only flagstones, and a little further still, these break beneath your feet."

Only by heroic efforts were the allies rescued before they reached the end of the path. Now, as we enter the 1980s, we must summon that same spirit of self-discipline, of unfailing determination, and of common purpose. The 1980s will be a dangerous decade for America; but it can also be a decade of decision—a decade when we finally put our nation on a new course and go forward together again, united, strong and confident. That will be my great resolve as your President.

Thank you very much.●

SELLING APARTHEID

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. McCLOSKEY. Mr. Speaker, those of us who are concerned about U.S. policy in Africa—including many of us who are Members of Congress for Peace Through Law—have spent a great deal of time this past year studying the complicated issues involving Zimbabwe-Rhodesia. After considerable negotiation, we were able to reach a compromise on the issue of lifting sanctions, delaying consideration pending the all-parties conference soon to convene under Britain's leadership. We may soon see a second election, this time internationally supervised, and we anticipate that we will be faced with a crucial decision in review of the sanction question later this fall. Similar crucial decisions relating to Zimbabwe-Rhodesia's neighbor—South Africa—will face us in the months ahead.

Many of us at MCPL believe that Congress should increase its policymaking review with regard to South Africa. We are anxious to help in this endeavor. We believe that apartheid is immoral as well as an open invitation to increased Communist influence in Africa. We think the United States must act decisively to encourage and assist the ending of the apartheid system in South Africa through whatever means may be available to us.

There are many areas of United States-South African policy in which Congress has a major role. We should inquire, for instance, whether the U.N.-imposed arms embargo against South Africa is effective—or whether South Africa's massive military establishment has been developed with the covert aid of elements in the United States; we should determine whether U.S. companies are truly in compliance with the embargo, or if they have violated it with or without the knowledge of our Government officials; we must consider whether "civilian"—nonmilitary—trade with South Africa tacitly endorses the principle of apartheid or, in the alternative, represents the best means we have of ending apartheid; we should consider and determine whether U.S. corporate investment in South Africa strengthens our bargaining power or weakens it; whether new U.S. corporate investment is helpful or harmful; whether economic equality pressures by U.S. corporations can help to reform not only the economic structure, but also the poilitical structure; whether strict penalties for noncompliance with employment opportunity codes by U.S. corporations can be imposed, and if so, whether compliance with such codes is or can be effectively monitored by private groups such as the Sullivan organization or the U.S. Chamber of Commerce.

In conjunction with all of these questions, an excellent article by Mr. Aryeh Neier appeared in the August 11-18 edition of the Nation magazine, which I wish to bring to the attention of my colleagues.

Mr. Neier addresses the question of "the death of apartheid" as argued by South African Minister Piet Koornhof, known in the West as one of the more "forward-looking" of the South African government officials. While Mr. Neier points out some steps Mr. Koornhof has taken to moderate apartheid, he concludes that the replacement policy of "denationalization" is indeed as unfair, and as sinister as was, or is, apartheid, and that its replacement, while representing a short-term public relations gain, will in fact be as harmful and exclusive of the majority black population as is the present policy.

The article follows:

SELLING APARTHEID

(By Aryeh Neier)

JOHANNESBURG.—"I and my Government," Dr. Piet Koornhof, South Africa's Minister of Cooperation and Development, told the National Press Club in Washington a few weeks ago, "are seeking to create a happy and meaningful life, therefore a new blueprint, for all in South Africa. We are entering a period of complete reformation. We are presently in a new era. We have reached a turning point in our history. Apartheid, as you came to know it in the United States, is dying and dead. We are in a period of reform."

Exciting news. Koornhof, who even professed his Government's belief in full citizenship for people of all races, was greeted by a standing ovation, and with cheers in many American newspaper editorials. The Washington Post called South Africa "the most lively and ambitious social laboratory in the world" (June 17). Back home, Prime Minister P.W. Botha endorsed Koornhof's statement and shielded his itinerant Minister from the backlash of Andries Treurnicht, leader of the verkrampte—or rigid (more literally, constipated)—wing of the ruling National Party. The dispute among the Nationalists gave heightened significance to Koornhof's statement, for the Prime Minister appeared to ally himself with the verligte—or enlightened—faction's expressed intention to mitigate the humiliation of 80 percent of South Africa's people that has been Government policy since the National Party came to power in 1948. All in all, it was a great publicity coup for South Africa. As To the Point, a journal noted for its support of Government policy, exulted, Koornhof had "take[n] American news media by storm on his Washington visit."

After traveling around South Africa during the three weeks subsequent to Koornhof's National Press Club speech, I found his report of the death of apartheid not merely exaggerated but ludicrous. Nonwhites must still use separate toilets, ride on separate buses, purchase tickets for trains at separate counters and ride in separate rail cars. They must continue to live in separate townships—almost always miserable slums lacking electricity and indoor plumbing, far removed from the gleaming white cities and suburbs to which they commute daily at great expense to serve those whom they are expected to address as "master" or *baas*. Despite a housing surplus in areas reserved for whites, any nonwhites who attempt to move into them in order to escape from quarters where they are required to live three or four to a cubicle are vigorously prosecuted under the Group Areas Act. A black child is still required to attend a separate school, where the expenditure per child is only one-tenth of the amount allocated to educate a white child. Every day, a thousand or so nonwhites are prosecuted for violations of the pass laws in "trials" that lack any semblance of due process and that rarely last as long as two minutes. These help to preserve South Africa's distinction of having by far the largest portion of its population in prison of any country in the world. Although Dr. Koornhof said in his Washington speech that he hated the pass laws and was in the process of doing away with them, penalties for violations are going up. Most important of all, no nonwhite may vote in any election for officials of South Africa. Disenfranchised, nonwhites are politically powerless against the intricate web of laws, regulations, proclamations and bureaucratic decisions that oppress them.

There is another sense, however, in which Koornhof's speech to the National Press Club was not so much a lie as a deceptive half-truth. Apartheid, as Americans know it, no longer adequately describes South Africa's approach to race relations. But what is replacing it? Something mort sinister: denationalization of all South Africa's blacks. In place of their South African nationality, they are becoming nationals of new mini-states that the South African Government is busy creating. As Koornhof acknowledged a few weeks after his Washington speech, when he repeated his remarks about "full citizenship" before a black group in Johannesburg he had in mind a "plural setup." pressed by a member of his audience, he said, "I don't believe it can be achieved in a unitary setup. As a student of political and constitutional development, I say again it cannot be achieved in a unitary setup. I say again."

The policy of creating mini-states—known as "homelands"—granting them independence and, thereby, denationalizing black South Africans, has been developing for a long time, though the grand design is only now becoming clear. Seeds of the policy of denationalization were planted when South Africa adopted the Promotion of Bantu Self-Government Act of 1959 and the Bantu Homelands Citizenship Act of 1970. These laws require that blacks ("Bantus") must become citizens of the autonomous homelands to which the South African Government says they are attached by birth, residence or linguistic, ethnic or cultural affiliation. Two homelands have been granted independence by South Africa, Transkei in 1976 and Bophuthatswana in 1977, though their sovereignty is recognized only by South Africa. Ciskei, Lebowa, Venda, Gazankulu, Qwaqua and KwaZulu are now considered self-governing and South Africa plans to grant them independence in due course. In all, 13 percent of the land of South Africa, most of it the poorest soil, has been set aside for the creation of these mini-states.

The use of linguistic, ethnic and cultural affiliation to determine citizenship in the homelands is the key to the policy. A black born in Soweto—the giant black township that serves Johannesburg—whose parents were born in Soweto, whose grandparents were born in Johannesburg before the blacks were all forced out, who has never visited Transkei, may be designated a citizen of Transkei if the South African Government determines that he has cultural affiliations with that independent homeland's Xhosa- or Sotho-speaking people. South Africa does not expect him to settle in Transkei. The homelands could not sustain the 70 percent of the South African population who are to comprise their nationals, and the South African economy needs them. No one expects the black living in Sowetto to establish ties to the political processes of Transkei. For him, citizenship in a homeland is a legal fiction that leaves him worse off than he was under apartheid as we used to know it.

John Dugard, a South African legal authority and widely respected human rights activist, summarized the effects of his legal fiction in his presidential address to the 50th Anniversary Conference of the South African Institute of Race Relations in Johannesburg in July. "At present," said Dugard, "all South Africans, irrespective of their race, are South African nationals. Only whites, however, are full citizens as they alone have political rights within the central political process. According to Government policy, all homelands will ultimately become independent and there will no longer be any black nationals in South Africa with claims to political rights. This will allow the South African Government to argue that there are no black South Africans." Blacks who were born in the 87 percent of the land that is to remain as South Africa and whose families have lived there for generations are to be regarded by the law as temporary sojourners, aliens in the land of their birth and the land of their ancestors. Pass-law prosecutions would be transformed into passport-law prosecutions.

An important advantage of denationalization from the South African Government's standpoint is that it will allow it to identify its treatment of blacks with the treatment Western countries accord foreign nationals. Blacks designated as citizens of independent homelands could be stripped of any legal right to reside in South Africa by the stroke of a pen and, thereby, their status would be comparable to that of the Mexican, Caribbean and Oriental illegal aliens in the United States. Alternatively, South Africa can grant them permits like those given to "guest workers" in Europe. Blacks have been treated this way all along under apartheid, but by denationalizing them, South Africa will try to cover over the practice Koornhof says is dying or dead with a veneer of Western legality.

How far can South Africa delude its own people and the rest of the world into believing that denationalization is less repressive than apartheid? Piet Koornhof, who has taken on the task, is an adroit publicist who chose his title as Minister of Cooperation and Development because it sounded better than the previous names for the same post: Minister of Bantu Areas Development and Minister of Plural Relations. Koornhof won over much of the English-language press by calling off the bulldozers that were set to level Crossroads, a squatters' camp outside Cape Town where 20,000 blacks live. The planned destruction of its 3,000 corrugated tin shanties put up by people with no place else to live was becoming an international symbol of the Government's heartlessness. Elsewhere, in places to which the world is not paying attention, Koornhof's department regularly razes squatter residences. If Koornhof has his way, what the South Africans call "petty apartheid" will diminish and signs will come down like those that now provide separate entrances to liquor stores for whites, or blankes, and for nonwhites, or nieblankes. Koornhof has played an important part in South Africa's sports diplomacy that is to be capped on October 20 by a world heavyweight championship boxing match in Pretoria between a black American and a white South African before a desegregated audience.

These moves by Koornhof are far from universally acceptable within the National Party. The idea of blacks and whites sitting next to one another in a sports stadium is still anathema to the verkramptes. If Andries Treurnicht has his way, a "homeland" would even be created for "colored" South Africans—racially mixed people whose ethnic and linguistic ties are as strong to Afrikaners as to any black tribe. Koornhof's wing of the National Party, on the other hand, has suggested that colored and Indian South Africans would be accommodated in a "new political dispensation" giving them some right to participate in South African Government—though certainly not proportionate to their numbers—once all the blacks become nationals of homelands and no longer have to be taken into account.

Though the differences between Koornhof and Treurnicht are real, they do not run very deep. As Koornhof put it on his return to Johannesburg after his Washington speech: "Dr. Treurnicht and I understand each other very well. There were one or two things reported in a certain way and he reacted to that." *The Financial Mail*, the best journal that still survives censorship in South Africa, said of the Koornhof-Treurnicht argument that "the difference between fiendish *verkramptes* and lily-white *verligtes* is small indeed. Apart from the ambitions of the individuals, the difference between the two camps is mainly one of strategy about how apartheid is to be made to work, not whether it should be made to work." Koornhof, the better publicist, believes that the way to make it work is to tell the world that it is dying or dead.

Criticism of the denationalization policy by South African blacks and white opponents of apartheid is muted by Government persecution of those who decry its policies. Even so, virtually all black leaders outside the homelands who have not been forcibly silenced have denounced the policy. It is also criticized by white liberals, though many only find fault with details such as the amount of land allocated for homelands and the failure to allow urban blacks any opportunity to participate in self-government. They speak of "racial accommodation" rather than of racial equality and use terms like "consociationalism" and "confederalism" to describe schemes of government in which representatives of all races, elected racially, would share in government while whites would retain the power to veto decisions that might threaten their hegemony. Advocates of majority rule in a single state are a small minority even among those who may fairly be described as South Africa's white liberals.

As for international acceptance, the refusal to recognize Transkei and Bophuthatswana and condemnation of their creation by the United Nations have been setbacks for denationalization. Yet National Party strategists are far from giving up hope. Koornhof's public relations triumph encourages them, as does pressure in England and the United States for the lifting of sanctions against Zimbabwe Rhodesia. The West may well accept a black majority parliament that pretends to govern while 300,000 whites continue to control all the machinery of power. Surely then, the reasoning goes, the West will accept South Africa's plan to establish superficial legal equality—blacks and whites each exercising full citizenship in their own lands—while safeguarding the interests of fifteen times as many whites in a territory of infinitely greater economic significance.

Germany denationalized its Jews in 1941 but, having passed the point of caring about international opinion, did not bother with subterfuges. White South Africans care deeply about what Americans and West Europeans think of their racial policies and, therefore, are applying a gloss of legality. Their economy, their security and their national sense of pride are at stake in their struggle for the affections of the West. If they fail to deceive the West and incur its condemnation, they will not be able to sustain the denationalization plan. Perhaps, then, apartheid would really die.●

BOISE LEADS THE FIELD IN GEOTHERMAL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. SYMMS. Mr. Speaker, today I am submitting a copy of an article from the September 4 New York Times concerning geothermal energy development, utilization, and potential in Boise, Idaho.

The article illustrates the leadership and farsightedness that caused Boise to look into this very viable alternative energy source long before it was fashionable or necessary to do so.

In following Boise's lead in recognizing the potential of geothermal energy, I recently introduced H.R. 4471 with my colleague Congressman HANSEN as a counterpart to Senator MCCLURE'S S. 1330.

Although others have followed that lead, and I commend their efforts, H.R. 4471 is the first legislation of its kind. It is a complete approach to the development and extraction of geothermal energy, a package which opens incentives to development of geothermal steam and requires the Federal Government to act promptly in granting licenses and permits to turn that incentive into badly needed energy. It further rewards that initiative with tax credits for such investments.

The United States is sitting on a veritable cache of geothermal steam that can be extracted to operate turbines and produce power. There is no question that it will not be the panacea to our energy problems, yet the contribution it can make is very significant. It is but one of the many means by which we can encourage our great country to again become energy independent. To date, development of this vital energy contributor has faced shuns from the Federal Government, disincentives to the development of its technology, and highly restrictive Federal leasing policies.

H.R. 4471 recognizes a commitment to follow in the footsteps of Boise to see this potential energy source become a reality. I commend this article to my colleagues' interest:

BOISE LOOKING TO ITS HOT SPRINGS AS A HEAT SOURCE FOR DOWNTOWN

BOISE, IDAHO, September 3.—The Glenns of Boise pay only $10 a month to heat their two-story, Tudor-style home with natural steam and hot water.

Marcia Glenn said that she has lived in geothermally heated homes for 42 years. The Glenns have no need for a hot water heater. and several neighbors use the naturally warm water to heat large swimming pools for $75 a year.

Now, with a new $5 million Federal grant, city officials want to heat the whole downtown area the way the Glenns heat their home: by tapping the heat produced by hot springs that run under the town. The city plans to take a heating system started in 1892 and pipe natural hot water to buildings in that area. It needs $10 million to complete the project.

BIG FUEL SAVING EXPECTED

When the job is done, Phil Hanson, the manager of the Boise Geothermal Project estimates, the saving in fuel may be the equivalent of 25,000 barrels of oil a day.

He said that an average family saved from one-half to two-thirds of its heating bill by using natural steam and hot water, and that as many as 2,000 additional houses could be heated by the natural energy source from

Robert Chappell of the Department of Energy's Idaho Falls office that the agency's four planned wells.

$4.9 million contract with Boise was the largest of 22 projects in Western states designed to gather scientific data on the potential for geothermal energy. Such energy is widely used to heat homes in Iceland.

Some state office buildings here are already partly heated by a geothermal well. Along Warm Springs Street and nearby streets in this city of 100,000 more than 200 houses have been heated by hot water for decades. A recently constructed city building and a proposed county building are designed for conversion to hot water heat.

John Griffith, a research engineer, said that the techniques used by Boise Geothermal "may well set the trend for future geothermal progress in the United States."

At present, geothermal heat used in Boise generally radiates directly from water pipes in the rooms being heated. Mr. Hanson said that the method was inefficient but that there was now a newer technology involving central systems with heat exchangers.

Several major office buildings are considering switching to geothermal heating, he said, but no contracts have been signed yet.●

SENATE—*Friday, September 7, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Almighty and most merciful Father; from whom cometh every good and perfect gift; we give Thee praise and hearty thanks for all Thy mercies; for Thy goodness that hath created us; Thy bounty that hath sustained us; Thy fatherly discipline that hath corrected us; Thy patience that hath borne with us; and Thy love that hath redeemed us. Grant unto us, with Thy gifts a heart to love Thee; and enable us to show our thankfulness for all Thy benefits; by giving up ourselves to Thy service; and delighting in all things to do Thy blessed will; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 7, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF THE SALT II TREATY

Mr. ROBERT C. BYRD. Mr. President, certain press reports have indicated, in error, that with reference to the consideration by the Senate of the SALT II treaty:

> Byrd indicated that the delay could be until late this year or early next.

I quote from a press report, the headline of which reads:

> SALT May Be Stuck Till '80.

Mr. President, I think the record should be set straight. At no time have I indicated that Senate consideration of the SALT treaty might be delayed until next year. As a matter of fact, I have indicated all along the contrary. Very early on, there was considerable talk, some of it emanating from downtown, that the SALT treaty should perhaps be put over until next year. Just as early on, I stated that in my judgment it ought not be put over until next year; that it should not be a campaign issue.

After consultations with the committee chairmen who are involved—first of all with Mr. CHURCH, because the Foreign Relations Committee has jurisdiction over the treaty, but also with Mr. STENNIS, Mr. BAYH, and the ranking members of their committees, it was determined that every effort would be made to complete the hearings on the treaty and complete markup, so that the treaty could be available for debate by October 1.

Since then, matters have occurred which would naturally bring about a natural slippage of that date. For example, I have been informed that the Intelligence Committee is going to require a longer period before it would be ready to submit its presentation to the Foreign Relations Committee. Therefore, there would be a slippage of some several days, perhaps a week or 10 days. I was informed of this before the Cuban situation arose. So there was going to be some slippage in any case.

It has always been my intention to have the energy legislation brought up before SALT II. There are at least two energy bills, the omnibus bill, which will come out of Senator JACKSON's committee, and the tax bill, which will come out of Senator LONG's Finance Committee, and I have had numerous consultations with the committee chairmen in respect to these two energy measures. I think it may be possible to complete action on the two energy bills by the middle of October. It will not be possible to complete action on those bills in the Senate by the end of September.

So in any event the SALT treaty could not, then, be brought up by October 1. But I think it is entirely reasonable to contemplate that action on the energy bills—and perhaps the tax bill first, before the omnibus energy bill—will be completed by mid-October or the latter part of October—which would still be in consonance with my planned scheduling of the treaty as the last major item to be considered by the Senate before adjournment sine die for this session.

I still have expectations of calling up this treaty before the Senate adjourns sine die for this year. I have at no time contemplated putting it over until next year. The precise language which I used in yesterday's RECORD is as follows. At the very beginning of the day, I stated:

> . . . anent the current and ongoing discussions with reference to the Cuban situation, I think I should state for the RECORD that the administration will have adequate time to work out a resolution of the problem of the Soviet combat personnel in Cuba before the SALT treaty is brought to the floor for debate.

I do not now know what "adequate time" will mean. But at no time have I thought that the action on the treaty by the Senate was imminent, because the treaty first has to be reported by the Foreign Relations Committee.

Later in the day, I made reference to suggested amendments or resolutions that would, by order of the Senate, prevent the treaty from being called up until such time as certain conditions had been met in respect to the Cuban situation. This is what I then said:

> I believe there is time enough to resolve these other matters. I am not rushing to bring up the treaty the day it is reported out or 3 days after. I said earlier that I would like to bring it up around the first of October. This does not mean that it might not be the middle of October, the first of November, or later.

By saying "or later," I had nothing precisely in mind. I certainly was not thinking in terms of 1980.

So I think the RECORD should be clear that there was no indication on my part that SALT II be put over until next year. Quite to the contrary, it is still my expectation that this treaty will be called up this year.

I think we ought to keep cool heads in this situation and avoid a panic reaction. I see no necessity for doing otherwise.

I think we need to give the committees the time to get all the relevant facts. The Foreign Relations Committee is continuing its hearings. The Armed Services Committee is going to conduct further hearings. The Intelligence Committee is going to conduct further hearings. There is plenty of time for the committees to get the facts.

Certainly, we should not rush to a hasty judgment before all the facts are clear. I want to be more fully informed about the actual situation. Let us find out what the facts are in this matter before we rush to a judgment, before we create an atmosphere that hamstrings diplomacy, or before we take hard positions on a matter so important as the SALT II treaty. I have not reached a decision on the treaty. I want to be in a position to support the treaty if, after I complete my consideration of all the facts and information, I believe that it is in the best interests of this country of ours. It is entirely conceivable to me, as I said yesterday, that that treaty can be valuable and important to this country, to its security interests, now and for years to come, entirely aside from peripheral matters regardless of their importance.

So let us get the information. Let us be fully informed before we rush off with our judgments, before we set ourselves in concrete, get ourselves boxed in to the point that we find it difficult to reach a considered judgment on a matter as important as the SALT II treaty.

As I say, I arrived at the October date months ago, after consulting with the committee chairmen, because it was felt that all hearings would be completed and all relevant information would be known by October 1. If this new matter requires more time for a full investigation, then scheduling of the treaty can be adjusted.

I want to repeat that I have not reached any judgment to delay Senate consideration of SALT II until next year. I was very much surprised to see the newspaper headline and the reports that it might be so delayed, and that it was inferred from what I said yesterday that such was the case. Contrary to that, it is still my expectation that there is ample time for the Senate to take up and complete action on the treaty this year.

LEGISLATIVE SCHEDULE

Mr. ROBERT C. BYRD. If I may turn to another subject briefly, Mr. President, I think it appropriate that I say a little something about the schedule for the rest of the year. I anticipate that there will be Saturday sessions. I was asked recently as to what the legislative holiday schedule would be the rest of the year, and I said there would not be any legislative holidays scheduled. We will naturally be out Thanksgiving weekend, if the session has not ended by that time. I would hope that the Senate could complete action on all of its business, the energy legislation, the treaty, and other matters, by Thanksgiving, or before Thanksgiving, I would hope that certainly by Thanksgiving the Senate would be able to adjourn sine die. But that means we will have a lot of work to do in the meantime. I do not think there is any question but that this will involve some Saturday sessions.

There are still several conference reports on appropriations bills that are awaiting action. There are still appropriations bills which have not been taken up by the Senate.

There are expiring authorizations such as the Department of Energy authorization, International Trade Commission, Customs Service, Water Resources Planning Act, railroad assistance and railroad retirement. There are other measures such as the debt ceiling, and the second concurrent resolution—which will be up next week; hopefully, hospital cost containment can be acted upon. I have already mentioned windfall profits legislation. And then there is energy legislation, which is under the jurisdiction of Senator JACKSON's committee, plus surface mining legislation, I have already referred to the SALT II treaty, of course.

With this kind of schedule, I am hopeful the Senate will be prepared to have Saturday sessions if need be, only if need be, and I would contemplate that there will be times when there will need to be some Saturday sessions. We have a busy schedule ahead of us.

As I say, there will be no legislative holidays scheduled because our purpose should be that we do our remaining work, that we do it well, and that we then adjourn sine die. We ought to be able to complete this legislative load by no later than Thanksgiving and then go out until sometime in January, hopefully the middle part or latter part of January.

Mr. President, I believe that is about all I have to say at this point. I yield the floor.

RECOGNITION OF ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

RUSSIAN TROOPS IN CUBA

Mr. STEVENS. Mr. President, as I begin my remarks, I want to say, and with absolute sincerity, that I believe it is unfortunate that my good friend from West Virginia, the majority leader, is not downtown right now because I view the Cuban-Russian troop situation as a complete faux pas. It is a situation that has occurred because of the inability on the part of the administration to exercise the patience, judgment, and restraint necessary to facilitate a speedy and successful resolution of this most critical diplomatic problem.

The extensive background and knowledge that the distinguished majority leader would have brought to this particular concern would have set us on a course that would have expeditiously avoided any possible international confrontation with the Soviet Union.

When I first read about the Cuban Russian troops, I immediately thought of a situation that occurred last year. You'll remember that in order to prove the SALT II treaty was verifiable despite the loss of the United States apparatus for intelligence we had in Iran, the administration leaked the fact that we were going to use the U-2's to substitute for the loss of our ability to monitor SALT II compliance. They did so without having contacted the Turkish Government, without careful thought about the possible consequences. The result, I am sure everyone knows: We lost our ability to use the U-2's in a very critical period of our history.

Yesterday, I read Secretary Vance's statement and heard about the President's similar comments—that the combat brigade of Russian troops has been in Cuba since the early 1970's. It appeared to me at first that this was an attempt to shift the burden of the responsibility for this buildup to the prior Republican administration. I certainly hope that is not the case.

Upon reflection I decided that it was either that, or a veiled attempt to indict the intelligence community during that period for failure to let the American people know about this buildup. Whether it is either of those or still another reason, it is apparent that the administration has failed to see the real impact of these Russian troops in Cuba. The rerelease of the intelligence information at the time of the Havana summit meeting was an obvious attempt to embarrass Castro, and the administration again revealed secret information that, if properly used, could have avoided the problems that the country and the administration now face with regard to ratification of the SALT treaty. That is what the red telephone hot line is for. That is why we established this direct line of communication between the President of the United States and the head of the Russian Government.

I am compelled to ask, why was it not used? Instead of going public with the information, why did the United States not ask Russia what it was doing with a combat brigade in Cuba?

I was not there, but it is my understanding that the Foreign Relations Committee received testimony yesterday asserting that the combat brigade was not in Cuba prior to 1976 and it was not there during the early 1970's when intensive intelligence surveillance of Cuba was taking place.

President Carter is missing the fact that the Russians have challenged every President of the United States through the years, and just as President Kennedy was tested in the 1962 Cuban missile crisis, this incident serves as the Russians' attempt to challenge Carter's leadership capability.

An interesting comment was made in the Washington Star with respect to this issue. Mr. President, I ask unanimous consent that a series of editorials from the national papers be printed at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. The editorial concerns the question of salami-slicing. Last November it was discovered that the Russians had placed a number of Mig-23's in Cuba, and the Carter administration chose to minimize the ramifications of their presence at that time. As the Star points out, that is just another slice. The Russians got away with that, so now, apparently, they think they can get away with an added buildup of their military brigade in Cuba.

The Star asks:

> The question, always, is where prudently to draw a line. If a brigade of combat troops is acceptable, or at least difficult to make a clear issue over, what happens if the brigade begins to swell? What if 3,000 becomes 10,000 or 30,000?

President Carter's crisis could be his failure to recognize the test that this administration is facing from the Russians in the field of foreign policy.

As with the case of the U-2's in Turkey, the real catastrophe for the country is that the administration used intelligence information to achieve a political end. It was used to influence the meeting of nonaligned nations and now it has blown up in our faces, literally. We have Members of the Senate saying, as the distinguished majority leader has indicated, that we will not consider SALT II until these combat troops are withdrawn. That is a crisis that the administration could have avoided.

Maybe we ought to find out if we paid the bill on that red telephone line hookup, because it apparently has not been used effectively in recent months to protect the security interests of the United States.

I, for one, still oppose the SALT II Treaty as it was presented to the Senate. But I also believe that if the administration is right in saying that the ratification of a treaty is necessary for our national security, then they have done more than anyone in the Nation to jeopardize the ratification of that treaty by mishandling the Soviet combat brigade issue.

Mr. President, I yield the floor.

EXHIBIT 1

MISCHIEF IN CUBA

Of the Soviet Union's provocative dispatch of several thousand combat troops to Cuba, the secretary of state says in his temperate way that he will not be "satisfied with the status quo."

Others speak of the matter less temperately. Sen. Frank Church, chairman of the Foreign Relations Committee, has rediscovered the Monroe Doctrine (this being an election year) and insists that "the U.S. cannot permit the island to become a Soviet military base 90 miles from our shores." Sen. Richard Stone of Florida, whose private intelligence seems rather better than the official brand, says that the combat presence is "of the same gravity" as Mr. Khrushchev's stealthy introduction of ballistics missiles to the island in 1962.

Setting aside Senator Stone's considerable exaggeration, we like the senatorial rhetoric. But senators, like editorial writers, do not have to devise and justify practical responses to Soviet mischief. In this they are lucky, since there is no obvious legal formula under which to demand that the Russians call their combat troops home. The Kennedy-Khrushchev accord of 1962, the basis of settlement in the missile crisis, included a Soviet pledge not to introduce "offensive weapons," presumably of a long-range sort, into Cuba.

But the problem posed by the Russian combat brigade is neither legal nor technical; it is in the broadest sense political. And it is especially disturbing because it is the second serious military provocation in Cuba of recent memory. Last November, the Russians were discovered to have sent a number of advance model Mig-23s to Cuba. These are ordinarily designated "supersonic fighters"; but in one configuration the Mig-23 delivers a small nuclear missile over a 1,200-mile one-way range.

The shipment of Mig-23s to Cuba was

thought by some to trifle with the letter of the 1962 rules on Cuba, as it did. But the aircraft issue never came to a boil, because President Carter refused to get into a swivet about it. And now, truth to tell, probably very few here in Washington—including some who probably should—know today whether the planes are still there, or whether they're potentially of the missile-carrying variety.

A pattern seems to be emerging—a familiar pattern which in the bad old days used to be known as "salami-slicing": the business of following one minor provocation, once gotten away with, with another slightly greater—a silly millimeter of aggressiveness with a half inch of it, and after that a full inch.

The State Department is quite right: A few thousand Russian combat troops on Castro's island are, it has pronounced, "not a direct threat" to this country. That is militarily obvious; it is less obvious politically and strategically. The worry is that the effort to minimize what is of more political than military consequence (even if one confines the consideration only to the stability of the Caribbean area) is nearly 180 degrees off the point.

The question, always, is where prudently to draw a line. If a brigade of combat troops is acceptable, or at least difficult to make a clear issue over, what happens if the brigade begins to swell? What if 3,000 becomes 10,000 or 30,000?

Well might temperate leaders reason that a few thousand Russian combat soldiers make no difference. But this could be only the beginning if the administration makes no effort to induce their withdrawal. After all, Castro has a 40,000-man expeditionary force in Africa; and his Moscow paymasters might conceivably have promised to take up the slack in the Western Hemisphere, depending on the U.S. reaction. If so, there could be plenty of trouble—indeed, a major and dangerous crisis—within a year or two.

Had a sufficient issue been made of the Mig-23s a year ago, there might not be the combat troops to deal with today. And if the combat troops were not dealt with firmly today, who would venture to predict what maneuver will come next, or what incremental provocation will come with it? That is the difficult question the administration must answer. And it probably should be thinking of the stitch in time that saves nine.

EXPLODING CIGAR

The thorn of Fidel Castro's Cuba, stuck in the U.S. paw for nearly 20 years now, has been twisting a little bit this week. For one thing, Cuba is playing host to the sixth annual summit meeting of the nonaligned nations, and Castro is using the Havana gathering to try to strengthen the movement's explicit ties to the Soviet Union. Then, right in the middle of the proceedings, we get word that Cuba is also playing host to a Soviet combat force of two to three thousand men, who have been there for several years. The timing of the news has been no small embarrassment to the Carter administration and its plans for a SALT treaty. But none of this should have been the least bit unexpected.

The nonaligned movement began in 1961 as an attempt by some smaller nations to extricate themselves from the hazards and constraints of big power Cold War politics. But it has been years since the group has exercised anything like a neutral influence in the world. Its summits and plenary meetings regularly condemn the "imperialism, colonialism, neocolonialism, racism, apartheid and any other form of foreign domination" which have become code words for Western liberalism. At this year's Havana meeting, the Cubans are trying to take things one step farther and have the movement declare a "natural alliance" between the nonaligned and the Communist bloc because of this common opposition to colonialism and imperialism.

The Cubans are meeting some resistance to their ploy. Yugoslav President Tito, a founder of the nonaligned movement and a venerable 87 years old, has journeyed all the way to Havana to warn the delegates not to go too far in expressing solidarity with the Russians. The U.S. is getting no discernible benefit from the falling-out. But we will doubtless be told that the resistance to Cuba's plan for an overt alliance with the Soviets should be treated as a species of U.S. victory.

That line will be a little harder to push now that the news is out about Cuba's Soviet combat troops. They don't pose any immediate military threat to us; they're just sitting there, whether to guard facilities for Soviet tapping of U.S. phone lines or to protect the person of Fidel Castro or to demonstrate socialist solidarity with the Cuban freedom fighters, in an ugly little act of provocation.

You'd think the Soviets would be worried about the inflammatory effects of having their troops so close to our shores, what with SALT coming up and Latin America in a somewhat unstable condition; but they obviously figured that they could get away with it, and it is not in the least puzzling that they should do so.

They're dealing, after all, with an administration desperately committed to SALT and determined to find reasons for not building new weapons systems, an administration whose idea of a show of force is carriers that turn around in the middle of the ocean and F15s that fly over Saudi Arabia unarmed, an administration willing to co-operate in saving Soviet face by devices like agreeing to a Russian veto of UN peacekeeping forces in the Sinai and putting a damper on news of extensive Soviet wiretaps within the U.S.

In keeping with this pattern, the administration's first plan for responding to the news of the Soviet troops was to ask for "assurances" that the Russians wouldn't use them for offensive purposes. The Soviets would no doubt be happy to comply, sewing medic patches over their soldiers' artillery insigna and getting credit for their peace loving behavior in the process. It would also be easy enough for them to let us count the outbound leg of a troop rotation.

But whether the Soviets are in a mood to save the administration's face and whether mere face-saving will do are both in doubt. Senate Foreign Relations Committee Chairman Frank Church is leading the effort to link the Cuban-based troops to SALT; he is running for re-election back in Idaho. The democratic system is at work.

The Soviets couldn't have been expected, of course, to foresee such American electoral idiosyncrasies. They, the Cubans and the nonaligned have all been conditioned to expect an administration studiously devoted to avoiding any possiblity of conflict. This kind of U.S. behavior provokes not just continuing insult but dangerous crisis, and these latest Cuban happenings are just another example of that monotonous fact.

[From the New York Times, Sept. 7, 1979]

THE CUBAN LINE FOR THE NONALIGNED

Probably by accident, reports of the Soviet military buildup in Cuba surfaced just as 90-odd nonaligned nations were about to meet in Havana. But it was surely no accident that Fidel Castro chose to open the Havana summit with a call to arms against "American imperialism." Mr. Castro apparently aspires to be doctrinal pontiff as well as titular chairman of the nonaligned bloc. And he might succeed.

Most Americans find it absurd that Cuba can be regarded as "nonaligned." The island is an economic vassal of Moscow and a staging base for Soviet forces in the Caribbean. In every essential respect, Mr. Castro is an orthodox Communist whose soldiers, moreover, are furthering Russian purposes in Africa. How can he claim the mantle of a Tito, a Nehru or a Nasser, founders of the nonaligned group in 1961?

The answer is that the Cuban cause is seen very differently in much of the third world. Fidel Castro is regarded as his own man in Havana, a revolutionary who has successfully defied the Yankee colossus—to be sure, with Soviet help, but on Cuban terms. Mr. Castro is thus the most effective advocate for the view that the Soviet Union is the "natural" ally of the nonaligned nations.

He is a superb tactician, too worldly to believe that the old simplicities about imperialism carry their old conviction. As he is well aware, it isn't Wall Street but the OPEC cartel that raised oil prices to levels near ruinous for many third world countries. It wasn't the capitalist West that was to blame for Vietnam's invasion of Cambodia, or for China's invasion of Vietnam. Only in southern Africa does the third world face anything like the classic confrontation between rich and poor. These are realities that Mr. Castro ignored in his fantasy idyll.

But that fantasy suited many in his audience—certainly the radical Arab states, whose leaders prefer an attack on President Sadat to a discussion of the economic consequences of OPEC. In Havana, it was left to Marshall Tito to restate the traditional doctrine of nonalignment: the avoidance of any binding ties to superpowers, and opposition to all forms of political and economic domination. Yet the Yugoslav President, the only other delegate of unquestioned world prominence, was applauded just once.

Possibly the conferees in Havana don't care much, or were bemused by the weather. Yet to the extent that the Castro view prevails, the movement will cease to be truly nonaligned and lose whatever moral claims it once boasted. Purely in terms of self-interest, the nonaligned nations would be throwing their weight to Moscow on the cheap, jeopardizing their ties with the West, and with China, and without any assurance of reward. This seems to be what Mr. Castro is asking. It would speak poorly for the acumen of the Havana summiteers if they squandered their birthright to join a Cuban ideological offensive.

[From the Washington Post, Sept. 7, 1979]

THE SOVIET BRIGADE

The administration has got itself into a nice mess over the Soviet combat brigade now reported to be in Cuba. The brigade does not seem the product of a recent "buildup," and in a way that is unfortunate. For the administration could then have insisted—indeed, against what might have been some of its instincts to the contrary, it would have been compelled to insist—that Moscow had done something provocative, sly and unacceptable. It could have rallied virtually the whole country behind a demand that the Russians back down, no matter the danger to SALT.

But, the administration asserts, the brigade is not newly emplaced, only newly discovered. The secretary of state says it is mostly a case of the United States having assembled a new intelligence jigsaw puzzle of a force that has been around since the early 1970s, if not the early 1960s. This raises some disturbing questions about American intelligence. It leaves Jimmy Carter in a fix. Any demand to Moscow to remove the brigade will surely be met by a not unreasonable rejoinder: why are you so excited about soldiers whose presence you have not even noticed, let alone protested, for what your own intelligence says is years and years? But if Mr. Carter does not press such a demand, he invites escalating attacks on his political standing and on his diplomacy (SALT) alike. For this he has chiefly his own record of uncertain international purpose to blame.

Mr. Carter, however, must deal with the situation as it actually exists, and the first element of the situation is concern about the brigade. In and out of the Senate, some extreme and transparently political things are being said but, discounting them, there remains strong and sensible reason for Americans to object to this increment of Soviet adventurism and power. Fortunately, the State Department now recognizes this, too. A few days ago, even while saying it didn't know what the purpose of the force was, it said the force posed "no threat to the United States," but now it agrees that the matter is "very serious" and it asserts that "the presence of this unit runs counter to long-held American policies." On this more satisfactory showing of urgency, the administration is entitled to a certain discretion as it plans what to do.

It was never possible or desirable for the Senate to take a precious lawyerly approach to arms control and to pretend SALT could be judged and put into effect in a context excluding the foreign and defense policies of the Soviet Union. That is not to say SALT is a reward that should be withheld from the Kremlin to spank it for its policy in Cuba. The treaty, if it is ratified, will have to be safe in circumstances like those now prevailing; the people who put those troops in Cuba are the same ones we are making the treaty with. If SALT has any value, it should be to reduce the mutual costs and risks of the sort of superpower elbow-wrestling going on now. The question has only been sharpened by the revelations concerning the Soviet brigade.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. In connection with intelligence gathering as it applies to the current matter involving Cuba, I do not know how much utility there would be in resuming the photo reconnaissance flights over Cuba by the SR-71 aircraft. Regular flights by the SR-71 were canceled in January 1977. But I think this is a matter that should be considered by the administration. If there is some utility in renewing those flights, keeping in mind the other intelligence-gathering sources and methods that may or may not be available to us, I think that consideration should be given to resuming the flights. If there is utility in resuming them, I think they should be resumed.

I hope that, with the passage of a little time and with cool heads in the meanwhile, the Senate will be presented with full information on the Cuban situation and can then reach a clear and cool judgment with respect to what is actually going on in Cuba—whether or not the Soviet personnel have been there since 1971 or since 1962, for that matter, at which time, there were 20,000 Soviet personnel in Cuba.

I think it has been generally known that since 1962 there have been Soviet advisory personnel in Cuba. I would assume they have been there to advise and train the Cubans in the use of Soviet tanks and other Soviet equipment.

What I say is not to indicate a lack of concern on my part. But it may very well be that we will find that the Soviet personnel have been there all along.

In any event, I hope we will not overreach ourselves in our preliminary judgments and that we will wait until all the information is available as to how many Soviets are in Cuba, how long they have been there, and what their mission is.

Finally, let me repeat that we should not rush to judgment on the merits of the SALT treaty without carefully studying those merits; and that we not allow ourselves to make hasty judgments with respect to the treaty based on the Cuban situation, about which we have not yet been fully informed. I am certain that the Senate will be better informed as the committees continue their hearings and have an opportunity to get the facts.

I thank the distinguished Senator.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

The PRESIDING OFFICER (Mr. LEVIN). Under the previous order, the Senate will now resume consideration of the pending business, S. 1477, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1477) to provide for improvements in the structure and administration of the Federal courts, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Arizona (Mr. DECONCINI) and the Senator from South Carolina (Mr. THURMOND), with 30 minutes on any amendment, except an amendment by the Senator from Arkansas (Mr. BUMPERS) relative to administrative procedures on which there shall be 4 hours, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum momentarily without the time being charged to either side.

Mr. STEVENS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that suggestion.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Ken Feinberg, of Senator Kennedy's staff; Stephen Bayer, Tom Susman, and Robert Fiedler, of the staff of the Committee on the Judiciary, be accorded the privilege of the floor during debate on S. 1477 and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President. S. 1477, "The Federal Courts Improvement Act of 1979," is a comprehensive Federal judicial reform package designed to improve the structure and administration of our Federal courts system. It has been developed by the Senate Judiciary Committee in close cooperation with the Department of Justice.

S. 1477 is the cumulation of many decades of debate over the nature and structure of our Federal courts. This legislation enjoys the unanimous support of the Senate Judiciary Committee; I wish to thank in particular the distinguished chairman of the Subcommittee for Improvements in Judicial Machinery, Senator DECONCINI, and the ranking minority member of the subcommittee, Senator DOLE, for their cooperation and commitment toward this legislation. Both of them have been of enormous assistance in the development of this bill and they have my thanks and appreciation. The bill should be viewed as an important step in improving the quality of justice in our Federal courts by assuring that our judicial system will function more effectively and efficiently.

The bill consists of various provisions, each designed to deal with a different problem confronting the Federal courts. Some of the provisions have long been under discussion; others are new. Some are major reforms; others are of lesser significance. But quite apart from the merits of individual sections, S. 1477 serves the important purpose of focusing attention in the vital area of court reform.

What are the key features of S. 1477 as unanimously reported from the Senate Judiciary Committee:

The bill places limitations on the tenure of a chief judge of a Federal district court or court of appeals by providing for a maximum term of 7 years and mandates that no judge shall be designated a chief judge who reaches the age of 65. These provisions assure an adequate turnover in administrative responsibility while guaranteeing administrative continuity.

The bill requires that Federal appellate panels be composed of at least three judges, at least a majority of whom shall be judges of the circuit court, and that the presiding judge be a judge of that court in regular active service. The bill thus discourages any unnecessary borrowing of judges and promotes stability and predictability by requiring a majority of each panel to be composed of judges of the circuit court.

The bill changes the membership and structure of circuit judicial councils by requiring for the first time membership of district court judges. The bill also requires that the Judicial Conference of the United States develop procedures limiting the size of the councils and the method of selecting council members. The goal is to give the councils a more effective role in court administration and management within the various circuits.

The bill addresses the issues of judicial resignation and retirement and also creates for the first time a pension right for a Government employee who leaves judicial office to serve in other Government service.

The bill authorizes a Federal judge to be assigned temporarily to the position of administrative assistant to the Chief Justice, Director of the Administrative Office of the U.S. Courts, or Director of the Federal Judicial Center. This provision makes available to the judiciary the talents of administratively able judges and thereby strengthens the administration of the Federal judiciary.

The bill calls for the publication of court rules and requires each court of appeals to create an advisory committee to make recommendations to the judges in formulating rules of practice and of internal operating procedures. This would provide valuable assistance to the judges in developing sound rules and would provide practitioners with useful information and a better understanding concerning the court's business.

The bill facilitates the transfer of any case inadvertently commenced in the wrong Federal court to the proper court without loss of a litigant's rights. The goal is to eliminate unfairness in a situation where a litigant mistakenly files a complaint in the wrong court.

The bill provides modern new rules for the judicial award of equitable interest on claims and judgments. The bill provides that interest rates will no longer be left to inconsistent State law, but would be based on a uniform national rate. It also provides that where a defendant knew—or should have known—of his potential liability, interest may be awarded for the prejudgment period. These provisions encourage litigants to settle cases and avoid needless additional expense at the appellate level.

Finally, the bill would also create a new appellate court—the United States Court of Appeals for the Federal Circuit—with exclusive jurisdiction over all patent appeals. This court would be created by merging the existing Court of Claims and Court of Customs and Patent Appeals. The justification for consolidating these courts and giving the new court exclusive patent jurisdiction is to assure consistency in the interpretation of Federal patent law, while relieving the Federal courts of the time-consuming burden of deciding such cases. But this court of appeals for the Federal circuit has an additional virtue—it consolidates two existing courts which are not working at full potential, thus making valuable administrative changes in the existing Federal appellate system.

Mr. President, S. 1477, as reported by the Senate Judiciary Committee, also creates a new U.S. Court of Tax Appeals with exclusive appellate jurisdiction overall civil tax appeals. For more than 40 years the inadequacies of the present civil tax appellate system have been criticized and debated. Yet, until now, little has been done to deal with these inadequacies. S. 1477 would create a new appellate tribunal at the same level as the existing Federal Circuit Courts of Appeals which would be staffed by existing Federal circuit judges who would serve for 3 years on the new tax court before returning to their home circuits. The proposal has the strong support of the Federal Judiciary, the practicing tax bar, the Internal Revenue Service and Treasury Department and various tax experts including Dean Griswald. This proposal would guarantee that future tax law would be developed by "generalist" Federal judges, sitting throughout the Nation. The advantages of consistency and an end to forum-shopping would be assured. Title IV of S. 1477—creating this new court of tax appeals—has, however, been sequentially referred to the Senate Finance Committee as S. 1691 for a period not to exceed December 31, 1979. Accordingly, title IV should be struck from S. 1477 and will be considered separately when S. 1691 is reported by the Senate Finance Committee. I was very pleased to hear of Senator DOLE's support concerning the need for reform of the administration of our tax laws. And I look forward to working with him as we process S. 1691.

S. 1477 also contains a provision allowing immediate appeals of interlocutory orders in cases of "extraordinary importance." In such rare cases the court of appeals would decide—even in the absence of district court approval—whether or not to entertain such an appeal before the completion of the case. Various experts on Federal civil procedure, however, have joined with the Justice Department in asking that this provision be struck from S. 1477 in order to be considered in connection with new legislation dealing with the whole subject of interlocutory appeals. Accordingly, I have agreed to strike the section in the hope that the Senate Judiciary Committee, working with the Justice Department will promptly develop comprehensive legislation establishing new rules for the taking of intermediate or interlocutory appeals.

Mr. President, S. 1477 constitutes an important step in our effort to make the Federal courts function more effectively. As Woodrow Wilson said: "So far as the individual is concerned, a constitutional government is as good as its courts. No better, no worse." The goal of S. 1477 is to assure that in matters of administration, structure and governance, our Federal Courts meet this test.

Mr. DECONCINI. Mr. President, I am pleased today to bring to the floor, together with the distinguished chairman of the Committee on the Judiciary and the ranking member on the subcommittee, the Senator from Kansas, S. 1477, the "Federal Court Improvements Act of 1979." The predecessors of this bill were S. 677 and S. 678, both introduced on March 15, 1979. Those bills were referred to the Subcommittee on Improvements in Judicial Machinery which I am privileged to chair, and 6 days of hearings were held on the bills through May and June of this year. The result is S. 1477, a combination of what the subcommittee felt were the most meritorious provisions that had been presented. The bill was reported from the subcommittee in early July and received final approval from the full committee on July 31 of this year.

The "Federal Court Improvements Act" represents a tremendous step forward in assisting our Federal appellate forums perform their duties. New provisions governing the makeup of judicial councils, membership on circuit panels, tenure of chief judges and transfer of cases should be a boon to the system and are ideas that enjoy widespread support. The creation of the new Court of the Federal Circuit through combining the Court of Claims and Court of Customs and Patent Appeals will add significantly to the flexibility of the Federal court and will create for the first time a national forum where appeals from patent cases can be taken directly. This provision has the strong support of the Department of Justice, many noted legal scholars and the business community as a whole.

It is a reflection of high esteem which Congress has for the sitting judges of the Court of Claims and Court of Customs and Patent Appeals that these judges will become the first judges of the new Court of the Federal Circuit.

Finally, I want to praise and thank Senator Kennedy for his tremendous efforts in developing the initial ideas contained in the bill and for his continued support and assistance in processing the legislation. Many significant bills including the magistrate bill, the Supreme Court jurisdiction bill, and several bankruptcy reform bills have been processed by the Committee on the Judiciary this year and Senator KENNEDY was a strong supporter of all these efforts to aid the Federal court system.

As we know in this body, it takes a chairman who is determined that legislation will indeed move through a committee and will support the chairman of the subcommittees, and Senator Kennedy has certainly articulated his support and thrown his entire effort and staff to see that these legislative matters be brought before this body for full deliberation.

I thank former assistant attorney general Daniel Meador and Frank Cihler of his staff, Ken Feinberg of Senator KENNEDY's staff, and Romano Romani and Robert Feidler of the Subcommittee Staff for their efforts in assisting the committee to develop this legislation.

As we also know, Mr. President, without staff people, and particularly Ken Feinberg, Bob Feidler, and Romano Romani these things just do not happen. It takes a great amount of time to deal with the particular Senators and their interests as well as the professional groups and the special interests, businesses and attorneys groups that practice before the courts, and these staff people deserve a great deal of credit and commendation.

I ask unanimous consent that the committee amendments to S. 1477 be considered and agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments are as follows:

On page 5, line 18, strike "or" and insert "and after expiration of such term,";

On page 7, line 14, strike "or" and insert "and after expiration of such term,";

On page 9, line 13, after "court" insert "unless such judges cannot sit because recused or disqualified";

On page 12, line 4, strike "subpoenas" and insert "subpenas";

On page 12, line 5, strike "subpoenas and insert "subpenas";

On page 12, line 6, strike "Subpoenas" and insert "Subpenas";

On page 12, line 10, strike "subpoenas" and insert "subpenas";

On page 12, line 22, after "section" insert "and section 333 of this title";

On page 13, beginning with line 18, insert the following:

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

On page 15, line 10, strike "territorial";

On page 15, line 10, after "Congress" insert "in a territory";

On page 19, line 23, after the period, insert "Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.;

On page 22, beginning with line 4, strike through and including line 12, and insert in lieu thereof the following:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award of such prejudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

On page 23, line 6, strike "awarded."." and insert "awarded.";

On page 23, beginning with line 7, insert the following:

"(c)(1) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Comissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States as provided in subsections (a) and (b).".

On page 24, beginning with line 3, strike through and including line 6, and insert in lieu thereof the following:

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

On page 25, line 5, strike "to read as follows" and insert "by striking the first two sentences and inserting in lieu thereof the following";

On page 25, line 11, strike "(as amended by paragraph 1)";

On page 25, line 14, strike "(as amended by paragraphs 1 and 2)";

On page 30, line 17, beginning with "the date" strike through and including page 31, the word "seventy" in line 2, and insert "September 30, 1985";

On page 31, beginning with line 3, insert the following:

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by section 311 of this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172(b), the salary of such judge shall be equal to the salary of the Commissioner of the Court of Claims.

On page 32, line 6, strike "by striking out the subsection designation "(b)" and";

On page 38, line 3, strike "Courts" and insert "Court";

On page 40, line 14, strike "in regular active service within" and insert "authorized for such circuit in section 44 of this title";

On page 40, line 19, strike "each court of appeals" and insert "the Court of Appeals for the Federal Circuit";

On page 41, line 3, strike "any circuit" and insert "the Court of Appeals for the Federal Circuit";

On page 43, line 8, after the comma, insert "in such numbers as the Judicial Conference of the United States may approve";

On page 49, line 10, after "title" insert "or under section 1346(b) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue";

On page 50, line 22, strike "and";

On page 50, line 25, strike "5."." and insert "5; and";

On page 51, beginning with line 1, insert the following:

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which such head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days of the receipt of a copy of the final appeal decision.

"The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The Court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter pursuant to the authority specified in section 1491 of this title.".

On page 53, line 1, after "liquidated" insert "or unliquidated";

On page 55, line 9, beginning with "by" strike through and including the quotation mark in line 13, and insert "to read as follows:";

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, except an Act of Congress or a regulation of an executive department providing for internal revenue, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including, but not limited to, injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing in this section shall be construed to give the United States Claims Court jurisdiction in actions against, or founded on conduct of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

On page 59, beginning with line 17, strike through and including line 20;

On page 59, line 22, strike "346" and insert "345";

On page 62, beginning with line 22, strike through and including page 63, line 2, and insert in lieu thereof the following:

(1)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

"§ 2510. Referral of cases by Comptroller General

"The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such court and shall render judgment thereon.".

(2) The item relating to section 2510 in the table of sections for chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by the Comptroller General.".

On page 63, beginning with line 20, strike through and including page 64, line 12;

On page 64, line 13, strike "(l)" and insert "(k)";

On page 64, line 20, strike "(m)" and insert "(l)";

On page 65, line 4, strike "(n)" and insert "(m)";

On page 65, line 7, strike "(o)" and insert "(n)";

On page 65, line 14, strike "(p)" and insert "(o)";

On page 67, line 16, strike "chief judge of each circuit" and insert "Chief Justice";

On page 67, line 17, strike "that circuit court" and insert "each court of appeals";

On page 67, line 18, strike "Such designation shall be approved by the circuit council of the circuit.";

On page 67, line 20, strike "chief judge of the circuit" and insert "Chief Justice";

On page 67, line 23, strike "Such designation shall be approved by the circuit council";

On page 68, line 2, strike "two years" and insert "one year";

On page 68, line 3, strike "four" and insert "two";

On page 68, line 4, strike "six" and insert "three";

On page 68, line 6, strike "chief justice of the circuit which is no longer represented on the Court of Tax Appeals" and insert "Chief Justice";

On page 68, line 8, strike "circuit";

On page 68, line 9, after "court" insert "of appeals no longer represented on the Court of Tax Appeals";

On page 68, line 11, strike "Such designation shall be approved by the circuit council of that circuit.";

On page 69, line 16, strike "new sentence";

On page 69, line 17, strike "first" and insert "second";

On page 70, line 10, strike "subsection" and insert "subsections";

On page 70, line 11, strike "(c)" and insert "court.";

On page 70, line 15, strike "court."." and insert "court.";

On page 70, beginning with line 16, insert the following:

"(g) On or about January 1, 1985, the Director of the Administrative Office of the United States Courts shall report to the President and the Committees on the Judiciary of the Senate and House of Representatives concerning the implementation and effectiveness of the United States Court of Tax Appeals. Such report shall include—

(1) a description of the progress made in accomplishing the objectives of this title; and

(2) the extent to which litigants in each Federal circuit have had their cases resolved promptly and efficiently within their own circuits.".

On page 78, line 24, strike "", the Court of Claims,"" and insert ""the Court of Claims each place that it appears";

On page 78, line 25, strike "striking out", chief judge of the Court of Claims,"." and insert "inserting in lieu thereof "the United States Claims Court".";

On page 80, line 10, strike "Section (8)(g)(1)" and insert "Sections 10(a)(1) and (d)";

On page 83, beginning with line 11, insert the following:

SEC. 515. Section 8(g)(1) of the Contract Disputes Act of 1978 is amended—

(1) in subpargraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subpargraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Federal Courts Improvement Act of 1979".

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TITLE I—GOVERNANCE AND ADMINISTRATION OF THE FEDERAL COURTS

PART A—CHIEF JUDGE TENURE

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE COURTS OF APPEALS

Sec. 101. (a) Section 45(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) The chief judge of the circuit shall be the circuit judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as circuit judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no circuit judge meets the qualifications of paragraph (1), the youngest circuit judge in regular active service who is sixty-five years of age or over and who has served as circuit judge for one year shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no circuit judge in regular active service who has served as a circuit judge for more than one year, the circuit judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the circuit appointed under paragraph (1) shall serve for a term of seven years *and after expiration of such term,* until another judge is eligible under paragraph (1) to serve as chief judge of the circuit.

"(B) Except as provided in subparagraph (C), a circuit judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No circuit judge may serve or act as chief judge of the circuit after attaining the age of seventy years unless no other circuit judge is qualified to serve as chief judge of the circuit under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 45(c) of title 28, United States Code, is amended to read as follows:

"(c) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as circuit judge, he may so certify to the Chief Justice of the United States, and thereafter the chief judge of the circuit shall be such other circuit judge who is qualified to serve or act as chief judge under subsection (a).".

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE DISTRICT COURTS

SEC. 102. (a) Section 136(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) In any district having more than one district judge, the chief judge of the district shall be the district judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as district judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no district judge meets the qualifications of paragraph (1), the youngest district judge in regular active service who is sixty-five years of age or over and who has served as district judge for one year shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no district judge in regular active service who has served as a district judge for more than one year, the district judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the district appointed under paragraph (1) shall serve for a term of seven years and after expiration of such term, until another judge is eligible under paragraph (1) to serve as chief judge of the district.

"(B) Except as provided in subparagraph (C), a district judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No district judge may serve or act as chief judge of the district after attaining the age of seventy years unless no other district judge is qualified to serve as chief judge of the district under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 136(d) of title 28, United States Code, is amended to read as follows:

"(d) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as district judge, he may so certify to the Chief Justice of the United States, and thereafter, the chief judge of the district shall be such other district judge who is qualified to serve or act as chief judge under subsection (a).".

EFFECTIVE DATE; APPLICABILITY

SEC. 103. (a) The amendments to section 45 of title 28, United States Code, and to section 136 of such title, made by sections 101 and 102 of this part, shall take effect one year from the date of enactment of this Act and shall not apply to or affect any person serving as chief judge on that effective date.

(b) The provisions of section 45(a) of title 28, United States Code, in effect on the day before the effective date of this part shall apply to the chief judge of a circuit serving on the effective date. The provisions of section 136(a) of title 28, United States Code, in effect on the day before the effective date of this part shall apply to the chief judge of a district court serving on the effective date.

PART B—PRECEDENCE AND COMPOSITION OF PANEL

PRECEDENCE ON PANEL

SEC. 111. Section 45(b) of title 28, United States Code, is amended by inserting "of the court in regular active service" immediately after "circuit judges" in the second sentence.

COMPOSITION OF PANEL; REQUIREMENTS AND SIZE

SEC. 112. (a) Section 46(b) of title 28, United States Code, is amended (1) by inserting "at least" before "three judges" in the first sentence; and (2) by striking the period at the end of the first sentence and inserting at the end thereof a comma and the following: "at least a majority of whom shall be judges of that court unless such judges cannot sit because recused or disqualified.".

(b) Section 46(c) of title 28, United States Code, is amended by striking out "not more than" in the first sentence and inserting in lieu thereof "at least".

PART C—JUDICIAL COUNCILS

SEC. 121. (a) Section 332 of title 28, United States Code, is amended by striking out subsections (a) through (d) and inserting in lieu thereof the following:

"(a) The chief judge of each court of appeals of a judicial circuit shall call, at least twice in each year, and at such places as he may designate, a meeting of the judicial council of the circuit, consisting of:

"(1) the chief judge of the court of appeals for the circuit, who shall preside; plus

"(2) that number of court of appeals judges of the circuit fixed by majority vote of all such judges in regular active service; plus

"(3) that number of district court judges of the circuit fixed by majority vote of all court of appeals judges of the circuit in regular active service: *Provided,* That—

"(A) if the number of court of appeals judges fixed in accordance with paragraph (2) of this subsection is less than six, the number of district court judges fixed in accordance with this paragraph shall be no less than two; and

"(B) if the number of court of appeals judges fixed in accordance with paragraph (2) of this subsection is six or more, the number of district court judges fixed in accordance with this paragraph shall be no less than three.

"Members of the council shall serve for terms established by a majority vote of all judges of the circuit in regular active status.

"The number of court of appeals and district court judges fixed in accordance with paragraphs (2) and (3) of this subsection shall be set by order of the court of appeals for the circuit no less than six months prior to a scheduled meeting of the council so constituted.

"Only court of appeals and district court judges in regular active service shall serve as members of the council.

"No more than one district court judge from any one district shall serve simultaneously on the council, unless at least one district court judge from each district within the judicial circuit is already serving as a member of the council.

"In the event of the death, resignation, retirement or disability of a member of the council, a replacement member shall be designated to serve the remainder of the unexpired term by the chief judge of the court of appeals of the circuit.

"Each member of the council shall attend each council meeting unless excused by the chief judge of the court of appeals of the circuit.

"(b) The council shall be known as the Judicial Council of the circuit.

"(c) The chief judge of the court of appeals of the circuit shall submit to the council the semiannual reports of the Director of the Administrative Office of the United States Courts, and the council may take such action on matters contained therein of concern to the courts of the circuit as may be necessary.

"(d) Each judicial council shall make all necessary and appropriate orders for the effective and expeditious administration of justice within its circuit. Unless an impediment to justice is involved, regular business of the courts need not be referred to the council. Each council is authorized to hold hearings, to take sworn testimony, and to issue subpenas and subpenas duces tecum therefore. Subpenas shall be issued by the clerk of the court of appeals, at the direction of the chief judge of the court of appeals or his designee, under the seal of the court, and served in the manner provided in rule 45(c) of the Federal Rules of Civil Procedure for subpenas issued on behalf of the United States or an office or agency thereof.

"All judicial officers and employees of the circuit shall promptly carry into effect all orders of the judicial council."

(b) Section 332 of the United States Code is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding subsection (a), the judicial council of the Federal Judicial Circuit shall consist of all judges of the court of appeals for the Federal Judicial Circuit in regular active service and the chief judges of the United States Customs Court and the United States Claims Court. Subsections (e) and (f) shall not apply to the Court of Appeals for the Federal Circuit. This section and section 333 of this title shall not apply to the United States Court of Tax Appeals.".

(c) The section heading for section 332 of title 28, United States Code, is amended to read as follows:

"§ 332. Judicial councils of circuits".

(d) The item relating to section 332 in the table of sections for chapter 15 of title 28, United States Code, is amended to read as follows:

"332. Judicial councils of circuits.".

SEC. 122. TECHNICAL AND CONFORMING AMENDMENTS.—

(a) Section 3006A(h)(2)(A) of title 18, United States Code is amended—

(i) by striking "judicial council" wherever it appears and inserting in lieu thereof "court of appeals" in each instance; and

(ii) by striking "Judicial Council of the circuit" and inserting in lieu thereof "court of appeals of the circuit".

(b) Section 3006A(i) of title 18, United States Code, is amended by striking "judicial council" and inserting in lieu thereof "court of appeals".

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

PART D—RETIREMENT AND PENSIONS

JUDICIAL RESIGNATION AND RETIREMENT

SEC. 131. (a) Section 371 of title 28, United States Code, is amended to read as follows:

"§ 371. Resignation or retirement for age

"(a) Any justice or judge of the United States appointed to hold office during good behavior who resigns after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section shall, during the remainder of his lifetime, receive an annuity equal to the salary which he was receiving when he resigned.

"(b) Any justice or judge of the United States appointed to hold office during good behavior may retain his office but retire from regular active service after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section. He shall, during the remainder of his lifetime, continue to receive the salary of the office. The President shall appoint, by and with the advice and consent of the Senate, a successor to a justice or judge who retires.

"(c) The age and service requirements for resignation or retirement of a justice or judge of the United States under this section are as follows:

"Attained age:	Years service
65	15
70	10."

(b) The amendments made by subsection (a) shall apply with respect to any justice or judge of the United States who retires on or after the date of enactment of this Act.

PENSIONS OF JUDGES WHO RESIGN TO ACCEPT EXECUTIVE POSITIONS

SEC. 132. (a) Section 8332(b) of title 5, United States Code, is amended by striking the word "and" at the end of paragraph 8, by striking the period at the end of paragraph 9 and inserting in lieu thereof "; and", and by inserting the following new paragraph at the end of the subsection:

"(10) service as a justice or judge of the United States as defined by section 451 of title 28 and service as a judge of a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, but no credit shall be allowed for such service if the employee is entitled to a salary or an annuity under section 371, 372, or 373 of title 28."

(b) Section 8334 of title 5, United States Code, is amended by inserting the following new subsection at the end of the section:

"(i)(1) The Director of the Administrative Office of the United States Courts shall pay to the Fund the amount which an employee may deposit under subsection (c) of this section for service creditable under section 8332(b)(10) of this title if such creditable service immediately precedes service as an employee subject to this subchapter with a break in service of no more than ninety working days. The Director shall pay such amount from any appropriation available to him as a necessary expense of the appropriation concerned.

"(2) The amount the Director pays in accordance with paragraph (1) of this subsection shall be reduced by the amount of any refund to the employee under section 376 of title 28. Except to the extent of such reduction, the amount the Director pays to the Fund shall satisfy the deposit requirement of subsection (c) of this section.

"(3) Notwithstanding any other law, the amount the Director pays under this subsection shall constitute an employer contribution to the Fund, excludable under section 402 of the Internal Revenue Code of 1954, as amended, from the employee's gross income until such time as the contribution is distributed or made available to the employee, and shall not be subject to refund or to lump-sum payment to the employee."

PART E—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES

ASSIGNMENT TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

SEC. 141. (a) Title 28, United States Code, is amended by inserting the following new chapter after chapter 13:

"CHAPTER 14—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

"Sec.
"301. Temporary assignment.
"302. Appointment of successor.
"303. Official duty station.
"304. Return to active service; seniority and precedence.

"§ 301. Temporary assignment

"Any retired justice of the United States, or any judge of the United States in active, senior, or retired status may be temporarily assigned to the position of Administrative Assistant to the Chief Justice, Director of the Administrative Office of the United States Courts, or Director of the Federal Judicial Center. Such service shall be without additional compensation.

"§ 302. Appointment of successor

"Upon the appointment of any judge in active status pursuant to section 301 of this title, the President shall, by and with the advice and consent of the Senate, appoint a successor to fill the vacancy resulting from the temporary assignment. Whenever such a successor is appointed, any vacancy created by the death, resignation, or retirement of the judge who is temporarily assigned pursuant to section 301 shall not be filled. If the judge temporarily assigned resumes active service pursuant to section 304(a)(1) of this title, the first vacancy created on that court shall not be filled.

"§ 303. Official duty station

"Notwithstanding the provisions of sections 374 and 456 of this title, the official duty station of the Administrative Assistant to the Chief Justice, the Director of the Administrative Office of the United States Courts, and the Director of the Federal Judicial Center is the District of Columbia.

"§ 304. Return to active service; seniority and precedence

"(a) Any judge who was in active service at the time of his temporary assignment made pursuant to section 301 of this title may—

"(1) resume such active service upon vacating his office; or

"(2) assume active service as a judge in the circuit of the District of Columbia.

"(b) For the purposes of seniority and precedence, a judge who resumes active service under paragraph (1) of subsection (a) shall be considered to have been in continuous active service as a judge of that court.".

(b) The table of chapters for part I of title 28, United States Code, is amended by inserting the following new item immediately after the item relating to chapter 13:

"14. Temporary Assignment of Justices and Judges to Other Offices within the Judicial Branch .... 301".

PART F—RULES OF PRACTICE

PUBLICATION OF RULES

SEC. 151. (a) Chapter 131 of title 28 of the United States Code is amended by adding the following section:

"§ 2077. Publication of rules; advisory committees

"(a) The rules for the conduct of the business of each court of appeals, including the operating procedures of such court, shall be published. In accordance with the request of each court of appeals, the Director of the Administrative Office of the United States Courts, subject to the supervision and direction of the Judicial Conference of the United States, shall print or cause to be printed necessary copies of the rules. The Judicial Conference shall prescribe the fees for sales of copies under section 1913 of this title, but the Judicial Conference may provide for free distribution of copies to members of the bar of each court and to other interested persons.

"(b) Each court of appeals shall appoint an advisory committee for the study of the rules of practice and internal operating procedures of the court of appeals. The advisory committee shall serve as a means for the making of recommendations to the court concerning such rules and procedures. Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.".

(b) The table of sections for such chapter is amended by adding at the end thereof the following new item:

"2077. Publication of rules; advisory committees.".

TITLE II—JURISDICTION AND PROCEDURE

PART A—INTERLOCUTORY APPEALS

COURT OF APPEALS CERTIFICATIONS

SEC. 201. Section 1292(b) of title 28, United States Code, is amended by deleting ": *Provided, however,* That application" and inserting in lieu thereof a period and the following: "The court of appeals may permit an appeal from a decision of a district court, not otherwise appealable under this section, after a refusal by a district court judge to make such a statement in writing, if the court of appeals determines in its discretion that an appeal is required in the interests of justice and because of the extraordinary importance of the case. Application".

PART B—TRANSFER OF CASES

TRANSFER TO CURE WANT OF JURISDICTION

SEC. 211. (a) Title 28, United States Code, is amended by adding the following new chapter after chapter 97:

"CHAPTER 99.—GENERAL PROVISIONS

"Sec.

"1631. Transfer to cure want of jurisdiction.

"§ 1631. Transfer to cure want of jurisdiction

"Whenever a civil action is filed in a court of the United States, the United States Claims Court, a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, or a United States bankruptcy court, and that court finds that there is a want of jurisdiction, the court shall, if it is in the interests of justice, transfer such action to any other such court in which the action could have been brought at the time such action was filed, and the action shall proceed as if it had been filed in the transferee court on the date upon which it was actually filed in the transferor court.".

(b) The table of chapters for title 28, United States Code, and for Part IV of such title, are each amended by adding at the end thereof the following:

"99. General Provisions_____________ 1631".

PART C—INTEREST

INTEREST ON JUDGEMENTS AND PREJUDGEMENT INTEREST

SEC. 221. (a) Section 1961 of title 28, United States Code, is amended—

(1) by striking out "at the rate allowed by State law" in the last sentence and inserting in lieu thereof the following: "at the rate established pursuant to section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) as of that date. The Director of the Administrative Office of the United States Courts shall distribute notice of that rate and any changes in it to all Federal judges."; and

(2) by inserting "(a)" at the beginning of the section and by adding the following new subsection at the end:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award of such prejudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

"(2) Interests under paragraph (1) shall not be awarded on losses which will not be incurred until after judgment, nor shall such interest be awarded where such an award would be duplicative of some other sum awarded.

"(c)(1) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States as provided in subsections (a) and (b).".

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

TITLE III—APPELLATE STRUCTURE FOR PATENT, TRADEMARK, CUSTOMS, AND TRADE APPEALS

PART A—COURT OF APPEALS FOR THE FEDERAL CIRCUIT

COMPOSITION AND PLACEMENT OF CIRCUIT

SEC. 301. (a) Section 41 of title 28, United States Code, is amended by striking "eleven" from the first sentence and by adding at the end of the section the following:

"Federal______All Federal judicial districts".

(b)(1) Section 44(a) of title 28, United States Code, is amended by adding at the end of the subsection the following:

"Federal __________________________ 12."

(2) Section 44(c) of title 28, United States Code, is amended by adding the following sentence at the end thereof: "While in active service, each circuit judge of the Federal judicial circuit shall reside within fifty miles of the District of Columbia.".

(c)(1) The first paragraph of section 48 of title 28, United States Code, is amended by striking the first two sentences and inserting in lieu thereof the following:

"(a) The courts of appeals shall hold regular sessions at the places listed below, and at such other places within the respective circuit as each court may designate by rule:".

(2) Section 48(a) of title 28, United States Code, is amended further by inserting at the end of the table of circuits and places the following:

"Federal_____________District of Columbia."

(3) Section 48(a) of title 28, United States Code, is amended further by striking the final paragraph and inserting in lieu thereof the following:

"(b) Each court of appeals may hold special sessions at any place within its circuit as the nature of the business may require, and upon such notice as the court orders. The court may transact any business at a special session which it might transact at a regular session.

"(c) Any court of appeals may pretermit, with the consent of the Judicial Conference of the United States, any regular session of court at any place for insufficient business or other good cause.".

ASSIGNMENT AND APPOINTMENT OF JUDGES

SEC. 302. (a) Notwithstanding the provisions of section 44 of title 28, United States Code, the judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals shall, on the effective date of this Act, be assigned to the United States Court of Appeals for the Federal Circuit. Thereafter, a vacancy on the court shall be filled in accordance with the provisions of section 44 of title 28, United States Code.

(b) Notwithstanding the provisions of section 45(a) and (b) of title 28, United States Code, as amended by sections 101 and 111 of this Act, the first chief judge of the United States Court of Claims or the chief judge of the United States Court of Customs and Patent Appeals who has served longer as chief judge of his court. When the person who first serves as chief judge of the United States Court of Appeals for the Federal Circuit vacates that position, the position shall be filled in accordance with the provisions of section 45 of title 28, United States Code.

(c) Section 46(a) of title 28, United States Code, is amended by striking out "divisions" and inserting in lieu thereof "panels".

(d) Section 46(b) of title 28, United States Code, is amended by striking out "divisions" each place it appears and inserting in lieu thereof "panels".

(e) Section 46(d) of title 28, United States Code, is amended by striking out "division" and inserting in lieu thereof "panel".

PART B—ESTABLISHING OF UNITED STATES CLAIMS COURT

ORGANIZATION OF COURT

SEC. 311. (a) Chapter 7 of title 28, United States Code, is amended to read as follows:

"CHAPTER 7—UNITED STATES CLAIMS COURT

"Sec.
"171. Appointment of number of judges; character of court; designation of chief judge.
"172. Tenure and salaries of judges.
"173. Times and places of holding court.
"174. Assignment of judges; decisions.
"175. Official duty station; residence.
"176. Removal from office.
"177. Disbarment of removed judges.

"§ 171. Appointment and number of judges; character of court; designation of chief judge

"(a) The President shall appoint, by and with the advice and consent of the Senate, sixteen judges who shall constitute a court of record known as the United States Claims Court. The court is declared to be a court established under article I of the Constitution of the United States.

"(b) The Claims Court shall be at least biennially designate a judge to act as chief judge.

"§ 172. Tenure and salaries of judges

"(a) Each judge of the United States Claims Court shall be appointed for a term of fifteen years.

"(b) Each judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.

"§ 173. Times and places of holding court

"The United States Claims Court shall hold regular sessions in the District of Columbia, but the Claims Court may hold special sessions at such times and in such places as it may fix by rule of court. The times and places of the sessions of the Claims Court shall be prescribed with a view to securing reasonable opportunity to citizens to appear before the Claims Court with as little inconvenience and expense to citizens as is practicable.

"§ 174. Assignment of judges; decisions

"(a) The judicial power of the United States Claims Court with respect to any action, suit, or proceeding, except congressional reference cases, shall be exercised by a single judge, who may preside alone and hold a regular or special session of court at the same time other sessions are held by other judges.

"(b) All decisions of the Claims Court shall be preserved and open to inspection.

"§ 175. Official duty station; residence

"(a) The official duty station of each judge of the United States Claims Court is the District of Columbia.

"(b) After appointment and while in active service, each judge shall reside within fifty miles of the District of Columbia.

"§ 176. Removal from office

"Removal of a judge of the United States Claims Court during the term for which he is appointed shall be only for incompetency, misconduct, neglect of duty, engaging in the practice of law, or physical or mental disability. Removal shall be by the judicial council of the Federal judicial circuit, but removal may not occur unless a majority of all the judges of such circuit council concur in the order of removal. Before any order of removal may be entered, a full specification of the charges shall be furnished to the judge, and he shall be accorded an opportunity to be heard on the charges. Any cause for removal of any judge coming to the knowledge of the Director of the Administrative Office of the United States Courts shall be reported by him to the chief judge of the circuit, and a copy of the report shall at the same time be transmitted to the circuit council and to the judge.

"§ 177. Disbarment of removed judges

"A judge of the United States Claims Court removed from office in accordance with section 176 of this title shall not be permitted at any time to practice before the Claims Court.".

(b) The item relating to chapter 7 in the analysis of part I of title 28, United States Code, is amended to read as follows:

"7. United States Claims Court______ 171.".

COURT OF CLAIMS COMMISSIONERS

SEC. 312. (a) Notwithstanding the provisions of section 171(a) of title 28, United States Code, as amended by section 311 of this Act, a commissioner of the United States Court of Claims serving immediately prior to the effective date of this Act shall become a judge of the United States Claims Court on the effective date of this Act.

(b) Notwithstanding the provisions of section 172(a) of title 28, United States Code, as amended by section 311 of this Act, the initial term of office of a person who becomes a judge of the United States Claims Court under subsection (a) of this section shall expire on September 30, 1985.

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by section 311 of this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172 (b), the salary of such judge shall be equal to the salary of the Commissioner of the Court of Claims.

ABOLISHMENT OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 313. Chapter 9 of title 28, United States Code, and the item relating to chapter 9 in the chapter analysis of part I of such title, are repealed.

INTERLOCUTORY APPEALS FROM CERTAIN ORDERS

SEC. 314. (a) Section 256(b) of title 28, United States Code, is amended by striking out "section 1541(b)" and all that follows through "in that section." and inserting in lieu thereof the following: "section 1292 (c)(3) of this title, and the United States Court of Appeals for the Federal Circuit may, in its discretion, consider the appeal.".

(b) Section 291 of title 28, United States Code, is amended by repealing subsection (b).

(c) Section 292(e) of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals or" and by striking out "in which the need arises".

(d) Section 293 of title 28, United States Code, is amended by repeated subsections (a), (c), and (d).

(e) Section 331 of title 28, United States Code, is amended—

(1) in the first paragraph, by striking out ", the Chief Judge of the Court of Claims, the Chief Judge of the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph by striking out the second sentence.

(f) Section 372 of title 28, United States Code, is amended—

(1) in the third paragraph of subsection (a), by striking out "Court of Claims, Court of Customs and Patent Appeals, or";

(2) in the fifth paragraph of subsection (a), by striking out "Court of Claims, Court of Customs and Patent Appeals, or"; and

(3) in subsection (b), by striking out "Court of Claims, Court of Customs and Patent Appeals," each time it appears.

(g) Section 415 of title 28, United States Code, and the item relating to section 415 in the section analysis of chapter 19 of such title, are repealed.

(h) Section 451 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals," in the first paragraph and "Court of Claims, Court of Customs and Patent Appeals;" in the third paragraph.

(i) Section 456 of title 28, United States Code, is amended to read as follows:

"§ 456. Traveling expenses of justices and judges; official duty stations

"(a) The Director of the Administrative Office of the United States Courts shall pay each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official duty station, upon his certificate all necessary transportation expenses and also a per diem allowance for travel at the rate which the Director establishes not to exceed the maximum per diem allowance fixed by section 5702(a) of title 5, United States Code, or in accordance with regulations which the Director shall prescribe with the approval of the Judicial Conference of the United States, reimbursement for his actual and necessary expenses of subsistence not in excess of the maximum amount fixed by section 5702 of title 5, United States Code.

"(b) The official duty station of the Chief Justice of the United States, the Justices of the Supreme Court of the United States and the judges of the United States Court of Appeals for the District of Columbia Circuit, the United States Court of Appeals for the Federal Circuit, and the United States District Court for the District of Columbia shall be the District of Columbia.

"(c) The official duty station of the judges of the United States Customs Court shall be New York City.

"(d) The official duty station of each district judge shall be that place where a district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(e) The official duty station of a circuit judge shall be that place where a circuit or district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, or that place where the Director provides chambers to the judge where he performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(f) The official duty station of a retired judge shall be established in accordance with section 374 of this title.

"(g) Each circuit or district judge whose official duty station is not fixed expressly by this section shall notify the Director of the Administrative Office of the United States Courts in writing of his actual abode and official duty station upon his appointment and from time to time thereafter as his official duty station may change."

(j)(1) Section 460 of title 28, United States Code, is amended to read as follows:

"§ 460. Application to other courts

"(a) Sections 452 through 459 and section 462 of this chapter shall also apply to the United States Claims Court, to each court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, and to the judges thereof.

"(b) The official duty station of each judge referred to in subsection (a) which is not otherwise established by law shall be that place where the court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives."

(2) The entry in the table of sections at the beginning of chapter 21 of title 28, United States Code, for section 460 is amended to read as follows:

"460. Application to other courts."

(k) (1) Chapter 21 of title 28, United States Code, is amended by adding the following at the end thereof:

"§ 462. Court accommodations

"(a) Sessions of courts of the United States (except the Supreme Court) shall be held only at places where the Director of the Administrative Office of the United States Courts provides accommodations, or where suitable accommodations are furnished without cost to the judicial branch.

"(b) The Director of the Administrative Office of the United States Courts shall provide accommodations, including chambers and courtrooms, only at places where regular sessions of court are authorized by law to be held, but only if the judicial council of the appropriate circuit has approved the accommodations as necessary.

"(c) The limitations and restrictions contained in subsection (b) of this section shall not prevent the Director from furnishing chambers to circuit judges at places where Federal facilities are available when the judicial council of the circuit approves.

"(d) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Appeals for the Federal Circuit and for the United States Claims Court only at the District of Columbia. However, each such court may hold regular and special sessions at other places utilizing the accommodations which the Director provides to other courts.

"(e) The Director of the Administrative Office of the United States Courts shall provide accommodations for probation officers, pretrial service officers, and Federal Public Defender Organizations at such places as may be approved by the judicial council of the appropriate circuit.

"(f) Upon the request of the Director, the Administrator of General Services is authorized and instructed to provide the accommodations the Director requests.".

(k) (2) The table of sections at the beginning of chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following:

"462. Court accommodations."

(k) (3) Section 142 of title 28, United States Code, and the item relating to section 142 in the section analysis of chapter 5 of title 28, United States Code, are repealed.

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO THE DEPARTMENT OF JUSTICE

SEC. 315. (a) Section 518(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit."

(b) (1) Section 520 of title 28, United States Code, is amended—

(A) in subsection (a) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit"; and

(B) by striking out "Court of Claims" in the section heading and inserting in lieu thereof "United States Claims Court or in United States Court of Appeals for the Federal Circuit".

(2) The item relating to section 520 in the section analysis of chapter 31 of title 28, United States Code, is amended to read as follows:

"520. Transmission of petitions in United States Claims Court or in United States Court of Appeals for the Federal Circuit; statement furnished by departments.".

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO COURT OFFICERS AND EMPLOYEES

SEC. 316. (a) Section 610 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals," and inserting in lieu thereof "the United States Claims Court".

(b) (1) Section 713 of title 28, United States Code, is amended to read as follows:

"§ 713. Librarians

"(a) Each court of appeals may appoint a librarian who shall be subject to removal by the court.

"(b) The librarian, with the approval of the court, may appoint necessary library assistants in such numbers as the Director of the Administrative Office of the United States Courts may approve. The librarian may remove such library assistants with the approval of the court.".

(2) The item in the table of sections for chapter 47 for section 713 is amended to read as follows:

"713. Librarians."

(c) (1) Chapter 47 of title 28 is amended by adding at the end thereof the following new sections:

"§ 714. Criers, messengers, and bailiffs

"(a) Each court of appeals may appoint a crier who shall be subject to removal by the court.

"(b) The crier, with the approval of the court, may appoint necessary messengers in such number as the Director of the Administrative Office of the United States Courts may approve. The crier may remove such messengers with the approval of the court. The crier shall also perform the duties of bailiff and messenger.

"(c) The United States Marshal of the district in which a court of appeals is sitting or in which a circuit judge is present in chambers, may, with the approval of the court or judge, employ necessary bailiffs in such number as the Director of the Administrative Office of the United States Courts may approve. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court, judge, or marshal may direct. They shall receive the same compensation as bailiffs employed for the district courts.

"§ 715. Staff attorneys and technical assistants

"(a) The chief judge of each court of appeals, with the approval of the court, may appoint a senior staff attorney, who shall be subject to removal by the chief judge with the approval of the court.

"(b) The senior staff attorney, with the approval of the court, may appoint necessary staff attorneys and secretarial and clerical employees in such numbers as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of staff attorneys in any circuit exceed the number of circuit judges authorized for such circuit in section 44 of this title. The senior staff attorney may remove such staff attorneys and secretarial and clerical employees with the approval of the court.

"(c) The chief judge of the Court of Appeals for the Federal Circuit with the approval of the court, may appoint a senior technical assistant who shall be subject to removal by the chief judge with the approval of the court.

"(d) The senior technical assistant, with the approval of the court, may appoint necessary technical assistants in such number as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of technical assistants in the Court of Appeals for the Federal Circuit exceed the number of circuit judges in regular active serivce within such circuit. The senior technical assistant may remove such technical assistants with the approval of the court.".

(c) (2) The table of sections for such chapter is amended by adding at the end thereof the following new items:

"714. Criers, messengers, and bailiffs.

"715. Staff attorneys and technical assistants.".

RETIREMENT SYSTEM OF JUDGES OF UNITED STATES CLAIMS COURT

SEC. 317. (a) Section 8339(o) of title 5, United States Code, is amended—

(1) by inserting "(1)" before "The annuity"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The annuity of a judge of the United States Claims Court retiring under this subchapter is computed under subsection (a) of this section, except that his annuity is computed with respect to his service as a judge of the United States Claims Court, and his military service not exceeding five years, by multiplying 2½ per centum of his average pay by the years of that service.".

(b) Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (21);

(2) by striking out the period at the end of paragraph (22) and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(23) 'judge of the United States Claims Court' means an individual appointed as a judge of the United States Claims Court under section 171 of title 28.".

PART C—COURT OFFICERS AND EMPLOYEES OF THE UNITED STATES CLAIMS COURT

APPOINTMENT, REMOVAL, AND CONTRACT AUTHORITY

SEC. 321. (a) Section 791(a) of title 28, United States Code, is amended to read as follows:

"(a) The United States Claims Court may appoint a clerk, who shall be subject to removal by the court. The clerk, with the approval of the court, may appoint necessary deputies and employees in such numbers as may be approved by the Director of the Administrative Office of the United States Courts. Such deputies and employees shall be subject to removal by the clerk with the approval of the court.".

(b) Section 792 of title 28, United States Code, and the item relating to section 792 in the section analysis of chapter 51 of such title, are repealed.

(c) (1) Section 794 of title 28, United States Code, is amended to read as follows:

"§ 794. Law clerks and secretaries

"The judges of the United States Claims Court may appoint necessary law clerks and secretaries, in such numbers as the Judicial Conference of the United States may approve subject to any limitation of the aggregate salaries of such employees which may be imposed by law.".

(2) The item relating to section 794 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"794. Law clerks and secretaries.".

(d) (1) Section 795 of title 28, United States Code, is amended to read as follows:

"§ 795. Bailiffs and messengers

"The chief judge of United States Claims Court may appoint, with the approval of the court, necessary bailiffs and messengers, in such numbers as the Director of the Administrative Office of the United States Courts may approve, each of whom shall be subject to removal by the Chief Judge, with the approval of the court.".

(2) The item relating to section 795 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"795. Bailiffs and messengers.".

(e) Section 796 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Director of the Administrative Office of the United States Courts."

(f) Section 797 of title 28, United States Code, and the item relating to section 797 in the section analysis of chapter 51 of such title, are repealed.

(g)(1) The item relating to chapter 51 in the chapter analysis of part III of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 51 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

ABOLISHMENT OF UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

SEC. 322. (a) Chapter 53 of title 28, United States Code, and the item relating to chapter 53 in the chapter analysis of part III of such title are repealed.

(b) Section 957 of title 28, United States Code, is amended by striking the subsection designation "(a)" and repealing subsection (b).

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO REPEAL OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 323. (a) Sections 1255 and 1256 of title 28, United States Code, and the items relating to sections 1255 and 1256 in the section analysis of chapter 81 of such title, are repealed.

(b) Subsection (b) of section 1336 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

JURISDICTION OF THE UNITED STATES COURTS OF APPEALS

SEC. 324. (a) Section 1291 of title 28, United States Code, is amended by striking out "The courts of appeals" and inserting in lieu thereof "Except as specifically provided in sections 1295 and 1296, the courts of appeals".

(b) Section 1294 of title 28, United States Code, is amended by striking out "Appeals" and inserting in lieu thereof: "Except as specifically provided in sections 1295 and 1296, appeals".

INTERLOCUTORY DECISIONS

SEC. 325. (a) Section 1292(a) of title 28, United States Code, is amended—

(1) by striking out "The courts" and inserting in lieu thereof "Except as provided in subsection (c) of this section, the courts";

(2) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(b) Section 1292 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from an interlocutory order or decree described in subsection (a) of this section in any case over which the court would have jurisdiction of an appeal under section 1295 of this title;

"(2) of an appeal from a judgment in a civil action for patent infringement which would otherwise be appealable to the United States Court of Appeals for the Federal Circuit and is final except for an accounting;

"(3) when the chief judge of the United States Customs Court issues an order under the provisions of section 256(b) of this title; or when any judge of the Customs Court, in issuing any other interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order. Neither the application for nor the granting of an appeal under this paragraph shall stay proceedings in the Customs Court unless a stay is ordered by a judge of the Customs Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court; and

"(4) when any judge of the United States Claims Court, in issuing an interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order. Neither the application for nor the granting of an appeal under this paragraph shall stay proceedings in the Claims Court unless a stay is ordered by a judge of the Claims Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court.".

JURISDICTION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SEC. 326. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.

"The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a copyright or trademark and no other claim under section 1338 shall be governed by sections 1291, 1292, and 1294 of this title;

"(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in a district court under section 1346(a), 1346(c), or 1346(f) of this title or under section 1346(b) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, 1294, and 1296 of this title;

"(3) of an appeal from a final decision of the United States Claims Court;

"(4) of an appeal from a decision of—

"(A) the Board of Appeals or the Board of Patent Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and any such appeal shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

"(B) the Commissioner of Patents and Trademarks or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

"(C) a district court to which a case was directed pursuant to section 145 or 146 of title 35;

"(5) of an appeal from a final decision or order of the United States Customs Court;

"(6) to review, by appeal on questions of law only, the findings of the United States International Trade Commission as to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

"(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States (relating to importation of instruments or apparatus):

"(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

"(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5; and

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United Sates awarded by that department or agency which such head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days of the receipt of a copy of the final appeal decision.

"The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The Court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter pursuant to the authority specified in section 1491 of this title.".

(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.".

PART D—UNITED STATES AS DEFENDANT

JURISDICTION OF THE DISTRICT COURTS

SEC. 331. Section 1346 of title 28, United States Code, is amended to read as follows:

"§ 1346. United States as defendant.

"(a) The district courts shall have original jurisdiction of any civil action against the United States for the recovery of any internal revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to to have been excessive or in any manner wrongfully collected under the internal revenue laws.

"(b)(1) Except as provided in paragraph (2), the district courts shall have original jurisdiction, concurrent with the United States Claims Court, of any other civil action or claim against the United States, not exceeding $10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort, except that the district courts shall not have jurisdiction of any civil action or claim against the United States founded upon any express or implied contract with the United States or for liquidated or unliquidated damages in cases not sounding in tort which are subject to sections 8(g)(1) and 10(a)(1) of the Contract Disputes Act of 1978. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) The Claims Court shall not have jurisdiction of any civil action or claim against the United States founded upon any Act of Congress or regulation of an executive department providing for internal revenue.

"(c) Subject to the provisions of chapter 171 of this title, the district court, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court for the Northern Mariana Islands, and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

"(d) The jurisdiction conferred by this section includes jurisdiction of any setoff, counterclaim, or other claim or demand whatever on the part of the United States against any plaintiff commencing an action under this section.

"(e) The district courts shall not have jurisdiction under this section of any civil action or claim for a pension.

"(f) The district courts shall have original jurisdiction of any civil action against the United States provided in section 7426 or section 7428 (in the case of the United States District Court for the District of Columbia) or section 7429 of the Internal Revenue Code of 1954.

"(g) The district courts shall have exclusive original jurisdiction of civil actions under section 2409a of this title to quiet title to an estate or interest in real property in which an interest is claimed by the United States.".

RELATED TECHNICAL AND CONFORMING AMENDMENTS

SEC. 332. (a) Section 1398 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 1406 of title 28, United States Code, is amended by striking out "Court of Claims" wherever it appears and inserting in lieu thereof "Claims Court".

PART E.—UNITED STATES CLAIMS COURT; JURISDICTION AND VENUE

SEC. 341. (a) Section 1491 of title 28, United States Code, is amended to read as follows:

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, except an Act of Congress or a regulation of an executive department providing for internal revenue, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including, but not limited to, injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing in this section shall be construed to give the United States Claims Court jurisdiction in actions against, or founded on conduct of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

(b) Section 1492 of title 28, United States Code, is amended by striking out "chief commissioner of the Court of Claims" and inserting in lieu thereof "chief judge of the United States Claims Court".

(c)(1) Sections 1494, 1495, 1496, and 1497 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The section heading of section 1497 of title 28, United States Code, is amended by striking out "growers," and inserting in lieu thereof "growers' ".

(d) Section 1498 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court";

(2) in subsections (b) and (d), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(e) Sections 1499, 1500, 1501, 1502, and 1503 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 1504 of title 28, United States Code, and the item relating to section 1504 in the section analysis of chapter 91 of such title, are repealed.

(g) Section 1505 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(h) Section 1506 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu therof "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(i) Section 1507 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(j)(1) The item relating to chapter 91 in the chapter analysis of part IV of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 91 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(3) The item relating to section 1499 in the section analysis of chapter 91, United States Code, is amended to read as follows:

"1499. Liquidated damages withheld from contractors under Contract Work Hours Standards Act.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 342. Chapter 93 of title 28, United States Code, and the item relating to chapter 93 in the chapter analysis of part IV of such title, are repealed.

REPEAL; FEES AND COSTS

SEC. 343. Section 1926 of title 28, United States Code, and the item relating to section 1926 in the section analysis of chapter 123 of such title, are repealed.

REPEAL; TIME FOR APPEAL

SEC. 344. Section 2110 of title 28, United States Code, and the item relating to section 2110 in the section analysis of chapter 133 of such title, are repealed.

PLANT VARIETY PROTECTION OFFICE DECISIONS

SEC. 345. Section 2353 of title 28, United States Code, and the item relating to section 2353 in the section analysis of chapter 158 of such title, are repealed.

PART F—UNITED STATES CLAIMS COURT PROCEDURE

AMENDMENT TO TITLE 28

SEC. 351. (a) Sections 2501 and 2502(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(b)(1) Section 2503 of title 28, United States Code, is amended to read as follows:

"§ 2503. Proceedings generally

"Parties to any suit in the United States Claims Court may appear before a judge of that court in person or by attorney, produce evidence, and examine witnesses. The proceedings of the Claims Court shall be in accordance with the Rules of Evidence for United States Courts and Magistrates. The judges shall fix times for trials, administer oaths or affirmations, examine witnesses, receive evidence, and enter dispositive judgments.".

(2) The item relating to section 2503 in the section analysis of chapter 165 of title 28, United States Code, is amended by striking out "before commisisoners".

(c) Section 2504 of title 28, United States Code, and the item relating to section 2504 in the section analysis of chapter 165 of such title, are repealed.

(d) Section 2505 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by striking out "report findings" and inserting in lieu thereof "enter judgment".

(e) Section 2506 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 2507 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (c), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(g) Section 2508 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(h)(1) Section 2509(a) of title 28, United States Code, is amended to read as follows:

"(a) Whenever a bill, except a bill for a pension, is referred by either House of Congress to the chief judge of the United States Claims Court pursuant to section 1492 of this title, the chief judge shall designate a judge as hearing officer for the case and a panel of three judges of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding officer of the panel.".

(2) Section 2509 of title 28, United States Code, is amended—

(A) in subsections (b), (c), (d), and (f), by striking out "trial commissioner" and inserting in lieu thereof "hearing officer";

(B) in subsections (b), (c), and (e), by striking out "chief commissioner" and inserting in lieu thereof "chief judge";

(C) in subsections (b), (f), and (g), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court";

(D) in subsection (d), by striking out "of commissioners";

(E) in subsection (g), by striking out "commissioners" the first place it appears and inserting in lieu thereof "judges"; and

(F) in subsection (g), by striking out "trial commissioners" and inserting in lieu thereof "hearing officers".

(i)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

"§ 2510. Referral of cases by Comptroller General

"The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such court and shall render judgment thereon."

(2) The item relating to section 2510 in the table of sections for chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by the Comptroller General.".

(j) Sections 2511, 2512, 2513(c), 2514, and 2515(a) are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(k) Section 2517 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (b), by striking out the comma at the end thereof and inserting in lieu thereof a period.

(l) Section 2518 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by inserting immediately before the period at the end thereof the following: "or of the United States Court of Appeals for the Federal Circuit".

(m) Sections 2519 and 2520(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(n)(1) The item relating to chapter 165 in the chapter analysis of part VI of title 28, United States Code, is amended to read as follows:

"165. United States Claims Court Procedure ---------------------- 2501".

(2) The chapter heading of chapter 165 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(o)(1) Section 1926 of title 28, United States Code, (having been repealed by section 343 of this Act) is added to read as follows:

"§ 1926. Claims Court

"(a) The Judicial Conference of the United States shall prescribe from time to time the fees and costs to be charged and collected in the United States Claims Court.

"(b) The court and its officers shall collect only such fees and costs as the Judicial Conference prescribes. The court may require advance payment of fees by rule.".

(2) The item relating to section 1926 in the table of sections of chapters 123 is amended to read as follows:

"1926. Claims Court.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 352. Chapter 167 of title 28, United States Code, and the item relating to chapter 167 in the chapter analysis of part VI of such title, are repealed.

FINALITY OF DECISIONS

SEC. 353. Section 2638(b) of title 28, United States Code, is amended to read as follows:

"(b) The decision of the judge is final and conclusive, unless a retrial or rehearing is granted pursuant to section 2639 of this title or an appeal is made to the United States Court of Appeals for the Federal Circuit within sixty days after entry of the judgment or order.".

FEDERAL RULES OF EVIDENCE

SEC. 354. Rule 1101(a) of the Federal Rules of Evidence is amended by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

TITLE IV—TAX APPELLATE STRUCTURE

CREATION OF COURT OF TAX APPEALS; COMPOSITION AND PLACEMENT OF CIRCUIT

SEC. 401. (a) Section 41 of title 28, United States Code, is amended—

(1) by inserting "(a)" immediately before the introductory sentence; and

(2) by adding at the end of the section the following new subsection:

"(b) The United States Court of Tax Appeals is composed of all the Federal judicial circuits.".

(b) Section 44(a) of title 28, United States Code, is amended—

(1) by striking out "(a) The President" and inserting in lieu thereof "(a)(1) The President"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(a) The United States Court of Tax Appeals shall be comprised of eleven judges of the United States circuit courts of appeals other than the Court of Appeals for the Federal Circuit. The Chief Justice shall designate one judge of each court of appeals to serve on the Court of Tax Appeals. In the event that the Chief Justice is unable to designate a judge of the circuit court to serve on the Court of Tax Appeals, a district judge of that circuit shall be designated to serve on the court.

"(b) The first eleven judges designated shall serve on the court as follows: four for a term of one year from the date of designation, four for a term of two years from the date of designation, and three for a term of three years from the date of designation. Thereafter, whenever a vacancy occurs on such court, the Chief Justice shall designate an additional judge of the court of appeals no longer represented on the Court of Tax Appeals to serve on the court for a term of three years from the date of designation. A circuit judge who serves on the Court of Tax Appeals shall remain a judge of the circuit court from which he was designated.".

(c) Section 48 of title 28, United States Code (as amended by section 301 of this Act), is amended further by adding the following new subsection at the end thereof:

"(d) Sessions of the United States Court of Tax Appeals shall be held at least once per year in each of the circuits, and at such other times and places as the court may by order select, except that such appeals shall be heard in the judicial circuit where the taxpayer is domiciled, or, in the case of a corporation, in the judicial circuit where said corporation or association has its principal place of business, or, in the case of a cooperative or organization claiming a tax exemption, in the judicial circuit which constitutes its principal place of activity."

APPOINTMENT OF CHIEF JUDGE AND ASSIGNMENT OF JUDGES

SEC. 402. (a) Notwithstanding the provisions of section 45 (a) and (b) of title 28, United States Code, the first chief judge of the United States Court of Tax Appeals shall be appointed by the Chief Justice of the United States from those judges appointed under section 44(a)(2) of title 28, United States Code, as added by section 401(b) of this title. When the person who first serves as chief judge of the United States Court of Tax Appeals vacates that position, the position shall be filled in accordance with the provisions of section 45 of title 28, United States Code.

(b) Section 46(c) of title 28, United States Code, is amended by inserting the following after the second sentence: "The United States Court of Tax Appeals may sit in panels of more than three judges. Whenever six of the judges of the court determine that it is in the interests of justice no less than nine judges shall hear the case en banc. In deciding whether to hear a case en banc, the judges shall consider, but shall not limit their consideration to—

"(1) whether the question presented in the case was thought to be novel and unlikely to recur or was likely to apply to many taxpayers;

"(2) whether there was unanimity in the panel which decided the case;

"(3) whether any of the judges who composed the panel which heard the case suggested that it be reheard; and

"(4) whether the case presented issues of first impression.".

(c) Section 292 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(f) The Chief Justice of the United States may, whenever the need arises and in the interests of justice, designate and assign temporarily any district judge to serve as a judge of the United States Court of Tax Appeals for the consideration of any matter before such court.

"(g) On or about January 1, 1985, the Director of the Administrative Office of the United States Courts shall report to the

President and the Committees on the Judiciary of the Senate and House of Representatives concerning the implementation and effectiveness of the United States Court of Tax Appeals. Such report shall include—

(1) a description of the progress made in accomplishing the objectives of this title; and

(2) the extent to which litigants in each Federal circuit have had their cases resolved promptly and efficiently within their own circuits.".

CONFORMING AMENDMENTS RELATING TO APPEAL TO THE SUPREME COURT

SEC. 403. Section 1254 of title 28, United States Code, is amended—

(1) by striking out "Cases in the courts of appeals" and inserting in lieu thereof "(a) Except as provided in subsection (b), cases in the courts of appeals"; and

(2) by adding at the end thereof the following new subsection:

"(b) Cases in the Court of Tax Appeals may be reviewed by the Supreme Court by writ of certiorari.".

JURISDICTION OF THE UNITED STATES COURT OF TAX APPEALS

SEC. 404. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1296. Jurisdiction of the United States Court of Tax Appeals

"The Court of Tax Appeals shall have exclusive jurisdiction—

"(1) in any appeal from a district court in which the jurisdiction of the district court was based, in whole or in part, on section 1340 of this title;

"(2) in any appeal from a district court in which the jurisdiction of the district court was based, in whole or in part, on section 1346(a), or 1346(b) in any claim founded upon an Act of Congress or a regulation of an executive department providing for internal revenue, or on 1346(f); and

"(3) in any appeal from the United States Tax Court.".

(b) The table of sections for chapter 83 of such title is amended by adding at the end thereof the following new item:

"1296. Jurisdiction of the United States Court of Tax Appeals.".

CONFORMING AMENDMENTS RELATING TO REVIEW OF ORDERS OF FEDERAL AGENCIES

SEC. 405. Section 2342 of title 28, United States Code, is amended by striking out "The court of appeals" and inserting in lieu thereof "Except for the Court of Appeals for the Federal Circuit and the Court of Tax Appeals, the courts of appeals".

OFFICERS AND EMPLOYEES OF THE COURT OF TAX APPEALS

SEC. 406. (a) Chapter 47 of title 28, United States Code, is amended by adding the following new section at the end thereof:

"§ 716. United States Court of Tax Appeals

"(a) Sections 711 through 715 of this chapter shall not apply to the United States Court of Tax Appeals and the judges thereof.

"(b) Notwithstanding subsection (a), each judge assigned to the United States Court of Tax Appeals shall be entitled to appoint the regular number of law clerks and secretaries in accordance with section 712 or section 752 as a consequence of his appointment as a judge of a circuit court of appeals or a district court.

"(c) The clerk of the United States Court of Appeals for the Federal Circuit shall be, by virtue of that office, the clerk of the United States Court of Tax Appeals.".

(b) The table of sections of chapter 47 of title 28, United States Code, is amended by adding the following new item at the end thereof:

"716. United States Court of Tax Appeals.".

ACCOMMODATIONS FOR THE COURT OF TAX APPEALS

SEC. 407. Section 462 of title 28, United States Code, as added by section 314(k) of this Act, is amended by adding the following new subsection at the end thereof:

"(g) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Tax Appeals only at the District of Columbia. However, the court may hold regular and special sessions at other places utilizing the accommodations which the District provides to other courts. Insofar as possible, the United States Court of Tax Appeals shall utilize the courtrooms of the United States Claims Court and the United States Court of Appeals for the Federal Circuit at the District of Columbia.".

TITLE V—TECHNICAL AND CONFORMING AMENDMENTS OUTSIDE OF TITLE 28 RELATING TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND THE UNITED STATES COURT OF TAX APPEALS

TITLE 2

SEC. 501. Section 225(f)(C) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)), is amended by inserting "and the judges of the United States Claims Court" immediately before the semicolon at the end thereof.

TITLE 5

SEC. 502. Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1), by striking out "Court of Claims or a United States Court of Appeals as provided in chapter 91 and 158, respectively, of title 28" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subsection (c), by striking out "Court of Claims or a United States court of appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(3) in subsection (d), by striking out "District of Columbia" and inserting in lieu thereof "Federal Circuit".

PLANT VARIETY PROTECTION ACT

SEC. 503. The second sentence of section 71 of the Plant Variety Protetction Act (7 U.S.C. 2461) is amended to read as follows: "The United States Court of Appeals for the Federal Circuit shall have jurisdiction.".

FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974

SEC. 504. Section 11(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2210(d)) is amended by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

TITLE 18

SEC. 505. Section 204 of title 18, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court, the United States Court of Appeals for the Federal Circuit, or the United States Court of Tax Appeals".

INDIAN CLAIMS COMMISSION

SEC. 506. (a) Section 29 of the Act entitled "An Act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (25 U.S.C. 70v–3), is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 29 of such Act is repealed.

INDIAN LANDS

SEC. 507. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by striking out, "Court of Claims" and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

INTERNAL REVENUE CODE OF 1954

SEC. 508. (a) Section 7422(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7422(e)), is amended by striking out "or the Court of Claims" wherever it appears.

(b) Section 7428 of the Internal Revenue Code of 1954 (26 U.S.C. 7428), is amended—

(1) by striking out ", the United States Court of Claims," and "or the Court of Claims" in subsection (a);

(2) by striking out ", the Court of Claims," in subsection (b)(2);

(3) by striking out "or" at the end of subsection (c)(1)(C)(ii) and inserting in lieu thereof a period; and

(4) by repealing subsection (c)(1)(C)(iii).

(c) The second sentence of section 7456(c) of the Internal Revenue Code of 1954 is amended to read as follows: "Each commmissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of title 28, United States Code, and also necessary travel and subsistence expenses in accordance with chapter 57 of title 5, United States Code, while traveling on official business and away from Washington, District of Columbia.".

(d) Section 6110(i)(1) of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Tax Court".

(e) Section 7481 of the Internal Revenue Code of 1954 (26 U.S.C. 7481) is amended by inserting "Tax" after "United States Court of" each time it appears.

(f) Section 7482 of the Internal Revenue Code of 1954 (26 U.S.C. 7482), is amended—

(1) in subsection (a) by striking out "Courts of Appeals" and inserting in lieu thereof "Court of Tax Appeals" and by striking out "any such court" and inserting in lieu thereof "the Court of Tax Appeals";

(2) by repealing subsection (b);

(3) in subsection (c)(1) by striking out "such courts" and inserting in lieu thereof "the United States Court of Tax Appeals"; and

(4) in subsection (c)(4) by inserting "Tax" after "United States Court of".

TITLE 44

SEC. 509. (a) Section 713 of title 44, United States Code, is amended—

(1) by striking out "eight hundred and twenty-two" and inserting in lieu thereof "eight hundred and twenty"; and

(2) by inserting "and" after "Superintendent of Documents"; and

(3) by striking out "to the Court of Claims, two copies; and".

(b) Section 1103 of title 44, United States Code, is amended by striking out "the Court of Claims" each place that it appears and by inserting in lieu thereof "the United States Claims Court".

MISCELLANEOUS AMENDMENTS

SEC. 510. (a) The following provisions of law are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court":

(1) Sections 1 and 2 of the Act of October 19, 1973 (87 Stat. 466).

(2) Section 8715 of title 5, United States Code.

(3) Section 8912 of title 5, United States Code.

(4) Section 2273(b) of title 10, United States Code.

(5) Section 337(i) of the Tariff Act of 1930 (19 U.S.C. 1337(i)).

(6) Section 606(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2356(a)).

(7) Section 1 of the Act entitled "An Act

providing for the allotment and distribution of Indian tribal funds", approved March 2, 1907 (25 U.S.C. 119).

(8) Section 2 of the Act of August 12, 1935 (25 U.S.C. 475a).

(9) Section 2 of the Act of May 28, 1908 (30 U.S.C. 193a).

(10) Section 7 of the Act of July 31, 1894 (31 U.S.C. 72).

(11) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a).

(12) Section 183 of title 35, United States Code.

(13) Section 104(c) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 330(c)).

(14) Sections 13(b)(2) and 14 of the Contract Settlement Act of 1944 (41 U.S.C. 113 (b) and 114).

(15) Sections 10 (a)(1) and (d) of the Contract Disputes Act of 1978.

(16) Sections 171 and 173 of the Atomic Energy Act of 1954 (42 U.S.C. 2221 and 2223).

(17) Section 10(i) of the Trading with the Enemy Act (50 U.S.C. App. 10(i)).

(18) Sections 103(f), 103(i), 105, 106(a)(6), 108, 108A, and 114(5) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f), 1213(i), 1215, 1216(a)(6), 1218, 1218a, and 1224(5)).

(19) Section 4 of the Act of July 2, 1948 (50 U.S.C. App. 1984).

(b) The section heading of section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

SEC. 511. The following provisions of law are amended by striking out "Court of Claims" each place is appears and inserting in lieu thereof "Claims Court":

(1) Section 4(c) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(c)).

(2) Section 20 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831s).

(3) Section 403 of the International Claims Settlement Act of 1949 (22 U.S.C. 1642b).

(4) Section 2(a) of the Act of May 15, 1978 (92 Stat. 244).

(5) Section 311(i) of the Federal Water Pollution Control Act (33 U.S.C. 1321(i)).

(6) Section 10(b) of the Intervention on the High Seas Act (33 U.S.C. 1479(b)).

(7) Section 282 of title 35, United States Code.

(8) Section 5261 of the Revised Statutes (45 U.S.C. 87).

(9) Section 41(a) of the Trading with the Enemy Act (50 U.S.C. App. 42(a)).

SEC. 512. The following provisions of law are amended by striking out "United States Court of Customs and Patent Appeals" and "Court of Customs and Patent Appeals" each place they appear and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit":

(1) Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071).

(2) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182).

(3) Section 305(d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(d)).

SEC. 513. (a) The following provisions of law are amended by striking out "Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "Court of Appeals for the Federal Circuit":

(1) Subsections (e) and (g) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516(e) and (g)).

(2) Section 528 of the Tariff Act of 1930 (19 U.S.C. 1528).

(3) Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)).

(4) Sections 141 through 146 of title 35, United States Code.

(b)(1) The item relating to section 141 in the section analysis of chapter 13 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

(2) The section heading for section 141 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

SEC. 514. The following provisions of law are amended by striking out "the United States Court of Claims, the United States Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "the United States Claims Court":

(1) Section 6001(4) of title 18, United States Code.

(2) Section 906 of title 44, United States Code.

SEC. 515. Section 8(g)(1) of the Contract Disputes Act of 1978 is amended—

(1) in subparagraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subparagraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code.".

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 601. The provisions of this Act, other than the provisions of title I, parts A and D, shall take effect two years after the date of enactment of this Act.

EFFECT ON PENDING CASES

SEC. 602. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this Act shall be transferred to the United States Claims Court. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.

UP AMENDMENT NO. 534

Mr. DECONCINI. Mr. President, I send to the desk a series of unprinted amendments and ask that they be considered en bloc.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes certain amendments en bloc numbered unprinted amendment No. 534.

The amendment is as follows:

On page 2, in the Table of Contents, under the heading "TITLE II—JURISDICTION AND PROCEDURE," strike the following:

"PART A—INTERLOCUTORY APPEALS

"Sec. 201. Court of appeals certifications.

"PART B—TRANSFER OF CASES

"Sec. 211. Transfer to cure want of jurisdiction.

"PART C—INTEREST

"Sec. 221. Interest on judgments and prejudgment interest."

and insert in lieu thereof:

"PART A—TRANSFER OF CASES

"Sec. 201. Transfer to cure want of jurisdiction.

"PART B—INTEREST

"Sec. 211. Interest on judgments and prejudgment interest."

On page 3, in the Table of Contents, strike "TITLE III—APPELLATE STRUCTURE FOR PATENT, TRADEMARK, CUSTOMS, AND TRADE APPEALS" and insert in lieu thereof "TITLE III—TRIAL AND APPELLATE STRUCTURE FOR GOVERNMENT CLAIMS, PATENTS, AND OTHER MATTERS".

On page 3, in the Table of Contents, strike "Courts" in the heading for Sec. 326 and insert in lieu thereof "Court".

On page 3, in the Table of Contents, insert "Sec. 327. Review of tax decisions of United States Claims Court." before the heading "PART D—UNITED STATES AS DEFENDANT".

On page 3, in the Table of Contents, after the heading "PART D—UNITED STATES AS DEFENDANT," add the following:

"Sec. 330. Interstate Commerce Commission Orders; Jurisdiction.".

On page 3, in the Table of Contents, Sec. 331, strike "Jurisdiction of the district courts." and insert in lieu thereof "United States as defendant; jurisdiction.".

On page 4, in the Table of Contents, strike the following:

"TITLE IV—TAX APPELLATE STRUCTURE

"Sec. 401. Creation of Court of Tax Appeals; composition and placement of circuit.

Sec. 402. Appointment of chief judge and assignment of judges.

Sec. 403. Conforming amendments relating to appeal to the Supreme Court.

Sec. 404. Jurisdiction of the United States Court of Tax Appeals.

Sec. 405. Conforming amendments relating to review of orders of Federal agencies.

Sec. 406. Officers and employees of the United States Court of Tax Appeals.

Sec. 407. Accommodations for the United States Court of Tax Appeals."

On page 4, in the Table of Contents, the second heading is amended by striking "V" and inserting in lieu thereof "IV" and by striking "AND THE UNITED STATES COURT OF TAX APPEALS".

On page 4, in the Table of Contents, the third heading is amended by striking "VI" and inserting in lieu thereof "V".

On page 12, lines 22 and 23, strike "This section and section 333 of this title shall not apply to the United States Court of Tax Appeals.".

On page 17, line 7 insert "by the Chief Justice" after "assigned".

On page 20, strike lines 4 through 15.

On page 20, line 16, strike "B" and insert in lieu thereof "A".

On page 20, line 18, strike "211" and insert in lieu thereof "201".

On page 21, line 13, strike "C" and insert in lieu thereof "B".

On page 21, line 15, strike "221" and insert in lieu thereof "211".

On page 23, line 7, strike "(whether".

On page 23, lines 8 through 10, strike ", a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death)".

On page 24, line 1, insert "(including judgments of the United States Claims Court)", after "United States".

On page 24, strike lines 11 through 13 and insert in lieu thereof "TITLE III—TRIAL AND APPELLATE STRUCTURE FOR GOVERNMENT CLAIMS, PATENTS, AND OTHER MATTERS".

On page 48, line 23, strike "1338" and insert in lieu thereof "1338(a)".

On page 49, lines 9 and 10, strike "1346(a), 1346(c), or 1346(f) of this title or under section 1346(b)" and insert in lieu thereof "1346(a)(1), 1346(b), or 1346(e) of this title or under section 1346(a)(2)".

On page 49, lines 13 and 14, strike "1294, and 1296" and insert in lieu thereof "and 1294".

On page 49, line 16, before the semicolon, insert "except that jurisdiction of an appeal involving an action founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by section 1296 of this title".

On page 52, lines 1 and 2, strike "pursuant to the authority specified in section 1491 of this title" and insert in lieu thereof "to any administrative or executive body or official with such direction as it may deem proper and just".

On page 52, after the material beginning at line 5 and before line 6, insert the following:

"REVIEW OF TAX DECISIONS OF UNITED STATES CLAIMS COURT

"SEC. 327. (a) Chapter 83 of title 28. United States Code, is amended by adding at the end thereof the following new section:

'§ 1296. Review of tax decisions of United States Claims Court

'(a) Jurisdiction.—The courts of appeals (other than the United Ctates Court of Appeals for the Federal Circuit) shall have exclusive jurisdiction to review the decisions of the United States Claims Court involving an action founded upon an Act of Congress or a regulation of an executive department providing for internal revenue, in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury.

'(b) Venue.—Such decisions may be reviewed by the court of appeals for the circuit in which is located—

(1) in the case of a petitioner other than a corporation seeking recovery of any amount under an Act of Congress providing for internal revenue, the legal residence of the petitioner,

(2) in the case of a corporation seeking recovery of any amount under an Act of Congress providing for internal revenue, the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in any judicial circuit, then the office to which was made the return of the tax in respect of which the liability arises,

(3) in the case of a person bringing an action under section 6110 of the Internal Revenue Code of 1954, the legal residence of such person if such person is not a corporation, or the principal place of business or principal office or agency of such person if such person is a corporation or,

(4) in the case of an organization seeking a declaratory decision under section 7428 of the Internal Revenue Code of 1954, the principal office or agency of the organization.

If for any reason no subparagraph of the preceding sentence applies, then such decisions may be reviewed by the Court of Appeals for the District of Columbia. For purposes of this paragraph, the legal residence, principal place of business, or principal office or agency referred to herein shall be determined as of the time the petition was filed with the United States Claims Court.'

"(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

'1296. Review of tax decisions of United States Claims Court.' ".

On page 52, after line 6 and before line 7, insert the following:

"INTERSTATE COMMERCE COMMISSION ORDERS; JURISDICTION

"SEC. 330. Section 1336(b) of title 28, United States Code, is amended by striking out 'Court of Claims' and inserting in lieu thereof 'United States Claims Court' ".

On page 52, strike lines 7 through 24 and insert in lieu thereof the following:

"UNITED STATES AS DEFENDANT; JURISDICTION

"SEC. 331. Section 1346(a) of title 28, United States Code, is amended by striking out 'Court of Claims' and inserting in lieu thereof 'United States Claims Court' ".

On page 53, strike lines 1 through 25.

On page 54, strike lines 1 through 21.

On page 55, strike lines 1 through 4 and insert in lieu thereof the following:

"(b) Section 1402(a) of title 28, United States Code, is amended by inserting 'in a district court' after 'civil action'.

"(c) Section 1406(c) of title 28, United States Code, is amended by striking out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 55, lines 20 and 21, strike "except an Act of Congress or a regulation of an executive department providing for internal revenue,".

On page 59, lines 17 through 20, insert:

"COURT OF APPEALS JURISDICTION

"SEC. 345. Section 2342 of title 28, United States Code, is amended by inserting '(other than the United States Court of Appeals for the Federal Circuit)' after 'court of appeals' and by striking '; and (6) all final orders of the Merit Systems Protection Board except as provided for in section 7703(b) of title 5.' and inserting a period at the end of clause (5).".

On page 59, line 22, strike "345." and insert in lieu thereof "346.".

On page 66, after the material beginning on line 2 and before line 3, insert the following:

"(p)(1) Chapter 165 of title 28, United States Code is amended by adding at the end thereof the following new section:

'§ 2522. Notice of Appeal.

'Review of a decision of the United States Claims Court shall be obtained by filing a notice of appeal with the clerk of the Claims Court within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts.'

"(2) The section analysis of chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new item:

'2522. Notice of Appeal.' ".

On page 66, strike lines 20 through 24.

On page 67, strike lines 1 through 24.

On page 68, strike lines 1 through 25.

On page 69, strike lines 1 through 25.

On page 70, strike lines 1 through 23.

On page 71, strike lines 1 through 24.

On page 72, strike lines 1 through 21.

On page 73, strike lines 1 through 22.

On page 74, strike lines 1 through 14.

On page 74, line 15, strike "V" and insert in lieu thereof "IV".

On page 74, lines 18 through 20, strike "AND THE UNITED STATES COURT OF TAX APPEALS".

On page 76, line 4, insert "or" after "Court,".

On page 76, lines 5 and 6, strike ", or the United States Court of Tax Appeals".

On page 76, line 23, strike "(26 U.S.C. 7422 (e)),".

On page 76, strike line 24 and insert in lieu thereof "out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 77, strike lines 2 through 10 and insert in lieu thereof "is amended by striking out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 77, line 22, strike "United States Tax Court" and insert in lieu thereof "United States Claims Court".

On page 77, strike lines 23 through 25.

On page 78, strike lines 1 through 12 and insert in lieu thereof "(e) Section 7482(a) of the Internal Revenue Code of 1954 is amended by inserting '(other than the United States Court of Appeals for the Federal Circuit)' after 'United States Court of Appeals' ".

On page 84, line 1, strike "VI" and insert in lieu thereof "V".

Mr. DECONCINI. Mr. President, these amendments make technical and conforming amendments to the bill. The amendments are necessitated by the fact that title IV of the legislation must be struck since it has been sequentially referred to the Senate Finance Committee as S. 1691 for a period not to exceed December 31, 1979. With the elimination of the tax court from S. 1477, changes are made in the remainder of the bill to assure the continuation of court of claims tax jurisdiction, with appeals from the court of claims to be taken to the various Federal circuit courts. In addition, these conforming amendments strike section 201 of S. 1477—dealing with interlocutory appeals. Other drafting errors and technical changes are also made.

Mr. President, I ask unanimous consent that Becky Newman and Ark Monroe of Senator BUMPERS' staff be granted the privilege of the floor during the consideration of the amendment that will be forthcoming from the Senator from Arkansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I yield the floor for the time being.

The PRESIDING OFFICER. Do Senators wish to yield back the remainder of their time on the pending floor amendment?

Mr. DECONCINI. Mr. President, I am prepared to yield back the remainder of my time on the pending floor amendment.

Mr. DOLE. The Senator from Kansas is prepared to yield back his time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. I thank the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, today as we consider the Federal Courts Improvement Act, I would like to acknowledge the outstanding work of the Senator from Arizona on this important piece of legislation. It is largely the result of his efforts, and the efforts of the distinguished chairman of the Judiciary Committee that we are able to review this bill, today.

The Senator from Kansas supports this bill because it would rectify many of the structural administrative and procedural problems that have impaired the ability of our Federal courts to adequately remedy the vast range of controversies that exist among our citizens. The enactment of this legislation will offer an answer to many questions that have nationwide legal significance.

GOVERNANCE AND ADMINISTRATION

For our judicial system to operate fairly and efficiently, our courts must be properly governed and administered. Title I acknowledges this basic requirement.

CHIEF JUDGE TENURE

Under present law, the chief judge of each Federal court of appeals or district court is the judge who is most senior in commission and under age 70. S. 1477 retains the great step forward that Congress took to insure better and more active administration of the Federal courts when Congress amended the law in 1958 so that chief judges of the courts of appeals and chief judges in districts of more than two judges could no longer serve as long as they pleased. Before that amendment took effect there were numerous instances when the senile conditions of the chief judges had, for several years before their retirement, been well known to their colleagues and members of the bar and to anyone appearing in their courtrooms.

The 70-year limit will not only provide younger and more vigorous chief judges but it will also continue to stimulate earlier retirements by other judges who stay on the bench hoping to become chief judge.

The length of terms that chief judges serve are often too long or too short. Part A of Title I fixes 7 years as the maximum term of service. Furthermore Part A precludes the appointment of a chief judge who is 65 or older at the time of his appointment. This provision establishes a balance between continuity and rotation among the judges.

PRECEDENCE AND COMPOSITION OF PANEL

To insure that order is maintained in our Federal system, the appearance and the reality of justice must be preserved. In keeping with this concept, part B of title I requires that Federal appellate panels be composed of at least three judges, at least a majority of whom shall be judges of the circuit court, and that the presiding judge be a judge of that court in regular active service.

Under existing law appellate courts often sit in panels of less than three judges, and some courts have used panels of two judges for motions and for disposition of cases in which no oral argument is permitted because the case is classified as insubstantial. Frequently when Federal appellate panels are composed of judges from other circuits, inconsistencies in the law of the circuit are created when court and court of appeals judges from outside the circuit who may not know or who may not feel bound by the law of that particular circuit. S. 1477 effectively fosters predictability and stability in the law of the circuits by requiring a majority of each panel to be composed of judges of the circuit court. Furthermore this legislation discourages the unnecessary borrowing of judges from other circuits to serve on the panels.

JUDICIAL COUNCILS

Judicial councils were established to help, administer and manage the court within each circuit. These responsibilities include: assigning judges to congested districts and to particular types of cases, directing judges to assist infirm judges, ordering judges to decide cases long held under advisement, urging judges to clear congested court dockets and setting standards of judicial ethics and behavior.

S. 1477 makes the councils more effective and efficient by changing their membership and structure. This legislation limits the size of such councils to a maximum of seven appellate judges and provides membership of up to four district court judges. The councils are given a more important role in court administration and management because S. 1477 reduces the size of councils, increases the administrative responsibilities and mandates district court representation.

REPRESENTATION BY CIRCUIT JUDGES AND DISTRICT JUDGES

The representation of district courts is the most significant amendment that part B of title I makes in existing law. As the committee on Federal courts of the association of the bar of the city of New York noted in their testimony before the Senate Judiciary Committee:

> In recent years, the second circuit as well as other circuits have encouraged judges to sit by designation on their panels. Such invitations are frequently viewed by "guest" judges as both an honor and an opportunity to diversify their activities, and by the inviting circuits as a means of introducing broader collegiality and expediting disposition of their case load.

The Judicial Conference of the United States also recognized the soundness of official representation by district judges on the judicial councils of the circuit.

S. 1477 does not state the nature and scope of membership of the district judges on the council. Rather it leaves the issue to the councils themselves.

THE SIZE OF COUNCILS

Under current practice the circuit councils include all circuit judges as members of the council. In light of the unprecedented growth in the numbers of district court judges this practice could result in the creation of an ungovernable, unwieldy council body. S. 1477 leaves to the judges the ultimate responsibility for deciding whether all of the circuit judges should continue to serve on the councils. The bill requires the number of district court judges of the circuit to be fixed by majority vote of all court of appeals judges of the circuit who are in regular active service.

As to the number of district judges, John R. Brown, chief judge, U.S. Court of Appeals for the Fifth Circuit, testified that—

> It would, however, in my judgement, be a gross mistake to adopt the approach of the court administration committee on representation by the number of district judges which would equal the number of circuit judges to serve. The objective is not to outvote. The objective is to have an official, ordained status that gives the representatives of the district judges an absolute legal right to be there and actively participate . . .

METHOD OF SELECTION

S. 1477 allows the judges to determine membership on the circuit councils. Many of the witnesses that testified were of the opinion that election of members was to be preferred over the basis of seniority of the Commission. Concern was expressed over the possibility that election of members would interject politicking into the selection of council members, the witnesses concluded that this danger is outweighed by the need to place the most concerned, informed and dedicated judge on the councils. The administration of the circuit workload is a time-consuming, important task better left to those eager to bear the responsibility. Clearly the judges of the circuit are in the best position to know those most qualified to serve in an administrative capacity. As Chief Judge John Brown stated,

> . . . I seriously question the wisdom of making the selection of the district judges to serve in this new and important role solely on (the) basis of seniority. After all, the basic concept of the judicial council is a body to continuously monitor the administration of justice within the circuit and to know what really is going on and to head off problems before they become a crisis. Court administration, as nearly all now recognize, can frequently be a talent not shared by all . . .

The district judges know those of their brothers and sisters who are best suited and most skilled in these matters. Sometimes they might conclude that the best possible choices are those most senior in commission, in others, younger but still experienced judges and possibly a mixture of both.

RETIREMENT AND PENSIONS

The issue of judicial resignation and retirement and also the pension of a Government employee who leaves judicial office to serve in other Government service is addressed in part D of title I.

Under existing law a judge must now meet the criteria of having attained age 65 with 15 years of service, or age 70 with 10 years of service, to be entitled to retire or resign at the salary of the office. Consequently article III judges who resign or retire before the time limitations described in current 28 U.S.C. 371 give up a lifetime salary mandated by the Constitution, even though they had not been able to accrue funded pension benefits for these years of Federal service under the civil service program.

In recent years many Federal judges have left the bench to serve in positions in the executive branch. Since these former Federal judges give up the lifetime salary mandated by the Constitution and they have not been able to accrue funded pension benefits for their years of Federal service under the civil service program, the Federal judges often experience financial difficulty by accepting an executive branch position.

S. 1477 remedies this situation by permitting years of service on the Federal bench to be counted in computing civil service retirement benefits and amends 5 U.S.C. 8334 to allow the administrative office of the U.S. courts to pay a deposit into the civil service retirement fund for Federal judges who resign to accept executive branch positions. These deposits will insure that these employees receive civil service pensions that take account of the years that such persons had served as Federal judges.

JURISDICTION AND PROCEDURE

Title II of the bill covers several technical jurisdictional and procedural matters. This part of S. 1477 allows a court lacking jurisdiction over a case to transfer that case in the interests of justice to a court having jurisdiction. One result of the expansion of Federal law has been the statutory creation of new causes of action, complicating the already intricate area of Federal subject matter jurisdiction. This provision will, in my opinion, significantly lessen the attractiveness of certain jurisdictional arguments as a litigation tactic and therefore decrease the court time required to dispose of them. In short, this provision of S. 1477 helps to decrease the amount of pointless and costly legal acrobatics which plagues our court system.

Title II makes important modifications in the Federal statutes dealing with interest awarded on judgments in the Federal courts. For the first time, this bill sets a uniform national rate of interest on judgments by keying the calculation of such interest to the prime interest rate as determined by the Internal Revenue Service. No longer will interest on judgments in the Federal courts be subject to various State laws. No longer will various local provisions for interest on judgments be another element in Federal forum shopping.

In addition to this important step forward, S. 1477 sets out a new statutory provision for the award of prejudgment interest where justice requires to afford a litigant complete relief. Presently, the award of prejudgment interest in the Federal courts is determined by principles enunciated only in case law. This statutory provision, then, serves to clarify these rules and make them uniform.

Though the bill creates a statutory mechanism for the award of prejudgment interest, the drafters do not anticipate that such interest will become a regular part of a damage award. To make this understanding clear from the face of the statute, an amendment I offered was incorporated into the bill which limits a judge's discretion to award such interest only to those situations where the facts of the controversy and the manner in which the case was litigated indicate that prejudgment interest is appropriate to afford complete relief.

This qualification on the judge's discretion is phrased broadly to allow a judge sufficient flexibility to evaluate a range of factors while actually imposing some limits on him. For example, a judge might consider that unnecessary delaying tactics employed by a litigant or the frivolousness of a legal position advocated by a party militate against the award of prejudgment interest to that party. By the same token, the extension of the proceedings due to the peculiar ambiguity of the legal rules in contention or the circumstances of a particular prevailing litigant whose damages increased during the litigation at an unusually rapid pace might favor the award of such interest. Yet at no time can such an award be supported by vague arguments that it is part of some appropriate damage award.

Lastly, I took this opportunity to recommend to the Judiciary Committee that the three provisions in title 28 of the United States Code dealing with the award of interest on judgments be consolidated into one. My amendment to that effect was unanimously accepted by the committee. Thus, the provisions of this bill for prejudgment interest and a new interest rate on judgments will apply uniformly to suits between private litigants and to suits against the Government. In addition, this consolidation serves to simplify the complex statutes in this area.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Title III of the bill would accomplish two salutary purposes. It would consolidate in a new article III United States Court of Appeals for the Federal Circuit the appeals business currently handled by the Court of Claims and the Court of Customs and Patent Appeals, and it would create a new article I court to handle the current trial business of the Court of Claims.

The new consolidated appellate court would capture certain economies of judicial administration, but more importantly would create a greater predictability in the specialized areas of the law over which the new court would have jurisdiction. Predictability is especially important in these areas because they are at the heart of business decision-making. Uncertainty about the law creates an economic risk that can dampen innovation and other economic activities. In addition, consolidation will reduce the unfairness and cost of forum shopping, which is a particular problem in the patent area. Forum shopping undermines the predictability of the law and imposes an unnecessary cost that makes justice less accessible.

The new article I court for the trial business of the old court of claims would give a greater dignity to this kind of work and should provide for a more efficient administration. I offered an amendment that would cure a defect in past law. Previously, a plaintiff before the court of claims seeking both legal and equitable or extraordinary relief could only get the former from the court of claims and would have to apply to a district court for an injunction or extraordinary relief in support of the court of claims' legal determination. This process was wasteful both of the litigants' resources and those of the courts. My amendment, which the committee has accepted, would permit the new U.S. claims court to provide equitable and extraordinary relief, either in support of a judgment for damages or without such judgment if only equitable or extraordinary relief is needed, so long as the subject matter falls within the jurisdiction of the court.

TAX APPELLATE STRUCTURE

The amendment just adopted strikes title IV of S. 1477 which would provide for the creation of a new court of tax appeals which would have exclusive intermediate appellate jurisdiction over all civil tax appeals. It would be a tribunal on the same level as the current Federal circuit court of appeals.

I would just say as a member of the Committee on Finance that I appreciate that consideration. I hope the Committee on Finance will move quickly in this area because I do believe that today's tax litigation system is inadequate because of the long-term period of uncertainty caused by delay in getting a final decision on a tax issue. So I think and believe, as a member of the Judiciary Committee and of the Committee on Finance, that this is a giant step in the right direction.

Moreover, as witnesses before the Improvements Subcommittee brought out in their testimony, lower courts hearing tax cases defer to the law of the particular court of appeal for the circuit in which they are located. With 11 circuit courts of appeal in existence, there is considerable difference and contradiction among the tax law enunciated by the various circuit courts of appeal. Hence, it is hard to engage in tax planning, there is unequal treatment of taxpayers, and "forum shopping."

In order to solve these problems concerning the resolution of civil tax issues, S. 1477 proposes the following changes in law:

First. It creates a U.S. Court of Tax Appeals, which would have exclusive jurisdiction over civil tax appeals cases from the district courts and the tax courts; and

Second. It abolishes jurisdiction over tax cases from the Court of Claims.

All civil tax cases would be initiated in either the U.S. Tax Court or district courts, and all civil tax appeals would be heard by the Court of Tax Appeals.

The following advantages would result from S. 1477:

First. Speedier and more definitive resolution of complicated tax issues;

Second. A small reduction in the existing caseload of Federal appeals courts;

(C) Less burden on the Supreme Court to resolve tax conflicts among the circuits;

(D) Reduction in trial level litigation and IRS administrative proceedings; and

(E) A new court well versed in the tax law technicalities.

In the Improvements Subcommittee hearings, several witnesses testified about the strengths and weaknesses of the new Tax Court of Appeals. Wide ranging support for the new court was voiced throughout the hearings.

Former Solicitor General Ervin Griswold, as well as several Federal judges, Treasury and IRS representatives, and private tax lawyers, supported the proposed new Court of Tax Appeals. Because of the organization and structure of the proposed court, it enjoys broad, bipartisan support which prior Tax Court proposals lacked.

The proposal was further modified after hearings suggestions from a panel of former IRS Commissioners, and members of the tax section of the New York Bar Association and the Bar Association of the City of New York.

During the hearings, the major issues raised concerned the structure and composition of the Court of Tax Appeals and selection of its judges.

The following modifications were made to the original proposal:

First. The committee adopted the recommendation of the tax section of the New York State Bar Association urging that the bill be amended to reduce the number of judges from 12 to 11, and providing that at least 1 of the 11 judges be a member of the Court of Tax Appeals at all times. This amendment assured that the new court will be national in scope.

Second. The bill was amended to provide that a judge appointed to the Court of Tax Appeals will remain a judge of the circuit from which he was appointed.

Third. S. 1477 was also amended to provide that any appeal from a lower court decision in a civil tax case will be heard by the Court of Tax Appeals in the circuit in which the taxpayer is domiciled or has its principal place of business—if it is a corporation or other association—or where it has its principal place of activity—if it is a cooperative or organization claims tax exemption.

Fourth. S. 678, as introduced, originally provided that the Chief Justice of the United States appoint the circuit judges to sit on the Court of Tax Appeals. The subcommittee felt that a more pluralistic court would result if the chief judge of each circuit chose a circuit judge for the Tax Court. However, the full committee chose the original proposal of allowing the Chief Justice to select the members of the Court of Tax Appeals.

Fifth. The committee struck out the provision in S. 1477 which permitted Tax Court judges to sit by designation on the new Court of Tax Appeals.

Sixth. The bill has been written to provide some factors which should be taken into account in considering whether to endorse a petition for en banc rehearing in a case. These factors include:

Whether the question is unique or applicable to many taxpayers;

Whether there has been unanimity in the panel which decided the case;

Whether any of the judges on the panel which heard the case advocate that it be reheard; and

Whether the case contains issues of first impression.

The most frequent criticism directed against the proposed new court during the hearings was that a central Court of Tax Appeals might stifle the benefits flowing from successive consideration of the same tax issue by different circuit courts of appeal.

While this view must be respected, it is outweighed by needs of certainty and finality.

Title IV of S. 1477 was reported out of the Judiciary Committee and sequentially referred to the Senate Finance Committee on July 31, 1979, as S. 1691, with the understanding that if S. 1477 is taken up on the Senate floor before December 31 or before the Finance Committee reports S. 1691 to the Senate, title IV of S. 1477 will be deleted.

Title V of the bill makes technical and conforming amendments outside of title 28 relating to the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Tax Appeals.

Title VI contains two sections. The first sets the effective date of the bill to be 2 years after the enactment date, while the second considers the issue of the effect of this bill on pending cases.

In conclusion, Mr. President, I want to again express my appreciation to Senators KENNEDY and DECONCINI for their leadership roles in fashioning and processing this legislation. The Federal Courts have been accused of being unwilling to change and to improve their management and administrative practices. The legislation we act on today should make a major contribution to improving the efficiency and effectiveness of the Federal Judiciary. I have been pleased to play a small role in this worthwhile process.

EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on S. 230 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LEVIN). The report will be stated.

The clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 5, 1979.)

Mr. KENNEDY. Mr. President, the Committee of Conference has resolved the disagreement of the two Houses on the Nurse Training Amendments of 1979, S. 230. The provisions of the conference agreement conform very closely to the provisions of the Senate bill.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. We have also seen in recent years an expanded role for nurses as nurse practitioners, nurse midwives, nurse anesthetists, to name a few. These nurses are making great strides in the care of the elderly and children. They are working diligently in many underserved areas. S. 230 authorizes vitally needed funds in fiscal year 1980 to support the training of these essential health practitioners.

The conference agreement on S. 230 authorizes $103 million for the support of nursing education in fiscal year 1980. As my colleagues know, although we do not agree with the administration's position that there is an adequate supply of nurses, we have been responsive to some of their fiscal concerns. Therefore, this conference report authorizes literally one-half the amount authorized in S. 2416, the Nurse Training Amendments of 1978, which was pocket-vetoed by the President.

S. 230 also contains important amendments to other portions of the Public Health Service Act. It authorizes an additional $12 million for the National Health Service Corps in fiscal year 1980. It increases the ceiling on critically needed funds for the health professions schools which are in financial distress. It also amends certain provisions of title II of the Public Health Service Act which will modernize the management of the Public Health Services Commissioned Corps.

Mr. President, I urge my colleagues to vote favorably on this conference report, which is the strongest possible compromise to the House position.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

FEDERAL COURTS IMPROVEMENTS ACT OF 1979

The Senate continued with the consideration of S. 1477.

UP AMENDMENT NO. 535

(Purpose: An amendment to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself, Mr. DOMENICI, Mr. LUGAR, Mr. MELCHER, Mr. PRYOR, Mr. GOLDWATER, Mr. DECONCINI, Mr. TOWER, Mr. EXON, Mr. WALLOP, Mr. HATCH, and Mr. HELMS, proposes an unprinted amendment numbered 535.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

That the portion of Public Law 89–554, (80 Stat. 393), now codified as Section 706 of Title 5, United States Code, is amended by striking out the first sentence thereof and substituting therefor the following:

"To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action. There shall be no presumption that any rule or regulation of any agency is valid, and whenever the validity of any such rule or regulation is drawn in question in any court of the United States or of any State, the court shall not uphold the validity of such challenged rule or regulation unless such validity is established by a preponderance of the evidence shown. *Provided, however*, That if any rule or regulation is set up as a defense to any criminal prosecution or action for civil penalty, such rule or regulation shall be presumed valid until the party initiating the criminal prosecution action for civil penalty shall have sustained the burden of proof normally applicable in such actions."

Mr. BUMPERS. Mr. President, this amendment is similar to a bill I introduced in the 94th Congress, the 95th Congress, and again in the 96th Congress, a bill, now numbered S. 111. I offer it now as an amendment to this measure.

When I was in law school the course on administrative law was an elective, and few chose to take it. It was not an exotic course on a par with criminal law or torts, but in truth few students had any perception of how such a course could enhance their livelihood once they left law school. Few of us knew that the body of administrative law, based on regulations, was already burgeoning at a rate five times as great as Congress legislative output even then, in 1950. We were unaware that the regulators had already alarmed F.D.R. as early as 1940 when he wrote:

> The practice of creating independent regulatory commissions, which perform administrative work, in addition to judicial work, threatens to develop a "fourth branch" of the government for which there is no sanction in the Constitution.

Today, students who do not study administrative law are excluding themselves from about 50 percent of the legal services being performed in this country, and the body of administrative law grows almost exponentially.

Thoughtful people know that Congress must necessarily delegate certain functions necessary to implement its intent and I do not today propose to dismantle the machinery for administering those functions. But the regulations have developed a life of their own, and despite the cries for help from our constituents, little or no relief has been forthcoming from either the administration or the Congress.

Mr. President, this amendment is not a panacea for the problems of regulatory abuse and excess, but it is a significant and, I believe rational, approach to a problem we all acknowledge.

The amendment would accomplish two ends: It would direct the courts to decide for themselves, without deference to so-called administrative expertise, all issues of law, and it would reverse the traditional presumption that agency regulations are valid.

Mr. President, present doctrines of administrative law virtually guarantee every rule or regulation adopted by a Federal agency will be upheld in the courts. There is a presumption by the courts that such rules or regulations are within the authority granted by Congress, or by Executive order, to the particular agency involved. But there should be no such presumption, and we have reached the point where the traditional doctrine should be reversed. The burden of proving the validity of a regulation ought to be upon the Federal agency, which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse.

This amendment would do that. First of all, it would restore the courts to their normal law-interpreting and law-applying role in our system of government. Courts could still defer to administrative expertise, if there is in fact such a thing, when deciding issues of fact, and the traditional substantial evidence rule applied to such issues would be undisturbed.

As to questions of law, however, the supremacy of the courts would be restored. A decision by an agency on an issue of law would no longer be upheld simply upon a finding that there is "warrant in the record" for it. The court would actually use its own judgment. Of equal importance, the presumption in favor of the validity or regularity of agency rules and regulations would be eliminated, and the burden of establishing this validity would be shifted to the agency, a party much better able to bear it. Only if a court were persuaded by a preponderance of evidence that a given rule or regulation was within the power delegated by Congress, would the rule or regulation be upheld.

Congress would then be confirmed as the true and only source of legislative power in our society. Only those agency rules and regulations clearly within the congressional mandate would remain intact.

Finally, a proviso in the bill would make clear that the traditional heavy burden of proof borne by the prosecution in criminal cases and, to a lesser extent, by the United States when seeking to enforce a civil penalty, would not be altered. In these instances, if a defendant asserted an agency rule or regulation in bar of a criminal prosecution or action for civil penalties, the opposing party, usually the United States, would still have to sustain the burden of proof usually associated with these kinds of enforcement proceedings.

Mr. President, Elihu Root was quoted on this floor by the Senator from New Mexico (Mr. DOMENICI) on July 31 this year, and the quotation is especially applicable here. He said:

> If we are to continue a government of limited power, these agencies of regulation must themselves be regulated. The rights of the citizen against them must be made plain.

Mr. President, Congress has demonstrated a remarkable ineptness in dealing with the bureaucracy either through the appropriation process or by oversight.

I am not sure that the President or Congress will ever deal with the problem in a meaningful way. However, this amendment will achieve at least two very important and legitimate purposes:

First, if the regulation writers know that they must assume the burden of proving that a regulation is within its scope of authority, that is, within the intent of Congress, they will be much more careful and circumspect in writing it. Second, the citizen who feels the regulation is abusive or excessive will feel more inclined to resist abuse, knowing that he does not have to rebut presumptions which have no authority in law, and should never have been placed in the law in the first place.

The principal objections to the amendment can be found in my own floor statement when I introduced this amendment as a bill, S. 111, where I charitably inserted letters from administrative law professors Nathanson of Northwestern and Byse of Harvard.

In summary they say the amendment is misguided because:

First, Professor Nathanson believes that "the Federal courts have not been giving blind obeisance to administrative determinations of law in recent years, and second, Professor Byse has the "impression that the courts have shifted or is in the process of shifting from the view that regulations are presumptively valid."

That is a very happy thought and is exactly what I am trying to do. All I want to do is hasten the process.

There may be a ruling in one circumstance where one court has said, episodically, that they ought to examine these cases more closely, but the truth of the matter is from the Supreme Court on down this has not been the case.

Let me cite some cases to you, Mr. President, that I just had the CRS study for me in the last few days to show you what has been happening since 1973.

The Supreme Court in the *Atchison, Topeka & Santa Fe Railway Co.* v. *Wichita Board of Trade* (412 U.S. 800), case said:

> Judicial review of decisions by the Interstate Commerce Commission in rate cases necessarily has a limited scope. Such decisions are not to be disturbed by the courts except without a showing that they are unsupported by evidence, were made without a hearing, exceed constitutional limits, or for some other reason amount to an abuse of power.

They do not say that the agency may have just been wrong, marginally or excessively wrong. They say that the agencies have to abuse their power. That ruling was in 1973.

In the *Vermont Yankee Nuclear Power Corporation* v. *National Resources Defense Council* (435 U.S. 519, 1978), the Supreme Court said:

> We have made it abundantly clear before that when there is a contemporaneous explanation of the agency decision, the validity of that action must "stand or fall on the propriety of that finding, judged, of course, by the appropriate standard of review."

In 1975 the court of appeals for the district said in the case of *Maryland-National Capital Park and Planning Commission* v. *Lynn* (514 F. 2d 829):

> There is a judicial presumption of the validity of administrative action and the burden was on the Commission to overcome that presumption.

Another court of appeals decision from the district in 1977:

> Administrative actions are presumed to be valid. The burden is on the party challenging to overcome that presumption. *Mazaleski* v. *Treusdell* (562 F. 2d 701).

In 1976, the court of appeals for the district:

> It is well recognized that this standard of review is a narrow one which presumes agency action to be valid. It requires that a court not substitute its judgment for that of the agency, so long as a rational basis exists, or may be reasonably discerned, for the agency determination. *Certified Color*

> *Manufacturers Association* v. *Mathews* (543 F. 2d 284).

In 1976 the court of appeals for the district:

> This standard of review is a highly deferential one. It presumes agency action to be valid . . . Moreover, it forbids the court's substituting its judgment for that of the agency . . . and requires affirmance if a rational basis exists for the agency's decision. *Ethyl Corp.* v. *Environmental Protection Agency* (541 F. 2d 1).

Mr. President, I can give you case after case that have been rendered in the past 8 or 9 years since 1970, all of which say the very same thing.

Here is one from the court of appeals for the fourth circuit:

> This presumption is rebuttable, but only upon a showing that the challenged regulation is an unreasonable exercise of the delegated power—i.e., inconsistent with the statute. *United States* v. *Eureka Pipeline Company* (401 F. Supp. 934).

Think about that one for a moment, Mr. President. It cannot be a marginal decision; it cannot be that the court thinks the agency was wrong. They had to have been unreasonable in reaching a wrong decision.

In the case of *Giles Lowery Inc.* v. *Dept. of Agriculture* (565 F. 2d 321), the fifth circuit said:

> A presumption of validity is accorded to administrative bodies acting within their sphere of expertise . . . and agency has considerable discretion in determining just and reasonable rates . . . We cannot substitute our judgment for that of the agency . . .

Even though they would disagree with it.

I can go on. I want to cite one more case from the eighth circuit because I am most familiar with it. Mr. President, the U.S. Department of Agriculture undertook to regulate sale barn auctions in this country and set their rates like those of a public utility which is chartered and franchised as a certified monopoly.

We have 82 sale barns in my State, and you can imagine the mail I received when the USDA undertook this action. A sale barn can be built by anybody. It can be built next door to one that exists. You can build five in a row, if you want to. This is one place where competition and the free enterprise system work beautifully. If you do not like the way one sale barn treats you, you can go to another one. If you do not like their rates, find another one. They are all over the State. The Department of Agriculture moves in and says, "We are going to start setting your rates and limiting the amount of money you can make." Who in the Congress ever thought they gave them the power to do it. Do you know how they got the power? They discovered an old 1921 act and they decided that bill gave them the right to regulate auction barns.

Do you want to know something, Mr. President? Even though the eighth circuit upheld the lower court's ruling and the agency, the Department of Agriculture became embarrassed about its decision, and decided it was wrong. The Department withdrew, even after they won the case in the eighth circuit. I had introduced a bill in the Senate and Congressman Thornton introduced an identical bill in the House to reverse the court's decision. But the eighth circuit, in spite of that, said:

> Agency officials are assumed to be capable of judging a particular controversy fairly on the basis of its own circumstances. *Central Arkansas Auction Sale Inc.* v. *Bergland*, 570 F.2d 724.

The cases go on and on, Mr. President.

The leading case, of course, was the *National Labor Relations Board* v. *Hearst Publishing Company*, 322 U.S. (1944). The Supreme Court held that even though a court may have reached a different conclusion, "if it is reasonable and has warrant in the record, then the agency must be upheld," and the Supreme Court said as follows:

> Undoubtedly questions of statutory interpretation, especially when arising in the first instance in judicial proceedings, are for the courts to resolve, giving appropriate weight to the judgment of those whose special duty is to administer the questioned statute . . . But where the question is one of specific application of a broad statutory term in a proceeding which the agency administering the statute must determine it initially, the reviewing court's function is limited. (322 U.S. 130–131)

That was a question, incidentally, dealing with the definition of an "employee." The National Labor Relations Board, as both a matter of fact and law, determined that the newsboys throwing papers in your front yard were employees. Well, happily, even back then, Justice Roberts went against what was the popular notion at that time and he dissented in that case and said:

> Congress did not delegate to the National Labor Relations Board the function of defining the relationship (of employment) so as to promote what the Board understood to be the underlying purpose of the statute. The question who is an employee, so as to make the statute applicable to him is a question of the meaning of the Act and, therefore, is a judicial and not an administrative question. (322 U.S. 125–26)

Mr. President, the doctrine of presumed validity cedes to a branch of Government unknown in the Constitution a share of judicial power. We have, over the years, abdicated our responsibility in favor of the regulatory agencies and we have given them almost carte blanche authority to make judicial decisions and forced the courts, by precedent, to rubber stamp them.

Every law school freshman in the country knows that Congress cannot legally delegate the legislative power to anyone; yet we have been doing it.

What the agencies are actually doing is both interpreting and executing the law—a traditional and proper role of the judiciary. So when a court affirms the interpretation of a statute which it would not have adopted as an original matter, it abdicates one of its most important functions.

On the second question, whether rules or regulations issued by Federal agencies are entitled to a presumption of validity, my differences with Professors Byse and Nathanson are even, sharper. In particular, Professor Byse has the "impression * * * that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid." As I said in the opening of my statement, if they are shifting in that direction, all this amendment does is hasten it along. But the truth of the matter is that I just finished reading quotations from about 10 cases which show conclusively that they are not shifting in that direction. If anything, they are giving even more deferential treatment to the regulation writers.

He cites the *City of Chicago* v. *The Federal Power Commission*, 458 F.2d 731 (D.C. Cir. 1971), cert. denied 405 U.S. 1074 (1972). There is nothing in that case to indicate that the courts are moving toward the position I am championing in this amendment. Justice Brandeis wrote a unanimous opinion in *Pacific Box & Basket Co.* v. *White*, 296 U.S. 176 (1935), in which he stated:

> There is a rebuttable presumption of the existence of a state of facts to justify the exertion of the police power.

The city of Chicago case affirmed the Supreme Court, citing that very decision.

The basic question, Mr. President, is, Is there a need for change in the law? Put another way, have the agencies become so powerful that they ought to be checked?

This is not a question of law, strictly speaking, at all, but a question of government, or politics. If there is an issue of public policy on which there is a broader consensus in this country, I do not know what it is. A glance at just a small portion of the mail coming into every Senator's office every day is justification enough for this amendment.

When I went home during August, I found that people want us to do something about inflation and energy; they want the budget balanced; and they want regulatory abuse curbed.

I heard it from small business people. I heard it from people doing a $50,000-a-year gross in a small clothing store in Fordyce, Ark.

The theme of overregulation has been made ever since I have been in Congress and we have not made a dent in redressing it. Citizens' groups of all kinds, environmentalists, consumers, unions, and others, are unanimous in complaining that Government, most often manifested in regulations issued by executive or administrative agencies, has become too intrusive.

Did Congress intend for the regulation writers to determine how close a toilet ought to be to a farmworker, or whether a school's "dress code" can allow girls to have longer hair than boys? That is silly and ridiculous, and we know it. Nobody here intended any such thing.

But what are we going to do about it? Most of the opponents of this proposal suggest that Congress created the problem and it ought to be responsible for solving it. But in pointing the finger of blame at the legislative branch, they are absolutely correct. I do not dispute that. Here is a chance for Congress to do something about it.

(Mr. NUNN assumed the chair.)

Mr. BUMPERS. Beginning at least as early as the creation of the Interstate Commerce Commission in 1887 and continuing with ever greater intensity since the coming of the New Deal, Congress has created this monster by evading the hard choices and by delegating those tough decisions to the independent or executive agencies. Then Congress screams like a banshee when they carry it out.

Most of this delegation has escaped constitutional censure because it was accompanied by some standards of action however vague. The fact remains that Congress, by giving the agencies this kind of discretion and latitude, is responsible, at least vicariously, for most of this abuse. We cannot duck that responsibility and today we have a chance to make at least an embryonic start to do something about it.

Congress should correct its own errors, at least to the extent of being stingy about creating new agencies or delegating new powers to existing ones. Congress ought to rest from creation for a while, and I believe such a respite would meet with universal public approval. As to those laws and agencies that already exist, the matter is not so simple. Congress could, in theory, review all the existing statutes and repass them, this time making more particular and specific the mandate of each agency.

The difficulty is that each of the broad legislative grants of power to agencies has already been particularized by the agencies themselves. These surrogates for Congress have spun out whole codes of regulations and interpretations, most of which have the force of law. Each of these specifications has acquired its own constituency of support, and it is not realistic to expect an elected Congress to tackle the massive task of reviewing the whole complex of administrative edicts now on the books.

I do not want, Mr. President, to get into the question of legislative veto that has been discussed in the Senate, but I would like to make just this one point: Congress has not been exercising its oversight responsibilities and that is why we are in this mess and why everyone of us is working 15 and 16 hours a day trying to keep up with what is going on in committee and on the floor. How in the name of all that is good and holy can we expect, on top of that, to start reviewing every rule and regulation made by the agencies, when we cannot exercise even 10 percent of our oversight responsibilities now?

Griffin Bell was in my office the other day, and I discussed this legislation with him. He said, "That is the greatest idea since night baseball. I have always agreed that was the only way to approach it. If you are waiting for the President and the Congress to do this, they are not going to do it."

The President made a firm commitment when he ran in 1976 that he was going to bring regulatory abuse to bay in this country. He has not done it. I do not know how many speeches I have heard on the floor in the Senate about the abuse of regulations and what we are going to do about it. We have tried everything from sunset legislation and equal access to justice, to paperwork—reduction, and the cry from my constituents gets louder and louder. The cry from your constituents does, too.

Mr. President, I am simply trying, with this amendment, to bring about a balance where regulations are seriously challenged. Why should not the American citizen, the person who is regulated at least be on an equal footing with the agency? The cards have been hopelessly stacked against the regulated people in this country.

Nobody intended for the sale of barns to be regulated like a utility. Nobody intended for PMSHA to regulate kitty litter operations in Tennessee. Nobody expected some arrogant inspector to walk into your plant and fine you $200 because your fire extinguisher was 4 inches too close to the floor.

Finally, why do we have a judiciary? The judiciary says that even if this is wrong, we will not disturb that ruling because of the presumption of the expertise of the regulation writers—the expertise of knowing more about the industry they are regulating than does the court.

They say, only if the power is abused, only if it is unreasonable—not that it is wrong. They do not say "If there is a simple error and we disagree with their conclusion, we are going to reverse it." They say it has to be unreasonable. The power has to be excessive; the power has to be abused before they will do anything about it.

Under this amendment, the judiciary will simply be required to carry out exactly what their duty is; that is, where they would have reached a different conclusion, it is their duty to reach a different conclusion.

Mr. President, I went to Dallas 3 weeks ago to speak to the general practice section of the American Bar Association. I did not go down there for the purpose of promoting this bill. This bill was already on the agenda of the House of Delegates and I am happy to say that, after a very lengthy debate in the House of Delegates, they approved this amendment by a vote of 146 to 111.

Mr. President, I hope that this body will approve this amendment by an even wider margin and tell the American people we will put a little fairness back into their fight with the people who regulate them.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield such time as I may use.

Mr. President, over 30 years ago Congress enacted the Administrative Procedure Act to provide an expansive set of fair and uniform procedures to govern the operation of our Federal agencies and to insure appropriate review of their decisions by the Federal courts. Section 7 of the APA provides that reviewing courts should set aside agency actions "found to be arbitrary, capricious, and abuse of discretion, or otherwise not in accordance with law." In interpreting this mandate, the courts have long accorded some deference to an agency's determination of questions of law, particularly when those questions relate to the scope or meaning of the agency's governing statute. The rationale for such deference is that the agency's experience and expertise can aid the courts in deciding questions of law, and in setting uniform policies. The Bumpers amendment would eliminate any presumption of validity or regularity attaching to agency action at least on legal questions. The thrust of this amendment, as explained by its sponsor, would be to provide for de novo review of agency decisions on questions of law.

I am not unsympathetic with the objective of this amendment: to make sure that agencies adhere to the laws as they were written by Congress. There is no question that each of us has heard horror stories of how one agency or the other misconstrued a statute, or ignored congressional intent, or acted irresponsibly. Right now both the Judiciary Committee and the Governmental Affairs Committee are hard at work on major legislation to bring about significant regulatory reform, including reform of some of the provisions of the APA.

But how many cases have we heard of where the courts have been faced with an arbitrary or capricious agency rule or decision and have failed to overturn it? That is precisely what the law presently requires. In truth, agency decisions should be reversed by courts where they are not in accordance with law. But that is what courts are doing each day.

There is simply no demonstrable need for this amendment. In letters placed in the RECORD by the Senator from Arkansas when he first introduced S. 111, from which this amendment was formulated, two distinguished law professors both objected to the bill on this ground:

> Professor Nathaniel Nathanson wrote: "I am not at all impressed with the desirability of such an amendment to the APA . . . so far as I am aware the Federal courts have not been giving blind obeisance to administrative determinations of law in recent years."
>
> Professor Clark Byse put it this way: "There is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions . . . although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their reviewing responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408."

It is difficult, if not impossible, without having a full record on this proposal, to determine what the impact of this legislation would be. Questions of law are not always that easy to separate from those of fact; many are mixed, raising the spectre of retrial in the district courts and courts of appeals of numerous issues properly determined in the agencies. Moreover, the amendment may eliminate the needed flexibility of current practice; while courts may be fully capable of determining some questions of law without any reference to agency expertise of experience, others necessarily require such resort. The current practice is geared to this—deference is accorded when and where it makes most sense.

One case, NLRB against Hearst Publications, which Senator Bumpers has emphasized in the past, involved the question whether full-time newsboys were "employees" within the meaning of the National Labor Relations Act. The Labor Board concluded that they were, and the Supreme Court affirmed, emphasizing the Board's practical expertise and experience in evaluating the circumstances of the newsboys' employment and how it fit within the overall statutory scheme. This is something different than a mere rubberstamp. And as the subject matter of agency regulation has become more complex in the succeeding 30 years, so too has the need for this type of deference. Yet the Bumpers amendment might well prohibit this in the future.

Judge Carl McGowan, writing in the Columbia Law Review just 2 years ago, concluded that the Bumpers amendment could have the effect of overruling Hearst and all other cases like it. Judge McGowan, an outstanding member of the District of Columbia Circuit Court of Appeals which spends much of its time reviewing actions of Federal agencies, characterized this amendment's approach as calling for a "gross allocation of duties to the courts." It would, according to the judge, "undo a relatively finely tuned system of shared judicial and administrative responsibility for interpreting and enforcing broadly delegative legislation."

Enactment of this amendment might also impose a serious burden on courts which are already suffering from the legal explosion. Thus the Judicial Conference of the United States opposes such legislation. In a September 27, 1976 letter to me, Chief Justice Burger stated:

> At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the Federal Courts and accordingly recommended that the Conference oppose enactment of S. 2408. The Conference agreed with the recommendation of its committee.

This burden would not only come from increases in cases in which courts spend their energies in de novo consideration of matters of law, but also from the confusion likely to ensue in any attempt to draw a fine, clear line in many cases between law and fact. It was this concern that brought a spokesperson for the environmental defense fund, in hearings a few years ago, to observe that the Bumpers approach "is going to bring evidentiary proceedings into the court where they don't really belong." This could well be a special problem in health and safety and environmental cases, according to that witness.

Surely, Mr. President, delay is already a serious problem in judicial review of complex agency regulations. De novo review, to the extent it requires courts to duplicate agency efforts, may lead to greater—and unnecessary—delay.

Mr. President, I certainly am not defending agency decisionmaking as a panacea. It is not. I spent 8 years as chairman of the subcommittee on administrative practice and procedure, and we spent a great deal of time looking at agency decisions and decisionmaking processes. And I have chaired intensive inquiries into specific agency activities and decisions, including those of the CAB, FTC, FDA, EPA, and ICC. I am also author or cosponsor of a number of regulatory reform measures, and a strong proponent of expanded judicial review of agency actions.

The underlying concern of this amendment—whether agencies are doing their jobs properly—is one which I share with the Senator from Arkansas. I am sure it is shared by each of us in the Senate. But I am equally convinced that we should not address this concern by eliminating all deference to agency experience or expertise. Courts should not ignore the judgment of the agency on matters of law—whether it involves the Defense Department, USDA, the EPA, the Labor Board, the Department of Energy, or any other Federal agency. Thus I cannot support the Bumpers amendment, and I intend to vote against it this morning.

Mr. President, I think the critical issue we must consider today is the test which should be used by the courts in reviewing an agency's actions. The current tests which are used now vary, depending on the importance of the decision and the impact of the decision; the relevancy of the agency's expertise, the confidence of the court in the agency itself; and whether the matter is highly controversial.

This flexible approach makes sense. The Bumpers approach, however, would straitjacket a court, and require it to take a single approach to analyzing all questions of law determined by an agency.

The Senator from Arkansas have given examples of why his amendment is necessary. He believes that the problems of Government regulation illustrated by these examples would be remedied by the legislative measure he is suggesting. But one can go on ad infinitum, offering counter examples which show that his amendment would have the opposite effect.

One that comes to mind is an instance of a John Valik, off duty, at a beach, who jumped into the water to save a swimmer. Valik drowns. Was his action in the scope of employment? If so, compensation is awarded. Should not the decision of the agency which constantly deals with these kinds of questions carry a special weight? Do we want the courts second-guessing judgments in which the agency has the type of expertise and the type of knowledge and understanding that can make the most responsible recommendation? Of course, the court should review that agency's judgment; but the court should also be entitled to rely on the daily expertise of the agency to help it come to an equitable decision.

Furthermore, we have examples where judicial refusal to defer to agency expertise has not had good results. In one situation the Federal Power Commission recommended that it did not want to promulgate rules for regulating prices of natural gas. When the time came for judicial review, the courts overruled the Federal Power Commission; and as a result of this court's decision, we now have an extraordinarily detailed and complex system of natural gas price regulation.

The Senator from Arkansas would have us believe, that, if the courts look at everything de novo, we are going to encourage more agency deregulation. But if we look at the actual impact of court decisions—for example, on the Federal Power Commission and the Federal Communications Commission—our experience runs completely contrary to this conclusion.

Mr. President, we have a letter from the Department of Justice on this matter. I will include the letter in its entirety in the Record, but I will just refer to the relevant language which expresses the strong opposition of the Justice Department to this amendment. The Department points out the following:

> The Department of Justice strongly opposes this bill. It would undermine one of the historical bases of the system of administrative law in this country, namely, the assumption that the expert judgment of agencies charged by Congress with making decisions in areas of frequently complex interaction of law, fact and policy should be generally respected by reviewing courts.
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> These policies of deference rest, in the final analysis, both on a desire for consistency in administrative decisionmaking, which is needed for individuals to plan their behavior in accordance with federal law and regulations, and on a sense that principles of the separation of powers caution against an over-ambitious program of judicial review.
>
> These policies would be seriously undermined by the proposed legislation. Moreover, the bill, by granting sweeping powers of review to courts, would predictably frustrate—not promote—the realization of its avowed aim of making agencies more responsive to the will of the people as expressed by Congress. In fact, the bill would make agencies more responsive to the will of unelected judges.

I believe that the present standard of judicial review which gives the courts great flexibility in examining agency actions, should be retained.

Those of us who oppose the Bumpers amendment do not do so with the idea that all the decisions by various agencies have necessarily been correct or wise or that court interpretations or judgments on them have necessarily been incorrect or unwise.

Nonetheless, if we want to increase the accountability of agencies, Congress itself should take a more active role through the oversight process. That should not be the responsibility of the courts. That is what our responsibility should be.

For these reasons—plus the complexity of the amendment, and its harmful impact on the workload of the courts—it seems to me unwise to accept this amendment.

Mr. President, I ask unanimous consent to have the letter from the Justice Department printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Justice,
Washington, D.C., September 7, 1979.

Hon. Edward M. Kennedy,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the comments of the Department of Justice concerning S. 111, a bill "To improve the administrative process by making Federal agencies more responsive to the will of the people." This bill would substantially alter existing law governing the scope of judicial review of agency action by eliminating the presumption that an agency's interpretation of statutes it administers is presumptively correct. Also, any court presiding over proceedings in which the validity of an agency rule is questioned would be unable to uphold the rule "unless such validity is clearly and convincingly shown . . ."[1]

The Department of Justice strongly opposes this bill. It would undermine one of the historical bases of the system of administrative law in this country, namely, the assumption that the expert judgment of agencies charged by Congress with making decisions in areas of frequently complex interaction of law, fact and policy should be generally respected by reviewing courts.

For instance, the Supreme Court has referred to a "presumption of regularity" accorded agency decisions, and has announced that a court is "not empowered to substitute its judgment for that of the agency." *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402, 415, 416 (1971). Moreover, the Supreme Court has traditionally spoken of the judicial deference that should be accorded an agency's interpretation of its organic statute, for it is axiomatic that Congress authorizes an agency, not the judiciary, to implement the law delegating power to the agency. *See Udall* v. *Tallman*, 380 U.S. 1, 16 (1965). These policies of deference rest, in the final analysis, both on a desire for consistency in administrative decisionmaking, which is needed for individuals to plan their behavior in accordance with federal law and regulations, and on a sense that principles of the separation of powers caution against an over-ambitious program of judicial review.

These policies would be seriously undermined by the proposed legislation. Moreover, the bill, by granting sweeping powers of review to courts, would predictably frustrate—not promote—the realization of its avowed aim of making agencies more responsive to the will of the people as expressed by Congress. In fact, the bill would make agencies more responsive to the will of unelected judges.

Also, by shifting the burden of persuasion to the government in all cases in which the validity of administrative rules or regulations is challenged, the bill would needlessly reverse the normal understanding in judicial proceedings that the complaining party carries the burden of proving the case. It would place an enormous responsibility on agencies to demonstrate repeatedly the legitimacy of their regulations. Further, it would impose a significant burden on federal courts, which are already strained by the need to deal with the large numbers of cases before them.[2]

In addition, if the concern underlying the bill is the need to guarantee that agency actions are able to be reviewed vigorously by courts, that end would appear to be met to a substantial degree by existing law. Under present standards of review, agency action shall be set aside if it is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." Also, courts are to reverse agency decisions if they fail to meet statutory, procedural or constitutional requirements, or if they are unwarranted to the extent that underlying facts are subject to trial *de novo*. See 5 U.S.C. § 706(2).[3] As the Supreme Court has noted, the fact that there is a presumption of regularity in agency decisionmaking does not mean that agency actions are immune from "a thorough, probing, in-depth review." *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971).

For all of these reasons, the Department recommends against enactment of S. 111.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ALAN A. PARKER,
Assistant Attorney General.

Mr. DOMENICI. Mr. President, I ask the Senator from Arkansas if he will yield 5 minutes to the Senator from New Mexico.

Mr. BUMPERS. I will yield in a moment. I want to make this observation.

In fairness to the Senator from Massachusetts (Mr. KENNEDY), I point out, that we have changed the amendment. The argument of the Senator from Massachusetts is based almost exclusively on the words "de novo," which were in S. 111. The words "de novo" have been removed from this amendment I have offered today.

I know the Senator will want to make another argument in a moment.

The Senator from New York may have whatever time he wishes.

Mr. KENNEDY. In striking "de novo," how does it change the intent? It seems to me to be just the same. In listening to the Senator's argument, what he hopes to achieve from that, it does not seem to make much difference.

Mr. BUMPERS. The term "de novo" could mean that the appellate court would have to try the whole thing again.

It is my thought that if the court needed additional evidence, it could remand the case to the agency or the administrative law judge, for the taking of additional testimony, if it were necessary, to reach a decision.

Second, they may not presume anything under this amendment, or, so far as review of the law is concerned, they will not presume anything. The substantial evidence rule would remain. They would be forced to look at the evidence and would be forced to look at the application of the law based on that evidence, but such actions would not constitute, literally, a trial de novo.

Mr. DOMENICI. Mr. President, I am pleased to be a cosponsor of this amendment and am delighted that my good friend the Senator from Arkansas saw fit to raise it today.

In this age of overregulation, the question often asked by the people is, "Who regulates the regulators?" The standard answer is, "Why, the Congress!" In fact the bureaucracy has consistently thwarted the will of Congress by drafting regulations that go far beyond congressional intent. But in our system of checks and balances it is the duty of the courts to decide whether or not the executive branch has exceeded the authority delegated by the legislative branch.

However, the courts have developed a presumption of "expertise" on the part of regulation writers, and that if there is "warrant in the record," then a regulation is deemed valid.

As Justice Cardozo stated:

> The practice has peculiar weight when it involves a contemporary construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new" (288 U.S. at 315).

The formulation of this presumption has paralleled the development of administrative law in the country. There have been three stages of development. The first focus was on the constitutional underpinnings of the administrative process, with a good deal of emphasis on separation and delegation of powers. The next focus was on judicial review and the relationship between the agencies and the judicial branch of Government.

The last major stage was the formalization of procedures for adjudication and rulemaking. This process was necessary to establish the system of administrative law—a system by which modern government may reasonably exercise discretionary power and the need for speedy, inexpensive and procedurally simple adjudication. The Courts, recognizing the need for such a system, helped nurture it by deferring to the judgment of those, as Cardozo said, who are responsible for setting the machinery in motion and working efficiently and smoothly.

We have now, however, entered an age of pervasive Federal regulation. It is time for a new stage of development. We must insure that the "regulators are regulated."

Mr. President, prior to the recess the Senate acted favorably on legislation which I originally introduced in a prior Congress which would encourage individuals and small businessmen to fight overregulation. This legislation would require that when in litigation the agency would bear the burden of proving that its regulations are within the congressional mandate rather than the individual proving they are not.

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[1] However, in cases involving criminal prosecutions or actions for civil penalties, the agency regulation would be presumed valid until the party initiating the action had sustained the applicable burden of proof.

[2] See McGowan, *Congress, Court, and Control of Delegated Power*, 77 *Colum. L. Rev.* 1119, 1168 (1977). Judge McGowan points to a further danger of the bill: "[I]ncreasing their responsibility for other-than-interstitial policy-making may deprive the courts of the very attributes—the self- and statutorily-imposed boundaries on their functions—that probably contribute most of their current attractiveness to the public *vis-a-vis* the other branches of government." *Id.*

[3] The language of S. 111 providing that a court "shall decide de novo all relvant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action," is not entirely clear, and we could expect much litigation on the subject of the meaning of the *de novo* review provision. Normally, *de novo* review incorporates review of the underlying factual record. Present law provides for such *de novo* review only in carefully circumscribed situations in which there is reason not to rely on the factfinding process of the administrative agency. See *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402, 415 (1971). If S. 111 is intended to require *de novo* factual review as a general matter, its disruptive effects would be particularly great. In any event, as we have discussed, S. 111 should be opposed for broadly expanding the scope of judicial review of legal issues by eliminating the presumption of the validity of an agency rule, and for shifting the burden of providing the validity of a challenged rule to the government.

In this way we can readjust the relationship between the Government and its citizens without hindering the duties of the agencies.

This is another significant step in bringing overregulation under control.

Mr. President, I am not the least bit surprised that every major Department of Government, from Commerce to HUD to the Department of Labor to EPA—all of them—have sent a letter to the manager of this bill, saying that they oppose the Bumpers-Domenici measure. They must oppose it, because it strikes at the heart of bureaucratic regulatory power.

When the presumptions—the presumption of expertise, the presumption of validity of a regulation—evolved as part of the law of this country, half of these Departments did not exist. The so-called fourth branch of Government, the independent agencies and the system of administrative law, was in its infancy in America, when the illustrious judge Cardozo and other members of the Bench declared that these presumptions were necessary for the orderly carrying out of administrative rules and regulations by those agencies created and charged by Congress for so doing.

However, Mr. President, we have had a dramatic, drastic change. Administrative law is being implemented through rules and regulations written by men and women who are not part of Congress, and not part of the judiciary. Consequently, these presumptions developed by the courts no longer are working to the benefit of the people of this country.

If they do not work for the benefit of the people of this country, then dramatic change requires some drastic remedies. This bill would turn around some of these presumptions and say to the courts that when a citizen or an entity challenges its government then you do not assume that anyone with expertise drew these regulations. They have to prove that. We do not place the presumption of validity on the pedestal on which it was placed early in the development of our administrative law by some of our judges because it does not work any more.

There are those who say take a more orderly knife to this preposterous overregulation—do it another way. I come here saying if there is another way let us do it. But we have been talking about another way for 10 years. While we are talking about it things get worse. Citizens begin to feel their Government does not care any more, and I agree with those who are convinced that a compelling number of Americans have given up on their national Government. They feel they can have no impact and that it is unresponsive and does not care about them.

Most of those conclusions come about because of regulations promulgated by people charged with carrying out what Congress authorized as they interpret their charge.

I believe it is in this day and age almost preposterous to assume that these presumptions appropriately effect our intentions and adequately benefit the people of our country.

So I support changing it now. Coupled with my Equal Access to the Justice. The statute, which we passed the other day compensating citizens who are burdened financially in challenging their Government when it is wrong, this legislation will cause a dramatic turnaround in the regulatory process in this country. It will cause those who have to propose regulations to be more careful and less arbitrary. It will cause those agencies that are affecting our lives, the lives of our people more than Congress, more than the President and more than the courts, to prove their actions were authorized by the Congress. No matter how you couch this in terms of legal niceties, they are going to have a more significant burden of proving that they are right in the method and manner that they are regulating our citizens and carrying out the mandate of Congress, and that is good.

There may be those in the legal profession—that is my profession also—and judges who may quibble with this measure as being too drastic, too dramatic, that there are better and easier ways, that more oversight should be carried on by Congress. But the truth of the matter is that those kinds of analyses have been taking place for years and years while our citizens grow frustrated and regulators grow fat on their authority. Arbitrariness abounds and remedies are minimal. When you have that situation it requires that you go to the heart of the problem. Make it more difficult for regulators, make it more difficult for them to be arbitrary or, put it the other way, they better be more careful in construing congressional intent in carrying out the purposes of the laws that we adopt.

I hope the Senate will go on record today. This amendment is a long way from becoming law. But I hope the Senate will go on record today favoring it for the reasons I have stated and the reasons that the eminent Senator from Arkansas stated.

It will indeed send a strong message. It will indeed force legislators and executive members to move in the direction of less rather than more regulation, more carefully drawn regulations rather than negligently and sloppily drawn regulations. And that is what has to happen today, as I see it.

So I support it. I hope the Senate will go on record supporting it also.

Mr. KENNEDY. Mr. President, I wish to reply to the statements of the Senator from Arkansas and the Senator from New Mexico. They have asked why deference should be granted by a court to an agency which has expertise in certain areas of law.

Let me answer by way of an example. Say a business is interested in putting in a modem, which is the interface between a computer and telephones, and the FCC has to figure out what the rate should be. Say also that once the FCC makes a judgment on this particular ratemaking issue, it is appealed to the courts.

If we accept the amendment of the Senator from Arkansas and the Senator from New Mexico, and the others, a Federal judge has to make his own judgment on the extremely complex legal issues raised in the ratemaking proceeding without the authority to give any special weight to the technical, relevant expertise of the FCC or the information which had been developed within the FCC to justify that rate.

What we are urging here today, and what does in effect exist in our present standards of review is the need for flexibility in judicial review of agency regulations. That flexibility should remain there. That flexibility does exist at the current time. But the Bumpers amendment would effectively straitjacket all of these courts, whether he uses the word "de novo" in his amendment or whether he uses the words:

> To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action.

It seems to me, Mr. President, that the court should have maximum flexibility when deciding questions of law in being able to defer to whatever degree of expertise has been developed in the agencies.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. RIBICOFF. Mr. President, I oppose this amendment, which would change the way courts review administrative agency decisions. Under this amendment, courts would effectively be required to review agency decisions on a de novo basis.

I think this amendment is unnecessary. While it may have been true at one time that courts gave excessive deference to administrative agency expertise, that certainly has not been true for the last few years. Appellate courts have not been hesitant to closely review and then overturn agency actions using the present standard for review.

This amendment would change the regulatory process substantially. Yet, to my knowledge, hearings have not been held on this issue in any committee. The Governmental Affairs Committee has completed 12 days of hearings and heard from 68 witnesses on the subject of regulatory reform. As far as I know, no witness raised this issue as a worthwhile reform of the regulatory process. Thus, without adequate hearings or other consideration, and based on what I know of the amendment today, I must urge my colleagues to reject it.

Has any committee, to the Senator's knowledge, held a hearing on this particular phase of regulatory reform?

Mr. KENNEDY. Three years ago the Judiciary Committee held a hearing on this particular issue.

Mr. RIBICOFF. I know the Government Affairs Committee has completed 12 days of hearings and heard from 68 witnesses on the whole question of regulatory reform. To my knowledge, not a single witness raised this as something worthwhile that should be considered. It is our hope that our committee soon will sit down to mark up a series of regulatory reform proposals and then refer it on to the Judiciary Committee. But to our knowledge, no one has raised this, and it would seem that today courts do not hesitate to overturn decisions of regulatory agencies. They have done so with great consistency and great frequency.

I agree with the distinguished chairman of the Judiciary Committee that this amendment is not necessary or needed in our judicial system at all at the present time.

Mr. KENNEDY. I welcome the comments of the Senator from Connecticut. We have worked very closely with him on the bills to amend the Administrative Procedures Act in our Administrative Procedures Subcommittee which is chaired by the distinguished Senator from Iowa. I welcome his comments. It seems to me that, as I have mentioned earlier, maintaining flexibility for the courts in reviewing agency actions is wise. They do have the flexibility today to reject an agency's expertise. That degree of flexibility, of course, would be straitjacketed if we were to accept the Bumpers amendment. I welcome the statement and comment of the Senator.

Mr. RIBICOFF. I think it was true in an earlier period that the courts did give excessive consideration to the whole regulatory process of regulatory and administrative agencies, but that has gone by the boards.

It has been our hope that we would address this entire subject of regulatory reform in depth, across the board, and we would have a greater opportunity to then take up all the problems involved with regulatory reform.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

Mr. BUMPERS. Does the Senator from Kansas wish to speak on this amendment?

Mr. DOLE. In opposition.

Mr. KENNEDY. Then I yield such time as the Senator may need.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I would certainly say, first of all, that I appreciate the efforts of the distinguished Senator from Arkansas and I understand the frustration he has expressed in his statement, and many people have expressed those same feelings who have to deal with administrative agencies.

Congress is looking at legislative vetoes that would make Congress sort of a super regulatory agency, and I assume we would be doing that to some extent as far as the courts are concerned. But whether or not the words "de novo" are still in the amendment or not, I think essentially we are going to impose de novo judicial review on administrative regulations without the slightest deference to the expertise of the agency involved. As such, this amendment deliberately flies in the face of sound principles of administrative law that have guided our courts for almost half a century.

I say sound because the doctrines of judicial review of administrative regulations have been wisely developed to afford citizens reasonable relief from arbitrary administrative actions while preventing the courts from becoming administrative agencies themselves. I can see no good reason for upsetting this delicate balance.

As the distinguished Senator from Arkansas knows, we have a number of so-called reform bills now before the Subcommittee on Administrative Practice and Procedure, of which the Senator from Kansas is a member, and we are going to be marking up in the very near future a series of regulatory reform bills which address many of the problems and, in fact, one of those we are looking at is S. 111, the bill introduced by Senator BUMPERS which, for the most part, is similar to the amendment now before us.

I am not certain that the courts need any more work. I think there are some who believe they are not overworked in any event, and I may be one of those, but Congress recently created 152 new Federal judgeships to help handle the heavy workload of the Federal courts. Completely opening regulations to judicial scrutiny without any burden of proof imposed on the party challenging the actions of an agency and without substantial weight given to the expertise of an agency will undoubtedly serve as an added inducement to challenge Federal regulations in the courts, dramatically increasing an already heavy caseload.

And once a regulation is before a court, what would this amendment have a court do? The court, according to the amendment, must evaluate whether the validity of a rule is established by a preponderance of the evidence. But this is a deceptively simple way of saying that a judge must duplicate the efforts of the agency in judging whether a particular rule is both wise and lawful.

Certainly, requiring our judges to engage in such repetitive labors is a pointless waste of judicial resources. But also this amendment would undermine the basic value of administrative agencies. What ultimate benefit do we reap as a society from expert agencies if their actions can be completely second-guessed by nonexpert judges? And indeed this amendment throws judges in the thick of the substance of complex regulations with little to guide them except some vague concept of validity.

If this amendment is intended to somehow help the ordinary citizen against some monolithic bureaucracy, I still feel it is misguided. I feel it may do just the opposite. This amendment will become merely another device in the hands of large corporations to block or slow the promulgation of regulations which affect their interests. The administrative procedure act now gives citizens the right to be heard in administrative rulemaking. If an agency then promulgates a rule which is unsupported by the evidence, including the comments of the public, that rule can be challenged in court. Such a procedure is completely consistent with all our traditional notions of justice. But this amendment would go much further, requiring in effect that the whole rulemaking process be repeated in Federal court.

I am especially concerned with the amendment as the ranking member of the Committee on Finance. The IRS promulgates literally hundreds and hundreds, and thousands of regulations each year, each of which could be open to a sweeping judicial review by this amendment, and I just do not know what impact the promise of such extensive litigation would have on the functioning of our tax system. I would suggest it is anyone's guess.

I would say, again as I conclude as I started, that certainly I have no quarrel with the arguments of the distinguished Senator from Arkansas as to the frustration of those who are overburdened by regulation. But it seems to me that without further hearings, without consideration by the appropriate subcommittee, the Administrative Practice and Procedure Subcommittee, and without consideration by the full Committee on the Judiciary, and without some input from the committee chaired by the distinguished Senator from Connecticut (Mr. RIBICOFF), who has just spoken on the floor, I hope the Senator from Arkansas would be willing to let the Administrative Practice and Procedure Subcommittee and the full committee finish their work on the various regulatory reform measures, and present all of the proposals to the Senate at one time for their logical disposition.

Knowing this is probably good politics but bad policy, I would guess everyone would understand the politics of it, and the politics are to strike down regulation or review or whatever at every opportunity.

But it seems to me it flies in the face of sound policy and, therefore, I urge the amendment be defeated.

Mr. BUMPERS. Mr. President, I yield to the Senator from North Carolina (Mr. MORGAN) such time as he may desire.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I thank my distinguished colleague for yielding.

I want to say a few words in support of the amendment of my good friend, the distinguished Senator from Arkansas, and express my appreciation to him for his willingness to offer this amendment and to do the difficult and laborious work that he has done in trying to bring it to the floor of the Senate.

Mr. President, I spent the month of August traveling back and forth across my State, talking with people from every walk of life. I had expected to find the people terribly upset and frightened by inflation and by the high cost of energy and, to be sure, these two problems were of great concern to the people.

But the people were really enraged about three things, as I could see them: One, the free enterprise system. They firmly believe the Federal Government is eroding and contributing to the erosion of our free enterprise system by the long list of burdensome regulations we continue to impose day after day after day.

During the 4½ years I have been in

this Senate there has been more conversation and more talk about deregulating, eliminating burdensome regulations than, perhaps, any other subject.

I would suspect that on the Committee on Banking, Housing, and Urban Affairs, a committee on which I serve, we have passed and sent to the floor of the Senate more new legislation creating more and more burdensome regulations than in any similar period in the history of our country.

I went by a local financial institution, a savings and loan association, and asked them to pull out and show to me all of the new forms and regulations that they have to use in taking applications for a loan and in closing a loan. That has nothing to do, specifically, with this amendment. But I want to go now to the Federal Trade Commission.

There is no Member of the Senate who is more concerned about the consumer than I am. I served as attorney general of my State, and I was in on the beginning of the consumer movement in this country. I established, in that office, a consumer protection division, an advocacy division to represent the public before utility commissions and public bodies, seeking to protect the public; and I established an antitrust division. All of these areas are important.

One of the things we did there was work an entire 2-year period to get a piece of legislation passed that would protect an innocent purchaser from fraud and deception with regard to the assignment of consumer contracts. We passed a law that was acceptable to the industry and acceptable to the consumer group. But what happened? We came up here, and the Federal Trade Commission, in one fell swoop, legislated for the entire country on this single issue.

But what is more important, they not only legislate by virtue of some assumed authority given to them by this Congress, but they interpret the rules themselves, and they enforce the rules. In other words, they have just about eliminated all pretense or semblance of separation of powers in Government.

Now, when an individual goes to court to try to question the validity of rules and regulations adopted by the Federal Trade Commission or the hundreds of other Federal agencies, that individual citizen is put to the cost and expense of having to carry the burden of showing that the rules exceed the statutory authority.

That would be all right if every consumer and every citizen who questions the authority of every rulemaking body in Government had all the necessary resources at his disposal, if finances were not a problem and the courts were more convenient. But Federal litigation now has become so expensive that many of the practicing lawyers in my State refuse to even take a case in the Federal courts, and it is so burdensome that many people just fail to receive a fair hearing because of it.

I believe that this amendment presents the Senate with a unique opportunity to recapture for the American people the fundamental separation of powers contemplated in our Constitution.

Simply put, this amendment would transfer the burden of proof concerning the legality of administrative rulemaking to the Executive agencies from which the rules originated.

THE PROBLEM

At present when a party comes to a court as the subject of an agency proceeding, the citizen must demonstrate that the regulation is an improper expansion of the authority given to the agency by the Congress. In other words, it is the citizen who must demonstrate, at great expense, that the agency has acted beyond its statutory competence.

More than this, many courts have required that the individual or corporation demonstrate that the agency rules were achieved in an arbitrary and capricious manner, which only tends to increase the burden of proof that the citizen has to carry.

In brief, the Congress has relinquished legislative rulemaking to the agencies and the courts have relinquished legislative interpretation to the agencies, so that in effect now the executive branch of the Government exercises many of the prerogatives of the legislative branch, as well as the judicial branch, completely obliterating, in many cases, the distinction that lies between the executive, legislative, and judicial branches.

The result has been the dramatic increase in the power and scope of the regulatory agencies.

The Federal Trade Commission as I mentioned is a prime example of the expansion of rulemaking without legislative or judicial check. I am not adverse to the work of the FTC. The agency has been important to the maintenance of competition in the marketplace.

But the plain fact is that the FTC has moved beyond rulemaking to a position of policymaking. The rules, based on vague congressional directives, have created whole new areas of FTC activity, not contemplated by the Congress. To the end of reclaiming the policy role for the Congress, I am a sponsor of the Federal Trade Commission Regulatory Review Act, which creates the potential for congressional disapproval of FTC rules.

Mr. President, just yesterday, the Congress recognized the need to pull back on an improper expansion of power by the Internal Revenue Service. Again, the point which swayed the Senate was the fact that the IRS intended to act in areas where the legislature had given no power and where the courts had not directed in any certain fashion the creation of new rules.

BUMPERS AMENDMENT

Senator BUMPER's amendment offers another approach to this problem, which I support. I believe that this amendment states what the Congress has always desired—that agencies, attempting to regulate society's behavior, must demonstrate that regulations are within the mandate given by the people's representatives.

No longer would the courts defer to agency determinations on questions of laws, requiring the citizen to overcome a high burden of proof.

The impact of this amendment would be threefold:

First, the Congress would demonstrate that it means business when it creates statutory powers for the agencies. Along with the action taken yesterday, and the legislation under consideration in various committees, I believe that the Senate is beginning to recapture policymaking and is sending a message to the agencies to enforce the law—the law as passed by the Congress.

We have an obligation to be more specific in our legislative language and more narrow in our delegation of power. We must send a message to the agencies to be more circumspect in their rulemaking.

Second, the courts would reclaim their responsibility under our system of Government—interpreting the law. As it now stands, neither the executive, legislative nor judicial branches interprets, but rather, in many instances, the ultimate arbiter of legislative meaning is the agency. The courts only look to the reasonableness of the agency determination of its authority.

The language coming from the courts is almost embarrassing. One court stated:

> Judicial review of an agency's interpretation of a statute and regulations promulgated pursuant thereto is a limited one. [*Amtel, Inc.* v. *Federal Energy Administration,* 536 F. 2d 1378 (5th Cir. 1976)]

Clearly the courts have overturned agency regulations. But it has been at the insistence of the individual battling with his own Government. Surely we owe our people a good deal more responsibility than that. The Congress must control administrative agencies and the agencies must be more circumspect in their rulemaking. It is plainly irresponsible for the Congress and the courts to allow the executive agencies to do what they will, leaving the public with the burden of cleaning up the mess.

Finally, this amendment should enhance the operation of the agencies and courts. Although there is criticism that this amendment is going to overburden the courts, let me suggest a different scenario.

With agencies more cautious in their creation of rules, the courts will be presented with agency rules more clearly in line with statutory law. Court determinations of the validity of these rules would give certainty to the agency and to the citizen. The court's load would be reduced. Certainly the courts will be burdened by a "startup" process, but the benefit to the public far outweighs any temporary judicial cost.

The agencies are in a better position to prove that their rulemaking power was within the statutory authorization than is the citizen. The citizen does not have all of the resources of the Federal Government at his disposal.

SUMMARY

In sum, Mr. President, I support the amendment by my distinguished colleague from Arkansas as it rounds out the effort to control aberrant rulemaking.

The Congress is now asserting its control by disapproving improper rules or denying funds for their implementation. This amendment will require that the courts exact the same standard from the agencies that is demanded from a civil plaintiff—that their action is based in law.

Personally, I foresee benefits for the administrative process and for our political system. I repeat, it is irresponsible for us to require that the people police their Government, because the constitutional branches of Government will not do so.

As I mentioned, I support the legislative veto with regard to the Federal Trade Commission's rulemaking power. I am not so naive as to think that we in the Congress are going to review every rule and regulation that might be submitted if the law is passed, but I submit that the Federal Trade Commission and other agencies will be much more circumspect in the rules and regulations they adopt if they know that the Congress is going to be looking at them. By the same token, I submit that if the agencies know they are going to have to carry the burden of proving that they acted well within statutory authority if the question is raised in court, they will be a lot more reluctant to adopt rules and regulations that skirt the edges of statutory authority.

So, Mr. President, as we talk about limiting Federal regulation and removing the burdensome regulations, I submit that there is no better way than putting the burden upon the agencies themselves. This is done in State courts all the time. In North Carolina, when a State agency brings a lawsuit to enforce a rule or regulation, it has to allege and show that the regulation was within the statutory authority granted to them by the legislature. It is much more important that we do it in the Federal courts.

In western North Carolina there are places where, if a citizen needs to confer with a Federal judge in chamber, he had to drive 160 miles. Imagine the necessity and the burden placed upon a litigant by having to go that far, carrying his witnesses and also carrying additional burdens. I think this is a reasonable rule and I hope the Senate will adopt it. I thank my colleague for yielding me time.

(Mr. BRADLEY assumed the chair.)

Mr. BUMPERS. I thank the Senator from North Carolina.

Mr. President, I yield to the Senator from Florida.

Mr. CHILES. I appreciate the Senator yielding to me. I wanted to engage in a little colloquy with him, if I might.

My understanding is that the amendment as first proposed would have required a trial de novo or sort of a new trial to take place on these matters when they went to the Federal District Court.

Mr. BUMPERS. That is correct.

Mr. CHILES. But that is not in there now. Is that correct?

Mr. BUMPERS. The Senator is correct. De novo has been removed from the amendment.

Mr. CHILES. I believe that is important in making up my mind on the amendment, because of the burden we now have on the Federal District Courts, especially in civil litigation. Now, with the increased new Federal judges, maybe for the first time the Federal District Courts are going to be able to engage in clearing some of the dockets in regard to some of the civil litigation. I was concerned that they had to completely try these matters de novo. But now that is gone.

I would say to the Senator from Arkansas that while I think his remedy is drastic, I think at the same time perhaps we have arrived at the time at which we have to take some drastic surgery if we are going to accomplish anything.

When I started campaigning for the Senate in 1970, one of the strongest things I heard at that time was the feeling that not only businessmen had but school teachers had, State government had, local governments had, that the regulation-making process, about the paperwork and the redtape that they were continually under on the basis of that process. I felt like I was going to come up here and do something about that. I took that as one of my tasks that I was going to do something about.

I have seen it grow, and it is growing at a geometric rate now, not on any kind of level rate. The paperwork, the rules, and the redtape have grown greatly.

During the last vacation period that we had I vacationed in each of 30 of my counties, and in each one I would have some kind of a Dutch treat, breakfast, dinner, or supper. I can tell you, Mr. President, that every school principal, every businessman, everyone else, wanted to know when they became the enemy of the Federal Government, because of what is cranked out.

With everything that we talked about on the Paperwork Commission, every time we seem to take one little step forward, we go behind 10 more steps by some additional rules and regulations which are issued.

I looked at the problem. As I understand, one of the points made in the amendment is that we will not have a presumption, no longer will there be a legal presumption, that whoever wrote these regulations had an expertise in knowing exactly what they were writing. Is that correct?

Mr. BUMPERS. The Senator is absolutely correct. There will be no presumption on either side as to the validity or invalidity of the regulation. It just gives the citizen a fighting chance.

Mr. CHILES. I think one of the things really driving people crazy is when they get some regulation that has no sense to it, that is obviously drawn by someone who never had to run a filling station. DOE, I hear, is the greatest sort of offender of everything I heard about, hearing people literally relate cases to me that made my hair stand on end, and I could not believe what happened to people with some of the paperwork or transfers. A lot of the regulations do not make any sense. When they call somebody to try to find out what is the meaning of it they cannot get a valid answer. I do not think we have people writing these regulations that have any expertise. When we have many people writing those regulations who do not know anything about the industry, the school system, or whatever it is that they are attempting to regulate, who do not have any concept of the cost, time, inconvenience, and what it does to everything else in trying to run a business or run a school system by virtue of those regulations, I think we have to knock out that presumption and have them at least come to the court and show that they knew what they were talking about.

The other thing is it sort of offends my sense of a legal education. I understand that all the administrative law professors think this is the wrong way to go, what the Senator is doing now.

Mr. BUMPERS. Just two are all I know about. I have inserted their letters into the RECORD.

Mr. CHILES. One of their main objections was on de novo.

Mr. BUMPERS. Precisely. Professor Byse also objects, because he feels the courts have been moving toward the very position I am championing here, and therefore there is no need for the amendment. First of all, the cases do not support Professor Byse. The courts are not moving in that direction.

Second, there are one or two circuits which have demonstrated a willingness to look at the record very carefully and not rubberstamp it, but only one or two circuits. If Professor Byse is correct, that would cetainly be a very good argument for our going ahead and doing now what the courts are moving toward.

Mr. CHILES. It just seems to me that if we are really going to try to do something about this, we have to do some drastic pruning.

I have worked on the Department of Education budget. I have tried to put in some paperwork requirement amendments, to require them to have to do certain things before they can ask for all their reports. They came up and told me as a result of the amendments I had put on they had saved 45,000 manhours of reporting time on one report, and it was even higher than that on another report.

I go back to my local school superintendents and I say, "Look what we did for you. Here is this report."

What they did on one was to take a nine-page report and make a four-page report out of it, but they did not cut any of the requests. They just printed it on both sides and asked for more under the columns.

What I am saying is I cannot find anything that I have ever done that anyone has any appreciation for or feels that any burden was taken from them, because four more are added if we take off one.

So I think, under the circumstances and from what I see out there in the real world—and that is the real world when you go home, it is not up here—I think the people are demanding that we do something to bear down on this bureaucracy that we have now that is an octopus. It is literally alive. I think that a lot of what we see in our lost productivity—and we have negative productivity now—and the tremendous inflation we have, stems from the excess paperwork and overregulation that we have.

I am going to support the Senator from Arkansas and I hope that he is successful.

Mr. BUMPERS. I thank the Senator very much.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. CULVER. I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I find myself in a position of opposing the position of three colleagues for whom I have the highest respect, to whom I have been listening for the last few moments—Senator BUMPERS, Senator MORGAN, and Senator CHILES. I regard them as thoughtful, constructive, and responsible. When, therefore, they support a proposition, I always assume that they are dealing with real concern and that they are doing their best to respond to the problem they perceive in a responsible manner.

From my point of view, I was informed of this amendment at 10 o'clock this morning. At that point, I had scheduled a meeting of the Senate Committee on the Budget to take a last look, have a last hearing on this second budget resolution that is to be presented to the Senate next week. Suddenly I am confronted with this, which I regard as a serious proposition, with serious implications for the future, with complexities that I had not been in a position to fully unearth and form a position on.

Whatever merit there is to the proposition at this point, from my point of view, is overwhelmed by the serious questions which I think it raises. I am asked to answer these questions between 10 o'clock this morning and whatever time we vote today. I understand the concern with overregulation, which has been the subject of Senator CHILES' response to this question. I understand that concern. He said, "We have to do something." But does doing something mean just doing anything, whatever it is, whatever questions it raises, whatever problems it may pose? Or is there another way to evaluate the means sought to be used so that we do not find ourselves caught in a policy that creates more problems than it solves? That is the position I find myself in.

It may be that if I had the time to deliberate, analyze, and weigh the arguments and implications of this proposition, I might be persuaded to support it or some modification of it.

Second, I make the point that no matter how perfect a proposition may seem to Senators that sponsor it, I have never seen a proposition that could not be refined by deliberation and consideration in the Senate.

Third, I make the point that overregulation is the subject of serious committee consideration at this time. The Committee on Governmental Affairs, of which I have been a member, and the Committee on the Judiciary—this proposition, if it has sufficient merit to be supported by these distinguished Senators, certainly would get a serious hearing in those committees, be weighed and subjected to the crossfire of debate, subjected to the Senators' responsibility to respond to questions, so that the reservations of Senators like myself—and I regard myself as thoughtful and responsible and constructive—so that we could be reassured that what we are being asked to accept does not create more problems than it solves.

So I am going to raise some of the questions, Mr. President—not because I think, on such short notice, that I have raised unanswerable questions, but because, on short notice, the immediate questions that occur to me raise such serious questions about this proposition that I think the RECORD ought to include them.

Before I get to them, Mr. President, I ask unanimous consent that William Donovan, Phil Cummings, Karl Braithwaite, and Curtis Moore of the Environmental and Public Works Committee may have the privilege of the floor during consideration and votes on the Bumpers amendment. I include in that request Jim Davidson and Mr. Podesta.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. At this point, Mr. President, I rise in opposition to the Bumpers amendment. I reemphasize that I am asking these questions, because these are questions of first impression that occur to me on a first and sketchy reading, that could not be anything but sketchy, of the amendment. My opposition is a practical one.

In my judgment, the amendment, if adopted, could stop the Federal Government in its tracks.

The amendment is overwhelming in its sweep. It says that Federal regulations are not worth the paper they are written on. Regulations promulgated by the Department of Agriculture, the Internal Revenue Service, and the Small Business Administration will not be accorded legal respect at all until a court of law says they are worthy.

The Environmental Protection Agency will not be able to protect the public health; the Occupational Safety and Health Administration will not be able to safeguard the workplace; and the Social Security Administration will not be able to help pensioners.

The language of the amendment is deceptive. It sounds like only abusive regulations would be stopped. But this is not the case. Read carefully:

> There shall be no presumption that *any* rule or regulation of *any* agency is valid. . . .

Good regulations and bad regulations, promulgated to further noble laws and ignoble laws, will be powerless unless a Federal judge gives the OK.

This amendment would sweep aside longstanding administrative practices. This amendment would sweep aside over 30 years of carefully crafted case precedents in administrative law. This amendment is possibly the most significant procedural change to be suggested in administrative law this session.

Yet, this amendment has not even been raised in a hearing, to the best of my judgment. Administrative law experts have not had a chance to present opinions and be examined in congressional process.

Administrative agencies have only learned of this proposal within the last 24 hours. The impact on rulemaking, Federal program development and implementation could be devastating. So why should the Senate rush to enact it?

Two committees of the Senate are now deliberating on regulatory reform bills. Both the Judiciary and Governmental Affairs Committees have called numerous witnesses over a number of days of hearings to discuss the intricacies of this type of proposal. These committees are now moving to markup. It is critical that this process be deliberate and careful. Amendments, such as the one before us, belong in that committee process.

The sponsor of this amendment would have us believe that the Federal courts have been merely a rubberstamp for administrative agency regulations. I doubt it, although I can believe that some of them have been. This is not consistent with my observation—that generalize the courts have always been a rubberstamp for all agencies. We do have statements by two noted administrative law experts, statements rebutting the need for the amendment. I would like to read excerpts of their statements:

> Professor Nathaniel Nathanson: "I am not at all impressed with the desirability of such an amendment to the APA . . . So far as I am aware the federal courts have not been giving blind obeisance to administrative determinations of law in recent years."
>
> Professor Clark Byse: "There is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions. . . . Although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their review responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408."

In short, this is an idea whose merits—and I do not doubt it has merits—need serious examination. I believe the Bumpers amendment would hamstring effective execution of Federal law by various Federal agencies. I believe it would muddy the waters of administrative case law, leading to confusion not clarity. And, I believe it would only invite Federal courts to usurp the legitimate rulemaking functions of administrative agencies. This amendment deserves a more careful look. I urge my colleagues to reject it.

On a quick contact with those in the Federal branch in a position to respond to this, Jim Moorman, Assistant Attorney General, Lands and Natural Resources, advised that the hazardous waste program, which has been dead since the Congress enacted it, would be dead if this amendment goes through.

Here is a problem that is escalating in public concern all over the country, from northern New York State in the Love Canal disaster to other similar disasters all over the country.

The country is crying for the Congress to deal with the hazardous waste problem, which becomes more horrendous the more the incidents occur and the more we come to understand the massive extent to which the hazardous materials have been unleashed in the environment over the period of our industrial revolution.

So, with this amendment, we would kill the hazardous waste program, dead in its tracks, according to the Assistant Attorney General who has responsibility in that field.

Also, the IRS regulations problem, the water projects problem, because court action would stay regulations. This type action could take 4 to 5 years.

Mr. President, it seems to me, briefly, that there are three major problems raised by the amendment.

First, it would give Federal district judges the power to review de novo Federal agency regulations. In essence, the Federal judges who have been limited thus far to substituting their own judgments on the wisdom of regulations to questions of law, could be authorized herein to substitute their judgment on questions of fact as well. Environmental regulations now are being modified in the agency promulgation process by the participation of economic advisers. This provision provides industry with yet another opportunity to delay the process, if not water down strong provisions. No deference would be accorded the expertise and judgment of any Federal agencies. In effect, this provision puts Federal judges in the position of writing agency regulations.

Over the 20 years of my involvement in the Senate, I have heard rising concern about the growing power of the judiciary to make public policy. Here, in effect, we would give them the enormous power to write agency regulations.

Second, the amendment states (line 3, page 2) that:

> There shall be no presumption that any rule or regulation of an agency is valid . . .

No presumption that any rule or regulation of an agency is valid. Consider the impact of that statement, not on the courts, but on those who are regulating.

This completely undercuts an agency's ability to enforce the law through ordinary regulatory channels. It gives recalcitrant parties yet another excuse to avoid the law. They will litigate instead.

Whatever disposition there might have been to accept the judgment of the agency would be wiped away as they see the opportunity, yet another litigation opportunity, to defeat legitimate regulation in the public interest.

Third, Mr. President, the burden of proof to support agency regulations would be shifted back to the agency which must bear a very heavy burden. The agency must prove the regulation is supportable with clear and convincing evidence (line 8, page 2). At present, Federal agency regulations are upheld unless the opponent of the regulation can show there was no substantial evidence on the whole record to support the decision. This establishes a further unnecessary hurdle.

May I say to those concerned about the time-consuming nature of overregulation, this would add to the time consumed before the issue is finally resolved in the courts, and the courts of last resort.

So, anybody who sees this amendment as a way of shortcutting the regulatory process may find themselves overwhelmed by the actual fact, if it becomes the effective policy in this field.

Mr. President, I repeat that it may be that I have not had enough exposure to the arguments for this amendment. It may be I have not had enough opportunity to fully understand its implications. It may be that if I had such opportunity and time for reflection, the time to examine its assumptions and its implications, that I might be persuaded to support some modification of this amendment. But I am being asked to make that judgment now, on the basis of less than 2 hours of consideration, and part of that consideration has been listening to my own voice—and I am never thoroughly educated by my own voice.

But this is not the way to deal with an issue of this complexity, this magnitude, and this importance.

I do not think voting against it means that I label myself as being against overregulation. That is an oversimplistic approach that is taken by many people in offering amendments on this floor to one piece of legislation or another, to force Senators to face oversimplified interpretations of their vote.

I am against overregulation, but I am against oversimplification of the legislative process which could produce, in my judgment, the horrendous results which I foresee at this point.

I am willing to be educated, willing to consider the propositions, but not under these time constraints and under these pressures of time and insufficient and inadequate consideration and examination.

Mr. CULVER. Mr. President, I oppose the amendment offered by the Senator from Arkansas. The amendment offered by Senator Bumpers is a modification of S. 111 which would amend section 10(e) of the Administrative Procedure Act of 1946. As I understand the amendment, it would remove the presumption of validity which Federal courts give to any agency rule or regulation and would direct the courts to strike down any challenged rules or regulations unless the agency could support their validity by a preponderance of the evidence.

This amendment would do nothing less than repeal more than 30 years of experience in the area of administrative law and nearly 200 years of common law practice.

I am sympathetic with the goals which I believe the distinguished Senator from Arkansas is trying to achieve. I believe he is concerned that agencies often issue unnecessary and burdensome regulations which may even be outside the intent of the Congress. I am certain he is concerned with the delay in the administrative process which prevents ultimate resolution of the interpretation of congressional mandates; and I am certain that the distinguished Senator would like to see major overall changes in the Federal administrative process.

However, the amendment before us today, as the distingushed Senator from Maine has so eloquently stated, represents a classic case of throwing the baby out with the bath water.

I want the Senator from Arkansas to know that I share his concern that the administrative process is not working as well as it should, and I believe that it is the responsibility of the Congress to enact major changes in its operation.

Moreover, the Subcommittee on Administrative Practice and Procedure, on which I serve as chairman, has been doing exactly that for several years. In the 94th and 95th Congresses, extensive hearings were held on improving the Federal administrative process.

And now in the 96th Congress, we are on the verge of enacting one of the most important administrative reforms ever proposed. This year, our subcommittee and the Committee on Governmental Affairs have conducted weeks of hearings on a range of legislative proposals designed to improve the Federal regulatory process.

Among the proposals before our subcommittee are measures to improve the overall management of Federal regulatory agency activities—this is essential to reduce overlap and duplication in agency regulations.

We have been working on proposals to reduce delay in the administrative process.

We have heard proposals to reform the administrative law judge system which is central to factual decisionmaking in the agencies' adimnistrative process.

We have sought different ways of increasing public participation in the regulatory decisionmaking.

Finally, and perhaps most importantly, we are looking for ways to require that the agenices consider the cost and burden their decisions will impose on small businesses and local governments.

If we were to adopt the amendment before us today, we might just as well turn our back on the efforts of the past several years because this proposal would do away with the administrative process as we know it.

As we all know, under the Administrative Procedure Act, Federal courts cannot strike down a Federal rule or regulation unless the challenger can demonstrate that the agency was arbitrary or capricious in its interpretation of the statute or in its application of the facts to the statutory requirements.

Mr. President, we do not lightly accord such deference to agency decisionmaking. It is a core concept underlying the allocation of power between courts and agencies that judges are generalists while administrators are specialists.

Nothing could be more wasteful and more deleterious to the coherent administration of a regulatory program than having courts duplicate the efforts of agencies in applying legal concepts to every individual situation that comes along.

The consistency of those legal concepts with the mandates of Congress should be, and is, scrutinized by the courts with the deference to the agency's construction as the circumstances warrant.

But when that task is completed, I believe it is appropriate to leave the implementation of those judicially declared guidelines primarily to the specialists. This implementation process can still be reviewed under the abuse of discretion test and, in certain circumstances, the substantial evidence standard.

As the Supreme Court so aptly observed in *Gray* v. *Powell*, 314 U.S. 402 (1949):

> It is not the province of a court to absorb the administrative function to such an extent that the executive or legislative agencies bcome mere fact-finding bodies deprived of the advantages of prompt and definite action.

Mr. President, the current procedure under present law represents a fine tuning of the responsibilities of the courts and the Federal agencies. It assures that the courts are not burdened with the responsibilities of reviewing every agency interpretation of a statute.

Nevertheless, when an agency has acted arbitrarily or capriciously in interpreting a law passed by Congress, the courts repeatedly have struck down such actions.

We can cite example after example of agency decisionmaking with which we may disagree. In some instances, their decisions can be traced to honest and dedicated efforts by agencies to interpret vague and undefined mandates from the Congress.

However, where the mandate is clear and the agency has ignored that mandate, the courts have shown no reluctance to strike down the agency interpretation.

In fact—and I think it is an interesting point—where the objective of the amendment is to work toward a relaxation of excessive Government regulation by delegating, in effect, the responsibility to the courts, as distinguished from the agencies involved, I think it is constructive to observe who, in many instances in the past, has been responsible for requiring stricter regulations—the Federal agency involved in implementing a congressionally enacted statute or the courts, which are charged with interpreting the fairness of that agency decision and its fidelity to the statutory mandate of Congress at the time of its enactment.

For example, who required a stricter regulation, the courts or the agency, in the area of natural gas production? In this instance, the courts, themselves, said the law required regulation where the agency in the first instance had interpreted the statute to say that no regulation in fact was required.

Another example: In the area of television license renewals, the FCC vigorously attempted to have less regulations under their interpretation of the congressionally-imposed statute that they were legally required to implement. But here, again, the courts overruled the agency, saying that more regulation, in fact, was required by law.

Once again, in the area of airlines, Mr. Fred Kahn has asked for a new law. He came to Congress and petitioned that a new law be enacted because he feared the courts would require stricter regulation than the CAB favored under a correct interpretation of the statute and its application.

Mr. President, the proposal before us today unnecessarily would involve the courts in second-guessing every decision made by Federal agencies.

The burden on the courts would be inestimable. The disruption to the administrative process is almost impossible to foresee.

We have been reminded in the course of this debate that the Chief Justice of the United States recognizes this. In a letter to the chairman of the Judiciary Committee, he said:

> At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the federal courts and accordingly recommended that the Conference oppose enactment of S. 2408. The Conference agreed with the recommendation of its committee.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., September 27, 1976.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: As I advised you in my letter of August 17, 1976, I referred the proposals contained in Senator Bumpers' bill (S. 2408) to the appropriate committee of the Judicial Conference for study and report to the Conference.

At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the federal courts and accordingly recommended that the Conference oppose enactment of S. 2408. The Conference agreed with the recommendation of its committee.

The Judicial Conference appreciates the opportunity you have afforded it to study and report on this pending legislation.

Cordially,

WARREN BURGER.

Mr. CULVER. Mr. President, I also am somewhat startled because I have listened for many years in Congress to those who have expressed understandable concern about those instances in which courts, in fact, have become an extra legislative power unto themselves, or have exceeded their traditional areas of authority in influencing the public policy course of this Nation. It seems ironic, indeed, that many of those who, over the years, have expressed the gravest concern—and perhaps, on the merits, with considerable justification in a particular case—now would delegate not only an authority that is unprecedented to those courts but also seriously compromise not only the Federal agencies' role in our carefully balanced system under which we now operate but also pose a very substantial threat to the traditional role of Congress as the primary legislative authority.

So while our committee and the Committee on Governmental Affairs have been working carefully to improve the machinery of the administrative process and make it more responsive to the will of Congress and of those being regulated, this amendment, in my judgment, would radically change the administrative process in ways we cannot yet anticipate.

For these reasons, I am strongly opposed to its adoption and I think it would represent a very serious folly if Congress were to enact it.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. Who yields time,

Mr. BUMPERS. I yield time to the Senator from New Mexico.

Mr. SCHMITT. I thank the Senator, although he might after listening to the comments of the Senator—

Mr. BUMPERS. I am not asking the Senator to support the amendment. I wish he could make his remarks brief enough so we will vote by quarter to 1.

Mr. SCHMITT. I thank the Senator.

Mr. President, I have listened to the comments of the distinguished Senator from Iowa who chaired the beginning of the hearings on this issue this year relative to regulatory reform.

I must admit that my initial reaction to the amendment proposed by the Senator from Arkansas and to the list of distinguished cosponsors of that amendment was that this was a quick and relatively simple way in which the business, community, and individual citizens affected by arbitrary and unnecessary regulation could have recourse in the courts.

However, over the last hour of considering the problem and thinking about many of the issues that the Senator from Iowa has discussed, I am afraid I reluctantly will have to oppose the amendment.

The courts have usurped legislative power and in an indirect way this would provide them with further opportunity for such usurpation.

The real issue of regulatory reform must be here in Congress. The Senator from Iowa and I disagree, I believe, on how to do that. Hopefully we will gradually reach an accommodation.

I believe Congress must assume legislative responsibility for regulations one way or another. In a broad sense it can be argued and correctly that we do have that. We create the laws under which regulations are formulated. However, we have, I believe, abrogated the responsibility for the detailed creation of law that comes through regulation.

There are approximately 18 laws created by regulation for every one law that is created by Congress. That is an unacceptable alteration of a concept of representative government.

The issue here before this Congress and before other Congresses will be: How do we respond as a representative democracy to the growing threat of an ever larger, ever more powerful legislative bureaucracy?

As I said, we must assume legislative responsibility for the regulations, and I do believe after 2½ years of detailed consideration, after hearings before the Judiciary Committee, that the concept commonly known as the legislative veto, with safeguards not only for the regulators and for the public but for Congress, the two Houses of Congress, is the appropriate way to go.

I have proposed such a concept embodied in S. 104, also embodied in amendment 212 to S. 1020, S. 1020 being the authorization for the Federal Trade Commission.

There is increasing support for this concept, and I think that gradually the merit of the kind of procedure that S. 104, of legislative veto and a balanced constitutional way, represents is gaining sufficient support to eventually become law.

Mr. President, I ask unanimous consent at this time that an editorial on this subject, by James Kilpatrick, who has since changed his mind about it, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Bureaucratic Estate

Our government, as every schoolboy knows, theoretically embraces three branches—the executive, the legislative and the judicial. Recent years have produced a fourth branch: the bureaucracy. One of the most troublesome political questions of our time goes to the problem of restraining bureaucratic power.

Sen. Harrison Schmitt has an idea. He wants to provide for a legislative veto over the formal Trade Rule Regulations imposed by the Federal Trade Commission. He makes a convincing case in support of his plan.

Most persons—and certainly most businessmen—are familiar with the general problem. Over the past 15 or 20 years we have witnessed in Washington an explosion of federal regulations. The powers of old agencies, such as the FTC, have been greatly expanded. A dozen new agencies have been created. Upward of 200,000 civil servants now are engaged in regulatory activities.

Some of the agencies, such as the Occupational Safety and Health Administration (OSHA), function as complete little governments. OSHA effectively makes laws, a legislative function; OSHA administers its own laws, an executive function; and OSHA prosecutes, tries and fines those who violate its laws, a judicial function. An aggrieved victim of OSHA's power has but one avenue of relief—the murderously expensive and time-consuming process of appeal to the federal courts.

In the old days, a regulatory agency typically had a limited field of authority. The Maritime Commission dealt with ships, the Federal Communications Commission with radio and television, the Civil Aeronautics Board with air transportation, and so on. The new breed of agency is different. The writ of the FTC, for example, runs clean across the board. Any activity that even remotely "affects commerce" is fair game for the commission.

At the FTC, 1,700 bureaucrats, including 600 lawyers, are actively, eagerly, obsessively engaged in the promulgation of rules and regulations. By Schmitt's count, the FTC is working on 40 public investigations, 120 private investigations, 30 active litigations and 15 proposed Trade Rule Regulations. The TRR's cover funeral homes, health spas, used cars, hearing aids, mobile homes, children's television advertising and a mind-boggling assortment of other matters.

"The Federal Trade Commission," Schmitt contends, "may be the second most powerful legislature in the country. The FTC claims the power to declare any commercial act to be 'unfair,' regardless of state law, and thereby to amend all state statutes and reverse all state cases that may be inconsistent with its declaration."

Schmitt's concern goes beyond particular TRR's. The basic question is a question of power: "Who writes the laws in this country—unelected administrators or the elected representatives of the people?" His disturbing answer is that the regulatory agencies are spinning out 18 laws for every one law enacted by the Congress. For all practical purposes, the agencies are untouchable. They are headed by boards or commissions whose members are named for fixed terms, and they are served by bureaucratic staffs with what amounts to life tenure.

Under an amendment proposed by Schmitt to the FTC authorization bill, Congress would have 60 days in which either house could impose a legislative veto upon a TRR. There is nothing especially novel in a legislative veto as such. Since 1932, Schmitt says, Congress has reserved such a power nearly 300 times. At least 34 states have some form of legislative veto over state agencies. The authority appears to be rarely used.

Schmitt's resort amounts to a last resort, and last resorts ought to be seldom invoked. The device troubles some observers who regard the veto as a intrusion upon executive responsibilities, but there seems to be nothing unconstitutional in the approach. My own inclination would be to try the Schmitt plan for a few years and to see how it works with the FTC. If a veto would restrain that power-hungry outfit, the same kind of emergency brakes could be provided for all the rest.

Mr. SCHMITT. Mr. President, I shall also ask that the Record include a summary of the feelings of the National Conference on State Legislatures entitled "Restoring the Balance." I ask unanimous consent that it be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHMITT. The reason I include that document is that the State governments represent the crucible of experimentation in regulatory reform. It is there that 34 of the 50 States have experimented with various kinds of legislative review of the regulatory process, ranging from just a voluntary submission by the agencies to appropriate legislative committees, to a legislative veto, and their experience has been uniformly beneficial. They are, to my knowledge, unanimous in the support of this concept of activity.

The reason I bring this up at this point is because I think it is the appropriate legislative mechanism for us to establish regulatory reform.

The concept proposed by the Senator from Arkansas is simplistic in its formulation. It is attractive in that regard. It may well be something that we would want to include in one form or another in a comprehensive bill, and I will guarantee the Senator from Arkansas that I will begin to include consideration of this concept as part of the legislative veto concept that I have proposed and has been proposed also and supported in the House of Representatives.

Mr. President, this is a fundamental issue of our time. It is an issue that once resolved will determine the direction of our future concepts of representative government, of representative democracy.

I am sorry to say that I do not think that there has been sufficient deliberation by this body or by myself on the concept of court review of regulations for me to support the amendment at this time.

I wish we had had that study. I wish I had the time to do that so that if possible I could support it, but I cannot, and I urge my colleagues to reserve that consideration to some future time.

Exhibit 1

Restoring the Balance: Legislative Review of Administrative Regulations

THE NEED FOR LEGISLATIVE REVIEW OF REGULATIONS

The past 50 years have seen the growth of government at all levels. The prevailing philosophy behind this growth was that those problems which could not be solved by individual initiative and private action should be solved by the federal, state and local governments.

This philosophy has resulted in a dramatic growth in the executive branch of government as the branch which must implement the programs designed to solve the problems of society. There are numerous reasons for this growth. However, the main reason is that as legislatures passed laws to solve specific problems, a means of enforcing and implementing these laws was necessary.

Legislatures increasingly granted the power to promulgate regulations to the agencies that were created to enforce and implement new programs. Consequently, the expanding number and size of these agencies began to have an effect on the balance of power between the executive and legislative branches of government. The initial question, whether the agencies had the power to promulgate regulations which had the force of law, has been answered in the affirmative by the courts. Judicial decisions have affirmed the legislature's right to delegate a portion of its legislative power to the agencies for the implementation of complex problems.

As more agencies were created or expanded, the number of regulations promulgated to implement laws increased dramatically. In most states today, the body of law created by the rule-making process matches or exceeds the statutory laws of those states. While it was recognized that agency rule-making was necessary for the implementation of laws passed by the legislature, one major concern was the increasing number of regulations that either exceeded the statutory authority of the promulgating agencies or violated the legislative intent of the laws.

Legislatures began to respond to these concerns by establishing formal legislative regulation review procedures. These procedures usually provided, at the very least, that proposed regulations be submitted to a designated legislative committee for review to insure that they were technically correct and within the scope of the statutory authority and legislative intent as stated in the legislation. Most of the laws were part of the states' administrative procedures act, which set up procedures for the promulgation of regulations.

Thirty-four states currently have formal legislative regulation review authority. The powers of the legislatures under these laws range from review of certian agencies' rules to repeal of rules by the legislature or a legislative committee.

The 1977 legislative sessions were active in providing legislatures with a role in the review of agency rules and regulations. Nine additional states (Georgia, Illinois, Maine, Nevada, New York, North Carolina, Ohio, Texas and Wyoming) established procedures for legislative regulation review. In three other states (New Mexico, North Dakota and Rhode Island), similar bills were vetoed by the governor. Seven states (Alaska, Connecticut, Kansas, Michigan, Missouri, Montana and South Carolina) amended their laws either to clarify existing review procedures or to provide a greater role for the legislature in the review process. Three state legislatures (Colorado, Louisiana and New York) were unable to override the governor's veto of bills amending the regulation review law, while in Michigan and Alaska, the legislature enacted amendments over the governor's veto.

Since in most instances, agency authority stems directly from the legislature, legislative review of regulations can be used to help insure agency compliance with both statutory authority and legislative intent. There have been cases of agencies deliberately attempting to circumvent statutory authority or legislative intent, and in a number of states basic provisions of bills defeated by the legislature have subsequently appeared almost verbatim in agency regulations.

The legislative regulation review process allows the legislature to monitor agency action throughout the year. While the legislature already oversees each agency through the appropriations process, the regulation review process gives it another and more continuous monitoring mechanism. As agency regulations are promulgated, they must pass through a formal review procedure, which includes a legislative review. The legislative review may be advisory in nature or it may allow for disapproval or delay of approval of a regulation.

SUMMARY OF RECOMMENDATIONS

In recognition of the need for a legislative regulation review process in each state, the committee makes the following recommendations:

Recommendation No. 1:

Because of the proliferation of agency regulations and the possibility of promulgation of regulations which violate legislative intent or exceed statutory authority, the committee strongly recommends that legislatures establish procedures for reviewing all agency rules and regulations promulgated with the force of law under authority granted by the legislature, whether or not they are covered by the administrative procedures act. These review procedures should be as strong as the constitution of each state allows. In establishing these procedures, legislatures will be reasserting their legislative prerogatives and regaining the basic lawmaking authority granted to them under state constitutions.

Legislatures should also enact comprehensive administrative procedures acts for their states, or review existing laws, to insure a thorough review of all regulations. These procedures, of which the legislative review process should be a key part, should include 1) a clear definition of an agency regulations; 2) a requirement that agencies' regulations clearly show additions to and deletions from existing regulations; 3) a requirement that all proposed regulations be published in advance of their effectiveness; and 4) a requirement that all regulations be filed with the legislature as provided by the legislative regulation review procedures. The procedures should allow maximum opportunity for public comment both in the promulgation and adoption of regulations as well as in the legislative review process.

To assist legislatures in establishing effective procedures for the legislative review of regulations, the committee makes the following additional recommendations:

Recommendation No. 2:

After considering the alternative regulation review structures, the committee recommends that a single joint committee, empowered to meet year-round, be designated or established to perform the regulation review function. The committee should include members representing both houses. Legislatures may also wish to consider including representation from the major substantive standing committees on the review committee.

Recommendation No. 3:

Recognizing the difference in state constitutions and judicial interpretations, the committee recommends that the strongest possible review structure be created in each state, consistent with the state's constitution.

Recommendation No. 4:

The committee recommends that the committee on committees designated to perform regulation review be adequately staffed by permanent legislative staff, so that review of regulations is effectively accomplished.

Recommendation No. 5:

The committee recommends that the review committee in each state have the authority to review all proposed and preexisting regulations.

Recommendation No. 6:

The committee recommends that reasonable time constraints be imposed on all levels of the regulation review process to provide for adequate review and for expeditious final disposition of regulations by both the committee and the legislature.

Recommendation No. 7:

The committee recommends that procedures be established for the promulgation of emergency regulations, with reasonable time limitations on committee review and on the effectiveness of those regulations to prevent agency circumvention of the legislative review process.

Recommendation No. 8:

The committee recommends that the review committee meet often enough to provide adequate review of proposed regulations which agencies file.

Recommendation No. 9:

The committee recommends that legislative bill drafting and counseling agencies adopt specific guidelines to assure that all bills granting rule-making authority to administrative agencies be reviewed before introduction to assure that (1) legislative intent is clearly spelled out in the bill, and (2) adequate standards are included to guide agencies in rule promulgation pursuant to the bill.

REGULATION REVIEW STRUCTURES

Because of the size of state legislatures, the most effective method of regulation review is through the committee process. The review can generally be divided into three categories: (1) review by substantive standing committees; (2) review by a single joint committee, whether created for that purpose or designated as part of other functions (such as a legislative council); or (3) review by both, with standing committees reviewing during the session and a single joint committee reviewing during the interim.

Standing committee review

Regulation review by standing committees is usually initiated in one of two ways. In some states, the agency submits the proposed regulations to the presiding officers of each house for reference to the appropriate standing committee. In other states, the agency submits the regulations directly to a predesignated committee for each agency. Idaho, South Carolina and Louisiana conduct regulation review through the standing committee structure.

In some states, the standing committees perform a second review of regulations after initial review by a joint review committee. Iowa and Minnesota, for example, use this procedure. In Kentucky, a three-tiered system is used. If the review body, a special joint subcommittee of the Legislative Research Commission, objects to a regulation, the agency then submits it to the appropriate standing committee. If that committee objects, the agency submits it to the full legislature.

The standing committee review procedure allows the committee which reported the bill authorizing the promulgation of regulations to review those regulations for compliance with statutory authority and legislative intent. Since committee members and staff usually have the expertise to deal with complex regulations in their substantive areas, their involvement in the review procedure may be advantageous. This system also allows the workload of review to be spread among all the committees.

One disadvantage of this procedure, however, is the possibility of disagreement between house and senate committees reviewing the same rules. Also, while standing committee members are most familiar with the law authorizing the regulations, they may be too subjective in what they feel is the legislative intent, especially if that intent is not clear in the law. A more serious drawback is the fact that most standing committees have a heavy workload during the session and may not be able to handle a high volume of regulations requiring review. Also, standing committees usually meet much less frequently during the interim, when many new regulations are being promulgated.

Joint committee review

The majority of the states with formal regulation review procedures use the single joint committee mechanism. Most of these committees are bipartisan, with either proportional or equal minority representation. Some committees have an equal number of house and senate members while others have more house than senate members.

In some states, the review function is performed by the Legislative Council, the agency which provides all services to the legislature. In Kentucky, the Legislative Research Commission (a joint management body) appoints a three-member regulation review subcommittee composed of at least one member from each house and at least one member of the minority.

One advantage of the joint committee structure is that in nearly all states the committee's primary function is regulation review. It meets fairly regularly, both during the session and during the interim. Another advantage is that the committee acts for the full legislature, not just one house, and makes its recommendations to the full legislature. Unlike the standing committees of each house, the joint committee may be more objective in determining legislative intent from the language of a law.

One disadvantage of this structure is that committee members may have limited knowledge of the substantive areas for which the regulations are promulgated and they may not be familiar with the development of the language of the enabling law which determines legislative intent. Also, there may be the additional cost of staffing the committee, whether with its own full-time staff or with staff from a central staff agency.

Standing committee/Joint committee review

In a number of states the standing committees review regulations while the legislature is in session and a designated joint interim committee performs the review during the interim: Kansas and Nevada both use this system to some extent. In Kansas, all proposed regulations must be submitted by December 31 of each year to the revisor of statutes. During the session, he refers them to both the Joint Committee on Administrative Rules and Regulations and to the appropriate standing committee. The Colorado legislature recently passed legislation to change from a standing committee/joint committee system to a joint committee review structure, but the bill was vetoed by the Governor.

This system combines the advantages of standing committee review with the advantages of interim review by a joint committee.

The major disadvantage is that the review function is split. This may cause a lack of cohesive legislative action and lead to a situation where agencies may wait to promulgate regulations so they can be submitted to the review body which will give the most favorable consideration.

Recommendation No. 2:

After considering the alternative regulation review structures, the committee recommends that a single joint committee, empowered to meet year-round, be designated or established to perform the regulation review function. The committee should include representation from both houses. Legislatures may also wish to consider including representation from the major substantive standing committees on the review committee.

REGULATION REVIEW POWERS

The powers of the legislative committees charged with the responsibility of reviewing regulations generally fall into four categories: 1) advisory; 2) repeal of a regulation by the legislature; 3) committee suspension for a specified period of time; and 4) committee suspension without required legislative affirmation.

Advisory

In general, legislatures which cannot nullify, suspend, amend or modify a regulation are considered to have only advisory review powers. In most advisory states, the review committee may return regulations to the promulgating agency with recommended changes which the agency is not bound to accept. These advisory committees may recommend to the full legislature that the law authorizing the promulgation of rules be amended, requiring passage of a bill. Arkansas, Missouri and Nebraska are states with advisory review powers only.

Iowa has a regulation review process which is advisory, but which places the burden of proof on the agency once objections to a regulation are raised by the committee. The burden of proof shifts to the agency in any future court action and it must prove it did not violate legislative intent or statutory authority in adopting the regulation over the committee's objection.

Regulation review committees with advisory powers only are less likely to be challenged on constitutional separation of power grounds. This procedure does involve review for compliance with statutory authority and legislative intent and offers a basis for passage of a bill that changes the enabling statute. Also, agencies are usually responsive to committee recommendations and grateful when the committee points out errors in the regulations. The Iowa system, while only advisory, does give the legislature an advantage in a subsequent court action, whether that action is brought by the legislature or by a citizen adversely affected by the regulation. The constitutional separation of powers question is not likely to be raised because the legislature has no power to suspend or nullify.

One disadvantage of the advisory review system is that in most cases the committee has no recourse (except recommending a change in the enabling statute) if an unresponsive agency refuses to accept the committee recommendations. The only other recourse for the legislature is through the judicial system, and in that case, the legislature would have to assume the costs of litigation in challenging agency regulations in court.

Repeal of a regulation by the legislature

In some states, the legislature has the authority to repeal or nullify regulations through the passage of either a bill or resolution. This is usually done upon the recommendation of the reviewing committee. In Georgia, if a repealing resolution is passed by a two-thirds majority of each House, the regulation is nullified. If it is passed by less than a two-thirds majority, the resolution must be submitted to the governor for his signature. In Maine, all new regulations automatically expire in five years unless they are repromulgated.

Regulation repeal procedures give the legislature the power to take affirmative action in the face of agency unwillingness to modify objectionable rules. The primary disadvantage may be the constitutional question of whether the legislature has the authority to nullify a regulation promulgated by an executive branch agency.

Committee suspension for a specified period of time

A third means of reviewing agency regulations is for the committee to have the power to suspend regulations for a specified time, thus delaying or temporarily repealing their effectiveness. Before the specified time has expired, however, the full legislature must affirm the committee's suspension by prescribed means or the regulation goes into effect. Legislative affirmation would permanently nullify the regulations. Minnesota, South Dakota and Wisconsin are states where the committee has the power to suspend regulations subject to the approval of that action by the full legislature within a certain time.

The principal advantage of giving the committee suspension power is that the legislature is able to take immediate action when faced with an agency which refuses to modify objectionable regulations. Also, agencies are more likely to write regulations which are technically correct and in compliance with both statutory authority and legislative intent. And since legislative affirmation is required, arbitrary action by the committee is not possible.

There may be constitutional questions with this structure in two respects. First, there is the issue of whether the legislature even has the authority to suspend or nullify a regulation promulgated by an executive branch agency. Secondly, there may be a question of the legislature's authority to delegate suspension power to a legislative committee, even though the committee cannot permanently suspend a regulation without a vote of the full legislature.

Another possible disadvantage is the cost to the agency and the public caused by the delay of effectiveness of a regulation. However, most states have procedures for the implementation of emergency regulations on a temporary basis, with legislative review taking place after regulation is in effect.

Committee suspension without required legislative affirmation

The fourth method of review is similar to the third. The committee has the power to suspend or delay the effective date of a regulation for a specified time, but unless the legislature overturns the committee's suspension through positive action, the suspension becomes permanent. Connecticut, Michigan, Tennessee and West Virginia are the only states where this structure exists. Connecticut's law says that the legislature "may" vote to sustain or reverse the committee's suspension, but the lack of positive action sustains the suspension. In Tennessee, the suspension is in effect until rescinded by a joint resolution of the legislature. The Tennessee attorney general, however, has advised the governor that this procedure is unconstitutional.

Again this structure allows the legislature to take action when faced with an unresponsive agency and may encourage agencies to write better regulations which are more likely to conform with statutory authority and legislative intent.

The main disadvantage to this structure is the serious constitutional question of whether the committee can, in effect, nullify a regulation without a vote of the full legislature to sustain that action.

Recommendation No. 3:

Recognizing the difference in state constitutions and judicial interpretations, the committee recommends that the strongest possible review structure be created in each state, consistent with the state's constitution.

Among the particular considerations which should be reviewed are questions such as the following:

1. How strictly has your state's supreme court interpreted the "separation of powers" clause of your state constitution?

2. How strictly has the court enforced the prohibition against delegating legislative power to the executive? What guidelines have been set forth? How "complete" must a bill be when it leaves the legislature? Excluding local acts and constitutional amendments, can the effectiveness or implementation of a bill be conditioned upon future events after enactment by both houses and approval by the Governor? Do laws delegating rule-making power have to have adequate standards spelled out in the act?

3. Does your constitution specifically detail the "bicameral" principles? Does bicameralism mean that both houses have to agree on all actions (other than internal rules) taken by that body, or that either house can negate the actions of the other?

4. Is there a constitutional provision in your constitution requiring the approval or veto (or at least presentation to the Governor) of every resolution or order to which the concurrence of both houses may be necessary? If so, how has the court interpreted it? Does your state make a distinction between a concurrent and joint resolution, and for what may each be used?

5. How have your courts ruled on "legislative intent"? Is determination of legislative intent solely a judicial function? Can legislators testify as to legislative intent? In court decisions on statutory construction, are courts bound by statements of legislative purpose, intent, and preambles sometimes found within legislative enactments?

6. Have the courts ruled on the power of a current legislature to determine the legislative intent of a previous body?

7. Do legislative committees have a statutorily-recognized standing? How have courts looked at standing committees—as official entities empowered to take authoritative actions, or as simply internal subunits of a legislative house, with advisory functions only to the full house? Can they be delegated powers of a full house?

8. Do agencies have to have a specific grant of rule-making power before adopting rules, or is it only necessary that such rules pertain to the implementation of a statutory or constitutional grant of power or responsibility? Additionally, can agencies have inherent rule-making power? (For example, many state supreme courts have established that they—the court—have certain inherent powers—as the power to prescribe rules and regulations for the state bar and rules of procedure within courts. Additionally, governors and the President cite as an inherent power their authority to issue executive orders and take a number of other actions.)

METHOD OF LEGISLATIVE ACTION

The states which require legislative affirmation of a review committee action or recommendation use one of three methods of legislative action: 1) by simple resolution of either house; 2) by joint or concurrent resolution; and 3) by bill or statute.

Simple resolution

The simple resolution method allows either house to sustain the committee action or recommendation by a simple resolution.

Oklahoma, which uses this system, required a concurrent resolution of both houses to sustain the committee recommendation prior to 1975.

The advantage of this method is speedy affirmation of the committee's action or recommendation.

The disadvantages center around the constitutional weakness of the method, since the full legislature is not required to act. Also, this method could cause division between the two houses of the legislature.

Joint or concurrent resolution

Another method of affirming a committee action or recommendation is through a joint or concurrent resolution. Under this system, in most states no action by the governor is required. Idaho, Montana and Vermont are among those states which utilize this method.

There are two primary advantages to this method. First, it provides that the full legislature take action, assuring a unified decision. Secondly, in most cases, it does not require gubernatorial action, so the legislature is making the final determination as to legislative intent and compliance with statutory authority.

There may be, however, constitutional problems in some states because in order to change a regulation which has the force of law, a statute has to be passed and signed by the governor.

Statute

The third method of legislative action on a review committee's action or recommendation is by bill. This may be done in the form of a bill either to repeal the regulation or to amend the statute under which the regulation was promulgated. In Arkansas, Florida and Nebraska, all of which have advisory powers, the legislature can enact a law amending the statute granting the promulgation authority. In Colorado, Minnesota and Wisconsin, the legislatures can nullify a regulation by statute. Kansas provides that a statute be enacted to repeal an existing regulation, but that a concurrent resolution is sufficient to prevent the implementation of a proposed regulation.

The statute method is the most constitutionally sound, since it adheres to the regular lawmaking process. The main disadvantage is that it involves the executive branch in determining whether a regulation was promulgated within the authority granted by the legislature.

STAFFING

There are two means of providing staff for the legislative review of regulations: 1) through a full-time staff devoted to the review of regulations; or 2) through a part-time staff provided by a central staff agency or individual committees.

Full-time staff

The number of full-time staff devoted to regulation review varies greatly among the states that use this structure. Florida's Joint Administrative Procedures Committee has a staff of six full-time attorneys and four administrative personnel. Most states with full-time staff usually have one or two full-time professional staff.

Full-time staff is utilized only by states which have a single joint committee structure. States with standing committees use either committee staff to perform review on a part-time basis or staff from a central agency.

Full-time professional staff are able to handle the volume of proposed regulations and perform a thorough review of all regulations. However, the primary disadvantage of this staffing structure is, of course, the cost of maintaining a full-time staff. Florida has a budget of $310,000 for its regulation review committee. Michigan, with two full-time attorneys, has a budget of $74,000.

Staff by central service agency or committee

The staff structure used most frequently for reviewing regulations is the assignment of staff on a part-time basis from a central staff agency. Usually, one or more attorneys or research analysts are assigned from the legal services or bill drafting agency, the code revisor's office, or the research agency. Alaska, Connecticut and Maryland all use this type of staff structure. Idaho and Nevada, which use the standing committee review process, provide staff through the central research agency.

The use of staff from the central staff agency allows for staffing of the regulation review function without the higher costs of full-time staff. Also, many research agencies divide their staff by areas of expertise so the staff is familiar with the subjects of the regulations under review. In addition, since the staff may have helped to draft the enabling legislation, they are familiar with the legislative intent.

However, the disadvantage of this structure is that the staff has other functions to perform and may not be able to devote enough time to the regulation review function.

Recommendation No. 4:

The committee recommends that the committee or committee designated to perform regulation review be adequately staffed by permanent legislative staff, so that review of regulations is effectively accomplished.

PROCEDURES

Review of proposed regulations

Effective legislative regulation review can be accomplished either through a review of all proposed regulations or through selective review. In addition, some states have given the reviewing body the power to review all or selected pre-existing regulations.

The process of total review usually requires that all proposed regulations be submitted to the legislative body handling review. The committee, either by law or by tradition, may have the option of reviewing only selectively. In at least one state, Colorado, the staff reviews all proposed regulations and recommends consideration by the committee of selected regulations which may have technical errors or be in violation of either statutory authority of legislative intent. Some states review proposed regulations only upon the complaint of a legislator or citizen, even though the committee has the authority to review all regulations.

Review of all proposed regulations by the committee is designed to assure that no regulations are promulgated which may be in violation of legislative intent or statutory authority. Total review, however, requires much more staff and legislator time, and may not be necessary for a majority of proposed regulations. With selective review, complex and controversial regulations can be given careful scrutiny.

Review of pre-existing regulations

The majority of states with regulation review structures has the power to review regulations which are already in effect. In Florida, the review committee is currently examining all pre-existing and proposed regulations. The process of reviewing all pre-existing regulations is expected to take from three to five years. In some other states, review of pre-existing regulations is done on a selective or complaint basis.

This type of review assures that older regulations are brought up to date or repealed if no longer needed. But, it can tie up valuable staff time if not performed on a selective basis. Also, this procedure may raise constitutional questions regarding a legislature's right to determine the legislative intent of a previous legislature.

Recommendation No. 5:

The committee recommends that the review committee in each state have the authority to review all proposed and preexisting regulations.

Time constraints

To insure an orderly and expeditious review process, most states have time constraints on the various phases of the process. The agency usually has a certain number of days to file a regulation with the legislature before it can take effect. In some states there is no time limit, but the proposed regulation cannot go into effect without being filed with the legislative review body.

After the proposed regulation is filed by the agency, the committee usually has a certain time period within which to conduct its review. If the committee does not object to the regulation within the time period, it is deemed approved.

Some of the committees which have the power to suspend or recommend nullification of regulations must have the affirmation of the legislature within a certain time period or the regulation goes into effect. In Minnesota and Wisconsin, the legislature must sustain the committee action before the end of the next regular session. In South Dakota, suspension of a regulation during the interim is only valid until 30 days after the beginning of the session without legislative affirmation.

Time constraints on the regulation review process are necessary for three reasons: 1) to prevent agency circumvention of legislative review of regulations; 2) to insure adequate review time for the committee; and 3) to provide expeditious final disposition of regulations by the legislature.

Recommendation No. 6:

The Committee recommends that reasonable time constraints be imposed on all levels of the regulation review process to provide for adequate review and expeditious final disposition of regulations by both the committee and the legislature.

Emergency procedures

Most states with regulation review procedures have means by which emergency regulations can be promulgated. These procedures may include a limitation on the life of the emergency regulation and a provision for review by the legislature. Michigan's law allows emergency regulations to remain in effect only up to one year without formal legislative approval. This restriction prevents circumvention of the review process by the agency. In Connecticut, under a law passed in 1977, the agency must submit all emergency regulations to the review committee five days prior to their effectiveness. The committee has the authority to suspend those regulations within the five-day period. In Minnesota, emergency regulations are effective for only 90 days, unless they are repromulgated through the normal process which includes legislative review. Kansas law provides that "temporary" regulations may be implemented by agencies during the interim after they have been approved by the Temporary Rules and Regulations Board, which is composed of the chairman of the Joint Committee on Administrative Rules and Regulations, the Secretary of State and the Attorney General. All temporary regulations expire on the following April 30.

Recommendation No. 7:

The committee recommends that procedures be established for the promulgation of emergency regulations, with reasonable time limitations on committee review and on the effectiveness of those regulations to prevent agency circumvention of the legislative review process.

Frequency of review committee meetings

The review committees in many states which have legislative regulation review procedures usually meet once a month. Others meet only on call when there are regulations pending review. Some states' committees meet more often during the session than during the interim.

The actual volume of regulations reviewed is difficult to determine because a regulation can be defined as anything from a one-word amendment to an entire volume of new procedures. Many states review about 20 to 25 regulations per meeting.

Recommendation No. 8:

The committee recommends that the review committee meet often enough to provide adequate review of proposed regulations which agencies file.

Bills authorizing promulgation of rules

One reason why agencies might promulgate rules which do not conform with legislative intent is that the law authorizing such promulgation may not specifically state the legislature intent. Also, the law may be too broad or general and may not provide agencies with specific guidelines for the promulgation of rules. For example, a law may simply state that "reasonable rules be promulgated to prevent unfair banking competition."

Recommendation No. 9:

The committee recommends that legislative bill drafting and counseling agencies adopt specific guidelines to assure that all bills granting rule-making authority to administrative agencies be reviewed before introduction to assure that (1) legislative intent is clearly spelled out in the bill, and (2) adequate standards are included to guide agencies in rule promulgation pursuant to the bill.

Fiscal notes on regulations

South Dakota requires that each proposed regulation have a fiscal note stating the effect the regulation will have on state revenue and/or expenditures. This fiscal note, which is prepared by the agency and reviewed by the state Bureau of Finance and Management, must include information on the fiscal impact for the first year and the continuing fiscal impact, the assumptions made in preparing the statement and the source of statistics used. The fiscal note is furnished to both the Interim Rules Review Committee and the Joint Appropriations Committee, either of which may refer it to the relevant standing committee for review. While objections can be made to a regulation because of the fiscal note, it is unclear if a regulation can be suspended on that basis.

The LIM Committee discussed the issue of fiscal notes on regulations and decided that since it is a relatively new procedure, there was insufficient information on state experiences to warrant a committee recommendation at this time.

CONSTITUTIONAL QUESTIONS

The legislative review of administrative regulations process has raised a number of constitutional questions which can only be answered by an examination of each state's constitution and relevant court decisions. The eight questions following Recommendation No. 3 (under "Regulation Review Powers") provide guidelines for this examination. The four major questions being raised relate to 1) the legislative review process itself; 2) the delegation of legislative authority to a legislative committee; 3) the committee's and the legislature's power to suspend a regulation; and 4) the use of a bill or resolution to sustain committee action.

Legislative regulation review process

Legislative regulation review has frequently been questioned as a violation of the constitutional separation of powers concept. Opponents of legislative review claim that rule-making is an administrative function and that legislative review (and in some states, repeal) of rules is a usurpation of executive authority. The U.S. Supreme Court has ruled in the case of *Buckley vs. Valeo* (No. 74–736, 424 U.S. 2, January 30, 1976) that Congress, in creating the Federal Election Commission with a number of congressionally-appointed members, violated the U.S. Constitution's provision that only the President can appoint administrative officers. This case is significant because it is the first time since 1928 that the Supreme Court has addressed the question of separation of powers. The Buckley case may be cited in challenges to legislative review powers because legislatures, after passing enabling legislation, are retaining some control over what is seen as a wholly administrative function.

Supporters of legislative review contend that since the courts have upheld the legislature's right to delegate rule-making authority to executive branch agencies, it is consistent for legislatures to condition that authority with a legislative review process. Also, agency rule-making is more quasi-legislative than executive, so legislatures should be able to retain control over what is essentially a policy-making function.

Another separation of powers question arises with respect to the legislature usurping the role of the judiciary to interpret the laws. However, it has been argued that regulation review is actually the final step in the legislative process, and that if regulations are reviewed prior to effectiveness, that review is distinguishable from an after-the-fact judicial determination.

In Wisconsin, all legislation authorizing promulgation of regulations also includes a section requiring that those regulations be reviewed by the legislature. This standardized language, as part of the bill signed by the governor, puts the legislature in a stronger constitutional position since the governor has approved the condition placed upon agency rule-making.

Delegation of legislative review authority

The delegation of review authority to a legislative committee may raise constitutional questions, depending on the committee's powers, especially if those powers include suspension of regulations. But, as mentioned above, court decisions have upheld the legislature's right to delegate its power. Since the review power is delegated to an entirely legislative unit, that delegation is proper as long as the full legislature retains control over the committee's actions. The most serious constitutional question arises when a committee is empowered to suspend regulations without affirmation by the legislature.

Suspension powers

Opponents of legislative review also argue that neither the committee nor the full legislature has the authority to suspend a regulation. The arguments for this position relate to the authority to conduct review in the first place. At the very most, it is argued, the legislature can only have advisory review powers, since once a law is passed, it is solely the executive branch's function to implement that law.

Defenders of legislative regulation review claim that only the legislature can determine legislative intent, and suspension power insures that that intent will not be violated. A State Supreme Court case in Wisconsin challenged the committee's right to suspend a regulation. But the bill upholding the committee's suspension was not passed before the end of the session and the court dismissed the challenge without a definitive decision.

Suspension of a regulation by a committee may pose serious constitutional questions if, as in Connecticut, the legislature is not required to uphold the committee's suspension. In Connecticut, a case is now pending which directly challenges that state's regulation review powers. Connecticut is among the strongest of all states with such powers. The case will be argued on separation of powers grounds and if finally decided by the court either for or against that state's legislative review law, it will provide a basis for court action in other states.

Method of legislative action

Another constitutional question revolves around the method by which the legislature repeals or upholds a committee suspension of a regulation. It has been argued that since a regulation has the force of law, only the passage of a statute can repeal it. Attorney General opinions in Michigan and Tennessee ruled that repeal of a regulation should be in the form of a bill.

On the opposite side, it has been argued that since a bill requires a gubernatorial signature to become law, the use of a bill brings the governor into the process of determining legislative intent, a violation of separation of powers.

The use of a joint or concurrent resolution to repeal a regulation has been argued as proper because approval of regulations is one of the contingencies specified in the enabling legislation giving the agencies rulemaking authority.

The use of a simple resolution of either house to disapprove a regulation may be constitutionally the weakest method, since only one house is exercising the power of the legislative branch.

Constitutional regulation review powers

While most states with regulation review authority have acquired that power by statute, Michigan has a constitutional provision giving a joint legislative committee, the power to suspend regulations during the interim. The Florida legislature, which has only advisory review powers, attempted to acquire repeal powers through a constitutional amendment, but the proposal was defeated in a statewide referendum in 1976, as was a similar proposal in Missouri.

Other states may try to put the regulation review powers in their constitutions to prevent future challenges to legislative authority in this area.

SUMMARY OF STATE LAWS

Legislative review of administrative regulations

Alaska—(AS § 24.20.400 & § 44.62.320) The Alaska Legislature in 1975 created the Administrative Regulation Review Committee as a permanent interim committee of the legislature composed of three members each from the house and senate. The committee is empowered to examine all administrative regulations to determine if they properly implement legislative intent. Prior to 1978, the committee could recommend annulment of a regulation to the legislature, which in turn, had to adopt a concurrent resolution to do so. A 1978 law passed over the governor's veto empowered the committee to suspend objectionable regulations until 30 days after the next session begins. During the 30-day period, the legislature must annul the regulation through the passage of a concurrent resolution or it goes into effect.

Arizona—(Ariz. Rev. St. 41–511.05). Rules and regulations promulgated by the State Parks Board are the only ones which require legislative review and approval. All other agencies file regulations with the Attorney General and Secretary of State to put them into effect. State Parks Board regulations may be disapproved by concurrent resolution of the legislature for up to one year after they take effect.

Arkansas—(Ark. St. 6–608 et seq). All proposed, revised, or amended rules and regulations must be filed with the Legislative Council. Rules are reviewed to determine whether they are consistent with legislative intent or if they exceed statutory authority. The function of the Legislative Council review is advisory. If a proposed rule is determined to be improper, the Legislative Council files a statement with the agency concerned and submits recommendations to the legislature. This review procedure was adopted in 1973.

Colorado—(Colo. Rev. St. 24-4-103, Subsec. 8, para. d). Under a law passed in 1976, the Committee on Legal Services, a bipartisan joint committee of four members from each house, reviews all new rules during the interim for "legality and constitutionality." During the session, the standing committees of each house review all new rules. After hearing staff recommendations and agency testimony, the committee can vote to amend or repeal the rule and then submit a bill to the full legislature. There are no time constraints for any stage of the procedures. The governor vetoed a bill passed in the 1977 session which would have made the Committee on Legal Services the review committee for all proposed regulations, during both the session and the interim. It also provided for time constraints for agency filing of regulations with the committee fiscal notes for regulations with a fiscal impact and review of pre-existing regulations over five years. On April 10 1978 the veto was overturned by the Colorado Supreme Court on a technicality, and the bill became law.

Connecticut—(Conn. Gen. St. 4-170 et seq.) The Legislative Regulations Review Committee is bipartisan and composed of eight representatives and six senators. It reviews all proposed regulations of state departments and agencies and may hold public hearings thereon. The committee may give notice of approval or disapproval within 60 days (failure to act within 60 days constitutes approval). If the committee gives notice of disapproval, no agency may take action to implement the disapproval regulation. The committee reports annually to the general assembly on all disapproved regulations which after study by an appropriate committee, may vote to sustain or reverse the disapproval. Any committee disapproval of a regulation implementing a federally subsidized or assisted program must be sustained by the general assembly or it is deemed reversed. The committee attempts to resolve questioned regulations with the agency responsible, but has disapproved several regulations each year. A 1977 law provides for a five-day period for prior review of proposed emergency regulations by the committee.

Florida—(Fla. Stat. Sec. 11.60) Florida's Administrative Procedures Act was rewritten in 1975 and a Joint Administrative Procedures Committee created. This committee has three specific functions: to review proposed rules as they are adopted; to maintain a continuous review of statutory authority underlying each rule and note when that authority is changed by either the legislature or the courts; to review administrative matters in general as they relate to the APA. The committee makes a legislative observation on each rule but does not have the power to suspend a rule. If an objection is made by the committee to a rule, the agency is requested to withdraw or modify it. In most cases, agencies have been found willing to respond affirmatively to legislative objections. Of the first 840 rules reviewed in 1976, 79 percent were found to contain some error and 6.3 percent of these were found to exceed statutory authority. A 1975 amendment to the APA requires an "economic impact statement" to accompany each proposed rule estimating the costs of the rule to those affected by it. The committee has a staff of 13. A constitutional amendment giving the legislature power to suspend rules was rejected in a 1976 referendum.

Georgia—(Ga. Stat. 3A-104(e), (f)) A 1977 law provides for legislative review of regulations by standing committees predesignated by the speaker and senate president for each agency. Regulations must be submitted by the agencies 20 days prior to their effectiveness. If the committee objects to a regulation, it may introduce a resolution repealing or modifying the regulation at the next session. The resolution must be acted upon within 30 days after the beginning of the session in the house of origin and within five days in the other house. Constitutional two-thirds majority approval in both houses is necessary for the rule to be repealed or modified. If the resolution passes by less than a ⅔ constitutional majority, it must go to the governor, who may sign or veto the resolution. The legislature cannot override a veto of such a resolution.

Idaho—(Idaho Code Sec. 67-5217, 67-5218) All rules authorized or promulgated by any state agency are to be submitted to the legislature in regular session for reference to the appropriate standing committees. Any committee or member of the legislature may propose a concurrent resolution rejecting, amending, or modifying any rule thought to be in violation of the statutory authority or legislative intent of the statute under which the rule was made.

Illinois—(Ill. Rev. Stat., Chap. 127, §1001 es seq.) The bipartisan Joint Committee on Administrative Rules reviews all proposed regulations and makes recommendations to the agency to modify or withdraw the rule. While the agency is not bound to accept the committee's recommendations, it must respond to them. Failure to respond constitutes withdrawal. The committee can introduce a bill to modify or nullify a rule to which it has objected.

Iowa—(Iowa Code Ann. Sec. 17A.8) A new Administrative Rules Review Committee was created in 1975, although authority for regulation review had previously existed. The new committee is composed of three members from each house and meets monthly. It is authorized to selectively review promulgated rules, but is currently reviewing all promulgated rules. The review committee may file objections to rules based on the fact they are unreasonable, arbitrary, capricious or beyond the scope of agency authority. Such objections transfer the burden of proof to the issuing agency in any legal challenge to the rule. An agency unable to sustain this burden of proof in a legal challenge may be liable for all court costs of the challenge. The Rules Review Committee may also refer a rule for consideration to the appropriate legislative standing committee at the next regular session.

Kansas—(K.S.A. 1978 Supplement 77-415 et seq.) The revisor of statutes submits a copy of all rules and regulations filed during the previous year to the Joint Committee on Administrative Rules and Regulations (JCARR) at the beginning of each legislative session. The legislature may pass a bill modifying or rejecting an existing regulation or it may pass a resolution rejecting a proposed regulation or a proposed amendment to a regulation. During the interim, agencies may adopt temporary regulations after obtaining the approval of the Temporary Rules and Regulations Board, which is composed of the Chairman of the JCARR, the Secretary of State and the Attorney General, or their designees.

Kentucky—(K.R.S. 13.087) The Administrative Regulations Review Subcommittee (three members) reviews all proposed regulations as to whether they conform to statutory authority and to the legislative intent of the statutes. If nonconforming, a regulation is returned to the agency with the legislative objections. If an agency does not revise the regulation, it is then presented to the appropriate legislative standing committee or joint interim committee for a second review as to statutory authority and legislative intent. If this committee raises objections, it is again returned to the agency for reconsideration, but the legislature does not have power to suspend a rule and the agency is only required to give "affirmative consideration" to legislative objections and is not bound to modify the rule. A 1974 act provided that all existing regulations be rescinded unless repromulgated by the agencies within one year.

Louisiana—(LRS 49-968 et seq.) The legislature in 1976 passed a law providing that all rules proposed by agencies be submitted to a specified house and senate committee simultaneously upon their filing with the Department of the State Register. The committee may then hold a public hearing and issue a report to the agency expressing approval or disapproval of the rule. Although the committee report is printed in the State Register, the agency is not bound to accept it. A 1977 bill vetoed by the governor would have given the committees the power to stop a rule from going into effect by raising objections within 15 days after it is filed with the committee. The legislature would not have been required to act, but could have overridden the committee's objection by passage of a concurrent resolution. A 1978 law provides that if a committee finds a rule unacceptable, the committee will submit a report to the Governor. The Governor has five days to disapprove the committee report; if he does not, the agency must change or modify the rule.

Maine—(5 MRSA c. 308 § 2501 et seq.) A law enacted by the 1977 session provides that agencies submit all current rules to the legislature by January 15, 1978 for review by the appropriate standing committees. These committees must hold public hearings and recommend to the legislature an expiration schedule for all rules. A committee may recommend immediate expiration of a current rule. The legislature must then pass bills to implement these expiration schedules. All new rules which go into effect after January 1, 1978 automatically expire five years after their effectiveness unless the legislature passes a bill terminating their effectiveness in less than five years.

Maryland—(Md. Ann. Code 1977, Art 40, § 40A.) The Standing Committee on Administrative, Executive, and Legislative Review (five senators, five delegates) reviews regulations as they are published in the Maryland Register. The committee has no power to suspend or veto proposed regulations, but its views are often persuasive with agencies when it raises questions about proposed regulations.

Michigan—(Mich. St. Ann. 24.201-24.315, Act No. 108, Public Acts of 1977.) The Joint Committee on Administrative Rules (three senators, five representatives) has a 60-day period in which to approve or disapprove all proposed rules. Under a 1977 law passed over the governor's veto and effective on January 1, 1978, if the committee disapproves a rule or fails to approve it within 60 days, the rule cannot be adopted by the agency unless the legislature overrules the committee action within 60 days. The state supreme court has refused to consider a request by the governor for an advisory opinion on the constitutionality of this law. In addition, opinions of the attorney general have questioned the constitutionality of legislative disapproval of rules by concurrent resolution, rather than by bill. Legislative power to review and suspend regulation during the interim is authorized in Article IV, section 37 of the state constitution. Michigan has more than 30 years experience with some type of legislative oversight of administrative regulations.

Minnesota—(Minn. St. 3.965) The Legislative Commission to Review Administrative Rules, composed of five members of each house, may hold public hearings to investigate complaints concerning rules and, on the basis of testimony received, suspend any rule. In practice, however, the committee reviews all proposed rules. If a rule is suspended by the committee, such action must be sustained by the legislature at its next session. Before the committee suspends any rule, it shall submit it to the appropriate standing committees for their review and recommendation. Emergency rules are effective for only 90 days, during which time they must be repromulgated under the regular procedure in order to remain in effect beyond that time.

Missouri—(Sec 536.037, RSMo) Under a 1976 law, the legislature created the Joint Committee on Administrative Rules. The committee reviews all proposed rules published in the Missouri Register, but its review is advisory only. A proposed constitutional amendment authorizing legislative rejection of agency rules was submitted to the electorate by the legislature and was defeated in August, 1976. During the 1977 session, the legislature attached to many bills a provision that all agency rules promulgated under the respective bills expired in two years unless approved by a concurrent resolution of the legislature. An additional provision attached to many bills mandated either the expiration of the rules promulgated under the authority of the respective bills, the repeal of the promulgating power, or both, on November 30, 1981.

Montana—(Sec. 2-4-401 et seq, MCA 1978) An Administrative Code Committee was established in 1975 to review all proposed rules. This committee makes recommendations for action by the agencies to the legislature which, by joint resolution, can repeal or compel the amendment or adoption of a rule. Legislation enacted in 1977 mandates that all bills authorizing agencies to promulgate rules include a statement of legislative intent. The new law (SB 37) also shifts the burden of proof to the agency in any subsequent legal action challenging the rule as having been adopted in an "arbitrary and capricious disregard" of the purpose of the authorizing statute. Another 1977 law (SB 120) allows the committee to poll the members of the legislature by mail during the interim to determine whether a proposed rule is consistent with legislative intent.

Nebraska—(Neb. Rev. St. Section 84-901 et seq) The Administrative Rules and Regulations Review Committee reviews proposed rules and recommends to the legislatures appropriate action. The legislature may repeal, change, alter, amend, or modify the original law granting the authority to promulgate rules or general program authority. Under a new law, effective January 3, 1979, the committee has the authority to suspend rules if they do not reflect legislative intent or are contrary to the state's Administrative Procedure Act.

Nevada—(Chap. 233B. 101 et seq NRS) Under a 1977 law, all proposed regulations are submitted to the Nevada Legislative Commission, which must review them at its next monthly meeting. If the commission objects to a regulation, it is returned to the agency, which must resubmit either the same regulation or an amended version to the commission. The regulation is forwarded to the speaker and the senate president for referral to the appropriate standing committee. The legislature can enact legislation amending the statute under which the objectionable regulation was promulgated.

New Hampshire—(NHRSA Sec. 541 A) In 1977, the legislature enacted a law creating a Joint Committee on Review of Agencies and Programs. The committee will have the power to sunset agencies and review their existing rules. In addition, the law provides the standing committees the power to review rules prior to their effective date and may send the rules back to the agency if the rules are not in the proper format.

New York—(NYSA, Legislative Law, Art. 5-2, Secs. 86–88) A 1978 law formally created the Administrative Regulations Review Commission. The Commission, originally created by joint resolution in 1977, is composed of three senate and three assembly members. Agencies must file their proposed rules with the commission at least 21 days prior to effectiveness. The commission has the power to examine agency rules as to their statutory authority, their compliance with legislative intent, their impact on the economy and government operations, their impact on affected parties. In addition, the commission may hold hearings and has been granted subpoena power.

North Carolina—(G.S. 120–30.19 et seq) A 1977 law created the Administrative Rules Review Committee as a permanent committee of the Legislative Research Commission (LRC). All rules adopted by agencies are filed with the director of the LRC, who refers them to the review committee. The committee has up to 60 days to review these rules and may file objections. The agency must respond within 60 days of receipt of the committee's report. Agencies are not bound to comply with the committee's objection, and if they don't, the rule goes to the full LRC for review. The LRC can make recommendations for legislative action to the General Assembly if the agency fails to comply with any commission objections. The law also provides for selective review of all preexisting regulations. It is effective on October 1, 1977 and expires June 30, 1979.

Ohio—(Sec. 101.35, 111.15, 119.01, & 119.03 of Rev. Code) A 1977 law created the Joint Committee on Agency Rules Review with seven members from each house. All proposed rules must be submitted to the committee 60 days prior to adoption. If during that time, the committee disapproves a rule, a concurrent resolution to the effect is introduced. The legislature must adopt the resolution within 60 days to nullify the rule any promulgated during the interim may go into effect, but the committee and the legislature may disapprove the rule by concurrent resolution within the first 60 days of the next regular session. The committee may meet during the interim and may suspend objectionable rules by a two-thirds vote of its members. The suspension must be sustained by the legislature by concurrent resolution within 60 days of the convening of the next regular session.

Oklahoma—(75 O.S. Supp. 1977 Sec. 308) Prior to 1976 the law provided that any administrative rule or regulation could be disapproved by the legislature by joint resolution. In 1976, this was amended providing for disapproval by either house by simple resolution, rather than requiring the consent of both. Review of proposed rules and regulations is conducted by the Division of Legal Services under the direction of the Legislative Council.

Oregon—(ORS 171.705 to 171.713) The Legislative Counsel Committee reviews all proposed rules and reports to the legislature. There is no formal procedure for further legislative action beyond this informational review. Rules are reviewed to determine whether they conform with the intent and scope of enabling legislation, have been adopted in accordance with all legal procedures, and are consistent with constitutional provisions. The committee may recommend changes in the statute authorizing the rule-making powers.

South Carolina—(Act No. 176 of 1977) The legislature in 1977 passed legislation amending and clarifying a 1976 law creating the state register and providing for legislative review and approval of agency rules. Under the new law, the Legislative Council supervises the printing of the state register, in which are printed all proposed and promulgated rules. Proposed agency rules are reviewed by the appropriate standing committee in each house. These rules cannot go into effect until 90 days after receipt by the legislature. The legislature may adopt a joint resolution during that time either approving or disapproving the rule. The 90-day review period continues to run as long as the legislature is in session. After sine die adjournment, the 90-day period ceases to run until the convening of the next regular session. Emergency rules can be promulgated for 90-day periods only when the legislature is not in session.

South Dakota—(SDCL 1-26-1.1, 1.2) The Interim Rules Review Committee reviews all proposed rules and makes recommendations to agencies and to the legislature on any suggested amendments to the Administrative Procedures Act. By a 5/6 vote of the six-member committee, a proposed rule can be suspended until 30 days after the next legislative session convenes. Unless the committee suspension is sustained by the legislature through passage of a bill within this 30-day period, the rule may take effect. All proposed rules submitted to the committee must have attached to it a fiscal note, prepared by the agency and reviewed by the Bureau of Finance and Management. The fiscal note must include the fiscal impact on state government, the assumptions made in preparing the statement and the source of statistics used.

Tennessee—(Tenn. Code Ann. 4-535) Agency rules are referred in the House to the Government Operations Committee and in the Senate to the appropriate standing committee for review. The reviewing committee of either house may suspend the effectiveness of any agency rule or the amendment or repeal of an agency rule. Such suspension is effective until rescinded by the committee or by joint resolution of the General Assembly. Any suspension must be preceded by 15 days notice to the agency of any contemplated action. Suspension is effective upon written notice from the committee chairman to the Secretary of State. (The Attorney General of Tennessee has advised the Governor that this procedure is unconstitutional and that any suspension of a rule can only be accomplished by passage of a bill by a majority of both houses and approval by the Governor.)

Texas—(Chap. 321, Acts of 65th Legislature, 1977). Under a 1977 law enacted by the legislature, agencies must forward to the presiding officers of each house copies of all proposed rules at the same time they are filed with the secretary of state. The proposed rules are then referred to the appropriate standing committees for review. The legislature has a minimum of 30 days to review prior to the rules taking effect. The committees can send statements supporting or objecting to proposed rules to the agency during that time, but its powers are advisory. Standing committees don't meet very often, if at all, during the 19-month interim between biennial sessions.

Vermont—(3 V.S.A. 817–820). The General Assembly of Vermont in 1976 created an eight-member joint committee on administrative rules. This committee reviews any proposed rule and may recommend its amendment or withdrawal upon a finding that the proposed rule is arbitrary, beyond the authority delegated to the agency, or contrary to legislative intent. Committee recommendations are submitted to the next session of the General Assembly. Objectionable rules may be repealed by joint resolution of the General Assembly.

West Virginia—(Code of W. Va. Art. 3, Chap. 29a). The 1976 session created the Legislative Rule-making Review committee composed of six members from each house. All proposed rules must be submitted to the committee, which has six months to review them. If the committee disapproves a rule, the agency cannot take any "action to implement such disapproved rule or regulation." The legislature may, by resolution, reverse the committee's disapproval, but the rule remains suspended unless the legislature acts. Regulations implementing federally-subsidized programs may be disapproved by the committee, but unless the legislature sustains the disapproval by the end of the regular session, the rule goes into effect.

Wisconsin—(W.S.A. 13.56). The Joint Committee for Review of Administrative Rules (five senators, five representatives) reviews rules and may suspend them until the next session. Any suspension must be ratified by the legislature by passing a bill at the next session. The committee also reports biennially to the legislature and has the authority to direct any agency to promulgate a statement of policy or an interpretation of a rule under the Administrative Procedures Act.

Wyoming—(Wyo. Stat. Sec. 28–82 to 28–89). Under this 1977 law, all existing rules and all future proposed rules must be filed with the Legislative Service Office (LSO). The LSO reviews the rules and reports to the Legislative Management Council. If the LSO has found a rule objectionable and the council agrees, the disapproved rule goes to the governor, who may agree to repeal the rule. If the governor disagrees with the council's recommendation, the council can only recommend that the full legislature act through what is called a "legislative order" (presumably a statute). Legislative action must take place before the end of the legislative session in order to nullify a rule.

LEGISLATIVE STAFF OFFICES

Legislative staff offices providing staff assistance for legislative review of administrative regulations

Alaska. Legislative Affairs Agency, Division of Legal Services, Pouch Y, Juneau, AK 99811, 907—465-3867.

Arizona. (Not specified.)

Arkansas. Arkansas Legislative Council, 315 State Capitol, Little Rock, AR 72201, 501—371-1937.

Colorado. Legislative Drafting Office, Rule-Review Section, Room 30, State Capitol, Denver, CO 80203, 303—839-2045.

Connecticut. Legislative Commissioner's Office, Legislative Legal Services, Room 113, State Capitol, Hartford, CT 06115, 203—566-5030.

Florida. Joint Administrative Procedures Committee, 120 Holland Building, Tallahassee, FL 32304, 904—488-9110.

Georgia. (Review by standing committees; no central staff assistance.)

Idaho. Idaho Legislative Council, State House, Boise, ID 83702, 208—384-2475.

Illinois. Joint Committee on Administrative Rules, 520 South 2d Street, Suite 100, Springfield, IL 62706, 217—785-2254.

Iowa. Administrative Rules Review Committee, State House, Des Moines, IA 50319, 515—281-3084.

Kansas. Legislative Research Department, Room 545—North, State House, Topeka, KS 66612, 913—296-3181.

Kentucky. Legislative Research Commission, Capitol Building, Frankfort, KY 40601, 502—564-3136.

Louisiana. Louisiana Legislative Council, Committee Staff Division, State Capitol, P.O. Box 44012, Baton Rouge, LA 70804, 504—389-6141.

Maine. Legislative Research Office, State House, Augusta, ME 04333, 207—289-2101.

Maryland. Department of Legislative Reference, 90 State Circle, Annapolis, MD 21401, 301—269-2361.

Michigan. Joint Committee on Administrative Rules, 735 Washington Square Building, Lansing MI 48901, 517—373-6476.

Minnesota. Legislative Commission to Review Administrative Rules, Room 3, State Capitol, St. Paul, MN 55155, 612—296-1143.

Missouri. Thomas Graham, Committee on Administrtaive Rules, 301B East High Street, Jefferson City, MO 65101, 314—635-9191.

Montana. Office of the Legislative Auditor, Room 135, State Capitol, Helena MT 59601, 406—449-3122.

Nebraska. Revisor of Regulations, State House, Room 1012, Lincoln, NE 65809, 402—471-2567.

Nevada. Legislative Counsel Bureau, Legal Division, Legislative Building, Carson City, NV 89710, 702—885-5627.

New Hampshire. Office of Legislative Services, Division of Administrative Procedures, Room 107, State House, Concord, NH 03301, 603—271-3680.

New York. Administrative Regulations Review Commission, Senate Section, 23rd Floor, Alfred E. Smith Office Building, Albany, NY 12247, 518—455-2731. Assembly Section, 13th Floor, Agency Building No. 4, Empire State Plaza, Albany, NY 12247, 518—455-3416.

North Carolina. Administrative Rules Review Committee, Legislative Research Commission, 2129 State Legislative Building, Raleigh, NC 27611, 919—733-7044.

Ohio. Legislative Service Commission, State House, Fifth Floor, Columbus, OH 43215, 614—466-7977.

Oklahoma. Oklahoma Legislative Council, 305 State Capitol, Oklahoma City, OK 73105, 405—521-3201.

Oregon. Office of Legislative Counsel, S101 State Capitol, Salem, OR 97310, 503—378-8148.

South Carolina. Legislative Council, P.O. Box 11417, Columbia, SC 29211. 803—759-2334 (committee staff also assists standing committees)

South Dakota. Legislative Research Council, Code Counsel, State Capitol, Pierre, SD 57501, 605—224-3251.

Tennessee. Joint Legislative Services Committee, State Capitol, Nashville, TN 37219, 615—741-3511 (provides staff to standing committees)

Texas (standing committee staff)

Vermont. Legislative Council, State House, Montpelier, VT 05602, 802—828-2231.

West Virginia. Legislative Rulemaking Review Committee, State Capitol, Charleston, WV 25305 (no phone listed)

Wisconsin. David Stute, Legislative Council, State Capitol, Madison, WI 53702, 608—266-1304.

Wyoming. Legislative Service Office, 213 Capitol Building, Cheyenne, WY 82002. 307—777-7881.

Mr. BUMPERS. Mr. President, I yield myself 1 minute.

If Senators are for regulatory reform, vote for the amendment; if they are not for regulatory reform, vote against it.

The way the law now stands we are giving a presumption of expertise where there is none. If there is an expertise, it will be reflected in the record, and the court will so find. If there is not any expertise, then the citizen should have a fighting equal chance.

This bill does not presume the invalidity of the regulation. It does not presume that it is valid. I am not for a knee-jerk approach to regulation, and I am not for throwing the baby out with the bath water.

On the Energy Committee I have zealously guarded the environmental laws of this country when dealing with the Energy Mobilization Board because the air is getting cleaner and the water is getting purer.

All I want to do is give people a fighting chance. The law now presumes that the citizen is guilty until proved innocent.

This is no Johnny-come-lately, as the Senator from Maine indicated. I have introduced this bill every session since I have been in Congress. We held hearings in the Judiciary Committee on it. This year I could not testify and I submitted the very same statement I made during hearings on the bill in the 94th Congress.

I have put a 30-page brief in the RECORD in the 94th, 95th, and 96th sessions of Congress.

Everybody has had an opportunity to review this bill.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BUMPERS. Just a moment.

The American Bar Association debated this matter all day 3 weeks ago in Dallas, and by an overwhelming majority they endorsed it.

Mr. EXON. Mr. President, I am sure that a day does not go by when each Member of this body is confronted with an example of some agency of the Federal Government taking action contrary to commonsense and outside of reasonable interpretation of the expressed will of the Congress.

The people of this Nation are demanding that the Congress take action to make the Federal bureaucracy accountable to both the Congress and the people. The Bumpers amendment is, I submit, a reasonable and long overdue step in the direction of fulfilling this wish of the American people.

The Bumpers amendment is simple. It takes away the now court-recognized principle that a Federal agency's interpretation of Federal law is presumed to be correct. Mr. President, there should be no such presumption .

A citizen who challenges an agency is faced with a serious obstacle in overcoming this presumption. It is entirely appropriate and fair that the Federal agency should be given the burden of proving the legality of its action. At least, the American citizen seeking to challenge an agency action would be placed on an even level with the bureaucracy.

For the simple reason of fairness, Mr. President, I am pleased to support and cosponsor the Bumpers amendment.

ADDITIONAL COSPONSORS OF UP AMENDMENT NO. 535 TO S. 1477

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senator DURKIN and Senator SIMPSON be made cosponsors of the Bumpers amendment (UP No. 535) to the Federal Courts Improvement Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I yield back the remainder of my time.

Mr. CULVER. I yield back my time. I move to table the amendment and I ask for the yeas and nays.

Mr. BUMPERS. I ask for the yeas and nays.

Mr. CULVER. I move to table.

Mr. STEVENS. Mr. President, parliamentary inquiry. Are the yeas and nays on both the motion to table and on the amendment?

Mr. CULVER. That is right. We are just moving to table.

Mr. STEVENS. Are the yeas and nays only ordered on the motion to table?

Mr. CHILES. On the amendment.

Mr. BUMPERS. If the motion to table is not agreed to.

Mr. CULVER. I want to make clear that under the understanding there will not be a vote on final passage until after 2 o'clock.

Mr. President, can we have a vote on the motion to table?

Mr. STEVENS. Mr. President, parliamentary inquiry again.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. It is my understanding there will be no vote on final passage. There might be a vote on the adoption of the amendment. This bill will be set aside once we get to third reading.

The PRESIDING OFFICER. The Senator from Alaska is correct. The question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

Is there a sufficient second? There is a sufficient second.

The question is on the motion to table.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on the motion to table, and I thought the Chair said there was a sufficient second.

I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. YOUNG (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from South Carolina (Mr. THURMOND).

If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. PELL), the Senator from Maryland (Mr. SARBANES), the Senator from Mississippi (Mr. STENNIS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH), and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business.

I further announce that if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 27, nays 51, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—27

Baucus
Bradley
Chafee
Cochran
Cohen
Culver
Danforth
Dole
Durenberger
Glenn
Hart
Levin
Magnuson
Mathias
Metzenbaum
Moynihan
Muskie
Nelson
Percy
Proxmire
Ribicoff
Riegle
Roth
Stafford
Stevenson
Tsongas
Williams

NAYS—51

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Hatch
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Johnston
Kassebaum
Leahy
Long
Lugar
Matsunaga
McClure
McGovern
Melcher
Morgan
Nunn
Packwood
Pressler
Pryor
Sasser
Schmitt
Schweiker
Simpson
Stevens
Stewart
Stone
Tower
Wallop
Warner
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Young, for.

NOT VOTING—21

Baker
Bayh
Biden
Church
Cranston
Goldwater
Gravel
Hatfield
Hollings
Inouye
Javits
Jepsen
Kennedy
Laxalt
Pell
Randolph
Sarbanes
Stennis
Talmadge
Thurmond
Weicker

So the motion to lay on the table was rejected.

Mr. CULVER. Mr. President, at the appropriate time, on behalf of the majority leader I will make the unanimous request that the Senate go in recess until 2 o'clock, following the vote on the tabling motion.

Mr. NUNN. Will the Senator withhold that? I had the assurance of the leadership to present a statement I wanted to make. I would not mind any unanimous consent request, provided it gave me 15 minutes before the recess. I spoke to the majority leader and as far as I know he has no objection.

Mr. CULVER. Mr. President, could we have order?

The PRESIDING OFFICER. The Senator will suspend.

The Senate is not in order.

Mr. CULVER. Perhaps the Senator from Georgia would be kind enough, upon the completion of his remarks, to make the request that the Senate stand in recess from that point until 2 o'clock.

Mr. NUNN. The Senator could propound the unanimous consent request. The Senator from Georgia would request to be allowed 15 minutes prior to the Senate going into recess, following which time the Senate would go into recess until 2 o'clock.

Mr. BUMPERS. Would the Senator be willing to present a unanimous consent request including that we vote on the amendment at 2:15?

Mr. CULVER. I do not think we can resolve that right now. I think it is appropriate and necessary to speak to the chairman of the full committee as to what his wishes are. He is not available right now.

Mr. BUMPERS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. How much time remains on both sides?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. PERCY. Reserving the right to object, may I make an inquiry of the floor manager?

Mr. CULVER. Yes.

Mr. PERCY. It was my understanding that we would be finishing our business today between 3 and 4 o'clock. What is the present thinking?

Mr. CULVER. I am not in a position to advise the Senator from Illinois on that.

The PRESIDING OFFICER. The question now recurs on the amendment. The yeas and nays——

Mr. CULVER. No one has moved for a vote on the amendment. A point of order, Mr. President. It is my understanding, after speaking to the sponsor of the amendment, that he understood that the members of the Senate Judiciary Committee who were asked to come in here and speak on the amendment, be given an opportunity to speak to the chairman of our committee as to whether or not, in fact, a vote is even necessary for final passage. But we did request the courtesy of that.

Second, we went ahead and agreed to vote on the motion to table prior to 1 o'clock to accommodate eight Senators who are now at the White House. We made that effort. It seems to me on both those grounds it would be highly inappropriate to move for a rollcall vote at this time, because this was the understanding with the majority leader as well as that of the acting minority leader and that of the Senate when they left.

I respectfully request that any call for a vote on the amendment be deferred until 2 o'clock or after 2 o'clock as agreed upon. That was the understanding of the Senator from Iowa.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BUMPERS. Mr. President, reserving the right to object, the yeas and nays have been ordered on the amendment, have they not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, a lot of Members this afternoon are going to be leaving and certainly I want to accommodate the distinguished floor manager and members of the Judiciary Committee, especially the chairman. However, I cannot agree to a unanimous-consent request unless we can get some kind of a time certain. For example, would the floor manager agree to a time certain, we will say 2:15? If that turns out to be unsatisfactory with the chairman of the committee, I might be willing to postpone it a few minutes. I know a lot of people are going to be leaving this afternoon around 2 o'clock and I do not want to carry this thing over. I have to insist that we get a time certain on the vote.

Mr. CULVER. I am in no position to authorize a time certain on a vote. I was asked to make this request by the chairman of the committee. He intends to come from another meeting to speak on the amendent.

Second, it was understood, and I thought the Senator from Arkansas was privy to the negotiations and discussions that went on between the majority leader and the acting minority leader, that we would try to have one vote on the motion to table prior to 1 o'clock to accommodate the eight Senators who otherwise would miss that vote, and then following that, we would go into recess until 2 o'clock. If, in fact, a subsequent vote on the amendment were even requested, I understood there would be an opportunity to speak to the chairman of the full Judiciary Committee before reaching that point. I am certainly not intentionally trying to delay the Senate's consideration, but I do not see how we can be faithful to the understanding of the leadership as to what we are going to do between now and 2 o'clock.

I certainly am in no position to agree on a time certain for a vote or whether or not a vote will even be requested—I am not requesting it—until we have had the courtesy of an opportunity to speak to the chairman of the full committee. That will not be possible until after 2 o'clock.

Mr. DeCONCINI. Will the Senator from Iowa yield for a question.

Mr. CULVER. Yes.

Mr. DeCONCINI. Mr. President, can the Senator from Arizona be advised by the Chair how much time is left on the amendment of the Senator from Arkansas?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. CULVER. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. How much time is left on the bill?

The PRESIDING OFFICER. The Senator from Arizona has 20 minutes.

The Senator from South Carolina has 22 minutes remaining on the bill.

Mr. DeCONCINI. That is on the bill and there is no time remaining on the amendment of the Senator from Arkansas?

The PRESIDING OFFICER. That is correct.

Mr. DeCONCINI. Which means there is no further debate allowed?

The PRESIDING OFFICER. That is correct, unless time is yielded on the bill.

Mr. CULVER. Mr. President, I do not know if the chairman wishes to speak. The distinguished Senator from South Carolina, who has 20 minutes may speak on that if he wishes.

There may well be a desire on the part of either the ranking minority member of the Judiciary Committee (Mr. THURMOND) or the distinguished chairman of the Judiciary Committee (Mr. KENNEDY) to speak. Neither one of them is here. I think that, as a minimum, we should protect that interest.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I have 22 minutes. I would be happy to yield 15 minutes to the Senator from Georgia on an unrelated matter.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I do not intend to interject myself into this debate.

Mr. President, before I begin, I might say that if the Senator from Arkansas and the Senator from Iowa could get together on some agreement, I would be glad to yield such time as necessary for them to propound a unanimous-consent request, because my remarks have nothing to do with this bill. I shall proceed, however, with that understanding.

SALT II AND DEFENSE SPENDING

Mr. NUNN. Mr. President, for the past several months, our Nation and the Senate have been grappling with the complexities of the SALT II treaty in a fashion that hopefully can produce a consensus on America's requirements for national security ad our future approach to arms control.

As Congress returns from its August recess, we enter a crucial stage in this process.

In my opinion, when the Armed Services Committee began its hearings on the SALT II treaty in late July, the Carter administration apparently had no intention of requesting a supplemental 1980 budget for military programs. Nor did the administration appear, in late July, to be serious about fulfilling its 2-year-old commitment to NATO annually to increase real defense spending by 3 percent over a 5-year period. Voltaire once said of the Holy Roman Empire that it was neither holy, Roman, nor an empire. As of July 1979, the administration's 3 percent real growth was neither 3 percent, nor real, nor growth.

When the Joint Chiefs of Staff, former Secretary Kissinger, General Haig and I, as well as others, made an unrebutted case that this Nation had failed to meet this commitment to our allies, the administration restated its pledge and appointed a task force to review our defense spending needs.

In late July, I was pleased to hear Mr. Lloyd Cutler, the President's special representative on SALT II and newly designated legal counsel, state on public television that the commitments I postulated as necessary to begin to reverse the adverse defense trends probably would be met by the Carter administration.

Mr. Cutler's statements, as well as other administration statements, evidently convinced a large segment of the national news media that approval of the SALT II treaty is "in the bag" because the administration is prepared to meet the "Nunn-Kissinger" conditions. While this tune was being hummed by several administration spokesmen, a different melody was being played almost simultaneously by other unnamed administration officials.

Shortly after Congress went into recess, George Wilson of the Washington Post wrote an article that has since been parroted by other media throughout the country. In this article, Mr. Wilson quotes several high-placed administration sources as saying that no one can figure out how to spend the money requested by Nunn and Kissinger. "I don't know what they'd buy," said one. A White House budget official was quoted as saying that he would be hard pressed to come up with projects to match the money being proposed. These sources remain unidentified.

This view was publicly challenged by Gen. David Jones, Chairman of the Joint Chiefs of Staff. General Jones addressed this issue with on-the-record facts and figures rather than shooting from the shadows with phantom statements and unsupported allegations.

An unnamed White House official is quoted in the New York Times of August 31, 1979, as contending that "the Pentagon has failed so far to make a convincing case for an increase in spending." In the same article, the officials indicate that "unless the Pentagon comes up with a better rationale for increasing military spending, the administration's chance for clearing the way for Senate passage of the arms treaty by meeting the Nunn-Kissinger concerns over the military balance will be slim."

The Washington Post carried a story on August 28, 1979, stating:

> But Carter, Brown and other administration executives have concluded it will be hard enough to get the majority of Congress to go along with a 3 percent increase, once the extra billions required are toted up, far less for 5 percent.

Mr. CULVER. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. CULVER. Mr. President, I asked the Senator to yield for a question. How long does he think he will proceed?

Mr. NUNN. About 10 minutes, Mr. President.

Mr. CULVER. Would it be all right to have a unanimous-consent agreement that, following the completion of the Senator's remarks, the Senate stand in recess from 1:40 until 2 p.m.?

Mr. NUNN. That will be fine.

Mr. TOWER. Reserving the right to object, would that include any questions that we might want to address to the Senator from Georgia?

Mr. CULVER. I withdraw the unanimous-consent request, Mr. President.

Mr. NUNN. Mr. President, let me say to the Senator from Iowa, could we propose a unanimous-consent request that, following my remarks and any questions on this subject, the Senate stand in recess until the hour of 2 o'clock?

Mr. CULVER. Mr. President, whatever the Senators want to work out is all right with me.

Mr. NUNN. Would the Senator have any objection to that?

Mr. CULVER. I would not have any objection. I have been trying to fulfill my obligation to other Senators.

I think the Senator from Georgia is making a very important statement. I sense that maybe the Senator from Texas and maybe the Senator from Utah would like to add to that colloquy.

So I think, perhaps, under the circumstances, it is virtually impossible to carry out the desire of the majority leader to afford the Senate a brief recess.

Therefore, Mr. President, I ask unanimous consent to withdraw my request for any recess.

Mr. NUNN. Mr. President, I thank the Senator from Iowa.

I might say, if he is in such an area, he could listen to the squawk box and hear all that. It is a subject with which he is enthralled, very much, and thinks very important.

Mr. CULVER. I cannot tell the Senator the difficulty I have pulling myself away.

Mr. NUNN. I can see that.

Mr. CULVER. The only thing that comforts me is that tomorrow when it is hot off the press I can read it in the report.

Mr. NUNN. That is right.

Mr. CULVER. But, under those circumstances, I have to go to another meeting.

Mr. NUNN. The Senator will be missed.

Mr. TOWER. I simply say that I suggest the Senator from Iowa go to lunch and we will zealously defend his interests while he is absent.

Mr. NUNN. Mr. President, I will continue my remarks.

These leaks and background comments by unidentified sources, interspersed by occasional comments attributable to unnamed high administration officials, have taken place during a period of time when some of us had been told the administration was objectively reassessing our Nation's security needs.

While publicly the administration is gently criticizing the Budget Committee defense cuts, those on the committee like Senator HOLLINGS leading the fight for increases are under the impression that the administration is opposing their efforts.

Senator HOLLINGS conveyed these thoughts directly to President Carter by letter on August 3, 1979, and I quote that letter:

> DEAR MR. PRESIDENT: I write as a member of the NATO delegation, as a member of the Budget Committee and as a member of the Defense Subcommittee of Appropriations, trying my dead level best to keep your commitment to the NATO alliance for 3 percent real growth in defense. My understanding is that the alliance has adhered well, the figures for 1980 showing an increase in growth of 4.8 percent for Canada, Italy with 3 percent, France with 6.1 percent, the United Kingdom with 3.2 percent.
>
> A coalition attempted on the House side earlier this year to provide for the commitment and the White House Liaison team worked against the move. We have one more chance now in the Second Concurrent Resolution before the Congress in September. At that time, I will submit an amendment for a $2.6 billion increase. I am enclosing a copy of the material I used on yesterday when the amendment was defeated in the Budget Committee by a vote of 6–8. I am greatly disturbed by the morning headline that "SALT May Bring Pentagon Embarrassment of Riches." We are not enriching, we are playing catch-up ball. We are way behind in our defense effort. Representations by you for increases in the defense budget in the future will mean little if we cannot fulfill the minimal commitment to NATO now. I beg of you to instruct the White House Liaison team to help us in obtaining the votes for this amendment. I will be in touch with Frank Moore and will appreciate very much your help and his help.
>
> With kindest regards, I am
>
> Sincerely,
>
> ERNEST F. HOLLINGS.

The administration apparently now has the following gameplan: first, to send up to the Congress a supplemental appropriation request portrayed as a fulfillment of its 3-percent pledge to NATO for fiscal year 1980; second, to protest mildly from the sidelines as the House Defense Appropriations Subcommittee carves up the fiscal year 1980 funding request; third, to continue to fake to the "right" while winking to the "left" as the budget committees arrive at their final recommendations for 1980 and subsequent years without an all-out administration fight for desperately needed adjustments; fourth, to continue to spread the notion from unnamed administration sources that the Defense Department cannot wisely spend the funds it already has, much less any additional money; and finally, to imply that the burden is now on those who advocate a stronger defense effort to prove that they can persuade a majority of the House and Senate to increase spending while, at the same time, this effort is being undermined by unnamed administration sources.

Mr. President, I hope that these impressions are ill-founded. Those of us who believe—and continue to believe—we are entering a period of vulnerability—with adverse defense trends and inadequate budgets—will continue to do our best to sound the trumpets to alert the American people to the need to change the pace and direction of our national security policies.

I had hoped, and continue to hope, that the SALT II debate would produce what Senator GARY HART described as "a consensus on our national security needs."

Mr. President, I can furnish a long list of areas where greater defense expenditures are needed. It is not some Pentagon "wish list" of fancy new weapons. I am talking primarily about adequately funding the current force levels to which the administration is, theoretically, committed.

Let me cite one example—the Navy. For fiscal 1980, the administration requested a total of 15 ships and 39 combat aircraft for that service. These aircraft represent slightly more than one-third of the approximately 100 planes the Navy annually loses in accidents. For fiscal 1981, I understand that the administration will request 50 aircraft, still only one-half the number that will be lost in crashes, to say nothing of those phased out of the inventory due to obsolescence.

With respect to ships, it would take the authorization of at least 17 new vessels per year just to keep our current fleet of 458 active ships from continuing to decline in size. If we were to set as our objective a 600-ship Navy by the year 2000, which many analysts regard as essential to maintaining naval superiority over the Soviet Union, we would have to procure at least 24 ships per year. Yet, having requested 15 vessels for fiscal 1980, the administration apparently intends to request a total of 12 or 13 vessels for 1981, including 5 noncombatant tugboats.

That means that we really have seven ships that are of a combatant nature.

The other services are in no better condition with respect to essentials—tanks, ammunition, spares, and missiles. As I stated on July 25, 1979, it is vital as we try to regain essential equivalence in the late 1980's in strategic nuclear forces that we not finance that effort by diminishing our already insufficient investment in general purpose forces.

I have never claimed, and in fact have always denied, that I command any votes on SALT II other than my own. I have never taken a vote count in the Senate on Salt II, and I do not know whether my vote is needed for ratification.

I do know that:

First. The military trends across the board are adverse to the United States of America.

Second. The 5-year budget projections proposed by the Carter administration will not provide sufficient funding to enable our military forces to meet the obligations of the President's own national security policies—not Sam Nunn's policies, or John Tower's policies, or the Senate Armed Services Committee policies, or Jake Garn's policies, or Harry F. Byrd's policies, or John Warner's policies, but President Carter's policies.

Third. The President's defense budgets for fiscal year 1980 through fiscal year 1984 would underfund the President's own 5-year defense plan by over $60 billion.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I have been yielded time by Senator DOLE in the amount of 7 minutes. I yield whatever is required to the Senator from Georgia.

Mr. NUNN. I thank the Senator from Texas.

Mr. President, I might add that the $60 billion figure is based on the OMB level. If you use the OMB level, the number is much higher. The much higher number would be somewhere nearer $80 billion in underfunding of the President's own program, not my program.

Fourth. The President's current national security policies will not be met by 1985 under the current 5-year defense program—even if it is fully funded with a 3-percent additional real growth each year for the next 5 years.

These conclusions are not solely mine, nor those in Congress and the Nation who support a strong national defense. They are also the conclusions of the Carter administration's Department of Defense.

I agree with those who state that the President should not increase defense spending solely to gain SALT votes, whether it is my vote or someone else's vote. The President should recommend increased defense spending only for purposes and programs he believes are necessary for our national security. Our defense problems and the adverse trends did not develop in 1 or 2 years. They will not be cured in 1 or 2 years. Only a determined, well planned, long-term commitment can reverse these trends over a 5- to 10-year period. Only the President of the United States is capable of making this case to the American people.

Even more important than precise budget levels is the fundamental question as to whether the Carter administration comprehends the magnitude of the military challenge confronting us and, if so, whether it is prepared to arouse the Nation to meet the challenge.

The failure to provide adequate funding for military forces capable of meeting these Presidential policies for contingencies in NATO, in Korea, and in the Persian Gulf—as well as our own naval and strategic forces—in my view, will be unacceptable to a majority of American citizens when they are exposed to the true facts, as inevitably they will be at some point.

In summary, I believe that President Carter has an obligation to our own military forces and to our Nation to either accept these conclusions and explain to our Nation why we must significantly increase our defense resources; or, if the President believes that I am not correct and that his own Joint Chiefs are not correct and that the Department of Justice is not correct, he has an obligation to refute factually the conclusions of his own Defense Department and the Joint Chiefs; or, if neither of these options is acceptable to the President, he has an obligation to reduce our Nation's national security objectives to make them consistent with our current capabilities and the capabilities we will have in the early and mid-1980's, and then he has a corresponding obligation to explain the attendant risks of that course of action to the American people.

With or without SALT II, no other responsible alternatives are available.

Mr. President, I thank Senator DOLE and Senator TOWER for making this time available to me. If there are any questions—since I understand we have more time—I will be glad to answer them.

Mr. TOWER. I was interested to note that the Senator said we should consider the matter to increase defense spending as simply a price for ratification of SALT II.

Is it not true that witnesses testifying in favor of the SALT II treaty, including the Joint Chiefs, including the President's own Secretary of Defense, have stated, that, aside from whatever flaws there may be in the treaty, one of the principal problems associated with ratification might be that it would create a climate of euphoria in which the general citizenry might be lulled into believing that it was not necessary to spend more money on defense or to spend even at current defense level?

That being the case, would it not be obligatory on the administration, even if it were assured, absent any other consideration, of enough votes to ratify the treaty, to try to dispel that euphoria immediately, which its own witnesses have testified is a clear and present hazard, by raising our defense spending at least in the amount necessary to cover the administration's own projections of what we require?

Mr. NUNN. I agree with the Senator completely. I think it is abundantly clear that the witnesses before our committee, before we had anybody testify against the treaty—the people who were testifying for the treaty, Secretary Brown and the Joint Chiefs and other administration witnesses—made the exact case that the treaty itself did not do the job, that we were going to have to increase our defense efforts.

The Joint Chiefs went so far as to say, in answer to questions by me and others, that the treaty itself would not be a plus for this Nation unless we increased our own defense spending together with the treaty. Not because arms control is hopeless, but because we are losing every day our leverage; and the SALT II treaty is more or less a photograph of where we now stand vis-a-vis the Soviets. I am afraid that SALT III, if we reach SALT III, also will be a photograph, and that photograph is becoming less and less favorable to the United States of America.

Mr. TOWER. Was not the thrust of the testimony by General Jones and other members of the Joint Chiefs that the primary reason they supported the treaty was that it did impose limitations on the Soviets but that it would not make any difference whether we had a treaty or not, if we did not develop and deploy the programs necessary to maintain an adequate defense posture?

Mr. NUNN. That is exactly right.

The Chief of Staff, as I recall his testimony, without trying to quote it directly, basically said that the reason he was able to endorse SALT is that he felt confident that the American people, led by the President of the United States, joined by Congress, would adequately fund our defense budgets in the coming years. Then, in answer to other questions, he said that the budgets were not being funded adequately now.

The Joint Chiefs also testified that what is happening right now is that as the administration increases the strategic end of the defense budget, which they are doing to fund the MX and other programs, they are taking that right out of the general purpose forces.

I cited an example of the Navy. We literally are seeing our Navy deteriorate in front of our eyes. What we are talking about now is the Navy of the 1980's and early 1990's. Decisions are being right now, as we stand in the Senate, that basically are determining our 1980's and 1990's Navy. That Navy, where we still have some advantage, in my opinion is disappearing before our eyes, although we will not feel it and we will not be held completely accountable for it until the late 1980's.

Mr. TOWER. Therefore, if this administration is to sustain and reinforce the arguments pursued by its own surrogates in trying to convince the American people that SALT is right, is it not incumbent upon the administration to increase spending to cover the programs necessary, to cover the critical deficiencies in our defense capability now?

Mr. NUNN. I agree a hundred percent with the Senator.

Mr. TOWER. In other words, it becomes a matter of intellectual honesty on the part of the administration.

Mr. NUNN. That is right.

Mr. TOWER. Because its own surrogates said we do need to maintain our defense strength to produce and deploy new systems. Therefore, the administration would be breaking faith, in fact, with its own arguments if it failed to do this.

Mr. NUNN. I agree with the Senator from Texas—unless the administration has some advisers on national security about whom we do not know.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. TOWER. Mr. President, I ask unanimous consent that the Senator from Georgia may be allowed to proceed for 10 minutes, without the time being charged to anyone.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NUNN. Unless some of these people, who are unidentified and faceless in the administration, who are quoted and have been quoted for the last 30 days in the New York Times, the Washington Post, the Baltimore Sun, and other publications, are the true national security advisers to the President, and unless the President does not get his national security advice from the Department of Defense and the Joint Chiefs of Staff, the Senator is correct.

If these people are the true national security advisers, then we should have a chance to get them before the committee and see what evidence they have that contradicts all the testimony and the witnesses and everything I have seen from the Department of Defense.

Mr. TOWER. If the Senator will yield for a comment, I will appreciate it if he will then yield to Senator Garn.

I might note that I think it is becoming apparent to some that the prospects of easy ratification of the treaty are not what they have been made to appear by the press. It is amazing to me that sophisticated journalists in the city of Washington who should know better have been convinced by the very skillful and persuasive comments and arguments of Mr. Lloyd Cutler that, in fact, everything is going smoothly, in the administration's terms, for ratification of SALT II.

I hope that at some time the press will become disabused of that notion. They apparent have not yet.

I wish to sav at this point that certainly on this side of the aisle there are a substantial number of Senators who have considerable reservations about this treaty and I do not think that the treaty in its present form with no alteration, with no amendment, with no commitment to increase defense spending could get the requisite votes necessary to assure its ratification from the standpoint of Senators on this side of the aisle. I think that message should go out to the American people because I think they are getting a distorted notion of just what the prospects for ratification are and the degree of acceptance here.

I at this time express my admiration for Mr. Lloyd Cutler because he has certainly been able to do a job on a very sophisticated press corps here in Washington, and I do not know of anyone else who was able to do a comparable job in the 18 years I have been here.

Mr. NUNN. I might say to the Senator from Texas that it is apparent the President found an adequate replacement for Rafshoon. The question is who is going to replace Mr. Lipshitz.

Mr. GARN. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. GARN. Mr. President, first of all, let me say how much I appreciate the Senator's statement today. Having had the opportunity of serving with the distinguished Senator from Georgia for 2 years on the Armed Services Committee, I know his expertise in the area of NATO.

Just last weekend I spent 3 days in Brussels on the future of NATO, the first 30 years, and the next 30 years. Henry Kissinger was chairing. It was fascinating to me to sit for 3 days in those meetings, and the very thing that came out over and over again from our 14 nation or 15 nation allies was: "What is going to be your commitment, Senator?" They were continually saying: "We are meeting our 3 percent. Your country committed to do that and you have not."

I read the Nunn-Bartlett report again on the airplane going over to refresh my mind, but it was very disturbing to me to sit in that conference and hear allies question our credibility and talk about the operational and maintenance problems, the equipment that we have there is inadequate in number to begin with, but then, second, much of it not in operating condition because of lack of spare parts and cannibalization and the things the Senator from Georgia knows more about than almost anyone else in the Senate in respect to NATO.

So I think we absolutely have to consider this. Forgetting SALT for the moment, pushing that aside, the need is there in this one area alone in conventional weapons systems and theater nuclear weapons in NATO and beyond the actual needs for those expenditures our credibility is at stake with those allies. They have severe questions and that disturbs me, that they were so concerned about whether we would keep our word as announced by this administration because, as the Senator said, we have not. We have not had a 3-percent real increase in our NATO commitment. The conditions are worsening from what the Senator from Georgia and Senator Bartlett reported a couple years ago.

So I thought it might just be of interest to include that along with the Senator's remarks that our NATO allies are sincerely concerned apart from SALT about what we will do in our commitment to defend Western Europe.

Mr. NUNN. I thank the Senator and I certainly agree with that assessment.

Mr. President, I think our allies have every right to be concerned, since we took the leadership in making the proposal for a 3-percent increase. That was done by the President. Until July of this year, as I pointed out in my remarks, it seemed that that pledge, even though it was an international pledge publicly made, had been completely forgotten. Now I am happy it is being restored, but it makes one wonder about future pledges.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. NUNN. I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I consider it a privilege to associate myself with the remarks of the Senator from Georgia here today and to provide what I believe is an assurance that his message is not falling upon deaf ears. The American people have never in the history of this great Nation failed to respond in terms of strengthening our national defense. Irrespective of the actions that our leaders may take, I am confident that those of us who aline ourselves with what the Senator from Georgia is trying to do will receive the support of the American people and in due course we will see a reversal of the trend in the United States.

I thank the Senator from Georgia.

Mr. NUNN. I thank my colleague, one of our stalwarts of national security, my friend from Virginia, for his kind remarks.

Mr. EXON. Mr. President, will the Senator yield for a question?

Mr. NUNN. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, the question that I have may be answered by Senator NUNN or Senator GARN who was recently in Europe.

I do not know whether some of the things I am hearing are accurate or not. While I generally agree with the statements that have been made by several of my colleagues in the Chamber this afternoon—all of us here present I think serve on the Armed Services Committee—my question has to do with the statement that Senator MUSKIE made in the Budget Committee this morning. I was wondering if the Senator from Georgia heard about this in NATO. He made the statement that the West German Government, I believe, has just announced that there is only going to be a 1½-percent increase in real budget terms in the budget of West Germany in support of NATO.

Is the Senator familiar with that?

Mr. NUNN. I have not heard that. I do know that West German military forces have been growing in real dollar terms at a rate greatly exceeding ours for the last 7 or 8 years. Our rate has been going down.

As the Senator knows it was about 5 percent of our gross national product. Now we are at a lower level than since before the Korean war.

I have not heard exactly the West German defense budget commitment. That would not be good news. That would not change my views in any way about America's obligation but it would be a very disappointing bit of news as far as our key ally in NATO.

They have always taken our lead in our defense effort. The Germans have been in the forefront of increasing defense along with the United States, and I would hope that that report would prove to be inaccurate. But I certainly have no information to the contrary.

Mr. EXON. Mr. President, is it out of order if I ask the Senator to yield to Senator GARN?

Mr. NUNN. I am glad to yield to Senator GARN.

Mr. GARN. Mr. President, I say as of last Saturday when all of these questions were coming up in Brussels the commitment was there that Germany would meet the 3 percent. In fact, it was a German representative who said: "We will. Will you, Senator?"

I said: "I cannot speak for my administration. I can speak as a member of the Defense Appropriations Subcommittee that I certainly will cast my vote in favor of doing that."

But the German representative made that commitment on Saturday. I, too, have not seen any report today. But that commitment was made last Saturday.

Mr. NUNN. Mr. President, unfortunately the Germans are well aware that we did not meet our commitment the first year as to the first year pledge of the United States. Even though, we led the way in making the overall pledge, we did not meet our commitment. We have not grown in fiscal year 1979 3 percent, particularly if you count budget authority. If you look strictly at outlays which allows someone to accelerate spending from past years commitments, simply on an expenditure basis, and if you count that you get one answer, but if you count budget authority we clearly have not met our 3 percent in 1979 and will not in 1980 unless there is a supplemental. I am hoping there will be a supplemental.

Mr. EXON. Mr. President, will my good friend from Georgia yield for one additional question?

Mr. NUNN. I yield.

Mr. EXON. To try to put this matter in proper perspective, and correct me, please, if the Senator thinks I am wrong, the information that we have reviewed in the Budget Committee on defense, the total defense appropriations and spending as far as NATO is concerned, would indicate that at least the figures that we debated and rely upon would indicate that the United States for a number of years has been spending a higher percentage of its gross national product on defense than all of the European countries. I believe the figures, if I remember them correctly, were that the United States was spending something around 6 percent of our gross national product on defense. The next country I believe in the NATO alliance nearest was West Germany at about 5 percent. It went on down to, I think, 2 or 3 percent for some of the other countries there and, of course, if we include Japan we found that Japan was spending less than 1 percent of its gross national product.

I ask this question merely to clarify the record to see whether you agree that for the last period of years we still, while we may have been going down, have been spending a higher percentage of our gross national product on defense than have our NATO allies.

Mr. NUNN. There is no doubt about that in general.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. NUNN. Mr. President, I ask unanimous consent that I may be permitted to speak for 5 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. There is no doubt that the United States has been the principal partner making the most sacrifice for NATO since its inception going back to the 1940's.

Neither is there any doubt in my mind that our allies have not done their part. They never have. They have not in the 1950's, they have not in the 1960's, and not in the 1970's. Relatively speaking they are doing better than in the past. But that does not cure the problem.

I would not in any way pin laurels on our allies and say they are the good guys, they have been doing their part, and we have not. That is not my intention at all. We have always been the leader and, of course, the Senator has to realize part of our overall commitment to our NATO allies, and really to our allies around the world, is that we will furnish the nuclear might. We will furnish all of the intelligence-gathering or most of the intelligence-gathering apparatus and they will furnish about 80 percent of the conventional forces.

One of the things that most concerns me is the deterioration of the nuclear strength in Europe, the detachment of nuclear strength. Our allies have historically relied on us to take the initiative there. We are not doing it now. The neutron bomb debate is really one of our problems in that regard. But, nevertheless, the allies, in my view, are not doing their part.

Now, the question is though when you lump overall U.S. military spending, and you bring Japan into the picture, that is a relationship that is different from that of NATO.

Mr. EXON. I realize that.

Mr. NUNN. The Japanese have had for a long number of years, imposed by the United States, a provision saying that they will not have any defense forces or armed forces. The 1-percent figure has grown up over a period of years. We have written a report on that, and I am sure the Senator probably has a copy of it.

The Japanese are beginning to turn that around. The Senator is correct in saying that the Japanese are spending 1 percent of their gross national product while we are spending 5 percent. I think it has to be turned from a partnership atmosphere. I think it is beginning to be happening in Japan, and I am more optimistic about that than I have been for a long time.

Yes, our allies have to do more than they are doing. The question is how do we handle that with our own defense budget? Do we lead the way toward progress or lead in the opposite direction? We are the leaders, whether we realize it or not.

Mr. EXON. I would suggest, in general agreement, that while we are the leaders we should ask our partners to do likewise, and, therefore, I guess I am not too much taken by the fact of the criticism now being directed at us by some of our NATO allies that we are not doing enough in spending.

I just wanted to make the record clear that in the immediate past history we have been spending much more on defense than have our NATO allies.

Mr. NUNN. I would say that criticism coming from people in this country that we are not doing enough is valid. Coming from some of our allies who have not done their part I think is somewhat tainted.

I must add though in defense of our allies that to some degree they do not have what is known as a volunteer force in those countries, with the exception of Great Britain. If they tell you they are spending x number of dollars on their national defense and you are not spending as much as they are they point out where their money is going, that 60 percent is going for manpower. They say that "60 percent is going for our manpower and that you are spending less than that on manpower. We still have the will in our country to believe that our young people should serve. We have registration and compulsory military service, and just because of that we are spending more and more on manpower and the United States is not spending as much as NATO."

So these figures have to indicate what we are getting as well as what we are giving.

Mr. EXON. I thank the Senator.

Mr. GARN. There was a big controversial discussion in these 3 days of discussion, they saying, "You Americans are not spending enough," and we saying, "You are not spending enough."

What Senator NUNN says is absolutely true. I do not think they have done what they should, and they should do more as to their burden. But when you start comparing dollars as a percentage of gross national product, you have to look at many of our systems such as our entire strategic deterrent system which we would have even if Western Europe did not exist or had already been taken over. We would have to have that for our own protection. So when you start comparing gross figures, it shows much more disparity than really exists because there are certain defense items that we would have in any event that do provide help and deterrence for Western Europe, but we would have in any event and we would have to have.

Mr. NUNN. I will just close this by saying that anything we can do through stimulating our allies I think we should do because they have not done enough and are not doing enough, and unless we take a firm lead not only in respect to our own action and in respect to leadership in the alliance, there will be a leadership vacuum.

We certainly should check out the West German effort because I think that is extremely important.

Mr. President, I thank my colleagues for yielding, and I will yield back any time I have remaining under the unanimous-consent agreement.

The PRESIDING OFFICER. The Senator's time has expired.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

The Senate continued with the consideration of S. 1477.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Arkansas.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, this amendment states that the validity of a challenged rule or regulation must be established by a "preponderance of the evidence." As you know the courts are currently wrestling with the problem of what sort of record the agencies must compile when they engage in informal rulemaking. They also must often decide whether a statute requires formal or informal rulemaking. And, they must decide when certain rules are "interpretive" and what sort of record is required in the creation of such rules. Sometimes the "standard or review" affects the way they decide these matters. Although you propose a certain standard for review, I take it that you do not intend to affect decisions as to what sort of rulemaking is required and what type of record is necessary. You have no particular desire to change existing law on these issues, do you?

Mr. BUMPERS. I do not, and I believe that my amendment does not change the state of the law on these issues in any way.

Mr. KENNEDY. Mr. President, we are prepared to acept the amendment of the Senator from Arkansas. Have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the request for the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered. The order for yeas and nays is vitiated.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, it is my understanding that, under a previous consent agreement, this legislation would be set aside.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I know of no further amendments.

I move that the Senate stand in recess subject to the call of the Chair.

Mr. DeCONCINI. Mr. President, before going into recess, may I propose a parliamentary inquiry, a clarification? S. 1477 is being set aside in accordance with the unanimous-consent agreement of yesterday?

The PRESIDING OFFICER. The Senator is correct.

Mr. DeCONCINI. Is it my understanding that, in accordance with that unanimous-consent agreement, it can no longer be amended, except for one judicial tenure bill that is part of the unanimous-consent agreement?

The PRESIDING OFFICER. The Senator is correct.

Mr. DeCONCINI. I thank the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts renew his request?

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. KENNEDY. Mr. President, I renew my request that we stand in recess subject to the call of the Chair.

The motion was agreed to, and at 2:24 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2:47 p.m., when called to order by the Presiding Officer (Mr. BUMPERS).

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, there will be no further rollcall votes today.

AUTHORIZATION FOR RECORD TO BE KEPT OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the RECORD be kept open until 5 p.m. today for Senators to file statements, introduce bills, resolutions, and that committees may report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TECHNICAL AMENDMENTS TO BANKRUPTCY REFORM ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 325.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only for the purpose of advising the majority leader that this item has been cleared on our calendar and we have no objection to its consideration and passage.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 658) to correct technical errors, clarify and make minor substantive changes to Public Law 95-598.

The PRESIDING OFFICER. Is there objection of the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

TITLE I—AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE

SEC. 101. Section 101(2)(D) of title 11 of the United States Code is amended by striking out "or all" immediately after "business".

SEC. 102. (a) Section 101(8)(B) of title 11 of the United States Code is amended by striking out the colon at the end thereof and inserting a semicolon in lieu thereof.

(b) Section 101(9)(B) of title 11 of the United States Code is amended by inserting "348(d)" after "section", and by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(c) Section 101(14) of title 11 of the United States Code is amended by inserting "or" immediately after "trust,".

(d) Section 101(24) of title 11 of the United States Code is amended by striking out "stock broker" and inserting "stockbroker" in lieu thereof.

(e) Section 102(26)(B)(ii) of title 11 of the United States Code is amended—

(1) by striking out "separate" each place it appears and inserting "nonpartnership" in lieu thereof; and

(2) by striking out "the kind specified in subparagraph" and inserting "a kind specified in subparagraph (A)(i) or" in lieu thereof.

(f) Section 101(35)(B)(vi) of title 11 of the United States Code is amended by striking out "specified in clause (xii) of subparagraph (A)" and inserting "of a kind specified in subparagraph (A)(xii)" in lieu thereof.

(g) Section 101 is amended by adding the following immediately after paragraph (37):

"(37A) 'State' includes the Commonwealth of Puerto Rico, the Panama Canal Zone, the District of Columbia, and any territory or possession of the United States;".

(h) Section 101 is amended by adding the following immediately after paragraph (34):

"(34A) 'securities clearing agency' means person registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1), or whose business is confined to the performance of the functions of a clearing agency with respect to 'exempted securities,' as defined in section 3 of said Act (15 U.S.C. 78c) for the purposes of said section 17A;"

SEC. 103. Section 102 of title 11 of the United States Code is amended—

(a) by striking out "and" at the end of paragraph (7);

(b) by striking out "continued" and inserting in lieu thereof "contained" in paragraph (8);

(c) by striking out the period at the end of paragraph (8) and inserting "; and" in lieu thereof; and

(d) by adding at the end thereof the following:

"(9) 'United States', when used in a geographical sense, includes the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and the territories and possessions of the United States.".

SEC. 104. (a) Section 103(c) of title 11 of the United States Code is amended—

(1) by striking out "stockholder" and inserting "stockbroker" in lieu thereof; and

(2) by striking out the period at the end thereof and inserting ", except with respect to section 753 which shall apply in any case under chapter 7, 11, or 13 of this title." in lieu thereof.

(b) Section 103(d) of title 11 of the United States Code is amended by striking out "746(c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant" and inserting "767 which shall apply in any case under chapter 7, 11, or 13 of this title" in lieu thereof.

SEC. 105. Section 108(c) of title 11 of the United States Code is amended by—

(a) Inserting after "bankruptcy court" the following: "or for taking other collection action, including levy,".

(b) Adding a new subsection (d) to read as follows:

"(d) If applicable law or an agreement suspends the period of limitation for assessing a tax liability of the debtor as of the commencement of a case under this title, such suspension shall not expire before 90 days following the earlier of—

"(1) termination or expiration of the stay under section 362 of this title, or

"(2) the date, determined under sections 362(b)(9) and 505(c) of this title, after which assessment of such tax liability is permitted.".

(c) Adding a new subsection (e) to read as follows:

"(e) If applicable law fixes a period for filing a petition or otherwise commencing an action in the United States Tax Court, or in a similar judicial or administrative forum under State or local law, and if any such act is stayed under section 362 of this title, such period shall not expire before 60 days after termination or expiration of the stay with respect to any such petition or action."

SEC. 106. (a) Section 109(c)(5)(D) of title 11 of the United States Code is amended by striking out "preference" and inserting "transfer that is avoidable under section 547 of this title" in lieu thereof.

(b) Section 109(d) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

SEC. 107. (a) Section 303(b) of title 11 of the United States Code is amended by inserting "against a person" immediately after "involuntary case".

(b) Section 303(j)(2) of title 11 of the United States Code is amended by striking out "debtors" and inserting "debtor" in lieu thereof.

SEC. 108. Section 321(b) of title 11 of the United States Code is amended by striking out "a case" and inserting "the case" in lieu thereof.

SEC. 109. (a) Section 326(a) of title 11 of the United States Code is amended by inserting "of this title" immediately after "7 or 11".

(b) Section 326(d) of title 11 of the United

States Code is amended by striking out "and" and inserting "or" in lieu thereof.

Sec. 110. (a) Section 330(a) of title 11 of the United States Code is amended by striking out "and to the United States trustee".

(b) Section 330(a)(1) of title 11 of the United States Code is amended to read as follows:

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and".

(c) Section 330(b) of title 11 of the United States Code is amended by deleting "from the filing fee" and substituting "from appropriated funds" in lieu thereof.

(d) Section 330 of title 11 of the United States Code is amended by adding the following at the end:

"(c) When a trustee performs substantial service in a case in which there are no funds to pay an adequate commission, the Director shall pay the trustee a special service fee not to exceed $80 from appropriated funds, if ordered by the bankruptcy judge. Such order shall be the exception and not the rule.".

Sec. 111. (a) Section 341(a) of title 11 of the United States Code is amended by deleting "there shall be a meeting of creditors" and inserting "the court shall call a meeting of creditors" in lieu thereof.

(b) Section 341(c) of title 11 of the United States Code is amended by adding "except that the court shall preside at any election of the trustee" after "section".

Sec. 112. Section 345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

Sec. 113. (a) Section 346(c)(2) of title 11 of the United States Code is amended by striking out "operation" and inserting "corporation" in lieu thereof.

(b) Section 346(f) of title 11 of the United States Code is amended by deleting "State or local".

(c) Section 346(j)(7) of title 11 of the United States Code is amended by striking out "owned" and inserting "owed" in lieu thereof.

Sec. 113A. Section 347(a) of title 11 of the United States Code is amended by deleting the words "under chapter 129 of title 28" and inserting in lieu thereof "under chapter 11, subchapter IV, section 725 of title 31".

Sec. 114. Section 350(b) of title 11 of the United States Code is amended by striking out "a" and inserting "A" in lieu thereof.

Sec. 115. Section 361(1) of title 11 of the United States Code is amended by inserting "a cash payment or" immediately after "make".

Sec. 116. (a) Section 362(a)(1) of title 11 of the United States Code is amended by inserting "action or" immediately after "other".

(b) Section 362(a)(8) of title 11 of the United States Code is amended by striking "Court concerning the debtor" and inserting in lieu thereof "Court, or a similar administrative or judicial forum under State or local law, concerning the debtor".

(c) Section 362(b)(6) of title 11 of the United States Code is amended by inserting immediately before the semicolon the following: ", or, under subsection (a) of this section, of the setoff of any claim of a commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency against the debtor for a margin payment, as defined in section 761(15) or section 741(4A) of this title, or settlement payment arising out of a commodity contract, as defined in section 761(4) of this title, forward commodity contract, or securities contract, as defined in section 741(5A) of this title, against cash, a security, or other property held by such commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency to margin, guarantee, or secure such commodity contract, forward commodity contract, or securities contract".

(d) Section 362(b)(7) of title 11 of the United States Code is amended by striking out "said" and inserting "such" in lieu thereof.

(e) Section 362(c) of title 11 of the United States Code is amended by deleting "section—" and substitute "section and subsection (c) of section 505—".

(f) Section 362(d)(2) of title 11 of the United States Code is amended—

(1) by inserting "under subsection (a) of this section" immediately after "stay"; and

(2) by adding "or is not necessary to an effective plan for an individual with regular income, as the case may be" immediately after "reorganization".

(g) Section 362(f) of title 11 of the United States Code is amended by inserting "with or" immediately after "court,".

Sec. 117. Section 363(a) of title 11 of the United States Code is amended by adding "and includes the proceeds, products, offspring, rents or profits of property subject of a security interest as provided in section 552(b) of this title whether existing prior to or after the commencement of a case under this title" immediately after "interest".

Sec. 118. (a) Section 363(e) of title 11 of the United States Code is amended by striking out "section" the second time it appears, and inserting "subsection" in lieu thereof.

(b) Section 363(h) of title 11 of the United States Code is amended by inserting "tenant in partnership" immediately after "as a".

(c) Section 363(j) of title 11 of the United States Code is amended by striking out "compenation" and inserting "compensation" in lieu thereof.

(d) Section 363(l) of title 11 of the United States Code is amended—

(1) by striking out "conditions" and inserting "condition" in lieu thereof;

(2) by striking out "a taking" and inserting "or taking" in lieu thereof; and

(3) by striking out "interests" and inserting "interest" in lieu thereof.

Sec. 119. Section 364(f) of title 11 of the United States Code is amended by inserting "or convertible to an equity security" immediately before the period at the end thereof.

Sec. 120. (a) Section 365(b)(3) of title 11 of the United States Code is amended by striking out "purposes" and inserting "purpose" in lieu thereof.

(b) Section 365(c)(1)(A) of title 11 of the United States Code is amended by inserting "by virtue of the nature of such contract or lease" immediately before ", whether".

(c) Section 365(f)(3) of title 11 of the United States Code is amended by inserting a comma immediately after "applicable law".

(d) Section 365(h)(1) of title 11 of the United States Code is amended—

(1) by striking out "treat the least" and inserting "treat such lease" in lieu thereof: and

(2) by inserting "provided no interest created out of the leasehold estate would be adversely affected thereby" immediately after "rejection".

(e) Section 365(h)(2) of title 11 of the United States Code is amended by inserting "under such lease" immediately after "debtor".

(f) Section 365(i)(2)(A) of title 11 of the United States Code is amended—

(1) by striking out the comma after "may"; and

(2) by inserting "under such contract" immediately after "debtor".

(g) Section 365(j) of title 11 of the United States Code is amended by inserting "to or for the benefit of the debtor" immediately before the period at the end thereof.

Sec. 121. (a) Section 501(d) of title 11 of the United States Code is amended by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(b) Section 501 of title 11 of the United States Code is amended by adding a new subsection (e) reading as follows:

"(e) A government unit shall not be required to file a proof of claim for either—

"(1) a tax liability entitled to priority under section 507(a)(6) of this title but which arises from payment of a claim entitled to priority under section 507(a)(3) of this title, or

"(2) a tax liability arising from payment of a claim for wages, salaries or commissions, including vacation, severance, and sick leave pay, payable without priority from the estate.".

Sec. 122. (a) Section 502(a) of title 11 of the United States Code is amended by inserting "general" immediately before "partner".

(b) Section 502(b) of title 11 of the United States Code is amended—

(1) by inserting "(e)(2)," immediately after "subsections"; and

(2) by inserting "in lawful currency of the United States" immediately after "petition" where it first appears;

(3) by striking "(h) and (i)" and inserting "and (h)" in lieu thereof.

(c) Section 502(b)(1) of title 11 of the United States Code is amended by striking out ", and unenforceable against" and inserting "and" in lieu thereof.

(d) Section 502(b)(2) of title 11 of the United States Code is amended by inserting "other than unmatured interest due to an original issue discount of less than one-half of one percent of the stated redemption price at maturity multiplied by the number of full years from the date of original issue to maturity" immediately after "interest".

(e) Section 502(b)(3) of title 11 of the United States Code is repealed.

(f) Section 502(b)(4) of title 11 of the United States Code is amended by inserting "the" immediately after "exceeds".

(g) Section 502(b)(6) of title 11 of the United States Code is amended—

(1) by striking out "the claim" and inserting "such claim" in lieu thereof; and

(2) by striking out the comma.

(h) Section 502(b)(7)(A)(ii) of title 11 of the United States Code is amended by striking out "reposessed" and inserting "repossessed" in lieu thereof.

(i) Section 502(c)(2) of title 11 of the United States Code is amended by inserting "right to payment arising from a" immediately after "any".

(j) Section 502(e)(1)(B) of title 11 of the United States Code is amended by inserting "or disallowance" immediately after "allowance".

(k) Section 502 of title 11 of the United States Code is amended by deleting subsection (i) thereof.

(l) Section 502(j) of title 11 of the United States Code is amended by striking out "Before a case is closed, a" and inserting "A" in lieu thereof and by inserting "or disallowed" immediately after "allowed".

(m) The rights of creditors who have received dividends or in whose favor final dividends have been declared shall not be affected by the proof and allowance of claims subsequent to the date of such payment or declarations of dividends; but the creditors proving and securing the allowance of such claims shall be paid dividends equal in amount to those already received by the other creditors, if the estate equals so much, before such other creditors are paid any further dividends.

SEC. 123. Section 503(b) of title 11 of the United States Code is amended—

(1) by striking out the comma immediately after "there shall be allowed";

(2) in paragraph (1)(B)(i) to read as follows:

"(i) incurred by the estate or required to be collected or withheld from others with respect to any payment by or to the estate, other than a tax liability referred to in section 501(e) of this title; or";

(3) in paragraph 503(b)(1)(C) to read as follows:

"(C) any fine, penalty, or reduction in credit, incurred by the estate;";

(4) in paragraph (3), by inserting a comma immediately after "paragraph (4) of this subsection";

(5) in paragraph (3)(C), by striking out the comma;

(6) in paragraph (4) by striking out "the time," and "and" immediately before "the value", and inserting "the time spent thereon," before "and the cost of comparable services";

(7) by adding a new paragraph (7) as follows:

"(7) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by a committee appointed under section 1102 of this title.";

(8) by striking out "and" at the end of paragraph (5); and

(9) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof.

SEC. 124. (a) Section 505(a)(1) of title 11 of the United States Code is amended by striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(b) Section 505(a)(2)(A) of title 11 of the United States Code is amended by—

(1) Striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(2) Striking "legality" and inserting "liability" in lieu thereof.

(c) Section 505(a)(1) of title 11 of the United States Code is amended by striking "assessed, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction." and inserting in lieu thereof "assessed or paid, and whether or not a proof of claim has been filed.".

(d) Section 505(a) of title 11 of the United States Code is amended by adding a new paragraph (3) to read as follows:

"(3) Notwithstanding subparagraph (B) of this paragraph, the court may offset against a claim for, or request of payment of, a tax liability any counterclaim with respect to such tax liability for the same taxable period, event, act (or failure to act) to which the claim or request for payment relates, and may, where appropriate, order a net credit or refund to be made to the estate. The preceding sentence shall not apply if, at the commencement of the case under this title, the debtor had filed suit for refund relating to such taxable period, event, act (or failure to act), and if the stay on continuation of such suit is terminated under section 362 of this title.".

(e) Section 505(c) of title 11 of the United States Code is amended to read as follows:

"(c) After allowance of a claim or administrative expense relating to a tax liability by the court in a case under this title, or a final determination of such tax liability by another court, the governmental unit charged with responsibility for collecting such tax may assess such tax, if not permitted to do so previously, against the estate, the debtor, or a successor to the debtor, as the case may be, subject to any otherwise applicable law.".

SEC. 125. (a) Section 506(a) of title 11 of the United States Code is amended by inserting ", except to the extent that such creditor does not have recourse, under any agreement or applicable law, against the debtor on account of such claim," immediately before "is an unsecured claim".

(b) Section 506(d) of title 11 of the United States Code is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by inserting in paragraph (2) "502(b)(6) or" immediately after "section", and striking out the period at the end of the paragraph and inserting "; or" in lieu thereof; and

(3) by adding a new paragraph (3) to read as follows:

"(3) such claim is not an allowed secured claim due only to the failure to file a proof of claim under section 501 of this title.".

SEC. 126. (a) Section 507(a)(3) of title 11 of the United States Code is amended by inserting a comma after "severance".

(b) Section 507(a)(4)(B)(ii) of title 11 of the United States Code is amended by striking out the comma.

(c) Section 507(a)(6)(A) of title 11 of the United States Code is amended by striking out clause (ii) thereof and inserting in lieu thereof the following:

"(ii) assessed within 240 days before the date of the filing of the petition;".

(d) Section 507(a)(6)(A)(iii) of title 11 of the United States Code is amended to read as follows:

"(iii) not assessed before commencement of the case but not prohibited, at the commencement of the case, from being assessed under the applicable statute of limitations, other than a tax or customs duty of a kind excepted from discharge under section 523(a)(1)(B) or (C) of this title;".

(e) Section 507(a)(6)(D) of title 11 of the United States Code is amended to read as follows:

"(D) an employment tax on a wage, salary, or commission—

"(i) of a kind specified in paragraph (3) of this subsection; or

"(ii) paid before the date of the filing of the petition for which a return is last due, under applicable law or under any extension, after three years before the date of the filing of the petition;".

(f) Section 507(a)(6)(F) of title 11 of the United States Code is amended by deleting everything after "fraud," and inserting in lieu thereof "fraud."

(g) Section 507(a)(6) of title 11 of the United States Code is amended by deleting subparagraph (G) thereof.

(h) Section 507(b) of title 11 of the United States Code is amended—

(1) by striking out "If" and inserting "Notwithstanding section 726(b) of this title, if" in lieu thereof;

(2) by inserting "or the court finds that such interest is adequately protected by such lien" immediately after "debtor"; and

(3) by striking out "creditor" each place it appears and inserting "holder" in lieu thereof; and

(4) by striking out "subsection (a)(1) of this subsection shall" and inserting "section 503(b) of this title shall" in lieu thereof; and

(5) by striking out "subsection" where it last appears and inserting "this section" in lieu thereof.

(i) Section 507(c) of title 11 of the United States Code is amended by striking out "shall be treated the same" and inserting "has the same priority" in lieu thereof.

(j) Section 507 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) For purposes of subsection (a)(6) of this section—

"(1) a penalty that represents compensation for actual pecuniary loss of a governmental unit with respect to a tax liability shall be treated as a tax liability;

"(2) a child support obligation governed by section 6305 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) shall not be treated as a tax liability; and

"(3) if an offer in compromise with respect to a tax liability is submitted during the 240-day period referred to in subsection (a)(6)(A)(ii) of this section, the balance of such period remaining at the date on which the offer is submitted shall be suspended until final resolution of the offer, but in any event such period shall not expire before 30 days after the offer is withdrawn by the debtor or finally rejected by the governmental unit.".

SEC. 127. Section 509(c) of title 11 of the United States Code is amended by striking out "section 509 of this title" and inserting "this section" in lieu thereof.

SEC. 128. Section 510(b) of title 11 of the United States Code is amended—

(1) by striking out "recission" and inserting "rescission" in lieu thereof; and

(2) by striking out "and interests that are" and inserting "to all interests that are senior to the" immediately before "interest represented".

SEC. 129. (a) Section 522(b)(1) of title 11 of the United States Code is amended by striking out "does not so authorize" and inserting "prohibits application of such subsection (d)" in lieu thereof.

(b) Section 522(c) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "arisen";

(2) in paragraph (1), to read as follows:

"(1) a tax liability excepted from discharge under section 523(a) (1) or (7) of this title; or";

(3) in paragraph (2)—

(A) by inserting "a debt secured by" immediately before "a lien";

(B) by redesignating subparagraph (A) as subparagraph (A)(i);

(C) by inserting "and" immediately after subparagraph (A)(i);

(D) by redesignating subparagraph (B) as clause (ii);

(E) by inserting a new paragraph (3) in subsection (c) as follows:

"(3) a debt of a kind specified in section 523(a)(5) of this title.";

(F) by amending subsection (c)(2)(B) to read as follows:

"(B) a tax lien, notice of which is properly filed, notwithstanding that such lien is avoided under section 545(2) of this title.".

(c) Section 522(f)(2)(A) of title 11 of the United States Code is amended by inserting "jewelry or" between "crops," and "musical instruments", and striking out ", or jewelry" following "musical instruments".

(d) Section 522(h)(1) of title 11 of the United States Code is amended by striking out "tittle" and inserting "title" in lieu thereof.

(e) Section 522(i)(2) of title 11 of the United States Code is amended by striking out "his" and inserting "this" in lieu thereof.

SEC. 130. (a) Section 523(a)(2) of title 11 of the United States Code is amended by striking out "refinance" and inserting "refinancing" in lieu thereof.

(b) Section 523(a)(5)(A) of title 11 of the United States Code is amended by inserting after "otherwise" the following: ", except as provided in section 656(b) of title 42 of the United States Code".

Sec. 131. (a) Section 524(a) of title 11 of the United States Code is amended—

(1) by striking out "any act" each place it appears, and inserting "an act" in lieu thereof; and

(2) in paragraph (2)—

(A) by inserting "except as to enforcement of a lien that is not voided by section 506(d) of this title and except as provided in section 522(c) of this title," immediately before "operates"; and

(B) by inserting a comma immediately after "recover".

(b) Section 524(d) of title 11 of the United States Code is amended—

(1) by inserting "and" immediately after paragraph (1) thereof; and

(2) in paragraph (2), by striking out "subsection" the second time it appears and inserting "section" in lieu thereof.

Sec. 132. Section 525 of title 11 of the United States Code is amended by inserting "the" immediately before "Perishable".

Sec. 133. (a) Section 541(a)(3) of title 11 of the United States Code is amended by inserting "363(n)," immediately after "section".

(b) Section 541(a)(5) of title 11 of the United States Code is amended by striking out "An" and inserting "Any" in lieu thereof.

(c) Section 541(c)(1) of title 11 of the United States Code is amended—

(1) by inserting "in an agreement or applicable law" immediately after "provision"; and

(2) in subparagraph (B)—

(A) by striking out "the taking" and inserting "taking" in lieu thereof; and

(B) by inserting "before such commencement" immediately after "custodian".

Sec. 134. Section 542(a) of title 11 of the United States Code is amended by striking out "value or benefit" and inserting "value and benefit" in lieu thereof.

Sec. 135. (a) Section 543(c)(3) of title 11 of the United States Code is amended by striking out "appointed or" and inserting "appointed and" in lieu thereof.

(b) Section 543 is amended by adding a new section (e) as follows:

"(e) For the purposes of a case under chapter 7 of this title, custodian shall not include an assignee under a general assignment for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition; but, the trustee or the court may nevertheless, and at any time, require such an assignee to file an accounting as set forth in subsection (b)(2) hereinabove.".

Sec. 135A. Section 544(a)(2) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

Sec. 135B. (a) Section 545(1)(A) of title 11 of the United States Code is amended by striking out "is" immediately after "debtor".

(b) Section 545(1)(C) of title 11 of the United States Code is amended by striking out "apponted" and inserting "appointed" in lieu thereof.

Sec. 136. (a) Section 546(a) of title 11 of the United States Code is amended by striking out "or 553" and inserting "553, or 724(a)" in lieu thereof.

(b) Section 546(c) of title 11 of the United States Code is amended by striking out "the trustee under section 544, 545, or" and inserting "a trustee under sections 544, 545, and" in lieu thereof.

(c) Section 546(c) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "a trustee" in lieu thereof; and

(2) in paragraph (2), by inserting "the" immediately after "if"; and

(3) by deleting "sections 544(a), 545, 547, and 549 of".

(d) Section 546 of title 11 of the United States Code is amended by inserting at the end thereof the following:

"(d) Notwithstanding section 544, 545, 547, and 548 of this title, the trustee may not avoid a transfer that is a margin payment, as defined in section 761(15) or section 741(4A) of this title, deposit, or settlement payment, made by or to a commodity broker, forward contract merchant, stockbroker, or securities clearing agency, and that occurs before the commencement of the case, except under section 548(a)(1) of this title.".

Sec. 137. (a) Section 547(c)(5) of tile 11 of the United States Code is amended by striking out "all security interest" and inserting "all security interests" in lieu thereof.

(b) Section 547(e) of title 11 of the United States Code is amended by adding a new paragraph (4) at the end thereof as follows:

"(4) For the purposes of this section, a transfer of an equitable lien is deemed to be made immediately before the commencement of the case on account of an antecedent debt."

Sec. 138. (a) Section 548(a)(1) of title 11 of the United States Code is amended by striking out "occurred" and inserting "was made" in lieu thereof.

(b) Section 548(a)(2)(B)(ii) of title 11 of the United States Code is amended by inserting "or a transaction" immediately after "engaged in business".

(c) Section 548(c) of title 11 of the United States Code is amended—

(1) by inserting "or may retain" immediately after "lien on"; and

(2) by striking out ", may retain any lien transferred,".

(d) Section 548(d)(1) of title 11 of the United States Code is amended by striking out "occurs" and inserting "is made" in lieu thereof.

(e) Section 548(d)(2)(B) of title 11 of the United States Code is amended—

(1) by striking out "or" immediately after "broker" and inserting a comma in lieu thereof;

(2) by inserting "stockbroker, or securities clearing agency" immediately after "merchant"; and

(3) by inserting "or section 741(4A)" immediately after "761(15)".

Sec. 139. Section 549(a) of title 11 of the United States Code is amended by striking out "subsection" and inserting "subsections" in lieu thereof.

Sec. 140. Section 550(d)(2) of title 11 of the United States Code is amended—

(1) by striking out "such property; (E) discharge of any lien against"; and

(2) by redesignating subparagraph (F) as subparagraph (E).

Sec. 141. Section 551 of title 11 of the United States Code is amended by striking out "but only with respect to property of the estate".

Sec. 142.(a) Section 553(a)(1) of title 11 of the United States Code is amended by striking out "other than under section 502(b)(3) of this title".

(b) Section 553(b)(1) of title 11 of the United States Code is amended by striking out "or 365(h)(1)" and inserting ", 365(h)(2), or 365(i)(2)" in lieu thereof.

Sec. 143. Section 554(d) of title 11 of the United States Code is amended by striking out "section (a) or (b) of".

Sec. 144. (a) Section 702(b) of title 11 of the United States Code is amended by inserting "(a)" immediately after "341".

(b) Section 702(c)(2) of title 11 of the United States Code is amended by inserting "a" immediately before "trustee".

Sec. 145. Section 704(8) of title 11 of the United States Code is amended by deleting "make a final report and file a final account of the administration of the estate with the court" and inserting "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court".

Sec. 146. Section 705(a) of title 11 of the United States Code is amended by inserting "of creditors" immediately after "meeting".

Sec. 147. (a) Section 707(1) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

(b) Section 707(2) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

Sec. 148. (a) Section 723(a) of title 11 of the United States Code is amended by striking out "title" and inserting "chapter" in lieu thereof.

(b) Section 723(c) of title 11 of the United States Code is amended—

(1) by striking out "such case" each place it appears and inserting "such partner's case" in lieu thereof;

(2) by striking out "be property" and inserting "by property" in lieu thereof;

(3) by striking out "(a)"; and

(4) by striking out "the kind" and inserting "a kind" in lieu thereof.

Sec. 149. (a) Section 724(b) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "the holders of" immediately after "second, to";

(2) by inserting immediately after paragraph (4) the following:

"(5) fifth, to the holders of claims specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent that such claims are not paid under paragraph (2) of this subsection;";

(3) by striking out "(5) fifth" and inserting "(6) sixth" in lieu thereof; and

(4) by striking out "(6) sixth" and inserting "(7) seventh" in lieu thereof.

(b) Section 724(c) of title 11 of the United States Code is amended—

(1) by striking out "creditor" and inserting "holder of a claim" in lieu thereof; and

(2) by striking out "creditors" each place it appears and inserting "holders" in lieu thereof.

Sec. 150. (a) Section 726(b) of title 11 of the United States Code is amended by striking out "administrative expenses" each place it appears and inserting "claims allowed under section 503 of this title" in lieu thereof.

(b) Section 726(c)(1) of title 11 of the United States Code is amended by striking out "Administrative expenses" and inserting "Claims allowed under section 503 of this title" in lieu thereof.

(c) Section 726(c)(2) of title 11 of the United States Code is amended—

(1) by striking out "for administrative expenses" and inserting "those allowed under section 503 of this title" in lieu thereof;

(2) by inserting "(a)" immediately after "507";

(3) in subparagraph (C), by inserting a comma immediately before "including", "are", and "such"; and

(4) by adding at the end thereof the following:

"(E) Fifth, to the extent claims against the debtor are not paid under paragraph (C) of this paragraph such claims shall be paid from all remaining property of the estate.

"(F) Sixth, any remaining property of the estate shall be returned to the debtor.".

Sec. 151. (a) Section 727(a)(6)(C) of title 11 of the United States Code is amended by striking out "property" and inserting "properly" in lieu thereof.

(b) Section 727(a)(7) of title 11 of the United States Code is amended by inserting "under this title or under the Bankruptcy Act" immediately after "another case".

(c) Section 727(a)(8) of title 11 of the

United States Code is amended by inserting a comma immediately after "371".

SEC. 152. Section 728(c) of title 11 of the United States Code is amended by striking out the comma immediately after "taxable income".

SEC. 153. (a) Section 741(5)(A)(i) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "petition"; and

(2) by striking out "customer name securities" and inserting "any customer name security" in lieu thereof.

(b) Section 741 of title 11 of the United States Code is amended—

(1) by adding the following immediately after paragraph (4):

"(4A) 'margin payment' means payment or deposit of cash, a security, or other property, that is commonly known to the securities trade as original margin, initial margin, maintenance margin, or variation margin, or as a mark-to-market payment, or that secures an obligation of a participant to a securities clearing agency;" and

(2) by adding the following immediately after paragraph (5):

"(5A) 'securities contract' means contract for the purchase, sale, or loan of a security, including an option for the purchase or sale of a security, or the guarantee of any settlement of cash or securities by a seceurities clearing agency.".

SEC. 154. Section 743 of title 11 of the United States Code is amended by striking out "(a)".

SEC. 155. Section 749 of title 11 of the United States Code is amended—

(1) by striking out "Any" at the beginning thereof and inserting "(a) Except as otherwise provided in this section, any" in lieu thereof; and

(2) by inserting at the end thereof the following:

"(b) Notwithstanding sections 544, 545, 547, 548, 549, and 724(a) of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition, if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is—

"(1) a transfer of a securities contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, securities or other property margining or securing such securities contract; or

"(2) the liquidation of a securities contract entered into or carried by or through the debtor on behalf of a customer.".

SEC. 156. (a) Section 752(a) of title 11 of the United States Code is amended by striking out "customers allowed" and inserting "customers' allowed" in lieu thereof.

(b) Section 752(b)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 157. (a) Subchapter III of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 753. Contractual right to liquidate a securities contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a stockholder or securities clearing agency from exercising a contractual right to liquidate a securities contract or to cause the liquidation of a securities contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is authorized under the provisions of the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) or is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or by-law of a national securities exchange, a national securities association, or a securities clearing agency.".

(b) The table of sections for such chapter and for such subchapter are each amended by adding at the end thereof the following new item:

"753. Contractual right to liquidate a securities contract.".

SEC. 158. (a) Section 761(2) of title 11 of the United States Code is amended by inserting "made" immediately before "on".

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof; and

(2) in subparagraph (D), by inserting ", or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor" immediately before the semicolon.

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(2) in subparagraph (A)—

(A) by striking out "the debtor" each place it appears and inserting "such futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such futures commission merchant's in lieu thereof;

(3) in subparagraph (B)—

(A) by striking out "the debtor" each place it appears and inserting "such foreign futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such foreign futures commission merchant's" in lieu thereof;

(4) in subparagraph (C)—

(A) by striking out "the debtor" each place it appears and inserting "such leverage transaction merchant" in lieu thereof;

(B) by striking out "the debtor's" and inserting "such leverage transaction merchant's" in lieu thereof;

(C) by inserting "or" after the semicolon at the end of clause (i); and

(D) in clause (ii), by striking out "hold" and inserting "holds" in lieu thereof;

(5) in subparagraph (D), by striking out "the debtor" each place it appears and inserting "such clearing organization" in lieu thereof; and

(6) in subparagraph (E)—

(A) by striking out "the debtor" each place it appears and inserting "such commodity options dealer" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such commodity options dealer's" in lieu thereof.

(d) Section 761(12) of title 11 of the United States Code is amended by inserting a comma immediately after "property".

(e) Section 761(13) of title 11 of the United States Code is amended by striking out "217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a)" and inserting "19 of the Commodity Exchange Act (7 U.S.C. 23)" in lieu thereof.

SEC. 159. Section 764 of title 11 of the United States Code is amended by striking out subsection (c) thereof.

SEC. 160. Section 765(b) of title 11 of the United States Code is amended by striking out "commitment" and inserting "commodity contract" in lieu thereof.

SEC. 161. (a) Section 766(b) of title 11 of the United States Code is amended by inserting "the" immediately after "rules of".

(b) Section 766(j)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 162. Subchapter IV of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 767. Contractual right to liquidate a commodity contract or forward contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a commodity broker or forward contract merchant from exercising a contractual right to liquidate a commodity contract, as defined in section 761(4), or forward contract, or to cause the liquidation of a commodity contract or forward contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or bylaw of a clearing organization or a contract market or in a resolution of the governing board thereof.".

SEC. 163. Section 901(a) of title 11 of the United States Code is amended by—

(1) striking out "552"; and

(2) inserting a comma immediately after "1111(b)".

SEC. 164. Section 903(2) of title 11 of the United States Code is amended by striking out "to" the first time it appears.

SEC. 165. (a) Section 921 of title 11 of the United States Code is amended by redesignating subsections "(e)" and "(f)" as "(d)" and "(e)" respectively.

(b) Section 921(c) of title 11 of the United States Code is amended by striking out "an" and inserting "any" in lieu thereof.

(c) Section 921(d) of title 11 of the United States Code as redesignated in paragraph (a) of this section is amended by striking out "(d)" and inserting in lieu thereof "(c)".

SEC. 166. Section 922(a)(1) of title 11 of the United States Code is amended by inserting "a" immediately before "judicial", and inserting "action or" immediately before "proceeding".

SEC. 167. Chapter 9 is amended by the addition of a section 928 as follows:

"SEC. 928. (a) Except as provided in subsections (b) and (c) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

"(b) Except as provided in sections 506(c), 544, 545, 547, and 548 of this title and subsection (c) of this section if the debtor and a secured party enter into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, product, offspring, rents, or profits of such property, then such security interest extends to such proceeds, product, offspring, rents, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to the extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

"(c) If the debtor and a secured party enter into a security agreement before the commencement of the case and the obligation of the debtor is secured by a security interest in and is payable solely from specifically identified revenues including tax revenues, proceeds, rents, profits, or other similar moneys of the debtor, then such security interest shall extend to such revenues including specified tax revenues, proceeds, rents, profits, or other similar moneys acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law.".

Sec. 168. Section 943(b) (5) of title 11 of the United States Code is amended to read as follows:

"(5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in section 507(a) (1) of this title will receive on account of such claim cash equal to the allowed amount of such claim; and".

Sec. 168A. Section 1103(b) of title 11 of the United States Code is amended by striking out "A person" and inserting in lieu thereof "An attorney or accountant".

Sec. 169. (a) Section 1103(c) (1) of title 11 of the United States Code is amended by striking out "or debtor in possession".

(b) Section 1103(c) (3) of title 11 of the United States Code is amended by striking out "recommendations" and inserting "determinations" in lieu thereof and inserting "or rejections" immediately after "acceptances".

(c) Section 1103(c) (4) of title 11 of the United States Code is amended by striking out ", if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case".

Sec. 170. Section 1105 of title 11 of the United States Code is amended by striking out "estate, and" and inserting "estate and of the" in lieu thereof.

Sec. 171. (a) Section 1106(b) of title 11 of the United States Code is amended by inserting ", except to the extent that the court orders otherwise," immediately before "any other".

(b) Section 1107(a) of title 11 of the United States Code is amended by inserting "serving in a case" immediately after "on a trustee".

Sec. 172. Section 1108 of title 11 of the United States Code is amended by inserting ", on request of a party in interest and after notice and a hearing," immediately after "court".

Sec. 173. (a) Section 1111(b) (1) (A) (ii) of title 11 of the United States Code is amended—

(1) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(2) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to such holder, or is to be sold, abandoned, or surrendered" in lieu thereof.

(b) Section 1111(b) (1) (B) of title 11 of the United States Code is amended—

(1) by striking out "A class of claims may not elect application of paragraph (2) of this subsection" and inserting "An election of application of paragraph (2) of this subsection by a class of claims is ineffective" in lieu thereof; and

(2) in clause (ii)—

(A) by striking out "the holder of a claim of such class has recourse against the debtor on account of such claim and";

(B) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(C) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to the holders of such claims, or is to be sold, abandoned, or surrendered" in lieu thereof.

(c) Section 1111(b) (2) of title 11 of the United States Code is amended by inserting "full" immediately before "extent".

Sec. 174. Section 1112(b) (8) of title 11 of the United States Code is amended by striking out and" at the end thereof and inserting "or" in lieu thereof.

Sec. 175. Section 1121(c) (3) of title 11 of the United States Code is amended by striking out "the claims or interests of which are" and inserting "of claims or interests that is" in lieu thereof.

Sec. 176. Section 1123(a) (3) of title of the United States Code is amended by striking out "shall".

Sec. 177. Section 1123(a) (6) of title 11 of the United States Code is amended by striking out "equity securities" the first time it appears and inserting "common stock" in lieu thereof.

Sec. 178. (a) Section 1125(a) (2) (C) of title 11 of the United States Code is amended by inserting "of" immediately after "holders".

(b) Section 1125(d) of title 11 of the United States Code is amended by inserting "or otherwise seek review of" immediately after 'appeal from".

(c) Section 1125(e) of title 11 of the United States Code is amended by—

(1) inserting "acceptance or rejection of a plan" immediately after "solicits"; and

(2) inserting "solicitation of acceptance or rejection of a plan or" immediately after "governing".

Sec. 179. (a) Section 1126(b) (2) of title 11 of the United States Code is amended by striking out "(1)".

(b) Section 1126(f) of title 11 of the United States Code is amended by—

(1) striking out "solicititation" and inserting "solicitation" in lieu thereof; and

(2) striking out "interest" and inserting "interests" in lieu thereof.

(c) Section 1126(g) of title 11 of the United States Code is amended by striking out "any payment or compensation" and inserting "receive or retain any property" in lieu thereof.

Sec. 180. (a) Section 1129(a) (1) of title 11 of the United States Code is amended by inserting "and with other applicable provisions of this title" immediately after "chapter".

(b) Section 1129(a) (4) of title 11 of the United States Code is amended—

(1) in subsection (A) by striking out "promised" and inserting "to be made" in lieu thereof; and

(2) in subsection (B) (ii) by striking out "fixed" and inserting "made" in lieu thereof.

(c) Section 1129(a) (5) of title 11 of the United States Code is amended—

(1) by striking out the period at the end of subparagraph (A) and inserting "; and" in lieu thereof; and

(2) in subparagraph (B), by striking out "The" and inserting "the" in lieu thereof.

(d) Section 1129(a) (7) (B) of title 11 of the United States Code is amended by striking out "creditor's" and inserting "holder's" in lieu thereof.

(e) Section 1129(a) (9) (A) is amended by inserting at the beginning of the subparagraph "except as provided in subsection (C) of this section,".

(f) Section 1129(a) (9) (C) of title 11 of the United States Code is amended to read as follows:

"(C) with respect to a claim specified in section 507(a) (6) of this title or of a claim specified in section 507(a) (1) of this title that results from the sale of a capital asset, recapture of an investment tax credit, recapture of depreciation or similar event, the governmental unit will receive on account of such claim deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim, and which shall be—

"(i) payable over a period not exceeding six years after the later of the date of confirmation of the plan or the date on which the tax liability is assessed;

"(ii) payable in equal amounts on specified dates unless the governmental unit agrees to a different schedule of payments; and

"(iii) payable as a tax liability the unpaid balance of which shall, on default, become immediately due.".

(g) Section 1129(a) (10) of title 11 of the United States Code is amended by adding "excluding any class deemed to have accepted the plan under section 1126(f) of this title and a class of claims described in section 1122(b)," immediately after "plan" where it first appears.

(h) Section 1129(b) (1) is amended by striking out "Notwithstanding section 510(a) of this title,".

(i) Section 1129(b) (2) (B) of title 11 of the United States Code is amended by inserting "other than claims of a kind specified in section 507(a) (3), 507(a) (4), or 507(a) (5) of this title" immediately after "unsecured claims".

(j) Section 1129(b) (2) (C) (i) of title 11 of the United States Code is amended by striking out "claim" and inserting "interest" in lieu thereof.

Sec. 181. (a) Section 1141(a) of title 11 of the United States Code is amended—

(1) by striking out "Except" and inserting "Notwithstanding section 510(a) of this title and except" in lieu thereof; and

(2) by striking out "any creditor or equity security holder of, or general partner in," and inserting "any creditor, equity security holder, or general partner in" in lieu thereof.

(b) Section 1141 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

Sec. 182. (a) Section 1142(a) of title 11 of the United States Code is amended by striking out the comma after "plan" the second time it appears.

(b) Section 1142(b) of title 11 of the United States Code is amended—

(1) by striking out "debtor and" inserting "debtor" in lieu thereof; and

(2) by inserting "a" immediately after "by".

Sec. 183. (a) Section 1145(a) of title 11 of the United States Code is amended by deleting the words "Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section", and inserting in lieu thereof "Section".

(b) Section 1145(a) (3) is amended by deleting the words "or an affiliate".

(c) Section 1145(a) (3) (B) (i) and (ii) of title 11 of the United States Code is amended by inserting after the words "section 13" appearing in (i) the words "or section 15(d)", and striking out all the words after "in compliance with" appearing in (ii) and inserting in lieu thereof the words "such reporting provisions".

(d) Section 1145(a) (3) (C) (i) and (ii) of title 11 of the United States Code is amended by striking out the word "two" each time it appears before the word "year" in (i) and (ii) and inserting in lieu thereof "one" and by striking out the number "180" each time it appears in (ii) therein and inserting "90" in lieu thereof.

(e) Section 1145(a) (4) of title 11 of the United States Code is amended by striking out "stockholder" each place it appears and inserting "stockbroker" in lieu thereof.

(f) Section 1145(b) (1) (C) of title 11 of the United States Code is amended by striking out "for" in the introductory language and inserting "from" in lieu thereof.

(g) Section 1145(d) of title 11 of the United States Code is amended by deleting the word "commercial" included therein.

Sec. 184. Section 1301(c) (3) of title 11 of the United States Code is amended by inserting "continuation of" immediately after "by".

Sec. 185. (a) Section 1307(b) of title 11 of the United States Code is amended by inserting a comma immediately after "time".

(b) Section 1307(c)(6) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

Sec. 186. (a) Section 1322(a)(2) of title 11 of the United States Code is amended by inserting a comma immediately after "payments" and by inserting after "title," the following: "and all secured claims for tax liabilities of the debtor,".

(b) Section 1322(b)(8) of title 11 of the United States Code is amended by striking out "any".

Sec. 187. Section 1324 of title 11 of the United States Code is amended by striking out "the" the second place it appears.

Sec. 188. Section 1325(a)(3) of title 11 of the United States Code is amended by the addition of ", is the debtor's best effort and" after the word "plan".

Sec. 189. Section 1326(a)(2) of title 11 of the United States Code is amended by inserting "of this title" immediately after "1302(d)".

Sec. 190. Section 1327 of title 11 of the United States Code is amended by adding a new subsection (d) to read as follows:

"(d) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

Sec. 191. (a) Section 1328(a)(2) of title 11 of the United States Code is amended by striking out "(5)".

(b) Section 1328(c)(2) of title 11 of the United States Code is amended by striking out "(a)".

(c) Section 1328(d) of title 11 of the United States Code is amended to read as follows:

"(d) Notwithstanding any other provision of this section, a discharge granted under this section does not discharge the debtor from any debt—

"(1) based on an allowed claim filed under section 1305(a)(2) of this title prior approval by the trustee of the debtor's incurring such debt was practicable and was not obtained; or

"(2) for a tax or customs duty excepted from discharge by section 523(a) of this title.".

(d) Section 1328(e)(1) of title 11 of the United States Code is amended by inserting "of the debtor" immediately after "fraud".

(e) Section 1328(e)(2) of title 11 of the United States Code is amended—

(1) by striking out "knowledge of such fraud came to"; and

(2) by inserting "did not know of such fraud until" immediately after "party".

Sec. 192. Section 15102 of title 11 of the United States Code is amended—

(1) by deleting "In this title, a reference" and inserting in lieu thereof "A reference in this title"; and

(2) by striking out "chapter" the first time it appears and inserting "title" in lieu thereof.

Sec. 193. Section 15103(f) of title 11 of the United States Code is amended—

(1) by inserting "330(a)," immediately after "326(b),"; and

(2) by striking out "under this title" and inserting "to which this chapter applies" in lieu thereof.

Sec. 194. Section 15322(b)(1) of title 11 of the United States Code is amended by striking out "(2)".

Sec. 195. Section 15326 of title 11 of the United States Code is amended by striking out ", but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan".

Sec. 196. Section 15330 of title 11 of the United States Code is amended to read as follows:

"§ 15330. Compensation of officers

"(a) After notice to any parties in interest and to the United States trustee and a hearing, and subject to sections 326, 328, 329, and 15326 of this title, the court may award to a trustee, to an examiner, to a professional person employed under section 327 or 1103 of this title, or to the debtor's attorney—

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and

"(2) reimbursement for actual, necessary expenses.

"(b) In a case in which the United States trustee serves as trustee, the compensation of the trustee under subsection (a) of this section shall be paid to the clerk of the bankruptcy court, and by the clerk, into the Treasury. The United States trustee shall not in any case be entitled to the compensation authorized under section 330(b) of title 11 of the United States Code.".

Sec. 197. Section 15345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

Sec. 198. Section 15704 is amended by deleting "make a final report and file a final account of the administration of the estate with the court and with the United States trustee." and insert in lieu thereof "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court and with the United States trustee.".

Sec. 199. Section 151102(b) of title 11 of the United States Code is amended by striking out "interest of" and inserting "interest," in lieu thereof.

TITLE II—AMENDMENTS TO TITLES II, III, AND IV OF PUBLIC LAW 95-598

Sec. 201. Section 151(c) of title 28, United States Code, is amended by inserting a comma after "suit".

Sec. 202. Section 160(a) of title 28, United States Code, is amended by striking out "each circuit" and inserting "such circuit" in lieu thereof.

Sec. 203. (a) Section 206(1) of Public Law 95-598 is amended by striking out "district or bankruptcy judge" and inserting in lieu thereof "district, or bankruptcy judge".

(b) Section 206(2) of Public Law 95-598 is amended by striking out ", district judge or bankruptcy judge" and inserting ", district, or bankruptcy judge" in lieu thereof.

Sec. 204. Section 216 of Public Law 95-598 is amended by deleting "record" and inserting "records" in lieu thereof.

Sec. 205. Section 221 of Public Law 95-598 is amended by inserting "court" after "bankruptcy".

Sec. 206. Section 222 of Public Law 95-598 is amended by deleting "assistance" and inserting "assistants" in lieu thereof.

Sec. 207. Section 223 of Public Law 95-598 is amended by inserting "(a)" immediately after "Sec. 223." and by adding at the end thereof the following new subsection:

"(b) Section 571(b) of such title is further amended by striking out 'United States marshals under regulations prescribed by the'.".

Sec. 208. Section 586(b) of title 28, United States Code, is amended by striking out "United States trustee" the second time it appears and inserting "United States trustees to serve as standing trustee" in lieu thereof.

Sec. 209. (a) Section 771(c) of title 28 of the United States Code is amended by inserting "with the approval of the Director" after "court" in the second sentence.

(b) Section 773(c) of title 28 of the United States Code is amended by deleting the parentheses around "but presenting a substantial question".

(c) Section 773 of title 28 of the United States Code is amended by adding at the end the following:

"(d) Court reporters appointed under this section shall be appointed in accordance with all of the standards and procedures applicable to appointments under section 753 of this title and shall be governed by the rules and regulations applicable to court reporters appointed under section 753 of this title.".

Sec. 210. Section 236(a) of Public Law 95-598 is amended in the paragraph relating to section 1293(b) of title 28 of the United States Code by striking out "District court of the United States" and inserting "district court of the United States," in lieu thereof.

Sec. 211. (a) Section 1334(b) of title 28, United States Code, is amended by striking out "interlocutory orders and decrees" and inserting "interlocutory judgments, orders, and decrees" in lieu thereof.

(b) Section 1334(c) of title 28, United States Code, is amended by striking out "that section" and inserting "this section" in lieu thereof.

Sec. 212. (a) Section 1471(a) of title 28, United States Code, is amended by striking out "subsection" and inserting "subsection" in lieu thereof.

(b) Sections 1471(c) and 1471(e) of title 28, United States Code, are each amended by striking out "commenced" and inserting "pending" in lieu thereof.

(c) Section 1471(e) of title 28, United States Code, is amended by inserting "and of all property, wherever located, of the estate in such case" immediately before the period at the end thereof.

(d) Section 1472(1) of title 28, United States Code, is amended by striking out "principle" and inserting "principal" in lieu thereof.

(e) Section 1473(a) of title 28, United States Code is amended by striking out "Except" and inserting in lieu thereof the following: Notwithstanding any Act of Congress that confers venue in a specific district and except".

(f) Section 1473(c) of title 28, United States Code is amended by striking out "section" the first time it appears and inserting "subsection" in lieu thereof.

Sec. 213. Public Law 95-598 is amended by striking out section 245 and inserting in lieu thereof the following:

"Sec. 245. Section 1923(b) of title 28, United States Code, is amended to read as follows:

"'(b) The docket fees of United States attorneys shall be paid to the clerk of court, the docket fees of United States trustees shall be paid to the clerk of the bankruptcy court, and all such fees shall then be paid by the clerks into the Treasury'.".

Sec. 214. Section 2075 of title 28 is amended by striking out "in cases under title 11" and inserting "in cases under title 11 and civil proceedings arising under title 11 or arising in or related to cases under title 11" in lieu thereof.

Sec. 215. Section 248 of Public Law 95-598 is repealed.

Sec. 216. Section 19 of the Commodity Exchange Act (7 U.S.C. 24) added by section 302 of Public Law 95-598 is redesignated as section 20 of the Commodity Exchange Act.

SEC. 217. (a) Section 308(f)(3) of Public Law 95-598 is amended by striking out "C" and inserting "(C)" in lieu thereof.

(b) Section 308 of Public Law 95-598 is amended by—

(1) redesignating subsections (h) through (m) as subsections (i) through (n), respectively; and by redesignating subsections (n) and (o) as subsections (p) and (q), respectively.

(2) adding a new subsection (h) as follows:

"(h) Section 6(d) of such Act (15 U.S.C. 78fff(d)) is amended by striking 'section 16(5)(A)' and inserting 'section 16(4)(A)' in lieu thereof."

(3) adding a new subsection (o) as follows:

"(o) Section 8(e)(4)(C) of such Act (15 U.S.C. 78fff-2(e)(4)(C)) is amended by striking 'section 9(a)(5)' and inserting 'section 9(a)(4)' in lieu thereof."

SEC. 218. Section 312(b) of Public Law 95-598 is amended by inserting "except cases under chapter 13," after "Code" and inserting "except cases under chapter XIII," after "Act".

SEC. 219. Section 151 of title 18, United States Code, is amended by striking out "mean" and inserting "means" in lieu thereof.

SEC. 220. Section 322 of Public Law 95-598 is amended by inserting a new subsection to read as follows:

"(h) Section 3468 of the Revised Statutes of the United States (31 U.S.C. 193) is amended by inserting at the end thereof the following: 'This section does not apply, however, in a case under title 11 of the United States Code'.".

SEC. 221. Section 328 of Public Law 95-598 is repealed.

SEC. 222. Section 8334(c) of title 5 is amended by striking out "After" and inserting "On and after" in lieu thereof.

SEC. 223. A new section 339 is added to title II of Public Law 95-598 as follows:

"SEC. 339. Section 1827(i) of title 28, United States Code, is amended by striking out 'referee in bankruptcy' and inserting 'bankruptcy judge' in lieu thereof."

SEC. 224. A new section 340 is added to title III of Public Law 95-598 as follows:

"SEC. 340. Section 6301(2)(xiii) of title 5, United States Code, is amended by striking out the period at the end of clause (xiii) and inserting ', and a United States magistrate' in lieu thereof."

SEC. 225. A new section 341 is added to title III of Public Law 95-598 as follows:

"SEC. 341. Section 7A(c) of the Clayton Act (15 U.S.C. 18a(c)) is amended—

"(a) by striking out 'and' at the end of paragraph (11) thereof;

"(b) by striking out the period at the end of paragraph (12) thereof and inserting in lieu thereof '; and; and

"(c) by adding the following new paragraph at the end thereof:

"'(13) transactions arising under title 11 or arising in or relating to cases under title 11 of the United States Code'.".

SEC. 226. Section 402(d) of Public Law 95-598 is amended by inserting "232," immediately after "230".

SEC. 227. Section 403(e) of Public Law 95-598 is amended to read as follows:

"(e) Notwithstanding subsection (a) of this section—

"(1) a fee may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1978, to the extent that such fee exceeds $100,000;

"(2) after September 30, 1979, all moneys collected for payment into the referees' salary and expense fund in cases filed under the Bankruptcy Act shall be collected and paid into the general fund of the Treasury; and

"(3) any balance in the referees' salary and expense fund in the Treasury on October 1, 1979, shall be transferred to the general fund of the Treasury and the referees' salary and expense fund account shall be closed.".

SEC. 228.(a) Section 404(b) of Public Law 95-598 is amended—

(1) by deleting "upon the expiration of his appointed term as referee"; and

(2) by adding at the end the following new sentence:

"During the transition period, United States bankruptcy judges shall be exempt from annual and sick leave laws and regulations.".

(b) Section 404(c) of Public Law 95-598 is amended by deleting the first sentence and inserting in lieu thereof "There shall be established for each judicial district a merit screening committee composed of the president or the designee of the president of the State bar association, the president or designee of the president of a local bar association for the area wherein a referee in bankruptcy maintains his official headquarters within the judicial district, and the dean or designee of the dean of an accredited law school, if any, located within the judicial district or State, and if no law school exists, then a lay member selected by the chief judge of the United States district court for the judicial district wherein the referee in bankruptcy maintains his official headquarters.".

(c) Section 404(e) of Public Law 95-598 is amended by inserting after the first sentence the following new sentence: "Bankruptcy judges for the district shall decide where the headquarters office of the clerk of the bankruptcy court shall be located and, if they are unable to agree, the chief United States district judges for the district shall make the decision.".

SEC. 229. (a) Section 405(c)(2) of Public Law 95-598 is amended by inserting "240," immediately after "238,".

(b) Section 405(d) of Public Law 95-598 is amended by striking out "248" and inserting "247" in lieu thereof.

SEC. 230. Section 406(b) of Public Law 95-598 is amended by adding after the first sentence thereof the following new sentence: "The recommendations may provide for a bankruptcy judge to serve in more than one judicial district or circuit.".

SEC. 231. Section 407(c) of Public Law 95-598 is amended by striking out "332" and inserting "333" in lieu thereof.

SEC. 232. Section 408 of Public Law 95-598 is amended by adding at the end thereof the following:

"(d) During the transition period, section 604(h) of title 28, United States Code, does not apply to bankruptcy courts for districts listed in section 581(a) of such title.".

SEC. 233. Section 409(a)(1) of Public Law 95-598 is amended by striking out "September 30, 1983" and inserting "March 31, 1984" in lieu thereof.

SEC. 234. The official title of Public Law 95-598 is amended by striking out "Subject" and inserting in lieu thereof "subject".

TITLE III—EFFECTIVE DATES

SEC. 301. The amendments made by this Act shall take effect on October 1, 1979.

UP AMENDMENT NO. 536

(Purpose: To make certain technical amendments in the definition of "security")

Mr. ROBERT C. BYRD. Mr. President, I have been asked by Mr. DECONCINI to submit four amendments to this bill, which I send to the desk and which I will explain.

Senator DECONCINI's amendments would clarify the definition of "security" as used in the Bankruptcy Refrom Act to include unregistered investment contracts; clarify the lanugage used in the technical amendments bill as it affects the Social Security Act; provide that nonrecourse creditors may not reach beyond the assets of the debtor and attracts; clarify the language used in the rupts who have relied in their commercial dealings on the effectiveness of nonrecourses clauses; and would delay for 1 year the implementation of section 244 of the Bankruptcy Reform Act that adjusted the filing fees in court cases filed in the Federal Court.

I understand that Mr. THURMOND, who is Senator DECONCINI's counterpart on the committee, is aware of these amendments and approves of them.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for the Senator from Arizona (Mr. DECONCINI), proposes an amendment numbered 536.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 48, between lines 12 and 13, insert the following:

(i) Section 101(35)(A)(xii) is amended by striking out "is the subject of a registration statement" and inserting in lieu thereof "should be the subject of a registration statement".

(j) Section 101(35)(B)(vi) is amended by striking out "the subject of such a registration statement" and inserting in lieu thereof "required to be the subject of a registration statement".

On page 107, strike out lines 1 and 2 and insert in lieu thereof the following:

SEC. 221. At the end of section 456(a) of the Social Security Act, add the following:

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.".

On page 69, beginning on line 6, strike out everything after the quotation mark and insert in lieu thereof the following: "except as provided in section 456(b) of the Social Security Act.".

On page 111, between lines 3 and 4, insert the following:

SEC. 235. Section 402 of Public Law 95-598 is amended—

(1) by striking out "244,"; and

(2) by adding at the end thereof the following new subsection:

"(f) The amendment made by section 244 of this Act shall take effect on October 1, 1980.".

On page 90, between lines 6 and 7, insert the following:

(d) Section 1111(b)(1) is amended by adding at the end thereof the following:

"(C) Allowing or disallowing a nonrecourse claim under this subsection as if the holder had recourse against the debtor on account of such claim shall not affect the rights of any person other than the debtor and the holder of such claim, and the elimination of, or limitation on, recourse shall remain fully effective as to any other person.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered and adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE

Sec. 101. Section 101(2)(D) of title 11 of the United States Code is amended by striking out "or all" immediately after "business".

SEC. 102. (a) Section 101(8)(B) of title 11 of the United States Code is amended by striking out the colon at the end thereof and inserting a semicolon in lieu thereof.

(b) Section 101(9)(B) of title 11 of the United States Code is amended by inserting "348(d)" after "section", and by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(c) Section 101(14) of title 11 of the United States Code is amended by inserting "or" immediately after "trust,".

(d) Section 101(24) of title 11 of the United States Code is amended by striking out "stock broker" and inserting "stockbroker" in lieu thereof.

(e) Section 101(26)(B)(ii) of title 11 of the United States Code is amended—

(1) by striking out "separate" each place it appears and inserting "nonpartnership" in lieu thereof; and

(2) by striking out "the kind specified in subparagraph" and inserting "a kind specified in subparagraph (A)(i) or" in lieu thereof.

(f) Section 101(35)(B)(vi) of title 11 of the United States Code is amended by striking out "specified in clause (xii) of subparagraph (A)" and inserting "of a kind specified in subparagraph (A)(xii)" in lieu thereof.

(g) Section 101 is amended by adding the following immediately after paragraph (37):

"(37A) 'State' includes the Commonwealth of Puerto Rico, the Panama Canal Zone, the District of Columbia, and any territory or possession of the United States;".

(h) Section 101 is amended by adding the following immediately after paragraph (34):

"(34A) 'securities clearing agency' means person registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q–1), or whose business is confined to the performance of the functions of a clearing agency with respect to 'exempted securities,' as defined in section 3 of said Act (15 U.S.C. 78c) for the purposes of said section 17A;"

(i) Section 101(35(A)(xii) is amended by striking out "is the subject of a registration statement" and inserting in lieu thereof "should be the subject of a registration statement".

(j) Section 101(35)(B)(vi) is amended by striking out "the subject of such a registration statement" and inserting in lieu thereof "required to be the subject of a registration statement".

SEC. 103. Section 102 of title 11 of the United States Code is amended—

(a) by striking out "and" at the end of paragraph (7);

(b) by striking out "continued" and inserting in lieu thereof "contained" in paragraph (8);

(c) by striking out the period at the end of paragraph (8) and inserting "; and" in lieu thereof; and

(d) by adding at the end thereof the following:

"(9) 'United States', when used in a geographical sense, includes the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and the territories and possessions of the United States.".

SEC. 104. (a) Section 103(c) of title 11 of the United States Code is amended—

(1) by striking out "stockholder" and inserting "stockbroker" in lieu thereof; and

(2) by striking out the period at the end thereof and inserting ", except with respect to section 753 which shall apply in any case under chapter 7, 11, or 13 of this title." in lieu thereof.

(b) Section 103(d) of title 11 of the United States Code is amended by striking out "746 (c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant" and inserting "767 which shall apply in any case under chapter 7, 11, or 13 of this title" in lieu thereof.

SEC. 105. Section 108(c) of title 11 of the United States Code is amended by—

(a) Inserting after "bankruptcy court" the following: "or for taking other collection action, including levy,".

(b) Adding a new subsection (d) to read as follows:

"(d) If applicable law or an agreement suspends the period of limitation for assessing a tax liability of the debtor as of the commencement of a case under this title, such suspension shall not expire before 90 days following the earlier of—

"(1) termination or expiration of the stay under section 362 of this title, or

"(2) the date, determined under sections 362(b)(9) and 505(c) of this title, after which assessment of such tax liability is permitted.".

(c) Adding a new subsection (e) to read as follows:

"(e) If applicable law fixes a period for filing a petition or otherwise commencing an action in the United States Tax Court, or in a similar judicial or administrative forum under State or local law, and if any such act is stayed under section 362 of this title, such period shall not expire before 60 days after termination or expiration of the stay with respect to any such petition or action.".

SEC. 106. (a) Section 109(c)(5)(D) of title 11 of the United States Code is amended by striking out "preference" and inserting "transfer that is avoidable under section 547 of this title" in lieu thereof.

(b) Section 109(d) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

SEC. 107. (a) Section 303(b) of title 11 of the United States Code is amended by inserting "against a person" immediately after "involuntary case".

(b) Section 303(j)(2) of title 11 of the United States Code is amended by striking out "debtors" and inserting "debtor" in lieu thereof.

SEC. 108. Section 321(b) of title 11 of the United States Code is amended by striking out "a case" and inserting "the case" in lieu thereof.

SEC. 109. (a) Section 326(a) of title 11 of the United States Code is amended by inserting "of this title" immediately after "7 or 11".

(b) Section 326(d) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 110. (a) Section 330(a) of title 11 of the United States Code is amended by striking out "and to the United States trustee".

(b) Section 330(a)(1) of title 11 of the United States Code is amended to read as follows:

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and".

(c) Section 330(b) of title 11 of the United States Code is amended by deleting "from the filing fee" and substituting "from appropriated funds" in lieu thereof.

(d) Section 330 of title 11 of the United States Code is amended by adding the following at the end:

"(c) When a trustee performs substantial service in a case in which there are no funds to pay an adequate commission, the Director shall pay the trustee a special service fee not to exceed $80 from appropriated funds, if ordered by the bankruptcy judge. Such order shall be the exception and not the rule.".

SEC. 111. (a) Section 341(a) of title 11 of the United States Code is amended by deleting "there shall be a meeting of creditors" and inserting "the court shall call a meeting of creditors" in lieu thereof.

(b) Section 341(c) of title 11 of the United States Code is amended by adding "except that the court shall preside at any election of the trustee" after "section".

SEC. 112. Section 345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 113. (a) Section 346(c)(2) of title 11 of the United States Code is amended by striking out "operation" and inserting "corporation" in lieu thereof.

(b) Section 346(f) of title 11 of the United States Code is amended by deleting "State or local".

(c) Section 346(j)(7) of title 11 of the United States Code is amended by striking out "owned" and inserting "owed" in lieu thereof.

SEC. 113A. Section 347(a) of title II of the United States Code is amended by deleting the words "under chapter 129 of title 28" and inserting in lieu thereof "under chapter 11, subchapter IV, section 725 of title 31".

SEC. 114. Section 350(b) of title 11 of the United States Code is amended by striking out "a" and inserting "A" in lieu thereof.

SEC. 115. Section 361(1) of title 11 of the United States Code is amended by inserting "a cash payment or" immediately after "make".

SEC. 116. (a) Section 362(a)(1) of title 11 of the United States Code is amended by inserting "action or" immediately after "other".

(b) Section 362(a)(8) of title 11 of the United States Code is amended by striking "Court concerning the debtor" and inserting in lieu thereof "Court, or a similar administrative or judicial forum under State or local law, concerning the debtor".

(c) Section 362(b)(6) of title 11 of the United States Code is amended by inserting immediately before the semicolon the following: ", or, under subsection (a) of this section, of the setoff of any claim of a commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency against the debtor for a margin payment, as defined in section 761(15) or section 741(4A) of this title, or settlement payment arising out of a commodity contract, as defined in section 761(4) of this title, forward commodity contract, or securities contract, as defined in section 741(5A) of this title, against cash, a security, or other property held by such commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency to margin, guarantee, or secure such commodity contract, forward commodity contract, or securities contract".

(d) Section 362(b)(7) of title 11 of the

United States Code is amended by striking out "said" and inserting "such" in lieu thereof.

(e) Section 362(c) of title 11 of the United States Code is amended by deleting "section —" and substitute "section and subsection (c) of section 505 —".

(f) Section 362(d)(2) of title 11 of the United States Code is amended—

(1) by inserting "under subsection (a) of this section" immediately after "stay"; and

(2) by adding "or is not necessary to an effective plan for an individual with regular income, as the case may be" immediately after "reorganization".

(g) Section 362(f) of title 11 of the United States Code is amended by inserting "with or" immediately after "court,".

Sec. 117. Section 363(a) of title 11 of the United States Code is amended by adding "and includes the proceeds, products, offspring, rents or profits of property subject of a security interest as provided in section 552(b) of this title whether existing prior to or after the commencement of a case under this title" immediately after "interest".

Sec. 118. (a) Section 363(e) of title 11 of the United States Code is amended by striking out "section" the second time it apears, and inserting "subsection" in lieu thereof.

"(b) Section 363(h) of title 11 of the United States Code is amended by inserting "tenant in partnership" immediately after "as a".

(c) Section 363(j) of title 11 of the United States Code is amended by striking out "compenation" and inserting "compensation" in lieu thereof.

(d) Section 363(l) of title 11 of the United States Code is amended—

(1) by striking out "conditions" and inserting "condition" in lieu thereof;

(2) by striking out "a taking" and inserting "or taking" in lieu thereof; and

(3) by striking out "interests" and inserting "interest" in lieu thereof.

Sec. 119. Section 364(f) of title 11 of the United States Code is amended by inserting "or convertible to an equity security" immediately before the period at the end thereof.

Sec. 120. (a) Section 365(b)(3) of title 11 of the United States Code is amended by striking out "purposes" and inserting "purpose" in lieu thereof.

(b) Section 365(c)(1)(A) of title 11 of the United States Code is amended by inserting "by virtue of the nature of such contract or lease" immediately before ", whether".

(c) Section 365(f)(3) of title 11 of the United States Code is amended by inserting a comma immediately after "applicable law".

(d) Section 365(h)(1) of title 11 of the United States Code is amended—

(1) by striking out "treat the lease" and inserting "treat such lease" in lieu thereof; and

(2) by inserting "provided no interest created out of the leasehold estate would be adversely affected thereby" immediately after "rejection".

(e) Section 365(h)(2) of title 11 of the United States Code is amended by inserting "under such lease" immediately after "debtor".

(f) Section 365(i)(2)(A) of title 11 of the United States Code is amended—

(1) by striking out the comma after "may"; and

(2) by inserting "under such contract" immediately after "debtor".

(g) Section 365(j) of title 11 of the United States Code is amended by inserting "to or for the benefit of the debtor" immediately before the period at the end thereof.

Sec. 121. (a) Section 501(d) of title 11 of the United States Code is amended by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(b) Section 501 of title 11 of the United States Code is amended by adding a new subsection (e) reading as follows:

"(e) A government unit shall not be required to file a proof of claim for either—

"(1) a tax liability entitled to priority under section 507(a)(6) of this title but which arises from payment of a claim entitled to priority under section 507(a)(3) of this title, or

"(2) a tax liability arising from payment of a claim for wages, salaries or commissions, including vacation, severance, and sick leave pay, payable without priority from the estate.".

Sec. 122. (a) Section 502(a) of title 11 of the United States Code is amended by inserting "general" immediately before "partner".

(b) Section 502(b) of title 11 of the United States Code is amended—

(1) by inserting "(e)(2)," immediately after "subsections"; and

(2) by inserting "in lawful currency of the United States" immediately after "petition" where it first appears;

(3) by striking "(h) and (i)" and inserting "and (h)" in lieu thereof.

(c) Section 502(b)(1) of title 11 of the United States Code is amendded by striking out ", and unenforceable against" and inserting "and" in lieu thereof.

(d) Section 502(b)(2) of title 11 of the United States Code is amended by inserting "other than unmatured interest due to an original issue discount of less than one-half of one percent of the stated redemption price at maturity multiplied by the number of full years from the date of original issue to maturity" immediately after "interest".

(e) Section 502(b)(3) of title 11 of the United States Code is repealed.

(f) Section 502(b)(4) of title 11 of the United States Code is amended by inserting "the" immediately after "exceeds".

(g) Section 502(b)(6) of title 11 of the United States Code is amended—

(1) by striking out "the claim" and inserting "such claim" in lieu thereof; and

(2) by striking out the comma.

(h) Section 502(b)(7)(A)(ii) of title 11 of the United States Code is amended by striking out "repossessed" and inserting "repossessed" in lieu thereof.

(i) Section 502(c)(2) of title 11 of the United States Code is amended by inserting "right to payment arising from a" immediately after "any".

(j) Section 502(e)(1)(B) of title 11 of the United States Code is amended by inserting "or disallowance" immediately after "allowance".

(k) Section 502 of title 11 of the United States Code is amended by deleting subsection (i) thereof.

(l) Section 502(j) of title 11 of the United States Code is amended by striking out "Before a case is closed, a" and inserting "A" in lieu thereof and by inserting "or disallowed" immediately after "allowed".

(m) The rights of creditors who have received dividends or in whose favor final dividends have been declared shall not be affected by the proof and allowance of claims subsequent to the date of such payment or declarations of dividends; but the creditors proving and securing the allowance of such claims shall be paid dividends equal in amount to those already received by the other creditors, if the estate equals so much, before such other creditors are paid any further dividends.

Sec. 123. Section 503(b) of title 11 of the United States Code is amended—

(1) by striking out the comma immediately after "there shall be allowed";

(2) in paragraph (1)(B)(i) to read as follows:

"(i) incurred by the estate or required to be collected or withheld from others with respect to any payment by or to the estate, other than a tax liability referred to in section 501(e) of this title; or";

(3) in paragraph 503(b)(1)(C) to read as follows:

"(C) any fine, penalty, or reduction in credit, incurred by the estate;";

(4) in paragraph (3) by inserting a comma immediately after "paragraph (4) of this subsection";

(5) in paragraph (3)(C), by striking out the comma;

(6) in paragraph (4) by striking out "the time," and "and" immediately before "the value", and inserting "the time spent thereon," before "and the cost of comparable services";

(7) by adding a new paragraph (7) as follows:

"(7) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by a committee appointed under section 1102 of this title.";

(8) by striking out "and" at the end of paragraph (5); and

(9) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof.

Sec. 124. (a) Section 505(a)(1) of title 11 of the United States Code is amended by striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(b) Section 505(a)(2)(A) of title 11 of the United States Code is amended by—

(1) Striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(2) Striking "legality" and inserting "liability" in lieu thereof.

(c) Section 505(a)(1) of title 11 of the United States Code is amended by striking "assessed, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction." and inserting in lieu thereof "assessed or paid, and whether or not a proof of claim has been filed.".

(d) Section 505(a) of title 11 of the United States Code is amended by adding a new paragraph (3) to read as follows:

"(3) Notwithstanding subparagraph (B) of this paragraph, the court may offset against a claim for, or request for payment of, a tax liability any counterclaim with respect to such tax liability for the same taxable period, event, act (or failure to act) to which the claim or request for payment relates, and may, where appropriate, order a net credit or refund to be made to the estate. The preceding sentence shall not apply if, at the commencement of the case under this title, the debtor had filed suit for refund relating to such taxable period, event, act (or failure to act), and if the stay on continuation of such suit is terminated under section 362 of this title.".

(e) Section 505(c) of title 11 of the United States Code is amended to read as follows:

"(c) After allowance of a claim or administrative expense relating to a tax liability by the court in a case under this title, or a final determination of such tax liability by another court, the governmental unit charged with responsibility for collecting such tax may assess such tax, if not permitted to do so previously, against the estate, the debtor, or a successor to the debtor, as the case may be, subject to any otherwise applicable law.".

Sec. 125. (a) Section 506(a) of title 11 of the United States Code is amended by inserting ", except to the extent that such creditor does not have recourse, under any agreement or applicable law, against the debtor on account of such claim," immediately before "is an unsecured claim".

(b) Section 506(d) of title 11 of the United States Code is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by inserting in paragraph (2) "502(b) (6) or" immediately after "section", and striking out the period at the end of the paragraph and inserting "; or" in lieu thereof; and

(3) by adding a new paragraph (3) to read as follows:

"(3) such claim is not an allowed secured claim due only to the failure to file a proof of claim under section 501 of this title.".

SEC. 126. (a) Section 507(a)(3) of title 11 of the United States Code is amended by inserting a comma after "severance".

(b) Section 507(a)(B)(ii) of title 11 of the United States Code is amended by striking out the comma.

(b) Section 507(a)(6)(A) of title 11 of the United States Code is amended by striking out clause (ii) thereof and inserting in lieu thereof the following:

"(ii) assessed within 240 days before the date of the filing of the petition;".

(d) Section 507(a)(6)(A)(iii) of title 11 of the United States Code is amended to read as follows:

"(iii) not assessed before commencement of the case but not prohibited, at the commencement of the case, from being assessed under the applicable statute of limitations, other than a tax or customs duty of a kind excepted from discharge under section 523 (a)(1)(B) or (C) of this title;".

(e) Section 507(a)(6)(D) of title 11 of the United States Code is amended to read as follows:

"(D) an employment tax on a wage, salary, or commission—

"(i) of a kind specified in paragraph (3) of this subsection; or

(ii) paid before the date of the filing of the petition for which a return is last due, under applicable law or under any extension, after three years before the date of the filing of the petition;".

(f) Section 507(a)(6)(F) of title 11 of the United States Code is amended by deleting everything after "fraud," and inserting in lieu thereof "fraud."

(g) Section 507(a)(6) of title 11 of the United States Code is amended by deleting subparagraph (G) thereof.

(h) Section 507(b) of title 11 of the United States Code is amended—

(1) by striking out "If" and inserting "Notwithstanding section 726(b) of this title, if" in lieu thereof;

(2) by inserting "or the court finds that such interest is adequately protected by such lien" immediately after "debtor"; and

(3) by striking out "creditor" each place it appears and inserting "holder" in lieu thereof; and

(4) by striking out "subsection (a)(1) of this subsection shall" and inserting "section 503(b) of this title shall" in lieu thereof; and

(5) by striking out "subsection" where it last appears and inserting "this section" in lieu thereof.

(i) Section 507(c) of title 11 of the United States Code is amended by striking out "shall be treated the same" and inserting "has the same priority" in lieu thereof.

(j) Section 507 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) For purposes of subsection (a)(6) of this section—

"(1) a penalty that represents compensation for actual pecuniary loss of a governmental unit with respect to a tax liability shall be treated as a tax liability;

"(2) a child support obligation governed by section 6305 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) shall not be treated as a tax liability; and

"(3) if an offer in compromise with respect to a tax liability is submitted during the 240-day period referred to in subsection (a)(6)(A)(ii) of this section, the balance of such period remaining at the date on which the offer is submitted shall be suspended until final resolution of the offer, but in any event such period shall not expire before 30 days after the offer is withdrawn by the debtor or finally rejected by the governmental unit.".

SEC. 127. Section 509(c) of title 11 of the United States Code is amended by striking out "section 509 of this title" and inserting "this section" in lieu thereof.

SEC. 128. Section 510(b) of title 11 of the United States Code is amended—

(1) by striking out "recission" and inserting "rescission" in lieu thereof; and

(2) by striking out "and interests that are" and inserting "to all interests that are senior to the" immediately before "interest represented".

SEC. 129. (a) Section 522(b)(1) of title 11 of the United States Code is amended by striking out "does not so authorize" and inserting "prohibits application of such subsection (d)" in lieu thereof.

(b) Section 522(c) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "arisen";

(2) in paragraph (1), to read as follows:

"(1) a tax liability excepted from discharge under section 523(a) (1) or (7) of this title; or";

(3) in paragraph (2)—

(A) by inserting "a debt secured by" immediately before "a lien";

(B) by redesignating subparagraph (A) as subparagraph (A)(i);

(C) by inserting "and" immediately after subparagraph (A)(i);

(D) by redesignating subparagraph (B) as clause (ii);

(E) by inserting a new paragraph (3) in subsection (c) as follows:

"(3) a debt of a kind specified in section 523(a)(5) of this title.";

(F) by amending subsection (c)(2)(B) to read as follows:

"(B) a tax lien, notice of which is properly filed, notwithstanding that such lien is avoided under section 545(2) of this title.".

(c) Section 522(f)(2)(A) of title 11 of the United States Code is amended by inserting "jewelry or" between "crops," and "musical instruments", and striking out ", or jewelry" following "musical instruments".

(d) Section 522(h)(1) of title 11 of the United States Code is amended by striking out "tittle" and inserting "title" in lieu thereof.

(e) Section 522(i)(2) of title 11 of the United States Code is amended by striking out "his" and inserting "this" in lieu thereof.

SEC. 130. (a) Section 523(a)(2) of title 11 of the United States Code is amended by striking out "refinance" and inserting "refinancing" in lieu thereof.

(b) Section 523(a)(5)(A) of title 11 of the United States Code is amended by inserting after "otherwise" the following: "except as provided in section 456(b) of the Social Security Act".

SEC. 131. (a) Section 524(a) of title 11 of the United States Code is amended—

(1) by striking out "any act" each place it appears, and inserting "an act" in lieu thereof; and

(2) in paragraph (2)—

(A) by inserting "except as to enforcement of a lien that is not voided by section 506(d) of this title and except as provided in section 522(c) of this title," immediately before "operates"; and

(B) by inserting a comma immediately after "recover".

(b) Section 524(d) of title 11 of the United States Code is amended—

(1) by inserting "and" immediately after paragraph (1) thereof; and

(2) in paragraph (2), by striking out "subsection" the second time it appears and inserting "section" in lieu thereof.

SEC. 132. Section 525 of title 11 of the United States Code is amended by inserting "the" immediately before "Perishable".

SEC. 133. (a) Section 541(a)(3) of title 11 of the United States Code is amended by inserting "363(n)," immediately after "section".

(b) Section 541(a)(5) of title 11 of the United States Code is amended by striking out "An" and inserting "Any" in lieu thereof.

(c) Section 541(c)(1) of title 11 of the United States Code is amended—

(1) by inserting "in an agreement or applicable law" immediately after "provision"; and

(2) in subparagraph (B)—

(A) by striking out "the taking" and inserting "taking" in lieu thereof; and

(B) by inserting "before such commencement" immediately after "custodian".

SEC. 134. Section 542(a) of title 11 of the United States Code is amended by striking out "value or benefit" and inserting "value and benefit" in lieu thereof.

SEC. 135. (a) Section 543(c)(3) of title 11 of the United States Code is amended by striking out "appointed or" and inserting "appointed and" in lieu thereof.

(b) Section 543 is amended by adding a new section (e) as follows:

"(e) For the purposes of a case under chapter 7 of this title, custodian shall not include an assignee under a general assignment for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition; but, the trustee or the court may nevertheless, and at any time, require such an assignee to file an accounting as set forth in subsection (b)(2) hereinabove.".

SEC. 135A. Section 544(a)(2) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 135B. (a) Section 545(1)(A) of title 11 of the United States Code is amended by striking out "is" imediately after "debtor".

(b) Section 545(1)(C) of title 11 of the United States Code is amended by striking out "appointed" and inserting "appointed" in lieu thereof.

SEC. 136. (a) Section 546(a) of title 11 of the United States Code is amended by striking out "or 553" and inserting "553, or 724 (a)" in lieu thereof.

(b) Section 546(b) of title 11 of the United States Code is amended by striking out "the trustee under section 544, 545, or" and inserting "a trustee under sections 544, 545, and" in lieu thereof.

(c) Section 546(c) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "a trustee" in lieu thereof; and

(2) in paragraph (2), by inserting "the" immediately after "if"; and

(3) by deleting "sections 544(a), 545, 547, and 549 of".

(d) Section 546 of title 11 of the United States Code is amended by inserting at the end thereof the following:

"(d) Notwithstanding sections 544, 545, 547, and 548 of this title, the trustees may not avoid a transfer that is a margin payment, as defined in section 761(15) or section 741 (4A) of this title, deposit, or settlement payment, made by or to a commodity broker, forward contract merchant, stockbroker, or securities clearing agency, and that occurs before the commencement of the case, except under section 548(a)(1) of this title.".

SEC. 137. (a) Section 547(c)(5) of title 11 of the United States Code is amended by striking out "all security interest" and inserting "all security interests" in lieu thereof.

(b) Section 547(e) of title 11 of the United States Code is amended by adding a new paragraph (4) at the end thereof as follows:

"(4) For the purposes of this section, a transfer of an equitable lien is deemed to be made immediately before the commencement of the case on account of an antecedent debt."

Sec. 138. (a) Section 548(a)(1) of title 11 of the United States Code is amended by striking out "occurred" and inserting "was made" in lieu thereof.

(b) Section 548(a)(2)(B)(ii) of title 11 of the United States Code is amended by inserting "or a transaction" immediately after "engaged in business".

(c) Section 548(c) of title 11 of the United States Code is amended—

(1) by inserting "or may retain" immediately after "lien on"; and

(2) by striking out ", may retain any lien transferred,".

(d) Section 548(d)(1) of title 11 of the United States Code is amended by striking out "occurs" and inserting "is made" in lieu thereof.

(e) Section 548(d)(2)(B) of title 11 of the United States Code is amended—

(1) by striking out "or" immediately after "broker" and inserting a comma in lieu thereof;

(2) by inserting "stockbroker, or securities clearing agency" immediately after "merchant"; and

(3) by inserting "or section 741(4A)" immediately after "761(15)".

Sec. 139. Section 549(a) of title 11 of the United States Code is amended by striking out "subsection" and inserting "subsections" in lieu thereof.

Sec. 140. Section 550(d)(2) of title 11 of the United States Code is amended—

(1) by striking out "such property; (E) discharge of any lien against"; and

(2) by redesignating subparagraph (F) as subparagraph (E).

Sec. 141. Section 551 of title 11 of the United States Code is amended by striking out "but only with respect to property of the estate".

Sec. 142. (a) Section 553(a)(1) of title 11 of the United States Code is amended by striking out "other than under section 502(b)(3) of this title".

(b) Section 553(b)(1) of title 11 of the United States Code is amended by striking out "or 365(h)(1)" and inserting ", 365(h)(2), or 365(i)(2)" in lieu thereof.

Sec. 143. Section 554(d) of title 11 of the United States Code is amended by striking out "section (a) or (b) of".

Sec. 144. (a) Section 702(b) of title 11 of the United States Code is amended by inserting "(a)" immediately after "341".

(b) Section 702(c)(2) of title 11 of the United States Code is amended by inserting "a" immediately before "trustee".

Sec. 145. Section 704(8) of title 11 of the United States Code is amended by deleting "make a final report and file a final account of the administration of the estate with the court" and inserting "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court".

Sec. 146. Section 705(a) of title 11 of the United States Code is amended by inserting "of creditors" immediately after "meeting".

Sec. 147. (a) Section 707(1) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

(b) Section 707(2) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

Sec. 148. (a) Section 723(a) of title 11 of the United States Code is amended by striking out "title" and inserting "chapter" in lieu thereof.

(b) Section 723(c) of title 11 of the United States Code is amended—

(1) by striking out "such case" each place it appears and inserting "such partner's case" in lieu thereof;

(2) by striking out "be property" and inserting "by property" in lieu thereof;

(3) by striking out "(a)"; and

(4) by striking out "the kind" and inserting "a kind" in lieu thereof.

Sec. 149. (a) Section 724(b) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "the holders of" immediately after "second, to";

(2) by inserting immediately after paragraph (4) the following:

"(5) fifth, to the holders of claims specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent that such claims are not paid under paragraph (2) of this subsection;";

(3) by striking out "(5) fifth" and inserting "(6) sixth" in lieu thereof; and

(4) by striking out "(6) sixth" and inserting "(7) seventh" in lieu thereof.

(b) Section 724(c) of title 11 of the United States Code is amended—

(1) by striking out "creditor" and inserting "holder of a claim" in lieu thereof; and

(2) by striking out "creditors" each place it appears and inserting "holders" in lieu thereof.

Sec. 150. (a) Section 726(b) of title 11 of the United States Code is amended by striking out "administrative expenses" each place it appears and inserting "claims allowed under section 503 of this title" in lieu thereof.

(b) Section 726(c)(1) of title 11 of the United States Code is amended by striking out "Administrative expenses" and inserting "Claims allowed under section 503 of this title" in lieu thereof.

(c) Section 726(c)(2) of title 11 of the United States Code is amended—

(1) by striking out "for administrative expenses" and inserting "those allowed under section 503 of this title" in lieu thereof;

(2) by inserting "(a)" immediately after "507";

(3) in subparagraph (C), by inserting a comma immediately before "including", "are", and "such"; and

(4) by adding at the end thereof the following:

"(E) Fifth, to the extent claims against the debtor are not paid under paragraph (C) of this paragraph such claims shall be paid from all remaining property of the estate.

"(F) Sixth, any remaining property of the estate shall be returned to the debtor.".

Sec. 151. (a) Section 727(a)(6)(C) of title 11 of the United States Code is amended by striking out "property" and inserting "properly" in lieu thereof.

(b) Section 727(a)(7) of title 11 of the United States Code is amended by inserting "under this title or under the Bankruptcy Act" immediately after "another case".

(c) Section 727(a)(8) of title 11 of the United States Code is amended by inserting a comma immediately after "371".

Sec. 152. Section 728(c) of title 11 of the United States Code is amended by striking out the comma immediately after "taxable income".

Sec. 153. (a) Section 741(5)(A)(i) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "petition"; and

(2) by striking out "customer name securities" and inserting "any customer name security" in lieu thereof.

(b) Section 741 of title 11 of the United States Code is amended—

(1) by adding the following immediately after paragraph (4):

"(4A) 'margin payment' means payment or deposit of cash, a security, or other property, that is commonly known to the securities trade as original margin, initial margin, maintenance margin, or variation margin, or as a mark-to-market payment, or that secures an obligation of a participant to a securities clearing agency;" and

(2) by adding the following immediately after paragraph (5):

"(5A) 'securities contract' means contract for the purchase, sale, or loan of a security, including an option for the purchase or sale of a security, or the guarantee of any settlement of cash or securities by a securities clearing agency.".

Sec. 154. Section 743 of title 11 of the United States Code is amended by striking out "(a)".

Sec. 155. Section 749 of title 11 of the United States Code is amended—

(1) by striking out "Any" at the beginning thereof and inserting "(a) Except as otherwise provided in this section, any" in lieu thereof; and

(2) by inserting at the end thereof the following:

"(b) Notwithstanding sections 544, 545, 547, 548, 549, and 724(a) of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition, if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is—

"(1) a transfer of a securities contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, securities or other property margining or securing such securities contract; or

"(2) the liquidation of a securities contract entered into or carried by or through the debtor on behalf of a customer.".

Sec. 156. (a) Section 752(a) of title 11 of the United States Code is amended by striking out "customers allowed" and inserting "customers' allowed" in thereof.

(b) Section 752(b)(2) of title 11 of the United States Code is amended by striking out "(a)".

Sec. 157. (a) Subchapter III of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 753. Contractual right to liquidate a securities contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a stockbroker or securities clearing agency from exercising a contractual right to liquidate a securities contract or to cause the liquidation of a securities contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is authorized under the provisions of the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) or is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or by-law of a national securities exchange, a national securities association, or a securities clearing agency.".

(b) The table of sections for such chapter and for such subchapter are each amended by adding at the end thereof the following new items:

"753. Contractual right to liquidate a securities contract.".

Sec. 158. (a) Section 761(2) of title 11 of the United States Code is amended by inserting "made" immediately before "on".

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof; and

(2) in subparagraph (D), by inserting ", or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor" immediately before the semicolon.

(c) Section 761(9) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(2) in subparagraph (A)—

(A) by striking out "the debtor" each place it appears and inserting "such futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such futures commission merchant's" in lieu thereof;

(3) in subparagraph (B)—

(A) by striking out "the debtor" each place it appears and inserting "such foreign futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such foreign futures commission merchant's" in lieu thereof;

(4) in subparagraph (C)—

(A) by striking out "the debtor" each place it appears and inserting "such leverage transaction merchant" in lieu thereof;

(B) by striking out "the debtor's" and inserting "such leverage transaction merchant's" in lieu thereof;

(C) by inserting "or" after the semicolon at the end of clause (i); and

(D) in clause (ii), by striking out "hold" and inserting "holds" in lieu thereof;

(5) in subparagraph (D), by striking out "the debtor" each place it appears and inserting "such clearing organization" in lieu thereof; and

(6) in subparagraph (E)—

(A) by striking out "the debtor" each place it appears and inserting "such commodity options dealer" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such commodity options dealer's" in lieu thereof.

(d) Section 761(12) of title 11 of the United States Code is amended by inserting a comma immediately after "property".

(e) Section 761(13) of title 11 of the United States Code is amended by striking out "217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a)" and inserting "19 of the Commodity Exchange Act (7 U.S.C. 23)" in lieu thereof.

Sec. 159. Section 764 of title 11 of the United States Code is amended by striking out subsection (c) thereof.

Sec. 160. Section 765(b) of title 11 of the United States Code is amended by striking out "commitment" and inserting "commodity contract" in lieu thereof.

Sec. 161. (a) Section 766(b) of title 11 of the United States Code is amended by inserting "the" immediately after "rules of".

(b) Section 766(j)(2) of title 11 of the United States Code is amended by striking out "(a)".

Sec. 162. Subchapter IV of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 767. Contractual right to liquidate a commodity contract or forward contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a commodity broker or forward contract merchant from exercising a contractual right to liquidate a commodity contract, as defined in section 761(4), or forward contract, or to cause the liquidation of a commodity contract or forward contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or bylaw of a clearing organization or a contract market or in a resolution of the governing board thereof.".

Sec. 163. Section 901(a) of title 11 of the United States Code is amended by—

(1) striking out "552"; and

(2) inserting a comma immediately after "1111(b)".

Sec. 164. Section 903(2) of title 11 of the United States Code is amended by striking out "to" the first time it appears.

Sec. 165. (a) Section 921 of title 11 of the United States Code is amended by redesignating subsections "(e)" and "(f)" as "(d)" and "(e)" respectively.

(b) Section 921(c) of title 11 of the United States Code is amended by striking out "an" and inserting "any" in lieu thereof.

(c) Section 921(d) of title 11 of the United States Code as redesignated in paragraph (a) of this section is amended by striking out "(d)" and inserting in lieu thereof "(c)".

Sec. 166. Section 922(a)(1) of title 11 of the United States Code is amended by inserting "a" immediately before "judicial", and inserting "action or" immediately before "proceeding".

Sec. 167. Chapter 9 is amended by the addition of a section 928 as follows:

"Sec. 928. (a) Except as provided in subsections (b) and (c) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

"(b) Except as provided in sections 506(c), 544, 545, 547, and 548 of this title and subsection (c) of this section if the debtor and a secured party enter into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, product, offspring, rents, or profits of such property, then such security interest extends to such proceeds, product, offspring, rents, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to the extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

"(c) If the debtor and a secured party enter into a security agreement before the commencement of the case and the obligation of the debtor is secured by a security interest in and is payable solely from specifically identified revenues including tax revenues, proceeds, rents, profits, or other similar moneys of the debtor, then such security interest shall extend to such revenues including specified tax revenues, proceeds, rents, profits, or other similar moneys acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law.".

Sec. 168. Section 943(b)(5) of title 11 of the United States Code is amended to read as follows:

"(5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in section 507(a)(1) of this title will receive on account of such claim cash equal to the allowed amount of such claim; and".

Sec. 168A. Section 1103(b) of title 11 of the United States Code is amended by striking out "A person" and inserting in lieu thereof "An attorney or accountant".

Sec. 169. (a) Section 1103(c)(1) of title 11 of the United States Code is amended by striking out "or debtor in possession".

(b) Section 103(c)(3) of title 11 of the United States Code is amended by striking out "recommendations" and inserting "determinations" in lieu thereof and inserting "or rejections" immediately after "acceptances".

(c) Section 103(c)(4) of title 11 of the United States Code is amended by striking out ", if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case".

Sec. 170. Section 105 of title 11 of the United States Code is amended by striking out "estate, and" and inserting "estate and of the" in lieu thereof.

Sec. 171. (a) Section 1106(b) of title 11 of the United States Code is amended by inserting ", except to the extent that the court orders otherwise," immediaely before "any other".

(b) Section 1107(a) of title 11 of the United States Code is amended by inserting "serving in a case" immediately after "on a trustee".

Sec. 172. Section 1108 of title 11 of the United States Code is amended by inserting ", on request of a party in interest and after notice and a hearing," immediately after "court".

Sec. 173. (a) Section 1111(b)(1)(A)(ii) of title 11 of the United States Code is amended—

(1) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(2) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to such holder, or is to be sold, abandoned, or surrendered" in lieu thereof.

(b) Section 1111(b)(1)(B) of title 11 of the United States Code is amended—

(1) by striking out "A class of claims may not elect application of paragraph (2) of this subsection" and inserting "An election of application of paragraph (2) of this subsection by a class of claims is ineffective" in lieu thereof; and

(2) in clause (ii)—

(A) by striking out "the holder of a claim of such class has recourse against the debtor on account of such claim and";

(B) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(C) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to the holders of such claims, or is to be sold, abandoned, or surrendered" in lieu thereof.

(c) Section 1111(b)(2) of title 11 of the United States Code is amended by inserting "full" immediately before "extent".

(d) Section 1111(b)(1) is amended by adding at the end thereof the following:

"(C) Allowing or disallowing a nonrecourse claim under this subsection as if the holder had recourse against the debtor on account of such claim shall not affect the rights of any person other than the debtor and the holder of such claim, and the elimination of, or limitation on, recourse shall remain fully effective as to any other person.".

Sec. 174. Section 1112(b)(8) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

Sec. 175. Section 1121(c)(3) of title 11 of the United States Code is amended by striking out "the claims or interests of which are" and inserting "of claims or interests that is" in lieu thereof.

Sec. 176. Section 1123(a)(3) of title 11 of the United States Code is amended by striking out "shall".

Sec. 177. Section 1123(a)(6) of title 11 of the United States Code is amended by striking out "equity securities" the first time it appears and inserting "common stock" in lieu thereof.

Sec. 178. (a) Section 1125(a)(2)(C) of title 11 of the United States Code is amended by inserting "of" immediately after "holders".

(b) Section 1125(d) of title 11 of the United States Code is amended by inserting "or otherwise seek review of" immediately after "appeal from".

(c) Section 1125(e) of title 11 of the United States Code is amended by—

(1) inserting "acceptance or rejection of a plan" immediately after "solicits"; and

(2) inserting "solicitation of acceptance or rejection of a plan or" immediately after "governing".

SEC. 179. (a) Section 1126(b)(2) of title 11 of the United States Code is amended by striking out "(1)".

(b) Section 1126(f) of title 11 of the United States Code is amended by—

(1) striking out "solicitation" and inserting "solicitation" in lieu thereof; and

(2) striking out "interest" and inserting "interests" in lieu thereof.

(c) Section 1126(g) of title 11 of the United States Code is amended by striking out "any payment or compensation" and inserting "receive or retain any property" in lieu thereof.

SEC. 180. (a) Section 1129(a)(1) of title 11 of the United States Code is amended by inserting "and with other applicable provisions of this title" immediately after "chapter".

(b) Section 1129(a)(4) of title 11 of the United States Code is amended—

(1) in subsection (A) by striking out "promised" and inserting "to be made" in lieu thereof; and

(2) in subsection (B)(ii) by striking out "fixed" and inserting "made" in lieu thereof.

(c) Section 1129(a)(5) of title 11 of the United States Code is amended—

(1) by striking out the period at the end of subparagraph (A) and inserting "; and" in lieu thereof; and

(2) in subparagraph (B), by striking out "The" and inserting "the" in lieu thereof.

(d) Section 1129(a)(7)(B) of title 11 of the United States Code is amended by striking out "creditor's" and inserting "holder's" in lieu thereof.

(e) Section 1129 (a)(9)(A) is amended by inserting at the beginning of the subparagraph "except as provided in subsection (C) of this section,".

(f) Section 1129(a)(9)(C) of title 11 of the United States Code is amended to read as follows:

"(C) with respect to a claim specified in section 507(a)(6) of this title or of a claim specified in section 507(a)(1) of this title that results from the sale of a capital asset, recapture of an investment tax credit, recapture of depreciation or similar event, the governmental unit will receive on account of such claim deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim, and which shall be—

"(i) payable over a period not exceeding six years after the later of the date of confirmation of the plan or the date on which the tax liability is assessed;

"(ii) payable in equal amounts on specified dates unless the governmental unit agrees to a different schedule of payments; and

"(iii) payable as a tax liability the unpaid balance of which shall, on default, become immediately due.".

(g) Section 1129(a)(10) of title 11 of the United States Code is amended by adding "excluding any class deemed to have accepted the plan under section 1126(f) of this title and a class of claims described in section 1122(b)," immediately after "plan" where it first appears.

(h) Section 1129(b)(1) is amended by striking out "Notwithstanding section 510 (a) of this title,".

(i) Section 1129(b)(2)(B) of title 11 of the United States Code is amended by inserting "other than claims of a kind specified in section 507(a)(3), 507(a)(4), or 507 (a)(5) of this title" immediately after "unsecured claims".

(j) Section 1129(b)(2)(C)(i) of title 11 of the United States Code is amended by striking out "claim" and inserting "interest" in lieu thereof.

SEC. 181. (a) Section 1141(a) of title 11 of the United States Code is amended—

(1) by striking out "Except" and inserting "Notwithstanding section 510(a) of this title and except" in lieu thereof; and

(2) by striking out "any creditor or equity security holder of, or general partner in," and inserting "any creditor, equity security holder, or general partner in" in lieu thereof.

(b) Section 1141 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 182. (a) Section 1142(a) of title 11 of the United States Code is amended by striking out the comma after "plan" the second time it appears.

(b) Section 1142(b) of title 11 of the United States Code is amended—

(1) by striking out "debtor and" and inserting "debtor" in lieu thereof; and

(2) by inserting "a" immediately after "by".

SEC. 183. (a) Section 1145(a) of title 11 of the United States Code is amended by deleting the words "Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section", and inserting in lieu thereof "Section".

(b) Section 1145(a)(3) is amended by deleing the words "or an affiliate".

(c) Section 1145(a)(3)(B)(i) and (ii) of title 11 of the United States Code is amended by inserting after the words "section 13" appearing in (i) the words "or section 15(d)", and striking out all the words after "in compliance with" appearing in (ii) and inserting in lieu thereof the words "such reporting provisions".

(d) Section 1145(a)(3)(C) (i) and (ii) of title 11 of the United States Code is amended by striking out the word "two" each time it appears before the word "year" in (i) and (ii) and inserting in lieu thereof "one" and by striking out the number "180" each time it appears in (ii) therein and inserting "90" in lieu thereof.

(e) Section 1145(a)(4) of title 11 of the United States Code is amended by striking out "stockholder" each place it appears and inserting "stockbroker" in lieu thereof.

(f) Section 1145(b)(1)(C) of title 11 of the United States Code is amended by striking out "for" in the introductory language and inserting "from" in lieu thereof.

(g) Section 1145(d) of title 11 of the United States Code is amended by deleting the word "commercial" included therein.

SEC. 184. Section 1301(c)(3) of title 11 of the United States Code is amended by inserting "continuation of" immediately after "by".

SEC. 185. (a) Section 1307(b) of title 11 of the United States Code is amended by inserting a comma immediately after "time".

(b) Section 1307(c)(6) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 186. (a) Section 1322(a)(2) of title 11 of the United States Code is amended by inserting a comma immediately after "payments" and by inserting after "title," the following: "and all secured claims for tax liabilities of the debtor,".

(b) Section 1322(b)(8) of title 11 of the United States Code is amended by striking out "any".

SEC. 187. Section 1324 of title 11 of the United States Code is amended by striking out "the" the second place it appears.

SEC. 188. Section 1325(a)(3) of title 11 of the United States Code is amended by the addition of ", is the debtor's best effort and" after the word "plan".

SEC. 189. Section 1326(a)(2) of title 11 of the United States Code is amended by inserting "of this title" immediately after "1302(d)".

SEC. 190. Section 1327 of title 11 of the United States Code is amended by adding a new subsection (d) to read as follows:

"(d) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 191. (a) Section 1328(a)(2) of title 11 of the United States Code is amended by striking out "(5)".

(b) Section 1328(c)(2) of title 11 of the United States Code is amended by striking out "(a)".

(c) Section 1328(d) of title 11 of the United States Code is amended to read as follows:

"(d) Notwithstanding any other provision of this section, a discharge granted under this section does not discharge from any debt—

"(1) based on an allowed claim filed under section 1305(a)(2) of this title if prior approval by the trustee of the debtor's incurring such debt was practicable and was not obtained; or

"(2) for a tax or customs duty excepted from discharge by section 523(a) of this title.".

(d) Section 1328(e)(1) of title 11 of the United States Code is amended by inserting "of the debtor" immediately after "fraud".

(e) Section 1328(e)(2) of title 11 of the United States Code is amended—

(1) by striking out "knowledge of such fraud came to"; and

(2) by inserting "did not know of such fraud until" immediately after "party".

SEC. 192. Section 15102 of title 11 of the United States Code is amended—

(1) by deleting "In this title, a reference" and inserting in lieu thereof "A reference in this title"; and

(2) by striking out "chapter" the first time it appears and inserting "title" in lieu thereof.

SEC. 193. Section 15103(f) of title 11 of the United States Code is amended—

(1) by inserting "330(a)," immediately after "326(b),"; and

(2) by striking out "under this title" and inserting "to which this chapter applies" in lieu thereof.

SEC. 194. Section 15322(b)(1) of title 11 of the United States Code is amended by striking out "(2)".

SEC. 195. Section 15326 of title 11 of the United States Code is amended by striking out ", but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan".

SEC. 196. Section 15330 of title 11 of the United States Code is amended to read as follows:

"§ 15330. Compensation of officers

"(a) After notice to any parties in interest and to the United States trustee and a hearing, and subject to sections 326, 328, 329, and 15326 of this title, the court may award to a trustee, to an examiner, to a professional person employed under section 327 or 1103 of this title, or to the debtor's attorney—

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and

"(2) reimbursement for actual, necessary expenses.

"(b) In a case in which the United States trustee serves as trustee, the compensation of the trustee under subsection (a) of this section shall be paid to the clerk of the bankruptcy court, and by the clerk, into the Treasury. The United States trustee shall not in any case be entitled to the compensation authorized under section 330(b) of title 11 of the United States Code.".

SEC. 197. Sections 15345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 198. Section 15704 is amended by deleting "make a final report and file a final account of the administration of the estate with the court and with the United States trustee." and insert in lieu thereof "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court and with the United States trustee.".

SEC. 199. Section 151102(b) of title 11 of the United States Code is amended by striking out "interest of" and inserting "interest," in lieu thereof.

TITLE II—AMENDMENTS TO TITLES II, III, AND IV OF PUBLIC LAW 95–598

SEC. 201. Section 151(c) of title 28, United States Code, is amended by inserting a comma after "suit".

SEC. 202. Section 160(a) of title 28, United States Code, is amended by striking out "each circuit" and inserting "such circuit" in lieu thereof.

SEC. 203. (a) Section 206(1) of Public Law 95–598 is amended by striking out "district or bankruptcy judge" and inserting in lieu thereof "district, or bankruptcy judge".

(b) Section 206(2) of Public Law 95–598 is amended by striking out ", district judge or bankruptcy judge" and inserting ", district, or bankruptcy judge" in lieu thereof.

SEC. 204. Section 216 of Public Law 95–598 is amended by deleting "record" and inserting "records" in lieu thereof.

SEC. 205. Section 221 of Public Law 95–598 is amened by inserting "court" after "bankruptcy".

SEC. 206. Section 222 of Public Law 95–598 is amended by deleting "assistance" and inserting "assistants" in lieu thereof.

SEC. 207. Section 223 of Public Law 95–598 is amended by inserting "(a)" immediately after "SEC. 223." and by adding at the end thereof the following new subsection:

"(b) Section 571(b) of such title is further amended by striking out 'United States marshals under regulations prescribed by the'.".

SEC. 208. Section 586(b) of title 28, United States Code, is amended by striking out "United States trustee" the second time it appears and inserting "United States trustees to serve as standing trustee" in lieu thereof.

SEC. 209. (a) Section 771(c) of title 28 of the United States Code is amended by inserting "with the approval of the Director" after "court" in the second sentence.

(b) Section 773(c) of title 28 of the United States Code is amended by deleting the parentheses around "but presenting a substantial question"

(c) Section 773 of title 28 of the United States Code is amended by adding at the end the following:

"(d) Court reporters appointed under this section shall be appointed in accordance with all of the standards and procedures applicable to appointments under section 753 of this title and shall be governed by the rules and regulations applicable to court reporters appointed under section 753 of this title.".

SEC. 210. Section 236(a) of Public Law 95–598 is amended in the paragraph relating to section 1293(b) of title 28 of the United States Code by striking out "District court of the United States" and inserting "district court of the United States," in lieu thereof.

SEC. 211. (a) Section 1334(b) of title 28, United States Code, is amended by striking out "interlocutory orders and decrees" and inserting "interlocutory judgments, orders, and decrees" in lieu thereof.

(b) Section 1334(c) of title 28, United States Code, is amended by striking out "that section" and inserting "this section" in lieu thereof.

SEC. 212. (a) Section 1471(a) of title 28, United States Code, is amended by striking out "subsection" and inserting "subsection" in lieu thereof.

(b) Section 1471(c) and 1471(e) of title 28, United States Code, are each amended by striking out "commenced" and inserting "pending" in lieu thereof.

(c) Section 1471(e) of title 28, United States Code, is amended by inserting "and of all property, wherever located, of the estate in such case" immediately before the period at the end thereof.

(d) Section 1472(1) of title 28, United States Code, is amended by striking out "principle" and inserting "principal" in lieu thereof.

(e) Section 1473(a) of title 28, United States Code is amended by striking out "Except" and inserting in lieu thereof the following: "Notwithstanding any Act of Congress that confers venue in a specific district and except".

(f) Section 1473(c) of title 28, United States Code, is amended by striking out "section" the first time it appears and inserting "subsection" in lieu thereof.

SEC. 213. Public Law 95–598 is amended by striking out section 245 and inserting in lieu thereof the following:

"SEC. 245. Section 1923(b) of title 28, United States Code, is amended to read as follows:

"'(b) The docket fees of United States attorneys shall be paid to the clerk of court, the docket fees of United States trustees shall be paid to the clerk of the bankruptcy court, and all such fees shall then be paid by the clerks into the Treasury.'".

SEC. 214. Section 2075 of title 28 is amended by striking out "in cases under title 11" and inserting "in cases under title 11 and civil proceedings arising under title 11 or arising in or related to cases under title 11" in lieu thereof.

SEC. 215. Section 248 of Public Law 85–598 is repealed.

SEC. 216. Section 19 of the Commodity Exchange Act (7 U.S.C. 24) added by section 302 of Public Law 95–598 is redesignated as section 20 of the Commodity Exchange Act.

SEC. 217. (a) Section 308(f)(3) of Public Law 95–598 is amended by striking out "C" and inserting "(C)" in lieu thereof.

(b) Section 308 of Public Law 95–598 is amended by—

(1) redesignating subsections (h) through (m) as subsections (i) through (n), respectively; and by redesignating subsections (n) and (o) as subsections (p) an (q), respectively.

(2) adding a new subsection (h) as follows:

"(h) Section 6(d) of such Act (15 U.S.C. 78fff(d)) is amended by striking 'section 16(5)(A)' and inserting 'section 16(4)(A)' in lieu thereof."

(3) adding a new subsection (o) as follows:

"(o) Section 8(e)(4)(C) of such Act (15 U.S.C. 78fff-2(e)(4)(C)) is amended by striking 'section 9(a)(5)' and inserting 'section 9(a)(4)' in lieu thereof."

SEC. 218. Section 312(b) of Public Law 95–598 is amended by inserting "except cases under chapter 13," after "Code" and inserting "except cases under chapter XIII," after "Act".

SEC. 219. Section 151 of title 18, United States Code, is amended by striking out "mean" and inserting "means" in lieu thereof.

SEC. 220. Section 322 of Public Law 95–598 is amended by inserting a new subsection to read as follows:

"(h) Section 3468 of the Revised Statutes of the United States (31 U.S.C. 193) is amended by inserting at the end thereof the following: "This section does not apply, however, in a case under title 11 of the United States Code.'".

SEC. 221. At the end of section 456(a) of the Social Security Act, add the following:

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.".

SEC. 222. Section 8334(c) of title 5 is amended by striking out "After" and inserting "On and after" in lieu thereof.

SEC. 223. A new section 339 is added to title 11 of Public Law 95–598 as follows:

"SEC. 339. Section 1827(i) of title 28, United States Code, is amended by striking out 'referee in bankruptcy' and inserting 'bankruptcy judge' in lieu thereof.".

SEC. 224. A new section 340 is added to title III of Public Law 95–598 as follows:

"SEC. 340. Section 6301(2)(xiii) of title 5, United States Code, is amended by striking out the period at the end of clause (xiii) and inserting ', and a United States magistrate' in lieu thereof.".

SEC. 225. A new section 341 is added to title III of Public Law 95–598 as follows:

"SEC. 341. Section 7A(c) of the Clayton Act (15 U.S.C. 18a(c)) is amended—

"(a) by striking out 'and' at the end of paragraph (11) thereof;

"(b) by striking out the period at the end of paragraph (12) thereof and inserting in lieu thereof '; and'; and

"(c) by adding the following new paragraph at the end thereof:

"'(13) transactions arising under title 11 or arising in or relating to cases under title 11 of the United States Code.'".

SEC. 226. Section 402(d) of Public Law 95–598 is amended by inserting "232," immediately after "230".

SEC. 227. Section 403(e) of Public Law 95–598 is amended to read as follows:

"(e) Notwithstanding subsection (a) of this section—

"(1) a fee may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1978, to the extent that such fee exceeds $100,000:

"(2) after September 30, 1979, all moneys collected for payment into the referees' salary and expense fund in cases filed under the Bankruptcy Act shall be collected and paid into the general fund of the Treasury; and

"(3) any balance in the referees' salary and expense fund in the Treasury on October 1, 1979, shall be transferred to the general fund of the Treasury and the referees' salary and expense fund account shall be closed.".

SEC. 228. (a) Section 404(b) of Public Law 95–598 is amended—

(1) by deleting "upon the expiration of his appointed term as referee"; and

(2) by adding at the end the following new sentence:

"During the transition period, United States bankruptcy judges shall be exempt from annual and sick leave laws and regulations.".

(b) Section 404(c) of Public Law 95–598 is amended by deleting the first sentence and inserting in lieu thereof "There shall be established for each judicial district a merit screening committee composed of the president or the designee of the president of the State bar association, the president or designee of the president of a local bar association for the area wherein a referee in bankruptcy maintains his official headquarters within the judicial district, and the dean or designee of the dean of an accredited law school, if any, located within the judicial district or State, and if no law school exists, then a lay member selected by the chief judge of the United States district court for the judicial district wherein the referee in bankruptcy maintains his official headquarters.".

(c) Section 404(e) of Public Law 95–598 is amended by inserting after the first sentence the following new sentence: "Bankruptcy judges for the district shall decide where the headquarters office of the clerk of the bankruptcy court shall be located and, if they are unable to agree, the chief United States district judges for the district shall make the decision.".

SEC. 229. (a) Section 405(c)(2) of Public Law 95–598 is amended by inserting "240," immediately after "238.".

(b) Section 405(d) of Public Law 95–598 is amended by striking out "248" and inserting "247" in lieu thereof.

SEC. 230. Section 406(b) of Public Law 95–598 is amended by adding after the first sentence thereof the following new sentence: "The recommendations may provide for a bankruptcy judge to serve in more than one judicial district or circuit.".

SEC. 231. Section 407(c) of Public Law 95–598 is amended by striking out "332" and inserting "333" in lieu thereof.

SEC. 232. Section 408 of Public Law 95–598 is amended by adding at the end thereof the following:

"(d) During the transition period, section 604(h) of title 28, United States Code, does not apply to bankruptcy courts for districts listed in section 581(a) of such title.".

SEC. 233. Section 409(a)(1) of Public Law 95–598 is amended by striking out "September 30, 1983" and inserting "March 31, 1984" in lieu thereof.

SEC. 234. The official title of Public Law 95–598 is amended by striking out "Subject" and inserting in lieu thereof "subject".

SEC. 235. Section 402 of Public Law 95–598 is amended—

(1) by striking out "244,"; and

(2) by adding at the end thereof the following new subsection:

"(f) The amendment made by section 244 of this Act shall take effect on October 1, 1980.".

TITLE III—EFFECTIVE DATES

SEC. 301. The amendments made by this Act shall take effect on October 1, 1979.

ORDER FOR RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION ON MONDAY OF S. 1125, FEDERAL CROP INSURANCE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will consider Calendar No. 268, S. 1125, a bill to improve and expand the Federal crop insurance program. A time agreement has been entered into in regard to the bill.

ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS REPORTED BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs has considered the nominations of two very distinguished Commissioners of the Securities and Exchange Commission and unanimously reports both. They are men who have a distinguished record of fighting for the public interest.

John Evans, who is one of the nominees, has been highly controversial, has been opposed by some people in the industry, but I think primarily because he has been such a champion of full disclosure for the SEC and in supporting the very powerful prosecution arm of the SEC, which is exactly what he should do.

I send to the desk the nominations of John Evans and Philip Loomis, Jr., reported favorably by the Banking Committee.

Also, the President nominated Jay Janis, a former Under Secretary of HUD, to be chairman of the Home Loan Bank Board. Mr. Janis has devoted his life to the building, construction, and financing of housing. I think he will do an outstanding job as chairman of the Home Loan Bank Board, as he did in the Department of HUD, where he became known as one of the best administrators, one of the most competent and thoughtful administrators, in our Government.

The President also nominated Robert Russell to be Director of the Council on Wage and Price Stability, to succeed Barry Bosworth. This is the most embattled position, in many ways, in Government. Barry Bosworth retired. This is the one agency which has the responsibility of fighting against inflation, and I am proud and happy to send that nomination to the desk.

Also, we have the nomination of Mr. William Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration, and Graciela Olivarez, Director of the Community Services Administration, to be members of the Board of Directors of the National Consumer Cooperative Bank.

We also have the nominations of a number of other distinguished Americans, including Roger Altman, Carol Tucker Foreman, Sam Brown, Lawrence Connell, and others.

I commend the President on the caliber of these nominations. I think they are outstanding. He deserves great credit. I think few Members of the Senate have voted against as many nominees as I have. So I can speak with feeling when I say that I believe the President has done a fine job with respect to the character, quality, and caliber of these nominees.

The PRESIDING OFFICER. Without objection, as in executive session, the reports on the nominations will be received.

AID FOR THE CHRYSLER CORPORATION

Mr. PROXMIRE. Mr. President, this body is about to consider aid for the Chrysler Corp., and I warn this body that it will be subjected to a tremendous amount of lobbying for that aid.

On the basis of everything I have seen in the 22 years I have been in the Senate, I would estimate that the Senate probably is going to provide that aid, regardless of the merits, because the competence of those working for it is so great.

The Chrysler Corp. has hired four lobbyists—two of the most competent Demcratic lobbyists and two of the most competent Republican lobbyists we have in Washington. They also have rallied the banks. They are into the banks, of course, for literally billions of dollars.

The United Automobile Workers Union, which is one of the most creditable and effective unions in the country, is highly respected by Members of the Senate and the House, and it is going to be a real juggernaut.

Who is going to oppose this bailout? As far as I know, no one. Some Members of Congress intend to and a few others may. But it is the kind of unfair or at least unbalanced contest which I think can result in most unfortunate decisions by Congress.

We have never really bailed out a big independent company which is not primarily a defense contractor. We bailed out the Lockheed Corp. We bailed out New York City, of course. We did not bail out Arkansas, incidentally, when Arkansas went bankrupt in the 1930's. We did not bail out Cleveland. We did not bail out a number of cases of that kind.

I think this is going to be a most unfortunate precedent.

I do hope somehow Congress will find an independence here and a willingness to stand up to the terrific pressure which Congress is going to be under to provide these billions of dollars, either in the form of a guarantee or some other form, to the Chrysler Corp.

As some thoughtful observers pointed out, there is just no end to this.

Last year there were over 6,000 bankruptcies in the country. The year before there were about 7,000 bankruptcies. If we go the route of bailing out big corporations which are in difficulty, how do we say no to small corporations? How do we draw the line?

It means that we will be maintaining incompetent, inefficient businesses in operation, producing products in some cases that are not needed, that are obsolete, because we feel we have to preserve the jobs.

Jobs are important. We have an unemployment compensation system to allow for that. We have many other ways which I think we can use to assist the very substantial number of Americans who would be thrown out of work if Chrysler went bankrupt.

I think we also have to recognize that bankruptcy does not mean the firm will close down. It has not in other instances and would not in this instance. It would mean that the referee would tell the creditors to stand back; meanwhile the efficient operations of the corporation would continue. Chrysler has a number of operations which are very efficient. Their tank division would undoubtedly, unquestionably, continue. It is very profitable. It would continue to operate.

In Mexico Chrysler is the most competent firm, the most successful firm. They beat General Motors and Ford and other foreign firms as the No. 1 car seller. Their Omni and Horizon cars are produced in Illinois. That is such a popular car they could sell twice as many as they produce.

So there are elements of the Chrysler empire which are very successful that would continue undoubtedly. I think we should find some way of persuading Chrysler and the private sector to try to save that great corporation or continue that great corporation without having the Federal Government get involved.

Mr. President, I ask unanimous consent that an article on this subject in the Wall Street Journal entitled "Bailout Lobby—How Chrysler Corp. Orchestrates Support of Bid for Federal Aid—It Mobilizes Capital Lawyers, Home-State Politicians, Dealers—Even Directors—Mr. Riccardo Goes Calling" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BAILOUT LOBBYS HOW CHRYSLER CORP. ORCHESTRATES SUPPORT OF BID FOR FEDERAL AID; IT MOBILIZES CAPITAL LAWYERS, HOME-STATE POLITICIANS, DEALER—EVEN DIRECTORS; MR. RICCARDO GOES CALLING

(By Andy Pasztor)

DETROIT.—Two weeks before Chrysler Corp. surprised the world with its public plea for a government rescue, Michigan's two Senators personally took the word to President Carter. Riding with him to the airport after a speech Mr. Carter gave here, Democrats Donald Riegle and Carl Levin bluntly outlined Chrysler's financial crisis and urged speedy federal help.

"We talked about our fears for the company's situation," and in particular about the potential loss of jobs if the No. 3 auto maker were to collapse, Sen. Levin recalls. A few minutes after seeing the President, the legislators repeated their bleak message aboard Air Force One for his domestic-affairs adviser, Stuart Eizenstat.

The Senators' involvement, at that level and at that early stage, was characteristic of Chrysler's handling of its financial crisis. The mid-July meeting with the President was part of a long, carefully choreographed campaign to build advance political backing before asking the government for radical relief.

Now, with the company's plea out in the open, the administration involved and Congress likely to take up the issue in the next few weeks, that campaign is in high gear.

LINING UP SUPPORTERS

In addition to certain key Congressmen from Michigan and elsewhere, Chrysler has a phalanx of expensive, high-powered lobbyists primed to plead its case on Capitol Hill. The company's chairman, John J. Riccardo, is spending much of his time flying around the country trying to line up more friends in high places. And behind the front lines, Chrysler is quietly mobilizing a small army of dealers, suppliers, elected local officials and even some sympathetic federal bureaucrats to help get its message across.

There's no assurance all this frantic activity will work, of course. The administration rejected Chrysler's opening pitch for a direct $1 billion cash bail out, and it is awaiting a detailed company survival plan, which may be submitted today; before deciding what kind of aid it might support. Also, there's enough congressional skepticism about federal help for a $13 billion corporation to make passage of any aid bill a sporting proposition at best.

But some of those caught up in the auto maker's campaign to influence Washington say they're impressed by its intensity and scope. "It's clearly the broadest, smartest, most serious lobbying drive in the company's history," and it may be "one of the best-organized campaigns" by any such special interest in recent years, says an aide to one sympathetic Michigan Congressman.

PERSUADING POLITICIANS

Another congressional aide adds, "Chrysler is being very shrewd by touching all the important bases and asking everybody" it can think of for support.

Chrysler early on made sure it had most of Michigan's lawmakers solidly on its side. Sen. Riegle, for instance, has been spending as much as half of his time on Chrysler—meeting with Mr. Riccardo as often as once a week, arranging sessions with Cabinet members and sounding out White House and budget advisers on possible aid schemes, says his administrative assistant, Carl Blake. Moreover, the Senator's pace will "increase sharply" in the fall, Mr. Blake says.

Yesterday, Mr. Riccardo met in Washington with Sens. Riegle, Levin and Thomas Eagleton (of Missouri, a state with many Chrysler employes) to sketch in broad strokes the survival plan the company will submit to the government.

Rep. William Blanchard, another Michigan Democrat, spent dozens of hours on the phone over the past few weeks, tracking down colleagues on the House Banking Committee during their August recess to ask them "to refrain from taking a public stance against Chrysler" while in their home districts. At the company's request, he says, Chrysler supporters will soon be "scaling up their activity."

RICCARDO'S EFFORTS

The sparkplug for the effort, however, is clearly Chrysler's tenacious chairman, Mr. Riccardo. "John has just the right combination of humility and pride when he goes to talk to people," says Thomas H. Boggs, a well-known Washington lobbyist recently hired by Chrysler. Mr. Riccardo "is willing to drop everything and come down here on a moment's notice if we ask," Mr. Boggs says.

Not that Mr. Riccardo necessarily waits to be asked. He and other Chrysler executives decline to be interviewed about their campaign, but other sources say the 55-year-old chairman has been spending as many as four to five days a week in Washington or elsewhere trying to drum up support from federal officials and legislators. This despite having been hospitalized in May for what doctors described as a "cardiac insufficiency."

Among those receiving visits from Mr. Riccardo in the past couple of weeks, sources say, has been Treasury Secretary G. William Miller, who has indicated he might support federal loan guarantees for Chrysler. Another target was Rep. Henry Reuss of Wisconsin, chairman of the House Banking Committee, which would have to hold hearings on any such guarantees. Mr. Riccardo flew to Milwaukee especially to buttonhole the vacationing Mr. Reuss, who has been less than enthusiastic about government help for the auto maker.

Nor has Mr. Riccardo ignored some traditional auto-industry adversaries. Sources say he personally interested Michael Pertschuk, chairman of the Federal Trade Commission, in Chrysler's plight. While the FTC has crossed swords with Detroit car makers in the past, Chrysler insiders hope Mr. Pertschuk's concern for maintaining competition in the industry will turn him into at least a temporary ally.

Part of Mr. Riccardo's determination may stem from his previous success in cruising government offices for help. Four years ago, in a situation with striking parallels to the present, the Chrysler chairman personally handled negotiations with United Kingdom officials that ultimately produced more than $329 million in government cash and loan guarantees for Chrysler's sick British subsidiary.

There as here, the final rescue effort was mounted when Mr. Riccardo bluntly declared a crisis—the unit in Britain was to be folded, eliminating 25,000 jobs and disrupting the economy there. (Ironically, a year ago, despite the government aid, the subsidiary and the rest of Chrysler's European operations were sold to raise cash for the troubled U.S. parent.)

Chrysler's current efforts, however, dwarf what it has done before. For one thing, the company is making heavy use of professional lobbyists. By the end of September, Mr. Boggs says "at least a dozen" of the 60 or so attorneys in his law firm will be working full time, to "sell the company on a one-to-one basis" to every member of Congress. Mr. Boggs is best connected to Democrats, so to work the Republican side of the aisle Chrysler has retained William Timmons, another prominent Washington lobbyist and former Nixon and Ford White House aide.

Mr. Boggs's firm has sifted through and handed over to high-level federal officials enough Chrysler documents to fill more than two rooms at the Treasury Department. "They now have literally everything produced by the company" in the past few years dealing with product develpoment, financing and federal regulation, he says.

In addition, Chrysler is enlisting help from politicians at every level. For example, last week the tireless Mr. Riccardo went to Missouri for a private meeting with governors of several Midwestern states where Chrysler has major plants. It's understood that Mr. Riccardo asked the governors to talk to their own state congressional delegations, arguing that Chrysler aid could mean more jobs for their states.

Detroit Mayor Coleman Young, an ally of President Carter with blacks, is also stumping on behalf of Chrysler, which is his city's largest private employer. Sources say the night before the administration announced it would consider backing some kind of Chrysler aid plan, Mr. Young made a lengthy phone plea on the company's behalf to Mr. Eizenstat, the White House adviser. "That wasn't the only thing working in our favor," says one source, "but I'm convinced it was a crucial factor."

Meanwhile, Chrysler has been working overtime behind the scenes to foster what it hopes will appear to Congressmen to be a groundswell of public support for its rescue bid. A few weeks ago, for example, Chrysler's directors, who include some big names in American business, learned that they, too, were expected to assume lobbying chores. And recently, Paul Bergmoser, Chrysler's purchasing executive vice president, sent letters to at least some of the company's 19,000 suppliers requesting an "all-out effort" to get in touch with Senators and Representatives to "let them know how important Chrysler's business" is to local economies.

Chrysler is also counting on many of its 4,700 dealers around the country for help. For example, only a few days after the auto maker publicly described its troubles, a delegation of Wisconsin dealers arranged a meeting with Rep. Reuss, the banking-committee chairman.

The auto company's public-relations and advertising operations are also busy. Recently, Chrysler bought full-page ads in 50 newspapers and many leading magazines, outlining its situation under the headline "Would America be better off without Chrysler?" And the company sought wide publicity for last week's decision by Mr. Riccardo and company president Lee A. Iacocca to cut their salaries to $1 a year from $360,000 at least temporarily. Chrysler followed that up with the announcement of 2 percent to 10 percent salary cuts for its 1,700 top managers.

Such moves are largely symbolic, of course. The pay cuts will save Chrysler less than $3 million a year. But the government has demanded that Chrysler make "sacrifices" as a prerequisite to any aid. In a letter informing the top managers of their pay cuts, Mr. Riccardo and Mr. Iacocca stated that the main purpose of the move was to "demonstrate to the federal government and to the country at large that we are serious about our plans to revitalize Chrysler Corp."

Although Chrysler won't disclose the cost or describe the extent of its lobbying campaign, it apparently isn't sparing any effort that might help. Recently when Mr. Iacocca was on the West Coast for business, he met with Robert Strauss, a friend and now President Carter's special envoy to the Middle East. "Lee thought there was a strong personal relationship there," says Mr. Boggs. "Whenever that's the case, he has offered to help out."

Some of Chrysler's efforts, though, proved fruitless. In the early stages of its campaign the company spent some hectic weeks trying to convince Brock Adams at the Transportation Department and Michael Blumenthal at the Treasury of the need for aid. Then one day, Chrysler suddenly found both men out of office.

Also, because the auto maker was originally aiming for $1 billion in special tax credits, it spent a lot of time softening up members of congressional committees that deal with tax issues, only to have the administration switch attention to the idea of loan guarantees, which would be the concern of different committees.

Moreover, despite all of Chrysler's finely honed arguments, some important politicians apparently remain skeptical. After a private chat with Chrysler officials last month, Rep. Reuss told reporters he was worried about "exposing taxpayers to such a risk (of federal aid) merely to enable Chrysler to keep on building gas guzzlers as fast as it can"—a claim Chrysler has been specifically trying to refute in its campaign.

Still, Chrysler has at least one thing going for it: There doesn't seem to be any organized opposition. While major newspapers and national magazines have received scores of letters from readers criticizing Chrysler management for the company's problems and opposing a federal rescue, congressional staffers say relatively few people are bothering to send such letters to their representatives in Washington.

LET US NOT THROW IN THE SPONGE IN FIGHTING INFLATION

Mr. PROXMIRE. Mr. President, interest rates have been rising to new highs lately. The prime rate is 12 percent, and that, of course, is the best interest rate banks offer to their top corporate customers. For others interest rates are even higher.

This is very bad news for the home buyer. Interest has always been the main cost to most persons buying a home. What you have to pay on that mortgage is something you live with for 10, 20, or 30 years, and you continue as long as you continue to live in the house.

And interest rates for the small businessman, for the farmer and the other tens of millions of borrowers in our Nation are a crueler burden than they have ever been in our history.

What can we do about it? There is one simple, direct effective way in which we could reduce interest rates. The Federal Reserve Board could simply increase the supply of credit. Interest is simply the price of credit. If the supply goes up, the price or interest goes down. Why not do it?

Some of the brightest Members of the House of Representatives and Senate are calling for exactly this action by the Federal Reserve. Are they right in doing so? I think they are wrong. Dead wrong. They could not be more wrong.

Here is why: An increase in the supply of credit means a single thing. It means people have more money. It means you and I and millions of our fellow Americans can now borrow the money we need to buy more houses and more cars, that farms can borrow money to expand their operations and businesses the same. It means a stepped up demand for everything. The key word is "demand." Demand increases. So what happens to price? That goes up, too. It has to go up. There can be no doubt it will go up if there is more money available bidding prices up.

So Mr. Volker, who has just been approved as Chairman of the Federal Reserve Board only a few weeks ago and who is recognized by many as probably the best trained Chairman of the Federal Reserve Board we ever had, in my view is doing the right thing. There is nothing else he can do.

Mr. President, if we want to call on someone to act it is Congress that should act. We have control of the Federal Reserve Board. It is independent by the Constitution of the executive branch. It is up to us to act.

The Federal Reserve Board is indeed holding down the availability of credit. They are indeed causing the price of credit or interest rates to go up. This is painful, very painful. But in the kind of inflation we are in, they really have no alternative. To ease credit now, make it cheaper, encourage Americans to spend more would be aggravating the inflation. It might ease interest rates a point or two for a few months. But in the long run there is no question the inflation would worsen and unemployment and recession would become even more serious in the long run.

This morning's bad news on the employment front and the price front with unemployment climbing to 6 percent and producer prices rising by 1.2 percent, the sharpest rise since January and an annual rate of more than 14 percent is dismal news. This means higher consumer prices. This is producer prices. That means high consumer prices within a few months. But an easy money policy is no answer. The inflation is a major element in causing the recession we now seem to be stumbling into. It is not time to throw in the towel in fighting our No. 1 enemy—inflation—by easing up on credit.

THE LEGACY OF RAPHAEL LEMKIN

Mr. PROXMIRE. Mr. President, August 28 marked the 20th anniversary of the death of Raphael Lemkin. Mr. Lemkin was the author of the phrase "genocide" and was responsible, in large part, for its inclusion in international law.

Upon Lemkin's death, more than 80 countries had ratified the Genocide Convention. He died a bitter man, however; disappointed and disillusioned with the failure of the United States to ratify the Convention. The United States, Lemkin believed, was the one nation which possessed the moral courage and vision necessary to lead the fight against genocide and other crimes against humanity. Lemkin looked to the United States for that leadership and was sorely disappointed.

Lemkin grew up in Poland and there became a renowned jurist before fleeing from the Nazi persecution during World War II. It was his experience during the holocaust which made him dedicate his life to the prevention of genocide and crimes against humanity. After the war, at the request of the United Nations Social and Economic Council, Lemkin prepared a draft of the Convention which was, with several revisions, passed by the United Nations. It was his persistence and enthusiasm, offered in behalf of all of humanity rather than any one government, which helped bring about the adoption of the Convention.

Since the end of World War II, the world has not seen any end to the wanton destruction of national and religious groups.

In Uganda, for example, whole segments of the population were eliminated at the whim of an unbalanced ruler. It does not appear as if atrocities such as this will disappear on their own. The nations of the world must make a strong and active stand, even if only a symbolic one, against crimes committed against humanity. It will be only with the worldwide condemnation and opposition of genocide that we will stand any chance of eradicating it. And it is only with the leadership of the United States, the world's greatest advocate of human rights and liberties, that this kind of movement can succeed.

Yet we are the only major country in the world that has not ratified the Convention in spite of the fact that seven successive Presidents called on us to do it. Only the U.S. Senate has to act.

Mr. President, I strongly urge that the Senate vote to ratify the Genocide Convention as soon as possible.

I yield the floor.

SENATOR PROXMIRE FEATURED IN CHICAGO TRIBUNE MAGAZINE

Mr. PERCY. Mr. President, I have greatly admired our colleague, BILL PROXMIRE, ever since I came to the Senate and I have enjoyed very much the many opportunities we have had to work together since then. When I was in my first term, I served with him on the Banking Committee for several years and we produced what I feel is some significant housing legislation. Together we fought—and won—a memorable battle against the SST. Most recently, I have supported his efforts to bring under control the massive and rapidly growing amount of money spent on Federal housing programs.

He is intelligent, diligent, persistent, capable, and a pleasure to work with, and I have to believe that these outstanding qualities stem in part from his solid upbringing in the State of Illinois. I admit also that the good feeling I already had for him was considerably enhanced when I learned that he continues, along with me, to be a Chicago Cubs fan even though he no longer resides in our State.

Because of our high regard for BILL PROXMIRE, several of us in the Senate were delighted to be interviewed for a Chicago Tribune magazine feature story on him and his distinguished career which appeared in the August 19 issue. In order to share this fascinating article with our colleagues, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROXMIRE THE BATTLER

(By Raymond Coffey)

Here is a quick quiz you might try out on your know-it-all friends, maybe even win a beer or a couple of bucks from them in a neighborly bet:

Which member of the United States Senate. . . .

Cast the only "nay" vote against President Carter's appointment of Bert Lance, the Georgia banker who ended up embarrassing the White House and being indicted for violating federal banking laws?

Accepted not a dime in political contributions and spent only a total of $177 in his last election campaign but still won an astounding 73 per cent of the vote?

Has never in 22 years in Washington taken a foreign junket at taxpayers' expense?

Has been at every rollcall vote, well over 6,000 of them, more than double the previous record, going back to 1966?

Opposed the building of a $50 million dam in his own state, on grounds that it was a waste of money, before Carter ever came up with, and then compromised on, his own "hit list" of dam projects to be dropped?

Has a hair transplant and a facelift, and was running five miles to the office every morning long years before Addidas, jogging suits, and James Fixx ushered in the age of athletic chic?

Once dropped 10 consecutive passes from Yale's All-American football hero Clint Frank and is now (it figures) a dedicated fan of Chicago's hope-lives-eternal Cubs.

The answer to all of the above is, of course, Democrat William Proxmire of Wisconsin, who is not only in the Senate but seems, as the years roll by, to belong almost as well in the "Guinness Book of World Records" and "Ripley's Believe It Or Not."

Proxmire, who will be 64 in November but looks at least 10 years younger, is the Senate's premier independent, and some would say also its premier eccentric. Even his friends speak of his idiosyncracies, though they find them "captivating" or "charming."

He is a maverick, they say in the Senate, a loner; he doesn't belong to the "Club." "He doesn't wear anyone's collar," said a veteran Senate committee staffer who admires Proxmire's independence but wonders how he gets away with it. Yet regularly, routinely, Proxmire does get away with, even thrives on, a performance that other members of the Senate would consider politically reckless if not fatal.

Proxmire was there hardly long enough, in tradition-bound Senate terms, to get his seat warm when, after the ceremonial Washington's Birthday reading of the first President's "Farewell Address" in February, 1959, he stood up and attacked Lyndon B. Johnson's dictatorship as Democrat majority leader.

Washington wiseguys immediately decided there had been two Farewell Addresses that day, Washington's and that of the bumptious newcomer from Wisconsin. But Proxmire survived, and Johnson's near-limitless powers did not.

Proxmire has played no favorites among his own party's leaders. For example, he later voted against President Kennedy's appointment of John B. Connally as navy secretary on grounds that the former Texas governor was too cozy with the country's oil barons. In addition to opposing the Lance appointment, Proxmire this summer also was opposing Carter's appointment of Florida multimillionaire Frederick H. Schultz to the Federal Reserve Board.

"The guy has absolutely no qualifications at all," Proxmire said in an interview. "He has no experience of bank regulation of any kind. But he's very rich, he owns a bank, and he contributed to Carter's campaign. He is a real threat to the independence of the Federal Reserve."

Proxmire himself sees independence as a considerable political asset. Wisconsin, he notes, has a long tradition of admiring and rewarding independence, going back to the "Progressive" movement and its leader, Sen. Robert M. "Fighting Bob" LaFollette, who "left a tremendous mark on the state." LaFollette's unswerving opposition to U.S. involvement in World War I so infuriated the state legislature that it asked the Senate to expel LaFollette for sedition. The Senate refused, LaFollette stuck to his guns, and a generation later he was chosen as one of the five greatest senators in U.S. history.

Proxmire seems to have been born with his now-celebrated streak of independence. His parents christened him Edward William Proxmire. But he got hooked early on the heroic exploits of Hollywood cowboy William S. Hart, and at age 6 he decided unilaterally to drop the Edward and be known, like his silver screen idol, as William.

But the independent streak is only one of several characteristics that define Proxmire as a personality and a politician. When he arrived in the Senate he was generally considered to be a liberal Democrat, possibly because he had succeeded to the seat of the late Republican witchhunter Joseph R. McCarthy, alongside whom almost anyone would have been considered liberal in the Washington of 1957.

Proxmire says he considers political labels to be mostly confusing and useless. "I don't think ideological approaches are useful," he said.

But hardly anyone in Washington these days would call him a liberal. He has, among other things, opposed abortion, as well as school busing for racial balance purposes. He also came to oppose Viet Nam War only in the very late innings.

Originally Proxmire says, liberals were those who wanted less government and more individual liberty. "Now liberals means kind of the opposite—more government involvement" in people's lives, he says, and that is something Proxmire is heartily against.

"Government has gotten too big too fast, particularly with the inflation we suffer. The burden of proof ought always to be on those who try to extend government."

In line with this attitude, Proxmire has become the Senate's leading scourge of big spending and government waste, especially in Pentagon defense budgets. The title of one of the several books he has written is "Uncle Sam—The Last of the Bigtime Spenders."

He also takes pride in the fact that he ranked as the Senate's leading "tightwad" on government spending in the annual rankings this year by the National Taxpayers Union, an organization that does not often look kindly on Democrats, especially liberal Democrats.

Proxmire's political frugality and scrupulous honesty have also become trademarks of his personal lifestyle. He was making his income tax returns public years before it became politically chic and before Congress, panicked by Koreagate, Wayne Hays, and Elizabeth Ray, and other recent scandals, began requiring members to disclose their financial standing.

Proxmire estimates his net worth at $364,000, $200,000 of which is the value of his home in Washington's Cleveland Park section. He drives a 1972 Vega, Blue-Book valued at $200.

He is not without vanity, witness the facelift and hair transplant he underwent some years ago that subjected him to the embarrassment of appearing on the Senate floor with two black eyes and his head swathed in bandages. But in a political age when television has put a premium on peacockery. Proxmire is anything but a fashion plate. He used to buy his suits for $55 off the racks at Robert Hall, and looking at him today one would never know that Robert Hall went out of business.

Last year his Senate allowance—taxpayers' money—for running his office totaled about $51,000. He returned more than $30,000 of it to the Treasury.

Another Proxmire characteristic, noted in political Washington with a combination of awe and amusement, is his seeming need always to "compete against himself," as one aide put it. Beating everyone else is not good enough. Proxmire has to beat himself.

"You Can Do It," is the title of a book he wrote in 1973 about his own exercise-diet regiment. Persistence seems to be his only strategy, and, like his independence, that goes back a long way too.

At the prep school he attended in Pottstown, Pa., Proxmire was voted the class "grind" for his unwearying study habits. And at Yale he was too light for football and not much good, anyway. It was there, where he played end and where Gerald Ford was an assistant coach, that Proxmire in practice once dropped 10 straight passes from All-

American Clint Frank. But he persisted, tried so hard, that he was put into the Princeton game just long enough to win his "Y".

In the Senate Proxmire has now answered more than 6,100 straight rollcall votes. That is more than double the old-record of about 2,900 established by former Sen. Margaret Chase Smith of Maine and is almost surely a mark that will stand for eternity.

"I was elected to vote," Proxmire says, "I wasn't elected to come down here and miss votes. The least I can do is do my best to be here all the time, to stand up and be counted. People want to know where you stand."

Proxmire's athletic, keep-fit efforts, are also the kind in which he is competing against himself. He doesn't play tennis or racquetball. He runs to the office, as he has been doing since 1964. (He has been mugged twice while running. Once he grappled a young mugger into the street and hailed a police car. The other time, when the muggers were older and pulled a gun on him, Proxmire told them to go ahead and shoot because he had terminal cancer and was going to die shortly anyway. They ran off.)

Even before he sets off on his run to the office, Proxmire pushes himself through a 30-minute calisthenics session at home that includes 200 pushups. And he often interrupts the run to stop off for a swim in the Washington Hilton Hotel pool. Sen. Charles Percy (R., Ill.), who plays tennis on the hotel courts, says, "I look over and there is Bill Proxmire swimming up and down by himself. It's like his (voting) attendance record. He's competing against himself. He's a tiger."

Proxmire has never smoked. He used to, he says, take an "occasional drink" but became a teetotaler about 10 years ago. Actually, according to an associate who knows him well, Proxmire, never one to take chances with his political career, "quit drinking the day after (Sen.) Teddy Kennedy went off the bridge" at Chappaquiddick.

William Proxmire has a reputation on Capitol Hill as a kind of workaholic who is totally dedicated to and obsessed with his personal political career and who never relaxes, indeed, cannot relax. His wife Ellen, 57, dismisses that as myth.

She sees his lifestyle as simply the consequence of an admirable but now unfortunately "old-fashioned view" that people should always be striving for "self improvement." Even after years of giving speeches and writing books and newsletters and press releases, she says her husband is still "always trying to improve his vocabulary."

At home he "doesn't watch TV at all anymore," Mrs. Proxmire says. And unlike a true workaholic, he usually does not bring work home with him from the office. Instead, she says they usually spend their evenings reading and talking. Proxmire, who almost never read fiction, prefers biography.

He also often reads books together with their 17-year-old son, Douglas Clark, who is named for two of Proxmire's political heroes, the late Sen. Paul Douglas of Illinois and former Sen. Joe Clark of Pennsylvania. Father and son most recently read together a biography of the late Harry S Truman.

Proxmire is always in bed by 11 p.m., his wife says, even when they go out at night. He gets up at 6:30—except on Sundays, when he indulges himself by staying abed until 8.

Ellen Proxmire laughs off as fiction the notion that the senator never relaxes. "His personality changes when he is home," especially with their son, Douglas, she says. Douglas is a sports nut in general and a Chicago Cubs fan in particular. He even went out to the Cubs' spring training in Arizona this year.

Proxmire, who recalls going to Cubs games back in the happy era of Hack Wilson, says that one summer he and Douglas followed the team on a West Coast road trip to San Francisco, Los Angeles, and San Diego.

That Proxmire would be a Cubs fan figures. It figures a lot more than that he would ever be a Democratic U.S. senator from Wisconsin.

He was born in rich and Republican Lake Forest, Ill. His father was a prosperous physician who once remarked that "I didn't raise my boy to be a Democrat," and whose son once observed that his father's "window on the world," was the Chicago Tribune.

After Yale ('38) Proxmire went to the Harvard School of Business, worked briefly for J. P. Morgan and Co. on Wall Street, and gave speeches in 1940 for Republican Presidential candidate Wendell Willkie.

Then in March, 1941—months before Pearl Harbor—Proxmire joined the army as a private and was assigned to intelligence. He was discharged as a first lieutenant in 1946 without ever having been sent overseas.

He went back to Harvard, in the Graduate School of Public Administration, and met and married Elsie Rockefeller, a great-grandniece of old John D.

Proxmire stayed on at Harvard briefly as a teaching fellow, but he had decided to become, as his foes would soon be saying, a carpetbagger. "I decided to look around for a newspaper job that might give me political options," Proxmire said in an interview in his corner suite at the Dirksen Senate Office Building. He applied to medium-sized newspaper in Indiana, Missouri, Washington, Wisconsin, and other states. He decided finally on a $40-a-week job with Madison's Capital Times, which was run then by William T. Evjue and which had a reputation for supporting a radical, maverick, "progressive" brand of politics.

More important to Proxmire, Wisconsin had no political "legacies" standing in his way. "The Democrats were entirely out of" state office then, and there was only one Democratic congressman, from Milwaukee. But there were plenty of Republicans around to run against, Proxmire recalls, and no solidly organized Democratic Party to keep an outsider on the outside. "The situation seemed ripe for changing."

Proxmire moved to Wisconsin in 1949, speedily got himself fired from the Capital Times for being a less-than-careful an objective reporter, and wound up hosting a uninsponsored radio program, "Labor Sounds Off," on a Madison station. In 1950, after only a year in the state, Proxmire pulled off a major upset and got himself elected to the Wisconsin legislature.

He generally made a pest of himself, and a noisy pest, talking ceaselessly and introducing a flood of bills, none of which passed. But in 1952—and it seems as astonishing now as it did then—the recent arrival from Lake Forest, Yale, Harvard, and Wall Street was running for governor against Republican incumbent Walter Kohler, whose family had been around long enough to have a town named for it.

Recalling the brashness of all that, Proxmire says he decided to run against Kohler knowing full well he would lose—he did, by a whopping 400,000 votes—but that "it would be a good way to get established."

He ran for governor in 1954 and lost again, and he ran in 1956 and lost for a third time. By then he was marked as a surefire loser, and even close friends were telling him to look for another line of work.

Also by this time Proxmire's marriage had broken up, a "casualty of politics," he once said. His wife divorced him in 1955 and six months later married Miles McMillan, who had hired Proxmire at the Capital Times and was one of his strongest political supporters.

What is most remarkable about the 1976 showing is that in an era when North Carolina conservative Republican Jesse Helms raised $6 million for his last election and Republican John Heinz, the catsup heir from Pennsylvania, parted with $2.5 million of his own money to get elected, Proxmire accepted no contributions and spent a niggardly total of $177 on his campaign.

He had no television, no radio commercials, no billboards or bumper stickers. He simply drove from town to town, shopping center to center, shaking hands and talking to people. He has always been a great believer in the personal touch in campaigning.

"I think the unique thing is that I've met so many people personally" at factory gates and along main streets throughout Wisconsin, he says. It has become a ritual with him to appear at the Wisconsin state fair each year, station himself "just outside the flower show," prepare himself by plastering his fingers with bandages, and "shake 2,000 hands an hour."

Characteristically Proxmire has the whole process timed and counted. Over the years, he says, "I figure I've shaken hands with over three million people in the state, about 150,000 a year."

He is already working at his 1982 campaign, returning to Wisconsin at least every other weekend and during every congressional recess. "If you're going to maintain your support, you're going to have to work at it. I hope I can run again in 1982 without spending any money.

"But you're always insecure in this job," he adds. "You might be running against a strong opponent in a bad year."

While most Wisconsin voters may be wild about Proxmire, not everyone in Washington is. Early on in his Senate career he acquired a reputation as a pest, an erratic and ineffective gadfly, a showboater of little substance, a headline hunter who played for easy—and in the end meaningless—publicity and the approval of the Archie Bunkers of the nation by doing things like being the only senator to vote against a major public works (read pork barrel) bill.

The most persistent criticism is still that Proxmire is a publicity seeker, that he is afflicted with an undying lust to get his name in the paper. He and his staff pour out a flood of "news releases," no fewer than 36 in a single recent month, according to a columnist who kept count.

Proxmire's passion for publicity—and his spectacular success in achieving it—is also what has now got him in a spot of trouble with the courts in the form of an $8 million libel suit. Since 1975 Proxmire has been making what he calls his monthly "Golden Fleece" (as in fleecing the taxpayers) awards, which are a sustained attack on government waste and bureaucratic simplemindedness. The method is to focus on a relatively inconsequential expenditure of government money, as little as $2,500, for a purpose that almost anyone other than a bureaucrat would find either ludicrous or lunatic.

Then in press releases and newsletters, and on the Senate floor, Proxmire lampoons the project with cornball oneliners. Of a $27,000 study to look into why inmates want to escape from prison, for example, Proxmire said "This study is a crime." Of a $2,500 grant to study why people are rude on tennis courts, Proxmire cracked, "I am calling double fault" on the National Endowment for the Humanities, which financed the project.

This all goes over big beyond Washington, and Proxmire reaps a rich and regular harvest of publicity. But in 1975 one of the "Golden Fleece" awards went to a federal research project in which Dr. Ronald Hutchinson was studying the physical signs of aggression in monkeys, such as clenching their jaws or gritting their teeth.

Proxmire ridiculed the project as making "a monkey out of the American taxpayer." Hutchinson responded with an $8 million libel suit. Lower courts rejected the case on grounds that Proxmire enjoyed constitutional immunity from lawsuits involving his legislative activity, including his press releases and newsletters. They also held that Hutchinson, because he had solicited and received substantial federal research grants, was a "public figure" and therefore could win a libel case only by proving "actual malice."

However, the Supreme Court this summer ruled both that Hutchinson was not a "public figure" and that Proxmire's immunity did not extend to press releases and newsletters. Hence Hutchinson can now pursue his libel suit.

Proxmire is undaunted, however. "The Golden Fleece will go on . . . I will strive to be just as emphatic, vivid, and if possible humorous in my denunciation of waste as I can be."

Of the general complaint that he is a publicity hound, Proxmire says that "I think it is necessary to mobilize public support for a position" and that such support can't be mobilized until people are paying attention.

Critics of Proxmire generally agree that he has become more effective—and less an iconoclastic gadfly who opposes for the sake of opposing—as he has advanced in seniority and to the chairmanship of the Senate Banking Committee.

He started out, for example, opposing the federal bailout of New York City when it was threatened with bankruptcy, but then changed course and became an important supporter of the city's cause. However, critics still say that overall Proxmire's record is mainly one of "negative" successes—opposing and obstructing bad ideas and bad legislation—rather than of constructive achievement.

Proxmire himself lists his stunning success in forcing a halt to the SST supersonic jet airliner as probably his greatest achievement. He takes pride, too, in his ceaseless attacks on Pentagon wastefulness and particularly his success in trimming back the C-5A military jet transport boondoggle, which involved $2 billion in cost overruns.

Proxmire also does not duck out when it gets hot in his own kitchen. In 1975 he went to LaFarge, Wis., and told his constituents that he was opposing the Kickapoo Dam the federal government was proposing to build there. The project included an 1,800-acre recreational lake, and the folks around LaFarge very much wanted their dam.

But, Proxmire told them, the estimated cost of the project had soared from $15.6 million to $51.5 million, and he "would not be a bit surprised if it cost $100 million before we are through."

"That was the toughest thing I've ever done," Proxmire says. "Some of those people were in tears, they were enraged. But I think it was the right decision."

While most of Proxmire's larger successes have come in an oppositionist role, he feels he has also had some "positive" accomplishments, most particularly the "truth in lending" law to protect borrowers. He took this over from its original sponsor, Douglas, and pushed it to passage. He also has some legislation pending now that he hopes will add to his record of accomplishment.

He is pushing a bill that would require a balanced budget in any year when the nation's economic growth is 3 percent or higher. "The problem," he says, "is that everyone is always for balancing the budget, but they always want to do it manana."

Proxmire also feels strongly that, along with the work ethic, the old American habits of thrift must be reestablished if the country is to regain economic health. But presently, he said, the government actively discourages saving, for instance by limiting banks to paying 5¼ percent interest on passbook accounts in a time when inflation eats up twice that much, and he is pushing to remove such limits on savings account interest.

Asked what he would still like to accomplish as a senator, Proxmire said that "eventually I think I am going to get my colleagues to go along with budget balancing" and to realize that "you don't solve problems by throwing money at them."

He would also like to get a much firmer grip on military spending. In that connection, he said he is still non-committal about how he will vote on Carter's new strategic arms limitation (SALT-II) treaty with the Soviet Union.

He is for arms control but is concerned that instead of limiting arms the treaty will lead to massive new weapons procurement programs, like the $30 billion MX missile program that Carter is already proposing.

One thing Proxmire does not share with many of his colleagues is delusions about moving into the White House. After his huge victory in 1970 some supporters launched a "Proxmire for President" boomlet that he enjoyed, even savored, briefly but quickly put an end to in 1971. Now, he says, "I just feel that it is unrealistic to think that I could be nominated by the Democratic Party. My record on fiscal matters is too conservative."

Also, he said, to campaign effectively for President "you'd just about have to forget about your work in the Senate and go out and run full time for a year and a half."

"I love the Senate," he says, "and I think a number of senators (he mentions LaFollette, Robert A. Taft, Henry Clay, Daniel Webster, Daniel C. Calhoun) at times have had a more profound influence on the country than Presidents."

One is left with the impression, unexpressed but unmistakable, that they are the members of the only club to whose membership Proxmire of Wisconsin aspires.

REFUGEE ACT OF 1979—CORRECTION OF AMENDMENT NO. 530

Mr. KENNEDY. Mr. President, because of a clerical error of the Legislative Counsel's Office, an amendment adopted yesterday to S. 643, the Refugee Act of 1979, is incorrect, as the debate preceding it will indicate.

Therefore, I ask unanimous consent that in the engrossment of S. 643, the Secretary of the Senate be authorized to change unprinted amendment No. 530, on line 3, to read "1980" in lieu of "1981."

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR FAIR SURFACE MINING REGULATION

Mr. ROBERT C. BYRD. Mr. President, during the recent break I returned to my home State of West Virginia to talk with its citizens and reflect on the serious issues facing the Congress. A constant threat which ran through many of these talks was a great dissatisfaction and disappointment with the role of the Federal Government in coal development.

This Nation has coal reserves large enough to supply our energy needs for hundreds of years to come. Yet these vast resources are not being developed in the most sensible way. A careful balance must exist between environmental and energy concerns, and that balance is difficult to achieve.

On July 27, the Energy and Natural Resources Committee reported S. 1403—a bill which will attempt to bring the Surface Mining Act of 1977 back to equilibrium. Over the past 2 years, the Surface Mining Act has been interpreted in ways Congress did not intend. Particularly troublesome has been the apparent loss of meaningful participation in the regulatory process by the States. S. 1403 addresses this problem directly by giving each State the opportunity to assess its own unique problems associated with coal mining, and write its own regulations to deal with the special problems. That is precisely what the Surface Mining Act of 1977 is intended to do. Unfortunately, it has not been interpreted that way by the executive agencies responsible for administering the act. S. 1403 leaves no doubt as to congressional intent.

It is essential that the Federal Government and the governments of the States cooperate in this crucial area. The States have not been given the fair shake they deserve in order to protect the environment without ruining their economies. S. 1403 makes a positive contribution to resolving that difficulty.

Therefore, Mr. President, I ask unanimous consent that I be made a cosponsor of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I do not anticipate any action further today by way of transaction of any business. I do wish to recess the Senate subject to the call of the Chair so as to give Senators a chance to make statements if they wish.

Shortly, rather than keep the Chair around, an occupant of the chair around, not knowing whether a Senator will appear, I will ask unanimous consent that the Senate stand in recess until 4:30, but I withhold that request for the time being.

Mr. NELSON. Mr. President, just momentarily I wish to introduce a piece of legislation, but I do not have it as of yet. You might put in a quorum call.

Mr. CRANSTON. Did the Senator propose to put in a quorum call? If he did I want to do something first.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The Chair recognizes the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I am delighted to be recognized by this particular President.

AMERICAN LEGION SUPPORTS SALT II

Mr. CRANSTON. Mr. President, Mr. Jack Carey, who has just finished his year of service as commander of the American Legion, appeared this morning before the Senate Foreign Relations Committee to testify in support of the SALT II treaty.

As chairman of the Veterans' Affairs Committee, I have had the pleasure of working with Mr. Carey this year that he has served as commander. And, I look forward to working with Mr. Frank Hamilton who was chosen as his successor by the convention delegates last month.

That convention of 3,000 delegates—representing the 16,000 American Legion Posts in the United States—took another important action. It unanimously adopted a resolution regarding SALT in which it reaffirmed its historical support for strategic arms limitation agreements. And notably, the convention chose not to condition its support on specific levels of increased defense spending as have some others. This support is particularly important, as Mr. Carey noted, because

> All members of the American Legion * * * are veterans of wartime service, and many of us have personally experienced the horror of war. As veterans, we realize full well that if conventional wars are horrendous, nuclear war would be an unspeakable catastrophe for mankind. Thus, it should not be surprising that we have long supported the concept of strategic arms limitation.

When I addressed the Senate yesterday on SALT, I noted the lack of attention given in our consideration of SALT to the awesome destructiveness of nuclear weapons. The membership of the American Legion perhaps best recognizes the reasons we must prevent any nuclear exchange through arms control and an effective nuclear deterrent force.

Mr. President, I ask unanimous consent that the American Legion's resolution supporting SALT be placed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 555

Whereas, The American Legion recognizes the desirability of limiting the development and deployment of strategic nuclear arms, providing the limitations do not bring the security of the United States; and

Whereas, U.S. prestige as a world power is made even less credible by recent actions taken which compromise mutual security commitments made with our allies; and

Whereas, Soviet behavior has included modernization and expansion of its strategic arsenal as well as expansion of its conventional and theater forces in Europe; and

Whereas, the President of the United States and the General Secretary of the Communist Party of the Soviet Union (CPSU), signed the Treaty on the Limitation of Strategic Offensive Arms on June 18, 1979 in Vienna, Austria; and

Whereas, this treaty, also known as SALT II, is now under active discussion and analysis in the U.S. Senate; and

Whereas, SALT II failed to count or include mention of the Soviet Union's new Backfire bombers which, with refueling, have intercontinental range; and

Whereas, SALT II failed to reduce in number the Soviet Union's approximately 308 heavy missile launchers capable of launching megatonnage-type nuclear warheads; and

Whereas, the restrictions placed on SALT II mobile missile launchers and cruise missiles are subject to extension beyond 1981 by Executive Agreement and without Senate approval; and

Whereas, the U.S. surveillance capabilities of Soviet missile launchers were severely handicapped by the loss of radar detection facilities in Iran, making verification of Soviet compliance with SALT II all the more difficult and uncertain; and

Whereas, Secretary Brezhnev and other Soviet officials have repeatedly warned the U.S. Senate to make no changes in the documents signed in Vienna; and

Whereas, unilateral disarmament decisions by the U.S. in recent years have demonstrated to the Soviets a weakening of our national will to survive in this world of highly sophisticated weaponry; and

Whereas, the lack of a coherent and consistent policy of detente by the United States Government encourages the Soviets to go on pressing their global challenge with even greater vigor as the Administration's policy in dealing with Russia remains vacillating and confused; and

Whereas, in approving the SALT I agreement, the Senate adopted an amendment calling upon the President in any future treaty on offensive nuclear weapons not to limit the United States "to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union;" now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Houston, Texas, August 21–23, 1979, that we support any SALT agreement which is genuinely equitable, one which actually halts the nuclear arms race, reduces tensions and guarantees full compliance by both sides; and, be it further

Resolved, that we urge the U.S. Government to develop and maintain the TRIAD of nuclear strategic power from U.S. land, sea and air bases sufficient to deter nuclear war, and failing that, we embrace the concept of a Launch-On-Warning (LOW); and, be it further

Resolved, that the United States Government adopt a clear and convincing policy that it will not agree to any Strategic Arms Limitations Agreement which makes the United States inferior in (a) quantitative factors of nuclear weapons systems such as numbers of launchers, amounts of megatonnage, and number of deliverable warheads; (b) qualitative factors such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range; and (c) geographical factors bearing on the effectiveness of nuclear weapons systems; and, be it further

Resolved, that the U.S. Senate be urged to demand ratification privileges for any executive agreement extending the date beyond 1981 as called for in the Protocol of SALT II regarding mobile missile launchers and cruise missiles; and, be it finally

Resolved, that the United States actively continue its exchange of nucelar weapons technology with its NATO allies to include cruise missile production and deployment information.

Mr. CRANSTON. In his testimony before the Foreign Relations Committee today, Past Commander Carey expanded on this resolution and outlined a number of actions he recommends the Senate take with respect to the treaty itself and to our overall national defense posture. While I do not concur with all the views expressed, I want to make available to my colleagues the full American Legion testimony. Thus, I ask unanimous consent that the testimony be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. CAREY

Thank you, Mr. Chairman:

I am Jack Carey, immediate Past National Commander of The American Legion. I appreciate the opportunity to present the views of the American Legion on a matter of vital interest to our organization and to the Nation.

We are well aware of the situation in Cuba where the Soviets have deployed a combat brigade, including armor, infantry and artillery units together with combat support units. We believe this constitutes a violation of the Monroe Doctrine. We also believe that the presence of this brigade constitutes a military base prohibited in the 1962 agreement with the Soviets.

The American Legion, three weeks ago, at its National Convention, urged Congress to take whatever actions necessary to oppose spread of communism within the Western Hemisphere. This flagrant stationing of Soviet troops in nearby Cuba certainly violates the unanimous position taken by our delegates. Accordingly, we urge this committee to postpone any further action on the Strategic Arms Limitations agreement, currently pending, until such time as all Soviet combat troops have been withdrawn from the Island of Cuba.

All members of the American Legion, Mr. Chairman, are veterans of wartime service, and many of us have personally experienced the horror of war. As veterans, we realize full well that if conventional wars are horrendous, nuclear war would be an unspeakable catastrophy for mankind. Thus, it should not be surprising that we have long supported the concept of strategic arms limitation.

Our fundamental position has been that a strategic arms limitations treaty should be equitable, should actually halt the arms race, should reduce tensions and the likelihood of war, and should be fully verifiable. We have insisted, however, that such a treaty should not place the United States in an inferior strategic position.

The Strategic Arms Limitation Treaty now before the Senate does not fully meet those criteria. But before we enumerate the treaty's shortcomings, let us acknowledge that it does make certain positive contributions.

Although both sides, especially the Soviet Union, will continue to add considerably to their nuclear arsenals. Upper limits are established on the total number of strategic launchers, the number of ICBMs and SLBMs and MIRVed warheads, and so on.

The Treaty restricts the number of reentry vehicles either country can install on the various types of ICBMs and SLBM missiles.

The Treaty prohibits certain basing modes for strategic launchers.

The treaty prohibits the placing in orbit nuclear weapons of any kind including fractional orbital missiles.

The treaty establishes maximum parameters for the development, testing, and deployment of new missile types.

We realize that each of the contributions made by the treaty is subject to violations and that many experts have expressed concern over what they consider to be our Nation's limited ability to detect violations. Our organization, although likewise concerned, feels that it can contribute very little to any serious debate on verification since we have no information on the highly classified intelligence-gathering techniques which would be the focal points of any such debate.

Perhaps the most serious flaw in the pending treaty is that it covers not the total number of missiles and warheads possessed by each side. The Soviet Union could legally stockpile an unlimited number of missiles. Although the treaty pledges both sides to a rather vague commitment not to develop a "rapid reload" system, the Soviets can launch most of their missiles from a "cold launch" mode. Even without improving existing technology, they could launch a second, or perhaps third, salvo from their silos in a matter of hours. Furthermore, many of the reserve missiles could be stored in such a way that they could be fired in place within a short period of time. Then, of course, there is the possibility of outright cheating, of concealing full-fledged launchers in violation of the treaty. In the event of a war or a major crisis, the existence of such a "ready reserve" could give the USSR an enormous strategic advantage.

We are aware that it was determined at an early stage of the SALT negotiations that the total number of missiles and warheads could not be limited because of verification problems, and that, therefore, the criterion became the number of "launchers." But we strongly recommend that the United States not abandon the principle of counting all nuclear arms during the SALT III negotiations, even if that means demanding on-site inspections.

Another glaring deficiency of the treaty is that the Soviet Union is allowed a monopoly on heavy missiles—the SS–18. As has been pointed out numerous times in the course of these hearings, those missiles will be sufficiently accurate by the early 1980's to pose a significant threat to our land-based ICBM's. While we realize that equivalence does not necessarily require our nuclear arsenal be a mirror image of the Soviet Union's, we strongly recommend that the United States urgently proceed with the development, production and deployment of the MX missile, which will give us roughly the same hard-target capabilities as the Soviet Union and a highly survivable backup system to our increasingly vulnerable land-based ICBM's.

The treaty's prohibition on the production of any heavy missiles is tantamount to legitimizing the Soviet throw-weight advantage in its land-based ICBM's as gained through deployment of the SS–18. There are those who would argue that the U.S. advantages in SLBM and cruise missile technology provides an over-all strategic balance. However, we view the heavy missile prohibition under SALT II as an inequitable provision and one which must be addressed. We believe that there should be a counting rule adopted under the treaty as an adjustment for the awesome power of the SS–18. Each SS–18 should be counted as more than one launcher. This provision would not require dismantling any of the heavy missiles but would necessitate some changes in the makeup of other components of the Soviet arsenal.

The American Legion is fully aware of how firm the Soviet negotiators have been in demanding a full compliment of SS–18's. It, therefore, might be advisable for this committee to consider the adoption of a new heavy missile counting rule with an effective date, perhaps 1981, to allow the Soviets ample time to make the necessary adjustments in their arsenal.

The value of the SS–18 is fully realized when evaluating the most often cited nuclear exchange scenario—one in which the United States accepts a Soviet first strike from its land-based ICBM force. With continuing improvements in Soviet missile accuracy, we would expect to lose more than half of our retaliatory capability during such an attack while the Soviets would retain as much as 75–80% of their strike potential. This indeed is a rather shocking possibility and one which should encourage our war planners to reconsider the wisdom of accepting a Soviet first strike.

It should be pointed out that the first half of the 1980s, during which time the Soviets will be capable of launching a perhaps decisive counterforce strike, will precede the scheduled deployment phase of the MX missile system (1986–1989). It will also coincide with the period during which about half of the Polaris-Poseidon fleet may have to be retired but before the full Trident fleet has been put into service.

Our next major concern over the pending treaty deals with the failure of including the Soviet "backfire" bomber as a strategic nuclear delivery vehicle under terms of the agreement. There is general agreement that the "backfire" can reach targets in the continental United States by aerial refueling or by making one way flights.

We have two recommendations to make relevant to the "backfire" bomber. The first is that the Soviet Union be required to sign and officially acknowledge the letter presented by Secretary General Brezhnev to President Carter which promised that the bomber would not be deployed in an intercontinental mode and that its production would not exceed 30 per year. Our second recommendation is that the United States develop and deploy a similar number of comparable aircraft.

Another aspect of the treaty that especially disturbs us is the provision regarding the encryption of the telemetry data. The treaty prohibits the encoding of radioed missile test data that would be needed to verify compliance with the treaty. Each side, however, is allowed to determine whether or not such data would be needed to "verify compliance." Our recommendation is that both sides formally agree not to encrypt any missile test data.

We know the United States does not engage in the practice of encrypting telemetry and that the Soviets have promised not to encrypt any telemetry which would impede verification. It seems only logical that both sides should agree to ban all encryption. Such a ban would be a demonstration of Soviet good faith as well as a commitment by them to the maintenance of a verifiable treaty.

We are also concerned that the treaty's protocol, which bans the development or flight testing of ICBMs from mobile launchers and the deployment of cruise missiles with ranges of more than 600 kilometers until the end of 1931 will "assume a life of its own," and that the United States will give into Soviet demands that the protocol remain in force during the course of Salt III negotiations. We recommend that the Senate approve an understanding or reservation stating that the protocol will expire on schedule unless its extension is specifically approved by the Senate.

There are those who argue that the Senate already has the power to veto an extension of this or any other treaty protocol. However, our reasons for seeking such an expression by the Senate is to put you and your colleagues firmly on record and to put the Soviets on notice that there will be no tampering with the protocol termination date.

We agree with critics of Salt II who express concern that the treaty may prevent us from transferring cruise missile and other technology to our NATO allies. We believe it necessary that the Senate clarify U.S. intentions regarding technology transfer by adopting a reservation or understanding. It is very clear to anyone who considers himself a student of arms limitation talks that our NATO allies in Western Europe have more than a passing interest in the pending agreement.

Since the Soviets would rather the United States *not* assist NATO in improving its defenses, especially in the area of nuclear weaponry, they have disputed the U.S. right to continue to exchange nuclear weapons technology with Western Europe. A Senate understanding that nothing in the treaty precludes a continuation of U.S. technology transfer with NATO would reaffirm our commitment to the alliance and would create Soviet uneasiness over having a formidable opposing nuclear strike force on the same continent.

Mr. Chairman, the American Legion also seeks an adjustment in the procedure for reporting treaty violations. The treaty now provides that all actual or suspected violations be reported to a standing commission for consideration. We propose a reservation or understanding that would require a simultaneous reporting of all such actual or suspected violations to the Senate for referral to the appropriate committee. Such reporting of violations would strengthen the U.S. commitment to force Soviet compliance with the agreement.

Our final recommendation to correct what we consider to be a flaw in the treaty, deals with the agreed statements and common understandings. It appears as though these explanations of treaty provisions have been presented as separate documents and, therefore, not subject to the ratification process. If this is the case, then we demand formal Soviet agreement that these statements and understandings be made part of the treaty text. The treaty would be simply unmanageable without such an agreement.

Mr. Chairman, we have called for several modifications to the treaty some of which seek amendments to the language and others which seek unilateral declarations by you and your colleagues. And there is little doubt in my mind that the American Legion will be accused by some of proposing so-called "Killer Amendments" and accused of trying to sabotage the treaty.

I began my statement by saying that our organization has historically endorsed the concept of limiting strategic arms. I came here today with that attitude and presented these recommended modifications in that spirit. In fact, our organization would have been happy if both sides were forced to reduce their strategic arsenals by 50% or more. But, of course, we realize that such reductions ignore the realities of negotiating an arms agreement in an environment of uprecedented weapons production.

I have asked you to consider three amendments—to address the overwhelming Soviet advantage in heavy missiles; to prohibit the encryption of telemetry; and to insure that agreed statement and common understandings are legally binding. The first of these creates obvious negotiating difficulties but the existing treaty provisions simply guarantee the Soviets a superior hard target kill capability which must be addressed in one of the ways we've recommended. The issue of heavy missiles will continue to be a problem during SALT III and beyond unless we stand firm. The second and third recommended amendments do not seek any significant changes in the terms of the Treaty. They are honest attempts at (1) making the agreement more verifiable, and (2) insuring that its provisions are precise enough to be manageable.

Up to this point, we have recommended certain amendments to the treaty, reservations by the Senate, or weapons programs, to help compensate for Soviet strategic advantages. These measures alone, however, are insufficient to assure "essential equivalance" and effective deterrence. As I mentioned earlier, our organization believes that the time has come to reconsider our fundamental nuclear strategy.

Our present strategy essentially dates back to the early 1960s, when Defense Secretary McNamara ordered a study to, for the first time, determine the specific criteria of effective deterrence to serve as a guide for U.S. nuclear war planners. We wanted to determine how much capability the United States would need, after absorbing a Russian first strike, to retaliate and inflict "unacceptable damage" on the Soviet Union. His planners concluded that the "unacceptable damage" threshold was the destruction of 20–25% of Russia's population and at least 50% of its industrial capacity. Any capability beyond that would be "over-kill" and could only "rearrange the rubble."

McNamara's "assured destruction" led to the concept of "MAD"—Mutual Assured Destruction—toward the end of the 1960s, by which time the Soviet Union had developed a roughly equivalent strategic posture. The "MAD" concept denies any significance to superiority in force levels, makes "sufficiency" the standard of deterrent capability, and requires that deterrence be mutual. Professor Richard Pipes summed up the "MAD" concept with the ironic comment that "to feel secure, the United States actually requires the Soviet Union to have the capacity to destroy it." To avoid upsetting mutual deterrence, the "MAD" concept requires that neither side should threaten the survivability of the other's retaliatory forces.

The only problem with the Mutual Assured Destruction this is that it is not mutual. Western experts on Soviet military thought agree almost unanimously that Soviet strategists have never regarded nuclear war as unthinkable or unwinnable. In the words of one American Analyst, "the only Soviet 'Doctrine' is found in its concept of fighting and winning nuclear wars."

In our view, the most effective way of countering the vulnerability of our ICBMs to a Soviet first strike, assuring the maintenance of essential equivalence and effective deterrence, and lessening the temptation for the Soviet Union to launch a counterforce or nation-paralyzing first strike, would be to adopt a "launch on warning" posture. The adoption of such a policy would also help nullify any strategic advantages the Soviet Union might obtain by violating the SALT II Treaty, by concealing more than the stipulated number of launchers, by increasing the number of re-entry vehicles in MIRVed warheads, and so forth. In other words, no matter what the Soviet Union did, we would be assured of an effective deterrent.

Those who oppose the "launch on warning" policy, cite two principal objections. One is the danger of accidental war, that our radar and monitoring systems are not sufficiently reliable. We believe that there is virtually no chance of such an "accident." General James C. Hill, commander of NORAD/ADCOM, recently remarked that, "We do have the capability now to detect and assess a large-scale ICBM attack on the U.S.—and so notify the President;" although he warned that there are deficiencies if the objective is to extend launch warning to flexible response and similar kinds of graduated retaliatory actions.

We should give the highest priority to further improving our monitoring and communications systems, with the goal of eliminating, to the extent that it is humanly possible, the chance of accidental war.

The second major objection to a "launch on warning" policy is that it would restrict the President's ability to employ limited nuclear options. In the words of Secretary Brown, "While I have serious doubts about whether a nuclear war, once started, could be kept limited, it would be imprudent to place the United States in a position in which uncontrolled escalation would be the only course we could follow. Massive retaliation may not be appropriate, nor will its prospect be sufficiently credible in all circumstances to deter the full range of actions we seek to prevent."

We take issue with the views that a launch on warning policy is destabilizing or may prevent uncontrolled escalation. In the first place, the Soviet Union now has, and has long had, such a policy. Second, if there is a destabilizing factor in the nuclear deterrence equation, it is that Soviet war planners may be at least 90% certain that, according to our present policy, we would absorb a first strike no matter what its magnitude. That could tempt the Soviet Union to try for a "knock out" blow. The possibility of their opting for such a course would be greatly diminished if they knew that their missiles would impact on empty silos.

Furthermore, we believe that there is little likelihood that the Soviet Union would play our game of "limited nuclear options." They would in all likelihood atempt to inflict maximum military-economic damage on the first strike, although perhaps leaving certain leaving certain population centers "hostage" to a second strike. We would be left with shattered military forces, a shattered economy and a bag full of limited nuclear options.

In sum, we believe that the United States can no longer afford to pursue a strategic policy that would oblige us to absorb a first strike. We must make it clear to the Soviet Union, and while we will not be the first to start a nuclear war, we are prepared to retaliate immediately. This would decrease the likelihood of nuclear war, not increase it.

Although the adoption of a "launch on warning" posture would go a long way toward assuring that we could maintain an effective deterrent, we realize that at the crucial moment the President may fail to act or that there may be some breakdown in the communication link. We, therefore, believe that the MX program would be a good investment. It would provide the United States with a highly survivable back-up system and with an accurate, powerful, hard-target system similar to that of the Soviet Union. But deployment of the MX system alone is not enough. We must recommit ourselves to the modernization of our strategic triad—the concept developed as the basis for providing the President certain options during a crisis. The survivability and strike capability of our submarine fleet are matters of debate as the aging Polaris and Poseidon ships quickly approach their scheduled retirement dates. The schedule for full deployment of the Trident system, therefore, must be accelerated.

A manned penetrating bomber capable of delivering cruise missiles close to Soviet targets is especially critical since B–52 vulnerability to Soviet air defense is almost a certainty. Our Nation's war planners should also examine the feasibility and cost effectiveness of deploying a portion of our current land-based ICBM force in a mobile mode during the early 1980s since it will be a decade before the MX system is fully deployed.

We are aware that these recommended actions to modernize the strategic triad are expensive and there are many people in this country who have expressed concern that the SALT II hearings have provided a marketplace in which defense-minded groups and individuals have presented military hardware shopping lists with the totals being the costs of their support of the agreement. We present our recommendations as necessary expenditures, whether SALT II be approved or rejected.

The Soviet Union is a formidable opponent but the greatest potential danger facing our Nation today in terms of its security is not the threat of any foreign power but the unwillingness of our citizenry to pay the price of pursuing peace through a position of strength. Regardless of the disposition of this treaty, we will be required to step up defense spending in order to counter improvements in the Soviet strategic arsenal.

Our final recommendation is that the United States should make a much greater effort in civil defense preparedness. The Soviet Union has long realized that civil defense is an integral part of strategic policy. It has devoted a good deal of effort to "hardening" key economic and military installations and in developing evacuation capabilities, with special emphasis on evacuating essential industrial and political personnel. An effective civil defense system would also give the Soviets a strategic advantage in that in the event of a developing crisis, they could evacuate their major population centers, perhaps on the pretext that they fear a U.S. pre-emptive strike, thus presenting U.S. war planners with empty cities while ours are filled with people and panic.

In sum, Mr. Chairman, we believe that although the SALT II treaty, if it is adhered fully and in good faith, has certain positive features, it also has a number of serious deficiencies. An even greater danger than the deficiencies of the treaty, however, is the prospect that the people of the United States will be lulled into a false-sense of security and assume that the treaty will eliminate the likelihood of nuclear war. We must realize that we can have peace only through strength.

The Soviet Union is already ahead of the United States in a number of strategic areas, and by all projections we have seen, that gap will grow in the years ahead. But if such a disparity is allowed to exist, that will be not so much the fault of the treaty as the lack of national will, as the result of our own deliberate policies. We are willing to support the SALT II treaty only if we are assured that the United States will strengthen its defenses along the lines we have outlined and the treaty is amended and modified in the areas that we've mentioned.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

RUSSIAN COMBAT TROOPS IN CUBA

Mr. GOLDWATER. Mr. President, a rather natural question arises from the disclosure that there are 3,000 Russian troops now stationed on the island of Cuba, 90 miles off our southern shore: Why did not our intelligence services know of this since the State Department claims that they have been there for some time?

Let me say at the outset that of all the countries where we attempt to get intelligence, Cuba is one of the most difficult areas to cover through eyeball or eyewitness proof of suspicious activity. This difficulty has been created by repeated and constant attacks on our intelligence community and through unauthorized disclosures of highly classified material by some of the Nation's leading newspapers and electronic media. When there is illegal disclosure of intelligence operation, and in some cases the naming of names, it becomes virtually impossible for the United States to obtain the kind of volunteers that we need. For example, if we had been able to get volunteers for on-the-ground work in Cuba, we would have known much earlier about the existence of the so-called Russian brigade.

And, Mr. President, I believe the Senate and the House must also take a share of the blame for our intelligence difficulties. In many instances, committees other than the proper intelligence committees of both Houses have been flagrant in their use of classification privileges. Of course, we have known for some time that there were some Russians in Cuba, and it will be recalled that at the time of the missile crisis in 1962, there were over 20,000 Russians in Cuba. Some of them did start to leave immediately thereafter, but we have known for years that some remained or were replaced. What we have lacked until now was an accurate picture of exact numbers and their formation. And this, of course, was because "eyeball" information was not available.

Mr. President, each member must decide for himself why the Russians are maintaining a brigade of combat troops in Cuba. My personal feeling is that they are there to test the courage of President Carter—to see what he will do relative to the threat of our southern border.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTAL APPROVAL

A message from the President of the United States reported that on September 6, 1979, he had approved and signed the following act:

S. 1146. An act to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

MESSAGE FROM THE HOUSE

At 3:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2018. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consoliate, and provide additional authority for the Secretary of Agriculture to establish methods for efficient and equitable marketing of tobacco; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2019. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions, to authorize U.S. Marshals to serve warrants under the Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2020. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 5 construction projects to be undertaken by the Naval and Marine Corps Reserve and 1 project for the Air Force Reserve; to the Committee on Armed Services.

EC-2021. A communication from the Acting General Counsel, Department of the Navy, reporting, pursuant to law, concerning allegations that civilian employees at the Philadelphia Naval Shipyard were stealing government property; to the Committee on Armed Services.

EC-2022. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Military Medicine is in Trouble: Complete Reassessment Needed," August 16, 1979; to the Committee on Armed Services.

EC-2023. A communication from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

EC-2024. A confidential communication from the Acting Assistant Secretary of Defense, transmitting, pursuant to law, updated test sections for the XM-1 tank, Uh-60A Blackhawk, and the Roland programs; to the Committee on Armed Services.

EC-2025. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of the Decision to Begin Production of the Roland Missile System," September 24, 1979; to the Committee on Armed Services.

EC-2026. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting a draft of proposed legislation to authorize the Secretary of Defense to enter into cooperative military airlift arrangements with the armed forces of allied governments; to the Committee on Armed Services.

EC-2027. A communication from the Secretary of the Army, reporting, pursuant to law, that the U.S. Army intends to initiate the disposal of Chemical Agent Identification Sets under Phase I, Pilot Test at Rocky Mountain Arsenal, Colorado, on or about September 24, 1979; to the Committee on Armed Services.

EC-2028. A communication from the Director, Office of Economic Adjustment, Department of Defense, transmitting, pursuant to law, a report on the resolution of a conflict over use of surplus naval lands in Rhode Island; to the Committee on Armed Services.

EC-2029. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on experimental, developmental and research contracts of $50,000 or more, by company, for the period January 1, 1979 through June 30, 1979; to the Committee on Armed Services.

EC-2030. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2031. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Tunisia; to the Committee on Banking, Housing, and Urban Affairs.

EC-2032. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2033. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Canada; to the Committee on Banking, Housing, and Urban Affairs.

EC-2034. A communication from the Acting Deputy Secretary of Transportation, transmitting, pursuant to law, the third Urban Mass Transportation Administration Quarterly Report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-2035. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to the Republic of Korea (ROK); to the Committee on Banking, Housing, and Urban Affairs.

EC-2036. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to the Republic of Korea (ROK); to the Committee on Banking, Housing, and Urban Affairs.

EC-2037. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2038. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Investigation and Suspension Docket No. 9206, Absorption of Switching Chases, Southern Territory, within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-2039. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Key Crude Oil and Products Pipelines Are Vulnerable to Disruptions," August 27, 1979; to the Committee on Commerce, Science, and Transportation.

EC-2040. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Department, prepared in consultation with the Department of State, describing research studies on salmon stocks and the problems of incidental take of marine mammals in the Japanese High Seas salmon fishery; to the Committee on Commerce, Science, and Transportation.

EC-2041. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-2042. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of April 1979, on (1) the average number of passengers per day on board each train operated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-2043. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of April 1979, on (1) total itemized revenues and expenses, (2) revenues and expenses of each train operated, and (3) revenues and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-2044. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the administration of the Marine Mammal Protection Act of 1972 for the period of April 1, 1978 through March 31, 1979; to the Committee on Commerce, Science, and Transportation.

EC-2045. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the proposed use of $680,000 of "Research and Development" funds appropriated to NASA for fiscal year 1977, to modify two buildings at the Lewis Research Center (LeRC), Cleveland, Ohio, for helicopter transmission testing under the Helicopter Transmission Systems Technology program; to the Committee on Commerce, Science, and Transportation.

EC-2046. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report for fiscal year 1978 in implementing the procedures of the National Voluntary Laboratory Accreditation Program established under Part 7, title 15 of the Code of Federal Regulations; to the Committee on Commerce, Science, and Transportation.

EC-2047. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report from the U.S. Government Comptroller for Guam and the Trust Territory on Federal Grant Management of the Trust Territory of the Pacific Islands (TT); to the Committee on Energy and Natural Resources.

EC-2048. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend Public Law 94-578 (90 Stat. 2732) to authorize the addition and deletion of land at Padre Islands National Seashore, Texas; to the Committee on Energy and Natural Resources.

EC-2049. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-2050. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legal and Administrative Obstacles to Extracting Other Minerals from Oil Shale," September 5, 1979; to the Committee on Energy and Natural Resources.

EC-2051. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the United States Comptroller for American Samoa on the financial condition of American Samoa as of September 30, 1978; to the Committee on Energy and Natural Resources.

EC-2052. A communication from the Secretary of the Interior, reporting, pursuant to law, on certification as to adequacy of soil survey and land classification as required by Public Law 95-230—Replacement Land Program, Teton Project, Idaho; to the Committee on Energy and Natural Resources.

EC-2053. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report relating to public disclosure of certain financial interests by officers and employees of the Department of the Interior; to the Committee on Energy and Natural Resources.

EC-2054. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

EC-2055. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to modify the boundary of the Cibola National Forest in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

EC-2056. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, the sixteenth report on abnormal occurrences at licensed nuclear facilities; to the Committee on Environment and Public Works.

EC-2057. A communication from the Acting Federal Cochairman, Appalachian Regional Commission, transmitting, pursuant to law, the Commission's report on migration; to the Committee on Environment and Public Works.

EC-2058. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the acquisition of space by lease in the Washington metropolitan area; to the Committee on Environment and Public Works.

EC-2059. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 1750 Pennsylvania Avenue NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC-2060. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Safeway Building, 521 12th Street NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC-2061. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC—2062. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes continued occupancy under a succeeding lease for space at the Washington Science Center, 6001 to 6010 Executive Boulevard, Rockville, Md.; to the Committee on Environment and Public Works.

EC-2063. A communication from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report on suspended particulate matter; to the Committee on Environment and Public Works.

EC-2064. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Unemployment Insurance Inequities and Work Disincentives in the Current System," August 28, 1979; to the Committee on Finance.

EC-2065. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Social Security Student Benefits for Postsecondary Students Should Be Discontinued," August 30, 1979; to the Committee on Finance.

EC-2066. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that, in order to maintain in the third quarter of fiscal year 1979 the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., $1,586,627 is needed because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC-2067. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Peru; to the Committee on Foreign Relations.

EC-2068. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Panama; to the Committee on Foreign Relations.

EC-2069. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2070. A communication from the Acting Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of March 31, 1979; to the Committee on Foreign Relations.

EC-2071. A communication from the Acting Secretary of State, transmitting, pursuant to law, a report on developments related to Zimbabwe—Rhodesia; to the Committee on Foreign Relations.

EC-2072. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Thailand; to the Committee on Foreign Relations.

EC-2073. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Sri Lanka; to the Committee on Foreign Relations.

EC-2074. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Indonesia; to the Committee on Foreign Relations.

EC-2075. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 programs in Lebanon and the West Bank and Gaza; to the Committee on Foreign Relations.

EC-2076. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee in 1982, and for other purposes; to the Committee on Foreign Relations.

EC-2077. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Tunisia; to the Committee on Foreign Relations.

EC-2078. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2079. A communication from the Acting Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on a new system of records for the Department of Justice under the Privacy Act; to the Committee on Governmental Affairs.

EC-2080. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2081. A communication from the Mayor of the District of Columbia, transmitting, pursuant to law, the response of the Government of the District of Columbia to the report of the Comptroller General of the United States regarding Forest Haven; to the Committee on Governmental Affairs.

EC-2082. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2083. A communication from the Administrator of the Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records for the Department of Health, Education, and Welfare; to the Committee on Governmental Affairs.

EC-2084. A communication from the Administrator of the Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records for the Department of Health, Education, and Welfare under the Privacy Act; to the Committee on Governmental Affairs.

EC-2085. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the National Advisory Council on Extension and Continuing Education made in their annual report for 1977; to the Committee on Governmental Affairs.

EC-2086. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Compensation for Federal Employee Injuries: It's Time to Rethink the Rules"; to the Committee on Governmental Affairs.

EC-2087. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status, Progress, and Problems in Federal Agency Accounting During Fiscal Year 1978"; to the Committee on Governmental Affairs.

EC-2088. A communication from the Acting General Counsel of Housing and Urban Development, transmitting a draft of proposed legislation to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to remove the statutory ceiling on the residential moving expense allowance, to eliminate the matching requirement for downpayment assistance payments, to simplify procedures for programs and projects carried out by State agencies with assistance from two or more Federal agencies, to authorize property owners knowingly and voluntarily to give or donate real property to acquiring agencies without prior determination of just compensation, and for other purposes; to the Committee on Governmental Affairs.

EC-2089. A communication from the Mayor of the District of Columbia as Chairman of the District of Columbia Armory Board, transmitting, pursuant to law, the thirty-first annual report and financial statements of the Boards' operation of the District of Columbia National Guard Armory and the twenty-first annual report and financial statements of the Boards' operation of the Robert F. Kennedy Memorial Stadium for calendar year 1978; to the Committee on Governmental Affairs.

EC-2090. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2091. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a follow-up report of the President's Commission on Military Compensation relative to its recommendations to the President in its report to the President of April, 1978 entitled "Report of the President's Commission on Military Compensation"; to the Committee on Governmental Affairs.

EC-2092. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the Commission's quarterly report on the number of full-time permanent employees hired and promoted between April 1 and June 30, 1979; to the Committee on Governmental Affairs.

EC-2093. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Aircraft Delays at Major U.S. Airports Can be Reduced"; to the Committee on Governmental Affairs.

EC-2094. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Progress in Improving Program and Budget Information for Congressional Use"; to the Committee on Governmental Affairs.

EC-2095. A communication from the Secretary of the Aviation Hall of Fame, Inc., transmitting, pursuant to law, the organization's audit report for the calendar year 1978, the identification of its statutory agent, and its current list of officers and trustees; to the Committee on the Judiciary.

EC-2096. A communication from the Commissioner of the U.S. Immigration and Naturalization Service, transmitting, pursuant to law, a report on conditional entry activities for the period January 1 through June 30, 1979; to the Committee on the Judiciary.

EC-2097. A communication from the Corporation Agent of the Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, the organization's financial statement for the fiscal year ending April 30, 1979; to the Committee on the Judiciary.

EC-2098. A communication from the Executive Director of the National Advisory Council on Vocational Education, transmitting, pursuant to law, the Council's study of the Bureau of Occupational and Adult Education in the U.S. Office of Education; to the Committee on Labor and Human Resources.

EC-2099. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on model standards for community preventive health services; to the Committee on Labor and Human Resources.

EC-2100. A communication from the Acting Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, an audit of the American National Red Cross for the year ending June 30, 1978; to the Committee on Labor and Human Resources.

EC-2101. A communication from the Chairman of the National Arthritis Advisory Board, transmitting, pursuant to law, the proceedings of the organization's Forum on Public Policy & Chronic Disease; to the Committee on Labor and Human Resources.

EC-2102. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the employment of substitute parents in nonprofit educational institutions; to the Committee on Labor and Human Resources.

EC-2103. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, the Department's final regulations for emergency school aid act-tv (essa-tv); to the Committee on Labor and Human Resources.

EC-2104. A communication from the Secretary of Labor, transmitting, pursuant to law, a report entitled the "Domestic Service Employees Study"; to the Committee on Labor and Human Resources.

EC-2105. A communication from the Secretary of Labor transmitting, pursuant to law, a report relating to fair labor standards in employment in and affecting interstate commerce; to the Committee on Labor and Human Resources.

EC-2106. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Single Federal Authority Is Needed for Establishing or Constructing Rehabilitation Facilities"; to the Committee on Labor and Human Resources.

EC-2107. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1978 through February 1979; to the Select Committee on Small Business.

EC-2108. A communication from the Acting Assistant Attorney General (Civil Division), transmitting, pursuant to law, a copy of a summons, complaint, and request for production of documents filed in Parartists Blow Manuscript v. Administrator, Veterans Administration and Alan Cranston, Senator; to the Committee on Veterans' Affairs.

EC-2109. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's tenth special message for fiscal year 1979, which was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC-2110. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Funding of State and Local Government Pension Plans: A National Problem," August 30, 1979; to the Committee on Labor and Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Comptroller General of the United States, transmitting a report entitled "Funding of State and Local Government Pension Plans: A National Problem," be jointly referred to the Committee on Labor and Human Resources and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-435. A resolution adopted by the House of Representatives of the State of Massachusetts; from the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas, most citizens of the United States receive news and emergency information from television broadcasts; and

"Whereas, television is both a visual and auditory medium; and

"Whereas, it is the auditory portion of television news and emergency broadcasts which for the deaf and the hearing impaired is hardest to understand;

"Resolved, that the Massachusetts House of Representatives requests the Congress of the United States to enact the appropriate legislation requiring that television news programming and emergency announcements, whether originated by a national television network organization or by a local television broadcaster operating under a license granted by the Federal Communications Commission, be captioned in written language; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the presiding officer of each branch of Congress, the members thereof from this Commonwealth and to the general managers of all corporate entities of this Commonwealth licensed to operate as a television broadcaster."

POM-436. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 164

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Representatives Phillip Burton and Antonio B. Won Pat have proposed the inclusion in the Omnibus Territories Bill of 1979 of a provision which would require the Internal Revenue Service of the United States Government to be responsible for tax collection within the territory; and

"Whereas, since 1950, tax collection has been entirely the province of the territorial government; and

"Whereas, to now allow a Federal incursion into the power of the people of the territory of Guam to rule themselves would be a gigantic step backwards; and

"Whereas, Guam already suffers tremendously from inflexible Federal regulation of interests vital to it, e.g. the Federal Department of Labor and Federal Bureau of Immigration and Naturalization Service's heartless handling of immigration matters pertinent to the territory; and

"Whereas, the people of the territory desire more rather than less home rule; now, therefore, be it

"Resolved, that the people of the territory of Guam, through their elected representatives, respectfully requests the U.S. Senate to amend H.R. 3756 as follows:

"On page 7 of said bill, delete lines 21 through 25;

"On line 1, page 8, change the number '(2)' to '(b)(1)';

"On line 4, page 8, delete the following words: '(other than customs';

"Delete all of line 5;

"On line 6, delete the words: 'graph (1) applies)';

On line 14, change the word 'paragraphs' to 'paragraph' and delete the word 'and';

"Delete line 15;

"Renumber the subsections as appropriate;

"Section 301. (b) will thus read:

"'The Secretary of the Treasury shall, upon the request of the Governor of Guam, administer and enforce the collection of any tax, the proceeds of which are covered into the treasury of Guam under this section, and any tax imposed by local law, without cost to the government of Guam. The administration and enforcement of any such tax shall continue until such time as the Governor of Guam, acting pursuant to legislation enacted by the Legislature of Guam, requests the Secretary to discontinue the administration and enforcement of such tax.'

"and be it further

"Resolved, that rather than consider such regressive measures as contained in certain provisions of H.R. 3756, it is respectfully requested that the Congress turn its attention to provisions which would be salutary from Guam such as those listed hereinafter:

"1. Exempt Guam from the provisions of the Jones Act.

"2. Appropriate $25,000,000 for the relocation of the ammunition wharf at Apra Harbor.

"3. Release federal properties at Cabras Island so that the area can be economically developed.

"4. Prohibit the recruitment of alien workers to replace local workers at the Navy Public Works Center.

"5. Designate central avenue at NAS Agana road as a public thoroughfare.

"6. Require the Department of Defense to patronize local building contractors—at least as subcontractors on multi-million dollar projects.

"7. Release federally-held properties which are not now being utilized—and have not been for at least the past 20 years.

"8. Liberalize provisions of Headnote (3A) so that goods manufactured in Guam may be exported to the Continental United States without so much red tape. If the National Government can be liberal to foreign countries—some of them not so friendly—then the least it can do is to be fair to an American territory.

"9. Permit the people of Guam to vote in presidential elections and have voting power in the Congress;

"and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Secretary of the United States Department of the Treasury; to all member of the United States Congress; and to the Governor of Guam."

POM-437. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Energy and Natural Resources:

"HOUSE FLOOR RESOLUTION No. 79-95

"Whereas, The Yakima River System has long suffered from a lack of water as well as water of poor quality; and

"Whereas, This shortage has not only caused many disputes but also numerous costly lawsuits over the rights to the use of water of the river system, all of which are detrimental to the social and economic well-being of the Yakima Valley; and

"Whereas, The Department of Ecology of the State of Washington, working with the Yakima Indian Nation and others, has developed a proposal for resolving the conflicts and suffering arising from water shortages by providing more water for agricultural uses as well as fishery, recreational, and other instream uses; and

"Whereas, A proposal, known as the Yakima River Basin Water Enhancement Project, embodies a combined physical and legal solution consisting of the construction of five water storage and distribution projects and the termination of several major water rights' cases pending in federal and state courts; and

"Whereas, Legislation directing the Secretary of the Department of the Interior to study the feasibility of the Yakima River Basin Water Enhancement Project has been introduced by Senators Henry M. Jackson and Warren G. Magnuson (S. 585) and Representative Mike McCormack (H.R. 2757), and the Washington state legislature has provided financial assistance not exceeding $500,000 for the study by the Secretary of the Interior, through enactment of Substitute Senate Bill No. 2504 earlier this session:

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That:

"(1) The House members encourage President Jimmy Carter to support the enactment of S. 585 and H.R. 2757; and

"(2) Congress is encouraged to enact S. 585 and H.R. 2757.

"Be it further resolved, That copies of this resolution be immediately transmitted by the chief clerks of the House to the Honorable Jimmy Carter, President of the United States; to the President of the United States Senate; to the Speaker of the House of Representatives; to the Secretary of the Interior; and to each member of Congress from the State of Washington."

POM-438. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 193

"Whereas, Under Section 1023 of the Internal Revenue Code which was added by the Tax Reform Act of 1976, the tax basis for reporting and paying income taxes on gains derived from the sale of property acquired from a decedent is the adjusted basis of the property prior to death of the decedent while inheritance taxes are levied on the value of the property at death; and

"Whereas, The use of entirely different values for determining income tax liability and inheritance tax liability places a serious burden on taxpayers; and

"Whereas, The provisions of Section 1023 make it necessary for a taxpayer who has acquired property from a decedent to determine the adjusted basis of the property before the death of the decedent which may involve determining the initial cost of the property and improvements thereto over a period of many years; and

"Whereas, Any advantages which may accrue from the provisions of Section 1023 are far outweighed by the difficulty of compliance, inconvenience to taxpayers, and possible unfair taxation in some cases; now, therefore, be it

"Resolved by the House of Representatives of the 66th Legislature of the State of Texas, the Senate concurring, That the legislature hereby respectfully urge the U.S. Congress to repeal Section 1023 of the Internal Revenue Code which was added by the Tax Reform Act of 1976; and, be it further

"Resolved, That upon adoption of the resolution, a copy hereof shall be transmitted to the presiding officer of the U.S. Senate and House of Representatives and to each member of the Texas Congressional Delegation."

POM-439. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"*Whereas*, Soviet law, article fifty-nine and sixty-four on the family and marriage, nineteen hundred and sixty-eight code, authorizes the State to take a child from its family if the family teaches the child religion or takes the child to Church before the child is eighteen years of age; and

"*Whereas*, under said statutes, the teaching of religion to children has, in fact, been held by the Soviet Government to be an immoral and antisocial activity, providing the legal basis for separating children from their families; and

"*Whereas*, approximately twenty thousand Russian Christians have, therefore, submitted their names to the Supreme Soviet requesting permission to emigrate; and

"*Whereas*, not one request to emigrate, made by a Russian Christian, has been approved by the Soviet Government as of this date; and

"*Whereas*, it is the express policy of the United States Government to assist victims of religious persecution who seek to emigrate from the Soviet Union; Now Therefore Be It

"*Resolved*, that the Massachusetts Senate urgently requests the President of the United States to take immediate action to secure the release of Russian Christians who are seeking to emigrate from the Soviet Union because of religious persecution; and be it further

"*Resolved*, that the Members of the Congress from the Commonwealth be urged to present legislation immediately to provide sanctuary in the United States of America for Russian Christians seeking to emigrate from the Soviet Union because of religious persecution; and be it further

"*Resolved*, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States and to the Members of Congress from this Commonwealth."

POM-440. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Foreign Relations:

"HOUSE CONCURRENT RESOLUTION No. 39

"Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11 million innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, The statute of limitations of the Federal Republic of Germany relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas If this statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas If this statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, In Texas, as well as in a number of other states, no time limitation for prosecution is imposed on the offenses of murder and manslaughter; and

'Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, An international campaign to convince the Federal Republic of Germany to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

"Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 66th Legislature hereby memorialize the government of the United States to urge the Federal Republic of Germany and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and, be it further

"Resolved, That the Texas Legislature hereby request the president and secretary of state of the United States to communicate the contents of this resolution on behalf of the people of Texas to the following officials of the Federal Republic of Germany: the president, the chancellor, the ambassador to the United States, chief justice of the Supreme Court, and the national legislators; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the president and the secretary of state of the United States, to the speaker of the house and the majority leader of the Senate of the United States Congress, to the members of the National Security Council, and to each member of the Texas delegation to the Congress of the United States."

POM-441. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Governmental Affairs:

"HOUSE FLOOR RESOLUTION No. 79-73

"Whereas, The postmark for the City of Olympia has great historical significance since Olympia is the capitol and the focal point of state government of the State of Washington; and

"Whereas, In an attempt to increase efficiency, the United States postal service is considering terminating the use of the Olympia postmark; and

"Whereas, Under the guise of increased efficiency, mail currently processed in Olympia would be transported from Olympia to Tacoma for processing, then back to Olympia for delivery, resulting in greatly increased energy consumption in an era of spiraling energy costs and dwindling energy supplies; and

"Whereas, The praiseworthy goal of increased efficiency conflicts with the less tangible but more important goals of strengthening citizens' ties with their local communities, citizens' pride in their past, and our children's sense of stability and continuity;

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That the House of Representatives shares and supports the concern and interest of the present and future citizens of the State of Washington in the continued use of the Olympia postmark; and

"Be it further resolved, That the Chief Clerks of the House of Representatives of the State of Washington immediately transmit copies of this resolution to the Mayor of the City of Olympia, Washington, the postmaster general, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of Congress from the State of Washington."

POM-442. A concurrent resolution adopted by the Legislature of American Samoa; ordered to lie on the table:

"SENATE CONCURRENT RESOLUTION No. 39

"Whereas, during 1959, Senator Daniel K. Inouye was presented with the title of "Fofoga O Samoa" by the 1959 Legislature, no record of that notable event survives; and

"Whereas, American Samoa would have to look long and hard to find a Congressional friend like Senator Daniel K. Inouye; and

"Whereas, the Senator is available during this celebration of American Samoa's Flag Day, in Hawaii in August of 1979; and

"Whereas, it would appear altogether fitting, proper and just to honor our good friend Senator Daniel K. Inouye with a token of love and affection that the People of American Samoa feel for him as exhibited by and through their elected representatives the Fono of American Samoa and the Governor of American Samoa.

"Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

"That, the 16th Legislature of American Samoa, by and with the concurrence of the Governor of American Samoa does hereby certify, declare and proudly proclaim that Senator Daniel K. Inouye of Hawaii, is fully and properly invested with the High Talking Chief's title of "Fofoga O Samoa" from 1959 to the present and by the Grace of God, for as long as he shall live and serve in the future; and

"Be it further resolved, that the Secretary of the Senate is directed to certify by an appropriate document to the fact that the Senator was in fact invested by the 1959 Legislature with the Tulafale's title of "Fofoga O Samoa" and that fact was reiterated and confirmed by the Governor of American Samoa and the President of the Senate and the Speaker of the House at an appropriate ceremony honoring the Senator at the State of Hawaii's celebration of American Samoa Flag Day in Hawaii in August of 1979; and

"Be it further resolved, that the Secretary of the Senate is directed to send copies of this resolution to: the Honorable Senator Daniel K. Inouye, Hawaii, the Honorable Walter F. Mondale, President of the Senate of the United States of America; J. S. Kimmitt, Secretary of the U.S. Senate; and Fofo I. F. Sunia, Delegate-at-Large to the U.S. Government; and A. U. Fuimaono, Secretary of Samoan Affairs."

POM-443. A resolution adopted by the legislature of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"CONGRESSIONAL RESOLUTION No. 1-9

"Whereas, the Honorable Phillip Burton, for himself and other members of the United States Congress, introduced H.R. 3756 in the House of Representatives on April 26, 1979; and

"Whereas, H.R. 3756 has been introduced to authorize appropriations for certain insular areas of the United States, including the Trust Territory of the Pacific Islands, as well as for other purposes; and

"Whereas, H.R. 3756 would authorize such sums as may be necessary for the Trust Territory beginning with Fiscal Year 1981 and thereafter; and

"Whereas, H.R. 3756 also authorizes the appropriations of an amount equal to fifty percent of such sums as may be necessary to satisfy all adjudicated claims and fiscal awards made by the Micronesian Claims Commission pursuant to Title 1 of the Micronesian Claims Act of 1971; and

"Whereas, H.R. 3756 has been passed by the House of Representatives of the United States Congress and transmitted to the Senate; and

"Whereas, it is the sense of the Congress that H.R. 3756 will allow greater flexibility in budgeting for the crucial remaining years of the Trusteeship Agreement as well as authorizing funds needed to settle 50 percent of the outstanding claims adjudicated by the Micronesian Claims Commission, such claims arising out of events occurring 35 or more years ago; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979 that the United States Congress, particularly the Senate, be respectfully urged to favorably consider H.R. 3756, as introduced; and

"Be is further resolved that certified copies of this Resolution be transmitted to the President of the Federated States of Micronesia; the following members of the United States Congress: the Honorable Phillip Burton; the Honorable Henry Jackson; the Honorable Jamie Witten; the Honorable Warren G. Magnuson; the Honorable Ted Stevens; and the Honorable Sidney Yates; the Secretary of the Interior; the Director of the Office of Territorial Affairs; and the High

Commissioner of the Trust Territory of the Pacific Islands."

POM-444. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Finance:

"CONGRESSIONAL RESOLUTION No. 1-25, CD 1, CD 2

"Whereas, a letter dated February 16, 1968 from the Director of the Income Tax Division of the Internal Revenue Service informed the Director of the Office of Territories a previous ruling, holding that the Congress of Micronesia was not an agency of the United States Government and that U.S. citizens performing services for the Congress would be entitled to the benefits of section 911(a), had been revoked; and

"Whereas, Revenue Ruling 68-608, 1968-2 Com. Bull. 309, consequently held that any U.S. citizen employee of a government of the Trust Territory of the Pacific Islands was not entitled to exclude his income from U.S. income tax laws because the Trust Territory was considered to be an agency or instrumentality of the U.S. Government for the purposes of the Internal Revenue Code; and

"Whereas, this ruling has worked hardship on many U.S. citizen employees of the Trust Territory Executive and Legislative branches over the years, who filed under the assumption that their income was excludable, who have been consistently audited by the IRS, and who have paid fines and penalties because of their disallowed filing status; and

"Whereas, while U.S. citizen employees are able to receive a deduction or credit for Trust Territory income taxes against their U.S. income tax after filing returns, the immediate deductions of both taxes for payroll purposes works an additional hardship on this class of employee; and

"Whereas, while Congress of the Federated States of Micronesia and many Executive Branch employees are paid from locally-generated revenues, ironically, U.S. employees of Global Associates which operates the Kwajalein Missile Range in the Marshalls under a direct contract and funding from the U.S. Army are exempt from U.S. taxation after meeting the residency requirements because the question has never been source of income, or whether the Trust Territory is a foreign country, but rather the 'agency' test; and

"Whereas, the U.S. Fifth District Circuit Court on November 11, 1974 supported this contention and ruled that plaintiffs Kenneth R. and Peggy L. Groves, former Trust Territory contract employees, were not entitled to the exclusion under 911 (a); and

"Whereas, U.S. Ninth District Circuit Court in 1978 reversed a 1975 decision by the Tax Court on a separate but identical case (McComish v. Commissioner, 64 T.C. 909 (1975)), ruling that the Trust Territory is not a United States agency for the purposes of 911 (a); and

"Whereas, despite this later, conflicting ruling by a court of equal jurisdiction, the Internal Revenue Service failed to file an appeal within the time permitted; and

"Whereas, while the IRS took no legal action to contest the ruling, it has also neither withdrawn Revenue Ruling 68-608 nor issued a new ruling to take its place; and

"Wheraes, this inaction by the Internal Revenue Service not only causes inconvenience to U.S. citizen contract employees of the Congress and Executive Branch of the Federated States of Micronesia who are uncertain of their filing status, but also inconveniences the Congress of the Federated States of Micronesia in determining proper wage and salary scales for U.S. citizen employees; and

"Whereas, withdrawal of said ruling would be beneficial to the Federated States of Micronesia Government in that it would be able to recruit, when necessary, U.S. citizen employees who would not be subject to income tax from their country; and

"Whereas, the Congress of the Federated States of Micronesia finds the notion that the former Congress of Micronesia and its successors were or are agencies or instrumentalities of the United States Government for any legal purpose to be without any justifiable basis; and

"Whereas, the Constitution of the Federated States of Micronesia, a sovereign entity, began to be effective on May 10, 1979, on which date the First Congress of the Federated States of Micronesia was installed which in turn elected the first President and Vice President of the Federated States of Micronesia, who were inaugurated on May 15, 1979; and

"Whereas, the Eight Principles of Hilo provide for a government-to-government Compact of Free Association, which is not in consonance with the findings of Revenue Ruling 68-608 on the 'agency' test; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979 that the Commissioner of the Internal Revenue Service of the U.S. Department of the Treasury is hereby urged to immediately withdraw Revenue Ruling 68-608, and issue a new ruling to affirm that U.S. citizen employees of the government of the Federated States of Micronesia and its states, are not employees of agencies or instrumentalities of the United States Government; and

"Be it further resolved that certified copies of this Resolution be transmitted to Supreme Court Justice William Rehnquist; to Chief Judge of the Ninth District Circuit Court James Browning; to Secretary of the Treasury W. Michael Blumenthal; to the Commissioner of the Internal Revenue Service Jerome Kurtz; to the Chairman and Ranking Minority members of the Senate Committee on Appropriations and its Subcommittees on Foreign Operations, Interior, Treasury-Postal Service-General Government; to the Committee on Energy and Natural Resources; to the Committee on Finance and its Subcommittees on Taxation and Debt Management, Oversight of the Internal Revenue Service, and Revenue Sharing, Intergovernmental Revenue Impact, and Economic Problems; to the Committee on Foreign Relations and its Subcommittee on East Asian and Pacific Affairs; to the Committee on Governmental Affairs; to the Chairmen and Ranking Minority Members of the U.S. House Committee on Appropriations and its Subcommittees on Interior, and Treasury, Postal Service, General Government; to the Committee on Foreign Affairs and its Subcommittees on Asian and Pacific Affairs, and International Operations; to the Committee on Government Operations and its Subcommittee on Commerce, Consumer, and Monetary Affairs; to the Committee on Interior and Insular Affairs and its Subcommittee on National Park and Insular Affairs, and Pacific Affairs; to the Committee on Ways and Means; to the President of the Federated States of Micronesia; to the Speaker of the Nitijela of the Marshall Islands Government; to the Speaker of the Palau District Legislature; to the Director of Territorial Affairs, Department of the Interior; and to the High Commissioner of the Trust Territory."

POM-445. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"CONGRESSIONAL RESOLUTION No. 1-12, CD 1

"Whereas, on November 9, 1978 the Interim Congress of the Federated States of Micronesia adopted Senate Joint Resolution No. 2, House Draft 1, creating a new Joint Committee on Program and Budget Planning composed of members of both houses of the Congress representing the Central Districts and excluding members from the Marshall Islands and Palau who no longer served in the said Congress by virtue of Secretarial Order No. 3027 which separated their districts fiscally and administratively; and

"Whereas, the said Joint Committee assumed all the duties and responsibilities of its predecessor Joint Committee in all phases of the formulation and development of the annual U.S. Grant for the Federated States of Micronesia; and

"Whereas, on November 10, 1978 the Interim Congress of the Federated States of Micronesia July adopted House Joint Resolution No. IC-3, Senate Draft 1, authorizing the said newly created Joint Committee on Program and Budget Planning to also undertake the responsibility over war claims and other related matters; and

"Whereas, with the inauguration of the First Congress of the Federated States of Micronesia, the old bicameral national legislature in the form of the Senate and the House of Representatives of the Congress of Micronesia and the Interim Congress of the Federated States of Micronesia went out of existence, and at the same time the Joint Committee on Program and Budget Planning also became extinct; and

"Whereas, under Section 1, rule 7 of the official rules of procedure of the Congress of the Federated States of Micronesia, the Committee on Ways and Means as a Standing Committee has within its jurisdiction the broad area of fiscal matters including budgeting, funding arrangements and requirements, government expenditures, appropriation measures, audits and accounting, etc.; and

"Whereas, there is a definite need to inform government agencies within both the Trust Territory Government as well as the United States Congress and the departments and agencies of the United States federal government with which the defunct Joint Committee on Program and Budget Planning had official contacts or dealings that the Standing Committee on Ways and Means is assuming the duties formerly assigned to the Joint Committee on Program and Budget Planning; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979, that the Standing Committee on Ways and Means of the Congress of the Federated States of Micronesia is hereby authorized and directed to assume all the duties and responsibilities formerly assigned to the former Joint Committee on Program and Budget Planning including war claims and other related matters; and

"Be it further resolved that certified copies of this Resolution be transmitted to the following governmental entities and officials advising them of this change of assignment: United States Senators Warren Magnuson, Milton Young, Robert C. Byrd, Thadeus Stevens, Henry Jackson, Mark Hatfield, J. Bennett Johnston, Daniel K. Inouye, and Spark Matsunaga; members of the U.S. House of Representatives Jamie Whitten, Silvio Conte, Sidney Yates, Joseph McDade, Morris Udall, Phillip Burton, Robert Duncan, Daniel Akaka, Cecil Heftel, and Antonio B. Won Pat; officials in the Office of Management and Budget Rodney Weiher and Ronald Cogswell; Secretary of the Department of the Interior Cecil D. Andrus; Under-Secretary of the Department of the Interior James A. Joseph; Mrs. Ruth G. Van Cleve, Director of Territorial Affairs; other officials of the Department of Interior Matthew Novick, Gordon Law, Hugh Gallagher, and Larry Meierotto; Ambassador Peter R. Rosenblatt; Captain Weis, Officer-in-Charge of Construction, Guam; Trust Territory High Commissioner Adrian P. Winkel; Trust Territory Budget Officer Haruo N. Willter; the President of the Federated States of Micronesia; and Chairman Raymond Setik, Ways and Means Committee, Congress of the Federated States of Micronesia."

POM–446. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Appropriations:

"CONGRESSIONAL RESOLUTION No. 1–7, CD1

"Whereas, the individual States of the Federated States of Micronesia develop their respective annual budget requests for review by the High Commissioner, prior to the preparation of the annual budget request for the Trust Territory of the Pacific Islands; and

"Whereas, such budget requests are carefully prepared and reviewed within each State to ensure that the annual budget request fairly and accurately reflects the needs of the people of the State; and

"Whereas, the budget requests of the States have been the subject of extensive cuts and revisions resulting in severe restrictions on providing essential services in the States; and

"Whereas, it is the sense of the Congress of the Federated States of Micronesia that supplemental appropriations should be sought from the United States Congress to alleviate operating funding deficiencies which the States have experienced; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979, that the Secretary of the Interior, the Office of Management and Budget, and the High Commissioner be respectfully requested to give favorable consideration to the budget requests from the States of the Federated States of Micronesia prior to the submission of the budget request for the Trust Territory of the Pacific Islands to the United States Congress; and

"Be it further resolved that the Secretary of Interior be respectfully requested to seek supplemental appropriations from the United States Congress to restore operations funding to provide basic services in the States for Fiscal Years 1979 and 1980; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Secretary of the Department of the Interior, the Director of the Office of Management and Budget, the President of the Federated States of Micronesia, the High Commissioner of the Trust Territory of the Pacific Islands, the Honorable Phillip Burton, the Honorable Robert Duncan, the Honorable Henry M. Jackson, the Honorable Warren G. Magnuson, the Honorable Jamie Whitten, the Honorable Ted Stevens, the Honorable Sidney R. Yates, the Governors of the States of the Federated States of Micronesia, and the Speakers of the State Legislatures."

POM–447. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION No. 249

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, in 1977, the United States Navy conducted engineering studies for the construction of a new Ammunition Wharf at Orote Point; and

"Whereas, the schedule for completion of this new Wharf calls for funding requests to be made for fiscal year 1979, awarding of bids in early 1979 and a completion of construction in mid 1981; and

"Whereas, Overseas Bechtel Incorporated has identified long range land needs, specific economic potentials, major improvements needed and a development schedule in its recently completed 'Program for Development of Apra Harbor' prepared for the Guam Economic Development Authority; and

"Whereas, many of the development steps and improvements identified by Overseas Bechtel as necessary for the realization of the full economic potential of Apra Harbor can be initiated prior to the completion of the Ammunition Wharf at Orote Point; and

"Whereas, a coordinated development program carried out at the same time, the Orote Point Wharf, if constructed, would permit the territory to realize its full growth potential in the marine industrial area several years earlier than otherwise; and

"Whereas, planning and development of oil storage facilities, storage warehouses, a commercial fishing and canning industry a public marina and related facilities, a ship repair yard and expansion of the Commercial Port facilities may be accomplished during the construction of the United States Navy Ammunition Wharf at Orote Point; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of Guam, respectfully requests the United States Congress to include such sum as is necessary to commence work on the relocation of the Ammunition Wharf at Apra Harbor in the 1980 Fiscal Year Budget of the United States Department of Defense; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President Pro Tempore of the Senate; to the Speaker of the House of Representatives; to the Secretary of Defense; to the Secretary of the Navy; to the Chairmen of the Senate and House Committees on Defense and Interior and Insular Affairs; to Guam's Delegate to Congress; to the President of the Guam Chamber of Commerce; to the Chairman of the Board of Directors of the Guam Economic Development Authority; to the Director of the Department of Commerce; to the Director of the Bureau of Planning; and to the Governor of Guam."

POM–448. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION No. 296

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, servicemen who enlist in the continental United States are granted overseas pay while serving on Guam; and

"Whereas, servicemen enlisting in Guam and assigned duties on Guam are not granted overseas pay; and

"Whereas, Guam enlisted personnel are not granted overseas pay when they serve in the continental United States; and

"Whereas, an inequity is created because of the residence of those persons enlisting in Guam; and

"Whereas, a serviceman from the mainland United States and one from Guam are both not entitled to overseas pay when serving the United States mainland, but only the mainland serviceman is entitled to overseas pay when they both serve on Guam; and

"Whereas, this discriminatory practice occurs in the Air Force and Army but Navy personnel receive overseas pay while on Guam; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature strongly requests the United States Congress to take such action as is necessary to end this discriminatory practice against the people of Guam; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President Pro Tempore of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the Department of Defense; to the Chairman of the Joint Chiefs of Staff; to Congressman Antonio B. Won Pat; and to the Governor of Guam."

POM–449. A resolution adopted by the City Council of the City of Aurora, Minnesota, supporting the proposal to up-grade Highway No. 33 and No. 53 to a four-lane highway; to the Committee on Environment and Public Works.

POM–450. A resolution adopted by the City Council of the City of Brook Park, Ohio, opposing the passage of S. 413 by the United States Senate, and declaring an emergency; to the Committee on Commerce, Science, and Transportation.

POM–451. A joint resolution adopted by the Douglas County Board of Commissioners and the Carson City Board of Supervisors, Carson City, Nevada, requesting for immediate withdrawal from the Tahoe Regional Planning Agency by the Governor of the State of Nevada; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

S. 870. A bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50 per centum employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85–15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurements of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes (together with additional views) (Rept. No. 96–314).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Emily Rauh Pulitzer, of Missouri, to be a Member of the National Museum Services Board.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability.

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank:

William A. Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration; and

Graciela (Grace) Olivarez, Director, Community Services Administration.

The following-named persons to be Members of the Securities and Exchange Commission:

Philip A. Loomis, Jr., of Maryland; and John R. Evans, of Utah.

Jay Janis, of Florida, to be a Member of the Federal Home Loan Bank Board.

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank:

Ronald Grzywinski, of Illinois;

Joseph L. Hansknecht, Jr., of Michigan;

Frances Levenson, of New York;

Albert Joseph McKnight, of Louisiana;

Juan J. Patlan, of Texas;

Derek N. Shearer, of California;

Roger C. Altman, Assistant Secretary of the Treasury;

Carol Tucker Foreman, Assistant Secretary of Agriculture;

Geno Charles Baroni, Assistant Secretary of Housing and Urban Development;

Sam W. Brown, Jr., Director of the ACTION Agency; and

Lawrence Connell, Jr., Chairman, National Credit Union Administration Board.

(The above nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS, FROM NOV. 28, TO DEC. 7, 1978

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Stuart M. Statler:									
Peru	Sol	54.600	262.50					54.600	262.50
Colombia	Peso	9.126	225.00					9.126	225.00
Panama									
Jamaica	Jamaican and U.S dollars	125.67	75.00					125.67	75.00
			225.00						225.00
Owen J. Malone:									
Peru	Sol	54.600	262.50					54.600	262.50
Colombia	Peso	9.126	225.00					9.126	225.00
Total			1,275.00						1,275.00

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

Feb. 12, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS FROM MAR. 11 TO MAR. 21, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
F. Keith Adkinson:									
Philippines	Peso	1,107	150.00		1,849.00				1,999.00
Thailand	Baht	4,367.25	225.00						225.00
Hong Kong	H. K. dollars	1,086.75	225.00						225.00
Total			600.00		1,849.00				2,449.00

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

Aug. 3, 1979

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS FROM MAY 11 TO MAY 18, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Leonard Weiss:									
Germany	Deutsche mark	635.04	336.00		68.00			635.04	404.00
Austria	Schilling	2,565.12	192.00					2,565.12	192.00
Total			528.00		68.00				596.00

ABRAHAM RIPICOFF,
Chairman, Committee on Governmental Affairs.

Aug. 21, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SENATE MAJORITY LEADER ROBERT C. BYRD VISIT TO THE SUPREME SOVIET OF THE U.S.S.R. AND WESTERN EUROPE, JUNE 28 TO JULY 7, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency[1]
Robert C. Byrd:									
Italy	Italian lira	136,425	163.78						
Russia	Ruble	147.56	224.09						
France	Franc	756.00	180.00						
Barbara Videnieks:									
Italy	Italian lira	136,800	164.23						
Russia	Ruble	115.06	174.74						
France	Franc	486.40	115.81						
Dr. Freeman H. Cary:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	121.56	184.61						
France	Franc	546.00	130.00						
Walter J. Stewart:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	197.56	300.02						
France	Franc	756.00	180.00						
Jeanine Drysdale:									
Italy	Italian lira	183,260	220.00						
Russia	Ruble	117.56	178.53						
France	Franc	588.00	140.00						
J. Michael Willard:									
Italy	Italian lira	146,475	175.84						
Russia	Ruble	128.25	194.77						
France	Franc	546.00	130.00						
Hoyt H. Purvis:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	106.80	162.19						
France	Franc	756.00	180.00						
Gina Sangster:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	121.82	185.00						
France	Franc	756.00	180.00						
Mary Jane Checchi:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	126.80	192.56						
France	Franc	756.00	180.00						
Delegation expenses including direct payments and/or reimbursements to the Embassies and Department of Defense under sec. 502B of the Mutual Security Act of 1954, as amended by sec. 22 of Public Law 95–384, and Senate Resolution 179, agreed to May 25, 1977, for transportation and in-flight expenses on aircraft, overtime for Embassy employees, clerical supplies and control room expenses, communications, baggage handling, and other necessary expenses of the delegation:									
Italy							2,401.96		
Russia							2,449.86		
France							2,779.59		
Transportation and in-flight expenses					2,690.46				
Total			5,061.17		2,690.46		7,631.41		15,383.04

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	amount
Foreign currency (U.S. dollar equivalent)	$15,383.04
Total	15,383.04

ROBERT C. BYRD, Chairman,
Senate Majority Leader Robert C. Byrd Visit to Supreme Soviet of U.S.S.R. and Western Europe.

Aug. 6, 1979.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. HATCH, and Mr. SIMPSON):

S. 1722. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1723. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. KENNEDY, Mr. JAVITS, Mr. METZENBAUM, and Mr. DURKIN):

S. 1724. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. NELSON (for himself, Mr. KENNEDY and Mr. RIEGLE):

S. 1725. A bill to amend the Economic Opportunity Act of 1964 to establish a Comprehensive Energy Conservation Services Program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 1726. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax; to the Committee on Finance.

By Mr. BURDICK:

S. 1727. A bill to authorize the Secretary of the Interior to obtain adequate law enforcement services at water resources development projects under his jurisdiction; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. HATCH, and Mr. SIMPSON):

S. 1722. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1723. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

CRIMINAL CODE REFORM ACT OF 1979 AND THE CRIMINAL CODE REVISION ACT OF 1979

Mr. KENNEDY. Mr. President, almost 15 years ago a decision was made by the Congress and the Johnson administration to study the feasibility and desirability of reforming and modernizing our Federal criminal laws. Close to a decade has passed since the Congress first considered comprehensive legislation to recodify the existing Federal criminal code. Today I introduce comprehensive legislation which is designed to bring an end to this ongoing debate over the reform of the criminal code.

The two bills introduced today are perfect examples of the type of bipartisan cooperation so essential to a successful codification effort. Both the Senate and House have exhibited the understanding, flexibility, commitment, and dedication necessary for a legislative undertaking of this magnitude. In addition, the codification effort has the complete support of the Department of Justice and Attorney General Benjamin Civiletti, who joins a long list of previous Attorney Generals of both parties in supporting the criminal codification effort. Attorney General Civiletti—and his immediate predecessor, Attorney General Bell—has been especially helpful and cooperative in the drafting of this legislation.

Mr. President, these two bills—when considered as a package—constitute the most important attempt in the history of our Nation to reorganize and streamline the administration of Federal criminal justice. These bills are of critical importance to our Nation. They stand together as the cornerstone of the Federal Government's commitment to the serious problem of crime in America. They follow in the wake of various State code codifications. Since 1960 a majority of the States have either reformed their criminal laws or are in the process of doing so. For example, Montana, Delaware, Mississippi, Iowa, Arizona, Utah, Alabama, South Carolina, Texas, and New Jersey have all enacted and implemented modern State codes within the last 5 years. The Federal Government has a similar responsibility to act and, in so doing, offer a statutory model for the States to consider.

The two bills introduced today are not a hastily conceived idea. The House bill, which I am pleased to introduce, is the most recent product of an intensive ongoing study being conducted by the House Subcommittee on Criminal Justice chaired by Congressman Robert Drinan. Chairman Drinan, with the impressive bipartisan cooperation of Congressman Thomas Kindness and the other members of the subcommittee has developed a draft criminal code reform bill which constitutes a giant step toward the modernization of our Federal criminal laws. The main impetus for this draft bill has been the dedicated, impressive work of Congressman Drinan and his subcommittee. They have labored in over 100 markup sessions in an effort to develop the draft bill I introduce today. The bill is not yet complete but will serve as a valuable focal point for hearings in both the House and Senate Judiciary Committees during the next several weeks.

The second bill introduced today is the culmination of an ongoing 13-year effort by the Senate to develop a just, workable, modern criminal code. The bill has bipartisan support and has been drafted in close cooperation with Senators Thurmond and Hatch. In introducing this legislation Mr. President, I am once again reminded of the dedicated and energetic leadership of the late Senator McClellan and former Senator Hruska in the entire codification effort. This bill—like all the previous Senate bills—builds on their work as members of the National Commission on Reform of Criminal laws, chaired by the former distinguished Governor of California, Edmund G. Brown. The Brown Commission concluded, after close to 5 years of hearings and research, that a completely new comprehensive codification of the Federal criminal law was necessary. Piecemeal change was ruled out as inconsistent with the goal of genuine reform. Both bills introduced today reflect the conclusion that a true reform effort requires a thorough and complete rewrite of all major Federal criminal laws. They are comprehensive bills, a recognition that piecemeal reform is neither possible nor wise.

Why do we need a new criminal code? The plain fact is that the current Federal criminal law is a disgrace. Judges, academicians, law enforcement personnel, and civil libertarians alike have all agreed on the need for prompt development of a comprehensive, logically organized and internally consistent Federal criminal law. The approximately 3,000 criminal laws on the books today have no standardized definitions or logical consistency. Offenses are scattered throughout all 50 titles of the United States Code. There are some 80 separate theft offenses and 70 counterfeiting and forgery offenses all with their own conflicting language and definitions. The interpretation and application of such multiple statutes inevitably results in inconsistencies, loopholes, and hypertechnicalities.

In addition, there are almost 80 different culpability terms used to describe the state of mind required for various offenses. These terms range from "wantonly" and "lasciviously" to "maliciously" and "corruptly". Such terminology helps breed uncertainty and disparity in interpretation and application of the law.

The current code is archaic. Many existing provisions should have been repealed years ago. For example, the Logan Act—enacted during the administration of President John Adams—prohibits certain private communications to a foreign government. It is still a crime to "impair military effectiveness by a false statement" even though this provision was historically used to harass war protestors and has not been invoked since World War I. In a lighter vein it remains a Federal crime to detain a government carrier pigeon. Such provisions are embarrassing to the very idea of an enlightened and respected Federal criminal code.

Nor is the current problem limited to the flaws and confusion of existing law. The omissions are also significant. The Federal criminal law currently lacks effective criminal provisions aimed at contemporary problems—consumer fraud, environmental pollution and, especially, white collar and organized crime.

Most importantly, existing Federal criminal sentencing procedures are in desperate need of reform. Every day Federal judges mete out an unjustifiably wide range of sentences to offenders convicted of similar crimes. One offender may receive a sentence of probation, while another—convicted of the very same crime and possessing a comparable criminal history—may be sentenced to a lengthy term of imprisonment. Even two such offenders who are sentenced to similar terms of imprisonment may become subject to widely differing prison release dates; one may be paroled after serving only a small portion of his sentence while the other may be denied parole indefinitely. These glaring disparities, whether they occur at the time of the initial sentencing or at the parole stage, can be traced directly to the unfettered discretion the law confers on those judges and correctional authorities responsible for imposing and implementing the sentence. This sweeping discretion flows from the lack of any meaningful statutory guidelines or review procedures to which courts and parole boards might look for guidance. For example, a bank robber may receive a judicially mandated sentence ranging from probation to a 25-year prison term, but it is the U.S. Parole Commission, not the court, that typically decides the point at which the convicted offender should be released.

The impact of such disparity on the general population is both real and immediate. The implication to be derived from the inequality in post-conviction treatment of similar offenders, as indicated by the State by State variances from the national average, is that our national criminal justice system is arbitrary and unjust. Indeed, the unexplained nationwide disparity in punishment of similar offenses can only nurture an already growing public cynicism about our penal system. Moreover, the disparity in actual punishment combined with the uncertainty in receiving punishment not only fails to deter criminal behavior—a goal that is basic to any effective crime-fighting program—but may in fact stimulate criminal activity and inhibit corrective action. The potential offender who finds himself in a jurisdiction where the probability of actual incarceration is low may decide that crime is worth the risk. In practical terms, then, our criminal justice system becomes a game of chance in which potential offenders may gamble on receiving a lenient term of imprisonment or probation.

The judges are not to blame. The problem cannot be traced to "weak" judges who "coddle" criminals. The great majority of our Federal judges try to perform their sentencing duties in a responsible, diligent manner. But they must act without guidelines or review, because there are no standards or review procedures in our current criminal code. The law invites injustice by conferring unlimited discretion on judges and parole authorities to impose sentences within vast statutory limits.

This use of broad discretion has backfired; there has been a notorious increase in arbitrariness and injustice. In the last few years study after study has been published documenting the nature and scope of sentencing disparity.

Nor is sentencing disparity and uncertainty the only problem. Sentencing maximums are inconsistent and irrational; if one robs a federally insured bank today a 25-year term of imprisonment is possible; but it one robs a post office, the maximum term is only 10 years. If one commits a minor mail fraud of $200 by sending three letters through the mail 15 years can be imposed; but if a major $25,000 mail fraud is committed by sending only one letter through the mail, the maximum penalty is just 5 years.

And only occasionally, as if by accident, are the criminal fines imposed today related to the amount of actual injury inflicted or gain realized by the offender.

In plain terms, the present penalty structure of the Federal criminal law must be completely revised.

Mr. President, the criminal code reform bills I introduce today are designed to deal with these and many other injustices found in current law. The bills completely reorganize the code in a logical and consistent manner. The numerous statutes relating to such crimes as arson and property destruction are consolidated. The new theft sections in the bills replace over 70 inconsistent theft and fraud statutes, with the penalty for the offense varying depending on the nature and value of the property stolen. Similarly, new forgery and counterfeiting offenses replace the numerous conflicting offenses found in current law, while 50 statutes involving perjury and false statements have similarly been consolidated.

In place of the 80 current culpable mental states—all undefined—the House and Senate bills define just four: Intentional, knowing, reckless, and negligent. This simplification will permit far greater clarity and uniformity.

Every effort has been made to draft offenses simply, uniformly, and precisely. Verbose and technical language—such as that which appears in the current mail fraud statute—has been avoided. Instead, a conscious effort has been made to speak in common English.

Mr. President, although these new features in the bills basically result from House and Senate efforts to modernize existing law, the proposed bills go well beyond mere modernization. They are reform efforts as well.

First and foremost, the bills overhaul the entire sentencing process. They articulate, for the first time, the philosophical purposes to be served by a sentence—deterrence, incapacitation, punishment, and, to a more limited extent, rehabilitation—and set out the factors that a court should consider in exercising its sentencing discretion. The bills would create a Sentencing Committee to develop a system of guidelines and policy statements designed to reduce sentencing disparity and uncertainty and provide more rational and determinate sentencing practices.

Necessary flexibility would be retained, however, by permitting a sentence to be imposed outside of the guidelines in an appropriate case. The bills would, however, encourage adherence to the guidelines by requiring that all sentences imposed outside the guidelines be accompanied by judicial statements specifically justifying the deviations. In addition, sentences would be subject to appellate review, providing a further check against unreasonable punishment.

The bills also provide for determinate prison sentences and abolish the existing parole system. Judges would be instructed to sentence defendants to terms that represent their best judgment, in light of the applicable guidelines, as to how long the offenders should actually spend in prison. The bills would, therefore, eliminate the current judicial practice of imposing inordinately long sentences designed to insure that the defendants remain incarcerated for at least one-third of their sentences, until they are paroled. Under the bills introduced today, the sentence imposed will be the sentence served (subject to time off for good behavior.) The bills, therefore, preserve flexibility in sentencing while simultaneously proposing a procedure for the reduction of disparity through the development of more standardized procedures. In most cases, the offender, the victim, and society all will know at the time of the initial sentencing decision what the prison release date will be. This increased fairness, and, just as importantly, the appearance of fairness, likely will reduce the widespread cynicism concerning our penal system.

In addition, each offense in the bill is described as a certain grade of felony, misdemeanor or infraction, as is common under most modern State codes. This provides a shorthand method of referring to the penalties and other sanctions or consequences that apply to the offense.

But the bills go well beyond current law in a number of other important respects. There are new provisions designed to further protect civil liberties and civil rights; provisions drafted to meet social, political, and economic problems; provisions designed to improve the administration of criminal justice; and important new provisions which will improve the Federal Government's law enforcement capabilites. For example:

The Logan Act is repealed. This law (18 U.S.C. 951) has been on the books since 1799 and prohibits private communications with a foreign government with intent to influence foreign policy. No case has ever been prosecuted under this statute. It has long outlived its usefulness and is looked upon today as little more than a relic. Nevertheless, on occasion it is dusted off and used to raise the specter of prosecution against those who may disagree with official Government policy. In the late 1960's those American citizens who communicated directly with the North Vietnamese Government in an effort to achieve a breakthrough for peace were threatened with prosecution under this section. It is time to repeal it.

New defenses are added to protect the press from "gag orders," a major improvement over the current law of contempt (18 U.S.C. 401). Under current law the invalidity of a judicial order is not a defense to the crime of contempt for disobedience of the order. Under both of these bills some amelioration of this harsh rule is made by providing a defense to contempt for certain invalid orders.

The coverage of the present civil rights laws is expanded. Current law (18 U.S.C. 241) deals only with conspiracies to violate civil rights. Under these bills there need be only one offender, that is, no conspiracy need be found for civil rights violations.

The bills change the Supreme Court decision of *Screws* v. *United States* (325 U.S.C. 91 (1945)). Current law requires a finding that a defendant had a specific intent to deprive the victim of his federally protected civil rights, an almost impossible standard to prove. It is not enough, for example, to show that the defendant intended to assault or maim the victim; the Government must also prove to the jury's satisfaction that the assault was done with a specific intent to intimidate the victim from exercising a civil right. The bills ameliorate this requirement so as to lessen the proof problems imposed on the Government under current law.

The Civil Rights Act of 1968 (18 U.S.C. 245; 42 U.S.C. 3631) is expanded to prohibit discrimination based on sex as well as race, color, religion, or national origin.

The offense of rape is completely modernized. Special corroboration of the victim's testimony is no longer required. In this way, the law will treat rape victims like any other victim of a criminal assault. Violent sexual assaults against both men and women are also covered. It is hoped that these new provisions will serve as a model for States to incorporate into their own criminal codes.

A new election offense is included to prohibit sabotage of political campaigns. Currently, the only principal statute for prosecuting election fraud is an 1870 statute (18 U.S.C. 241) which is broadly designed to prohibit any interference with a Federal right—including but not limited to voting. In light of the events of recent years a new election offense is needed.

The bills create a new offense prohibiting the possession of eavesdropping devices with intent to use them illegally.

The legislation separates out for aggravated penalties the crime of trafficking in stolen property. This new section is directed at the professional fence who deals in stolen goods for a living.

The legislation creates a new offense of operating a racketeering syndicate which is aimed at leaders of organized crime. In addition, the legislation makes it an offense to "launder" the proceeds of organized crime by investing the gains of illegal operations in other legitimate businesses. By making the laundering of these proceeds a crime, these bills help to strip away the financial machinations of organized crime.

The bills create a lesser included offense of loansharking involving grossly usurious rates of interest.

The bills substantially increase the maximum amount of criminal fines that can be imposed by the court.

Mr. President, these are just a few of the major provisions that help to highlight the need for prompt enactment of this legislation.

During the last Congress the Senate passed a comprehensive Criminal Code reform bill by the overwhelming margin of 72 to 15. That bill was a tribute to bipartisan cooperation. Nevertheless, despite overwhelming support for the legislation, serious, constructive criticism was leveled at the bill from various sources. The votes recorded against the bill, although relatively few, signaled the need to reconsider certain aspects of the Senate-passed legislation. Both bills introduced today reflect an effort to deal with that criticism. During the past months, Congressman Drinan and I have worked with House and Senate Members in an effort to develop alternatives to previous legislation, alternatives which will be viewed as improvements over previous legislative efforts. These bills introduced today are the product of that reevaluation effort. They reflect the careful thought of a large number of distinguished and concerned people; House and Senate Members have labored tirelessly in an effort to perfect new bills worthy of even broader based support.

For example, sharp criticism was directed last year at the size of the Senate-passed bill. The concern was voiced that a bill of close to 700 pages could not be given the careful page-by-page consideration needed. This year's legislation will be closer to 400 pages in length and is based on the fact that technical, conforming amendments made last year to nontitle 18 criminal offenses will be minimized this year. Last year's bill attempted to conform all misdemeanors found in the other 49 titles of the United States Code to the language and style of the new Criminal Code reform bill. Although such changes were overwhelmingly technical in nature, these changes nonetheless doubled the size of the legislation. Neither of the bills introduced today attempts to conform nontitle 18 offenses except in those rare cases where such offenses have been repealed or transferred to title 18. The important task of conforming the nontitle 18 offenses will be left to a subsequent Congress.

Perhaps the strongest criticism leveled at the bill last year—a criticism I find to be vastly overstated—concerned the charge that Federal Criminal Code reform substantially expanded Federal jurisdiction. According to this argument, last year's Senate-passed bill would have resulted in the Federal Government's interfering with purely State and local law-enforcement efforts. This concern over the nature and scope of Federal jurisdiction has been met head on in this year's legislation. A new section has been added limiting the exercise of Federal concurrent jurisdiction; this section instructs the U.S. Government not to exercise jurisdiction in situations where State and local governments have jurisdiction over the offense unless certain detailed prerequisites are met. In addition, no effort is made in this year's bills to deal with the thorny question of jurisdiction of nontile 18 offenses. Current law will continue to prevail. Also, concern voiced last year over the subject of ancillary or "piggyback" jurisdiction has resulted in significant cuts being made in the scope of such jurisdiction with respect to designated offenses (for example, rape and arson). Finally, the jurisdiction of certain specific offenses has been narrowed (for example, consumer fraud).

A third major concern articulated last year pertained to sections deemed to pose a threat to civil liberties. Here, numerous changes have been made in an effort to assure that the civil liberties of the American people will not be threatened or sacrificed by any comprehensive criminal code reform bill. Thus, for example, the bills eliminate the section making it an offense to fail to obey a public safety order; the crime of solicitation is dropped from one bill and narrowly circumscribed in the other; the crime of making a false oral statement is eliminated in one bill while in the other a new standard requiring knowledge as to falsity is adopted. The bill drafted by the House Subcommittee on Criminal Justice would also make other numerous, valuable changes designed to protect the civil liberties of the American people. These changes must be given careful consideration and attention by the Senate Judiciary Committee.

Mr. President, Judiciary Committee consideration of these two bills will give the Senate the opportunity to enact a final product that reflects the very best of both bills. The two bills are, for the most part, similar in scope and substance. There are certain substantive differences. The House bill, for example, attempts to codify for the first time a series of common law defenses. I would urge my Senate colleagues to accept this effort at codification and to include certain defenses in any bill reported out of the Judiciary Committee. On the other hand, the House bill—while providing for appellate review of sentences by the defendant—fails to provide for such appellate review by the Government. I am convinced that limiting appellate review to the defendant alone will undermine the entire concept of sentencing guidelines and would pose a threat to the new sentencing system codified in this legislation. In addition, I view such appellate review by the Government as an important vehicle for assuring that those convicted of white collar crime or Government corruption receive appropriate punishment. In recent years, there have been too many cases where the poor, the young and the minority defendant receive excessive punishment while the white collar offender or defendant convicted of Government corruption or using excessive force receives a lenient sentence.

Mr. President, I believe that this legislation is a major forward step in the ongoing effort to reform our Federal criminal laws and streamline the administration of criminal justice. The bills can still be improved, and I look forward with anticipation to the upcoming hearings and markup sessions, because I am convinced that we can do an even better job. For example, both bills lack effective provisions to deal with the growing problem of fraud committed against the Federal Government. Each year billions of tax dollars are spent in support of Federal programs, yet little or no consideration has been given to dealing with fraud, bribery, and corruption committed in the course of administering and distributing moneys pursuant to these programs. In numerous investigations, prosecutors have established that individuals or organizations have stolen from or otherwise defrauded a federally sponsored program, but because the Federal funds contributed to the program have either been paid over to a public or private agency or have been comingled with funds from other sources, there is no basis for prosecution under 18 U.S.C. 641—theft of public funds or property—since the Federal Government no longer was deemed to have "title" to or "possession" of the property. Yet, in many cases, State prosecutors have declined to take up such cases either, because the Federal and not the State government is the injured party or because of the lack of available resources. Responding to these problems, I plan to offer a series of amendments to the criminal code legislation permitting Federal prosecution in connection with these frauds and other corrupt activities committed in the course of conducting federally supported programs.

In addition, steps must be taken during the consideration of criminal code reform legislation to deal directly with the growing problem of crimes committed by offenders while on bail. The public is rightly concerned about current bail practices. With increasing frequency persons on bail are being arrested and charged with serious felonies. The challenge is to develop a bail policy that takes into account the legitimate concern of the public about community safety. In my view judges should have the power to set bail release conditions based on the fact that a defendant poses a risk to the safety of the community. Once a defendant has been released, I believe that the community's safety can and should be legitimately considered, and that reasonable restrictions can be designed that fairly meet the requirements of the Constitution. In addition, if a defendant is charged with an offense on bail, the courts should make better use of the power to hold him in contempt. Finally, conviction for a crime committed on bail should result in a sentence consecutive to any other sentence that might be imposed. Mr. President, these and other amendments will be considered during the course of Judiciary Committee hearings scheduled to begin next week.

I am convinced that a point has now been reached where effective criminal code reform is nearing reality after more than a decade of waiting. I agree with the distinguished chairman of the House Judiciary Committee, Mr. Rodino, that the Congress is now "in the last lap" down the road toward a criminal code reform bill. It is up to the Congress—working in close conjunction with the Department of Justice and interested public interest groups—to make criminal code reform a reality. I will continue to work closely with my colleagues in the Senate and the House in an effort to develop a bill that strikes the proper balance between effective law enforcement and the protection of the civil liberties of the American people.

Mr. President, 25 years ago one of our Nation's most distinguished legal scholars, Herbert Wechsler, aptly expressed the profound impact that the criminal law has on our daily lives; in so doing he gave the Congress the mandate which should guide us in the months ahead:

> Whatever view one holds about the penal law, no one will question its importance in society. This is the law on which men place their ultimate reliance for protection against all the deepest injuries that human conduct can conflict on individuals and institutions. By the same token, penal law governs the strongest force that we permit official agencies to bring to bear on individuals. Its promise as an instrument of safety is matched only by its power to destroy.
>
> If penal law is weak or ineffective, basic human interests are in jeopardy. If it is harsh or arbitrary in its impact, it works a gross injustice on those caught within its coils. The law that carries such responsibilities should surely be as rational and just as law can be. Nowhere in the entire legal field is more at stake for the community, for the individual.

Mr. President, I ask unanimous consent to include in the RECORD an outline of the House Criminal Justice Subcommittee's draft recodification bill that I am introducing here today for consideration by the Senate, as well as a summary of the companion bill introduced today by myself and Senators THURMOND, DECONCINI, HATCH, and SIMPSON.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRIMINAL CODE REFORM ACT OF 1979

OUTLINE OF SIGNIFICANT PROVISIONS

The bill provides for the first time in the history of the Federal Government an integrated Criminal Code. It would replace existing Title 18 of the United States Code in its entirety.

The bill contains hundreds of improvements. A brief overview of the bill containing most of the important matters proposed is set out below.

FORMAT OF THE CODE

The bill is divided into seven titles. Title I would replace title 18 of the United States Code. It consists of five interlocking Parts.

Part I embodies the general provisions and principles of the Code. Included in this part are chapters on jurisdiction, culpability, complicity, and defenses.

Part II consists of all the offenses defined in such a way that the reader knows: (1) the elements of the offense; (2) the requisite state of mind (culpability); (3) the circumstances under which the Federal government can prosecute the offender (jurisdiction); and (4) the authorized sentence for violation of the offense (grading).

In order to determine whether criminal liability is to be imposed in a given situation, a reader must engage in the following analysis:

Are the objective elements of some offense in the Code satisfied?

Is the necessary state of mind (i.e., *mens rea*) present with respect to each element? To determine this, one must consider the definition of the offense in light of the culpability principles of Chapter 3.

Does the accused have a defense to the charge, or is the prosecution barred for any reason? General defenses and bars applying to all offenses are named or described in Chapter 5. Others are stated with the definition of the offense itself if peculiarly applicable to a specfic offense or type of offense.

Does the Federal government have jurisdiction to prosecute? Determining the extent of Federal jurisdiction of an offense requires reference to the general provisions of jurisdiction in Chapter 2 and the jurisdictional subsection, if any, included in the section defining the offense.

What is the authorized sentence upon conviction for the offense? Each section defining an offense contains a subsection which describes the grade of the offense or, in some cases, the diffent grades which might apply depending on the circumstances. The sentences available for a given grade are set out in Part III of the Code.

Part III embodies all the sentencing provisions. Among other things, it defines the classes of grading, states what types of sanctions may be imposed and mandates the use of sentencing guidelines.

Part IV contains the procedural sections of existing Title 18:

Part V contains provisions on ancillary private civil remedies, such as civil actions against racketeering offenders.

Titles II and III of the bill consist of amendments to the Federal Rules of Criminal Procedure and to Title 28 of the United States Code, respectively. Title IV of the bill contains general provisions including those dealing with severability and the effective date of the legislation. Title V consists of technical and conforming amendments that are cross-referenced in the Code itself. Title VI transfers certain regulatory offenses in current title 18 to a new title 19 Appendix. Title VII contains other technical and conforming amendments to the other 49 titles of the United States Code.

TITLE I. CODIFICATION, REVISION, AND REFORM OF 18 U.S.C.

PART I. GENERAL PROVISIONS AND PRINCIPLES

Chapter 1. General provisions

This chapter sets forth the general purposes of the Code, provides general principles of construction, and defines over one hundred terms that are commonly used in the Code and in the Federal Rules of Criminal Procedure.

Chapter 2. Jurisdiction

The general Code treatment of federal jurisdiction is introduced in this chapter. The Code defines offenses in terms of the underlying misconduct (e.g., kidnapping) just as a state penal code does, and in a separate subsection of each offense it specifies the particular circumstances under which the federal government may exercise jurisdiction over the criminal conduct (e.g., transportation of the victim across a state line). The basis for federal jurisdiction is not an element of the offense, but it will still have to be proved on motion of the defendant to the jury beyond a reasonable doubt. This approach to federal jurisdiction permits far clearer definitions of offenses, and allows consolidation of numerous existing offenses into a single offense with several jurisdictional bases (e.g., the Code contains only one theft offense, with a listing of various specified circumstances permitting the federal government to prosecute for theft). It also allows simplified instructions for juries.

The jurisdictional bases in the Code have been tailored to avoid unnecessary expansion of existing federal jurisdiction.

The Code contains provisions for ancillary federal jurisdiction over certain offenses—primarily violent offenses—committed in the course of other federal offenses. For example, if the federal government prosecutes for a civil rights violation the Code will also permit it to prosecute for an assault or a murder committed in the course of the civil rights violation.

The chapter also sets forth principles of extraterritorial jurisdiction. In doing so it fills several gaps in current law (e.g., it permits a criminal trial of a former serviceman for a murder he committed overseas prior to being discharged).

Chapter 3. Culpable states of mind

This chapter defines the specific mental states (the "*mens rea*" elements) that are used throughout the Code in defining an offense. The current Title 18 uses 79 different terms to define the requisite mental state. Like the Model Penal Code and most modern state codes, this chapter reduces the number of terms used to describe the state of mind to four: intentional, knowing, reckless or negligent. The simplification should permit far more clarity and uniformity of interpretation.

Chapter 4. Complicity

This chapter sets forth those circumstances under which a person may be criminally liable for the acts of another individual or for the acts of an organization. The accomplice liability section includes a codification of the doctrine of *Pinkerton* v. *United States*, making a co-conspirator guilty of each specific offense committed in furtherance of the criminal conspiracy if it was reasonably foreseeable that the specific acts would be performed in furtherance of the unlawful agreement.

One significant section in this chapter is the organizational liability provision. It codifies current case law by making an organization liable for the acts of its agent committed within his express, implied or apparent authority and intended to benefit the organization.

Chapter 5. Bars and defenses to prosecution

A general statute of limitations and a bar to prosecution on grounds of immaturity are set out in this chapter. The generally recognized common law defenses, including mistake of fact or law, insanity, intoxication, duress, exercise of public authority, protection of persons, protection of property, unlawful entrapment, and official misstatement of law, are all left uncodified for further development by the courts through case law.

PART II. OFFENSES

Chapter 10. Offenses of general applicability

This chapter codifies the attempt, conspiracy and solicitation offenses. There is under current law no Federal attempt statute of general applicability, although many of the individual offenses contain attempt provisions. This section makes it an offense to attempt to commit any Federal crime. The attempted offense in most instances carries the same penalty as the completed offense on the theory that a defendant who begins to commit an offense should not benefit from the happenstance causing its interruption. In order to encourage the abandonment of a criminal enterprise, a voluntary, complete, and effective avoidance of the offense constitutes an affirmative defense.

The conspiracy section reflects current law, as developed through judicial interpretations of the present general conspiracy statute.

With the exception of subornation of perjury, there is no solicitation offense in current Federal law. The National Commission on Reform of Federal Criminal Laws recommended a general offense covering the solicitation of another to commit any federal offense. Except for a list of offenses, such as demonstrating to influence a judicial proceeding, exempted from application of solicitation, this approach is adopted in this bill.

Chapter 11. Offenses involving national defense

Three series of offenses relating to treason, sabotage, and espionage are set out in this chapter.

The treason series generally codifies current law. It adds a new section, however, penalizing use of dangerous weapons by para-military groups that intend to take over a function of government by force. Such an offense was recommended by the National Commission on Reform of Federal Criminal Laws.

The Smith Act is repealed in its entirety.

The sabotage series of offenses generally codifies the current law statutes, except that a current law provision dealing with the spreading of false military information in wartime with intent to aid the enemy has been deleted.

The current law offenses relating to espionage and release of classified information have not been revised. Because of the controversy surrounding this area, the existing statutes are moved, unchanged, to title 50 of the United States Code, with the Code simply cross-referencing to those provisions.

Chapter 12. Offenses involving international affairs

This chapter is divided into two subchapters. The first subchapter encompasses those offenses that pertain to foreign relations, such as disclosing a foreign code or engaging in an unlawful international transaction. The second subchapter covers offenses involving immigration, naturalization, and passports, such as unlawful entry into the United States or improper use of a passport. The offenses covered here are basically a codification of present law. One major change, however, would make it an offense to conspire within the United States to assassinate a foreign official (Section 1202).

The Logan Act, prohibiting private communication with a foreign government with intent to influence its actions in a dispute with the United States, is repealed. This was recommended by the National Commission on Reform of Federal Criminal Laws and has been repealed in all prior versions of this bill.

Chapter 13. Offenses involving government processes

The offenses encompassed by this chapter are those that constitute obstructions of Government functions, whether they be obstructions of justice, contempt offenses, offenses involving false statements, or offenses involving official corruption. For the most part, the chapter reflects current law. However, certain reforms are introduced.

Current law contains an offense of conspiracy to defraud the Government but no substantive offense of defrauding the Government. The current offense has therefore been subject to criticism for punishing a conspiracy to commit an act that is not in itself punishable. Section 1301 establishes the substantive offense of defrauding the Government.

Section 1312 gears the punishment for bail jumping to the nature of the underlying offense. Thus, it will be punished as a felony if the defendant is awaiting trial for a felony, but as a misdemeanor if the underlying offense is a misdemeanor. This reduces the incentive to jump bail in the hope of facing a reduced penalty after sufficient time has passed during which the Government's case has grown stale. The section also makes it an offense to fail to surrender for service of sentence, a possible loophole in current law.

Current law covers tampering with witnesses and informants by means of force or threats only in a general obstruction of justice statute. Section 1323 spells out the prohibited conduct in detail, at the same time including a catchall clause to insure that the coverage of current law is maintained.

The contempt offenses are defined more clearly, the general criminal contempt statute is limited to a six-month penalty, and certain defenses are added to cover impossibility of compliance with court orders and non-compliance with invalid court orders.

The perjury series adds a new offense, false swearing, as a lesser-included perjury offense where the false statement is not material. Like the perjury offense now appearing in 18 U.S.C. 1623, the "two witness" rule is abolished and a defense of retraction is provided. A single false statement offense consolidates over 50 false statement statutes appearing in current law; an oral false statement to a government official is an offense only if an investigator first advises the declarant that making such a false statement is an offense or if it is volunteered to an investigator. A new defense of retraction is added to the false statement offense.

Finally, under Section 1356 public servants are prohibited from using their own official actions or information gained because of their position for private gain while they remain public servants or for one year after they leave public service. As a statute of general applicability, this offense is new to Federal law.

Chapter 14. Offenses involving taxation

This chapter would incorporate Federal criminal tax offenses currently in the Internal Revenue Code of 1954 (Title 26, United States Code). This approach was suggested by the National Commission on Reform of Federal Criminal Laws. This is consistent with a fundamental precept of codification requiring that all felony offenses be included in Title 18.

The chapter is divided into two subchapters. The first subchapter would cover internal revenue offenses and the second subchapter would contain customs offenses.

Chapter 14 generally recodifies existing law. However, one particularly significant change is introduced with respect to prosecutions for tax evasion (section 1401). Under existing law, a successful tax evasion prosecution requires a "net" tax deficiency. Thus, if one were to intentionally understate his income with the intent to evade taxes but, due to oversight or neglect, failed to take available deductions adequate to offset the undeclared income, the case against him would fail under existing law. Section 1401, read together with Section 1001 (Attempts), eliminates the "net" tax deficiency requirement. Thus a taxpayer could be prosecuted for understating his income with a criminal intent, despite the fact that no tax was actually due and owing because of overlooked deductions.

It should be noted that an offense where there is no "net" deficiency is a Class E felony (2 years). However, if there exists a "net" deficiency of $100,000 or less, the penalty is a Class D felony (5 years). Where a "net" deficiency in excess of $100,000 exists, the sanction is upgraded to a Class C felony (10 years).

Chapter 15. Offenses involving individual rights

This chapter covers offenses involving civil rights, political rights and privacy.

Civil Rights. Basic coverage of present civil rights statutes is retained, but language has been added to broaden the coverage with respect to sex discrimination. In addition, the coverage is extended to protect all persons, not just citizens. The current statute covering conspiracy to deprive a person of his civil rights under color of law is modified to cover an offense by a single individual or organization. Also the statute is modified to make it clear that the criminal state of mind required for the offense applies to the conduct which deprives a person of a right under the Constitution and laws of the United States and does not impose a further requirement that the defendant specifically intend to infringe a federally guaranteed right. Other sections carry forward the coverage of the Civil Rights Act of 1968.

The civil rights provisions also represent an excellent example of use of ancillary Federal jurisdiction as a grading mechanism. The basic offenses are generally graded as Class A misdemeanors (1 year); however, Federal jurisdiction also exists for serious crimes against persons and property committed in the course of such offenses. Thus, a civil rights offense involving a murder would permit Federal prosecution for murder. This treatment is similar in concept to the grading provided in present 18 U.S.C. 245.

Election Offenses. Section 1511 for the first time in Federal law provides a specific series of statutes covering election fraud. Heretofore, frauds in connection with a Federal election could be reached only under the general civil rights conspiracy statute. In addition, the bill prohibits engaging in any criminal conduct for the purpose of influencing an election, thereby reaching serious "dirty tricks" conduct such as the Watergate burglary.

The basic offenses applicable to obstructing or influencing elections are primarily directed at elections of Federal officers. However, the bill would for the first time in Federal law permit Federal prosecution for such conduct ostensibly directed at the election of a State or local official if it is a mixed election, that is, an election involving candidates for both Federal and State or local offices.

Privacy. Section 1524 protects from disclosure certain information required to be furnished to the government by private citizens or to obtain a Federal benefit.

Wiretapping. Due to the recent vintage of the wiretap and surveillance warrant provisions and the controversy that surrounds the subject, the bill carries present law provisions forward without substantive change. There is added an offense for possession of an eavesdropping device with intent that it be used unlawfully. It might be noted that due to consolidation and standardization of offenses flowing from codification, there may be some contraction or expansion of the criminal conduct in different areas for which a warrant could issue.

In addition, the offense of mail interception is broadened to protect all forms of nonoral communications.

Chapter 16. Offenses against the person

This chapter contains all of the offenses which protect the person as an individual. Included here are such offenses as murder, manslaughter, maiming, reckless endangerment, kidnapping, aircraft hijacking, and rape. For the most part, while the chapter clarifies and simplifies the basic offenses, no substantive changes are made.

The offense of rape, and the other sexual offenses in the sections that follow, apply without distinction as to the sex of the offender or of the victim; forcible sodomy is included in the definition of the offense. It might be noted that the statutory rape provision (Section 1643) can be committed by females but eliminates consensual acts between peers from the offense. Existing law is changed to the extent that, under the Code, rape by means of force, threats of imminent serious injury or kidnapping, or drugs will be punishable even where the victim is married to the offender. No particularized evidentiary requirements or instruction requirements are included. Corroboration requirements are expressly eliminated. No defense or grading distinction is based upon the promiscuity of the victim.

The offense of kidnapping is expanded to include a case in which one holds his own child for ransom, as a hostage, or with similar criminal intent.

The reckless endangerment provision is new to Federal law. It was suggested by the National Commission on Reform of Federal Criminal Laws and a similar statute has been enacted in New York. It provides for a penalty for engaging in any criminal conduct which recklessly endangers the life of another.

Chapter 17. Offenses against property

Chapter 17 incorporates and consolidates the many varied property offenses found throughout the United States Code into some 31 sections. It is in this chapter that the provisions relating to arson, burglary, securities violations and their related offenses are found. It is also in this chapter, perhaps more than in any other, that the consolidation and reduction of unnecessarily repetitious offenses, one of the significant benefits of codification, can be found. By separating the jurisdictional element from the definition of the substantive offense, for example, Section 1731 is able to incorporate the 70-odd theft provisions under current law in the area of property offenses. But some reforms are also accomplished.

Section 1722, defining the offense of extortion, is designed to correct a "loophole" arising out of the recent Supreme Court decision, *United States* v. *Emmons*. In that case, the court held that the Hobbs Act, which prohibits the obstruction of interstate commerce by extortion, was not applicable to otherwise extortionate conduct when that conduct was used to extort property to which the defendant purported to have a legitimate claim. Such an interpretation is inconsistent with the construction under other Federal extortion provisions (See *United States* v. *Pignatelli*, 125 F.2d 643 (2d Cir. 1942) and essentially creates a Federal "claim of right" defense. Section 1722 focuses on the means used rather than the ends sought and would bring such conduct within the definition of extortion. Recognizing the serious nature of extortion, a new proof provision is included to make it clear that the mere fact that violence occurs during a legitimate labor dispute does not constitute extortion.

Section 1734 makes it an offense to execute a scheme to defraud, which in large measure carries forward the existing law on mail and wire frauds. One of the significant features of these sections lies in their relationship to the procedural part of the Code, where a new statutory injunction remedy is provided to restrain violations, a remedy that should be of considerable importance in protecting potential victims of "white collar" crime. Such a remedy would parallel the effective injunctive relief that has long been available for violations of the fraud provisions of the Securities and Exchange Act. Section 1734 also prohibits fraud involving pyramid sales schemes.

Chapter 18. Offenses involving public order, safety, health and welfare

This chapter is divided into seven subchapters.

Subchapter A incorporates a series of organized crime offenses which generally mirror current law under the Organized Crime Control Act of 1970. However, certain innovations are worthy of note.

A new offense entitled "Washing Racketeering Proceeds" (§ 1803) is created to proscribe the takeover of legitimate businesses with the proceeds of a racketeering enterprise. Also, Federal loansharking laws are strengthened to reach grossly usurious credit transactions, which in present 18 U.S.C. 892 are stated in terms of a prima facie case for proving an extortionate extension of credit.

Subchapter B contains the various Federal drug offenses. The drug offenses are primarily a codification of the 1970 statutes except that simple possession of more than 100 grams of an opiate (which would carry a retail value of at least $4,000) is made a more serious offense than a simple possession of other drugs, and except that the offense of simple possession of a small amount of marihuana is made subject to prosecution by summons rather than arrest, has reduced penalties, and has liberal provisions for expungement of the record of conviction. The several provisions of current law providing for a doubling of the penalty for repeat offenders are eliminated. There is added, however, a two-year mandatory minimum sentence for trafficking in an opiate unless the offense was committed under one of four specified mitigating circumstances.

Subchapter C codifies existing penal provisions involving firearms and explosives. The offense of using a firearm in the course of committing a federal crime is made subject to a mandatory minimum penalty of two years' imprisonment, to be served consecutively within the sentence for the underlying offense, unless one of five specified mitigating circumstances is present.

Subchapter D contains the riot offenses. The riot offenses of existing law are substantially narrowed, both in terms of the definitions of the substantive offenses and in terms of the federal ability to prosecute. An incitement to riot may not be prosecuted unless a riot actually occurs. A riot is defined to require at least ten participants instead of three as in current law.

Subchapter E covers gambling, obscenity, and prostitution offenses. Section 1842 contains a definition of obscene material consistent with recent Supreme Court decisions respecting obscenity. The section proscribes any dissemination of obscene material to a minor or to any person in a manner affording no opportunity to avoid exposure to such material. In addition, it proscribes the commercial distribution of obscene material as defined in the section. It creates, however, a defense in the case of dissemination to adults in a political subdivision or locality in which such dissemination is legal. In general, Federal jurisidiction applies to the offense when the mail or interstate commerce is involved.

With respect to gambling and prostitution, the Code seeks to reach the operators of a gambling or prostitution ring but leaves lesser offenses in this area to State law.

The balance of Chapter 18 covers public health offenses and certain other relatively minor miscellaneous offenses, such as the assimilated crimes act applicable in Federal enclaves. The assimilated crimes act is continued in order to reach minor, uncodified offenses committed in federal enclaves, but because of the existence of a complete federal Code there will be less occasion for its use than has existed in the past. Accordingly, the penalty for assimilated crimes is limited to a one-year maximum.

PART III. SENTENCES

It is in Part III that the sentencing scheme for the entire United States Code, and not merely Title 18, is set out. The sentencing provisions are significantly different from current law. Uniform grading categories are provided to facilitate a penalty structure of consistent penalties for conduct of a similar nature or seriousness. Maximum fines are substantially increased. A provision is added to require notice to fraud victims. For the first time in Federal law, a judge can include an order of restitution to the victim as part of any sentence. The special dangerous offender criteria in current law are incorporated in a different form in sentencing guidelines provisions. The Code sets forth four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation.

These specific provisions are important but are overshadowed by the structural and procedural changes in sentencing. A sentencing commission is created and directed to establish guidelines to govern the imposition of sentences for all federal offenses, taking into consideration factors relating to the purposes of sentencing, the characteristics of the offender, and the aggravating and mitigating circumstances of the offense. In sentencing offenders, a judge will be expected to sentence within the range specified in the applicable guideline, although if he considers the guideline range inappropriate for a particular case he is free to sentence above or below the guideline range as long as he explains his reasons for doing so. If an offender is sentenced above the range specified in the guideline he may obtain appellate review of his sentence; if he is sentenced below the range specified in the guideline the government may obtain appellate review of the sentence. If a party contends that the wrong guideline has been applied, the matter can be brought to the attention of the district court by motion, and of the court of appeals by petition for leave to appeal. The system is designed to promote greater uniformity and fairness, while retaining necessary flexibility. A determinate sentencing system is adopted and early release on parole is eliminated. A system of post-release supervision is retained under the administration of the Probation System. A prisoner earns entitlement to be released 36 days early for every year of satisfactory behavior. He can be made eligible for still earlier release under extraordinary circumstances. Every prisoner serves a term of post-release supervision upon his release after a term of over one year.

PART IV. ADMINISTRATION AND PROCEDURE

The chapters appearing in this part consolidate, clarify, and codify existing procedural sections of title 18. Except for the provisions noted below, the codification is accomplished without substantial change in the existing law.

The provisions concerning court-authorized wiretapping have been modified slightly. The statute permitting wiretapping without court order in emergencies is limited specifically to offenses involving treason, sabotage, or espionage, or to offenses involving a risk of death.

The authority of the Attorney General to take steps for the protection of government witnesses and their families from retaliation is clarified.

The extradition statutes are materially modernized and simplified.

The jurisdiction of United States Magistrates is expanded to encompass all misdemeanors, and to permit trial of offenses carrying six months or less without the necessity of obtaining a waiver of jury trial.

An intake screening procedure is created for juveniles, through which a probation officer reviews each major case at its inception and recommends to the attorney for the government a disposition of, or mode of proceeding with, the case.

An entirely revised series of provisions dealing with mental competency is included in order to overcome the inadequacies of the current law. Included is a provision for the civil commitment, if justified, of an individual who is acquitted by reason of insanity. Although state commitment proceedings may be preferred, federal commitment proceedings are provided to ensure that a genuinely dangerous individual will not be released prematurely.

The ability of the federal government to collect fines that have been imposed by the courts is substantially increased as a result of permitting recourse to the Internal Revenue Service lien procedures.

PART V. ANCILLARY CIVIL PROCEEDINGS

Chapter 40 covers public civil remedies. It expands the civil forfeiture proceedings of existing law, carries forward existing provisions involving civil restraints of racketeering, and provides the Department of Justice with authority to seek injunctions against general fraud schemes activities. It forbids the federal imposition on a federal offender of any civil disability based on his conviction, unless there is a specified connection between the offense and the disability.

Chapter 41 covers private civil remedies. It carries forward civil actions against racketeers and eavesdropping offenders.

More important is the chapter's creation of a system to compensate the victims of violent federal crimes; funding for such compensation will be derived from collected fines.

TITLE II. AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE

Title II of the bill contains amendments to the Federal Rules of Criminal Procedure. Most of the amendments leave the Rules unchanged in substance from their latest version as amended by Public Law 95–78 effective October 1, 1977, and are designed only to conform the Rules to the terminology and provisions of the revised Code, and to transfer certain provisions of existing law from title 18 to the United States Code into the Rules.

However, in some areas present law is changed or clarified. The existing power of a court to extend the life of a special grand jury is made applicable to regular grand juries, but to a more restricted extent. The reporting powers of a special grand jury are broadened. Federal case law on burdens of proof is for the first time codified and clarified. A procedure for revocation of probation conforming to recent Supreme Court decisions is prescribed. The existing power of a District Court to correct or reduce a sentence is modified to comport with the Code's provisions on imposition and appellate review of sentences.

TITLE III. AMENDMENTS TO 28 U.S.C.

Title III of the bill makes necessary substantive changes in title 28 of the United States Code, including the addition of three new chapters dealing with the organization and responsibilities of the Federal Bureau of Prisons, Victim Compensation Board, and Sentencing Commission, to implement various aspects of the new Code.

TITLE IV. GENERAL PROVISIONS

Title IV contains general provisions, including a provision for severability in case a provision of the Code is invalidated, and a two-year delay in the effective date of the Code.

TITLE V. TECHNICAL AND CONFORMING AMENDMENTS CROSS-REFERENCED IN TITLE 18

Title V of the bill sets forth those technical and conforming amendments which are cross-referenced in the new title 18.

TITLE VI. CODIFICATION AND REVISION OF TITLE 18 APPENDIX

Title VI transfers a number of regulatory offenses contained in current title 18 to a new title 18 Appendix and conforms them as necessary. This is considered a temporary "parking place" of these offenses pending further study by the Congress on minor regulatory offenses scattered throughout the United States Code.

TITLE VII. TECHNICAL AND CONFORMING AMENDMENTS

Title VII consists of other technical and conforming amendments to the other 49 titles of the United States Code.

Outline of the Criminal Justice Subcommittee's Draft Recodification Bill

I. BACKGROUND

Over a decade ago President Lyndon B. Johnson sent a message to Congress urging action on a comprehensive revision of the federal criminal law. In that message he stated:

"A number of our criminal laws are obsolete. Many are inconsistent in their efforts to make the penalty fit the crime. . . . We are a nation dedicated to the precepts of justice, the rule of law and the dignity of man. Our criminal code should be worthy of those ideals."

Congress in response established the National Commission on Reform of Federal Criminal Laws, better known as the Brown Commission, "to make recommendations for revision and recodification of the criminal laws of the United States."

The Brown Commission submitted its Final Report in early 1971, and the present recodification effort is a direct outgrowth of the Brown Commission's fine work begun over 12 years ago.

While many states have rewritten their criminal law in recent years, none have faced as difficult a task as that confronting those seeking recodification on the federal level. Current federal criminal law is spread throughout various titles of the United States Code, and its complexity is much greater than that of state criminal regulations. Moreover, the wide range of diverse interests at work at the federal level has necessarily made legislating in this area a delicate and complicated chore.

The difficult task of balancing competing and often conflicting interests has led some to urge that a comprehensive recodification effort is ill-advised. Admittedly, the reconciliation of the concern for individual rights with the need for an orderly society frequently produces results which cause qualms in one or more interest groups. It is a mistake however, to conclude that a comprehensive bill protecting both the contitutional liberties of the individual and the integrity of the community cannot be developed.

The Subcommittee on Criminal Justice has now completed the vast majority of its work on a draft bill that recodifies federal criminal laws. I believe that we have developed legislation which is comprehensive and which has the clarity and conciseness essential to a modern criminal code. The benefits of such a comprehensive criminal code are significant.

Consolidation and clarification

The Subcommittee's proposed criminal code assembles all felony offenses in one title of the United States Code, making the job of prosecutors, defense attorneys and judges easier. More significantly, the proposed code makes federal criminal law more readily understandable by consolidating and updating overlapping and inconsistent provisions. For example, the proposed code consolidates the more than 100 present theft and fraud provisions into just 7 basic offenses. Current theft, embezzlement, and fraud statutes have maximum prison terms ranking from 1 to 10 years. Frequently the differences in penalty levels are based on accidents of drafting. The Subcommittee's proposed code grades theft according to the importance and value of the property.

States of mind

A second benefit from the Subcommittee's comprehensive recodification is the use of uniform and clearly-defined standards of culpability. Present federal law contains more than 60 different terms to define the state of mind with which a person must have acted before criminal liability attaches. Following the lead of the American Law Institute's Model Penal Code, the various new state criminal codes, and the Brown Commission, the Subcommittee has brought some order to the area. The proposed code has defined four culpable states of mind, and those four states of mind are used exclusively in defining all of the offenses in the proposed code. Using standard terms with clearly understood meanings will assist the criminal justice system to obtain the type of uniformity which benefits both the community and the defendant.

Federal jurisdiction

By accepting the concept of a comprehensive recodification, the Subcommittee has forced itself to focus on the problems which exist under present federal statutes. Among the most important changes resulting from this scrutiny of current problems are improvements in the treatment of federal jurisdiction to prosecute criminal cases and the development of a clear delineation of the appropriate roles for federal, state and local law enforcement.

In dealing with the matter of federal jurisdiction, the Subcommittee has carefully examined the substantiality of the federal interest involved before recommending any intrusion into the affairs of state and local governments. Thus, under the Subcommittee's approach there is almost no "piggyback" federal jurisdiction for which the Brown Commission was so severely criticized. Further, all crimes which would be of federal interest are included, but the Subcommittee has consciously avoided adding new jurisdiction to federal law enforcement except where a strong showing of need has been made.

Finally, the Subcommittee has codified a long standing policy of the Justice Department to limit to appropriate situations the prosecution of persons in federal court for conduct for which they have previously been tried in state courts.

II. OFFENSES AND DEFENSES

Organized crime

The Subcommittee's proposed criminal code, through the addition of 2 new offenses, has expanded the coverage of the statutes dealing with organized crime. The offense of "Operating a Racketeering Syndicate" will enable prosecutors to obtain convictions of persons who direct large criminal syndicates. The proposed code's expanded coverage of the current loansharking statute will make felonious the loaning of funds at totally exorbitant interest rates under circumstances indicative of illegal activity. Finally, the laundering of money made from organized crime activities is addressed in a more complete fashion.

Civil rights

The proposed code amends the present civil rights offenses to encompass discrimination on the basis of sex. The proposed code also amends them in order to eliminate inconsistencies in coverage and to define with greater specificity the proscribed conduct. As a result, the federal government will be able to vindicate the civil rights of its citizens more effectively.

Pirating records and movies

The proposed code contains a new offense to deal with the pervasive and serious problem of pirated records and tapes. In addition, the proposed code contains new provisions that will help ease the way for prosecution of the commercial theft of copies of movies.

Sexual offenses

The Subcommittee, recognizing the importance of protecting both men and women from serious sexual assaults, has made some significant changes in the area of sexual crimes. For example, spousal immunity, long a defense to a charge of rape, has been restricted. Under the Subcommittee's approach, which is consistent with recent state enactments, a sexually battered wife will be better able to obtain redress.

Official corruption

The Subcommittee's proposed code contains several new provisions for dealing with official corruption. The offense of "Trading in Special Influence" prohibits the sale of influence over public policy by someone who is not a public official. Thus, the husband of an elected official who, with an evil motive, takes money from a foreign government in exchange for attempting to influence his wife's vote as an elected official, would be punished under this offense.

The Subcommittee has also eased the way for convictions of persons who lie before an official proceeding. The offense of "False Swearing", which does not require that the statement in question be material to the official proceeding, gives prosecutors a greater tool than they currently have in this area.

Conspiracy

In accord with the recommendations of leading legal scholars and the American Bar Association, the Subcommittee has concluded that persons who are part of a conspiracy should not be held responsible for the acts of others when they had no knowledge of the plan of the others—and might even have disapproved of such plans if they had known of them. The Subcommittee has also provided for a defense or renunciation. This defense will give an incentive to repentant conspirators to prevent the accomplishment of the goal of the conspiracy, an incentive that does not presently exist.

Generalized offenses

The proposed code severely limits the use of overly-broad generic offenses, which cover much conduct that should not be punished. The Subcommittee's basic approach has been to recodify existing provisions in such a way as to reach criminal wrongdoing by means of specific offenses which speak directly to the nature of the harm.

Contempt of court

The Subcommittee's proposed code contains several provisions that prohibit specific contempts of court. For example, failing to testify when called to the witness stand is, under the appropriate standards, as specified, the Subcommittee has limited the application of the general contempt provision to situations where the other provisions cannot meet the necessary purposes of the court's contempt power. The nonserious nature of contumacious behavior which cannot be dealt with through the specific offenses has led the Subcommittee to limit the general contempt power of the court to a maximum penalty of 5 days in jail.

Defenses to criminal charges

The Subcommittee's proposed code codifies existing case defenses, such as insanity. It delineates the scope of many defenses about which case law is unclear. This codification and delineation will allow greater precision in the practice of criminal law and will add speed and certainty to the criminal process.

III. SENTENCING

The punishment of criminal wrongdoers has frequently been the target of criticism of the criminal process. The practices, procedures, and statutes which govern the sentencing of offenders in federal courts have been criticized for their inconsistency and redundancy. Critics correctly point to the existence of unwarranted sentence disparity. Similarly situated offenders who have committed similar crimes often receive widely dissimilar sentences.

Unfortunately, much of the blame for these difficulties must be on the Congress. Congress has failed to give to the judiciary the policy guidance necessary to create a rational and systematic set of sentencing principles. Whenever Congress has enacted new criminal provisions, it has tended to make ad hoc determinations about the appropriate penalty level. This has produced a federal criminal law with over 20 different maximum prison terms and an almost equal number of fine levels. Moreover, Congress has from time to time enacted specialized sentencing statutes which are either outdated or rarely, if ever, used.

Most importantly, Congress has not given sufficient attention to the important concepts of certainty and clarity of sentencing practices and results, The present federal sentencing structure can best be described as a modified determinant system. If a prison term is imposed upon a convicted defendant, the length of time that that person will actually serve in prison is affected by the "good time" and parole provisions of present law. Through the earning of good time, the person can reduce the maximum term by ⅓. For most people sentenced to prison, the amount of time actually served is materially affected by parole provisions. These factors, coupled with the absence of a requirement that the sentencing judge articulate the reasons for the sentence they imposed, leave the public and the victim of the crime in the dark about the practical effect of a sentence.

The Subcommittee determined to resolve the tough issues of sentencing by taking a straightforward and honest approach to sentencing. Sentences should mean what they say—there should be "truth in sentencing". Sentencing judges are required to state the reasons for the sentence at the time it is imposed. Sentencing guidelines developed by the Judicial Conference of the United States will assist judges to impose the proper sentence. These guidelines will create categories of offenses and offenders and provide judges with detailed and relevant information about the suggested sentence range for offenders convicted of particular crimes when those offenders have similar criminal histories. Finally, any prison term imposed by the judge will be the actual time served.

The Subcommittee's proposed code grants jurisdiction to the United States Circuit Courts of Appeals to hear appeals from allegedly excessive sentences. This should enable the development of a common law of sentencing as well as the development of some limitations upon the inappropriate use of prison terms. This appellate review provision in the proposed code will bring this country into line with the jurisprudence of many other countries.

In structuring its sentencing system, the Subcommittee has attempted to avoid any aggregate increase—or decrease—in the numbers of people sent to prison or in the length of time actually served in prison. Thus, it is the Subcommittee's goal that, while some individual offenders, or types of offenders, may receive longer prison terms, on balance the size of the prison population should not increase.

The Subcommittee concluded that despite dedicated efforts to provide rehabilitation in the prison environment, rehabilitation programs do not sufficiently benefit society or the offender to justify the imposition of a prison term for the purpose of rehabilitation of the individual being sentenced. The uncertain state of the knowledge about how to rehabilitate, and about determining when someone is rehabilitated, makes it patently unfair to deprive someone of liberty based upon the notion that prison will "reform" the person. Under the Subcommittee's proposed code, a prison term may not be imposed solely for the purpose of rehabilitation. This does not mean, however, that educational, vocational, and other such programs in prison will be eliminated. It does mean that, for reasons of honesty, and fairness, we should admit that prison sentences are to be imposed for reasons other than rehabilitation.

The sentencing system proposed by the Subcommittee makes, in addition to the changes already mentioned, several other important changes in current law:

(1) Offenses are classified into 5 grades of felonies, 3 grades of misdemeanors, and an infraction. Each grade has a uniform maximum prison term and fine level. This will replace the multiplicity of maximum prison terms and fine levels in present law.

(2) Outdated specialized sentencing provisions are repealed because the factors they involve can better be dealt with in the context of uniform sentencing guidelines.

(3) Additional information, including a statement from the victim of the offense, will be included in the presentence report which the judge uses in sentencing. A sentencing hearing will be required whenever it is necessary to resolve factual disputes concerning a sentence.

(4) Probation is explicitly recognized as a form of sentence and its utility is highlighted. Procedures for the imposition of probation, and for the modification or revocation of the terms and conditions of a sentence of probation, are set forth.

(5) The availability of restitution to the victims of crime is expanded by requiring that such restitution be a mandatory condition of probation, unless such payments are necessarily impractical.

(6) A new sentence of conditional discharge has been developed by the Subcommittee. A sentence of conditional discharge will be impossible on corporation and other organizations. Such entities cannot be sent to prison. In addition, the sentence will be appropriate for individuals with no need for rehabilitative services.

The Subcommittee's proposed sentencing system draws upon the best thinking of the past decade. It recognizes the current problems with sentence disparity, but acknowledges that there is no magic solution. It takes a cautious approach by giving judges guidance without unnecessarily hampering their discretion to impose a sentence appropriate to the particular offender.

Finally, the modernization of sentencing practices and procedures will bring into the open sentencing decision-making. Both the public and the convicted defendant have a right to know how and why the defendant is being sentenced. Under the Subcommittee's sentencing system, they will.

By Mr. WILLIAMS (for himself, Mr. Kennedy, Mr. Javits, Mr. Metzenbaum, and Mr. Durkin):

S. 1724. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes; to the Committee on Labor and Human Resources.

HOME ENERGY ASSISTANCE ACT

● Mr. WILLIAMS. Mr. President, today I am introducing legislation that is of major importance to millions of American households. The Home Energy Assistance Act is designed to provide assistance to low and lower middle income, and fixed-income households to meet the skyrocketing cost of home energy.

Over the past 5 years, and most particularly in the last year, the price of fuel has risen dramatically. The OPEC price increases, the accompanying double digit inflation, and the costs of oil decontrol have made all Americans pay a dear price for the purchase of energy to meet their basic household needs. Unfortunately, the projections for the future look no better. The relative energy price stability experienced until the early 1970's is a thing of the past, and energy costs are expected to continue to climb at excessive rates.

While the burden has been experienced by all, the poor, the elderly on fixed incomes, and the lower middle income people are particularly hard hit. In 1978, the average household spent approximately 5 percent of its annual income on household energy while the average low income household spent close to 20 percent of its income on household fuel and utilities. By the time the winter heating season begins, the price of home heating fuel will have risen as much as 100 percent for some fuels. In other words, many lower income households will be paying in excess of 40 to 50 percent or more of their income for the purpose of heating their homes. In some regions of the country, lower fixed-income individuals may be faced with energy bills that exceed their total monthly income.

The dramatic increases in the price of household energy have thrust millions of American households into a frightening dilemma. No one should be forced to choose between heating their homes or eating. But that is exactly the choice which could face many Americans this winter if some assistance program is not in place. At a time when the tragic economics of energy might conceivably produce wintertime death, Congress has no real choice but to provide the right kind of financial assistance to men, women, and children who are in danger of either freezing, starving, or both.

In its report to the U.S. Department of Energy, on low income energy assistance, the Fuel Oil Marketing Advisory Committee (FOMAC) examined the scope of the problem and stated that "if a major low income energy assistance program is not established by next winter (1979–80), the health and safety of thousands of low income people and elderly will be jeopardized."

The bill I am introducing today has been designed first to provide some immediate relief to people this winter. Second, and most importantly, it has been designed to build a long-term program of grants to the States so that in future years there will be an adequate assistance program in existence. The bill provides Federal funds on a formula basis to States which would be responsible for administering the program, and for developing a plan geared to their individual needs.

The actual heating assistance to individuals would be determined by a sliding scale based on income, type of dwelling, and the price of fuel. Those people with the lowest incomes, who spend the greater percentage of their incomes on energy, would receive a proportionately higher level of assistance.

Wherever possible, these funds would be paid directly to the companies supplying the oil, gas, or electricity for heating. Community action programs, and area agencies on aging will be responsible for outreach programs to make residents aware of the assistance program, and for helping to determine eligibility. In addition, participating households will be referred to existing weatherization programs to promote energy conservation.

The bill has been drafted to achieve a maximum of consensus from those who will administer the assistance programs, from those who will pay, and those who will benefit. I believe the measure I am introducing today can form a sound basis for committee deliberations.

The Congress must provide immediate relief, and protection for the future. That is what we are proposing here today.

Because this legislation carries such import for so many people of this Nation, I will do everything I can, with the assistance of the bill's cosponsors, Senator Kennedy, Senator Javits, Senator Metzenbaum, and others on the Labor and Human Resources Committee, to bring this measure to a vote as rapidly as possible. I am confident that my colleagues in the Senate will agree that this issue deserves our immediate and constant attention.

Mr. President, I ask unanimous consent that the text of the Home Energy Assistance Act be printed in the Record along with a detailed description of the bill.

There being no objection, the bill and explanation were ordered to be printed in the Record, as follows:

S. 1724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home Energy Assistance Act".

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) recent dramatic increases in the cost of energy have caused corresponding sharp increases in the cost of home energy;

(2) reliable data projections show that the cost of home energy will continue to climb at excessive rates;

(3) the cost of essential home energy imposes a disproportionate larger burden on fixed-income, lower-income, and lower-middle-income households and the rising cost of such energy is beyond the control of such households;

(4) adequate home heating is a necessary aspect of shelter and the lack of home heating poses a threat to life, health, and safety;

(5) assistance to households in meeting the burden of rising energy costs is insufficient from existing State and Federal sources; and

(6) access to adequate home energy is necessary to avoid impairment of health and loss of life.

(b) It is the purpose of this Act to make grants to States to provide assistance to eligible households to offset the rising costs of home energy that are excessive in relation to household income.

DEFINITIONS

Sec. 3. As used in this Act—

(1) "eligible household" means any household with an income equal to or less than 125 percent of the lower living standard income level;

(2) "household" means any individual or group of individuals who are living together as one economic unit for whom residential fuel is customarily purchased in common;

(3) "home energy" means fuel and other utilities obtained from any energy source for use in residential dwellings;

(4) "lower living standard income level" means the income level (adjusted for regional, metropolitan, nonmetropolitan differences and family size) determined annually by the Secretary of Labor based upon the most recent "lower living family budget" issued by the Secretary of Labor;

(5) "Secretary" means the Secretary of Health, Education, and Welfare; and

(6) "State" means each of the several States and the District of Columbia.

HOME ENERGY GRANTS AUTHORIZED

Sec. 4. (a) The Secretary is authorized to make grants, in accordance with the provisions of this Act, to States on behalf of eligible households to assist such households to meet the rising costs of home energy.

(b) There are authorized to be appropriated $1,600,000,000 for the fiscal year 1980 and $5,000,000,000 for each of the succeeding fiscal years ending prior to October 1, 1984, to carry out the provisions of this Act.

(c) For the purpose of affording adequate notice of assistance available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

ALLOTMENTS

Sec. 5. (a) From 90 percent of the sums appropriated pursuant to section 4(b) for each fiscal year the Secretary shall—

(1) allot to each State an amount which bears the same ratio to one-half of such 90 percent as the aggregate residential energy expenditure in such State multiplied by the number of eligible households in such State bears to the aggregate residential energy expenditures in all States multiplied by the number of eligible households in all States; and

(2) allot to each State an amount which bears the same ratio to one-half of such 90 percent as the total number of United States degree days in such State, multiplied by the population of such State bears to the total number of United States degree days of all States multiplied by the population of all States.

(b)(1) From the remainder of the sums appropriated pursuant to section 4(b) for each fiscal year, the Secretary shall—

(A) transfer to the Director of the Community Services Administration $100,000,000 for carrying out energy crisis related activities under section 222(a)(5) of the Economic Opportunity Act of 1964, and

(B) reserve $500,000 to be apportioned on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which subparagraph (1)(B) applies may receive grants under this Act upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this Act, and which are similar, whenever possible, to the requirements of section 7(b) of this Act.

(3) The remainder of the sums appropriated pursuant to section 4(b) shall be distributed for emergency energy disaster assistance among the States in accordance with such criteria as the Secretary may prescribe. Such criteria shall be based upon the need for and the rising cost of heating fuel.

(c) The portion of any State's allotment under subsection (a) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this Act, shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expand the funds and taking into account the proportion of the original allotments made available to such states under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act, and the total reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. In carrying out the requirement of this subsection, the Secretary shall establish procedures for prompt reallotment of funds under this Act so as to assure the use of assistance during the winter months. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) The aggregate residential energy expenditure for each State and for all States shall be determined by the Secretary after consulting with the Secretary of Energy.

USES OF HOME ENERGY GRANTS

SEC. 6. Grants made under this Act for home energy may be used in accordance with applications approved under section 7 for making payments to home energy suppliers on behalf of eligible households in each State, and to make payments directly to such households whenever payments to home energy suppliers are not feasible or fail to carry out the purpose of this Act, to assist such households to meet rising home energy costs.

APPLICATIONS

SEC. 7. (a) Each State may receive a home energy grant under this Act only upon application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(b) Each such application shall—

(1) designate an agency of the State to be determined by the chief executive to administer the program authorized by this Act;

(2) provide for a State program for furnishing home energy assistance to eligible households through payments made in accordance with the provisions of the application, to—

(A) home energy suppliers, and

(B) eligible households whenever the chief executive determines that payments to the home energy supplier is not feasible or the eligible household is making undesignated payments for rising energy costs in the form of rent increases;

(3) describe with particularity (A) the procedures by which eligible households in the State are identified and certified as participants and (B) the average cost of home energy in the State identified by the type of fuel and the size and type of residential dwelling;

(4) describe the amount of assistance to be provided to or on behalf of participating households assuring that priority is given to households with lowest incomes and that the highest level of assistance is provided to households with lowest incomes and the highest energy costs in relation to income, taking into account—

(A) the average home energy expenditure by type of fuel and type of residential dwelling,

(B) the income level and fuel costs in excess of a specific or variable percentage of income, and

(C) any other relevant consideration selected by the State including variation in degree days in regions of the State, where appropriate and separate determinations for households making undesignated payments in the form of rent;

(5) provide for agreements with home energy suppliers under which—

(A) the State will pay on a timely basis by way of regular installments, as reimbursements or a line of credit, to the supplier designated by each participating household the amount of assistance determined in accordance with clause (4), and

(B) the home energy supplier will charge the household specified in subclause (A) in regular installments the difference between the actual cost of the home energy and the amount of the payment made by the State under this Act;

(6) provide for the direct payment to households to which subclause (B) of clause (2) applies;

(7) provide assurances that any agreement entered into with a regulated utility company under clause (5) will contain provisions to assure that no household receiving assistance under this Act will have utility service terminated during the heating season;

(8) provide assurance that any agreement entered into with a home energy supplier under clause (5) not subject to clause (7) will contain provisions to assure that no household receiving assistance under this Act will have fuel delivery terminated unless—

(A) the household has failed to pay the amount charged to such household in accordance with clause (5)(B) for at least two months,

(B) the household receives a written termination notice not less than 30 days prior to the termination, and

(C) the household has an opportunity for a hearing;

(9) provide for public participation in the development of the application;

(10) provide assurances that the State will treat owners and renters equitably under the program assisted under this Act;

(11) provides that, of the funds the State receives for each fiscal year, the State may use for administration of the application not to exceed 15 percent of the cost of carrying out the application and for the purpose of this clause—

(A) the Federal share of the cost of administration for the fiscal year 1980 shall be 100 percent,

(B) the Federal share of the cost of administration for the fiscal year 1981 shall not exceed 66⅔ percent, and

(C) the Federal share of the cost of administration for the fiscal year 1982 and thereafter shall not exceed 50 percent;

(12) provide assurances that the State will pay from non-Federal sources the remaining costs of administration with respect to carrying out the application required by the preceding clause and will not use Federal funds to carry out the provisions of this clause;

(13) describe the administrative procedures to be used in carrying out the application, including general program administration, outreach activities, determination of eligibility and certification of participating households, and coordination with related agencies, and identify the arrangements and funding for local administration, outreach, and certification;

(14) provide that, of the funds the State receives for each fiscal year, the State may reserve 3 percent of the funds to be available for weather related and supply shortage emergencies, and identify—

(A) the procedures for planning for such emergencies,

(B) the administrative arrangements for the emergency,

(C) the procedures for determining the assistance to be provided in such emergencies, and

(D) the procedures for the transfer of the funds used under this clause in the event that there are no emergencies;

(15) provide assurance that there will be, whenever resources are available, to the extent possible coordination and referral of individuals to existing weatherization and energy conservation efforts;

(16) provide for outreach activities to assure that all eligible households including the elderly and handicapped, households in remote areas, and individuals who are unable to leave their residences, are aware of the assistance available by this Act by using community action agencies, area agencies on aging, State welfare agencies, and other appropriate agencies within the State together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

(17) establish procedures for monitoring the assistance provided under the application including monitoring and auditing the agreements entered into under clause (5) of the application;

(18) provide assurances the State will maintain current benefit levels in existing income transfer programs;

(19) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper dispersal of and accounting for Federal funds paid to the State under this Act; and

(20) provide that reports will be furnished in such form and containing such information as the Secretary may reasonably require, particularly for the carrying out of provisions of section 8, and such reports shall be kept and access furnished thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

(c) The State is authorized to make grants to eligible households located in any State for meeting the excessive costs of cooling whenever the household establishes that such cooling is the result of an urgent medical need pursuant to standards established by the Secretary.

(d) The Secretary shall approve any application that meets the requirements of subsection (b) and shall not finally disapprove, in whole or in part, any application for assistance under this Act without first affording the State reasonable notice and opportunity for a hearing. Whenever the Secretary disapproves an application he shall, on a timely basis, assist the State to overcome the deficiencies in the application.

(e) Any State which makes funds available for activities that are in substantial compliance with an approved State application may be reimbursed for such advances from the allocation made to that State under section 5(a) when funds are appropriated to carry out the provisions of this Act.

UNIFORM DATA COLLECTION

SEC. 8. (a) The Secretary shall establish uniform standards for data collection which shall be used by States in all reports required under this Act.

(b)(1) The standards established by the Secretary under this section shall apply to (A) information concerning home energy consumption, (B) the cost and type of fuels used, (C) the type of fuel used by various income groups, (D) the number and income levels of households assisted by this Act, and (E) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this Act.

(2) In carrying out this section, the Secretary shall gather and analyze information on the price structure of various types of fuel, particularly the increases in such price structure if any, attributable to the financial assistance provided under this Act.

(c) The secretary shall report annually to Congress concerning data collected under subsection (b).

PAYMENTS

SEC. 9. (a) From the amount allotted to each State pursuant to section 5, the Secretary shall pay to the State which has an application approved under section 7 an amount equal to the amount needed for the purposes set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

WITHHOLDING

SEC. 10. Whenever the Secretary, after reasonable notice and opportunity for hearing to any State, finds that there has been a failure to comply substantially with any provision set forth in the application of that State approved under section 7, the Secretary shall notify the State that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

ADMINISTRATION

SEC. 11. (a) (1) The Secretary may delegate any functions under this Act, except the making of regulations, to any officer or employee of the Department of Health, Education, and Welfare.

(2) The Secretary shall issue regulations under this Act, within 60 days after the date of enactment of this Act.

(3) The Secretary in order to implement the program established under this Act in the fiscal year 1980 heating season, may waive any requirement under section 7(b) that the Secretary deems necessary.

(b) In administering the provisions of this Act, the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(c) No payment or benefit received by a member of a participating household under this Act may be considered income for determining eligibility for any other federally assisted program.

(d) The Secretary shall establish procedures for Federal monitoring of the State administration of the program described in the State application.

(e) The Secretary shall coordinate the administration of the program established under this Act with appropriate programs authorized by the Economic Opportunity Act of 1964 and any other existing Federal energy emergency assistance programs.

QUESTIONS AND ANSWERS ABOUT THE HOME ENERGY ASSISTANCE ACT

Who is eligible?

Low and lower middle income households. (Those at or below 125 percent of the Bureau of Labor Statistics lower living standard income level.)

What assistance will be offered?

Payment on an installment basis will be made to the energy supplier designated by a participating household. If payment to the energy supplier is not feasible, and when households rent and do not make energy payments directly, direct cash assistance will be provided to the household.

How will the program be run?

Funds will go by formula to States. Each State will be required to:

1. Designate the state agency responsible for administration

2. Develop a plan which describes:

A. How households are certified as participants

B. The amount of assistance available to each household based on income level, fuel type and dwelling type. States will be required to give priority to households with lowest incomes; the highest level of assistance must be provided to households with lowest incomes and highest energy costs in relation to income.

C. State arrangements for payments to suppliers.

D. All administrative procedures including monitoring and auditing arrangements;

3. Involve community ACTION agencies and area agencies on aging and other appropriate agencies in outreach and certification activities.

How much assistance will be available?

The amount authorized nationally is $1.6 billion for fiscal year 1980 and $5 billion for fiscal year 1981 and each year thereafter.

Each State will receive an allotment based on the size of the eligible population, the number of degree days in the State, and the aggregate fuel expenditure in the State compared to other States.

Individual households will receive an amount determined on a sliding scale by the State, taking into account income, energy type, and dwelling type (see 2a under previous question).

How many households will be eligible nationally?

There are 25 million households in the nation that are at or below 125 percent of the BLS lower living standard. This represents approximately ⅓ of all households in the country.

How much is 125% of BLS?

The BLS lower living standard income varies by region, by family size, and from urban to rural areas. The national average income at 125% of BLS is $11,875 for an urban family of our (1975 S.I.E.).

Who will monitor the States?

The Secretary of HEW will be responsible for administering the program from the national level and will be required to approve or disapprove State plans.

How do we know this assistance won't cause energy prices to increase?

We don't. The bill does contain a requirement that the Secretary will gather and analyze information on the price structure of fuels and any change in prices which are attributable to financial assistance under this act. The Secretary must report this information annually to Congress. This requirement will not only assist the Congress and appropriate Federal agencies in being alerted to the pricing patterns on home energy but it will also improve the States ability to assess the situation within the State.

Are costs for cooling allowable?

This program is primarily designed to offset heating costs. The State is authorized to make grants to eligible households for meeting the excessive costs of cooling only when the cooling is the result of an urgent medical need.

Will the current crisis intervention program administered by the Community Services Administration continue?

The Secretary of HEW is directed to transfer $100 million of the amount appropriated under this act to the CSA to continue a crisis intervention program.

Can this program be implemented in the 1980 heating season?

This bill provides a long term solution through the establishment of a mechanism that can meet the needs of the people while maintaining program accountability. It will be impossible, however, for States to meet all the requirements under the Act within a short time frame. The Secretary is therefore authorized to waive the State plan requirements in fiscal year 1980. The Secretary is also authorized to utilize other Federal agencies to administer the act. This provision would allow the Secretary to transfer funds to the existing CSA program to expedite assistance to eligible households this year.

Why vendor line of credit and not direct cash assistance?

1. The income which low income persons have is clearly not adequate and the recommended payments will not remove the very real daily budget problems of inadequate income.

2. When income is inadequate, there are severe pressures on the low income family to expend their income for other necessities. Therefore, there is a real possibility that it will not help with the payment of energy bills.

3. Lessons learned from previous emergency energy assistance programs have taught us that prepayment on energy bills or line of credit is much preferred by the elderly on fixed incomes and others that have many demands on their very limited income.●

Mr. DURKIN. Mr. President, winter is fast approaching. I am here today to join Senator WILLIAMS and Senator JAVITS in cosponsoring the Home Energy Assistance Act of 1979, for soon the cold facts of our perilously low levels of home heating fuels and our prohibitively high fuel prices will hit us with the full force of a mid-winter Northeaster. In many areas of New Hampshire, especially in the North Country, our heating season has already begun.

In New Hampshire and, in fact, in all of New England, the oil companies are holding back home heating oil supplies from local dealers and the hardworking homeowners. The oil industry is fully aware that November's escalated prices will reap substantially higher profits. Already the price for home heating oil is approaching 90 cents per gallon. And that cost is still climbing up and out of the reach of the low- and moderate-income consumer. Even Deputy Energy Secretary John O'Leary has conceded that for our elderly, our handicapped, and those on fixed incomes, the unthinkable possibility of choosing between food or fuel, will soon be a reality.

Immediate action is needed to provide relief to those who would otherwise be left out in the cold this winter. The Home Energy Assistance Act would provide direct financial assistance to both the energy consumer and the energy supplier. The bill will go a long way in helping to prevent the collapse of the home heating oil distribution system in New Hampshire and across the Nation. Much of the assistance will go directly to the small business supplier who is on the edge of bankruptcy; caught between the oil companies' demands for payment and the consumers' inability to pay.

The bill is specifically designed to help low- and moderate-income consumers pay for skyrocketing energy expenses. It will provide $1.6 billion in Federal aid to States this winter.

In my State of New Hampshire, over three-fourths of the homes and businesses are heated by oil. We bear a disproportionately high cost for energy, due to our dependence on imported oil. This bill will mean direct and immediate relief this winter of $8.4 million in fuel assistance.

While I have my doubts that we will be able to enact adequate legislation in time to ease the suffering, the elderly, handicapped, and low- and moderate-income families are bound to face this winter, I feel we must take every measure to provide as much assistance as possible.

I fought hard with Senator EAGLETON to increase the community services administration's crisis intervention assistance program to $250 million. I will continue my fight to see that figure raised to $400 million. I am also cosponsoring legislation which would amend the food stamp program to allow eligible people to use food stamps to purchase energy to heat their homes. This bill would permit the purchase of home heating oil, kerosene, wood, propane gas, and natural gas. And I have introduced legislation which would provide a refundable tax credit of up to $200 to oil heat users.

This bill that I am cosponsoring today is one more in a series of vitally needed pieces of emergency energy legislation which is designed to prevent my people from having to choose between heating and eating. I urge my Senate colleagues to join with me in obtaining prompt passage of this bill.

By Mr. NELSON (for himself, Mr. KENNEDY, and Mr. RIEGLE):

S. 1725. A bill to amend the Economic Opportunity Act of 1964 to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs; to the Committee on Labor and Human Resources.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1979

Mr. NELSON. Mr. President, today Senators KENNEDY, RIEGLE and I are introducing legislation to establish a comprehensive energy conservation services program for low-income and older Americans as a new title to the Economic Opportunity Act.

This legislation would put the Community Services Administration (CSA), the Federal agency with the most experience in dealing with the low-income population and with energy assistance programs, in charge of the various weatherization and energy assistance programs now being administered by several Federal agencies, and expand and improve upon these existing programs.

There are four major program components under this bill:

A weatherization program putting unemployed and in-school youths to work insulating and weatherizing homes of low-income and older families;

An energy assistance program and a crisis intervention program to provide financial assistance and emergency aid assistance to respond to increasing energy costs and energy-related crises experienced by low-income persons;

An energy conservation education, program coordination, and outreach effort to bring about energy savings in low-income households and to inform such households of the various programs available to serve them; and

An energy conservation research, demonstration, and pilot project component to revise and expand upon current authority within the Economic Opportunity Act to conduct research and to experiment and demonstrate technological innovations to produce energy savings.

Mr. President, this bill has been developed after extensive consultations with the administration, consumer and antipoverty organizations, representatives of State, county, and municipal government, and older Americans groups.

At this time, the Carter administration has sent to Congress specifications for a low-income energy assistance program to provide for a special energy allowance and energy crisis assistance to low-income individuals and families, which is similar in many respects to one of the components of this bill. In the next few weeks, the administration will be sending to Congress specifications for a weatherization program to insulate and weatherize America's housing stock. Other members of the Senate—Senators JACKSON, JAVITS, BIDEN, MATHIAS, WILLIAMS, and WEICKER—also have introduced legislation to assist America's low-income population.

This legislation addresses in a comprehensive approach the energy crisis faced by poor and near-poor Americans. While all American families have had to reexamine and readjust their budgets to pay the additional cost of utility and fuel bills created by the dramatic increases in the various nonrenewable sources of energy, low-income Americans—especially older persons on fixed incomes—now confront an intolerable situation. They do not have budgets to meet their basic living needs, and cannot reallocate resources to pay for energy without taking money away from some other basic need.

The result is that many poor families are forced to make choices no one should have to contemplate: food or fuel, health needs or heating.

The increasing cost of energy has compounded the fundamental problem of the poor in our society: the lack of sufficient income to pay for all of life's essentials. It is in this context that the increase in energy prices has begun and will continue to devastate America's poor population.

In order to respond to this crisis situation, this legislation proposes six critical elements in a comprehensive approach to the problem:

First. An expanded and improved weatherization services program for both low-income renters and owners. This component of the program would utilize primarily both in-school and unemployed youth to accomplish this work.

Second. Establishment of an energy financial assistance program to help low-income Americans pay for the increased cost of energy.

Third. Maintenance of a crisis intervention effort to meet emergency situations created by the lack of energy supplies or by severe weather conditions.

Fourth. Implementation of a nationwide system of energy audits for low-income people.

Fifth. Expanded energy conservation education activities to improve energy conservation in the low-income community.

Sixth. Encouragement of the development and application of technological improvements, especially those which utilize renewable resources such as solar power.

Mr. President, each element of this comprehensive program has been tried and tested at the local level through several State and Federal programs. This legislation is unique in that it attempts to bring together the various efforts that have been carried on in the different departments and agencies and give to them a special emphasis and focus that heretofore has not been developed. Moreover, this legislation places primary responsibility for the administration of a comprehensive energy services program for the low-income population in each of the States, rather than placing that responsibility in Washington. In my judgment, each State can and should adjust and design their own energy programs based upon their unique weather conditions and other factors such as the condition of their housing stock, the size of their elderly and low-income population, and their energy usage and cost.

For each of the programs prescribed in this legislation, there is an open-ended authorization of appropriations. So far, the Carter administration has endorsed spending some $2.4 billion for cash assistance and crisis intervention programs and will recommend a substantial amount of spending as well for a weatherization program. Various consumer and antipoverty groups led by the Fuel Oil Marketing-Advisory Committee, a group established to counsel the Department of Energy, support spending a higher amount of money on these very programs, somewhere in the range of $6 or $7 billion a year. The energy assistance legislation proposed by Senators JACKSON and JAVITS is projected to cost $4.5 billion a year.

A this time, the cost of this comprehensive program cannot be accurately projected. It will, no doubt, be substantial. In my judgment, the cost associated with this package only can be estimated after the Congressional Budget Office and other Federal agencies assemble solid factual information on the universe of need within the low-income population and the projected energy costs for this segment of the population taking into account the tremendous increases in the cost of energy sources since 1973.

The impact on low-income households of high fuel oil prices has been studied by the Community Services Administration. In an August 1978 report by the Grier Partnership, the following conclusions were developed:

> The average low-income household (125 percent of the federal poverty limit) which heated with fuel oil and paid its own oil bills spent an estimated $530 for that fuel alone during the 1977–1978 heating season. This was 41 percent more than it paid in 1974–1975.
>
> This estimated expenditure takes into account not only increased prices for oil, but also general climatic changes between the two winters. It also makes an allowance for conservation and for savings in fuel costs through weatherization.
>
> Rising oil prices are the largest single factor in the increase, contributing twice as much as the colder weather. The five coldest months of 1977–1978 were 14.3 percent colder than in 1974–1975, but oil prices were 29.6 percent higher.
>
> Total energy costs for oil-using households are considerably higher than their expendi-

tures for oil alone. We estimate that the average household heating with oil, and using gas and electricity in addition, paid a combined total of $1,003 for the three fuels in 1977–1978. The average low-income household paid $831.

Energy expenses now consume sizable proportions of the financial resources of low-income households. While total money incomes (if not real purchasing power) have been rising rapidly for most U.S. households, nearly 14 million households are still at the low-income level. Based on the latest available Census Bureau data (for 1976), we estimated that the mean income of these households was less than $3,500 at that time. By the 1977–1978 heating season, the average low-income household received an estimated income of $3,850 or less.

For this average household heating with oil, the $831 total cost of home fuels was more than one-fifth of its before-tax income. Of course, many low-income households, especially among the elderly, receive less than the average. For many of these households, the burden was even greater.

These are national figures, and households in the cold northern sections of the nation face much higher costs. In Milwaukee, an analysis of the 1977–78 winter season's applicants for emergency energy assistance showed that those between 101 and 125 percent of poverty income levels who heated with oil paid 32.4 percent of their incomes for all home fuels. Those at or under poverty levels paid almost half, or 45.7 percent. If we add to these percentages mortgage payments and taxes or rent, it is easy to see how total shelter costs can add up to 80 or 90 percent of some households' annual income.

Heating fuel expenses, unlike most other living costs, peak sharply during certain months of the year. Hence the annual expenditure figures, large as they are, do not fully reflect the impact on low-income families with their very limited budget flexibility. During 1977–1978, nearly three-fifths of the total heating degree days (and hence heating costs) nationally were accumulated during only three months—December, January, and February.

"Budget" plans are designed to smooth these peaks. But many low-income households cannot meet the credit requirements for these plans. In our field interviews, we were told that many had recently lost their budget plan eligibilty because they had been unable to maintain regular payments in the face of sharply higher prices.

More than one-third of all low-income fuel oil users are elderly, most of them on fixed incomes. For these people, the rapid rise in fuel oil prices has been especially terrifying. Poverty field workers have told us of elderly householders who had sold their furniture to meet oil bills.

To some extent the problems which low-income households encounter today with rising fuel oil prices are in the social and economic arenas. But to a considerable degree they are physical in origin. About half of low-income fuel oil users pay a premium simply for living in the Northeast. A majority of them nationally—and about three-fifths in the Northeast—are penalized because they live in old buildings.

The Grier Report is now nearly two winter seasons old. Since that report, the cost of fuel oil has surged upward to record high levels. It is now estimated that the cost of home heating fuel will be up over 50 percent since last winter, the cost of all other utilities such as natural gas and electricity will increase substantially, and as everyone is painfuly aware, gasoline prices are averaging more than a dollar a gallon.

This legislation addresses itself to this situation by seeking to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce and expensive nonrenewable sources of energy. This result is to be achieved by undertaking a major initiative to make energy conserving improvements to low-income dwellings that will reduce heat loss and improve thermal efficiency. In this manner, home energy consumption can be reduced and alternative and renewable energy sources for space heating and cooling can be installed.

Recognizing that it will be some time before substantial numbers of low-income households will be weatherized, that regional energy crisis develop in various parts of the country, and that energy costs have increased dramatically in the past few months and will continue to increase, this legislation also provides for energy assistance payments and crisis intervention assistance. This aspect of the program is designed after an existing CSA program. It is intended to offset enormous increases in the cost of utility bills for heating low-income homes and to alleviate the threat to the health and safety of low-income persons created whenever there is a shortage of energy supplies or by severe weather conditions.

WEATHERIZATION PROGRAM

Federal financial assistance would be made available under part A of this bill for a weatherization program. A Federal categorical grant would be made to the States, who in turn would be responsible for operating a program in accordance with federally established minimum requirements.

Funds provided under the weatherization program could be used for materials, labor, and program support. Weatherization material costs and labor costs would be limited to 80 percent, and program costs could not exceed 20 percent. The Director of CSA, however, could waive these requirements for program start-up purposes. Administrative costs, which are to come out of program support, could not exceed 10 percent of a State's grant.

Under the current Department of Energy program, community action agencies are given a presumptive role for carrying out local weatherization projects. This role for the community action agencies would be continued under this program. Other nonprofit agencies and governmental units also are eligible to perform weatherization activities and would play a major role in the implementation of the weatherization program.

The labor for weatherizing homes would utilize, to the extent feasible, individuals who are employed under the Comprehensive Employment and Training Act (CETA). Weatherization funds also could be used for labor costs. A maximum wage limitation similar to those established under the CETA amendments of 1978—$10,000 a year indexed upward in high wage areas to $12,000 a year—would be enforced. But the CETA average wage limitation would not apply.

Both unemployed and in-school youth whose family incomes are below 100 percent of the Bureau of Labor Statistics lower living standard budget—a national average of $11,546 for a family of four—would be given preference for weatherization jobs that become available under the CSA program.

Mr. President, youth unemployment continues to be one of our Nation's most critical problems. Over 2 million 16- to 21-year-olds have been looking for, but have been unable to find, work in 1979. The problem is particularly acute among minority youth where the rate of unemployment remains at a catastrophic 34.3 percent down less than 3 percent from the 1976 level. Looming in the background is the possibility of a serious economic downturn which will, as always, mean depression-level unemployment for youth, particularly minority youth who are the last hired and first fired.

Energy conservation programs, particularly the weatherization of low-income housing present a unique opportunity for unemployed youth to help solve our energy problems.

According to Energy Department figures, less than 10 percent of the homes needing and qualifying for such services have received them. In great part, this has been due to limited coordination between energy conservation activities and the employment and training programs funded by the Department of Labor and operated through the CETA prime sponsors.

Specifically, coordination has been ineffective due to the following factors:

The CETA prime sponsors operate autonomously in assigning jobs to enrollees. This has made it very difficult to match employment and training programs with weatherization program finds;

The requirement that prime sponsors coordinate their employment and training efforts with weatherization programs conflicts with other Department of Labor (DOL) regulations emphasizing a mix of activities which are determined by local policies and priorities;

CETA public employment programs are not available uniformly throughout the Nation, but are, instead, targeted to areas of high unemployment. Many energy dependent States that experience a cold season have low unemployment rates and therefore fewer available public service employment slots;

Program slots in CETA projects have been limited to one year and are typically not renewable, thereby increasing training costs and decreasing the quality of work produced;

While many of the community action agency programs have outstanding performance records in implementing the weatherization program, for a variety of reasons, CETA prime sponsors have been restrictive in allotting CETA slots to weatherization programs.

Therefore, weatherization programs have had difficulty in matching their weatherization resources with labor which is essential to complete local program implementation; and

Average wage levels prescribed in the CETA legislation are too low, in many instances, to pay for weatherization workers and supervisors.

HISTORY OF WEATHERIZATION PROGRAMS

Federal efforts to support weatherization of low-income dwellings began in 1974 through initial funding of "project fuel" in the State of Maine by CSA, and through local efforts in northern Wisconsin.

The total amount of funds appropriated by Congress for fiscal years 1975 through 1979 is approximately $510.4 million. Of that amount, CSA was appropriated $219 million dollars and the Department of Energy (DOE) was appropriated $291.4 million. A chart showing the legislative and appropriation history follows:

WEATHERIZATION, LEGISLATIVE AND APPROPRIATION HISTORY

Fiscal year	Federal agency	Authorization	Appropriation (millions)
1975	CSA	222(a)(12)–EOA [1]	16.5
1976	CSA	222(a)(12)–EOA	27.5
1977	CSA [2]	222(a)(12)–EOA, including supplemental.	110.0
1977	DOE [3]	ECPA [4]	27.5
1978	CSA	222(a)(12)–EOA	65.0
1978	DOE	ECPA	65.0
1979	DOE	ECPA	198.9

[1] Economic Opportunity Act.
[2] Community Services Administration.
[3] Department of Energy.
[4] Energy Conservation and Production Act.

The weatherization program for low-income households is currently administered by the Department of Energy (DOE). There have been numerous problems experienced by the program while under DOE administration including: less than 25 percent of the national goal to weatherize low-income homes have been completed; there is a lack of adequate labor for home weatherization; DOE regulations have been overly restrictive creating programmatic complexity and administrative problems; and there has been a lack of integration of program services at the Federal level with other federally sponsored energy assistance and conservation programs.

In March 1979, a report entitled "Home Weatherization Program of the Community Services Administration" was issued by the staff of the House Appropriations Committee. Three months later, a report entitled "Report on Conditions Adversely Affecting the Weatherization Program for the Low-Income Persons" was issued by the Office of Inspector General, U.S. Department of Energy.

Both of these reports identify problems with the weatherization programs operated by DOE and CSA. Although management problems were experienced by both agencies, DOE administration of the program has resulted in the most extensive problems in the history of the weatherization program. In my home State of Wisconsin, for example, nearly $2 million in weatherization materials remains stockpiled in warehouses because of the inflexibility of DOE regulations.

This particular legislation being introduced today is an attempt to eliminate the documented program problems. In view of the operation and performance of the weatherization program, this bill provides for CSA administration of the weatherization program. CSA has proven that CSA administration results in more homes being weatherized in less time with fewer financial resources than DOE.

Moreover, it is my judgment that weatherization of low-income homes should be centralized in an agency whose primary purpose is service to the poor. Only if energy problems confronting poor people are seen and understood by those administering the program as problems of poverty as well as problems of energy can they be dealt with effectively. DOE is not a poverty agency. CSA, by virtue of its legislative mandate, offers the best opportunity available to integrate energy and social service programs to assist the poor. National efforts to save energy cannot be implemented separately from other national efforts to eliminate poverty.

The Community Services Administration and its local administering agencies, Community Action Agencies (CAA's) are already very involved with social programing in the areas of employment, housing, and community economic development, as well as energy conservation. Together, they are uniquely qualified to carry out a comprehensive program of energy conservation which will both address the problems and enhance the opportunities created by the energy crisis for the poor and the near-poor of our Nation.

In addition, CSA, through the CAA's, have in place an extensive outreach and follow-through mechanism to reach and serve those families and individuals most in need of such services. CSA has consistent and regular contact with such agencies assessing their performance in implementing programs and utilizing Federal dollars. It is administratively cost-efficient and program effective to have local administering agencies relate, where possible, to one Federal agency (CSA) rather than two or three Federal agencies.

Mr. President, weatherization of low-income homes can result in substantial energy savings. Current estimates indicate that homeowners may save 20 to 60 percent in energy consumed and cost as a result of home weatherization. The percentage of energy saved is dependent on the type and condition of the home, nature and kind of weatherization activities performed in the home, and the efficiency or lack thereof of the heating unit.

In September 1976 a study was published entitled "Energy Conservation Evaluation" by Neil Prochnow (University of Wisconsin, River Falls). This study indicated that in low-income homes where attic insulation was installed and air infiltration problems were fixed, a 20 to 23 percent energy savings was experienced. Other later studies have substantiated these findings and also projected additional energy savings occur in homes where additional weatherization is needed and was performed.

ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION PROGRAMS

Part B of this legislation establishes authority for a Federal categorical grant to the States to conduct an energy assistance payments and crisis intervention program. The purpose of this aspect of the legislation is to offset the increases in the cost of energy resources since 1973, and to provide emergency aid to low-income persons whenever there is a shortage of energy supplies or severe weather conditions.

States would be given broad authority for establishing and maintaining an energy assistance program, which would simply have to meet federally established minimum requirements. Much latitude is given to the States for operating this program in recognition of the varying conditions not only between the States, but also within any given State as well.

A State, for example, may wish to emphasize its services to the elderly poor, or determining payment benefit levels based on the varying climate within the State. Eighty-two percent of a State's grant would be required to be spent on energy assistance payments to provide financial assistance to help the low-income population with high energy costs.

The remainder of a State's grant would be spent on a year-round crisis intervention program to respond to severe energy-related crises experienced by low-income persons. It would serve persons experiencing either special hardships which required additional financial assistance or an energy-related crisis, as well as persons who for one reason or another fail to receive assistance under the energy assistance payments component. An emergency or disaster reserve would also have to be established by the State.

Benefit levels would be established based on energy need and usage including factors such as weather severity and size of dwelling, energy costs, and income. But each of the States would have the authority to determine benefit levels, and could make interstate distinctions based, for example, on population or climatic conditions, if they so desired.

Eligibility for these programs, however, would be restricted to low-income and near-poor individuals and families whose income did not exceed 85 percent of the Bureau of Labor Statistics lower living stanard. This amounts to a national average of $9,814 for a family of four.

To account for the various methods by which energy assistance payments are made under current CSA programs, States would have the option of using a delivery mechanism or mechanisms of their choice. States could use a line of credit to vendors mechanism, direct payments to individuals, or a combination of each. The State would designate the agency to administer the programs, and could, at its discretion, contract to use an existing delivery mechanism such as the supplemental security income program, aid to families with dependent children, or the food stamp program.

The administrative costs associated with the State administration of these programs would be limited to 10 percent of a State's categorical grant. This administrative cost would be jointly shared by the State and Federal Government with each contributing half the administrative cost. This cost sharing is intended to help insure the integrity of the cash assistance programs in the various States.

Finally, the Director of CSA will be mandated to delegate authority for operating this program to the Department of Health, Education, and Welfare.

Mr. President, the current programs to assist the low-income population pay for its energy bills and to alleviate life-threatening energy-related situations have been subject to sporadic appropriations and to gearing up in the midst of an energy crisis. The legislation we are introducing today will give some assurance to States of a permanent energy assistance program—one that has some predictability and that can be carefully planned and implemented.

Ideally, the cash assistance aspect of this program would not be necessary. And, in my judgment, its importance will diminish as low-income households are weatherized and energy costs level off. The payment of money to low-income individuals is not the most desirable alternative, but it is necessary at this time to insure that their health and safety are not jeopardized by utility shutoffs.

ALLOCATION OF FUNDS TO STATES

Mr. President, the allocation of Federal dollars to the States under the weatherization, energy assistance payments, and crisis intervention programs will be based on heating degree days, energy usage and cost, and a combination of eligible population measures.

Thirty-five percent of the money made available would be distributed based upon the relative number of U.S. heating degree days in each State weighted by the amount of total population in each State as compared to the number of heating degree days in all States weighted by the amount of total population in all States.

Thirty-five percent of the money made available would be distributed based upon the relative aggregate residential energy expenditure in each State as compared to the aggretate residential energy expenditure in all States;

Ten percent of the money made available would be distributed based on the relative number of persons who are at or below 100 percent of the Bureau of Labor Statistics lower living standard income level;

Ten percent of the money made available would be distributed based upon the relative expenditures under the SSI program in each State compared to SSI expenditures in all States; and

Ten percent of the money available would be distributed based upon the relative expenditures under the AFDC program in each State compared to all AFDC expenditures in all States.

ENERGY CONSERVATION EDUCATION AND ENERGY CONSERVATION RESEARCH, DEMONSTRATION AND PILOT PROJECTS

Mr. President, parts C and D of this legislation provide Federal financial support for projects and activities which will educate and counsel low-income and near-poor energy consumers in energy conservation practices and management, self-help activities in energy conservation and alternative energy application, and the care and maintenance of weatherization and alternative energy improvements. These parts of the comprehensive program also provide a continuation of CSA's existing authority to carry out energy conservation, research, demonstration, and pilot projects.

One of the most important aspects of helping to conserve energy is to assess the heat loss of a building and provide consumers with an explanation not only of how a building loses heat, but also of how the resident's life-style is wasting or conserving energy. Energy auditors are an important link to the conservation of energy, and this kind of activity is contemplated by part C of this legislation. Education materials and information for homeowners, renters, community groups, and public agencies also could be funded from this part of the program.

During the past few years, CSA has carried out many experiments on alternative energy sources such as using solar power to heat and cool low-income housing. These activities are now authorized under the Economic Opportunity Act, and would be continued under part D of this legislation.

CONCLUSION

Mr. President, low-income households face a very serious crisis this winter and for the forseeable future, so long as energy costs remain critically high. The legislation we are introducing today addresses itself in a comprehensive manner to this crisis.

No doubt, there will be many people who will read this legislation and have constructive comments to improve upon the way it is now drafted. I invite and will be pleased to receive comments on this bill from interested parties, and will do whatever I can to secure passage of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1979".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to establish a Comprehensive Energy Conservation Services Program designed to enable low-income and near-poor individuals and families, particularly the elderly, to participate in energy assistance programs which will lessen the impact of high energy costs on such individuals and families and reduce individuals and family energy consumption.

COMPREHENSIVE ENERGY CONSERVATION SERVICES PROGRAM

SEC. 3. The Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XI—COMPREHENSIVE ENERGY CONSERVATION SERVICES

"SHORT TITLE

"SEC. 1101. This title may be cited as the 'Comprehensive Energy Conservation Services Act of 1979'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 1102. (a) The Congress finds and declares that—

"(1) rising energy costs have significantly reduced the real purchasing power of low-income and near-poor individuals and families, particularly the elderly, in the United States to levels at which the necessities of life cannot be acquired by them;

"(2) the real incomes of households receiving government assistance payments as a primary income source have diminished in proportion to the real incomes of other households in the United States;

"(3) throughout the country the cost of essential home energy supplies imposes a disporportionately larger burden on the incomes of low-income and near-poor individuals and families than on the incomes of other individuals and families, and in some parts of the United States this differential among energy expenditures of income groups is extreme;

"(4) low-income Americans generally use less energy per capita than other Americans and have reduced their energy usage to the extent the conditions of their dwellings and equipment will allow, and further energy savings can be made primarily through improvements to their dwellings;

"(5) the housing stock occupied by the low-income and near-poor is generally not energy efficient, is usually older, and frequently in need of home repair;

"(6) low-income and near-poor individuals and families lack access to energy supplies because of the structure of home energy distribution systems and prevailing credit practices;

"(7) low-income and near-poor individuals and families dependent upon heating oil as a fuel to heat their residences are particularly hard hit by the doubling in heating oil costs which has occurred since the winter of 1978;

"(8) high energy costs contribute to landlord abandonment and the deterioration of housing in low-income and near-poor neighborhoods; and

"(9) low-income households need a variety of forms of assistance to reduce energy costs including financial support, energy conservation counseling, weatherization services and access to alterate energy sources.

"(b) It is, therefore, the policy of the United States that the low-income and near-poor should be insulated from disproportionately adverse effects on their income resulting from high energy costs and that minimum quantities of energy supplies are as essential to living as food and shelter, and the lack thereof poses a serious threat to life, health, and safety.

"STATEMENT OF PURPOSE

"SEC. 1103. (a) This title establishes a Comprehensive Energy Conservation Services Program to provide low-income and near-poor individuals and families with weatherization services, energy assistance payments and crisis intervention assistance, energy conservation education, and outreach services; and prescribes the functions and structure of the administrative mechanisms responsible for administering the various components of the Comprehensive Energy Conservation Services Program. The title also requires the coordination of all energy programs throughout the Federal Government which serve the low-income and near-poor and authorizes comprehensive energy-related research, demonstration and pilot projects designed to enhance the ability of the Federal Government to respond to the energy needs of the low-income and near-poor.

"(b) It is the basic purpose of this title to stimulate and encourage the development and implementation of programs for the low-income and near-poor that will lessen the impact of high energy costs, reduce individual and family energy consumption, and focus all available local, State and Federal resources in such a way as to maximize the potential for achieving the objectives of this title. The specific purposes of this title are to—

"(1) bring together a partnership of Federal, State, and local resources to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce non-renewable sources of energy and thereby lessen American dependence on scarce resources, especially resources which are derived from the importation of foreign energy supplies;

"(2) lessen the consumption of foreign and domestic energy supplies by undertaking a 10-year initiative to weatherize and make energy efficient the dwellings of the low-income and near-poor by improving the thermal efficiency of their dwelling places and providing access to low-cost, dispersed alternative energy sources;

"(3) assure the health and well-being of low-income and near-poor individuals and families through the provision of energy assistance payments including crisis intervention assistance, to offset enormous increases in the price to consumers of home heating oil and fuel supplies and to alleviate the threat to such individuals and families created by a shortage of energy supplies or by severe weather conditions;

"(4) promote and encourage employment and enterprise development opportunities for low-income and near-poor individuals and families and communities in the fields of energy conservation and alternative energy development; and

"(5) carry out education programs that will assist the low-income and near-poor in adopting sound conservation practices that will maximize the benefits achieved through conservation and the use of alternative energy.

"DEFINITIONS

"Sec. 1104. As used in this title—

"(1) the term 'Council' means each State Policy Council established pursuant to section 1111;

"(2) the term 'lower living standard income level' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based upon the most recent 'lower living family budget' issued by the Secretary of Labor; and

"(3) the term 'State' means each of the several States and the District of Columbia.

"Part A—Weatherization Program

"ESTABLISHMENT OF WEATHERIZATION PROGRAM

"Sec. 1105. (a) The Director shall develop and conduct, in accordance with the purposes and provisions of this part, a weatherization program. In developing and conducting such program the Director is authorized to make grants to States and to Indian tribal organizations to serve Native Americans. Such grants shall be made for the purpose of furnishing financial assistance to projects designed to provide for the weatherization of dwellings occupied by low-income or near-poor individuals or families, particularly families and groups of individuals in which the elderly or handicapped reside.

"(b)(1) The Director, after consultation with the Secretary of Labor, the Secretary of Energy, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the date of enactment of this part, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 75 days after the date of enactment of this part.

"(2) The regulations promulgated pursuant to this part shall include provisions—

"(A) prescribing for use in various climatic, structural, and human need settings, standards for weatherization materials energy conservation techniques, and balanced combinations thereof, which are designed to achieve a healthful living environment and maximum practicable energy conservation;

"(B) prescribing, after consultation with the Secretary of Labor, wages and allowances in accordance with section 124 of the Comprehensive Employment and Training Act and maximum wage limitations in accordance with the provisions of section 122 (i)(1) of the Comprehensive Employment and Training Act; and

"(C) establish procedures, after consultation with the Secretary of Labor, that, in order to secure individuals to perform work (other than supervisory work) on local weatherization projects, under which such projects grantees shall (i) utilize, to the extent feasible, individuals in employment and training programs assisted under the Comprehensive Employment and Training Act, (ii) give priority to youths aged 16 to 24, and (iii) make arrangements for obtaining referrals of individuals whose wages will be paid under this part and who meet the eligibility requirements of section 435 or section 607 of the Comprehensive Employment and Training Act from prime sponsors designated under such Act:

"(D) establishing procedures designed to assure that (i) the benefits of weatherization assistance in connection with leased dwelling units will accrue primarily to low-income and near-poor tenants, (ii) the rents on such dwellings will not be raised because of any increase in the value thereof due solely to weatherization assistance provided under this part, and (iii) no undue or excessive enhancement will occur to the value of such dwellings; and

"(E) prescribing the maximum financial assistance available under this part for specific categories of dwellings.

"(c) If a State does not, within 90 days after the date on which final regulations are promulgated under this section, submit an application to the Director which meets the requirements set forth in section 1109, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivisions may, in lieu of such State, submit a master plan and annual plans for carrying out projects under this part within the geographical area which is served by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions. If any such political subdivision or combination of political subdivisions submits an application which proposes that the priority requirement with respect to community action agencies set forth under section 1109(c) be determined to be no longer applicable, the Director, as part of the notice and public hearing procedure carried out under section 1109(b)(1) with respect to such application, shall be responsible for making the necessary determination under section 1109(c).

"FINANCIAL ASSISTANCE FOR WEATHERIZATION PROGRAMS

"Sec. 1106. The Director shall provide financial assistance to each State or area which has met the requirements of section 1110 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 1107. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal year 1980 and each succeeding fiscal year ending prior to October 1, 1989. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

"ALLOTMENTS TO STATES

"Sec. 1108. (a) The Director shall allot the sums appropriated pursuant to section 1107 for any fiscal year in accordance with subsections (b) through (e) of this section.

"(b)(1) Ninety per centum of the funds appropriated pursuant to section 1107 for each fiscal year shall be allotted in accordance with the provisions of this subsection.

"(2) Thirty-five per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of the United States heating degree days in each State multiplied by the population for each State as compared to the number of United States heating degree days in all States multiplied by the number in all States.

"(3) Thirty-five per centum of the sums allotted under this subsection shall be allotted on the basis of the relative aggregate residential energy expenditure in each State as compared to the aggregate residential energy expenditure in all States.

"(4) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of individuals having an income equal to or lower than the lower living standard income level as compared to the number of such individuals in all States.

"(5) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative expenditure for aid to families with dependent children under title IV of the Social Security Act in that State as compared to such expenditure for all States.

"(6) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the expenditure for supplemental security income under title XVI of the Social Security Act in that State as compared to such expenditure for all States.

"(7) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) Of the remainder the Director may reserve all or part of the sums so appropriated for each fiscal year for use for—

"(1) training and technical assistance activities pursuant to section 1118 which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities;

"(2) evaluation activities carried out pursuant to section 1119;

"(3) activities of the State policy councils carried out pursuant to section 1111; and

"(4) demonstration, research, and pilot projects carried out pursuant to section 1151.

"(d) Any portion of a State's allotment under subsection (b) for a fiscal year which the Director determines will not be expended for the period such allotment is available for carrying out the provisions of this part, shall be made available for reallotment from time to time, on such dates during such period as the Director determines necessary, to other States based on relative need and ability to expend such funds. Such reallotments shall be made according to the provisions of subsection (b).

"(e)(1) Notwithstanding any other provision of this part, in any State in which the Director determines (after having taken into account the amount of funds made available to the State to carry out the provisions of this part) that (i) the low-income and near-poor migrant and seasonal farm workers are not receiving benefits under this part that are equivalent to the assistance provided in other low-income and near-poor individuals and families in such State under this part, and (ii) if the Director further determines that the members of such tribe or such migrant and seasonal farm workers would be better served by means of a grant made directly to provide such assistance, the Director may reserve such sums as may be necessary to provide assistance to Indians and migrants and seasonal farm workers.

"(2) The sums reserved by the Director or the basis of his determination under this subsection shall be granted to the tribal organization serving the individuals for whom such a determination has been made, or entity as the Director determines has the capacity to provide services pursuant to this part.

"(3) In order for a tribal organization or other entity to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Director plans meeting the requirements set forth in section 1110.

"LIMITATIONS

"SEC. 1109. (a) No grant made under this part may exceed (1) 80 percent for the purchase of weatherization materials and for labor costs, and (2) 20 percent for program support, including not more than 10 percent for administrative costs. During an initial period for each program, the limitations of this subsection shall not apply if the Director determines a waiver of any of the limitations is necessary to insure the success of the program.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed funding distributions and recipients;

"(2) be allocated, pursuant to such State or area plan, to community action agencies carrying out programs under title II of this Act, Indian tribal governments, or to other public or private nonprofit agencies or organizations that have demonstrated effectiveness in supervising or carrying out weatherization services so that funds will be allocated on the basis of the relative need for weatherization assistance among the low-income and near-poor individuals within such State or area, taking into account—

"(A) the climatic conditions,

"(B) the condition with respect to the energy efficiency of dwelling places,

"(C) energy usage and cost,

"(D) the type of weatherization work to be performed, and

"(E) such other factors as the Director may determine;

"(3) be terminated or discontinued during the application period only in accordance with policies and procedures consistent with the policies and procedures set forth in section 1116.

"(c) In allocating funds for carrying out weatherization projects within the State under subsection (b) the Director shall give priority to community action agencies within each State for so much of the geographical area as is served by each such agency; except that the requirement of this subsection shall not apply if the State Policy Council established under section 1111, in cooperation with the chief executive officer of the State determines, on the basis of the public hearing required by subsection (b)(1), or if the Director determines that—

"(1) a community action agency has been ineffective in meeting the purposes of this part or the purposes of a weatherization program carried out under part A, title IV of the Energy Conservation and Production Act, or

"(2) a community action agency is not of sufficient size and cannot in timely fashion develop the capacity to support the scope of the project to be carried out in such area with financial assistance under this part.

In carrying out the provisions of this subsection the Director shall give due consideration to the results of periodic evaluations of the projects carried out under this part in light of available information regarding the current and anticipated energy and weatherization needs of the low-income and near-poor individuals within the State.

"STATE PLANS AND REQUIREMENTS

"SEC. 1110. (a)(1) In order to receive financial assistance under this part, a State, or if the conditions of section 1105(c) are met, an area applicant shall submit to the Director a weatherization plan. Such plan shall consist of a master plan and an annual plan. The master plan shall serve as the long-term weatherization program to be carried out under this part. Such plan shall be sufficiently detailed to provide the Director and the applicant with a thorough understanding of the conditions with regard to climate, energy usage and cost, human need, and energy efficiency of dwelling places in the area proposed to be served by the applicant and of the programmatic and administrative arrangements of the applicant to ensure that each project is designed and implemented in a manner consistent with the requirements and purposes of this part.

"(2) The State Policy Council established pursuant to section 111 shall, in consultation with the chief executive officer of the State, develop the State master plan and the annual plan.

"(b) The master plan shall—

"(1) include a detailed analysis of the area to be served, including climate, energy usage and cost, energy efficiency of dwellings, the number of dwellings in need of weatherization services, the estimated number and characteristics of dwellings to be assisted, and the type of weatherization services to be performed;

"(2) include a statement of the long-term goals of the plan for the improvement of the energy efficiency of the dwellings in the area to be served;

"(3) describe in detail—

"(A) administrative arrangements for carrying out the plan, including the procedures to be used to select local projects and criteria for determining that a local project applicant has demonstrated effectiveness, to select and place individuals on the State or area administrative staff, to evaluate and audit the operation of the local projects, and to process complaints and grievances;

"(B) the methods to be used to identify and the criteria to be used for selecting dwellings to receive weatherization services, the arrangements made with respect to providing occupants of dwellings to be weatherized and other eligible individuals with energy conservation education and counseling, energy assistance payments if necessary, other services under this title, and other services; and

"(C) the priorities to govern the provision of weatherization assistance to low-income and near-poor individuals and families, including methods to provide priority to elderly and handicapped low-income and near-poor individuals, and the priority as the State or area determines is appropriate for single-family or other high-energy-consuming dwellings;

"(D) the procedures for consultation with the local project policy advisory councils;

"(E) the procedures to be followed in approving and funding of local projects;

"(F) the procedures to be used for the recruitment and referral of labor, to the extent practicable, from prime sponsors under the Comprehensive Employment and Training Act; and

"(G) the policies and procedures designed to assure that financial asistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part, including plans and procedures (i) for securing, to the maximum extent practicable, the services of volunteers and training participants and public service employment workers under title II and title VI of the Comprehensive Employment and Training Act to work under the supervision of qualified supervisors and forepersons, and (ii) for complying with the limitations set forth in section 1109;

"(4) include a description of arrangements to insure that—

"(A) nondiscrimination and equal employment opportunities are provided; and

"(B) procedures are developed which will lead to skill development and job opportunities for the population to be served under this part in occupations traditionally limited to individuals of the opposite sex;

"(5) include a detailed description of the procedures to be used to distribute funds within areas of the State or area to be served which take into account—

"(A) the climatic conditions;

"(B) the condition with respect to energy efficiency of dwellings;

"(C) energy usage and cost;

"(D) the number of individuals and dwellings eligible for weatherization assistance;

"(E) the type of weatherization work to be performed; and

"(F) such other factors as the Director may determine necessary in order to carry out the provisions of this part;

"(6) include a description of the procedures for the consideration of any changes in the plans required under this section, including review of such changes by the State Policy Council;

"(7) include a detailed description of recordkeeping procedures for the expenditure of funds received under this part which will enable the Director to audit and monitor the local projects, and will assure adequate supervision and monitoring of such local projects by the State or area applicant, particularly with respect to the eligibility of participants and the propriety of participant selection procedures and practices;

"(8) include a description of plans and activities to coordinate, strengthen, and expand employment and training activities under this part with economic development activities in the private sector; and

"(9) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) To receive funds for any fiscal year, a State or area applicant shall submit an annual plan. Each annual plan shall include—

"(1) a description of any significant changes in the information provided in the master plan;

"(2) a detailed description of the estimated number and characteristics of the dwellings to be assisted and the criteria and methods to be used by the State or area applicant in providing weatherization assistance under this part;

"(3) the proposed budget for the program year, including a detailed summary of the expenditures made during the preceding year, results achieved, and changes made in the annual plan for the program year;

"(4) a description of the relationship between job development and placement under this part and other employment and training programs in the area served, and efforts made or which will be made to coordinate programs under this part with such other programs;

"(5) a description of the activities to be undertaken to inform and refer potentially eligible low-income and near-poor individuals and families of the availability of weatherization assistance and other energy assistance programs which may be available to provide energy-related services;

"(6) a description of efforts to be undertaken to involve the private sector in activities assisted under this part; and

"(7) such other information provided in the master plan as the Director determines is necessary for the program year for which the annual plan is made.

"(d) A State or area applicant may, in accordance with regulations promulgated under this part, submit an amended annual plan.

"(e) The Director shall establish procedures for submittal, approval, and implementation of changes in the master and annual weatherization plans, together with any reports required under this part.

"STATE POLICY COUNCIL

"SEC. 1111. (a) (1) Any State which desires to receive financial assistance under this part shall establish a State weatherization policy council.

"(2) The council shall be appointed by the chief executive officer of the State. The chief executive officer of the State shall furnish staff to provide professional, technical, and clerical assistance to the council.

"(3) The council shall be composed of—

"(A) individuals eligible to receive weatherization assistance under this part (including significant segments thereof) and their representatives, who together shall comprise one-third of the membership of the council;

"(B) representatives of the political subdivisions of combinations of the political subdivisions of the State, including local elected officials currently holding office, and members of the general public who together shall comprise one-third of the membership of the council;

"(C) representatives of organized labor, business, agricultural employers and workers, and energy providers; and

"(D) in addition to the council membership requirements set forth in subparagraphs (A) through (C) of this paragraph, a representative of the area agencies on aging within the State under the Older Americans Act of 1965, a representative of the State agency responsible for energy matters, a representative of the State ACTION office, and a representative of the State office of economic opportunity established under section 231 of this Act.

"(4) The council shall meet at such times, but at least five times per year and in such places as it deems necessary. The meetings shall be publicly announced and, to the extent appropriate, open and accessible to the general public.

"(b) The council shall—

"(1) elect a chairperson from among the council membership;

"(2) review continuously the operation of weatherization programs conducted by each local project, and the availability, responsiveness, and adequacy of the State program, and make recommendations to the local projects, to the chief executive officer of the State, and to the general public with respect to ways to improve the effectiveness of such programs;

"(3) make an annual report to the chief executive officer of the State which shall be a public document, and issue other studies, reports, or documents as it deems advisable to assist local projects or to otherwise help carry out the purposes of this part;

"(4) review the plans of local projects, especially with respect to the progress and success of the local projects, and nonutilization or duplication of the assistance available under this part; and

"(5) prepare, in cooperation with the chief executive officer of the State, the master and annual plans required by section 1110, after reasonable notice and a public hearing has been held.

"(c) Whenever the conditions of section 1105(c) are met and the plans required by section 1110 are submitted by an area applicant the area applicant shall, to the maximum extent practicable consistent with regulations prescribed by the Director, comply with the provisions of this section.

"DESIGNATION OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1112. (a) Upon approval of financial assistance under this part, a State is authorized to designate as a local weatherization project, subject to the limitations set forth in section 1109, a community action agency carrying out programs under title II of this Act or a political subdivision or combination of political subdivisions of a State which (1) has the authority to carry out the provisions of this part and perform the functions set forth in section 1114 within the area to be served, and (2) is determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a weatherization program.

"(b) For the purposes of this part, an area to be served may be a city, county, or multicity or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a weatherization program.

"(c) The State shall give priority in the designation of local weatherization projects to any local public or private nonprofit agency which is receiving funds under any weatherization program on the date of the enactment of this title, except that the State shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the State and the Director.

"FINANCIAL ASSISTANCE FOR LOCAL WEATHERIZATION PROJECTS

"SEC. 1113. Upon approval of financial assistance under this part, a State may, upon application by an agency which is eligible for designation as a local weatherization project pursuant to section 1112, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a weatherization program to provide low-income and near-poor individuals and families in the area with weatherization assistance which will (1) result in the reduction of energy usage and cost, and (2) provide for direct participation of the low-income and near-poor population of the area to be served in the development, conduct, and overall program direction at the local level.

"FUNCTIONS OF LOCAL WEATHERIZATION PROJECTS

"SEC 1114. (a) In order to be designated as a local weatherization project under this part, a community action agency or a political subdivision or combinations of political subdivisions of a State must have authority under its charter or applicable law to (1) receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a weatherization program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency organized in accordance with this part, may act as a grantee, contractor, or sponsor of projects appropriate for inclusion within a weatherization program, (2) transfer funds so received, and (3) delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component parts in any case in which the transfer or delegation would contribute to efficiency and effectiveness of carrying out a weatherization program.

"(b) In order to be so designated, a local weatherization project shall—

"(1) establish a local project advisory committee which shall consist of not more than fifty-one memebrs and shall be so constituted that—

"(A) one-third of the members of the board are elected public officials currently holding office or their representatives, except that if the number of elected public officials reasonably available and willing to serve is less than one-third of membership of the board, membership on the board of appointive public officials may be counted in meeting such one-third requirement;

"(B) at least one-third of the members are individuals chosen in accordance with democratic selection procedures adequate to assure that they are representative of low-income and near-poor individuals eligible to receive weatherization assistance in the area served, including significant segments of the individuals so served, or their representatives; and

"(C) the remainder of the members are representatives of organized labor, business, agricultural employees and workers, energy-related providers, religious, welfare, or other major groups and interests in the area to be served;

"(2) provide for the regular participation of the population to be served or their representatives in the implementation of such weatherization assistance; and

"(3) provide technical and other support needed to enable low-income and near-poor individuals and families in the area to secure on their own behalf available assistance from public and private sources.

"ELIGIBILITY FOR PARTICIPATION IN WEATHERIZATION PROGRAMS

"SEC. 1115. Low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if such individuals or families have incomes equal to or less than 85 percent of the lower living standard income level.

"ADMINISTRATIVE PROVISIONS

"SEC 1116. (a) The agency carrying out each weatherization program shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate area groups and reasonable public access to books and records of the program. Each such agency shall adopt rules designed to establish specific standards governing employee benefits; to assure that only personnel capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

"(b) No financial assistance shall be extended under this part in any case in which the Director determines that the costs of administering a program assisted under this part exceed 10 percent of the total costs of such program. The Director shall establish by regulation, criteria for determining the costs of administering such program, and the total costs of such program.

"(c) The Director, by general or special orders, may require any recipient of financial assistance under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(d) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any project receiving financial assistance under this part that are pertinent to the financial assistance received under this part.

"(e) Each agency receiving financial assistance under this part shall keep such records as the Director may prescribe in order to assure an effective financial audit and performance evaluation of such program.

"(f) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE AND HEARINGS

"SEC. 1117. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal to the Director will be provided to any applicant to the State or area agency, as the case may be, whose application has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance with regulations which the Director shall prescribe. Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or agency involved and other interested parties that such State or agency is not or will not longer be eligible to participate in the program under this part until the Director is satisfied that there is no longer any such failure to comply.

"(b) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 1118. The Director may, directly or through grants or other arrangements, provide (1) technical assistance to States areas and local projects in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with weatherization programs. Pursuant to the provisions of section 1108 (c), the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"SEC. 1119. (a) The Director shall, directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services, including where appropriate, comparisons with appropriate control groups composed of dwellings which did not receive weatherization assistance and analyses of the period over which reduced energy consumption repays the cost of weatherization assistance.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of individuals and families participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

SEC. 1120. The Director shall submit within one hundred twenty days of the close of each fiscal year, a report to the Congress and the President describing the weatherization assistance program carried out under this part, including the progress which has been made in weatherizing dwellings and the effectiveness of the program in achieving its stated goals, or any other appropriate provision or law, and including the results of the periodic evaluations and montoring activities required by section 1119.

"PART B—ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION

"ESTABLISHMENT OF ENERGY ASSISTANCE PAYMENTS PROGRAM AND CRISIS INTERVENTION PROGRAM

"SEC. 1131. (a)(1) The Director shall develop and conduct, in accordance with the provisions of this part, an energy assistance payments program and a crisis intervention program. In developing and conducting such programs, the Director is authorized to make grants to States. Such grants shall be made for the purpose of (A) providing financial assistance to low-income and near-poor individuals and families, under the energy assistance payment program, for help in paying the rising cost of home energy, and (B) supporting an on-going year-round crisis intervention program to provide short term assistance and counselling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shutoff, or other energy-related crisis.

"(2) Crisis intervention activities may include, but are not limited to, provision of blankets or warm clothing, temporary loan of space blankets, emergency repairs of heating systems, emergency delivery of fuel or firewood, provision of temporary shelter, temporary emergency repairs to housing, mediation with utility companies or fuel suppliers, financial counselling, and other similar services which will assist in removing low-income individuals and families from an immediate crisis situation, including all necessary outreach and program support activities.

"(b) The Director, after consultation with the Secretary of Health, Education, and Welfare and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the enactment of this part, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 75 days after the date of the enactment of this part.

"(c) If a State does not, within 90 days after the date on which final regulations are promulgated under this section, submit a plan to the Director which meets the requirements set forth in section 1136, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivisions may, in lieu of such State submit a plan for carrying out programs assisted under this part within the geographical area which is served or covered by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions.

"FINANCIAL ASSISTANCE FOR ENERGY ASSISTANCE PAYMENTS PROGRAMS

"SEC. 1132. The Director shall provide financial assistance to the States which have met the requirements of section 1136 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1133. (a) There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"(b) For the purpose of affording adequate notice of assistance available under this part, appropriations under this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"ALLOTMENT TO STATES

"SEC. 1134. (a) Of the sums appropriated pursuant to section 1133 for any fiscal year the Secretary shall allot such sums in accordance with subsections (b) and (c).

"(b)(1) Ninety per centum of the funds appropriated pursuant to section 1133 for each fiscal year shall be allotted in accordance with the provisions of this subsection.

"(2) Thirty-five per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of the United States heating degree days in each State multiplied by the population for each State as compared to the number of United States heating degree days in all States multiplied by the number in all States.

"(3) Thirty-five per centum of the sums allotted under his subsection shall be allotted on the basis of the relative aggregate residential energy expenditure in each State as compared to the aggregate residential energy expenditure in all States.

"(4) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of individuals having an income equal to or lower than the lower living standard income level as compared to the number of such individuals in all States.

"(5) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative expenditure for aid to families with dependent children under title IV of the Social Security Act in that State as compared to such expenditure for all States.

"(6) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the expenditure for supplemental security income under title XVI of the Social Security Act in that State as compared to such expenditure for all States.

"(7) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for use in accordance with section 1142 and for such special crisis intervention activities described in section 1131(a)(2) as the Director determines will best carry out the purposes of this title.

"LIMITATIONS

"SEC. 1135. (a) (1) From each grant made under this part (A) at least 82 percent shall be expended for the energy assistance payments program; and (B) the remainder shall be expended under the crisis intervention program.

"(2) The total administrative costs for the energy assistance payments program and the crisis intervention program combined shall not exceed 10 percent of the grant.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed benefits, recipients, and delivery mechanism associated with the energy assistance payments program and the design of and services to be provided under a crisis intervention program;

"(2) be administered by a State, or local agency or area agencies as experienced in administering cash assistance programs of significant scope and size;

"(3) insure that the provision of assistance under this part will not result in the reduction of State or area income transfer program benefits; and

"(4) be terminated or discontinued only in accordance with policies and procedures set forth in section 1142.

"STATE PLAN AND REQUIREMENTS

"SEC. 1136. (a) In order to receive financial assistance under this part, a State, or if the conditions of section 1131 (c) are met, an area applicant shall submit to the Director an energy assistance and crisis intervention plan. Such plan shall be sufficiently detailed to provide the Director and the State or area applicant with a thorough understanding of the conditions with regard to climate energy usage and cost, human need, and energy efficiency of dwelling places in the area proposed to be served by the programmatic and administrative arrangements of the plan to insure that each project is designed and implemented in a manner consistent with the provisions of this part. The chief executive officer of a State, after reasonable notice and a public hearing, shall submit a State plan to the Director at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

"(b) Each such plan shall—

"(1) include a detailed analysis of the area to be served, including climate, energy usage and cost, the number of individuals to be assisted, and the energy efficency of dwellings in the area;

"(2) designate the agency of the State, pursuant to the requirements of section 1137, to administer the energy assistance payments program and the crisis intervention program assisted under this part;

"(3) provide for a State or area energy assistance payments program to furnish financial assistance to eligible low-income and near-poor individuals and families to assist in paying residential energy costs through payments to—

"(A) residential energy suppliers,

"(B) eligible individuals and families, or

"(C) some combination of residential energy suppliers and eligible individuals or families;

"(4) provide for a State or area crisis intervention program on an ongoing year-round basis to furnish short-term assistance and counseling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shutoff, extreme weather conditions, or other individual energy-related crisis;

"(5) provide that, of the funds the State receives for each fiscal year, the State reserves percent of the funds to be available to furnish emergency or disaster crisis intervention assistance in situations in which extreme weather conditions or energy supply shortages make such assistance warranted, and identify—

"(A) the procedures for planning for such emergencies,

"(B) the administrative arrangements for such emergencies,

"(C) the procedures for determining the assistance to be provided in such emergencies, and

"(D) the procedures for the transfer of funds reserved under this clause in the event there are no emergencies;

"(6) describe in detail—

"(A) the methods to be used to identify and certify low-income and near-poor individuals and families as eligible to participate in the programs authorized under this part;

"(B) the amount of assistance to be provided to or on behalf of participating low-income and near-poor individuals and families in accordance with the requirements of section 1138; and

"(C) the estimated number and characteristics of the individual and families to be provided assistance under the program authorized by this part;

"(7) describe—

"(A) the criteria for determining that the State and local agencies to administer the program have demonstrated effectiveness in administering a cash assistance program that is similar in scope and size to the programs authorized under this part;

"(B) the administrative procedures to be used in carrying out the State or area plan, including general program administration, outreach activities, determination of eligibility and certification of participating persons, and coordination with related agencies, and identify the arrangements and funding for local administration, outreach, and certification;

"(C) the policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part;

"(D) the administrative arrangements to evaluate and audit local administration of the funds provided under this part and to process complaints and grievances; and

"(E) recordkeeping procedures for the expenditure of funds received under this part which will enable the Director to audit and monitor the applicant's local programs, and will assure adequate supervision and monitoring of such local programs by the applicant, particularly with respect to the eligibility of participants and the method used to determine benefit levels;

"(F) the activities to be undertaken to inform and refer potentially eligible low-income and near-poor individuals and families of the availability of energy assistance payments and crisis intervention, weatherization and other energy assistance programs which may be available to provide energy-related services; and

"(G) the procedures for the consideration of any proposed changes in the plan required under this section, including a public hearing to review such proposed changes;

"(8) provide for agreements with residential energy suppliers, if subclause (A) or (C) of clause (3) applies as a mechanism chosen by the applicant for the delivery of assistance under this part, under which—

"(A) the State will pay on a timely basis by way of regular installments, reimbursements or a line of credit, to the supplier designated by each participating low-income or near-poor individual or family the amount of assistance determined in accordance with clause (6); and

"(B) the residential energy supplier will charge the individual or family specified in subclause (A) in regular installments the difference between the actual cost of the residential energy and the amount of the payment made by the State under this Act;

"(9) provide for the direct payment to low-income and near-poor individuals and families if subclause (B) of clause (3) applies;

"(10) provides assurances that any agreement entered into with a regulated utility company under clause (8) will contain provisions to assure that no individual or family receiving assistance under this part will have utility service terminated during the heating season;

"(11) provide assurances that any agreement entered into with an energy supplier under clause (8) not subject to clause (10) will contain provisions to assure that no individual or family receiving assistance under this part will have energy delivery terminated unless—

"(A) the individual or family has failed to pay for charges under clause (8) for at least two months,

"(B) the individual or family receives a written termination notice not less than 30 days prior to the termination, and

"(C) the individual or family has an opportunity for a hearing;

"(12) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for assistance under the energy assistance payments program or crisis intervention program is denied or is not acted upon with reasonable promptness;

"(13) provide assurances that the State will treat owners and renters equitably under the program assisted under this Act;

"(14) provide for outreach activities to assure that all eligible individuals and families, particularly the elderly and handicapped, individuals in remote areas, and individuals who are unable to leave their residences, are aware of the programs of assistance authorized by this part by using community action agencies, area agencies on aging, State welfare agencies, and other appropriate agencies within the State together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

"(15)(A) provide that, of the funds the State receives for each fiscal year, the State may use for administration of the State plan not to exceed 10 percent of the cost of carrying out the plan, and for the purpose of this clause the Federal share of the cost of administration for any fiscal year shall be 50 percent; and

"(B) provide assurances that the State will pay from non-Federal sources the remaining costs of administration with respect to carrying out the application required by the preceding clause; and

"(16) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) The Director shall establish procedures for submittal, approval, and implementation of changes in the State or area annual plan, together with any reports required under this part.

"ELIGIBILITY FOR ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION

"Sec. 1137. Low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if such individuals or families have incomes equal to or less than 85 percent of the lower living standard income level.

"PAYMENT AND SCOPE OF BENEFITS

"Sec. 1138. (a) Payments under this part shall be made by the States on behalf of low-income and near-poor individuals and families eligible for participation in the programs established under this part. Such payments shall be made to (1) residential energy suppliers, (2) eligible individuals and families, or (3) some combination of residential energy suppliers and eligible individuals and families.

"(b) Each State shall establish benefit levels. The benefit levels established shall take into account—

"(1) the average residential energy expenditure by type of fuel and type and size of dwelling place;

"(2) the income level and energy costs in excess of a specific or variable percentage of income, which shall approximate, to the extent feasible, the percentage of income which an average residence of similar size using the same type of residential energy in that State would pay for primary residential energy during the same period;

"(3) variation in degree days in regions of the State, where appropriate; and

"(4) for households making undesignated payments in the form of rent, the State may make a separate determination of the amount of assistance taking into account the requirements of this subsection.

"DELIVERY MECHANISM

"Sec. 1139. A State or area eligible to receive financial assistance under this part shall designate a State or area agency and local agencies to administer the energy assistance payments programs and the crisis intervention program. Such agencies shall have experience in administering programs of significant scope and size similar to programs authorized by this part.

"ADMINISTRATION REQUIREMENTS AND STANDARDS

"Sec. 1140. (a) In administering programs under this part, the State agency or area agency and the local agencies shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively and efficiently. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency shall also adopt rules to assure that only personnel capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties.

"(b) The Director, by general or special orders, may require any administering agency that is a recipient of financial assistance to carry out programs under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(c) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any program receiving financial assistance to carry out programs under this part that are pertinent to the financial assistance received under this part.

"(d) Each administering agency receiving financial assistance to carry out programs under this part shall keep such records as the Director may prescribe in order to assure an effective financial audit and performance evaluation of such program.

"(e) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE AND HEARINGS

"Sec. 1141. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal to the Director will be provided to any applicant whose application has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance wtih regulations which the Director shall prescribe. Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or area agency involved and other interested parties that such State or area agency is not or will no longer be eligible to participate in the programs under this part until the Director is satisfied that there is no longer any such failure to comply.

"(b) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"Sec. 1142. The Director may directly or through grants or other arrangements, provide (1) technical assistance to States or areas in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with energy assistance payments and crisis intervention programs. Pursuant to the provisions of section 1134(c) the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"Sec. 1143. (a) The Director shall directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

"Sec. 1144. The Director shall submit, within ninety days of the close of each fiscal year, a report to the Congress and the President describing the energy assistance payments program and the crisis intervention program carried out under this part, including the results of the periodic evaluations and monitoring activities required by section 1142.

"PART C—ENERGY CONSERVATION EDUCATION, PROGRAM COORDINATION, AND OUTREACH

"ENERGY CONSERVATION EDUCATION

"Sec. 1151. The Director is authorized to provide financial assistance to projects and activities which will educate and counsel low-income and near-poor energy consumers in energy-conserving practices and sound residential energy management, self-help activities in energy conservation and alternative energy applications, and the care and maintenance of weatherization and alternative energy improvements to assure maximum efficiency and long life, as well as projects which support the carrying out of such care and maintenance activities.

"PROGRAM COORDINATION

"Sec. 1152. The President shall establish procedures to assure the coordination of all energy assistance programs that affect low-income and near-poor individuals and families carried out by any department or agency of the Government with programs assisted under this title.

"OUTREACH ACTIVITIES

"Sec. 1153. (a) The Director shall conduct outreach activities to inform and enroll all eligible low-income and near-poor individuals and families in (1) programs providing energy-related assistance authorized under this title, and (2) other Federal, State or local energy or energy-related assistance for which they qualify including, but not limited to, energy audits, counseling, educational services, energy assistance for help in paying high energy costs, alternate energy technologies, consumer information and legal assistance, and weatherization. Such outreach activities shall focus particularly on the elderly and handicapped, those residing in remote areas, and the homebound.

"(b) In carrying out outreach activities under this part, the Director shall utilize community action agencies carrying out programs authorized by title II of this Act, area agencies on aging, community based organizations, State welfare agencies, agencies receiving financial assistance under part A and part B of this title, and other appropriate agencies as determined by the Director.

"AUTHORIZATION OF APPROPRIATION

"Sec. 1154. There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for the fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 198 .

"PART D—RESEARCH, DEMONSTRATION AND PILOT PROJECTS

"FINANCIAL ASSISTANCE FOR ENERGY CONSERVATION RESEARCH, DEMONSTRATION AND PILOT PROJECTS

"Sec. 1161. The Director may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will enable low-income and near-poor individuals and families to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for projects and activities, including, but no limited to—

"(1) energy conservation and education;

"(2) weatherization of old or substandard dwellings, improved space conditioning, and insulation;

"(3) emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis;

"(4) alternative fuel supplies;

"(5) special fuel voucher or stamp programs;

"(6) alternative transportation activities designed to save fuel and assure continued access to training, education, and employment;

"(7) appropriate outreach efforts;

"(8) furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis;

"(9) nutrition, health, and other supportive services in emergency cases; and

"(10) evaluation of programs and activities under this title.

Such assistance may be provided as a supplement to any other assistance extended under the provisions of this title or under other provisions of Federal law.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

"SEC. 1162. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a)(1) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (a)(2) of this section shall be made within thirty days of the receipt of such results.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

"(d) The Director shall publish summaries of the results of activities carried out pursuant to this title not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such summaries.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 163. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal years 1980, 1981, and 1982.

PART E—GENERAL PROVISIONS

"INCOME DISREGARD

"SEC. 1171. The value of any assistance provided to any eligible individual or family under this title shall not be considered income or resources for any purpose, including but not limited to, the determination of eligibility or benefit levels, under any Federal, State, or local law, including any law relating to taxation, public assistance or welfare program.

"NONDISCRIMINATION PROVISIONS

"SEC. 1172. (a) The Director shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title.".

SEC. 4. Section 222(a)(5) of the Economic Opportunity Act of 1964 (42 U.S.C. 2809(a)(5)) is repealed.

By Mr. HEINZ:

S. 1726. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax; to the Committee on Finance.

TAX EXEMPT MORTGAGE REVENUE BOND BILL

● Mr. HEINZ. Mr. President, I am today introducing a bill which provides an alternative approach to the complex question of tax exempt mortgage revenue bonds. The bill produced by the House Ways and Means Committee represents one approach to this. I appreciate the concerns which were expressed during that committee's deliberations of this issue. However, I am also sympathetic to the aspirations of those Americans who seek to own their own homes. I believe it is the responsibility of those of us in elected office to facilitate the realization of this goal.

The thrust of my bill is to provide for the continued issuance of these tax exempt bonds, while requiring the issuing authority to contribute 5 percent of the amount of the bond issue from sources other than tax exempt financing. In my judgment, this feature will compel the issuers to closely monitor the use of these funds and encourage the utilization in targeted areas. The bill would also allow money already spent for rehabilitation in a neighborhood revitalization program authorized by the State to count toward the 5 percent cash requirement.

I endorse the concept of tax exempt mortgage revenue bonds because they efficiently make use of private investment and do not require the creation or enlargement of bureaucracy. In addition, control of the program remains in the hands of those who are most familiar with local needs.

This proposal may not be the final answer to the tax exempt mortgage bond controversy. But I believe it represents a good alternative and a starting point for the consideration of new approaches. I would encourage my colleagues to consider this concept and to join in its cosponsorship.●

ADDITIONAL COSPONSORS

S. 262

At the request of Mr. RIBICOFF, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 262, the Reform of Federal Regulation Act of 1979.

S. 533

At the request of Mr. HEINZ, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 533, the Buy American Act of 1979.

S. 870

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. SIMPSON), the Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD), were added as cosponsors of S. 870, the proposed "GI Bill Amendments Act of 1979".

S. 1403

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 1403, to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87), and to provide 7-month extension for the submission and approval of State programs or the implementation of a Federal progam.

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16–22, 1979 as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 101

At the request of Mr. CANNON (for Mr. INOUYE), the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 101 to authorize and request the President to issue a proclamation designating the 7 calendar days beginning October 7, 1979, as "National Port Week".

SENATE RESOLUTION 219

At the request of Mr. HEINZ, the Senator from Rhode Island (Mr. PELL) and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of Senate Resolution 219, expressing the sense of the Senate that low-income elderly and handicapped individuals be appointed to, or serve as advisers to, State commissions regulating public utilities.

AMENDMENTS SUBMITTED FOR PRINTING

SYNTHETIC FUELS PRODUCTION ACT OF 1979—S. 1377

AMENDMENT NO. 403

(Ordered to be printed and referred jointly to the Committee on Banking, Housing, and Urban Affairs, the Committee on Energy and Natural Resources, and the Committee on Governmental Affairs.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to S. 1377, a bill to establish the Synthetic Fuels and Alternate Fuels Production Authority, a Government corporation with the authority to provide financing and economic assistance for those sectors of the national economy which are important to the development of domestic sources and the conservation of energy and the attainment of energy independence for the United States in a manner consistent with the protection of the environment; to improve Federal Government operations so as to assist in the expediting of regulatory procedures which affect energy development, and for other purposes.

● Mr. PRESSLER. Mr. President, the recent energy shortage made us all realize that our energy supplies, at current consumption levels, will be short lived. It is time to shift the emphasis from the importation of oil to the research and development of alternate sources of energy.

One of the most promising of these new sources is gasohol. Unfortunately, aside from a lot of talk, not much has been done to further the prospective use of gasohol.

The Department of Energy, in its Alcohol Fuels Policy Review report recently endorsed the long-term use of gasohol. The Department determined that 9 percent of U.S. gasoline consumption could be replaced by gasohol, that gasohol could help alleviate shortages of unleaded gasoline, and that increased gasohol consumption could reduce our dependency on foreign oil.

Although Congress is currently studying several energy proposals, including the President's $88 billion 10-year project to develop synthetic fuels, little attention is being given to gasohol. Gasohol and ethanol are hardly mentioned in the preliminary budget reports and in the President's plan. Coal-producing States want coal liquification or coal gasification; States such as Colorado want shale oil production; and so forth. But if such a small amount were aimed at research and development for gasohol, we could resolve much of our energy problem.

Mr. President, I send to the desk today an amendment to S. 1377, the synthetic fuels bill, which seeks to insure that gasohol is included in the definition of synthetic fuels. It is my hope that the committee will give this amendment consideration as it marks up this legislation.●

FEDERAL CROP INSURANCE PROGRAM—S. 1125

AMENDMENTS NOS. 404 AND 405

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes.

WINDFALL PROFITS TAX—H.R. 3919

AMENDMENT NO. 406

(Ordered to be printed and referred to the Committee on Finance.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profits tax on domestic crude oil.

Mr. CHAFEE. Mr. President, I am pleased to introduce a windfall profits tax proposal which, I believe, will make a significant contribution to increasing our energy security today and in the future.

Today, 6 years after the Arab oil embargo and more than 2 years since President Carter's first energy address to the Nation, we continue to struggle with our energy needs. We remain heavily dependent on the use of oil—for heating, cooling, transportation, and manufacturing. Yet we produce only half the oil we consume and must import half our supplies. Sixty-five percent of our imports come from OPEC nations. We cannot go on forever consuming millions of barrels of oil a day: the world supply of oil is finite.

As the price of imported oil has increased and the certainty of supplies has diminished, we are coming to realize we must make the most of our own resources for future energy needs.

And we have started using those resources. Use of solar energy, for residential space and water heating, for example, has increased from less than 5,000 houses in 1973 to 100,000 houses by the end of this year. The number of installed wood stoves has increased from approximately 1 million in 1974 to 5 million in 1978. Conservation of energy is also on the rise, as shown by the recent boom in the insulation and gasohol industries.

But this is just the beginning. In order to meet our future energy needs, without sacrificing our standard of living or goal to reduce unemployment, we must make a solid commitment to developing all our domestic energy resources. Those resources are coal, solar and wind power; methane, geothermal and geopressurized energy; and synthetic fuels, as well as conventional oil and natural gas.

This commitment is a tremendous undertaking, probably greater than our successful space program which put the first man on the Moon. It will take more money, more know-how and more cooperation from more Americans to become energy secure than was needed to land on the Moon.

In June, we took a significant step toward our national goal of energy security: Decontrol of oil prices. According to the President's proposal for phased oil decontrol, the price of domestic oil, now under price controls, will gradually increase until October 1981. At that time, all domestic oil will receive the world price.

This move away from price controls will have significant effects. First, it will promote development of alternative sources of energy which were not competitive while the price of oil was kept artificially low. Witness the increase in the use and availability of gasohol as the price of gasoline rose. This would not have been possible if gasoline remained at a significantly lower price than gasohol.

Second, decontrol will encourage conservation of oil because the price of oil and petroleum products will increase. Third, it will provide additional capital to American industries for oil exploration and development.

That capital is indeed being used to find new oil supplies. There were 10,677 exploratory wells drilled in 1978, an increase of 7.2 percent from the previous year. Companies are looking for oil deeper in the ground and at riskier locations illustrated by the wells being drilled on the Outer Continental Shelf.

Moreover, investment in oil exploration is also on the rise. The latest figures available indicate that $17 billion was invested in 1977 by American oil companies for oil exploration and development, compared to $15 billion spent in 1976.

If increased production of oil were sufficient to insure our energy security, a windfall profits tax would not be necessary. But more oil is not the only solution. Diversity of energy sources is not only necessary—it is inevitable.

A carefully crafted windfall profits tax will help us achieve our national goal of energy security with increased oil production and greater use of alternative energy sources. This tax should be placed on currently flowing oil, from which producers derive true "windfall" revenues. The varying costs of getting different types of oil out of the ground should be recognized by adjusting this tax. And exploration for new sources of oil should be encouraged in every way possible, starting with an exemption for newly discovered oil.

Mr. President, the windfall profits tax proposal I am introducing today meets these requirements. It is designed to increase oil production and development of alternative sources of energy. It provides strong incentives for new exploration and for pumping "hard to get at" oil. At the same time, it will generate approximately $39 billion during the first 5 years to be used for other energy development projects.* My proposal addresses the future needs of our country more directly and accurately than those proposals advocating no new tax on oil producers or allocation of all decontrol revenues to the Federal Government.

Under my bill, a 75-percent windfall profits tax would be imposed on currently flowing oil, that is, oil categorized for pricing purposes as lower tier, upper tier, and Alaskan. This is where there are true "windfall" revenues being generated to producers from decontrol.

For example, an oil producer who drilled a well in 1972 today is receiving $6 a barrel for his oil. After decontrol, he will receive the world price—$23—for a barrel of the same oil. This increase of $17 a barrel is what I consider to be a true "windfall."

My bill imposes a 75-percent tax on the difference between the world price and the price the oil would have been if controls were continued, adjusted for inflation. In the case of Alaskan oil, the tax is not levied until wellhead revenues to producers equals the controlled price for upper tier oil.

On oil produced from stripper and marginal properties, a 60-percent tax would be levied on the difference between $16 and the world price, currently $23. Stripper oil is oil produced from a property on which the average daily production per well has been 10 barrels a day or less for a year. Marginal oil is oil from wells with limited production, defined according to the depth of the well.

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*According to August 1, 1979, estimates.

Stripper oil, at the present time, receives the world price. Marginal oil will be entirely decontrolled in January 1980. Both categories of oil require additional capital to keep the wells operating because each well produces a few barrels a day. We must encourage, not discourage, continued production from these older wells; hence, the higher base price of $16 and the lower tax rate of 60 percent.

Critics of placing any tax on stripper wells will contend that my proposed tax represents a revenue cut for those producers. This is true, but let us take a look at the revenues producers have received from stripper wells this year. In January, stripper oil sold for $9 a barrel. In June, the price rose to $16 and is currently $23—the world price. In 9 months, producers have received an extra $14 a barrel for their oil. This is an increase of 150 percent during this year alone. Under my bill, producers would receive about $19 a barrel for stripper oil after the windfall profits tax, an increase of 110 percent since January. Which is hardly condemning stripper owners to destitution.

My proposed windfall tax would not apply to newly discovered oil, which is oil from a well that was not producing in 1978. I do not believe we should levy a windfall tax on oil that has not been discovered yet. Producers should be given incentives to take the risks of exploring for oil in new, uncharted areas, such as offshore in the Georges Bank.

Incremental tertiary oil, or hard to get at oil, is also exempt from my proposed tax. Tertiary oil requires high-cost procedures—such as injecting the well with chemicals—in order to increase or continue production. This bill recognizes the extraordinary costs associated with tertiary recovery procedures by exempting oil produces by these methods, over a base level, from the tax.

The entire tax would phase out by January 1, 1990, through the use of 1⅔ percent decline curve. This would reduce the taxable quantity of oil produced from each property in equal monthly increments beginning in January 1985, and ending in December 1989.

It would be a costly mistake to tax oil revenues indefinitely. We need the tax now to generate revenues to spur alternative energy source development. We must also work toward extricating the Government from the business of price regulation—whether it be by price controls or taxes. The 1⅔ percent per month phase-out is a gradual one, long enough so that producers will not be encouraged to delay increased production until 1990, when the tax is lifted.

My tax will raise billions of much needed dollars for development of alternative sources of energy. According to preliminary estimates prepared by the Joint Tax Committee, in August, this bill raises $3.1 billion in 1980, $7.8 billion in 1981, $9.9 billion in 1982, $9.4 billion in 1983, $8.8 billion in 1984, 5 years.

I propose placing these revenues in an energy trust fund, to be used to strengthen and expand our energy supplies. Money from the fund would be used in the following ways:

First. Support for a massive conservation effort in homes, commercial buildings, and industries.

Second. Incentives for the private sector to develop alternate energy sources, such as solar and wind power, hydroelectric power, and fuels from biomass.

Third. Assistance to low-income people, to help them meet higher energy costs.

Fourth. Incentives for the private sector to experiment with several synthetic fuel technologies, and to establish the cost and environmental consequences of full-scale synthetic fuel development.

Fifth. Increased funding for fusion power, yet another hope for the future.

Mr. President, the bill I am introducing today is, I believe, a sound, sensible approach to one of the most difficult dilemmas we face today. I urge my colleagues to join me as cosponsors in the first step in a decade-long commitment to achieve energy security.

I request that the technical explanation of my amendment, prepared by the Joint Tax Committee be printed in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

TECHNICAL EXPLANATION OF AMENDMENT NO. 406

OVERVIEW

Under this amendment, a 75-percent windfall profit tax would be imposed on crude oil price increases resulting from either price deregulation or from excessive increases in world oil prices. The tax would apply to price increases in excess of the amount to which producers would have been entitled if the price control regulations had remained in effect with adjustments for inflation. The tax would reduce the profits of oil producers and royalty owners. Revenues from the tax would be placed in an energy trust fund.

The tax would apply to the first sale of domestically produced crude oil, and would be measured by the difference between the actual selling price of the oil and the adjusted base price of that oil. To provide an incentive for new exploration and for the development of, or increased production from, existing oil properties, the amendment would exempt several specific categories of oil production from the tax and would impose a lower tax rate on other categories.

The tax would phase out between January 1985 and the end of 1989.

Taxable oil

The tax generally would be imposed upon all holders of an economic interest in the producing property and would apply to the first sale of domestically produced crude oil.

Taxable crude oil would be classified in one of four categories, or tiers. The first category essentially would consist of oil that now is priced as lower tier, or old, oil but which will be released to the upper tier of price controls and eventually will be deregulated under the phaseout of price controls. The second category essentially would consist of oil that now is upper tier oil under price controls. The third category of oil would include production from stripper properties and from marginal properties.

A fourth category of oil would be exempt from the tax entirely. This category would include newly discovered oil, incremental tertiary production, heavy crude oil and after 1984 oil produced in excess of statutory decline curve.

This decline curve would phase the tax out between January 1985 and the end of 1989.

Tier one tax

For oil in tier one, the tax would be 75 percent of the difference between the actual selling price of the oil and the May 1979 lower tier, or old oil, ceiling price (which averaged just under $6 per barrel), adjusted for inflation.

The tier one tax would apply to oil which would have been controlled as lower tier oil if the pre-June 1979 price controls had been continued but which receives a higher price as a result of phased decontrol. This tier would not include oil from "marginal" properties which was given special treatment under the Administration's decontrol program (see tier three tax). In addition, this tier would exclude incremental tertiary production and lower tier oil released to the upper tier to provide front-end financing for tertiary recovery projects.

The amount of oil on a property taxed in tier one would be all production up to an amount represented by a linear decline curve. The tier one decline curve would initially equal the average daily production of lower tier oil on the property in the six months ending March 31, 1978, and would be reduced by 1½ percent per month. Tier one would phase out when the 1½ percent decline curve reaches zero after June 1984.

If total production on the property is less than the amount represented by the 1½ percent monthly decline curve, all production on the property would be taxed in tier one. If production exceeds the amount represented by the decline curve, then an amount equal to that level would be taxed in tier one, and then excess production would be taxed in tier two.

Tier two tax

The tier two tax would be 75 percent of the difference between the actual selling price and the May 1979 upper tier; or new oil, ceiling price (which averaged just under $13 per barrel), adjusted for inflation.

The tier two tax base would include most oil which had been controlled as upper tier oil prior to the decontrol program (generally, oil discovered between 1972 and 1979). This tier also would include oil released from the lower tier to the upper tier of price controls to provide front-end financing and tertiary recovery projects, production from the Sadlerochit reservoir on the Alaskan North Slope, and oil produced on a property in excess of the amount represented by the tier one decline curve. This tier, however, would not include incremental production from qualified tertiary recovery projects or production from newly discovered, marginal, or stripper properties.

After June 1984, the tier two tax base would include all production which previously had been taxed in tier one.

Tier three tax

The tier three tax would be 60 percent of the difference between the actual selling price and the base price for the oil. The base price, which would be adjusted for inflation, would be the estimated price, to be prescribed by Treasury regulations, at which uncontrolled crude oil of the same grade, quality, and location would have sold in December 1979, if the average landed price for imported crude were $16.00 a barrel.

The tier three tax base would include oil produced from stripper and marginal properties. The definition of stripper oil would be the Congressionally-mandated definition of that term for price control purposes, i.e., oil produced from a property on which the average daily production per well has been 10 barrels or less for any consecutive 12-month period after 1972. A property would qualify as marginal if, for calendar year 1978, the average completion depth of all the property's producing wells and the average daily per well production from the property met the following limits:

Average depth (in feet)	Average daily production (in barrels)
2,000 but less than 4,000	20 or less
4,000 but less than 6,000	25 or less
6,000 but less than 8,000	30 or less
8,000 or more	35 or less

Exemptions

The tax would not apply to newly discovered oil. For purposes of the tax, the term "newly discovered oil" would be any production from a property from which there was no production during 1978.

The tax would not apply to heavy crude oil. For purposes of the tax, the definition of "heavy crude oil" is crude oil produced from a property from which the total production during the last month prior to July 1979 in which crude oil was produced and sold from the property had a weighted average of 16.0 degrees API or less.

In addition, production in excess of a 1⅔ percent statutory decline curve would be exempt during the tax's phaseout period (see below).

The tax also would exempt incremental tertiary oil. For this purpose, incremental tertiary oil would be the amount of production from a property in excess of a base level amount for the property. The base level would be the average daily amount of oil removed from the property during the six-month period ending March 31, 1979, reduced by the sum of (1) 1 percent of that average for each month beginning after 1978 and before the beginning date of the tertiary recovery project, and (2) 2½ percent for each month thereafter.

Other rules

The windfall profit subject to tax would be reduced by State severance taxes on the windfall profit.

The amendment would provide a special net income limitation on the windfall profit subject to tax to prevent the tax from burdening high-cost properties.

For purposes of determining percentage depletion, gross income from the property would be reduced by the amount of the windfall profit. The windfall profit tax would be a deductible business expense under the income tax.

To aid producers and the Internal Revenue Service in the administration and enforcement of the tax, the amendment would provide a number of provisions relating to the administration of its provisions.

Phaseout

The tax would be phased out by 1990 through the use of a 1⅔-percent statutory decline curve. This would reduce the taxable quantity of oil produced from each property in equal increments over the 60-month period beginning in January 1985 and ending in December 1989. For phaseout purposes, the base level for each property would be the average monthly production of all categories of oil from that property for the six-month period ending March 31, 1979. This base would be reduced by 1⅔-percent per month, starting in January 1985. Oil production on a property in excess of the amount represented by this decline curve would be exempt from the tax. Thus, when the adjusted ban level reaches zero after December 1989, the tax would be phased out entirely. For production from properties which are covered by the tier two tax, this phaseout base would include the aggregate of lower and upper tier production from the property.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION, AND FORESTRY

● Mr. MELCHER. Mr. President, I wish to announce that the Subcommittee on Environment, Soil Conservation and Forestry of the Agriculture Committee has scheduled a meeting to mark up S. 795, the Farmland Protection Act, and H.R. 2043 which amends the Water Bank Act. The subcommittee will meet September 13 at 10 a.m. in room 324 Russell. The markup is open to the public. Anyone wishing further information should contact the committee staff, at 224-2035.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, September 17, 1979, the Subcommittee on Energy Regulation, of the Committee on Energy and Natural Resources, will hold a hearing on S. 1337, to amend title 23 of the United States Code to provide greater compliance with the national maximum speed limit. The hearing will begin at 9:30 a.m., in room 3110, of the Dirksen Senate Office Building. Questions about this hearing should be directed to James T. Bruce and Benjamin S. Cooper, of the subcommittee staff, at 224-9894.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. JACKSON. Mr. President, on Friday, September 21, the Subcommittee on Energy Research and Development, of the Committee on Energy and Natural Resources, will hold a hearing on S. 1420 and S. 475, measures authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.

The hearing on September 21 will begin at 9:30 a.m., in room 3110, of the Dirksen Senate Office Building. Questions concerning this hearing should be directed to Russell Brown, of the committee staff, at 224-5726.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLLIAMS. Mr. President, today I introduced S. 1724, the Home Energy Assistance Act. The Committee on Labor and Human Resources has scheduled hearings on this bill and also S. 771, the Energy Stamp Act; S. 1270, the Basic Fuel Assistance Act; S. 1331, the Emergency Fuel Assistance Act; and S. 1603, the Home Heating Stamp Act. The hearings are scheduled for Tuesday, September 25, and Wednesday, September 26, in room 4232, Dirksen Senate Office Building at 9 a.m.

Interested persons should call Letitia Chambers, at 224-9285, or Pat Markey, at 224-0324.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, October 1, and Tuesday, October 2, 1979, the Subcommittee on Energy Regulation, of the Committee on Energy and Natural Resources, will hold hearings on S. 1684, the Domestic Refinery Development and Improvement Act of 1979. These hearings will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce, of the subcommittee staff, at 224-9894.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SPACE TRANSPORTATION

Mr. CULVER. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider legislation relating to the Milwaukee Railroad problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CULVER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the sessions of the Senate on Monday, September 10, and Wednesday, September 12, 1979, beginning at 2 p.m. to hold hearings on pending judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Tuesday, September 11, 1979, beginning at 11 a.m. to hold a hearing on the proposed revision to the criminal code.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL JUSTICE

Mr. CRANSTON. Mr. President, I ask consent that the Criminal Justice Subcommittee of the Committee on Judiciary be authorized to meet during the session of the Senate on Tuesday, September 11, 1979, to hold an oversight hearing on the drug enforcement administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

INVITATION TO POPE JOHN PAUL II TO ADDRESS JOINT SESSION OF CONGRESS

● Mr. HEINZ. Mr. President, as we all know, Pope John Paul II will soon make a historic visit to the United States. Especially since this will be the first time a Pope has ever visited our Nation's Capital, it would be entirely appropriate that he be invited to address a joint session of Congress. To that end, I, along with a number of my Senate colleagues, have addressed a letter to the distinguished Speaker of the House of Representatives requesting that he extend an invitation to the Pope.

Mr. President, the text of the letter and the names of the signers follows:

WASHINGTON, D.C.,
September 5, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: His Holiness Pope John Paul II will be visiting the United States in October with a stop in Washington. This stop marks the first time in history a Pope has visited this country's capital. As the Pope is a world leader, a head of State, and has labored on the behalf of world peace and human dignity, I urge you to extend to him an invitation to address a joint session of Congress.

I hope you will give this request your prompt consideration.

Sincerely,

John Heinz, Daniel P. Moynihan, John C. Danforth, Malcolm Wallop, Richard G. Lugar, Ted Stevens, Rudy Boschwitz, John W. Warner, Jacob K. Javits.
William Proxmire, Patrick J. Leahy, Harrison Williams, Bob Packwood, Spark M. Matsunaga, Richard S. Schweiker.
Donald W. Riegle, Jr., Alan K. Simpson, J. Bennett Johnston, Nancy Landon Kassebaum, S. I. Hayakawa.
Jennings Randolph, John Glenn, Jim Sasser, Max Baucus, Bill Bradley, William S. Cohen, Strom Thurmond, Charles H. Percy, Pete V. Domenici, David F. Durenberger, Walter D. Huddleston.
William V. Roth, Jr., Thad Cochran, Howard H. Baker, Jr., Jesse Helms, Lowell P. Weicker, Jr., Robert J. Dole, John H. Chafee, Lawton Chiles, Edmund S. Muskie.
Howard M. Metzenbaum, Paul S. Sarbanes, Wendell H. Ford, Russell B. Long, James A. McClure, Carl Levin, Sam Nunn, Quentin N. Burdick, Mark O. Hatfield.
Edward Zorinsky, David L. Boren, Thomas F. Eagleton, Richard (Dick) Stone, Dale Bumpers, Lloyd Bentsen, John Culver, Paul E. Tsongas, Gordon Humphrey, Robert T. Stafford, Herman E. Talmadge.
Paul Laxalt, Harrison Schmitt, Alan Cranston, John C. Stennis, Abraham Ribicoff, Frank Church, John A. Durkin, John Tower, Harry F. Byrd, Jr., Claiborne Pell, David H. Pryor, Birch Bayh, Henry M. Jackson.
George McGovern, Dennis DeConcini, Edward M. Kennedy, Larry Pressler, Roger W. Jepsen, Warren G. Magnuson, Howell Heflin.●

ALF LANDON'S BIRTHDAY

● Mr. DOLE. Mr. President, this Sunday, September 9, marks the 92d birthday of a great American, and certainly the most beloved and respected citizen of my native Kansas. He long ago overcame the stigma of a historic electoral defeat, and has gone on to provide enlightened and visionary leadership to Republicans who recognized his special qualities 43 years ago. He has also provided this Chamber with one of its most promising Members in years.

I speak, of course, of Alfred M. Landon. I was a junior high student in Russell, Kans., when Governor Landon sought the Presidency in 1936. My admiration for him has never lost its youthful ardor. History records the names of losers with a certain irony, but Alf Landon went on from 1936, turning his energies to rebuilding his party, unleashing his prodigious talents in business and public affairs. When another Kansan, Dwight Eisenhower, was elected President in 1952, it represented more than a personal triumph for a great war hero: It was also a victory for Alf Landon's compassionate republicanism, his belief that profits served people, and America's greatest strength lay not in her weapons but in her ideals.

He has never forsaken those convictions, nor hesitated to work for their enactment. If the world ever reaches the plateau of true peace, of international justice and ingrained brotherhood, then it will be said that one of the greatest battlers for that day was my fellow Kansan, Alf Landon.

He is loved in Kansas, warmly admired by millions of Americans, and respected as a shrewd and insightful leader by members of both parties. He has given us a lifetime of dedication, and we are grateful. Elizabeth and I are pleased to join with Alf's countless friends and admirers in extending our warmest best wishes on this latest in a life filled with milestones—and our hopes for many, many more.●

NATIONAL ENDOWMENT FOR CHILDREN'S TELEVISION

Mr. HEINZ. Mr. President, later this month I will reintroduce my bill to create a National Endowment for Children's Television. The endowment, whose purpose would be to improve the quality of children's programing, would establish a program of grants and contracts to assist children's programs of outstanding artistic or educational merit; innovative and experimental ideas; or research, publications, workshops, and training programs concerned with children's television.

The endowment, which will be modeled after the National Endowment for the Arts, would be administered by a 27-member council headed by one chairperson. Drawn from outstanding citizens from every walk of life and every part of the country, the council would assure that all children's programing assisted by the endowment reflects the rich diversity of American life, values, and creativity.

Recently, Win Fanning of the Pittsburgh Post Gazette reviewed the draft bill to create the Endowment for Children's Television. His resultant article is both straightforward and objective. I am extremely gratified that so highly regarded a critic as Mr. Fanning would agree with me that an Endowment for Children's Television is a "worthwhile use of Federal moneys."

Mr. President, I ask that the full text of Mr. Fanning's article be printed in the RECORD.

The article follows:

HEINZ BILL SEEKS BETTER TV SHOWS FOR CHILDREN

(By Win Fanning)

Citing the fact that children's broadcasting has been a low priority item when it comes to network and public funding, Sen. John Heinz is planning to do something about the problem in a big way.

I should say he is going to try again. Within the next two weeks he will reintroduce a bill "to improve the quality of children's lives through the creation of a National Endowment for Children's Television." The bill was first introduced exactly two years ago.

The proposed budget for this endowment is $40 million, to come from within the existing Department of Health, Education, and Welfare budget—now at $200 billion.

Heinz describes this endowment as being similar to those for the arts and humanities. Its purpose would be to provide funds to educators and artists engaged in improving TV programing for young people. Commercial broadcasters are not eligible for aid under the bill.

The Senator points out that there is "at present no national entity through which our society can focus its efforts to help promote excellence in the development of television programing for children."

In the bill he acknowledges the fact that while such programing "is primarily a matter for private initiatives," it is, he states, also "an appropriate subject of concern for the Federal Government."

Specifically, the bill calls for a chairman to be appointed by the president for a term of four years. It also requires the establishment of a National Council on Children's Television, to be composed of the chairman and 26 other members. The latter are to be selected by the president and serve staggered six-year terms.

Persons named to the council, Heinz states, should be "widely recognized for their broad knowledge of, or expertise in, or for their profound interest in the education, development and maturation of children—or development of television programming for children."

The chairman, charged with correlating the endowment programs with existing federal, public and private undertakings, will be authorized to carry out a program of contracts or grants-in-aid to groups or individuals engaged in the production of TV shows for young people.

The total of any such aid is not to exceed 50 percent of the total project or production cost and appropriate safeguards must be taken to prevent unreasonable profits on the part of the producers or grantees.

On the other hand, those getting the grants must pay their employees "not less than the minimum compensation for persons employed in similar activities," as determined by the Secretary of Labor.

Reading through the bill, it would appear that Heinz has set forth all of the necessary elements of a workable, intelligent and enlightened plan to do something about genuinely improving children's programming, without endangering the artistic freedom necessary to achieve this goal.

It would provide funding on a broad enough plane to encourage experimentation in an area so far largely unexplored. It would also fund workshops and training programs that could lead to continuing improvement on both the network and local levels without regard to commercial considerations or the special interests of private endowments.

It would also give the independent producers a chance to establish themselves—and, perhaps, go a long way toward opening the whole field to new innovative projects that have been effectively stifled for lack of funds.

Heaven knows, it's hard to think of a more worthwhile use of federal monies—when one considers that by the time he has reached 18, the average American has devoted more time to TV than to any other activity except sleep.

More Briefly: Bobby Vinton has formed his own record company, Tapestry, and the first release on the new label will be an update of the "Pennsylvania Polka," titled "Disco Polka" . . . Beverly Byer, formerly of Channel 11 here, is now anchoring the news on KOMO–TV in her native Seattle.

WPGH–TV (Channel 53) takes a look at Mahoning Valley's economic problems—related to steel production—on its "Pittsburgh Tomorrow" show this Sunday at 10:30 p.m. Andrea Wood is the reporter-hostess.

Carol Burnett will star in four variety shows on ABC next month. "Carol & Company" will also feature Vicki Lawrence, with Tim Conway expected to make a couple of guest appearances. The min-series is not a pilot for a regular season series, the comedienne emphasizes.

Pet Peeve: That mealy-mouthed, phony, pseudo-sophisticated accent employed by the pitchman of those California wine commercials, Bah, humbug.

LITERACY DAY

● Mr. DOLE. Mr. President, tomorrow, September 8, this Nation along with nations of the entire world, will be celebrating world literacy day. This day will serve as the launching of the 50th year celebration of "each one teach one" programs carried out by Laubach Literacy International and the National Affiliation for Literacy Advance. During this past week, thousands of people in communities throughout this Nation have been taking part in bringing the fight to eliminate illiteracy worldwide to the attention of all of us and to ask for any help we may have to offer. Projects involving television, radio, newspapers, seminars, films, exhibits, walk-a-thons, and speaking events have all been carried out in this worldwide effort so that the increasing number of illiterate people may be diminished and in the near future eliminated.

WORLDWIDE ILLITERACY

Twenty-five years ago Laubach Literacy International was established and now sponsors programs throughout the world. in addition to the National Affiliation for Literacy Advance. In the NALA, more than 21,000 volunteers are providing their time and efforts by teaching literacy and English as a second language to over 30,000 persons.

Worldwide illiteracy has increased in the last 25 years from 700 million to 800 million. In the United States alone over 23 million adult Americans are functionally illiterate, while yet another 39 million are unable to read simple communications of everyday living, such as food labels, employment forms, or newspapers. A decade ago, the U.S. right to read program vowed to eliminate illiteracy as a national problem by 1980, unfortunately for thousands we have not achieved that goal.

ILLITERACY IN THE UNITED STATES

In May of this year, I was pleased to join with the Senator from South Dakota, Mr. McGovern, in introducing a Senate joint resolution to establish an independent national commission on literacy. As I stated in May, I am seriously concerned that the incidence of illiteracy in our Nation has now reached epidemic proportions, and believe that the establishment of this commission would succeed in addressing this declining level among our Nation's citizens.

While once it was simply presumed that each successive generation of Americans would surpass its parents in educational accomplishment, we are now discovering that this trend has been broken. For the first time, we are seeing signs that today's generation will neither surpass nor even attain the level of education which its parents reached. The Senate Subcommittee on Education recently received testimony indicating that of those students graduating from high school this June, only 25 percent will function as well as those who graduated in 1963. Educational performance in our schools today have slipped to that of levels recorded back in the 1940's and 1950's. This problem does not just exist in the school-aged American—for thousands of adults today the ability to shop efficiently, prepare income tax returns, compute checkbooks, or read newspapers does not exist.

THE PAIN OF BEING ILLITERATE

The pain that one suffers from being illiterate cannot be calculated. Our entire country, in fact the entire world, suffers when its citizens are not capable to take a meaningful part in their society. Illiteracy is several times higher in the unemployed, it is higher among minority adults, and those of low income.

It is impossible to calculate the embarrassment that these individuals must go through day by day in not being able to fill out employment forms or read food labels. What is more frightening is the fear that many may have in being illiterate, such as the mother who could not help her child who has swallowed poison because she cannot read a phone book to get emergency help.

In addition, to the pain, embarrassment, and fear, the economic implications of this high rate of illiteracy is startling. Families of low incomes, families who are unemployed and must depend on assistance, all of these people must depend on the economy for assistance of health and nutritional care which in turn drains our productivity.

More money is not necessarily the answer to this problem and as the national literacy affiliation for advance has shown, there are thousands of people who want to help, want to volunteer their time and skills to fight this problem.

As I stated in May during the introduction of the Senate resolution, each day's mail reminds me that many Americans cannot write. Simple words are misspelled, sentences are not complete, and many letters are so incoherent that I have no idea of what they are trying to say.

I urge the entire Nation to join with me in recognizing World Literacy Day by thanking those who have spent their time and skills in helping the illiterate and view this day as a symbol to continue, while increasing the work that is being done worldwide. It is my hope that my colleagues will support this day and also the Senate joint resolution because I believe these combined efforts will in the near future remedy this global crisis.●

AUSTERITY FOR WHOM?

● Mr. DOLE. Mr. President, yesterday, Treasury Secretary Miller forecast a period of national austerity to slow inflation. We should welcome this sign from the administration that it will resist pressures to inflate the economy as a remedy for the problems caused by a recession. However, Mr. Miller's statements raise some question as to where the burden of this period of austerity will fall. The Treasury Secretary mentioned reduced real income for workers and declining corporate profits. Yet while the administration continues to promise a balanced Federal budget, Mr. Miller made no mention of the Federal Government undertaking austerity measures of its own. The best way to start wringing out inflation would be for the Government to reduce its excessive share of the economy. Steps to reduce the size of Government would not be inflationary if taxing and spending policies are carefully coordinated.

The Senator from Kansas regrets that Mr. Miller appears to have adopted a stance which is all too familiar. The Government says to the people, "Let's you make sacrifices" so that the Government can avoid the consequences of its failure to run a sound economy. Certainly some dislocations in the economy are beyond our power to prevent, and Mr. Miller is right to point to oil price increases as a contributor to our problems. But in the long run, it is the financial excesses of Government which keeps inflation rolling.

Mr. President, if the Nation is entering a period of economic austerity, the Government should take the lead and set an example for the people who are expected to make sacrifices. The best way to do this would be for the Government to announce that it has agreed to forgo revenue increases caused by inflation. The administration and Congress can implement this proposal very easily by indexing the Federal income tax to changes in the Consumer Price Index. As the cost of living rises, the rate brackets, zero bracket amount, and personal exemption are adjusted by the same percentage increase. This adjustment would protect taxpayers whose incomes are inflated from moving into higher tax brackets even though their real purchasing power stays the same.

Mr. President, the Senator from Kansas has introduced legislation which would achieve this very objective. The legislation is the Tax Equalization Act, which would index the income tax for inflation. Not only would indexing demonstrate the Government's good faith in the fight against inflation, it would set an example for the Nation and restore a measure of equity to our taxpayers.

The Government could find no better way of demonstrating its determination to beat inflation than to adopt indexing. By forgoing automatic, unlegislated revenue increases caused by inflation, the Government can demonstrate that it is willing to tighten its own belt. Then it can look to what sacrifices it expects of our citizens in the battle against inflation. The Senator from Kansas would welcome the support of the administration for the Tax Equalization Act, which would be a major first step in the Government's program of austerity.●

NATIONAL HISPANIC HERITAGE WEEK

● Mr. DOLE. Mr. President, I am proud to note that the week of September 10 through 15 will mark the 11th anniversary of National Hispanic Heritage Week. In addition to this important occasion a large segment of our Hispanic population will celebrate September 16, Mexican Independence Day. On both of these occasions, I take great pride in paying tribute to all of this Nation's Hispanic citizens.

HISPANIC AMERICANS IN KANSAS

As a Senator from the great State of Kansas, I am particularly proud to say that my Hispanic constituency, while not as numerous as in other States, has indeed been a significant contributor in addressing and developing important issues facing Hispanic Americans throughout the entire country. An example of Kansas participation in national Hispanic issues is the selection of Wichita, Kans., for the site of the first annual Amigos De Ser meeting as well as the annual meeting of the national executive board of directors for Ser Jobs for Progress. In addition to these two important events, the first annual Amigos De Ser golf tournament and celebrity banquet will be held on September 17 and 18. SER/Jobs for Progress, Inc., was created by the diligent efforts of two of the Nation's largest Spanish speaking service organizations, the American G.I. Forum and the League of United Latin Americans. These organizations, I might add, are well represented in the State of Kansas.

SER receives Federal funds to train and place this segment of Americans into better paying and meaningful employment. The SER Jobs for Progress in Wichita, Kans., the host of these national meetings, is a nonprofit agency contracted to the city of Wichita and funded under the Comprehensive Employment Training Act (CETA) to provide training and employment services to Wichitans. SER's services are available to all sectors in the community, with emphasis on aiding minorities, especially Spanish-speaking people.

AN EMERGING AMERICAN

Mr. President, even though we have cause to join in celebration to honor Hispanic Americans, we must not forget the pain and suffering they have endured to overcome discrimination and obstacles enabling them to become meaningful participants in systems of economics, education, government, labor, politics. Although some progress has been made in these areas, we must continue to provide increased opportunities for these Americans.

This is a time of critical importance to all Hispanic Americans. Due to increasing numbers, as well as evergrowng political strength, citizens of Hispanic origin can no longer be ignored. Of all minority groups in this country, the Hispanic population is currently experiencing the greatest rate of growth. It is anticipated that at the end of the next decade, Hispanic Americans will constitute the largest ethnic minority group in this country.

But numbers alone are not significant. Now, to obtain the equality of opportunity previously denied them, Hispanics throughout the country are working to transform their strength in numbers into real political power.

In terms of recent history, the Hispanic political influence was first felt critically in the 1976 Presidential election, when significant numbers of Hispanics provided the critical margins for Candidate Carter in Texas and California in particular and the Southwest in general. More recently, the 1978 senatorial and gubernatorial elections in Texas clearly demonstrate that neither JOHN TOWER nor Bill Clements would have been successful in the absence of the Hispanic votes cast for their respective candidacies.

Mr. President, despite the increased numbers and political awareness, many obstacles still remain. To this day, many Hispanic people still face the serious burdens of poverty, illiteracy, and discrimination. Such facts can be illustrated by the staggering unemployment rate that Hispanics have. I am confident, however, that by working together we can overcome these difficulties.

Mr. President, once again, I want to express my pride in paying special tribute to this Nation's Hispanic citizens during National Hispanic Heritage Week as well as Mexican Independence Day—the 16th of September—which commemorates the day in 1810 when Martin Hidalgo, a parish priest, issued a ringing declaration of Mexico's freedom from Spanish rule.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. CRANSTON. Mr. President, I move that the Senate now stand in recess subject to the call of the Chair.

The motion was agreed to; and at 3:21 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 4:44 p.m., when called to order by the Presiding Officer (Mr. LONG).

CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL CROP INSURANCE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate the next order of business, S. 1125, the Federal crop insurance bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1125) to improve and expand the Federal Crop Insurance Program, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Crop Insurance Act of 1979".

TITLE I—FEDERAL CROP INSURANCE PROGRAM

CAPITAL STOCK

SEC. 101. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$200,000,000" and inserting in lieu thereof $500,000,000".

(b) Within thirty days after the effective date of subsection (a) of this section, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on the effective date of that subsection.

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

SEC. 102. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, the Under Secretary or Assistant Secretary of Agriculture responsible for the Federal Crop Insurance program, the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the three farmers who are not otherwise employed by the Federal Government, shall ensure that such members are from different gographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of the Federal Crop Insurance Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505(c) of the Federal Crop Insurance Act is amended to read as follows: "The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5 of the United States Code when actually employed, and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.".

AMENDMENTS TO THE PROVISIONS ESTABLISHING GENERAL POWERS FOR THE CORPORATION

SEC. 103. Section 506 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (d) to read as follows:

"(d) subject to the provisions of section 508(c), may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business;"; and

(2) in subsection (f), striking out "free".

USE OF PRIVATE INSURANCE COMPANIES IN THE FEDERAL CROP INSURANCE PROGRAM; CONFORMING AMENDMENT

SEC. 104. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Board may establish or use committees or associations of producers, and contract with private insurance companies, in the administration of this title and make payments to such committees, associations, or companies to cover the administrative and program expenses incurred by them in cooperating in carrying out this title, as determined by the Board."; and

(2) in subsection (d), inserting "or 516A" immediately after "section 516".

REMOVAL OF LIMITS ON EXPANSION OF THE FEDERAL CROP INSURANCE AND REINSURANCE PROGRAMS

SEC. 105. Effective with respect to the 1980 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is amended by—

(1) striking out all that follows the subsection designation down through the end of the fifth complete sentence, which begins, "Reinsurance for private insurance companies . . .", and inserting in lieu thereof the following: "If sufficient actuarial data are available, as determined by the Board, to insure producers of crops grown commercially in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field."; and

(2) striking out the eighth complete sentence, which begins "Counties selected by the Board . . .".

FEDERAL CROP INSURANCE: EXTENT OF COVERAGE

SEC. 106. Effective with respect to the 1981 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is further amended by—

(1) striking out the sixth complete sentence, which begins, "Any insurance offered against loss in yield . . .", and inserting in lieu thereof the following: "Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just). In addition, the Corporation shall make available to producers lesser levels of yield coverage. Any insurance offered under this subsection shall make available to producers coverage (per unit of production insured) equal to the highest of (1) the established price for the commodity and crop year involved, if any, (2) the loan rate for the commodity and crop year involved under a Federal price support program, if any, or (3) the projected market price for the commodity and crop year involved, as determined by the Board. In addition, the Corporation shall make available to producers lesser price selections per unit of production insured."; and

(2) in the seventh complete sentence, which begins, "Insurance provided under this subsection . . .", inserting "or an approved substitute crop" immediately after "the same crop".

PREMIUM SUBSIDY; TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 107. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems actuarially sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay a portion, not less than 20 per centum nor more than 40 per centum, as determined by the Board, of each producer's premium: *Provided*, That with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer elects to make the acreage of the commodity eligible for payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's election to make the acreage of the commodity involved eligible for disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium. Federal premium payments for a commodity shall be applied uniformly among producers. The remaining portion of each premium to be paid by the producer shall be collected at such time or times, and shall be secured in such matter, as the Board may determine.";

(2) amending subsection (c) to read as follows:

"(c) To adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court for the district in which the insured farm is located: *Provided*, That no suit on such claim may be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."; and

(3) striking out subsection (d), and redesignating subsection (e) as subsection (d).

REINSURANCE OF PRIVATE INSURANCE COMPANIES; EXTENSION OF THE PROGRAM TO COMMONWEALTHS AND TERRITORIES OF THE UNITED STATES; SPECIFIC RISK PROTECTION PROGRAMS

SEC. 108. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by striking out subsection (f) and inserting immediately after subsection (d), as redesignated by section 107(3) of this Act, new subsections (e), (f), (g), and (h) as follows:

"(e) To provide, upon such terms and conditions as the Board may determine to be consistent with subsection (a) of this section and sound reinsurance principles, reinsurance to private insurance companies, groups or pools of such companies, and government entities that insure producers of any agricultural commodity under contracts acceptable to the Corporation. In order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance to private insurance companies, groups or pools of companies, or government entities insuring producers under this subsection, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on 1981 crops, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums.

"(f) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in the same manner as provided in this section for provision of insurance or reinsurance for production of agricultural commodities in the United States.

"(g) To offer specific risk protection programs including, but not limit to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation programs under such terms and conditions as the Board may determine: *Provided*, That no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

"(h) To include appreciation (including interest charges) as an insurable cost of production in calculating premiums and indemnities in connection with insurance of yields of timber and forests.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 109. Section 515 of the Federal Crop Insurance Act is repealed.

PROGRAM FUNDING

SEC. 110. Effective October 1, 1980, section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums for each fiscal year as may be necessary to cover the operating and administrative costs of the Corporation, agents' commissions, partial premium payments by the Corporation, and direct costs of loss adjusters for crop inspections and loss adjustments, which shall be allotted to the Corporation in such amounts and at such times as the Secretary of Agriculture may determine. Expenses in connection with agents' commissions and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from insurance premium funds, and any such payments from premium funds may be restored by appropriations in subsequent years.".

COMMODITY CREDIT CORPORATION FUNDING

SEC. 111. (a) The Federal Crop Insurance Act is amended by inserting immediately after section 516 a new section 516A as follows:

"COMMODITY CREDIT CORPORATION FUNDING

"SEC. 516A. The Secretary of Agriculture is authorized to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under this title whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable that Corporation to cover program expenses or otherwise meet its obligations to indemnify producers for losses.".

(b) The authority to make commitments under section 516A of the Federal Crop Insurance Act, as added by subsection (a) of this section, in excess of funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation acts. Appropriations under the preceding sentence are authorized beginning October 1, 1980.

EFFECTIVE DATE

SEC. 112. Except as otherwise provided in this title, the provisions of this title shall become effective October 1, 1979.

TITLE II—DISASTER PAYMENTS

PREVENTED PLANTING DISASTER AND FARM DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

SEC. 201. (a) (1) Section 101(h) (4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignating subparagraph (D) as subparagraph (F) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if the cooperators elect to cover the rice acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(2) Section 103(f) (5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(3) Section 105A(b) (2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(4) Section 107A(b) (2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, after consultation with the Board of Directors of the Federal Crop Insurance Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act. Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

SPECIAL DISASTER PAYMENTS FOR THE 1979 CROP YEAR

SEC. 202. (a) (1) Section 101(h) (4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is further amended by—

(A) striking out "subparagraphs (B) and (C)" in subparagraph (F), as redesignated by section 201(a) (1) (C) of this Act, and inserting in lieu thereof "subparagraphs (B), (C), and (E)"; and

(B) inserting after new paragraph (D), as added by section 201(a) (1) (C) of this Act, a new subparagraph (E) to read as follows:

"(E) Effective only with respect to the 1979 crop of rice, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), persons involved in producing rice on a farm (i) are prevented from planting any portion of the acreage allotment of producers on the farm or the farm acreage allotment to rice and (ii) plant a nonconserving crop in lieu of rice, the Secretary shall make a special disaster payment to cooperators on the farm in an amount determined by multiplying (I) the number of acres so affected, by (II) 75 per centum of the yield established for the farm, by (III) 15 per centum of the established price for rice, except that the Secretary shall make no payment under this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.".

(2) Section 103(f) (5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is further amended by adding at the end thereof a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of upland cotton, if the Secretary determines that, as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for cotton to cotton and (ii) plant a nonconserving crop in lieu of cotton, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for cotton established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(3) Section 105A(b) (2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a) (3) (C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of feed grains, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for feed grains to feed grains and (ii) plant a nonconserving crop in lieu of feed grains, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is further amended by inserting immediately after new subparagraph (C), as added by section 201 (a)(4)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of wheat, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for wheat to wheat and (ii) plant a nonconserving crop in lieu of wheat, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for wheat established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(b) This section shall become effective October 1, 1979, and the provisions hereof shall be retroactive to cover special disaster payments to producers for the 1979 crops of rice, upland cotton, feed grains, and wheat.

PROGRAM FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, following the completion of routine morning business on Monday, automatically the Senate would resume consideration of Calendar No. 268, S. 1125. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, it is hoped that the Senate may be in a position to take up two conference reports on appropriations bills on Monday—one dealing with the energy water appropriation bill, H.R. 4388; the other dealing with State, Justice, and Commerce appropriations, H.R. 4392.

In addition, if the Senate completes action on these measures and conference reports on Monday, the Senate would then be prepared, I think, to go to the consideration of the second concurrent budget resolution. I perceive this as being late in the afternoon, if at all. In any event, I should think that the Senate would be ready to proceed with the second concurrent budget resolution by Tuesday.

So there will be rollcall votes on Monday and there will be rollcall votes on Tuesday and daily. As I indicated this morning, Senators should be prepared for Saturday sessions, depending upon the amount of work that is to be done and the rapidity with which the work is consummated.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, as I understand the order that has been entered, the Senate will stand in recess, when we recess today, until 12 o'clock noon on Monday.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. There are some Members on my side who will have difficulty returning before early afternoon, and I wonder whether we can have an informal agreement—or, for that matter, a formal agreement—to defer record votes until, say, 3 or 3:30 in the afternoon.

Mr. ROBERT C. BYRD. Mr. President, without consulting Mr. HUDDLESTON, who is the manager of the bill on this side of the aisle, I am not prepared to enter into an agreement at this time to that effect.

I think it would be safe to enter into a formal agreement now that there will be no votes prior to 2 p.m., with the possible exception of a procedural vote dealing with instructions to the Sergeant at Arms, which I would not anticipate.

Mr. BAKER. I would appreciate that. That would be helpful, if the majority leader would see fit to make that request.

Mr. ROBERT C. BYRD. Mr. President, I would make that request and I do make it.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, SEPTEMBER 10, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 noon on Monday next.

The motion was agreed to; and, at 4:45 p.m., the Senate recessed until Monday, September 10, 1979, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate, September 7, 1979:

FEDERAL EMERGENCY MANAGEMENT AGENCY

Gloria Cusumano Jimenez, of North Carolina, to be an Associate Director of the Federal Emergency Management Agency (new position).

SELECTIVE SERVICE SYSTEM

Bernard Daniel Rostker, of Virginia, to be Director of Selective Service, vice Byron V. Pepitone, resigned.

HOUSE OF REPRESENTATIVES—*Friday, September 7, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O give thanks to the Lord, for He is good; His steadfast love endures forever.—Psalms 118: 1.

We give thanks, O Lord, for all those people who surround us with their love and affection, whose encouragement and faithfulness enables us to live each new day. With all the necessary duties before us and tasks to accomplish, help us to live in appreciation for those who give joy and peace to our lives.

Above all, cause us not to forget the perfect love that You have given to each person, available to sustain and give strength, to heal, and to reconcile us with others. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE FEDERAL ARTIST ON PBS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I take this occasion to inform my colleagues of an important television program that will be broadcast on the Public Broadcasting System, channel 26, this Sunday, September 9 at 6 p.m.

Entitled "The Federal Artist," the program explores the largest federally funded jobs program for artists in the Nation, the New York City CETA artists project. In addition to creating a composite portrait of the Federal artist, it examines the effects the CETA program has had on artists and the people who share their art with them.

The program shows many of these artists teaching or performing for the poor, the sick, the institutionalized—people for whom art is usually inaccessible. One artist is seen redesigning an aging subway system, another reads her poetry in the south Bronx, a CETA-funded orchestra performs at a hospital in Brooklyn. When an 86-year-old member of a painting class given by one of the artists is asked whether this project is worth-

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

while, he says, "If it weren't for art, I wouldn't be here."

I urge my colleagues to watch this program as an inspiring example of how Government programs can and do work effectively. Support of artists can benefit and enrich the lives of countless people in addition to assisting the artists, who are, finally, the most important cultural resources our country has to offer.

INTRODUCTION OF H.R. 5169 HOLDS OUT PROMISE OF SOLAR ENERGY DEVELOPMENT

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, this week I introduced a bill with the distinguished gentleman from New York (Mr. Ottinger) that will help our Nation develop its solar energy sources in the most timely manner possible. This bill H.R. 5169 will place all solar energy activities, together with conservation and geothermal research, development, and demonstration programs, under one Assistant Secretary in the Department of Energy. This legislation will help overcome the bureaucratic roadblocks that have continued to plague the Department of Energy's solar programs, and allow these programs to be more effectively managed.

Our Nation can no longer afford to suffer from the present, inefficient management of our solar programs. In his recent energy message, the President set a goal of deriving 20 percent of our needs from the Sun by the year 2000. If the Nation is to reach this goal, and to tap the immense benefits offered by solar energy, we believe that we must now strive to remedy the management problems currently plaguing the Department. I believe that this legislation takes one important step in that direction.

I believe that consideration of H.R. 5169 is particularly appropriate now, as the Department begins to receive guidance from the new Secretary of Energy. I urge my colleagues to support this legislation and help our Nation to accelerate the development of our renewable energy resources, and invite cosponsorships.

PROVIDING FOR CONSIDERATION OF H.R. 79, POSTAL SERVICE ACT OF 1979

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 386 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 386

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding that the House resolve itself into Committtee of the Whole House on the State of the Union for the consideration of the bill (H.R. 79) to amend title 39, United States Code, to provide that the chairman of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. Brademas). The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 386 is the rule providing for the consideration of the bill H.R. 79 on Postal Service reorganization. It is an open rule, providing 1 hour of general debate, and it makes the committee amendment in the nature of a substitute in order as an original bill for the purpose of amendment.

In addition, there is one Budget Act waiver. It is a waiver of section 402(a) of the Budget Act, which prohibits the consideration of any bill authorizing new budget authority for a fiscal year, unless the bill was reported out of committee by May 15 of the preceding year.

There are several sections of this bill that would authorize new budget authority for this fiscal year, so the waiver was necessary to allow consideration of the bill. It is a technical waiver, however, because the Committee on Post Office and Civil Service has agreed to offer a floor amendment to cure the Budget Act violations.

Mr. Speaker, H.R. 79 is a bill that will make several needed changes in the structure and the functioning of the Postal Service. In an effort to make the Postal Service more accountable to the executive and the legislative branches of Government, this bill provides that the Postmaster General will in the future be appointed by the President and confirmed by the Senate. In addition, there are provisions in the bill to establish better congressional oversight and budgetary control over the Postal Service.

Along with the changes in the structure of the Postal Service, Mr. Speaker, there are sections affecting the money the Postal Service has to spend, and the rates that may be set for various classes of mail.

This is important legislation, Mr. Speaker, and I urge the adoption of this resolution in order that the bill might be considered.

□ 1010

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 386 makes in order the consideration of the bill, H.R. 79, the Postal Service Act of 1979. This is an open rule granting 1 hour of general debate which is to be divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service.

The rule provides for consideration of the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. The rule provides for one motion to recommit with or without instructions.

The rule further waives a point of order that might be brought against H.R. 79 for failure to comply with section 402(a) of the Congressional Budget Act, which provides the May 15 deadline for reporting authorizing legislation. Section 4 of the bill extends rate-increase phasing for certain mail. Since this has the effect of authorizing appropriations for the last 3 months of fiscal year 1979, it would violate section 402(a) of the Budget Act. I understand that an amendment to eliminate the authorization for fiscal year 1979 will be offered, thus curing this violation. However, a waiver is necessary to allow consideration of the bill.

H.R. 79 provides for the appointment of the Postmaster General by the President and abolition of the Postal Service Board of Governors. It increases the authorization for public service appropriations and extends the period of adjustment for mailers to pay the increased postal rates which would otherwise rise this year. The bill was ordered reported, with amendments, from the Committee on Post Office and Civil Service on April 25 by a voice vote.

Mr. Speaker, I urge adoption of this rule so that we may proceed to consideration of the bill H.R. 79.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 343, nays 2, not voting 89, as follows:

[Roll No. 448]

YEAS—343

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Clay
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Royer
Runnels
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—2

Marlenee
Wilson, Bob

NOT VOTING—89

Anderson, Ill.
Barnard
Beilenson
Bethune
Biaggi
Bingham
Bolling
Bonker
Brodhead
Burton, John
Carter
Cavanaugh
Chisholm
Clausen
Cleveland
Clinger
Conyers
Corman
Cotter
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Donnelly
Early
Edwards, Okla.
Erdahl
Ertel
Evans, Ga.
Fenwick
Flood
Fountain
Fuqua
Gibbons
Goldwater
Heckler
Hinson
Holland
Holt
Hopkins
Ireland
Jenrette
Leach, La.
Levitas
Lewis
Livingston
McCloskey
McDonald
McEwen
Mathis
Mikva
Miller, Calif.
Murphy, Ill.
Murphy, N.Y.
Neal
Nelson
O'Brien
Patterson
Pritchard
Pursell
Richmond
Roberts
Rose
Rousselot
Roybal
Rudd
Sabo
Santini
Slack
Smith, Iowa
Spellman
Stark
Symms
Treen
Udall
Ullman
Vander Jagt
Wampler
Waxman
Weaver
White
Williams, Ohio
Wolff
Wright
Young, Alaska
Young, Mo.

□ 1020

The Clerk announced the following pairs:

Mr. Wright with Mr. Vander Jagt.

Mr. John L. Burton with Mr. Anderson of Illinois.

Mrs. Chisholm with Mr. Bethune.

Mr. Jenrette with Mrs. Fenwick.

Mr. Murphy of Illinois with Mr. Lewis.

Mrs. Spellman with Mr. McCloskey.

Mr. Cotter with Mr. McEwen.

Mr. Murphy of New York with Mr. Livingston.

Mr. Biaggi with Mr. O'Brien.

Mr. Fountain with Mr. Cleveland.

Mr. Gibbons with Mr. Edwards of Oklahoma.

Mr. Fuqua with Mr. Deckard.

Mr. McDonald with Mr. Philip M. Crane.

Mr. Nelson with Mr. Erdahl.

Mr. Bingham with Mr. Hopkins.

Mr. Dellums with Mr. Rudd.

Mr. Wolff with Mr. Young of Alaska.

Mr. Levitas with Mr. Pritchard.

Mr. Dixon with Mr. Rousselot.

Mr. Early with Mr. Symms.

Mr. Barnard with Mr. Pursell.

Mr. Holland with Mr. Wampler.

Mr. Ertel with Mr. Goldwater.

Mr. Evans of Georgia with Mr. Williams of Ohio.

Mr. Beilenson with Mrs. Holt.

Mr. Brodhead with Mrs. Heckler.

Mr. Bonker with Mr. Carter.

Mr. Conyers with Mr. Daniel B. Crane.

Mr. Mikva with Mr. Clinger.

Mr. Miller of California with Mr. Hinson.

Mr. Neal with Mr. Davis of South Carolina.

Mr. Corman with Mr. Donnelly.

Mr. Roberts with Mr. Ireland.

Mr. Richmond with Mr. Leach of Louisiana.

Mr. Patterson with Mr. Rose.

Mr. Santini with Mr. Sabo.

Mr. White with Mr. Young of Missouri.

Mr. Ullman with Mr. Waxman.

Mr. Slack with Mr. Udall.

Mr. Mathis with Mr. Roybal.

Mr. Cavanaugh with Mr. Smith of Iowa.

Mr. Stark with Mr. Clausen.

Mr. Weaver with Mr. Diggs.

Mr. YATES changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMERICA HAS NO POLITICAL PRISONERS

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, the commutation of sentence to time served, by President Carter, of Lolita Lebron, Irving Flores, Rafael Cancel (for shooting Members of Congress) and Oscar Collazo (Truman attempt) for humanitarian reasons dispels any doubt that these individuals were kept in jail for political reasons. These people were convicted for their criminal conduct and not for their political beliefs and by serving over 25 years in prison they have been sufficiently punished. Their release in spite of their political beliefs, is the best evidence that in the United States of America we do not have political prisoners. President Carter has acted for humanitarian reasons and this is another clear indication of his commitment to the cause of human rights. I trust that the four prisoners will exercise their regained freedom in a manner consistent with peace and order in a democratic society and I wish them well when they rejoin their families. I had urged President Carter to take this action in a meeting on March 1, 1977. The President's action deserves my support and admiration. There is a time to punish and a time to forgive.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from Puerto Rico for his statement and for his support of this initiative. I join in commending the President for undertaking this humanitarian gesture.

In like manner, I hope that President Fidel Castro will honor the promises he made to our congressional delegation which visited with him in January of this year, at which time he stated that when the United States undertakes a humanitarian gesture releasing Puerto Rican prisoners, that he would entertain a reciprocal humanitarian gesture and release the American prisoners presently being held in the Cuban jails, some of whom have been imprisoned for as long as 15 years.

I thank the gentleman for yielding.

□ 1030

COMMUTATION OF SENTENCE BY PRESIDENT CARTER OF LOLITA LEBRON, IRVING FLORES, RAFAEL CANCEL, OSCAR COLLAZO

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, the action of the President in releasing the prisoners meets with my approval. I was one of the few Members of the House who are now sitting who was here at the time that this very unfortunate incident occurred. I remember it very vividly. I remember the Members of the House who were wounded at the time.

Nevertheless, I do think that enough time has elapsed, sufficient imprisonment has occurred that if these people are ever to be rehabilitated they have been rehabilitated. I would hope when they go back to Puerto Rico they will behave as citizens of the United States should behave and that they will recognize the fact that our Government has treated them with great leniency and clemency.

Believe me, they were not political prisoners. I was here. I heard the bullets ricochet. There were bullets fired, there were people wounded. In any other country these people would have been executed as terrorists.

COMMUTATION OF SENTENCE BY PRESIDENT CARTER OF LOLITA LEBRON, IRVING FLORES, RAFAEL CANCEL, OSCAR COLLAZO

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I would like to praise President Carter for his courageous decision yesterday regarding the release of the Puerto Rican Nationalist prisoners. He had the humanity to conclude that no purpose would be served by continuing the sentences of the four remaining prisoners.

While the release of the prisoners was not conditioned on the release of several Americans who are being held in Cuba, I hope that Fidel Castro will acknowledge the significance of the President's act by releasing the American prisoners.

I also would like to take this opportunity to commend Attorney General Benjamin Civiletti for his efforts. It was Mr. Civiletti's efforts as Assistant Attorney General that made possible an honest review of all the data. I appreciate his careful analysis of the circumstances, and his decision to make a favorable recommendation to the President.

Many people have worked for a great number of years, and for a variety of reasons, toward the goal of seeing the Nationalists freed. Among those who deserve mention, and there are a great many, are their attorneys and the American Civil Liberties Union's National Prison Project. My primary motivation in pressing for the release of these Puerto Ricans for well over a year now, was that they be able to join their families. None of us can really imagine what it would be like to be separated from our loved ones for over 25 years.

Many Members of Congress joined my efforts to persuade President Carter to grant Lolita Lebron, Rafael Cancel Miranda, Oscar Collazo, and Irving Flores Rodriguez a commutation of sentence. I would like to express my sincere appreciation to them. They have helped make possible this historic moment.

Oscar Collazo, a man now in his sixties, lived in my building when I was a young boy. It is particularly rewarding to me to have been able to participate in the process of securing his release, because of the memory I have of those days.

It is my own personal wish that the balance of the lives of these four Puerto Ricans be spent in peace and happiness.

POSTAL SERVICE ACT OF 1979

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CHARLES H. WILSON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 3, answered "present" 2, not voting 88, as follows:

[Roll No. 449]

YEAS—341

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Clay
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Royer
Runnels
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vanik
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—3

Lloyd
Mitchell, Md.
Wilson, Bob

ANSWERED "PRESENT"—2

Conable
Duncan, Oreg.

NOT VOTING—88

Alexander
Anderson, Ill.
Barnard
Beilenson
Biaggi
Bingham
Boggs
Bolling
Burton, John
Carter
Cavanaugh
Chisholm
Clausen
Cleveland
Clinger
Conyers
Corman
Cotter
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Dodd
Donnelly
Early
Eckhardt
Edwards, Okla.
Erdahl
Ertel
Fenwick
Flood
Ford, Mich.
Forsythe
Fuqua
Gibbons
Hall, Ohio

Heckler
Hinson
Holland
Holt
Ireland
Jenrette
Leach, La.
Levitas
Lewis
Livingston
McCloskey
McEwen
Mathis
Mikva
Miller, Calif.
Murphy, Ill.
Murphy, N.Y.
Nelson
Patterson
Pursell
Richmond
Roberts
Rodino
Rosenthal
Rousselot
Roybal
Rudd
Sabo
Santini
Simon
Slack
Smith, Iowa
Spellman
Stark
Symms
Treen
Ullman
Vander Jagt
Vento
Walker
Wampler
Weaver
Williams, Mont.
Williams, Ohio
Wolff
Wright
Wylie
Young, Alaska
Young, Mo.

□ 1040

Mr. LLOYD changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 79, with Mr. DE LA GARZA in the chair.

□ 1050

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. CHARLES H. WILSON) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am going to yield at this time to the gentleman from Illinois (Mr. DERWINSKI) and then I will yield myself time as soon as that is completed.

Mr. DERWINSKI. I thank the gentleman, and I appreciate the courtesy of the gentleman from California.

Mr. Chairman, it is with great honor, pleasure, and privilege that I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

(By unanimous consent, Mr. RHODES was allowed to speak out of order.)

RUSSIAN FORCES IN CUBA

Mr. RHODES. Mr. Chairman, I first want to thank my good friend, the gentleman from California (Mr. CHARLES H. WILSON) for his courtesy which I deeply appreciate, and I want to thank my good friend, the gentleman from Illinois (Mr. DERWINSKI) whom I also appreciate.

Mr. Chairman, the administration's handling of the Cuban affair raises serious national security questions that demand honest answers.

If the CIA took 2 years to verify guns, tanks, and troops in Cuba, 90 miles off our shores, how can we ever hope to verify SALT II provisions half a world away?

Why was the Cuban information released now? And why through a Senator who happens to be in reelection trouble, instead of by the Commander in Chief? Is the State Department now providing classified information to beleagured Democrat officeholders for their survival?

This is reminiscent of the Cuban missile crisis of the sixties, when the Spanish newspapers in New York had carried stories of missiles in Cuba for months before the Government conveniently discovered them, 2 weeks before the November elections. Are we seeing a rerun?

If, as some sources claim, the Government knew about Russian forces in Cuba 2 years ago, why was this information withheld from the public? Why have these Russian soldiers suddenly been upgraded to combat troops?

Where are they stationed? How long will they stay?

In other words, we have either a monstrous manipulation, gross negligence, or a coverup of dangerous incompetence. The American people have a right to know the truth about this crisis.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I have all kinds of requests from Democrats who want to respond, but I think we had better proceed with the legislation.

Mr. Chairman, I yield such time as he may require to the chairman of the Committee on Post Office and Civil Service, the distinguished gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I want to commend the Chairman, the gentleman from California (Mr. CHARLES H. WILSON) and the members of his subcommittee for their excellent efforts and association with H.R. 79.

Mr. Chairman, for the fourth time since the enactment of the Postal Reorganization Act just nine summers ago, the Committee on Post Office and Civil Service has reported legislation designed to improve upon the system for operating the U.S. Postal Service which was established by that organic law. In the summer of 1970, advocates from both sides of the aisle rallied around the concept of reforming the Postal Service in order to improve its performance, reduce its costs, and remove partisan political factors from its personnel system. Since that time, the Postal Service has managed to operate with a great deal of political and administrative flexibility and independence. Congress approved Public Law 94-421 in 1976 to shore up the financial condition of the Postal Service by appropriating $1 billion to pay off a portion of its accumulated debt, but no other fundamental changes have been approved by Congress.

That is remarkable, particularly because there is general agreement that certain basic changes should be made. Yet, although postal experts from all over the Nation have supported some or all of these changes, the Postal Service itself and the presidential administrations in power have turned a deaf ear.

Perhaps the best example is in the appointment of the Postmaster General. When Jimmy Carter was a candidate in 1976, he advocated that the Board of Governors of the Postal Service be abolished and that the President appoint the Postmaster General. But when Jimmy Carter became President Carter, however, he reversed his position to urge that the Board of Governors be retained but that the Postmaster General be appointed for a fixed term of years. Since then, the President has again changed his position to oppose any change whatsoever.

This issue exemplifies the basic problem we face, and that is that no one outside the Postal Service is willing to accept the responsibility. That is not true of any other executive agency of the U.S. Government. The President is ultimately responsible for American foreign policy and all of the executive functions of all of the departments and agencies in the executive branch. But in the case of the Postal Service, the President has never designated anyone in the White House and said,

> Here is my man on postal policies; he speaks in my behalf and what he says is the position of Jimmy Carter on postal issues.

Instead, the President has sent two or three different members of his staff to testify before our committee and they have arrived, after lengthy delay and limited preparation to say, generally, that they think things are going along all right and they do not see any need for change right now.

Even the administration's energy policy is clearer than that.

Our committee has attempted to establish policy by revising some of the most significant provisions of the Postal Reorganization Act. Last year, after extensive deliberations, based in part on the recommendations of the National Commission on Postal Service which Congress created in 1976, the House approved several significant changes. We voted overwhelmingly to increase the public funds available to the Postal Service to guarantee the preservation of door delivery, Saturday delivery, and the continuation of small post offices. We voted to abolish the Board of Governors and vest in the President the authority to appoint the Postmaster General, with the advice and consent of the Senate. We voted to revise the method of assigning costs for ratemaking purposes. President Carter, through his Domestic Policy Staff Director, Stuart Eizenstat, agreed to the increase in the public service appropriations. But this year, just a year later, the President no longer sees the need for increased public service appropriations.

The fact is, this administration does not have a postal policy, and the only way to get the President—and I do not mean to single out President Carter, because I think that the independence of the Postal Service from the Chief Executive creates the problem—to accept the responsibility to have a postal policy and lend the power, prestige, and responsibility of his office to the postal system, is to give him the legislative responsibility as the political leader of the Nation, for the Postal Service's operations, successes, and failures.

So long as the President can stand aside and say I am not responsible for the Postal Service, he will do so. He has the perfect excuse. He does not appoint the Postmaster General and he is not responsible for the Postal Service. Experience has demonstrated that we made a mistake in 1970 when we divorced the leadership of the Postal Service from direct responsibility to the Chief Executive. Because that independence fostered indifference. The Postal Service is not a very sexy political subject. Few votes one way or another result from its success or failure; nevertheless, it is a lifeline in American commerce, industry, and society without equal.

But in 1970, we erred to set the Postal Service outside the political system. In our desire to respond to public criticism of political appointments dominating the old postal system, we failed to take into account that any government institution is a political system and that the best way to respond effectively in a republican form of government is to insure that the elected representatives of the people have some control over these institutions.

The Postal Service, over the next few years, will face many problems. The impact of electronic communications and the transmission of financial data by means other than mail is unknown. The decline of paper as a principal means of communicating ideas is unknown. The development of television as a medium of household communication and commercial advertising is in the elementary stages of experiment.

All of these developments could have an enormous impact upon the volume of mail. If volume, particularly first class volume, fails to grow as the economy expands and the population increases, the inevitable result will be the necessity for substantial rate increases, service reductions, increased subsidies, or combinations of these. Unless the impact of these changes are considered by the Congress, the people will have no opportunity to determine how these challenges will be met. It may be that an astute and foresighted Postmaster General, such as Bill Bolger, can anticipate and resolve many of these problems. But regardless of his ability, or any Postmaster General's ability, the system is not functioning as it should if the voice of the people is not predominant in determining public policy.

Electronic communications is a good example. Recently, Postmaster General Bolger announced a bold and foresighted program with which I generally agree, for the development of an electronic communication system operated by the Postal Service. I commend him and President Carter for that proposal, but it just as easily could have gone the other way. Postmaster General Ben Bailar, for instance, gave every indication during his tenure in office that he was opposed to the Postal Service playing a role in electronic communications, even though he had the facts before him that the Postal Service as a means of communication will undoubtedly decline in the years ahead. Such policy decisions should not be left to individuals who are not required to respond directly to the people.

In developing H.R. 79, the committee has taken a middle ground. We recommend an extremely modest increase in public service appropriations, a change in the method of appointing the Postmaster General and a handful of smaller changes which will not have a significant impact on postal operations.

The more controversial provisions of H.R. 7700, which failed to pass the Senate last year, have not been included in this bill, but H.R. 79 is a major step in the right direction. It will put responsibility back in the White House, and it will vest in the President the political responsibility which the Founding Fathers thought appropriate for all executive functions. Once that step is taken, other issues, how postal costs are distributed, the role of electronic communications, the maintenance of small post offices where they are not self-sustaining and other significant issues can be reexamined. But this legislation should be approved first so that those developments can take place under conditions where the White House can no longer avoid principal responsibility for postal policies.

In last Sunday's New York Times, Ernie Holsendolph wrote a front page article on the projected $400 million surplus of the U.S. Postal Service for fiscal year 1979. No one is more pleased by this announcement than I. As chairman of the committee and as a member of the committee ever since postal reorganization, I have looked forward to the day when the deficits of the early years of postal reorganization would finally be a memory of the past. I offer my wholehearted congratulations to Postmaster General Bolger for this great success. He has my respect and my admiration.

But I must allude to my skepticism, that is, how timely that the Times published an article on Sunday, a few days before the bill to authorize additional appropriations for public service is is scheduled to come up on the floor of the House.

And so, in an effort to clarify for my colleagues exactly what this $400 million surplus really is, which may add a perspective to the news, I would like to provide some ground rules for defining a surplus. Unfortunately, a more careful analysis removes some of the glitter from this otherwise shining financial report.

First of all, as the Postmaster General himself pointed out to the Times reporter, the Postal Service already receives $1.8 billion in appropriated funds as part of its total revenue of about $18 billion. Second, regardless of this year's financial picture, the Postmaster General predicts a "deficit of at least $475 million" for fiscal year 1980. So, the surplus, if it exists at all, is the result of congressional appropriations and will have a lifespan about equal to the surplus most of us experience between the time we get a pay check and the time we pay our bills.

There are some deeper-to-reach factors which should be taken into account. Let me mention a few. In the total revenues of the Postal Service, a little more than $60 million for fiscal year 1979 is a result of the necessity to accumulate reserves in order to pay off in the future the costs of worker's compensation claims. The Postal Service charges ratepayers today for the accrued costs of worker's compensation claims which exist today and which will continue for the indefinite future. So, even though the actual outlay in fiscal year 1979 for injury compensation is only about $100 million, the revenues derived to pay claims now and in the future is more than $600 million. The $500 million difference is collected and used to pay other expenses. No fund or segregated account is maintained to preserve that money for future payments. It is spent now. That is $500 million. Without that revenue, the $400 million "surplus" would be a $100 million loss.

Let me go on. The Postal Service also collects $334 million in order to amortize the operating debt which has accumulated since 1971. Now that money is also always used to pay current operating expenses, because since the Postal Service does not receive as much money as it spends, it would be futile—or at least the Postal Service claims it would be futile—to amortize past losses when income is not sufficient to pay current expenses. If that revenue were not available, then the projected "surplus" would be about $65 million instead of $400 million.

Finally, the Postal Service charges, on top of everything else, extra postage in order to provide a "contingency" equal to 4 percent of projected expenditures. In the last postal rate case, the "contingency" was approved at a level of $664 million. That means that if the Postal Service gets and spends as much money as it plans, it will have $664 million left over. But the Postal Service never figures correctly for a variety of reasons, and as a result, the contingency has always been gobbled up. So when the Postmaster General says he will have a surplus of $400 million, he is in fact saying that his costs are only $264 million greater than all revenue, including the worker's compensation fund and accumulated past losses.

In other words, if he spends about $1.1 billion more than operating expenditures are actually projected to be, and if he gets about $1.5 billion more than operating revenues are required to be, then he will have a surplus of about $400 million. The only method of accounting which really explains all this would be one developed by Lewis Carroll.

Claiming a surplus to help fight off legislation which reasserts the constitutional authority of the President and Congress over postal operations is a reasonably legitimate political tactic, and I have no complaint about the Postmaster General's politicking in the Times. But I believe the principle is wrong. I believe that the Congress and the President should exercise a greater role in the affairs of the postal system than the present law has established. I urge the House to support the enactment of this legislation to accomplish that objective.

□ 1100

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding. I want to compliment the distinguished chairman of our committee, the gentleman from New York (Mr. HANLEY), as well as the gentleman from California (Mr. CHARLES H. WILSON) and the ranking minority member, the gentleman from Illinois (Mr. DERWINSKI) for bringing this measure to the floor at this time. I hope that our efforts in the House are not futile and that the Senate will display the same amount of diligence in trying to improve our postal system.

Mr. Chairman, I rise in support of H.R. 79. However, as the ranking minority member of the Subcommittee on Postal Personnel and Modernization, one of the two postal subcommittees to which H.R. 79 was referred, I wish to stress my concern for the manner in which the Postal Service handles certain financial aspects of its operations and to indeed note my understanding of what constitutes the major thrust of H.R. 79.

By increasing the Postal Service's public service appropriation by $272 million in fiscal year 1980, $464 million in fiscal year 1981, and $656 million in fiscal year 1982 and thereafter, we are committing to the Postal Service a considerable chunk of scarce taxpayers' dollars. It is not without some trepidation and questions that I view this stepped-up flow of funds to the Postal Service.

A recent front page article of the New York Times hailed the Postal Service's first revenue surplus, anticipated at $400 million, since 1945. While the Postal Service is to be complimented for this year's fiscal prowess, it was considerably dismaying to read further in this article the Postmaster General's prediction that the Postal Service would incur a defecit next year "ranging anywhere from $475 million to a billion dollars."

This surplus-deficit seesaw is just one disturbing aspect of the Postal Service's financial picture. Oversight hearings held by our committee on the Postal Service's budget continued to reveal an enigmatic system of financial and budgetary guidelines, criteria, and postures which can variably show the Postal Service to be either financially landing on all fours or lying flat on its back.

The existence of a cash balance account, in essence a slush fund, which can range in amount from slightly over $1 to $3.9 billion, and an investment account of almost $1 billion are further dubious facets of the Postal Service's financial posture.

In light of these findings, it becomes unmistakably clear that the increased public service subsidy to the Postal Service which H.R. 79 provides, must be better tailored to stabilize our Nation's postal system, to provide a cost-effective rate structure and should be closely monitored by our House Postal Service Committee. These findings demonstrate the need for a vigilant congressional oversight to assure that the Postal Service's financial framework is capable of supporting an efficient postal system that our Nation deserves and demands.

Concerning a related matter, I would urge my colleagues to support the amendment offered by the gentleman from Missouri (Mr. TAYLOR), also a member of the committee, concerning appointment of hometown postmasters. Passage of this amendment also would bring us a considerable step closer toward achieving the efficient postal system we are seeking.

Accordingly, Mr. Chairman, with these points in mind, I urge my colleagues to support H.R. 79.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Chairman, I rise in support of H.R. 79, the postal reform bill. As chairman of the Subcommittee on Postal Personnel and Modernization we share jurisdiction of this legislation with the Subcommittee on Postal Operations and Services, chaired by my colleague, CHARLES H. WILSON of California.

Our subcommittees together considered the merits of H.R. 79 and the need for postal reorganization. I wholeheartedly support this bill. I would however like to direct my remarks to the two sections of H.R. 79 over which my subcommittee has direct jurisdiction—section 2, the executive structure of the Postal Service, and section 9, which keeps intact the collective bargaining agreements.

Section 2 abolishes the Board of Governors, provides for appointment of the Postmaster General by the President—subject to Senate confirmation, and gives the postal rate commission the authority to make final decisions on rates, fees, mail classification, and other quasi-judicial matters now decided by the Board.

The concensus of witnesses testifying before our subcommittees was that the Board of Governors—created by the Postal Reorganization Act of 1970 to set postal policies, to direct and control the Postal Service's expenditures, and to review the practices and policies of the Postal Service—is a part-time, ineffective, rubberstamp for the Postmaster General. It is not accountable to the public or to the Congress.

Criticism also centered around the fact that the Postmaster General, who is appointd by the Board and sits as one of its members, is insulated from public accountability.

Past and present administrations have taken little interest in postal policy. The present administration has permitted several vacancies to exist on the Board of Governors.

One way to insure that the Postal Service receives proper attention is to provide that the Postmaster General be appointed by the President, subject to Senate confirmation. By taking this important step—while abolishing the virtually useless Board of Governors—Postal Service management will be brought back into Presidential administration. For the past several years the Post Office and Civil Service Committee has recommended—and the House has approved—legislation to abolish the Board and to require that the President appoint the Postmaster General with the advice and consent of the Senate.

Section 9, which had unanimous approval from all witnesses appearing before the subcommittees, merely provides that nothing in this act affects any collective bargaining agreement in effect on the date of enactment, impairs the Postal Service's authority to bargain collectively, or impinges upon any future collective bargaining agreement.

I support the increased authorization for public service appropriations contained in H.R. 79. The break-even concept envisioned by Congrss in 1970 is unrealistic as many of us realize. Increased public service funding is necessary to keep the Postal Service a viable agency. While the present Postmaster General says that the Postal Service is in good financial state, pointing to a projected surplus in revenues this year, one only needs to see that he forecasts a sizable deficit next year.

In order to insure that the present level of services is maintained, an increase in authorization for public service appropriations is necessary. H.R. 79 insures that these appropriations must be used to keep first class rates as low as possible.

In addition, H.R. 79 provides for increased congressional scrutiny of the Postal Service by requiring the Postal Service to submit an annual report on its research and development efforts to the appropriate congressional committees. H.R. 79 also requires the Postmaster General to submit an annual report to the President and the Congress by February 15 of each year which includes the expenditure of the public service appropriation for the preceding fiscal year and the projected expenditure for the current fiscal year.

Our committee intends to do our part in insuring a national postal system which emphasizes quality service as its priority. I urge my colleagues to help us in this endeavor by supporting passage of H.R. 79 as reported to the House by the committee.

□ 1110

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CORCORAN) who has contributed greatly to this legislation.

Mr. CORCORAN. Mr. Chairman, first of all, I would like to thank the ranking minority member of the full committee for yielding time and suggest that what I would like to do with my time, in addition to indicating my wholehearted support for H.R. 79, is to put the legislation in some perspective.

Several years ago Congress attempted to remove itself and the President of the United States from mail problems. After a debate that continued through two administrations, both Democratic and Republican, Congress passed the Postal Reorganization Act of 1970. This was signed into law and was designed to make the new U.S. Postal Service independent. The idea was that by removing the postal system from political influence and running it "like a business," mail costs would go down and services would improve. The intent was excellent and I would have voted for the bill. Unfortunately, as is usually the case, the reality has not quite met our dreams.

It is not that the reorganization has been a failure. It has not. The labor force has been reduced and productivity has increased. In addition, every postmaster selection is no longer a political grab-bag—the Postal Service has, to a great extent, been professionalized.

However, costs have also risen and services have been reduced. Since 1971, first-class rates have risen 150 percent, compared with an 87.5-percent rise in the Consumer Price Index. The Postal "Service" no longer offers door-to-door delivery to new neighborhoods; most cities and towns receive only one delivery a day; the Postal Service has been toying with the idea of eliminating the 6-day delivery. We all know the tales.

No, not all of our dreams have been met. The Postal Service has not proven to be the supercorporation in which all services are superb and prices happily low. Indeed, with the law's mandate that the Postal Service come near to breaking even financially by 1984, the Postal Service, just like the rest of us a victim of inflation and increasing energy costs, has been raising rates and reducing services. Thus, the real significance of H.R. 79 is that it raises the basic question, "What kind of postal service do we want next year, and the year after, and after that?"

What about rates, first of all? Do our constituents want to continue to pay the higher rates necessitated by inflation? Under existing law, the subsidy drops 10 percent a year beginning in fiscal year 1980. Unless changed, this would accelerate the rate increases beyond even the 150 percent increases in 1970.

And what will happen to service? 85 percent of all postal costs are labor costs. Face it, the Postal Service is a labor intensive industry. I do not think that there is much room left for reducing personnel without cutting into services, and my constituents are already mad about poor service and high rates.

What we really have here is a question of philosophy. We can insist on pressing for a self-sufficient Postal Service at any price—or we can decide that there are times when the investment is worth the result. In this case, the result is the maintenance of the best universal postal system in the world, a postal system that enables any American to communicate with whomever they wish—family, friends, Members of Congress—and at a price that is affordable.

I believe that we, as a nation, should have an inexpensive comprehensive system of communication available to everyone, and I feel that the investment asked by this bill is well worth the benefit to be gained.

The price for this universal mail system is a small increase in subsidy, and I offered an amendment that was adopted in committee that would target that increase toward keeping first-class mail rates as low as possible. In addition, I offered another amendment that was accepted that would for the first time require the Postal Service to delineate by function the projected expenditure of the public service subsidy for the coming fiscal year and to account for the actual expenditure of the previous fiscal year's public service funds.

Finally, an amendment that I offered in committee was adopted that would eliminate one of the biggest barriers to a publicly responsive postal service that the Postal Service faces at this time. It would eliminate the Board of Governors and save us taxpayers more than $100,000 annually. The Board of Governors is an exclusive, expensive, and unqualified rubberstamp body. It provides the President with a few more political appointments and its sole real responsibility is the appointment of the Postmaster General. This bill would eliminate the Board and make the President directly responsible for the appointment of the Postmaster General. This does not insert politics where there was none. It makes the existing politics responsible to the public.

H.R. 79 is a much-needed perfecting measure. It retains the best of the Postal Reorganization Act of 1970, but it incorporates the wisdom of the last 9 years. I would strongly urge my colleagues to vote in favor of this bill without major amendments and in favor of better postal service for the people of this country.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 79.

I would like to join my colleagues in saying that this legislation has been a long time in reaching the floor, not only in this Congress, but in previous Congresses, during which under the leadership of the chairman, the gentleman from California (Mr. CHARLES H. WILSON) and the gentleman from New York (Mr. HANLEY), a great deal of time and effort has been put into the fashioning of this legislation. Anyone who suggests that it has anything unnecessary in it or that it is in any way fat or wasteful is being, indeed, extremely unfair, if not reacting from bad information.

☐ 1150

The chairman has worked on this legislation for several years. Every interest that could possibly be heard has been heard, and the committee has worked its will.

As nearly everyone knows, the Postal Service—despite its recent successes during the term of Postmaster General Bill Bolger—is a troubled agency. It is troubled financially, in terms of employee morale, and in the quality of the service it provides—and sometimes fails to provide.

As Chairman HANLEY so effectively demonstrated, the much heralded $400 million surplus the USPS expects this year is a mirage. The Postal Service has an accumulated debt of $4.6 billion, a debt that grows larger by the hour. Next year, the "surplus" announced in the pages of the New York Times will vanish, replaced by a deficit of $500 million. And in case anyone fails to understand the real life effects of these debts and deficits, Postmaster General Bolger guarantees that the USPS will ask for new rate increases to take effect in 1981.

Despite these figures, postal rates have increased phenomenally since the enactment of the Postal Reorganization Act of 1970. For example, the book rate has increased 450 percent, and if H.R. 79 is not passed in its present form, will increase even further. Moreover, the traditional services provided by the Postal Service have deteriorated steadily. Thousands of street letter boxes have been eliminated, collection schedules have been vastly restricted, delivery to residential communities has been cut in half. And as we all know, the Postal Service has campaigned relentlessly to reduce the number of post offices serving rural areas.

H.R. 79 will not solve all of the Postal Service's problems, but it will go a long way toward restoring the public's confidence in and control over the post office, reviving the notion that the postal function is a public service first and foremost. and returning the Postal Service's financing to a system that reflects its public service function.

I would like to express my special support for three particular provisions of H.R. 79. Section 2, which provides for the appointment by the President of the Postmaster General and Deputy Postmaster General, abolishes the Postal Board of Governors, and transfers their functions to the Postmaster General, is critical for the health of the Postal Service. The present structure of the postal hierarchy serves, as Postmaster General Bolger testified, to insulate the Postal Service from the political process. Mr. Bolger sees this insulation as a positive thing. I see this insulation as a negative thing.

Why should the Postal Service be insulated from public input? Why should the Postal Service not be responsive to the criticisms, demands and needs of the people? Why should the elected officials of this country, and especially the President of the United States, not be accountable for the successes and failures of this vital public agency?

It has been a source of continual frustration to many of us for the last 9 years that, in fact, the Postal Service has been accountable to no one and that no elected official would take responsibility for its functions or financial health. At last, with the passage of this bill, we will return control of the Postal Service to the people and the democratic political processes which apply to every other important public agency.

The financial aspects of this bill are equally important. Section 5, which extends the phasing of rate increases, will protect the publishing industry from the sudden shock of massive rate increases ordered since 1970. Without this phasing, the viability of many of our Nation's newspapers, libraries, and book publishers would be in jeopardy.

The moderate increase in the public service appropriations called for in H.R. 79 are far less than the $2½ billion in outlays which the Postal Service actually makes each year for functions which are purely public services and not attributable to any group of mailers. Among these services are 6-day delivery, the maintenance of rural post offices, and delivery to the door of most households.

While the increased appropriations in

H.R. 79 is inadequate, it is a first symbolic step away from the wrongheaded break-even approach to postal financing which has prevailed since 1970.

Finally, I would like to call attention to my own amendment to title 39, contained in section 8 of H.R. 79. Section 8 would do several things to help the libraries and educational institutions of our country. First, it would correct the absurd misinterpretation of present law perpetrated by the Postal Rate Commission and extend the library rate to books sent from libraries and educational institutions, as well as books sent to them. Second, it would make clear that all libraries and not just public libraries, are eligible for this library rate. Finally, it would enable these institutions to send and receive additional materials, including book catalogs, teaching aids and science kits under the special reduced rate.

Plainly, all of these changes in the law as presently misinterpreted by the USPS would serve to strengthen our educational institutions and further the literacy and knowledge of our people.

Once again, I commend Chairman WILSON and Chairman HANLEY for all their efforts on behalf of this worthy legislation. I hope the House will support this bill.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rise in support of H.R. 79 less because of the problems it solves than because of the problems it does not create. Those Members of Congress who have had the pleasure of serving more than one term might remember a bill in the last Congress numbered H.R. 7700. The bill before us today is like a bicycle while H.R. 7700 was like a Lincoln limousine, with power windows, seats, and cruise control. A lot of interest groups would have ridden in better style in H.R. 7700, but H.R. 79 will get us there all the same.

H.R. 79 makes one very important reform: it makes somebody accountable for the efficiency and effectiveness of the U.S. Postal Service. The bill provides for Presidential appointment of the Postmaster General. Just as Jimmy Carter was appropriately held accountable for the actions or inactions of Secretary Schlesinger, this bill would provide that President Carter or whoever would be accountable for the actions of his or her Postmaster General. This possibility of political liability should, by itself, raise the consciousness of the administration about the problems of the Postal Service. Ultimately, it could result in the solving of some of those problems.

The big problem H.R. 79, unlike its predecessor, does avoid is in the area of ratemaking. The managers of the U.S. Postal Service have a peculiar lapse when it comes to allocating costs to the class of service which incurred the cost. Now, some say that this is because the managers of the Postal Service have only scant knowledge of how to run a business. Others charge that the big mailers, like Reader's Digest and Time, Inc., profit handsomely from a low level of attributable costs and that the Postal Service is serving its best customers. H.R. 7700, last Congress, would have ratified this form of creative accounting. H.R. 79, before us today, is mercifully silent on the issue.

H.R. 79 will keep the U.S. Postal Service operating for the next 3 years with a somewhat slower increase in postage rates than would have been the case without the increased subsidy. The Post Office is a constitutionally mandated Government function which I believe should be preserved and strengthened. H.R. 79 will keep the patient alive for another few years. Open heart surgery is still needed to allow the U.S. Postal Service to lead a healthy and useful life.

So, Mr. Chairman, I think this is a real beginning. I hope the other body and the White House will not ignore this legislation. I hope the legislation is passed. Nobody can say it is too complex or too difficult. It is a beginning to try to get someone who really has some responsibility to look at the Postal Service and hopefully get it back doing what it is supposed to be doing, which is delivering the mail.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Colorado (Mrs. SCHROEDER) so that I may engage in a short dialog with her.

Will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I would like to assure my good friend, the gentlewoman from Colorado (Mrs. SCHROEDER), that the Senate has shown great interest in postal legislation this year. They have already had votes in committee and on the floor affecting items that are in this particular bill. I think this is the year when we are going to see action from the Senate.

Mr. Chairman, I am happy that the gentlewoman is pleased with the bill, and that we are going to get the type of support that I think we need from the Senate at this time.

Mrs. SCHROEDER. Mr. Chairman, I think we do have the other body's support because the gentleman from California has been staying on the job and biting at their ankles or whatever he has been doing. It has been hard to get anyone to focus on these problems. I think everyone wanted to kind of stay away from the Postal Service because they did not want to get blamed for what might transpire.

So I thank the gentleman for staying on the job, and I am delighted to hear that we may finally get something out of both bodies this year and get this situation back under control.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. COURTER).

Mr. COURTER. Mr. Chairman, I would also like to go on record as congratulating the ranking minority member of the committee, who has done an excellent job, and I also would like to thank the members on the majority side, the gentleman from New York (Mr. HANLEY) and the gentleman from California (Mr. CHARLES H. WILSON). I know they have worked very hard to bring this legislation to the floor. I understand they had great success on the House side last year, but unfortunately the Senate did not concur in their thinking as there was no postal reform bill passed in the 95th Congress.

I would like to join, too, in supporting much or most of this particular bill. I think it talks to or speaks to individual problems that need change and need some concern with regard to the Postal Service. There are many Members who have a great interest in this bill, and we will be hearing from them, I think, during the next half hour and also, I am sure, during the amendment process.

Likewise, I would like to add my statement with regard to the fact that the Postmaster General should be made responsive to Congress. I think he should be placed under the umbrella of the President because otherwise there would be no control.

I also feel that the freezing of the postal rates, particularly on nonprofit organizations, has to be extended and expanded, and I also give my wholehearted support with regard to that issue as well.

As the Members probably know, I have an amendment that is pending. As a matter of fact, I had two amendments that are pending. Both of them have to do with the Postal Service appropriation for public service funding. I have deliberated very seriously about these amendments. I have done some serious thinking in the past 48 hours with regard to these two amendments.

I think one of those amendments is still vital and definitely appropriate. I am going to go forward with the second of my two amendments.

Basically, the first of my two amendments referred to that particular section, section 3, that speaks in terms of increasing the subsidization from the present $920 million to $1.2 billion in fiscal year 1981. H.R. 79, as we know, says that in fiscal 1980 it targets the subsidization of $1.1 billion and then goes on in fiscal year 1981 to $1.2 and $1.3 billion and keeps it at $1.3 billion up to and including the year 1984.

The present law, after reform laws were passed—and that was, I believe, in 1970—actually does the reverse of that and reduces the subsidization to $828 million in 1980 and then it becomes $736 million and $644 million, and so on, until the year 1984, 5 fiscal years from today. With the subsidization under the present law, not H.R. 79 which we will be discussing today, it reduces it to $460 million.

My original amendment really rolled the situation back to the status quo, indicating that with that Postal Service subsidization, they can live with it under that kind of decreased subsidization.

During the past 48 hours I have concluded after talking to many Members, to the majority and minority side, as well as people who are probably more informed than I am when it comes to postal matters, that that severe reduction is not realistic under today's situation and under today's inflation rate.

However, it is my understanding that the Postmaster General is not at this particular time requesting a subsidy increase, the OMB is not requesting a subsidy increase, and the administration is not requesting a subsidy increase. This bill, in fact, contains a subsidy increase, and these entities, these bodies, these organizations are not in fact requesting one.

So, therefore, I am going to go forward, when I have an opportunity, with my second amendment. That second amendment simply says that the subsidy today of $920 million is a significant subsidy, more in fact than the Postmaster General is requesting, and that that subsidy should stay $920 million for the foreseeable future, in fact during the next 4 to 5 years.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am not going to argue the merits of the amendment at this time, but I would hope that the gentleman will use some expression other than "rate increase."

Mr. COURTER. I am sorry.

Mr. CHARLES H. WILSON of California. I would hope the gentleman would use some other term for the increased subsidy that we hope to have included in the legislation.

Mr. COURTER. Mr. Chairman, I thank the subcommittee chairman, the gentleman from California (Mr. CHARLES H. WILSON), and when I revise and extend my remarks, perhaps I can correct that oversight. Obviously I am talking in terms of a subsidization increase, a postal appropriation increase, or a public service rate increase. I thank the gentleman for his suggestion.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in support of this bill.

I am particularly concerned with and encouraged by language which appears on page 6 of the committee report which relates to section 5 of the bill having to do with rates charged to small newspapers and rural newspapers. As I understand this section of the bill, local distribution of second-class newspapers and magazines and second- and third-class mailings of nonprofit organizations would be given an additional 4-year period of adjustment, and other newspapers and periodicals of larger circulation may be given an additional 2-year period of adjustment.

I understand that some of the main beneficiaries of this amendment are the hundreds and even thousands of small town and rural newspapers which have small circulations, which are being eaten alive by higher postal rates, and which are losing subscribers in great numbers because their subscription rates are having to go up. In many parts of the country many people have no other access to public information except through these small town and small community newspapers.

□ 1130

I would like to ask the distinguished gentleman from California (Mr. CHARLES H. WILSON) as to just some clarification.

For the additional 4-year period of adjustment for some of these small town and local newspapers, I understand that that is the criteria utilized, the "local distribution."

As I understand "local distribution," generally it means newspapers that have a circulation of less than 5,000 outside the county in which they are located.

As a general proposition, those are most of the newspapers in most of the small counties in the country, and they should be entitled to an additional 4-year period of adjustment to increased postal rates.

Is that a fair and accurate statement of this provision, section 5?

Mr. CHARLES H. WILSON of California. If the gentleman will yield, the gentleman is correct. It has reference to small newspapers that are generally distributed locally within a county. That is the purpose; and those are the types of newspapers that are included in this.

Mr. GLICKMAN. So the kind of paper that might have 2,000 subscribers in a county and may have, at the most, 5,000 outside the county, that typically would be the kind of newspaper that would be entitled to this additional 4-year period of adjustment.

Mr. CHARLES H. WILSON of California. The principal distribution is in the county.

Mr. GLICKMAN. The principal distribution is in the county?

Mr. CHARLES H. WILSON of California. That is correct.

Mr. GLICKMAN. I appreciate the chairman's remarks. I applaud this section of the bill. I wish the periods of adjustment were longer, because citizens in rural America and small communities need these small newspapers very badly.

In many parts of the country, as I said before, this is the only way people have information as to what is happening in the world, is through these small town newspapers, and I hope that they are preserved. I think that this section of the bill goes part way.

Mr. DERWINSKI. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, a funny thing happened to Postmaster General William Bolger this year on his way to guiding the U.S. Postal Service into the black for the first time since postal reorganization. Instead of being asked to tighten his belt like the rest of the Nation's inflationary-harried taxpayers, the Postmaster General was asked to accept additional increased Federal subsidies.

The Postmaster General even took the unusual step of publicly claiming there was no justification for increasing the amount of the subsidy. Unfortunately, his would-be benefactors were unimpressed. Apparently they were sold by that beer commercial which tells us that "more means less." They insisted that the Postal Service take more despite rather firm assurances there would be a $180 million surplus when the books are closed on the current fiscal year. With less than a month remaining, I can tell you that the Postmaster General was overly conservative. From all indications, the surplus will be considerably higher than anticipated.

From a dollars standpoint, what this bill does is increase the amount available for the public service function from $828 million to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for fiscal year 1982 and beyond.

It also will involve additional expenditures for extended rate phasing for commercial and nonprofit publications. The extended rate phasing proposal is not without complications since the existing subsidy for commercial users terminated last July 6. To suddenly change a rate already in place would pose administrative problems for the Postal Service.

In opposing the key features of this bill, the Postal Service was not without support. The President's budget did not contain funds for the increases programed in H.R. 79. It also drew opposition from the Office of Management and Budget, and the House Budget Committee. The chairman of the Budget Committee is on record that he intends to support efforts to continue funding for the Postal Service at authorized existing levels rather than the prospective increases proposed in H.R. 79.

Personally, I find nothing in H.R. 79 which will improve delivery of the mail and postal efficiency. This is a view also shared by the OMB which said H.R. 79 is "neither an answer to the underlying problems of rising postal costs nor the necessary incentive to the Postal Service to become more efficient."

Mr. Chairman, in the interest of Christian charity and also in the interest of time, I am not going to make many negative comments about this bill.

There are a number of amendments that have been alluded to, the amendment of the gentleman from New Jersey (Mr. COURTER), which I am pleased to support, and the gentleman from Missouri (Mr. TAYLOR) has an amendment which I will be pleased to support. I have an amendment dealing with the policy position on electronic mail, which I will offer, which I think will help the bill.

Having said that, I would like to direct my remarks to the broad question of postal service. I do not want to shock the hundreds of Members present on the floor at this time to point out that, in my opinion, we have an excellent Postal Service.

That is not the normal attitude that Members have and that is not the attitude that many people have toward the Postal Service. But in my opinion, we have a very fine Postal Service. It has improved since the passage of the postal reform legislation, and I think it is a credit to the people of the United States and a great service for the people of the United States.

The present Postal Service is operating at a surplus. It is also handling a record volume of mail and, over the years, it has managed to decrease personnel. That is a great achievement.

I would also like to point out that, in my opinion, postal reform has worked, not to perfection, because nothing ever works to perfection, but it has basically accomplished its goals, giving us a more modern, more effective Postal Service. It has given us a Postal Service which now has its monetary problems under control. Politics have been removed from the Postal Service. If there is any abuse in the personnel area, it is cronyism. Cronyism is something that is almost impossible to eliminate. But politics, as such, the fix for promotions and appointments, is gone. I personally do not approve of any effort to reinstitute a return to politics. If one remembers how bad the Postal Service was politically before reform that one should resist any effort to restore political considerations.

I would just like to mention one more item, that is the sheer volume in the Postal Service. The Postal Service, hopefully, will be carrying 100 billion pieces of mail in the next fiscal year. That would average out to about 285 million pieces a day. If a few hundred thousand go astray, you have a few hundred thousand complaints. As a result, you do get a certain amount of public muttering about postal service. But the public forgets the millions and millions of pieces of mail that are delivered efficiently and promptly. That, of course, is taken for granted.

One of the reasons for the negative image of the Postal Service has been the behavior of postal union leaders who have been spending too much time telling their members they work for a lousy outfit, when they should be telling their members they never had it so good.

The postal employees are very well compensated. Through their contract negotiations they do better than the average Federal employee. I would hope that they would at this point show enough diplomacy not to kill the goose that lays the golden egg. It now behooves the postal organizations to have a positive attitude toward the Postal Service, to cooperate with the challenges, the responsibilities, the competition, to cooperate in developing a positive image so that the Service will continue to be an effective entity serving the public and a good employer for the 600,000 postal employees.

I would hope that the people who head the postal organizations would spend more time telling their members the good aspects of their service and not use their publications to damn and damn again the management of the Postal Service. This is neither intellectually honest nor a good investment in the future of the postal employees.

Having made these statements, Mr. Chairman, I wish to conclude by commending the gentleman from California (Mr. CHARLES H. WILSON). The gentleman from California has many fine qualities. One of them is that he is a very tenacious gentleman and he struggles year after year to produce monumental legislation of this nature. He faces a few obstacles. There are a few of us who do not always agree with him but, nevertheless, we respect him for the very determined and effective manner in which he prepares for the floor and which he brings to the floor, even when some of my dear friends in the White House are not too enthused about this particular bill. I commend the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 79 represents an attempt to resolve some of the most basic problems facing the United States Postal Service.

It calls for significantly greater accountability for the Service's policies to the President and Congress, and it reaffirms through modestly increased public service appropriations what the American people want and are entitled to, a national postal system which places quality service as its top priority.

Last year the House of Representatives clearly demonstrated its position on this matter of public policy when it voted by 384 to 11 to adopt H.R. 7700, legislation calling for much more extensive and costly changes in postal operations. Unfortunately that bill never reached the Senate floor for a vote, and thus the need to bring this important issue to a vote again.

H.R. 79 represents a very fundamental statement of congressional policy on the Postal Service. Through increased public funding the Service will be able to maintain many services and hold down to some degree the unacceptable upward spiral of rate increases.

Basically, H.R. 79 represents a commitment to maintain a national postal system with convenient local post offices, 6-day home mail delivery, and reasonable rates with emphasis on controlling first-class rates. It will also keep many other mailers in the system rather than having those patrons seek other modes of service. While the modest additional funding will not in itself be enough to solve all the problems of the Postal Service, it will be a clear abandonment of the "break even regardless of the consequences" mandate as interpreted by the Postal Service in the present law, which had the ill-founded assumption that the USPS would pay for itself by 1984.

In the euphoria surrounding the development of the new "businesslike" Postal Service in 1970, the Congress accepted the lofty predictions of postal reorganization proponents and targeted 1984 as the year when the Postal Service would, like magic, "break even"—pay for itself.

Unfortunately the new U.S. Postal Service created by the Postal Reorganization Act of 1970 has not performed the string of monetary miracles which its backers had naively hoped for, quite the contrary.

What we have is a debt-ridden organization which will begin to lose the already inadequate level of public service financing it has received since 1970—$920 million annually—under a formula which will cut that level in half in 5 years.

Despite the rather weak attempts by postal managers to assert that the USPS financial picture is sound, Congress must act promptly if we are to prevent serious deterioration in the Service which the public will find totally unacceptable.

Mr. Chairman, one of the most frustrating aspects of the new Postal Service since its inception resulting from the Postal Reorganization Act of 1970 has been the failure of its top management to understand that while it was given a semi-independent status, the Postal Service was still very much a Federal agency with the responsibility of conducting itself in a manner consistent with general public policy. Among the nightmares of the first years of the new system was the now famous edict by Postmaster General Blount that the postal employees were forbidden to talk to their Congressmen and other elected officials.

While we do have a Postmaster General now who does better understand the proper responsibilities of his position, it is clear that there is, with good reason, a fundamental feeling in the Congress and certainly the Post Office and Civil Service Committee that the USPS must be more accountable. Thus, the Postmaster General has been made a direct Presidential appointee under the provisions of H.R. 79 and the Board of Governors, which ostensibly was designed to set policy but rather has become little more than a rubberstamp for the Postmaster General, is eliminated.

● Mr. ALBOSTA. Mr. Chairman, I rise in support of H.R. 79, the Postal Act of 1979. As a member of the Subcommittee on Postal Operations and Services I participated in all of the discussions of the legislation. I am thoroughly convinced that the passage of H.R. 79 would be a move to insure complete and quality postal service nationwide in the future.

I would also like to particularly compliment the chairman of the subcommittee, CHARLES H. WILSON of California, and the chairman of the full committee, JIM HANLEY of New York. It was only with their hard work and support that this bill has gotten to the floor. They should be commended for their devotion to the continuation of a viable U.S. Postal Service.

H.R. 79 would protect all areas of the country, but in particular, the rural communities that are currently experiencing harsh cutbacks in service. Recently, Chairman WILSON and I held a hearing of the Subcommittee on Postal Operations and Services in my district in Houghton Lake, Mich. The purpose of that hearing was to study rural postal operations. The view expressed in that hearing is that rural services are certainly one of the most important responsibilities of the U.S. Postal Service. These services allow people in small towns and communities across the Nation to be reached where without the USPS, they would not be able to receive normal deliveries.

H.R. 79 would show the American public in both rural and urban areas that the Post Office will remain intact and deliveries will continue regardless of where they live.

I urge my colleagues to support this legislation without any damaging amendments.●

● Mr. HARRIS. Mr. Chairman, I welcome this opportunity to voice my support for H.R. 79, the Postal Service Act of 1979. First, however, I wish to commend my colleagues, Mr. WILSON and Mr. CLAY, for their hard work and perseverence in moving this important legislation to the floor.

The basic question before this Chamber today is whether or not to maintain a nationwide system for the regular and effective delivery of mail. The Postal Reorganization Act of 1970 was a sincere, but in some ways naive, attempt to address this issue. The time has now come to commit ourselves to a course of action based on what we have learned since the enactment of that law.

Since 1970, two issues of paramount importance have surfaced. The first of these is the degree of public accountability for the chief officer of the Postal Service.

Under the current system, the ruling Board of Governors is substantially insulated from the political process. The intent of section 2 of H.R. 79 is to provide the important "policy link" between citizens and the Postal Service. This would be accomplished by abolishing the Board of Governors which has never proved its cost effectiveness and providing for the appointment of the Postmaster General by the President, subject to Senate confirmation. Rather than serving for an established period of time, the Postmaster General would serve at the pleasure of the President.

The second major issue is the level of public support which is required if the Postal Service is to maintain the current level of services. The increased appropriation in H.R. 79 provides a significant move from the false "break-even" concept of the 1970 Reorganization. We have come to realize that significant postage increases would be required to maintain the National Postal System without increased public aid. It has been clearly demonstrated that the increased funding is necessary in order to guarantee the current level of services for all citizens. If we are to continue to provide Saturday mail delivery to our homes, protect our rural post offices and provide the system of postal communication which has been recognized as essential since our Constitution was drafted, we must address the problems which we have encountered in our current system.

I feel that H.R. 79 provides a sound approach to addressing the problems faced by the U.S. Postal Service, and I urge my colleagues to support this proposal.●

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield back the balance of my time.

Mr. DERWINSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 79

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postal Service Act of 1979".

POSTMASTER GENERAL

SEC. 2. (a)(1) Section 202 of title 39, United States Code, is amended to read as follows:

"§ 202. Postmaster General

"The chief executive officer of the Postal Service is the Postmaster General, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. The pay of the Postmaster General shall be fixed by the President at an annual rate not to exceed the annual rate of basic pay payable for level I of the Executive Schedule under section 5312 of title 5.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 202 and inserting in lieu thereof the following new item:

"202. Postmaster General.".

(b)(1) Section 203 of title 39, United States Code, is amended to read as follows:

"§ 203. Deputy Postmaster General

"The deputy chief executive officer of the Postal Service is the Deputy Postmaster General, who shall be appointed by and serve at the pleasure of, the Postmaster General. The pay of the Deputy Postmaster General shall be fixed by the President at an annual rate not to exceed the annual rate of basic pay payable for level I of the Executive Schedule under section 5312 of title 5.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 203 and inserting in lieu thereof the following new item:

"203. Deputy Postmaster General." .

(c)(1) Section 205 of title 39, United States Code, is amended to read as follows:

"§ 205. General authority of Postmaster General

"The Postmaster General shall direct and control the expenditures and review the practices and policies of the Postal Service and perform other functions and duties prescribed by this title.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 205 and inserting in lieu thereof the following new item:

"205. General authority of Postmaster General.".

(d)(1)(A) Section 102 of title 39, United States Code, is amended to read as follows:

"§ 102. Definition

"As used in this title, 'Postal Service' means the United States Postal Service established by section 201 of this title.".

(B) The table of sections for chapter 1 of title 39, United States Code, is amended by striking out the item relating to section 102 and inserting in lieu thereof the following new item:

"102. Definition.".

(2) Section 204 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(3) Section 207 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(4)(A) Section 402 of title 39, United States Code, is hereby repealed.

(B) The table of sections for chapter 4 of title 39, United States Code, is amended by striking out the item relating to section 402.

(5) Section 409(a) of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(6)(A) Section 1001(b) of title 39, United States Code, is amended by inserting "203," after "202,".

(B) Section 1001(d) of title 39, United States Code, is amended by striking out "of the Board or".

(7) Section 1002(a) of title 39, United States Code, is amended by striking out "Governor or".

(8)(A) Section 1005(a)(3) of title 39, United States Code, is amended by inserting "203," after "202,".

(B) Section 1005(d) of title 39, United States Code, is amended by striking out "(other than the Governors)."

(9) Section 1011 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(10) Section 3621 of title 39, United States Code, is amended by striking out "Governors" and inserting in lieu thereof "Postmaster General".

(11)(A) Section 3623(a) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(B) Section 3623(b) of title 39, United States Code, is amended—

(i) by striking out "submit" the first place it appears therein and inserting in lieu thereof "render";

(ii) by striking out "submit to the Governors" and inserting in lieu thereof "render" and

(iii) by striking out "recommended".

(C) Section 3623(c) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(12)(A) The heading for section 3624 of title 39, United States Code, is amended to read as follows:

"§ 3624. Decisions of Commission".

(B) Section 3624(a) of title 39, United States Code, is amended by striking out "recommend" and inserting in lieu thereof "render".

(C) Section 3624(c)(1) of title 39, United States Code, is amended—

(i) by striking out "recommended" the first place it appears therein;

(ii) by striking out "transmit its recommended" and inserting in lieu thereof "render its"; and

(iii) by striking out "to the Governors under subsection (d) of this section".

(D) Section 3624(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission shall determine the date or dates on which the new rates, fees, mail classification schedule, and changes in the schedule shall become effective. The decisions of the Commission shall be final, subject to the provisions of section 3627 of this title, and shall not be subject to approval, allowance under protest, modification, or rejection by the Postal Service.".

(13)(A) Title 39, United States Code, is amended by striking out section 3625 and by redesignating sections 3626 through 3628 (and all references thereto) as sections 3625 through 3627, respectively.

(B) Section 3626 of title 39, United States Code, as redesignated by subparagraph (A) of this paragraph, is amended by striking out "3626 of this title" and inserting in lieu thereof "3625 of this title".

(C) The table of sections for subchapter II of chapter 36 of title 39, United States Code, is amended by striking out the items relating to sections 3624 through 3628 and inserting in lieu thereof the following new items:

"3624. Decisions of Commission.
"3625. Reduced rates.
"3626. Adjusting free and reduced rates.
"3627. Appellate review.".

(14)(A) The first sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended—

(i) by striking out "decision of the Governors to approve, allow under protest, or modify the recommended"; and

(ii) by inserting "under section 3624 of this title" after "Postal Rate Commission".

(B) The second sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended by striking out "and the Governors".

(C) The last sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended by striking out "or Governors".

(15)(A) Section 3641(a) of title 39, United States Code, is amended—

(i) by striking out "transmit a recommended' and inserting in lieu thereof "render a"; and

(ii) by striking out "to the Governors".

(B) Section 3641(d) of title 39, United States Code, is amended—

(i) by striking out "transmits its recommended" and inserting in lieu thereof "renders its";

(ii) by striking out "to the Governors under section 3624(d) of this title"; and

(iii) by striking out "by the Governors" and inserting in lieu thereof "by the Commission".

(C) The first sentence of section 3641(e) of title 39, United States Code, is amended—

(i) by striking out "transmit to the Governors" and inserting in lieu thereof "render a decision"; and

(ii) by striking out "recommended".

(D) The second sentence of section 3641 (e) of title 39, United States Code, is amended by striking out "transmitted its recommended decision to the Governors" and inserting in lieu thereof "rendered its decision".

(E) Section 3641(f) of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(16) The third sentence of section 3662 of title 39, United States Code, is amended—

(A) by striking out "recommended decision which shall be acted upon in accordance with the provisions of section 3625 of this title and" and inserting in lieu thereof "decisions"; and

(B) by striking out "3628" and inserting in lieu thereof "3627".

(17) Section 3681 of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(18) Section 3684 of title 39, United States Code, is amended—

(A) by striking out "3627" and inserting in lieu thereof "3626"; and

(B) by striking out "Governors" and inserting in lieu thereof "Postmaster General".

(19) Section 5206(c) of title 39, United States Code, is amended—

(A) by striking out "Board" each place it appears therein and inserting in lieu thereof "Postmaster General"; and

(B) by striking out "it" and inserting in lieu thereof "the Postmaster General".

(20) The first sentence of section 225(f) of the Federal Salary Act of 1967 (2 U.S.C. 356) is amended—

(A) by inserting "and" at the end of subparagraph (C); and

(B) by striking out "; and" at the end of subparagraph (D) and all that follows through the period at the end of such sentence and inserting in lieu thereof a period.

(21) Section 8344 of title 5, United States Code, is amended by striking out subsection (e).

(22) Section 3061(a) of title 18, United States Code, is amended by striking out "Board of Governors" and inserting in lieu thereof "Postmaster General".

(e) The amendments made by this section shall become effective on the date of the enactment of this Act, except that the amendments made by subsection (a)(1) of this section, relating to appointment of the Postmaster General by the President, shall become effective January 20, 1981, or at the time of the first vacancy occurring in the office of the Postmaster General after the date of the enactment of this Act, whichever occurs first.

APPROPRIATIONS AND ANNUAL REPORT

SEC. 3. (a) Section 2401 of title 39, United States Code, is amended to read as follows:

"§ 2401. Appropriations

"(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

"(b) There is authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3625 of this title, the Overseas Citizens Voting Rights Act of 1975, and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Acts.

"(c) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter in communities where post offices may not be deemed self-sustaining, as elsewhere, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $1,100,000,000 for the fiscal year ending September 30, 1980, $1,200,000,000 for the fiscal year ending September 3, 1981, and $1,300,000,000 for each fiscal year thereafter.

"(d) In any case in which there is appropriated pursuant to subsection (c) of this section for any fiscal year an amount greater than $920,000,000, the funds appropriated in excess of $920,000,000 shall be used to maintain the lowest possible rate of postage for letter mail and to maintain the public service described in subsection (c) of this section.

"(e) The Postal Service shall after the close of each fiscal year for which funds are expended by the Postal Service to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through such expenditures during such year.

"(f) The Postal Service shall present to the Committe on Post Office and Civil Service of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate, at the same time it submits its annual budget under section 2009 of this title, sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated, and a comprehensive statement relating to the following matters:

"(1) the plans, policies, and procedures of the Postal Service designed to comply with all of the provisions of section 101 of this title;

"(2) postal operations generally, including data on the speed and reliability of service provided for the various classes of mail and types of mail service, mail volume, productivity, trends in postal operations, and analyses of the impact of internal and exteranl factors upon the Postal Service;

"(3) a listing of the total expenditures and obligations incurred by the Postal Service for the most recent fiscal year for which information is available, an estimate of the total expenditures and obligations to be incurred by the Postal Service during the fiscal year for which funds are requested to be appropriated, and the means by which these estimated expenses will be financed; and

"(4) such other matters as the committees may determine necessary to ensure that the Congress is fully and currently consulted and informed on postal operations, plans, and policies.

Not later than March 15 of each year, the Postal Service shall appear before the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate to submit information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service, and to present testimony and respond to questions with respect to such budget and statement. Each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

"(g) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed to be a failure of appropriations under section 3626 of this title.

"(h) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (c) of this section were not appropriated.".

(b) Section 2003 of title 39, United States Code, is amended by striking out subsection (f).

(c) Section 3626 of title 39, United States Code, as redesignated by se[illegible]n 2(d)(12)(A) of this Act, is amended [illegible] striking out "2401(c)" and insertin[illegible] lieu thereof "2401(b)".

ANNUAL RE[illegible]

SEC. 4. Section 2402 o[illegible]tle 39, United States Code, is amended to read as follows:

"§ 2402. Annual Report

"By February 15 of each year, the Postmaster General shall submit an annual report to the President and the Congress concerning the operations of the Postal Service under this title. Such report shall contain a section detailing by function the expenditure of sums appropriated for the preceding fiscal year pursuant to section 2401(c) of this title and the projected expenditure of funds for each such function during the fiscal year in which such report is required to be submitted under this section.".

PHASING

SEC. 5. (a) Section 3625(a) of title 39, United States Code, as redesignated by section 2(d)(12)(A) of this Act, is amended—

(1) in paragraph (1), by striking out "sixteenth" and inserting in lieu thereof "twentieth"; and

(2) in paragraph (2), by striking out "eighth" and inserting in lieu thereof "tenth".

(b) The amendments made by subsection (a) of this section shall not be construed to authorize a reduction in any rate of postage in effect and being paid on the date of the enactment of this Act.

POSTAL RATE COMMISSION BUDGETS

SEC. 6. (a) Section 3604(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission annually shall prepare and submit to the President a budget of the expenses of the Commission, including expenses for facilities, supplies, compensation, and employee benefits. The President shall include the budget of the Commission, with his recommendations but without revision, as a separate item in the budget required by section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) to be transmitted to the Congress.".

(b) The first budget of the expenses of the Postal Rate Commission shall be prepared under section 3604(d) of title 39, United States Code, as amended by subsection (a) of this section, for the fiscal year ending on September 30, 1981.

SIZE AND WEIGHT LIMITS

SEC. 7. Section 3682 of title 39, United States Code, is amended to read as follows:

"§ 3682. Size and weight limits

"The Postal Service may establish size and weight limitations for mail matter in the same manner as prescribed for changes in classification under subchapter II of this chapter.".

RATES FOR BOOKS, FILMS, AND OTHER MATERIALS

SEC. 8. (a) Section 3683(b) of title 39, United States Code, is amended to read as follows:

"(b) Notwithstanding any other provision of this title—

"(1) any book (including any book published or otherwise issued as a supplement to any other book) which—

"(A) consists exclusively of reading matter, scholarly bibliography, or reading matter with incidental blank spaces for notations; and

"(B) contains no advertising, other than incidental announcements of books;

"(2) any 16-millimeter film, narrow-width film, film strips, transparencies for projection, slides, or microfilm,

"(3) any sound recording;

"(4) any museum materials, specimens, or collections;

"(5) any scientific or mathematical kit, instrument, or other device;

"(6) any teaching aid, guide, map, or other interpretative materials for use in conjunction with any item specified in one or more of paragraphs (1) through (5); and

"(7) any catalog or similar publication which contains a listing of any item specified in one or more of paragraphs (1) through (6);

may be mailed at the rates currently in effect for mail matter specified in former section 4554(b)(1) of this title in any case in which any such item is mailed to or from any institution, organization, or association specified in subparagraph (A) or subparagraph (B) of such former section or to or from any school, college, university, or library.".

(b) The heading for section 3683 of chapter 36 of title 39, United States Code, is amended to read as follows:

"§ 3683. Uniform rates for publications, films, and other materials".

(c) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by striking out the item relating to section 3683 and inserting in lieu thereof the following new item:

"§ 3683. Uniform rates for publications, films, and other materials.".

EFFECT ON COLLECTIVE BARGAINING AGREEMENTS

SEC. 9. The amendments made by this Act shall not be construed to affect—

(1) any collective bargaining agreement entered into by the United States Postal Service which is in effect on the date of the enactment of this Act;

(2) the authority of the United States Postal Service under chapter 12 of title 39, United States Code, to engage in collective bargaining with respect to any collective bargaining agreement into which the United States Postal Service may enter; or

(3) any obligations entered into by the Postal Service in any future collective bargaining agreement.

Mr. CHARLES H. WILSON of California (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. GONZALEZ was allowed to speak out of order.)

RUSSIAN MILITARY PERSONNEL IN CUBA

Mr. GONZALEZ. Mr. Chairman, I do not think it will take anywhere near 5 minutes. But the distinguished minority leader spoke out of turn a few minutes ago and raised some questions. I think they are legitimate questions. But I think that in all of the uproar that has been reported in the last 3 or 4 days concerning the Cuban detachment, supposedly military detachment, in that country, I am fascinated and at the same time puzzled, because in 1970, exactly 9 years ago next month, I took the floor and reported that just between the months of September, the latter part of August and October of that year, 1970, the number of Russian military personnel had increased from 15,000 to nearly 30,000 in Cuba at the time.

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I also pointed out that the newly appointed Ambassador from Russia to Cuba at that time happened coincidentally to be the most distinguished and outstanding rocket and rocket base expert of Russia.

I reported further that there was no question that a formidable docking facility for submarines, nuclear-equipped, was unquestionably the thing that the Russians and Cubans were about, that this would give them unprecedented military capability in the sense that they could have a submarine that while submerged could fire one-half, one and maybe a little better than one megaton, with uncanny accuracy right into the heartland of America.

The only thing that little speech did was to attract the attention of the then distinguished chairman of the Committee on Armed Services, Mendel Rivers, who called me aside and said, "Where did you get the information of 30,000?" He said, "You know, we have information but it is only 15,000."

I explained to him that my sources were and would have to remain undisclosed, because these were people who were vulnerable in Florida, because Castro has, always has had, tremendous infiltration in America, particularly in Florida.

The Cubans have probably the best intelligence workers, in other words, the best spies, of any country in the world. They were expertly trained by the KGB and especially the Czechoslovakian KGB, and they have tremendous capability. They have had agents galore throughout our country.

I reported earlier in 1970 the work of the Cuban agents at the U.N., which had given quite a bit of money to some elements in California and Texas, who were then agitating what we called the Mexican-American sector. I was denounced because of that. I was accused of being a McCarthyite and all.

Coincidentally, it was a few days after I revealed that that our Government asked the Cuban delegate to return to his country, which he did.

When I spoke in 1970, Mendel Rivers then got up and made a speech and voiced his concern. Unfortunately, that same night, he flew to Alabama for an operation, which cost him his life. He died shortly after that.

However, he did manage to get the then administration's attention, and about a week later, there was a cryptic little newspaper note that said that the Russian Ambassador Dobrynin had had a secret meeting with Secretary of State Rogers and that some kind of a secret understanding had been arrived at.

As far as I know, the content or the dimensions of that agreement have never been revealed.

As far as I know, none of the troops that I can positively state reached that proportion, well over 25,000, and closer to 30,000 than 25,000. The whole thing was buried.

So I am intrigued by all of this report that suddenly they have discovered there are 2,000 or 3,000. When were the near 30,000 ever removed from Cuba? They were not. They have not.

What kind of an agreement was entered into in 1970?

So these are the questions that just rush through my mind when I see all of this talk now. I do not know what is behind it. I do not know what kind of intelligence suddenly discovered that there were just 2,000 or 3,000 Russian troops.

All I know is that in my mind, and as far as I am concerned, you had considerably many more than that all along in Cuba. So that I thought it was imperative that I speak out on the subject matter because of the questions raised by the distinguished minority leader.

I yield back the balance of my time.

AMENDMENTS OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA

Mr. CHARLES H. WILSON of California. Mr. Chairman, I offer a series of amendments which are strictly technical in nature. I ask unanimous consent that the technical amendments be considered as read, considered en bloc, and printed in the RECORD.

The amendments are as follows:

Amendments offered by Mr. CHARLES H. WILSON of California: Page 15, line 12, insert "(A)" after (10)".

Page 15, line 13, insert "are" after "Governors" and, on line 14, insert "is" after "Postmaster General".

Page 15, after line 14, insert the following new subparagraph:

(B) Section 3622 of title 39, United States Code, is amended—

(i) in subsection (a) by striking out "submit a recommended" and inserting in lieu thereof "render a"; and

(ii) in subsection (b) by striking out "make a recommended" and inserting in lieu thereof "render a".

Page 17, line 16, strike out "(12)(A)" and insert in lieu thereof "(13)(A)".

Page 18, lines 2 and 6, strike out "(12) (A)" and insert in lieu thereof "(13) (A)".

Page 24, line 19, strike out "(2) (d) (12) (A)" and insert in lieu thereof "(2) (d) (13) (A)".

Page 25, line 13, strike out "(2) (d) (12) (A)" and insert in lieu thereof "(2) (d) (13) (A)".

On page 25, line 19, strike out all down through line 22 and insert in lieu thereof the following: "The amendments made by subsection (a) of this section shall become effective on October 1, 1979.".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the amendments, as I said, are purely technical. They were discovered by staff. The only amendment of any significance is the one that we agreed to in the Committee on Rules that we would put in in order to eliminate any additional funding for fiscal year 1979. This was caused because of the Budget Act, and is something that was required in order to bring the bill before the House in its present form.

I would urge adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. CHARLES H. WILSON).

The amendments were agreed to.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GONZALEZ. Mr. Chairman, I have an amendment I intend to offer and what I want to know is, I do not want to lose the proper and prompt time in which I should offer my amendment. Will the Chair advise me if it is in order to offer my amendment at this point.

The CHAIRMAN. The Chair will advise the gentleman from Texas that the bill is open to amendment at any point. The gentleman can be recognized for that purpose.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 28, immediately before line 13, insert the following new section:

RATES FOR POSTAL CARDS AND POST CARDS

SEC. 9. (a) Subchapter V of Chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3686. Rates for postal cards and post cards

"(a) Notwithstanding any other provision of this title or any other provision of law, the rate of postage shall be 1 cent for—

"(1) each postal card and each portion of a double postal card (other than a postal card or double post card mailed by any person in connection with the trade or business of such person); and

"(2) each post card and the initial portion of each double post card.

"(b) The rate of postage established in subsection (a) shall apply to any equivalent of, or substitute for, postal cards which is supplied by the Postal Service.

"(c) For purposes of this section—

"(1) the term 'postal card' means any card which is supplied by the Postal Service, with a postage stamp printed or impressed upon it for the transmission of any message, order, notice, or other communication by printing or by writing in pencil or ink;

"(2) the term 'post card' means any privately printed mailing card which is (A) for the transmission of any message, order, notice, or other communication by printing or by writing in pencil or ink; (B) not larger than the size established, from time to time, by the Convention of the Postal Union; and (C) approximately the same form, quality, and weight as a postal card; and

"(3) the term 'trade or business' means any occupation or other activity engaged in for profit, compensation, or hire.".

(b) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof of the following new item:

"3686. Rates for postal cards and post cards."

(c) The amendments made by the foregoing provisions of this section shall take effect at the beginning of the sixth calendar month beginning after the date of the enactment of this Act, or on such earlier date (published in the Federal Register by the Postmaster General) as the Postmaster General may determine.

And redesignate the following section accordingly.

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD..

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I make that request because the amendment really has a lot of words, but it is very simple.

Its intent is to provide the penny post card for the American people. Let us give the franking privilege to the people.

Mr. Chairman, many Members know that I have been trying for a number of years to bring back the penny post card. My objective is to make it possible for even the poorest people in the land to communicate as often as they wish with their families, friends, and especially their Congressmen.

The Postal Service enters our lives in so many different ways as it makes deliveries to every office, and residence in the United States, 6 days a week, through rain, sleet, or hail. All of us depend on it and I believe that it should be run to serve everyone, regardless of their income. This is what our Founding Fathers intended when they established the post office system back in 1785 and I strongly believe that one of Government's top priorities should be to run an efficient postal system to serve all the people.

The first post card was sent in the United States in May of 1873. It was sent by a gentleman from Springfield, Mass., to another friend in Springfield. In the first 2 days when post cards were available in 1873, 5 million were issued which came to one for every eight persons in the country. And when the Postmaster made his annual report for 1873 he announced that there was a public desire for the post card and because the Postal Service responded to it they had made a new and profitable business for the department. I believe that the same could be said today if we could bring back the penny post card.

The penny post card disappeared temporarily from the American scene in November of 1917 when the rate went up to 2 cents. But, believe it or not, the rate returned to 1 cent in July of 1919 and remained a penny for 33 years. In 1952 it jumped to 3 cents and then in the 1960's the rate went up to 5 cents. The early 1970's brought us a 9 cent post card and as we head toward 1980 we must pay 10 cents for a post card which is roughly 100 percent more than a decade ago.

Since I have offered this proposal in the past, I know the arguments against it by heart—the cost and the fact that it would be used predominantly by business.

I find these arguments unconvincing as I believe that it would be possible for the Postal Service to handle a post card for a penny in a modern and innovative way. And if there would be no way to bring back the penny post card without a subsidy then I would certainly be willing to support that to insure that every citizen's voice can be heard. In fact, I doubt if this subsidy would cost as much as has been spent on other largesses—and would certainly provide far greater benefit to many. Also, in view of the recent announcement that the Postal Service should end up in the black this year this is even more reason to give my proposal serious consideration.

With regard to preventing businesses and bulk mailers from using the penny post card, the remedy is simple. Provisions could be added to limit the use of the penny post card to personal communications between individuals.

Our great Nation owes a lot to the post office system. If it had not been for the post roads the pioneer would not have settled beyond the Appalachian Valley and we can credit the Pony Express for the settlements beyond the Mississippi and into the West. And now that we are a united nation stretching from ocean to ocean I encourage my colleagues to join with me in providing for a penny post card to allow everyone in the Nation to be heard.

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Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Earlier Mr. DERWINSKI referred to the tenacity of the gentleman from California. I would like to pay a compliment and tribute to the tenacity of the gentleman from Texas. Each time the postal bill comes up the gentleman introduces the same amendment.

May I say we are spending hundreds of millions of dollars, possibly as much as a billion. There is no way of estimating what the cost would be if we were to implement such an amendment. There is no way of knowing how many people would switch from letter mail to the postcard.

I would like to get the 5-cent beer back, I would like to get a lot of things back that cost so much less in the years past, but I do not think we can realistically consider this any more than we can realistically consider many of the other things that we would like to have back at a lower cost.

I would hope the Committee would reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES: Page 28, before line 13, insert the following new section:

PURCHASE OF ALCOHOL FOR USE IN POSTAL VEHICLES

SEC. 9. (a) Chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 5008. Purchase of alcohol for use in postal vehicles

"To the maximum extent feasible and consistent with the policies established under section 101 of this title and sound vehicle management practices as determined by the Postmaster General, the Postal Service shall enter into contracts by competitive bid for the purchase of domestically produced alcohol, or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol, for use in motor vehicles owned or operated by the Postal Service.".

(b) The table of sections for chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"5008. Purchase of alcohol for use in postal vehicles.".

Redesignate the subsequent section accordingly.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, as my colleagues know, the Federal Government is among the largest purchasers of fuel in the country, buying approximately 17 million barrels of gasoline each year. About 9 million of those barrels are procured in the form of bulk purchases by the Postal Service, the General Services Administration, and the Department of Defense.

And of those amounts, the Postal Services accounts for about 1 million barrels annually.

The amendment I am offering would require the Postal Service to purchase alcohol or alcohol-gasoline blends as a motor fuel instead of ordinary gasoline wherever practical and feasible.

The purpose of this amendment, simply stated, is to promote the national interest by encouraging the use of a domestically produced and renewable energy resource to take the place of a fossil fuel that has become increasingly scarce and expensive.

Mr. Chairman, our Nation has been grappling with the energy problem ever since the OPEC cartel first tightened the oil valve back in 1973. Despite that clear early warning, and the subsequent gaslines of this summer, our country has still not made much of a dent in our petroleum consumption, about half of which must be supplied by foreign nations.

In the course of this great debate which has raged from 6 years, a number of alternatives have been mentioned prominently. Of all those alternatives, however, only one has really stood out from the others as an immediately available fuel source which is acceptable from both an environmental and economic standpoint. That alternative is gasohol.

It is not an exotic or unproven technology.

The Model T Ford, for example, was designed to run on either straight alcohol, straight gasoline, or any mixture inbetween.

Almost 60 years ago, in 1922, Alexander Graham Bell called alcohol a "beautifully clean and efficient fuel which can be produced from vegetable matter * * * waste products of our farms, and even the garbage of our cities."

During World War II, both Germany and the United States extended fuel supplies through the manufacture of alcohol. In the 1973 OPEC embargo, Sun Oil Co. used methyl alcohol as a gasoline extender.

Today, our neighbor in South America, Brazil, is implementing a program to use its vast agricultural resources to support a 100-percent alcohol fuel economy. Last week, two Australian companies announced plans to produce 4 million tons of alcohol fuels a year from that country's wheat crop, enough to replace 15 percent of Australia's oil imports.

In our country, Nebraska has been promoting gasohol since 1971, and recently approved a 1-cent tax on gasoline to subsidize the construction of alcohol fuel production facilities.

In California, a committee of the State assembly has just unanimously approved a bill to require all gasoline in that State to contain 1 percent alcohol by 1982, and 5 percent by 1985.

In South Carolina, when a department of energy facility was faced with the problem of cutting back gasoline consumption by 10 percent, it decided to accomplish this goal by switching to gasohol.

In the private sector, Amoco, Texaco, Citgo, Phillips Petroleum, as well as a number of smaller companies, already have programs to market gasohol in various regions of our country. In fact there are now over 800 stations marketing gasohol in 28 different States.

In other words, Mr. Chairman, alcohol fuel is not some futuristic and untested concept that needs years of further research and development. Rather, it is an energy source that has already achieved wide use and acceptance both in our country and throughout the world.

The only reason that alcohol has not survived as a major fuel is that our access to cheap and abundant petroleum made alcohol noncompetitive. Today, with world prices for oil exceeding the $20 mark in many instances, alcohol is now once again competitive and will become more so as oil prices continue to rise.

To take advantage of this resource, however, we must create the type of business climate and dependable market for alcohol fuel that will be needed to encourage investment in facilities to manufacture alcohol.

By creating such a dependable market through Federal fuel purchasing activities, I believe we can stimulate investment and create the type of infrastructure that is needed to bring alcohol fuel into widespread commercial production.

With new and modern facilities producing alcohol on a large scale, moreover, I am confident that alcohol prices will come down. Just as importantly, we can place the Federal Government in the vanguard of the effort to reduce petroleum consumption and lessen our debilitating reliance on OPEC.

I wish to stress that my amendment will not create a strict and inflexible mandate that would require the Postal Service to use alcohol fuel all the time, everywhere, without regard to the circumstances or availability.

Rather, my amendment makes clear that the requirement to purchase gasohol applies only to the maximum extent feasible in line with the overall activities of the Postal Service and sound vehicle management practices.

If it is unavailable, or incompatible with the operating design or overall climate of the vehicles in question, my amendment would not apply.

Mr. Chairman, I believe the amendment I am proposing is a reasonable and well-balanced approach to stimulating the growth of an important but neglected alternative energy source. It is the first of a series of amendments I plan to offer that will, if approved, ultimately switch all Federal agencies to gasohol wherever the circumstances permit.

I urge my colleagues to support this important effort to lessen our Nation's reliance on the world's dwindling oil supplies.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I will be happy to yield.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I think the gentleman has a worthwhile amendment. The only question in my mind is where the words "the Postal Service shall enter into contracts." Prior to that the gentleman says "to the maximum extent feasible and consistent with the policies established," and so forth. Is it the gentleman's intention that this would depend upon feasibility and upon the fact that the Postmaster General would find it worthwhile and not that he would be forced to enter into contracts on this?

Mr. HUGHES. If the gentleman would permit me, it is my intention to give the Postmaster General that flexibility. I do not think it would really make sense to mandate such use in each instance because in certain situations it may not be economically feasible. But I would like to see developed a national policy that would encourage the use of gasohol by all Government vehicles. It seems to me that this is a major step in that direction. At the same time it does give the Postmaster General enough flexibility to determine where it is just not feasible to require the use of alcohol-gasoline blends.

Mr. CHARLES H. WILSON of California. If the gentleman will continue to yield, we have no objection to the amendment on this side. It seems to me that anything that will help the energy crisis with the Postal Service as well as anyone else is worth while.

Mr. HUGHES. I thank the gentleman for his support.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to my colleague from Illinois.

Mr. DERWINSKI. I recognize the potential value in establishing such a policy as long as there is enough administrative flexibility here to provide for practical research and development and utilization by the Postal Service so they do have the proper administrative flexibility. I think the gentleman's amendment is very helpful; as long as it is acceptable to the sponsor of the bill—obviously he considers it an asset to his noble piece of legislation—we will accept it on this side as well.

Mr. HUGHES. I thank the gentleman for his support.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am glad to yield to the gentleman.

Mr. VOLKMER. I would like to commend the gentleman for this amendment. I think it is something that needs to be done throughout the Government, as the gentleman does. I would like to ask the gentleman does he know at the present time whether the Postal Service is using any gasohol?

Mr. HUGHES. To my knowledge, they are not.

Mr. VOLKMER. Are they not one of the major users of petroleum products, gasoline especially, in the United States?

Mr. HUGHES. That is an excellent point. The Postal Service accounts for about a million barrels of gasoline annually. It is a very significant amount. As a matter of fact. combined the Postal Service, the General Services Administration and the Department of Defense. account for about 9 million barrels of oil annually. We are talking about a very substantial amount of gasoline being consumed by the Government for transportation.

I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HUGHES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TAYLOR

Mr. TAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR: Page 21, after line 3, insert the following new section:

LOCAL RESIDENT PREFERENCE FOR APPOINTMENTS OF POSTMASTERS IN SMALL COMMUNITIES

SEC. 3. Section 1001(b) of title 39, United States Code, is amended—

(1) by striking out "Officers" and inserting in lieu thereof the following: "(1) Subject to the provisions of paragraphs (2), (3), (4), and (5) of this subsection, officers"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) In making any appointment to the position of postmaster at any post office serving a delivery area which has a population of 25,000 or less, the Postal Service shall appoint to such position—

"(A) an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has been an employee of the Postal Service in such post office and resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position; or

"(B) in any case in which, at the close of the period during which applications for such position are accepted, no individual described in subparagraph (A) of this paragraph has applied for such position, an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position;

unless, at the close of the period during which such applications are accepted, no individual described in subparagraph (A) or (B) of this paragraph has applied for such position.

"(3) The Postal Service shall publish in the Federal Register its list of qualifications for appointment of an individual to a position of postmaster. Such qualifications may not limit consideration to an individual who is already a postal employee.

"(4) In any case in which the position of postmaster becomes available at any post office described in paragraph (2) of this subsection, the Postal Service shall provide to postal patrons of such post office adequate notice that such position is available and that any individual may apply for such position. At a minimum, such notice shall—

"(A) be displayed in a conspicuous place in such post office for the thirty-day period ending on the last date on which applications will be accepted for such position; and

"(B) include a list of the qualifications for appointment of an individual to such position, a description of the duties and responsibilities of the individual appointed to such position, and an explanation of the procedures which will be followed in making the appointment.

"(5) The determination of the population referred to in paragraph (2) of this subsection shall be based on the most recent census taken by the Secretary of Commerce under section 141 of title 13, United States Code.".

Redesignate the subsequent sections accordingly.

Mr. TAYLOR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TAYLOR. Mr. Chairman, I believe it has become evident that many Members share the committee's concern over the issue of whether the U.S. Postal Service has been sufficiently responsible and accountable to the American public for service and performance. There has been significant improvement in the Postal Service in terms of both fiscal soundness and service under the capable direction of Postmaster General Bolger.

However, the need to resolve the two basic problems facing the Postal Service—the lack of accountability to the President and the Congress, and the uncertain financial future of a national postal system which should emphasize quality of service at all times to all parts of our Nation—has been underscored by the committee.

The delivery of quality service to all areas of our Nation can be improved, in my view, with the adoption of my amendment dealing with the appointment eligibility for postmasters in towns of 25,000 population or less. My amendment, which is supported on a bipartisan basis by other members of the committee, is cosponsored by our colleague from Illinois (Mr. SIMON).

The language of the amendment would open up the appointment process for postmasters in these largely rural areas of the country to qualified local citizens who are not current career employees of the Postal Service and would provide an avenue for advancement of career employees who want to become Postmaster in their home towns.

The 1970 Postal Reorganization Act, which H.R. 79 changes in several respects, repealed a long-standing legal requirement that Postmasters be residents of the city where they were appointed for at least 1 year before their appointment. Following repeal of this provision, the Postal Service has sought to carry out the mandate of having a "career service" by going further than necessary. This is happening because the Postal Service now excludes anyone except a career employee from even applying for possible appointment as a postmaster.

Because current Postal Service regulations preclude a local business or professional person from applying for the position of postmaster, regardless of how well qualified that person may be or how well he or she may know the local community, I believe we have a "closed shop" situation that is too restrictive and does not serve the American public—particularly in rural towns and small cities.

It seems to me that because the position of postmaster in a great many of these towns and cities is one of prestige and community leadership, and often represents the only Federal Government official around on a daily basis, that we could improve the image of the Postal Service—as well as government in general—if we allow local citizens the opportunity to be considered for appointment.

My own experience, as well as comments I have heard from other Members, indicates to me that people very often resent the fact that the Postal Service will bring in someone from outside the local community to be postmaster who knows very little about the community, and who, because he is not required to live there, seems not to care very much about getting to know the people he serves.

The amendment, Mr. Chairman, adopts the concept of a bill authored by our colleague from Illinois (Mr. SIMON) in the 95th Congress and cosponsored then by several dozen Members, and it is virtually identical to a provision of H.R. 7700, which this body approved by an overwhelming vote last session.

The language used in the amendment is clear and simple. It directs the Postal Service to open up the competition for appointment as postmaster to people who are not postal employees and give an employment preference based on residency when filling postmaster vacancies.

Residency, as defined in the amendment, means residing within the delivery area of the post office or the city or town where the post office is located for at least 1 year before the appointment is made. This is merely a restatement of the law as it was prior to 1970.

The employment preference would be accorded in the first instance to any qualified employee working in the post office where the vacancy occurs who applies for consideration. If no eligible post office employee applies for the vacancy, then the employment preference would be accorded to any qualified local citizen who applies.

The Postal Service will be required to publish in the Federal Register the qualifications for appointment as postmaster, and those qualifications shall not limit consideration solely to postal employees.

The amendment also requires the Postal Service to provide notice of at least 30 days to postal patrons where a vacancy occurs that anyone may apply for the position. That notice must include the basic requirements, qualification standards, and an explanation of the selection procedures.

When the Congress changed our postal laws in 1970, it called for a majority of the officers and employees to be in the "career postal service," but the Postal Service has gone further than necessary and has interpreted the 1970 law in its regulations to say that no one can be appointed as a postmaster unless he or she has served for at least 1 year as an employee.

This 1 year prior service requirement, Mr. Chairman, acts to bar otherwise well-qualified local business and professional people from even being considered for the job of postmaster.

As far as I am concerned, Mr. Chairman, one of the main reasons it takes so long for the Postal Service to fill these vacancies is that it gives no thought to local attitudes and the "hometown" atmosphere required of these positions.

This "hometown postmaster" section lifts the current restriction the Postal Service places on its appointment of postmasters by saying that anyone—whether he or she is a post office employee or not—will be able to apply for and compete for appointment as a postmaster in the town, city, or delivery area in which he or she lives.

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Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Missouri, if I may, one or two questions.

As I tried to read his amendment as he was explaining it and as I was discussing other matters at the same time, it appears that the gentleman's amendment is restricted to cities of 25,000 population or less.

Mr. TAYLOR. That is true.

Mr. CHARLES H. WILSON of California. And the amendment does give first priority to postal employees?

Mr. TAYLOR. Yes, it does.

Mr. CHARLES H. WILSON of California. Within that area that we are talking about?

Mr. TAYLOR. Yes, sir.

Mr. CHARLES H. WILSON of California. The only time that anyone other than a postal employee who was qualified by the Postmaster would be appointed would be in the event that there was no one who applied for it from the Postal Service, or who was found qualified for the job after the first year was up and examinations were taken?

Mr. TAYLOR. That is true. In other words, the employees within that post office would have the first priority. If there was any employee within that post office who desired to be Postmaster and who had the qualifications, he would receive priority. Beyond that, it would be opened up to other members of the community.

Mr. CHARLES H. WILSON of California. I will say to the gentleman that I am realistic about what will happen to this amendment. I am sure it will be adopted by a large vote, and in order to save the time of the committee I will not oppose the amendment on this side.

Mr. TAYLOR. I thank my chairman very much for his support of this amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to support the amendment offered by our colleague from Missouri (Mr. TAYLOR), because I believe it is right for use to open up the selection process for postmasters and allow citizens the chance to apply for and be considered for these appointments.

As a result of the 1970 changes in our postal laws, we now have a situation where only postal employees may apply and be considered for postmaster positions, and this does not serve the smaller towns and cities well because we very often see postmasters coming in who know nothing about the local community.

I agree with the gentleman from Missouri that we will improve the image of the Postal Service, as well as government in general, by allowing local citizens the opportunity to compete for and be considered for postmaster vacancies in their hometowns.

I am persuaded by the figures our colleague cited about the number of current postmaster vacancies around the Nation, and the lengthy time-consuming procedures the Washington bureaucracy of the Postal Service has created, that we need to open up the selection process.

This amendment would not damage the Postal Service's merit system, if indeed it can be called that, nor would it bring partisan politics back to postmaster selection. The amendment would not force the Postal Service to appoint someone from outside as a postmaster, but it would require them to give an outside candidate a chance to compete for the appointment.

It is clear to me that a qualified career employee who satisfies the residence requirement will be given preference in these appointments, and if no resident employee applies or is qualified, then any local citizen who satisfies the residence requirement would be given preference over some postal employee from outside the area.

With that, Mr. Chairman, I urge my colleagues to support the amendment offered by the gentleman from Missouri.

● Mr. LOTT. Mr. Chairman, the amendment offered by our colleague from Missouri (Mr. TAYLOR) is very worthwhile and deserving of support from the Members because it will allow individual citizens who are not postal employees the right to compete for appointment as postmaster and will open up the selection process for the first time in 9 years.

Due to the overzealous Postal Service bureaucracy here in Washington, we now have a situation where only Postal Service employees may apply for consideration as a postmaster. The Taylor amendment would correct this inequity by reenacting the 1-year residency requirement for postmasters in towns of 25,000 or less. It also would require that the Postal Service give preference in appointment to local postal employees who apply and are qualified, and then to qualified local residents.

The language of the amendment would open up the appointment process for postmasters in these largely rural areas of the country to qualified local citizens who are not currently Postal Service employees and would provide an avenue for advancement for career employees who want to become postmaster in their hometowns.

The amendment is simple, straightforward and deserving our support.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. TAYLOR).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COURTER

Mr. COURTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COURTER: Page 21, strike out line 5 and all that follows through line 21 on page 24 and insert in lieu thereof the following new section:

SEC. 3. (a) Section 2401(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $920,000,000 per fiscal year for the fiscal year ending September 30, 1980, and for each fiscal year thereafter.

"(2) After the fiscal year ending September 30, 1984, the Postal Service may reduce the figure in paragraph (1) of this subsection, including a reduction to 0, if the Postal Service finds that such amount is no longer required to operate the Postal Service in accordance with the policies of this title.".

(b) Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(j) The Postal Service shall after the close of each fiscal year for which funds are expended by the Postal Service to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through such expenditures during such year.".

Mr. COURTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COURTER. Mr. Chairman, this amendment will continue until fiscal year 1984 the $920 million allocation for public service functions, or public service subsidy, exactly the same amount provided for in the 1979 budget for the Postal Service.

Increasing postal subsidies provides neither the answer to the underlying problems of rising postal costs nor any incentive for the U.S. Postal Service to increase efficiency. Subsidies also tend to obscure the true costs of postal operations as well as place unfair burdens on the American taxpayers.

The Postal Service has made substantial progress since the 1970 reorganization in finding ways to cut costs and improve productivity. The U.S. Postal Service estimates that at the end of fiscal year 1979, revenues, including Government subsidies, are expected to be $180 million in excess of expenses. This basically is an older statistic where the Postmaster General is saying that for the first time in years we are looking toward a surplus, a surplus estimated during testimony to be $180 million. As a matter of fact, subsequent to the testimony we heard from the Post Office, and as we heard during the statements of other people who spoke, the surplus will be a good deal more than the $180 million. I think the projected surplus is a ray of light in view of the past deficit situations. I do not see this as a complete turning point for the Postal Service, but it does show that their economic situation is improving.

I also find it very difficult to support an increasing subsidy when the Postal Service has not requested the subsidy and does not feel the need for the extra money. It is beyond my comprehension, Mr. Chairman, why this body would appropriate additional funds.

Under the Postal Reorganization Act of 1970, the public service subsidy to the Postal Service through fiscal year 1979 is $920 million, or 10 percent of the sum appropriated to the former Post Office Department for its use in fiscal year 1971. Under that act, the prior act, the public service subsidies will be reduced to 9 percent, a reduction of $92 million, for fiscal year 1980. In each succeeding fiscal year there will be a corresponding 1-percent reduction until the public service subsidy hits $460 million for fiscal year 1984.

This amendment will leave the $920 million public service subsidy in place for the next 5 years. At the end of that period, the Postal Service will determine whether or not it needs a continuation of special funds.

Mr. Chairman, basically my amendment leaves the subsidy at the high figure of $920 million. H.R. 79 is, as I said before, a good bill. It contains many good provisions, and I will support the bill upon final passage. But, I think it is extremely important not to thrust money down the throat of a Government agency that is not asking for it; not to give dollars to an organization that says it does not need it. As a matter of fact, during testimony Postmaster General Bolger said that if he received the additional money, he would not have to use it today, and in fact he would put it in the bank to collect interest.

My amendment leaves the subsidy as it is now, $920 million for fiscal years 1980, 1981, and 1982. It leaves it at that level. The existing law reduces it, as I indicated, by 1 percent, approximately $80 million a year.

My amendment leaves it at $920 million.

□ 1210

I have come to the conclusion that in today's world the Postal Service does need a public service subsidy. My amendment, of course, freezes the subsidy at the present $920 million level.

Basically, Mr. Chairman, in a day and age of fiscal restraint, when taxpayers are being burdened more every single day, it seems preposterous to me to give the Postal Service additional funding, a significant sum of money, in the very year that they for the first time in years have a surplus. Their testimony indicates that surplus is approximately $180 million.

Mr. Chairman, in addition to that, it seems the height of folly to give the Postal Service or any agency money when it is not asking for money. The Postal Service is saying it does not need the money, and does not want the money. The administration is saying it does not need the money and it does not want the money, and it was not in their proposed budget. OMB said the same thing. It is not requesting this additional subsidization. So I urge to all of my colleagues on both sides of the aisle to support my amendment which keeps the public service subsidy at $920 million, a level that the administration is seeking, a level that the Postmaster General feels is totally adequate.

I thank the Chairman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the work that the gentleman from New Jersey has done in our committee and the sincerity with which he has approached this legislation. I recognize that it seems difficult to ask for additional funding for the Postal Service when the Postmaster General says that he has a surplus for this year and when OMB does not ask for and opposes the additional funding also. Obviously, OMB will oppose it if the Postal Service does not ask for it. Their entire testimony in opposition was received from the Postal Service itself.

But the important thing is that in spite of the rosy predictions of the Postmaster General about the surplus that he may have this year, he uses the figure $180 million at one time, and then we have the figure $400 million that was quoted from some interview the New York Times had of some member of the Postal Service. I think the Members should be aware that the Postmaster General's projection of the surplus may not take into account all accrued costs accrued in fiscal year 1979 which must be paid for in later years. If such costs were charged off against fiscal year 1979 as is normally required under sound accounting practice, and is required in official budget submissions to Congress, it might show that rather than having a surplus for fiscal year 1979 the Postal Service is once again operating at a deficit.

As a matter of fact, in the same story in the New York Times article as to the testimony of $400 million surplus that may take place this year, they speak of an extremely large deficit that will follow up next year. We know from the hearings that have been held in our committee and from going over the fiscal situation of the Postal Service—and only the Postal Service can interpret their own books—it is extremely difficult to try and find any rhyme or reason to the way their bookkeeping is maintained, but I would say that very frankly they are in just as bad financial condition as is the Chrysler Corp.

The Postal Service will not have a real surplus this year. The purpose of the extra funding that we ask for in H.R. 79 is so we can maintain the services that the post office has guaranteed to the public, that we can guarantee that the small post offices will be kept open, that we can guarantee the 6-day delivery service, and that we can give to the American people the type of postal service that they need. There are a lot easier things for me to do as a Member of Congress than to try to help the Postal Service out the way I have been trying to do for the past several years, particularly when the Postal Service themselves are not trying to help themselves. I do not understand the philosophy behind an organization that is bankrupt, that is running continual deficits, when we have a Congress that wants to try and help them and is willing to try and help them and they turn their back completely upon us and say, no, we do not need that money; we would just have to put it in the bank. That is just a bunch of baloney. They would not normally put it in the bank. The first thing they ought to do is pay up some of the debts owed over the previous years. The next thing they ought to do is establish the Workmen's Compensation Fund, which they have been delinquent in doing.

The Postal Service needs this money, and I would hope that we would defeat the amendment. I appreciate the gentleman's efforts but I do feel in all sincerity that the amendment should be defeated, that the funding we have in this bill is bare to the bone, and that the Postal Service needs every penny of it, and that they will be able to use every penny of it.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

First I would like to emphasize the fact that the Postal Service does not feel it needs additional subsidies at this time. Yet H.R. 79, section 3, as reported by the Post Office and Civil Service Committee would give the Postal Service an additional $272 million for fiscal year 1980 and even larger increases in fiscal year 1981 through fiscal year 1984.

The amendment offered by the gentleman from New Jersey, I feel, is a fair compromise in that it increases the present subsidy of $828 million for fiscal year 1980 to the fiscal year 1979 subsidy of $920 million annually until 1984.

The Postal Service itself believes that the outlook for self-sufficiency is more encouraging today than ever before.

I feel increasing the public service subsidies above the $920 million which this amendment allows evades the basic principle embodied in the Postal Reorganization Act of 1970. That principle was eventual self-sufficiency pursuant to which mail users—rather than taxpayers—would support the revenue needs of the Postal Service.

While I recognize this Postal Service is faced with some problems, increasing the public service subsidies above $920 million, in my opinion, provides an unacceptable solution to ever getting the Postal Service in a position of operating as a self-sufficient organization.

The present Postmaster General—a career postal employee—accepts the challenge of the 1970 Postal Reorganization Act. He has not requested the additional money and has estimated the Postal Service will show a profit of $180 million for fiscal year 1979.

To increase the public service subsidies is to shift the burden to the general taxpayer. Such an approach is not fair and by itself would do nothing to encourage fiscal restraints in the Postal Service.

Mr. Chairman, this is probably the major amendment facing us in the processing of this legislation. I would just like to sum up the positive impact of the Courter amendment. First may I point out that there are not any funds in the President's budget nor in the first budget resolution adopted by Congress to allow for the additional subsidy called for in H.R. 79. We are speaking about $272 million for fiscal year 1980, larger sums in subsequent years running through 1984.

The point was well made by the gentleman from New Jersey that it is quite ironic to insist that a unit of government take money that it does not want to spend. The Postmaster General's figures are correct. They have double checked them. They will have a profit for this fiscal year in the vicinity of $180 million. Their cash position, their financial position, has been substantially strengthened.

The issue here boils down to this. Do you increase the subsidies—and these are unrequested subsidies—for the Postal Service and impose that burden on the general taxpayer? That is the gut issue. I believe that the Courter amendment is a practical amendment. It holds the present $920 million figure, which is realistic. It protects the Postal Service from unwanted generosity of the Congress. It protects the taxpayer, who will be spared $272 million for this year, more for subsequent years, if this amendment is adopted.

So I urge the adoption of the amendment, and I yield back the remainder of my time.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I find it difficult to oppose my friend, the gentleman from New Jersey, because I readily recognize what he is attempting to do. Like all of us, he is deeply concerned about the budget, and we are all concerned about every dollar in the way of Federal expenditures. But for what it is worth, a great deal of time and effort has been put into the fiscal formula that we are discussing here this morning. It was not put together hastily. As I mentioned in the well of the House earlier today, I would venture that we have spent 6 years on this particular aspect of this legislation in an effort to develop a way whereby the Postal Service will not be confronted with management by crisis. We have tried hard to make this point with our President. Unfortunately, up to this point we have failed to do that.

I think back to the 94th Congress. Under the administration of President Ford and by virtue of the very exact fiscal arrangement and procedure utilized by the Postal Service, the Congress was called upon in emergency fashion to provide that agency with $1 billion—a billion dollars—that really sent it off into space, and one could not put his hand on what this accomplished at all.

□ 1220

We had to do that to assure that payrolls would be met in that particular year. This is what this is all about. We are trying to avoid a crisis situation which a good number of us look upon as a likely possibility within the course of a couple of years. If that does not occur, the Congress can always amend, but we say let us be prepared and let us provide the institution with what is needed to keep it alive and well.

Mr. Chairman, most of us know what Bill Bolger is doing. As I say, he is a fine fellow and a very great Postmaster General. However, Mr. Chairman, he continues to work under the mandate of the Postal Reorganization Act of 1970. That was a condition upon which he accepted his position. He is wired into that, so to speak.

Mr. Chairman, it is ourselves, the Congress, who have the responsibility to protect the interests of the taxpayers and, for that matter, the national interests in general. That is the effort here today by the gentleman from California (Mr. CHARLES H. WILSON) and the gentleman from Missouri (Mr. CLAY) and others.

Again, Mr. Chairman, I appreciate very much what the gentleman from New Jersey (Mr. COURTER) is attempting, but for what it is worth, what the gentleman from California (Mr. CHARLES H. WILSON) has put together here, is highly responsible.

Mr. Chairman, over the course of these few years this will provide the opportunity to avert that crisis management dilemma a good number of us prophesied.

Mr. Chairman, I would hope very much we would vote against the Courter amendment.

I yield back the balance of my time.

Mr. CORCORAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is not a pleasant chore to oppose the gentleman from New Jersey and the gentleman from Illinois, the ranking member of our committee, and others, who feel strongly that the additional subsidy contained in H.R. 79 is unnecessary, wasteful, and should be eliminated. If that were true, however, I would be speaking in support of the amendment.

Mr. Chairman, we have heard a lot today about the fact that the Postal Service is going to have a surplus of approximately $180 million this year. I think that is true, but the point of this amendment and the value of the subsidy provisions of H.R. 79 are directed not at the current fiscal year. We do not touch the current fiscal year funding of the public service function. We address fiscal years 1980, 1981, and so on through 1984.

Mr. Chairman, the argument that the surplus obviates the need for additional money is absurd on its face.

Second, Mr. Chairman, in the testimony before our committee the Postmaster General, Bill Bolger, made it abundantly clear that there are but three ways to deal with costs: First, increase the subsidy; second, increase postal rates; and third, cut back on personnel expenses.

Mr. Chairman, I say personnel expenses because 80 percent of the U.S. postal budget is personnel. It is a very labor intensive industry.

Now, Mr. Chairman, what has happened recently with respect to personnel? In the years since the Postal Reorganization Act of 1970 was enacted the number of employees has decreased. Try to find other governmental agencies, quasi-governmental agencies, or private organizations where there has been a decrease in personnel and an increase in productivity as in the case of the U.S. Postal Service. The figures show that when we began reorganization there were 710,286 postal employees. At the end of last year, the period for which we have figures, there were 649,692 employees, a decrease in the number of employees of about 61,000 people.

Therefore, Mr. Chairman, the gut question of the bill and the gut question of the Courter amendment is, Do we want to increase postal rates beyond 15 cents or do we want to, as the bill would provide, modestly increase the subsidy?

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I will be happy to yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding, Mr. Chairman. I asked the gentleman to yield because he mentioned the fact my amendment is calling for the increase in postal rates and nothing could be further from the truth.

Mr. CORCORAN. Mr. Chairman, I want to reclaim my time.

Mr. Chairman, the point is, if we decrease the subsidy and if we want to maintain current postal services, we will have to finance the organization in some way. I am not saying the gentleman's amendment directly calls for an increase in the rates. I am saying that will be the unwitting result of his amendment. I would suggest, Mr. Chairman, what we have here is a very basic, philosophical choice: Do we want to see the rates go from 15 cents to 18 cents to 20 cents and beyond or do we want to recognize that there is a place for the subsidy? I believe there is a place for the subsidy.

Mr. Chairman, let us look at the projections for fiscal year 1980. In my discussions with the Postal Service and in the testimony before our committee and in the budget that was submitted to this Congress, they plan a deficit of more than $1.237 billion. Part of that is what I would describe as a paper contingency, but the other part of it is an actual $494 million loss in fiscal year 1980 and that is what H.R. 79 addresses.

Second, Mr. Chairman, if we look at the real world, we will see that inflation is far beyond the 7-percent inflation figure which is the basis of the Postal Service budget.

Third, we will see, as everybody knows, the cost of gasoline has gone up dramatically. Therefore, the projected loss for fiscal year 1980 of about $500 million will be probably a good deal higher. That is why it seems to me to be so important that we recognize that an adequate subsidy is desirable.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. CORCORAN was allowed to proceed for 2 additional minutes.)

Mr. CORCORAN. Mr. Chairman, there is one additional point I would like to make. In the course of the committee deliberations on the bill, I offered an amendment which provided that any increase in the subsidy over the current authorized level would be dedicated to holding down first class rates. Now, Mr. Chairman, one result of H.R. 79, if enacted and if approved by the President as it presently stands, would be directed toward holding down first class rates.

Mr. Chairman, the alternative is much higher postal rates, because with costs going up, with inflation going up, with energy costs going up—each 1 cent increase in gasoline costs USPS $3.5 million—and with the built-in impact of employee cost of living adjustments which result in an increase in costs for the Postal Service of $55 million for every 1 percent increase in inflation that is how the Postal Service will have to finance its budget.

For those reasons, Mr. Chairman, I think it is very clear that Congress should make the policy choice. We can either take the approach recommended by my good friend from New Jersey which is to cut the subsidy and have the result that the rates are going up, or we can take the prudent course, the wise course and recognize that there is a relationship between the subsidy and the postal rates and that we want to stabilize rates at affordable levels for the people of this country.

□ 1230

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding.

Toward the end of the gentleman's remarks, the gentleman indicated that my amendment cuts the subsidy. It does not. The present law cuts the subsidy. The present law, as we know, diminishes the subsidy each and every year in the future in the fiscal years 1980, 1981, 1982, and 1983.

My amendment maintains the subsidization at the present level of $920 million.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

(At the request of Mr. COURTER, and by unanimous consent, Mr. CORCORAN was allowed to proceed for 1 additional minute.)

Mr. COURTER. Mr. Chairman, will the gentleman yield further?

Mr. CORCORAN. I yield.

Mr. COURTER. Mr. Chairman, second, with regard to postal rate increases, I would like to refresh the memory of those people who heard the testimony of Postmaster General Bolger and other individuals, who responded to my question, and the questions of other members on that committee: The question was, "Would a reduction in postal subsidies as the present law requires, mandate a postal rate increase?"

His response was no. His response was: "Even with the increased money that you gentlemen want me to have and that I am not asking for and the administration does not think is necessary, postal rates are going to rise. It is only going to mean, with the increased subsidy, that the rise will be either 1, 2, or 3 months later than otherwise."

So I do not think a good argument can be made against my amendment that it will increase postal rates, when in fact they are designated to increase for certain and the increased subsidization will at best defer an increase for a scant few days.

Mr. CORCORAN. Mr. Chairman, I would just say in conclusion that we have a choice. That is, we can influence the amount of increase in the rates. If we adopt the amendment offered by my good friend, the gentleman from New Jersey, the rates are going to be significant, especially in that 4 or 5 year period of time addressed by H.R. 79.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has again expired.

(By unanimous consent, Mr. CORCORAN was allowed to proceed for 1 additional minute.)

Mr. CORCORAN. Mr. Chairman, it seems to me, therefore, that we ought to take the prudent course over the next 4-, 5-, or 10-year period, especially in view of the fact that the legislation we are amending has set the policy for the Postal Service for roughly the last 10 years, and recognize that is what we are doing for the next 5 years with this measure. I would hope that we could keep postal rates down and do so by maintaining this modest increase in the subsidy and for these reasons, I urge the defeat of the gentleman's amendment.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, the amendment by the gentleman from New Jersey is so moderate and so reasonable that I trust the House will accept it. I certainly think that we should have gone much, much further than the gentleman has recommended. There are so many opportunities for us to see the post office reduce their personnel expenses.

Now, the gentleman mentioned, and it is true, the gentleman from Illinois said that 80 percent of the cost of running the post office is in the salary schedule.

I want to just bring up one way, probably the most vital way and certainly the most essential way, and that is to do away with these post offices with postmasters in these little towns that do not do any business.

Now, my figures are not current, but we have a lot of post offices around this country where the salary of the postmaster is more than the total amount of stamps that their post office sells. That does not seem possible, but it happens. In other words, they have these little rural post offices where they do not sell enough stamps to cover the cost of the postmaster's salary, much less the cost of the office rent, the telephone, the lights, the utilities, and any extra help that they might have. They do not even receive enough stamp sales to do it.

Now, what the Department could do, and we all know if it were a private business this is what they would be doing, they would simply consolidate any small post offices with the area that was close to it; in other words, maybe 20 miles away that postmaster would handle an eliminated small office; but as a result of the political process, these postmasters have been appointed and they are there for life.

Now, my figures are not current. I have some figures that are 2 years old, but I am sure the situation today is still the same. I took the neighboring State of West Virginia. Apparently they seem to have more small post offices because some type of rule made it possible for every coal mine over there to have its own post office. I never understood how that had anything to do with Postal Service; but anyhow, they seem to be in coal mines, because I cannot figure why they have so many in West Virginia.

In the state of West Virginia there are 1,026 post offices. Out of these that are losers—by losers I mean they do not sell enough stamps to pay the postmaster's salary—796; winners, 202, which means that for every post office that sells enough stamps to pay the postmaster's salary, there are four that are losing money, that is just the beginning, as all the other overhead must also be paid.

Let me get into Virginia. I want to commend the State of Virginia, because over in that State I got an old newspaper story 2 years old from the News Leader, the Richmond newspaper, that was aware of this problem. The News Leader could not understand why it was in Virginia, that they had so many of these deadhead post offices. Now, in Virginia they do not do as bad as West Virginia. They have 531 losers, while 337 winners sold enough stamps to pay the postmaster's salary; but even there, there are nearly twice as many post offices that should be abolished.

Take the Richmond, Va., situation. In Richmond, that postmaster gets $36,842 and yet the area provides a total amount of revenue in Richmond of $42,463,435. In any event, I will tell you what it was. They are selling more than a thousand times as many stamps as the Postmaster's salary.

If I could, and this was such an interesting study that they made, I wish every State in the country had some leading newspaper that would make this post office study to show what is happening in their State. Let me take a few post offices at random over in Virginia.

There is a city called Aroda which pays the postmaster $4,126—no, that is the revenue that is $4,126. I could not believe it. Total revenue is $4,126. The postmaster makes $14,935.

Here is one called Broadford. I have never been to Broadford. Maybe some of you have. The salary is $11,200, the postmaster makes, and he sells $3,000 in stamps a year. That is $250 worth of stamps a month that he is covering.

There is a little town called Caret. They sold in a year $2,353 in stamps. They sell less than $200 a month in stamps, but that gentleman who is postmaster makes $10,548.

Diggs Post Office takes in $1,721. That is less than $150 a month the postmaster sells in stamps, yet he draws $8,519 in salary.

There is a city called Graves Mills. It must not be a very big city because they sold $899 in stamps in the entire year, but that postmaster over there made $4,459.

Now, one thing I want to bring out regarding these postmasters. What we are suggesting is that they be transferred. We do not want these fine people to lose their jobs, but just transfer them; transfer them into Richmond, transfer them into Newport News. Transfer them to some city that needs them, but let us go for this very modest and substantive amendment and save the American taxpayers by reducing the subsidy.

● Mr. LOTT. Mr. Chairman, the primary objectives of the Postal Reorganization Act were to improve the conditions under which employees work, to provide adequate services at reasonable rates, and most importantly to create a self-sufficient postal system. The Postal Reorganization Act of 1970 created the mold from which countless other public service institutions have been cast. To do away with the "break even" concept at this point in time would totally erode the incentive mandated by this body when the Postal Service was reorganized. I am encouraged that today's Postal Service is slowly moving toward accomplishing these goals. The Postmaster General has publicly stated many times recently that the Postal Service will show a profit in excess of $180 million for fiscal year 1979.

Perhaps no Federal agency has been more maligned than the Postal Service, and no subject has caused more frustration and consternation. Over the years, the process has been like the weather. Everyone complains about it, but no one seems to do anything.

I feel that we should do all in our power to make the Postal Service not so much profitmaking, but cost efficient and working to reduce waste. I am convinced that the Postal Service is now definitely moving in this direction.

In essence, what I am saying is that the subsidy requested in H.R. 79 is unrealistic and that the amendment offered by the gentleman from New Jersey is a fair compromise, which gives the Postal Service in fiscal year 1980 an increase of $272 million.

I ask my colleagues to join me in supporting this amendment.●

● Mr. O'BRIEN. Mr. Chairman, I would like to express my support for the Taylor amendment that stipulates that in communities of fewer than 25,000 inhabitants, preference in postmaster selection will be given to qualified local post office employees or qualified local citizens rather than nonlocal candidates. One of the most glaring inequities of the 1970 Postal Reorganization Act of 1970 is the requirement that this position be filled arbitrarily by regional selection boards.

It used to be said, in many years gone by before we had the bureaucracy that we are now saddled with, that the only government official most citizens ever dealt with were the local postmasters and mailmen. While this is not true today, the office of postmaster is still an integral part of the structure of many small communities. The gentleman from Missouri makes the very valid point that the postmaster is more than the mere manager of the mails in these small towns. Quite often, this person is also a civic leader as well as a governmental representative. Yet, the system adopted in 1970 prohibits qualified businessmen, professional leaders and other capable citizens from even being considered. Many people consider this to be unfair and counterproductive to the communities where they are selected to serve. I would like to tell you about one community in my district that is making a concerted effort to do something about it.

Milford, Ill., is a town of about 1,600 residents. When the position of postmaster became vacant late last year, I was deluged with letters and petitions from hundreds of citizens in this small town to do something about the Postal Service's intent to find a replacement through the regional selection board. The townspeople felt, quite justifiably I believe, that they had several local candidates who were well qualified for the position, and who had served the city well in other capacities in the Postal Service. Yet, according to the law, this was not a consideration in the selection by the regional board.

While the thrust of the original legislation was to take politics and patronage out of the postal service, it has succeeded in incorporating another level of the faceless bureaucracy. Like the citizens of Milford, I resent this arbitrary system that depersonalizes one of the most important leadership positions in many small communities.

I hope that this body will adopt the Taylor amendment that restores a residency requirement for postmasters and requires preferential appointment to local postal employees as well as other qualified local residents.●

● Mr. GOLDWATER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey (Mr. COURTER) which would continue the $920 million allocation for public service until fiscal year 1984.

H.R. 79 authorizes increased public service appropriations for the U.S. Postal Service from the current $920 million level, to $1.1 billion for fiscal year 1980, $1.2 billion for fiscal year 1981, and $1.3 billion for fiscal year 1982.

Is this the incentive we are giving our Postal Service to become more efficient? How will this increased appropriation induce the Postal Service to minimize costs and eventually end its dependency on Government subsidies.

Because the Postal Service operates on a nonprofit basis, it has no real incentive to operate efficiently. It would therefore be in its interest to squander any additional revenues it receives, for fear of lowered subsidies in the future.

Moreover, the U.S. Postal Service did not request an increased subsidy for fiscal year 1980. In fact, the Postal Service expects to finish the current fiscal year with a $180 million surplus, with the Postmaster General stating that there is no justification for an increase in subsidies at this time.

Since there is absolutely no necessity for this significant increase that will only result in additional tax burdens for our beleaguered taxpayers, I urge your support for this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. COURTER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COURTER. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1240

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

Therefore, the Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 450]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cheney
Chisholm
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Fascell
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zeferetti

□ 1300

The CHAIRMAN. Three hundred and fifty Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The pending business is the demand of the gentleman from New Jersey (Mr. COURTER) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 242, not voting 67, as follows:

[Roll No. 451]

AYES—125

Alexander
Applegate
Archer
Ashbrook
Atkinson
Badham
Baldus
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Brooks
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Coleman
Collins, Tex.
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Donnelly
Dornan
Edwards, Ala.
Edwards, Okla.
Erlenborn
Evans, Del.
Findley
Forsythe
Giaimo
Gilman
Gingrich
Goldwater
Gradison
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hillis
Hinson
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lewis
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McKay
Marriott
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Obey
Pashayan
Paul
Petri
Pritchard
Quayle
Railsback
Regula
Ritter
Robinson
Roth
Royer
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Taylor
Thomas
Trible
Walker
Whitehurst
Wylie

NOES—242

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bafalis
Bailey
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Chappell
Chisholm
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Coughlin
D'Amours
Danielson
Daschle
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.

Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Lent
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Skelton
Snowe
Solarz
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Zeferetti

NOT VOTING—67

Anderson, Ill.
Barnard
Biaggi
Bingham
Bolling
Brademas
Broomfield
Carter
Cavanaugh
Clausen
Clay
Cleveland
Conyers
Corman
Cotter
Crane, Daniel
Crane, Philip
Davis, S.C.
Diggs
Early
Erdahl
Ertel
Fenwick
Fisher
Flood
Fuqua
Gibbons
Holland
Holt
Ireland
Jenrette
Leach, La.
Leland
Levitas
Livingston
McEwen
Mathis
Miller, Calif.
Moorhead, Pa.
Murphy, Ill.
Nelson
Patterson
Price
Rhodes
Richmond
Roberts
Rousselot
Roybal
Rudd
Simon
Slack
Smith, Iowa
Spellman
Stark
Symms
Tauke
Treen
Ullman
Wampler
Watkins
Weaver
Wilson, Bob
Wolff
Wright
Young, Alaska
Young, Mo.
Zablocki

The clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Brademas against.

Mr. Daniel B. Crane for, with Mr. Murphy of Illinois against.

Mrs. Holt for, with Mr. Corman against.

Mr. Philip M. Crane for, with Mr. Wolff against.

Mr. Livingston for, with Mr. Stark against.

Mr. Rudd for, with Mr. Conyers against.

Mr. Symms for, with Mr. Jenrette against.

Mr. BOWEN and Mr. KOSTMAYER changed their votes from "aye" to "no."

Mr. KEMP changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1310

AMENDMENT OFFERED BY MR. COELHO

Mr. COELHO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Coelho: Page 28, insert before line 13 the following:

USE OF TRAINS OPERATED BY THE NATIONAL RAILROAD PASSENGER CORPORATION

Sec. 9. (a) (1) Chapter 52 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 5216. Use of trains operated by the National Railroad Passenger Corporation

"(a) Before the end of the 90-day period beginning on the date of the enactment of this section, the Postal Service shall—

"(1) conduct a study, in consultation with the National Railroad Passenger Corporation, to determine the extent to which trains operated by the Corporation may be utilized to transport mail without—

"(A) causing substantial deterioration in postal services; and

"(B) reducing substantially the revenues of the Postal Service or the Corporation; and

"(2) report the results of that study to each House of the Congress.

The Corporation shall cooperate with the Postal Service in carrying out the study required by this subsection.

"(b) In establishing mail routes and determining carriers upon which mail shall be transported, the Postal Service shall utilize, in accordance with this chapter, trains operated by the Corporation to transport mail to the extent determined under subsection (a) (1) of this section.".

(2) The table of sections for chapter 52 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"5216. Use of trains operated by the National Railroad Passenger Corporation.".

(b) Section 5203(c) of title 39, United States Code, is amended by inserting after "baggage" the following: "unless compelled to do so under section 5216(b) of this title".

(c) Before the end of the 90-day period beginning on the date of the report made pursuant to section 5216(a) (2) of title 39, United States Code (as added by this section), the Postal Service shall report to each House of the Congress on the progress of the implementation, during the 60-day period beginning on the date of the report made pursuant to that section, of the requirements of section 5216(b) of that title (as added by this section). The report shall include specific information concerning the reasons for the extent to which mail transportation service had not been in effect immediately before the date of the enactment of this Act on trains operated by the National Railroad Passenger Corporation.

Page 28, line 14, strike out "Sec. 9." and insert in lieu thereof "Sec. 10.".

Mr. COELHO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COELHO. Mr. Chairman, we have become increasingly aware of the problems that Amtrak, the National Railroad Passenger Corporation, has faced in recent years. Both the House and the Senate have passed bills providing more guidance and support for Amtrak, which is good.

Another practical approach, in my opinion, would be to increase Amtrak's revenues through other means. My amendment to the Postal Service Act would, in large part, contribute to these revenues by requiring the U.S. Postal Service to increase their use of Amtrak trains for transportation of mail. What better way to help one Government-sponsored entity than through the needs of another?

The amendment directs the Postal Service, together with Amtrak, to study and determine which trains could be used by the Postal Service without "substantial deterioration of mail services or substantially reduced revenues to the Postal Service or to Amtrak." Following the study, the Postal Service is directed to begin implementation according to the recommendations of the study.

Mr. Chairman, I urge adoption of the amendment.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COELHO. I will yield to the gentleman.

Mr. CHARLES H. WILSON of California. As I understand, this is an amendment which would call for a study by the Postal Service to determine the feasibility of using Amtrak and trains again for the delivery of mail on the short hops and the milk stops and so forth.

Mr. COELHO. That is right, Mr. Chairman.

Mr. CHARLES H. WILSON of California. If the gentleman will yield further, we are happy to accept this amendment on this side. I think it is a good amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. COELHO. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I think it is obvious if the sponsor of the bill accepts the amendment, naturally we appreciate the value he attaches to it and, therefore, to his bill, and since I think the Congress does want to take the necessary steps to revitalize Amtrak, and maybe a return to some historic use of the rails by the Post Office would be helpful, I commend the gentleman for his imaginative and timely amendment and, therefore, will accept it, too.

Mr. COELHO. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Coelho).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Derwinski: On page 13, line 13, insert "(a)" before "The".

On page 13, line 16, strike out the quotation marks and final period.

On page 13, after line 16, insert the following new subsection:

"(b) The Postmaster General, in reviewing such practices and policies in his annual report submitted under section 2402, shall give particular attention to postal research and development in electronic transfers and communications.".

Mr. DERWINSKI. Mr. Chairman, there is considerable justification for referring to this as the "consensus amendment" to the Postal Service Act of 1970. Quite simply, this amendment makes it clear that the U.S. Postal Service will be involved in electronic communications.

This is a position supported by the White House, the Postal Service, postal employees, and the postal craft unions. H.R. 79 as now drafted is silent on postal electronics. My amendment will bring the bill in closer conformity with the administration's new communications policy which gives the Postal Service an important and vital role to play in electronic communications.

Under my amendment, the Postmaster General in his annual report to Congress will be required to include a report on Postal Service progress in electronic transfers and communications. If he is overstepping the role prescribed for the Postal Service under the White House communications policy, we will be in a position to act promptly. Similarly, we will be able to immediately call the Postmaster General and his top executives to task for a lack of technological progress.

In announcing the new communications policy, the administration took the logical position that electronic technology is a natural evolution of the national postal system which always has taken advantage of new ways of moving the mail as they become available. The Postal Service must be innovative if it is to be in a position to meet the changing demands of the mail-using public.

Postmaster General Bolger has made it clear he wants no subsidies for any electronic mail services. Furthermore, the Postal Service is making no claims to any monopoly on the electronic transmission of any services. What the Postal Service will do is purchase electronic transmission from private carriers while making available the services of its delivery network to those same private carriers.

My amendment makes it clear the Postal Service will be involved in electronic communications. In the process, it guarantees the continuation of a viable postal delivery system which will offer new career opportunities for postal employees.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. This is the electronic transfer amendment, as I understand, and we are happy to accept the amendment on this side.

Mr. DERWINSKI. All the amendment does is to comply and say that the Post Office should be involved in that phase. And in that case, Mr. Chairman, I appreciate the support of the gentleman from California and I indicated that this amendment was at page 13, line 13, which just proves that unlucky numbers are not unlucky.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was agreed to.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, last month I, along with many, many Americans, received a mailing from Mr. Howard Jarvis. It encouraged us to support legislation to reduce Government spending and to do other things.

When I looked at the envelope, I saw Mr. Jarvis paid only 3.1 cents per letter to mail to, I assume, millions of Americans, which meant that he got a postal subsidy of nearly 7 cents a letter to ask all Americans to write to us to tell us to reduce Government spending; which mailing, in my judgment, probably cost the taxpayers of this Nation somewhere between $2 million and $3 million. I have asked the Postal Service for exact figures.

Last month, during the Treasury-Postal Service appropriation bill, I tried to eliminate a provision in existing law which gives a preferred postal rate to political parties of that same 3 cents per letter. Of course, that 3 cents per item is what is granted to most nonprofit organizations.

My question to the distinguished chairman of the subcommittee, Mr. WILSON, is will the committee be doing some oversight to try to determine who should be eligible for these nonprofit, religious, charitable rates so that this Government and the taxpayers do not get ripped off by people who, in fact, are using that subsidy for noncharitable purposes?

Mr. CHARLES H. WILSON of California. Will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman.

Mr. CHARLES H. WILSON of California. I would say to the gentleman we certainly will include this in some very extensive hearings that we are holding which get into the financial stability of the Postal Service. We are involved in extensive hearings on the private express statutes. This certainly is something, this and lower rates for political mail, something that all comes under the same type of category, and I can assure the gentleman it is a subject that we will take very seriously and will give serious consideration to.

Mr. GLICKMAN. I appreciate that. I know a lot of us use the frank for purposes which many people think may not be legitimate, so none of us are pure on these issues. But it just struck me as strange that Mr. Jarvis, the great defender of a balanced budget, should be using this 3-cent postal rate.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 25, after line 22, insert the following new section:

REDUCED RATES

SEC. 6. Section 3625(d) of title 39, United States Code, as redesignated by section 2(d) (13) (A) of this Act, is amended by adding at the end thereof the following new paragraph:

"(3) In the administration of this section, and for purposes of former sections 4358(j) (2), 4452(d), and 4554(b) (1) (B) of this title, educational organizations or associations shall include any agency of a State which collects taxes solely for the furtherance of elementary or secondary education. For purposes of this paragraph, the term "State" means the several States and the District of Columbia.".

Redesignate the subsequent sections accordingly.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, this amendment is admittedly of a very specialized nature, and I would hope that the House would indulge me a moment as I try to explain what it is this amendment seeks to do.

This amendment is aimed at a select group of nonprofit tax-collection agencies which are being formed around the country to collect school taxes. It is aimed only at this very narrow category of collection agencies that are now being formed, as I say, on a nonprofit basis in order to allow school districts to collect taxes themselves, but without using school district personnel.

As many of my colleagues know, for the purposes of collecting income taxes and property taxes these school districts have resorted to one of two ways of doing it, either they collect the tax themselves, acting as their own tax collector, or they hire out to a private tax collection kind of service.

In the first case it has put an unduly harsh administrative burden on the district and the efficiency quotient has been less than desirable due to the inability to verify taxpayers' income and the burden of collecting delinquents. The second method, as I say, is to employ a private tax-collection agency.

□ 1320

The same problems I just described apply here, too. The private agencies collect interest on the money they collect as well, and then turn the funds over to the school district at a later time. The solution to all of this, particularly in my State of Pennsylvania, is for the school district to organize into a nonprofit tax collection agency and incorporate that agency.

The plusses for such an agency are that it has access to State income tax records, thus allowing verification of income data and verification of addresses of delinquent returns, so the tax dollars are turned directly over to the school districts through this kind of mechanism. The result has been an increased revenue to the individual school districts.

The one real problem they are having is that they do not qualify for the lower rate, the lower mailing rate, that would normally apply to them, the library rate. This has caused considerable overhead expense for them.

What this amendment seeks to do is

to give these nonprofit agencies the opportunity to use that library rate.

There is a real and legitimate question to be asked. Are these really educational institutions or agencies? In a very real sense, they are. In most cases the agencies I am talking about consist of school board members from that particular school district. They are the ones who form the agencies to make certain that it is directly related to the school district. There would be no postal rate problem if the school district itself were collecting the taxes. The only reason for nonprofit tax agencies to exist is for local government efficiency. The rate should, therefore, be applied to them as well.

The other question that has to arise is, what kind of money are we talking about? At the present time the cost is absolutely negligible because there are only a few dozen of these agencies in the country. If we project it out and every tax were collected by this means, and every taxpayer were assessed through this means, the cost, according to the figures we have developed—and this is the highest maximum cost that there could ever be given present rates—would be about $5.6 million. But, that is an extremely high estimated figure. But it is the highest possible figure to be figured, because if we divide the cost out on local school districts and use the same kind of rate, it would bring that figure down substantially. So, this is an attempt to give the school districts an option to collect taxes through a nonprofit mechanism of their own, and to do so with the same kind of mechanism the school districts are presently permitted to use.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, what the gentleman is saying in a nutshell is that the Federal Government is going to pay for the collection of local taxes. Is that not it?

Mr. WALKER. What I am saying is that we ought to treat these nonprofit agencies exactly the same as we now treat the school districts.

Mr. KAZEN. Correct, so the Federal Government will pay a subsidy to collect local taxes.

Mr. WALKER. The reason we have to decide it right now is that there is a considerable advantage to the local school districts in order to encourage good education. We have decided that to allow them to use this library rate is a good thing. What my amendment does is extend that same philosophy to these nonprofit agencies.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry that I cannot accept the amendment of the gentleman from Pennsylvania, as we have done in the past two cases. However, we have a situation here where there has been no testimony on this particular subject. In the lengthy hearings we held on this legislation we had no one from any school boards or school districts that came in and asked for consideration of this particular problem.

We have been trying to find out from the Postal Service if they can estimate a cost per million pieces of mail that might be involved in this, and they are unable to give us a figure. They give us 8 to 8,000 per million pieces, but they say it is a bottomless figure now, and it can be higher than that.

I think this is a case where there is too much at stake without having sufficient information for us to consider. It has not been, as I said before, considered in the committee. There has been no testimony whatsoever on it. I can assure the gentleman that if he would be willing to withdraw his amendment, we will make this a matter of importance at the earliest possible time. I would hope that he will do that.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman. Yes, I will be very glad, on that basis, to withdraw the amendment, and we will try to help provide the information the gentleman may need for that consideration. I would appreciate the committee moving into it.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there other amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. DE LA GARZA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes, pursuant to House Resolution 386, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 14, not voting 70, as follows:

[Roll No. 452]

YEAS—350

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Chisholm
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.

Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zeferetti

NAYS—14

Cheney
Collins, Tex.
Dannemeyer
Derwinski
Gingrich
Gradison
Hansen
Jeffries
Kelly
McDonald
Mottl
O'Brien
Paul
Stump

NOT VOTING—70

Anderson, Ill.
Barnard
Biaggi
Bingham
Bolling
Brademas
Broomfield
Carter
Cavanaugh
Clausen
Clay
Cleveland
Conyers
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Davis, S.C.
Diggs
Early
Erdahl
Ertel
Fenwick
Fisher
Flood
Fuqua
Gephardt
Gibbons
Holland
Holt
Hughes
Ireland
Jenrette
Leach, La.
Leland
Levitas
Livingston
McEwen
Mathis
Miller, Calif.
Moorhead, Pa.
Murphy, Ill.
Nelson
Patterson
Price
Railsback
Rhodes
Richmond
Roberts
Rousselot
Roybal
Rudd
Simon
Slack
Smith, Iowa
Spellman
Stark
Symms
Treen
Ullman
Wampler
Watkins
Weaver
Wilson, Bob
Wolff
Wright
Young, Alaska
Young, Mo.
Zablocki

□ 1330

The Clerk announced the following pairs:

Mr. Brademas with Mr. Anderson of Illinois.

Mr. Fuqua with Mrs. Fenwick.

Mr. Early with Mr. Courter.

Mr. Biaggi with Mr. Young of Alaska.

Mr. Levitas with Mr. Bob Wilson.

Mr. Zablocki with Mr. Railsback.

Mr. Leland with Mr. Erdahl.

Mr. Young of Missouri with Mr. Daniel B. Crane.

Mr. Wright with Mr. McEwen.

Mr. Nelson with Mr. Rudd.

Mr. Murphy of Illinois with Mrs. Holt.

Mr. Wolff with Mr. Smith of Iowa.

Mrs. Spellman with Mr. Philip M. Crane.

Mr. Roberts with Mr. Symms.

Mr. Simon with Mr. Wampler.

Mr. Jenrette with Mr. Rousselot.

Mr. Bingham with Mr. Livingston.

Mr. Moorhead of Pennsylvania with Mr. Cleveland.

Mr. Patterson with Mr. Broomfield.

Mr. Price with Mr. Weaver.

Mr. Stark with Mr. Fisher.

Mr. Richmond with Mr. Gephardt.

Mr. Hughes with Mr. Gibbons.

Mr. Leach of Louisiana with Mr. Watkins.

Mr. Slack with Mr. Roybal.

Mr. Ireland with Mr. Holland.

Mr. Barnard with Mr. Ullman.

Mr. Corman with Mr. Carter.

Mr. Cavanaugh with Mr. Davis of South Carolina.

Mr. Conyers with Mr. Diggs.

Mr. Clay with Mr. Ertel.

Mr. Cotter with Mr. Mathis.

Mr. Miller of California with Mr. Clausen.

Mr. BUTLER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS IN THE ENGROSSMENT OF H.R. 79

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill, H.R. 79, be authorized and directed to make such changes in section numbers, cross-references, and other technical and conforming corrections as may be required.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

GENERAL LEAVE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the bill, H.R. 79.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 5010

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on the bill, H.R. 5010.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

There was no objection.

AMENDING INTERNATIONAL BANKING ACT OF 1978 TO EXTEND TIME FOR DEPOSIT INSURANCE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1646, to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I would ask the distinguished gentleman from Rhode Island to explain for the record why this procedure is necessary.

Mr. ST GERMAIN. Will the gentleman yield?

Mr. WYLIE. I will be glad to yield.

Mr. ST GERMAIN. Mr. Speaker, the International Banking Act was passed in 1978 and among other features it provides for Federal deposit insurance on deposits in foreign banks.

Unfortunately, Mr. Speaker, the regulations were not adopted until July of 1979. The FDIC has communicated to the Congress, to the respective committees on banking of the House and Senate the fact that in order for them to examine the branches of foreign banks, they are in need of additional time. Otherwise they would have to close down as of September 17, 1979.

Mr. Speaker, the bill was passed by the Senate last night and is before us now. It would extend the time to allow the FDIC to perform its examinations of these branches and yet allow them to continue functioning until January 31, 1980.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(b) of the International Banking Act of 1978 (Public Law 95-369) is amended by the addition of the following new paragraph:

"Notwithstanding the previous paragraph, a branch of a foreign bank in operation on the date of enactment of this Act which has applied for Federal deposit insurance pursuant to section 5 of the Federal Deposit Insurance Act by September 17, 1979, and has not had such application denied, may continue to accept domestic retail deposits until January 31, 1980.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1350

CONFERENCE REPORT ON S. 1019, REMOVING PROHIBITIONS RELATING TO UGANDA

Mr. SOLARZ. Mr. Speaker, I call up the conference report on the Senate bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 27, 1979.)

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLARZ) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. GOODLING) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in view of the lateness of the hour I will be relatively brief in my remarks on this legislation, which I do not believe in any case is a matter of great controversy.

After the downfall of the Amin regime in Uganda, both the House and the Senate passed legislation concerning a prohibition which we had placed on our foreign aid program in Uganda during the course of the fiscal year 1979 when Idi Amin was still in power. The Senate in the legislation which it adopted repealed all of the existing restrictions on aid against Uganda relating not only to economic assistance, but also to our military assistance and security assistance programs as well.

The House in the legislation which it adopted repealed the prohibition on economic aid to Uganda, but maintained the prohibition on military assistance to Uganda and security supporting assistance to Uganda.

When the conference committee met, it reached a compromise in which we agreed to repeal the prohibition on economic assistance, as well as security supporting assistance to Uganda, but to maintain our prohibition on military assistance to Uganda and the IMET program in Uganda as well.

At the same time, the House also receded to a Senate provision repealing the existing embargo on trade with Uganda.

During the years when Idi Amin was in power, the Congress adopted these restrictions on the grounds it would be inappropriate for us to provide any kind of assistance to one of the most tyrannical regimes in the history of the human race. Now that Idi Amin has been removed and the people of Uganda are in a position to enjoy their human rights, it is appropriate for us to remove the existing prohibitions on our aid to that country.

I think it is probably fair to say that as a result of the reign of Idi Amin, the economy of Uganda has been completely devastated. A special mission which was sent to Kampala by the State Department reported to us that the economy was at a total standstill. Manufacturing had come to an almost complete halt. Outside of the subsistence sector of the agricultural part of the economy, virtually nothing was being grown. Commercial activity had come to a virtual halt.

Consequently, there is a real need on a humanitarian basis to make some limited economic assistance available to Uganda.

I want to stress the fact that this legislation will in no way result in an increase in foreign aid. All it will do is make it possible for the administration to reprogram assistance that would have been available for other programs in order to make no more than $3 million available to Uganda for the remainder of the fiscal year. We want to provide some commodity import assistance for trucks, for spare parts, for some medical supplies and other essential equipment which the people of Uganda so desperately need.

I simply want to say in conclusion that we are very quick to adopt prohibitions on aid to countries that we feel are engaged in egregious violations of fundamental human rights. I think that is all to the good, because this country does stand for a positive human rights policy. But when a country against which these restrictions have been applied undertakes to remove the tyrannical regime which has imposed these depredations on them, I think we have a consequent obligation to remove those restrictions in order to facilitate the flow of humanitarian assistance which a country under those circumstances desperately needs. Uganda is such a case. The people of that country have suffered more than the people of any other country in the world, with the possible exception of the people of Cambodia, over the course of the last several years.

Not only the people of Uganda, but people all over the world can take comfort in the overthrow of the Amin regime. Now that that terrible tyrant is gone, this legislation will make it possible for us to provide some limited humanitarian and economic aid to the people of that beleaguered country.

Mr. Speaker, I urge my colleagues to adopt this conference report.

Mr. Speaker, I have no further requests for time, but I yield at this point to the distinguished ranking minority member.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as my chairman has indicated, as 8 years of a very horrendous regime under the leadership of Idi Amin has passed, there is no longer a necessity to have the restrictions that we placed on his regime.

I would call to the attention of my colleagues that whether we can or cannot make this aid available and make it meaningful is probably very questionable at this time. There appears to be a great deal of chaos in Uganda; but, nevertheless, should we have that opportunity and should it become safe for AID and others to get in and do the kind of things that have to be done after the devastating experience that the Ugandans have been under. We should make every effort to do just that. So although this does not guarantee that we will be able to do anything, it does give the administration the money and opportunity for the Ugandans to help themselves if, in fact, it would be possible because of security reasons. So I would certainly urge all my colleagues to support this report and, in fact, it is in the best interests of the United States to do just that.

● Mr. DERWINSKI. I rise in support of this measure just as I supported the earlier legislation calling for an end to U.S. support of Idi Amin. There was a reluctance on the part of the administration to act as early as it should have in taking steps against Amin's tyranny, even though the enormity of his crimes was undeniable. The administration should have reacted sooner to Amin's monstrous regime despite the unwillingness of African States themselves to apply the same standards to one of their own as they have applied to the rest of the world.

The administration was unduly reticent, even when it became clear that the Soviet Union was training and equipping Amin's butchers. At last, fortunately, Tanzania intervened and rid Uganda of its scourge. Therefore, I endorse this measure. Obviously, there is no longer any need to prohibit our aid program to Uganda now that Amin is gone.●

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

Mr. SOLARZ. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 280, nays 69, not voting 85, as follows:

[Roll No. 453]

YEAS—280

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Blanchard
Boggs
Boner
Bonior
Bonker
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carr
Chisholm
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Coughlin
D'Amours
Danielson
Dannemeyer
Daschle
de la Garza
Deckard
Dellums
Derwinski
Dickinson

Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead,
Calif.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Roth
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Skelton
Smith, Nebr.
Snowe
Solarz
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Swift
Synar
Tauke
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zeferetti

NAYS—69

Abdnor
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bethune
Bevill
Bouquard
Broyhill
Burgener
Byron
Carney
Cheney
Collins, Tex.
Daniel, Dan
Daniel, R. W.
Davis, Mich.
Devine
Duncan, Tenn.
Edwards, Okla.
Fountain
Gaydos
Grassley
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Hinson
Hopkins
Hubbard
Ichord
Jeffries
Kazen
Kelly
Kemp
Kindness
Kramer
Latta
Leath, Tex.
Lewis
Loeffler
Lujan
Lungren
McDonald
Marriott
Montgomery
Murphy, Pa.
Myers, Ind.
Paul
Quayle
Quillen
Robinson
Runnels
Santini
Satterfield
Shumway
Shuster
Snyder
Solomon
Spence
Stump
Taylor
Whitten
Williams, Ohio
Wyatt

NOT VOTING—85

Anderson, Ill.
Barnard
Biaggi
Bingham
Boland
Bolling
Brademas
Broomfield
Brown, Calif.
Carter
Cavanaugh
Chappell
Clausen
Clay
Cleveland
Conyers
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Davis, S.C.
Derrick
Diggs
Early
Erdahl
Ertel
Evans, Ind.
Fenwick
Fisher
Fithian
Flood
Fuqua
Giaimo
Gibbons
Hillis
Holland
Holt
Ireland
Jenrette
Leach, La.
Levitas
Livingston
Lott
McDade
McEwen
Mathis
Miller, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Nelson
Panetta
Patterson
Price
Railsback
Rhodes
Richmond
Roberts
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Simon
Slack
Smith, Iowa
Spellman
Stark
Stokes
Symms
Thompson
Treen
Ullman
Wampler
Watkins
Waxman
Weaver
Wilson, Bob
Wilson, C. H.
Wolff
Wright
Young, Alaska
Young, Mo.
Zablocki

☐ 1410

The Clerk announced the following pairs:

Mr. Cotter with Mr. Mathis.

Mr. Fithian with Mr. Roybal.

Mr. Brademas with Mr. Anderson of Illinois.

Mr. Nelson with Mrs. Fenwick.

Mr. Murphy of Illinois with Mr. Courter.

Mr. Miller of California with Mr. Livingston.

Mr. Mottl with Mr. Lott.

Mr. Panetta with Mr. Young of Alaska.

Mr. Biaggi with Mr. Cleveland.

Mr. Conyers with Mr. Carter.

Mr. Evans of Indiana with Mr. Erdahl.

Mr. Corman with Mrs. Holt.

Mr. Early with Mr. Bob Wilson.

Mr. Brown of California with Mr. Broomfield.

Mr. Boland with Mr. Clausen.

Mr. Thompson with Mr. Rousselot.

Mr. Wright with Mr. Daniel B. Crane.

Mr. Bingham with Mr. McDade.

Mr. Zablocki with Mr. Railsback.

Mr. Young of Missouri with Mr. Philip M. Crane.

Mr. Barnard with Mr. Davis of South Carolina.

Mr. Charles H. Wilson of California with Mr. McEwen.

Mr. Ullman with Mr. Derrick.

Mrs. Spellman with Mr. Patterson.

Mr. Rostenkowski with Mr. Moorhead of Pennsylvania.

Mr. Jenrette with Mr. Levitas.

Mr. Roberts with Mr. Richmond.

Mr. Clay with Mr. Ireland.

Mr. Ertel with Mr. Hollis.

Mr. Cavanaugh with Mr. Leach of Louisiana.

Mr. Price with Mr. Gibbons.

Mr. Chappell with Mr. Rudd.

Mr. Slack with Mr. Wampler.

Mr. Stokes with Mr. Symms.

Mr. Watkins with Mr. Rose.

Mr. Weaver with Mr. Simon.

Mr. Wolff with Mr. Waxman.

Mr. Fisher with Mr. Stark.

Mr. Fuqua with Mr. Giaimo.

Mr. Diggs with Mr. Smith of Iowa.

Mr. HINSON changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SOLARZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 2774, ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATIONS

Mr. FASCELL. Mr. Speaker, I call up the conference report on the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 3, 1979.)

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. WINN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 2774, a bill authorizing appropriations for the Arms Control and Disarmament Agency for fiscal years 1980 and 1981. The conference report before the members represents a good and fair compromise between the two bills passed by the House and Senate respectively.

The conference report provides an authorization of $18,876,000 for fiscal year 1980 as originally passed by the Senate. This is $400,000 below the House passed version. The conference report also provides $20,645,000 in authorization for fiscal year 1981 as originally passed by the House instead of such sums as may be necessary as passed by the Senate's bill.

The conferees deleted a provision in the Senate bill which would have prohibited the appointment of retired military officers to serve in the positions of Director or Deputy Director. However, the conferees did accept the Senate provision prohibiting the appointment of active duty military officers to the position of Director or Deputy Director. The net effect of these changes tends to reinforce the longstanding tradition of civilian leadership of ACDA. This has been, with one exception, the case in ACDA since its inception in 1962.

The conferees did not accept a Senate provision requiring a comprehensive economic impact study of U.S. military expenditures on national defense and arms control policies. The conferees concluded that the comprehensive nature of the proposed study exceeded ACDA's limited personnel and financial resources.

Finally, due to present budgetary constraints, the conferees did not adopt the House amendment conferring discretionary authority for the Director of ACDA to make selective grants in support of arms control education and training programs. The conferees recognized the many desirable and long-range benefits of the House provision and urged ACDA to request such authority in future budget submissions to Congress.

Mr. Speaker, the conference report on H.R. 2774 authorizing appropriations for ACDA for fiscal years 1980 and 1981 reaffirms the vital role this small but important agency must continue to play in contributing to our Nation's national security. Accordingly, I urge favorable adoption of this conference report by our colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. WINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to support the conference report concerning Arms Control and Disarmament Act authorizations for fiscal years 1980 and 1981.

The conference report we have before us today will allow the Arms Control and Disarmament Agency to participate in a wide variety of activities concerning international security. Among those activities are the conduct of numerous arms control negotiations, research in nuclear nonproliferation, and participation in the review of U.S. technology exports which have arms control implications.

The results of the conference reflect a particular concern for reducing the amount of the initial House authorization by $400,000. For fiscal year 1980, the committee of conference adopted a figure which was the same as the Senate figure and the executive branch request and $400,000 below the figure recommended by the House. This $400,000, which was struck by the conferees, could have been used by the Arms Control and Disarmament Agency to make grants to institutions of higher education, nonprofit organizations, and public agencies for the purpose of supporting programs in arms control education and training. The authority to make those grants, which was contained in the initial House bill, was also struck by the conferees.

The initial Senate bill also mandated a costly and comprehensive study concerning the impact of military expenditures upon the American economy. This Senate provision was also rejected by the committee of conference due to present budgetary constraints on the Arms Control Agency.

In conclusion, I believe that the conference report authorizes—in a fiscally responsible fashion—ACDA programs which are important to our national and international security. As a result, I urge my colleagues to support the conference report we have before us today.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I support the ACDA conference report, but wish to remind the Members that the question of verification of SALT II—and SALT I, for that matter—should not be forgotten.

ACDA itself has neglected to place the necessary emphasis on verification. My personal belief is that "unilateral restraint" in armaments—the avowed policy of the former Director of ACDA, who presided over the SALT II negotiations team—is an unwise guide in dealing with the Soviets. We must see a demonstrated, verifiable restraint on the other side. Verification is one of the foremost—if not the foremost—points in the SALT II issue. As we authorize funding for ACDA, we must remind ACDA of our concern for this major issue. Verification, the administration has advised us more than once, is a political question.

The House must play its rightful role in the political process which considers that question.

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of the conference report on H.R. 2774, a bill authorizing appropriations for the Arms Control and Disarmament Agency for the fiscal years 1980 and 1981.

In my opinion, the conference report represents a fair and equitable compromise between the bills which were passed by the House and Senate and it upholds the position of the House in all important respects. It deserves our full approval.

The conference report authorizes appropriations of $18,876,000 for fiscal year 1980, as proposed by the Senate, and $20,645,000 for fiscal year 1981, as originally passed by the House. We did not accept the Senate's open-ended authorization for fiscal 1981 of "such sums as may be necessary."

The conferees agreed to a provision passed by the Senate barring the appointment of active duty military officers to the positions of Director or Deputy Director of ACDA. The intent of the conferees was to reinforce the long-standing tradition of civilian leadership of ACDA.

We sought to hold expenditures to the minimum possible. One result was that we did not include in the conference report a study, proposed by the Senate, of the economic impact of U.S. military expenditures. We also did not include discretionary authority for ACDA to make educational grants, which had been proposed by the House. However the conferees believed that these two proposals had many desirable features, and we encouraged ACDA to request the discretionary grantmaking authority passed by the House in future budget submissions to the Congress.

Mr. Speaker, the conference report on H.R. 2774 authorizing appropriations for ACDA for fiscal years 1980 and 1981 represents a small but important sum to be spent to enhance our national security. The funds authorized in this report are used to study fundamental questions of international security and to support international negotiations which can play a major role in safeguarding our country's security.

I urge favorable action on this report.●

Mr. FASCELL. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 230) entitled "An act to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1142. An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1454. An act to amend the Act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code;

S. 1515. An act to authorize the striking of Bicentennial medals; and

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

PROVIDING FOR CONSIDERATION OF H.R. 51, FUELS TRANSPORTATION SAFETY AMENDMENTS ACT OF 1979

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 381 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 381

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 51) to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1420

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself much time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 51, the Fuels Transportation Safety Act amendments. The resolution grants one half hour of general debate to each of the committees with jurisdiction over the bill, the Committee on Interstate and Foreign Commerce and the Committee on Public Works and Transportation. The time will be equally divided and controlled by the chairmen and ranking minority members of the two committees.

This is an open rule, allowing any germane amendment to be offered when the bill is considered for amendment under the 5-minute rule. The amendment in the nature of a substitute adopted by the Committee on Interstate and Foreign Commerce is to be considered as an original text for purposes of amendment.

The rule also waives points of order against the bill for failure to comply with section 402(a) of the Congressional Budget Act. That section of the Budget Act prohibits consideration of an authorization that has not been reported by May 15 preceding the fiscal year during which it becomes effective. Section 205 of H.R. 51's original text would authorize certain sums effective upon enactment, since the bill was not reported by May 15, 1978, a point of order would lie against it under the Budget Act. However, the committee amendment in the nature of a substitute corrects this violation by making the authorization effective at the beginning of fiscal year 1980. The waiver is thus purely technical.

Upon completion of consideration of the bill and prior to final passage the rule would allow one motion to recommit with or without instructions.

Mr. Speaker, liquid natural gas and liquid petroleum gas are important components of our Nation's energy supply. But they are also fuels whose storage and transportation involve very serious hazards, as the recent disaster in Waverly, Tenn., and in Spain and Mexico amply testify. H.R. 51 authorizes $41.5 million over the next 3 fiscal years for the activities of the Secretary of Transportation under the Pipeline Safety Act. It also strengthens the authority of the Secretary to regulate all LNG and LPG facilities, to identify and eliminate hazardous situations before catastrophes occur, and to study the issue of liability for financial loss due to catastrophic failure at liquified gas facilities.

Mr. Speaker, I urge my colleagues to begin consideration of this important legislation by adopting House Resolution 381.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from California (Mr. BEILENSON) has explained the provisions of the resolution. This act deserves the attention of the House, because safety is so important, and the welfare of the people and the industry should be looked at this time.

Mr. Speaker, I have no requests for time. I support the rule, and I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader the program for the balance of this week and next week.

Mr. LELAND. Mr. Speaker, if the gentleman will yield, I will be glad to respond.

Mr. Speaker, this completes the program for this week.

The program for the House of Representatives for the week of September 10, 1979, is as follows:

On Monday, September 10, the House will meet at 12 o'clock noon.

Votes on suspensions will be postponed until Tuesday, September 11, 1979.

The House will consider the following bills under suspension of the rules:

H.R. 3763, Office of Federal Procurement Policy Act Amendments of 1979;

H.R. 740, increase acreage for geothermal research sites;

H.R. 4732, pay of Capitol Architect;

H.R. 5010, Federal Election Campaign Act amendments;

H.R. 1212, relief for University of Florida, Gainesville;

H.R. 1319, extend duty-free entry period for certain telescopes for Mauna Kea telescope project;

H.R. 2297, extend synthetic rutile duty suspension period;

H.R. 3122, tariff treatment of certain dyeing and tanning articles; and

H.R. 4986, Consumer Checking Account Equity Act of 1979.

On Tuesday, September 11, the House will meet at 12 o'clock noon and recorded votes on suspensions debated Monday, September 10, 1979, will be taken.

We will also consider H.R. 4034, Export Administration Act Amendments of 1979, with votes on amendments and the bill.

Also, H.R. 51, Fuels Transportation Safety Amendments of 1979, under an open rule with 1 hour of debate. The rule already has been adopted.

On Wednesday, September 12, 1979, the House will meet at 10 a.m. and we will consider H.R. 4040, DOD fiscal year 1980 authorizations, under an open rule with 4 hours of debate. The rule has already been adopted.

Thursday and Friday, September 13 and September 14, the House will meet at 10 a.m.

We will take up the following legislation:

Conference report on S. 544, Public Health Service Planning Amendments of 1979;

Conference report on S. 230, Nurse Training Act Amendments of 1979;

H.R. 4440. Transportation appropriations, fiscal year 1980, on which we will complete consideration;

H.R. 3000, DOE authorizations, fiscal year 1980, on which we will complete consideration;

H.R. 3180, DOE authorizations, fiscal year 1979, under an open rule with 1 hour of debate;

H.R. 3303, Justice Department authorizations, fiscal year 1980, under an open rule, with 1½ hours of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. MICHEL. I thank the gentleman.

If I might inquire, is it the intention of the leadership to have a Friday session all during the month of September?

Mr. LELAND. As of now, up until the 29th of this month.

Mr. MICHEL. On Mondays, since we are going to be carrying over all the votes on the suspensions from Monday to Tuesday, would that be more or less a rule for the month of September? Is that just confined to this week?

Mr. LELAND. No; it would not be.

Mr. MICHEL. I thank the gentleman.

ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1979

Mr. LELAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1430

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. LELAND. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

501 AND COUNTING

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, it is truly a sad sight to watch the death throes of the remnants of the Carter administration. The events that took place during the August recess show, beyond a reasonable doubt, that there is no leadership in existence within the Oval Office. About the only successful effort of the administration during August was the fending off of a scared rabbit, and even that had to be apologized for.

It is almost agonizing to review last month's events. Mr. Carter has passed through the bounds of embarrassing and beyond the threshold of bizarre. His sorry record for the last few weeks is nothing short of pathetic. He has pushed incompetence and irresponsibility to new heights. I hope the Guiness Book of Records is watching Mr. Carter so he will at least have something to show for how he spent his summer of 1979.

The major event in foreign affairs during recess was the removal of Andrew Young as guru of the Carter White House. It can only be hoped that America's credibility with those outside of the Kremlin and the African dictatorships can be restored in the wake of Young's perverted world view. His last ultimate act of circumventing a major bilateral agreement with Israel was a monument to Young's contempt toward America's commitments in the world. The question in my mind is not why he left, but why he was ever allowed to hold such a position of authority.

Typical of the Young mentality of appeasement of our enemies and neglect of our friends were a number of other events during August. Soviet troops were found in Cuba. The reaction of our State Department was to cover for the Kremlin and to express more concerns over SALT than over the stability of the Caribbean. Meanwhile the lovefest over the Sandinistas continued with all indications showing that the United States will once again ignore all danger signs and plow ahead in aiding one more Soviet outpost in the Western Hemisphere. Half-way around the world the Vice President was linking Communist Chinese policy with the well-being of the United States. Closer to home, the State Department showed its ineptitude by bungling the defection of Ludmilla Vlasova.

Questions need to be asked about all of these incidents. Why was the Soviets allowed to have custody of Vlasova for 72 hours before perfunctory questioning? How come the negotiators did not grasp the possibility that there was a threat on Vlasova's mother in order to keep her in line? Why did Mondale avoid a visit to our ally, Taiwan? Why are major facts about the suppression of dissent in Nicaragua being withheld from the American people or glossed over by Vance and company? Why was there such a weak American response to the Soviet moves in Cuba? These are disturbing questions because they show a pattern of near disinterest on the part of this administration for the well-being of the United States. It is mindboggling to think that those who won the votes of the American people and then took the oath to uphold the U.S. Constitution would neglect their responsibilities in such a wholesale manner.

The domestic policy front hardly brightens this picture. All the while America sank deeper into inferiority abroad and deeper into inflation and recession at home Mr. Carter played the calliope on a river boat. Like a modern Nero, Mr. Carter showed total detachment from the realities of the plights his Nation faced. In a sweeping disregard for policy he signed off on a shipment of oil to Iran. His only explanation being some vague emotional affinity with the poor of Iran who will never see that oil anyway. In this one action he removed any sense of integrity from his campaign trip billed as a pro-energy conservation crusade.

The integrity of Mr. Carter's collapsing administration was called into question by a number of other events in August. Hamilton Jordan was under an FBI investigation for cocaine use at Studio 54. While the charges are already being considered dubious, it is upsetting that an administration that rode into the White House on a platform of piety would open itself to such charges. It makes me wonder if the piety was just another of the shams perpetrated by Mr. Rafshoon to dupe a gullible electorate. A more serious allegation was the signs of a possible cover-up of links between White House staffers to an obstruction of justice case regarding financier Robert Vesco. It is amazing that the pillar of moral outrage, the Washington Post, has seen fit to bury these charges deep inside its pages instead of giving it the coverage it once gave to similar antics by another administration regarding the very same personage.

In summing up August it is indeed a sorry state of affairs for this Nation to have to be put through one embarrassment after another as the Carter White House sinks deeper into the quicksand of public revulsion. Mr. Carter has now become more unpopular than President Nixon ever was. His ability to rule is dubious at best. All that is left for America to do is to count down these last 501 days in this misbegotten administration and hope that the country will not be in a total shambles when a new President takes the helm.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, due to foggy weather in Grand Rapids and Chicago, I was unavoidably absent during part of the session on Wednesday, September 5.

I take this time to explain how I would have voted had I been present: Rollcall No. 435, on resolving into the Committee of the Whole for consideration of H.R. 4473, "yes";

Rollcall No. 436, an amendment to H.R. 4473 to reduce the appropriation for international organizations and programs by $3.75 million, "yes";

Rollcall No. 437, an amendment to H.R. 4473 to prohibit use of funds for economic or military assistance to Panama, "yes";

Rollcall No. 438, an amendment to H.R. 4473 to strike the appropriation for the Institute for Scientific and Technological Cooperation, 'no." ●

THE RABBIT—AN ANSWER TO INFLATIONARY PRESSURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

● Mr. SEBELIUS. Mr. Speaker, today I introduced legislation designed to encourage the production of high-protein, low-fat rabbit meat. Consumers of domesticated rabbit meat should have the assurance that it is wholesome, unadulterated, and properly labeled; just as they do for other meat and poultry products.

At a time when consumers are complaining about rising food costs, a steady and dependable supply of top-quality rabbit meat would help reduce some of the inflationary pressures. At the present time, inspection is available for rabbit processing under a voluntary program in which processors pay for the service.

I think that rabbit consumption, to date, has been limited, because consumers have no guarantees of wholesomeness. Where inspection is provided, the retail price of rabbit is inflated by the cost of inspection. The competitive disadvantage of the absence of quality guarantees has overshadowed the dietary and economic benefits of rabbit consumption.

The need for high-quality protein in the human diet is well-documented. Rabbit meat is similiar to the white meat, or breast, of chicken. That this meat is high in protein and low in fat underscores its dietary importance to our health-conscious society.

The rabbit has a feed conversion of about 4 to 1—4 pounds of feed per 1 pound gain. The meat has a high meat-to-bone dressing percentage, and the meat is about 85 percent digestible.

The domestic rabbit has the genetic capacity to produce about 25 times its weight in fryer offspring each year.

Rabbit byproducts are important in the production of certain pharmaceuticals. For example, rabbit blood is reduced to plasma for diagnostic purposes, while rabbit brains are used to produce thermo plastin for testing and coagulation of human blood in the laboratory.

A stable rabbit-processing industry could create economic opportunities for many unemployed or underemployed citizens in rural and small-town areas. Rabbit production as a supplemental income source appeals to hobbyists, senior citizens, young people, handicapped, the disadvantaged and various ethnic and minority groups.

Raising rabbits requires a limited investment and operating capital, as well as minimum labor requirements. This makes rabbit production a promising source of income and meat production in the future.

More important, the consumer would be guaranteed wholesomeness and an increasing supply of a most nutritious and healthful food which is high in protein and low in fat.

Thank you.●

ANDREW YOUNG: WORLD HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, our former colleague and Ambassador to the United Nations, Andrew Young, is a man of rare courage and conviction. He has always spoken out honestly and forthrightly on the issues he believes to be important to our country. Unfortunately, such candor has not always been appreciated by President Carter and others.

Recently, Ambassador Young did the job he was hired to do—talk to another diplomat at the United Nations about the business of the United Nations. Because the diplomat was a representative of the Palestine Liberation Organization, Andrew Young was immediately rebuked by the Secretary of State and his own President.

Rather than repent, Andy resigned. It is "ridiculous" for the United States not to talk to one of the primary parties to the continuing conflict and bloodshed in the Middle East, he said. To avert bloodshed and help build a lasting peace was his only goal in communicating with the PLO, yet all he received from his own Government was harassment and criticism.

In an act of great statesmanship, he resigned. As he told me a few days later, he did so because he wanted to focus public attention upon our misbegotten policy. Had he stayed in office, the furor over his activities would have continued. He, not our "ridiculous" policy, would have been the subject of the controversy. Realizing that, Ambassador Young resigned his prestigious position at the United Nations, because the principle involved was more important than the job. He concluded he could not carry out orders which he believed were contrary to the interests of the United States. His devotion to his country and to world peace was the overriding concern.

In the tradition of Elliot Richardson and Anthony Eden, Ambassador Young decided he should resign on a matter of high principle. Such is really the ultimate test of any public official, and unfortunately, all too few pass it as did Andy Young. He paid the ultimate price that any public official can for his beliefs. But by focusing public attention upon the U.S. head-in-the-sand attitude toward the PLO, Andy Young performed a greater service to peace in the Mideast than any public official has since President Sadat undertook his historic journey to Jerusalem. Andy advanced his stature as a world figure—indeed a world hero—moving and shaping the course of history in ways which Presidents and other heads of government dream of but seldom achieve.

The United States, Israel, Palestinians, other Arab States, and the world owe a great deal to Andrew Young for the giant stride toward peace which he produced. As a private citizen, I know he will continue the work he so nobly began.●

RESERVATION ON H.R. 3236 VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, I voted for H.R. 3236, but I must say that I did so with one reservation. The bill, as a whole, is on target. It is designed to encourage pepole who can work to do so. That is a logical first step in the important task of closing the loopholes in Federal programs which have proven costly and which drain needed financial resources away from work.

But, as I read it, this legislation would, in some instances, mean lower disability benefits for individuals who are so severely disabled that they will never be able to go back to work. In such circumstances, this legislation could mean that some individuals with a legitimate need for assistance would be forced to live on lower incomes even though there would be no incentive effect. I regret that, under the rule, the bill could not be amended in the House to correct this flaw. I would hope that a change could be made to address this problem in the Senate, and, if not, that the committee will give early attention to the need for legislative remedy.

I also, of course, hope the committee will continue its efforts to eliminate waste and abuse in the programs within its jurisdiction. The American taxpayers deserve no less.●

KING CRIME

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, the assassination of District Federal Judge John H. Wood remains unsolved. As a matter of fact, even the beginning of the solution of the case is far from even being successfully initiated.

I have spoken consistently and on a sustained basis on this floor since that fateful and unacceptable, abominable crime, and particularly because the assassination of this Federal district judge is unprecedented. This has not happened in more than 100 years in the history of the American judiciary, and was so preventable. As a matter of fact, as I have said before, I almost predicted it and was fearful and had sent word to the judge 4 days before he was gunned down to recall the Federal marshals to provide custodial care which he had had until he ordered it terminated some time in the spring of this year.

The reason why he and other officials had been under protective custody of the marshals, was that last year in November a murderous attack was perpetrated on the assistant Federal district attorney by the name of James W. Kerr. That one also was of great concern, in fact, equal, if not greater concern because again locally in my district I had spoken out beginning exactly a year ago this month of September about the increased activity as a sort of a way station in my area of the international organized crime cartel specializing, and particularly in the last 3 years, in the stolen vehicle and automobile parts racket from the United States to Mexico and other parts of Latin America, which in the last 2½ years has grown into a billion dollar racket. I am not talking about the Mafia but the more sophisticated elements of organized crime. There is such a myth about the Mafia and that was all started under the regime of J. Edgar Hoover, who never wanted to admit the reality of the presence of the syndicate, the real corporate, organized crime structure in the country. The Mafia is just small potatoes, it is a branch of the syndicate. So when that moved into that racket it grew into a billion dollar enterprise which continues to flourish to this date.

My contention is that Judge Wood and the attempt on James Kerr and several other deaths that have occurred in my area and other areas are directly attributable to this incursion.

It further implements a series of addresses that I made to the House in 1970 in which I first spoke out about the uncontrolled magnitude of organized crime, the extent of its activities, its ability to have penetrated our Government on all levels to the highest level, and more insidiously into the otherwise honorable fronts of business, and professions and institutions such as banks, savings and loans, shopping centers, name it, organized crime is in it.

The Nation has an involvement in this case, and this is the only reason that I have importuned the House and taken the time of this forum. It is shockingly disappointing to see that nothing more has been done either to resolve the cases completely and fully than at the time that I expressed my concern before the attack on James Kerr, but after the hit of two lesser citizens, if we can call them that, in the district. It seems I could get very little or appreciably little action after the attempt on James Kerr. I took this forum as soon as I could after the attack on James Kerr and I had communicated in the months of November and December with the Justice Department, the Attorney General, the President, and finally it was not until after the beginning of the 96th Congress and my addressing myself on the House floor that I had a reaction from both the Attorney General as well as from the Presidential office in the person of the special assistant to the President for domestic affairs, who visited my office. At least I was given a little audience. I expressed my concern, insisted that this should be given national priority. I said then you are going to have to have further attacks on officials. The targets are higher placed officials; that is, the district attorney himself and the Federal district judges. This is where the real target is and I can think of nothing that should arouse a concentrated attack and a coordinated effort of all law enforcement agencies from the Federal to the State to the local, than this.

□ 1440

Because, as I pointed out, it involved the four main currents or streams of organized crime; what I call the Washington or the eastern seaboard down to Florida; New Orleans, Texas, and Mexico connection; the central line, New York, Chicago, Dallas, Austin, San Antonio, the border and into Mexico, and the Las Vegas connection—Las Vegas, El Paso, Juarez in Mexico, and Far West connection—four streams. Every one of them is beyond the control or even the complete measurement as to dimensions on the part of our law enforcement agencies in our country. But, it seems to me that after an attack has been perpetrated on the men that we in the Congress and that the country hires to protect society and to enforce its laws, and then suffer with somewhat complacency, I should think, the assassination of a Federal district judge, that something very, very wrong and amiss is the case in our society and our country.

Now, I have therefore sworn that I will not permit the assassination of John Wood to fade into the dust of history like the unsolved disappearance of Jimmy Hoffa, and the other national crimes that cry out for solution, because these are aimed at the heart of the structure of society itself. If we do not address ourselves now and here to the complete solution of the murder of John Wood and the attempted murder of James Kerr, then we must admit that King Crime reigns supreme, and that our Government is only a shadow government.

As we all know, the fundamental purpose of a government is to safeguard the physical well-being and protection of the citizens. If it cannot do that minimal, basic function, then the government serves no real purpose.

I, therefore, in this pledge to unremittingly work toward this solution, have enlisted the aid of local law enforcement agencies that in the past have revealed greater efficiency than even that which I have seen reflected in the Federal agencies. I will have more to report in this endeavor, because I think that we will be in the near future in a position to start unraveling these cases and find the complete solution—not only the hit man, but the forces and the insidious people beyond the hit men.

"SMALL IS BEAUTIFUL" FAIRS HELP SPREAD MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, Members will be interested in an event I was privileged to be associated with during the recent district work period. In Milwaukee, I was cosponsor, along with other elected officials on all levels, of Small Is Beautiful Days on September 1–3, a 3-day celebration of the spirit of the late, great E. F. Schumacher, whose book gave our days their name, and of some of the "appropriate technology" that exemplifies the small-is-beautiful idea.

Schumacher, a German-English economist and philosopher, said that for our present age, he asked of science and technology, "Methods and equipment which are cheap enough so that they are accessible to everyone; suitable for small-scale application; and compatible with man's need for creativity."

Milwaukee's Small Is Beautiful Days brought precisely such methods and equipment, in working order and in great profusion, to the Milwaukeeans and others who attended the festival at 27th Street and North Avenue on Saturday, Sunday, and Monday of the Labor Day weekend.

Schumacher's original concern was with underdeveloped countries. For instance, he invented a new type of nonmechanical plow that moved much of Third World farming centuries forward in efficiency and yield without the need for the vast industrial intrastructure that supports our own American agri-industry.

But Mr. Speaker, it is evident now that there are large areas of America itself that may reasonably be called underdeveloped. It is also evident that the fossil fuel base that put so much of the bigness in our big business is on the way to running out, no matter what OPEC or Big Oil do or do not do. Hence, for all of us, there is some small in our future. It can be beautiful.

It was beautiful in Milwaukee over the holiday weekend.

Our celebration was divided into six principal parts: Transportation, economic development, renewable energy resources, land use, ecology, and gardening.

All were equally important, but two had a certain glamor in the nature of things. Renewable energy resources included a swift and silent modern electric windmill, lighting bulbs, and generating electricity measured on meters below; three separate and different solar cooking devices—all of them, I am ethnically proud to say, cooking bratwurst; several systems of heating water and producing energy from the Sun. The ARCO folks had a mobile home entirely powered by photovoltaic cells mounted on the roof. Totem, by Fiat of Italy, demonstrated the cogeneration of electricity and hot-water heat.

Transportation included not only homemade and university-made electric cars, but also bikes, mopeds, and a 1919 Model T, billed as possibly the last sensible car ever built.

The economic development section ranged from the Government assistance offered by the Small Business Administration through its Service Corps of Retired Executives (SCORE) to highly individual craftspeople weaving, spinning, and making baskets in ways that go back to prehistory.

The high points of the land use exhibit were systems for saving and using rainwater, the Ice Age Trail, a fine feature of Wisconsin topography, a diorama of existing plans for the renewal of the area in which the celebration was held, and, of all things, an urban nature trail set out by the local Audubon Society and full of unexpected wild flowers growing in the heart of town.

The ecology section demonstrated the uses and reuses of sewage and water itself, and the advantages of a composting toilet.

Urban gardens were laid out and

grown by a Milwaukee group attractively named Shoots 'n' Roots. Other gardeners showed the how and the why of earthworm technology and organic composting.

There were health foods galore, as well as such ethnic savories as roasted corn, barbecued ribs, the ubiquitous bratwurst, and natural cider.

A large and varied entertainment program catered to every taste and, I hope and believe, did a lot of cross-cultural cross-fertilization of taste among the Afro-Americans, Norwegian-Americans, Bulgarian-Americans, Bohemian-Americans, Scottish-Americans, and others who represented the rich cultural mix of Milwaukee in song and dance.

Mr. Speaker, I wish also to express my gratitude and that of my cosponsors of Small Is Beautiful Days to the several Government agencies which made the event possible by their wise advice and generous assistance: The Economic Development Administration, the Department of Housing and Urban Development, the Community Services Administration, the National Endowments for the Arts and Humanities, the National Center for Appropriate Technology, the Department of Energy, and finally ACTION, the Director of which, Mr. Sam Brown, came to Milwaukee to deliver the opening address and inspire all who heard him.

Mr. Speaker, our Small Is Beautiful Days offered information and food for thought to all who came. I urge Members to consider whether a similar manifestation might not be of similar use to the people in their own districts. Any Member inspired to go and do likewise has but to call my office to have made available the fruits of our experience in what was indeed a fruitful experience for all concerned.●

SOCIAL SECURITY DISABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, yesterday the House passed H.R. 3236, the Social Security Disability Insurance Amendments of 1979. Although I regret having had to do so, I opposed that bill. Certainly, there are good provisions in it—provisions that will make it much easier for some disabled people to return to the work force. Unfortunately, along with the provisions that would be an improvement in the present law, there are others—benefit reductions—that will be most detrimental to the future well-being and financial security of disabled workers. I am convinced that the seriousness of the benefit reductions in this bill far outweigh the improvements.

Those who will be hardest hit by this legislation are young disabled workers with families. They are the people whose annual incomes at the time of disability were the lowest of all workers, who must be the most seriously disabled in order to qualify for disability benefits in the first place, and who often have families with young children. Many of them are not covered by insurance programs other than social security. For the vast majority, their disability benefits are significantly lower than what they could earn if they were working, yet their costs are often higher. Many of the disabled must pay others to provide services they can no longer perform for themselves, such as home maintenance, transportation and marketing. Without an adequate level of disability insurance benefits, they face a lifetime of poverty and need.

The fallacy in this bill, it seems to me, is the evident assumption that most people on social security disability could return to work if they had enough incentive to do so. That is just not true. People on disability—particularly the younger people—must be severely disabled to qualify for benefits to begin with. Approximately 70 percent of those who apply are turned down. Among those who do qualify for benefits, only a small number could return to work no matter what the incentive. And yet, the benefit cuts in H.R. 3236 will affect all new disability insurance beneficiaries with dependents and all newly disabled workers who are so unfortunate as to become severely disabled before the age of 47. Clearly, for most of those people, the benefit reductions in H.R. 3236 will not change anything except that they will have less to live on. Their already uncertain finances will be strained even further.

The benefit-reduction proposals in this bill first appeared in the early 1970's, at a time when the number of beneficiaries had increased dramatically and the financial stability of the trust fund was being threatened. Since then, however, the rate of growth of the disability program has been declining, benefit levels have been reduced as a result of changes in the law in 1977, and the trust fund is no longer in jeopardy.

Yet with H.R. 3236 we are ignoring the impact of those changes and insisting on further undermining the financial well-being of the severely disabled and their families. We are achieving budget reductions—modest ones—but we are doing so at the cost of those most in need and least able to pay. That is hardly a goal worthy of this Congress.●

OPPOSITION TO H.R. 2653

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, State Representative Michael Griffin from the 50th District of Michigan wrote to me voicing his opposition to H.R. 2653, a bill to establish reapportionment procedures for congressional districts nationwide. I, too, oppose this bill. The elected representatives of the people of Michigan should have the responsibility for reapportionment and not a five-member redistricting commission. I would like to take this opportunity to share Representative Griffin's letter with my colleagues:

JULY 31, 1979.

Hon. BOB CARR,
Member of Congress, Cannon Building, Washington, D.C.

DEAR CONGRESSMAN CARR: As chairman of the Committee on Elections of the Michigan House of Representatives, I am writing to you to express my deep opposition to H.R. 2653 and S. 596.

The results of congressional elections during the last decade provide ample evidence that Michigan's congressional districts were not drawn to partisan advantage following our last census. Approximately one-third of the districts (the 3rd, 5th, 6th, 7th, 8th, and 10th) have been represented by congressmen from both political parties since the 1971 reapportionment. However, none of the changes in representation took place in the first election (1972) following the adoption of the new apportionment plan. In addition, the 2nd Congressional District has such an even partisan composition that there was virtually a tie vote in that district in 1976. Since seven of the state's nineteen congressional seats appear to be within the grasp of both major political parties, it is clear that the plan which resulted from the last reapportionment of Michigan's congressional seats was not designed to give one of the parties an advantage over the other, but rather was based on population and other non-partisan considerations.

Michigan's Constitution of 1963 provided for a commission, similar to the one proposed in H.R. 2653 and S. 596, which is charged with reapportioning the State Legislature. This commission failed to agree on a plan on the two occasions that it had the opportunity, and subsequently the Michigan Supreme Court had to make decision about the apportionment of the Michigan Legislature. This situation has resulted in the politicalization of the highest court of Michigan, which both the justices and the people of Michigan resent very deeply.

At first glance, it appears that the potential for a tie vote on a reapportionment plan would be avoided by the odd-numbered commission which is proposed by the two bills before Congress. However, the solution which is suggested would likely result in a deadlock in commission proceedings at an even earlier stage, the selection of the chairperson. I believe that it is extremely unlikely that the four members of the commission would be able to agree on an acceptable fifth person who the commission believes would not pose a threat to the electoral self-interest of either political party. Both bills would effectively grant the power to reapportion the Congressional districts of a whole state to one person. Even if we assume that it would be possible for the initial members of the commission to agree on the fifth person, I have some very serious questions about giving such unparalleled power to one unelected, and therefore unaccountable individual.

At the present time, the 148 elected representatives of the people of Michigan have the responsibility for reapportioning our state's congressional districts. It is my opinion that this responsibility ought to remain with the legislature because its members are directly accountable to the people who will be so greatly affected by the outcome of the reapportionment process. Therefore, I urge you to oppose the adoption of H.R. 2653 and S. 596 and to support the present system by which Michigan's congressional districts are redrawn every ten years.

Sincerely yours,

MICHAEL J. GRIFFIN,
State Representative.●

ENVIRONMENTAL PERSPECTIVE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, a person with probably more experience in actually dealing with energy and environmental problems than anyone else in our Nation recently gave us his views on these matters. This person is Adm. H. G. Rickover. He stated his views on the occasion of his receipt of the Winston Churchill Award by the International Platform Association on August 1, 1979. Since he has had so much actual experience in dealing with energy and environmental matters and since this experience has been in an area where environmental considerations are more demanding and severe than in any other—nuclear propulsion of submarines and surface ships—all of us should give a great deal of attention to what he has to say.

For this reason I am including at the close of my remarks the complete statement Admiral Rickover made on August 1. I am sorry to add that Admiral Rickover covered many of the points he made in this statement at a public hearing before my Armed Services Committee on March 1 but no media notice was given to the important factual data he presented. In my view this failure to provide the public with accurate data which is based on actual experience is the reason why we are in this present dilemma on energy. Admiral Rickover covers the matters in an excellent manner.

My experience with energy and environmental matters, which spans more than three decades, causes me to make some comments on confusing misconceptions which have developed. Nuclear power for example is viewed by some in our society as having safety, environmental, and reliability shortcomings. On the other hand, nuclear power has specifically been chosen for the propulsion of nuclear submarines because of its superior safety, environmental and reliability characteristics.

Let us first consider safety. The safety of an energy source which must be hermetically sealed with its human operators, as in a submarine, is more important than in any other application. As Admiral Rickover reports, this characteristic of nuclear power has been proven in hundreds of cases involving thousands of people.

Going next to environmental effects—there is no application of an energy source in which such effects must be held lower than in submarines. Detection of any environmental impact, utilizing the most sensitive methods of detection available by any nation, would be devastatingly detrimental to this application. Again, as demonstrated by actual operating experience in the naval reactor program, nuclear power meets these unequaled environmental stringency.

Of course, reliability has no equal to that demanded in submarines. No alternates to this prime source of energy are available to a submarine operating in hostile environment of the sea. Again this characteristic of reliability of nuclear power has been demonstrated in hundreds of instances involving many years of operation in the naval reactor program.

I am sure you will all greatly value the factual information Admiral Rickover presents in his statement on environmental effects and safety.

ENVIRONMENTAL PERSPECTIVE

(By Adm. H. G. Rickover, U.S. Navy, at the 1979 Annual Convention of the International Platform Association, Washington, D.C., Aug. 1, 1979)

I am greatly honored to be the recipient of the Winston Churchill Award. I had the privilege of meeting this great statesman when I visited the House of Commons in the early 1960's. I admired him greatly for his achievements and because he was a singularly warm-hearted human being.

I want to thank the members of the International Platform Association for this award and for inviting me to speak here this morning.

Long before the term environmentalist became a household word, I was concerned about our environment. Early in my career I became concerned that our natural resources were being consumed too rapidly; that the world's finite supply of petroleum would eventually be depleted; that the hydrocarbons we were burning for energy would be desperately needed by future generations as raw materials. Back in 1936, I had computed that the oil used in all history was one cubic mile in volume. By 1979, the total oil consumption had reached 17 cubic miles (463 billion barrels), a cube about 2.6 miles on a side. These figures show how small this precious resource is.

For too many years every new highway or invention was welcomed as an indicator of progress without taking into account the long range consequences. Mankind has been profligate—as if we were owners rather than trustees of this planet.

Today, there is a greater awareness of these problems, but not the recognition of the limits that nature imposes. From many quarters there are pressures to come up with a "safe" source of abundant energy. But each alternative has its limitations. Some, such as nuclear power, are opposed by single interest groups that often vie to be the loudest to cry doom. As more aspects of everyday life are being characterized by one group or another, as involving high risk, ordinary citizens are finding it increasingly difficult—perhaps impossible—to get the issues into perspective.

Within some special interest groups are those who favor returning to the simpler style of 100 years ago. Their objective is clear; they tend to be against most forms of energy.

The great majority of people, however, want to sustain today's advanced life style. For them the problem is one of evaluating alternatives—of comparing risks and weighing them against benefits.

The media, in search of exciting news, and special interest groups, encourage embellishing facts. Since tough facts are often bland and hard to market as "news," the public gets a distorted picture of environmental matters. We face a danger that public policies in technology will be determined, in effect, by the media and by single interest groups.

While the problems we face today are immense, the increased public interest in energy and environmental matters offers an opportunity for progress toward solving these difficult, long range problems. But these will have to be dealt with intelligently, not on an emotional basis. Scientists, engineers, businessmen, medical people, lawyers, and others with professional knowledge and training are being called upon for facts and advice. It is essential that all involved take to heart their professional responsibilities; that they feel duty bound to convey what they know and what they do not know, with balance and perspective. That is not the case in many areas of society and is why, as the President recently said, America is suffering a crisis of confidence. The American people simply do not know what or whom to believe.

Our society now abounds with so-called experts who deal in half-truths and play on human fears or suspicions to further their own special interests. And a half-truth is like a half-brick—it will go farther. In so doing, they abrogate their professional responsibility to the public and cloud important issues. Those knowledgeable in the various disciplines have an obligation to see that these issues are kept in perspective, so they can be addressed intelligently by our leaders and understood by ordinary citizens. Consistency is needed in evaluating risks, and in providing proper perspective.

ENVIRONMENTAL RISKS

Nothing we do is without risk. Risk is an inherent and accepted part of daily life. The problem lies in determining how great are the risks and what should we truly be afraid of. For this, it is important to acquire a sense of perspective. Should the falling of Skylab have been a major concern? It was estimated that there was only one chance in 150 that Skylab debris would hit one person in the entire world. Nevertheless, in some areas emergency preparedness centers were activated and airplanes grounded. A more meaningful risk to me was that I had one chance in six hundred billion of being hit. This risk was worth worrying about for about one billionth of my life, which translates to about one second.

The risk from skylab was inconsequential. The environmental risk having the greatest effect in the United States today is smoking. Smoking causes us about 325,000 deaths each year, half these are from heart disease, and about one-quarter from lung cancer. Sixty years ago we had little lung cancer. Today more are dying from it than from automobile accidents.

Each cigarette has been estimated to shorten life expectancy by five minutes. Another method of estimating the risk shows that of a group of 10,000 who continue smoking, 1600 die from the effects.

Another major health problem in the United States is caused by overweight. Our affluence and use of television contribute to this. Each ounce above normal weight is estimated to reduce life expectancy by two days.

We accept the inevitability of automobile accidents. Chances are that ten people in this room will be seriously injured this year from automobiles. By building safer cars or further reducing speed the risk could be reduced. But even a parked car is not risk free. You could choose not to drive, yet pedestrians and bicyclists also are injured by cars. Reducing the risk of injury from automobiles to zero requires moving to a place where there are none.

These comparisons should give some idea of the risk involved in things you are familiar with. They give a basis for judging what smoking, or eating, or watching Skylab fall, could mean to your health and safety. This is the kind of perspective to which people can relate. Everyone knows life is risky. If he has the basis for judgment, he can decide what to do or not do.

RADIATION RISK

While accepting the many daily risks of living, many seem to be getting the idea that their demands for energy should be met on essentially a risk-free basis. Since this is impossible, attention should be focused on taking reasonable steps to safeguard the public, on developing realistic assessment of the risks, and on placing them in perspective. One of the most widely distorted risks is radiation.

At the start of the Navy's Nuclear Propulsion Program in 1946, I realized the need for careful attention to radiation. It was clear to me that if nuclear ships were to be viable, there would have to be assurance that workers and crews not be subjected to excessive radiation. To emphasize this, I designed the shielding for our Naval nuclear plants to be many times more stringent than required by the standards then in effect. As a result, the shielding built into the first nuclear submarine, the *Nautilus*, was so conservative that it continues to be far more than adequate to meet the considerably lower radiation levels permitted today.

My approach to radiation shielding design was not agreed to in some places. For example, in 1957, the Chief of the Bureau of Ships—my boss—asked me to reduce the shielding in our submarines in order to save weight. Likewise, in 1965, a Congressional Committee launched an investigation to determine whether my conservative approach to shielding was unnecessarily increasing the cost of submarines. In both cases I held to my determination to keep radiation levels as low as I could reasonably get.

Insofar as the environment is concerned Naval plants have been so designed and operated that in each of the last eight years the total gamma radioactivity discharged to all harbors of the world has been less than two thousands of a curie. This quantity is for the operation of over 100 ships and of all their support facilities. To give you an idea what this means, if one person were able to drink the entire amount of this radioactivity discharged into any harbor in all of 1978, he would not exceed the annual radiation exposure permitted by the Nuclear Regulatory Commission for an individual worker.

The word "radiation" has come to connote danger. It is often described as so dangerous that any amount is unsafe—as if the only question worth addressing is "how fast will radiation harm you?" Because you cannot see, feel, taste, hear, or smell radiation, it has an aura of mystery. But this same mystery appears to be absent from other potentially hazardous things for which we have a lack of sensory perception, such as radio waves, carbon monoxide, and small concentrations of numerous cancer-causing substances. These do not generate the same degree of fear as radiation.

The fear instilled by radioactivity today is akin to the fear of electricity following the invention of the electric light bulb one hundred years ago by Thomas Edison. Public fear of electricity was inflamed. Wall plaques had to be installed in rooms with electric lights, assuring people that "the use of electricity for lighting is in no way harmful to health, nor does it affect the soundness of sleep." Yet electricity has helped to transform man's life from a short one of drudgery to one where long life and higher aspiration can be realized.

Scientists have stated for decades that radiation can cause harm. However, all of us have been subjected to radiation throughout our lives from time of conception and, in fact, even prior to conception. The entire human race has been subjected to radiation, as has every living thing, throughout the entire evolution of our earth. The average person in the United States receives each year about one-tenth rem from natural radioactivity in the earth, in his body, and from cosmic radiation.

The unit of radiation, rem, ought to be required knowledge in all technical societies. It is defined in terms of energy absorbed in body tissues. Receiving one rem of gamma radiation is equivalent to absorbing 100 ergs of radiation energy for each gram of body tissue. There are 454 grams in a pound. An erg is the amount of energy required to lift a mosquito weighing one thousandth of a gram about one centimeter. In terms of energy the rem is a small unit. A dose of one rem would raise body temperature only two millionths of a degree centrigrade.

We are not accustomed to fear background radiation; after all it is part of our natural environment. Yet in scientific terms it can be shown that its risk is not zero. More is known about radiation than almost any substance that can affect humans. More money has been spent to learn the effects of radiation on humans than for any other hazard in our modern society. The main effect is cancer. Effects other than cancer have not been found for low-level radiation exposure to adults. While genetic effects from radiation can occur, they are so small that none have been found in 35,000 children conceived after the nuclear explosions, by parents irradiated in Hiroshima or Nagasaki in 1945.

The combination of one-tenth rem per year background radiation, together with nearly the same average amount from medical diagnostic radiation, is estimated to cause almost one percent of cancer deaths in the United States. In an average group of 10,000 people, 1600 will die of cancer. Sixteen of these deaths will be from background and medical radiation. If the lifetime radiation exposure of 10,000 people is increased by an average of one rem per person—a total of 10,000 rem—it is estimated that one additional fatal cancer may occur.[1]

This estimate of risk gives perspective on what radiation exposure means in the following ways:

Of all industrial and medical radiation workers in the United States, about 15,000 die each year from cancer. The total radiation exposure from their work adds an estimated 25 cancer deaths per year.

Radiation from the nuclear accident at Three Mile Island may add one fatal cancer death to the public within fifty miles. Of the two million people living within this fifty mile radius, 325,000 are expected to die of cancer from causes other than the radioactivity released from this accident.

The perspective on radiation can be improved by comparison. For example, I know an apparently healthy person who forty years ago received more radiation from medical chest X-rays more than the total exposure all 15,000 radiation workers at nine shipyards received in 1978 from Naval nuclear power plant work. Others have had similar radiation exposure, and years later are alive and well.

Another example: for years rumors have persisted that radiation-induced cancer has killed the crew of the first nuclear-powered ship, the Nautilus. In 1978 the Navy traced each of the 96 officers and enlisted men of this first crew. Despite the rumors, all the men associated with operating the nuclear propulsion plant were alive and well.

With this perspective you are in a position to better answer the question, "Is radiation safe?" If safe means zero effect, then you have to conclude radiation is unsafe. But to be consistent, you should also conclude that background radiation and medical radiation are unsafe. Or more simply, that being alive is unsafe.

"Safe" is a relative term. Comparisons are necessary for actual meaning. For a worker, safe means the risk is small compared to other risks accepted in normal work activities. Aside from work, safe means the risk is small compared to other risks routinely accepted in life. From what I have said, it should be clear that the radiation encountered in our daily activities should not be the scary subject it is proclaimed to be.

EXTRAPOLATIONS

In radiation, as in other areas, a most effective way to frighten people is to proclaim that no one knows what the effects are. This has been repeated so often it has become an article of faith that no one knows the effects of low-level radiation on humans.

One could well state, "No one knows the risks of smoking a few cigarettes," but the risks of smoking a large number of cigarettes are well known. If 10,000 people smoke an average of four cigarettes a day, about 100 deaths will result; data are not available for lower smoking rates. For radiation, doses of 100 rem to each of 10,000 people would be required to cause an equal number of deaths. The effects of radiation on humans at doses of 100 rem are well known. The major controversy over radiation risks today is how to extend the risks estimates to even lower levels. As we get to lower levels, it becomes more and more difficult to detect the effects, and this becomes a problem. Would it be possible to determine the effect on the death rate of doing one situp or one pushup a day?

Using the figures I just presented you can extend the numbers to show that one rem has about the same risk of death as smoking one cigarette per month. I make this comparison only to show that finding out the effect on the death rate of one rem of exposure is about the same as trying to find out the effect of smoking one cigarette a month.

The point is that the effect of one rem is extremely small. There are physical limits to how far we can go to ascertain precisely the size of this risk, but we do know it is small. Those who sing the refrain of how little we know about low-level radiation do a disservice. Instead, they should explain how much we do know about the small actual effects.

STUDIES

Today, the universal answer to a claimed lack of knowledge of environmental effects is to conduct a study—nearly always at Government expense. I am not against studying environmental or health effects per se. But studies must be high quality; they have to cover tens of hundreds of thousands of people, and they must extend for many years, to have any chance of validly detecting effects as small as those from low-level radiation. One wonders whether this is a proper expenditure of taxpayer money. Are there not other areas more deserving of this kind of attention?

The compulsion to study is often used to quell public fears. It is also a way to show that something is being done. At Three Mile Island, epidemiological studies are being launched. One study has been commissioned to investigate the radiation effects on all pregnant women in the area—there were only a few hundred. These pregnant women received less extra exposure to radiation as a result of the Three Mile Island accident than they would have received had they moved to Denver, Colorado for a few months. If we must have a new study, it would make more sense to study radiation effects in Denver, with its higher background radiation due to the high altitude. Or members and staffs of the U.S. Congress could be studied because there are places on Capitol Hill with radiation levels above normal background due to natural elements in the building stone. If the idea of conducting studies on Congressional groups strikes you as strange, you may understand why I have reservations about the real need for some of the studies underway.

A study is often the way to forestall taking meaningful action or making a decision. Doing a study is usually doing nothing. DeMontaigne said "Too much study suffocates the active part of understanding." Studies are frequently used to quiet an outcry. The study takes time. During this period the clamor dies down. The study is issued, filed and forgotten. Meanwhile a new issue has aroused the public. Another study is authorized. The report is filed in the archives, and so on, and so on.

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[1] This risk estimate was made in 1977 by the United Nations Scientific Committee on the Effects of Atomic Radiation and by the International Commission on Radiological Protection. It is within the range of estimates in the 1979 draft report of the U.S. National Academy of Sicences Committee on Biological Effects of Ionizing Radiations, and in the 1972 report of this committee.

INJURY CLAIMS

Another aspect of radiation where scare stories are contributing to the problem is in the realm of radiation injury claims. Here, as in other areas, our approach to life is to turn from self-sufficiency to excessive reliance on Government. Many have come to presume that any risk, no matter how small, warrants indemnification by the Government. I am not against the payment of legitimate claims where the cause can be substantiated and it can be clearly shown that the Government was at fault. But when the risks are minimal, common sense should prevail.

In 1978, a worker in New Mexico was awarded $75,000 in worker's compensation because he feared radiation. No physical injury was claimed. No excessive exposure to radiation was claimed. In 1979, the Connecticut State Supreme Court awarded compensation to a municipal employee for injuring his ankle playing ping pong before his work shift started. A compensation claim was approved for a Navy worker for headaches allegedly caused by sitting at a desk with his head down. Such abuses are becoming common. The implications of these awards are far-reaching—not simply for the money involved but in the attitudes being inculcated into large numbers of Americans.

There are about 65,000 employees in Government-owned Naval shipyards. About 22,000 past and present employees have filed claims for damage to their ears from noise. These Government workers are being paid an average of $12,000 per claim. No distinction is made for normal loss of hearing with age. No effort is made to differentiate hearing damage caused on the job from that caused by modern music played at deafening volume. Secretaries whose only exposure to noise was a typewriter or copy machine are receiving awards. Workers apparently feel it is their right to receive these awards for normal work. In the last ten years, over $75,000,000 has been awarded to Naval shipyard employees for alleged hearing loss. The General Accounting Office has studied this area and found it riddled with fraud and abuse.

Since risk from radiation cannot be proven to be zero, suggestions have been made that the Government should pay all shipyard workers who get cancer just to be sure that none which might be related to radiation are missed. At a typical shipyard, about 10,000 workers have received radiation exposure from Naval Nuclear Propulsion work since the beginning of the program. Their radiation exposure from such work may add one or two cancer deaths to the 1600 normally expected in a group this size. To pay compensation to 1600 individuals so that one or two possibly deserving ones are not denied is absurd and unaffordable.

Demands have been made that all veterans who develop cancer be compensated because the cancer might have been caused by radiation from nuclear weapons tests. This would result in the Government making payment to almost 100,000 men who, according to normal incidence, will die of cancer, so that an estimated twelve possibly valid claims are not missed. Many claims have already been filed by these veterans.

The Navy's experience with hearing loss claims demonstrates that as long as there is money in the U.S. Treasury and Government agencies are willing to hand it out, there will be plenty of claimants. Many are urged on by unscrupulous lawyers who promote frivolous claims for a fee or a percentage of the award. Ordinary citizens, if they knew what was going on in some of these programs would demand a halt to such generosity with their taxes.

To those who get paid, this kind of cancer payment program may seem like getting something for nothing—like chain letters, the Pyramid Club, or the Circle of Gold confidence games. But the taxpayer foots the bill. In my view, environmental issues are badly out of perspective when we end up with a system that pays tax money to all who get cancer, merely to take care of a few for whom the real cause was radiation.

NEWS MEDIA

The news media have contributed substantially to getting environmental issues out of perspective. In their efforts to generate interesting stories that help sell newspapers, many members of the press have distorted the facts and the issues. In complex areas like energy and environment, bare facts are unexciting. To spice up otherwise dull articles, there is at times a tendency to be selective in the facts used or in the topics covered. At times conclusions are shown as facts. I understand that in some publications, the advertising department has a say in what gets printed as news.

Too often, facts have lost their proper separation from opinions. Merely by choosing what sories are reported, the media express opinions. Publishing a statement without reservations lends authority to that statement. Serious articles are often written by those who lack the technical background to understand even the available facts. And sometimes news is contrived. Let me give you examples:

During the Three Mile Island emergency, residents and local officials commented how useful the local news reports were, but that the national news reports were distorted. For example, one national television crew requested that an entire street be cleared so that their film could show, by the empty street, how frightened the people were.

A so-called documentary television report on radiation was strongly anti-nuclear. It led to a conclusion in which the reporter was said to have been killed by radiation. However, nowhere in the report of his death from lung cancer was it mentioned that he was a long-term heavy smoker.

In areas such as nuclear power, even innocuous events are frequently blown into issues by a zealous reporter or editor. Not long ago, a hose broke, spilling a few gallons of pure water into one of our most polluted rivers. Because this happened on a nuclear-powered submarine, the story appeared the next morning in the newspaper.

The failures of the media—its preoccupation with the sensational and its lack of balance and perspective—are understandable to some extent. News is like fish—it must be sold quickly. But these stories can have a harmful effect on the public. Doctors report that following a series of news stories which fan the fear of radiation, the risk of death increases for people who will not take x-rays they should take.

Our country's growth has been fueled by technology. The bulk of the information on this subject is in the news media. It, therefore, has a special obligation to educate, through responsible reporting. Given the facts in proper perspective, the public can understand environmental issues. The tendency of the press to omit facts interferes with understanding these issues. For proper perspective, the news media must exercise self restraint, and make available enough information so the public can understand the significance of the events reported.

I have no simple solution for this problem. The media are not really accountable to anyone. Freedom of the press belongs to the person who owns the press. The only way I can see a change is for the public to demand more enlightened and factual reporting; perhaps the media will respond. Loss of sales or viewer interest is something a newspaper or TV network understands immediately.

GOVERNMENT

In environmental matters, there is a tendency to view Government officials as if working for the Government were in itself evidence of incompetence and bad intentions, therefore guilty of the charges leveled at them.

Some self-proclaimed public interest groups tend to focus on a single issue, demanding an immediate solution regardless of cost. But when Government agencies are pressured into solving one problem in a narrow fashion, this often leads to exacerbation of other problems. In some cases companies have been forced to switch from coal to gas for environmental reasons only to have to switch back a few years later because of energy considerations.

The Government agencies involved in these issues have an almost impossible job. Faced with problems that would challenge the wisdom of Solomon, Government agencies are increasingly plagued with other demands on their limited resources. The flood of injury claims is but a small part of the problem. Today we in Government can be tied in knots by frivolous law suits, Freedom of Information Act requests, investigations, and studies. These demands, individually, seem reasonable and necessary safeguards over the activities of Government officials. But faced with limited resources, the cumulative effect of these demands diverts attention and effort from their primary functions. It is analogous to the case of Cyrano de Bergerac who had to compose a sonnet while fighting a duel.

To be sure, we do have problems in Government. Some Government agencies themselves have become a sort of special-interest group. In this way the Government itself has been unable to provide the perspective to balance the problems inherent in new technologies. Those who criticize Government's inability to respond effectively to the challenges it confronts, should work equally hard to promote within the Government an atmosphere in which it is possible for us to devote our attention to important issues.

"EXPERTS" IN SCARE STORIES

Many have come to realize they can make names for themselves by scaring the public on radiation and other environmental risks. This approach creates reputations because the news media play them up. It creates research grants—with the Government, of course, paying—to explore the newly discovered problems. Time and again a so-called "expert" makes a startling "discovery" followed by a not-so-startling conclusion that he is the one who should conduct further research at Government expense.

To illustrate the trouble one self-proclaimed expert can cause, I will recount a situation I have followed closely. Two years ago a young medical doctor with little if any experience in radiation or epidemiology research started investigating the effects of radiation on workers at the Portsmouth, New Hampshire Naval Shipyard. Studies in this field are complex, and require considerable talent and effort to find answers and avoid mistakes. In conducting the study he enlisted the help of an investigative reporting team from the Boston Globe.

In February 1978 the front page of this paper carried results of the investigation. This was not the case of a newspaper reporting something out of a technical journal; it was a report by the paper itself. No technical reviews were printed with this story. Reservations were stated in the story, but in a manner that made the reservations appear doubtful or readily dismissed. In the name of investigative reporting the newspaper itself had become an advocate for a highly questionable study, thereby dropping any vestige of objectivity. This was a classic case of limited information being blown into sensational news.

The story was printed in many newspapers here and abroad. The summary featured in many papers was that cancer deaths were six times higher for radiation workers at Portsmouth than for other workers. The news accounts spread fear among the workers, their families, and neighbors. Others here and abroad wondered if being near a nuclear-powered ship was dangerous.

The articles and concerns of constituents generated immediate Congressional interest. Within a week, a Congressional hearing took place. But little was done at this hearing to explore the validity of the study's conclusions.

White House officials used the results of this private study to order a Government-wide investigation of radiation. Millions of dollars will be spent carrying out these investigations.

For the past year and one-half I and key people in my organization and at the shipyards have been tied up with this issue. It has consumed our time and interfered with our proper work. Ironically, it has diverted attention from an important technical aspect of our job, which is to ensure safety of workers.

Throughout the controversy, the news media headline writers found it difficult to resist inserting the word "deadly" in front of "radiation." They rarely reported the Navy's achievements in radiation control, and the careful attention paid in this area. Those promoting the stories did not bother to explain that, despite a doubling in the number of nuclear-powered ships, radiation exposure had been reduced to one quarter what it had been fifteen years previously; that no one involved in the program had exceeded the Federal radiation exposure limits in a dozen years; that no one in the program had received more than one-tenth the radiation exposure allowed for radioactivity inside the body.

Official risk estimates indicate that about 1,600 cancer deaths are expected for every 10,000 people. Among the 10,000 radiation workers who have worked at the Portsmouth Naval Shipyard, exposure received on the job might add two cancer deaths. Many scientists believe the true effects of radiation will be much smaller.[2] These facts are in sharp contrast to the exaggerated statements made in the Boston Globe.

Eventually the facts began to come out. In a Congressional hearing one and a half years after his report was published. The investigating doctor entirely changed his results. He repudiated his earlier conclusion that the cancer death rate for radiation workers at Portsmouth was double the death rate of their co-workers. He testified he could no longer support his earlier conclusion that the leukemia rate was six times higher for Portsmouth radiation workers than for non-radiation workers.

I do not intend to denigrate those who are addressing valid public health issues in a responsible fashion. But a true professional does not publish until he knows the facts and acknowledges the significance of potential errors. Those who do not follow this path of credible scientific inquiry are acting irresponsibly. Not everyone who proclaims himself an expert, is an expert. Not everyone with the title of "doctor" merits public esteem. Not everyone who claims to be acting in the public interest, is actually doing so. We must guard against those who in the name of public interest pursue fame through exaggeration. It is easy to use statistics improperly to predict large problems or to emphasize risk, out of context. Those who do so cause great harm by preventing a balanced assessment of the risks, thereby distorting proper preventive and remedial actions.

Since the doctor's new testimony, the Boston Globe has been comparatively silent. To my knowledge, the publishers have made no move to return the award they received for their earlier investigative reporting. There has been no apology to the workers and families they scared. The publishers have sold newspapers and have now moved on to other issues. I doubt if this experience will have any impact on their future reporting.

When a newspaper teams up with a doctor and then rushes preliminary, unsubstantiated results into print, it develops a vested interest to show that its reports are correct. Thus, it discounts or does not report information which conflicts with its own stand. That is the apogee of irresponsibility.

Such irresponsibility is a failure of newspaper management—not of the reporter. Much of the blame for other problems in the media also lie with management, who set the standards, style, and tone, and create the pressure for instant sensational reporting.

NUCLEAR POWER

I have spent considerable time discussing how public understanding of the risks of radiation has been distorted in the name of protecting the environment. I have concentrated on radiation, although the problems I have mentioned are common to other environmental issues as well. The public perception of radiation has a direct bearing on the use of nuclear power in this country.

Nuclear power is not easy to deal with in this country because it has become a highly polarized issue. It involves individuals' concerns for themselves and their families, and it is a highly technical, sophisticated technology. Ultimately, the decision whether we should have nuclear power is a political one—in the true sense of the word—that is, one made by the people through their elected representatives. It is essential that the decision be made on the basis of fact, not rhetoric, nor conjecture, or hope; nor as a result of the widespread tendency to sensationalize or ignore the true limits and risks of the alternatives.

According to the estimates I have already stated, the actual radiation exposure to workers and to the public from today's use of nuclear power can be estimated to result in about eleven extra cancer deaths per year out of a total of 360,000. On this basis, to eliminate nuclear power here would then potentially save an estimated eleven lives per year, but reduce the energy available. This loss of energy itself, might well result in loss of life.

If the saving of eleven human lives were the sole objective, better results could be obtained from the following, than by eliminating nuclear power:

Reduce cigarette consumption for each smoker by one cigarette per year.

Reduce medical radiation exposure by one percent.

Move the population of the Denver region to coastal areas which have lower background radiation levels.

Eliminate stock car racing.

Reduce the overweight condition of those in this room by an average of three pounds.

Some analysts have reported there may be greater radiation exposure from operation of a coal-fired central power station than from a nuclear power station. Whether this assertion on radiation is or is not true, accidents in mining and transporting coal, and the effects on the public from sulphur and other pollutants, result in a demonstrably higher death rate from use of coal than from nuclear power.

Concern over a nuclear accident is often cited as a reason for prohibiting nuclear power. Obviously, a repeat of the Three Mile Island accident cannot be lightly accepted and corrective actions are called for to prevent recurrence. I have provided my views to Congress and to others responsible for assessing what might be done in the commercial nuclear power program. The record and risks of this source of energy should be put into perspective, as compared with other risks we face.

Here are some examples of accidents far worse than anything resulting from Three Mile Island, yet without comparable repercussions on public policies:

In 1947, a ship loading ammonium nitrate fertilizer exploded, killing 561 people and leveling much of Texas City, Texas.

Many fires, explosions and wrecks have occurred in which more people than this were killed.

Forty-eight earthquakes, floods, tidal waves, and storms have been recorded in each of which 10,000 or more people were killed.

The DC–10 airplane which recently crashed, killed several hundred people. No one is considering abolishing aviation—it is too important to our way of life.

I am not aware of anyone advocating relocating cities such as Los Angeles or San Francisco away from geological faults which might cause earthquakes or away from risk of flood or storm damage.

As another example, there are approximately one hundred million shipments of hazardous material annually in this country. Hundreds of people each year are killed or seriously injured by hazardous materials in accidents. More scrutiny is being given to the approximately two million radioactive shipments than to the others, yet not a single death or injury has occurred from radiation or radioactivity in the material being transported.

I am not an expert or particularly knowledgeable in the areas of environmental effects of other forms of power generation. However, I am aware that many knowledgeable people conclude that the total risk involved in the use of nuclear power is no greater than that of any alternate source which can meet our needs in the next few decades.

Today many are optimistic about the possibility of widespread use of solar and other so-called "natural sources of energy." However, in their enthusiasm they often disregard the limitations and environmental effects of these sources. Others advocate exploitation of shale oil deposits without mentioning the vast amounts of water and earth removal required.

Any large-scale generation of energy—whether nuclear or from other sources—involves major engineering difficulties and potential environmental impacts. It is incorrect to assume that technology and increased Government spending can overcome limits nature imposes.

I remember the optimistic projections made for nuclear power when it was first developed. It was predicted that electricity from nuclear power would be too cheap to meter. These perdictions sprang from hope, from ignorance of the engineering problems that would be encountered in using nuclear power.

In similar vein, many advocates exaggerate the benefits and ignore the problems of the energy sources they are promoting. The solution to our energy needs is not just over the hill at the end of the rainbow. Nature always demands its price; providing adequate amounts of energy will exact its proper price.

CONCLUSION

The technical problems involved in developing additional sources of energy are great, and will require our best talent.

I am not a proponent of nuclear power or of any other energy source. All alternatives have their own limitations; none are without risk.

In addition to the technical problems of generating the energy, environmental concerns must be factored into the equation. Whether these can be solved on a scale enabling us to sustain our present standard of living is not clear at this time.

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[2] The National Academy of Sciences 1979 Report of the Advisory Committee on the Biological Effects of Ionizing Radiation is in contention over the views of a majority of the committee members on *how much smaller* the true effects will be.

One thing is clear. These problems cannot be dealt with effectively—from a technical or political standpoint—if those responsible are not set free to work on the problems. We cannot make progress unless those truly interested in solving these problems act responsibly.

Too many so-called technical, medical, and scientific people have been abrogating their professional responsibility to present facts accurately and objectively and in a context which enables others to evaluate them.

Too many in the media are sensationalizing the news in an attempt to attract readers, generate controversy, and make a name for themselves.

Too many self-proclaimed public interest advocates are pushing single interest ideas in ways that make it increasingly difficult to place the issues in true perspective.

Too many, in exercising their so-called rights, are exploiting environmental issues to obtain grants from the Government; through study contracts, improper injury claims and other methods.

These conflicting pressures have left the public uncertain, distrustful, confused, and in need of help. I consider this audience can provide a signal service by answering this call for help. Environmental issues must be put into proper perspective. Balancing risks and benefits must become a standard approach to evaluating environmental matters. The significance of environmental data must be explained to the public, so it can reach its own conclusions.

The present crisis in confidence over energy requires this approach to environmental issues. The Chinese word for crisis combines two ideographs, wei chi (pronounced weight gee) literally, dangerous opportunity. A time of crisis is also a time of opportunity. We should take advantage of this opportunity to achieve a proper perspective in environmental matters.●

THE SAGA OF I-66

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ASHBROOK. Mr. Speaker, there has been much discussion over the pros and cons of the Davis-Bacon Act. There have been a number of votes already taken on the House floor, preceded by additional discussion on this issue. However, it takes a person outside of Washington who has had to live with this faulty law to put the problems of Davis-Bacon into perspective.

Just across the Potomac River from Washington a new highway is being constructed. The highway, I-66, has been subjected to a gauntlet of conflicting rulings as to how the Davis-Bacon regulations are to be met. The Honorable Marshall Coleman, Attorney General of Virginia, has been trying to sort out the maze of trivia relating to this highway. Just before recess he related the saga of I-66 to the Labor Standards Subcommittee of the House Education and Labor Committee. His testimony eloquently states the costs and the confusion resulting from this outdated law. I recommend that my colleagues review Mr. Coleman's remarks as a constructive addition to the Davis-Bacon debate:

TESTIMONY ON DAVIS-BACON ACT BY MARSHALL COLEMAN

The Virginia Department of Highways and Transportation is in the process of constructing Interstate 66 just outside of Washington, D.C. Because federal monies are being used in the construction, it is necessary that the "prevailing wage" under the Davis-Bacon Act be paid on all construction contracts. The construction, of course, is divided into a number of projects, two of which I propose to discuss here. On one of the projects the Department had agreed to build its highway in close cooperation with the Washington Area Metropolitan Transit Authority (WAMTA) and construction included a median strip which was ultimately to be used as a bed for rapid rail transit. The Secretary of Labor thus advised the Department that all rail work would have to be done at heavy construction rates while the adjoining highway lanes, involving nearly identical, and in fact less complex, construction could be done at the lower highway rates. The heavy construction rates increased the wage rates from 50% to 125% on individual crafts and classes of labor.

The Department objected to the issuance of split rates, noting that the median strip work required similar construction, similar working skills and that the same workmen would probably be employed on both the highway lanes and the median strip. It was further pointed out that the administration of the project with split rates would be impossible since one workman would hardly tolerate seeing his fellow worker, performing the same work on the same project, receive double his own wage. When the Wage and Hour Division refused to reverse its position, the Highway Department appealed to the Wage Appeals Board, which subsequently sustained the Department's position by finding that it was a highway project and not a rail project.

Shortly thereafter, the Department submitted suggested wage rates on another I-66 project where contemplated Metro rail tracks were to cross under the highway portion, thus requiring the building of a box tunnel structure to carry the tracks and support the highway. Once again, the Secretary of Labor split the project into "highway" and "heavy" rates, issuing "heavy" rates for the construction portion that will accommodate Metro on the theory that the work was being accomplished to accommodate a rail project. This portion of the project amounted to 17.8 percent of the entire project.

The issuance of these heavy rates greatly increased and in some instances doubled the wage rates of workers. Faced with a similar set of facts the Department again appealed.

It is noteworthy that the Wage Appeals Board agreed with the Department and Federal Highway Administration that the structure in question was "identical to or very similar to structures which are frequently built on highway projects."

As the Department of Labor well knows, it is impossible for a contractor to "split wages" on a project and maintain a harmonious work force. He cannot, that is, pay one group of workers at the highway rate and another group of workers, performing the identical tasks, a rate nearly, or in fact, double, that paid the first group of workers. For this reason the successful bidder on the project would inevitably have been forced to pay all project workers the higher, "heavy" rates. The Federal Highway Administration concurred with Virginia and argued this point in a formal statement to the Wage Appeals Board on the occasion of the Department's appeal in which it pointed out that the "application of dual wages rates . . . would be extremely difficult to administer and impractical to enforce" and concluded that since "the work covered by the heavy rates is identical to that covered by the lower highway rates, the successful contractor will, as a practical matter, be forced to pay all employees at the higher heavy rates." These higher heavy rates, once paid on a highway project, would then become "fair game" for survey by the Wage and Hour Division as the wage basis for federally-funded highway projects in the locality. Again, FHWA made this same point to the Board, claiming that allowing the determination to stand could then ". . . set a precedent for future Davis-Bacon wage determinations that would send highway rates spiralling and result in millions of dollars excessive cost to Federal and State governments—and ultimately the taxpayer."

The response of the Board to this argument came as something of a shock to those of us who had hitherto believed that the Davis-Bacon Act was designed to "prevent disturbance of the local economy." House Report No. 305, 88th Cong., 1st Sess. (1963). When the Commonwealth sought to place this argument in testimony before the Board, Chairman Ganna ruled it inadmissible stating, "[T]he fact that you may have to pay higher rates throughout the entire project is not a factor that should be considered in determining whether the rates that have been determined for the so-called heavy type of work are the correct rates." In effect, the Board Chairman claimed that the fact that wages for a mere 17.8 percent of the project would inevitably and artificially inflate wages for the remaining 82.2 percent of the project and thereafter inflate future highway rates in the locality was irrevelant to the purposes of the Act. It is as though the Board were saying that the dog may not wag his tail but his tail may wag the dog. To mitigate the inflationary effect of the heavy wage rates, the Commonwealth "split" the project and let bids for the "highway" portion of the work so that it could then challenge judicially the application of heavy rates to the so-called heavy or "rail" portion of the project.

At the hearing before the Wage Appeals Board, the Wage and Hour Division had claimed that the basis for the heavy rates was those wages paid on two water and sewage treatment plants and a tunnel, which projects were then said to be located in Fairfax County (though just before this hearing we were informed the tunnel was located outside that civil subdivision). Ironically, the Board itself had theretofore roundly criticized the survey of water and sewage treatment plant contracts as the basis for heavy rates on rail projects because of the marked dissimilarity of the two types of projects. *MARTA*, Case No. 75-5 (August 25, 1975), pp. 15 and 31. Here, however, it chose to make no comment.

Subsequent to the Wage Appeals Board hearing, the Commonwealth began its lengthy and nearly unprecedented judicial appeal. Only through a judicial challenge to the procedures employed by the Department of Labor was the Commonwealth able to ascertain the actual basis for the wage determination. She learned through judicial discovery procedures that the water and sewage treatment plants alleged to have been used as the wage survey basis were not the actual basis for the wage rates in question but rather sixteen collective bargaining agreements were used. So far as the record shows, these agreements were never the basis for any wages paid in Fairfax County, much less wages on rail projects. Further, these sixteen collective bargaining agreements did not even include all of the work classifications applicable to the project in question.

Significantly, at no point did the ESA inquire as to the actual wage rates then paid in Fairfax County for "rail" projects. It merely assumed, in line with its so-called "historical" practice that "heavy" rates were applicable. This was done even though the Board had itself previously said [in *MARTA*, Case No. 75-5 (August 25, 1975)], "It is not sufficient, in the face of a serious challenge for the administrative and legal offices within the Department of Labor to simply open the book of the Standard Industrial Classification Manual . . . to where it says 'heavy construction' includes bridges, tunnels, and elevated highway construction, subways, etc., and let it go at that." *Id.* at 14. Had the ESA at the time in question actually surveyed the industry practice in Fairfax County, the Commonwealth is confident that it would have found that rail projects in that locality, as elsewhere in Virginia, were then constructed at highway rates. The Board itself had previously demanded just such a procedure, stating that "[a]s a rule under mass production methods ESA has justification for producing the [sic] three schedules, building, heavy and highway in normal operations. But in the case of a challenge the test has always been an examination of the project characteristics, project by project, within the structure of the construction industry in the locality. In Davis-Bacon Act Administration, substance, not labels, must in the end be the test." Case No. 75-5, p. 24, fn. 6 (October 16, 1975).

Some may question why the Commonwealth, which supplied only 10 percent of the funds for the project in question, claims such a vital interest in this case and in the administration of the Act generally. To begin with, the Federal Aid Highway Act, 23 U.S.C. § 145, declares that the project in question is not a federal project but a "federally-assisted State program." Secondly, the State's contribution is far larger proportionately when one takes into account the political realities of a State's taxing capabilities. Lastly, the Commonwealth has the same legitimate concern that, coincidentally, served as motivation for the initial passage of the Davis-Bacon Act, namely, that her local economy not be disturbed, as it could have been here, by the insertion of artificially inflated wage rates.

The Committee is in a far better position than myself to determine whether the absurdities the Commonwealth encountered in this situation are typical of the manner in which the Act is administered. It is clear, however, that while many of the practices encountered here were theretofore roundly condemned in past decisions of the Wage Appeals Board, the entire Department of Labor, when challenged judicially on its practices, closed ranks, denied any error whatsoever and claimed throughout the trial stage its practices were not even subject to judicial review.

Our judicial challenge to the practices and procedures of the Secretary of Labor has not been without success. For the first time in the history of the Act a court, squarely faced with the issue of judicial reviewability, has ruled that limited judicial review is available to challenge constitutional, statutory and procedural requirements. *Commonwealth* v. *Marshall*, —— F 2d —— (4th Cir. 5/30/79) (No. 78-1885). Previously, courts, when addressing the issue of judicial review, had unanimously declared that judicial review was barred by *United States* v. *Binghamton*, 347 U.S. 171, 176-177 (1954). Furthermore, the Department of Labor argued unsuccessfully before the Fourth Circuit that the case was moot since all wage determinations are effective for only 120 days and because it claimed that the Department's actions in splitting off the highway portion from the rail portion of the project had altered the original controversy. Our decision, however, directly affects the availability of judicial review only within the five States served by the United States Court of Appeals for the Fourth Circuit. Moreover, I am informed that the Justice Department's Appellate Division has as yet made no decision as to whether it will appeal this decision to the Supreme Court.

I am extremely doubtful, however, that judicial review, even if available throughout the nation, could prove a panacea for the ills that beset the Davis-Bacon Act. The Wage Appeals Board itself has taken note of the fact that its own decisions are subject to being ignored by the Wage and Hour Division. See, *e.g.*, WAB Case No. 76-19 (November 19, 1976) pp. 3-4, where the Board noted that the mandate of an earlier decision requiring that a wage survey be limited where possible to the smallest civil subdivision was "with few exceptions not being followed anywhere [in the nation] but [in] the five county area around Atlanta." Courts, which are even further removed from the practical administration of the Act, are not likely to prove more effective.

The Virginia Department of Highways and Transportation has vast experience as a contracting agency dealing with the Wage and Hour Division. The Department informs me that, though only 22 percent of construction under way in the United States is covered by the Davis-Bacon Act, the Department of Labor has always shown a marked predeliction for surveying a grossly disproportionate number of projects which were themselves subject to the Davis-Bacon Act's wage provisions. The inevitable effect of this practice is to constantly reflect and require a higher wage than that which actually prevails in the locality. Since the case law establishes that "the substantive correctness of the wage determination is not subject to judicial review" (*Commonwealth* v. *Marshall, supra*), the review that is available will likely have little effect on the Department of Labor's inflationary predeliction for surveying a disproportionate number of Davis-Bacon Act covered projects.

Moreover, there are as many as 46,000 wage determinations issued by the Department of Labor each year. Expecting the Courts to effectively oversee such a vast enterprise is asking too much.

I have concluded that the best cure for the Davis-Bacon Act is its repeal. It was written for, and belongs to, a different era beset with different problems. It is ironic that the nation which guarantees a minimum wage to nearly every worker, has a strong and competitive union-oriented construction industry with a demonstrated capacity to compete with its non-union counterpart on an equal footing, and whose federal government has proceeded with alacrity and great success to de-regulate the complex, and inherently national, airline industry should still be attempting to set wages in the construction industry of every locality in the nation.

I know that this subcommittee is well aware that Congress' own watchdog agency, the General Accounting Office, endorses repeal of Davis-Bacon. Its estimate is that the cost of construction affected by Davis-Bacon is inflated by $715 million a year.

Repeal of this act is especially timely in view of the recession the United States is entering. It would be a small but significant signal that Congress is serious in its efforts to reduce inflation during the coming months.

The problems which Davis-Bacon was enacted to solve were eliminated decades ago. It is time that this Depression-era solution—which has itself become a serious economic problem—also be eliminated.●

A BILL TO REAUTHORIZE THE HIGHER EDUCATION ACT

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BUCHANAN. Mr. Speaker, I rise in strong support of the remarks made by the distinguished chairman of the Subcommittee on Postsecondary Education, Mr. FORD, on yesterday regarding the introduction of a bill to reauthorize the Higher Education Act of 1965, as amended. As ranking Republican on the subcommittee and a cosponsor of the bill, I can truly say that the bill results from a bipartisan effort, which will continue, I am sure, through the markup period. All Republicans on the subcommittee are cosponsors of the bill as the working draft for subcommittee action.

Chairman FORD's leadership during the reauthorization process was superb. I can honestly say that I have never been a participant in the reauthorization of major legislation where views were so widely solicited and considered. Over a year ago he requested all interested groups to submit their legislative recommendations by February 15, 1979. These recommendations provided an excellent basis for over 35 days of hearings the subcommittee has held on the Higher Education Act. I want to compliment Chairman FORD and his staff for having such foresight. I believe that the resulting legislation will be a much better product because of the manner in which it was prepared.

The bill introduced today is a consensus document which represents the thinking of many of the best minds in higher education both here in Congress and in the higher education community. There are still some issues to be resolved, but what is in today's bill is likely to remain basically intact.

The approach taken in the bill is a balanced one and serves the needs of the nonprofit and proprietary sectors and the public and independent sectors. Consensus was reached on several issues by requesting that the higher education community sit down and resolve the issues in disagreement prior to presenting the subcommittee with their final recommendations. For example, one of the most difficult issues dealt with during reauthorization was whether Congress ought to remove the current half-cost limitation on the amount of basic grant a student could receive.

Several weeks ago the subcommittee received a letter from the major higher education associations which would increase the percentage of a student's educational cost which could be covered by BEOG's as the maximum BEOG was increased. Yesterday, in a follow-up letter, these same associations suggested several other changes in the law which would insure that both the public and independent sectors would be treated fairly during this reauthorization. I am proud of these groups for working together and assure them that we will look with great interest to their recommendations.

It is my hope that this bill will move swiftly through subcommittee and full committee and that the House of Representatives will be given the opportunity to amend and vote on a newly reauthorized Higher Education Act before the Congress adjourns this year. In my judgment, the Members will find that this balanced piece of legislation is something that they all can support.●

EDUCATION AMENDMENTS OF 1980

(Mr. FORD of Michigan asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FORD of Michigan. Mr. Speaker, I have introduced the Education Amendments of 1980, legislation which will serve as the basis for reauthorization of the Higher Education Act. Joining me in cosponsoring this bill were all the members of the Subcommittee on Postsecondary Education.

The subcommittee, which I chair, has held 33 hearings in preparation for this reauthorization, and there is widespread interest in this proposal.

There is reason to believe that the demand for the text of this proposal will be great since it will impact on every student enrolled in postsecondary education, their parents and the institutions which they attend. Therefore, Mr. Speaker, I include in the RECORD following my remarks the text of this bill so that it can reach the widest possible audience in a short period of time:

H.R. 5192

A bill to amend and extend the Higher Education Act of 1965, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1980".

TITLE I—ESTABLISHMENT OF A NEW TITLE I OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENTS

SEC. 101. (a) Title I of the Higher Education Act of 1965 (hereinafter in this Act referred to as "the Act") is amended to read as follows:

"TITLE I—EDUCATION OUTREACH PROGRAMS

"APPROPRIATIONS AUTHORIZED

"SEC. 101. (a) For the purpose of assisting States in comprehensive statewide planning for postsecondary education opportunities and to encourage States to develop plans for the coordination of educational and occupational information services to traditional and nontraditional students, and to address the continuing education needs of all learners, there is authorized to be appropriated $100,000,000 for fiscal year 1981; $125,000,000 for fiscal year 1982; $150,000,000 for fiscal year 1983; $175,000,000 for fiscal year 1984; and $200,000,000 for fiscal year 1985.

"(b) Of the sums appropriated under this section, 85 per centum shall be designated to carry out part A, and 15 per centum to carry out part B.

"PART A—STATE PROGRAMS

"COMPREHENSIVE STATEMENT PLANNING

"SEC. 110. (a) From the sums appropriated under section 101 for this part, the Secretary shall make grants pursuant to section 115(a) to States with an agreement pursuant to section 1203 of this Act for the purpose of conducting comprehensive statewide planning for improving access within the State to postsecondary educational programs for traditional and nontraditional learners, coordinating educational and occupational information services to youth and adults throughout the State, and coordinating all continuing education programs to ensure effective and efficient use of all available resources.

"(b) a State with an agreement pursuant to section 1203 shall submit to the Secretary at the end of each fiscal year for which sums have been received, a list of those programs funded pursuant to section 111, a brief description of the programs' purposes and an analysis of the relationship between the funded activities and the comprehensive statewide planning for postsecondary education.

"STATE DISCRETIONARY GRANTS

"SEC. 111. (a) From the sums appropriated under section 101, the Secretary shall make grants pursuant to section 115(b) to States with agreements pursuant to section 1203 to fund programs, except that from such funds, not more than 6 per centum may be expended for special studies described in section 112, not less than 10 per centum shall be expended to provide for the programs described in section 113, and not less than 50 per centum shall be expended for programs described in section 114.

"(b) In order to carry out the provisions of this part, a State is authorized to make grants to public and private institutions and organizations, institutions of higher education, business, industry, and labor.

"STATEWIDE STUDIES

"SEC. 112. States may use the funds available for this section to conduct studies of student financial assistance needs and resources, information coordination, continuing education, and other topics consistent with the purposes of this title.

"INFORMATION SERVICES

"SEC. 113. (a) States shall use funds available for this section to conduct programs to develop and coordinate new and existing educational and occupational information programs to eliminate duplication and to provide a more comprehensive delivery of services to both traditional and nontraditional learners seeking educational information and to youth and adults seeking occupational information.

"(b) Such educational and occupational information programs should include those authorized by subpart 4 of part A and part B of title IV and section 485 of this Act; the Vocational Education Act; the Comprehensive Employment and Training Act; the Older Americans Act; the Vocational Rehabilitation Act; the Career Education Incentive Act; the Adult Education Act; the Veterans Readjustment Assistance Act; and other Federal, State, and local activities intended to provide outreach, guidance, counseling, and educational and occupational information to persons within the State.

"CONTINUING EDUCATION

"SEC. 114. (a) States shall use funds available under this section to develop, continue, or coordinate programs of continuing education to ensure effective use of available resources and to improve access for traditional and nontraditional learners to postsecondary education.

"(b) Such programs may address, but are not limited to, the following needs—

"(1) education programs which help persons develop their occupational potential and prepare for transitions between education and work;

"(2) elimination of barriers posed by previous education or training, age, sex, race, handicap, national origin, limited English proficiency, or economic circumstance which may place adults at a disadvantage in seeking educational opportunities;

"(3) educational programs suited to those persons whose educational needs have been inadequately served, especially the handicapped, older persons, migrant and seasonal farmworkers, persons who can attend only part time, and persons who otherwise would be unlikely to continue their education beyond high school;

"(4) assistance to communities to remove barriers to continuing education caused by rural isolation or other rural-related factors;

"(5) assistance to older persons through legal, vocational, health, and information services which use preretirement education as a means to adjust to retirement;

"(6) promote resource sharing for innovative uses of technology, including telecommunications, either on an interstate or intrastate basis, to overcome barriers to postsecondary education opportunities;

"(7) increased financial self-sufficiency of continuing education programs based on non-Federal sources of support;

"(8) collection and dissemination of information, including data banks, regarding sources of student financial assistance and information designed to assist persons to make choices among postsecondary institutions, programs, and other educational opportunities;

"(9) community education service activities consistent with the purpose of this section for adults in rural areas:

"(10) labor education, training, and technical assistance programs and the development of cooperative relationships between State and local level labor organizations and institutions and agencies which provide opportunities for continuing education; and

"(11) education programs to meet the special needs of adult women, particularly homemakers, through educational and career counseling services designed to assist their entry or reentry into postsecondary education and the labor force.

"ALLOTMENT OF FUNDS

"SEC. 115. (a)(1) From the sums appropriated pursuant to section 101 to carry out the purposes of this part the Secretary shall allot to each State for comprehensive planning pursuant to section 110, $60,000 or an amount which bears the same ratio to 15 per centum of such sums as the adult population of such State bears to the population of all States, whichever is greater.

"(2) From the remaining sums appropriated pursuant to section 101 to carry out the purposes of this part, the Secretary shall allot to each State an amount which bears the same ratio to such remaining sums as the adult population of such State bears to the population of all States.

"(3) If the sums appropriated for any fiscal year are not sufficient to make payments to each State, then the amount of each State's allotment shall be ratably reduced. If additional sums become available for any fiscal year for which allotments have been so reduced, then such allotments shall be increased on the same bases as they were reduced.

"(4) For the purposes of this subsection, 'adult population' means the population eighteen years old and older of a State and of all the States, which shall be determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(b) If in any fiscal year, a State does not have such an agreement pursuant to section 1203, the Secretary shall reallot the funds that would have been allotted to such State to all other States with such agreements. Such reallotments shall be made in proportion to their allotments pursuant to subsection (a).

"(c)(1) States shall expend in any fiscal year in which assistance is received under this section an amount from non-Federal sources for the purposes of section 110 not less than the amount so received in excess of $60,000.

"(2) States are authorized to use not more than 50 per centum of funds provided under section 115(a) for the purposes of carrying out programs under section 111.

"(d) Payments with respect to the allotment of funds under this section shall be made to the State agency designated pursuant to section 1203 and shall not exceed two-thirds of the cost of activities funded under this part. The non-Federal share may be in cash or in kind, but may not include payments received under any other Federal program.

"PART B—FEDERAL DISCRETIONARY GRANTS

"PURPOSES

"SEC. 121. (a) From the sums appropriated under section 101 for the purpose of carrying out this part, the Secretary is authorized to make grants to fund activities that—

"(1) promote greater coordination and more effective delivery of postsecondary education among States or at the regional level;

"(2) develop and evaluate innovative delivery systems to increase access to education for underserved adults;

"(3) expand the range of educational and community resources used to meet the needs of adults for continuing education;

"(4) promote the development of interstate educational delivery systems, cooperative arrangements, and programs (including telecommunications) which more effectively address regional needs for continuing education;

"(5) develop regional or national programs to coordinate educational and occupational information, including information on student financial assistance, to traditional and nontraditional learners and to youth and adults, including through creation and expansion of data banks for the more effective coordination and dissemination of such information;

"(6) assist States to effectively perform their function of authorizing institutions of higher education; and

"(7) improve national access and choice through student financial assistance to postsecondary education.

"(b) No grant or contract may be awarded under this section to any institution or consortia of institutions within the State unless the Secretary has provided the State agency designated pursuant to section 1203 an opportunity to comment on the relationship of the proposed grant or contract to the planning pursuant to section 110.

"ELIGIBLE GRANTEES

"SEC. 122. Grantees under this part may be States, institutions of higher education, organizations, or any combination thereof.".

(b) Subpart 5 of part A of title IV of the Act is repealed.

TITLE II—AMENDMENT AND EXTENSION OF THE HIGHER EDUCATION ACT OF 1965

SEC. 201. Title II of the Act is amended to read as follows:

"TITLE II—COLLEGE AND RESEARCH LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

"PURPOSE

"SEC. 201. (a) The Secretary shall carry out a program to assist—

"(1) institutions of higher education in the acquisition of library resources, including law library resources, and in the establishment and maintenance of networks for sharing library resources in accordance with part A;

"(2) in the training of persons in librarianship and encourage research and development relating to the improvement of libraries (including the promotion of economical and efficient information delivery, cooperative efforts, and developmental projects) in accordance with part B; and

"(3) the Nation's major research libraries to maintain and strengthen their collections, and in making their holdings available to other libraries whose users have need for research materials, in accordance with part C.

"(b)(1) For fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1985, there are authorized to be appropriated $60,000,000 for carrying out part A, $60,000,000 for carrying out part B, $20,000,000 for carrying out part C, and $15,000,000 for carrying out part D.

"(2) Notwithstanding paragraph (1), no funds are authorized to be appropriated for part D unless the appropriation for each of parts A, B, and C equals or exceeds the amount appropriated for such part for fiscal year 1979.

"(c) For the purposes of this title—

"(1) the term 'library resources' means books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials, including necessary binding; and

"(2) the term 'librarianship' means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and information resources.

"(d) No grant may be made under this title for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

"NOTIFICATION OF STATE AGENCY

"SEC. 22. Each institution of higher education which receives a grant under this title shall annually inform the State agency designated pursuant to section 1203 of its activities under this title.

"PART A—COLLEGE LIBRARY RESOURCES

"RESOURCE DEVELOPMENT GRANTS

"SEC. 211. (a) From the amount appropriated for this part, the Secretary shall make grants to institutions of higher education or combinations thereof (and to each branch of an institution which is located in a community different from that in which its parent institution is located), and to other public and private nonprofit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal, cooperative basis. The amount of a resource development grant under this section shall not exceed $10,000.

"(b) A grant under this part may be made only if the application provides—

"(1) information about the institution and its library resources as prescribed by the Secretary in regulations;

"(2) satisfactory assurance that the applicant will expand during the fiscal year for which the grant is sought, from funds other than funds received under this part for all library material expenditures (exclusive of construction), an amount not less than the average annual aggregate amount or the amount per full-time equivalent student it expended for such purposes during the two fiscal years preceding the fiscal year for which assistance is sought under this part;

"(3) for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(4) for making such reports as the Secretary may require and for keeping such records and for affording such access thereto as the Secretary deems necessary to assure the correctness and verification of such reports.

"(c) If the Secretary determines, in accordance with regulations, that there are very unusual circumstances which prevent the applicant from making the assurance required by subsection (a)(2), the requirement for such assurance may be waived. For purposes of this subsection, the term 'very unusual circumstances' means theft, vandalism, fire, flood, earthquake, or other occurrence which may temporarily reduce the level of expenditures for library materials and total library purposes, or where such an occurrence resulted in unusually high expenditures for library materials and total library purposes.

"(d) Grants under this part may be used only for books, periodicals, documents, magnetic tapes, phonographic records, audiovisual materials, and other related library materials (including necessary binding).

"PART B—LIBRARY TRAINING, RESEARCH, AND DEVELOPMENT

"GRANTS AUTHORIZED

"SEC. 221. From the amount appropriated for this part, the Secretary shall make grants in accordance with sections 222, 223, and 224. Of such amount, one-third shall be available for the purposes of section 222, one-third for the purposes of section 223, and one-third for the purposes of section 224.

"LIBRARY CAREER TRAINING

"SEC. 222. (a) The Secretary shall make grants to, and contracts with, institutions of higher education and library organizations or agencies to assist them in training persons in librarianship. Such grants or contracts may be used by such institutions, library organizations, or agencies (1) to assist in covering the cost of courses of training or study (including short term or regular session institutes), (2) for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents, not in excess of such maximum amounts as may be determined by the Secretary, and (3) for establishing, developing, or expanding programs of library and information science, including new techniques of information transfer and communication technology.

"(b) Not less than 50 per centum of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"RESEARCH AND DEMONSTRATIONS

"SEC. 223. The Secretary is authorized to make grants to, and contracts with, institutions of higher education and other public or private agencies, institutions, and organizations for research and demonstration projects related to the improvement of libraries, training in librarianship, information technology, and for the dissemination of information derived from such projects.

"SPECIAL PURPOSE GRANTS

"SEC. 224. (a) The Secretary is authorized to make special purpose grants to (1) institutions of higher education to meet national or regional needs in the library or information sciences, (2) combinations of institutions of higher education which demonstrate a need for special assistance in establishing and strengthening joint-use library facilities, resources, or equipment, and (3) other public and private nonprofit library institutions which provide library and information services to institutions of higher education on a formal, cooperative basis for the purpose of establishing, developing, or expanding programs or projects that improve their services.

"(b) A grant under this section may be made only if the application therefor (whether by an individual institution or a combination of institutions) is approved by the Secretary on the basis of criteria described in regulations and provides satisfactory assurance that (1) the applicant will expend during the fiscal year for which the grant is sought (from funds other than funds received under this title) for the same purpose as such grant an amount from such other sources equal to not less than one-third of such grant, and (2) each such applicant will expend during such fiscal year from such other sources for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two fiscal years preceding the fiscal year for which the grant is sought under this section.

"PART C—STRENGTHENING RESEARCH LIBRARY RESOURCES

"ELIGIBILITY FOR ASSISTANCE

"SEC. 231. (a) (1) From the amount appropriated for this part, the Secretary shall make grants to institutions with major resource libraries.

"(2) For the purposes of this part, the term 'major research library' means a public or private nonprofit institution, including the library resources of an institution of higher education, an independent research library, or a State or other public library, having library collections which are available to qualified users and which—

"(A) make a significant contribution to higher education and research;

"(B) are broadly based and are recognized as having national or international significance for scholarly research;

"(C) are of a unique nature, and contain material not widely available; and

"(D) are in substantial demand by researchers and scholars not connected with that institution.

"(b) No institution receiving a grant under this part for any fiscal year may receive a grant under section 211, 223, or 224 for that year.

"GEOGRAPHICAL DISTRIBUTION OF GRANTS

"SEC. 232. In making grants under this part, the Secretary shall endeavor to achieve broad and equitable geographical distributions throughout the Nation.

"PART D—NATIONAL PERIODICAL CENTER

"PURPOSE

"SEC. 241. From funds appropriated to carry out this part, there shall be established a National Periodical Center to serve as a national periodical resource by contributing to the preservation of periodical materials and by providing access to a comprehensive collection of periodical literature to public and private libraries throughout the United States.

"ESTABLISHMENT

"SEC. 242. There is established a nonprofit corporation, to be known as the National Periodical Center Corporation (hereinafter in this part referred to as the 'Corporation'), which shall not be considered an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this part, and to the extent consistent with this Act, to the laws of the jurisdiction where incorporated.

"FUNCTIONS OF THE CORPORATION

"SEC. 243. (a) The Corporation shall seek to establish a national system to provide reliable and timely document delivery from a comprehensive collection of periodical literature.

"(b) For the purposes of establishing the system described in subsection (a) the Corporation shall, in addition to the authority provided by section 247, have the authority—

"(1) to acquire current and retrospective periodicals, and to preserve and maintain a dedicated collection of such documents;

"(2) to provide information on periodicals to which the corporation can insure access, including those circulated from private sector sources, and cooperate in efforts to improve bibliographic and physical access to periodicals;

"(3) to make such periodicals available, on a cost reimbursable or other basis as determined by the Board, through libraries by loan or by photoreproduction or other means; and when required by the copy-right owner, reasonable and appropriate reimbursement shall be made to copyright owners for the copying of material under copyright;

"(4) to cooperate with and participate in international borrowing and leading activities as may be appropriate for such purposes;

"(5) to enter into cooperative agreements with the Library of Congress, the National Library of Medicine, the National Agricultural Library, other Federal agencies, State and local agencies and instrumentalities, and private libraries and other organizations for such purposes;

"(6) to establish regional offices of the Corporation to the extent necessary and appropriate; and

"(7) to coordinate the training of librarians and other users in the use of the Corporation's services.

"BOARD OF DIRECTORS

"SEC. 244. (a) The Corporation shall have a Board of Directors (hereinafter in this part referred to as the 'Board'), consisting of fifteen members, including fourteen members appointed by the President, by and with the advice and consent of the Senate, and the Executive Director of the Corporation.

"(b) The members of the Board appointed by the President shall be representative of the needs and interests of the Government, academic and research communities, libraries, publishers, the information community, authors, and the public. Except for the initial Board of Directors, the members shall be appointed after consultation with the Board.

"(c) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the laws of the jurisdiction in which it is incorporated.

"(d) The term of office for each member of the Board shall be six years except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire as designated at the time of their appointment, four at the end of two years, five at the end of four years, and five at the end of six years. No appointed member shall be eligible to serve for more than two consecutive terms of six years each. Notwithstanding the preceding provisions of this paragraph, a member whose term has expired may serve until his successor has taken office.

"(e) (1) The members of the Board shall not, by reason of membership, be deemed employees of the United States. Except as provided in paragraph (2), members shall, while engaged in activities of the Board, be entitled to receive compensation at the rate equal to the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day and, while away from their homes or regular place of business, may be allowed travel expenses.

"(2) Members of the Corporation who are full-time officers and employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Corporation.

"(f) Eight members of the Board shall constitute a quorum.

"(g) The Board shall elect annually one of its members to serve as the Chairman.

"(h) The Board shall meet annually or at the call of the Chairman or a majority of its members.

"DIRECTOR AND STAFF OF CORPORATION

"SEC. 245. (a) The Corporation shall have a Director, and such other officers as may be named and appointed by the Board for the terms and at rates of compensation fixed by the Board. The Director shall have authority with respect to the management of the operations of the Corporation, subject to such rules as may be prescribed by the Board.

"(b) Subject to such rules as may be prescribed by the Board, the Director may appoint and fix the pay of such personnel and may procure temporary and intermittent services.

"NONPROFIT NATURE OF CORPORATION

"SEC. 246. (a) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(b) No part of the incomes or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

"(c) The Corporation shall be exempt from taxation now or hereafter imposed by the United States, or any territory, or possession thereof, or by any State, county, municipality, or local taxing authority.

"AUTHORITY OF CORPORATION

"SEC. 247. (a) The Corporation shall have power—

"(1) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;

"(2) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(3) to lease, purchase, or otherwise acquire, own, hold, improve, use or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherein situated;

"(4) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets; and

"(5) to enter into contracts to execute instruments, to incur liabilities, and do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(b) To carry out its functions and to engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the jurisdiction in which the Corporation is incorporated.

"(c) The Corporation may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States. The Administrator of General Services shall provide to the Corporation on a reimbursable basis such administrative support services as the Corporation may request.

"(d) The Corporation is authorized to accept, hold, administer, and use gifts, bequests, and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Corporation. For the purpose of Federal income, estate, and gift taxes, property accepted under this subsection shall be gift, bequest, or devise to the United States.

"REPORT

"SEC. 248. The Corporation shall transmit to the President and each House of the Congress a report not later than March 1 of each year. The report shall contain a detailed statement of the Corporation's operations, activities, financial condition, and accomplishments for the preceding calendar year and may include such recommendations as the Corporation deems appropriate.

"COPYRIGHT ACT

"SEC. 249. Nothing in this Act shall be considered to amend, affect, or define the provisions of title 17, United States Code, relating to copyrights.".

TITLE III—AMENDMENT TO TITLE III OF THE HIGHER EDUCATION ACT OF 1965

STRENGHTENING DEVELOPING INSTITUTIONS PROGRAM

SEC. 301. Title III of the Higher Education Act of 1965 is amended to read as follows:

"TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

"PROGRAM AUTHORIZATION

"SEC. 301. (a) The Secretary shall carry out a program, in accordance with this title, to improve the academic quality, institutional management, and fiscal stability of developing institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

"(b) For purposes of this title, the term 'developing institution' means an institution of higher education—

"(1) the enrollment of which includes a substantial percentage of students from low-income families, and

"(2) the average expenditures of which are low, per full-time equivalent student, in comparison with the average expenditures of institutions that offer similar instruction.

"(c) For purposes of this title, the number of full-time equivalent students of an institution is the sum of the number of students enrolled full time, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by twelve), in such institution.

"APPROPRIATIONS AUTHORIZED

"SEC. 302. (a) For the purpose of carrying out this title there are authorized to be appropriated $140,000,000 for fiscal year 1981; $160,000,000 for fiscal year 1982; $180,000,000 for fiscal year 1983; and $200,000,000 for each of the fiscal years 1984 and 1985.

"(b) Of the sums appropriated under subsection (a) for any fiscal year, the Secretary shall make available to use for the purposes of this title—

"(1) not less than 24 per centum to developing institutions that are junior or community colleges, as defined by section 303 (b), and

"(2) the remainder to developing institutions that plan to award a bachelor's degree during that year.

"(c) Of the sums appropriated under subsection (a) for any fiscal year, the Secretary shall make available not less than 25 per centum for grants under section 304(b)(1)(B).

"ELIGIBILITY FOR ASSISTANCE

"SEC. 303. (a)(1) A developing institution is eligible to apply for a grant from sums appropriated therefor under section 302(a)(1) if it—

"(A) is legally authorized to provide and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college as defined by subsection (b);

"(B) except as provided in paragraph (2), has met the requirement of subparagraph (A) during the five academic years preceding the academic year for which it seeks assistance under this title; and

"(C) meets such other requirements as the Secretary may prescribe.

"(2) The Secretary may waive the requirements set forth in paragraph (1)(B) in the case of an institution—

"(A) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians; or

"(B) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Spanish-speaking people.

"(b) For the purposes of this title, the term 'junior or community college' means an institution of higher education—

"(1) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(2) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(3) that—

"(A) provides an educational program of not less than two years that is acceptable for full credit toward such a degree, or

"(B) offers a two-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"PURPOSE AND DURATION OF GRANT

"SEC. 304. (a) From the sums appropriated under section 302(a)(1), the Secretary may award grants to any developing institution with an application approved under section 305 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution. Special consideration shall be given to applications which propose to engage in the following activities pursuant to the institution's plan:

"(1) faculty development;

"(2) funds management;

"(3) development and improvement of academic programs;

"(4) acquisition of equipment for use in strengthening funds management and academic programs; and

"(5) joint use of facilities such as libraries and laboratories.

"(b)(1) The Secretary may award a grant to a developing institution under this section for—

"(A) not to exceed three years, or

"(B) not less than four nor more than seven years, subject for each fiscal year to the availability of appropriations therefor. The Secretary shall not accept the application of a developing institution for a grant under both subparagraphs (A) and (B) for a fiscal year.

"(2) The Secretary shall not award a grant under this title to a developing institution that has, for any prior fiscal year, received a grant under paragraph (1)(B).

"APPLICATIONS FOR ASSISTANCE

"SEC. 305. (a) An institution desiring assistance under this title shall apply to the Secretary at such time, in such form, and shall provide such information, as may be necessary to enable the Secretary to evaluate its need for assistance and to determine its eligibility as a developing institution for the purposes of this title. Subject to the availability of appropriations under this title, the Secretary may approve an application under this subsection that meets the requirements of subsection (b) and shows that the applicant is a developing institution which is eligible, under section 303, to apply for a grant.

"(b) A developing institution, in its application for a grant, shall—

"(1) set forth, or describe how it will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

"(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 304(a), and in no case supplant those funds;

"(3) set forth policies and procedures for evaluating the effectiveness in accomplishing their purpose of the activities for which a grant is sought under this title;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available under this title to the applicant;

"(5) provide for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this title (including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded), and for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;

"(6) provide that the institution will comply with the limitations set forth in section 306; and

"(7) include such other information as the Secretary may prescribe.

"LIMITATIONS

"SEC. 306. The funds appropriated under section 302 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

"(4) for purposes other than those set forth in the approved application under section 305.".

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE

SEC. 401. Section 401(a) of the Act is amended—

(1) by inserting "(as defined in section 488)" immediately after "qualified students"; and

(2) by striking out "of exceptional need who, for lack of such a grant, would be unable to obtain the benefits of a postsecondary education;" in paragraph (2) and inserting in lieu thereof "who demonstrate financial need;".

BASIC EDUCATIONAL OPPORTUNITY GRANTS

SEC. 402. (a) Section 411(a) of the Act is amended to read as follows:

"SEC. 411. (a)(1) The Commissioner shall, during the period beginning July 1, 1972, and ending September 30, 1986, pay to each eligible student (as defined in section 488) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

"(2) (A) (i) The amount of the basic grant for a student eligible under this subpart shall be—

"(I) $1,800 for academic year 1980–1981,

"(II) $2,160 for academic years 1981–1982 and 1982–1983,

"(III) $2,400 for academic years 1983–1984 and 1984–1985, and

"(IV) $2,700 for academic year 1985–1986,

less an amount equal to the amount determined under section 487 to be the expected family contribution with respect to that student for that year, subject to the limitations established in subparagraph (B) (i)

"(ii) In any case where a student attends an institution of higher education on less than a full-time basis during any academic year, the amount of the basic grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis in accordance with a schedule of reductions established by the Commissioner for the purposes of this division. Such schedule of reductions shall be established by regulation and published in the Federal Register not later than February 1 of each year

"(B) (i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed—

"(I) 50 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is less than $2,160;

"(II) 60 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is at least $2,160 but is less than $2,400; and

"(III) 67 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is at least $2,400 but is less than $2,700; and

"(IV) 75 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is $2,700.

"(ii) No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the cost of attendance at the institution at which the student is in attendance. If with respect to any student, it is determined that the amount of a basic grant plus the amount of the expected family contribution for that student exceeds the cost of attendance for that year, the amount of the basic grant shall be reduced until the combination of expected family contribution and the amount of the basic grant does not exceed the cost of attendance at such institution

"(iii) No basic grant shall be awarded to a student under this subpart if the amount of grant for that student as determined under this paragraph for any academic year is less than $200. Pursuant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a basic grant of less than $200 upon a determination that the amount of the basic grant for that student is less than $200 because of the requirement of division (i) and that, due to exceptional circumstances, this reduced grant should be made in order to enable the student to benefit from postsecondary education.

"(3) (A) Payments under this section shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such matter as will best accomplish the purposes of this section.

"(B) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to any entitlement that exceeds $1,600 shall be the full amount of that entitlement. The amount paid with respect to any other entitlements shall be a percentage of that entitlement, as determined in accordance with a schedule of reductions established by the Secretary. Any schedule established by the Secretary shall contain a single reduction formula in which the percentage reduction increases uniformly as the entitlement decreases, and shall provide that no payment of less than $50 shall be made on account of any entitlement.

"(4) (A) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 per centum or less, then all of such excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

"(B) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by more than 15 per centum, then all of such funds shall remain available for making such payments but payments may be made under this division only with respect to entitlements for that fiscal year.

"(C) Any institution of higher education which enters into an agreement with the Secretary to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, a contractor maintaining a system of records to accomplish a function of the Secretary.

"(5) (A) The period during which a student may receive basic grants shall be the period required for the completion of the first undergraduate course of study being pursued by that student at the institution at which he is in attendance, except that such period may not exceed the equivalent of five academic years as a full-time student, unless the student is or will be unable to complete a course of study within five academic years because of a requirement of the institution that the student enroll in a noncredit remedial course of study, in which case such period may be extended for not more than one additional academic year.

"(B) For purposes of subparagraph (A), a 'noncredit remedial course of study' is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.".

(b) Section 411(b) of the Act is amended—

(1) by striking out paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(2) by striking out subparagraph (B) of paragraph (3) (as so redesignated) and by striking out "(A)" in such paragraph;

(3) by striking out "any fiscal year ending September 30, 1980, if for such fiscal year—" in paragraph (4) (as so redesignated) and inserting in lieu thereof "any fiscal year ending prior to October 1, 1985, in which—"; and

(4) by striking out "$500,000,000" in paragraph (4) (B) (as so redesignated) and inserting in lieu thereof "$550,000,000".

(c) Section 411 of the Act is further amended by striking out subsections (d) and (e).

SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANTS

SEC. 403. (a) (1) Section 413A(a) of the Act is amended to read as follows:

"SEC. 413A. (a) It is the purpose of this subpart to provide, through eligible institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who demonstrate financial need in accordance with the provisions of section 487.".

(2) Section 413A(b) of the Act is amended to read as follows:

"(b) (1) For the purpose of enabling the Secretary to make payments to eligible institutions of higher education which have made agreements with the Secretary in accordance with section 482, for use by such institutions for payments to undergraduate students of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $500,000,000 for each of the fiscal years 1981 and 1982, $600,000,000 for fiscal year 1983, $700,000,000 for fiscal year 1984, and $800,000,000, for fiscal year 1985.

"(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.".

(b) (1) Section 413B(a) (2) (A) of the Act is amended to read as follows:

"(2) (A) The amount of the payment to any student pursuant to paragraph (1) shall be equal to the amount determined by the institution, in accordance with the provisions of section 487, to be needed by that student to enable him to pursue a course of study at the institution, except that such amount shall not exceed $2,000.".

(2) Section 413B(a) (2) (B) of the Act is amended by adding at the end thereof the following new sentence: "For a student enrolled for less than a full academic year, the minimum payment required may be reduced proportionately.".

(3) Section 413B(a) (2) of the Act is further amended by striking out subparagraph (C).

(4) Section 413B(b) of the Act is amended to read as follows:

"(b) (1) The period during which a student may receive supplemental grants shall be the period required for the completion of the first undergraduate course of study being pursued by that student at the institution at which he is in attendance, except that such period may not exceed the equivalent of five academic years as a full-time student, unless the student is or will be unable to complete a course of study within five academic years because of a requirement of the institution that the student enroll in a noncredit remedial course of study, in which case such period may be extended for not more than one additional academic year.

"(2) A supplemental grant awarded under this subpart shall entitle the student to whom it is awarded to payments pursuant to such grant only if the student meets the requirements of section 488.".

(c) Section 413C of the Act is amended to read as follows:

"SELECTION OF RECIPIENTS; AGREEMENTS WITH INSTITUTIONS

"SEC. 413C. (a) An individual shall be eligible for the award of a supplemental grant under this subpart by an institution of higher education which, in accordance with section 482, has an agreement with the Secretary applicable to this subpart, if the individual makes application at a time and in a manner consistent with the requirements of the Secretary and that institution.

"(b) From among those who are eligible for supplemental grants for each fiscal year, the institution shall, in accordance with the agreement under section 482, and within the amount allocated to the institution for that purpose for that year under section 413D(b), select individuals who are to be awarded such grants and determine, in accordance with section 413B, the amounts to be paid to them. An institution shall not award a supplemental grant to an individual unless it determines that he—

"(1) has been accepted for enrollment, or is enrolled, as an undergraduate student at such institution;

"(2) meets the requirements of section 488; and

"(3) demonstrates financial need in accordance with the provisions of section 487.".

(d) Section 413D of the Act is amended to read as follows:

"APPORTIONMENT AND ALLOCATION OF FUNDS

"SEC. 413D. (a) (1) From 90 per centum of the sums appropriated pursuant to section 413A(b) for any fiscal year, the Secretary shall apportion to each State an amount which bears the same ratio to such sums as the number of undergraduates enrolled full-time and the full-time equivalent of the number of undergraduates enrolled part time in institutions of higher education in such State bears to the total number of such undergraduates in all States. The remainder of the sums so appropriated shall be apportioned among the States by the Secretary in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this subpart, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under the first sentence of section 401(b) of this Act for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Secretary shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such first sentence. Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of it, its apportionment from the same apportionment under the first sentence of this paragraph.

"(2) If the Secretary determines that the sums apportioned to any State under paragraph (1) for any fiscal year exceed the aggregate of the amounts that he determines to be required under subsection (b) for that fiscal year for institutions of higher education in that State, the Secretary shall reapportion such excess, from time to time, on such date or dates as he shall fix, to other States in such manner as the Secretary determines will best assist in achieving purposes of this subpart.

"(b) (1) The Secretary shall, from time to time, set dates before which institutions in any State must file applications for allocation, to such institutions, of supplemental grant funds from the apportionment to that State (including any reapportionment thereto) for any fiscal year pursuant to subsection (a) (2).

"(2) (A) From the sums apportioned (or reapportioned) to any State, the Secretary shall allocate amounts to eligible institutions which have submitted applications pursuant to paragraph (1).

"(B) Allocations under subparagraph (A) by the Secretary to such institutions shall be made in accordance with equitable criteria established by the Secretary by regulation. Such criteria shall be designed to achieve such distribution of supplemental grant funds among such institutions within a State as will most effectively carry out the purposes of this subpart.

"(3) Payments shall be made from allocations under this subsection as needed.".

GRANTS TO STATES FOR STATE STUDENT INCENTIVES

SEC. 404. (a) Section 415A of the Act is amended to read as follows:

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 415A. (a) It is the purpose of this subpart to make incentive grants available to the States to assist them in providing grants to eligible students attending institutions of higher education.

"(b) (1) There are hereby authorized to be appropriated $100,000,000 for each of the fiscal years 1981 and 1982, $150,000,000 for fiscal year 1983, $200,000,000 for fiscal year 1984, and $250,000,000 for fiscal year 1985, for payments to the States for grants to eligible students under this subpart.

"(2) Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.".

(b) Section 415B of the Act is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Whenever the sum appropriated pursuant to this subpart for any fiscal year exceeds $77,000,000 the Commissioner shall allot, from 60 per centum of such excess sums, to each State to which the provisions of section 415C(b) (5) (B) apply, an amount which bears the same ratio to such sum as the number of students in attendance at institutions of higher education in such State bears to the total number of students in attendance in all States. The remaining excess funds shall be allotted to all other States.".

(c) Section 415C of the Act is amended—

(1) in subsection (a), by striking out "shall submit" and inserting in lieu thereof "shall have a State agreement pursuant to section 1203 and shall submit";

(2) in subsection (b) (1), by inserting "designated under section 1203" immediately after "agency";

(3) in subsection (b) (2), by striking out "$1,500" and inserting in lieu thereof "$2,000", and by striking out "as an undergraduate";

(4) in subsection (b) (4), by inserting immediately before the semicolon at the end thereof the following: "or in any State in which participation of nonprofit institutions of higher education is in violation of a statute of the State which was enacted prior to October 1, 1978";

(5) in subsection (b), by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) provides that—

"(A) in any fiscal year for which the total appropriation for this program does not exceed $77,000,000, the payment of the non-Federal portion of such grants from funds supplied by such State shall represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart, whichever such amount expended is greater;

"(B) in any fiscal year in which the total appropriation for this program exceeds $77,000,000, the amount of funds expended by each State for the non-Federal portion of awards made from allotments based on funds appropriated in excess of $77,000,000 shall represent an additional expenditure for that year by such State over the amounts, if any, expended by such State for student grants during the second fiscal year preceding that year, whichever such amount expended is greater, except that this subsection shall not apply to any State which expends in the preceding fiscal year amounts greater than 25 per centum of the amount of grants received in such year by students in such State pursuant to section 411;"; and

(6) in subsection (b), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by inserting after such paragraph the following new paragraph:

"(7) provides for State expenditures under such program of an amount not less than the average annual aggregate expenditures for the preceding three fiscal years or the average annual expenditure per full-time equivalent student for such years.".

(d) Section 415E of the Act is repealed.

SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

SEC. 405. Subpart 4 of part A of title IV of the Act is amended to read as follows:

"Subpart 4—Special Programs for Students From Disadvantaged Backgrounds

APPROPRIATIONS

"SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program of making grants and contracts designed to identify qualified students from the disadvantaged backgrounds, to prepare them for a program of postsecondary education, to provide special services for such students who are pursuing programs of postsecondary education, and to train persons serving or preparing for service in programs and projects so designed.

"(b) For the purposes described in subsection (a), the Commissioner is authorized, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants to, and contracts with, institutions of higher education, private agencies and organizations, and, in exceptional circumstances secondary schools for planning, developing, or carrying out one or more of the services assisted under this subpart.

"(c) For the purpose of making grants and contracts under this subpart there are authorized to be appropriated $400,000,000 for fiscal year 1981 and such sums as may be necessary for each of succeeding fiscal years ending prior to October 1, 1985.

"(d) For the purposes of this subpart—

"(1) the term 'first generation college student' means a person neither of whose parents completed a baccalaureate degree; and

"(2) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percentum of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of Census.

"(e) No individual who is an eligible veteran, as that term is defined by section 1652(a) of title 38, United States Code, shall be deemed ineligible to participate in any program under this part by reason of such individual's age.

"TALENT SEARCH

"SEC. 417B. (a) The Commissioner shall carry out a program to be known as 'Talent Search' which shall be designed—

"(1) to identify qualified youths with potential for education at the postsecondary level and to encourage such youth to complete secondary school and to undertake a program of postsecondary education;

"(2) to publicize the availability of student financial assistance available to persons who pursue a program of postsecondary education; and

"(3) to encourage persons who have not completed programs of education at the secondary or postsecondary level, but who have the ability to complete such programs, to reenter such programs.

"(b) A Talent Search project assisted under this subpart may include, in addition to the services described in paragraphs (1), (2), and (3) of subsection (a), tutorial services for youths being encouraged to undertake or reenter programs of postsecondary education if such tutorial services are not otherwise available to such youths through a project assisted under this subpart.

"(c) In approving applications for Talent Search projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the youth participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school;

"(3) require that such participants be persons who either have completed six years of elementary education or are at least twelve years of age but not more than twenty-seven years of age, unless the imposition of any such limitation with respect to any person would defeat the purposes of this section or the purposes of section 417E; and

"(4) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 417E.

"(d) In approving applications for Talent Search projects under this subpart for any fiscal year, the Commissioner shall require assurances that the project will be located in a setting accessible to the youths proposed to be served by the project.

"UPWARD BOUND

"SEC. 417C. (a) The Commissioner shall carry out a program to be known as 'Upward Bound' which shall be designed to generate skills and motivation necessary for success in education beyond high school.

"(b) Any Upward Bound project assisted under the subpart may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

"(2) personal counseling;

"(3) academic advice and assistance in high school course selection;

"(4) tutorial services;

"(5) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth;

"(6) activities designed to acquaint youths participating in the project with the range of career options available to them;

"(7) instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented; and

"(8) on-campus residential programs.

"(c) In approving applications for Upward Bound projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the youths participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining youths participating in the project proposed to be carried out under any application be either low-income individuals or be first generation college students;

"(3) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school; and

"(4) requires that such participants be persons who have completed eight years of elementary education and are at least thirteen years of age but not more than nineteen years of age, unless the imposition of any such limitation would defeat the purposes of this section.

"(d) Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of $60 per month during June, July, and August, and not in excess of $40 per month during the remaining period of the year.

"SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

"SEC. 417D. (a) The Commissioner shall carry out a program to be known as 'Special Services for Disadvantaged Students' (hereinafter referred to as 'Special Services') which shall be designed to provide supportive services to persons participating in the projects.

"(b) A Special Services project assisted under this subpart may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

"(2) personal counseling;

"(3) academic advice and assistance in course selection;

"(4) tutorials;

"(5) exposure to cultural events and academic programs not usually available to disadvantaged students;

"(6) activities designed to acquaint students participating in the project with the range of career options available to them; and

"(7) activities designed to assist students participating in the project in securing admission and financial assistance for enrollment in graduate and professional programs.

"(c) In approving applications for Special Services projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application—

"(A) be physically handicapped, or

"(B) be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining students participating in the project proposed to be carried out under any application either be low-income individuals, first generation college students, or physically handicapped;

"(3) require that there be a determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school; and

"(4) require that such participants be enrolled or accepted for enrollment at the institution which is the recipient of the grant or contract.

"(d) In approving applications for Special Services projects under this subpart for any fiscal year, the Commissioner shall require an assurance from the institution which is the recipient of the grant or contract that each student enrolled in the project will receive sufficient financial assistance to meet that student's full financial need.

"EDUCATIONAL OPPORTUNITY CENTERS

"SEC. 417E. (a) The Commissioner shall carry out a program of paying up to 75 per centum of the cost of establishing and operating programs to be known as 'Educational Opportunity Centers' which shall be designed—

"(1) to provide information with respect to financial and academic assistance available for individuals desiring to pursue a program of postsecondary education; and

"(2) to provide assistance to such persons in applying for admission to institutions at which a program of postsecondary education is offered, including preparing necessary applications for use by admissions and financial aid officers.

"(b) An Educational Opportunity Center assisted under this subpart may provide, in addition to the services described in clauses (1) and (2) of subsection (a), tutorial and counseling services for persons participating in the project if such tutorial and counseling services are not otherwise available through a project assisted under this subpart.

"(c) In approving applications for Educational Opportunity Centers under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to pursue a program of education beyond high school;

"(3) require that such participants be persons who are at least nineteen years of age, unless the imposition of such limitation with respect to any person would defeat the purposes of this section or the purposes of section 417B.

"(4) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 417B.

"STAFF DEVELOPMENT ACTIVITIES

"SEC. 417F. For the purpose of improving the operation of the programs and projects authorized by this subpart, the Commissioner is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel employed in, or preparing for employment in, such programs and projects. Such training shall include conferences, internships, seminars, and workshops designed to improve the operation of such programs and projects and shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Grants for the purposes of this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.".

VETERANS' COST-OF-INSTRUCTION PAYMENTS

SEC. 407. Section 420 of the Act is amended to read as follows:

"VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 420. (a) (1) During the period beginning July 1, 1972, and ending September 30, 1985, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

"(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 and title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

"(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

"(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year and if such number does not constitute a per centum of such undergraduate students which is less than such per centum for the preceding academic year; and

"(B) the number of such persons is at least twenty-five.

"(2) During the period specified in paragraph (1), each institution which has qualified for a payment under this section for any year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under and in accordance with this section, if the number of persons referred to in such paragraph (1) equals at least the number of such persons who were in attendance at such institution during the preceding academic year or equals at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year, whichever is less. Each institution which is entitled to a payment for any fiscal year by reason of the preceding sentence shall be deemed, for the purposes of any such year succeeding the year for which it is so entitled, to have been entitled to a payment under paragraph (1) during the preceding fiscal year.

"(3) With respect to any academic year ending on or before September 30, 1986, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding the provisions of paragraph (1)(A), to a payment under this section if—

"(A) the number of persons referred to in paragraph (1) equals at least the number which bears the same ratio to the number of such recipients who were in attendance at such institution during the first academic year in which the institution was entitled to payments under this section as the number of such recipients in all institutions of higher education during the academic year for which the determination is made bears to the number of such recipients in all insitutions of higher education for the first such academic year; or

"(B) in the event that subparagraph (A) of this paragraph is not satisfied, the Secretary determines, on the basis of evidence presented by such institution, that such institution is making reasonable efforts, taking into consideration the extent to which the number of persons referred to in such paragraph (1) falls short of meeting the ratio criterion set forth in such subparagraph (A), to continue to recruit, enroll, and provide necessary services to veterans.

"(b)(1) The amount of the payment to which any institution shall be entitled under this section for any fiscal year shall be—

"(A) $300 for each person who is a veteran receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or a veteran receiving educational assistance under chapter 34 of title 38, and who is in attendance at such institutions as an undergraduate student during such year; and

"(B) in addition, $150 for each person who is in attendance at such institution as an undergraduate student during such year and who has been the recipient of educational assistance under subchapter V or subchapter VI of chapter 34 of such title 38, or who is disabled or incarcerated, as determined in accordance with regulations promulgated by the Secretary after consultation with the Administrator of Veterans' Affairs.

"(2) In any case where a person on behalf of whom a payment is made under this section attends an institution on less than a full-time basis, the amount of the payment on behalf of that person shall be reduced in proportion to the degree to which that person is not attending on a full-time basis. In no case shall a payment be made on behalf of a person who attends an institution on less than a half-time basis.

"(c)(1) An institution of higher education shall be eligible to receive the payment to which it is entitled under this section only if it makes application therefor to the Secretary. An application under this section shall be submitted at such time or times, in such manner, in such form and containing such information as the Secretary determines necessary to carry out his functions under this title, and shall—

"(A) set forth such policies, assurances, and procedures as will insure that—

"(i) the funds received by the institution under this section and available to it after the requirements of subsection (e) have been met will be used solely to defray instructional expenses in academically related programs of the applicant;

"(ii) the funds received by the institution under this section will not be used for a school or department or divinity or for any religious worship or sectarian activity;

"(iii) the applicant will expend, during the academic year for which a payment is sought, for all academically related programs of the institution, an amount equal to at least the average amount so expended during the three years preceding the year for which the grant is sought; and

"(iv) the applicant will submit to the Secretary such reports as the Secretary may require by regulation;

"(B) contain such other statement of policies, assurances, and procedures as the Secretary may require by regulation in order to protect the financial interests of the United States; and

"(C) set forth such plans, policies, assurances, and procedures as will insure that the applicant will make an adequate effort—

"(i) to maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provisions of educational, vocational, and personal counseling for veterans,

"(ii) to carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education (I) under subchapter V of chapter 34 of title 38, United States Code, and (II) in the case of any institution located near a military installation, under subchapter VI of such chapter 34,

"(iii) to carry out active outreach (with special emphasis on handicapped, incarcerated, and educationally disadvantaged veterans), recruiting, and counseling activities through the use of funds available under federally assisted work-study programs (with special emphasis on the veteran-student services progam under section 1685 of such title 38), and

"(iv) to carry out an active tutorial assistance program (including dissemination of information regarding such program) in order to make maximum use of the benefits available under section 1692 of such title 38, except that an institution which the Secretary determines, in accordance with regulations jointly prescribed by the Secretary and the Administrator of Veterans' Affairs (hereinafter referred to as the 'Administrator'), cannot feasibly itself carry out any or all of the programs set forth in divisions (i) through (iv) of this subparagraph, may carry out such program or programs through a consortium agreement with one or more other institutions of higher education and shall be required to carry out such programs only to the extent that the Secretary determines, in accordance with regulations jointly prescribed by the Secretary and the Administrator, is appropriate in terms of the number of veterans in attendance at such institution.

The adequacy of efforts to meet the requirements of subparagraph (C) of this paragraph shall be determined by the Secretary, based upon the recommendation of the Administrator, in accordance with criteria established in regulations jointly prescribed by the Secretary and the Administrator.

"(2) The Secretary shall not approve an application under this subsection unless he determines that the applicant will implement the requirements of paragraph (1)(C) within the first academic year during which it receives a payment under this section.

"(d)(1) The Secretary shall pay to each institution of higher education which has had an application approved under subsection (c) the amount to which it is entitled under this section.

"(2) The maximum amount of payments to any institution of higher education, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year, shall be $100,000. In making payments under this section for any fiscal year, the Secretary shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payment set forth in the preceding sentence, in such manner as will result in the receipt by each institution which is eligible for a payment under this section of first $9,000 (or the amount of its entitlement for that fiscal year, whichever is less) and then additional amounts up to the limitation set forth in the preceding sentence.

"(e) Not less than 90 per centum of the amounts paid to any institution under subsection (d) in any fiscal year shall be used to implement the requirements of subsection (c)(1)(C)(i), and, to the extent that such funds remain after implementing such requirements, funds limited by such 90 per centum requirement shall be used for implementing the requirements of divisions (ii), (iii), and (iv) of subsection (c)(1)(C), except that the Secretary may, in accordance with criteria established in regulations jointly prescribed by the Secretary with the Administrator, waive the requirement of this subsection to the extent that he finds that such institution is adequately carrying out all such requirements without the necessity for such application of such amount of the payments received under this subsection.

"(f) The Secretary, in carrying out the provisions of this section, shall seek to assure that coordination of programs assisted under this section with programs carried out by the Veterans' Administration pursuant to title 38 of the United States Code, and the Administrator of Veterans' Affairs shall provide all assistance, technical consultation, and information otherwise authorized by law as necessary to promote the maximum effectiveness of the activities and programs assisted under this section.".

PART B—GUARANTEED AND INSURED STUDENT LOANS

EXTENSION OF PROGRAMS

SEC. 411. (a) Section 424(a) of the Act is amended—

(1) by striking out "1981" and inserting in lieu thereof "1986"; and

(2) by striking out "1985" and inserting in lieu thereof "1990".

(b) Section 428(a)(5) of the Act is amended—

(1) by striking out "1981" and inserting in lieu thereof "1986"; and

(2) by striking out "1985" and inserting in lieu thereof "1990".

LOAN LIMITATIONS

SEC. 412. (a) Section 425(a)(1) of the Act is amended—

(1) by redesignating clauses (A), (B), and (C), as clauses (B), and (C), and (D), respectively;

(2) by inserting immediately before clause (B) (as so redesignated) the following new clause:

"(A) that in the case of an independent student (as defined in section 487(c)(2)) who has not successfully completed a program of undergraduate education, the total of such loans may not exceed $3,000,"; and

(3) by striking out "clause (B)" in the last sentence of such section and inserting in lieu thereof "clause (C)".

(b) Section 425(a)(2) of the Act is amended by striking out "$7,500, in the case of any student who has not successfully completed a program of undergraduate education, and $15,000 in the case of a graduate or professional student" and inserting in lieu thereof "$12,500 in the case of any student (other than an independent student) who has not successfully completed a program of undergraduate education, $15,000 in the case of any independent student who has not successfully completed a program of undergraduate education, and $25,000 in the case of any graduate or professional student".

(c) Section 428(b)(1)(A) of the Act is amended—

(1) by redesignating divisions (i), (ii), and (iii) as divisions (ii), (iii), and (iv), respectively;

(2) by inserting immediately before division (ii) (as so redesignated) the following new division:

"(i) that the program may not authorize the insurance of loans in excess of $3,000 in the case of a student who has not successfully completed a program of undergraduate education but who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student),"; and

(3) by striking out "division (ii)" in the last sentence of such section and inserting in lieu thereof "division (iii)".

(d) Section 428A of the Act is amended—

(1) by striking out "$2,500 (in the case of a student who has not successfully completed a program of undergraduate education) or $5,000 (in the case of a graduate or professional student)" in subsection (a)(1)(A) and in subsection (a)(2)(A) and inserting in lieu thereof in each such place the following: "$2,500 (in the case of a student, other than an independent student, who has not successfully completed a program of undergraduate education), $3,000 (in the case of an independent student (as defined in section 487(c)(2))) who has not successfully completed a program of undergraduate education, or $5,000 (in the case of a graduate or professional student)"; and

(2) by striking out "$7,500 in the case of any student who has not successfully completed a program of undergraduate education, and $15,000 in the case of any graduate or professional student" in subsection (a)(1)(A) and in subsection (a)(2)(A) and inserting in lieu thereof in each such place the following: "$12,500 in the case of any student (other than an independent student) who has not successfully completed a program of undergraduate education, $15,000 in the case of any independent student who has not successfully completed a program of undergraduate education, and $25,000 in the case of any graduate or professional student".

(e) Part B of title IV of the Act is further amended by inserting immediately before the period at the end of section 425(a)(2) and immediately before the semicolon at the end of sections 428(b)(1)(B), 428A(a)(1)(A), and 428A(a)(2)(A) the following: ", except that the Commissioner may increase the limit applicable to graduate and professional students that are pursuing programs which the Commissioner determines are exceptionally expensive".

DEFERRAL OF REPAYMENT

SEC. 413. (a) Section 427(a)(2)(C) is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or (v)" and inserting in lieu thereof the following: "(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501 (c)(3) of the Internal Revenue Code of 1954; (vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; (vii) not in excess of three years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled or (viii)".

(b) Section 428(b)(1)(M) of the Act is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or (v)" and inserting in lieu thereof the following: "(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954; (vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; (vii) not in excess of three years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled, or (viii)".

(c) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(j) The term 'temporarily totally disabled' when used with respect to a borrower means a borrower who, by reason of injury or illness, cannot be expected to be able to attend an institution of higher education or to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed three years. Such term when used with respect to the spouse of a borrower means a spouse who, by reason of injury or illness, cannot be expected to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed three years and who during such period required continuous nursing or other similar services.".

COLLECTION PRACTICES

SEC. 414. (a)(1) Section 430(b) of the Higher Education Act of 1965 is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2)(A) For the purpose of promoting responsible repayment of loans covered by Federal loan insurance or guarantees pursuant to this part, the Commissioner shall enter into cooperative agreements with credit bureau organizations providing for the exchange of information concerning student borrowers in accordance with the requirements of this paragraph. For the purpose of assisting such organizations to comply with the Fair Credit Reporting Act, such agreements may provide for timely response by the Commissioner to requests from such organizations for responses to objections raised by such borrowers. Subject to the requirements of subparagraph (C), such agreements shall provide for the disclosure by the Commissioner to such organizations with respect to any loan for which the Commissioner has received a notice of default under subsection (a) of this section of—

"(i) the date of disbursement and the amount of any such loan;

"(ii) information concerning collection of any such loan, including information concerning the status of any defaulted loan on which the Commissioner has made a payment pursuant to subsection (a) of this section;

"(iii) the date of cancellation of the note upon completion of repayment by the borrower of any such loan.

"(B) Such agreements may also provide for the disclosure by such organizations to the Commissioner, upon receipt from the Commissioner of a notice under subparagraph (A)(ii) that such a loan is in default, of information concerning the borrower's location or other information which may assist the Commissioner in proceeding to collection of the defaulted amount.

"(C) Agreements entered into pursuant to this paragraph shall contain such provisions as may be necessary to ensure that—

"(i) no information is disclosed by the Commissioner unless its accuracy and completeness have been verified, and no information stating that a loan is in default is disclosed until the Commissioner has made a reasonable effort to collect the debt;

"(ii) as to any information so disclosed, such organizations will be promptly notified of, and will promptly record, any change submitted by the Commissioner with respect to such information, or any objections by the borrower with respect to any such information, as required by section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i);

"(iii) no use will be made of any such information which would result in the use of collection practices with respect to such a borrower that are not fair and reasonable or that involve harassment, intimidation, false or misleading representations, or unnecessary communication concerning the existence of such loan or concerning any such information.

"(D) The Commissioner shall, within ninety days after the date of enactment of this paragraph, take such steps as may be necessary to establish the disclosure of information described in subparagraph (A) (i), (ii), and (iii) as a routine use in accordance with section 552a(b)(3) of title 5, United States Code, and to establish a system for the prompt notification of any borrower of any disclosure made pursuant to this paragraph.".

(2)(A) Section 427(a)(2) of the Higher Education Act of 1965 is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H)(i) contains a notice of the system of disclosure of information concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations,".

(B) Section 428(b)(1) of such Act is amended by redesignating subparagraphs (O) and (P) as subparagraphs (P) and (Q), respectively, and by inserting after subparagraph (N) the following new subparagraph:

"(O)(i) provides that the note or other written agreement evidencing the loan contains a notice of the system of disclosure of information concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations,".

(b) Section 430(c) of the Act is amended by adding at the end thereof the following new sentence: "Any forbearance which is approved by the Commissioner under this subsection with respect to the repayment of a loan shall not be considered as indicating that a holder of a federally insured loan has failed to exercise reasonable care and diligence in the collection of the loan.".

(c) Section 432 of the Act is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, the Commission may provide to eligible lenders, and to any State or any nonprofit private institution or organization having a guaranty agreement under section 428(c)(1), any information with respect to the names and addresses of borrowers or other relevant information which is available to him, from whatever source such information may be derived.".

LOANS TO PARENTS

SEC. 415. Part B of title IV of the Act is amended by inserting immediately after section 428A the following new section:

"LOANS TO PARENTS OF DEPENDENT UNDERGRADUATE STUDENTS

"SEC. 428B. (a) Parents of a dependent undergraduate student (as defined by regulations by the Secretary) shall be eligible to borrow funds under this part in amounts specified in subsection (b), and unless otherwise specified in subsections (c) and (d), such loans shall have the same terms, conditions, and benefits as all other loans made under this part.

"(b)(1) Subject to paragraphs (2), (3), and (4), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation by the Secretary) is $3,000.

"(2) The aggregate insured principal amount for insured loans made to parents on account of an undergraduate dependent student shall not exceed $15,000.

"(3) Parents may not borrow under this section for the expenses of more than three students in any academic year.

"(4) No loan may be made to any parents or student under this part which would cause their combined loans for any academic year to exceed the student's estimated cost of attendance minus such students' estimated financial assistance as certified by the eligible institution under section 428 (a)(2)(A) of this part. The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

"(c)(1) Repayment of principal on loans made under this section may be deferred until the earliest of—

"(A) four years from the disbursement date of the first loan made for the educational expenses of the dependent student named in the parent's loan application;

"(B) the student's anticipated date of graduation or completion of studies estimated at the time of the application for a loan;

"(C) the date on which the student ceases to be at least a half time student at an eligible institution; or

"(D) such other date as the parent may request.

Such repayment obligation shall not be further delayed because of any current status of the student, but nothing in this section shall be construed to prohibit a lender from exercising forbearance for the benefit of the borrower.

"(2) No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

"(3) If a borrower under this section elects to begin making regular monthly payments of principal and interest at a date later than sixty days after the date such loan is disbursed by a lender, then the interest which would accrue between the date of disbursement and a date thirty days prior to the due date of the first payment shall be calculated and subtracted from the proceeds of the loan before the balance is disbursed. If such repayment begins on a date earlier than thirty days prior to the due date of the first payment, any such interest so retained by the lender which has not been earned shall be used to reduce the principal owing on the loan.

"(4) If a borrower under this section elects to begin making regular monthly payments of principal and interest at a date not later than sixty days after the date such loan is disbursed by a lender, then the interest shall be 7 per centum per annum on the unpaid principal balance of the loan.

"(d) Loans made under this section shall be insured by the Secretary in a State only if—

"(1) the State does not have an agency having an agreement with the Secretary pursuant to section 428(b), or

"(2) a State having such an agreement does not authorize loans under this section (A) within one hundred and twenty days after the effective date of this amendment, or (B) if a State is prohibited from authorizing loans under this section because of existing State law, one hundred and twenty days after the adjournment of the next regular session of the State legislature which convenes after the effective date of this amendment.".

LIMITATION ON ALLOWANCES

SEC. 416. Section 438 of the Act is amended by striking out subsections (e), (f), and (g) and inserting in lieu thereof the following:

"(e)(1) Except as provided in paragraph (2), no special allowance shall be paid on loans—

"(A) which were made or purchased substantially with funds obtained from the issuance of securities the income from which is exempt from taxation under the Internal Revenue Code of 1954, if such issuance occurred after the date of enactment of the Education Amendments of 1980;

"(B) which were made or purchased with funds which were obtained from collections or default reimbursements on, or interest of other income pertaining to, loans made or purchased with funds described in subparagraph (A) or from income on the investment of such funds; or

"(C) which are pledged as security to obtain funds described in this paragraph.

"(2) A special allowance shall be paid to an agency which issues securities described in paragraph (1)(A) if—

"(A) such agency is either (i) a single agency of a State which makes or holds student loans under this part, or (ii) a single nonprofit agency which has been designated in lieu of an agency of such State to make or purchase loans under this part, and such designation was made through an act or resolution of that State's legislature with the concurrence of the State's chief executive officer;

"(B) such agency makes, purchases, or holds a security interest in loans made under this part only to students who are residents of such State or who were accepted for enrollment in or were attending an eligible institution in such State at the time such loans were made;

"(C) such agency, if acting as a State secondary market, purchases loans only from lenders who meet the requirements of section 439(e)(A), unless the considerable majority of the loans purchased by the agency are purchased only after the borrowers have ceased to be enrolled in at least a half-time course of study at an eligible institution;

"(D) such agency does not contract any portion of the servicing of loans it holds under this part with any person, firm, or other entity in which an employee, board, or commission member, or substantial client of such agency has any financial interest;

"(E) such agency issues all securities described in paragraph (1)(A) by a process which requires competitive bidding among prospective purchasers; and

"(F) such agency uses any funds obtained through sources described in paragraph (1) only for making or purchasing (or both making and purchasing) students loans under this part and other reasonable costs associated with a program created to make or purchase (or to both make and purchase) such loans, and such agency further agrees that when such program is discontinued and all outstanding obligations of the program are fully repaid, any remaining assets of the program will be liquidated and paid into the student loan insurance fund established by section 431.

"(3) If an agency qualifying to receive a special allowance under paragraph (2) should later fail to meet any of the requirements of such paragraph, a special allowance shall be paid on all loans made or purchased by such agency prior to the date such requirement ceased to be met."

MISCELLANEOUS AMENDMENTS

SEC. 417. (a)(1) Section 427 (a)(1) of the Act is amended to read as follows:

"(1) made to a student who (A) is an eligible student as required by section 488, and (B) has agreed to notify promptly the holder of the loan concerning any change of address; and".

(2) Section 428(a)(2)(B)(i) of the Act is amended to read as follows:

"(i) a student's estimated cost of attendance means the cost of attendance for such student determined in accordance with section 487(d);".

(b) Section 428(c)(1)(A) of the Act is amended by striking out everything after "of any insured loan" in the first sentence thereof and inserting in lieu thereof a period.

(c) Section 428(e) of the Act is amended to read as follows:

"(e) From funds appropriated to carry out this part in any fiscal year, the Commissioner shall pay to each eligible institution the amount of $10 per academic year for each student enrolled in that institution who is in receipt of a loan described in paragraph (1) of subsection (a) of this section, for that year. Payments received by an institution under this subsection shall be used for the sole purpose of offsetting the institution's costs for the program under this part.".

(d) Section 428(f)(1) of the Act is amended by striking out "(f)(1)(A)" and inserting in lieu thereof "(f)(1)" and by striking out subparagraphs (B) and (C).

STUDENT LOAN MARKETING ASSOCIATION

SEC. 418. (a)(1) Section 439(d) of the Act is amended—

(A) in paragraph (1), by inserting "or repurchase," after "purchase" and by inserting "or resell, offer participations, or pooled interests," after "sell,";

(B) by amending paragraph (2) to read as follows:

"(2) Any warehousing advance made under paragraph (1) of this subsection shall be made on the security of (i) insured loans, (ii) marketable obligations and securities issued, guaranteed or insured by, the United States, or for which the full faith and credit of the United States is pledged for the repayment of principal and interest thereof, or (iii) marketable obligations issued, guaranteed, or insured by any agency, instrumentality or corporation of the United States for which the credit of such agency, instrumentality or corporation is pledged for the repayment of principal or interest thereof, in an amount equal to the amount of such advance. The proceeds of any such advance secured by insured loans shall either be invested in additional insured loans or the lender shall provide assurances to the Association that during the period of the borrowing it will maintain a level of insured loans in its portfolio not less than the aggregate outstanding balance of such loans held at the time of the borrowing. The proceeds from any such advance secured by collateral described in clauses (ii) and (iii) shall be invested in additional insured student loans."; and

(C) by adding at the end thereof the following new paragraph:

"(4) Securities issued pursuant to the offering of participations or pooled interests under paragraph (1) of this subsection may be in the form of debt obligations, or trust certificates of beneficial ownership, or both. Student loans set aside pursuant to the offering of participations or pooled interests shall at all times be adequate to ensure the timely principal and interest payments on such securities.".

(2) Section 439(l) of the Act is amended by inserting "including those made under subsection (d)(3)" immediately after "All obligations issued by the Association".

(b) Section 439(e)(A) of the Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$100,000,000".

(c)(1) Section 439(f) of the Act is amended—

(A) in paragraph (1), by striking out "having a par value of $100 per share" and inserting in lieu thereof "having such par value as may be fixed by its Board of Directors from time to time";

(B) in paragraph (3), by striking out the last sentence thereof;

(C) in paragraph (4), by inserting "and nonvoting common stock" after "dividends may be declared on common stock" and after "outstanding shares of common stock"; and

(D) by adding at the end thereof the following new paragraph:

"(5) The Association is authorized to issue nonvoting common stock having such par value as may be fixed by its Board of Directors from time to time. Any nonvoting common stock shall be freely transferable, except that, as to the Association, it shall be transferable only on the books of the Association.".

(2) Section 439(g)(1) of the Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The Association is authorized to issue nonvoting preferred stock having such par value as may be fixed by its Board of Directors from time to time.".

(d) Section 439(h) of the Act is amended—

(1) by adding the following new sentence at the end of paragraph (1): "The Secretary of the Treasury may not direct as a condition of his approval that any such issuance of obligations by the Association be made or sold to the Federal Financing Bank.";

(2) in paragraph (2), by striking out "July 1, 1982" and inserting in lieu thereof "October 1, 1984";

(3) by adding at the end thereof the following new paragraphs:

"(4) Upon receipt of a request from the Association under this subsection requiring approvals by the Secretary of Health, Education, and Welfare or the Secretary of the Treasury, the Secretary of Health, Education, and Welfare or the Secretary of the Treasury shall act promptly either to grant approval or to advise the Association of the reasons for withholding approval. In no case shall such an approval be withheld for a period longer than sixty days unless, prior to the end of such period, the Secretary of Health, Education, and Welfare or the Secretary of the Treasury, as the case may be, submit to the Congress a detailed explanation of reasons for doing so.

"(5) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued by the Association pursuant to this subsection as now or hereafter in force, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than $1,000,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

"(6) Notwithstanding any other provision of law, the Association is authorized to sell or issue obligations on the security of student loans, the payment of interest or principal of which has at any time been guaranteed under section 428 or 429 of this part, to the Federal Financing Bank.".

(e)(1) Section 439 of the Act is amended by adding at the end thereof the following new subsections:

"(o)(1) The Association or its designated agent may, upon request of a borrower who has received loans under title IV of this Act from two or more programs or lenders and where the borrower's aggegate outstanding indebtedness is in excess of $5,000, or where the borrower's aggregate outstanding indebtedness is in excess of $7,500 from a single lender under this part, make a new loan to the borrower in an amount equal to the unpaid principal and accrued unpaid interest on the old loans. The proceeds of the new loan shall be used to discharge the liability on such old loans.

"(2) Loans made pursuant to this subsection shall be insurable either by the Commissioner under section 429 with a certificate of comprehensive insurance coverage provided for under section 429(b)(1) or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), except that such State or nonprofit private institution or organization shall provide the Association with a certificate of comprehensive insurance coverage. The terms of loans made under this subsection shall be such as may be agreed upon by the borrower and the Association and meet the requirements of section 427, except that (A) the ten-year maximum period referred to in section 427(a)(2)(B) may be extended to no more than twenty years, and (B) clause (ii) of section 427 (a)(2)(B) shall not be applicable.

"(3) Notwithstanding any other provision of this part, the Association, with the agreement of the borrower, may establish such repayment terms as it determines will promote the objectives of this subsection including, but not limited to, the establishment of graduated, income sensitive repayment schedules.

"(p)(1) Whenever the Secretary, after consultation with and the agreement of the appropriate representatives of a State (including representatives of any agency in such State having an agreement pursuant to section 428(b) of this part), determines that a substantial portion of all eligible borrowers in such State or within an area of substantial population of such State are seeking and are unable to obtain loans under this part, the Association or its designated agent may begin making loans in accordance with this subsection at the request of the Secretary.

"(2) Loans made pursuant to this subsection shall be insurable by either (A) the Commissioner under section 429 with a certificate of comprehensive insurance coverage provided for under section 429(b)(1) or (B) by the agency identified in paragraph (1) having an agreement pursuant to section 428(b). For loans insured by such agency, the agency shall provide the Association with a certificate of comprehensive insurance coverage, if the Association and the agency have mutually agreed upon a means to determine that the agency has not already guaranteed a loan under this part to a student which would cause a subsequent loan made by the Association to be in violation of any provision under this part.

"(3) The Association or its designated agent shall cease making loans under this part at such time that it is determined by any party to the agreement required by paragraph (1) that—

"(A) the conditions which caused the implementation of this subsection have ceased to exist; or

"(B) the implementation of this subsection has either (i) further reduced the availability of loans from other sources in the applicable geographical area, or (ii) inhibited the formation in a State of an agency which would have an agreement pursuant to section 428(b) of this part which would have the responsibility of developing local sources of funds for student loans.

"(q) The Association in carrying out its activities under subsections (o) and (p) of this section shall not be deemed to be a creditor for any purposes of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).".

(2) Section 435(g)(1) of the Act is amended by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(G) for purposes of making loans under section 439 (o) and (p) the Student Loan Marketing Association.".

(f) Part B of title IV of the Act is amended by adding at the end thereof the following new section:

"Sec. 439C. (a) The Truth in Lending Act (15 U.S.C. 1601 et. seq.) shall not apply to any loans made under the authority of this title.

"(b) Subsection (a) of this section shall be effective upon its enactment and shall apply to all loans outstanding whether originated prior to or after the date of such enactment.".

NATIONAL COMMISSION ON STUDENT LOANS

Sec. 419. Part B of title IV of the Act is further amended by adding at the end thereof the following new section:

"NATIONAL COMMISSION ON STUDENT LOANS

Sec. 439D. (a) There is hereby established, as an independent agency within the executive branch, a National Commission on Student Loans (referred to in this section as the 'Commission').

"(b)(1) The Commission shall be composed of twelve members. Four of the members shall be appointed by the President. Four of the members shall be appointed by the Speaker of the House, including two Members of the House, one from each political party. Four of the members shall be appointed by the President pro tempore of the Senate, including two Members of the Senate, one from each political party.

"(2) The Chairman shall be designated by the President from among the members appointed by him. If the President has not appointed four members of the Commission and designated a Chairman within sixty days of the enactment of this Act, the members of the Commission appointed by the Speaker of the House and the President pro tempore of the Senate shall elect a Chairman who shall continue to serve for the duration of the Commission.

"(3) Any vacancy in the Commission shall be filled by appointment of the same person who appointed the person who has left the Commission.

"(c) (1) It shall be the duty of the Commission to make a report and recommendations to the President and the Congress. The report and recommendations of the Commission shall consider the following issues:

"(A) more effective means to reduce default and delinquency in the loan programs authorized by this part and by part E;

"(B) the appropriate balance between loans and other sources of financing postsecondary education from the point of view of the needs and welfare of students and their parents;

"(C) the adequacy of capital to serve the postsecondary educational needs of students or their parents for credit; if adequate credit is available, the likelihood it will continue to remain available; if adequate credit is not available, the likelihood it will become available and the steps that can be taken to provide adequate credit for the postsecondary educational needs of students;

"(D) the impact of various levels of student borrowing on the educational performance, future career choices, and future educational choices, of students;

"(E) the impact of various levels of parent borrowing for postsecondary education on parents;

"(F) the appropriate annual and aggregate loan limits for parents, dependent students, independent students, and various types of graduate students;

"(G) the most appropriate mechanism for the effective and efficient origination, servicing, and collection of student loans;

"(H) the most appropriate source or sources of student loan capital considering both the cost and the reliability of adequate capital availability;

"(I) the appropriate level of public subsidy to students and parents for the cost of capital for student loans;

"(J) the impact of student loan availability on the availability of other forms of student financial assistance from all sources;

"(K) the impact of student loan availability on the level of postsecondary education costs;

"(L) the most appropriate mechanism to provide students and parents with the flexible repayment options and opportunities for consolidation of student loan indebtedness; and

"(M) means to remove barriers to capital availability caused by patterns of lender discrimination.

"(2) The Commission shall report to the President and the Congress its findings and recommendations as soon as practicable and in no event later than July 1, 1983. Any recommendations that contemplate changes in Federal legislation shall include draft legislation to accomplish the recommendations. The Commission shall cease to exist ninety days following the submission of its final report.

"(d) (1) Members of the Commission who are officers or full-time employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States; but they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(2) Members of the Commission who are not officers or full-time employees of the United States shall each receive $150 per diem when engaged in the actual performance of duties vested in the Commission. In addition, they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) Such personnel as the Commission deems necessary may be appointed by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subtitle III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS–18 of the General Schedule.

"(f) (1) The Commission or, on the authorization of the Commission, any committee thereof, may, for the purpose of carrying out the provisions of the Act, hold such hearings and sit and act at such times and such places within the United States as the Commission or such committee may deem advisable.

"(2) In carrying out its duties under the Act, the Commission shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

"(3) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this section, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman.

"(4) For the purpose of securing the necessary data and information the Commission may make contracts with universities, research institutions, foundations, and other competent public or private agencies. For such purpose, the Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(5) The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the Commission in carrying out this section.

"(6) The Commission is authorized to utilize, with their consent, the services, personnel, information and facilities of other Federal, State, local and private agencies with or without reimbursement.

"(7) The Commission shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Commission. Such grants, gifts, or bequests, after acceptance by the Commission, shall be paid by the donor or his representative to the Treasurer of the United States whose receipts shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Commission for the purposes in each case specified.

"(8) Six members of the Commission shall constitute a quorum, but a lesser number of two or more may conduct hearings.

"(9) There is hereby authorized to be appropriated the sum of $10,000,000 to carry out the provisions of this section, which shall remain available until expended or until the termination of the Commission, whichever occurs first.

PART C—WORK-STUDY PROGRAMS

PURPOSE; APPROPRIATIONS AUTHORIZED

Sec. 421. Section 441 of the Act is amended to read as follows:

"PURPOSE; APPROPRIATIONS AUTHORIZED

"Sec. 441. (a) The purpose of this part is to stimulate and promote the part-time employment of students, particularly students who are in need of earnings from such employment to pursue courses of study at eligible institutions.

"(b) There are authorized to be appropriated for carrying out this part $670,000,000 for fiscal year 1981, $745,000,000 for fiscal year 1982, $825,000,000 for fiscal year 1983, $910,000,000 for fiscal year 1984, and $990,000,000 for fiscal year 1985.".

ALLOTMENT TO STATES

Sec. 422. Section 442 of the Act is amended—

(1) by striking out "2 per centum" in subsection (a) (1) and inserting in lieu thereof "1 per centum";

(2) by striking out "Puerto Rico," in subsection (a) (1);

(3) by inserting "second" immediately after "until the close of the" in subsection (d); and

(4) by striking out "Puerto Rico," in subsection (e).

GRANTS FOR WORK-STUDY PROGRAMS

Sec. 423. Part C of title IV of the Act is amended by striking out sections 443 and 444 and inserting in lieu thereof the following:

"GRANTS FOR WORK-STUDY PROGRAMS

"Sec. 443. (a) The Secretary is authorized to enter into agreements with eligible institutions under which the Secretary will make grants to such institution to assist in the operation of work-study programs as hereinafter provided.

"(b) An agreement entered into pursuant to this section shall—

"(1) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself (except in the case of a proprietary institution of higher education) or work in the public interest for a Federal, State, or local public agency or private nonprofit organization under an arrangement between the institution and such agency or organization, and such work—

"(A) will not result in the displacement of employed workers or impair existing contracts for services;

"(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee;

"(C) does not involve the construction, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship; and

"(D) will not pay any wage to students employed under this subpart that is less than the current Federal minimum wage as mandated by the Fair Labor Standards Act;

"(2) provide that funds granted an institution of higher education, pursuant to section 443, may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 484 of this Act, may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance with section 447 of this part, and may transfer funds in accordance with the provisions of section 483 of this Act;

"(3) provide that in the selection of students for employment under such work-study program, only students who demonstrate financial need in accordance with the provisions of section 487, and who meet the requirements of section 488 will be assisted;

"(4) provide that no student in a work-study program under this part shall be required to terminate that employment during a semester (or other regular enrollment period) at the time income derived from any employment (including work-study or non-work-study or both) is in excess of the determination of the amount of such student's need for that semester under clause (3) of this subsection, but when such excess income equals $200 or more, continued employment under a work-study program shall not be subsidized with funds appropriated under this part;

"(5) provide that the institution will meet the requirements of section 482(2) of this Act (relating to maintenance of effort);

"(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;

"(7) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

"(c) For purposes of subsection (b)(4) in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of nonregular enrollment. Employment under a work-study program during any such period of nonregular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner.".

DISTRIBUTION OF ASSISTANCE

SEC. 424. Section 446 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections:

"(b) Of the sums granted to an eligible institution under this part for any fiscal year, 10 per centum shall remain available for expenditure during the succeeding fiscal year to carry out programs under this part. Any of the sums so granted to an institution for a fiscal year which are not needed by that institution to operate work-study programs during that fiscal year, and which it does not wish to use during the next fiscal year as authorized in the preceding sentence, shall remain available to the Commissioner for making grants under section 443 to other institutions in the same State until the close of the second fiscal year next succeeding the fiscal year for which such funds were appropriated.

"(c) Up to 10 per centum of the sums the Commissioner determines an eligible institution may receive from funds which have been appropriated for a fiscal year may be used by him to make grants under this part to such institution for expenditure during the fiscal year preceding the fiscal year for which the sums were appropriated.".

JOB LOCATION AND DEVELOPMENT

SEC. 426. Section 447 of the Act is amended by striking out "$15,000" and inserting in lieu thereof "$25,000".

EFFECTIVE DATE

SEC. 426. The amendments made by section 6 of the Middle Income Student Assistance Act shall take effect on July 1, 1972.

PART E—NATIONAL DIRECT STUDENT LOANS

EXTENSION OF PROGRAM

SEC. 431. (a) Section 461(b)(1) of the Act is amended to read as follows:

"(b)(1) For the purpose of enabling the Commissioner to make contributions to student loan funds established under this part, there are authorized to be appropriated $400,000,000 for each of the fiscal years 1981 and 1982, $475,000,000 for fiscal years 1983, $550,000,000 for fiscal year 1984, and $625,000,000 for fiscal year 1985.".

(b) Section 461(b)(2) of the Act is amended—

(1) by striking out "for the fiscal year ending September 30, 1979, and each of the three succeeding fiscal years" and inserting in lieu thereof "for each of the fiscal years 1981, 1982, 1983, 1984, and 1985"; and

(2) by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1985".

(c) Section 466 of the Act is amended—

(1) by striking out "September 30, 1985" each place it appears in subsection (a) and inserting in lieu thereof "September 30, 1990";

(2) by striking out "March 31, 1985" each place it appears in subsections (a) and (b) and inserting in lieu thereof "March 31, 1991"; and

(3) by striking out "October 1, 1984" in subsection (c) and inserting in lieu thereof "October 1, 1990".

LOAN LIMITATIONS

SEC. 432. Section 464(a)(2) of the Act is amended—

(1) by striking out "$10,000" in clause (A) and inserting in lieu thereof "$12,000";

(2) by striking out "$5,000" in clause (B) and inserting in lieu thereof "$6,000"; and

(3) by striking out "$2,500" in clause (C) and inserting in lieu thereof "$3,000".

DEFERRAL OF REPAYMENT

SEC. 433. Section 464(c)(2)(A) of the Act is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or" at the end of clause (iii), by striking out the period at the end of clause (iv) and inserting in lieu thereof a semicolon, and by inserting after clause (iv) the following new clauses:

"(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954;

"(vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; or

"(vii) not in excess of three years during which the borrower is temporarily totally disabled (as defined in section 435(j)), as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled.".

COLLECTION PRACTICES

SEC. 434. (a) Section 463(a) of the Act is amended by striking out "and" at the end of paragraph (5), by redesignating paragraph (6) as paragraph (7), and by inserting after paragraph (5) the following new paragraph:

"(6) provide that, notwithstanding any other provision of law, the Commissioner will provide to the institution any information with respect to the names and addresses of borrowers or other relevant information which is available to him, from whatever source such information may be derived, and".

(b)(1) Section 463 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of promoting responsible repayment of loans made pursuant to this part, the Commissioner shall enter into cooperative agreements, in accordance with the requirements of section 430(b)(2), with credit bureau organizations to provide for the exchange of information concerning student borrowers concerning whom the Commissioner has received notice pursuant to subsection (a)(4).".

(2) Section 464(c)(1) of such Act is amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "; and", and by adding at the end thereof the following new subparagraph:

"(I) contains a notice of the system of disclosure of information concerning default on such loan to credit bureau organizations under section 463(c).".

MISCELLANEOUS AMENDMENTS

SEC. 435. (a) Section 462 of the Act is amended by striking out subsection (d).

(b) Section 465(a)(2) of the Act is amended by striking out the last sentence and inserting in lieu thereof the following: "For purposes of this paragraph, the term 'handicapped children' has the meaning set forth in section 602(1) of the Education of the Handicapped Act.".

(c) Section 465(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) The amount of a loan, and interest on a loan, which is canceled under this section shall not be considered income for purposes of the Internal Revenue Code of 1954.".

PART F—GENERAL PROVISIONS

AMENDMENT

SEC. 441. Part F of title IV of the Act is amended to read as follows:

"DEFINITIONS

"SEC. 481. (a)(1) For the purpose of this title, except subpart 6 of part A and B, the term 'institution of higher education' includes, in addition to the institution covered by the definition contained in section 1201 (a)—

(A) a proprietary institution of higher education;

(B) a postsecondary vocational institution;

"(C) a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing; and

"(D) a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in profesional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(2) The term 'acredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

"(b) For the purposes of this section, the term 'proprietary institution of higher education' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1) and (2) of section 1201(a), (C) which does not meet the requirement of clause (4) of section 1201(a), (D) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (E) which has been in existence for at least two years. Such term also includes a proprietary educational institution in any State which, in lieu of the requirement in clause (1) of section 1201(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(c) For the purposes of this section, the term 'postsecondary vocational institution' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1), (2), (4), and (5) of section 1201(a), and (C) which has been in existence for at least two years.

"(d) For the purposes of any program under this title, the term 'academic year' shall be defined by the Secretary by regulation.

"INSTITUTIONAL ELIGIBILITY

"SEC. 482. In order to be an eligible institution for the purposes of any program authorized under this title, except the programs contained in subparts 3, 4, and 5 of part A, an institution must be an institution of higher education (as that term is defined in section 491(a)) and must enter into a program participation agreement with the Secretary. The agreement shall condition an institution's initial and continuing eligibility to participate in a program upon compliance with the following requirements:

"(1) The institution shall use funds received by it for any program under this title solely for the purposes specified in, and in accordance with, the provisions of that program.

"(2) In the case of an institution participating in any program authorized under part A or part C of this title for any fiscal year, the institution shall continue to spend in its own scholarship and student aid program, from sources other than funds received under such parts, not less than the average expenditures per year made for that purpose during the most recent period of three fiscal years preceding such fiscal year, except that, under special and unusual circumstances prescribed by regulation, the Secretary is authorized to waive the requirements of this paragraph.

"(3) The institution shall establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under this title.

"(4) The institution shall submit reports to the Secretary and, in the case of an institution participating in a program under part B or part E, to holders of loans made to the institution's students under such parts at such times and containing such information as the Secretary may reasonably require to carry out the purposes of this title.

"(5) The institution shall comply with the requirements of section 485.

"TRANSFER OF ALLOTMENTS

"SEC. 483. (a) Up to 10 per centum of the allotment of an eligible institution for a fiscal year under section 413D or 443 of this Act, may be transferred to, and used for the purposes of, the institution's allotment under the other section within the discretion of such institution in order to offer an arrangement of types of aid, including institutional and State aid, which best fits the needs of each individual student. The Secretary shall have no control over such transfer, except as specifically authorized, except for the collection and dissemination of information.

"ADMINISTRATIVE EXPENSES

"SEC. 484. (a) From the sums appropriated for any fiscal year for purposes of the program authorized under subpart 1 of part A, the Secretary shall reserve such sums as may be necessary to pay to each institution with which he has an agreement under section 482, an amount equal to $10 for each student at that institution who receives assistance under subpart 1 of part A. In addition, an institution which has entered into an agreement with the Secretary under subpart 2 of part A, part C, or part E of this title shall be entitled for each fiscal year for which it receives an allotment under any such part to a payment for the purposes set forth in subsection (b). The payment for a fiscal year shall be payable from each such allotment in accordance with regulations of the Secretary, and shall be equal to 5 per centum of the institution's first $2,750,000 of expenditures plus 4 per centum of the institution's expenditures greater than $2,750,000 and less than $5,500,000, plus 3 per centum of the institution's expenditures in excess of $5,500,000 during the fiscal year from the sum of its allotment under part A, its expenditures during such fiscal year under part C for compensation of students, and the principal amount of loans made during such fiscal year from its student loan fund established under part E.

"(b) The sums paid to institutions under this part are for the sole purpose of offsetting the administrative costs of the programs described in subsection (a).

"INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

"SEC. 485. (a)(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students regarding the institution and financial assistance under this title. The information required by this section shall be produced and be made readily available, through appropriate publications and mailings, to all current students and to any prospective student upon request. The information required by this section shall accurately describe—

"(A) the student financial assistance programs available to students who enroll at such institution;

"(B) the methods by which such assistance is distributed among student recipients who enroll at such institution;

"(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such application;

"(D) the rights and responsibilities of students receiving financial assistance under this title;

"(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical commuting costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest;

"(F) a statement of the refund policy of the institution for the return of unearned tuition and fees or other refundable portion of cost, as described in clause (E) of this paragraph;

"(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, and (iii) the faculty and other instructional personnel;

"(H) each person designated under subsection (b) of this section, and the methods by which and locations in which any person so designated may be contacted by students and prospective students who are seeking information required by this subsection;

"(I) special facilities and services available to handicapped students; and

"(J) the names of associations, agencies, or governmental bodies which accredit, approve, or license the institution and its programs; and any current or prospective student may obtain or review upon request a copy of the documents describing the institution's accreditation, approval, or licensing.

"(2) For purposes of this section, the term 'prospective student' means any individual who has contacted an eligible institution requesting information concerning admission to that institution.

"(b) Each eligible institution shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in subsection (a). The Secretary may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific individual or a group of individuals to carry out the provisions of this section.

"(c) The Secretary shall make available to eligible institutions descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (1) assist students in gaining information through institutional sources, and (2) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs.

"STUDENT FINANCIAL ASSISTANCE TRAINING PROGRAM

"SEC. 486. (a) It is the purpose of this section to make incentive grants available to the States to be administered in partnership with statewide financial aid administrator organizations, for the purpose of developing materials and conducting programs to increase the proficiency of the individuals within the States who are involved or have a responsibility in the delivery of student financial aid.

"(b) There are hereby authorized to be appropriated $280,000 annually, for equal division among the States.

"(c) To receive a grant under this section a State must provide appropriate assurance to the Commissioner that the grant will be matched from State funds by an amount at least equal to the amount of the grant.

"(d) From the funds otherwise allotted to the States for subpart 2 of part A, and part C and part E of this title for States which have obtained a grant under this section, the Commissioner shall transfer to such State an amount equal to .05 per centum of such funds or $10,000, whichever is less, and shall reduce such State allotment by that amount.

"(e) A State which desires to obtain a grant under this section for any fiscal year shall submit an application therefor through or by the State agency administering its program of student grants, or if such agency does not exist, through or by any agency or organization designated for such purpose by the State, at such time or times, and containing such information as may be required by such regulations as the Commissioner may prescribe for the purpose of enabling the Commissioner to disburse the funds and to coordinate this activity with similar activities conducted under the auspices of the Office of Education.

"(f) All authority of this section shall terminate at the close of September 30, 1986.

"NEED ANALYSIS

"SEC. 487. (a) (1) For the purpose of determining a student's need for financial assistance under this title, the Secretary shall publish in the Federal Register, no later than July 1 of each calendar year, a proposed schedule of expected family contributions for the academic year which begins after July 1 of the calendar year which succeeds such calendar year for various levels of family income, which, except as is otherwise provided in paragraph (2), together with any amendments thereto, shall become effective July 1 of the calendar year which succeeds such calendar year. During the thirty day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule. Such schedule shall be adjusted annually. The first such schedule shall be presented to the Congress on July 1, 1981.

"(2) The schedule of expected family contributions required for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or the House of Representatives adopts, prior to the first day of October next following the submission of such schedule as required by this paragraph, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in either House in connection with such resolution. If within fifteen days following the submission of the revised schedule either the Senate or the House of Representatives again adopts a resolution of disapproval of such revised schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. This procedure shall be repeated until neither the Senate nor the House of Representatives adopts a resolution of disapproval. The Commissioner shall publish together with each new schedule a statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining his reasons for the new schedule.

"(3) In developing a proposed schedule of expected family contributions for publication in the Federal Register, the Secretary shall consult with representatives of agencies and organizations involved in student financial assistance.

"(b) (1) For the purposes of this section, the term 'family contribution' with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in paragraph (2) of this subsection.

"(2) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

"(A) The amount of the effective income of the student or the effective family income of the student's family, which shall utilize the Bureau of Labor Statistics low standard budget in calculating the family subsistence allowance.

"(B) The number of dependents of the family of the student.

"(C) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

"(D) The amount of the assets of the student and those of the student's family.

"(E) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

"(F) Any educational expenses of other dependent children in the family.

"(G) Reasonable expenses associated with child care for dependent children.

"(3) For purposes of subparagraph (A) of paragraph (2), the term 'effective family income' with respect to a student, means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income, and includes any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code.

"(4) For the purposes of paragraph (2) (D), the parental assets shall be determined by—

"(A) excluding all equity in a single principal place of residence from the computation of assets;

"(B) deducting an asset reserve of not less than $10,000 from the net value of all assets; and

"(C) if net assets include farm or business assets, deducting an additional asset reserve of not less than $50,000 from the net assets.

"(c) (1) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of an independent student. Such special regulations shall be consistent with the basic criteria set forth in paragraph (2) of subsection (b). In addition, such regulations shall—

"(A) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependents shall be the same as the portion so exempt for the family of a dependent student;

"(B) provide that the rate of assessment for contribution on that portion of assets of such an independent student which is not exempt under paragraph (1) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student;

"(C) in establishing a portion of effective family income which shall be exempt from assessment for contribution by reason of subsistence requirements of independent students who have no dependents, use the same method for computation of such portion for such students as is used for dependent students and for independent students who have dependents; and

"(D) in determining the family contribution for an independent student who has one or more dependents, the assessment rate which is to be applied to the student's discretionary income shall be the same as the assessment rate applied to parental discretionary income.

"(2) For purposes of this title, the term 'independent student' means a student who is determined, pursuant to regulations of the Commissioner, to be independent of his parents or guardians, or the person or persons having an equivalent relationship to such student.

"(d) For the purposes of this title, the term 'cost of attendance' means—

"(1) tuition and fees normally assessed a full-time student at the institution at which the student is in attendance;

"(2) beginning in academic year 1981–1982, an allowance of not less than $600 for books, supplies, and miscellaneous personal expenses;

"(3) an allowance for room and board costs incurred by the student which—

"(A) beginning in academic year 1981–1982 shall be an allowance of not less than $1,150 for a student residing at home with his or her parents;

"(B) for students residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and

"(C) for all other students, shall be a standard allowance determined by the institution based on the expenses reasonably incurred by such students for room and board;

"(4) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, and travel and room and board costs incurred specifically in fulfilling a required period of residential training; and

"(5) for a student enrolled in an academic program which normally includes a formal program of study abroad, reasonable costs associated with such study.

"STUDENT ELIGIBILITY

"SEC. 488. In order to receive any grant, loan, or work assistance under this title, a student must—

"(1) be enrolled or accepted for enrollment at an institution of higher education that is an eligible institution in accordance with the provisions of section 482;

"(2) be carrying or planning to carry at least one-half the normal full-time workload for the course of study the student is pursuing, as determined by the institution;

"(3) be maintaining satisfactory progress in the course of study the student is pursuing, according to the standards and practices of the institution at which the student is in attendance;

"(4) not owe a refund on grants previously received at such institution under this title, or be in default on any loan from a student loan fund at such institution provided for in part E, or a loan made, insured, or guaranteed by the Commissioner under this title for attendance at such institution; and

"(5) file with the institution of higher education which the student intends to attend, or is attending (or in the case of a loan or loan guarantee with the lender), a statement of educational purpose (which need not be notarized) stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution.

"ELIGIBILITY OF RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

"SEC. 489. Permanent residents of the Trust Territory of the Pacific Islands shall be eligible for assistance under title II of the National Defense Education Act of 1958 and under this title to the same extent that citizens of the United States are eligible for such assistance.

"FORMS AND REGULATIONS

"SEC. 490. (a) Copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title shall be provided to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives at least thirty days prior to their effective date.

"(b) The Secretary is authorized to prescribe such regulations as may be necessary to carry out the purposes of this title, including regulations for the limitation, suspension, or termination of the eligibility for any program under this title of any otherwise eligible institution, whenever the Secretary has determined, after reasonable notice and opportunity for hearing on the record, that such institution has violated or failed to carry out any provision of this title or an agreement entered into under section 482, or any regulation prescribed under this title, except that no period of suspension under this section shall exceed sixty days unless the institution and the Secretary agree to an extension or unless limitation or termination proceedings are initiated by the Secretary within that period of time.

"(c) The Secretary shall prescribe a single application form for determining a student's need and eligibility for financial assistance under this title (other than under subpart 3 of part A and under part B). A student (or his parents) shall not be charged a fee for processing an application for assistance under this title. The Secretary shall, to the extent practicable, contract with States, institutions of higher education, and private organizations for the purpose of processing the application required under this subsection.

"CRIMINAL PENALTIES

"SEC. 491. (a) Any person who knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets, or property provided or insured under this title shall be fined not more than $10,000 or imprisoned for not more than five years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud, false statement, or forgery does not exceed $200, the fine shall not be more than $1,000 and imprisonment shall not exceed one year, or both.

"(b) Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with the assignment of a loan which is made or insured under this title shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(c) Any person who knowingly and willfully makes an unlawful payment to an eligible lender under part B as an inducement to make, or to acquire by assignment, a loan insured under that part shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(d) Any person who knowingly and willfully destroys or conceals any record relating to the provision of assistance under this title with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.".

TITLE V—AMENDMENT AND EXTENSION OF TITLE V OF THE HIGHER EDUCATION ACT OF 1965

EXTENSION OF PROGRAMS

SEC. 501. (a) Section 511(b) of the Act is amended by striking out "and for the succeeding fiscal year" and inserting in lieu thereof the following: "and for each of the succeeding fiscal years ending prior to October 1, 1985".

(b) Section 531 of the Act is amended by striking out "and for the succeeding fiscal year" and inserting in lieu thereof the following: "and for each succeeding fiscal year ending prior to October 1, 1985".

TEACHER CORPS AMENDMENTS

SEC. 502. (a) Section 513(d) of the Act is amended by striking out "section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended," and inserting in lieu thereof "section 130 of the Elementary and Secondary Education Act of 1965".

(b) Section 513(f) of the Act is amended by striking out "goal" and inserting in lieu thereof "the goal".

(c) Section 514(a)(2) of the Act is amended by striking out ", not to exceed $150 per week plus $15 per week for each dependent".

TEACHER TRAINING PROGRAMS AMENDMENTS

SEC. 503. (a) Section 531 of the Act is amended by adding at the end thereof the following new sentence: "In the event that the sums appropriated in any fiscal year do not exceed $50,000,000, the Commissioner shall allocate grants under this part in such manner consistent with the other provisions of this part as will most nearly provide an equitable geographical distribution of grants throughout the States.".

(b) Section 532(a)(2) of the Act is amended—

(1) by striking out "local educational agency (or a combination of such agencies) which serve" and inserting in lieu thereof "local educational agency, a combination of such agencies, or an educational service agency which serves";

(2) by inserting "and in collaboration with one or more institutions of higher education which serve teachers" immediately after "experts as may be necessary";

(3) by inserting ", including the use of technology and telecommunications" immediately before the semicolon in subparagraph (A);

(4) by inserting ", testing," immediately after "curriculum development" in subparagraph (B).

(c) Section 532(c)(1) of the Act is amended by striking out "desiring to receive a grant under this section" and inserting in lieu thereof ", or any institution or institutions of higher education, desiring to receive a grant to plan, establish, and operate teachers' centers,".

(d) Section 532(c)(2) is amended by striking out "which is submitted" and inserting in lieu thereof "or institution of higher education or both submitting".

(e) Section 532 of the Act is amended by striking out subsection (e), by redesignating subsection (f) as subsection (e), and by inserting "not less than" immediately before "10 per centum" in such subsection.

TITLE VI—ESTABLISHMENT OF A NEW TITLE VI OF THE HIGHER EDUCATION ACT OF 1965

FOREIGN STUDIES AND LANGUAGE DEVELOPMENT

SEC. 601. (a) The Higher Education Act of 1965 is amended by striking out title VI and inserting a new title VI as follows:

"TITLE VI—FOREIGN STUDIES AND LANGUAGE DEVELOPMENT

"LANGUAGE AND AREA CENTERS AND PROGRAMS

"SEC. 601. (a) The Secretary is authorized to make grants to or contracts with institutions of higher education for the purposes of establishing, equipping, and operating graduate and undergraduate centers and programs for the teaching of any modern foreign language, for instruction in other fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international aspects of professional and other fields of study. Any such grant or contract may cover all or part of the cost of the establishment or operation of a center or program, including the costs of faculty, staff, and student travel in foreign areas, regions, or countries, and the costs of travel of foreign scholars to teach or conduct research, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

"(b) The Secretary is also authorized to pay stipends to individuals undergoing advanced training in any center or under any program receiving Federal financial assistance under this title, including allowances for dependents and for travel for research and study here and abroad, but only upon reasonable assurance that the recipients of such stipends will, on completion of their training, be available for teaching service in an institution of higher education or elementary or secondary school, or such other service of a public nature as may be permitted in the regulations of the Secretary.

"(c) No funds may be expended under this title for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

"CENTERS FOR ADVANCED INTERNATIONAL STUDIES

"SEC. 602. (a) The Secretary is authorized to arrange through grants to institutions of higher education, or combinations of such institutions, for the establishment, strengthening, and operation by them of graduate centers which will be national and international resources for research and training in international studies and the international aspects of professionals and other fields of study. Activities carried on in such centers may be concentrated either on specific geographical areas of the world or on particular fields or issues in world affairs which concern one or more countries, or on both. The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, when such grants will make an especially significant contribution to attaining the objectives of this section.

"(b) Grants under this section may be used to cover part or all of the cost of establishing, strengthening, equipping, and operating research and training centers, including the cost of teaching and research materials and resources, the cost of programs for bringing visiting scholars and faculty to the center, and the cost of training, improvement, and travel of the staff for the purposes of carrying out the objectives of this section. Such grants may also include funds for stipends (in such amounts as may be determined in accordance with regulations of the Secretary) to individuals undergoing training in such centers, including allowances for dependents and for travel for research and study here and abroad. Grants under this section shall be made on such conditions as the Secretary finds necessary to carry out its purposes.

"GRANTS TO STRENGTHEN UNDERGRADUATE PROGRAMS IN INTERNATIONAL STUDIES

"SEC. 603. The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to assist them in planning, developing, and carrying out a comprehensive program to strengthen and improve undergraduate instruction in international studies. Grants made under this section may be for projects and activities which are an integral part of such a comprehensive program such as—

"(1) planning for the development and expansion of undergraduate programs in international studies;

"(2) teaching, research, curriculum development, and other related activities;

"(3) training of faculty members in foreign countries;

"(4) expansion of foreign language courses;

"(5) planned and supervised student study-travel programs;

"(6) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

"(7) programs of English language training for foreign teachers, scholars, and students; and

"(8) planned and supervised cooperative education programs which provide alternating periods of study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education but, so far as practicable, giving them work experience related to their academic or occupational objectives in connection with international studies.

The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, when such grants will make an especially significant contribution to attaining the objective of this section.

"GRANT PROGRAM TO PROMOTE CULTURAL UNDERSTANDING

"SEC. 604. (a) The Congress finds that—

"(1) the well-being of the United States and its citizens is affected by policies adopted and actions taken by, or with respect to, other nations and areas; and

"(2) the United States must afford its citizens adequate access to the information which will enable them to make informed judgments with respect to the international policies and actions of the United States.

It is, therefore, the purpose of this section to support educational programs which will increase the availability of such information to students in the United States.

"(b) The Secretary is authorized, by grant or contract, to stimulate educational programs to increase the understanding of students in the United States about the cultures and actions of other nations in order to better evaluate the international and domestic impact of major national policies

"(c) Grants or contracts under this section—

"(1) may be made to any public or private agency or organization, including, but not limited to, institutions of higher education, State and local educational agencies, professional associations, education consortia, and organizations of teachers;

"(2) may include assistance for inservice training of teachers and other educational personnel, the compilation of existing information and resources about other nations in forms useful to various types of educational programs, and the dissemination of information and resources to educators and educational officials upon their request, but shall not be used for the acquisition of equipment or remodeling of facilities;

"(3) may be made for projects and programs at all levels of education, and may include projects and programs carried on as part of community, adult, and continuing education programs; and

"(4) may be used by local educational agencies to introduce instruction in foreign languages not previously offered by their schools.

"GEOGRAPHICAL DISTRIBUTION

"SEC. 605. In making grants under this title, the Secretary shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"APPROPRIATIONS AUTHORIZED

"SEC. 606. There are authorized to be appropriated for the purpose of carrying out this title such sums as may be necessary for fiscal year 1981 and for each of the succeeding fiscal years ending prior to October 1, 1985.".

(b) Title VI of the National Defense Education Act of 1958 is repealed.

TITLE VII—AMENDMENT TO TITLE VII OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT

SEC. 701. Title VII of the Act is amended to read as follows:

"TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

"GENERAL PURPOSES

"SEC. 701. The Secretary shall carry out programs of financial assistance to institutions of higher education and to higher education building agencies for the construction, reconstruction, or renovation of academic facilities and the acquisition of special equipment if the primary purpose of such assistance is—

"(1) to enable such institutions to economize on the use of energy resources;

"(2) to enable such institutions to bring their academic facilities into conformity with the requirements of—

"(A) the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968,

"(B) section 504 of the Rehabilitation Act of 1973, or

"(C) environmental protection or health and safety programs mandated by Federal, State, or local law, if such requirements were not in effect at the time such facilities were constructed; or

"(3) to enable such institutions to reconstruct or renovate the Nation's research facilities and to acquire special research equipment.

"APPROPRIATIONS AUTHORIZED

"SEC. 702. There is authorized $300,000,000 for each fiscal year ending prior to October 1, 1985, for part A; $80,000,000 for each fiscal year ending prior to October 1, 1985, for part B; and $200,000,000 for each fiscal year ending prior to October 1, 1985, for part C, and such sums as may be necessary for section 734.

"PART A—GRANTS FOR THE CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF UNDERGRADUATE ACADEMIC FACILITIES

"STATE PLAN

"SEC. 711. (a) Any State desiring to participate in the grant program authorized by this part shall have an agreement pursuant to section 1203 and submit annually to the Secretary through the State agency designated in such agreement a State plan which shall—

"(1) provide that the grant shall be administered by the State agency designated pursuant to section 1203;

"(2) set forth objective standards and methods which are consistent with basic criteria in section 712, for—

"(A) determining the relative priorities of eligible projects submitted by institutions of higher education within the State, and

"(B) certifying the Federal share of the cost of each project;

"(3) provide for every applicant an opportunity for a hearing before the State agency regarding the priority assigned to such project, or any other decision by the State agency adversely affecting such applicant; and

"(4) provide for accounting procedures necessary to assure proper disbursement of Federal funds.

"(b) The Secretary shall not disapprove any State plan, or modification thereof, without first affording the State agency reasonable notice and opportunity for a hearing.

"(c) Whenever the Secreary finds that the State plan fails to substantially comply with this section, the Secretary shall notify the State that it is ineligible to participate in the program under this part until a determination is made that there is no longer a failure to comply.

"BASIC CRITERIA

"SEC. 712. (a) The Secretary shall prescribe basic criteria to which the State plans are subject, which ensure—

"(1) flexibility for States to accommodate the varied needs of institutions in the States;

"(2) consideration of the degree to which applicant institutions are effectively using existing facilities; and

"(3) ensure that the Federal share shall not exceed 50 percent of the costs of a project.

"(b) Section 553 of title 5, United States Code, shall apply to the prescription of regulations under this section.

"ALLOTMENT OF FUNDS

"SEC. 713. (a) From the sums appropriated pursuant to section 702 to carry out the purposes of this part, not less than 24 per centum shall be allotted to States to be used by public community colleges and public technical institutes. The remainder of such sums shall be available for allotment among States to be used by all other institutions of postsecondary education.

"(b)(1) For the purpose of making grants to public community colleges and public technical institutes, the Secretary shall allot to each State an amount which bears the same ratio to such sums as the product of—

"(A) the number of persons in the State who have graduated from high school or received an equivalent certificate during the previous school year, and

"(B) the State's allotment ratio, bears to the sum of the corresponding products for all the States.

"(2) The allotment ratio shall be 1.00 less the product of—

"(A) 0.50, and

"(B) the quotient obtained by dividing the income per person for the State by the income per person for all States (not including Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam),

except that—

"(i) the allotment ratio shall in no case be less than 0.33⅓ or more than 0.66⅔;

"(ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam shall be 0.66⅔; and

"(iii) the allotment ratio of any State shall be 0.50 for any fiscal year if the Secretary finds that the cost of school construction in such State exceeds twice the median of such costs in all the States as determined by him on the basis of statistics and data as the Secretary shall deem adequate and appropriate.

The allotment ratios shall be promulgated annually by the Secretary on the basis of the average personal income in the State and in all the States for the three most recent consecutive calendar years.

"(c) For the purpose of making grants to all other institutions of postsecondary education, the Secretary shall allot to each State—

"(1) an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in institutions of education in such State bears to the number of students so enrolled in all States; and

"(2) the Secretary shall allot to each State an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in grades nine through twelve of schools in such State bears to the total number of students so enrolled in all the States.

"(d) The amount allotted to any State for any fiscal year shall not be less than $100,000. If the sums appropriated pursuant to section 702 are not sufficient to make payments to each State, then the amount of each State's allotment shall be ratably reduced.

"(e) Any portion of a State's allotment under subsections (b) and (c) for any fiscal year for which applications from qualified institutions have not been received by the State agency prior to January 1 of such fiscal year shall, by request, be available for payment of the Federal share of cost of other approved projects.

"(f) Amounts allotted under this section for any fiscal year which are not used by the close of the fiscal year, shall be reallotted by the Secretary among the States which are able to use these funds without delay during the next fiscal year.

"PART B—GRANTS FOR CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF GRADUATE ACADEMIC FACILITIES

"GRANTS

"SEC. 721. (a)(1) Funds available under this section shall be used by the Secretary to make grants to institutions of higher education whose applications for assistance are consistent with the objectives of this title.

"(2) The total payment for any fiscal year made to any State shall not exceed 12.5 per centum of sums appropriated for this section.

"(b) In making grants under this section, the Secretary shall seek the advice and recommendations of a panel of specialists who are not regular full-time employees of the Federal Government and are competent to evaluate such applications.

"(c) The amount of the grant shall not exceed 50 per centum of the cost of the project.

"PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

"ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS

"SEC. 731. (a)(1) From the sums appropriated for this part, the Secretary shall make and insure loans to institutions of postsecondary education and to building agencies for programs consistent with the purposes of this title. No loan shall be made unless the Secretary finds that—

"(1) not less than 20 per centum of the cost of the project will be financed from non-Federal sources;

"(2) the applicant is unable to secure the loan from other sources upon terms and conditions equally as favorable as those applicable to loans under this part;

"(3) the project will be undertaken in an economical manner; and

"(4) for any project with regard to an infirmary or other outpatient care facility for students and institutional personnel, assistance will not be provided under title IV of the Housing Act of 1950.

"(b) Loans shall be repaid within fifty years and shall bear interest at (1) a rate annually determined by the Secretary which shall be not less than one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 3 per centum per annum, whichever is less.

"GENERAL PROVISIONS FOR LOAN PROGRAM

"SEC. 732. (a) Financial transactions of the Secretary, except with respect to administrative expenses, shall be final.

"(b) The Secretary may—

"(1) sue and be sued;

"(2) foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which he has made a loan pursuant to this part; in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, the Secretary may complete, administer, remodel and convert, dispose of lease and otherwise deal with, such property; except that (A) such action shall not preclude any other action by him to recover any deficiency in the amounts loaned and (B) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) sell, exchange, or lease real or personal property and securities or obligations;

"(4) modify, with respect to the rate of interest, the time of payment of principal, interest, security, or any other term of any contract or agreement to which he is a party, including (A) moratorium on the repayment of principal or interest to a party temporarily unable to make such repayment without undue financial hardship provided the applicant files to make repayment, and (B) for any party for which a loan has been authorized prior to January 1, 1976, the option to pay into the fund pursuant to section 733, 75 per centum of the party's total obligation if the party desiring to exercise such option makes payment from non-Federal sources prior to October 1, 1985; and

"(5) include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this title will be executed.

"REVOLVING LOAN AND INSURANCE FUND

"SEC. 733. (a) There is created within the Treasury a revolving loan fund for the purpose of making and insuring loans under this part (hereafter called the 'fund') which shall be available to the Secretary without fiscal year limitation. The total loan volume from the fund for any fiscal year shall not exceed that fiscal year's appropriations.

"(b)(1) The Secretary shall transfer to the fund appropriations provided under section 702 to provide capital for making loans. Interest and principal payments on loans, and any other moneys, property, or assets derived from this part shall be deposited in the fund.

"(2) All loans, expenses, and payments pursuant to operation of this part shall be paid from the fund, including expenses and payments in connection with sale pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, or participations in obligations acquired under this part. At the close of each fiscal year, the Secretary shall pay interest on the cumulative amount of funds paid out for loans under this part less the average undisbursed cash balance in the fund during the year. The interest rate shall be determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund during the month preceding each fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but interest payments so deferred themselves bear interest. If the Secretary determines that moneys in the fund exceed the present and prospective needs of the fund, the excess may be transferred to the general fund of the Treasury.

"ANNUAL INTEREST GRANTS

"SEC. 734. (a) To assist parties in reducing the cost of borrowing from other sources for projects under this part, the Secretary may make annual interest grants to parties with respect to any project made over a fixed period not exceeding forty years, and provision for the grants shall be embodied in the contract guaranteeing their payment. Grants shall not be greater than the difference between (1) the average annual debt service which would be required to be paid during the life of the loan on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay during the life of the loan if the applicable interest rate had been determined by the Secretary in accordance with section 732(b).

"(b) The total amount of annual interest grants which may be paid to parties in any year pursuant to contracts entered into under this section shall not exceed $13,500,000.

"(c) The total payment for any fiscal year made to any State shall not exceed 12.5 per centum of sums appropriated for this section.

"(d) No annual interest grant shall be made unless (1) assurance is provided that not less than 10 per centum of the costs of the project will be financed from non-Federal sources, (2) the applicant is unable to secure a loan from other sources upon terms and conditions as favorable as those applicable to loans under this title, and (3) the project will be undertaken in an economical manner. Loans for interest grants made shall not be considered financing from a non-Federal source for purposes of this section only.

"ACADEMIC FACILITIES LOAN INSURANCE

"SEC. 735. (a)(1) In order to assist parties to procure loans for projects, the Secretary may insure the payment of interest and principal on such loans if such parties meet criteria prescribed under section 734 for the making of annual interest grants.

"(2) No loan insurance may apply to any loan principal which exceeds 90 per centum of the development cost of the academic facility.

"(b)(1) The United States shall be entitled to recover from any party to which loan insurance has been issued the amount of any payment made pursuant to that insurance, unless the Secretary waives its right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payment with respect to which the payment was made.

"(2) Any insurance issued shall be incontestable in the hands of the party on whose behalf insurance is issued, and as to any lenders which make or contract to make a loan to such party in reliance thereon, except for fraud or misrepresentation on the part of such party or on the part of the lender who makes or contracts to make such loan.

"(c) Insurance may be issued by the Secretary under subsection (a) only if he determines that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed a per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, considering interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may charge a premium for such insurance in an amount determined by him to be necessary to cover administrative expenses and probable losses under subsections (a) and (b). Such insurance shall be subject to such further terms and conditions as the Secretary determines to be necessary.

"PART D—GENERAL

"RECOVERY OF PAYMENTS

"SEC. 741. (a) The Congress declares that, if a facility constructed with the aid of a grant under part A or B of this title is used as an academic facility for twenty years following completion of such construction, the public benefit accruing to the United States will equal in value the amount of the grant.

"(b) If, within twenty years after completion of construction of an academic facility which has been constructed, in part with a grant under part A or B of this title—

"(1) the applicant (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

"(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term 'academic facility', unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the value of the facility at that time (or so much thereof as constituted an approved project or projects) the same ratio as the amount of Federal grant bore to the cost of the facility financed with the aid of such grant. The value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

"(c) Notwithstanding the provisions of subsections (a) and (b), no project assisted with funds under this title shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

"DEFINITIONS

"SEC. 742. The following definitions apply to terms used in this title:

"(1)(A) Except as provided in subparagraph (B) of this paragraph, the term 'academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administration of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities. For purposes of part A or C, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that projects assisted with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

"(B) The term 'academic facilities' shall not include (i) any facility intended primarily for events for which admission is to be charged to the general public, or (ii) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this title is required to carry out the objectives of this title, or (iii) any facility used or to be used for sectarian instruction or as a place for religious worship, or (iv) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or (v) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act, except that the term 'academic facilities' may include any facility described in clause (v) to the degree that such facility is owned, operated, and maintained by the institution of higher education requesting the approval of a project; and that funds available for such facility under such project shall be used solely for the purpose of conversion or modernization of energy utilization techniques to economize on the use of energy resources; and that such project is not limited to facilities described in clause (v) of this subsection.

"(2)(A) The term 'construction' means (i) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (ii) acquisition of existing structures not owned by the institution involved; or (iii) a combination of either of the foregoing. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed in connection with construction; and the terms 'equipment', 'initial equipment', and 'built-in equipment', shall be more particularly defined by the Commissioner by regulation.

"(B) The term 'reconstruction or renovation' means rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of such equipment) of existing structures. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed either in connection with construction as defined in paragraph (2)(A), or as part of the rehabilitation, alteration, conversion, or improvement of an existing structure, which structure would otherwise not be adequate for use as an academic facility; the terms 'equipment', 'initial equipment', and 'built-in equipment' shall be more particularly defined by the Commissioner by regulation; and the term 'rehabilitation, alteration, conversion, or improvement' includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.

"(3)(A) The term 'cost', with respect to an academic facility, means the amount found by the Commissioner to be the cost, to the applicant for a grant or loan under this title of the construction, reconstruction, or renovation involved and the cost of necessary acquisition of land on which the facility is located and of necessary site improvements to permit its use for such facility. There shall be excluded from the cost—

"(i) in determining the amount of any grant under part A or B, an amount equal to the sum of (I) any Federal grant which the institution has obtained or is assured of obtaining, under any law other than this title, with respect to the construction, reconstruction, or renovation that is to be financed with the aid of a grant under part A or B, and (II) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant; and

"(ii) in determining the amount of any loan under part C, an amount equal to the amount of any Federal financial assistance which the institution has obtained, or is assured of obtaining, under any law other than this title, with respect to the construction, reconstruction, or renovation that is to be financed with the aid of a loan under part C.

"(B) In determining the cost with respect to an academic facility, the Commissioner may include expenditures for works of art for the facility of not to exceed 1 per centum of the total cost (including such expenditures) to the applicant of construction, reconstruction, or renovation of, and land acquisition and site improvements for, such facility.

"(4) The term 'Federal share' means, except as provided in section 706(b)(2), in the case of any project a percentage (as determined under the applicable State plan) in excess of 50 per centum of its cost.

"(5) The term 'parties under part C' means (A) an agency, public authority, or other instrumentality of a State authorized to provide, or finance the construction, reconstruction, or renovation of, academic facilities for institutions of higher education (whether or not also authorized to provide or finance other facilities for such or other educational institutions, or for their students or faculty), or (B) any corporation (no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual (i) established by an institution of higher education for the sole purpose of providing academic facilities for the use of such institution, and (ii) upon dissolution of which, all title to any property purchased or built from the proceeds of any loan made under part C will pass to such institution), or (C) an institution of postsecondary education.

"(6) The term 'public community college and public technical institute' means an institution of higher education which is under public supervision and control, and is organized and administered principally to provide a two-year program which is acceptable for full credit toward a bachelor's degree, or a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge; and the term includes a branch of an institution of higher education offering four or more years of higher education which is located in a community different from that in which its parent institution is located.

"(7) The term 'public educational institution, does not include a school or institution of any agency of the United States.

"(8) The term 'State' includes in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.".

TITLE VIII—COOPERATIVE EDUCATION

EXTENSION OF PROGRAM

SEC. 801. (a) Section 801(a) of the Act is amended—

(1) by striking out "$25,000,000" in paragraph (5) and inserting in lieu thereof "$30,000,000"; and

(2) by striking out "alternating periods" and inserting in lieu thereof "alternating or parallel periods".

(b) Section 801(b) of the Act is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out "fiscal years 1978, 1979, 1980, 1981, and 1982," in paragraph (4) and inserting in lieu thereof "fiscal years 1978, 1979, and 1980; and";

(3) by inserting immediately after paragraph (4) the following new paragraph:

"(5) $5,000,000 for each of the fiscal years 1981, 1982, 1983, 1984, and 1985,".

(c) Section 802(a) of the Act is amended—

(1) by striking out "$175,000" and inserting in lieu thereof "$250,000"; and

(2) by striking out "$125,000" and inserting in lieu thereof "$200,000".

TITLE IX—GRADUATE PROGRAMS

GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 901. (a) Section 901 of the Act is amended—

(1) in subsection (a)(1), by striking out "to strengthen, improve and where necessary expand" and inserting in lieu thereof "to maintain, strengthen, and improve"; and

(2) in subsection (c), by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 903(b)(2) of the Act is amended by striking out "expansion" and inserting in lieu thereof "maintenance and improvement of quality".

(c) Section 904 of the Act is amended to read as follows:

"DATA COLLECTION, RESEARCH, AND STUDIES

"SEC. 904. (a) The Commissioner shall, on an annual basis, directly or by contract, in consultation with appropriate higher education associations and representatives from institutions of higher education, gather and maintain data necessary for the periodic assessment of the state of graduate education throughout the United States. The Commissioner is authorized, directly or by contract, to conduct studies and research activities in connection with the need for, and improvement of, graduate programs in various fields of study in institutions of higher education throughout the United States. Findings shall be incorporated in each annual report of the Commissioner required by section 971, with such recommendations as the Commissioner deems necessary.

"(b)(1) Within two years after the enactment of this subsection, the Commissioner shall prepare and submit to the Congress a special report which—

"(A) analyzes trends and shortcomings in the sources of support available to students for the financing of graduate education, and compares the nature and level of support available in the various academic disciplines, including sources of support from student assistance and research programs sponsored by—

"(i) the Federal Government,

"(ii) State and local governments,

"(iii) foundations, corporations, and other private entities, and

"(iv) institutions of higher education, and in addition, considers the resources of the students and the students' families;

"(B) examines the extent to which students may be dissuaded from pursuing graduate education on financial grounds, to the consequent detriment of—

"(i) the major fields of knowledge which need to attract the most able and talented students of each generation if they are to remain strong and vigorous; and

"(ii) the Nation as a whole, if some of its most promising students are precluded because of financial circumstances from developing their capacities and abilities to the fullest possible extent;

"(C) investigates existing and projected levels of graduate student indebtedness, and considers the implications (for the students involved and for the health of graduate education generally) or existing and projected expectations for borrowing to meet the costs of graduate education; and

"(D) assesses the desirability of modifying existing Federal fellowship and student assistance programs or establishing a new Federal graduate student assistance programs in which the selection of students and the amounts of their awards are based on merit or financial need or both, particularly with regard to the special needs of students in the humanities and social sciences or other disciplines.

"(2) In preparing the report described in subsection (a), the Commissioner shall consult closely with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of higher education institutions and associations, learned societies, and professional organizations.".

FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

SEC. 902. (a) Section 922(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 923(a) of the Act is amended by striking out "have been admitted or who are enrolled in graduate or professional programs approved by the Commissioner and who are pursuing, a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree. The Commissioner shall approve a graduate program of an institution of higher education only upon his finding that the application contains a satisfactory assurance that the institution will" and inserting in lieu thereof "are pursuing a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree and who are enrolled in graduate or professional programs which".

PUBLIC SERVICE FELLOWSHIPS

SEC. 903. (a) Section 941(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 942 of the Act is amended by striking out "approved" and inserting in lieu thereof "eligible".

(c) Section 943 of the Act is amended—

(1) by striking out "shall approve a graduate or professional program of an institution of higher education" and inserting in lieu thereof "shall designate a graduate or professional program of an institution of higher education to be eligible"; and

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) that such program is in effect, or can readily be put into effect;

"(3) that the application describes the high quality or the reasonable expectation of high quality of the program;".

FELLOWSHIPS FOR OTHER PURPOSES

SEC. 904. (a) Section 961(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985" and by striking out the second sentence thereof.

(b) The second sentence of section 961(c) of the Act is amended by striking out "approved" and inserting in lieu thereof "designated".

(c) Section 965 of the Act is amended by adding at the end thereof the following new sentence: "In addition, there are authorized to be appropriated, for carrying out section 966, $5,000,000 for each of the fiscal years 1981 and 1982, and $10,000,000 for each of the fiscal years 1983, 1984, and 1985."

(d) Section 966(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(e) Section 966(b)(4) of the Act is amended by striking out "for not more than three months".

TITLE X—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

ESTABLISHMENT OF A NEW TITLE X OF THE ACT

SEC. 1001. (a) Title X of the Act is amended by striking out everything preceding part C and inserting in lieu thereof the following:

"TITLE X—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"PART A—ESTABLISHMENT AND OPERATION OF FUND

"AUTHORIZATION OF PROGRAM

"SEC. 1001. Subject to the provisions of section 1002, the Secretary is authorized to make grants to, and contracts with, institutions of postsecondary education (including combinations of such institutions) and other public and private educational institutions and agencies (except that no grant shall be made to an educational institution or agency other than a nonprofit institution or agency) to improve postsecondary educational opportunities by providing assistance to such educational institutions and agencies for—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

"CONSULTATION WITH STATE COMMISSIONS

"SEC. 1002. No grant shall be made or contract entered into under subsection (a) for a project or program with any institution of postsecondary education unless it has been submitted to each appropriate State Commission established under section 1203, and an opportunity afforded such Commission to submit its comments and recommendations to the Secretary.

"NATIONAL BOARD OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"SEC. 1003. (a) There is established a National Board of the Fund for the Improvement of Postsecondary Education. The Board shall consist of fifteen members appointed by the Secretary for overlapping three-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for six consecutive years shall thereafter be ineligible for appointment to the Board during a two-year period following the expiration of such sixth year.

"(b) The Secretary shall designate one of the members as Chairman. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

"(c) The Board shall—

"(1) advise the Secretary and the Director of the Fund for the Improvement of Postsecondary Education on priorities for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice;

"(2) advise the Secretary and the Director of the Fund on development of programs to be carried out by the Fund and on selection of projects under consideration for support by the Fund in its competitions;

"(3) advise the Secretary and the Director of the Fund on operation of the Fund, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund; and

"(4) meet at the call of the Chairman, except that it shall meet (A) at least four times during each fiscal year, or (B) whenever one-third of the members request in writing that a meeting be held.

"(d) The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

"TECHNICAL EMPLOYEES

"SEC. 1004. The Secretary may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than five technical employees to administer this section who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1005. There are authorized to be appropriated to carry out this title $75,000,000 for fiscal year 1981 and each of the succeeding fiscal years ending prior to October 1, 1985.".

(b) Part C of title X of the Act is redesignated as part B, and sections 1071 and 1072 thereof are redesignated as sections 1021 and 1022, respectively.

(c) Section 404 of the General Education Provisions Act is repealed.

TITLE XI—ESTABLISHMENT OF A NEW TITLE XI OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT

SEC. 1101. (a) Title XI of the Act is amended to read as follows:

"TITLE XI—URBAN GRANT UNIVERSITY PROGRAM

"FINDINGS AND PURPOSE

"SEC. 1101. (a) The Congress finds and declares—

"(1) that there exists within the Nation's urban universities an underutilized reservoir of skills, talents, and knowledge applicable toward the amelioration of the multitude of problems that face the Nation's urban centers;

"(2) that these skills, talents, and knowledge must be applied in a systematic and sustained manner to impact successfully upon these problems;

"(3) that the application of these skills, talents, and knowledge is impeded due to the limited funds available to sustain their commitment; and

"(4) that it is the public policy of the United States to encourage and facilitate the application of these skills, talents, and knowledge toward serving the needs of the Nation's urban centers.

"(b) The Commissioner shall carry out programs in accordance with the provisions of this title, for the purpose of aiding urban universities to help find answers to urban problems, and aiding such universities to make their resources more readily and effectively available to the urban communities in which they are located.

"APPROPRIATIONS AUTHORIZED

"SEC. 1102. (a) For the purpose of carrying out the provisions of this title there is authorized to be appropriated $50,000,000 for fiscal year 1981, $70,000,000 for fiscal year 1982, $80,000,000 for fiscal year 1983 and $90,000,000 for fiscal year 1984, and $100,000,000 for fiscal year 1985.

"(b)- Funds appropriated under this section shall remain available to the Commissioner for the duration of the period for which funds are authorized to be appropriated under subsection (a), in order to permit multiple-year funding of projects under this title.

"PROJECT ASSISTANCE

"SEC. 1103. (a) The Commissioner may make grants to urban universities to assist them in carrying out urban-oriented projects consistent with the purposes of this title.

"(b) An application submitted under this section must show that the chief executive of the local agency or agencies of general government within whose jurisdiction fall the needs to be addressed by the project or projects described has been afforded a reasonable opportunity' to review and comment upon the proposed project or projects. In making grants, the Commissioner shall consider the degree to which there is evidence in the application of (1) the participation of such local agency or agencies of general government in the development of the project or projects for which assistance is requested under this section; (2) local government and community participation in the implementation of the proposed project or projects; and (3) a commitment by such local agency or agencies of general government to pay a portion of the non-Federal share of the cost of such project or projects required by subsection (d) of this section.

"(c) The Commissioner may request the advice of any Federal agency he considers appropriate before approving an application for project assistance under this section.

"(d) No grant under this section shall exceed 90 per centum of the cost of the project for which assistance is granted.

"(e) An institution which receives a grant under this section shall be designated by the Commissioner as an 'urban grant university'. The Commissioner shall annually publish a list of the institutions of higher education which have been so designated.

"LIMITATION

"SEC. 1104. (a) The total amount of payments in any fiscal year under section 1103 to institutions within any one State shall not exceed 15 per centum of the total amount paid.

"(b) In allocating assistance under section 1103 of this title, the Commissioner shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"DEFINITIONS

"SEC. 1105. As used in this title—

"(1) 'urban area' means a standard metropolitan statistical area having a population of not less than five hundred thousand persons; or, in any State which has no standard metropolitan statistical area within its borders which has such a population, the Commissioner shall designate one urban area for the purposes of this part,

"(2) 'urban university' means an institution of higher education which (A) is located in an urban area, (B) draws a substantial portion of its undergraduate students from the urban area in which it is located or contiguous urban areas, (C) carries out programs to make postsecondary education opportunities more accessible to residents of such urban area or contiguous areas, (D) has the present capacity to provide resources responsible to the needs and priorities of such urban area and contiguous areas, (E) offers a range of professional or graduate programs sufficient to sustain its capacity to provide such resources, and (F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and its people;

"(3) for the purposes of paragraphs (2) and (4) of this section, 'institution of higher education' includes any combination of such institutions, any one of which meets all the qualifications of paragraph (2);

"(4) 'resources' are programs of institutions of higher education including specialized training, research services, and technical assistance responsible to the needs and priorities of the urban area and contiguous areas.".

(b) Title IX of the Act is amended by adding at the end thereof the following new part:

"PART G—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

"PROGRAM AUTHORIZATION

"SEC. 991. (a) The Commissioner is authorized to enter into grants or contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the costs of establishing or expanding programs in such schools to provide clinical experience to students which includes any form of law student work involving performance in the role of a lawyer exercising legal skills and roles such as those of an advocate, counselor, negotiator, investigator, and ethical practitioner, whether by way of the provisions or representation of or services to an identifiable client in actual cases or situations (subject to existing State or local limitations upon such provision) or by way of simulation of such provision through appropriate exercises. The cases and situations handled in actuality or by simulation may encompass any one or more of the following:

"(1) judicial, administrative, executive, or legislative proceedings, including the full range of preparation therefor;

"(2) office or house counsel problems; or

"(3) factual investigation, empirical research or policy or legal analysis.

"(b) Such costs may include necessary expenditures incurred for—

"(1) planning;

"(2) training of faculty members and salary for additional faculty members;

"(3) travel and per diem for faculty and students;

"(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

"(5) equipment and library resources;

"(6) involving practicing lawyers in the process of training law students to perform as lawyers; and

"(7) such other items as are allowed pursuant to regulations issued by the Commissioner.

"(c) No law school may receive more than $75,000 in any fiscal year pursuant to this part.

"(d) For the purpose of this part the term 'accredited law school' means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, including any combination or consortium of State schools.

"APPLICATIONS

"SEC. 992. (a) A grant or contract authorized by this part may be made by the Commissioner upon application which—

"(1) is made at such time or times and contains such information as he may prescribe;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this part, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall allocate grants or contracts under this part in such manner as will provide an equitable distribution of such grants or contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 993. There are authorized to be appropriated $10,000,000 for each of the succeeding fiscal years ending prior to October 1, 1985 to carry out the purposes of this part.

TITLE XII—GENERAL PROVISIONS

AMENDMENTS

SEC. 1201. Title XII of the Act is amended by striking out sections 1202, 1203, 1205, 1206, and 1208, by redesignating section 1207 as section 1202, and by adding after such section the following new section:

"FEDERAL-STATE RELATIONSHIP

"SEC. 1203. (a) Any State which desires to receive assistance under applicable programs shall enter into an agreement with the Secretary pursuant to subsection (b) setting forth the terms and conditions for the relationship between the Federal Government and each individual State for the purposes set forth in such applicable programs as described in subsection (g).

"(b) Such agreement shall be submitted to the Secretary and include—

"(1) a designation of the State agency responsible under State law for comprehensive statewide planning for postsecondary education;

"(2) a description of the activities of the State agency or agencies, boards, commissions, or councils in the State responsible for—

"(A) programs which provide educational and occupational information services to youth and adults;

"(B) programs which provide continuing education services to persons of all ages;

"(C) collection of information required pursuant to section 202;

"(D) conducting planning pursuant to section 711;

"(E) administration of Federal and State student assistance programs;

"(F) licensing, accrediting, approving, or chartering institutions of higher education; and

"(G) statewide coordination or governance of postsecondary education sectors;

"(3) a description of the relationship between the planning activities of the State agencies designated and described in paragraphs (1) and (2);

"(4) an assurance by the State, including a description of the means to be used by the State to fulfill the assurance, that—

"(A) representatives of institutions of higher education in the State (including community colleges, proprietary institutions, and independent colleges and universities), students, other providers of postsecondary educational services, and the general public are involved in the comprehensive statewide planning process and, pursuant to paragraph (1), such process considers—

"(i) the postsecondary education needs of unserved and underserved persons within the State, including those beyond the traditional college age; and

"(ii) the resources of those institutions, organizations, or agencies (both public and private) within the State capable of providing postsecondary educational opportunities in the State;

"(B) the State will provide for such methods of administration as are necessary for the proper and efficient administration of any program in keeping with the purposes of this title as set forth in applicable programs as defined in subsection (g);

"(C) the State will provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under any title under this Act; and

"(D) the State will follow policies and practices of administration that will ensure that non-Federal funds will not be supplanted by Federal funds.

"(d) The information and assurances provided by a State in accordance with subsection (b), and regulations issued by the Secretary, shall be satisfactory for the purposes of, and shall be considered in lieu of, any comparable requirements for information and assurances in any applicable program as defined in subsection (g).

"(e)(1) A State's agreement shall remain in effect subject to modification as changes in information or circumstances require.

"(2) Whenever the Secretary, after reasonable notice and opportunity for a hearing has been given the State, finds that there is a failure to comply substantially with the requirements for an agreement established in this section, the Secretary shall notify the State that it is no longer eligible to participate in any applicable program as defined in subsection (g) until he is satisfied that there is no longer any such failure to comply.

"(3)(A) Nothing in this section shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into an agreement, or for participation in an applicable program as defined in subsection (g), a specific State organizational structure for achieving participation in the planning, or administration of programs, or for statewide planning, coordination, governing, regulating, or administering of postsecondary education agencies, institutions, or programs in the State.

"(B) Nothing in this section shall be construed as a limitation on the authority of any State to adopt a State organizational structure for postsecondary education agencies, institutions, or programs which is appropriate to the needs, traditions, and circumstances of that State, or as a limitation on the authority of a State entering into an agreement pursuant to this section to modify the State organizational structure at any time subsequent to entering into such an agreement.

"(f) For the purpose of this section, definition of the State office or body authorized to act on behalf of the State for the purpose of entering into an agreement with the Secretary shall be in accordance with the State law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government.

"(g) For the purposes of this section an 'applicable program' is defined as—

"(1) title I;

"(2) subpart 3 of part A of title IV; and

"(3) title VII.".●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CAVANAUGH (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. WOLFF (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. JENRETTE (at the request of Mr. WRIGHT), for today, on account of attending the funeral of the late Honorable John L. McMillan of South Carolina.

Mrs. FENWICK (at the request of Mr. RHODES), for today, on account of attending a funeral.

Mr. ERDAHL (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. SAWYER, for 5 minutes, today.

Mr. SEBELIUS, for 5 minutes, today.

Mr. THOMAS, for 60 minutes, on September 13.

Mr. GINGRICH, for 60 minutes, on September 14.

Mr. LUNGREN, for 60 minutes, on September 12.

Mr. FINDLEY, for 5 minutes, today.

(The following Members (at the request of Mr. LELAND), to revise and extend their remarks, and to include extraneous matter to:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. REUSS, for 10 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

Mr. CARR, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Lott, at the end of the debate on the Taylor amendment and just prior to the vote on the Courter amendment.

Mr. Price, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,640.50.

Mr. Ford of Michigan, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $8,685.

Mr. Goldwater, prior to the vote on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

Mr. O'Brien, to revise and extend his remarks on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

(The following Members (at the request of Mr. Gingrich) and to include extraneous matter:)

Mr. Ashbrook in five instances.
Mr. Johnson of Colorado.
Mr. Derwinski in two instances.
Mr. Hammerschmidt.
Mr. Collins of Texas in two instances.
Mr. Goodling.
Mr. Lee.
Mr. Kemp.
Mr. Abdnor.

(The following Members (at the request of Mr. Leland) and to include extraneous matter:)

Mr. Daschle in 10 instances.
Mr. Boland.
Mr. Mollohan.
Mr. Waxman.
Mr. Bolling.
Mr. LaFalce in three instances.
Mr. Stump.
Mr. Hamilton.
Mr. McHugh.
Mr. Ford of Michigan in two instances.
Mr. Guarini.
Mr. Coelho.
Mr. de la Garza in 10 instances.
Mr. Barnes in two instances.
Mr. Biaggi in 10 instances.
Ms. Oakar.
Mr. Richmond.
Mr. Leland.
Mr. Rosenthal.
Mr. AuCoin.
Mr. Roybal.
Mr. Bonker in two instances.
Mr. Zeferetti.
Mr. Wright.
Mr. Rangel.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1454. An act to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code; to the Committees on Armed Services, Merchant Marine and Fisheries, and Ways and Means; and

S. 1515. An act to authorize the striking of Bicentennial medals; to the Committee on Banking, Finance and Urban Affairs.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on September 5, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 244. To authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until Monday, September 10, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2391. A letter from the Acting Secretary of the Treasury, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2392. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to implement changes in the operation of the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2393. A letter from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting the final report of the Commission, entitled "Counting the Labor Force," pursuant to section 13(d) of Public Law 94-444; to the Committee on Education and Labor.

2394. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting notice of a delay in the submission of the report on results of preliminary energy audits by Federal agencies, required by section 547(a) of Public Law 95-619; to the Committee on Interstate and Foreign Commerce.

2395. A letter from the Assistant Secretary of the Army (Civil Works), transmitting an interim Corps of Engineers feasibility report on the extension of the navigation season on the Great Lakes and St. Lawrence Seaway, in partial response to section 107 of Public Law 91-611 (H. Doc. 96-181); to the Committee on Public Works and Transportation and ordered to be printed.

2396. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Buffalo Bayou and tributaries, Texas, in partial response to a resolution of the House Committee on Public Works adopted April 20, 1948 (H. Doc. 96-182); to the Committee on Public Works and Transportation and ordered to be printed.

2397. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the fish and wildlife mitigation plan for the Tensas-Cocodrie Plant, Red River Backwater Area, Tensas Basin, La., pursuant to section 3(c) of the Fish and Wildlife Coordination Act, as amended; (72 Stat. 566) (H. Doc. 96-183); to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 4998. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis. (Rept. No. 96-421). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. H.R. 5010. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; with an amendment (Rept. No. 96-422). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 5206. A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY:

H.R. 5207. A bill to amend title 5 of the United States Code to extend entitlements to survivor annuities under the U.S. civil service retirement system to certain children placed in the permanent custody of Federal employees or their spouses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DASCHLE:

H.R. 5208. A bill to amend the act of December 20, 1944, as amended; to the Committee on Agriculture.

By Mr. DONNELLY:

H.R. 5209. A bill to amend the Internal Revenue Code of 1954 to provide that passive solar energy property will be eligible for the residential energy credit; to the Committee on Ways and Means.

By Mr. FORD of Michigan (by request):

H.R. 5210. A bill to extend and improve the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. FRENZEL:

H.R. 5211. A bill to amend the Internal

Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 5212. A bill to amend the Internal Revenue Code of 1954 to allow an individual to establish a tax-exempt trust fund for the support of a handicapped dependent; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 5213. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test in at least 1 year after 1977, to provide that income attributable to services performed before an individual first becomes entitled to old-age insurance benefits shall not be taken into account (after 1977) in determining his or her net earnings from self-employment for purposes of the earnings test, and to assure the payment of benefits accordingly, to make the monthly retirement test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. McCloskey, Mr. Fuqua, Mr. Wydler, Mr. Studds, Mr. Pritchard, Mr. Forsythe, Mr. Ambro, and Mr. Walker):

H.R. 5214. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. PURSELL (for himself, Mr. Erdahl, Mr. Nolan, Mr. Daschle, Mr. Richmond, Mr. Downey, and Mr. Ottinger):

H.R. 5215. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committee on Public Works and Transportation.

By Mr. SEBELIUS:

H.R. 5216. A bill to provide that the cost of inspecting domesticated rabbits slaughtered for human food shall be borne by the United States; to the Committee on Agriculture.

By Mr. WHITTEN:

H.R. 5217. A bill to amend section 431 of the Public Health Service Act to provide funds to the National Institute of Neurological and Communicative Disorders and Stroke for research in the area of regeneration of the spinal cord; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL (for himself, Mr. Zablocki, and Mr. Bingham):

H.R. 5218. A bill to amend the Foreign Assistance Act of 1961 to authorize special Caribbean hurricane relief assistance; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HALL of Texas introduced a bill (H.R. 5219) for the relief of David J. Thomas, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 262: Mr. Carter, Mr. Hansen, Mr. Won Pat, Mr. Coughlin, and Mr. Albosta.

H.R. 996: Mrs. Snowe and Mr. Bafalis.

H.R. 1918: Mr. Oberstar, Mr. Mica, Mr. Russo, Mr. Howard, and Mr. Hutto.

H.R. 2209: Mr. Courter, Mrs. Fenwick, and Mr. Moakley.

H.R. 3227: Mr. Donnelly, Mrs. Spellman, Mr. Edwards of California, Mr. Williams of Montana, Mr. Kostmayer, Mr. Vento, Mr. Danielson, and Mr. Corcoran.

H.R. 3677: Mr. Fazio.

H.R. 3792: Mr. Whitehurst.

H.R. 3958: Mr. Oberstar, Mr. Fascell, Mr. D'Amours, Mr. Lujan, Mr. Corcoran, Mr. Roe, Mr. Mitchell of New York, Mr. Jeffords, Mr. Andrews of North Dakota, and Mr. Abdnor.

H.R. 4265: Mr. Kemp, Mr. Markey, and Mr. Nolan.

H.R. 4370: Mr. Loeffler, Mr. Jones of Oklahoma, Mr. Lagomarsino, Mr. Sebelius, Mr. Sawyer, Mr. Charles Wilson of Texas, Mr. Lott, Mr. Leland, Mr. Gonzalez, Mr. Badham, Mr. Stokes, Mr. Wydler, Mr. Lungren, Mr. Young of Missouri, Mr. Bedell, Mr. Hinson, Mr. Pickle, Mr. Fascell, Mr. Rousselot, Mr. Treen, Mr. Young of Alaska, and Mr. Gudger.

H.R. 4395: Mr. Stark.

H.R. 4533: Mr. Dornan, Mr. Albosta, and Mr. Lott.

H.R. 4548: Mr. Whitehurst.

H.R. 4598: Mr. Murphy of New York and Mr. Neal.

H.R. 4631: Ms. Ferraro, Mr. Mineta, Mr. Duncan of Oregon, Mr. Moffett, Mr. Fazio, and Mr. St Germain.

H.R. 4701: Mr. Petri.

H.R. 4773: Mr. Courter.

H.R. 4986: Mr. Cheney and Mr. Won Pat.

H.J. Res. 343: Mr. Boland, Mr. Winn, Mr. Hollenbeck, Mr. Richmond, Mr. Donnelly, Mr. Whitehurst, Mr. Van Deerlin, Mr. Corrada, Mr. Rahall, Mr. Butler, Mr. Evans of Indiana, Mr. Guyer, Mr. Roe, Mr. Albosta, Mr. McDonald, Mr. Kazen, Mr. Lent, Mr. Frenzel, Mr. Solarz, Mr. Fazio, Mr. Moakley, Mr. Derrick, Mr. Conte, Mr. Jenrette, Mr. Horton, Mr. D'Amours, Mr. Cavanaugh, Mr. Lagomarsino, Mr. Daschle, Mr. Beard of Rhode Island, Mr. Frost, Mr. Guarini, Mr. Stangeland, Mr. Lloyd, Mr. Leach of Louisiana, Mr. Murphy of Pennsylvania, Mr. Wolpe, Mr. Traxler, Mr. Nolan, Mr. Flood, Mrs. Holt, Mr. Lungren, Mr. Mitchell of New York, Ms. Ferraro, Mr. Weaver, Mr. Kostmayer, Mr. Mica, Mr. Sawyer, Mr. Patten, Mr. Stokes, Mr. Downey, Mr. Jeffords, Mr. Simon, Mr. Pepper, Mr. Young of Alaska, Mr. Fowler, Mr. Scheuer, Mr. Leach of Iowa, and Mr. Coelho.

H. Con. Res. 83: Mr. Benjamin.

H. Con. Res. 138: Mr. Corcoran.

H. Con. Res. 147: Mr. Fithian, Mr. Carney, Mr. Mottl, Mr. Roe, Mr. Pepper, and Mr. Mitchell of New York.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2727

By Mr. ROSE:

—Page 5, line 21, strike out "1,200,000,000" and insert in lieu thereof the following: "1,250,000,000".

H.R. 4040

By Mr. BEARD of Tennessee:

—Page 17, after line 2, insert the following new title (and redesignate the succeeding title and sections accordingly):

TITLE VIII—CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY

DEFENSE READINESS AND MOBILIZATION CAPABILITY STUDY

Sec. 801. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b)(1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations based upon the study conducted pursuant to paragraph (1) for such legislative and executive action with respect to the defense mobilization capability of the United States as the commission considers necessary or desirable. In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c)(1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the Commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the six-month period beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to rece ipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the second calendar quarter 1979:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19______

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. City of Houston, City Hall, Houston, Tex. 77001.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Loeb, Rhoades, Hornblower & Co., 14 Wall Street, Ninth Floor, New York, N.Y. 10005.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore, Tulsa, Okla. 74119.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Alliance for Free Enterprise, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.

A Robert S. Amdursky, 153 East 53d Street, New York, N.Y. 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022

A. American Citizens' Crusade and Lobby, Inc., 1400 Gulf Boulevard, Apt. 403, Clearwater Beach, Fla. 33515.

A. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. American Logistics Association, 5205 Leesburg Pike, No. 1213, Falls Church, Va. 22401.

A. American Society for Medical Technology, 1725 De Sales Street NW., No. 403, Washington, D.C. 20036.

A. John Ams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Leonard Appel, Woods, Villalon, Hollengreen & Lindeman, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.

B. Everett Terminal Co., Inc. and Port Gardner Timber Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.

A. Rodney E. Armstrong, Armstrong, Byrd & Associates, Inc., 1606 20th Street, NW., Washington, D.C. 20009.

B. Toyota Motor Sales, U.S.A., Inc.

A. Arnold & Porter, 1229 19th Street, NW., Washington, D.C. 20036.

B. Coal Exporters Association of the United States, Inc., 1130 17th Street NW., Washington, D.C. 20036.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.

A. Mary Aronson, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.

B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va., 22209.

A. William Douglas Badger, 7705 Bock Road, Oxon Hill, Md. 20022.

B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.

A. Dennis J. Baker, 98 Sargent Road, Westminster, Mass. 01473.

B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Magnatex Industries, Inc., 1 Marienfeld Place, Midland, Tex. 70701.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.

B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.

B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.

B. American Occupational Medical Association, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.

B. Association of Teachers of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. William Barringer, Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

B. Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Japan Iron & Steel Exporters Association, Tokyo, Japan).

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. George W. Beatty, 1200 18th Street NW., Washington, D.C. 20036.

B. Bailard, Biehl & Kaiser, Inc., 800 Oak Grove, Menlo Park, Calif. 94025.

A. Jane W. Bergwin, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Western Radiological Group, c/o Armacost Management Services, Inc., Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. Bellig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.

B. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Alaska Railroad Leaseholders Association, P.O. Box 1972, Anchorage, Alaska 99510.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Cook Inlet Region, Inc., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Sealaska Corp. Board of Directors, 1 Alaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Skan-Kon, P.O. Box 57, Fort Yukon, Anchorage, Alaska 99740.

A. Helen K. Blank, 1520 New Hampshire Avenue NW., Washington, D.C.

B. Children's Defense Fund of the Washington Research Project, Inc.

A. Michael K. Blevins, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria Va. 22304.

A. Robert Z. Bohan, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Edward N. Bond, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Laurence D. Bory, 1155, 15th Street NW., Suite 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C., 20036.

A. Stuart J. Brahs, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Hilton International, Inc., 301 Park Avenue, New York, N.Y. 10022.

A. Carolyn Brickey, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Jessie B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Charles Burke, 2839 Peabody Road, Montgomery, Ala. 36116.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Thomas G. Burke, 1625 Massachusetts Avenue NW., Suite No. 505, Washington, D.C. 20036.

B. The Keefe Co., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. J. Bruce Burkland, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Dargan J. Burns, Burns Public Relations Services, Inc., Cleveland, Ohio 44114.

B. Burns Public Relations Services, Inc., Cleveland, Ohio 44114.

A. Timothy F. Burns, Manufacturing Chemists Association, 1825 Connecticut Avenue N.W., Washington, D.C. 20009.

B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower, Box B&T 197, Corpus Christi, Tex. 78477.

B. Hawn Bros., 101 North Shoreline, Suite 400, Corpus Christi, Tex. 78401.

A. Business Products Council Association, 330 Brush Street, Oakland, Calif. 94607.

A. Helen B. Byrd, 730 24th Street NW., Washington, D.C. 20037.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M. Street NW., Suite 695, Washington, D.C. 20037.

B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.

B. PPG Industries, Inc., 1 Gateway Center, Pittsburgh, Pa. 15222.

A. Arnold P. Caputo, 7600 Tremayne Place, No. 302, McLean, Va. 22101.

B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. C.A.S.H. (Citizens Against Sugar Hikes), 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

A. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

A. Central Lincoln Peoples Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Donald E. Channel, 1819 H Street NW., Suite 950, Washington, D.C. 20006.

B. Society of Military Widows, 861 Sixth Avenue, San Diego, Calif. 92101.

A. J. Blair Cherry, Jr., 104 Hubbard Street, Blacksburg, Va. 24060.

B. Coronado Exploration Co., Inc., 3303 67th Street, Lubbock, Tex. 79413.

A. Sheila M. Cherry, 104 Hubbard Street, Blacksburg, Va. 24060.

B. Coronado Exploration Co., Inc., 3303 67th Street, Lubbock, Tex. 79413.

A. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

A. The Coalition for Full Nuclear Insurance, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Coan, Couture & Lyons, 1625 I Street NW., Washington, D.C. 20006.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

A. Coan, Couture & Lyons, 1625 I Street NW., Washington, D.C. 20006.

B. Weinberg Investments, Inc., P.O. Box 518, Elk Point, S. Dak. 57035.

A. John J. Coffey, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc. (subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

A. John Colbrunn, 27 Briarwood Place, Colorado Springs, Colo. 80906.

B. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Allied General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Conoco Coal Development Co., High Ridge Park, Stamford, Conn. 06904.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Fallek-Lankro Corp., 460 Park Avenue, New York, N.Y. 10022.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Dale S. Collinson, 153 East 53d Street, New York, N.Y. 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. Committee for Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.

A. Committee For the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.

A. Jeffrey B. Conley, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. J. Crawford Cook, P.O. Box 50485, Columbia, S.C. 29250.

B. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250 (for the Kingdom of Saudi Arabia).

A. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250.

B. Kingdom of Saudi Arabia.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.

B. B.A.T. Industries, Ltd., P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H Owl, England.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. John McD. Corn, Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina del Rey, Calif. 90201.

B. Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina del Rey, Calif. 90291.

A. Donald E. Cornett, Suite 1100, 1899 L Street NW., Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.

A. Roger C. Courtney, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

A. James H. Cousins, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. The National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99510.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. New York State Urban Development Corp., 1 Astor Plaza, New York, N.Y. 10036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

A. Cowper & Madson, 543 Third Avenue, Suite D, Fairbanks, Alaska 99701.

A. Charles S. Crawford III, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Aldene E. Creech, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Commuter Airline Association of America, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Michael B. Crowson, 8405 Candelaria Drive, Austin, Tex. 78737.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind.

A. Donald W. Dalrymple, American Cyanamid Co., 1625 I Street NW, Suite 401, Washington, D.C. 20006

B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965.

A. Fred H. Daly, 1725 K Street NW., Suite 1009, Washington, D.C. 20006.

A. Dan Danner, 815 Connecticut Avenue NW., Washington, D.C. 20006

B Armco, 815 Connecticut Avenue NW, Washington, D.C. 20006.

A. Diane Davenny Darneille, Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Dial Financial Corp., 207 Ninth Street, Des Moines, Iowa 50307.

A. Robert L. Debo, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn. 55343.

A. Joseph J. Del Quaglio, 1874 East 28th Street, Brooklyn, N. Y. 11229.

A. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Cushing N. Dolbeare, 215 Eighth Street NE., Washington, D.C. 20002.

B. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.

A. Thomas J. Donohue, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

A. William Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Anthony V. Dresden, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Maurice E. Druhl, 8444 Southwest Ernst Road, Portland, Oreg. 97225.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.

B. Delaware 5 (Delaware Cities of Newark, Milford, Smyrna, New Castle, and Seaford).

A. James W. Dunlop, The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.

B. Bonneville Associates, Inc., 747 East South Temple, Suite 111, Salt Lake City, Utah 84102 (for Western Regional Council.

A. A. Blakeman Early, Sierra Club, 330 Pennsylanvia Avenue SE., Washington, D.C. 20003

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Harold F. Eberle, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460. Washington, D.C. 20006.

B. Airline Passengers Association, Inc., P.O. Box 2758, Dallas, Tex. 75221.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Itel Leasing Corp.).

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.

B. Doss Aviation, Inc., Fort Rucker, Ala.

A. Stephen Endean, 1606 17th Street NW., Washington, D.C. 20009.

B. Gay Rights National Lobby, Inc., 1606 17th Street NW., Washington, D.C. 20009.

A. Conrad H. C. Everhard, American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.

B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.

A. William S. Fancher, Jr., 6 Lakeview Drive, P.O. Drawer F, Niverville, N.Y. 12130.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.

B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Charles L. Fishman, 633 East Capitol Street, Washington, D.C. 20003.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, Drawer A, Griffin, Ga. 30224.

B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.

A. Foley Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Itel Leasing Corp., 1 Embarcadera Center, San Francisco, Calif. 94111.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Beth Israel Medical Center, 10 Nathan D. Perlman Place, New York, N.Y. 10003.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. Citizen's Action Group, Kodiak, Alaska.

A. Nancy H. Fussell, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Suite 325, Washington, D.C. 20036.

B. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

A. Gardner, Carton & Douglas, 1 First National Plaza, Chicago, Ill. 60603; 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Heizer Corp., 20 North Wacker Drive, Chicago, Ill. 60606.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Howard Mobile Village, 701 Cathedral Street, Baltimore, Md., 21201.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

A. Gay Rights National Lobby, Inc., 1606 17th Street NW., Washington, D.C. 20009.

A. Dorothy F. Gevinson, the Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

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A. Sanford Gottlieb, 305 Massachusetts Avenue NE., Washington, D.C. 20002.

B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.

A. George B. Gould, III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

A. Randall Grace, 399 Tibet Road, Columbus, Ohio 43202.

B. Louisville & Nashville Railroad, 908 West Broadway, Louisville, Ky. 40201.

A. Edward S. Gandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Ellen S. Griffee, 2401 Virginia Avenue NW., Washington, D.C. 20037.

B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.

A. The Group, Inc., P.O. Box 949, Wilmington, Del. 19899.

A. Gail Pardue Grubb, Home Health Services Association, Suite 312, 1156 15th Street, NW., Washington, D.C. 20005.

B. Home Health Services Association, 1156 15th Street NW., Suite 312, Washington, D.C. 20005.

A. Alan D. Guimond, 1 Echo Farm Drive, Bristol, R.I. 02809.

B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Michael Guimond, 1 Walnut Street, North Hampton, Mass. 01060.

B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Robert F. Guthrie, 815 16th Street NW., Room 608, Washington, D.C. 20006.

B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

A. William G. Haddeland, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Beryl Hall, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

A. Martin G. Hamberger, Rural Delivery No. 3, Glen Rock, Pa. 17327.

B. PEN, Inc., 5013 Central Avenue, St. Petersburg, Fla. 33710.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. State of Alaska.

A. Hand Tools Institute, 707 Westchester Avenue, White Plains, N.Y. 10604.

A. Doris G. Hardesty, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

A. David H. Hardy, 1600 Rhode Island Avenue, Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. Robert S. Hartmann, Hill & Knowlton, Inc., 1425 K Street NW.. Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Jeffrey Hayman, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Steven B. Hellem, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Noel Hemmendinger, Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

B. Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20005 (for Japan Iron & Steel Exporters' Association, Tokyo, Japan and Banco do Brasil, New York, N.Y.).

A. John B. Henderson, Textron, Inc., 1666 K Street NW., Washington, D.C. 20006.

B. Textron, Inc., 40 Westminster Street, Providence, R.I. 02903.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center, Cain Tower, Atlanta, Ga. 30303.

B. Colonial Life & Accident Insurance Co., P.O. Box 1365, Columbia, S.C. 29201.

A. William G. Herrold, No. 601, 2029 K Street NW., Washington, D.C. 20006.

B. Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Washington, D.C. 20006.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Michigan State Housing Development Authority, Plaza 1, Fourth Floor, 401 South Washington Square, Lansing, Mich. 48909.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.

A. Ralph W. Hoar, Jr., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

B. National Committee for Automobile Crash Protection.

A. Valery Hobbs, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, New York, N.Y. 10005.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., 3217 K Street NW., Washington, D.C. 20007.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Guam Power Authority, Agana, Guam.

A. Howard Holcomb, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.

A. Leonard S. Homa, 11320 Rouen Drive, Potomac, Md. 20854.

B. American Congress on Surveying and Mapping (ACSM), 210 Little Falls Street, Falls Church, Va 22046.

A. Randall A. Huffman, 153 East 53d Street New York, N.Y. 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. William E. Hughes, Jr., Northeast Utilities Service Co., P.O. Box 270, Hartford, Conn. 06101.

B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.

A. Craig R. Hume, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Gerard F. Hurley, 1625 I Street, NW., Suite 609, Washington, D.C. 20006.

B. National Club Association, 1625 I Street, NW., Suite 609, Washington, D.C. 20006.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036; 1168 South Main Street, Sauk Centre, Minn. 56378. Place, New York, N.Y. 10005.

A. Jenkins, Nystrom & Sterlacci, 2033 M Street, NW., Suite 504, Washington, D.C. 20036.

B. Commonwealth of Puerto Rico.

A. Norman A. Jensvold, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Richard R. Juby, 708 Currituck Drive, Raleigh, N.C. 27609.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Geza Kadar, Jr., Blue Cross & Blue Shield Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Blue Cross and Blue Shield Associations, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Kaye, Scholer, Fierman, Hays & Handler, 425 Park Avenue, New York, N.Y. 10022.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Keith B. Keener, 2626 Pennsylvania Avenue, NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Keiki Kehoe, 317 Pennsylvania Avenue SE., Washington, D.C. 20009.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20009.

A. Ernest B. Kelly III, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

A. William T. Kendall, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.

B. Alliance for Free Enterprise, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.

A. Peter B. Kenney, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Mercantile Co., 369 Pine Street, San Francisco, Calif. 94104.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Arlington Trust Co., P.O Box 688 Lawrence, Mass 01842.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Taiyo Fishery Co., Ltd., 277 Park Avenue, New York, N.Y. 10017.

A. Roger P. Kingsley, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.

B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.

A. Donald R. Kirtley, Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

A. William H. Knapp, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. John P. Knierim, 115 West Seventh Street, Fort Worth, Tex. 76102.

B. Texas Electric Service Co., 115 West Seventh Street, Fort Worth, Tex. 76102.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Colt Industries, Inc., 430 Park Avenue, New York, N.Y. 10022.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

A. Frank J. Kulhanek, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Bruce C. Ladd Jr., The Upjohn Co., 1660 L Street NW., Suite 205, Washington, D.C. 20036

B. The Upjohn Co., 7000 Portage Road, Kalamazoo, Mich. 49001.

A. Allan F. Landolt, 11 Sixth Street SE., Washington, D.C. 20003.

B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. Edward F. Leahy, 99 Oak Ridge Circle, Weymouth, Mass. 02188.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Robert L. Leggett, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Somali Democratic Republic.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Somali Democratic Republic.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Alarm Industry Telecommunications Committee of the National Burglar & Fire Alarm Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. National Development Services Corp., 1930 Century Park West, No. 404, Los Angeles, Calif. 90067.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Oakdale Corp., 16055 Ventura Boulevard, No. 400, Encino, Calif. 91436.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Washington, D.C. 20036.

B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Barbara S. Leonard, Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

A. Linton, Mields, Reisler, & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Oregon Department of Transportation, Transportation Building, Salem, Oreg.

A. Theodore M. Littman, 260 Chinook Drive, Placentia, Calif. 92670.

B. Rockwell International, 12214 Lakewood Boulevard, Downey, Calif. 90241.

A. William T. Lyons, 1800 M Street NW., Suite 280N Washington D.C. 20036.

B. CIBA-GEIGY Corp., Ardsley, N.Y. 10502.

A. Samuel A. Mabry, Hercules Inc. 1800 K Street NW. Washington, D.C. 20006.

B. Hercules Inc., 910 Market Street Wilmington, Del. 19899.

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Lasco Shipping Co., 3300 Northwest Yeon Avenue Portland, Ore. 97210.

A. Armand G. Manson, Bell Aerospace Textron, Suite 300, 1666 K Street NW., Washington, D.C. 20006.

B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

A. Ronald N. Marcus, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

B. National Committee for Automobile Crash Protection.

A. John F. Markuns, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

B. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Howard Marlowe, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

A. Chalmers H. Marquis, 3400 Blair Road, Falls Church, Va. 22041.

B. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Roger M. Marr, 2545 Blue Grass Court, Indianapolis, Ind. 46208.

B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

A. Marshall Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.

A. Larry K. Martin, Man-Made Fiber Producers Association Inc., 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

A. Steven A. Martindale, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. John L. McCormick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. James W. McDade, McDade & Lee, 1130 17th Street NW., Washington, D.C. 20036.

B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. Marianne McDermott, Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510).

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.

A. Darryl D. McEwen, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. John E. McGill, RCA Alaska Communications, Inc., 949 East 36th Avenue, Anchorage, Alaska 99504.

B. RCA Alaska Communications, 949 East 36th Avenue, Anchorage, Alaska 99504.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.

A. Evan M. Migdail, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

A. Miller Associates, Inc., 2500 Q Street NW., Washington, D.C. 20007.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lockheed Corp., Burbank, Calif. 91520.

A. Cleatis G. Mitchell, P.O. Box 131, Ashland, Oreg. 97520.

B. Western Truckers' Association, P.O. Box 336, Medford, Oreg. 97501.

A. Richard Mizrack, 295 Madison Avenue, New York, N.Y. 10017.

B. Fallek-Lankro Corp., Tuscaloosa, Ala.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.

B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.

B. Electrolert, Inc., 457 Park Avenue, New York, N.Y. 10016.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.

B. National Association of Theater Owners, 1500 Broadway, New York, N.Y. 10026.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.

B. Thomson-CSF, Division Equipements Avioniques, 178, bd Gabriel-Peri, 92240 Malakoff, France.

A. Mark E. Moran, 1407-A North Van Dorn Street, Alexandria, Va.

B. DGA International, Inc., 1225 19th Street, NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. William C. Morrison, Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va 22209.

B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. George R. Moses, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Somali Democratic Republic.

A. John E. Moss, 3300 19th Street, Sacramento, Calif.

B. National Committee for Automobile Crash Protection.

A. Reesa Motley, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Karl O. Murphey, Skeer Lake Road, Orlando, Fla.,

B. Free Spirit Trucking, Inc., Route 3, Box 980, Orlando, Fla. 32811.

A. The National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.

A. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

A. National Association of Selective Distributors, 1050 Turnpike Street, Canton, Mass. 02021.

A. National Council of Health Care Services, 1200 15th Street, NW, Suite 601, Washington, D.C. 20005.

A. National Food Processors Association, 1133 20th Street, NW., Washington, D.C. 20036.

A. Michael P. Neumann, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.

B. Ocean Energy Council, Inc., Box 57198, Washington, D.C. 20037.

A. George O'Bea, Jr., 815 16th Street NW., Suite 304, Washington, D.C. 20006.

B. United Paperworkers International Union, 815 16th Street NW., Suite 304, Washington, D.C. 20006.

A. Everette D. O'Brien, 1376 Chartwell Carriageway North, East Lansing, Mich. 48823.

B. Distilled Spirits Council of the United States, Inc., (DISCUS) 425 13th Street NW., Washington, D.C. 20004.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Abt Associates, Inc., Cambridge, Mass. 02138.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Save Loring Committee, Paul Haines, Chairman, 222 Main Street, Limestone, Maine 04750.

A. O'Connor & Hanna, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.

B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill.. 60640.

A. Matthew D. O'Hara, General Mills, Inc., 1629 K Street, Suite 300, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. William J. Olson, 1819 H Street NW., Washington, D.C. 20006.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036

B. Bank of America, Bank of Investment Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Blyth, Eastman, Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Dean Witter Reynolds, Inc.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006; Hospital Affiliates International, Inc., 4525 Harding Road, Nashville, Tenn. 37205.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Smith, Barney, Harris, Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neill, Forgotson & Roncalio, 1220 19th Street NW., Suite 303, Washington, D.C. 20036.

B. Parahoe Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.

A. John F. O'Neal, Law Offices of John F. O'Neal, 600 New Hampshire Avenue N.W., Suite 952, Washington, D.C. 20037.

B. National REA Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Renee Parsons, 133 C Street SE., Washington, D.C. 20003.

B. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Committee for Expanded Trade, 2550 M Street NW., eighth floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Publicker Industries, 14th Floor, Packard Building, Philadelphia, Pa. 19102.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Retail Tax Committee, 2550 M Street NW., Suite 800, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M. Street NW., Washington, D.C. 20037.

B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., 12th Floor, Washington, D.C. 20036.

B. Amoco Production, Inc., 1000 16th Street NW., Suite 503, Washington, D.C. 20036.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C 20036.

B. Motorola, Inc., Schaumberg, Ill. 60196.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., 12th Floor, Washington, D.C. 20036.

B. Semiconductor Industries Association, 20380 Town Center Lane, Suite 155, Cupertino, Calif. 95014.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, 1204, Rosslyn, Va. 22209.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Harris Corp., Melbourne, Fla. 32919.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Sun Ship, Foot of Morton Avenue, Chester, Pa. 19013.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Western Union Corp., 1 Lake Street, Upper Saddle River, N.J.

A. Perito, Duerk, & Carlson, 1001 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.

B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.

A. Jeffry L. Perlman, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Henry S. Pflanz, 11 Sixth Street SE., Washington, D.C. 20003.

B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

A. Henry S. Pflanz, Pflanz & Associates, 9111 Grandhaven Avenue, Upper Marlboro, Md. 20870.

B. Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.

A. John D. Phillips, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts

Avenue NW., Suite 503, Washington, D.C. 20036.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

A. Michael Podhorzer, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 702, Arlington, Va. 22202.
B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.

A. Gregg R. Potvin, 248 Prince George Street, Annapolis, Md. 21401.

A. Gregg R. Potvin, 248 Prince George Street, Annapolis, Md. 21401.
B. National Oil Jobbers Council, 11th Floor, 1707 H St. NW., Washington, D.C. 20036.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOF REAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. City of Juneau, Juneau, Alaska.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Resources Alliance, 925 116th Street NE., Suite 237, Seattle, Wash. 98004.

A. Woodruff M. Price, Seaboard Coast Line Industries, Inc., 1000 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. Seaboard Coast Line Industries, Inc., 500 Water Street, Jacksonsille, Fla. 32202.

A. Steven L. Pruitt, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. John A. Reilly, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al., P.O. Box 4215, Yuma, Ariz. 85364.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., No. 607, Washington, D.C. 20006.
B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, 314 Thayer Avenue, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Selina Rissell, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Washington, D.C. 20001.

A. Brinton P. Roberts, Choate, Hall & Stewart, 60 State Street, Boston, Mass. 02109.
B. New England Tank Industries of New Hampshire, Inc., 135 First Street, Cambridge, Mass.

A. Lloyd M. Rockne, 8501 Bennington Way, Sacramento, Calif. 95826.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. John E. Rogers, 4701 Sangamore Road, Bethesda, Md. 20016.
B. Graham-White Manufacturing Co., Box 1099, Salem, Va. 24153.

A. Harvey Rosenfield, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Barry N. Roth, The Williams Cos., Suite 350, 1750 K Street NW., Washington, D.C. 20006.
B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A. Mark Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
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A. Eric M. Rubin, Wolf, Block, Schorr & Solis-Cohen, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Outdoor Advertising Association of America, 1899 L Street NW., Washington, D.C. 20036.

A. Nancy B. Rubini, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

A. Lyle Ryter, 499 South Capitol Street SW., Washington, D.C. 20003.
B. American Security Council, 499 South Capitol Street SW., Washington, D.C. 20003.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
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A. Frank Max Salinger, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. D. Anne Scanley, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.
B. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Kenneth D. Schanzer, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Terry G. Schlemeier, 531 East Capital, Jefferson City, Mo. 65101.
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A. Lee H. Schmolke, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.
B. Lee H. Schmolke & Associates (for The Energy Committee of America).

A. William Z. Scott, P.O. Box 121, Pocono Manor, Pa. 18349.
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A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. Shipbuilders Council of America, 600 New Hampshire Avenue, Washington, D.C. 20037.

A. Karen Dolmatch Shaw, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1650 30th Street NW., 900-S, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

A. Jonathan R. Sheiner, 4 Irving Place, New York, N.Y. 10003.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. Michael S. Sher, National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.
B. The National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.

A. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.

A. Michael Shorr, 1625 L Street NW., Washington, D.C. 20036.
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A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
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A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20006.
B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.

A. Daniel W. Sigelman, 2000 P Street NW., No. 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. William Jay Slosberg, 1128 25th Street NW., No. 3, Washington, D.C. 20037.
B. Committee for the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Florida East Coast Railway Co., 1 Malaga Street, St. Augustine, Fla. 32084.

A. Carl Edward Smith, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

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A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

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A. John M. Starrels, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Roy N. Staten, 3012 Dunglow Road, Dundalk, Md. 21222.
B. Bethlehem Steel Corp.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pfizer, Inc., Minerals, Pigments & Metals Division, 235 East 42d Street, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Talley Industries, P.O. Box 849, Mesa, Ariz. 85201.

A. Adam D. Stolpen, Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.
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A. Stronberg & D'Addario, 130 South Royal Street, Alexandria, Va. 22314.
B. KMS Fusion, P.O. Box 1778, Ann Arbor, Mich. 48106.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Office of the Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Eugene F. Sturgeon, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

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A. Clyde W. Summerville, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20515.
B. The Travelers Insurance Co., 1 Tower Square, Hartford, Conn., 06115.

A. Sutin, Thayer & Browne, P.O. Box 1945, Albuquerque, N. Mex. 87103.
B. Office of the Attorney General, State of New Mexico, P.O. Drawer 1508, Santa Fe, N. Mex. 87501.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.
B. The Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Suite 605, Washington, D.C. 20006.

A. Douglas W. Svendson, Jr., Stang & Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Trailways, 1500 Jackson Street, Dallas, Tex., 75201.

A. G. Lee Swift, 1100 17th Street NW., No. 710, Washington, D.C. 20036.
B. IU International, 1500 Walnut Street, Philadelphia, Pa. 19102.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

A. Mary and Charles Teeple, 4002 Balcones, Austin, Tex. 78731.

A. Telephone & Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.
B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.
B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Physicians Placement Group, Inc., 970 Executive Parkway, Suite 101, St. Louis, Mo. 63141.

A. Susan P. Thomases, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48228.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

A. Kim T. Tisdale, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
B. American Conservative Union, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.

A. Davis J. Tomasin, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

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A. Sanky Trimble, 328 Enchanted Valley Place NW., Albuquerque, N. Mex. ex. 87107.
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A. William A. Turnage, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. L. Stanton Tuttle, 4400 Fredericksburg Drive, Birmingham, Ala. 35213.
B. Brookwood Health Services, Inc., 2000–D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Drew A. Upton, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
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A. Richard A. Van Deuren, c/o Reinhart, Boerner, Van Deuren, Norris & Rieselbach, 1800 Marine Plaza, Milwaukee, Wis. 53201.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Alaska Petrochemical Co., 3700 Buffalo Speedway, Suite 806, Houston, Tex. 77098.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Hydro-Energy Associates, Inc., 7612 Route 130, Pennsauken, N.J. 08110.

A. John P. Venners, 1899 L Street NW., Suite 1250, Washington, D.C. 20036.
B. Venners & Co., 1899 L Street NW., Suite 1250, Washington, D.C. 20036 (for Pride Refining, Inc., P.O. Box 3237, Abilene, Tex. 79604).

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Florida Gas Co.).

A. James F. Wagenlander, Suite No. 1020, 910 16th Street, Denver, Colo. 80202.

B. Committee to Save Indian Housing, 910 16th Street, Suite No. 1020, Denver, Colo. 80202.

A. Paul Wagner, Wagner & Baroody, 1100 17th Street NW., Washington, D.C. 20036.

B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.

A. Wake Up America, 5515 London Road, Duluth, Minn. 55804.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Agrico Chemical Co., et al., Bank of Oklahoma Tower, 1 Williams Center, Tulsa, Okla. 74103.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

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A. Douglas M. Webb, 1775 K Street NW., Washington, D.C. 20006.

B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.

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A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund.

A. Michael D. Welch, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Gino Morena Enterprises, Panama Canal Pilots Association.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.

B. Alaska Coalition, 620 C Street SE, Washington, D.C. 20003.

A. Elizabeth Shirley Weltner, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. White, Fine & Verville, 1156 15th Street NW., Suite 302, Washington, D.C. 20005.

B. Turlock Irrigation District, P.O. Box 949, 333 East Canal Street, Turlock, Calif. 95380. Modesto Irrigation District, 1231 11th Street, P.O. Box 4060, Modesto, Calif. 95352.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C. 20006.

B. Thetford Corp., Box 1285, Ann Arbor, Mich. 48106.

A. Whitman & Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20036.

B. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.

A. Alan J. Whitney, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

B. National Association of Government Employees, 2134 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.

B. Shee Atika, Inc., P.O. Box 4578, Mount Edgecumbe, Alaska 99835.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.

B. U.S. National Bank, Medford, Oreg. (for Klamath Indian Tribe, Oregon).

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.

A. J. Larrry Williams, P.O. Box 10235, Tallahassee, Fla. 32302.

B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. Williams & Connolly, 839 17th Street NW., Washington, D.C. 20006.

B. Citizens for Sensible Maine Power, c/o Seth Hedgcock, Farnham Point, East Boothbay, Maine.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. Rhode Island Housing & Mortgage Finance Corp., Suite 1700, 17th Floor, 40 Westminster Street, Providence, R.I. 02903.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Association for Responsible Housing Policy, Inc., 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Outdoor Advertising Association of America, 1660 L Street NW., No. 215, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Student Loan Marketing Association (Sallie Mae), 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. Charlotte M. Wilmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Association of American Residents Overseas, Paris, France; American Chamber of Commerce in France, Paris, France; The American Club of Paris, Paris, France.

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A. James E. Wilson, Jr., 1150 17th Street NW., Suite 500, Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Curtin Winsor, 1200 17th Street NW., No. 601, Washington, D.C. 20036.

B. Alliance For Free Enterprise, 1200 17th Street NW., No. 601, Washington, D.C. 20036.

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B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.

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B. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, DC. 20009.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Steven M. Worth, Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

A. Judith A. Young, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1979:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts **(other than loans)**

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).
9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures **(other than loans)**

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).
12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Robert J. Aagre, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,246. E. (9) $287.40.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

E. (9) $2,379.25.

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.

D. (6) $2,500. E. (9) $2,500.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,825.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.

B. Vepco, Seventh and Franklin Streets, Richmond, Va.

D. (6) $160.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.

B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.

D. (6) $300.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. The Adherence Group, 21 West Street, New York, N.Y. 10006.

E. (9) $424.17.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $13,482.44. E. (9) $13,482.44.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,100. E. (9) $6,359.30.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

D. (6) $33.66.

A. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

E. (9) $77.50.

A. Air Transportal Association of America, 1709 New York Avenue, NW., Washington, D.C. 20006.

D. (6) $7,622. E. (9) $7,622.

A. Aircraft Owners and Pilots Association, P.O. Box 5800, Washington, D.C. 20014.

E. (9) $6,606.82.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $950. E. (9) $120.96.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. Alaskan Petrochemical Co., 3700 Buffalo Speedway, Houston, Tex. 77098.

D. (6) $2,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. City of Houston, City Hall, Houston, Tex. 77001.

D. (6) $1,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex., 77046.

D. (6) $12,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, Suite 400, Washington, D.C. 20036.

B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. Loeb, Rhoades, Hornblower & Co., 14 Wall Street, Ninth Floor, New York, N.Y. 10005.

D. (6) $3,500.

A. Akin, Gump, Hauer & Feld, 1332 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla., 74119.

D. (6) $2,300.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.

B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah 84111.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19013.

D. (6) $5,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.

D. (6) $250.

A. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

D. (6) $96,122.70. E. (9) $95,583.22.

A. Alaska Fund, Inc., 810 18th Street NW., No. 802, Washington, D.C. 20006.

D. (6) $17,000. E. (9) $11,374.14.

A Joan H. Albert, National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.

B. National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue, Washington, D.C. 20015.

E. (9) $286.30.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D C. 20036.

D. (6) $300.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Air Florida, A.M.F.P.O. 592337, Miami, Fla. 33159.

D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 32302.

D. (6) $7,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. The Brunswick Corp., One Brunswick Plaza, Skokie, Ill. 60076.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Computer Sciences Corp., 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.

D. (6) $3,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. The Continental Group, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.

D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.

D. (6) $3,600.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.

D. (6) $3,000.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.

B. The Hormel Foundation, Austin, Minn. 55912.

A. Frederick K. Alderson, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $292. E. (9) $99.61.

A. Claude Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $519.57.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $1,875. E. (9) $26.56.

A. Maxton M. Allcox, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $22,250.46.

A. Anne Genevieve Allen, Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
D. (6) $473.06. E. (9) $1,286.16.

A. Alliance for Free Enterprise, 1200 17th NW., Suite 601, Washington, D.C. 20036.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $2,866.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $2,160. E. (9) $1,701.89.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900. E. (9) $428.

A. Robert S. Amdursky, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
E. (9) $368.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,454.96. E. (9) $1,454.96.

A. American Arts Alliance, Inc., 424 C Street NE., Washington, D.C. 20002.
D. (6) $18,678.18. E. (9) $50,535.55.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $75.31. E. (9) $349.54.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $26,206.69. E. (9) $26,206.69.

A. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.
D. (6) $198.50. E. (9) $7,661.25.

A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $5,427.50. E. (9) $732.64.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
E. (9) $807.55.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $12,199.58. E. (9) $12,199.58.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; and 425 18th Street NW., Washington, D.C. 20004.
D. (6) $63,033. E. (9) $63,033.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $122,064.16.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $2,500.

A. American Hellenic Institute, Public Affairs Committee, Inc., 1730 K Street NW., No. 903, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $699.76.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $3,150. E. (9) $4,286.12.

A. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $9,978.73. E. (9) $42,036.98.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
E. (9) $1,800.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $1,319.30.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $64,107.75. E. (9) $64,107.75.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C.
D. (6) $46,767. E. (9) $54,838.95.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $3,328.

A. American League for Exports and Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $8,650.19. E. (9) $8,650.19.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street, NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
E. (9) $8,795.72.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,955. E. (9) $29,890.22.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $159,482.30. E. (9) $39,729.67.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo.
D. (6) $7,912.30. E. (9) $7,912.30.

A. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 76211.
D. (6) $772.14. E. (9) $772.14.

A. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $228.75.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $151,393. E. (9) $144,662.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $2,215.13. E. (9) $2,215.13.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $11,120.05.

A. American Postal Workers Union, 817 14th Street NW., Washington, D.. 20005.
D. (6) $2,689,875.78. E. (9) $143,542.99.

A. American Short Line Railroad Association, 200 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,146.14. E. (9) $1,146.14.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers and Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $330.63. E. (9) $296.07.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $41,349.21. E. (9) $41,349.21.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $58,072.53.

A. American Veterinary Medical Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $600.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $3,534.18. E. (9) $1,156.

A. Morris J. Amitay, 444 North Capitol Street NW., Washigton, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $7,500.

A. Anthony L. Anderson, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $4,934. E. (9) $3,909.

A. Jane K. Anderson, Kennecott Copper Corp., subsidiary of Carborundum Co., 1022 15th Street NW., D.C. 20005.
B. Kennecott Copper Corp., subsidiary of Carborundum Co., 1775 K Street NW., Washington, D.C. 20006; 1022 15th Street NW., Washington, D.C. 20005.
D. (6) $485. E. (9) $2.50.

A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,083. E. (9) $172.23.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Wayne C. Anderson, 1629 K Street NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $2,50C. E. (9) $950.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $40.

A. Laureen E. Andrews, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,439.97. E. (9) $20.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. J. Donald Annett, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Linda M. Anzalone, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500. E. (9) $112.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. W. Stanley Armstrong, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $47.60. E. (9) $5.80.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.
D. (6) $1,200.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $900.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $1,458.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Coal Exporters Association of the United States, Inc., 1130 17th Street NW., Washington, D.C. 20036.
E. (9) $4.30.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The London Commodity Exchange Co., Ltd., Cereal House, 58 Mark Lane, London EC3R 7NE, England, International Commodities Clearing House, Ltd., Roman Wall House, 1–2 Crutched Friars, London EC3N 2AN, England.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $1,450. E. (9) $94.88.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
D. (6) $5,490. E. (9) $57.83.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $350.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
D. (6) $275. E. (9) $3.40.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $14,650. E. (9) $878.71.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
E. (9) $188.13.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Association for the Advancement of Invention and Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $5,844.50. E. (9) $4,573.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,098.52 E. (9) $5,098.52.

A. Association of American Railroads, American Railroads Building (211), 1920 L Street NW., Washington, D.C. 20036.
D. (6) $22,779.58. E. (9) $22,779.58.

A. Association of Data Processing Service Organizations, Inc. (ADAPSO), 1925 North Lynn Street, Suite 1100, Arlington, Va. 22209.
E. (9) $1,846.

A. Association of Independent Corrugated Converters, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $14,000. E. (9) $3,733.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $363.

A. Association of Media Producers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $5,540.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,937.50. E. (9) $3,937.50.

A. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.
D. (6) $130,120.25. E. (9) $300.

A. George J. Aste, 1825 K Street, Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street, Suite 607, Washington, D.C. 20006.
D. (6) $500. E. (9) $500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $210. E. (9) $24.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $2,985. E. (9) $9.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. John D. Austin, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $21.70. E. (9) $3.50.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $1,200. E. (9) $1,093.85.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $231.

A. Walter C. Ayers, Virginia Petroleum Industries, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $250. E. (9) $223.50.

A. Joseph W. Ayres, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
B. The National Industrial Traffic League, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
D. (6) $1,675. E. (9) $40.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
E. (9) $700.

A. William Douglas Badger, 7705 Bock Road, Oxen Hills, Md. 20022.
B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.
D. (6) $2,600. E. (9) $739.34.

A. Baer, Marks & Upham, 299 Park Avenue, New York, N.Y. 10017.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $2,040. E. (9) $374.35.

A. George F. Bailey, Jr., Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
D. (6) $1,000. E. (9) $180.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Baker & Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. Indiana Toll Road Commission, P.O. Box 748, South Bend, Ind. 46624.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cambridge Research & Development Group, 21 Bridge Square, Westport, Conn. 06880.
D. (6) $3,937.50. E. (9) $44.70.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Magnatex Corp., 1 Marienfeld Place, Midland, Tex. 79701.

A. Donald Baldwin, Donald Baldwin Associates, Suite 804, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Taxpayers Union, 325 Pennsylvania Avenue, SE., Washington, D.C. 20003.
D. (6) $3,600.

A. Jacqueline Balk-Tusa, 1625 I Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $10,312.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.
E. (9) $1,103.58.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.
E. (9) $45.89.

A. Sheila MacDonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $2,000. E. (9) $62.

A. Richard M. Bank, Suite 300, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Youth Project, 1555 Connecticut Avenue NW., Suite 501, Washington, D.C. 20036.
D. (6) $5,000. E. (9) $170.03.

A. Will G. Barber, 1300 AmericanBank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard., Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American College of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American Occupational Medical Association, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Teachers of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. Wayne B. Bardsley, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K. Street, Washington, D.C. 20006.

A. Robert O. Barker, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $14.

A. Donna R. Barnako, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. NCHCS, 1200 15th Street NW., No. 601, Washington, D.C. 20005.
D. (6) $720. E. (9) $278.18.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
B. Meat Importers Council of America, Inc., 1910 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $500.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $2,500.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,387.50.

A. James C. Barr, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $71.05.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
E. (9) $477.28.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,500.

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).
D. (6) $820.

A. Thea Rossi Barron, 450 West Broad Street, Suite 114, Falls Church, Va. 22046.
B. The Italian American Forum, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. David S. Barrows, 1201 Southwest 12th, Suite 300, Portland, Oreg. 97205.
B. Association of Oregon & California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. Richard A. Barton, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.
D. (6) $1,400. E. (9) $234.16.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $65.

A. Robert E. Bates, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp.. 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125. E. (9) $139.98.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,250.

A. Lucius D. Battle, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $300.

A. Lynne D. Battle, The College Placement Council, Inc., 1101 Connecticut Avenue NW., Suite 705 Washington D.C. 20036.
B. The College Placement Council. Inc., P.O. Box 2263, Bethlehem, Pa. 18001.
D. (6) $526. E. (9) $13.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Room 515, Boston, Mass. 02108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Gary L. Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. John E. Baughman, 5081 Stacy Drive East, Harrisburg, Pa. 17111.
B. Pennsylvania State Education Association, 400 North Third Street, Harrisburg, Pa. 17105.
D. (6) $625. E. (9) $204.

A. Sadie R. Baulch, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Tina Marts Beach, General Electric Co., 777 14th Street N.W., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $65.

A. Bruce A. Beam, American Electric Power Service Corp., 1629 K Street N.W., Washington, D.C. 20006.
B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.
D. (6) $171.25. E. (9) $212.48.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.
B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J., 07054.
D. (6) $1,780.50. E. (9) 1,771.58.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,630.06.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $3,600. E. (9) $89.40.

A. Edwin L. Behrens, Procter & Gamble, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinatti, Ohio 45202.
D. (6) $45.

A. Max J. Beilke, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20908.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $3,750. E. (9) $332.18.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 3615 Overcreek Drive, Columbia, S.C. 29206.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $100.

A. C. Robert Benedict, 603 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Osteopathic Hospital Association, 930 Busse Highway, Chicago, Ill. 60068.
D. (6) $1,566. E. (9) $3,694.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc. Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $89.23.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $1,250. E. (9) $69.30.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.
D. (6) $3,000. E. (9) $5.50.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. National Restaurant Association, Suite 850, 1850 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.
B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.
D. (6) $100. E. (9) $180.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., No. 215, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $4,000.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $405.

A. Walter L. Benning, 14901 Ritchie Road, Centreville, Va. 22020.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $1,500. E. (9) $85.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,800. E. (9) $329.75.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. CNA, CNA Plaza, Chicago, Ill.
D. (6) $1,000.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y.
D. (6) $4,500.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
D. (6) $1,250.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $17,000.

A. William R. Berman, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Arthur S. Berner, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionnel De L'Economie Laitiere (French Dairy Association), 8, Rue Danielle Casanova, 75002 Paris, France

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Constructora Nacional de Carros de Ferrocarrill, S.A., San Lorenzo 925, 5° Piso, Mexico, D.F., Mexico.
D. (6) $18,256.25. E. (9) $1,471.95.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.
D. (6) $4,207.50. E. (9) $283.23.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Western Radiological Group; Armacost Management Services, Inc., Suite 2, 2044 Armacost Avenue, Los Angeles, Calif 90025.
D. (6) $29,721.98. E. (9) $278.02.

A. Max N. Berry, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports and Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $1,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.

D. (6) $600.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,800. E. (9) $89.90.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.

D. (6) $840.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Union Mines, 9 West 57th Street, New York, N.Y. 10019.

D. (6) $500.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $5,450. E. (9) $159.82.

A. Gerda Bikales, 6711 Pine Creek Court, McLean, Va. 22101.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) $600. E. (9) $25.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.

B. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Alaska Railroad Leaseholders Association, P.O. Box 1972, Anchorage, Alaska 99510.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Aleutian-Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Cook Inlet Region, Inc., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. MAPCO, 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Sealaska Corp., Board of Directors, 1 Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Skan-Kon, P.O. Box 57, Fort Yukon, Anchorage, Alaska 99740.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20036.

A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $2,300. E. (9) $34.28.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Donna C. Blair, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $250.

A. Richard W. Blake, 1776 K Street NW., Suite 900, Washington, D.C. 20006.

B. American Sugarbeet Growers Association, 1776 K Street NW., Suite 900, Washington, D.C. 20006.

D. (6) $560.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Board of Trade Clearing Corp., 141 Jackson Boulevard, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.W. 10004.

D. (6) $1,250.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Government of El Salvador, Office of the President, San Salvador, El Salvador.

D. (6) $3,000. E. (9) $78.91.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.

D. (6) $25,000. E. (9) $163.47.

A. David Blatt, 818 18th Street NW., Suite 750, Washington, D.C. 20006.

B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.

D. (6) $5,876.46. E. (9) $3,657.96.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $17,860.50. E. (9) $2,173.81.

A. Michael K. Blevins, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $3,468.31.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.

B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.

D. (6) $450. E. (9) $100.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.

D. (6) $218.75.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., Washington, D.C. 20009.

B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.

D. (6) $3,600. E (9) $16.95.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.

B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $15,000. E. (9) $675.

A. Jared O. Blum, 1730 M Street NW., Washington, D.C. 20036.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $500. E (9) $141.37.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.

D. (6) $300. E. (9) $10.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,300.

A. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) $9,374.03. E. (9) $12,124.44.

A. Theodore D. Bogue, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

D. (6) $200.

A. Robert Z. Bohan, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Christie K. Bohner, 900 17th Street NW., No. 1016, Washington, D.C. 20006.

B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.

D. (6) $238.

A. Patricia M. Boinski, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $80. E. (9) $9.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

B. National Association of Chain Drug Stores, Inc. (NACDS), 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

D. (6) $500.

A. Edward N. Bond, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle Wash. 98124.

D. (6) $600. E. (9) $124.14.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.

D. (6) $2,400. E. (9) $4,058.22.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $475.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Edward T. Borda, 1625 I Street NW., Room 1023, Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.

D. (6) $4,000. E. (9) $10.

A. Thomas C. Borzilleri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $273.23.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

D. (6) $3,333.33. E. (9) $140.56.

A. Charles G. Botsford, The Botsford Co., 1730 M Street NW., No. 609, Washington, D.C. 20036.

B. Colt Industries, et al.

D. (6) $1,500.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $3,797.88.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $468. E. (9) $111.70.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714 Atlas Building, Charleston, W. Va. 25301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $682. E. (9) $578.29.

A. Edward L. Bowley, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL-CIO, 817 14th Street, NW., Washington, D.C. 20005.

D. (6) $10,886.46. E. (9) $2,499.02.

A. Randal Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $562.50. E. (9) $29.96.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.

B Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) $150.

A. John G. Boyd, IBM, 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines, Old Orchard Road, Armonk, NY. 10504.

D. (6) $255.75. E. (9) $9.95.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006

B. Food Marketing Institute, 1750 K Street, Washington, D.C. 20006.

D. (6) $2,000.

A. Frank W. Bradley, Chevron, U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron, U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

D. (6) $500.

A. Gene M. Bradley, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $308. E. (9) $75.30.

A. Wayne W. Bradley, American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $500. E. (9) $7.60.

A. Charles N. Brady, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va., 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $996.15. E. (9) $215.95.

A. Raymond F. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

D. (6) $100.

A. T. Edward Braswell, Jr., Corcoran, Youngman & Rowe, 1511 15th Street NW., Washington, D.C. 20005.

B. Newport News Shipbuilding & Drydock Co., North Washington Street, Newport News, Va.

D. (6) $3,750. E. (9) $116.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.

D. (6) $3,000.

A. Breed, Abbott & Morgan, 1875 I Street NW., Washington, D.C. 20006.

B. Lasker, Stone & Stern, 20 Broad Street, New York, N.Y.

D. (6) $70. E. (9) $15.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. The Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20036.

D. (6) $800.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. American Car Rental Association (ACRA), 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $1,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Trans World Airlines, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $2,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Truck Renting & Leasing Association (TRALA), 1750 Pennsylvania Avenue NW., 1303, Washington, D.C.

D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $700.

A. Edward J. Brenner, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va., 22202.

B. Association for the Advancement of Invention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Carolyn Brickey, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $692.31.

A. Bill Brier, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $46.98.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif., 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif., 90017.
D. (6) $1,187. E. (9) $10.80.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $463.33.

A. George L. Bristol, 1106 West Avenue, Austin, Tex. 78701.
B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.
D. (6) $4,500. E. (9) $1,917.44.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 823 UN Plaza, New York, N.Y. 10017.
D. (6) $1,025.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Dale E. Brooks, Chevron, U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron, U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $680. E. (9) $644.57.

A. Daniel T. Bross, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
D. (6) $525. E. (9) $212.52.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $25,563.30. E. (9) $25,563.30.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,000.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $180.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.
B. Cities Service Co., Box 100, Miami, Ariz. 85539.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $525.88.

A. Donald K. Brown, 1127 11th Street, Suite 618, Sacramento, Calif. 95841.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $250.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $350.

A. Vincent D. Brown, c/o Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $327.50. E. (9) $134.58.

A. Richard L. Brubacher, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Fred J. Bruner, Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
B. Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
D. (6) $1,065.60. E. (9) $1,348.48.

A. Kathryne M. Bruner, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $650. E. (9) $25.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $3,000. E. (9) $292.80.

A. Joseph A. Bruno, 5110 41st Street NW., Washington, D.C. 20016.
B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) $212.50.

A. Micheal W. Buckner, 900 15th Street NW, Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $241.34.

A. Robert D. Buehler, B.F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $88.96.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $600.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue NW., Suite 520, Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $5,220. E. (9) $40.

A. David G. Burden, 200 East Randolph Drive, M.C. 3704, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Charles W. Burke, 2839 Peabody Road, Montgomery, Ala. 36116.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $300. E. (9) $292.17.

A. Duane V. Burke, P.O. Box 1724, Rockville, Md. 20850.
B. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $297.50.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $852.92. E. (9) $78.50.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) $1,200.

A. Gerrie Bjornson Burns, B.F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B. The B. F. Goodrich Co., Akron, Ohio 44318.

D. (6) $100.

A. Burns Public Relations Services, Inc., 666 Euclid Avenue, Suite 516, Cleveland, Ohio 44114.

B. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

D. (6) $275. E. (9) $135.

A. Timothy F. Burns, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $300.

A. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

B. Newport News Shipbuilding & Drydock Co., 4101 Washington Avenue, Newport News, Va. 23607.

E. (9) $100,797.71.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.

B. Opera America, 1010 Vermont Avenue NW., Washington, D.C. 20005.

D. (6) $637.50. E. (9) $1,203.62.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street, NW., Washington, D.C., 20036.

D. (6) $6,000. E. (9) $41.95.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street, NW., Washington, D.C. 20036.

B. Magazine Publishers Association , Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.

D. (6) $1,759.50 E. (9) $293.78.

A. Busby, Rehm & Leonard, 1629 K Street, NW., Suite 1100, Washington, D.C. 20036.

B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.

E. (9) $25.

A. Nicholas J. Bush, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $346.48.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower, B&T Box 197, Corpus Christi, Tex. 78477.

B. Atlantic Richfield Co., 1601 Bryan Street, Dallas, Tex. 75221.

D. (6) $12,501. E. (9) $3,228.08.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.

D. (6) $985. E. (9) $1,246.64.

A. Business Products Council Association, 330 Brush Street, Oakland, Calif. 94607.

D. (6) $1,200. E. (9) $857.45.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York N.Y. 10017.

D. (6) $2,500. E. (9) $140.51.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., No. 350, Washington, D.C. 20006.

B. City of Philadelphia, 1660 Municipal Services Building, Philadelphia, Pa. 19107.

D. (6) $12,353.35. E. (9) $30,610.17.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Kenneth W. Butler, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $622.50.

A. John R. Butz, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Non-Commissioned Officers Association of the United States of America, P.O. Box 33610, San Antonio, Tex. 78233.

D. (6) $1,596.40. E. (9) $125.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for American Family Mutual Insurance Co).

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Cabot Corp.).

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D. C. 20006 (for Insurance Association of Connecticut).

A. John W. Brynes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.

B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.

D. (6) $6,250.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 20006.

B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.

D. (6) $1,000. E. (9) $50.

A. California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $2,000.

A. California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $1,500.

A. California Westside Farmers, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $1,000.

A. F. Patricia Callahan, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $980. E. (9) $200.31.

A. Peter E. Callahan, Honeywell, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.

D. (6) $700. E. (9) $410.

A. James R. Calloway, Suite 500, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $500. E. (9) $150.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

D. (6) $36,219. E. (9) $21,297.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.

B. LFE Corp., et al.

D. (6) $4,375.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.

B. Prismo Universal, et al.

D. (6) $5,499.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.

B. ACLI International, Inc., New York, N.Y.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.

B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. C. Russell Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. General Telephone and Electronics Corp., One Stamford Forum, Stamford, Conn. 06904.

D. (6) $500.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $317.69.

A. Sharyn Campbell, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Thomas D. Campbell, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.

D. (6) $1,500. E. (9) $99.55.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.

B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.

D. (6) $400. E. (9) $439.15.

A. David A. Caney, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $6,250. E. (9) $1,854.06.

A. David L. Cantor, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $162.50. E. (9) $19.14.

A. Marvin H. Caplan, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $5,492.50. E. (9) $126.65.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.

D. (6) $7,066.50. E. (9) $61.14.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. Council on Foundations, Inc., 1828 L Street NW., Washington, D.C. 20036.

D. (6) $1,400.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue, NW., No. 800, Washington, D.C. 20036.

B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London, EC3A 5AH England.

E. (9) $310.84.

A. Norval E. Carey, 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $1,800. E. (9) $26.20.

A. Warren H. Carey, Phillips Petroleum Co., 1825 K Street N.W., Suite 1107, Washington, D.C.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. Charles R. Carlisle, 250 Park Avenue, New York, N.Y. 10017.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $9,360. E. (9) $126.40.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C., 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,875.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.

B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.

D. (6) $1,500.

A. Jack M. Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $71.66. E. (9) $47.17.

A. L. C. Carpenter, Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.

B. Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.

D. (6) $5,299.32. E. (9) $1,506.70.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.

B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.

D. (6) $8,000.

A. Charles S. Carter, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $192.86. E. (9) $20.25.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $1,625.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $236. E. (9) $133.73.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $425.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. American Falls Reservoir District, 1132 Locust Street, Twin Falls, Idaho 83301.

D. (6) $2,700. E. (9) $338.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. Amfac Nurseries, Inc., 1710 Gilbreth Road, Suite 220, Burlingame, Calif.

D. (6) $600. E. (9) $74.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. City of Virginia Beach, Municipal Center, Virginia Beach, Va. 23456.

D. (6) $700. E. (9) $93.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. Committee on Power for the Southwest, Inc., 5541 East Skelly Drive, Tulsa, Okla.

D. (6) $2,700. E. (9) $338.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.

B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Kathleen Casey, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

D. (6) $4,040.58. E. (9) $205.54.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.

B. Kansas Delaware Tribe Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.

B. Slurry Transport Association, 490 L'Enfant Plaza East, Suite 320, Washington, D.C. 20024.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $40.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.

B. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $7,830.78. E. (9) $107.50.

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $64.10. E. (9) $15.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $665. E. (9) $55.75.

A. Rita L. Castle, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

D. (6) $300. E. (9) $641.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.

B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $2,375.

A. Frank R. Cawley, Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.

B. Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.

D. (6) $350. E. (9) $183.30.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,312.50.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va.

D. (6) $1,000.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Central Station Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.

E. (9) $2,010.81.

A. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

E. (9) $1,000.

A. Owen R. Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va., 22202.

D. (6) $1,500. E. (9) $120.

A. John A. Chambers, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.

B. Satra Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $3,200. E. (9) $900.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) $468.75. E. (9) $500.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.

B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.

E. (9) $83.86.

A. William C. Chapman, General Motors Corp., 1660 L Street NW., Washington, D.C.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $6,123.64.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002).

D. (6) $896.63. E. (9) $40.42.

A. David F. Chavkin, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.

B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.

D. (6) $1,403.70. E. (9) $772.16.

A. Leslie Cheek, III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.

B. Crum & Forster Corp., Madison Avenue at Canfield Road, P.O. Box 2387, Morristown, N.J. 07960.

D. (6) $12,500. E. (9) $1,342.25.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

D. (6) $126. E. (9) $227.79.

A. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $5,000. E. (9) $3,000.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $151.65. E. (9) $151.65.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.

D. (6) $72.20. E. (9) $192.26.

A. Phillip R. Chisholm, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

D. (6) $6,125. E. (9) $283.29.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Chugach, Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.

E. (9) $51.45.

A. Donald T. Chunn, Route 2, Box 89, Columbia, Tenn. 38401.

B. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. Julia Churchman, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

D. (6) $1,872.90. E. (9) $1.34.

A. James W. Ciarrocchi, Natural Gas Supply Association, 1025 Connectitcut Avenue NW., Suite 505, Washington, D.C. 20036.

B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

D. (6) $937.50. E. (9) $114.07.

A. Citizen Inflation Fighters, Inc., P.O. Box 617, Naples, Fla. 33939.

D. (6) $3,841. E. (9) $1,527.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash., 98004.

D. (6) $287,315.82. E. (9) $24,940.91.

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.

D. (6) $1,560. E. (9) $26,255.87.

A. Citizens for Tax Reform, Inc., 1801 K Street NW., Suite 901, Washington, D.C. 20006.

E. (9) $1,310.55.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue, Washington, D.C. 20006.

B. International Processors, 4100 One Shell Square, New Orleans, La. 70139.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,039. E. (9) $65.13.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, 3111 Aloma, Wichita, Kans. 67211.

D. (6) $114. E. (9) $509.81.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L. Street NW., Washington, D.C. 20036.

D. (6) $483.96. E. (9) $368.26.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C., 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) $253.13.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) $750. E. (9) $242.

A. Donald M. Clarke, International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.

B. International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.

D. (6) $1,250. E. (9) $475.39.

A. Wade P. Clarke, Jr., Deere and Co., John Deere Road, Moline, Ill. 61265.

B. Deere and Co., John Deere Road, Moline, Ill. 61265.

D. (6) $100. E. (9) $152.50.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $1,375.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sporting Arms and Ammunition Manufacturers Institute, 420 Lexington Avenue, New York, N.Y. 10017.

E. (9) $3.45.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Time-Critical Shipment Committee.

D. (6) $520. E. (9) $18.90.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $325.

A. Frank Clements, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW, Washington, D.C. 20005.

D. (6) $1,697.93. E. (9) $1,361.83.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010 Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $400. E. (9) $196.92.

A. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.

E. (9) $1,659.96.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Australian Meat and Livestock Corp., One World Trade Center, New York, N.Y. 10048.

D. (6) $300. E. (9) $71.34.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

D. (6) $900. E. (9) $270.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y.; New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y.

D. (6) $2,920. E. (9) $730.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Walter Clinton, 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).

D. (6) $3,200.

A. CNA, CNA Plaza, Chicago, Ill. 60685.

E. (9) $1,000.

A. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.

D. (6) $4,557.50. E. (9) $501.78.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.

B. American Petroleum Institute, 2102 L Street NW., Washington, D.C. 20037.

D. (6) $1,100. E. (9) $867.95.

A. Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

E. (9) $86.64.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

E. (9) $1,920.59.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc. 1700 K Street NW., Washington, D.C. 20006 (subsidiary of Standard Oil Co. of California).

D. (6) $650.

A. Jeffrey Cohelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $4,914.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $11,750. E. (9) $53.53.

A. Thomas Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,291.65.

A. Cohen and Uretz, 1775 K Street NW., 4th Floor, Washington, D.C. 20006.

B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.

D. (6) $11,492. E. (9) $97.65.

A. Cohen and Uretz, 1775 K Street NW., 4th Floor, Washington, D.C. 20006.

B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.

D. (6) $3,610.60. E. (9) $41.34.

A. Herbert B. Cohn, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

B. Committee on Capital Formation Through Dividend Reinvestment.

D. (6) $80.

A. John Colbrunn, 27 Briarwood Place, Colorado Springs, Colo. 80906.

B. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.

D. (6) $1,500.

A. Cole, Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.

B. International Six, Ltd., c/o William Gulley, 78 Welch Court, Alexandria, Va. 22310.

A. E. William Cole, Jr., Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

D. (6) $600. E. (9) $40.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

D. (6) $1,000.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $416.45. E. (9) $954.72.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $7,621. E. (9) $153.10.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C.

B. General Motors Corp.

D. (6) $2,500. E. (9) $1,762.47.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Crown Central Petroleum Corp., One North Charles Street, Baltimore, Md. 21203.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington, D.C. 20037.

D. (6) $30,000.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.

D. (6) $4,800.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. National Pharmaceutical Alliance, 2550 M Street NW., Washington, D.C. 20037.

D. (6) $7,500.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $165.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $192.50.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Allegheny Ludlum Corp.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. American Cylinder Manufacturers Committee, 1055 Thomas Jefferson Sreet NW., Washington, D.C. 20007.

D. (6) $40.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Can Manufacturers Institute.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Ferrous Scrap Consumers Coalition.

D. (6) $2,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Republic of China.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Tool and Stainless Steel Industry Committee (TSSIC).

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. United States Fasteners Manufacturers Group.

A. Bruce Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,562. E. (9) $28.08.

A. George R. Collins, IUE-AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.

B. IUE-AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.

D. (6) $600. E. (9) $300.

A. Dale S. Collinson, Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

E. (9) $357.77.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

D. (6) $1,000.

A. Committee For Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.

E. (9) $255.22.

A. Committee For the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.

D. (6) $11,500. E. (9) $11,494.90.

A. Committee of Urban Program Universities, 1300 19th Street NW., No 220, Washington, D.C. 20036.

D. (6) $5,250. E. (9) $8,526.33.

A. Committee on Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
E. (9) $135.

A. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Committee to Bar Discrimination In Construction, 9416 Seddon Road, Bethesda, Md. 20034.
D. (6) $9,000. E. (9) $5,931.12.

A. Committee to Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.
D. (6) $3,480. E. (9) $2,735.28.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,083,088. E. (9) $357,145.66.

A. Lance Compa, 917 15th Street NW., Washington, D.C. 20005.
B. United Electrical, Radio, and Machine Workers of America, 11 East 51st Street, New York, N.Y. 10022.
D. (6) $3,960.32. E. (9) 97.50.

A. Computer and Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $6,482.30. E. (9) $11,560.27.

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $1,213.63.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $1,674.20.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $27,473.14. E. (9) $27,473.14.

A. Congressional District Action Committee (Delaware), 700 Euclid Avenue, Wilmington, Del. 19809.
D. (6) $525. E. (9) $90.

A. Congressional District Action Committee (Maryland), 23 Cliffview Drive, North East, Md. 21901.
D. (6) $5. E. (9) $10.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $300.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $991.52.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.
D. (6) $10,000. E. (9) $664.33.

A. Albert J. Conners, Air Force Sergeants Association, Inc., 1608 Pittsfield Lane, Bowie, Md. 20715.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $850.

A. Jerry C. Connors, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Rail Corp., P.O. Box 23451, L 'Enfant Plaza, Washington, D.C. 20024.
E. (9) $20,441.

A. Constructora Nacional de Carros de Ferrocarrill, S.A., San Lorenzo 925, 5º Piso, Mexico 12, D.F., Mexico.
E. (9) $18,846.18.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Suite 801, Washington, D.C. 20036.
D. (6) $200.

A. John T. Conway, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $6,562.50. E. (9) $380.28.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.

A. Cook & Henderson, 1735 K Street, NW., Suite 200, Washington, D.C. 20006.
B. American Motorcyclist Association, P.O. Box 141, Westerville, Ohio 43081.
D. (6) $315.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Consolidated Natural Gas Co., 4 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,690.45.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. DHL Corp., 411 East Capitol Street, Washington, D.C. 20001.
D. (6) $7,160.07. E. (9) $252.50.

A. Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.
D. (6) $8,572.21.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. B.A.T. Industries, Ltd., P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H OWL England.
D. (6) $10,000.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Brown & Williamson Industries, Inc., 2000 Citizens Plaza, Louisville, Ky. 40232.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
D. (6) $4,675. E. (9) $435.36.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Harley-Davidson Motor Co., Inc., P.O. Box 652, Milwaukee, Wis. 53201.
D. (6) $737.50. E. (9) $392.01.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
D. (6) $654.16.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. St. George Tanaq Corp., c/o Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.
D. (6) $156.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $800.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $2,500. E. (9) $74.04.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $9,356.95.

A. Alexandra W. Cook, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $149.50. E. (9) $133.50.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $451. E. (9) $56.83.

A. Frederick N. Cook, c/o Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Harry N. Cook, 1130 17th Street, NW., Washington, D.C. 20036.
B. The National Waterways Conference, Inc.

A. J. Crawford Cook, P.O. Box 50485, Columbia, S.C. 29250.
B. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250; Cook, Ruef, Spann & Weiser, Inc., (For the Kingdom of Saudi Arabia), 1735 St., Julian Place, Columbia, S.C. 29204.
E. (9) $9,979.06.

A. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250.
B. The Kingdom of Saudi Arabia.
D. (6) $2,918.14. E. (9) $88,119.33.

A. K. Richard Cook, 777 14th Street NW., Suite 700, Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $550.

A. Charles E. Cooke, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91700.

A. Eileen D. Cooke, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) $924.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.

B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123 Portsmouth, N.H. 03801.

D. (6) $1,400. E. (9) $594.46.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.

D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Footwear Division, Rubber Manufacturers Association, 1901 Pensylvania Avenue NW., Washington, D.C.

D. (6) $10,500. E. (9) $46.87.

A. Cooperative League of the United States of America, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $5,900. E. (9) $875.

A. Darrell Coover, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $2,000. E. (9) $193.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. Richard L. Corrigan, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $875.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.

B. Penthouse International, Ltd., 1707 H Street NW., Washington, D.C. 20006.

D. (6) $8,750. E. (9) $5,930.

A. R. H. "Dick" Cory, 1510 American Bank Tower, Austin, Tex. 78701.

B. Central & South West Services, Inc., 1 Main Place, Suite 2700, Dallas, Tex. 75250.

A. John E. Cosgrove, Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,118.68.

A. David Cosson, 2626 Pennsylvania Avenue NW., Washington, DC. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $950.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $500. E. (9) $16.06.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.

B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

E. (9) $499.30.

A. Council For A Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.

E. (9) $10,187.67.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.

D. (6) $1,669.60. E. (9) $2,751.80.

A. Council to Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000. E. (9) $150.

A. James H. Cousins, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

D. (6) $800. E. (9) $65.

A. Douglas Couttee, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $1,129.07. E. (9) $13.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Association of Oral & Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) $23,000. E. (9) $42.30.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.

D. (6) $3,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Association of Maximum Service Telecasters, Inc. (MST), 1735 DeSales Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Delmarva Poultry Industry, Inc., No. 2, Box 47, Georgetown, Del. 19947.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.

D. (6) $8,011.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10007, for Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $7,500.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.

E. (9) $2.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

E. (9) $5.15.

A. Eugene S. Cowen, 2759 Unicorn Lane NW., Washington, D.C. 20015.

B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $102.

A. Carol A. Cowgill, American Academy of Family Physicians, 475 L'Enfant Plaza West SW., Suite 2970, Washington, D.C. 20024.

B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.

D. (6) $792.42. E. (9) $103.34.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.

B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.

D. (6) $144.50. E. (9) $579.46.

A. David H. Cox, 1828 L Street NW., Washington, D.C. 20036.

B. Jackson, Campbell & Parkinson, 1828 L Street NW., Washington, D.C. 20036.

D. (6) $500.

A. Eric Cox, 1011 Arlington Boulevard, Suite W-219, Arlington, Va. 22209.

B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.

D. (6) $875.01.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $7,261. E. (9) $22.40.

A. William J. Cox, 1707 L Street NW., No. 400, Washington, D.C. 20036.

B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) $8,495. E. (9) $788.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood Railway Carmen of the United States & Canada, 4949 Main Street, Kansas City, Mo. 64112.

D. (6) $1,470.

A. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $900. E. (9) $540.67.

A. Aldene E. Creech (Dee), National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $4,250. E. (9) $68.45.

A. William P. Crewe, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $1,750. E. (9) $36.95.

A. Richard E. Cristol, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346. (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $840.

A. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.
D. (6) $551.05. E. (9) $551.05.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,325.01. E. (9) $1,526.67.

A. Robert W. Cromartie, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. Donald A. Crosier, c/o Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $976.18.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
E. (9) $10.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $85.

A. Michael B. Crowson, 8405 Candelaria Drive, Austin, Tex. 78737.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $2,122. E. (9) $1,202.20.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33101.
E. (9) $14.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $155.

A. Frank Cummings, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.

A. Frank Cummings, New York State Beauty Schools Association, Inc., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Beauty Schools Association, Inc., 404 Fifth Avenue, New York, N.Y. 10018.

A. John T. Curran, Laborer's International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $11,709.09. E. (9) $380.75.

A. Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.
B. United States Trust Company of New York, 45 Wall Street, New York, N.Y. 10005.
D. (6) $38. E. (9) $311.62.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,375.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $42.26.

A. Donald W. Dalrymple, American Cyanamid Co., 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965).
D. (6) $1,150. E. (9) $225.10.

A. Fred H. Daly, 2550 M Street NW., Washington, D.C. 20037.

A. John M. Damgard, ACLI International, Inc., 888 17th Street NW., No. 902, Washington, D.C. 20006.
B. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.
D. (6) $1,000.

A. John E. Daniel, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $22,131.25. E. (9) $2,859.54.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importers Association, Tokyo, Japan.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) 125.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Standards Association, Inc., 4827 Rugby Avenue NW., Washington, D.C. 20014.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pepco, 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Stephen I. Danzansky, Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
B. PEPCO, 1900 Pennsylvania Avenue, NW., Washington, D.C. 20006.

A. William H. Darden, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $750. E. (9) $30.

A. Thomas Roger Dart, c/o Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala., 33101.
B. American Petroleum Institute, 2101 L Street, NW., Washington, D.C. 20037.
D. (6) $172.50.

A. Joseph Dauksys, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue, NW., Washington, D.C. 20006.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $142.29.

A. Larry C. Davenport, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,040.

A. Daniel I. Davidson, Spiegel & McDiarmid,, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif., 95051, and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California, and associate member, Plumas-Sierra Rural Electric Cooperative.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill 60603.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill.. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,550.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $938.45. E. (9) $552.59.

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street, NW., Washington, D.C. 20036.
D. (6) $76.44. E. (9) $13.

A. Edward M. Davis, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $3,248.11. E. (9) $35.34.

A. Kenneth E. Davis, Rohm & Haas Co., 1899 L Street NW., No. 807, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $327.71.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $210. E. (9) $365.45.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $430. E. (9) $10.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,300. E. (9) $950.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. American Horse Council, 1700 K Street NW, Suite 300, Washington, D.C. 20006.
D. (6) $1,750. E. (9) $192.86.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Washington, D.C. 20003.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $5,750. E. (9) $162.68.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. Florida Sugar Cane League, P.O. Box 1148, Clewiston, Fla. 33440.
D. (6) $1,500.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80201.
D. (6) $1,800. E. (9) $126.51.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. National Corp. of Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $91.38. E. (9) $29.43.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. National Life & Accident Insurance Co., National Life Center, Nashville, Tenn. 32750.
D. (6) $400.50. E. (9) $104.64.

A. Walter L. Davis, United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10017.
B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.
D. (6) $1,090. E. (9) $1,240.84.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Dealer Bank Association, 1800 K Street NW., Suite 1014, Washington, D.C. 20006.
D. (6) $13,244. E. (9) $13,244.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Specialty Equipment Market Association, 11001 East Valley Mall, El Monte, Calif. 91731.
D. (6) $100. E. (9) $20.

A. Deaver & Hannaford, Inc., 2030 M Street NW., Suite 403, Washington, D.C. 20036.
B. National Venture Capital Association, 2030 M Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $7,000. E. (9) $811.28.

A. Robert L. Debo, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $448. E. (9) $420.06.

A. Tony T. Dechant, National Farmers Union, Denver, Colo. 80251.
B. The Farmers' Educational & Co-Operative Union of America, Denver Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $7,500.

A. Mark O. Decker, Manufacturing Chemists Association, 4826 South 28th Street, Arlington, Va. 22206.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $66.75.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $600.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,724.20. E. (9) $26.95.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.
D. (6) $900. E. (9) $472.27.

A. deKieffer & Associates, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Republic of South Africa.

A. Myra J. DeLapp, Security Pacific National Bank, 1901 L Street NW., No. 702, Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.
D. (6) $714. E. (9) $110.50.

A. Garry J. DeLoss, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Ray Denison, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,452. E. (9) $381.68.

A. John H. Denman, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $429.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $330. E. (9) $32.

A. Department for Professional Employees, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,727.65. E. (9) $3,727.65.

A. Derrel, B. DePasse, Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
B. Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
D. (6) $5,600.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., 1 Liberty Place, New York, N.Y. 10006.
D. (6) $1,000.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D. C. 20006.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $350.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. Dewey, Ballantine, Bushby, Palmer &

Wood, 140 Broadway, New York, N.Y. 10005.

B. Needham, Harper & Steers, Inc., 909 Third Avenue, New York, N.Y. 10022.

D. (6) $177.40.

A. Ralph B. Dewey, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $721.88. E. (9) $731.94.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.

D. (6) $159.50. E. (9) $27,045.90.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.

D. (6) $681.25. E. (9) $2,806.81.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Government of Morocco, Rabat, Morocco.

D. (6) $4,305. E. (9) $1,830.79.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Thomson-CSF, 178 Boulevard Gabriel Peri, 92240 Malakoff, France.

D. (6) $1,763.75. E. (9) $827.81.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.

D. (6) $6,500.01. E. (9) $477.67.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

D. (6) $145.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Custom Automotive Sound Association, Inc., Suite 1000, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.

D. (6) $2,740.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.

D. (6) $500.

A. John R. Dierker, McDonnell Douglas Corp., 1150 17th Street NW., Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

D. (6) $300. E. (9) $41.10.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, Suite 380, 1850 K Street NW., Washington, D.C. 20006.

B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.

D. (6) $767.38. E. (9) $77.95.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.

D. (6) $1,800.

A. Harley M. Dirks, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,887.50. E. (9) $75.53.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $39,417.30. E. (9) $39,417.30.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.

B. CIBA-GEIGY Corp., 556 Morris Avenue, Summit, N.J. 07901.

D. (6) $1,200. E. (9) $1,769.12.

A. H. A. Doersam, Household Finance Corp., 517 Powell Drive, Annapolis, Md. 21401.

B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.

D. (6) $1,435. E. (9) $1,005.31.

A. James F. Doherty, Group Health Association of America, Inc, 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $675.

A. John D. Doherty, Jr., The Chase Manhattan Bank, N.A., 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, N.A., 1 Chase Manhattan Plaza, New York, N.Y. 10015.

D. (6) $191. E. (9) $39.45.

A. Robert C. Dolan, Edison Electric Institute, 1140 Connecticut Avenue NW, Washington, D.C. 20036.

B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. Cushing N. Dolbeare, 215 Eighth Street NE., Washington, D.C. 20002.

B. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.

D. (6) $3,757.88. E. (9) $1,533.91.

A. Hollis M. Dole, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $950.

A. David P. Dolgen, Seafarers International Union, AGLIW District, 815 16th Street NW., Suite 510, Washington, D.C. 20006.

B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) $3,800. E. (9) $274.23.

A. Julie Domenick, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.

B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.

D. (6) $9,125.09. E. (9) $1,052.14.

A. Frank Domurad, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $600.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.

B. The Standard Oil Co. (Ohio) Guildhall Building, Cleveland, Ohio 44115.

A. Jack C. Donovan, P.O. Box 5000, Room 612, Cleveland, Ohio 44101.

B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.

D. (6) $600. E. (9) $1,059.96.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

D. (6) $300. E. (9) $22.25.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.

B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.

D. (6) $3,000. E. (9) $145.

A. Joseph W. Dorn, Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW , Washington, D.C. 20006.

B. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006. (for Association of America (FRAA)).

E. (9) $50.

A James A. Dorsch, 1750 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Rice, Inc., Houston, Tex.

D. (6) $3,000. E. (9) $1,217.79.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D C. 20006.

B. L. T. Barringer & Co., Memphis, Tenn.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C. 20006.

B. The Board of Trade of Kansas City, Mo., Inc., Kansas City, Mo.

D. (6) $3,000. E. (9) $667.41.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C 20006.

B. Campbell Taggart, Inc., Dallas, Tex.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C. 20006.

B. Clayton Brokerage Co. of St. Louis, Inc., Clayton, Mo.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C. 20006.

B. CSR, Ltd., Sydney, Australia.

D. (6) $1,250. E (9) $397.79.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., Washington, D.C.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW , Washington, D.C. 20006.

B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.

D. (6) $18,000. E. (9) $2,044.87.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pesticide Products Association, Washington, D.C.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pioneer Corp., Amarillo, Tex.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Planters Peanuts, Washington, D.C.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chicago Metropolitan Higher Education Council, Douglas Library, Chicago State University, et al., 95th Street at King Drive, Chicago, Ill. 60628.

D. (6) $17,600. E. (9) $3,304.48.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036. 20036.

B. Hampton Roads Energy Co., Security Marine Terminal Co., Central Office Building, 300 County Street, Suite 202, Portsmouth, Va. 23704.

E. (9) $1,194.95.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,500.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $2,466. E. (9) $437.84.

A. Robert H. Doyle, Water Quality Association, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.

B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.

D. (6) $1,330.

A. Nancy Drabble, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE, Washington, D.C. 20003.

D. (6) $3,250.

A. James E. Drake, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,984.85. E. (9) $24.76.

A. Andrew Drance, Media General, Inc., Room 402, 2020 North 14th Street, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $138.33. E. (9) $6.95.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Maurice E. Druhl (DISCUS), 8444 South West Ernst Road, Portland, Oreg. 97225.

B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

D. (6) $500. E. (9) $900.31.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $400. E. (9) $1,625.

A. Lawrence M. Dubin, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Evelyn Dubrow, International Ladies' Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) $6,695. E. (9) $3,808.94.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association (NRECA), 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $135.

A. Henry A. Dudley, 1737 H Street NW., Washington, D.C. 20006.

B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.

D. (6) $4,200. E. (9) $76.82.

A. Mary Jane C. Due, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $258.20. E. (9) $102.20.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $45.50. E. (9) $138.51.

A. Mervin E. Dullum, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $200. E. (9) $36.70.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Delaware 5 (Delaware cities of Newark, Milford, Smyrna, New Castle, and Seaford).

D. (6) $50.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.

D. (6) $85.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. The Louisville & Nashville RR., 908 West Broadway, Louisville, Ky. 47401.

D. (6) $90.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Shee Atika, Inc., Box 578, Edgecomb, Alaska 99835.

D. (6) $170.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Western Railroad Association, Inc., 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $250.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $1,500.

A. Dunnells, Duvall, Bennett & Porter, 1220 19th Street NW., Washington, D.C. 20036.

B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $1,625. E. (9) $883.33.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

D. (6) $5,000. E. (9) $1,023.17.

A. R. Ken Dyar, Central Lincoln People's Utility District, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.

B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Jean F. Dye, National Congress of Parents & Teachers, 12700 Lake Avenue, Lakewood, Ohio 44107.

B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.

E. (9) $981.56.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.

B. Bonneville Associates, Inc., 747 East South Temple, Suite 111, Salt Lake City, Utah 84102 (for Western Regional Council).

D. (6) $675.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Patricia S. Ebaugh, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $1,375. E. (9) $30.85.

A. Donald R. Ebe, The Goodyear Tire and Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. The Goodyear Tire and Rubber Co., Akron, Ohio 44316.

D. (6) $1,500.

A. Robert E. Ebel, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.

D. (6) $1,450. E.(9) $609.26.

A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

D. (6) $14,134.68. E. (9) $500.

A. N. Boyd Ecker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $42.

A. Jack Eckerd Corp., P.O. Box 4689, Clearwater, Fla. 33518.

E.(9) $335.48.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. Airline Passengers Association, P.O. Box 2758, Dallas, Tex. 75221.

D. (6) $19,000. E. (9) $2,816.39.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. American Seat Belt Council, P.O. Box 467, New Rochelle, N.Y. 10802.

D. (6) $3,000. E. (9) $91.76.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. National Utility Contractors Association (NUCA), 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $500. E. (9) $782.46.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. DGA International, 1225 19th Street NW., No. 800, Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75781 Paris, France).

D. (6) $2,700. E. (9) 17.70.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. DGA International 1225 19th Street NW., No. 460, Washington, D.C. 20036 (for Airbus Industrie, 31700 Blagnac, Toulouse, France).

D. (6) $27,000. E. (9) $22.19.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. Government of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C. 20008.

D. (6) $15,000. E. (9) $1,796.41.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Itel Leasing Corp).

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

D. (6) $2,451.92.

A. Arthur B. Edgeworth, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $4,150.

A. Edison Electric Institute, 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.

D. (6) $18,244.03. E. (9) $15,997.50.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $6,022.

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington. D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $1,375. E. (9) $73.19.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

E. (9) $202.

A. Stephen R. Effros, Suite 506, 1100 17th Street NW., Washington, D.C. 20036.

B. Community Antenna Television Association, Inc., Suite 106, 4209 Northwest 23d Street., Oklahoma City, Okla. 73107.

D. (6) $6,000. E. (9) $1,178.45.

A. H. Brent Egbert, 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

D. (6) $128.88. E. (9) $130.34.

A. Charles E. Ehrhart, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $400. E. (9) $134.

A. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

E. (9) $1,337.70.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

D. (6) $250. E. (9) $410.

A. J. Burton Eller, Jr., National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,000. E. (9) $74.23.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $78.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

E. (9) $155.88.

A. Steve W. Elliott, Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.

B. Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,394.28. E. (9) $76.75.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.

B. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.

D. (6) $2,000. E. (9) $5.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $4,200. E. (9) $1,500.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.

B. Ocean Mining Associates, Gloucester Point, Va.

D. (6) $6,000.

A. Carl F. Emde, Air Products and Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.

B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

D. (6) $50.

A. Emerson Electric Co., c/o Ramsay D. Potts, 1800 M Street NW., 900-S, Washington, D.C. 20036.

E. (9) $1,017.97.

A. William Emerson, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Employee Relocation Council, 1627 K Street NW., Washington, D.C. 20006.

E. (9) $2,545.09.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $235.

A. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C.

D. (6) $125. E. (9) $2,164.84.

A. Energy Consumers and Producers Association, P.O. Box 1726, Petroleum Plaza, Seminole, Okla. 74868.

A. Patricia Hanahan Engman, Bristol-Myers, 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $200.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.

B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.

D. (6) $500. E. (9) $65.20.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20002.

D. (6) $60,958.20. E. (9) $29,480.35.

A. James R. Enyart, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $500. E. (9) $7.75.

A. Vickie Erickson, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $600.

A. John M. Erskine, Jr., P.O. Box 3092, Houston, Tex. 77001.

B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.

D. (6) $553.56. E. (9) $1,616.65.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $66.15.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) $1,200. E. (9) $1,141.95.

A. Brock Evens, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $9,600. E. (9) $145.25.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $800. E. (9) $403.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., Washington, D.C. 20036.

B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.

D. (6) $2,500. E. (9) $40.59.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.

D. (6) $9,075. E. (9) $5,888.77.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L. Street NW., Washington, D.C. 20037.

D. (6) $5,200. E. (9) $176.40.

A. The Farmers' Educational & Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $128,599.25. E. (9) $49,733.98.

A. John W. Farquhar, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Dolores L. Farr, American Nurses Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) $2,503. E. (9) $227.05.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. R. Roy Fausset, Freeport Minerals Co., 1050 17th Street NW., No. 301, Washington, D.C. 20036.

B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

A. Clinton B. Fawcett, Coastal States Gas Corp., 9 Greenway Plaza, Houston Tex. 77046.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $1,400. E. (9) $85.

A. Jane Fawcett-Hoover, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) $37.50.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $1,183.90. E. (9) $1,183.90.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.

D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.

E. (9) $2,134.65.

A. John W. Feist, 900 17th Street NW., No. 1016, Washington, D.C. 20006.

B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.

D. (6) $1,377.

A. Lois M. Felder, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street, NW., Washington, D.C. 20006.

D. (6) $844.55. E. (9) $8.98.

A. Fellowship Square Foundation, 11450 North Shore Drive, Reston, Va. 22090.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $400.

A. Bernard Fensterwald, Jr., Committee for Humane Legislation, Inc., 2101 L Street NW., Suite 203, Washington, D.C. 20037.

B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.

D. (6) $6,000. E. (9) $982.08.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.

B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.

D. (6) $3,000. E. (9) $1,027.62.

A. Edward T. Fergus, Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.

B. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.

D. (6) $700.

A Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Cook Inlet Region, Inc., 2525 C Street, Suite 100, Anchorage, Alaska 99509.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Northwest Alaska Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.

D. (6) $2,200. E. (9) $935.51.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Steering Council for Alaska Lands, 1016 West Sixth Avenue, Suite 435, Anchorage, Alaska 99501.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $21,600. E. (9) $7,800.

A. James H. Ferguson, American Society for Personnel Administration, 1625 I Street NW., Suite 926, Washington, D.C. 20006.

B. American Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017.

D. (6) $5,000. E. (9) $1,626.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

A. John L. Festa, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Council of Forest Industries of British Columbia, 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.

D. (6) $10,625.01. E. (9) $603.90.

A. Stanley S. Fine, 22 Light Street, Suite 402, Baltimore, Md. 21202.

B. Scientific Games Development Corp., 2625 Cumberland Parkway NW., Atlanta, Ga. 30339.

D. (6) $1,250. E. (9) $97.52.

A. Paul F. Finger, 2027½ O Street NW., Washington, D.C. 20036.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. Matthew P. Fink, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $60. E. (9) $19.50.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $56.50.

A. Laurie Ann Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $327.69. E. (9) $64.

A. Firearms Lobby of America, 329 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $5,340.13. E. (9) $2,662.46.

A. First Class Mailers Association, Inc., 1101 New Hampshire Avenue, Suite 107, Washington, D.C. 20037.
E. (9) $38.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.
D. (6) $500. E. (9) $406.08.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $5,643.28.

A. Michel D. Fischer, 1775 Pennsylanvia Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Richard L. Fischer, Standard Oil Co. (Indiana), 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $218.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,612.50.

A. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.
E. (9) $782.60.

A. T. E. Fitzgerald, Jr., Household Finance Corp., 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Height, Ill. 60070.
D. (6) $1,427.50. E. (9) $715.89

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,031.25.

A. Hilliard J. Fjord, 602 Main Street, Suite 600, Cincinnati, Ohio 45202.
B. The Ohio River Co., 580 Walnut Street, Cincinnati, Ohio 45202.
D. (6) $1,710. E. (9) $408.03.

A. Susan Garber Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $43.35.

A. Daniel V. Flanagan, Jr., 1801 K Street NW., No. 221, Washington, D.C. 20006.
B. Southern Pacific Co., 1 Market Plaza, San Francisco, Calif. 94105.
D. (6) $5,000. E. (9) $668.97.

A. James J. Flanagan, New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,216.32. E. (9) $319.99.

A. M. Kendall Fleeharty, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $944. E. (9) $87.70.

A. Ronald L. Floor, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, No. 2124, 400 South Tryon Street, Charlotte, N.C. 28285.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,256.04.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, Drawer A, Griffin, Ga. 30224.
B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $5,000. E. (9) $552.80.

A. Robert P. Fogarty, National Association of Manufacturers, 3499 Ridgewood Drive, Columbus, Ohio 43220.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.
D. (6) $1,645. E. (9) $3.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $2,420. E. (9) $2.30.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $5,615. E. (9) $5.05.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Itel Leasing Corp., 1 Embarcadera Center, San Francisco, Calif. 94111.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of the Philippines.
E. (9) $25.

A. Raymond J. Foley, 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
B. National Candy Wholesalers Association, Inc., 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $100. E. (9) $6.

A. Food & Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,541.93. E. (9) $9,541.93.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
E. (9) $10,775.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55103.
B. Minnesota Railroads Association.
D. (6) $500. E.(9) $683.02.

A. E. David Foreman, Jr., Foreman & Associates, Suite 511, 1730 M Street NW., Washington, D.C.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $4,000.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American College of Emergency Physicians, 3900 Capital City Boulevard, Lansing, Mich. 48906.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. College of American Pathologists, Chicago, Ill. 60611.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hadley Memorial Hospital, 4601 Martin Luther King Avenue SW., Washington, D.C. 20032.

A. Ira N. Forman, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $6,499.98.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $484.56. E. (9) $100.80.

A. David H. Foster, Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,150. E. (9) $764.46.

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.

A. Albert A. Fox, Jr., Allied Chemical Corp., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $100. E. (9) $35.

A. John G. Fox, American Telephone & Telegraph, 2000 L Street NW., Washington, D.C. 20036.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Richard J. Fox, Standard Oil Co. (Indiana), 1000 16th Street NW., No. 503, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $1,700. E. (9) $218.52.

A. William C. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. Peter Franchot, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (9) $4,375.

A. J. Dee Frankfourth, P.O. Box 403, Eagle River, Alaska 99577.

B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,700. E. (9) $364.41.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $999.90. E. (9) $110.11.

A. Thomas C. Franks, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $1,146.45.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. Harry L. Freeman, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,875. E. (9) $56.75.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,199. E. (9) $151.30.

A. David T. French, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $500. E. (9) $15.

A. Gregory Friberg, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $4,800. E. (9) $278.71.

A. Annette P. Fribourg, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. George L. Frick, Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,260. E. (9) $23.30.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.
D. (6) $276. E. (9) $264.05.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Beth Israel Medical Center, 10 Nathan D. Perlman Place, New York, N.Y. 10003.
E. (9) $3,520.26.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
D. (6) $1,842.75. E. (9) $9.55.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
E. (9) $8.09.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $1,868.97.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,125.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.
B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.
E. (9) $1,200.

A. Joseph B. Friedman, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. John A. Friel, American Nurses' Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,132. E. (9) $84.76.

A. Marie Louise Friendly, Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
D. (6) $1,926.30 E. (9) $33.05.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $154,405. E. (9) $17,835.

A. Owen V. Frisby, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, N.A., 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $518. E. (9) $111.52.

A. Gustave Fritschie, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $500.

Robert D. Fritz, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $1,624.40.

A. Charles H. Fritzel, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $300. E. (9) $120.

A. Jeffrey A. Fritzlen, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $1,000.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $180.

A. Gordon H. Fry, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $1.80.

A. Fulbright & Jaworski, 800 Bank of the Southwest Building, Houston, Tex. 77002.
B. St. Joe Paper Co., P.O. Box 1380, Jacksonville, Fla. 32201.

A. David C. Fullerton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $455.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $500.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.
D. (6) $2,400.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $14.70.

A. G-4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $210. E. (9) $131.

A. Terry Gabrielson, Transcontinental Gas Pipeline Corp., 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.
B. Transcontinental Gas Pipeline Corp., 2700 South Post Oak Road, Houston, Tex. 77001.
D. (6) $450.

A. James E. Gaffigan, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $692.31. E. (9) $10.

A. Norman S. Gaines, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $566.04.

A. Mark J. Gallagher, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $8,495. E. (9) $788.

A. Robert M. Gants, National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., No. 1000, Washington, D.C. 20005.
E. (9) $476.34.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., 6th Floor, Washington, D.C. 20037.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Bob Garcia, Winner/Wagner & Associates, Inc., 1024 10th Street, Suite 310, Sacramento, Calif., 95814.
B. Southwest Flight Crew Association, 6160 Mission Gorge Road, Suite 100, San Diego, Calif. 92120.
D. (6) $6,000. E. (9) $1,552.36.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Suite 325, Washington, D.C. 20036.
B. Small Producers for Energy Independence, 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $3.90.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,000.02.

A. Wendell P. Gardner, Jr., Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $60. E. (9) $8.98.

A. Theodore J. Garrish, National Outdoor Coalition, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Outdoor Coalition, 8387 Tamarind Avenue, Fontana, Calif. 92335.
D. (6) $2,525. E. (9) $1,183.08.

A. W. Bradford Gary, 3M Co., 3M Center, St. Paul, Minn. 55101.
B. 3M., 3M Center, St. Paul, Minn. 55101.
E. (9) $10.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill.
D. (6) $400. E. (9) $50.

A. Philip Gasteyear, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,762.50.

A. James A. Gavin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Margaret L. Gehres, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,287.50 E. (9) $140.21.

A. Robert C. Gelardi, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,200.

A. José A. Gemeil, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).
D. (6) $500. E. (9) $530.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $2,451.92.

A. Joseph G. Gerard, Ford Motor Co., 815 Connnecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $2,700. E. (9) $2,483.90.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,635.49. E. (9) $79.80.

A. Dorothy F. Gevinson, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Wayne Gibbens, Mid-Continent Oil and Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $6,503. E. (9) $133.35.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Washington D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $400.

A. William G. Giery, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. Norma J. Gilbert, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,225. E. (9) $28.

A. Michael Gildea, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,676.10. E. (9) $47.47.

A. John E. Giles, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
D. (6) $15,000. E. (9) $95.85.

A. James T. Gillice, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Robert E. Ginther, Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.
B. Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Michael J. Giuffrida, National Frozen Food Association, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, One Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.
D. (6) $288. E. (9) $345.20.

A. George L. Gleason, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,624.99. E. (9) $112.80.

A. Elmer G. Gleske, FlightSafety International, 1629 K Street NW., Suite 400, Washington, D.C. 20006.
B. FlightSafety International, Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371.
D. (6) $160. E. (9) $100.

A. George T. Glover, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $187.50. E. (9) $47.50.

A. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
E. (9) $1,036.

A. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $2,000. E. (9) $510.25.

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
D. (6) $4,900. E. (9) $525.75.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.
B. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
D. (6) $16.

A. Patrick L. Godfrey, National Association of Manufacturers, 711 Court A, Tacoma, Wash. 98402.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 910 17th Street NW., Suite 1000, Washington D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).
D. (6) $23.71. E. (9) $61.03.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).
D. (6) $89.11.

A. Carl Goldfield, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. Elliott Goldstein, Powell, Goldstein, Frazer & Murphy, Suite 970, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Dittler Brothers, Inc., P.O. Box 19833, Station N, Atlanta, Ga. 30325.

D. (6) $3,447.20.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $5,686.50. E. (9) $700.69.

A. Jack Golodner, Actors Equity Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.

D. (6) $2,500. E. (9) $472.

A. Jack Golodner, 815 16th Street NW., Washington, D.C. 20006.

B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $2,625.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H St., NW., Suite 600, Washington, D.C. 20005.

B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.

D. (6) $7,500. E. (9) $620.

A. Ruth Gonze, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $600.

A. Don A. Goodall, American Cyanamid Co., 1625 I Street NW., Suite 401, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $528. E. (9) $105.73.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

D. (6) $550.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei Strasse 2, 8000 Munich, FRG).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.

B. Crop Quality Council.

D. (6) $8,646.99.

A. Vivian Goodier, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,375. E. (9) $495.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.

B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.

D. (6) $40. E. (9) $9.50.

A. David L. Gordon, 777 14th Street NW., Suite 236, Washington, D.C. 20005.

B. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.

D. (6) $32,162.84. E. (9) $1,500.

A. Sara Ann Gordon, 801 A Street SE., Washington, D.C. 20003.

B. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $75.

A. Brenda J. Gore, LTV Corp., 1155 15th Street NW., Washington, D.C. 20005.

B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.

D. (6) $500.

A. Frank D. Gorham III, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) $324. E. (9) $23.75.

A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $7,650. E. (9) $131.57.

A. George B. Gould III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,435.40.

A. Gould, Reichert and Strauss, 2613-20 Carew Tower, Cincinnati, Ohio 45202.

B. Francis J. Rorke, Box 1336, Cristobal, CZ, et al.

E. (9) $250.

A. Government of El Salvador, Office of the President, San Salvador, El Salvador.

E. (9) $3,000.

A. Lawrence T. Graham, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $692.31. E. (9) $10.

A. Maria Ann Graham, National Audubon Society, 1301 20th Street NW., Apt. 501 Washington, D.C. 20036.

B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

D. (6) $3,999.99. E. (9) $1,850.

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.

B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.

D. (6) $2,200. E. (9) $1,139.04.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $1,750.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.

E. (9) $1,619.38.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) $1,234.50. E. (9) $4,938.

A. Robert Keith Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Motorola).

D. (6) $300.

A. Mark E. Grayson, National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) $1,125. E. (9) $40.

A. The Great Western Sugar Co., P.O. Box 5308 T.A., Denver, Colo. 80217.

E. (9) $4,815.15.

A. Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 603, Washington, D.C. 20036.

B. Celanese Corp. 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $750. E (9) $124.90.

A. Edward M. Green, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $333.48. E (9) $7.50.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C.

D. (6) $900.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $4,750.

A. Wayne Green, 73 Magazine, Peterborough, N.H. 03458.

B. 73 Inc., Peterborough, N.H. 03458.

A. Howard Greenberg, 7426 Arrowood Road, Bethesda, Md. 20034.

B. Public Timber Purchasers Group, 1214 Orange Bank Building, Portland, Oreg. 97204.

D. (6) $1,500.

A. Alison E. Greene, National Foundation-March of Dimes, 1707 H Street NW., Washington, D.C., 20006.

B. National Foundation-March of Dimes, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.

D. (6) $1,500. E. (9) $30.

A. Robert M. Greening, Jr., Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

D. (6) $1,320.

A. Margit S. Greenspon, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $416.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

A. William G. Greif, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $10,000.

A. Lori Gribbin, Rohm & Haas Co., 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) $500. E. (9) $68.38.

A. Harold H. Griffin, Family Health Program, 1050 17th Street NW., No. 320, Washington, D.C. 20036.

B. Family Health Program, 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.

D. (6) $2,437. E. (9) $105.10.

A. Edward D. Griffith, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $500.

A. A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va., 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

D. (6) $192. E. (9) $24.

A. Robert J. Grimm, 9 West 57th Street, New York, N.Y., 10019.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) $100. E. (9) $121.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Aetna Life and Casualty, 151 Farmington Avenue, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Baxter Travenol Laboratories, Inc., 1 Baxter Parkway, Deerfield, Ill. 60015.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Connecticut General Life Insurance Co., Hartford, Conn. 06115.

E. (9) $2.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

E. (9) $5.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

E. (9) $75.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eli Lilly and Co., 307 East McCarthy, Indianapolis, Ind. 46206.

E. $5.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

E. (9) $25.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.

E. (9) $25.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $1,000.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago Ill. 60604.

D. (6) $1,500. E. (9) $300.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $8,978. E. (9) $8,978.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.

B. American Academy of Dermatology, 820 Davis Street, Evanston, Ill. 60201.

D. (6) $320. E. (9) $27.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.

B. American Gastroenterological Association, c/o Charles Slack, Inc., Thorofare, N.J. 08086.

D. (6) $520. E. (9) $24.

A. John T. Grupenhoff, Grupenhoff & Endicott, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.

B. MEGO International, Inc., 41 Madison Avenue, New York, N.Y. 10010.

D. (6) $720. E. (9) $245.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.

B. National Association for Hospital Development, 1700 K Street NW., No. 605, Washington, D.C. 20006.

D. (6) $470. E. (9) $135.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $900.

A. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22301.

D. (6) $61,344.99. E. (9) $73,005.58.

A. William B. Gunter, Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006.

B. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America ("FRAA").

E. (9) $50.

A. David Gusky, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $6,864.

A. Marjorie Guthrie, Committee to Combat Huntington's Disease, 250 West 57th Street, New York, N.Y. 10019.

B. Committee to Combat Huntington's Disease, 250 West 57th Street, New York, N.Y. 10019.

A. Maria Faller Gwaltney, 1730 K Street N.W., No. 903, Washington, D.C. 20006.

B. American Hellenic Institute Public Affairs Committee, Inc., 1730 K Street NW., No. 903, Washington, D.C. 20006.

D. (6) $245.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $415.38. E. (9) $111.80.

A. Craig Hackler, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. Independent Consultants, Inc.

D. (6) $100.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $116.60.

A. W. Craig Hackler, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

D. (6) $4,500.

A. William G. Haddeland, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $839.52. (9) $602.40.

A. Bruce N. Hahn, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Thomas F. Hairston, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $155.25.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.

B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.

B. Kansas Grain & Feed Dealers Association, 1722 North Plum, Hutchison, Kans. 67501.

E. (9) $251.51.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A. Harry L. Hall, National Multiple Sclerosis Society, 2101 L Street NW., Suite 808, Washington, D.C. 20037.

B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.

D. (6) $3,925.

A. Richard F. Hall, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $421.31.

A. Joseph Halow, North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.

B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.

D. (6) $1,500.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.

B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Beneficial Foundation, 1300 Market Street, Wilmington, Del. 19899.

D. (6) $4,968.75. E. (9) $10.

A. James L. Hamilton III, U.S. Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. U.S. Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $105. E. (9) $13.

A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.

B. Wilson E. Hamilton & Associates, Inc., 1901 L Street NW., Washington, D.C. 20036 (for the National Labor-Management Foundation, Louisville, Ky.).

E. (9) $16.20.

A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

D. (6) $500. E. (9) $50.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut, Suite 800, Washington, D.C. 20036 (for California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

D. (6) $1,000.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C 20036 (for California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800 Washington, D.C. 20036).

D. (6) $1,000.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

D. (6) $750.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $9.60.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $310.32.

A. Elisabeth Hanlin, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $600. E. (9) $32.30.

A. Erling Hansen, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $215.

A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.

D. (6) $350.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, NAM, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $425. E. (9) $295.

A. Bryce L. Harlow, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $46.52.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.

B. Air Force Sergeants Association, 4235 28th Avenue, Suite 713, Washington, D.C. 20031.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. W. Risque Harper, National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

D. (6) $8,750. E. (9) $3,476.

A. Toni Harrington, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.

D. (6) $150. E. (9) $14.15.

A. Robert L. Harris, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

E. (9) $240.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $204.64.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

D. (6) $5,349.99. E. (9) $274.22.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.

E. (9) $7,100.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $14,316. E. (9) $1,021.36.

A. Clifford J. Harvison, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Lewis B. Hastings, 1776 K Street NW., Suite 200, Washington, D.C. 20006.

B. Motorola, 1776 K Street NW., Suite 200, Washington, D.C. 20006.

D. (6) $500. E. (9) $100.

A. Walter A. Hasty, Jr., Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45201.

D. (6) $285.67.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $480.

A. Mary W. Haught, Sun Company, Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.

B. Sun Company, Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) $650. E. (9) $1,100.20.

A. Charles W. Havens, III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.

D. (6) $450.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.

B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.

D. (6) $8,814. E. (9) $6,247.41.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,325.76.

A. Jeffrey A. Hayman, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,219.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

D. (6) $71.39 E. (9) $71.39.

A. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

D. (6) $284.66. E. (9) $284.66.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $543.75.

A. William H. Hecht, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.

D. (6) $1,820.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.

B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.

D. (6) $8,000.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.

B. Ductile Iron Pipe Research Association, Oak Brook, Ill.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $10,036. E. (9) $354.28.

A. Heinold Commodities, 222 South Riverside Plaza, Chicago, Ill. 60606.

A. Richard L. Hellwege, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.

B. Lear Siegler, Inc., 4141 Eastern Avenue SE., Grand Rapids, Mich. 49508.

D. (6) $546. E. (9) $185.15.

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) $511.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

E. (9) $20.

A. Henkel & Lamon, 229 Peachtree Street NE., Suite 2500, Atlanta, Ga. 30303.

B. The National Association of Pension Consultants & Administrators, Inc., Suite 300, 3 Piedmont Center, Atlanta, Ga. 30305.

D. (6) $119. E. (9) $22.60.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center Cain Tower, Atlanta, Ga. 30303.

B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue, NW., Washington, D.C. 20036.

D. (6) $3,941.50. E. (9) $369.84.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500.

A. George F. Hennrikus, Jr., 201 North Washington Street, Alexandria, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $3,827.50.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

E. (9) $2,068.

A. Herrick, Allen, & Davis, 1701 K Street NW., Suite 706, Washington, D.C. 20006.

B. Amusement and Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.

D. (6) $305.55.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.

B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.

D. (6) $3,055. E. (9) $1,671.84.

A. Elena Hess, 3705 Porter Street NW., Washington, D.C. 20016.

B. Self-Determination for the District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,125. E. (9) $103.

A. William R. Hesse, American Association of Advertising Agencies, 1899 L Street NW., Suite 700, Washington, D.C. 20036.

B. American Association of Advertising Agencies, 200 Park Avenue, Pan Am Building, New York, N.Y. 10017.

D. (6) $2,500. E. (9) $750.

A. Heublein, Inc., Munson Road, Farmington, Conn. 06032.

E. (9) $2,206.41.

A. Ted A. Heydinger, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,587.30. E. (9) $240.68.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) $15,125. E. (9) $906.28.

A. Paul T. Hicks, c/o Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $75. E. (9) $41.60.

A. J. Thomas Higginbotham, Mellon Bank, N.A., Pittsburgh, Pa. 15230.

B. Mellon Bank, N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.

D. (6) $2,000. E. (9) $1,304.78.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Michigan State Housing Development Authority, Plaza 1, Fourth Floor, 401 South Washington Square, Lansing, Mich. 48909.

E. (9) $228.25.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.

E. (9) $185.62.

A. Gerald "Jerry" Hill, No. 6 Executive Park Drive, Atlanta, Ga. 30329.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

D. (6) $2,000.

A. Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.

B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Airlines, Inc., P.O. Box 592055 AMF, Miami, Fla. 33159.

D. (6) $1,100. E. (9) $50.

A. Kathryn Hilton, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,687.

A. William H. Hecht, 1776 K Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $2,000.

A. Ralph W. Hoar, Jr., 3532 Highwood Drive SE., Washington, D.C. 20020.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

D. (6) $10,520.67. E. (9) $5,377.06.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $1,200.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa., 15222.

D. (6) $3,200. E. (9) $725.

A. Valery Hobbs, 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) $13,575.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $360. E. (9) $383.67.

A. Lawrence S. Hoffheimer, 2101 L Street, NW., Suite 808, Washington, D.C. 20037.

B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.

D. (6) $5,000. E. (9) $1,350.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 2101 L Street NW., Suite 808, Washington, D.C. 20037.

B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.

D. (6) $3,900. E. (9) $1,450.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund of the Washington Research Project, Inc.

D. (6) $1,309. E. (9) $673.48.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London EC3A 5AH, England.

D. (6) $675. E. (9) $26.70.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $5,156.15.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., 3217 K Street NW., Washington, D.C. 20007.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Fisher Stoves International, Inc., P.O. Box 10605, Eugene, Oreg. 97440 (Schrader Stoves, Inc., Energy Alternatives, Inc., J N J Enterprises, Inc.)

D. (6) $3,029.60.

A. Howard Holcomb, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $3,600. E. (9) $185.25.

A. Kelly Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Henry W. Holling, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

D. (6) $380. E. (9) $271.52.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $1,690.20. E. (9) $1,315.91.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $3,937.50.

A. Peter E. Holmes, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $1,500.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $2,000.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association, of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Fortescue W. Hopkins, Box 218, Daleville, Va. 24083.

B. Graham-White Manufacturing Co., P.O. Box 1099, Salem, Va., 24153; Graham-White Sales Corp., P.O. Box 1099, Salem, Va. 24153.

D. (6) $3,300. E. (9) $979.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Robert Jack Horn, 1819 H Street NW., Suite 950, Washington, D.C. 20006.

B. The Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.

D. (6) $358. E. (9) $186.87.

A. Michael E. Horrell, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $2,047.50. E. (9) $42.87.

A. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.

E. (9) $82,883.28.

A. Houger, Garvey & Schubert, 1725 K Street NW., Suite 303, Washington, D.C. 20006.

B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.

D. (6) $720. E. (9) $21.10.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

E. (9) $4,444.73.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $35.78. E. (9) $33.73.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.

B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.

D. (6) $1,500.

A. Clifford T. Howlett, Jr., Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $540.

A. Karl T. Hoyle, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $300. E. (9) $410.41.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,293.74.

A. Randall A. Huffman, Willkie, Farr & Gallagher, 153 East 53d Street, New York, 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

D. (6) $450. E. (9) $172.

A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.

B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.

D. (6) $35.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $726.92.

A. Royston C. Hughes, Florida Gas Transmission Co., 1711 Venetian Way, Winter Park, Fla. 32789.

B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $101.57.

A. Edward L. Huic, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md., 20902.
D. (6) $8,504.91. E. (9) $1,896.78.

A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. William J. Hull, Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
B. Ohio Valley Improvement Association, Inc.

A. Keith R. Hundley, 1625 I Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $450. E. (9) $39.87.

A. Burt H. Hunley, Chevron, U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron, U.S.A., Inc., a subsidiary of the Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $150.

A. Acacia G. Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $51.25. E. (9) $3.25.

A. Robert C. Hunt, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.
D. (6) $94.55.

A. Milton F. Huntington, c/o Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joan L. Huntley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $198.90. E. (9) $46.

A. Raymond D. Hurley, 1 Farragut Square South, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1333 New Hampshire Avenue NW., Suite 205, Washington, D.C. 20036.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $960. E. (9) $55.

A. John F. Hussey, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $102.29.

A. Dewey M. Hutchins, Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $375. E. (9) $162.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,798.

A. David C. Hyer, c/o Ohio Petroleum Council, 88 East Broad Street, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $69.51.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,125. E. (9) $302.82.

A. John K. Iglehart, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $17,250. E. (9) $1,500.

A. Atilla S. Ilkson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $156.10.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,363. E. (9) $2,363.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $17,799.10.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $16,157.53. E. (9) $16,157.53.

A. Deborah A. Insley, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp.
D. (6) $2,500. E. (9) $637.90.

A. Interlake, Inc., 2015 Spring Road, Oak Brook, Ill. 60521.
E. (9) $12,391.75.

A. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $18,239.43.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $24,342.59.

A. International Union, United Automobile, Aerospace, & Agricultural Workers of America, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $64,754. E. (9) $64,754.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
E. (9) $4,050.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $3,203.25.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
E. (9) $1,680.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $16,834.29. E. (9) $10,746.86.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $600.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $5,361.45.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, et al.

A. Mary Jo Jacobi, 3M, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining and Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $3,000.

A. Roy Jacobsen, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).
D. (6) $9,988.86. E. (9) $728.70.

A. Walter K. Jaenicke, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $510.98.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,500.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. Distilled Spirit Committee for International Trade, 1819 H Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $1,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Midcontinent Farmers Association, Columbia, Mo. 65201.
D. (6) $1,000.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $27.47. E. (9) $216.09.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $197.13. E. (9) $99.79.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).

A. Evie Jarvis, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $450. E. (9) $75.

A. T. Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $2,179.44. E. (9) $14.25.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $181.32.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.
E. (9) $268.20.

A. Linda Jenckes, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. Jenkins, Nystrom & Sterlacci, 2033 M Street NW., Suite 504, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phcenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.
D. (6) $100.

A. W. Pat Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East, SW., Suite 3210, Washington, D.C. 20024.
D. (6) $600.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $189. E. (9) $361.80.

A. A. W. Jessup, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $147.19.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $6,693. E. (9) $353.66.

A. Ronald P. Johnsen, Columbia Gas System, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas Systems Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $319.61.

A. Bob Johnson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,234. E.(9) $364.62.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. David H. Johnson, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Woshington, D.C. 20037.
D. (6) $550. E. (9) $1,149.31.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $837. E. (9) $628.10.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co., 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $2,205. E. (9) $286.54.

A. Reuben L. Johnson, 1012 14th Street, NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $8,291.31. E. (9) $249.31.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $2,505.54. E. (9) $616.23.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $77.

A. William Johnson, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $3,105.73.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $1000. E. (9) $1,170.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $465.48.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $330. E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza, SW., Washington, D.C. 20036.
E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

James E. Jones, Jr., 1776 F Street NW., Washington D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $875.

A. Norvill Jones, 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $480. E. (9) $195.78.

A. Phillip W. Jones, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $412.50.

A. Randall T. Jones, 1030 15th Street NW., Suite 700, Washington D.C.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $550.

A. De Soto Jordan, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington D.C. 20003.
B. Electronic Data Systems Corp.
D. (6) $396. E. (9) $220.70.

A. Donald L. Jordan, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Jeffrey H. Joseph, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,365. (9) $52.63.

A. Thomas M. Joyce (IIAA), 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $7,201.95. E. (9) $200.

A. William R. Joyce, Jr., 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006 (for Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008).

A. Richard R. Juby, 708 Currituck Drive, Raleigh, N.C. 27609.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,049.75. E. (9) $773.18.

A. Robert E. Juliano, Hotel and Restaurant Employees and Bartenders International Union, 1666 K Street NW., Washington, D.C. 20006.
B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $940.91.

A. H. Richard Kahler, Caterpillar Tractor Co., 1850 K Street NW., Suite 925, Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $1,585.92.

A. Ann P. Kahn, Volunteer for National Congress of Parents & Teachers, 9202 Ponce Place, Fairfax, Va. 22031.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $37.

A. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
E. (9) $1,929.56.

A. Irving K. Kaler, Suite 2101, 100 Colony Square, 1175 Peachtree Street NE., Atlanta, Ga. 30361.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $2,079.46. E. (9) $204.66.

A. Donald J. Kaniewski, Laborers' International Union of N.A. AFL-CIO, 905 16th Street, NW., Washington, D.C. 20006.
B. Laborers' International Union of N.A., AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $5,066.65. E. (9) $85.65.

A. Julius Kaplan, 1218 16th Street NW., Washington, D.C. 20036.
B. Kirkwood, Kaplan, Russin & Vecchi, 1218 16th Street NW., Washington, D.C. 20036.
E. (9) $32.45.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,916.67.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024.
D. (6) $5.500. E. (9) $1,000.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $3,500. E. (9) $1,896.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Special Committee for U.S. Exports, 1666 K Street NW., Washington, D.C. 20005.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1626 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $3,500.

A. Alan H. Kaufman, Suite 3712, 1 Boston Place, Boston, Mass. 02108.
B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.
D. (6) $6,000. E. (9) $1,817.28.

A. Kathryn Kavanagh, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,399.96.

A. Thomas O. Kay, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) 735.58.

A. Kaye, Scholer, Fierman, Hays & Handler, 425 Park Avenue, New York, N.Y. 10022.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $35,013. E. (9) $1,861.78.

A. William J. Keating, National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $32. E. (9) $32.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Anegles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Patricia Keefer, 2030 M Street, NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,200.01.

A. David C. Keehn, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa., 18105.
D. (6) $27.50.

A. Keith B. Keener, 2626 Pennsylvania Avenue, NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $175.

A. Candace Keller, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $1,700.

A. John B. Kelley, Avco Corp., 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Michael T. Kelley, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway No. 504, Arlington, Va., 22202.
B. National Association of Chain Drug Stores, Inc. (NACDS), 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.
D. (6) $1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., Suite 1120. Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $39.85. E. (9) $32.70.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $796.60. E. (9) $36.47.

A. Ernest B. Kelly III, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,000. E. (9) $342.26.

A. Harold V. Kelly, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John J. Kelly, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,672.91.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $5,000. E. (9) $871.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Peter B. Kenney, 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,400. E. (9) $177.15.

A. Robert T. Kenney, Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10640.

A. Vytautas Kerbelis, 69 Cottage Street, Bar Harbor, Maine 04609.
B. ARAS (Psychomotor Domain of Self), 69 Cottage Street, Bar Harbor, Maine 04609.
D. (6) $600. E. (9) $600.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $25.

A. John A. Keutmann, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Gilbert W. Keyes, P.O. Box 3999, Seattle, Wash. 98124.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $88.67. E. (9) $227.75.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Furniture Rental Association of America, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $304.28.

A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $465.02. E. (9) $141.28.

A. Richard H. Kimberly, Kimberly-Clark Corp., Executive Suite, 3390 Peachtree Road NE., Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $50.02. E. (9) $28.95.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $460.

A. G. Jack King, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $385.02.

A. Alan G. Kirk II, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Kirkland & Ellis, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Ralph W. Kittle, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $545. E. (9) $190.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $632.69.

A. Catherine B. Klarfeld, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 North Main Street, Sauk Centre, Minn. 56378.
D. (6) $8,000. E. (9) $1,500.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Richard A. Kline, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
B. Council of Active Independent Oil & Gas Producers, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
D. (6) $5,781.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $131.88. E. (9) $92.69.

A. Gary D. Knight, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $18.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $89.84. E. (9) $4.05.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
D. (6) $25.

A. Philip M. Knox, Jr., Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $3,000.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $4,119.23. E. (9) $308.42.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue, NW., Washington, D.C. 20036.
D. (6) $127.35.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
D. (6) $40.02.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $22.25.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,672. E. (9) $27.03.

A. Horace R. Kornegay, The Tobacco Institute, Inc., Suite 1200, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $100.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,325.76.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,375.

A. Mylio S. Kraja, The American Legion, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $7,881. E. (9) $915.72.

A. Amos Kramer, Kansas Petroleum Council, 1414 Merchants Bank, Eighth and Jackson Streets, Topeka, Kans. 66612.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $455. E. (9) $497.20.

A. Raymond R. Krause, Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $170.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $360.

A. M. J. Kuehne, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.
B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street, NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $12,124. E. (9) $1,386.35.

A. Thomas R. Kuhn, 1750 K Street, NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $2,941.67. E. (9) $109.07.

A. Kurrus, Dyer & Jacobi, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

D. (6) $17,113. E. (9) $1,071.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., No. 610, Washington, D.C. 20006.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

D. (6) $330. E. (9) $41.53.

A. Kutak, Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.

B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10043.

D. (6) $1,500. E. (9) $127.23.

A. Kutak, Rock & Huie, The Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.

B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

E. (9) $123.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,979. E. (9) $6,064.

A. Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $23,163.98.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20036.

D. (6) $900. E. (9) $6.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

D. (6) $900. E. (9) $6.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C., 20006.

D. (6) $900. E. (9) $6.

A. Walter B. Laessig, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $150.

A. Sandra LaFevre, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.

B. Nationwide Insurance Cos., & Affiliates, 1 Nationwide Plaza, Columbus, Ohio 43216.

D. (6) $500.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.

B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $4,005.04. E. (9) $58.75.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. California Westside Farmers, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036. (for California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

D. (6) $1,000.

A. David F. Lambert III, Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

B. Automotive Occupant Protection Association, Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,600.

A. Harry J. Lambeth, 725 15th Street NW., Suite 700, Washington, D.C. 20005.

B. Council to Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

E. (9) $150.

A. Joanne M. Lamere, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $300.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

A. S. J. Lanahan, Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Estate of Mary Adams, P.O. Box 1208, Savannah, Ga., 31402.

E. (9) $102.70.

A. Allan F. Landolt, Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

E. (9) $200.

A. David W. Landsidle, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $225.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

D. (6) $2,000.

A. Lane and Edson, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.

B. National Leased Housing Association, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $450.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. James J. LaPenta, Jr., Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $3,903.09. E. (9) $143.75.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $637.50.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $300. E. (9) $37.59.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $90. E. (9) $15.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $600.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41 Street, Miami, Fla. 33159.

B. GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33159.

D. (6) $14,500. E. (9) $4,212.20.

A. Kenneth L. Lay, Florida Gas Transmission Co., 641 Via Lugano, Winter Park, Fla. 32790.

B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Alice V. Leaderman, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

D. (6) $500. E. (9) $6.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $19,410.20. E. (9) $19,410.20.

A. Edward F. Leahy, 99 Oak Ridge Circle, Weymouth, Mass. 02188.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

D. (6) $100. E. (9) $467.59.

A. Richard A. Leahy, David L. Babson & Co., Inc., 1 Boston Place, Boston, Mass. 02108.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Kevin R. Leary, National Parking Association, 1101 17th Street, NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street, NW., Washington, D.C. 20036.

D. (6) $ 3,125.

A. John I. Le Berre, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street, NW., Washington, D.C.

A. Joseph M. Leigh, 13800 Northeast Sixth Avenue, Apt. 4, North Miami, Fla. 33161.

B. Senior Pilots Association, P.O. Box 530164, Miami, Fla. 33153.

D. (6) $6,355. E. (9) $8,355.09.

A. Robert J. Leigh, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.

D. (6) $3,589.50.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

D. (6) $2,000. E. (9) $2,000.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.

D. (6) $2,025.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. National Development Services Corp., 1930 Century Park West, No. 404, Los Angeles, Calif. 90067.

D. (6) $1,000. E. (9) $1,000.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. National Manufactured Housing Federation, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

D. (6) $1,800.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Oakdale Corp., 16055 Ventura Boulevard, No. 400, Encino, Calif. 91436.

D. (6) $1,000. E. (9) $1,000.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.

B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.

D. (6) $690. E. (9) $1,062.

A. Lynette B. Lenard, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.

B. The Dow Chemical Co., Midland, Mich. 48640.

D. (6) $2,000. E. (9) $236.25.

A. Barbara S. Leonard, The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.

B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.

D. (6) $1,000. E. (9) $336.65.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $582. E. (9) $763.14.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $2,864.87. E. (9) $70.60.

A. Steven H. Lesnik, Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.

B. Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.

D. (6) $300.

A. Carl Levin, 1800 M Street NW., No. 750 South, Washington, D.C. 20036.

B. Burson-Marsteller, 1800 M Street NW., 750 South, Washington, D.C. 20036 (for Newport News Shipbuilding & Drydock Co.).

E. (9) $100,797.71.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.

B. Association of American Railroads, American Railroad Building, Washington, D.C.

D. (6) $2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.

B. Independent Local Newspaper Association, Suite 240, 1050 17th Street NW., Washington, D.C. 20036.

D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $405.

A. Roger N. Levy, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

D. (6) $8,750. E. (9) $200.

A. B. P. Lewallen, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,379.18.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

D. (6) $110. E. (9) $90.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street No. 1400, St. Louis, Mo. 63101.

B. St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

D. (6) $1,162. E. (9) $115.07.

A. Robert G. Lewis, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $2,304.61. E. (9) $65.14.

A. Daniel J. Lewolt, 777 14th Street NW., Suite 236, Washington, D.C. 20005.

B. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.

D. (6) $32,168.84. E. (9) $1,500.

A. Ronald L. Leymeister, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $150. E. (9) $70.

A. Wm. J. Lhota, Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.

B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702 (a subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $4,500. E. (9) $1,200.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $1,200.

A. William C. Lienesch, 238 10th Street SE., Washington, D.C. 20003.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) $615.75. E. (9) $26.35.

A. Russell B. Light, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $100. E. (9) $7.40.

A. William Lilley III, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.

D. (6) $366.86.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.

D. (6) $814.03.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.

D. (6) $4,218.72.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.

D. (6) $1,100.34.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $10,376.25.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.

D. (6) $5,715. E. (9) $13.90.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. State of Illinois, Department of Transportation, Division of Water Resources, 2300

South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $3,843.75.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $220.52.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.
D. (6) $3,569.19. E. (9) $48.42.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Power & Light Co., Madison, Wis. 53701.
D. (6) $1,595.97.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $1,562.64.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $690. E. (9) $191.75.

A. Andrew Litsky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,169. E. (9 $82.80.

A. E. F. Livaudais, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $500.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $56.22.

A. Robert H. Loeffler, Morrison & Foerster, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. State of Alaska, Department of Natural Resources, Pouch M, State Capitol, Juneau, Alaska 99811.
D. (6) $200. E. (9) $32.04.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
E. (9) $4,500.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $38.21. E. (9) $5.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Textile Rental Services Association of America, 1250 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Edward J. Lord, 1608 K Street NW., Washington, D.C. 20006.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,043. E. (9) $359.43.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Robert E. Losch. 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., et al.
D. (6) $24,500. E. (9) $2,442.55.

A. Robert E. Losch. 910 17th Street NW., Washington, D.C. 20006.
B. Pelican Terminal Corp., 500 Jefferson Building, Suite 2025, Houston, Tex.; Port of Galveston (Galveston Wharve), P.O. Box 328, Galveston, Tex. 77550.
D. (6) $12,501. E. (9) $1,795.70.

A. Timothy B. Lovain. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $5,415.40.

A. James F. Lovett, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $500. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Gerald M. Lowrie, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000.

A. Mrs. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $612.74.

A. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Republic of the Philippines.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $559.

A. Kathy K. Luhn, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. (6) $58. E. (9) $2.

A. Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $3,192.85.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $10,000. E. (9) $41.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300. E. (9) $1.26.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.
D. (6) $300. E. (9) $33.79.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa., 18101.
D. (6) $3,195. E. (9) $362.57.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $1,001.25 E. (9) $22.03.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. William T. Lyons, 1800 M Street NW., Suite 280N, Washington, D.C. 20036.
B. CIBA-GEIGY Corp., Ardsley, N.Y. 10502.
D. (6) $750. E. (9) $407.

A. Timothy MacCarthy, Motor Vehicle Manufactures Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Associa-

tion of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $440.

A. Alan G. Macdonald, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $3,600.

A. Jack A. MacDonald, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. National Council of Health Care Services, 1200 15th Street NW., No. 601, Washington, D.C. 20005.
D. (6) $731.25. E. (9) $195.73.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $18,375. E. (9) $3,496.79.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $896.75 E. (9) $500.

A. Duncan H. Mackenzie, 3019 Goat Hill Road, Bel Air Md. 21014.
D. (6) $200. E. (9) $315.68.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $5,900.72. E. (9) $2,718.52.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,650. E. (9) $38.

A. Edward C. Maeder, DGA International, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $1,050. E. (9) $302.49.

A. John R. Maguire, 10612 Runaway Lane, Great Falls, Va. 22066.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. W. Terry Maguire, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $600. E. (9) $68.67.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,865.44. E. (9) $149.23.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C.
D. (6) $70.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $135.

A. Leonard W. Mall, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $340.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $525. E. (9) $25.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $9,624.99. E. (9) $77.45.

A. Mike Manatos, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $20.

A. Forbes Mann, The LTV Corp., 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. James H. Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kenneth Lewis, 3300 Northwest Yeon Avenue, Portland, Oreg. 97210.
D. (6) $9,277.67. E. (9) $172.33.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,684. E. (9) $2,684.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va., 22202.
D. (6) $3,705. E. (9) $3,705.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $29.85.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $6,102.67. E. (9) $9,309.25.

A. Charles T. Marck, The Dow Chemical Co., 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,000. E. (9) $250.

A. R. V. Mariani, Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $1,722.90.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $304.23.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
E. (9) $51.45.

A. John C. Marlin, 309 West Nevada, Urbana, Ill. 61801.
B. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $240. E. (9) $48.78.

A. Howard Marlowe, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,928. E. (9) $142.35.

A. Jack D. Maroney, 1300 AmericanBank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Chalmers H. Marquis, 3430 Blair Road, Falls Church, Va. 22041.
B. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.
D. (6) $1,800. E. (9) $110.

A. Robert M. Marr, 2545 Blue Grass Court, Indianapolis, Ind. 46208.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,300. E. (9) $1,200.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. ADP Pension Services, Inc., 180 Newport Center Drive, Newport Beach, Calif. 92663.
D. (6) $1,241.50.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $205.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $176. E. (9) $109.56.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $235. E. (9) $87.33.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons,

1909 K Street NW., Washington, D.C. 20049.

D. (6) $627.69. E. (9) $1.45.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $437.52. E. (9) $78.93.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $225.

A. Joseph J. Martyak, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $106.80.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $161.36.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.

D. (6) $250.

A. Mike M. Masaoka, Masaoka-Ishikawa and Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.

B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.

D. (6) $500.

A. W. A. Mason, 442 Ontario, Shreveport, La.

B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156.

D. (6) $80.62.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. David Masselli, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $2,499.99.

A. William F. Massmann, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

B. Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

D. (6) $760. E. (9) $660.

A. Joanne E. Mattiace, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $50. E. (9) $32.

A. Charles D. Matthews, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.

D. (6) $1,376.79. E. (9) $1,262.33.

A. Herbert S. Matthews, Jacksonville Transportation Authority, Box 72, Mechanicsville, Md. 20659.

B. Jacksonville Transportation Authority, P.O. Box 5150, Jacksonville, Fla. 32207.

D. (6) $3,999.99. E. (9) $47.65.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. Martin-Marietta Aerospace, 6801 Rockledge Drive, Bethesda, Md. 20034.

D. (6) $4,200. E. (9) $296.80.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

D. (6) $6,000. E. (9) $83.98.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $412.50.

A. Anthony F. Mauriello, New York State Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $618.39. E. (9) $326.20.

A. Samuel L. Maury, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $76.52. E. (9) $34.11.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Suite 469, Louisville, Ky. 40207.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $346.50. E. (9) $318.09.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $555. E. (9) $0.06.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $5.41. E. (9) $4.

A. Arnold Mayer, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.

B. United Food and Commercial Workers International Union, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.

D. (6) $10,860. E. (9) $190.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C.

B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C., 20006.

B. The ERISA Industry Committee, Suite 1201, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $340.75. E. (9) $3.50.

A. MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $1,000.

A. H. Wesley McAden, 1707 L Street NW., Room 650, Washington, D.C. 20036.

B. J. G. Boswell Co., 333 South Hope Street, Los Angeles, Calif. 90017.

D. (6) $3,500. E. (9) $1,620.

A. H. Wesley McAden, 1707 L Street NW., Room 650, Washington, D.C. 20036.

B. Salyer Land Co., P.O. Box 488, Corcoran, Calif. 93212. .

D. (6) $3,500. E. (9) $1,620.

A. Richard F. McAdoo, Security Pacific National Bank, 1901 L Street NW., Suite 702, Washington, D.C. 20036.

B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006. .

B. Armco, 815 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $600. E. (9) $847.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,750. E. (9) $68.

A. William C. McCamant, 1725 K Street NW., Washington. D.C. 20006.

D. (6) $300.

A. McCandless & Barrett, 1707 H Street NW., Suite 1005, Washington, D.C. 20006.

B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.

D. (6) $22,977.88. E. (9) $345.60.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $2,552.78.

A. Sean A. McCarthy, 8003 Westpark Drive, McLean Va. 22102.

B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22102.

D. (6) $750. E. (9) $29.70.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.

B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.

D. (6) $540. E. (9) $28.15.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Allied Capital Corp, 1625 I Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $1,000.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Avon Products, Inc., Nine West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Cities Service Co., Box 300, Tulsa, Okla. 74102.

E. (9) $75.10.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.

E. (9) $32.50.

A. McClure & Trotter, 1100 Connecticut

Avenue NW., Suite 600, Washington, D.C. 20036.

B. Estate of Chester H. Roth, Parker, Chapin, Flattau & Klimpl, 530 Fifth Avenue, New York, N.Y. 10036.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.

E. (9) $240.54.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Mobil Corp., 150 East 42d Street, New York, N.Y. 10017.

E. (9) $187.34,

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Tidewater, Inc., 1440 Canal Street, Suite 2100, New Orleans, La. 70112.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.

D. (6) $5,000. E. (9) $1,000.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. John L. McCormick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D. C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $535.71.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Bruce A. McCrodden, The Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

D. (6) $16.20.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 400 First Street NW., Suite 819, Washington, D.C. 20001.

B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.

D. (6) $284.60. E. (9) $85.20.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,550.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. E. T. McDonald, Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline, and Steamship Clerks, Freight Handlers, Express, & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $1,540. E. (9) $2,110.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).

D. (6) $9,000.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.

D. (6) $12,000.

A. Jack McDonald Associates, 6845 Elm Street, No. 500, MaLean, Va. 22101.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

D. (6) $4,999.98. E. (9) $2,450.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.

B. The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005.

D. (6) $25,000. E. (9) $24,438.86.

A. James McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Jack McDonald Association, 6845 Elm Street, No. 500, McLean, Va. 22101 (for Northrup Corp., 1800 Century Park East, Los Angeles, Calif. 90067).

D. (6) $2,250.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,379.18. E. (9) $180.32.

A. Joseph A. McElwain, Montana Power Co., 40 East Broadway, Butte, Mont. 59701.

B. Montana Power Co., Butte, Mont. 59701.

E. (9) $77.90.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $450.

A. Robert M. McGlotten, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,232. E. (9) $1,014.65.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $500.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,232. E. (9) $378.06.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.

B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel & Restaurant Employees & Bartenders Union, 1666 K Street NW., Washington, D.C.; International Union of Police Associations, 422 First Street SE., Washington, D.C.

D. (6) $5,999.98. E. (9) $395.32.

A. John J. McHale, Jr., 1817 Biltmore Street NW., Apartment A, Washington, D.C. 20009.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $1,115.22.

A. Lynn R. McIntosh, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $1,936,37. E. (9) $56.00.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $937.50.

A. Susan M. McKenzie, National Treasury Employees Union 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

E. (9) $6,048.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. National Headquarters, Marine Corps League, 911 North Kenmore Street, Suite 321, Arlington, Va. 22201.

E. (9) $23.

A. C. A. "Mack" McKiney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Non-Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 33610, San Antonio, Tex. 78298.

D. (6) $5,932.48. E. (9) $7,666.12.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $6,923.70. E. (9) $10,950.49.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $912. E. (9) $160.30.

A. Michael R. McLeod, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.

B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.

D. (6) $5,750.

A. Michael R. McLeod, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.

B. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30032.

D. (6) $833.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $515.00. (E. (9) $285.75.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,500. E. (9) $68.75.

A. James D. McMillan, Exxon Corp., Suite 1100, 1899 L Street NW., Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Craig L. McNeese, P.O. Box 1700, Houston, Tex. 77001.

B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.

D. (6) $975. E. (9) $596.14.

A. James A. McPherson, Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. $62.30.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108.

B. Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004.

D. (6) $3,000. E. (9) $30.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.

B. Interlake, Inc., Commerce Plaza, Suite 700, 2015 Spring Road, Oak Brook, Ill. 60521.

D. (6) $7,380. E. (9) $269.25.

A. David O. Meeker, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,500.

A. William H. Megonnell, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $241.07. E. (9) 32.80.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, Professional Society, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.

D. (6) $1,050. E. (9) $365.

A. Kenneth A. Meiklejohn, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, Federation of Trades & Labor Unions, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,232. E. (9) $224.31.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.

B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $350. E. (9) $92.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $196.87. E. (9) $159.55.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.

D. (6) $6,250. E. (9) $54.05.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Holly Corp., 3327-2001 Bryan Tower, Dallas, Tex. 75201.

E. (9) $7.89.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.

D. (6) $8,333. E. (9) $137.28.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. John Tudor, 18 East 53rd Street, New York, N.Y. 10022.

E. (9) $9.49.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.

E. (9) $8.65.

A. Harold E. Mesirow, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.

B. Stencel Aero Engineering Corp., P.O. Box 5836, Ashville, N.C. 28803.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,800.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $787.50.

A. Metzger, Shadyac & Schwarz, 1 Farragut Square South, Ninth Floor, Washington, D.C. 20006.

B. Melex, U.S.A., Inc., 120 Front Street, Raleigh, N.C. 27609.

D. (6) $2,500. E. (9) $10.

A. M. Barry Meyer, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

E. (9) $40.

A. James G. Michaux, Federated Department Stores, Inc., 1801 K Street NW., Suite 903, Washington, D.C. 20006.

B. Federated Department Stores, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202.

D. (6) $500.

A. Ronald A. Michieli, National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,000.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.

E. (9) $78.86.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $7,441.88. E. (9) $12,933.98.

A. Joy Midman, 1701 K Street NW., Washington, D.C. 20006.

B. National Association of Private Psychiatric Hospitals.

D. (6) $250.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Suite 600, Washington, D.C. 20005.

E. (9) $2,402.36.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

D. (6) $2,000. E. (9) $116.12.

A. A. Stanley Miller, Federation of American Controlled Shipping, 910 16th Street, NW., Room 302, Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200.

A. Miller Associates, Inc., 2500 Q Street NW., 105, Washington, D.C. 20007.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $1,500. E. (9) $77.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $1,155.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

D. (6) $4,018.75. E (9) $7.50.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Medical Area Service Corp., c/o Michael Brewer, Holyoke Center, Cambridge, Mass. 02138.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Outdoor Amusement Business Association, 4600 West 77th Street, Minneapolis, Minn. 55435.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans-Alaska Pipeline Liability Fund, 601 West Fifth Avenue, Suite 700, Anchorage, Alaska 99501.

D. (6) $2,951.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

D. (6) $288. E. (9) $384.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.

B. Gulf Intracoastal Canal Association, Houston, Tex.

D. (6) $262.50. E. $(9) $13.80.

A. Dale Miller, 1200 16th Street NW, No. 305, Washington, D.C. 20036.

B. Texasgulf, Inc., Stamford, Conn.

D. (6) $450. E. (9) $470.

A. Robert H. Miller, Tenneco, Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

E. (9) $112.05.

A. Stella L. Miller, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

D. (6) $250. E. (9) $3.50.

A. William P. Miller, Jr., American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.

E. (9) $153.50.

A. Millman, Broder & Curtis, 1730 M Street NW., Suite 908, Washington, D.C. 20036.

B. National Council of Senior Citizens, 1511 K Street NW., Washington, D.C. 20005.

D. (6) $4,500. E. (9) $258.84.

A. John F. Mills, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $320.

A. Wayne L. Millsap, Suite 2300, Clayton Inn Center, 7777 Bonhomme Avenue, St. Louis, Mo. 63105.

B. Seven-Up Bottling Co. of St. Louis, Mo., 555 Brown Road, St. Louis, Mo.

D. (6) $207. E. (9) $8.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $432. E. (9) $173.41.

A. Clarence Mitchell, NAACP, 733 15th Street NW., Washington, D.C. 20005.

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $3,125.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $280.

A. Richard Mizrack, Fallek-Lankro Corp., 295 Madison Avenue, New York, N.Y. 10017.

B. Fallek-Lankro Corp., Tuscaloosa, Ala.

A. Michael S. Moe, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $212.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20006.

D. (6) $60.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Washington, D.C. 20006.

B. Central Station Electrical Protection Association, 1000 Vermont Avenue, NW., Washington, D.C. 20005.

D. (6) $2,000. E. (9) $10.81.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue, NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $837.50.

A. Michael Monroney, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036; 1 Montgomery Ward Plaza, Chicago, Ill. 60671.

E. (9) $100.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $156.49. E. (9) $111.52.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.

D. (6) $1,000.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139; Barr Building 912, 910 17th Street NW., Washington, D.C. 20006.

B. National Barrel & Drum Association, 910 17th Street NW., Washington, D.C. 20006.

D. (6) $1,250.

A. L. Calvin Moore, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $3,875.

A. Powell A. Moore, 1155 15th Street NW., Washington, D.C. 20005.

B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

D. (6) $560.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.

D. (6) $150.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. National Association of Theater Owners, 1500 Broadway, New York, N.Y. 10026.

D. (6) $600.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $500.

A. Jo V. Morgan, Jr., The American Humane Association, 1050 17th Street NW., Washington, D.C. 20036.

B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

D. (6) $1,800.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

D. (6) $588. E. (9) $59.80.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.

B. Committee on Capital Formation Through Dividend Reinvestment.

D. (6) $135. E. (9) $80.

A. James A. Morrill, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $723.65.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $2,700.

A. William C. Morrison, 2001 North Adams Street, Arlington, Va. 22201.

B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $875.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

E. (9) $10.20.

A. John E. Moss, 3300 19th Street, Sacramento, Calif. 95818.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

D. (6) $800. E. (9) $926.35.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,000.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) $431.73. E. (9) $431.73.

A. Karen Mulhauser, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $251.53.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $5,625. E. (9) $65.

A. John P. Mulligan, Tuna Research Foundation, 1101 17th Street NW., Washington, D.C. 20036.

B. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $1,250.

A. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga) Spain.

D. (6) $500. E. (9) $10.57.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, NY. 10001.

D. (6) $100. E. (9) $15.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Education & Co-Operative Union of America, Denver, Colo 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $4,119.23. E. (9) $18.52.

A. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.

D. (6) $36,284.28. E. (9) $36,284.28.

A. Murdoch & Walsh, P.O. Box 949, Wilmington, Del. 19899.

B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $662.62.

A. Ralph D. Murphine, 1214 16th Street NW., Washington, D.C. 20036.

B. Committee to Preserve the Appalachian Coal Market, Suite 311, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $9,000. E. (9) $3,070.19.

A. Anne G. Murphy, Public Broadcasting Service, 3415 South Stafford Street, Arlington, Va. 22202.

B. Public Broadcasting Service, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $10,575. E. (9) $1,314.79.

A. Richard E. Murphy, 2020 K Street NW, Suite No. 200, Washington, D.C. 20006.

B. Service Employees International Union, AFL–CIO, CLC, 2020 K Street NW., Suite No. 200, Washington, D.C. 20006.

D. (6) $1,000. E. (9) $200.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $625. (9) $41.90.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B Chicago, Milwaukee, St. Paul & Pacific Railroad, 516 West Jackson Boulevard, Chicago, Ill. 60606.

D. (6) $300.

A D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.

D. (6) $300.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

D. (6) $250.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn. 55101.

D. (6) $450.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.

D. (6) $200.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. National Association of Industrial & Office Parks, 1901 North Fort Myer Drive, No. 1100, Arlington, Va. 22209.

D. (6) $300.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. National Council of Coal Lessors, 1130 17th Street NW., Washington, D.C. 20035.

D. (6) $300.

A. Margaret R. Murray, 1339 Wisconsin Avenue NW., Washington, D.C. 20007.

B. Heinold Commodities, 222 South Riverside Plaza, Chicago, Ill. 60606.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $173.50.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $600. E. (9) $6.

A. Fred J. Mutz, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000. E. (9) $35.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $500. E (9) $479.71.

A. Gerald P. Nagy, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) $560.

A. John J. Nangle, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

B. National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

D. (6) $1,000.

A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW, Washington, D.C. 20006.

D. (6) $1,500.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.

B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.

D. (6) $555. E. (9) $455.51.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $290,982.76. E. (9) $39,939.22.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.

D. (6) $1,015.50. E. (9) $773.31.

A. National Association for Humane Legislation, Inc., P.O. Box 11675, St. Petersburg, Fla. 33733.

D. (6) $11.85. E (9) $82.25.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

D. (6) $68,668.75. E. (9) $5,473.51.

A. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

D. (6) $113,856.21. E. (9) $10,401.67.

A. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

E. (9) $3,801.56.

A. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

E. (9) $314.54.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

D. (6) $1,750. E. (9) $1,230.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.

E. (9) $300.

A. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20515.

D. (6) $184,408.80. E. (9) $85,955.68.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $2,060,207.86. E. (9) $55,307.26.

A. The National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $71,451.18. E. (9) $71,451.18.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Cos., 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $10,731.36. E. (9) $10,731.36.

A. National Association of Pension Consultants and Administrators, Inc., Three Piedmont Center, Suite 300, Atlanta, Ga. 30305.

D. (6) $3,040. E. (9) $342.50.

A. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

D. (6) $7,645.05. E. (9) $5,669.64.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $300. E. (9) $300.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street, Washington, D.C. 20005.
E. (9) $45,781.35.

A. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800. E. (9) $1,800.

A. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $16,978.73. E. (9) $19,677.33.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $40,097. E. (9) $4,188.24.

A. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $10,405. E. (9) $11,786.19.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $1,000.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
E. (9) $3,642.98.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,186,030.59. E. (9) $25,136.61.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $1,023. E. (9) $4,372.84.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $21,043. E. (9) $10,931.

A. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $2,943.55. E. (9) $12,114.13.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $8,587.12. E. (9) $8,587.12.

A. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $5,773. E. (9) $3,610.

A. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $2,315.56. E. (9) $1,925.16.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $197.23. E. (9) 197.23.

A. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $1,125.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $10,648.54. E. (9) $10,648.54.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $4,625. E. (9) $5,712.22.

A. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $10,625. E. (9) $6,287.50.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $14,692.40. E. (9) $2,062.99.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $935.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $77,206.89. E. (9) $82,591.99.

A. National Industrial Traffic League, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $3,000.

A. National Leased Housing Association, Suite 400–S, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $5,786.62. E. (9) $5,786.62.

A. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $10,041.87. E. (9) $10,432.22.

A. National Maritime Council, 1742 N Street NW., Washington, D.C. 20036.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $6,359.80. E. (9) $6,359.80.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $9,600. E. (9) $73,483.08.

A. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $11,053.17. E. (9) $11,053.17.

A. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $141,348.82. E. (9) $26,570.37.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $5,073.45.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $6,300. E. (9) $216.

A. National Potato Council, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $5,850. E. (9) $3,379.26.

A. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $2,000.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $5,000.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $2,337.

A. National Right to Life Committee, Inc., 529 14th Street NW., No. 341, Washington, D.C. 20515.
D. (6) $35,580. E. (9) $7,100.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $3,615. E. (9) $3,615.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $4,251.50.

A. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $17,512. E. (9) $865.

A. National School Transportation Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.
D. (6) $517.18. E. (9) $517.18.

A. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
E. (9) $1,875.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $865.53.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $13,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $41,600. E. (9) $44,392.16.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., No. 930, Washington, D.C. 20036.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $6,138.65. E. (9) $6,254.09.

A. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
D. (6) $32,168.84. E. (9) $1,500.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
E. (9) $1,996.

A. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $2,890. E. (9) $2,890.

A. National Turkey Federation, Reston International Center, Suite 302, Reston, Va. 22091.
D. (6) $1,000. E. (9) $1,000.

A. National Water Resources Association, 955 L'Enfant North SW., Suite 1202, Washington, D.C. 20024.
D. (6) $4,252. E. (9) $7,380.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
D. (6) $1,354.74. E. (9) $2,201.66.

A. National Wool Growers Association, 1776 F Street NW., Washington, D.C. 20006.

A. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $46,500. E. (9) $6,510.37.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,227. E. (9) $87.20.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $2,497.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.
B. Farm Water Alliance, 955 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $15,000. E. (9) $3,930.13.

A. L. James Nelson, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $925.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $185.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar and Alcohol Institute, Rio de Janeiro, Brazil.
E. (9) $534.49.

A. NETWORK, 1029 Vermont Avenue NW., No. 650, Washington, D.C. 20005.
D. (6) $27,206.53. E. (9) $16,861.82.

A. E. John Neumann, Baltimore Gas & Electric Co., 1523 L Street NW., No. 500, Washington, D.C. 20005.
B. Baltimore Gas & Electric Co., Gas and Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $454.94. E. (9) $447.12.

A. Robert B. Neville, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $3,250. E. (9) $17.50.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $3,250. E. (9) $1,757.28.

A. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $22,794.50. E. (9) $16,631.14.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $26,500. E. (9) $25,555.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C.
B. National Clay Pipe Institute, P.O. Box 310, Crystal Lake, Ill. 60014.
D. (6) $600. E. (9) $30.75.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $3,875. E. (9) $97.01.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.
B. American Bankers Insurance Co. of Florida, 600 Brickell Avenue, Miami, Fla. 33131.
D. (6) $3,000. E. (9) $189.08.

A. Nicholas John Nichols, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,400. E. (9) $643.40.

A. John B. Nicholson, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $150.

A. Melissa A. Nielson, Kennecott Copper Corp., 1775 K Street NW., Washington, D.C. 20006.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $300.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $1,400. E. (9) $1,847.37.

A. Patrick J. Nilan, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $11,711.83. E. (9) $6,119.42.

A. Nan Fielding Nixon, 309 Fourth Street SE., Apartment 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, Grays Hall, 16, Harvard University, Cambridge, Mass. 02138.
D. (6) $6,600. E. (9) $896.21.

A. H. Christopher Nolde, Chemical Manufacturers Association, 1825 Connecticut Avenue N.W., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306. Washington, D.C. 20024.
B. National Association of Small Business Investment Cos., 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $121.97.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $96.05.

A. Richard B. Norment IV, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Julia J. Norrell, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10017; and 1801 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $30.

A. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $25,500.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $1,500.

A. North American Telephone Association, 1030 15th Street NW., Washington, D.C. 20036.
D. (6) $27,905.15. E. (9) $27,905.15.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
E. (9) $2,187.45.

A. Northwest Energy Co., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Northwest Energy Options, 1022 Northeast 68th, Seattle, Wash. 98115.
D. (6) $100.86. E. (9) $100.86.

A. Clifford R. Northup, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $59.21.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Montco, Billings, Mont. 59107; Nance Cattle Co., Birney, Mont. 59012.
D. (6) $4,600. E. (9) $81.15.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Ocean Energy Council, Box 57198, Washington, D.C. 20037.
E. (9) $48.95.

A. N.O.S.I. ("Not One Square Inch"), 4082 Howard Avenue, Los Alamitos, Calif.
D. (6) $2.70.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Franklin W. Nutter, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Mark J. Nuzzaco, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $393.75. E. (9) $250.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. Mary E. Oakes, Hercules, Inc., 1800 K Street NW., Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $113.

A. Dallin H. Oaks, Brigham Young University, Provo, Utah 84602.
B. Brigham Young University, Provo, Utah 84602.

A. Hubert K. O'Bannon, Consolidated Rail Corp., 1532 34th Street NW., Washington, D.C. 20067.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,200.

A. Coleman C. O'Brien, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,887.50. E. (9) $64.10.

A. E. D. O'Brien, 1376 Chartwell Carriageway North, East Lansing, Mich. 48823.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,045. E. (9) $1,285.68.

A. John F. O'Brien, c/o Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $800. E. (9) $40.

A. Rosemary L. O'Brien, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $88.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $1,036.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $2,000. E. (9) $725.71.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Abt Associates, Inc., Cambridge, Mass. 02138.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $4,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.
D. (6) $325. E. (9) $15.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Eighth Floor, Washington, D.C. 20006.
D. (6) $900.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $230. E. (9) $14.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Church & Institutional Financing Organizations, Washington, D.C.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Committee for Quality Health Care, New York, N.Y.
D. (6) $900.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Hockey League, 1221 Avenue of the Americas, New York, N.Y. 10020.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $400.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $3,249.75.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.
D. (6) $750.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $330. E. (9) $144.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,250. E. (9) $583.67.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $110.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. Philippine Sugar Commission, Quezon City, Philippines.
D. (6) $1,500. E. (9) $1,118.

A. Patrick E. O'Donnell, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $110.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., 900 17th Street NW., Suite 508, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,519.60. E. (9) $166.41.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,667.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $225.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $1,050. E. (9) $10.

A. Matthew D. O'Hara, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
D. (6) $37.92.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $400. E. (9) $11.50.

A. William J. Olson, 1819 H Street NW., Washington, D.C. 20006.

D. (6) $5,230. E. (9) $406.94.

A. William J. Olwell, United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $3,861.31. E. (9) $574.98.

A. Olwine, Connelly, Chase, O'Donnell & Weyher, 299 Park Avenue, New York, N.Y. 10017.

B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $3,551. E. (9) $242.09.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Bank of America, Bank Investment Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Blyth, Eastman, Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Dean Witter Reynolds, Inc., 45 Montgomery Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006; Hospital Affiliates International, Inc., 4525 Harding Road, Nashville, Tenn. 37205.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Smith Barney, Harris Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. R. E. Omohundro, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

D. (6) $166.30. E. (9) $10.80.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.

D. (6) $5,000. E. (9) $1,458.37.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

D. (6) $5,000. E. (9) $2,562.21.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

D. (6) $5,000. E. (9) $475.15.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,407.51.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $880. E. (9) $108.28.

A. Roland A. Ouellette, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,600. E. (9) $3,793.11.

A. Outdoor Power Equipment Institute, Inc., 1901 L Street NW., Suite 700, Washington, D.C. 20036.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.

B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Henry S. Palau, Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $604.75.

A. Gerard Paul Panaro, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.

B. Retail Bakers of America, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.

D. (6) $1,300. E. (9) $44.

A. J. J. Panella, The Dow Chemical Co., 1800 M Street, NW., Suite 700 South, Washington, D.C.

B. The Dow Chemical Co., Midland, Mich. 48641.

D. (6) $700. E. (9) $250.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.

D. (6) $480. E. (9) $350.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $80. E. (9) $755.05.

A. Herschell E. Parent, c/o Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $66.36. E. (9) $345.75.

A. Ann L. Parenteau, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex. 77640.

B. Government of Republic of Liberia, Monrovia, Liberia.

D. (6) $1,000.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street, NW., Washington, D.C., 20036.

D. (6) $363.

A. Linda K. Parson, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) $4.

A. Renee Parsons, 133 C Street SE., Washington, D.C. 20003.

B. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

D. (6) $100.42.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $435.

A. Nicholas D. Pasco, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

D. (6) $250. E. (9) $18.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 1757 N Street NW., Washington, D.C. 20036.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $11,663.58. E. (9) $194.05.

A. Richard M. Patterson, 1800 M Street NW., Suite 700–S, Washington, D.C. 20036.

B. The Dow Chemical Co., Midland, Mich. 48640.

D. (6) $500. E. (9) $239.50.

A. Thomas Patterson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,156.

A. William H. Patterson, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $120.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

D. (6) $2,457.81.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Ad Hoc Committee on Section 602, 1101 16th Street NW., Suite 300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $330. E. (9) $4.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Association of Trial Lawyers of America. 1050 31st Street NW., Washington, D.C. 20007.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Benamy International, Inc., 3937 Oakcliff Industrial Court NE., Atlanta, Ga. 30340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.

D. (6) $10,680.50. E. (9) $44.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.

D. (6) $2,395.50. E. (9) $85.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

D. (6) $550. E. (9) $6.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Chippewa-Cree Tribe, Rocky Boy Reservation, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Committee for Expanded Trade, 2550 M Street NW., Eighth floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Council of State Chambers of Commerce [Committee on State Taxation], 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Diagnostic Imaging & Therapy Systems Division (Division of National Electrical Manufacturers Association), 2101 L Street NW., Washington, D.C. 20036.

D. (6) $375.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Handicraft Designs, Inc., 87 Commerce Drive, Talford, Pa. 18969.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Institute of Electrical & Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Institute of Scrap Iron & Steel, Inc., 1627 K Street NW., Washington, D.C. 20006.

D. (6) $2,085.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Loop, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Louisiana Pacific Corp., 1300 SW. Fifth Avenue, Portland, Oreg. 97201.

D. (6) $2,100. E. (9) $80.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.

D. (6) $4,830. E. (9) $2,148.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Mocatta Metals Corp., 35 Broad Street, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. New Process Co., 220 Hickory Street, Warren, Pa. 16366.

D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.

D. (6) $9,145. E. (9) $300.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.

D. (6) $6,189.50. E. (9) $215.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Pepsico, Inc., Purchase, N.Y. 10577.

D. (6) $1,425. E. (9) $25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Jack Philip & Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.

D. (6) $864.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Publicker Industries, 14th Floor, Packard Building, Philadelphia, Pa. 19102.

D. (6) $3,120. E (9) $51.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.

D. (6) $4,000.

A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.

B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94206.

A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.

B. Retail Tax Committee, 2550 M Street NW., Suite 800, Washington, D.C. 20037.

D. (6) $780. E. (9) $25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. St. Joe Minerals Co., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.

D. (6) $11,250. E. (9) $115.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Andrew R. Paul, Suite 920, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) $250. E. (9) $75.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $1,187.67.

A. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.

E. (9) $3,557.57.

A. Dominic V. Pensabene, Chevron, U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron, U.S.A., Inc. (subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

D. (6) $375.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.

D. (6) $1,000.

A. Barbara K. Pequet, 1921 Kalorama Road NW., No. 103, Washington, D.C. 20009.

B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.

D. (6) $200. E. (9) $85.

A. Elinor Peretsman, 55 Tain Drive, Great Neck, N.Y. 11021

B. United Action for Animals, Inc., 205 East 42d Street. New York, N.Y. 10017.

D. (6) $3,828.50. E. (9) $927.33.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $125.

A. John P. Perrin, American Osteopathic Association, 1611 North Kent Street, No. 803-A, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, No. 803-A, Arlington, Va. 22209.

D. (6) $2,218.85. E. (9) $2,377.60.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) $2,500.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $2,500. E. (9) $205.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.

B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

D. (6) $1,300. E. (9) $392.31.

A. Kenneth Peterson, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,232. E. (9) $191.22.

A. Mary B. Peterson, General Motors Corp., 1660 L Street N.W., Washington, D.C. 20036.

B. General Motors Corp , 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $2,038.77.

A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,200.

A. John E. Pflieger, Time Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time Inc., Time & Life Building, Rockefeller Center, New York, N Y. 10020.

D. (6) $1,700. E. (9) $24.90.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Sammye Phelps, 4723 Crestwood Drive, Little Rock, Ark. 72207.

B. Sanyo Manufacturing Corp., Sanyo Road, Forest City, Ark. 72335.

D. (6) $4,500. E. (9) $471.11.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $40.80.

A. John D. Phillips, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $10,455. E. (9) $725.29.

A. Scott H. Phillips, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 308, Washington, D.C. 20005.

E. (9) $1,076.48.

A. Sam Pickard, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $500. E. (9) $19.05.

A. Ace Pickens, 1300 AmericanBank Tower, Austin, Tex. 78701.

B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.

D. (6) $250. E. (9) $80.

A. Wilhelm Pickens, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $787.50. E. (9) $51.46.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, 1 Monument Square, Portland, Maine 04101.

B. Great Northern Paper Co., 75 Prospect Street, Stamford, Conn. 06901; Dead River Co., 55 Broadway, Bangor, Maine 04401; Baskahegan Co., c/o Milliken & Co., 1045 Sixth Avenue, New York, N.Y. 10018.

D. (6) $360. E. (9) $20.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

E. (9) $28.07.

A. Rena S. Pies, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

A. David E. Piper, Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

B. Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.

D. (6) $757.89. E. (9) $757.89.

A. James L. Pledger, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Robert Plett Associates, Ltd., 1200 18th Street NW., Suite 700, Washington, D.C. 20036.

A. Michael M. Pocost, c/o N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. Francis Pohlhaus, Washington Bureau NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $6,300.

A. Frances A. Pollak, 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.

D. (6) $1,000.

A. Richard P. Pollock, Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

B. Critical Mass Energy Project.

D. (6) $237.50.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.

B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94120.

D. (6) $4,375. E. (9) $494.63.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $1,250.

A. Phillip Porte, Maria Donohue, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 702, Arlington, Va. 22202.

B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.

D. (6) $4,500. E. (9) $160.19.

A. Garry C. Porter, 11356 Southeast Black Road, Olalla, Wash. 98359.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $328. E. (9) $237.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.

B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.

D. (6) $250. E. (9) $14.05.

A. John Post, 1801 K Street NW., Suite 821, Washington, D.C. 20006.

B. The Business Roundtable, 200 Park Avenue, New York, N.Y.; 1801 K Street NW., No. 821, Washington, D.C. 20006.

D. (6) $200. E. (9) $40.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $2,500. E. (9) $199.90.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.

B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.

D. (6) $8,750.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.

B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.

D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $2,400. E. (9) $2.50.

A. John M. Powderly, United Steelworkers of America, Suite 706, 815 Sixteenth Street NW., Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,325.76.

A. Robert D. Powell, 734 15th Street NW., Suite 401, Washington, D.C. 20005.

B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. John J. Power, 101 Constitution Avenue, NW., Washington, D.C. 20001.

B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

D. (6) $5,405.05. E. (9) $1,561.01.

A. Graydon R. Powers, Jr., Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

D. (6) $200.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

D. (6) $500.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $745.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) $4,500. E. (9) $368.41.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.

B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.

D. (6) $5,000. E. (9) $342.32.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street, NW., Washington, D.C. 20005).

A. Lloyd T. Preslar, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Robat, Morocco).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Washington, D.C. 20006.

B. Bonneville Power Administration Industrial Customers, Suite 310, Lloyd Building, 700 Northeast Multromak Street, Portland, Oreg. 97232.

D. (6) $5,431.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street, NW., Suite 300, Washington, D.C. 20006.

B. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.

D. (6) $762.50.

A. Preston Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. National Education Association, 1201 16th Street NW., Washington, D.C.

D. (6) $1,037.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Organization for the Protection & Advancement of Small Telephone Operators, 1104 Gary Court, Wheaton, Ill. 60187.

D. (6) $992.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street, NW., Suite 300, Washington, D.C. 20006.

B. State of Alaska, Juneau, Alaska.

D. (6) $14,050.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. State of Washington, Department of Ecology, Olympia, Wash.

D. (6) $960.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Transportation Institute, 923 15th Street NW., Washington, D.C.

D. (6) $921.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Washington Natural Gas, 815 Mercer, Seattle, Wash.

D. (6) $225.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.

D. (6) $1,720.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $668.75.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.

B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.

D. (6) $416.11. E. (9) $47.07.

A. Susan E. Pridgen, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) $2,940. E. (9) $135.

A. Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

A. Pro-Life/Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.

D. (6) $118. E. (9) $333.

A. Prod, Inc., Suite 612, 2000 P Street NW., Washington, D.C. 20036.

D. (6) $360. E. (9) $80.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $8,124.98.

A. Jerry Z. Pruzan, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $300.

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $6,078.50 E. (9) $4,541.

A. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $28,539.17. E. (9) $28,082.08.

A. Public Timber Purchasers Group. 1214 Oregon Bank Building, 319 Southwest Washington Street, Portland, Oreg. 97204.

D. (6) $28,500. E. (9) $11,587.94.

A. Philip N. Pulizzi, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400. E. (9) $50.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $600. E. (9) $53.76.

A. Howard Pyle III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. R. J. Reynolds Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $329.67. E. (9) $8.

A. Robert N. Pyle, Stephen S. Boynton, P.O. Box 3731, Washington, D.C. 20007.
B. American Fur Industries, 101 West 30th Street, New York, N.Y. 10001.
D. (6) $4,700.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. E. R. Quesada, P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
B. L'Enfant Plaza Properties, Inc., P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $800.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $495.52.

A. Richard W. Rahn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $137.73.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts and Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $33,325.34. E. (9) $33,325.34.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $48,250. E. (9) $48,250.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Gretchen P. Ralph, National Committee for Symphony Orchestra Support, 303 Kimry Moor, Fayetteville, N.Y. 13066.
B. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $10,500. E. (9) $262.67.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,685. E. (9) $134.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. (6) $822.69. E. (9) $116.05.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1206, Washington, D.C. 20006.
D. (6) $125. E. (9) $91.05.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1600 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $127.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. City of Independence, Mo., 103 North Main Street, Independence, Mo.
D. (6) $1,500. E. 9) $1,406.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. United States Railway Association, 955 L'Enfant Plaza, Washington, D.C.
D. (6) $3,000. E. (9) $390.

A. R. Ray Randlett, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $110.

A. Arthur G. Randol III, 1899 L Street, NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $68.

A. Jerry F. Rapp, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $1,125. E. (9) $1,582.63.

A. G. David Ravencraft, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $29.52.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $709.27.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Assn., 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $575. E. (9) $78.81.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $264.44. E. (9) $6.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $8,000. E. (9) $300.

A. Jerry Rees, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,679.04.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,167.33.

A. Don T. Reeves, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $2,497.

A. J. Ronald Reeves, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. (9) $142.30.

A. John T. Reggitts, Jr., R.D. No. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $100. E. (9) $43.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $76. E. (9) $17.

A. Jerry E. Reider, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. John A. Reilly, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al., P.O. Box 4215, Yuma, Ariz. 85364.
E. (9) $5.

A. J. E. Reinke, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
E. (9) $178.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.

D. (6) $950. E. (9) $329.09.

A. Jamie Replogle, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $41.25.

A. Reproductive Freedom League, P.O. Box 11921, Lexington, Ky. 40579.

D. (6) $457.50. E. (9) $514.19.

A. Response Marketing Group, Inc., 1025 Connecticut Avenue NW., Suite 405, Washington, D.C. 20036.

B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.

D. (6) $1,000.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $5,691.63.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.

B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

D. (6) $10,827. E. (9) $700.

A. Allan R. Rexinger, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $7,999.98. E. (9) $125.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $260.

A. William L. Reynolds, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

E. (9) $110.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

E. (9) $674.95.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044; 3046 Roosevelt, Detroit, Mich. 48216.

E. (9) $113.07.

A. Theron J. Rice, Continental Oil Co., 1025 Connecticut Avenue NW., No. 1000, Washington, D.C. 20036.

B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $500.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 28050.

D. (6) $1,540. E. (9) $1,320.

A. Mark E. Richardson, 1900 L Street NW., Suite 710, Washington, D.C. 20036.

B. The Business Roundtable, 1901 K Street NW., Suite 710, Washington, D.C. 20036.

D. (6) $9,000.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.

D. (6) $2,000. E. (9) $58.82.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, 314 Thayer Avenue, Box 1395, Bismarck, N. Dak. 58501.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $350. E. (9) $735.81.

A. Peter S. Ridley, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $525.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $4,569. E. (9) $81.50.

A. Douglas V. Rigler, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Morris A. Riley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $1,200.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $601.88. E. (9) $9.50.

A. Carol A. Risher, 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) $1,000. E. (9) $71.38.

A. Nancy J. Risque, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

D. (6) $50.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.

B. Gaming Industry Association of Nevada, Inc., One East First Street, No. 1007, Reno, Nev. 89501.

D. (16) $2,800. E. (9) $1,122.76.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.

B. National Association of Off-Track Betting, P.O. Box 446, Batavia, N.Y. 14020.

D. (6) $2,319.10. E. (9) $1,101.79.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.

B. Nevada Resort Association, 732 East Sahara Avenue, Las Vegas, Nev. 89104.

D. (6) $4,200. E. (9) $1,693.16.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27106.

E. (9) $3,578.14.

A. Roadside Business Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.

D. (6) $1,464.09. E. (9) $1,464.09.

A. Perry A. Roberts, 8100 Florissant, St. Louis, Mo. 63136.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

E. (9) $668.

A. William S. Roberts, National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $70.

A. Danny R. Robertson, 3306 Loyola Lane, Austin, Tex. 78723.

B. Coronado Exploration Co., Inc., 3303 67th, Lubbock, Tex. 79413.

A. Hope E. Robertson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center.

D. (6) $2,250.

A. Betty S. Robinson, 1757 N Street NW., Washington, D.C. 20036. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW).

B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $6,853.01. E. (9) $64.35.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $233.28.

A. John K. Robinson, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

E. (9) $91.25.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md., 20795.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $2,250.

A. Antoinette K. Roche, 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $500. E. (9) $25.

A. Betty P. Rocker, Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.

B. Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $174.30.

A. Lloyd M. Rockne, 8501 Bennington Way, Sacramento, Calif. 95826.

B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

D. (6) $900. E (9) $1,745.26.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.

B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Ted V. Rodgers, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.

B. Nationwide Insurance Companies and Affiliates, One Nationwide Plaza, Columbus, Ohio 43216.

D. (6) $2,500.

A. Mitchell Rofsky, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $3,750.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $2,500. E. (9) $2,162.01.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $1,270.63.

A. James T. Rogers, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $600.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $6,423.90. E. (9) $133.31.

A. Rogers & Wells, 1666 K Street NW, Washington, D.C. 20006.

B. Seyforth Laboratories, Inc., 8150 N. Central Expressway, Dallas, Texas 75206.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.

B. S. Shamash & Sons, Inc., 42 West 39th Street, New York, N.Y. 10018.

A. Richard A. Rohrbach, 1625 I Street NW., No. 809, Washington, D.C. 20006.

B. Boise Cascade Corp., 1625 I Street NW., No. 809, Washington, D.C. 20006.

D. (6) $16,050.

A. John F. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,500.

A. Teno Roncalio, 701 Rocky Mountain Plaza, P.O. Box 1707, Cheyenne, Wyo. 82001.

B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Washington, D.C. 20036.

D. (6) $1,500.

A. Tatiana Roodkowsky, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $2,000. E. (9) $23.45.

A. James E. Rooks, Jr., 1216 16th Street NW., Washington, D.C. 20036.

B. Speiser, Krause and Madole, 1216 16th Street NW., Washington, D.C. 20036 (for Mrs. Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Mrs. Margarita C. Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; and Mrs. Maria Lozano, 519th Street, QC-1, Urb. Country Club, Rio Piedras, P.R.).

A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W. Va. 25327.

B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.

D. (6) $880.59. E. (9) $964.01.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.

D. (6) $8,230. E. (9) $107.92.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.

B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.

D. (6) $10,000. E. (9) $122.58.

A. Albert B. Rosenbaum III, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Harvey Rosenfield, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $1,440.30.

A. Seymour N. Ross, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. William F. Ross, South Carolina Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $570. E. (9) $657.82.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue, NW., Washington, D.C. 20037.

B. Fort Pierce Utilities Authority of the City of Fort Pierce, et al.

A. Barry N. Roth, The Williams Companies, 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Companies, P.O. Box 2400, Tulsa, Okla. 74101.

A. Marcus Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,197.61.

A. Edwin Rothschild, 1615 Anderson Road, McLean, Va. 22101.

B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, South Dak. 57501.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William C. Rountree, 1050 17th Street, NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

D. (6) $325.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.

B. Union Nacional de Productores de Azucar, S.A. de C.V. (UNPASA), Balderas 36, Mexico, D.F., Mexico.

A. Eugene F. Rowan, J.C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avneue NW., Washington, D.C. 20036.

D. (6) $575. E. (9) $44.63.

A. Eric M. Rubin, Wolf, Block, Schorr and Solis-Cohen, 1150 Connecticut Avenue, NW., Washington, D.C. 20036.

B. Outdoor Advertising Association of America, 1899 L Street NW., Washington, D.C. 20036.

A. James S. Rubin, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.

D. (6) $2,250. E. (9) $50.

A. Nancy Rubini, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

D. (6) $504.22. E. (9) $10.50.

A. Steven J. Rukavina, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $74.83.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $90.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. R. M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.

B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

D. (6) $305. E. (9) $230.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.

B. American Association of Bioanalysts, 614 Paul Brown Building, St. Louis, Mo.

D. (6) $200. E. (9) $172.50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.

B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $900. E. (9) $301.50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.

B. American Optometric Association, 1730 M Street NW., Washington, D.C.

D. (6) $600. E. (9) $229.65.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $63.90. E. (9) $1.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW, Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $100. E. (9) $56.30.

A. John F. Ryan, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Lyle Ryter, 499 South Capitol Street SW., Washington, D.C. 20003.

B. American Security Council, 499 South Capitol Street SW., Washington, D.C. 20003.

D. (6) $1,463.

A. Fred J. Sacco, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $450.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $500. E. (9) $20.50.

A. St. Joe Paper Co., P.O. Box 1380, Jacksonville, Fla. 32201.

A. St. Louis Mercantile Library Assn., 510 Locust Street, St. Louis, Mo. 63188.

E. (9) $1,277.07.

A. Robert P. St. Louis, the Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $750. E. (9) $701.42.

A. Frank P. Sanders, The Flying Tiger Line, Inc., 815 Connecticut Avenue NW., Washington, D.C.

B. The Flying Tiger Line, Inc., Los Angeles International Airport, Los Angeles, Calif.

D. (6) $300.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.; The Signal Cos., Inc.

B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

D. (6) $300.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $5,000.

A. David Sandler, National Council of Community Mental Health Centers, 2233 Wisconsin Avenue, Washington, D.C.

B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue, Washington, D.C.

D. (6) $3,000. E. (9) $150.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.

B. Council of European & Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.

D. (6) $300.

A. Albert C. Saunders, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. W. P. Sayles, P.O. Box 841, Abilene, Tex. 79604.

B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

A. Henry Schacht, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

D. (6) $3,600. E. (9) $1,170.03.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $8,346.

A. Herbert Y. Schandler, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $1,200. E. (9) $57.16.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $7,000. E. (9) $7,748.89.

A. Steven E. Schanes, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $3,000.

A. Kenneth D. Schanzer, 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $168. E. (9) $137.25.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $499.69. E. (9) $414.75.

A. Allan D. Schimmel, Consolidated Rail Corp., 639 South Carolina Avenue SW., Washington, D.C. 20003.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $3,625.

A. Terry G. Schlemeier, 531 East Capital, Jefferson City, Mo. 65101.

B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

D. (6) $200. E. (9) $300.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $161.36.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $400.

A. Richard M. Schmidt, Jr., Association of American Publishers, Inc., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) $500.

A. Robert L. Schmidt, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $227.

A. Terry L. Schmidt, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American College of Emergency Physicians, 3900 Capital City Boulevard, Lansing, Mich. 48906.

D. (6) $900.

A. Lee H. Schmolke & Associates, The Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.

B. The Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.

D. (6) $1,000. E. (9) $130.64.

A. Andy Schneider, National Health Law Program, 1424 16th Street NW., No. 304, Washington, D.C. 20036.

B. National Health Law Program, Inc., 2401 Main Street, Santa Monica, Calif. 90405.

D. (6) $1,125. E. (9) $1,389.88.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.

B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.

D. (6) $250. E. (9) $831.59.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Anthony Schopp; Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.

B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. A. Kolbet Schrichte, 1850 K Street NW., Suite 850, Washington, D.C. 20006.

B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; 1 IBM Plaza, Suite 2600, Chicago, Ill. 60611.

D. (6) $1,325. E. (9) $127.33.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $40.

A. Lauren Kim Schryver, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Mark Schultz, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $7,840. E. (9) $137.97.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.

B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.

D. (6) $420. E. (9) $10.

A. Robert L. Schulz, c/o Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

E. (9) $56.20.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $4,050. E. (9) $260.24.

A. Richard Schwartz, Boat/U.S., 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) $2,500.

A. Carl F. Schwensen, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.

B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.

D. (6) $1,427.37.

A. William F. Schwind, Jr., Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue, Suite 610, Washington, D.C. 20036.

D. (6) $2,800. E. (9) $2,498.02.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $15.50.

A. David A. Scott, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,545. E. (9) $1,841.18.

A. John W. Scott, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $687.50.

A. William Z. Scott, Box 121, Pocono Manor, Pa. 18349.

B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

D. (6) $1,000. E. (9) $844.53.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $650. E. (9) $35.77.

A. Pamela Sederholm, SMACNA, 8224 Old Court House Rd., Vienna, Va. 22180.

B. Sheet Metal & Air Conditioning Contractors' National Assn., Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.

D. (6) $800. E. (9) $300.

A. H. Richard Seibert, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $305. E. (9) $15.

A. David Seldner, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $400.

A. Self-Determination for the District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,070. E. (9) $9,328.

A. Stanton P. Sender, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $500. E. (9) $6.85.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, No. 337, Austin, Tex. 78731.

E. (9) $453.

A. J. Richard Sewell, Florida Power & Light Co., 1701 K Street NW., Suite 503, Washington, D.C. 20006.

B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) $350. E. (9) $202.48.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,825.

A. Robert L. Shafer, Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $850. E. (9) $658.49.

A. Barbara J. Shailor, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,799.22.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

E. (9) $100.

A. Lloyd D. Shand, Monsanto Co., 1101 17th Street NW., Washington, D.C.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $400. E. (9) $17.01.

A. David Lewis Shapiro, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,481. E. (9) $30.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $161.36.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.

D. (6) $1,250. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Cheyenne River Sioux Tribe, P.O. Box 590, Eagle Butte, S. Dak. 57625.

D. (6) $350. E. (9) $20.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Colville Tribe, Box 150, Nespelem, Wash. 99155.

D. (6) $850. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) $500. E. (9) $20.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Minnesota Chippewa Tribe, Box 217, Cass Lake, Minn. 56633.

D. (6) $400. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Quinault Indian Nation, P.O. Box 1118, Taholah, Wash. 98587.

D. (6) $625. E. (9) $75.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Yakima Indian Nation, P.O. Box 151, Toppenish, Wash. 98948.

D. (6) $835. E. (9) $75.

A. John J. Sharkey, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $986.50. E. (9) $78.75.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.

B. National Federation of Fishermen, 919 18th Street NW., No. 820, Washington, D.C. 20006.

D. (6) $3,332. E. (9) $117.91.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.

B. Shipbuilders Council of America, 600 New Hampshire Avenue, Washington, D.C. 20037.

D. (6) $12,200. E. (9) $44.51.

A. Karen Dolmatch Shaw, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

D. (6) $6.01. E. (9) $6.95.

A. Luther W. Shaw, 1625 I Street NW., Suite 501, Washington, D.C. 20006.

B. Paluszek & Leslie Associates, 1500 Broadway, New York, N.Y. 10036.

E. (9) $150.47.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Atlas Minerals Division, Atlas Corp., 2506 Prudential Plaza, Denver, Colo. 80202.

D. (6) $1,079.50. E. (9) $2.00.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Suite 900, Washington, D.C. 20036.

B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.
D. (6) $3,052.50.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.
E. (9) $8.65.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $283.30 E. (9) $6.00.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
D. (6) $1,672. E. (9) $8.00.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $2,819.49.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Ave, New York, N.Y. 10017.
D. (6) $190.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $6,720. E. (9) $774.84.

A. Maureen Shea, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,922.75. E. (9) $160.97.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y.
B. BancNorthwest, 7100 Sears Tower, Chicago, Ill. 60606, et al.
E. (9) $36,328.49.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C., 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa., 15222.
D. (6) $9,402.51.

A. John P Sheffey, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Spencer C. Sheldon, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Jowanda Shelton, Committee for Humane Legislation, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.
D. (6) $5,400.

A. Dale Sherwin, 888 17th Street NW., No. 902, Washington, D.C. 20006.
B. A. E. Staley Manufacturing Co., 2200 Eldorado Street, Decatur, Ill. 62525.
D. (6) $1,500. E. (9) $172.26.

A. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $2,349.51.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $2,550. E. (9) $4.85.

A. G. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2475. E. (9) $50.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $1,800.

A. Candice J. Shy, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $900. (9) $579.26.

A. Lawrence E. Siegel, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $3,300. E. (9) $11.40.

A. Mark A. Siegel, Mark A. Siegel & Associates, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.
B. Tadco Enterprises, 1625 I Street NW., Suite 1009, Washington, D.C. 20006.
D. (6) $6,000. E. (9) $36.44.

A. Richard H. Siemsen, Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Suite 7209, Chicago, Ill., 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $375. E. (9) $644.67.

A. David Silver, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street, NW., Washington, D.C. 20006.
D. (6) $100.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $250.25. E. (9) $2,022.22.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Champion International Corp., 1 Landmark Square, Stamford, Conn. 06921.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Music Corp. of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mollens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Althea T. L. Simmons, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Stanley C. Simon, Simon & Twambly, 2 Turtle Creek Village, Dallas, Tex. 75219.
B. The Southland Corp. 2828 North Haskell Avenue, Dallas, Tex. 75204.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $240. E. (9) $692.17.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $109.56.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $522.88. E. (9) $19.50.

A. Richard L. Sinnott & Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif. 94607.
D. (6) $1,250.

A. Donald E. Sinville, Public Service Co. of New Hampshire, 227 North Street, Manchester, N.H. 03104.
B. Public Service Co. of New Hampshire, Manchester, N.H. 03105.
E. (9) $702.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.
B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.
D. (6) $936.50. E. (9) $96.57.

A. Barney J. Skladany, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek & Associates, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, New York 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre LacLede Center, St. Louis, Mo. 63105; Newport News Shipbuilding Corp., Newport News, Va.
D. (6) $650.

A. G. Bernard Siebos, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. William T. Slider, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $856.26.

A. William Jay Slosberg, 1128 25th Street NW., No. 3, Washington, D.C. 20037.
B. Committee For The Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.
E. (9) $1,126.65.

A. Frank Slover, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,340.

A. Slurry Transport Association, 490 L'Enfant Plaza East SW., No. 3210, Washington, D.C. 20024.
D. (6) $17,000. E. (9) $1,106.67.

A. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $17,150. E. (9) $14,062.86.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
E. (9) $1,347.77.

A. Small Producers for Energy Independence, 1000 Sutton Place Building, Wichita, Kans. 67202.
D. (6) $43,000. E. (9) $5,881.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $937.49.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Horse Council, 1700 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $5,500. E. (9) $8.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.
D. (6) $3,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Association of Insular Manufacturers, 400 South Jefferson Street, Chicago, Ill. 60607.
D. (6) $6,000.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. City Gas Co. of Florida, 955 East 25th Street, Hialeah, Fla. 33013.
D. (6) $500. E. (9) $4.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Pennzoil Co., Houston, Tex. 77001.
D. (6) $6,000.

A. Donald E. Smiley, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $131.04.

A. John G. Smillie, 900 17th Street NW., Washington, D.C. 20006.
B. Permanente Medical Group.
D. (6) $21,924.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $2,238.

A. Carl Edward Smith, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $52.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. Institute of Signage Research, 4020 Fabian Way, Palo Alto, Calif. 94304.
D. (6) $3,750. 5. (9) $4,577.81.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. National Electric Sign Association, 2625 Butterfield Road, Suite 310E, Oak Brook, Ill. 60521.
D. (6) $3,750. E. (9) $4,577.81.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. Sperry Gyroscope, Great Neck, N.Y. 11020.
D. (6) $10,000. E. (9) $6,959.33.

A. Elizabeth Smith, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing and Textile Workers Union, 770 Broadway, New York, N.Y. 10003.
D. (6) $3,325. E. (9) $99.89.

A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $3,480. E. (9) $3,785.02.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $760. E. (9) $756.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue, Suite 800, Washington, D.C. 20036. (for California Olive Association, 1101 Connecticut Avenue, Suite 800, Washington, D.C. 20036).

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Raisin Advisory Board, 1101 Connecticut Avenue, Suite 200, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $250.

A. P. Daniel Smith, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $550. E. (9) $115.41.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $197. E. (9) $110.55.

A. Talbott C. Smith, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H. Street NW., Washington, D.C. 20062.
D. (6) $3,000. E. (9) $214.81.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $1,375. E. (9) $779.75.

A. Arthur V. Smyth, Weyerhauser Co., 1625 I Street NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $4,800. E. (9) $60.80.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $850.02.

A. Norman J. Snow, Rohr Industries, Inc., 1660 L Street NW., Washington, D.C.
B. Rohr Industries, Inc., P.O. Box 878, Chula Vista, Calif. 92012.
D. (6) $320. E. (9) $92.25.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $4,110.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $800.

A. John M. Snyder, Citizens Committee for the Right to Keep and Bear Arms, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $5,100.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $25,149.99. E. (9) $28,512.05.

A. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $8,502.50. E. (9) $9,321.08.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,915.17.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

A. S. L. Sommer & Associates, Inc., 1800 North Kent Street, Suite 1104, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $1,200. E. (9) $432.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Assiniboine and Sioux Tribes, Fort Peck Indian Reservation, Poplar, Mont. 59255, et al.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Seminole Indian Tribe of Florida, 6073 Stirling Road, Hollywood, Fla. 33024.

A. Mary Sophos, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $375. E. (9) $40.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,900. E. (9) $875.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. American Greyhound Track Operators Association, 139 Southeast 14th Lane, Miami, Fla. 33131.
D. (6) $5,000. E. (9) $1,021.55.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $15,000. E. (9) $4,273.39.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
E. (9) $7.01.

A. Rodney K. Spackman, National Association of Manufacturers, 601 North Vermont Avenue, Suite 205, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Girardeau A. Spann, Public Citizen, Inc., 2000 P Street NW., Suite 700, Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $420.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Specialty Equipment Market Assn., 1101 E. Valley Mall, El Monte, Calif. 91731.

A. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036.
B. Mrs. Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Mrs. Margarita Cardona Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; Mrs. Maria Lozano, 519th Street, QC-1, Urb. Country Club, Rio Piedras, P.R.

A. David R. Spence, Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
D. (6) $451.11. E. (9) $3.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051; cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member, Plumas-Sierra Rural Electric Coop.

A. Law Firm of Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al.

A. Larry N. Spiller, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $900.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 1990 M Street NW., Suite 560, Washington, D.C. 20036.
B. Pacific Resources, Inc., 1060 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96813.
D. (6) $500.

A. Earl C. Spurrier, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $488.75. E. (9) $1,285.75.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $428. E. (9) $25.85.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,093.75. E. (9) $104.72.

A. Joe A. Stamm, The Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $375.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $2,566.20.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La. 70160.
D. (6) $105.95.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.
D. (6) $143.55.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 90054.

A. Melvin L. Stark, 1707 L Street NW., Suite 321, Washington, D.C. 20036.
B. Hartford Fire Insurance Co.
D. (6) $6,000.

A. John M. Starke III, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

D. (6) $3,000. E. (9) $25.76.

A. Samuel E. Stavsky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022.

D. (6) $1,500. E. (9) $1,580.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).

D. (6) $1,000. E. (9) $1,050.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Drive, Chicago, Ill. 60601.

B. American Petroleum Institute, 2101 L. Street NW., Washington, D.C. 20037.

A. Barbara Diane Steigler, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $257.79.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,558.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Bank of America, Bank of America Center, San Francisco, Calif. 94137.

D. (6) $894.50. E. (9) $857.50.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Talley Industries, P.O. Box 849, Mesa, Ariz. 85201.

D. (6) $1,500. E. (9) $100.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $1,542.

A. Richard W. Steraberg, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Karen L. Stevens, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $400.

A. Sarah Jane Stewart, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

A. Travis B. Stewart, Hoffman-La Roche, Inc., 1775 K Street NW., Washington, D.C. 20006.

B. Hoffman-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.

D. (6) $1,000. E. (9) $250.

A. Kenneth F. Stinger, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) 479.32.

A. Stephen A. Stitle, Eli Lilly and Co., 1907 L Street NW., Washington, D.C. 20036.

B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind. 46206.

D. (6) $3,000. E. (9) 211.75.

A. Richard Boyle Storey, Suite 2B, 1750 Old Meadow Road, McLean, Va. 22102.

B. International Military Club Executives Association, 1750 Old Meadow Road, Suite 2B, McLean, Va. 22102.

A. William M. Stover, Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 2009.

D. (6) $1,000.

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

B. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor. Washington, D.C. 20005.

D. (6) $3,000. E. (9) $102.97.

A. Richard B. Straus, 444 North Capitol Street NW., Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $8,625.

A. Stronberg & D'Addario, 130 South Royal Street, Alexandria, Va. 22314.

B. KMS Fusion, Inc., 3941 Research Drive, Ann Arbor, Mich. 48106.

D. (6) $1,000. E. (9) $1,000.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O Box 1188, Houston, Tex. 77001.

D. (6) $150. E. (9) $211.23.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10030.

E. (9) $3.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Office of the Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Mrs. Patsy Perry, c/o Alan Harris, 70 Glen Cove Road, Roslyn Heights, N.Y.

E. (9) $3.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Scientific Games International, Inc., 1615 Cumberland Parkway NW., Atlanta, Ga. 30339.

D. (6) $1,500. E. (9) $48.50.

A. George Strumpf, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $274.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $3,625. E. (9) $618.35.

A. Walter B. Stults, 618 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Cos., 618 Washington Building, Washington, D.C. 20005.

D. (6) $1,000.

A. Eugene F. Sturgeon, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn. 06037.

B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.

D. (6) $974.88. E. (9) $1,212.57.

A. Sullivan & Beauregard, 1800 M Street NW., Suite 925, Washington, D.C. 20036.

B. Holly Corp., 2001 Bryan Tower, Suite 2680, Dallas, Tex. 75201.

D. (6) $1,635. E. (9) $1,685.

A. Harold S. Sullivan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street, Washington, D.C. 20006.

D. (6) $1,500.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.

B. Hawaiian Sugar Planters' Association, Aiea, Hawaii 96701

E. (9) $2,521.01.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

D. (6) $10,200. E. (9) $62.83.

A. Duward F. Sumner, Jr., Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.

B. Professional Insurance Agents, 400 North Washington Street, Alexandria Va. 22314.

D. (6) $250. E. (9) $250.

A. Frank L. Sundstrom, 19 Country Club Drive, Chatham, N.J. 07928.

B. Ad-Hoc Committee of American Distillers.

D. (6) $5,375.

A. SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C 20036.

E. (9) $1,000.

A. Surrey, Karasik and Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. Government of the Republic of Zaire, Kinshasa, Zaire.

D. (6) $9,653. E. (9) $87.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 2006.

B. American Industrial Clay and Georgia Kaolin Division of Yara Engineering Corp., 511 Westminister Avenue, Elizabeth, N.J. 07207.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 2006.

B. Anglo-American Clays Corp., P.O. Box 741, Sandersville, Ga. 31082.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; and 3100 First National Bank Tower, Atlanta, Ga. 30303.

B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Engelhard Minerals and Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.

E. (9) $25.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Estate of Cartter Lupton, c/o Miller and Martin, Volunteer State Life Building, Chattanooga, Tenn. 37402.

D. (6) $1,500. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. J. M. Huber Corp., Thorall Street, Edison, N.J. 08817.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kansas Farm Bureau Life Insurance Co., 2321 Anderson Avenue, Manhattan, Kan. 66502; and Farm Bureau Mutual Insurance Co., KFB Insurance Co., Manhattan, Kans. 66502.

D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kentucky Farm Bureau Mutual Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207; and FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.

D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mullite Co. of America, Andersonville, Ga. 31711.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N.Y. 10019.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual of Omaha Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131; and United Benefit Life Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131.

D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. $2117.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.

E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Nord Resources Corp., Ole Town Park, 39 Iron Gate Drive, Dayton, Ohio 45459.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 3100 First National Bank Tower, Atlanta, Ga. 30303; 1666 K Street, Washington, D.C. 20006.

B. Oglethorpe Power Corp., 2888 Woodcock Road, Atlanta, Ga. 30341.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Southern Farm Bureau Life Insurance Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Insurance Co., P.O. Box 1985, Jackson, Miss. 39205; Mississippi Farm Bureau Mutual Insurance Co., Jackson, Miss. 39205.

D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Theile Kaolin Co., Kaolin Road, Sandersville, Ga.

E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. United Farm Bureau Family Life Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204; and United Farm Bureau Mutual Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204.

D. (6) $500.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.

B. The Institute of Electrical and Electronics Engineers, Inc., 2029 K Street NW., Suite 605, Washington, D.C. 20006.

D. (6) $975. E. (9) $986.

A. Mary V. Swann, Route 1, Box 305, Berryville, Va. 22611.

B. Gulf and Atlantic Coast Ports, P.O. Box 60046, New Orleans, La. 70160.

D. (6) $900. E. (9) $900.

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.

B. Harris Corp., 2600 Virginia Avenue, Suite 800, Washington, D.C. 20037.

D. (6) $11,375. E. (9) $1,345.96.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $11,250.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.

D. (6) $6,000.

A. John R. Sweeney, Bethlehem Steel Corp., 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.

B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Rosemarie Sweeney, Rosslyn Plaza, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

D. (6) $1,542. E. (9) $147.45.

A. Michael T. Swinehart, National Association of Manufacturers, 1422 West Peachtree Street NW., Suite 612, Atlanta, Ga. 30309.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $300.

A. Howard Symons, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007).

D. (6) $905. E. (9) $1.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Family Leisure Centers, Inc., 1906 Highland Avenue, Cincinnati, Ohio 45219).

D. (6) $3,000. E. (9) $12.35.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001).

D. (6) $540. E. (9) $2.52.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Sisters of Charity of Cincinnati, Cincinnati, Ohio).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. "()" For Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.

D. (6) $15,000. E. (9) $820.93.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219.

D. (6) $5,400. E. (9) $34.04.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For Werner Von Clemm, 214 East 17 Street, New York, N.Y. 10003.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.

B. Alaska Coalition, 620 C Street SE, Washington, D.C. 20003.

D. (6) $1,950.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,207.60. E. (9) $105.72.

A. Norman Wilson Tanner, Jr., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) $90. E. (9) $13.

A. C. Michael Tarone, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Santarelli & Gimer, 2033 M Street, Suite 700, Washington, D.C. 20036. (For Kings River Water Users Committee).

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $585. E. (9) $36.25.

A. David K. Taylor, Jr., Mobile Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $375.

A. Taylor Group, Inc., 555 Brown Road, Hazelwood, Mo. 63042.

E. (9) $2,183.28.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $3,040. E. (9) $67.50.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,600. E. (9) $374.

A. Arthur Earle Teele, Jr., P.O. Box 1877, 135 South Monroe Street, Suite 100C, Tallahassee, Fla. 32302.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

D. (6) $10,000. E. $3,877.39.

A. William K. Tell, Jr., 1050 17th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.. 10650.

D. (6) $1,125.

A. Paul M. Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.

B. Paul Tendler Associates for The National Federation of Licensed Practical Nurses, 2020 K Street NW., Suite 420, Washington, D.C. 20006.

D. (6) $1,600. E. (9) $165.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Streeet NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $263.28.

A. Robert P. Terzian, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th NW., Washington, D.C. 20036.

D. (6) $266.50. E. (9) $57.80.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.

D. (6) $2,740. E. (9) $58.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. National Association of Stevedores, 1899 L Street NW., Suite 705, Washington, D.C. 20035.

D. (6) $500. E. (9) $9.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.

B. Time-Critical Shipment Committee.

D. (6) $2,000.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $13.45.

A. 13th Congressional District Action Committee, 860 Dearborn Place, Gilroy, Calif. 95020.

D. (6) $270. E. (9) $323.39.

A. 35th Congressional District Action Committee, Bills Road, Perry, N.Y. 14530.

A. 38th Pro Life Congressional District Action Committee, 8654 Bonview Terrace, Williamsville, N.Y. 14221.

E. (9) $176.80.

A. 39th Congressional District Action Committee, R.D. 2, Allegany, N.Y. 14706.

E. (9) $213.89.

A. 37th Congressional District Action Committee, 419 Woodbridge Avenue, Buffalo, N.Y. 14214.

E. (9) $172.62.

A. Robert W. Thomas, 1701 K Street NW., Wash. D.C. 2007.

B. National Assn. of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20007.

D. (6) $250.

A. Stephen M. Thomas, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

D. (6) $4,826.22.

A. Susan P. Thomases, Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

D. (6) $2,047. E. (9) $222.35.

A. Fred D. Thompson, Thompson & Crawford, 14th Floor, First American Center, Nashville, Tenn. 37238.

B. Westinghouse, 1801 K Street, Washington, D.C. 20006.

D. (6) $2,112. E. (9) $763.05.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,833.71.

A. Kathleen O. Thompson, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $120. E. (9) $6.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.

B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. Roger G. Thompson, Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.

B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.

D. (6) $285. E. (9) $636.19.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

D. (6) $3,000. E. (9) $101.99.

A. James L. Thorne, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $318.62.

A. Samuel Thurm, Assoication of National Advertisers, 1725 K Street NW., Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Cyrus C. Tichenor III, A. H. Robins Co., Inc., 1050 17th Street NW., Washington, D.C. 20036.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.

D. (6) $720. E. (9) $78.72.

A. Drew V. Tidwell, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.

B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.

D. (6) $2,000. E. (9) $2,994.96.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $126.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $310. E. (9) $877.50.

A. George Tilton, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $1,887.60.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

D. (6) $385.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,275.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) $206.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.

D. (6) $550.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.

D. (6) $1,000.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.

D. (6) $688.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $625.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif.

D. (6) $1,265.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Office of the Governor of State of Alaska, 444 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $1,275.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. G. D. Searle & Co., Inc., P.O. Box 1045, Skokie, Ill. 60076.

D. (6) $523

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $908.

A. Michael L. Tiner, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $3,879.47. E (9) $114.88.

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

E. (9) $854.77.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

E. (9) $15.

A. Tobacco Associates, Inc., 1101 17th NW., Suite 912, Washington, D.C., 20036.

E. (9) $1,563.50.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.

B. Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652.

D. (6) $2,000. E. (9) $225.

A. Mary A. Tobin, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $23.36.

A. Patrick F. Tobin, International Longshoremen's & Warehousemen's Union, 417 Fourth Street SE, Washington, D.C. 20003.

B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.

D. (6) $5,553.34.

A. H. Willis Tobler, 1735 I Street NW., Washington, D.C. 20006.

B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.

D. (6) $750.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) $279.

A. David G. Todd, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $63.84.

A. M. Douglas Todd, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $425. E. (9) $6.35.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.

B. Harris Corp., Melbourne, Fla. 32919.

E. (9) $31.50.

A. Howard A. Topel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036 (For Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga), Spain.)

D. (6) $7.93.

A. Christine Y. Topping, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $6,120. E. (9) $64.50.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Rockwell International.

D. (6) $32.25. E. (9) $171.20.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $5,200. E. (9) $955.

A. TransAfrica, 1325 18th Street NW., No. 202, Washington, D.C. 20036.

D. (6) $57,180. E. (9) $43,388.87.

A. Transportation Institute, 923 15th Street NW., Washington, D.C.

E. (9) $1,347.90.

A. Paula C. Treat, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) $375.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

D. (6) $212.

A. Paul H. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Sanky Trimble, 328 Enchanted Valley Place NW., Albuquerque, N. Mex. 87101.

B. Distiller Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

D. (6) $330. E. (9) $685.12.

A. William C. Triplett II, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.

D. (6) $200. E. (9) $109.20.

A. Glenwood S. Troop, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $9,250. E. (9) $183.50.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpige, Fairfield, Conn.
D. (6) $100.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $447.07.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $7,830.78. E. (9) $184.80.

A. Shela C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $13,232.69. E. (9) $2,230.19.

A. Bruce H. Turnbull, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $7.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Shela C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
E. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.
D. (6) $2,100. E. (9) $75.

A. 12th Congressional District Action Committee, 2372 Lida Drive, Mountain View, Calif. 94043.
D. (6) $160. E. (9) $75.50.

A. G. John Tysse, Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $180. E. (9) $25.

A. Jerry G. Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $100.

A. Joseph Uehlein, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,601.60. E. (9) $117.

A. John C. Uehlinger, 501 N. Quaker Lane, Alexandria, Va.
B. American Congress on Surveying & Mapping, 210 Little Falls Street, Falls Church Va. 22046.
D. (6) $591.25.

A. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
E. (9) $1,250.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
E. (9) $39.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $548.05. E. (9) $1,475.38.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $6,966.06.

A United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $3,777.

A. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $37,952.30. E. (9) $37,952.30.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $1,204.27.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $10,560.45.

A. U.S. & Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1002, Washington, D.C. 20005.
D. (6) $27,225. E. (9) $9,842.90.

A. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.
E. (9) $1,886.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $920. E. (9) $920.

A. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
E. (9) $93,439.47.

A. U.S. Maritime Committee, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $5,055.56. E. (9) $14,784.64.

A. Lloyd N. Unsell, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $68.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Francis R. Valeo, 818 18th Street NW., Washington, D.C. 20006.
B. United Nations University, D.C., 1180 U.N., New York, N.Y.
D. (6) $7,500. E. (9) $991.33.

A. John A. Vance, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $567.75. E. (9) $421.80.

A. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Sheldon B. Vance, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006 (for Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008).

A. Richard A. Van Deuren, c/o Reinhart, Boerner, Van Deuren, Norris & Rieselbach, 1800 Marine Plaza, Milwaukee, Wis. 53202.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $2,709.66.

A. Nicholas L. Van Nelson, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
D. (6) $487.50. E. (9) $44.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska 99723.
D. (6) $666. E. (9) $465.80.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $670. E. (9) $120.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.
E. (9) $11.20.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.
D. (6) $80. E. (9) $28.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., 1776 Lincoln Street, P.O. Box 5568, Denver, Colo. 80217.
D. (6) $390. E. (9) $62.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $1,130. E. (9) $97.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla. 33435.
D. (6) $495. E. (9) $21.66.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite 1, Santa Fe Springs, Calif. 90670.
D. (6) $130. E. (9) $34.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B. B., Homestead, Fla. 33030.
D. (6) $495. E. (9) $21.67.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.
D. (6) $495. E. (9) $21.67.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye Inc., Liberty Lane, Hampton, N.H. 03842.
E. (9) $82.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.
D. (6) $520. E. (9) $50.95.

A. Gerald W. Vaughan, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.
E. (9) $30.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. John P. Venners, 1899 L Street NW., Suite 1250, Washington, D.C. 20036.
B. Venners & Co., 1899 L Street NW., Suite 1250, Washington, D.C. 20036 (for Koch Industries, P.O. Box 2302, Wichita, Kans. 67201).

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $150. E. (9) $3.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Florida Gas Co.)
D. (6) $260.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036. (for Houston Natural Gas Corp.)
D. (6) $3,672.50.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticue Avenue NW., No. 900, Washington, D.C. 20036. (for Texas Eastern Transmission Corp.).
D. (6) $406.25.

A. Brenda R. Viehe-Naess, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. American Health Planning Association, 1601 Connecticut Avenue NW., Seventh Floor, Washington, D.C. 20009.
D. (6) $245.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $340.00

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. Office of the Controller, Medi-Cal Audit Project, State of California State Capitol, Sacramento, Calif. 95814.

A. Rudolph A. Vignone, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $500.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Hartford Fire Insurance Co., Hartford, Conn. 06115.
D. (6) $1,150.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. John Nuveen & Co., Inc., 209 South LaSalle Street, Chicago, Ill. 60604.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000. E. (9) $160.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092, c/o P. A. Hutchinson, Jr., 475 L'Enfant Plaza SW. Suite 2450, Washington, D.C. 20024.
E. (9) $550.

A. Betty Vorhies, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $2,875.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800, South, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $45.32.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800 South, Washington, D.C. 20036.
B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215.
E. (9) $10,995.

A. James F. Wagenlander, Suite 1020, 910 16th Street, Denver, Colo. 80202.
B. Committee to Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.
D. (6) $1,500. E. (9) $1,848.

A. Joseph S. Wager, Wager & McVey, 1333 New Hampshire Avenue NW., Suite 1220, Washington, D.C. 20036.
B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $1,240. E. (9) $111.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $571.87. E. (9) $5.60.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $2,175. E. (9) $3,114.49.

A. Wake Up America, 5515 London Road, Duluth, Minn. 55804.
D. (6) $722.70. E. (9) $334.25.

A. Robert E. Waldron, c/o Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $488.75.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $693.36.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,250.

A. Charles E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Agrico Chemical Co., et al., Bank of Oklahoma Tower, One Williams Center, Tulsa, Okla. 74103.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, 1200 Ring Building, Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., et al., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $700.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $4,750.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75215.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Procter & Gamble Co., Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $1,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,000.

A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $472.12.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $7,500. E. (9) $10,127.22.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Cotton Warehouse Association of America, 232 East Capitol Street, Washington, D.C. 20003.
D. (6) $9,375. E. (9) $11,170.44.

A. R. Douglas Wallin, Jr., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $59.67.

A. John F. Wanamaker, Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,259,38.

A. Gregg Ward, SMACNA, 8224 Old Courthouse Rd., Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors' National Assn., Inc., 8224 Old Courthouse Rd., Vienna, Va. 22180.
D. (6) $800. E. (9) $300.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,105. E. (9) $207.09.

A. Michael O. Ware, Continental Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.
D. (6) $900.

A. Peter F. Warker, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $500.

A. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $17,000.

A. Betsy R. Warren, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $155. E. (9) $2.35.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $299.58.

A. Robert B. Washington, Jr., Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pepco, 1900 Pennsylvania Avenue NW., Washington, D.C.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,634.50. E. (9) $2,364.02.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,996.06. E. (9) $514.14.

A. Jerry B. Waters, 1735 Eye St., NW., Suite 610, Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 Eye St., NW., Suite 610, Washington, D.C. 20006.
D. (6) $1,000.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. James L. Watts, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Co., 618 Washington Building, Washington, D.C. 20005.
D. (6) $2,000.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $1,720.68.

A. Raymond J. Weatherly, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $500.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $400. E. (9) $308.81.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $865. E. (9) $128.26.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $2,100.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.

A. Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $126.21.

A. Webster & Sheffield, One Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $2,094. E. (9) $248.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $500.

A. Fred Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $392.30. E. (9) $191.71.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $54.78. E. (9) $93.55.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Canada-France-Hawaii Telescope Corp., Kamuela, Hawaii 96743.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Council of Creative Artists, Libraries, and Museums, 250 West 57th Street, New York, N.Y.
D. (6) $500.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Trans-Lux Corp., 625 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Michael A. Weiss, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $625. E. (9) $50.

A. Morton N. Weiss, 55 Broad St., New York, N.Y. 10004.
B. National Security Traders Assn., 55 Broad St., New York, N.Y. 10004.
D. (6) $1,875.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $420. E. (9) $334.34.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,612.50.

A. Carol Werner, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $4,498.14.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $10,196.32. E. (9) $114.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. Western Advocates, Inc., Suite 696, Kennecott Building, Salt Lake City, Utah 84111.
D. (6) $15,000. E. (9) $4,800.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
E. (9) $3,062.30.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.
E. (9) $30,000.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E. (9) $737.33.

A. Charles W. Whalen, Jr., New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $6,583.26.

A. Clyde A. Wheeler, Jr., Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $15,000. E. (9) $8,421.50.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $995. E. (9) $410.69.

A. William Whichard, Jr., Union Oil of California, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $55.

A. John C. Whitaker, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10022.
D. (6) $4,982.20. E. (9) $7.60.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $20.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C. 20006.
B. Thetford Corp., Box 1285, Ann Arbor, Mich. 48106.
D. (6) $100. E. (9) $23.30.

A. Alton W. Whitehouse, Jr., 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $300.

A. Elizabeth D. Whitley, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,531.25.

A. Whitman & Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20036.
B. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $2,225. E. (9) $124.51.

A. Gary L. Whittle, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $70. E. (9) $46.83.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Allegheny Airlines, National Airport, Washington, D.C. 20001.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. American Airlines, 633 Third Avenue, New York, N.Y. 10017.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Hughes Air West, San Francisco International Airport, San Francisco, Calif. 44128.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Piedmont Airlines, Smith Reynolds Airport, Winston Salem, N.C. 27102.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Ryder System, Inc., 3600 NW. 82d Avenue, Miami, Fla. 33166.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. United Airlines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $56.

A. Leonard M. Wickliffe, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. California Railroad Association, 1127 11th Street, Suite 242, Sacramento, Calif. 95814.
D. (6) $7,916.66. E. (9) $6,429.25.

A. Richard J. Wiechmann, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Rebecca Wilcox, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $8,500.

A. Wilcox & Sharood, 1899 L Street NW., Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street NW., Washington, D.C. 20036.
D. (6) $7,165.70. E. (9) $14,912.74.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $769.50

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
E. (9) $355.96.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $245.39.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $1,728. E. (9) $118.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.
E. (9) $770.82.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter Day Saints, 10 East North Temple, Salt Lake City, Utah.
E. (9) $5.94.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $26.06.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $157.43.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $115.01.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc. (IDCMA), 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,225. E. (9) $138.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $1,973.90. E. (9) $171.00.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. NANA Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.
E. (9) $25.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.
D. (6) $575. E. (9) $50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $72.71.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg. (for the Klamath Indian Tribe, Oregon).
E. (9) $40.94.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.
D. (6) $325. E. (9) $210.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,700.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. CBS, Inc., 1800 M Street NW., Washington, D.C. 20036.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Citizens for Sensible Maine Power, c/o Seth Hedgcock, Farnham Point, East Booth-Bay, Maine 04544.
D. (6) $60.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association (FNMA), 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Williams & Connolly, Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
E. (9) $13.

A. Harding deC. Williams, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Harry D. Williams, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. J. Larry Williams, P.O. Box 10235, Tallahassee, Fla. 32302.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $383. E. (9) $386.53.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. American Netting Manufacturers Organization, c/o Ralph J. Sigler, FNT Industries, 927 First Street, Menominee, Mich. 49858.
D. (6) $3,000.

A. Lee Williams, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,600. E. (9) $5,185.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.

B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.

D. (6) $3,150.

A. Williams, Myers & Quiggle, 888 17th Sreet NW., Washington, D.C. 20006.

B. Church Alliance for Clarification of ERISA, c/o Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.

E. (9) $183.03.

A. Frederick L. Williford, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.

B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.

D. (6) $500. E. (9) $30.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y.

E. (9) $5,148.30.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Association of American Residents Overseas, Paris, France; American Chamber of Commerce in France, Paris, France; The American Club of Paris, Paris, France.

E. (9) $439.04.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $630.

A. Mrs. Bjorg Opdahl Wilson, 6107 Greentree Road, Bethesda, Md. 20034.

B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $350. E. (9) $13.25.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $12,500. E. (9) $1,263.92.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,204.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $612.86.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. Atlanta/LaSalle Corp., 150 South Wacker Street, Chicago, Ill. 60600.

D. (6) $35.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. Building Owners & Managers Association International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. Robert W. Galvin, Route 2, Box 160-H, Barrington, Ill. 60010.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. Gould, Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.

B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. Mark W. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

D. (6) $2,500.

A. Karen T. J. Winterbottom, American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

D. (6) $1,500. E. (9) $193.90.

A. John P. Wintrol, 1001 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. National District Attorneys Association, 666 North Lake Shore Drive, Suite 1432, Chicago, Ill. 60611.

E. (9) $1,516.

A. Jane Wishner, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,054.10.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $2,478.26.

A. Kurt D. Witzel, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.

B. Citizens Committee for the Right to Keep and Bear Arms, American Hunting Union Division, 1601 114th Street SE., No. 151, Bellevue, Wash. 98004.

A. F. Lorraine Woehrle, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

D. (6) $2,187.50.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Wolf, Haldenstein, Adler, Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.

B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala.

A. Herman Wolf, P.O. Box 747, Fairfield, Conn. 06430.

B. Heublein, Inc., Farmington, Conn. 06032.

D. (6) $1,500. E. (9) $706.41.

A. James E. Wolf, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.

B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.

D. (6) $600.

A. Kenneth Wollack, 444 North Capitol Street NW., Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C.

D. (6) $9,499.98.

A. Ronald Wolsey, Suite 507A, 300 East Joppa Road, Towson, Md. 21204.

B. Standard Oil Co., (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $356.16. (9) $37.84.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

D. (6) $1,893. E. (9) $151.67.

A. Charles A. Wood, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.

B. National Fuel Gas Distribution Corp., National Gas Storage Corp.; National Fuel Gas Supply Corp., and Seneca Resources Corp.

D. (6) $607.12. E. (9) $866.92.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington, D.C. 20036.

B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington, D.C. 20036.

D. (6) $1,968.75.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW, Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

D. (6) $7.81

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $8,000. E. (9) $205.35.

A. Melanie Woolston, 1600 South Eads Street, Apt. 1222-S, Arlington, Va. 22202.

B. Self-Determination for District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,875. E. (9) $48.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., Suite 1000, Washington, D.C. 20036.

B. Consolidation Coal Co., Consol Plaza, Pittsburgh, Pa. 15241.

D. (6) $331.80. E. (9) $30.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council).

D. (6) $300.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Hide Action Program).

D. (6) $400.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.

D. (6) $4,686.78. E. (9) $9,444.61.

A. W. Robert Worley, 730 Densley Drive, Decatur, Ga. 30033.

B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.

D. (6) $3,204. E. (9) $2,218.78.

A. Edward E. Wright, 1819 H Street NW., Suite 1175, Washington, D.C. 20006.

B. G–4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.

D. (6) $498.

A. Franklin L. Wright, Jr., 1709 New York Avenue NW., Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $2,250. E. (9) $77.60.

A. Donald Yarborough, Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $195.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) $3,500. E. (9) $326.35.

A. D. Scott Yohe, 1629 K Street NW., Room No. 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $330. E. (9) $86.50.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $200.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) $1,000.

A. Kenneth Young, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $12,545. E. (9) $377.98.

A. Pamela K. Young, National Association of Manufacturers, 7250 York Avenue South, No. 516, Edina, Minn. 55435.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $70.

A. Stephen T. Young, National Audubon Society, 1755 Park Road NW., Washington, D.C. 20010.

B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

D. (6) $4,250.01. E. (9) $2,426.17.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $3,000. E. (9) $203.69.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200.

A. The Youth Project, Inc., 1555 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $250. E. (9) $5,244.58.

A. Harry M. Zachem, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) $2,000.

A. Donald M. Zahn, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $300. E. (9) $165.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $500.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $3,960. E. (9) $134.87.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $3,000. E. (9) $268.

A. Kathie Schear Zimmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $126.

A. Barry Zorthian, Time, Inc., 888 16th Street NW., Washington, D.C.

B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y.

A. Charles A. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Frances Zwenig, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $3,750.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 197 9 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19------- ◀

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◀

AFFIDAVIT

[Omitted in printing]

PAGE 1◀

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, No. 800, Washington, D.C. 20001.
D. (6) $8,942.34.

A. W. E. Ainsworth, Jr., Standard Oil Co. (Indiana), 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 1000 16th Street NW., Washington, D.C. 20036.

A. Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $21,000. E. (9) $4,770.

A. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017.
E. (9) $5,805.81.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $7,603.68. E. (9) $7,603.68.

A. American Federation of State, County, and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.
E. (9) $34,205.99.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $21,261. E. (9) $21,261.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $27,761.63. E. (9) $27,761.63.

A. The American League of Anglers, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,810.15. E. (9) $1,700.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $159.80.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,164.61. E. (9) $1,164.61.

A. American Subcontractors Association, 815 15th Street NW., Washington, D.C. 20005.
E. (9) $625.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $716.53.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $3,065.93. E. (9) $1,300.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.
D. (6) $50. E. (9) $146.85.

A. Jane K. Anderson, 1022 15th Street NW., Washington, D.C. 20005.
B. The Carborundum Co., 1022 15th Street NW., Washington, D.C. 20005.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 North Broadway, Chicago, Ill. 60640.
D. (6) $100.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
D. (6) $75.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.
D. (6) $8,833.53.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $14,870. E. (9) $825.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.

A. George J. Aste, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $500.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $4,625. E. (9) $1,122.59.

A. Sheila MacDonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $2,000. E. (9) $208.

A. Robert D. Bannister, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $11,375. E. (9) $2,340.86.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. The New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Eileen Barthelmy, 810 18th Street NW., Washington, D.C. 20006.
B. The American League of Anglers, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $220.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Mt. Airy Refining Co., International Energy Building, 256 North Belt East, Suite 150, Houston, Tex. 77060.
D. (6) $500.

A. Sadie R. Baulch, National Forest Products Association, 1619 Massachusetts Avenue N.W., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Michael K. Beard, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $5,749.98. E. (9) $620.92.

A. James Beizer, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $219.80. E. (9) $25.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002; Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $4,000.02.

A. John C. Bennison, American Society of Travel Agents, 1300 19th Street NW., Washington, D.C.
B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

A. Charles Bernhardt, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, 21 West Street, New York, N.Y.
E. (9) $424.17.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $826.94. (9) $15.

A. Robert Bird, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $100.

A. Helen Blank, American Parents Committee Division, Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $5,623.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., Washington, D.C. 20009.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,600.

A. Betty Blouin, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $4,200. E. (9) $6,983.20.

A. L. W. Bonsib, Jr., Bonsib, Inc., Box 1807, Washington, D.C. 20013.

A. Edward T. Borda, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $15.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $535.92. E. (9) $53.05.

A. Boyden, Kennedy, Romney & Owens, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. Northwest Pipeline Co., 315 East Second South, Salt Lake City, Utah.
D. (6) $11,250. E. (9) $2,036.18.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $25.15.

A. Gene M. Bradley, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $320. E. (9) $140.31.

A. Edward T. Braswell, Corcoran, Youngman & Rowe, 1511 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Newport News Shipbuilding & Drydock Co., North Washington Street, Newport News, Va.
E. (9) $162.30.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
B. Nuclear Fuel Services Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passaic Avenue, Fairfield, N.J. 07006.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Science Industries, Inc., 1747 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $375.

A. Thomas H. Brownell, 23820 30 Avenue S., B27, Kent, Wash. 98031.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $80. E. (9) $605.75.

A. Marguerite E. Bryan, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $43.85.

A. Michael W. Buckner, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $1,337.73.

A. Robert D. Buehler, The B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $600.

A. Quentin L. Burgess, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $210.90. E. (9) $21.45.

A. Francis X. Burkhardt, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $983.88.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.
B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.
D. (6) $6,000. E. (9) $3,000.

A. Gerrie Bjornson Burns, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio.
D. (6) $100.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. Opera America, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $637.49. E. (9) $1,291.86.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Inexco Oil Co., 100 Milan Building, Suite 1900, Houston, Tex. 77002.
D. (6) $885.90. E. (9) $10.90.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Roy O. Martin, Jr., 3110 Georges Lane, Alexandria, La. 71301.
E. (9) $80.78.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $6,250.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,604. E. (9) $46.

A. Donald L. Calvin, New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. ACLI International, Inc., New York City, N.Y.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $11,250. E. (9) $273.64.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,235.60. E. (9) $180.50.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Steven M. Champlin, 329 Eighth Street NE., Washington, D.C. 20002.
B. Council of Vietnam Veterans, 419 Park Avenue South, Suite 909, New York, N.Y. 10016.
D. (6) $1,370.

A. Jane Cheever, 100 Federal Street, Boston, Mass. 02110.
B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jane Cheever, 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Citizens for Management of Alaska Lands, Inc., 840 K Street, Suite 205, Anchorage, Alaska 99510.
D. (6) $243,619.66. E. (9) $248,050.87.

A. Anne Harrison Clark, Population Resource Center, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.
D. (6) $1,267. E. (9) $593.

A. Donald M. Clarke, International Harvester Co., 1707 L Street, Washington, D.C. 20036.
B. International Harvester Co., 1707 L Street, Washington, D.C. 20036.
D. (6) $1,250. E. (9) $475.39.

A. Frank Clements, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,697.93. E. (9) $1,479.88.

A. Coalition for New York, Inc., 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750. E. (9) $750.

A. Jeffery Cohelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $4,914.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.

B. Wometco Enterprises, Inc., 306 North Miami Avenue, P.O. Box 2440, Miami, Fla.

D. (6) $4,256.64. E. (9) $10.50.

A. Timothy A. Colcord, Visa U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.

B. Visa U.S.A., Inc., 3000 Clearview Way, San Mateo, Calif. 94403.

D. (6) $6,875. E. (9) $2,336.02.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $8,300.04.

A. Frank Collins, Oil, Chemical, & Atomic International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $2,000.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

D. (6) $19,220 E. (9) $8,270.15.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.

D. (6) $20,699.88. E. (9) $32,757.32.

A. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT), 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

D. (6) $3,250. E. (9) $1,612.45.

A. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $10,878. E. (9) $14,162.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.

B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.

B. The National Waterways Conference, Inc.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.

B. Arthur Young & Co.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.

B. Underwriter's Laboratories.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.

B. Frank G. Kingsley.

A. Glen S. Corso, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,406.50. E. (9) $1,063.60.

A. Clark R. Cosse' III, 5644 Hawthorne Place, New Orleans, La. 70124.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $7,050.

A. Eric Cox, 1011 Arlington Boulevard, Suite W-219, Arlington, Va. 22209.

B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.

D. (6) $875.01.

A. Judith Lynne Crain, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. Credit Union National Association, 1730 Rhode Island Avenue, Suite 810, Washington, D.C. 20036.

E. (9) $473.64.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,325.01. E. (9) $1,479.85.

A. James M. Cubie, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.

B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $3,390.25.

A. Culp, Dwyer, Guterson & Grader, 1300 Hoge Building, Seattle, Wash. 98104.

B. Pacific Northwest Utilities Conference Committee, 327 No. Wenatchee Avenue, Wenatchee, Wash. 98801.

D. (6) $8,213.50. E. (9) $4,865.83.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $550. E. (9) $709.

A. Jay B. Cutler, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $3,700. E. (9) $997.94.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.

B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

D. (6) $3,750. E. (9) $1,116.12.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.

B. Japan, Lumber Importers Association.

A. Diane Davenny Darneille, Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

D. (6) $300. E. (9) $69.64.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.

B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20005.

D. (6) $4,687.50.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. American Bus Association, 1025 Conneoticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Beneficial Finance Co., Morristown, N.J. 07960.

D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Hormel Foundation, Austin, Minn. 55912.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Legislature of the Virgin Islands, Charlotte Amalie, St. Thomas, V.I. 00801.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.

D. (6) $25,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Virgin Islands Gift & Fashion Shop Association, St. Thomas, V.I. 00801.

D. (6) $5,000.

A. Dealer Bank Association, 1800 K Street, Suite 1014, Washington, D.C. 20006.

E. (9) $4,624.50.

A. Catherine B. Deely, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $2,364.52. E. (9) $21.25.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. Cargill Inc., P.O. Box 9300, Minneapolis, Minn. 55440.

D. (6) $3,934.01.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn.

D. (6) $95.57.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. Trade Adjustment Assistance Coordinating Committee.

D. (6) $2,250.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Lic. Jose Carlos De Saracho Calderon, Union Nacional de Productores de Hortalizas, Boulevard Emiliao Zapata, No. 2, P.O. Box 712, Culican, Sinoloa, Mexico.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Governor Roberto de la Madrid, Gov-

ernado de Baja California, P.O. Box 286, San Ysidro, Calif. 92073.
D. (6) $3,000. E. (9) $180.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Sr. Jesus Almida N., Mexican National Confederation of Livestock Producers, 16th Street, No. 3200, Chihuahua, Chihuahua, Mexico.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. The Honorable Santiago Roel, Secretario de Relaciones Exteriores, Avenida Honoalco No. 1, Mexico, D.F.
D. (6) $5,000. E. (9) $6,060.41.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Washington, D.C. 20006.
B. Sr. Jorge Diaz Serrano, Petroleos Mexicanos, Avenida Merino Nacional No. 329, Edificio No. 1810, 12° Piso, Mexico, 17, D.F.

A. Ray Denison, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,215.50. E. (9) $473.23.

A. Department for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,492.39. E. (9) $3,492.39.

A. Derrel DePasse, Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
B. Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.

A. John D. Doherty, Jr., Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza. New York. N.Y. 10015.
D. (6) $300. E. (9) $37.97.

A. Cushing N. Dolbeare. 215 Eighth Street, NE., Washington, D.C. 20002.
B. National Low Income Housing Coalition, 215 Eighth Street NE, Washington, D.C. 20002.
D. (6) $1,878.94. E. (9) $751.35.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
E. (9) $21,573.90.

A. Jack C. Donovan, P.O. Box 5000, Room 612, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
D. (6) $600. E. (9) $139.36.

A. Mary Jane C. Due, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $568.04. E. (9) $167.05.

A. Jeffrey M. Duke, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $150.

A. William E. Duke, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. George Hackney Eatman, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $5,100. E. (9) $334.70.

A. Harold F. Eberle, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $24,070.40.

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.
D. (6) $1,500. E. (9) $372.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street, NW., Washington, D.C. 20005.
D. (6) $292.32. E. (9) $12.95.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $432.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,394.28.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,657. E. (9) $5,072.54.

A. Herb Epstein, c/o Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
D. (6) $2,241.60.

A. Jerry N. Ervin, P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 300–R, Morristown, N.J. 07960.
D. (6) $200. E. (9) $10.

A. Brock Evans, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $9,600. E. (9) $206.

A. Federal Express Corp., Box 727, Memphis, Tenn. 38194.
E. (9) $18,263.61.

A. Stuart F. Feldman, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Vietnam Veterans, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

A. Samuel S. Fields, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,000.02. E. (9) $132.92.

A. Stanley R. Fike, 511 Boston Avenue, Takoma Park, Md. 20012.
B. Fike Metal Co., Box 546 Nitro, W. Va. 25143.
D. (6) $450.

A. Theodora Fine, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,620. E. (9) $575.16.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $450.16.

A. Mark Fitzgerald, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,093.75. E. (9) $1,356.99.

A. Charles D. Fleishman, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
D. (6) $1,725. E. (9) $7,386.78.

A. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $4,792.07. E. (9) $4,792.07.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
E. (9) $635.65.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. Albert A. Fox, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $100. E. (9) $25.

A. Peter Franchot, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $4,375.02.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. The Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $75.

A. Frank C. Frantz, 919 18th Street NW., Suite 624, Washington, D.C. 20006
B. Greater Southeast Community Hospital, 1310 Southern Avenue SE., Washington, D.C. 20032.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $236.

A. David W. Freer, 201 Behrends Avenue, Juneau, Alaska 99801.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99501.
D. (6) $16,600. E. (9) $7,587.

A. Glenn Freie, P.O. Box 66, Des Moines, Iowa 50301.
B. Meat Price Investigators Association, P.O. Box 66, Des Moines, Iowa 50301.
D. (6) $1,100. E. (9) $5,712.22.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
D. (6) $637. E. (9) $2.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $5,555.16.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.
B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.
D. (6) $1,200.

A. Owen V. Frisby, Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $388.50. E. (9) $41.91.

A. Jeffrey A. Fritzlen, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $1,000.

A. Fulbright & Jaworski, 800 Bank of the Southwest Building, Houston, Tex. 77002.
B. St. Joe Paper Co., P O. Box 1380, Jacksonville, Fla. 32201.
D. (6) $1,227.50. E. (9) $48.23.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.
B. Citizen's Action Group, Kodiak, Alaska.
D. (6) $3,200. E. (9) $300.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,550.

A. W. Bradford Gary, Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $10.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $651.54. E. (9) $242.24.

A. Claire M. Geoghegan, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, Washington, D.C. 20001.
D. (6) $93,653.23. E. (9) $76,133.40.

A. Jonathan Carl Gibson, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,775. E. (9) $55.35.

A. Michael Gildea, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $8,859.50.

A. Robert G. Glavin, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,063.83. E. (9) $27.65.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $1,300.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,875. E. (9) $660.48.

A. William M. Goldstein, Morgan, Lewis & Bockius, 123 South Broad Street, Philadelphia, Pa. 19109.
B. Committee on Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800, Washington, D.C. 20036.
D. (6) $100.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $360.

A. Jack Golodner, 815 16th Street NW., Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,625. E. (9) $26.47.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $7,500. E. (9) $500.

A. Brenda J. Gore, 1155 15th Street NW., Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500.

A. Sanford Gottlieb, 1102 Brandywine Street, Kensington, Md. 20795.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.
D. (6) $6,250.

A. John S. Gottschalk, International Association of Fish & Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.
B. International Association of Fish & Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.
D. (6) $116,584.35. E. (9) $1,515.26.

A. Ruth P. Graves, c/o RIF, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
B. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
D. (6) $150. E. (9) $7.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $765.12.

A. Ellen S. Griffee, American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $4,915. E. (9) $14.50.

A. Dean Griffin, American Vocational Association, 2020 North 14th Street, Arlington, Va. 22201.
B. American Vocational Association, 2020 North 14th Street, Arlington, Va. 22201.
D. (6) $5,503.45. E. (9) $13,041.38.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $9,830.94. E. (9) $9,830.94.

A. Charles W. Hackney, Jr., 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,269.50. E. (9) $430.66.

A. Charles T. Hagel, the Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. The Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $5,000. E. (9) $360.

A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $578.48. E. (9) $21.95.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Co., 1 Williams Center, Tulsa, Okla. 74101.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,812.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,655.

A. W. Risque Harper, National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

D. (6) $4,375. E. (9) $3,074.

A. Charles D. Hartman, National Council of Farmer Cooperatives, 1800 Massachuetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,655.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $2,198.09. E. (9) $198.52.

A. James E. Hawkins, 1725 DeSales Street NW., Suite 402, Washington, D.C. 20036.

B. National Demonstration Water Project, 1725 DeSales Street NW., Suite 402, Washington, D.C. 20036.

E. (9) $590.

A. Heavy & Specialized Carriers Conference, Inc., 1155 16th Street NW., Washington, D.C. 20036.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.

B. Cast Iron Pipe Research Association.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.

B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.

D. (6) $8,000.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20036.

B. Columbia Gas Distribution Cos., 99 North Front Street, Columbus, Ohio 43215.

D. (6) $2,493.75. E. (9) $466.62.

A. Harry V. Helton, 1800 Southwest First Suite 520, Portland, Oreg. 97201.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

E. (9) $681.85

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. American Gas Association.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. American Society of Farm Managers & Rural Appraisers.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. P. Mastrippolito & Sons, Inc.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. Partnership Placements, Inc.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. Petroleum Heat & Power Co.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

B. Philadelphia Gas Works.

A. Bert Ingalls Hickman, Jr., The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

D. (6) $5,625. E. (9) $267.30.

A. Bert Ingalls Hickman, Jr., The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Cordage Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,125. E. (9) $8,055.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Commonwealth Edison Co., 1 First National Plaza, Chicago, Ill. 60603.

A. Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.

B. Vought Corp., P.O. Box 5907, Dallas, Tex.

D. (6) $4,500. E. (9) $5,555.16.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $1.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) $25.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Gerald Hogan, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $400. E. (9) $135.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

E. (9) $1,250.

A. John F. Horty, National Council of Community Hospitals ("NCCH"), 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.

E. (9) $3,024.11.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $32.44. E. (9) $1.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,271.90.

A. Gregory A. Humphrey, American Federation of Teachers, AFL–CIO, 11 Dupont Circle, NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

D. (6) $8,679.78. E. (9) $51.

A. Raymond D. Hurley, 1 Farragut Square South, Washington, D.C. 20006.

B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43569.

A. Ronald K. Ikejiri, Japanese American Citizens League, 1730 Rhode Island Avenue, No. 204, Washington, D.C. 20036.

B. Japanese American Citizens League, 1765 Sutter Street, San Francisco, Calif. 94115.

D. (6) $180. E. (9) $15.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $90,371. E. (9) $47,730.62.

A. Institute of Foreign Bankers, c/o Elizabeth Tobon, 200 Park Avenue, New York, N.Y. 10017.

A. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $17,832.36.

A. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

E. (9) $1,787.58.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.

E. (9) $5,525.

A. International Union, United Automobile Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson, Detroit, Mich. 48234.

D. (6) $59,957. E. (9) $59,957.

A. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $160. E. (9) $311.55.

A. Walter K. Jaenicke, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $1,178.16.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard, Gabriel Peri, 92240 Malakoff, France).

A. Evelyn Jarvis, National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) $450. E. (9) $75.

A. Herbert N. Jasper, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.

B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.

D. (6) $16,692.34.

A. Philip F. Jehle, SmithKline Corp., 1150 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.

B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.

D. (6) $1,000. E. (9) $825.

A. Walter W. John, Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414 South Building, Washington, D.C. 20250.

B. Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414, South Building, Washington, D.C. 20250.

D. (6) $502.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $5,400. E. (9) $2,963.

A. Theodore Johnson and Co., 786 National Press Building, Washington, D.C. 20045.

B. Committee for Consumers No-Fault, c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $21,465.60. E. (9) $21,465.60.

A. Jojoba Growers Association, 840 Sierra Madre, San Marino, Calif. 91108.

A. Gerald Jones, Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

A. Thomas M. Joyce, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

E. (9) $24,070.40.

A. Gary Paul Kane, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $7,219. E. (9) $959.66.

A. Alan H. Kaufman, Suite 3712, 1 Boston Place, Boston, Mass. 02108.

B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.

D. (6) $6,000. E. (9) $1,362.96.

A. Robert J. Keefe, the Keefe Co., 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.

B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

D. (6) $5,625.

A. Robert J. Keefe, the Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. Cordage Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,125. E. (9) $8,055.

A. John J. Kelly, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,672.91.

A. W. Thomas Kelly, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $285.88.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Algonquin Gas Transmission Co., 1284 Soldiers Field Road, Boston, Mass. 02135.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Mercantile Co., 369 Pine Street, San Francisco, Calif. 94104.

D. (6) $2,000. E. (9) $800.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Arlington Trust Co., P.O. Box 688, Lawrence, Mass. 01842.

D. (6) $7,500. E. (9) $7,068.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Taiyo Fishery Co., Ltd., 277 Park Avenue, New York, N.Y. 10017.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $250.

A. Alan G. Kirk II, 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Sally Ann Kirkpatrick, American Insurance Association NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $4,896. E. (9) $800.

A. Jeff Kirsch, Food Research & Action Center, 2011 I Street NW., Suite No. 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $2,585.87. E. (9) $9.25.

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 North Main Street, Sauk Centre, Minn. 56478.

D. (6) $8,000. E. (9) $1,500.

A. Ann Kolker, National Women's Political Caucus, 1411 K Street NW., Washington, D..C 20005.

B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.

D. (6) $2,316.12.

A. William G. Kopit, Epstein, Becker, Borsody & Green, 1900 M Street NW., Suite 730, Washington, D.C. 20036.

B. American Association of Professional Standards Review Organizations, Suite 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.

D. (6) $1,000.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

D. (6) $1,250.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.

D. (6) $1,400.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

D. (6) $250.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill., 60611.

D. (6) $942.21.

A. Kutak Rock & Huie, The Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.

B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

E. (9) $254.

A. Sandra LaFevre, 1000 Connecticut Avenue, NW., Suite 304, Washington, D.C. 20036.

B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.

D. (6) $500.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.

B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $3,196.94. E. (9) $74.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. Lane and Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

D. (6) $2,000.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $637.50.

A. Louis Laun, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Charles B. Lavin, Jr., 7006 Redmiles Road, Laurel, Md. 20810.

B. American Subcontracting Association, 815 15th Street NW., Washington, D.C. 20005.

D. (6) $625.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $800. E. (9) $5.20.

A. Susannah Lawrence, Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

D. (6) $23,451.85.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33159.

B. GCC Beverages, Inc.

D. (6) $14,500. E. (9) $4,629.60.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $16,906.19. E. (9) $16,906.19.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Washington, D.C. 20001.

D. (6) $101.50.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $2,251.37. E. (9) $33.20.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Commonwealth Edison Co., One First National Plaza, Chicago, Ill.

E. (9) $11.

A. Roger N. Levy (IIAA), 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

E. (9) $24,070.40.

A. B. P. Lewallen, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,379.18.

A. Liberty Lobby, Inc., 132 Third Street SE., Washington, D.C. 20003.

D. (6) $109,945.08. E. (9) $84,115.87.

A. Nira Hardon Long, 1800 M Street NW., South 880, Washington, D.C. 20036.

B. City of Los Angeles, Los Angeles, Calif. 90012.

D. (6) $5,000.01.

A. Judith A. Lorenson, 1960 Lake Clay Drive, Chesterfield, Mo. 63017.

B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.

D. (6) $7,500. E. (9) $533.96.

A. Timothy B. Lovain, New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.

B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.

D. (6) $5,333.30.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.

B. Coushatta Tribe of Louisiana, c/o Ernest Sickey, Elton, La. 70532.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.

B. McNamara Construction of Manitoba, Ltd., 255 Consumers Road, Willowdale, Ont.

D. (6) $1,000.

A. Russell MacCleery, National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) $600. E. (9) $20.

A. Howard Marlowe, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $1,764.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $250.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.

B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.

D. (6) $540. E. (9) $50.70.

A. Nancy Fifield McConnell, American Parents Committee Division, Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,772.66.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Balcor Co., 10024 Skokie Boulevard, Skokie, Ill. 60077.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Iowa Beef Processors, Inc., Dakota City, Nebr.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. JMB Realty Corp., 875 North Michigan Avenue, Suite 380, Chicago, Ill. 60611.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,000.

A. Francis O. McDermott, 1750 K Street NW., No. 1110, Washington, D.C. 20006.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $8,000.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.

B. Trustees Under the Will of Warren Wright, c/o First National Bank of Chicago, 1 First National Plaza, Chicago, Ill.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,379.18. E. (9) $328.33.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,861.50. E. (9) $616.55.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,041. E. (9) $295.33.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $820.01. E. (9) $12.50.

A. Phil A. McKeaney, American Federation of Teachers, 11 DuPont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, 11 DuPont Circle NW., Washington, D.C. 20036.

D. (6) $6,460.74. E. (9) $66.30.

A. James D. McKevitt, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.

D. (6) $3,500. E. (9) $80.

A. Meat Price Investigators Association, P.O. Box 66, Des Moines, Iowa 50301.

D. (6) $6,812.22. E. (9) $1,100.

A. Kenneth A. Meiklejohn, 815 16th Street, NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,861.50.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $37.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $3,008.73.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.

D. (6) $6,250. E. (9) $39.86.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. Holly Corp., 3327–2001 Bryan Tower, Dallas, Tex. 75201.

E. (9) $388.43.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.

D. (6) $11,111. E. (9) $170.66.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.

B. John Tudor, 18 East 53d Street, New York, N.Y. 10022.

E. (9) $8.72.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Chevy Chase, Md. 20015.

B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.

E. (9) $309.20.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.

E. (9) $104.87.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Corp., Burbank, Calif. 91520.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
D. (6) $5,500.

A. Deborah Imle Miller, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,875. E. (9) $233.48.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20035.
D. (6) $4,500.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $3,000. E. (9) $1,060.20.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. O&C Counties Association, Route 3, Box 1530, Roseburg, Oreg. 97470.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.
D. (6) $1,200.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $200.65.

A. A. W. Mininni, 2878 Sherwood Road, Columbus, Ohio 43209.
B. Stop Our Selling of America.

A. Charles W. Mitchell, 7915 Sherwood Road, Ruxton, Md. 21204.
B. George S. Wills & Associates, 10 East Baltimore Street, Baltimore, Md. 21202 (for Americans for Alaska).
E. (9) $12.75.

A. Clarence Mitchell, NAACP, 733 15th Street NW., Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,125.

A. Donald Craig Mitchell, 1601 F Street, Anchorage, Alaska 99501; 510 A Street NE., Washington, D.C. 20002.
B. Alaska Federation of Natives, 550 West Eighth Avenue, Anchorage, Alaska 99501.
D. (6) $9,000.

A. Manly Molpus, 1014 Vine Street, Cincinnati, Ohio.
B. The Kroger Co., 1014 Vince Street, Cincinnati, Ohio.
D. (6) $1,000. E. (9) $1,200.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139; Barr Building 912 910 17th Street NW., Washington, D.C. 20006.
B. National Barrel & Drum Association, 910 17th Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $560.

A. John J. Motley, National Federation of Independent Business, 409 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $200.

A. Daniel J. Mundy, Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $9,125.22. E. (9) $2,370.59.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
D. (6) $122. E. (9) $201.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,108.

A. NANA Regional Corp., Inc., P.O. Box 4-U, Anchorage, Alaska 99509.
E. (9) $1,794.66.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $555. E. (9) $660.78.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $1,257.50. E. (9) $1,111.65.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $22,924. E. (9) $22,706.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $110,259.11. E. (9) $128,870.09.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $1,400.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,568,415.56. E. (9) $38,167.49.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314.
D. (6) $8,694.84. E. (9) $8,694.84.

A. National Club Association, 1625 I Street NW., Suite 609, Washington, D.C. 20006.
E. (9) $2,125.

A. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $174,285.97. E. (9) $153,452.42.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $26,558.04. E. (9) $14,072.28.

A. National Council of Farmer Cooperative, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $86,807. E. (9) $100,721.

A. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $3,459.83. E. (9) $1,907.29.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Belco Petroleum Corp., 1 Dag Hammarskjold Plaza, New York, N.Y. 10017.
D. (6) $15,000.

A. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $3,750.

A. The National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $65,742. E. (9) $7,769.49.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $1,595.07.

A. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $8,234. E. (9) $3,654.59.

A. National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., Washington, D.C. 20037.
D. (6) $68,053. E. (9) $99,765.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $5,000.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $6,608.50. E. (9) $6,126.61.

A. National Taxpayers Union, 153 E Street SE., Washington, D.C. 20003.
D. (6) $5,240.27. E. (9) $4,035.

A. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $40,380.77. E. (9) $19,273.94.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $20,000. E. (9) $25,296.

A. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761; American Protestant Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611; Texas Children's Hospital, St. Lukes Episcopal Hospital, P.O. Box 20269, Houston, Tex. 77025.
D. (6) $6,800.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $109.13.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. O'Connor and Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,000.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industries Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $9,854.

A. R. E. Olson, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Kathleen F. O'Reilly, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $4,350. E. (9) $265.

A. Organization of Professional Employees of the United States Department of Agriculture, Room 1414 South Building, Washington, D.C. 20250.

D. (6) $2,032.80. E. (9) $1,058.30.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,310.45.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $215.76. E. (9) $28.50.

A. Pacific Northwest Utilities Conference Committee, 327 North Wenatchee Avenue, Wenatchee, Wash. 98801.

D. (6) $21,300.19. E. (9) $13,079.33.

A. Gerard Paul Panaro, Retail Bakers of America, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.

B. Retail Bakers of America, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.

D. (6) $1,500. E. (9) $300.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex. 77640.

B. Government of Republic of Liberia, Monrovia, Liberia.

D. (6) $3,000.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.

E. (9) $10.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW, Suite 1200, Washington, D.C. 20036.

B. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT), 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

D. (6) $1,126. E. (9) $1,194.64.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $1,187.67.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Coalition of Concerned Charities.

A. Perito, Duerk and Carlson, 1001 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. National District Attorneys Association, 666 North Lake Shore Drive, Room 1432, Chicago, Ill. 60611.

E. (9) $3,746.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $2,500. E. (9) $2,400.

A. Geoffrey G. Peterson, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.

D. (6) $1,000. E. (9) $300.

A. Kenneth Peterson, AFL-CIO, 815 16th Street NW., Washington D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,861.50. E. (9) $428.28.

A. Richard W. Peterson, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.

D. (6) $10,000. E. (9) $126.95.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 308, Washington, D.C. 20005.

E. (9) $2,400.

A. E. Rogers Pleasants, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.

B. E. I. du Pont de Nemours and Co., 1007 Market Street, Wilmington, Del. 19898.

D. (6) $50. E. (9) $15.50.

A. Michael Podhorzer, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $300. E. (9) $20.

A. Ronald F. Pollack Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington D.C. 20006.

D. (6) $201.88.

A. Nathaniel Polster, 2128 Wyoming Avenue NW., Washington, D.C. 20008.

B. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017; Research to Prevent Blindness, 598 Madison Avenue, New York, N.Y. 10022.

D. (6) $1,924. E. (9) $2,061.

A. Edmund J. Perret II, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $1,290. E. (9) $625.76.

A. Judith A. Pond, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $200. E. (9) $104.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.

B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94120.

D. (6) $2,917. E. (9) 443.81.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.

D. (6) $1,292. E. (9) $1,860.

A. A. Frank Portmann III, AMAX Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.

B. AMAX Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.

D. (6) $8,000.

A. John M. Powderly, United Steelworkers of America, Suite 706, 815 16th Street NW., Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,270.82.

A. Janet Power, VISA U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.

B. VISA U.S.A. Inc., 555 California Street, San Francisco, Calif. 94126.

D. (6) $3,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.

D. (6) $2,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.

B. The First National Bank of Chicago, One First National Plaza, Chicago Ill. 60670.

D. (6) $500.

A. Prod, Inc., Suite 612, 2000 P Street NW., Washington, D.C. 20036.

D. (6) $360. E. (9) $80.

A. Steven Pruitt, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County, and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $150.10.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77081.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $14,518.74. E. (9) $14,518.74.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. American Ship Building Co., Bond Court Building, Room 911, 1300 East Ninth Street, Cleveland, Ohio.

D. (6) $1,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Bechtel Corp., 141 Battery Street, San Francisco, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. The Bermuda Government, Hamilton, Bermuda.

D. (6) $1,666.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. First Colony Farms, Route 1, Box 130, Creswell, N.C.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Glass Packaging Institute, 1800 K Street NW., Washington, D.C.

D. (6) $6,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Greater Cleveland Growth Association, 690 Union Commerce Building, Cleveland, Ohio.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa.

D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. The Harris Corp., 55 Public Square, Cleveland, Ohio.

D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. National Bulk Carriers, Inc., 1345 Avenue of the Americas, New York, N.Y.

D. (6) $4,500.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. National Ski Areas Association, 61 South Main Street, West Hartford, Conn.

D. (6) $1,500.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. New York Yankees, Flushing Meadows, Corona Park, Flushing, N.Y.

D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Ohio Board of Regents, 30 East Broad Street, Columbus, Ohio.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Princess Hotels International, 1345 Avenue of the Americas, New York, N.Y.

D. (6) $3,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C.

D. (6) $1,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Seacoast Products, Inc., Box D, Port Monmouth, N. J.

D. (6) $477.20.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Sea-Land Service, Inc., P.O. Box 900, Edison, N.J.

D. (6) $5,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Security Pacific Leasing Corp., 333 South Hope Street, Los Angeles, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Stimson Lumber Co. and Miller Redwood Co., 315 Pacific Building, Portland, Oreg.

D. (6) $125.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.

B. Sugar Users Group, 1660 L Street NW., Washington, D.C.

D. (6) $15,450. E. (9) $107.85.

A. Reading Js Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.

D. (6) $947,694. E. (9) $284.

A. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.

D. (6) $494,667. E. (9) $39,999.

A. Reid & Priest, 40 Wall Street, New York, N.Y. 10005.

B. Shanghai Power Co., P.O. Box 50, Boise, Idaho 83728.

D. (6) $560. E. (9) $125.

A. John A. Reilly, Private, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.

B. Estate of Bert N. Adams, P.O. Box 4215, Yuma, Ariz. 85364.

E. (9) $5.

A. Reserve Officers Association of U.S., 1 Constitution Avenue NE., Washington, D.C. 20002.

D. (6) $1,402.44. E. (9) $2,801.32.

A. Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.

E. (9) $1,847.95.

A. Response Marketing Group, Inc., 1025 Connecticut Avenue NW., Suite 405, Washington, D.C. 20036.

B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.

D. (6) $1,500.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.

B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

D. (6) $10,827. E. (9) $650.

A. Lynne Revo-Cohen, Federally Employed Women, National Press Building, Washington, D.C. 20045.

B. Federally Employed Women, National Press Building, Washington, D.C. 20045.

D. (6) $3,600. E. (9) $400.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street, NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $369.76.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. The Kellogg Co., Battle Creek, Mich.

D. (6) $15,000.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. W. K. Kellogg Foundation, Battle Creek, Mich.

D. (6) $5,000.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street, NW., Washington, D.C. 20005.

D. (6) $1,968. E. (9) $1,730.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20007.

B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20007.

A. Douglas A. Riggs, 516 First Street SE., Washington, D.C. 20003.

B. Citizens for Management of Alaska Lands Inc., P.O. Box 3256 DT, Anchorage, Alaska 99510.

D. (6) $8,800. E. (9) $1,449.65.

A. Selina Rissell, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.

B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $4,846.14.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27106.

E. (9) $2,449.31.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Wahsington, D.C. 20036.

B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Mark Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $2,403.85.

A. Michael O. Roush, National Federation of Independent Business, 49 L'Enfant Plaza SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 480 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $200.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $11.59.

A. Charles J. Sabatier, Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

A. St. Joe Paper Co., Jacksonville, Fla. 32201.

E. (9) $1,275.73.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Kings River Water Users Committee.

D. (6) $1,000. E. (9) $117.

A. Jennifer Sauve, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,047. E. (9) $926.46.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. National Employee Benefits Institute, 451 New Jersey Avenue, SE., Washington, D.C. 20003.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $7,000. E. (9) $7,948.16.

A. Steven E. Schanes, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Steven E. Schanes, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $3,000.

A. Stanley W. Schroeder, 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Associates, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. James H. Schuyler, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $7,799. E. (9) $518.05.

A. Roger Schwartz, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $187.46. E. (9) $3.15.

A. Seatrain Lines, Inc., 1 Chase Manhattan Plaza, New York, N.Y. 10005.

E. (9) $127.50.

A. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

E. (9) $250.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,825.

A. Barbara J. Shailor, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,753.45. E. (9) $27.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.

D. (6) $3,000. E. (9) $40.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Cheyenne River Sioux Tribe, P.O. Box 590, Eagle Butte, S. Dak. 57625.

D. (6) $2,500. E. (9) $35.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) $2,500. E. (9) $100.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Minnesota Chippewa Tribe, Box 217, Cass Lake, Minn. 56633.

D. (6) $835. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Quinault Indian Nation, P.O. Box 1118, Taholah, Wash. 98587.

D. (6) $835. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Yakima Indian Nation, P.O. Box 151, Toppenish, Wash. 98948.

D. (6) $4,000. E. (9) $400.

A. Dean E. Sharp, Suite 408, 1015 18th Street NW., Washington, D.C. 20036.

B. Independent Health Insurance Institute, Inc., Suite 408, 1015 18th Street NW., Washington, D.C. 20036.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.

A. Kathleen Dillon Sheekey, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $1,785. E. (9) $225.70.

A. Joan Shorey, c/o Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

D. (6) $2,236.65.

A. Michael Shorr, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $8,250. E. (9) $375.91.

A. G. Scott Shotwell, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,475. E. (9) $40.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.

B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $825.

A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.

D. (6) $4,325. E. (9) $2,037.88.

A. Silver, Freedman, Housley & Taff, 1800 M Street NW., Suite 950 N, Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Government of the Netherlands Antilles, Fort Amsterdam, Willemstad, Curacao, Netherlands Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Venezuelan-American Chamber of Commerce & Industry, Apartado 5181, Caracas 101, Venezuela.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $4,400. E. (9) $182.60.

A. David A. Skedgell, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $700. E. (9) $185.

A. G. Bernard Slebos, 1825 K Street NW., Suite 607, Washington, D.C. 20006.

B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006.

D. (6) $2,000.

A. Milton E. Smedsrud, Law Office Building, Fergus Falls, Minn. 56537.

B. Communicating for Agriculture, Inc., Law Office Building, Fergus Falls, Minn. 56537.

D. (6) $16,142.75. E. (9) $16,114.49.

A. Gordon L. Smith, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005 (for Florists' Transworld Delivery Association).

A. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $11,950. E. (9) $8,808.58.

A. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

D. (6) $63,492.40. E. (9) $8,114.82.

A. Henry A. Solomon, Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.

B. Pilots Rights Association, P.O. Box 7000–367, Redondo Beach, Calif. 90277.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $2,232.84.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $37,043.53. E. (9) $37,043.53.

A. Wilbur D. Sparks, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $1,600. E. (9) $370.

A. Specialty Equipment Market Association, 11001 East Valley Mall, El Monte, Calif. 91731.

A. David E. Stahl, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $3,008. E. (9) $60.46.

A. Gloria Starks, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Educational Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $4,152.60. E. (9) $84.50.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.

B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.

D. (6) $1,542.

A. Travis B. Stewart, Hoffman-La Roche, Inc., 1775 K Street NW., Suite 300, Washington, D.C. 20006.

B. Hoffman-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.

D. (6) $1,000. E. (9) $250.

A. Stop Our Selling of America, 1187 East Broad Street, Columbus, Ohio 43205.

A. Andrea Strader, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $5,500. E. (9) $8.75.

A. John R. Sweeney, 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.
B. Bethlehem Steel Corp., 1000 16th Street NW., Washington, D.C. 20036.

A. Swerdloff Associates, Inc., 18 West 10th Street, New York, N.Y. 10011.
B. Coalition for New York, Inc. (Coalition to Save New York, Inc.), 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750.

A. Richard Preston Swigart, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $727.39.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,600. E. (9) $150.

A. Clayton C. Taylor, McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.
D. (6) $109.

A. 10th Pro-Life Congressional District Action Committee, 1338 Lafayette Street, Cape Coral, Fla. 33904.
D. (6) $23. E. (9) $450.

A. Doris I. Thomas, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,188. E. (9) $311.50.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,833.71.

A. Terence H. Thorn, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $600. E. (9) $444.36.

A. James L. Thorne, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $54.73.

A. Patrick Tobin, International Longshoremen's and Warehousemen's Union, 417 Fourth Street SW., Washington, D.C. 20001.
B. International Longshoremen's and Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,810.02.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $4,815.18.

A. Jerry R. Tucker, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $8,118.83. E. (9) $146.80.

A. William A. Turnage, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $67.31.

A. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $3,712.

A. United Fresh Fruit and Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.
D. (6) $19.77. E. (9) $8.30.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $11,015.20.

A. United States Merchant Marine Academy Alumni Association, Inc., Kings Point, L.I., N.Y. 11024.
E. (9) $1,250.

A. Lynn Kay Utzinger, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. H. Stewart Van Scoyoc, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. E. I. du Pont de Nemours and Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $30. E. (9) $4.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,090.02. E. (9) $65.87.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C.
B. American Health Planning Association, 1601 Connecticut Avenue NW., Seventh floor, Washington, D.C. 20009.
E. (9) $5.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. Office of the Controller, Medi-Cal Audit Project, State of California, State Capitol, Sacramento, Calif. 95814.

A. Walter D. Vinyard, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Insurance Association.

A. Betty Vorhies, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $2,875.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $1,200. E. (9) $935.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $45.03.

A. Paul S. Weller, Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,550. E. (9) $21.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $450.16.

A. Harry H. Westbay III, St. Regis Paper Co., 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. Charles W. Whalen, Jr., New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $10,812.10.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C.
B. The Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y.

A. Wilcox & Sharood, 1899 L Street NW., Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street NW., Washington, D.C. 20036.
D. (6) $7,700. E. (9) $3,351.90.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Quasar Petroleum Co., 2500 Fort Worth National Bank Building, Fort Worth, Tex. 76102.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C 20005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institution, 1101 Connecticut Avenue NW. Suite 300, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Association of Family Farmers, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bangor Punta Operations, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. C. Brewer and Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801; IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
E. (9) $23.72.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Consolidated Foods Corp., 1305 South LaSalle Street, Chicago, Ill. 60603.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Feather and Down Association, 4441 Auburn Boulevard, Suite O, Sacramento, Calif. 95841.
E. (9) $4.75.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters' Association, 1511 K Street NW., Suite 723, Washington, D.C. 20005.
D. (6) $437.50 E. (9) $9.88

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute for Due Process for Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,142.50 E. (9) $31.52.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Krause Milling Co., P.O. Box 1156, Milwaukee, Wis. 53201.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lanham Act Preservation Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
D. (6) $250. E. (9) $3.95.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Litton Industries, 360 North Crescent Drive, Beverly Hills, Calif. 90210.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Louisiana Land and Exploration Co., P.O. Box 60350, New Orleans, La. 70160.
D. (6) $350. E. (9) $7.89.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Water Co's., Suite 1110, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $15.80.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $8,962.50. E. (9) $277.73.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. North American Game Breeders and Shooting Preserve Association, Goose Lake, Iowa 52750.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
D. (6) $43.75. E. (9) $2.68.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
E. (9) $17.77.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Southern California Gas Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $3.95.

A. Robert E. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Co's. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,700. E. (9) $74.90.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
D. (6) $1,200.

A. Frederick L. Williford, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.
B. George S. Wills & Associates, Inc., 10 East Baltimore Street, Baltimore, Md. 21202 (for Americans for Alaska).
D. (6) $104.55.

A. Peters Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $811.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark. 72335.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $1,000. E. (9) $862.73.

A. Winner/Wagner & Associates, Inc., 6535 Wilshire Boulevard, Los Angeles, Calif. 90048.
B. Rockwell International, Space Systems Division, Downey, Calif.
D. (6) $2,500. E. (9) $165.72.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co. 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
E. (9) $885.90.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.
B. Gerber Products Co.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.
B. National Farm & Power Equipment Dealers Association.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $7,650. E. (9) $10,338.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. Wyatt and Staltzstein, 1725 DeSales Street NW., Washington, D.C. 20036.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,687.50.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy A, Park Ridge, Ill.
D. (6) $3,289. E. (9) $12.50.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. Kenneth Young, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,545. E. (9) $330.80.

A. Barry W. Zander, 6113 Amhurst Street, Metairie, La. 70003.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $5,300.

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,144. E. (9) $3,128.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.
D. (6) $102.60. E. (9) $5.41.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Lummi Tribe of Indians, 2616 Kwina Road, Bellingham, Wash. 98225.
D. (6) $324.80. E. (9) $5.02.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $324.80.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.
D. (6) $394.40.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.

D. (6) $658.80. E. (9) $98.44.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Quileute Indian Tribe, P.O. Box 279, LaPush, Wash. 98350.

D. (6) $69.60.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Tulalip Indian Tribe, 6700 Totem Beach Road, Marysville, Wash. 98270.

D. (6) $324.80. E. (9) $5.02.

A. Daniel I. Zwick, American Hospital Association, 440 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $36.91.

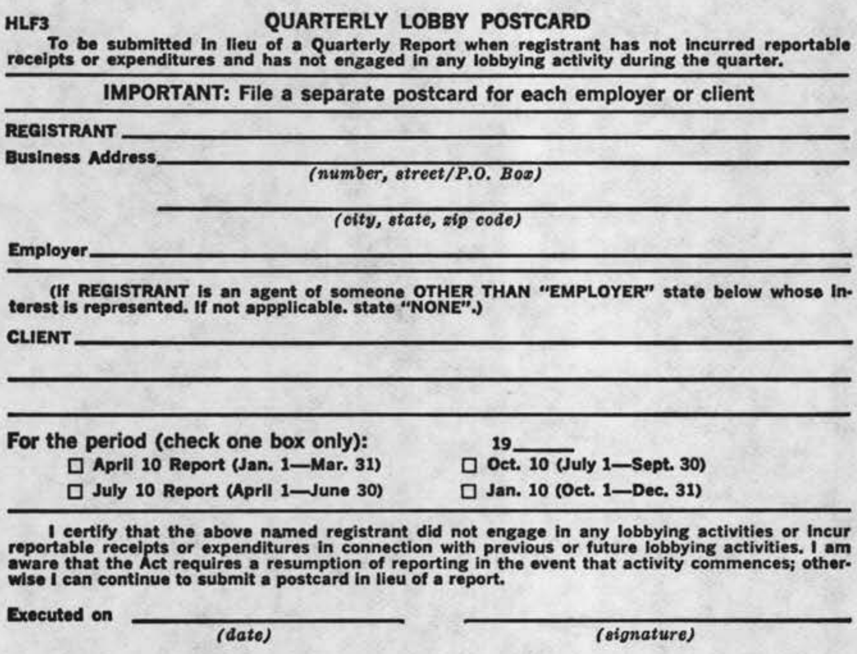
QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the second calendar quarter of 1979:

A POSTCARD MAY BE USED WHEN A REGISTRANT HAS NOT INCURRED REPORTABLE RECEIPTS AND EXPENDITURES AND HAS NOT ENGAGED IN ANY LOBBYING ACTIVITY DURING THE QUARTER.

NOTE: THE FOLLOWING INFORMATION IS BEING PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

The Postcard has been reproduced below:



HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT ____

Business Address ____
(number, street/P.O. Box)

____
(city, state, zip code)

Employer ____

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not appplicable. state "NONE".)

CLIENT ____

For the period (check one box only): 19____

☐ April 10 Report (Jan. 1—Mar. 31) ☐ Oct. 10 (July 1—Sept. 30)

☐ July 10 Report (April 1—June 30) ☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on ____ ____
(date) *(signature)*

A. John Adams.
B. Ethyl Corp.

A. John J. Adams.
B. Virginia Electric & Power Co.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States.

A. Alan P. Agle.
B. Buckingham Township Supervisors.

A. G. Colburn Aker.
B. Hill & Knowlton, Inc.

A. Akin, Gump, Hauer & Feld.
B. Beacon Oil Co.

A. Akin, Gump, Hauer & Feld.
B. E & J Gallo Winery.

A. Akin, Gump, Hauer & Feld.
B. Goldston Oil Corp.

A. Akin, Gump, Hauer & Feld.
B. Northwest Alaskan Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. United Refining Co.

A. Robert D. Allen.
B. Bechtel Power Corp.

A. Joseph C. Allwarden.
B. Kollsman Instrument Co.

A. Amalgamated Transit Union.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Advertising Federation.

A. American Association of Blood Banks.

A. American Frozen Food Institute.

A. American Pulpwood Association.

A. American Radio Relay League, Inc.

A. American Seed Trade Association.

A. Americans for Alaska, Inc.

A. Jack R. Angell.
B. United Gas Pipeline Co.

A. Tobias Anthony.
B. Research-Cottrell.

A. John D. Aquilino, Jr.
B. National Rifle Association.

A. John Christian Archer.
B. Brown & Root, Inc.

A. Arent, Fox, Kintner, Plotkin & Kahn.
B. Automotive Filter Manufacturers Council.

A. Meyer L. Aron.

A. Associated Employers, Inc.

A. Association of American Veterinary Medical Colleges.

A. Association of Government Accountants.

A. George J. Aste.
B. United Airlines.

A. Allan E. Auger.
B. The Great Western Sugar Co.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceutical.

A. Automotive Filter Manufacturers Council.

A. Charles W. Bailey.
B. National Right to Work Committee.

A. Baker & Daniels.
B. Coalition for Safe Drinking Water.

A. Richard L. Baldwin.
B. American Radio Relay League, Inc.

A. John H. Barnard, Jr.
B. Bechtel Power Corp.

A. Karen J. Bauer.
B. American Paper Institute, Inc.

A. James Beizer.
B. American Mining Congress.

A. Stephen M. Belikoff.
B. Provident Indemnity Life Insurance Co.

A. Howard H. Bell.
B. American Advertising Federation.

A. Douglas P. Bennett.
B. Association of Executive Recruiting Consultants.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employees.

A. Richard B. Berman.
B. Steak & Ale Restaurants of America, Inc.

A. Charles Bernhardt.
B. National Federation of Federal Employees.

A. Berry, Epstein, Sandstrom & Blatchford.
B. Orkin Exterminating.

A. Beveridge, Fairbanks & Diamond.
B. Florida Power & Light Co.

A. Beveridge, Fairbanks & Diamond.
B. International Paper, Inc.

A. Beveridge, Fairbanks & Diamond.
B. New England Fish Co.

A. Frank Bianco.
B. 10th Pro-Life Congressional District Action Committee.

A. Walter J. Bierwagen.
B. Amalgamated Transit Union.

A. Robert J. Bird.
B. Occidental Life Insurance Co.

A. Robert J. Bird.
B. Paul Revere Corp.

A. Robert J. Bird.
B. Zachry, Inc.

A. Tom H. Black.
B. National Federation of Federal Employees.

A. Larry H. Blanchard.
B. Pentagon Federal Credit Union.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Jerald Blizin.
B. Hill & Knowlton, Inc.

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Rodney A. Bower.
B. International Federation of Professional & Technical Engineers.

A. Theodore L. Bowes.
B. Intellectual Property Owners, Inc.

A. Stuart J. Brahs.
B. American Council of Life Insurance, Inc.

A. David C. Branand.
B. American Mining Congress.

A. Barbara Brendes.
B. Union Oil Co. of California.

A. Miles H. Bresee, Jr.
B. Bechtel Power Corp.

A. Jeffrey M. Bricker.
B. Fallek Chemical Corp.

A. John B. Brock.
B. Quintana Refinery Co.

A. Howard C. Brown, Jr.
B. Centar Associates.

A. Howard C. Brown, Jr.
B. National Association of Life Sciences.

A. Michael F. Brown.
B. American Frozen Food Institute.

A. Stanley R. Browne.
B. E. I. du Pont de Nemours & Co., Inc.

A. Brownstein, Zeidman & Schomer.
B. Holiday Inns, Inc.

A. Brownstein, Zeidman & Schomer.
B. International Foodservice Manufacturers Association.

A. Brownstein, Zeidman & Schomer.
B. Mortgage Guaranty Insurance Corp.

A. Brownstein, Zeidman & Schomer.
B. New York State Urban Development Corp.

A. Harvey F. Brush.
B. Bechtel Inc.

A. John L. Burke, Jr.
B. Automotive Filter Manufacturers Council.

A. Edward G. Burton.
B. Burr, Pease & Kurtz, Inc.

A. Michael F. Butler.
B. Grocery Manufacturers of America, Inc.

A. Carl Byoir & Associates, Inc.

A. Thomas D. Byrne.
B. Alton Box Board Co.

A. Cadwalader, Wickersham & Taft.
B. Associated Metals & Minerals Corp.

A. Cadwalader, Wickersham & Taft.
B. New England Fish Co.

A. Roy C. Cahoon.
B. National Automatic Merchandising Association.

A. Frank W. Calhoun.
B. El Paso Natural Gas Co.

A. Donald L. Calvin.
B. New York Stock Exchange.

A. Richard Calvin.
B. Prisoners of Indiana, et al.

A. Jerry L. Campbell.

B. Tennessee Valley Public Power Association.

A. Paul W. Cane.
B. Bechtel Power Corp.

A. W. Dean Cannon, Jr.
B. California Savings & Loan League.

A. Charles E. Capron.

A. Donald L. Capshaw.
B. Airline Pilots Association.

A. Isaac R. Caraco.
B. Bechtel Power Corp.

A. Charles C. Carella.
B. Wagner Electric Corp.

A. David C. Carter.
B. U.S. Beet Sugar Association.

A. Jim Casey.
B. Garrison Diversion Conservancy Distributors.

A. John L. Casey.
B. Scudder, Stevens & Clark (for Investment Counsel Association of America, Inc.).

A. Casey, Lane & Mittendorf.
B. Wabanex Energy Corporation, Ltd.

A. Henry Chajet.
B. American Mining Congress.

A. John E. Chapoton.
B. Vinson & Elkins (for Lone Star Steel Co.).

A. John E. Chapoton.
B. Vinson & Elkins (for Petroleum Equipment Suppliers Association).

A. John E. Chapoton.
B. Vinson & Elkins (for Quintana Petroleum Corp.).

A. Seymour M. Chase.
B. AST Co.

A. Jane Cheever.
B. First National Boston Corp.

A. Chemtex Fibers.

A. Howard P. Chester.
B. Stone, Glass & Clay Coordinating Committee.

A. Gilbert M. Clark.
B. American Association of Blood Banks.

A. Clay Pipe Industry Depletion Committee.

A. Earle C. Clements.
B. The Tobacco Institute, Inc.

A. Cliffside Corp.

A. Coalition of Concerned Charities.

A. Cole, Corette & Bradfield.
B. American Express Co.

A. Cole, Corette & Bradfield.
B. The Chase Manhattan Bank, N.A.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Footwear Industries Association, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Bicycle Manufacturers Association of America, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. National Broiler Council.

A. Charles P. Collins.
B. ICX Aviation, Inc.

A. Colorado Railroad Association.

A. Connecticut Bankers Association.

A. James T. Conner.
B. Mobay Chemical Corp.

A. Cook & Henderson.
B. Ashland Oil, Inc.

A. Cook & Henderson.
B. Society of American Florists.

A. Robert M. Cook.
B. Livestock Marketing Association.

A. Janet Cooper.
B. National Federation of Federal Employees.

A. Patrick H. Corcoran.
B. Association of Oil Pipe Lines.

A. Alfred C. Cordon.
B. Buffalo Broadcasting Co., Inc.

A. Samuel C. Corey.
B. Provident Indemnity Life Insurance Co.

A. Samuel C. Corey, Jr.
B. Provident Indemnity Life Insurance Co.

A. Bennett J. Corn.
B. New York Coffee and Sugar Exchange.

A. Cosmetic, Toiletry & Fragrance Association.

A. Sr. Carol Coston.
B. Common Cause.

A. Covington & Burling.
B. Penjerdel Corp.

A. R. L. Cox.
B. Mountain Fuel Supply Co.

A. Crowell & Moring.
B. Associated Gas Distributors.

A. Everett E. Cutter.
B. Oregon Railroad Association.

A. Damon Corp.

A. Tracy Danese.
B. Florida Power & Light Co.

A. John E. Daniel.
B. American Paper Institute, Inc.

A. David S. Danielson.
B. American Optometric Association.

A. Clarence F. Davan, Jr.
B. Great Western Sugar Co.

A. Gary W. Davis.
B. Pennsylvania State Education Association.

A. George R. Davis.
B. Amalgamated Transit Union, National Capital Local 689.

A. Thomas A. Davis.
B. Florida Power & Light.

A. Thomas A. Davis.
B. United Egg Producers.

A. P. M. Davison, Jr.
B. North Dakota Railway Lines.

A. J. Edward Day.
B. Associated Third Class Mail Users.

A. Gaston de Bearn.
B. Hoffman-La Roche, Inc.

A. W. M. Decker.
B. Association of American Veterinary Medical Colleges.

A. DeHart Associates, Inc.
B. University of New Mexico.

A. deKieffer & Associates.
B. South Africa.

A. Stephen T. DeLaMater.
B. Halliburton Co.

A. John L. Delano.
B. Montana Railroad Association.

A. Rita del Lupo.
B. Rock Island Railroad.

A. Bradford T. Dempsey.

A. James T. Devine.
B. Leonard, Cohen, Gettings & Sher (for Bowling Proprietors' Association of America, Inc.).

A. James T. Devine.
B. Leonard, Cohen, Gettings & Sher (for Rosenthal & Co.).

A. Dickstein, Shapiro & Morin.
B. Agtek International, Inc.

A. Dickstein, Shapiro & Morin.
B. Holstein-Fresion Association of America; Holstein-Fresion Services, Inc.

A. Dickstein, Shapiro & Morin.
B. International Brotherhood of Teamsters.

A. Dickstein, Shapiro & Morin.
B. Marine Engineers Beneficial Association.

A. Dickstein, Shapiro & Morin.
B. Mitsubishi International Corp.

A. Dickstein, Shapiro & Morin.
B. Tennessee Gas Transmission Co.

A. Dickstein, Shapiro & Morin.
B. U.S. Tour Operators Association.

A. Joseph E. Dillon.
B. Automotive Parts & Accessories Association, Inc.

A. Joseph E. Dillon.
B. Investors Diversified Services, Inc.

A. Disabled Officers Association.

A. Mortimer A. Dittenhofer.
B. Association of Government Accountants.

A. Doctors for Equal Rights Amendment.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. William D. D'Onofrio.
B. Positive Action Committee, Inc.

A. H. Eugene Douglas.
B. Memorex Corp.

A. Sally L. Douglas.
B. National Federation of Independent Business.

A. Anthony V. Dresden.
B. Hill & Knowlton, Inc.

A. Deborah Drudge.
B. Healthy America.

A. Franklin B. Dryden.
B. The Tobacco Institute.

A. Michael Duffy.
B. American Mining Congress.

A. Jeffrey M. Duke.
B. American Paper Institute.

A. Duncan, Weinberg, Palmer & Miller.
B. East Bay Regional Park District.

A. Duncan, Weinberg, Palmer & Miller.
B. Iva May Harvey.

A. Duncan, Weinberg, Palmer & Miller.
B. Huron-Clinton Metropolitan Authority.

A. Duncan, Weinberg, Palmer & Miller.
B. Paul Kellerblock.

A. Duncan, Weinberg, Palmer & Miller.
B. Kenai Natives Association.

A. Duncan, Weinberg, Palmer & Miller.
B. Adolph Kizas.

A. Duncan, Weinberg, Palmer & Miller.
B. Western Fuels Association, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Mid-West Electric Consumers' Association.

A. Vicki L. Dungan.
B. National Employee Benefits Institute.

A. Mari Lee Dunn.
B. American Council for Capital Formation.

A. John H. Dunne.
B. International Federation of Professional & Technical Engineers.

A. Stuart Dunwoody.
B. Consumer Energy Council of America.

A. Joseph L. Duran.
B. First National Bank of Boston.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Jack D. Early.
B. National Agricultural Chemicals Association.

A. Eaton Associates.

A. Robert E. L. Eaton.
B. Eaton Associates.

A. Edelman International Corp.
B. Republic of Haiti/Embassy of Haiti.

A. Anne Edlund.
B. Motor Vehicle Manufacturers' Association of the United States.

A. Ed Edmondson.
B. American Inland Waterways Committee.

A. Ed Edmondson.
B. Oklahoma Association of Electric Cooperatives.

A. Ed Edmondson.
B. U.S. Maritime Committee.

A. Jonathan W. Edwards.
B. Blue Ribbon Sports, Inc.

A. Jonathan W. Edwards.
B. Confederated Tribes of Warm Springs.

A. Jonathan W. Edwards.
B. The Navajo Nation.

A. Jonathan W. Edwards.
B. Portland General Electric Co.

A. J. C. B. Ehringhaus.
B. The Tobacco Institute.

A. Timothy L. Elder.
B. Caterpillar Tractor Co.

A. Gertrude Engel.
B. York Barbell.

A. Ralph Engel.
B. Chemical Specialists Manufacturers Association.

A. Steven L. Engelberg.
B. American Association of Marriage & Family Therapy.

A. Robert J. Engelhart.
B. National Federation of Federal Employees.

A. John R. Englehorn.
B. Texasgulf, Inc.

A. Charles P. English.
B. Ideology Foundation, Inc.

A. Charles P. English.
B. National Motto Foundation, Inc.

A. Jerry N. Ervin.
B. Quintana Refinery Co.

A. David C. Evans.
B. Brick Institute of America.

A. Joseph O. Evans.

A. Robbie Exley.
B. National Federation of Federal Employees.

A. Far West Ski Association.

A. Arthur Fefferman.
B. American Council of Life Insurance, Inc.

A. C. Welles Fendrich.
B. Research-Cottrell.

A. John L. Festa.
B. American Paper Institute, Inc.

A. Bernard A. Feuerstein.
B. Delson & Gordon (for Mrs. Mia Le Comte, et al.).

A. H. Barney Firestone.
B. Assure Competitive Transportation, Inc.

A. First National Boston Corp.

A. Five Freedoms, Inc.

A. C. D. Fleet, Jr.
B. N. B. Hunt.

A. Aaron I. Fleischman.
B. Cablecom-General, Inc.

A. Aaron I. Fleischman.
B. Warner Cable Corp.

A. John S. Forsythe.
B. American Council of Life Insurance, Inc.

A. C. Allen Foster.
B. Safari Club International.

A. Joseph L. Fraites.
B. New York Coffee & Sugar Exchange.

A. Robert E. Freer, Jr.
B. Kimberly-Clark Corp.

A. Kenneth E. Frick.
B. Western Cotton Growers Association.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Cheyenne River Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Metlakatla Indian Community.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Nez Perce Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Rosebud Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Seneca Nation of Indians.

A. Edward W. Furia.
B. Citizen's Action Group.

A. Edward W. Furia.
B. New England Fish Co.

A. Gailor-Elias-Matz.
B. Maryland Savings Share Insurance Corp.

A. Gailor-Elias-Matz.
B. National Association of State Savings & Loan Supervisors.

A. Gailor-Elias-Matz.
B. North Carolina Guaranty Corp.

A. Gardner, Carton & Douglas.
B. Council of Industrial Boiler Owners.

A. Gardner, Carton & Douglas.
B. Howard Mobile Village.

A. Gardner, Carton & Douglas.
B. Elmer W. Kneip.

A. Gardner, Carton & Douglas.
B. Scaled Power Corp.

A. Edward A. Garmatz.
B. Baltimore Gas & Electric Co.

A. James J. Garry.
B. New York Coffee & Sugar Exchange.

A. Irving Geller.
B. National Federation of Federal Employees.

A. Morton A. Geller.
B. First National Bank of Boston.

A. George W. Gephart.
B. Baltimore Gas & Electric Co.

A. Donald H. Gerrish.
B. American Bakers Association.

A. William T. Gibb III.
B. American Council of Life Insurance, Inc.

A. William L. Gifford.
B. General Electric Co.

A. Arthur P. Gildea.
B. Brewery & Soft Drink Workers National Conference I.B.T.

A. Jonah Gitlitz.
B. American Advertising Federation, Inc.

A. John P. Gleason, Jr.
B. Brick Institute of America.

A. The Glenmede Trust Co.

A. Thos. G. Godfrey.
B. Kikkoman Foods, Inc.

A. Vance V. Goodfellow.
B. Crop Quality Council.

A. Bruce G. Goodman.
B. Damon Corp.

A. Carl F. Graham.
B. Amway Corp.

A. Samuel A. Grayson.
B. Union Pacific Raiload.

A. Great Atlantic & Pacific Tea Co.

A. Michael B. Green.
B. Montgomery Ward & Co., Inc.

A. Dale Greenwood.
B. Washington Railroad Association.

A. Roger F. Griffin.
B. Bechtel Power Corp.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. The Group.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. C. James Hackett.
B. American Plywood Association.

A. Martin Ryan Haley & Associates.
B. Agri-Business Inc.

A. Martin Ryan Haley & Associates.
B. Helicopter Association of America.

A. Martin Ryan Haley & Associates.
B. M & M/Mars.

A. David T. Hardy.
B. National Rifle Association.

A. Michael T. Harrigan.
B. U.S. Olympic Committee.

A. William C. Hart.
B. Columbia Gas System Service Corp.

A. Hartke & Brinsmade.

A. Robert S. Hartmann.
B. Hill & Knowlton, Inc.

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Allegheny Ludlum).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Can Manufacturers Institute).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Taiwan/Republic of China).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Tool & Stainless Steel Industry Committee).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for U.S. Fasteners Manufacturing Group).

A. Heavy Specialized Carriers Conference, Inc.

A. Clyde M. Heiner.
B. Mountain Fuel Supply Co.

A. Ross E. Heller.
B. National Telephone Cooperative Association.

A. John Helm.
B. National Federation of Federal Employees.

A. C. Dayle Henington.
B. Chicago Mercantile Exchange.

A. Donald A. Henriksen.
B. Atlantic Richfield Co.

A. Kevin M. Higgins.
B. Avon Products, Inc.

A. Robert L. Holding.
B. Association of Home Appliance Manufacturers.

A. Kelly Holley.
B. American Paper Institute, Inc.

A. Richard C. Holmquist.
B. American Mining Congress.

A. John W. Holton.
B. American Bankers Association.

A. Linwood Holton.
B. American Council of Life Insurance, Inc.

A. Gary Hong.
B. Group Health Association of America, Inc.

A. Douglass C. Horstman.
B. Maytag Co.

A. Douglass C. Horstman.
B. Northern Textile Association.

A. Thomas B. House.
B. American Frozen Food Institute.

A. David Emery Hughes.
B. Union Mutual Life Insurance Co.

A. Gary E. Hughes.
B. American Council of Life Insurance, Inc.

A. Craig R. Hume.
B. Hill & Knowlton, Inc.

A. Frederick D. Hunt, Jr.
B. American Academy of Actuaries.

A. Lawrence H. Hunt, Jr.
B. Heinold Commodities, Inc.

A. Peter C. Hunt.
B. The Brooklyn Union Gas Co.

A. John Edward Hurley.

A. John Edward Hurley.
B. National Association for Free Enterprise.

A. Robert R. Hurt.
B. Merck & Co., Inc.

A. Bernard J. Imming.
B. United Fresh Fruit & Vegetable Association.

A. Independent U.S. Tanker Owners' Committee.

A. Nancy J. Ingalsbee.
B. Far West Ski Association.

A. G. Conley Ingram.
B. Board of Trade Clearing Corp.

A. Mary Lee Jackson.
B. Rocky Mountain Oil & Gas Association.

A. E. A. Jaenke.
B. E. A. Jaenke & Associates.

A. James C. Jennings.
B. Hill & Knowlton, Inc.

A. H. Bradley Johnson.
B. American Mining Congress.

A. Spencer A. Johnson.
B. Paperboard Packaging Council.

A. James V. Jordan III.
B. Southern Natural Gas Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. James N. Juliana.
B. Braniff International.

A. Richard T. Kaplar.
B. Motor Vehicle Manufacturers Association.

A. Linda E. Katz.
B. Chicago-Rock Island Pacific R.R. Co.

A. Everett E. Kavanaugh.
B. Cosmetic, Toiletry & Fragrance Association, Inc.

A. Keck, Mahin & Cate.
B. Schwinn Bicycle Co.

A. Jefferson D. Keith.
B. National Pest Control Association.

A. Stephen G. Kellison.
B. American Academy of Actuaries.

A. Robert F. Kelly.
B. E. I. du Pont de Nemours & Co., Inc.

A. William T. Kendall.
B. Alliance for Free Enterprise.

A. Richard F. Kibben.
B. Business Roundtable.

A. Kikkoman Foods, Inc.

A. Edward H. King.
B. Walgreen Co.

A. Gibson Kingren.
B. Group Health Association of America, Inc.

A. Roger P. Kingsley.
B. American Speech-Language-Hearing Association.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Arthur E. Klauser.
B. Dow Corning Corp.

A. Richard P. Kleeman.
B. Association of American Publishers, Inc.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. Jeffrey W. Knight.
B. Friends of the Earth.

A. John C. Knott.
B. Burlington Northern, Inc.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Stephen W. Kraus.
B. American Council of Life Insurance, Inc.

A. L. Wayne Krug.
B. Union Oil Co. of California.

A. Anthony L. Kucera.
B. American Waterways Operators, Inc.

A. Kutak, Rock & Huie.
B. Old Stone Bank.

A. Labor Bureau of Middle West.

A. Thomas M. Landin.
B. SmithKline Corp.

A. Lawrence C. Laser.
B. Cities Service Co.

A. Glenn T. Lashley.
B. American Automobile Association.

A. Louis F. Laun.
B. American Paper Institute, Inc.

A. Richard A. Leahy.
B. Investment Council Association of America, Inc.

A. LeBoeuf, Lamb, Leiby & MacRae.
B. Neratoom, B. V.

A. Robert B. Leflar.
B. Health Research Group.

A. Robert Leibner.
B. American Frozen Food Institute.

A. Leighton, Conklin & Lemov.
B. Adhesive & Sealant Council, Inc.

A. Leighton, Conklin & Lemov.
B. Agri-International, Inc.

A. Leighton, Conklin & Lemov.
B. Alarm Industry Telecommunications Committee.

A. Leighton, Conklin & Lemov.
B. American Association of Nurse Anesthetists.

A. Leighton, Conklin & Lemov.
B. American Dental Assistants Association.

A. Leighton, Conklin & Lemov.
B. American Express Co.

A. Leighton, Conklin & Lemov.
B. American Telecom of Maryland, Inc.

A. Leighton, Conklin & Lemov.
B. City & Regional Magazine Association, Inc.

A. Leighton, Conklin & Lemov.
B. The Clorox Co.

A. Leighton, Conklin & Lemov.
B. Delex International, Inc.

A. Leighton, Conklin & Lemov.
B. Development Healthcare & Wellness, Inc.

A. Leighton, Conklin & Lemov.
B. Family Practice Life & Health Action Research Institute.

A. Leighton, Conklin & Lemov.
B. Gem Mailing, Inc.

A. Leighton, Conklin & Lemov.
B. Grocery Manufacturers of America, Inc.

A. Leighton, Conklin & Lemov.
B. Intraocular Lens Manaufacturers Association.

A. Leighton, Conklin & Lemov.
B. Jet America International, Inc.

A. Leighton, Conklin & Lemov.
B. National Cable Television Association, Inc.

A. Leighton, Conklin & Lemov.
B. National Glass Dealers Association.

A. Leighton, Conklin & Lemov.
B. National Macaroni Manufacturers Association.

A. Leighton, Conklin & Lemov.
B. Security Associates, Inc.

A. Leighton, Conklin & Lemov.
B. TRT Telecommunications Corp.

A. Leighton, Conklin & Lemov.
B. Turner Communications Corp.

A. Leighton, Conklin & Lemov.
B. Universal Medical Laboratories, Inc.

A. Leighton, Conklin & Lemov.
B. Whey Products Institute.

A. Gilbert LeKander.
B. Montana Power Co.

A. Gilbert LeKander.
B. Washington Water Power Co.

A. Richard L. Lesher.
B. Chamber of Commerce of the United States.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Consolidated Edison Co. of New York, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Electric Co., Gas Turbine Division.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. National Franchise Association Coalition.

A. John F. Lilliard III.
B. American Solar Energy Association, Inc.

A. John F. Lilliard III.
B. National Insulators Association.

A. Charles W. Lindeman.
B. Slurry Transport Association.

A. Zel Lipsen.
B. Westinghouse.

A. Theodore M. Littman.
B. Rockwell International.

A. Livestock Marketing Association.

A. Harold D. Loden.
B. American Seed Trade Association.

A. Nils A. Lofgren.

A. Robert C. Lower.
B. Rosenthal & Co.

A. James E. Lyons.
B. International Federal of Professional & Technical Engineers.

A. Douglas E. MacArthur.
B. Zantop International Airlines.

A. A. Everett MacIntyre.
B. Grocery Manufacturers of America.

A. Curtis T. Mackey.
B. National Insulation Contractors Association.

A. Lee G. Magnussen.
B. Heinold Commodities, Inc.

A. Lila M. Mallette.

A. Ronald N. Marcus.
B. National Committee for Automobile Crash Protection.

A. D. V. Maroney, Jr.
B. Amalgamated Transit Union.

A. Chalmers H. Marquis.
B. Agency for Instructional Television.

A. Mike M. Masaoka.
B. American Japanese Trade Committee.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. Paul J. Mason.
B. American Council of Life Insurance, Inc.

A. Richard D. Mathias.
B. Pacific Southwest Airlines.

A. C. V. & R. V. Maudin.
B. Georgia Power Co.

A. C. V. & R. V. Maudlin.
B. Joint Government Liaison Committee.

A. Mayer, Brown & Platt.
B. Nokota Co.

A. Douglas McAllister.
B. American Mining Congress.

A. William J. McAuliffe, Jr.
B. American Land Title Association.

A. Michael J. McCabe.
B. Allstate Enterprises, Inc.

A. Michael J. McCabe.
B. Allstate Insurance Cos.

A. John A. McCahill.
B. U.S. Olympic Committee.

A. A. R. McCammon.
B. Tennessee Railroad Association.

A. Robert S. McConnaughey.
B. American Council of Life Insurance, Inc.

A. Robert E. McCoy.
B. Exxon Corp.

A. Francis O. McDermott.
B. Balcor Co.

A. Francis O. McDermott.
B. First Chicago Corp.

A. Francis O. McDermott.
B. Iowa Beef Processors, Inc.

A. Francis O. McDermott.
B. JMB Realty Corp.

A. Francis O. McDermott.
B. Trans Union Corp.

A. Francis O. McDermott.
B. Trustees Under the Will of Warren Wright.

A. Marianne McDermott.
B. Hill & Knowlton, Inc.

A. Darryl D. McEwen.
B. Society of American Florists.

A. James M. McGarry, Jr.
B. Eaton Associates.

A. Ruth G. McGill.
B. Doctors for Equal Rights Amendment.

A. William F. McKenna.
B. Silver, Freedman, Housley & Taff.

A. Michael R. McLeod.
B. Florida Sugar Cane League.

A. Michael R. McLeod.
B. National Cattlemen's Association.

A. Gil Meisgeier.
B. National Franchise Association Coalition.

A. R. Otto Meletzke.
B. American Council of Life Insurance, Inc.

A. Milton E. Meyer, Jr.

A. Joy Midman.
B. National Association of Private Psychiatric Hospitals.

A. Luman G. Miller.
B. Oregon Railroad Association.

A. Paul J. Miller.
B. Sonnenschein, Carlin et al. (for Investment Counsel Association of America, Inc.).

A. R. Eric Miller.
B. Bechtel Corp.

A. David Louis Mintz.
B. Wometco Enterprises, Inc.

A. Charles W. Mitchell.
B. Wills & Associates, Inc. (for Americans for Alaska).

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. John Moller.
B. Motor Vehicle Manufacturers Association of the United States.

A. John S. Monagan.
B. Connecticut Bankers Association.

A. John C. Monsul.

A. April D. Moore.
B. National Consumers League.

A. Moore McCormack Resources, Inc.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Earl J. Morgan.
B. McDonnell Douglas Corp.

A. Victor G. Morris.
B. Montgomery Ward & Co., Inc.

A. George E. Morrow.
B. Martin, Tate, Morrow & Marston (for Briarcrest Baptist School System, Inc.).

A. Mountain Fuel Supply Co.

A. Roger Mozingo.
B. The Tobacco Institute.

A. Robert M. Mulligan.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Murdoch & Walsh.
B. The Group.

A. Paul J. Myer.
B. American Broadcasting Co.

A. Nassau, Beer, Boltz and Bennia.
B. City of Pontiac, Mich.

A. National Agricultural Chemicals Association.

A. National Alliance of Teenagers, Inc.

A. National Association for Free Enterprise.

A. National Association for Neighborhood Schools.

A. National Broiler Council.

A. National Council for a Responsible Firearms Policy, Inc.

A. National Small Business Index.

A. National Security Traders Association.

A. Nazario & Ortiz-Daliot.
B. Puerto Rico Mayors' Association.

A. Lloyd A. Nelson.
B. Fellowship Square Foundation, Inc.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co.

A. Milton E. Neshek.
B. Kikkoman Foods, Inc.

A. New England Petroleum Corp.

A. Victor L. Nutt.
B. Gulf & Western Industries, Inc.

A. George O'Bea, Jr.
B. United Paperworkers International Union.

A. Mary Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. John Nuveen & Co., Inc.

A. Leonard F. O'Connor.
B. The First National Bank of Boston.

A. Ashton J. O'Donnell.
B. Bechtel, Inc.

A. Van R. Olsen.
B. U.S. Beet Sugar Association.

A. Roy E. Olson.
B. American Paper Institute.

A. Paperboard Packaging Council.

A. Larry E. Paulick.
B. National Swimming Pool Institute.

A. Richard A. Paysor.
B. Chromalloy American Corp.

A. Peabody, Rivlin, Lambert & Meyers.
B. Michigan Knife Co.

A. Peabody, Rivlin, Lambert & Meyers.
B. Tuna Research Foundation.

A. Beth Peacock.
B. General Foods.

A. Pendleton & McLaughlin.
B. Canned and Cooked Meat Importer's Association.

A. Pepper, Hamilton & Scheetz.
B. Coalition of Concerned Charities.

A. Pepper, Hamilton & Scheetz.
B. The Glenmede Trust Co.

A. Victor J. Perini, Jr.
B. Highway Users Federation for Safety and Mobility.

A. Ilbert Phillips.
B. American Council of Life Insurance, Inc.

A. Stuart F. Pierson.
B. Pan Am, et al.

A. Pineapple Growers Association cf Hawaii.

A. Ronald L. Platt.
B. Burger King Corp.

A. E. Rogers Pleasants.
B. E. I. du Pont de Nemours & Co., Inc.

A. S. J. Poray-Tucholski.
B. Bermejo River Project Development Association.

A. Port of Seattle.

A. Positive Action Committee, Inc.

A. E. A. Potter.
B. NCR Corp.

A. Potter International.
B. Rohr Industries, Inc.

A. James B. Potter, Jr.
B. The American Waterways Operators, Inc.

A. Richard M. Powell.
B. International Association of Refrigerated Warehouses.

A. James T. Prendergast.
B. Staff Builders, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Kyukuyo Co., Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Moore McCormack Resources, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Port of Seattle.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Seatrain Lines, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. 13th Regional Corp.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Western Resources Alliance.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. United States Cruises.

A. Pro-Life Congressional District Action Committee IN-2.

A. Provident Indemnity Life Insurance Co.

A. Earle W. Putnam.
B. Amalgamated Transit Union.

A. William A. Quinlan.
B. Retail Bakers of America.

A. Quintana Refinery Co.

A. Clifford H. Raber.
B. McDonald's Corp.

A. Leidy R. Reel.
B. Disabled Officers Association.

A. Paul Reiber.
B. International Air Leases, Inc.

A. Charlotte T. Reid.
B. Motorola.

A. Harry O. Reinsch.
B. Bechtel Power Corp.

A. Murray P. Reiser.
B. Edward Blankstein, Inc.

A. W. W. Renfroe.
B. Kentucky Railroad Association.

A. M. Lee Rice.
B. Ogden Corp.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. Russell W. Richardson.
B. Lear Siegler, Inc.

A. Cary Ridder.
B. Environmental Policy Center.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Jerome Robinson.
B. Florida Restaurant Association.

A. Robinson, Silverman, Pearce, Aronsohn & Berman.
B. National Realty Committee, Inc.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. F & M Schaefer Corp.

A. Rogers & Wells.
B. Overseas Shipholding Group, Inc.

A. Rogers & Wells.
B. Tax Equity for Americans Abroad.

A. Rogers & Wells.
B. Teachers Insurance and Annuity Association.

A. Rogers & Wells.
B. Twentieth Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. David N. Rose.
B. Mountain Fuel Supply Co.

A. Harry N. Rosenfield.
B. American Chiropractic Association.

A. John Rowland.
B. Amalgamated Transit Union.

A. Perry A. Russ.
B. Society of American Florists & Ornamental Horticulturalists.

A. John F. Ryan.
B. International Telephone & Telegraph Corp.

A Carl K. Sadler.
B. American Federation of Government Employees.

A. Frank Max Salinger.
B. Truck Trailer Manufacturers Association.

A. Schanes Associates.
B. National Employee Benefits Institute.

A. Steven M Schanes.
B. National Employee Benefits Institute.

A. Lauren Kim Schryver.
B. American Paper Institute, Inc.

A. Seatrain Lines, Inc.

A. Ronald C. Seeley.
B. Claimants to the Bert N. Adams Claim.

A. Sadie E Seeley.
B. National Federation of Federal Employees.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Dresser Industries, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Trans-Union Corp.

A. Dean E. Sharp.
B. Indpendent Health Insurance Institute, Inc.

A. Shaw, Pittman, Potts & Trowbridge.
B. Institute of Foreign Bankers.

A. Shea, Gould, Climenko & Casey.
B. New Zealand Wool Board.

A. Shea, Gould, Climenko & Casey
B. Occidental Petroleum Corp.

A. Michael S. Sher.
B. National Alliance of Teenagers, Inc.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Association, Inc.

A. J. K. Shiver.
B. Diamond Shamrock Corp.

A. Mary Frances Shlagel.
B. Union Oil Co. of California.

A. A. Z. Shows & Co.

A. Karen Sikkema.
B. Union Oil Co. of California.

A. Silver, Freedman, Housley & Taff.

A. Robert C. Singer.
B. The Soap & Detergent Association.

A. Richard L. Sinnott & Co.
B. Citizens for Management of Alaska Lands.

A. G. Bernard Siebos.
B. United Airlines.

A. Gordon L. Smith.
B. Hill and Knowlton, Inc. (for Florists Transworld Delivery Association).

A. Robert Wm. Smith.
B. Railway Progress Institute.

A. William H. Smith.
B. American Bankers Association.

A. Snyder & Ball Associates, Inc.
B. Aerojet-General Corp.

A. Snyder & Ball Associates, Inc.
B. Gould, Inc.

A. Carl A. Soderblom.
B. Nevada Railroad Association.

A. Sonosky, Chambers & Sachse.
B. Sioux Nation.

A. South Dakota Railroads Association.

A. Larry M. Speakes.
B. Hill and Knowlton, Inc.

A. Philip J. Spear.
B. National Pest Control Association.

A. John F. Speer, Jr.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. William C. Spence.
B. Columbia Gulf Transmission Co.

A. Staff Builders, Inc.

A. Walter M. Starke.
B. Southern Natural Gas Co.

A. State & Federal Associates, Inc.
B. National Association of Convenience Stores.

A. State & Federal Associates, Inc.
B. Potato Chip/Snack Food Association.

A. Roy N. Staten.
B. Bethlehem Steel Corp.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Samuel E. Stavisky.
B. Samuel E. Stavisky & Associates, Inc. (for Broadcast Music, Inc.).

A. Leon P. Stavrou.
B. American Hellenic Institute Public Affairs Committee.

A. Randolph J. Stayin.
B. Taft, Stettinius & Hollister (for American Hospital Association).

A. David J. Steinberg.
B. National Council for a Responsible Firearms Policy.

A. Arthur R. Stewart.
B. Great Western Sugar Co.

A. Edward W. Stimpson.
B. General Aviation Manufacturers Association, Inc.

A. Richard Boyle Storey.
B. International Military Club Executives Association.

A. O. R. Strackbein.
B. International Allied Printing Trades Association.

A. John H. Stroh.
B. Taylor Group, Inc.

A. Roger J. Stroh.
B. United Fresh Fruit & Vegetable Association.

A. Robert B. Stulberg.
B. Health Research Group.

A. Sullivan & Cromwell.
B. INCO, Ltd.

A. Daniel C. Sullivan.
B. Assure Competitive Transportation, Inc.

A. Mark B. Sullivan.
B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Committee).

A. Sutin, Thayer & Browne.
B. Office of the Attorney General, State of New Mexico.

A. John R. Sweeney.
B. Bethlehem Steel Corp.

A. R. A. Swindell.
B. North Carolina Railroad Association.

A. Tanaka, Walders & Ritger.
B. Electronic Industries Association of Japan.

A. Clayton C. Taylor.
B. McDonald's Corp.

A. Frank A. Taylor.

A. Harvey M. Tettlebaum.

A. Texas Students For Political Activity.

A. 3d Congressional District Pro-Life Action Committee (Ala.).

A. John W. Thomas.
B. American Veterinary Medical Association.

A. John W. Thomas.
B. Association of American Veterinary Medical Colleges.

A. Robert Thomas.
B. National Association of Private Psychiatric Hospitals.

A. Paul J. Tierney.
B. Transportation Association of America.

A. Charles R. Titus.
B. Society of the Plastics Industry.

A. Thomas J. Touhey.
B. A.R.F. Products, Inc.

A. Jay Charles Townley.
B. Schwinn Bicycle Co.

A. Transportation Association of America.

A. Philip J. Tulimieri, Jr.
B. Avon Products, Inc.

A. 23d Pro-Life Congressional District Action Committee (PA).

A. Stewart L. Udall.
B. The Alaska Federation of Natives, Inc.

A. Stewart L. Udall.
B. Aloha Natives Association, Inc.

A. Stewart L. Udall.
B. Foothills Pipe Lines (Yukon), Ltd.

A. H. Stewart Van Scoyoc.
B. E. I. du Pont de Nemours & Co., Inc.

A. Jerry T. Verkler.
B. Texas Eastern Transmission Corp.

A. C. John Vermilye.
B. United States Steel Corp.

A. Verner, Liipfert, Berhard & McPherson.
B. Hellenic Republic of Greece.

A. R. Eric Vige'.
B. Cities Service Co.

A. Ellen Vollinger.
B. Full Employment Action Council.

A. Ethan J. Wagner.
B. Rockwell International.

A. Ethan J. Wagner.
B. Southwest Flight Crew Association.

A. Herbert R. Waite.
B. First National Boston Corp.

A. Wald, Harkrader & Ross.
B. Chemtex Fibers. Inc.

A. Elaine Nogay Walker.
B. Can Manufacturers Institute.

A. Linda Walker-Hill.
B. Hill & Knowlton, Inc.

A. Warren W. Walkley.
B. General Electric Co.

A. Donald L. Wallace, Jr.
B. American Textile Machinery Association.

A. Donald L. Wallace, Jr.
B. Delta & Pine Land Co. of Mississippi.

A. Donald L. Wallace, Jr.
B. Diversion Communications, Inc.

A. Donald L. Wallace, Jr.
B. ML Barge Management Corp.

A. Raymond C. Wallace.
B. Amalgamated Transit Union.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. James Wanko.
B. Society of American Florists.

A. Alan S. Ward.
B. Baker & Hostetler (for the Soap & Detergent Association).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Dominica).

A. George B. Watts.
B. National Broiler Council.

A. Webster & Chamberlain.
B. National Club Association.

A. Webster & Chamberlain.
B. National Sporting Goods Association.

A. Morton N. Weiss.
B. National Security Traders Association.

A. Elizabeth S. Weltner.
B. Hill and Knowlton.

A. Thomas F. Wenning.
B. National Association of Retail Grocers of the United States.

A. Thomas F. Wenning.
B. National Food Brokers Association.

A. Phyllis G. West.
B. National Organization for Women.

A. Louis M. Whitlock.
B. Beker Industries Corp.

A. Richard J. Wiechmann.
B. American Paper Institute, Inc.

A. Robert E. Williams.
B. United Airlines.

A. Allen W. Wills.
B. Memorex Corp.

A. George S. Wills.
B. Wills & Associates, Inc (for Americans for Alaska).

A. Wilmer, Cutler & Pickering.
B. Dealer Bank Association.

A. Wilmer, Cutler & Pickering.
B. Morgan Guaranty Trust Co.

A. Wilmer, Cutler & Pickering.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Wilmer, Cutler & Pickering.
B. National Corporation for Housing Partnerships.

A. Wilner & Scheiner.
B. Motion Picture Association of America, Inc.

A. Dorothy Roth Wilson.
B. Coalition for Concerned Charities.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Curtin Winsor, Jr.
B. Alliance for Free Enterprise.

A. Richard F. Witherall.
B. Colorado Railroad Association.

A. Glenn P. Witte.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.

A. Sidney M. Wolfe.
B. Health Research Group.

A. Steven M. Worth.
B. Hill & Knowlton, Inc.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Bristol Bay Native Corp.

A. Wyman, Bautzer, Rothman & Kuchel.
B. California Canners & Growers.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Eklutna, Inc.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Petersen Publishing Co.

A. Edison R. Zayas.
B. National Federation of Independent Business.

A. Barry Zorthian.
B. Time, Inc.

A. Carl E. Zwisler III.
B. International Franchise Association.

EXTENSIONS OF REMARKS

A DEPARTMENT OF EDUCATION? THE FACTS SAY "NO"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, Phi Delta Kappa magazine, September 1979, reports some findings from "The Condition of Education: 1979 Edition," the annual report of the National Center for Education Statistics. According to this survey, public confidence in the people who run the Nation's schools is the lowest in 6 years; 64 percent of 17-year-olds devote less than 5 hours to homework each week; current expenditures of public school systems have more than tripled since 1957, even when adjusted for inflation.

A recent interview with the head of the National Education Association (NEA) suggests that the decline in American education is now in its critical stage. Teachers are quitting because of classroom violence and public apathy, states William H. McGuire, president of NEA.

U.S. News and World Report, in its September 10, 1979, issue, reports calls to upgrade education are reaching a fever pitch reflecting wide discontent—and promising change in America's classrooms.

The proposed Department of Education will not solve any of the problems that have brought about this discontent. In fact the opposite is true: It is precisely the kind of Federal bureaucratic interference represented by the Department of Education that has contributed to the decline of the public school system. The best thing that could happen for American children is for the Department of Education to be forgotten.

At this time I wish to insert in the RECORD "Condition of Education: 1979 Reports Significant Trends" as published in Phi Delta Kappa, September 1979; "Classroom Violence and Public Apathy: Two Reasons Why Teachers Are Quitting in Droves," from People Magazine, September 10, 1979; and "Give Us Better Schools," U.S. News and World Report, September 10, 1979.

The articles follow:

CONDITION OF EDUCATION: 1979 REPORTS SIGNIFICANT TRENDS

What's the condition of education in 1979? The Condition of Education: 1979 Edition, the annual report of the National Center for Education Statistics, offers the best answer available in one volume.

This year's effort, continuing the same high quality of the series since its inception several years ago, reports that:

Public confidence in the people who run the nation's education system has fallen to its lowest point in six years. Only 28 percent said they had "a great deal of confidence" in 1978. It was 37 percent in 1973 and 49 percent in 1974. The percentage who had "hardly any confidence" increased sharply—from 9 percent in 1977 to 15 percent in 1978.

The average salary for classroom teachers was $14,995 in 1977, and the projected salary for 1979 was $15,575 (in 1977 dollars).

Parents overwhelmingly respond negatively when asked about the effect of the one-parent family on the education of children. Sixty-three percent see single parenthood as adversely affecting education.

The percentage of children living with both parents has declined among both whites and blacks since 1960. In 1977, 53 percent of black children and 15 percent of white children were living with only one parent.

Since 1969 college graduates have faced increased competition for higher-status white-collar employment. Less than half of the college graduates who joined the labor force between 1969 and 1976 entered professional or technical work.

Sixty-four percent of 17-year-olds devote less than five hours to homework each week.

Since 1950 the percent of youth enrolled in school has increased, and the proportion enrolled in grades lower than normal for their age has decreased sharply. In 1950, 26 percent of 15-year-olds were enrolled in lower-than-normal grades; in 1976 the figure was only 9 percent, showing that social promotions are much more common now.

More than two-thirds of the public believe examinations should be used to determine grade promotion.

Of the 36 states developing minimum competency tests, less than half plan to use the examinations as a requirement for high school graduation.

College graduates earn at least 30 percent more annually than high school graduates with no college experience. Ten years ago, however, college graduates earned 50 percent more.

Fifty-one percent of the public believed in 1978 that too little is spent on education and health and too much on welfare and foreign aid/defense.

Since 1942 state and federal shares of public school revenues have been increasing, while the local share has decreased by almost 20 percent.

The percent of successful school bond elections increased to 55 in 1977, up from only 46 percent in 1975. In 1967, however, the success rate was 68 percent. The number of elections decreased from 1,625 in 1967 to 858 in 1977, and the total value of the issues approved decreased from $2.1 billion in 1967 to $1.3 billion in 1977.

Current expenditures of public school systems have more than tripled since 1957, even when adjusted for inflation.

Median per-pupil expenditure in the nation in 1977 was $1,278. Highest-spending states: Alaska, $8,049; Wyoming, $1,601; New York, $1.591. Lowest-spending states: Tennessee, $766; Kentucky, $821; South Carolina, $833; Mississippi, $840.

Single copies of the report are available without charge from the Publications Division of NCES. Phone 202/245–8511. For more than one copy, order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, and ask for stock number 017–080–02008–4. You may send a check or be billed. Price: $7 per copy.

CLASSROOM VIOLENCE AND PUBLIC APATHY: TWO REASONS WHY TEACHERS ARE QUITTING IN DROVES

As Willard H. McGuire took over as president of the 1.8 million-member National Education Association last week, teachers were out picketing for better pay and benefits in eight states. It was not an auspicious beginning for the school year. McGuire, a 51-year-old junior high algebra and Spanish teacher from Long Prairie, Minn. (and for the past five years vice-president of the NEA), enjoyed hearing from old friend Fritz Mondale: "Finally a vice-president from Minnesota has become a president!" Aside from that moment of levity, McGuire foresaw many problems in the nation's school system, caused by plummeting teacher morale. He knows the problems first-hand. Born the son of a shoe repairman he was high school class valedictorian, graduated from Macalester College in St. Paul and got an M.Ed. before putting in 24 years in the classroom.

"I didn't win any student polls,," he admits, "but early on they dedicated a yearbook to me." In the 1950s concern for working conditions and quality education made him an activist in the local teachers' association ("I guess I wanted to have a hand in my destiny"). Now on leave from his school district, McGuire lives in Arlington, Va. with wife Helen, 50, a high school sweetheart, and daughter Lynn, 17. There he discussed with Barbara Rowes of PEOPLE the growing malady of "teacher burn-out," a problem he believes "threatens to reach hurricane force if it isn't checked soon."

What is "teacher burn-out"?

I'm talking about the stress, tension and anxiety which is driving teachers out of the field. A third of them, according to an NEA survey, would not enter teaching if they were starting their careers again.

What causes such widespread teacher dissatisfaction?

Thousands are in desperate need of help. They can't sleep, often feel depressed and are physically run-down. Basically the problems stem from teachers' not knowing how to cope with violence, vandalism, disruptive students, inadequate salaries, involuntary transfers, oversized classes, excessive paperwork, standardized tests and the lack of support from school administrators and community groups.

How serious is student violence?

More than 110,000 teachers—or one in 20—were physically attacked by students last year. Only half the teachers who reported attacks against them were satisfied with support from administrators, many of whom refuse to report violent incidents for fear of tarnishing the school's reputation.

How does this differ from classroom mischief of the past?

Pranks have been part and parcel of the school scene for centuries. But today we're dealing with hard crime: assaults, murders, robberies, extortion and rampant vandalism. Some teachers have begun to evidence psychological symptoms similar to "combat neurosis." Often they face real danger. A dramatic example of this took place in Austin, Texas. A bright 14-year-old student came to school with a rifle and shot one of his teachers to death in front of his horrified classmates. The boy is now in a mental institution.

How has the nature of school vandalism changed?

A generation ago a window might accidentally get broken during a ball game. But today school authorities often return one morning to find literally hundreds of windows broken. This is high-cost destruction. In addition, more than 25 percent of the teachers in this country suffered damage to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

or loss of personal property in their schools during the year.

In general, how are relations between students and teachers?

In the past there was almost an unquestioning attitude on the part of the students. When I was growing up in Minnesota, there was a healthy respect for education and educators. Education was the foundation of our republic, the key to upward mobility. The teacher was right. The school was right. That probably was going too far, but today that respect is dying or already dead. As many as 75 percent of teachers now say that discipline is their No. 1 problem.

Why is there a decline in authority?

Virtually all institutions are being questioned by the public. Schools are of course not immune. They have been the subjects of the same criticism and lack of trust. And students, who are raised in this environment, pick up on this. The genesis of all of it is frustation, frustration at school, frustration with life and society. It can find expression in lighting a fire in a wastepaper basket or stealing expensive equipment from the classroom.

How do most students react when a confrontation occurs?

A decade ago peer pressure was always on the side of the teacher when a disruption broke out in the classroom. Today that peer pressure has shifted to the side of the disruptive student.

Is violence largely the problem of inner-city schools?

No. That's an important point. The blackboard jungle of the 1950s is everywhere in the 1970s—rural, suburban, urban, even in the highest-income communities. Last Christmas vacation, in fact, it happened right here in Fairfax County when two students and a recent grad set fire to a high school, causing $4.5 million worth of damage. Even after they were released on bond, one of them was involved in a second incident. At night, he and some others spun their car wheels on the assistant principal's lawn and did other damage to his property. This was in one of the better school districts in this country!

How are teachers coping with drugs in the schools?

There is no pat way to handle it. Not only is the teacher unsure about what to do, but society in general is unsure. Experimentation with marijuana often begins in grades four, five and six. The difficulty is that the teacher has to make very quick judgments about what to do when she smells students smoking marijuana in the bathroom or the hallways. It would be deceptively easy to believe that all the teacher has to do is remove those students who are high. Each school employee along the line has a problem. The principal has a problem, because he or she needs support from the community and law enforcement and perhaps isn't getting it. What we find is a new ball game, where the various players don't know what the others are going to do. That leads to a very uneasy situation.

What is different about this generation of students?

A generation ago we had a high dropout rate in high schools—only 50 percent of students stayed in through the age of 17. Now we have a retention rate of at least 85 percent—and in many cases better than that. This means that problem students who previously dropped out are now being kept in school. In general, I do believe this benefits society in the long run, but in the short run the size of classes has increased, giving the teacher less time to interact with the students.

Why are thousands deserting the public schools, like the former Florida "Teacher of the Year" who is quitting in frustration after 18 years?

Any ill that society discovers, it now turns over to the schools. In addition to teaching students to read, write and do arithmetic computations, there have been increasing pressures to meet other needs—driver training, family education, vocational guidance, life adjustment, drug education, needs of the handicapped. The burden of filling out forms and other paperwork falls on the classroom teacher, who now has to meet deadlines for local, state and national records as well as prepare lessons and teach. Many teachers think it's just not worth it, and are looking for other ways to earn a living.

Is job security a problem?

There were heavy layoffs in the early 1970s. Today the greatest insecurities arise around tax cut legislation. As late as last month, some teachers didn't know if they had a job for this school year. In many cases they resigned rather than wait around until the last minute.

Have salaries improved?

The high point in real income for teachers was 1969–71. From the time of the 1971 wage-price freeze, teachers have been losing ground. In at least eight states we actually have teachers on food stamps. Teachers have even had to buy their own supplies and paper for the classroom.

How can we rehabilitate the profession?

First we must admit we have a problem. That is the most difficult part—getting the community to acknowledge the problems of violence, vandalism, teacher stress and now burn-out.

What is the NEA specifically doing to improve the situation?

We had such an overwhelming demand from teachers for instruction about discipline that we have started discipline workshops throughout the country. We have even prepared a "discipline kit" to sensitize the communities to the problems in the schools. These are being sent out to all of our nearly 10,000 local associations. In Colorado, a new law requests administrators to report attacks on teachers to law enforcement agencies. That state also is planning a hot line so teachers can get immediate counseling—something we'd like to see done across the country.

Does teaching have a future?

We have a sense of mission which I did not detect some years ago. I am very optimistic that there will be a tomorrow.

KIDS, TEACHERS AND PARENTS: "GIVE US BETTER SCHOOLS"

Calls to upgrade education are reaching fever pitch, reflecting wide discontent—and promising change in America's classrooms.

Shocked by the deterioration of U.S. schools, millions of Americans are demanding rapid improvement in every aspect of education as a new term opens.

The taxpaying public, its nerves rubbed raw by the steep decline in educational standards during the last decade, is suddenly belligerent—no longer willing to support lax school performance.

The message is clear: Americans want the 46 million students enrolling this fall to get better value in return for a record 80 billion dollars in public-school funds budgeted for 1979–80.

Parents are demanding a wide range of changes—from tests of teacher competency to better textbooks.

Teachers want more discipline in the many schools where young vandals and thugs run riot. They also seek higher salaries for their efforts.

Students are calling for more-effective courses to equip them better for jobs and colleges.

Because of these demands, changes already are under way. "Alternative schools," catering to the special needs of individual students, are on the rise. Private schools where traditional values predominate are increasingly popular. Parents are assuming more power in school affairs.

Many taxpayers are particularly worried about deteriorating academic quality among students and teachers alike, turmoil over busing for racial balance and teacher militancy that is showing up in strikes from Pennsylvania to Oklahoma.

There is also uncertainty about the prospect of a new federal department of education and the impact of tight budgets and declining enrollments.

TURNING POINT

Most educators agree that by any measure this will be a pivotal year for American education. Observes Virginia Sparling of Bellevue, Wash., newly installed president of the National PTA: "U.S. schools educate more people to a higher level than any other nation, but they face compelling problems that must be solved if free public education is to survive."

Ernest L. Boyer, who recently stepped down as U.S. commissioner of education, notes that 25 percent of students leave high school before graduation, a dropout rate he calls "a national disgrace." He adds:

"The mood in many schools is one of hostility. Students sense a great gap between their own goals and the goals of the institution. Much of what is taught in school is relevant—but much is not."

Teachers, too, complain that the climate in many schools is not designed for learning. One fifth of all senior high schools report five or more crimes each month. Eleven percent of junior-high and high-school students have something stolen every month.

Leaders of teacher groups complain of "teacher burnout" under such conditions. Thousands of teachers, particularly those with long service, are leaving the field because of the excessive mental and physical stresses imposed by today's classrooms.

"Violence and vandalism are problems that were not there 20 years ago," says Willard H. McGuire, president of the National Education Association. So disgruntled were teachers last school year that they called 160 strikes and walkouts, closing schools for millions.

FALLING SCORES

Most disheartening to many is the falloff in achievement levels. Since 1965, Scholastic Aptitude Test scores have declined steadily, dropping roughly 11 percent nationally for an average student. An estimated 13 percent of all high-school graduates are functional illiterates—unable to read and write well enough to get along. Some book publishers have revised high-school texts to the sixth-grade level of comprehension.

Efforts to set up competency standards for students—an idea designed to raise academic bench marks—now are being cited as reducing academic performance. Contends John C. Sawhill, president of New York University: "In their attempt to correct social inequities, schools are often setting standards as low as to be meaningless and even detrimental."

Sawhill and others believe that schools have been asked to do too much to solve the nation's social problems. They note that the long-sought goal of equality of educational opportunity is now within reach for all—the handicapped, the culturally and economically disadvantaged, racial minorities and women. However, educators also suggest that these gains in access may have been bought at the price of quality for all.

Increasingly, middle-aged parents are reacting to such changes by putting their children in private or select public schools. or by turning to low-cost denominational schools.

The result, asserts Milton Bins of the Council of Great City Schools, is a "stratified school society" in which urban schools are populated by the poorest and most deprived students. In nearly all major cities, black, Hispanic and other minority students comprise more than 60 percent of the total public-school enrollment.

Many educators agree that financial problems are at the heart of most problems in the classrooms. As the chart on page 31 shows, there are fewer and fewer students to teach, yet built-in instructional costs allow no letup in the rise of school budgets.

Explains Boyer: "If you have 35 children in first grade this year, and only 29 children next fall, you still need a teacher, you need to heat the classroom, you need the same equipment."

TAX RESENTMENTS

That does not appease today's antispending, antigovernment public, particularly in states with tax-limitation proposals.

Local property taxes—for decades the chief support of public schools—are the least fair and most hated form of tax, say advocates of Proposition 13-type proposals. They also note that property-poor areas must tax themselves at a higher rate to generate the same tax dollars as their property-rich neighbors.

Moreover, declining birth rates mean more childless families with little direct stake in schools, thus adding to taxpayer resentment—and a tendency, in many areas, to fight school taxes.

Efforts to reform school finances to equalize per-pupil spending have only shifted the burden away from local levels to the states, officials point out.

In California, the state's share of school costs has jumped to 80 percent from 46 percent two years ago—partly the result of the Proposition 13 vote.

Now California may lead the way in a voucher plan known as "Family Choice." The proposed voucher system would make scholarships equal to 90 percent of tuition available to every student and applicable at either a public or private school. The question is likely to be voted on next June.

Public-school administrators shudder at the idea, and teacher groups contend that vouchers would signal the death of public education. Proponents assert that competition would improve public schools and student choices.

AID OUTLOOK

Will the federal government come to the aid of local schools that are financially oppressed? Few officials expect a massive increase in federal funding, but they do look for more funding for specific programs—such as basic-skills development, bilingual education and aid to the handicapped.

Legislation creating a federal education department is not expected to be enacted until October, and even then the vote in Congress will be close. If approved, the department may not be organized until March.

Despite rising public disgruntlement with schools, there is some cause for optimism. Parents are taking a more active role in education, challenging school-board policies, teacher competency and budget priorities.

Another hopeful sign is that attention is being given in many school systems to courses tailored to individuals. Alternative schools have brought a wider range of educational options to students in thousands of public-school district around the country.

Many educators also are convinced that the decline in achievement may be ebbing. Test scores have bottomed out in the last two years, and may be poised for a jump upward.

Elementary-grade children are doing better than children of comparable age did in the mid-1960s. Reading and math scores among junior-high-school students have crept upward in recent assessments.

Mary Berry, U.S. assistant secretary for education, says more families are aware that education is a shared enterprise between home and school. "If we do not discipline kids at home, they cannot be disciplined in school. Learning cannot take place without discipline," she says.

Teachers, defending their record, also point out that American education succeeds far better than school systems in most other nations. From infancy, Americans have learning opportunities rarely available elsewhere.

Educators realize, however, that schools are now on notice as never before to improve, and that this will be a crucial year in deciding whether they will succeed, or merely survive.●

FELLOWSHIP OF CHRISTIAN ATHLETES BRINGS PRO GOLF TOUR TO FAIRFAX

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HARRIS. Mr. Speaker, normally a professional golf tournament is not the type of activity that deserves recognition on the floor of the House. But there is a very special golf tournament scheduled for Monday, September 10, at the Country Club of Fairfax, in the district which I represent, which I believe deserves special recognition. The tournament is being held on behalf of the Fellowship of Christian Athletes which works with some 22,000 young people around the country teaching them athletics and the value of living in a Christian manner.

The organization sponsors summer camps throughout the country and has chapters in many of our Nation's schools and colleges. Thousands of professional athletes donate their time to this organization, including Dallas Cowboy's quarterback Roger Staubach, Miami Dolphin's quarterback Bob Griese, and former Baltimore Oriole's baseball great, Brooks Robinson.

Mr. Speaker, I am extremely proud that this organization has decided to hold its first national Pro-Am tournament in this area. And the Country Club of Fairfax is to be commended for donating the club's facilities for the tournament. I would especially like to commend the hundreds of members of the club for performing voluntary services to help run the tournament.

Some 30 of the top names of the Pro Golf Association will take part in Monday's tournament and many of them have donated their services. The pros will be headed by Larry Nelson who is No. 2 on the PGA money winning list this year. Among other pro competitors will be Andy Bean, Gil Morgan, J. C. Snead, Leonard Thompson, Curtis Strange, Gibby Gilbert, Wayne Levi and two outstanding golfers from this area, Lee Elder from Washington and Jim Thorpe from Falls Church.

The tournament has special congressional significance because the gentleman from New York (Mr. KEMP) who is a member of the Fellowship of Christian Athletes will be the featured banquet speaker.

Mr. Speaker, this will be an outstanding golf tournament and I can recommend it highly to anyone who wants to see good golf and at the same time help thousands of kids throughout the country.●

MR. C. R. SMITH EXHIBIT AT UNIVERSITY OF TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. PICKLE. Mr. Speaker, many of my colleagues who served in the House during the late 1960's, along with the Members familiar with the history of aviation, are familiar with Mr. C. R. Smith.

Mr. Smith headed American Airlines for several years and served as Secretary of Commerce in 1968–69. He has been considered a leader and a pioneer in the aviation field. C. R. Smith is a distinguished alumnus of the University of Texas at Austin. In his honor, the university has recently opened an exhibit of his memorabilia.

Now living in Washington, C. R. Smith is enjoying retirement, after a long and distinguished career in aviation, business, and government service. The attached news release from the University of Texas mentions the exhibit and reviews the career of this fine American:

NEWS RELEASE FROM THE UNIVERSITY OF TEXAS

AUSTIN, TEX.—The University of Texas has placed on permanent exhibit some of the notable awards and other memorabilia marking the career of C. R. Smith, a UT alumnus who is considered to be a legend in the development of U.S. commercial and military air transportation.

The materials are housed in a special alcove of the Reserve Reading Room (2.500) of UT's main library, the Perry-Castaneda Library.

Mr. Smith headed American Airlines for many years, was deputy commander of the U.S. Army Air Force's worldwide Air Transport Command in World War II and served as President Lyndon B. Johnson's Secretary of Commerce in 1968–69.

Now retired, he makes his home in Washington, D.C. He attended the University from 1921 through 1924 and was named a "distinguished alumnus" by the UT Ex-Students' Association in 1963.

Among mementos in the new UT display are trophies, medals, citations, photographs and other materials attesting to Mr. Smith's accomplishments in civil and military aviation, business and government.

Included are the 1970 Wright Brothers Memorial Trophy, given by the National Aeronautic Association "for significant public service of enduring value to aviation in the U.S.;" the 1977 Daniel Guggenheim Medal "for great achievement in aeronautics;" the 1961 General William E. Mitchell Award; the 1974 Aviation Hall of Fame citation; the 1976 Hall of Fame for Business Leadership citation given by the editors of Fortune magazine, and an array of military decorations including the U.S. Army Air Force's Distinguished Service Medal, Legion of Merit and Air Medal, and, from Great Britain, the Honorary Commander, Order of the British Empire.

The UT ex-student also is shown in photographs with three U.S. Presidents—with Franklin D. Roosevelt during a conference in Hawaii, with John F. Kennedy at a rededication ceremony of Chicago's O'Hare Field and with Lyndon B. Johnson when Mr. Smith was sworn in as Commerce Secretary.

His first pilot's license is on view, as well as his membership certificate in the Hump Pilots Association, which was made up of World War II air transport pilots who flew over the Himalayan "hump" to provide defense supplies to China.

On many occasions Mr. Smith has been a benefactor of his alma mater. He has donated many volumes of Western Americana to the University library. The University also is the repository of the C. R. Smith Collection of Western Art, a valued collection numbering about 80 paintings, drawings, sculptures and reproductions by some of the most noted artists of the American West.

Seven works from the Smith art collection will be shown in the Perry-Castaneda Library on the wall adjoining the alcove where his memorabilia is exhibited.

The UT Art Museum plans to place the Smith art collection on permanent exhibit this fall on the second level of the Michener Gallery (located in the Harry Ransom Center at 21st and Guadalupe).●

THIRD ANNUAL DAVE BARBER CELEBRITY GOLF TOURNAMENT FOR DIABETES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased and proud to draw the attention of my colleagues in the Congress to an event being held on September 9 in Flint, Mich., which is a growing and significant benefit for diabetics in the Seventh Congressional District. The event is the Third Annual Dave Barber Celebrity Golf Tournament for Diabetes, and it will be held in conjunction with a banquet at the Flint Elks Club golf course. The money raised by the tournament is retained in the community to fight the disease of diabetes there by the Michigan affiliate chapter in Flint of the American Diabetes Association.

The tournament was founded 2 years ago by Dave Barber, a popular and well-known radio personality with Flint radio station WTRX. Through Mr. Barber's imagination, hard work, and strong commitment to public service, the golf tournament has grown this year to become one of the largest and most successful benefits of its kind in Michigan. Participating this year will be 15 touring professional golfers, who will compete for prize money in a special professional division, as well as about 275 amateur golfers of varying abilities and backgrounds who all share a desire to assist in raising money to fight diabetes. More than 500 patrons are expected for the 6-hour banquet.

Dave Barber is to be highly commended for the great contributions derived from his golf tournament in raising money and in increasing public awareness of the danger and prevalence of diabetes. The disease is the third major killer in the Nation. It is estimated that there are 23,000 diabetics, detected and undetected, living in the Seventh Congressional District. Mr. Barber's assistance in the fight against this disease in the Flint area is of inestimable value.●

NEW YORK TIMES SERIES ON VIETNAM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ROSENTHAL. Mr. Speaker, as one who recently returned from a study mission to Vietnam, I read with great interest a series of articles about that country by Seymour M. Hersh of the New York Times.

In these articles he shared the insights and observations of one of our country's finest reporters. The result is a series of dispatches that should be read by all Members of this House.

The first three in his series appeared in yesterday's RECORD and today I am inserting the remaining reports. I commend them to the attention of all our colleagues:

[From The New York Times, Aug. 10, 1979]

BLACK MARKET MAKES HO CHI MINH CITY RUN

(By Seymour M. Hersh)

WASHINGTON.—Four years after the Communist victory, Ho Chi Minh City, renamed for the father of the Vietnamese revolution, has emerged as one of the black market capitals of Southeast Asia.

During a three-day visit to Ho Chi Minh City last week, it seemed clear that the Government of Vietnam is unchallenged otherwise in its control of the life of the city, whose prewar population of about three and a half million was considered predominantly non-Communist or anti-Communist.

Virtually all of old Saigon's private shops and restaurants are shuttered, with only their fading and torn signs providing reminders of the past. The nightclubs and girlie bars are long gone. The air-conditioned office buildings that once housed American and South Vietnamese military missions serve as Government offices. The well-appointed downtown hotels have been converted to drab guest houses run by the Government for foreign visitors.

Ho Chi Minh City is not a happy place, many Vietnamese officials reluctantly acknowledge. Hundreds of thousands have fled the metropolis and the country, thousands more were forced to leave, and thousands more want to leave.

TWO MILLION RESIDENTS?

One Western resident estimated the city's current population at slightly more than two million—one million less than official estimates—and said that half of those who remain want to flee.

To the peasants who fled to Saigon to escape the bombings and terror of the war in the country side, the new Communist Government seems far more welcome. It is that group, many of whom have been relocated to "new economic zones" and state farms in the countryside, on which Communist Vietnam is depending for the future.

There is a heavy emphasis on mass education and ending illiteracy. Some four million could not read or write in the South in 1975. And the mass education program has the added advantage for the Government of serving to re-educate the nation's youth politically.

Those who seem to be suffering the most under the new regime are those who did well when the United States was pouring in billions of dollars each year in military and economic aid to South Vietnam. After the Communist victory in 1975, the shopkeepers, restaurant owners and traders found themselves without any means of support—except for Government doles of food.

TO SOME, "DEATH CITY"

For those hundreds of thousands who were satisfied with the far easier life under the umbrella of American aid, Ho Chi Minh City has become, as a Westerner put it, "Death City."

The resistance to the new Government by those who have not, or cannot, leave seems passive—and it is expressed most often in the free-wheeling black market that exists today in downtown Ho Chi Minh City.

Every morning, scores of Vietnamese men and women line up outside the Caravelle Hotel, renamed the Independence Hotel, to buy for dollars American cigarettes from those fortunate enough to receive them in the mail.

Cigarettes are far and away the most commonly peddled item on the black market. A visiting foreigner can purchase a package at a Government-sanctioned exchange store for 80 cents, or roughly two dongs in local currency; on the black market, the cigarettes are worth as much as 35 dongs. At the moment, the black-market currency rate appears to be nine dongs to the dollar, or 300 percent higher than the official rate.

GASOLINE ON THE BLACK MARKET

Gasoline, too, can be purchased on the black market. Although traffic inevitably has thinned out, with far more bicycles, the city's streets still teem with traffic in comparison with Hanoi. Motorcycles, mopeds and Lambretta taxicabs, many driven by teen-agers with long hair and mod dress, still fly around the streets, and still emit pollution.

Some Westerners living in Hanoi and here insist that sophisticated consumer goods such as cameras and stereos can be purchased in Cholon, the famed Chinese quarter of old Saigon that became a focal point of a Government crackdown on capitalism and black market activities 18 months ago.

Two visits to the area by a correspondent last week, however, found few signs of commercial activity. Banks were closed, stores shut down, and outdoor market stalls gone. In their places, one could see the inevitable cigarette peddlers on every corner, a group of youths staging a cock fight in a small park, and motorcycle repair shops every few hundred feet.

Keeping motorcycles and automobiles running is a problem in Ho Chi Minh City since the shaky finances of Vietnam in effect prohibit imports of spare parts. Another problem stems from the lack of diplomatic relations and trade negotiations with the United States—parts for American-made products are not available in Ho Chi Minh City or elsewhere in Vietnam.

Western diplomats and United Nations officials who commute between Hanoi and Ho Chi Minh City said one basic problem in Ho Chi Minh City was the fixed pay scale for all workers.

Salaries range from 40 dongs for a typical Government bureaucrat—or about $16 at the official rate—to 106 dongs for senior doctors in Government sanitariums. One interpreter for a Western official being in Ho Chi Minh City, who holds the title of deputy director of his department, earns 70 dongs a month.

"That's not even enough for his breakfast money," the Westerner said, referring to an inflation that has led to the doubling of some food prices in the last year.

FOOD BENEFITS REDUCED

The Government does provide food benefits, but those have been sharply reduced because of Vietnam's decision to shift some food supplies to famine-stricken Cambodia.

Young children can still be found begging for food downtown along the former Tu Do Street, now called General Uprising Street, but they seem to be exceptions, and not the rule. Some old men can still be found sleeping in doorways at night, but only a few. With the exodus of nearly one million residents, by official Government count, the shortage of adequate housing seems to have been eased.

An optimistic view of Ho Chi Minh City and its problems was provided during an extensive interview with Le Quang Chanh, the former Deputy Foreign Minister of the Provisional Revolutionary Government, who now serves as Deputy Mayor.

"We believe in our correct policy and we believe in our success," Mr. Chanh said, noting that the conversion of capitalist Saigon to Communist Ho Chi Minh City was nearing completion.

[From the New York Times, Aug. 12, 1979]

VIETNAM FOILS AN ELABORATE SWINDLE IN EXIT VISAS

(By Seymour M. Hersh)

WASHINGTON.—Ho Chi Minh City's newspaper Tin Sang reported on its front page last week that the police had foiled five entrepreneurs who had falsified exit visas for members of Vietnam's Chinese community in return for large payments of gold.

Although the newspaper's account was matter of fact, the Vietnamese who shared the story with a visiting foreigner seemed to find it exceptional and amusing.

Tens of thousands of Chinese, who have been the main targets of an 18-month Government crackdown on private enterprises and black-market dealings, have fled the city in the last year. Most of them have paid more than $1,000 in cash and gold to become, in many cases, "boat people."

The newspaper said the conspirators all found guilty by the People's Tribunal of Ho Chi Minh City on Aug. 1, received prison terms of 8 to 18 years for their efforts to dupe members of the anxious Chinese community.

HOW SCHEME STARTED

According to Tin Sang, the leader of the group was Phan Dinh Thai, who managed to get the uniform of a lieutenant colonel in the Interior Ministry and official papers indicating that he had been assigned to process exit visas of the Chinese population in Ho Chi Minh City, formerly called Saigon. The newspaper said Mr. Thai had been arrested before for forgery.

Mr. Thai, apparently aware that he would need all the trappings of a high-level Communist Party official to make the confidence game work, first acquired a car and a driver, Ta Si Hoan, then an apartment befitting his high station from Vu Xuan Thin, its owner, who joined the conspiracy. Mr. Thin's apartment apparently was used to receive and entertain Chinese merchants who had gold.

Of course, an office was necessary, Tin Sang said, and Mr. Thai persuaded Nguyen Van Be, keeper of a rarely used guest house at the Ministry of Social Welfare, to let him have access to those quarters, which were luxurious by Ho Chi Minh City standards.

The final step was to enlist Luu Xuan Dien, a traffic policeman, to make things look official so the Chinese businessmen would not think they were being duped.

CHARGED ACCORDING TO AGE

According to Tin Sang, Mr. Thai's prices for the counterfeit exit visas depended upon age. Children under 6 years old were to sail free, the fee for those 6 to 16 was roughly $3,000 worth of gold and for those over 16 it was about $2,700 in gold.

Mr. Thai, who began his operation in May, told potential customers at one point that they could sail on Vietnamese Ship No. 60, which was then in port.

Tin Sang did not say how the group was caught, although it said the members were arrested while going to collect gold from 400 Chinese who had been duped.

The newspaper said that Mr. Thai, as ringleader, received the stiffest sentence, 18 years. The driver, Mr. Hoan, got 17 years; Mr. Thin, the apartment owner, 14 years; Mr. Dien, the policeman, 12 years, and Mr. Be, the guest-house keeper, 8 years.

Vietnamese officials, in discussing the article with a foreigner, said that under current Government rules, Chinese could get exit permits easily without paying bribes. The Chinese, they said, still believe that bribes are necessary.

[From the New York Times, Aug. 13, 1979]

NON-COMMUNIST EDITOR FINDS HIS INDEPENDENT DAILY IS FLOURISHING IN HO CHI MINH CITY

(By Seymour M. Hersh)

WASHINGTON.—There was a party recently in the unpretentious second-floor offices of the newspaper Tin Sang on the edge of downtown Ho Chi Minh City. It was the independent daily's fourth anniversary.

That a non-Communist newspaper can fluourish in Vietnam seems remarkable, and even more so because its editor is Ngo Cong Duc, a former member of the South Vietnamese National Assembly who was widely known for his anti-Communist views in Saigon, as Ho Chi Minh City used to be called.

Mr. Duc, now 43 years old, was also known for his opposition to the Government of Nguyen Van Thieu, and in 1971 he was jailed for a few days and forced into exile when he charged the South Vietnamese Government with vote fraud.

At the time he was the publisher of Tin Sang, then an opposition newspaper whose articles were often severely censored by the Thieu Government. During Tin Sang's days of opposition, President Thieu often ordered all copies of the newspaper confiscated, and it was shut down after Mr. Duc fled the country.

RETURNED AFTER FALL OF THIEU

An affable man, Mr. Duc was pleased to renew an acquaintance with an American colleague the other day and to explain how he got where he was and what it was like.

He returned from the exile to Saigon on May 29, 1975, he said, a month after the Communist takeover of the city.

"After a month or so," he recalled, "I gathered my old friends together to discuss whether we could have an opportunity to reopen the newspaper." At the time he was unsure whether the Government would agree since he, unlike others in Saigon who had been neutral, had not known any members of the Communist guerrilla forces during the Vietnam War.

The Government gave its approval, Mr. Duc said, and he now believes that its leaders "wanted to give journalists and intellectuals an opportunity" to work within the new system.

Tin Sang began publication again on Aug. 3, 1975. Mr. Duc said the initial money for its resumption came from his own pocket.

PAPER ACHIEVED QUICK SUCCESS

With a laugh, Mr. Duc explained that although President Thieu confiscated his assets after forcing him into exile in 1971, he had managed to hide away some cash. He declined to elaborate.

Tin Sang was an immediate success, easily selling out its press run of 3,000 copies at 20 cents each. Many more copies could be sold, Mr. Duc said, but a severe shortage of newsprint throughout Vietnam limits the circulation.

"After a year, I took back my money and now the newspaper belongs to the employees," he said. "It's now a collective."

Each week, he explained, his editorial board meets with union representatives to discuss editorial policy and any problems. Ironically, Mr. Duc said, the authorities in Ho Chi Minh City initially disapproved of the arrangement.

"It wasn't sure that the collective would be responsible," he said, "You see, there is no party cadre at the newspaper and no censorship."

"If we print something wrong," he went on, "the Government asks us to come in and discuss it." Sometimes, he said, "we must accept the Government's criticism" and print a correction.

With all that, Mr. Duc said, "we have published more critical news under this Government than under the Thieu regime." The Communist leadership, he added, even provides a wide selection of critical Western news items each day for Tin Sang to publish at its discretion.

Mr. Duc was interviewed in early evening, at the end of a working day, and as members of his editorial staff finished their work they drifted into the interview room to drink beer and join the talk about America, the Vietnam War and foreign-policy problems facing Vietnam.

NEWS OF AMERICAN FRIENDS SOUGHT

Much of the conversation was in English, and Mr. Duc, who toured the United States early in 1975 as a critic of the Thieu Government, was surprised at how rusty his English had become. He did not see enough of his many American friends, he said.

"I'm glad I came back," Mr. Duc suddenly said amid the nostalgia. "It's my country. What I'm doing now is for my country—for my people."

After the fall of President Thieu, Mr. Duc said, times were difficult for the new government in Ho Chi Minh City. "There was a lot of gangsterism in the city led by former army rangers and professional criminals who escaped from the prisons," he said. "Even in 1976, you could hear shooting in the streets every day."

The Communists eventually took hold, Mr. Duc said, but added that problems still abound. He cited the continuing black market, the low wages and the generally stagnant economy. "Life's very hard now for the shopowners," he said. "It's been a big change. But some are adjusting. They have the duty to work to rebuild their country, not to buy and sell and have the easy life."

"SOLUTION" FOR THE DISCONTENTED

For those who can't make the adjustment, Mr. Duc added, one solution is "to choose another country and leave."

"Don't be misled," Mr. Duc went on, "I'm not a Communist. I'm a Catholic."

"I'd like to tell our American friends that our country is trying to build, but there are a lot of difficulties as a consequence of the United States' domination of South Vietnam and as a consequence of the Vietnam War," he said. "We'd like to ask them to understand the situation."

The newspaper editor expressed anger at people in the United States who have been criticizing Vietnam for its policies on refugees and its invasion of Cambodia early this year.

The people of Vietnam do not want any more than that in Cambodia, Mr. Duc asserted. "And I believe that the Communist Party—our Government—cannot do anything against the will of our people."

The biggest problems in Vietnam are economic, Mr. Duc said. The Chinese in the Cholon district, a target of intensive Government drives in early 1978 against black-market operations, still exert control over as much as 15 percent of the flourishing black market in Ho Chi Minh City, he said.

Pay scales are far too low, he added, and economic development has been retarded at all levels by a lack of competent Government officials. Another war with China is looming, Mr. Duc said, and that would be a further economic blow.

"Don't give us more difficulties," Mr. Duc said. "Give us more time to work for the country. We have to fight the economy and the Chinese, too. We have enough problems."

[From the New York Times, Aug. 14, 1979]

EVERYDAY LIFE IN COMMUNIST VIETNAM CAN BE SURPRISING

(By Seymour M. Hersh)

WASHINGTON.—Her name is Weiller Keiu Unh. She is 13 years old, shy but very proud.

The officials at the state orphanage just north of Ho Chi Minh City, Vietnam, said the girl was told just a few days before that she had finished first in a district-wide literature exam.

Her essay, Miss Unh said, was on the importance of planting trees in memory of Uncle Ho Chi Minh.

Her father, if he were still alive, might have strongly disapproved. Officials at the orphanage, one of seven in the area, said he was a white American named Weiller who was killed in an accident in 1970. His body was apparently returned to the United States for burial.

Miss Unh, sniffling quietly as she talked about the past, said he was an electrical engineer. She did not know, she said, whether he was in the military.

There are 523 children in the former Catholic orphanage, now known as Bamboo Shoot Number 1, officials said, and 67 of them are of mixed race.

The children seemed happy, well fed and well dressed.

But Weiller Keiu Unh cried when she spoke of her father.

"Hey, Liso," the street kid asked, "do you have any dollars?"

This correspondent had been in Ho Chi Minh City less than two hours and had begun his first walk down former Tu Do Street, the site of bars, shops and clothiers during the Vietnam War.

The youth waved me into a small shop, checking the street carefully for the police, and then offered to exchange nine dongs for each dollar, a rate more than 300 percent higher than the official exchange rate. When that was rejected, he quickly produced what he said was a jade chess set and asked the equivalent of $200 in cash for it.

A Government official later explained that "Liso" is Vietnamese slang for Russian. He acknowledged with a shrug that Tu Do Street was near the foreign sailors' club along the Saigon River. Russian sailors, it seems, are not averse to bargains.

Although a foreign visitor is always concerned about being propagandized while visiting a tightly controlled country such as Vietnam, sometimes that concern is misplaced.

On the second day of a three-day visit to Ho Chi Minh City, my official escort announced that we were going to see a "new economic zone," one of the state farms set up by the Government after the 1975 Communist victory in South Vietnam in an attempt to lure city dwellers back to the country.

It seemed that I was going to be shown a shining success. In fact, the farm, known as Le Minh Xuan, was chosen because it was the closest to Ho Chi Minh City, some 15 miles southwest. It was not a success at all, largely because of its acidic soil.

Officials of the farm said that although it was opened in September 1975, four months after the overthrow of the Saigon Government, only about 1,500 acres were now under cultivation. What had been planted, officials said, was the only crop possible—pineapples. None had yet been harvested, although the officials hoped to produce 2,000 tons this year.

Officials said there were plans to have 7,500 acres under cultivation by 1981. Meanwhile, the 12,000 people in the area are provided with homes and enough land to grow their own crops. Not all choose to grow pineapples.

A few homes were visited at random, and their occupants seemed reasonably content. Phu Hoang Ho, who boasted that he was 66 and had 10 children and one wife, said he had come to the camp from Cambodia, where he had fled to wait out the fighting. "I consider myself to be a good citizen," he said, "because I didn't take sides in the war and once my country was liberated, I came back to cultivate it."

Hoang Thai Thach is 31 and a Government bureaucrat. He spent four years in the late 1960's and early 70's in Fullerton, Calif., where he attended what was then California State College on a South Vietnamese Government scholarship. He earned his B.A. degree and then, unlike other South Vietnamese who stayed away to avoid the draft, he went home.

Mr. Thach immediately found a job in a Government office in Saigon responsible for selling shares of Government enterprises to civilians. When the revolution came, he said, he decided to stay and wait and see.

"I wasn't scared by the revolution," Mr. Thach, one of seven children, explained, "because I had a brother who was with the revolution." The two had remained in touch, he said, and Mr. Thach had even sent him medicine and money.

On the morning after the Communists took over Saigon, Mr. Thach said, he went to work as always. "A cadre came in and assured us, 'It's all right and don't go anywhere—just go to the office every day,'" Mr. Thach recalled.

A few days later, he had to report to the Communist authorities who took over control of his ministry. Later there was a three-day re-education class where, Mr. Thach said, "they told us how wrong we were when we worked for the old regime."

He was released, his old office was disbanded, and he was reassigned to a job in financial planning for Ho Chi Minh City.

He has some complaints, he said. The street life is much quieter, living conditions are not very good, and the bureaucracy can be stifling. He misses some old friends who fled, and he misses the American books and magazines that were once available.

But he does not regret returning, he said, explaining that "this is my country and my family."

With the long war finally over, Mr. Thach said, he does not have to think about some of the books he read in America. He mentioned "Casualties of War," by Daniel Lang of New Yorker magazine, which dealt with a series of brutal war crimes by American troops.

Not everyone had such an easy time with re-education programs.

Dr. Nguyen Hung Tin was a lieutenant colonel in the South Vietnamese Army, a doctor in a military hospital, when Saigon was taken over. He was sent to re-education camps for 30 months before he was permitted to resume medical practice.

If he was bitter about the experience, the 47-year-old doctor did not show it during a 90-minute interview in Ho Chi Minh City.

"I engaged in manual labor—felling trees, building houses and growing gardens," he said of the time he was in two camps scores of miles from his family and friends, who were permitted four visits a year. "For myself," he said, "it was a pleasure, especially the manual labor."

There were monthly political education lectures, and conditions were good, he said, "if you didn't violate the rules."

Dr. Tin, who practices in a tuberculosis sanitarium in Ho Chi Minh City, said he was interned with other former senior officers from the South Vietnamese Army.

"The camps were full of collaborators; many of them were engaged in Phoenix operations," he said, referring to the operations sponsored by the Central Intelligence Agency aimed at assassinating Vietcong officials during the war.

"I didn't realize until I was in the camp that those people were committing such crimes against the people," Dr. Tin said. He told of a former South Vietnamese Army commander who confessed to ordering the killing of four Vietcong prisoners just before the signing of the 1973 peace agreement between the United States and North Vietnam.

"We didn't hide anything from each other," Dr. Tin said.●

REAL SOVIET INTENTIONS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. NICHOLS. Mr. Speaker, there is a strong hint of Russian diplomatic game-playing in the air and the stench is nearly unbearable.

Last week it was announced that a 2,000 to 3,000 man Soviet military unit has been slowly moved into Cuba. Our intelligence has determined that these troops are fully equipped with two motorized rifle battalions, one a tank battalion and the other an artillery battalion.

While such a force poses no direct threat to our American border it serves to underscore the real intentions of the Soviet's interest in world dominance.

Nearly a year ago, the Russians "sold" to Cuba sophisticated Mig-23 supersonic aircraft and today more than a dozen of these planes are stationed on the Cuban island, well within range of American soil.

Cuban troops, with the help of Russian advisors, serve as a police force for several African governments who were lifted into office through Russian aid and Cuban firepower.

Unless the United States takes appropriate action the Soviet buildup of troops in Cuba may jeopardize confidence in America and deteriorate our credibility in the Western Hemisphere.

For some time the Russian Government has wanted to increase its sphere of influence in the Western Hemisphere beyond Castro's Cuba. Many Central American States, including Panama and Nicaragua have leanings toward the Soviet Union. Other countries may be encouraged toward the Russian line with the presence of troops in Cuba and a gun to their head.

Furthermore the force may also serve as a security guard for Castro himself. After all, his Cuban troops are stationed throughout the world to conduct the Russian's dirty work. At last count, nearly 40,000 Cuban troops were serving in Angola, Ethiopia, and other faraway lands.

Regardless of the excuse the Soviets use to justify troops in Cuba, I know they have no business there. For 18 years the Soviets have attempted to secure a military stronghold in Cuba and we can no more tolerate having a Russian military base 90 miles off our coast today than we did in 1962.

Obviously the Russians are testing the Carter administration and we should respond accordingly. First, demand the immediate withdrawal of the new Soviet force. Second, delay consideration of the SALT II treaty until the troops are removed and finally, threaten to withhold the delivery of the grain recently purchased and expected to be purchased by the Soviets.

An affirmative response will be the only type understood by the Soviets.●

AN ENERGY OCTOPUS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. UDALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

I would like to share with my colleagues a recent newspaper article written by Congressman ED MARKEY which was printed in seven papers in Massachusetts. As a member of the Interior and Insular Affairs Committee, Congressman MARKEY has been participating in our consideration of H.R. 8, the Public Energy Competition Act. As he outlines in his article, H.R. 8 is not a radical step. It does not require the oil industry to divest themselves of anything.

As we try to increase our domestic sources of energy, it is vital for us to increase the number of players in the energy game. H.R. 8 aims at preventing the oil giants from controlling the development of Federal resources. This is a small and modest goal as the following article by ED MARKEY persuasively argues:

AN ENERGY OCTOPUS

(By Congressman ED MARKEY)

The last straw for those in the gas line last week was the news that OPEC's latest price increase would add $165 a year to the average Massachusetts family's heating oil, electricity and gasoline bill.

Do we have any other fuel choices? Despite their serious safety and environmental drawbacks, both coal and nuclear power can offer us electricity. Coal can also provide liquid fuels such as gasoline.

Atomic power is already high-priced, however, and its costs keep on climbing. The same is true for coal.

One reason for the high cost of these potentially reasonably priced energy sources is that oil companies are moving toward total control of the coal and uranium industries. In part, the prices of coal and uranium climb when oil companies control them because the energy conglomerates want to maximize profits as a whole rather than the profits of any one division.

This means that an energy octopus might, for example, cut back on coal production if, by doing so, the high cost of oil would be maintained.

Right now, oil companies own 14 of this country's top 20 coal companies, as well as one half of our total coal reserves. Furthermore, eleven oil companies own more than 50 percent of the domestic uranium capacity. Since 1970, when oil companies began large-scale investment in coal and uranium, their prices have more than quadrupled.

The control of alternative fuels by oil companies is worth watching because the history of the oil industry is a story of virtual domination by a handful of large firms. Whether or not these firms openly or secretly conspire, their pricing and production decisions emerge from mutual "understandings."

It is clear that the interdependent practices of the oil companies in the past will extend to the coal and uranium industries under their control unless something is done to stop them.

With Congressman Morris K. Udall, chairman of the Energy and Environment Committee of which I am a member, I have introduced a bill, H.R. 8, designed to prevent the top eight oil companies from obtaining new federal leases for coal and uranium lands. We will hold an open hearing on the bill, July 17.

Our bill should restore competition in the energy industry by encouraging competition for coal and uranium leases and by giving smaller companies a better chance in bidding for those leases. These companies, as well as independent coal producers, can't get a fair deal now when they are up against oil giants like Exxon. Even the nation's largest utility, the Tennessee Valley Authority, currently is overmatched when it comes to obtaining coal leases.

H.R. 8 does not force anybody to do anything. The Federal Trade Commission has already brought court action against Exxon and other large oil companies for restraint of trade. I think the Justice Department should do the same. But, this bill does not require divestiture. Rather, it says only that, in the future, on federal lands, the big should get no bigger.

Recently, the House defeated an amendment brought by Congressman Udall and myself that would have stopped the largest eight oil companies from receiving federal loan guarantees for investment in synthetic fuels, such as those made from coal liquefaction or shale oil.

That defeat means that the major oil companies could take control of the potentially enormous synthetic fuels industry. We cannot allow them to control coal and uranium as well.

To keep energy prices as low as possible, we must let increased competition determine prices and supplies. H.R. 8 goes a long way toward freeing the energy market. It is the least we can do to provide a secure energy future for the United States.●

OUR NATION'S PRIORITIES

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RAHALL. Mr. Speaker, we return today from the district work period. A time, I believe, that was well spent meeting and talking with the people who elected us to serve in this distinguished body.

For the past 4 weeks, the American people told us first-hand that energy and inflation are the major problems facing this Nation today. However, we have returned today, not to debate and vote on legislation which will solve our domestic ills, but on a bill that will spend $7.9 billion for assistance to foreign countries.

I ask, where are our priorities?

Instead of voting to spend $100 million for the Sahel Development Fund, we should be voting to spend $68 million on coal mining research and development.

Instead of voting to spend $265 million for the Asian Development Bank, we should be voting to spend $88 million on the development of cleaner and more efficient ways to use coal.

Instead of voting to spend $1.8 billion on economic support to other nations, we should be pumping that same $1.8 billion into the economic support of the United States.

Mr. Speaker, we have a commitment to the American people, and I hope that that commitment has been strengthened during the past 4 weeks. Inflation is eating away at the American people's income and many fear they will not have enough heat this winter.

It is up to us, the Congress of the United States to provide the leadership this country so badly needs. We must set our sights on the goals that this country needs, not on what is needed by other countries around the world.

We have enough problems right here at home, and I say it is time we do something about them.●

FORMER CONGRESSMAN JAMES BURKE OPPOSES DISABILITY INSURANCE AMENDMENTS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. SCHEUER. Mr. Speaker, it is significant that our beloved former colleague, Jimmy Burke, former chairman of the Subcommittee on Social Security of the Ways and Means Committee is unalterably opposed to the disability insurance amendments. His statement follows:

AUGUST 7, 1979.

Hon. WILBUR D. MILLS,
Honorary Chairman
WILBURN J. COHEN,
Chairman, Save our Security,
Oxford Road, Ann Arbor, Mich.

DEAR FRIENDS: I have reviewed the provisions of H.R. 3236, the disability insurance amendments of 1979. As the former Chairman of the Social Security Subcommittee of the House Ways and Means Committee, I am well acquainted with the bill and its development.

While the bill contains a number of improvements which I favor, I am vigorously opposed to the three cut-backs in benefits. I strongly urge members of Congress to vote against the bill unless it is changed to eliminate the cut-backs.

I favor further improvements in the disability insurance benefits including more adequate provisions for the blind, coverage of all the permanently disabled under Medicare, and the provision of home health benefits for the disabled and aged without a three-day hospital stay.

I am glad to be a member of your organization to help oppose these undesirable amendments.

Sincerely,

JAMES A. BURKE,
Chairman, Subcommittee on Social Security, House Committee on Ways and Means, 1977–78.●

THE PROPER USE OF UNION DUES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DANNEMEYER. Mr. Speaker, the American system of government is based upon the notion of popular participation in the governmental process. The right to express one's own views freely, without coercion, is central to this proposition. From that, it follows each citizen should have the right to choose for him or herself the points of view he or she will support; no one should be forced to advocate a viewpoint with which he or she does not agree. While few would disagree with this in theory, in practice things are sometimes a bit different, as a recent decision by a Federal judge in Maryland has pointed out.

The case in question involved the right of a union to use compulsory dues for political purposes. Judge C. Stanley Blair ruled that it was, indeed, unconstitutional for a union to collect and then spend mandatory dues from workers for any purpose other than collective bargaining. If upheld, this means that union leaders will not be able to utilize members' dues to influence the lawmaking process unless the worker authorized it or, to put it another way, no longer will workers have to support political causes in which they do not believe.

This decision should not be viewed as a defeat for labor, but rather as a victory for liberty. The triumph of individual choice over coercion should be cheered by all freedom loving Americans. I insert an editorial which appeared recently in the Santa Ana, Calif. Register, in the RECORD at this time; it points up the significance of both this decision and the basic right which it reinforces:

A DEFEAT FOR COERCION

A federal court judge in Maryland struck a blow for freedom when he ruled that the use of compulsory union dues for any political activities violates the constitutional rights of employees who object. U.S. District Court Judge C. Stanley Blair held that the collection or disbursement of mandatory union fees for any purposes other than collective bargaining services infringes the First Amendment rights to free speech and association of employees who object.

The suit was brought against the Communication Workers of America (CWA) union by National Right to Work Legal Defense Foundation attorneys for 20 telephone workers.

Judge Blair has also required the CWA to make a full accounting of how its fees have been spent and to refund to objecting workers all fees which exceed the union's cost of collective bargaining. The refunds will represent the proportion of union expenditures for political contributions, lobbying, ideological causes, union organizing efforts and all other purposes unrelated to collective bargaining.

This is the first time this precedent has been established in the private sector. A similar precedent was established for public sector employment in a U.S. Supreme Court decision.

Judge Blair also denied a CWA motion to stay the lawsuit until the 20 plaintiffs had first tried to obtain refunds through the union's internal appeal procedure. The judge noted that the "time necessary for the series of intraunion hearings would better be calculated in years rather than months, and . . . at the end of it all, this court would be called upon to make the determination it is now prepared to make."

The court's decision will prevent workers from being forced to support the political activities of labor union bosses. The precedent set will have far-reaching ramifications in the cause for individual choice which is the foundation of freedom.

No worker should ever have to support anyone else's politics in order to retain his employment. Now, union bosses have been clearly told that it is unconstitutional for them to collect compulsory political funds from unwilling workers. And that workers don't have to rely on an intra-union kangaroo court before obtaining the right to choose where their money will go.

This may turn out to be the worst news labor union bosses have ever had. With more and more private sector workers becoming disenchanted with belonging to a union coupled with a decision depriving union officials of funds to buy legislation, their bonanza may be on a real decline.

The National Right to Work organization deserves much credit for its efforts on behalf of the American working man and his right of choice. We do not believe that any worker should be forced to join a union and we have always been against any form of a closed shop situation.

There is simply no justification for making union membership a condition of employment and there certainly is no justice at all in using members' money for the political aims of the labor union bosses.

This legal determination may slow down some of the abuses which have been so prevalent for too long a time.●

A TRIBUTE TO W. H. KELLEY

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COURTER. Mr. Speaker, on September 17, 1979, the friends and associates of Mr. W. H. Kelley will gather to honor him on the occasion of his retirement. For the past 13 years Mr. Kelley has been the executive director of the House of Good Shepherd near Hackettstown, N.J. But, Mr. Speaker, his dedication and leadership go far beyond his duties at the House of Good Shepherd.

In addition to guiding Good Shepherd so that it grew and prospered, Mr. Kelley has served his profession well. As president of the New Jersey Association of Nonprofit Homes for the Aging, he arranged for homes for the aging to participate in the New Jersey Hospital Association Unemployment Reserve Fund. He was instrumental in the formation of standards for the licensing of nursing home administrators. He also was a leader in establishing a standard accounting procedure for homes for aged.

In 1978, Mr. Kelley's profession honored him as the Administrator of the Year. This type of dedicated service and humanitarian effort is becoming all too rare. As Mr. Kelley's colleagues honor him for his outstanding work and contributions in the field of care for the aged, it is my pleasure to call his achievements to attention of my colleagues here in the House of Representatives.●

INFLATION REDEFINED—A NEEDED AGENDA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. VENTO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, my constituent and friend, Horace R. Hansen of St. Paul, Minn., recently called to my attention an excellent editorial which appeared in the Los Angeles Times on Sunday, August 12, by Richard Parker. Mr. Parker, a noted economist and author of the "Myth of the Middle Class", hits the nail on the head when he asserts that it is time to redefine the inflation debate by embracing an action-agenda that applies the research already in place into bold and innovative programs to reverse our spiraling inflation rate.

I urge my colleagues to consider Mr. Parker's suggestions and recommendations, because, as he says, quoting Thomas Mann over a half-century ago,

> If we do not redefine the inflation debate quickly, there is great danger: it will destroy us as a nation.

Mr. Speaker, I submit Richard Parker's editorial, "Inflation and Recession: Our Democratic Duo," as part of the official RECORD:

INFLATION AND RECESSION: OUR DEMONIAC DUO

(By Richard Parker)

"A cynical 'each man for himself' becomes the rule of life. But only the most powerful, the most resourceful and unscrupulous, the hyenas of economic life, can come through unscathed. The great mass of those who put their trust in the traditional order, the innocent and unworldly, all those who do productive and useful work, but don't know how to manipulate money, the elderly who hope to live on what they earned in the past—all those are doomed to suffer. An experience of this kind poisons the morale of a nation . . ."

I happen to like those words a lot, even though Thomas Mann wrote them about the inflation that occurred in Germany more than 50 years ago. I like them because they enlighten the discussion of what's happening to American life with a clarity of emotion and reason that dry statistics never reach. We need the numbers to plot the course of our life's decline, but we need men like Mann to remind us what the rot of our economy is doing to our souls, and what we pay for not speaking honestly about inflation's victims.

These are hard times—and they're going

to get worse. Gas costs $1. Houses cost $100,000. But that's only the tip of it. At current inflation rates, a pound of beef will cost $7.56 by 1981, and a gallon of milk, $3.96.

Mann concluded from watching German inflation that inflation was "a tragedy," but it's not. It's a crime, and the victims of it are far from evenly distributed in society. To date, we've failed to understand precisely that fact, and we ignore it not just at the peril of greater inflation, but of the collapse of the republic.

Last month, a gruesome milestone was reached in the Great Inflation Debacle of the '70s: The number of millionaires in America passed 500,000. Less than a decade ago, there were fewer than 100,000 millionaires in the United States and inflation alone comes nowhere near explaining how the very richest among us have quintupled their numbers in so incredibly short time.

In the same period, the average pay of the American factory worker actually declined in real, inflation-adjusted dollars. And the poor—though this should come as no surprise—faired even worse. Ten years ago, the federal poverty level stood at one-half the median American income; today it stands at barely a third. One in four Americans lives below what the government itself calls a "minimum budget" level.

Two months ago in a commencement address at Yale, John Kenneth Galbraith finally said aloud what timid economists and commentators have been afraid even to whisper: We are not merely in the midst of inflation, we are experiencing "a revolt of the rich against the poor."

For those of us who are neither rich nor poor, if this sounds exaggerated in the slightest, consider for a moment these statistics:

In the first four months of 1979, inflation rose overall at 7.1 percent;

Overall inflation, however, concerns a bitter set of numbers: In four key sectors of the economy—housing, health, food and energy—inflation increased, not at a serious 7.1 percent, but at a staggering 17.2 percent;

Four out of five Americans spend between 60 percent and 70 percent of their income on those four items alone, and the suffering grows proportionately as one moves down the income ladder.

By that definition, Galbraith's "poor" encompasses 80 percent of us. And that 17.2 percent inflation rate was before President Carter deregulated oil.

Americans are an exceedingly tolerant people, but in our tolerance we have failed to sort out how inflation rises disproportionately among us. We blame, for example, the gas crisis on our indulgent driving habits, when in fact pleasure driving accounts for only the tiniest fraction of the total energy consumption in America. The production of useless plastics and carcinogenic herbicides accounts for far more.

What we fail to understand—and what we receive little help in understanding—is that the very structure, the very distribution of income and wealth, is at the root of inflation. Most of us are not the hedonistic spendthrifts whose wasteful buying and lack of "discipline" make inflation; we can't afford to be. Life even at $20,000 or $25,000 a year requires careful shopping at the supermarket.

The fact is that the majority of us can have little influence over inflation, because we cannot give up the basics of food, clothing, and shelter in the "national interest." But few of us understand that the majority controls only a small minority of the total income anyway—indeed, according to official statistics, the top 7 percent of families receive more than the entire bottom half of the American population and in terms of discretionary income—money left over after the basics—the hold of that tiny minority is even greater, possibly as high as 50 percent or 60 percent.

That's what Galbraith means when he describes the current inflation as a "revolt of the rich against the poor." The majority of us cannot be drafted into anti-inflation wars—whether President Ford's WIN program or President Carter's wage and price guidelines—when we've been denied the arms and ammunition with which to do battle.

An economist friend of mine has taken to describing the current period as "the dawn of the post-affluent society."

America, as he sees it, has finished a grand cycle of expansion that isn't likely to return. While it lasted, it was fueled not—as current wisdom has it—by canny businessmen making shrewd investments in space-age technologies, but by two less-understood phenomena, one domestic and one international.

Domestically, we experienced not an economic boom after World War II, but a social revolution—spearheaded by women. For the past 20 years, women have left the home at unprecedented rates, and flooded the economy. They entered the job market at wages 60 percent those of men, and bought new goods and services at unheard-of levels. Their low pay and vast numbers swelled production, and their purchases sustained demand—and in the process, the creation of two-income families engendered a whole new level of American prosperity, in which millions shared.

Internationally, America benefited from the devastation of our wartime enemies (and peacetime competitors), and from expanding markets throughout the Third World. We could sell or manufacture our goods at cheap prices, and still ship home the profits to add to our domestic well-being.

But both those trends are now at an end. In world commerce, Germany and Japan, and even Brazil and Singapore, compete more effectively. Here at home, the number of new women workers is falling, and low birth rates mean it will continue to fall for the rest of the century.

But inflation, as my friend emphasizes, takes account of neither fact benignly. Instead it pushes prices past the point where even prosperous two-income families can share in the old dream of an affluent society. And for the rest of us, earning less than $30,000 or $40,000 a year now, the future is grim.

The message he offers is simple: Until we give up blaming ourselves collectively for inflation, there will be no solution. The American economy is a vastly unequal one, and the means by which many of us thought we could beat the system are at an end. The income of the top 7 percent is over $400 billion—greater than the entire federal budget itself—and their spending fuels an awesome proportion of the inflation we must all bear.

But simply "being aware" of inequality, and its role in inflation, is pseudo-psychotherapy masquerading as justice inflation will no sooner go away than will world hunger, just because we think about it.

We need an agenda, and not one that a politician can run on and then forget after the election. Its rudiments go something like this:

We stop pretending that inflation is like some massive sore throat that has hit us all, and hurts us all equally. If you happen not to be one of the lucky top 7 percent, you need to know how badly inflation is hurting you. Sit down, for a start, and calculate what you spend for food, housing, health care and energy—then tack 17.2 percent onto that and see what's left of your disposable income after taxes. It will be chilling.

Stop looking to politicians for "quick fix" solutions. There aren't any. And don't blame the poor; talk of welfare "chiseling" may vent your anger, but it won't cut inflation. The poorest 50 million Americans together—a quarter of our society—have barely 5 percent of the total income. Cutting off their crumbs won't cure our ills.

If you want a start, not a panacea, to controlling inflation, try insisting that we (a) put a lid on selected prices, from hospital costs to oil and gas to basic foods; (b) expand the supply of basics such as housing through selected mortgage support, push conservation over synfuels, introduce consumer co-ops, family farm aid, and more direct marketing of food; (c) institute new public—*public*, not government—institutions from energy corporations to health-maintenance organizations to force the huge corporations to compete both openly and more efficiently.

The list could go on, but much of the vital research is already in place. What we lack is public knowledge and public willingness to try what hasn't been tried before. Not monstrous government energy programs nor costly corporate giveaways, but sound, small- and middle-scale attempts to reasert our own control over our economic lives.

Inflation, especially now, is not something we can hide from. Talking of his German experience a half-century ago, Thomas Mann said that "an experience of this kind poisons the morale of a nation . . ." If we do not quickly redefine the inflation debate, there is a greater danger:

It will destroy us as a nation.●

THE SOVIET THREAT IN THE 1980's

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, there is weeping and gnashing of teeth every time there is a demand for more spending in the area of national security. President Carter's 3 percent rise in defense spending is greeted in some quarters as if he were asking for an outrageous sum.

A recent study demonstrates that, given current trends, the Soviet Union will be spending 20 percent of its gross national product (GNP) in the 1980's. The Foreign Affairs Research Institute of London calls such a figure "staggering." Yes, the Soviet Union is ready to undergo some drastic economic setbacks the next decade, but that will not stop that nation from increasing its military spending. And here we are worrying about whether we should build a B–1 bomber, because some critics say it will cost too much. We are being pennywise and freedom-foolish if we force our national defense system to be measured only by the rules of accountants. If we do not have a strong national defense we may soon find that we have no accounts to take care of.

At this time I wish to insert in the RECORD, "Prospects of Soviet Military Power in the 1980's," a publication of the Foreign Affairs Research Institute:

PROSPECTS OF SOVIET MILITARY POWER IN THE 1980's

(By Edgar O'Ballance)

In 1977, NATO nations agreed, some perhaps reluctantly, to maintain an annual 3 percent real increase in their defence allocations. A few of them have since had some difficulty in keeping to this agreement. On average NATO nations spend about 4 percent of their GNP on defence. In sharp contrast the Soviet Union is currently allocating at least 11–13 percent of its GNP to defence, and during the past decade has been increasing its annual rate of growth of its defence allocation by at least 4–5 percent. Moreover this rate of increase is expected to continue, which will mean that by the end of the 1980s, the Soviet Union will be allocating *20 percent* of its GNP to its military potential.

This staggering deduction has been reached by an American expert, of the US Department of Defense, in a well reasoned Paper.[1] It would seem that we have been drastically under-rating the Soviet military capacity for some time. It is even more significant, as in the next decade the annual Soviet economic growth is expected to slow down, due to a number of factors, such as lack of capital, shortage of manpower, the changing ethnic composition of the labour force, and other reasons, while the defence expenditure increases.

SOVIETS AIM TO WIN

These stark facts do not seem to have been fully appreciated in the West. Looking so often at comparative charts of NATO and Warsaw Pact aircraft, warships, tanks, guns and missiles, perhaps our eyes have become glazed and our investigative perceptions dulled, leaving us with the vague, but false, impression that although the Soviet Union has more weaponry, and "nuclear thrown-weight" than the West, this is to some extent comfortingly counter-balanced as the West—meaning the United States—has superior technology, especially in the nuclear field. These all too familiar charts are misleading. We have become so accustomed to counting weapons, and matching them one for one against each other, that our attention has been diverted from the overall Soviet military potential, and the rapidity with which it has developed. It is a perfect example of the old saying that "You can't see the wood for the trees". The Soviet "wood" has become a "forest", while the West has been busy counting "trees".

This Paper presents a view of probable major trends in the Soviet military effort in the 1980s. The most plausible developments are described and major alternatives considered. The West tends to separate "strategy from theatre weapons", whereas the Soviet Union has a completely co-ordinated all-arms concept, that includes all nuclear means. "Except for SALT purposes it is doubtful whether the Soviet Union singles out intercontinental forces for separate assessment". The Soviet doctrine embraces all available forces, and does not exclude any: nor does it think of them separately. It is significant that the "Strategic Rocket Forces and Long Range Aviation include, not only weapons with intercontinental range, but also forces for peripheral attack".

We tend to forget that Soviet doctrine and strategic thinking regarding strategic nuclear forces, are quite different from those of the United States. "The object of the Soviet strategic-force programme is to develop a capability to fight, survive, and if possible, win a nuclear war". SALT limitations will therefore have only a marginal effect on the Soviet military capability: that is if they are observed at all by the Soviet Union, and whatever they might be, the Soviet Union is still "most likely to continue the development of its strategic force posture". There will be a continued "strengthening of Soviet capabilities to function during, and after, a nuclear war, which will include a broad programme for the survival of the political and administrative leadership, the industrial work force, and the military infrastructure".

U.S.S.R.'S INTERNATIONAL ROLE

Soviet military missions will probably remain much the same, but an expected major development may be "the continued expansion of capabilities to project power to distant crisis areas". Until the 1960s, the Soviet military capability was confined to its own peripheral areas, but that changed in the 1970s, when we saw developments in its strategic airlift, its airborne forces, and its "naval related forces". This is confirmed by the "appearance of training manuals, emphasising the U.S.S.R.'s international role", which has been enlarged to include the "protection of Soviet interests, and international Socialism".

"In general the Soviet Union is likely to become bolder. This boldness may manifest itself in the actions she takes to provide herself with more direct lines of communication to the Middle East and to Africa". The Soviet Union may first try increasing pressure on adjacent nations to allow transit, or overflight of aircraft. "She will probably make greater use of Cuba, and other allies, to support her clients in local conflicts". In this respect to Soviet areas of weakness, for example are in the protection of its own battle groups, logistic forces, and airlift forces, so "it seems more likely that the Soviet use of these forces will be political in nature—perhaps in an attempt to pre-empt a crisis".

Three possible changes in the Soviet external environment may effect these expectations. The first would be the emergence of regional powers which will develop significant military capabilities in the 1980s, and the second would be a wider distribution of sophisticated weapons in the Third World, both of which would make Soviet intervention more risky. The third is the "extremely unpredictable factor" of the "future Japanese defence effort". The big question is in what circumstances would the Soviet Union be willing to commit its own forces in combat at a distance. The Soviet Union would "be, and will continue to be, quite vulnerable, if she were to come into actual conflict with the U.S., or the West, at some distance". The Soviet Union will also try to obtain access to ports and airfields in Third World countries as part of a systematic attempt to create an improved support system for distance operations.

NUCLEAR DEVELOPMENT

In the nuclear field, there will be a "strong commitment to maintain the Strategic Rocket Forces as the main element of the strategic forces", and so the Soviet Union will have to seek solutions to protect its vulnerable silo-based missile systems. This must mean that it will either develop a mobile ICBM, or some form of "site defense using ABM (anti-ballistic missile) systems". The Soviet Union is expected to continue to develop high quality MIRVs, for its submarine-launched ballistic missiles, SLBMs, "The Soviet Union's commitment to the ability to conduct nuclear operations in Europe will continue into the 1980s". It is expected to continue to develop its "exotic technology", which means the development and deployment of high-energy lasers, and "space-based weapons". In this field the Soviet Union is expanding, in "dollar cost" about two and a half times as much as the U.S.

WEAPON DEVELOPMENT

As the long-term Soviet aim is that of achieving technical superiority over the West, especially in the military field, there will be a continued emphasis on science and technology. The last decade saw major technological improvements to weapons, and an increased investment in Research and Development is expected to continue. The West "may be obliged to catch up in areas in which the Soviet Union has been the first to deploy new technology". Soviet weapons have been designed to require limited maintenance in the field by relatively unskilled labour, and they are sent back to factories, where a skilled labour force is concentrated, for major repairs and major maintenance.

A long-term steady Soviet weapon modernisation programme will be directed against Europe. The current modernisation programme of replacement of the new generation of tanks, self-propelled artillery, and the BMP infantry combat vehicles, will not be completed for several years. There will be an increased use of computers to enhance command and control capabilities in "theatre warfare", that is in Europe.

Tactical aircraft are likely to be the focus of continued modernisation through changes in tactical doctrine and training, newer long-range aircraft, and the continued development of avionics. The tendency will be to control fighter-aircraft from the ground, and not leave it all to the pilot. The Soviet Union will not put all the essential electronics into the aircraft, as is done in the West. "In time we may even see her deploy detachments of Backfire aircraft, in a manner similar to her current deployment of ASW (anti-submarine warfare) patrol aircraft, to deny the use of certain sea and air spaces to the West".

FORCE DEVELOPMENT

In Europe the Soviet Union will continue with the preparation of its conventional forces to operate in nuclear situations, as it believes it can survive a nuclear war. In the nuclear context, the Soviet Union will probably deploy its SS–20 missiles, and develop "dual-capability" aircraft, that is aircraft able to make nuclear strikes. Soviet conventional forces are better equipped than NATO ones to detect radiological and chemical contamination, better protected against it, and better able to decontaminate men and weapons. "Many operational headquarters for (Warsaw) Pact forces are hardened with protective shelters and buried antennae to reduce the effects of nuclear attack." The Soviet Union is also concerned with the protection of key facilities and installations, and the modernisation of Soviet nuclear weapons, and their means of delivery. There is a widening gap between the capabilities of Soviet and Warsaw Pact forces.

NAVAL DEVELOPMENT

In the naval sphere, it is expected that the Soviet Union will concentrate upon ASW, and will be alert to, and respond to, naval developments in NATO. The Soviet navy will develop means to interdict the sea-lanes of communication to Europe. "The seas peripheral to the Soviet Union will remain of great importance," and the Soviet navy will continue to modernise ships and land-based aircraft to control the Norwegian, Baltic and Black Seas in that area, because much of its naval power is contained in its land-based naval bomber force. The Soviet Union will try to establish naval facilities in the Mediterranean, and "basing rights" in that area. It will also work to neutralise Turkey, and so remove the south-east bastion of NATO. The Soviet Union is also expected to expand amphibious and air-assault capacities to support the flanks in case of operations in the North of Europe, on the Central Front, and in the Black and Mediterranean Seas. In time, the Soviet Union will try to extend its naval defense in line further to the south, perhaps beyond the Norwegian Sea, and perhaps beyond Iceland. It will also try to obtain access to ports in the Third World.

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[1] *Prospects of Soviet Power in the 1980s* Parts I and II. The International Institute for Strategic Studies, 23 Tavistock Street, London WC2. £1 or $2.50 each. In short, although the Soviet economic growth rate will slow down, the Soviet defence allocation will increase. In terms of "dollar expenditure", the Soviet defence effort is 40 percent higher than that of the US.

THE FAR EAST

Approximately a quarter of Soviet ground forces and tactical air forces are stationed along the Chinese border, and the USSR maintains a major naval force in the Pacific. "These forces are unlikely to diminish during the 1980s but they may not grow much," despite the long-standing Soviet concern about China. The main Soviet effort has been devoted to improving the basic military position through construction of defensive zones, and the modernising of equipment, especially for air and naval forces.

"The Soviet Union is likely to continue to develop nuclear capabilities against China". This may well involve the deployment of the SS–20 missile, and the modernisation of the "frontal aviation and long-range air force units" in the area. There will probably be an emphasis on improved warning from air-defence systems around key Asian and Pacific installations. In the Far East, the Soviet Union will probably increase sea control and power projection forces, and "is likely to improve her amphibious and air assault capabilities to seize straits and conduct other amphibious operations". The introduction of newer heavy-lift helicopters could also significantly enhance Soviet military capabilities, given the problems of transport in the area.

Japan has one of the most powerful and productive economies in the world, but has very limited defensive military forces. Recently Japan has become increasingly concerned about the development of Soviet strength in the Far East and has "taken more notice of specific Soviet force developments and exercises". Japan might play a critical role in the future development of China's military forces. "Any major shift in Japan's policy with respect to her defense effort would soon alter significantly the military situation in the Far East". Soviet naval forces would no longer appear adequate, and access to and from the Sea of Japan would seem less assured. "The technological level of the military competition in that region could be revolutionized".

CONCLUSION

The conclusion reached in the Paper, is that there will be a "continuation of current trends and momentum" in the Soviet forces during the next decade, and that we can expect to see a "military force of increasing sophistication and strength, but of a size comparable with that of today". The Soviet Union has a manpower problem that will get worse, and there may be "organisational and manpower adjustments, but the composition of the military force will remain much as it is today, except for the continuing emergence of power projection forces". The Soviet Union will have problems of "higher costs of acquiring, operating and supporting its technologically more advanced force".

With 20 percent of the Soviet GNP devoted to the military capability, it should be able to meet these "higher costs" comfortably.●

A TRIBUTE TO HARRY SNYDER

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COURTER. Mr. Speaker, as we travel the road of public service we occasionally share that road with someone who is exceptional in his duty and dedication. Harry Snyder is one such individual. Harry was the county clerk of Warren County, N.J., for 18 years. He distinguished himself with his professionalism in that position.

His peers elected him as the president of the New Jersey County Officers Association. He was one of only four county clerks chosen to standardize the absentee ballot system for the whole State of New Jersey. He was instrumental in the formation of the driver education system in the high school systems of Warren, Sussex, and Hunterdon Counties.

But Harry did not leave his talents and civic mindedness at the office. He served as the mayor of Lopatcong Township and donated his time again to serve as the president of the Lopatcong Civic Association. He also lent talent and energy to the planning board and industrial commission.

His concern for community health was shown by his contribution to the Warren County Cancer Crusade—serving as the president 1 year.

The Lord called Harry from us recently. My neighbors in Warren County will not have the opportunity to take advantage of his wise counsel and generous heart.●

A SALUTE TO COLONEL MICHAEL KOVATS DE FABRICY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BIAGGI. Mr. Speaker, at a time when we are striving to insure basic human rights and freedoms for all people of the world, I feel it is important to reflect on our own Nation's past and salute a man who played such an important role in helping us gain our independence. I am referring to Col. Michael Kovats de Fabricy, distingiushed Hungarian patriot and American war hero during our Nation's fight for independence.

Just a few weeks ago, our Nation commemorated the 200th anniversary of the heroic death of Colonel Kovats. The commemoration included weeklong festivities in Charleston, S.C., the site of Colonel Kovats' history making, and final battle. A constituent of mine, Dr. Andrew Tibor Udvardy, President of the Colonel Commandant Michael de Kovats Historical Society, did an outstanding job in heading the well-attended festivities, which included a parade, many honored guests, and written words of praise from various notable Americans such as President Carter, and former Presidents Ford and Nixon.

However, the highlight of the commemoration festivities came in the form of a greeting and Apostolic Blessing from His Holiness Pope John Paul II. The message, which was presented by the Catholic Bishop of Charleston, stated:

> In this special way, We honor the heroic contribution of the Hungarian Patriot Colonel Commandant Michael Kovats de Fabricy. Such a commemoration affords all the opportunity to be dedicated anew to the struggle of achieving those human rights which Commandant Kovats de Fabricy cherished so much.

Certainly, the message from Pope John Paul, who has long taken a leading role in helping to achieve human rights in Eastern Europe, had very special meaning and significance.

The life of Colonel Kovats is certainly an excellent reminder to all Americans who often take for granted the opportunities which we have been blessed with for over two centuries.

Kovats left his native homeland of Hungary, after serving admirably in the Austro-Hungarian Army, due to the repressive rule of Empress Maria Theresa. Recognizing the serious threat to American freedom at the time and wanting desperately to help preserve it, Kovats contacted Benjamin Franklin, who was our Nation's Ambassador to France, and offered his superior military expertise to the cause of our independence. In his letter to Franklin, Kovats wrote:

> I now am here of my own free will, having taken all the horrible hardships and bothers of this journey, and I am willing to sacrifice myself wholly and most faithfully as it is expected of an honest soldier facing the hazards and great dangers of the war, to the detriment of Joseph as well for the freedom of your great congress.

He was appointed to serve under the Polish Gen. Casimir Pulaski, and later was elevated to colonel and given the task of forming the first U.S. Cavalry, fashioning it after its European counterpart, the Huszar regiments.

It was while serving as Commander of the newly organized Continental Cavalry that he led the successful effort to save the city of Charleston, S.C., from British occupation. While history has documented Colonel Kovats' significant contribution to American independence, it also tells us that he lost his life during the process.

However, his death should not be viewed tragically. Rather, it should serve as an inspiration to our continuing efforts on behalf of the many courageous people throughout the world who are being denied even the most basic freedoms. This includes the great freedom fighter's ancestral homeland, Hungary, where those proud people are forced to endure severe repression under Communist domination.

I am hopeful that the remembrance of Colonel Kovats' supreme devotion to the preservation of freedom will help to further our own efforts in the area of human rights.

Mr. Speaker, at this time I would like to insert a statement by Dr. Udvardy, describing the heroic actions of Colonel Kovats in the battle of Charleston:

PATRIOTIC AMERICANS AND HUNGARIANS

200 years ago, on May 11, 1779, Colonel Michael Kováts de Fabricy, Commander of the newly organized Continental cavalry, saved the City of Charleston, S.C. from British occupation. He was killed during that battle and buried where he fell, near the Citadel in Charleston.

During the American Revolution, Charleston, S.C. was the largest and most active port of the South. Well fortified towards the sea, it repelled a British naval attack in 1776. It was General George Washington's most vital life line to the outside world for the export of goods and import of military hardware. The loss of Charleston would have had fatal consequences for the revolutionary government.

The British Headquarters was well aware of Charleston's importance to General Washington and had made the strategic decision to attack the city in a pincer movement from the southern flank on land, where fortifications were inadequate. Almost 8,000 British soldiers, considered the best in the world, supported by Tory units from South Carolina, Georgia and as far as Virginia, occupied the peninsula. Almost 100 ships in the port and some 1,000 sailors were trapped within the city walls, when the City Fathers, in a desperate attempt to save their people from massacre and their city from destruction, had prepared on May 10, 1779, for surrender to the enemy the following morning, when out of nowhere, a small cavalry unit broke through the city walls in a daring storm attack. The offensive warfare tactics employed by the continentals for the first time, and the psychological effect of surprise, caused the battle experienced British infantry to fall apart. The new fighting spirit of this cavalry unit broke the siege, the enemy withdrew.

Michael Kováts de Fabricy, the Hungarian-born commanding colonel of the cavalry started the raid with extraordinary valor. By correctly evaluating the oncoming disaster, and his subsequent charge, undoubtedly, changed the future of 13 American colonies. His total personal commitment represents a turning point in the development of American freedom, as we enjoy it today. To quote Michael Kováts de Fabricy himself: "Golden Freedom cannot be purchased with yellow gold." ●

SAMSO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LEWIS. Mr. Speaker, the Space and Missile Systems Organization (SAMSO) is an organization of unusual composition and background. Its current mission started from a need that arose more than a quarter of a century ago to establish, rapidly and efficiently, an intercontinental ballistic missile capability superior to that of any other nation.

Over the past 25 years, SAMSO and its predecessor organizations have played a vital role in sustaining and improving our country's deterrent strength. Through continuing research, development, and updating of missile and space systems, the organization has stretched man's technological reach and created new capabilities for meeting and neutralizing any threat from potentially hostile forces.

In fulfilling its many roles, SAMSO contributes significantly to the economy of its host communities, both directly and indirectly. The Norton Air Force Base in San Bernardino is a dynamic part of the Inland Empire and I take great pride in its contributions to our community. The expansion of these operations will add dimension to an already outstanding organization.

Mr. Speaker, SAMSO's record of accomplishments over the past quarter of a century is a matter of historical pride to our community and our country. It is my pleasure to commend the people of SAMSO on their fine record of service and charge them to expand upon their heritage of excellence.●

SHATTER THE SILENCE VIGIL: NAUM MEIMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. WAXMAN. Mr. Speaker, the ordeal of Naum Meiman, a Soviet Jew who simply wishes to emigrate to Israel, is distressingly familiar. At age 67, he has been removed from his job and is in poor health. He is shunned by his former colleagues. His political associates have been jailed. His dream of leaving for Israel has been nearly extinguished by the Soviet Government.

In 1975, Naum Meiman was refused permission to leave the Soviet Union, the official explanation being that his work as a theoretical physicist at the Moscow Institute of Theoretical and Experimental Physics from 1955 to 1975 involved alleged "state secrets"—even though it had been two decades since Dr. Meiman worked on "sensitive" projects.

The breakthroughs in physics of 20 years ago are today in the public domain. Nevertheless, Naum Meiman agreed to retire from the institute in exchange for a declaration from its director that Meiman's work had been published openly in Soviet journals.

Dr. Meiman's sacrifice of his job and the institute's declaration had absolutely no bearing on the attitude of the Soviet emigration officials, who have repeatedly turned down his application to leave—most recently last July 28.

Naum Meiman has also been actively involved in the human rights cause in the Soviet Union. With Anatoly Shcharansky and others, he helped establish the Helsinki Monitoring Group of Moscow, the organization which has sought Soviet compliance with the Helsinki Final Act. Meiman also saved Shcharansky from arrest in 1977 by employing him as a secretary, thereby saving Shcharansky from the charge of "parasitism."

The strain of the struggle to be free has affected Dr. Meiman's health. He suffers from chronic gall bladder illness, and is not receiving adequate treatment.

Naum Meiman's struggle is but one of thousands in the Soviet Union who are seeking to exercise the most basic right of freedom of emigration. We cannot and must not be indifferent to the cruel treatment of so many by the Soviet Government.

Following are recent articles on Dr. Meiman's plight:

Frail and Alone, a Jewish Activist Waits in Moscow

(By Anthony Austin)

Moscow, July 10.—In a bare two-room apartment left from better days, one of the last of the Jewish activists lives alone, in frail health, waiting for an answer he was promised within a month six months ago.

His name is Naum S. Meiman and he is 67 years old. Until four years ago he was a senior research fellow at the Institute of Theoretical and Experimental Physics in Moscow. He has appealed for reconsideration of the denial of his 1975 application for emigration.

His story typifies a tangle of attitudes that not even he can quite sort out. Hard though it has been for many Russified Jews to uproot themselves from the land of their forebears, they have increasingly come to feel that they have no future in a country where, they maintain, discrimination against Jews in education and the professions has been on the increase.

Though the authorities have permitted emigration, mainly involving Jews, to rise to a rate of about 50,000 a year, those who apply run up against an age-old Russian feeling of contempt for anyone who abandons the motherland.

STILL REGARDED AS TRAITORS

"They used to say to us, 'People like you ought to be stood up against the wall,'" Mr. Meiman said. "They no longer say that, but they still regard us as traitors."

Some have found themselves on a visa blacklist—in Moscow alone perhaps 100 families. Why these people and not others? "Who knows the full answer?" Mr. Meiman said. "They seem very reluctant to let scientists go. Maybe that's meant to discourage other scientists who are not Jews. You must be cleared of all suspicion of possessing state secrets. Can you imagine what personal grudges can be paid off against you by your superiors or co-workers on that point alone?

On Dec. 20, though weak with a virus infection developing into pneumonia, Mr. Meiman took himself to a house off Herzen Street where, once a month, appeals in visa cases are heard by a high official named Konstantin I. Zotov. A crowd of petitioners, mostly Jews but ethnic Russians, too, and ethnic Germans from their ancestral lands on the Volga packed the waiting room and spilled out into the alley.

Through the bold act of a phone call to someone in the Central Committee of the Soviet Communist Party, Mr. Meiman had arranged to be taken out of turn. Mr. Zotov, a big, heavyset man, received him in his office, sitting behind his desk.

"VERY POLITE THESE DAYS"

"He is a colonel or a general but he was in plain clothes and very polite—they are very polite these days," Mr. Meiman related. "I told him it had been four years since I applied for a visa, and the reason for the rejection, that I was in possession of state secrets, must surely be recognized by him as nonsensical."

To prove it, Mr. Meiman had a statement given him in 1975 by the director of his institute, I. V. Chuvilo, confirming that his work for the previous 20 years had been in the field of abstract mathematics and had been published in open Soviet scientific journals. Mr. Chuvilo gave him the paper for a price: that, as an applicant for emigration, he leave the institute at once. Mr. Meiman retired and has been living on a modest pension.

"True," Mr. Meiman continued with his account, "I had done some secret work from 1948 to 1955, on conditional calculations. But that was 24 years ago, and whatever sensitive work I might have done then has long ago become obsolete and lost all practical significance.

"I told Zotov all that. I showed him the paper. I told him I was not well. I have a chronic gall-bladder condition and my heart is not good. I am all alone here. I don't know if I can go through another winter like the last one. To tell you the truth, it has become not only a question of leaving, but of life and death."

After a five-minute interview, Mr. Zotov said he would give an answer within a month. There has been no word since.

TWO FRUITLESS APPEALS BEFORE

Twice before Mr. Meiman appealed for intercession, in a letter in December 1976 to Leonid I. Brezhnev insisting that he had no secret information and in a letter in December 1977 to the president of the Soviet Academy of Sciences, Anatoly P. Aleksandrov, saying that "you, better than anyone, can appreciate the falseness and absurdity" of the matter of secret information. Neither replied.

After the arrests in 1977 that thinned the ranks of Moscow dissidents, after the increase in Jewish emigration in 1978 and 1979 and after the expulsion of five dissidents in exchange for two Soviet spies last May, there are few "rejected ones" left who are also prominent in the Soviet human-rights movement. Among them Mr. Meiman is one of the most active.

One of the men he got to know well in 1977 was Anatoly B. Shcharansky, the Jewish rights activist now serving a 13-year sentence. At the time, being without official work, Mr. Shcharansky could have been picked up for "parasitism." To save him from that danger, Mr. Meiman made him, officially, his secretary. When Mr. Shcharansky was arrested on the incalculably graver charge of espionage, Mr. Meiman was twice called in by the security police for questioning, and each time refused to appear.

In October 1977, while he was under house arrest, the strain told and he suffered a violent gall-bladder attack. A doctor gave him a written opinion that he was in urgent need of special care, which, living alone, he could not have.

Continuing with his account, Mr. Meiman said: "But I don't want to paint everything in black colors. I have been lucky in life to have known such people as Andrei Sakharov, Anatoly Shcharansky, Yuri Orlov, Vladimir Slepak, Gen. Pyotr Grigorenko, Valery Turchin."

They are some of the human-rights figures he has been associated with, all except Dr. Sakharov, the physicist, now either in prison or in exile. "And this apartment, which the authorities haven't taken away from me—by our standards it's comfort," he said. "Two rooms, a cot, a table, and here, my own bathroom, my own kitchen. And an added convenience, a K.G.B. listening device, right there behind that wall."

"What oppresses me," he said, "is that I am denied contact with other physicists, and without such contact in the field of modern mathematical physics you fall behind. I have a few years left for scientific work. I have a feeling I am in a race with time and the odds are against me."

SOVIET BARS EMIGRANT VISA AGAIN

Moscow, July 28.—Naum S. Meiman, a Jewish activist who appealed to the Soviet authorities seven months ago to reconsider their denial of his 1975 exit-visa application, said today that the visa had again been refused.

He said he was informed of the new refusal in a telephone conversation several days ago with an official of the Soviet visa department. The reason given, he said, was the same as the first time, that he was in possession of state secrets as a result of his work in the Moscow Institute of Theoretical and Experimental Physics from 1955 to 1975.

The 67-year-old former physicist had to sever relations with the institute after he applied for emigration in 1975; he has been out of work since. He based his appeal partly on a letter he had obtained from the institute director, I. V. Chuvilo, stating that his work there had not involved secret material.

Mr. Meiman has been active both in support of Jewish emigration and as a political dissident, a member of a Moscow group formed to monitor Soviet compliance with the human rights provisions of the 1975 Helsinki accords.●

WORLD OIL OUTPUT SET RECORD DURING U.S. GASOLINE SHORTAGES

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GORE. Mr. Speaker, Government and industry officials have given various explanations of the recent severe gasoline shortages but have always emphasized the political crisis in Iran, which resulted in an immediate cut in worldwide oil production of 5 million barrels per day. Last February, I asked Mr. Dario Scuka, a petroleum analyst with the Library of Congress, to attempt to quantify the worldwide oil shortage and to determine the extent to which other exporting nations had increased production to compensate for the loss of Iranian oil production.

Mr. Scuka's analysis, based on projected figures, showed that world oil production during the first three quarters of 1979 was likely to be the same as it was during the first three quarters of 1978, despite the Iranian shutdown. This was a limited but highly significant point. Based on Mr. Scuka's analysis, I expressed the fear that an exaggerated hysteria about the immediate impact of the Iranian revolution on oil supplies was diverting our attention from the very real impending "price crisis," and creating a panic that could lead to hoarding.

Since that time, gasoline prices have risen far beyond our expectations. A dollar-per-gallon gasoline is now a very painful reality in most of our country. And there is no end in sight to the skyrocketing price of gasoline and no relief for the many Americans—farmers, small business operators, working families—who are hit hard by these price increases.

Recently, actual worldwide oil production figures for the first 6 months of 1979 have become available. These figures confirm the projections made earlier this year in Mr. Scuka's analysis; in fact, they show that worldwide oil production was actually somewhat higher than Mr. Scuka's projections. These figures, initially reported in the Oil & Gas Journal and later summarized by the Washington Post, show that world oil production was 5.8 percent higher in the first half of 1979 than in the comparable period in 1978.

I want to take this opportunity to commend Dario Scuka for his excellent work in predicting this result from early projected figures. He was the only one who did so. Now that the chips have been counted, his figures have been proven amazingly accurate, if slightly conservative. It should give us pride in the work of the Congressional Research Service.

I would like to share with my colleagues the articles reporting these new statistics during the August recess:

WORLD OIL OUTPUT SETS RECORD DESPITE IRAN

(By J. P. Smith)

Despite the revolution that shut down Iranian oil output—and no matter the gas lines in the United States—world oil production rose to record levels during the first six months of this year.

Sharply increased production from the Arab Gulf states (primarily Saudi Arabia), from the North Sea and from Third World countries outside the oil cartel more than made up for the Iranian loss.

Worldwide oil output was 5.8 percent higher the first half of 1979 than in the comparable period last year, according to the authoritative Oil & Gas Journal. The Central Intelligence Agency and administration experts have come up with similar estimates.

These figures are sharply at variance with the impression left earlier this year by former energy secretary James R. Schlesinger and others in the administration, who attributed the U.S. gasoline lines and 40 percent increase in gasoline prices in part to a world oil shortage brought on by Iran.

But to some extent the year-to-year production figures are deceptive, analysts said yesterday. During the first half of 1978, world oil production was kept artificially low, as the industry tried to work off a glut that had put downward pressure on prices the year before. Indeed, U.S. companies seem in retrospect to have gone a little too far in 1978, and to have let inventories fall below normal.

Thus the production increase so far this year to some extent represents recovery, and to some extent reflects the normal annual increase in world consumption of petroleum products.

It is theoretically possible to have an increase in production and a tight world market at the same time.

Prices have also been lifted by anxiety. The chaos in world oil markets spurred by the Iranian revolt has still not totally subsided, and most oil analysts say future production is still marked with uncertainty.

Iran, formerly the second leading producer in the organization of Petroleum Exporting Countries, reduced its oil output from more than 5.5 million barrels a day during the first six months of 1979.

Nevertheless, total free world oil production was not far below forecasts the major oil companies and the Energy Department made last year before the Iranian revolt.

Oil & Gas Journal, an industry trade publication, says total world oil production averaged 61.8 million barrels a day during the first half of this year compared with 58.7 million barrels a day during the first six months of 1978.

Reflecting on the sharp increase in world oil output, a New York-based international petroleum analyst, Walter J. Levy, said, "Production was definitely higher than people expected."

Levy, however, cautioned that "the danger is that the statistical supply picture can deceive us about the underlying weakness of our position" as oil importers.

The sharpest increase in oil output during the first half of the year came from the Saudis, who raised production 1.4 million barrels a day over their average level during 1978—a rise of 18.8 percent. During most of the first six months of this year, the oil-rich kingdom's output exceeded its self-imposed ceiling of 8.5 million barrels a day.

Iraq, likewise, dramatically increased its production by 900,000 barrels a day, a jump of 37.6 percent over last year, and has replaced Iran as the cartel's second leading producer.

Overall, despite the interruptions and sharp decline in Iran's oil output, the 13-member OPEC cartel's production during the first six months of this year rose from 28.3 million barrels a day in January to 31 million barrels a day in June. Moreover, according to Central Intelligence Agency internal analysis, the cartel's oil production continued at higher levels during the first half of 1979 than in the first six months of 1978.

John Lichtblau of the Petroleum Industry

Research Foundation says that "there was clearly a shortage during the first quarter" of 1979 but that free world output rose during the second quarter.

As for the current state of world oil markets, Lichtblau says he expects free world production to hold at between 52 million and 53 million barrels a day. During the first three months of this year, Lichtblau says, free world production stood at 50.5 million barrels a day.

At the Energy Department yesterday a senior official said, "Our numbers show production is up dramatically too."

As for Schlesinger's pronouncements earlier this year that the world oil shortage was as much as 2 million barrels a day, the DOE official said, "Our view was that demand including stockbuilding exceeded supply." As for the current oil outlook, the official said, "We are on the knife's edge now—just about at equilibrium."

Ironically, in June in Geneva as OPEC announced the stiffest price increase since 1973's embargo, most oil ministers said that production and demand were in close alignment.

Before the OPEC meeting opened, Dr. Fadhil Chelabi, an official with the cartel's secretariat, said that much of the confusion in oil markets during the spring resulted from the massive replenishment of inventories in the industrial nations, not from shortages in oil production.

Schlesinger, however, disagreed. A week before the OPEC ministers met he told a Washington press conference that the world shortage amounted to about 1.6 million barrels a day, and predicted, "There will be some easement, but it will not be great."

U.S. OIL IMPORTS INCREASED DURING GASOLINE CRUNCH

(By Patrick Tyler and Jonathan Neumann)

While American motorists were waiting in gasoline lines earlier this year, U.S. oil firms were importing 9 percent more crude oil than they did in 1978.

A detailed examination of oil company records shows that among those crude oil import increases for the first six months of 1979 were: Gulf Oil Corp., up 23.5 percent; Ashland Oil, up 19.6 percent; Mobil Oil Corp., up 17.9 percent, and Exxon U.S.A., up 15.5 percent.

The import records are filed monthly by each oil company with the Department of Energy (DOE) and are certified by the firms as accurate under penalty of law.

In interviews, executives of Gulf, Exxon and Mobil acknowledged that their imports—and their total crude supplies—were up substantially, despite the shutdown of the oilfields in Iran for 10 weeks at the beginning of the year.

None of the company officials offered an explanation of how this summer's gasoline shortage was touched off in the face of fast-growing imports.

"We at Mobil don't make or create gasoline lines, that's an industry phenomenon," said Bonner Templeton, a vice president for supply and distribution.

Said Jon Deakin, senior vice president for Gulf's oil supply arm, "That's always the thing that's hard . . . because I know we maintained our refinery runs pretty consistently this year . . . insofar as we are concerned, our level of crude supply was pretty well sustained."

"Where did the oil go? You've got me bothered by the fact that I don't have a satisfactory answer to the question," said Anthony L. Seaver, manager of the planning division at Exxon International.

It was reported this week that worldwide oil production was up 5.8 percent in the first six months of 1979. And federal energy officials have reported in the past that total U.S. crude imports were up.

However, DOE officials have never presented these figures on a company-by-company basis.

Until now, federal energy officials have explained the summer gasoline shortage in part by saying that refiners used their increased crude supplies to rebuild their reserves, that they used their refineries at less than capacity and that to some extent they cut gasoline production in favor of other and more profitable oil byproducts like jet fuel. At the same time, federal officials have said that gasoline demand rose artificially earlier this year as panicky motorists and other consumers began topping off their tanks.

Total crude oil import figures from company records show that in the first five months of 1979 U.S. oil firms imported 385 million barrels more than in the first five months of last year.

That much crude oil would have supplied an additional three weeks of driving gasoline to American motorists this summer, according to the National Petroleum Refiners Association.

While crude oil imports rose this year by 9 percent, demand for gasoline in the nation rose by approximately 3 percent, according to oil industry spokesmen.

Even as imports increased steadily in the first half of 1979, oil companies cut gasoline supplies to service stations by as much as 15 percent. The resulting tight market led to a 50 percent increase in the price of gasoline.

The records show that just after Iran stopped oil production on Dec. 26, the U.S. companies sharply increased their crude oil imports from other nations, including Saudi Arabia, Kuwait, Nigeria, Algeria and Venezuela.

For example, Exxon, the nations' largest oil company, had been importing approximately 3 million barrels of Iranian oil for U.S. use each month before the Iranian shutdown.

Yet, when it lost 9.4 million barrels of Iranian oil in April, May, and June, Exxon replaced that amount with imports from other countries and still increased its overall crude imports by 5 million barrels compared with the like three months in 1978.

Indeed, just as Iran concluded its first full month of shutdown in January, Exxon was setting its record for a single month's imports—26.6 million barrels.

Executives at Exxon, Mobil and Gulf and federal energy officials offered varying explanations of why gasoline supplies to the public were reduced in the face of rising crude oil supplies.

A spokesman for Exxon declined to provide specific information to show how Exxon's additional crude oil as used this year.

"The numbers you want are simply not going to be made available because the never were made available before," said Margaret Earle.

Another Exxon spokesman said that, generally, Exxon used some of its additional crude to build up reserves, which had been drawn down in the first quarter of 1979 to meet higher demand for gasoline and to replace "marginally lower" supplies of domestic crude oil.

The spokesman, Seaver, of Exxon International, said that while Exxon's crude oil supplies were higher than 1978, they were not as high as the company had planned.

Seaver declined to disclose what the company had projected for its crude oil needs this year.

Peter Wolgast, manager of Exxon International's planning and analysis division, had said in an interview last Friday that "our actual imports were lower [in 1979] than they had been at the same time in 1978."

Yesterday, Wolgast acknowledged that "when I went back and checked, I found the opposite." He said that while crude oil imports were up by about 15 percent, imports of refined fuel oil and gasoline were down by about half as much. Still, he said, the figures had increased overall.

At Mobil, where crude oil imports were up almost 18 percent, Templeton said that his company used some of the additional oil to build up its reserves of gasoline in order to prepare for refinery shutdowns for maintenance this fall.

By July, Templeton said, Mobil had more than a million additional barrels of gasoline in reserve than it normally maintains to prepare for those shutdowns.

"In hindsight, we could have released that million barrels and our inventory wouldn't have gone below last year's levels," Templeton said.

He said Mobil was operating this year with about 52,000 additional barrels of imported crude supplies. Part of that, he said, was to make up for a loss of 15,000 barrels a day of domestic crude oil that Mobil could no longer buy, leaving a net increase of 37,000 barrels a day.

Templeton said that during the period of the gasoline shortage Mobil's crude oil reserves remained fairly constant, with 21 million barrels in April, and back to 21 million barrels in May.

At Gulf, Deakin acknowledged that crude oil imports were up by 23.5 percent, but added that imports of refined fuel oil and gasoline were down. Gulf increased its net imports of oil and oil products by about 10 percent in the first six months of 1979, Deakin said.

He said he could offer no specific explanation of why there were lines at Gulf stations just as there were at other stations.

"It's always hard comparing statistics," Deakin said. "You're really comparing apples and oranges—what you planned to import and the marketing environment. One reason we were able to run our refineries so well is because we were not relying on Iranian crude."

Les Goldman, assistant secretary of energy, professed surprise over the 9 percent increase in crude oil imports. Nonetheless, he said consumer demand was larger than the oil supply could accommodate this summer.

On Feb. 7, then secretary James R. Schlesinger told the Senate Energy Committee that the Iran shutdown would reduce oil imports by 500,000 barrels a day. And in a special report to the president released three weeks ago, the DOE said that imports in February through May this year increased by only 3.3 percent over last year.

Goldman defended both of those positions, despite the oil company records showing a 9 percent crude oil import increase.

He said Schlesinger was right, because DOE views the increased import figures as a "reduction" since imports were not as high as they might have been if Iran had not stopped oil production.

Goldman also said that the 3.3 percent figure cited in the report to the president referred to total figures for imports of all petroleum products, including substantial quantities of residual fuel oil used primarily by electric utilities to power generating equipment.●

PERSONAL EXPLANATION

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CAVANAUGH. Mr. Speaker, weather held up my return flight to the city and I unfortunately missed a vote on rollcall No. 435. Had I been here I would have voted "aye."●

REDEVELOPMENT PROJECT ON CHICAGO'S SOUTH SIDE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, as a representative of an urban community, I am always interested in the efforts of people and institutions that support our city neighborhoods. The subject of a recent New York Times article is the South Shore National Bank's redevelopment project on Chicago's South Side. The bank's program, now 5 years old, was set up by Ronald Grzywinski. By all indication the project has helped stem neighborhood deterioration, reduce crime, and stabilize the community it serves. I would like to insert this article in the RECORD:

CHICAGO BANK MAKES MONEY ON LOANS THAT AID DETERIORATING NEIGHBORHOOD

(By Nathaniel Sheppard, Jr.)

CHICAGO, July 26.—Five years ago the new owners of the South Shore National Bank set out to disprove the notion of their fellow bankers that making development loans in deteriorating neighborhoods was like throwing money out of the window.

Today, buoyed by its success in helping to arrest blight in the South Shore district, a predominantly black community of 80,000 seven miles south of the Loop, the bank is preparing to embark on an even larger rehabilitation effort.

In a joint venture, it will finance its holding company's multimillion-dollar purchase and rehabilitation of about 500 units of deteriorating multifamily housing in the most blighted section of South Shore. It will be one of the largest rehabilitation efforts involving other than high-rise buildings.

NATIONAL MODEL IS HOPED

Officers of the bank hope that the effort will help their neighborhood redevelopment project become a national model of how local banks and institutions can play a vital role in preserving communities while still turning a profit. Other banks in Chicago and in other cities have expressed interest in the bank's efforts, and it is setting up a seminar for bankers who would like to know more about the bank's methods and experience.

"While other banks are redlining neighborhoods we are greenlining them," said Susan Davis, vice president of the bank. "And we have been able to turn a profit while doing so."

Redlining is the practice by banks, insurers and other institutions of refusing to make loans, grant mortgages or write insurance in certain neighborhoods because of perceived risks. Redlined neighborhoods are usually poor or predominantly occupied by minorities, or they are close to such neighborhoods.

"In the new project we will take the biggest and the worst buildings in South Shore and make them as good as new and hope that smaller buildings and homes in the area will ride on our coattails," said Thomas Gallagher, president of the City Lands Corporation, an affiliate of the Illinois Neighborhood Development Corporation, the bank's holding company. "We believe the project will be sufficiently dramatic to get the community back on its feet."

99 PERCENT WHITE IN 1950'S

In the 1950's South Shore was 99 percent white, a well-to-do community with a lakefront on its eastern boundary, an area of stately mansions and a mix of houses and three-story, multifamily buildings.

Rapid growth of surrounding black communities increased the demand for housing in South Shore and prices began to rise rapidly. As blacks moved in, whites moved out, along with virtually all of the businesses and the exclusive shops that had thrived there. The area is now 85 percent black.

As the neighborhood changed, the South Shore Bank began to cut its services, granting only two mortgages totaling $59,000 in the community in 1972. As a result of its cutback in services, deposits declined from a peak of $80 million to $46 million and the bank's owners decided to bail out.

"We call this disinvestment," said Ronald Grzywinski, chairman of the bank's executive committee and the man who set up the redevelopment project. "As the former operators of the bank saw it, the new people in the community were not as credit-worthy, did not maintain accounts large enough to be profitable and presented the risk of increased fraud and higher delinquent loan payment rates."

"When a neighborhood changes racially," Mr. Grzywinski went on, "the people in its institutions often throw up their hands and say there is nothing that can be done to save the community, and leave. Bankers have at least as much if not more prejudice as others and when a neighborhood changes they keep investment money out of that neighborhood."

By this time, Mr. Grzywinski had developed his model for a bank's participation in community development through a holding company and was looking for the opportunity to try it out.

After obtaining about $4 million in financing from foundations and other groups, he and three partners took over the bank and began the neighborhood redevelopment effort.

In the last five years the bank has granted development loans totaling $18 million in the South Shore community. In 1977 and 1978 the bank financed the rehabilitation of 625 multifamily housing units at a cost of $3.7 million. It also granted 114 mortgages for single-family homes, 37 mortgages for multifamily homes, 209 home improvement loans, 125 commercial loans and 293 student loans.

BUSINESS RENOVATION SLOWER

Despite the infusion of money into South Shore housing, many storefronts remain vacant or in disrepair along 71st Street, the hub of the neighborhood.

Last year a group of South Shore residents joined forces with developers and formed the Phoenix Partnership. The partnership bought three and a half blocks of commercial buildings along 71st Street. With loans from the bank the group began a renovation effort that already has resulted in the restoration of a block of vacant storefronts.

And the owners of the Rosenblum Drug Store, the only business to remain in the neighborhood after its population shifted, have undertaken a $340,000 project, underwritten by the bank, to rehabilitate and expand their retail space.

"We knew that the community had to be revitalized at some point because everybody can't move to the suburbs or to the North Side of the city," said John Kelly, one of the drugstore's owners. "And besides, the neighborhood wants us to stay."

LARGER SPACES GOING FAST

Last year the bank extended $6.4 million in development loans to the South Shore neighborhood, raising its total outstanding loans to the area to $15.2 million. The 90-day delinquency rate on the loans, at 2.4 percent, was well below the industry average, according to bank officials.

The bank's net income last year, after subsidizing its redevelopment project for the $30,254 difference between development income and development expenses, was $208,000, representing a 5.2 percent return on its equity. The level was well below the industry average of 14 percent for banks of its size, "but it proved those critics wrong who argue that you can't make loans for commercial real estate ventures in black communities without losing your shirt," said Milton Davis, the bank's president.

REHABILITATION DOES WORK

"Conventional wisdom has it that the economics of rehabilitation don't work and that you have to bulldoze and build anew from the ground up," he said. "We've come to the opposite conclusion—that you can rehabilitate, get sound housing and put it back on the market at prices people can afford."

Two studies by a University of Chicago sociologist indicate that the rehabilitation effort has played a significant role in arresting blight, reducing crime and stabilizing the South Shore community.

In a follow-up to a 1974 survey of the community, the sociologist found a dramatic reduction in population turnover and the crime rate, a stable welfare rate and rising median family incomes and property values. He also found residents more optimistic about the nighborhood's future.●

FREEDOM FOR DR. SEMYON GLUZMAN

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, once again I rise to speak out on the case of Dr. Semyon Gluzman, a 32-year-old psychiatrist who has been unjustly imprisoned in the Soviet Union for over 7 years. I make these remarks as part of the "Shatter the Silence, Vigil 1979," organized in conjunction with the Union of Councils for Soviet Jews, a daily event on the floor of this House which seeks to gain freedom for Soviet Jews.

Semyon Gluzman is a man of great courage and conviction, who was imprisoned 7 years ago last May, because he refused to certify human rights and political activists as insane for the KGB. Dr. Gluzman was only 25 at the time he went to prison for refusing to abrogate the tenets of his profession, and he has paid dearly for his love of freedom and truth. The record of his prison term includes prolonged terms of solitary confinement, resulting in severe ill-health, and a seriously damaged physical condition bordering at times on death. A recent photograph I received compares starkly to the one taken at the time he was so unjustly incarcerated. Last May, after his official 7-year prison term was over, Dr. Gluzman began his 3-year term of "internal exile" in Siberia, where he now languishes.

What makes the plight of Semyon Gluzman so personally compelling to me and thousands of others in the United States and abroad is that he has never ceased to speak out for freedom and truth throughout his prison term. In the early years of his sentence, he coauthored with Vladimir Bukovsky a "Manual of Psychiatry for Political Dissidents," a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and managed to smuggle this to the outside world. While in prison he vigorously protested the treatment of his fellow prisoners, which brought about his placement in harsh solitary confinement. Last January, another of his poems reached the West, and once again Semyon Gluzman spoke out for freedom and truth and religious beliefs in a magnificent and moving way. His courage seems undaunted despite the adversity which he has experienced.

It is important that the leaders of the Soviet Union realize that the world is watching what happens to Semyon Gluzman. There are 63 cosponsors of House Joint Resolution 265, which I have introduced along with my colleagues BIAGGI, BINGHAM, and KEMP, calling upon the Soviet Government to release him and allow him to emigrate to Israel with his family. On May 9, the anniversary of his prison sentence, 42 Members of the House wrote to President Carter asking for his intervention on behalf of Dr. Gluzman. There are organizations working on Dr. Gluzman's cause in the United States, and in other countries, such as Amnesty International and the Committee to Free Dr. Semyon Gluzman.

Our outrage at his treatment has not abated. Our work on his behalf will persist. And we continue to pray for his health and fortitude so that in fact Semyon Gluzman will realize his prayers for freedom soon.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to insert a speech by the chairman of the Captive Nations Week Committee of the Republic of China, Dr. Ku Cheng-kang, which he gave while visiting Washington, D.C., in connection with the Captive Nations Week celebrations here in the United States. During his visit to the Congress, Dr. Ku spoke before both House and Senate Members.

As shown in Dr. Ku's address, it is imperative for us to continue to uphold the human dignity of those peoples held captive of communism, who struggle for their freedom, democracy and human rights:

BETTER NEW RELATIONSHIP FOR GREATER COMMON INTEREST

(Speech by Dr. Ku Cheng-kang, the 20th Captive Nations Week Anniversary, Washington, D.C. July 17, 1979)

It was here on the Capitol Hill, a solemn symbol of freedom and democracy, that observance of Captive Nations Week became a public law 20 years ago. The objective was to bolster the subjugated peoples' aspirations for freedom and independence. Taken thus was a Congressional step of moral courage in line with America's national spirit. More recently, especially since mid-December last year, the righteous words enunciated by you on the China issue and in support of the Republic of China's endeavor for freedom and democracy have won acclaim the world over.

On this notable occasion, I have the privilege to express my heartiest respect for all of you. It is my great honor to visit this country for the historic 20th Captive Nations Week Anniversary and thus be with you at the very place of that noble legislative move.

BASIC CONFRONTATION BETWEEN SLAVERY AND ANTI-ENSLAVEMENT

This is a turbulent age with dangers lurking everywhere. People are earnestly praying for peace and seeking ways to avert wars. But the unchanged Communist goal is world communization and enslavement of mankind. Still continued, therefore, is the fundamental confrontation between those bent on spreading slavery and those who oppose it. This involves freedom and democracy on the one hand and, on the other, Communism and autocracy.

The confrontation is presently manifested mainly in three forms:

One is Communist nuclear blackmail versus the nuclear armament of free nations.

Another is Communist aggression through proxy wars versus the effort of free nations to safeguard freedom.

The other is multifront Red expansion versus the free world exertion to promote common security.

Asia is the major sensitive area of confrontation. The Russians are stretching out into the Middle East, the Indian Ocean, the South Seas, and the Sea of Japan. The Communists of China and Vietnam are resorting to their utterly ruthless inhuman tactics—export of refugees—in their attempts to harass and subvert free nations of Southeast Asia. Add to this picture the energy crisis that is shaking the world, and it becomes unequivocally clear that the course of Asia will decide future world outlook.

Promotion of freedom and security in Asia is indispensable if the free world is to avoid being plunged into wars and disasters. This promotion urgently requires the pooling of Asian forces that stand for freedom.

Freedom forces are awakening and rising in Asia. The United States must grasp this advantageous situation, firmly stand with free Asians, and strive with strength for the protection of security in the Asian and Pacific region.

CHINESE COMMUNISTS—AN ASSET?

One popular strategic concept demands alliance with the Chinese Communists for the restraint of Russians. This seemingly attractive idea is in fact quite mistaken and dangerous.

The mistake lies in the attempt to unite with a force of enslavement for opposition to another similar force. This will spur multifront Red expansion and provide the Chinese Communists with opportunities to trick industrially developed democratic countries into supplying them with knowhow, capital, facilities, food stuff and weapons for growth as another aggressive force.

The danger stems from the blurring of demarcation between friend and foe. This loosens the free camp and exposes free nations as targets of individual conquest by the Russian and Chinese Communists who are racing hard for hegemony. Even more dangerous is that the two Red powers may at any time join hands for their common communization goal and advance together against the free democratic world.

The Chinese Communists are poor, backward and very bellicose. Alliance with them certainly will be liability, not an asset, to free nations.

For some time not long ago, the Chinese Communists were talking boastfully about their so-called Four Modernizations, supposedly requiring a total capital outlay of 600 billion dollars. Radiant but actually unrealistic pictures of "Chinese mainland market" were painted in the minds of many outsiders.

But as numerous sources were looking forward to big business deals, the Chinese Communists found themselves having no choice but to admit that the program is just as impracticable as the "Great Leap Forward" of the late 50s. Unilaterally they scrapped a number of foreign trade and monetary contracts and agreements. This was accompanied by terrorist steps at home against those clamoring for freedom, democracy and human rights.

At the two-week Second Session of the 5th "National People's Congress" that opened in Peiping ("Peking") on the 18th of last month, Hua Kuo-feng said the Chinese mainland poverty and backwardness could not be erased in a short while and that inaccurate estimate and planning had been made for Four Modernizations. He spoke of the existence of "obvious defects" in economic and production management systems, then called for overall adjustment.

Many recent visitors from abroad have been shocked by the ignorance and backwardness of the Chinese Communists, the destitution of the people, and the widespread loss of hope in Communist rule. Jay Mathews wrote for the Washington Post July 5 that the majority of people, including cadres, were resentful and unwilling to make further sacrifice for Peiping. He feels the regime is in no shape to continue its rule and the Chinese mainland political outlook will change as a result before long.

The Four Modernizations program has failed without getting under way, but the Chinese mainland people's campaign for freedom is spreading and gathering momentum. Young people want freedom of schooling, occupation and marriage; workers are demanding freedom to choose jobs; farmers are badly in need of freedom from hunger. People are gallantly proposing that the mainland learn from Taiwan. One notable characteristic of this situation of all-out anti-Communism is that even those of the younger generation, who have been brought up and educated under Communism, are rising against the regime and its doctrine. A fatal wound has been inflicted. The Chinese Communist rule can fall apart overnight if the anti-Communist campaign of the people there receives proper assistance from free nations.

HOPES ATTACHED TO THE U.S.

Distinguished Senators: In this crisis-ridden world seriously threatened by Communist expansionists, high hopes continue to be attached to the United States.

America doesn't have to be an international fire company, and no young American blood need be shed in any foreign land. All that the people hope the U.S. will do is:

First, refrain from doing anything that will help Red growth and never dance to the tune of Russian or Chinese Communists. Instead, adhere to the stand for freedom with strength and check Red advances.

Second, avoid damaging free forces. Do not mistake enemies as friends, thereby hurting America's truly faithful companions. Instead, give full play to the nation's massive productivity and advanced science and technology, and help the other free nations speed up their industrialization for the enhancement of their defense capabilities. Furthermore, strive to unite all the world's freedom forces for positive safeguarding of free people's common security.

Third, keep away from matters that make it easier for the Communists to tighten their grip on the captive masses of people—more than a billion of them—behind the Iron Curtain. Drive in wedges of human rights campaign and encourage those in chains to fight for freedom and democracy.

GROWTH OF NEW U.S.-ROC RELATIONS

Distinguished Senators: The peoples of the United States and the Republic of China share identical ideological patterns and ways of life and similarly love freedom and democracy. The ROC is exposed to sharp impacts on the international front but remains firmly on the free camp side and continues to promote the nation's democratic constitutional rule. The ROC respects free economy and is presently America's eighth trade partner. The two-way U.S.-ROC trade total in the six years from 1980 to 85 is expected to exceed 100 billion dollars.

Through endeavors to safeguard freedom and democracy, the ROC government and people in Taiwan have kept a beacon lamp burning for the 800 million Chinese mainland population. Whether those 800 million people are to remain in captivity or regain freedom has decisively to do with the future of the entire world. If those people are to become massive additional manpower of the free camp instead of remaining as Red Chinese tools of aggression, the strong existence and growth of the ROC is an absolute prerequisite.

The security of the ROC's Taiwan base has inseparably to do with the security of Northeast Asia and the entire Asian-Pacific region. Taiwan also is a shield for the protection of America's strategic bases in the Western Pacific. Because of its strategic position, the island can help check Russian expansion into the area. If the security of Taiwan is undermined, the entire Western Pacific will be exposed to so much easier Red advances.

For the common interest of the U.S. and the ROC, the two nations should seek to develop new relations through economic, trade, cultural, people's diplomacy and other channels.

For the security of the Western Pacific, our two nations must exert greater joint endeavor against the spread of Communist forces of enslavement.

For the promotion of lasting friendship between the two great peoples, the U.S. and the ROC must together assist the Chinese mainland people's fight for freedom, democracy and human rights.

Distinguished Senators: Developments in all parts of the world have made it crystal clear that people everywhere invariably are after national security, political democracy, social stability and economic prosperity. The Communist class struggle and dictatorship of the proletariat, being contrary to human nature and human rights, have been discarded by the world at large. Notable indications are the examples of defeat suffered by Communist candidates in the recent European and Japanese elections. The Communist rampancy today is only on the surface. It cannot conceal the continuing Red bloc trend of degeneration and dissolution. Neither eclipsed is the surging tide of freedom forces with insistent determination. The campaigns waged behind and outside the Iron Curtain against Communism and tyranny will be joined as a torrent of the age, destroying all Red forces as it surges ahead. America as the mainstay of the free camp is charged with the historic mission to lead and promote free world endeavor for freedom and democracy. The world ardently hopes and earnestly requests that all of you Senators will continue to uphold justice and see that the American will power is kept at the highest possible level.●

OPENNESS IN GOVERNMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GOODLING. Mr. Speaker, during the recent Congressional recess, Pat Harris, the new Secretary of HEW, took another giant step in the President's "openness in government" policy. I ask my colleagues to take a look at the attached memorandum and draw their own conclusions:

MEMORANDUM

WASHINGTON, D.C.,
August 16, 1979.

To Assistant Secretaries, Heads of Principal Operating Components, Heads of OS Staff Offices, Principal Regional Officials, Special Assistants, and Executive Secretariat.

This is to ask that no communications be sent to Members of Congress or staff on any pending or proposed legislation without express approval by me through the Assistant Secretary for Legislation.

Until further notice, there are to be no meetings, calls, or staff contacts with Members of Congress or staff, White House Staff, Office of Management and Budget, or the Economic Policy Group regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior discussion with me through the Assistant Secretary for Legislation.

PATRICIA ROBERTS HARRIS.●

VLADIMIR BUKOVSKY SPEAKS OUT ON THE MOSCOW OLYMPICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. KEMP. Mr. Speaker, in his outstanding commentary on the 1980 summer Olympic games in the Wall Street Journal, exiled Soviet dissident Vladimir Bukovsky reviews new developments in the preparation of the 1980 Olympics particularly as it is being touted by the Soviets. Anyone who has accused those of us who opposed Soviet sponsorship of the games of politicizing the Olympics would do well to read this article, which follows my remarks.

It is frustratingly clear that the Soviets are using this opportunity to create a false face of socialist superiority to show the world, yet they are insulating themselves from charges that they are politicizing the Olympics by accusing their critics of the very violations of Olympic principles of which they are guilty. In other words, if we criticize their program of propaganda, we are guilty of propagandizing, therefore we are politicizing the Olympics. If we fail to criticize this obvious convolution of Olympic principles to fit socialist ends, are we not then also guilty of allowing the games to become political? This catch 22 situation is adding insult to injury, and I intend to continue protesting vigorously any indications that the Olympic games are not being carried out in the spirit in which they were created.

Mr. Speaker, does it take a Russian to stand up for the rights of the free world? Apparently so, for among those voices raised in protest that Radio Liberty and Radio Free Europe will not be permitted to cover the games I hear Vladimir Bukovsky, but not the U.S. Olympic Committee. Among those concerned that Russian dissidents and so-called prisoners of conscience will be cleared from those areas where events will be held to create an aura of internal contentment with the Soviet system is Vladimir Bukovsky, a victim of 12 years in Soviet prison camps. He knows what many will not believe or choose to ignore—that the Soviet Government will go to whatever extent we permit to legitimize its systematic discrimination and repression of its citizens, which is clearly a violation of the Helsinki agreement and of the Olympic principles first articulated by Baron de Coubertin.

If the U.S. Olympic Committee is not going to represent our interests by recognizing and protesting Soviet violations of Olympic principles, then the people of our country must speak out for themselves. We must make our voices heard, in concert with the articulate words of Vladimir Bukovsky, to prevent the Soviet Government from using the Olympic games as an official sanction to violate human rights and as an official podium from which to proselytize and to aggrandize communism.

Mr. Bukovsky leaves it to the individual athlete and tourist to decide what road to take. We could boycott, we could participate. "But if you still decide to participate in the games," he foresees from the vantage point of indisputable experience, "remember that some of the Olympic souvenirs you buy are made by prisoners in Soviet labor camps."

Mr. Speaker, it is no longer my intention to advocate a boycott of the 1980 summer Olympics. I believe it is extremely important, however, for us to do our utmost to insure equal participation for all those who do desire to attend the games. It is in that spirit that I have introduced House Concurrent Resolution 180, expressing the sense of the Congress that, in hosting the 1980 summer Olympic games, the Soviet Government should adhere to the Helsinki accords and the Olympic spirit of fair play and equality of opportunity. I urge my colleagues to join me as cosponsors in this effort to keep the summer Olympics as nonpolitical and nondiscriminatory as possible. Our strong advocacy of this position will mean a great deal to all those who participate in or are affected by the Olympics, either directly or indirectly, and will tell the world that Americans do not have to have their freedoms taken away from them, as Vladimir Bukovsky did, before we will defend the principles we hold dear.

The article follows:

GAMES RUSSIANS PLAY

(By Vladimir Bukovsky)

Who can forget the greatest Olympic Games of modern times, when Berlin became the scene of widespread gaiety? Scarlet banners with black swastikas flew in the wind, parades and festive ceremonies crowded the city and choirs sang. And who can forget that memorable moment when children presented a visibly moved Hitler with an olive branch?

Such peaceful scenes, far removed from the heat of politics, are about to be repeated in Moscow, the "capital of smiles," as they say there nowadays. Preparations for the Summer Olympics are going on at top speed. Construction may be behind schedule, but in a totalitarian state this sort of difficulty is easily overcome. All civic and housing construction has been halted in order to concentrate on the Olympic facilities.

The labor is provided by Soviet Army soldiers, in exchange for free passes to watch the Games. The building of the facilities has been declared a Komsomol shock-worker project, which means that free labor will be provided; indeed as of next autumn scientists, scholars, students will be taken from their own work and forced to labor on building sites and clean-up campaigns. Moscow is undergoing a complete face-lift: houses are being decorated, buildings are getting repainted, even the cobblestones in Red Square are being renewed.

Moscow is "cleaning up" in other spheres as well. One reason for the recent trials of dissidents was to get them out of Moscow, and to persuade the West that there is no dissent in the U.S.S.R., but merely parasites, agitators, malicious hooligans, spies and madmen. Potential troublemakers will be kept under close watch or barred from coming to Moscow. Indeed, the city will be closed for the whole summer, which also means that apart from registered Muscovites, ordinary Soviet citizens won't be able to see the Games.

PIONEER CAMPS

Schoolchildren are undesirable, too. They have already been asked to state where they intend to spend next summer. Those who have no specific plans will be organized into groups and sent to special "pioneer" camps in order to be saved from the corrupting influence of foreigners. The authorities, on the other hand, will be saved from the embarrassment of having children ask for chewing gum or jeans. One never knows what to expect from them and the unpredictable cannot be permitted.

American tourists will be organized into 15-day tours costing about $1,500 a person. They will spend three days in Moscow, but the Olympic events they attend will be chosen by Intourist. Then they will depart for Central Asia, the Caucasus or Siberia. They won't be able to make friends or mix with local people; 10,000 students are being specially trained as guides, and Soviet guides are obliged to report to the KGB about every move tourists make.

Even when they actually attend an event they will probably find themselves next to a soldier or some official—only 35 percent of the tickets will be sold to Muscovites (at a price up to $37.50) and about 30 percent to foreigners. It doesn't take a lot of imagination to guess where the rest go. (During the Berlin Olympics the predominance of officials was also noted by the foreign press. But in Moscow they will be wearing civilian clothes and won't differ much from "ordinary" people.) The events will be scattered all over Moscow and other towns to avoid people assembling in greater numbers than can be observed by the watchful eyes of the KGB.

Originally the Soviets were giving assurances that access to the Olympics would be free; there was even talk that visas wouldn't be needed to enter the country and about two million people were expected to come. Now the estimated number is down to 300,000 and there is no question of "opening the borders."

Representatives of "unfriendly" media such as Radio Liberty or Radio Free Europe won't be allowed to cover the Games. And there are signs that emigration will be stopped on the pretext that the authorities are too busy dealing with visas for foreign visitors to the Games.

The estimated cost is about $330 million to $345 million. The whole financial burden will fall on the Soviet people. The government is diverting all available resources to the Olympics, so the production and supply of food and consumer goods are being severely cut back. In addition, house-building has been stopped. In 1968, lack of food in the shops was blamed on Czechoslovakia—it was necessary to feed the Soviet soldiers there. Now the Olympics are the scapegoat.

For the Soviet government the economic gains are very real—the Games will bring in desperately needed hard currency.

The basic Olympic principles haven't changed much from 1936. They are aimed to create international respect and goodwill. German officials also invoked "the goodwill and readiness of nations to dedicate all their forces and faculties to the pursuit of friendly combat for the benefit of mankind" to achieve "universal understanding among the world's peoples."

International respect for the Soviet authorities means approval of its aggressive international policy, a policy aimed at undermining the stability and independence of other countries, unlawful occupation of sovereign territories and permanent ideological warfare against all noncommunist countries. Soviet propaganda is tirelessly hammering into the heads of people that the country is surrounded by enemies and any attempt to escape from Russia is treated as high treason, as it would be during war.

Holding the Olympics in Moscow means giving silent consent to the imprisonment of people like Kovaljov, Shcharansky, Shelkov, Osipov, Orlov and many others whose opinions are in conflict with official ideology. It means consenting to the severe persecution of organizations like the Human Rights Movement and the Helsinki Monitoring Group, whose activities are aimed at the observance of legal and humanitarian principles which are in accordance with those of the Olympic Games.

By signing the contract with Moscow, the International Olympic Committee has violated its own rules, which forbid holding the Games in countries where there is racial, national, religious or political discrimination.

The committee is giving respectability and legitimacy to this totalitarian regime and its aggressive, oppressive and chauvinistic policies. It allows the Soviet authorities the opportunity to use the Games as a rostrum for political propaganda. The highest government and party officials are involved in organizing the Games, among them Goncharov, head of the Communist Party Central Committee Propaganda Department, and Gres'ko, expelled from England in 1971, and former controller of British spies Philby, Burgess and Maclean.

PROOF OF SUPERIORITY

The Soviet press calls the Games the greatest event in the history of mankind and has emphasized that they will take place in the first socialist country. Any success by Soviet or Eastern European sportsmen is always interpreted by their countries as yet another victory for the Communist system and proof of its superiority. The large number of medals are secured by the fact that Soviet sportsmen are highly trained professionals. Only Komsomol or Party members are allowed into international teams and they enjoy privileges only the Soviet elite enjoys—the best salaries, roomy flats, access to special shops, trips abroad. This is a direct breach of the first principle of the Olympic Games' intention "to promote the development of those fine physical and moral qualities which are the basis of amateur sport.".

About a year ago, I appealed for the first time to world opinion to press for the removal of the Olympic Games from Moscow. Recently members of the Helsinki Monitoring Group also appealed to the IOC to make a "ceasefire" in the war against humanitarianism and mercy a necessary procondition for holding the Olympics in the USSR. The IOC remains deaf to the appeal.

It would be possible to hold the Games in Montreal; it would be possible for sportsmen to boycott the Games for moral reasons; the same applies to tourists. The Soviet authorities would find it embarrassing and difficult to explain this to the people.

But if you still decide to go or participate in the Games, remember that some of the Olympic souvenirs you buy are made by prisoners in Soviet labor camps.

Mr. Bukovsky, who spent 12 years in Soviet prison camps, was exiled two years ago and lives in England. His book, "To Build a Castle: My Life as a Dissenter," was published last year by Viking.●

DEEP SEABED MINING BILL A MUST

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MURPHY of New York. Mr. Speaker, legislation to develop the immense stores of minerals on the ocean floor becomes more important with each passing day. We have seen, year after year, the delays which have been engineered by the third world countries to bring the Law of the Sea Conference to a standstill. Yet, with each passing moment, this Nation has come to depend more heavily on importing those very minerals which lie on the deep seabed, waiting for the development of a rational legislative framework within which American technology can more reasonably make the huge capital investment required to reduce our dependence upon foreign sources for many of our strategic materials.

It is complicated legislation: five Senate committees have jurisdiction over portions of the bill, and four House committees. We have not been idle in the House; my own Merchant Marine Committee has already reported the bill out, as has the Interior Committee, and I have specifically requested the chairman of the Foreign Affairs Committee, Mr. Zablocki, to expedite the reporting of his sections of the bill, so that we can quickly bring a consensus bill through conference before the end of this year.

Mr. Speaker, the current issue of the official publication of the Seafarers International Union, The LOG, spells out quite clearly the need for immediate and positive action by the Congress in bringing the deep seabed mining legislation to the President's desk. Our economy is one which depends upon a multitude of interacting factors, but as the article points out, there is no reason for this Nation to default on such an important issue as an insufficiency of vital minerals. The legislation is before us, and needs only to be speeded on its way.

For the enlightenment of my colleagues who may not have had an opportunity to read the excellent article from the Seafarers' LOG, I have included the text of the article as a part of my remarks:

Economy Demands Action on Ocean Mining

Congress is once again considering passage of an Ocean Mining Bill, one very similar in tone and substance to legislation proposed last year.

If enacted, the new bill would provide

many benefits to the beleaguered American economy, including the creation of badly needed jobs for a host of American workers, especially those employed in the maritime sector.

The bill is being considered at a time when the Law of the Sea Conference has come to an impasse. The Conference was convened nearly six years ago to, among other things, regulate the rich natural resources which lay at the bottom of our planet's oceans.

It was hoped that the Law of the Sea Conference would quickly produce an agreement under which the nations of this world could recover vast mineral deposits considered to be "the common heritage of mankind."

The American economy desperately needs the mineral resources paving the ocean floor.

At the present time the U.S. imports 98 percent of its manganese and cobalt, 90 percent of its primary nickel, and 15 percent of its copper. All these minerals could be obtained from the bottom of the ocean instead of from foreign countries.

Elliot Richardson, the U.S. delegate to the Law of the Sea Conference, has gone on record as supporting interim legislation which would set standards for American participation in the mining of ocean minerals.

Companies have been reluctant to mine resources from the ocean floor because the legal duties and obligations which govern such activity remain unclear. The companies are afraid of risking the enormous investment it would require to undertake such a venture so long as their investment may be jeopardized by a lack of legislatively defined standards.

Last year, the ocean mining legislation which was proposed ran into problems because of time difficulties.

It enjoyed considerable support in Congress as well as with labor and industry officials. It passed easily in the House. However, it was set aside in the Senate because of the supposedly overwhelming workload which confronted Congress.

It was overlooked even though manganese is an essential ingredient in the production of all iron and steel products. The iron and steel industries are among the most important in this country. Their performance affects every facet of the American way of life.

The legislation was overlooked even though copper plays an important role in the manufacturing of electrical motors, power generators, transformers, plumbing, brakes, radiators, heaters and carburetors.

The legislation was ovelooked even though nickel is used in petroleum refining and in the production of gas turbines, aircraft frames, marine and automotive bodies, and ceramics.

And it was overlooked even though cobalt is used to produce industrial magnets, telephones, gas turbines; and plays an important role in radiation research and treatment.

Congress is again confronted with a seemingly overwhelming workload. It may overlook ocean mining legislation as it has done before. And if it does then the natural resources which would have helped to ease the grave economic problems which confront our nation will lay untouched at the bottom of the ocean floor. These minerals will still have to be imported, and their cost will aggravate an already astronomical balance of payments deficit.

Last year, the U.S. was the only nation to actively consider legislation which would have set interim regulatory standards for an incipient ocean mining industry. This year, however, both Japan and West Germany have been studying the issue. Congressional inaction on this matter is threatening to erode America's competitive edge in an important economic area, and could conceivably deprive many unemployed American workers of increasingly scarce jobs.●

FORCING HISTORY BACKWARD IN THE MIDEAST

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the major rhubarbs that occurred during the congressional recess was the "resignation" of Andrew Young as United Nations Ambassador. I wish to insert in the RECORD, at this point, one of the most penetrating commentaries that I have seen on this event, by columnist Michael Novak which appeared in the August 27 Washington Star:

FORCING HISTORY BACKWARD IN THE MIDEAST

So selected black leaders are now negotiating with the Palestine Liberation Organization. This is one of the most outrageous acts of ethnic politics in recent American history.

It reeks with resentment and hostility, and it divides blacks from other Americans. I have not yet heard of black leaders standing up for the rights of the Ukrainians to self-determination, or of Latvians, Lithuanians, Poles, Czechoslovaks and others. The blacks have not spoken up for Irish Catholics in Northern Ireland. It is not oppression everywhere that seems to move them. What is it, then?

Jewish success in every walk of life mocks the excuse of victimhood. More recently blacks were slaves, Jews were the victims of pogroms, limited civil rights and Nazi concentration camps.

I am not black, nor am I Jewish. But it is impossible for me to believe Andrew Young and his colleagues are not following classic lines in making Jews victims of their frustration at Young's resignation from government. It has happened before.

There are three features about the PLO that makes it absurd for the State Department, Andrew Young or the Southern Christian Leadership Conference (pledged to nonviolence) to force Israel to negotiate with the PLO.

First, no state should be forced to negotiate with a party sworn to annihilate it. Survival is not subject to negotiation.

Second, the PLO is not a representative body or even a shadow government. It has no economic plan. It has no cabinet ready to function. During World War II, Czechoslovakia had a government in exile. In 1948, Israel had plans for economic and political development. The PLO, by comparison, shows no signs of economic responsibility. It does not even pretend to be ready to lead an independent state.

Third, the PLO does not collect taxes. Who, then, is paying the salaries of its army, and buying its weapons, and feeding it, and training it? The Soviet-bloc nations train its assassins in training camps. Various foreign nations fund it. The PLO is not an independent force. It has no financial base of its own. It is a puppet of many strings.

Alone among the 100 million political refugees since World War II, the Palestinians have been refused welcome by those who say they are passionate friends and united kin. They have been deliberately kept by Arab nations in refugee camps. Jordan controlled the West Bank from 1948 to 1967 and did not set up a Palestinian state.

Many Arab nations import hundreds of thousands workers. The Middle East holds plenty of land, much of it potentially as fertile as Israel has become. It is one of the wealthiest, most sparsely settled regions of the world. Why aren't the Palestinians welcome? Jordan in particular is part of their homeland.

The Palestinians are an unusually talented people. Those who live in Jordan, or who have settled elsewhere, often have risen to levels of wealth and leadership. There are many cultivated, peaceful Palestinians. The PLO tries to intimidate such persons.

Some Palestinians do suffer from injustice, and a better solution than the present one must be found. Israel has agreed. But not all the burden should fall on Israel. Outside forces that support the PLO do not help.

Since 1945, more Jews have been driven from Arab lands than Palestinians from Israel. More Palestinians now live in Israel than Jews in Arab lands. To force all Palestinians into the hands of the PLO is to force history backwards. It is not a humane program.

It is not in the interest of human rights, or of the U.S. to empower the PLO. The PLO is a puppet organization, hostile to Israel's existence, the servant of distant powers. In supporting the PLO black leaders discredit themselves, injure national unity and jeopardize the security of all of us.

From Martin Luther King, Jr. to Yassir Arafat is off a precipice.●

M. L. KING CENTER A RIP-OFF?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, Martin Luther King used the civil rights movement as a mask to cover his anti-American and radical ways when he was alive. It would come as no surprise to learn that his successors may be doing the same thing.

Many questions have been raised about the operation of the King Center in Atlanta, Ga. It obviously has been used to gain many Federal funds for its operation. The article which I am including with this speech contains many questions which seem to be unanswered.

Many Americans could well ask if the King Center is being used as a front for a rip-off of the unsuspecting public. Who has the answers? Let us find out.

The article follows:

KING CENTER QUESTIONS GO UNANSWERED

(By Ken Englade)

ATLANTA.—Steven Klein was brisk, impatient, maybe a little harried. His telephone voice had an unmistakable I-told-you so undertone.

"Mrs. King doesn't want to talk about it," he said. "She's bored with the whole thing."

The subject Mrs. Coretta Scott King didn't want to discuss was the monetary structure of the Martin Luther King Jr. Center for Social Change.

There are other things she doesn't want to talk about, such as the FBI report on the late King's alleged philandering, the assassination itself and, especially, finances, either her own or the center's.

Press relations man Klein had accurately predicted she would refuse an interview.

"She already gave Bob Coram a four-hour interview," Klein said. "She feels that's the last word on the subject."

Coram, an Atlanta free-lance writer, wrote a 10,000-word story for ATLANTA magazine based on the interview and his study of the center's operations.

So far, however, the story has not been published—a situation ATLANTA Managing Editor Phil Garner says will be remedied soon.

In the meantime, Coram talked freely about his story. So, too, did Boyd Lewis, an Atlanta radio newsman who did a similar piece for his station and a longer story for "All Things Considered," a show broadcast on National Public Radio.

What they found was a long list of unanswered questions—questions not necessarily meant to imply wrongdoing or questionable dealings.

Still, Coram wrote that center officials refused to answer questions about a quarter of a million dollar annual payroll or divulge the number of center employees.

Center officials, he said, refused to explain why Mrs. King's honoraria for speeches are not reflected in the center's tax returns, although she claims the money all goes to the facility.

Also, Coram said, so far as he could determine, none of the grants to the center from the Health, Education and Welfare Department have ever been audited.

Additionally, he said, there is the question of the money raised by the center—a total of almost $6 million in the past 10 years. "Where has it gone?" he asks.

Coram said reports show the center received a total of $101,000 in federal money from the time it was created shortly after King's assassination until 1976. Then, after President Carter assumed office, the federal grants increased dramatically.

In 1977, Coram said, the center received $181,000—$80,000 more than the previous 10 years combined—and, in 1978, the center was given $237,500 in federal funds. Mrs. King Coram said, denied Carter's office has influenced the grants.

Like Coram, Lewis' chief interest in the center is in its financial structure—a situation he found as confusing as did Coram.

Lewis is a strong believer in the civil rights movement. He has spent six years working on black newspapers in Atlanta. And he cares enough to try to get some answers to his nagging questions about the center.

Many of those questions were broached in the show he did for ATC in March. Questions like:

Why won't the center give newsmen a copy of its latest annual report? Lewis says center officials have repeatedly refused requests for the document. Coram also was unable to obtain a copy. Klein said the report, due in January, has not yet been published. "We're a little late," he said.

Why did the center neglect for 10 years filing the necessary forms to qualify as a non-profit organization? The forms are required under Georgia law, yet no one at the center did anything about it until the late Ben Fortson threatened an investigation at the end of January 1979.

What happened to the $87,000 in center money shuttled to the Martin Luther King Fund for Peace, Non-violence and Brotherhood in 1976–77? The fund, according to Lewis, is not described in any center literature.

"There is no indication the funds are being improperly used," Lewis said, ". . . but the purpose (of the fund) remains a mystery."

Lewis also wants to know where all the money collected on behalf of the center goes. Looking at the center's operations, he said, gives no hint.

The Community Center section of the facility gets its $3.2 million in funds from HUD through the city of Atlanta.

The Day Care Center part of the facility gets its money from a HEW grant.

The house where the late Dr. King was born was purchased by a black fraternity, restored with HUD money and donated to the center, which collects 50 cents a head from visitors touring the building.

The building housing the center's administrative offices, Lewis said, was restored with $47,000 in HUD money.●

FEDERAL OVERREGULATION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ABDNOR. Mr. Speaker, it is common knowledge that Federal overregulation is rampant throughout the land. A concrete example of the problem recently was brought home to me, however, and I mean that in a very literal sense.

Just this summer an automobile equipped with a catalytic converter ignited a fire on green grass on my own farm. Others had warned me of the hazard, and I had attempted to get EPA's attention to the problem. This incident crystallized my belief that we no longer can afford this blatant example of misplaced regulation.

The increased potential for vehicles equipped with catalytic converters to start fires is beyond dispute, and the insensitivity of EPA and the National Highway Traffic Safety Administration to this problem is particularly disturbing because: First, the use of the catalytic converter is not required to meet ambient air quality standards in rural areas; second, it reduces fuel efficiency at a time when we need to do everything possible to conserve; and third, there is no penalty to an individual who removes a catalytic converter in areas where they are needed to meet ambient air quality standards.

The law should be changed according to the following principles:

(1) In areas where air quality problems require the use of such technology, a penalty should be provided for anyone who intentionally thwarts its operation—although the penalty should be less for an individual who does so to his own vehicle than for someone who takes compensation.

(2) EPA should be prohibited from imposing emission standards on vehicles in excess of those required to meet ambient air quality standards in the area in which they will be predominately operated.

(3) There should be no penalty for anyone who removes a catalytic converter or other technology from a vehicle which will be predominately operated in an area which does not require the use of such technology to meet ambient air quality standards. The installation of such technology should be required, however, if and when the vehicle's predominant area of operation becomes one in which the use of such technology is required to meet ambient air quality standards.

(4) EPA should be prohibited from requiring the use of non-leaded gas in areas where it is not required to meet ambient air quality standards, and no penalty should be assessed anyone who either purchases or sells leaded gas in such areas—unless the predominant area of operation of their vehicles is one in which the use of unleaded fuel is required to meet ambient air quality standards.

I have today introduced legislation to accomplish these purposes. The text of the bill follows:

H.R. —

A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provision of this section, no regulation promulgated under this section shall apply to any motor vehicle which the Administrator determines, upon the application of any manufacturer or other person, will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards.".

(b)(1) Section 203(a)(3) of such Act is amended by inserting the following after the words "ultimate purchaser" in each place they appear in subparagraphs (A) and (B) thereof: "unless the Administrator has determined, in such manner as may be prescribed by him by regulation, that the vehicle or engine will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards".

(2) Such section 203(a)(3) is further amended by inserting the following new subparagraph at the end thereof:

"(C) for any person other than a person referred to in subparagraph (A) or (B), knowingly to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this title following its sale and delivery to the ultimate purchaser unless the Administrator has determined, in such manner as may be prescribed by him by regulation, that the vehicle or engine will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards; or"

(c) Section 205 of such Act is amended by inserting the following new sentence after the second sentence thereof: "Any person who violates subparagraph (C) of section 203(a)(3) shall be subject to a civil penalty of not more than $1,000.".

(d) Section 211(c) of such Act is amended by adding the following new paragraph at the end thereof :

"(5) No fuel, class of fuels, or fuel additive may be controlled or prohibited pursuant to paragraph (1) where the Administrator determines that—

"(A) such fuel, class of fuels, or fuel additive will be predominantly used in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards, and

"(B) the use of such fuel, class of fuels, or fuel additive will not impair to a significant degree the performance of any emission control device or system of the motor vehicle in which such fuel, class of fuels, or fuel additive will be used.".

Mr. Speaker, according to the General Accounting Office, 25 percent of all cars coming off assembly lines do not meet Federal pollution standards. More than 50 percent exceed the standards within a year, and the failure rate rapidly increases thereafter.

These facts further highlight the foolishness of applying these standards to vehicles which operate in rural areas. Where the emission control standards are required to achieve ambient air quality standards, they should be made maximally effective; and my urban colleagues ought to devote their attention to this matter.

Where the emission control standards

are not required to meet ambient air quality standards, however, they are not only an unnecessary expense and inconvenience, they are also downright dangerous. This is not the first instance of rural people having to bear the brunt of the sins of their urban cousins nor will it be the last, but it is one example which can and should be corrected.

Again, Mr. Speaker, it is unwise, unnecessary, unfair, and unjustifiable to require the use of catalytic converters in areas which meet national ambient air quality standards without them. The fire hazard and the need to conserve petroleum simply make it imperative that we abolish this example of overregulation.●

ESSAY CONTEST WINNERS

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. WRIGHT. Mr. Speaker, the winner of the 11th annual high school essay contest which I sponsor was Julie Ryan, a June graduate of Fort Worth Country Day School and the daughter of Betty Ryan and the late William T. Ryan, of 59 One Main Place in Fort Worth.

The three runners-up were Kathy Kay, of 3920 Wedgview, Hurst, a graduate of L. D. Bell High School in Hurst, and the daughter of Mr. and Mrs. Kendall K. Kay; Thomas Dewar, of 3129 Chapparral Lane, Fort Worth, a graduate of Paschal High School, Fort Worth, and the son of Mr. and Mrs. Norman Dewar; and David Smith, a graduate of Diamond Hill-Jarvis High School, and the son of Mr. and Mrs. James H. Smith.

In addition to these awards, honorable mention went to the following: Steven Sisney, 2305 Miriam Lane, Arlington, Sam Houston High School; Lee Christie, 424 Eastwood Avenue, Fort Worth, Arlington Heights High School; Jarrell Wicker, 1068 Renee Drive, Hurst, L. D. Bell High School; Joe Claunch, 2117 Woodside Drive, Arlington; Steven Picht, 3709 Kelvin Avenue, Fort Worth, Southwest High School; Joey Holstead, 305 Concord, Hurst, L. D. Bell High School; and Eddie Stemple, 2408 Harrison Avenue, R. L. Paschal High School.

There was an unusually large number of exceptionally well-written essays this year and I am sure that the judges had a difficult time coming to their decisions. Julie Ryan's essay, which deals with the problem in some of our schools of allowing functional illiterates to obtain high school diplomas was so good, in my opinion, that I think that it deserves a larger audience.

For that reason, I am asking today that it be reprinted in the CONGRESSIONAL RECORD. The essay follows:

HIGH SCHOOL EDUCATION: TESTS FOR MINIMUM COMPETENCIES OR OTHER ALTERNATIVES?

(By Julie Ryan)

"Why can't Johnny read?" "Why can't Johnny write? "Maybe the reason is Johnny's high school education. Americans today must be able to process all the information presented them (printed, verbal or statistical) and communicate intelligible, logical answers—skills which our schools ostensibly provide. Yet many American students graduate from high school virtually illiterate; often, they comprehend and write below an eighth grade level. How can these young adults possibly be expected to function competently in today's demanding and complex society?

A minimum competency requirement is the best solution for preventing a nation of people unable to communicate. A standardized test measuring specific skills could be used to indicate those students not capable of reasoning, communicating, or calculating on an acceptable level. However, this level must be defined by realistically set, uniformly administered criteria. Students should be able to read well enough to comprehend the daily newspapers or instruction manuals, directions, etc., written for a general audience, to reason well enough to find solutions to logical problems of moderate difficulty and draw accurate conclusions from premises, and be able to handle simple mathematical functions—not algebra or higher math, but certainly the basic operations, such as addition, subtraction, percentages, fractions, etc., that are essential in dealing with checks, salaries, payments, and taxes—in short every facet of the economy.

However, designating those students incapable of meeting the minimum verbal and quantitative requirements standards is not enough. The school system must initiate special programs designed to provide them with the skills of basic math, reading comprehension, English grammar and composition, and elementary logic. These courses should not be of the "elective" type, which students tend to regard lightly and view as a slack-off time or an easy way to complete a noisome graduation requirement. These programs should be non-nonsense and comprehensive enough to provide the student all the information he will need. However, they should be designed to encourage the minimally motivated student to pay attention and want to learn the material presented; they need not be drudgery or "punishment."

The teachers must also cooperate if high school students are to become educated adults. Presently, teachers routinely pass students who do substandard work. In fact, many teachers are hesitant, or fearful, to flunk students or require them to take remedial courses. Teachers must help indicate these students, so they can be brought up to a functioning level, not blithely pass them on from one grade to the next, until finally they graduate unable to communicate and deal in even the simplest capacity in society. Special considerations should be made for students physically unable to pass the test (due to a physical or mental disability).

A high school diploma has become a prerequisite for obtaining almost any job. Also, the laws requiring all children to attend school up to the eighth grade gives everyone a chance for an education that will enable him to cope in the modern business/communication-oriented world. However, allowing students to graduate without even minimal verbal and mathematical abilities defeats the whole concept of education; it is actually unfair to graduate! If minimum competency tests were instituted, a greater percentage of American adults could have better communicative abilities, could avoid being misled by today's gimmicks and subversive organizations, and could be better equipped, if not to find actual solutions to the nation's problems, to at least comprehend their possible eventual alternatives and effects.●

ACCEPTANCE SPEECH OF HOWARD E. VANDER CLUTE, COMMANDER IN CHIEF, VFW

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, recently it was my privilege to attend and address the 80th Annual Convention of the Veterans of Foreign Wars. During this convention officers were elected to lead the organization during the year ahead. Howard E. Vander Clute of Montvale, N.J., was chosen as commander in chief and his acceptance speech represents the viewpoint and attitudes of an important segment of Americans. I am inserting his address in the RECORD so all our colleagues may have access to its message.

The speech follows:

ACCEPTANCE SPEECH OF HOWARD VANDER CLUTE

My comrades, for years the people of America have said that time was on our side. That, in time we could be prepared to meet the threats to our national security; that, in time we would have adequate programs to meet the needs of those who served their counrty in time of war. When things did not work as we wished, we said, "time heals all wounds." And, somehow time seemed to take care of us.

Today we live in another age. And, time has run out.

Today, an intercontinental ballistic missile takes but minutes to reach its target. Today, those who fought for their country are treated as second-class citizens. Today, there is a bold, concerted effort to cut and eliminate all veterans programs.

Today, we see an Administration laughing at the Congress and doing as they please, slowly tightening the thumbscrews on what was once a viable medical care system.

Today, we see an Administrator of Veterans Affairs—who should be the champion of veterans needs, fighting for every program, expanding services—instead he is at the beck and call of the President, applauding each cut and backing all negative legislation.

But, my comrades, today also offers us a rare and unusual opportunity.

We are at the crossroads—a place to choose a new path for the future. A turning point at which those who care for their country can determine if we are to remain strong and recognizes the sacrifies of those who served, or whether we shall lose all that we have fought for.

Today, the Veterans of Foreign Wars of the United States must provide the leadership to clear a path for our great and beloved country. This was the path chosen by our forefathers and fought for by millions of Americans. What has been preserved is too dear to pass, forgotten by history. We cannot let a group of amateurs throw away our hard-won rights and the security of our country. It is time for the people to speak, and that they will!

My comrades, our organization has always been honest with its membership. I will continue that policy. You are aware that our country and its veterans programs are in jeopardy. Today, I tell you that unless drastic action is taken by us, we may see the final end of all that we have fought for.

All of you know what the present Administration promised when it came to Washington. We said then it is the Congress to whom we must turn, for they raise armies and they take care of those who have served.

However, the Congress itself is changing. The swing of sentiment from veterans programs to social welfare has historically come with peacetime and we have known how to deal with this in the past. Today things are happening far beyond a change in sentiment.

A few short years ago, "Tiger" Teague took to the floor of the House of Representatives a bill with the words, "this is a good bill, it takes care of veterans, it should pass." And, it did, overwhelmingly and without question.

This is no longer the case. Every two years, almost 100 Congressmen retire or lose their seats, including many of our old friends.

These patriotic Americans are being replaced by younger men and women, many of whom are not veterans. Their staff members, assigned by members of Congress to do research and advise them on veterans legislation are also younger and usually not veterans either.

Until recent months, it was unheard of for a member of the House or Senate Veterans' Affairs Committee to vote against legislation which would benefit a veteran. But, it has happened now. Recently, 100 members of the House, five of whom serve on the Veterans' Affairs Committee, voted against money for veterans legislation. Two additional committees of the House spoke against money for veterans programs, saying that if the Administration would not spend it, why vote it?

In the Senate, the Chairman of the Veterans' Affairs Committee sponsored a bill to cut out three programs for veterans and ramrodded the bill through the entire Senate.

You can see from what I have said that we are now having problems with the Congress of the United States and that it is time to take positive action.

It is with that thought in mind that I compliment you for your action to establish a V.F.W. political action committee.

This will give us the added clout which only comes from the ability to influence elections by financial assistance. The V.F.W. remains the vital, vibrant, moving force it has always been, but now adds a new dimension to its influence.

You can be assured that much thought will be given to the make-up of the officers and board of directors of the committee. It will remain under the control of the V.F.W. and will be used to influence veterans and national security legislation.

We join a large group of special interest organizations that have found the changing nature of the Congress needed a new approach to keep favorable legislation or to outweigh attempts by the Administration to cut programs.

Let there be no doubt in your minds that this Administration has become more bold, more thrusting, and also more successful in attacking the entire wide range of veterans programs.

It has turned the older veteran against the younger; the service connected disabled against the non-service connected disabled; the deserving, in their opinion, against the non-deserving veteran.

Their attack reaches into the very heart of the VA medical system. And it must be stopped.

It began with the now infamous conversation between President Carter and VA Administrator Max Cleland in the White House soon after this Administration came to power. The President ordered Cleland to initially cut 5,000 beds from the hospital system and "get rid" of the unworthy veteran from medical care—the unworthy being the non-service connected disabled.

There is unified concern in the V.F.W. that the Administration has a grand design to dismantle the VA hospital system.

We know that about 10,000 beds have been eliminated from VA Medical Centers. We know that at a recent meeting, the Administration disclosed plans to close an additional 13,000 acute beds and covert 3,000 other such beds to chronic care beds within the next five to seven years. We understand that the Office of Management and Budget plans ultimately to reduce the total number of VA beds to 35,000. When that happens what can the Administration do but turn over the entire 172 VA Medical Centers system, now unused because of bed closures, to the national health insurance or a welfare program?

We know from a recent article in U.S. Medicine that the chief medical director of the VA was upset that the VA was not included in the Carter Administration's national health plan.

We know that the 5,000 doctors and nurses already cut in the VA budget and the lack of money for outpatient treatment has and will cause veterans who by law are authorized treatment to be turned away. Some die after being turned away, others are immediately admitted to a private hospital obviously needing care, and others are counselled by social workers to accept welfare treatment. The VA answers our charges by saying that the veteran, in their professional judgment, did not need the care. Yet, heart by-pass patients receive form letters telling them that they no longer qualify for medical assistance.

This must stop!

As one of my first acts as your Commander-in-Chief, I will call upon the Chairman of the Senate and House Veterans' Affairs Committee to conduct an investigation into the VA's hospital and outpatient facility admission policies. I will ask them to call a select group of hospital directors, chiefs of staff and chiefs of nursing service to testify concerning the admission policy and the effect of budget and personnel cuts, and I will ask that they testify under oath. The first question asked should be, "Did you receive any orders, by any means, which required you to testify in any particular manner?"

The V.F.W. is fed up with this Administration's treatment of veterans and must do something about it!

Now, this tampering with the VA programs for veterans does not stop with the medical care. Personnel losses in the regional offices have caused delays and inaccuracies in the processing of claims and appeals even for the simplist action.

These facts have been brought to the attention of the House Veterans' Affairs Committee in an oversight hearing, and we expect that action will be taken to provide more money to hire more people.

We believe that these problems would never have come to pass if veterans had an advocate as an Administrator of Veterans Affairs. One who stood up for veterans and told Carter and the Office of Management and Budget that veterans did something special for their country and deserve something special in return. One who could sense that the Congress was interested in the veteran and his medical care. But, no, Mr. Cleland was silent when the OMB spent extra money intended for beds, doctors and nurses for other purposes.

We veterans no longer have an advocate, and so, the job of advancing veterans legislation falls upon our shoulders. This message must be clearly understood by each of us in the Veterans of Foreign Wars and the Ladies Auxiliary.

The leadership rests with us.

As advocates we must become activists. We must tell our story. We must write, telegram and call our representatives in the Congress when called upon. We must use the Ladies Auxiliary to help us defend veterans preference, for the most vocal of our enemies are women's activist groups. We must tell our story at the community level—tell people what we stand for, the good we do, what we have to offer.

To this end, I am dedicated to an ambitious and effective public awareness program at all levels of our great organization. We must tell the veteran and the public what must be done and what we are doing to accomplish our goals.

We will initiate a public relations effort to reach local radio and TV stations and will continue to reach local daily and weekly newspapers. We will assist you in any way we can by instituting a plan to have a professional communicator travel ahead of my visits with you to interest your local media in our efforts to tell the V.F.W. story.

Along with these plans, you at the Post level must show by deeds and words that we care. Emphasize your community programs, your patriotic deeds and your concern for the youth of this country. Get younger veterans to join by telling them what our V.F.W. is doing. Bring them into our programs.

Encourage them to work into positions which will bring them leadership roles in an organization dedicated to fighting for veterans rights.

The way to leave your stamp on this organization is to train the younger veteran in our proven ways. Let's see an explosion of young leadership at all levels.

Unless there is active participation we cannot be the advocate for veterans programs—the role we have now assumed. Unless our deeds are understood we will not be listened to when we demand a strong national defense posture.

My words on the defense and security posture of our beloved country will be brief, blunt and to the point.

For the 31 months of its existence, the Carter Administration has presided over—and has even taken credit for—the greatest dismantling of American power—spiritual as well as physical—in our nation's moderate history.

Perhaps you think this to be an extravagant charge.

My comrades, listen—then you decide.

On January 21, 1977, President Carter promptly kept one campaign promise. He extended total amnesty to America's young contemptibles—the draft dodgers.

He killed the B–1 bomber, thereby causing America's bombing pilots to fly an aging aircraft—the B–52—in some cases the planes are older than the pilots flying them. No offsetting concession was even mentioned to the Soviet Union.

Incredibly, the President, a former naval officer, is watching in frozen fascination as the U.S. Navy—once our first line of defense—has, deteriorated to the point that we are second to the Soviet Navy.

Remember when the Administration told us that the Canal Treaties—the cave-in to Torrijos—wouldn't "cost the taxpayer a dime." Well, my last count of the cost totals forty billion dimes or four billion dollars. And even this dollar cost pales when set beside the lost security brought on by this self-inflicted retreat from one of the world's strategic choke points.

We have seen one staunch ally, the Republic of China, betrayed; another, the Shah of Iran, overturned and sent fleeing for his life. In our own hemisphere, Nicaragua, once a solid ally, could well be our next Cuba.

But the Administration tells us, look at our record on human rights.

As far as I am concerned human rights comes down to a pressure on, and embarrassment for our partially freed friends. The communists, of course, ignore this campaign when they are not laughing at it.

My comrades, the greatest set of human rights this, or any, American Administration can provide us is to keep Amerca and her allies alive and free.

Our civil defense program is a national disgrace and an international joke. It is nonexistent. We stand naked before our enemies.

The neutron warhead, designed to offset the massive Soviet tank threat to NATO Europe, has been shelved.

And, finally, this sad accounting must take note of SALT II. A treaty which if ratified in the form approved by the President, will lock us into an irreversible posture of strategic inferiority.

The President and his people urge us to accept something called "rough equivalence" with the Soviet Union. They want us—with more than twice the wealth and a hundredfold the decency of the Soviet Union—to settle for being equal.

We all remember General McAuliffe's reaction in 1944 when the Germans demanded his surrender at Bastogne. He said "Nuts" then, and we say "Nuts" now to any defeatist nonsense that settles for a transitory equality with the Soviet Union.

Our country, our home, America, has twice the dollar value of their extended slave society and we must carry the necessary level of "home owner's" insurance.

I will proudly carry forth your security mandate which charges our organization to "Regain and Sustain a Total American Defense Posture which is Clearly Number 1."

And I say this without any ifs, ands, or buts.

We call upon the Administration and the Congress to stand by our allies.

We will fight for an infusion of all our economic classes and educational levels into the active duty and reserve forces.

We see today the poor and nearly poor in the palsied All Volunteer Force being called upon to defend all of us—rich and poor alike.

I say those upon whom this country has showered its blessings can pay something back to America. It will be good for the country; it will be better for these pampered freeloaders.

All members of this great organization have answered the charge of Revolutionary war patriot Tom Paine who said,

"Those who expect to reap the blessings of liberty must, like men, undergo the fatigue of supporting it."

Some mindless critics will, predictably call us "war mongers."

Nothing could be further from the truth.

We neither conceived of, nor dissented from, the last four wars. We did our duty—and we salute especially the more than one half million of our members who stood fast in Vietnam when self-important people in this country, who should have known better, counselled dissent, disobedience, draft-dodging and desertion.

But, just being for peace isn't enough. Peace must and will be safe-guarded and under-girded with American power.

My comrades, my charge to you to be "In Front of the Rest" applies with special meaning to our beloved country in our foreign policy.

We intend to help those who fight for American security and veterans' entitlements in the Congress and we will oppose and expose those who don't.

We in the V.F.W. are "In Front of the Rest" and we're going to stay that way.

Thank you.●

KATYN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. DERWINSKI. Mr. Speaker, on numerous occasions, I have directed the attention of the House to the fact that the dictators of the Soviet Union cannot be trusted. The latest demonstration of this fact is the presence of Soviet combat troops in Cuba.

Earlier this week, I had the opportunity to attend a press conference held for Louis FitzGibbon, author of "Katyn," which is the documentation of the murder of more than 14,000 Polish officers by the Soviet Army at Katyn Forest and elsewhere during 1940. Mr. FitzGibbon's book is published by Noontide Press.

"Katyn" is a dramatic and precise description of the murder of these Polish officers by Soviet authorities. I highly commend the book, "Katyn," to my colleagues.●

WE HAVE TO ACCEPT RISKS TO SAVE OUR CITIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LaFALCE. Mr. Speaker, distressed cities throughout the United States are coming to rely, more and more, on the urban development action grant program as one means of helping in their economic development efforts. UDAG has become, in its very short life, one of the most successful programs ever devised for stimulating massive amounts of private investment in those communities where such investments are needed the most.

As with any program of its size and scope, there will be some problems and some questionable uses of the funds. Yet the UDAG program has been remarkably free of scandal and it has demonstrably helped a large number of communities in a number of ways.

Neal Peirce, one of the most knowledgeable and thoughtful journalists writing on urban affairs, recently did a column on the UDAG program and the need to accept risks in order to stimulate investment, which warrants all of our attention. I would like, therefore, to ask that this column, which appeared in the Niagara Falls Gazette on August 26, be reprinted in the Congressional Record. I found it illuminating, and I think all of our colleagues would as well.

The article follows:

UDAG Is Worth Some Danger

(By Neal R. Peirce)

Washington.—Alleging actual or potential abuse in a handful of cases, critics have begun to nip at the heels of the urban development action grants (UDAG), the Carter administration's premiere program to help distressed cities. Sufficient criticism could cripple or kill the big $400 million a year experiment to revive cities' economies by stimulating private investment.

Housing and Urban Development Secretary-designate Moon Landrieu has had questions to answer about his involvement, while in private business, with the grants program. And the General Accounting Office has sniffed out some apparent improprieties—specifically, a few cases in which UDAG grants, contrary to the program's proclaimed standards, financed private development that probably would have occurred anyway.

The alleged abuses don't negate the case for the UDAG program, highly popular with mayors and developers for its quick, flexible action to bridge urban investment gaps. The program provides cities, for instance, with "front end" funding to attract a big private investor, to assemble land for a major downtown or industrial park project, or to upgrade a blighted area to retain a job-providing plant.

But the criticisms underscore the hard trade-offs in designing a government program. Smother the program with rules, regulations and tight definitions and chances are you'll get an abuse-free—and probably quite ineffective—program. Make it flexible, responsive to real need and quick to act, and the likelihood is it will produce admirable results—along with occasional sloppiness and abuse, and at worst some old-fashioned political pork barreling.

If any program was ever worth some danger of abuse, UDAG may qualify. The idea germinated during the Carter administration's earliest urban policy debates when it was decided the problems of the country's "distressed" older cities were predominantly economic—lack of jobs, high tax rates, high land costs and the like—and couldn't be solved by social service or income support programs alone. Cities needed permanent jobs; they needed to invigorate their economies and job bases. And it was clear, in tight budget times, that Washington neither could nor would pay the entire bill—that private business would have to provide most of the capital.

The result was the first federal economic development program ever to require a firm "up front" private sector investment and job commitment before the first dollar of federal money could flow to a project. And of the 427 projects in 327 cities funded so far, HUD claims it has "leveraged" almost $6 in private commitment for each $1 of federal subsidy.

Such stimulus, claims HUD Assistant Secretary Robert Embry, is required to help "distressed" older cities become truly competitive and rebuild their job and tax bases. With the $819 million it has committed under the UDAG program since it started in 1977, Embry claims a private sector commitment of over $5 billion involving 133,000 permanent new jobs, 76,000 jobs retained that cities otherwise would have lost, and 123,000 construction jobs during the building of projects.

The GAO doubts whether the UDAG grants have leveraged quite that much private sector activity. But the development community has few doubts. "Two years from now," says developer James Rouse, "the center of the American city will have been more dramatically affected by UDAG than any other program, within such a short period of time, in the country's history."

One of UDAG's strong suits has been its lean staff—only 39 in Washington, plus part-time assistance from HUD officials in the field. Even under political pressure, grants haven't been made without a strong assurance of private-sector commitment. Developers and city officials praise the lack of bureaucratic red tape and rapid turnaround on applications—usually within 60 days of their receipt, some kind of a record in the federal government.

Neighborhood groups, particularly National People's Action, have bitterly criticized UDAG for preferring posh hotel projects (with allegedly low-paid jobs) to neighborhood projects. But the figures indicate a fairly even balance between downtown, commercial and neighborhood projects.

Will many cities use UDAG grants for projects they'd push through anyway, simply substituting federal money for local government or private sector investment? Embry claims the danger isn't great: The process is rigorously competitive among cities, there's opportunity for full citizen and press review, and federal fraud statutes apply to misrepresentation in applications.

Even UDAG's staunchest friends, however, confess that at least the potential for abuse will remain in a program controlled by high-ranking political appointees handing out, on a necessarily somewhat subjective basis, huge sums of money (the total may now be raised to $675 annually).

Such a flexible action grant program clearly needs constant oversight from Congress and vigilant local newspapers. But in energy-scarce and recession-prone times, it would seem foolish in the extreme to scrap or hobble, for fear of abuse, the cities' most successful economic development program of the '70s.●

A NATION RUN BY KIDS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LEE. Mr. Speaker, I would like to take this opportunity to call to the attention of you and my distinguished colleagues an article that appeared in the September 2, 1979, issue of Parade magazine about a unique and very special educational institution, the George Junior Republic, in Freeville, N.Y.

Under the superb guidance of its current director, Mr. Frank Speno, this institution has done much to help many young people turn from delinquency to become productive members of society.

The article follows:

A NATION RUN BY KIDS

(By Reynolds Dodson)

The 17-year-old magistrate of the world's smallest republic banged his gavel and ordered the courtroom to silence. The defendant, a girl of 15, had been charged with illegal use of tobacco—an offense against the republic's laws for designated smoking areas.

"Since this is your second offense," said the black-robed magistrate, "I have no choice but to fine you $10. If you're caught smoking in an undesignated area again, you'll get another $10 fine plus a day in jail."

In the currency of the George Junior Republic in Freeville, N.Y.—a mini-nation run by teenagers for teenagers—$10 is the equivalent of 3½ days' pay. And although jail does not mean physical imprisonment, it does mean that the offender will be denied privileges such as conversation with other citizens, the use of soft furniture, and staying up to the regular bedtime of 9:30.

Every day at 4:30, the court metes out justice to offenders against the republic's society. It employs an attorney general, prosecutors, defense lawyers and police—none of whom is over 19.

Life had not always held so much responsibility for Bruce, the young magistrate. The product of a broken home, he spent his early teens in rebellion against all authority. The schools had washed their hands of him, and he'd had several brushes with the law. The local family court had finally recommended his enrollment in the 84-year-old republic.

When Bruce first arrived at the beautifully manicured campus, he might have thought he was in an exclusive Eastern prep school. There were only 170 students, 63 of them girls. Many wore coats and ties, all were properly groomed, and no adult was ever addressed without the proper "Mister" or "Miss." But beyond that, any resemblance to a prep school was purely coincidental.

In the first place, Bruce—like all the republic's "citizens"—was allowed to arrive with only a few luxuries and a pre-set list of clothing. He could accept no gifts from the outside world without paying a tax on them. He would be expected to work or go to school at least 35 hours a week, for which he would be paid a modest starting salary of 40 cents an hour, republic currency. He would live by an ironclad rule: "Nothing without labor."

If these had been adult-imposed laws, Bruce wouldn't have listened. But these laws were made by teenagers like himself and had been passed down through generations of "town meetings" in which adults had no say.

The effect on Bruce—as on all newly arrived citizens—was both confusing and profound. Now when he rebelled, it was against his own peers and against laws which he himself would have a voice in formulating.

Slowly, the light began to dawn. After a period of adjustment, Bruce wrote his father that "things seem to be going better now. There's a position of magistrate open and I'm going to try for it. It'll be tough, because it'll take me about two months to pass my bar exams."

To understand what all this meant to Bruce, you have to go back to the republic's founding and to a remarkable man named William "Daddy" George, a jewelry box maker. In 1881, the old New York Tribune initiated one of the first "fresh air funds" for city kids, and George began taking underprivileged boys for vacations to his farm in upstate New York.

But George became disenchanted. Many of the kids, he felt, were coming only to take advantage of the free food and donated clothing. And they were stealing from each other.

One day George declared that henceforth *everything* would have to be earned. You could clear a field or help build a cabin, but that was the only way you were going to get shoes and clothes. As for the thievery, he called the kids together and asked what *they* thought should be done with the offenders. The boys huddled for hours and finally came up with a kind of crude police system and a set of punishments to fit the offenses.

In 1895, the George Junior Republic was officially founded, with a constitution, bylaws, and a tripartite system of government similar to that of the U.S. Through the years many laws have been changed and new ones added, but no law has ever been imposed against the citizens' will by a "tyrannical" adult.

In governing this mini-nation, its citizens have had to deal with such weighty issues as taxation, national budget, road and sewer construction, constitutional amendments and—more recently—narcotics smuggling and drug abuse.

A youth with a history of failure in school may rebel at first and announce that he has no intention of going to classes. Imagine his surprise when he learns that school is not a requirement at the George Junior Republic. A boy can work in the carpentry shop, in the garage, or on the 500-acre farm. A girl may choose one of these activities, or dressmaking, or helping in the kitchen.

But here's what happens. The boy in the garage is handed an automobile manual and told to make all the necessary repairs on a carburetor. He discovers that he will never be a mechanic until he learns to read. The obvious solution? Go back to school.

To be admitted to the republic, a youngster must be between 13 and 17 and of sufficient potential to be helped. The program is long and arduous. For it to have any effect, the average would-be delinquent must stay 18 months, and 24 months is recommended for optimum results.

Nor is it cheap. The cost per student is a little under $20,000 a year, much of it from public funds, some of it from fund-raising by the republic itself.

The republic's alumni include at least one Pulitzer Prize winner, several Academy Award winners, and a slew of successful doctors, lawyers, professors and businessmen.

As for Bruce, the young magistrate—he's left the republic, has a high school diploma and a steady job.

Bruce is the first to admit that he owes a great deal to William "Daddy" George and the spirit of the George Junior Republic.

As Bruce's father, so do I.●

LOVE AND DEATH IN NICARAGUA

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LELAND. Mr. Speaker, I would like to insert in the RECORD an article from the Washington Post of August 9, 1979, by Colman McCarthy, describing the effects of the recent Nicaraguan struggle on two individual lives.

The sufferings of the people in a nation immersed in a violent struggle are well known to us all. Yet all too easily we depersonalize them—nameless soldiers and obscure villages are dismissed as statistics, facts remote from and unrelated to our lives. But for the families and friends of those whose lives are destroyed in such a struggle, it is all very personal. The stories of these people, people like Enoc Ortiz and Kay Stubbs de Ortiz, bring a little closer to home the tragedies of any war. Their stories could be our stories, and, in a sense, they are.

I commend the following article to the attention of my colleagues:

LOVE AND DEATH IN NICARAGUA

(By Colman McCarthy)

Between 10,000 and 20,000 Nicaraguans died in the struggle to end the violence of the Somoza regime. Few Americans knew the details of the revolution as it unfolded, and fewer still were personally touched by the individual tragedies of each Nicaraguan death.

An exception is Kay Stubbs. Her story is worth knowing because most of the qualities currently said to be in dwindling supply—hopefulness, a spirit of sacrifice, commitment to ideals—are brimming in her. This fullness is also a means of sharpening our focus on what has been happening these past years in Nicaragua and what better things may be happening in the future.

Kay Stubbs went to Nicaragua in 1968. She was a high school student from Middletown, Ohio, who traveled with her local Baptist church group to work in health projects. She found spiritual reward in getting to know the families and their culture. It wasn't the dabbling of the in-and-out do-gooder, because every summer after, she returned.

At home, she graduated from the University of Tennessee. She came to Washington to study at the Antioch School of Law, graduating in 1977. In her first week, she met Enoc Ortez, a Nicaraguan in his early 20s.

He was the youngest of 12 children of a small coffee farmer in Nueva Segovia in northern Nicaragua. With one brother, a priest and two sisters in the convent, the family sent Enoc to a seminary in Managua. But he loved the open life in the mountains of his village, and came home. Later he went to the national university in Chile to study economics. He was held in prison and tortured for six weeks by the Pinochet regime.

Everything that Kay Stubbs had found so

beautiful in the Nicaraguans—their warmth and simplicity, the earnest regard for poetry and the life of the mind, the love for children, a yearning for the chance to be free of official terror—she also discovered in Enoc Ortez.

In Washington, he worked as a dishwasher and housepainter. The work was lowly but it didn't matter. All the time, he was learning. He came to know the refreshing truth that a difference existed between U.S. citizens and U.S. policy. He met Americans who had read the poetry of Ernesto Cardenal, the Nicaraguan writer who had studied under Thomas Merton at the Trappist monastery in Kentucky. He discovered that several members of Congress—Robert Drinan of Massachusetts, Thomas Harkin of Iowa, Donald Fraser of Minnesota—were authentic allies of the poor in his homeland.

This helped keep him from being despondent about the backing Somoza had long received from American policy-makers, bankers and corporations.

In June 1978, Enoc Ortez and Kay Stubbs married. During their courtship, he had made flower coronas for his beloved's hair. She shared his dreams for a free Nicaragua. They took a small apartment and began saving money for the day when they could start a family. Friends rejoiced that Enoc and Kay—both of them with large spaces in their hearts for laughter, tenderness and hope—had found each other.

Four months after their marriage, the couple decided that Enoc should return briefly to Nicaragua and put his patriotism to work in the Sandinistas' drive to end their country's torment.

He wrote often to his wife. This is one of the letters: "My little pine blossom, today, May 24, one month before the first anniversary of the day in which we declared our long-standing commitment to love and nurture one another and to struggle for our people's freedom, I am filled with a mixture of happiness and sorrow.

"My happiness comes from the realization that we are fulfilling the vows we made that day. Yet my heart is heavy with sorrow because I am not at your side. . . . Darling, I am very proud to be able to be here and that in the midst of our personal suffering from the separation, we remain true to our pledge to fight for our country's liberation. . . . Precious, I am proud of you. I love and adore you."

That was the last letter. Enoc Ortez was killed in early July in a battle in the Segovia mountains by Somoza's national guard. Days later, the fighting stopped.

Kay Stubbs de Ortez plans to return to Nicaragua.●

HEAVY CRUDE AND THE INCREASED PRODUCTION OF DOMESTIC OIL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ANDERSON of California. Mr. Speaker, earlier this year, President Carter set some ambitious goals for our Nation in his televised energy speech. He set some high targets for domestic oil production to move our Nation toward energy independence.

Today, in my home district in Southern California, Federal energy officials, local and State government experts, and representatives of the oil industry are gathering to discuss proposals which could launch an impressive and speedy start toward the maximum development of U.S. oil fields and could place us well ahead of schedule in meeting the President's production goals.

This morning, Department of Energy officials will hear a chorus of support for a broader definition of heavy crude oil, in order to decontrol a much larger amount of California's heavy oil. Because of the thickness of this oil, it is too expensive to bring out of the ground while prices for it are held down. I am supporting the redefinition proposal with the belief that such action is necessary to substantially increase California oil production.

If we prevail, the payoff could be tremendous. California oil reserves are vast; yet, over 6,000 wells have been closed down in recent years. I applaud the Carter administration for providing us with the opportunity to look at this issue more thoroughly, and to reverse this trend of nonproduction.●

OIL DEREGULATION IS THE ANSWER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. COLLINS of Texas. Mr. Speaker, what can provide the energy answer? I have just read an interesting article by the noted economist, H. A. Merklein, of the Graduate School of Management of the University of Dallas. Writing for World Oil magazine in the August 15, 1979, issue, Merklein stayed with basic economic fundamentals. The statement was entitled "Mr. President."

Here are some of the best comments from this statement by Dr. H. A. Merklein:

Comments by H. A. Merklein

If there were not one more drop of oil or one more cubic foot of natural gas to be found in the U.S., the price of oil and gas would still have to be permitted to rise in accordance with dictates of the market, and for two reasons.

First, this would cut consumption efficiently and rationally.

The second reason why energy prices would have to rise, even if no more oil or gas were to be found in the U.S., is that oil and gas are not the only sources of energy.

Mr. President, the American public does not want the government to play a central role in the production and distribution of energy. The public looks at Amtrak and at the Post Office and it wonders out loud why it should believe that the level of efficiency in a centrally regulated energy sector would be different from the efficiency at these two agencies.

Coming to the specifics of your plan, here is a sober summary of it: The plan envisions heavy and permanent taxation of the American public. To the extent that the tax revenues are insufficient to meet the expenses of the energy plan, the federal government proposes to borrow additional funds, thereby contributing to further deficit spending, to an increase in the national debt and to a further rise of an already high rate of interest.

Perhaps the most forceful point you made, Mr. President, in delineating your energy policy was when you set the clear goal never to use more foreign oil than this nation did in 1977. Never.

After all, you yourself were running on a platform that, among other things, envisioned the government getting out of the energy area, a platform that included a firm commitment to deregulated energy prices.

Mr. President, we have talked and legislated and regulated energy in the post-embargo period, but there has been very little action. And now you tell us that we have talked enough, that the time for action has come now, immediately.

For the good of the nation, I hope that your import goal will not be met. It's not that I would disapprove of the objective, but I fear the method. In essence, this is a national energy shortage plan. You propose to hold imports in line, and then let's see who gets whatever oil is available. You speak of priorities in allocating gasoline: The police ought to get it, ambulances, fire fighters. And then, as a residual claimant, comes the motorist of this country. This spells gasoline lines, black markets, frustration. Why not try higher prices instead? After all, this is not a new or a unique remedy, and it's working well in Germany and in Japan.

If so, your announced intention to decontrol domestic crude oil prices by Sept. 30, 1981, is a long-overdue step in the right direction. This plan, if implemented, will indeed eliminate our energy shortage and do away with gasoline lines. Of course, if price decontrol is such a good thing, it would be better to implement it in its totality tomorrow morning.

The deterioration of the U.S. dollar cannot be blamed on OPEC. Germany and Japan both import some 95 percent of their crude oil needs, as opposed to our 50 percent, and their currencies are as strong as ever.●

DAVID HOROWITZ

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. WAXMAN. Mr. Speaker, on September 29, 1979, the City of Hope (Oakwood-Toluca Hills Chapter) will present their highest honor—the Spirit of Life Award—to David Horowitz at a dinner at the Beverly Wilshire Hotel. The proceeds of the dinner will establish a cancer research fellowship in memory of David Horowitz's father, Max Leo Horowitz.

David Horowitz needs no introduction, I am sure, to anyone who has followed with interest, outrage, or concern, the special problems which consumers have been facing. We are all consumers and thus we all have been affected by the battles David Horowitz has waged against ripoffs, scams, profiteering, and calculated infringements on our laws. His Goliath is in the form of individuals and companies who willfully defraud the public whenever and wherever it is profitable and possible.

David Horowitz was always a "fighter." He followed the example of his European-born parents to speak up and fight back. They were experts in dealing with abuses in the Bronx ghetto neighborhood where David grew up. School held little interest for him. Life in the street was so much more challenging until he became the editor of his 6th grade class newspaper. From there on his achievements as a journalist are legion. An honor graduate from New York School of Printing, this led to a scholarship to Bradley University where he became the first recipient of that school's Outstanding Journalism Award. This was followed by earning a Master of Arts Degree with honors from Northwestern University and later postgraduate work in Public Law and Government at Columbia University as a CBS News Fellow.

While still attending college, Horowitz wrote for the Peoria Journal-Star and several country weeklies. His early television news career included writing for the Huntley-Brinkley Report—NBC. He was one of the first TV reporters to cover the Vietnam War. His incisive style of reporting from the field was a departure from the established more controlled news coverage of that time and place.

His consumer reporting career was launched in 1964 on "Call for Action," WMCA, New York. His investigation on slumlords brought him national recognition. In 1966, enlarging his TV consumer-awareness reporting through numerous daily segments, led to the David Horowitz consumer buyline program which is now seen nationally. His special combination of characteristics—concern, knowledge, sense of humor, empathy, are the roots of his popularity.

When not broadcasting, David Horowitz spends time as a lecturer and adviser on consumer affairs. He has assisted such groups as the National Education Association in creating consumer awareness interest in the classroom and has influenced many companies to include consumer affairs departments in their operations.

Perhaps the most important contribution David Horowitz has made has been to place the subject of consumer protection before the eyes and ears of the public and into the hands of the consumers themselves. Where once the fight for consumer rights was in the province of Government assisted protection or in the collective battleground of consumer interest groups, David Horowitz has made it an individual concern and has given consumers the awareness, knowledge, and confidence to take action on their own.

David Horowitz has received wide recognition for his work from such diverse groups as Daughters of the American Revolution, Mormon Church, city and county of Los Angeles, American Cancer Society, Veterans Administration, American Society of Travel Agents, California Teachers' Association, California Trial Lawyers' Association, National Film Advisory Board, and Academy of Television Arts and Sciences. I am glad to be able to join on this occasion with his wife, Suzanne and daughters, Victoria and Amanda, in congratulating David Horowitz on his accomplishments. I ask the Members to join me in wishing him continued success in his important work.●

REAFFIRMING THE AMERICAN WAY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, to many of us the sight of cheerleaders, car washes, and Rexall drugstores is relatively commonplace. However, to those behind the Iron Curtain, these scenes of everyday life in America are rare visions of life under freedom and democracy. I am proud to call my colleagues' attention to the town of Granville, Ohio, and its contribution to showing those living under communism the American way of life. Granville was the subject of a display at the U.S. Embassy Information Office in Sofia, Bulgaria. Crowds of people stood, up to six deep, to catch a glimpse of the exhibit. This was quite an embarassment to Bulgarian officials, who like to tell their oppressed subjects that life is wonderful under the thumb of the U.S.S.R. It is reassuring to know that every now and then reality can filter through the shrouds of censorship in Eastern Europe. The contrast of the freedoms we take so much for granted, becoming a major event in a Communist capital once again reaffirms my faith in what America stands for. I urge my colleagues to take a few moments to read an article by Mr. Michael Dobbs about the Granville exhibit and current life in Bulgaria:

Exhibits on Life in United States Draw Eager Crowds in Bulgaria

(By Michael Dobbs)

Sofia, Bulgaria.—This quiet city of broad leafy boulevards is plastered with posters and slogans applauding Bulgarian-Soviet friendship, but it often seems that the best show in town is on the sidewalk outside the U.S. Embassy.

Much to the embarrassment of Bulgarian authorities, the sidewalk is always crowded with Bulgarians gazing at window displays in the U.S. Embassy Information Center. Every week a new photo exhibition covers nonpolitical subjects, from jazz to space technology. But what draws the biggest crowds is any insight into how ordinary Americans live.

Recently, for example, several hundred people gathered six deep outside the embassy trying to catch a glimpse of life in Granville, Ohio, despite the presence of a uniformed militiaman intent on moving them on. The exhibition explained the significance of such mysterious institutions as the Rexall drugstore, high school cheerleaders, and an automatic carwash.

It would be a mistake to conclude that Bulgaria is about to jettison its alliance with Moscow and embrace the Western way of life. But there are signs that after 35 years of copying the Soviet model, many Bulgarians are seeking to broaden their horizons.

The first impression that strikes the visitor to Bulgaria is that Soviet society is flourishing in the Balkans, scaled down certainly, but otherwise faithfully reproduced. The second impression is of a country whose exposed positions makes it at once more relaxed and open to outside influence than the Soviet Union, yet less adventurous than its unorthodox Communist neighbors, Yugoslavia and Romania.

On the surface, Bulgaria remains the very model of the Soviet Union's loyal younger brother, a favorite phrase of Bulgarian leaders. Bulgaria seems to have benefited politically and economically from its close ties with Russia, which go back to its liberation by czarist armies in 1878 following five centuries of Turkish rule.

Bulgarian leaders constantly inculcate love for the Soviet Union among the country's 8.5 million residents. The annual May Day parade, for example is a replica of the Kremlin version—with the Bulgarian Politburo gathered atop the mausoleum of longtime Bulgarian Communist leader Georgi Dimitrov, placards describing how workers have overfulfilled their plan by staggering percentages and a cacophony of stirring music.

Every portrait of the Bulgarian leader, Todor Zhivkov, whose 25 years in power make him the longest-living serving Soviet bloc leader, is flanked by an equally large portrait of Leonid Brezhnev. "From Centuries—For Centuries," proclaim the slogans. No one needs reminding that they refer to Bulgarian-Soviet friendship.

A sole reminder of Bulgaria's somewhat Ruritanian past is provided by the hussar-type uniforms on a goose-stepping honor guard outside the mausoleum. Said to have been designed by a former Bulgarian king, they resemble the ill-fated uniforms commissioned by Richard Nixon for the White House guard.

Looking at home in a sea of red banners is the Soviet ambassador, who occupies a post akin to what a Western colleague describes as "a viceroy to India." The former ambassador, Vladimir Bozovskii, has just returned to Moscow after a round of farewell parties attended by the entire Bulgarian Politburo. During his tour of duty, he frequently attended Politburo meetings and accompanied Zhivkov around the country.

Soviet economic assistance has furnished Bulgaria with more than 90 percent of its productive capacity in heavy industry and more than 40 percent overall. In 1977, 55 percent of Bulgaria's foreign trade was with the Soviet Union. The Kremlin supplies Bulgaria with more than 90 percent of its oil.

Bulgaria's economic system was integrated further with the Soviet Union's with the November opening of ferry service between the two countries. Operating across the Black Sea, the huge ferryboats—each has a capacity for 108 freight cars—eliminate long delays for overload transport through Romania and could have strategic importance in the event of trouble elsewhere in the Balkans.

Combined with his long service, Zhivkov's unswerving loyalty has won him a special place in the Soviet bloc. He has been entrusted with several foreign policy missions on behalf of the Kremlin, and in the fall he will travel to Vietnam and Cambodia in a demonstration of the Kremlin's diplomatic support for the new rulers of Phnom Penh.

The ambivalence of ordinary Bulgarians toward official glorification of the Soviet Union was expressed by a middle-class mother whose son returned from Sofia's elite Russian-language school boasting to his friends about the superiority of all things Russian. Proud that he was doing so well in class, she nevertheless took him to one side and rebuked him: "You are not a Russian, son. You are a Bulgarian—and don't you ever forget that."

Also irritating are governmental attempts to attribute all successes to the period of Communist rule since World War II but resurrecting the glories of the medieval Bulgarian state when convenient. A current joke runs: "Bulgaria has had 1,300 years of history—all in the last 35 years."

Zhivkov has stated flatly that Bulgaria has no dissidents. While there is no movement to match Charter 77 in Czechoslovakia or even the Helsinki monitoring groups in the Soviet Union, beneath the surface are undercurrents of discontent, indicated by the recent daubing of the slogan "35 years of slavery" on a building in downtown Sofia.

Of more immediate concern to Bulgarian authorities are mounting economic difficulties. Measured in terms of capacity to repay, Bulgaria's indebtedness to the West is greater than any other East European country. And despite the enthusiastic placards carried by workers on May Day, production has been running well below planned targets, particularly in heavy industry.

Even much-vaunted Soviet subsidies have a negative side. In the view of Western economists, they have distorted the overall development of Bulgaria's economy and left it ill-prepared to cope with sudden jolts such as the sharp increases in the price of Soviet oil that the Kremlin is imposing on its allies.

The economic problems are reflected in widespread shortages of many goods including basic foodstuffs such as meat, fruit, and vegetables. Although Bulgaria is an agricultural country with a food surplus, it sells much of its produce abroad to reduce the trade deficit.

Popular grumbling over meat shortages has become a sensitive issue for Bulgarian politicians, but they are at a loss to solve it. Looking on the bright side, a Western ambassador remarked recently at a diplomatic reception that eating less meat was good for the health. The remark was overheard by Zhivkov, who said, "If you can convince the Bulgarian people, we'll award you the order of Dimtrov." ●

NATIONAL VIETNAM-ERA VETERANS WEEK ACTIVITIES—FRESNO, CALIF., MAY 28, 1979, TO JUNE 3, 1979

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. COELHO. Mr. Speaker, during the week of June 28 to June 3, this Nation paid tribute to the men and women who served their country during the Vietnam conflict.

I am particularly proud of the fine program sponsored by the community of Fresno, Calif., during that week and would like to share with you the highlights of the week's events.

At least one event was scheduled every day to keep the Vietnam veteran in the public eye.

Monday, May 28 began with an ecumenical worship service and a flag ceremony at the Veterans' Administration Hospital followed by a public speech by a decorated disabled Vietnam veteran at the Fresno Memorial Gardens.

On Tuesday a memorial service and wreath presentation honoring Vietnam veterans was held at California State University, Fresno.

On Wednesday a luncheon for 450 Vietnam veterans was held at the Veterans' Administration Hospital followed by a "veterans helping veterans" workshop. The event was coordinated by the American Legion and hospital personnel.

On Thursday, May 31, a reception was held at the Veterans' Administration Hospital to honor Vietnam veteran hospital employees. This was followed by a panel discussion on ways of improving hospital services and issues of major concern to the Vietnam veteran.

Friday, June 1, five Playboy bunnies, accompanied by chaperone and photographer spent the day with hospitalized veterans at the Fresno VA Hospital. After meeting with hospital officials and news media, they visited with every veteran patient and lunched with 10 selected Vietnam veteran patients.

Saturday, June 2, a job-search workshop was held at the local fashion fair for Vietnam-era veterans.

Sunday, June 3, concluded the week with the Presidential citation being presented to Vietnam-era veteran, Bruce Thiessen, by a national officer of the American Legion, George C. Sinopoli. The final act of the week was appropriately a silent remembrance to all Vietnam veterans killed in action in Southeast Asia. ●

SPENDING MORE, DEFENDING LESS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

○ Mr. ROSENTHAL. Mr. Speaker, our friend and colleague, Hon. Joseph P. Addabbo, has served as an outstanding Member of Congress for many years, representing the Seventh District of New York, which is contiguous to mine.

Earlier this year he became chairman of the powerful Subcommittee on Defense of the House Appropriations Committee, where he has long served with much distinction, bringing to that role his expertise in and knowledge of our defense policies.

Richard E. Cohen has written an article which appeared in the National Journal of August 11, 1979, delineating Joe Addabbo's particular contributions to the debate on SALT II. His clear and precise statements on the needs of our national defense set a reasonable and temperate tone for the forthcoming debate in the Senate.

For the benefit of the Members of this House who might not have had an opportunity to read the article, I am taking the liberty of having it inserted in the Congressional Record at this point:

Spending More, Defending Less

While practically all eyes have been on the Senate, Rep. Joseph P. Addabbo may have contributed the most important statement to the debate on the strategic arms limitation treaty and the future of the defense budget.

"It is my contention that dollars alone do not buy national defense," Addabbo told the House on Aug. 2. "I do not believe we can afford to continue to be guided by simplistic, expensive and wasteful formulas. . . . It is clear that we are spending more [on defense] and getting less for it, year by year. . . ."

Although Addabbo won't vote when the Senate considers SALT II this fall, he will have more long-term influence on the nation's defense posture than will most of the 100 Senators. A House Member from New York City, he became chairman this year of the Appropriations Subcommittee on Defense. His views make the current Senate skirmishing on SALT look like a semantic exercise in which the participants appear concerned primarily with scoring debating points and asserting their role in defense policy formulation.

As the Senate Foreign Relations and Armed Services Committees' hearings on SALT progressed, attention focused less on the technical terms of the treaty—for which support seems to be growing—than on the amount the Pentagon will spend on weapons in the next few years. Sen. Sam Nunn, D-Ga., supported by Sens. Henry M. Jackson, D-Wash., and John Tower, R-Texas, wrote President Carter on Aug. 2 that a 4 to 5 per cent increase beyond inflation in the defense budget is "essential" to "begin reversing the unfavorable trends in the military balance." In effect, Nunn said his vote for SALT depends on Carter's response.

Nunn has demonstrated his serious concerns about the nation's defense and has become one of the Senate's leading experts on many military issues. Therefore, when he said earlier that "the SALT II treaty will become nothing more than an instrument for registering emerging Soviet military superiority" unless Carter makes a five-year commitment to restore the nation's military strength, some proponents of the treaty were shaken.

But Nunn's strategy has several problems. First, his letter to Carter asked general questions about defense plans: how much will the Administration spend, where will the increases go? He neither advocated specific weapons systems nor asked Carter about his plans for them. The premise of the letter is simply that more money is the answer.

Is it, however? Addabbo, for one, thinks it is not. He complains that the Pentagon asks for more money than it needs and then puts the money aside "for a rainy day," at which time it spends it for unnecessary and excessively expensive programs. At the same time, Addabbo says, the department completes projects of "dubious military value" while more conventional weapons are in short supply. As an example of wasteful spending, he cited the recent decision to spend $2 billion for another nuclear carrier that will not be completed until the 1990s, when advanced missiles will make it more vulnerable to attack.

Sen. Gary W. Hart, D–Colo., an Armed Services Committee member, echoed Addabbo's thoughts when he told his panel that a larger defense effort would not necessarily strengthen national defense. "It is more difficult but more important to define what specific steps we must take to secure our nation," Hart said. Rather than a "more is better" or "less is better" approach to national defense, Hart is calling for "better is better." Specifically, he has advocated greater planning of military strategy and weapons selection, combined with use of innovative technologies and better management.

From the Nunn perspective, managerial changes, while important, must be accompanied by budget increases. Defense spending, he is quick to point out, has been so neglected that it now has its smallest share of the federal budget since before the Korean War.

Nunn may also be dealing with the wrong person, however, when he seeks assurances of more military dollars. For one thing, no President—let alone one in the third year of a shaky four-year term—can guarantee budget outlays four or five years hence. And, as Carter aides have pointed out, Congress has regularly reduced his defense budgets. This year, for example, Addabbo's subcommittee sliced $2 billion from Carter's request of nearly $130 billion, which Nunn and others earlier had attacked for not meeting Carter's commitment to other Western heads of state to add 3 per cent in real terms for defense.

In the meantime, the Foreign Relations Committee's thorough handling of the treaty has bolstered the hopes of treaty supporters that the Senate debate and vote will not be as difficult as they had feared a few weeks ago.

If their hopes are realized, the committee leaders and staff deserve considerable credit for the way they structured the debate so that all points of view were heard and legitimate concerns were met. Sens. Frank Church, D–Idaho, and Jacob K. Javits, R–N.Y., the panel's chairman and ranking minority member, announced before the August recess that they will propose two understandings and two reservations to the treaty that they said would clarify its meaning and "remove certain doubts that have been expressed about what it is we are agreeing to—and not agreeing to"—if the treaty is ratified.

The proposed understandings are intended to reinforce promises that the Administration already has made to the Senate; the reservations spell out commitments by the Soviet Union to U.S. negotiators. Church and Javits said their proposals "reflect an emerging consensus" among committee members.

Of course, Church and Javits have been in no position to head off the debate about the size of the defense budget. President Carter will have to meet that test and convince doubters that he understands the treaty's significance for U.S. military capabilities.

Both Carter and the Senate should thank Addabbo for injecting a note of reason into the treaty debate, a step that may make SALT II a useful exercise in national defense as well as diplomacy.●

TIBOR BARANSKI RECEIVES YAD VASHEM "RIGHTEOUS GENTILE" AWARD

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. KEMP. Mr. Speaker, only 3 years ago the United States was celebrating its Bicentennial, commemorating the dissolution of our ties with an empire that did not respect the freedoms and aspirations of the people of the American colonies. While this struggle is history to our Nation, the striving for freedoms in which we have such pride still continues today. Thus, it is proper that we reward the efforts of a great Hungarian Freedom Fighter, Tibor Baranski.

Tibor Baranski, a teacher who lives in western New York, suffered untold atrocities himself as a captured prisoner of the Communists. He was recently honored in Israel when he was presented with the Righteous Gentile Award. This is the highest award given to non-Jews by the Yad Vashem, which commemorates the Holocaust. My wife Joanne and I had the privilege of visiting the Yad Vashem during our recent trip to Israel, and came away with an even greater appreciation of the courage of those who defied Nazi genocide.

Tibor Baranski received this award, because of his unselfish efforts to free 3,000 to 6,000 Jews from Nazi death or persecution during World War II. In 1939, Germany invaded his homeland, Hungary, and began the enslavement of Jews in concentration camps across Europe. Tibor immediately began to work in accordance with the orders of Pope Pius XII whom the Nazis allowed to house 12,000 baptized Jews. His efforts included obtaining baptismal certificates for the Jews and protecting them from the Nazis. He also assisted his aunt in obtaining false documents for the Jews and hiding them in secure underground locations.

In 1944, Tibor was made the leader, the executive secretary, of the Jewish Protective Movement. There were many times that he risked his own life in this position to save others. He says that if the Nazis had known what he was doing, "I would have, within 10 seconds, a bullet in my head."

Mr. Speaker, Tibor Baranski is a devout Christian of the Catholic faith who risked his life many times for thousands of Jews during World War II. At this time, I would like to enter into the Congressional Record an article from the Western New York Catholic Visitor which tells the complete story of this great Hungarian Freedom Fighter.

Tibor Baranski, the "Righteous Gentile"—Hungarian Catholic Given Highest Honors in Israel

(By Kay Lyons)

Tibor Baranski, a teacher who lives in Snyder with his family, is probably best known locally as a member of the 37 Captive Nations Committee, a former Hungarian Freedom Fighter, who suffered untold atrocities himself as a captured prisoner of the Communists, who managed to escape to the United States.

He is a man of old-world charm who bows to kiss a lady's hand—yet there is a certain air of militancy about him, and he could very correctly be called "a militant zealous Christian of the Catholic faith for which he'd willingly die if necessary." This description he does not deny.

STRAIGHTFORWARD

He minces no words, whether he is paying a glowing compliment, or blasting out verbally against the Nazis and Communists for all that he saw and experienced from their hands.

He was recently honored in Israel as "a hero," even though he insists he simply did what had to be done.

He tells of a Nazi who once asked him, "Why do you, a Christian, protect and defend the Jews?" In his typical candidness, he replied, "You are either silly or an idiot—for it is because I am a Christian that I help the Jews."

With extensive knowledge of Scripture and more than a smattering of Catholic theology, he quotes the very simple and well known words of Jesus Who said, "Love thy neighbor as thyself."

"If we believe and practice the teachings of Christ," he said, "then we must recognize all of mankind as 'our neighbor,' be they Gentile or Jew. . . ." But there is an exception to his love for neighbor, also based on the teachings of Christ Who said to hate that which is evil, and there is little love in Tibor Baranski's heart for the Nazis or Communists whom he calls "those devils . . . the advocates of Satan."

"I tell you," he says to anyone who will listen, "anyone who lives by the rule of communism becomes no more than a wild animal, a beast!" He says this with good reason.

In early January, as a result of several years' effort on the part of a Jewish lady chemist in California, Mrs. Hedwig Szekeres, Baranski went to Israel to receive the "Righteous Gentile" award from Yad Vashem at the Holocaust Memorial Center in Jerusalem. It is Yad Vashem's highest honor to non-Jews and only 500 have received the award.

INVESTIGATION

It is not an award easily gained. Mrs. Szekeres and eight members of her family are among the 3,000 to 6,000 Jews Tibor Baranski helped to escape Nazi death or persecution during World War II. In 1975 she submitted his name to the committee for Yad Vashem. There followed a long and thorough investigation as to whether this man really did what Mrs. Szekeres said he did. Last Christmas week he received a cablegram from Jerusalem announcing he had been selected for the honor.

The pure silver medallion, on a bed of velvet in a square box made of olive wood, on which appears the holy symbol of Jews and all of Israel, the Menorah, has on it hands reaching out to the world. The symbolism literally means, "If you saved only one life, it is as if you had saved the entire world."

Mr. Baranski was thrilled to actually meet again several hundred Jews whom he remembered, despite the years' toll, both at the ceremony and after a Hungarian newspaper announced the ceremonial which honored him. He is the third Hungarian to have received the Righteous Gentile award.

He is also one of the very few who was privileged to plant a tree in the gardens of the Yad Vashem building, with a plaque bearing his name for future generations to recall, as "one of the just people of the world." Only Gentiles are so honored by Yad Vashem, a commemorative organization.

CITATION

He was also given a citation, written in Hebrew on one side and in French on the other, which tells of his magnificent fight for the Jews during World War II, saving them from the death ovens and other abominable crimes of persecution.

One of those people turned out to be the principal of the school where Tibor's daughter's music teacher's husband formerly taught in Israel. Another, at the ceremony, who had forgotten the name of Baranski but who recognized him, was almost speechless with joy when he ran up to grip the honoree's hand and said. "I'm one of those you saved!" Mr. Baranski slept in the home of a family whom he had saved, who now lives in Haifa—there were others.

In 34 years people do change—people do not always remember the kindness shown them, even for a day—but what Baranski did was no small "kindness." He saved several thousand lives of people who did not share his religious faith or beliefs, who were "nothing" special to him personally except that they were human beings created by God who deserved the right to live.

He was a young man of 22 when the Nazis invaded his homeland. He had been brought up by a deeply religious aunt. He was then and is now a man of unusually deep conviction and principles. Even today he says, "I will never give up my Christian principles and convictions," and sometimes he pays a heavy price. He is brutally truthful. As a teacher, he refuses "to twist the minds of children with false, liberal, barbaric teaching." He calls himself a "progressive conservative" Catholic-Christian.

He is something of an expert on European history and speaks five languages. Although he is not exactly shy in citing his own capabilities, there is a note of humility about him when he says of his work with the Jewish Protection Movement, an arm of the Church, of which he became executive secretary. "I only did what God demanded of me. I was really acting in accordance with the Orders of Pope Pius XII whom the Nazis allowed to house 12,000 "baptized" Jews in 42 houses. But those dogs didn't keep their word to the Pope—they changed, with no warning, to 3,000 Jews in 12 Vatican houses."

DEATH CAMPS

Until March, 1944, Hungary was an "independent" ally of Nazi Germany, with legal opposition parties and relative freedom for the Jews. "A puppet government" was installed, Baranski recalls. Anti-Jewish legislation was enacted, the yellow star was introduced, and the collection of Jews for the death camps began.

In October, 1944, when Mr. Baranski was studying theology in a Hungarian college, the Russian army crossed into Hungary. He returned home to Budapest to find that his aunt was very active in the underground movement which helped obtain false documents and found hiding places for the Jews. She had "adopted" and housed the Szekeres' infant son while his parents were in hiding. His aunt asked Tibor to help the Szekeres family who faced death.

He sought help at the office of Bishop Angelo Rotta, the Papal Nuncio, Vatican diplomatic representative, in Budapest. This is typical of Tibor Baranski—he goes to the top to get something done.

There were many Jewish-Gentile intermarriages which brought about some definitely real Jewish conversions to Catholicism—an estimated 35,000 "baptized" Jews in Hungary in 1938. But some later admitted that their "conversion" was for safety's sake, a real matter of life and death. The Pope was intent on saving the lives of all who could be saved from the doom of the Nazis. Who is to judge the "convenient" baptisms except God Himself?

Baranski obtained baptismal certificates for three members of the Szekeres family alone from Bishop Rotta, in charge of the 12 "Vatican houses" in Budapest. Baranski filled out protection letters for all nine members of that one family, went to their homes and brought them to one of the protected buildings.

Impressed with Baranski's fluent German, the papal nuncio asked him a few days later to shepherd about 40 "baptized" Jews out of a factory where hundreds were kept before they were marched to death camps in Germany. He was asked to go the next morning, but Baranski insisted upon going immediately. He was offered a small car, but he refused, insisting on a Rolls Royce.

"Primitive people"

"I told the bishop, 'The Nazis are primitive people. A little shoehorn car would not show any representation of power—they'd be impressed by a Rolls Royce.'" The bishop realized that Baranski thoroughly understood the Nazi psychology.

He drove the big impressive limousine right up to the gate of the factory in the very neighborhood where he had once lived and bluffed his way completely past the guards with his most aggressive demeanor. The guards offered to escort him but he assured them he knew his way around. When they asked, "How?" he curtly answered, "That's none of your business."

He found the Jews he was looking for, took them to a small house on the grounds where they were watched overnight by two guards "who had the swastika on their lapel but not in their hearts," he says, the next morning they were taken by streetcar to one of the protected buildings.

The Jews in the factory for whom there were no protection papers that day were not forgotten. While he occupied the attention of the Nazi guards (and Baranski does, indeed, have the gift of a glib tongue!), his aides helped those left behind to escape through the underground.

It was a few days later when he was made the leader, the executive secretary, of the Jewish Protective Movement. His first assignment as such was to go to the Austria-Hungary border and bring back "baptized" Jews who were part of the infamous death march to Germany. The 3,000 allotted spaces in the protected apartments were filled within three or four days. After that, Baranski supervised the 12 buildings, finding food and medical supplies, taking ill ones to hospitals, keeping the Nazis away.

Disgruntled Nazis

Of course, the Nazis violated their agreement with the pope at least eight times, taking Jews from the protected buildings. Each time this happened, Tibor went to the Nazi district headquarters where the apprehended Jews were held and obtained their release from disgruntled Nazis.

"Not a single Jew under my protection died at the hands of the Nazis," he declares. He does not boast; he simply states a fact. He might have known 30 of 3,000—"I saved them for God, not for personal reasons," he says. His efforts meant less than five hours sleep a night, sometimes only a half hour nap, and many days with nothing to eat.

He got no pay for what he did. He inflated food orders for the apartments so that Jews in hiding might eat. Had the Nazis known what he was really doing with the underground, "I would have, within 10 seconds, a bullet in my head," he says.

On one occasion a drunkened Nazi waved a loaded pistol at him for several minutes. He was captured by Gestapo officers at the Austria-Hungary border. He was held by a Nazi in a Budapest basement. He escaped all three times. "God gives very special help to those who help others," he insists. He considers physical life as "nothing" in comparison with eternal life with God, the only reason for physical life being worthwhile.

On Dec. 30, 1944, he was captured again when the Russian army took Budapest, and he was assumed to be a Hungarian supporter of the Nazis. He was forced to march 60 miles during the next 16 days, with Russia the destination. He and the other 2,000 marchers had four meals in those 16 days—many died on the march; Baranski almost died. He was beaten unmercifully by a Russian officer when he fell, unconscious. He credits his life that time to the sympathetic intercession of a Russian soldier.

BAG OF BONES

He was left behind in a Hungarian hospital, "a bag of bones, looking exactly like a Jew in Auschwitz" he says. After a long, slow recovery in the spring of 1945, he returned to Budapest to learn that the Jews in the protected buildings had been moved by the Nazis to their own ghetto.

Nothing could keep this zealot, Tibor Baranski, from his intense fight for what he believed to be right. He again became involved in underground anti-Communist activities. But he paid a heavy price—57 months in Hungarian prisons, with release coming in 1953 following Stalin's death.

Mr. Baranski, once stated that, because of the physical torture he endured, "It is only a miracle of God that I became a father."

He joined the freedom fighters during the Hungarian Revolution in 1956 when he went to Rome to get Vatican support for the freedom fighters and organized a school there for Hungarian refugees. The following year he moved to Toronto. In 1961 he came to Buffalo with his family, each one of whom is a story within themselves.

Katalin, his wife, saw her own well-to-do family stripped of everything by Communists in Hungary, and her dreams of becoming a doctor shattered. She is a Research Chemist who speaks three languages as does "Kathy," Jr., who is a statuesque beauty, a junior in Amherst Senior High School. Their son, Peter, is a doctor serving with the U.S. Navy in California, and Tibor, Jr., speaks five languages. He is a Junior on a full scholarship at Princeton University where he majors in oriental languages and has lived in Taiwan and Japan to better familiarize himself with those languages, customs and culture. He is a young man filled with hope and wonderful dreams for the future.

FREE WILL

Tibor, Sr., has taught his children that God gives one a free will with which they can either make beautiful carvings—or kill.

He is probably the only Catholic in Western New York to have received the highest award from the Israelis. Sometimes people do remember the good that was done to them by another.●

EDUCATION AMENDMENTS OF 1979

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. FORD of Michigan. Mr. Speaker, today I introduced, at the request of the administration, the legislation submitted by the Department of Health, Education, and Welfare for the reauthorization of the Higher Education Act. This draft proposal was the subject of five hearings held by the Subcommittee on Postsecondary Education which I chair.

I commend this bill to the attention of my colleagues.●

PROPOSES WORKING AT HOME TO SAVE ENERGY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. AuCOIN. Mr. Speaker, I want to insert into the Record today an article from Sunday's Washington Post that explores the idea of allowing certain employees to work at home.

The author, Frank W. Schiff, argues the case for this idea on grounds it will save thousands of barrels of gasoline, lessen traffic congestion and help curb air pollution.

I would like to concur with those reasons, and go Mr. Schiff one better. His idea also can be expected to increase American productivity.

Arresting our declining productivity is a major concern of mine. Our success in halting this decline will determine how well we contain and reduce inflation in years ahead, and on a larger scale how we evolve as a world economic power.

Declining productivity in America is ironic because our reputation and greatness has been built on an unparalleled ingenuity and resourcefulness. If something could be achieved, Americans could achieve it—even if no one else in the world could. We seem to have lost that feeling, and with it our self-confidence—and our international edge.

We are a long way from foundering, but we are not so far ahead that we can afford to ignore any idea with merit.

Mr. Schiff's considered article is more than thought-provoking, in my view. I am convinced it can work and at once strike a blow for energy conservation and productivity acceleration—not to mention the tonic it would provide in other social areas. For example, reduced commuting times or decentralized business locations will open new vistas for rural areas that have dried up from large migrations to big cities and their suburbs. Within cities, new strategies can be employed for "setting up a business"—strategies that will affect land usage, transportation patterns, neighborhood development.

What perhaps is most encouraging about Mr. Schiff's suggestion is that it is not so futuristic that it cannot begin almost at once. The technology—home computer terminals, inexpensive calculators, portable reference files on microfiche and the world's most sophisticated communications—is on hand today to allow workers to work productively at home without distractions, getting more accomplished in less time.

Mr. Schiff's idea will be one of many ideas I hope to consider this fall as I chair an ad hoc Industrial Innovation Task Force. The first session is next

Tuesday and will feature Jordan Baruch, Assistant Secretary of Commerce for Science and Technology.

The purpose of the task force is to explore meaningful ways to stimulate industrial innovation, thereby making American companies and workers more productive so we can continue to enjoy the fruits of our labors through a quality lifestyle. The task force will help to bridge the gap between committees having jurisdiction over the components of a strong innovation program.

In this small way, I hope Government—so often the bogeyman that stifles productivity—can play a constructive role in pointing to productive avenues to pursue, both in the private sector and in public policy.

But in the end the real salvation of our people will be our own best weapon—our creativity and good sense. Of that, Mr. Schiff has shown he has much, and he has greatly encouraged me that there are solutions if we just look hard enough. His article follows:

Working at Home Can Save Gasoline

(By Frank W. Schiff)

Millions of Americans commute to work five days a week, primarily by car or bus, in a massive population movement which accounts for much of the country's gasoline consumption, traffic congestion and air pollution, and which is a major source of mental and physical stress.

There are many possible ways to ameliorate these problems, but, surprisingly, virtually no attention has been paid to the contribution which could be made by working at home one or two days a week.

While only a minority of workers would be able to use this option, their impact on reducing gasoline use and alleviating other conditions related to commuting could be quite pronounced. Moreover, the size of such a group could increase rapidly and substantially in the next few years.

If 10 percent of those who commute to work each weekday were to start working at home two days each week, this would reduce the volume of such travel by 4 percent. This is not a large number in the absolute, but significant when compared to the 3 to 5 percent overall shortfall in petroleum availability which brought on the recent gasoline lines.

Although the idea that most work must be done away from home is deeply ingrained, it has not always been regarded as the norm. Even manufacturing work was typically carried out at home in the "cottage industry" system before the Industrial Revolution concentrated work in factories and introduced the rigid disciplines of the factory process—disciplines that were widely applied to office workers as well.

The rationale for the change in work location was clear at the time. The new machines required the concentration of workers in the places where they were located.

But while the identification of work with a place away from home continues for most workers, many of the underlying conditions which brought about the shift from cottage industries to central workplaces no longer hold true.

For one thing, there have been extraordinary changes in the nature of jobs. While manufacturing has remained at one quarter of total employment over the last 50 years, the share of service industries has risen from 40 to over 60 percent. And, according to a recent study, more than 50 percent of all U.S. jobs are now centered in information-related activities. Our economy has become far less dependent on muscle power and far more dependent on professional, technical and clerical skills.

Even more far-reaching have been the changes in the nature of the "machinery." Some of the most dramatic have emerged within the past decade through the rapid advances in computerization and electronic chip technology.

REVOLUTION IN REVERSE

Future historians may well view this period as an Industrial Revolution in reverse, since it is providing the working tools that make it possible to move a growing number of employees out of centralized workplaces into new types of "cottage" industries. Consider just a few of the changes that make work at home far more feasible than just a few years ago:

Some of today's hand-held "programmable" scientific calculations can be used to carry out complex calculations that less than a decade earlier could only be handled by the largest computers available. Even the less advanced hand-held calculators perform functions that not long ago required bulky office machines or even computers.

Through computer terminals, persons working at home can gain access to the latest computer facilities as well as to vast quantities of stored data. Such terminals are available in portable form and can be readily used in homes if they are connected to a telephone.

In the field of economics, for example, a consulting firm called Data Resources Inc., provides it subscribers with access to a potential total of about 5 million economic and related series. The terminals can also be used to produce econometric and other statistical analyses with respect to these data, transform the results into graphs and build various economic models.

Portable machines now are widely used to record dictation previously taken down in shorthand by secretaries in an office. It is also possible for persons working at home to use the telephone to dictate directly into machines located in their offices and to listen to playbacks of relevant passages.

The contents of large files and entire libraries can be reduced to very small proportions and encoded on 4-by-6-inch microfiche film sheets, which can then be carried home and used to display the desired pages on portable viewing machines. A microfiche stack an inch high can incorporate the contents of as many as 20,000 pages of printed material.

PAPERLESS OFFICE

With such technological advances, working part of the time at home is feasible for engineers, computer programmers, physical and social scientists, medical researchers, lawyers, accountants, insurance company employes and salespeople. This list, moreover, is not exhaustive.

A firm called Micronet Inc. recently opened a "paperless office" in Washington, which demonstrates how existing technologies can be employed to carry out virtually all office tasks with completely automated equipment—equipment that generally can also be used at home.

Nor are the opportunities for changes in work location confined to professional and clerical work. In factories and laboratories, many tasks now are carried out through remote control devices, and it is possible to operate some of these devices from more distant locations.

In the next decade or so, moreover, the sophistication of machines available at home is likely to increase tremendously, a trend that is already foreshadowed by the beginning emergence of a market for home computers. A growing number of homes is likely to become equipped with machines that combine the functions of television sets, videophones, computer terminals, electronic files and word and data processing systems and that can be directly connected with offices and other homes.

These technological advances do not by themselves provide sufficient proof that much more work can be done at home. Skeptics offer at least three lines of argument to show that such a change in working patterns would not be practical.

The first, most obvious objection usually is: If people work at home, how can one tell how well they are doing or whether they are working at all?

The answer is that, in judging the performance of an employe working in an office or other central workplace, personnel management experts generally reject the notion that conclusions should be based on a workers' input, as measured by hours spent at the place of work. Instead, they hold that performance should be judged by output and its relation to the firm's objectives. For many employes, these criteria can be applied just as readily when the work is done at home.

A second argument is that work at home would cut off employes from needed contacts with their co-workers and others. Clearly, such contacts are often highly important for effective performance and for employe morale.

But this argument, too, is not as convincing as might appear at first sight. Much of today's communication among employes takes place over the telephone, even for people working in the same building. Moreover, these proposals call for work at home only part of each week, leaving ample opportunity for face-to-face contacts with other employes.

Finally, it is argued that working at home will simply prove impractical: too many distractions and the lack of a quiet place in which to work.

In many cases, the opposite is likely to be true. Many working in offices often find themselves unable to finish planned work because of interruptions by co-workers or unnecessary internal meetings. And there are many instances of employes working on tight deadlines finding that the only way to get the job done in time is to work at home because this involves far less distraction and interruption.

Working at home should be an entirely voluntary option, to be used only where it is convenient and desirable for the individual worker as well as for the firm.

Even so, any such change is likely to encounter considerable resistance within many companies and unions, if only because established patterns are inherently difficult to change. If the working at home alternative is to make any headway, therefore, it is important that its advantages for individuals, firms and the public generally be fully understood.

SAVINGS IN WORKING TIME

The most obvious advantage for workers is the time gained by not commuting every day. Potential reductions in work time are currently a major issue in labor-management negotiations; the reduction in work-related time proposed here is one way by which workers can gain added time without imposing extra costs on management.

The total time saved can be quite substantial: An employe who drives an hour to work would save 16 hours in commuting time each month, or the equivalent of two 8-hour workdays, by working at home two days a week. In addition, he would save the money he would otherwise have had to spend on gasoline, parking fees and outside lunches.

Doing more work at home could improve the quality of life for many—though by no means all—individuals and families. There could be a better division between work and leisure during the day. Married couples could spend more time with each other and their children and still get as much work done as before. The task of taking care of youngsters, older people and pets would be considerably facilitated. And many more people might be able to engage in paid productive work who are now precluded because of the commuting requirement.

Business firms, too, can be expected to gain important benefits from the proposed arrangements—benefits that are likely to outweigh the extra burdens of coordinating individual work schedules. Worker productivity and satisfaction are likely to rise, while the pool of available labor with special skills would be enlarged.

There also can be some quite specific benefits. Some firms, for example, encourage engineers, computer programmers and others to work on computer terminals at home so that they can gain faster access to regular computer facilities than is possible from the office during regular hours.

What will it take to encourage much more widespread relience on working at home for at least part of each week? No single dramatic step is likely to provide the solution, nor is this a case for extensive government subsidies. Instead, there is need for a concerted effort to bring this issue more clearly into the national consciousness.

Business firms, unions and employes need to take a hard look at existing work patterns to ascertain which jobs can be carried out only in central workplaces and which can at least partly be carried out at home. A new look at management practices, union rules and government laws and regulations is required to determine whether they unduly discourage work at home; government should fund research in the area.

A really serious effort along these lines could bring a far larger shift toward work at home than most consider possible. Doing more work at home is one way to help solve some of the country's most persistent problems, a way which promises major benefits without hardships.

Why not give it a try? ●

A BILL TO REAUTHORIZE THE HIGHER EDUCATION ACT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, I support the draft legislation for reauthorization of the Higher Education Act as introduced yesterday by Chairman FORD of Michigan and cosponsored by myself and other members of the Subcommittee on Postsecondary Education. Although I may disagree with the majority party on many issues that come before the Congress, I find that with regard to education there is a great deal that I have in common with them.

I am particularly pleased to see that the commitment Congress made to provide Federal student aid to students from middle class families which began with the enactment of the Middle Income Student Assistance Act last year is continued and reinforced by this legislation. I am convinced that one of the greatest assets this country has is its youth and that we should insure that all citizens have the opportunity to develop to their full potential.

Steps taken in this legislation underscore the primary role of the State in providing education to students. Several programs which involve the States have been consolidated to make them more cost and program effective. Of particular interest to me is the change to the restriction in the State student incentive program (SSIG) which mandates that a State statute regarding State grant aid should be superseded by Federal law. This change will provide more flexibility to the States and is consistent with what should be all Federal education policy.

Although I am a supporter of the bill I realize that there will be some issues which may cause disagreement. One concern of mine is the total cost of these programs. I look forward to the Congressional Budget Office cost estimates which are forthcoming and I will do everything I can to insure that these programs deliver the most student aid dollars for the least governmental costs.●

IN MEMORIAM: MRS. ANTOINETTE SLOVIK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. RANGEL. Mr. Speaker, it was with deep regret that I learned today of the passing of Antoinette Slovik after a long battle with illness. Mrs. Slovik was the wife of Pvt. Eddie Slovik who on January 31, 1945, became the first member of the U.S. Armed Forces to be executed since the Civil War.

Private Slovik's death takes on an even more tragic note when one realizes that there were 28,000 deserters during World War II, of which 4,000 were tried, and 2,900 were convicted. Yet, only one Pvt. Edward Slovik (service No. 36896415) was executed for desertion.

Having personally served in a combat role during the Korean war, I fully understand the gravity of Private Slovik's desertion. But at the same time, I cannot help but be moved by the arbitrary and excessive action by the U.S. Army in singling out Eddie Slovik for execution. To have made an example of Private Slovik in such an extreme manner can in no way be considered equal justice under the law.

Therefore, during the 95th and again during the 96th Congress, I introduced legislation which would have paid Mrs. Antoinette Slovik the proceeds plus interest from her husband's Veterans' Administration $10,000 life insurance policy, which he forfeited upon his execution. This legislation failed to pass either the House or Senate and in fact failed to even receive a hearing by either the House or Senate Judiciary Committees despite the numerous appeals of many of our citizens and the endorsement of President Carter, Secretary of the Army Clifford L. Alexander, and Veterans Administrator Max Cleland.

Mrs. Slovik's death once again brings home the sadness with which I view Private Slovik's execution. It is even more disheartening when one realizes that Mrs. Slovik died without any solace for the grief she endured. For 30 years knowing that it was only her husband who was executed. Her suffering was great and heightened during her last years because of her financial plight. While passage of H.R. 2326 can no longer help Mrs. Slovik, it should be enacted if for no other reason then to acknowledge the arbitrariness of Pvt. Edward Slovik's death.●

AMERICAN VETERANS COMMITTEE PLATFORM 1979–80

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BOLLING. Mr. Speaker, I bring to the attention of my colleagues four resolutions from the national affairs section of the American Veterans Committee Platform, 1979–80. These resolutions address the issues of low- and middle-income housing, welfare reform, revenue sharing, and public service employment.

The resolutions follow:

RESOLUTION ON OPENING THE SUBURBS TO LOW AND MIDDLE INCOME HOUSING

AVC notes with dismay the increasing isolation of two societies—the black inner city and the white suburbs. This has resulted from continued racial discrimination and the action of such jurisdictions to deny low and middle income housing through zoning restrictions. The effect of this action has been to increase polarization between black and white and rich and poor; to deny black and low income workers job opportunities in the suburbs, accelerate the physical blight and economic decline of our cities and negate federal programs designed to provide low and middle income housing.

AVC therefore urges that the Department of Housing and Urban Development deny federal grants to suburban and other jurisdictions unless such jurisdictions establish affirmative action programs to provide and permit low and middle income housing commensurate with the needs of the residents in the metropolitan region.

RESOLUTION ON WELFARE REFORM

AVC notes with great distress both the cut-back in welfare programs and the impounding of duly appropriated, Congressionally enacted funding for such programs.

With a sense of great urgency, AVC wishes to reaffirm its longstanding position that every individual has the right to adequate income, health care, shelter and sustenance. Therefore, we call upon the Congress to deal forthrightly and immediately with regard to these problems, with particular emphasis on the following:

1. A unified and largely federally financed program of assistance to assure equitable and efficient treatment and administration.

2. Benefits should be available to everyone in need—those in low paying jobs as well as the unemployed, those without families as well as dependent children and their parents.

3. Assistance grants should provide all Americans with an income adequate to sustain them in a state of health and minimal decency. If fiscal consideration preclude such immediate grant levels, then provisions should be placed in the legislation for orderly steps at time intervals to reach standards of adequacy for health and decency as determined by the Bureau of Labor Statistics with flexibility of grant levels to meet realistic variations in costs of living.

RESOLUTION ON REVENUE SHARING AND FEDERAL AID

AVC supports the principle of federal financial assistance to state and local government because of the far superior revenue raising capacity of the federal government through the progressive rates of federal income and estate taxes, etc.

However, we are opposed to the "no-strings" revenue sharing proposal of the Nixon Administration known as "general" and "special" revenue sharing. The general revenue sharing proposal currently contemplates grants to states starting at $5 billion a year totally unrestricted as to use, purpose or level of local revenue raising efforts. The "special" revenue sharing proposal would give no "new money" to the states and localities but would merely combine into broad subject area "block grants," such as health, housing, education, etc., the funds now going to specific project and categorical grant programs, and would end or endanger many constructive and creative programs such as Model Cities and the multi-state Appalachian Regional Commission. It would also eliminate almost all of the federal conditions (or strings) necessary to see that the funds are distributed on a non-discriminatory non-boondoggling basis.

We favor the continuance of the present method of making categorical grants for specific purposes and projects, on a matching and grant-in-aid basis. With respect to the allocation of these funds by statutory formulas, however, we demand that all federal agencies strictly observe the conditions attached by Congress to the grants.

We also wish to encourage those state and local governments which make a significant effort to raise their own funds through progressive rate taxes such as the income tax rather than regressive sales and real property taxes—to this end we favor a tax credit for a significant portion (say 80%) of local income taxes paid instead of merely a tax deduction for them.

We are sympathetic to the great needs of our American cities because of the high cost, in many areas beyond mere welfare, necessitated by the large concentration of our poorest citizens in urban areas.

RESOLUTION ON PUBLIC SERVICE EMPLOYMENT

AVC has long stood for forceful implementation of the Employment Act of 1964, calling for full employment. In particular, we have from time to time specifically called the attention of the federal government to the need for it to act as "employer of the last resort." That is, we have been willing to allow free enterprise to provide the jobs that are needed for those who want to work, with government to take up the slack when necessary.

We veterans for whose benefit the Act was passed continue to call attention to:

1. Record levels of unemployment (including veterans)
2. Rising demands for people to go to work
3. Increasing effective demand for public services and
4. Declining ability or willingness of local and state government to provide services.

We agree that "leaf-raking" jobs solve no problems. For this reason, we support Public Services Employment legislation, so that local government can provide jobs in health, education, parks and public safety.●

SALT II: THE BATTLE IS JOINED

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, as a member of the SALT II Task Force of Members of Congress for Peace through Law, I feel compelled to call to the attention of my colleagues in the House and Senate a perceptive article which recently appeared in the New Republic.

"TRB" gives an interesting account of Senate committee hearings on SALT II, and discusses Senator Byrd's recent trip to Europe and the Soviet Union. Soviet warnings against Senate amendments to the treaty have served only to anger some Senators, and Senator Byrd now reports that advisory additions may be acceptable to the Soviet leadership. The author makes reference, however, to the 15 reservations Senator Lodge was able to attach to the Treaty of Versailles in 1920—the reservations which killed the treaty. It is imperative that the Senate exercise prudence and restraint in its consideration of any amendments or additions to the SALT II treaty. The spirit, integrity, and substance of the treaty must be maintained.

The article follows:

THE BATTLE IS JOINED

It is 9:15 a.m. but the line of tourists already snakes around the corridor. Red crow-control cords direct them to an electronic scanner like the ones in airports. Shirt-sleeved cops stand about and there is a great ruffling of credentials. What's going on? Democracy at work, the Senate Foreign Relations Committee is holding hearings on the SALT II treaty. The Armed Services Committee will hold parallel hearings shortly. The Senate Intelligence Committee will hold hush-hush hearings on how the pact will be verified, if and when the Senate itself adopts the treaty. That will depend on approval of two-thirds of those present and voting; 34 senators have veto power. Formal debate should begin maybe next September, if the nation's conjoined crises permit. A vote?—oh, maybe in November. The Russians are fuming. They don't understand. In Moscow the Politburo presses a button and that's it.

The vast room inside is architecturally akin to Grand Central Station, or the foyer of the downtown RKO movie palace before they ripped it down. Only this is the real thing, the walls slabbed with marble, a dozen Corinthian columns, a ceiling higher than a basketball court, 40-foot maroon drapes, four bombshell chandeliers, carpets to match. It is jam-packed, blazing with lights. It is as crowded as it was when they investigated the Titanic disaster, the Teapot Dome scandal, the Watergate scandal, the Great Crash, and when the circus midget climbed into James Pierpont Morgan's lap. (He thought it was a child. They used flashpowder, then.) This is the Senate Caucus room where little men, in larger-than-life surroundings, investigate large-than-life events.

At 10:04 Chairman Frank Church, who comes from Idaho (Borah's old state), raps smartly three times and we're off. There are about 100 press seats, 100 for tourists, and maybe 50 for senators, witnesses, and staff. World interest centers here for the moment, thought practically nobody abroad can understand the subtleties of senatorial ratification. My seat is between the London Daily Telegraph and the Yomiuri Shimbun (Tokyo), circulation 8,000,000. Everybody is represented.

That's because everyone thinks this may be a final test—whether there's enough trust left between the two superpowers to prevent Doomsday. Secretary Vance is quiet, restrained; he does not have a commanding voice and sometimes he's dull, but he doesn't alienate people like Dean Acheson, and he's not afraid to talk back. "No, you're wrong!" he tells Senator Muskie tersely over a technical point. Senator Helms says savagely that the whole treaty is a phony—"This is an arms escalation treaty!" he charges. "No, it's not," says Vance, and continues explaining.

In brief, Russia and the US now have 14,000 strategic nuclear warheads and bombs in their arsenals and the smallest one of them can destroy a city: "Several times as powerful as the bomb that destroyed Hiroshima," says Vance quietly. Will they be used? Nobody cites one hopeful precedent: all belligerents had poison gas in World War II, but nobody used it.

This is the hearing that was supposed to fill the front pages with passionate argument but instead, so far, people are talking about gas lines and inflation. Can the Carter administration save itself from collapse? It has been under semi-siege at Camp David. It will be harder than ever for the public to concentrate on SALT II when Jimmy comes down from the mountain and tells what he plans to do next.

The administration's low-key approach might help SALT's ratification. Unlike Nixon and Kissinger when they presented SALT I, there have been no extravagant claims; Vance and Defense Secretary Harold Brown say that it's a pretty good treaty, all things considered; that it limits and even curtails some weapons; that it establishes an equilibrium of "rough equivalence"; that America is adequately protected; and that its approval is vital for the future. Where they speak most emphatically is in describing the consternation among European allies if SALT fails. "Failure to agree on SALT II could cast a chilling shadow over the whole range of East-West relations," Vance declared in what for him is a high-flown metaphor.

Back from Europe, Senate Majority Leader Byrd tells the same story. He talked to the president of France and the French and Italian defense ministers, who told him that if the US rejects the treaty it will mean an all-out nuclear arms race," and we could also expect the possible isolation of the United States from its European allies."

Byrd was the unofficial emissary to tell grim-faced Brezhnev and Gromyko in Russia that the Senate is almost certain to play its role in formulating the treaty by adding its own reservations and clarifications. It was Byrd's uncomfortable task to inform these somber Slavs of the facts of life about the US Senate. He brought back word that may save the treaty. President Carter and the Russians have warned against amendments. But Byrd reported that the Soviets might accept Senate additions that are advisory and not matters of substance "if we're talking about amendments to the Resolution of Ratification that clarify the meaning, that help to affirm the understanding of the Senate. . . ."

I have before me the 15 Lodge reservations which the crafty Republican senator from Massachusetts grafted on to the Versailles treaty, and which defeated it. The first insisted on America's right to withdraw at will from the League of Nations "by a concurrent resolution of Congress." One supported the Monroe Doctrine. Reservation number 14 insisted that the US should have as many votes in the League as the British if the Dominions voted. The final one expressed sympathy for Irish "aspirations" for self-government. On March 18, 1920, the Senate voted, 49 to 35, for the treaty with reservations. This was less than two-thirds, so America entered 20 years of isolation. It ended with World War II, which Wilson had predicted.●

TESTING LEGISLATION: A CONSUMER FRAUD?

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. GOODLING. Mr. Speaker, as you know, the Education and Labor Committee, Subcommittee on Elementary, Secondary, and Vocational Education will continue its hearings on the so-called truth-in-testing legislation this fall. It is my understanding that this legislation might even be considered by the full committee during October. I am concerned over the possible unintended consequences of overly hasty Federal action. New York State has recently passed "truth-in-testing" legislation which is slated for implementation in January 1980. The New York law is similar to the legislation currently before our subcommittee. I think it would be especially useful for my colleagues to consider the thoughts of a highly respected educator which appeared in the August 15 New York Times regarding the testing issue:

The Law on Tests Is Bad

(By Diane Ravitch)

New York's new "truth-in-testing" law, passed by the state Legislature and signed into law by Gov. Carey, guarantees that anyone who takes an entry test for college, graduate or professional school is entitled to get a copy of the test, along with the correct answers. Passage of the law is a triumph for Ralph Nader and his associates, who have been campaigning against standardized tests in general, and the Educational Testing Service in particular, since the early 1970's.

On the surface, the law seems unassailable.

Most of its advocates claim that public scrutiny will make college-entry tests fairer and less subject to "cultural bias" against minorities. Some, however, have admitted that their real object is not to improve the tests but to undermine their validity and usefulness to colleges.

In reality, the "truth-in-testing" law will accomplish few, if any, of its intended purposes.

It will create a bonanza for private tutoring services, which will now have actual tests as teaching tools, not just their own inventions; this will increase the advantage of those who can afford to pay for coaching.

As a result of the law, the cost to the student who takes the Educational Testing Service college-admission test, now $8.25, is expected to increase substantially. This is because compliance with the law will increase the costs of test preparation.

Anyone who understands the process of test-making could have foreseen these results.

The testing organizations devise questions that are pre-tested extensively, then used repeatedly, in order to provide a basis of comparison among students. This kind of pre-testing and retesting makes it possible to weed out questions that are poorly worded or confusing.

Even more important, this process helps to isolate "culturally biased" questions, when any identifiable student population consistently misses or misconstrues a particular test item.

Divulging the answers at the end of each test will require the testing companies to hire more employees, devise more questions, and charge more.

So it is the consumer, not the corporations, who will pay for this "reform."

Nor is the law likely to have much impact on college admissions.

Colleges ask their applicants to take standardized tests of verbal and mathematical skills because the scores are useful in comparing the aptitudes of students from all kinds of secondary schools—public, private, urban, suburban, rural. Colleges use the tests because they have some value as a predictor of future academic performance.

College admissions officers are professionals. They know that standardized tests have limitations; they know that such tests reveal nothing of a student's imagination, creativity, motivation or character; they know too that some students freeze in test-taking situations.

The scores are only one element in the student's record, which is made up of high school grades, rank in class, extra-curricular activities, teacher recommendations, work experience, and a personal interview.

If the tests were abolished, very little would change.

The highly selective colleges, where applications outnumber places by more than five to one, would continue to be highly selective; some would probably write their own entry tests, just as they did in the years before standardized testing. And more emphasis would be placed on high school grades and on the personal interview.

The fact is that, with or without standardized tests, colleges admit whomever they wish.

Those who have more applicants than places will continue to find some basis for selection.

Those who wish to increase their minority enrollment will do so, regardless of test scores or high school grades.

What is especially ironic is that college-entrance exams will have less significance in the future because of the decline in national enrollment. Pre-college youngsters have already become accustomed to receiving mountains of mail from colleges eager for them to apply.

With fewer students entering colleges each year, more and more colleges accept anyone who can pay the tuition (which for most youngsters is a more formidable obstacle than standardized tests). The number of colleges that will continue to be selective is a shrinking minority.

The "truth-in-testing" law will not change standardized entry tests in any meaningful way, will not affect the college admissions process in any meaningful way, and will not increase the number of minority students in college.

What it will do is cost the student-consumer more for the same level of services.

In short, New York's new law is a consumer fraud.●

LEGISLATION TO EXTEND THE LIFE OF THE C. & O. CANAL ADVISORY COMMISSION IS INTRODUCED

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BARNES. Mr. Speaker, on September 5 I introduced H.R. 5182, a bill to extend the life of the advisory commission to the Chesapeake and Ohio Canal National Historical Park. The Commission, composed of citizens and representatives of jurisdictions surrounding the 185-mile canal, was created with a 10-year life when the park was established in 1971. H.R. 5182 would extend the Commission's existence for another 10 years.

Part of the original rationale for creating the advisory commission stemmed from the unique nature of the canal. Unlike most parks managed by the U.S. Park Service, it runs along a 185-mile stretch of river shoreline, and is flanked by a major city, suburban communities, and numerous small towns. These circumstances clearly warrant the need for some mechanism which enables those who live along or near the canal to share a voice in its management.

The advisory commission, technically referred to as the "Chesapeake and Ohio Canal National Historical Park Commission," is composed of 19 members: Two each from the Maryland counties of Montgomery, Frederick, Washington, and Allegany; two each from the States of Maryland, Virginia, West Virginia, and the District of Columbia; and three appointed by the Secretary of the Interior, two of whom are members of conservation organizations. The members of the Commission serve without compensation.

There is no doubt in my mind that the C. & O. Canal Park and its visitors have been well served by this advisory commission. By allowing the good work of the Commission to continue, Congress can take a significant step toward insuring proper management of the park in the years to come.●

COLORADO RIVER MANAGEMENT PLAN AND ENVIRONMENT IMPACT STATEMENT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. STUMP. Mr. Speaker, I have received hundreds of letters from outraged citizens regarding the National Park Service final environmental impact statement of the Colorado River management plan which will ban the use of motors on the river.

One such letter that I received was from Gale James of Phoenix, Ariz. She attached a poem to her letter which I am commending to my colleagues:

Plea

(By Gale James, an American)

Please save our love for the natural land
You cannot take that too
By making us stop the river trips
That our freedom entitles us to.

We do not disturb the river or land
Our intent is not to destroy
We merely want our Colorado Grand
To see, to love and enjoy.

What makes you think you have the right
to take our liberty away
Unless you too, have ridden the Grand and
felt the enchantment beg you to stay.

Its like a spell thats cast upon your senses,
body and soul
As you are one with river and cliff you can
scream out, "At least I am whole!"

So if you choose to take from us part of our
heritage, history and strife
Then what have we fought for in our wars?
Not justice . . . not freedom . . . not life! ●

THE UNITED NATIONS: ACCOMPLISHMENTS AS WELL AS DISAPPOINTMENTS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BARNES. Mr. Speaker, as chairman of the International Institutions and Development Committee of Members of Congress for Peace through Law, I would like to bring to the attention of my colleagues an excellent article which appeared on the New York Times "Op-Ed" page during the recent August recess and which they may have missed.

The article by American University president and former Undersecretary of State Joseph J. Sisco, is entitled "The U.N., Flawed but * * *." It points out that while the United Nations and its specialized agencies have problems, they also have a very creditable record of achievement in dealing with complex international crises and long-term global issues.

Too often, we tend to confuse the United Nations system with the political debates at the General Assembly and in the Security Council. The UN's membership express their views in those bodies. But the UN machinery for dealing with economic problems, natural and man-made disasters, complex legal disputes, hunger, disease, and ignorance works on in many countries. The UN's peacekeeping missions in the Middle East, on Cyprus, and in Kashmir continue to carry out their thankless and dangerous responsibilities. And the army of experts in so many fields continue to search for solutions to the environmental, educational, scientific and technological problems we must solve if human society is to survive on this planet.

Mr. Sisco's article points out some of the accomplishments and some of the problems of the United Nations system. I insert the text in the RECORD:

THE U.N., FLAWED BUT . . .

(By Joseph J. Sisco)

WASHINGTON.—President Carter's recent meeting with Secretary General Kurt Waldheim, and the recent informal United Nations Security Council decision to substitute an augmented United Nations Truce Supervision Organization (UNTSO) for the United Nations Emergency Force (UNEF) to help carry out the Egyptian-Israeli peace treaty, offer a timely moment to assess how well the world organization has been performing its peacekeeping functions.

There is a lot wrong with the United Nations, and this has led to diminished reliance on it, but United Nations peacekeeping remains a valuable option that should not be dissipated.

Both overzealous admirers and critics of the United Nations have tended to state their conclusions in bold-faced type. One group has viewed criticism as desecration of a religious shrine; the other has rarely failed to point out the yawning chasm between aspirations and accomplishments. Neither group looks at the United Nations for what it is: a reflection of a turbulent, pluralistic, diverse world—an institutional arena for the interplay of national power and interest.

The United Nations has often been sanctified and buried. Twenty years after World War I, the League of Nations was dead; 35 years after World War II, the United Nations is in great difficulty, yet it makes modest contributions in limited areas. Moreover, some problems of a global character, such as the plight of the Vietnamese refugees, can be dealt with, if at all, primarily through its mechanisms.

Its disabilities are numerous. Power and responsibility is skewered in the General Assembly, and numerous unrealistic resolutions have seriously discredited it.

The specialized agencies attack economic and social conditions that carry seeds of war. Their record in dealing with problems of health, the environment, population, pollution, food, weather and communications is credible; if these organizations did not exist, they would have to be created from scratch. But budgets have become bloated, as has the bureaucracy, and collective financial responsibility and apportionment are out of balance. The continuing tendency toward politics in lieu of technical work has also made the specialized agencies less effective than they might otherwise be.

But in peacekeeping, the United Nations record remains noteworthy. About 15,000 troops have been serving in the Middle East, Cyprus and the Subcontinent. Moreover, plans are in place for a United Nations Transitional Assistance Group to assist in Namibia if agreement can be achieved on internationally recognized elections.

It remains to be seen whether Israel will accept the Truce Supervision Organization. The alternative of a multinational force outside the United Nations is not likely to attract many countries, though supervision by the parties themselves remains an option. The three oldest peacekeeping groups, in the Middle East, Cyprus and Kashmir, were based on trip-wire concepts: static peacekeeping largely limited to disengagement and surveillance, reporting cease-fire violations, and based on the presence of the United Nations as mediator.

The United Nations has gone somewhat beyond the static concept in southern Lebanon where it was to supervise the cessation of hostilities between the Palestinians and Christian Lebanese and Israelis, establish for itself an area of operation, and help to assure the restoration of Lebanese sovereignty. The interim force has been operating in a political environment without clear precedents in light of the virtual absence of an effective Lebanese Government and the presence of opposing nongovernmental Lebanese armed groups. It has practiced freedom of movement throughout most, but not all, of its operational area, and on occasion it has been able to resort, when necessary, to bringing superior local force to bear in order to restore cease-fire conditions.

This more active policy derived not from a new, preconceived doctrine, but from the unique circumstances in southern Lebanon. The force has not been in a position to be effective in the six-to-10-kilometer strip on the Lebanese side of the border that was turned over to the Lebanese Christian militia.

Such work by the United Nations on the ground—decentralized, disorderly, pragmatic and adaptive—contrasts with early ambitious plans for universal central institutions as the prime means to world order. A worldwide organization disparate in power, wealth and culture makes for real limitations, as do the different fundamental approaches of the United States and Soviet Union. The United Nations is not an entity apart from its membership, and can act only by sovereign consent. We need not overdraw or undervalue its utility. On balance, we are all a little better off with it than without it.●

JAMES H. DENVER OF SPRINGFIELD, MASS., NEWLY INSTALLED COMMANDER, MASSACHUSETTS AMERICAN LEGION DEPARTMENT, GIVES MESSAGE ON PATRIOTISM

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BOLAND. Mr. Speaker, one of my valued and longtime hometown friends in Springfield, Mass., is James H. Denver, newly elected State commander of the Massachusetts Department, American Legion. I will have the honor of being a guest and speaker at his American Legion Testimonial Dinner at the Sheraton-Lincoln Hotel in Worcester, Mass., on November 24. He was elected Massachusetts Department Commander at the 61st annual State American Legion Convention held at Springfield in late June.

Jim Denver has long been active in the functions of the American Legion, the world's largest organization of veterans. He has given unstintingly of his time to the American Legion's great programs for hospitalized veterans, for the widows and families of veterans, for the elderly veterans, for the youth of our community in oratorical contests and scholarships and for Vietnam veterans.

Jim Denver has served with distinction as Massachusetts State Vice Commander and as past commander of Springfield's American Legion, Post 21. I want to take this opportunity to commend Jim for his past contributions to this great veterans' organization, and to congratulate him on his elevation to the most important post of Massachusetts Department Commander. I include with my remarks State Commander Denver's message on patriotism which appeared in the Springfield Sunday Republican on August 12, 1979:

PATRIOTISM: HANDY MEASURE OF ATTITUDE

(By James H. Denver)

Remember when each school room had an American flag, when a prayer and a Pledge of Allegiance were commonplace? Remember when everyone knew at least one verse of the national anthem?

Remember when the flag was displayed in a proper manner, lowered to half-staff only when that was called for in the country's Flag Code?

Remember when a federal judge would not have dared to rule that it was not illegal to wear the flag on the seat of trousers? Remember when nations throughout the world respected our flag and what it stood for?

I do, and I don't like what I see today, and I have tried and I will continue to try to do something about it.

To be a good American is the most important job that will ever confront us.

What is Americanism? The way we in the American Legion define it, Americanism is:

Love of America and loyalty to her institutions as the best yet devised by man to secure life, liberty, individual dignity and happiness; the willingness to defend our country and flag against all enemies, foreign and domestic; a vital, active, living force meaning peace, strength and the will and courage to live as free men in a free land, meaning a friendly hand to people everywhere who respect our institutions and our thinking.

Not a word but a cause, a way of life, a challenge and a hope in a world of turmoil; an ideal of loyal patriotism, religious tolerance, fearless courage, integrity, abiding faith in the commanding destiny of the United States.

Fathomless love for the principles which led our forefathers to found this country; complete and unqualified loyalty to the ideals of government set forth in the Declaration of Independence and the Constitution.

Respect for and informed obedience to duly constituted authority and laws of the land; freedom without license, religion without bigotry, charity without bias or race hatred.

I'm sure you'll all agree that America does indeed have problems, and that it must do more to meet the needs of our people. I also believe that the most serious crisis Americans face, both as individuals and as a nation, is the one that nobody talks or writes much about: we are mired in an age of disbelief, which is eroding our will not only to succeed but also to survive.

Sons do not believe fathers, blacks do not believe whites, stockholders do not believe corporate executives, the public does not believe the president.

We owe it to ourselves and to our children to dream new dreams, to have pride in our past and faith in our future, for without such dreams, such pride, such faith, we will have no future. If believing these things is wrong, then patriotism is wrong.

Tell me I'm wrong to care about abuses in the proper display of the flag right here in Springfield by city officials, schools and civic and fraternal organizations who take liberties with the flag that aren't theirs to take, and tell me I'm wrong to try to do something about it.

Tell me I'm wrong to be upset about the way spectators fail to stand at attention at sporting events during the playing of the national anthem. Tell me that the way hockey players break ranks before the second-to-the-last, or sometimes earlier, stanzas of the "Star Spangled Banner," schoolboy and professional players alike, shouldn't bother me.

Tell me I'm wrong to want to see flags flown on holidays, at least, over homes, factories, stores and public buildings, and flags placed on the graves of those who answered the final call, either on the battlefield or since.

Tell me that like hundreds of others, veterans or not, I'm wrong, that I shouldn't be bothered by pictures and reports of flag-burnings.

Tell me that I should be tagged Super Patriot because I still march in or watch parades in my city and like to listen to the Pledge of Allegiance and like to hear the national anthem played properly and sung by those who have cared enough to learn the words.

If I'm wrong, if I'm "too patriotic," I certainly don't plead the Fifth Amendment, as some people do for almost anything, and I'm certainly proud of it.●

PROGRESS AGAINST GOVERNMENT FRAUD

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report from August 15, 1979, into the CONGRESSIONAL RECORD:

PROGRESS AGAINST GOVERNMENT FRAUD

Fraud continues to plague the programs of the federal government. It accounts for part of the 1 percent–10 percent of funds for federal programs which the Department of Justice recently estimated to be misspent. In terms of dollars, the estimated loss attributable to fraud, abuse, and waste ranges up to $50 billion. By comparison, the federal deficit is under $30 billion.

These figures are very discouraging, but the costs of fraud cannot be measured merely by the amount of money misspent. Some instances of fraud, such as the use of inferior materials on government buildings, can in fact create public hazards. Even more important is the loss of public confidence in government which fraud occasions.

Fraud is not a new phenomenon in government. It has existed for a long time, so solutions to the problem can be neither quick nor simple. Nevertheless, the recent headlines exposing serious scandals and widespread theft are signs that things are getting better, not worse. The Congress and the Carter Administration have given the prevention and detection of fraud a high priority. Although much action still needs to be taken, the federal government is making some progress.

A major step was taken last year when Congress established an office of Inspector General in 12 federal agencies. This office consolidates the auditing and investigative responsibilities of each agency under one high-level, independent official who reports directly to Congress and to the head of the agency. Other government bureaus have set up similar offices. Armed with subpoena and prosecutorial powers, the Inspectors General have shown that they will more than pay for themselves through the revenues they recover. In 1978, for example, the work of the Inspector General at the Department of Health, Education, and Welfare (HEW) led to 230 convictions. It is expected that HEW alone will save $1.1 billion this year.

Other recent congressional action has been aimed at the problem of fraud. For example, a major law enacted during the last Congress is cutting down fraud and abuse in the Medicare and Medicaid programs. The result of several years of legislative work, this law has increased penalties for fraud and abuse, strengthened oversight of the programs, and mandated greater disclosure of information by providers of health care.

Investigative procedures for combatting fraud are being improved as well. First, the federal government has stepped up the training of investigators and prosecutors involved in fraud detection. Extra manpower will be brought to bear where none could be before. Second, a single auditing guide has been designed to replace the more than 100 different methods currently used to audit federally assisted programs. This action is expected to simplify techniques of fraud detection. Third, advanced computer systems have been installed to organize large amounts of data on the operation of federal programs. Computers make possible large-scale investigations, such as the one which is now checking lists of welfare recipients for any federal worker who may be receiving payments illegally. Fourth, each agency has started a program to protect and encourage "whistle blowers," federal employees who desire to report suspected instances of fraud within their own agencies. With their "insider's knowledge," these employees are very valuable weapons against fraud. Fifth, bills are now pending before Congress to speed up the hearing process and bolster penalties for those who commit fraud. Swift and forceful action when fraud has been uncovered deters others who might be tempted to break the law.

Because the very organization of an agency sometimes invites fraud, the Carter Administration is conducting a thorough review of each agency's vulnerability to fraud and its capacity for fraud prevention and detection. Also being reviewed are existing policies and procedures used in determining applicant eligibility for federal programs. It is anticipated that these efforts will lead to a sizable reduction of fraud in such programs as food stamps, social security, and federally insured student loans.

Private citizens should be aware that they can voluntarily enlist in the fight against fraud. A toll-free hotline (800–424–5454) has been opened to give people anywhere in the nation the opportunity to report suspected cases of fraud. So far, the hotline has been very active. In the first six weeks of its operation, over 30,000 telephone calls were received and followed up.

I strongly support these wide-ranging government efforts to stamp out fraud. The task, however, is far from complete. The control of fraud requires independent observers, good management, and vigorous prosecution. Of course, the best solution to the problem will be found in a system which continuously monitors federal programs. Such a system would help to ensure that the government effectively provided the essential services it was created to provide. It would also go a long way toward restoring public confidence in government.●

FLIGHT FROM LAOS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. McHUGH. Mr. Speaker, I am inserting into the RECORD today an eyewitness account of the massacre of 189 Hmong tribesmen. The men, women, and children in this group were killed on a small island in the middle of the Mekong River by soldiers of the Government of Laos. They were searching for freedom. Instead, after several days of waiting in an effort to find some way into Thailand, they found death.

For months now, Mr. Speaker, I have been trying to bring attention onto the plight of the Hmong, the hill tribesmen of Laos who fought side by side with Americans throughout our long involvement in Southeast Asia. Many have been languishing in refugee camps for years. Others, like the group mentioned in this article, have died attempting to escape to Thailand.

Because the Hmong do not make their escape in boats, their plight has gone unnoticed by the press. More disturbing, our own Government has failed to respond in a meaningful way to the very serious problems our friends have been experiencing.

Although the Hmong represent a substantial number of the total refugee population in Southeast Asia, relatively few have been admitted into the United States. Yet, of all the refugees, no group has a greater claim on our country. We have a special obligation to the Hmong, Mr. Speaker, an obligation that we should not continue to ignore.

Thus, I hope that my colleagues will take the opportunity to read this article, which was written by Jane Hamilton-

Merritt and appeared in the New York Times earlier this week:

FLIGHT FROM LAOS

(By Jane Hamilton-Merritt)

The plight of the Hmong, a hill-tribe people in Laos—or Meo, as the people are known in the Western press—is one of desperation. Little news about these people who fought so long for the Americans in Laos reaches that press. Meo refugee camps in Thailand are remote and inaccessible.

July 27, 1979. The river and freedom are in sight. A group of 189 Meo—30 men and 159 women and children—have endured a two-month trek through the mountainous high jungles of Laos, running from the Pathet Lao and Vietnamese soldiers.

Tonight, they sit by the edge of the Mekong River waiting for darkness to provide cover for a crossing into Thailand—the final obstacle to freedom. Adults have not eaten for many days to preserve food for the children. Small amounts of the remaining rice, are forced into mouths of children—many only skeletons. Afraid to light fires for fear of detection by enemy soldiers, they wait in the monsoon darkness. Children are given more opium to keep them quiet: Any noise may alert soldiers known to patrol the banks of the Mekong searching for Meo trying to escape.

Meo who have escaped Laos tell of Pathet Lao and Vietnamese soldiers killing children for nothing, women for their silver necklaces, men because they are soldiers. They say that enemy soldiers take their rice, chickens and buffalo; that poisonous gases are dropped from planes on their villages and that their people die. They are convinced that the soldiers intend to kill all the Meo. Yet these Meo continue to fight the Communists in Laos although they have few weapons left and no meaningful support from outside.

July 28, 1979. At the darkest time of night, they cross the Mekong, only to discover as the dawn mists lift that they have miscalculated and have crossed at a very wide part of the river. They land on a long river island and still far from the Thai banks. Hurriedly the Meo gather vines to weave into ropes to attach to mounds of sand and patches of river reeds to make a link to shore and safety. There is so little time, for the river is rising noticeably and storm clouds hang over the mountains to the north. They could all drown if the river suddenly rose. Now that they believe themselves off Laotian territory and safe, they build fires to boil water in United States Army canteens. Women take off their blouses and, with sticks for frames, make shelters for the sick, babies, and old women.

Many Thai soldiers appear on the Thai bank along with a machine gun mounted on a jeep. Soon a patrol in two boats lands on the island to inform the Meo leader that the Meo must go back to Laos—they cannot cross into Thailand. The Meo tell the Thai soldiers that they will build bamboo rafts and leave during the night. Since the Thai side of the island is lower than the Laotian side, the Meo huddle on the lower side hoping that enemy soldiers from Laos will not see them.

Men and women cut bamboo from small clusters on the island while others continue to make survival ropes. In the afternoon, Thai soldiers in boats cut the vines, the Meo lifelines to freedom. Night falls and the Meo take up guard. They have no food and the river is rising.

July 29, 1979. Day breaks and they continue to build rafts, but not, as the Thai soldiers want, to cross back to Laos, but to continue downstream in hope of passing undiscovered into Thailand. All the Meo are convinced that if they are forced back to Laos they will be killed—including the children.

About midday, another American journalist manages to obtain a wooden boat from a Thai villager upstream and paddles to the island. The Meo leader gives him a note to take to Vong Yee, chief of the Meo residing in a nearby refugee camp, Ban Vinai. The note tells of their location and that the Thai soldiers will not allow them to go to the Thai police station (a standard debriefing procedure for new arrivals before allowing them to enter refugee camps), and requests urgent assistance from the chief at the camp to obtain permission for them to enter Thailand.

July 30, 1979. The day is hot and there are many who are sick and starving. They eat grass and drink boiled water. Thai soldiers come again and insist that they leave tonight. The Meo explain they don't have enough rafts to ferry all the people, but the Thais insist.

July 31, 1979. The situation remains the same.

Aug. 1, 1979. Morning brings signs of another torrid day. The Mekong continues to rise. Thai soldiers remain vigilant. Many rafts have been built. The stranded Meo believe that Vong Yee will send help soon.

As I stood watching the Meo marooned on the island, I remembered the stories of so many Meo who, like those out there, had fled Laos under the most terrifying circumstances. Drumming in my mind were the words of one young Meo: "I feel sad for my wife. Her clothes are shreds and she's sick with malaria, yet she cares for my brother's five children. The youngest is four and he's so weak he cannot stand alone; she must carry him. My brother and his wife are dead. His wife disappeared while searching for food. I often think of my American friends. They gave me their addresses but I've lost them. It seems so long ago that the Americans left—maybe four years, and now the fighting is even more difficult, with so few weapons and no one to help us. We Meo are all so tired. So many Meo are dead. We Meo people are so pitiful."

The Meo who fought under Gen. Vang Pao for the Americans in Laos against the Communists since the early 1960's find it difficult to accept that no one cares about them, hardly anyone writes about their tragedy, no American friends seek to help.

Aug. 2, 1979. A group of 30 to 40 Pathet Lao land on the island. Shooting breaks out and the Meo are massacred. It is not known whether there were any survivors. These 189 brave Meo men, women and children did not know that the island on which they had landed was Laotian territory.

After so long a struggle, freedom never came.

As Vong Yee, the Meo chief said to me: "We Meo fight, work like buffalo, run, starve and die—and no one knows." ●

PRIVATE SCHOOLS AND PARENTS' RIGHTS—NO THREAT TO PUBLIC EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, while I have been one who feels strongly that the Federal role in education should be kept at a minimum and limited largely to no strings financial assistance, I have always believed in a strong public school system. A very substantial factor in my long legislative record of opposition to forced racial busing is the disastrous impact of this policy on our public schools and upon public support for them. At the same time, I also strongly support tax-relief for parents of nonpublic school children, and including those children in the benefits of Federal programs designed to help education.

In my view, viable private school alternatives will not weaken public education. Diversity and competition will strengthen our total educational system. But too often these questions are debated on points of law rather than the merits. And more often than not the fundamental right and responsibility involved—that of the parents to shape the education of their children—is scarcely mentioned, if at all. That is why I was delighted to see the thoughtful column of Joseph Sobran entitled "Private Schools and Parents' Rights" in the Washington Post of July 25. We need far more consideration of the role of the family and the rights of parents in education, and Mr. Sobran's column is a welcome contribution.

The column follows:

PRIVATE SCHOOLS AND PARENTS' RIGHTS

(By Joseph Sobran)

Like many people, I used to oppose government aid to private education in any form. I attended public schools, and I felt that if other people thought the free system wasn't good enough for their children, they shouldn't complain about having to foot the bill for private schools. Besides, what if a dime of public funds should wind up in some priest's pocket? That would violate the First Amendment, wouldn't it?

I'm afraid this was, and is, a rather mean attitude. People don't choose private schools out of ingratitude, but out of love. They make sacrifices to give their children the best education they can. They deserve at least some consideration for that.

Besides, there is a matter of principle at stake, a principle we have nearly forgotten. Education means, finally, the shaping of the young. This is a grave duty, and it rests primarily with parents, and only secondarily (if at all) with the state.

Sen. Daniel Patrick Moynihan (D-N.Y.), our leading advocate of tax relief for parents of private-school pupils, points out that the issue hasn't really been weighed on its merits. Liberal opponents of even that mild a form of aid to private schools insist it is unconstitutional; but that question can be temporarily waived. The main question is simply whether aid to private schools is a good idea. Both the Democratic and Republican platforms of 1976 agreed that it is.

Liberal ideology generally wants government to supervise things. It is suspicious of private schools as havens of privilege and subterfuge for segregation. In addition, the public-school establishment—state officials and teachers organizations—resents independent schools as it resents parental pressure. It prefers the rule of accredited state "experts," and has been harassing private schools—especially the proliferating religious schools of the Southeast—in the name of "standards."

There is irony, not to mention impudence, in this. Parents choose private schools in part because the standards of public schools have deteriorated so badly. And private schools generally do a better job of teaching by all measurable criteria.

But measurable criteria are only part of the story. Parents choose private schools for less tangible reasons: They want their children taught in the atmosphere of moral and religious values that are (to some extent necessarily and properly) excluded from public schools. They feel that what the private schools supply is not extra luxuries, but vital necessities. Private schools are in a special sense free schools: free to be purposeful, free to reflect parental values.

All this runs counter to the instincts of modern liberalism, which implicitly regards education as a process of "liberating" the young from the presumably backward values of the home. Though tactfully downplayed, this attitude shows up in the campaigns for sex education and for the minors' "rights" to contraception and abortion.

It also shows up negatively. The fashionable intellectual journals have almost nothing to say on behalf of parents' rights—a strange anomaly in an age that elaborates the rights of minorities, women, homosexuals, even animals. Nobody openly denies a parent's rights to select a child's education. But it is a right that is losing weight fast.

Usually, liberals argue that a right worth having is a right worth subsidizing. We are told that poor women don't really have the right to an abortion unless they have "access"—in the form of tax monies—to abortion. We are also assured that subsidizing abortion in no way implies approval of it. Why isn't this logic applied to private education?

In essence, public education has the status of an established church. All, regardless of personal conviction, are required to support it. Dissenters are "free" to support alternatives only after they have paid their dues to the establishment.

That situation trivializes genuine freedom. The preferred status of public education prevents some, and tends to discourage all, from supporting pluralistic education. Justice requires nondiscriminatory tax relief, at a minimum, to parents of private-school pupils. And that means no discrimination against religious schools.●

POLISH REMEMBRANCE DAY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. GUARINI. Mr. Speaker, I would like to share with my colleagues a commentary concerning the 40th anniversary of the infamous German invasion of Poland on September 1, 1939. Col. Anthony K. Podbielski, Historian of the Bayonne Chapter of the Polish American Congress, has spoken often about the contributions of Polish Americans and other ethnic groups in the United States. I am deeply impressed by the pride of the millions of Americans of Polish descent. Pope John Paul II's recent visit to his native Poland has inspired the world. It is all the more significant that His Holiness, while celebrating Holy Mass at the site of the notorious Nazi concentration camp in Auschwitz, Poland, called attention to the horrible slaughter of 3½ million Polish Christians and 2½ million Polish Jews. Therefore, I would urge that this commentary be included in the CONGRESSIONAL RECORD as further evidence of the tragedy of World War II.

Mr. William Kowalski, president of the Bayonne Chapter of the Polish American Congress, Bayonne, N.J., declared that:

> Polish Remembrance Day is the official title for the anniversary of the Nazi attack on Poland. Poland was the first nation to meet and resist the powerful Nazi military challenge on her soil. After seventeen days of incessant and unequal struggle, communist Russia invaded Poland from the east in accordance with a previous, premeditated agreement with Germany. At this point, the Polish struggle went underground with the brave Poles fighting alongside the American, British and French allies across North Africa and in Europe.
>
> How ignominious were the final fruits of Allied victory, when the Polish Armed Forces were denied the right to participate in the many victory parades in London, Paris and Rome. Further humiliation followed with Poland being "sold down the river," at the secret conferences of Teheran, Yalta and Potsdam. These conclaves sealed the doom of Eastern Europe, bringing millions of people under communist domination.
>
> Deprived of participation in the post war Marshall Plan, Poland nonetheless rose like Phoenix from the ashes of destruction. Despite a government not of their choosing, the people of Poland serve as an example of faith and dedication to the ideals of freedom.
>
> On September 1, 1979, Poles and their descendants all over the world will join with Pope John Paul II in fervent prayers for the never-ending struggle for Poland's right and will to live.
>
> The day will be a solemn one with religious services predominating on this tragic anniversary. We take pride and encouragement that here in the United States, the millions of Americans of Poland descent will pause to pray for the victims of Nazi and Communist oppression and that we will continue to contribute to the well-being of our nation so nobly begun and exemplified by those first famous Poles in the Jamestown colony in 1608.●

SOVIET TROOPS IN CUBA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BIAGGI. Mr. Speaker, I would like to join a substantial number of my colleagues in expressing deep concern over recently revealed evidence by the State Department showing that 2,000 to 3,000 Soviet troops have been operating as a combat unit in Cuba since "at least the mid-1970's."

This revelation raises two very serious questions that need prompt and sufficient answers. First, what is the mission of the Soviet combat unit in Cuba? While a few thousand Russian combat troops in Cuba may not pose "a direct threat" to this country, as the State Department has said, there are many other dangers to contend with here.

Simply stated, the United States cannot afford to allow a Soviet military base to be established 90 miles from our shores. The Soviet Union, by secretly strengthening their military power in a highly sensitive region just off the American coast, has displayed a total disregard for clearly established, though not formalized, United States-Soviet foreign policy. If we do not aggressively pursue this matter, and indicate our strong opposition to such a troop buildup, what is to stop the Soviets from increasing their military capability in Cuba?

Certainly expressions of opposition are necessary in this serious matter. However, we in the Congress can and must go a step further. We can actively support a Senate resolution to halt consideration of SALT II until President Carter either reports that Soviet combat troops have been removed from Cuba or states that any Soviet troops there pose no threat to the foreign policy interests of the United States and our Latin American allies. Such action would insure that this issue is dealt with promptly and effectively, and would help us to determine whether the Soviet Union has negotiated SALT II in good faith.

Second, and I believe more important to our long-range national security, is how such a combat unit, maneuvering with tanks and artillery since at least 1976, could go undetected by U.S. intelligence for so long. This question is especially critical since the U.S. ability to verify Russian compliance with the missile limits established by SALT II is so very important.

Certainly, U.S. intelligence failure in Iran should have taught us a very valuable lesson about the threats posed to U.S. foreign policy as a result of insufficient intelligence capability. Unfortunately, it is obvious from the long-undetected Soviet presence in Cuba that the problems and weaknesses within our intelligence community have not been corrected.

I view this as a much more serious threat to our national security than the presence of 3,000 Soviet troops in Cuba. This is a problem that must be addressed promptly—certainly prior to final consideration of SALT II.

In this regard, Mr. Speaker, I strongly urge that a full-scale congressional investigation be made into the competency of U.S. intelligence agencies to determine an effective solution to this most serious problem.●

CENTENNIAL OF THE LOS ANGELES ATHLETIC CLUB

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ROYBAL. Mr. Speaker, tomorrow marks the anniversary of an institution with a long and august record of achievement and distinguished service to the community of Los Angeles. On September 8, the Los Angeles Athletic Club will begin its historic centennial year and can reflect back upon the past 99 years with justifiable pride for the contribution it has made to achieving the goals it set in 1880 to support amateur athletics and promote physical fitness.

Notable among the achievements that combine to constitute the club's rich heritage was the 1932 Olympics—the first Olympiad ever held in the United States—which was attracted to this country largely through the efforts of the then Los Angeles Athletic Club president, William May Garland, and other members. These same dedicated club members also devoted their time, talents, and energy to actively participate in the organization and operation of the 1932 games.

The Los Angeles Athletic Club's history is steeped in a tradition of Olympic support and participation. Many of America's amateur Olympic competitors have performed under the auspices of the club, including such Olympic champions as swimmer Buster Crabbe, yachtsman

Owen Churchill, shotputter Parry O'Brien, and diver Pat McCormick. Continuing in that Olympic tradition, the Los Angeles Athletic Club today, under the leadership of its board chairman, Frank G. Hathaway, is deeply involved in the planning of the 1984 Olympics to be staged in Los Angeles. Mr. Hathaway and three club members have been appointed to serve on the Los Angeles Olympic Committee.

Although the Los Angeles Athletic Club has attracted prominent athletes, businessmen, and representatives of government from all levels—as well as celebrities from the entertainment industry such as Charles Chaplin, Mack Sennett, Al Jolson, and Rudolph Valentino—the club and its facilities also provide recreational outlets for thousands of members who are average citizens of Los Angeles.

Mr. Speaker, I hope you and my distinguished colleagues will join with me in congratulating Mr. Charles F. Hathaway, president of the Los Angeles Athletic Club, his staff, and members, on the occasion of this historic milestone and wish them continued success during the club's second century.●

LITTLE KNOWN HISTORY OF ATOMIC ACCIDENTS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. RICHMOND. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I would like to share with my colleagues the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

1950 ATOMIC ACCIDENT

January 17, 1950—Loss of 40.3 mg. of radium, Bldg. 233, U.S. Naval Station, Treasure Island, California.

Source: Excerpt from Memorandum AD-219(OE), "Decontamination of Building 233, U.S. Naval Station, Treasure Island, California," by V. V. Vandivert—November 25, 1953: page 4.

As a result of the accidental loss of 40.3 mg. of radium from an instrument calibration capsule, the two-story Damage Control Training Center (Building 233), U.S. Naval Station, Treasure Island, California, became radiologically contaminated on 17 January 1950. The accident occurred during a laboratory exercise in which a Radiological Defense class was being instructed in the calibration of radiac instruments.

The release of the contaminant was caused by the unnoticed loss of a threaded plug from the bottom end of the metal calibration capsule. Loss of the threaded plug allowed the radium salt to fall to the floor of the laboratory classroom (Room 110). The accident was unnoticed for a short time, during which the movements of students and instructors in the room contributed to the initial spread of the contaminant.

The first indication of the accident came in the form of erratic readings on the radiac instruments which were being calibrated. Because of a recent previous experience with a radon gas leak from a similar calibration capsule at the same location, and the similarity between the erratic responses of radiac instruments on the two occasions, the existence of a leaking capsule was suspected. The laboratory was evacuated promptly, and measures were taken to monitor the exposed personnel for contamination. Further investigation following the removal of the students from the room showed the true nature of the accident and resulted in the determination of the approximate location of the spill. Steps were taken immediately to prevent further spread of the contaminant and to protect the exposed personnel.

Source: Excerpt from Memorandum "Hazard Evaluation and Control Following A Spill of 40 Milligrams of Radium," November 25, 1953: page 7.

Personnel Contamination:

Bodies: A number of the students had microgram amounts of radium on the backs and palms of their hands. Routine cleansing and scrubbing procedures had been attempted immediately after detection but they were only partially successful. The hair and the legs of the students were also commonly contaminated.

Clothing: Uniforms and shoes . . . were all heavily contaminated.

Automobiles, Homes, etc.: It was possible to track the students into their homes by means of radiac instruments.●

THE GLOBAL POPULATION PROBLEM: TOO MANY PEOPLE AND TOO FEW RESOURCES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund, I take great pleasure in inserting into the RECORD the formal remarks of Ambassador Marshall Green at the July meeting of the food and population breakfast series sponsored by the fund.

Ambassador Marshall Green, a director of the Population Crisis Committee, has served in the Department of State for 32 years. In 1975, he was designated by Secretary of State Henry A. Kissinger as coordinator of Population Affairs. As chairman of the Interagency Task Force on Population Policy, he coordinated U.S. international population policy. He also served as head of the U.S. delegation to the U.N. Population Commission in 1977 and 1979.

I commend to the attention of my colleagues Ambassador Green's outline of the dimensions of the global population problem:

OUTLINE OF MARSHALL GREEN

I welcome this opportunity to talk about global population growth and its effect on the human condition. The population 'problem' is more than just a question of too many people with too few resources. It is the critical element in the economic development strategy of every Third World country. Without an effective policy of population control, many developing countries will be unable to provide enough jobs, grow sufficient food or construct adequate health care facilities for their citizens.

To effectively combat the political, economic and social problems brought about by the high rates of population growth, politicians around the world must think and plan in decades and not in years. Long-term population programs must be devised which are rooted at the village and the community levels, so that their success is not tied to the uncertain political futures of national leaders.

One of the most critical problems facing policy planners in the developing world is that of the overcrowded cities. Huge slums, like those surrounding Mexico City, Lima and Calcutta, are breeding grounds for political violence. In a recent series of articles in the Washington Star, George Ball attributed, in part, the downfall of the Shah of Iran to runaway population growth in that country and to mounting frustrations in the teeming slums of south Tehran.

The status of women and the economic roles women play in developing countries are key factors in the equation for controlling population growth. Too many women in developing countries are condemned to lives of repeated child-bearing, wasted health, drudgery and early death. Millions of unwanted children are born every year, many of them to be abandoned or allowed to die.

One of the most obvious consequences of overpopulation is the lack of employment opportunities for men and women. The International Labor Organization predicts that the world labor force will grow by over 900 million workers before the year 2000, almost all of whom will be in the developing world, and that massive unemployment will be the inevitable consequence. For most countries, creating new jobs is a very expensive proposition. In Mexico, I have heard that it costs, on the average, almost $20,000 to create one job. In Egypt, the comparable figure is about $10,000.

For family planners in these and other regions, one of the largest hurdles to overcome is the large number of wanted children. Vigorous national and local leadership is essential in overcoming these traditional attitudes. With effective leadership, efforts to promote the education and training of women, the provision of contraceptive services and overall economic development can succeed in bringing down birth rates.

Unfortunately, in many areas of the world population growth rates remain at unacceptably high levels. In particular, in the arc of countries from Morocco to Burma population growth continues at very high levels. In most countries national leadership in the population area is sadly lacking as is any effective network of village-level population organizations. In Egypt, for example, President Sadat has acknowledged his country's population problem, but he has thus far shown himself unwilling to take vigorous action to combat it. Despite large amounts of foreign assistance, Egypt has failed to create a unified population policy at the village and national level.

I strongly urge that all future population assistance be oriented, as much as possible, to village or community-wide programs organized and directed by local villagers or residents. In many countries, peer pressure at the village level is an essential element in effectively reducing birth rates. Our foreign aid officers need to learn more about how things work on a community level and how best to assist locally-managed population control programs.

The world population explosion has had an adverse effect on a wide range of global issues, all of them affecting the United States, as well as other nations. I refer to resource availabilities, energy, environment, development, North-South disparities, political stability and peace. The fundamental problem will not be resolved by throwing a lot of dollars and contraceptives at it, needed as they are. It will be resolved by the determination and cooperation of countless millions of people who earnestly seek a better life for themselves and for their children.●

CRISIS IN HEALTH CARE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BONKER. Mr. Speaker, during the August recess, I chaired a hearing in Longview, Wash., on behalf of the House Select Committee on Aging. The hearing was in response to complaints by my constituents that local nursing homes were not accepting medicare patients, denying many senior citizens the benefits to which they are entitled under the medicare program.

While the hearing focused on medicare benefits as they relate to nursing home care, we were to learn about a variety of abuses in the program which clearly made victims out of our elderly. We also discovered that:

First. Medicare is not providing the coverage originally intended, paying less than 40 percent of an individual's health care costs.

Second. Widespread abuse persists in the sale of supplemental health insurance policies.

Third. Nursing homes are not participating in the medicare program even though the reimbursement rate is higher than medicaid.

Fourth. Due to lack of medicare beds senior citizens are losing their right to 100 days of benefits in a nursing home.

Fifth. Hospitals are routinely keeping the elderly in the hospital longer than necessary due to this shortage which is considerably more costly for the system.

Obviously, something is wrong. Congress can no longer ignore this crisis in health care. No other segment of society is so unprotected from health care services as our senior citizens. I pledge my support to work with Chairman CLAUDE PEPPER and my colleagues on the Select Committee on Aging to correct these abuses and insure adequate health care for senior citizens.

Recent action I have taken in initial steps to address this crisis include the following letters which I submit for the RECORD:

WASHINGTON, D.C., *August 14, 1979.*

Hon. BENJAMIN R. CIVILETTI,
Attorney General of the United States,
Department of Justice, Washington, D.C.

DEAR MR. CIVILETTI: For some time, the House Select Committee on Aging has been investigating abuses in the sale of health insurance to the elderly. Our hearings, including those in Longview, Washington last week, have documented serious abuses in this field.

I am writing to ask if certain common abuses in this field are crimes prescribed by Federal law. I would appreciate your comments and any pertinent statutory references.

1. Is it a violation of Federal law for an insurance agent to represent himself as an employee of Medicare, the Department of Health, Education, and Welfare or other government agency when he is employed by a private insurance company and appears at the senior citizen's door for the purposes of soliciting the sale of health insurance?

2. Is it a violation of Federal law for an insurance salesman to take money paid to him as premiums on a health insurance policy sold in supplementation of Medicare and to convert that money to his own use?

3. Is it a violation of any Federal law for an insurance agent to purposely misrepresent the provisions of an insurance policy during a sale?

4. Similarly, is it a violation of any Federal law for an insurance agent to misrepresent the provisions of an existing policy for purposes of causing the senior citizen to drop that policy and purchase a different policy which he is selling?

5. Is it a violation of any Federal law for an insurance agent to forge the name of a senior citizen on an application for health insurance?

6. Is it a violation of any Federal law for the agent to fail to report pertinent information given to him by the person when the agent knows this information, if disclosed to the company, will cause the person to be disqualified from benefits?

7. Is it a violation of Federal law for insurance agents to deliberately sell senior citizens numerous overlapping and duplicative health insurance policies knowing that only one policy will pay and that the purchase of several policies is not in the best interests of the insured?

8. Is it a violation of Federal law for an insurance *company* to teach its agents to misrepresent policy provisions, to withhold pertinent information or to forge the names of senior citizens on policy provisions?

Finally, our staff has come to the conclusion that an insurance company is a perfect method of laundering money. Some states such as Arizona have notoriously lax standards. Almost anyone can form their own insurance company under the laws of that state with very little capital reserve being required. Insurance forms can be sold immediately upon filing. And then, too, no one ever audits an insurance company. As you know, the Federal government has delegated its responsibility for the regulation of insurance to the states. Some do a fine job, but many do not. My question is this: Have the FBI or the organized crime strike forces uncovered anv evidence that organized crime may be involved in the ownership and/or operation of insurance companies? If so, are investigations in this area going forward at the present time?

I would appreciate your response at your earliest convenience.

With best wishes,
Sincerely,

DON BONKER,
Member of Congress.

WASHINGTON, D.C., *September 6, 1979.*

Hon. PATRICIA ROBERTS HARRIS,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY HARRIS: The purpose of this letter is to inform you of the recent hearings I chaired in Longview, Washington on behalf of the House Select Committee on Aging. The subject of the hearings was why nursing homes are dropping out of the Medicare program.

The hearing resulted from complaints by senior citizens who asserted that they were losing the right to 100 days care in nursing homes and from hospitals who asserted that they were routinely keeping the elderly in the hospital longer than necessary because of the shortage of participating Medicare nursing home beds.

Prior to the hearing, I directed a questionnaire to every nursing home in the State to learn why they were dropping out of Medicare. The answer given by most was the red tape which apparently goes with participation in Medicare. Another factor given prominence was the uncertainty of payment. Other factors such as the assertion that Medicare rates are too low or that Medicare standards are too high were given little emphasis by providers.

Testimony from providers indicated that a nursing home operator must fill out 7 times as many forms to participate in Medicare as in Medicaid.

May I ask that you examine the validity of this assertion and if it is found to be valid, set forth a plan to reduce the amount of paperwork associated with Medicare participation?

Second, testimony at the hearings indicated that the exodus of providers from the Medicare nursing home program would be greatly increased with the passage of H.R. 4475, an administration-sponsored Medicare-Medicaid reform measure. Specifically, section 107 of this bill would abolish the presumptive periods of coverage established by the Congress to give some predictability to Medicare reimbursement. If section 107 is enacted the conclusion offered at our hearings is that there would be even less certainty of payment than we have at the present time when operators are claiming that accepting a Medicare patient is a cruel form of Russian roulette. May I ask the Department to reexamine its position with respect to this and other provisions of H.R. 4475 which relate to nursing homes?

Third, may I ask what plan the Department has to insure that patients are not kept in hospitals longer than necessary? Testimony at our hearings indicates that the average daily cost to Medicare to keep an individual in a hospital is about $184 while the average daily cost to place that person in a long-term care facility is about $34. Obviously, the cost implications are enormous in view of our findings that over 90 percent of the hospitals in my State routinely keep patients longer than necessary because of the absence of viable alternatives.

Fourth, considerable testimony was received at our August 7 hearings on abuses in the sale of health insurance to the elderly. We learned that senior citizens are often sold one or more policies with the representation that they will pay for everything that Medicare won't. The fact of the matter is that these "medi-gap" policies generally do not pay for anything more than Medicare's copayments and deductibles. To make matters worse, senior citizens are often the victims of high pressure salesmen. Greedy insurance companies teach their agents to cheat the elderly; we have found they return 25 cents or less of the premium dollar to their insured. I have been a co-sponsor of Chairman Pepper's bill, H.R. 2602, along with about 265 other Congressmen but the full impact of this problem did not hit me until I heard the testimony of senior citizens from my District. May I ask what plans the Department has for dealing with this serious problem?

We certainly appreciate your help and cooperation in this matter.

With best wishes,
Sincerely,

DON BONKER,
Member of Congress.

WASHINGTON, D.C., *September 6, 1979.*

Hon. HENRY WAXMAN,
Chairman, Subcommittee on Health and the Environment, Washington, D.C.

DEAR HENRY: On August 7, I conducted hearings in my home district on behalf of the House Select Committee on Aging into the question of why nursing homes are dropping out of the Medicare program. Senior citizens, providers, State and Federal officials were invited. We had barely gotten into a discussion of the problem when the senior citizens expressed their outrage at what they consider an even greater issue. They wanted to talk about abuses in the sale of health insurance.

I have been a co-sponsor of Chairman Pepper's bill, H.R. 2602, along with you and half of the Congress but I did not appreciate the full impact of the problem until I heard the testimony. Senior citizens are being sold one or more policies with the representation that it (they) will pay for everything that Medicare won't. The sad fact is that these Medicare supplementary policies by definition will only pay for Medicare's copayments and deductibles. They will not pay for eyeglasses, dental care, prescription drugs, or for the remainder of a person's medical expenses. Moreover, the problem is exacerbated by high pressure salesmen and by insurance companies who have targeted the elderly as easy marks for sales. As you know from your hearing, some companies return as little as 16 cents on the premium dollar back to their insured in the form of claims.

The problem of mail order abuses was also raised briefly. It seems that if an insurance company files a "group" policy in one State it can then mail policy certificates into every other State and State insurance commissioners are helpless to regulate them.

It seems to me that H.R. 2602 would be a good start towards dealing with these problems. May I ask that you move that bill to mark up as soon as possible. I would be happy to lend any support that I can. I would appreciate anything you can do. I think the situation is serious.

With best wishes,
Sincerely,

Don Bonker,
Member of Congress.●

U.N. AMBASSADOR ANDREW YOUNG

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Ms. OAKAR. Mr. Speaker, with the resignation of U.N. Ambassador Andrew Young, it is well to look at his positive accomplishments. He was a knowledgeable spokesman on issues of the Third World. He paved new roads and reopened closed avenues in our relations with the continents of Africa and Asia.

We, as Members of this Congress, must appreciate the fact that we are all sisters and brothers in the world community. As Ambassador Young indicated in his eloquent remarks before the UN Security Council last week—"the people of Lebanon and the Middle East look to us to point the way to a solution which will put an end to the random violence, so they may carry on their lives in freedom from fear of attack. We must not fail them."

I for one feel that the worth he gave us, the United States, as well as all members of the United Nations, has been overlooked. It is my hope that the new U.S. Ambassador to the United Nations will continue the journey pioneered with courage, wisdom and compassion by Andrew Young. I would like to submit for the Record his remarks concerning the unnecessary violence in the Middle East and possible solutions to the problem.

The remarks follow:

U.S. Policy on Lebanon

(By Ambassador Andrew Young)

(Note.—Following is a statement by U.S. Ambassador to the United Nations Andrew Young before the U.N. Security Council, August 29, 1979.)

I welcome the opportunity afforded by this meeting of the Council to address a problem which has long been a matter of grave concern to my government. In recent weeks and months, the sorry spectacle of the slaughter of innocent people through random violence, principally in Lebanon but also in Israel, has been an affront to the conscience of mankind. We are meeting now at the request of the Government of Lebanon, in response to the recent upsurge of violence in southern Lebanon.

In recent days alone, thousands of Lebanese and Palestinian civilians have been forced to flee from their homes, and many have been killed and maimed by often indiscriminate shelling. This situation is intolerable. The people of southern Lebanon, Lebanese and Palestinian alike, and the people of Israel as well, deserve relief from the almost daily violence and fear of attack with which they have been forced to live for far too long. They look to us to point the way to a solution which will allow the people in Lebanon to return to their homes and for them and Israeli citizens to carry on their lives in freedom from fear of attack. We must not fail them.

U.S. POSITION

The U.S. Government's policy on Lebanon is well known: We support that country's sovereignty, independence, unity, and territorial integrity. We have special ties of sympathy with the people of Lebanon, and we have supported the government of President Sarkis in its efforts to restore its authority throughout the country—including throughout southern Lebanon. We will continue to do so.

Let me make absolutely clear the position of the United States with regard to events in southern Lebanon. In doing so, I speak with the full authority of the U.S. Government.

First, we condemn those who boast of the murder of an Israeli mother and her child, the attack on a bus filled with Israeli civilians, or the explosion of rockets and bombs in Israeli towns and cities. No political objective can ever justify such barbarism.

Second, and just as strongly, we condemn the policy of artillery shelling and preemptive attacks on Lebanese towns, villages, and refugee camps which Israel and the armed Lebanese groups Israel supports have followed in recent months. Let there be no doubt or ambiguity about this. We cannot and do not agree with Israel's military policies in Lebanon as manifested in the past few months. They are wrong and unacceptable to my government. They are painfully at variance with the values which Israel has traditionally espoused.

WHAT MUST BE DONE

Let me turn to what the U.S. Government believes must be done to break the deadlock of terror and counterterror in which both sides seem to be caught.

First, both sides should cooperate fully with UNIFIL [U.N. Interim Force in Lebanon] in enabling it to carry out its mandate. It is disgraceful that the men of UNIFIL have been subjected to attack and harassment from both Palestinian elements and groups supported by Israel because they seek to carry out the mission entrusted to them by this Council. A lasting end to the violence in the area can only be brought about through scrupulous observance of Security Council Resolution 425. UNIFIL should thus be allowed to fulfill its mandate by functioning in an unimpeded fashion throughout all of southern Lebanon. The objective remains to restore the authority and control of the Government of Lebanon throughout the country.

Second, Israel should end its policy of preemptive strikes on Lebanon soil. It should cease its artillery attacks in support of Lebanese militia groups and use its influence effectively over these groups so that random and indiscriminate violence can be stopped, especially against the men of UNIFIL.

Third, the Palestinian leadership should help heal the wounds of Lebanon. It should stop attacks on the Lebanese militia groups in southern Lebanon and on Israel. It should renounce the use of Lebanese territory for this purpose. It should carry out its pledge of June 5 to withdraw its fighters from southern Lebanese villages and towns and remove all its armed groups from UNIFIL's area of operation. This step should be taken without precondition and without delay. There is no conceivable justification for the continued presence of Palestinian armed groups in southern Lebanon if the Palestinian leadership is prepared to cooperate with the Council and UNIFIL in carrying out Security Council Resolution 425.

Fourth, all parties to the fighting should carry out and strictly enforce a complete, immediate, and lasting halt to all shelling, terrorism, and other acts of violence.

PALESTINIAN RIGHTS

Members of the Council less than a week ago met to consider another aspect of the Middle East situation, the critical issue of the rights of the Palestinian people. If there is a strengthened understanding in my country of the importance of assuring that the legitimate rights of the Palestinians are included in a comprehensive settlement—and I believe there is—then it is time for the Palestinian leadership to recognize that their objectives cannot be achieved through violence and terrorism. Indeed, it is time, past time, for wiser counsels to prevail on both sides of the border between Lebanon and Israel.

TRIBUTE TO UNIFIL

Finally, I want to pay tribute to General Erskine and the brave men of UNIFIL he commands. Their task has been thankless, frustrating, and dangerous. Subjected to attack in the performance of their duties, they have suffered heavy casualties. Tragically, three members of the contingent from the small nation of Fiji were killed in a recent clash with terrorists.

In difficult terrain and in a country where arms are widely available among the population, the men of UNIFIL have been subjected to a severe test of their steadfastness. They have risen to challenges with exemplary determination and courage. We all owe them a debt of thanks which words cannot repay. They can be proud of their continued contribution to the cause of peace.●

THE FAMILY FARM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. DASCHLE. Mr. Speaker, those who operate our Nation's family farms and ranches are accustomed to gambling at every turn of their operation. Whether it be weather conditions or market prices, the severity of the gamble is just the same—instant demise of another family farm.

Unfortunately, there is another problem that family farmers have to contend with—Federal estate taxes and the hardship they create for the spouse of a family farm. One of my First District constituents was recently featured in the August 1979 issue of the Farm Journal concerning her fight against Federal estate tax regulations.

Mrs. Bessie Craig of Groton, S. Dak., spent some 43 years as a full partner in her family's farming operation, sharing with the field work, hauling grain and livestock, and tending to daily chores with the livestock. This was in addition to feeding and caring for a family of 5 children and a husband. The death of her husband, Clarence, in 1968 suddenly thrust her in the position of proving her contributions as a partner in the farming operation.

In order that my colleagues might have the benefit of Mrs. Cook's struggle to be named a full partner in the family's farming operation, I include her story in the RECORD.

THEY SUED THE IRS—AND WON

BESSIE CRAIG VS. THE UNITED STATES OF AMERICA

Facts: Bessie married Clarence Craig in 1925, and they started farming from scratch on rental land in Brown County, S.D. From day one of their 43 years of married life, Bessie was the bookkeeper—she had studied bookkeeping and typing in high school, and she developed her own form of enterprise accounting.

The Craigs were good farmers and good managers. They bought their first farm during the Depression (1930), and from time to time borrowed money to add other parcels to their holdings. They raised wheat, corn, oats, barley and flax, and they had stock, too—a cow-calf operation, hogs, sometimes sheep and a sideline Shetland pony business.

Early in their marriage Bessie worked in the fields, and she was always available to haul grain or stock. Once she trucked a load of horses from Missouri to South Dakota. Somehow she found time to raise a big garden and do a great deal of canning—vegetables, fruit, meat.

The Craigs' five children helped as they grew old enough, but that wasn't sufficient. Clarence and Bessie together hired farm laborers who "lived in." Bessie cooked for them, did their laundry, mended all their clothing, cleaned their quarters.

She had one enterprise of her own—a butter and egg route in town. She churned by hand and molded the butter; and the chickens were her special responsibility. "I'd get up in the middle of the night to see after my baby chicks," she reminisced to me not long ago in her comfortable living room. The money from this and all farm sales went into a single bank account in both names.

When Clarence and Bessie went on cattle-buying trips, she usually wrote the checks. And she was the one who hired truckers to deliver the stock to the farm. A favorite meal of truckers was hamburgers and homemade cherry pie, she says.

The Craigs were fortunate to have an astute attorney, Douglas Bantz of Aberdeen, who persuaded them as early at 1958 to "equalize" their holdings for estate tax purposes. When Clarence died following a car accident in 1968, he held title to 5½ quarter sections of land, Bessie to 7½, and they owned one parcel of pastureland in joint tenancy. In his will Clarence set up a trust, through which his holdings went to the children. Bessie inherited only household goods and the family car, since she already owned half of the farm (966.5 acres.) Neither the South Dakota Department of Revenue nor IRS contested her ownership of real property.

The issue: At stake was personal property valued at $265,405.09—machinery worth $53,938.50; livestock, including 620 head of cattle, valued at $167,864.56; and miscellaneous assets (stored grain, interest in several coops, etc.) worth $43,602.03.

Attorneys for the U.S., strictly interpreting the Tax Code, claimed Bessie owned none of this personal property and said she therefore owed IRS an additional $42,318.79 in tax. (A tax she describes as "a whopper" already had been paid by the estate.) Bessie forked over the tax deficiency, but reserved the right, as executrix, to sue to get the money back.

Bessie's attorneys, Kennith L. Gosch and Harry N. Sandstrom (then partners of Mr. Bantz), chose to fight the case on their own home ground—that is, in District Court in Aberdeen. They preferred this to the Tax Court, which they feel often favors IRS.

By the time the case began on a blizzardy day in November, 1977, Bessie had done her homework. In one instance that meant digging up a check she had written in 1946—more than 30 years earlier.

It was easier to find records than to keep her cool when a U.S. tax attorney accused her of "a self-serving assertion not in accordance with the objective facts." She could not deny that on federal income tax returns (which Bessie always prepared for review by a CPA) that "Mr. Craig is listed as a farmer while Mrs. Craig is not listed as having an occupation." Nor had Bessie and Clarence ever filed a partnership income tax return, the government's attorneys pointed out.

Bessie had a chance to testify in her own behalf ("I wasn't scared," she told me), and so did three of the Craig children and the family banker. The Justice Department attorneys from Washington, D.C., were polite to Bessie, but out of her hearing they often chided her counsel on the futility of her case. Nevertheless, attorneys Gosch and Sandstrom kept hammering away at the idea that if it had not been for Bessie's help, Clarence would have had to employ another hired man. And they never let anyone forget that Bessie had been a joint decision-maker with her husband.

"The best point in Bessie's favor was that she and Clarence really did operate as farm partners," attorney Gosch told me.

He explained to me why he and his partner had delayed filing suit against the U.S. for several years. "We felt there was a changing mood in the country. The longer we waited, the more people would realize the value of a woman in a family business."

The verdict: Judge Fred J. Nichol wrote the Court's decision announced on June 14, 1978. Some of his statements were music to a farm wife's ears: "All in all, the efforts of Bessie Craig, in the operation of the family farm, as well as her capital contributions in income derived from her land, can properly be characterized as those of a partner, in the fullest business sense of the word . . .

"The Court will not ignore this farm wife's contribution to the success of the business as the Internal Revenue seeks to do . . . (T)he plaintiff is entitled to the refund sought."

In time, Bessie got back her $42,318.79 plus interest She had to pay attorneys' fees, of course, but it is a great satisfaction "to get justice," she says with a proud smile.

Now Bessie's place in history is assured—in future law books, later generations will study "Craig vs. The United States of America." ●

THATCHER AND LYNCH MEET—SYMBOLISM OR THE CATALYST FOR MOVEMENT TOWARD AN IRISH SOLUTION?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BIAGGI. Mr. Speaker, yesterday following the funeral of Lord Mountbatten the Prime Ministers of Great Britain and Ireland met for some 5 hours to ostensibly discuss the continuing problems in Northern Ireland. While all those who seek peace in Ireland were heartened by the fact that the meeting took place—it appears as if the moment was not fully seized. Therefore, it remains to be judged as to whether the meeting was pure symbolism or the catalyst for more involved discussions on a future solution to the Irish question.

As chairman of the 130-member Ad Hoc Congressional Committee for Irish Affairs I must express my disappointment over the apparently one dimensional direction of the talks yesterday. I believe as do many in the Irish American community that the final solution for Ireland is a political not a military one. While I can recognize the need for a renewed effort to repel terrorism in Ireland, this cannot be the only initiative put forth by the British Government.

I suggest that these meetings be continued and expanded to include other parties to the dispute in Ireland. I further urge that President Carter participate in the next meetings between these leaders to dramatically demonstrate U.S. interest and concern about the Irish issue.

This is an extremely critical time with respect to Ireland. The resurgence of violence has created an atmosphere of fear and has resulted in some frustration of peace efforts. However we cannot permit the legitimate pursuit of peace to be subordinated to the forces of terrorism. Mrs. Thatcher did state in the joint communique with Prime Minister Lynch that she would "make moves at the appropriate time" to "seek an acceptable way of restoring to the people of Northern Ireland more control over their own affairs."

However, time is of the essence. Great Britain and the Republic of Ireland must put forth and pursue aggressively peace initiatives. The United States should be in a position to assist in any way possible, and should do so at the Presidential level. These peace initiatives should involve input from all sides to the problem in Ireland. To engage in exclusionary practices is to doom any solution to failure.

We of the ad hoc congressional committee intend to continue our pressure for the passage of House Concurrent Resolution 122 which I introduced calling on Great Britain to embark on a new initiative for Ireland which restores lost human rights and promotes self-determination. Passage of this resolution, which enjoys the cosponsorship of some 70 of my colleagues, would demonstrate the concern of Congress about the future of Ireland.

At this point in the RECORD I wish to insert an account of the Thatcher-Lynch meeting from this morning's Washington Post.

THATCHER AND LYNCH AGREE TO BOOST COOPERATION AGAINST IRA TERROR

(By Leonard Downie, Jr.)

LONDON, September 5.—Prime Ministers Margaret Thatcher of Britain and Jack Lynch of Ireland agreed today to "substantially improve" their security forces' cooperation in combating Irish Republican Army terrorism.

In five hours of talks here after both attended the Westminster Abbey funeral of Lord Mountbatten, who was assassinated by the IRA last week, Thatcher and Lynch agreed that their governments would examine a number of each other's suggestions to improve security and would produce final proposals at a meeting of their Cabinet ministers in three weeks.

"There likely will be decisions made" at that meeting on new joint security measures, Lynch said at a press conference tonight after his working lunch and afternoon meeting with Thatcher. "No specific proposals have been ruled out on either side."

This represented some movement by Lynch from his public statements. Earlier this week he appeared to rule out a number of security suggestions that Thatcher was expected to make.

For her part, Thatcher did not press two changes sought by British security forces in Northern Ireland but which Lynch politically is unable to make: Allowing "hot" pursuit of terrorist suspects by Ulster security forces across the border into Ireland and changing Ireland's extradition policy to allow terrorists living or caught in Ireland to be tried in Britain.

According to the official joint statement of the meeting, Thatcher also agreed to "make moves at the appropriate time" to "seek an acceptable way of restoring to the people of Northern Ireland more control over their own affairs."

Lynch, who is pushing for a new British political initiative in Northern Ireland, made clear that any new "form of administration" there must be acceptable to both the Catholic minority and the Protestant majority. He evidently envisions a form of power sharing that could be the beginning of the end of emergency, direct British rule there.

Lynch said he and Thatcher agreed to keep secret the specifics of each country's suggestion for improved cooperation on security. Thatcher did not speak to the press at all.

However, several likely possibilities have emerged:

More troops and police patrols on both sides of the Northern Ireland-Ireland border, particularly in Northern Ireland, where British security forces have abandoned land patrols in some places and perform only helicopter surveillance.

Improved communication between the British and Irish armies, which back up the Northern Irish police and must communicate through the police forces in a cumbersome, undependable process, even in emergencies.

Increased contact between Ulster and Irish police when terrorist suspects are arrested in Ireland that might include more travel into Ireland by Ulster investigators.

Changes in Irish criminal laws to make it more difficult to release suspects on bail and more likely that those convicted for crimes, including terrorists, would receive longer sentences.

At his press conference, Lynch also said Ireland will sign the European Community's new extradition agreement, most likely at the end of November, when Common Market leaders meet in Dublin. Ireland's Common Market presidency expires then.

The agreement is worded vaguely, however, in practice allowing Irish courts to decide whether extradition should be blocked in some cases.

Instead, Ireland's Criminal Law Jurisdiction Act of 1976 specifically provides for prosecution in Ireland of residents accused of terrorist offenses in Ulster or mainland Britain. Ulster and British security forces never have been able to trigger such a prosecution, however, because of the difficulty of assembling evidence and producing witnesses on one side of the border for use in court on the other side.

This problem might be alleviated somewhat by more extensive contacts between the security forces on each side of the border, which appear to have increased during the investigation of Lord Mountbatten's murder and the bombings the same day that killed 18 British soldiers in Ulster. Most of those soldiers were buried yesterday and today with full military honors in their home towns throughout Britain.

Hinting at the possibility of stepped-up patrols on both sides of the border, Lynch told reporters, "There are two sides to the border, so security must be two ways. It is incumbent on the British to have as much surveillance on their side of border as we have on ours. We believe our commitment is greater in some places. There are places where there is no British commitment."

He also pointed out that the Irish government is already exploring ways to toughen its criminal laws to better fight terrorism and curb a crime wave in Ireland. However, he said, any changes in criminal law or procedure "have to be politically and legally possible." ●

CHAIN OWNERSHIP OF THE MEDIA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LAFALCE. Mr. Speaker, over the last few decades, the growth of chain ownership of the media, especially daily and weekly newspapers, has become a source of much controversy. As more and more independent dailies and weeklies are bought by the chains, the power to inform has become centralized in the major media conglomerates.

Rather than establishing new newspapers, the chains are buying out existing newspapers. This situation is of special importance because it affects the marketplace of ideas—the press—and is, as such, a matter of national concern.

Recently, the editorial page editor of the Buffalo Evening News, Millard C. Browne, delivered a speech which touched on the subject of media concentration. Speaking of this phenomenon, he noted:

> Growing concentration of newspaper ownership does equal monopoly in an astonishingly high proportion of the local markets where newspapers in this country flourish—and where they used to compete. Of the 1760 dailies published in about 1600 American communities, there is only one local newspaper company in 97.5 percent of those communities.

One consequence of continued concentration in media ownership, I fear, might be the decline of diversity among America's newspapers. While local ownership has brought diversity in editorial views, subject matter, layout, and related matters, I suspect that chain ownership might tend to foster uniformity. Or, as Mr. Browne suggests:

> I still have to worry about the potential for abuse. . . . The potential for a kind of homogeneous sterility . . . the potential for a sacrificing of quality, talent, courage and community service to an inordinate focusing on the bottom line. I try to visualize the typical owner of a Gannett newspaper, for example, and I conjure up nothing better than an anonymous fellow on Wall Street handling the investment portfolio for a pension fund, or an inflation-pressed widow in Miami Beach, and none of them has the faintest idea what the paper I work for in Rochester, or Nashville, or Guam even looks like, much less what kind of news it is printing or what editorial crusades it is running.

I commend Mr. Browne's speech to my colleagues, and will include the portions of it relevant to the above points in the hope that others will come to share his and my concern over the potential impact of chain ownership of the media on American journalism and America's future.

Excerpts of the speech follow:

YES . . . BUT

(Excerpts of speech by Millard C. Browne)

. . . Speaking last fall to the national convention of the Society of Professional Journalists, Sigma Delta Chi, he (Mr. Allen Neuharth, Chairman of the board of our largest newspaper chain, the Gannett Corporation) called on every journalist to become "a soldier in defense of the First Amendment." "We must show our readers," he said, "that our rights are really their rights. We have to show our readers that if we are going to give them a free flow of information, we do need some privileges."

Yes indeed. We do need the "privilege" of free access to news sources. But . . . do our readers also have the same vital interest in defending the continued consolidation of more and more newspapers under fewer ownerships? Was this the kind of privilege the Founding Fathers had in mind in the free-press clause of the First Amendment?

Thirty-three years ago, a civil-liberties attorney, Morris L. Ernst, wrote a book on "The First Freedom," in which he lamented: "Our press is fast evaporating. Ten states have not a single city with competing daily papers . . . Three hundred and seventy chain newspapers own about one-fifth of all our circulation. There are only 117 cities left, in our entire nation, where competing dailies still exist . . ."

That was in 1946, and little did he know. Today, if we may take our text from an equally prominent modern press critic, Ben H. Bagdikian, currently of the University of California, we have not 117 cities with competing dailies, but only 34 such cities. And today we have chains owning not one-fifth of all daily circulation, but three-quarters.

As Mr. Bagdikian put it to a Federal Trade Commission "Workshop on Media Concentration" several weeks ago, "It took the first 60 years of this century for chains to control 27 percent of all our papers. It has taken only the last 16 years for chains to reach control of 61 percent of all papers and 75 percent of all daily circulation."

This phenomenon of "fewer and fewer people controlling more and more of our public intelligence," he added, affects all the other mass media as well, with fewer than 100 corporate executives having ultimate control of the majority of each median in the U.S.

His figures: 20 corporations control 52 percent of all daily newspaper sales; 20 corporations control 50 percent of all periodical sales; 20 corporations control 52 percent of all book sales; 20 corporations control 76 percent of all record and tape sales. If one counts the three networks and the ten corporations whose sponsorship dominates prime time, 13 corporations control two-thirds of the audience in TV and radio; seven corporations control 75 percent of movie distribution.

In fact, insists this media critic, there are fewer than 100 corporations in this group because of overlaps. For example, he says, 27 percent of all TV stations are still controlled by newspaper companies. Washington Post owns Newsweek, and TIME Inc. owns the Washington Star. Time also owns magazines, 17 weekly newspapers, five book publishing houses, a film company and has interests in cable and records. RCA owns NBC, a record company and five book publishing houses. CBS owns 20 magazines, three record companies and three book publishing houses. The biggest newspaper conglomerate (Times-Mirror of Los Angeles) owns four major papers, four magazines, TV stations, cable systems, 50 percent of a news service and New American Library.

But proving concentration in such terms as these, you may say, is far from proving any dangerous tendency toward monopoly.

Even the 167 chains that today own 61 percent of all daily newspapers are a lot of chains—compared, say, to the number of automobile or steel companies which control those industries. And the American media pattern can also be defended as providing far more diversity than in most countries, where in too many cases government has a monopoly on all mass communications, or at least on broadcasting. We here in America do have 1760 daily newspapers, none under government control; and 8600 radio and 700 commercial TV outlets, all government-regulated but privately owned and generally competitive.

Or let us bring this question of media monopoly vs. diversity down to the local scene, as I did in one of my Sunday columns last March. Quoting from a "Media Directory" published by the Arts Development Services of Buffalo, I noted that it listed no fewer than 156 publishers and broadcasters of various kinds and sizes in Western New York, all contending for readers' or listeners' attention.

The list started with 69 newspapers—five of them dailies in the immediate metropolitan area. The other 64 were mostly weeklies, including ethnic, labor or religious papers, as well as suburban or rural ones, plus 14 college papers. The ADS listing then added 18 "pennysavers," 24 company "house organs" and five area magazines. And it closed with 32 AM and FM radio stations and eight TV outlets, including one Canadian and two cable channels.

So there remains, in this community, a lot more media diversity than just that represented in the vigorous competition of the TV news outlets and the two daily newspapers (or even five, if you count those in Lockport, Tonawanda and Niagara Falls). You are well aware, of course, of the current antitrust litigation between the Courier Express and The News, and it is certainly not my purpose or intent to try that case here or even to comment on it in any way. I am talking about trends and conditions nationally that affect my profession of journalism; and I only note here that, even in spite of an accelerating national trend toward concentration of media ownership, particularly of daily newspapers—which I find alarming—there is still a great diversity of published or broadcast viewpoints to be found in this community, if you want to look for them.

But let us not be too readily put off the main scene. Growing concentration of newspaper ownership does equal monopoly in an astonishingly high proportion of the local markets where newspapers in this country flourish—and where they used to compete. Of the 1760 dailies published in about 1600 American communities, there is only one local newspaper company in 97 and one-half percent of those communities. "Those of you," says Mr. Bagdikian, "who live in the 34 cities of the country that still have newspapers in face-to-face competition should realize that you are in a 2 and one-half percent minority." So, here in Buffalo, let us perhaps take a moment of grateful silence to reflect on that blessing.

Let us look about us, for example, and note that nowhere else in upstate New York can any true daily newspaper competition be found at the local level. In Rochester, the monopoly is Gannett; in Syracuse, Newhouse; in Albany, Hearst. Throughout Westchester-Rockland, it is a solid 10-paper phalanx of Gannett monopoly; in Utica, Binghamton, Elmira, Ithaca, the same; in a dozen smaller cities, the readers are blessed by local monopolies owned by other chains—Ottaway, Howard, Ingersoll, etc. In just one conspicuous case is the monopoly a strictly home-owned family newspaper, the excellent Watertown Times.

Back, though, to Mr. Bagdikian and the basic case he makes—which is not merely that local newspaper competition is growing rarer, but that the swift growth of chain ownership is transforming the kind of press we have in America into a pattern very different from the one that existed when we were all a generation younger.

He is supported in this, moreover, by the authors of a multi-part series on "Press Concentration" in the Washington Post, William H. Jones and Laird Anderson. A six-month study brought them to this conclusion: "Within two decades, virtually all daily newspapers in America will be owned by perhaps fewer than two dozen major communications conglomerates. Given current tax laws and economic conditions, the rapid concentration of press power in the hands of a few giant companies appear inevitable."

That was written in 1977, and what has happened since does not exactly suggest any slowing of the trend. On this point, for example, the newspaper trade journal, Editor & Publisher, reported on Jan. 6 that "47 of the 53 daily newspapers that changed ownership in 1978 went into groups."

Not only that, but "three two-paper groups were absorbed into larger groups," and two multi-unit groups joined the big Thomson and Ottaway groups, respectively. The piece de resistance of 1978 acquisitions, however, was larger still: A $362 million merger of Combined Communications Corp. (publishers of the Cincinnati Enquirer and the Oakland Tribune, among sundry other properties) into the hungry maw of the largest chain of all, the Gannett Co. of Rochester.

So the Gannett group, which owned a mere 29 papers in five states in 1967 when it first went public, has now, in 12 years, spread-eagled into 30 states and two territories, with a total of 80 papers. Among the local markets it dominates, incidentally, are no fewer than eight state capitals. In six of these, it enjoys an uncontested local monopoly, and in the other two—Honolulu, Hawaii, and Nashville, Tenn.—it enjoys a joint-printing arrangement with its competitor, just as it soon will in Cincinnati. Prior to those two latest acquisitions in Cincinnati and Oakland, by the way, the Gannett Corporation did not operate in any city as large as Buffalo, and it has no single-newspaper circulation even now as large as that of The Buffalo Evening News.

The moral of the Gannett story—in sticking to relatively small or middle-sized markets and in shunning those few in which one can still find serious local competition—has been duly marked and copied as the prevailing pattern of chain acquisitions. Two exceptions—the only two that come to mind—are Knight-Ridder and the Los Angeles Times. Both have acquired small papers, but they are more famous for their large ones, and, in the case of the Knight part of Knight-Ridder, even for thriving on competitive situations, as in Philadelphia and Detroit.

But in most of the other cases, the kind of paper the would-be acquirer wants is not a big-city paper, least of all one with a network of tough union contracts, and least still of all one in a fierce locally competitive situation. "No big cities with ghettos for Gannett," says a former Gannett editor quoted by David Shaw in the Los Angeles Times. "No worry about urban flight or decay or heavy traffic delaying distribution of the paper, or long negotiations and strikes by powerful unions," that ex-Gannetter went on.

Even the great individual papers that are getting into the chain act—the New York Times, with 13 nice little small-city properties in Florida and North Carolina; the Chicago Tribune, with the same in Florida and California; and the Washington Post, with one in New Jersey and one in Washington State—are not particularly looking for other large papers to acquire. And perhaps the Times' experience, as reported in the Washington Post, will tell you why: "In 1976," it said, the 13 Sunbelt papers in the Times chain "produced pre-tax profits of $6.8 million on $28.5 million of revenues, while the big New York Times earned pre-tax profits of $10.2 million on revenues of $290 million." That's a 24 percent net on the small papers vs. 3½ percent on the Times itself. Last year's Times story was far more dramatic, embracing a heavy loss of $12.5 million at the Times itself because of an 88-day strike. But despite this, its publisher was able to report happily that "a 25 percent increase in the combined operating profit of our magazines, broadcasting stations, smaller-city newspapers and books, information and education affiliates" still left the Times Company with a $15.6 million net income for the year.

Before leaving the subject, let me note one other aspect of the chain-ownership phenomenon: The fact, as Mr. Bagdikian puts it, that the chains "do not create, they acquire." With the possible exception of the Philadelphia Inquirer, "no existing distinguished paper was developed by a chain." All came in their older incarnations from "individual owners whose major interest was a particular paper and a particular community"—including many of those like the New York Times, Washington Post, Chicago Tribune and L.A. Times that are now themselves owners of chains.

True, the defenders of the chain acquisition movement will invariably and accurately argue—as Al Neuharth of Gannett did in a panel discussion at a recent editors' convention—that "some of the worst newspapers in America are group-owned; so are many of the very best. Some individually-owned newspapers are setting the highest standards in the business; some are a disgrace to journalism . . . It matters not whether newspapers are owned by individuals or families or partners or chains. What really matters is what those owners do with them. It matters little how many newspapers serve a town or a city. What really matters is how well they serve."

Well, maybe . . .

But I still have to worry about the potential for abuse . . . the potential for a kind of homogeneous sterility . . . the potential for a sacrificing of quality, talent, courage and community service to an inordinate focusing on the bottom line. I try to visualize the typical owner of a Gannett newspaper, for example, and I conjure up nothing better than an anonymous fellow on Wall Street handling the investment portfolio for a pension fund, or an inflation-pressed widow in Miami Beach, and none of them has the faintest idea what the paper I work for in Rochester, or Nashville, or Guam even looks like, much less what kind of news it is printing or what editorial crusades it is running.

What to do about it?

Here, I'm tempted to offer my final YES . . . BUT as a paraphrase of Scotty Reston of the New York Times. "Yes," he said in effect, "I hate to see that enormous expansion of the chains . . . "But . . . I'll be damned if I know what you do about it."

Some of the press critics, like Mr. Bagdikian, see an answer in forced divestiture. Even some publishers and chain owners, like Arthur Ochs Sulzburger of the New York Times and Katherine Graham of the Washington Post and Norman Chandler of the Los Angeles Times, concede that it might eventually come to something like that. Under this plan, any chain owning more than a permitted maximum of papers or circulation would be forced to sell off enough to cut back to the legal maximum. But, Mr. Bagdikian insists, he would not preclude any chain from starting any new papers, only from acquiring more old ones.

There are problems with this whole divestiture approach, however, that make me wary. Some see an insurmountable First Amendment barrier to telling anyone that he has to sell, or cannot buy, a newspaper. But if the Constitution doesn't immunize newspapers from anti-trust litigation—as it obviously does not—then I tend to doubt that it would immunize the biggest chains from well-drawn legislation seeking to set some reasonable outer limits to further concentrations of ownership.

Another anti-concentration critic who is flirting with legislation to limit new chain acquisitions is Arizona's Rep. Morris Udall. But first he would try to discourage newspaper mergers in another way. Arguing that many occur because families are virtually forced to sell their papers simply to pay estate taxes, he would spread those payments over 15 years. This proposal, incidentally, has just been seconded by our own area's Rep. John LaFalce. Whether this change would have kept The News in the Butler family, I cannot guess—but it might help some of the few remaining family-owned properties, such as Barry Bingham's Louisville Courier-Journal, from going on the block when its time comes to have to pass its properties down to the next generation.

It was not until after I had completed this paper that I read of another approach to limiting multiple ownerships of newspapers that struck me as better thought-through than either of the others. This, I should hasten to tell you, turns out to have been written by no stranger, but by one of the new owners of our own Buffalo Evening News, Mr. Charles T. Munger. His article appeared in last month in the Publishers' Auxiliary, a trade-journal focused on weekly newspapers, and it was the first inkling I had had that anyone in our non-chain organization had formulated or expressed any views on the subject.

His thesis was that continued growth by acquisition of the largest newspaper chains is not only "very undesirable" but against the interests of the free press. And if one doubts this, he suggests, "imagine how despised, resented and reduced in political power the press would be if ITT owned 60 percent of the newspapers." Yet Mr. Munger saw no likelihood that the biggest chains would voluntarily stop buying their brethren, since this would "not stop concentration but only allow a rival to gain the prize." The situation, he argued, presents a logical case for legislative intervention—the public interest in dispersion of economic and journalistic power by limiting the number of newspapers owned by a chain being much the same, in his view, as "a public interest in conservation of wildlife which limits the take of fish and game by an individual sportsman."

Mr. Munger is not talking divestiture, however, or any forced shrinkage of present chains. He would just preclude the largest chains from taking still more fish out of the river. And the particular legislative approach he suggests also intrigues me: He would bar future newspaper acquisitions by the largest chains "as part of new legislation applicable to conglomerate mergers generally." An important added effect of such general anti-conglomerate merger legislation, he points out, "would be to protect existing newspaper chains from unwelcome takeovers." For an example of this, just imagine that, in the current American Express effort to take over McGraw Hill, the object of the unwelcome takeover was not McGraw Hill but the Gannett Corp., or Knight-Ridder, or the Times-Mirror Co.; and imagine that the one doing the taking over was not American Express but ITT.

Meanwhile, though, the concentration continues, with more and more small family papers sold to the chains; with bigger chains gobbling up the smaller ones; and with the key figures involved in this movement all professing its inevitability. "As long as the First Amendment is still operative," says one knowledgeable broker, John Morton of Washington, D.C., "I don't think there's anything that will stop acquisitions of remaining independent papers until they're all gone, basically."

So my final yes . . . but is not really as wishy-washy as you might expect from all that has gone before. I'll have to say YES, I personally would support well-drawn legislation to check the concentration of newspaper ownership before it goes much further. BUT I see no likelihood of such legislation making serious headway until we are a lot further down the road John Morton sees as inevitable than we are today. And by then it probably won't matter much . . . . least of all to an old ex-editor like me.●

LOG EXPORTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

○ Mr. BONKER. Mr. Speaker, I want to bring to the attention of my colleagues today this excellent editorial by Mr. Dean Shacklett, the editor of the Daily Olympian in my home district in Washington State.

Mr. Shacklett describes in precise and moving terms what the push for log exports has done to our wonderful forests and mountains. I commend the piece to the attention of my colleagues.

SIGHT OF BARE HILLS MAKES NATIVE SON SICK AT HEART

(By Dean Shacklett)

Couple of months back, I made a flying trip around the loop to introduce visiting Midwest relatives to the wonders of Olympic Peninsula scenery. They thought it great. I was appalled.

It had been two or three years since the family and I loaded up our trusty bus and headed into the Olympics on a camping trip. What disturbed me this time was the many hillsides logged clear of all standing timber.

Then a week or so ago I had occasion to drive down to the foot of Washington Street, past the acres of valuable land Port of Olympia dedicates to storage of logs for exports. Mountains of logs, many of them three feet or more across the butt, were all around me.

I thought of recent conversations with local mill owners and lumbermen who complained of the poor quality of timber left for them to turn into lumber and pass on to a generation of buyers who have become indoctrinated to the necessity of working with lousy knot-filled boards and plywood that is a disgrace to a once justifiably proud industry.

Finally, along came Jimmy Carter with his shift in policy to allow the cutting of timber from federal lands to exceed the growth of new trees. The excuse given was to ease the rising cost of housing brought on by inflation.

Alfred Kahn, the President's chief inflation fighter, said each additional billion feet of timber harvested—mostly in our Northwest—will reduce the cost of a house by half of one percent. That's a lousy $300 on a $60,000 house and most economists argue the saving would be even less.

I say it would be next to nothing, the entire argument is phony and our public owned timberlands are being raped for the benefit of a very few, largely because of the lack of a national energy policy.

The move to strip public owned lands of their timber crop will destroy watersheds, drive what is left of our dwindling natural wildlife into earlier extinction, rob our children of their heritage and create such eyesores—where there once was beauty—that native sons and daughters are brought close to tears.

Putting that timber on the auction block, where it can be gobbled up by the timber company giants, will make it possible for them to export even more logs. It will in fact make damned little more lumber available to a housing market that is in its most serious trouble because of the cost of the product, which partially is due to the high cost of mortgage.

And, increased export of timber is what Washington, D.C., wants because it helps reduce the terrible balance of trade deficit created by our near total dependence on imported oil. This is why I believe a lack of energy policy is responsible for a federal timber cutting policy certain to favor log exports at the expense of our forests.

Spare me, please, your arguments for free enterprise and timber as a renewable crop. I was born in this blessed area, the son of a carpenter who went on to become a building contractor. I grew up among the shavings of a cabinet shop, among the delicious smells of freshly cut and planed lumber.

But I also grew up in and around our wonderful forests and mountains and it makes me sick—heartsick—to see the butchering that is taking place because of greed augmented by national policy.●

REPORT FROM NORTHERN IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ZEFERETTI. Mr. Speaker, during my years in Congress, I have taken an active interest in the continuing conflict in Northern Ireland.

Recent outbreaks of violence in Ulster, which must be strongly condemned, are a further indication to me that British policy in the North, designed to stamp out terrorism at all costs, has largely failed. Therefore, I feel it is the responsibility of the U.S. Government to undertake an initiative in exploring a peaceful solution to the conflict.

My understanding of the Irish issue has been enhanced by the work of Rev. Sean McManus, National Director of the Irish National Caucus (INC), an

American-based organization with 43 chapters nationwide involved in making the violation of human rights in Ireland an American issue.

David McDermitt, a legislative assistant on my staff, serves as Chairman of the Congressional Chapter of the Caucus for Capitol Hill employees. Dave recently traveled to Belfast to join Father McManus and other officials of the Irish National Caucus in monitoring the current political climate in Northern Ireland. Prior to his departure, I asked him to make careful note of the current situation in Ulster, and to prepare a report for me upon his return.

Mr. Speaker, I feel that the observations contained in Dave's report represent an accurate description of life in present-day Ulster, and I want to take this opportunity to bring it to the attention of my colleagues:

REPORT FROM ULSTER

(By David F. McDermitt)

Mr. Zeferetti, prior to my trip to Northern Ireland, I had been involved in the "Irish issue" as a member of the Irish National Caucus for approximately two years. Largely through the work of Father Sean McManus and other leaders of the INC, I felt that I had attained a great deal of knowledge of the history of the past decade of violence in the six counties that comprise Northern Ireland. Therefore, I felt that I had formed in my mind a fairly accurate picture of life in Ulster. In retrospect, I found that, despite my knowledge of the conflict, I was not prepared for the shocking reality of the tragedy that is Northern Ireland.

Prior to detailing my experience, I feel it is imperative to understand the basic history of the conflict in order to grasp the complexities of the current struggle.

Northern Ireland did not exist as a geographic entity until 1920 when southern Ireland was granted dominion status by the British Parliament. This event followed nearly 750 years of colonial rule by Great Britain. British administration during that period can only be described as barbaric. The Irish people, at one time or another, were forbidden to own land, denied the right to vote in elections, denied the opportunity to work in the civil service and even forbidden to practice catholicism. In short, they were treated as second-class citizens.

During the early part of the 17th century, Great Britain undertook its "plantation" policy in Ulster. Many of the Irish were expelled from the province, a number fled into exile and the remainder were largely redistributed so that a network of new protestant communities could be created. Irish soil was divided and granted to individuals on the condition that they bring in protestant tenants to cultivate the soil. Settlers arrived in Ulster from England and Scotland and created a new society entirely alien to the native traditions of the Ulster province.

Despite the great influx of immigrants, they were not sufficient in number to fully exploit the area's resources, and a number of the Irish were permitted to remain. As a result, this newly settled protestant area was dotted with native Irish Catholics—degraded and embittered. This plantation policy accounts for the large number of loyalists (those loyal to the British crown) in Northeastern Ireland.

Following decades of guerrilla war throughout the island of Ireland, the British Parliament adopted the Government of Ireland Act, 1920, providing for the establishment of two governments and two parliaments in Ireland. This measure enabled the British government to maintain a foothold in a corner of Ireland with the majority of inhabitants sympathetic. It is interesting to note that not all nine counties of the province of Ulster were included in this newly created state, but only those six counties which would ensure a loyalist and protestant majority. Thus, Northern Ireland—a creation of the British government and having no basis culturally, politically or geographically in Irish history—was established. It was established to ensure that an artificial majority of loyalists would seek to maintain close ties with Great Britain.

The ensuing years were marked by policies of blatant discrimination against the Catholic Irish, denying them equal opportunity in housing, employment and other basic rights enjoyed by their protestant neighbors.

In the late 1969, the minority population held peaceful marches throughout Northern Ireland calling for equal rights among all of the people of the country. The protestant population, feeling a threat to their years of dominance and supremacy, violently attacked the marchers. In a short time, British military forces were sent to occupy Ulster ostensibly to protect the Catholic population "for a few weeks" until calm was restored.

However, the minority came to realize that the occupation forces had, to a large degree, sided with the protestant majority in protecting and upholding the unjust government of Northern Ireland. It is particularly interesting to note that the Irish Republican Army (IRA) was virtually nonexistent at the outbreak of hostilities in 1969. It was not until two years after the turmoil had begun that the IRA re-emerged as a fighting force.

That, in a nutshell, is a synopsis of the history of the current conflict that has claimed nearly 2,000 lives and 21,000 injured in the last ten years. But I realize that merely knowing the history of the conflict and keeping abreast of the current situation in Ulster through the media was not enough. Therefore, I accepted Father McManus' request to join him and other leaders of the Irish National Caucus in Ireland.

My initial impression upon my arrival was one of disbelief. Entire sections of city blocks have been leveled by bomb blasts and the streets are littered with the remaining rubble. Hijacked vehicles are left burning in the street. Entire sections of the city have been decimated and abandoned, leaving row upon row of boarded up houses.

During a drive up the Falls Road into the Catholic section known as Andersonstown, minutes after arriving via train, I witnessed the hijacking of a van by a group of teenage youths. After setting the vehicle on fire, the group scattered upon seeing British troops moving up the street toward them in armored cars. At this point, I noticed a number of children who could not have been more than seven or eight years old, gathering behind the walls of a deserted building, seemingly waiting in ambush. When the armored cars approached, approximately a dozen of these kids charged out into the street hurling rocks, bricks and bottles at the soldiers. Their faces flushed with hate and their eyes full of bitterness, they quickly retreated to continue the battle another day.

One cannot travel through the six countries without noting the ominous presence of British military forces and the Royal Ulster Constabulary (RUC), the police force in Ulster. British patrols, dressed in full battle gear complete with flak jackets and automatic weapons, continually roam the streets in seven-man teams, the last man walking backwards to protect their rear. Soldiers rumble through the streets in heavily armored vehicles. Catholic areas, in particular, are most heavily patrolled.

Scattered throughout Catholic ghetto areas such as Ballymurphy, Ardoyne and Turf Lodge are army and police barracks—massive grey structures built of sheets of steel, windowless except for lookout posts and surrounded by concrete and barbed wire. It is little wonder why this obvious presence serves as a highly visible reminder to the minority of British political and military domination in Ulster.

Everyday life, as we know it in the United States, is totally disrupted. The entrances to the main shopping district in central Belfast are closed to vehicular traffic with iron bars that permit only pedestrians. Each shopper is scrutinized and often searched by British troops stationed at these posts.

Taxi cabs are marked with one of two identifying stickers: one indicates those cabs that travel into the Catholic areas and, the other, those going into the majority protestant section of town. It is a criminal offense to display the tri-color Irish flag.

Body searches and interrogations are commonplace. The Europa Hotel in central Belfast, where I stayed for two nights, holds the tragic distinction of having been bombed on twenty-eight separate occasions and is surrounded by a wall and barbed wire. Each vehicle entering the driveway is thoroughly searched; every person seeking entrance is given a head-to-toe body search.

Rather than talk to an endless number of government officials in the North, I spent as much time as possible "on the street" talking to the people whose everyday lives are affected by the turmoil. In traveling by car throughout the city with other members of the Caucus, Fred Burns-O'Brien, Rita Mullen, Robert Bateman of the Ancient Order of Hibernians, Sean Nolan and Pat Mahony of the Pittsburgh Chapter of the Caucus and Bill Gallagher of the Philadelphia Chapter, we were forced to stop on four separate occasions by the authorities: twice by the RUC, once by a British patrol and once by the British military police.

It was my experience that the military men were more civil in their approach than were members of the RUC police force. The police travel six men to a van, armed with automatic weapons. On each of the two occasions we submitted to a body search as well as a search of the vehicle. We were also given an "on the spot" interrogation and asked questions as to our destination, why we were going there, our occupation, etc. This occurred while we were literally surrounded by other RUC personnel armed with weapons. When informed that we were American citizens involved in making the Irish conflict an issue in the United States Congress there was an immediate air of resentment. We were asked whether we were journalists and if we had played any role in the State Department's decision to suspend the sale of U.S. weapons to the RUC (a development for which the Irish National Caucus can claim a large degree of responsibility).

More than one member of the RUC—a police force that is comprised of 95% protestants and has been indicated by the European Court of Human Rights, the European Court of Human Rights and Amnesty International for the torture and inhumane treatment of suspects and prisoners—informed us that the Irish situation was none of America's business and to "keep your noses out." When I asked a British soldier his impression of the RUC, he stated that it was "just another terrorist organization. They fight beside you during the day and shoot at you when they're off duty."

When I questioned the policemen why we had been stopped and questioned, I was told "suspicion of terrorism," which is a catch-all justification for the virtual suspension of civil liberties in Ulster. I spoke to a number of people whose homes had been broken into and ransacked in a supposed search for weapons. Search warrants are an unknown aspect of the law in Northern Ireland, as are jury trials. Trials are heard by a single judge. Suspects can be held for a period of three days without legal counsel or a visit from relatives and clergy, and they can be held for seven days without being charged with a crime. A number of individuals indicated to me that they had been arrested, charged, imprisoned and beaten for periods of 11 to 13 months. When they were brought to trial their cases were dropped for lack of evidence, after spending a year of their young lives in prison.

Few Catholic families have been left untouched by the violence: a brother, father or son has been killed, wounded or imprisoned. Children of ten years or younger have never lived a peaceful existence. They have spent all their lives growing up in an atmosphere of violence, bitterness and hate. A number of their play areas are now occupied by police and army barracks, so they play among the bombed out buildings and burning vehicles. Unless a political solution can soon be found, there is little doubt that today's children will become the terrorists of tomorrow.

In Belfast and in London, I joined Caucus leaders in press conferences attended by reporters representing both Irish and English media. The most significant discovery I found during the trip was an intense interest in American involvement in Northern Ireland—the American "initiative" as they call it.

American involvement in Northern Ireland—comprised largely of efforts by the Irish National Caucus, the Ad Hoc Committee for Irish Affairs and the "Big Four" Irish American politicians including Speaker O'Neill, Governor Carey and Senators Kennedy and Moynihan— is viewed with distrust by British government officials and with opposition by the various terrorist organizations. But it is viewed with intense interest and hope by the minority population.

In talking with members of the Relatives Action Committee, an organization of the relatives of prisoners serving sentences in Northern jails, I perceived a sense of hopelessness and frustration that any political initiative is forthcoming from Great Britain. When told of our efforts here in the United States to make the violations of human rights and the entire Irish conflict an American issue, their faces literally lit up with hope and enthusiasm.

In conclusion, it is my impression that, after centuries of British rule and a decade of military occupation, the situation in Ulster has not improved. All too often the turmoil has been called a religious war between Catholics and Protestants. That characterization is only a small part of a much larger political stalemate. 13,000 troops are still stationed in Northern Ireland. British taxpayers spend more than $5 million dollars each day to support the troops and security operations in Northern Ireland, in addition to welfare subsidies and business subsidies. This policy continues despite the fact that a number of polls indicate a majority of the British people do not want their troops stationed in Ulster. A number of soldiers with whom I spoke disagreed with their government's policy in the North. When I ask a regimental commander if the battle in Ireland wasn't really Great Britain's last colonial war, he disagreed with me by saying that the same conflict would probably be fought in Scotland within a few years.

During the past year, British officials have done their best to convince the world that their hard-line approach against terrorism in the North was paying off. Statistics were compiled indicating that the number of bombings and deaths had steadily declined in recent years were cited as proof that the terrorist groups were being held in check. The recent outbreak of terrorist acts indicates that, while the paramilitaries have been battered, they will never be broken. That fact has been admitted by British military leaders in Northern Ireland themselves.

Unfortunately, the Thatcher government has given no indication of any movement toward a political settlement, but has merely reiterated its intention to crack down more severely on terrorism.

The terrorists on both sides of the conflict do not have the support of the vast majority of the populace, and terrorists and their activities should and must be condemned. But it must also be realized that the paramilitaries are not the root of the problem in Ulster, but the result—a response to the absence of a just political solution to the conflict. Great Britain is clearly pursuing a military solution to a political problem, and there is presently no end in sight unless the President and Congress accelerate the American initiative in pursuing a just and lasting peace in Northern Ireland.●

THE NEED TO MAINTAIN OUR COMMITMENT TO THE ARTS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LAFALCE. Mr. Speaker, in late June of this year one of America's most respected surveyors of public opinion, Louis Harris, testified before the Senate Labor Committee's Subcommittee on Education, Arts and Humanities in defense of continued Federal support for the arts in the United States.

I believe that Mr. Harris' statement that day sets out a persuasive case for major Federal support for the arts. Perhaps the most telling point he made was the following:

> At a time of unparalleled tensions and pressures, the arts represent a massive safety valve to refurbish the human spirit, to renew one's soul, to be better equipped to face difficult tomorrows.

As we concern ourselves—as we ought to—with the more mundane questions of daily necessities, such as food, energy, economic health, and national security, it is important also that we retain a healthy respect for the need to nurture the soul and insure the continued existence of this "safety valve." I think the entirety of Mr. Harris' statement warrants being printed in the RECORD, and I submit it for that purpose at this time:

TESTIMONY OF LOUIS HARRIS

AMERICAN COUNCIL FOR THE ARTS,
New York, N.Y., June 26, 1979.

Mr. Chairman, my name is Louis Harris and I come before you today as the Chairman of the American Council for the Arts, a national organization with headquarters in New York. ACA is one of the few organizations in this country which can claim to work for all of the arts. Our task, as we see it, is to spearhead efforts to work both for greater support for all of the disciplines in the arts, to work for greater fulfillment of the aspirations of individual artists to work for bringing the arts to the rapidly growing potential audience for the arts, to recommend and to assess national policies which affect the future of the arts, to serve as a watchdog over developments in society which can thwart the freedom of the artist to create, and to work for the maximum delivery of professional creative art output to the disadvantaged, minorities, the elderly, the handicapped, the young—indeed to all of our people.

At the same time, ACA sees its function as demanding from the arts that they exercise policies of full accountability for public and private funds received, that they increase their own revenues from their output, that they give ample recognition and opportunity to new and emerging art forms, and that they press and work for the highest standards of professionalism. Although our Board has represented on it most of the major disciplines in the arts, we are essentially an organization which tries to bridge the gap between arts institutions and the citizens of this country, who, in the end, must be the indispensable audience for the fare that the arts turn out. We have an extensive service program which tries to bring the best and most advanced management techniques to arts organizations in such critical areas as how to manage finances, how to raise money, how to bring together arts institutions and individual artists at the community level, how to market and merchandise the arts, and how to involve all elements in the arts world in the total process of developing the arts in America.

We come before you today at a particularly trying time in our national history. Our people are beset by severe inflation which has reduced many to the status of barely eking out a minimum existence after we had assumed that we had reached that post-industrial state of affluence where such economic trouble seemed largely behind us. This is also a time when we are learning brutally in gas lines in many parts of the country that we can no longer live off the fruits of unlimited natural resources. Our society has become so complex and the pressures put upon our people are so enormous that frustration and alienation has by now reached record levels. Most of all, we live in a period where of all the resources we must utilize for future economic growth and for fulfillment of our personal hopes, we must depend basically on the human resource, easily the most adaptable and creative resource we have known on this planet. And, significantly, my own surveys have shown that the American people are becoming more and more convinced that if the human resource is utilized well, if nurtured properly, then it is in the end well nigh inexhaustible. Thus, it is no happenstance that close to 7 in every 10 of our people today are employed in service industries not physical goods production industries. Basically, how well people serve people in America is going to be one of the real keys to our future national destiny and fulfillment. The arts are central to getting that job done.

The arts have enjoyed enormous growth in recent years, because as much as any single area, the arts represent the most exciting, personally rewarding sharing of experiences which one set of human beings can deliver to another. At a time of unparalleled tensions and pressures, the arts represent a massive safety valve to refurbish the human spirit, to renew one's soul, to be better equipped to face difficult tomorrows. The arts elevate people, provide rare and precious moments that in many ways make the rest of human activity bearable and worthwhile. Take away the arts and you take away in one fell swoop the color of life, the raising of human-spirits, the capacity to project into other worlds, and the ability to understand oneself and one's life better. Indeed, in our surveys, the people themselves tell us that the arts for them are a form of emotional food to sustain them through the trials of their daily grind.

You here in the Congress have recognized this growing role of the arts. You have increased the annual appropriations for the National Endowment of the Arts from a miserly $7.5 million roughly a decade ago to about $150 million to date. Both people in the arts and the public generally are grateful for this assistance. You are once again showing insight and foresight by contemplating a five year extension of the National Endowment Authorization.

Your committee here in the Senate has also made a significant human contribution to the arts in the person of your former staff chief, Livingston Biddle, who is now the chairman of the National Endowment of the Arts. We in ACA find that not only is Liv Biddle the kind of leader in the arts whom we can fully relate to, but one who largely shares our basic objective of seeking to bring the highest quality of arts output to a maximum number of our citizens. Chairman Biddle's sensitivity to emerging needs and demands for the arts, his openness, his willingness to entertain change, his determination to bring in an ever-increasing circle of arts professionals into the decision-making process, all make us convinced that he gained from his association with this subcommittee has contributed to his splendid performance to date.

Let me relate to you some basic facts about the arts in this country today:

Over 6 in 10 people 16 years of age and over in this country attend live theatre, a classical music concert, live dance performance, live painting and sculpture exhibits, arts festivals, and arts meetings. Significantly, the arts appeal to the most rapidly growing parts of our population: young people, the elderly, the better educated, the more affluent. But the arts also touch children in ghettoes, individuals who lead lonely existences in relatively isolated settings, people who come out in the thousands to our parks across the country, people who need some moments of relaxation in their work areas during lunch hours. The arts are at one and the same time a significant mass and yet highly individual experience.

However, the job of the arts is at best no more than half completed. For example, while 69 percent of the American people think it is important to have an art museum accessible to where they live, 41 percent also report that none is accessible to them. While 65 percent think it is important to have a concert hall accessible to where they live, 44 percent report there is none available. Put another way, 35 percent of all Americans want more ballet and dance in their community and do not have it, 47 percent want more arts festivals and do not have them, 37 percent want more classical music live performances and do not have them. Perhaps most significantly, 54 percent, a majority of all those who do not have such facilities report that if they had them, they would attend such arts events.

This is a mandate that runs deep and wide in our society. By 86.8 percent overwhelming majority wants to see such arts facilities and performances and shows available in all parts of the country. An even higher 93 percent feel that having the arts available to them is important to the quality of life in their community. And 85 percent believe the existence of such facilities and services is important to the business and economic life of their community.

So the job of fulfilling the needs of the American people for the arts is largely undone. Yet the need is there and is growing by leaps and bounds. How desperate is that need? Let me give you two examples. Artists and minorities and the poor all suffer from essentially the same phenomenon: they are almost the last to be hired and to be tended to and they are inevitably the first to be laid off or forgotten. A terrible condition in the country today is that when the schools feel the crunch on funding, almost the first area they cut back on is student courses and participation in the arts. Yet this is precisely the area in which students are likely to feel the greatest identity and fulfillment in schools. It is little wonder why recent studies have demonstrated that student interest in and excitement about the educative process has so fallen off. In community after community, the educational process is eliminating the color, the verve, the challenge to the creativity of our children.

As for funding for the arts, majorities of the public favor increases in federal, state, and local government support. Even higher majorities favor private individual and corporate support. The highest majorities favor private foundation and non-profit institution support. At a time when people want little increase in governmental spending, nonetheless there is ample evidence that the public wants to see arts funding increased. Part of the reason is that the amount funded to the arts from government, compared to other sectors which are recipients of governmental monies, is minuscule. It can be said without challenge that the government receives more beneficial services from helping to fund the arts than nearly any other area of activity.

Nor are the arts mendicants, crawling on their bellies making for a handout. Indeed, 51 percent of all the monies received by all arts institutions are derived from earned income, derived from admissions to performing arts and from public memberships and sales. The private sector in the aggregate contributions 20 percent, and government 29 percent. Not only does a majority of income for arts institutions come from earned income, but one of the most important and poignant subsidies for the arts has been largely ignored. At latest count, the medium salary paid executive directors of arts organizations was $14,462 a year. Artistic directors were paid even less, a median of $12,971, compared with university professors and associate professors, not an overpaid occupation, who earn 30–40 percent more. In addition, arts salaries have lagged 20 percent behind the rate of inflation. As a consequence, it can be assumed safely that an amount equal to as much as a third of the national endowment funding is taken out of the hides of arts executives. Faced with growing demand for the arts, often they forego their own pay, not because they are among the most dedicated people in our midst. So the arts have little to apologize for.

We in ACA feel strongly that support for the arts from the private sector must be increased—and sharply at that. We think it is pitiful that at last count in 1976, no more than 4 percent comes from business corporations. Put another way, the arts earn over 12 times the amount that business contributes to the arts. Just this week, we in ACA held a conference on how to raise money for the arts, and we are encouraged by the interest now being expressed by the United Way people. If the arts could be added to the United Way list of worthy causes that people can contribute to in their place of work on a payroll deduction basis, the private sector could be enormously enhanced as a source of arts funding.

My colleague, Ed Block of AT&T, who is a vice chairman of our organization will elaborate on this prospect for funding from the private sector in greater detail. But let me say this, if I might, to this committee of the Senate. There is much talk that federal funding for arts has increased handsomely over the past decade and that the future will see a "plateauing out" of federal backing for the arts. We have advocated a $200 million authorization and appropriation for the National Endowment of the Arts, simply because we think the investment of another $50 million would pay out many times that amount in terms of bringing literally millions more of our citizens exposure to the arts. What this would add to our national productivity and the well-being of our national psyche is enormous.

But now we have an even more practical consideration to bring to your attention. It it this. Your having done such a magnificent job over the past several years, we are worried that if federal funding suddenly were to level out, a signal would be given to the private sector that just maybe the arts are not that important. Therefore, we urge you in the most forceful way to turn a deaf ear to those who feel the federal government has largely brought its contribution up to an adequate level and now can be plateaued out. Indeed, we are convinced that the ground is being broken, the way is being cleared, the road is emerging clear for a major increase in funding for the arts by corporations and private individuals contributing at the workplace.

We say to you: please give us this chance to prove that the private sector can close the gap with the public sector in terms of growth and absolute amounts that are contributed to the arts. Show us that the federal establishment, having done a yeoman job, is now not going to abandon the field and say it has reached full maturity. Put bluntly, we of ACA are not at all afraid to challenge the monied corporate establishment that it must not simply keep up with the rate of federal funding increases, but must close the gap. Such corporate leaders like to talk about the need to finance most such causes as the arts through private means. Believe me, we mean to put them to the test to prove that their pocketbooks are where their rhetoric is. But we cannot do that if the signal from Congress is that enough has already been done by the federal government. Remember, we still have a massive one in three people in this country, 16 years of age and older coming to close to 55 million of our citizens, who have a real and growing appetite for the arts which is now largely unfulfilled.

So we ask you to be our partners in both this strategy and efforts in making this country as close to self-sufficient in arts support as is humanly possible. At a time when a majority of the public is convinced that we are not going to make it on more acquisition of material goods, the arts at one and the same time become both a symbol and a reality that the quality of existence in the last two decades of this century are going to be rewarding and exciting. There is so much to be gained by so little more. The crunch on the human spirit will be enormous if the growth of the arts is stopped cold in its tracks. We ask you to move courageously and responsively to this public demand. These are in no way raids on the treasury, but instead small spurs to the human spirit, small investments in a positive experience. And, in a national life that has come close to turning sour for so many, this act you can perform would bring pure joy in ample measure into the daily lives of our citizens. And that, surely, must be a vital and important task for the people's representatives to tend to.●

HOUSE OF REPRESENTATIVES—*Monday, September 10, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, giver of every good gift and author of everlasting life, grant that each day we may be filled with Your spirit and blessed by Your presence.

Give us, we pray, the spirit of understanding and reconciliation, of patience and good will, of generosity and faithfulness. We specially pray for all who suffer or are ill, those in distress or anxious about tomorrow.

Fill us with Your abiding love that we may know Your forgiveness, and give us that peace that passes all human comprehension.

In the Lord's name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4393. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4393) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHILES, Mr. BUMPERS, Mr. DECONCINI, Mr. MAGNUSON, Mr. EAGLETON, Mr. SCHMITT, Mr. LAXALT, Mr. YOUNG, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; and

S. 1281. An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship *United States*, steamship *Oceanic Independence*, and steamship *Santa Rosa* into the trade.

BUDGET COMMITTEE MARKUP TODAY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, at 1 p.m. today the Committee on the Budget will begin markup of the second budget resolution for 1980. This morning we saw unveiled the proposed majority budget with the deficit up $10.8 billion over the first resolution; outlays up $17.8 billion; budget authority—the driving force that will cause deficits down the road—up $28.9 billion.

The majority's proposed budget ignores the recent unanimous recommendations of the Joint Economic Committee which called for strong efforts to stimulate our country's sagging saving and capital investment rates and raise our deplorable low productivity rate. To achieve these goals requires a budget that emphasizes supply rather than demand.

Instead, the majority's proposed budget would be even more stimulative than the first budget resolution. The majority's proposal contains no tax cut which would encourage useful savings and investment—even though weakened consumer spending is now acknowledged as the leading cause of the current recession—yet contains an inflationary spending increase of nearly $18 billion over the first resolution.

In sharp contrast, the Republicans will be offering a budget of hope—hope for a tax savings and lower inflation—through a fiscally prudent tax cut combined with real spending restraint. As such, the Republican budget will be designed to increase savings, investment, and productivity. It will lead to the balanced budget and lower inflation which, to my majority colleagues, seems always "just around the corner."

NEW NEGOTIATORS NEEDED FOR NATURAL GAS CONTRACT WITH MEXICO

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, at a time when our country cries for additional sources of energy, I cannot understand the inability of the administration to come to an agreement with Mexico on the sale of natural gas.

Reports coming out of Mexico City paint a gloomy picture in terms of any future negotiations for the sale of their gas. Presently, the Mexicans have decided to burn off over 300 million cubic feet a day rather than export it across the border into the United States.

The impasse stems from another misunderstanding between the negotiators. Last week the talks stalemated as the two sides appeared closer than ever to a settlement. Mexico had asked $3.75 per thousand feet of gas and the United States had offered $3.50. Both sides then agreed to compromise at $3.62 but then the U.S. negotiators allegedly tried to change the already agreed to delivery date from November to next April.

Mr. Speaker, it is tragic that this great Nation cannot negotiate a definite contract with our neighbors to the south to trade our advanced technology for their natural gas which is presently being flared off and wasted.

It is time to send in a new, more skilled negotiating team with definite instructions from the President to conclude this contract as soon as possible before the winter months are upon us.

INFLATION UP, NEW YORK BANK ROBBERIES UP

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I think it is useful particularly at the start of a legislative week to take a nonpartisan, realistic look at the state of our Nation. In that spirit I have good news and bad news this morning. The bad news is that inflation has tripled since Jerry Ford left the White House. It was 4.3 percent then; it is now well over 13 percent. That is the bad news. The good news is that there appears to be renewed faith in the American dollar, else why would there have been upward of 300 bank robberies in New York in the last 2 months?

PERSONAL EXPLANATION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I was absent on Friday on account of a funeral in the family. I would like the record to show that on H.R. 79, the Postal Service Act of 1979, I would have voted "yes." On the Courter amendment to H.R. 79, I would have voted "yes." On the conference report on S. 1019, I would have voted "yes."

PERSONAL EXPLANATION

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, I was unavoidably absent pursuant to congressional business in New York during part of the session on Friday, September 7.

I take this time to explain how I would have voted had I been present:

Rollcall No. 452, to reorganize the U.S. Postal Service, H.R. 79, "yes"; and

Rollcall No. 453, to end prohibitions on aid to Uganda, the conference report on S. 1019, "yes."

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, I take this time to state my position on three rollcall votes that I missed Friday, September 7, 1979.

The reason for my having missed these rollcalls was that I was at the White House attending the President's briefing on the question of Soviet combat troops in Cuba.

The votes are as follows:

Rollcall No. 451, on an amendment to H.R. 79, the Postal Service Act of 1979, offered by the gentleman from New Jersey (Mr. COURTER). The amendment was rejected by a vote of 125 to 242. I was paired against this amendment and, had I been present, would have voted against it.

Rollcall No. 452, on final passage of H.R. 79, the Postal Service Act of 1979. The bill was passed by a vote of 350 to 14. I was paired for passage of the bill and, had I been present, would have voted in favor of it.

Rollcall No. 453, on the conference report on S. 1019, removing fiscal 1979 prohibitions on economic assistance to Uganda. The report was agreed to by a vote of 280 to 69. I was paired for the report and, had I been present, would have voted in favor of it.●

SAT SCORES FALL—AGAIN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, Sunday's newspaper reported that this year's scholastic aptitude test (SAT) scores for the Natoni's college-bound students declined again this year.

This decline is the continuation of a 10-year trend. We heard all sorts of predictions last year that the decline had bottomed out and that scores would begin to rise. Such is not the case.

I do not wish to belabor this point, but I do think that Congress should take a good look at the responsibility it bears for the continuing crisis of American education. Too often the Congress has substituted pious cliches for thought and good wishes for hard choices when it comes to education funding. For 10 years the Congress has placed the Federal Government closer and closer to the heart of all educational decisionmaking in the United States. Should we not be asking ourselves whether there is a connection between what the Congress is appropriating for educational programs and the continued decline in test scores?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RATCHFORD). Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV. Such rollcalls, if postponed, will be taken on Tuesday, September 11, 1979.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

OFFICE OF FEDERAL PROCUREMENT POLICY ACT AMENDMENTS OF 1979

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3763) to amend the Office of Federal Procurement Policy Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE REFERENCE

SECTION 1. (a) This Act may be cited as the "Office of Federal Procurement Policy Act Amendments of 1979".

(b) As used in this Act, the term "the Act" means the Office of Federal Procurement Policy Act.

POLICY, FINDINGS, AND PURPOSE

SEC. 2. (a) Paragraph (2) of section 2 of the Act (41 U.S.C. 401(2)) is amended by inserting immediately before the semicolon at the end thereof the following: ", and eliminating fraud and waste in the procurement process".

(b) Section 3 of the Act (41 U.S.C. 402) is amended to read as follows:

"FINDINGS

"SEC. 3. (a) The Congress finds that economy, efficiency, and effectiveness in the procurement of property and services by the executive agencies will be improved by simplifying and consolidating the procurement regulatory system.

"(b) The purpose of this Act is to establish an Office of Federal Procurement Policy in the Office of Management and Budget to develop a system of uniform procurement policies, regulations, procedures, and forms for executive agencies and to recommend changes in existing administrative and legislative requirements in order to implement that system.".

DEFINITION

SEC. 3. Section 4 of the Act (41 U.S.C. 404) is amended by inserting "(a)" immediately after "SEC. 4." and by inserting at the end of such section the following new subsection:

"(b) As used in this Act, the term 'procurement' includes all stages of the acquisition process, beginning with the process for determining a need for property and services through to the Federal Government's disposition of such property and services.".

AUTHORITY AND FUNCTIONS

SEC. 4. (a) Section 6(a) of the Act (41 U.S.C. 405(a)) is amended to read as follows:

"SEC. 6. (a) The Administrator shall provide overall leadership in the development and implementation of procurement policies and the coordination of programs to improve the quality and performance of procurement personnel. The Administrator shall develop for submission under section 8(a) a uniform procurement system which shall, to the extent he considers appropriate and with due regard to the program activities of the executive agencies, include uniform policies, regulations, procedures, and forms to be followed by executive agencies—

"(1) in the procurement of—

"(A) property other than real property in being;

"(B) services, including research and development; and

"(C) construction, alteration, repair, or maintenance of real property; and

"(2) in providing for procurement by recipients of Federal grants or assistance of items specified in clauses (1)(A), (1)(B), and (1)(C) of this subsection, to the extent required for performance of Federal grant or assistance programs.".

(b) Section 6(c) of the Act (41 U.S.C. 405(c)) is amended to read as follows:

"(c) The Administrator shall develop and propose a central management system consisting of the Office of Management and Budget, the General Services Administration, and procurement offices in executive agencies to implement and enforce the uniform procurement system described in subsection (a) of this section.".

(c) Section 6(d) of the Act (41 U.S.C. 405(d)) is amended to read as follows:

"(d) The functions of the Administrator shall include—

"(1) reviewing the recommendations of the Commission on Government Procurement to determine those recommendations that should be completed, amended, or rejected, and to propose the priority and schedules for completing the remaining recommendations;

"(2) developing a system of simplified and uniform procurement policies, regulations, procedures, and forms;

"(3) establishing criteria and procedures for an effective and timely method of soliciting the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms;

"(4) promoting and conducting research in procurement policies, regulations, procedures, and forms, through the Federal Acquisition Institute, which shall be located within the Office and directed by the Administrator;

"(5) establishing a computer-based information system for collecting, developing, and disseminating procurement data which takes into account the needs of the Congress, the executive branch, and the private sector;

"(6) recommending and promoting, through the Federal Acquisition Institute, programs of the Office of Personnel Management and executive agencies for recruitment, training, career development, and performance evaluation of procurement personnel;

"(7) developing, for inclusion in the uniform procurement system to be submitted under section 8(a), standard contracts and contract language in order to reduce the Government's cost of procuring goods and services as well as the private sector's cost of doing business with the Government; and

"(8) providing leadership and coordination in the formulation of executive branch positions on legislation relating to procurement.".

(d) Section 6(e) of the Act (41 U.S.C. 405(e)) is amended—

(1) by striking out "to be authorized or prescribed by him"; and

(2) by inserting immediately before the period at the end thereof the following: ", through implementation of the uniform procurement system".

(e) Section 6 of the Act (41 U.S.C. 405) is further amended by inserting at the end thereof the following new subsections:

"(h) until the effective date of legislation implementing a uniform procurement system, the Administrator may, with the concurrence of the Director of the Office of Management and Budget, issue policy directives, in accordance with existing law, for the purpose of promoting the policies set forth in paragraphs (1) through (6) of section 2 of this Act.

"(i) No final rule or regulation of any executive agency relating to procurement shall be promulgated within four years after the date of enactment of this subsection unless the Director of the Office of Management and Budget certifies that such rule or regulation is not inconsistent with the policies set forth in paragraphs (1) through (6) of section 2 and is not inconsistent with any policy directives issued pursuant to subsection (h). The Director shall, within 30 days after receipt of a statement of intention to promulgate such a rule or regulation (accompanied by a copy thereof), provide the certification described in the preceding sentence or notify the agency of the inconsistency or inconsistencies which are the basis for denial of such certification.

"(j) Nothing in this Act shall be construed—

"(1) to impair or affect the authorities or responsibilities conferred by the Federal Property and Administrative Services Act of 1949 with respect to the procurement of automatic data processing and telecommunications equipment and services or of real property; or

"(2) to limit the current authorities and responsibilties of the Director of the Office of Management and Budget.".

RESPONSIVENESS TO CONGRESS

SEC. 5. (a) Section 8(a) of the Act (41 U.S.C. 407(a)) is amended to read as follows:

"SEC. 8. (a)(1) The Administrator shall keep the Congress and its duly authorized committees fully and currently informed of the major activities of the Office of Federal Procurement Policy, and shall submit a report thereon to the House of Representatives and the Senate annually and at such other times as may be necessary for this purpose.

"(2) At the earliest practicable date, but in no event later than one year after the date of enactment of the Office of Federal Procurement Policy Act Amendments of 1979, the Administrator shall transmit to the House of Representatives and the Senate his proposal for a uniform procurement system. Such proposal shall include a full description of the proposed system, projected costs and benefits of the system as proposed, and short- and long-term plans for implementation of the system, including schedules for implementation. At the same time, the Administrator shall transmit a report on the recommendations of the Commission on Government Procurement specified in section 6(d)(1) of this Act.

"(3) At the earliest practicable date, but in no event later than one year after presentation of the proposal described in paragraph (2) of this subsection, the Administrator shall propose to the House of Representatives and the Senate recommended changes in legislation relating to procurement by executive agencies. If the Administrator deems it necessary, these recommendations shall include a proposal for a consolidated statutory base for procurement by executive agencies.

"(4) At the earliest practicable date, but in no event later than the submission of the legislative recommendations described in paragraph (3) of this subsection, the Administrator shall present a proposal for a management system described in section 6(c) to implement and enforce the uniform procurement system.".

(b) Section 8 of the Act (41 U.S.C. 407) is further amended—

(1) by striking out "any major policy or regulation prescribed under section 6(a)" in subsection (b) and inserting in lieu thereof "any policy prescribed under section 6(h)";

(2) by striking "or regulation" each place it appears in such subsection; and

(3) by striking out "any major policy or regulation" in subsection (c) and inserting in lieu thereof "any policy".

EFFECT ON EXISTING REGULATIONS

SEC. 6. Section 10 of the Act (41 U.S.C. 409) is amended to read as follows:

"EFFECT ON EXISTING REGULATIONS

"SEC. 10. Procurement policies, regulations, procedures, or forms in effect as of the date of enactment of the Office of Federal Procurement Policy Act Amendments of 1979 shall continue in effect, as modified from time to time, until repealed, amended, or superseded pursuant to the adoption of the uniform procurement system described in section 6 of this Act.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. Section 11 of the Act (41 U.S.C. 410) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose, $3,000,000 for the fiscal year ending September 30, 1980, and for each of the three succeeding fiscal years; and one-third of the funds appropriated for any such fiscal year shall be made available to the Federal Acquisition Institute for the performance of its functions under this Act."; and

(2) by striking out "Government Operations" in the second sentence and inserting in lieu thereof "Governmental Affairs".

DELEGATION

SEC. 8. Section 12(a) of the Act (41 U.S.C. 411(a)) is amended by striking out "direction of Federal procurement policy and to prescribe policies and regulations to carry out that policy" and by inserting in lieu thereof "leadership in the development of Federal procurement policy".

ACCESS TO INFORMATION

SEC. 9. Section 14(b) of the Act (41 U.S.C. 412(b)) is amended by striking out "establishing" and inserting in lieu thereof "developing".

CONFORMING AMENDMENTS

SEC. 10. (a) Sections 201(a)(1), 201(c), and 206(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(1), 481(c), 487(a)(4)) are each amended by striking out "subject to regulations" and inserting in lieu thereof "subject to policy directives".

(b) Section 602(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(c)) is amended by striking out "except as otherwise provided by the Office of Federal Procurement Policy Act, and".

EFFECT ON OTHER LAW

SEC. 11. The provisions of the Act as amended by this Act shall supersede the provisions of section 222 of the Act of October 24, 1978, entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958" (41 U.S.C. 405a) to the extent they are inconsistent therewith.

EFFECTIVE DATE

SEC. 12. Except to the extent otherwise provided therein, the amendments made by this Act shall take effect on October 1, 1979.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, H.R. 3763 with an amendment I propose provides authorization for the Office of Federal Procurement Policy for an additional 4-year period effective October 1, 1979. Pursuant to a recommendation of the Commission on Government Procurement, Congress established OFPP as an independent operation of the Office and Management and Budget by the enactment of Public Law 93-400 in 1974. OFPP was granted a 5-year authorization to provide overall direction of procurement policy for Federal executive agencies, with discretionary authority to prescribe procurement regulations, policies, procedures, and forms.

The committee feels that the Office of Federal Procurement Policy can serve a worthwhile purpose in promoting efficiency and economy in the Federal procurement process. However, it also feels that the vagueness of OFPP's mandate has impaired the Office's effectiveness in accomplising the major procurement reforms envisioned by the Commission on Government Procurement.

In light of these considerations, the purpose of H.R. 3763 is to reauthorize OFPP for a 4-year period and to redirect its resources and attention toward three major goals:

First. Develop a simplified and uniform set of procurement policies, regulations, procedures, and forms for executive agencies to follow. OFPP is required to transmit a proposal for this uniform system to Congress within 1 year of enactment of this bill.

Second. Analyze the Federal Government's procurement statutes and recommend changes in this legislation to enable implementation of a uniform procurement system. If the OFPP Administrator deems it necessary, he is to recommend enactment of a complete consolidated statutory base for procurement by Government agencies. The legislative recommendations are to be transmitted to the Congress within 1 year after submission of the uniform procurement system.

Third. Design and compose a central management system to implement and enforce the uniform procurement system. This new management system must be proposed by OFPP no later than the time it submits statutory recommendations.

Under the bill OFPP would retain limited authority to issue policy directives to promote economy and efficiency in Government procurement. To insure that procurement regulations issued by executive agencies during this interim 4-year period are not inconsistent with those policies, H.R. 3763 sets a procedure whereby the Director of the Office of Management and Budget may disapprove the issuance of such inconsistent rules and regulations.

In addition, the Office is specifically

directed to: First, review and update the Commission on Government Procurement's recommendations; second, establish a computer-based procurement data system; third, develop and recommend procurement personnel improvement programs; fourth, promote and conduct basic research in procurement policies and procedures; fifth, develop uniform contract forms and language; and sixth, take a lead role in formulating and presenting executive branch positions on procurement legislation.

Finally, the bill provides for a definite ceiling in the OFPP annual authorizations. This represents a change from Public Law 93-400 which provided for open-ended authorizations for the final 4 years of its initial term. The committee feels that setting a specific authorization is a prudent management step. Thus, H.R. 3763's authorization provision insures that expenditures for OFPP will not increase during the period of the authorization. In addition, at least one-third of the funds appropriated for OFPP each year are to be applied to the functions of the Federal Acquisition Institute which is to be located within OMB.

Since the bill was reported, I have reached an understanding that I believe is acceptable to the Senate that the extention should be for a period of 4 years instead of 3 years. This is satisfactory and in accord with the general purpose of the bill. I have therefore proposed an amendment to that effect.

In summary, Mr. Speaker, this bill redirects OFPP's resources and attention to the basic reform of the Government's procurement process which is so urgently needed by both the public and private sectors. I urge the House membership to support this bill.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Commission on Government Procurement was created to study and recommend to Congress methods to promote the economy, efficiency, and effectiveness of procurement by the executive branch. The creation of an Office of Federal Procurement Policy was the first recommendation and the most important recommendation of the Commission.

As a member of the Procurement Commission, I supported the recommendation and was a sponsor of the legislation which created the Office of Federal Procurement Policy.

The Office was created to be the focal point of Federal Procurement Policy. It was to provide in one office special competence and leadership in Government-wide procurement. Congress, industry, small businessmen, private citizens, and the executive agencies would have one place to go on procurement policy issues. OFPP was given an important and difficult job to do. Its purpose is to simplify Government policy, not to create a whole new set of rules. It is supposed to bring sense to the way in which the Government spends $100 billion a year.

H.R. 3763 as amended would extend the life of OFPP for an additional 4 years and direct the development of a uniform procurement system for the executive branch.

Mr. Speaker, this bill has the full support of the Government Operations Committee, and I urge my colleagues to support it.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to my distinguished friend, the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I would like to commend my colleague from Texas for the careful consideration which his committee has given to this legislation to reauthorize the Office of Federal Procurement Policy. The Committee on Government Operations has carefully examined the past performance of the OFPP, and has included requirements in this bill to insure that the Office will be better able to achieve the goals established in the original authorization measure. I think that achievement of these goals is imperative since sound policy and accountability would aid in insuring that the estimated $150 billion expended annually on procurement is spent judiciously.

Mr. Speaker, I think it would be appropriate at this time to bring up a situation with which I know you are familiar. My Subcommittee on Human Resources has been working closely with your Committee on Government Operations in an attempt to address our mutual concerns over the appropriate location for the Federal Procurement Data Center. This Center, which is mandated to maintain procurement data on a Government-wide basis, was established pursuant to the original legislation authorizing the Office of Federal Procurement Policy.

The Center is currently located within the Department of Defense. Although DOD indicated a reluctance to accept this function when an "Executive agent" arrangement was first proposed, the Department accepted responsibility for the FPDC in 1976. Since that time the Center has made major strides in establishing a procurement data base due in large part to the procurement expertise available within the DOD.

However at this point, I believe we share the view that the FPDC has passed through its first stage of development. Initial reports have been issued, and although a great deal of improvement is necessary, I feel the record shows that for the first time Congress and the American people are beginning to get information on Government procurement as a result of the existence of this program.

Your committee and my subcommittee staffs have met with representatives of the Department of Defense to discuss this issue. During these discussions, DOD indicated that it would not object to moving the FPDC to what would be considered a more appropriate location. They recognize our concern that a Center which maintains data across agency lines should be located within an administrative entity which is chartered to act in this manner.

It is my understanding that the General Services Administration has indicated a willingness to accept the function within that agency. I have also been informed that the Office of Management and Budget would be supportive of such a move. This approach seems logical to me since a Government-wide function would be relocated in the agency which has many responsibilities which cross agency and departmental jurisdictions. Acquisition of the function could also serve to aid in the rebuilding process which is currently occurring in the GSA.

Although all interested parties concur in the desirability of this action, a reluctance to initiate the move without legislative direction appears to be present. I am of the opinion that since the precise location of the Center is not mandated by law, statutory language would not be required to relocate the function. However, I feel that the interested parties would welcome an indication of congressional desire for such a move in order to facilitate the administrative action necessary to accomplish such a relocation.

I know there is nothing in the legislation that says where the Control Data Center has to go, but I wonder if my colleague does not agree with me that the logical place would be to transfer it to the General Services Administration so it can serve its independent function.

Mr. BROOKS. I thank my colleague from Virginia for his remarks and commend the Subcommittee on Human Resources for the excellent work it has been doing in this area. I fully support the transfer of the Federal Procurement Data Center from the Department of Defense to the General Services Administration. Given the apparent consensus by the parties concerned, I would expect that such a transfer would be completed within the next 60 days.

Mr. Speaker, I have no further requests for time.

Mr. HORTON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill, H.R. 3763, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1220

Mr. BROOKS. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 756) to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11(2) of the Office of Federal Procurement

Policy Act is amended by striking out "four" and inserting "nine".

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROOKS moves to strike out all after the enacting clause of S. 756 and insert in lieu thereof the provisions of H.R. 3763, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Office of Federal Procurement Policy Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3763) was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 4580, DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? The Chair hears none and, without objection, appoints the following conferees: Messrs. CHARLES WILSON of Texas, NATCHER, STOKES, MCKAY, CHAPPELL, WHITTEN, PURSELL, RUDD, and CONTE.

There was no objection.

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to receive share draft deposits, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4986

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Checking Account Equity Act of 1979".

SEC. 2. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

SEC. 3. Section 2(a) of the Act entitled "An Act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permititng negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes", approved August 16, 1973 (12 U.S.C. 1832(a)), is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), a depository institution may permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 4. (a) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations in accordance with regulations prescribed by the Board.".

(b) Section 5(c)(1)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(A)) is amended by striking out the period at the end thereof and inserting in lieu thereof "and loans specifically related to negotiable order of withdrawal accounts.".

SEC. 5. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft account".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominantly low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft accounts authorized under section 205(f);

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft accounts" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft accounts".

(d) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to maintain share draft accounts in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft accounts and may permit the owner of such share draft account to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to accounts which consist solely of share draft accounts in which the entire beneficial interest is held by one or more individuals or members or by an organization which is operated primarily for religion, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 6. The amendments made by this Act shall take effect on December 31, 1979, except that the amendments made by section 3 of this Act shall take effect on September 30, 1980.

The SPEAKER pro tempore. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4986 was reported by your Banking, Finance and Urban Affairs Committee on a 35-to-4 vote. Some 253 Members of the House have affixed their names as cosponsors. These numbers are a recognition of the critical need for the Congress to provide America's financial institutions and the millions of consumers a rational system for the use of checking accounts.

On April 20, the Court of Appeals for the District of Columbia ruled that credit union share drafts and various interest bearing checking type accounts maintained by commercial banks and savings and loan associations were outside the law. The court stayed the order until December 31 to give the Congress an opportunity to develop and specifically authorize a legal, rational checking account system. H.R. 4986, as reported by your Banking Committee, meets the court's instructions and assures that millions of consumer accounts will not be closed down at 12:01 a.m., January 1.

Should the Congress fail to act on this legislation in an expeditious manner, 22,000 credit unions and more than 41 million credit union members would lose all opportunity to maintain share draft checking accounts—a crushing blow to these people-owned, people-operated institutions. Thousands of banks and their millions of customers, likewise, would be cut off from any opportunity to enjoy interest-bearing checking accounts. Failure to act would return the entire financial community to a segmented archaic system with built-in inequities among the financial institutions and with a massive loss of benefits and convenience to consumers.

H.R. 4986 does three basic things: First, authorizes credit unions to operate share draft accounts; second, authorizes commercial banks and savings and loan associations to operate NOWs (negotiable orders of withdrawal); and third, authorizes RSUs (remote service units that allow access to interest-bearing accounts for third party payments).

Boiled down, this simply means that all depository financial institutions whether you call them banks, savings and loans, mutual savings banks, or credit unions—will have an equal opportunity to provide their customers with an interest-bearing account which may also be used to make payments to third parties—that is, to pay bills, to purchase groceries, to make the tuition payment or to make any other payment. It is a simple, rational and equitable system. It would be an absurdity to deny the American consumer the convenience and benefits of these accounts.

H.R. 4986's solution to the checking account problem is not radical. Rather, it is based on a tried, a proven and a successful program. Since 1973, now accounts have been operated by financial institutions in New England under congressional authorization. They are successful—highly successful—and have gained wide acceptance among both financial institutions and customers.

Leaving aside the clear benefits of convenience, the monetary returns to consumers are tremendous. Last November, the Federal Reserve surveyed the NOW accounts in New England and found substantial identifiable monetary benefits for consumers.

Projecting the Federal Reserve's November study over a full year it is possible to show more than $160 million in direct monetary benefits to the users of NOW accounts in New England. Knowing the Federal Reserve's policy of careful understatement, it is reasonable to assume that these numbers are well on the conservative side.

NOW accounts, as the New England experience shows, are useful and workable tools for all sizes of institutions—small, medium, and large. In New England, 78 percent of commercial banks maintain NOW accounts; 73 percent of savings and loan associations have them; and 87 percent of mutual savings banks have them.

The NOW accounts have been maintained in New England without excessive service charges, without increasing lending rates, and without excessive costs to the financial institutions. As the Savings and Loan News, the official publication of the U.S. League of Savings Associations, stated in its July 1979 issue:

> The lessons learned from the New England experience are that the cost of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price.

New England has proven that H.R. 4986 will work. As Congressman from the First District of Rhode Island, let me assure you that I would not be standing here today asking you to make this nationwide policy if it were not a resounding success in my home State and region.

My friends, it is now September 10. Time is running rapidly on this legislative session. We must meet that court-imposed deadline. I urge you to join me and 252 of our colleagues who have cosponsored this legislation in overwhelming approval of this bill.

Having highlighted the current situation and a brief summary of the provisions of H.R. 4986, I would now like to review in detail the history of the transaction account issue with special emphasis upon the NOW account (negotiable order of withdrawal).

Once again the House returns to the subject of consumer transaction accounts—share drafts, NOW accounts, and automatic transfer accounts, which encompass remote service units. There is only one basic principle involved—clearly stated by H.R. 4986, cosponsored by 253 Members of the House, approved by the full committee with a resounding 35-to-4 vote on Thursday, September 6—that principle is that the consumer, regardless of what type financial institution selected, should have easy access to his deposit and should receive a reasonable return for the use of his deposit, regardless of account categorization. The time has come to eliminate the present regulatory hodgepodge of competing and conflicting approaches to the same consumer service—transaction accounts.

The U.S. Court of Appeals for the District of Columbia Circuit on April 20 made it clear in its decision that it was indeed the responsibility of Congress, not the regulators, to set policy and decide once and for all, whether Congress wanted consumers to have a full range of checking account privileges at all types of depository institutions and an opportunity to be compensated for those deposits. The Court stayed the effective date of its decision until December 31, 1979, in order to afford an opportunity for Congress to act by developing a rational checking account system for all consumers. H.R. 4986 directly speaks to the court decision in all respects and further, by the extension of New England and New York NOW accounts, insures that every financial institution in this Nation will have the opportunity to offer an interest transaction account to its customers. This action is significant deregulation and it must be repeatedly emphasized, it is permissive authority. No one is required to do anything.

A brief review of the history of the NOW account should convince even the most skeptical that the enactment of H.R. 4986 is a logical extension of previous legislative action and in furtherance of virtually every significant financial reform recommendation during the past 10 years.

In 1970, the President's Commission on Financial Structure and Regulation—the Hunt Commission—was established in response to the outflow of funds from depository institutions in 1966 and in 1969–70 caused by the creation of so-called money market instruments raising serious questions over the ability of depository institutions to compete effectively, both in the short and long run, in an excessive inflationary environment. From the consumer standpoint, a central discussion as an integral part of a broad range of consumer recommendations involved the current statutory prohibition against the payment of interest on demand deposits (Banking Act of 1933). The Commission noted with approval the development of third party payment services and the emergence of electronic fund transfer technology suggesting that after a transitional period and continued experimentation that the basic prohibition be phased out.

In 1972, as a result of an initiative of a State chartered mutual savings banks, NOW accounts (negotiable order of withdrawal) emerged for the first time in Massachusetts and in short order in New Hampshire. The account was challenged under State law and upheld by the court, leading to a review of this type account and its relationship to Federal law by your committee in 1973. As a consequence Public Law 93–100 was adopted. The experiment was restricted to the States of Massachusetts and New Hampshire for all federally insured institutions, conferring full regulatory authority in the Federal Deposit Insurance Corporation. FDIC was required to submit periodic reports as to the impact of the experiment on the offering institutions, on the question of competitive relationships and degree of acceptance by the consumer. Within 2 years, the facts clearly attested to the success of the experiment. As early as 1975, former FDIC Chairman Wille, in hearings before your committee, concluded that the dire predictions of several years earlier did not materialize and each regulatory agency witness concluded that NOW accounts are immensely popular and have fully demonstrated that they do provide a vitally needed consumer service with no deleterious effect upon the offering financial institutions. Former Federal Reserve Board Governor Mitchell concluded as follows:

> I think I would call it a success—the NOW account, not only from the standpoint of the public, but also from the standpoint of the institutions.

Again in the same 1975 hearings, on the issue of impact on home mortgage interest rates, the Savings Banks Association of Massachusetts, advised the committee as follows:

> Mortgage rates in Massachusetts remain more than competitive with the rest of the nation, hence, NOW accounts have not raised the cost of borrowing.

Largely as a result of this testimony, the Congress, by its enactment of Public Law 94–222, extended the NOW account experiment to all six New England States. It is significant to note that the Senate recommended national NOW accounts in 1975 with the passage of S. 1267 on December 15 and that the FINE study (financial institutions and the Nation's economy), conducted by your committee in the 94th Congress, concluded that the consumer should not be required to bear the brunt of comprehensive financial reform and in the legislation emanating from the FINE study recommended the authorization of NOW accounts for all financial institutions desiring to respond to obvious consumer demand. Due to the short time remaining in the 94th Congress and the comprehensive and complex nature of a number of financial reform recommendations, your committee was unable to complete its deliberations in time for House action.

In the 95th Congress, several financial reform proposals were submitted by the new administration, once again recommending the authorization of national NOW accounts. Hearings were held by the Senate Banking, Housing and Urban Affairs Committee on the provisions of S. 2055 and by the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Banking, Finance and Urban Affairs Committee on a companion bill, H.R. 8981 on September 7, 1977. The House subcommittee again received testimony from New England financial institutions, regional regulators, the Federal Deposit Insurance Corporation, and accepted statements from consumer groups for the printed record.

Former Chairman George A. LeMaistre, in a strong statement of support for national NOW accounts, stated in part the following:

> At the outset, I would like to emphasize that we at the FDIC support the proposal to expand NOW accounts authority nationwide. Our reasons for strongly supporting this step are set forth in my testimony.
>
> Not only do we think this step will bring customers in the rest of the nation the benefit of a new and convenient service that has been enjoyed by the citizens of New England, but we think it will also result in a more efficient allocation of bank resources.
>
> The longrun benefits to banks resulting from direct competition through the pricing mechanism rather than the implicit payment of interest will lead to savings which more than offset any temporary decline in earnings that may occur in the early months of offering NOW accounts.
>
> The growth and success of NOW accounts in New England reflect consumer acceptance of this service. Moreover, the experience of institutions in New England indicates that thrifts and commercial banks both can compete in a wholly safe and sound fashion.
>
> At present, we know of no bank that is on the FDIC problem list as a direct or indirect result of NOW accounts. Our examiners report that the ability of an institution to manage change and maintain profitability still depends predominantly upon the caliber of its management.

Former FDIC Commissioner of Banks, Commonwealth of Massachusetts, Carol S. Greenwald concluded her testimony as follows:

> I want to conclude by saying it is obvious NOW accounts have been a useful and popular bank service in New England. Certainly the most popular financial innovation in decades.
>
> It seems to me Congress should allow the rest of the nation to enjoy the benefits of an interest-bearing checking account. It seems odd to me you would legislate a lower rate for your hometown constituents than you will for mine. I think you should think about that.
>
> Clearly the fears about the costliness of NOW accounts on the safety and soundness of the banking industry have not been borne out by the actual experience of New England banks, and Congress should not be swayed by these unfounded fears into authorizing a rate ceiling so low that they deny the public much of the benefits from NOW accounts.

Boston Federal Home Loan Bank President Elliot's testimony, in light of some of the fears being expressed today by small bankers and executives of small savings and loan associations, is particularly informative:

> I should say at the outset that we want to keep in mind there are 554 thrift institutions in New England, with over 1,800 offices and assets of approximately $50 billion. As you know, some parts of New England are now completing 5 years of experience with the NOW account.
>
> The staff of the Federal Home Loan Bank of Boston and I have been vigorous supporters of the NOW account and its extended use throughout New England. In June of this year I testified before the Senate Subcommittee on Financial Institutions and supported Title I of S. 1664, which authorized NOW accounts nationwide.
>
> The NOW account viewed in proper perspective is a success. It has experienced significant acceptance by consumers and its usage is growing. It has been offered to the public by a large and growing number of financial institutions in each state where it has been authorized, and an overwhelming majority of managers of those institutions supports its continued use and, indeed, its extension nationwide.
>
> The interest rate structure currently in effect in New England has permitted maximum marketing flexibility and should be continued and utilized on a uniform nationwide basis. The NOW account is working well in its intended role.
>
> I mentioned earlier the increasing usage by the public and the growing number of offering institutions. Let me illustrate by the use of just a few figures taken from the June 30, 1977 report of the Federal Reserve Bank of Boston.
>
> There are at present approximately 1,500,000 NOW accounts for the 4 million households in New England with outstanding balances well over $2.25 billion. That is a significant figure, but its growth is even more so.
>
> In December of 1972 the figure was $45 million with only two states, Massachusetts and New Hampshire, offering NOW's. As of February 1976, the total has grown to $942 million.
>
> In the 1½ short years since then, with developments in the four other New England states, the total has more than doubled to $2.25 billion. Surely the consumer is delighted with the NOW account.
>
> The number of offering institutions is equally impressive. At the end of June 1977, 655 institutions out of 943, or 69 percent, were offering NOW accounts in Massachusetts and New Hampshire, with their longer NOW history, the figure moves to 79 percent for all institutions and to a very impressive 83 percent for thrift institutions.
>
> The penetration demonstrated by these figures is overwhelming evidence that the financial institutions in New England recognize a need and a desire on the part of the consumer for a transaction account—a NOW account. These institutions represent a broad cross section of the New England financial community.
>
> In the case of the thrift industry, the representation is exceptionally broad, ranging from one very small institution with assets of $3 million and a staff of three people to institutions with assets of over $1 billion.
>
> NOW accounts were adopted and implemented easily by the thrifts electing to offer them. The procedures were not onerous, and even the small institutions with small staffs and unsophisticated equipment were able to initiate and operate this service smoothly and successfully.
>
> The secret, of course, is that each institution's Board of Directors and management team must decide how to conduct its own program to serve its own service area consumers in its own way.
>
> Each institution must decide on how widespread its marketing approach will be, how competitive its pricing program will be and how it wishes to meet its competition. It is significant to note that many institutions, large and small, deferred their participation until they concluded it was in their best interest to offer this program. Others have elected to remain out of the NOW area even to this date.
>
> Critics of the NOW account point to excessive costs and declining profits of offering institutions. I suggest that the problem lies not with the product but with the merchandiser.
>
> I further suggest that it is not the role of legislators or regulators to involve themselves in the management process, but rather to provide the institutions with the capability of offering a wide variety of services to the public.
>
> Costs and profits are determined by the pricing and marketing strategies selected by management, not by the operational latitude permitted by legislators and regulators. The NOW account is an excellent example of such public-serving operational latitude.
>
> It is my firm opinion, however that Americans are Americans wherever they might live, and that consumers are interested in the same conveniences and earnings opportunities irrespective of their place of residence.
>
> It is further and equally my strong conviction that the financial institutions throughout our United States are perfectly capable of providing the NOW account service to their customers at least as well as their New England counterparts have done.
>
> I also find it hard to believe there is anything unique or special about New England financial institutions.
>
> I am absolutely convinced that other financial institutions throughout the country could offer the account and manage the

> account and manage its profitability at least as well as those in New England.

Your committee as a result of serious questions relating to the operations of national banks and their supervision by the Comptroller of the Currency coming in the aftermath of a number of large bank failures concentrated its efforts on major regulatory agency supervisory amendments, culminating in the enactment of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1979. Significantly and relevant to the transaction account issue is the fact that Public Law 95-630 extended the New England NOW account "experiment" to the State of New York.

During the second session of the 95th Congress, the President established a task force, chaired by the Treasury, to examine our system of deposit rate controls. All concerned members of the executive branch and all Federal regulators of depository institutions were represented. The task force concluded as one of its most important recommendations that the administration should again seek to obtain congressional approval for interest-bearing transaction accounts, first proposed by the current administration in 1977 as S. 1664 (S. 2055, H.R. 8981).

Notwithstanding favorable action by the Congress with the adoption of Public Law 93-100, Public Law 94-222, and Public Law 95-630, executive branch commission and task force recommendations and thoroughly documented hearings related to the NOW experiment, extending over a 6-year period, the Court of Appeals for the District of Columbia on April 20, 1977, squarely presented the issue of national transaction accounts and the preservation of existing accounts and services illegally authorized by Federal regulatory agencies to the Congress for action by December 31, 1979, the effective date of the court decision. The court consolidated three pending suits initiated by those who sought to terminate transaction accounts or services enjoyed by millions of consumers as a result of regulatory innovation (share drafts of credit unions, automatic transfer accounts of commercial banks and remote service units of savings and loan associations), leaving in place only New England and New York NOW accounts, specifically authorized by Congress. On April 5, 1978, resisting the efforts of those who sought to repeal the regulation of the Federal Reserve authorizing the automatic transfer of funds from savings to checking accounts at commercial banks, I introduced H.R. 11896, the forerunner of H.R. 4986, the measure before the House today. In my floor statement of March 22, I stated the following:

> I plan to introduce legislation to provide clear authority for consumers to receive interest on checking accounts in all types of federally chartered depository institutions.
>
> This legislation will be designed to end the charade over checking accounts which has cost the American consumer millions of dollars in lost interest and great inconvenience. At this moment, we have a myriad of Federal laws and regulations which do nothing but hamstring the checking account customer and dampen competition among financial institutions.
>
> It is time to stop this banking by gimmickry and allow the consumer a straightforward freedom of choice in handling his checking account. The depression-generated fears about the volatility of checking accounts are long outmoded and are groundless in an industry now highly sophisticated and with accounts backed by $40,000 of Federal insurance.
>
> Mr. Speaker, I do not anticipate that the payment of interest on checking accounts will cause any substantial increase in the costs of banks and other financial institutions.
>
> Financial institutions will compete for these funds on a straight price basis and will be a position to give up many of the costly giveaways and other gimmicks now employed to attract deposits. The direct competition in the marketplace—on the basis of explicit price—will be beneficial to both the financial institutions and the consumers.

In order to meet the court deadline, the Subcommittee on Financial Institutions announced immediate hearings on the provisions of H.R. 3864. Those hearings were held on May 15, 16, 17, and June 12, 13, 14.

At the conclusion of these extremely thorough and comprehensive hearings, a broad basis for support for dealing directly with the nationwide transaction account clearly emerged as did the belief that it would be unconscionable to jeopardize services in existence today or to deny their benefits to the rest of the Nation while debate continued on a number of so-called financial reform measures that in one form or another have been attendant at all financial institutions legislative deliberations in the past decade. Deputy Treasury Secretary Carswell, appearing on behalf of the administration, on June 14 made this point clear when he stated the following:

> As you know, on May 22 the President outlined in a message to the Congress a broad legislative program to promote fairness to small savers, facilitate stability in housing finance and modernize depository institution services. Authorizing depository institutions to offer interest-bearing transaction accounts is an important part of the President's program.
>
> In response to consumer demand, credit unions offer share draft accounts throughout the country, and the commercial bank regulators have authorized automatic transfer accounts nationwide. In New England and New York, NOW accounts are authorized and are widely offered. The Federal Home Loan Bank Board has authorized Federally-chartered thrift institutions to operate remote service units for depositors. Now the Court of Appeals for the District of Columbia has held that, except for state authorized services, many of those arrangements contravene the statutory prohibition against the payment of interest on demand deposits by commercial banks and against the offering of demand deposits by savings and loans and credit unions.
>
> That decision is not effective until January 1, 1980. When it becomes effective, it will adversely impact more than 750,000 bank customers, 1,000,000 credit union members and many depositors at about 200 savings and loan associations.
>
> THE NEW ENGLAND EXPERIMENT
>
> Finally, we think it clear that interest-bearing transaction accounts have proved themselves. The New England experiment has been a success, both for depositors and for financial institutions. The high level of consumer acceptance of NOW accounts, which were first introduced to the public in Massachusetts and New Hampshire in 1972, is evident in the data. For instance, in early 1973, about 75 savings banks in Massachusetts and New Hampshire held approximately 44,300 accounts with deposits totalling $46 million. Thereafter, NOW account powers were extended to the remaining New England states. By August 1978, there were more than 2 million NOW accounts with $3.4 billion in deposits in New England's institutions for an average balance of $1,700. New York commercial banks and savings banks received authority to offer NOWs in November 1978; by early 1979 New York institutions had well over 220,000 accounts with balances of over $1 billion.
>
> A final measure of the popularity of the NOW account with the consumer can be found in the number of accounts per 100 households for the New England states. As of March 31, 1979, for example, there were 20.8 NOW accounts per 100 households in Connecticut, 26.6 NOW accounts per 100 households in Maine, 82.2 NOW accounts per 100 households in Massachusetts, 79.8 in New Hampshire, 11.9 in Rhode Island, and 17.9 in Vermont.
>
> While the period following the introduction of NOW accounts in Massachusetts was costly for depository institutions due to competition, subsequent experience in that state and elsewhere in New England has not resulted in a serious financial burden on the offering institutions. Nor have the competitive relationships between commercial banks and thrift institutions been markedly altered. These accounts are a viable new banking service popular with depositors.
>
> *It does not follow, however, that all these issues must be resolved at once. Interest-bearing transaction accounts are an important part of the Administration's financial reform package . . . Nevertheless, there is no reason why the Congress cannot choose to deal first with this issue.* (Empasis added.)

Subcommittee markup occurred on July 26. By voice vote, the subcommittee reported out a clean bill, H.R. 4986. In response to our colleague letter of July 30, 253 Members joined in cosponsoring this urgent legislation. The colleague letter is set forth in its entirety as it succintly makes the case for an immediate and effective response to the April appellate court decision. It highlights consumer benefits to date and disposes of the red herring raised by some as to impact on offering institutions.

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., July 30, 1979.*
>
> DEAR COLLEAGUE: On Thursday, July 26, your Subcommittee on Financial Institutions reported to the full Banking Committee a bill to provide nationwide NOW accounts; to authorize share drafts at credit unions in all 50 states; to authorize remote service units; and to authorize automatic transfer accounts for commercial banks. A clean bill—H.R. 4986—was introduced on Friday and now has 34 co-sponsors on the full Banking Committee. A statement explaining the new bill, a section-by-section analysis and the text of the bill appear in the RECORD of July 27 beginning on Page H 6824.
>
> We know you have all been receiving mail from your constituents in support of the bill and we hope it will move through tne full Committee as quickly as possible. The legislation is in response to the April Appellate Court decision which overturned the share draft, remote service unit and automatic transfer account regulations. The Court extended the effect of their ruling until January 1, 1980, in order that Congress could respond legislatively.
>
> As we mentioned earlier, the bill would extend NOW accounts nationwide. This provision of the bill would go into effect on September 30, 1980, to allow all institutions

more than adequate time to make sound business judgments and to adequately prepare for the offering of the new service and to insure competitive equality among the institutions. Data drawn from the records of the supervisory agencies show graphically the benefits to consumers from NOW accounts:

For the month of November, 1978 (one month):

Commercial banks in New England paid $8,683,000 in interest on NOW accounts and imposed $323,000 in service charges—*a net to consumers of $8,360,000;*

Mutual savings banks paid $4,056,000 in interest and imposed $219,000 in service charges—*a net to consumers of $3,837,000.*

Savings and loan associations paid $1,755,000 in interest and imposed service charges of $96,000—*a net to consumers of $1,659,000.*

A savings and loan publication—Savings & Loan News—carries in this month's issue an article on the New England NOW experience. We quote from the article:

"The lessons learned from the New England experience are that the costs of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price."

With the clear success of the NOWs in the six New England states and more recently in New York State, it is a matter of simple equity to extend this privilege to the citizens of the other 43 states. The bill is backed by the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Mutual Savings Banks, the Public Interest Research Group, the Grey Panthers, the National League of Insured Savings Associations, the Consumer Federation of America, the AFL-CIO and Congress Watch. In addition, the bill is supported by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation and strongly supported by the Treasury Department on behalf of the Administration.

In these times of double-digit inflation, this legislation is a marvelous opportunity for us to give our constituents an opportunity to earn interest on their idle checking account funds.

We urge you to join us in co-sponsoring H.R. 4986. Please call the Subcommittee at 5 3851 or 5 7141.

Sincerely,

Fernand J. St Germain,
Chairman.

Chalmers Wylie,
Ranking Minority Member.

Finally, inasmuch as the court decision encompassed remote service units (RSU's) authorized by the Federal Home Loan Bank Board, H.R. 4986 specifically authorizes these extremely popular units. Former Federal Home Loan Bank Board Chairman McKinney, in testimony before the subcommittee, advised that the ruling affected almost 3,000 separate installations representing an interest of approximately $10 million by Federal associations and that account holders had account balances in excess of $2.65 billion accrued by their individual debit cards. To obtain clarification of legislative treatment of the issue, an exchange of correspondence took place prior to the markup. Those letters in their entirety follow:

House of Representatives,
Washington, D.C., June 22, 1979.
Hon. Robert McKinney,
Chairman, Federal Home Loan Bank Board, Washington, D.C.

Dear Mr. Chairman: In an effort to dispel some of the confusion which arose Wednesday on the subject of RSU's versus CBCT's caused primarily by the language (Sec. 5, page 3) appearing in the Annunzio substitute, H.R. 4305, a copy of which is enclosed, and in furtherance of discussions between members of our respective staffs, it would be helpful to obtain from the Board a brief explanation of the Board's existing RSU policy plus a summary of experimental RSU units approved by the Board. In keeping with my stated intention upon introduction of H.R. 3864 to resist efforts to encumber this direct response to the Court decision with a number of collateral issues, in my substitute, a copy of which is enclosed, you will note that I proposed simple statutory approval of the existing Board policy practices and procedures relating to the experimental RSU program, avoiding any reference to the branching issue. Your interpretation, of course, of the original bill, appearing on page 8 of your statement, was correct. There was no need to refer to RSU's in the statute provided the basic prohibition against payment of interest on demand deposits was repealed as originally proposed.

In my substitute to insure a timely response to the Court decision, I eliminated the demand deposit interest prohibition repeal language, necessitating, according to your staff, a statutory reference to RSU's to be certain that we, in fact, have dealt with all aspects of the recent Court of Appeals decision.

I have been advised that the Home Loan Bank Board has maintained its consistent policy in its conduct of the RSU experimental program and has not authorized any out-of-state RSU's. I understand that legally there are several savings and loans who, in fact, have multi-state branches under previous grandfathering authority and that technically an application from a grandfathered savings and loan could, in fact, have inter-state ramifications. In light of your decision, to postpone further action by the Board on its proposed District of Columbia experiment for a reasonable time after the submission of the Administration's recommendations on the McFadden Act, due on September 19 pursuant to the provisions of the International Banking Act of 1978, I would like your assurance to the Subcommittee that no such applications will be entertained until such time as the Subcommittee has had an opportunity to receive and review the Administration's McFadden Act recommendations. Such a review should be conducted without drawing distinctions between financial institutions to insure competitive equality.

It remains my judgment that the Court of Appeals decision of April 20 is in no way responsible for the so-called competitive imbalance created by CBCT restrictions relating to commercial banks versus experimental RSU's for savings and loan associations in as much as the practical effect of the 1976 decision of the U.S. Court of Appeals in the case of *IBA* vs. *Smith* impacts on unit bank and limited branching states only.

It is my hope and expectation since the McFadden study will soon be submitted that the Board will postpone any further approval action in limited branching states, as well, to avoid further exacerbation of the current situation for, in my judgment, to endeavor to deal with McFadden in the context of transaction accounts will unnecessarily complicate a clear public interest response to the Court decision encouraging those who seek merely a postponement of the effective date of the Court Order or who seek to deny the benefits of NOW accounts to the residents of 43 states.

I trust that you share my views in this regard and I would appreciate your response by Friday, June 29, 1979.

Sincerely,

Fernand J. St Germain,
Chairman.

Federal Home Loan Bank Board,
Washington, D.C., June 29, 1979.
Hon. Fernand J. St Germain,
Chairman, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: This is in response to your letter of June 22, 1979, concerning remote service units. You asked for a brief explanation of the Bank Board's existing RSU policy plus a summary of experimental RSU units approved by this agency. You also asked for our assurance that interstate RSU applications by institutions with grandfathered interstate branches would not be considered by the Bank Board until a reasonable time after the McFadden Act study is reviewed by Congress next fall, and further expressed hope that we would postpone any future approval action in limited branching states, as well. In addition, you enclosed a copy of an amendment (in the nature of a substitute) to H.R. 3864 containing explicit language authorizing Federal S&Ls to have RSUs.

To begin with, we would like to express our thanks for your willingness to provide clear statutory authority for RSU service by Federal associations. Our findings from the RSU experience thus far have led us to believe that there are definite benefits from electronic banking to be derived by both consumers and Federal S&Ls, particularly in the areas of: complementing existing Federal association service delivery networks; increasing market shares; and reducing transaction costs. Our promulgation of permanent RSU regulations last summer reflected our conviction that electronic banking has a definite place in the future of the S&L industry, and that more resources and dollars to develop the RSU concept would be forthcoming under the aegis of a permanent regulation than in the context of a temporary experiment. Pursuant to your request, we have also attached a summary of RSU units approved by the Bank Board.

In light of the recent U.S. Court of Appeals decision, the Bank Board has decided as a matter of policy to declare a moratorium on all future or pending applications for new RSU projects. This moratorium will encompass not just brand-new projects, but also applications by Federals to join projects not approved previously by the Bank Board. It will not extend, however, to additions to, and adjustments in, existing projects. For instance, the Bank Board would continue to entertain applications for new Federal participants in existing projects; modifications of operating procedures for previously approved systems; and expansions by addition of site. However, since April 20, the date of the Court's decision, we have received only seven requests outside the scope of the moratorium. These have involved requests for site expansion, extension of time to open approved sites, and waiver of a regulatory condition, and have come from associations in Ohio, California, Florida, Nebraska, Kentucky, and Minnesota. It has been our experience that such modifications are often very necessary for competitive and marketing reasons.

During the period of uncertainty prior to January 1, 1980, however, applications processed will be evaluated from the standpoint of the ability of the applicant to afford to lose its investment, and applicants will be notified formally of the existence and import of the U.S. Court of Appeals decision.

As a practical matter, I trust that the Bank Board's moratorium policy will satisfy your concerns regarding RSU operations in the interstate and limited branching state contexts. Of the ten Federals eligible, by virtue of grandfathered out-of-state branches, for interstate RSU operations, only one has ever sought approval of an interstate facility, and that application was subsequently withdrawn. We are unaware of any new applications of this kind being prepared. Moreover, we regard it as very unlikely that any would be submitted during the period affected by the Court's decision. Regarding the applications in limited branch States, the Court's decision, as one would expect, has had a distinct chilling effect upon interest in even modifying RSU projects, and we likewise doubt that, practically speaking, the Bank Board need alter its moratorium during the period in question in order to avoid interfering with our mutual legislative goals.

We appreciate your inclusion of overdraft authority for Federal associations' use in connection with transaction accounts in your substitute bill. As you know, we feel very strongly that this is an essential requirement if thrift institution transaction accounts are to be competitive with commercial bank transaction accounts and attractive to consumers. As a technical point, we would prefer that the substitute use the phrase "overdrafts with regard to" NOW accounts in the interest of greater clarity.

Sincerely,

ROBERT H. MCKINNEY,
Chairman.

The RSU language in H.R. 4986 addresses one question—are RSU's going to be authorized by Congress or not? The Court of Appeals for the District of Columbia Circuit, rightly or wrongly, forced consideration of this matter in this legislation. The language authorizes Federal savings and loan associations, pursuant to FHLBB regulations, to establish RSU's. The bill does not address other issues related to the electronic terminal question. Specifically, it does not address the branching question implicit in the establishment of an RSU. That matter will be explored in the context of an anticipated full review of the McFadden Act. This bill seeks to address the question of interest bearing transaction accounts raised by the Court of Appeals and to meet the court's deadline.

On September 6, your committee reported out H.R. 4986 with an amendment by a resounding 35-to-4 vote and directed your chairman to expedite consideration of the bill by having it placed on the suspension calendar, in order to afford the Senate an opportunity to complete action well in advance of the court deadline or even earlier regulatory agency deadlines.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. Yes; I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would just like to ask one question. In the gentleman's experience and where it has occurred, have those commercial banks which have used it been the small banks in the small towns?

□ 1230

Mr. ST GERMAIN. Yes, sir, New England has the small banks and the small towns.

Mr. VOLKMER. Without any additional costs to either depositors or investors?

Mr. ST GERMAIN. The way they operate is with minimum balances, which range from $300 to $500, and they found that, by using that, they have been able to provide the benefits to the consumers and to compete with the larger banks and S. & L.'s in the area.

Mr. VOLKMER. By requiring the minimum balance?

Mr. ST GERMAIN. They require a minimum balance. And if they go below, then they are charged for the checks, as they are on the regular checking accounts.

Mr. VOLKMER. I thank the gentleman very much.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. ST GERMAIN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, earlier this morning I received a call from our colleague, the gentleman from California (Mr. ROUSSELOT), who was not able to return today, and he had some concerns—perhaps they are not well founded—about the bill in its final form as it was reported. It apparently has to do with whether or not States are allowed the discretion of permitting NOW accounts, or are they required under this bill, mandated to allow it?

Mr. ST GERMAIN. This is permissive legislation.

Mr. BAUMAN. So that any State could pass a State law forbidding them if they so wish?

Mr. ST GERMAIN. Yes, insofar as State-chartered financial institutions are concerned.

Mr. BAUMAN. I thank the gentleman.

Mr. ANNUNZIO. Mr. Speaker, will the distinguished chairman of the subcommittee yield 2 minutes to me for the purpose of clarifying some of the points in the legislation?

Mr. ST GERMAIN. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, the chairman of the subcommittee, the gentleman from Rhode Island, has worked long and hard on this legislation, and he has done a very conscientious job. Although I voted against the legislation in subcommittee and voted against the legislation in full committee, I am concerned that there will be a stand made by the banking industry to interpret the effect of this legislation as a desire on the part of the Congress to remove the savings rate differential between commercial banks and savings and loan associations.

As the gentleman well knows, this one-quarter of 1-percent differential has helped the savings and loan industry attract millions of dollars which has been used in long-term mortgage loans. Without that differential many Americans would not be homeowners today.

The banking lobby had hoped to get an amendment tacked on this bill that would have eliminated the differential, however, because such an amendment would have been nongermane it was not offered. Quite frankly, I wish that it had been offered so that we could have defeated the amendment resoundly.

Given that background I would like to ask the chairman of the subcommittee if there is anything in the bill today, anything in the committee markup, anything in the subcommittee markup, or anything during the hearings of this legislation that would suggest that the Congress or the committee consider NOW accounts to be in any way tied into the question of the differential?

Secondly, I would like to ask the chairman if NOW accounts are to be considered as a trade-off at some future date for removal of the differential?

Mr. ST GERMAIN. Mr. Speaker, I would like to state to my colleague that I concur fully with his remarks.

I am happy to reiterate our position and that of the committee as a result of our colloquy during full committee markup last Thursday.

In response to the gentleman's question, let me state in no uncertain terms that NOW accounts are today being considered on their own merits, based solely upon their demonstrated success, from every perspective, in New England and as of last year in New York.

H.R. 4986 responds directly to the April 20, 1979 decision of the U.S. Court of Appeals for the District of Columbia Circuit plus extending to the rest of the Nation's financial institutions permissive authority for the offering of NOW accounts as a consumer service.

I reject summarily the efforts of some to hold hostage—and I emphasize "to hold hostage"—or leverage or trade off the most innovative consumer benefit in recent memory in the name of so-called financial reform.

I assure the gentleman that since our last colloquy I have also spoken with Members of the Senate and made it clear to them that in no way would we accept any legislation where they try to tack on any removal of the differential or anything relative to it, because, No. 1, it would be nongermane and subject to a point of order. So the gentleman is protected in that manner. I concede to no one my emphasis and my dedication to the fact that we are not considering the differential on this bill. We are answering the court decision and extending NOW accounts nationwide.

Mr. ANNUNZIO. Mr. Speaker, I thank my distinguished friend, the subcommittee chairman, the gentleman from Rhode Island (Mr. ST GERMAIN), for his very positive and effective statement and for making this legislative history that will be so important when we go to conference with the Senate.

Mr. Speaker, the NOW account bill before us today is one gigantic piece of costume legislative jewelry. It purports to be something that will greatly help consumers by paying them interest on checking accounts when, in fact, it will do nothing to help small depositors and in actuality will hurt them. There is nothing in this legislation to help 35 million checking account holders in this country who have balances of less than $200. The NOW accounts, as has been shown throughout the area where they are now offered, will require such high minimum balances that only the wealthy will be able to afford these accounts.

Had this legislation not been brought up under a procedure which prohibits amendments, I had planned to offer an amendment today that would make certain that NOW accounts would be available to everyone. At the same time my amendment would allow financial institutions to impose service charges on those accounts with small balances and high activity so that the financial institution is not forced to suffer a loss on the account. This amendment would help both the small saver but would not penalize the financial institution by limiting service charges. It gives everybody a chance to get a piece of the action rather than making the bill only a vehicle for the rich.

Unfortunately, not only are we voting today on a bill that will help only the rich, but because the bill is being brought up under the suspension of the rules, we will not even have an opportunity to amend the bill to correct the glaring defeat. It is for that reason that I urge that we defeat this legislation, and at the very least allow it to come up under a procedure that would allow amendments.

Let me take just a few minutes to discuss some of the basic problems of this legislation.

The financial institutions have indicated that if they begin paying interest on deposits they will pay for these costs by increased fees and interest rates in other areas. That means that the little guy will suffer doubly because he or she will not be able to get a NOW account but will have to pay for the rich man's pleasure in the form of higher interest rates and service charges in other areas.

It will be argued that the marketplace will take care of the small depositor and that the New England experience with NOW accounts shows that the little guy will get a break. The facts, unfortunately, do not bear out those premises. You will be given some glowing statistics about the New England NOW account experience, but I would point out that those statistics are nearly a year old, and since that time virtually every financial institution offering a NOW account in New England has increased the cost of those accounts.

Why are we not provided figures that show the current status? The biggest reason is that if the current figures were given it would show that the small consumer is not getting a fair share of the pie.

And what about the latest State to offer NOW accounts, New York. Banks in that State require huge minimum balances in order to get a NOW account—including Citibank which says that anybody can have a NOW account provided they have a minimum balance of at least $3,000.

If you think the little guy is getting a break in New York State, consider that the average balance in NOW accounts in that State is $7,000. I wonder how many of your constituents have $7,000 in their checking accounts?

Let me also point out, as far as competition is concerned, that the small financial institution will not be able to offer either interest-bearing checking accounts or NOW accounts because of the huge costs to the financial institution involved, in providing these services. Even in New England, which has had NOW accounts for several years, many financial institutions, particularly the small ones, do not offer NOW accounts, and the main reason is that they cannot afford them. What is going to happen to the small financial institutions in your State if we allow interest-bearing checking accounts or nationwide NOW accounts? I will tell you exactly what will happen. The large financial institutions will begin moving into your area through the mails and through newspapers, radio and television advertising offering NOW accounts. The small institutions will lose these customers. We will not have to worry about removing the prohibitions against banking across State lines because that will be done through the use of a 15-cent stamp.

If you think this is just so much blueskying, consider what has happened to the small financial institutions in the credit card field. When financial institutions were limited to offering one type of credit card, there was a great deal of competition among financial institutions. But when someone in the Justice Department decided that competition would be increased by allowing financial institutions to offer more than one credit card, competition virtually dried up. The big banks began marketing credit cards throughout the country and one bank alone, New York Citibank, went into 28 States offering their credit card. Thousands, and in fact millions, of credit card customers were lured out of your district and from your hometown financial institutions by sweet-talking Citibank credit card promotions. They were led to believe that they would be getting a better deal with Citibank, when in fact, they could have gotten the same deal from the hometown bank.

Now let us look at the record and see what has happened to all this competition following the Justice Department allowing financial institutions to offer more than one card. We now find that 35 banks in this country issue 50 percent of all the bank credit cards. With some 14,000 commercial banks in this country, we see a split where 35 banks control 50 percent and the remaining 13,965 banks are left with the remaining 50 percent. That's the kind of so-called competition we will get with interest bearing demand deposits or nationwide checking accounts.

Not only will consumers lose directly on NOW accounts, but even consumers who do not use the accounts will suffer because financial institutions will increase rates on loans and other services in order to make up for their costs of NOW accounts.

In closing, let me ask the question: who wants NOW accounts or interest bearing checking accounts? It has been reported that thousands of letters have been received asking for these services. I have received many letters from credit union members and credit union officials asking for a continuation of the share draft authority. I have not received a single letter, a single telephone call or, in fact, a single inquiry asking for interest-bearing checking accounts or NOW accounts.

Mr. Speaker, H.R. 4986 is not a classy bill, it is a class bill designed to help only the rich while totally ignoring the millions of men and women who will not be wealthy enough to get a NOW account.

I urge the Members of the House to vote for the defeat of this legislation.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman in the well and his committee for bringing out a balanced bill that allays the fears and the problems that were in the earlier bill. I think it is fair to all groups, certainly to the credit union members. The gentleman has done a good job in terms of assisting the consumer interests. I want to commend the gentleman.

Mr. ST GERMAIN. I thank the gentleman.

Mr. Speaker, before I reserve the balance of my time, I would want to take a moment to commend the minority and to thank the minority for their cooperation and assistance in coming up with a piece of legislation here that answers the needs and the necessities of the consumers of this Nation. It is a piece of equitable legislation. It is a clean bill. I repeat what I said to my colleague, the gentleman from Illinois, and I want to thank the minority, the ranking minority member, the gentleman from Ohio (Mr. STANTON), and the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WYLIE), for their tremendous assistance, because we have shown to the public here also that when we have to act expeditiously we can do it.

Mr. Speaker, I reserve the balance of my time.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4986, the Consumer Checking Account Equity Act of 1979, and I wish to commend the distinguished chairman of the full committee (Mr. REUSS) and the distinguished chairman of the Subcommittee on Financial Institutions (Mr. ST GERMAIN) for their expeditious action in bringing this bill to the floor. I might say it has been a real pleasure to work with the knowledgeable and easy-to-work-with gentleman from Rhode Island. I would like to say the ranking minority member, Mr. STANTON, has been most helpful and his support was meaningful.

Many of us have received scores, if not hundreds, of letters from credit union members who would be deprived of their share draft accounts on January 1, 1980, under the Federal court decision handed down last April, unless we act. Customers of commercial banks who use automatic transfer services to transfer funds from their savings to their checking accounts and customers of savings and loan associations who use remote service units at shopping centers and other high-traffic locations will also welcome passage of this bill. Since most of the debate and virtually all of the controversy will no doubt concern the provision of the bill which would authorize commercial banks and savings and loan associations to offer negotiable order of withdrawal (NOW) accounts, as of September 30, 1980, I woud like to take most of my time to address this issue.

Nearly 4 years ago I stood in this well and spoke in opposition to a proposal to authorize NOW accounts nationwide. At that time I described this as a "no-win" issue and stated that my mind was "almost in equipoise." Whereas 4 years ago the savings and loans were for NOW accounts, many of them are now against them. Some independent bankers are also against this bill. After attending the extensive hearings on this legislation, I feel differently about the misgivings which I had 4 years ago, and have come to think there might be real advantages which NOW accounts can offer to the consumer. The funds belong to the customers. I would be inclined to permit the payment of interest on all deposits—anywhere, anyplace, any time. I recognize we could not go that far today even if we wanted to.

Advantages for customers: The widespread acceptance which NOW accounts have enjoyed among customers of depository institutions in New England and New York serves as eloquent testimony that they appreciate the opportunity to combine their savings and checking accounts and to earn interest on the whole amount. There is no reason to force the customer to endure cumbersome administrative procedures in order to gain access to his funds. Customers ought to be able to get the most favorable possible terms for depositing funds in financial institutions and to have convenient access to the funds when they are needed.

The fact that all customers may not benefit from an interest-bearing checking account is not a justification for denying all customers the opportunity to choose. It has been argued the cost of NOW accounts will be offset by the imposition of service charges, except in such States as New York, which prohibit such charges. I would point out that the increasing cost of offering this labor-intensive service is causing many financial institutions to take a hard look at the economics of the checking account and that a refusal to authorize NOW accounts is no assurance that service charges will not be imposed in any event. Moreover, there is no virtue in requiring an institution to subsidize a particular service and to stimulate its overutilization. Someone has to pay for costly services, so it might as well be the person who decides when the service will be used and who benefits most directly from it. To paraphrase a famous maxim, "There is no such thing as a free check."

It has also been suggested that NOW accounts will result in increased costs to borrowers and that NOW accounts will benefit only those customers who have balances in excess of $1,000 and who write relatively few checks. These statements ignore the incentive effect of the payment of interest on transaction accounts. If customers are offered the incentive of interest payments, they are more likely than otherwise to make their funds available to borrowers through depository institutions. Furthermore, when customers are permitted to combine their savings and checking accounts, the total amount exceeds $1,000 in the vast preponderance of cases, so that the account becomes economical for both the depositor and the institution.

Finally, I would point out that at the present time the incentives facing the individual are heavily tilted toward spending and borrowing and against saving. The borrower is provided with a tax deduction for the interest expense and has the opportunity to repay the loan in cheaper dollars as a result of inflation. The saver, on the other hand, is taxed on the interest which he receives, even though the effect of inflation often results in a negative real return. If the Nation's economy is to obtain the investment funds needed to improve its rate of growth, the balance must be tipped back toward the saver, and this bill can be an important step toward that end.

Effect upon depository institutions: Four years ago on this floor I referred to the testimony of then Chairman Frank Wille of the Federal Deposit Insurance Corporation that NOW accounts did not lead to widespread disintermediation and hardship for institutions in Massachusetts and New Hampshire, where they were first authorized. As I mentioned earlier, I was not convinced of the merits of NOW accounts, because the views of the experts were in disagreement. Since the authorization for NOW accounts has been extended to all New England and New York, NOW accounts have consistently received the support of Federal and State authorities charged with overseeing the supervision of depository institutions, support which they would never provide if there was any substantial basis for the belief that NOW accounts could constitute a threat to the safety and soundness of these institutions.

Many banks and savings and loans are now facing or expect to face intense competition for funds, not only from other regulated depository institutions, but also from money market funds offered by unregulated financial institutions and even from nonfinancial firms which may sell their debt to the public in small denominations.

FUTILITY OF CONTINUED PROHIBITION

The existence of numerous money market funds, which as an industry now command more than $30 billion of funds, and which stand ready to pay the customer interest at a rate exceeding 9 percent on balances as low as $1,000, from day of deposit to day of withdrawal, and which permit the customer to pay a third party by means of checks in amounts as small as $500, virtually insures that the days of the longstanding prohibition upon the payment of interest on demand deposits are numbered and that the number is a small one. Depository institutions are resorting to an infinite variety of methods, most of them expensive and inconvenient, to avoid the prohibition, and their unregulated competitors are offering interest-bearing demand deposits in successful competition with traditional depository institutions.

As far as I am concerned, it would be more realistic and desirable to consider the original version of this bill, H.R. 3864, which provided for the outright repeal of the prohibition against interest-bearing demand deposits. The present bill represents a compromise, in that the prohibition is retained on existing checking accounts and the authorization of nationwide NOW accounts is not scheduled to take effect until September 30, 1980. These steps can be justified as a sensible accommodation to the need to give depository institutions a reasonable period of time to adjust to a substantially altered regulatory environment. Beyond these limited steps I see no reason why Congress should continue to impede the ability of depository institutions and their customers to strike a bargain in the free marketplace concerning the terms under which deposits will be offered and accepted.

I strongly urge you to support H.R. 4986.

□ 1240

I see my friend, the ranking minority member from the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. STANTON), is on his feet.

I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of H.R. 4986, legislation which would extend NOW accounts nationwide and reinstate other types of third party negotiable instruments which were declared illegal by the U.S. Court of Appeals.

I must admit that I have not been an ardent supporter of the NOW account. I have been concerned about the potential costs to financial institutions of introducing these accounts—and the impact on consumers as these costs are passed along in the form of service charges. My reservations about the NOW account, however, have not stopped me from supporting the legislation. Clearly, we need to authorize the other negotiable instruments, such as the share draft, which have been declared illegal. Moreover, I believe that nationwide NOW accounts can be of great value to consumers and financial institutions, provided they are instituted equitably and at a low cost for the consumer.

One way to insure lower costs for the consumer is to address the issue of consumer access to NOW accounts. Today, in New England, where NOW's are permitted, the consumer is able to use his account by writing a paper instrument which looks like a check. Banks and savings and loan associations around the country, however, are increasingly aware that the use of paper instruments for checking and NOW accounts is costly for both the consumer and the institution. One way to reduce this cost is through the use of a plastic card instead of a paper instrument. The use of plastic cards could significantly cut the costs of processing accounts, and the consumer would have these benefits passed along to him in the form of more efficient and less costly service.

As the legislation is presently drafted, savings and loan associations would be able to offer NOW accounts through a plastic card where the association has established a remote service unit. Savings and loan associations, however, should not be the only institutions to reap the benefits of electronic banking. All financial institutions should have this opportunity. Additionally, the consumer's access to his or her NOW account should not be limited to the establishment of a remote service unit or an automatic teller machine. Consideration should also be given to designing a "debit-card" arrangement, by which consumers could access their NOW accounts directly through retail stores, similar to the process now used for checking accounts.

Finally, I am aware that the question of consumer access to NOW accounts is a complex issue. Yet, here is an area in which we can assist both the Nation's consumers as well as the industry to continue to move forward in a constructive manner.

Mr. Speaker, further than that, I reiterate what my friend and colleague from Ohio has said. There have been reservations on the part of many of us in regard to NOW accounts to this moment, and I simply add that my reservations would still be in effect, but not recognizing that this is excellent legislation as far as the NOW account subject matter is concerned. I think that we can improve it.

In colloquy we had with the chairman of the subcommittee in committee, he is going to work with us on the committee in finding ways in which we can hold down the cost of these accounts and check into the methods in which NOW accounts can be reached cheaper and by more people and thus affect the cost.

Mr. Speaker, it is a pleasure that I rise and express my thanks for all those who were involved.

Mr. WYLIE. I thank the gentleman very much for his contribution.

Mr. Speaker, I think this is a very desirable piece of legislation, and urge my colleagues to support H.R. 4986.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's yielding.

I would like to raise a technical issue with the gentleman from Rhode Island.

The bill, H.R. 4986, extends the NOW experiment from New England and New York to the Nation by using Public Law 93-100. That law overrode the statutory prohibitions contained in the Federal Reserve Act and the Federal Deposit Insurance Act on paying interest on checking accounts and the prohibition contained in the Home Owners Loan Act on savings and loans from offering checking accounts. Section 19(i) of the Federal Reserve Act states:

> No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand....

That prohibition is also contained in the Federal Deposit Insurance Act. Section 5(b)(1) of the Home Owners Loan Act states that—

> Savings accounts shall not be subject to check or to withdrawal or transfer on negotiable or transferable order of authorization

It is my understanding that this bill will override those restrictions and will allow commercial banks (members and nonmembers), mutual savings banks, and savings and loans to offer their customers NOW accounts—accounts which are subject to withdrawal by check or other negotiable instrument and which accrue interest on funds deposited. Is this your understanding?

Mr. ST GERMAIN. The gentleman from Ohio raises a pertinent point. I can state emphatically that this bill does, indeed, override the prohibitions he mentioned. Federally chartered savings and loans, despite the language in section 5(b)(1) of the Home Owners Loan Act, may offer their customers NOW accounts. National banks, State member banks, State nonmember banks, and mutual savings banks may also offer NOW accounts—accounts on which interest may be paid and which are subject to withdrawal on demand. This is the intent of the bill. Additionally, the bill, as you know, responds directly to the Court of Appeals decision which held regulations of the depository institution regulatory agencies invalid because they exceeded the statutes governing those agencies. The statutes in question contain the prohibitions you mentioned. This bill will allow NOW accounts, automatic transfer accounts at commercial banks, remote service units at Federal savings and loans, and share drafts at federally insured credit unions.

Mr. STANTON. As the gentleman has already said, this was first brought to our attention by our colleague, the gentleman from Georgia (Mr. BARNARD).

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I want to associate myself with those remarks of the gentleman from Rhode Island for purposes of establishing the record here in this colloquy. There is no question but that the language in this bill is specific. It comes later in time, and would have the effect of repealing any language in the Home Owners Bank Act which appears to be inconsistent. If there is any question about ambiguous language it is repealed. This act becomes law.

● Mr. PATTERSON. Mr. Speaker, first let me commend the chairman of the Financial Institutions Subcommittee, Mr. ST GERMAIN, and our colleagues on the Banking, Finance and Urban Affairs Committee for voting on September 6 to report H.R. 4986, as amended. The overwhelming vote of 35 to 4 in committee and the cosponsorship of this legislation by more than a simple majority of the House speak clearly to the merits of the bill.

Without timely action by Congress, the District of Columbia Court of Appeals decision of April 20 would terminate the services offered by bank automatic transfers, savings and loan remote service units, and credit union share drafts on December 31. More than $11 billion deposited in accounts throughout the Nation would become inaccessible because of services discontinued by the court. More than 2 million users of these existing services would lose the ability to conduct financial transactions as they do now.

The legislative history of the bill now under consideration illuminates the intent of the Banking Committee to address the essence of the court's decision. The committee, after thorough hearings during which testimony was received by expert witnesses, has concluded that the existing statutory limitation against the nationwide offering of a form of interest-bearing checking accounts is counterproductive and inequitable to consumers of financial services.

The current restriction is counterproductive because financial institutions have, indeed, created innovative devices approved by the regulatory agencies to circumvent the law. In addition, the lack of legislative authority granting customers of different types of financial institutions similar checking account services causes inconvenience and confusion.

Thus, this legislation responsibly answers the decision by the appellate court. It is only intended to address the concerns raised by the court and has remained, by unanimous decision of the Financial Institutions Subcommittee and the full Banking Committee, distinctly apart from the complex debate of regulation Q and the interest rate differential. NOW accounts will be authorized for banks and thrift institutions as of September 30, 1980. However, the granting of this authority to thrifts in no way diminishes the need for the rate differential. The differential and regulation Q will be considered under separate legislation.●

● Mr. HALL of Ohio. Mr. Speaker, I rise in support of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of H.R. 4986, I commend the House Banking, Finance and Urban Affairs Committee for bringing to the House floor this legislation to provide consumers and different types of depository institutions with the opportunity to maintain interest-bearing checking accounts.

Mr. Speaker, H.R. 4986 responds to the April appellate court decision which invalidated share drafts for credit unions, automatic transfer accounts for the Nation's commercial banks, and remote service unit operation for the country's savings and loan associations. This legislation meets four essential consumer financial needs.

First, the Consumer Checking Account Equity Act would allow all financial institutions to continue to offer interest on checking type accounts. In this way consumers could accumulate interest on savings transferred or used for checking accounts.

Second, this legislation would extend share draft accounts to federally insured credit unions. This would allow present credit union members to continue to write checks on savings accounts. Unless Congress acts, the accounts will not be available after December 31, 1979.

Third, H.R. 4986 extends negotiable order of withdrawal accounts or NOW accounts to the remaining 43 States not presently mandated to provide NOW accounts. I support NOW commercial bank checking accounts which enable a customer to use checks to withdraw funds and make payments and to earn interest on funds placed in such accounts. In the initial seven States the benefits to consumers were enormous and the extension of NOW accounts to the rest of the country is a benefit to all American consumers.

Fourth, this bill authorizes federally chartered savings and loan institutions to establish remote service units. Savings and loans would be authorized to operate automatic teller machines, located away from the savings and loan, for customers to deposit or withdraw funds. This provision provides equity between the savings and loan associations and the rest of the financial institution industry.

During the past few months I have received hundreds of letters from my constituents urging my support of this legislation. Most of these constituents, members of the Wright-Patt Credit Union of Wright Patterson Air Force Base, indicated their satisfaction and their desire for the continuation of credit union share drafts.

In these times of double-digit inflation, this legislation provides interest-accruing incentives among all financial institutions. By allowing all types of financial institutions to provide a broad spectrum of services, this legislation will promote increased competition. Consumers will be the beneficiaries of this competition.

I urge all of my colleagues to strongly support H.R. 4986.●

● Mr. LAFALCE. Mr. Speaker, in these days of double-digit inflation consumers need every available dollar earned to make ends meet. Checklike accounts that earn interest are especially valuable today. Therefore, I rise to call upon my colleagues to support the bill I have coauthored, H.R. 4986 which would allow consumers a chance to earn interest on their transaction accounts, and would also allow them to have a choice among financial institutions offering such a service.

This reform is long overdue not only because of the services it will authorize, but also because of the timing of the bill. A U.S. Court of Appeals decision last April struck down share drafts for credit unions, automatic transfer accounts at commercial banks, and remote service operations for S. & L.'s. The effective date of the decision was stayed until January 1, 1980 in order that Congress could act on these regulatory innovations. Hence, we have the duty to act now.

Millions of consumers have already deposited billions of dollars in the various accounts which the Circuit Court of Appeals ruled were illegal. This bill will give our stamp of approval to those needed services. Further, the bill will extend NOW accounts to the remaining 43 States where financial institutions are not authorized to offer this type of account. The NOW account experience has already proven highly successful in the New England States and in New York since its inception a few years ago.

In short, this bill will reaffirm our commitment to help the consumers of this Nation.

This bill will enable consumers to have convenient access to their funds and, especially in the case of share drafts, will allow credit union members to earn dividends on money that might not otherwise be able to be invested. In my district alone, there are 69 credit unions with a total of 46,673 members.

Consumers should be allowed to have the option of opening a checking account which earns interest. Therefore, I strongly urge you to vote favorably on this bill.●

● Mr. TRAXLER. Mr. Speaker, I rise in complete support of the passage of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of this legislation, I feel very confident that this measure is a step in the right direction for all Americans who want to maintain the ability to use credit union share draft accounts.

There are over 950 credit unions in the State of Michigan, and 77 of those credit unions are located within my congressional district. Nearly 2½ million people in the State of Michigan alone are supporting the passage of this legislation, and this number does not even begin to include the millions of other checking account users who are hoping that their own bank will take advantage of the provisions of this bill which will authorize the beginning of NOW accounts.

No bill will come before the Congress this year that will mean more to the American consumer. At times of higher prices for all goods, we have to be certain that Americans get as much as they can for their money. Allowing them to earn interest on balances in checking and share draft accounts is only proper. After all, the banks are earning money by using the funds that are deposited for all purposes, and experience with share drafts and NOW accounts already in existence has demonstrated that financial institutions can offer these services to the account holders at an affordable cost.

Let me point out that some of my colleagues have heard from some banks which are opposed to the NOW account program. Their belief is that the program would be too costly for them. I suggest that anyone who has such a concern review section 3 of this bill which clearly points out that banks "may" offer NOW accounts. The program is purely voluntary.

We need to pass this bill in order to comply with the directions of the Federal courts which have ruled that authorization must be passed for share draft accounts or those accounts must be terminated by the end of the year. We do not need to disrupt the financial accounts of millions of Americans who use share drafts. We need to provide them with the guarantee that these accounts will continue for their benefit.

I urge all of my colleagues to join me in voting "yes" on the final passage of the Consumer Checking Account Equity Act of 1979.●

● Mr. KILDEE. Mr. Speaker, it is with great pleasure that I rise in support of H.R. 4986, the Consumer Checking Equity Act. I have long been an active supporter of credit unions. The legislation before us today is important because it will help insure the viability of the credit union concept while at the same time benefit the customers of banks and of savings and loan associations. This legislation is necessary because the U.S. Court of Appeals for the District of Columbia ruled that Congress must give explicit approval to the Federal credit union program known as share drafts if the service is to be continued after September 1, 1980. H.R. 4986 will give the needed congressional approval to Federal credit union share draft programs. It also authorizes automatic savings-to-checking-account transfer plans for banks as well as remote service units for savings and loan associations. In addition, the bill further expands the benefits of interest-paying transaction accounts by authorizing all financial institutions nationwide to offer negotiable orders of withdrawal (NOW) accounts to their customers after September 1, 1980.

It is important for the United States to maintain a system of financial institutions where customers have both a choice as to the type of financial institution that they would like to use and the opportunity to choose from a variety of services. H.R. 4986 is a vital step in insuring that a system of diversification and variety continues to exist and expand. I know that the 125,404 credit union members in my district will be happy to hear of the passage of this legislation as it is truly to the benefit of all.

I urge my colleagues to join with me in support of this vital bill.●

● Mr. BIAGGI. Mr. Speaker, I rise today as a cosponsor and strong supporter of H.R. 4986, the Consumer Checking Account Equity Act of 1979. At a time when our Nation's inflation rate stands at over 13 percent, this bill provides consumers with a much needed opportunity to earn interest on their idle checking account funds.

The legislation authorizes negotiable order of withdrawal (NOW) accounts—an interest-bearing checking account—and the highly successful credit union share draft program, in effect since 1974, on a nationwide basis.

These NOW accounts have operated with great success under congressional authority in the six New England States since 1973, and more recently in New York. However, the benefits offered under these interest-bearing checking accounts will end unless this legislation is passed. The Court of Appeals in the District of Columbia has ruled that such programs are illegal, and has given the Congress until January 1, 1980, to authorize these interest-bearing consumer checking accounts.

Certainly, this would be a significant loss to both the consumer and the financial institutions. These NOW accounts and share drafts enable consumers to earn additional interest income; they offer the consumer a more convenient form of transactions account; and they make it possible to spend less time and effort in managing deposits.

In November 1978, figures show that consumers, after paying a minimal service charge, received a net interest gain on their NOW accounts of $8,360,000 from commercial banks in New England, $3,837,000 from mutual savings banks, and $1,659,000 from savings and loan associations.

Also, these NOW accounts provide financial institutions with an additional means of attracting new deposits. Evidence from the States currently offering the NOW accounts indicates the cost of maintaining NOW account funds is not a detriment to financial institutions, especially if the institutions require a minimum balance and a small service charge.

Figures for June of 1979 showed that in the State of New York, where 462 institutions offered the NOW accounts, a minimum balance of from $1,000 to $3,000 was required, and the interest rate was 5 percent. In New Hampshire and Massachusetts, the minimum balance required was only $300 to $500, with the same interest rate of 5 percent.

While it appears that the benefits from these interest-bearing checking accounts are substantial to both the consumer and the financial institution, it should be emphasized that this legislation does not make such accounts mandatory. H.R. 4986 authorizes the NOW accounts and share drafts nationwide, but the individual institution and consumer decides whether they want to participate in the program.

Mr. Speaker, I certainly do understand the urgent need for this legislation, in light of the recent court ruling, and I strongly urge its passage. However, I want to emphasize that I view the interest-bearing checking accounts as only a first step toward a more critical goal—the gradual phaseout of regulation Q interest rate ceilings.

For over a decade the Federal Government has limited the interest rates that savers can receive on their passbook savings accounts. Certainly, this policy discourages savings, and prevents many Americans from improving their standard of living in the future. This policy is especially unfair to our senior citizens, many of whom depend in part on the income from interest on savings for their livelihood.

These interest rate ceilings have cost the consumer billions of dollars in lost interest over the years, a fact which largely contributed to President Carter's request of Congress to "permit an orderly transition to a system where the average depositor can receive market-level interest rates on his or her savings."

Mr. Speaker, in the words of President Carter:

> It is particularly unconscionable for the Federal government to prohibit small savers from receiving the return on their deposits that is available to large and sophisticated investors.

In an attempt to correct this injustice, I have introduced a bill, H.R. 5071, the Small Savers Act of 1979, to provide for a gradual phaseout of regulation Q interest rate ceilings over an 8-year period beginning on January 1, 1981. Interest rate ceilings would be officially repealed, under this bill, on January 1, 1989.

Mr. Speaker, the passage of H.R. 4986 would certainly be a major step toward easing the increased economic burden borne by consumers. However, we must not stop there if we are to provide truly meaningful relief to the small savers of our Nation—many of whom will be taking advantage of the NOW and share draft accounts as a result of H.R. 4986. We must insure that after taxes and adjustment for inflation, the small saver is not getting a negative return on his passbook or checking account. That is why I introduced legislation to gradually allow interest rates to rise to market rate levels, and that is why I strongly urge my colleagues to join me in this cause by offering their cosponsorship and actively working to insure the prompt and favorable consideration of H.R. 5071.●

● Mr. REUSS. Mr. Speaker, H.R. 4986 provides the Nation's consumers and the financial industry a rational checking account system. It eliminates the unnecessary and unworkable depression-era restrictions which have prevented checking account customers from receiving compensation on their deposits.

H.R. 4986 gives every depository institution the opportunity to provide interest-bearing checking accounts. It is not mandatory legislation; it simply provides the authority and leaves the ultimate decision to the individual institution.

Your Committee on Banking, Finance and Urban Affairs has tried to move this legislation expeditiously so that the court-imposed deadline of January 1 can be met. On April 20, the Court of Appeals for the District of Columbia ruled the various interest-bearing accounts maintained by different types of financial institutions were beyond the authorities granted by Congress. It stayed the execution of its order until January 1 and unless Congress acts before the end of this session all of these accounts will be wiped out.

Mr. Speaker, this would be a particularly hard blow for the Nation's credit unions which lose all authority to maintain their share draft accounts. These accounts, which in effect are interest-bearing checking accounts, have been greeted with great enthusiasm by credit union members throughout the Nation. It would be irresponsible for us to allow these accounts to die come January 1.

The legislation provides that commercial banks, savings and loan associations, and mutual savings banks may offer NOW accounts—negotiable orders of withdrawal. For all purposes these are interest-bearing checking accounts. The Congress has provided authority for these accounts in New England since 1973, but has not extended the program nationwide. H.R. 4986 would assure that all institutions in every State could provide their customers with NOW accounts.

NOW accounts have operated with great success in New England with demonstrable benefits to customers. Financial institutions of all types and all sizes have accepted NOW accounts and competed successfully for funds under this program. It is a tested program and there is no reason to deprive the other States of NOW accounts.

Mr. Speaker, H.R. 4986 is proconsumer legislation. It should be approved overwhelmingly.●

● Mr. HARRIS. Mr. Speaker, as a cosponsor of the Consumer Checking Account Equity Act of 1979, I rise to urge my colleagues to give their support to this much needed, consumer oriented legislation.

This bill would permit credit unions to offer to their members share draft accounts which pay the maximum allowable interest rates on any unspent balance. These check-like accounts are particularly valuable in this time of double-digit inflation, when we are all trying to make financial ends meet. Passage of this bill will strike a blow for the beleaguered consumer by providing them with the convenience of a share-draft account that is earning interest.

In my Eighth Congressional District in Virginia alone there are 19 credit unions—groups of people associated by various common bonds who pool their money together and lend it to each other. In the Commonwealth of Virginia there are 395 credit unions with assets of approximately $1,873,507,000. In my State, there are an estimated 1,315,130 people who belong to credit unions—and many of them have written to me expressing their support for the share draft program.

Besides permitting share draft accounts, passage of this bill would also benefit the consumer in other ways. The bill gives congressional approval to bank automatic transfer accounts and savings and loan remote service units. It would also expand the benefits of interest-paying checking accounts by permitting all financial institutions to offer NOW accounts beginning September 1, 1980. These provisions will enhance direct competition in the financial marketplace which, in turn, reaps benefits for consumers.

As we know, this bill is necessary to overturn the U.S. Court of Appeals decision which ruled that Congress had to give its explicit approval to these services if they were to continue after January 1, 1980. I am happy to see that the House has moved expeditiously on this matter and I would urge our colleagues in the Senate to consider this matter of importance to all consumers.●

● Mr. OTTINGER. Mr. Speaker, in voting on H.R. 4986, my colleagues and I have the opportunity to give the American people a weapon against the daily encroachments of inflation. The Consumer Checking Account Equity Act will not only provide for a number of innovative banking services, it will also permit the continuation of NOW accounts share drafts and the ability to earn interest on checking accounts. Share drafts or NOW accounts allow credit union depositors to earn dividends on a readily accessible, transaction-type account and permit checks to be written on savings accounts. In this way, a share draft or a savings account makes the consumer dollar go a little bit farther. Certainly, that is of the utmost importance these days.

The urgency of the vote on H.R. 4986 stems from the fact that the U.S. Court of Appeals issued a ruling which would terminate all share drafts or NOW accounts on December 31, 1979. That is, unless the Congress takes action.

I urge my colleagues to pass this measure. It is supported by a wide range of organizations, but most of all, it is supported by millions of consumers and savers. I have received hundreds of letters from my constituents praising H.R. 4986 and urging the continuation of share drafts and NOW accounts.

I would like to share some of the comments of these letters with my colleagues. They make a very compelling case:

> I have used the share draft for a year now. I find it much more convenient....
>
> (The end of share drafts) would create a very real hardship for myself and millions of other small savers.
>
> I earn interest on my account, save on service and per check charges, and have my money deposited directly, thus saving time and gas.
>
> (This bill) constitutes an increase in freedom and competition, and can only benefit the public.
>
> In this period of high inflation it is becoming increasingly difficult to "get the most for your money;" having a share draft account is one of the few ways I have of doing just that.

Our constituents, as consumers, savers, and concerned citizens, are asking us to assist them by keeping share drafts and NOW accounts as an available service. We should listen to them and enact H.R. 4986.●

● Mr. WIRTH. Mr. Speaker, I rise in strong support of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of this legislation, I think it will have a positive impact on our financial institutions, and I urge its passage.

As many of us are aware, banking is one of the most regulated industries in this country. There are different reasons for these regulations, but the effect of many is to protect financial institutions from the effects of competition. A necessary result has been a reduction in the choices available to consumers. As I am sure my colleagues are aware, the District of Columbia Court of Appeals recently ruled that banks and other savings institutions cannot offer interest-bearing checking accounts such as credit union share drafts accounts and NOW accounts. When I learned about this decision, I was extremely concerned about its impact. A great many people have taken advantage of share drafts and NOW accounts, and this prohibition on their use makes no sense. Savings banks in New England and New York are permitted to offer interest on demand deposits—but are precluded from doing so in every other State. This patchwork arrangement benefits no one, and only adds confusion to an already confusing industry.

It seems to me that consumers should have the right to choose what they want from a bank. If they are interested in getting free checking, free checks, and no interest on their money, they should have the ability to find a bank to meet their needs.

Similarly, if a consumer is more interested in receiving interest on demand deposits—and perhaps paying for the checks—they should be able to make that decision. This freedom of choice is available in most other sectors of our economy, and I see no reason why financial institutions should be treated differently.

By overturning the court decision and authorizing interest bearing checking accounts, this legislation is a victory for consumers—allowing them the freedom of choice they deserve from their financial institutions. I urge my colleagues to support H.R. 4986.●

● Mr. GOLDWATER. Mr. Speaker, as a cosponsor of H.R. 4986, the Consumer Checking Account Equity Act of 1979, I rise in strong support for this legislation which is a direct response to the U.S. Court of Appeals decision of April 20, 1979. That decision held that Federal regulations authorizing credit unions to offer share drafts, savings and loan associations to offer remote service units, and commercial banks to offer automatic transfer services, were illegal. Without pasage of this legislation, these services would be terminated, effective December 31, 1979.

In addition, the bill extends NOW accounts, which have been so successful in the New England States and New York, to the rest of the Nation on a voluntary basis.

I have received hundreds of letters from my constituents, the majority of which are credit union members, in support of this legislation which would permit them to continue to earn interest on the funds they use to pay for their goods and services. The consumer will benefit from this legislation, and I urge my colleagues to join me in supporting H.R. 4986.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill, H.R. 4986, as amended.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WYLIE. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4986, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

INCREASE ACREAGE FOR GEOTHERMAL RESEARCH SITES

Mr. SANTINI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 740) to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands.

The Clerk read as follows:

H.R. 740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Geothermal Steam Act of 1970 (30 U.S.C. 1006) is amended—

(1) by striking out "twenty thousand four hundred and eighty acres, including leases acquired under the provisions of section 4 of this Act" and inserting in lieu thereof the following: "fifty-one thousand two hundred acres"; and

(2) by striking out the second paragraph thereof.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Nevada (Mr. SANTINI) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, the subject matter of this legislative proposal encompasses an expansion of acreage limitations presently existent on geothermal energy.

This legislation has had the enthusiastic endorsement and support of almost every diverse interest entity, including the Johnny Appleseed League and the Attila the Hun Association.

Mr. Speaker, I would like to acquaint Members of the House with a clean, relatively nondepletable domestic energy resource abundantly available in many areas of the country—geothermal energy. The Department of Energy calculates we could be producing the equivalent of 180 million barrels of oil a year by 1990. This is equivalent to 8.5 percent of today's crude oil production. This could more than quadruple that by the year 2000. For example, this Nation's major geothermal development is the geysers project in Sonoma County, Calif. Although initial developments were slow, today enough geothermal power is being produced to supply all the electrical requirements of a city of over 600,000 people, at an energy cost of two-thirds oil and gas without Government subsidies. This project is expecting a 50-percent increase in generating capacity on line by 1980. This will result in an equivalent savings of nearly 11 million barrels of low sulfur fuel oil per year in an area that does not have abundant coal, or available increased nuclear capacity.

Federal lands contain over 60 percent of the estimated geothermal resource. The small amount of acreage the operators are currently allowed to hold on this land severely restricts its exploration and thereby development.

This is demonstrated by the fact that the U.S. Geological Survey has identified over 2.1 million acres of Federal land already in known geothermal resource areas or areas presently identified as having commercial geothermal potential. With time and increased exploration, new areas will be added to this impressive acreage. Over 60 lessees are currently at the old acreage limits of 20,480 acres per State. The Bureau of Land Management estimates passage of this bill would spur an immediate jump of 350 leases or 35 percent of those leases outstanding, and increase rental payments to the Government alone of over $7 million. The real value of the bill, however, will be to encourage the development of those tracts presently under lease by allowing operators sufficient exploration protection in the event of a discovery. This will result in major new advances in drilling and testing on many existing properties. New production will inevitably result from some of these wells.

The fact that H.R. 740 is only two sentences long belies its importance. Congress could do well to consider more two sentence bills. The subcommittee and full committee have unanimously reported this bill to the House in that it corrects a major defect in the existing law. This is not to say more legislation to encourage geothermal energy may be proper and useful. The Subcommittee on Mines and Mining will continue to hold hearings on the omnibus geothermal approach to move this important resource off the back burner of the Nation's energy portfolio. Both the Department of Interior and the Department of Energy have given their full support to H.R. 740. We have had no objections from the environmental community. This acreage limit has been chosen as one that reasonably responds to the need to hold large acreages for exploration while encouraging a competitive spread of ownership of the resource. The 1970 Geothermal Act was written before much was understood of its geothermal resource or what was involved in its exploration. That act recognized the 20,480-acre limit would perhaps be low and allow the Secretary to raise it to the 51,200 acres after 1985. This time frame must be moved forward, the greater use of this exciting new energy resource must be encouraged now.

Mr. Speaker, I urge my colleagues to support passage of H.R. 740.

Mr. Speaker, in testimony before the Subcommittee on Mines and Mining last week, the Department of Energy characterized some of the potentials of geotheral energy. The representative of the Department of Energy, for example, stated that geothermal energy may well represent the principal source of alternative energy for southern California. Industry representatives have indicated that by the year 2000, geothermal energy could displace 2 million barrels a day.

I am very much encouraged and excited by the potential of geothermal energy, because certainly the State of Nevada will be one of the principal beneficiaries.

But, Mr. Speaker, our Nation will be the major beneficiary.

The Chairman of the Subcommittee on National Parks and Insular Affairs, that dedicated and devoted laborer in the legislative vineyard, the gentleman from California (Mr. PHILLIP BURTON), had expressed, in conversation, a concern about a geothermal issue and its impact on Yellowstone National Park. Pursuant to that conversation, I had written to the U.S. Department of Interior, received a letter reply that I would request, Mr. Speaker, be entered at this point in the RECORD. I think it responds substantially to the concerns expressed to me by the gentleman from California (Mr. PHILLIP BURTON).

The letter follows:

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D.C., August 24, 1979.

Hon. JAMES D. SANTINI,
Chairman, Subcommittee on Mines and Mining, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. SANTINI: Thank you for your inquiry of July 12 concerning the proposed geothermal development at Island Park geothermal area of Idaho, Montana, and Wyoming, near Yellowstone National Park. This will also acknowledge the copy of your letter to Secretary Andrus.

We are enclosing a statement on Additional Stipulations and Monitoring Program which provides an outline of the present status of the proposed development of these geothermal energy resources. We are also enclosing for your perusal a copy of the testimony by Assistant Secretary Herbst on July 16 before the Senate Subcommittee on Environment, Soil Conservation, and Forestry. A copy of a press release which was released on July 17 is also enclosed.

The Bureau of Land Management and the Forest Service have jointly prepared a draft environmental statement on possible geothermal development in the area. This Department furnished the Forest Service with comments on June 8, and made specific recommendations on the need for and how definitive data could be collected to determine whether an interconnection exists between the Island Park and Yellowstone National Park geothermal areas. (See the statement on Additional Stipulations and Monitoring Program.)

We believe that the best means of providing for the protection of Yellowstone's geyser resources is to begin a Government-sponsored and directed research program immediately, for the purpose of assessing the possibility of a thermal or hydrologic connection between Yellowstone National Park and the Island Park geothermal area.

We appreciate your interest and the opportunity to comment on this matter.

Sincerely yours,
DANIEL J. TOBIN, Jr.,
Acting Director.

Mr. SANTINI. Mr. Speaker, I would state my unequivocal support for the concern that he has expressed, that as enthusiastic as I am about the potential geothermal energy for this Nation, we would not want to do anything that would impair the natural appeal of Yellowstone National Park. We will work together to insure that that goal is achieved.

Finally, Mr. Speaker, I would advise my fellow House Members that it is the intention of our Subcommittee on Mines and Mining to progress forward as rapidly as time and mental limitations allow with an omnibus geothermal bill that will attempt to address several other institutional barriers that are frustrating the rapid and efficient development of this major energy source.

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I would urge the Members of the House to support us on H.R. 740. I also asked the Members to stay tuned for the next exciting development, the Omnibus Geothermal bill, which the subcommittee, with the assistance of the full Interior Committee and other committees of interest will be offering to the House of Representatives in this Congress.

Mr. SYMMS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I wish to join with my good friend, the gentleman from Nevada, in urging the adoption of H.R. 740—a very simple and straightforward piece of legislation which will go part of the way toward increasing the development of one of America's greatest and most environmentally acceptable energy sources—geothermal steam.

According to experts in the field, there is today geological opportunity to produce enough geothermal energy to supply 30,000 megawatts of generating capacity in the next two decades. That is equivalent to 700,000 barrels of oil a day or 8.5 percent of today's crude oil production in the United States. Some have even suggested that geothermal energy could generate as much as 15 percent of our electrical energy needs.

Needless to say, much remains to be done before we reach that day. A number of impediments to the development of that energy source needs to be removed before the projections and predictions become reality. One of those impediments will be removed by the adoption of the legislation the House has before it at this moment.

In hearings conducted on geothermal steam by the Mines and Mining Subcommittee chaired by the gentleman from Nevada, witness after witness labeled the present acreage limitation as one of the most significant problems faced by the geothermal industry.

According to the Department of Energy "the present acreage limits have been identified as one of many factors deterring the active development of geothermal energy resources." DOE indicated as well that an increase in the acreage limitation would be "an important measure to stimulate and allow earlier development. * * * If this simple and necessary measure can be enacted quickly * * * it would certainly be beneficial."

According to the Department of the Interior, "many of those who are in the best position to develop geothermal resources are already approaching or have reached the acreage limitation in some States and will soon be disqualified or are already disqualified from bidding at competitive sales or from obtaining noncompetitive leases."

Without the adoption of the legislation

before us today, we will only delay the exploration and development of the nearly 60 million acres of known or potential geothermal resource areas and hence the role that this unusual energy source can play in our Nation's future.

I urge its adoption.

Mr. Speaker, I would just say further that I share the concern that the chairman has already expressed, that this bill, although it goes part of the way, and is very simple, very straightforward and very easily understandable, and I hope that it is adopted without any opposition here in the House today, I would say further we still do need to make way to remove some of the obstacles that are presented to those who would like to produce geothermal energy for the consumptive public. There are several Government obstacles and roadblocks to production and I would hope that the Mines and Mining Subcommittee this year will be able to come forward with some legislation which will, in fact, streamline some of the Government obstacles to production and introduce some incentives into that system by way of tax incentives and other measures that will make it possible for this very viable energy resource to help alleviate the energy supply crisis that has already been brought about by actions of this Congress.

Mr. Speaker, I thank you and I reserve the balance of my time.

● Mr. PHILLIP BURTON. Mr. Speaker, at the time that the House is considering legislation to enhance the leasing of geothermal resources under Federal lands, I think it is appropriate that we emphasize that this leasing program must be carried out in a manner which will not adversely affect the natural resources of our national park system.

I call to the House's attention two current examples which concern me.

First, the U.S. Forest Service is considering whether to recommend a program of geothermal leasing just west of Yellowstone National Park. Yellowstone was set aside over a century ago as the first national park in the world, and a principal reason for its establishment was its unique thermal features, including geysers, hot springs, and associated features. Both the Forest Service and the Interior Department must be absolutely certain that no leasing program is approved for any of the area near Yellowstone unless there is a certainty that such development will have no effect on the park's thermal resources. Yellowstone is unique in all the world. While expanded acreage limitations for geothermal leases may be acceptable in many areas, we must err on the side of caution in safeguarding this irreplaceable American heritage.

A second specific area is the Lassen Volcanic National Park in my home State of California. Recent geothermal drilling in this area has actually taken place on private inholdings within the park itself, immediately adjacent to some of the geothermal features of the park. I am appalled that the National Park Service ever permitted this desecration to take place, but I am also concerned that a geothermal leasing program on national forest lands outside the park could wreck these valuable thermal features as well.

Mr. Speaker, these two examples lead me to the conclusion that we should have strong legislative intent that any expanded leasing program for geothermal leasing would be conducted with close attention paid to any possible effects on units of the national park system. The leasing program must be administered so that the protection of these unique resources is in no way degraded.

I also wish to express my thanks to Chairman Bob Wilson of the California State Senate, chairman of the select committee on fish and game wildlife, for first bringing this matter to my attention. Senator Wilson has been instrumental in pointing out the continuing protection we must give to our natural resources during any geothermal development proposals that are to be considered.

I would also like to include in the RECORD at this time the written comments of the Department of the Interior to the U.S. Forest Service with regard to the proposed leasing program near Yellowstone. I believe these comments are an important documentation of the destruction of natural thermal features which can occur from geothermal drilling, and must instruct us as to the need to proceed with utmost caution in this program.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 8, 1979.

Mr. DAVID M. JAY,
Forest Supervisor, Targhee National Forest, St. Anthony, Idaho.

DEAR MR. JAY: We have reviewed the draft environmental statement (DES) for Island Park Geothermal Area (IPGA), Targhee National Forest, Idaho, sent to us on March 21, 1979. We note that this is issued as a lead agency statement to cover geothermal leasing actions of both the Forest Service and this Department and that staff from several of our bureaus participated in its preparation. In this regard we have the following principal concerns:

Discussion of potential impacts on Yellowstone National Park (YNP) should be amplified,

Additional alternatives available to this Department should be added,

The level of activities expected and the impacts that would result should be quantified, and

Future National Environmental Policy Act (NEPA) review points should be clearly identified.

Some of these shortcomings were evidently a failure on our part rather than yours, and we well work with your staff to overcome these in preparation of the final statement.

The world's first national park, Yellowstone, was designated a World Heritage Site by the World Heritage Committee of United Nations Educational, Scientific and Cultural Organization (UNESCO) in 1978. UNESCO also designated YNP as part of the International Biosphere Reserve which recognizes the global value of its natural ecosystems and gene pool. These three designations for Yellowstone—National Park, World Heritage Site, and International Biosphere Reserve—combine to give the area the highest possible recognition of its significance to the world. Any man-caused threat to the integrity of its thermal resources is totally unacceptable, both nationally and internationally. Any geothermal exploration or development outside YNP must recognize its unique value on a world-wide basis.

Although commercial geothermal development in other areas of the world have had profound effects on geyser basins, the draft statement makes no mention of this. Geyser Valley in New Zealand was totally destroyed as a natural discharge area when the Wairakei geothermal area was developed. Before this action, Geyser Valley ranked fifth among the major geyser areas of the world. In addition, production from Wairakei also affected another thermal area thought to be independent with no connection at depths which would simultaneously affect the pressure of both systems. As a result, both areas have been destroyed as a national resource and reference line for understanding hydrothermal systems.

The Beowawa Geysers area of Nevada was once second to Yellowstone on the North American Continent in the 1940's and 1950's when geothermal exploration was begun. Wells were drilled and permitted to discharge, but not converted to commercial use; by 1961 all springs and geysers had ceased flowing. Similar destruction of the geyser area at Steamboat Springs, Nevada, occurred after geothermal exploration between 1950 and the early 1960's. Of ten world-ranked geyser areas, only three including Yellowstone, are essentially undisturbed; four of ten have been adversely affected by man's activities; and at least three of these major areas and several minor ones have seen the total destruction of their geysers. Thus, the statement must clearly point out that, unless gothermal exploration and development is very carefully planned, monitored, and controlled, irreversible damage to the geothermal regime at YNP is a distinct possibility.

The alternatives included in the draft statement appear to be guided entirely by surface resources and Forest Service management concerns. Consideration of the mineral or geothermal resource, the proximity of YNP, and uncertainties as to the geothermal system in this area lead to other viable alternatives which we would like discussed. These include leasing only in the area of the Island Park Caldera, adding a north-south buffer strip at least two miles wide outside the west boundary of YNP, and deferral of leasing in the IPGA until we have more information as to the extent of the geothermal resource and possible relationships to the geothermal regime at YNP.

Additional information as to the geothermal resource could be acquired through reliance on industry tests on private lands in the areas or through Federal research and tests in the area. Finally, a combination of Alternatives 2 and 3 would provide increased consideration of fish, wildlife, habitat, and visual resource values; this is discussed in more detail in the attached specific comments. These alternatives and their environmental impacts should be added to the statement.

It is noted that the bald eagle, peregrine falcon, gray wolf, and grizzly bear are known to occur in the IPGA. However, the Forest Service has consulted only on the grizzly bear under Section 7 of the Endangered Species Act of 1973. The DES does not clearly indicate that a "may affect" or "no affect" determination has been made by the Forest Service for the other listed species. It is our understanding that the Forest Service has determined that the bald eagle, peregrine falcon, and gray wolf will not be affected based on the Forest Service's decision not to lease lands in the IPGA that would lead to impacts on these species. If this explanation is true, it should be in the final environmental statement (FES); otherwise, formal consultation must be initiated prior to any leasing.

The bald eagle and peregrine falcon may be adversely impacted by toxic effluents if a blow-out affected the feeding areas. The geothermal resource is of the "hot water" nature, which has the potential to chemically or thermally pollute the watershed in the event of a blow-out. Either eliminating the fish-food source or directly poisoning these raptors through the food chain will adversely affect these endangered species. These adverse effects may also apply to the trumpeter swan, a sensitive resident of the IPGA. A discussion of these threats should be included in the statement.

The statement should specifically describe probable impacts, and mitigation to reduce adverse impacts, to areas having special scenic, recreation, and cultural value. Examples are Big Springs, a potential National Landmark, and high-quality fishing streams and lakes. Impacts and mitigation measures relative to YNP should be described in more detail.

We note that the DES emphasizes salvage as a mitigation measure to reduce adverse impacts on historic and archeological resources. Avoidance or protection of archeological resources is far preferable to salvage, and often less costly and time-consuming. Salvage as a form of mitigation should only be carried out when it has been demonstrated that there are no alternatives to damaging the resources. We suggest this point be clarified.

The statement should include a more complete discussion of future plans for identification, evaluation, and protection of properties in the area that may be eligible for inclusion in the National Register, under 36 CFR 800, as amended (Federal Register, January 30, 1979). There should be further consultation with the State Historic Preservation Officer, under 36 CFR 800.4, to specify the types of surveys to be done and the survey methods to be employed. It would be useful for the Forest Service to have regional predictive surveys conducted prior to leasing, in order to identify the potential for archeological resources and further aid in decisions on land suitability for leasing purposes.

We suggest that the Evaluation Criteria, Section III, be revised in order to clarify agency roles (shown on page 3) and sequential decision points. This could also serve to highlight future NEPA review points after leasing. The Department of the Interior views the environmental statement, not as an all-inclusive decison document, but as one of possibly several management reports available to the decisionmaker. In addition to environmental considerations, the decisionmaker may also be guided by policy, legal, economic, and political goals. However, we do not attempt to evaluate these in the environmental statement. We are highly cognizant of national and local energy needs, but any leasing activities will be predicated on a thorough technical evaluation as to possible risks to the YNP geothermal system. These two policy factors will weigh most heavily in our leasing decision.

In view of the uncertainties and risk to the geothermal system at YNP, this Department will take an extremely cautious approach on any activities toward geothermal development in the IPGA. We have reviewed the stipulations and mitigation proposed and have several additional measures to be included. These, and a possible monitoring program, are provided (Attachment A) for inclusion in the FES. These would be applicable to research or test drilling as well as exploration and development. We obviously will not authorize any geothermal exploration or development in this area without adequate safeguards and evidence that the activities will not jeopardize the geothermal regime at YNP.

It might be helpful to reviewers if the FES for the Geothermal Leasing Program (Department of the Interior, 1973) was referenced as a source of background information as to regulations, procedures, developments, and cumulative impacts. The recent DES for the Navy Coso Geothermal Development Program (U.S. Navy, 1979) provides an excellent summary of geothermal development methods, impacts, and possible problems.

We would like to work closely with your staff to ensure that the final statement meets our needs for future decisions as to geothermal leasing in this area. We believe that a field meeting would be helpful in this regard and suggest June 14 and 15 as possible dates. Please confirm this with Tom Loomis ([202] 343-2118) of my staff, and he will arrange for appropriate Bureau representation.

Sincerely,

LARRY E. MEIEROTTS,
Assistant Secretary.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nevada (Mr. SANTINI) that the House suspend the rules and pass the bill, H.R. 740.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SANTINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TUESDAY, SEPTEMBER 11; WEDNESDAY, SEPTEMBER 12; AND THURSDAY, SEPTEMBER 13

Mr. GUDGER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and any of its subcommittees may have permission to sit while the House is reading for amendment under the 5-minute rule on Tuesday, September 11; Wednesday, September 12; and Thursday, September 13.

This unanimous-consent request is made subject to the understanding that the Monopolies and Commercial Law Subcommittee will not sit on Wednesday, September 12.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell us what legislation specifically is planned to be considered in the full committee or the subcommittees?

Mr. GUDGER. Mr. Speaker, I have the agenda of the full committee and each of the subcommittees before me.

The full committee is scheduled to meet on Thursday, September 13, at 10 a.m. to take up H.R. 2816, the Refugee Reform Act; H.R. 4686, an act to save the Milwaukee road's freight-carrying capacity; H.R. 3959, U.S. Attorney Residency Requirements; H.R. 3909, To amend the Contract Disputes Act; H.R. 600, to grant a Federal charter to the United Services Organization; and private bills from the Subcommittee on Administrative Law and Governmental Relations at that point; and then H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. Further reserving the right to object, if the gentleman from North Carolina would exclude from his unanimous-consent request the last bill, I would certainly not object.

Mr. GUDGER. Mr. Speaker, I will amend the unanimous-consent request to delete from consideration by the full committee at its scheduled meeting of September 13, 1979, H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

SEC. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"SEC. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a political party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of $5,000 or has made expenditures aggregating in excess of $5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of $5,000 or has made such expenditures aggregating in excess of $5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'political committee' means—

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316; or

"(C) any local committee of a political party which receives contributions aggregating in excess of $5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of $5,000 during a calendar year, or makes contributions aggregating in excess of $1,000 during a calendar year or makes expenditures aggregating in excess of $1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e)(1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e)(1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8)(A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 317(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(xi) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising): *Provided*, That such payments are made from contributions subject to the limitations and prohibitions of this Act.

"(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(xiv) any honorarium (within the meaning of section 441i of this title).

"(9)(A) The term 'expenditure' includes—

"(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any reason for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed $2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee primarily on behalf of nominees of such party for President and Vice President: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974, the Federal Election Campaign Act Amendments of 1976, and the Federal Election Campaign Act Amendments of 1979.".

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

"SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) Every person who receives a contribution for a political committee, shall, no later than 10 days after receiving the contribution, forward to the treasurer the contribution, the name and address of the person making the contribution (if the amount of the contribution is in excess of $50), and the date of receipt of the contribution. All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

"(c) The treasurer of a political committee shall keep on account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of $50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than $100 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution;

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of $100.

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

"(e)(1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with paragraph (f)(1).

"(2) Any candidate described in paragraph (1) who receives a contribution or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this title, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3)(A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of $1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

"(f)(1) Notwithstanding any other provision of this title, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this title.

"(g)(1) Designations, statements, and reports required to be filed under this title by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this title by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this title, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a)(5).

"(h)(1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of $100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c)(5).".

"(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"REGISTRATION OF POLITICAL COMMITTEES, STATEMENTS

"SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316 shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

"(d)(1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets.".

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a)(1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

"(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

"(3) If the committee is the principal campaign committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating $100,000 or made expenditures aggregating $100,000 or anticipates receiving contributions aggregating $100,000 or more or making expenditures aggregating $100,000 or more during such year: such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2)(A)(i), a post-general election report in accordance with paragraph (2)(A)(ii), and quarterly reports in accordance with paragraph (2)(A)(iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3)(A)(ii) receives contributions in excess of $100,000 or makes expenditures in excess of $100,000, the treasurer shall begin filing monthly reports under paragraph (3)(A)(i) at the next pending period.

"(B) in any other calendar year, the treasurer shall file either—

"(i) monthly reports, which shall be filed not later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(ii) quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall either—

"(A)(i) file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year.

"(ii) a pre-election report, which shall be filed later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(B) file monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a yearend report shall be filed no later than January 31 of the following calendar year.

"(5) If designation, report, or statement filed pursuant to this title (other than under paragraph (2)(A)(i) or (4)(A)(ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

"(6)(A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of $1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this title.

"(7) The reports to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2)(A)(iii) or paragraph (4)(A)(i) shall be waived if such committee is required to file a pre-election report under paragraph (2)(A)(i), or paragraph (4)(A)(ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4)(A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by subsection (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party shall file reports in accordance with subsection (3)).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, transfers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $100 within the calendar year, together with the date of receipt and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date of receipt and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $100 within the calendar year, together with the date of receipt and amount of such receipt;

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of $100 within the calendar year, together with the date of receipt and amount of any such receipt;

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committees, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of the Act;

"(v) any other disbursements;

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period, and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment;

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph 3(A) of this clause, together with the date and amount of such disbursement;

"(6)(A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) which in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(i) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period which in an aggregate amount or value in excess of $200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made;

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of $200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditures less offsets to operating expenditures, for both the reporting period and the calendar year.

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee, together with a statement as to the circumstances and conditions under which any debts or obligations owed by or to such committee were extinguished and the consideration thereof.

"(c)(1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of $100 during a calendar year shall file a statement containing the information required under subsection (b)(3)(A) for all contributions received by such person.

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a)(2), and shall include—

"(A) the information required by subsection (b)(6)(B)(iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of $100 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b)(6)(B)(iii)) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b)(6)(B)(iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b)(6)(B)(iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis.".

FEDERAL ELECTION COMMISSION

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through 328 as sections 314 through 323, respectively; and

(6) section 306 as so redesignated section 105(a)(3), is amended to read as follows:

"FEDERAL ELECTION COMMISSION

"SEC. 306. (a)(1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

"(2)(A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time of their appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b)(1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this chapter shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this subchapter shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this subchapter, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (6), (7), (8), or (9) of section 307(a) of this title or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f)(1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of title 5 governing appointments in the competitive service.

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(3) In carrying out its responsibilities under this chapter, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.".

POWERS OF THE COMMISSION

SEC. 106. Section 307, as so redesignated in section 105(a)(3), is amended to read as follows:

"POWERS OF THE COMMISSION

"SEC. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a)(8) of this title) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this title;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, as are necessary to carry out the provisions of this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this title, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this chapter.".

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a)(1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(f). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c)(1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.".

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of title 26.

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public.".

ENFORCEMENT

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph (4)(A)(i). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of a respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4)(A)(i) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph 6(A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B)(i) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and Commission.

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5)(A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in paragraph (4)(A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4)(A), the Commission may institute a civil action for relief under paragraph (6)(A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6)(A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4)(A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(C) In any civil action for relief instituted by the Commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6), subpenas for witnesses who are required to attend a United States district court may run into any other district.

"(8)(A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 437h of this title).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12)(A) Any complaint filed under this section, or any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person who is the subject of such complaint, the person receiving such notification or the person under investigation.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than $2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than $5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7), publish before the election the name of the person and the report or reports such person has failed to file.

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d)(1)(A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating $2,000 or more during a calendar year shall be fined, or imprisoned for more than one year, or both. The amount of this fine shall not exceed the greater of $25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b)(3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating $250 or more during a calendar year. Such violation of section 316(b)(3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of $1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a)(4)(A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a)(4)(A);

"(B) the conciliation agreement is in effect; and

"(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.".

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act as so redesignated in section 105(a)(4), is amended to read as follows:

"ADMINISTRATIVE PROVISIONS

"SEC. 311. (a) The Commission shall—

"(1) prescribe forms necessary to implement this Act;

"(2) prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

"(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this title;

"(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee, a political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

"(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

"(6)(A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

"(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

"(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

"(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this title;

"(8) prescribe rules, regulations, and forms to carry out the provisions of this title, in accordance with the provisions of subsection (e);

"(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states in detail the activities of the Commission in carrying out its duties under this title, and any recommendations for any legislative or other action the Commission considers appropriate; and

"(10) serve as a national clearinghouse for information with respect to the administration of this Act and the compilation and administration of State campaign finance and election disclosure laws. The Commission may enter into contracts for the purpose of conducting such independent studies. Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of cost thereof.

"(c) The Commission may audit any political committee required to file a report under paragraph 304(a)(4) and under paragraph 304(a)(3). The Commission shall give priority to audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of .

"(d) Any forms prescribed by the Commission under subsection (a)(1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

"(e)(1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statements shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

"(2) If either House of Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section no later than 30 days of continuous session after the date of the receipt of such proposed rule or regulation or no later than 15 days of continuous session after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

"(3) For purposes of this subsection—

"(A) continuity of session of the Congress is broken only by an adjournment sine die; and

"(B) the days on which either Houses are in session are counted in the computation of the 30-day period and the days on which one House is in session are counted unless the other House is not in session because of an adjournment of more than 3 days to a day certain.

"(4) For purposes of this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

"(5) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

"(f) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.".

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"STATEMENTS FILED WITH STATE OFFICERS

"SEC. 312. (a)(1) A copy of each report and statement required to be filed by any person under this title shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

"(2) For purposes of this subsection, the term 'appropriate State' means—

"(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

"(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

"(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a)(1), shall—

"(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

"(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise)—

"(A) for 2 years after their date of receipt, for reports and statements for candidates for the President or Vice President, the Senate, or the House of Representatives; and

"(B) through April 30 of the calendar year following the calendar year in which any report was filed by a political committee other than an authorized committee.

"(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

"(4) compile and maintain a current list of all reports and statements pertaining to each candidate.".

ACCEPTANCE OF EXCESSIVE HONORARIUMS

SEC. 111. Section 324 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 115. Section 318 of the Act, as so redesignated in section 105(a)(5), is amended to read as follows:

"(a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

"(1) if paid for and authorized by a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.".

TECHNICAL AMENDMENTS

SEC. 116. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended——

(1) by striking out "sixty" and inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4), is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu thereof "It".

(e)(1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

TITLE II—AMENDMENTS TO OTHER LAWS

MISCELLANEOUS AMENDMENTS TO TITLE 18 UNITED STATES CODE

SEC. 202. (a)(1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 26 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS

"SEC. 602. It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employer, or person. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS

"SEC. 603. It shall be unlawful for any officer, clerk, or other person in the employ of the United States or any department or agency thereof to make a contribution within the meaning of section 301(8) to any other such officer, clerk, or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, unless such contribution is voluntary: *Provided, however,* That no contribution, voluntary or otherwise, may be made by any such officer, clerk, or person to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or their authorized committee within the meaning of section 302(e)(1) of the Federal Election Campaign Act of 1971, if that person authorizing such committee is the employer or employing authority of the person making such contribution. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION

"SEC. 607. (a) It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States

to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any such person, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to any contributions received by mail in any room, building, or other facility referred to in subsection (a) provided such contribution was not solicited in any such room, building, or other facility and provided such contribution is delivered, within seven days of receipt, to a political committee within the meaning of section 301(4) of the Federal Election Campaign Act of 1971.".

MISCELLANEOUS AMENDMENT TO TITLE 26, UNITED STATES CODE

SEC. 302. Section 9008(b) of title 26 is amended by striking at the end thereof the figure "$2,000,000" and inserting in lieu thereof "$3,000,000".

TITLE III—GENERAL PROVISIONS

EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) shall be effective for elections occurring after January 1, 1981.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I am delighted to present to my colleagues the bill H.R. 5010, a bill to make technical and noncontroversial amendments to the Federal Election Campaign Act.

H.R. 5010 is the joint effort of both Democrats and Republicans on the Committee on House Administration. In fact, the entire committee membership has cosponsored H.R. 5010.

I want to take particular note of the efforts of our colleague from Minnesota, BILL FRENZEL, and the committee's minority staff, for their many hours of cooperative and productive effort. Without their labors, H.R. 5010 would not be before the House today.

Mr. Speaker, while this bill is noncontroversial and many of its changes are technical, I do not mean to imply that some of them are not significant or substantive:

The recordkeeping and reporting provisions of the act are simplified;

The role of State and local political parties in campaigns is increased; and

The procedural requirements of the enforcement process have been reduced.

These, and other changes, result from the committee's legislative and oversight hearings as well as 8 years of experience under the act. These changes have a broad and bipartisan base of support—in fact, Mr. Speaker, I am not aware of any opposition to H.R. 5010. The committee finds itself in the unusual position of being awash in a sea of uncritical acclaim.

For the benefit of my colleagues, I shall briefly outline the major provisions of H.R. 5010:

A substantial number of changes are made in the recordkeeping and reporting provisions of the act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a $5,000 threshold. A candidate who receives less than $5,000 or spends less than $5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committee; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in the name of the authorized committee. Likewise, political action committees will have to include the name of the organization which establishes the committee in their name.

The bill provides that a political committee will no longer be required to have a chairman. Currently, there must be a chairman and a treasurer, although the chairman has no official responsibilities. Further changes are made in the time allowed (10 days) in turning over a contribution to the treasurer and in expanding the types of banking institutions in which a political committee may keep its funds to savings and loans associations and credit unions.

The bill attempts to simplify and standardize the types and amounts of information required to be listed by a committee, both when registering and when reporting. For instance, the information required to be listed on a registration statement is reduced from the present 11 categories to 6. The bill also substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

The bill makes changes in the recordkeeping requirements of the act. Currently, a treasurer must keep a receipted bill if, during a calendar year, the treasurer made expenditures exceeding $100 to the same vendor. The bill requires a treasurer to keep a receipt, invoice, or canceled check for each expenditure in excess of $100.

The new provision pertaining to political parties allow a State or local committee of a political party to purchase, without limit, campaign materials used in connection with volunteer activities on behalf of a candidate—such as buttons, bumper stickers, and yard signs. This exemption will not apply to costs incurred for media advertising or mass mailings—activities of this type would be subject to the contribution and expenditure limitations of the act.

A similar exemption would be created to allow State and local party committees to engage in certain voter registration and get-out-the-vote activities on behalf of the nominees of such party for President and Vice President.

The bill also attempts to reduce reporting obligations for local party committees. Under existing law such committees must register and report if they make contributions or receive expenditures in excess of $1,000. The bill raises that threshold to $5,000 for certain party-building "exempted expenditures."

The bill requires the commission to respond to a request for an advisory opinion within 60 days instead of a "reasonable time." During the 60 days immediately preceding an election, a request by a candidate must be answered within 20 days.

The procedural steps of the commission enforcement process are reduced in the bill. Before taking any action on a complaint filed with it, the commission must provide the person complained against with a copy of the complaint and allow such person 5 days to demonstrate to the commission that no action should be taken on the complaint.

If the commission does proceed with an investigation of the matter, the respondent will receive a copy of the general counsel's brief recommending to the commission that they find probable cause that the respondent violated the law. The respondent will have 15 days to prepare and file a brief outlining his or her arguments.

The current requirement for disclosure and solicitation statements is modified. The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations.

Of particular interest to my colleagues, the bill amends sections 602, 603, and 607 of title 18 to comport with existing Justice Department enforcement of these sections. Congressional employees may make a voluntary political contribution to a Member of Congress other than their immediate employer; inadvertent solicitations of congressional employees will not violate the ban on solicitation. Additionally, a contribution received by mail in any Federal building will not be a violation if it is forwarded within 7 days to the appropriate political committee.

Finally, the bill amends the title 26 provisions pertaining to payments for Presidential nominating conventions. The amount of the entitlement for major parties is increased from $2,000,000 to $3,000,000.

Mr. Speaker, this is a good bill—a much needed bill.

It has the unanimous support of all interested and affected parties.

It was unanimously reported by the Committee on House Administration.

It fully deserves the unanimous support of the full House of Representatives.

Mr. Speaker, I respectfully urge my colleagues to suspend the rules and pass H.R. 5010.

□ 1300

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I will be glad to yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I am among those in the membership of the House who have tried to run for public office without any contributions or any expenditures. I adopted that policy 5 or 6 years ago, and I have been troubled about my obligation to file reports.

Now, it has been very discouraging in the past to be troubled and concerned about these reports. I have had to appoint a treasurer, and I had no funds for him to account for. I felt that I was very much worried about the severity of the statute if I did not file that I had received nothing or spent anything, or that I might not have properly named a treasurer.

Is that taken care of in this legislation?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON. Mr. Speaker, I yield myself 3 additional minutes.

Yes, it is, and further, if any moneys accrue to the gentleman from Ohio——

Mr. VANIK. They do not. There is no problem.

Mr. THOMPSON. I said, if any do accrue and any reporting by the gentleman is required, the number of reports would be reduced from 24 to 9. I think the gentleman need have no fear.

Mr. VANIK. I still have to file nine reports?

Mr. THOMPSON. No, the gentleman will not under the revision of the act.

Mr. VANIK. Do I have to file any reports if I have no contributions and no expenditures?

Mr. THOMPSON. No, the gentleman does not.

Mr. VANIK. I think that is a tremendous improvement.

Mr. THOMPSON. I might say that the gentleman is almost totally unique in this body, and it would be nice if he does not have to file.

Mr. VANIK. I cannot tell the gentleman how comforting it is.

Mr. THOMPSON. Good. I am glad the gentleman, after all our years of service together, is finally comfortable.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. FRENZEL. That is my understanding of the bill also. I think the gentleman will have a much easier time in the next election.

Mr. VANIK. I thank the gentleman.

Mr. THOMPSON. Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, it is not often—in fact, I believe this is the first time—that an election bill has been brought out of House Administration Committee with bipartisan support and, miraculously, this one has support of every single member of the committee.

I want to echo the remarks of my distinguished chairman, and extend my thanks for his splendid cooperation and for the many months of work by the majority staff. Special thanks should go to Bob Moss, Carolyn Reed, and Steve Sachs-Wilner.

Mr. Speaker, because we eliminated partisan squabbling, this bill is probably the first election bill that is the product of continuous, careful, deliberate work. I would hate to use the word "reform" but H.R. 5010 will surely go a long way toward making some sense out of the crazy-quilt system of law we have enacted over the past 8 years.

There are many changes in H.R. 5010 that I believe important, but none is more important than the increased flexibility and encouragement given to our State and local party committees.

These committees, Mr. Speaker, were virtually excluded from the 1976 Presidential election. Some of the problems were recognized by President Carter and were made part of his election recommendations. The Kennedy Institute at Harvard made special note of the adverse effect our election law has had on the State and local party committees. Some similar thoughts were recently repeated by Dr. Herb Alexander, the dean of election law specialists.

These are the broadest based units of political involvement in our election system. H.R. 5010 will permit them, in fact, encourage them to once again play an important role in electing Federal candidates.

STATE AND LOCAL PARTY COMMITTEES

H.R. 5010 makes the following changes for these party committees:

First. Reporting. Local committees of a political party will not incur reporting obligations unless they receive contributions in excess of $5,000 during a calendar year; make payments for certain exempt activity in excess of $5,000 during a calendar year; or make contributions or expenditures aggregating in excess of $1,000 during a calendar year.

Second. Exempted activities. H.R. 5010 permits payments for campaign materials such as: pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs. The bill will also allow payments for costs of voter registration and get-out-the-vote activity when done on behalf of their Presidential ticket. These party committees will not incur reporting obligation unless these payments are in excess of $5,000 during a calendar year.

Third. Volunteer activities. Additionally, H.R. 5010 extends the volunteer exemptions to all political party committees. These activities include:

Residential premises. Currently, a volunteer can use their residence for an event and the first $500 is excluded from the definition of contribution and expenditure. This exemption has been raised to $1,000 and has been extended to events held on behalf of all political committees of a political party. The exemption for the later activity is $2,000 in any calendar year. One additional change in this provision is the amendment offered by our distinguished colleague from South Carolina (Mr. CAMPBELL) which extended residential premises to include club and community rooms.

Vendor Exemption. The current exemption for vendors has been raised to $1,000 per candidate per election. In addition, this exemption is extended to discounts to or on behalf of political party committees not to exceed $2,000 per calendar year.

Travel expenses. This exemption has been raised to $1,000 and has been extended to travel expenses incurred for party-related business not to exceed $2,000 per calendar year.

Fourth. Legal and accounting. Additionally, Mr. Speaker, the exemption for legal and accounting services has been extended to include services on behalf of party committees.

Secondly, Mr. Speaker, this bill greatly reduces and simplifies the reporting requirements required of candidates and their committees.

CANDIDATES

First. Candidate definition. The definition of candidate has been changed to include a threshold of $5,000 for contributions or expenditures. A person will not be required to file reports until he/she reaches this threshold. Hopefully, this change should reduce the reporting obligations of more than 100 persons.

Second. Carter/Koch. Another difficulty occurring in the 1976 election was the so-called Carter/Koch problem. H.R. 5010 creates a solution for that problem and will go a long way to encourage candidates to run with other candidates as a "team." Candidates will be permitted to pay for certain types of campaign materials without the payment being either a contribution or expenditure to the other candidate.

Third. Candidate reporting. Candidates are relieved of any reporting obligations on their own forms. Instead, the candidate will be able to receive contributions or make expenditure as an agent of his/her authorized committees.

Fourth. Reports. Candidates for the House and Senate's authorized committees will be required to file 9 reports instead of the current maximum of 24 in a 2-year period.

Fifth. Recordkeeping. The recordkeeping requirements are reduced and rewritten to reflect more accurately the actual contributions received and expenditures made for a campaign. Under current law, expenditures aggregating $100 or more have to be reported. This amount is raised to $200. In addition, a canceled check will be sufficient to satisfy the recordkeeping requirements of the act.

MISCELLANEOUS PROVISIONS

First. Advisory opinions requests must be answered by the Federal Election Commission within 60 days rather than a reasonable time. During the 60 days before an election, a candidate's request for an advisory opinion must be answered within 20 days.

Second. Enforcement. The enforcement procedure is reduced from 3 to 2 steps. In addition, the respondent is given a greater opportunity to demonstrate that no action should be taken on a complaint.

Third. Secretaries of State. The burden on the Secretaries of State is reduced. Currently, reports filed with the Secretaries are required to be preserved for 5 years for House reports and 10 years for all other political committees. H.R. 5010 reduces that preservation period to 2 years for candidates reports and until April 30 of the following year for reports of all other political committees.

Fourth. Sections 602, 603, and 607 of title 18. The bill amends sections 602, 603, and 607 of title 18. Congressional employees may make voluntary political contributions to Federal candidates other than their immediate employer. Inadvertent solicitation of congressional employees will not violate the ban on solicitation. In addition, contributions received by mail in any Federal building will not be unlawful if forwarded to the appropriate political committee within 7 days of receipt.

Fifth. Convention financing. H.R. 5010 amends title 26 to give our national committees an additional $1 million for the nominating conventions. This entitlement will come from the Presidential check-off fund.

Sixth. Effective date. H.R. 5010 is effective upon enactment for committees other than Presidential committees. This section defers the effective date for the "Contents of Report" section. It was felt that many of these committees have their computer systems in operation and it would be both unnecessary and burdensome for them to revise their programs. However, this exclusion would not preclude them from revising their systems to take advantage of the new reporting section.

Mr. Speaker, I would like to join my colleague and chairman in urging the House to suspend the rules and pass this bill.

□ 1310

Mr. Speaker, I would like to engage in colloquy with the distinguished chairman of the committee, the gentleman from New Jersey (Mr. THOMPSON).

I notice in the committee's report a sentence, with which I agree, that makes clear that the cost of commercial telephone bank systems or operations are not to be part of the section 301 exemption for registration or get-out-the-vote activities. Clearly, since the premise of this exception in H.R. 5010 is that volunteer activities are a party building function, the costs of commercial vendors should not be covered.

However, I am familiar with the situation where a professional person will be hired by a State or local party to design a telephone bank, develop calling instructions and train supervisors. The telephone bank itself would be completely conducted by the State or local party and completely operated by volunteers.

How would the Chairman interpret that situation in light of the language of H.R. 5010 and the report?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

First, I would like to thank the gentleman for his continuing interest in this subject matter and for his really splendid cooperation.

In the situation described by my friend and colleague from Minnesota, where a registration or get-out-the-vote telephone bank is totally conducted by a State or local party, and completely run by its volunteers, the referred to exemption from the definition of "contribution" would apply. This would be the case, notwithstanding the use of a paid professional to design the system, develop calling instructions and train supervisors. Of course, the costs of the paid professional would not be covered by the exemption.

And my esteemed colleague is also correct that the committee's intent in creating this registration and get-out-the-vote exemption, and the so-called buttons and bumperstrips exemption in 301(8)(x), was to help State and local political parties play a much needed larger role in the political process through the increased use of volunteers.

We need more people involved in politics—not fewer. One of the problems with the present campaign law is that it is driving people off campaigns. H.R. 5010 will hopefully reverse that trend.

Mr. FRENZEL. I concur in the chairman's statement, particularly in the final statement that this part of the bill, and in fact the bill in its totality, will increase participation.

Mr. Speaker, the minority has no requests for time, and I yield back the remainder of my time.

● Mr. ROSTENKOWSKI. Mr. Speaker, I rise to make clear my views on H.R. 5010. I support the passage of this legislation. Chairman THOMPSON of the Committee on House Administration has brought to the House floor a very worthwhile measure.

H.R. 5010 provides a significant level of procedural reform to the Federal Election Campaign Act. The bill simplifies and standardizes the types and amounts of information required by candidates both when registering and reporting. In particular, the bill substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

While I am a supporter of H.R. 5010 and feel it provides needed simplifications, I have, however one reservation. Election officials in my district have expressed dismay that the bill would limit the scope of the Federal Election Commission as a national clearinghouse for information concerning election laws. Under H.R. 5010, the FEC could not proceed with the same comprehensive studies it now can provide. These election officials are concerned that a useful service to them has been removed.

Accordingly, I would hope that in the future the Congress could act to guarantee continuance of all the services the clearinghouse currently provides.●

Mr. THOMPSON. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill H.R. 5010, as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5010, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DUTY-FREE ENTRY OF CARILLON BELLS FOR THE UNIVERSITY OF FLORIDA

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R.

1212) for the relief of the University of Florida, Gainesville, Fla.

The Clerk read as follows:

H.R. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall admit free of duty forty-nine carillon bells (including all accompanying parts and accessories) for the use of the University of Florida, Gainesville, Florida, such bells being provided by Koninkligke Eijsbouts B.V., Asten, The Netherlands.

SEC. 2. If the liquidation of the entry for consumption of any article subject to the provisions of the first section of this Act has become final, such entry shall be reliquidated and the appropriate refund of duty shall be made.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume

Mr. Speaker, the purpose of H.R. 1212 is to provide for the duty-free entry for 49 carillon bells—including accompanying parts and accessories—for the use of the University of Florida, Gainesville, Fla.

H.R. 1212 was introduced by Mr. FUQUA of Florida.

The purpose of the duty-free provision of H.R. 1212 is to enable the University of Florida to place the carillon bells in the Century Tower located on the campus. The bells are being supplied by a company in the Netherlands. The International Trade Commission advises there is no U.S. competition.

The Department of the Treasury issued a report opposing the duty-free entry of the carillon bells. Their opposition is predicated on the fact that the bill, if enacted, would grant a single institution more favorable treatment than is accorded other institutions of the same class, and would create dissatisfaction in other institutions which are obligated to pay duties on similar articles imported under like circumstances. However, they would support legislation that would afford duty-free treatment to all similar articles as long as a domestic industry is not adversely affected.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on March 5, 1979, on duty-free entry and temporary duty suspension bills. During these hearings, favorable testimony and written comments were received on H.R. 1212.

The bill was ordered reported by the committee by voice vote, and I urge its passage.

Mr. Speaker, I yield such time as he might desire to my distinguished colleague, the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I want to thank the distinguished gentleman from Ohio (Mr. VANIK), the chairman of the subcommittee, for his work and diligence in getting this bill out. I want to thank my colleague, the gentleman from Florida (Mr. GIBBONS), and also the chairman of the full committee, the gentleman from Oregon (Mr. ULLMAN), for their cooperation and assistance in bringing this measure to the floor in a timely manner.

Mr. Speaker, as the Member who introduced H.R. 1212, I want to rise in vigorous support of this legislation to permit the University of Florida to import, duty-free, 49 carillon bells. Let me thank the gentleman from Ohio (Mr. VANIK), the gentleman from Florida (Mr. GIBBONS) and Chairman ULLMAN for their great assistance in bringing this measure to the floor in a timely matter.

Mr. Speaker, I would like to advise my colleagues of some of the background which led to the introduction of this bill. In 1951, during the time I was a student there, Century Tower was constructed on the campus of the University of Florida to commemorate the 100th anniversary of the founding of the university. Ever since that date, it was the goal of the university to install carillon bells in the tower to toll the quarter-hour and strike each hour.

Funds for the purchase of the bells were raised by the student body of the university. Approximately $200,000 has been raised and the bells were just recently installed in Century Tower. If H.R. 1212 is not enacted, it is anticipated by university officials that the total that will have been paid for the import duty could amount to $6,000 to $8,000.

The University of Florida is a land-grant college and as Florida's first university it is the bulwark of the State's system of higher education. It is, of course, a State institution and not operated for profit. This last statement is, I believe, a key consideration in why H.R. 1212 deserves approval.

Under the circumstances I have described, I feel it is entirely equitable to waive the import duty and provide this measure of relief to the university. As an alumnus of the University of Florida, as the Member of Congress who represents the university, and as the current president of the National University of Florida Alumni Association, I know full well how much this dream of obtaining the carillon bells has meant to university personnel, students, and alumni alike.

Now that the dream has become a reality, I would like to save the university whatever funds can be saved and I strongly urge passage of H.R. 1212.

Mr. Speaker, in concluding let me comment on two areas which may be of concern to the Members of this body. At one time the question was raised as to the impact this type of legislation would have on American business and labor. I verified through the Library of Congress that no American firm is presently casting carillon bells and no one has expressed the intention to do so in the foreseeable future.

Further, note was made of the possible need for general legislation on the subject. While this may be a matter which the subcommittee, so ably chaired by the gentleman from Ohio (Mr. VANIK) might wish to consider, I leave that decision in their hands and urge that we not delay in passage of this bill.

□ 1320

The bill was reported by voice vote in the committee, and I urge its passage.

Mr. FRENZEL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the bill is favored by the minority. As the chairman of the subcommittee indicated, in fact every member of the full committee and the subcommittee voted in its favor.

Mr. Speaker, I want to congratulate the author of the bill for bringing it to our attention to indicate that my niece, Sarah Frenzel, thinks the bill sounds beautiful and she would prefer not to have her tuition increased to pay the extra duty.

Mr. Speaker, I have no further requests for time.

Mr. VANIK. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill, H.R. 1212.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF DUTY-FREE ENTRY PERIOD FOR TELESCOPE AND ASSOCIATED ARTICLES FOR USE OF THE INTERNATIONAL TELESCOPE PROJECT IN HAWAII

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1319) to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

The Clerk read as follows:

H.R. 1319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a) of Public Law 93-630 (88 Stat. 2152) is amended by striking the words "June 30, 1980" and inserting in lieu thereof "June 30, 1982".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield such time as he may consume to our distinguished colleague, the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in support of H.R. 1319, which I introduced at the start of this Congress. Its purpose is simple: the extension of the duty-free period on parts necessary for the completion of the telescope project on Mount Mauna Kea in Hawaii is for only 2 years, from June 30, 1980, until June 30, 1982.

The New York Times has called this project one of the world's most important observation sites. In 1974, the Canada-France-Hawaii telescope project began, expanding the existing facilities to include a new 150-inch telescope to be used for general astronomical observation. Legislation to extend duty-free treatment for parts used in the construction of this telescope was passed by the Congress in 1974.

There is ample precedent for this type of treatment. Public Law 89-651, which implemented the so-called Florence agreement, provided for the duty-free exchange of cultural, scientific, and educational material. However, due to the extended nature of this project, the petitioning procedures outlined under Public Law 89-651 would be most difficult without the separate legislation being considered today.

Mr. Speaker, I urge the approval of this legislation.

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 1319 is to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

H.R. 1319 was introduced by our colleagues Mr. AKAKA and Mr. HEFTEL of Hawaii.

The Canada-France-Hawaii Telescope Corp. is a nonprofit organization incorporated under the laws of the State of Hawaii in January 1974. It comprises an international scientific cooperative venture among the National Research Council of Canada, the Centre National de la Recherche Scientifique of France, and the University of Hawaii. The terms of the cooperative undertaking among these agencies were set forth in a memorandum of understanding signed in October 1973. The corporation was established for the purpose of supervising the construction and operation of a major astronomical observatory and related facilties near the summit of Mauna Kea—elevation 14,000 feet—on the island of Hawaii. The proposed optical telescope of 3.6 meters in diameter will rank among the largest astronomical instruments and because of its site will provide astronomers some of the most superior viewing conditions available in the world.

At the time Public Law 93-630 was enacted to provide duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii, it was believed that the project would be completed by June 30, 1980. However, it now appears impossible that the project will be completed by that time. Therefore, it will be necessary to continue the duty-free entry period for the project until June 30, 1982.

In order to insure completion of the project, which the proponents feel will be of significant value to the American scientific community, a short extension of the period of duty-free entry is required.

Reports were received from the Departments of State and Commerce. State supports the bill while Commerce has no objection to passage of the bill.

The bill was ordered reported by the committee by voice vote and I urge its passage.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentleman from Ohio in his support of H.R. 1319. This measure would, simply, assure the realization of the intent of the 93d Congress to provide for duty-free entry of a particular telescope and its accessories.

When Public Law 93-630 was enacted by the 93d Congress, it provided a period for duty-free entry of a telescope and accessories for the use of a Canadian, French, and University of Hawaii telescope project in Hawaii. It was expected that the project would be completed by June 30, 1980, and, thus, the period for duty-free treatment expires at that time. It is apparent now, however, that the project will not be completed on time. This bill, consequently, extends the period of time within which the duty-free treatment can be afforded the telescope and accessories which will be used in the project.

There were no objections to this bill at the March 5, 1979, hearings, and the bill was unanimously reported out of committee.

The one-time revenue loss is estimated as $133,000 for fiscal year 1980 and $667,000 for fiscal year 1981.

I would urge your support of this very worthwhile legislation.

Mr. VANIK. Mr. Speaker, I yield back the balance of my time.

Mr. VANDER JAGT. Mr. Speaker, we have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill, H.R. 1319.

The question was taken; and (two-thirds having voted thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONTINUATION UNTIL JULY 1, 1982, OF THE EXISTING SUSPENSION OF DUTIES ON SYNTHETIC RUTILE

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2297) to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile, as amended.

The Clerk read as follows:

H.R. 2297

Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled, That item 911.25 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/79" and inserting in lieu thereof "6/30/82".

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 911.25 of the Tariff Schedules of the United States (as in effect on June 30, 1979) applied and—

(1) that was made after June 30, 1979, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 2297 is to continue the existing suspension until July 1, 1982, of the duty on synthetic rutile.

H.R. 2297 was introduced by our colleague, Mr. DUNCAN of Tennessee.

Synthetic rutile is derived from ilmenite through a process of chemical upgrading. Since natural rutile is much more costly than ilmenite, increasing quantities of synthetic rutile are being produced. Titantium dioxide pigments comprise by far the largest single use of natural and synthetic rutile. At the present time, there is one domestic producer of synthetic rutile, the output is partly for their own use and part for sale. No other domestic producer is known.

Total imports of synthetic rutile for 1978 were 35,588 short tons with a value of $5,375,000. Australia supplied over half the synthetic rutile in 1978.

Reports with no objections were received from the Departments of State, Treasury, and Commerce. The International Trade Commission submitted an informational report suggesting technical amendments.

The bill was amended by the Subcommittee on Trade to reflect the correct date "for consumption after June 30, 1979" rather than "for consumption after June 30, 1977."

The bill was further amended to include a provision whereby importers may file with the Commissioner of Customs a request on or before the 90th day after the date of enactment covering the entry or withdrawal of articles covered by this bill that was made after June 30, 1979, and before the date of enactment of this act and to which there would have been no duty if any of the amendments made by subsection (a) applied to such entry or withdrawal shall, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of enactment of this act.

The bill as amended, was ordered reported by the committee by voice vote, and I urge its passage.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague, the chairman of the Trade Subcommittee, in his support of H.R. 2297. As the gentleman has stated, this bill provides for the continuation, suspension on imports of synthetic rutile.

The need for the continuation of the present duty suspension arises because there continues to be a shortfall in the domestic supply of synthetic rutile and because natural rutile is extremely costly. There is one domestic producer of synthetic rutile which began operations in early 1977 and which produces about 110,000 short tons per year. This production is partially for the producer's use and partially for sale to other users. Approximately 35,588 short tons of synthetic rutile were imported into this country in 1978 with a value of $5,375,000. Over half of the synthetic rutile imported into this country comes from Australia.

Synthetic rutile, as with natural rutile, is an essential product in the manufacture of titanium dioxide pigments. While synthetic rutile has been used exclusively for this purpose, it is thought that its future uses will include the making of titanium metal, welding rod coatings, and further substitution of natural rutile.

The column 1 duty rate was initially suspended in October of 1974 through June 30, 1977, and was retroactively reinstated in November 1977 to continue until June 30, 1979. The column 2 duty rate will remain unaffected.

During the subcommittee hearings on March 5, 1979, no objection to this bill was heard from the administration and supporting testimony was heard from the private sector.

This bill further provides that entries of synthetic rutile since June 30, 1979, until enactment of this bill may receive duty-free treatment if such entries would have been eligible had this measure been enacted on June 30, 1979.

The revenue loss for this bill is approximately $403,000 annually.

I strongly encourage your support of this legislation.

Mr. Speaker, we have no further requests for time.

Mr. VANIK. We have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. Vanik) that the House suspend the rules and pass the bill, H.R. 2297, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

☐ 1330

TARIFF TREATMENT OF CERTAIN DYEING AND TANNING ARTICLES

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3122) relating to the tariff treatment of certain articles, as amended.

The Clerk read as follows:

H.R. 3122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Permanent Duty-Free Treatment to Certain Dyeing and Tanning Materials

(a) (1) Subpart A of part 9 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(A) by striking out item 470.15 and inserting in lieu thereof the following:

	Other:		
"470.16	Logwood	Free	Free
470.18	Other	4% ad val.	15% ad val.".

(B) by striking out "15% ad val." in each of items 470.23 and 470.65 and inserting in lieu thereof "Free";

(C) by striking out "6% ad val." and "15% ad val." in item 470.25 and inserting in lieu thereof "Free";

(D) by striking out "2.5% ad val." and "15% ad val." in item 470.55 and inserting in lieu thereof "Free"; and

(E) by striking out "3.5% ad val." and "15% ad val." in item 470.57 and inserting in lieu thereof "Free".

(2) Item 907.80 of the Appendix to such Schedules is repealed.

(b) (1) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(2) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 907.80 of the Tariff Schedules of the United States (as in effect on June 30, 1978) applied and—

(A) that was made after June 30, 1978, and before the date of the enactment of this Act, and

(B) with respect to which there would have been no duty if any of the amendments made by subsection (a) (1) applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

Sec. 2. Suspension of Duty on Wood Excelsior Until July 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding in numerical sequence the following new item:

"904.00	Wood excelsior, including excelsior pads and wrappings (provided for in item 200.25, part 1A, schedule 2)	Free	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Sec. 3. Suspension of Duty on Nitrocellulose Until July 1, 1980.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"907.77	Nitrocellulose (provided for in item 445.25, part 4A, schedule 4)	Free	No change	On or before 6/30/80".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Sec. 4. Suspension of Duty on 2-Methyl-4-Chlorophenol Until July 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"907.11	2-Methyl-4-chlorophenol (provided for in item 403.60, part 1B, schedule 4)	Free	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Sec. 5. Reduction of Duty on Certain Ceramic Insulators Until July 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"909.20	Ceramic insulator having an alumina oxide content of not less than 96%, if used in spark plugs (provided for in item 535.14, part 2D, schedule 5)	4% ad val.	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

Sec. 6. Suspension of Duties on Certain Forms of Zinc Until July 1, 1981.

(a) Items 911.00, 911.01, 911.02, and 911.03 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) are each amended by striking out "6/30/78" and inserting in lieu thereof "6/30/81".

(b) (1) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(2) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 911.00, 911.01, 911.02, or 911.03 of the Tariff Schedules of the United States (as in effect on June 30, 1978) applied and—

(A) that was made after June 30, 1978, and before the date of the enactment of this Act, and

(B) with respect to which there would have been no duty if any of the amendments made by subsection (a) applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. Vanik) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel).

The Chair now recognizes the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3122 contains six

duty-free entry provisions and each of the items is noncontroversial having passed the House last year but failed to be approved by both Houses prior to adjournment of the 95th Congress.

The purpose of section 1 of H.R. 3122 is to eliminate the duties on imports of certain dyeing and tanning materials.

These dyeing and tanning materials are primarily used by the U.S. leather industry in converting rawhides and skins into leather. Temporary duty suspensions have been granted and extended since original enactment in 1957. The latest extension terminated June 30, 1978. Section 1 of H.R. 3122, as amended, would be retroactive to June 30, 1978.

There has been very little domestic production of most dyeing and tanning materials for many years. Consequently, the U.S. users depend on imports for virtually all of their requirements. Elimination of duty helps American tanners compete with foreign producers and provides benefits to consumers by holding down the price of leather.

Reports favoring H.R. 3122 section 1 were received from the Department of Commerce. No objections to this bill have been received from any source.

Mr. Speaker, the purpose of H.R. 3122, section 2, is to suspend until July 1, 1981, the duty on wood excelsior.

Wood excelsior consists of thin, narrow, flexible strands of wood which tend to curl and form a loosely joined mass. It is produced by shedding wood blocks generally of aspen, cottonwood, basswood, and southern pine. Resilience, the ability to expand rapidly after compression, is the principal characteristic making excelsior desirable for use in packing glassware and other easily breakable articles. Among the important uses of excelsior are the following: as an acoustical component in cement ceiling and wall panels; as a protective cushion placed within boxes and crates for shipping fragile items and general merchandise; as a filling or padding material in low-priced mattresses and upholstery and in caskets, hassocks, athletic equipment, and toys; as a filter and vapor-dispersing agent for evaporative coolers; as a soil covering for erosion control; and in the filtration of crude oil and petroleum products.

There are 12 known plants currently producing wood excelsior for commercial use in the United States. The top five companies account for at least 90 percent of U.S. shipments. Because of the very high volume/weight ratio of this product together with its relatively low unit value, long distance shipping is expensive and uneconomic. The International Trade Commission, in its report to the subcommittee, states that this bill would have a negligible impact on the domestic industry.

Reports in favor of this section of the bill were received from the Department of Treasury and Department of Commerce.

Mr. Speaker, section 3, is to suspend the duty on imports of certain nitrocellulose until June 30, 1980.

This section applies to "soluble" nitrocellulose which is the essential ingredient used in durable lacquer coatings primarily used by the food furniture industry. There is a single domestic producer of nitrocellulose. A previous producer ceased production in December 1977 because the market growth potential did not justify the increased capital investment required to meet new pollution control standards. The remaining producer has begun expanding its facilities to make up the shortfall. This project will not be completed until mid-1980, thus forcing U.S. users to utilize overseas sources to secure adequate supplies of this needed material.

Reports with no objections were received from the Departments of Commerce, Interior, State, and Labor. The Department of Treasury favors enactment. No objections to this legislation have been received from any source.

Mr. Speaker, at this point I yield to the sponsor of the legislation, the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I am most grateful for the consideration of this legislation today as it affects the availability of an item which is vital to the manufacture of furniture which is important to my district and State.

Section 3 of H.R. 3122 suspends the duty on imported nitrocellulose until July of 1980. Nitrocellulose is a resin which serves as the basis for a large number of fast drying, durable lacquer coatings and is used for automotive refinishing and for primer and other fast drying coatings for metal and plastics. One of the principal uses for nitrocellulose, and the one for which there is no substitute, is in the manufacture of finishes for wood furniture.

In 1977 one of only two domestic producers of nitrocellulose announced plans to terminate manufacture. This left a shortfall of more than 20 percent and has forced American paint and coating manufacturers to import nitrocellulose at a 9.7-cents-per-pound tariff. This represents a minimum of 10-percent increase over existing domestic prices and a handicap in the marketplace.

The suspension on the tariff on this item was almost approved in the closing days of the 95th Congress, but because of the press for adjournment and a controversial amendment added to the bill in the Senate, it failed to be adopted. This has caused manufacturers to absorb the price increases without passing along the costs and placed them at a disadvantage with their competitors who are able to buy the resin on the domestic market.

The bill only calls for a temporary suspension until 1980 when it is expected that the remaining domestic producer will increase its output. Manufacturers who require this resin in their products need this tariff relief if they are to sustain the losses incurred as a result of paying the tariff.

I urge my colleagues to support the proposal.

Mr. VANIK. Mr. Speaker, I want to thank the gentleman from North Carolina (Mr. PREYER) for his argument before the committee and for his success before the committee.

Mr. Speaker, section 4 of H.R. 3122 is to suspend until July 1, 1981, the duty on 2-methyl 4-chlorophenol.

2-methyl, 4-chlorophenol is a chemical intermediate used in the manufacture of certain phenoxy herbicides used in cereal grain production. A Tuscaloosa, Ala., corporation constructed a manufacturing facility in 1977 primarily for the production of these phenoxy herbicides. Availability of 2-methyl 4-chlorophenol is a key element in their manufacturing process and it is not available domestically. A temporary suspension of the column 1 rate of duty of 1.7 cents per pound plus 12.5 percent ad valorem would make it economically possible for the importation of 2-methyl 4-chlorophenol until this company completes planned construction of a U.S. production facility for this product.

The Department of Commerce submitted a report on this section of H.R. 3122 indicating no objection to this part of the bill.

Mr. Speaker, the purpose of section 5 of H.R. 3122 is to temporarily reduce the duty on imports of certain ceramic insulators having an aluminum oxide content of not less than 96 percent used in the production of highly specialized spark plugs to July 1, 1981. These spark plugs are used in stationary gas, natural gas, propane, or LPG engines.

When compared with total U.S. spark plug production, production of these specialized spark plugs is very limited, apparently less than 0.1 percent of total U.S. spark plug consumption. Domestic production is apparently limited to two firms, one large firm which produces its own ceramic insulators only for internal use, and which also produces auto and aircraft spark plugs, and a small firm which allegedly cannot economically produce its own ceramic insulators. That small firm presently imports ceramic insulators which bear a 15-percent duty and assembles the completed spark plug which then competes against imports of completed spark plugs which presently are dutiable at a rate of 4 percent ad valorem. The firm seeks to eliminate this advantage of foreign producers by reducing the duty on certain specialized ceramic insulators to 4 percent, the same duty paid by spark plug imports.

The Department of Commerce submitted a report on this section indicating no objection to this part of the bill.

Mr. Speaker, the purpose of H.R. 3122, section 6, is to continue the temporary suspension of duties on imports of certain zinc ore and concentrates until June 30, 1981.

This section would extend the previously expired suspension of the column 1 rates of duty on zinc ores and concentrates used by domestic zinc manufacturers as necessary raw materials in the production of zinc metal. The duty on these items was originally suspended in 1975 in recognition of the fact that U.S. mines do not have sufficient capacity to satisfy demand. The domestic zinc producers are seeking continuation of this temporary duty suspension to help them compete more effectively against foreign zinc producers.

Reports favoring this section of H.R. 3122 were received from the Departments of the Treasury and Commerce. The International Trade Commission filed an informational report suggesting technical changes.

The bill, as amended, was ordered reported by the committee by voice vote and I urge adoption of this legislation. It ratifies what we did last year and what failed of passage in the other body. I hope that the House will support this legislation.

Mr. FRENZEL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise to speak in support of H.R. 3122. H.R. 3122 is a consolidation of several separate measures which have been considered by the committee in prior years but which, for reasons unassociated with the substance of those bills, were never enacted into law. During the hearing on March 5 of this year no objections were made to any part of this bill.

Section 1 of H.R. 3122 would eliminate the duty on certain dyeing and tanning materials and would make such elimination possible retroactively to June 30, 1978. Both column 1 and column 2 entries are covered by the bill, although only minimal imports of these substances come from Communist countries. The dyeing materials which would be subject to the duty elimination provided for here are used primarily by the leather industry to convert rawhides and skins into leather. As well, these materials are used by the oil well drilling industry as a thinner for fluids used in drilling operations. Domestic production of dyeing materials competitive with the ones treated by this measure has been minimal and domestic availability has steadily declined. We are almost totally dependent upon imports for nearly all our requirements of vegetable tanning extracts. The domestic industry testified that this measure would help U.S. tanners to compete with imports and provides benefits to consumers by keeping down the price of leather. Exporting countries include Argentina, Brazil, Paraguay, Peru, and France which accounted for $9.5 million of imports into the United States in 1978. Albania accounted for $15,500 worth under column 2 duty treatment. There is an annual revenue loss of $235,000.

Section 2 would create a new item number for and would suspend the column duty on wood excelsior, including excelsior pads and wrappings until July 7, 1981, effective upon enactment. Even though there are 12 known domestic producers, there is a shortfall in supply. The duty reduction is not expected to harm domestic producers while expanding supply because the ratio shipping cost to product value is such that imports would not provide U.S. producers significant price competition. Canada is, by far, the most significant exporter to the United States of excelsior. The annual revenue loss would be approximately $1,000.

Section 3 of H.R. 3122 would suspend the MFN duty on imports of soluble nitrocellulose. Soluble nitrocellulose is a synthetic resin essential to the production of durable lacquer coatings used largely by the wood furniture industry. Additional uses include automotive refinishing, primers, paper coatings, and fingernail polishes. There is no domestic producer remaining who is attempting to expand production to make up for the supply shortfall and a 30 million pound reduction in domestic production since 1977. This expansion, however, will not be completed until mid-1980. The bill also provides for a separate item number for soluble nitrocellulose so that import data may be more reliable. Imports are generally thought to be negligible. The revenue loss cannot be estimated as no specific import data on soluble nitrocellulose is available.

Section 4 of the bill would create a new item number for and would suspend the MFN duty on 2-methyl-4-chlorophenol from the date of enactment until July 1, 1981. This product is used in the manufacture of herbicides for small grains, peas, and certain weeds. The product is not produced in the United States, but production of it and a competitive herbicide is planned within the next 3 years. A $314,000 annual revenue loss is expected.

Section 5 would create a new item number for and reduce the tariff on ceramic insulators used for producing spark plugs until July 1, 1931. Currently, this particular type of ceramic insulator is classified in a basket category and specific data on imports is unavailable. The high aluminum content ceramic insulator which is the subject of this bill is used in the production of spark plugs for use in stationary gas, natural gas, propane, or LPG engines. The measure would benefit a small Texas manufacturer of the special spark plugs for these types of engines. There are two domestic producers of this specialized insulator product. One of the producers is a major spark plug producer that uses the insulator to make its own spark plug for these types of engines. The other producer of the insulator is a small producer unable to keep up with demand. This measure would better enable the Texas spark plug producer to compete with the major spark plug producer. The revenue loss cannot be estimated.

The final section of H.R. 3122 would extend the previous suspension of MFN duties on certain forms of zinc until July 1, 1981. Even though U.S. consumption of the zinc forms in question here has declined, U.S. mines continue to have insufficient capacity to satisfy demand. This measure would make U.S. zinc producers better able to compete with foreign producers. Imports of the zinc ores in question largely originate in Canada, but also come from Mexico, Honduras, Nicaragua, Thailand, Australia, and Peru. The annual revenue loss is estimated at $1.7 million.

I strongly urge my colleagues to pass this bill so that further delays will not be met in helping these worthy domestic industries more effectively compete with imports and more efficiently serve the consuming public.

● Mr. SHELBY. Mr. Speaker, I would like to speak in behalf of H.R. 3122, particularly section 4, which incorporates H.R. 2580, which I introduced earlier in the session.

This section would suspend for 3 years the import duty on the chemical 2-methyl, 4-chlorophenol (PCOC). Such a suspension is vitally important to the owners and employees of an agricultural chemical plant located in my district.

Several months ago the Fallek-Lankro Corp., an Alabama company organized for the principal purpose of producing certain agricultural herbicides, brought to my attention a severe problem it was having in obtaining an economical supply of PCOC. This chemical, vital to their operation, is not produced in the United States and thus must be imported for use here.

The import duty on PCOC is 12.5-percent ad valorem, plus another 1.7 cents per pound. This very high duty, when added to the cost of the raw materials for PCOC, makes it uneconomical to produce the major two herbicides of the Fallek-Lankro line, MCPA and MCPP. The long range solution to this problem, I have been informed, is for Fallek-Lankro to construct a domestic PCOC manufacturing plant, which it plans to do. Until that time, however, it is hoped that the temporary suspension of duty for PCOC can be granted, and thereby enable the manufacturer to bridge the gap between conditions now and those when the PCOC facility is finished.

The vitality of this project is important to my district. Fallek-Lankro and a related company, the Alabama Western Chemical Corp., represent an augmented effort to revitalize a dormant 190-acre industrial site in Tuscaloosa through infusion of substantial sums of capital and creation of needed employment.

Alabama Western produces cresylic acids, which if upgraded, would be a source of certain other raw materials for the proposed herbicide production. The Fallek-Lankro Corp., has invested approximately $15 million in a modern, up-to-date plant in Tuscaloosa and Alabama Western has constructed the required cresylic enhancement capability at a cost of about $1,300,000. These plants became operational in October 1977 and have already added significantly to the domestic production capability for agricultural chemicals. Fallek-Lankro now employs more than 50 people; Alabama Western employs some 35—a total onsite employment of 85 people.

These jobs are especially important for my district, which has experienced the shutdown of two major industries and a cutback in another large chemical company. Therefore, while it is always desirable to have job opportunities arise in our district, it is even more important to us now.

The city of Tuscaloosa has a similar interest in the success of the project, since it facilitated the financing of the Fallek-Lankro Corp., through the issuance of industrial development revenue bonds.

In summary, the passage of 3122 would greatly help in insuring a great deal of economic and industrial activity both now and in the future and I hope the House will see fit to act favorably on it.●

Mr. FRENZEL. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. VANIK. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill (H.R. 3122), as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the four trade bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PAY OF ARCHITECT OF CAPITOL

Mr. HANLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4732) to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol.

The Clerk read as follows:

H.R. 4732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) the compensation of the Architect of the Capitol shall be at an annual rate which is equal to the annual rate of basic pay payable for positions at level III of the Executive Schedule under section 5314 of title 5, United States Code, and

(2) the compensation of the Assistant Architect of the Capitol shall be at an annual rate which is equal to the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

SEC. 2. The provisions of this Act shall take effect on the first day of the first applicable pay period commencing on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. HANLEY) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4732 would increase the salary of the Architect of the Capitol from $50,000 to $52,500, and the salary of the Assistant Architect of the Capitol from $47,500 to $50,000.

The Architect of the Capitol is responsible for the care and maintenance of the Capitol, the House and Senate office buildings, the Supreme Court, the Botanic Garden, the Capitol powerplant, and 200 acres of Capitol grounds. He serves as a member of the Capitol Police Board, the Capitol Guide Service Board, the District of Columbia Zoning Board, the Pennsylvania Avenue Development Corporation, the National Capitol Historic Preservation Society, and is responsible for the civil defense functions of the Capitol. He supervises approximately 2,300 employees, and in fiscal year 1979 administered a budget exceeding $77 million.

In 1964, Congress established the salary of the Architect at $27,000, which was commensurate with the pay of the General Counsel of the GAO, the Librarian of Congress, and the Public Printer. The salary of the Assistant Architect of the Capitol was set at $25,500, which was equivalent to the salary of the Deputy Librarian of Congress and the Deputy Public Printer. At that time, the maximum rate of pay for legislative employees, other than elected officers of the House and Senate, was $24,500.

In recent years, the salaries of employees of the House have increased to rates equal to or greater than the salaries of the Architect and the Assistant Architect, even though the responsibilities of some of these positions are not equivalent to the responsibilities of the Architect and the Assistant Architect. Three employees of the Office of the Speaker and employees of the majority leader and minority leader have salaries set at $52,500. Two employees of each standing committee are authorized to be paid up to $50,000.

In view of the responsibilities of the Architect and the Assistant Architect, H.R. 4732 would fix their rates of pay at the rates effective from time to time for level III ($52,500) and level IV ($50,000) of the Executive Salary Schedule.

□ 1340

Those of us who are acquainted with the Architect and the Deputy Architect are most aware of their professionalism and the esteem in which they are held by their professional body. We know what they might be doing, from the standpoint of reimbursement, in the private sector. It seems that there is absolute merit associated with this measure. I am happy to report to the House that this bill moved out of committee without any dissent. It was unanimous.

Mr. Speaker, I yield back the balance of my time.

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill, H.R. 4732. This bill increases the salary of the Architect of the Capitol, as we know, from $50,000 to $52,500 and the salary of the Assistant Architect of the Capitol from $47,500 to $50,000.

The annual cost of this adjustment would be approximately $5,400.

I think the chairman of the committee, my distinguished colleague, the gentleman from the great State of New York (Mr. HANLEY), has articulately explained the functions of the Architect and the Assistant Architect of the Capitol.

This really is a small rise, consistent with the rises requested and given to other people in the executive branch. This adjustment for the Architect and the Assistant Architect, I believe, is in keeping with the pay of the employees of the Congress and the executive branch with a similar duties and responsibilities.

Mr. Speaker, I wish to congratulate the chairman and to state my support of the bill.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I am not at all sure increases of pay for any Capitol Hill staff or Members is warranted, but let us admit, for the sake of argument, that they are. I wonder if the gentleman from New York (Mr. HANLEY) could tell me whether or not he views this bill as any encouragement to the Architect to continue along the lines of the grandiose plans, as we have seen in the last few years, to expand the empire of Capitol Hill into surrounding areas of the community by buying up whole blocks of houses, building more House office buildings and more Senate office buildings. I would not want this modest increase in salary to be taken as a sign of approval for this kind of edifice complex extension that we have had so many times.

Would the gentleman give me his thought on that?

Mr. HANLEY. Mr. Speaker, if the gentleman will yield, as my very good friend, the gentleman from Maryland (Mr. BAUMAN) knows, the Architect really is but a creature of the Congress.

Mr. BAUMAN. That is where the fault lies, I will say to the gentleman. He is correct.

Mr. HANLEY. But if we have a problem, as the gentleman suggests, that problem emanates from this body and the other body on the other side of the Capitol. So it is up to us to discipline ourselves, because the Architect acts upon our direction. But adopting this measure certainly is not going to influence expansion of plans.

Mr. BAUMAN. But the gentleman concurs that there is no approbation contained in this, symbolic or otherwise, for some of the things that have been suggested from the Office of the Architect, even though Congress may have been behind them?

Mr. HANLEY. The gentleman is correct.

Mr. BAUMAN. I thank the gentleman.

Mr. HANLEY. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. HANLEY) that the House suspend the rules and pass the bill, H.R. 4732.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF NATIONAL ALCOHOL FUELS COMMISSION

The SPEAKER pro tempore laid before the House the following resignation as a member of the National Alcohol Fuels Commission:

WASHINGTON, D.C.,
July 31, 1979.

Hon. THOMAS P. O'NEILL,
Speaker of the House,
H205, U.S. Capitol,
Washington, D.C.

DEAR MR. SPEAKER: Earlier this year you appointed me to the National Alcohol Fuels Commission and while I missed the official swearing-in, have attended their first meeting here in Washington. Unfortunately, I find with the kind of schedule they have laid out with hearings around the country, I will just not have the time to participate to the extent that I should.

I would therefore like to tender my resignation from the Commission.

Sincerely yours,
ROBERT H. MICHEL,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER pro tempore. Pursuant to the provisions of section 170(a)(3)(B), Public Law 95–599, and without objection, the Chair announces that the Speaker appoints as a member of the National Alcohol Fuels Commission the gentleman from Wisconsin (Mr. ROTH) to fill the existing vacancy thereon.

There was no objection.

GUN DECONTROL ACT OF 1979

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I am today introducing what is known as the Gun Decontrol Act of 1979.

Mr. Speaker, this legislation is proposed to change the focus of Federal firearms law enforcement from the present system of extensive bureaucratic regulation, under the guise of law enforcement, to an actual law enforcement strategy. It will remove from existing gun control statutes provisions which have proven to be of little use in combating crime or which have resulted in harassment of law-abiding gun owners with no off-setting law enforcement gains. Nothing in this bill will aid criminals; nothing will impede law enforcement.

SUMMARY OF THE LEGISLATION

This bill consists of amendments to the Gun Control Act of 1968 (sections 921 through 928 of title 18, U.S.C.), with corresponding changes in the provisions of the Omnibus Crime Control and Safe Streets Act of 1968 relating to firearms (sections 1201 through 1203 of title 18). The bill also acts to fully implement the exemption from recordkeeping requirements for small amounts of black powder previously provided by the Congress and negated by bureaucratic regulations.

The definitional section of the law is amended to provide positive guidance as to what constitutes "engaging in the business" with respect to the various aspects of the firearms industry. All law-abiding citizens who wish to engage in the business of dealing in firearms must, by law, have a license from the Federal Government to conduct their business. Citizens who occasionally sell a firearm, but who are not dealing in firearms as a business, do not need a license and are not issued one. Under current conditions, it is possible for one branch of the licensing agency to deny an application on the grounds that the individual will not in fact be "engaged in the business," while another branch of the same agency will arrest him for "dealing without a license" under the same exact circumstances that led to the denial of the license.

Dealers in ammunition are exempted from Federal regulation and associated recordkeeping requirements, and a defined list of disabling crimes is provided for the sections of law which prohibit certain persons from possessing firearms.

The unlawful acts provisions of the law are amended to replace the present exception-riddled restrictions on sales of firearms to out-of-State residents with a uniform standard. The bill would permit the sales of firearms subject to the other restrictions of the law (no sales to felons, minors, et cetera) and where legal under the laws of both the State in which the sale is made and the home State of the purchaser, to any eligible citizen regardless of whether he or she is a resident of the State in which the purchase is made. To avoid the possibility of abuses resulting from this change, the law is also amended to make it illegal for any person, not just a licensed firearms dealer, to sell or otherwise provide a firearm to a person prohibited by law from possessing a firearm.

Major changes are made in the licensing and inspection provisions to eliminate abuses that have occurred under present law. Treasury agents are required to have reasonable cause to believe a violation of the law has occurred before entering or inspecting firearms licensees' premises, and such inspections are established as the only means for examining firearms records, thus eliminating the possibility of firearms registration by bureaucratic fiat under the guise of improving recordkeeping procedures. The Treasury Department is also prohibited from attempting to revoke or deny renewal of licenses in cases where a licensee is charged with a violation but not convicted of such charges. Present language permitting the Treasury Department to provide State and local governments, at their request, with information regarding firearms purchasers is amended to provide that the Department may on its own initiative notify such governments any time it comes into possession of information regarding a prohibited person possessing a firearm.

The penalties provisions of the law are modified to require a person sentenced under the additional penalty provisions—regarding a crime committed with a firearm—to serve out the minimum penalty without parole. The provisions providing for seizure of firearms involved in violations are amended to provide that only firearms actually used in a violation may be seized. In any case where a successful motion is made for the return of such seized firearms, the Government is made liable for attorney's fees. The bill also provides that attorney's fees may be paid in any case brought under the provisions of this title if the judge determines the prosecution was in bad faith or constituted harassment.

The present rules and regulations provisions are amended to insure that no type of firearm registration rules may be issued, and a specific 90-day comment period on any other rules is required. New provisions are inserted to provide for congressional review of any regulations issued under this title.

Finally, provisions are inserted to insure that States may not interfere in otherwise lawful interstate transportation of firearms.

MAIN FEATURES OF THE BILL

DEFINITION OF "ENGAGED IN THE BUSINESS"

Existing law and regulations do not define what constitutes "engaging in the business" of dealing in firearms or ammunition, and the Bureau of Alcohol, Tobacco and Firearms consistently refuses to issue such a definition. As a result, each year numerous otherwise law-abiding citizens are charged with engaging in the business without a license after selling one or more firearms to undercover BATF personnel. Since the law does not prohibit sales by individuals as long as they are not "engaged in the business," and since BATF refuses to define that act, citizens are at the not-so-tender mercies of BATF agents, who are under pressure to "make cases" to demonstrate activity by the Bureau, and of Federal prosecutors.

Abuses in this area have been widespread. In many cases arrests are made, accompanied by massive publicity efforts by BATF and confiscation of the individual's firearms, and then no prosecution is forthcoming. The unfortunate individual has no course of action to clear his name, which has usually been prominently displayed in local newspapers. The proposed changes will hopefully eliminate these abuses.

"Engaged in the business" is defined for each type of Federal firearms licensee. For firearms manufacturers, it is any person who manufactures one or more firearms per year for purposes of sale or distribution; for ammunition manufacturers, it is any person whose gross sales of his own manufactured ammunition exceed $1,000 in any calendar year—this provision exempts persons who handload their own ammunition and load limited amounts for friends and neighbors, for which they recover the costs of the powder and components, and for importers of firearms, it is any person who imports one or more firearms in a calendar year; for importers of ammunition, it is any person who imports any ammunition for sale or distribution.

The definition of "engaged in the business" for dealers, which is the crux of the problem, is somewhat more complex. The bill draws a careful distinction between persons who are actually engaged in the business of selling firearms, and private citizens who may from time to time sell, purchase or exchange a firearm, with the latter not being subject to regulation by the Federal Government.

Three elements are included in the definition. To be considered to be "engaged in the business" a person must: First, deal in firearms as a regular course of trade or business; second, do so with the principal objective of making a livelihood and profit through the purchase and resale of firearms; and third, do so on a repetitive basis. These are the elements that distinguish a businessman from a hobbyist in any field, and they are particularly appropriate for the firearms where his collection is located—usually his home—whenever they desire.

The bill revises this to provide the licensed collector the opportunity to collect whatever type of firearm he desires, by eliminating the "curios and relics" provision from the law. Since collectors do not "engage in the business" of dealing in firearms, a new, limited requirement is established for recording their transactions in firearms. Collectors will be required to record the name, address, and other relevant information about purchasers, and maintain it in a bound volume, the nature of which BATF already prescribes from licensed dealers. Collectors are afforded the protections from arbitrary searches discussed below with respect to dealers.

Since collectors, like dealers, must be investigated prior to the issuance of a license, this action should have no law enforcement implications whatever. It will simply reduce Government paperwork and control over private hobbies. The concept of Government regulation of a hobby would normally be extremely difficult to justify, but the ban on mail-order firearms sales to the general public enacted as part of the Gun Control Act of 1968 (and not altered by this legislation) requires some such measure if collectors were not to be forced to abandon their hobby. This legislation serves to insure that the Government is not in the business of telling citizens what firearms they may collect.

The bill will eliminate from the law the concept of a licensed ammunition dealer. Individuals in this category are primarily convenience dealers—bait-and-tackle shops and general stores—who do not sell firearms. There are over 7½ billion bullets sold yearly, and the present recordkeeping requirements for ammunition do nothing but generate paperwork and provide another class of persons for the Government to regulate.

There is no evidence that ammunition recordkeeping has solved any crimes. Both the Justice and Treasury Departments have gone on record in favor of exempting .22 caliber ammunition from recordkeeping because of this, and their statements are equally applicable to other types of ammunition.

It is important to note that these new definitions will not in any way relax the current prohibitions on dangerous criminals possessing or obtaining firearms. In fact, other provisions of the bill which will be discussed later, improve these prohibitions. The bill merely removes Federal regulations from transactions between law-abiding private citizens, thereby insuring that those citizens will not be entrapped by Government agents, for supposedly committing a crime the Government refuses to define until after it accuses a citizen of committing it.

COLLECTORS

The bill revises the law significantly with respect to gun collectors. Present law provides licenses for collectors of "curios and relics," which are defined by regulations issued by the Treasury Department. A collector is permitted to purchase his "curios and relics," some of which are operational firearms, in interstate commerce via the mail. In return for this limited privilege, he must meet the same paperwork requirements as licensed dealers, and must permit BATF agents to inspect his records, his firearms, and the premises on which his collection is located, usually his home whenever they desire.

INSPECTIONS AND LICENSING

The bill amends present provisions dealing with licensing, inspection of licensees, and reports from licensees to eliminate abuses that have occurred and enhance fourth amendment rights of licensees.

The major change in this area is to require Treasury agents to have reasonable grounds to believe a violation of this chapter has occurred, and that evidence of this violation may be uncovered, in order to enter a licensee's premises and inspect his records or inventory. This will bring an end to the present practice of inspections bordering on harrassment, generally for no cause whatever. It will also serve to move the law in the direction of the recent Supreme Court decision (Barlow against Marshall) limiting the inspection powers of the Occupational Safety and Health Administration (OSHA).

There is no good reason for "compliance" inspections. Proper law enforcement can best be served by concentrating resources on cases where there is actual reason to believe a licensee may be violating the law, such as prohibited persons being found in possession of firearms originating with the licensee. In this manner, cases can be made against persons who are committing serious violations of the law. The present system of inspecting licensees merely to insure that their paperwork is in order is a waste of personnel at a time when BATF is seemingly unable to achieve the primary purpose of the law—keeping firearms out of the hands of criminals.

The bill also moves to protect firearms licensees against vindictive actions by BATF personnel. There have been documented instances where charges against licensees have been dismissed by the courts, and the BATF personnel responsible for the charges being filed have subsequently attempted to have the person's license canceled for the very accusations dismissed by the court. In effect, the agency is ignoring the verdict of the courts and placing the unfortunate citizen in double jeopardy, to say nothing of double legal fees.

Accordingly, the bill prohibits the Secretary from taking into account any such charges for which a licensee has not been convicted when making any decisions as to the issuance or revocation of a license.

In order to prohibit a repetition of BATF's attempt at firearms registration by decree, the bill specifies that on-site inspections, as discussed above, will constitute the sole means for inspecting licensees' records.

Finally, the bill amends the provisions of existing law which permit the Secretary to make available to State and local governments any information he may obtain from licensee records, when so requested by those governments. This could conceivably result in names of firearms owners or purchasers being distributed by the government. The bill restricts this information to details regarding prohibited persons obtaining a firearm, and provides that the Secretary may issue this information upon his own initiative.

SEIZURE OF FIREARMS AND OTHER ENFORCEMENT MATTERS

Major problems have occurred as a result of indiscriminate seizures of firearms under the provisions of current law. Firearms have been seized that are not even remotely connected with charges being brought against their owner; seized firearms have not been released when the owner is acquitted of charges (in fact, forfeiture proceedings have been instituted in cases where owners were acquited of the charges on which the seizures were made); and firearms have been seized and no charges have been brought against the owner. In some such cases, the owners have been advised that charges would be filed if the owner attempted legal action to recover his property. Examination of BATF confiscation report indicate that most firearms so confiscated are not "crime guns", but expensive rifles and shotguns. Many of these are "retained for official use", including bolt-action hunting rifles that have no conceivable law enforcement use.

These cases primarily involve firearms collectors, although dealers are occasionally also so treated. Even in instances where the collector ignores the threats of prosecution and attempts to recover his firearms, there are substantial legal fees involved. The bill accordingly provides that in any case of successful action to recover property seized under the provisions of the Gun Control Act, the judge shall award attorneys fees to the prevailing party.

To further control abuses, the bill specifies that only firearms actually involved in the violation may be seized, eliminating the present standard of "used or intended to be used". Enforcement personnel have generally interpreted this language to mean any and all firearms owned by any person accused of violating the law may be seized. Properly, only a firearm actually involved in an illegal action, such as offering it for sale to a prohibited person, should be seized. The notion that a person accused of a crime must have all of his property similar to that involved in the alleged violation confiscated, presumably on the assumption that he will also use it illegally, is completely foreign to our concepts of justice.

Because of the widespread abuses in arrests and prosecutions under the firearms laws, the bill provides judges with discretionary authority to award attorneys fees in cases that are without foundation or brought in bad faith. While neither this provision nor the other changes being proposed will guarantee an end to such abuse, it will at least reimburse the victims for some of their monetary losses.

Although the additional penalty provisions of the law, requiring an additional one-to-ten year sentence for anyone who uses a firearm to commit a crime, are apparently being universally ignored by the judiciary, the bill tightens such provisions in the hope that they will be utilized, by insuring that anyone sentenced under these provisions may not be paroled before completing his sentence.

RULES AND REGULATIONS

Abuses of the rulemaking authority by the Secretary, particularly his undercutting of the exemption of black powder from recording keeping requirements, specifically provided by Congress, and the recent attempt at firearms registration by regulation, have resulted in four restrictions on that authority being placed in the bill.

The first specifically prohibits him from issuing any regulations regarding the transfer of firearms records maintained by licensees, or of any of their contents, to any facility controlled by the government, thus eliminating the possibility of any new attempts at "backdoor" registration. The second restriction requires a 90-day public comment period for any proposed regulation dealing with firearms. Present law only requires an opportunity for comment without specifying its extent.

The third, and most important, restriction is the inclusion of a legislative veto over any regulation issued with respect to firearms.

The fourth, in response to BATF's decision to ignore Congressional action exempting black powder in quantities up to 50 pounds from recordkeeping requirements, nullifies any regulations the Secretary may issue with respect to the retail sale of black powder, manufactured for sporting purposes, in quantities of up to 50 pounds.

These restrictions will hopefully take BATF out of the political arena, leaving the Treasury Department free to administer the law and the Congress unchallenged in its authority to make the law.

INTERSTATE SALES

The present law is riddled with exceptions almost to the point of being chaotic when it deals with the interstate sale or transfer of firearms. One may inherit a firearm from a person in another State, but may not receive the same firearm as a gift from that person while he is alive. An exception is made for rifles and shotguns if the persons happen to live in adjacent States and the legislature has passed a law permitting sales and transfers between the adjacent States (as all but seven have done).

However, a person traveling two or more States from his home may not purchase or otherwise obtain a firearm, unless, he is hunting, in which case he may rent or be loaned a firearm; or unless his gun is lost, stolen, or becomes inoperable while hunting or target shooting, in which case he may purchase a replacement by filling out a form stating that his gun was lost, stolen, or became inoperable.

The bill will replace all this with a uniform standard, providing that any person not otherwise prohibited from obtaining a firearm may purchase a firearm in any State, so long as the purchase is legal under the laws of the State in which the sale is made and the State and locality in which the purchaser resides. All other provisions of law, such as identification of the purchaser and the various recordkeeping requirements, would remain in force.

This change is made for two reasons in addition to a desire for rational laws. First, there is little, if any, evidence that lawfully-obtained firearms are involved in any illegal interstate transfers for criminal purposes; accordingly there is no reason for such an arbitrary restriction on transfers by law-abiding citizens. Second, BATF, in one of its few useful actions, annually publishes a complete list of State and local firearm laws. This insures that dealers will be able to meet the "legal at both ends" requirement proposed in this bill, and removes whatever arguments might exist against such action on the grounds it might undercut State or local firearms laws.

PROHIBITED PERSONS

Existing law prohibits anyone convicted, or under indictment for, a felony, who is fugitive from justice, a drug addict, a mental patient, an illegal alien, or who fits in any of several related classifications from possessing a firearm under any circumstances, unless pardoned and specifically authorized to possess a firearm. The bill would change this in two ways.

First, a specified number of offenses, involving actual or implicit violence in their commission, are substituted for the blanket term "any felony." Prohibiting possession of firearms by persons whose past history indicates a predisposition to use them on others is only commonsense; however, this objective can be achieved without similarly disabling other persons who were convicted of an offense that did not threaten the physical safety of others. Once these persons have "paid their debt to society" and are presumably rehabilitated, there is no real reason why they should be prohibited from hunting or other legitimate uses of firearms. The crimes enumerated in the bill represent a "best judgment" as to what should be disabling; it is quite possible that other crimes should be added to the list, and attention should be given to this as the bill is given legislative consideration.

Second, the term "under indictment" is dropped from the law. There is no justification for imposing a penalty prior to a conviction. A person must be considered innocent until convicted, and the law in fact does that with respect to firearms licensees, who are permitted to continue operations under their license if charged with a crime until all appeals are exhausted. Similarly, if their license is revoked or not renewed, they may continue to operate until all appeals are concluded. The bill applies a similar standard to ordinary citizens. Current law can easily result in a person being forced to dispose of his firearms, including valuable collections, before he has a chance to defend himself against the charges, no matter how baseless they may be.

TRANSPORTATION OF FIREARMS

Problems have recently arisen due to local officials, particularly in New York City, interfering or threatening to interfere with the transportation of firearms through their jurisdictions. In a typical case, a person would be traveling from State A to State B on a hunting trip and would use one of the New York airports to make a connecting flight. Having his guns in his baggage, he is in violation of New York City's gun control laws, even though his possession of the firearms was perfectly legal in both his point of origin and his destination, And he was transporting them in accordance with Federal regulations.

This is unwarranted interference with interstate commerce, and the bill therefore prohibits any State or local laws or regulations which have the effect of prohibiting such legal transportation, provided that the firearm is unloaded and not readily accessible to those engaged in the transportation. This would in no way interfere with local officials' ability to prosecute anyone for using a firearm in violation of local laws, but would preserve the right of free travel for legitimate firearms users.

Mr. Speaker, I welcome all cosponsors. This legislation is being cosponsored today by the gentleman from Oklahoma (Mr. SYNAR), the gentleman from Ohio (Mr. ASHBROOK), and the gentleman from Wisconsin (Mr. SENSENBRENNER).

THE PRESIDENT MUST INSIST ON THE REMOVAL OF SOVIET TROOPS FROM CUBA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, over the course of the past 2 years, I have written to the President numerous times and made several speeches on the floor of the House about my concerns over the documented Soviet buildup in Cuba.

The President had ignored these repeated warnings until just recently.

His failure to take firm action when this Soviet buildup was taking place with impunity over the past 2½ years has told the world that the United States does not have proper leadership to defend itself.

More than 70 Members of the House cosponsored my resolution (H.J. Res. 740) in the last session of Congress, urging the President to use all necessary means to stop Soviet military activities in Cuba.

I am today reintroducing that resolution, to demonstrate again that there is growing congressional insistence that the President act firmly to get the Soviets out of Cuba, and this hemisphere.

I would like to include the resolution at this point in the RECORD:

H.J. RES. 394

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communist expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces or offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by a State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent by whatever means may be necessary the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.

NIGERIA READY TO BREAK OIL PRICE CEILING

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous material.)

Mr. SENSENBRENNER. Mr. Speaker, last Wednesday the House voted down an amendment that was designed to cut off foreign aid to OPEC countries on the ground that the countries that were receiving American foreign aid were truly America's friends. News travels fast. In this morning's Wall Street Journal an article appeared that Nigeria, which is one of the recipients of American foreign aid, appears ready to break the OPEC oil price ceiling and impose a $3 to $5 per barrel surcharge on top of the already existing price structure for oil. The Journal reported that Nigeria's impending price boost is a far more overt and potentially trend-setting move in that it could trigger further OPEC oil price increases by others.

The time has come for the administration to cut off foreign aid to countries that wish to gouge the American public with further price increases for oil.

The Journal article is as follows:

NIGERIA APPEARS READY TO BREAK OIL PRICE CEILING

(By Peter B. Roche)

Nigeria appears to be ready to break the oil price ceiling of $23.50 a barrel set by the Organization of Petroleum Exporting Countries last June.

Such a boost could trigger comparable increases by Algeria and Libya, which produce similar qualities of crude oil.

Nigeria is the U.S.'s second largest source of imported oil. It produces light, low-sulphur grades that are preferred by American refiners for processing into gasoline.

Although all purchasers of Nigeria crude oil haven't been advised of an impending price increase, one Nigerian producer has been informed of a proposed price premium of $3 to $5 a barrel to be charged, effective Oct. 1, on oil sold by the Nigerian National Petroleum Corp. Since that state-owned concern currently controls 60% of the 2.1 million to 2.2 million barrels a day of oil produced there, the new premium would apply to sales of about 1.2 million barrels a day.

"We have an ongoing dialogue with the Nigerians," the oil producer said, "and during our discussions the Nigerians said they were thinking about charging a $3 to $5 premium as of Oct. 1."

Some other companies that produce oil there said they hadn't heard about any price premium proposal yet. Starting today, however, other producers are being called in for regular quarterly talks about "details" of their production contracts in Nigeria for the fourth quarter. Such meetings will be taking place in Lagos, Nigeria's capital, all during the week.

Prices for Nigerian oil are already at, or scraping, the $23.50 a barrel OPEC ceiling. For example, Forcados, the biggest seller among Nigeria's various grades of crude, costs $23.10 a barrel plus a two-cents-a-barrel port fee. Other Nigerian grades range in price from $22 a barrel to $23.50 a barrel for its highest quality oil, Brass River. A $3 premium tacked on any grade of Nigerian oil would thus put the price well ahead of the OPEC maximum.

Qatar, another OPEC producer, previously broke the OPEC ceiling by auctioning off three million barrels of crude at prices understood to range from $34 to $35 a barrel. But Nigeria's impending price boost is a far more overt and potentially trend-setting move.

Lately, Nigeria has been aggressively altering its relationships with international oil companies.

As of Aug. 1, Nigeria nationalized British Petroleum Co.'s remaining oil interests there in apparent retaliation against British oil exports to South Africa. That deprived BP of some 250,000 barrels a day of Nigerian oil. The Nigerians had previously cut BP off from the right to buy a further 100,000 barrels a day of government supplies.

Also, effective Aug. 1, Nigeria began a general cutback of crude oil production of 10% to preserve dwindling reserves. Prior to that move, Nigeria had also decided to increase its share ownership in all producing properties there to 60% from the previous 55%.

Even with these recent developments, however, some oil company producers of Nigerian crude said they didn't think Nigeria would go so far as to break the OPEC ceiling. "I can't see the Nigerians raising their prices on their own," one trader said. He added that a similar move was threatened for the third quarter but hadn't materialized. "Nigeria doesn't want to be a price leader," he said.

Traders in Europe have been speculating that Nigeria, perhaps followed by Algeria and Libya, might attempt a price increase above the OPEC maximum because these high-quality crudes are currently priced relatively low compared with other inferior grades.

"There may be some fire under the smoke this time," another oil trader said, "but how big the fire is, I don't know."

Nigerian producers include companies such as Royal Dutch/Shell Group, Gulf Oil Corp., Phillips Petroleum Co., Mobil Corp. and Texaco Inc.

LOU DELLA VALLE CONSTRUCTION INDUSTRY AWARD

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, the Marin Builders Exchange is the organization in Marin County that represents our building and construction industry, with 600 members employing approximately 6,000 people. On September 14, 1979, the Exchange and the San Rafael Elks Club No. 1108 will present jointly the Lou Della Valle Construction Industry Award to two of my constituents.

To be honored as the first Construction Industry Woman of the Year is Judy Glodnis, who has made contributions to the industry in Marin County far exceeding the requirements of her job as office manager of the Exchange. She is familiar with every aspect of the industry, from knowing whom to call in every public works department to unsnag redtape, to advising builders on how to file a complaint with the State contractors licensing board or a notice of lien. She knows how to get things done, has the patience of Job and a keen sense of humor, and she often provides that invaluable shoulder to cry on when a project goes sour.

It is not surprising that in 1976 she was named Elks Club Citizen of the Year, and it is with great pride that I make these remarks about her today.

Being honored as Construction Industry Man of Year is John Kunst, owner of Kunst Brothers Painting. John comes from a prominent paint family—his twin brothers own Bud Kunst Painting, and the family has a paint business in San Francisco. He is past president of the Marin Builders Exchange, past exalted ruler of San Rafael Elks Lodge No. 1108, past president North Bay Council of Builders Exchanges, secretary-treasurer of Painting and Decorating Association of Marin, and currently serves as president of the California State Builders Exchange. In addition, he has been director of the college of Marin Alumni Association, and is a member of the University of San Francisco Alumni Association and the San Rafael Rotary Club.

John's major contributions have been the improvement of the industry's image in Marin County through his enthusiastic participation in the Exchange's activities, and his input to the California Legislature. With all these accomplishments, he has somehow found time to coach football at his high school alma mater, and to volunteer his energy in the restoration of St. Mary's Catholic Church in Nicasio, Calif.

It gives me great pleasure to be able to join in this tribute to John Kunst and Judy Glodnis.

HIS EMINENCE JOHN CARDINAL KROL HONORS THE 200TH ANNIVERSARY OF THE DEATH OF GENERAL PULASKI WITH A TRIBUTE TO THE PEOPLE OF POLAND AND THEIR FIGHT FOR HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, I was extremely privileged last night to attend the General Pulaski banquet in Buffalo, N.Y., and to hear the stirring words of His Eminence John Cardinal Krol as he paid tribute to the long history of Poland's dedication to human rights and freedom. Alice Posluszny, the evening's banquet chairman, spent many hours in making this dinner one of the most enjoyable I have ever attended.

The banquet was organized by the General Pulaski Association and outstanding contributions to the evening were made by His Excellency, Bishop Edward D. Head; Most Rev. Pius A. Benincasa, Auxiliary Bishop of Buffalo; Matthew W. Pelczynski of the Am-Pol Eagle and president of the General Pulaski Association; Alice Posluszny, banquet chairman; Judge Matthew J. Jasen; Clara Weber; Rev. Cornelian Dende; Rev. Msgr. Peter J. Adamski, and my colleague, Representative HENRY NOWAK, County Executive Ed Rutkowski, and Mayor James Griffin and former Congressman Thad Dulski.

Cardinal Krol said in his remarks:

> The history of the Catholic people of Poland offers a ten century example of how deeply they understood and practiced the Church's teachings on human dignity and human liberty.
>
> In their long history (Poles) manifested a passionate devotion to liberty: their own as well as that of others. They lived with the conviction that freedom is indivisible—that freedom is for all—that unless all are free, freedom is in jeopardy. They lived by the maxim, "Polak Nie Sluga"—"A Pole is not a Serf," and to safeguard freedom they helped others to fight "for your freedom and for ours."

Without this dedication to the God-given rights of freedom and individual dignity by such monumental figures as Pulaski and Kosciuszko, the American Revolution might not have been won. And without the courage of the Polish people to fight for the freedom of other nations and religions during the Middle Ages, the principles of freedom would not have spread so far.

This year's celebration of Pulaski Day falls near the 40th anniversary of the invasion of Poland by Nazi Germany, and Cardinal Krol pointed out the fierce dedication the Polish people carried toward the preservation of their religious and civil rights in the face of persecuton and death. Since the early middle ages, Poland has been a haven for victims of religious persecution, and the advent of World War II did not stop this tradition of religious tolerance. Unfortunately, recent popular interpretations of the horrors of World War II such as the television drama, Holocaust, failed to dramatize the organized Polish underground that existed during the war solely for the purpose of protecting the Jews from the Nazi slaughter. Hundreds of Poles were caught in this network and shot for their courageous efforts on behalf of their Jewish friends and neighbors.

Mr. Speaker, Cardinal Krol's words are an inspiring account of the long tradition of courage and bravery by the Polish people throughout the ages, and I would like to enter them into the RECORD in commemoraation of all Poles who have fought and died for that most precious and elusive gift—liberty:

ADDRESS BY JOHN CARDINAL KROL

Greetings: To his Excellency, Bishop Head, for his cordial invitation to Buffalo and to be a guest in his home, and to the General Pulaski Association of the Niagara frontier for its invitation to address this seventh annual General Pulaski banquet, I am truly grateful.

This banquet, is distinctive, because not only is it a customary preparation for the annual Pulaski parade, but it anticipates the 30 foot bronze cast sculpture of General Pulaski—a generous gift—costing over $600,000 to construct—of the people of Poland to the people of Buffalo and of the United States. This gift is made in observance of the 200th anniversary of the death of General Pulaski, who fought and died for America's freedom in the revolutionary war.

In the 1876 Centennial observance, the United States struck a medal with the images of Kosciuszko and Pulaski with the inscription: "Kosciuszko et Pulaski, Populorum Libertatis Milites"—"Fighters for the Freedom of Peoples."

The subject of freedom—of liberty is quite popular today. Colonialism is yielding to liberty and autonomy for emerging nations. Civil liberties capture headlines and command the attention and time of legislators, judges, and various organizations and agencies. The II Vatican council issued a decree on religious liberty as a civil right, and in other documents reaffirmed the rights of individuals and peoples to civil, religious and economic freedom.

Since we honor, a general from Poland who fought and died in the Revolutionary War for America's freedom, we might well consider the factors that impelled General Pulaski—and also General Kosciuszko to leave Poland to fight for America's freedom. We might well ask how and why these men acquire such a dedication to the freedom of a people and a nation, other than their own.

It should be noted the dedication to the cause of freedom of our revolutionary heroes is not unique in the history of the Polish people and nation.

There is a cemetery on Montecassino in Italy where over 1,000 Polish soldiers are buried. These soldiers, members of General Wladyslaw Ander's army, in a fierce battle from May 12–18, 1944 captured the Monastery of Montecassino an objective which the British forces had been struggling to achieve since February 19, 1944. The inscription on the large tablet marking the gravesites reads:

"For your freedom and ours,
We Polish soldiers
Yield our souls to God and our bodies to Italian soil,
And our hearts to Poland."

Many of us are familiar with the Polish national anthem *Jescze Polska Nie Zginela Poki My Zyjemy*—Poland Shall Not Perish While We Live. Perhaps not many know that this mazurka was the battle song of the Polish legions who in July 1797 fought under General Dabrowski in Reggio, Italy with Garibaldi for Italian independence.

In the XVII century the Tartars and Turks were threatening to inundate the Christian and western civilization of Europe. The then King of Poland John Sobieski, repelled the invaders at Chocim in 1673. Ten years later he scored a decisive victory over the invaders at the battle of Vienna. It is ironic that Russia, Austria and Prussia, which benefited from King Sobieski's defense of Vienna, in three strokes—1772, 1793, and 1795, progressively occupied and divided Poland, subjugating it totally. So that for a period of 146 years—from 1772 to 1918, or a period of 123 years—from 1795 to 1918 Poland did not exist as a nation. The French philosopher Jean Jacques Rosseau at that time advised the people of Poland: "Poles, if you cannot prevent your neighbors from devouring your nation, do your best to make it impossible for them to digest it." It is interesting to note that when the three powers compiled their territorial settlement of Poland, they made a reciprocal pledge, never to use a title which could recall the existence of Poland. In 1872, Bismarck the iron chancellor issued a declaration that Poles must be exterminated. A series of insurrections in 1830-33-37-44-46 and 63, served the three occupying powers to increase repressive measures and efforts to denationalize.

It is a rare if not unique paradox, that 123 years after its vivisection, Poland like the mythical phoenix rose out of its ashes to become once again a free nation.

Forty years ago on August 23, 1939, the minister of Soviet Russia Molotov and the minister of the German Reich von Ribbentrop entered a secret agreement on mutual spheres of influence. The agreement provided:

"In the event of a territorial and political rearrangement of the areas belonging to the Polish State, the spheres of influence of Germany and the U.S.S.R. shall be bounded approximately the line of the rivers at Ew, Vistula and San."

The intent of the agreement is too obvious to require comment. It was not conquest—it was planned annihilation.

Exhilarated by the capitulation of the Austrians and Sudetins, the Hitler air and military forces, on September 1, 1939 attacked Poland. The indomitable Poles chose to fight and if need be die, rather than to capitulate. Hitler unleashed the fury of 87 divisions against Poland. On September 17, 1939 100 Soviet army divisions attacked the Poles resisting the Nazi Army. The stubborn resistance of the Poles infuriated Hitler. By a vindictive, systematic bombing he reduced Warsaw to one-tenth of its size—740 acres of the city were leveled into a huge heap of rubble. On September 28, 1939, Hitler announced that Poland was finished as a nation. On October 31, 1939, Molotov boasted to the U.S.S.R. Supreme Council, that the joint operation of Russia and Germany, Poland was conquered, and he added: "Nothing is left of that monstrous bastard of the Versailles Treaty!".

It is of interest that before the pilgrims landed at Plymouth Rock in 1620, some Poles had settled in the Virginia colony 1608–1619. The records show that three Poles (Court Book of the Virginia Company of London, July 21, 1619), imported as skilled craftsmen, declared a strike, not for wages, but for the right to vote. They would not accept the status of second class citizens.

We might well ask what is the source of this indomitable spirit—of the fierce love and dedication to freedom. What motivates the Poles to risk and sacrifice their lives in resisting tyranny, oppression, occupation and subjugation. What prompts them to fight for freedom at home and abroad and to fight "for your freedom and ours".

To appreciate and understand the passionate dedication to and love of freedom by the Polish people we should recall that both the political and religious history of Poland dates to the recorded single event of the baptism of Duke Mieszko I and the subsequent christianization and unification of the Polish tribes. The history of the church in Poland and the history of the Polish people are interwoven intimately and inseparably. The church, never a stranger to the land and its people, was the principal source of the national social and cultural heritage. It united the people for their patriotic good and strength and sustained them for almost a century and a half of oppression and persecution. The people of Poland lived by the motto "God and Country", and always treasured the encomium "Poland Ever Faithful" given to them by the successors of Peter—the popes.

The history of the Catholic people of Poland offers a ten century example of how deeply they understood and practice the church's teachings on human dignity and human liberty. With Saint Paul the church teaches "for you have been called to liberty, brethren." It teaches that God made man to his own image and likeness and endowed each individual with an immortal soul, and with liberty placing under the control of each person all rational actions. For these actions, each person will merit reward or punishment. Poles accepted and lived by these teachings about human dignity and human liberty. In their long history, they manifested a passionate devotion to liberty:—their own as well as that of others. They lived with the conviction that freedom is indivisible—that freedom is for all:—that unless all are free, freedom is in jeopardy. They lived by the maxim "Polak Nie Sluga"—A Pole is not A Serf" and to safeguard freedom they helped others to fight "for your freedom and for ours".

No Nation is free of human weakness and imperfection. No Nation—Poland included—has a perfect record of respecting human dignity and human freedom. But very few nations can match the record of the Polish people for respecting the dignity, liberty and the rights of others.

Poland, almost from its earliest history, became a haven, a refuge for persecuted Jews. By the statutes of Kalisz in 1264—Boleslaus the Pius, granted all Jews equal protection under the law and a guarantee of freedom of worship. The book of Jewish knowledge refers to these statutes as a "celebrated chapter . . . the only one of its kind in the history of Christendom." The new Jewish encyclopedia refers to the special legal protection and security granted to Jews under Casimir the Great in the fourteenth century, and to the high degree of autonomy granted Jews in Poland in the sixteenth century, under the authority of the famous council of four lands. This council, accountable to the King, enjoyed a measure of autonomy similar to that of the Sanhedrin mentioned in the scriptures.

After Poland regained its independence after the First World War, Marshall Pilsudski opened the doors of Poland to the Jews "Litvaks" persecuted by the Bolsheviks. Around 800,000 found refuge in Poland. Within the past decade, a large book has been published, containing the names of many hundred Poles, who were shot by the Nazis for sheltering and aiding Jews.

The famed charter of liberties—the Magna Carta of England (1215) was emulated in 1374 by the pact of Kassa which placed restrictions on Polish kings and princes, for the benefit of the community.

In 1414 Pawel Wlodkiewicz, the rector of the University of Krakow submitted a memorandum entitled "The Power of Pope and Caesar Relative to Non-believers" to the council of constance. He defended religious tolerance and freedom for unbelievers, against the established practice of conquest of Pagans and their territories under the guise of Christianization. For the effective protection of the rights and liberties of individuals and of peoples, he proposed an international organization, which would judge and apply effective sanctions to violators. His ideas were expressed 550 years later in the Vatican II decrees on religious liberty and the relations of Christians and non-Christians. The United Nations is but a partial implementation of the proposals made by Pawel Wlodkiewicz in 1414.

In 1430, two and a half centuries before the Habeas Corpus Act in England, civil liberty laws were enacted in Poland. They guaranteed the rights of persons and property and granted freedom of press, speech and assembly.

In 1454 the statutes of Nieszawa, deprived the king of the right to declare war or to enact legislation without the consent of the people.

In 1551 Father Peter Skarga and Andrew Frycz Modrzewski called for social reforms and special concern for the education of children and care for the poor. Some of their ideas found expression in our National Education Act of 1965, and in our Economic Opportunity Act and our social security and medicare programs.

While religious intolerance caused the death of thousands of Catholics and Protestants in other countries, the Polish nobility assembled in January, 1573 and adopted the "Warsaw Confederation" policy, never to spill blood for difference of faith or church: always to oppose any attempt at using force on religious grounds. The "Pacta Conventa" was enacted proclaiming for the first time anywhere in Europe constitutional guarantee of religious freedom for all citizens. Protestants were guaranteed equal access to all offices, dignities and emoluments.

This declaration of religious tolerance was not new in Poland. Poles had lived in relative peace with their Russian Orthodox neighbors and their Jewish fellow citizens. However such a declaration of tolerance in Poland urged Protestants in other countries to demand similar decrees and tolerance. Poles were criticized for creating a "paradise for heretics". It is paradoxical that while some Protestant reformers acknowledged that kings had the right to impose their own religion on their subjects, Catholic Poland guaranteed religious freedom to Protestant reformers. In God's wise providence, the reformers made little impact upon the people. Poles, as ever, remained faithful to their Catholic faith and traditions.

In their fierce devotion to individual liberty the Poles moved to an extreme position in guaranteeing the right of dissent. The "Liberum Veto" not only acknowledged the right of each individual to dissent, but allowed any one member of the Bi-Cameral Parliament to block legislation by the veto of a single individual. This extreme position paralyzed the legislative process. Enemies of Poland found it relatively easy to defeat sound ideas for political reform, national security and the common welfare. Father Konarski led the effort to restore the balance, and his ideas and those of others were incorporated into the now famous model Democratic Constitution which was adopted on May 3, 1791. Regrettably this reform came too late. Within a few years the triple partition was completed.

For the past 30 years Poland is under a Communist government, which has never disguised its objective of suppressing all religions and all belief in God. Despite the persistent and systematic efforts of the civil authorities to promote atheism and to suffocate and suppress religion, the people of Poland remain as ever faithful to God and to the church. In fact the church in Poland thrives on adversity and maintains fervor on a sparse diet of freedom and funds.

The recent visit of Pope John Paul to Poland demonstrated the vigor and vitality of faith of the Polish people. It demonstrated that the concentrated atheistic propaganda is spectacularly unsuccessful: that atheistic communism is resistible and reversible: that it has not and will not achieve final victory. Man's legitimate aspirations to civil and religious liberty will eventually prevail. Communists have failed to prove that there is no God, they have merely proved that there is a devil.

Such is the background and such was the motivation of Casimir Pulaski and of other Poles, who risked their life fighting for freedom at home and abroad. Pulaski was a true Pole—a Catholic Pole—who not only sought the powerful intercession of the blessed Virgin Mary—the Queen of Poland—but in fact wore a metal shield—A breast plate with the image of Mary upon it.

We Poles and descendants of Poles, we have a precious heritage of faith, culture and dedication to human dignity and human freedom. As Americans we enjoy the blessings of liberty—the inalienable rights given to each of us by our Creator. As American Poles, we should be sensitive and offer a helping hand to any and all whose rights and freedoms are repressed or suppressed.●

GENERAL VON STEUBEN—A REVOLUTIONARY WAR HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, September 17 is the anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, one of the leading patriots of the Revolutionary War.

General von Steuben received a large award from Congress for his outstanding contributions to the winning of American independence. Along with General Lafayette he was second only to General Washington as a shaper of the Continental Army.

On Saturday, September 15, the United German-American Societies of Greater Chicago will sponsor the General von Steuben parade on Clark Street, and many scores of floats will join in this commemorative tribute to a gallant patriot of our precious freedom, along with many marching units and musical contingents. Hon. Jane Byrne, mayor of Chicago, will serve as honorary grand marshal, and many other civic dignitaries will join the leaders of Chicago's German-American community on the reviewing stand at Washington and Clark Streets, where the parade will step off at noon.

There will also be an evening banquet at the Red Lacquer Room of the Palmer House Hotel to complete the day's festivities.

It was in the year 1777, that von Steuben offered his services to the fledgling republic. This was a time of great disappointment and hardship for the Continental Army, because the frigid winter at Valley Forge could have delayed indefinitely America's hope for independence. However, through the fortitude and discipline of General Washington and General von Steuben, the Revolutionary Army was able to emerge from the winter in fighting shape.

During that winter in 1777, von Steuben wrote the "Regulations for the Order and Discipline of the Troops of the United States." This was one of his greatest contributions to the cause of independence. Through the use of this handbook and von Steuben's leadership, an army of irregulars was transformed into a disciplined and organized combat unit, equal to the task of fighting one of the world's most powerful armies.

General von Steuben had a distinguished military career during his service in America. In 1781, he served in battle against Cornwallis' invasion of Virginia, and at the battle of Yorktown, he commanded one of the three divisions of the Continental Army.

In 1961, the U.S. Senate passed a joint resolution authorizing the President to proclaim September 17 of each year as General von Steuben Memorial Day, in honor of his gallant and courageous service in defense of freedom. As our Nation honors this fearless freedom fighter of the Revolutionary War, all Americans of German descent have a right to be proud not only of the contributions of General von Steuben, but also of their own industrial, intellectual, and scientific contributions which have helped enormously to make this country the great bastion of freedom and democracy that it is today.

I extend my greetings and best wishes to German-Americans in the 11th District of Illinois, which I am honored to represent in the city of Chicago and all over the Nation who are commemorating the birth of that Revolutionary War hero, General von Steuben, and the German contributions to American greatness.

The members and officers of the United German-American Societies of Greater Chicago have long been vital and creative citizens in their individual communities, and I congratulate them for their community services. I also extend my congratulations to Karl C. Laschet, general chairman and grand marshal of the parade, and to all the members of the 14th annual General von Steuben Parade Committee who are working so hard to make this patriotic pageant a success.

The names of the committee members follow:

Joseph Gies, Honorary Gen. Chairman.

Horst Seyferth, Karl Heumann, Co-chairmen.

Committee: Felix Bachmeier, Melvin Brandt, Stefan Dama, Ludwig Erdbeer, Willi Follmer, Fred Marunde, Josef Matzer, Wolfgang Reinke, Willi Scharpenberg, Nick Schneider, Alfred Schmitke, Frank Workman, John Hebling.

Gustaf Phol, Treasurer.

Helen Meiszner, Parade Treasurer.

Trustees: Joseph Zottmann, Betty Center, Louise Jochum.

Paula Zottmann, Cornflower Chairlady.

Clara Winkler, Recording Secretary.

Marianne Gies, Coresp, Secretary.

Virginia Vazzano, Coordinator.

Edward Kmiec, Assistant Coordinator.

Directoren—Joseph Anetsberger, Betty Center, Peter Faehnrich, Willi Follmer, Josef Freiburger, Karl Kurz, Alfons Schneemann, John Sebastian, and Joseph Zottmann.

Finanzcommittee—Sarah Brantsch, Henrietta Baltis, Peter Kratich, Elisabeth Kraus, and Josef Matzer.●

NORMAN COUSINS' EDITORIAL OPPOSING THE DRAFT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, Norman Cousins, who has for many years served as editor for the Saturday Review, is renowned and respected all over the world as one of the most eloquent, levelheaded and far seeing leaders of America's community of thinkers and writers.

In an editorial in the most recent issue of Saturday Review, dated September 15, 1979, Mr. Cousins points out that the new drumroll for the military draft would not only require registration in peace time but would set no limitation on its duration and would place it under the control of the military. He concludes:

> The inevitable effect, despite all assurances to the contrary, will be to take from Congress the right to declare war and to make possible a repetition of Vietnam.

After outlining the parallel between the specious arguments used to support resumption of draft registration and the specious arguments that entrapped the United States in Vietnam for many years, Mr. Cousins then turns to the divisiveness of the peace time military draft. He says:

> The single most important thing we should have learned from the Sixties is that we do not put men and women in uniform unless they have a cause that is tied to a clearly understood moral purpose that is generally connected to the American future and that is directed to the making of a safer world. We should have learned from our experience that Americans are not poker chips to be used in the international game of posturing and blustering designed to maintain a balance of power.

Perhaps the ultimate irony is not that we are debating whether to renew the draft but that we are doing so at a time when Congress is also debating whether we should even continue strategic arms negotiations with the Soviets. Unfortunately, it is more than ironic. It is tragic. As Mr. Cousins says:

> "National security in a nuclear age depends on an unremitting effort to create a durable peace through world order. If we haven't yet learned that fact, the largest army in the world will not save us.

The full text of Mr. Cousins' editorial, "The Games Nations Play," follows these remarks:

THE GAMES NATIONS PLAY

The drumroll has started again for a military draft. What is in the offing is legislation that not only requires registration for selective service in peace time but sets no limitation on its duration and places it under the control of the military. The inevitable effect, despite all assurances to the contrary, will be to take from Congress the right to declare war and to make possible a repetition of Vietnam.

The most significant characteristic of the Vietnam tragedy was the military's habit of making field decisions that shrank the President's options. President Johnson's efforts to seek a negotiated settlement of the war, for example, were frustrated by bombings of Hanoi and other cities that the military carried out without his authorization.

The argument in favor of restoring the draft, inevitably enough, is that the Russians have at least two million men in uniform and that this disparity is likely to expose the United States to grave dangers. No one says anything about the fact that the vast bulk of the Soviet forces is stationed along the 5,000-mile border the USSR shares with the People's Republic of China.

It will be said, of course, that the Russians won't take our foreign-policy declarations seriously if they see little evidence of our ability and will to fight. This was the argument used to justify the home bomb-shelter program in the early Sixties. It was and is the argument used to justify the building of missiles and super missiles. It was and is the argument used to justify the stockpiling of nuclear explosives that can obliterate every city on earth and make the planet uninhabitable. One would suppose that presiding over a switchboard of total annihilation would relieve us of any feelings of inadequacy. But no; we seem less governed by reality than by the obsession to imitate the Russians.

Is there no escape from the macho-madness that is disfiguring American society? When are we going to discover that our true strength and security depend not just on weapons but on our ability to make our society work? When are we going to attach at least as much importance to productivity, creativity, and the imaginative uses of freedom as we do to balance-of-power strategies? When are we going to see the relationship between spending 150 billion military dollars annually and the disastrous conditions of inflation? When are we going to stop supporting three separate military establishments—an army, a navy, and an air force, each with its own heavy overlapping in ordnance, personnel, and intelligence services?

We became entrapped in Vietnam because of the same kind of thinking that is behind the current attempt to restore the draft. At every point along the way, we allowed ourselves to be led along by specious arguments. We convinced ourselves that our most important mission as a nation was to demonstrate our muscle rather than to conform to our history. After the French left Indochina, we were told that the entire area was in danger of being solidified under a unified communist banner—and that we could head off this grim eventuality simply by sending a little military aid. Then we were told that a few American officers were needed to instruct the local people in the utilization of such aid. Finally, we were told that the rest of Asia would pay no attention to our policy unless we committed American divisions. Then came the quicksand and the endless graves.

History has proved the government's statements to the American people about the Vietnam War to be both incompetent and absurd. We were told that the Vietnamese were puppets of China, but today the "puppets" and the "puppeteer" are engaged in fierce recriminations and border fighting. We were told that the communization of Indo-China would create a unified ideological force that would march in solid formation against the rest of Asia; but the Communist nations of Indochina are now warring among themselves. We were told that China and Russia would team up against the West. But the main threat of nuclear war today comes from the unresolved tensions between these two nations.

And now the same people who gave us all these boomerang situations want to activate a peacetime military draft that runs counter to our traditions and that, only a decade ago, divided this country beyond anything experienced since the War Between the States. The single most important thing we should have learned from the Sixties is that we do not put men and women in uniform unless they have a cause that is tied to a clearly understood moral purpose that is generally connected to the American future and that is directed to the making of a safer world. We should have learned from our experience that Americans are not poker chips to be used in the international game of posturing and blustering designed to maintain a balance of power. The Bismarckian concept of fending and thrusting may have had its place in a Europe where history was an endless chain reaction of plot and counterplot, but in an age in which nations are only a pushbutton away from a mutual cataclysm, game-playing becomes little more than a fuse for igniting continental destructions.

A large standing army no longer has meaning in terms of national defense. Ballistic missiles, MX launchers, submarines with thermonuclear warhead delivery systems, all these will bypass the defending army and strike at the real target—the life of the nation itself.

The government cannot have it both ways. It cannot ask for billions of dollars for inflicting instant death on an enemy in a war that may last a few minutes, and then turn around and ask for money to support a 19th-century form of warfare. National security in a nuclear age depends on an unremitting effort to create a durable peace through world order. If we haven't yet learned that fact, the largest army in the world will not save us.—N.C.●

BROCK ADAMS CALLS FOR NEW ECONOMIC STRATEGY FOR 1980's

(Mr. SEIBERLING asked and was given permssion to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, many of us will be happy to know that our distinguished former colleague and former Secretary of Transportation, Brock Adams, is alive and well and writing in the Washington Post. In yesterday's issue, Brock presents a very thoughtful and thought-provoking survey of our economic situation, particularly as it affects the transportation industry. He points out that the problem goes far beyond Chrysler and that indeed the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. He also notes:

> As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

To meet this situation, Brock offers five suggestions to the Congress. Without attempting to summarize them, I would highlight his recommendation that the Chrysler solution should be structured to produce a major national investment in new auto technology and that we must also use some of the windfall profits receipts to speed the renovation of the freight railroads and to build urban mass transit, as well as fuel efficient autos.

Akron, Ohio, the community that I have the privilege of representing, was created and exists because of the transportation industry. The same is true of a major portion of all of the urban centers of the Northeast and Midwest. I am gratified that our Northeast-Midwest Congressional Coalition is moving ahead to develop a legislative plan of action for reviving and strengthening these great industrial communities. Brock Adams' perspective will be helpful as we address ourselves to this crucial task.

The full text of Brock Adams' article follows these remarks:

FIRST CHRYSLER—AND THEN?

(By Brock Adams)

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bailout"; refuse aid and leave thousands of auto workers and executive unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passengers rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy being played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethlehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livelihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

1. *Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s.* I would give the Chrysler Corporation provisional aid to get it over the short-term crises but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic; an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

(2) *Focus on the massive need for capital and how it is to be raised and invested.* If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and estabilsh a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments on how to raise and spend that capital as a total society rather than spilling it piecemeal.

(3) *Don't get bogged down in ideological battles.* Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straitjacket and abroad it is controlled both in amount and price by a cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

(4) *Emphasize new technology.* America is in the midst of an innovation slump with research and development spending now only about 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the non-petroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be ac-

celerated and vastly expanded beyond what is currently being contemplated.

(5) *Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price.* That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 20-mile Strait of Hormuz, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in both conservation and supply technologies. Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can only be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues God speed.●

ENDING THE ARMS RACE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, yesterday's Washington Post contained an article by the distinguished author and arms control expert, Richard J. Barnet, which every Member concerned about the subject of arms control will wish to read. Dr. Barnet served in the U.S. Arms Control and Disarmament Agency during the Kennedy administration and is the author of a number of books on arms control and international affairs.

Dr. Barnet notes that the SALT II treaty should be ratified "not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off." However, he points out that the danger is increasing as both sides are emphasizing "counterforce" technology and that a continuation of the next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world.

Barnet urges a freeze on all new weapons systems that would make it clear that both sides indeed intend to stop the arms race. The alternative is to continue to spend additional hundreds of billions of dollars on the military, thereby risking mortal danger to our economy, which is the foundation of our national strength.

The full text of Dr. Barnet's article follows these remarks:

DO WE WANT TO END THE ARMS RACE?

(By Richard J. Barnet)

The SALT II agreement may weather the current storm over Soviet troops in Cuba, but even if it is ratified, this will mark not the beginning of a process but the end of an experiment. The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons acquisition programs both are pushing.

The support of the hawks has been purchased by an "arms dividend," a commitment to increase military spending 5 percent a year above inflation. According to the Senate Budget Committee, the dividend alone will cost the taxpayer an extra $129 billion over five years, bringing the total military expenditures for that period to almost $1 trillion. The Soviets also welcome SALT as a ratification of their weapons program and will not hesitate to match or to try to surpass the new U.S. buildups. None of this will transgress anything in the 100 pages, but it will not, obviously, move the world to arms reduction nor reduce the mounting dangers of war by miscalculation.

The SALT debate has skewed the issues because it has focused on narrow alternatives and has failed to clarify the purposes of arms agreements or to raise the basic political and moral issues at stake. The political world is divided between those like the Committee on the Present Danger who believe that any agreement the Soviet Union would sign puts the United States in mortal danger and those who take the administration view that any agreement helps the political climate and promotes a "process."

In this debate, the reasons why the United States or the Soviet Union should want to limit the nuclear arms buildup have been lost. The argument has really been about which side struck the better deal. When the "arms dividend" is included, it is evident that SALT is something to stir the hearts of generals, defense contractors and senators from states brimming with military reservations and arms plants.

The treaty should be ratified, not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off. But merely to continue the SALT "process" would be almost as hopeless a response to the mounting danger we face. That danger is increasing because both sides are emphasizing hair-trigger "counterforce" technology—more accurate warheads, more "war-fighting options"—and the pressure is mounting on both sides to develop strategies to insure that weapons, as they become more vulnerable, are not caught on the ground. Thus the incentive to produce more weapons and to program them for firing sooner rather than later is increasing in both military establishments. In a world of "first strike" technology and "launch on warning" strategies, the minutes available for making decisions about war and peace are dangerously compressed and the chances of fatal human error multiply.

Arms agreements are desperately needed to break this spiral. But the only agreements that will have that effect are simple agreements that would force the two sides to choose between continuing the arms race or stopping. The world cannot afford to wait another seven years of accelerated arms buildup to produce another intricate prospectus for managing the arms race. The next agreement must cut through the ambiguities of the arms race or it too will prove to be a stimulant rather than a brake.

To create a positive political climate for reversing the arms race, agreements should meet three criteria. First, they should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions. Ultimate intentions are always mysterious, but the question can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive.

Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new weapons systems would make it clear that both sides indeed intend to stop the arms race. A mutually agreed upon moratorium on the procurement, testing and deployment of all bombers, missiles and warheads for three years is in the interests of both the United States and the Soviet Union.

A rough "balance" of nuclear forces now exists, which, according to the administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world. A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and to verify it. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions.

During the moratorium the two sides could negotiate deep cuts in strategic nuclear weapons and delivery systems. It hardly makes sense to destroy old weapons systems while replacing them with more dangerous new systems.

Stopping the arms race would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification, for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the societies to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

Sen. Mark Hatfield has proposed a moratorium along these lines as an amendment to the SALT II treaty. The Soviet Union has made several proposals in the past few years for a ban on "all new weapons systems." The proposals have been general and have elicited no reaction from the United States. The standard view in Washington is that they are merely propaganda.

Yet the Soviets have never been put to the test. In the 35-year history of arms negotiations, U.S. analysts have consistently misinterpreted Soviet intentions and the cost has been enormous. The fictitious "bomber gap" and missile gap" of the 1950s caused the U.S. taxpayer to spend billions for unnecessary weapons. The complacency of the 1960s, when U.S. military leaders assumed the Soviet Union was assigned to permanent inferiority, led to the present climate of alarm. It is time to stop guessing about Soviet intentions and put forward agreements which require them to choose between peace or further preparation for war.

The only road to national security is to reverse the arms race, but that cannot be done without first calling it to a halt. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions of dollars on the military without risking mortal danger to our economy, which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters.

The distortion of priorities has become so acute that as the administration counsels a 5 percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization," to which the arms buildup is presumably addressed, is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the continuing failure to invest adequately in alternative energy systems is to distort national security strategy and to misconstrue the meaning of "strength." The same is also true of the Soviet Union. For both of us, the return on investment in the military is declining. The heavy burden preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing both societies.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HINSON) to revise and extend their remarks and to include extraneous material:)

Mr. KEMP, for 60 minutes, today.

(The following Members (at the request of Mr. SHELBY) to revise and extend their remarks and to include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. NOLAN, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. SHELBY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HINSON) and to include extraneous matter:)

Mr. DERWINSKI in two instances.
Mrs. HECKLER.
Mr. GOODLING.
Mr. KEMP.
Mr. MICHEL.

(The following Members (at the request of Mr. SHELBY) and to include extraneous matter:)

Mr. MONTGOMERY.
Mr. HARRIS.
Mr. KASTENMEIER.
Mr. MAZZOLI in two instances.
Mr. GUDGER.
Mr. KILDEE.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. BLANCHARD.
Mr. HAMILTON.
Mr. LONG of Maryland.
Mr. PATTEN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; to the Committee on the Judiciary; and

S. 1281. An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship *United States*, steamship *Oceanic Independence*, and steamship *Santa Rosa* into the trade; to the Committee on Merchant Marine and Fisheries.

ADJOURNMENT

Mr. SHELBY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 11, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2398. A letter from the Chief of Staff, Defense Mapping Agency, transmitting notice of the decision not to relocate the Defense Mapping School from Fort Belvoir, Va.; to the Committee on Armed Services.

2399. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report that no authorizations were made during the quarter ended June 30, 1979, under the authority of Public Law 90–390, pertaining to the export expansion facility program; to the Committee on Banking, Finance and Urban Affairs.

2400. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–99, "To require that health insurance be provided for newborn infants from the moment of birth," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2401. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–100, "To increase the authorization of appropriations for the Office of the People's Counsel of the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2402. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–101, "To amend the Condominium Act of 1976 to increase the minimum rent levels to establish rental accommodation(s) as 'high rent housing' eligible for conversion to condominiums," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2403. A letter from the Acting Secretary of State, transmitting the second monthly report on developments related to Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

2404. A letter from the Acting Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles to the Government of the Netherlands, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2405. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2406. A letter from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2407. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to implement the President's national heritage program; to the Committee on Interior and Insular Affairs.

2408. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish Competitive Oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Interior and Insular Affairs.

2409. A letter from the Secretary of Health, Education, and Welfare, transmitting notice of a delay in the submission of the second report on the status of health professions personnel, required by section 708(d) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

2410. A letter from the corporation agent, Legion of Valor of the United States of America, Inc., transmitting the financial statement of the organization for the year ended April 30, 1979, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

2411. A letter from the Administrator of General Services, transmitting a report on an investigation of the feasibility and need for construction of a Federal building in Corpus Christi, Tex., requested by resolution of the House Committee on Public Works and Transportation adopted on June 29, 1976; to the Committee on Public Works and Transportation.

2412. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's 1981 budget submission, pursuant to section 304(b)(7) of Public Law 93–633; jointly, to the Committees on Appropriations, Interstate and Foreign Commerce, and Public Works and Transportation.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X,

Referral of H.R. 2626. A bill to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; to the Committee on Interstate and Foreign Commerce, extended for an additional period ending not later than September 20, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WEAVER:

H.R. 5220. A bill to authorize the Secretary of Agriculture to establish a wood utilization program to improve the use of renewable resources in timber harvesting, forest protection and management, and the manufacture of wood products including energy through guaranteed loans, timber sales, and other activities; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 5221. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to establish fire safety requirements for locomotives in order to minimize the danger of fires along railroad rights-of-way; to the Committee on Interstate and Foreign Commerce.

H.R. 5222. A bill to amend the Internal Revenue Code of 1954 to provide for the designation of income tax payments to the U.S. Olympic Development Fund; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. TAUKE:

H.R. 5223. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to $70,800, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 5224. A bill to continue through December 31, 1980, the existing prohibition on the issuance of fringe benefit regulations; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself, Mr. SYNAR, Mr. ASHBROOK, Mr. SENSENBRENNER, and Mr. BAUMAN):

H.R. 5225. A bill to improve the administration of Federal firearms laws, and for other purposes; jointly to the Committees on the Judiciary and Rules.

By Mr. LOTT:

H.J. Res. 393. Joint resolution to authorize the President to proclaim Friday, October 19, 1979, as "American Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. RUDD:

H.J. Res. 394. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

298. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the State contribution to the cost of the SSI/SSP program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HARRIS introduced a bill (H.R. 5226) for the relief of Paul H. Craig, which was referred to the committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2191: Mr. HINSON and Mr. YATRON.
H.R. 3227: Mr. BAILEY.

PETITIONS, ETC.

Under clause 1 of rule XXII,

191. The SPEAKER presented a petition of the American Association of Meat Processors, Elizabethtown, Pa., relative to nuclear power, which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Monday, September 10, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal God, amid all the changes, uncertainties, and stresses of our times, Thou art the same yesterday, today, and forever. We would know and do Thy will. Spare us from the hasty, narrow, and ambiguous judgment. Teach us the lessons of Thy Word, of history, and of human experience, that we may more wisely serve Thee.

Reclothe us in our rightful mind,
In purer lives Thy service find,
In deeper reverence praise.
—WHITTIER.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 10, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CHINA AND THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, the Vice President of the United States recently returned from a trip to China. The purpose of the trip was to strengthen our diplomatic relations with China and to lay the foundation for a more productive friendship in the years ahead.

I believe this purpose was largely accomplished, and I urge that we take a moment to reflect on our future relations with China.

The United States and China have come together in friendship at a time when both countries can benefit from their new relationship.

China is expanding economically and playing a more active role in the international community. The United States welcomes China as a major player in the international economic community.

And we have an interest in an independent and secure China. We know that in the face of a constantly shifting world order, the steadiness of independent nations is important.

China has an interest in modernizing its industry. We have some of the technology that can help make this possible. Our country has signed a protocol with China to help harness the vast hydroelectric resources of that country. Similarly, we are exploring the possibility of agreements in the areas of textiles, maritime privileges, and civil aviation.

There are other examples of cooperation, in the arts, athletics, and education.

I know the leaders of China remain anxious that China be accorded most-favored-nation status in our trade relationship. This status could cut the tariffs on Chinese imports up to 60 percent.

This matter will be submitted by the administration to the Senate in the next few months, and I believe there is likely to be strong support in the Senate for granting China this status.

But our relationship with China does not rest solely on trade or cultural exchange. There is a direct and personal link between the United States and China, a link that goes back many decades, and a link that is now being re-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

vived by the exchange of visits at the highest levels.

Party Chairman Hua has accepted the President's invitation to come to the United States next year. And President Carter has indicated he hopes to visit China next year.

It should be pointed out, of course, that our relationships with China are complex. The last 30 years have not been easy ones between our two countries. Nor can those years be covered over with the stroke of a pen, or by the exchange of visiting dignitaries.

We have allies of long standing throughout the world. We will not allow our relations with China to jeopardize our relations with those allies.

Nor should it be taken that our positive gestures toward China constitute a negative gesture toward any other country.

Vice President MONDALE made a significant contribution to this process of bringing our two countries together. His speech at Peking University was the first time since the 1950's that a foreign leader has been allowed to address the people of China.

In his speech, the Vice President stressed the principles of normalization, saying, and I quote:

> Normalization signals our understanding that American security in the years ahead will be attained not by maintaining the status quo, not by colluding for purposes of domination, but by fostering a world of independent nations with whom we can build positive relations.

Slowly, and persistently, the bridge between our two peoples is being built. It is a bridge of shared interests and mutual benefit.

I applaud the Vice President on his successful trip, as another important step in the growing relationship between the United States and China.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, our distinguished colleague from North Dakota and senior Republican on our side of the aisle is on the floor this morning and has an important statement he wishes to make. At this time, I yield to Senator YOUNG such time as he may require.

Mr. YOUNG. I thank my distinguished leader.

THE GARRISON DIVERSION IRRIGATION PROJECT

Mr. YOUNG. Mr. President, a great amount of press coverage has been given to the opposition of Canadian interests to the Garrison diversion irrigation project in North Dakota. A good example of how untenable are Canadian objections to Garrison diversion appears in the editor's column entitled "Friday smorgasbord," in the Grand Forks Herald published at Grand Forks, N. Dak., for Friday, September 7, which discusses one of their principal objections to the project. I ask unanimous consent that this column be printed in the RECORD as a part of my remarks. This column also deals with a very critical strike situation very seriously affecting the whole Upper Midwest.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YOUNG. Canadian environmental interests have expressed great concern that through Garrison diversion, a rough fish, the gizzard shad, would be introduced into Canadian waters from the Missouri River Basin. This editorial points out that the U.S. Fish and Wildlife Service regards the gizzard shad as an excellent source of food for game fish, so good, in fact, that it is considering stocking it in a Wyoming reservoir. Apparently the Fish and Wildlife Service has little or no concern over its ability to control this fish because it will not survive water temperatures such as those we commonly experience in the Upper Midwest and certainly in Canada in the winter months. None are found in North Dakota waters now. Therefore, Mr. President, the gizzard shad really should be of no concern to Canadian interests.

Mr. President, opponents of the Garrison diversion irrigation project fail to recognize that water for both irrigation and municipal water supplies would come from above Garrison Dam, and most of it, in fact, originates in the mountains of Montana and Wyoming. The huge volume of flood water flowing into Canada from North Dakota and Minnesota almost every spring originates in a different river basin and already contains great amounts of rough fish. It is highly unlikely that any additional rough fish would be introduced into Canadian waters from the Garrison diversion irrigation project.

EXHIBIT 1

FRIDAY SMORGASBORD: N.D. FARMERS ARE VICTIMS OF STRIKE

The federal mediator says, despite the rejection by negotiators for striking grain handlers at Duluth-Superior of a new contract offer, that there is room for further bargaining.

Unfortunately, there isn't time for further bargaining, as far as the farmers of the Northwest are concerned. The 1979 grain crop already is being piled on the ground in North Dakota. The farmers are innocent victims of the dispute between the Twin Ports elevators and grain handlers.

Although the negotiators rejected the latest contract offer of one of the elevators, they have agreed to submit it to union membership. Thus, there is a ray of hope that the strikers may have tired of not working.

The federal government has turned its back on the farmer victims of the strike. The Carter Administration has refused to invoke the Taft-Hartley Law. It won't even get tough by threatening to do so.

The strike is a tragedy, the economic impact of which cannot be measured. It is as serious as drought or pestilence, as far as the farmers and the area which depends upon them are concerned.

We don't pretend to know all the ramifications of the dispute between Crookston and Polk County with the Lake Agassiz Regional Library (LARL). It seems obvious, however, that power is being abused when the Polk County librarian is fired immediately after asking questions about LARL finances. It also is depressing to have the LARL director claim that the reasons for the firing are none of the public's business. The situation demands searching investigation by Governor Quie and the Minnesota Department of Public Libraries.

* * * * *

A couple of weeks ago, it appeared the council was stacked against approval of a minimal subsidy for United Hospital's ambulance service. When the council voted this week, however, the subsidy was approved 11–1. The aldermen had become better informed on the issue and had changed their minds.

Business apparently has not lost faith in Grand Forks. Construction apparently will begin this fall on two new small shopping malls in the city. Despite some pessimism that the city has been overbuilt commercially, others retain sufficient optimism to make the investment in more outlets. Indeed, despite the economic bind in which farmers find themselves, there is evidence of an upturn in business in all areas of the city.

Remember the gizzard shad? That's the fish which so scared the Canadians that they mounted their attack on the Garrison Diversion Project. Despite the fact that it has never been found in North Dakota, they feared the gizzard shad would be introduced to Canada in the return flow of Missouri River irrigation waters.

Comes now the U.S. Fish and Wildlife Service. It has recommended introduction of the gizzard shad in a Wyoming reservoir—to boost its production of game fish. It seems the biologists believe gizzard shad fry would furnish more food for game fish, which have been stunted in the reservoir because of competition from carp.

The biologists say it isn't necessary to worry about the gizzard shad taking over the lake. It cannot survive the cold and ice-covered water in the winter.

If they're right, maybe Canada should take a cue from them and not wait for Garrison Diversion, but import some of the fish on their own.

Mr. YOUNG. Mr. President, I thank the minority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from North Dakota. I yield now, if I may, to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Tennessee and I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator needs any additional time, I have a little bit that he may have.

Mr. HELMS. No, Mr. President, I thank the Senator for his courtesy.

CIGARETTE SMUGGLING

Mr. HELMS. Mr. President, from time to time I note the lamentations voiced by officials of the State of New York, and other States, concerning the smuggling of cigarettes across State lines. Multimillion dollar proposals have been offered for curbing this smuggling.

Mr. President, the point is this: These States could put an end to the smuggling overnight: All they have to do is take a look at their outrageous tobacco taxes, then cut those taxes back to a reasonable level. The incentive for smuggling will be eliminated, as I say, overnight.

Nothing else will work. Unless and until the State of New York and others realize this simple fact of economic life, the smuggling will continue. The tax policies of a number of States are not only self-defeating, they are an engraved invitation to organized crime—including, reportedly, the Mafia—to get into the smuggling business.

Mr. President, the lamentations by officials of these States remind me of the young man who murdered his parents, and then pleaded for mercy on the grounds that he was an orphan.

Mr. President, the distinguished Attorney General of North Carolina, Rufus L. Edmisten, made this very point in an address prepared for delivery today, at Columbus, Ohio. Mr. Edmisten's audience consisted of an ad hoc group of tax officials from various States.

I ask unanimous consent that the text of Attorney General Edmisten's excellent comments be printed in the Record at this point.

There being no objection, the address was ordered to be printed in the Record, as follows:

Tobacco Taxation—Cigarette Smuggling

I appreciate very much the opportunity to meet here with you today to discuss a matter of mutual concern—tobacco taxation and cigarette smuggling. While I wish I could stand up here today and announce to you that I had found some way to eliminate the cigarette smuggling problem, you and I both know it wouldn't be so until the sizable tobacco tax differentials between the states are eliminated. What I would like to do is to give you a North Carolina perspective of the tobacco taxation situation and to review the cigarette smuggling problem in general.

The tobacco industry is a very vital part of North Carolina's economy. Tens of thousands of our citizens depend on this industry to feed and cloth themselves and their families. Needless to say they are quite sensitive to any action that might disrupt this industry and affect their livelihood.

What they have witnessed since about 1960 is a steady rise in the tobacco tax of almost every state to the point where they are fearful that consumption will be affected and their livelihood jeopardized. According to a report by the Advisory Commission on Intergovernmental Relations on Cigarette Bootlegging, in 1960 the largest difference in cigarette taxes between any two states was 8¢. By 1965 the variation had increased to 11¢, today it is 19¢, and if we count the special New York City tax it is 21¢. Their findings conclude that so long as there is a 10¢ or more tax differential between states cigarette bootlegging will be profitable. Their report goes on to say that prior to the raising of the cigarette taxes that states were warned that these increases would create a situation conducive to cigarette bootlegging.

The 10¢ or more differential between North Carolina and other states was not created by any action taken by North Carolina but by actions taken by other states. As one North Carolina tobacco farmer recently said to me, "I do not understand how New York City can justify taxing one of our state's primary products so heavily when we do not have a special tax on clothes coming from their garment district or on any of their other primary products." I tell you this because I feel that it is important that you understand the feelings of many of our state's citizens. They are hard working, honest people who do not condone illegal activities, but on the other hand they do not want their livelihood threatened either.

We in North Carolina want to be good neighbors but we ask that you understand our situation also.

In a speech before the Alcohol, Tobacco and Firearms Bureau in Washington last January I pledged the full cooperation of the S.B.I. and other divisions of the Department of Justice in assisting the A.T.F. in the enforcement of S. 1487. The special operations division of the S.B.I. has been working with the A.T.F. and in fact supplied some of the very crucial information that helped break the Florida smuggling case just recently. In fact the working relationship that has developed between the A.T.F. and the S.B.I. is one that more state and federal agencies should take a good look at. Much more can be accomplished by working together.

Governor Jim Hunt and Secretary of Revenue Mark Lynch are also strongly committed to North Carolina doing its part. We have met several times on this matter already and will continue to stay in close communication.

One of the great problems we are having is to determine the factual extent of the cigarette smuggling problem. We have uncovered numerous allegations concerning smuggling but upon close review we have found that most are several years old or that the allegations are personal conjectures. At this point we have very little factual information to go on, therefore, I ask if you do have any factual information that you share it with us.

Last year cigarette tax stamps were purchased by North Carolina distributors for approximately 1.1 billion packs of cigarettes. In comparing this figure with the data supplied by the cigarette manufacturers, the North Carolina Department of Revenue is quite satisfied that the proper number of tax stamps were purchased. Although state statute requires the tax stamp be affixed within 48 hours it is almost impossible to check.

According to information supplied by the Tobacco Tax Council the national per capita consumption based on federal tobacco tax revenue is 142 packs. Using the 50 individual states figures the average consumption is 134 packs per capita. If we split the difference and use 138 packs per capita and multiply that times North Carolina's population of 5.6 million people, then if North Carolinians smoke at the national average 772.8 million packs of the 1.1 billion packs sold in the state were consumed by North Carolinians. This would leave an availability of approximately 327.2 million packs, the disposition of which is left to speculation.

In 1978 North Carolina had 49 million out-of-state visitors who averaged approximately 3 days per visit. Since it is well known that North Carolina has a much lower tobacco tax and that cigarettes are far less expensive here, many out-of-state visitors take advantage of this and purchase a supply of cigarettes for themselves and their friends. I know of one gentleman in the Eastern part of the state who owns two stores just on the North Carolina side of the Virginia line and he has told me that he sells approximately 200,000 cartons of cigarettes each year in lots of anywhere from 1 to 30 or so cartons. His establishments are located on a state road which is not even adjacent to the interstate. There are hundreds of other stores just like his located all around North Carolina, many doing a much higher volume business. When all of this is factored in it just does not appear that there are large volumes of cigarettes available for smuggling.

Since 1975 when statutes were enacted prohibiting the mail order distribution of cigarettes, tobacco tax revenues in North Carolina have been on a decline. For the year ending June 30, 1974 the state collected 20.53 million dollars in cigarette tax revenue and the state's population at that time was 5.08 million persons. In the year ending June 30, 1979 the state collected 18.82 million dollars and the state's population had grown almost a half million people to a population of approximately 5.6 million. Since the enactment of S. 1487 and the increased investigative activity by the A.T.F., the North Carolina State Bureau of Investigation and the North Carolina Department of Revenue the decline has been accelerated.

Also over the past few months we have been reviewing the procedures and regulations for cigarette distribution as set by the Department of Revenue to see if we could come up with any strategies to discourage prospective smugglers. It should be noted that these procedures and regulations were promulgated for the purpose of tax collection, not as a smuggling deterrent. In that regard I believe that our Department of Revenue has a record it can be proud of.

Unfortunately, all of the strategies which we have been able to come up with carry a substantial price tag. For instance, to assign a five man audit team from the Department of Revenue to work full time on audits of wholesalers would cost the state over a million dollars in revenue that would have otherwise been collected by these auditors. The annual cost of an S.B.I. agent is from 33 to 35 thousand dollars a year.

In North Carolina, as I am sure in your respective states, we have limited resources and therefore must set priorities. In the S.B.I. the priorities I set have been the investigation of rapes, robberies, murders, hard drug trafficking and other serious felonies. With these restrictions our agents are still averaging close to 600 hours a year per agent in over-time.

We need your help in factually determining how significant bootlegging of cigarettes out of North Caroina really is in order that we can justify reallocating already strained resources to further investigate it. It is our feeling that if cigarettes are being smuggled out of North Carolina that those perpetrating this act are accepting as a cost of doing business the proper payment of North Carolina cigarette and sales taxes.

Prior to the enactment of the federal felony statute the only North Carolina statutes which may have been violated were all relatively minor misdemeanors such as failure to affix the tax stamp. Violating are, for instance, failure to affix a tax stamp which is a misdemeanor.

It should also be noted that cigarette sales have been down in North Carolina since the enactment in 1975 of statutes prohibiting the mail-order sale of cigarettes.

In order for the S.B.I., the A.T.F. or any other law enforcement investigative agency to be successful in an anti-smuggling investigation they must have investigative leads from which to begin their work. Since in North Carolina we do not have legalized wiretaps or investigative grand juries which are available in many other states, there are only a couple of other ways left for getting the necessary information. One, by an inside informant, and they are extremely difficult to recruit, or two and most reasonably through information retrieved through revenue audits or other reports which would be required under the revenue status. As I have already explained the latter is extremely expensive.

Without something to go on the S.B.I. or the A.T.F. could stake out "X.Y.Z." wholesaler for 6 months and when a truck left the warehouse they would have no idea whether it was carrying cigarettes or ketchup. The manpower necessary to follow every truck coming out of a wholesaler far exceeds the federal resources of the S.B.I. and the A.T.F. They have got to have more than rabbits to shoot at.

In closing let me again reiterate that the Governor and the Secretary of Revenue and I are committed to assisting in any anti-smuggling effort. If we are shown that there is a severe problem within our states boundaries we will divert whatever resources necessary to combat it. Thank you for your time and I look forward to working with you.

NATIONAL HOSIERY WEEK

Mr. HELMS. Mr. President, this week, September 9–15, has been designated as National Hosiery Week. It is entirely fitting that tribute be paid to this remarkable industry and the important role it plays in our Nation's economy.

All of us, from time to time, extol the blessing of the free enterprise system. The diversity and prosperity achieved by the hosiery industry is an example of just how well the free enterprise system works. With more than 450 plants scattered across the Nation, the hosiery industry is comprised mostly of small- to medium-sized, family-owned, independent businesses.

Yet, there are large corporations too. Burlington Industries, for instance, is one of the most important hosiery manufacturers in the world, and we are proud to have it as a corporate citizen of North Carolina.

The 331 companies nationwide which comprise the hosiery industry provide jobs for over 65,000 Americans and pump over $4 billion in retail sales into the national economy. Aside from the immediate benefits rendered to the consumer by the hosiery industry, the technology it has engendered has contributed greatly to the efficiency and productivity of other businesses in the United States as well.

Mr. President, this commemorative week is of special significance to me since North Carolina leads the Nation in the entire textile industry. The vast majority of hosiery plants are located in the South; and I am proud that 58.7 percent of the hosiery produced in this country originates from North Carolina. That translates into over 1.8 billion pairs of hosiery produced in North Carolina alone per year.

North Carolina is the home of 197 companies operating 221 plants across the State. Though the industry is predominately comprised of small operations, they face the same problems and challenges as the other larger industries of the country. This prime example of the free enterprise system at work has created more than 41,000 jobs for the people of North Carolina and benefits virtually everyone in the State.

The textile industry, of which hosiery is a part, comprises 47 percent of all North Carolina's manufacturing jobs and has provided a payroll of over $418 million for the State's employees.

As a result of the influx of money into North Carolina's economy, the hosiery industry plays an important part in the other industries, particularly banking, foodstuffs, insurance and retailing.

North Carolina is proud of its distinctive leadership in the hosiery industry and we are grateful for the fine quality of life this industry has provided for so many of our people.

On behalf of all North Carolinians, I offer my sincere thanks and congratulations to the hosiery industry for the fine job it is doing for the people of our State and the Nation.

BAD MEDICINE FOR BRITAIN, AND THE UNITED STATES, TOO

Mr. HELMS. Mr. President, I commend to my colleagues an editorial which appeared in the Wilson Daily Times on August 2. This thought-provoking piece dealt with the striking parallels between the domestic policies of the United States and those of Great Britain.

Since before World War II, Great Britain has become increasingly entangled in a web of socialistic programs, nationalized industry, and the resulting government spending to try to keep them afloat. The world has seen this once mighty empire teeter on the brink of economic and societal ruin.

Fortunately for the British, however, they and their leaders have opened their eyes to the grave situation which confronted them. Under the leadership of Mrs. Thatcher and her Conservative government, this ailing nation is now on its way back to economic recovery.

Perceptively, the author of this editorial observes that we, too, have begun in the last 20 years, to follow the very same disastrous path toward socialism. The ramifications of such actions are ably illustrated by the editor of this fine North Carolina newspaper. All Americans must awaken to the dangerous consequences of these reckless and irresponsible policies, and return this Nation to economic and political sanity.

Mr. President, at this time, I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wilson Daily Times, Aug. 2, 1979]

BRITAIN: NO EXAMPLE TO FOLLOW

British Prime Minister Margaret Thatcher is making a cautious effort to reverse some of the ills caused by her nation's decades of experimentation with welfare state socialism, but the United States seems determined to follow the same path that led Britain to the brink of economic disaster.

Key British industries were nationalized years ago and have gone steadily downhill since. Now, Mrs. Thatcher's Conservative government is moving to sell part of its industrial holdings to private interests and reduce subsidies to ailing private companies.

Another major feature of Britain's recovery program is reduction of government spending and taxation. Mrs. Thatcher has whacked $9 billion from the previous Labor government's planned budget by eliminating many subsidies to industry, economic disaster areas, higher education and local governments.

The budget cuts will mean reduced spending on schools, libraries, sports facilities, housing, and the National Health Service. Spending cuts are certain to bring howls from principal beneficiaries, but Britain's sorely burdened middle class should welcome the prospect of lower taxes.

Sad to say, even as Britain pulls back from an economy fully managed by central government, the U.S. moves steadily in that direction. Business and industry in the U.S. are being slowly strangled by federal regulation. Worker productivity has fallen, yet government printing presses continue to crank out more and more dollars to chase fewer and fewer goods. The result is rampant inflation.

A staggering energy crisis confronts the nation. Members of the Arab oil cartel make handy scapegoats, but the public's conspicuous consumption and the federal government's incompetence are more to blame. Ironically, belated efforts of elected national officials to cope with the problem are likely to tighten the central government's grip on the lives of its citizens.

Massive expenditures to develop alternative energy sources will spur inflation. Forced conservation will swell an already bloated Washington bureaucracy. And, Americans will feel the strangling effects of more yards of red tape.

Socialistic panaceas for society's ills have led Britain to the brink of fiscal ruin, but her people are attempting to salvage what remains of a free economy. Will the American people wake up in time to avoid the nearly fatal mistakes of their closest ally? The hour grows late.

ORDER OF BUSINESS

Mr. HELMS. I thank the Senator from Tennessee for yielding to me.

Mr. BAKER. Mr. President, I thank the Senator from North Carolina.

Mr. President, I have no need for the remainder of my time. If there is any remaining under the standing order, I am prepared to yield it back.

Mr. ROBERT C. BYRD. Mr. President, so am I.

Mr. President, I do yield it back.

Mr. BAKER. I yield back the remainder of my time, Mr. President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

REFERRAL OF PM 90 TO COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, on July 27, 1979, a message from the President of the United States (PM 90), transmitting an agreement between the United States and Australia concerning peaceful uses of nuclear energy, was jointly referred to the Committees on Foreign Relations, Governmental Affairs, and Energy and Natural Resources.

Mr. President, I ask unanimous consent that the Committees on Governmental Affairs and Energy and Natural Resources be discharged from further consideration of that message and that it be only referred to the Committee on Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 1125

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Ed Graves of my staff, Nancy Foster of Senator STONE's staff, Owen Donley of Senator MCGOVERN's staff, and the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 1125: Henry Casso, Carl Rose, Phil Fraas, Bill Lesher, George Dunlop, Burleigh Leonard, and Marshall Matz.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATION OF MOON LANDRIEU TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Mr. PROXMIRE. Mr. President, I send to the desk the nomination of Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development. Our committee reported him unanimously.

Mr. Landrieu is a man of great experience as a mayor, as president of the Conference of Mayors, and as one who has dealt with the Department which he will be heading for some 10 years. He understands the problems as he demonstated very well before our committee during his nomination hearings.

REALISTIC VIEW OF GENOCIDE CONVENTION NEEDED

Mr. PROXMIRE. Mr. President, during the 30 years the U.S. Senate has been reviewing the Genocide Convention there have been a great number of discussions on whether or not the Genocide Convention should cover "political" groups. As I am sure my distinguished colleagues know, the treaty does not protect "political" groups.

However, we cannot justify delaying ratification of the Genocide Convention because "political" groups are not protected. It is not reasonable to expect that sometime in the near future "political" groups will be included. Rather we must have a realistic understanding of what the Genocide Convention can and cannot do.

My major point today is that the ethnical, racial, religious, and national groups covered by the treaty overwhelmingly support its ratification. They recognize its importance. These groups look to the U.S. Senate for leadership and are puzzled as well as dismayed by our total lack of action.

Hearings held in 1970 before a subcommittee of the Committee on Foreign Relations contain many pages of testimony from racial, ethnical, political and national groups. They abhor the possibility that some persons will choose not to respect their right to exist as a group.

One of the groups that submitted testimony to the subcommittee is the Armenian National Committee.

The Armenians are particularly aware of the horrors of genocide. Sixty-four years ago the Turkish Government initiated a plan to destroy the Armenian minority in Turkey. Over 1 million Armenian people were killed. Many others were tortured.

We cannot ignore the fact that many national, ethnical, religious, and racial groups continue to be threatened by crimes of genocide.

Ratification of the Genocide Treaty is long overdue. I urge my colleagues to consider the groups covered by the treaty and their plight as they struggle to maintain their existence as a group when threatened by outside aggressors who intend to destroy the group.

RUSSIAN BRIGADE IN CUBA

Mr. BAKER. Mr. President, the issue of what to do about the discovery of the Russian brigade in Cuba has been the source of considerable debate in recent days.

Over the weekend, former President Ford came straight to the heart of the matter in a forceful speech in Atlanta. He called for the immediate withdrawal of the Soviet combat troops from Cuba, and he called on the President to give the American people the facts of the situation and dispense with the political innuendo.

I know my colleagues on both sides of the aisle will find President Ford's comments enlightening and constructive, and I ask unanimous consent that the text of his Atlanta speech be printed in the Record at this time.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

[Excerpts from remarks by Former President Ford]

Soviet Troops in Cuba

The appearance of Soviet combat troops in Cuba raises some severe questions for the United States, but let me begin by discussing the Administration's strange handling of this entire challenge.

It is now being charged by the Carter Administration that elements of these Soviet combat forces were in Cuba under my Administration, specifically that armored and artillery elements were there in 1976, if not earlier.

Frankly, I strongly doubt the accuracy of this allegation by the Carter Administration and resent the political innuendo, particularly when the White House has asked repeatedly for my help on foreign policy matters when they were in trouble during the past 2½ years.

No evidence was brought to my attention concerning Soviet combat forces in Cuba during my administration. And, I will be specific, I do not believe that our intelligence was so bad as to completely miss such a major development. In my Administration intelligence-collecting overflights over Cuba were regularly conducted. Indeed, the whole question of our intelligence performance raises some questions that the Carter Administration must answer.

First, Is it not true the Carter Administration stopped reconnaissance flights over Cuba? If this is true this would explain the Administration's confusion as to what has happened in the past 2½ years.

Why did the Carter Administration stop our intelligence surveillance of Cuba? When was it done and when resumed, if so? What did the Administration know and when did they know of the recent developments?

As recently as July 27, Secretary Vance assured Senator Stone in a letter that there was "no evidence of any substantial increase of the Soviet military personnel in Cuba over the past several years . . ."

And, in that same letter Secretary Vance mentioned that President Carter had raised this question with Breshnev in Vienna in June. What was it that prompted the President to bring this up with Breshnev? What did Breshnev say?

President Carter's own stand concerning Cuba mentioned the fact that we have in recent months raised with the Soviets the issue of the Soviet-Cuban relationships. And, on August 29, the Soviets were called on by the State Department and with what results, if any.

The question I have is, what exactly happened between July 27, and sometime in August to trigger this new round of accusations? Finally, what is happening now? What is the Soviets answer? What are the Soviet troops doing, what role are they performing? Are there other Soviet installations in Cuba?

In short, we need to be told the facts.

But, whatever the intelligence records, the issues are obvious as are the causes. I have publicly warned the Administration about the circumstances of letting the Cubans run wild in Africa. While in office, I tried to stop them in Angola and was close to success when the Congress, including many Senators now warning about Cuba, acted to cut off U.S. support for anti-Soviet and anti-Cuban forces in that part of Africa. At that time, I said that we would regret those Congressional limitations on Presidential action, and now we can see the consequence of the Senate's shortsightedness. During the Carter Administration, 25,000 more Cuban combat forces have been sent to Ethiopia and more to South Yemen and Libya, apparently without opposition by the Administration. The Soviets are now shoring up their position in Cuba to support Cuban operations abroad.

First, the Soviets, within the last 18 months, shipped to Cuba a completely new model of fighter-bomber, the MIG–23 which has a nuclear weapon capability. The Carter Administration, after much dithering, apparently acquiesced to this Soviet move in the Western Hemisphere.

Subsequently, Soviet pilots began to appear in Cuba to train Cuban pilots to go to Africa—and now we are told that there may be a Soviet combat force in Cuba.

The American position must be made clear; we simply cannot tolerate this chain of events.

First of all, Soviet combat forces and their equipment must be withdrawn immediately from Cuba.

Second, Cuban combat forces in Africa and the Middle East area must also be withdrawn, for this is the root cause of the current problem.

These are the issues in my view and the course of action we must adopt. If the President takes this strong position he will have bi-partisan support and the firm backing of the American people. But he must begin by telling us all the facts and stop trying to shift the responsibilities to the previous Administrations.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

FEDERAL CROP INSURANCE ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the pending business, S. 1125, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1125) to improve and expand the Federal crop insurance program, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from North Carolina (Mr. HELMS), with 1 hour on any amendment in the first degree, 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, what is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. S. 1125.

Mr. HUDDLESTON. Mr. President, I am pleased to present S. 1125, the Federal Crop Insurance Act of 1979, for consideration by the Senate. This bill will make badly needed reforms in the Federal disaster program for farmers.

The existing disaster assistance effort has been graphically described as itself being a disaster. In hearings held by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices on this legislation, we learned that, on the one hand, disaster assistance programs tend to overlap one another and can be very expensive; while, on the other hand, many farmers are not eligible for the assistance provided, and benefits, at times, are insufficient to cover disaster losses.

S. 1125 directly addresses the problems we found and the needs of U.S. farmers.

It improves the voluntary crop insurance program under the Federal Crop Insurance Act and expands it to all counties and all commodities in the United States.

Under this program, farmers will be able to choose protection sufficient to cover their operating expenses at a reasonable cost.

Even though the crop insurance program under the bill will provide much greater protection nationwide than existing disaster assistance programs, it will cost the Government no more, perhaps less, than existing programs. Because it is an insurance program, farmers who participate will contribute to underwriting the program through small, but regular, premiums for protection.

The bill contains provisions to facilitate substantial involvement by private industry in the massive task of bringing the new programs to all farmers. By doing so, it will avoid the creation of an expanded Federal bureaucracy, while enabling the program to benefit from the wealth of knowledge and expertise of private industry.

Mr. President, the subcommittee has reviewed numerous disaster assistance reform bills and has held lengthy hearings over the last year and a half, in order to hear all sides of this issue. S. 1125 is a compromise bill, based on the testimony we received and including the best features of the other bills. It endeavors to strike a balance between several important, but competing, interests.

Therefore, I will strongly oppose any amendment offered during this debate that will make substantial changes in the legislation.

I want to take this opportunity to thank the distinguished Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture, Nutrition, and Forestry, for his valuable contribution to this legislation. He has been firmly committed to the improvement of the disaster assistance effort for farmers and has been greatly instrumental, through his strong leadership of the committee, to the development of a bill for consideration by the Senate.

Mr. President, agriculture is one of this Nation's most valuable resources. We have an efficient system for producing food and fiber unparalleled in the world. Nonetheless, for the thousands of family farmers who make up agriculture, it remains one of the highest risk undertakings in our economy.

To preserve the productive family farm system, it is absolutely essential that we provide our farmers with a comprehensive, meaningful, and efficient plan to protect their economic investments in production from the ever-present risks of natural disaster.

S. 1125 provides such plan, and I urge my colleagues to join me in approving it.

EXISTING DISASTER PROTECTION PROGRAMS FOR FARMERS

Farming, at best, is an exceptionally high-risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable and unpredictable natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

The farmer has a major investment in his growing crops. It takes considerable capital to buy the machinery, fuel, fertilizer, seed, insecticides, and other necessities of modern commercial agriculture. The costs of these necessities have risen dramatically in the last several years.

In most cases, the farmer has to borrow money to plant. Loss of production due to an unavoidable natural disaster too often makes the farmer unable to repay his loan, leaving him with no credit to finance next year's crop. Many times, the loss of a single crop due to disaster has wreaked enough havoc to drive a person out of farming. When crops are lost in consecutive years—a not uncommon occurrence—financial distress among farmers tends to be widespread.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

The Federal crop insurance program gives farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. The 1978 crop insurance program provided about $2 billion of protection for 26 commodities against practically all natural causes of loss. This insurance covered about 21.5 million acres, or 11 percent of all farm acreage eligible for the program.

The disaster payments program for producers of wheat, feed grains, upland cotton, and rice is a form of free crop insurance. Protection under the disaster payments program is without cost to eligible producers. Payments offset losses attributable to the farmer's inability to plant or to produce a normal crop due to drought, flood, or other natural disaster, or other condition beyond the farmer's control.

The disaster payments program was first authorized under the Agriculture and Consumer Protection Act of 1973 for crop years 1974 through 1977 for producers of upland cotton, wheat, and feed grains. Benefits were extended to rice producers for the 1976 and 1977 crop years by the Rice Production Act of 1975. The program was extended through the 1979 crop year for producers of these commodities by the Food and Agriculture Act of 1977.

PROBLEMS WITH EXISTING PROGRAMS

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When President Franklin Delano Roosevelt, in 1938, signed the legislation authorizing the Federal crop insurance program, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

After nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties in which insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of overall eligible acreage.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way crop insurance operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

The experimental nature of the Federal crop insurance program and the lack of broad farmer participation in it led to the creation over the years of additional programs to assist farm disaster victims, including the disaster payments program.

Although the disaster payments program has helped thousands of farmers hard hit by natural disasters during the last 5 years, the program has been criticized for being expensive, limited to just six crops, and inequitable in its application.

The disaster payments program will expire at the end of the 1979 crop year, and the administration is strongly opposed to further extension of the program beyond the time it takes to implement crop insurance reform.

COMMITTEE ACTIVITY

Over the last 3 years, a number of bills have been introduced to improve the Federal disaster protection program for farmers. Beginning in the spring of 1978, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, has held 9 days of hearings on these bills, receiving oral or written testimony from 60 witnesses. In addition, the Committee on Agriculture, Nutrition, and Forestry surveyed State departments of agriculture, farm groups, and commodity and other agriculture-related groups for their views on the disaster assistance needs of U.S. farmers. A compilation of these groups' statements, along with descriptions and assessments of existing programs and expert analyses of policy issues, was published as a committee print.

Because of the sensitivity of private companies providing crop-hail insurance to the crop insurance proposals, members of the subcommittee, from the outset of our work on these bills, met with leaders of the insurance industry. A number of the provisions in S. 1125 were included in response to industry concerns or were developed from industry suggestions.

NEED FOR LEGISLATION

In the subcommittee's review of the bills and in the hearings, one thing has been made clear: Our farmers need disaster protection. They do not want or need a Federal handout, but they need some type of assistance to help them cope with the uncertainties of weather and other natural conditions and they are willing to pay their fair share to get it.

This need can best be met through the Federal crop insurance program. However, legislation must be enacted to improve this program—to make it an operational rather than experimental program, to expand it to all crops and all counties, and to correct the deficiencies in its operations that have hindered its growth and acceptance by the Nation's farmers.

An expanded and improved crop insurance program will eliminate the need for the disaster payments program and, more importantly, make available to all farmers a comprehensive, meaningful, and efficient program under which they may protect their investments in food and fiber production.

S. 1125 MEETS FARMERS' NEEDS

S. 1125 meets the need of U.S. farmers by making changes in the authorizing legislation that will allow expansion of the Federal crop insurance program to all crops and all counties, encourage farmer participation by improving the coverage offered and reducing premium costs through Federal cost sharing, and encourage the private insurance industry to assist in the massive task of marketing crop insurance and servicing insured farmers on a nationwide basis. It is my belief that while the private crop-hail insurance industry may prefer alternative language in some areas, this bill provides for a program they could work with.

The bill will also revise the funding of the program in order to give it a sounder financial base. It will make other technical improvements in the Federal Crop Insurance Act.

S. 1125 phases out the disaster payments program over a 2-year period, during which time an improved and expanded Federal crop insurance program will be put into place.

ROLE OF PRIVATE INSURANCE

Private insurance companies, as a rule, write only specific risk crop insurance covering hail, fire, and lightning risks. Numerous attempts by private industry to write all-risk policies have failed.

Federal reinsurance—to cover the risk of catastrophic losses such as those that arise from large-scale droughts, floods, or freezes—is necessary if private industry is to succeed in entering the all-risk field.

The Federal Crop Insurance Act was amended in 1947 to authorize the Federal Government to provide reinsurance, but the amendment placed a 20-county limit on the reinsurance program.

The private insurance industry, although expressing interest in all-risk crop insurance, has been reluctant to commit resources to an experimental effort that could at best be a pilot project in terms of magnitude, and that does not provide a sufficient base for dispersion of risk to build a sound reinsurance program.

The Federal all-risk crop insurance program cannot expect to have maximum participation by farmers unless private industry commits its resources and delivery system to all-risk insurance. S. 1125 repeals the 20-county limit on the reinsurance program and provides that the Federal cost share for Federal crop insurance premiums will also apply to crop insurance written by private companies if the policies are reinsured by the Federal Government.

These steps will provide the impetus for the development of a private-Federal partnership in providing all-risk insurance to U.S. farmers.

S. 1125 also amends the act to permit the Federal Crop Insurance Corporation to use private companies in administering the program. This will enable the Corporation to use the delivery system of the private industry to market and service Federal all-risk crop insurance on a commission or contract basis. Private industry can bring a wealth of expertise and well-trained personnel to the expanded, nationwide crop insurance program.

There are some 25,000 to 30,000 private crop insurance agents across the Nation who could sell and service Federal crop insurance. The Federal Crop Insurance Corporation, to the maximum extent feasible, should use this valuable resource, pool in implementing the nationwide all-crop, all-county crop insurance program under S. 1125, rather than establishing a massive new Federal bureaucracy.

To facilitate maximum participation by private insurance agents in the Federal program, the Corporation must take steps to insure that agents are given a fair agreement under which to work.

SPECIAL DISASTER PAYMENTS

Many farmers had difficulty this spring planting their crops due to poor weather conditions or lack of adequate fuel. Flooding was extensive in many major agricultural producing regions, coming at a time when farmers had already invested money into preparing land and applying fertilizer prior to planting. Once the water receded and farmers were able to get into the field, the fuel shortage caused further delays, forcing many farmers to abandon their original planting intentions. It is estimated that preplanting costs account for about 15 to 20 percent of the total cost of production.

Under existing legislation, farmers who are able to plant another nonconserving crop after being prevented from planting the first are not eligible for prevented planting disaster payments. The second crop has to pay for its own cost of production as well as the cost invested in the first crop.

S. 1125 provides for a special disaster payment to such farmers for the 1979 crop year. While the payment level will not be the same as that for farmers who are prevented from planting any crop, it should be sufficient to help offset some of the preplanting costs lost on the first crop.

CONCLUSION

Mr. President, S. 1125 makes a number of substantial changes in the Federal disaster protection effort for farmers, correcting deficiencies in the existing system and providing for a more effective new insurance program.

It is vital that these steps be taken. Farmers must be assured that, whatever natural disasters befall them, they may rely on a sound program of protection that is equitable and responsive to their legitimate needs. And the American taxpayer must be assured that Federal expenditures for disaster assistance are used wisely and without waste.

This Nation has benefited from a strong farm economy for so many years that we tend to take this risk-laden enterprise for granted. But in an era of shrinking natural resources and intense industrial competition among nations of the world, a healthy farm sector becomes the vital factor in this Nation's economic equation. In the longterm, all U.S. citizens will share in the benefits of the program reforms made by S. 1125 to protect our farmers from the ravages of natural disasters. I urge its adoption by this body.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 1125 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF S. 1125

The bill would—

(1) Effective October 1, 1980, increase the capital stock of the Federal Crop Insurance Corporation from $200 million to $500 million;

(2) Require the Secretary of the Treasury, within 30 days after October 1, 1980, to cancel all capital stock of the Corporation outstanding on October 1, 1980;

(3) Increase membership of the Board of Directors of the Corporation from 5 to 7 and change its composition so that it would include—

(a) the manager of the Corporation,

(b) the under secretary or assistant secretary of agriculture responsible for the Federal crop insurance program,

(c) the under secretary or assistant secretary of agriculture responsible for the farm credit programs of the Department of Agriculture,

(d) one person outside the Government who is experienced in the crop insurance business, and

(e) three active farmers;

(4) Authorize the Corporation to contract with private insurance companies in administering the Federal crop insurance program;

(5) Effective with the 1980 crop year—

(a) remove the 150-county and 3-commodity annual limits on expansion of the Federal crop insurance program, and

(b) remove the 20-county limit on the program to provide Federal reinsurance for private crop insurers;

(6) Provide, with respect to coverage, to be made available under the Federal crop insurance program, as follows:

(a) insurance would be made available to a farmer on his crop for 75 percent of average yield;

(b) price coverage would be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

(c) lower levels of yield coverage and other price selections would also be made available;

(7) Authorize the Corporation to reinsure crop insurance programs operated by State and local government entities;

(8) In order to encourage the broadest participation in the crop insurance program, require the Corporation to pay a part (not less than 20 percent nor in excess of 40 percent) of crop insurance premium costs. The payment would apply both to (a) premiums on direct Federal crop insurance and (b) in order to provide equity among producers purchasing crop insurance, premiums on private or governmental crop insurance reinsured by the Corporation. The percentage (within the 20 to 40 percent range) of the premium to be paid by the Corporation would be determined by the Board;

(9) Authorize the Corporation to offer Federal crop insurance and provide for reinsurance in Puerto Rico and other commonwealths and territories of the United States;

(10) Authorize the Corporation to offer specific risk protection programs for risks not covered by private insurance;

(11) Make the revisions in the crop insurance program in the bill effective beginning with the 1981 crop year, except for the provisions removing limits on expansion (which would be effective for the 1980 crop year);

(12) Effective October 1, 1980—

(a) delete the $12 million limit on annual appropriations to cover the Corporation's operating and administrative costs,

(b) authorize annual appropriations to the Corporation to cover agents' commissions, payments of premiums by the Corporation, and direct costs of crop inspections and loss adjustments, and

(c) authorize the Corporation to use insurance premium funds to cover expenses of agents' commissions, loss adjustment, and crop inspection, and authorize restoration of premium funds used for these purposes by appropriations in following years;

(13) Effective October 1, 1979, authorize the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable it to cover program expenses or pay indemnity claims;

(14) Extend the farm disaster payments and prevented planting disaster payments provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 through the 1980 and 1981 crop years. However, in 1981, producers would have the option of choosing between such disaster payments on the respective commodity or participating in the shared-cost crop insurance program provided in the bill (they would not be eligible for both); and

(15) Authorize a new disaster payments program under the commodity provisions of the Agricultural Act of 1949 for the 1979 crop year. Under the new program, producers of wheat, feed grains, upland cotton, and rice who (a) are prevented from planting their intended crop because of a natural disaster or other condition beyond their control (including lack of fuel), but (b) plant a substitute nonconserving crop, would be eligible for a disaster payment equal to 15 percent of the target price times 75 percent of the normal yield on the acreage affected.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the amendments of the Committee on Agriculture, Nutrition, and Forestry to S. 1125 be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. President, I, too, commend the efforts of the distinguished ranking minority member of the Committee on Agriculture on this particular legislation and other matters that come before the committee relating to the needs of our farmers throughout the United States, the distinguished Senator from North Carolina (Mr. HELMS).

Mr. President, the time, as I understand it, on this bill is divided between the Senator from North Carolina and myself. I reserve the remainder of my time and yield to the Senator from North Carolina.

(Mr. ZORINSKY assumed the chair.)

Mr. HELMS. Mr. President, of course I appreciate the generous comments of the Senator from Kentucky. He and I came to the Senate on the same day and it has been a high privilege for the Senator from North Carolina to work with Senator HUDDLESTON in so many matters in the Committee on Agriculture and other matters as well.

I say to my friend from Kentucky that I have just come from a luncheon hosted by the distinguished chairman of our committee (Mr. TALMADGE). The guests were German journalists who are interested in peanut production in the United States. Of course, Germany produces peanuts as well. One of them told me that he was very much interested in tasting some peanuts grown in the United States, so he bought a package last night in a little sundry shop. He looked at the label and found out that they were grown in Germany.

Before us at the luncheon was a silver-looking peanut, and I looked at the bottom of that, and it says, "Made in Japan." So maybe the United States is not really as deeply into the peanut business as we think.

In any event, Mr. President, I have listened with interest, as always, to the comments of my friend from Kentucky. It is unquestionably in the Nation's interest for this Government to help protect the farmer from the ravages of natural disasters. Back-to-back disasters, such as the droughts experienced in 1976 and 1977, can wipe out scores of producers who have cash-flow problems and thus hamper the agricultural sector's capacity to produce sufficient supplies of food and fiber for the United States and the rest of the world. The issue, therefore, is not whether the Federal Government should provide some sort of disaster assistance to farmers; the issue is how the Federal Government should make such assistance available.

The Federal Government's current disaster payments program amounts to free crop insurance. If, as a result of natural disaster, a wheat, feedgrains, upland cotton, or rice producer is prevented from planting a crop or experiences yields below a certain percentage of his average yield for a given crop, he may be eligible to receive an outright grant from the Federal Government. Translated, Mr. President, that means an outright grant from the taxpayers of America.

Such a program, Mr. President, in the judgment of this Senator, has some defects which should be obvious. First, it is inherently unfair in that only producers of certain crops receive disaster payments. Producers of soybeans—a primary crop in many areas—tobacco, peanuts, citrus fruits, sugar cane, sugar beets, dry beans, sunflowers, and so forth, may not receive disaster payments under any circumstances whatsoever. Even within the disaster payments program, producers are not treated in like fashion. Wheat and feed grain producers must lose more than 40 percent of their yield before they are eligible to receive low-yield payments. Upland cotton and rice producers, on the other hand, need only lose more than 25 percent of their yield to qualify for low-yield payments.

Second, the disaster payments program discriminates against the small family farmer. USDA studies indicate that the distribution of disaster payments among all farms is less than the projected distribution of insurance premium subsidy benefits. The studies show that larger farmers received proportionately more of the total disaster payments than do small farmers. Under a federally subsidized crop insurance program, the subsidy benefits will be more evenly distributed among all farmers, resulting in a more equitable program.

Perhaps the most glaring fault of the disaster payments program, Mr. President, is that it encourages production on marginal lands that are susceptible to natural disasters. This sometimes results in undesirable conservation practices and may contribute to surplus production. During 1974–77, 31 percent of total disaster payments went to about 117,000 farmers who received payments either 3 of the 4 years of the program's existence or every year of the program's existence. These figures reveal that there are a small number of farmers who abuse the disaster payments program by planting crops on land that they know is subject to high yield variability. Such mismanagement, I have been informed, has cost the American taxpayer in the neighborhood of $600 million since 1974 alone.

To put this dollar figure in perspective, the average yearly cost of the disaster payments program is $436 million. If the taxpayer's money had not been spent on this small number of farmers, there would have been sufficient funds to pay the costs associated with disaster payments for almost 1½ additional crop years.

Mr. President, it is apparent that the current disaster payments program is neither a very efficient nor effective way for the Federal Government to help cushion the farmer from the effects of natural disasters. It is unfair; it encourages bad management practices; and it is wasteful of the taxpayer's money.

Crop insurance, on the other hand, provides the farmer with protection against production loss on a more sound and equitable basis.

The Federal crop insurance program gives the farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. Premium rates that farmers must pay for the protection vary widely depending upon, first, the crop insured, second, the risks of the area, and third, the amount of insurance protection per acre. The insurance does not cover loss due to such causes as low farm prices, neglect, poor farming practices, or theft. The insurance only covers production losses resulting from unavoidable causes.

The method of insurance generally in use at present is to guarantee the insured a percentage of average production in bushels, pounds, or other commodity unit. When the insured person harvests less production than the percentage of average yield protected due to any of the causes insured against, he is paid for the shortage at the price per commodity unit that he selected before the growing season from several optional prices.

Over the past several years, Mr. President, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others, including the media.

The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When the Chief Executive of the Nation, President Franklin Delano Roosevelt, signed the legislation authorizing the Federal crop insurance program, I believe in 1938, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

In fact, after nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties where insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of eligible farmers, according to information made available to me.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way FCIC operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

So we say, Mr. President, "What is needed?"

What is needed, is an expanded and improved Federal crop insurance program that can provide adequate protection without promoting the inequities and abuses of the current disaster payments program and that can attract sufficient participation so as to spread the risk over a greater universe, thereby reducing premium costs to the individual farmer.

Let me pause here, Mr. President, to state for the record that the able Senator from Kentucky is to be commended for his efforts to generate an improved Federal crop insurance program.

He has worked diligently at this, as he does in all things. I am very grateful to him.

His patience and skill as a negotiator and his familiarity with the subject matter provided a steadying influence on his fellow members of the Agriculture Committee as they wrestled with the intricacies of crop insurance. "Noble" is about the best word to describe his attempt to bridge what must certainly have appeared to be unbridgable gulfs of dissension among insurance industry representatives, farm groups, and administration officials. I applaud the efforts of my friend from Kentucky (Mr. HUDDLESTON.)

Nonetheless, I cannot support the changes which the Senate Committee on Agriculture made to S. 1125. By raising the Federal premium subsidy to unacceptably high levels, by failing to encourage the private hail crop insurance industry to help market Federal all-risk crop insurance policies, and by continuing disaster payments for 2 more years in direct competition with Federal all-risk crop insurance the Senator feels that the Agriculture Committee stripped S. 1125 of those elements essential to the formulation of a sound nationwide all-risk Federal crop insurance program. Moreover, the committee's actions amount to a renewal of a notion that I thought had finally been laid to rest in these days of runaway inflation—the notion that any obstacle can be overcome by a willingness on the part of the Federal Government to throw money at the problem.

Widespread participation by farmers is critical to the success of the Federal crop insurance program. If an insufficient proportion of those who need protection do not voluntarily purchase insurance and consequently face financial ruin after a catastrophic crop loss, the program will not fulfill its principal objective of providing the Nation's farmers with a measure of protection against natural disasters.

Major factors ensuring substantial farmer participation are:

First, expansion of the program to all counties and all crops;

Second, coverage adequate to protect the farmer's investment in the crop;

Third, premium costs at levels farmers can afford;

Fourth, use of private insurance industry resources for marketing purposes; and

Fifth, elimination of competing disaster payment programs.

These factors are not mutually accommodating. Any deference paid to one is at the expense of another and usually generates a political fallout that makes reform of crop insurance almost impossible. Therefore, in order to establish a sound Federal all-risk crop insurance program, one must balance these factors so that they operate in relative harmony.

S. 1125, as reported by the Agriculture Committee, deals with the first two factors—program expansion and adequate coverage levels—in a satisfactory manner. Effective with the 1980 crop year, the bill will lift the various restrictions that have heretofore limited the expansion of the Federal crop insurance program. This will enable FCIC to move quickly to expand the program to all agricultural counties and to all crops that are important to the agricultural income of an area.

S. 1125 provides that—

First, insurance must be made available to a farmer on his crop for 75 percent of average yield;

Second, price coverage must be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

Third, lower levels of yield coverage and other price selections will also be made available.

Requiring FCIC to offer farmers yield coverage at 75 percent of average yield will guarantee the farmer an opportunity to purchase coverage sufficient to return his major operating expenses in the event of disaster loss. Since operating expenses usually amount to 80 percent or more of his expected returns from the crop, it is essential to the farmer that these costs be protected.

Requiring FCIC to offer farmers a price selection that is the highest of target price, loan rate, or projected market price will guarantee the farmer an opportunity to purchase coverage that reflects the fair worth of his crop.

These coverage options will make the program more flexible and, in conjunction with Federal cost sharing of premium costs, enable the farmer to obtain a higher level of insurance coverage than he could otherwise afford.

While S. 1125 adequately handles the first two factors essential to the successful implementation of a sound Federal crop insurance program, it fails to accommodate the remaining three factors—premium subsidy level, private sector marketing effort and competing disaster programs—in a reasonable and balanced fashion.

Premium subsidies can be used effectively to broaden participation. The question is what level of premium subsidy is required to generate sufficient participation. The answer is not clear. Originally, S. 1125 proposed a 20 percent direct premium subsidy. The direct premium subsidy of 20 percent, when coupled with congressional appropriations for FCIC's administrative and operating costs, would have represented a very generous 50 percent direct-indirect Federal subsidy.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20 percent subsidy with a 20 to 40 percent subsidy range on coverage levels of up to 75 percent of average yield. According to the Congressional Budget Office, the committee's action could increase the costs of the Federal premium subsidy from $185 million to $395 million annually by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that the total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view the 20 to 40 percent subsidy range is unacceptable.

Objections to the 20 to 40 percent subsidy range become more pronounced when one considers the subsidy's effect on another important factor in raising participation levels—marketing. A farmer is very hesitant to part with his cash. As a result, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise a farmer will never buy crop insurance, regardless of the size of the subsidy. While FCIC lacks such a network of agents, the private hail crop insurance industry can muster an army of 30,000 professional agents across the country to help market all-risk crop insurance policies. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could insure a sound Federal all-risk crop insurance program.

The Agriculture Committee's action to raise the Federal premium subsidy level on all-risk crop insurance does not encourage private industry cooperation in the marketing effort. Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail crop insurance policies, and indeed, threaten small localized hail crop insurance companies with extinction. Accordingly, under S. 1125 as reported, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing. This will be an added expense on top of the increased costs of higher subsidies already approved.

I hasten to add that the feasibility of establishing a cooperative marketing effort between FCIC and the private sector is not solely dependent upon the level of the Federal premium subsidy. There are other elements—particularly those having to do with the working arrangement between independent insurance agents and FCIC—which play important roles in successful marketing of Federal crop insurance policies.

Officials at FCIC realize the need to tap the marketing resources of independent insurance agents. Pilot programs have been set up in Nebraska and Texas to determine what must be done to elicit the independent agent's participation in the marketing effort. While these programs have been less than completely successful, they have provided helpful hints as to what FCIC must do to establish an effective working relationship with independent agents. First, FCIC must pay commissions to independent agents that are competitive with those paid by private insurance companies. Second, FCIC must recognize the independent agent's equity ownership of the business he creates and must permit the agent to service and renew the business he initiates. Third, FCIC must allow the independent insurance agent to be indemnified for loss suffered as a result of acts or omissions caused by FCIC.

The items stipulated above relating to the marketing and servicing of Federal crop insurance through independent insurance agents are fundamental principles of contract and agency law and they comprise the standard business arrangement that the independent agents have with private insurance companies.

I trust that FCIC will act in good faith to incorporate these principles into the contract arrangements it makes with independent insurance agents. If FCIC fails to do so, it is unlikely that any independent agent will choose to sell and service Federal crop insurance. Without the active participation and utilization of the American agency system, the prospects for an expanded Federal crop insurance program are not good.

The last factor which bears upon the success or failure of Federal all-risk crop insurance is the availability of alternative disaster programs. If a farmer has access to a free Government handout, he will opt for it rather than put up outfront cash on a shared-cost crop insurance policy. The current disaster payments programs for wheat, feed grains, upland cotton, and rice present such a competitive option, and they have detracted from the number of farmers who otherwise would purchase all-risk crop insurance.

S. 1125 ignores the importance of this factor as it authorizes what amounts to an outright 2-year extension of disaster payments. In doing so, the bill not only jeopardizes the successful implementation of an expanded all-risk crop insurance program, but also adds significantly to the cost to taxpayers. The price tag of S. 1125 with its 2-year extension of disaster payments and its higher premium subsidies will exceed by three times the estimated budget outlays of the original bill.

Mr. President, at the appropriate time I will offer two amendments that, if accepted, would correct the deficiencies I have pointed out, as I perceive them. These amendments are not intended to gut S. 1125. Rather they are designed to strengthen S. 1125, to bring into balanced harmony those factors which are essential to establishing an expanded and improved Federal crop insurance program.

If these amendments are not accepted by the Senate, Mr. President, I shall feel obliged to vote against S. 1125. This is something that I would regret to do, but I would have to oppose S. 1125 in that event on the grounds that I think are demonstrable, that this bill will be much too costly to the taxpayers of America, that it will needlessly displace yet another segment of private industry, and that it will not—it will not—facilitate the rational expansion and improvement of Federal crop insurance.

Mr. President, I thank the Chair, and I reserve the remainder of my time.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, before we begin on the amendments, the distinguished chairman of the Agriculture Committee is nearby, I believe, and wanted to make a statement.

While we give him that opportunity, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HELMS. I suggest it be equally divided, Mr. President.

Mr. HUDDLESTON. That will be satisfactory.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Will the Senator yield me 1 minute?

Mr. HUDDLESTON. I yield to the Senator from Georgia such time as he may require.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, first, I want to compliment the distinguished senior Senator from Kentucky on the outstanding job he has done in putting together this bill, holding hearings, and steering it through the Committee on Agriculture, Nutrition and Forestry. It is badly needed legislation. I commend the Senator from Kentucky on his initiative in this regard.

Mr. President, S. 1125, the Federal Crop Insurance Act of 1979, provides the framework for a workable, nationwide program of disaster protection for farmers. I was pleased to cosponsor this legislation and strongly urge the Members of the Senate to adopt it.

NEED FOR BETTER DISASTER PROTECTION FOR FARMERS

The existing disaster protection programs do not adequately meet the needs of U.S. farmers. The protection they are supposed to provide often is insufficient or nonexistent to meet emergencies when and where they arise.

The disaster payments program applies to only six commodities and the benefits it provides to individual farmers, in many cases, do not cover costs of production. Also, the authority for this program under the Food and Agriculture Act of 1977 expires at the end of this crop year.

The Federal crop insurance program we have now has not met the goal set for it in 1938 of providing basic crop protection for all of the Nation's farmers.

Today, 40 years after it began, the Federal crop insurance is in place in only one-half of the Nation's counties. Nor does the program cover all major commodities even where the insurance is available.

In my own State of Georgia, only 46 of 159 counties are included in the Federal crop insurance program this year.

It makes no sense to me—and it makes no sense to the farmers affected—that this insurance protection is available to some and not to others, even when they may be neighbors operating farms side-by-side divided only by a county line.

I set as a priority for the Committee on Agriculture, Nutrition, and Forestry this year the development of a bill to improve the Federal disaster protection program for farmers.

S. 1125 PROVIDES BETTER DISASTER PROTECTION

Through the leadership of Senator HUDDLESTON, chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, and the hard work of the members of the committee, we were able to report to the Senate a strong bill that responds to the needs of U.S. farmers—S. 1125.

The approach of the bill is to improve the Federal crop insurance program and provide the means for expansion of that program to all counties and all crops.

There are several clear advantages to this approach.

The farmer will contribute substantially to underwriting program costs through small, but regular, annual premiums for the insurance protection.

The benefits the farmer will receive if he suffers a loss will be substantially higher than those under the disaster payments program. The farmer will be able to select insurance to cover almost all of his costs of production.

Indemnity payments for losses, unlike emergency loans, will not have to be repaid from future income.

IMPROVEMENTS ARE MADE IN THE FEDERAL CROP INSURANCE PROGRAM

The bill makes improvements in the Federal crop insurance program.

It provides an expanded role for the private insurance industry in the crop protection effort. Under the bill, limits on Federal reinsurance of private all-risk crop insurance will be removed.

With reinsurance available, the private industry will be able to join the Government in the task of providing all-risk insurance to farmers in all counties in the United States. In addition, farmers who choose to buy their all-risk crop insurance from private companies participating in this reinsurance program will be eligible for the same Federal cost-share of premiums as that available to those who buy Federal crop insurance.

The bill reforms the financial structure of the Federal crop insurance program. This is long overdue.

The program now is working with a reserve fund that is at a dangerously low level and an appropriations limit of $12 million that may have been suitable in 1941 when it was imposed, but completely outdated now. An important reason that the program has not been able to expand as needed during the last several years has been lack of authority for adequate funding.

The bill will remedy the shortcomings in program financing by removing the $12 million limit on appropriations, by authorizing additional capital stock, and by authorizing the Secretary of Agriculture to use Commodity Credit Corporation funds for the program.

The bill will preserve for wheat, feed grain, upland cotton, and rice farmers their rights under the disaster payments program through the 1981 crop year while the improved and expanded Federal crop insurance program is being put into place.

Disaster payments would be available to all eligible producers in the 1980 crop year. During the 1981 crop year, a producer would choose between the disaster payment provisions or the new subsidized insurance program, but would not be eligible for both.

CONCLUSION

Mr. President, S. 1125 makes necessary improvements in the Federal disaster protection program for farmers. It provides for a program that will enable family farmers engaged in today's capital-intensive agriculture to cope with weather and other natural risks inherent in growing food and fiber. The bill will greatly benefit farmers, and I recommend its approval by the Senate.

Mr. HUDDLESTON. Mr. President, I believe the bill is open to amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Are there further amendments to the bill?

The Senator from Iowa is recognized.

UP AMENDMENT NO. 537

(Purpose: To exclude insurance coverage for hail and fire)

Mr. JEPSEN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 537:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail and fire," after "causes".

Mr. JEPSEN. Mr. President, I thank the senior Senator from Kentucky for his hard work and his dedication in producing a comprehensive Federal crop insurance bill. It has not been an easy task, and I know that Senator HUDDLESTON is attempting to meet the demands of farmers, the Federal Government, and the industry, and the insurance industry, and that is a very difficult task.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JEPSEN. Mr. President, I am offering an amendment to S. 1125 which would delete the perils of hail and fire from the Federal crop insurance program. I am doing so because insurance coverage for hail and fire has been provided efficiently by the private sector, at no cost to the taxpayers, for many years.

Mr. President, it is essential to the business of farming that producers be protected from unpredictable and irregular natural disasters. I was raised on a family farm in Black Hawk County, Iowa. As far back as I can remember, the private crop, hail, and fire industry in Iowa was heavily patronized by Iowa farmers. Our family and other farmers always appreciated the efficient responsible way in which the industry provided the insurance service. In its present form, S. 1125 is unfair to the private hail and fire industry. It would require that private agents compete against a heavily Government subsidized crop insurance program. Most farmers will not opt to buy full premium private hail and fire insurance in addition to, or in place of the subsidized Federal Crop Insurance Corporation coverage; therefore the private crop, fire and hail companies would be adversely affected by S. 1125. S. 1125 will place the Federal Crop Insurance Corporation in direct competition with private insurance companies. Therefore, S. 1125 might possibly eliminate the private insurance sector from the marketplace.

According to an industry report, if Federal Crop Insurance Corporation competition, in fact, forces the nationalization of the crop, hail, and fire industry, the following segments will be affected: 450,000 policyholders will lose a valuable coverage and choice; 30,000 crop and hail agents will lose an important part of their income. Agents earned $70 million in 1978 writing crop/hail; 4,500 crop/hail company employees lose their reason for employment; 140 companies will be affected. In Canada, 36 crop/hail companies have dwindled down to 10, due to

Federal crop type of competition. U.S. farmers presently carrying $10.2 billion private crop/hail coverage, compared to $2 billion under subsidized FCIC. In addition the industry estimates the potential annual tax loss as the following: $20 million in agents Federal income tax, $10 million in corporate taxes, $5 million in employee income tax, both Federal and State and $7 million in State premium tax for a total tax loss of $42 million.

Mr. President, the free disaster program only cost $436 million per year average which this legislation intends to replace. Industry actuaries estimate the potential cost to the U.S. Department of Treasury being $1.2 billion. I realize that the free disaster program was costly and burdensome but let us make sure that we are not replacing it with an equally burdensome program.

In Iowa and many other Midwestern States, rural agents in the business of hail and fire insurance depend on the income they receive from their insurance business. In many cases these agents are farmers subsidizing their farm income.

The patrons of private industry crop insurance may no longer have the option of purchasing private hail and fire insurance. I believe that Congress will send a signal to the private industry if it passes S. 1125 in its present form. We will indicate to small and large private hail companies and rural agents that the Federal Government's involvement is unpredictably increasing in the lives of small businessmen. I hope that the Senate will consider the scope of this bill and its effect on farmers, taxpayers, and the private insurance industry.

Mr. President, this bill, although in good faith and well intended, is another example of Government trying to be all things to all people and solve problems for which the private sector already has provided solutions.

We cannot continue this erosion of the tax base and of the free enterprise system and continue in our Nation and our Government as we have known it throughout the years, and which has brought it to a point of all the good things in life we have today.

Mr. President, when I was back in Iowa in August, I met with many thousands of people at many meetings. One morning, about 8:30, I attended a breakfast meeting with a cross-section of business people, farmers, bankers, and insurance people, not far from the State of the Presiding Officer, the Senator from Nebraska (Mr. Zorinsky), in Red Oak, Iowa. In closing the meeting, a gentleman stood up and sort of summarized the thoughts that I believe we should keep in mind in all the legislation we work on in Washington, especially as we look at this piece of legislation, with its encroachment on the private sector. This gentleman stood up at the close of the meeting and said, "Senator, when you go back to Washington, will you please tell those folks back there, from us, what we really want is for them to defend our country, to deliver our mail on time, and to keep their cotton picking hands out of our business and personal life."

Mr. BOSCHWITZ. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. I yield time to the Senator.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I be in control of the time while Senator Helms is not in the Chamber.

The PRESIDING OFFICER. The Senator from North Carolina has no time on this amendment. He has time on the bill.

Mr. BOSCHWITZ. Mr. President, I support the amendment of the distinguished Senator from Iowa. This amendment to the Federal crop insurance program would eliminate and exclude hail and fire—principally hail, because fire among crops is not that much an item—from this measure.

As I approach this crop insurance measure, the protection by private insurance companies, about which my colleague spoke, is uppermost in my mind, because these companies have done an excellent job of writing this kind of insurance.

I am not talking about the insurance giants who are sprinkled through Hartford, Conn., or some other large centers of the insurance industry but, rather, hundreds and hundreds of small insurance companies, many of whom write insurance only in a single county or in a single area, and they are prevalent throughout the Midwest.

To emphasize the amount of coverage they presently have, I point out that in Minnesota, one-third of all the farms are covered by hail insurance from the private companies, and that accounts for approximately 49 percent of the total acreage in Minnesota.

The law now offers all risk insurance other than fire and hail. S. 1125, among other things, would include fire and hail coverage; and the law is applicable whether you participate in a set-aside program or not. However, the law presently limits the expansion of coverage to only 150 counties a year, I understand, and would support the idea of lifting that limitation. This law also would expand the subsidy that is provided to the farmer for his coverage.

I think it should apply in all counties, and I do not believe that the growth limit by counties should be restricted in the manner it presently is. However, presently there is no subsidy of the insurance costs of a farmer in this matter, other than a $12 million subsidy given for administration costs for the Federal Crop Insurance Corporation.

The amendment we are now suggesting would not change the subsidy that the distinguished Senator from Kentucky is suggesting in S. 1125 on insurance premiums, nor would it change the growth of the entire program, which is now limited to 150 counties a year. What our amendment would do is limit the coverage to not include fire and hail, so that the private enterprise part of the insurance industry, which comprises hundreds and hundreds of small insurance companies, can continue to exist.

Because of S. 1125, it includes fire and hail; and because it would give a 20 percent to 40 percent subsidy of the rates involved, we would effectively put the private sector out of business.

In Canada, the number of insurers has been reduced from 36 to 10 because of similar circumstances, and those 10 are having problems.

Under the present Federal crop insurance policy, 75 percent of normal production costs are covered. This bill, while it would help the farmer on the one hand by subsidizing the insurance premium, would reduce that coverage to 65 percent. Because of the cost to the Government, which is uncertain, this subsidy would probably cost the Government an additional $250 million a year.

Then if you look 5 years down the road and say what is this legislation going to do, it would probably effectively disrail and make the continuance of the private companies that are now writing insurance, not at 65 percent, or 75 percent, but at 100 percent, difficult. It would probably effectively eliminate those companies, and again they are small companies throughout the upper Middle West, at least. Five years down the road, it looks like the Government might, as I see the amendments coming to the desk today, probably reduce its coverage to 60 percent. So, interestingly, while there would be some advantage, the farmer will suffer in the long run on account of the limitation of coverage that would be allowed in this bill.

Mr. President, at one time the private sector attempted to write all-risk crop insurance, and that apparently was not feasible because of the problems they encountered in trying to obtain reinsurance. But many of these same crop insurance companies did begin to write hail and fire coverage, and they found that in that area they could successfully cover.

However, including fire and hail as part of the Federal crop insurance program will truly virtually wipe out the private sector's ability to write their own hail and fire policy and also undermine hundreds and hundreds of agents from writing this particular policy.

Therefore, Mr. President, I suggest and urge my colleagues to vote yea on this amendment.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I might require.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for 1 minute?

Mr. HUDDLESTON. I yield.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that Senator Culver, of Iowa, and Senator Dole, of Kansas, be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I must strongly oppose this amendment because it will, for all intents and purposes, destroy the expanded Federal all-risk crop insurance program proposed by S. 1125, without any sound basis in fact being presented for its need.

To be sure, I appreciate my colleague's concern that Federal programs must not inadvertently harm U.S. private industry. However, I can assure the Members of this body that it is not the intent, nor will it be the effect, of this legislation to create a Federal program that will compete unfairly with the private industry in providing services to farmers.

In fact, in developing S. 1125, we took great care to consult with the private insurance industry and received assurances that the bill I drafted to help U.S. farmers was one that the crop-hail business could live with.

The fact is that the private crop-hail industry and the Federal all-risk crop insurance programs have coexisted in many areas of the Nation for years. In some areas, insurance agents now represent both FCIC and the private insurance companies, and farmers carry both Federal all-risk and private crop-hail policies.

The fact is that all-risk crop insurance and crop-hail insurance are entirely different types of insurance. All-risk insurance covers a portion of long term average production, usually 50, 65, or 75 percent. It insures against all natural disasters for the entire farm unit. A farmer will receive a loss payment only for that loss in production for the entire farm below the percentage of average production covered. An all-risk policy essentially protects the producer from the bottom up.

Private crop-hail insurance, in contrast, covers a portion or all of the potential value of a crop in the field, but it only protects against hail, fire, and lightning risks. It is written on an acre-by-acre basis, and the producer will receive a loss payment for damage to any portion of the crop. Crop-hail insurance protects from the top down.

Mr. President, I ask unanimous consent that a short paper describing the differences between all-risk insurance and crop-hail insurance, with an example, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN ALL-RISK INSURANCE AND HAIL INSURANCE

All-risk insurance.—This type of policy insures a predetermined long-term average amount of production against all natural disasters for a farm unit which can consist of from one acre to several hundred acres.

A farmer will receive a loss payment only if his production falls below an established guarantee. The payment will be on that portion of his production below the guarantee. Thus, if a producer normally produces 100 bushels to the acre, under this legislation he could have a maximum of 75 bushels of guarantee (75 percent level of coverage). He would have to lose 25 bushels of production before he would receive any indemnity payment from Federal Crop Insurance.

Under the unit insurance system of FCIC, if a farmer has 100 acres in a unit he would have a total bushel guarantee of 7,500 bushels (75 bushels × 100 acres). He would not be due an indemnity until his production was reduced to 7,499 bushels. In other words he would have to lose 2,500 bushels before his all-risk insurance would begin to pay. If a hail storm damaged 40 percent of his crop on 20 acres it would mean, at a potential production of 100 bushels an acre, that the loss would amount to 800 bushels (2,000 bushels × 40 percent). He would not receive an indemnity from FCIC because the remainder of the production on the unit would be in excess of his total guarantee of 7,500 bushels.

Crop-hail insurance.—Private crop-hail insurance, in contrast, insures for a predetermined potential value of production against hail damage on a per acre basis rather than a unit basis. This "potential value" is usually in increments of $100 per acre. Using the same example of 100 acres, should a hail storm destroy 40 percent of the crop on 20 acres, the producer would receive $40 per $100 of hail protection purchased on each acre. If he had purchased $300 of protection for each acre, his payment would amount to $120 per acre or $2,400 ($120 × 20 acres) for the 20 acres damaged.

As this simplified explanation demonstrates, the private hail insurance and Federal Crop Insurance protection and loss determinations are different.

Mr. HUDDLESTON. Mr. President, the fact is—and all Senators from States with an important agricultural economy should carefully note this—that there are agricultural areas in which Federal all-risk crop insurance is the only source of hail coverage. In other areas where crop hail insurance is offered by private industry, the companies impose limits of annual liability that can be insured, preventing farmers from obtaining effective hail coverage. Overall, only 25 percent of the Nation's farmers purchase private crop hail insurance. This amendment could jeopardize the opportunity for many farmers to obtain any hail coverage at all.

This fact is that several Canadian Provinces have government all-risk crop insurance programs in which the government pays a substantial portion of the cost of the premium and in which there is high participation by farmers. The figures show that, in competition with this program, the private crop hail industry has over the years, steadily increased its business both in dollar amount of premiums and acreage covered.

The fact is that S. 1125 contains a provision that will prohibit the Federal Crop Insurance Corporation from ever entering into direct competition with private industry in offering farmers crop hail insurance.

This amendment would destroy the expanded Federal all-risk crop insurance program under S. 1125. One of the major selling points of Federal crop insurance is that it provides coverage for all risks. The peril of hail must continue to be an integral part of the program. This is especially important if S. 1125 is to achieve its purpose of substantially expanding farmer participation in Federal crop insurance.

In addition, it would be difficult, if not impossible, to administer the Federal crop insurance program if hail, fire, and lightning risks were removed from Federal policies. While it may be possible to determine with reasonable accuracy the extent of hail damage to growing crops, field determinations of precise damage from other causes such as drought, excessive moisture, or freeze are not practical. For most crops the Federal policy guarantees a specified quantity of production at harvest time. If a crop was totally destroyed by hail near harvest time and a loss already existed from other causes, it would not be possible for the corporation to determine its liability for the extent of loss from these other causes.

Also, when there is harvested production, the quantity and quality of the crop can be readily and accurately determined. However, on the contrary, even the most competent adjuster would be hard-pressed to make an accurate field determination as to potential yield and quality of the harvest weeks or months away, so that most field appraisals of loss would be of questionable value in adjustment of losses.

Mr. President, the issue was discussed at length in the committee, but this amendment was soundly defeated at markup of S. 1125, because it would leave a good number of our farmers without a complete protection program and seriously jeopardize our efforts to reform the farm disaster assistance effort.

Therefore, I urge my colleagues to follow the lead of the Committee on Agriculture, Nutrition, and Forestry and vote against this amendment.

● Mr. DOLE. Mr. President, I rise to speak in favor of an amendment by Senator JEPSEN which I am cosponsoring.

Approximately 140 private insurance companies employing between 4,000 and 5,000 full and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop-hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of Government, expand Government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverage it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our Nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

Mr. President, I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.●

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. JEPSEN. Mr. President, I will yield back the remainder of my time and ask for the yeas and nays if the Senator from Kentucky is ready.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, as I understand it, an effort has been made not to have a vote on a substantive issue before 2 o'clock or 2:30.

The PRESIDING OFFICER (Mr. MORGAN). The Senator is correct.

Mr. HUDDLESTON. We hope we can yield back our time, set aside this amendment, except that I would say to the distinguished Senator from Iowa that it would be my intention when time is yielded back to move to table this amendment. We can hold that until 2:20 and move on to other matters that might come before us so that there will not necessarily be a vote until the agreed upon time.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum—I withhold that, I yield to the distinguished Senator from Virginia.

The PRESIDING OFFICER. Does the Senator withdraw his request for a quorum call?

Mr. JEPSEN. Yes.

Mr. WARNER. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa would grant me the privilege of being a cosponsor of this particular amendment. It is a matter of utmost importance to the agricultural community of the State of Virginia as it is everywhere.

The PRESIDING OFFICER. Without objection, the Senator from Virginia is added as a cosponsor to Mr. JEPSEN's amendment.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment sponsored by Mr. JEPSEN and others be set aside temporarily so that other amendments can be called up.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 404

(Purpose: To restrict the application of the Federal premium subsidy range provided for in S. 1125 to the first 50 per centum of a farmer's average yield)

Mr. HELMS. I thank the Chair.

Mr. President, I have two amendments which are essential to the viability of a sound and affordable Federal all-risk crop insurance program, and I call up the first of these, which is No. 404 at the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 404.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 19, line 2, between the word "premium" and the ":" insert the following: "on any coverage of up to a maximum of 50 per centum of the recorded or appraised average yield".

Mr. HELMS. Mr. President, these two amendments, Nos. 404 and 405, work hand in hand to correct what this Senator perceives to be debilitating flaws in the pending bill, S. 1125. One without the other will not do. In order to be effective and to achieve what needs to be achieved, both amendments must be adopted, and both amendments, if indeed are accepted by the Senate, then the Senator from North Carolina can support S. 1125.

If either of these amendments or both of them should fail, I intend to vote against S. 1125, albeit reluctantly because I am aware of the immense amount of work that has been done on this piece of legislation by my friend from Kentucky (Mr. HUDDLESTON) and others.

The pending amendment, Mr. President, No. 404, addresses the issue of the size of the Federal premium subsidy and the application of the subsidy to various yield coverage levels.

This amendment would restrict the application of the 20 to 40 percent premium subsidy range as to the first 50 percent of a farmer's average yield. Such a modification would reduce the Federal outlays for premium subsidies by approximately 40 percent. It would guarantee that every farmer would have the opportunity to obtain affordable protection from catastrophic crop losses. It would minimize the extent to which FCIC would displace private insurers, and it would retain the capacity of FCIC to adjust the premium subsidy so as to attract reasonable levels of farmer participation.

I think, Mr. President, parenthetically, it ought to be said that when we are talking about subsidies we are talking about the taxpayers' money; we are talking about efforts to achieve a balanced Federal budget, which all agree now is absolutely essential if we are ever to bring inflation under control. We are also talking about equity in terms of this particular amendment, along with other things.

Let me elaborate on some of the beneficial effects of the pending amendment. S. 1125, as it was reported from the Committee on Agriculture of the Senate, sports a 20 to 40 percent premium subsidy range that is made available on coverage levels of up to 75 percent of a farmer's recorded or appraised average yield. Now, in reality, the 20 to 40 percent premium subsidy range amounts to a 48 to 68 percent range when one takes into account the additional 28 percent indirect premium subsidy that Congress will provide to the Federal crop insurance program in the form of appropriations for FCIC's administrative and operating costs.

And the direct subsidization of Federal crop insurance does not end here, because the FCIC enjoys a number of other competitive advantages relative to private insurance.

For example, first FCIC pays no income taxes on reserve accumulations or on interest earned on cash flow and reserves; second, FCIC receives a number of free services from other Federal agencies, including free postage, which is not an inconsiderable thing these days; third, retirement and disability benefits available to 560 FCIC employees are not represented in the FCIC budget at their full actuarial value.

All of these advantages—and they amount to indirect subsidies, of course—add not only to the competitive edge which FCIC holds over the private crop insurers, but also to the costs which the American taxpayer must eventually support through his or her taxes.

Before the Agriculture Committee's consideration of S. 1125, the Congressional Budget Office estimated that the costs of the direct Federal premium subsidy provided for in this bill would be $185 million by the year 1984; and by virtue of the Agriculture Committee's decision to increase the subsidy from 20 percent to a 20 to 40 percent range, the cost to the Treasury—and that ought to be read clearly as a cost to the taxpayers of this country—the cost to the U.S. Treasury, according to the CBO, could soar as high as $395 million a year by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected the total premium subsidy costs to balloon to $950 million per year.

So obviously, Mr. President, we have what amounts to a guessing game. Nobody really knows what it is going to cost the taxpayers. All that we really know at this point is that it is going to be an exceedingly large sum of money.

However, regardless of which set of numbers you decide to go with, you still have to face up to an expenditure that is, in the judgment of this Senator, simply not warranted in this time of runaway Federal Government-fed inflation.

So, Mr. President, the pending amendment and the one to follow would provide relief to the overburdened American taxpayer by reducing the cost of the Federal premium subsidy by 40 percent. If nothing else, a vote for this amendment will constitute a commitment to fiscal responsibility, and that is a subject all of us address when we go home. We all talk about excessive Federal spending. Some of the votes in the Senate and the House of Representatives do not entirely square, however, with the political speeches made back home by the Members of the House and the Senate.

A vote against this amendment and the second one will indicate—and I must be blunt, Mr. President—a rather callous disregard for the No. 1 enemy of the American people today, inflation.

The thrust of S. 1125 is to provide the American farmer with a more rational and more economically sound measure of protection against natural disasters. We all agree to that. The Federal Government has a duty to help make that protection available to the farmer. Crop insurance is the best way of providing such protection. The question—and we cannot avoid it—is: To what extent should the Federal Government get into the crop insurance business?

I go back to the premise that I think is nondebatable: That when the Federal Government gets into business against private enterprise, the taxpayers are being forced to go into competition with themselves. Should the Federal Government nationalize the crop insurance industry—as it did with respect to flood insurance—or should it play a more limited supporting role?

In my opinion, Mr. President, the appropriate role for the Federal Government is to make available a floor of basic all-risk protection that farmers can afford. By providing a subsidized floor of all-risk protection on all crops—that is up to 50 percent of a producer's average yield—and by permitting the farmer to purchase additional protection at full cost on up to 75 percent of his average yield, the pending amendment would allow FCIC to help stabilize the income of the farm community without imposing upon the freedom of the farmer to exercise his discretion in response to market conditions and without saddling the taxpayer with added enormous, multimillion-dollar costs that are sure to be involved.

So the elements of the pending amendment would avoid the possibility of the Federal Government displacing the private crop-hail insurance industry—an industry that after all has successfully met the needs of farmers for crop-hail insurance over the last 65 years. Many farmers have only a limited amount of disposable income that they are willing to spend for insurance premiums. The primary competition that will take place between Federal and private insurance will be for these limited funds. If most farmers are attracted to a highly subsidized all-risk Federal crop insurance policy, fewer of their insurance premium dollars will be left for the purchase of private crop-hail insurance. Thus, to the extent that Federal premium subsidies are increased, sales of private crop-hail policies are likely to be reduced.

The extent to which that set of circumstances may occur can be assessed by reviewing the experience in Manitoba, Canada, where there is a heavily subsidized government all-risk crop insurance program. Our colleague from Minnesota (Mr. BOSCHWITZ) has already alluded to that.

Statistics indicate that private crop-hail insurance premiums and Government all-risk premiums increased at approximately the same rates prior to 1962. After 1962, the amount of subsidy provided by the Government to all-risk policies was increased substantially. Sales of Government policies have increased greatly as a result of the subsidy. The premium volume for private crop-hail insurance first leveled off and then declined sharply. As Govtrnment premiums reached a saturation level, insurance premiums also stabilized, but at a level significantly below the maximum reached prior to the subsidization of Government policies.

Now, what does this suggest, Mr. President? Very clearly, it suggests that total private crop hail premiums will decline significantly as the level of the Government subsidy is increased. Just as sure as the day follows the night, this will happen here, as it did there.

If crop hail insurance premium volume is reduced substantially as a result of increased Federal premium subsidies for all-risk policies—and the Manitoba experience suggests that this is exactly what will happen—the large stock companies that sell crop hail insurance would not be greatly affected. For most of these companies, crop hail insurance represents a small proportion of sales.

The small mutual companies, however, would suffer substantial hardship if crop hail insurance premium volume were reduced significantly. Some of these companies would have to reduce their personnel and perhaps merge with other companies. Worse still, others would have to cease to exist, another instance of the Federal Government putting small business out of business. Farmers Mutual of Iowa, the largest single writer of crop hail insurance, has estimated that enactment of S. 1125 would reduce its total premiums by 30 to 50 percent.

It is one thing for the Senate to provide disaster assistance to the small farmer. It is quite another thing to provide that disaster assistance in such a way as to confiscate the livelihood of the small crop hail insurance businessman.

The disruption and dislocation of the private crop hail insurance industry would be a disservice to the farmer. Many agricultural producers, particularly in the corn belt of the Midwest, are concerned only with protecting their crops against the peril of hail. They feel that the customized and personalized service of the private sector addresses their needs in a way that the Federal Government never could. Any significant contractions in the volume of crop hail premiums could limit the extent to which the private sector could diversify the risks associated with hail. This would translate into higher premium costs for the farmer without compensation in the form of a higher quality of service. The only alternative for a farmer who found the crop hail policy priced beyond his reach would be the Federal all-risk policy—a policy which would require the corn belt farmer to pay for protection he does not need.

The disruption and dislocation of the private crop-hail insurance industry would also have an adverse impact on FCIC's ability to market Federal all-risk crop insurance. It is this marketing ability which is key to the successful expansion of the Federal program.

A farmer is very hesitant to part with his cash. Consequently, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise, a farmer will never buy crop insurance, regardless of the size of the premium subsidy. FCIC lacks such a network of agents. The private insurance industry, on the other hand, with its 30,000 professional agents, has what it takes to actively market crop insurance. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could ensure a sound Federal program.

However, a Federal program that eats into the business of the private sector by means of a high subsidy will not facilitate a private-public cooperative marketing effort. Without such a cooperative effort, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing.

So when we toy with the proposal of increasing the federal premium subsidy on up to 75 percent of a farmer's yield, we not only threaten the private crop-hail insurance industry but also encourage the growth of the Federal bureaucracy and reduce the farmer's ability to obtain protection tailored to his particular needs.

The following hypothetical case, Mr. President, will help illustrate how my amendment would allow the farmer to afford a basic floor level of all-risk crop insurance without subjecting the private sector to dislocation and the farmer to the loss of alternative crop insurance schemes.

Farmer Brown decides, based upon the location of his farm, the crop which he grows, the size of his investment in that crop, and his overall financial situation, that it is necessary to insure his production at the 65-percent yield level. Farmer

Brown's decision is very much in line with the decisions of other farmers. Currently, actual coverage for various crops range from 40 to 75 percent, with a median coverage level of approximately 65 percent. Let us assume that FCIC has determined that the premium subsidy required to encourage sufficient participation among those farmers who produce the same crop that our Farmer Brown does is 30 percent.

Under my amendment, Farmer Brown would be able to protect the first 50 percent of his average yield at an out-of-pocket cost that amounts to only 40 percent of the total cost of providing Farmer Brown with all-risk protection against losses in excess of 50 percent of his average yield. The remaining 60 percent of the insurance costs—30 percent in the form of a direct premium subsidy and another 28 percent in the form of congressional appropriations for FCIC administrative and operating costs—would be paid by the Federal Government.

In order to bring his coverage up to the desired 65-percent level, Farmer Brown would have to purchase an additional 15-percent margin of coverage. That extra coverage could be purchased from either FCIC or the private sector depending upon the type of coverage that Farmer Brown needed: All-risk coverage or hail coverage. Because Farmer Brown would have to pay the full cost of the additional 15-percent margin of coverage, he would not be predisposed to favor either FCIC or the private sector on a purely price basis. Any decision to select one policy over the other would be based upon the type of coverage offered and the quality of service provided. If the private sector is as good as it says it is, it will have a fair opportunity to attract Farmer Brown's business for the extra coverage over the 50-percent level of protection.

Mr. President, in conclusion, let me say that S. 1125 is a perfect example of a well-intentioned Federal program gone astray.

We see so many of these things around here. I seldom, if ever, question the good intentions of any proposal made on this floor to subsidize this or to subsidize that. I know that the Senator or Senators making the proposal are sincere. But when are we going to learn that if we believe in the free enterprise system, we had better start quickly to let it function?

This bill is representative of the excesses in which some of us in Washington prefer to indulge in order to curry favor with constituents back home. I wish I could play Santa Claus. I would like to go home and say, "Look what I got you for nothing." But the truth of the matter is that nothing that comes out of Washington, D.C. is free. Worse still, the syndrome that has been built in this country over a period of 35 to 40 years, I say to my friend from North Dakota, that the Government can solve all problems, surely must be exploded by now, because the Federal Government does not solve problems; the Federal Government is the problem.

I just cannot be a supporter of any proposal, including the pending legislation, S. 1125, which, if extended to its logical conclusion, could mean additional Federal expenditures of over $1 billion per year.

That is not money that belongs to Senators; that is money that belongs to the taxpayers of this country. We are supposed to be the guardians of their best interests. The amendment which I have submitted for consideration will mitigate the adverse effects of the pending bill in which I believe to be a reasonable and responsible fashion. I have to say again, regretfully, Mr. President, that anything less than what is proposed in the two amendments, No. 404 and 405, will lead to the demise of all of the good that all of us seek to work in this particular program.

I reserve the remainder of my time, Mr. President.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I may require.

(Mr. HEFLIN assumed the chair.)

Mr. HUDDLESTON. Mr. President, first, let me say this is an issue, too, that was thoroughly considered and discussed by the Agriculture Committee during its deliberations on S. 1125. It was soundly defeated in the committee.

In response to the statement made by the distinguished Senator from North Carolina, the first thing is to reflect again on what we are trying to accomplish here in developing a very broad-coverage, customer-paid-for, to some extent—to a large extent—program of protection for the American farmer as compared to a very limited-coverage, total taxpayer-paid-for program of disaster payments.

In order to make a program effective and workable, it has to have some attraction to it so that the producer will come into the program and subscribe to the insurance. It is for this reason that the committee decided that the Federal Crop Insurance Corporation needed the flexibility to develop a program that would be salable and would attract sufficient participation to make sure that it would be a success. I do not know of anything more expensive that we could do here than to establish a nationwide program that was not actuarily sound, that could not be made to work, by not making it attractive enough to the various agricultural producers in the country so that they would subscribe to it.

We talked about various levels of subsidized premiums in committee. We arrived at a range of 20 to 40 percent—the legislation does not set any specific percentage so that that flexibility would be available to managers of the program to devise a plan and a policy that would be attractive enough to assure participation.

Like private business, they will be able to adjust the percentage in such a way as to insure that sales would be brisk and would continue. That percentage was based, of course, on 75 percent of coverage of the crop.

I think it is essential that these features remain in this legislation. The committee felt it was essential, after thorough consideration, because to do otherwise could very well jeopardize the program before it ever gets off the ground.

What we are going to try to do is convince farmers throughout the United States that they ought to pay something, ought to pay a premium, for coverage for protection of their production costs that now some of them are getting free through disaster payments. In order to do that, we have to have a program that is attractive and we have to have the ability to make it attractive, or we shall be doomed to failure from the beginning.

Not only will that feature be attractive to the farmer, the fact that the premium subsidy will be available and can be adjusted depending on what the needs for selling the program happen to be and what the budgetary restraints may be, but it does, of course, as we mentioned earlier, extend coverage from the six crops now covered generally by the disaster payments to virtually every crop that can be produced in this country. That, of course, is an added incentive.

Getting to some of the costs for S. 1125 as it is now written, the CBO estimates that the cost to the Government of the crop insurance subsidies, when it is in full operation in 1984, if the subsidies are fixed at the very highest possible level, 40 percent, is some $370 million. The Senator from North Carolina is essentially correct in the figure he uses. But in contrast, Government expenditures for disaster payments alone over the last 5 years have averaged $436 million every year. So, with the elimination of disaster payments after 1981, as this legislation will do, Government expenditures for crop protection for farmers will actually probably decrease. Remember, we are extending that coverage nationwide to a much, much broader range of crops than is now covered by the disaster program.

So the elimination of the disaster payments after 1981, even with the maximum amount allowed under this bill—40 percent of 75 percent of production—would result in a decreased cost to the Government. Of course, it would be available to so many, many more farmers.

Mr. President, I have a list, as a matter of fact, of the States of the United States and the amount of disaster payments that have been made to them. I ask unanimous consent to have it printed in the RECORD at this time so my colleagues can see the disparity between the various States in the present program and the amounts of money that have been allocated to each State through the present program.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ASCS DISASTER PROGRAM PAYMENTS

[In thousands]

	1974	1975	1976	1977	1978	Total 1974–78[1]
Alabama	$4, 647	$6, 128	$7, 288	$24, 841	$3, 032	$45, 936
Arizona	27	606	62	785	128	1, 608
Arkansas	10, 809	5, 646	7, 016	1, 365	10, 306	35, 142
California	553	602	4, 003	9, 894	21, 919	36, 971
Colorado	3, 893	11, 526	14, 340	16, 921	10, 358	57, 038
Connecticut						
Delaware	26	6	7	2, 142	58	2, 239
Florida	230	652	100	9, 956	481	11, 419
Georgia	2, 157	2, 676	3, 788	57, 845	5, 037	71, 503
Idaho	3, 130	1, 872	1, 879	12, 001	2, 825	21, 707
Illinois	34, 990	799	3, 685	10, 084	2, 895	52, 453
Indiana	11, 674	1, 060	633	1, 522	1, 273	16, 162
Iowa	45, 614	15, 250	18, 991	95, 643	2, 474	177, 972
Kansas	27, 832	18, 507	43, 240	34, 847	18, 058	142, 484
Kentucky	557	800	304	895	491	3, 047
Louisiana	3, 357	5, 740	2, 663	2, 163	7, 375	21, 258
Maine				416	55	471
Maryland	6	16	24	2, 115	136	2, 297
Massachusetts				6	1	7
Michigan	3, 586	574	1, 204	5, 009	2, 174	12, 497
Minnesota	21, 684	21, 776	55, 729	1, 719	2, 856	103, 764
Mississippi	9, 918	20, 780	20, 162	6, 372	8, 859	66, 091
Missouri	31, 922	14, 295	20, 482	16, 239	5, 549	88, 487
Montana	8, 927	1, 460	1, 495	9, 293	4, 164	26, 33
Nebraska	67, 373	14, 831	36, 467	25, 441	7, 059	151, 171
Nevada	$13	$5	$56	$37	$59	$165
New Hampshire					1	1
New Jersey	1	4		784	20	809
New Mexico	10, 646	3, 543	8, 987	6, 315	9, 778	39, 269
New York	54	44	339	750	328	1, 515
North Carolina	1, 226	1, 739	1, 642	28, 389	1, 027	25, 023
North Dakota	28, 161	8, 894	14, 770	36, 720	3, 505	92, 050
Ohio	2, 230	402	1, 060	686	585	4, 963
Oklahoma	10, 890	10, 980	20, 178	11, 428	9, 943	63, 419
Oregon	278	385	1, 180	7, 677	1, 486	11, 006
Pennsylvania	170	182	129	337	67	885
Rhode Island						
South Carolina	1, 931	1, 547	2, 983	15, 339	2, 603	24, 403
South Dakota	39, 115	28, 044	81, 304	22, 110	9, 641	180, 214
Tennessee	10, 304	7, 594	7, 803	4, 441	1, 611	31, 753
Texas	143, 407	70, 799	71, 257	52, 563	136, 388	475, 414
Utah	940	750	1, 416	3, 196	525	6, 827
Vermont	3	6	1	492	1	503
Virginia	40	146	497	12, 996	225	13, 905
Washington	811	71	300	24, 582	1, 775	27, 480
West Virginia	5	9	3	146	9	168
Wisconsin	12, 644	2, 125	9, 039	548	2, 146	26, 502
Wyoming	286	363	290	2, 967	774	4, 680
U.S. total	557, 068	283, 233	466, 793	574, 962	300, 006	2, 182, 061

[1] 1978 as of Mar. 8, 1979.

Mr. HUDDLESTON. I think it would be apparent that a system is needed that will be more fair to the various States and more fair to the grower, that will take some of the burden off the American taxpayer by having the producer pay the major portion of his premium cost.

Now, the insurance industry's estimate of the subsidy costs that the Senator from North Carolina referred to ranging as high as $950 million annually is misleading. This figure includes all assumed program costs, with the premium subsidy equaling less than 50 percent—$470 million.

The rest of the total amount is what the industry assumes other program costs, administrative and operating expenses, will be. Using the same assumptions on participation, the Department of Agriculture's estimate of the nonsubsidy costs is roughly half that made by private industry.

So I think that is something that we should take into account.

The argument has been made that, under S. 1125, the Federal expenditures for crop insurance premiums and for administrative and operating expenses will put the program into a position of competing unfairly with the private crop-hail insurance industry.

To be sure, these provisions will reduce the cost of Federal Crop Insurance and enable more farmers to enter the program under S. 1225. However, no convincing factual case has been made that these provisions will affect the private crop-hail industry.

Federal payment of administrative and operating expenses of the Federal Crop Insurance Corporation over the past 40 years of its operations has not, by itself, resulted in unfair competition—even the industry does not make this claim.

This amendment itself assumes that a smaller subsidy will not cause the development of such unfair competition.

Premium subsidies as high as 50 percent for full coverage have not hurt the private crop-hail business in Canada. Premium billings and acreage covered under private crop-hail insurance in Canada have steadily increased over the years of operation of the government subsidized all-risk crop insurance program.

The fact is that, regardless of the cost to the farmer of all-risk crop insurance, such insurance and private crop-hail insurance will not be in direct competition because they are different types of insurance.

A key argument in support of this amendment is that private industry will not cooperate in implementing the expanded all-risk crop insurance program under S. 1125. Yet, the bill contains a number of provisions suggested by the industry to facilitate private industry involvement.

First, the bill provides for an expanded Federal reinsurance program under which private crop-hail companies could begin writing all-risk crop insurance.

Second, the bill requires the Federal Crop Insurance Corporation to pay the same premium subsidy to customers of private companies who write all-risk insurance under the reinsurance program as are paid to farmers who buy Federal all-risk insurance.

Third, the bill enables the corporation to contract with private companies to market and service Federal crop insurance. It is anticipated that private industry will play an important role in the expanded crop insurance program under S. 1125. The Department of Agriculture is committed to following such a policy.

Fourth, the bill specifically prohibits the corporation from offering specific risk insurance programs, such as a crop-hail program, if private industry is already meeting farmers' needs in that area.

The argument has been made that this amendment will reduce Federal premium expenditures under the bill by 40 percent.

The 40-percent reduction translates to $100 million annually. However, this amount will not be a reduction in new expenditures for the Government, but only a further reduction, in addition to the reductions made by S. 1125, as reported, over what is now being expended on disaster payments. Of more concern is that this reduction will lead to reduced participation in the program by farmers, perhaps to the extent of destroying the program's effectiveness.

Regardless of the merit or lack of merit of this amendment, I am worried about the chilling effect it will have on the expanded Federal crop insurance program envisioned under S. 1125.

The purpose for having any premium subsidy at all is to encourage farmer participation in an expanded crop insurance program that will permit elimination of other disaster aid. The experience of the Canadian crop insurance program is that premium subsidies are an important spur to increased participation by producers.

The Department of Agriculture estimates that it will take over 50 percent participation by farmers in the crop insurance program for it to become a viable alternative to other disaster assistance programs. It is crucial that a majority of farmers perceive that they are receiving sufficient protection in relation to the premium they are asked to pay if the program under S. 1125 is to succeed. Because it will substantially hinder the achievement of this goal, this amendment will not improve the bill; it is a move to destroy the bill.

It is worth comparing premium subsidy levels for all-risk crop insurance on several important commodities under S. 1125 and under the amendment. If the coverage to which the subsidy applies is reduced from 75 percent to 50 percent of average yield, as proposed by this amendment, the benefits to farmers from Federal payment of premiums would be slashed as much as 60 percent. The effective subsidy on crop insurance at full coverage would be only 16 to 18 percent of the total premium cost to the farmer.

Mr. President, this amendment must be defeated if the substance of S. 1125 is to remain intact. The Committee on Agriculture, Nutrition, and Forestry defeated this amendment soundly by a vote of 11 to 4. I strongly urge my colleagues to support me in rejecting this amendment.

I might also say that under the crop insurance program proposed by S. 1125, by 1984 the U.S. farmers will be enjoying some $15.3 billion in protection, which is nearly three times more than with the present programs, and that is at less cost to the taxpayers.

So, Mr. President, I would urge that the Senate reject this amendment. In order to have a viable program, one that is attractive enough to attract sufficient numbers of participants, and to make sure we can have a nationwide, all-crop, all-county coverage, not entirely at the taxpayer's expense, to replace one that is now entirely at the taxpayer's expense, and that is tremendously restricted in comparison to what is being proposed by S. 1125, we must not restrict the subsidy potential of the Federal crop insurance so that it would not be able to meet market conditions. We must make sure the program is viable and salable to the farmers of this country.

Mr. President, I reserve the remainder of my time.

Mr. YOUNG. Will the Senator yield to me?

Mr. HUDDLESTON. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I was in the Senate in 1946 when the present law was written. It was really an extension of the act of 1938, for the Federal crop insurance program which had gone broke.

Many problems were involved, but Congress realized such a program and continued it all these years and on an experimental basis.

Of course, there have been some losses, but many farmers are in business today, good farmers, that would have been out of business entirely if it had not been for programs such as this.

The bill before us today, Mr. President, is not a perfect bill, but it is the best, I believe, that could have been accomplished with all the conflicting interests and viewpoints involved in crop insurance.

I commend the Senator from Kentucky (Mr. Huddleston) and the committee for coming up with a bill as good as it is under all of the difficult problems involved. Farmers will be most grateful to him.

Of course, we have many conflicting interests. When we get in the insurance business, we are bound to have opposition and competition.

I hope there will not be any major changes in it. This program will be very helpful to farmers as well as businesses associated with the farmers. Whenever a farmer loses two or three crops in a row and goes broke, it directly affects all the businessmen associated with the farmer, as well as industry.

I think, on the whole, this is the best possible bill that can be written under the circumstances. I think it should be tried. I will vote against major amendments.

Mr. HUDDLESTON. I thank the distinguished Senator from North Dakota.

Mr. President, those of us who serve on the Agriculture Committee have a great appreciation for the contribution made by Senator Young. While we have to go back to the history books and research what happened with various programs at various times. The Senator from North Dakota, as he has just done, is always able to refer to his own memory and many times his own participation in various farm programs to relate to us how well they worked, why they did not work, or why they were good.

That is the best kind of testimony that we can receive.

I appreciate the Senator's consideration of this legislation and the comments he has just made.

● Mr. DOLE. Mr. President, I support the amendment by Senator Helms to limit the level of the Federal premium on Federal crop insurance.

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill befort us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's Ad Hoc Committee of Casualty Actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

This amendment would provide federally subsidized protection from catastrophic crop losses and would permit the farmer to obtain additional coverage over the 50-percent level of yield coverage, provided he were to pay the full costs associated with the extra protection.

This amendment would permit the private sector to compete on equal footing with respect to some coverage levels and consequently would reduce the extent to which FCIC would displace the hail-crop insurance industry.

Mr. President, I urge my colleagues to support this amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum with the time to be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment numbered 404 be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 405

(Purpose: To provide for a phaseout of the disaster payments programs)

Mr. HELMS. Mr. President, I call up amendment numbered 405 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms) proposes an amendment numbered 405.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 21, strike subparagraph (D) in its entirety and insert in lieu thereof the following:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop. Federal crop insurance is generally offered to rice cooperators under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of rice,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to rice cooperators.".

On page 25, line 20 strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to upland cotton producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with with acreage set-aside and diversion programs that may be announced for the 1981 crop of upland cotton,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to upland cotton producers.".

On page 26, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to feed grains producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of feed grains,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to feed grains producers.".

On page 27, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to wheat producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any country, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of wheat,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to wheat producers.".

On page 19, strike everything after the ":" in line 2 and before the "." in line 16 and insert in lieu thereof the following: "*Provided*, That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer is eligible to receive payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's eligibility to receive disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium".

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished Senator from Oklahoma (Mr. BELLMON) be added as a cosponsor, a principal cosponsor, of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will be so designated.

Mr. HELMS. I thank the Chair. Mr. President, in my opening remarks on S. 1125, I tried to emphasize and I hope I made clear that this is one of several factors which dictate the success or failure of an expanded Federal crop insurance program. S. 1125 authorizes what amounts to an outright 2-year extension of disaster payments by providing the farmer with the opportunity to elect either disaster payments or the federally subsidized crop insurance in crop year 1981. In doing so, the bill not only jeopardizes the successful implementation of an expanded Federal all-risk crop insurance program, but also adds significantly to the costs to the taxpayer.

In short, my amendment would address this problem by providing for a faster phase-out of disaster payments.

If a farmer has access to a free government handout, he will opt for it rather than put up out-front cash on a shared-cost crop insurance policy. Who can blame him? The current disaster payment programs for wheat, feed grains, upland cotton, and rice present such an attractive option. Their continuation would detract from the number of farmers who otherwise would purchase all-risk crop insurance from either the private sector or the Federal Government. Participation levels, particularly among wheat and upland cotton producers, would remain low and premiums would tend to increase, thus further discouraging participation. Therefore, the elimination of disaster payments is a prerequisite to an expanded Federal crop insurance program.

I remind my colleagues that we are currently in a period of high farm prices and that it is therefore doubtful that set-asides will be part of the administration's future farm commodity programs. This means that wheat, corn, and upland cotton producers will have larger crops eligible for disaster payments. At the same time, producers of commodities not covered by disaster payments will take advantage of high premium subsidies provided by S. 1125 and will buy all-risk crop insurance. Even if I am the only Senator to take this position, I have to emphasize to my colleagues, as forcefully as I can, that the cost to the taxpayers of the United States will skyrocket.

The price tag of S. 1125, with its 2-year extension of disaster payments—which average $436 million per year—and its higher premium subsidies will exceed by three times tht estimated budget outlays of the original bill.

Mr. President, for a great deal of our statistical information, we have relied on the Congressional Budget Office, which, thoughout my tenure in the Senate, I have found to be reliable. That is where my figures are coming from. Figures tending to contradict what I have said have come from the administration, which favors this bill. The only way we are going to discover who is right is by what the Senate does here today. But I will take my chances on the validity and the accuracy of every figure I have given today and every statement I have made and every forecast I have uttered in terms of the effect of this bill if it is not amended.

I recognize that a 1-year extension of disaster payments is necessary, inasmuch as it will take FCIC a full year to gear up for the expansion of all-risk crop insurance. For that reason, my amendment would extend disaster payments for the 1980 crop year. However, my amendment would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

My amendment also provides for a safety valve. If the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers. Any producer who would be eligible to receive disaster payments during crop year 1981 under this amendment would also be able to purchase Federal all-risk crop insurance at his discretion. However, such producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

Mr. President, the history of this program surely persuades us that disaster payments encourage and foster inequities among producers. As sweet as the payments are to wheat and upland cotton producers, they are onerous to producers of soybeans and other ineligible crops. Disaster payments discriminate against small producers and sometimes give rise to unsound management practices. These program discrepancies eat away at the heart of American agriculture and heap heavy financial burdens on the taxpayers of this country. I have come to the conclusion that farmers across this Nation will be better off as a whole if disaster payments are replaced with a sound Federal all-risk crop insurance program that protects them against catastrophic crop losses. As long as disaster payments continue, there can be no real expansion of Federal crop insurance. That is why I hope Senators will support this amendment, so that crop insurance has a fighting chance to take root as this Nation's primary farm disaster assistance program.

Mr. President, I reserve the remainder of my time.

Mr. HUDDLESTON. I yield myself such time as I may require.

Mr. President, here again, the distinguished Senator from North Carolina has addressed a question that was considered very thoroughly by the subcommittee and the full committee.

Everybody recognizes, of course, that we have to phase out the disaster payments program in order to have any kind of comprehensive crop insurance program. As a matter of fact, that is the general purpose of proposing this legislation now, to substitute for a costly, very limited, very narrow program, a broad program nationwide, which would cost less to the taxpayers of the United States.

The question is, how do we effect the transition from one program to the other, and how long a time will be required?

The committee, after considering the arguments made by the distinguished Senator from North Carolina and others, determined that it was not unreasonable to provide a 2-year transition period, to make sure that protection continued to be available while this program was being started, while the expansion was taking place from the 150 counties now to all the counties in the United States, and while the Corporation developed its distribution system, its sales organization, and to make sure that the Corporation was given an opportunity to bring in sufficient numbers.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. YOUNG. Mr. President, the Senator from Kentucky is making a very important point.

It takes time to switch over to a new program of full crop coverage. There is a need for experience with respect to losses on various crops before you extend full coverage to them. It is difficult to provide full crop insurance and do it immediately. It would take at least 2 years to develop that kind of program on a sound actuarial basis.

I agree with the Senator.

Mr. HUDDLESTON. That was our judgment. We did not want to leave any area of the country or any producer with any coverage less than there is now, during this transition period. That was the reason for the provisions in the bill at the present time.

I point out again that the farmer does not have the option of having both the disaster payment program and the subsidized premium crop insurance program available to him during this 2-year transition.

Mr. President, the distinguished Senator from South Dakota (Mr. McGovern) has had a particular interest in this feature of the bill. I yield at this time to the Senator from South Dakota such time as he may require.

Mr. McGOVERN. Mr. President, I thank the Senator from Kentucky, the distinguished manager of the bill who I think has done an excellent job steering us through to what I regard as a practical and workable compromise on the question of the present disaster payment program as over against the new program of Federal crop insurance.

Mr. HELMS. Mr. President, will the Senator yield so we may get the yeas and nays?

Mr. McGOVERN. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on both amendments 404 and 405.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I ask for the yeas and nays on both amendments en bloc.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered on both amendments.

Mr. HELMS. I thank the Senator.

Mr. McGOVERN. I rise to oppose the amendment to S. 1125, the Federal Crop Insurance Act of 1979 offered by the distinguished Senator from North Carolina (Mr. Helms). I do this because the language continued in the committee bill is the result of an amendment I offered at the committee markup session on the bill and which was adopted by the committee by a 10 to 7 vote. Let me advise Senators that during an extensive and intense markup meeting, the matter of disaster programs was thoroughly explored, the pros and cons of the matter were carefully examined and the committee, in my judgment, wisely voted to extend present disaster provisions for the 1980 crop and to make them available in 1981 on an optional basis with the farmer, if the farmer chose to move on that course. I think that we should stick with that provision that was worked out by the committee.

Mr. President, the language in the amendment offered by the distinguished Senator from North Carolina would switch this option on disaster coverage for the crop year 1981 to the Secretary of Agriculture, giving him the power to determine in which counties adequate insurance protection is available and thus making him the arbiter of the value of his own programs rather than the farmer. I find this unacceptable.

Mr. President, let me point out that the provisions contained in the bill are not only approved by a majority of the committee but they are also acceptable to the Department of Agriculture. This has been confirmed by two telephone conversations my office has had with the Department of Agriculture. I have also been advised that the Office of Management and Budget has declined to issue any statement indicating White House opposition to the provisions of this section of the bill as reported. I might also point out parenthetically that in 1977 the farmers of the State of North Carolina received over $22 million in disaster payments. In this connection I ask unanimous consent that a table detailing disaster payments for the last 3 years by State be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McGOVERN. Mr. President, the amendment that is now pending offered by the Senator from North Carolina could leave many farmers without disaster protection in 1981. The Federal crop insurance program will be extremely hard pressed to implement the provisions of S. 1125 in all counties in the United States in time for the start of the 1981 planting season. It is less than a year before farmers must begin preparing their fields to plant their 1981 crop of winter wheat.

A new program like this must be explained to farmers almost on an individual basis. In South Dakota alone, the Federal Crop Insurance Corporation will have a massive task to do this. Only 7,500 farmers, out of 45,000 farmers, are in the FCIC program now. Of the 45 million acres of cropland in South Dakota, only 1.1 million acres are covered by Federal crop insurance at this time.

Because of the relatively small amount of participation by farmers in Federal crop insurance at the present time, there is not enough information and experience on which we can be assured that the expanded program under S. 1125 will meet farmers' disaster assistance needs. Although the new program under S. 1125 has real promise as a solution to the problems with existing disaster programs—and I support the bill as it came out of the committee—we should give FCIC adequate time to develop the program thoroughly before we remove access of farmers to the existing program. In this regard, it should be noted that FCIC has not yet even developed a sample isurance contract or established what ple insurance contract or established what the premiums would be for specific counties for the new program.

In contrast to the amendment offered by the Senator from North Carolina, the bill as written by the committee will give Congress adequate time to evaluate the operation of the new insurance program under S. 1125 and assess the acceptance of the program by farmers. This is doubly appropriate because Congress will be considering the omnibus farm bill in 1981 during the last year of operations of the disaster payments program.

Federal crop insurance has a clear advantage over disaster payments in benefits to be received if there is a loss. Also, S. 1125 includes a premium subsidy to put the cost of insurance within the farmer's means. It is wrong, then, to assume automatically that farmers will opt for disaster payments, rather than for the attractive new crop insurance program. But it would be a mistake to force them into a new program which they might not want or understand at this point.

The justification for the provision in the Helms amendment allowing the Secretary of Agriculture to waive the prohibition on disaster payments eligibility if the new crop insurance program is not adequate, seems to be the same as the argument that farmers should not be cut loose from existing programs until the new crop insurance program is solidly in place. However, the bill wisely leaves the decision on this issue up to individual farmers, rather than Washington bureaucrats.

In conclusion, Mr. President, let me say that S. 1125 as reported by the committee has several distinct advantages.

First. It provides a vehicle for the Department to develop a sound program with 2 years of actuarial experience.

Second. It extends the disaster programs in terms that will make them coextensive with the 1977 farm bill which expires in 1981. We can then intelligently examine the value of both programs with sound perspective.

Third. It retains one of the principal incentives for farmers to participate in set-aside programs—the availability of disaster programs for those who are cooperators.

It offers farmers sufficient time to plan changes in their farm operations with sufficient facts upon which to make intelligent judgments.

Mr. President, far too little publicity and public information has been given to farmers regarding all risk crop insurance. The Department has an obligation to inform farmers of significant changes in national policy and owes to farmers, as well as to itself, the obligation to develop a track record. This it can perhaps do in the time provided for in the bill. It cannot do it however, under the constraints contained in the Helms amendment.

So, I urge that this amendment be rejected and that the position of the Committee on Agriculture be allowed to stand as originally written and supported by a clear majority of the committee.

Mr. President, I thank the Senator from Kentucky for yielding to me and I again thank him for his leadership on this bill.

EXHIBIT 1

DISASTER PAYMENTS MADE TO FARMERS—COTTON, FEED GRAIN, WHEAT, AND RICE

State	1976	1977	1978
Alabama	$7, 288, 344	$24, 841, 132	$3, 162, 654
Arizona	61, 982	784, 665	986, 859
Arkansas	7, 015, 660	1, 365, 005	11, 438, 868
California	4, 002, 728	9, 893, 628	29, 635, 316
Colorado	14, 340, 102	16, 921, 011	10, 809, 226
Delaware	6, 785	2, 141, 923	57, 842
Florida	100, 269	9, 956, 090	490, 894
Georgia	3, 788, 481	57, 844, 626	5, 491, 440
Idaho	1, 878, 849	12, 000, 562	2, 833, 555
Illinois	3, 685, 117	10, 084, 432	3, 002, 220
Indiana	632, 646	1, 521, 901	1, 423, 147
Iowa	18, 990, 576	95, 643, 405	2, 655, 022
Kansas	43, 239, 611	34, 847, 203	19, 348, 017
Kentucky	303, 581	894, 626	599, 204
Louisiana	2, 662, 945	2, 162, 589	7, 616, 138
Maryland	24, 499	2, 114, 728	136, 379
Michigan	1, 203, 576	5, 009, 423	2, 345, 149
Minnesota	55, 729, 134	1, 719, 386	2, 891, 640
Mississippi	20, 161, 666	6, 371, 802	9, 416, 981
Missouri	20, 481, 935	16, 238, 810	5, 914, 508
Montana	1, 494, 979	9, 293, 382	4, 286, 424
Nebraska	36, 466, 697	25, 441, 036	7, 149, 402
Nevada	55, 537	31, 970	58, 744
North Carolina	1, 642, 352	22, 388, 769	1, 059, 424
North Dakota	14, 769, 960	36, 720, 341	3, 509, 740
Ohio	1, 059, 725	685, 740	620, 147
Oklahoma	20, 177, 732	11, 427, 730	11, 433, 871
Oregon	1, 180, 074	7, 677, 390	1, 494, 226
Pennsylvania	129, 472	337, 317	76, 136
South Carolina	2, 982, 717	15, 339, 003	2, 658, 271
South Dakota	81, 303, 762	22, 109, 930	9, 726, 366
Tennessee	7, 803, 087	4, 441, 465	1, 991, 758
Texas	71, 256, 558	53, 562, 641	172, 234, 553
Utah	1, 416, 268	3, 195, 731	523, 963
Vermont	685	492, 294	981
Virginia	496, 554	12, 995, 707	232, 233
Washington	299, 563	24, 532, 039	1, 809, 597
West Virginia	3, 115	145, 874	4, 777
Wisconsin	9, 039, 357	547, 596	2, 291, 188
Wyoming	290, 021	2, 967, 376	776, 339
Connecticut		343	
Maine		416, 392	54, 881
Massachusetts		4, 591	535
New Jersey		784, 166	19, 678
New Hampshire			674

Mr. HUDDLESTON. I thank the Senator from South Dakota.

Mr. President, I yield such time as he may require to the distinguished Senator from Oklahoma (Mr. BOREN).

Mr. BOREN. I thank the Senator from Kentucky.

Mr. President, I rise today in opposition to the amendment which would make farmers in counties where FCIC offers insurance ineligible for disaster payments in 1981. The Senate Agriculture Committee considered this amendment but it was rejected by a majority of the members of the committee. Instead, the committee adopted a more reasonable approach which would allow eligible farmers to elect between participating in the disaster payments program or the Federal crop insurance program.

As everyone should know, farming is a high-risk business. Crop production is heavily dependent upon the cooperation of Mother Nature. Due to the vagaries of the weather and the unpredictableness of the infestation of insects and disease, farmers do not know at the outset of the production season what the ultimate yield will be at harvest time.

Coupled with the uncertainty of Mother Nature is the uncertainty of the marketplace. Agricultural producers sell their products in what is probably the most competitive market in our economy. One producer acting alone has no impact on or control over the price of his product. Thus, not only does the farmer not know what his production will be, if any, nor the price he will receive for what he does produce.

Consumers as well as farmers are affected by agricultural disasters. The economic impact of disasters has a rippling effect and affects the whole economy: to the factory workers who manufacture farm machinery, to the local merchants who sell them, to the businessman who process farm commodities, to bankers who finance them, to the consumers who buy them.

We must be sure that any new crop insurance program will offer farmers the kind of protection needed before completely doing away with the disaster payments program.

S. 1125 makes needed improvements in the Federal crop insurance program, however, the proposal is untested and full of uncertainty. Everyone knowledgeable on this subject agrees that it will take time to develop a sound and viable program. The approach we are considering is patterned after the Canadian program and we must keep in mind that it took the Canadians several years to develop a successful alternative to disaster payments.

Extending the disaster provision through 1981 to all eligible farmers will allow us to further test and develop an affordable and adequate expanded crop insurance program and at the same time it will continue to provide our farmers with a known measure of protection.

Without adequate protection we do nothing but burden the farmer and the economy with even greater uncertainty.

Mr. BELLMON. Mr. President, I rise in support of the pending amendment by Senator HELMS which would limit the reauthorization of the disaster payments program to the 1980 crop year. Extending the disaster payments for producers of wheat, feed grains, upland cotton, and rice past the 1980 crop year would discourage participation in a Federal crop insurance program. Additionally, CBO estimates $325 million in outlays can be saved by allowing the disaster payment program to expire in counties where crop insurance is offered after the 1980 crop year.

When the Senate Agriculture Committee wrote the 1977 farm bill the authorization for the disaster payment program was only extended through the 1979 crop year with the understanding that a new comprehensive crop insurance program would be implemented to take the place of the disaster payment program. The distinguished chairman of the Senate Agriculture Committee, Mr. TALMADGE and the able chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, Mr.

HUDDLESTON, are to be commended for their work on S. 1125, the Federal Crop Insurance Act of 1979. This legislation will allow USDA to expand Federal crop insurance coverage to most agricultural crops.

Mr. President, S. 1125 authorizes a Federal crop insurance program that allows farmers to purchase crop insurance to protect themselves against crop failure. I might add that the Federal Government will pay 20 to 40 percent of the premiums under S. 1125 at an annual cost of about $300 million once the program is completely implemented.

In addition to Federal crop insurance protection, farmers are eligible for disaster assistance loans with a 3 percent interest rate on the first $250,000 from the Farmers Home Administration and Small Business Administration. There is no need to continue the disaster payments program once Federal crop insurance coverage has been made available.

Continuation of USDA disaster payments will discourage participation in the Federal crop insurance program. Why should a wheat, feed grains, cotton or rice producer pay for crop insurance when he gets free disaster payment coverage simply by participating in the farm program? As a farmer I understand the reluctance of farmers to give up the disaster payments program—especially in the Great Plains. But we can not afford a new expanded Federal crop insurance program and the existing disaster payment program.

Passage of the amendment we are now debating will prevent duplications of federal programs and save the taxpayers $325 million. I urge the adoption of this amendment.

• Mr. DOLE. Mr. President, I oppose the amendment by Senator HELMS to provide for a faster phase-out of disaster payments.

The Helms amendment would extend disaster payments for the 1980 crop. However, it would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

The amendment also states that if the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers.

Any producer who would be eligible to receive disaster payments under this amendment would also be able to purchase Federal all-risk crop insurance if he chose to do so. However, such a producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President, I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program. I urge my colleagues to vote against this amendment.•

Mr. HUDDLESTON. Mr. President, I reserve the remainder of my time and I suggest the absence of a quorum with the time to be charged to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Georgia.

UP AMENDMENT NO. 538

(Purpose: To authorize the use of Commodity Credit Corporation funds to pay losses under the crop insurance program)

Mr. TALMADGE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE) proposes an unprinted amendment numbered 538.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, line 7, insert after "Corporation" the following: "to meet obligations to indemnify producers for losses under this title, and otherwise";

On page 23, line 11, after "cover", insert "other"; and

On page 23, line 12, strike all that follows "expenses" down through and including "losses." on line 13, and insert in lieu thereof a period.

Mr. TALMADGE. Mr. President, this amendment affects section 111(a) of S. 1125, which authorizes the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under the Federal Crop Insurance Act whenever funds otherwise available to FCIC are insufficient to enable it to cover program expenses or pay farmers on crop insurance loss claims.

Under the amendment, the Secretary would have authority to use CCC funds to pay producer loss claims in any and all cases.

This amendment was suggested by the Department of Agriculture. It will facilitate the implementation of the new insurance program by enabling the Department to give assurances to producers that all claims will be paid promptly.

This amendment has been discussed with the distinguished floor manager of the bill and also with the distinguished ranking minority member of the committee, and I believe both of them support it and I hope the amendment will be agreed to.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to my distinguished friend from North Carolina.

Mr. HELMS. I thank the Senator.

As I read the amendment which, as the Senator has pointed out, was suggested by the administration, the Secretary would be permitted to use CCC funds to pay all indemnity claims; is that correct?

Mr. TALMADGE. The answer is "Yes."

Mr. HELMS. Mr. President, I recognize this authority could be especially valuable during the implementation period. I assume, however, that it does not affect the requirement in the act that the Federal Crop Insurance Corporation establish a reserve to cover losses that reoccur in years when there are catastrophic losses.

Mr. TALMADGE. No, it does not.

Mr. HELMS. I thank the Senator.

It would be my hope when an adequate reserve is established that there will be no need to use CCC funds.

Mr. TALMADGE. The Senator is correct.

Mr. HELMS. I thank the Senator.

Mr. TALMADGE. I thank my distinguished friend from North Carolina.

Mr. HUDDLESTON. Mr. President, we have examined this amendment and agree that it is appropriate. It would clarify the authority of the FCIC to administer effectively the repayment of claims made against the insurance program, and we accept the amendment on this side.

Mr. HELMS. For this side I accept the amendment, especially in light of the clarification by the distinguished Senator from Georgia, to whom I am indebted.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. TALMADGE. I yield back all my remaining time.

Mr. HELMS. I yield back my time.

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment of the Senator from Georgia. (Putting the question.)

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I yield to the distinguished junior Senator from North Carolina for the purpose of presenting an amendment.

UP AMENDMENT NO. 539

(Purpose: To provide for a pilot program of individual risk underwriting and Federal crop insurance)

Mr. MORGAN. Mr. President, I send forward an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. Morgan) proposes an unprinted amendment numbered 539: on page 23—

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, immediately after line 22, insert the following:

"Sec. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than 25 counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

"(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis."; and

On page 23, line 24, strike out "SEC. 112." and insert in lieu thereof "SEC. 113.".

Mr. MORGAN. Mr. President, I am pleased to rise today in support of S. 1125, the Federal Crop Insurance Act of 1979, a bill that the Committee on Agriculture, Nutrition and Forestry has toiled for so long to produce. While I have some difficulty with a few provisions that were added to the original bill, I think that generally it is a bill that will be welcome to most of the farmers of the Nation.

Senator Huddleston and Helms, the floor managers of the bill, are to be especially commended for their efforts to shape a crop insurance program that strikes a reasonable balance between the needs of the Nation's farmers and the legitimate concerns of the private crop insurance industry.

The amendment I offer today is designed to complement the efforts of the Senate Agriculture Committee. My amendment will provide for a pilot program of individual risk underwriting, a pilot program that should move the crop insurance program in a manner that will encourage more just settlements to individual farmers.

The thrust for my amendment comes from experience that we have with tobacco, a crop with which we have considerable experience with individual risk underwriting, and from the General Accounting Office report of December 13, 1977, entitled "The Federal Crop Insurance Program Can Be Made More Effective."

Mr. President, I would prefer to see that the entire crop insurance program be placed on an individual risk basis, rather than using county-wide yield data. Moving in such a direction would encourage broad participation by encouraging the most productive and efficient farmers to participate in this program. Currently, individual risk underwriting is available where there is adequate information on the individual farmer's crop histories, and the only crop where such histories are generally available is tobacco. While it is clear that most farmers are developing such histories, these records simply are not available on a broad scale. Hence, the program cannot be redirected at this time on a universal basis.

As a result, my amendment seems to offer a reasonable approach.

The record of the Federal Crop Insurance program is a mixed record. At present, crop insurance protects a mere 6.64 percent of our total acreage and only 11.69 percent of acreage where the Federal Crop Insurance program operates. Where crop insurance is not widely available, other disaster programs—programs that will be phased out under this bill—operate to protect farmers from the peril of Mother Nature.

I think that we can look to our experience in tobacco to see that individual risk underwriting is the way that we can most meaningfully expand participation in Federal crop insurance. At present, Federal crop insurance has achieved twice the participation in tobacco as it has in any other commodity. I have to attribute that record to individual risk underwriting, and no other factor.

Mr. President, my amendment would require the Federal Crop Insurance Corporation to conduct a pilot program of individual risk underwriting in 25 counties, beginning in the 1981 crop year and ending with the 1985 crop year. At that time, the FCIC would be required to evaluate the pilot program and make the results of such an evaluation available to the Senate and House Agriculture Committees. I am confident that the results of such an evaluation would indicate that individual risk underwriting should be the direction that we should go in the future.

In conclusion, Mr. President, I think that the available evidence indicates that such a pilot program is necessary as a first step, a compromise step at that, to the type of program we should have. My amendment clearly is consistent with the recommendations of the General Accounting Office and flows from the experience that we have with tobacco. I move the adoption of my amendment, which I understand may have the support of both floor managers.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I commend the distinguished Senator from North Carolina for offering this amendment. Certainly the individual risk underwriting would be a desirable and more effective and efficient way to administer the overall program, in all probability, if sufficient data were available to base the premiums on individual crops and production data.

At this point, such data are not available, and to require individual risk underwriting now programwide would certainly delay the program and make it very difficult to get it underway. But the proposal of the Senator from North Carolina that a pilot program be undertaken, in my judgment, is sound. It should be done, and could very well lead to a more efficient and objective program.

So we support the amendment of the Senator from North Carolina.

Mr. HELMS. Mr. President, for the reasons stated so eloquently by my friend from Kentucky (Mr. Huddleston), I accept the amendment for this side and commend the Senator for offering it.

Mr. MORGAN. Mr. President, I thank my colleagues, and I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 539) of the Senator from North Carolina (Mr. Morgan).

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 540

(Purpose: To correct technical and clerical errors in the text of S. 1125)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment to correct technical and clerical errors in the text of S. 1125. Several typographical mistakes were made in the printing of S. 1125 as reported by the committee, and the amendment would correct those errors. The minority has already had an opportunity to review these technical amendments.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. Huddleston) proposes unprinted technical amendment numbered 540.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 19, strike out "Stated" and insert in lieu thereof "States";

On page 19, line 20, strike out "matter" and insert in lieu thereof "manner";

On page 22, line 3, strike out "of" and insert in lieu thereof "on";

On page 25, line 9, strike out "subpargraph" and insert in lieu thereof "subparagraph"; and

On page 29, line 10, strike out "allotment" and insert in lieu thereof "allotments".

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HELMS. I yield back my time.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 540) of the Senator from Kentucky (Mr. Huddleston).

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I have an inquiry on the bill to which the distinguished floor manager of this legislation, the Senator from Kentucky, may wish to respond.

The Federal Crop Insurance Corporation now provides coverage to grape growers in New York and California on their annual grape production. It offers no insurance protecting grape vines. My questions are these: Does the bill contain provisions that will enable the corporation to begin a grape insurance program in the State of Washington, and to begin offering grape growers in all States insurance covering grape vines? And further, was it the intent of the drafters of this bill and the committee that reported it that such expansion of the program be undertaken?

Mr. HUDDLESTON. Mr. President, I would be happy to respond to the inquiry from the distinguished Senator from Washington.

This bill was specifically designed to enable the Federal Crop Insurance Corporation to expand its program so that all farmers in all counties would have access to Federal crop insurance on their crops at a reasonable price. Statutory limits on expansion will be removed and the limitations that have hindered the growth of the crop insurance funding will be eliminated.

In addition, the bill contains a provision specifically authorizing the corporation to offer specific risk insurance protection programs, including a tree damage or disease program. The damage and disease coverage was initially proposed by citrus growers, but the provision was not designed to be limited to citrus trees. It was designed to enable the corporation to protect all producers who depend on maintaining healthy mature growing stock for their annual crop production.

With respect to the intent of the bill, I believe the situation facing Washington grape growers is exactly the type of problem this bill is meant to address. With the new program provisions under this bill, the corporation should be able to respond quickly and adequately to the needs of Washington State.

Mr. President, I suggest the absence of a quorum.

Mr. HELMS. With the time to be equally divided, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Pryor). Without objection, it is so ordered.

Mr. HUDDLESTON. Will the Senator withhold on the unanimous-consent request he is about to make for just a moment?

Mr. HELMS. Certainly, Mr. President.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum, with the time equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. Huddleston will shortly move to lay the amendment by Mr. Jepsen on the table. It is agreeable all the way around, as I understand it, that a vote occur on that tabling motion at the hour of 3:15 p.m. today. It will be a rollcall vote, although the yeas and nays have not been ordered; the motion has not been made yet. Therefore, I make the following unanimous-consent request:

That Mr. Huddleston be recognized at 3:15 to make his motion to table; that a vote occur at that time; and that, if the motion to lay on the table is agreed to, immediately following the disposition of the tabling motion, the votes occur on amendments 404 and 405, in that order, back to back. That is the request, Mr. President.

The PRESIDING OFFICER. Is there an objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this means that if the motion to table is not agreed to, the votes will not immediately occur on amendments 404 and 405 if Mr. Huddleston seeks to offer an amendment or make some other motion at that time.

Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the motion to table at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on the tabling motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 3:10 p.m., recessed until 3:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Pryor).

UP AMENDMENT NO. 537

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, pending before the Senate is the amendment by the distinguished Senator from Iowa (Mr. Jepsen) which has earlier been discussed and debated here on the Senate floor.

Mr. President, I yield back the remainder of my time on that amendment.

Mr. HELMS. Mr. President, on behalf of the distinguished Senator from Iowa, I yield back his time.

Mr. HUDDLESTON. Mr. President, at this time, I move that the amendment of the distinguished Senator from Iowa be laid on the table, and the yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Iowa (Mr. Jepsen). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Bumpers), the Senator from Hawaii (Mr. Inouye), the Senator from Maine (Mr. Muskie), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Kansas (Mr. Dole), the Senator from Minnesota (Mr. Durenberger), the Senator from Pennsylvania (Mr. Heinz), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. Dole) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 46, nays 43, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—46

Baucus
Bellmon
Bentsen
Biden
Bradley
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cranston
Durkin
Exon
Glenn
Gravel
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Williams
Young

NAYS—43

Baker
Boren
Boschwitz
Burdick
Byrd,
Harry F., Jr.
Chafee
Cohen
Culver
Danforth
DeConcini
Domenici
Eagleton
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Melcher
Packwood
Percy
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—11

Armstrong
Bayh
Bumpers
Dole
Durenberger
Heinz
Inouye
Muskie
Pell
Pressler
Weicker

So the motion to lay on the table UP amendment No. 537 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 404

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on amendment No. 404.

The question is on agreeing to the amendment of the Senator from North Carolina.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Bumpers), the Senator from Hawaii (Mr. Inouye), the Senator from Maine (Mr. Muskie), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Minnesota (Mr. Durenberger), the Senator from Pennsylvania (Mr. Heinz), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator in the Chamber wish to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—43

Baker
Boschwitz
Byrd,
Harry F., Jr.
Cannon
Chafee
Culver
Danforth
DeConcini
Dole
Eagleton
Ford
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Melcher
Morgan
Packwood
Percy
Proxmire
Pryor
Randolph
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—47

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Chiles
Church
Cochran
Cohen
Cranston
Domenici
Durkin
Exon
Glenn
Gravel
Hart
Heflin
Hollings
Huddleston
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Metzenbaum
Moynihan
Nelson
Nunn
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Young

NOT VOTING—10

Armstrong
Bayh
Bumpers
Durenberger
Heinz
Inouye
Muskie
Pell
Pressler
Weicker

So Mr. Helms' amendment (No. 404) was rejected.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 405

The PRESIDING OFFICER. The Senate will now proceed to vote on amendment 405. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Bumpers), the Senator from Hawaii (Mr. Inouye), the Senator from Maine (Mr. Muskie), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Minnesota (Mr. Durenberger), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER (Mr. Bradley). Are there any other Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 33, nays 58, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—33

Baker
Bellmon
Byrd,
Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cranston
Danforth
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Morgan
Nunn
Percy
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Stone
Wallop
Warner

NAYS—58

Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Williams
Young
Zorinsky

NOT VOTING—9

Armstrong
Bayh
Bumpers
Durenberger
Inouye
Muskie
Pell
Pressler
Weicker

So Mr. Helms' amendment (No. 405) was rejected.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, as far as I am aware, there are no other amendments pending at this time.

I understand there is an amendment.

Mr. DOLE. Mr. President, the Senator from Kansas would like about 3 minutes on the bill.

I will be thinking about the amendment in that 3-minute period while I am talking about something else. It should be a good amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield such time as the Senator may desire.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas was not present when the vote was taken on the motion to table the Jepsen amendment. Had I been present, I would have voted against the tabling motion as a cosponsor of that amendment.

Mr. President, I wonder whether we can agree to an amendment.

The Jepsen amendment involved excluding fire and hail. Could we just exempt hail? Would that be acceptable to the distinguished manager of the bill?

Mr. HUDDLESTON. Mr. President, I say to the distinguished Senator from Kansas that that would not be acceptable. It still has the major fallacy of the original amendment, in that it serves to weaken substantially the salability of the Federal crop insurance program. It does very little to help the private insurance industry. We would be very much opposed to that amendment.

UP AMENDMENT NO. 541

(Purpose: To exclude insurance coverage for hail)

Mr. DOLE. On that basis, I will offer the amendment and will debate it very briefly.

I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 541:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. Mr. President, there are about 140 private insurers, employing between 4,000 and 5,000 full- and part-time employees, involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector; they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private hail-crop industry.

Mr. President, there is a great deal of talk about the private sector. There is a lot of debate and a lot of rhetoric about the need for the private sector.

I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.

I reserve the remainder of my time.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I ask that the amendment be read, so that Senators may understand it.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. What the amendment would do is this, I say to the distinguished Senator from North Carolina: The Jepsen amendment, which failed by just three votes, would have excluded fire and hail coverage from the bill. This is a further compromise and excludes hail coverage from the bill.

The Senator from Kansas is prepared to vote on the amendment.

Mr. HUDDLESTON. Mr. President, I mentioned a moment ago that we would oppose this amendment.

In the first place, though I am not an expert in hail and fire and wind insurance, it occurs to me that this approach may have some difficulty for the private insurance business. Many policies are designed for hail, wind, and fire. Whether or not they can rewrite those policies to limit them to just hail, I do not know.

We do know this: If we are going to have a successful crop insurance program, one that will replace the very limited and the very unsuccessful and undesirable disaster payment program we have now, which is borne entirely by the taxpayers of the United States, one that will involve the participation and contribution by the beneficiaries of the program, we must have one that we can sell to the farm producers of this country.

To nibble away at the features that would be available, such as taking out the hail coverage, would make it less salable. As I have indicated in previous debates on this subject this afternoon, it would do very little to benefit the private crop insurance industry.

So, at the appropriate time, I will make a motion to table this amendment by the Senator from Kansas.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. BELLMON. I want to see if I understand this properly. The bill before the Senate is an all-risk insurance policy.

Mr. HUDDLESTON. That is correct.

Mr. BELLMON. The way it would be administered would be this: At the end of the year, when the farmer harvested his crop and sold it, if the yield was less than insured, the producer would be entitled to a settlement from the Government.

Mr. HUDDLESTON. If he had paid premiums and purchased the insurance.

Mr. BELLMON. The objection I have to the Dole amendment is that if a loss was experienced by the grower, how would the administrator of the Government program know whether that loss came from hail, flood, or perhaps crop disease?

Mr. HUDDLESTON. That is one of the complications we discussed earlier. The all-risk crop insurance program that is anticipated by this bill covers the crop from beginning to end. If damage occurs from more than one source—perhaps hail is one of those sources—it would be virtually impossible to make a determination which portion of that damage could be ascribed to the particular event.

Mr. BELLMON. It is for that reason that I would support the Senator from Kentucky in a motion to table the amendment.

Mr. DOLE. Mr. President, I say to the Senator from Oklahoma that if you have hail coverage, you have to prove the damage is as a result of hail. I do not see any difference if it is crop disease. You still have to prove that it was hail damage, before you will be paid.

Mr. BELLMON. The Senator is correct so far as a private insurance company is concerned, but so far as the Government is concerned, you do not have to show that it resulted from disease or hail. You simply have to show at the end of the year that you did not harvest as much crops as guaranteed by the insurance policy.

Here, we will have a different administrative problem in trying to decide the cause for the shortfall in the yield. I do not see how you can administer an all-risk program when you have to leave out one of the major risks.

Mr. DOLE. The same argument may have applied to the Jepsen amendment. It seems to me that this is a further effort to compromise some very strong differences in this proposal.

Also, the Senator from Kansas believes that it goes to the heart of the private sector, and we are trying to preserve that as long as we can around here.

Mr. President, I am prepared to yield back to remainder of my time.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time, and I move that the amendment by the Senator from Kansas be laid on the table.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Minnesota (Mr. Durenberger), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

The PRESIDING OFFICER. Are there Senators in the Chamber who wish to vote who have not done so?

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—47

Baucus
Bellmon
Bentsen
Biden
Bradley
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cranston
Durkin
Exon
Glenn
Gravel
Hatfield
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Young

NAYS—45

Baker
Boren
Boschwitz
Burdick
Byrd, Harry F., Jr.
Chafee
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Eagleton
Ford
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Long
Lugar
Mathias
McClure
Melcher
Packwood
Percy
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—8

Armstrong
Bayh
Bumpers
Durenberger
Inouye
Muskie
Pell
Pressler

So the motion to lay on the table Mr. Dole's UP amendment No. 541 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the well.

The Senator from North Carolina.

Mr. HELMS. How much time remains for each side?

The PRESIDING OFFICER. The Senator from North Carolina has 34 minutes. The Senator from Kentucky has 47 minutes.

Mr. HELMS. I yield 5 minutes to the Senator from Maine (Mr. Cohen).

Mr. COHEN. Mr. President, I rise to express my support for the Federal Crop Insurance Act of 1979. This expanded crop insurance program will provide greater protection for farmers against the many natural hazards that can severely damage crops.

In my own State of Maine, many sectors of the farming industry are affected by natural disasters. Located in Maine's northernmost area, Aroostook County, the potato industry is especially susceptible to the effects of weather, insects and disease. Aroostook County has a very short growing season, frosts are frequent during planting or harvest, and both flooding and drought are problems in some areas. Since there is a lack of adequate irrigation facilities, the drought areas are affected acutely by rain shortages. Potatoes are also susceptible to blight and other diseases.

The burden of natural disasters is especially difficult for small farmers, since they are unable to absorb major crop losses. The vast majority of Maine farmers are small farmers and natural disasters are responsible in large measure for the decline of the family farm in my State by nearly 50 percent from 1960 to 1970.

In 1978, 5½ percent of Maine's total potato crop was lost to the weather-related storage problems, and more failed to reach market because of disease.

Considering the importance of crop insurance to Maine, especially to the potato industry, I urge the Department of Agriculture to move quickly to include potato growers as beneficiaries under this important program.

Mr. HELMS. I yield the Senator from South Carolina such time as he may require.

Mr. THURMOND. Mr. President, I rise in support of S. 1125, the Federal Crop Insurance Act of 1979.

This legislation is designed to extend nationwide a system of comprehensive, all-risk crop insurance to producers of all major agricultural crops. At the same time, the Federal disaster payments program, which is now available to producers of wheat, upland cotton, feed grains, and rice, would be discontinued after crop year 1981.

Mr. President, this legislation is clearly needed by the agricultural sector, and if the program works as planned, it should reduce the cost of agricultural programs to the taxpayers. The need for this bill exists because of several deficiencies in current agricultural programs. First, disaster payments are not now available for the vast majority of farm commodities, and even where available, are often inadequate to compensate farmers for production costs incurred. Second, Federal crop insurance is presently available in only about one-half of the Nation's counties, and even in these counties where Federal crop insurance programs now operate, only the major agricultural commodities are insurable. Third, private insurance companies do not now offer all-risk crop insurance protection. Most private crop insurance policies only insure against specific perils, such as fire, hail, or both.

These and other deficiencies are addressed in this legislation, which will, for the first time, make comprehensive, all-risk crop insurance available to producers of all major agricultural crops throughout the Nation.

Mr. President, I am aware of the concerns expressed by some private insurers, especially those who now write coverage for fire, hail and lightning perils. Within the limited context of these perils, the private insurance industry has done a commendable job of protecting farmers against losses. Both the Senate and House Agriculture Committees have attempted to design this expansion of Federal, all-risk crop insurance in a fashion that not only will allow the private crop insurance industry to survive, but also will give private insurers a key role in marketing the Federal, all-risk insurance. Furthermore, since the nature of private, specific peril crop insurance is fundamentally different from Federal, all-risk coverage, it is believed that the two systems not only will be able to coexist, but will actually complement each other.

In summary, Mr. President, I believe this legislation will prove beneficial and cost effective. It will make all-risk crop insurance available to our Nation's farmers at affordable rates, thereby giving farmers protection against disasters at a minimum cost to the taxpayers. I urge the Senate to approve this bill.

● Mr. BENTSEN. Mr. President, I wholeheartedly support S. 1125 as reported by the Senate Agriculture Committee. The members of the committee are to be commended for developing a reasonable and workable bill, and special recognition should go to the distinguished senior Senator from Kentucky who has spent many hours working on this legislation since he first introduced it. He can be justifiably proud of this bill, which provides an actuarially sound system of badly needed protection for crops in all areas of the Nation.

I am proud to see the Government and the farmer working together in a program that both are involved in and are supporting. The current system of Federal crop insurance is offered in some counties in Texas and is being used by the farmers in those counties.

I carry Federal crop insurance myself on citrus orchards in the Rio Grande Valley. This bill will allow producers of over 400 crops to receive the benefit of Federal assistance through an actuarially sound system of all-risk crop insurance.

In addition, the bill provides for a needed 2-year extension of the current disaster programs. This program is of immense values to farmers in Texas and throughout the Nation. Today's farmers are capital-intensive and highly leveraged, and the loss of a crop because of adverse weather conditions can be a crippling if not fatal blow to a farmer. These disaster programs have kept many farmers afloat when a violent quirk of nature might otherwise have sucked them under and further thinned the ranks of the family farmers who are the traditional backbone of this Nation. These programs are an integral part of the growing of the crops for which they are offered—crops which are grown in large part in regions which are subject to climatic extremes. We lack good data on the cost of premiums and other factors in the insurance program proposed to replace these disaster programs, so it is only fair that we extend these proven programs until we have more information and have a tested program to offer as a substitute.

The 2-year extension of the disaster payments is vital to the farmers which produce the largest amount of the most basic commodities which feed and clothe our Nation. Making available the option of using either the disaster program or the crop insurance program in 1981 will provide a good test of the acceptability of the Federal crop insurance program to the producers of these commodities, it will provide local experience with the Federal Crop Insurance Corporation, and it will greatly smooth the transition to a complete system of all-risk Federal crop insurance if Congress should decide to adopt that policy.

Producers of crops not covered by disaster programs, and there are over 400 of them, are just as deserving of protection from the calamities of nature. They, too, are capital-intensive and highly leveraged as a rule. They are hurt and often completely wiped out financially by disastrous crop losses, but all too often they are not eligible even for the current system of Federal crop insurance due to the limitations placed on expansion of the program. Over 400 counties are now on the waiting list for the current program, and it is not even subsidized. In addition, coverage available under the current program is inadequate and needs to be broadened. A good case in point is citrus, in which now the crop on the tree can be covered but the tree itself cannot. The same freeze which destroys the citrus crop may often damage or kill the tree itself, which is a much more catastrophic loss and much more likely to totally ruin the farmer.

Mr. President, this bill is good for agriculture. It will help the farmers of this Nation to do a better job of seeing that we are the best fed and best clothed Nation in the world. But the policy implications of this bill are much, much broader than even that. The survival of the small family farmer is a matter which is receiving increasing attention and concern. The basic structure of this Nation's agriculture is the subject of a hearing the Department of Agriculture is holding this fall. In this context, I note that this bill is a major step toward helping that small family farmer to survive the competitive rigors of modern agriculture.

If we are to maintain a viable system of family farms in this country, we must have a steady supply of young people entering farming. These are precisely the people who will benefit most from a workable system of all-risk crop insurance. The young farmer, the beginning farmer—these are the ones who have larger debts. These are the ones who have less equity. And these are the ones who disappear forever when hit by large losses, whether from the vagaries of nature or the swings of the market. Larger farmers, better-established farmers, can take these losses and survive much more often than can the small, beginning farmer. And when the little guy's place comes up for sale his bigger neighbors who survived are usually the ones who buy it. Without this bill we will only see more and more of this. More and more farmers leaving the farm. Fewer and fewer young people able to enter farming. An increasing concentration of agricultural production in a decreasing number of family farmers. A weakening of our rural areas as they slowly wither because the young people which are their lifeblood flow out to the cities in search of a job.

It is high time that we take note of the plight of the small before we become the world of the big. The small businessman squeezed between big Government and big business. The independent oil man racing against big oil while entangled in the redtape of big Government. This country was built by individual entrepreneurs, people with imagination, initiative, and drive. We need a continuing supply of those qualities if we are to continue to grow and prosper as a nation, and to get them we must give those adventurous individuals the tools they need to survive in an increasingly large and hostile world. I believe that this bill is a step in the right direction that will benefit this whole Nation, not just its farmers, and I urge my colleagues to support it.●

● Mr. DOLE. Mr. President, on February 8, 1979, I introduced a bill, S. 399, the Federal Crop Insurance Expansion Act of 1979.

I felt at the time that the expiration of the crop disaster payments program at the end of this year affords Congress with an excellent opportunity to fashion a new and comprehensive strategy in helping agricultural producers meet the risk of disastrous crop losses resulting from causes beyond their control.

The disaster payments program is administered by the Agricultural Stabilization and Conservation Service, is limited to producers of upland cotton, wheat, rice, and three feedgrains—corn, grain sorghum, and barley.

Additional protection from crop losses is provided by the Federal Crop Insurance Corporation—FCIC. Unfortunately, Federal crop insurance is not available in all agricultural counties nor does it cover all basic commodities in the counties where insurance is available.

In many instances, insurance is not available where it is needed most. Moreover, high premiums and competition from the disaster payments program have kept participation low.

This bill establishes an expanded and comprehensive crop insurance program for U.S. farmers. It would remove limits on the expansion of the Federal crop insurance program, provide additional funding for the program, provide for a reinsurance program, and require the Federal Crop Insurance Corporation to pay a portion of the cost of crop insurance premiums under the programs.

It extends the disaster payments program for producers of wheat, feed grains, upland cotton, and rice under the Agricultural Act of 1949.

Farming, at best, is an exceptionally high risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable (and unpredictable) natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

PRESENT CROP INSURANCE BILL

I have felt for sometime the Federal crop insurance program needed improvements. The program needed improvements to provide farmers with a comprehensive, meaningful, and efficient program under which they may protect their massive investments in food and fiber production.

I have also felt that in improving the Federal crop insurance program the interests of the Federal taxpayer in budget deficits and taxes also had to be considered. I have felt the interests of free enterprise and the private insurance companies and private insurance agents were also important.

I cannot support the bill before the Senate today for two basic reasons: First, the high level of Federal subsidy, and second, the inclusion of fire and hail coverage by the Government program.

I wanted to support the bill because of the improvements in the crop insurance program and because of the extension of disaster payments for 2 years.

The bill I introduced in February contained a lower level of Federal subsidy than the bill before us today and excluded fire and hail coverage.

DISASTER PAYMENTS

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program.

FIRE AND HAIL COVERAGE

Approximately 140 private insurance companies employing between 4,000 and 5,000 full- and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

EXCESSIVE PREMIUM SUBSIDY

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill before us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent (exclusive of congressional appropriations for FCIC's administrative and operating costs) compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

I believe it is important to limit Government intervention into the private market place. I also believe it is important to limit Federal subsidies which increase budget deficits.

The bill before us today for final passage does not limit Government intervention and does not limit Federal subsidies.

I cannot vote for the expanded crop insurance bill as it now stands.●

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield back my time.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the bill is ordered to be engrossed for a third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HUDDLESTON. Mr. President, I commend the Members of the Senate for the attention they have given this particular legislation today. I think we have made a step forward in providing adequate coverage for agriculture producers in this country, eliminating a very unsatisfactory, very narrowly constructed program of disaster payments. I am hopeful that we shall see the passage of this bill during this session of Congress and be under way with a new program of benefit to the farmers of the Nation.

Mr. President, unless there is someone else who has some comment on the bill on this side, I yield back the remainder of my time to the bill.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 64, nays 27, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—64

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
DeConcini
Durkin
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Weicker
Williams
Young
Zorinsky

NAYS—27

Boschwitz
Burdick
Byrd, Harry F., Jr.
Chafee
Culver
Danforth
Dole
Domenici
Eagleton
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Metzenbaum
Roth
Simpson
Wallop
Warner

NOT VOTING—9

Armstrong
Bayh
Bumpers
Durenberger
Inouye
Melcher
Muskie
Pell
Pressler

So the bill (S. 1125) was passed as follows:

S. 1125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Crop Insurance Act of 1979".

TITLE I—FEDERAL CROP INSURANCE PROGRAM

CAPITAL STOCK

Sec. 101. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$200,000,000" and inserting in lieu thereof "$500,000,000".

(b) Within thirty days after the effective date of subsection (a) of this section, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on the effective date of that subsection.

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

Sec. 102. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, the Under Secretary or Assistant Secretary of Agriculture responsible for the Federal crop insurance program, the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the three farmers who are not otherwise employed by the Federal Government, shall ensure that such members are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of the Federal Crop Insurance Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505(c) of the Federal Crop Insurance Act is amended to read as follows: "The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5 of the United States Code when actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.".

AMENDMENTS TO THE PROVISIONS ESTABLISHING GENERAL POWERS FOR THE CORPORATION

Sec. 103. Section 506 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (d) to read as follows:

"(d) subject to the provisions of section 508(c), may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business;"; and

(2) in subsection (f), striking out "free".

USE OF PRIVATE INSURANCE COMPANIES IN THE FEDERAL CROP INSURANCE PROGRAM; CONFORMING AMENDMENT

Sec. 104. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Board may establish or use committees or associations of producers, and contract with private insurance companies, in the administration of this title and make payments to such committees, associations, or companies to cover the administrative and program expenses incurred by them in cooperating in carrying out this title, as determined by the Board."; and

(2) in subsection (d), inserting "or 516A" immediately after "section 516".

REMOVAL OF LIMITS ON EXPANSION OF THE FEDERAL CROP INSURANCE AND REINSURANCE PROGRAMS

Sec. 105. Effective with respect to the 1980 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is amended by—

(1) striking out all that follows the subsection designation down through the end of the fifth complete sentence, which begins, "Reinsurance for private insurance companies . . .", and inserting in lieu thereof the following: "If sufficient actuarial data are available, as determined by the Board, to insure producers of crops grown commercially in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infection, plant disease, and such other unavoidable causes as may be determined by the Board. Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field,"; and

(2) striking out the eighth complete sentence, which begins "Counties selected by the Board . . .".

FEDERAL CROP INSURANCE EXTENT OF COVERAGE

Sec. 106. Effective with respect to the 1981 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is further amended by—

(1) striking out the sixth complete sentence, which begins, "Any insurance offered against loss in yield . . .", and inserting in lieu thereof the following: "Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just). In addition, the Corporation shall make available to producers lesser levels of yield coverage. Any insurance offered under this subsection shall make available to producers coverage (per unit of production insured) equal to the highest of (1) the established price for the commodity and crop year involved, if any, (2) the loan rate for the commodity and crop year involved under a Federal price support program, if any, or (3) the projected market price for the commodity and crop year involved, as determined by the Board. In addition, the Corporation shall make available to producers lesser price selections per unit of production insured ."; and

(2) in the seventh complete sentence, which begins, "Insurance provided under this subsection . . .", inserting "or an approved substitute crop" immediately after "the same crop".

PREMIUM SUBSIDY; TECHNICAL AND CLARIFYING AMENDMENTS

Sec. 107. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems actuarially sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay a portion, not less than 20 per centum nor more than 40 per centum, as determined by the Board, of each producer's premium: *Provided*, That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer elects to make the acreage of the commodity eligible for payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's election to make the acreage of the commodity involved eligible for disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium. Federal premium payments for a commodity shall be applied uniformly among producers. The remaining portion of each premium to be paid by the producer shall be collected at such time or times, and shall be secured in such manner, as the Board may determine.";

(2) amending subsection (c) to read as follows:

"(c) To adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court for the district in which the insured farm is located: *Provided*, That no suit on such claim may be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."; and

(3) striking out subsection (d), and redesignating subsection (e) as subsection (d).

REINSURANCE OF PRIVATE INSURANCE COMPANIES; EXTENSION OF THE PROGRAM TO COMMONWEALTHS AND TERRITORIES OF THE UNITED STATES; SPECIFIC RISK PROTECTION PROGRAMS

Sec. 108. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by striking out subsection (f) and inserting immediately after subsection (d), as redesignated by section 107(3) of this Act, new subsections (e), (f), (g), and (h) as follows:

"(e) To provide, upon such terms and conditions as the Board may determine to be consistent with subsection (a) of this section and sound reinsurance principles, reinsurance to private insurance companies, groups or pools of such companies, and government entities that insure producers of any agricultural commodity under contracts acceptable to the Corporation. In order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance to private insurance companies, groups or pools of companies, or government entities insuring producers under this subsection, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on 1981 crops, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums.

"(f) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in the same manner as provided in this section for provision of insurance or reinsurance for production of agricultural commodities in the United States.

"(g) To offer specific risk protection programs including, but not limited to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation programs under such terms and conditions as the Board may determine: *Provided*, That no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

"(h) To include appreciation (including interest charges) as an insurable cost of production in calculating premiums and indemnities in connection with insurance on yields of timber and forests.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 109. Section 515 of the Federal Crop Insurance Act is repealed.

PROGRAM FUNDING

SEC. 110. Effective October 1, 1980, section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums for each fiscal year as may be necessary to cover the operating and administrative costs of the Corporation, agents' commissions, partial premium payments by the Corporation, and direct costs of loss adjusters for crop inspections and loss adjustments, which shall be alloted to the Corporation in such amounts and at such times as the Secretary of Agriculture may determine. Expenses in connection with agents' commissions and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from insurance premium funds, and any such payments from premium funds may be restored by appropriations in subsequent years.".

COMMODITY CREDIT CORPORATION FUNDING

SEC. 111. (a) The Federal Crop Insurance Act is amended by inserting immediately after section 516 a new section 516A as follows:

"COMMODITY CREDIT CORPORATION FUNDING

"SEC. 516A. The Secretary of Agriculture is authorized to use the funds of the Commodity Credit Corporation to meet obligations to indemnify producers for losses under this title, and otherwise in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under this title whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable that Corporation to cover other program expenses.".

(b) The authority to make commitments under section 516A of the Federal Crop Insurance Act, as added by subsection (a) of this section, in excess of funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation acts. Appropriations under the preceding sentence are authorized beginning October 1, 1980.

PILOT PROGRAM OF INDIVIDUAL RISK UNDERWRITING OF FEDERAL CROP INSURANCE

SEC. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than twenty-five counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis.

EFFECTIVE DATE

SEC. 113. Except as otherwise provided in this title, the provisions of this title shall become effective October 1, 1979.

TITLE II—DISASTER PAYMENTS

PREVENTED PLANTING DISASTER AND FARM DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

SEC. 201. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignating subparagraph (D) as subparagraph (F) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, co-operators on a farm shall not be eligible for disaster payments under this paragraph if the co-operators elect to cover the rice acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, after consultation with the Board of Directors of the Federal Crop Insurance Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.

Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

SPECIAL DISASTER PAYMENTS FOR THE 1979 CROP YEAR

SEC. 202. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is further amended by—

(A) striking out "subparagraphs (B) and (C)" in subparagraph (F), as redesignated by section 201(a)(1)(C) of this Act, and inserting in lieu thereof "subparagraphs (B), (C), and (E)"; and

(B) inserting after new paragraph (D), as added by section 201(a)(1)(C) of this Act, a new subparagraph (E) to read as follows:

"(E) Effective only with respect to the 1979 crop of rice, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), persons involved in producing rice on a farm (i) are prevented from planting any portion of the acreage allotments of producers on the farm or the farm acreage allotment to rice and (ii) plant a nonconserving crop in lieu of rice, the Secretary shall make a special disaster payment to cooperators on the farm in an amount determined by multiplying (I) the number of acres so affected, by (II) 75 per centum of the yield established for the farm, by (III) 15 per centum of the established price for rice, except that the Secretary shall make no payment under this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is further amended by adding at the end thereof a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of upland cotton, if the Secretary determines that, as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for cotton to cotton and (ii) plant a nonconserving crop in lieu of cotton, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for cotton established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is further amended by inserting immediately after new subparagraph (C), as added by section 201 (a)(3)(C) of this act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of feed grains, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for feed grains to feed grains and (ii) plant a nonconserving crop in lieu of feed grains, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(4)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of wheat, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for wheat to wheat and (ii) plant a nonconserving crop in lieu of wheat, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for wheat established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(b) This section shall become effective October 1, 1979, and the provisions hereof shall be retroactive to cover special disaster payments to producers for the 1979 crops of rice, upland cotton, feed grains, and wheat.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that S. 1125 be printed as passed by the Senate and that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1125.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, this request has been agreed to on both sides of the aisle.

I ask unanimous consent, with regard to the conference report on H.R. 4388, the energy-water appropriations bill, that there be 1 hour, equally divided, on the report, to be controlled by Mr. JOHNSTON and Mr. HATFIELD, and 30 minutes on amendment 30 in disagreement, to be equally divided between Mr. JOHNSTON and Mr. CULVER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senators understand that there will be further rollcall votes today.

ORDER FOR SENATE TO PROCEED TO CONSIDERATION OF S. 1403 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order the Senate proceed to the consideration of Calendar Order No. 288, S. 1403, a bill to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on H.R. 4388 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BRADLEY). The report will be stated.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 25, 1979.)

Mr. JOHNSTON. Mr. President, this is the Energy and Water Resources conference report. The conference report is totally noncontroversial. The bill originally passed the Senate by a vote of 90 to 6 and passed the House of Representatives by a vote of 359 to 29.

I contemplate very shortly making my statement for the RECORD and asking approval of the conference report.

There are two important amendments in disagreement which will be voted on separately by the Senate. One is the Hart Building, because the House approved the Senate action on the Hart Building after reducing the amount as approved by the Senate. I will plan shortly to ask for concurrence in the House amendment because, as a matter of fact, the House did precisely what I as chairman of the Building Committee had recommended in the first place. I think it was very sound action.

Second, we will have a vote on the Tellico Dam, which is, of course, controversial and will be debated.

But the conference report itself, for which we will shortly ask approval, is totally noncontroversial.

Mr. President, this is the conference report on H.R. 4388, the energy and water development appropriation bill for fiscal year 1980. The House of Representatives agreed to the conference report on August 1, and I hope that the Senate will clear this measure this afternoon in order that the bill can be sent to the President immediately.

Mr. President, inasmuch as the conference report has been available since July 25—both the printed report and in the Congressional Record, I will only give a brief summary of the conference action in settling the differences between the House and the Senate.

As recommended by the committee of conference, the conference agreement provides $10,856,475,700 in new budget (obligational) authority for the fiscal year 1980, including the amount of $57,480,700 for the Hart Senate Office Building. This amount for the Hart Building was changed slightly by action of the House and I will move that the Senate concur in the House amendment.

For the energy and water development appropriation bill items, the agreement would provide a total of $10,798,995,000, an amount which is $30,020,000 less than the bill as passed by the Senate, and $113,065,000 more than the bill as passed by the House. The conference agreement is $195,497,000 less than the President's budget estimates submitted for our consideration. I want to emphasize that this is almost a $200 million reduction from the amounts requested in the President's budget.

The conference agreement provides $6,488,874,000 to the Department of Energy for various research and development programs and other activities. Of this amount, $3,061,828,000 is for energy supply R. & D. programs; $471,900,000 is for general science and research; and $2,959,396,000 is for atomic energy defense activities.

Mr. President, I would also point out that the conference report includes $620,879,000 for solar energy development and applications; $149,202,000 for geothermal energy, $18,324,000 for small-scale hydroelectric; and $355,405,000 for fusion energy. There is also provided $569,919,000 for the breeder reactors program, although there are no funds in this bill for the Clinch River breeder reactor demonstration project. Funds are also provided for continuing work on other nuclear fission activities including funds for the continuation of the program for the storage of spent nuclear fuel.

Both Senate and House Appropriations Committees have made clear that they expect a vigorous effort by the administration to have one or more Away-From-Reactor (AFR) storage facilities in being by 1983.

The funds provided by the conference agreement will permit the administration to move forward with this effort. The administration can and should study possible regional AFR sites, hold public hearings in States with existing or proposed AFR sites and negotiate with owners of existing AFR sites to determine the availability of these sites.

In addition, the conference agreement provides $5 million for plant and capital equipment spending for an AFR facility. This will enable the administration to continue developing site suitability data and to allow design work to proceed to a degree sufficient to prepare licensing documents, to prepare and submit the licensing and licensing support documents and to prepare procurement packages for long lead items which are on the critical path such as high density storage racks. These activities are essential if storage requirements predicted for 1983 are to be met.

The conference agreement for title II of the bill—which is the civil works program of the U.S. Army Corps of Engineers—is $2,795,926,000. Of this amount, $1,467,566,000 is for the construction, general appropriation; $210,515,000 for the Mississippi River and tributaries flood control program; and $848,500,000 for operation and maintenance. The recommendations for each project and activity are included in the conference report.

Mr. President, for title III, the Bureau of Reclamation, the conference agreement contains $607,341,000 for the important water development projects and activities in the 17 Western States.

For title IV, independent agencies, the agreement provides a total of $906,854,000, including an amount of $359,490,000 for the Appalachian regional development programs; $363,340,000 for the Nuclear Regulatory Commission $148,677,000 for the Tennessee Valley Authority and $34,614,000 for the Water Resources Council.

Mr. President, there were a number of typographical and printing errors in the conference report as printed in the Congressional Record and an error in the slip copy of the report. The House managers brought these errors and corrections to the attention of the House as listed on page 21990 of the August 2, 1979 Congressional Record, and I will not repeat enumerating these items now corrected.

Mr. President, the Senate amendment numbered 30 relative to the Tellico Dam-snail darter controversy and Senate amendment numbered 37 regarding the Hart Senate Office Building were reported by the conferees outside of the conference report and will require separate, further action by the Senate in light of the House action. These matters will be pending immediately after action on the conference report.

Mr. President, this is a good conference report, and I take this opportunity to express my thanks and appreciation to the Senate conferees, particularly the distinguished Senator from Oregon (Mr. Hatfield) who is the ranking minority member of the subcommittee. I would also like to express our appreciation and warm regards to the able and effective gentleman from Alabama, Mr. Bevill, chairman of the House conferees, and to the House conferees. It is our good fortune and pleasure to work with these fine gentlemen and ladies of the House of Representatives and to be able to settle our differences in an amicable fashion and with a minimum of disagreement.

Mr HATFIELD. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Oregon.

Mr. HATFIELD. Mr. President, I support the adoption of the conference report on H.R. 4388, making appropriations for energy and water development. The bill provides $10,798,995,000 for these purposes, approximately $195,000,000 below the President's budget for fiscal year 1980. I believe this is a reasonable and prudent amount that will allow us to expedite action on necessary projects without unduly fueling inflation through increased Federal spending.

I am especially pleased with the initiatives the bill takes in renewable forms of energy development and hope that we can continue to make progress in this important area. I should also point out that the bill contains no money for the Clinch River breeder reactor pending resolution of that issue in the authorizing legislation. I certainly hope we will vote to terminate that outmoded project and move away from what I consider to be a dangerous and unnecessary technology.

That concludes my remarks, Mr. President, except to again express my appreciation to the subcommittee chairman, Mr. Johnston, and the staff, for their work on this bill.

Mr. DOMENICI. Mr. President, at this time I take the opportunity to express my sincere gratitude to the Energy and Water Development Subcommittee for their responsiveness to the many pressing issues facing our Nation and my State of New Mexico. The bill contains funding for several extremely important projects in my State, and I appreciate the committee's attention to these matters. I think that they have done a fine job with this bill.

Mr. JOHNSTON. Mr. President, unless there are any questions or anyone desires further discussion, I move the adoption of the conference report.

Mr. CULVER. Mr. President, reserving the right to object, I address this question to the manager of the bill: I gather that the pending motion is——

Mr. JOHNSTON. The pending motion is to adopt the conference report.

Mr. CULVER. Procedurally, what will come subsequent to that?

Mr. JOHNSTON. Matters in disagreement are outside the conference report, so the Senator from Iowa is not foreclosed on the Tellico Dam issue by the adoption of the conference report.

Mr. CULVER. And the Senator from Louisiana is not foreclosed.

Mr. JOHNSTON. Neither of us is foreclosed. That is correct. It is completely outside the conference report.

Mr. CULVER. I thank the distinguished floor manager.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time on the conference report.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Tsongas). Without objection, the conference report is agreed to.

The clerk will state the first amendment in disagreement.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendments numbered 1 and 8 en bloc at this time. These amendments are technical in nature and are not controversial.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $2,048,523,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $448,478,000

Mr. JOHNSTON. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1 and 8.

Mr. CHAFEE. Mr. President, will the Senator explain this?

Mr. JOHNSTON. This does not involve the Hart Building or the Tellico Dam. These are technical amendments.

Mr. CHAFEE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30. Amendment No. 37 refers to the Hart Building. I am asking unanimous consent that we first consider that. If unanimous consent is granted, we will consider it; and if anybody wants to discuss it or vote on it, we can do so at that time, under the time agreement. The alternative would be to consider first the Tellico Dam matter, before the Hart Building matter.

Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $52,583,400 toward finishing such building and to remain available until expended: *Provided*, That the amount of $137,730,400 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

It is further provided that such building and office space therein upon completion shall meet all needs for personnel presently supplied by the Carroll Arms, the Senate Courts, the Plaza Hotel, the Capitol Hill Apartments and such building shall be vacated.

Mr. JOHNSTON. Mr. President, when I was appointed chairman of the Senate Office Building Commission not too many weeks ago, we undertook a detailed investigation of this building and came up with a recommendation to the Senate that it approve an expenditure in the total amount of about $137.7 million, and that that constitute a ceiling on the cost of construction of the building.

When those recommendations got to the Appropriations Committee, the committee added a number of items to that recommendation, which included the finishing of the cafeteria and the insertion of paneling in the Senate offices and a number of other things, together with the completion of the hearing room, in the total amount of approximately $5 million.

That action of the Senate Appropriations Committee was subsequently approved on the Senate floor. The measure left the Senate floor and went to the House. On the House floor, a vote first was taken on the Senate action—that is, the expanded amount—and it was defeated on the House floor.

Subsequently, the chairman of the full Appropriations Committee, Mr. WHITTEN, submitted an amendment deleting approximately $5 million, which involved going back to the original figure that the Senate Office Building Commission had recommended. So the action of the House was to approve that amendment, which in turn put the House in exact conformity with the Senate Office Building Commission.

Obviously, since I first recommended it, I think it is proper. It was good action on behalf of the House.

Therefore, I move that the Senate concur in the House action. It will have the effect of putting a limit of $137,730,400, which is about $5 million less than the amount approved by the Senate.

Mr. CHAFEE. Mr. President, I ask the Senator this question: As I understand it, the situation is back to where the Office Building Commission originally was—that is, without the paneling in the offices, without the restaurant.

Mr. JOHNSTON. And the hearing room.

Mr. CHAFEE. Without the hearing room.

Mr. JOHNSTON. The Senator is correct.

Mr. CHAFEE. When the action of the House was stated, I thought the clerk said the House receded from its position. But apparently we are going to agree with the House action. Is that correct?

Mr. JOHNSTON. I moved that we concur with the House action, which is the lower figure.

Mr. CHAFEE. Mr. President, I agree. I think the building is a disgrace. It is a shame that we did not adopt the position that was advocated here on the floor. We fought it out and voted and lost. So this is some small progress. Do not put me down as enthusiastic.

Mr. DOMENICI. Mr. President, I wish to express my deep concern over the fact that the Senate will today vote additional money to continue work on the new Hart Senate Office Building. I oppose this funding. Completion of this building, I am convinced, disregards the will of the American people. While there is no way to stop this building within the context of this conference report, I want to remind my colleagues that we are today ratifying a bad decision, one that we shall regret.

I shall not reiterate the many reasons why work on the Hart Building should be halted. This is simply not the time to appropriate an additional $52.5 million to continue work on this building. Whether we complete it with or without the additional $5 million, which the Senate added over and above what the House agreed to, is of little concern, for my colleagues know that this money will eventually be spent.

Mr. President, the Senate should not fund the completion of the Hart Building.

Mr. JOHNSTON. Mr. President, if there are no other questions and if there is no further discussion, I yield back the remainder of my time; and I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 37.

Mr. HATFIELD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Skip Walton, of my staff, have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I move that the Senate recede from its amendment numbered 30. This is the Tellico Dam amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House insist upon its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill.

Mr. JOHNSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Louisiana for yielding.

Mr. President, I do not intend to take much of the Senate's time. Most of us know the issues involved here. There has been a great deal of rhetoric—both pro and con. But the basic facts remain.

As a member of the Appropriations Committee, my main concern is that we do not waste the taxpayer's money.

I say to my colleagues that the question before the Senate today is not an environmental question—it is an economic question. I direct the attention of Senators to the factsheet that has been placed on their desks. As can be seen from the picture, Tellico Dam is built—it is an existing structure. The entire project is 95 percent complete. More than $111 million has been appropriated by Congress for this project since 1967.

If this body does not agree to the House amendment, these funds will go down the drain. In addition, it would cost the taxpayers another $23.4 million to tear down the project we have already spent $111 million to build. I do not think the American people want us to do that.

What are the environmental considerations of this project? The Tellico opponents say we must halt the Tellico Dam and tear it down because the snail darter must be saved.

So, what about the snail darter—a fish barely larger than a paper clip with an adult weight of only 5 grams? It has been listed as an endangered species under the Endangered Species Act. Now, I support the Endangered Species Act and have voted for it in the Chamber. A majority of the House and Senate supports the intent of this act—important species must be protected and maintained.

But I say to my colleagues that we are not faced with a decision whether or not to save the snail darter. The Tellico Dam is built on the Little Tennessee River in my State. The snail darter is already dying out in that river. Officially the Tennessee Valley Authority has stated that there are only 100 snail darters left in the Little T. But I am told by local officials that the last time the TVA sent divers down to count the snail darter population they could not find any—so the snail darter may already be extinct in the Little Tennessee River. So the logic of saying that the Little T is critical to the survival of the snail darter escapes me.

To those who are concerned with saving the snail darter, I want to ease your mind right here and now—the snail darter is being saved. It is alive and well. Four years ago 700 snail darters were transplanted to the Hiwassee River. Today the snail darter is thriving in the Hiwassee. The 700 which were transplanted have reproduced and now number at least 2,500 and possibly as many as 3,000. So it is clear that a new habitat for the snail darter has been established in the Hiwassee River. The Little T, where the Tellico is built, apparently is no longer suitable for the snail darter.

In addition there have been reports that the snail darter is living in other bodies of water. The mayor of Sparta, Tenn., has reported that the snail darter lives in the Calfkiller River near his town. A Kentucky biology teacher has said that the snail darter is living in a river in his State.

Mr. President, the Endangered Species Committee, which was created by Congress to review conflicts arising from projects and endangered species, failed to exempt Tellico from the Endangered Species Act. Now I would think that the Endangered Species Committee reviewed this controversy very carefully and with great deliberation, just as the Congress has carefully considered this project and approved it for the past 12 years. But I am sorry to report to the Senate that the Endangered Species Committee failed to take an objective look at the situation. The Endangered Species Committee reviewed the matter only 15 minutes before making its decision. Furthermore, that committee condemned the Tellico project without even visiting the site. In fact, I am advised that no member of that Committee has visited the Little Tennessee River as it exists today.

The Endangered Species Committee made its decision based not on environmental issues but economic issues. Actually the committee made its decision not on the basis of sound economics, but rather by some creative accounting. The Endangered Species Committee would lead us to believe that the Tellico Dam project does not have a favorable benefit-to-cost ratio. The fact is the benefit-to-cost ratio has been calculated to be well above unity at 2.3 or 2.6 to 1. It is my understanding that there are several dozen other projects in this bill before us which have benefit-to-cost ratios much less than the Tellico benefit-to-cost ratio. So, Tellico Dam is an economic project. But the Endangered Species Committee would lead us to believe otherwise.

The Endangered Species Committee also said that if the Tellico Dam were to meet Bureau of Reclamation standards, another $14.5 million would have to be spent on the spillway. But Tellico is a substantially completed Tennessee Valley Authority dam, not a Bureau of Reclamation dam. And Tellico meets the spillway standards set by the TVA. In addition, I would pose the question: Why does not the Bureau of Reclamation go back and redesign its own dams that are already built and substantially complete? The Endangered Species Committee is saying to the TVA that it should comply with the guidelines of another agency. But that other agency is not going to the extreme suggested for Tellico. But the Endangered Species Committee does not tell us that.

Now, there are those who will say that since the Endangered Species Committee has made its decision, we should abide by it; that the Congress should let its own creation work its will. But I say to those who hold this opinion, that when Congress approved the Endangered Species Committee, this body did not abdicate its legislative responsibilities. It is clear the Endangered Species Committee did not make a thorough and objective review of this matter, therefore Congress must act.

Mr. President, I would like to mention one other benefit from the Tellico project before yielding the floor. This project will lead to the generation of electricity for 20,000 homes. I think all of us agree that this Nation is energy short. We should not turn our backs on any readily available energy source. Stop this project and destroy Tellico Dam and you are shutting off electricity to a town the size of Reston, Va.

Mr. President, the amendment of the House is a logical, sensible approach to ending this ridiculous impasse. The Supreme Court in its opinion invited the Congress to have the final say. Let us agree with the House and put this issue behind us so this body can get on with more important legislation.

Mr. President, the Tellico Dam is a reality. It exists. It has the almost unanimous support of the people of the area, as has been pointed out by the distinguished chairman of the subcommittee, Senator JOHNSTON. We have spent $111 million on this project already; it would cost another $24 million to tear it down. Provision has been made for the snail darter—it is thriving in another habitat.

I think the mood of the American people is clear—do not waste our money. Approval of the House position is a logical, economic conclusion to the current problem. To destroy this dam—to fail to utilize this needed public facility—would be utter waste.

That is the issue before the Senate today.

The PRESIDING OFFICER. Is there further discussion?

Mr. CHAFEE. Mr. President, who controls the time here? Could I take 30 seconds and ask the Senator from Tennessee one question?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CULVER. Mr. President, if he yields time.

The PRESIDING OFFICER. Does anyone yield time to the Senator from Rhode Island?

Mr. CULVER. I yield time to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I wish to ask the Senator from Tennessee one question. He said $100 million has been spent on this dam. I think it is not so, that $22 million has been spent on the construction of the dam, and the balance of the funds is for the purchase of the acreage that is going to be flooded. In other words, we are not looking at a $100 million dam.

Mr. SASSER. I say to the Senator from Rhode Island that $22.5 million has been used for the construction of the dam. But this figure does not include the additional cost of the canal built to connect Tellico with the Fort Loudoun Reservoir or the cost of numerous other improvements that were built to serve the perimeter of the proposed lake, the waters of which were to be impounded by the Tellico Dam itself.

Mr. CHAFEE. I thank the Senator very much.

Mr. SASSER. I just might say that 348 families have moved and the land entirely cleared for this project. All buildings, fences, and trees, have been removed or dismantled; roads have been abandoned; bridges have been removed, et cetera.

The PRESIDING OFFICER. The Chair will clarify that the time is controlled by the Senator from Louisiana and the Senator from Iowa.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. JOHNSTON. I yield 30 seconds.

Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the Chair and thank my colleague from Louisiana.

Mr. President, I hope this is the last time around. I hope that we can resolve this issue once and for all, and I hope finally reason will prevail.

I trust that at this time the Senate will concur in the position taken so overwhelmingly by the House of Representatives and let us get on with the business of utilizing a dam that is 99 percent complete—it will supply electricity for heating 20,000 homes—and proceed to completion with the project that was authorized before I ever came to the Senate.

Mr. President, the remarks that I made on this subject so often in the past do not bear repetition here, and I will not burden the Senate except to say that if we have any serious intent to solve the energy shortage in this country, to make a reasonable and decent balancing judgment on the requirement of the Environmental Policy Act on the one hand and social necessity on the other, this in my judgment is a perfect example of it.

Mr. President, the awful beast is back. The Tennessee snail darter, the bane of my existence, the nemesis of my golden years, the bold perverter of the Endangered Species Act is back.

He is still insisting that the Tellico Dam on the Little Tennessee River—a dam that is now 99 percent complete—be destroyed.

In the midst of a national energy crisis, the snail darter demands that we scuttle a project that would produce 200 million kilowatt hours of hydroelectric power and save an estimated 15 million gallons of oil.

Although other residences have been found in which he can thrive quite serenely, the snail darter stubbornly insists on keeping this particular stretch of the Little Tennessee River as his principal domicile.

In 1975 and 1976, more than 700 snail darter pioneers journeyed from the Little Tennessee to the Hiwassee River, also in Tennessee, and the latest snail darter census, taken in 1978, showed 2,500 of these wonderful fish going about their business in the Hiwassee River. A new snail darter subdivision is taking hold in the Holston River, as well.

Let me stress again, Mr. President, that this is fine with me. I have nothing personal against the snail darter. He seems to be quite a nice little fish, as fish go.

But it occurs to me that he should not have the ultimate veto power over his choice of residences, especially when a major energy-producing dam lies all but 1 percent complete on the snail darter's original front porch.

Frankly, Mr. President, I am beginning to question his motives. This 2-inch terror kept the lowest profile of all God's creatures for thousands of years until a relatively short time ago, but now he seems to enjoy the publicity.

Perhaps if we gave him a cover story in Time or Newsweek, or got him a feature on the CBS evening news or an interview with Barbara Walters, his lust for fame might be fulfilled and he would leave us alone.

Now seriously, Mr. President, the snail darter has become an unfortunate symbol of environmental extremism, and this kind of extremism, if rewarded and allowed to persist, will spell doom to the environmental protection movement in this country more surely and more quickly than anything else.

I am seriously concerned that if present trends continue, the Endangered Species Act will be perverted from its original intent as the means of protection of endangered species and be used instead as a convenient device to challenge any and all Federal projects.

If the snail darter can be found in the Little Tennessee River, there is a snail darter or some equally obscure creature in every river and under every rock in America. Opponents of public works projects will have a virtually limitless arsenal of weapons with which to do battle.

We who voted for the Endangered Species Act with the honest intention of protecting such glories of nature as the wolf, the eagle, and other treasures have found that extremists with wholly different motives are using this noble act for meanly obstructive ends.

That is precisely what has happened in the case of the snail darter against Tellico Dam, and if this perversion of the law is allowed to continue, the law itself will soon stand in jeopardy—and that will be the ultimate environmental tragedy.

We must not let that happen, Mr. President. The House has given us another opportunity to set things right, and at long last we should take it. I implore my colleagues to seize this opportunity to redeem our commitment to energy production while not forsaking our commitment to environmental protection, to turn away from extremism toward reason, to save both the darter and the dam.

I urge the adoption of the conference report as written.

Mr. STENNIS. Mr. President, will the Senator yield to me just for a brief observation?

Mr. BAKER. I yield.

Mr. STENNIS. My mind goes back to the points the Senator made, the history of this matter, the development of it, the authorization and appropriations, and the building. I heartily agree with his point about energy.

We are right on the brink—I do not mean a brink of disaster—but we are on a brink of having to make preparations for the future, the future of others who are younger than we are.

It is a small amount involved here of further investment. It just makes me feel good to think that such a small amount will finish this project and put it in operation and create energy.

I commend the Senator for his position. I do not think it is prompted by the proximity of it to his State. There are people involved and energy involved. There is very little additional money involved.

I hope we take the stand the House of Representatives did.

Mr. BAKER. Mr. President, I thank my friend from Mississippi and I thoroughly concur and agree.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. I will just be interested in hearing from the sponsor of the motion to recede and accept the House position as to why he is sponsoring that amendment. I think under those circumstances one who may find himself in opposition to it could address the argument that has been advanced.

Mr. JOHNSTON. Very well, Mr. President. How much time is remaining?

The PRESIDING OFFICER. Seventeen minutes and fifteen seconds.

Mr. JOHNSTON. Mr. President, I yield myself 5 minutes.

Mr. President, this matter has indeed been debated a great deal. There may be no open minds on the question. That is regrettable because I think it is a rather clear question.

Let me just cover two points that have not been covered before.

First of all, if you want an energy and water resources bill, in my judgment, we are going to have to drop the snail darter. We are going to have to build the Tellico Dam.

Why is that? Because the Senate was closely divided 53 to 45 on the question last time. The House brought it up and reconsidered and by a vote of 156 ayes and 258 nays voted against the Senate amendment and then voted to insist on their language. They made it perfectly clear that no Tellico—no bill.

I commend that to my colleagues to think about.

I do not give it to you as a threat. I pass it along to you as what I think are the facts in the matter.

We know the dam is 98-percent complete with $110 million spent. We know that the snail darter and in fact the endangered species law is irrelevant to this whole matter. I think the most telling argument in the minds of some people has been the fact that in their view it costs more to complete the dam than the benefits are. That has come up over and over again in the argument.

Mr. President, that argument is patently unsound and untrue. TVA and the Department of the Interior task force did a study on it, Mr. President, and came up with a benefits-to-remaining-costs ratio of somewhere between 2.3 to 1 and 2.6 to 1.

Where did these figures, then, come from that the Secretary of the Interior has been talking about? Well, I will tell you where those figures came from, and how they got them. Not satisfied with the TVA and the Department of the Interior figures, the staff of this committee created under this law did their own investigation, using novel, untried, brand new methods, and having done that, they said it would cost more to complete than the benefits.

What were their methods? First of all, they took an interest rate of 10 percent—for opportunity—costs of land for an annual cost estimate which is not sanctioned in law, not used anywhere else in the law, and said, "We are just going to use 10 percent."

Second, they took another novel approach. They said, "We are going to consider the land that has been purchased at its highest opportunity cost."

What does that mean? The cost they figure they can sell it at. Can you imagine, having exappropriated this land from farmers and other landowners to build the dam, turning around and selling the land for some other use to some other farmers, and the Federal Government pocketing the profits? It is patently absurd to think about doing that, unfair, and probably unconstitutional, because property can be exappropriated only for public use under the Constitution.

Nevertheless, they did that. But the key thing is the value they put on the property. First of all, they took the highest sales in Blount and Loudon Counties, the highest sales, and figured that in at an average cost of over $1,000 an acre for some of this land which is so rocky, hilly, and unusable that you cannot even farm on it. And having done that, they took land, the comparable sales, according to them, in Blount and Loudon Counties, when most of the land is in Monroe County.

Mr. President, there are 38,000 acres involved here, and only a portion of that was even used for farming. Of that which was used for farming, much of the topsoil has been scraped off to use for fill for roads, the damsite, and bridges surrounding it. All the roads have been taken out. If you were going to go back to farming use, you would have to spend an estimated $37 million to put back in the 60 miles of roads, not to mention the bridges or the cost of topsoil, or utilities.

So, Mr. President, to say it costs more to complete this thing than you get in benefits is patently absurd. They added other items. The fact of the matter is that electricity for 20,000 homes can be produced from the reservoir waters, really just by closing the dam.

Let me say one final thing here, Mr. President. We keep hearing all this talk about solar energy being able to provide 20 percent of the Nation's energy resources. A very important part of that 20 percent is hydroelectric, which is defined as solar energy, and that thrust of solar energy and hydroelectric is unanimously supported by the environmental community.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. One more minute.

The problem is, Mr. President, when we get from the general to the specific and start talking about specific projects, we are always opposed. We are opposed on this one, even though $110 million is invested and it is 98 percent completed. We are opposed on the Dickey-Lincoln Dam, and I will bet you if we try to build any dams in Washington and Oregon, where we have sites, we will be opposed there too.

Mr. President, we have to start somewhere. If we cannot start with this one, 98 percent complete, capable of producing additional electricity for 20,000 homes, we cannot start anywhere. The snail darter is irrelevant. If we cannot start with this one, we might as well quit, Mr. President. Every time we have some problem—this kind of problem with synfuels, that kind of problem with oil and gas development, another kind of problem with coal. This is the cleanest and cheapest kind of energy we can get. I urge the Senate to get about it, and let us produce the energy.

Mr. CULVER. Mr. President, I rise in opposition to the motion to recede and accept the House position.

The Senate has expressed itself on several occasions, twice within the last few months, on this issue, and I think very creditably has upheld the integrity of the Endangered Species Act, as well as the report and recommendations of the Endangered Species Committee, which was the child of the Culver-Baker amendment to the Endangered Species Act last year, and which recommended unanimously that this dam not be completed, and that it is not in the public interest that it be completed.

The distinguished floor manager has said that if we do not go ahead and accept the House position on this issue, and say "You get a green light to a project that has not demonstrated its economic viability or justification on a cost-benefit ratio," and that has suitable alternatives which are in the public interest, that somehow, because the House conferees threaten us—threaten us that we will have no bill—that suddenly we are to repudiate the conscientious effort of the Senate for the past year, and accept that kind of logic.

What we are talking about here, make no mistake about it, is not only the waiver of the Endangered Species Act, not only opening up the floodgates for countless subsequent representations of a similar nature to the Senate, where we are going to have to sit in judgment and make these highly complex decisions regarding endangered species, but also waiving all laws—all laws and all Federal statutes entered into that impact on this project.

What is the justification? Because the House of Representatives might not give us a bill if we do the right thing and reject that kind of ultimatum and threat. Well, I have respect for the integrity and the persuasiveness of the conferees on the Senate side and believe they will represent with fidelity the position expressed on innumerable occasions by the Senate as a body, and uphold the appropriate and just solution of this problem.

Mr. President, as I have stated so often in the past, as a matter of fact twice in just the last 3 months, the Tellico Dam in Tennessee should not be exempted from the Endangered Species Act. For any of my colleagues who, after voting twice on this matter, remain in a quandry as to how to cast their votes today yet a third time, let me once again outline the pertinent facts of the issues.

The Tellico Dam project is not economically viable. To date, the Tellico has cost $103.2 million but only $22.5 million of that is in actual dam construction. The remainder is in roads, land and many other recoverable costs which could be beneficially used in an alternative river development program outlined by TVA.

The Endangered Species Committee, which was created by last year's Culver-Baker amendment to provide flexibility to the Endangered Species Act, analyzed the benefits of completing the Tellico Dam. The representative from the State of Tennessee joined the rest of his Endangered Species Committee members in unanimously concluding that the Tellico project would cost an additional $35 million to complete and would then annually cost $720,000 more than it would provide in benefits.

The distinguished economist, Charles Schultze, the Chairman of the President's Council of Economic Advisors and also a member of the Endangered Species Committee stated:

> Here is a project that is 95 percent complete, and if one takes just the cost of finishing it against the total project benefits, it doesn't pay, which says something about the original project design.

Mr. President, it is very interesting to note the points raised in a letter from OMB written on September 10, 1979, to me. I ask unanimous consent that its entire contents be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., September 10, 1979.
Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: I want to take this opportunity to emphasize the strong objections of the Administration to the Tellico project, which I understand will be coming up for floor consideration in connection with action on the conference report on H.R. 4388, the Energy and Water Development Appropriations Bill.

The Tellico Dam was rejected by a special seven-member Endangered Species Committee, chaired by Secretary Andrus, which was created by the Congress specifically to resolve conflicts arising under the Endangered Species Act. While the Dam was originally halted for environmental reasons, the Committee unanimously found that the project clearly lacked economic justification. Annual benefits of $6.52 million are well outweighed by annual costs of $7.25 million. In short, the project does not meet the test of economic merit applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case.

In a period of fiscal stringency, I believe it is critical that only those projects which were clearly justified receive scarce Federal funds; and I am, therefore, hopeful that when the Senate acts on H.R. 4388, it will delete language in the bill which would direct completion of construction of the Tellico project.

Sincerely,

JOHN P. WHITE,
Deputy Director.

Mr. CULVER. John White, Deputy Director of OMB, wrote in part that while the dam was originally halted for environmental reasons, the seven member Endangered Species Committee unanimously found that the project clearly lacked economic justification.

Mr. President, I repeat, that committee, that seven member committee, in its unanimous vote said the Tellico lacked economic justification.

Says Mr. John White:

> Annual benefits, of $6.52 million are well outweighed by annual costs of $7.25 million.

According to Mr. White, the project does not meet the test of economic merit "applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case."

Mr. President, it baffles me that those who are coming forward in the most vigorous support of the position of the distinguished floor manager of this bill are the very ones talking about the need for a balanced budget, who are talking about the need to eliminate waste and inefficiency in our Federal expenditures in our fight against inflation.

Mr. White goes on to say:

> In a period of fiscal stringency, I believe it is critical that only those projects which

are clearly justified receive scarce Federal funds.

He continues that OMB hopes the Senate will sustain its earlier position.

The distinguished Senator from Rhode Island asked a question of the Senator from Tennessee about the amount of money that has been spent on the Tellico. Let us get it straight.

To date, the Tellico has cost $103.2 million, but only $22.5 million, as has been pointed out by the Senator from Tennessee, has been spent on the dam itself. All the remainder of Federal expenditures is in roads, in land condemnation, and many other recoverable benefits and costs which could be beneficially used in an alternative river development program outlined by TVA.

In addition, Mr. President, this project would remove from production approximately 14,000 acres of prime agricultural land. We are losing in America today 1 million acres annually to nonfarm uses. We are losing in America today 3 to 4 billion acres in soil erosion alone every year. Completing the Tellico will only add to and accelerate these trends and developments. I recently received a letter from the Department of Agriculture expressing their concern for the destruction of prime farmland that would be caused by the Tellico. I ask unanimous consent that the letter be printed in the RECORD at this point.

The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 6, 1979.

Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: Your concern for the preservation of prime farmland is recognized and appreciated. For that reason, we felt that the following information concerning the proposed Tellico Dam Project in Tennessee would be of interest.

Thirty-eight per cent, or 13,935 acres of the total project area has been designated as either Prime Farmland (USDA definition) or Lands of Statewide Importance (defined by USDA and Tennessee State Government). In the reservoir area, 6,721 or 46 per cent of the total 14,159 acres were designated as Prime Farmland or Lands of Statewide Importance.

The loss of more than two square miles of the most productive farmland of a local region is always of concern. However, in Eastern Tennessee the occurrence of such a large block of the best farmland is rare, and its possible loss is of serious concern. The loss of the large block of land formerly used to grow corn, grain sorghum and alfalfa has a severe impact on the local farming economy.

The local area has suffered not only the lost tax revenue from the 36,159 acres of land purchased for the project, but the loss of the land's contribution to the important farm industry of the area as well. We suggest, then, any further evaluations of the economic viability of continuing with the inundation of these important farmlands include a complete identification of the direct and indirect impacts on the agricultural economy.

If the Tellico Dam Project is to proceed as originally planned, the new residential, industrial, and vocational uses of the project lands would be substantial. The additional land use changes brought about outside of the project area might add an important increment to the already large direct and indirect impacts. We are concerned about this fact, and enclose a fact sheet on the land quality of the project area for your use.

Thank you for your keen interest in this country's farmland.

Sincerely,

JIM WILLIAMS,
Acting Secretary.

TELLICO PROJECT, LAND QUALITY

	Acres	Percent of total
1. Normal pool elevation: 813 ft above mean sea level		
2. 38,000 acres in total project, 36,159 acres of land in project		
3. Land quality, total project:		
Prime farmland	8, 447	23
Lands of statewide importance	5, 488	15
Undesignated	22, 224	62
Total	36, 159	100
4. Land quality, reservoir area (813 ft):		
Prime farmland	6, 500	46
Lands of statewide importance	1, 221	9
Undesignated	6, 438	45
Total	14, 159	100
5. Land quality, area outside reservior (813 ft):		
Prime farmland	1, 947	9
Lands of statewide importance	4, 267	19
Undesignated	15, 786	72
Total	22, 000	100

Mr. CULVER. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes and 40 seconds.

Mr. CULVER. I have only used 8, have I not? I asked for 5 minutes and 3 minutes.

The PRESIDING OFFICER. The time that was utilized by the Senator from Rhode Island was charged to the Senator from Iowa.

Mr. CULVER. So how much do I have?

The PRESIDING OFFICER. Five minutes and 27 seconds.

Mr. CULVER. I reserve that time.

Mr. JOHNSTON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 1 minute and 2 seconds.

Mr. JOHNSTON. Mr. President, obviously, the Senator from Iowa wants to have the last bite at the apple, and I feel inclined to give it to him.

Mr. President, obviously, this is an Alice in Wonderland argument. It does not cost $35 million to complete the dam. It will cost about $2.3 million to finish up minor work and close the gates. Who says $35 million? This Endangered Species Committee whose recommendations are patently—I will not say, Mr. President, fraudulent, but patently wrong.

Mr. President, how do you suppose they are going to get this land back into farm use that they keep talking about? Are they going to give it back to the farmers, or sell it to them? Oh, no. What they have in mind is to make some kind of wild and scenic free-flowing river park. This is not even a free-flowing, wild river; it is backwater or tailwater, with dams upstream and a reservoir below.

Mr. President, this is so clear: With about $1.8 million to $3 million the dam is complete as originally designed. They have to do some minor work—just a very small part—to close this dam. And it will give additional hydroelectric power for 20,000 people, hydroelectric power, flood control, navigation and recreation benefits. And it is then complete.

How this Senate, this Congress, can come in with a project that is essentially complete and, for some asinine reason like the Endangered Species Act, which does not even preserve the endangered species—that is irrelevant here. It has already been transplanted. How we can do that, Mr. President, I do not know. I hope we shall act in good sense and approve the Tellico Dam.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CULVER. Mr. President, I shall take 3 minutes of my time.

You know, Mr. President, it is an old trick, of course, in a legislative body that if you have a convenient train passing a window that has some trendy appeal to it as a political issue, grab onto it. If energy is the name of the game, we shall trot that out as a justification to do anything in the name of progress. Let us just look at how fallacious that whole argument is.

The fact of the matter is that the Tellico Dam would provide only negligible power at best. The amount of energy the Tellico produces is insignificant. It is less than 23 megawatts, Mr. President. This represents less than one one-thousandth of TVA's total capacity at this time, which is in excess of 27,000 megawatts. TVA's planned capacity for 1985 is in excess of 40,000 megawatts. TVA does not need the additional energy from the Tellico dam project.

Demand within the system is rising currently at less than 4 percent a year, instead of the previous rate, Mr. President, of 6 to 7 percent a year. A 1978 GAO report projects that at the current rate of expansion, there could be an excess power capability, in the TVA system, ranging from 6,700 to 24,800 megawatts in the year 2000. Because of this, TVA today is in fact deferring four power units that are nuclear that would produce an additional 5,200 megawatts.

The proponents of the project speak of energy as if it were free. It is not. To get the 23 megawatts that are being spoken of, we have to spend an additional $35 million. What they are really advocating is, to get these additional 23 megawatts that we do not need, we have to spend an additional $35 million to flood $40 million worth of prime farmland and spend $720,000 after that annually, over and above the project benefits.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CULVER. Mr. President, I give myself an additional 30 seconds.

The snail darter is endangered. There are two populations of snail darters today that we know of in this area, one in the

Little Tennessee and one in the Hiawassee River. The Little Tennessee population would be destroyed if the gates of this dam were closed.

In a survey this year, the Fish and Wildlife Service found the number of young snail darters down in the Hiawassee River. The Fish and Wildlife Service considers the snail darter an endangered species. More importantly, there are no pending petitions from any Members of the Senate or any other group or party to reconsider this position.

Finally, Mr. President, in addition to ordering the completion of a dam which is environmentally and, most importantly today, economically unsound, the exemption would violate the jurisdictional prerogatives of the Environment and Public Works Committee, which, after all, is the committee of legislative jurisdiction here, which has carefully considered this issue, and which has rejected a Tellico exemption by a vote of 10 to 3. This is legislating on an appropriations bill and should not even be germane.

By approving the Tellico exemption, the Senate would also undermine an equitable solution it adopted just last year, a Cabinet-level review committee to resolve conflicts between endangered species and other legislation that it needs.

Mr. President, I again urge my colleagues to reject an exemption for the Tellico and ask that an eloquent defense of this position by former Senator James C. Buckley which appeared recently in the Washington Post be printed in the Record at this point.

[From the Washington Post, Sept. 4, 1979]

In Defense of Snail Darters

(By James L. Buckley)

Few laws in recent years have caused such apoplexy among so-called practical men of affairs as the Endangered Species Act of 1973. It first burst upon the public consciousness two years ago when it was invoked to scuttle projected dams in Tennessee and Maine: the first to save a nondescript little fish called the snail darter, and the other, an inconspicuous flower called the furbish lousewort.

It is idiotic, cry the practical men of affairs, to allow sentimentality over a few hundred weeds or minnows to stand in the way of progress. It is irresponsible, reply the conservationists, to destroy forever a unique pool of genetic material; and the conservationists can marshal a host of non-sentimental arguments in support of what many consider to be the most important environmental legislation of this decade.

Of what good is a snail darter? As practical men measure "good," probably none; but we simply don't know. What value would they have placed on the cowpox virus before Pasteur; or on penicillium molds (other than those inhabiting blue cheeses) before Fleming; or on wild rubber trees before Goodyear learned to vulcanize their sap? Yet the life of almost every American is profoundly different because of these species.

Fully 40 percent of modern drugs have been derived from nature. Most of the food man eats comes from only about 20 out of the thousands of plants known to be edible. And even those currently being cultivated require the preservation of large pools of genetic materials on which plant scientists can draw in order to maintain their vigor and produce more useful strains. Only recently a perennial plant was discovered in a remote mountain region in Mexico that crossbreeds with corn. This grass may revolutionize the production of one of the world's most important foods. Had practical men of affairs been in charge of building dams in the Mexican sierras, however, it might have been lost—forever.

This century has witnessed over half the extinctions of animal species known to have occurred during recorded history; and largely because of the vast scale on which tropical rain forests are now being cut around the world, it is estimated that upward of a million additional species—about 20 percent of those now in existence—may become extinct by the year 2000.

The Endangered Species Act was enacted to slow down this accelerating rate of man-caused extinctions. Its purpose is not only to help save species that might prove of direct value to man, but to help preserve the biological diversity that provides the fundamental support system for man and other life.

As living creatures, the more we understand of biological processes, the more wisely we will be able to manage ourselves. Thus the deliberate extermination of a species can be an act of recklessness. By permitting high rates of extinction to continue, we literally limit the potential growth of biological knowledge. In essence, the process is tantamount to book burning; but it is even worse, in that it involves books yet to be deciphered and read.

As originally enacted, the legislation was defective, but not for the reasons given by those for whom the snail darter has become the symbol of environmental extremism. As correctly interpreted by the Supreme Court, the act prohibited any federally financed activity that might lead to the extermination of any species. Critics were quick to point out that the legislation rendered unlawful America's contribution to the now successful effort to exterminate smallpox. Man cannot escape the need to make difficult choices, and such choices will necessarily be made in the context of man's perception of his own best interests. The best one can hope for, therefore, is to establish safeguards that will tend to assure that those unavoidable choices will reflect a truly enlightened view of where those best interests lie.

This need to provide for some exceptions from the operation of the act was the focus of a sometimes bitter debate leading to the adoption of a series of amendments on the last day of the 95th Congress. They have been damned with equal vehemence by total protectionists and the bulldozer set—which suggests that the Congress may, on the whole, have worked out as reasonable a compromise as can be expected in any area giving rise to such strong emotion. Conservationists, for example, are concerned that the criteria for exemptions are too loosely drawn, but they can take heart from the fact that in the first two tests under the amended act, the Cabinet-level committee appointed under its terms unanimously voted against the completion of the Tellico Dam in Tennessee, and to require the safeguarding of vital whooping crane feeding grounds as a condition for approving the completion of the Greylocks Dam in Wyoming. The Greylocks decision suggests that progress and protection are not mutually exclusive objectives.

One might contend, of course, that our country's biological diversity is still so great and the land so developed—so criss-crossed with the works of man—that it will soon be hard to locate a dam anywhere in which some species would not be endangered. But as we develop a national inventory of endangered species, we certainly can plan our necessary developments so as to exterminate the smallest number possible, if not preclude man-caused extinction altogether. This, of course, is what the legislation, as amended, is intended to accomplish.

This objective represents a quantum jump in man's acknowledgement of his moral responsibility for the integrity of the natural world he passes on to future generations. It is this that lends the Endangered Species significance. It recognizes values, be they ethical or aesthetic, that transcend the purely practical and admit to an awe in the face of the diversity of creation.

The PRESIDING OFFICER. The Senator is reminded that he has 34 seconds remaining.

Mr. CULVER. I reserve that time.

Mr. JOHNSTON. Mr. President, I ask that a copy of a letter with a fact sheet from Representative "Bennie" Stafford, of Loudoun and Blount Counties, and Representative Bob Harrill of Monroe and McMinn Counties be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

September 1, 1979.

Hon. J. Bennett Johnston,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Johnston: We wish to thank you for your assistance and your vote when the Senate last considered the Tellico Dam and Reservoir Project in east Tennessee. This means a great deal to us and to our people, and we earnestly hope that when the matter again reaches the Senate in the near future, enough additional Senators will join you and the other supporters to finally pass the amendment which will make completion possible.

Since so much inaccurate information has been circulated about this project and so many misleading statements have been made, we have prepared the two pieces of *factual* material which are enclosed. Copies of each have been sent to every Senator who voted against this project on July 17, and we hope a better understanding of the true facts will cause some of them to change their minds and vote with you to settle this matter in the only sensible way, namely, by putting this project to work in order that the public's investment may be justified.

You may recall that the charge was made during the last Senate debate that the adoption by the House of Representatives of Congressman John Duncan's amendment was done in a manner which did not reflect the true intent of the House. That charge can no longer be made, and it has been resoundingly refuted by the House vote taken on August 2. Following more than one hour of debate, the House strongly reaffirmed its decision that this project should be completed by a vote of 258 to 156, with a majority of both parties voting in favor of completion. We trust that the Senate will now adopt the amendment, and we feel the House vote should help make that possible.

You will note in the text on the enclosed photographs some pertinent facts which were obviously not known to some Senators who voted against the project; for example, that the people have already moved out of the reservoir and that all farm buildings and improvements, such as fencing, have been removed; that utility lines have been taken out and roads and bridges destroyed.

The cost of refitting the cleared reservoir area for any other use would probably exceed the value of the land by a wide margin. Only completion will produce the low-cost hydroelectric power which we need. Only completion will give us the flood control, navigation, and job opportunities which our people want and need so badly.

May we again thank you for your past help, and we hope you will assist us to see that this long controversy is ended by completing the project for the purposes for which it was authorized by Congress and built by TVA.

M. F. "Benny" Stafford,
State Representative, Loudon and Blount Counties.
Bob E. Harrill,
State Representative, Monroe and McMinn Counties.
Clyde McMahan,
County Judge, Blount County.
Charles Eblen,
Mayor, Lenoir City (Loudon County).
Charles Hall,
Mayor, Tellico Plains (Monroe County).

Facts on the Tellico Project

Much misleading and erroneous information has been circulated concerning the Tellico project. An example is the letter of Secretary Andrus to Senator Magnuson dated July 16, 1979, a copy of which was sent to each member of the Senate. Statements of the Secretary are followed by the facts regarding each statement.

Andrus. "The annual benefits of the project are $6.52 million, compared to annual costs of $7.25 million."

Facts. Annual benefits and costs were jointly computed by a TVA-DOI Task Force in a report released August 10, 1978, as follows:

Total annual benefits, $4.95–$5.76 million. Total annual costs, $2.18 million. For a benefit-cost ratio of 2.3–2.6:1.

The TVA report to the Endangered Species Committee in December 1978 included recomputed benefits for a total annual benefit of $7,215,000 versus annual costs of $2,180,000 for a benefit ratio of 3.3:1. The Endangered Species Committee's staff made its own computation of annual costs adding $4.03 million per year as a penalty for failure to sell the land acquired for the project back to the public at a profit. Estimated land value was arrived at by using the highest value for land sold in Blount and Loudon Counties, applying it to the least valuable category of the land acquired, and ignoring Monroe County, in which most of the land actually lies. Moreover, an arbitrary discount figure of 10 percent was used rather than the Congressionally mandated rate prescribed by the Water Resources Council of 6⅝ percent. The Committee's calculations are erroneous, as is the statement of the Secretary based thereon. TVA outlined its plans for land acquisition and use to the Congress in 1967, those plans were accepted and approved, and TVA was directed to proceed accordingly. It has done so, and the land is in public ownership and ready for use for the purposes for which it was acquired. If and when some project lands are sold for recreational and industrial development, proceeds will amount to a recovery of a portion of the costs of the project and will constitute a benefit—not an annual cost.

Andrus. "Although project costs to date total $103.2 million, only $22.5 million has been sunk into actual construction of the dam. Remaining expenditures were for salaries, land acquisition, road construction, and the like, most of which have produced or will produce benefits regardless of whether the dam is completed."

Facts. The figure of $22.5 million used for construction of the dam is misleading; it does not include the costs of the canal built to connect Tellico to Fort Loudoun Reservoir, or the costs of the road system built to serve the perimeter of the proposed lake. The entire reservoir area has been cleared; 348 families have moved out; all buildings, fences, trees, and water supplies have been removed or dismantled; roads have been abandoned; bridges removed; and 16,000 acres have been readied for the reservoir. The failure to complete the project as built would necessitate rebuilding many miles of roads, many bridges, and refitting the land for other than reservoir use. The Secretary ignores these costs. Only completion of the project as planned and built provides any benefits for electric power generation, flood control, and industrial development using the navigable waterway which would be created.

Andrus. "Tellico does not meet current Bureau of Reclamation standards for dam safety. In its 1978 report, TVA states that the maximum design flood is larger than the maximum flood that can be contained by the dam. That is, in the event of such a flood, the dam would be overtopped and breached, resulting in more significant destruction than if the dam had not been built. Furthermore, for less severe floods, flood control benefits are slight, total $1.04 million annually, and a substantial portion of these benefits are achieved by other means such as local zoning."

Facts. The Tellico project is designed to pass the maximum probable flood from the Little Tennessee watershed without hazard to the dam. Such a flood would be far greater than any experienced in the east Tennessee region, and represents a safe and conservative basis for design of the Tellico project in the judgment of TVA engineers. Apparently, DOI's Bureau of Reclamation envisions some flood which would overtop the structure. In the event of such an unlikely condition, the dam would not suffer significant damage because the water level below the dam would be almost as high as that above due to flooding of the main river. The same is true of all relatively low dams such as Tellico and all of the TVA-built main river dams on the Tennessee River. TVA has a perfect record of safety for its system of both high and low dams in the Tennessee River Valley. The value of Tellico for flood control purposes can be simply illustrated. If completed, it will bring under control a large watershed which is presently unregulated by the TVA system. Had completion not been delayed by environmental litigation, the Tellico Reservoir could have saved the city of Chattanooga over $15 million (12 percent of the project cost in one year alone) during the major flood which occurred in 1973. The floodcrest in Chattanooga would have been reduced by more than 2 feet. If the 1973 flood is repeated in 1980, the savings would amount to an additional $32 million in 1979 dollars, more than ¼ the cost of the entire project.

Andrus. "Although project proponents claim substantial energy benefits for Tellico, actual benefits total only $2.7 million annually, and are based on the cost saved by substituting 200 million kilowatt hours of hydro for power which would otherwise be generated by TVA's existing coal-fired and nuclear facilities."

Facts. The 200 million kilowatt hours of additional electricity made possible by completion of Tellico would enable 20,000 homeowners in the Tennessee Valley using oil for heating to convert to electricity. At the same time, TVA could avoid burning 15 million gallons of oil in its gas turbines which it must use to meet demand. This is also the energy equivalent of 90,000 tons of coal or 1.8 billion cubic feet of natural gas. Cost of generation of this power to TVA would be ⅒ that of equivalent oil-generated electricity. Hydro is the cheapest and cleanest power which TVA produces. TVA badly needs this additional power. It has been forced to buy high-cost power from neighboring utilities in each of the past three years and it has also reduced voltage in attempting to meet demand.

Andrus. "The dam itself has no generators, but rather creates water flow to provide additional generation for the nearby Fort Loudoun Dam. This electricity is not available as peaking power and does not add to the capacity of the TVA system."

Facts. Additional generation at Fort Loudoun by water diverted from the Little Tennessee was planned when the Fort Loudoun generators were installed. Completion of the project and the additional water flow will enable Fort Loudoun to meet an increased share of the peak load on the TVA system. It will add 200 million kilowatt hours per year, presently worth $2.7 million, to TVA's electric energy output, thereby enlarging its capacity to serve its customers by that amount of additional generation. While not a great addition to TVA's total generating capacity, it is a greater amount than that produced at ½ of the dams in the TVA system, and it can effect a saving of oil, coal, uranium, or gas which TVA would otherwise be forced to purchase and burn.

Andrus. "Annual recreation benefits of the free-flowing river alternative exceed those of the dam by $600,000."

Facts. The description of the lower 33 miles of the Little Tennessee River as "free-flowing" is inaccurate. This stretch of the river which is that affected by the Tellico project is actually tailwater below Chilhowee Dam. Six other major dams are upstream, including Fontana, one of the largest storage lakes in the TVA system. This makes the lower Little Tennessee one of the most completely regulated and controlled streams in America. The Secretary's statement as to recreation benefits is also erroneous since it is based on the assumption that demand for recreational facilities on a river equals that for lakeside facilities. Not one dollar of private capital has been invested on the "free-flowing" stretches of other rivers below other dams in east Tennessee; including the Holston, the French Broad, the Clinch, the Ocoee, or the Hiwassee. In contrast, many millions of dollars of private investment have been made in marinas, lodges, restaurants, vacation housing, boat clubs, camping areas, etc., on nearby lakes including Watts Bar and Fort Loudoun downstream, and Fontana upstream from the Tellico project area. In short, inflated and theoretical benefits were computed in order to make the river alternative acceptable. In so doing, the known facts in regard to actual demand and the resulting development on lakes in the area were intentionally ignored.

Andrus. "In addition to the various economic problems I have described, the Tellico amendment to H.R. 4388 overturns the deliberate and thoughtful processes designed by Congress to deal with conflicts between endangered species and development projects."

Facts. The Endangered Species Committee considered the Tellico project for 15 minutes. It acted on a staff report containing basic errors, some of which are pointed out above. Before the Committee could have granted an expansion, it was required to prescribe measures for conserving the snail darter or its critical habitat. At the very outset of the hearing, Dr. Robert K. Davis of the Committee staff made the following statement to the Committee: "The project which consists of a concrete and earthen dam would inundate the only habitat in which the snail darter is known to survive." This is not the truth. In 1975 and 1976 TVA, with DOI approval, moved 710 snail darters from the Little Tennessee to the nearby Hiwassee River. By 1978, the number had grown to over 2,500 specimens in the Hiwassee, and a second transplant, again with DOI approval, has been made to the Holston River. The latest count in the Little Tennessee showed a remaining population of 7 snail darters. The Hiwassee and the Holston are now the habitats—not the Little Tennessee. These facts were known to the Department of the Interior. The Committee was misinformed on this key point. The economic benefits from completion of the project in relationship to annual costs were also misrepresented. Had the Committee acted responsibly and in the light of an accurate factual presentation, this amendment would not have been necessary. Its failure to do so makes the adoption of the amendment essential in the public interest in order that the will of the Congress may be carried out.

(Prepared in the interest of truth, fairness, and common sense by Supporters for Completion of the Tellico Dam and Reservoir.)

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. How much time remains?

The PRESIDING OFFICER. The Senator has 27 seconds.

Mr. CULVER. On whose side?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. Does the other side have any time remaining, Mr. President?

The PRESIDING OFFICER. There is no time remaining to the other side.

Mr. CULVER. Mr. President, I will yield the remaining time to the Senator from Rhode Island.

I just point out, an exemption for Tellico will put the Senate squarely in the business every week in the months ahead having several of these kinds of exemptions we can play with over and over again.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 16 seconds.

Mr. CHAFEE. Mr. President, I merely note that this is extraordinary language. It provides that notwithstanding the provisions of 16 U.S.C., or any other law, TVA is authorized to proceed with this.

It means they are exempt from all other laws—workmen's compensation, clean water, historic preservation, Davis-Bacon—any other law that exists in the books, they are exempt from under the extraordinary language we are considering here.

The PRESIDING OFFICER. All time has expired. The question now is on agreeing to the motion that the Senate recede from its amendment No. 30. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there any Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 48, nays 44, as follows.

[Rollcall Vote No. 269 Leg.]

YEAS—48

Baker
Bellmon
Boren
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cochran
Danforth
Dole
Domenici
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hayakawa
Heflin
Helms
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Mathias
McClure
Morgan
Pryor
Ribicoff
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NAYS—44

Baucus
Bentsen
Biden
Boschwitz
Bradley
Chafee
Chiles
Church
Cohen
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Hart
Hatfield
Heinz
Hollings
Kennedy
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Randolph
Riegle
Roth
Sarbanes
Stafford
Stevenson
Stone
Tsongas
Weicker
Williams
Zorinsky

NOT VOTING—8

Armstrong
Bayh
Bumpers
Durenberger
Inouye
Muskie
Pell
Pressler

So the motion to recede from Senate amendment No. 30 was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on H.R. 4392 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 31, 1979.)

Mr. HOLLINGS. Mr. President, we will not be asking for a rollcall vote unless some of the Members wish it. I have checked that on the other side of the aisle.

I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I will support the conference agreement on the State, Justice, Commerce, the Judiciary and related agencies appropriation bill for fiscal year 1980. I point out to my colleagues, however, that the conference agreement fails to include my amendment to the Senate bill dealing with disaster assistance.

The purpose of that amendment was to push through needed reforms in the Farmers' Home and Small Business Administration disaster loan programs. These reforms were approved by the Senate in May as part of S. 918, the Small Business Act Amendments of 1979. Even though the House-passed companion bill contains similar provisions, conferees on the bill have been unable to reach agreement.

The deletion of my amendment from this appropriation conference agreement makes it imperative that the conferees on S. 918 continue efforts to iron out their differences. The Senate-passed disaster loan program reforms are necessary to realize legislative savings envisioned in the second budget resolution reported to the Senate. If those disaster loan provisions do not emerge from the conference on S. 918 intact, significant upward budget pressure will result.

I wish to ask the manager of the bill about the amendment that was in the Senate bill to bring about reforms in the Farmers' Home and Small Business Administration disaster loan program.

I understand that was dropped out of this bill, but there is a possibility we may——

Mr. HOLLINGS. It was dropped out of this bill but I am advised it will be in the Small Business Administration bill.

Mr. BELLMON. Which is S. 918?

Mr. HOLLINGS. Yes.

Mr. BELLMON. So that reform opportunity is not permanently lost?

Mr. HOLLINGS. Oh, no, sir. No, siree. And our distinguished ranking Republican Member, of course, the Senator from Connecticut (Mr. WEICKER), is the ranking Republican Member also on the small business bill. That opportunity is not lost.

Mr. MAGNUSON. Mr. President, I thank the distinguished chairman of the State, Justice, Commerce and Judiciary Subcommittee, the Senator from South Carolina (Mr. HOLLINGS), for the leadership and expediency he has shown in managing this bill.

The bill includes program increases in several areas under the jurisdiction of the National Oceanic and Atmospheric Administration. It includes $7,565,000 for Regional Fishery Management Council support. This appropriation will accelerate the implementation of the Fishery Conservation and Management Act of 1976 by the regional councils, by providing them with administrative and programmatic grants to develop fishery management plans for the various fisheries. The committee also directed that $1,300,000 in Saltonstall-Kennedy funds be used to fund anadromous fisheries programs, in order to address Pacific Northwest salmon conservation and management problems.

In addition, the bill provides the full amount requested, $1,100,000 and four positions, for NOAA's ocean use planning and assessment activities. Under title II of the Marine, Protection, Research, and Sanctuaries Act, and as trustee for living marine resources under the Outer Continental Shelf Lands Act Amendments of 1978, NOAA must conduct comprehensive research aimed at assessing the impact of human activities on ocean ecosystems. The appropriation will allow NOAA to initiate three new projects, as well as to continue three ongoing studies in this area.

Once again, I would like to commend the Senator from South Carolina (Mr. HOLLINGS) for the excellent job he has done in handling this bill.

Mr. HOLLINGS. Mr. President, the distinguished chairman of our Appropriations Committee, the Senator from Washington (Mr. MAGNUSON) followed through on the extension of that 200-mile limit. I am happy that our appropriations do now implement his 200-mile legislation.

Mr. MAGNUSON. The 200-mile limit has been very successful.

Mr. HOLLINGS. It has been very successful, and, as a matter of fact, actually increases the jurisdictional limits of the United States of America by about a third. And in the accomplishment of this desirable end, the Senator from Washington joined us individually and enthusiastically.

Mr. MAGNUSON. It actually extended our jurisdiction more than the Louisiana Purchase.

Mr. HOLLINGS. Exactly.

Mr. SASSER. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield to the distinguished Senator from Tennessee.

Mr. SASSER. It is my understanding that the House of Representatives insisted on its disagreement to amendment numbered 26 which provided funds for the International Energy Exposition to be held in 1982. The House, I understand, felt that since this project is not yet authorized, that the funding should be delayed without prejudice until the necessary authorization is approved by the Congress. Is that the understanding of the gentleman from South Carolina, the chairman of the subcommittee?

Mr. HOLLINGS. Yes, that is my understanding. In view of a lack of authorization, the House wanted to defer this appropriation at this time.

Mr. SASSER. If the Senator will yield further. The plan of participation and the administration bill has recently been sent to the Congress. In addition, several weeks ago, my colleague from Tennessee, Senator BAKER, and I introduced a bill to authorize Federal participation in this exposition. That bill is pending in the Committee on Foreign Relations. Similar legislation is being introduced in the House. So, I would say to my friend from South Carolina that the authorization should be forthcoming in the next few weeks. I would assume that once we are making progress on the authorization, we would be able to place the necessary funding on the next available supplemental appropriations bill. If my information is correct, there should be an energy supplemental before the end of the year. Does the Senator from South Carolina agree that these funds could be placed in the next available supplemental?

Mr. HOLLINGS. I would say to the distinguished Senator from Tennessee that once this exposition has been authorized, then it would be appropriate to place these funds on a supplemental.

Mr. SASSER. I thank the distinguished chairman of the subcommittee. With that assurance I will not urge the Senate to insist on its position. I feel that it would be appropriate, in view of the position of the House of Representatives, that we defer the funding of this exposition at this time without prejudice.

I thank the distinguished and able chairman of the subcommittee for yielding.

Mr. HOLLINGS. I thank my distinguished colleague for his understanding and cooperation. I will move at the appropriate time, Mr. President, that the Senate recede on amendment No. 26.

Mr. President, this conference report was printed as House Report 96–402, and the statement of the managers fully explains the conference agreement.

The conference on this bill was held on July 31 and it was a good session with both sides striving hard for their priorities but at the same time cooperating to work out a satisfactory final bill. Our session was presided over by the distinguished chairman of the House subcommittee, the Honorable JOHN M. SLACK of West Virginia, who has handled this bill for many years and skillfully developed this conference agreement. Throughout the conference our distinguished ranking minority member, the junior Senator from Connecticut (Mr. WEICKER), stood steadfastly with me in the subcommittee in defending the Senate's positions on the various matters. Senator WEICKER has been a tremendous assistance and a most valuable partner in the hearings and the deliberations on this bill.

The conference agreement amounts to $8,345,091,000 excluding the $20,800,000 for the Energy Exposition in Knoxville, Tenn., upon which we could not reach agreement. The conference agreement is $181,777,000 below the budget estimates, and is $803,842,000 below the amount appropriated for fiscal year 1979. The decrease from the current year is largely due to the nonrecurrence of the $1,020 billion recently appropriated to the disaster loan fund of the Small Business Administration. As is the usual practice, the disaster requirements will be handled by supplemental appropriations.

Briefly stated, the major Senate items retained in the conference include:

First. Endorsement of the Senate's action in withdrawing funds requested by the Department of State and the International Communications Agency for wage increases for foreign national personnel exceeding the 7 percent guidelines to American wage earners. The Secretary of State has indicated that he is compelled by Government decrees and other requirements to make wage increases for these personnel averaging 15.2 percent and ranging up to 45 percent in one country.

However, we have removed this compulsion by removing the funds, and now the compulsion on the Secretary of State is to conform to both the Presidential and congressional policy of 7 percent.

Second. All of the additional 75 positions over the original budget estimates provided by the Senate for the Land and Natural Resources Division of the Department of Justice; as well as 18 additional unbudgeted positions for the Civil Rights Division and 41 over the budget for the Criminal Division.

That is well taken, Mr. President, in the light of recent reports by the FBI on the increase in both personal and property crimes in the United States.

Third. The full $584,408,000 authorized for the Federal Bureau of Investigation, an increase of $8,800,000 over the request.

Fourth. The Senate increase for the Immigration and Naturalization Service of 495 positions over the budget request for augmentation of the border patrol; and funds to automate processing and recordkeeping in Immigration and Naturalization Service district offices and to improve the nonimmigrant document control system.

Fifth. The full amount approved by the Senate for the new Office of Justice Assistance, Research and Statistics, which replaces the LEAA. This amount is $100 million less than the amount requested for the LEAA-type activities in order to conform with the first concurrent budget resolution, but includes a $50 million increase to maintain the current level of the juvenile justice and delinquency prevention program.

Sixth. In the Department of Commerce we agreed to $604,900,000 for the periodic censuses including all of the additional funds the Senate approved for the 1980 decennial census, except the $9,500,000 for the contingency. The census officials are understandably anxious that conducting the census by the mail may not be as successful as planned. However, the fiscal year has been moved back by 3 months since the last census and there will be time to make an emergency supplemental if the need arises.

Elsewhere in the Department of Commerce, we retained the full $8 million allowed for continuation of the U.S. Travel Service; all of the Senate approved budget add-ons for the National Oceanic and Atmospheric Administration; half of our increase to the budget of the Patent and Trademark Office, which will hopefully improve the deteriorating situation in processing patents and trademarks; and the full amounts for the educational television facilities and ship construction programs.

Seventh. Our most intense negotiations were with regard to the Small Business Administration. There is a sharp difference in the outlook of the Small Business Committees of the Senate and House with regard to the role of the SBA. Our recommendations had followed the lead of our Small Business Committee that SBA should get out of the direct lending business and concentrate on a developmental role. However, the House side still sees a need for SBA direct lending. As a result the compromise amount includes $154 million more for SBA's direct lending programs than the Senate approved. However, the conferees did endorse many of the additions that the Senate approved in SBA's salaries and expenses program, including $6,500,000 for expansion of the small business development centers.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that gives the complete results of the conference in tabular form. The table includes a comparison of the conference agreement with new budget authority made in fiscal 1979, the budget estimates for fiscal 1980, and the amounts approved in the House and the Senate versions of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF STATE									
Administration of Foreign Affairs									
Salaries and expenses	$676, 505, 000	$715, 811, 000	$712, 700, 000	$712, 322, 000	$709, 011, 000	+$32, 506, 000	−$6, 800, 000	−$3, 689, 000	−$3, 311, 000
Representation allowances	2, 900, 000	3, 190, 000	3, 100, 000	3, 090, 000	3, 090, 000	+190, 000	−100, 000	−10, 000	
Acquisition, operation, and maintenance of buildings abroad	125, 177, 000	64, 443, 000	64, 000, 000	64, 000, 000	64, 000, 000	−61, 177, 000	−443, 000		
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	6, 025, 000	18, 150, 000	18, 150, 000	18, 150, 000	18, 150, 000	+12, 125, 000			
Emergencies in the diplomatic and consular service	2, 350, 000	2, 350, 000	2, 350, 000	2, 350, 000	2, 350, 000				
Payment to the American Institute in Taiwan		5, 954, 000		5, 954, 000	5, 954, 000	+5, 954, 000		+5, 954, 000	
Payment to the Foreign Service retirement and disability fund	41, 569, 000	43, 369, 000	43, 369, 000	43, 369, 000	43, 369, 000	+1, 800, 000			
Total, administration of foreign affairs	854, 526, 000	853, 267, 000	843, 669, 000	849, 235, 000	845, 924, 000	−8, 602, 000	−7, 343, 000	+2, 255, 000	−3, 311, 000
International Organizations and Conferences									
Contributions to international organizations	386, 033, 000	411, 552, 000	411, 500, 000	411, 552, 000	411, 500, 000	+25, 467, 000	−52, 000		−52, 000
Contributions for international peacekeeping activities	67, 000, 000	70, 000, 000	67, 000, 000	67, 000, 000	67, 000, 000		−3, 000, 000		
Missions to international organizations	12, 985, 000	14, 193, 000	13, 800, 000	13, 800, 000	13, 800, 000	+815, 000	−393, 000		
International conferences and contingencies	8, 000, 000	7, 200, 000	6, 700, 000	6, 700, 000	6, 700, 000	−1, 300, 000	−500, 000		
International trade negotiations	4, 717, 000					−4, 717, 000			
Total, international organizations and conferences	478, 735, 000	502, 945, 000	499, 000, 000	499, 052, 000	499, 000, 000	+20, 265, 000	−3, 945, 000		−52, 000
International Commissions									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	6, 989, 000	7, 708, 000	7, 700, 000	7, 700, 000	7, 700, 000	+711, 000	−8, 000		
Construction	3, 900, 000	8, 248, 000	8, 200, 000	8, 200, 000	8, 200, 000	+4, 300, 000	−48, 000		
American sections, international commissions	2, 565, 000	3, 261, 000	3, 200, 000	3, 200, 000	3, 200, 000	+635, 000	−61, 000		
International fisheries commissions	6, 600, 000	7, 516, 000	7, 500, 000	7, 500, 000	7, 500, 000	+900, 000	−16, 000		
Total, international commissions	20, 054, 000	26, 733, 000	26, 600, 000	26, 600, 000	26, 600, 000	+6, 546, 000	−133, 000		
Other									
United States-Yugoslavia Bilateral Science and Technology Agreement		7, 000, 000	500, 000	500, 000	500, 000	+500, 000	−6, 500, 000		
Total, title I, new budget (obligational) authority, Department of State	1, 353, 315, 000	1, 389, 945, 000	1, 369, 769, 000	1, 375, 387, 000	1, 372, 024, 000	+18, 709, 000	−17, 921, 000	+2, 255, 000	−3, 363, 000
TITLE II—DEPARTMENT OF JUSTICE									
General Administration									
Salaries and expenses	28, 624, 000	28, 168, 000	25, 550, 000	33, 000, 000	32, 500, 000	+3, 876, 000	+4, 332, 000	+6, 950, 000	−500, 000
(By transfer)	(1, 165, 000)					(−1, 165, 000)			
United States Parole Commission									
Salaries and expenses		5, 555, 000	5, 500, 000	5, 500, 000	5, 500, 000	+5, 500, 000	−55, 000		
Legal Activities									
Salaries and expenses, general legal activities	91, 424, 000	102, 789, 000	100, 900, 000	107, 800, 000	106, 267, 000	+14, 843, 000	+3, 478, 000	+5, 367, 000	−1, 533, 000
(By transfer)	(750, 000)					(−750, 000)			
Salaries and expenses, Antitrust Division	46, 377, 000	43, 592, 000	43, 544, 000	48, 544, 000	43, 544, 000	−2, 833, 000	−48, 000		−5, 000, 000
(By transfer)	(1, 131, 000)					(−1, 131, 000)			
Salaries and expenses, U.S. attorneys and marshals	196, 700, 000	231, 921, 000	231, 275, 000	233, 700, 000	232, 915, 000	+36, 215, 000	+994, 000	+1, 640, 000	−785, 000
(By transfer)	(7, 478, 000)					(−7, 478, 000)			
Support of U.S. prisoners	25, 100, 000	21, 800, 000	21, 800, 000	21, 800, 000	21, 800, 000	−3, 300, 000			
Fees and expenses of witnesses	26, 464, 000	27, 052, 000	27, 000, 000	27, 000, 000	27, 000, 000	+536, 000	−52, 000		
Salaries and expenses, Community Relations Service	5, 353, 000	4, 473, 000	4, 925, 000	4, 473, 000	4, 925, 000	−428, 000	+452, 000		+452, 000
Total, legal activites	391, 418, 000	431, 627, 000	429, 444, 000	443, 317, 000	436, 451, 000	+45, 033, 000	+4, 824, 000	+7, 007, 000	−6, 866, 000
Federal Bureau of Investigation									
Salaries and expenses	580, 570, 000	575, 608, 000	577, 408, 000	584, 408, 000	584, 408, 000	+3, 838, 000	+8, 800, 000	+7, 000, 000	
(By transfer)	(3, 913, 000)					(−3, 913, 000)			
Immigration and Naturalization Service									
Salaries and expenses	309, 285, 000	304, 354, 000	299, 326, 000	318, 854, 000	318, 465, 000	+9, 180, 000	+14, 111, 000	+19, 139, 000	−389, 000
Drug Enforcement Administration									
Salaries and expenses	192, 953, 000	193, 836, 000	193, 836, 000	193, 836, 000	193, 836, 000	+883, 000			

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE II—DEPARTMENT OF JUSTICE—Continued									
Federal Prison System									
Salaries and expenses, Bureau of Prisons	$315,200,000	$321,500,000	$311,600,000	$321,500,000	$321,500,000	+$6,300,000		+$9,900,000	
(By transfer)			(9,900,000)					(−9,900,000)	
National Institute of Corrections	9,920,000		9,884,000	9,884,000	9,884,000	−36,000	+$9,884,000		
Buildings and facilities	35,280,000	5,960,000		5,960,000	5,960,000	−29,320,000		+5,960,000	
Federal Prison Industries, Incorporated: (Limitation on administrative and vocational training expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
Total, Federal prison system	360,400,000	327,460,000	321,484,000	337,344,000	337,344,000	−23,056,000	+9,884,000	+15,860,000	
Law Enforcement Assistance Administration									
Salaries and expenses	646,488,000					−646,488,000			
Office of Justice Assistance, Research, and Statistics									
Law enforcement assistance		497,936,000		442,695,000	442,695,000	+442,695,000	−55,241,000	+442,695,000	
Research and statistics		48,411,000		43,768,000	43,768,000	+43,768,000	−4,643,000	+43,768,000	
Total, Office of Justice Assistance, Research, and Statistics		546,347,000		486,463,000	486,463,000	+486,463,000	−59,884,000	+486,463,000	
Total, title II, Department of Justice:									
New budget (obligational) authority	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−$7,755,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
TITLE III—DEPARTMENT OF COMMERCE									
General Administration									
Salaries and expenses	25,640,000	26,612,000	25,715,000	28,625,000	27,375,000	+1,735,000	+763,000	+1,660,000	−1,250,000
Participation in United States Expositions		20,800,000		20,800,000			−20,800,000		−20,800,000
Total, General Administration	25,640,000	47,412,000	25,715,000	49,425,000	27,375,000	+1,735,000	−20,037,000	+1,660,000	−22,050,000
Bureau of the Census									
Salaries and expenses	51,033,000	55,632,000	52,090,000	52,090,000	52,090,000	+1,057,000	−3,542,000		
Periodic censuses and programs	201,928,000	630,974,000	582,900,000	614,400,000	601,900,000	+402,972,000	−26,074,000	+22,000,000	−9,500,000
Total, Bureau of the Census	252,961,000	686,606,000	634,990,000	666,490,000	656,990,000	+404,029,000	−29,616,000	+22,000,000	−9,500,000
Economic and Statistical Analysis									
Salaries and expenses	16,977,000	17,898,000	17,725,000	17,875,000	17,875,000	+898,000	−23,000	+150,000	
Economic Development Administration									
Economic development assistance programs	(507,525,000)	(716,375,000)				(−507,525,000)	(−716,375,000)		
(By transfer)	(5,658,000)					(−5,658,000)			
(Economic development revolving fund-limitation)	(171,000,000)					(−171,000,000)			
Total obligational authority, economic development assistance programs	(684,183,000)	(716,375,000)				(−684,183,000)	(−716,375,000)		
Local public works program	(10,968,000)					(−10,968,000)			
Salaries and expenses	(30,536,000)	(42,667,000)				(−30,536,000)	(−42,667,000)		
Total, Economic Development Administration	(549,029,000)	(759,042,000)				(−549,029,000)	(−759,042,000)		
Regional Action Planning Commissions									
Regional development programs	(62,800,000)	(74,005,000)				(−62,800,000)	(−74,005,000)		
Industry and Trade Administration									
Operations and administration	73,573,000	85,083,000	77,394,000	78,837,000	77,670,000	+4,097,000	−7,413,000	+276,000	−1,167,000
Minority Business Enterprise									
Minority business development	57,965,000	58,783,000	58,689,000	58,689,000	58,689,000	+724,000	−94,000		
United States Travel Service									
Salaries and expenses	13,597,000			8,000,000	8,000,000	−5,597,000	+8,000,000	+8,000,000	
National Oceanic and Atmospheric Administration									
Operations, research, and facilities	676,353,000	718,382,000	688,656,000	711,939,000	702,350,000	+25,997,000	−16,032,000	+13,694,000	−9,589,000
(By transfer)	(5,000,000)		(5,000,000)	(5,000,000)	(5,000,000)		(+5,000,000)		
Total obligational authority, operations, research, and facilities	(681,353,000)	(718,382,000)	(693,656,000)	(761,939,000)	(707,350,000)	(+25,997,000)	(−11,032,000)	(+13,694,000)	(−9,589,000)
Coastal zone management	63,840,000	65,978,000	63,575,000	65,925,000	64,675,000	+835,000	−1,303,000	+1,100,000	−1,250,000
Construction	60,000,000					−60,000,000			
Coastal energy impact fund		4,043,000					−4,043,000		

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE III—DEPARTMENT OF COMMERCE—Continued									
National Oceanic and Atmospheric Administration									
Fishing vessel and gear damage compensation fund	$1,000,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	+$2,500,000			
Fishermen's contingency fund	450,000	600,000	600,000	600,000	600,000	+150,000			
Total, National Oceanic and Atmospheric Administration	801,643,000	792,503,000	756,331,000	781,964,000	771,125,000	−30,518,000	−$21,378,000	+$14,794,000	−$10,839,000
Patent and Trademark Office									
Salaries and expenses	96,654,000	97,598,000	97,562,000	102,000,000	99,672,000	+3,018,000	+2,074,000	+2,110,000	−2,328,000
Science and Technical Research									
Scientific and technical research and services	90,300,000	100,454,000	96,344,000	97,825,000	96,528,000	+6,228,000	−3,926,000	+184,000	−1,297,000
National Telecommunications and Information Administration									
Salaries and expenses	11,620,000	18,762,000	15,315,000	18,410,000	17,305,000	+5,685,000	−1,457,000	+1,990,000	−1,105,000
Public telecommunications facilities, planning and construction	18,000,000	23,705,000	12,000,000	23,705,000	23,705,000	+5,705,000		+11,705,000	
Total, National Telecommunications	29,020,000	42,467,000	27,315,000	42,115,000	41,010,000	+11,390,000	−1,457,000	+12,695,000	−1,105,000
Maritime Administration									
Ship construction	157,000,000	101,000,000	32,000,000	101,000,000	101,000,000	−56,000,000		+69,000,000	
Operating-differential subsidies (appropriation to liquidate contract authority)	(250,000,000)	(256,208,000)	(156,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Research and development	17,500,000	16,360,000	16,300,000	16,300,000	16,300,000	−1,200,000	−60,000		
Operations and training	58,516,000	61,472,000	64,622,000	64,622,000	64,622,000	+6,106,000	+3,150,000		
Total, Maritime Administration	233,016,000	178,832,000	112,922,000	181,922,000	181,922,000	−51,094,000	+3,090,000	+69,000,000	
Total, title III, Department of Commerce:									
New budget (obligational) authority	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+130,869,000	−48,286,000
(Liquidation of contract authorization)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
TITLE IV—THE JUDICIARY									
Supreme Court of the United States									
Salaries and expenses	9,690,000	10,250,000	10,250,000	10,250,000	10,250,000	+560,000			
Care of the building and grounds	1,475,000	2,157,000	2,157,000	2,157,000	2,157,000	+682,000			
Total, Supreme Court of the United States	11,165,000	12,407,000	12,407,000	12,407,000	12,407,000	+1,242,000			
Court of Customs and Patent Appeals									
Salaries and expenses	1,121,000	1,719,000	1,719,000	1,719,000	1,719,000	+598,000			
Customs Court									
Salaries and expenses	3,095,000	4,983,000	4,850,000	4,850,000	4,850,000	+1,755,000	−133,000		
Court of Claims									
Salaries and expenses	3,570,000	5,361,000	5,290,000	5,230,000	5,230,000	+1,660,000	−131,000	−60,000	
Courts of Appeals, District Courts, and other Judicial Services									
Salaries of judges	41,458,000	48,814,000	48,500,000	48,500,000	48,500,000	+7,042,000	−314,000		
Salaries of supporting personnel	175,495,000	196,532,000	195,700,000	195,700,000	195,700,000	+20,205,000	−832,000		
Defender services	24,800,000	26,595,000	26,000,000	26,000,000	26,000,000	+1,200,000	−595,000		
Fees of jurors and commissioners	24,750,000	36,000,000	34,000,000	34,000,000	34,000,000	+9,250,000	−2,000,000		
Travel and miscellaneous expenses	35,514,000	40,272,000	37,800,000	37,800,000	37,800,000	+2,286,000	−2,472,000		
Salaries and expenses of magistrates	19,441,000	22,193,000	22,000,000	22,000,000	22,000,000	+2,559,000	−193,000		
Bankruptcy courts, salaries and expenses	36,658,000	67,818,000	57,000,000	60,000,000	58,500,000	+21,842,000	−9,318,000	+1,500,000	−1,500,000
Services for drug offenders		3,500,000	3,500,000	3,500,000	3,500,000	+3,500,000			
Space and facilities	98,400,000	125,928,000	117,500,000	117,500,000	117,500,000	+19,100,000	−8,428,000		
Special Rail Reorganization Court		2,000,000					−2,000,000		
Furniture and furnishings	12,700,000					−12,700,000			
Pretrial services agencies	5,000,000					−5,000,000			
Total, courts of appeals, district courts, and other judicial services	474,216,000	569,652,000	542,000,000	545,000,000	543,500,000	+69,284,000	−26,152,000	+1,500,000	−1,500,000
Administrative Office of the United States Courts									
Salaries and expenses	12,899,000	15,879,000	15,100,000	15,100,000	15,100,000	+2,201,000	−779,000		
Federal Judicial Center									
Salaries and expenses	8,279,000	9,768,000	8,500,000	8,500,000	8,500,000	+221,000	−1,268,000		
Total, title IV, new budget (obligational) authority, the Judiciary	**514,345,000**	**619,769,000**	**589,866,000**	**592,806,000**	**591,306,000**	**+76,961,000**	**−28,463,000**	**+1,440,000**	**−1,500,000**

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES									
Arms Control and Disarmament Agency									
Arms control and disarmament activities	$17, 720, 000	$18, 876, 000	$17, 670, 000	$18, 870, 000	$18, 270, 000	+$550, 000	−$606, 000	+$600, 000	−$600, 000
Board for International Broadcasting									
Grants and expenses	87, 000, 000	86, 917, 000	82, 990, 000	84, 700, 000	84, 470, 000	−2, 530, 000	−2, 447, 000	+1, 480, 000	−230, 000
Commission on Civil Rights									
Salaries and expenses	10, 852, 000	11, 372, 000	11, 230, 000	11, 370, 000	11, 230, 000	+378, 000	−142, 000		−140, 000
Commission on Security and Cooperation in Europe									
Salaries and expenses	521, 000	432, 000	264, 000	264, 000	264, 000	−257, 000	−168, 000		
Equal Employment Opportunity Commission									
Salaries and expenses	107, 000, 000	125, 060, 000	119, 000, 000	125, 000, 000	119, 000, 000	+12, 000, 000	−6, 060, 000		−6, 000, 000
Federal Communications Commission									
Salaries and expenses	70, 446, 000	71, 816, 000	71, 816, 000	73, 255, 000	72, 535, 000	+2, 089, 000	+719, 000	+719, 000	−720, 000
Federal Maritime Commission									
Salaries and expenses	10, 750, 000	11, 217, 000	11, 175, 000	11, 217, 000	11, 175, 000	+425, 000	−42, 000		−42, 000
Federal Trade Commission									
Salaries and expenses	(65, 300, 000)	(69, 021, 000)				(−65, 300, 000)	(−69, 021, 000)		
Foreign Claims Settlement Commission									
Salaries and expenses		1, 030, 000					−1, 030, 000		
(By transfer)	(1, 015, 000)		(1, 000, 000)	(1, 030, 000)	(1, 030, 000)	(+15, 000)	(+1, 030, 000)	(+30, 000)	
International Communication Agency									
Salaries and expenses	373, 938, 000	401, 245, 000	399, 200, 000	395, 445, 000	396, 010, 000	+22, 072, 000	−5, 235, 000	−3, 190, 000	+565, 000
Salaries and expenses (special foreign currency)	10, 124, 000	13, 012, 000	13, 012, 000	13, 012, 000	13, 012, 000	+2, 888, 000			
Center for cultural and technical interchange between East and West	13, 500, 000	14, 835, 000	14, 500, 000	14, 835, 000	14, 667, 000	+1, 167, 000	−168, 000	+167, 000	−168, 000
Acquisition and construction of radio facilities	19, 685, 000	2, 400, 000	2, 400, 000	2, 400, 000	2, 400, 000	−17, 285, 000			
Total, International Communication Agency	417, 247, 000	431, 492, 000	429, 112, 000	425, 692, 000	426, 089, 000	+8, 842, 000	−5, 403, 000	−3, 023, 000	+397, 000
International Trade Commission									
Salaries and expenses	13, 250, 000	16, 200, 000	14, 106, 000	16, 200, 000	15, 130, 000	+1, 880, 000	−1, 070, 000	+1, 024, 000	−1, 070, 000
Japan-United States Friendship Commission									
Japan-United States Friendship Trust Fund	1, 500, 000	1, 500, 000	1, 500, 000	1, 500, 000	1, 500, 000				
(Foreign currency appropriation)	(1, 000, 000)	(1, 200, 000)	(1, 200, 000)	(1, 200, 000)	(1, 200, 000)	(+200, 000)			
Legal Services Corporation									
Payment to the Legal Services Corporation	270, 000, 000	337, 500, 000	305, 000, 000	291, 800, 000	300, 000, 000	+30, 000, 000	−37, 500, 000	−5, 000, 000	+8, 200, 000
Marine Mammal Commission									
Salaries and expenses	702, 000	640, 000	640, 000	940, 000	940, 000	+238, 000	+300, 000	+300, 000	
Office of the Special Representative for Trade Negotiations									
Salaries and expenses	2, 707, 000	4, 273, 000	3, 900, 000	4, 273, 000	4, 000, 000	+1, 293, 000	−273, 000	+100, 000	−273, 000
Presidential Commission on World Hunger									
Salaries and expenses	1, 300, 000	975, 000	975, 000	975, 000	975, 000	−325, 000			
Renegotiation Board									
Salaries and expenses	5, 260, 000	7, 363, 000				−5, 260, 000	−7, 363, 000		
Securities and Exchange Commission									
Salaries and expenses	67, 100, 000	69, 039, 000	68, 946, 000	68, 986, 000	68, 986, 000	+1, 886, 000	−53, 000	+40, 000	
Select Commission on Immigration and Refugee Policy									
Salaries and expenses	224, 000	2, 226, 000	1, 600, 000	1, 600, 000	1, 600, 000	+1, 376, 000	−626, 000		
Small Business Administration									
Salaries and expenses	182, 935, 000	185, 300, 000	192, 300, 000	182, 300, 000	182, 300, 000	−635, 000	−3, 000, 000	−10, 000, 000	
(Transfer from Disaster Loan Fund)	(13, 000, 000)			(11, 650, 000)	(16, 650, 000)	(+3, 650, 000)	(+16, 650, 000)	(+16, 650, 000)	(+5, 000, 000)
Total obligational authority, salaries and expenses	(195, 935, 000)	(185, 300, 000)	(192, 300, 000)	(193, 950, 000)	(198, 950, 000)	(+3, 015, 000)	(+13, 650, 000)	(+6, 650, 000)	(+5, 000, 000)

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES—Con.									
Small Business Administration									
White House Conference on Small Business	$4,000,000					−$4,000,000			
Business loan and investment fund	520,500,000	$546,000,000	$580,000,000	$411,000,000	$565,000,000	+44,500,000	+$19,000,000	−$15,000,000	+$154,000,000
Disaster loan fund	1,248,000,000	60,000,000	60,000,000	60,000,000	60,000,000	−1,188,000,000			
Lease guarantees revolving fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000				
Surety bond guarantees revolving fund	35,000,000					−35,000,000			
Total, Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
United States Metric Board									
Salaries and expenses	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Total, title V, new budget (obligational) authority, related agencies	3,079,589,000	1,996,563,000	1,977,837,000	1,797,277,000	1,949,938,000	−1,129,651,000	−46,625,000	−27,899,000	+152,661,000
TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979									
DEPARTMENT OF JUSTICE									
Legal Activities									
Salaries and expenses, U.S. attorneys and marshals (by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
RECAPITULATION									
Grand total, titles I, II, III, IV, V, and VII:									
New budget (obligational) authority	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
(By transfer)	(39,110,000)		(15,900,000)	(17,680,000)	(22,680,000)	(−16,430,000)	(+22,680,000)	(+6,780,000)	(+5,000,000)
(Fiscal year 1979 supplemental, by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
Memoranda: (Appropriations to liquidate contract authorizations)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Total appropriations, including appropriations to liquidate contract authorizations	9,398,933,000	8,783,076,000	7,951,215,000	8,509,542,000	8,601,299,000	−797,634,000	−181,777,000	+650,084,000	+91,757,000
Department of State	1,353,315,000	1,389,945,000	1,369,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
Department of Justice	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−7,755,000
Department of Commerce	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+131,869,000	−48,286,000
The Judiciary	514,345,000	619,769,000	589,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000
Related agencies:									
Arms Control and Disarmament Agency	17,720,000	18,876,000	17,670,000	18,870,000	18,270,000	+550,000	−606,000	+600,000	−600,000
Board for International Broadcasting	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000		−140,000
Commission on Security and Cooperation in Europe	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000		
Equal Employment Opportunity Commission	107,600,000	125,060,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,060,000		−6,000,000
Federal Communications Commission	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000		−42,000
Federal Trade Commission	(65,300,000)	(69,021,000)				(−65,300,000)	(−69,021,000)		
Federal Claims Settlement Commission		1,030,000					−1,030,000		
International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission	702,000	640,000	640,000	940,000	940,000	+238,000	+300,000	+300,000	
Office of the Special Representative for Trade Negotiations	2,707,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,293,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger	1,300,000	975,000	975,000	975,000	975,000	−325,000			
Renegotiation Board	5,260,000	7,363,000				−5,260,000	−7,363,000		
Securities and Exchange Commission	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	
Select Commission on Immigration and Refugee Policy	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000		
Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
U.S. Metric Board	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Grand total	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000

Mr. HOLLINGS. Mr. President, when the conference report was considered by the other body they voted to insist on their disagreement to amendment number 26. This amendment appropriates $20,800,000 for participation in international expositions in order to construct and operate a Federal pavilion at the 1982 Energy Exposition in Knoxville, Tenn. We asked them to take this back and give the proponents a vote and the House has now clearly spoken. In order not to delay the bill any further, I shall recommend at the appropriate time that the Senate recede on amendment number 26.

Mr. President, I believe I have adequately covered the highlights of the conference agreement and I am ready to respond to any questions that the Senators may have regarding this report. However, prior to yielding to our distinguished ranking minority member for any comments he may have, I want to update my remarks with one further comment relative to the reconciliation that is presently proposed by the Senate Budget Committee in the second concurrent resolution, which will be considered by this body come Wednesday of this week.

Obviously, if a reconciliation is mandated, then we shall have to have a rescission bill and we shall have to cut back. The reconciliation recommended by the Budget Committee calls for almost $4 billion amount in its entirety. A substantial part of that will have to be handled by the Appropriations Committee; some $2.9 billion will have to be extracted from appropriations measures broadly across the board.

We have not worked this out with the distinguished chairman of appropriations as the committee will have to meet on it, but I think our State-Justice Commerce Subcommittee has been tentatively allocated a cut of about $200 million if we have a rescission. So we would have to go back to the drawing board, looking at some of these add-ons of $150 million in direct lending for SBA; the ship construction of $69 million; and of course, we had some $50 million added in juvenile justice. There is some leeway, but I wanted to have a full, open, candid statement to our colleagues, in acting on this conference report, that we did not act without the knowledge of reconciliation.

It could be that the reconciliation could be had at the end of all action by all of the Appropriations Subcommittees similar to the action of the Senate to be taken this afternoon. That is going to be worked out by the distinguished chairman of the Committee on Appropriations and the distinguished chairman of the Committee on the Budget when he returns to the city tomorrow. I did want just to comment on that particular course of action.

Rescission could be had. It could be had immediately, later on next week sometime, or later in October, when all the appropriations bills have been acted upon. We shall respond accordingly, in accordance with the mandate of the Senate. We have given it our full consideration at this particular time and we are very proud to bring this conference report to the floor at this time.

I yield to my distinguished colleague, the Senator from Connecticut.

Mr. WEICKER. Mr. President, I join the distinguished Senator from South Carolina in requesting Senate approval of the conference report on H.R. 4392. Without further ado, I also compliment my distinguished colleague from South Carolina on a superb job, both within the committee and in the conference. It is not an easy thing to accommodate all of the various requests of the agencies and do it in a fiscally responsible manner. This has been done by my colleague from South Carolina; he has matched fiscal responsibility with compassion and foresightedness. The end product is due, in large measure, to those efforts.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. CRANSTON. Mr. President, I rise to express my opposition to the conference report on H.R. 4392, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, fiscal year 1980.

Mr. President, this conference report contains a provision prohibiting the use of Federal funds appropriated to the Legal Services Corporation for activities on behalf of any alien known to be in the United States in violation of the Immigration and Nationality Act or any law, convention, or treaty of the United States relating to the immigration, exclusion, deportation or expulsion of aliens. This provision, which was part of the House bill, was specifically rejected during the Senate Appropriations Committee consideration of this bill and was never considered by the Senate itself. I am strongly opposed to this type of discrimination in the provision of legal services to any group of individuals who are in need of legal assistance and the protections of our judicial system. I feel so strongly that this type of provision is contrary to the basic principles underlying the Legal Services Corporation Act that I will be compelled to vote against this appropriation measure because of this restriction.

Mr. President, the federally funded legal services program is founded upon the notion that access to competent legal assistance for individuals of all economic statuses is essential to our national commitment to equal justice for all. As one of the authors of the Legal Services Corporation Act, I am firmly committed to the policy that no individual should be denied legal assistance on an arbitrary or capricious basis. In the past, I have expressed my opposition to limitations in Federal legislation that would single out otherwise eligible individuals and exclude them from assistance under the act. This provision creates the same type of invidious discrimination which is contrary to the purpose of the Legal Services Corporation Act.

Not only does the restriction contained in this Appropriations Act conference report violate the policy underlying the Legal Services Corporation Act, I believe that it raises important constitutional questions in terms of denying a fundamental civil right—access to equal justice. The Bill of Rights does not limit the protections of the U.S. Constitution to citizens of this country. The 14th amendment very explicitly provides that no State may deprive "any person" of life, liberty, or property without due process of law; nor deny to "any person" within its jurisdiction the equal protection of the law. The fifth amendment applies those same principles to the Federal Government and the courts of this Nation have consistently interpreted those fundamental protections to apply to noncitizens residing in this country as well as citizens.

Mr. President, in addition to the constitutional and policy implications of this provision, I have grave concerns about the potential discriminatory application of this type of provision. There is a substantial likelihood that if this provision is not narrowly construed when it becomes law, only individuals of certain national origins will be required to prove their citizenship as a condition of receiving legal assistance. This type of "citizenship" test would create a kind of second-class citizenship for many minority groups in this country which many other Americans and I would find most repugnant.

Mr. President, this type of provision also might increase the likelihood that some individuals whose legal status in this country is unclear would be the victims of exploitation by employers and others who know that a request for legal assistance from a legal services office may precipitate an investigation into an individual's residency status. The potential for exploitation of these individuals—already large—could only be increased if it is Federal policy to deny legal assistance to these individuals.

INTERPRETATION OF "KNOWN" ALIEN PROVISION

Mr. President, the prohibition contained in the conference report states that no funds appropriated to the Legal Services Corporation may be used for activities on behalf of any alien "known" to be in the United States in violation of immigration laws. Under present immigration law, a determination that an individual is in this country in violation of an immigration statute is reached only after full due process have been completed.

It certainly cannot be the intent of Congress to substitute the subjective judgment of an individual legal services attorney as to whether a potential client is "legally" within the country for the full due process proceedings that the individual is entitled to receive under our immigration laws.

I should like to ask the floor manager if it is his understanding as it is mine, that this provision which forbids legal assistance to individuals "known" to be in the United States in violation of immigration laws means that the individual legal services attorney must be aware that a final judicial determination as to the client's residency status has been reached and that such a final determination has actually been reached.

Mr. HOLLINGS. That is my understanding as well.

Mr. CRANSTON. I thank the Senator.

Finally, Mr. President, as a member of the Labor and Human Resources Subcommittee on Employment, Poverty, and Migratory Labor, which has jurisdiction over legislation authorizing the legal services program, I believe that it is entirely inappropriate to add a legislative provision such as this to an appropriation bill—without hearings or consideration by the authorizing committee.

Mr. President, the existing Legal Services Corporation Act is a very carefully drafted and balanced measure. The subcommittee began oversight hearings on the program several months ago and has indicated that further oversight hearings will be scheduled. A provision of this magnitude and implications for this program should not be enacted as a rider to an appropriations measure, but should be considered only in the regular legislative process where the merits of such a restriction can be fully and fairly debated.

For all of these reasons, I intend to vote "no" on the conference report on H.R. 4392.

Mr. HOLLINGS. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the conference report was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $709,011,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended: *Provided,* That $342,695,000 of said amount shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

RESEARCH AND STATISTICS

For research, development, demonstration, statistical and related efforts directed towards the improvement of civil, criminal and juvenile justice systems authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, including salaries and other expenses, in connection therewith, $43,768,000, to remain available until expended: *Provided,* That these funds shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for prosecution of any person for the failure to return 1978 Agricultural Census forms 78–A40A or 78–A40B, or 78–A40C or 78–A40D, or for the preparation of similar forms for any future agricultural census.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

, and in addition $11,650,000 for disaster loan making activities shall be transferred to this appropriation from the "Disaster Loan Fund" and $5,000,000 for disaster loan servicing, as compensation for 275 temporary or permanent full time employees, shall be transferred to this appropriation from such "Disaster Loan Fund"

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 1, 23, 24, 29, and 64.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment in disagreement numbered 26.

The second assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill.

Mr. HOLLINGS. Mr. President, I move that the Senate recede from its amendment numbered 26.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the amendments in disagreement were approved.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, once again, I thank my distinguished colleague from Connecticut (Mr. WEICKER) and the chairman of the full committee (Mr. MAGNUSON) for their helpfulness here this afternoon in getting the conference report approved.

Mr. President, at this time, we take for granted so often the outstanding work done by our clerk, Mr. Warren Kane, and his counterpart on the minority side, Burkett van Kirk.

I think in our own State, Justice, Commerce, the Judiciary, and related agencies appropriations bills that we have more individual agencies, Departments, and appropriations than any single appropriations bill, even including defense when we come down to the multiplicity of considerations.

There are approximately 120 individual accounts and we have to keep up with various special allocations, whether it be the Special Trade Representative, SBA, the LEAA, EDA, or all the other different ones that come before us from time to time, such as the international communications, or the disaster loan fund.

It calls for an expertise, Mr. President, that we do not easily find, so we go out and employ someone to oversee and coordinate and keep us, as Senators, informed and acting intelligently on these matters.

I commend particularly Warren Kane on the magnificent job he has done over the years. He is an expert in his own right. There is no more outstanding member of our Appropriations Committee staff. I should have done this long ago, but we take for granted the outstanding job they all do.

I do not want to delay the Senate. I am taking advantage of the leadership's indulgence here at this particular late hour. I am not holding anybody up, but while the majority leader still has us on the floor I wanted to take this opportunity and publicly thank Warren Kane for an outstanding job.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NONALINED NATIONS MEETING IN HAVANA

Mr. HATCH. Mr. President, it is with a sense of surprise that I note the inadequate attention paid by the administration to the movement of nonalined nations in general and their ongoing meeting in Havana in particular. After all it was more than 3 years ago that the member nations of the nonalined movement decided to call their sixth conference in the Cuban capital. The administration has, therefore, no excuse for failing to develop a viable political alternative to the expected aggressive approach of Cuba and the Soviet Union. For since 1968, when Castro announced his full political support for the invasion of Czechoslovakia, Cuba's dependence on the Soviet Union has significantly increased.

Currently the principal forms of Soviet economic help are subsidies directed specifically to bilateral trade deficits, high subsidy prices for Cuban sugar, and concessionary prices for Soviet petroleum products. Moreover, an agreement signed in December 1972, governing Soviet-Cuban economic relations postponed payments of interest and principal on all credits granted to Cuba before January 1973. Soviet credits to cover trade balance deficits for 1973–75 were granted free of interest, with the principal to be repaid also beginning in 1986. Current repayment schedules stretch until 1986.

In the face of such almost total dependence of Cuban internal development on the goodwill assistance of the Soviet Union, it is not surprising that Havana accepted a significant curtailment of its political autonomy by the Soviet Union. This change in Cuban policies obviously engendered a greater degree of convergence with the foreign policy of the Soviet Union. The qualitatively new relationship with the Soviets has helped Cuba to acquire a special role in the nonalined movement.

For what was in the 1960's a lonely and thus desperate attempt to escape the effects of the American embargo has increasingly become the heart of globally oriented Cuban foreign policy, actively supported by the Soviet Union. Moreover, despite its close ties with the Soviet Union, Havana has managed to maintain a degree of relative independence from Moscow in its dealings with Latin American, Asian, and African countries by avoiding any conflict with major Soviet interests and supporting the themes of anticolonialism and progressivism. Thus to claim that Havana does not have a foreign policy of its own and is only a puppet of the Soviet Union would not only be a gross misjudgment of Cuba's international role, both within the Communist ramp and the nonalined movement, but also an eloquent evidence of our political singlemindedness that would inevitably lead to a complete failure of our foreign policy.

To add insult to injury we also failed to recognize that Cuba has an Africa policy of its own that has been appealing to a number of African countries. This policy has been based mainly on the Soviet supported economic and military development of Cuba. Another important factor that encouraged a more direct Cuban involvement in Africa was the post-Vietnam weakness of the United States.

The increasing reluctance of the United States to enforce its policy of isolating Cuba has induced a number of Latin American countries to become more friendly to Havana. As a result of these political, economic, and military factors Cuba engaged with the tacit support of the Soviet Union in military actions in Angola, Ethiopia, Yemen, and most recently in Cambodia. Simultaneously to each military action Havana started to promote an increasingly aggressive ideological campaign of its principal ally, the Soviet Union.

In my opinion this policy is enormously dangerous for two reasons. Primarily this more aggressive foreign policy enjoys the full support of the Soviet Union. Indeed the obvious identity of Cuban and Soviet policies can have a decisive impact on the political posture of many nonalined countries. Such a development can transform the nonalined into a political appendage of the Communist camp. Second, Cuba's new approach represents a global concept of foreign policy, thus making it uniquely attractive for countries with volatile political systems.

How confident the Soviet Union and Cuba are that the time is ripe to bring about radical change in both the leadership and the political direction of this movement, and this confidence becomes crystal clear if one reads the Cuban draft of the communique to be issued at the end of the summit. This document calls for the immediate independence of Puerto Rico, it denounces naval activities in the Indian Ocean by the United States, it blames all of Indochina's recent troubles exclusively on the United States; and it calls for the unification of South and North Korea on Communist terms. Moreover, it condemns the peace treaty between Egypt and Israel and calls for the expulsion of Israel from the international community.

It is significant that this document does not deal with the responsibility of Vietnam for the various explosive situations in Indochina, the Soviet presence in the Indian Ocean, and the demand of moderate countries that the Egypt-Israeli Peace Treaty must be considered as the hardcore of any eventual future solution of the Middle East problem. Even the presence of Soviet combat forces on Cuban soil is openly praised as part of the international solidarity that must exist between the Soviet Union and the nonalined countries.

All this brings to me the conclusion that the Kremlin made the decision to infiltrate the American continent and thus to challenge the United States so close to its strategic boundaries. This unfolding spectacle threatens our society in its very existence. And yet what is the administration doing to counter this dangerous trend. Frankly, I do not see a workable concept that could become an effective response to the joint Cuban-Soviet foreign policy. We do not have a Weltanschauung, a global concept of the world. We do have an African policy. We do not have a convincing approach to deal with the mounting problems in Asia. In the Middle East we almost destroyed the peace process we helped to create. Finally, we still tolerate Soviet expansionism throughout the world without being able to develop a credible alternative to this aggressive policy.

What we do have is an irresponsible Government that is lacking in imagination and markedly singleminded in its foreign policy expectations. Our country is perceived as weak, because the Carter administration is not ready to fight for America's political heritage. Yet the overall political situation requires a national will, determination, and even toughness to overcome this weakness both at home and abroad. This country must free itself from the psuedo-realpolitik of Soviet-American detente that accepts the Marxists conclusion: That the United States and the other Western European democracies have no future.

We are strong and we have the resources to maintain this strength. Moreover we are able to reach out to the oppressed countries of Middle and Eastern Europe who in spite of 35 years of ruthless Soviet oppression still adhere to their own national values. We must develop a sensitivity for the needs of different regions and nations in the actual conduct of our foreign policy. And even that is not nearly enough. We have to impress the fact upon the world that we are strong and ready to use our strength dealing with anybody who dares to question the seriousness of our national will.

BUDGET SHAM

Mr. HATCH. Mr. President, an incisive editorial in this morning's Wall Street Journal illustrates the bankrupt thinking of the congressional budget committees in dealing with our present economic problems and in developing a national security posture. As this editorial points out, the Budget Committee has just pursued "business as usual" in following the same faulty economic thinking that has produced our present recession and accelerating inflation rate of over 13 percent. It has continued to trade off spending on our national security in favor of expanding social programs. And finally, the Budget Committee seems content to accept incredibly high rates of inflation for the next 5 years as if impotent to do anything to bring inflation more under control through its budgetary policies. I commend this editorial to my colleagues and ask unanimous consent to have it included in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUDGET SHAM

With the autumn air comes the second congressional budget resolution for Fiscal Year 1980. But judging from the advance notices, fresh air hasn't penetrated the same old stale stuff. Faced with rising inflation rates, a declining defense posture, rising marginal tax rates and declining economic growth, the budget committees seem primarily occupied with giving the impression that there's more defense spending than is really there and less of every other kind of spending.

In preparation for the coming round, the House Budget Committee's Inflation Task Force has released its "Summary of Recommendations," a report which committee member Rep. Marjorie Holt says "cannot be taken seriously by any member concerned with our national security and the future health of our economy."

And little wonder. The report concludes: "Ultimately, if we don't want high inflation rates, we face the choice of accepting one of these three: (1) higher taxes, (2) high unemployment, (3) reduced defense expenditures." No mention here of reducing nondefense expenditures or cutting tax rates to lessen supply-side disincentives to production.

Objecting to the task force's disregard for the factual record, Mrs. Holt compares 1969 spending levels with the latest OMB estimates for 1979 and comes up with a 10-year growth in national defense spending of 44 percent compared to 359 percent for community and regional development, 335 percent for education, training, employment and social services, 319 percent for health, and 332 percent for income security.

Over in the Senate where the Budget Committee has completed markup of the resolution, money has been added to defense. But committee member Orrin Hatch says it represents no additional real commitment to defense. All the committee is doing is buying the same defense as before. There simply wasn't enough money in the numbers in the first resolution to buy the force structure in the budget. Furthermore, says Senator Hatch, there's no 3 percent annual real growth to meet the NATO pledge in the 5-year projection accompanying the committee's budget resolution. The committee's projection shows only a 2.6 percent real growth in defense outlays by the end of the entire 5-year period, and budget authority in the defense function actually declines 2.3 percent in real terms. As a percentage of GNP the Senate Budget Committee's projection has national defense declining from 5.1 percent in 1980 to 4.3 percent in 1984.

Meanwhile Senator Schweiker (R., Pa.), who intends to offer an amendment prohibiting any real spending growth in the overall 1980 budget, has found a variety of views as to which inflation projection represents no real spending growth. After consulting a number of forecasters, leading economists and former members of the Council of Economic Advisers, Sen. Schweiker's office found that the budget committee had the highest inflation projection, matched only by that of Otto Eckstein whose DRI model is much in use by the Congressional Budget Office.

In the least, says Sen. Schweiker, other forecasters believe we can do much better on the inflation front than the budget committee assumes. And in the worse, the CBO has assumed a higher inflation rate in order to mask real spending increases.

Looking over the budget numbers we see that the Senate Budget Committee has jumped 1980 spending more than $10 billion above the figure in the first budget resolution four months ago. Projected spending in the outyears has jumped even more dramatically, with 1984 outlays $31 billion greater in the second resolution than in the first.

Thus, the "austere budget" claimed on the basis of the numbers in the first budget resolution last spring evaporated before it could become law. Having convinced themselves that they have fended off the tax revolt with budget sham, the Congress is cranking the spending machine back up with its programs still intact. At some point the deceit is going to catch up with the budget committees.

THE SECOND CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1980

Mr. HATCH. Mr. President, the Senate will be turning its attention in the next few days to the second concurrent budget resolution for fiscal year 1980. A major part of the debate on this resolution will focus on the defense budget and our defense posture in general. In anticipation of that debate, I would commend to the attention of my colleagues an excellent column from the editorial page of this morning's Washington Post entitled "'Dangerous Stockpiles' and Other Weary Theories" written by Dr. Thomas Sowell of UCLA. Dr. Sowell is one of the finest public policy thinkers of our time, most often focusing his attention on the impact of the Government's economic policies on minorities. Dr. Sowell has been a breath of fresh air for the minority community.

This morning, however, Dr. Sowell has focused his attention on the rapidly declining state of our defense posture and the decline in the American will to meet Soviet aggression around the world. He draws the analogy between the weak state of America's defense posture and lack of will before World War II and the weak position America again finds itself in today. Dr. Sowell says:

> Wars don't just happen because there hasn't been enough talk, but because one side sees that the other is all talk.

That is what America is today—all talk. And the Soviets know it!

The most important thing the Senate can do in its debate on this budget resolution is recognize the dangerous state into which we have let our defense posture fall. As Dr. Sowell points out, over the past several years the United States has cut in half the proportion of the budget going to defense while the Soviets have built up their defense forces at an unprecedented rate. It is time now to reverse this trend.

Dr. Sowell's article clearly enumerates the issues we face in the coming debate. I ask unanimous consent that it be printed in the Record at this point and congratulate Dr. Sowell on a fine piece of work.

There being no objection, the article was ordered to be printed in the Record, as follows:

"Dangerous Stockpiles" and Other Weary Theories

(By Thomas Sowell)

This month marks the 40th anniversary of the beginning of World War II—the greatest carnage in human history. World War II is more than something to remember for its own sake. It is especially worth reexamining in the shadow of nuclear World War III, from which there might be no one left.

Many of the theories about war and the prevention of war that we hear today pay no attention whatever to facts or to history. We are told that we have to avoid an "arms race" or the stockpiling of dangerous weapons, and that negotiation of differences is the key to peace. It all sounds plausible, but is there any hard evidence that it is true?

The Western democracies all too successfully avoided an arms race in the decade preceding World War II. Britain, France and especially the United States let their military forces dwindle in size and deteriorate into obsolescence, while Germany, Italy and Japan built up enormous, modern military forces. The American army was reduced in size for four consecutive years in the 1930s, and its appropriations were generally cut in half in one year—while Japan was invading Manchuria, Germany was rearming, and Mussolini was preparing to invade Ethiopia. The U.S. Army was only the 16th largest in the world—behind Greece and Portugal.

Never was an arms race so successfully avoided.

Then as now, the implicit assumption behind "arms race" rhetoric has been that one side builds up only because the other side builds up. But Hitler built up his war machine while the West was channeling its resources into social programs, and Japan became a naval power in the Pacific while the United States was sinking its own warships as a contribution to world disarmament. In our own time, the proportion of the federal budget going to defense has been cut in half while the Soviets have built up a larger nuclear arsenal than the world has ever seen.

As for the stockpiling of dangerous weapons, we did so little of that before World War II that in the months after Pearl Harbor we had to use ships, guns and ammunition left over from World War I and even from the Spanish-American War. American soldiers fighting for their lives on Bataan found that most of their mortars and grenades were so old they would not go off. Our stockpile was dangerous only in its ineffectiveness.

The implicit assumption behind the "dangerous stockpile" theory is that somehow it may go off, or cause war, by itself. But no nuclear bomb has ever gone off accidentally; it would be hard to conceal if it did. People still cause wars. Weakness has invited wars far more often than strength, from the fall of the Roman Empire to the fall of Western democracies as Hitler rampaged through Europe in World War II. As our underground missile sites become obsolete sitting ducks for new Soviet missiles, the danger of war increases rather than decreases.

Finally, there is the panacea of negotiations and treaties as the way to prevent war. Plausible as this may seem, the facts just do not support it. The Western democracies were constantly negotiating with their adversaries in the years preceding World War II. The West negotiated away its own advantages and principles, one after the other—and almost negotiated away its survival. The United States was negotiating with the Japanese when they attacked Pearl Harbor.

Wars don't just happen because there hasn't been enough talk, but because one side sees that the other side is all talk.

This is all the more likely when unequal terms are intransigently insisted upon by one side, and the other "realistically" accepts this as a "fact of life" to which it must adjust. Hitler was a master of this tactic, and the Soviets and the Chinese are no slouches either.

There are other ominous parallels between the conditions that produced World War II and conditions today. Perhaps the most important is that the West has lacked the will, even when it has had the power. In the early years of the Nazi regime, the Western nations had overwhelming military superiority. But Hitler shrewdly tested their will, with a gradually escalating series of treaty violations and aggressions. The West's repeated yielding only led to bolder demands and more ruthless actions, until a point was reached where the West was finally forced to resist, even with the odds perilously against it.

The American military superiority in the first two decades after World War II was equally overwhelming. Yet the will has been noticeably declining in recent years, as the United States has backed down in confrontations with petty dictators who have seized our people in Uganda, or our ships on the high seas, or threatened our canal in Panama. We have taken China's insistence on our severing diplomatic relations with Taiwan as a "fact of life" to which we had to adjust.

Part of this has been a war-weariness growing out of Vietnam, just as the West in the 1930s was still war weary from the devastation of World War I. But along with this is the economic reality that military spending competes with spending on programs with more obvious and immediate political payoff. Both then and now, we have treated social experiments as a necessity, and survival as a luxury.

GOVERNMENT ECONOMIC AND ENERGY POLICIES

Mr. HATCH. Mr. President, an editorial in the August 3, 1979, issue of National Review clearly and succinctly explains the problems with the administration's thinking on the energy problem. Far from blaming the present energy problems in the American people's greed, as President Carter does, the editorial finds the cause of the problem in the Government's economic and energy policies. It goes on to point out how the President's present plan to divert a massive proportion of the Nation's capital resources to an uneconomical and inefficient synthetic fuels program will produce only more serious problems in the future, not only for our energy supply, but also for our economy in general. I commend this editorial to my colleagues and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Program Notes

President Carter believes the U.S. has an energy problem because 1) Americans waste energy, and 2) the U.S. is too dependent on energy imports, thus endangering the dollar and the independence of our foreign policy. The solution he proposes has three main features: mandatory conservation to stop U.S. energy imports from growing, a domestic synthetic fuel program to permit a reduction in future imports, and a new $24-billion transfer program to help the poor pay their energy bills.

The conservation policies consist of quotas holding oil imports to their 1977 level, mandatory temperature restrictions at work places, and standby gasoline rationing. The President already has the first two powers and has ordered the policies into effect. For gasoline rationing, synthetic fuels, and "energy stamps," he needs congressional cooperation.

The President envisions an Energy Security Corporation funded with $88 billion in "windfall profits taxes" on domestic oil producers. This new government enterprise will have vast powers to go with its vast sums. It will decide without considering profitability or price how to invest a sizable chunk of the nation's capital.

The form in which the President's proposals will emerge from Congress is unclear.

The $88-billion synfuel program may turn out to be too big a boondoggle for the Congress to digest. Divvying up such a large program between congressional districts and the various interests takes time. Each political player has an incentive to withhold agreement in hopes of obtaining a larger share. Something like this happened earlier to the "windfall profits tax" when Congress couldn't agree how to spend the revenues it would raise.

Nevertheless, the economic and political implications of the President's program are worthy of more comment than they have received. Looking first at the conservation measures, in imposing oil quotas the President has eliminated an important safety valve. The next time snafus develop in federal energy allocations, the government can't turn to the international market for supplies. This could be more serious than gasoline lines or home-heating-oil shortages. Right now the economy is beginning to slacken, so the quota is not a constraint. But when the economy begins another expansion the quota is likely to abort it for lack of fuel. Conservation is not free; it costs jobs and production.

The temperature restrictions will add sweltering and shivering to the annoyances of the work place, and the value of the production lost from the added stress will exceed the energy "saved." There will be political costs as well, because people's idealism will soon dissolve into discomfort, and they will hold the President responsible. Gasoline rationing is guaranteed to be a political nightmare. If the bureaucrats can't get gasoline allocations right among fifty states, they can't cope with allocations to 110 million motorists. And the price controls are prompting political organization among service station operators and the threat of strikes, thus extending organized unrest into a new sector of the economy.

The synfuel program is much more costly to the economy than even $88 billion suggests. Consider for example the lost production of lower-priced natural energy that is a consequence of diverting oil company revenues to the production of higher-priced government synfuel. Or the cost overruns that will accompany the transformation of the energy industry into government contractors. To put the $88 billion in perspective, in 1978 total expenditures for plant and equipment by the manufacturing sector came to less than $68 billion.

It is a foregone conclusion that any synthetic fuel that results from the massive diversion of the nation's investment capital will be more costly than the OPEC oil it replaces. This puts the oil import quota in a new light. Properly seen, it is a tariff to protect the government's high-cost synfuel from being undersold on the world market.

The President's program would saddle the nation with massive resource commitments that would leave future Presidents with little leeway to shore up Social Security, defense, or the capital stock on which the economy's growth and our standard of living depend.

CRIMINAL CODE REFORM ACT OF 1979 (S. 1722)

Mr. HATCH. Mr. President, I am pleased to be a cosponsor of the Criminal Code Reform Act of 1979. As a cosponsor of a similar effort in 1977, I believe that the time is long overdue for such a comprehensive reform of our Federal Criminal Code. The present legislation is the result of more than 6 years of discussions and negotiations between Senators of widely varying philosophies of criminal jurisprudence. It is the result of more than 13 years of rigorous analysis by many of the most informed participants in the criminal law process—academicians, the bar, business and industry, labor, public interest groups, and law enforcement agencies throughout the country.

BACKGROUND OF CODE

The Criminal Code Reform Act had its genesis in Congress' decision during the 89th Congress to establish the National Commission on Reform of Federal Criminal Laws. The Commission was charged with making a "full and complete study of the statutory and case law of the United States which constitutes the Federal system of criminal justice for the purpose of formulating and recommending to Congress legislation which would improve the Federal system of criminal justice." In addition, it was empowered to "make recommendations for the revision and recodification of the criminal laws of the United States."

The Commission, popularly known as the Brown Commission—its Chairman being former California Gov. Edmund G. Erown—produced a working draft of a new Federal Criminal Code in 1970, 1 year before submitting its final report to Congress, recommending comprehensive reforms of the Criminal Code.

In doing so, the Commission observed that the code had undergone only three revisions since the first Federal criminal statute had been approved in 1790. In 1866, Congress authorized the appointment of a Commission to consolidate in convenient, workable form the entire body of Federal statutory law. This effort culminated in the revised statutes of 1877 which organized this law, including its penal provisions, in a far more rational and accessible manner. A subsequent reform effort in 1909, limited to the criminal statutes, sought to perfect the form of these laws in addition to reorganizing them along more useful lines. Finally in 1948, following a period of great development of the Nation's criminal laws, a third code effort culminated in the consolidation of these laws in title 18 of the United States Code, entitled "Crimes and Criminal Procedure." These provisions remain in effect today.

Legislation incorporating the recommendations of the Brown commission was first introduced during the 93d Congress by Senators John McClellan and Roman Hruska, and by Representative Edward Hutchinson. Comprehensive code reform initiatives have been introduced in every subsequent Congress, generally containing modest technical and substantive changes. In 1977, the Senate Judiciary Committee and the full Senate approved a bill, S. 1437, legislation which sought to reform the Criminal Code while eliminating some of the most persistent and divisive areas of controversy. Despite being approved overwhelmingly by this body, similar efforts faltered in a House Judiciary Subcommittee. Given a new commitment to code reform by the leadership of that subcommittee this year, the prospects for a serious revision of our Nation's penal statutes appear to be a realistic prospect for the present Congress.

NEED FOR A CODE

Why the compelling need for a comprehensive Criminal Code reform? There are a number of answers to this:

First, the present body of Federal criminal law is beset by entirely too many provisions of a clearly archaic or obsolescent character. These include such statutes as those prohibiting piracy under the commission of a foreign prince, writing checks for debts of less than $1, and interfering with the flight of Government carrier pigeons. Many statutes along these lines have been eliminated, thereby reducing the sheer volume and bulk of the criminal law.

Second, there are entirely too many gaps in the present statutory law, instances in which Congress has totally deferred to the judiciary in the development of the law. As one who has been extremely concerned about an activist judiciary, one which increasingly has come to make law as well as interpret it, I believe that the code makes a major contribution in this area. Many areas of white-collar crime, for example, have been left to the courts in this manner, such as the issue of corporate liability for the actions of its agents. There are also clear gaps in the law in areas in which there is no opportunity for judicial involvement. There are no Federal bank extortion laws, while the arsenal of antiracketeering laws is inadequate. Some would suggest also the need for new laws to combat sophisticated crimes conducted by computers.

Third, it is often difficult to locate and identify present law. While most of the Nation's criminal laws are concentrated in title 18, there are criminal laws scattered throughout the entire United States Code. There is simply not the notice provided by such an arrangement of penal laws that a fair Criminal Code must provide. In so serious a matter, it is essential that the law—the entirety of the law—is easily and readily accessible to those who would pursue it.

Fourth, partially as a result of this disorganization, the code is frequently inconsistent and inequitable. The penalty, for example, for making false statements to a Federal agency may vary from an infraction to 5-year imprisonment, depending upon which of various statutes is relied upon for prosecution. To this extent, the criminal laws are arbitrary and subject to the sort of abuse that a nation of laws cannot tolerate.

Fifth, apart from the surface inconsistencies in the statutes, there are also deeper, more disturbing inconsistencies that are reflected in the criminal sentencing process. The past several decades have witnessed a movement toward increasing individualization of criminal sentencing, with great discretion provided the courts and the parole authorities. While not an entirely objectionable trend, it has had the effect of insuring that relatively equally situated persons, having committed relatively equal crimes, may frequently be subject to widely disparate terms of imprisonment or nonimprisonment. This has had, and can have no other effect, than to engender increased resentment of the criminal law among those who believe that they are being treated inequitably. A major reform in the Criminal Code Reform Act is the establishment of a program of determinate sentencing to be administered through judicial sentencing guidelines.

Sixth, the present body of criminal law is beset by excessive numbers of duplicative and overlapping provisions. These not only make for an unaesthetic Criminal Code, but afford too many opportunities for arbitrariness on the part of the Government. There are approximately 70 separate theft statutes, 80 separate forgery statutes, 50 false statement statutes, and 70 arson statutes. There is no need for this sort of statutory array, and the proposed Criminal Code reform would consolidate these into no more than a small handful of separate offenses.

Seventh, one of the primary reasons for the proliferation of essentially similar offenses is that the current law generally defines the substantive criminal offense in terms of its jurisdictional base. The question of Federal jurisdiction is a definitional element of each offense. As a result, the code becomes more complex and prosecutions under the code become more complex. The proposed code reform would separate the jurisdictional elements from the elements of the substantive offense. There are benefits for the accused from this reform to the extent that he will no longer be subject to multiple counts or charges springing from what is essentially a single transaction. Under current law, the robbery of a Federal credit union located on Federal property would violate three distinct provisions of the criminal code, each of which differ slightly in terms of the description of the criminal offense, the nexus of Federal jurisdiction, and the penalties. Under the code reform, the robbery would represent a single offense, with three potential bases for the assertion of Federal jurisdiction.

Eighth, another of the aspects of the present code which contributes mightily to its complexity and confusion is the treatment of culpable states of mind. The Brown Commission identified at least 78 different terms in the present law used to describe the mental elements comprising an offense. These range from "knowingly" and "willfull" to "knowingly and willfully," "improperly," "feloniously," and "maliciously." Further, most of these terms have been interpreted by the courts in widely varying, and often contradictory, manners. The code reform would reduce this incomprehensible assortment of terms to simply four—"intentional," "knowing," "reckless," and "negligent"—each of which would be defined in a coherent and consistent manner. For the first time, a discernible, consistent pattern would be reflected in the state of mind required for a Federal offense.

Ninth, the present organization of title 18 is a haphazard one, based more upon alphabetical imperatives than upon any sounder, more rational element. Like laws ought to be classified in a like manner, together and unalike laws ought to be separated by sections, chapters, titles, subtitles, or some other rudimentary form of demarcation. The code reform effort would achieve this.

Mr. President, I believe that the present code reform measure, by remedying these difficulties to a substantial extent, can work to enhance popular respect for the criminal law. It will reduce the opportunities for criminal justice determinations to be influenced by whim, arbitrariness, technicalities, and irrationality. The code is far from a panacea—by itself, it can have a limited effect in reducing the intolerably high levels of crime, particularly violent crime, in this country—but it can make a substantial contribution toward insuring a more conducive atmosphere within which the criminal justice process can operate. Dean Pound recognized four primary factors that influenced the quality of justice—personnel, administration, procedure, and substantive law. The Criminal Code is aimed largely at the final element.

PROVISIONS OF CODE

The proposed code is part recodification and part revision. By far the greatest part is the former. I would estimate that at least 90 percent of the code is intended to perpetuate the present state of the law. To this extent, the Criminal Code is not an ideological measure; it is not a conservative code and it is not a liberal code; it is a neutral, technical revision of a body of law that has gradually fallen in disarray as a result of both the rapid proliferation of new criminal laws and congressional carelessness. In attempting to impose a measure of uniformity upon the code—uniformity with respect to culpability, jurisdiction, penalties, and elements of offenses—it has been necessary sometime to effect slight, sometimes inadvertent, changes in a wide variety of areas of the present law. The long-term benefits of uniformity far outweigh, in my mind, the occasional disruptions that I anticipate may result from this process.

That part of the code reform intended to represent change from the present law has been handled with great care and with great sensitivity to the interests of all participants in the code effort. Most of the change reflects a broad-based consensus that the law was in need of modification; while there are remaining elements of controversy, most of these have gradually been culled from the code reform. In the great preponderance of cases where there was significant, or irresoluble controversy, the code has attempted to maintain the status quo as faithfully as possible.

No one, including myself, is unanimously approving of the provisions that remain in the code. It is simply too large an undertaking to reasonably expect that. There are a number of provisions that I would just as soon not see in a Criminal Code, as well as other provisions that are not included here, but that I wish were. I would hope that my colleagues bear this reality in mind when they consider it. There are few pieces of legislation that are more far-reaching than the Criminal Code. And there are few pieces of legislation that deal with more emotionally volatile issues than does the Criminal Code. In considering and debating the code, these realities must be carefully borne in mind. The Criminal Code Reform Act will not be a perfect bill from any single Members' point of view, but, I would hope, will be recognized by each of them as a substantial contribution in improving our criminal justice system.

I would very briefly like to review the overall structure of the act, and summarize some of the general provisions and principles that underlie it.

The bill is divided into five parts, each of which is further subdivided into chapters, subchapters, and sections. Part I sets forth the general provisions and principles that are the foundations of the code reform. Chapter 1 sets forth the general purpose of the Criminal Code. "Defining and providing notice of conduct that indefensibly causes or threatens harm to those individuals or public interests for which Federal protection, through the criminal justice system is appropriate"—the objectives of punishment under the code, and general principles of criminal liability.

Chapter 1 lists and defines more than 100 terms that are used in the code as part of the effort to impose more uniform and more equitable meanings upon the provisions of the criminal law. It also states the general principle of construction to be used in construing the meaning of the code—

> Shall be construed in accordance with the fair import of their terms to effectuate the general purposes of this title particularly to ensure definition and notice of the conduct prohibited in accordance with the rule of strict construction.

Chapter 2 of part I, one of the most critical parts of the code, establishes the various bases of Federal criminal jurisdiction. Unlike present law, the jurisdictional element is specifically excluded as an element of the offense, although, as with the elements of the offense, it must be proved on the basis of the "reasonable doubt" standard. Each individual offense instead contains a description of that conduct constituting the offense, with a separate jurisdictional statement indicating under what circumstances that conduct would be punishable as a Federal offense. As noted earlier, this organization will reduce substantially the bulk of the criminal law, reduce the number of essentially duplicative provisions, eliminate opportunities for multiple counts predicated upon single transactions, and reduce the complexity of both the code and of criminal prosecutions under the code.

All Federal jurisdiction is defined as being either "general," "special," or "extraterritorial." Offenses must be committed within one of these three geographical areas in order to be within the scope of the code. "General" jurisdiction is that which attaches simply because an offense is committed within the borders of the United States. "Special" jurisdiction is that which attaches within certain types of Federal enclaves, such as Indian reservations. "Extraterritorial" jurisdiction is that attaching to certain actions committed outside the United States yet which impinge substantially upon the interests of the country, including violence committed against U.S. officials, treason, sabotage, and counterfeiting.

One of the most substantial changes in the present act from S. 1437 during the 95th Congress is section 205 which states the circumstances under which the United States is to exercise jurisdiction held concurrently with the States. It enumerates a number of factors that are to be considered by the Federal agency prior to exercising their jurisdiction. Each of these is designed to insure that some compelling and genuinely Federal interest exists in a case prior to the involvement of the Federal agency. The exercise of such jurisdiction would generally not be preemptive of State or local jurisdiction, unless expressly provided.

There is no general concept of "piggyback" or ancillary jurisdiction in the Federal Government provided by the code. Such jurisdiction, if conferred generally would extend the Federal Government into areas far beyond its proper purview; such jurisdiction is conferred, cautiously, on an offense-by-offense basis.

Chapter 3, as earlier observed, consolidates the various "states of mind" scattered throughout the code into four well defined terms. They are "intentional," "knowing," "reckless," and "negligent." Where there is no standard of culpability expressly stated within a provision, the particular state of mind that must be proved is presumed to be "knowing," for the conduct itself; "reckless," with respect to the existing circumstances; and "reckless," with respect to the results of an act.

Chapter 4 discusses complicity liability, setting forth the circumstances under which coconspirators, aiders, and abettors are responsible for the conduct of another person. Individuals having criminal liability in such a role may be treated as a principal for the purposes of the code. The chapter also describes the conditions under which an organization is to be treated as responsible for the actions of its agents, and an agent liable for the acts of an organization.

Finally, chapter 5, choosing to avoid one of the most controversial areas of the original code proposal, has left the development of most defenses and bars to prosecution to the courts. These include the issue of the insanity defense—one which I would like to reform substantially—mistake of fact or law, intoxication, duress, and entrapment. Except for the offense of murder, juveniles, under age 16, can be tried only as juvenile delinquents pursuant to part III of the code.

Part II of the Criminal Code, the heart of the bill, establishes each of the substantive offenses to be covered by the Federal criminal sanction. Each one of its nine chapters groups similar classes of offenses, including offenses involving national defense, international affairs, Government processes, taxation, individual rights, the person, property, and the general public welfare. In addition, there is a Federal attempt statute of general application, as well as criminal conspiracy and solicitation statutes which attempt to reflect current law. I will later discuss briefly some of the major substantive changes that distinguish the present proposal from S. 1437.

Part III of the code contains the sentencing provisions. The major reforms proposed include the adoption of a sentencing guideline system and a lessened reliance upon indeterminate sentencing practices. The act creates a Sentencing Commission that would establish guidelines to govern the imposition of sentences for all code offenses. While a judge could continue to impose sentences outside the range of sentences recommended by the guidelines, subject to the limits placed in the statute itself, he would have to explain his reason for doing so in writing. Appellate review of sentences would be available to offenders if the actual sentence exceeded the guidelines, and available to the government if the actual sentence was below the guidelines.

In addition, the court would be empowered to specify that portion of an offender's term during which he would be ineligible for parole. Thus, it would be the sentencing court, not the parole officers, who would determine how much time, in fact, an offender served in prison as a result of his offense. There would be no more gamesmanship in which courts, attempting to anticipate the actions of the parole officers, sentenced individuals to far longer sentences than actually deserved in the hope that the actions of the Parole Commission would shorten them to the most appropriate length. The U.S. Parole Commission is phased out of existence by the Criminal Code Reform Act.

Various sentences, other than imprisonment, remain available to the court, including monetary fines, restitution, probation with conditions, and criminal property forfeiture.

Part IV consolidates and clarifies a number of procedural points, most of which are contained in title 18. These include extradition procedures, Federal court jurisdiction and venue, civil commitment procedures, juvenile hearings, pretrial and trial procedure, and postsentence administration. There is no substantial change in the existing law.

Part V relates to certain ancillary public civil proceedings, such as civil forfeiture proceedings. There is also created a victim compensation fund from collected fines to assist in the recovery of victims of violent Federal crimes.

Title II of the bill contains several amendments to the Federal rules of criminal procedure, mostly of a technical or conforming variety. Title III makes several substantive changes in title 28 of the United States Code relating to the organization of the Federal Bureau of Prisons, the Victim Compensation Board, and the Sentencing Commission. Title IV contains several general provisions relating to severability and effective date. Title V contains various technical and conforming amendments.

NEW PROVISIONS OF CODE

The Criminal Code Reform Act of 1979 is similar to S. 1437 as passed by the Senate during the 95th Congress, but there are some differences. Most of these differences, I believe, make the act a better piece of legislation. Many of these changes are in response to some of the legitimate concerns of the business community, a group which was somewhat late in offering their input to S. 1437. I would like to briefly highlight a few of the key changes that have been incorporated in this year's act:

Federal jurisdiction.—A new section 205 has been added enumerating the factors that must be considered by the Federal Government in determining whether or not to exercise jurisdiction held concurrently with the States.

Nontitle 18 offenses.—Title VI of S. 1437, relating to nontitle 18 offenses, has been stricken from the bill. Thus, these offenses will continue to be applied without respect to the culpability terms and other provisions of the new code.

Reckless failure to supervise.—Section 403(c) relating to the reckless failure of an agent to supervise the conduct of an organization has been deleted, while section 403(b) relating to the omission of an agent to perform a duty of his organization has been substantially modified. Both original provisions were vague and imposed unclear burdens upon agents of business enterprises.

Consumer fraud and Federal Government.—The jurisdiction for the new "consumer fraud" offense has been substantially narrowed with respect to the Federal Government. The offense has been basically limited to violations occurring on Federal enclaves.

Parole Commission.—The U.S. Parole Commission has been abolished. With the virtual elimination of parole, there was felt to be no need to perpetuate the existence of this agency.

Employment of offenders.—The Federal Government has been given slightly more flexibility to consider the fact of previous criminal convictions in determining whether or not to hire an individual, section 4032.

Victim's compensation fund.—The Attorney General is authorized, to the extent practicable, to institute against criminal offenders actions to recover amounts of money disbursed from the victim's compensation fund with respect to offenses committed by that offender, section 4114.

Tax evasion.—The substance of the section 1401 tax evasion offense has been redefined to insure that it is evasion of the "tax" rather than evasion of a "tax liability" that is the crux of the offense. The latter term was considered ambiguous by many, and too reminiscent of IRS Commissioner Kurtz's effort to require taxpayers to "red flag" their questionable deductions.

Penalties.—Additional elements of due process have been added to some of the new penalties borrowed from the civil law, such as restitution and double fines. Unless the amounts in question are relatively easily determinable, they are not to be imposed under the act. Double fines, certain conditions of probation such as the prohibition against an organization engaging in a particular business, and civil treble damages against fraud offenders, have been completely deleted from the bill.

Securities offenses.—The present law has been tracked in the area of securities violations, section 1761.

Recklessness.—The term has been redefined in section 302(c) to clarify that it involves a "substantial" risk.

Solicitation.—The number of offenses to which the solicitation offense, section 1004, is inapplicable, has been expanded somewhat.

Interstate commerce.—The term "facility in interstate commerce" has replaced the term "facility of interstate commerce" throughout the code.

Reckless endangerment.—Section 1617 has been limited to cases in which individuals are actually placed in danger of imminent death or serious bodily injury. Ancillary jurisdiction applied to nontitle 18 offenses is limited to statutes designed to protect the public health or safety.

False statements.—A "knowing" state of mind is now required with respect to the falsity of statements covered by sections 1341, perjury; 1342, false swearing; and 1343 false statements. 1343(a)(1)(C), omitting a material fact in a written statement on a Government matter, has been limited to an application for a benefit, or other document filed or required to be filed by a statute or regulation.

Revealing private information.—The affirmative defense in section 1525 based upon the Privacy Act and the Freedom of Information Act has been deleted.

Mail and wire fraud.—Section 1734's extraterritorial application has been limited to cases in which there is a "substantial" Federal interest.

Bribery.—The extraterritorial application of section 1751, commercial bribery, has been limited to instances in which there is a "substantial" Federal interest. There are also clarifying provisions to insure that section is not overly broad.

Ancillary jurisdiction.—Certain offenses such as criminal trespass, section 1713, have been eliminated as a basis for ancillary Federal jurisdiction. See also section 1701(c)(10).

Safety officer.—The separate offense in section 1842 of S. 1437 of failing to obey a public safety officer has been deleted.

Treatment of principle.—Section 404(a) has been modified to eliminate language that organizational defendants under sections 402 and 403 could be charged, tried, and punished as defendants.

Good time.—In order to better preserve prison discipline, section 3824 has been amended to provide for the accumulation of "good time" on a year-to-year basis rather than a month-to-month basis.

Order of notice.—Limits application of section 2005 order of notice requirement to fraud offenses for both individuals and organizations, provides for appellate review of such a requirement, and introduces a cost benefit element into determining the appropriateness of such a sanction.

Refusing to provide information.—Requires court, rather than agency, enforcement of many types of agency subpenas for information.

Security interest.—Requires, as an element of section 1736 that there be an intent to interfere with a security interest, rather than simply an inadvertent interference.

Comments by judges.—Strikes section 105 of S. 1437 prohibiting Federal judges from giving opinions as to whether or not facts have been sufficiently or fully proven.

In addition, several matters of importance such as the question of bail reform, or "pretrial detention" have been left open for full committee consideration which is to begin with a hearing on September 11. The issue of capital punishment will be taken up separately by the full Judiciary Committee later in the session.

CONCLUSION

Mr. President, I would urge my colleagues to take a close look at the Criminal Code reform effort. As Prof. Louis B. Schwartz, the Director of the National Commission on Reform of Federal Criminal Laws, has noted:

> Reform of the Federal criminal law is a project of awesome scope and complexity, entailing not merely legal considerations, but also sensitivity to history, politics, social psychology, penology, and the religious, economic, and ethnic tensions within this Nation.

This Criminal Code, if passed, will not only reflect the development of criminal jurisprudence in this country, but it will influence greatly its future development. To that extent, it will influence the entire structure and fabric of our society. Thus, it is critical that this effort be a broadly based consensus effort, not one dependent upon the achievement of any transient political majority. The Senate bill represents such an accomplishment, in my opinion.

I ask unanimous consent to have printed in the RECORD the structure of organization of the Criminal Code Reform Act.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Code Reform Act of 1979".

TITLE I—CODIFICATION, REVISION, AND REFORM OF TITLE 18

SEC. 101. Title 18 of the United States Code, which may be cited as "18 U.S.C. § ——" or as "Federal Criminal Code § ——", is amended to read as follows:

"TITLE 18—CRIMINAL CODE

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FEDERAL CRIMINAL CODE REFORM LEGISLATION

Mr. THURMOND. Mr. President, on Friday, September 7, 1979, I joined in the introduction of S. 1722, to codify, revise, and reform our Federal criminal laws. This is just another step in the long, painstaking process of perhaps achieving the enactment of the Federal criminal code in the 96th Congress.

As a principal cosponsor of this legislation, I want to commend the distinguished chairman of the Judiciary Committee, Senator KENNEDY, for his efforts in once again bringing criminal code reform legislation before the Senate for its consideration.

Mr. President, as my colleagues will recall, similar legislation was passed by the Senate in January of last year, but failed to gain enactment because of the brief time left in the 95th Congress for the House to act. The prospects this year are brighter, however, since the Criminal Justice Subcommittee of the House Judiciary Committee has made considerable progress in an effort to make criminal code reform a reality. But, if there is any real hope of enacting this monumental legislation, in my opinion, it must be accomplished in this Congress and to the extent possible, using the Senate bill as the vehicle.

BACKGROUND OF CODE EFFORT

The Congress, in 1966, created the National Commission on Reform of Federal Criminal Laws, which later became referred to as the Brown Commission, after its distinguished chairman, former Gov. Edmund E. Brown of California. The Commission labored for nearly 3 years and on January 7, 1971, submitted its recommendations to the Congress. Then, throughout the 92d, 93d, and 94th Congresses, the Judiciary Committee studied and analyzed all aspects of this legislation. Hundreds of witnesses testified and commented on its many provisions which is reflected in a hearing record totaling more than 8,500 pages in 15 volumes.

Mr. President, the previous work of the committee has been improved upon in a slow, but evolutionary process. Every provision of this legislation has been subject to the most intense scrutiny. The committee held numerous markup sessions in the last Congress and Senators spent 8 days considering this measure on the Senate floor. Both liberal and conservative amendments have been offered to the bill. Some have been adopted. Some have been rejected. Others have been worked out in a spirit of compromise. This has been the process throughout the consideration of this legislation in the Senate.

This legislation is a careful balance between liberal and conservative points of view. There are certain provisions of this legislation that I would probably not support if considered on their merits independently of this reform measure. There are certain provisions that I am sure Senator KENNEDY would not support under separate circumstances. But the only way a bill of this kind is going to reach enactment is for certain differences to be set aside, and the reform effort pursued in a sense of bipartisanship and common purpose.

BASIC FEATURES OF LEGISLATION

The overall purpose of the bill is to revise, update and consolidate the existing Federal criminal laws which are spread throughout all 50 titles of the United States Code. All Federal felonies, many of which are now outside title 18, will be integrated into the new code. Obsolete or unusable sections of the existing law are eliminated or updated.

The proposed code legislation provides an integrated system of terms and general provisions. Terms in the bill are defined clearly and reduced in number. Every effort has been made to draft offenses simply, precisely, and in common English.

In addition, the question of what criminal behavior triggers Federal jurisdiction is completely separated from what is criminal conduct. Thus, instead of approximately 70 different theft offenses under current law, each with its own jurisdictional base, there is only a single section of theft that lists only 32 different bases for Federal jurisdiction. Every effort has been made throughout the legislation to limit the criminal jurisdiction of the Federal Government to specific areas consistent with the U.S. Constitution and traditions of federalism. A number of changes in this bill have been made since the Senate last considered this legislation that more sharply curtail Federal intrusion into matters best left to the States.

As a Senator who opposes the growth of the Federal Government into the activities of our daily lives, I have been most sensitive to efforts to limit Federal jurisdiction as much as possible. The bill introduced contains a new section, section 205, that more carefully defines the limits of Federal jurisdiction vis-a-vis State jurisdiction. The showing of a substantial Federal interest is always required where Federal jurisdiction is not plainly indicated in the offense.

Also in the area of jurisdiction, non-title 18 offenses and regulatory offenses outside the main body of the code will be determined by the courts as under current law. This is to prevent an unnecessarily broad reach of Federal prosecutorial jurisdiction into areas that are regulatory in nature and not major criminal offenses.

Major improvements, Mr. President, have been made in a number of areas of concern to America's business community. In addition to the Federal jurisdiction questions, the business community expressed concern about "culpability" definitions in the bill, regulatory offenses, fine levels, securities offenses, order of notice provision, a restitution provision, alternative fines and other offenses that could potentially affect American businessmen. Most of the problems raised about these matters were resolved prior to introduction. Although some issues are still outstanding, this bill is substantially improved in these areas over the bill considered in the Senate last year. I am confident that during the hearings on this measure in the Judiciary Committee, further amendments and modifications will be made to meet the objections of the business and corporate community.

Mr. President, this legislation has come about as the cumulative product of nearly 12 years of study and examination. It reflects the advice and counsel of hundreds of concerned people—academicians, lawyers, judges, legislators and private citizens of every political persuasion and point of view. It is not a haphazard attempt to pass more Federal laws. It has a solid, underlying foundation on which to rest. In addition to the Senators now sharing the work on this measure today, there are the efforts of the late Senator McClellan and Hart, as well as former Senators Ervin and Hruska, who have served with me on the Judiciary Committee. Their efforts are embodied in this measure. It represents the labors of all these men and their staffs over a period of many years.

The Senate bill has the unqualified support of the Department of Justice. This support is important, in my opinion, for it is the lawyers and prosecutors of the Justice Department who are responsible for enforcing the Federal laws. My continued support, however, for this legislation will depend in large part on the manner in which the Justice Department approves or disapproves of changes in the bill and the resolution of different House and Senate bills.

I believe the Senate bill is a sound one and needs only a few changes in order to gain the support of the full Senate. I will work hard in committee to accommodate some changes without doing violence to the overall form and style of this bill. It is a good bill and should be approved in due time by the Judiciary Committee and the Senate.

THE RESERVE COMPONENTS

Mr. THURMOND. Mr. President, our Nation's support of our military Reserve components is vital to our national security. America's employer and industry support of our Reserve components, backed by Congress and the administration, is essential, if we are to achieve a viable defense team. This is imperative with or without a draft of the Reserve components.

Mr. President, many employers have signed the statement of support for the Guard and Reserve, which has been developed by the National Committee for Employer Support of the Guard and Reserve. September has been designated by the committee to recognize more than 350,000 employers who have signed the statement. Although this represents almost 60 percent of the work force, there are still many employers, particularly the smaller ones, whose support is needed in order to assure the readiness of our volunteer citizen-military units.

The Honorable James M. Roche, former chairman of the board and chief executive officer of General Motors, has served as national chairman since the committee was formed in 1972. His article entitled, "Employer Support of the Guard and Reserve," appearing in the July–August, 1979, issue of the Defense Management Journal should be of special interest to my distinguished colleagues and all employers in our country. I urge Members of Congress and all employers to back the objectives of the National Committee for Employer Support of the Guard and Reserve.

Mr. President, I ask unanimous consent that the Defense Management Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

(By James M. Roche)

The debate over the need to reinstitute some form of obligatory military service for young Americans is beginning to stir in the halls of Congress and the Pentagon. Some say resurrection of the draft is the only way to ensure an adequately manned force for the security and defense of our country; others contend that only registration of service-age individuals is needed in order to cope with any emergency. Yet another group claims that the fairest and most efficient system is the presently configured all-volunteer force.

No one can disagree, however, that a deviation from the all-volunteer force, to whatever degree, would be a long and difficult road to traverse. No doubt the debate will be at least as prolonged and vociferous as the one that preceded the institution of the present system. Meanwhile, this nation's defense needs continue, as does the requirement to acquire and retain sufficient manpower to meet those needs.

Hardest hit by the suspension of the draft are the Army Reserve and National Guard which are experiencing serious manpower shortfalls. Considering that under the all-volunteer total-force policy, the reserve components have been assigned more critical missions than at any other time in recent history, this situation is specially worrisome. Thus, before it can become critical, measures must be taken to alleviate the shortages in case selective-service registration is not reinstituted.

BLUEPRINT FOR SUPPORT

In 1972, the Department of Defense, recognizing the need for public and private support of the all-volunteer total-force policy, formed the National Committee for Employer Support of the Guard and Reserve. As a result of this initiative, unpaid, influential volunteers have spent much time over the years persuading employers to support their employees who are members of the reserve components. So far, there has been considerable success as 350,000 employers have signed statements of support for the National Guard and Ready Reserve. In all, this covers about 60 percent of the American work force or about 54 million workers. Nonetheless, there is still a long way to go, not only in engaging the support of business executives but in securing the support of intermediate levels of management as well.

In an effort to gain the understanding and support of small-business employers and immediate supervisors of guardsmen and reservists, the program was expanded recently when state committees for employer support were formed. There is one located in each state and in Washington, DC, Puerto Rico, and the Virgin Islands. Each is headed by a group of prominent local businessmen and includes members of each of the reserve components located in the state and civilians selected by the state and national chairmen.

The primary theme of selling point used thus far to convince employers of the importance of their support is the critical role of the Guard and Reserve now that the Selective Service System is inoperative. Recent discussions with supportive employers revealed that employees are not sole benefactors in this partnership. The employer has much to gain from the training and skills acquired by employees during their military service.

Last fall an executive of the San Diego Gas and Electric Company expressed precisely this sentiment when he stated that his best employees are reservists. He explained that his reservist employees generally are better skilled in their trade, recognize when decisions are required and make them in a timely and logical fashion, assume responsibility without prodding, are thoroughly organized, and are adept at managing money, property, and people. He added that they know how to issue and follow orders and how to get along well with their co-workers. He attributed many of these positive qualities to the training and experience the employees had gained as members of National Guard and Reserve components.

A CHANGE OF UNIFORM

Executives of two divergent Colorado organizations were interviewed recently concerning their attitudes toward reservists employees. Lakewood, Colorado's law enforcement agency employs 195 people; 14 are members of local Guard and Reserve units and several others are considering joining. Because summer months are popular periods for vacations and for two-week, active-duty reserve training, the department's manpower situation during these months is a major concern. However, reserve units and department managers have worked together to resolve conflicts so that everyone has a chance to participate while ensuring adequate police protection for the city. Lakewood Mayor Chuck Whitelock stated, "I fully support the Guard and Reserve members. Their contributions to the city are recognized and very much appreciated. The time we give them is a very small price when compared to what the city gets back."

At the Denver headquarters of Gates Rubber Company, there are 28 reservists employed, 14 of whom belong to the same unit. Further, there are some 300 other reservists at Gates plants scattered throughout the country. A Gates personnel manager recently said, "It would not surprise me to find that our Guard and Reserve employees have a different outlook on their job from other employees. Take an enlisted reservist, for instance—a noncommissioned officer. He receives management training in the military which he can apply to his job here. Even if he is not in a management position with us, he understands the problems better and his attitude rubs off on other employees."

Both organizations provide more support for their reservist employees than the law requires. Lakewood police employees receive their normal pay while on reserve duty; Gates Rubber Company makes up the difference between the military pay and the civilian pay. Although the law does not require any civilian reimbursement for the reservists' time on active duty, many firms are doing so as a demonstration of their encouragement and support. It is a policy the National Committee for Employer Support of the Guard and Reserve would like to see adopted by all employers.

State committees for employer support are learning that communication within organizations can be crucial to reservist employees. Top-level managers understand the program and sign statements of support, but the policy may not be transmitted to lower levels where schedules must be rearranged and substitutes found.

Such a problem does not exist at Lakewood's police department or at Gates. Charlie Johnston, a police captain and reserve major, says, "The department goes a long way in making the reserves an attractive part-time occupation. You could walk up to any person in this building and ask about our Guard and Reserve policies and get an answer. Everybody knows!" The same is true at Gates, where company policies are frequently published in newsletters sent to supervisors at every plant location. When necessary, these newsletters carry specific instructions for supervisors of reserve employees.

Several months ago, the Massachusetts state committee contacted the Raytheon Corporation about its continuing support. The company was so enthusiastic that it initiated a program to guarantee employee awareness of company policy about Guard and Reserve participation. It published articles in its house publication, reissued written guidance to every first-line supervisor, and displayed posters showing a group of employees in their military uniforms with the caption, *We lead two lives.* Company management even went so far as to invite military representatives to set up booths in its cafeterias so employees could obtain information about reserve programs.

SPREADING THE WORD

These are just a few examples of outstanding employer support. Many companies actually do more than the law requires. But there are also those who do not adhere to the requirements of the law. Some do not even know the law exists, as demonstrated by the cases handled by the national committee's ombudsman.

Most of these cases are mitigated when employer obligations such as granting military leave exclusive of earned vacation and offering equal promotion opportunities are explained. Some employers are surprised to learn that first-line supervisors are either unaware of, or simply ignore, supportive policies. Once the facts of the situation are explained to the supervisors, the reservist's problems in meeting his military obligations generally cease.

However, it is not always the employer who causes the problems. Sometimes the reservist employee is at fault for failing to notify the employer of training dates in advance, not submitting necessary paperwork, or taking advantage of the situation by fraudulently claiming military duty.

The ombudsman enjoys an extremely good track record at resolving these misunderstandings and disputes. Those which are not handled successfully by the committee are referred to the Department of Labor for investigation and possible legal action.

The ombudsman's caseload has decreased since the committee's inception, but his mission will not be complete until all employers lend their support. The National Committee for Employer Support of the Guard and Reserve continues to seek this understanding and support through exhibits, public-service advertising, liaison with business and professional associations, and personal contacts. Yet the burden cannot and should not be borne solely by a small committee; instead, the effort should be the cooperative venture of every individual involved at every level of command in the active and reserve components.

One program that all guardmen and reservists can help promote is National Employer Appreciation Month, which is being sponsored by the National Committee for Employer Support of the Guard and Reserve in September. This effort will emphasize the need for employer support by thanking already-supportive employers and reminding them of the continuing need for their assistance, and by acquiring additional understanding and support from the public and from employers who are unaware of the program.

Reserve units and individuals can contribute to the effort by inviting employers to open houses or training assemblies, by sending them letters of thanks, and by presenting them certificates of appreciation recognizing their special efforts to assist units and individuals. The possibilities are limited only by one's imagination. Moreover, the nature of participation need not be elaborate or expensive.

Gaining the support of employers cannot be overlooked or taken for granted. Certainly, employer support of the Guard and Reserve should be viewed as an increasingly vital facet of our national-defense policy.

S. 300, THE ILLINOIS BRICK BILL

Mr. THURMOND. Mr. President, recently, an editorial appeared in the Richmond Times-Dispatch, which I believe important enough to share with my colleagues. It takes a position against S. 300, the Illinois Brick bill. The point is well made that the proposed legislation would do irreparable damage to antitrust enforcement.

It has come to our attention that there is now being circulated among the Members of the Senate a draft of a purported "compromise" Illinois Brick bill. This so-called compromise between the positions of those in support of and those opposed to legislation to overturn the Supreme Court's decision in Illinois Brick Co. against Illinois is in reality no compromise at all. In fact, it is almost identical to S. 300, reported by the Judiciary Committee by a one-vote margin, and alleviates none of the concerns that have given rise to strong opposition to the enactment of that legislation.

The so-called compromise does not, as claimed by its sponsors, accomplish the following:

First. It does not cutback class actions, even though the "compromise" gives the impression of a class action cutback. The Judiciary Committee eliminated the class action cutback. The Judiciary Committee eliminated the class action fluid recovery section from S. 300, hence the real effect of the "compromise" is meaningless.

Second. It does not deal with parens patriae in the manner claimed. Supporters of the "compromise" position contend that it does nothing more than clarify the law as to parens patriae. The facts are the Illinois Brick decision does not overturn the Hart-Scott-Rodino Act of 1976. That law gave consumers the right to sue through their States acting as parens patriae to recover damages under the Sherman and Clayton Acts.

Third. It does not simplify the problem of tracing damages through a distribution chain. As Prof. Phillip Areeda said in his testimony during the 95th Congress, the so-called compromise attempts to sweep under the rug the concerns which led the U.S. Supreme Court to the decision reached in Illinois Brick.

Fourth. It does not cure the problem of loss of incentive for the direct purchaser to sue. Under Illinois Brick the direct purchaser, if successful, can look forward to receiving treble damages. The "compromise," which would reverse Hanover Shoe and Illinois Brick, would result in fractionalized recoveries to many plaintiffs. Incentive for the direct purchaser to sue would be weakened. Private antitrust enforcement would suffer.

The so-called compromise, however, does the following:

First. It adds uncertainty to the antitrust laws and encourages more lengthy antitrust suits;

Second. It makes available again the pass-on defense and pass-on offense rejected in Hanover Shoe and Illinois Brick.

Third. It would benefit the major business defendant, who can afford more lengthy litigation;

Fourth. It would unfairly apply retroactively, in the same manner as S. 300; and

Fifth. It would hurt the small businessman most, just as in the case with S. 300. With defendant asserting the pass-on defense against plaintiffs and all plaintiffs attempting to show that over charges were passed on to them, but were not passed on by them, small business would be dragged in, like it or not. Attorneys' fees, production of records, documents and other expenses would be their lot.

The purported "compromise" is not a compromise. It is a "play on words." Viewed in the best light, it is yet another ill-advised attempt to legislate a matter best left with the courts.

The only practicable course to pursue is to allow the Illinois Brick decision to operate for not less than 2 more years. If then it appears that some action is needed, we can consider and handle it in an appropriate manner at that time.

Mr. President, I ask unanimous consent that the editorial from the Richmond Times-Dispatch be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"ILLINOIS BRICK" DISPUTE

In June of 1977 the U.S. Supreme Court handed down a ruling designed to prevent business firms from being the victims of potentially devastating and harassing antitrust suits. The two decidedly liberal members of the court were among the three dissenters from the court's decision.

Now, some liberal members of Congress are pushing legislation which, in effect, would overturn the court decision. If they are successful, it could be a serious blow to American business directly and to the public indirectly, since a healthy climate for business is in everybody's interest.

In the court case (*Illinois Brick Company vs. State of Illinois*) the state and 700 local governmental entities brought suit for damages against the brick company, claiming that the firm and other concrete block manufacturers had conspired to fix prices. As a result of that conspiracy, it was alleged, the state and localities had to pay more than a proper price for concrete blocks used in masonry structures.

But the state and the localities hadn't bought the blocks from the Illinois Brick Company. In effect, they had bought them from general contractors, who had bought them from masonry contractors, who had bought them from Illinois Brick.

The court ruled that the state and localities couldn't collect because they could not properly bring suit. Only the *direct purchaser* of goods can sue for damages under the antitrust laws, the court held.

The court's reasoning makes sense. The justices pointed to the chaos that would prevail if everybody in the distribution line, plus the ultimate consumer, could sue the original manufacturer of a product. How could it possibly be determined how much of the final selling price to the consumer was due to an overcharge by the manufacturer, since others in the distribution line had added their prices to help make up the final cost? Furthermore, said the court, if everyone in the distribution line could sue the manufacturer, the latter could suffer multiple liability and be forced to pay far more than its overcharge would justify. Indeed, declared the court, allowing everyone in the line to sue would result in such confusion that enforcement of the antitrust laws could be adversely affected.

People who want to overturn the court decision argue that the consumer should be able to collect damages, no matter how far removed he might be from the illegal price-fixer. But the Chamber of Commerce of the United States points out that if the consumer and everyone in the distribution line were allowed to sue, "a court would have to bring every potential claimant into a single lawsuit and then try to sort out who gets what. This would entail identifying and notifying potential claimants at every level, settling disputes among the various claimants, and allocating shares first to each level and then to each claimant. . . . Cases would crumble under their own weight."

It must be conceded that, as the court said, "direct purchasers sometimes may refrain from bringing . . . suit for fear of disrupting relations with their suppliers." But, on balance, declared the court, limiting the right to sue to the direct purchaser is the proper course under the antitrust laws as now written.

Any proposed legislation tagged with the word "consumer" attracts many members of Congress; it has political appeal. But if the lawmakers will look beyond the label and study the court decision and other relevant information, they will defeat the attempt to override the court's sound ruling.

THE DESIRE AND INGENUITY NEEDED TO COMBINE ECONOMIC GROWTH WITH IMPROVEMENT IN THE QUALITY OF LIFE

Mr. THURMOND. Mr. President, the unsettled future that our American people face concerning energy, economic growth, and the quality of life leave many with problems and questions that are critically disturbing—both for individuals and for our overall society. We are torn between the desire for economic and technological progress and for our very real concerns for improvement in the quality of life.

Mr. President, certainly these are not new problems; but more importantly, they are continuing problems. We need to give our best efforts to finding solutions that will be in the best public interest.

A recent Business Week magazine article by Mr. John W. Hanley, chairman and president of Monsanto Co., provides some excellent thoughts on this subject. Mr. Hanley, a highly respected innovator in both management and marketing, considers economic growth versus quality of life and asks the question: "Why can't we have it both ways?"

Mr. President, his discussion of our need and our capability to apply ingenuity and desire to develop realistic and acceptable alternatives deserves our special attention and consideration. A consistent and positive attitude by all Americans that we can accomplish these goals is crucial. This is the way that our people have always risen to meet the challenges of difficult times in our Nation's history. These very real and very serious problems today and tomorrow require this same type ingenuity and public attitude.

Mr. President, in order that my colleagues might have the opportunity to review and give further consideration to this excellent statement by Mr. Hanley, I ask unanimous consent that his article "Why Can't We Have It Both Ways?", which appeared in the September 10, 1979, issue of Business Week magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY CAN'T WE HAVE IT BOTH WAYS?

(By John W. Hanley)

A few weeks ago a major publication ran an essay deploring the nation's unwillingness to come to grips with the real and serious energy crisis now upon us. The essay complained that U.S. citizens refuse to think through the issues and set priorities. "They want energy without risks. . . . Americans historically have believed they can have it both ways."

The same might be said regarding what our society expects from technology today. Episodes ranging from a failed nuclear plant to a falling space satellite have reminded us that we are still trying to cope with what Dr. Carl Sagan calls the age of "technological adolescence." Like a teenager wondering what he really wants from life, our society wonders what it really wants from technology.

Most Americans are anything but anxious to renounce their hard-won affluence. Witness the current agenda of socioeconomic goals—full employment, equal opportunities, a decent life for all Americans, and so forth—that depend on further economic progress and the national wealth it creates.

Nevertheless, our tastes for economic and technological progress are being tempered by increasing concerns for quality of life. The American people genuinely want cleaner natural and urban environments, safer and more humanized jobs, improved disease prevention and treatment, workable solutions to world food and energy problems, and continued reduction of the risks associated with modern technologies.

Inconsistent attitudes. It's not surprising, then, that public attitudes toward technology are rife with inconsistency and ambiguity. Americans want economic progress and quality of life.

Can we have it both ways? Some in our society say no—hardly surprising in itself—but I'm fascinated by all the different ways they arrive at that conclusion. There are those who follow a moral imperative, believing that this greedy society must be forced to return to more primitive life-styles with less dependence on technology. At the opposite end of the spectrum are those who grouse that weighing anything against economic growth is somewhere un-American. In between are the fatalists who knew all along it was too good to last.

None of them, however, has much sense of history. Because wanting it both ways—wanting to break away from some previously unavoidable trade-off—has been the driving force of human progress throughout history.

We hear it said today that we are running out of certain raw-material and energy resources necessary for growth. But when in human history has this not been the case—at least for the most readily recoverable and usable reserves of some resources? Human ingenuity has been the key to extending supplies by improving exploration and processing, by conservation, by recycling, and by substitution. For example, today's oil-supply crisis is not the first this world has seen. In the last century, people were already worrying that whales were being killed faster than they could reproduce. How would the world light its lamps and lubricate its machines without whale oil? The answer was that rising demand and innovative minds brought forth replacement products based on petroleum.

Furthermore, we are only beginning to realize the potential of an intellectual/technological explosion that R. Buckminster Fuller refers to as "doing more with less." He points out that a 200-ton jetliner can outperform the annual passenger-carrying capacity of the 85,000-ton Queen Elizabeth. Likewise, a quarter-ton communications satellite can outperform 150,000 tons of transoceanic cable. The point is that a single intellectual leap translated into new technology can create an entirely new dimension for economic expansion, pushing the physical limits of growth back beyond the horizon again.

Upgrading. On the quality-of-life side of the equation, we hear that the earth is running out of capacity to absorb the pollution byproducts of growth. Again, however, history is ignored. Look at the considerable progress we've already made in cleaning up the environment by applying our intelligence and technological abilities.

According to the Environmental Protection Agency's latest report, the quality of the nation's air improved significantly from 1972 to 1977. The levels of sulfur dioxide, carbon monoxide, and particulate matter declined. Ozone levels at least held steady despite a 30 percent increase in motor-vehicle traffic.

We've also been pleasantly surprised to see how quickly polluted waterways can recover once appropriate steps are taken. Around the nation, fish are returning to rivers where no aquatic life could survive a decade ago.

Americans want industrial products and jobs without having to worry about industrial wastes bubbling up in the backyard. I, for one, see nothing unreasonable about that, provided that we are willing to approach the situation rationally and not hysterically.

The same applies to other environmental problems, as well as energy and economic problems. We do have to learn to live with less energy while developing alternative sources. We do have to be more aware of the environmental consequences of our technology while recognizing that a vain quest for a totally risk-free society can only squander scarce economic resources.

These problems are real, and I don't intend to understate their seriousness. Nevertheless, I can't help thinking: If wanting it both ways brought us this far, why should we lose faith in human ingenuity now?

SELECTIVE SERVICE SHOULD BE RESTORED

Mr. THURMOND. Mr. President, an issue of utmost concern to countless Americans is the ability of our armed services to protect our Nation from any foreign aggression.

Recently, many military experts have voiced the fear that the number of personnel in our armed services is at a perilously low level. They have stated that the all-volunteer concept has been a dismal failure and that the United States must set in motion the machinery to resume the draft.

A recent editorial in the State newspaper of Columbia, S.C. deals with this issue and offers some interesting observations on our need to restore the selective service.

Mr. President, in order to share this editorial, "Selective Service Should Be Restored," with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SELECTIVE SERVICE SHOULD BE RESTORED

Debate over ratification of the Strategic Arms Limitation Treaty centers for the most part around the relative strength of the United States and the Soviet Union in terms of exotic and sophisticated weapons systems.

It is essential, of course, that adequate attention be given to intercontinental ballistic missiles, long-range bombers, detection devices and other aspects of military preparedness in this era of advanced technology.

But when all is said and done, the residual component of an adequate national defense is manpower, and therein lies a cause for more concern than currently is being shown. There are, to be sure, periodic reports that the armed forces are woefully undermanned under the present volunteer system. But no one in Washington, least of all President Carter and his advisors, shows signs of working up a real head of steam over the situation.

Yet that is precisely what is needed if the nation is not to incur unacceptable military risks. Some form of compulsory service must be reinstituted to insure the availability of soldiers, sailors, airmen, and marines. It is obvious by now that the expensive and expansive campaign to woo young men and women into service with increased pay and privileges is not achieving its goals.

Indeed, there are some indications that some of the recruitment efforts are actually self-defeating. The unremitting pressure upon recruiters to "sign up" their quotas has resulted in outright deception concerning such essentials as literacy and educational qualifications.

Furthermore, the emphasis placed on long-term enlistments has triggered a higher-than-ever incidence of married servicemen, many of whom live off post and thereby reduce unit readiness. Consideration should be given to the family affairs of career servicemen, but short termers should be more concerned with martial than marital affairs.

What the nation needs—and needs badly—is a return to selective service registration. The country needs to know how many young men (and women) are available for military service, where they are, and how soon they can be mobilized—individually or collectively.

Beyond that, provision should be made for actually drafting so many as are needed to build up the armed forces to a state of readiness. And "armed forces" must be interpreted to include the reserve components, whether National Guard or the organized reserves of the various services. At present, all elements are suffering from lack of personnel.

Any serious move toward resumption of the draft will be met with outcries of "loss of freedom" and "interference with civil liberties." But is it too much to ask of a young man that he serve in uniform for a relatively brief but specified period of time? After all, millions of adult Americans have given years of their lives to the service of their country—in war or in peace, or both.

OPPOSITION OF THE NATIONAL GRANGE TO S. 1246

Mr. THURMOND. Mr. President, in recent months, and particularly in the last few weeks, we have heard many and widely divergent views concerning the Nation's energy problems. We have also heard and given consideration to numerous proposals directed toward the solution of these problems. Certainly these energy issues continue to have an unusually high priority position in our thoughts and actions in the Senate. We must not fail to give our most serious consideration toward reaching energy problem solutions that will be in the best overall public interest.

It is with this thought in mind that I refer again today to the proposed Energy Antimonopoly Act of 1979, S. 1246, and to the ever-strengthening opposition being expressed concerning this bill.

Those who proposed and support S. 1246 purport it to be a protection against the growth of monopoly of major petroleum companies. The expert testimony in hearings on this bill, however, has clearly demonstrated that this proposed legislation would actually cause the opposite to occur. While there are undoubtedly some aspects of the major oil companies' activities that do need some special attention during these days of critical shortages, this particular legislative proposal conflicts directly with the types of action needed to help solve the energy problem.

Mr. President, as a follow-up to the recent hearings on S. 1246, I call my colleagues' attention to a letter dated August 20, 1979, from Mr. John W. Scott, master of the National Grange, to Senator EDWARD M. KENNEDY, chairman of the Judiciary Committee, with copies to all members of the Judiciary Committee. The National Grange is the Nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

Mr. President, in expressing the opposition of the National Grange to S. 1246, Mr. Scott presents brief, but well-reasoned, point-by-point arguments that deserve our careful consideration.

Mr. Scott points out that an organization like the Grange is concerned about fuel for the home, the farm, and for the automobile to transport rural people extended distances to work. He notes further that:

> The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

Mr. President, I feel it is extremely important that we listen carefully to this message sent to us from the people who make up the membership of the National Grange. These citizens have an understanding of the basic issues of this proposed legislation. This understanding, coupled with their patriotically strong feeling that the best interest of the United States be served, should be given our most serious attention.

Mr. President, in order to share the contents of this excellent letter, from Mr. Scott to Senator KENNEDY, with my colleagues, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,
Washington, D.C., August 20, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Judiciary Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to express the opposition of the National Grange to S. 1246. The National Grange is the nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

The National Grange has a historic record of opposing monopolistic practices, but the opposition to this legislation is based on Grange policy which would depend on enforcement of existing anti-trust and anti-monopoly laws. Grange policy development democratically and initiated at the community level over the past several years is attached.

The energy crisis that this nation has faced since 1972 would be better served in effort and direction by positive steps to develop our energy resources. It appears that this legislation is attempting to make the oil companies a convenient whipping post because of the visibility the oil companies have received, especially over the past several months.

An organization like the Grange is concerned about fuel for the home, the farm and for the automobile to transport rural people extended distances to work. In order to make some sense out of the dilemma we must depend on experts and thus far the experts cannot agree on the best way to solve the energy crisis.

S. 1246 is designed to keep the major oil companies from investing in any major corporate activity in or out of the oil industry. It is intended to force the investment of funds back into oil exploration and production. This argument was very adequately addressed by Phillip Areeda in the Wall Street Journal on August 6, 1979:

"The desire to channel oil company investments is astonishing on three counts. First, if oil companies could earn more by investing in energy than elsewhere, we wouldn't need this legislation. Thus, the proponents must believe that the oil companies could earn more by investing their funds outside the energy business. On other days, however, many of the same people castigate the oil companies for 'obscene' profits. They are consistent only in their scapegoating.

"Second, if investing in energy has so little profit potential that it must be coerced, the administration and the other proponents might consider whether their policies and proposals are responsible. Third, it would represent an extraordinary change of policy for this nation to close off profitable investment opportunities in order to force asset holders to make less profitable investments."

Although the federal government and the oil industry may have made some contribution to the existing energy crisis which faces this nation, it is obvious that the major problems are not domestic but foreign.

The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

We would appreciate this letter being included in the hearing record on S. 1246. Thank you.

Sincerely,

JOHN W. SCOTT,
Master.

DIVESTITURE

Whereas, the dismemberment of our nation's major oil companies by Congressional action has been proposed; and

Whereas, it is vital to all segments of the American economy that the petroleum industry be able to provide rapid and economical development of domestic oil supplies; and

Whereas, leading independent economists and the petroleum industry have testified that forced divestiture would result in higher fuel prices and greater dependence upon foreign oil; and

Whereas, there are over 50 competitive, integrated oil companies, 10,000 producing and exploring companies, and 130 refining companies; and

Whereas, it is in the public interest to permit opportunity for oil companies to compete in the production and exploration of other sources of energy, therefore be it

Resolved, that the National Grange oppose efforts to force vertical and/or horizontal divestiture of the major oil companies; and be it further

Resolved, that adequate regulation of the petroleum industry can best be handled through enforcement of anti-trust and anti-monopoly laws.

NATIONAL ENERGY POLICY

Of all the problems confronting agriculture, transportation and industry, the reality of diminishing world petroleum reserves presents the most serious threat and the greatest challenge to the present lifestyle of every world citizen.

Certainly, part of the energy shortage problem involves a general public misunderstanding about the total energy situation. This has led to shortsighted "popular" political decisions adversely affecting energy supplies; for U.S. energy production has not kept pace with domestic energy demand.

Both farm and non-farm communities benefit from our energy-intensive form of agricultural production. While farm production uses only 3 percent of the energy consumed in the United States, this 3 percent pays for approximately two-thirds of our total energy imports, amounting to $34 billion in 1976.

With these views in mind, emphasizing that all the energy needs of the agricultural community must be met in both the long and short run to feed world populations and promote a favorable balance of world trade, we base our own national energy policy recommendations on the following principles:

1. The United States should attain a reasonable self-sufficiency in energy within the next decade. We should provide sufficient domestic production of energy to make it impractical for another nation to disrupt our economy or the lives of our citizens by withholding supplies or escalating prices.

2. The search for and development of domestic energy should be carried on by private enterprise. It is recognized that energy development is a costly process and adequate compensation without price-gouging should be permitted. Any excess profits should contain a plow-back provision for energy development. In the long run, we believe the price of energy should be determined in the marketplace and not by government price controls.

3. Research and development of domestic oil sites by private enterprise are urgently needed to offset the increase in the importation of oil from foreign sources. Special emphasis should be placed on areas located on the Outer Continental Shelf. Congress and the Administration should be urged to expedite the leasing of these offshore areas and to review present and/or proposed legislative restrictions so that this development can occur with minimal delay.

4. The Nation should continue a vigorous research program into future energy sources. Development of synthetic fuels and fuel additives, solar, nuclear and other forms of energy should go forward as rapidly as possible. The Federal role should be to sponsor a massive research effort, with the results to be made publicly available to all who wish to utilize the findings.

5. All citizens should be encouraged to reduce their use of energy. However, conservation and recycling techniques, though extremely important, cannot take the place of development of additional energy resources.

6. Federal energy allocation, rationing and price ceiling measures should only be considered in extreme emergencies, because they do not provide for private exploration incentives, and in the long run can only result in a growing energy scarcity with higher costs to all consumers.

7. We do not subscribe to the philosophy that the Federal government should require consumers to pay heavy taxes on domestic or foreign crude oil unless their higher payments are channeled into efforts to increase the supply of energy.

8. We recognize the need for pollution control measures in the field of energy production; however, we strongly oppose constantly changing antipollution regulations and intolerable time lags in developing our energy resources.

9. We reaffirm our policy of 1976, which states in part, "Resolved, the National Grange favors de-regulation of wellhead prices of natural gas."

ENERGY

Whereas, America's farmers require a dependable and continuing supply of energy if they are to meet the demands of the consuming public, and

Whereas, oil and natural gas provide nearly three-quarters of the nation's energy needs, and there is a great need to increase development of all available domestic energy sources in order to reduce reliance on foreign oil, and

Whereas, domestic energy development can be accelerated if increased access to exploration and production is permitted in the Outer Continental Shelf and on vast onshore lands owned by the Federal government, and development effort requires participation of all potential contributors, such as oil companies; therefore, be it

Resolved, that the National Grange call upon the President and the Congress to:

1. Encourage development of natural resources through price or tax incentives.

2. Encourage increased development of all potential sources of domestic energy, with no one restricted or excluded from contributing to this vital national effort.

3. Provide increased access to the Outer Continental Shelf and federal onshore lands for energy development.

4. Encourage research and development of solar energy.

5. Encourage more efficient use of water power.

BUILDING TEMPERATURE CONTROLS—AN EXCELLENT EXAMPLE OF PAPERWORK AND REGULATORY NIGHTMARE

Mr. DOMENICI. Mr. President, the Department of Energy's Emergency Temperature Restrictions, requiring nonresidential buildings to set thermostats no lower than 78° F for cooling, no higher than 65° F for heating, and no higher than 105° F for domestic hot water, serves as an excellent example to citizens of the United States of the bureaucratic nightmare of converting a plausible energy conservation plan into a paperwork and regulatory nightmare. Congress approved the Department of Energy's temperature control plan on May 10, 1979, and President Carter made the temperature control plan effective July 16, 1979.

Administration of this energy conservation program, projected to reduce oil use by as much as 400,000 barrels daily, has been conducted by not more than a handful of Department of Energy officials. The unfortunate incomplete and ineffective implementation of this temperature control plan has added to the severe lack of public confidence in ability of the Department of Energy to do anything. Perhaps Secretary of Energy Duncan may wish to use this program for his first reorganization project to improve the Department of Energy's administration.

The original plan as submitted to Congress would require each owner to keep records and submit reports as the Secretary of Energy may require. Little did the people or the Congress realize that this delegation of power was going to require mountains of paperwork for the mere adjustment of thermostat settings, particularly for small businesses. Already, the Department of Energy has issued 16 pages of regulations in the Federal Register on temperature restrictions. An additional 15-page manual, "How To Comply With the Emergency Building Temperature Restriction," must be reviewed by building owners before proper compliance can be assured for completing three Department of Energy forms.

For each building an owner must complete and post a Department of Energy

"Certificate of Building Compliance," keep on file an "Exemption Information Form," and mail back to the Department of Energy the "Building Compliance Information Form." If a businessman owns five or more buildings, three Department of Energy forms must be filled out for each building. This requirement entails the filing of a total of 15 million forms for the entire country.

In addition, each owner or small businessman must have the skills of a lawyer and building engineer to interpret the regulations and to claim any of the 17 exemptions that may apply. For example, a small retail grocer must study the regulations to know that an exemption may be claimed for the proper storage of food because refrigeration equipment suffers severe frost buildup; or the use of waste heat from refrigeration equipment or solar units as the only source of heating and cooling energy; or State or local health regulations requiring hot water temperature levels above 105° F. Fourteen other exemptions could also apply.

Distribution of the Department of Energy's "How To Comply With the Emergency Building Temperature Restrictions" is another example of disarray. The Department of Energy originally promised the forms and instructions would be "made available at post offices throughout the country." On August 20, 1979, the Department of Energy announced limited distribution to the main post offices in the 65 largest cities. This is a great advantage for those businesses located in the 21 cities in California, Texas, and New York having post offices that will receive the forms. Unfortunately, for my constituents in New Mexico and the people in 20 other States, no distribution to post offices is planned. New Mexicans are understandably irate when informed that forms can be obtained from post offices in Arizona, California, Colorado, and Texas, but not New Mexico.

After promising delivery of the forms by the end of July, some distribution was begun in mid-August. Distribution through trade associations may have alleviated the problem. Trade associations providing labels and membership lists received some of the Department of Energy books. The more than 100 national associations and other business representatives ordering bulk supplies for redistribution to members have just begun to receive the forms they have ordered.

Despite these efforts of the private sector, thousands of businesses have not received the forms necessary for compliance. Even though the Department of Energy had delayed the compliance date for posting forms until September 1, 1979, the totally inadequate distribution has made implementation of the program unworkable.

Further, this energy conservation plan is costing the American taxpayers approximately $8 million for administration. Businesses are expending untold dollars for compliance. Many constituents express disbelief at the paperwork required in the name of energy conservation when individual efforts to achieve cost and energy savings are being undertaken.

The best solution is for Department of Energy to abandon the unnecessary paperwork. For the 1978 fiscal year the Department of Energy had reduced the overall burden of repetitive reporting by an estimated 5.1 million hours or 58.3 percent. But between October 1 and December 31, 1978, the burden of repetitive reports increased 1.6 million hours or 42 percent. The Office of Management and Budget's recently issued report "Paperwork and Red Tape: New Perspectives—New Directions" anticipates increases in reporting hour burdens under many new energy statutes to be implemented.

> For example, the Power Plant and Industrial Fuel Use Act became effective May 8, 1979. The Department of Energy estimates the total burden of seeking exemptions under this statute to be under 200,000 hours; companies estimate the burden of the proposed forms and regulations to be more than 15 times the DOE estimate. Programs to implement the National Energy Conservation Policy Act may involve annual reporting burdens of over 3,000,000 hours.

And after all this, after a patriotic businessman goes through the effort of obtaining the necessary forms, the expense of filling them out and complying with the requirements, what have we achieved? Because of the lack of enforcement capabilities, the indifferent businessman or the one who refuses to participate in this paper flurry will remain out of compliance. The Nation will not save the energy projected and we will have simply expanded the bureaucracy.

The American public has the will to conserve energy. Escalating energy prices have enforced that need on the American people. Future energy conservation plans must allow alternative or comparable methods for conserving energy by businesses and encouraging voluntary compliance. Not all businesses use the same types of energy. Such businesses and industries should be given the opportunity to implement their own energy conservation measures instead of having counterproductive Federal mandatory paperwork and regulations imposed. The people's confidence in the Federal Government will not increase until the people are permitted to control their destiny free of unnecessary and cumbersome regulatory burdens and the result we all desire, conservation of energy, is actually achieved.

INTERIOR DEPARTMENT MISINFORMATION

Mr. MORGAN. Mr. President, in my years of dealing with Federal departments, I have never experienced the degree of misinformation which has been submitted to the Congress as that which has emanated from the Interior Department on S. 14, the Reclamation Reform Act of 1979, in the past few weeks. I can understand a Department supporting its position, but I resent deeply when that is attempted through the use of letters containing information that will not stand up to the slightest degree of scrutiny.

Officials of the Department of the Interior have continually provided individual Members of the Senate with information of S. 14 that is simply not factual or is highly sensational. The latest example is a letter to my colleague, Senator GAYLORD NELSON, which is inappropriately labeled as an analysis of the amendment which I proposed to S. 14, printed amendment No. 389, last August 2. This amendment is printed on pages 22425 and 22426 of the CONGRESSIONAL RECORD, No. 2, of that date. From reading the letter to Senator NELSON, which the Department provided me earlier today, I can draw one of two conclusions. Either no one at the Department of the Interior has read my amendment or, second, the so-called analysis of my amendment is a blatant and inexcusable attempt to mislead the Senate.

The letter from the Interior Department states that my amendment would allow Southern Pacific and other large public corporations to pay an increased cost for water and retain land that otherwise would have to be disposed of under S. 14. That assertion is not only lacking in fact, but is an attempt to cast me on the side of large corporate agriculture.

The fact is that my amendment would not allow Southern Pacific or any other public corporation with over 25 stockholders to pay the surcharge and own more land. Had the Interior Department taken the time to read my amendment they would have known that my amendment only applies to qualified recipients as defined in S. 14. As I understand it, Southern Pacific would have to dispose of all but 160 acres that it owns in reclamation lands. And, from what I understand, over two-thirds of Southern Pacific's holdings are in reclamation areas.

Furthermore, the so-called analysis says my amendment would only benefit 88 farmers. That statement is not borne out by what I know to be the facts. For example, I have been told that there are at least 99 farmers farming more than 1,280 acres in the westland water district alone. But this misstatement does not really bother me. I do not care if only one farmer is being deprived of his property rights by the Interior Department and others—I am prepared to offer my amendment to protect this principle if only one, just one, is involved.

Mr. President, I can understand how mistakes can be made in a bureaucracy as large and unwieldy as the Interior Department. But I simply do not understand how they can be made as consistently as has been done on an issue as important as S. 14.

Mr. President, I would appreciate it, indeed the Senate would be well served, if someone in a position of responsibility at the Interior Department would read my amendment, conduct an objective analysis of my amendment, and provide interested Members of the Senate with a statement of fact rather than a three-page letter of misinformation which slurs my intent. Better yet, the Members of the Senate who are interested in this issue and my amendment may be interested in an analysis by the Congressional Research Service, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF AMENDMENT 389 TO RECLAMATION REFORM ACT OF 1979—S. 14

I. STATEMENT

This is an analysis of Amendment 389, introduced by Senator Robert Morgan on August 2, 1979, amending S. 14, the Reclamation Reform Act of 1979. The analysis will include, insofar as presently available data permits, answers to the following questions propounded by Senator Gaylord Nelson in his request of July 30, 1979.

1. What percentage of actual principal and principal plus interest costs would typically be repaid under the amendment by a landowner paying twice the cost of water to landowners with non-excess acreage?

2. Would such repayment obligation likely be sufficiently high to discourage landowners from owning over 1,280 acres?

3. Is the assertion that reclamation law limits land ownership a correct legal assessment of the program, or does it only limit the right to receive water?

II. AMENDMENT 389

The Morgan Amendment removes the authorization set out in Sec. 7(b) of S. 14 allowing a lessee to receive water for lands in excess of 1,280 acres under a short-term lease not exceeding one year with no right of renewal. The amendment also authorizes delivery of water to a "qualified recipient" upon payment of the capital recovery component of the cost of water to non-excess lands upon a progressive rate as follows:

(a) 10% for the first additional 320 acres;

(b) 40% for the next additional 320 acres;

(c) 80% for the next additional 640 acres; and

(d) 100% for all additional lands.

The effect of the two provisions is to remove the provision in S. 14 that excludes from excess lands categorization all land leased for one year or less with no right of renewal. Instead, the Morgan Amendment would give to the landowner the option to legitimize delivery of water to excess lands, owned or leased, by agreeing to pay a surcharge based upon the capital recovery component of the cost of water service to non-excess lands of a qualified recipient.

III. REPAYMENT OF PRINCIPAL WITH INTEREST

A. Conceptual Analysis.

1. Principal.

Analysis requires definition of the words "actual principal plus interest" used in the first question.

Within the content of the Morgan Amendment, the word "principal" would mean that part of the costs of construction of the irrigation facilities which the District is presently required to pay.

On the other hand, the words "actual principal" as used in the first question are understood to mean the total capital costs of the irrigation facilities before employment of the variety of ways to reduce that amount to a sum which the irrigation district is required by contract to pay. The reduction techniques include repayment by power revenues, repayment by diversion of other government moneys, allocation of costs to other purposes so as to favor irrigation, and arbitrary reduction by administrative or legislative decision so as to bring the amount to be repaid within the ability of the water users to repay.

Similarly, the words "actual principal plus interest" are understood to mean the total capital cost of the irrigation facilities including interest. Repayment is typically scheduled over a fifty year period with payments beginning at the end of an introductory ten year period. Interest is now not charged at all.

The reductions, including interest forgiveness, constitute a subsidy. The subsidy is usually justified by the family farm purpose. That justification would seem to be accepted by both Senator Morgan and Senator Nelson. Senator Morgan would seem to accept it in his coupling the release from the excess lands limitation with the requirement of repayment of the capital recovery component of the cost of water service stepped up beyond the reduced amount required of the non-excess landowner. Instead of requiring a recalculation of the repayment component to write out the reductions justified by the family farm purpose, he has proposed an ad hoc write-in of a compensating surcharge. Senator Nelson asks how closely the stepped-up surcharges relate to the actual construction costs plus interest.

Both Senator Morgan's Amendment and Senator Nelson's question would seem to be consistent with the comment by Secretary Andrus, Interior Department, in his letter of July 23, 1979 to Senator Henry Jackson, regarding S. 14 that, under present arrangements, "the subsidy (to the water-users) never is paid off."

2. "Principal" defined as reimbursable by water users under existing contracts.

The Morgan Amendment does not modify S. 14's acceptance of existing allocations of construction costs to irrigation use as expressed in district contracts, or interest remission, or the irrigation on hydroelectric power and other government programs of a burden in repayment of the cost share allocated to irrigation. Nor does it affect existing decisions relieving farmers from payment for some portion of the irrigation share, as in the instance of Bureau decisions setting ceilings on water-user payments because of inability to pay more.

Of the westwide total irrigable acres of 9,833,894 acres, within the reclamation projects, there are now 1,283,769 excess-lands acres. Under S. 14 the excess-lands acreage will be reduced to 355,855. Of that total, 347,944 acres are in the Mid-Pacific Region. Of these, 343,208 are in the Central Valley Project.[1]

The irrigation reimbursable cost of the Central Valley Project totals $2,128,794,000 plus an undefined share of additional repayable obligations described as operating charges, interests and penalties totaling $42,872,681 and costs of associated projects of $269,776,000. In payment thereof, the ultimate farmer repayment contracts will produce $452,508,397. Power revenues and Service Contracts will pay the balance.[2] The farmers will have paid 20–25 percent of the irrigation repayment.

The Central Valley experience squares with that of other reclamation projects throughout the West. It is summarized as follows:

TABLE 1.—*Summary of repayment of reclamation projects construction costs Sept. 30, 1977*

Actual cost, Sept. 30, 1977	$8, 579, 538, 359
Final cost-estimated or actual:	
Total	18, 546, 778, 817
Nonreimbursable	2, 786, 851, 585
Reimbursable	15, 759, 927, 232
Repaid to Sept. 30, 1977:	
Total	1, 722, 470, 521
Matured repayment contracts	355, 929, 307
Power revenues	1, 003, 145, 444
Special sources	396, 833,168

NOTE: Schedule I, Statistical Appendix II, *ibid.*, p. 43.

Water user payments to date have constituted only 20 percent of the total repayments, exceeded by payment by special sources of 23 percent and by power revenues of 57 percent. This analysis squares with the statement made by Secretary Andrus in his letter of July 23, 1979, to Senator Henry Jackson regarding S. 14 that "In fact, on a great many reclamation projects, the repayment of capital costs allocated to irrigation is in the range of a mere 5 cents to 35 cents on the dollar."

The use of power and other revenues to repay costs allocated to irrigation has created two accounting problems relevant to this analysis. It effectively eliminates any time limit in repayment of costs and it may make indeterminate the repayment responsibilities of districts within the project. In the Central Valley Project, a "rolling fifty-year repayment" extends the repayment period for the entire project every time Congress authorizes a new addition to any part of the project. Repayment by water users receiving water in the late 1940's is now rescheduled for 2038. Similarly, the Upper Colorado River Basin Project is scheduled for complete repayment in 2050 and the Pick-Sloan Missouri River Basin Project in 2152.

Of all the repayment reduction techniques, the interest forgiveness is by far the most important. It is particularly important because it is associated with long-term repayment—an initial ten years of no repayment plus a minimum of forty years thereafter for repayment.

Interest forgiveness using an interest rate of 6 percent will cost nearly $1.577 billion in the Auburn-Folsom South Unit of the Central Valley Project, $1.646 billion in the Central Arizona Project, and $4.358 billion in the Columbia Basin Project.[3]

The extraordinary extent of the subsidy is revealed by treating the farmer's annual repayment charge as a payment of interest on the capital obligation. The payment represents a microscopically low interest rate. Table 1 sets out such a comparison for projects in the Missouri River Basin as of 1970.

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[1] Attachment, entitled "Impact of S. 14 . . .," to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

[2] Schedule of Statistical Appendix II of Report by the Bureau of Reclamation entitled *Water and Land Resource Accomplishments*, 1977. p. 49.

[3] Attachment Table 1 to Fact Sheet "Reclamation's Subsidy" submitted with letter dated July 23, 1979 to Senator Henry Jackson from Secretary Cecil D. Andrus, Interior.

TABLE 2.—IRRIGATION COST AND ANNUAL REPAYMENT CHARGE PER ACRE, MISSOURI RIVER BASIN PROJECT

Project units	Project construction cost allocated to irrigation per acre[1]	Irrigation repayment obligation per acre[2]	Annual irrigator construction repayment charge per acre	Rate of return (percent)
Ainsworth	$753	$286	$5.77	0.77
Almena	1,213	183	4.20	.35
Angostura	1,174	132	1.84	.16
Bostwick	748	221	4.62	.62
Cedar Bluff	1,267	189	4.09	.32
Crow Creek Pump	362	62	0	0
Dickinson	656	15	0	0
East Bench	401	96	0	0
Farwell	693	237	4.38	.63
Fort Clark	603	52	1.48	.25
Frenchman-Cambridge	921	162	3.71	.40
Garrison Diversion	$959	$77	$1.20	.13
Glen Elder	258	0	0	0
Glendo	109	79	1.80	1.65
Hanover Bluff	885	153	1.10	.12
Heart Butte	162	91	1.45	.90
Kirwin	1,052	179	5.12	.49
Oahe	1,083	176	3.20	.30
Rapid Valley	192	0	0	0
Sargent	561	205	4.73	.84
Savage	451	101	3.00	.67
Webster	1,209	228	4.78	.40

[1] These figures are the construction costs per acre allocated to the irrigation component of the project. Interest is not payable on these costs allocated to irrigation, even though other sources of revenue than irrigators' payments are used to discharge much of the obligation (e.g., power revenues).

[2] These figures are the repayment obligation per acre that the contracting irrigation district assumes in the water delivery contract. The difference between costs allocated to irrigation and the district's repayment obligation is made up from other revenues (e.g., power revenues).

Source: U.S. Bureau of Reclamation (1971), "Summary Report of the Commissioner," Bureau of Reclamation 1970; "Statistical and Financial Appendix, Part IV," U.S. Government Printing Office, Washington, D.C., pp. 159–227.

With one exception the annual repayment charge per acre would be the equivalent of less than one percent interest (with no payment of principal). The one exception is the Glendo Unit which would pay an interest equivalent rate of 1.65 percent for a supplemental water supply.

3. History of Congressional Treatment of Repayment.

A summary history of Congressional treatment of the problem may provide perspective. The long-term objective seems to have been to reduce the price of reclamation water to amounts that the reclamation farmers could pay, i.e., to maintain the principle of reimbursement of costs but to accept reimbursement by other than the farmer and to exclude interest so as to reduce the price of the water.

The Reclamation Act of 1902 (32 Stat. 388), provided that proceeds from the sale of public lands in the affected Western states would be applied to the construction and maintenance of the irrigation facilities. The Act also provided that the farmers receiving project water would repay the cost of the water within ten years, interest free. As early as 1905 Congress began to bolster the Reclamation fund with revenues from the other sources.[4] By Act of June 25, 1910 (36 Stat. 835), Congress authorized direct advances to the fund from the Treasury. By the Act of August 13, 1914 (36 Stat. 686), the repayment period was extended to twenty years. The Omnibus Extension of 1926 (44 Stat. 636), substantial construction charges were written off and the Secretary was given discretion to extend repayment contracts to forty years. An additional ten year development period of no payments at all was authorized by the Reclamation Project Act of 1939 (53 Stat. 1191). The same act also authorized a variable repayment plan wherever fixed annual payments imposed a hardship. The variability is now discretionary with the Secretary (72 Stat. 452). Congress later enlarged the 40-year term to 50 years in regard to specific projects.

In the 1939 Act Congress also limited the repayment obligation of the reclamation farmer to that which he could afford to pay. Repayment ability is determined administratively by the Bureau of Reclamation. It is a determination with great flexibilities including a contingency adjustment to give the farmer a margin of safety.

Thus, for almost 80 years, the legislative and administrative treatment of the cost repayment problem has been extremely sympathetic to the special problems of the reclamation farmer. It should be noted that both the capital costs of construction allocated to irrigation and also the period for repayment vary with each irrigation district, not only in regard to the circumstances of physical facilities but also in regard to the special legislative and administrative treatment for that district.

4. Interest.

Currently of course, interest rates are high. The United States Water Resources Council has the responsibility for setting the interest rate to be used by Federal agencies in the formulation and evaluation of plans for water and related land resources. On October 31, 1978, the WRC announced that the interest rate was to be 6⅞ percent for the period October 1, 1978 through September 30, 1979 (Federal Register, Vol. 43, No. 209—Oct. 27, 1978). The WRC rate is based on the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which have terms of 15 or more years remaining to maturity. However, the WRC rate is permitted to rise by no more than a quarter percent in any year. The limitation has produced an increasingly wide divergence between the WRC rate and the market rate. In June 1979, the interest rate for 10 year Treasury bonds was 9.04 percent and for 20 year and 30 year bonds was 9.06 percent (Federal Reserve Bulletin July 1979).

The current inflation (on August 24th the Federal Reserve Board increased the federal funds rate to 11¼ percent signaling increases in other rates) dramatizes the importance of the interest remission component in the Reclamation payout. For perspective on the cost of Federal money over the period 1942–1977 see Table 3.

TABLE 3.—AVERAGE YIELDS OF LONG-TERM TREASURY BONDS[1]

[Yield in nearest ⅛ percent]

Year	Bond yield	Year	Bond yield
1942[2]	2.50	1951	2.50
1943	2.50	1952	2.625
1944	2.50	1953	3.00
1945	2.375	1954	2.50
1946	2.25	1955	2.875
1947	2.25	1956	3.125
1948	2.50	1957	3.50
1949	2.25	1958	3.375
1950	2.50	1959	4.125
1960	4.00	1969	6.125
1961	3.875	1970	6.50
1962	4.00	1971	5.75
1963	4.00	1972	5.625
1964	4.125	1973	6.25
1965	4.25	1974	7.00
1966	4.625	1975	7.00
1967	4.75	1976	6.75
1968	4.25	1977[3]	7.00

[1] Series includes bonds on which the interest income is subject to normal tax and surtax and which are neither due nor callable before a given number of years as follows: April 1953 to date, 10 yr; April 1952 to March 1953, 12 yr; October 1941 to March 1952, 15 yr.

[2] Prior to 1942, long-term treasury bonds were partially tax exempt. Prior to 1942, therefore, assume an average bond yield of 2.50 percent.

[3] 3-mo. average.

Source: U.S. Treasury Bulletin.

In a classic analysis of repayment problems presented on December 27, 1968 in a deposition in the Imperial Irrigation District litigation, Edmund Barbour accepted 3 percent as the interest rate on Federal long-term borrowing, but suggested 5 percent as closer to the interest rate available to the District landowners. That observation squares with the experience of the Public Utility Districts in the Northwest in obtaining non-federal funds for constructing major dams on the Columbia River. See Table 4.

TABLE 4.—MUNICIPAL BOND ISSUES, PACIFIC NORTHWEST

Construction and borrower	Amount (million)	Year	Interest rate
Priest Rapids Dam, Columbia River, Wash: Grant County Public Utility District	$242.0	1956	5
Wanapum Dam, Columbia River, Wash: Grant County Public Utility District	174.0	1959	4⅞
Centralia Project, Wash.: City of Seattle	37.0	1970	6½–8
Centralia Project, Wash.: Snohomish County Public Utility District	24.0	1970	5½–7½
Trojan Project, Oreg.: City of Eugene	16.4	1971	5½–6¼

Source: Bernard Goldhammer, economist, Bonneville Power Administration, Portland, Oreg., June 21, 1972.

In recent years, the municipal bond yield averages have risen slightly and are now 5.75 for Aaa bonds and 6.40 for Baa (Federal Reserve Bulletin, July 1979).

B. Application of Analysis.

Eliminating consideration of the currently high interest rates, annual repayments required to repay $1,000 over 50 years at various interest rates are as follows:

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[4] Act of March 3, 1905, 33 Stat. 1032 (sales of materials and condemned property). For partial list of Federal revenues diverted into the Reclamation Fund, see Joseph L. Sax, *Federal Reclamation Law*, reprint from Vol. 2, *Waters and Water Rights* (Indianapolis, Allen Smith Co., 1967), sec. 111.1, for. 83 p. 130.

TABLE 5.—REPAYMENT OF $1,000 AT VARIOUS INTEREST RATES: 50 YR

Percent interest rate	Annual repayment	Total repayment
0	$20.00	$1,000.00
3	38.87	1,943.50
4	46.55	2,327.50
5	54.78	2,739.00
6	63.44	3,172.00

Note: At 3 percent the total repayment with interest is slightly less than double the principal amount; at 6 percent it is slightly more than triple.

The Central Valley Project has an irrigation cost allocation of $2,362,919,000 of which the irrigator's repayment share is $1,284,911,000. The irrigation investment per acre is $924.94 of which $502.97 will be repaid by irrigators and $421.97 from power revenues.[5] Equal annual payments of $12.97 over a 40-year period would pay off the irrigators obligation of $502.97. Increasing that annual payment as required by the Morgan amendment would produce an annual payment in the order of $25 per acre. In contrast, repayment of the full irrigation investment of $924.94 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $2,800, or an annual payment of $56 over a 50-year period or $70 over 40 years. Repayment of the $502.97 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $1,500 or an annual payment of $30 over a 50-year period or $37.50 over 40 years.

Westlands Water District, because of the large scale ownerships and farm operations within its boundaries, is the district within which the Morgan amendment would have the greatest impact. See Table 6 for list of the 10 largest ownerships.

TABLE 6.—WESTLAND WATER DISTRICT EXCESS LANDS, 10 LARGEST LANDOWNERS, JAN. 2-5, 1978

	Owned	Acres under recordable contract	Nonexcess
So. Pac. Land Co	106,430	79,918	
So. Pac. Transportation Co	2,750	1,416	
Total	109,180		
Sold	−2,500		
Total	106,680	81,334	
Boston Ranch	23,980	23,711	
Std. Oil Co	11,593		
Westhaven Farming	10,924	10,764	
Gerald Hoyt, et al	8,516	3,379	5,062
So. Lake Farms	8,417	8,007	
Airways Farms	5,113		
West Lake Farms	4,713		
Britz Ferldyer Co	4,139	4,123	

Note: Exhibit attached to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

Preliminary analyses by the Bureau of Reclamation would indicate that the class one equivalency provisions of S. 14 would raise the average eligible acreage within Westlands for a public corporation from 160 acres to 220 and for other landowners from 1,280 acres to 1,780. There are 76 farm operations over 1,780 acres totaling 259,200 acres and 141 farms operations under 1,780 acres totaling 228,820 acres.

The repayment responsibility of the Westlands farmers would be set by a 1965 contract (not yet validated) at $157,048,000.[6] Westlands irrigable acreage is approximately 575,000. The proposed contract repayment obligation is $273 per acre, for a flat rate payment at no interest of $6.83 annually for 40 years. The water surcharges imposed by the Morgan amendment would almost double those figures. There is no immediately available information regarding the full irrigation investment in Westlands. Using the contract repayment obligation figure of $273 per acre, the total repayment obligation at 6 percent interest for 50 years becomes approximately $719, or about $14 annually for 50 years or $18 annually for 40 years.

In the absence of a repayment contract, the Wetlands water users are now paying $7.50 per acre foot of water. Average farm use is 2.1 acre feet per acre, producing an annual charge of $16.42 per acre. It is the understanding of the Bureau of Reclamation that that amount is an operations and maintenance charge and does not include a capital recovery component of the cost of water service.

IV. EFFECT OF MORGAN AMENDMENT ON FARM MARKET

The question is whether the water service surcharge (a maximum of 200 percent over the charge to a non-excess landowner) is sufficiently high to discourage landowners from owning over 1,280 acres.

In any given instance, the answer is theoretically dependent upon the productive capability of the land. If the increased water charge can be absorbed without producing a negative balance sheet, then the landowner would presumably decide for operation and against selling.

The average crop value per irrigated acreage in the Central Valley Project was $700.55 in 1977.[7] That gross income would appear to be sufficient to cover the increase in water service charge from $16.42 to $53.92 ($16.42 to $37.50 required by repayment with interest at 6 percent of the presently allocated capital cost to irrigation for repayment) or to $86.42 ($16.42 + $70 required by repayment with interest at 6 percent of all irrigation costs). It should be noted that the Morgan Amendment might be interpreted to require long-term commitment by the excess-landowner. Actual repayment of the proportionate share of the repayment capital investment would require either assumption of the long-term obligation or payout.

V. LAND OWNERSHIP LIMITATION

The acreage limitation is a limitation on eligibility of acreage to receive project water. It is not a limitation on land ownership. It does, of course, negatively affect property rights that would otherwise exist in the use of owned land.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:27 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes;

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; and

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes——

At 4:21 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4580, an act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. CHARLES WILSON of Texas, Mr. NATCHER, Mr. STOKES, Mr. MCKAY, Mr. CHAPPELL, Mr. WHITTEN, Mr. PURSELL, Mr. RUDD, and Mr. CONTE were appointed managers of the conference on the part of the House.

The message also announced that, pursuant to the provisions of section 170(a)(3)(B), Public Law 95-599, the Speaker has appointed Mr. ROTH as a member of the National Alcohol Fuels Commission, vice Mr. MICHEL, resigned.

HOUSE BILLS REFERRED

The following bills read by their titles and referred as indicated:

H.R. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes; to the Committee on Governmental Affairs.

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Finance.

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2111. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the department's responses to Section 6 which amends section 14(d) of the National School Lunch Act and relates to the purchase of foods for the commodity distribution program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2112. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—El

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[5] *Project Data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[6] *Project, data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[7] *Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 52.

Dorado Irrigation District—Sly Park Unit—American River Division—Central Valley Project, California; to the Committee on Appropriations.

EC–2113. A communication from the Secretary of the Treasury, reporting, pursuant to law, the withdrawal of a reported violation of section 3679 of the Revised Statutes by the Bureau of Alcohol, Tobacco and Firearms, and the circumstances supporting that decision; to the Committee on Appropriations.

EC–2114. A communication from the Acting Secretary of the Treasury, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes (31 U.S.C. 665), as amended, involving an account which is administered by the Bureau of Engraving and Printing; to the Committee on Appropriations.

EC–2115. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2116. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2117. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Kuwait for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2118. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2119. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2120. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Spain for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2121. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during July 1979 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC–2122. A communication from the Acting Deputy Secretary of Transportation, transmitting, pursuant to law, the third Urban Mass Transportation Administration quarterly report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–2123. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 37135, Increased Rates on Coal, BN, Montana to Superior, Wisconsin, and six other related proceedings, within the specified seven-month period which is to expire at the earliest on September 25, 1979; to the Committee on Commerce, Science, and Transportation.

EC–2124. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, the Board's 1981 budget submission; to the Committee on Commerce, Science, and Transportation.

EC–2125. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's FY 1981 budget estimates; to the Committee on Commerce, Science, and Transportation.

EC–2126. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled the "National Heritage Policy Act of 1979"; to the Committee on Energy and Natural Resources.

EC–2127. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–2128. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, on the relevance of the Second Law of Thermodynamics to energy conservation programs; to the Committee on Energy and Natural Resources.

EC–2129. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed draft of a temporary water service contract between the United States and the Westlands Water District for municipal and industrial (M&I) and agricultural water service in 1980 from the San Luis and Coalinga Canals and the Mendota Pool; to the Committee on Energy and Natural Resources.

EC–2130. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2131. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–100, "People's Counsel Authorization Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2132. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–99, "Newborn Health Insurance Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2133. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–101, "Condominium Conversion Amendment Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2134. A communication from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a proposed new system of records entitled "Document Control System, NRC–29"; to the Committee on Governmental Affairs.

EC–2135. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a report and notice of the proposed modifications to four and elimination of one system of records of the Department of the Treasury; to the Committee on Governmental Affairs.

EC–2136. A communication from the Chairman, President's Commission on White House Fellowships, reporting, for the information of the Senate, on limited changes which have been suggested in a bill to amend section 209 of title 18, U.S. Code; to the Committee on the Judiciary.

EC–2137. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, a one month delay in submitting the second report on the status of health professions personnel in the United States; to the Committee on Labor and Human Resources.

EC–2138. A communication from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting, pursuant to law, the Commission's final report, entitled "Counting the Labor Force"; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 1728. A bill to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Texas as the "John H. Wood, Jr., Federal Courthouse"; to the Committee on Environment and Public Works.

By Mr. LUGAR (for himself and Mr. MORGAN):

S. 1729. A bill to provide for automatic transfers of funds, drafts, and remote service units; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 1730. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Select Committee on Indian Affairs.

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 104. Joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

● Mr. CHAFEE. Mr. President, on Friday, September 7, 1979, I introduced a windfall profits tax proposal. To conform with the Constitution, which requires revenue bills to originate in the House of Representatives, my proposal was introduced as an amendment to H.R. 3919, the windfall profits tax bill that has already passed the House and is now pending before the Finance Committee.

Today I am reintroducing my proposal as a bill. This will enable my proposal to receive a bill number and aid those who wish to learn more about it by allowing it to be printed and easily located. My remarks explaining the bill can be found on page 23560 of the Congressional Record for September 7, 1979.●

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, one of the greatest scientific achievements of this century has been to increase the life expectancy of Americans. In 1900 only 4 percent of the population was 65 or older, compared to 10.8 percent today. By the year 2000 the Census Bureau predicts that 12.2 percent will be 65 or older, and by 2025 that figure will rise to 17.2 percent.

Along with this blessing of a longer life come problems: failing health and its attendant suffering, loneliness, empty days accumulating into years that, rather than being golden, are grim. We in Congress are grappling with a variety of issues that will shape the future health policies of this country, and that will help solve some of the problems faced by our elderly citizens. Last year over $100 billion—24 percent of the Federal budget—was devoted to old-age, survivors and disability insurance, medicare, supplemental security income, and black lung disease. I am hopeful that the Congress, working with researchers, practicing doctors, administrators, and the elderly, can lead this country to a fulfillment of the promise of old age. Thomas Moore expressed it in a single line of poetry:

> Days though shortening still can shine.

But well-being and happiness cannot be dispensed simply through HEW appropriations and programs. Elderly citizens should be able to live with peace of mind and dignity; a 65th birthday or retirement from the work bench should be a cause for celebration, not for worry over the likelihood of a sudden change for the worse in the quality of life. Certain provisions of our tax laws make it harder for senior citizens to meet everyday expenses on a fixed income and provide no safeguards against inflation for savings and retirement income. Today I introduce three bills amending the Tax Code to lighten these burdens.

One bill provides that the first $5,000 of income, including pension income, received by persons over the age of 65 shall be exempt from Federal taxation. If two retired persons are married, they each would be entitled to the $5,000 exclusion. Our present elderly tax credit, subject to limitations and marital discriminations, does not provide the elderly with the assurance they deserve, after a lifetime of paying full taxes, of a minimum income unencumbered by taxation.

The two other bills I introduce today would amend the sickpay exclusion provision that was modified by the Tax Reform Act of 1976. The 1976 act changed the old law, so that today everyone must pay taxes on sickpay. I do not believe we should turn our backs on taxpayers, whether under or over 65, whose illness forces them to stop working temporarily and probably foot sizeable doctor's bills. My bill does incorporate a gross income test, which phases out the exclusion for persons with yearly incomes over $15,000. In this manner we ensure that this exclusion is limited to individuals who need it most and does not drain our Treasury coffers.

My second sickpay exclusion bill is precautionary: It extends the effective date of the sickpay exclusion modification enacted by the 1976 law to allow Congress time to study the provision more carefully.

I will soon introduce a bill that would help our senior citizens and others who sell a house or stock that they have owned for a long time.

Although inflation eats away at everyone's savings, it is especially hard on the elderly. They have usually scrimped, saved, and invested over a long period of time. Since they are no longer wage earners, they can't replace that portion of their savings that is eaten up every day by inflation. And because they have saved and invested over a longer period than younger Americans, they get hit the hardest on capital gains taxes. Therefore, I consider my bill to tie the tax on capital gains to the inflation rate an important part of an effort to guard against unfair tax burdens on the elderly. Here is an example of how my bill would work: If Harry Smith bought $15,000 worth of stock in 1967 and sold it for $25,000 in 1979, his profit on paper is $10,000. Under today's tax law his capital gains tax is calculated on this figure.

But since the value of the dollar has been cut in half since 1967, his original $15,000 investment is worth $30,000 in today's economy. Thus, in terms of real dollars, Harry Smith actually lost $5,000 on the 1979 sale. Under my bill, the fictional Harry Smith would not have to pay a capital gains tax on his capital loss, a needed aid for the Harry Smiths who planned ahead for their fixed-income retirement years. This bill would also help an elderly couple that sold their home in order to move into an apartment after their children grow up. They should only be taxed on the real profit they make, if any, not on the inflation-caused paper gain.

Earlier in this session, I reintroduced my marriage tax bill, S. 336, to eliminate the unfair penalty that two-earner couples must pay simply because they are married. The inequity of the marriage tax affects senior citizens just as much as young people. A letter from a constituent in Baltimore, a church pastor, shows the moral problem faced by one accustomed to unhesitatingly upholding the institution of marriage. He writes:

> Dear Senator Mathias: It is interesting that the very things you said in your address to Congress, especially concerning the advice of tax advisors to older couples, contemplating marriage, is the same advice I have had to give most reluctantly and certainly with moral twinges of conscience. Yet, I knew they could make ends meet easier as single persons than as a married couple. There was no way that I, as a pastor, could advise them to become man and wife under the present tax structure. What a boon [S. 336] will be to sincere pastors and others in similar positions as ours, who have elderly persons in particular, expressing confusion and dismay about this present status, yet knowing there is nothing they can do to relieve the situations in which they find themselves.

This bill, together with the bills I introduce today, are steps toward the realization of my hopes for elderly Americans. Let us work for the "shining" days posited by the poet Thomas Moore. Our senior citizens, after a lifetime of hard work and contribution, should not have to continue to carry their burden of taxation beyond their salaried years. They deserve a break. These bills I introduce today will help lighten their load.

Mr. President, I ask unanimous consent that the text of my bills be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 1732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 105 of the Internal Revenue Code of 1954 (relating to certain disability payments) is amended—

(1) by inserting "Sick Pay and" after "Certain" in the caption,

(2) by striking out so much of paragraph (1) as precedes "income" and inserting in lieu thereof the following:

"(1) In general.—Gross",

(3) by striking out "permanent and total disability" in paragraph (1) and inserting in lieu thereof "personal injuries or sickness",

(4) by striking out so much of the text of paragraph (6) as precedes "for purposes of

section 72" and inserting in lieu thereof the following:

"(6) Coordination with section 72.—In the case of a taxpayer who—

"(A) has not attained age 65 before the close of the taxable year, and

"(B) retired on disability and, when he retired, was permanently and totally disabled,", and

(6) by adding at the end thereof the following new paragraph:

"(7) Special rules for initial period.—

"(A) Payments in excess of 75 percent.—Paragraph (1) shall not apply with respect to amounts attributable to the first 30 calendar days of any such period, if such amounts are paid at a rate which exceeds 75 percent of the regular weekly rate of wages of the employee (as determined under regulations prescribed by the Secretary).

"(B) Payments not in excess of 75 percent.—If amounts attributable to the first 30 calendar days of any such period are paid at a rate which does not exceed 75 percent of the regular weekly rate of wages of the employee, then—

"(i) paragraph (2) shall be applied by substituting '$75' for '$100' for that period, and

"(ii) paragraph (1) shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of personal injuries or sickness for at least one day during such period.".

Sec. 2. (a) Any election made under section 105(d)(6) of the Internal Revenue Code of 1954, or under section 505(d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978 may be revoked (in such manner as may be prescribed by the Secretary of the Treasury) at any time before the expiration of the period for assessing a deficiency with respect to such taxable year.

(b) In the case of any revocation made under subsection (a), the period for assessing a deficiency with respect to any taxable year affected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any rule or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time during such one-year period.

Sec. 3. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1977, but shall not apply—

(1) with respect to any taxpayer who makes or has made an election under section 105 (d) (6) of the Internal Revenue Code of 1954, or under section 505 (d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978, if such election is not revoked under section 2 (a) of this Act, nor

(2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the beginning of a taxable year beginning in 1978 by reason of the amendments made by section 505 of the Tax Reform Act of 1976, unless such person elects (in such manner as the Secretary of the Treasury may prescribe) to have such amendments apply.

S. 1733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 (f) of the Tax Reform Act of 1976 (relating to effective date for changes and exclusions for sick pay), as added by section 301 of the Tax Reduction and Simplification Act of 1977, is amended by striking out "1976" and inserting in lieu thereof "1977".

(b) (1) Paragraph (1) of section 301 (b) of the Tax Reduction and Simplification Act of 1977 is amended by striking out "'1977'" and inserting in lieu thereof "'1978'".

(2) Paragraph (2) of such section 301 (b) is amended by striking out "'or January 1, 1977,'" and inserting in lieu thereof "', January 1, 1977, or January 1, 1978,'".

(3) Paragraph (3) of such section 301 (b) is amended by striking out "'1976'" and inserting in lieu thereof "'1977'".

(4) Paragraph (4) of such section 301(b) is amended by striking out "'or December 31, 1976,'" and inserting in lieu thereof "', December 31, 1976, or December 31, 1977,'".

(c) (1) Subsection (c) of section 301 of the Tax Reduction and Simplification Act of 1977 is amended by inserting "or 1977" after "1976".

(2) Paragraph (1) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the second place it appears.

(3) Paragraph (2) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the first place it appears.

(d) The amendments made by this section shall take effect as if included in the amendments made by section 301 of the Tax Reduction and Simplification Act of 1977.

S. 1734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"Sec. 128. $5,000 Exclusion For Elderly.

"In the case of an individual who has attained the age of 65 before the close of the taxable year, gross income does not include the first $5,000 of income, including any amount received as a pension or annuity, received during the taxable year which, but for this section, would be included in such individual's gross income.".

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 129. Cross References to Other Acts.".

(c) The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1978.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

CONGRESSIONAL PAY CAP ACT OF 1979

Mr. HATCH. Mr. President, I am today introducing a bill which will indicate publicly for our constituents our seriousness about cost-cutting and will demonstrate our sensitivity to their concerns about congressional salaries and perquisities. I urge you to join me in sponsoring the Congressional Pay Cap Act of 1979.

As we all know, law permits us to accept an almost 13-percent increase in our salaries without lifting a finger. Our inaction will guarantee us a nice raise. This is a quirk in the law which I personally feel needs correction, but in the meantime, pending our review of the larger problem of accountability, we ought to consider the taxpayers of this country if we sit back and accept this increase.

I venture that not one of us has not advocated the need to bring greater fiscal responsibility to the Federal Government. We agree that this belt-tightening is necessary. I believe that by sacrificing our own pay raises we can emphasize the importance of every single tax dollar. After all, is it not the American taxpayer whose productivity has kept our economy on its feet? Is it not the American taxpayer, regardless of his socioeconomic category, who is frustrated with Government, particularly the Congress, being totally out of touch with the realities of inflation and taxes? I believe the answer to these questions is "yes" and I think we in Congress owe these taxpayers the forfeiture of our pay raises this year.

I would only point out that my bill applies only to Members of the House and Senate and not to staffs, officers of the House and Senate, the judiciary, or executive branch employees whose salaries have been frozen for the past 2½ years. The approach is straightforward and I think constructive.

At this point, I ask unanimous consent that the text of the bill be printed in the Record at the conclusion of my remarks.

It is time the Congress, beginning here, in our own yard, took steps to restore the confidence of our constituents. Foregoing our increase can only have a positive effect on the public's attitude toward their legislators and will in the longer run favorably effect our rapport with the public and our ability to get things done. After all, what are we if not representatives of our constituents? Or, if we are trustees, then we must more earnestly guard that trust along with the public treasury.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Pay Cap Act of 1979".

Sec. 2. Section 356(a) of Title II, United States Code, is hereby repealed.

Sec. 3. Section 356, Title II, United States Code, is amended by adding the following new subsection:

Sec. 356 (a) Salary rate limitations.

Salaries of the Vice President of the United States, Senators, Members of the House of Representatives, the Resident Commissioner of Puerto Rico, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Majority and Minority Leaders of the Senate and House of Representatives, shall not exceed the rate of pay in effect on September 30, 1978.

(b) Nothing in this Act shall be construed to restrict the increase of salaries for public officials named in Section 356(B) (C) (D) (E) of Title II, U.S.C.

(c) The Secretary of the Senate and the Clerk of the House of Representatives are instructed to compute payroll deductions based on the rate of pay in effect on September 30, 1978, for those officials named in Section 356(a).

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the terms of Office of the President and Vice President may serve; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, today, I am introducing a joint resolution proposing an amendment to the Constitution limiting the tenure of a President to a single 6-year term. This is a measure that has long been needed to insure the office of the President will be one of emphasis on national issues and problems and not one of concern for reelection.

Although the problem is one that affects both Democratic and Republican administrations, the activities in the present administration illustrate clearly the need for this amendment. Almost everything the President does or says is interpreted as being designed to enhance his chances of reelection. Polls are administered by private and public groups, it seems almost every week, to monitor the President's popularity. The polls, as indications of his reelection opportunities have a tendency to be the ruling factor of an administration. This unduly burdens the President into becoming a poll watcher, trying to please everybody and discourages him from using the independent discretion for which the American people chose him to lead the Nation.

The Presidency is one of three cornerstones in our federal system and I am introducing this resolution because I believe we need to rescue it. The tempo, pressures, and problems of these times, which we in the Senate know well, have accumulated to a point at which we cannot be certain that it is possible for a President of the United States to meet the responsibilities which come with his office while he is involved with all the aspects of mounting a national campaign for reelection.

The pressures of the job combined with the pressures of campaigning bend an incumbent President physically just as they bend his policies. And if it were not enough to preside over the departments and agencies of the executive branch, to be Commander in Chief of the Armed Forces and ceremonial head of state, we ask our Presidents to go to the country as candidates, defend their policies in a heavy schedule of State primaries, and exercise their powers of incumbency in a long struggle for renomination and reelection.

The single term reform was not conceived in the stress of modern politics. The issue of Presidential reeligibility was heavily debated during the Constitutional Convention. Thomas Jefferson was initially inclined to favor a single term of 7 years but he gradually became persuaded that George Washington's precedent of retirement after two terms was preferable.

The experiences of the early Presidents renewed the advocacy of the single term and the case was put strongly in 1828 by Virginia Representative Alexander Smyth:

> The honor, the welfare, the tranquility of the nation, the fairness of elections require that the President should not be a candidate.

President Andrew Jackson was persistent in urging the reform in each of his annual messages to Congress. He stressed his special concern that Presidents are tempted to abuse their powers in pursuing reelection.

Many leading public figures, including Henry Clay, Benjamin Harrison, Benjamin F. Wade, and Charles Sumner, endorsed the reform in the 19th century. Rutherford B. Hayes proposed it in his inaugural address and Grover Cleveland, accepting the Presidential nomination in 1886, described a President's eligibility for reelection as a "most serious danger to that calm, deliberate, and intelligent action which must characterize a Government by the people." By 1896 the proposal to limit the President to one 6-year term had been introduced in Congress more than 50 times.

In 1912, the Democratic platform advocated a single term President. After the general election, the Senate by a vote of 47 to 23 proposed such an amendment on February 1, 1913. However, the House did not adopt the resolution.

In acting to avert a repetition of Franklin D. Roosevelt's four terms, Congress voted in 1947 to adopt the George Washington precedent, amending the Constitution to set a mandatory limit of two 4-year terms. Some Members argued for the single term alternative but it stirred no wide enthusiasm.

The lame duck issue is the major argument that is raised against the single, 6-year term. The contention is that a President's power will be seriously diminished if he is obliged to enter the Oval Office as a lame duck. Many insist that a President gains strength from his exertions to be reelected. But in enacting the 22d amendment, Congress committed any President who wins a second term to a lame duck status.

Dwight Eisenhower, the only President who has served a full second term under the limitations of the 22d amendment, did not feel that his inability to run again imposed any handicaps or loss of influence. Eisenhower became, in fact, a strong proponent of the single term Presidency. Every President since Mr. Eisenhower—with the exception of Richard Nixon whose position is not known—has formally or informally advocated the reform.

President Carter is a recent convert. The reason, he explained, is—

> No matter what I do as President now, where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by, "Is this a campaign ploy or is it genuinely done by the incumbent President in the best interest of our country without any sort of personal advantage involved?" I think that if I had a six-year term, without any prospect of re-election, it would be an improvement.

The Nation will gain more, it seems to me, from the services of a President who is liberated from reelection pressures than it will lose in sacrificing its right to pass upon a President's performance after 4 years. Modern Presidents are winning by narrow margins and their judgments on issues of substance are inevitably colored by their necessity to build political bases for reelection. They are harder and harder pressed to find time and attention to deal with the issues which confront them but they are obliged to allocate increasing amounts of time and attention to their political prospects. This leads them to rely on aides whose preoccupation is politics more than on those directly concerned with the substance of Government. As they behave more and more like candidates, they are viewed as candidates by the media and the public. As they gain political momentum, their capacity to exert moral leadership is diminished.

The 4-year cycle is being shortened by the pace of events. A newly-installed President has only a short time to gear up his administration and get his program before the Nation's attention turns to the congressional elections. There once was a hiatus between the congressional elections and the start of Presidential campaigning but Presidential candidates now believe in starting early so the incumbent faces challengers when he is barely into his third year. The quadrennial cycle is allocating more and more time to politics, less and less to the serious business of Government.

Mr. President, as I have indicated, this debate on Presidential terms has been continuous since 1787. To fully inform my colleagues of the history of this debate, I ask unanimous consent that a background study prepared by the Foundation for the Study of Presidential and Congressional Terms be printed in the RECORD at the conclusion of my remarks. This study provides the details of this debate from May 27, 1787, when Edmund Randolph introduced the first single term resolution to the present with President Carter's endorsement of this resolution.

Mr. President, the grassroots of this country are becoming more aware of the need for this amendment. Polls indicate that support for this amendment is rising at a rapid pace. In Dillon County, S.C., the local newspaper, the Dillon Herald, amply discusses the merits of this amendment in a recent editorial. I agree totally with the editor's statement that,

> The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election.

I ask unanimous consent that this editorial and other newspaper articles which express the same sentiment, be printed in the RECORD so that my Senate colleagues may have the benefit of of their wisdom.

In closing, Mr. President, let me point out that I believe we are at a point in this country where we will serve ourselves well by giving our Presidents more time to govern and less time at poll watching. This amendment will provide that opportunity.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSTITUTIONAL BACKGROUND AND LEGISLATIVE HISTORY OF PROPOSALS TO LIMIT PRESIDENTIAL SERVICE

1787

During the Constitutional Convention, more than 60 ballots were cast on the question of Presidential tenure. Highlights of the proceedings follow.

May 29, 1787: Edmund Randolph (Virginia) introduced the Virginia Plan, consisting of fifteen resolutions. The seventh resolution provided that the Executive "be chosen by the National legislature for a term of —— years . . . to be ineligible a second time."

Charles Pinckney (S. Carolina) also presented a plan for government, providing that the Executive be erected for a term of —— years and be eligible for reelection.

June 1, 1787: The Convention approved a 7-year presidential term. (In favor: New York, New Jersey, Delaware, Pennsylvania, Virginia. Opposed: Connecticut, N. Carolina, S. Carolina, Georgia. Divided: Massachusetts).

June 2, 1787: By a vote of 7–2, the Convention approved a proposal stating that the 7-year term President be ineligible for a second term.

June 15, 1787: William Paterson (New Jersey) offered the New Jersey Plan, Article 4 of which advocated that the Executive be ineligible for a second term; the length of the Executive's term was left blank.

Alexander Hamilton (New York) proposed a plan, Article 4 of which called for Executive authority to be placed in a "Governour" who would serve during "good behavior".

June 19, 1787: The Committee of the Whole reported the Virginia Plan, including a provision for the Executive to be elected by the National legislature for a 7-year term, and not to be eligible for a second term.

July 17, 1787: William Houston (New Jersey) moved to strike the "ineligibility" clause. His amendment was adopted by the Convention on a 6–4 vote.

July 19, 1787: Luther Martin (Maryland) moved to reinstate the "ineligibility" clause. His motion failed.

The Convention approved a proposal calling for a 6-year term President, elected by the electors. (In favor: Massachusetts, Connecticut, New Jersey, Pennsylvania, Maryland, Virginia, N. Carolina, S. Carolina, Georgia.)

July 24, 1787: The Convention adopted a motion offered by William Houston that the Executive be elected by the National legislature.

July 25, 1787: A motion was offered to have the Executive chosen by the National legislature, and to make him ineligible for reelection after more than six years in office during any twelve-year period. The motion failed on a 6-5 vote.

July 26, 1787: The Convention returned to the provisions of the original Randolph proposal, voting 7–3 for a 7-year term President who would be ineligible for reelection.

Sept. 15, 1787: The Convention adopted the "Committee of Eleven" plan (submitted on Sept. 4), which called for the electors to elect the President for a 4-year term with no restrictions as to eligibility for reelection; if no person received a majority vote, the Senate would choose the President.

Roger Sherman (Connecticut) then proposed that the House choose the President in the absence of a majority vote, each State having one vote in the election process. His plan was subsequently adopted, with only the State of Delaware dissenting.

Sept. 17, 1787: The final draft of the Constitution was approved.

Sept. 28, 1787: The Continental Congress resolved unanimously that the Constitutional Convention's report be transmitted to the State legislatures.

1788

July 2, 1788: The Constitution was ratified by three-fourths of the States, and the Continental Congress ordered the ratifications referred to an examining committee.

Since the adoption of the Constitution, over 180 amendments have been introduced in Congress to change the Presidential term from four to six years. The majority of these amendments have stipulated that a President not be eligible for reelection.

1789–1889

During this time, more than 125 amendments to the Constitution were introduced in Congress to alter Presidential tenure. Approximately 52 of these amendments called for a 6-year term: 38 called for a single, 6-year term; while 14 called for a 6-year term with no limitation on eligibility for reelection.

1808: Senator Hillhouse (Connecticut) proposed a 1-year term for the President.

1824: The Senate passed a two-term limit on Presidential tenure by a vote of 36–3.

1826: The Senate passed a two-term limit on Presidential tenure by a vote of 32–7.

Rep. Hemphill (Pennsylvania) introduced a resolution calling for a 6-year term President.

1831: Rep. Tucker proposed a 5-year term President.

1829–1836: In all eight of his annual messages to Congress, President Andrew Jackson advocated a single term of either 4 or 6 years for the President.

1841: In his inaugural address, President William H. Harrison called for a single term President.

1844: The Whig Party platform called for a single term President.

1845: President James K. Polk advocated a single term President.

1856: During his campaign for the Presidency, James Buchanan supported the principle of a single, 6-year Presidential term.

1861–1865: The Southern Confederacy adopted a single, 6-year term for its President.

1865–1869: At least twice during his tenure, President Andrew Johnson expressed support for a single, 6-year term President.

1875: The House Judiciary Committee reported to the House H.J. Res. 147 (introduced by Rep. Potter of New York) which called for a 6-year term President, with the incumbent ineligible for two successive terms in office. The measure failed of passage on a vote of 134 (for) to 104 (against), a two-thirds majority having not been attained.

1876: While campaigning for the Presidency on the Democratic ticket, Samuel Jones Tilden supported a single, 6-year Presidential term.

1877: President Rutherford B. Hayes, in his inaugural address, advocated a single, 6-year term for the President.

The House Judiciary Committee reported H.J. Res. 41 to the House. The majority report called for a 4-year term President, while the minority report called for a 6-year term President; both reports favored ineligibility for reelection to the Presidency. On the floor of the House, the majority proposal was defeated 145–108, and the minority proposal was rejected 72–184.

1884: In accepting the Democratic nomination, Grover Cleveland supported a single term President.

1888: Rep. Hudd proposed an 8-year term President. The People's Party platform advocated a single term President.

1890–1926

During this time, approximately 107 proposals were introduced in Congress to limit a President to one term, to prohibit a longer tenure than two terms, and to lengthen but restrict to one term a President's tenure in office.

10 amendments called for a single, 4-year term.

63 amendments called for a 6-year term. (One of these proposals, S.J. Res. 78, passed the Senate on Feb. 1, 1913, by a vote of 47–23.)

22 amendments called for a single, 6-year term.

4 amendments provided that a President could not succeed himself in office.

6 amendments limited a President to two consecutive terms in office.

2 amendments called for a single, 7-year term.

1892: Again, the People's Party platform called for a single term President.

1912: The Democratic Party platform advocated a single term President. The Prohibition Party favored a single, 6-year Presidential term.

1913: S.J. Res. 78, calling for a 6-year Presidential term, passed the Senate on a vote of 47–23 February 1.

1915: President William Howard Taft expressed support for a single 6 or 7-year term President while delivering a lecture at Columbia University.

1916: Again, the Prohibition Party called for a single, 6-year Presidential term.

1927–1963

During this time, 81 amendments were introduced in Congress to alter Presidential service.

43 amendments called for a 6-year term.

3 amendments called for a single, 4-year term.

34 amendments advocated limiting a President to two consecutive terms.

1 amendment advocated an 8-year Presidential term.

1939, 1945: Hearings on proposals for a 6-year term President were conducted by the Senate Judiciary Committee.

1940: During the Presidential campaign, Wendell Willkie advocated a single term of 8 years or less for a President.

(1939, 1943, 1945: Gallup polls showed that by almost 3–1, the public opposed changing the President's term to a single one of 6 years.)

1947: During debate on the proposed 22nd Amendment, Senator W. Lee O'Daniel (Texas) offered an amendment to limit all elected officials to a single term of 6 years in office. The amendment was defeated 82–1. Also, an amendment was offered by Rep. Celler (New York), ranking Democrat on the House Judiciary Committee, to limit a President to one, 6-year term; the amendment was defeated by voice vote.

February 5: The House Judiciary Committee reported favorably an amendment to limit a President to two, 4-year terms.

March 21: Congress approved a Constitutional Amendment limiting a President to two, 4-year terms. (The Amendment was ratified by the States on March 3, 1951.)

1964–1971

Three amendments were proposed calling for a 3-year Presidential term.

The House Judiciary Committee held hearings on one of the amendments.

One amendment was offered to limit to eight the number of consecutive years a President could remain in office.

1972–1974

Nine amendments were offered calling for a single, 6-year Presidential term.

1975–1976

Nine amendments were introduced calling for a single, 6-year Presidential term.

1977–1978

Thirteen amendments were introduced to limit a President to a single term of six years.

1979, AS OF THE END OF FEBRUARY

Seven amendments have been proposed calling for a single, six-year Presidential term.

Jan. 25: Attorney General Griffin Bell endorses the single, six-year Presidential term.

April 27: President Carter endorses the single, six-year Presidential term.

[From the Dillon (S.C.) Herald, July 26, 1979]

A Six-Year Term

One of the numerous Republican candidates for president, John Connally of Texas if our memory serves us correctly, is advocating a single six-year term for the president of the United States.

This is an idea which deserves consideration.

In the latest issue of the U.S. News & World Report, a conservatively-oriented publication, appeared the following paragraph:

"In his post as chief of staff, Jordan is expected to crack the whip throughout the executive branch. His goal: To get the entire Carter Administration cannonballing—rather than creeping uncertainly—toward a Carter re-election victory in 1980."

Now, this editorial is not a personal indictment of Jimmy Carter. His own re-election is paramount in the mind of any first-term president and his actions during the last two years of his term are influenced by the approaching election

This consideration governs to a great degree the policies of any president, no matter his party.

Jimmy Carter is not the first president to be influenced by voter reaction as an election approaches, nor will he be the last.

Proponents of the single six-year term assert that political considerations would have but a minor effect on the decisions of a one-term president who would be free to act in the best interests of the country without regard to his own political future.

Allowing a president to try for a second four-year term is the reason that so many of Jimmy Carter's moves are being viewed by the cynical as ploys to insure his reelection. Feeding the mistrust is the fact that no members of the opposition party were summoned to Mount Sinai (Camp David) when the President charted his future course. And, Mrs. Carter traveling through the country, campaigning for her husband's re-election is not an ideal way to gain bi-partisan support for the Administration's energy program.

A constitutional amendment calling for a single six-year term would put a stop to this nonsense which clearly is not in the nation's best interests.

If the president were limited to a single six-year term, his political fortunes in 1980 would have no bearing on his plans and programs. He would be free to espouse necessary, however unpopular, measures if in his judgment they were what the country needed.

He could ignore the polls, realizing that history would be the judge of his administration rather than the voters in an election less than two years away.

The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election. Were he limited to a single term, his options would be more varied, his chances of securing bipartisan support more likely, and he could act, according to his own judgment, in a manner which would serve the country rather than his own political fortune.

[From the Pigeon, (Mich.) Progress Advance, Feb. 1, 1979]

SIX-YEAR TERM MAKES GOOD SENSE

An idea first proposed about 10 years ago surfaced again during the past week, and we frankly can't see much wrong with it.

Attorney General Griffin Bell has warmed up to the idea that this country needs a one-term presidency of six years, instead of the present possibility of up to two four-year terms. He proposed a constitutional amendment as a way of controlling "government by bureaucracy."

Several problems with this proposal come to mind, but the benefits certainly outweigh the possible shortcomings, we believe.

Some observers say a one-term president would serve too long a time. We'd be forced to be governed by a domineering person for six long years, when legislation could be halted for too long if the president opposed it. Or, they say, a poorly-qualified president would blunder about too long.

But let's look at a few of the positive sides of the plan. As soon as any president is elected now, he must set a plan of work to stretch over roughly two and one-half years. This would list programs and goals which can be accomplished before he must turn around to again seek his party's candidacy as well as the country's favor in another election four years after winning his first.

A one-time presidential term would eliminate this and more. A one-term president—financially supported by the governmental funding check-off system employed each year on federal income tax forms—would be answerable to fewer special interests than in the present set-up. Once elected, a one-term president would have his (or her) work cut out for him—do the nation's business the best way possible.

President Carter, elected in 1976, took office in January, 1977 and has already quietly begun fulfilling political commitments by making political tours, to stay in the favor of Democratic Party supporters. This has already started, two full years before the 1980 presidential balloting.

Whether or not you favor the present incumbent, he could be doing our nation's business non-stop right now if he did not have to seek re-election soon. He could do his best job until the year of 1982, if a six-year term had been his reward in 1976.

As it is now, however, many weeks of the next two years will be dominated by political business, as President Carter attempts to defeat election challenges from within and without his own party.

A one-term president could and would look instead toward the accomplishments which are attainable during his total term. We'd all benefit from it, since our United States would have a full-time president governing for his entire term.

This idea was last advanced in the 1960s to replace the present more costly four-year system. Bell's idea to do away with lots of influence by bureaucrats and lobbyists makes a great deal of sense, but it has fallen on somewhat deaf ears in the past.

Our forefathers didn't realize the type of influence which could surround any president in the 20th Century. They wisely wrote into our Constitution the means to change and amend it, as has been done 26 times in our nation's 202 years of existence.

A one-term presidency of six years is an innovative idea, and one which definitely is a needed improvement.

[From the Omaha World-Herald, Jan. 30, 1979]

ONE-TERM PRESIDENCY A GOOD IDEA

An old idea surfaced in two different places last week. It's one worth thinking about.

The idea is that the Constitution should be amended to provide that the president of the United States serve a single six-year term.

John Connally of Texas espoused the idea in his announcement of presidential candidacy. And Atty. Gen. Griffin Bell came out for it in a speech at the University of Kansas.

It is Bell's contention that the four-year presidential term has much to do with fueling inflation. He figures it this way: Government funding cycles mean it is the third year of a president's term before any changes in fiscal and taxation policy can be achieved. That means that much of the time, the bureaucracy is effectively in control of the country's money affairs. And bureaucracy is not as responsive to popular demands for cost-cutting as are elected officials.

This is an interesting argument, but we don't think it is the most compelling one for the six-year term.

The best argument, we think, is that a one-term president would not constantly have one eye on the electorate and one eye on his job.

The country would not be subjected quite as much to the kind of political flim-flammery that even the best presidents resort to as elections approach. (True, the occupant of the White House would still be cranking up the Main Chance for his party, but his personal stake would be reduced greatly.)

It is noteworthy that the Watergate disaster grew almost entirely out of White House concerns relating to the 1972 election. If Nixon had been looking toward honorable retirement at the end of 1972, all that probably would not have been thought necessary.

The single six-year term has attracted support among some solid politicians, including Senate Majority Leader Mike Mansfield, who tried sponsoring legislation to get an amendment enacted.

We hope that Bell's and Connally's endorsement will help give this proposition the attention and support which it deserves. It is an idea whose time surely has come.

[From the Washington Star, May 2, 1979]

THAT 6-YEAR TERM

(By Charles Bartlett)

In asserting that the press would ascribe purer motives to his policies if he did not have the option of seeking reelection, Jimmy Carter will draw few contradictions from the media.

In further contending that he would be able to lead more strongly and effectively under a single-term restriction, Carter lines up with most of his immediate predecessors particularly Dwight Eisenhower and Lyndon Johnson. Both became enthusiastic about the reform while they lived in the White House.

Gerald Ford has taken no formal stand on the one-term presidency, but he does not oppose it. Richard Nixon postpones responding to queries on the subject. John Kennedy died before he could fully assess the idea, but he once groaned to this reporter, "Six years of this job is enough for any man."

Carter is, however, the first president to endorse the plan for a single six-year term in the midst of what seems to be the prelude to his own campaign for a second term. Like Mount Everest, the second term is there and it challenges the spirit of any incumbent. Carter was perhaps expressing the frustration he feels at getting locked into another campaign before he has managed to give any strong demonstration of skill as a leader.

But Carter cannot justly condemn the press for ascribing political motives to his policies under the present circumstances. His White House staff is wholly dominated by Hamilton Jordan, a personality whose credentials are totally political. He joins in the fury when any matter of substance is slipped by the political bureau charged with making the policies fit the political needs. The efforts to maximize the election potential of the incumbency are in full swing.

Astute commentators like Edwin Yoder and David Broder have argued that a one-term president, deprived of the momentum he gains from his reelection effort, would languish without influence. But in days when the thrust of his policies is badly diverted by political preoccupations and most congressional Democrats are planning to campaign without reliance on his sagging popularity, Carter plainly does not feel that his influence is being swollen by the prospect of an election.

Almost in chorus, the political scientists decry the one-term reform as an infringement upon the people's constitutional right to vote for anyone they want as many times as they want. As if to manifest their detachment from the non-intellectual dynamics of politics, this fraternity overwhelmingly favors repeal of the 22nd Amendment, which now limits presidents to two terms.

These dynamics are on display these days in Moscow where Leonid Brezhnev, ailing and old at 70, has recently exasperated the intelligentsia and probably most of his cohorts on the Central Committee by shrugging off a splendid opportunity to retire. Many thought he would seize upon the convening of a new Supreme Soviet, an occasion that coincided with his 40th anniversary in the party leadership, as an appropriate moment to step off the stage.

But Brezhnev has signaled his intention to keep building "our happy communist future." Responsible sources say he did make the decision to retire and had even begun making the preparations. But he allowed himself to be persuaded by his personal staff—which has taken over most of his functions—that despite his incapacities he is indispensable.

The penalty in Russia for writing that Brezhnev is no longer up to his job would be five years of hard labor in Siberia. This is why the Soviets feel able to boast they have a more stable political system. When an American president shows any interest in a second term, the press in this country begins to dwell on reasons why he doesn't deserve it. This is why presidents are inclined to believe they could be more effective if they only ran once.

[From the San Francisco Examiner, Jan. 21, 1978]

A SIX-YEAR PRESIDENCY

It wouldn't be un-American to limit presidents to a single, six-year term. Or to limit U.S. senators to two six-year terms and congressmen to three four-year terms.

In fact, Dr. Milton Eisenhower, president emeritus of Johns Hopkins University and a brother to one U.S. president and an adviser and confidant to many others, says such restricted terms for elective officials in high offices would be in the best interest of the American people.

Eisenhower called for a six-year presidential term and restricted terms for congressional leaders in his 1973 book, "The President is Calling." That same year, two Senate visionaries, Mike Mansfield and George Aiken, proposed legislation to that effect. But the concept died and its two Senate sponsors retired.

Today, however, Eisenhower, 78, is encouraged by renewed interest in the idea. Sen. Jessie Helms, R-N.C., and about a dozen House members are sponsoring a constitutional amendment which would make the job of president a six-year engagement, rather than a possible eight-year position.

In Washington, the Foundation for Study of Presidential and Congressional Terms, is devoting full time toward this end. The organization includes many high-powered political and business leaders, including former Treasury Secretary William Simon and Jack Valenti, president of the Motion Picture Association of America.

In a Sunday column last year, William Randolph Hearst Jr., editor-in-chief of the Hearst newspapers, endorsed the concept of single, six-year terms for presidents.

Our Founding Fathers saw potential evil in more than one term for a president. In a preliminary draft of the Constitution, they called for a single seven-year term. Out of respect and love for George Washington, who served two terms, the draft committee changed that provision. Only after Franklin Delano Roosevelt dared to challenge the tradition set by Washington, political leaders battled for limiting presidents to two four-year terms, and won.

Now it's time for a change.

Some argue that a one-term president would be a lame duck president. Eisenhower replies: "The power of the presidency does not come from a president's ability to be re-elected or political patronage. It comes from the faith of the people in that office and person."

He concedes that government could lose some good leadership by restricting lengths of terms. But a fresh leader is better than a tired one.

[From the Durham Sun, Jan. 29, 1979]

TWO STRONG ARGUMENTS

Attorney General Griffin Bell has advocated a constitutional amendment to limit U.S. presidents to one six-year term.

Bell said this would enable a president to devote 100 percent of his time to the office. "Under the present system, the president serves three years and then must spend a substantial part of the fourth year in running for re-election."

This is an understatement at best. The majority of elected officials, including the president, never stop running from one election to the next—a fact which colors their decisions, often to the detriment of the country's long-term best interests.

Bell added that the current four-year term is too short to achieve any of the major changes and improvements that a president should accomplish. "It is well into a president's third year before his own program changes take effect. This leaves the bureaucracy in control." Limiting a president to a six-year term would be one way to control "government by bureaucracy," said Bell.

This idea has surfaced numerous times through the years and has been advocated by several presidents. Bell makes two powerful points in support of the issue.

[From the Ludington (Mich.) Daily News, Feb. 13, 1979]

ATTY. GEN. GRIFFIN BELL

Attorney General Griffin Bell is to be commended for pointing out the force and power of the federal bureaucracy. By means of the many regulations, orders and printed forms the bureaucracy scrutinizes our lives and controls our destiny.

Griffin Bell is an experienced public servant who heads the 55,000 employees of the U.S. Justice Department. He advocates cutting the rulemaking authority of the bureaus, if not the bureaus themselves. He also favors a constitutional amendment to limit the President to one six-year term of office. He insists that laws be strictly enforced. President Carter made a good choice in appointing Griffin Bell as Attorney General of the United States.—H.P.F.

[From the St. Louis Post-Dispatch, Apr. 29, 1979]

CARTER NOW FAVORS A SINGLE SIX-YEAR TERM

WASHINGTON.—President Jimmy Carter says he has come to believe that it would be an improvement if the presidency were limited to one six-year term with no chance for re-election.

He also says, however, that he would not want to place a similar limit on members of Congress.

The president expressed his views in an interview with the Newspaper Advisory Board of United Press International. The White House issued a transcript Saturday.

"I have begun to realize that if I could just by the stroke of the pen change the Constitution, I think one six-year term would be preferable," he said.

Carter, who has given supporters the go-ahead for setting up a re-election committee but has not yet declared himself a candidate for 1980, complained that the public seems to suspect that there is a political motivation lurking behind everything he does.

"No matter what I do as president now," he said, "where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by (the question), 'Is this a campaign ploy or is it genuinely done . . . in the best interest of our country without any sort of personal advantage involved?"

He added:

"I think that if I had a six-year term, without any prospect of re-election, it would be an improvement. I have come to that conclusion reluctantly."

The idea of a one-term presidency has been proposed several times in Congress, but has drawn little support.

Carter's comments on the subject are similar to the opinions of Attorney General Griffin B. Bell, a close colleague and adviser, who endorsed the idea of a six-year term in a recent speech in Kansas City.

And, in announcing his own candidacy for the Republican presidential nomination in January, former Texas Gov. John B. Connally, Jr. said that, if elected, he would propose changing the Constitution to limit presidents to a single term.

Asked whether the one-term limitation should extend to members of the House and Senate, Carter replied, "No, I think not."

"Congress ought to be constantly under the political pressure of maintaining contact with the people back home," he added. "It is onerous for incumbents, but I think it is good."

His views differ sharply from comments he made in October 1977 when talking by telephone with members of the National Newspaper Association in Houston.

"I believe that the present arrangement is the best one," he had said of the constitutional allowance for two four-year presidential terms.

"My summary is to leave it like it is."

[From the Norfolk (Nebr.) News, Feb. 16, 1979]

SIX IS ENOUGH

Count Attorney General Griffin Bell among the small band of advocates of a six-year term for presidents. That proposal does not have the endorsement of the Carter administration, nor has it been given such support by previous administrations. It has been, instead, a proposal left for debate by political theorists without much influence.

Perhaps Mr. Bell can give this worthy suggestion the prestige it needs to gain a place on the agenda for public debate.

In speaking on the subject recently at the University of Kansas, Mr. Bell noted that the current four-year presidential term does not allow the nation's leader enough time to implement meaningful changes unless he is re-elected to a second term. Further, because of government funding cycles, it is not until the third year of a president's term that he can achieve any major changes.

The effect of this is to leave the bureaucracy in control, said Mr. Bell. And that strength, now growing, is not simply a painful nuisance, but a "prescription for societal suicide."

The matter of influence by the civil servants hired to do the bidding of the president and the taxpayers at large is of concern if for no other reason than numbers alone. Today the federal establishment represents a voting bloc which can, if properly united, make the president and Congress more responsive to them than them to it, as would seem more appropriate for a free democratic society.

To earn the re-election necessary to carry out his initial objectives, an American president must recognize the bureaucracy's votes, too. So it is that changes desirable for the economy and the tax-paying public but unpalatable to those running the day-to-day business of the federal establishment can be defeated.

Aside from that aspect of the management, even a president with a disposition to take strong anti-inflationary measures is dissuaded by the political effects. He may know that the economic well-being of the country hinges on drastic budget-cutting, but he also knows this might be detrimental to a second-term bid. So effective action can be postponed in order that the incumbent will have another term to do what, if it had not been deemed politically unacceptable, should have been done the first term.

Sound economics, in reality the best politics, argues for a single term, and six years is a reasonable length of time.

[From the Boston Herald American, July 25, 1978]

SIX-YEAR TERM?

What do you do when a president who is supposed to be a leader of all the people is liked by only a few of the people?

It's a good question, and neither whimsical nor irrelevant now that President Carter's all-time low in the opinion polls makes him less and less a representative of those who elected him. The answer isn't easy.

In England and many other European countries a parliamentary vote of no confidence can snip the tenure of a chief executive who is out of step. The United States has no similar removal machinery. We give a man a four-year lease, for better or for worse, and a second shot at it if he so desires.

The European plan saves the people from a ruler they want to get rid of, but may not give him optimum opportunity to prove himself. The American plan gives the president plenty of room to peform, but provides no quick relief if the performance is poor.

Shouldn't there be a middle ground?

Political scientists have wrestled with that one for two centuries, coming up with a variety of suggestions. One of the most frequently discussed is the establishment of a six-year term, with no chance to run again.

Under the system the country would be stuck with a mediocrity for an extra couple of years, but that is one of the many uncertainties of representative government. Benefits could far outweigh the risks. For one thing, a president could concentrate on presidential tasks without diluting his energy by polishing his image and campaigning for re-election. By thus conserving time and money, a competent president actually could accomplish more in six years than in eight. If he is less than competent, at least he wouldn't be around for those two extra years.

The $50,000 Mr. Carter shells out to Gerald Rafshoon to paint a prettier picture of the chief may at first glance look minuscule. Multiply it a few thousand times, however, and you get a hint of resources devoted to campaigning that should be spent on governing the country.

Press agentry is an accepted part of of the American political scene, but presidential images should be made of sterner stuff.

A single, six-year term could clear the way.

[From Newsweek, Feb. 4, 1974]

A SIX-YEAR PRESIDENCY?

If the Watergate mess tells us anything, it is that the re-election of a President is the most nagging concern in the White House and that, given the limits of human nature, it is altogether possible that the first item on the agenda of an incoming Administration is its re-election. There is really nothing sinister in this objective—it's the most normal thing in our politics.

But, at the risk of stepping on the droppings of shrewder and wiser philosophers, I think the time has come for changing the rules by which Presidential politics are played. My proposal is a single six-year term for the President with no re-election eligibility.

Two of the most respected of all United States senators, Majority Leader Mike Mansfield of Montana and senior Republican George Aiken of Vermont, have both sponsored such an idea. They believe that while we ought not to tinker too much with the constitutional machinery, we can rearrange a bit of the constitutional furniture.

THE JUDGMENT OF HISTORY

Consider for a moment the election of a new President under a six-year term. He takes office knowing that he cannot seek re-election, that he will make his place in history, for better or worse, on the deeds and achievements of the next 72 months of his stewardship. He has only to do what he thinks is right, with the sure understanding that he must heed the people, for they are co-authors of the record he will leave to the historians. It is this judgment that most Presidents are keen to certify; they value it far above the Great Gallup Poll in the Sky that measures their popularity rather than their legacy.

Should taxes be raised? Should rationing be instituted? Should troops be withdrawn? Should wrongs be righted even though some voters are offended? If the election is a year or two away, you can mark it down as a Major Truth that a first-term President will carefully weigh the effects of whatever he does on his second-term prospects. Kenneth O'Donnell, JFK's closest political aide, wrote some years ago of a conversation President Kennedy had with Senator Mansfield in 1963 during which the senator urged JFK to get the hell out of Vietnam. To which, according to O'Donnell, the President wryly confessed he wanted to do just that, but he had to wait until after the election, lest he be swamped at the polling booths.

Watergate would never have occurred if Presidential aides were not obsessed with re-election. If they had been comfortable in their tenure, knowing that in six years they would lose their lease—and in that short time they must write their record as bravely and wisely as possible—is it not possible that their arrogance might have softened and their reach for power might have shortened?

The counter-arguments to the six-year term are (1) the President must not be freed from considering the political implications of his acts or he becomes isolated from the people, and (2) he is a lame duck the day of his election.

Let's consider those two arguments.

POWER AND POLITICS

Don't we make the President a lame duck now the day he is elected to his second term? Does that hamper him? Of course not. The President has such power that he can wield it sufficiently and with precision to the last weeks of his tenure. President Johnson signed into law two of the most controversial pieces of legislation of his Administration in the last seven months of his office, the equal-housing and tax reform acts. The powers of appointment, of veto, of budget making, of initiation of programs, of moral suasion—these are all intact, fully armed and borne by him until his successor is sworn in. Lame-duckism is a myth in the Presidency.

A six-year-term President is not isolated and divorced from the daily political marketplace. Any President who wants to pass a bill, build a budget, construct a program, implement a plan, make a treaty, negotiate at a conference must be sensitive to the people and the Congress. He must act within the framework of the separation of powers; he is powerful, but he is not all-powerful. Common sense dictates his actions, and his own sensitivity to his place in history freights his every move. Therefore it follows, quite reasonably, that the President who would write a durable and measurably valuable record must persuade the Congress and the people.

The Congress and the Supreme Court (the one answerable often to the voters, and the other secure behind lifetime tenure) have only to exercise their power under the Constitution and the insensitive President, opaque to the nation's needs, can be pressured to straighten up and fly right.

We must always remember that a President's noblest stirring is toward his place in history as a Good, perhaps Great, President. If we abort his other objective, his re-election, we reduce the potential for mischief and leave the better angels undisturbed.

We should also factor into our decision the time consumed in the re-election campaign. Some two and a half years after a President is inaugurated, the elephantine apparatus of the Federal establishment moves to provision the re-election caravan. Energy, money and time are thrown into the job of precinct winning.

Why waste this effort and treasure? We no longer have the luxury of slow communications, of ships taking a month to cross the ocean, and the slow seepage of political impact. Today we deal in eight minutes to catastrophe, or the time it takes a MIRVed missile to hurl itself across borders. The stakes in the game have become too high to indulge ourselves in what seemed all right a century, or even three decades, ago.

The Founding Fathers understood the possibility of change: they built the amendment mechanism into the Constitution. We have used this mechanism 26 times, mostly to our great benefit—and we should use it again to bring about the six-year Presidency.

A HOSTAGE TO EMERGENCY

Churchill once observed: "The amount of energy wasted by men and women of first-class quality in arriving at their true degree before they begin to play on the world stage can never be measured. One may say that 60, perhaps 70 per cent of all they have to give is expended on fights which have no other object but to get to their battlefield."

That dusty, wasteful system is no longer acceptable in a world living on the nerve edge of a disaster. The Presidency today is hostage to emergency. Every moment devoted to getting re-elected squanders the most precious resources of the Presidency—and the nation.

By Mr. DOLE:

S.J. Res. 104. A joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care week"; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing a resolution declaring the week of September 16, 1979, as "Responsible Pet Care Week."

To millions of Americans, pets serve an important place in their lives and their families. To many other Americans, pets provide sport and yet for others they provide security and protection.

Although we may not realize it, pets are an important economic fact in our lives. Millions of dollars of State income are derived from parimutual betting on dog races. Dogs are employed in both urban and rural areas for protective purposes. Without them, a lot of people, especially the elderly, the infirmed, and the blind would feel more threatened, more alone, and more isolated. Simply, pets can provide that necessary companionship for the enjoyment of life.

Most of us know the practical importance of the Canine Corps. These specially trained dogs contribute to a high percentage of arrests, and are today a valuable tool in the continuing war on illegal drugs. Building on this strong record in police work, the Defense Department has its own Canine Corps consisting of several thousand dogs. Officials in Maryland Law Enforcement Department have estimated that one man and a dog can equal the services of three police officers. The financial benefits are obvious and could possibly run into millions of dollars each year. Also in the enforcement effort is the use of horse patrol of many parks and public areas in cities all across this Nation.

In the Washington, D.C., area over 45 horses are used for law enforcement. It has been estimated by the National Park Service that during the 1976 Fourth of July celebration in Washington, the mounted policeman did the job of 20 police officers.

Although the animals I have mentioned may not appear to be treated as a plaything like many others in family surroundings, these animals do serve as companionship not only in their work, but also after that work is completed during the day.

The blind depends on the seeing eye dog for a vision that most of us take for granted and the security for the elderly that may fear attempts of crime and at the same time dissapate loneliness.

Whether it be for sport, such as hunting dogs, or companionship, the pet today deserves responsible care. Across this Nation, hundreds of humane shelters exist, funded solely by contributions, to provide these animals shelter and a possible home. Pet care and training sessions are held in schools and clubs so that greater responsibility for correct care of pets can be learned.

All pets deserve responsible care. For this reason, I believe this week of September should be designated and the American people should work in conjunction with their community humane shelters, pet centers, pet breeders, and such associations as the National pet food institute in helping to educate all Americans in the care of their pets.●

ADDITIONAL COSPONSORS

S. 336

At the request of Mr. Mathias, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 930

At the request of Mr. Percy, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 930, the Federal Employee Parking Act of 1979.

S. 1287

At the request of Mr. Goldwater, the Senator from Oregon (Mr. Hatfield), the Senator from Nevada (Mr. Laxalt), the Senator from South Carolina (Mr. Thurmond), and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1488

At the request of Mr. Nelson, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1488, the Individual Savings Act of 1979.

S. 1703

At the request of Mr. Mathias, his name was added as a cosponsor of S. 1703, to provide an exclusion for income earned abroad by employees of certain charitable organizations.

SENATE JOINT RESOLUTION 39

At the request of Mr. Randolph, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of Senate Joint Resolution 39, a resolution to estabish the "National Employ the Older Worker Week."

SENATE JOINT RESOLUTION 100

At the request of Mr. Sasser, the Senator from New York (Mr. Moynihan) was added as a cosponsor of Senate Joint Resolution 100, to authorize the President to proclaim May 1, 1980, as "National Bicycling Day."

AMENDMENT NO. 212

At the request of Mr. Schmitt, the Senator from Iowa (Mr. Jepsen) and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission Authorization bill.

AMENDMENTS SUBMITTED FOR PRINTING

SECOND CONGRESSIONAL BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 407

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

SCHOOL LUNCH

● Mr. McGOVERN. Mr. President, I am submitting today an amendment to the second concurrent 1980 budget resolution deleting the instructions of the Committee on Agriculture, Nutrition, and Forestry. These instructions are based on the Budget Committee's desire to have us reduce the Federal support in the school lunch program.

I am a supporter of the budget process and recognize the need to have one committee that looks at the big picture—the sum total of the work of the authorizing committees.

It is an important and constructive process that has forced all of us to look at our actions in perspective and keep in mind the effect our individual actions have on the total budget. It has also provided the opportunity for ongoing oversight of the operation of the various programs in our jurisdiction, as well as to make the Congress more successful in responding to the President's budget proposals.

I do not believe, however, that when the Congress enacted the Budget Act it intended to set up a committee that could force an authorizing committee to disregard its best judgment on programs that are important to millions of Americans.

The President's budget for 1980 called for reductions of over half a billion dollars in the child nutrition budget. It was the largest cut ever sought by a President in the area of child nutrition. As a result the nutrition subcommittee held oversight hearings on the budget, before submitting its March 15 report, to determine the merits of the proposed reductions.

Subsequently, the committee in its report to the Budget Committee said it would support the President with regard to the summer food program, the special milk program, and the already agreed to reduction in the WIC program. Of the $528 million in reductions sought by the President in the area of child nutrition, the Agriculture Committee agreed to $207 million—showing a sincere commitment to the budget process and the economic concerns of the Nation.

In addition, the Agriculture Committee did not stop there. After listening to the General Accounting Office testify that the "Department has little convincing evidence to support their proposed modifications in the school lunch program," the committee reported and the Senate agreed to Senate Resolution 90. Under the resolution the Secretary of Agriculture is requested to conduct a comprehensive study of the school lunch program and the breakfast program to try to answer some of the questions raised by the General Accounting Office and others.

The study would include such aspects of the school lunch and breakfast programs as, first, program costs; second, the income of families participating in the programs; third, the use of the programs for nutrition education purposes; fourth, the contribution of the programs to the agriculture economy; fifth, income verification procedures; and sixth, the need for legislative changes.

In short, I think that the Committee on Agriculture, Nutrition, and Forestry has made a good faith effort to comply with the Budget Act. But I do not believe that we should take action to curtail a program before we feel assured that such action will not have a detrimental effect on millions of schoolchildren.

I ask unanimous consent that the amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 407

On page 12, strike out lines 10 through 22.

On page 12, line 23, strike out "Sec. 5." and insert in lieu thereof "Sec. 4.".

On page 13, line 11, strike out "Sec. 6." and insert in lieu thereof "Sec. 5.".

On page 14, line 1, strike out "SEC. 7." and insert in lieu thereof "SEC. 6.".

On page 14, line 15, strike out "SEC. 8." and insert in lieu thereof "SEC. 7.".

On page 15, line 4, strike out "SEC. 9." and insert in lieu thereof "SEC. 8."

On page 15, line 17, strike out "SEC. 10." and insert in lieu thereof "SEC. 9.".

On page 15, line 19, strike out "9" and insert in lieu thereof "8".●

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 408 THROUGH 410

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted two amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. NELSON. Mr. President, the following amendments are to S. 14 and, in one case, to an amendment to S. 14. Information on these amendments has been circulated to each office. I ask unanimous consent that the text of the amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 408

On page 10, line 16, strike the period after the word "season" and insert in lieu thereof the following: "*Provided*, That this section shall not apply to any project, unit or division of a project, or repayment contracting entity, if the average frost free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres, and the project is below 3,000 feet altitude."

AMENDMENT No. 409

On page 9, line 12, insert the following: strike subsection (F) and insert in lieu thereof the following:

"(F) Not more than one landholding may be managed by another person or legal entity on behalf of qualified recipients or other landholders, except in hardship cases as determined by the Secretary."

AMENDMENT NO. 410

Mr. NELSON submitted an amendment intended to be proposed by him to amendment No. 410 intended to be proposed to S. 14, supra.

AMENDMENT No. 410

Following the last line of the amendment, add the following: "On page 10, line 20, delete the period after the word 'contract' and replace in lieu thereof a comma and add the words '*and further Provided*, That such an exemption shall only occur after the Secretary has made a determination that a pattern of family farming has been established in the project.' " ●

NUCLEAR WASTE REGULATION ACT OF 1979—S. 1521

AMENDMENT NO. 411

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to S. 1521, a bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management planning.

EXECUTIVE RESERVATION SUBMITTED FOR PRINTING

SALT II—EX. Y, 96-1

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted a reservation intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979 (Ex. Y, 96-1).

Mr. DECONCINI. Mr. President, the disclosure that Soviet combat forces are deployed within the area encompassed by the Monroe Doctrine has caused grave concern among the American people. It is disquieting to learn after this SALT treaty was approved by the administration and on the very eve of the Senate debate that the Soviet Union is pressing its worldwide objectives in our own backyard.

Much of the rhetoric surrounding this treaty involves the assumption that Soviet military and political aims are limited. We have been led to believe that this treaty, like its predecessor, is part of an ongoing process, intimately related to the notion of détente. The result of this process is, supposedly, a general amelioration of the status of the Soviet-American relationship. Thus far, that relationship has been characterized by competition and antagonism based upon fundamentally conflicting values and views of the world and its direction.

The administration has consistently demanded that we in the Senate consider SALT II in isolation from other disturbing events in foreign policy. It is unrealistic and counterproductive, we have been told, to make our decision on SALT II reflective of the concerns we all share about Soviet incursions in Africa and the Near East. In my judgment, these arguments have never been persuasive. Surely, if SALT II is part of an ongoing process intended to yield positive results, it is fair to assess the nature of those potential results now. Yet, as we look around us, it would be extremely difficult to make the case that SALT I and by extrapolation, SALT II, has significantly altered Soviet foreign policy. Indeed, it would be difficult to argue that the SALT process has even slowed down the tempo of Soviet activities—activities that are antithetical to American interest.

However, in the presence of Soviet combat forces in Cuba we find a very clear indication of the nature of Soviet intentions; indeed, we find insight into the manner in which they conceive of their relationship to the United States. I do not find in that presence great consolation that the fundamental antagonisms between our two countries have abated. What I find in the presence of those troops is yet another challenge to American policy in the world, and in an area that has traditionally been the very heart of our sphere of interest. The act of placing those troops in Cuba is provocative in the extreme.

It is also of little consolation to me that those troops may have been stationed in Cuba for a number of years. The time involved does not change the nature of the challenge. In fact, the total inability of American intelligence to detect the presence of these troops exacerbates the whole nature of the SALT II problem. My own confidence—and I am sure that of most Americans—in our intelligence community's overall capabilities has declined measurably. Regardless of the particular excuses for this most dramatic failure, it cannot help but raise further doubts about our ability to monitor SALT II.

It is unclear at this juncture precisely what policy the administration intends to pursue. The President and the Senate leadership have asked that I and others refrain for the time being from raising a resolution I introduced on September 6 declaring it to be the sense of the Senate that the SALT II debate be delayed until such time as the President can certify to the Senate that those Soviet troops have been removed from Cuba. It is certainly not my intention to impede the President or his administration in any way from pursuing every necessary avenue to persuade the Russians that the removal of these troops must be undertaken.

However, it is also not my intention to allow this matter to slip between the cracks. Today's headlines will merely be faded memories in a few short weeks. Therefore, I intend to introduce a reservation to the treaty itself that will forbid the exchange of instruments of ratification until the President notifies the Senate that Soviet combat troops have been removed from Cuba. Naturally, this reservation will not be voted on until the Senate proceeds to formal consideration of the treaty. This will, I believe, allow the administration ample time to persuade. It also puts the administration and the Soviets on notice that when the SALT II treaty is debated, the issue of Soviet troops will be raised and that unless a majority of the Senators have become convinced that it is no longer a serious matter, removal will become a condition precedent to the implementation of SALT II.

Mr. President, I ask unanimous consent that the text of my reservation be printed in the RECORD at this point.

There being no objection, the reservation was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 418

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation, which is to be made a part of the instrument of ratification, that before the date of exchange of the instruments of ratification, the President shall have notified the Senate that the Government of the Union of Soviet Socialist Republics has removed all its combat troops and their support units from Cuba".

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on S. 1564, the Lobby Disclosure Act of 1979, on September 25 and 26, 1979, at 10 a.m., in room 3302 of the Dirksen Senate Office Building.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, on behalf of the Committee on Labor and Human Resources, I would like to announce that the hearings which have been scheduled for September 18 and 19, 1979, on S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act will have to be canceled and will be rescheduled at an appropriate date.●

SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled hearings on the Education for All Handicapped Children Act of 1975 (Public Law 94-142). The hearings will be held on Monday, October 1, Wednesday, October 3, and Wednesday, October 10, 1979, in room 4232, Dirksen Senate Office Building starting at 9:30 a.m.

Persons wishing additional information should contact Mrs. Patria Forsythe, Staff Director, 10-B Russell Senate Office Building (202) 224-9075.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, the Subcommittee on Agricultural Credit and Rural Electrification of the Agriculture Committee has scheduled a series of hearings on S. 1465, a bill to amend the Farm Credit Act. The hearings will be held on October 4, 5, and 9, beginning each morning at 9 a.m. in room 324. Anyone wishing to testify should contact either Reider Bennett-White or Denise Alexander at 224-2035.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on September 17, 1979, on miscellaneous tax bills.

The hearing will begin at 9:30 a.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 224, sponsored by Senators HATCH, DOLE, DOMENICI, GOLDWATER, HAYAKAWA, HELMS, SCHMITT, STEVENS, THURMOND, TOWER, and YOUNG, would prohibit permanently the issuance of IRS regulations on the taxation of fringe benefits. The measure involves no revenue loss since it would continue current law. However, revenue estimates showing revenue gains derived from implementation of the proposed Internal Revenue Service regulations dealing with fringe benefits will be furnished on the day of the hearing. The bill would benefit taxpayers affected by the proposed fringe benefit regulations of the Internal Revenue Service.

S. 616, sponsored by Senators DOLE and THURMOND, would amend the Internal Revenue Code to permit an income tax, an estate tax, and a gift tax deduction for contributions to the construction or maintenance of buildings housing fraternal organizations. Revenue estimates on this measure will be furnished on the day of the hearings. The measure will benefit fraternal organizations with building programs and taxpayers who make contributions to these organizations for building or maintaining facilities housing the organization.

S. 687, sponsored by Senators CHAFEE and PELL, which amends the Rhode Island Indian Claims Settlement Act to provide an exemption from taxes with respect to the settlement lands and amounts received by a State-controlled corporation in connection with litigation dealing with Indian land claims and to provide a deferral of capital gains with respect to the sale of settlement lands. Revenue estimates on this measure will be furnished at the time of the hearing. The measure will benefit parties to land settlements negotiated in connection with litigation dealing with Indian land claims.

S. 1514, sponsored by Senators HARRY F. BYRD, JR., and WARNER, which would amend the Internal Revenue Code with respect to the tax-exempt status of interest on certain governmental obligations the proceeds of which are to be used to provide solid waste disposal facilities. The bill would involve a revenue loss in fiscal year 1980 of $2 million, 1981 of $13 million, 1982 of $39 million, and 1983 of $81 million. The bill would benefit the Southeastern Public Services Authority of Virginia and other governmental units involved in the collection of solid waste materials and the conversion of such materials into energy.

It is estimated that as many as 40 projects of this nature may exist throughout the country.

S. 736, sponsored by Senators DOLE, DECONCINI, and MATSUNAGA, which would amend the Internal Revenue Code to clarify the standards used in determining whether individuals are not employees for purposes of employment taxes. Revenue estimates on the measure will be furnished at the time of the hearings. The measure is designed to clarify the tax status of individuals as independent contractors and has broad application to all taxpayers considered to be independent contractors.

S. 401, sponsored by Senator MOYNIHAN, for the relief of the Manhattan Bowery Corp., of New York, N.Y., relieving the corporation of liability for repayment of social security taxes erroneously refunded to its employees. Revenue estimates on the measure will be furnished at the time of the hearings. The bill will benefit the Manhattan Bowery Corp.

S. 945, sponsored by Senators MATHIAS, CHAFEE, and BOREN, which would provide that annuity contracts bought by the faculty and staff of the Uniform Services University of Health Sciences, Bethesda, Md., be treated as if the university were a State-funded school or charitable organization and, therefore, entitled to the benefits of section 403(b) of the Internal Revenue Code. Revenue estimates on this measure will be furnished at the time of the hearings. The measure will benefit the Uniform Services University of Health Sciences.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on September 13, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies by October 12, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

SALT AND OUR HEALTH

● Mr. McGOVERN. Mr. President, much of the Senate's energy continues to center on the SALT debate, and the enhancement of the defense posture of the United States. This morning I would like to turn our attention from national defense to personal defense. I am referring specifically to the various actions each of us can take to defend ourselves from illness, and to promote good health. Recently, Dr. Jean Mayer, the eminent nutritionist and president of Tufts University, remarked that:

> All recent advances in medical science have been largely undone by our diet and our way of life.

Current statistics regarding America's health lend support to Dr. Mayer's commentary:

Diseases of the heart and blood vessels are the leading cause of death in the United States, killing 1 million Americans each year.

The average American male has a 20-percent chance of suffering a heart attack before the age of 60.

Two million Americans will suffer a stroke this year; 200,000 of the stricken will die, and an additional 250,000 below the age of 65 will be disabled.

From 23 million to as many as 60 million Americans suffer from high blood pressure, although only one-half to one-third know it; because high blood pressure has no symptoms.

In recent years, however, the growing concern for disease prevention through health promotion has provided a ray of hope in what at times seems to be a gloomy picture of America's health.

The need to expand our emphasis on

health maintenance was the focus of a major report recently published by the Surgeon General. In virtually his last official act as Secretary of the Department of Health, Education, and Welfare, Joe Califano released the first Surgeon General's report on prevention, entitled: "Healthy People: Health Promotion and Disease Prevention." The report's purpose is to "encourage a second public health revolution in the history of the United States"; to stem the death toll of degenerative diseases the way polio, tuberculosis, and other infectious diseases were tamed in the past. According to Secretary Califano:

> The Nation's health strategy must be dramatically recast to emphasize disease prevention.

The major premise of the healthy people report is that an alarming range of diseases and disorders are, to a large degree, avoidable, and thus by simply altering certain habits, one can greatly decrease the risks of an early death associated with such degenerative disorders as stroke, heart disease, and other killer diseases. Since 6 of the 10 leading causes of death are related to diet, how one eats can play a significant role in preventing or delaying illness.

High blood pressure—a major risk factor for stroke, coronary artery disease, kidney disease, and late onset diabetes—well exemplifies a risk factor which can be partially controlled by making simple changes in one's eating habits. Evidence from epidemiological, animal, and clinical studies indicate that a high sodium intake is a factor in hypertension. The Select Committee on Generally Regarded as Safe Substances (GRAS) of the Federation of the American Society for Experimental Biology notes that the "prevalent judgment of the scientific community" is that "the consumption of sodium chloride in the aggregate should be lowered in the United States," and "* * * a reduction of sodium chloride consumption by the population will reduce the frequency of hypertension."

Dr. Jeremiah Stamler, a cardiologist from the Northwestern University Medical School, elaborated on the need to decrease salt consumption:

> Habitual high salt intake acts as a "condition" setting the stage for elevated blood pressure . . . it therefore makes good sense to encourage the American people to eat less salt and encourage the food industry to help by reducing the salt that is so ever present in commercial products.

The first edition of the report by the Select Committee on Nutrition and Human Needs, Dietary Goals for the United States, recommended decreasing table salt (sodium chloride) consumption to about 3 grams per day, which is a little more than half of a teaspoon. Since table salt is about 40 percent sodium, 3 grams of salt contains 1.2 grams of sodium.

After further investigations, the select committee concluded that a recommendation of 3 grams per day of salt was too restrictive a goal for a healthy person. Furthermore, even though the goal referred to salt, the recommendation of 3 grams of salt was often interpreted to mean that a person should strive to eat only a total of 1,200 mg. of sodium a day, which is a consumption level that is prescribed for people who already have hypertension. As a result, in the second edition of the Dietary Goals report, the select committee changed its recommendation to, "limit the intake of sodium by reducing the intake of salt to about 5 grams a day." The select committee believed that this would clarify the goal. However, it has come to my attention that there is still some misunderstanding about the salt recommendation as presented in the second edition. Thus, I would like to make two further clarifications of the salt goal.

First, it is vitally important to understand that the recommendation is not an optimal intake level, but rather an uppermost limit. The various goals as set forth by the select committee were just that, goals. They were meant to indicate a direction in which to move in order to optimize one's chances of improved health. At the same time, because the accepted minimal average daily consumption of sodium is 200 mg., the select committee understood that additional reductions below 3 grams of salt (1,200 mgs. of sodium) could be even more beneficial because of the decreased risk of developing hypertension.

However, there are a few instances when more sodium may be needed. Excessive sweat loss from exercise, heat or fever can lead to significant sodium losses, which result in an added sodium requirement. The following guidelines are taken from the 1974 edition of the "Recommended Dietary Allowances":

Whenever more than a 4-liter intake of water is required to replace sweat loss, extra sodium chloride (salt) should be provided. The need will vary with sweating in the proportion of 2 g sodium chloride (salt) per liter of extra water loss, and on the order of an extra 7/g day for persons doing heavy work under hot conditons (Lee, 1964). In unadapted individuals, the need for additional water and salt may be somewhat higher than in fully acclaimed persons.

Therefore, in trying to mesh the need for a realistic goal for healthy people with the scientific knowledge that the human body requires very little sodium, the select committee settled on the 5-gram level for salt consumption. But, unlike the other goals, it also viewed such a goal as being an uppermost limit.

A second point of clarification concerns the sources of sodium which are covered by the Dietary Goals recommendation. It is important to recognize that the goal does not include nondiscretionary sodium, that is, sodium which occurs naturally in a food. For example, two cups of milk alone supplies 240 milligrams of sodium. Americans eat daily the equivalent of up to 3 grams of salt from nondiscretionary or natural sources of sodium. Thus, combining both naturally occurring sodium, and sodium added usually as salt in processing or at home, the total recommended uppermost level of sodium intake daily is about 3 grams, or the equivalent of 8 grams of table salt. (It is estimated that the average daily sodium consumption by Americans is the equivalent of 12 grams of salt.)

The select committee focused on salt, instead of sodium, as a means to control total sodium intake because it first, was most easily understood by the consumer, and second, accounted for at least three-fourths of all the sodium in the average American diet. Because the dietary goals recommendation only applies to discretionary or added salt, the consumer should seek to control salt intake by reducing consumption of heavily salted commercial and prepared foods, reducing salt used in cooking, or decreasing salt consumption at the table.

Although many health-conscious people are aware of the potential dangers associated with a high salt intake, few realize how quietly but thoroughly salt has permeated the modern American diet, especially in processed foods. Thomas Dawber, professor of medicine at the Boston University Medical Center, estimates that from 40 to 60 percent of the salt consumed in the United States comes from additions during commercial food processing. In an article from the July 11, 1979, edition of the New York Times, Jane Brody relates how many Americans unknowingly obtain the bulk of their sodium intake through the consumption of processed foods:

> Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

Knowing the amount of sodium present in processed and commercially prepared foods is a prerequisite to controlling sodium consumption in one's diet. However, because labeling of sodium content is not currently widely available it is almost impossible to decrease substantially sodium intake.

Along with other representative organizations of the health and medical community, the American Medical Association's policymaking body recently called for mandatory declaration of sodium on food labels. At the group's annual convention, the AMA House of Delegates passed the following resolution:

> To sponsor federal legislation requiring food manufacturers to print on the food label the amount of sodium, in milligrams per average serving, so the American public may be informed as to the amount of sodium in their diets.

The critical need for mandatory sodium content labeling is also recognized in the following statement from Processed Prepared Foods, a major magazine of the food industry:

> The Salt Institute accepts the public's right to know what ingredients, including sodium, are in their foods.
>
> Sodium labeling would be the most efficient and simplest way to provide information on sodium content in order for physicians to better prescribe the foods that would be acceptable for their patients or for the patients themselves to more easily select foods to keep their diets low in sodium.

> Such labeling also will provide sodium content of foods for normal, healthy individuals who may desire that information. The cost the food industry would bear for such changes in labeling would be well worth the service to the public.

The lack of sodium content labeling is one reason why I have introduced S. 1651, Department of Agriculture Nutrition Labeling and Information Act of 1979, and S. 1652, Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act. This legislation would give customers the capacity to ascertain sodium content in foods, and thus means to effectively control their sodium intake.

Decreasing sodium consumption in the American diet is a critical and primary step in disease prevention and health promotion. For example, stroke and heart disease have decreased 23 percent in the past 9 years, partially due to the successes of the National High Blood Pressure Education program—a public health promotion program which is directed toward making individuals who have high blood pressure aware of their problem so they can seek appropriate treatment. A similar public health promotion program informing the public of the potential risks of high salt consumption should also be considered. Such a program, however, would be useless without accurate, informative sodium labeling.

I believe the following conclusion from the Report of the Hypertension Task Force, published by the National Heart, Lung, and Blood Institute of the National Institutes of Health, underscores the importance of this matter:

> Stroke, heart attack, and chronic kidney failure create major social, personal, and financial problems. In 1972, hypertension and its complications were estimated to cost the American people over 25 billion dollars in direct medical expenditures and in income lost through illness, disability, premature loss of productivity, and death—besides an enormous, though incalculable, toll of social disruption and personal and family agony.

Mr. President, I submit for the Record the full text of the Brody article, another article by Craig Claiborne from the same July 11, 1979, edition of the New York Times, and an editorial from the August 1979, edition of Processed Prepared Food.

The articles follow:

THE PERVASIVE THREAT TO HEALTH

(By Jane E. Brody)

For at least 5,000 years, salt—sodium chloride—has been an important, indeed revered, constituent of the human food supply. Salting and drying is believed to be the first method used to preserve otherwise highly perishable meat and fish, making unspoiled food available during otherwise lean times.

In ancient days, there was such a clamoring for salt that it was used for barter and pay, and battles were fought to capture or protect salt deposits. To the ancient Greeks, a prized slave was "worth his weight in salt." The word "salary" was derived from the Latin word sal, for salt. It is also the root of the word sausage, which depends in part on salt for defense against microbial decay.

In health circles in recent years, salt has become persona non grata.

Some doctors refer to it as a killer, since the sodium it contains appears to be a major precipitating cause of potentially fatal high blood pressure, or hypertension. This insidious disorder, which afflicts some 25 million Americans and often produces no symptoms until it has done irreparable damage, can lead to kidney failure, stroke and heart disease.

Many point out that we have overextended our dependence on salt, consuming far more than our bodies were designed to handle. For millions of years, human beings and their primate ancestors consumed no salt or sodium except what was naturally present in foods. Those primitive peoples whose diets were primarily fruits and vegetables were on what amounted to a severely restricted low-sodium diet. Even the meat-eaters among our forebears consumed at most a quarter of the amount of sodium that the average American eats today.

Throughout the world, current populations that live on low-salt diets never develop hypertension. In fact, their blood pressure does not rise with age as it does in the typical American: If anything, it drops. On the other hand, a few pre-industrial peoples, such as the Gashgai nomads of southern Iran, who consume a lot of salt, also have a lot of hypertension, despite the lack of stress in their society.

Other hazards of a high-salt diet include edema, or swelling of body tissues, and extreme symptoms of premenstrual tension. Some women experience bloating, headache, irritability, weepiness and even uncontrollable rages just before their menstrual periods. These symptoms are largely due to retention of salt and water, and they are best treated by following a low-salt diet for 10 days before menstruation is expected. One headache specialist has found that salt restriction reduces the frequency and severity of migraines.

For athletes and others who indulge in vigorous exercise, a large dose of salt to replace salt lost through sweating can be harmful and even fatal, causing a loss of potassium (needed for muscle contraction, including the heart muscle) and thickening of the blood. Salt tablets are unnecessary and dangerous. In fact, athletes have been shown to perform better in hot weather if they reduce their salt intake; over a period of weeks the body learns to conserve salt and less is lost through sweating.

The elaborate mechanism that regulates the body's internal supply of water and its essential balance of sodium and potassium evolved for a world in which sodium was relatively scarce and in which potassium, a common mineral in fruits and vegetables, was plentiful. Thus the kidneys and the chemicals that govern their activities are set up to conserve sodium and get rid of excess potassium.

But the diet we currently consume is quite the reverse of what the human species evolved on. Today, we eat sodium to considerable excess beyond the body's needs, and potassium, while usually adequately consumed, is in relatively short supply. The net result is that excess sodium can accumulate in the body fluids, drawing water to maintain a proper balance. This in turn increases the volume of blood, the blood pressure and the heart rate.

How the body reacts to this sodium excess is determined largely by heredity. Approximately 15 to 20 percent of Americans have inherited a genetic susceptibility to the effects of excess sodium. Eventually, on the high-salt diet that most of us eat, they develop high blood pressure. There's no way to know in advance who is and who is not susceptible to the damaging effects of sodium.

Actually, our taste for salt is an acquired one. No salt needs to be added to the diet to meet the body's need for sodium, which amounts to only 220 miligrams a day. The Senate Select Committee on Nutrition and Human Needs recommended that instead of the 10 to 24 grams of salt consumed per person each day, Americans should eat at most 5 grams (which supplies 2,000 milligrams of sodium, more than enough for practically everyone under all circumstances). Others recommend even less salt—below two grams a day—to protect the genetically susceptible from developing high blood pressure.

Once high blood pressure develops, salt restriction should be the first line of treatment. It is cheaper and less hazardous than taking blood pressure-lowering drugs for the rest of your life and, a Melbourne, Australia, research team has shown, salt restriction can be as effective as drug therapy.

Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although, with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

The average American consumes four or five teaspoons of salt a day, a total of 15 pounds a year. On top of that are sodium-containing food additives, including baking soda and baking powder, widely used in our most popular processed foods.

Most people are aware of the saltiness of certain foods, such as anchovies, green olives, dill pickles, sardines, salted snack foods, smoked herring, soy sauce, ketchup and Worcestershire sauce. But much of the salt sodium we eat is hidden in foods that none of us would think of as salty—for example, cereals, bread, dairy products, meats, fish, puddings and pancakes. In fact, some of these foods contain more sodium than obviously salty edibles. (See chart.)

Other common high-sodium foods include canned soups, tomato juice, canned tuna and salmon, processed cheese, cured meats and sausages, bouillion cubes, sauerkraut and nearly all canned vegetables. Although some vegetables, such as beet greens and chard, are fairly high in sodium to start with, most become very high when commercially canned.

Thus fresh peas contain only two milligrams of sodium in a three-and-a-half-ounce serving, whereas the same portion of canned peas has 236 milligrams. And six spears of fresh asparagus has four milligrams of sodium, but canned asparagus has 410. At the same time that processing increases sodium, it decreases the amount of potassium. Potassium has some protective effect in warding off high blood pressure.

Processing also increases the sodium content of cereals. Three-fourths of a cup of Regular Cream of Wheat has 0.6 milligrams of sodium, Quick Cream of Wheat has 71 and wheat flakes has 369. A half-cup of Kellogg's All-Bran has 370 and a cup of Rice Krispies has 280.

Salt is added to processed foods for several reasons: to impart a salty favor, to enhance other flavors—a low level of salt enhances the sweetness of sugar—to mask off-flavors, to make up for the flavor lost through processing and to repress the growth of food spoilage micro-organisms.

Manfacturers insist that eliminating or greatly reducing salt in most products would be commercial suicide, since the average consumer is adapted to the taste of salt and regards foods lacking salt as bland. After strong public and professional protests, most of the baby food companies greatly reduced or eliminated salt from their products.

But reduction of salt in processed foods for adults requires a public education program and a reconditioning of taste buds. Campbell's Soups recently test-marketed a no-salt-added line, but it didn't sell well and was withdrawn. Some bread manufacturers say they are gradually lowering the sodium content of certain products.

MANY WAYS TO CUT DOWN ON SODIUM

To lower your own salt intake, start by not adding salt at the table and certainly never before you taste your food. At the same time, gradually reduce the amount you use in cooking.

There's a world of new taste sensations waiting for you to explore. In place of salt, try seasoning your foods with spices, herbs, garlic, onion (but not garlic salt, onion salt, celery salt or seasoning salt), lemon juice and fruits. Don't substitute soy sauce, Worcestershire, MSG, hydrolyzed vegetable protein or bouillon cubes, since these are all high in sodium.

If you feel uncertain about adapting your present recipes, there are several good low-salt cookbooks to help you. Among them are "The Secrets of Salt-Free Cooking," a $5.95 paperback by Jeanne Jones (101 Productions, San Francisco, distributed by Charles Scribner's Sons), and "Living With High Blood Pressure—The Hypertension Diet Cookbook," by Joyce Daly Margie and Dr. James C. Hunt for $12.95 (HLS Press, Bloomfield, N.J.).

Another, "The Good Age Cookbook," by Jan Harlow, Irene Liggett and Evelyn Mandel, is recommended highly by James Beard, the gourmet cook who himself had to go on a low-fat, low-salt diet. It will be published in October by Houghton-Mifflin for $10.95.

Cut down on salty foods and others high in sodium, including canned goods, prepared dinners, processed cheeses and cold cuts. Fresh meats and fresh or plain frozen vegetables are best. If you use canned vegetables, drain off the liquid and heat them in tap water. Use unsalted butter and margarine. Leave out the salt in cake and pastry recipes.

Salt substitutes—salts in which part or all of the sodium has been replaced by potassium—should not be used without a doctor's advice since they can result in a potassium overload in some people. Many find the taste of potassium chloride less palatable than giving up salt altogether.

There are a number of low-salt and low-sodium products on the market, including low-sodium cheese, bread, cereals and canned vegetables. Unfortunately, because they are low-volume items prepared for people with special dietary needs, they cost more than their salt-laden opposite numbers.

In addition to foods, a number of common drugs contain a lot of sodium, including antacids, some cough preparations, analgesics, laxatives and vitamin C (as sodium ascorbate). If you have high blood pressure, check with your doctor before taking such medications.

Drinking water is also a source of considerable sodium intake in many communities; the local water district can tell you how much comes out of your tap. In some Southern communities, it's as much as 400 milligrams of sodium per cup. Water softeners exchange the hard water minerals for sodium, which you then consume.

If you have high blood pressure and are taking drugs to control it, remember that the drugs are most effective when your salt intake is below 5,000 milligrams a day (the amount in two level teaspoons). The less sodium you consume, the less drugs you're likely to need. You may even be able to bring your blood pressure down to normal without any medication.

SODIUM CONTENT OF SOME POPULAR PRODUCTS

Item	Amount	Sodium content (in milligrams)
Ritz Crackers	9	288
Kellogg's Corn Flakes	1 oz	260
Lay's Potato Chips	14 chips	191
Pepperidge Farm White Bread	1 slice	117
Campbell's Tomato Soup	10-oz. serving	950
Herb-Ox Instant Broth	1 packet	818
Campbell's Tomato Juice	6 oz	292
McDonald's Big Mac	1	1, 510
Chef Boy-ar-dee Beefaroni	7.5 oz	1, 186
Swanson's Fried Chicken Dinner	1 dinner	1, 152
Campbell's Beans and Franks	8 oz	958
McDonald's Egg McMuffin	1	914
Oscar Mayer Bologna	3 slices	672
Del Monte Tuna	3 oz	430
Celeste Frozen Pizza	2 oz	328
Oscar Mayer Bacon	3 slices	302
Breakstone's Cottage Cheese	½ cup	435
Kraft Processed American Cheese	1 oz	238
Kraft Cheddar Cheese	1 oz	190
Jif Peanut Butter	2 lbs	178
Skippy Creamy Peanut Butter	2 lbs	167
Planter's Cocktail Peanuts	1 oz	132
Del Monte Green Beans	1 cup	925
Heinz Dill Pickles	1 large	1, 137
Wishbone Italian Dressing	1 tbs	315
Heinz Mustard	1 tbs	212
Heinz Ketchup	1 tbs	154
McDonald's Apple Pie	1	414
Jell-O Instant Chocolate	½ cup	404
McDonald's Chocolate Shake	1	328
Hostess Twinkies	1	240
Pillsbury Sugar Cookies	3	210
Sal Hapatica	1 dose	1, 000
Bromo-Seltzer	1 dose	717
Brioschi	1 dose	710
Miles Nervine	1 dose	544
Alka-Seltzer	1 dose	521
Fleet's Enema	1 dose	300
Metamucil Instant Mix	1 dose	250
Rolaids	1 dose	53

Note: The sodium content of the various brand name food products listed was determined last year by Consumers Union and published in the March 1979 issue of Consumer Reports and by the Center for Science in the Public Interest and published in the March 1978 issue of Nutrition Action. The drug data, given as sodium content per single dose, were prepared by the American Medical Association's Department of Drugs last year.

ABSTINENCE WITHOUT REMORSE

(By Craig Claiborne)

Even as a child I had almost an addiction to salt. It was customary in my home to make fresh ice cream every Sunday in a hand-cranked freezer. To prepare it, the dasher would go into the freezer barrel, the custard would be added and the barrel set to turn, surrounded by a heavy packing of ice and rock salt.

When the ice cream was ready and the lid lifted from the canister, a rock salt crystal would occasionally drop into the ice cream. I would hastily scoop up a spoon of the ice cream with the salt chunk and taste it, letting the salt melt slowly in my mouth after the ice cream was gone.

For as long as I can remember, I could sit down to a plate full of anchovies with only olive oil, lemon juice or vinegar to dress it, and have a feast. A single salty sour pickle has never been enough for me. I prefer margaritas to other cocktails because of the rim of salt on the glass. Years ago in Japan I learned the pleasure of foods dipped in soy sauce (almost 100 percent salt) and lime juice. I have at times drunk that potion straight. A platter of salty, sour sauerkraut can almost be my undoing, and I have a craving for straight sauerkraut juice over ice.

A few weeks ago, I felt some disorientation while strolling down 57th Street. My balance was off and the sun suddenly seemed unbearably bright. An acquaintance familiar with my bizarre appetite for salt suggested I might be suffering from hypertension.

He sent me to a well-known diet specialist, Dr. Joseph Rechtschaffen, an internist, who is on the staff of Doctors Hospital and Beekman-Downtown. He is former director of gastroenterology and nutrition at Beekman-Downtown.

He confirmed the hypertension. When I described my salt-consuming habits, he frowned and handed me a diet sheet which I followed for the next few weeks.

Dr. Rechschaffen does not look on salt as the sole villain. He looks with almost equal disfavor on sugar, fats (principally animal fats), and on beef in any and all forms. So when he proscribed salt in my diet for a term, he also advised me to eschew the other items. He offered me the same latitude he allows himself: a small amount of alcohol and "If someday you feel like a whole bottle of wine, go ahead and enjoy it; but don't touch a drop for the next couple of days. If you dine with friends and they add a normal amount of salt to foods, join them, but go back to a salt-free diet on the days following." Tolerable, indeed.

I did indulge in occasional lapses. And it helped to know that if I fell from grace (overwhelmed with a desire to help myself to a half-dozen oysters on the half shell) I did not have to feel doomed.

Truth to tell, I did not find strict adherence to a salt-free diet (with those rare departures) all that painful. Oddly enough, it was interesting, a kind of perverse test of character. I dined on more yogurt than I'd ever expected to take in my whole life. My consumption of tomatoes (another of my passions) exceeded its already large amounts. A cooked, unsalted tomato sauce became a daily accompaniment for fish, chicken, pasta, or whatever. My doctor, incidentally, believes in consuming sensible amounts of pasta, rice and potatoes (baked) cooked without salt, along with other foods.

It is his contention, and I am inclined to agree, that fine restaurants will willingly cook foods without salt by request. He finds the Shun Lee Palace particularly good at this for Chinese cooking. I discovered that one of the great saltless-on-request Chinese dishes is shredded chicken with bean sprouts and I have indulged myself in this dish at Pearl's and the Fortune Garden as well as the Shun Lee Palace. Several times I dined in Italian restaurants on veal cooked without salt and on pasta with a simple dressing of olive oil, chopped garlic, and (cheating a trifle) a light sprinkling of Parmesan cheese, which I applied myself. Certain French chefs will serve fish broiled, grilled or steamed without salt. I have often dined on perfectly cooked steamed bass without salt at Raphael Restaurant, 33 West 54th Street, and on fresh scallops in lime juice and fresh salmon with lime, both without salt.

There are numerous foods and drinks mistakenly believed to be without salt. Almost all cheeses contain salt, as do most club sodas and beer. So do oysters and clams. If you want a salt-free sparkling water, a number of name-brand seltzers are excellent. There are also a few brands of club soda that are labeled salt-free. Always read the fine print on a box or can. Most frozen foods, including vegetables and fruit, contain salt.

While pursuing my diet, I was often asked what I could do to give my food sparkle without restorting to the use of salt in any form.

Principal aids were members of the onion family, notably garlic, scallions, onions and chives. Garlic became essential in salad dressings and tomato sauces. Scallions can be sprinkled on most soups and on fish and salads. Equally important were citrus fruits, principally lemon and lime juice squeezed on fish, chicken or veal, or added to salads, soups and fruit desserts. A fresh grapefruit was a daily delight at breakfast and sometimes to curb the appetite between meals. An apple became almost vital to assuage end-of-the-meal or between-meals hunger. And Granny Smiths are ideal for this, tart and crisp.

A tremendous item to boost food flavors was homemade hot mustard paste, made simply with dry mustard and a little water. It does wonders for grilled foods such as chicken or fish. Equally helpful was freshly grated horseradish. A whole fresh horseradish root can be found in New York's fresh food stalls, but it may take a bit of searching. The horseradish stirred into fresh yogurt is delectably gratifying as a compensation for salt and goes well with a beet and onion salad or with grilled or poached fish.

An assertive herb like rosemary can do magical things with broiled chicken. Simply chop the herb and sprinkle it on the chicken before broiling. And a fine salad dressing can be made with oil, vinegar, a generous dab of that mustard paste, plus such conceits as you might choose: scallions, garlic, tomatoes, cucumbers, chives or hot chilies.

Dr. Rechtschaffen had recommended miller's wheat, a natural bran, undoctored and dull. He finally told me about, and approved, a low-sodium shredded wheat. I ate this with skimmed milk and no sugar. Only a sliced banana and/or sliced fresh strawberries.

When first following that diet, I felt a different, but healthy, giddiness or lightheadedness. It was of short duration, a day or so. After four weeks, I have lost 15 pounds and my blood pressure is normal.

It would be the grossest deception to pretend that salt-free cooking can equal the world's great cuisines. On the other hand, the food can be palatable and enjoyable. In my own case, my sense of taste seemed markedly sharper and, as time progressed, the various foods in the diet became more appealing.

One of the genuine joys of that diet was another Rechtschaffen recommendation, a no-salt-added buttermilk. Taken over rice with a generous grinding of black pepper, it was a pleasure, sometimes between meals and sometimes with meals. The brand that I used was Friendship, purchased from the dairy section of my local Gristede's. On the other hand, a salt-free tomato juice I found was so bland and uninteresting that I never want to try it again.

Bottled green peppercorns, another delicacy, provided a welcome and mildly pungent note for several otherwise bland foods. The soft peppercorns, preferably bottled in water, but more generally available in vinegar, and without salt, are delectable when crushed and smeared onto fish fillets or chicken halves, which are then grilled or broiled.

Fresh arugula, that elegant and assertive salad green most prized by Italians, makes a first-rate salad dressing when blended (preferably in a food processor) with or without a few water-cress leaves and chopped garlic. You may add scallions, diced radish, diced cucumber, or whatever, to be spooned over sliced tomatoes or tossed with other salad greens.

Other foods that can give spark to no-salt menus: hot green chillies, seeded and chopped or sliced, and freshly ground black pepper. These can be used on almost any nonsweet foods.

A well made guacamole, with a considerable amount of vinegar and oil added, is one of the best and most interesting of salt-free dishes.

LABELING SODIUM CONTENT BETTER THAN BANNING

Many prestigious groups, including the American Medical Association and the Salt Institute, recently have urged the processed prepared food industry to consider sodium labeling as part of the nutrition statement on food packages. We concur, provided the labeling is either in milligrams per serving and/or milligrams per 100 grams.

With up to 20 percent of the American population bordering on hypertension, or high blood pressure, sodium informing could prove invaluable. So labeling sodium content would be beneficial.

However, we see no reason for the government to step in and place unnecessary restrictions on sodium content in processed foods. Because of sodium's essential role in foods, whether it is being used to preserve or improve flavor and quality, we oppose the development of any form of sodium restriction in processed foods.

We think that restricting sodium would not only seriously maim food producers, many of whom have no other substitute, but also restrict the average consumer, who still does not need to curtail sodium consumption, in his (her) food choices. Besides a normal, healthy human body is equipped to eliminate all excess sodium consumption.

But we do support sodium labeling, because like sugar—10-to-12 million diabetics in this country need to control sugar intake—a significant portion of the American population needs to control intake.

We would also like to see more epidemiological studies of sodium's role in hypertension. New studies indicate, for example, that when there is a proper sodium and potassium intake, hypertension is reduced. Other studies suggest that obesity may be a more significant contributor to hypertension than is sodium intake.

Since there are little if any proven casual connection data between sodium intake and hypertension development, changing sodium's status or limiting its use in foods may confuse and alarm the public unnecessarily.

We do not support sodium restriction in foods. Nor are we behind removing sodium from the Food and Drug Administration's Generally Recognized As Safe status. And we seriously argue against crepe or warning labels for sodium on foods, no matter how high sodium content might be.

These actions could cause consumers to be needlessly frightened, when most of them do not in fact need to seriously curtail their sodium consumption.

Without sodium, certain foods, including a number of meat products, could be subject to much more spoilage and waste than they are today. For instance, sodium in sausage products solubilizes proteins, necessary for forming stable sausage emulsions. In fact, sodium is the most important constituent in meats' curing mixture.

However, making sodium a portion of nutritional labeling could answer the needs of Americans who must restrict their consumption. And it would allow physicians the information necessary for prescribing acceptable foods for their patients. We think the cost the food industry would bear for such labeling changes would be well worth the service to the public.

IRS STUDY ESTIMATES OF INCOME UNREPORTED ON INDIVIDUAL INCOME TAX RETURNS

● Mr. BELLMON. Mr. President, on July 24, 1979, I introduced a bill S. 1565, to amend the Internal Revenue Code to provide for withholding of tax on dividends and interest income. I proposed this change in our present tax system in order to eliminate the substantial amount of interest and dividend income that is not reported to the Treasury for tax purposes each year.

Last week the IRS released an extensive study which estimates the magnitude of the problem. This study estimates that $75 to $100 billion of income from legal sources was not reported to the Treasury in 1976. Of this amount, $7 to $14 billion was due to nonreporting of interest and dividend income.

This is a substantial amount and is more than 16 percent of the total interest and dividend income that taxpayers reported in their 1978 tax returns. To illustrate the extent of the noncompliance problem, I submit the following three tables from the IRS report for the RECORD.

Mr. President, not only does the IRS report identify the problem we face, but it also suggests a solution. I quote from page 6 of the report:

> Reporting of income is seen to be strongly influenced by whether or not the specific type of income is first, subject to withholding, and second, subject to information reporting.

This clearly suggests that withholding is the most efficient method for eliminating the problem of noncompliance with tax laws. This is the solution I propose in S. 1565.

In his recent testimony before the Commerce, Consumer, and Monetary Affairs Subcommittee in the House, IRS Commissioner Jerome Kurtz reiterated this point. I quote:

> The report confirms that voluntary reporting is very high where incomes are subjected to withholding. Voluntary income reporting is lower where incomes are subject to information document reporting and even lower where incomes are subject to neither . . .

The Treasury Department, itself, has proposed a withholding system to deal with the substantial noncompliance among certain independent contractors. The IRS study indicated that the level of nonreporting for this group may be as high as 47 percent. However, the Treasury Department proposes only to extend information reporting to interest derived from certain money market and other debt instruments to reduce underreporting. In my view, withholding is the more effective and less costly approach to eliminating the problem and I urge my colleagues to support my proposal, which I propose to offer as a floor amendment at an appropriate time.

The tables follow:

TABLE 1.—ESTIMATES OF UNREPORTED INCOME FOR 1976, BY TYPE OF INCOME

[In billions]

	Lower estimates [1]				
	Underreporting based on:				
Type of income	TCMP [2]	Other sources	Non-filing	Total	Higher estimates
Legal Sector Incomes					
Self-employment	$19.8	$3.5	$9.7	$33.0	$39.5
Wages and salaries	3.5	5.0	12.8	21.3	26.8
Interest	1.4	1.8	2.2	5.4	9.4
Dividends	1.4		.7	2.1	4.7
Rents and royalties	2.6		.6	3.2	5.9
Pensions, annuities, estates, and trusts	2.1		1.5	3.6	5.4
Capital gains	2.9	1.0		3.9	5.1
Other [3]	1.7	.6		2.3	2.9
Total	35.4	12.0	27.5	74.9	99.7

[1] Sum of components may not add to totals due to rounding.
[2] Tax compliance measurement program.
[3] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are excluded from NIPA since they represent transfer payments.

TABLE 2.—ESTIMATED AMOUNT OF UNREPORTED INCOME FOR 1976 AS PERCENT OF REPORTABLE AMOUNT, BY TYPE OF INCOME

[Amounts in billions]

	Amount of income [1]		
		Reported on tax returns	
Type of income	Reportable on tax returns	Total [2]	As a percent of amount reportable [1]
Legal Source Incomes			
Self-employment	$93–99	$60	60–64
Wages and salaries	902–908	881	97–98
Interest	54–58	49	84–90
Dividends [3]	27–30	25	84–92
Rents and royalties	9–12	6	50–65
Pensions, annuities, estates, and trusts	31–33	27	84–88
Capital gains	22–24	19	78–83
Other [4]	9–10	7	70–75
Total	1,148–1,172	1,073	92–94

[1] Sum of components may not add to totals due to rounding. Percents of amounts reportable were computed from unrounded figures.
[2] A small amount of illegal source of incomes are included in the figures below. These inclusions will not significantly affect the percentages shown in the right-hand column.
[3] Dividends include an estimated portion of distributed net profits of qualified small business corporations.
[4] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are xcluded from NIPA since they represent transfer payments.

TABLE 3.—ESTIMATES OF UNREPORTED INCOME AND ASSOCIATED TAX LOSS FOR 1976

[In billions of dollars]

	Unreported income	Tax loss
Filers	47.4–64.1	10.6–14.3
TCMP-based [1]	(35.4–36.5)	(7.8– 8.0)
Other	(12.0–27.6)	(2.8– 6.3)
Nonfilers	27.5–35.6	2.2– 2.8
Total	74.9–99.7	12.8–17.1

[1] Tax compliance measurement program. ●

GEORGIA INDUSTRIAL REVOLUTION

● Mr. **TALMADGE**. Mr. President, the State of Georgia is rapidly becoming a dynamic industrial pacesetter in the Sunbelt. An excellent article written by Mr. Jasper Dorsey which appeared in the September issue of Sky magazine makes this point very effectively and I would like to share it with my colleagues.

Georgia's natural resources, including hard-working people, and economic opportunity have attracted both international and American enterprise at a record rate. Significant expansion in transportation, in tourism, in real estate, and in manufacturing has put Georgia in the forefront of national growth.

We are all very proud of the outstanding economic progress being made in Georgia, and I bring this article to the attention of my colleagues and ask that it be printed in the RECORD.

The article follows:

GEORGIA'S INDUSTRIAL REVOLUTION

(By Jasper Dorsey)

From the time young Georgians begin the study of history, it is difficult for them to understand why the northeastern portion of the United States was so heavily settled in colonial times, when the South had so much more to offer. Even our Indians were friendlier!

Upon maturing somewhat, the discovery is always made that perhaps those who went to New England did not know any better, since few had much opportunity to compare the southern advantages. Naturally they were forgiven.

At the start of World War II, the Army knew that our southern climate not only permitted, but encouraged outdoor living year-round; so, the young men of America were invited by the Army to go south for a military education in the basics.

With a modest confidence, we knew that a huge number would return south after the war's end. Especially since so many found it difficult to live away from our young ladies. Marriages to southern young ladies boomed during and after the war.

Georgians haven't said "damn Yankees" for a long time now, and do not look upon the Sunbelt vs. the Snowbelt as any kind of new War Between the States. They look upon northerners, or westerners, or foreigners as welcome visitors—and love for them to come to Georgia for either a good time or a lifetime. It is easy to find both.

Georgians have always been multilingual as far as the other parts of the U.S.A. are concerned, and could be understood in New York or Chicago or Los Angeles. Now they are being understood in Frankfurt, Brussels, Paris, Amsterdam and Tokyo.

Years ago when Georgians abroad were asked by their hosts where they were from, a map was often needed to inform the foreigners. Not anymore.

Atlantan Margaret Mitchell's epic novel Gone With the Wind, and the subsequent movie enlightened millions abroad, and the election of Georgia's former Governor, Jimmy Carter, to the Presidency of the United States helped with the education, too.

Both of these factors assisted the people of the world to find us, but the main reason Georgia has been discovered in America, is that we have so much of what the world is looking for—economic opportunity.

Any place Georgian's visit abroad they will find the natives knowledgeable about our state. Not only that, but thousands of them are coming over here to visit. Many are coming as tourists, but great numbers are coming to locate a manufacturing plant, a warehouse, a sales office, or a corporate headquarters.

Foreign governments are sending their officials to Georgia to establish consulates and trade offices. Ten governments have consulates in Atlanta now, and thirty-one have honorary consulates. Twelve more governments have trade offices here.

Foreign money is pouring into Georgia from Canada, the United Kingdom, Germany, Japan, France, Switzerland, the Netherlands and more. Atlanta has ten foreign banks in operation; two each from Switzerland, England, and Germany, plus one each from Brazil, Canada, Japan and the Netherlands.

Twenty thousand new jobs have been created for Georgians by an estimated $1.3 billion of new foreign capital investment from 28 countries. International companies have located 348 facilities here, 180 in metropolitan Atlanta. Of the 348, 100 are manufacturing plants.

International companies here consist of 71 facilities from Japan, 70 from the United Kingdom, 59 from Canada, 40 from Germany, 33 from France, 25 from the Netherlands, 14 Swiss, 12 Swedish, 10 Belgian, 8 Australian. Others are here, and more are coming, with welcome and needed capital, to create jobs and pay taxes.

Additional foreign investments are going also into real estate of all kinds, like office buildings, shopping centers, hotels, plus insurance companies, banks and more. This infusion of new capital permits Georgians to expand their investments in other new and growing enterprises.

American and foreign business leaders have discovered a rare and enlightened partnership in Georgia between government and business. Georgia Governor George Busbee is our best ambassador. Now in the first year of his second term, he has spent more time helping to create economic expansion in the state than any other Georgia governor. He is not alone. House Speaker Tom Murphy and Lieutenant Governor, (and Senate President) Zell Miller, together with the full support of the General Assembly, have created an effective climate for new business ventures and the expansion of present ones.

Lest anyone conclude that foreign enterprise has led the pace in discovering Georgia let's hasten to add that American enterprise from other states came first and the number is growing.

Why Georgia? Many reasons. Perhaps the most dramatic one is transportation. Georgia was founded by it when the port of Savannah was colonized in 1733. Atlanta was founded by it when the state's railroads were laid out by Wilson Lumpkin, later to become Governor and U.S. Senator. Atlanta grew from the intersection of those railroads that came from five directions. At first the intersection was called just Terminus, then named Marthasville for Governor Lumpkin's daughter, and later Atlanta.

The railroads are still prospering and so are motor freight carriers, but to get to Georgia's most unique asset it is—air service! That is the single, most precious economic resource!

Here's what sets Atlanta in a class apart: an executive can depart Atlanta in the morning of any day and arrive in any other major city in the U.S. by 10:30 A.M. He can even commute easily to and from any major city in the eastern half of the country.

To put it another way, Atlantans have the most air service per capita in the world!

Atlanta's Hartsfield International Airport is now the world's second busiest air terminal, and construction to be completed by September 1, 1980, will make it even busier. The $400 million expansion program will double passenger capacity!

Here again is the great partnership participation between the airlines, the business community, state government and the enthusiastic assistance of Atlanta's Mayor Maynard Jackson. Not a dollar of tax money is involved.

Twelve passenger air carriers serve Atlanta plus two commuter airlines. Last year the total number of passengers served was more than 36.5 million. An average day in 1978 saw over 1700 flights in and out of Hartsfield International. Delta Air Lines operated more than 630 of these flights daily, making it another of Georgia's major economic resources.

The number of international flights is increasing considerably, with non-stop service to London and Frankfurt, and one-stop flights to Montreal and San Juan. Other connections can be made to such faraway places as Brussels, Nassau, Toronto, Mexico City and Montego Bay, and new destinations are being added to route maps all the time.

There are eleven air cargo airlines handling air freight exclusively. The world's largest air cargo building is being built for them.

The new passenger terminal, when completed next year, will be the largest air terminal complex in the world.

The nation's most modern Air Traffic Control facility has been designed to handle 750,000 aircraft arrivals and departures yearly by 1985.

Georgia's superb and well financed Department of Industry and Trade, with international offices in Bonn, Brussels, Tokyo and Sao Paulo, works closely with the State Chamber of Commerce and had a major part in helping the giant Georgia-Pacific Co. decide to relocate its corporate headquarters to Atlanta from Portland, Oregon. (They helped the Oregon firm discover that too many of its executives were spending so much of their time at the Atlanta Airport.)

Gov. Busbee showed Atlanta's advantages to Georgia-Pacific in such an effective way that the decision to move will bring 400 executives from Portland to Atlanta, creating a total of 1,500 new jobs. They bought choice land downtown to construct a $90 million office tower. Mayor Jackson was particularly helpful.

There are a host of other examples. In one of Atlanta's key office parks, Taylor and Mathis' Perimeter Center, there are 315 major tenants, 150 of which are in Fortune Magazine's 500. There are also 8 major corporate headquarters located in a campus-like environment. Headquarters of the huge Siemans-Allis Co., the Southern Co., Goldkist, Continental Telephone, Cotton States insurance, Royal Crown Cola and Munich-American insurance are there.

Within the last year the business and government partnership, with Gov. Busbee's leadership, lured to Carrollton, a small college town, CBS' records and tape manufacturing facility with 3,000 new jobs and $50 million in new investment. It will be the world's largest plant of its kind. Georgia's new Freeport Law with a tax break for goods warehoused in transit was a very important asset.

Also in 1978 to Albany, a bustling south Georgia small city, went a new 1.2-million-square-foot plant of the Miller Brewing Co. with 1,400 new jobs and $250 million in new investment. It is also Miller's largest facility. Transportation, pure water and again Gov. Busbee were factors.

In addition to those already mentioned, Georgia attracted 176 new plants in 1978 alone, providing 16,279 new jobs. When 323 new plant expansions are added, the job figure rises to 28,168 and the investment totals almost $1.1 billion.

Another advantage Georgia possesses that is unique, is a new Environmental Protection Law which again shows how important is the attitude of government cooperation with industry. Georgia is the only state where new industry can go to one office and receive all of the state and national environmental permits required to establish a new industry. You can also get an answer without delay.

State government has set up an employee training program for industry without charge to the new or expanding firm. Called "Quick Start," it is custom-designed for the plant under construction. Set up near the plant site, the state selects and pays the instructors, in most cases borrowing company personnel for the purpose.

Georgia has long been the economic industrial and financial capital of the Southeast, including the period before the War Between the States. Of the five largest banks in Atlanta, three are in the top 100 of the U.S. and the fourth, Fulton National, with assets over $1.1 billion, is rapidly climbing to that level. Headquarters of The Federal Reserve's Sixth District is in Atlanta, too.

Consider the Southeast as a market, and you quickly discover that it is as large as that of Canada.

Looking at a transportation map, you find Georgia is the hub of the southeast, with Atlanta in its center. Transportationwise, Georgia is in a class apart. Air service is the nation's best: rail and highway transport finds Georgia again in the commanding position; and if you use the sea, Georgia's two deep-water ports of Savannah and Brunswick are served by over 100 steamship lines, and possess the most modern container facilities and other equipment for expediting cargo. The Georgia Port Authority has offices in New York, Chicago, Tokyo, Bonn and Athens.

For education in the state, Georgia spends more than half its budget. There are 37 colleges and universities, 24 junior colleges, 29 vocational-technical schools and a 10-station Educational TV network. Adult education and night classes are within commuting distance anywhere in the state.

Among the nation's elite universities are the University of Georgia and Georgia Tech; Georgia State University, too, has a national reputation. Private schools include the distinguished Atlanta University complex, the world's largest educational institution for minority students; plus superb schools like Oglethorpe University, Emory University, Agnes Scott College, Mercer University, and the world-famous Berry Schools.

No place excels Georgia in another essential element called the Quality of Life. The state is the largest east of the Mississippi River with three distinct geographic areas. In the north it has the Blue Ridge Mountains which reach almost to a 5,000-foot elevation with a cool summer climate and ski resorts in winter. In the south it has the Golden Isles of Sea Island, St. Simons, Jekyll and Cumberland with near tropical weather. Between the mountains and the southern part of the state lies the Piedmont area of rolling foothills, lakes and clear streams.

Golf may be played year round in almost all the state. Water sports are enjoyed all over the state's many lakes and streams. Hunting is excellent. All major league sports are played in Atlanta: football, baseball, basketball, ice hockey, soccer. The world's most prestigious golf tourney is Augusta's Masters Tournament.

Visitors find fun, so tourism is a $2 billion industry. You might not know Atlanta is the second leading convention city in North America, too. The new $35 million Georgia World Congress Center alone brought in almost 900,000 visitors in 1978. Though it has 13 acres of exhibit space, plans are being made to double its size. Twenty-eight thousand hotel and motel rooms are often not enough to handle our friends. More hotels are planned.

Atlanta holds great appeal for very talented young people. Talent scouts from business, industry and the professions find it easy to attract top graduates of the nation's elite universities, as well as to keep our own top talent at home.

In summary, Georgia has what the world is looking for: economic opportunity. The state stands alone in transportation—especially in air service. No place else can match it. Add the whole spectrum of mild climate, an enlightened, enthusiastic workforce who respect business, and superb higher educational institutions. Then add in that enthusiastic cooperation and partnership between government and business. You can easily see why we have a fair advantage.

More than 20 years ago, the *Blue Book of Industrial Development* carried a prophetic article on the south. It ended like this, "the last half of the 20th century belongs to the South. In terms of natural and human resources, the South has what it takes to become a showcase for the entire nation." Georgia is the South's hub, and Atlanta is its economic heart.●

MISS CHERYL PREWITT SELECTED AS MISS AMERICA

● Mr. COCHRAN. Mr. President, on Saturday night in Atlantic City, Miss Cheryl Prewitt was selected Miss America. She is a most deserving and talented person, and I am confident that during the coming year she will reflect much credit on her native State of Mississippi and the United States.

Cheryl comes from Choctaw County where she lived with her family near Ackerman. At the present time she is a graduate student in music at Mississippi State University and has plans to pursue her studies further at Juilliard School of Music.

Cheryl has already established herself as a songwriter and performer. She holds copyrights to 20 gospel songs and performs with her family in a gospel music group, "The Prewitt Family."

One has to be greatly impressed with the faith and determination of this attractive and talented young lady. Several years ago she suffered very painful and serious injuries in an automobile accident. Rather than accepting the prediction that she would never walk again, she persevered and overcame her crippling injuries.

Cheryl Prewitt is the third Mississippian in the last 20 years to be named Miss America. My former classmates at the University of Mississippi, Mary Ann Mobley and Linda Mead, received this honor in 1959 and 1960. I am sure this new generation will be very capably represented by Cheryl Prewitt to whom I extend my most sincere congratulations and best wishes.●

SALT MUST DO MORE TO PROTECT OUR SECURITY

● Mr. McGOVERN. Mr. President, an open-ended arms race does nothing to improve the security of either the United States or the Soviet Union. An arms buildup may result in a theoretical equality on both sides, but the real effect is only to raise the level of mutual insecurity rather than reduce to levels of greater security. Unfortunately, it sometimes appears that the SALT ratification process distorts an already badly confused vision of the relationship of arms limitation agreements to our national defense. In yesterday's Outlook section of the Washington Post, Richard Barnet explores the tendency of SALT to ratify the huge weapons acquisition programs on both sides. He explains the national security myths which perpetuate the arms race without improving our security or diplomatic success in the world. And he rightfully notes the connection between national security policies and our domestic economic priorities. During the SALT debate, Mr. Barnet's insights should be seriously considered, and for that reason I submit his article, "Do We Want to End the Arms Race," for the RECORD.

The text of the article follows:

DO WE WANT TO END THE ARMS RACE?

(By Richard J. Barnet)

The SALT II agreement may weather the current storm over Soviet troops in Cuba, but even if it is ratified, this will mark not the beginning of a process but the end of an experiment. The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons acquisition programs both are pushing.

The support of the hawks has been purchased by an "arms dividend," a commitment to increase military spending 5 percent a year above inflation. According to the Senate Budget Committee, the dividend alone will cost the taxpayer an extra $129 billion over five years, bringing the total military expenditures for that period to almost $1 trillion. The Soviets also welcome SALT as a ratification of their weapons program and will not hesitate to match or to try to surpass the new U.S. buildups. None of this will transgress anything in the 100 pages, but it will not, obviously, move the world to arms reduction nor reduce the mounting dangers of war by miscalculation.

The SALT debate has skewed the issues because it has focused on narrow alternatives and has failed to clarify the purposes of arms agreements or to raise the basic political and moral issues at stake. The political world is divided between those like the Committee on the Present Danger who believe that any agreement the Soviet Union would sign puts the United States in mortal danger and those who take the administration view that any agreement helps the political climate and promotes a "process."

In this debate, the reasons why the United States or the Soviet Union should want to limit the nuclear arms buildup have been lost. The argument has really been about which side struck the better deal. When the "arms dividend" is included, it is evident that SALT is something to stir the hearts of generals, defense contractors and senators from states brimming with military reservations and arms plants.

The treaty should be ratified, not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off. But merely to continue the SALT "process" would be almost as hopeless a response to the mounting danger we face. That danger is increasing because both sides are emphasizing hair-trigger "counterforce" technology—more accurate warheads, more "war-fighting options"—and the pressure is mounting on both sides to develop strategies to insure that weapons, as they become more vulnerable, are not caught on the ground. Thus the incentive to produce more weapons and to program them for firing sooner rather than later is increasing in both military establishments. In a world of "first strike" technology and "launch on warning" strategies, the minutes available for making decisions about war and peace are dangerously compressed and the chances of fatal human error multiply.

Arms agreements are desperately needed to break this spiral. But the only agreements that will have that effect are simple agreements that would force the two sides to choose between continuing the arms race or stopping. The world cannot afford to wait another seven years of accelerated arms buildup to produce another intricate prospectus for managing the arms race. The next agreement must cut through the ambiguities of the arms race or it too will prove to be a stimulant rather than a brake.

To create a positive political climate for reversing the arms race, agreements should meet three criteria. First, they should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions. Ultimate intentions are always mysterious, but the question can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive.

Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new weapons systems would make it clear that both sides indeed intend to stop the arms race. A mutually agreed upon moratorium on the procurement, testing and deployment of all bombers, missiles and warheads for three years is in the interests of both the United States and the Soviet Union.

A rough "balance" of nuclear forces now exists, which, according to the administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world. A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and to verify. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions.

During the moratorium the two sides could negotiate deep cuts in strategic nuclear weapons and delivery systems. It hardly makes sense to destroy old weapons systems while replacing them with more dangerous new systems.

Stopping the arms race would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification, for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the societies to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

Sen. Mark Hatfield has proposed a moratorium along these lines as an amendment to the SALT II treaty. The Soviet Union has made several proposals in the past few years for a ban on "all new weapons systems." The proposals have been general and have elicited no reaction from the United States. The standard view in Washington is that they are merely propaganda.

Yet the Soviets have never been put to the test. In the 35-year history of arms negotiations, U.S. analysts have consistently misinterpreted Soviet intentions and the cost has been enormous. The fictitious "bomber gap" and "missile gap" of the 1950s caused the U.S. taxpayer to spend billions for unnecessary weapons. The complacency of the 1960s, when U.S. military leaders assumed the Soviet Union was resigned to permanent inferiority, led to the present climate of alarm. It is time to stop guessing about Soviet intentions and put forward agreements which require them to choose between peace or further preparation for war.

The only road to national security is to reverse the arms race, but that cannot be done without first calling it to a halt. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions of dollars on the military without risking mortal danger to our economy, which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters.

The distortion of priorities has become so acute that as the administration counsels a 5 percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization," to which the arms buildup is presumably addressed, is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the continuing failure to invest adequately in alternative energy systems is to distort national security strategy and to misconstrue the meaning of "strength." The same is also true of the Soviet Union. For both of us, the return on investment in the military is declining. The heavy burden preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing both societies.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, equal to Herbert Hoover's dedication to eliminating human suffering, reflected in his famine relief efforts throughout Europe, was his love of and commitment to preserving the beauty of nature. The great outdoors was a constant source of inspiration to our 31st President. As a boy in Iowa and Oregon, school subjects were only "something to race through so I could get out of doors." This love of the outdoors continued throughout his lifetime.

Shortly after his inauguration in March 1929, Hoover tasked one of his secretaries with finding a location for an outdoors camp where the President could fish and relax. The President subsequently purchased a 164 acre tract near the source of the Rapidan River, in what is now Shenandoah National Park. His use of the Rapidan Camp, which came to be known as Camp Hoover, is summarized in an essay by Mr. Darwin Lambert, who has submitted it for publication in the series honoring the 50th anniversary of the inauguration of Hoover as our 31st President. Mr. Lambert, who lives near the Shenandoah Park at Luray, Va., has written a much more lengthy exposition on Camp Hoover, entitled "Herbert Hoover's Hideaway."

President Hoover was fanatic in preserving the natural setting of the Rapidan Camp. The cottages in the camp were designed to fit available space, so that trees could be saved. Some of those trees grew undisturbed through the floor of the porches of the President's own cabin. Hoover did not permit live trees to be cut for firewood, insisting that only dead trees be used. Attractive plants were sought, but only those which would blend in well with the natural surroundings. Hoover did seek additional deep pools for trout fishing, but his friends and guests joined him in moving boulders to create the pools rather than calling in large, and potentially damaging, machines to accomplish the job.

Hoover also took a deep interest in the welfare of the families living in this mountainous area. After learning there was no school within the reach of the children of this region, the President had one built and staffed for a period of 4 years at his own expense. He pushed for the building of a road through the mountains so that all could enjoy the spectacular scenery, but insisted that it be built by employing the local farmers who were particularly impoverished in those depression days. Skyline Drive was the result.

Hoover entertained an occasional State visitor at the camp, much as President Carter uses Camp David. Particularly noteworthy was the visit of British Prime Minister Ramsay MacDonald in October 1929. The Prime Minister was unaware that a visit to Camp Hoover was planned, and was forced to borrow some of the President's clothes for the occasion. Mrs. Hoover furnished clothes for MacDonald's daughter. The chief subject under discussion was limiting the size of the world's navies, and the conference opened the way for the Naval Limitation Treaty, which was ratified by the Senate less than a year later.

As he had promised at the beginning of his Presidency, Hoover later deeded the entire parcel of land to become part of Shenandoah National Park, and stated a wish that future Presidents might gain equal enjoyment from the site. His successor in the White House, Franklin Roosevelt, visited the camp on one occasion, but found the terrain too rough for his use. He did, however, carry on the development of the Shenandoah park, and extended and completed Skyline Drive.

As much as the Shenandoah and its people gained from Hoover's attention and devotion, the President derived an equal amount in return. Mr. Lambert quotes Admiral Boone, Hoover's personal physician, on the impact of the camp on the President:

> The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one . . .
>
> I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

Mr. President, I submit for the RECORD Mr. Lambert's essay, and a brief biographic sketch of the author.

BIOGRAPHIC SKETCH OF DARWIN LAMBERT

Born: January 28, 1916, Kamas, Utah.

Education: George Washington University, 1934–36.

Career: Editor, Travel Lore Magazine, Luray, Virginia 1937–43; Requirements Officer, Lend Lease Administration, Chungking, China, 1943–45; Editor, Commonwealth Review, Luray, Virginia 1945–47; Manager, White Pine Chamber of Commerce and Mines, Ely, Nevada, 1949–56; Editor, Ely Daily Times, Ely, Nevada, 1956–61; Editor, Daily Alaska Empire, Juneau, 1961–64; Freelance writer, 1964; Assemblyman, Nevada Legislature, 1955–56; Chairman, Nevada Board of Economic Development, 1957–59.

Memberships: Trustee, National Parks Association, 1959; Founder-President of National Highway 50 Federation, 1953–56; North American Highway Association, 1954–57; Great Basins National Park Association, 1955–61.

Publications: Beautiful Shenandoah, privately printed, 1937 Guidebook to Shenandoah National Park, Lauck & Co., 1942, revised edition 1947: Gold Strike in Hell (Novel), Doubleday, 1964; Angels in the Snow, Coward, 1969: Herbert Hoover's Hideaway, Shenandoah Natural History Association, Luray, Va., 1971: The Earth-Man Story, Shenandoah Natural History Association: Exposition-Banner, Jericho, New York, 1972: Shenandoah National Park, Administrative History, 1924–1976, National Park Service, 1979.

THE RAPIDAN FACET OF HERBERT HOOVER

(By Darwin Lambert)

President Hoover's frequent resort to his "fishing camp" in the Virginia mountains suggests a relationship between his enjoyment of nature and his performance in public affairs. Much evidence of such a relationship, along with clues to its origins and effects, came to me while I was writing histories of the camp and of the national park in which its site is now included. The President's physician and other persons interviewed, along with records studied, indicate the camp revived Hoover's energy, restored his creativity and further developed his concern for the people and the resources of earth.

Hoover had been fond of nature since boyhood. He once said the subjects he was studying in school were "something to race through so I could get out of doors." While very young in both Iowa and Oregon he liked both outdoor play and outdoor work. Though he became an excellent scholar, an extraordinarily successful mining engineer, and a volunteer (then, a governmental) provider of food for millions of hungry Europeans, he kept seeking, as he put it, "inspiration" in "the works of nature."

While Secretary of Commerce in Coolidge's Cabinet, Hoover found personal time to serve, among other capacities, as president of the non-governmental National Parks Association (now National Parks and Conservation Association)—coincidentally helping this organization launch the long campaign, along with governmental and other volunteer groups, toward establishing Shenandoah National Park in an area then unknown to him, which campaign he would help again years later by locating his camp inside the proposed park. By then his interest in conservation had interwoven with his interest in production to meet human needs. His friend Will Irvin wrote of him as having graduated from engineering mines to "engineering our material civilization as a whole—without goose-stepping the human spirit or blueprinting the human soul." Evidence I have gathered suggests he was moving toward earthmanship, integrating concern for the earthly environment with the enjoyment of peaceful living, working for the long-range health of humanity and the planet together.

Hoover's wife and sons were nature-oriented too, their outdoor recreation having grown along with his—in California and during his mining career around the world. They camped with him in many of the planet's most scenic places. On several continents he led them picnicking in the countryside, doing much of the cooking himself on an open fire. Long an eager and skillful fisherman, he frequently caught the main course of a meal directly from nature. During the Commerce period, the family's residence had a "woodsy" back yard where many of the meals were served. Mrs. Hoover became president of the Girl Scouts of America, and during her years of service the organization's membership, outdoor oriented, multiplied tenfold to almost a million girls. Young Allan Hoover fed birds and put up gourd-nests for them; he also acquired two ducks and several turtles. Hoover encouraged these doings—though with one exception that I have learned about, when Allan wanted to keep alligators in the bathtub.

A few weeks after being elected President, Hoover gave Lawrence Rickey, one of his secretaries, the task of finding a wild camping place where he could fish and relax. Following his inauguration on March 4, 1929, he chose and bought a 164-acre site at the source of Rapidan River, promising to donate that land to Shenandoah park when the park was established. The Camp Hoover plan was unambitious at first—just a few tents on wooden bases. But more needs the camp might serve kept emerging, and construction expanded until there were ten sizeable cottages with thin roofs and walls but massive stone fireplaces. During the four years of his Presidency, Hoover spent scores of weekends at this "summer White House"—in solitude along the trout stream or entertaining guests for relaxation and, more and more often as pressure increased in Washington, for policy discussion.

One of the first things I noticed about Camp Hoover was that the cottages had been shoe-horned in—designed and built to fit available space so trees need not be cut. Porches of the Hoovers' personal cottage—sometimes called "The Brown House" but usually "The President"—had splendid trees growing undisturbed through the floors. Other clues joined to bring out the Hoover desire to increase simple enjoyment while reducing disturbance of nature.

The Madison County Eagle, weekly newspaper that carefully watched the Hoovers' doings in its territory, reported on May 24, 1929, that the landscaping at camp consisted of a slight rearrangement of natural materials. Rocks that "lay helter-skelter" were being placed along the borders of walkways. Extra rocks were "erected in conical piles from which native flowers send forth their fragrance." In Shenandoah park files I found a copy of Mrs. Hoover's seven-page instructions concerning the grounds. She said the President wanted a variety of attractive plants to be visible but that they should be the identical species which grew there naturally or "hardy species . . . very similar to the native ones" such as "not to seem out of place" in the "woodsy setting."

People working at or near the camp promptly reflected the Hoover attitude, and some were changed for life by it. Frank Kiblinger, who supervised a road crew in the area, told me one of his trucks tore some bark from a tree. Aware of the Hoover's potential displeasure, he insisted the driver find it, straighten it out, and bind it back in place so the wound would heal without showing. This was done. Kiblinger went on to become a conservationist, with the Hoovers as long-time friends.

Maj. Earl C. Long of the Marines, in charge of protection and maintenance at camp, reflected the Hoover attitude in the guide manual for this assignment, decreeing that "no trees in the President's Camp or the guard camp areas (including first and second platoon areas, corral area, and motor transport area) will be cut, damaged, or limbs removed." Camp Hoover Marines, present primarily to guard the President, were also assigned to work with Virginia crews building a fir tower atop nearby Fork Mountain, to help protect all forest within sight. Long, who became a major general before retirement, was so influenced that during the rest of his career he often modified military constructions to reduce disturbance of natural conditions.

Hoover allowed only dead wood, largely chestnut killed by the blight, to be used for heating or cooking at camp. Living trees could not be made into firewood; neither coal nor oil were burned. Though Hoover almost never replied to criticism, he was so sensitive in relation to nature that when a national news service said he had "ordered unrestricted shooting of hoot owls and fish hawks" along the Rapidan, he personally replied that he was "at a loss to know why such . . . untruths . . . are circulated. . . . There are no hawks about the camp and the old owl and brood of little owls are a part of the treasured camp furniture."

Hoover wanted more deep pools for trout, and instead of calling for machines to make them he and his guests moved boulders to create dams. The *Eagle* eye saw Hoover serving as "architect and chief engineer," but there is evidence he also served as laborer. His physician, Admiral Joel T. Boone, told me the President agreed he needed physical exercise, and the making of pools was one of the "double-pronged schemes" into which he often drew guests—cabinet members, congressmen, diplomats, bankers, "men representing the whole spectrum of American life with whom communication was generally stimulated through informality." The work was fun, especially on hot days. Col. Charles Lindbergh and Dr. Boone himself sometimes worked alongside Hoover, improving the Rapidan for trout while also reducing erosion and flooding.

Boone had a part in the early stages of a quite different project—relating most directly to people but in the long run to conservation as well. One day, soon after camp was set up, Boone was riding horseback toward Big Meadows (now a public visitation center in Shenandoah park). He stopped to talk with a boy near a mountain home. He asked about school and learned there was none within reach. Knowing the Hoovers loved children, he told them about the boy and the lack of a school accessible to the mountain folk. The President pursued acquaintance by offering $5 to the boy for bringing him an opossum (probably for son Allan). After some delay the boy came with the animal and collected. At a meeting then arranged, the boy's father agreed to head a local committee and the President a national committee to obtain the needed school. Under this camouflage—when no public funds could be promptly obtained—Hoover built the Mountain School at his own personal expense.

Construction started in October 1929, and in February 1930 a well-qualified, Hoover-hired teacher welcomed two dozen students, ages five to sixteen. Soon adults also were seeking and getting education at the school. It became a community center for the Rapidan-Dark Hollow area. Hoover paid all expenses during four school years. Then Virginia's conservation commission, seeing the relationship of the school to its responsibility—for acquiring Shenandoah park land and arranging for the mountain folk to move elsewhere—began paying the costs. The school operated until 1938 when most of the mountain folk moved from the park. It immeasurably improved the ability of these people to cope with the world outside the Blue Ridge.

Newsmen and feature writers focused wide attention on the doings of the Hoovers in the mountains. But what put the Rapidan conclusively on the world map was the coming together there of Hoover and Prime Minister Ramsay MacDonald of Britain—"conspiring," critics said, "to sink the world's navies." MacDonald and his daughter Ishbel arrived in Washington on October 4, 1929. Hoover told them he was taking them to his isolated camp. The startled Briton said, "But, Mr. President—I can't go to the mountains in this cutaway and striped trousers." The two men were almost the same size, and Hoover lent MacDonald clothes. Mrs. Hoover furnished camp attire for Ishbel. One cottage at camp was assigned to MacDonald, another to his daughter, these cottages lastingly named "Prime Minister" and "Ishbel."

The conference—concerned with limiting (not "sinking") navies (so as to halt the armaments race that was straining the finances of Britain, the United States and several other countries while also threatening world peace)—took place informally. Dr. Boone, always at camp when Hoover was there, said:

"I don't recall Prime Minister MacDonald fishing, but I'm not sure he didn't give it a try. He and President Hoover went out along the stream together once, probably more than once. Ishbel went riding with Mrs. Hoover, and I recall clearly she pitched horseshoes with Richey . . . and me for a time. . . . The President and apparently the Prime Minister were more relaxed, more informal, than could have been expected in other surroundings. And the President, at least, could work better on such crucial, infinitely complicated matters under the relaxing conditions of camp."

Newsmen were not invited, but the world's papers were filled with stories of the Rapidan talks promoting peace in the presence of only "those green-robed senators of mighty woods." Drawings showed them sitting on logs beside the stream or a campfire, Hoover whittling a stick and MacDonald smoking his pipe. The conference opened the way for the Naval Limitation Treaty that was ratified by the Senate on July 22, 1930. Hoover said the treaty marked "a further long step toward lifting the burden of militarism from the backs of mankind."

The camp thus proved itself a significant catalyst for creativity and calm judgment. In a short speech given to ten thousand "neighbors" gathered at Madison, the county seat nearest the camp, the President discussed its effects:

"I have discovered that even the work of the government can be improved by leisurely discussions of its problems out under the trees where no bells or callers jar one's thoughts. . . .

"I am glad to lend my services as a good neighbor to you by acting as a sort of signpost to the country of the fine reality of your proposed new national park.

"I fear that the summer camp . . . has the reputation of being devoted solely to fishing. That is not the case, for the fishing season lasts but a short time. . . . It is the excuse for return to the woods and streams with their retouch of the simpler life of the frontier from which every American springs. . . .

"Fishing seems to be the sole avenue left to Presidents through which they may escape to their own thoughts and may live in their own imaginings and find relief from the pneumatic hammer of constant personal contacts, and refreshment of mind in the babble of rippling brooks.

"Moreover, it is a constant reminder of the democracy of life, of humility and of human frailty—for all men are equal before fishes. And it is desirable that the President of the United States should be periodically reminded of this fundamental fact—that the forces of nature discriminate for no man."

Horace M. Albright, Director of the National Park Service, had helped Hoover pick the exact site for the camp and was a guest there from time to time. In 1969 Albright remembered riding horseback with Hoover one Sunday in "late 1930":

"We rode up onto the summit . . . to the Big Meadows. . . . The President motioned me to come up alongside of him. . . . He told me these mountains were just made for a highway. . . . And he said, I think everybody ought to have a chance to get the views from here. He said, I think they're the greatest in the world, and I've been nearly everywhere in the world.

"I pointed out, well, if they build a road . . . that's the end of his camp, because they'd have so many tourists . . . and he said, well, I'm not going to be President all the time and my successor might not like this place, and besides, I feel, even if I was here, he said, that the people should have this sensation that I have, this exhilaration, this experience that I have riding along here. He said, I want you to consider undertaking a survey . . . get a crew in here and see what you can do.

"So that's where I got my instructions for this Skyline Drive. Right from the President's mouth, right up here where the road is now.

"It was a terribly dry year, and these people were impoverished. . . . He asked for a congressional appropriation not only to relieve these farmers but to help other situations throughout the country. . . . Get your specifications for the highway, and then build it by force account if necessary, otherwise by contract, but insist that they use hand tools, the fresnoes and plows and scrapers of the farmers, and the farmers themselves."

Though Hoover did not originate the dream of having a Skyline Drive in Shenandoah, his instruction to Albright was nevertheless extraordinary. The Park Service had no land and no funds for a Shenandoah park, had had no chance for detailed study of the area or for planning its development, was far from sure such a park would become a reality (because the State of Virginia, responsible for getting the land and giving it to the federal government free of cost and of population, was uncertain after years of struggle whether the task could be accomplished). Yet Albright acted fast and did his best to carry out the President's order.

After several tentative routes were flagged, Hoover rode again on the skyline with Albright and others. Albright remembered:

"We came up here after a preliminary line had been run. . . . We would ride the trail, ride that line, as best we could on horseback. . . . Hoover pointed out that there were places where you could ride the ridge and see both ways. You could look to the Piedmont and you could look to the Shenandoah Valley. Other places you could just look to one, and then you'd go around through a gap and you'd see the other side. He thought that was one of the greatest things about it; he noticed that in his own right, you see. . . ."

It was a welfare project, and it was by Herbert Hoover.

The Skyline Drive between Thornton and Swift Run Gaps was thus built with Hoover not only the initiator of action but, intermittently anyway in the early stages, also chief engineer. Shortly after he was defeated in his try for a second term as President, he "explored" the whole 34 miles and wrote his opinion of how his instruction had been carried out: "It is a good road—and a very beautiful one."

As promised at the beginning of his Presidency, he deeded the 164-acre camp property (and the 1.58-acre Mountain School tract) to become part of Shenandoah National Park. His records showed he had spent approximately $200,000 of his own money on the camp land and its development. (I have never come across precise figures showing what he spent on building, furnishing and operating the Mountain School, but I have found indications that the total in personal funds could hardly have been less than $25,000 and could have been considerably more.) In donating the camp land and buildings to the park he expressed a wish that the place be available to future Presidents who might wish to use it. He further suggested that, if Presidents did not use it, the Park Service might let it be used by the Boy Scout or Girl Scout organizations.

President Franklin D. Roosevelt visited the camp shortly after his inauguration. He found the terrain too rough for his use, but his visit and his return toward Washington via the still-unsurfaced Skyline Drive (which he found impressive, valuable and appropriate) involved him personally in the future of this park to such an extent that he carried on Hoover's momentum and direction, completing and extending the scenic highway, seeing the park through to establishment and well-rounded development.

For fifteen years the camp itself was little used, while the buildings deteriorated because Congress appropriated no funds to maintain them. In 1948, with encouragement and behind-the-scenes help by Hoover who was very much alive in New York, the Boy Scouts of America received permission to recondition the buildings and use them. Camp Hoover thus became "one of the outstanding 'Explorer Camps' in the country," as the Scouting organization put it. In the summer of 1954, more than two decades after he donated it to the park, Hoover visited it once more (for the last time) and reminisced with Scouts and Scouters about its four years as a "summer White House." One leading Scouter reported the visit was most moving and inspirational and that Hoover was deeply pleased the Scouts were using the place. Regrettably, in 1958, the Scouting organization had to abandon the camp because maintenance had become increasingly troublesome and expensive beyond the organization's current means.

All but three of the cottages proved too far gone to save. The three—known as "The President," "The Prime Minister," and "Creel"—were reconditioned by the Park Service which, by then, had a special fund that could be drawn upon for this purpose. These buildings were refurnished as in the years of the Hoovers' occupancy and saved as repositories of history. They have been used by high officials of the Federal Government and at times opened for visitation by the general public, which customarily uses the camp's outdoor acreage for hiking and other park-type activities. Quite recently, for the first time in more than 40 years, a President—Jimmy Carter—has again used the camp—though not frequently—as Hoover used it and hoped it might continue to be used.

Responding to my request for a summary of Hoover's Rapidan facet and its meaning, Admiral Boone, whose primary responsibility was the President's health, made statements coming as close as his scientific scruples would allow to confirming the camp as a generator of earthmanship:

"The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one. . . .

"I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

"He was a self-disciplinarian with remarkable ability to keep many projects moving, to make maximum use of time. I never saw him play cards at camp, or work on jigsaw puzzles which were popular there, or pitch horseshoes. The time he actually spent fishing was small. . . . After brief fishing or sometimes a nap or a walk in the invigorating air he would plunge with new energy into urgent work. . . .

"He might recess a policy conference, go off fishing by himself for a short while, then get going again with the conference, usually having worked out some key problem. . . .

"The loveliness of the place captivated people, though they had their different ways of enjoying it. Sometimes the President would sit quietly for many minutes, smoking his pipe, listening to the stream or the fire. . . ."

All the persons I have interviewed, who were in camp with Hoover, reported indications of the President's renewal in strength and basic creativity by the stream, forest, mountains and far views. Most reported feeling in themselves too the effect of renewal and of focus on fundamentals to the exclusion of petty side issues. They observed similar signs in their associates. The camp had a spirit or atmosphere conducive to tender concern for both humanity and nature—in quite a few individuals, as in Hoover and his wife, for the people-earth combination in a sense now often called ecological. The spirit was sometimes so moving that Virginia historian Thomas Lomax Hunter "The President's Camp on the Rapidan," 1931, expressed it in these words:

"May we hope that the peace born and brooded in these noble hills will grow, like the Rapidan, into a mighty stream and flow down through history a splendid and triumphant tide."

I cannot say, of course, to what extent the earthmanship spirit was brought to camp by the President and Mrs. Hoover, or what portion of it rose directly from the magnificence and vitality of the Rapidan headwaters. But the spirit certainly lived there and exercised influence. In its glow the movement with Prime Minister MacDonald to foster world peace by reducing armaments seemed altogether fitting. Hoover's personal contribution to the mountain people through the Mountain School, and his insistence on hiring local workers in urgent need to build the Skyline Drive, seemed but natural—as did his wish to enhance human enjoyment through wise use of natural resources by establishing Shenandoah National Park.

Similarly, the effect of the camp spread through Hoover's Administration into other conservation matters, working its charm toward saving the scenic values of Niagara Falls (treaty with Canada approved by the Senate in 1930); toward tighter control of oil leases on public lands and more efficient use of water for power, irrigation and navigation; toward reduction of overgrazing on western ranges and reclamation of wasteland; toward planning the great St. Lawrence waterway (treaty with Canada signed in 1932); toward protecting U.S. forests (more than two million acres added to the national system); toward launching the Hoover Dam project on the Colorado River; and toward bringing a 40% increase in the national park system, including addition of Carlsbad Caverns, Canyon de Chelly, Death Valley, and the Great Smoky Mountains (linked with Shenandoah that was brought within reach though not officially established during Hoover's term).

The evidence is ample, I feel sure, to support the feeling I have long had—that the Rapidan facet of Herbert Hoover was significant in his personal life and in his Presidential decisions, policies and accomplishments; that focus on this often-ignored facet helps confirm Hoover's lasting contribution to humanity and earth; and that Camp Hoover was, is, and will remain a spiritual resource of meaning and value to America and the world.

(The above essay, "The Rapidan Facet of Herbert Hoover", is copyrighted, and may not be reprinted without permission of the author and copyright owner, Darwin Lambert.) ●

SALAMI TACTICS IN CUBA

● Mr. **HELMS**. Mr. President, in 1921 Lenin, reflecting on the events of the bloody Kronstadt mutiny, made some observations which give a rare insight of his perverse genius. Two of these are both timely and pertinent to the current situation in Cuba.

Lenin stated:

> As a result of my direct observations during my exile, I must admit that the so-called cultured class of Western Europe and America is incapable of comprehending the present state of affairs and the actual balance of forces; the elements of this class must be regarded as deaf and dumb and treated accordingly. . . .

As if the above statement were not sufficient to give an idea of what lay ahead, Lenin proceeded to pen this gem of Marxist wisdom:

> A revolution never develops along a direct line, by continuous expansion, but forms a chain of outbursts and withdrawals, attacks and lulls, during which the revolutionary forces gain strength for their final victory.

This strategy has been appropriately synthesized in the West in the dictum "two steps forward one backward in order to advance without causing excessive reaction." There is also a mordant, if graphically simple, phrase coined during the cold war which illustrates Lenin's strategy by calling it "salami tactics."

A closer analysis, if indeed an analysis is needed, of Lenin's reflections will poignantly bring into focus the fact that, although the Soviets have been practicing this strategy for the past 60 years, the "deaf-dumbs" of the West never cease to be surprised whenever they are confronted with a fait accompli as a result of a Soviet move.

What is unbelievable is that, seldom if ever, have the Soviets been able to make a lightning move in absolute secrecy. The United States and its allies invariably have had substantial warning of an impending move, due mainly, to their advanced technology in the field of intelligence. Those successes occurred when there had been an efficient human collection system complementing the electronic one and there was the will to make continuous and wise use of it.

It was "rumors" brought to the United States by Cuban exiles arriving in Miami that foretold of the missiles in Cuba. That it took nearly 3 more months to convince the administration of their presence confirms Lenin's observation. In the case of the Soviet brigade in Cuba things have gotten far worse in spite of tell-tale signs such as a continuous traffic of Soviet marshals, generals and even deputy defense ministers. The discovery of the Mig 23s was nothing more than a flash in the pan, quickly forgotten and relegated to the annals of gradual encroachment in the Caribbean basin.

Seldom if ever has the United States reacted in a forceful and peremptory way to correct the alteration in the balance of power caused by a Soviet move such as the one confronting us in Cuba today.

There were of course several instances of quick advance and partial retreat whenever the United States as the leader of the free world made a show of force, but, in the end, the Soviets came away with the material gains, while the West consoled itself with the moral and empty victory of the righteous.

To be sure, the dilemma of choosing between a "casus belli" in an era of nuclear weaponry seems to take the aspect of game with loaded dice when it comes to an aggressive move by the Soviets. In a negotiated settlement the Soviets hold the initiative, and therefore gain the bargaining advantage over the United States.

In Cuba Lenin's strategy has seen some interesting variations in the past two decades. The "salami tactic" has been reversed. The slices are being added surreptitiously while we stand by, 90 miles away, blinded by our lack of intelligence collection by human sources. While Miami may be abuzz with information about Russians in Cuba camping in the countryside, there is not a single intelligence man specifically designated to handle the incoming arrivals from Cuba. Not anymore.

In the early days of 1962 there was sufficient information on hand in Miami, and, presumably, in Washington, of surveys and construction by Soviets in areas which later were used as missile sites. Reports about the nuclear submarine support base at Cienfuegos began coming in Miami as early as 1962, while the Nixon administration protested to the Soviets only in 1970.

There has been a continuous if not stealthy build-up of Soviet presence in Cuba. In addition to the combat brigade there have been Soviet pilots flying missions in Cuba. Late in 1978, 18 Komar-type missile carrying boats have arrived in Cuba and early in 1979 6 of the newer type, equiped with quadruple launchers for "Styx" missiles have also been delivered. The Cubans do not have the crews to man these boats, which because of their size—81 feet in length—can actually enter Miami harbor at night virtually undetected because they appear on the radar screens as some of the hundreds of pleasure boats cruising the Gulf Stream.

Cuba is today the main Soviet naval base in the Western Hemisphere where naval squadrons call with monotonous regularity, often in violation of SALT I agreements, because of the missile carrying submarines (Golf type). The gigantic airlift exercise to Peru, using Cuba as intermediate base has all but been forgotten, yet the presence of the brigade today in Cuba may be due to this particular exercise as the Soviet need a mobile force on hand to guarantee the accessibility of landing sites for airlifted troops in case of an emergency. The United States seems to be oblivious to fact that today there is a crisis situation in the Caribbean basin and the maritime routes to and from Panama and South America are practically in Soviet hands.

The Soviet brigade may not pose a direct threat, per se, to the United States at the moment but both we and our Latin American allies would sleep more peacefully if the Russians got their suntans on the Black Sea resorts.

The President has said we should regard the situation calmly. And so we should. We should calmly tell the Soviets to get their troops out of Cuba before any negotiations begin. The President made a grave error when he announced negotiations without taking that forceful step. President Kennedy did not make such a mistake; he told the Soviets to get their troops out before the negotiations began. The United States cannot permit another superpower to maintain combat troops within its own defense perimeter. No U.S. installations lie within the Soviet defense perimeter. Were President Kennedy alive today, I am postive that the Soviet troops would already be out of Cuba. The danger now is that we will bargain away our rights in Guantanamo, or our right to an objective debate on the SALT II Treaty and its deficiencies.

Mr. President, it is not too late to profit from our mistakes in the handling of the Cuban developments. But it will take leadership, Mr. President, and leadership is a quality that is too often absent from our leaders today.●

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

● Mr. CHILES. Mr. President, I would like to call my colleagues attention to a consumer pamphlet on Medi-Gap insurance prepared jointly by the Department of Health, Education, and Welfare and the National Association of Insurance Commissioners.

The "Guide to Health Insurance for People with Medicare" was developed after the Senate Special Committee on Aging held hearings on widespread abuses in the sale of private health insurance policies to supplement Medicare. Our hearings revealed that many older Americans were paying large premiums for insurance policies which were worthless or of very little value in supplementing their Medicare insurance protection.

I introduced a bill in February, S. 395, to provide a number of protections against such abuses. There is an almost complete lack of information for Medicare beneficiaries on Medi-Gap insurance and how it can and cannot supplement Medicare. One of the provisions of my bill required the Department of Health, Education, and Welfare to provide information to all Medicare beneficiaries. This pamphlet has been developed in response to this concern and will be available through all local Social Security and area agency on aging offices this month.

I do not believe that consumer education alone can solve most of the problems we found in the sale of Medi-Gap insurance, but I think this pamphlet will be a valuable source of information for many older Americans who have questions about Medi-Gap insurance. I think it will also serve as a good resource for my colleagues, and I ask that the full text of the pamphlet be printed in the RECORD.

The material follows:

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

SOME BASIC THINGS YOU SHOULD KNOW

Medicare pays a large part of your health care expenses. It does not pay them all. There are limits on some covered services and you must pay certain amounts called deductibles and co-payments.

Medicare does not cover some services at all. Neither does most private insurance, for example:

What many people think of as nursing home care is not usually covered by Medicare or insurance policies on the market today. (See page 3.)

Medicare and most private health insurance policies pay only charges Medicare considers reasonable. You pay the rest. To avoid extra charges, ask your doctor to accept assignment of Medicare benefits. Assignment means that your doctor (or other supplier) agrees to accept Medicare's reasonable charge as the total charge for covered services and supplies. (See page 7.)

Insurance to supplement Medicare is not sold or serviced by the government. Do not believe advertising or agents who suggest that Medicare supplement insurance is a government-sponsored program.

Before you consider buying insurance to supplement Medicare, you should know what Medicare benefits are. Pages 4 through 7 explain your Medicare coverage. Please review them carefully.

DO YOU NEED PRIVATE HEALTH INSURANCE IN ADDITION TO MEDICARE?

Not everyone does . . .

Low-income people who are eligible for Medicaid do not need additional insurance. Medicaid pays almost all costs including long-term nursing care. Contact your local social service agency to find out if you qualify and what the benefits are in your state.

Whether you need health insurance in addition to Medicare is a decision which you should discuss with someone you know who understands insurance and your financial situation. The best time to do this is before you reach age 65.

HINTS ON SHOPPING FOR PRIVATE HEALTH INSURANCE

Shop Carefully Before You Buy . . . policies differ widely as to coverage and cost, and companies differ as to service. Contact different companies and compare the policies carefully before you buy. To help decide, complete the checklist on page 6. If an agent won't help you complete the checklist, don't buy from that agent.

Don't Buy More Policies Than You Need . . . duplicate coverage is costly and not necessary. A single comprehensive policy is better than several policies with overlapping or duplicate coverages. For comprehensive coverage, consider continuing the group coverage you have at work; joining an HMO; buying a catastrophic or major medical policy or buying a Medicare Supplement policy. (See page 3.)

Check For Preexisting Condition Exclusions . . . which reduce or eliminate coverage for existing health conditions. Many policies exclude coverage for preexisting health conditions.

Don't be misled by the phrase "no medical examination required." If you have had a health problem, the insurer might not cover you for expenses connected with that problem.

Beware of Replacing Existing Coverage . . . be suspicious of a suggestion that you give up your policy and buy a replacement. Often the new policy will impose waiting periods or will have exclusions or waiting periods for preexisting conditions your current policy covers. On the other hand, don't keep inadequate policies simply because you have had them a long time. You don't get credit with a company just because you've paid many years for a policy.

Be Aware of Maximum Benefits . . . most policies have some type of limit on benefits which may be expressed in terms of dollars payable or the number of days for which payment will be made.

Check Your Right To Renew . . . beware of policies that let the company refuse to renew your policy on an individual basis. These policies provide the least premanent coverage.

Most policies cannot be canceled by the company unless all policies of that type are canceled in the state. Therefore, these policies cannot be canceled because of claims or disputes. Some policies are guaranteed renewable for life. Policies that can be renewed automatically offer added protection.

Policies to Supplement Medicare Are Neither Sold nor Serviced by State or Federal Government . . . State Insurance Departments approve policies sold by insurance companies but approval only means the company and policy meet requirements of state law. Do not believe statements that insurance to supplement Medicare is a government-sponsored program. If anyone tells you that he or she is from the government and later tries to sell you an insurance policy, report that person to your State Insurance Department.

Know With Whom You're Dealing . . . a company must meet certain qualifications to do business in your state. This is for your protection. Agents also must be licensed by your state and must carry proof of licensing showing their name and the company they represent. If the agent cannot show such proof, do not buy from that person. A business card is not a license.

Keep Agents' and/or Companies' Names and Addresses . . . write down the agents' and/or companies' names and addresses or ask for a business card.

Take Your Time . . . do not let a short-term enrollment period high pressure you. Professional salespeople will not rush you. If you question whether a program is worthy, ask the salesperson to explain it to a friend or relative whose judgment you respect. Allow yourself time to think through your decision.

IF YOU DECIDE TO BUY

Complete Application Carefully . . . some companies ask for detailed medical information. If they do, omitting specific medical information can be costly to you. Do not believe anyone who tells you that your medical history on an application is not important. If you omit requested information the company can refuse coverage for an omitted condition for a period of time or it may deny a claim and/or cancel your policy.

Look for an Outline of Coverage . . . you should be given a clearly worded summary of the policy . . . Read It Carefully.

Do Not Pay Cash . . . pay by check, money order or bank drafts made payable to the insurance company, not the agent or anyone else.

Check For A Free Look Provision . . . most companies give you at least 10 days to review the policy. If you decide you don't want to keep it, send it back to the agent or company within 10 days of receiving it and you will get a refund of all premiums you have paid.

Policy Delivery or Refunds Should Be Prompt . . . the insurance company should deliver a policy within 30 days. If not, contact the company and obtain in writing a reason for failure to deliver. If 60 days go by without information, contact your State Insurance Department. The same schedule should be followed if you return the policy but do not receive your refund.

TYPES OF PRIVATE HEALTH INSURANCE

Private health insurance is available through group and individual policies. It is offered by some companies through agents and by other companies directly through advertising media and mail. Coverages offered and their values differ widely among both group and individual policies.

Types of individual and group health insurance coverages:

Medicare Supplement . . . pay some or all of Medicare's deductibles and co-payments. Some policies may also pay for some health services not covered by Medicare. (See page 4.)

Medicare pays only for services determined to be medically necessary and only to the extent of what Medicare determines to be a reasonable charge (see pages 4 through 7). Most Medicare supplements follow the same guidelines and pay nothing for services Medicare finds unnecessary.

Catastrophic or Major Medical Expense . . . helps cover the high cost of serious illness or injury, including some health services not covered by Medicare. These policies usually have a large deductible and may not cover Medicare's copayments and deductibles. It can be a better dollar value to insure only for catastrophic expenses than to buy coverage for the Medicare deductibles and copayments.

Health Maintenance Organizations (HMOs) . . . there may be one or more HMOs in your area which participate in the Medicare program. HMOs both insure health care and provide the service. People who join HMOs pay a membership fee, or premium, and then receive health services directly from physicians and other providers affiliated with HMOs. Services are prepaid, so there are no claims forms to process. For Medicare covered services, there are no separate charges for deductibles or co-payments. If you are willing to receive your care from a specified group of providers, HMOs may provide the most complete service for your health care dollar.

Group insurance is available through employers and through voluntary associations.

Employer Group Insurance . . . many people are covered by a group plan while they are employed.

Find out before you retire if your group coverage can be continued or converted to a suitable individual Medicare supplement policy when you reach age 65. Check carefully the price and the benefits, including benefits for your spouse. Employer continued or conversion group insurance usually has the advantage of having no waiting periods or preexisting condition exclusions.

Association Group Insurance . . . many organizations, other than employers, offer various kinds of group health insurance coverage to their members over age 65.

Beware of claims of low group rates because coverage under group policies may be as expensive or more costly than comparable coverage under individual policies. Be sure you understand the benefits included and then compare prices.

The following coverages are limited in scope and are not substitutes for Medicare Supplement, Catastrophic, Major Medical Expense or HMOs.

Nursing Home Coverage . . . usually pays a stated amount a day for required skilled nursing service furnished in a skilled nursing facility. Intermediate care, rest care and custodial care are generally not covered under any policy on the market today. Most people in nursing homes are receiving custodial care. Be sure you know which nursing homes and services are covered.

Hospital Confinement Indemnity Coverage . . . pays a fixed amount for each day you are hospitalized up to a designated number of days. Some coverage may have added benefits such as surgical benefits or skilled nursing home confinement benefits. Premiums do not ordinarily increase, but the fixed benefits do not rise to meet increasing costs of hospitalization.

Specified Disease Coverage . . . (Not available in some states) . . . provides benefits for only a single disease, such as cancer, or a group of specified diseases. The value of such coverage depends on the chance you will get the specific disease or diseases covered. Benefits are usually limited to payment of a fixed amount for each type of treatment. Benefits are not designated to fill the Medicare gaps.

WHAT MEDICARE PAYS AND DOESN'T PAY

Medicare is divided into two parts—hospital insurance (Part A) and medical insurance (Part B). This page describes Part A benefits and page 7 describes Part B benefits. The chart on page 5 gives brief outlines of both Part A and Part B. Please refer to Your Medicare Handbook or any Social Security Office for more information.

Medicare does not pay the entire cost for all covered services. You pay for deductibles and co-payments. A deductible is an initial dollar amount which Medicare does not pay . . . a co-payment is your share of expenses for covered services above the deductible.

MEDICARE HOSPITAL INSURANCE BENEFITS (PART A)

What medicare part A pays

When all program requirements are met, Medicare Part A will help pay for medically necessary inhospital care . . . and after a hospital stay, for medically necessary inpatient care in a skilled nursing facility or for home health care.

Part A covers all services customarily furnished by hospitals and skilled nursing facilities. Part A does not cover private duty nursing, charges for a private room unless medically necessary, or convenience items such as telephones or television. Part A also does not cover the first 3 pints of blood you receive during an inpatient stay (but you cannot be charged for blood if it is replaced by a blood plan or through a blood donation in your behalf).

Benefit periods

Medicare Part A benefits are paid on the basis of benefit periods. A benefit period begins the first day you receive Medicare covered service in a hospital and ends when you have been out of a hospital or skilled nursing facility for 60 days in a row. If you enter a hospital again after 60 days, a new benefit period begins. All Part A benefits (except for lifetime reserve days you have used) are renewed. There is no limit to the number of benefit periods you can have.

Inpatient hospital care

Part A pays for all covered services for the first 60 days of inpatient hospital care in a benefit period except for $160, the current Part A deductible. For the next 30 days, Part A pays for all covered services except for $40 a day. Every person enrolled in Part A also has a 60-day lifetime reserve for inpatient hospital care which can be drawn from if more than 90 days are needed in a benefit period. When lifetime reserve days are used, Part A pays for all covered services except for $80 a day. Once used, lifetime reserve days are not renewable.

Skilled nursing facility care

A skilled nursing facility is a special kind of facility which primarily furnishes skilled nursing and rehabilitation services. It may be a separate facility or a part of a hospital. Medicare benefits are payable only if the skilled nursing facility is certified by Medicare. Most nursing homes in the United States are not skilled nursing facilities and many skilled nursing facilities are not certified by Medicare.

Part A pays for all covered services for the first 20 days of medically necessary inpatient skilled nursing facility care during a benefit period. For the next 80 days, Part A pays all except $20 a day.

Medicare Part A will not cover your stay in a skilled nursing facility if the services you receive are mainly personal care or custodial services, such as help in walking, getting in and out of bed, eating, dressing, bathing and taking medicine.

Home health care

Part A pays the entire cost of up to 100 medically necessary home health visits, after a hospital stay, for each benefit period. These visits must be used within 1 year from your most recent discharge. Part A covers part-time services of a visiting nurse or physical or speech therapist from a Medicare certified home health agency. If you receive any of these services, Part A can also cover part-time home health aide services, occupational therapy, medical social services and medical supplies and equipment. Part A does not cover full-time nursing care, drugs, meals delivered to your home or homemaker services that are primarily to assist you in meeting personal care or housekeeping needs.

MEDICARE—HOSPITAL INSURANCE BENEFITS (PART A)

Service	For covered services—Each benefit period		
	Benefit	Medicare pays	You pay [1]
Hospitalization: Semiprivate room and board, general nursing and miscellaneous hospital services and supplies. Includes meals, special care units, drugs, lab tests, diagnostic X-rays, medical supplies, operating and recovery room, anesthesia and rehabilitation services.	1st 60 days	All but $160	$160.
	61st to 90th day	All but $40 a day	$40 a day.
	91st to 150th day [2]	All but $80 a day	$80 a day.
	Beyond 150 days	Nothing	All costs.
	A benefit period begins on the 1st day you receive services as an inpatient in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 days in a row.		
Posthospital skilled nursing facility care: In a facility approved by medicare. You must have been in a hospital for at least 3 days and enter the facility within 14 days after hospital discharge.	1st 20 days	100 percent of reasonable costs	Nothing.
	Additional 80 days	All but $20 a day	$20 a day.
	Beyond 100 days	Nothing	All costs.
	Medicare and private insurance will not pay for most nursing home care. You pay for custodial care and most care in a nursing home.		
Posthospital home health care	Up to 100 visits	100 percent of reasonable costs	Nothing.
Blood	Blood	All but 1st 3 pints	For 1st 3 pints.

[1] These figures are for 1979 and are subject to change each year.

[2] 60 lifetime reserve days may be used only once; days used are not renewable.

MEDICARE—MEDICAL INSURANCE BENEFITS (PART B)

Service	For covered services—Each calendar year		
	Benefit	Medicare pays	You pay
Medical expense: Physician's services, in patient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.	Medicare pays for medical services in or out of hospital. Some insurance policies pay less (or nothing) for hospital outpatient medical services or services in a doctor's office.	80 percent of reasonable charge (after $60 deductible).	$60 deductible [1] plus 20 percent of balance of reasonable charge (plus any charge above reasonable).[2]
Home health care	Up to 100 visits	100 percent of reasonable charge (after $60 deductible).	Subject to deductible.[1]
Outpatient hospital treatment	Unlimited as medically necessary	80 percent of reasonable charge (after $60 deductible).	Subject to deductible [1] plus 20 percent of balance of reasonable charge.[2]
Blood	Blood	80 percent of reasonable charge (after first 3 pints).	For 1st 3 pints plus 20 percent of balance of reasonable charge.[2]

[1] Once you have had $60 of expense for covered services in a calendar year, the part B deductible does not apply to any further covered services you receive in that year.

[2] You pay for charges higher than reasonable charges allowed by medicare unless the doctor or supplier agrees to accept medicare's reasonable charge as the total charge for services rendered.

EXPENSES NOT COVERED BY MEDICARE

Medicare does not cover certain kinds of care. Most private insurance does not cover them either. Among them are:

Private duty nursing.

Skilled nursing home care costs (beyond what is covered by Medicare).

Custodial nursing home care costs.

Intermediate nursing home care costs.

Home health care (above number of visits covered by Medicare).

Physician charges (above Medicare's reasonable charge).

Drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay).

Care received outside the U.S.A.

Dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for and the cost of eyeglasses or hearing aids.

MEDICARE MEDICAL INSURANCE BENEFITS (PART B)

What medicare Part B pays

Medicare Part B helps pay for doctors' bills and many other medical services. You are automatically enrolled in Part B when you enroll in Medicare Part A . . . although you may state that you don't want it. Part B currently costs you $8.70 a month. Your premium for Part B may go up each year. You don't have to purchase Part B . . . but it is an excellent buy because the Federal Government pays more than two-thirds of the actual cost.

You pay the first $60 of charges each year. This is the Part B deductible. After that, Medicare Part B generally pays 80 percent of the amount Medicare determines is a reasonable charge for covered services you receive the rest of the year. You pay the remaining 20 percent. This is the Part B co-payment. Unless your doctor or supplier accepts assignment (see explanation below), you are responsible for charges above the amount Medicare determines to be a reasonable charge.

Services covered

Physicians' and surgeons' services no matter where you receive them . . . at home, in the doctor's office, in a clinic or in a hospital. Routine physical exams are excluded.

Home health visits up to 100 visits each year under an approved plan. They can be in addition to the 100 visits covered under Part A, but under Part B there is no need for prior hospitalization.

Physical therapy and speech pathology services, in a doctor's office or as an outpatient and, on a limited basis, in your home.

Other medical services and supplies . . . such as outpatient hospital services; X-rays and laboratory tests; certain ambulance services; and purchase or rental of durable medical equipment, such as wheel chairs.

Part B will not pay for any services which Medicare does not consider medically necessary . . . neither will most insurance policies.

Reasonable charge

In deciding whether a charge is reasonable, Medicare reviews each year the usual charge by the doctor or supplier for each covered service, and the charge of other doctors and suppliers in the area for the same service. The reasonable charge is often lower than the actual charge made by the doctor or supplier.

Most insurance policies you can buy to supplement Medicare only pay 20% of Medicare's reasonable charge. You might not get 100% coverage for your Part B bills even if you have Medicare Part B and private insurance. Here's how this could happen:

Suppose your doctor charges you $500 for an operation and Medicare determines the reasonable charge to be $360. You would pay the first $60 (the Part B deductible) yourself. The rest of the reasonable charge would be $300. Medicare would pay 80% of that $300, or $240. Most insurance policies would pay 20% of that $300 or $60. You would pay a total of $200 . . . the $60 Part B deductible plus the $140 difference between your doctor's actual charge and the reasonable charge determined by Medicare. However, you may avoid this extra payment if your doctor accepts assignment.

Ask about assignment

Because you can't tell in advance whether the reasonable charge and the actual charge will be the same, always ask your doctors or other medical suppliers, such as laboratories and therapists, if they will accept assignment of Medicare benefits. Assignment means that the doctor or supplier will accept Medicare's reasonable charge as full payment and cannot legally bill you for anything above that amount. In the example above, if your doctor agreed to assignment, he or she would accept $360 as payment in full and you would not have to pay the $140 difference yourself.

Doctors and suppliers do not have to accept assignment, but many do.

FOR ADDITIONAL HELP

If you need additional help or advice on Medicare benefits or eligibility, contact your nearest Social Security Office or the Health Care Financing Administration. For information on private insurance to supplement Medicare, check with your State Insurance Department or State Consumer Protection Agency.

If you bought or are considering buying a health insurance policy, the company or its agent should answer your questions. If you do not get the service you feel you deserve, discuss the matter with your State Insurance Department.

The Medicare information in this pamphlet is for 1979. It may change from year to year. For a more detailed and current explanation of Medicare and its benefits, obtain a free copy of Your Medicare Handbook from your local Social Security/Health Care Financing Administration Office.●

HISPANIC HERITAGE WEEK

● Mr. MATHIAS. Mr. President, Hispanic Heritage Week gives us a chance to enjoy a wonderful cultural event, but it also challenges us to think seriously about Hispanic Americans and not only about the problems they encounter in our society but about the special qualities they bring to our culture.

It has been my privilege to visit the Hispanic world on several occasions. I have not traveled there as widely as I would like—unfortunately there never seems to be enough time for that—but I have visted Puerto Rico, Mexico, Colombia, Venezuela, and, of course, Spain. And the one thing that strikes you so forcibly when you visit these countries—where the people are all so different from one another and where the national character of each is so distinctive—the one common characteristic you discover in the Hispanic world, besides the Spanish language, is the pride, self-respect, and human decency of the Hispanic peoples.

And, as you look around our troubled world, that is not a bad bond to tie people together. Those qualities of the human spirit add an important dimension to life wherever they are found and they are qualities which we, in the United States, must seek to encourage in our society.

Steven Muller, president of the Johns Hopkins University, thinks that although "an American society exists * * * mighty, productive, bursting with achievement," we still have not created an American civilization. He calls this country a teenager "full of muscle and energy, not yet mature, but very much aware of ourselves." And, like all teenagers, the country still has a lot of questions to answer—"hard questions of who we really are, how well we will mature, of wisdom and grace to match our promise."

Dr. Muller thinks we will eventually be able to answer those questions pretty well, but as he says:

> Teenagers tend to be impatient, superficial still, sometimes, self-indulgent, and often undisciplined. Such characteristics also mark our American society . . .(and) they must be overcome.

It seems to me that as we seek to construct a mature civilization to replace our rough teenage society and as we work to overcome the superficial and self-indulgent aspects of our society, the spiritual qualities of the Hispanic people will be an important element in that effort.

Therefore, as we observe Hispanic Heritage Week, I hope that all Americans will become more aware of the sense of human decency which is so pronounced in Hispanic Americans. And I hope that Hispanic Americans will use this as an occasion to dedicate themselves to working to help America evolve a civilization which reflects the values which infuse their lives.

And finally, because the American dream of a rewarding job, a comfortable home, and a good education and a better life for their children, still eludes most Hispanic Americans, I hope we will all use the occasion of Hispanic Heritage Week to dedicate ourselves to seeing that Hispanic Americans achieve the full rights and opportunities to which they are entitled in our society.

As José Martí, the great Hispanic poet and patriot, long ago pointed out: "Men have no special rights because they belong to one race or another: the word man defines all rights."●

TAX POLICY AND INFLATION—CONGRESS SHOULD BE ACCOUNTABLE

● Mr. DOLE. Mr. President, last Wednesday the Chairman of the Federal Reserve Board, Paul Volcker, testified before the House Budget Committee. During his appearance before the Budget Committee, Mr. Volcker stated his opposition to automatic adjustment of the income tax rate brackets to compensate for the effects of inflation on personal income. The Federal Reserve Chairman would prefer that Congress address that problem on a case-by-case basis and decide each year whether such an adjustment is necessary. Mr. Volcker feels that adjustments in the tax rates should be examined carefully in the political process.

As the sponsor of the Tax Equalization Act, the Senator from Kansas was particularly disappointed to hear Mr. Volcker's position. The Tax Equalization Act would maintain constant rates of taxation on each level of real—as opposed to inflated—income. Of course, Congress would always have the power to change the rates of taxation as it deems appropriate—but the rates would be geared to real income and stable purchasing power. It is surprising that Chairman Volcker would regard this procedure—indexing income taxes for inflation—as resulting in insulation of tax policy from the political process.

Mr. President, Chairman Volcker has demonstrated his determination to fight inflation and that is why the Senator from Kansas is distressed at the Chairman's opposition to indexing taxes for inflation. A good idea needs all the good men it can get to promote it, and indexing is a good idea, as the public is fast coming to realize. It is also a significant anti-inflation measure and, contrary to Mr. Volcker's conclusion, would increase the political accountability of Congress in setting tax policy.

As the law now stands, the tax rates for each of the brackets stay the same despite the fact that, each year, inflation pushes taxpayers into higher rate brackets. These taxpayers have not increased their real income as measured by purchasing power; they have merely, if they are fortunate, kept pace with inflation. The result is an unlegislated increase in tax revenues for the Federal Government. Congress is not politically accountable for the increase. It is no wonder that the public is confused when Congress passes "tax cuts" which leave the taxpayer paying as much or more of his income as before.

Congress should be accountable for the Federal tax policy—in this the Senator from Kansas agrees with Chairman Volcker. The way to make Congress accountable is to eliminate automatic, unlegislated tax increases. Congress will then need to examine whether a tax increase, or a real tax cut, is required in light of the particular economic situation. Indexing is the first step toward responsible fiscal policy, and it will make policy more responsive to changes in the Nation's economy.

A responsible fiscal policy is the first line of defense against inflation. The Senator from Kansas urges Chairman Volcker to reexamine his position and consider that, in the long run, the task of the Federal Reserve in fighting inflation would be eased by adoption of the Tax Equalization Act. This is an issue on which the opponents of inflation must band together, and it is an issue which can be ignored no longer.●

HISPANIC HERITAGE WEEK

● Mr. SCHMITT. Mr. President, as we join in celebration throughout the country to honor Hispanic Americans, a group which may be the largest minority in the United States by 1980, let us focus on the increasing importance of our relationship with Latin America.

Our own Hispanic citizens must be willing to assist in strengthening those relations. No other group in the country can more readily provide the bridge. Hispanic Americans, more than any other group, have the background and knowledge to make a major contribution to this worthy and crucial goal.

As a Senator from the State of New Mexico, I am proud that my constituency is made up of a large percentage of individuals of Spanish descent. A Hispanic society has existed in what is now northern New Mexico around Santa Fe and Taos since 1610, and through the centuries, persons with family ties to this community, have made up nearly half the State's population.

New Mexico was admitted to the Union in 1912, and although these proud descendants of the Spanish conquistadores have encountered various difficulties moving into the mainstream of American society, they have maintained what remains one of the richest and strongest heritages of culture in America.

As we honor Hispanic Americans, let us not forget the painstaking steps they have taken to overcome the language barrier and succeed in education and in the labor market. Although much progress has been made in these areas, we must continue to provide increased opportunities for these Americans to participate equally in the affairs of the Nation. If we do not do so, the dream of America as both a melting pot and preserver of diverse cultures will be tarnished.●

FOREIGN EARNED INCOME ACT

● Mr. MATHIAS. Mr. President, today I join the Senator from Rhode Island (Mr. Chafee) as a cosponsor of S. 1703, a bill to provide an exclusion for income earned abroad by employees of certain charitable organizations.

The Foreign Earned Income Act of 1978 significantly improved the provisions of the Tax Reform Act of 1976, allowing special itemized deductions for Americans working in qualified countries and a flat $20,000 exclusion for workers in hardship areas living in substandard housing. These provisions have resolved many of the problems encountered by Americans living abroad.

Despite this progress, there is at least one problem remaining: Overseas nonprofit organizations in nonqualified countries (Canada and most of Europe) are in danger because of the tax status of their employees. Many corporations have solved the double taxation problem by compensating their employees for the additional taxes they are required to pay. Unfortunately, nonprofit organizations cannot offset these taxes for their employees. As a result, many of these workers are finding themselves in the unenviable position of owing more taxes than they earn in base salary.

One of the important and worthy nonprofit organizations that this bill would help is the University of Maryland, which has an extensive overseas operation. Its programs focus on the needs of our military personnel stationed abroad who want to earn their college degrees. Courses are offered at over 150 sites around the world, employing 800 Americans as faculty members and an administrative staff of 250 to 300. Because the program will be severely crippled if the Americans who staff it continue to do without the Federal income tax exemption that they enjoyed before the Tax Reform Act of 1976, I think that the reinstatement of the exemption is of utmost importance.

The University of Maryland is only one example of the many organizations operating hundreds of progams all over the world, employing thousands of Americans. All these institutions are operating under severe strain, and many will be forced to close if their employees are not given some form of tax relief.

I had already drafted and had planned to introduce a bill that would have solved this problem, allowing a flat $20,000 exclusion to employees of charitable organizations. However, the distinguished Senator from Rhode Island (Mr. Chafee) introduced a similar bill, S. 1703, on August 3, 1979, with broad support in the Finance Committee. His proposal will extend the provisions of section 913 of the tax code to American employees of charitable organizations operating abroad. Rather than diffuse our efforts, with a multiplicity of similar proposals, I will withhold my bill and concentrate my energies on S. 1703. The charitable organizations that will benefit from this bill are all deserving of our support, and I encourage all of my colleagues to join the Senator from Rhode Island (Mr. Chafee) in helping us pass this bill in the 96th Congress.●

SENATOR BUMPERS' AMENDMENT TO FEDERAL COURTS IMPROVEMENT ACT

● Mr. STENNIS. Mr. President, last Friday, September 7, while the Senate was considering S. 1477, the Federal Courts Improvement Act of 1979, I was called to the White House on an urgent and important defense matter. Therefore, I was necesarily and unavoidably absent when the Senate rejected the motion to table the amendment of the Senator from Arkansas (Mr. Bumpers) by a vote of 27 yeas and 51 nays. Since I strongly and enthusiastically supported this amendment, I would have voted "nay" on the motion to table had it been possible for me to be present.

I had hoped that I would have the opportunity to vote for the amendment on the up or down vote but the amendment was subsequently approved by a voice vote.

Mr. President, I want to highly commend the Senator from Arkansas for his foresight, alertness, and wisdom in offering his amendment. While it is not a complete answer or panacea to the problems and burdens our people face in the regulatory field, it is certainly a useful, welcome, and helpful step in the right direction.

We all know, Mr. President, that American businesses and industries, large and small, are literally staggering under the ever-increasing burden of Federal regulation. The general perception of this, and the fact that the people are crying out for relief, was evidenced by the overwhelming support for the Bumpers amendment on the floor of the Senate.

The amendment is simple. It basically has two purposes. First, it would direct the courts to decide for themselves, without giving undue weight to so-called administrative expertise, all issues of law. Second, it would reverse the traditional presumption by the courts that agency regulations are valid.

To state it differently, Mr. President, the Bumpers amendment would place the burden of establishing the validity of a Federal regulation where it ought to be in justice and equity; that is, upon the agency which has promulgated it. These agencies have all of the great and powerful resources of the Government at their command, and it is altogether proper that they should have to prove the validity of their own actions, instead of the burden being placed upon the citizen litigant to prove the reverse.

I think, Mr. President, that thoughtful people fully recognize that it is absolutely necessary for the Congress to delegate regulatory functions to Federal agencies, and the Bumpers amendment does not do away with the regulatory process or rulemaking power. However, it appears that the Federal regulatory agencies are literally running wild and that, despite the constant cry for help from our constituents, little or no relief has been given either by the Congress or the administration.

As I have said, one of the major problems in this field is that the courts have held that administrative actions are presumed to be valid and that the burden is on the challenging party to overcome that presumption. Courts accord presumption of validity to actions of regulatory agencies when they act within their sphere of expertise. These presumptions place an almost intolerable burden upon a citizen or a small business who or which desires to contest an agency rule or regulation in court. This is the problem which the Bumpers amendment is designed to correct, at least in part.

The Congress should correct its own errors. One of the primary demands of my constituents, both through the mail and when I am at home, is that the arbitrary and uncontrolled abuse of regulatory power be curbed. I hear this from all over my State. I believe that Congress must take some corrective action.

Objections to overregulation by Federal agencies have been made over and over again in this and preceding Congresses, but so far we have not taken any major step to correct the problem. The President, during his campaign in 1976, made a firm commitment that he would curb the abuse of the regulatory power. He has not been able to do it. I am not being critical of the President; I am only stating the facts as I see them.

The people at home that I talk to believe that Federal agencies are eroding and contributing to the erosion of the free enterprise system by complex, costly and burdensome rules and regulations which are being imposed upon businesses by the hundreds and thousands. During this session of the Congress alone there have been more speeches and discussions about eliminating or reducing cost and burden of Federal regulation than I have ever heard before.

The major problem in this field, Mr. President, is that when an individual or business goes to court to question the validity of a rule or regulation of a Federal agency, that individual or business is put to the cost and expense of having to carry the burden of showing that the rule or regulation exceeds the statutory power and authority of the agency. The private litigant must establish that the regulation is an improper and arbitrary exercise of the authority given to the agency by the Congress. In other words, the burden is placed upon the citizen rather than the agency.

In addition, many courts have required that the individual or corporation contesting the validity of a rule or regulation must demonstrate that the rule or regulation was adopted or promulgated in an arbitrary and capricious manner. This substantially increases the burden of proof that the litigant has to carry.

I believe that the Bumpers amendment offers a sensible and logical approach to this problem. Simply put, it transfers the burden of proof concerning the legality of administrative rulemaking to the agency which has promulgated the rule. I believe that this is a fair, proper and sensible approach. There is nothing wrong with the Congress telling an agency which it has created that, when challenged, it must demonstrate that rules and regulations are legal and are within the mandate given to the agency by the Congress as the representative of the people.

Let me conclude, Mr. President, by reiterating my strong support for the amendment offered by the distinguished Senator from Arkansas. It presents an opportunity for the Congress to do something about the abuse of the regulatory and rulemaking power. It may very well be a first important step in turning the tide in this field. It certainly presents the Congress with an opportunity to take a big step to recapture for the American people the fundamental separation of powers contemplated by our Constitution.

Abuse of the regulatory power is and should be a matter of the greatest concern to all of us. It is creating unnecessary cost and paperwork. It is feeding the fires of inflation and contributing to higher taxes and an unbalanced budget. It is placing an intolerable burden upon business. We have a special duty to do something about it, and I again commend the distinguished Senator from Arkansas for his alert and timely action in offering this amendment.

I hope, Mr. President, that this amendment will be accepted by the House of Representatives. If it is not, I hope the Senate conferees will insist upon it when the bill goes to conference. I certainly believe that they should do this in view of the one-sided vote by the Senate against the motion to table.●

THE LONDON CONFERENCE ON ZIMBABWE-RHODESIA

● Mr. HELMS. Mr. President, today marks the opening of the London Conference on the future of Zimbabwe-Rhodesia. Although the British say that they hope to keep the focus on the constitution, the Patriotic Front is attempting to shift the agenda to mechanisms for the transfer of power to the Communist guerrilla forces. There are few who expect such a transfer to take place under the British aegis; but the real question is whether or not the British Foreign Minister, Lord Carrington, will push the government of Bishop Abel Muzorewa so far that the fabric of society in Zimbabwe-Rhodesia could collapse.

Nevertheless, Prime Minister Muzorewa's government is dealing from a position of strength. Superbly organized and highly efficient, the Prime Minister has shown great restraint in the fact of stepped-up provocations by the terrorists. Communist tactics always include the stepping up of attacks during negotiations; the United States learned to its sorrow in Korea and Vietnam that we had more casualties after the negotiations started than before. The Prime Minister's military strikes against the buildup and involvement of Mozambiqan forces in the fighting is a healthy response to this tactic, and should help, in the long run, to keep casualties down during the talks. The Patriotic Front has pointedly refused to accept a cease-fire. As long as the talks go on without a cease-fire, I urge the Prime Minister to be prepared to conduct whatever military operations are necessary to counter the terrorist threat.

The fact is that the Patriotic Front armies are living on borrowed time. Their host countries, Zambia and Mozambique, are on the verge of economic collapse, and famine already stalks the land. Even their strongest diplomatic supporter, Jules Nyerere of Tanzania, is having economic difficulties as a result of his occupation of Uganda—and Tanzania is already at the bottom of the scale of African living standards as a result of Nyerere's doctrinaire Marxist policies.

If the London Conference demonstrates this weakness, then it will have served a useful function. But if the British Foreign Office imagines that any compromise by Bishop Muzorewa and his political allies could induce the Patriotic Front to give up their attempt to seize power by force, then they will have seriously misjudged the situation. The stability of any nation depends upon its psychological mood, as well as its military and economic strength. But demands for further compromise, by a nation that has endured 15 years of negotiation and compromise, surely go beyond the bounds of reasonableness and will undercut the nation's stability.

THE BRITISH DEMANDS

What confuses the people of Zimbabwe-Rhodesia is that the British objections, centering on the Constitution, appear to be frivolous and punitive. Except for the so-called "blocking mechanism" which permits the white community to interpose against amendments to key sections of the Constitution, the document is absolutely color blind. The Constitution does nothing other than to guarantee basic human rights, sound parliamentary practice, and efficient government. There is no provision in the Constitution which guarantees "white control" of anything. The only bone of contention is the fact that the judiciary, the civil service, and the security force structure do not presently have enough blacks qualified by tenure and experience for appointment to senior positions. Although crash training programs are underway, it will be 3 to 5 years before fully qualified blacks will be in decision-making posts of the nonpolitical services.

The alternative to appointment by merit and experience is appointment by race or by political interference. The President of the country is a black; he is the head of state and the chief executive in a parliamentary system; he is also the commander in chief of the Armed Forces. The Prime Minister is black, and the majority of his cabinet in the government of national unity is black. The majority of the Senate is black, and the majority of the House of Assembly is black. They are free to adopt any policy or pass any act that is not forbidden by the Constitution.

The policy of the government of Zimbabwe-Rhodesia is evolutionary, not revolutionary. It cannot be assumed that blacks, whatever their abilities or their good will, can assume governmental positions for which they have had no experience or training without a diminution or even collapse of government services. In the past, blacks in Rhodesia were denied the opportunity to make significant gains in government service; it is unreasonable to assume that they are prepared to carry on government services now at the same high level which Rhodesians have enjoyed for many years.

But the fact that many senior positions in the nonpolitical services happen to be held by whites, and probably will be for some time, does not mean that the services are "controlled" by whites. All such employees are responsible to their respective ministries, the key portfolios of which are held by blacks. Judges must be responsible to laws which are made by a black House of Assembly. Military officers are responsible to the commander in chief, who is black, and to the Minister of Defense, who is black. The policy decisions in Zimbabwe-Rhodesia are made by blacks.

It is difficult to believe that the Constitution of Zimbabwe-Rhodesia is "undemocratic" because it does not provide for the immediate replacement of the jobs of a few hundred white civil servants who are not political appointees. On the contrary, it would be lacking in equity if it called for their dismissal.

Parliament may, by a simple majority, amend most of the laws currently in force in Zimbabwe-Rhodesia, including among others, those providing for the national flag, the administration of prisons, immigration control, civil evidence, the criminal code, extradition, censorship and entertainments control, control of correspondence colleges, official secrets, the production and marketing of agricultural products, plant breeders' rights, animal health and plant protection, deeds registries, land settlement, natural resources, the administration of parks and wildlife areas, tribal trust land and the development thereof, the mining industry, the reserve bank, currency and exchange control, customs and excise, income tax, sales tax, the control of banks, building societies and companies, patents, trademarks and copyrights, the control of professions, African tribal law and custom, postal, radio and telecommunications services, transportation, including the national airline, air services, the national railways, and road motor transportation, industrial conciliation, apprenticeship training and skilled manpower development, the control of trade and commerce, including the generation and distribution of electricity, the iron and steel industry, public health, including drugs control and control of food and food standards, and the control of national bodies such as the National Archives, National Arts Foundation, National Free Library, National Gallery, National Museums and Monuments and Colours Control Board.

In all there are about 350 acts, all of which can be changed by Parliament without the consent of the 28 white seats in the House of Assembly. In addition, there are eight other acts, none of them racially discriminatory, which have the same status as the protected clauses of the Constitution. These include:

First. The provisions of the Electoral Act which provide for the appointment and functions of the Delimitation Commission and the Registrar-General of Elections and the qualifications for election as a Senator or member of the House of Assembly. Other mechanics of elections can be amended by simple majority.

Second. The provisions of the Education Act which require that the government maintain, as at present, three classes of government schools: high-fee paying, low-fee paying, and free. The number of such schools which may be established, and the facilities provided is totally at the discretion of the Government. Admission to such schools cannot be regulated on a racial basis.

Third. The Medical Services Act provides the government to maintain and provide for comprehensive and constantly developing hospital services. Government hospitals are required to be classified as open or closed, depending on the basis of fees charged. Admission may not be regulated on a racial basis.

Fourth. The Housing Standards Control Act provides for the control of the standard and safety of buildings and also for the control of the harmful use or occupation of premises and undue interference with the rights of persons.

Fifth. The Parks and Wild Life Act prescribes the areas of the country set aside for national parks and conservation. Such land then falls under the provision of the Constitution which requires that such areas may not be reduced by more than 1 percent unless the bill passes by more than 78 votes in the House of Assembly.

Sixth. Local government in the country is provided by a system of municipalities, town councils, rural councils, and local boards—all of them administered on a nonracial basis. The Constitution provides that any bill which amends certain provisions of the acts regulating these local authorities must pass by more than 78 votes in the House of Assembly.

These six provisions are safeguards to protect the quality of life for all citizens of Zimbabwe-Rhodesia. A primary goal of the black policymakers of the country has been to induce white citizens to stay on and contribute their experience, capital, and expertise to the running of the new nation. Bishop Muzorewa has said over and over again that he does not want his country to become another Mozambique, or another Zambia, where technically trained whites fled the country rather than live under oppression and a reduced standard of living.

The six acts with specially protected provisions all set technical standards which seek to prevent the degradation of the quality of life. But they do not diminish in any way the quality of life for any citizen. They insure, for example, that comprehensive medical care is available to low income Africans in a setting that respects African customs; at the same time, it insures that European-style medical care is available to both blacks and whites who want it and can afford it. Without the continuation of such standards in education, health, and housing facilities, whites would have little inducement to stay.

In short, after observing the disarray in the black-ruled nations all around them—including those whose independence was granted by Britain without adequate safeguards—the whites of Zimbabwe-Rhodesia were determined to drive a bargain for the transfer of power which would protect human rights, efficiency in government, and the quality of life. These protections would extend equally to both black and white. The new Constitution was designed not to protect white control, but to guarantee the bargain that was struck. The "blocking mechanism" was designed not to preserve white control, but to preserve the sophisticated system of free government, with all its checks and balances, that is characteristic of Western parliamentary democracies.

IDENTICAL TO OTHER BRITISH CONSTITUTIONS

Indeed, there is nothing in the Constitution of Zimbabwe-Rhodesia which has not been granted by Britain in principle in other independence constitutions. The constitutional experts in Salisbury made a careful comparative study of all the British independence constitutions before writing their own. Every point to which the British have raised objection has been countered by citing some other constitution granted by Great Britain with identical or near identical provisions.

The notion that the basic provisions and protections of a constitution require specially high majorities to be amended is common to all British independence constitutions. Many of them also recognized the coexistence of various racial communities and the necessity for special protection of ethnic interests. Kenya, Tanganyika, and Zambia all had special seats assigned to whites. The Fiji independence order had provisions for separate voters' rolls for Indians, Fijians, and others. The Mauritius independence order provided for a Hindu community, a Muslim community, a Sino-Mauritian community, and a fourth called general population.

The Anglo-American proposals for Rhodesia provided for 20 seats assigned to whites in the House of Assembly. The British Government proposal in 1971 held that a constitution would be democratic if it provided for 50 blacks and 50 whites. But now the British say that 28 whites out of 100 is too many.

"ENTRENCHED" PROVISIONS

The technical term for safeguarding basic clauses of a constitution is "entrenchment." The provisions of independence constitutions granted by Britain are invariably entrenched so that a special procedure must be followed before the legislature can amend the provisions. In addition to this, there are usually specially entrenched provisions which, depending upon the constitution concerned, include provisions relating to the declaration of rights, the composition of Parliament, the method of election of members and the sessions, prorogation, and dissolution thereof, the powers of the Executive, the Judicature, Service Commissions, citizenship, and the functions and conditions of service of various officers such as the Director of Public Prosecutions, Auditor-General and the Commissioner of Police.

Mr. President, I ask unanimous consent that a chart showing examples of entrenchment of provisions in independence constitutions granted by Britain be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Examples of entrenchment and special entrenchment of provisions in independence constitutions granted by Britain

COUNTRY	ORDINARY ENTRENCHMENT	SPECIAL ENTRENCHMENT
Botswana	Two-thirds of total membership of National Assembly in order to amend certain provisions of Constitution	Two-thirds of total membership of National Assembly plus majority of persons voting at referendum of electors of members of National Assembly
Fiji	Two-thirds of total membership of each House of Parliament	Three-quarters of total membership of each House of Parliament
The Gambia	Two-thirds of total membership of House of Representatives	Two-thirds of total membership of House of Representatives plus approval of half of total number of voters qualified to vote or of two-thirds of voters who cast votes in referendum
Guyana	Majority of all elected members of Assembly	Majority of all elected members of Assembly plus approval at referendum of electors
Kenya	Three-quarters of each House of Parliament or simple majority of Parliament after approval by two-thirds of voters voting in referendum	Three-quarters of total membership of House of Representatives and nine-tenths of total membership of Senate
Mauritius	Two-thirds of total membership of Assembly	Three-quarters of total membership of Assembly
Seychelles	Two-thirds of total membership of National Assembly	Four-fifths of total membership of National Assembly
Swaziland	Three-quarters of total number of members of Senate and House of Assembly sitting together	Three-quarters of total number of members of Senate and House of Assembly sitting together plus approval of two-thirds of voters voting in referendum
Zambia	Two-thirds of total membership of Legislature	Two-thirds of total membership of Legislature plus support of majority of voters voting in referendum

Mr. HELMS. Mr. President, with regards to the entrenchment of certain acts, as opposed merely to constitutional clauses alone, I might note that the Constitution of Fiji specially entrenches the provision of nine existing laws relating to Fijians. An amendment to these laws must receive the affirmative votes of no less than three-quarters of the total membership of each House of Parliament, plus the votes of at least six of the eight senators appointed by the Governor-General on the advice of the Great Council of Chiefs.

By contrast, I might note that the acts entrenched in Zimbabwe-Rhodesia as mentioned earlier do not specify the rights of any race, but merely relate to technical standards that affect the quality of life for everyone.

THE BRITISH OBJECTIONS

The British objections to the present Constitution of Zimbabwe-Rhodesia do appear to be frivolous and punitive. They can have no objection to the format or concept of the Constitution itself, since it is clearly modeled on previous British constitutions. Its form and character is clearly democratic. The British objections nit-pick the percentage of white seats, the standards for civil service advancement, the method of appointment of permanent civil service secretaries (that is, the nonpolitical directors of commissions and agencies).

But such objections go precisely to the heart of the matter of protecting basic human rights and standards of government. The Rhodesians know that oppression, corruption, inefficiency, and socialism are the hallmarks of the Africa governments most opposed to the Muzorewa government. They tried to avoid those mistakes.

When the government of Ian Smith voluntarily handed over power to the black community as a result of the Salisbury Agreement of March 3, 1978, it did so on the basis of five key points:

First. There would be a common voters' roll, with all citizens of 18 years and over being eligible for registration;

Second. In the House of Assembly there would be 72 seats reserved for blacks and 28 reserved for whites;

Third. There would be a justiciable Declaration of Rights protecting the rights and freedom of individuals;

Fourth. The independence and qualifications of the judiciary would be entrenched and judges would have security of tenure of office; and

Fifth. The public service, police force, defense forces, and prison service would be maintained in a high state of efficiency and free from political interference.

These principles were then written into the Constitution by a committee representing all the parties to the Salisbury Agreement. As each draft chapter was submitted to the Executive Council of the transitional government (representing the whites and the three black factions participating in the agreement), any one member of the Council had a veto power. Thus it is not correct to say that the Constitution was drafted or imposed by the whites.

Later, the Constitution was submitted to a referendum of the whites, who overwhelmingly approved it. To have submitted it to a general referendum would have been a travesty of the electoral process. It was the whites, after all, who were voluntarily giving up the power. If their votes had been swamped by black votes in a general referendum, there would never have been any clear, legal expression of the transfer of power. Moreover, since one of the objectives of both sides was to create a climate where the whites with capital and expertise would want to stay and participate in the building of the new country, it was essential that there be no doubt that the transfer was voluntary.

Later, when elections were held this spring, 65 percent of the electorate turned out to vote for candidates for the new Parliament. This, in itself, was an implicit endorsement of the new Constitution by the majority of the black electorate, for the blacks turned out to vote in spite of a concerted campaign, reinforced by terrorism, to induce blacks not to participate. Instead blacks turned out eagerly in every section of the country, with the exception of Matabeleland. The Ndebele-oriented tribes, who constitute only 19 percent of the population, are a war-like group who conquered and enslaved the majority Shona tribes before British rule. Today the Ndebeles are not enthusiastic about majority rule based on the ballot.

Even if there had been a black referendum on the Constitution, it would have been only a symbolic gesture. The leaders representing the majority of blacks had not only written the Constitution, but had approved it section by section by withholding their vetoes. If the black electorate had approved the Constitution in a referendum, they would merely have endorsed the work of their leaders. If they had disapproved it, there would have been no transfer of power.

THE WHITE "PRIVILEGES"

An examination of the Constitution of Zimbabwe-Rhodesia reveals it to be a model of clarity and precision whose content is quite unexceptionable in the context of modern society. Indeed, with the sole exception of the reservation of 28 seats in the House of Assembly for whites, the Constitution, as noted, is color blind. The only power which those 28 seats exercise is negative. Certain fundamental clauses of the Constitution are described legally as "specially entrenched," meaning that it takes 78 votes to amend them. Thus, in practice, all 72 black votes would have to be joined by six white votes to change the entrenched clauses.

Such a coalition to change the Constitution is not impossible of realization. White Rhodesian politics is by no means monolithic. Ian Smith, for example, is a moderate in the Rhodesian context, with many white voters regarding him as left-of-center. At the other end of the spectrum there are academic and religious liberals, as well as unscrupulous but powerful businessmen, who are urging change and modification for their own several reasons.

In addition, the structure of the Constitution splits the 28 white votes. Only 20 are elected directly by those on the white voter rolls. Once elected, the 20 constitute a temporary "electoral college" which nominates a slate of 16. Eight of the 16 are then elected by the House of Assembly as a whole. Those eight most necessarily have the support of a majority of the black legislators. Although the black choices are circumscribed by the slate of 16, it is not impossible to conceive of a situation in which politicking and promises would put together the six votes needed for significant constitutional amendment.

CONTENT OF THE CONSTITUTION

Although often referred to as a "blocking mechanism," the 28 vote white group of seats, in combination with the requirement of 78 votes for change, should rather be viewed as a political device for finding national unity on divisive topics. It is not a matter of blocking, but of slowing down—just as a filibuster in the U.S. Senate almost always results in significant improvements in legislation, rather than destroying the bill in question. Once blacks and whites have learned to work together (and that process is already moving at amazing speed), there is every reason to believe that even the blocking mechanism is subject to change before the 10-year trial period is up.

For an examination of the Constitution itself turns up very little that any fair-minded person would want to change. Far from entrenching "white privilege," the Constitution entrenches only the ordinary checks and balances found in every free parliamentary government. The duties of the President and his ministers are circumscribed; the legal procedures for the enactment of laws are specified; the independence of the judiciary is assured; the civil service is insulated from political interference; the human rights of all citizens are guaranteed. These provisions benefit all citizens equally, black and white. They provide for a government of laws, not of men.

It is difficult to conceive what the "special privileges" are which the critics imagine to be found in the Constitution. Is anyone proposing the elimination of the protection of the right to life? Or the right to personal liberty? Should a simple majority of the House of Assembly be allowed to reinstate slavery and forced labor? Should citizens no longer be protected from inhuman treatment, deprivation of property, or arbitrary search or entry? Do they hope that bills will be introduced for the elimination of freedom of conscience, freedom of expression, freedom of assembly and association, freedom of movement? These are, indeed, some of the special privileges entrenched in the Constitution.

Although in the American or British context, it would appear preposterous that anyone would seek to change the constitution to eliminate such fundamental right, it not so preposterous to the white citizens of Zimbabwe-Rhodesia. They have seen precisely those "special privileges" eliminated for whites—and blacks—in Uganda, Angola, Mozambique, the Central African Empire, Equatorial Guinea, and other black-ruled states. And they have seen how those rights are quickly eroded in practice, if not in principle, when corruption, inefficiency, and socialism infected such countries as Zambia, Tanzania, Congo (Brazzaville), Zaire, Nigeria, and many other sub-Saharan countries. They have seen that the end result is more often poverty, starvation, suffering, and innocent deaths.

The fact is that there is always a trade-off between democracy and freedom, between majority and minority rights. The discipline of liberty is not something that springs naturally in the human heart; it is a virtue that is learned slowly, cultivated with care over many generations, and easily lost. Whites and blacks in Zimbabwe-Rhodesia have joined in partnership to learn together how to avoid the mistakes of their neighbors. The constitution protects the rights of blacks and whites equally; but the whites, with more experience in constitutional government, have reserved only the privilege of guaranteeing that equal protection does not give way to tyranny.

CONCLUSION

Mr. President, for many citizens of Zimbabwe-Rhodesia, the London Conference is the last play of the card, the last turn of the wheel, or perhaps the last straw in a long agonizing process which has sought to preserve the benefits of civilization on a continent not hospitable to such preservation. Both the black and white leadership of Zimbabwe-Rhodesia realize that those benefits rebound to all citizens of the nation, no matter what their color. They realize that even in an evolutionary situation, where thousands of citizens are still in transition from a tribal-oriented, subsistence-agriculture tradition, the fundamental human rights of security, stability, and property provide the basis of liberty.

Should the thread of Zimbabwe-Rhodesia become unraveled in London, the real losers would not be the sophisticated white farmers and technicians who have carved a modern country out of the bush. The real losers would be the black majority. They would miss not only the economic benefits of living in a dynamic, expanding economy and learning to adapt to its technological needs; they would also suffer the loss of basic human rights, the dissolution of family and tribal groupings, starvation, and genocide. Such has been the fate of many of their brothers in the neighboring states.

The time has come for the world to recognize the legitimacy and validity of the Zimbabwe-Rhodesian Government. Until the misnamed Patriotic Front realizes that the game is up, the killing will go on every day. The Western World is responsible for that killing, for all the needless deaths, because it has not taken a leadership position against Soviet-supplied guerrillas who are seeking to impose Marxist tyranny on Zimbabwe-Rhodesia with a gun. If the London Conference serves to illustrate the futility of dealing with terrorists, then it will have performed a useful function, leading perhaps to world recognition. But if the British apply heavy-handed pressure which results in the destabilization of the government of national unity, then Zimbabwe-Rhodesia may be plunged for years into chaos and degradation.●

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two leaders, under the orders that have been ordered that constitute a standing order, Mr. EAGLETON be recognized for not to exceed 15 minutes, that he be followed by Mr. HARRY F. BYRD, JR., for not to exceed 15 minutes, that he be followed by Mr. RIEGLE for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 1403, SURFACE MINING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of those orders tomorrow, the Senate proceed to the consideration of Calendar No. 288, S. 1403, Surface Mining Amendments of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow in connection with the surface mining bill and any other measures or conference reports that may be prepared for action.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 tomorrow morning.

The motion was agreed to; and at 6:40 p.m. the Senate recessed until tomorrow, Tuesday, September 11, 1979, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 10, 1976:

DEPARTMENT OF TRANSPORTATION

Neil Goldschmidt, of Oregon, to be Secretary of Transportation, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF STATE

Donald F. McHenry, of Illinois, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

Horace G. Dawson, Jr., of the District of Columbia, a Foreign Service information officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Kenneth M. Curtis, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

George B. Roberts, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Cooperativo Republic of Guyana.

Nancy V. Rawls, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Richard David Vine, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Richard Noyes Viets, of Vermont, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

NATIONAL SCIENCE FOUNDATION

Francis Severin Johnson, of Texas, to be an Assistant Director of the National Science Foundation, vice John B. Slaughter, resigned.

William Klemperer, of Massachusetts, to be an Assistant Director of the National Science Foundation, vice James Arthur Krumhansl, resigned.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Henry Harold Kennedy, Jr., of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Joyce Hens Green, elevated.

Frank Ernest Schwelb, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice William Cornet Pryor, elevated.

EXTENSIONS OF REMARKS

HECKLER THANKS SUPPORTERS OF HER HEALTH BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mrs. HECKLER. Mr. Speaker, on June 5 this distinguished body voted 406 to none to pass my bill, H.R. 4015, the Veteran Senior Citizen Health Care Act of 1979.

This occasion marked the passage of the first significant piece of legislation in this Congress which is designed to assist the veteran senior citizen. I would like to thank my colleagues for their overwhelming expression of support of this important measure.

Since that historic day, I have received a flood of mail regarding the wisdom of our action. I am pleased to say that all of the mail I have received has been highly complimentary of this body.

Those who have taken the time and shown the interest to write include private citizens, academics and leading scholars, a myriad of private and public sector health care and medical personnel, veterans themselves, and other public officials. I thank them for their interest and for their crucial and invaluable support.

The distinguished senior Senator from California, the Honorable ALAN CRANSTON, who is chairman of the Veterans' Committee in the other body, has scheduled a hearing on H.R. 4015 for Wednesday, October 10 in room 457 of the Russell Senate Office Building. (This is a rescheduling of the hearing, from September 19.)

Senator CRANSTON's concern for and commitment to the veteran, his widow, and orphan, and to our Nation's senior citizen population, is well documented and widely known. As one who shares that deep concern and commitment, I am pleased to commend him for scheduling this hearing.

To more fully develop the record regarding this important legislative initiative, I plan from time to time this month to publish in the RECORD selected letters from among those I am receiving in support of H.R. 4015. (References to H.R. 11186 and H.R. 13954 are to earlier versions of H.R. 4015, the clean bill which was reported by the Veterans' Committee and, as I have noted, ultimately passed the House unanimously.)

Herewith follows the first sampling of the letters to which I refer:

WASHINGTON, D.C.,
July 17, 1979.

Re The Veteran Senior Citizen Health Care Act of 1979

Hon. MARGARET M. HECKLER,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: As National Commander, Regular Veterans Association of the United States, Inc., founded in 1880 by combat blinded, wounded and disabled veterans with a loss of limb from the Civil War, I support the above legislation.

Many of our older veterans, living on meager pensions, who need medical care, who live outside short commuting distance, and who cannot afford private medical service, urgently need a program that will enable them to receive proper medical treatment. The increased cost-of-living, the skyrocketing cost of fuel, and considering the age of these veterans, greatly affects these patriots' everyday existence. They deserve, and are entitled to, better health care that can be easily obtainable at nearby locations. They have, in the years past, as part of our nation's labor force, continued to work, pay taxes, and assist in maintaining America's economy. We are supportive of legislation to provide increased benefits to our disabled veterans of the Vietnam era, but let us not forget our older veterans in the rush to provide for our younger and deserving veterans.

The R.V.A. appreciates your continued interest, and support, of beneficial legislation to aid the members of our veterans community. Please do not hesitate to call on the RVA, and me personally, for additional assistance.

Sincerely,

JOHN W. SHANNON,
National Commander.

WASHINGTON, D.C.,
December 27, 1978.

MARGARET M. HECKLER,
House of Representatives,
Washington, D.C.

DEAR MS. HECKLER: The American College of Nursing Home Administrators commends your initiative in this area of research for the aged and the chronically ill. No doubt, if your bill is adopted and funded the research potential can greatly alleviate many problems faced by the older American. There is, as you know, a posity of research regarding the aged. Only recently has the National Institute on Aging been established and only more recently has the first chair in geriatric medicine been established at a medical school. Both of these steps are long overdue.

The American College of Nursing Home Administrators supports your efforts and offers to cooperate fully with you in any way possible. Because the health care needs or problems of the older person is related to chronic health problems, significant attention must be directed to the social-psychological aspects of such care. Strict attention to only the medical aspects will not provide answers to some of the immediate problems which they face.

Further, because the Veterans are rapidly aging it is obvious that Veterans Administration hospitals cannot care for them without a major expansion of facilities. Therefore, attention must also be directed to alternative means of caring for those persons who need institutionalized long-term care.

The American College of Nursing Home Administrators is an individual membership, non-profit, professional society which is dedicated to improving the quality of health care for the chronically ill and aged. As such, we will watch with great interest the action taken on your bill. Our best wishes to you.

Sincerely yours,

J. ALBIN YOKIE,
Executive Vice President.

STANFORD, CALIF.,
April 19, 1978.

Congresswoman MARGARET HECKLER,
Tenth District,
Wellesley, Mass.

DEAR CONGRESSWOMAN HECKLER: I write in support of HR 95–1186 which would establish a line-item in the Veterans Administration budget for research in gerontology; in particular the development of the VA's GRECC program.

It seems to me to be important for the VA to become heavily involved in medical care and research that deals with the problems of aging. There will be a major increase in Veterans in that age group in the next few years, so that the VA has a direct responsibility that is very substantial. Perhaps equally important is the need to improve health care for the entire population in this country. The VA, with its large and stable patient population is in a unique position to carry out valuable research about methods of medical care for this group of citizens.

Sincerely,

CLAYTON RICH, M.D.

WASHINGTON, D.C.,
November 30, 1978.

MARGARET M. HECKLER,
U.S. Representative,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: I was pleased to receive your letter of August 29 with the attached copy of H.R. 13954, amending title 38. The establishment of demonstration centers with the Veteran's Administration will be a landmark opportunity to improve medical care for the elderly in this country.

I strongly believe that the health of and care for elderly citizens should be significantly improved. Further, as Director of the Division of Geriatric Medicine at George Washington University, I can state that this institution shares my view. We have a university-wide, multidisciplinary program to serve the elderly and the legislation you propose would help us serve older Americans more effectively.

Respectfully yours,

VALERIE PORTNOI, M.D.
Director, Division of Geriatric Medicine.

WASHINGTON, D.C.,
October 26, 1978.

Hon. MARGARET M. HECKLER,
U.S. House of Representative, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: The National Executive Committee of The American Legion met on October 18–19, 1978 and unanimously passed Resolution No. 5 urging the Veterans Administration to plan and develop a comprehensive health care program and related services for our aging veterans.

Knowing of your deep interest in this issue, I am enclosing a copy of this Resolution, and The American Legion looks forward to presenting testimony on this ever-increasing problem after the 96th Congress convenes.

Sincerely,

MYLIO S. KRAJA,
Director, National Legislative Commission.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

URGE THE VETERANS ADMINISTRATION TO PLAN AND DEVELOP A COMPREHENSIVE HEALTH CARE PROGRAM AND RELATED SERVICES FOR THE AGING VETERAN

Whereas, the veteran population in the United States is rapidly approaching 30 million—the average age of the WW I veteran is approximately 83, and the average age of the 13.5 million WW II veterans is approximately 58; and

Whereas, by the year 2000 the number of veterans over age 65 will triple; and

Whereas, at this time those over 65 years of age will represent 51 percent of all males in that age group; and

Whereas, such veterans who no longer need to worry about financing their own education or finding a job, will have reached a new phase with different concerns and priorities; and

Whereas, within the next 10 years the Veterans Administration will have to change its configuration of services to be able to counsel and assist this large number of aging veterans; and

Whereas, The American Legion is acutely aware of the need for these new services that will have to be developed, and that every effort must be made to assist these aging veterans, thus helping them to live out their remaining years in comfort and dignity; now, therefore, be it

Resolved, by the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, October 18–19, 1978, that The American Legion shall urge the Veterans Administration to prepare and submit to the Congress a comprehensive plan that would detail its proposals to deliver health care and related services to the aging veteran.●

VETERANS' BENEFITS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MONTGOMERY. Mr. Speaker, recently the lead editorial of the New York Times expressed alarm that "the expenditures of the Veterans' Administration on health care and income security are about to go through the roof." The editorial indicated that no one, including the Congress, seemed to be paying much attention to this matter. The Times editorial was very critical of the pension program that pays benefits to eligible veterans and dependents who are disabled and have little or no income.

Mr. Speaker, apparently the writer of the Times editorial is not aware of the major Pension Reform Act (Public Law 95–588), which was enacted November 4, 1978. If the Times is really interested in "facts," the writer of the editorial should become familiar with the action taken by the Congress under the reform measure, which is designed to help those with the greatest need.

Finally, Mr. Speaker, the state of our economy should not be a basis on which we provide medical benefits to our Nation's veterans. These are benefits that we are obligated to provide based on the individual's call to duty. Although the current budget for medical benefits and services for veterans is approximately $6 billion, it should be noted that the increased spending is due primarily to inflation rather than expanded benefits and services. For example, between 1960 and 1978 expenditures for the medical program increased by $4.2 billion. Of this amount $3.3 billion was increased expenditures due to inflation, while only $900 million was spent for program growth. In addition, according to the Veterans' Administration, between 1970 and 1978 medical expenditures increased by $3.3 billion. Of this amount, $2.7 billion was due to inflation and only $600 million for program growth. During this same period the Vietnam veteran population increased at a very rapid rate, adding several million to the rolls of eligible beneficiaries. These figures, Mr. Speaker, are easily obtainable from the Veterans' Administration, and I am sure a routine inquiry to the agency would have prompted the disclosure of these figures to any interested party.

Mr. Speaker, I am quite proud of the programs we have established for our Nation's veterans, including those mentioned by the New York Times editorial. I think the American people strongly support Federal outlays for such purposes. The Times editorial had prompted me to write a letter to the editor of the editorial page; however, the Disabled American Veterans' new national commander, the Honorable Paul L. Thompson, has responded in a way that I think reflects the view of most Americans. There follows a copy of the editorial as it appeared in the New York Times on August 24, 1979 and Commander Thompson's response to the editorial page editor dated August 27:

THE BILLS FOR WORLD WAR II

With the impending retirement of 13 million veterans of World War II, the expenditures of the Veterans Administration on health care and income security are about to go through the roof. Yet no one seems to be paying much attention to the facts

Veterans over 65 years old receive five times as much health care as those under 65, and World War II veterans who are already over 65 are two-and-a-half times as likely to be collecting disability payments. All kinds of disabilities, in any case, whether service-connected or not, rise dramatically with age, and the disabilities for which the Veterans Administration pays are not limited to those that originated in wartime.

At the moment the country is in a lull before the storm. There will be about 3 million veterans over the age of 65 until 1981. Then the storm will hit. Every five years, for 15 years thereafter, between 4 and 5 million veterans will turn 65. By the mid-1990's the number of elderly veterans will have tripled.

The Veterans Administration *already* runs the nation's largest hospital system, at an annual cost of $6 billion. It also spends $12 billion for various income-security programs and has 200,000 employees; the VA is the Government's fourth heaviest spending agency and third largest employer.

How much will meeting existing commitments to World War II veterans add to that budget? No one seems to know, but it might easily have to double in ten years. That will confront future Administrations with a conflict between past wars and current defense budgets—let alone between guns and butter. And Congress will have to make some painful choices: whether to raise taxes to meet the growing cost of benefits, cut veterans programs, or look for some middle way.

There is a sensible middle way and it is not too soon to start thinking about it. This would be to integrate veterans benefits more closely with other social welfare programs. Today's benefit programs for veterans evolved, over decades, out of public gratitude for military service. But over the years these programs stopped being so special; analogous services have been enacted for nonveterans. Given the general availability of Medicare for the elderly, perhaps the VA should stop paying health care costs for elderly veterans. Since Social Security provides disability benefits, perhaps non-service-related disability payments to veterans should stop. There could also be a deadline for claims of service-related disabilities.

Whatever the solution, Congress has a couple of years to put veterans programs in order before the storm. Many of the benefits now owed to veterans were promised long ago, to be paid in the distant future. That future has arrived. Paying for past wars is about to become a major national program.

WASHINGTON, D.C.,
August 27, 1979.

MR. MAX FRANKEL,
Editorial Page Editor,
The New York Times,
New York, N.Y.

DEAR MR. FRANKEL: We in the Disabled American Veterans (DAV) believe that several misconceptions were conveyed in the editorial, "The Bills for World War II," which appeared in the August 24 edition of the New York Times.

First of all, the idea that veterans' benefits would be less expensive if they were administered by an agency other than the Veterans Administration (VA) is certainly not true. Secondly, no matter how difficult the problems of our economy become, the obligation of our nation to veterans disabled in wartime service is not lessened.

The editorial suggested that it would be less expensive to care for veteran patients under Medicare rather than the VA health care system. Current estimates indicate that the VA is providing health care at a cost eight to nine percent lower than the private sector. In addition, Medicare involves administrative costs for billing, payments, etc., that simply do not exist in the VA. Therefore, it would cost the American taxpayer considerably more to provide medical treatment to eligible VA health care beneficiaries under the Medicare system.

The VA, whose FY '80 medical budget was increased by only three percent, has reduced its personnel in the Department of Medicine and Surgery by 7,000 and closed more than 5,000 beds this year. Yet, with improved management, the agency claims it will treat more sick and disabled veterans in both inpatient and outpatient status.

The comments concerning VA pensions for non-service-connected disabled veterans did not take into consideration that the new pension bill, which Congress passed last year, will save hundreds of millions of dollars over the next several years when compared to the previous pension program. In other words, Congress has taken cost-saving action with regard to pensions for non-service-connected, totally disabled wartime veterans.

Concerning the editorial's statement that "There could also be a deadline for claims for service-related disabilities," I must point out that the government has a clear obligation to a veteran whose disabilities are service-connected no matter when the veteran files a claim. I must also explain that many disabilities that don't present much of a problem to a young veteran may grow severe as the veteran ages.

The idea conveyed in the editorial that veterans' benefits are "social welfare programs" ignores an important fact: veterans have earned these benefits through extraordinary sacrifices that our nation called upon them to make. The VA's programs are not give-away programs. America owes a debt to those who were called upon to defend her—particularly those who were disabled in wartime service. That includes quality medical care and adequate disability compensation.

Sincerely,

PAUL L. THOMPSON,
National Commander.●

VOUCHING FOR JUSTICE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MAZZOLI. Mr. Speaker, just as I believe serious allegations against Members of Congress cannot be adequately resolved by the Congress itself, I believe serious charges against members of the executive branch cannot be disposed of except by a special prosecutor drawn from outside the administration.

I agree whole-heartedly with the following editorial which appeared in the New York Times on September 5, 1979.

[From the New York Times, Sept. 5, 1979]

VOUCHING FOR JUSTICE

Once again the Carter Administration is showing itself determined to misinterpret one of the main lessons of Watergate: incumbents cannot credibly investigate themselves. The latest example involves the investigation of alleged intercession on behalf of Robert Vesco, a fugitive sought to face charges of criminal financial fraud. It is true that a special prosecutor is not legally required here. But would it not be good politics, as well as good government, to appoint one?

The case involves a Georgia lawyer named Spencer Lee 4th, who had been paid a $10,000 fee by a Vesco associate and who sought entrée to the Administration in 1977 through Richard Harden, a White House aide. Mr. Harden told President Carter about the proposed intercession. The President sent a note to Attorney General Bell to "please see Mr. Spencer Lee when he requests an appointment."

We are told that the Attorney General never saw the note and that Mr. Lee never did call for an appointment. But now the Foreman of a Federal grand jury looking into the Vesco affair has charged the Justice Department with foot-dragging and coverup. Grand jury secrecy makes the charge hard to evaluate. But we know that Philip Heymann, an Assistant Attorney General of impeccable reputation, has been forced to flash his credentials as a successful Watergate prosecutor on behalf of the department's sincerity.

He shouldn't have to. The President shouldn't have to say it would be "political suicide" to allow a coverup. And the public shouldn't be asked to rely on statements which inevitably look self-serving. There is a ready alternative: appointment of an independent prosecutor, as in other cases involving questions about high officials. Why not appoint one in this case?

One reason is that the Justice Department, out of institutional pride, fears that using outside prosecutors implies it can't handle hot cases. Perhaps it is saintly enough to do so, but after Watergate not everyone will believe that; pride exacts a price in credibility that should concern politicians in the White House. A second reason is the Administration's fear that appointing a special prosecutor will lead the public to credit the charges. But such an appointment, whether or not under the new special prosecutor law, is not a guilty verdict; it is a plain recognition that Government cannot probe itself without embarrassment. The public is capable of understanding this. It would help if the Administration led the way to that understanding.

Unlike President Carter, we won't prejudge the charges in another politically sensitive case, the one in which the owners of Studio 54, during plea-bargaining over a tax indictment, told Federal prosecutors that Hamilton Jordan, Mr. Carter's chief of staff, sniffed cocaine in their New York discotheque last year. Over the weekend the President told reporters that Mr. Jordan's accusers have been "telling all kinds of lies." That is precisely what must be determined by somebody. In demonstrating understandable sympathy for an associate, Mr. Carter also demonstrates that that somebody should be a special prosecutor.●

JOHN L. McMILLAN

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. JENRETTE. Mr. Speaker, it was with feelings of great sorrow and real personal loss that I learned Monday night of the death of my predecessor and former longtime member of this body, John L. McMillan. As a school-age youngster in the tobacco belt of South Carolina, my first memories and association with politics and public service were through the work of Congressman McMillan. Even then, in his initial years as a Congressman in the early forties, he was establishing a record of service to his constituents and of hard work in the Nation's Capital.

When I first began my own career of public service as a State legislator in 1962, the man known as "Johnny Mac" had established himself as an institution in the annals of South Carolina politics. I supported him then and worked hard on several of his campaigns, though it was rare when he was ever challenged during that period. John McMillan taught me much of the kind of spirit and public dedication that is required of a successful public official.

I must admit here that I was aware of the criticism that was voiced about Mr. McMillan because of certain positions he took on issues concerning the city of Washington in Congress. But I knew then as I believe many of his critics know now that most of those stands represented philosophical differences and were certainly not representative of the work and dedication that Mr. Mac devoted to this city.

It is quite apparent to anyone living in this city that the fine hospitals, police, and fire departments, museums and monuments have not come about since the enactment of home rule. They are part of the firm base that was established through the work of John McMillan during his service as chairman of the District Committee.

Mr. McMillan and I had our differences. But I am proud and happy to say that no one was any stronger a supporter or a better adviser to the Sixth Congressional District than Congressman John L. McMillan. I considered it a privilege to call him friend and I know that I express the feelings of all of my colleagues here when I say he will be missed by all of us.●

GROTESQUE FRIVOLITY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MAZZOLI. Mr. Speaker, "grotesque frivolity." That's the right choice of words to describe the latest—and sorriest—chapter in the abortion-on-demand drama.

That is how the Washington Star editorial of September 7, 1979, described the action of those women who elect to abort their unborn baby—ironically mostly baby girls—after amniocentesis shows the baby to be of the "wrong" sex.

I cannot imagine a more outrageous, callous disregard for human life than to abort a baby—a living human being—because he or she is the wrong sex.

Not malformed. Not diseased. Not profoundly retarded, Mr. Speaker. Just the wrong sex.

How frivolous. How grotesque.

To me, this is the ultimate obscenity.

Condemnation should be leveled at the parents who chose to kill a life for so frivolous a reason as that she will never become a professional football player or because he will never become a prima ballerina.

But, a special and contemptuous condemnation should be reserved for the doctors, the medical personnel, and hospital administrators who cooperate in this blasphemy against life by lending their talent, training, and skills to this perverse, appalling, and ethically bankrupt act.

I call on Johns Hopkins University, Yale University, George Washington University, and the University of California at Los Angeles to end their active or passive roles in the despicable practice of terminating the life of unborn children because they are of the "wrong" sex.

The following article by Victor Cohn, which appeared in the Washington Post on September 6, 1979—despite its chilling and sickening subject matter—should be read thoughtfully by every Member of this Congress.

FETUSES ABORTED TO PREVENT CHILD OF "WRONG" SEX

(By Victor Cohn)

Doctors at several prominent medical centers around the country—and an unknown number of private physicians as well—have begun helping some pregnant women abort their fetuses because the baby would be the "wrong" sex.

The number of these cases is now small, but some medical authorities predict—and one bioethicist advocates—a rapid increase in the use of sophisticated tests and abortions to allow parents to select the sex of their offspring. And the procedure is already raising important moral and ethical questions within the medical profession.

The issue centers around a prenatal test called amniocentesis, in which doctors withdraw a sample of the fluid in the womb. The test provides genetic information about the fetus, and is primarily used to detect birth defects. But it also reveals the baby's sex.

It is on the basis of this test that some patients choose abortion to avoid having an unwanted boy or girl, though some doctors say the preference in these cases is most often for a boy.

In most cases, authorities said yesterday, those doctors who agree to do amniocentesis only to determine a fetus' sex do so reluctantly. In the typical case, one or both parents are highly disturbed people who threaten to end the pregnancy in any case unless they can be sure the child is the desired sex.

Most doctors apparently still refuse to do an amniocentesis for sex determination alone even in cases like these.

But this situation could be changing.

Doctors at Johns Hopkins, Yale, the University of California at Los Angeles and George Washington University here say they will do such tests in a few, highly screened cases.

Dr. John C. Fletcher, a bioethicist at the federal government's National Institutes of Health in Bethesda, advocates that parents be permitted to use such tests for sex determination, if they choose.

Tabitha Powledge of the noted Hastings Center and Institute for Science, Ethics and Life Sciences at Hastings-on-Hudson, N.Y., said she thinks the practice is not yet really common, but could become so in two or three years.

Fletcher states his position in the New England Journal of Medicine. He said in an interview that he wrote as an individual, not as an NIH official, and came to his position "with great difficulty."

He finally decided, he said, that "it's a woman's right to decide her reproductive future . . . and if she's going to seek this procedure and abortion anyway, she should at least be able to get the very best medical care."

Doctors at Johns Hopkins' Prenatal Diagnostic Center have decided to "at least" counsel and advise parents who want the test for sex determination, and probably "reluctantly" agree in "one or two cases a year," reported Dr. Haig Kazazian, the center's director.

"Our position is that we will do it, in theory, in cases where the parents would abort the fetus if they did not know the sex," said Dr. John Larson at George Washington University here. "But this is a very restricted position, not an open-door policy."

The "actual situation", however, said the Hastings Center's Powledge, is that "more and more obstetricians are learning to do amniocenteses in their offices."

"As more and more learn," she said, "then in a way the lid will be off, because women will shop around until they find someone who's willing. And you can't tell me there won't be lots of obstetricians who are willing, for a price. I think the problem is probably not so much one of today as one of 1981 or 1982."

Dr. Maurice J. Mahoney, director of prenatal diagnosis at Yale University, said he believes "lots of obstetricians all over the country"—some in private practice, some at universities—are already quietly doing amniocenteses for sex determination.

"We're against it," he emphasized. "But under certain circumstances, we will get this information for a prospective mother, and we'll hope that this prevents" rather than cause "the sacrifice of normal kids."

He said Yale doctors have had "serious" requests for sex determination about twice a year, but only three women over the past 10 years have insisted on having the test after counseling about the risks and alternatives.

Neither of the two who learned that the fetus was not the desired sex chose abortion. "But we've given many other women information about sex," as well as genetic information, Mahoney added, "and we just don't know what they go on to do elsewhere."

He said "we would never agree to abort a pregnancy because of undesired sex," but pointed out that women can get abortions at many clinics today.

Dr. Barbara Crandall of UCLA recently told Ob. Gyn. News, a doctors' newspaper, that UCLA has done the test to determine sex in 10 cases since 1969, and, after counseling, none of the patients had an abortion. She added, "I don't feel I can deny this service to an emotionally stable individual with a reasonable case."

So far, said GW's Larson, his university has done the test only for sex determination, "when a patient tricked us into it by saying she wanted it for another reason. Then, when she found she had a child of an undesired sex, she asked he obstetrician to terminate the pregnancy. I don't know what happened."

"If we agreed to do the amniocentesis," said Johns Hopkins' Kazazian, "then our fertility control clinic would do the abortion. But we don't expect this to be very common. Our policy is to counsel such couples and tell them what it means and to a certain extent try to talk them out of it."

When an amniocentesis is done at a major medical center, a trained team takes a sonogram, or sound picture, to locate the fetus precisely, then inserts a fine needle into the abdomen to withdraw some amniotic fluid.

As done at Johns Hopkins, it costs $550. It can be done without hospitalization.

But most authorities think it should be done only at centers with skilled teams with much experience, since there is always some risk to the fetus. The risk, usually miscarriage, has been less than one in 100 at skilled American clinics.

In addition, however, the test can't be done until about halfway through pregnancy. This means that an abortion, if done, is a midterm operation with higher risk to the mother than an early abortion.

There are other dangers, including unknown consequences for society if parents widely seek this procedure, NIH's Fletcher writes. A doctor may state an opposing moral view, he argues, but should not withhold the test unless doing it would prevent its being done on some other child for more important reasons.●

SHIPS DONATED TO NAVAL ACADEMY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. LONG of Maryland. Mr. Speaker, I wish to call to the attention of my colleagues a most gracious and thoughtful gift. One of my constituents, Mister Albert S. Posner of Baltimore, Md., recently donated to the U.S. Naval Academy Museum in Annapolis the following five scale ship models: *Ann McKim*, H.M.S. *Victory*, *Dutch Royal Yacht*, *La Cournne*, and *Charles W. Morgan*.

These wooden ships were hand-built by Mr. Posner, and took over 12 years to complete. Each is valued at approximately $1,500. I am sure that this donation shall prove to be a welcome addition to the splendid exhibits found at the U.S. Naval Academy Museum.●

TRUTH-IN-TESTING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. GOODLING. Mr. Speaker, the Elementary, Secondary, and Vocational Education Subcommittee is considering legislation which would regulate standardized testing. In my continuing effort to keep Members informed on this issue, I am inserting in the RECORD an article from the Washington Post of today, September 10.

[From the Washington Post, Sept. 10, 1979]

TRUTH-IN-TESTING

(By William Raspberry)

There are a lot of things wrong with standardized testing as it is practiced in America.

But don't look to the so-called "truth-in-testing" legislation now pending in the House of Representatives to set any of it right.

One bill, introduced by Rep. Sam Gibbons (D-Fla.) is legislative cotton candy. It looks good and tastes good, but it is mostly air. Its provisions fall into two main categories: the unnecessary and the impossible.

In the first category are requirements that test administrators do what they already do: inform applicants of the general areas to be covered and, after testing, tell them how they did in each specific subject or aptitude area.

The second category includes a requirement that test-takers be told "the score which is generally required for admission to institutions of higher education." There really is no such animal, since most schools treat test scores as only one element to be weighed in admissions decisions.

Admissions officers at most reputable schools want to know a lot of things about applicants besides their test scores. How did they rank in their graduating classes? What extracurricular activities were they involved in? How did they do in their personal interviews? What did their teachers think of them? What social and economic handicaps did they overcome to get where they are?

Depending on the answers to these questions, one applicant might be admitted while another with an identical test score might be rejected.

If the Gibbons bill is cotton candy, the other proposal—introduced by Reps. Ted Weiss (D/L-N.Y.), Shirley Chisholm (D-N.Y.) and George Miller (D-Calif.)—is legislative horehound: strong, bitter stuff that doesn't cure anything.

Like the recently enacted New York law, the Weiss bill would make it possible for test-takers to obtain copies of the test, complete with their own answer sheets and the official correct answers. And to what end?

"The interests of the students must be protected," Chisholm replies. She acknowledges that the bill she co-sponsors "would have no impact on test content or on cultural bias," but believes it could "be a vehicle for beginning a comprehensive dialogue on standardized testing."

Such a dialogue could be useful, but it is hard to see the contribution to be made by a law requiring disclosure of tests and answers, since such a breach of test security would mean the scrapping of a test after a single administration.

"The indications are that, over a period of years, certain test-takers tend to be weak in certain subject areas, but they don't know which areas," Chisholm explained, "and not knowing could affect their future. Why conceal it?"

The test-makers have a ready answer: the construction of standardized tests is a long and sophisticated process whose cost is justified by the fact that a particular test can be used for a number of years. But once a test is made public, it can no longer be used. As a result, new tests would have to be generated at least once a year.

Sponsors of the legislation clearly believe that the public release of tests and answers could help to spotlight culturally biased test items. In fact, the opposite might be truer.

"Question development is an exceedingly painstaking, 18- to 24-month process, with many checkpoints for assessing the accuracy and relevance of each item, involving repeated trials with students and reviews by . . . faculty," John A. D. Cooper, president of the Association of American Medical Colleges, has pointed out.

"Questions are discarded or modified if they fail to meet necessary standards. All are pretested (for cultural bias among other things) in one administration of the exam before they are counted in an examination score." This pretesting and validation would largely be eliminated by the disclosure requirement of the Weiss bill, he believes.

Test-makers insist, as well, that the necessity of making new tests every year would inevitably drive up the cost of the tests. Chisholm is unmoved.

"People's lives are more important than cost," she says. "Of course it will cost a little bit more, but we have to come up with tools to give [unsuccessful test-makers] a second and third chance, to prepare them for the exams."

But since publication of any particular test would lead to its immediate retirement, the corrected exams would be helpful only in the same generalized way as the test study guides already available.

Indeed, as Diane Ravitch of Teachers College, Columbia University, has pointed out, the major benefit of test-answer publication would accrue not to those who fail the tests but to those who sell test-taking assistance.

"It will create a bonanza for private tutoring services, which would have actual tests as teaching tools, not just their own inventions," she said. "This will increase the advantage of those who can afford to pay for coaching."

And, she might have added, it won't do anything at all for those the legislation is intended to help.●

EXPLANATION OF MISSED VOTE ON H.R. 3236

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. KASTENMEIER. Mr. Speaker, due to unforeseen circumstances, I was unable to be present for the vote on Thursday, September 6, on H.R. 3236, the Social Security Disability Insurance amendments—rollcall 447. Had I been present I would have voted against the bill.

Certainly I support the basic intent and purpose of this measure—to provide incentives to return the disabled to useful employment. However, in my view, the limitations placed on benefits outweigh the advantages of the other sections of the bill, a view shared by many reputable and knowledgeable individuals who have worked directly with the disability program.

These provisions would limit benefits to some of the most severely disabled and, in many cases, the most financially needy workers. Supporters argue that the family cap would affect only a small percentage of those who go on disability insurance. Yet, these are the workers who need the most help; they are the ones who have dependents, many of whom will remain dependent on them for years. It simply does not make any sense to reduce their benefits.

There really is no substantial evidence that the cuts in benefits proposed in this bill will reduce the number of people who become disabled in the future, nor that they will significantly improve the disability insurance program. What it clearly will do, however, is place what could be a severe financial burden on those affected.

While it may be that some recipients of disability insurance benefits receive amounts in excess of the amount they were making through employment, the number is relatively small and I would hope that other ways could be found to deal with this problem than proposing a cap that will affect everyone. Certainly I would be more than willing to consider a bill which provides work incentives for the disabled without the punitive and unfair reductions in benefits provided in H.R. 3236.●

WIND ENERGY DEVELOPMENT

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. BLANCHARD. Mr. Speaker, the Subcommittee on Energy Development and Applications of the House Committee on Science and Technology will be holding hearings later this month on a major wind energy bill, H.R. 3558, which was authored by Congressman Mineta, Congressman Jeffords, and me.

Even a preliminary review of some of the reference material which is available on wind energy shows that it is an extremely promising source of electrical power which can play an important part in our country's energy future.

My personal view, in fact, is that the chief obstacles which wind energy must overcome to be used widely are more those of general lack of awareness and knowledge than technical or political.

Previously, on page 14734 of the Congressional Record of June 13, 1979, and on page 16221 of the Congressional Record of June 22, 1979, Mr. Mineta and I have inserted information relating to wind energy and our bill.

I would now like to add to that material the following facts about wind energy which have been selected from published data on the topic:

A "mission analysis" study done by Lockheed-California Corp. for the Energy Research and Development Administration—ERDA—one of the Department of Energy's predecessors—in later 1976 said that wind could supply 11 quadrillion Btu's of energy per year—equal to 5½ million barrels of oil a day—by the year 1995 if the price of conventional fuels rises by 7 percent or more annually. The study also said that wind energy could supply 3 quadrillion Btu's—equal to 1½ million barrels of oil a day—by 1995 even if the prices of other fuels increase more slowly.

The study said investment requirements to meet that potential would be $158 billion over 20 years. However, it said that cost can be recovered by fuel savings in 10 years or less.

Utilities form the major high potential wind energy market—eight times larger than any other—and in 1995, up to 18 percent of the Nation's projected electric power demand could be satisfied by wind energy.

One of wind energy's most attractive features is its quick "energy payback time," which is the amount of time that it takes for a piece of power-generating equipment to produce the amount of energy required in manufacturing it. A typical wind turbine pays for itself, in energy terms, in less than 8 months of its 30-year lifespan. Conventional energy systems require several years for a similar payback.

If energy demand and energy costs are high, wind energy could become fairly widespread by the year 1995. In that case, reduction in air pollutants which would result from substituting wind energy for fossil fuels would be 8 to 14 million tons per year.

The optimum size for wind turbine rotors is 300 to 350 feet, depending on the wind speed. Although the cost of a wind machine increases rapidly with size, the amount of energy generated increases even faster, which makes for a lower energy cost.

The State of California has been actively pursuing the development and deployment of wind turbines. The State program calls for installing capacity of 500 megawatts by 1987 and 10,000 megawatts by the year 2000. The California program is aiming primarily at the installation of large machines in "wind farms" of several machines each in especially windy areas of the State. There are several reasons for this decision. First, power output increases with the cube of wind speed.

(This means that a site with average wind speed of 20 miles per hour could produce about 8 times as much power as a site with average wind speed of 10 miles per hour.) Second, high-wind sites tend to be located in remote or mountainous areas, away from densely populated urban centers. And third, since large machines are typically more cost-effective, the best results in terms of expense can be gained from placing groups of large machines together.

Construction is currently underway on the first large wind turbine to be built privately for use by a major utility. The machine, rated at 3 megawatts, is being constructed near Palm Springs, Calif., by Wind Power Products for the Southern California Edison Co. Its cost is slightly over $1 million and it will supply enough electricity for about 1,000 homes.

Wind energy systems combine well with hydroelectric power systems. When the wind is blowing, a wind system can generate power and the hydro flow rate can be cut back to conserve water in the reservoir. The water can then be released during peak electricity demand hours, and the hydroelectric system can produce a higher peak power rate than would be possible without wind. Changes in load or wind-generated power can be accommodated quickly by hydroelectric plants.

Wind energy is also useful with a "pumped hydro storage" system. In a pumped hydro system, extra electric power which is available in off-peak hours is used to pump water uphill into a reservoir. During peak hours, the water is released through hydroelectric turbines to generate electricity. The electricity is thus "pump stored." Wind machines, like any other type of generating equipment, can be used to provide the off-peak pumping power.●

THE UNSPOKEN SALT ISSUE

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. GUDGER. Mr. Speaker, I would like to take this opportunity to commend to you and to my colleagues of both Houses of Congress an outstanding editorial from the Asheville Citizen Times of August 19, 1979, by Rick Gunter, giving a most timely and comprehensive evaluation of the current arms race.

This assessment of our international position certainly appears to be accurate, objective, and sound. I think you and our colleagues will find this thought-provoking editorial to be useful as the debate on SALT II progresses.

The editorial follows:

THE UNSPOKEN SALT ISSUE

Sanford Gottlieb, one of the nation's keenest observers of the arms race, made a perceptive point in an interview here Wednesday. He said that thus far in the Senate's SALT II debate the fundamental issue has not been addressed: the fact that many Americans feel vulnerable because of the nation's changed role in the world.

"That is what is really bugging people," he told me. "That is more important to people at the grass roots than the technical issues of verification and throw weight in the SALT debate."

Gottlieb, who was in Asheville to participate in a workshop, is arms reduction coordinator of New Directions, a Washington-based citizens lobby that focuses on such issues as the arms race, the spread of nuclear weapons, energy shortages, population pressures and hunger. Gottlieb attempts to determine what is concerning people in the country on global issues and tries to help them voice their concerns to political leaders.

Supporters, opponents, and those keeping their options open on SALT owe it to themselves and to the country to take a long view of America and Russia in today's world. Until more of us understand some basics regarding the two countries, hopes of finding genuine national security will remain elusive.

Gottlieb believes many Americans want to return to the world of 1945–46, and that cannot happen. This is the atomic age, an age of interdependence, and everything, as Einstein reminded us, has changed but our thinking.

Of all the major countries involved in World War II, only America was left physically unscathed. Yet, the United States suffered 405,399 war dead, 670,846 wounded, and 139,709 missing in action. But the continental United States was not invaded.

At the war's end, the United States had both a quasi-monopoly on world power and an industrial and technological machine that helped bring on a postwar era of unparalleled prosperity.

It was inevitable that other countries, including the Soviet Union, would recoup some of their losses and make progress in many areas. Visionaries, and they were few, in the middle and late 1940s knew that Japan and West Germany, with American help, would rise from the ashes to become economic giants.

Today, we find America's quasi-monopoly of 1945–46 a relic of history, but the nation overall remains the strongest country on the face of the globe. The Soviet Union has attained a rough equivalence with the United States in military power. Germany and Japan are indeed mighty economic forces. England and France are no longer powerful nations, though their moral authority remains a factor in diplomacy.

Too many Americans have failed to understand or face these and related changes and, in Gottlieb's view, have acquired an inferiority complex that is both unjustified and harmful. As a nation, we have gone from one extreme to another—from believing we could do anything we wanted in the world to believing that we can do nothing. Events such as Vietnam, Watergate, the rise of third and fourth world nations have heightened feelings of national inferiority. Evidence of this surfaced before and immediately following the signing of the Panama Canal treaties.

Consequently, many of us fail to see our strengths—the vitality of the Constitution and our way of life, the power of our military, and the inherent decency and common sense of our nation. Instead, we dwell on what is viewed as our vulnerability and overlook the fact that not all is well in the land of our chief adversary, the Soviet Union.

In its efforts to attain military equivalence with the United States, the Soviet Union has paid a high price. As Gottlieb recently wrote in Newsweek:

". . . They (the Soviets) have trouble satisfying the homeliest of needs. Pravda recently reported that trousers without fly buttons have been issued to workers on the new Trans-Siberian Railway because of a button shortage. (Zippers are an even greater rarity.)"

While we worry about tapping the oil fields of Mexico, the Soviets worry about the uncertain loyalty of encircling Warsaw Pact nations and China. And in Africa, where the Russians are involved deeply, the Soviet hierarchy is finding African nationalism volatile. Even former CIA Director William Colby has said that there is no vitality left in the Soviet Union, and he doubts that history is on Russia's side.

Until we begin to understand some of the realities sketched here we will remain locked into a national inferiority complex, afraid to trust ourselves, unwilling to cooperate in areas of our national interest, and unable to compete in areas worth competition.

Let's hope that some national leader will yet rise to voice all of this and reflect on an idea expressed by Norman Cousins:

"Men caught up in games of international realpolitik tend to delude themselves with the thought that 'hard' matters of military policy are the only ones that count. History, however, is littered with the relics of civilizations whose leaders felt uncomfortable or scornful in the presence of moral questions." ●

WE NEED TO CREATE, NOT REDISTRIBUTE, WEALTH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MICHEL. Mr. Speaker, occasionally we read of a call for "redistribution of wealth" or "an equitable sharing of wealth." Almost always such a call can be traced to a desire on the part of the speaker to remake American society in a socialist image. What is needed—and what our system can do when allowed to do it—is not to "redistribute wealth" but to create wealth by producing goods that lead to higher income, more investment and, eventually, more production.

I recently read of a call by a high-level Carter administration official for "a more equitable distribution of wealth." Needless to say, the Carter official did not say who was going to determine just how "wealth" would be "redistributed." But we can guess that it would be people like the Carter official.

In happy contrast to this kind of thinking, the Peoria Journal Star has recently published an editorial which reminds us that "the Populist Myth" needs to be exposed for what it is: A fraud perpetrated on the poor by left-wing intellectuals who would not know how to produce wealth if their lives depended on it, but who yearn to destroy the system that can produce such wealth.

At this time, I wish to insert in the RECORD, "The Populist Myth," from the Peoria Journal Star, September 2, 1979:

THE POPULIST MYTH

If this country and this society and this standard of living go down the tube, as many fear they will, it will not likely be because of oil, nor Communism, nor nuclear war.

It will be because of the Populist Myth.

Americans have always had a special sentimental feeling about "the underdog"—in sports, entertainment, and politics, at least. But there is abundant evidence that we used to feel it, enjoy it on occasion, and be proud of it . . . but we remained aware that it was a sentimental thing.

Not a sound basis for really calculating good or bad, workable or unworkable.

We did not kid ourselves that every "underdog" was presumed virtuous, and every success presumed sinful. We knew you had to look a little deeper.

Not all "poor people" are honest, trustworthy, goodhearted and noble. Not all "rich people" are venal, disloyal, hardhearted and base.

In the game of "Who do you trust?" the Underdog Myth is a very, very treacherous yardstick. Using it merely causes us to neglect much more reliable tests . . . or tilt them in advance.

Yet, today, we do just that more and more. We seem to have ushered in an Age of Envy. It binds us to our own best interests.

We ridicule the wreck that was Howard Hughes in later life, and sneer at his eccentricities and foibles . . . and resent a system where such as he could have such wealth and power—to pick about as bad an example as you can find.

But, check the history of Hughes Tool company, TWA, etc. and ask yourself without sentimentality the real bottom line question: Have you and I been hurt by the Hughes enterprises or helped? Have we been better off or worse off because of they happened? Well, for starters, theirs was the big breakthrough in oil drilling equipment that enabled us to go through bedrock to the oil below. It made a pile of money for the Hughes empire . . . and it gave us all two generations of plentiful, cheap oil.

To stick with the well known, Henry Ford got rich. What did it cost us? Were we hurt by his activities on this earth? Are we better off or worse off?

There are mechanisms even more complicated than the motor car or the oil rig or even the assembly line . . . and more difficult to operate. Such a mechanism is a Caterpillar Tractor company, or a power company, or a TV network. The network concept and its infinite combination of details, skills, technology and specialist efforts molded a system whereby one could finance centralized high-cost productions and special events and pipe them from great distances into your living room. Gen. Sarnoff and others got rich. And what about the rest of us? Would we be better off or worse off if it had never happened?

Mutual benefit is the name of the game in the case of every big step forward—expanding our lives and facilities.

Yet the Populist Myth, born of sentimentality and envy, presumes that we suffer when anybody makes money! He's robbing us, somehow!

And we are systematically punishing, crippling and ultimately, perhaps, destroying the very processes by which mankind's most dramatic—and widespread—progress has been made.

Enjoy the occasional Cinderella story that comes along, by all means. Thrill to Robin Hood. Cheer for the Chicago Cubs.

But do not, therefore, make value judgments based on that same kind of feeling.

Instead, recognize the socio-economic realities. Topdog or under, the guy who works for himself is working for you, too. And every guy who loafs, cheats or screws up is working against you . . . including when it is you doing it.

Especially, when it is you doing it.—C. L. Dancey.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. NELSON. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 4543. I would have voted as follows on the five yea and nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019 to lift the ban on aid to Uganda.●

PANCYPRIAN ASSOCIATION FOR THE PROTECTION OF HUMAN RIGHTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. DERWINSKI. Mr. Speaker, under Public Law 95-384, the President is required to make periodic reports to the Congress on the Cyprus situation. It should come as no surprise to the Members that these reports have lacked detail, objectivity, and are, in fact, twisted to avoid the impression of inaction toward a settlement.

Therefore, I wish to insert a copy of an open letter to President Carter from the Pancyprian Association for the Protection of Human Rights, which represents a detailed report as seen through the eyes of Greek Cypriots.

The letter follows:

PANCYPRIAN ASSOCIATION FOR THE PROTECTION OF HUMAN RIGHTS

On 2nd August 1979 the following letter was sent to His Excellency the President of the United States, regarding his latest report on the Cyprus problem, which was submitted to the United States Congress on 25th July 1979.

YOUR EXCELLENCY: Please refer to your latest report of 25th July 1979 to the United States Congress, regarding the Cyprus problem, and permit us to comment on its contents.

In the above mentioned report reference is made to the Cyprus intercommunal talks and the possibilities for their resumption, after their "suspension" on 22nd June (seven days after their start). We consider the information and the views expressed in the report on this aspect as being unsatisfactory and incomplete, for the following reasons:

(a) No reference is made in the report to the completely negative attitude of Mr. Denktash and his intransigence concerning the resumption of the intercommunal talks, and the several efforts he made in order to bring the talks to a deadlock.

(b) No reference is also made to the statements made by the Turkish Prime Minister Mr. Ecevit and Mr. Denktash on 20th July 1979, the main points of which are:

(i) that the solution of the Cyprus problem must conform with the "realities" established by the Turkish aggression against Cyprus;

(ii) that the results of the Turkish aggression (i.e. the de facto occupation of northern Cyprus, the separation of the people of Cyprus, the change of the demographic structure of the island etc) "will be permanent" and "should be universally acknowledged";

(iii) that northern Cyprus "will remain Turkish";

(iv) that the investigation of the fate of the missing persons must not be made within the framework of the latest General Assembly resolution, as agreed on 19th of May between President Kyprianou and Mr. Denktash, but on the basis of previous proposals.

(c) Furthermore, no reference is made to the fact that Mr. Denktash makes every possible effort to prevent any contact between persons or organization leaders of the two communities, who wish to establish a channel of sincere communication and exchange of views in order to create an atmosphere of confidence and good will between the Greek Cypriots and the Turkish Cypriots. Two very recent examples of the above mentioned negative attitude of Mr. Denktash are given here below:

(i) Leaders of two Turkish Cypriot organizations were prohibited to come to the Government-controlled area to attend a youth festival in Limassol;

(ii) Representatives of the Cyprus National Commission for the International Year of the Child and representatives of several Turkish Cypriot social organizations were prohibited to meet to exchange views and establish a sincere cooperation for the benefit of all the children of Cyprus.

Given the above facts, the "suspension" of the intercommunal talks does not seem to be due to any differences on the interpretation of the 10-point agreement or any part of it thereof. The intercommunal dialogue came to a deadlock because of Mr. Denktash's unwillingness to contribute toward finding a just solution to the Cyprus problem.

Your Excellency, beyond the problem of the resumption of the intercommunal talks and the constitutional structure of the future Federal Republic of Cyprus, there unfortunately exists in Cyprus another problem concerning the Turkish aggression against the Republic of Cyprus and the continuing occupation of a part of its territory. The problem of the Turkish invasion of Cyprus and the continuing occupation of nearly 40 percent of its territory has not yet been solved, in spite of several United Nations resolutions on the matter and the declarations made by several countries, regarding their "true and sincere concern" for the international peace and security and their "sensitiveness" in the field of the protection of human rights and fundamental freedoms.

No doubt that the human rights of the Cypriots were flagrantly violated by the Turkish military forces. In fact the violation of the fundamental freedoms and rights of the citizens of the Republic of Cyprus by the Turkish troops and/or the puppet "administration" set up by Ankara in the Turkish occupied areas are still continuing.

In view of the above, though we have no intention of interfering in your country's internal affairs, we must emphasize that the reports submitted until now in conformity with the United States Law 95-384 are far from reflecting the true situation existing in Cyprus, regarding either the internal or the international aspect of the Cyprus problem.

Your Excellency, the Pancyprian Association for the Protection of Human Rights protests against the contents of your report to the United States Congress which, to say the least, is biased and, according to several indications, is based on political expediency.

Cyprus is a small island and therefore it cannot claim its rights by means of military force. Despite that, the people of Cyprus are determined not to accept the faits accomplis created by the Turkish aggression, and of course not to accept by their own free will de facto occupation of their country as de jure. They will continue their struggle until a just and viable solution is found, to the benefit of all the people of the island, Greek Cypriots and Turkish Cypriots.

We call upon your Excellency to act in conformity with your declarations and statements regarding the protection of human rights and make any steps necessary for the immediate restoration of the flagrantly violated human rights of the Cypriot people. To this end we assure you that you will have every possible help from our Association, which was established with the sole purpose of protecting the fundamental freedoms and rights and promoting the ideals of justice, freedom, democracy and human dignity.

Copies of the above letter were sent to the Chairman of the Foreign Relations Committee of the U.S. Senate and the President of the U.S. House of Representatives.

Central Executive Committee of the Pancyprian Association for the Protection of Human Rights.

NICOSIA, *2 August 1979.*●

CRUDE FOR FOOD?

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 22, 1979 into the CONGRESSIONAL RECORD:

CRUDE FOR FOOD?

The same question has come up in every town meeting I have held in recent weeks. I usually hear it early in the hour. Why can't the United States use food, especially wheat, as a lever against high oil prices set by the Organization of Petroleum Exporting Countries (OPEC)? The idea is clearly expressed in the popular bumper sticker: "Crude for Food."

Interest in the proposal is more than justified by the deep frustration we feel. After all, the price of oil has skyrocketed, fueling inflation, weakening the dollar, and causing huge deficits in our balance of payments. The proposal seems attractive, and it has been carefully examined. However, the judgment of most of us is that it would not work in practice.

The basic problem is that the United States depends on OPEC oil much more than the OPEC nations depend on U.S. wheat. Last year, the 13 members of OPEC imported about 10 million tons of wheat valued at less than $1.4 billion, of which the United States supplied about 50 percent. OPEC wheat imports accounted for only 2 percent of world wheat production. By comparison, the United States imported approximately 400 million tons of oil value at nearly $50 billion, some 80 percent of which came from the OPEC nations. U.S. oil imports accounted for more than 13 percent of world oil production. The U.S. disadvantage can be described in even stronger terms. If we could persuade the OPEC nations to exchange oil at $18 per barrel for a year's supply of wheat at $4 per bushel, the bargain would yield us less than 200 million barrels, a 23-day supply given the rate at which we use imported oil. To barter wheat for the full amount of oil imported last year, we would have to supply OPEC with our entire annual wheat crop of two billion bushels. There would be no wheat left over for domestic consumption.

Another serious problem is concealed by the "Crude for Food" slogan. If the United States unilaterally reduced wheat exports to the OPEC nations or artificially raised wheat prices to them, the OPEC nations could easily find other suppliers and the United States would lose a valuable market. The world's largest wheat producer, the Soviet Union, would be more than happy to penetrate the OPEC market. Having the OPEC nations depend on the Soviet Union for their wheat is certainly not in the interest of the United States. The Western European countries produce a substantial amount of wheat as well, so they, too, could become ready suppliers. Any of these countries would be pleased to do more business with the oil-rich members of OPEC.

In spite of the failure of international wheat agreements in the past, some people have suggested that a wheat cartel composed of the United States, Argentina, Australia, and Canada, nations which together control 85 percent of the world's trade in wheat, would solve both these problems and would create great leverage against high oil prices set by OPEC. In my view, however, a wheat cartel aimed at OPEC would have its own problems. It might not work nearly as well as the oil cartel has worked. Oil is a nonrenewable resource currently in short supply, and it has few, if any, substitutes. Wheat, on the other hand, is a renewable resource grown in most countries of the world, and substitutes for it, such as rice, are available. The OPEC nations can cut oil production quickly and can store their product in the earth for as long as they wish. Wheat-producing nations, on the other hand, cannot so readily manipulate output and cannot keep their harvests in storage for an indefinite period.

Other difficulties with a wheat cartel could prove to be just as troublesome. Even if it is assumed that the large wheat producers want to take direct action against OPEC, it is by no means certain that they are prepared to make the necessary sacrifices and expose themselves to the very real risks. A wheat cartel would require all participating governments to take on broad powers in the setting of prices, the allocation of markets, and the control of exports. For the United States, at least, such powers would represent a departure from traditional reliance on the free enterprise system. Because they recognize what bureaucracies cost and how they grow, most Americans do not want to begin nationalizing the grain business or to have the government in charge of overseas marketing of grain. In addition, any price or supply action taken against OPEC by a wheat cartel would invite swift retaliation, with consequences far more serious for wheat producers than for oil producers. Recent OPEC price increases have hit the world economy hard, but their impact would probably be minor when compared to the impact of outright retaliation.

The "Crude for Food" slogan obscures the fact that the United States and the OPEC nations have common interests. We need their oil to keep our economy moving, but they must have our exports of goods and services for a multitude of purposes. We are all part of an interdependent political and economic system which spans the globe. It would be very unwise to launch into a "trade war" against people on whom we depend and with whom we simply must deal. Recent efforts to liberalize world trade, with all their potential benefits for American consumers and businesses, might be completely undermined.

While wheat may not be an appropriate lever against OPEC price increases, we should not rule out carefully considered action to ensure that wheat and other farm products command fair prices in the world market. Bartering schemes and other measures may well be worth pursuing. With my full support, Congress will be looking into these matters in the months ahead.●

STOP YEAR-END FEDERAL SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. HARRIS. Mr. Speaker, I would like to enter into the RECORD an article from the September 10, 1979, issue of U.S. News & World Report that I hope will encourage my colleagues to support, and the Congress to enact, a bill (H.R. 4717) I have introduced to control year-end spending sprees by Federal agencies.

The article reflects the shocking and disturbing findings of an on-going investigation by my Civil Service Subcommittee on Human Resources into the growing use of private consultants and contractors by the Federal Government. We estimate that Federal contracting is now a $150 billion business, accounting for more than one-fifth of the Federal budget.

Information obtained by our subcommittee's investigation and hearings indicate that Federal agencies are contracting out to get around personnel ceilings, even when it is less expensive to do the job in-house, and to use up any remaining funds in their budget in the final months of the fiscal year, often without a clear and desirable reason for doing so.

As a result of rampant abuses in Federal contracting, billions of taxpayers' dollars are being wasted, especially during year-end spending sprees. This is the rathole that Congress must close if we are going to hold down Federal spending and balance the budget.

The bill I introduced on July 10, 1979, would require Federal agencies to spend no more than 20 percent of their annual appropriations during the last 2 months of the year. It would also require that decisions to contract be made strictly on the basis of cost effectiveness.

Mr. Speaker, the American people are demanding that Congress weed out wasteful Federal spending and reduce the budget deficit. I urge my colleagues to read this article from U.S. News & World Report and join me in sponsoring legislation to impose tough controls on year-end spending sprees by Federal agencies. Passage of this bill would be a major step toward balancing the Federal budget and easing the inflationary pressures we are now experiencing.

The article follows:

IT'S THAT TIME OF YEAR FOR FEDERAL SPENDING SPREE

Junkets, calculators, typewriters . . . The annual race by officials to dispose of leftover funds is on, much to the President's distress.

Federal bureaucrats high and low are off on a spending binge once again—and their bosses can't seem to do anything to stop them.

The occasion: The end of the U.S. government's fiscal year, September 30. As that deadline approaches, billions of dollars in the Treasury are being earmarked for everything from office furniture and "official" travel to multimillion-dollar contracts.

As Representative Herbert Harris (D-Va.) puts it, the watchword for many bureaucrats is: "Spend all you have whether you need to or not."

The surge of under-the-wire spending is nothing new. It has been an annual rite among Washington's savviest civil servants for many years.

Ever since coming into office 2½ years ago, President Carter has been trying to break officials of the spending habit. But it has steadily become worse. In both September, 1977, and September, 1978, obligations of federal funds for future spending shot up more than 90 percent from the previous month—the biggest such increases in recent memory.

"I am very disturbed. I have asked my staff to look into this," declares Budget Director

James T. McIntyre, Jr. The budget chief received a note from the President in mid-August ordering him to "do what you can to stop" the speedup in spending.

The wild scramble to empty the government's purse at year's end is deeply imbedded in federal procedures.

For one thing, funds for many programs expire promptly at the end of the fiscal year. "The cash turns into a pumpkin on September 30," laments one government official.

Even when appropriations carry over into the next year, officials are often judged on Capitol Hill and in the President's Office of Management and Budget by how much they spent in the previous year.

BETTER HAVE A GOOD STORY

Says one midlevel employee: "It's not only Congress—it's also your immediate boss. If I don't spend my entire budget, I'd better have a good story when I ask for next year's allotment, or I won't get my money."

Two years ago, the Pittsburgh office of the Army Corps of Engineers was reprimanded for failing to spend its allotted funds and for not reporting the underspending to higher headquarters so the money could be used elsewhere.

By year's end, federal officials are "pushing money out the door with a wheelbarrow," complains Michael Blumenthal, former Treasury Secretary. Blumenthal estimates that up to 2 billion dollars is wasted in this way every year. Others put the figure much higher, and budget officials concede that no one really knows how many dollars are being squandered.

One lower-level bureaucrat blew the whistle on the practice in a letter to Alfred E. Kahn, President Carter's top inflation fighter. This government employe, who insisted on anonymity, wrote: "What happens is that small units of 10 to 100 people throughout the government are suddenly asked if they can quickly spend several hundred or several thousand more dollars. Those who find legitimate ways to soak up these funds are looked upon as creative managers. If they work fast, they can go back for more.

"For this reason, a lot of seasoned bureaucrats keep a stack of proposals, for various amounts, in a desk drawer. Some of these are for pet projects that would never have passed muster earlier; some are gimmicks pure and simple, and others, I suppose, are for truly worthwhile activities."

TIME TO FLY

Scheduling of marginal official trips is one way to spend unused funds. Says one bureaucrat: "Trips are arranged that supposedly couldn't be taken earlier. All of a sudden, it's time to visit the Mint in Denver."

Federal officials also find the closing weeks of the fiscal year a handy time to buy furniture, typewriters and other supplies. Their reasoning: They can disburse funds more quickly that way than by the slower process of hiring personnel and starting new programs.

For example, the Defense Audit Service found that on the last day of fiscal 1977, the Pentagon's Administrative Support Center in Washington ordered $119,074 worth of magazine subscriptions for the next year. Two days earlier, the same agency bought 50 electronic calculators for $14,614, even though only 17 were needed.

In another instance, regional offices of the Army Materiel Development and Readiness Command fell far behind in their planned spending. The result, as described later by Army auditors, was "an immense effort . . . to obligate about 181 million dollars" in the last month of the fiscal year. Achieved was spending at more than three times the normal monthly rate.

TELLING STATISTICS

Figures compiled by the General Services Administration, which handles most government supply orders, show that the monthly total of purchases peaked last September at 159 million dollars, 30 million over the average monthly outlay for the entire year.

GSA itself stands accused of sloppy year-end spending. An internal audit of the agency's leasing and furnishing of office space showed that expeditures in the last month of the 1977 fiscal year exceeded the average during the year's first 10 months by 46 percent.

The auditors concluded: "This resulted in a 'crash' program with its inherent abuses and contributed significantly to serious funding problems."

Government-bankrolled partying becomes more common as the year wears on and there's money to be spent. A former U.S. embassy employee recalls an ambassador who found that he hadn't used up his budget for social events: "He told the staff to start entertaining more." The result was a spate of parties, often with more liquor purchased than could be drunk.

When the money flows, not only civil servants benefit: Two days before the 1978 fiscal year ended, the Department of Health, Education and Welfare awarded a $93,000 contract to an Arlington, Va., school-administration group to help finance a conference.

The money covered the cost of jetting into Washington out-of-town officials of special-interest groups that were already heavily represented in the capital by full-time staffs.

That HEW action wasn't an isolated case. The department awarded nearly 600 million dollars in contracts last September—almost double the total of any previous month. Two-thirds of the 200 million dollars HEW paid last year to consultants was spent in the last three months of the fiscal year. Lester Fettig, who recently resigned as the top federal procurement officer, says that as September nears, HEW often converts formal contracts to grants that can be issued quickly "to get the money on the street and not lose it."

Investigators for the General Accounting Office, Congress' auditing arm, are checking reports of unnecessary spending in other departments, including the Pentagon and the Environmental Protection Agency.

Many career employes argue that delayed spending is not only legitimate but also a mark of good management.

Says one longtime federal executive: "Any prudent manager will hold some money back until the end of the year because he doesn't know how much or how little he'll need then."

Another explanation offered for the late-spending rush: Major projects can take a year to get off the ground. Even if plans are drawn up at the beginning of a fiscal year, nine months or more may pass before the bids can be opened and the funds committed.

Federal employes insist, too, that some of the blame lies with Congress, which sometimes drags its feet in making appropriations. They point to a request by the Department of Transportation last January for money to study the impact of fees charged to firms that ship goods on inland waterways. Congress didn't act until July 25, when it directed the agency to commit 1 million dollars by September 30 or lose it.

Federal employes say they're often caught in a bind: While some lawmakers criticize late spending, others insist that their pet projects be fully financed no matter what time of year it is. Says one budget officer: "When Congress approves an appropriation, it expects the money to be spent."

FIGHTING THE "SCRAMBLE"

Despite earlier failures, administration officials are determined to curtail the end-of-the-year scramble. On August 7, Budget Director McIntyre issued detailed rules for fourth-quarter spending. Sample: Late orders for "office furniture, supplies or renovation should not be approved unless planned in advance or needed to meet an emergency."

Some lawmakers, meanwhile, are pushing for new laws to make spending more orderly. A bill sponsored by Virginia's Representative Harris would prohibit agencies from spending more than 20 percent of their budgets in the last two months of a fiscal year—a requirement Congress already has imposed on the Defense Department.

Skeptics believe the problem won't be solved without such restrictions and that even with them it will not be easy to lick. The General Accounting office concluded recently that in most agencies, "There are no incentives not to spend the funds appropriated."

With several million employes spending 500 billion federal dollars each year, budget analysts say it is human nature that when money is available, it will be spent.

IN CONGRESS, IT'S CALLED "MIDCOURSE CORRECTION"

Congress is quick to take executive-branch officials to task for their zeal in using up leftover funds, but Capitol Hill itself isn't immune from the practice.

A former Senate aide recalls: "We used to do the same thing on the Hill. People bought office supplies that ended up sitting in the closet."

Take the case of the Office of Technology Assessment, an arm of Congress set up to analyze technological issues, which earlier this year went on a spending jag that backfired badly.

The unit concluded in May that it was likely to underspend its 11-million-dollar budget by more than 2 million dollars.

The staff was ordered to step up spending to insure that lawmakers wouldn't cut next year's budget. Employes hurriedly expanded projects or initiated new ones—so much so that the office suddenly faced the prospect of going 1.8 million over its budget.

In July, John Gibbons, a new director of the unit, was jarred into making what he termed a "midcourse correction." He abruptly halted several projects and dismissed 14 employes.

A top official of the agency, embarrassed when the fiasco leaked to the press, told fellow employees in a memo obtained by U.S. News & World Report: "It would be best now to get this whole episode behind us and look toward the future."●

MARIE DAVIDSON DAY—THOUSANDS LOVE MRS. MARIE DAVIDSON

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

○ Mrs. HECKLER. Mr. Speaker, no matter what the weatherman predicts, the sun will shine in Fall River on Wednesday, September 12. Two thousand loving friends and admirers will gather at the Venus de Milo Restaurant in Swansea, Mass., to honor a truly remarkable woman who has—for decades—brought warmth, hope, and sunshine into the lives of so many in the Greater Fall River area—Marie Davidson.

Marie has been an inspiration to me ever since I began representing Fall River, the city we both love so much, in the Congress.

Her counsel, insight, and vision have given me a special grasp and empathy of and into the legislation and programs which aid and benefit senior citizens. It has been a privilege and joy to be Marie's ally in so many battles to insure the independence, good health, and happiness of our senior citizens.

A native of New Jersey, Marie Jacobs Davidson came to Fall River in 1952. That was the year her late husband, William, a native of the Spindle City, retired from the Radio Corp. of America in New York, where Marie also worked for most of her adult years.

But the Marie Davidson dictionary does not include the word "retirement." Once in Fall River, Marie quickly put down roots and began a second career—winning friends as well as respect and admiration. In the quarter century since 1952, her name has been synonymous with vigor, dedication, determination, creativity, and drive. She is the personification of the kind of superlative leadership senior citizens can provide a community.

Her qualities bring to mind a statement made by Maggie Kuhn, an ardent foe of discrimination against the elderly. She said:

> Ageism is any discrimination against people on the basis of chronological age . . . it is responsible for an enormous neglect of social resources.

Marie Davidson confronted this neglect head on. In her own dynamic style, in her own, self-confident way, in the totality of her efforts over the years, she has become a monument in the battle against age discrimination.

Her first participation in Greater Fall River's elderly affairs came in 1962, when she joined the newly formed King Philip Senior Citizens Club, and became its secretary. From there she herself formed the Over 60 Club, and established a center at Sunset Hill.

Then, in a stunning and remarkable feat of initiative and ingenuity, Marie Davidson organized 50 senior citizen clubs and centers throughout Fall River.

Marie has been indefatigable, productive—a friendly whirlwind of activity. Each day a new challenge; each triumph the prelude to another challenge. Only the next day mattered, and then the next. Marie Davidson is the Susan B. Anthony of elder affairs in Fall River. A pioneer, an almost primal force for good, a leader who could and did inspire others to lead.

The senior centers Marie has established already have offered countless hours of enjoyment, pleasure, and companionship to tens of thousands of elderly persons over the years. Marie's initiative and followthrough have filled a void. She has transformed Fall River's senior citizen community. We will always be eternally grateful to her for bringing light and life into so many lives.

As a newly elected Member of Congress, in 1967, I was asked by Marie to help develop programs to benefit senior citizens. One outcome was the first congressional seminar for senior citizens, during which senior citizens and I had a warm and cordial discussion of their needs. I am pleased to say that this congressional senior seminar has become an annual event, and has served as a model for similar events throughout the Commonwealth.

Throughout her breathtaking whirlwind of creativity, Marie was elected as the first president of the Fall River Senior Senate, to which every senior club or center belongs. For 10 consecutive years, Marie has been honored by her peers by being reelected to the presidency of this distinguished group of citizens.

In 1968, Marie won further recognition of her eminence as a leader and innovator in senior citizen affairs: she was appointed by then Mayor Desmarias as a delegate to the White House Conference on Aging. Since then, Marie has been reappointed by each succeeding mayor.

To further cap her monumental efforts, Marie in 1973 was honored by the Fall River Chamber of Commerce by being awarded the chamber's Community Service Award and being named Outstanding Woman of the Year. These honors were earned; every one of them.

Marie stands today as a shining example of how energetic, loving, and dynamic senior citizens can move mountains. Marie's presence and the force of her good efforts on behalf of the senior citizens of Greater Fall River are felt from the banks of the Taunton River to the towers of the futuristic Highland Heights Senior Citizens Center, which she helped plan.

She is an inspiration. A trailblazer. An innovator and a visionary with a keen sense of the practical. She has contributed mightily to the continued vigor of our community. Her efforts and accomplishments are indelibly entered on Fall River's history books.

Marie Davidson has given thousands of senior citizens in Fall River a new sense of power and worth. By bringing pride and happiness into their lives she has brought dignity as well.

I look forward to the day when her name can be emblazoned permanently on it at an important public location in our grateful city in the same way as it is emblazoned with such warmth and affection in our hearts.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, September 11, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 12

8:00 a.m.

Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings on rural health care programs.
322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1979.
235 Russell Building

Energy and Natural Resources
Energy Regulations Subcommittee
To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building

Select on Small Business
To hold oversight hearings to explore local development company programs.
424 Russell Building

10:00 a.m.

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark., military reservation.
5110 Dirksen Building

Environment and Public Works
Business meeting, to consider H.R. 4249, to amend certain provisions of the Surface Transportation Assistance Act of 1978; S. 493, to promote the orderly and environmentally sound exploration for and commercial recovery of hard mineral resources of the deep seabed; and the nomination of Sam E. Angel, of Arkansas.
4200 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S–116, Capitol

Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Select on Intelligence
To resume closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Con., 1st sess.).
S–407, Capitol

2:00 p.m.

Conferees
On S. 210, to establish a Department of Education in the Executive Branch of the Government.
S–207, Capitol

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings on the nominations of Gene E. Brooks, of Indiana, to be U.S. District Judge for the Southern District of Indiana; Lynn C. Higby, of Florida, to be U.S. District Judge for the Northern District of Florida;

James C. Paine, James W. Kehoe, Eugene P. Spellman, and Edward B. Davis, all of Florida, each to be U.S. District Judge for the Southern District of Florida.

2228 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

3:00 p.m.

Conferees

On H.R. 3875, to amend and extend through fiscal year 1980 certain Federal laws relating to housing, community and neighborhood development and preservations programs.

S-206, Capitol

SEPTEMBER 13

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.

235 Russell Building

Governmental Affairs

To hold hearings on the nomination of Ronald P. Wertheim, of the District of Columbia, to be a Member of the Merit Systems Protection Board.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

Business meeting, to markup S. 795, to establish a national policy of retaining and protecting agricultural farmland; and H.R. 2043, to amend certain provisions of the Water Bank Act to authorize the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands.

322 Russell Building

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1176, proposed Antiquities Act and Federal Land Policy and Management Act Amendments.

3110 Dirksen Building

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

*Judiciary

To resume hearings on S. 1722, to make revisions to certain provisions of the Criminal Code.

2228 Dirksen Building

Judiciary

Criminal Justice Subcommittee

To resume oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.

5110 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess).

S-407, Capitol

Special on Aging

To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.

6226 Dirksen Building

2:00 p.m.

Conferees

On S. 210, to establish a Department of Education in the Executive Branch of the Government.

S-207, Capitol

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Foreign Relations

To continue hearings, in closed session, on the SALT II Treaty (Exec. Y., 96th Cong., 1st sess.).

S-116, Capitol

Select on Ethics

Closed business meeting.

6226 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

3:00 p.m.

Conferees

On H.R. 3875, to amend and extend through fiscal year 1980 certain Federal laws relating to housing, community and neighborhood development and preservations programs.

EF-100, Capitol

SEPTEMBER 14

9:00 a.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Con., 1st sess.).

318 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings to examine labeling procedures for alcoholic beverages.

6226 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, the Judiciary

To hold hearings on proposed supplemental appropriations for fiscal year 1980 for the Economic Development Administration of the Department of Commerce.

S-146, Capitol

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Foreign Relations

To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

Select on Intelligence

To continue closed hearings on issues Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

2:00 p.m.

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

SEPTEMBER 17

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1337, to provide for greater compliance with the national speed limit.

3110 Dirksen Building

Judiciary

Constitution Subcommittee

To resume hearings on S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance

To hold hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

SEPTEMBER 18

9:00 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

1202 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1470, 1417, 1205, and 1134, bills to establish import quotas to restrict the amount of crude oil and petroleum products that can be brought into the United States each year.

3110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance

To continue hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

Health Subcommittee

To hold hearings to review the administration and operation of the professional standards review program.

2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

6226 Dirksen Building

Judiciary

Constitution Subcommittee

Business meeting to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.

457 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting on pending calendar business.

322 Russell Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1480, 1462, and 1463, bill to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

2:00 p.m.

Finance

Health Subcommittee

To continue hearings to review the administration and operation of the professional standards review program.

2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.

Governmental Affairs

Intergovernmental Relations

To resume oversight hearings on the scope of general revenue sharing programs.

3302 Dirksen Building

10:00 a.m.

*Banking, Housing, and Urban Affairs

Business meeting, to begin markup of S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 599, to expand the historic Indiana Dunes National Lakeshore Park in northwest Indiana.

3110 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

SEPTEMBER 21

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on S. 1420 and 475, bills authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.

3110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To resume oversight hearings to examine proposed revisions to the Administration's anti-inflation program.

5302 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on S. 691, to prohibit the use of Federal funds to lobby State and local legislatures.

3302 Dirksen Building

SEPTEMBER 24

9:30 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on current energy impacts on the railroad industry, focusing on the recent coal rate increase for the Lewisville-Nashville railroad.

235 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

SEPTEMBER 25

9:00 a.m.

Labor and Human Resources

To hold hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Governmental Affairs

To hold hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.

3302 Dirksen Building

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

SEPTEMBER 26

9:00 a.m.

Labor and Human Resources

To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Governmental Affairs

To continue hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.

3302 Dirksen Building

SEPTEMBER 27

9:00 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

6226 Dirksen Building

OCTOBER 1

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To resume oversight hearings on the for the development, improvement, and operation of domestic refinery capabilities.

3110 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

OCTOBER 2

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.

3110 Dirksen Building

*Veterans' Affairs

To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

457 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 3

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
6226 Dirksen Building

OCTOBER 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To continue hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
1318 Dirksen Building

OCTOBER 11

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 17

8:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.
4232 Dirksen Building

CANCELLATIONS

SEPTEMBER 12

10:00 a.m.
Special on Aging
To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.
6226 Dirksen Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

SENATE—*Tuesday, September 11, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Reverend Alton Parris, minister, First United Methodist Church, Tuscumbia, Ala., offered the following prayer:

Hear the words of the 103d Psalm:

Bless the Lord, O my soul; and all that is within me bless His holy name. Bless the Lord, O my soul, and forget not all His benefits: Who forgiveth all thine iniquities; who healeth all thy diseases; who redeemeth thy life from destruction; who crowneth thee with loving kindness and tender mercies; who satisfieth thy mouth with good things; so that thy youth is renewed like the eagle's.

Let us pray.

We bow before Thee, our Father, acknowledging Thee as our God and the Lord of our lives. Thou knowest the weakness and cowardliness of our hearts. Thou knowest how much we care for the opinion of men. Help us, we pray Thee, to care more for what will please Thee.

Lord, make us strong and courageous that we may never be afraid to do our duty. Give us grace and courage to speak when and as we should, and the power to make our lives equal to our words. Let us never betray Thee either by word or act.

Give us, O God, ears open to hear Thy word; minds willing to accept Thy truth; wills ready to obey Thy commands; and above all, hearts eager to receive and to share Your love.

O God, grant Thy wisdom and guidance to our President, to our Senators, and to all those in positions of leadership and responsibility. In Thy name we ask it. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 11, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROBERT C. BYRD. Mr. President, I shall yield 9 minutes of my 10 minutes to the distinguished Senator from Washington. I reserve 1 minute and yield the remainder of the time to Mr. Jackson.

Mr. BAKER. Mr. President, will the majority leader yield to me for just a moment before he yields to the Senator from Washington?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I understand that the Senator from Washington may have a need for more time than the 9 minutes, and I wish to say if he does, I am glad to yield him a part of my time under the standing order.

Mr. JACKSON. Mr. President, I hope I can finish within 9 minutes. I appreciate the willingness of the minority leader to offer that, and I may accept it.

Mr. BAKER. Why do I not do this, then, if the majority leader has no objection? I ask unanimous consent to yield 6 minutes of my time to the Senator from Washington.

Mr. JACKSON. What I do not use I will yield back to the majority leader and the minority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I thank the Senator.

RECOGNITION OF SENATOR JACKSON

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

FORTRESS CUBA

Mr. JACKSON. Mr. President, I believe that the American people owe a debt of gratitude to our colleague from the State of Florida, Senator Richard Stone, for his tenacious efforts to bring to the attention of the Nation the fact that the Soviet Union once again has exploited the trust of the American people. As he warned us, and as we now know, the Soviets have deployed an integrated combat force—a "brigade"—to Cuba. This force is in addition to the 1,500 to 2,000 Soviet military advisers deployed there. It is now quite clear that during the same period that the world saw Soviet forces deployed to Angola, naval forces and command headquarters personnel deployed to Ethiopia, ground and air personnel and equipment deployed to Afghanistan, and naval forces deployed to South Yemen and Vietnam, the Soviets were deploying combat ground forces and their weapon systems to an island just off our coast. At the same time, the Cuban proxies of the Soviet Union have been involved in conflicts in Africa, the Middle East, and in Central America.

Mr. President, this deployment of Soviet combat forces in Cuba is not an isolated event; it is a most dramatic example of a pattern of Soviet and Cuban behavior which is hostile to the interests of the United States, its friends, and allies. Other things have been going on with which we should be equally concerned. We have seen Soviet airlift and sealift assets transport Cuban fighting personnel to distant conflicts. We have also seen Soviet pilots "relieve" Cuban pilots so that they could be free to fight in Ethiopia.

In the last 2 years, we have begun to see the development of "Fortress Cuba"—a major upgrading of the combat capabilities of the Cuban Armed Forces. The military buildup in Cuba of most concern has been a qualitative one, and represents a major change in what the Soviets and the Cubans believe they can get away with in this part of the world.

Mig-23's have been introduced. One variant of this type of sophisticated aircraft deployed in Cuba is designed for ground attack, and has the necessary range to reach points in the southeastern part of the United States. Similar aircraft in the Soviet Union are capable of carrying nuclear weapons.

More ominous, during this past year the Soviets have supplied the Cubans with their first attack submarine capability. They have introduced two boats: One is a training unit, the other is a combat unit. Cuba has no experience in submarine warfare. Are the officers who will call the shots on Cuban attack submarines Cuban or Soviet? What is the role of any Soviet naval advisers embarked? This is a brand new military capability for Cuba. And it would seem likely that the Soviets would provide a separate training submarine only if they intended to supply Cuba with a number of attack boats. Diesel submarines are very quiet when operating on batteries; the type of submarine supplied—known as Foxtrot—is an oceangoing combatant; and boats of this type are capable of laying mines covertly off our coast. In numbers, they would constitute a major threat to our oil supplies. Even a small number are especially well suited for covert insertion of personnel and small arms throughout the Caribbean and Central America.

Mr. President, not far from Cuba are two U.S. ballistic missile submarine bases, and many of our important sea lines of communications pass near Cuba. The relevant question is how many submarines will the Cubans have to have before we are required to allocate a portion of our shrinking navy to deal with these submarines at the onset of a major war—or in times of heightened tension?

Certainly, one or two submarines or a dozen or so Mig-23's do not constitute an overwhelming threat to the United States in and of themselves. The point is that this is a beginning. Where should we draw the line? To what degree can we tolerate a hostile power in the Caribbean which can pose a major threat to our Central American and Caribbean allies, and something of a threat to us? How big a "Fortress Cuba" is too big? The Cubans, clearly with the support of the Soviets, today feel free to involve themselves in hostilities throughout the world. More important, the Cubans and the Soviets would appear to believe that there is little or no risk of adverse United States response to Cuban involvement in the internal affairs of Central American and Caribbean countries.

The military balance today is very different from that which existed in 1962. We have allowed ourselves to drift into a position where the Soviets believe that they can do most anything they and their Cuban surrogates wish to do—even in this hemisphere. We are now witnessing just one of the effects of the unparalleled Soviet military buildup and the adverse shift in the military balance. We can expect that this accumulation of conventional and nuclear strength will lead the Soviets to become more bold and more confident that their freedom of action increasingly is becoming less constrained. In Africa, in the Middle East, in the Indian Ocean area, in the Far East, and in the Caribbean, the Soviets are asserting themselves. They are exploiting their military capabilities for political advantage.

Mr. President, we can no longer delay in reexamining, in taking a fresh look at what the Soviets are up to in the world. And, Mr. President, the time for the United States to reaffirm its position on what Soviet behavior we will not tolerate in this hemisphere is now. As a beginning, we must insist on no less than the following:

First, Soviet combat units must be removed from Cuba.

Second, Soviet high performance ground attack aircraft must be removed from Cuba.

Third, under no circumstances should the Soviet Union be allowed to provide Cuba with additional submarines, or other naval forces with the reach to threaten our ports or our shipping.

The military balance has shifted adversely over the last decade and a half, and we must take actions to redress this shift. Fortunately, the United States still possesses political strength and considerable military power. What is needed now is a national consensus behind our determination that we will not allow the Soviets to turn Cuba into a fortress-state capable of threatening the United States, our allies and friends in this hemisphere, and our vital lines of communication.

Mr. President, I yield back such time as I may have to the majority leader and to the minority leader.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). The Senator from West Virginia has 1 minute.

Mr. ROBERT C. BYRD. I yield it to Mr. Eagleton. If he does not use all of his time, he can yield it to the next person.

Mr. BAKER. Mr. President, do I have some time remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes and 45 seconds.

Mr. BAKER. Mr. President, I would be glad to supplement the time for the distinguished Senator from Missouri if he wishes it.

Mr. EAGLETON. I need no additional time, but I thank my colleague.

RECOGNITION OF MR. EAGLETON

The PRESIDING OFFICER. Under the previous order, the Senator from

Missouri (Mr. EAGLETON) is recognized for not to exceed 16 minutes.

NEW STUDY DETAILS IMPACT OF CHRYSLER COLLAPSE

Mr. EAGLETON. Mr. President, it is clear that a shutdown or major curtailment of Chrysler operations would have substantial economic consequences for the Nation. A study commissioned by the Congressional Budget Office last month concluded that a complete collapse of the company "would lower real economic growth by 0.6 percent to 1.0 percent for a half a year and reduce employment by 500,000 persons."

Bleak as that nationwide picture is, the figures understate the impact on the economies of cities and regions where Chrysler has major facilities. An analysis of these regional effects has just been made available to the Treasury Department in a preliminary staff study by the Department of Transportation's Transportation Systems Center in Cambridge, Mass.

The analysis is, as I say, preliminary and was meant only as an informal technical document for working level communication. However, the issues addressed in this study are so relevant to congressional debate on the subject, and the data provided so important, that I am today making the report available to my colleagues.

Mr. President, the St. Louis area where Chrysler operates a truck and a car assembly plant would be far less severely impacted by a Chrysler shutdown than some other cities such as Detroit. Even so, a collapse of the company would be a serious blow to the economy of the St. Louis area.

The DOT study estimates that direct and secondary job losses in St. Louis would range from 21,360 to 26,700. Direct and secondary economic output losses are projected to be in excess of $1.9 billion.

These figures do not include dealers of which there are 135 in Missouri employing 1,650 persons. Nor does it fully account for the losses likely to be experienced by the 561 Chrysler suppliers throughout Missouri—mostly small firms—who collectively do about $100 million a year in Chrysler business.

Mr. President, in other cities, a shutdown or major reduction in Chrysler operations could have devastating employment and economic effects. According to the DOT study, the Detroit area could see its jobless rate increase from the current 8.7 to 16 or 19 percent. Direct taxes to the city of Detroit would be reduced by $34 million, severely limiting the city's capacity to meet increased unemployment and welfare payments. A very high percentage of Chrysler's Detroit work force consists of minority workers.

Contrary to the assumption of some analysts, the DOT study concludes there are only limited opportunities for absorption of displaced Chrysler workers by other automakers. The reasons are spelled out in the report, but the conclusion reached by DOT analysts is that the employment impact would be prolonged and in some areas permanent.

A similar conclusion is reached in the study about prospects of other auto companies either foreign or domestic acquiring Chrysler plants. Except for two facilities, most Chrysler plants would be unsuitable for other auto companies, according to the study. Their value, if any, would be limited to that of the property they occupy.

Another suggestion often heard is that Chrysler could be reorganized as a smaller company specializing in production of small fuel-efficient cars. The DOT analysis concludes "this is not possible under existing plant and capitalization structures," citing the obstacles of covering fixed costs on a limited product basis and the small profit margins that can be realized on small cars.

Mr. President, Chrysler's need for some form of outside assistance is well established by the quarterly losses recently announced by the company.

The national interest in providing that assistance is well presented in this study.

I ask unanimous consent that the text of the study be printed in the RECORD at this point in my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

EMPLOYMENT AND ECONOMIC EFFECTS OF A CHRYSLER SHUTDOWN OR MAJOR REDUCTION IN BUSINESS: PRELIMINARY DATA AND ANALYSIS

INTRODUCTION

The purpose of this paper is to address two major questions concerning the Chrysler Corporation and its current financial problems:

What employment effects would result from a major reduction in operations, or shut down?

What economic effects would the Nation, and more particularly several regions of the Nation, sustain under major reductions in business?

It was not intended to address several critical financial questions such as the effect of Federal relief measures, or the ability of Chrysler to continue full operations.

Data and analysis in this document are all derived from detailed study of the plant and facilities base of the Chrysler Corporation. Unlike similar current studies of the company and its situation, this analysis builds upward from plant and community data, rather than moving downward from macroeconomic or corporate level data.

National and even regional macroeconomic analysis can obscure critical data: by ignoring the local dependence upon Chrysler, by simplifying the apparent re-employment of Chrysler workers without regard for their actual living situations, and by avoiding important constraints such as the capacity of other companies to pick up Chrysler workers or sales.

The community-based method used in this report, while missing some of the larger effects such as those upon the capital markets, more accurately demonstrates the regional dislocations instigated by a Chrysler shut down, and the level of effort required to re-integrate the Chrysler capacity into the economy.

This is important, for even though a Chrysler shut down will have measurable national effects, it is clear that certain regions of the country will bear a disproportionately large burden. In the case of the City of Detroit, the burden would be nothing short of devastating, and could effectively destroy that city's economic base for a period of years.

This report is organized into three major sections:

Employment Effects.
Economic Effects.
Ancilliary Issues.

A complete summary of data is appended, and it is suggested that the best understanding of the complexity of the situation can be obtained by viewing the plant and community data sheets.

EMPLOYMENT EFFECTS OF CHRYSLER SHUT DOWN OR MAJOR REDUCTION IN BUSINESS

It is clear that several thousand Chrysler workers would not be affected by the problems facing the automotive operations of the company. These workers are primarily confined to the marine division, defense operations, and some corporate staffs. It appears that in the event of a shut down, the Marine and Defense operations might be spun off in some way that their employment effects would be minimized. Some corporate staff people might more easily transfer to the other auto companies, because their skills are currently in high demand, and because their hiring would not depend upon the productive capacity of the other companies.

However, it is also clear that more than 100,000 production workers would be directly affected, and that they would be effectively removed from the economy at least until the current economic slowdown ends. Even when economic conditions return to more positive levels, the reintegration of the Chrysler work force would be limited by regional concentration, by workers limited abilities to relocate, by the limited capacity of other producers to pick up Chrysler people, and by the decimated Detroit economic base.

Chrysler worker rolls indicate 140,977 workers currently carried. Of these, approximately 24,000 are now on indefinite or extended layoff and are receiving the normal layoff benefits. In the event of collapsing auto operations, the following automotive production workers would be immediately affected:

United States (approximately)	97,000
Canada	15,000
Mexico	7,500
Total	119,500

Most of these would be released, with the possible exception of workers at several facilities who might remain employed if other companies sought to take them over. It is estimated that workers potentially retained would be at the following facilities.

New Process Gear.

Belvidere Assembly (with temporary shut down for retooling).

Introl Division.

Kokomo Transmission (only partial retention).

Under the most optimistic scenario, only 12,000 workers would be eligible for retention. A more realistic assessment would be 6,000 workers retained with an additional 2,500 eligible for re-employment at Belvidere after a one year layoff. This assumes immediate takeover by another company.

The Canadian and Mexican operations, because of their dependence upon production in the U.S., would certainly close. It should be noted that the Canadian work force is concentrated in the Windsor, Ont. area which is contiguous to Detroit. This exacerbates the regional effect in Detroit.

Because Chrysler is less fully integrated than the other auto companies, it purchases more parts from independent suppliers. Therefore, layoffs in the Chrysler production base would have immediate ripple effects throughout the supplier chain. We estimate that approximately 70 percent of Chrysler supplier companies are small manufacturing concerns with great concentrations of business in Chrysler products. Leaving aside the question of bankruptcy for these companies (a very real possibility), it is clear that many jobs would be directly lost owing to elimination of Chrysler orders.

It is possible to estimate these multiplier effects in several ways. We have used a regional multiplier method derived from local economic impact assessment, and we have corroborated these estimates with an actual headcount of supplier employment estimates. A headcount suggests the following related jobs potentially lost, at least temporarily:

Suppliers (approximately)	180,000
Dealers (approximately)	100,000
Freight and related (approximately)	12,000
Total	292,000

Our analysis suggests that many additional supplier workers, mainly at larger companies, produce Chrysler components and might be faced with job losses. We believe that a number of dealer employees, after initial dislocation, might be picked up either by domestic or foreign producers.

The data and estimates contained in this document are based upon our multiplier analysis, and because we can discern larger employment effects in our headcount, we believe that our employment multiplier analysis is quite conservative. It should be read as our minimum estimate of employment.

Regional multipliers, derived from past employment behavior under changing economic conditions, indicate that for the various regions involved, a lost automotive production job instigates 1.4 to 2.0 additional job losses in the local economy. It is important to note that this is community based, and will therefore miss other job losses which might be instigated outside of the regions measured.

Multiplier analysis indicates primary and secondary job losses derived only from the Chrysler production employment ranging at a minimum from 240,000 to 295,000 jobs. An additional 50,000 jobs would be lost just from direct layoffs in Chrysler's staff and nonproduction workers.

Notice that this multiplier estimate, which includes Chrysler employment, is smaller than the headcount of non-Chrysler workers mentioned above. We expected that the actual effects will be larger than our multiplier analysis suggests.

These are short-term job losses. Many analysts assume these jobs will be picked up by other employment concerns, according to gross estimates of job creation. Our analysis indicates that the rate of re-employment will be strongly constrained by the attributes of Chrysler workers location, the mix of skills they represent, the state of the economy forced by recession and the Chrysler economic effects, and by the specific capacity available for re-employment. These effects will be documented below.

Also note that our multiplier estimates do not include dealer, defense, financial, real estate, or marine employment.

Ability of other auto companies to pick up Chrysler workers

The major constraint on re-employment is the limited ability of Ford and GM to hire additional workers. The easiest job transfer would be to facilities needing the specific auto-making skills of the Chrysler workforce.

Our capacity analysis, summarized in Exhibit 8, shows that Ford and GM have considerable excess capacity in the sales segments released by a Chrysler collapse. This means that as GM and Ford picked up those sales, they would be drawing from their own employment rolls, currently on layoff, and they would have little need for Chrysler labor.

In those cases where GM and Ford could not pick up the excess unit demand dumped to the market by Chrysler, the companies are constrained by physical capacity. They are already running at overtime levels to supply the small car demand segment, and could not expand capacity for these units of production for some time. If they were to add increments of physical capacity for existing models, lead times would run one year minimum, and more likely two years. If the other companies were to add capacity for new models, lead times until production could run as long as 4 years.

This effect would only be exacerbated by the current recession, and it perhaps would be magnified by economic fallout from the Chrysler collapse. It is also important to note that even as the companies introduce new smaller models, they will be employing primarily their own workers shifted from larger cars.

This capacity constraint is heightened by the location of capacity. Chrysler is unique in that most of its productive capacity resides in the City of Detroit. The other companies have for many years moved capacity away from Detroit (see Exhibit 15). GM and Ford have relatively little production capacity within range of many Chrysler workers, so even if they were capable of employing these workers, such employment would require worker relocation.

A second complicating factor is the incompatibility of skill mix by geographic location. As can be seen in Exhibit 7, even when Chrysler has facilities located near those of the other companies, the nature of the skills employed is not entirely compatible. Foundry workers cannot be easily shifted to assembly operations, and certainly not to skilled machining operations. Skilled diemakers are more easily transferred, but their total number is not large. Methods of production are also quite different among companies, and Ford and GM will not be entirely disposed to considerable retraining expense unless there is compelling demand which cannot be satisfied with their own trained workforce.

In the case of the Chrysler suppliers, the other companies will not be able to pick up foregone Chrysler orders and therefore supplier employment will be affected. GM is almost totally integrated, producing most of its parts, Ford purchases from outside sources in limited quantities, and only when internal capacity is not large enough or not economic to build. Because Chrysler suppliers are making very specific parts for Chrysler products, their markets would be instantly removed, and there would be little relief available from the other domestic manufacturers. Even if they could find new markets, employment would be low during periods of retooling, which could last upwards of one year in the case of transfer-line-type production.

If Chrysler collapsed, they would cancel approximately $2 billion of future tooling orders. Lead times for new capital equipment in this industry range 2 to 4 years into the future, and Chrysler has many orders in the pipeline. This effect is not included in our multiplier analysis, because tooling deliveries have never been permanently cancelled in such large quantities before.

Competition for toolmaking capacity is intense, owing to the extremely high investment in new products in the industry. It is quite likely that other orders would come in to fill the lost Chrysler business, but it is not clear how much value currently in production would be lost, or how quickly toolmakers could realign their efforts.

Some facilities might be salvaged

Many analysts assume Chrysler facilities will be purchased by other companies, domestic and foreign producers being most often cited. Our analysis indicates very little possibility of this, again attributable to the nature of the Chrysler facilities, their location, and the investment strategies and needs of the other companies.

As indicated earlier, most Chrysler facilities are in the Detroit area. What is not revealed by gross economic data is the fact that these facilities are old, inefficient in their spatial layout, limited in their potential for expansion, and located in areas known to have some of the most inefficient and troublesome workforces available.

Other auto companies would certainly have little use for Chrysler's Detroit facilities. It is clear that Ford and GM have moved production rapidly away from the city, and that they have all new capacity plans currently in the pipeline away from the city.

The only other producer in the City of Detroit is GM. These facilities are either lower volume Cadillac plants, with little capacity to absorb workers, or they produce items which currently experience low demand, and therefore excess capacity. GM is moving some of these facilities out of the city.

Ford has never really operated in the city, although they have facilities in nearby Dearborn. However, as shown in Exhibit 15, Ford's future plans are not in this area, and it is unlikely they would see any value in taking over Chrysler's old plants.

Even if these companies were to acquire the plants, they would be purchasing only the property space, for none of the tooling matches their needs. This means little employment results for several years while the companies retool. Again, this is not even considered likely because capital is already scheduled for non-Detroit placement, and little interest on the part of Ford and GM for Chrysler's plants is foreseen.

Foreign producers might be interested in some of Chrysler's facilities, but again this would only be for property space, not for its productive capacity. This would not create new jobs. It is far more likely that foreign producers would only be interested in some of Chrysler's non-Detroit facilities, which would have little effect on the main problem.

Based upon analysis of the quality of Chrysler assets, the needs of other producers, and the mix of production at the Chrysler facilities, it is believed that four facilities might have potential for at least partial takeover of the production capacity.

The most promising assets appear to be *New Process Gear*, located primarily in Syracuse, New York. This facility produces drivetrain componentry in efficient facilities, primarly for use by other companies. It supplies transfer cases, for example, to producers of four-wheel-drive vehicles. It is estimated that New Process is a profitable operation, with considerable demand away from the Chrysler base. This makes it a good takeover possibility.

However, the recent reductions in light truck sales have hurt New Process. Estimates suggest perhaps a 30% reduction in demand for major components. We would have estimated the economic value of New Process to be $350 million to $450 million, prior to this reduction. Our new estimates suggest its value to be at the low end of earlier estimates.

Takeover management would undoubtedly retool much of the facility. This would result in partial job reduction for periods greater than one year, with employment only necessitated by changeover operations and continued production of demanded components.

Another takeover candidate would be the Belvidere Illinois assembly plant, currently producing Omni/Horizons. This is Chrysler's most efficient assembly operation and its basic facilities could be seen as valuable. But again, we doubt that other producers would want to continue Omni/Horizon production, and therefore one could expect job losses while the takeover company retooled the plant. This could take from one year to three, depending upon the nature of planned production and the availability of tooling capacity.

A third possible salvage item could be part of the Kokomo Indiana transmission facility. This plant is not entirely renovated, but it has modern tooling and does produce for outside companies. We estimate that retooling here would have to be more pervasive, most likely for integration into some other company's product base. This suggests lower employment possibility, but some potential for medium term pickup.

The last facility we considered acquirable for its capacity is the Introl Division which makes instrumentation and similar componentry. This is probably eminently transferrable, but its economic power is small (at perhaps $40 million), and its employment potential limited at 1300 people.

Other facilities might be acquired, but this would be for land space. Given the complexity of new production processes, and the need for efficient building design from the ground up in these expensive energy times, it is usually more economical for an automotive type producer to construct new facilities in places away from the traditional manufacturing base. This is the driving force behind Ford and GM investment plans, and presents a strong barrier to the salvaging of Chrysler jobs.

One interesting sidelight, which has resulted from the expense of pollution control, is that some old plants in the industrial belt are acquired by producers with other large facilities. These acquiring parties can shut down the acquired older facilities and obtain pollution credits to apply to their desired production base. We do not believe this will be any real influence in the Chrysler situation, but we have noted such occurrences, and they could be expected. This does not result in job creation, of course.

It is very important to bear in mind that any acquiring party would be faced with initial purchase, scrappage of Chrysler equipment, ordering of new tooling, and retraining of the workforce. This will undoubtedly slow the absorption of Chrysler workers into the labor force.

Regional strains

The most glaring conclusion of our analysis is that several major industrial communities will bear a very heavy burden in any Chrysler collapse, owing to the concentration of Chrysler plants in specific areas.

In most Chrysler communities, Chrysler employment is a significant portion of the manufacturing workforce. Even a 2 or 3 percent reduction in employment, the effect in the most diffused Chrysler locations, will produce local unemployment effects which can snowball. Cities most affected are:

Detroit, MI.
Kokomo, IN (from other facilities not mentioned above).
New Castle, IN.
Fostoria, OH.
Belvidere, IL.
Newark, DE.
Syracuse, NY.
Huntsville, AL.
Windsor, ON, Canada.

School budgets, city budgets, property values, and retail trade could all be severely affected in the short term in these areas. In cases such as Detroit and New Castle, the effects would be debilitating. See Exhibits 2–7 for the estimated employment effects and local economic output effects.

Strong effect on minority work force and economy

Because of Chrysler's center city facility placement, the company employs a great number of minority workers. This is concentrated in the production workforce, which is the area most affected by a Chrysler collapse. Exhibit 17 summarizes the minority employment situation. Under shut down conditions, Chrysler would release approximately 35,000 minority workers in the Detroit area. Overall effects on minority employment would total more than 38,000 workers.

Given the precarious state of the employment base in the center city, and the somewhat limited ability of workers to relocate, this can be seen as a devastating social impact.

Estimates of the portion of the economy available to minority workers range widely. One recent estimate from the Bureau of Census suggests flows to the black economy of approximately $80 billion per year. Chrysler salary payments to its black workers are estimated to be $800 million, which is roughly 1% of the $80 billion figure. To the extent the black economy estimate is correct, this will have a serious impact.

Note that salaries and benefits in the auto industry are generally much better than in most other manufacturing concerns. This means that even if minority workers were able to find other jobs, the net economic loss would be large in both cash and social benefits terms.

Families affected

Using typical demographic data for the communities measured, we estimate that more than 399,000 family members will be directly affected by a shutdown of Chrysler automotive operations. This does not include family members of non-auto workers, dealers, staff, suppliers, and others. If the demographics held for all the other categories, more than 1.1 million family members could be affected.

This is not a direct employment or economic effect included in our measurements. It is possible that second worker households would fare better than single worker ones, but it is also possible that Chrysler or its suppliers would employ more than one member of the same household. Obviously, the effect is large no matter how it is measured.

Unemployment resources limited

It must be noted that Chrysler's unemployment benefits fund is already being strained, and that in the event of a collapse it would be eliminated. This means the employment impacts mentioned above carry greater weight than previous layoffs in the auto business cycles, because the economic support in unemployment is nonexistent.

Long-term turnover measurements

Recent estimates suggest that in good times, the average production worker turnover owed to attrition, retirement, and firing averages 10% of the workforce in a given year. This is a suspect ratio, because local effects dictate actual turnover, but it is at least useable for perspective.

At first look, this turnover number suggests 70,000 job placements open in the U.S. each good year. This should be reduced by transfer turnover, which would reduce openings for Chrysler workers, but more importantly this is once again restricted by the location of Chrysler workers. Turnover in the Detroit and Dearborn area would only produce 11,000 job places in a good year, which suggests that even with worker relocation, only 25% of Chrysler workers could be picked up each year.

Again, this does nothing for suppliers because of the integration of the other producers. Our community analysis is more accurate in measuring the actual effects and potential for placement.

Dealers

The economic effect upon dealers would be immediate and strong, because they are holding so much Chrysler inventory. However, employment effects are more difficult to judge. Most would experience immediate job losses, but this sector is more easily picked up by other companies.

Domestic companies might not be motivated to aquire Chrysler franchises, owing to location concentration and to the fact that dealer units are already somewhat low and could not be diluted further. The gain in sales from dumped Chrysler market segments would not be large enough to warrant full scale dealer networks.

However, it is entirely likely that Ford and GM would pick up some dealers and that foreign producers might acquire more. Likely candidates would start with Mitsubishi, currently selling through Chrysler dealers, and long desirous of its own marketing network here. VW might take some and Renault is likely, as are Peugeot and other Japanese companies.

City of Detroit

The impact of a Chrysler shutdown on Detroit area is extremely serious, and could represent a regional depression. Volatile auto economics have always had a strong effect here, but this situation is different because it means a permanent loss of the production base.

Total employment in the Detroit SMSA peaked prior to the 1973–75 oil embargo and recession in December 1973. Wage and salary employment had risen to 1,712,700 workers, there were 622,500 jobs in the manufacturing sector, and the unemployment rate was approaching 5.0%.

As a result of the embargo and recession, employment in Detroit steadily declined until second quarter 1975. Wage and salary employment bottomed out at 1,525,000, manufacturing employment at 488,000, and the unemployment rate rose to 14%. Total employment declined by 188,000, manufacturing by 135,000, and the unemployment rate rose 9% points.

It took the Detroit area over two years—until second quarter 1977—to regain a level of wage and salary employment equal to the peak 1973 level. However, manufacturing employment has never returned to its peak 1973 level despite several strong years of automotive production between 1973 and 1979. As of the second quarter of 1979, manufacturing employment was 588,400—6% below 1973 levels. This measure has been declining since the third quarter of 1978.

The unemployment rate for the area has been consistently higher than the historical rate, fluctuating between 6%–12% since 1973. The average rate since 1973 has been 8.4%, and currently stands at 8.7%.

The slow rate of recovery, even given near record auto production, shows the basic deterioration in the Detroit economic base, and its vulnerability to automotive changes.

The aggregate employment effect of a Chrysler shut down on the city would be very similar to the 1973–75 employment decline. But instead of being a gradual decline, this would be an immediate economic shock, with unemployment rising in the SMSA from its present 8.7% to 16%–19%.

There would be no future promise of reduction in unemployment, because unlike the last recession, gains in auto sales would produce no production increases in Detroit. The Chrysler effect immediately recreates the depths of the past recession, but establishes it as a permanent change.

One needs no strong reminder of previous social unrest in the Detroit area. While social tensions are not as strong today as they were in more troubled times, it takes little imagination to envision the results of such massive economic reductions in the inner city. It need not be emphasized that the unemployment race among minority workers is higher now, and would soar under Chrysler shut down conditions.

Preliminary estimates suggest that Chrysler pays direct taxes to the City of Detroit (not SMSA) of $34 million. This is a significant portion of the budget. Other economic effects would place strains on city services, and unemployment/welfare payments could be debilitating. Detroit is still recovering from welfare disbursements of the last recession.

Even if these workers could be re-employed elsewhere, the downtown area of Detroit would be left empty. Our preliminary estimates suggest that upwards of $3 billion of new capitalization would have to be brought into the city to reestablish a Chrysler size operation. Given the potential social situation, one wonders about the prudence of such an investment.

ECONOMIC EFFECTS OF A CHRYSLER SHUTDOWN

This is a very difficult area of assessment, because the Chrysler enterprise is intricately involved in many sectors of the economy, either through direct productive output, or through capital markets, and indirect economic multiplier effects.

Even in the cases where new facilities might be added, or where other producers might refurbish Chrysler plants, lead times for such renewal dictate at least a year's delay in economic activity, which does little to counter the large drop in output.

Also the nature of this shock could disrupt other economic sectors at each location, making capital formation and recovery somewhat more difficult. Suffice it to say, that the economic fallout of the Chrysler shut down would be enormous, and long lasting in several critical metropolitan areas.

Unemployment compensation and welfare

As was mentioned earlier, Chrysler's shut down would remove all of the traditional benefits which supplement government payments to laid off auto workers. This means the entire assistance burden would fall upon government organizations. It would also result in large drains on funds, and at the same time taxes would be dropped.

Assuming unemployment benefits averaging $100 per week per worker—most auto workers would be eligible for payments in excess of this—government assistance bills could exceed $30 million per week, or $1.5 billion over one year. Welfare payments to perhaps 1 million family members affected would add to this.

It is doubtful that local coffers could support this level of payment.

Income tax losses

In addition to direct property and other corporate taxes, upwards of $500 million of income taxes could be lost through reduced employment in the Chrysler and supplier base.

One could also expect sales tax losses through reduced activity in economically depressed areas.

Financial markets

Losses are obvious. They would start with $1 billion debt, and similar amounts of commercial paper. Treasury data is most accurate source in this instance.

Pensions

Exhibit 13 highlights some of the most important pension numbers. Additional losses in Chrysler stock held for retirement would disrupt this aspect of financing for existing and retired Chrysler workers.

Balance of trade and payments

We estimated that several hundred thousand units of sales would be picked up by imports, owing to constrained production facilities at Ford and GM. VW production facilities in 1980 and beyond might mitigate this, but the direction is clear. This could increase imports value by about $1.5 billion per year (241,000 units at $6000).

Foreward tooling cancellations

As mentioned above, Chrysler would cancel perhaps $2 billion or more of foreward tooling orders. This is actually proxied in our economic flow estimates, but it does represent several years of tooling business, rather than the first year effects measured above.

Regional steel sales

If Chrysler were to shut down, it is possible that several local steel producers would not have volume sufficient to continue operations. This requires further research, but early indications suggest a problem.

Ancillary issues

Obviously a number of other effects would result from a Chrysler shutdown beyond those mentioned above. This section should be considered less of an analysis and more of a thought outline relating to other aspects of the problem.

Fuel economy effects

Contrary to media implications, Chrysler currently holds the highest Corporate Average Fuel Economy rating of the domestic companies. This is largely supported by Mitsubishi sales, but approximately 60% of Chrysler's current sales mix is in small and compact autos. The company is about to place approximately 500,000 new fuel efficient production units on the market in the next 20 months.

A Chrysler shut down would therefore remove approximately 800,000 units of small cars from the American production base by 1981. This would lower the potential for fuel savings derived from new fleet sales each year.

Partial shut down

This analysis has not considered scenarios in which only part of Chrysler's automotive production is shut down. Some analysts suggest Chrysler could operate as a limited line producer, building only smaller cars.

Our facilities analysis suggests this is not possible under existing plant and capitalization structures, for two primary reasons.

It can be seen that the plant base, while separated by model line in the assembly functions, it integrated across model lines in the component facilities. Were Chrysler to operate only limited product lines, the componentry base could not be efficiently reduced to get fixed costs in line with sales volumes. This could only be performed by large infusions of external capital to reconstruct the very expensive engine, transmission, suspension, and driveline facilities. Our estimates of new capital for this start at about $1.5 billion. A more realistic estimate could approach $4 billion.

The second impediment to limited production of smaller cars is that the size of the market and the prices Americans are willing to pay for small cars would not support a strong financial organization around these sales. Variable margins on larger cars can be as much as ten times the size of margins in small cars, which does not leave much profit in 800,000 units or less of small car production. It is not entirely clear that the required new capital for facility retooling would flow to such a small margin business.

This topic is under continuing investigation.

Related producer effects

It should be noted that Chrysler produces components parts for a number of other companies. AM and International Harvester, for example, would have to seek new component sources were Chrysler to shut down. Some of this might be mitigated if other companies picked up New Process Gear and Introl, but the potential for disruption exists.

Several overseas companies would also experience problems.

Impact on existing Chrysler owners

Registration data suggest there are almost 17,000,000 Chrysler vehicles in use in the United States. Using the scrappage rate of auto fleets and the average cost of servicing over the life of the vehicle, it is estimated that parts and service requirements to maintain these vehicles would have a present value in 1979 dollars of $41,932 million. This is the present value of the amount of business activity which would be required to keep these vehicles running.

If no one were willing to keep making Chrysler parts in this amount, then the utility of these vehicles to the present owners would rapidly decay.

Using a 6% after tax return on the wholesale value of this service business, and a 9% cost of after tax capital, one might be willing to invest as much as $1.8 billion today in such an operation. If the scrappage of vehicles did not occur any faster than in the past, this might be a reasonable investment.

The problem is that the initial investment required to make these components could easily total more than the present value of earnings, unless the investing party were able to acquire existing Chrysler production tooling. However, in the event of a Chrysler collapse, it is not at all clear that the production assets would be available for purchase—they would most likely be encumbered by claims.

The value of these owned vehicles, using a range of average resale values from $2000 to $4000, is between $30 billion and $70 billion. Unless parts and service operations were continued, most of this value would be quickly lost.

EXHIBIT 1

CHRYSLER CORPORATION EMPLOYMENT 5/79

	Salary	Hourly	Total
1. Central offices—Detroit, Mich.:			
Finance and general counsel	2,960		2,960
Engineering and product development	7,412		7,412
Personnel and others	1,646		1,646
Total	12,018		12,018
2. Diversified products group:			
Defense	2,903	2,534	5,437
Electronic products	817	1,544	2,361
Component products	810	2,352	3,162
Marine division	566	939	1,505
Total	5,096	7,369	12,465
3. Manufacturing and purchasing group:			
Office	1,255	888	2,143
Stamping and assembly division	8,342	52,431	60,773
General manufacturing division	3,656	21,711	25,367
Engine and casting division	1,744	8,604	10,348
Total	14,997	83,634	98,631
4. Sales and marketing group:			
Service and parts division	2,431	2,708	5,139
Sales, dealers, marketing, etc	2,161	93	2,254
Total	4,592	2,801	7,333
5. Mexico	1,925	5,361	7,286
6. Canada	2,592	12,402	14,994
7. International—Not Canada, Mexico	4,926	10,141	15,067

EXHIBIT 2

CHRYSLER AUTO PRODUCTION EMPLOYMENT BY METROPOLITAN AREA 5/79

State: Metropolitan area (or county)	Plants	Auto production employment: Hourly/Salary	Auto production employment: Total	Annual payroll ($M)	Employment as percent of—: Total	Employment as percent of—: Manufacturing
Michigan:						
Ann Arbor	2	974/302	1,276	$37.3	1.0	3.2
Detroit	22	44,269/7,407	51,676	1,508.9	3.0	9.0
Lansing-Lyons	1	541/111	652	19.0	.4	1.5
Total, Michigan	25	45,784/7,820	53,604	1,565.2	1.5	4.6
Indiana:						
Indianapolis	2	3,499/593	4,042	113.0	.8	3.1
Kokomo	2	5,870/894	6,764	189.2	13.9	
Michigan City (LaPorte County)	1	241/54	295	8.2	1.6	
New Castle (Henry County)	2	2,240/367	2,607	72.9	11.6	
Total, Indiana	7	11,800/1,908	13,708	383.3	.6	1.9
Ohio:						
Dayton	1	1,635/291	1,926	51.9	.5	1.8
Fostoria (Senaca)	1	531/121	652	17.6	2.5	
Sandusky (Erie)	1	207/137	344	9.3	1.0	
Toledo	1	2,033/356	2,389	64.5	.7	2.7
Twinsburg (Summit)	1	3,280/468	3,748	101.1	1.7	
Van Wert-Lima SMSA	1	304/43	347	9.4	.4	
Total, Ohio	6	7,900/1,416	9,406	253.8	.2	.7
Missouri: St. Louis	2	7,959/941	8,900	235.1	.9	3.5
Total, Missouri					.5	2.0
Illinois: Belvidere-Rockford SMSA	1	4,574/502	5,076	136.7	4.3	9.4
Total, Illinois					.1	9.4
Delaware: Newark-Wilmington SMSA	1	3,960/517	4,477	108.2	2.3	7.2
Total, Delaware					1.7	6.5
New York: Syracuse	1	3,133/546	3,679	112.2	1.5	5.5
Total, New York					.05	.2
Alabama: Huntsville	1	1,100/641	1,741	40.7	1.7	6.7
Total, Alabama					.1	.5

EXHIBIT 3

CHRYSLER AUTOMOTIVE FACILITIES—EMPLOYMENT AND ECONOMIC DATA BY LOCATION

State: Plants by metropolitan area	Function	Years since construction or acquisition	Employment hourly/salary	Total employment	(SFB) annual payroll (millions)	Family dependents (estimate)	Personal income tax on current salary (million; estimate)	Economic flow through factory (millions; estimate)
Michigan:								
Ann Arbor:								
Introl Division—Ann Arbor	Auto instruments	11	974/302	1,276	$37.3	5,104	$7.0	$111.7
Introl—Scio Plant	do	11						
Detroit:								
Lynch Rd	Newport, New Yorker, St. Regis	51	4,431/636	5,067	148.0	20,268	27.8	443.5
Jefferson Ave	Pickups and utilities	54	2,679/397	3,076	89.8	12,304	16.8	269.2
Hamtramck[1]	Volare, Aspen	51	5,222/797	6,019	175.8	24,076	33.0	526.8
Warren Truck	Pickups, vans, RV's	42	6,736/777	7,513	219.4	30,052	41.1	657.6
Eight Mile	Auto stampings	26	1,959/405	2,364	69.0	9,456	12.9	206.9
Outer Dr.	do	26						
Mack Ave	do	26	3,656/455	4,111	120.0	16,444	22.5	359.8
Sterling Heights	do	14	2,760/440	3,200	93.4	12,800	17.5	280.1
Warren-Stamping	do	41	2,855/403	3,258	95.1	13,032	17.8	285.2
Northern Steel	Steel fabrication	5	29/ 13	42	1.2	168	.2	3.7
Vernor Tool & Die	Dies, jigs, fixtures	26	796/501	1,297	37.9	5,188	7.1	113.5
Detroit Trim	Trim components	9	822/151	973	28.4	3,892	5.3	85.2
Mound Rd. Engine	318/360 CID, V-8 engines	26	2,486/391	2,877	84.0	11,508	15.8	251.8
Trenton Engine	361/413 CID, V-8; 225 CID, L-6; 1.7 L-4	27	2,139/464	2,603	76.0	10,412	14.3	227.8
Huber Ave. Foundry	Iron castings	13	1,839/383	2,222	64.9	8,888	12.2	194.5
Winfield Foundry	do	31	248/ 52	300	8.8	1,200	1.7	26.3
Detroit Axle	Auto parts and axles	51	3,482/606	4,088	119.4	16,352	22.4	357.8
Detroit Forge	Auto forgings	51						
Detroit Universal	U-joints, drivetrain, steering	24	948/140	1,088	31.8	4,352	6.0	95.2
Amplex Harper	Powdered metal products	51	315/115	430	12.6	1,720	2.4	37.6
McGraw Glass	Glass fabrication	43	610/141	751	21.9	3,004	4.1	65.7
Trenton Chemical	Brake linings, adhesives, etc	32	257/140	397	11.6	1,588	2.2	37.4
Lansing/Lyons[1]	Trim components	14	541/111	652	19.0	2,608	3.6	57.1
Indiana:								
Indianapolis:								
Indiana Foundry	Engine castings	20	848/201	1,049	29.3	4,196	5.5	91.8
Indiana Electrical	Electrical components, power steering units.	28	2,601/392	2,993	83.7	11,972	15.7	262.0
Kokomo:								
Kokomo Casting	Aluminum castings	14	761/143	904	25.3	3,616	4.7	79.1
Kokomo Transmission	Automatic transmissions	13	5,109/751	5,860	163.9	23,440	30.7	512.9
New Castle:								
New Castle Forge	Powertrain components	54	2,240/367	2,607	72.9	10,428	13.7	228.2
New Castle Machining	do	54						
Michigan City: New Castle Molded Product	Plastic parts	3	241/ 54	295	8.2	1,180	1.5	25.8
Ohio:								
Dayton: Dayton No. 1	Air-conditioners and heaters	54	1,635/291	1,926	51.9	7,704	9.7	168.6
Fostoria: Fostoria Foundry	Iron castings	7	531/121	652	17.6	2,608	3.3	57.1
Sandusky; Vinyl Products	Plastic products	11	207/137	344	9.3	1,376	1.7	30.1
Toledo: Toledo Machining	Machining components	12	2,033/356	2,389	64.5	9,556	12.1	209.1
Twinsburg: Twinsburg Stamping	Auto stampings	22	3,280/468	3,748	101.1	14,992	19.0	328.1
Van Wert: Amplex (3 plants)	Powered metal products, magnets, extrusions	14	304/ 43	347	9.4	1,386	1.8	30.4
Missouri: St. Louis:								
St. Louis Car	LeBaron, Diplomat	20	4,337/527	4,864	128.5	19,456	24.1	425.7
Missouri Truck	Vans	13	3,622/414	4,036	106.5	16,144	20.0	353.3
Illinois: Belvidere: Belvidere Assembly	Omni/Horizon	14	4,574/502	5,076	136.7	20,304	25.6	444.3
Delaware: Newark: Newark Assembly	Aspen/Volare; Diplomat/LeBaron	27	3,960/517	4,477	108.2	17,908	20.3	391.9
New York: Syracuse: New Process Gear	Manual transmissions; axles	18	3,133/546	3,679	112.2	14,716	21.0	322.0
Alabama: Huntsville: Huntsville Electronics	Electronic components	14	1,100/641	1,741	40.7	6,964	7.6	152.4

[1] Plants to be phased out within next calendar year.

PARTIAL LISTING OF CHRYSLER FACILITIES, DEALERS, AND SHAREHOLDERS

	Employees	Wages (millions)	Suppliers	Direct local purchases (millions)	Auto dealers	Marine dealers	Dealer employment	Direct local taxes (millions)	Shareholders
Alabama	1, 894	$45. 6	480	—	61	29	1, 226	$0. 8	1, 512
Alaska	0	0	8	. 0	4	—	169	. 0	114
Arizona	35	1. 8	44	7. 6	28	0	380	. 1	1, 535
Arkansas	17	. 4	18	. 5	66	18	1, 806	0	429
California	1, 248	30. 1	59	84. 1	230	26	6, 460	. 9	12, 468
Colorado	129	3. 4	38	3. 4	51	9	1, 646	. 1	1, 220
Connecticut	46	1. 4	324	96. 6	68	14	1, 818	. 2	3, 773
Delaware	4, 897	118. 5	112	11. 4	14	5	389	3. 6	1, 416
Washington, D.C	0	0	14	. 1	3	1	83	0	647
Florida	808	12. 5	142	2. 8	126	96	3, 254	. 8	11, 089
Georgia	234	6. 7	116	31. 5	88	31	3, 443	. 3	1, 714
Hawaii	0	0	2	0	5	1	1—	. 1	700
Idaho	11	. 2	2	. 1	33	6	898	0	324
Illinois	5, 455	146. 9	1, 468	376. 6	253	50	6, 828	4. 0	10, 350
Indiana	14, 675	410. 3	1, 431	453. 8	147	37	4, 002	8. 2	4, 740
Iowa	23	. 6	53	30. 1	156	37	4, 141	. 4	1, 594
Kansas	158	4. 4	38	3. 4	91	13	2, 431	. 2	1, 213
Kentucky	27	. 7	78	28. 4	82	21	2, 237	0	1, 520
Louisiana	270	7. 6	271	11. 9	70	31	1, 975	. 7	1, 470
Maine	11	. 3	5	. 2	45	11	1, 225	0	708
Maryland	149	4. 2	95	4. 5	73	26	2, 028	. 1	3, 129
Massachusetts	228	6. 1	319	26. 6	100	27	2, 943	. 3	5, 395
Michigan	82, 060	2, 395. 6	6, 314	2, 456. 9	187	70	5, 212	94. 6	43, 433
Minnesota	165	4. 4	151	39. 2	149	61	4, 194	. 4	1, 977
Mississippi	17	. 4	15	. 9	52	23	1, 597	0	557
Missouri	9, 223	243. 6	561	99. 1	135	28	1, 650	5. 4	4, 186
Montana	0	0	1	0	34	10	936	0	428
Nebraska	50	1. 4	14	. 1	69	30	1, 894	0	670
Nevada	17	. 3	4	. 4	13	6	368	0	294
New Hampshire	0	0	47	23. 7	34	10	935	0	683
New Jersey	112	3. 3	557	69. 4	143	39	3, 913	. 5	10, 204
New Mexico	0	0	1	0	26	0	716	0	390
New York	4, 205	128. 2	1, 333	295. 3	305	69	8, 275	6. 4	22, 181
North Carolina	32	. 9	62	31. 6	106	33	2, 971	. 1	1, 664
North Dakota	10	. 3	2	0	42	10	1, 142	0	340
Ohio	11, 195	302. 1	2, 451	1, 024. 3	260	33	6, 935	9. 2	9, 449
Oklahoma	28	. 7	28	. 7	70	16	2, 000	. 1	664
Oregon	119	3. 0	29	3. 6	50	20	1, 400	. 1	892
Pennsylvania	935	25. 0	901	428. 9	350	36	9, 280	. 5	12, 643
Rhode Island	0	0	51	5. 1	17	5	467	0	909
South Carolina	44	. 9	33	3. 1	51	16	1, 406	0	1, 006
South Dakota	0	0	8	0	40	11	1, 075	0	361
Tennessee	169	4. 7	128	53	103	26	2, 808	. 2	1, 539
Texas	747	15. 8	381	53. 2	213	107	6, 073	. 7	3, 002
Utah	16	. 4	7	. 2	33	6	888	0	367
Vermont	0	0	7	. 9	27	4	722	0	401
Virginia	94	2. 5	54	77. 9	128	21	3, 433	. 1	3, 320
Washington	37	. 9	21	1. 6	63	31	1, ——	. 8	1, 519
West Virginia	15	. 3	13	6. 7	74	7	1, 980	0	1, ——
Wisconsin	950	17. 3	562	102. 7	167	71	4, 692	. 6	2, 814
Wyoming	0	0	2	. 1	21	4	566	0	203
Total, this listing	140, 615	3, 954. 0	19, 454	5, 975. 0	4, 769	1, 402	131, 002	140. 4	149, 065

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EXHIBIT 6

SUMMARY OF EMPLOYMENT AND ECONOMIC OUTPUT LOSSES FROM COMPLETE SHUT DOWN (DIRECT AND SECONDARY)

THIS IS OUR CONSERVATIVE ESTIMATE

	Employment loss	Lost economic output (millions)
Auto production	241, 418–294, 415	[1] $22, 006
Other	[2] 50, 776	11, 067
Total	292, 194–345, 191	33, 073

[1] This is understated because of our method.

[2] Minimum.

Note: This does not include multipliers in the dealer or supplier networks.

EMPLOYMENT AND ECONOMIC OUTPUT EFFECTS, AUTOMOTIVE PRODUCTION FACILITIES ONLY (DOES NOT INCLUDE STAFF, DEFENSE, FINANCIAL, REAL ESTATE, DEALERS, MARINE)

State and location	Chrysler auto production employment	Economic flow through plants (estimated) (million)	Direct and secondary job losses (range)	Direct and secondary economic output losses (millions)
Michigan:				
Ann Arbor	1, 276	$112	3, 062–3, 828	$280
Detroit	51, 676	4, 523	124, 022–155, 028	11, 308
Lansing-Lyons	652	57	1, 565–1, 956	143
Total	53, 604	4, 692	128, 650–160, 812	11, 730
Indiana:				
Indianapolis	4, 042	354	9, 701–12, 126	885
Kokomo	6, 764	592	16, 234–20, 292	1, 480
Michigan City	295	26	708–885	65
New Castle	2, 607	228	6, 257–7, 821	570
Total	13, 708	1, 200	32, 899–41, 124	3, 000
Ohio:				
Dayton	1, 926	169	4, 622–5, 778	423
Fostoria	652	57	1, 565–1, 956	143
Sandusky	344	$30	826–1, 032	$75
Toledo	2, 389	209	5, 734–7, 167	523
Twinsburg	3, 748	328	8, 995–16, 491	820
Van Wert	347	31	833–1, 041	78
Total	9, 406	824	22, 574–28, 218	2, 060
Missouri: St. Louis	8, 900	779	21, 360–26, 700	1, 948
Illinois: Belvidere	5, 076	444	12, 182–15, 228	1, 100
Delaware: Newark	4, 477	392	10, 745–13, 431	980
New York: Syracuse	3, 679	322	8, 830–3, 679	805
Alabama: Huntsville	1, 741	153	4, 178–5, 223	383
Total auto production	100, 591	8, 806	241, 418–294, 415	22, 006

Note: Our measure understates the economic flow at each factory.

OTHER EMPLOYMENT AND ECONOMIC EFFECTS BEYOND AUTOMOTIVE PRODUCTION

State, location and function	Employment	Direct economic flow (estimated) (millions)
Michigan—Detroit:		
Central offices	12, 018	$1, 055
Defense	5, 437	477
Marine	1, 505	132
Factory office	2, 143	188
Sales and marketing	7, 393	649
Mexico: Auto	7, 286	640
Canada: Auto	14, 994	1, 316
Total	50, 776	4, 427

NOTES

Estimated direct and secondary economic output loss $11,067,000,000.

The measure we have used understates the economic effects at the factory, and overstates the economic effects of corporate staff. This means the economic effects we have measured are conservative, since most economic power resides in factory base.

EXHIBIT 7

GEOGRAPHIC DISTRIBUTION OF SKILL MIXES

State and location	Chrysler	Ford	GM	AM	IH	Total, SMSA
Indiana: Michigan City						295
Materials	295	(1)	(1)	(1)	(1)	
Ohio:						
Dayton						24,615
Components	1,926	(1)	22,689	(1)	(1)	
Other						
Fostoria						652
Foundry	652	(1)	(1)	(1)	(1)	
Sandusky						5,771
Materials	344	(1)	(1)	(1)	(1)	
Components		2,427	3,000			
Twinsburg						3,748
Stamping	3,748	(1)	(1)	(1)	(1)	
Toledo						18,342
Components	2,389	(1)	8,286	(1)	(1)	
Stamping		1,165		6,502		
Van Wert						5,436
Metals	374	(1)	(1)	(1)	(1)	
Engines						
Missouri: St. Louis						21,175
Assembly	8,900	3,175	9,100	(1)	(1)	
Illinois: Belvidere						5,076
Assembly	5,076	(1)	(1)	(1)	(1)	
Michigan:						
Ann Arbor:						
Components	1,276	(1)	11,500	(1)	(1)	16,191
Material		3,415				
Detroit, SMSA	49,354	72,400	101,402	200		223,455
Assembly, Stamping	34,001	37,540	70 667	(1)	(1)	
Engine	5,480	1,287	17,700	(1)	(1)	
Foundry	2,477	6,169	2,200	(1)	(1)	
Components		17,515	10,835			
Other	7,396	9,889	(1)	200	(1)	
Detroit, central city	27,343	6,409	41,270			75,020
Assembly, stamping	16,888	5,322	23,900	(1)	(1)	
Engine	2,877	1,087	10,200	(1)	(1)	
Foundry	2,447	(1)	(1)	(1)	(1)	
Components	3,943	(1)	7,170	(1)	(1)	
Other	1,188	(1)	(1)	(1)	(1)	
Indiana:						
Indianapolis:						
Assembly, stamping			5,134	345		
Engine			4,000		2,500	
Foundry	1,049	(1)	(1)	400	(1)	
Components	2,993	4,793	(1)	(1)	(1)	
Other						
Kokomo						8,764
Foundry	904	(1)	(1)	(1)	(1)	
Components	5,860	(1)	2,000	(1)	(1)	
New Castle						2,607
Chassis components	2,607	(1)	(1)	(1)	(1)	
Delaware:						
Newark						6,202
Assembly	4,477	(1)	1,725	(1)	(1)	
New York:						
Syracuse						5,290
Component	3,679	(1)	(1)	(1)	(1)	
Stamping			1,611			
Alabama:						
Huntsville						2,741
Components	1,741	(1)	1,000	(1)	(1)	

[1] No compatibility of skill mix.

EXHIBIT 8

IF CHRYSLER SHUT DOWN, COULD FORD AND GM PICK UP THE CHRYSLER SEGMENTS OF THE MARKET?

[In thousands]

Market segment by Chrysler body size (small to large reading downward)	Recent Chrysler sales, before worst slump	Available excess capacity at Ford and GM for these segments [1]	Any leftover units, which would not be picked up domestically?
L-body	307	81	226
F-body	302	287	15
M, Sx	263	430	
R-body	134	514	
Pickups	154	814	
Vans	93	368	

[1] This capacity would all be supplied from existing Ford and GM workforce. It would not require hiring any Chrysler workers. This is reinforced by seniority rules.

Source: MVMA, Ward's, TSC capacity analysis.

EXHIBIT 9

PARTS WHICH CHRYSLER PURCHASES OUTSIDE

Substantial purchases

Batteries.
Bearings.
Bumpers.
Carburetors.
Carpets.
Cloth.
Decorative die castings.
Malleable iron.
Nuts, bolts, fasteners.
Radiators.
Raw glass.
Seat belts.
Steel.
Tires.
Wheels.

Partial purchases

Engines.
Shock absorbers.
Starters.
Air pumps.
Driveshafts.
Rack and pinion steering.
Seat foam.
Air conditioners.
Suspension members.
Brake discs.
Lamps.
Insulation.
Catalytic converters.
Electronic controls.
Stampings.
Transmissions (manual).

GM would purchase almost none of these items. Ford tends to purchase some portion of both lists, but they do so only as an additional flexible source to their integrated operations on the same items. The percentage of Ford purchases would be substantially lower than Chrysler's. Ford would purchase no engines, drivelines, or important suspension components.

EXHIBIT 10

CHRYSLER PLANTS WHICH PROVIDE IMPORTANT COMPONENTS TO OTHER AUTO MANUFACTURERS

Introl (instrument clusters, emission control devices):	
Domestic	American Motors (instrument cluster). General Motors (emission control devices).
Foreign	Peugeot-Citroen (instrument clusters).
Detroit Universal (prop-shafts):	
Domestic	American Motors.
Amplex Powdered Metal Products (80 percent of sales to outside) Automotive and nonautomotive:	
Domestic	General Motors. Ford Motors. American Motors. International Harvester.
Toledo Machining (torque converters):	
Domestic	American Motors. International Harvester.
Foreign	Mitsubishi. Peugeot-Citroen.
Kokomo Transmissions (automatic-RWD, Automatic transaxles-FWD):	
Domestic	American Motors. International Harvester.
Foreign	Simca. Mitsubishi. Peugeot-Citroen (transaxles).
New Process Gear (front-wheel-drive 4x4, transfer case):	
Domestic	General Motors. Ford. American Motors. International Harvester.

EXHIBIT 11

CHRYSLER ASSETS WHICH ARE MOST VALUABLE TO OUTSIDE PURCHASERS

	Value of estimated earning (millions)
Valuable for earnings:	
New Process Gear	[1] $350–$450
Introl Division	40– 70
Valuable only for production capacity (requires purchaser who needs this specific auto capacity):	
	Values are guesstimates based on tooling cost (millions)
Kokomo Transmission	$100–$300(?)
Belvidere Assembly	100– 200(?)
Newark, Delaware	(?)
St. Louis, Assembly only	(?)

[1] Throughout has slowed by 30 percent because of dropping GM and Ford truck sales.

EXHIBIT 15

Recent or pending GM asset placements	Recent or pending Ford asset placements
In Detroit:	In Detroit:
Clark Ave. Cadillac.	None.
In Detroit SMSA:	In Detroit SMSA:
Romulus.	Flat Rock.
Pontiac.	Sterling.
Livonia.	Dearborn.
Warren.	Mount Clemens.
	Sterling Heights.
	Wayne.
	Wixom.
Outside Detroit area:	Outside Detroit area:
Windsor, Ontario, Canada.	Tulsa, Okla.
Oklahoma City, Okla.	Milan, Mich.
Shreveport, La.	Rawsonville, Mich.
Three Rivers, Mich.	Sandusky, Ohio.
Ypsilanti, Mich.	Indianapolis, Ind.
Wilmington, Del.	Los Angeles, Calif.
Saginaw, Mich.	Atlanta, Ga.
Tonawanda, N.Y.	Allen Park, Mich.
Lansing, Mich.	St. Paul, Minn.
Van Nuys, Calif.	San Jose, Calif.
Flint, Mich.	Cleveland, Ohio.
Bowling Green, Ky.	Batavia, Ohio.
Norwood, Ohio.	Chicago, Ill.
Dayton, Ohio.	Saline, Mich.
Moraine, Ohio.	Romeo, Mich.
Parma, Ohio.	Louisville, Ky.
Grand Rapids, Mich.	Sheffield, Ala.
Linden, Mich.	Kansas City, Mo.
Anderson, Ind.	Ontario, Canada.
Philadelphia, Pa.	Lima, Ohio.
Kettering, Ohio.	Buffalo, N.Y.
Clinton, Miss.	
Bedford, Ind.	
Messena, N.Y.	
Fredricksburg, Va.	
Constantine, Mich.	
Limestone, Ala.	
Buena Vista, Mich.	

EXHIBIT 16

GM'S DETROIT FACILITIES[1]

Fisher Body:	
Central Plant, Fleetwood Plant, Fort St. Plant.	These are stamping facilities for Cadillac. They employ 10,242 workers. They have excess capacity with these workers.
Cadillac Detroit Assembly, Cadillac Detroit Press. Metal, Cadillac Engine.	These plants produce for Cadillac. Portions of 2 of them will move out of the city. This will release some of their 10,000 workers.
Chevrolet Gear and Axle, Chevrolet Forge, Chevrolet Light Truck.	These plants produce for heavier cars and trucks. They are underproducing with their 9,610 workers, and cannot absorb new employment.
Detroit Diesel	Makes heavy truck engines. If big truck sales continue, they might pick up some workers. They employ 9,000.

[1] These are the only automotive facilities near Chrysler's worker population in central Detroit. They cannot pickup many workers. Chrysler could release as many as 27,000 production workers in this area.

EXHIBIT 17

CHRYSLER SHUTDOWN WOULD HAVE STRONG IMPACT ON MINORITY EMPLOYMENT AND ECONOMY

Total Chrysler employment roll (8/8/79 more than 23,000 of these are on layoff), 140,977.

Of this, minority employment is—36,400 black; 1,336 Hispanic; and 792 other, 38,528.

Most minority employment is in Detroit. Fifty-four percent of Detroit employment is minority.

Of blue collar workers, 35,000 or 33 percent are minority.

Of white collar workers, 3,500 or 10 percent are minority.

Chrysler payroll to black workers is $800 million. (Bureau of Census, special studies P-23 No. 80, States that estimated black economy in U.S. is $80 billion. Chrysler payroll appears to be 1 percent.)

EXHIBIT 18

CHRYSLER SHUTDOWN WOULD SEVERELY AFFECT CHRYSLER PENSIONS AND STOCK HELD IN EMPLOYEE RETIREMENT PLANS

December 31, 1978 value of vested pension benefits exceeded funds by $1.1 billion.

It is estimated that $800 million is insured.

Approximately 25 percent of Chrysler stock is employee-held. Value lost at various marked prices would be:

$8—$124 million.

$13—$202 million.

$25 (past purchase)—$388 million.

Present value of employee dividends (.90 rate, 20 yr., @ 7%) =$150 million.

Book value lost=$651 million.

Remaining stock (current market value $375 million) is held by individuals, not institutions.

EXHIBIT 19

FOR CHRYSLER, THE DIFFERENCE BETWEEN THIS RECESSION AND THE LAST IS THE HIGH PROPORTION OF FIXED CAPITAL SPENDING IN FINANCIAL FLOWS

	1974	1978
Decline in unit sales (percent)	(−16.8)	(−5.0)
Cash outflow (millions)	$766	$768
Capital spending (millions)	$467	$671
Percentage of capital spending in cash outflow	61	87

EXHIBIT 20

CHRYSLER'S FORWARD DEBT REPAYMENT SCHEDULE IS LARGE, ESPECIALLY WHEN COMPARED TO LARGER VOLUME COMPETITORS

[Estimated forward long-term debt obligations in millions]

	Chrysler	Ford	GM
Year:			
1979	$12.4	$255	$137.8
1980	302.6	242	53.5
1981	49.5	78	75.4
1982	86.1	87	72.2
1983	87.6	109	50.8
1984	42.0	50	43.0
1985	42.0	33	343.0
1986	42.0	106	55.0
1987	42.0	124	16.0
1988	42.0	109	16.0
1989	42.0	34	16.0
1990	42.0	34	16.0
1991	42.0	34	16.0
1992	42.0	34	16.0
1993	42.0	34	16.0
1994	42.0	34	16.0
1995	42.0	34	16.0
Total	1,042.0	1,431	975.0

Source: 10-K's and TSC estimates.

CONGRESSMEN AFFECTED BY CHRYSLER SHUTDOWN

Congressmen	Congressional district
Michigan:	
John Conyers (Democrat), Detroit	1
Carl Pursell (Republican), Plymouth	2
Harold Sawyer (Republican), Rockford	5
Bob Carr (Democrat), East Lansing	6
Charles Diggs (Democrat), Detroit	13
Lucien Nedzi (Democrat), Detroit	14
William Ford (Democrat), Taylor	15
John Dingell (Democrat), Detroit	16
William Brodhead (Democrat), Detroit	17
James Blanchard (Democrat), Pleasant Ridge	18
Senator Don Riegle (Democrat).	
Senator Carl Levin (Democrat).	
Indiana:	
John Brademas (Democrat), South Bend	3
Elwood Hillis (Republican), Kokomo	5
Dave Evans (Democrat), Indianapolis	6
Philip Sharp (Democrat), Muncie	10
Andrew Jacobs (Democrat), Indianapolis	11
Senator Richard Lugar (Republican).	
Senator Birch Bayh (Democrat).	
Ohio:	
Tony Hall (Democrat), Dayton	3
Tennyson Guyer (Republican), Findlay	4
Delbert Latta (Republican), Bowling Green	5
Tom Ashley (Democrat), Maumee	9
Don Pease (Democrat), Oberlin	13
Charles Vanik (Democrat), Euclid	22
Senator Howard Metzenbaum (Democrat).	
Senator John Glenn (Democrat).	
Missouri:	
Robert Young (Democrat), St. Ann	2
Senator John Danforth (Republican).	
Senator Tom Eagleton (Democrat).	
Illinois:	
John Anderson (Republican), Rockford	16
Senator Charles Percy (Republican).	
Senator Adlai Stevenson III (Democrat).	
Delaware:	
Tom Evans (Republican), at large	1
Senator William Roth (Republican).	
Senator Joseph Biden (Democrat).	
New York:	
James Hanley (Democrat), Syracuse	32
Gary Lee (Republican), Ithaca	33
Senator Jacob Javits (Republican).	
Senator Daniel Moynihan (Democrat).	
Alabama:	
Rollie Flippo (Democrat), Florence	5
Senator Howell Heflin (Democrat).	
Senator Don Stewart (Democrat).	

Mr. RIEGLE. Mr. President, will the Senator yield for a comment?

Mr. EAGLETON. Yes, I am pleased to yield to the Senator from Michigan.

Mr. RIEGLE. I just want to commend the Senator for his statement, and say that I support very strongly the points he has made today in this debate. This debate will continue for some period of time and is a vitally important one from a national economic point of view. It has a bearing on particular States in the extreme, certainly, the State of Missouri and my State of Michigan—but the national implications of the 600,000 workers losing their jobs and increasing the Federal deficit by something on the order of $11 billion is a national economic danger that affects all 50 States, and therefore our entire economic system.

I think we must carefully weigh the national economic implications and the individual family hardships involved here, so that we can evolve a course of action. The remarks of the Senator from Missouri, I think, are an important part of a serious discussion which needs to continue. I also want to acknowledge the important leadership that Senator EAGLETON is giving to finding a workable answer to this problem.

Mr. EAGLETON. I thank the Senator from Michigan. From the very early days of this discussion—which, by the way, goes back several weeks to when it was becoming apparent that the Chrysler Corp. was heading into great difficulty—the Senator from Michigan has exercised a key leadership role in this matter, indeed the key leadership role, and I compliment him for his continued and keen interest in this subject matter. I think the brief synopsis he has just delivered is preeminently correct.

Mr. RIEGLE. I thank the Senator.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that I may proceed for 30 seconds.

The PRESIDING OFFICER (Mr. EAGLETON). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M. TOMORROW — UNANIMOUS-CONSENT AGREEMENT AS TO ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request with the minority leader (Mr. BAKER), and I will condition it on his approval. I see he is now present; I was just saying that I would condition the following request on the majority leader's approval:

I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 1 o'clock p.m. tomorrow; that the time of the two leaders on tomorrow be limited to 5 minutes each; that upon the expiration of that time or its being yielded back, the Senate proceed to the consideration of the second concurrent budget resolution; and that upon the disposition of that concurrent resolution, the Senate proceed to the consideration of S. 14.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I apologize to the majority leader that I was not on the floor when he began his request; I was in the Republican cloakroom on the telephone.

But it is my understanding that the request consists of these parts: first, upon the completion of the matter now pending before the Senate, that we proceed to the consideration of the second concurrent budget resolution. Is the request that that begin tomorrow after we convene at 1, or today after we finish with the pending business?

Mr. ROBERT C. BYRD. Tomorrow.

Mr. BAKER. Tomorrow; that we come in at 1 o'clock, and following on after the disposition of the second concurrent budget resolution, that we proceed immediately to the consideration of S. 14?

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. It would appear to me, then, that that would produce a schedule that would have us on the second concurrent budget resolution Wednesday afternoon or Thursday, and thereafter until it is completed?

Mr. ROBERT C. BYRD. Not necessarily. Just to begin its consideration on the disposition of the second concurrent budget resolution.

Mr. BAKER. I thank the majority leader. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Virginia for permitting this matter to come ahead of his order.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 15 minutes.

THE RUSSIAN COMBAT BRIGADE IN CUBA

Mr. HARRY F. BYRD, JR. Mr. President, first I wish to commend and express agreement with the Senator from Washington (Mr. JACKSON) on his appraisal a few moments ago of the continued military buildup in Cuba. I join with Senator JACKSON in commending the Senator from Florida (Mr. STONE). It was Senator STONE who first brought to the attention of the Senate, of the Foreign Relations Committee, and I would suppose of the State Department the existence of a combat brigade in Cuba.

Senator STONE pursued the matter, and although the Secretary of Defense on July 27 denied that there is such a military buildup in Cuba, the State Department was forced to admit in August the existence of a combat brigade in Cuba.

The Senator from Washington, in his comments earlier today, pointed out that the combat brigade is only a part of the Russian buildup in that island just off of our shores. The Senator from Washington mentioned the combat aircraft which are there, and the submarines and other ships of Russian origin which are there.

I share his great concern, and I share the view that Senator JACKSON expressed to the Senate that it is important, not just that the combat troops be removed from Cuba, but that the combat aircraft and the submarines likewise be removed.

Mr. President, on another subject——

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Washington.

Mr. JACKSON. I wish to thank the distinguished Senator from Virginia for his comments. He has been extremely alert and indeed very helpful in analyzing and digging into the situation that we face in Cuba.

The Senator has summed it up very well. This is not just a matter of a combat brigade; it is a matter of dealing with what could become Fortress Cuba.

I commend the Senator for all that he has done and his diligent effort to get the truth and the facts for the American people.

Mr. HARRY F. BYRD, JR. Mr. President, I am grateful to my friend from Washington State. I want to use a quote which the Senator from Washington used earlier, that what has just been made public in regard to Cuba dramatizes that Russia is continuing to exploit the trust of the American people. I think that is a very important element in this whole equation.

THE ADMINISTRATION'S ENERGY PLAN

Mr. HARRY F. BYRD, JR. Mr. President, 6 years now have passed since the Organization of Petroleum Exporting Countries dramatically boosted the price of oil and rocked the industrialized democracies with an oil embargo.

When these shocks were administered to the United States and the other major industrialized nations, there was almost instant agreement in all quarters that steps should be taken to reduce—initially, many said eliminate—the dependence upon OPEC oil.

During the 6 years since the first price boosts and the embargo, what has the United States done to move toward energy independence?

I think most of us would agree that the list of positive steps is pitifully short.

There is the Alaska pipeline. This important link has enabled Alaskan oil to flow southward, but, unfortunately, the lack of an adequate west-east petroleum transportation system has seriously reduced the usefulness of this oil—and increased its cost to the areas most in need of it.

There is the deregulation of natural gas—too little and too late, but at least in motion. And natural gas supplies have increased.

There is a broad-scale effort in research and development, encompassing a multitude of potential energy sources ranging from solar to nuclear fusion.

And just recently, the President has committed himself to the decontrol of oil prices—again slowly and belatedly, but the process has begun.

That is about it.

The rest of the record since 1973 is pretty depressing. The much-heralded swing from oil and gas to coal in the generation of power and in industrial plants has not materialized to any great extent. Nuclear power is hobbled by a combination of soaring costs, safety problems, environmental concerns, and uncertainties about future demand for electricity.

The lengthy and artificial depression of domestic oil prices by the Government has encouraged waste and discouraged new production. Conservation measures have been adopted, such as auto mileage standards, but probably have accomplished little that the market would not have achieved on its own. We have a 55-mile-an-hour speed limit, but its observance is spotty at best.

In summary, there has been no true national commitment to reducing our dependence upon OPEC. As recently as July, James Schlesinger, then Secretary of Energy, said we still have no national energy plan.

We have lost precious time.

In this environment, and while President Carter was in Tokyo for an economic summit, OPEC struck again with yet another 25 percent boost in its already rapacious oil prices.

And so the President returned, retired to Camp David, and then went before the people with what is at least the fourth widely ballyhooed national energy plan since the crisis 6 years ago.

The essential points of the President's proposal are these:

First. The decontrol of oil prices, a process already begun.

Second. The establishment of a target of holding oil imports to 25 percent of consumption by 1990 (imports now are about half of consumption).

Third. A ceiling on oil imports at the relatively high level of 1977 (8.8 million barrels a day).

Fourth. A "windfall profits" tax on revenues according to oil producers as a result of decontrol.

Fifth. A trust fund, financed with windfall profits revenues, to develop synthetic fuels, sponsor automotive efficiency research, subsidize mass transit and provide aid to poor persons hit by escalating fuel bills.

Sixth. Expediting of key energy production decisions by cutting through regulatory red tape, this function to be entrusted to a new agency called the Energy Mobilization Board.

Let us examine this package of recommendations.

First, the decontrol of oil is clearly desirable. I commend the President for taking this action, a necessary first step in meeting our energy problems.

Second, I believe the President is also correct in establishing a target of bringing oil imports down to 25 percent of consumption by 1990.

Third, a ceiling on oil imports may be desirable, but must be set with great caution. We must keep in mind that potential increases in domestic production, or savings from further conservation, may take some time to take effect. The ceiling should not be placed at a level which would create artificial shortages or hamper the productivity or competitiveness of our industry during the period when the Nation is working toward greater independence in energy.

This brings us to points four and five, the heart of the President's proposal, a windfall profits tax and the establishment of a trust fund to spend the proceeds from such a tax.

Some kind of windfall profits tax will be demanded by the public because of the billions in new profits which will flow to oil producers because of price decontrol. Of course, a windfall profits tax would be in addition to increased income taxes on the higher oil industry profits.

We should understand, also, that the administration's so-called windfall profits tax is not a tax on profits at all. It does not rise and fall with profits, nor is it based on any consideration of the oil industry's past profitability.

The Carter administration tax is actually an excise tax on oil, based on the difference between the old, controlled prices and the world price, toward which all prices will be moving under the decontrol program.

This is not necessarily a weakness. An excise tax is simpler to administer than an excess profits tax, although the administration seems to have made its own peculiar excise tax quite complicated.

I might add that the Senate Committee on Finance is finding every day just how complicated this new proposed tax is as the committee continues its deliberations.

One key point is the level of the tax. While equity demands that it be high enough to capture profits which are unreasonable, good sense dictates that it be low enough to permit producers to invest in greater production. Too high a tax could be self-defeating because of lost opportunity for greater energy supplies.

A major weakness in the President's program, as I see it, is the absence of measures to stimulate greater domestic production in the near term. All of the administration's eggs have been placed in the basket of long-term projects to develop new energy sources, and so the program offers little hope of greater oil and gas supplies over the next few years. Indeed, the prospect of any increases in such production is simply written off as impossible.

Independent oil producers, most of them small, heatedly dispute this position of the administration. They are the people in the field, the ones who do the exploring and development needed to bring oil and gas on line, and I believe we should listen to them.

In my view, any windfall profits tax should be structured so as to provide incentives for our independent producers to find new supplies of oil and gas. The independents maintain that they can bring on stream—with sufficient capital—2 million barrels a day of new production, over and above the current level, by 1985, and that is not something which should be written off by the Government.

Therefore I think the so-called windfall profits tax should either be at a level lower than proposed by the administration, or should be designed to permit those who explore for petroleum to retain and reinvest sufficient capital to increase domestic supply in the short run. This is an important, immediate and concrete step which can be taken to lessen our independence upon OPEC.

Once the tax is set at an equitable level, providing an incentive to produce, the question arises as to use of the revenues.

The whole thrust of the administration plan is to subsidize expensive schemes for synthetic fuel development that will not pay off for 10 years—if ever.

The principal feature of the proposal is an ambitious, 10-year synthetic fuel program at a projected cost of $88 billion, to be operated by an Energy Security Corporation (ESC) with trust fund financing.

I think this proposal has several dangers. Synfuel technologies are unproven on a large, commercial scale, and it is hard to see how a figure of $88 billion over a 10-year-period can be projected with any confidence.

Let me say that synthetic fuel programs should be pursued, particularly the ones which promise fuller utilization of coal, but it is not wise to commit huge sums to particular technologies until their potential can be better assessed.

I cannot see how we can justify an advance commitment of $88 billion, as proposed by the President, before we have a chance to monitor progress on these synfuel programs.

The committee in the House of Representatives has taken just that position and I would hope that the Senate would do likewise.

Furthermore, the proposed corporation to run the program would be beyond congressional or Executive control and thus would have no accountability to the taxpayers for the huge sums entrusted to it.

I believe it would be preferable to start the expansion of the synfuels effort—bearing in mind that over 100 projects in this area already are underway—on a smaller scale, and await results at each state of development before committing such an enormous investment of tax funds. And it also seems wise to me to have the agency sponsoring this program an on-budget agency, with full review by the Congress of its work. Such review did not hamper the successful space program, and I see no reason why it should hold back synthetic fuel development. Indeed, it should insure responsibility on the part of the officers and accountability to the public.

Other projects envisioned for use of windfall tax revenues include research, mass transit programs and assistance for the poor.

I see no objection to sponsoring research and development in energy with windfall profits tax funds. Such efforts as are not undertaken by private industry are legitimate endeavors to be undertaken with this money. Again we must bear in mind that as in the case of synfuels, many R. & D. programs in other energy forms already are being conducted, and coordination will be of prime importance.

As to mass transit programs and assistance for those hardest hit by increasing energy costs, I am reluctant to see the windfall profits tax devoted to programs other than energy production and research.

In the case of mass transit, we are dealing essentially with a means of conserving energy. As I see it, mass transit should compete with other efforts in this area for shares of general revenues. I support conservation efforts and indeed have supported most public transportation programs, but I feel that general revenue funding for these projects is the most appropriate.

As to other assistance programs, I am fearful that the administration of such programs may involve the establishment of a whole new bureaucracy setting up complicated guidelines and perhaps even passing out energy stamps or coupons. To the extent that energy-cost aid to the poor is warranted, I think it would be preferable to conduct it through existing programs, with careful controls.

What I fear is that the windfall profits tax will end by creating a huge slush fund for spending schemes of all kinds.

Finally, I think there are two major omissions from the policy set forth in the President's newest energy program. Nowhere is there acknowledgement of the roles which can be played in our energy future by nuclear energy or the direct use of coal.

Everyone recognizes the problems associated with nuclear energy: safety, siting, waste disposal, to list the most prominent. But nuclear power is an ongoing technology, not something in the misty future. I do not think it should be ignored.

Coal is our most abundant energy resource. To be sure, the President's program would call for major increases in coal production, should the technology for synthetic fuels prove workable. But coal is usable as it stands, today, in many applications, particularly the generation of electricity. This too should be taken into account.

A final part of the President's program is the creation of the Energy Mobilization Board to expedite critical energy projects by cutting through redtape. Certainly it is important to reduce bureaucratic delay. But unless there are changes in substantive law, the EMB could well end by hurrying negative decisions.

To summarize, I believe the great strengths of the President's program are the decontrol of oil and the expression of determination to cut the degree of dependence on foreign crude.

The chief problems are the inclusion of too many nonenergy programs in the uses of the windfall profits tax and the ignoring of the potential contribution of oil, gas, nuclear energy and coal in direct use.

By all means let us explore the potential of new sources and new technologies. But let us also use what we have. The energy problem we face is not 10 years away, it is here today, and it calls for immediate production as well as imaginative schemes for the long term future.

The PRESIDING OFFICER (Mr. PRYOR). The 15 minutes of the Senator from Virginia have expired at this time.

The Senator from Michigan is recognized for 15 minutes.

Mr. RIEGLE. I thank the Chair.

Mr. President, I did not intend to make a comment about energy, but in light of the remarks of the Senator from Virginia I will make a brief comment or two because I think there are a couple of essential facts about the energy strategy in the United States that every person needs to bear in mind.

A little over 2 years ago when the Carter administration came to power, they approached the Congress and requested that we set up a Federal energy department.

We set it up at Cabinet level and created a new Cabinet officer to deal with this problem, to dig out the facts, make an assessment, and then, in turn, devise a national energy strategy and policy so that we could deal with this problem.

I might say that the Congress responded to that request quite readily and, as a matter of fact, we acted quickly to establish the Department of Energy.

We gave the power to the President to name a Cabinet officer to run the energy program. We now have about 2 years of performance by that particular agency.

I suspect that not many people in the United States, I say to my friend from Virginia, would imagine the size of today's Energy Department. I spoke yesterday at a chamber of commerce meeting in Livonia, Mich. I asked a group of assembled businessmen how many employees they might guess were presently employed in the Department of Energy.

The first person said, "Well, maybe 3,000." Somebody said, "7,000."

After several had made estimates, I indicated that the current number in the Department of Energy is 19,000.

Then we talked about the size of the budget. The size of the budget for this fiscal year we are concluding for the Federal Energy Department is $10.9 billion.

So it would be wrong, I think, for any citizen to assume that nothing has been done. Although, on the other hand, obviously very little has been done. We have spent an enormous sum of money. We have got a tremendous number of people. But I am quite frank to say that I think this particular agency has been mismanaged as badly as any agency in the history of the Federal Government.

I lay much of that responsibility on the person who was in charge of putting that show together—Schlesinger—and, in turn, on the doorstep of the President himself, who selected Schlesinger and is ultimately responsible for both his performance and the performance of the energy agency.

So it is a little late in the game for someone to say now that here is the energy problem and it is time for the Congress to get busy on this because we have spent as a nation already enormous effort in the area of energy. But, frankly, we have next to nothing to show for it.

But that bungling and ineptness and mismanagement is a story that has not been sufficiently told. Why it has not, I really am at a loss to say.

I think the press has been asleep on this issue. It is asleep today on the issue. Therefore, there is great confusion among the public as to whether or not any good faith effort has been made to try to deal with the energy problem.

The fact is that the effort has been mismanaged from day one. Whether or not the man who now runs it—the former chief executive officer of Coca-Cola, who has been named to run the energy agency—can make some sense of this, after 2 years of lost time, we will have to wait and see. I hope he can. I must say that I was not impressed with his technical credentials; nonetheless, I voted for the confirmation of his nomination because I felt we should have someone in there who could try to make some sense of this.

SOVIET TROOPS IN CUBA

Mr. RIEGLE. Mr. President, the matter of Soviet troops in Cuba has now come to the fore. Had I been here yesterday morning—I was traveling back from Michigan—I would have delivered these remarks then. Therefore, I deliver them this morning.

Regarding that situation and the controversy that has arisen with respect to the Russian presence in Cuba, I agree with President Carter.

I agree with President Carter that the presence of some 2,000 to 3,000 Soviet troops in Cuba, apparently for the past several years, does not pose an immediate security threat to the United States. At the same time, appropriate U.S. diplomatic efforts should proceed with the Soviet Union to pursue the matter to a conclusion that is consistent with U.S. security interests.

That task is not an assignment for the Senate Foreign Relations Committee, Congress, or Presidential contenders, among others; it is the proper responsibility of those directly charged with the administrative duty of conducting American foreign policy.

Those of us with constitutional responsibilities for oversight of American foreign policy can fully meet these responsibilities without attempting to usurp the proper role of the President and his Secretary of State.

This is neither a time, nor a situation, in which hysteria or exaggerated responses by either side are warranted or useful.

All strategic defense matters concerning the United States and the Soviet Union must be evaluated, ultimately, in a comprehensive all-inclusive framework. Therefore, this matter of Soviet troops in Cuba, and all other Soviet military initiatives, must be examined in a context that includes the SALT II treaties.

While it is not immediately apparent to me that a brigade of Soviet troops deployed in Cuba, apparently present there for some several years, has any significant bearing on SALT II consideration, I will await further intelligence briefings before making a final judgment in that regard.

At a moment when the American Presidency is in a severely weakened domestic political posture, we must, as a nation, remain calm and prudent. We must not let domestic political adventurism distort our national judgment or alter the prudent exercise of American diplomacy and other power initiatives.

The United States today has sufficient strength in all forms to appropriately deal with any strategic threats posed by the Soviet Union. The Soviet Union should have no illusions about the ability and willingness of the United States to use whatever resources are necessary to promptly and fully defend our strategic interests—in this hemisphere and all others.

Those in our country who suggest otherwise do a disservice to the United States and, in turn, present a false and dangerous impression to the Soviet Union.

Finally, we should have no illusions about the Soviet Union. They are a determined and dangerous adversary who will attempt to take full advantage of any situation ripe for exploitation. We would be foolish to expect anything but unremitting pressure from the Soviets, and we must plan and act accordingly.

One additional comment with regard to the presentation earlier this morning by the Senator from Washington (Mr. JACKSON).

He raises some new issues—the possibility of a further buildup of forces of various kinds in Cuba that would represent a change in the status quo. My remarks today do not address that question; nor do they address the question of Cuban military initiatives abroad, which are matters about which I have very deep concern.

However, with regard to the comments of the Senator from Washington, I think that any significant development or enlargement of offensive Cuban military capability in this hemisphere would be unacceptable. I believe that any new assertions that suggest that there has been or is about to be such a change in circumstance have to be examined with the greatest care. The issue will have to be examined, but it is not the one on which I wish to focus today, which is the one I addressed in the first part of my comments—namely, the matter of the Soviet troop forces that are presently in Cuba, that have been identified as being there for some period of time, and which have been the subject of debate during the last several days.

SURFACE MINING AMENDMENTS OF 1979

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senate will now proceed to the consideration of S. 1403, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 1403) to amend sections 502(d), 503(a), and 504(b) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide a 7-month extension for the submission and approval of State programs for the implementation of a Federal program.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979," and that the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) is hereby amended as follows:

SEC. 2. Sections 502(d), 503(a), and 504 (a) of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") are amended as follows:

(a) in section 502(d) of the Act in the last sentence, strike the words "forty-two months" and substitute the words "fifty-four months";

(b) in section 503(a) of the Act, strike the words "eighteenth month" and substitute the words "thirtieth month";

(c) in section 504(a) of the Act, strike the words "thirty-four months" and substitute the words "forty-six months";

(d) in section 504(a)(1) of the Act, strike the words "eighteenth month" and substitute the words "thirtieth month";.

SEC. 3. Sections 503(a)(7) and 701(25) of the Act are amended as follows:

(a) in section 503(a)(7) of the Act, strike the phrase "regulations issued by the Secretary pursuant to";

(b) in section 701(25) of the Act, strike the phrase "and regulations issued by the Secretary pursuant to this Act".

SEC. 4. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no nongermane amendments be in order to the surface mining bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that during the consideration of and voting on S. 1403 the following members of the staff of the Energy and Natural Resources Committee be granted the privilege of the floor: Dan Dreyfus, Mike Harvey, Tom Laughlin, and Barbara Haugh.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, today the Senate is considering legislation which, if passed as reported by the Committee on Energy and Natural Resources, would have a seriously deleterious effect on the implementation of the Surface Mining Control and Reclamation Act of 1977. That the Senate should even consider such an action barely 2 years after enacting this landmark legislation is unfortunate. But to enact it after the years of effort which led up to the passage of the act would be tragic.

Enactment of S. 1403, as amended, would:

First. Prevent creation of a uniform national minimum standards which could penalize States that wish to provide greater protection for lands within their border.

Second. Assure extensive litigation over varying interpretations of the law.

Third. Result in the courts "writing regulations" by a series of decisions.

Fourth. Create uncertainty for the coal industry at the very time that stability is needed as a basis for expansion.

Fifth. Delay the approval of State reclamation programs. Without this approval the State of the reclamation fund will not be available to reclaim orphan land.

The environmental, socal, and psychological destruction caused by unregulated surface coal mining in the past several decades finally came to the attention of the general public in the late 1960's. The Buffalo Creek disaster of 1972 in which 125 people lost their lives, served to crystallize the grassroots movement which can take much credit for the law. Another major impetus came with the realization that our national energy needs would require massive surface mining of the western coal fields. Easterners, who lived with previous destruction and westerners who wanted to avoid a similar fate, joined hands to support national legislation.

Much of the support for national legislation came from those who believed in abolition of surface coal mining is indicative of the severity of the problem and the depth of emotions relating to it. Many believed that surface mining should not be abolished, but that a national program involving Federal enforcement is necessary. Two outstanding reasons were cited as the basis for this approach: First, some States had relatively good surface mining control legislation, but could not or would not enforce them, and second, States which did attempt to pass and enforce tough laws were often threatened with the loss of coal operators to neighboring, more lenient States. A national standard, nationally enforced would have remedied both of these problems.

However, neither a program of abolition nor a federally run program became law. Congress made allowance for regional differences and experience by adopting a so-called "State-lead" concept in which national standards would be established, but enforcement would fall to the States, provided they could demonstrate that they had in place a suitable program, capable of meeting the national standards.

Thus, the "State-lead" concept, which the proponents of S. 1403 argue has been so eroded that legislaton is required, already represented a substantial moderation of the position advocated by those most directly affected by surface mining. However, the "State-lead" or "State primary" aspect of the act should not be confused with the preexisting situation.

If it has been the Congress intent to countenance continued vying between States to attract coal operators, sacrificing health, safety, and environmental goals in the process, the Surface Mining Control and Reclamation Act would never have been enacted. Yet the Senate is now being asked to do precisely this. It is being asked to sweep aside the Federal regulations which have been issued pursuant to the act, based on the intent of Congress as expressed in its legislative history. This deceptively simple amendment will create such confusion that enforcement of a national surface mining control program is likely to be set back for several years as the courts are forced to substitute their judgment for that of the Congress—on a State-by-State basis.

One might expect that such a sweeping change in an act which has as yet to be fully implemented would be based on substantial evidence. This is not the case. At the time the committee adopted the substitute text, not one complete State program has even been submitted to the Secretary of the Interior for review. Therefore, the charge that existing law does not provide sufficient flexibility for the design of State programs is based on speculation. Moreover, many of the regulations which would be thrown out are regulations defining terms the meaning of which does not vary between region. These terms include "valid existing rights"; "Government financed construction"; and "substantial legal and financial commitments."

Some States have now submitted a State program or are expected to do so within the next few weeks. The Office of

Surface Mining has responded positively to complaints about its regulations dealing with bonding and with assistance to small operators. It has already made a favorable determination on a petition from the State of Montana regarding a delay in the implementation of the Federal lands program. Director Heine has established a special position in his immediate office to work with the States to assure that questions and concerns are fully addressed. OSM has contracted with the National Governors' Association to provide assistance in identifying State concerns and to facilitate communications. Regular meetings between the Director and his staff and the Interstate Mining Compact Commission, an organization representing 14 coal-mining States have been initiated. In short, far from ignoring the States, there is every evidence that the Office of Surface Mining is bending over backward to understand and accommodate their needs. This process should be given a chance to work.

One change in the law which would help to do this is the delay in the deadline for submissions from the States and a similar delay in the implementation of a Federal lands program in the absence of an approved State program. Judge Flannery's decision of August 22, has accomplished the first of these changes. However, the June 3, 1980, deadline for implementation of a Federal program remains in effect. The Senate should enact this change. It will permit adequate time for consideration of State program submittals. It will facilitate a better working relationship between the OSM and the States. It will remove much of the paranoia of those working under pressure to design the Federal and State programs within extremely tight time schedules. I strongly urge the Senate to adopt such a change in the law which will be offered later, I understand, by Senator MELCHER in the form of a substitute amendment, and reject amendments which will weaken the act.

Before closing, Mr. President, I ask unanimous consent that a telegram dated August 1, 1979 which I received from Gov. Ed Herschler of Wyoming be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

[Telegram]

CHEYENNE, WYO.,
August 1, 1979.

Senator HOWARD M. JACKSON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: This telegram is to confirm my continued support for the Federal lands extension which we agreed to in your office last month.

I also intend to honor my commitment not to push for any other amendments at this time. Both you and Congressman Udall were extremely candid in our discussion about acceptable amendments. I appreciate your assistance on our behalf.

ED HERSCHLER,
Governor of Wyoming.

Mr. JACKSON. There has been much debate over what the Governor said at hearings before the Committee on Energy and Natural Resources and just what he meant. I think that this latest telegram clarifies that he does not seek any deletion of the requirement that State programs be consistent with Federal regulations at this time.

I also have a technical note. I wish to note for the record that the committee report on S. 1403 (96-271) has the following errors:

First. On page 2 of the report, in the fourth line, after word "of", the following should be inserted: "a Federal lands program shall occur and coincide with the implementation of".

Second. Also on page 2, in the first line of the purpose section, the last word in the line should read "for".

Third. On page 36 of the report, in the fourth line from the bottom of the page, a heavy bracket indicating deletion should be placed before the word "regulation" the second time it appears and in the fifth line after the word "to".

Fourth. On page 37, the seventh line from the bottom of the page, after the word "of", the following should be inserted: "a Federal lands program shall occur and coincide with the implementation of".

Mr. President, I yield now to the distinguished Senator from Oregon (Mr. HATFIELD), the ranking minority member of the committee.

Mr. HATFIELD. Mr. President, I thank the chairman of our committee, the Senator from Washington (Mr. JACKSON), for yielding at this point.

I ask unanimous consent that the privilege of the floor be granted to George Ramonas, of Senator DOMENICI's staff, during the consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. MCCLURE), the Senator from Texas (Mr. TOWER), the Senator from New Mexico (Mr. DOMENICI), the Senators from North Dakota (Mr. BURDICK and Mr. YOUNG), the Senators from Utah (Mr. GARN and Mr. HATCH), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wyoming (Mr. SIMPSON), the Senator from Indiana (Mr. LUGAR), the Senator from Virginia (Mr. WARNER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. FORD), and myself be added as cosponsors to S. 1403, a bill to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) to provide an extension of time for the submission and approval of State programs or the implementation of a Federal program, to clarify the contents of a State program, to provide for increased cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, coal has been described as our "ace in the hole." It is this Nation's most abundant fossil fuel. Over 435 billion tons of recoverable reserves bless our lands. Yet we carry in public policy many discriminatory measures to punish increased coal use.

Interpretations of the Clean Air Act have established impediments to expanded coal use, impediments which need not exist to satisfy national ambient air quality standards.

Current regulatory procedures, particularly in these inflationary times, prevent rapid retirement of utility boilers and make it difficult to raise sufficient capital for replacement construction.

Coal is losing the cost advantage it enjoyed subsequent to the oil embargo. Increased Government regulations over the mining, transport, and burning of coal have led to nearly a doubling of coal prices in the last 4 years, while there is significant unemployment and perhaps 150 million tons of unused production capacity at the mines.

No effective coordinating mechanism exists for the numerous Federal agencies and departments involved in dictating coal production, transportation, and use policies. Delay, inaction, and an unacceptably low 2 percent annual growth rate in coal use results.

Because of these constraints, any status report on coal as a domestic energy resource must paint a bleak picture:

Coal production remains stagnant at less than 700 million tons per year; surface mine productivity per man per day has decreased steadily from 36 tons in 1970 to 25 tons in 1978; Federal coal under lease has languished at 0.8 percent of available Government lands since 1970; and the regulatory burden continues to increase.

In his prognostication to the President before leaving office, Secretary Schlesinger laid it out in stark, indeed frightening, terms:

> Without greatly expanded use of coal, this country just may not make it.

With this preamble we today face the Surface Mining Control and Reclamation Act of 1977.

For those of us who labored through the seemingly endless hours of negotiation on the Surface Mining Act, I sense a certain feeling of lost faith. We were assured practical, good sense interpretations of the act would be made and that the States would be given every opportunity to derive their own reclamation laws and programs.

Broken promises and lost faith have resulted.

A nearly unanimous critique of the Office of Surface Mining's performance to date by engineers, industry, States, the Department of Energy, and the Council of Economic Advisers concludes that the final rules add unnecessarily to costs of production and, in some instances, actually preclude more appropriate engineering practices.

Let me cite several specifics:

An analysis, dated June 11, 1979, prepared by the Congressional Research Service concludes:

> Many of the regulations contained in the enforcement program are inconsistent with the spirit of the Surface Mining Act and some appear to be inconsistent with the actual language.

> The sheer magnitude and the intricacies of the requirements could very easily become a hardship to small and intermediate-sized operators with consequent effects on their competitiveness in the coal market.

A massive, detailed report prepared by Consolidation Coal Co. released in May of this year computes the cost difference between "good engineering practices: which meet the letter of the law and final regulations by OSM. Consolidation finds the excess expenditures amount to an average of $2.35 per ton of coal on just 21 of the act's provisions."

The American Consulting Engineers Council concludes that OSM's interpretations of the act add between $3 and $5 per ton in gentle terrain and as much as $8 to $12 in mountainous terrain over and above what would be required to meet the intent of the act.

The National Governors Association criticizes OSM for frustrating State primacy and for making it virtually impossible to develop anything other than a "State level clone" of OSM regulations because of impending deadlines and voluminous paperwork.

The Secretary of Energy, in his report to the President June 4, 1979, on increasing coal production and use, also concludes that OSM regulations may be setting a trend away from the act's intent. He recommends that:

> DOI's surface mining regulations and unsuitability criteria be applied in a way that facilitates increased coal production.

Mr. President, coal may be this country's energy "ace in the hole." But the regulatory overkill fostered by the Office of Surface Mining has dealt us a joker instead. We are in no position to bluff our way through gas lines and inflation caused by huge oil imports. We have to play our coal card.

Short of revamping the law, which most would agree—and I am included—has not had time to be implemented, there are several corrective steps which should be taken to give the States a little more time to prepare their reclamation programs and reestablish the objective of State primacy.

These corrective measures were passed by the Energy and Natural Resources Committee on July 27 as a substitute—the Hatfield-Ford substitute—to S.1403.

S. 1403, as amended, would make, by way of minor modifications, three crucially important changes in the 1977 act as follows:

First. Extend the deadlines for submission and approval of State programs by 12 months;

Second. Delay implementation of a Federal lands regulatory program from October 12, 1979, until State programs are implemented in mid-1980 or early 1981; and

Third. Eliminate the requirement that State regulations be identical to those of OSM thus allowing the States to tailor their regulations to take into account the special needs and unique features of each State so long as those regulations conform to the strict standards of the act.

These changes were specifically proposed by several Governors—including Governor Herschler of Wyoming, Governor Link of North Dakota, and Governor Rockefeller of West Virginia.

S. 1403 makes absolutely no substantive changes in the basic 1977 statute. All of the statutory environmental standards remain intact. And, very importantly, nothing in S. 1403 affects or diminishes the Secretary of the Interior's ultimate responsibility to review State program applications to determine whether State laws and regulations do in fact meet the requirements of the act. In other words, the Secretary continues to retain full authority as originally authorized by the statute to approve or disapprove State programs. If the State-proposed regulations are found lacking by the Secretary, he may and, in fact, must disapprove those regulations and reject the State program.

The permanent program regulations recently promulgated by the Office of Surface Mining will not be voided. They will remain available as a basis for comparison by the Secretary with State program submittals, as well as for implementation on Federal lands and in those States which either fail to gain regulatory authorization or choose not to do so. The Secretary is faced with no greater threat of litigation in making these rulings than he would be under the current statute and his own "State window" regulatory exception.

Mr. President, the three amendments to the Surface Mining Act which comprise S. 1403, are a meager but important beginning to bringing the act back in line with the congressional objective of State primacy.

I should like to digress just a moment.

We are increasingly faced here in Congress with new proposals to provide for a one-House or two-House congressional veto over regulations promulgated by executive agencies—due in part to the fact that these regulations either have become overly burdensome or such regulations have failed to be in conformity with the original legislative act, legislative intent, or legislative history. That is one of the reasons why, even at the current time, the Senate, in the Energy Committee, is considering such a one-House veto—or a two-House veto—on matters relating to the Energy Mobilization Board, because of the record of these agencies failing to live up to and implement rules and regulations in conformity with the act as originally intended.

Other amendments may be needed at some future date, but I urge my colleagues first to view the results of this bill. S. 1403 may mend a few broken promises and restore a little faith. It may also help us play that ace that we need desperately today known as coal.

Mr. President, I am particularly pleased to be in the same league and in the same corner today with my colleague and good friend from Kentucky (Mr. FORD), who has given extraordinary leadership to the proposals I have discussed in my opening statement while we served as members on the Energy Committee together.

Mr. FORD. Mr. President, I thank my colleague from Oregon for his kind words. It is always a joy to be with someone in a battle when he articulates the problem and the ultimate solution to that problem so well. He comes only armed with the silver tongue of truth. When you have that, it is difficult to go against you.

Mr. President, I should like to make a few remarks relating to S. 1403, the Surface Mining Amendments of 1979. We shall get into some of the debates and some of the statements made by the chairman of our committee (Mr. JACKSON) a little later. I understand the distinguished Senator from Montana wants to close the window which we already have in the bill, but we shall get to that shortly.

Mr. President, S. 1403 was originally introduced by our distinguished chairman, Senator JACKSON, at the request of the administration. It provided for a 7-month delay for submission of State programs for surface-mining regulation and reclamation. It also provided for a 7-month delay for Federal approval of the State programs and deleted the authority of the Secretary to extend for an additional 6 months in States where an act of the legislature is needed to comply with the Surface Mining Act.

Federal regulations had been 7 months late in being promulgated under the act. Every reasonable person recognized that delay was necessary or the result would be a nationwide Federal administration of surface-mining regulation and reclamation.

The administration recognized it. They came to Congress to ask for it. The U.S. District Court for the District of Columbia, on July 25 of this year, granted the States a 7-month extension to March 3, 1980. However, the court held that the June 3, 1980, deadline for Federal approval of State programs was mandatory and required legislative changes.

The court, in its order, made a point that is important in consideration of S. 1403 as amended and reported:

> [The Secretary] cannot escape the effect of his own delays and for his administrative convenience, take time from the States that the Act requires them to have. Such a result would be an affront to *the principles of Federalism that underlie this national structure.*

Mr. President, I emphasize—"the principles of Federalism that underlie this Nation's structure." When the Congress enacted the Surface Mining Control and Reclamation Act of 1977 after years of struggle and months of intensive committee, floor, and conference work, it based the law on the principles of Federalism. The administration of the law and Federal requirements beyond the law abandon these principles of federalism.

S. 1403, as reported, seeks to redress this abandonment.

The 1977 law finds that, and I quote:

> The primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

The Federal role is to, and I quote:

> Assist the States in developing and implementing a program to achieve the purposes of this act;

The Secretary is to, quoting again:

> Assist the States in the development of state programs for surface coal mining and reclamation operations which meet the requirements of the act, and at the same time, reflect local requirements and local environmental and agricultural conditions.

I think the distinguished Senator from Oregon and I are saying the same thing, maybe in different manners, but we are coming down on the same points.

Mr. President, S. 1403, as reported, seeks to restore these principles of federalism that have been abandoned in the administration of the act.

Mr. President, the 1977 act is a detailed piece of legislation which specifies the standards to be met by the States in carrying out their primary role under the act.

This is the most vital part of S. 1403 and this is what I hope my colleagues will understand. The focal point of S. 1403 should be this:

Congress recognized that State regulations would have to be detailed to meet the standards of the act but the primary responsibility for developing and enforcing regulation was assigned to the States: The Federal role was to assist—to assist—the States and to take over a program when a State did not meet the requirements of the act.

Mr. President, S. 1403, as reported, addresses two problems—the necessary delay in implementation and, more basically, the principles of federalism that underlie this Nation's structure.

Section 2 extends the statutory deadline for submission of State programs by 12 months from February 3, 1979, to February 2, 1980. This has the effect of extending the current August 3, 1979, deadline (which includes a 6-month extension granted by the Secretary) for 6 months to February 3, 1980. This section leaves intact the authority of the Secretary to extend the deadline for an additional 6 months in States where compliance with the act requires an act of the State legislature. This section also extends by 12 months the date by which the regulatory authority must take action on permits to operate under a permanent program and the deadline for imposition of a Federal program.

The committee believed that it would take States longer to redesign State submissions which are partially completed, but based on the regulations. Additional time would probably be required to restructure programs based upon consistency with the act.

The extension of time for State legislatures to take necessary action is retained because of the recurring OSM findings that a State law does not give the State administrator the authority to issue a particular set of regulations.

Let me digress just a minute. When the State legislature considered a piece of legislation—and this is a fact—the Attorney General as the one law enforcement official of that State, gave the opinion that the bill complied completely with the Federal law. The State legislature then passed overwhelmingly that piece of legislation believing that their State was in compliance with Federal law.

The Attorney General said that they did comply, as the courts later found. But when the plan was submitted, OSM officials said "No, you do not comply because we're now legislating by regulation, even though the thrust of this regulation is not backed by the intent of legislation."

This is a fact. This is something we have to stop here in Washington. We have to stop it by introducing legislation to restructure the thinking of bureaucrats that the intent of Congress is such.

The net result of this has been a practical requirement that, more and more, State law has had to conform not only to the Federal law but also to the Federal regulations.

We have gotten into a cookbook proposition. Federal officials say that State law must be identical to Federal law. But when the laws are identical and an agreement is reached on intent, the States are told that the regulations have to be identical. That becomes a cookbook in which States have no standing and the intent of the legislation is usurped.

As the act is now being administered, the only way for a State to insure compliance would be to enact the Federal regulations as State law.

And the regulations are not in compliance with the intent of the legislation or the intent of Congress.

The original 1977 bills in both Houses of Congress did require that State law conform to Federal law and regulations. The Congress dropped this but the OSM is seeking to achieve the same end in its administration of the program.

Section 3 deletes the requirement in the act that State programs submitted to the Secretary for approval or disapproval have rules and regulations consistent with the regulations issued by the Secretary pursuant to the act. The section leaves intact the requirement that rules issued by the States be consistent with the act. Nothing was taken out. They must be consistent with the act.

The committee believes that without this change, States will not have the opportunity to design regulatory programs which reflect local conditions. The requirement that State programs be consistent with the regulations inhibits the flexibility of the States in the design of their programs.

Section 4 deletes the requirement that the Secretary implement a Federal lands program within 1 year of enactment of the act and adds language which directs him to implement a Federal lands program coincident with the implementation of a State program or a Federal program, whichever is the case, except where a State has a cooperative agreement with the Secretary to provide for State regulation on Federal lands pursuant to subsection 523(c) of the act.

This section was adopted because of concern by States with Federal lands that implementation of the Federal lands program will preempt the ability of the State to design its program.

So I hope that this piece of legislation, as it has arrived to the Senate floor from the Committee on Energy and Natural Resources, will be kept intact and that we can implement the intent of Congress as it relates to the Surface Mining Reclamation Act of 1977.

Mr. MELCHER. Mr. President, this bill, as amended, came to the floor from the committee with a 10-to-8 vote, which is rather narrow in our committee; and it reflects the strong feeling of many of us on the committee that the bill simply has gone astray from what is needed in the Nation's energy program.

The original act passed in 1977, to regulate reclamation of lands throughout the country which are involved in strip mining for coal, sets the minimum Federal standards. All States have been given time to review those minimum Federal standards and to adjust their State laws to at least meet the minimum standards and submit their plans to the Secretary of the Interior. If they meet the minimum Federal standards, then the Secretary approves the State plan, and the State runs the reclamation program in that State.

That was the thrust of the act, and it is still the thrust and intent of the act at this time. States are submitting their plans.

My State of Montana, a few weeks ago, submitted to the Secretary, Montana's strip mine reclamation program. We feel confident that it meets the intent of the act, that it does cover the minimum standards, and that the Secretary will approve it.

The bill before the Senate today has three features, and two of these are not in conflict with the overall intent of all the members of the committee. The Governors of coal producing States testified that they would like until sometime in March of next year for submission of the State plan. We have no objection to that at all. The Governors also testified that they would like the implementation of the Federal lands program to be held off until such time as a State plan has been submitted and acted upon by the Secretary. We are not in disagreement on that.

However, there is a third section of the bill, and we are in disagreement on that, in very vigorous disagreement. That third section of the bill simply states that while the 1977 act will not be amended, the regulations will be canceled. This is totally unprecedented.

I do not know of any time in the past—and I invite the sponsors of this legislation to submit this for discussion—when a subsequent act of Congress dealing with previous legislation did not amend or repeal the act itself but instead simply canceled the regulations implementing the act. Section 3 of this bill seeks to do that. That is the objectionable feature of the bill as presented.

I know of no precedent and I know of no way in which this innovative unprecedented procedure will lead to more coal mining. What it would mean would be that a State would draw its own regulations based on the act; and if it were not agreed to, it would lead to a confrontation in court in a lawsuit. We would have numerous lawsuits, based on various interpretations by States of the 1977 act of Congress. I think there would be chaos in the courts.

It has been stated that the State requirements would be identical with the act or meet the intent of the act. Then it would be up to each court to interpret whether those proposed State regulations were compatible, did meet the minimum standards of the Federal act. A judge in one district might make a finding that would be totally disagreed to by a judge in another district. I cannot imagine any greater invitation for lawsuits than this procedure.

Contrary to any impression that might have been garnered from the remarks that have been made by the proponents of this bill, as it is presented to the Senate, the 1977 Reclamation Act does not require that each State's plan be identical with the Federal regulations. In fact, the whole thrust of the bill was that, having set the minimum Federal standards, a State, on its own volition, could exceed the minimum standards.

The proposition is made, and rightly so, that reclamation procedures in States and various regions of the country will vary, and in order to accommodate that, the basic law passed by Congress in 1977 gives the Secretary some discretion in recognizing that regulations as applied uniformly to all the States may not accomplish the necessary reclamation procedures. The Secretary of the Interior refers to that as the so-called State window, where some variation can be allowed, and Federal regulations provide for recognition of different conditions for reclamation to be approved in State plans to deal with various problems that can be solved in a State with varying conditions.

The Governors of the coal-producing States have testified rather emphatically on the need for more time for submission of State plans. Their point is well taken, and I do not believe anyone in the Senate disagrees. But to go beyond that and to say that all of the regulations of the Secretary of the Interior on this act will be nullified completely and disregarded in approving State plans goes into every part of the act.

While there may be in a State some regulations promulgated by the Secretary of the Interior that are not objected to and which they find quite incompatible with what they view as their proposed State plan, they probably number, in each State, only six, seven, or eight regulations.

Yet this bill would strike out all Federal regulations in approving State plans and leave just the statute available for the courts to interpret.

I think it is very necessary to remind all of us that there are probably too many lawsuits introduced that hold up energy production.

Would this help? Would this procedure help, striking down the Federal regulations? I think not. I think to the contrary, it would only add lawsuits. I think it is fair to say that most of us are quite disenchanted with the length of time it takes on individual lawsuits holding up energy production. Would this procedure knocking out the Federal regulations somehow expedite the case in court? I think not.

I feel that it would even add and stretch out the period of litigation for an individual lawsuit, that the appeal process would be delayed even further, and that rather than expediting any procedure to provide for the opportunity to have strip mining of coal throughout the country on a good and sound basis, this would be a direct hindrance on development of sound and practical and worthwhile strip mining operations.

I think the end result of this feature of the bill would be so chaotic, so time-consuming and so divisive that we would actually set back strip mining of coal by several years for many proposed mines.

That is not our goal. That is neither the goal of myself nor the proponents of this bill.

I think we join together on that score in wanting to expedite rather than to hinder production. I think we join together in wanting it to be on a sound basis for reclamation. Where we differ is how to arrive at those very laudable goals.

Later in the day we will offer a substitute, which will recognize the requests of the coal State Governors for more time, will recognize the request of the coal State Governors for the implementation of the——

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. MELCHER. In just a moment I will.

Mr. FORD. He is referring to the coal State Governors. I do not want the Record to reflect that he is speaking for all Governors who head coal States, and I hope that the Senator will at least not include the Governor from my State who happened to be chairman of the Governors Conference last year.

Mr. MELCHER. I thank my friend from Kentucky for that and I will refer to it after I have completed the thought I was expressing.

The substitute I shall offer will provide the additional time, per the request by the National Governors Association for the implementation of the Federal lands program being tied to the approval of the State program.

But it will not contain section 3 of the bill that is now before us that would nullify all of the Federal regulations pertaining to approval of State plans in the 1977 act.

In referring to the Governors of coal-producing States, I refer to the testimony that was presented to the committee during our hearings by Gov. Ed Herschler, of Wyoming, who testified on behalf of the National Governors Association, and whatever other Governors agree with that position as presented by Governor Herschler on behalf of the National Governors Association are the coal-producing State Governors that I referred to.

Mr. ROBERT C. BYRD. Mr. President, I hope it may be possible to reach a time agreement on this bill a little later. For the moment I shall simply make a few remarks.

S. 1403 addresses complex regulatory problems associated with the development of coal. The bill amends the Surface Mining Act by extending administrative deadlines and by providing the States with much-needed flexibility as they develop reasonable reclamation plans.

This bill is the embodiment of a simple principle, a very simple principle. That principle is this Nation must produce more coal in an environmentally acceptable manner.

The United States is beyond the stage where it can afford to pay lip service to coal. Our coal reserves are immense; enough to supply our basic energy needs for centuries. We need coal for the generation of electricity, for fueling industrial boilers, and for conversion into synthetic fuels. We cannot allow this precious resource to languish any longer. A fair and sensible coal development policy must be established, as Congress intended when it passed the original Surface Mining Act. The bill being considered today will provide several crucial ingredients of a workable coal policy.

First, S. 1403 will extend the time given to the States for submission of their reclamation plans. The reclamation plan of each State will outline the precise procedures to be used by mining concerns to restore the land once the coal has been extracted. The Surface Mining Act requires that reclamation plans be greatly detailed. Under the act, the Office of Surface Mining in the Department of Interior is responsible for approving or denying the plans, a process which requires a great deal of time. In order to insure fair and complete consideration of the State plans, the deadline for approval of the plans is also extended in this bill.

Second, the bill unambiguously reaffirms the intent of Congress with respect to the role of the States in surface mining regulation. The 1977 act specifically declares that "the primary responsibility for developing, authorizing, issuing, and enforcing surface mining regulations rests with the States."

As the act has been implemented, the role of the States has been diminished. That policy shift is not fair to States that have consistently supported the goals and purposes of the Surface Mining Act. It demonstrates a lack of realistic planning. It is not a sound basis for our coal policy.

Section 3 of the bill, sponsored in the committee by Senators Ford and Hatfield will allow the States to assume their proper place in the regulatory process. Under this language, which is often referred to as the Rockefeller amendment, the Surface Mining Act itself will be the standard by which reclamation plans are evaluated. The act is more specific than is usually the case and was deliberately designed in that fashion.

By this change, Congress is not abandoning the goals of the Surface Mining Act. Instead, we are bringing the act back to its proper foundation. It should be recalled that the Office of Surface Mining continues to have the power to turn down a reclamation plan if it is not consistent with the act.

The Governors of the major coal-producing States have developed a consensus in support of this bill. Many of them were in office 2 years ago when the original act was passed, and they supported that effort strongly. At the time, the principle of State regulatory responsibility seemed to be firmly accepted. Only when it became apparent that the States would be practically preempted from meaningful participation in the process did they seek relief.

I believe S. 1403 can provide the basis for the pragmatic policy this Nation needs. A fundamental portion of any national energy action must include coal development. This bill will push forward toward that objective, and I urge its passage.

I express my strong support for the language in section 3, and I also express the fervent hope that any effort to strike will be defeated.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. FORD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HATFIELD. I yield.

Mr. FORD. Mr. President, I ask unanimous consent that Ric Fenton and Tom Altmeyer from Senator RANDOLPH's staff have the privileges of the floor for the duration of the Senate's consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, will the Senator yield for 30 seconds?

Mr. HATFIELD. I yield.

Mr. TSONGAS. Mr. President, I was in the House of Representatives when the Interior Committee spent a great deal of time on the so-called Federal Strip Mining Act of 1977.

I would simply state that the act that is before us now causes certain problems, and for that reason I strongly support the Melcher-Jackson substitute.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Senator from Montana has raised a very pertinent matter relating to the response or the attitude of the Governors concerning this proposed legislation we have before us today.

Early in the consideration of the amendments which Senator FORD and I have proposed, and which were adopted by the Senate Energy Committee, I circulated the text of those amendments to the Governors and asked for their response to the proposed amendments, specifically the three amendments we have incorporated, along with four other amendments that I happened to be considering at the time.

I would like to submit for the RECORD at this time, and ask unanimous consent for its submission, the responses from the 19 coal State Governors who have gone on record through these documents which I present at this time in support of the amendments to the bill which extends the time and which also includes the so-called Rockefeller amendment.

There being no objection, the material was ordered to be printed in the RECORD:

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, W. Va., July 6, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HATFIELD: I appreciated your June 28, 1979, mailgram concerning the Federal Surface Mine Act. The issues you mention have also concerned me for some time; and, the changes you suggest are, I believe, appropriate.

As you know, I have also suggested one of the amendments you mention: I refer to the proposal that states should only be required to have programs consistent with the federal act itself. This amendment alone would help bring order to current efforts and restore the primary role for enforcement to the states, as Congress intended. I have discussed the amendment with both Senators Randolph and Byrd.

Certain observers have indicated that a large number of amendments to the act could be an impediment, but, of course, I leave strategy to you. In any event, some changes, and particularly the one I have mentioned, are essential if the 1977 Act is to be workable.

I am sure that members of your staff are in touch with Phil McGance in Senator Randolph's office, for the purpose of discussing strategy. My office is staying in touch with Phil.

I sincerely appreciate your interest.

Sincerely,

JOHN D. ROCKEFELLER IV.

OFFICE OF THE GOVERNOR,
Richmond, Va., July 6, 1979.

Senator MARK O. HATFIELD,
U.S. Senate Committee on Energy, and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: The Commonwealth of Virginia fully supports the efforts of yourself and other members of the U.S. Senate to amend the Surface Mining and Reclamation Act of 1977 in order to assure that primacy responsibility for implementation of the Act rests with the States.

We have consistently opposed the Office of Surface Mining's policies and regulations that have clearly frustrated the efforts of the States to comply with the intent of Congress. The proposed amendments you have sent us will provide the extension of the time that most States need in order to develop acceptable state programs. The additional amendments will provide States the opportunity to address conditions unique to each State.

Virginia has continued to exhibit good faith efforts to comply with the provisions of the Act. However, to meet the August 3 deadline, Virginia will simply be lifting many of the Federal regulations and placing them in our State Program. Clearly this was not the intent of Congress.

We support your efforts and please let us know if we can provide information that will assist you in your efforts.

With all good wishes, I am

Very truly yours,

JOHN N. DALTON.

OFFICE OF THE GOVERNOR,
Little Rock, Ark., July 9, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator, U.S. Senate, Commission on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: Thank you for your letter of June 29, 1979 forwarding a copy of your proposed amendments to the Federal Surface Mining Control and Reclamation Act of 1977 (PL 95–87). Arkansas is currently struggling to prepare a permanent regulatory program to obtain primacy over surface coal mining and has experienced some of the same problems discussed during the oversight hearings.

We support your efforts to amend PL 95–87. I would like to point out an area that you may have overlooked. While your proposed amendment will eliminate the state's obligation to comply with the requirements of 30 CFR 731, et seq. dealing with preparation of state programs, you make no mention of Section 503(2)(7) of the Act which requires the states to establish rules and regulations consistent with the regulations issued by the Secretary. By retaining that provision, the states will still have no choice "but to become state level clones of the federal regulations" as stated in your June 28, 1979 letter.

I also call your attention to Section 705 (a) of the Act, which provides for decreasing federal support of state programs (from 80 per centum the first year to 40 per centum for the third year). It would appear that in view of the delays in developing the federal regulations, the justifiable extension of the date for submitting state program plans should be coupled with an extension of the first year support level.

I appreciate the opportunity to lend my support to your efforts and hope you are successful.

Very truly yours,

BILL CLINTON,
Governor of Arkansas.

GOVERNOR'S OFFICE,
Harrisburg, Pa., July 20, 1979.

Senator MARK O. HATFIELD: I strongly support the need for extending the deadline for submission and approval of State program applications under the Federal Surface Mining Control and Reclamation Act of 1977 as proposed in H.R. 4728 and S. 1403.

I support State flexibility in administering a delegated Federal program, as embodied in section 2 of the Hatfield-Ford amendments to S. 1403.

DICK THORNBURGH,
Governor of Pennsylvania.

STATE OF OHIO,
ENVIRONMENTAL PROTECTION AGENCY,
July 9, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Building, Washington, D.C.

DEAR SENATOR HATFIELD: This letter is in response to your Mailgram of June 28, 1979, to Governor James A. Rhodes regarding proposed amendments to P.L. 95–87, the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The Ohio Environmental Protection Agency (Ohio EPA) supports your proposed amendments to P.L. 95–87.

In particular, the Ohio EPA supports the proposal to remove Section 503(a)(7) of the SMCRA which requires state rules and regulations be consistent with the rules and regulations issued by the Secretary of Interior pursuant to the Act. The proposed amendments would allow flexibility within the states to maintain their own regulatory authority while complying with the intent of the SMCRA, and would, therefore, avoid duplication of existing state regulatory authority regarding the exploration and extraction of coal. Your proposed amendments would allow states, such as Ohio, to avoid duplication of regulatory authority and yet to meet the intent of the SMCRA. Equally important it would relieve the additional regulatory burden and possible economic impact imposed on Ohio's coal industry.

The SMCRA affirmatively requires the state agency responsible for carrying out the program (i.e., Ohio Department of Natural Resources (Ohio DNR)) to assure minimum environmental degradation in accordance with Section 515 of the SMCRA. The SMCRA further provides that in no event shall applicable state and federal environmental, health, or safety statutes, regulations, or standards be violated by a permitted facility.

Although the SMCRA was intended to supply regulatory authority over mining operations which were not already under regulatory supervision, the situation in Ohio is that regulatory permitting and enforcement authority over mining operations was already covered by Ohio EPA and DNR. Thus instead of expanding authority over previously unregulated activities, duplication of authority over mining operations in Ohio has resulted.

In accordance with statutory enactments, through the Clean Water Act (CWA), P.L. 95–217, and the Ohio Water Pollution Control Act in the Ohio Revised Code Chapter 6111, the Ohio EPA administers the laws and rules pertaining to the prevention, control and abatement of water pollution and supervises the disposal of industrial and other wastes.

In the performance of these duties, Ohio EPA issues permits to coal mining operations for the installation and construction of treatment works and for the placing of pollutants into waters of the state, which permits contain effluent limitations. The performance of similar activities by the Ohio DNR will result in a duplicity of governmental effort and confusion to the regulated entity.

In the area of assuring minimum environmental degradation from mining operations, therefore, the Ohio DNR and EPA have concurrent jurisdiction and responsibility.

While cooperative state agency agreements can be engaged in so to meet the intent of the SMCRA, the Final Rules and Regulations, 30 CFR, promulgated by the Department of Interior (DOI) in March, 1979 to implement the SMCRA, and Section 503(a)(7) of the Act requiring states to comply with the federal Rules and Regulations have insufficient flexibility to allow state agencies to enter into a viable cooperative agreement of state regulatory authority.

An additional proposal to amend Section 405(c) of the SMCRA would allow for the expenditure of abandoned mine reclamation funds prior to approval of a state regulatory program pursuant to Section 503.

The State of Ohio is a major coal producer in the United States, having produced seven percent of the total tonnage. In addition, Ohio today is the leading coal consumer in the nation, accounting for almost twelve percent of the total consumption. The development of the industry, however, was not without serious long term liability. This liability today represents more than 370,000 acres of land requiring reclamation; and in excess of 1,300 miles of Ohio streams either continuously or intermittently affected by the discharge of 1,000,000 pounds of acid per day from inactive mines.

Ohio EPA supports this proposed amendment to allow for full or partial release of funding for the state abandoned mine reclamation program at the earliest possible date. Any immediate funding towards this program development would allow Ohio and other states to begin planning for the restoration of abandoned mined areas.

The expeditious release of funding for restoration will provide for a more immediate protection of the public's health, safety, and general welfare, and for improved land and water resources to meet the intent of both the SMCRA, and the CWA goal of swimmable, fishable waters by the year 1983. It would be unfortunate to both the welfare of the state and the nation to delay any longer the program development of abandoned mined lands reclamation when such delays are due to state difficulties in fulfilling the requirements of Section 503.

Ohio EPA further supports the proposed establishment of a 15 member commission to review the DOI, Office of Surface Mining's implementation of SMCRA. With the proposed responsibilities granted to this body to review and advise on the implementation of the federal program, it is hopeful the state agencies granted regulatory authority to control environmental degradation from the effects of coal mining operations will be able to proceed with their program development and implementation without undue confusion and duplication of effort.

If we may be of any further assistance to you in your efforts to pass these proposed amendments, please let me know.

Sincerely,

James A. McAvoy,
Director.

Office of the Governor,
Springfield, Ill., July 16, 1979.

Hon. Mark O. Hatfield,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

Dear Senator Hatfield: I have received your letter of June 29 about needed amendments to the Surface Mining Control and Reclamation Act. I have already indicated to Secretary Andrus my strong support for the seven months extension in state program submittals and approvals, contained in S. 1403. I am also in sympathy with each of your additional proposals. They would provide more complete assurance than the existing law that restoration and reclamation efforts may proceed in each state in accordance with Congressional standards, under State direction tailored to economic, geographical and environmental considerations unique to each State. I also believe state administration of abandoned mined lands reclamation funds should begin at once. I would hope Congress and the Administration will be willing to listen to your sensible proposals, and to adopt them. I hope you will find a way to bring these proposals to Congressional attention in an atmosphere of full, sound, and immediate deliberation on an issue of national importance, involving a critical energy resource.

Perhaps these issues will be most constructively addressed separately from consideration of the seven-months extension in S. 1403, at least as long as the Administration threat of veto to any attempt to amend S. 1403 persists. I think most members of Congress would be shocked at the dictatorial and costly red tape that has occurred since the Act was passed, out of all proportion to intended environmental benefits, and will favor restoration of control of land use and mined land reclamation to the States and local citizenry, as originally envisioned by most of them.

Sincerely,

James R. Thompson,
Governor.

Governor's Office,
Santa Fe, N. Mex., July 11, 1979.

Senator Mark O. Hatfield,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

Dear Senator Hatfield: The State of New Mexico has reviewed the proposed amendments to the Federal Surface Mining Act which you are considering for introduction in the United States Senate, and strongly support them as being in New Mexico's and the Nation's best interest.

We agree that the performance standards on reclamation requirements set by the act should not be diminished. However, performance should be measured by results achieved, and the individual States should be allowed to devise the proper methods to achieve the desired results. The present final surface mining regulations recently published by the Office of Surface Mining are tedious, complex, and inflexible, and will actually impede the efforts of State reclamation agencies in developing improved reclamation technologies. We also strongly support the extension of the time allowed States to submit their reclamation programs.

As you have stated, it is the clear intent of the act that the States should assume the responsibility in planning and providing environmental protection, and ensuring reclamation of coal mined lands with high Federal standards. The act should be amended to protect that intent.

If there is any further effort that we can make to help in passage of these amendments, please advise.

Sincerely,

Bruce King,
Governor.

Bismarck, N. Dak.,
July 6, 1979.

Hon. Mark O. Hatfield,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Senator Hatfield: This letter is in response to your mailgram of June 28, 1979, regarding your proposed amendments to the Surface Mining Control and Reclamation Act of 1977.

The State of North Dakota supports your proposed amendments as does the state regulatory authority governing surface coal mining in our state, the North Dakota Public Service Commission (hereinafter NDPSC). The State of North Dakota also urges you to incorporate four additional amendments into your bill which we believe are essential if state programs are to succeed under the federal Act. These amendments are discussed in more detail in the enclosed letters to Senators Burdick and Young from the NDPSC.

Finally, I wish to emphasize that reclamation will succeed only if the states are allowed to be responsive to particular reclamation problems in their states. The regulatory constraints imposed by the federal government on the states must be removed if we are to respond to our country's energy crisis and at the same time, insure that reclamation is accomplished in an effective manner.

Sincerely yours,

Arthur A. Link,
Governor.

Public Service Commission,
Bismarck, N. Dak., July 3, 1979.

Hon. Mark Hatfield,
U.S. Senator,
Washington, D.C.

Dear Senator Hatfield: I have just finished reading a copy of the telegram that you recently sent to a number of governors, including Governor Arthur A. Link of North Dakota.

In your telegram, you point out that you are planning to introduce a bill which would amend the Surface Mining Act. I support your desire to amend the Surface Mining Act because the Act, as it is being administered at the present time, needs to be corrected if the United States is ever going to be able to move toward energy independence.

I visited today by telephone with Senator Quentin Burdick of North Dakota and Senator Milton R. Young. Both have indicated a willingness to support your legislation either as cosponsors or in any other way possible.

In North Dakota, the Public Service Commission is the State agency in charge of reclamation of mined lands. My concern about the present administration of the Surface Mining Act comes from the fact that, as head of the State agency charged with planning and enforcing reclamation and environmental protection during mining, we find that OSM (Office of Surface Mining) has come way beyond what we feel the intent of the Congress was.

Our agency is planning to put together testimony in support of the legislation you plan to introduce on July 9. You may rest assured that we will do anything we can to help demonstrate to your colleagues in the Senate and House the importance and timeliness of the amendments you are proposing.

With warmest personal regards, I remain.

Yours truly,

RICHARD A. ELKIN,
President.

THE CAPITOL,
Jackson, Miss., July 12, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

DEAR SENATOR HATFIELD: Mississippi is in sympathy with your position on the Office of Surface Mining's implementation of the Surface Mining Act. We would not have the degree of conflict that other states might have as there are no active coal mines in Mississippi and have not had to regulate them under OSM standards in an interim program. For these reasons, our dealings with OSM have been fairly subdued.

In the development of our state coal mining laws and regulations, we have, by necessity, tracked the Federal regulations. If states could be given greater leeway, the size of our implementation regulations could be cut by hundreds of pages. This, of course, would mean that it would be much easier to enforce our law on a state level. A great deal of language in the Federal law does not pertain to many of the states, and it would be helpful if these states could be given greater latitude in developing their own programs.

We support all of your goals as stated in paragraph 4 of your mailgram except that we find no particular fault in the bonding requirements as applied to Mississippi. We know of the problems of state regulatory authorities in their dealings with OSM and will give you our support in your attempts to make the law more workable and more sympathetic to the states.

If you would like to discuss this matter further, please do not hesitate to call on me.

With kindest personal regards and best wishes, I am

Sincerely,

CLIFF FINCH,
Governor.

GOVERNOR'S OFFICE,
Montgomery, Ala., July 17, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator, U.S. Senate Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: I am conscious of the complex problems associated with the coal-producing states' efforts to seek compliance and primacy with the Surface Mining Control and Reclamation Act of 1977 of Public Law 95-87 and particularly of the untenable schedule to achieve program approval.

I wholeheartedly support your proposals.

With kindest regards, I remain

Sincerely,

FOB JAMES,
Governor.

LEXINGTON, KY.,
July 17, 1979.

Senator MARK O. HATFIELD,
Attention Members of Energy and Natural Resources Committee, U.S. Senate, Washington, D.C.

The Interstate Mining Compact Commission understands that 3 amendments are before the Energy and Natural Resources Committee: 1. Extend for 1 year the time allowed States to submit their State program; 2. Remove the requirement that States comply with the Secretary's rules and regulations which implements the act, but leaving intact the requirement that States comply with the act; 3. Insures that implementation of a federal lands program coincides with implementation of a state program or federal program as appropriate. In a vote taken by our member States the majority favors these amendments.

In favor of amendments are Maryland, North Carolina, West Virginia, Ohio, Virginia, Illinois, Alabama, Oklahoma, Tennessee, Kentucky, Indiana. Texas neither approves or disapproves of the time extension but votes for the other 2 amendments. South Carolina was unavailable to vote; Pennsylvania favors the time extension, but has not yet decided on the other 2 amendments.

INTERSTATE MINING COMPACT
COMMISSION.

INTERSTATE MINING COMPACT,
LEXINGTON, KY.,
July 19, 1979.

Senator MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

In review of amendments before the Energy and Resources Committee, Tennessee has reconsidered and is now supporting the Jackson Amendment.

OFFICE OF THE GOVERNOR,
CHEYENNE, WYO.,
July 16, 1979.

Senator MARK O. HATFIELD,
Washington, D.C.

DEAR SENATOR HATFIELD: I wish to confirm the agreement we reached in Washington last Wednesday regarding amendments to the Surface Mining Control and Reclamation Act of 1977. First, I support a general 7-month extension of the deadlines as proposed by Senator Jackson. This will give the States approximately 1 full year from publication of the Federal permanent program regulations to prepare a State program submission as was originally contemplated under the act. Second, I strongly support the agreement reached by you and Senator Jackson to extend the Federal lands program until the Secretary has taken final action on a State's proposed program: I understand that the proposed amendment would add the following sentence:

"Subject to the provisions of section 523 (c) implementation of a Federal land program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate."

These amendments will not resolve all of our problems with the Federal Office of Surface Mining but they represent a beginning.

I sincerely appreciate your efforts on behalf of Wyoming and her sister States on this matter.

ED HERSCHLER,
Governor.

NATIONAL GOVERNORS' ASSOCIATION,
July 13, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter of June 28th concerning the National Governors' Association's position on amendments to the Surface Mining Control and Reclamation Act of 1977. The governors strongly support the legislation you have introduced, S. 1403, which extends the deadline for submission of state programs seven months beyond the current August 3, 1979 deadline. This extension is much needed to allow states the full twelve months the Act originally provided for the preparation of state programs. The National Governors' Association strongly supported passage of the Act and we feel your bill insures that the intent of the Act will be carried out.

As regards the amendments offered by Senator Hatfield, the Association has no existing policy relating to these changes. In addition, no governor proposed any new policy dealing with surface mining during our recently completed annual meeting in Louisville. Hence, we cannot support the Hatfield amendments as a matter of NGA policy.

I would add that I, as Governor of Colorado, strongly support the extension of the deadline for implementation of the permanent program regulations on federal lands until final action has been taken on state program submissions. The agreement reached Wednesday between you, Governor Herschler, Congressman Udall, and Senator Hatfield is a very positive step. I also agree with your feeling that any other amendments, such as those proposed by Senator Hatfield, should be considered separately from the legislation to extend these two deadlines. These extensions are of critical importance to the achievement of state primacy in surface mining regulation and should not be endangered by other amendments, no matter how worthy.

I appreciate your continuing interest in the implementation of the Surface Mining Act and would welcome the participation of your staff in monitoring negotiations between the states and OSM.

Sincerely,

RICHARD D. LAMM,
Chairman, Natural Resources and Environmental Management Committee.

U.S. SENATE, COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, D.C., July 20, 1979.

DAVE: Robin Ross, Deputy Counsel to Gov. Thornburgh, called and gave me the text of a telegram that is being sent to all Members of our Committee.

"I strongly support the need for extending the deadline for submission and approval of state program applications under the Federal Surface Mining Control and Reclamation Act of 1977 as proposed in H.R. 4728 and S. 1403.

"I support state flexibility in administering a delegated Federal program, as embodied in Sec. 2 of the Hatfield-Ford Amendments to S. 1403.

"GOV. DICK THORNBURGH."

Please call Robin when the vote has been taken to let him know how it turned out. (717) 787-2551.

[Telegram to be sent to U.S. Senator Mark O. Hatfield, U.S. Senate Committee on Energy and Natural Resources]

DEAR SENATOR HATFIELD: The State of New Mexico has reviewed the proposed amendments to the Federal Surface Mining Act which you are considering for introduction in the United States Senate, and strongly support them as being in New Mexico's and the Nation's best interest.

We agree that the Performance Standards on Reclamation Requirements set by the Act should not be diminished. However, performance should be measured by results achieved, and the individual states should be allowed to devise the proper methods to achieve the desired results. The present final surface mining regulations recently published by the Office of Surface Mining are tedious and complex and inflexible, and will actually impede the efforts of state reclamation agencies in developing improved reclamation technologies. We also strongly support the extension of the time allowed states to submit their reclamation programs.

As you have stated, it is the clear intent of the Act that the states should assume the responsibility in planning and providing environmental protection, and ensuring reclamation of coal mined lands with high federal standards. The Act should be amended to protect that intent.

If there is any further effort that we can make to help in passage of these amendments, please advise.

Sincerely,

BRUCE KING,
Governor, State of New Mexico.

MONTGOMERY, ALA.,
July 16, 1979.

Senator MARK O. HATFIELD,
Capitol One, D.C.

I urge you to support the Ford-Hatfield amendment to SB1403.

FOB JAMES,
Governor, State of Alabama.

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS,
Washington, D.C., July 10, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: The State of North Dakota has great concern with the implementation of legislation affecting surface mining. I understand that your Committee will take up this matter in the near future. I also understand that Senator Hatfield will propose a series of amendments at that time.

I would like to take this opportunity to record my support for Senator Hatfield's proposals as well as the support of the State of North Dakota. I attach for your information copies of pertinent correspondence from the North Dakota Public Services Commission to me, and from Governor Link to Senator Hatfield.

I also attach a series of amendments recommended by the State of North Dakota. I earnestly request that you and your colleagues on the Committee give them serious consideration. They will go far in helping insure that the enforcement of this Act follows the original intent of Congress.

Thank you very much for your assistance in this matter.

With kind regards, I am

Sincerely,

QUENTIN N. BURDICK.

NATIONAL GOVERNORS' ASSOCIATION,
July 13, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter of June 28th concerning the National Governors' Association's position on amendments to the Surface Mining Control and Reclamation Act of 1977. The governors strongly support the legislation you have introduced, S. 1403, which extends the deadline for submission of state programs seven months beyond the current August 3, 1979 deadline. This extension is much needed to allow states the full twelve months the Act originally provided for the preparation of state programs. The National Governors' Association strongly supported passage of the Act and we feel your bill insures that the intent of the Act will be carried out.

As regards the amendments offered by Senator Hatfield, the Association has no existing policy relating to these changes. In addition, no governor proposed any new policy dealing with surface mining during our recently completed annual meeting in Louisville. Hence, we cannot support the Hatfield amendments as a matter of NGA policy.

I would add that I, as Governor of Colorado, strongly support the extension of the deadline for implementation of the permanent program regulations on federal lands until final action has been taken on state program submissions. The agreement reached Wednesday between you, Governor Herschler, Congressman Udall, and Senator Hatfield is a very positive step. I also agree with your feeling that any other amendments, such as those proposed by Senator Hatfield, should be considered separately from the legislation to extend these two deadlines. These extensions are of critical importance to the achievement of state primacy in surface mining regulation and should not be endangered by other amendments, no matter how worthy.

I appreciate your continuing interest in the implementation of the Surface Mining Act and would welcome the participation of your staff in monitoring negotiations between the states and OSM.

Sincerely,

RICHARD D. LAMM,
Chairman, Natural Resources and Environmental Management Committee.

PUBLIC SERVICE COMMISSION,
STATE OF NORTH DAKOTA,
Bismarck, N. Dak., July 3, 1979.

Hon. MILTON R. YOUNG,
U. S. Senate,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR YOUNG: It is our understanding that Senator Mark Hatfield of Oregon is intending to sponsor a bill which would amend the Federal Surface Mining Control and Reclamation Act of 1977 to insure that the states can continue to administer and enforce its surface coal mining and reclamation laws.

The North Dakota Public Service Commission urges you to co-sponsor this legislation and work for its enactment. In addition, the PSC is requesting that four additional amendments be incorporated into the Hatfield bill as we believe these amendments are essential to the existence of a workable state program for North Dakota. The additional amendments we propose are as follows:

First. A deletion of the requirement that North Dakota must disapprove a permit application for violation by the operator of another state's environmental laws even though the other state's environmental laws may be inapplicable to operations in the State of North Dakota (see Attachment 1);

Second. A deletion of an escrow provision which violates the due process rights of the operators and also requires penalties to be assessed prior to an examination of the evidence by a state regulatory authority (see Attachment 2);

Third. A prohibition on the imposition of a federal lands program so that a dual layer of federal and state bureaucracy is avoided (see Attachment 3); and

Fourth. A clarification of the definition of federal lands so that federal permitting is not required for private lands above federal coal (see Attachment 4).

We are also enclosing a copy of the proposed Hatfield bill with our suggested amendments incorporated therein (see Attachment 5). We would appreciate it if you would contact Senator Hatfield and his staff prior to introduction of his bill and attempt to get our suggested amendments included.

Please let us know if you have any questions regarding these amendments.

We do believe it critical to our state's reclamation program that these amendments be adopted. Thank you in advance for your assistance.

Sincerely,

RICHARD A. ELKIN,
President.
BEN J. WOLF,
Commissioner.
BRUCE HAGEN,
Commissioner.

ATTACHMENT 1

PROPOSED AMENDMENT TO PUBLIC LAW 95-87,
30 U.S.C. 1201 ET SEQ.

Section 6. (a) Section 510(c) of the Act is amended by inserting after the phrase "The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any" the word "Federal", and by inserting after the phrase "law, rule, or regulation of the United States, or of any" the word "Federal".

Rationale:

North Dakota vigorously objects to OSM's interpretation of Section 510(c) of the Act as including a notice of violation of any State air, water or other environmental protection statute with respect to coal mining operations. OSM's interpretation goes well beyond the meaning of Section 510(c). If Congress had intended that an applicant be required to list any notice of violation of any State law, it could easily have said so in Section 510(c). However, Section 510(c) does not mention violations of State laws. The only notices of violations that are required to be listed are violations of "this Act" and "any law, rule, or regulation of the United States, or of any department or agency in the United States." The word "State" is conspicuously absent. Section 510(c) further states as follows: "where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to (in) this subsection . . ." The "other laws" referred to in Section 510(c) are laws of the "United States." N reference is made to other State laws. No does the last quoted phrase refer to any "rul or regulation" of any department or agency in the United States. The quoted phrase only refers to other "laws."

However, OSM has chosen to interpret Section 510(c) as including a violation of an "State" air, water, or other environmenta protection statute that implements a simila federal statute. A violation of a State law that is more stringent than the Federal Act, or a violation of a State law which governs conditions not existing in all states, should have no bearing on the issuance of a permit in another state. OSM's interpretation would require the applicant to meet the standards of the most stringent state in which the permit applicant operates before he could operate in any other state. The effect of this is to apply the standards of the Act to the standards of the most stringent state or to the state where peculiar conditions exist.

In addition, it is an extremely burdensome process for the applicant to list all other State law violations, no matter how irrelevant, and for the State regulatory authority to examine all of these other violations, no matter how inapplicable. In order for a State program to be "approved," the State program must be at least as stringent as the Act. The State regulatory authority should therefore not be required to concern itself with violations of other State laws that are more stringent than the minimum required by the Act, particularly where the other State law is concerned with a different type of coal mining operation from that commonly used in the State in which the application is being made.

The type of examination envisioned by OSM will make the application process more costly, and will hamper the flexibility of a State. If the Federal government wants to go to this extreme when issuing Federal permits, it may do so. However, the States should not also be burdened with such an unnecessary, expensive, and burdensome approach which is contrary to the intent of Congress.

ATTACHMENT 2

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C., 1201 ET SEQ.

Section 6. (b) Section 518 of the Act is amended by deleting subsection (c) thereof in its entirety.

Rationale:

The "escrow account" procedure set forth in Section 518(c) of the Federal Act is a violation of the fundamental constitutional right of due process. This section requires an operator, who may later be absolved from all violations, to pay a "proposed" penalty in advance as a condition for obtaining a hearing on the violation. If he does not pay this "proposed" penalty when due, he thereby waives all legal rights to contest the violation or the amount of the penalty.

The operator should not be required to pay a penalty until after the amount of the penalty has been determined as a result of a hearing on a violation. If the purpose of this section is to ensure collection of the penalty, there are other provisions in the Act that can be used to accomplish this purpose without violating rights of due process, such as Section 518(d), which allows civil penalties to be recovered in civil actions.

An additional effect of this section is to assess a penalty without examining the evidence. The goal of enforcement should be effective remedial measures that result in sound reclamation practices. Remedial measures are a much more effective means of insuring compliance with the law and in achieving reclamation. For example, the North Dakota PSC recently decided a case where the remedial measures resulted in a cost of over $100,000 for the operator. If the North Dakota PSC had been required to assess the penalty prior to the hearings on the violations in question, it is questionable whether effective remedial measures could have been imposed. Thus, we believe that Section 518 (c) prevents a regulatory authority from assessing all of the evidence and then making a rational decision on what the most effective penalty should be as it relates to the goal of actually accomplishing reclamation. For these reasons, we strongly urge the repeal of Section 518(c) of the federal Act.

ATTACHMENT 3

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C. 1201 ET SEQ.

Section 67. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal lands program shall only occur if a State program has been disapproved and the State has failed to remedy the defects within a reasonable time, or if a State program has been approved and the State has elected not to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State."

Rationale:

A Federal lands program should not be implemented by OSM until after either a State program has been disapproved, or, if approved, until a State has elected not to enter into a cooperative agreement to regulate Federal lands. The amendment proposed by the North Dakota Public Service Commission would insure that there would not be a dual level of bureaucracy in a State at anytime. An amendment providing only that the timing of a Federal lands program should coincide with either the implementation of a state program or a Federal program will not prevent a dual level of bureaucracy from occurring.

If OSM is given the opportunity at anytime to implement its federal lands program, our experience has shown that the result will be an "administrative disaster," which will strangle administrators, operators and citizens.

ATTACHMENT 4

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C. 1201 ET SEQ.

Section 67. (c) Section 701(4) of the Act is amended at the end of the paragraph by deleting the period and by adding the phrase ": Provided further, that this definition does not include private or State surface lands above a Federal mineral interest."

Rationale:

The policies and regulations of OSM have the effect of requiring OSM approval for surface coal mining operations on all private and State lands in the State of North Dakota.

In North Dakota, as in many western States, Federal lands are interspersed with private and State lands. Specifically, approximately 75 percent of our State's coal reserves are found on private and State lands with the remaining 25 percent being found on Federal lands.

However, under the umbrella of "protection for public lands," OSM's permanent program regulations (Section 741.11(b), 44 Fed. Reg. 15333, 1979) provide that intermingled private and State lands must be mined pursuant to OSM standards, not State standards. In addition, OSM requires Federal approval of any "associated disturbances" on private lands above Federal Coal.

The effect of OSM's implementation of the Federal Act is clear: the Federal government not only will control mining and development on Federal lands, but they have now, through OSM, extended their authority regarding development to private and State lands as well. OSM's extension of authority to private and State lands for States with State programs is contrary to the intent of Congress.

Certainly, we agree that the States should not take actions that adversely impact the Federal coal resource. However, associated disturbances such as haul roads or topsoil stockpiles on private lands above Federal coal do not in anyway adversely affect the Federal coal. Thus, associated disturbances on private lands should not be subject to Federal permit or approval.

In order to prevent OSM from controlling all activities on private and State lands, we urge that a proviso to the definition of "Federal lands" be added which would "except" private or State surface lands above a Federal mineral estate from the Federal land definition. In other words, we believe the surface owner above Federal coal, whether it is the State or a private individual, should control the surface without regard to the desires or permission of the Federal government. We also wish to point out that it was on the basis of this philosophy that Congress enacted the surface owner consent provision of the Federal Act (see 30 U.S.C. 1304).

ATTACHMENT 5

PROPOSED AMENDMENTS SUBMITTED BY NORTH DAKOTA PUBLIC SERVICE COMMISSION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979".

Section 1. (Same as proposed Hatfield Bill).

Section 2. (Same as proposed Hatfield Bill).

Section 3. (Same as proposed Hatfield Bill).

Section 4. (Same as proposed Hatfield Bill).

Section 5. (Same as proposed Hatfield Bill).

Section 6. (a) Section 510(c) of the Act is amended by inserting after the phrase "The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any" the word "Federal", and by inserting after the phrase "law, rule, or regulation of the United States, or of any" the word "Federal".

(b) Section 518 of the Act is amended by deleting subsection (c) thereof in its entirety.

Section 7. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal Lands program shall only occur if a State program has been disapproved and the State has failed to remedy the defects within a reasonable time, or if a State program has been approved and the State has elected not to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State."

(b) (Same as proposed Hatfield Bill).

(c) Section 701(4) of the Act is amended at the end of the paragraph by deleting the period and by adding the phrase ": Provided further, that this definition does not include private or State surface lands above a Federal mineral interest."

Section 78. (Same as proposed Hatfield Bill).

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
July 18, 1979.

Senator MARK O. HATFIELD,
Ranking Minority Member, U.S. Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: I find your letter proposing changes in the federal Surface Mining Act encouraging, but even with those proposed changes it still puts the states in the position of having to administer a federal program for which the State must provide part of the funding. You may not have been aware that our Department of Natural Resources, the agency in our State that administers our Surface Mined Land Reclamation Act, made the decision some time ago not to participate in the federal reclamation program. The reason for that decision was that the law and regulations were written so tightly that we felt that we would have to duplicate the Federal law and rules and regulations almost verbatim to have an acceptable program. This provided no latitude to fit the regulations to our State's rather unique geologic and climatic conditions.

Our reclamation staff has reviewed your proposed changes and find them headed in the right direction, but they still feel the law will be too tightly written to give proper latitude to cover regional variations in conditions. It is clear that your amendments are to get more states to administer the federal program rather than to correct the basic problem of the federal government interloping into the state area. It is my feeling that all that is needed is a law that provides an adequate vehicle for states to set up reclamation programs. Acceptable reclamation should be the object of the law and it should be up to the states to achieve the minimum standards set by the federal law.

On advice from our reclamation staff, I give tacit support to the changes you are proposing in P.L. 95–86, and hope that modifications can be made in the future to take into consideration the states' actual needs. I would propose that congressional staff talk to the states that had reclamation acts predating the federal act and see just how much of P.L. 95–86 is really necessary.

Sincerely,

DIXY LEE RAY,
Governor.

OHIO DEPARTMENT
OF NATURAL RESOURCES,
Columbus, Ohio, July 20, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Building, Washington, D.C.

DEAR SENATOR HATFIELD: This letter is in response to your mailgram of June 28, 1979 to Governor James A. Rhodes concerning proposed amendments to the Surface Mining Control and Reclamation Act of 1977, P.L. 95-87. In Ohio, Governor Rhodes has designated the Division of Reclamation, Ohio Department of Natural Resources as the agency authorized to participate in the Federal programs established by P.L. 95-87. I have enclosed an affidavit prepared by Charles E. Call, Chief of the Division of Reclamation supporting your proposed amendments. I hope the affidavit provides you with the necessary information.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

ROBERT W. TEATER,
Director.

STATE OF MONTANA,
OFFICE OF THE GOVERNOR,
Helena, August 10, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate, Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: I am in receipt of your recent letter regarding modification of the Federal Surface Mining Control and Reclamation Act of 1977. Several of the points which you mentioned are of deep concern to me and I believe require some corrective action. Fortunately Montana will be in a position to submit its permanent program to the Office of Surface Mining in August and therefore several of the points you mentioned are not of immediate concern. The two items of your proposal in which I am most interested and can certainly lend my support, deal with the delegation of authority to states to review and approve mine plans of federal lands and the delay in implementation of the federal lands program. Without these necessary changes, I believe that Congress' intent to have the states play the primary role in implementation of the reclamation program will be a facade in the west because of the extensive federal land holdings.

I am also concerned with the extensive regulations required by the Office of Surface Mining in its implementation of the act. Prior to passage of the federal act, Montana administered its program with 20 pages of law and 17 pages of regulations. Under the federal program required by the Office of Surface Mining, we now have over 70 pages of law and approximately 200 pages of regulations, many of which are unnecessary or not applicable. I do, however, have some reservations about basing approval of state programs solely on the requirements of the act. It would seem that the regulations adopted by the Secretary are the Office of Surface Mining's interpretation of what the act requires; therefore, as long as the Office of Surface Mining and the Secretary have approval authority they can simply demand that the states' programs be consistent with the regulations. If Congress is to address this issue, I believe it must clearly indicate the standards which are to be used to judge state programs; otherwise such decisions will likely be made by the courts with little direction from Congress. More important, however, is the potential for conflict with the federal lands program. If the standards for judging state programs acceptability are changed, then they must be made consistent with standards applied to the federal lands. The two programs must be consistent in order for me to support such a change.

As to the remaining points contained in your proposed legislation, Montana certainly has no objections to them. If I can be of any further assistance to you, please do not hesitate to contact me.

Best regards.

Sincerely,

THOMAS L. JUDGE,
Governor.

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
July 18, 1979.

Senator MARK O. HATFIELD,
Ranking Minority Member, U.S. Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: I find your letter proposing changes in the federal Surface Mining Act encouraging, but even with those proposed changes it still puts the states in the position of having to administer a federal program for which the State must provide part of the funding. You may not have been aware that our Department of Natural Resources, the agency in our State that administers our Surface Mine Land Reclamation Act, made the decision some time ago not to participate in the federal reclamation program. The reason for that decision was that the law and regulations were written so tightly that we felt that we would have to duplicate the federal law and rules and regulations almost verbatim to have an acceptable program. This provided no latitude to fit the regulations to our State's rather unique geologic and climatic conditions.

Our reclamation staff has reviewed your proposed changes and find them headed in the right direction, but they still feel the law will be too tightly written to give proper latitude to cover regional variations in conditions. It is clear that your amendments are to get more states to administer the federal program rather than to correct the basic problem of the federal government interloping into the state area. It is my feeling that all that is needed is a law that provides an adequate vehicle for states to set up reclamation programs. Acceptable reclamation should be the object of the law and it should be up to the states to achieve the minimum standards set by the federal law.

On advice from our reclamation staff, I give tacit support to the changes you are proposing in P.L. 95-86, and hope that modifications can be made in the future to take into consideration the states' actual needs. I would propose that congressional staff talk to the states that had reclamation acts predating the federal act and see just how much of P.L. 95-86 is really necessary.

Sincerely,

DIXY LEE RAY,
Governor.

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, July 31, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator,
Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: Thank you for your communications regarding amendments to the Surface Mining Control and Reclamation Act.

Michigan's Department of Natural Resources is charged with the responsibility in our state of formulating our program. I have received its comments regarding your suggestions.

I support your efforts to reestablish the original intent of the Congress to place primary responsibility for the Surface Mining Control and Reclamation Act with the individual states.

Additionally, I believe that it is critical that the act be amended to assure that state governments are granted 100 percent federal funding to meet additional costs incurred by new federal requirements. In these times of constrained budgets, it is imperative that when responsibilities are given to individual states, that concurrent funding to meet those responsibilities also be provided.

And finally, I believe that "potential coal-producing states" should also be represented on the proposed commission. At one time, Michigan had as many as 38 operating coal mines. Although we are not currently a coal-producing state, we do have sufficient reserves to have already created an interest in future coal mining. Representation by states like Michigan should be included.

Thank you for allowing me to comment on this important issue. I am also providing copies of this letter to the members of Michigan's Congressional delegation.

Kind personal regards.

Sincerely,

WILLIAM G. MILLIKEN,
Governor.

Mr. HATFIELD. The States included are West Virginia, Virginia, Arkansas, Pennsylvania, Ohio, Illinois, New Mexico, North Dakota, Mississippi, Alabama, Maryland, North Carolina, Oklahoma, Kentucky, Indiana, Wyoming, Washington, Michigan, and Texas.

Mr. President, I think probably one of the most eloquent pieces of testimony, which represented many of the Governors' viewpoints, was given by Gov. Ed Herschler of Wyoming when he testified on his own behalf and on behalf of the National Governors' Association. I would like to underscore that his testimony was presented on behalf of the National Governors' Association as well as himself. In this testimony I would like to quote a number of his comments because they are very pertinent to the issues which have been raised by the Senator from Montana. He says:

> As you know, the Surface Mining Control and Reclamation Act of 1977 looks to the States to take the lead in implementing a national program. The thrust of my testimony today is that the Federal Office of Surface Mining has jeopardized this fundamental feature of the Federal act with its performance to date. And we doubt that the situation will improve in the months to come.
>
> My personal experience has been as bad as any. As a governor who has built a fine reclamation program, from a state destined to be the nation's leading coal producer, the problems came to my attention early. I have faithfully pursued my remedies within Interior for over a year; the best that can be said about the result is that Interior has occasionally been courteous. More often than not, I have been rewarded for my pains with episodes like the cooperative agreement that was forgotten for four months, or the Secretary's personal letter detailing 67 major shortcomings of the Wyoming statutes.
>
> The fact that OSM has used three-fifths of the States' time, in addition to its own, points to more than OSM's failure to meet a deadline. It illustrates OSM's basic attitude toward the States. They give us excuses, justifications, offer to work hand in hand, reassurance that we are to receive primacy—but they deny us the things that count.

Then he lists various and sundry recommendations which are incorporated basically in the committee print or the committee bill, as amended by Senator FORD's and my amendments.

First, interpret or amend the deadlines to give States at least 12 full months from publication of the permanent program standards to prepare program submissions, along with all other timetable adjustments necessary to bring the States back into the act as partners; we are confident that this delay will not cause environmental harm.

Second, interpret or amend the requirements for State program submissions so that the standards of the act are the test of State program adequacy, not the overblown Federal regulations. An amendment would change section 503(A)(7) to read, rules and regulations consistent with this act.

Still quoting from the Governor's testimony:

I would like to close with some remarks on my own behalf. Mr. Chairman, I have never dealt with a Federal agency as arrogant as the Office of Surface Mining. Through one failure after another of its own—deadlines, our cooperative agreement, last fall's farce with mountaintop mining—OSM has steadfastly maintained that the only shortcomings that count are those of someone else. It makes no sense to me that the States and the operators should be accountable while OSM is not. As the creators of this agency, I sincerely hope that you can help me, and the State officials with me today, to restore equity to the implementation of this act.

Governor Herschler continues:

Our final area of immediate concern is that OSM has pushed the whole surface mining program from complexity to regulatory overkill. It is significant that the agency is still suffering growing pains. But the chief problem is the sheer volume of the Federal regulations. There is simply too much red tape.

Our disillusionment with the agency doesn't mean that we are disillusioned with the act. The States of the National Governors' Association believe that we can make the tough standards of the act work—in large part because many of us had standards as good or better before the act was passed. The problem hasn't been the standards, the problem has been OSM.

We have a great many ideas for action that would help the situation. The most immediate are as follows:

Mr. President, I would also like to submit for the RECORD, and I ask unanimous consent to do so, the full statement of Governor Herschler of Wyoming at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF GOVERNOR ED HERSCHLER OF WYOMING

I am Gov. Ed Herschler of Wyoming. I am here today with other State officials on behalf of the National Governors' Association. We share a number of strong concerns regarding the performance of the Federal Office of Surface Mining, and hope that our testimony will be of interest to this committee.

As you know, the Surface Mining Control and Reclamation Act of 1977 looks to the States to take the lead in implementing a national program. The thrust of my testimony today is that the Federal Office of Surface Mining has jeopardized this fundamental feature of the Federal act with its performance to date. And we doubt that the situation will improve in the months to come.

My personal experience has been as bad as any. As a Governor who has built a fine reclamation program, from a State destined to be the Nation's leading coal producer, the problems came to my attention early. I have faithfully pursued my remedies within Interior for over a year; the best that can be said about the result is that Interior has occasionally been courteous. More often than not, I have been rewarded for my pains with episodes like the cooperative agreement that was forgotten for four months, or the Secretary's personal letter detailing 67 major shortcomings of the Wyoming statutes. Most States have horror stories of their own. Many of these problems merge into five common concerns.

Our first principal concern is with the August 3 deadline for State program submissions. I have prepared a chart on this question for your reference. You will see that the Congress contemplated a reciprocal schedule for implementation of the act—the Secretary prepares regulations, the States respond with proposed programs, and the Secretary assesses the adequacy of the State programs. The message of my chart is simple. Under the act, the States had the time to work as partners. In practice, OSM has frustrated that partnership.

The fact that OSM has used three-fifths of the States' time, in addition to its own, points to more than OSM's failure to meet a deadline. It illustrates OSM's basic attitude toward the States. They give us excuses, justifications, offer to work hand in hand, reassurance that we are to receive primacy—but they deny us the things that count.

Another major State concern involves the State window. As you know, section 101 (f) of the act vests primary regulatory responsibility in the States "because of the diversity of terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations". OSM regulations implement this policy through the State window, a regulatory provision which allows individual States to depart from the language of Federal regulations.

As a practical matter, the window is closed. The regulations require excessive proof that a departure from the Federal regulations is warranted. Many State officials believe that the required showing would be as expensive as a lawsuit. The result is particularly frustrating because the Federal regulations go beyond the standards of the act to require specific procedures and techniques. It follows that the States will be required to use procedures that clearly do not fit nationwide. This is not what the Congress intended.

We have other reasons to believe that OSM is not serious about the State window. First, the permanent program standards are scheduled to become effective on Federal lands on October 12, long before State programs can be approved. This would leave operators in public lands States open to costly changes in procedures if the State window were ever used. Second, the premature deadline for program submissions means that many States are looking at so much paperwork by August 3 that they will have no time to prepare serious proposals. Third, OSM has failed to take any steps to lead in the direction of new research in mined land reclamation, ignoring its statutory mandate to assist the States in this regard and effectively looking to frozen regulations nationwide. The States doubt that any of this was what Congress intended, either.

Our third major area of concern is OSM's approach to enforcement policy. The States understood the act to place OSM in the position of an auditor of State performance, with the manpower and practices of an auditor. Instead, we find excessive Federal manpower—810 permanent employees on board as of June 7—and rhetoric which strongly indicates that OSM intends to duplicate State authority.

This duplication isn't limited to enforcement. In May, OSM region V sent letters to Wyoming operators notifying them that spring was here, and that OSM stood ready to help them get their vegetation in order. I was naturally pleased to hear that spring had arrived and that OSM was on hand to explain it; spring has always been something of a mystery to me. But I don't think OSM has any business handing out free gardening tips in Wyoming, particularly when communications with the operators are supposed to be channeled through the State.

The clearest indicator of OSM's approach to enforcement is its practice of defining performance in terms of the number of violations it issues to operators. These numbers clearly give OSM a dramatic basis for criticizing the states, just as they give OSM an excuse for expanding its activities. But the practice represents a separation of the permit review, technical assistance, and inspection functions which are usually integrated at the state level. This leads to federal inspectors incapable of giving operators competent advice on alternatives for curing violations. It abdicates a field responsibility for educating operators. It builds more inertia and red tape into the system, as the checklists of OSM inspectors become ever longer and ever less flexible. The experience of the states indicates that this is a mistake; we do not need an inflexible bureaucracy to enforce the standards of the act.

A fourth subject of immediate concern is OSM's method for evaluating state program submissions. We originally understood the act to provide for state program approval on a simple showing that the seven tests of section 503(A) were met. We thought there would be ample opportunity to either make adjustments or withdraw federal approval later, if necessary. Now we find ourselves facing a burden of proof apparently like that of a plaintiff in a lawsuit. Further, while OSM has laid out the criteria for making its judgment, we have little or no idea what standards go along with the criteria, or which criteria are most important. We wonder if OSM really has any standards at all. This is an impossible position for the states, particularly in view of the limited time to prepare a program submission before August 3.

Our final area of immediate concern is that OSM has pushed the whole surface mining program from complexity to regulatory overkill. It is significant that the agency is still suffering growing pains. But the chief problem is the sheer volume of the federal regulations. There is simply too much red tape.

We have been told that the principal purpose of the regulations is to define the standards of the program, and in doing so to provide clear guidance for us. It hasn't worked this way. The expansion of state program submission requirements has only created new uncertainties, as I have shown. And the volume of paperwork will create more uncertainties. Virginia's program submission is now over 1500 pages long. It must be published in summary form in a newspaper of general circulation in the state as part of OSM's review. How long must this summary be? If Wyoming experience is any indicator, there will be 1500 pages of correspondence before we have an answer.

Even where the standards do make things clear, the value of the detail is questionable. We find, for example, that the biologic community of a perennial stream is related to certain questions regarding "two or more species of arthropods or molluscan animals." This is almost silly.

Since a great deal of this red tape ultimately has little to do with the welfare of the land, it seems only sensible to conclude that it is related to the welfare of OSM instead. It is inevitable that this red tape will be used to justify additional red tape, and additional OSM. The tide is running in the direction of justifications for eliminating the states entirely, a dandy result for federal employment, but a terrible result for the country. We should stop this bureaucratic juggernaut before it grows beyond all control.

To sum up, Mr. Chairman, the states do not believe that OSM in Washington is committed to the delegation of primary program authority to the states. Despite repeated assurances to the contrary, we do not believe that their performance matches their promises.

Our disillusionment with the agency doesn't mean that we are disillusioned with the act. The states of the national governors association believe that we can make the tough standards of the act work—in large part because many of us had standards as good or better before the act was passed. The problem hasn't been the standards, the problem has been OSM.

We have a great many ideas for action that would help the situation. The most immediate are as follows:

First, interpret or amend the deadlines to give states at least twelve full months from publication of the permanent program standards to prepare program submissions, along with all other timetable adjustments necessary to bring the states back into the act as partners; we are confident that this delay will not cause environmental harm.

Second, interpret or amend the requirements for state program submissions so that the standards of the act are the test of state program adequacy, not the overblown federal regulations. An amendment would change section 503(A)(7) to read, "rules and regulations consistent with this act."

Third, provide for congressional oversight of a detailed sunset schedule within OSM, to limit the OSM inspection function to its proper role of auditing state programs.

Fourth, reduce OSM's budget so that it will not have the resources to stimulate its own bureaucratic expansion, and so that it will have greater incentive to delegate to the states.

Fifth, interpret section 523 (C) to provide for maximum possible delegation of the secretary's authority over public lands to the states; and if OSM resists, amend the act so that the secretary can delegate this authority to the states. The simplest amendment would strike the last sentence of section 523 (C).

Sixth, establish continuing liaison between the states and this committee on the many issues remaining. For example, in view of OSM's performance on delegation to states, I believe we should unhinge title IV funds allocated to the states from the requirement for a state program under title V.

I would like to close with some remarks on my own behalf. Mr. Chairman, I have never dealt with a Federal agency as arrogant as the Office of Surface Mining. Through one failure after another of its own—deadlines, our cooperative agreement, last fall's farce with mountaintop mining—OSM has steadfastly maintained that the only shortcomings that count are those of someone else. It makes no sense to me that the states and the operators should be accountable while OSM is not. As the creators of this agency, I sincerely hope that you can help me, and the state officials with me today, to restore equity to the implementation of this act. Thank you.

STATUTORY TIMETABLE (UNDER PUBLIC LAW 95-87) VERSUS ACTUAL PERFORMANCE

	Public Law 95–87 (months)	Actual performance
Initial OSM regulations	3	4 mo, 10 days.
Permanent OSM regulations	12	19 mo, 10 days.
Submission of State programs	18	(18 mo).
Submission of State programs with extensions.	24	24 mo.
Secretary's review of response to State programs.	30	30 mo.
Cumulative time to prepare permanent Federal regulations.	12	19 mo, 10 days.
Cumulative time to prepare and submit State programs.	12	4 mo, 21 days.
Time for Secretary, DOI, to review and respond to State program submissions.	6	6 mo.

Mr. HATFIELD. Now, Mr. President, a further statement from a Governor which, I think, would be very helpful to illustrate the intensity of a feeling and also the experience on the record of the OSM up to this point, is that from Governor Lamm of Colorado.

The Chairman, in his minority views, characterizes the National Governors' Association and Governor Lamm as being opposed to the Hatfield-Ford surface mining amendments. The chairman states, and I quote:

> Governor Lamm indicated in a letter of July 13, 1979 that the (National Governors') Association "cannot support the Hatfield amendments as a matter of NGA policy."

This interpretation of the NGA policy, and the Senator from Washington, should clearly realize this is most certainly not accurate. It is, in fact, entirely misleading.

What Governor Lamm said in his letter is that the NGA, as a whole, has not deliberated on the issue of surface mining, beyond those dicussions prior to Governor Herschler's testimony before the Senate. As a result, no formal vote has been recorded either in favor of or in opposition to any surface mining amendments.

The Governor of Colorado was so taken back by the interpretation accorded his letter that on July 17 he sent a clarifying telegram to the chairman, which, unfortunately, the chairman did not mention in his minority views. The telegram from Governor Lamm to Senator JACKSON reads as follows:

> DENVER, COLO., *July 18, 1979.*
>
> Hon. HENRY JACKSON,
> *Senate Office Building,*
> *Washington, D.C.*
>
> The National Governors' Conference did not mean to imply in our letter of July 13 that we opposed the Hatfield amendment to the Surface Control and Reclamation Act of 1977. We have no official position on the Hatfield amendment and in fact the amendment does have support among many Governors.
>
> GOV. RICHARD LAMM.

Mr. PERCY. Mr. President, I wonder, I wonder if within the next couple of minutes it would be possible to put a question to the floor managers with respect to the pending amendment.

Mr. HATFIELD. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I have a question I should like to put to my distinguished colleagues, the floor managers of the present bill. As a member of the Coal Commission I find it highly desirable, to support every effort that remains consistent with the present law, consistent with the standards we know we must maintain, and yet also provides adequate leeway for the States.

However, the one concern I have is to make absolutely certain that the law we fought for for so long—the Surface Mining and Reclamation Act of 1977—cannot be undercut by this amendment. There are 18 million acres of land with coal under it that is prime farmland, half of which is in the State of Illinois. We have to insure that while this coal can be mined, the land must be restored to prime farmland, so that we can continue to grow crops. In a long colloquy on the floor, we defined what prime farmland is in the law. The intent of the law is very clear, and just for the record I would like to make certain that the present amendment will not in any way endanger that particular Federal law, which is designed to protect one of the greatest assets this country has, our prime farmland. These lands give us huge exports which we need so badly to maintain our balance of payments.

Mr. HATFIELD. Let me assure the Senator from Illinois that the amendments as proposed by Senator FORD and myself, and the one particular one to which the Senator refers, which is commonly identified as the Rockefeller amendment, in no way attacks, undermines, diminishes, or circumvents the acts which the Senator from Illinois and I both enthusiastically supported.

I remind the Senator from Illinois that the act has 115 environmental performance standards, listed in the act, and those are held inviolate by the proposals that are being considered here today on the floor. They in no way affect or impact upon those performance standards of the act.

I would say, as I have earlier, that the Senator from Illinois is familiar with the frustration that many of our constituents have experienced and that we ourselves have experienced in other areas than surface mining, where the legislative body, the Congress of the United States, has enacted a law with clear intent, clear wording, and clear understanding on the part of the initiators and the Congress itself, and then, in the implementation, have found that the agency charged with the implementation has gone far beyond what the act ever intended or included, and that those regulations have taken on the very impact of law.

Look at the problem we had with OSHA. I could not believe I had voted for that act, once I saw it in operation. We had to come back and, in effect, reconstitute what was the original intent of Congress.

This is another such experience. Right today, in our Energy Committee, we are attempting to mark up the President's proposal for synthetic fuel and for a mobilization board or commission, and the whole purpose of the mobilization commission is to create expedited procedures to cut through the redtape that has brought this Nation almost to a state of paralysis on any way to deal with the energy problem.

Almost precisely the same thing is true with the Office of Surface Mining. We have found, under the regulations they have set up, that they are not attempting to subscribe to the intent of the law, which says the States have primary responsibility, and the standards set forth in the law provide that if the States fail to act, then the Secretary must establish a Federal program, but that the primary responsibility is with the States, and that is what Congress intended.

But what we have here now is that, through regulatory authority, the OSM has come up with a cloning effect, saying in effect to each State, "You shall clone the regulations that we have created," not giving the States even an opportunity to know the criteria that are expected beyond the statements of the law.

So I assure the Senator—I did not mean to get into such a long response, but the crux of this whole bill at this point is that this has maintained the standards set forth by the law has clearly defined performance standards in such detail that you can identify 115 of them, and will maintain those as stated in the law.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. PERCY. Just one moment, if I may, and then I will yield back to the members of the committee.

I would simply like to thank the distinguished Senator. With the representations that have been made, I see no reason why I cannot enthusiastically support the pending Ford-Hatfield amendment, with the Rockefeller contribution to it. I commend Governor Rockefeller on his hard work in this area.

The whole purpose and intent would seem to be to accomplish what the distinguished majority leader and I have been attempting to accomplish through regulatory reform: To cut through some of these regulations which, in the main, do not accomplish any real good, and which many times go beyond the law and the intent of Congress.

Though I do not have the floor, I will be happy to yield to the Senator from Montana. The Senator from Oregon has the floor.

Mr. MELCHER. Will the Senator from Oregon yield?

Mr. HATFIELD. I yield.

Mr. MELCHER. There has been a question as to whether the proposal would do damage to the prime farmland provisions. Indeed it would. The prime farmland section is rather short; let me read it. It says:

> In addition to finding the application in compliance with subsection (b) of this section, if the area proposed to be mined contains prime farmland pursuant to Section 507(b)(16), the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland if the regulatory authority finds in writing that the operator has the technological capability to accomplish successful reclamation.

What S. 1403 does as it is presented here, and that is the objectionable feature and the only objectionable feature, is cancel all of the regulations. It cancels the regulations the Secretary of the Interior has drawn in consultation with the Secretary of Agriculture with the Secretary of Agriculture's agreement, on prime farmland. So therefore that section of the bill will not be operative any longer, because the whole section deals with those regulations drawn by the two Secretaries to identify prime farmland assure adequate reclamation plans if it is strip mined.

Mr. PERCY. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. PERCY. The Senator from Illinois, with 9 million acres of prime farmland in Illinois with coal under it, has no objection to that coal being mined. The only assurance I want is the absolute guarantee that that land will be restored, not just for general usage as pastureland, but restore to prime farmland. This is technically feasible and possible. A study by the Office of Management and Budget indicates that 18 million acres of prime farmland in 14 major agricultural States are potentially affected by strip mining, because they are underlain with strippable coal reserves. These 18 million acres are a substantial share of the 28 million acres of prime farmland in these 14 States.

Mr. MELCHER. That is correct.

Mr. PERCY. I have no objection to the coal being mined, and in fact would not want to keep out of the energy requirements of the country the 18 million acres of prime farmland that have coal under them. We simply want to be certain that after the mining operation is completed, the land be restored to prime farmland.

As I understand the explanation of the managers of the bill and the proponents of the amendment, this particular amendment would not allow that provision of the Federal law to be overridden. As long as it would be restored to prime farmland, I am satisfied.

Mr. MELCHER. Might I point out that the decision on how to implement a reclamation program to restore it to prime farmland is immediately struck down by removing the Federal regulations that are called for to do that very thing if section 3 of this bill is accepted.

This happens to be a section of the bill that reaches directly to those regulations. S. 1403, in this one section, just nullifies, cancels out, and repeals all of the Secretary's regulations. It would mean, in effect, that whatever Illinois did in their own regulations, under their own plan, would have to be tried in court. If that happens, we might get one result in Illinois, whereas in the neighboring State of Indiana, the courts may find that implementation of the prime farmland reclamation procedures would be entirely different. It would be utter chaos to recommend and enact into law a repeal of the regulations, and that is the objectionable feature of S. 1403.

Mr. PERCY. I would appreciate a comment from the distinguished minority manager.

Mr. HATFIELD. I think we may understand from the statement of the Senator from Montana that he is assuming a Federal lead in this. He has stated there might be differences. That was precisely the intent of the bill, that there might be unique circumstances and conditions, and that each State should have the primary responsibility to bring forth their plan, and that would be subject to approval by the Federal department.

Let me quote from section 515 of the original act:

> (7) for all prime farmlands as identified in section 507(d)(16) to be mined and reclaimed, specifications for soil removal, storage, replacement, and reconstruction shall be established by the Secretary of Agriculture, and the operator shall, as a minimum, be required to—
>
> (a) segregate—

I am summarizing: segregate the soil lands, replace and regrade the root zone material, redistribute and grade, and then demonstrate that the size of the impoundment is adequate, and then it goes on, for water impoundments, and gives all these very specific performance standards that must be included.

In no way does S. 1403 impact upon this. We in no way change this. We are only saying—as I say, I think the Senator from Montana clearly indicated his whole hand here today by saying there would be differences between States. That is exactly the argument we are making.

The law provided the primacy for the States. The law provided that the States must comply with these performance standards. S. 1403 is merely restating that proposition that was the intent of the original law.

Mr. MELCHER. Mr. President, I think that the profound effect of repealing all regulations of an act of Congress of this magnitude was properly identified by the Senator from Oregon. He just stated what the performance standards were in one section of the law, but ignored completely what the mining permit application procedures would be under prime farmland mining permits.

The courts are fouled up enough and are bogged down enough with lawsuits over energy proposals. How would repealing regulations governing coal strip mining help? That would mean each court's interpretation of what the act says and people rely on that interpretation, which will undoubtedly vary from court to court.

I think it would be hardly consistent with expediting coal strip mining procedures to have the great number of lawsuits that would follow. Some would probably be in State courts, some would be in Federal courts. Without the guidance of Federal regulations to help the court interpret the provisions of the act, I believe there would be such a variety of decisions that no one mining company operating in several different States could ever feel confident of what it could do in one State as opposed to what the reclamation procedures would be in another State.

Mr. PERCY. Mr. President, my concern throughout this debate has been the effect S. 1403 will have on the prime farmland regulations. I wonder if the distinguished floor leader, Senator FORD, would respond for the record as to what impact the Rockefeller provision would have on those regulations?

Mr. FORD. Mr. President, I would advise the Senator from Illinois (Mr. PERCY) that I concur with Senator HATFIELD in his statement and position with respect to the effect of S. 1403 on the prime agricultural provisions of Public Law 95-87.

Mr. HART. Mr. President, I thank my colleague for yielding.

I urge my colleagues to defeat this ill-designed bill.

The Surface Mining Control and Reclamation Act of 1977 is one of the most important steps Congress has taken to protect our natural resources. Passing the law took a full decade of intensive legislative work. After working that hard to produce this milestone law, we should not now lightly pass crippling amendments to it.

It is important that we stop to remember the basic purpose of the law which S. 1401 would undercut. The Surface Mining Act is designed to prevent in the future the wholesale destruction of our land, water, and air caused by uncontrolled strip mining practices. This destruction is not merely a hypothetical possibility. Documented abuses prompted Congress to pass the law. Without the safeguards of the law, we will again see those abuses. Preventing these abuses is not just an environmental luxury; it is necessary to preserve the future economic use of mined land, to protect the public health, and to strengthen the economy.

The Surface Mining Act is even more important now than when it was enacted in 1977. Our country needs to produce more domestic coal that we anticipated even 2 years ago. We can produce that coal consistent with the guidelines of the act. To weaken the act at the very time we are accelerating our production of coal would not help us meet our energy needs, it would just prevent us from meeting the other critical national needs that prompted the strip mining law.

The original proposal of the administration and the distinguished chairman of the Energy and Natural Resources Committee would not have undercut the law. Their original proposal would have merely adjusted the deadline for States to submit their programs for implementing the law, to compensate for time lost early in the program when appropriations to the Office of Surface Mining were delayed. That proposal was reasonable.

Unfortunately, the Energy Committee went far farther than the simple extension of time for State submittals. Prompted by a well-intended but misguided concern about excessive Government regulation, the committee adopted the bill we are now considering.

I am sympathetic to the committee's frustration with Government regulation. We are all frustrated with very real abuses by the regulatory bureaucracies. But this bill will not do anything to correct any regulatory abuses. The bill is being defended with a lot of rhetoric about excessive regulation, but it will not do anything to correct a single regulatory abuse.

I trust my colleagues will not be tempted to support bad legislation just because it is being couched in terms of preventing excessive regulation.

The only real effect of this bill would be to undercut and postpone implementation of the strip mining law. Mr. President we waited 10 years to get this milestone legislation passed. We should not now have to wait longer to get it implemented.

Mr. President, I just want to take about 30 seconds to say that no one in Congress has done more to strengthen the strip mine control laws that I know of than the Senator from Montana. I strongly support his views on this measure. I hope they do prevail. I hope the pending legislation is defeated. I urge my colleagues to support the Senator from Montana in his efforts, because I think he is exactly right, and certainly it is in the interests of States such as Colorado that his views prevail.

Mr. MELCHER. I thank my friend from Colorado.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, it seems ironic to me that in this debate, the distinguished Senator from Montana keeps mentioning that we are going to court. The only reason we are going to court is because of the regulations; not because of the law. OSM has burdened us with regulations that no one can understand. The bureaucrats have gone beyond the intent of the law and the result is legislation by regulation.

My colleague says this is going to take us to court. We are in court now, because of the bill he is trying to impose upon the mining States.

He talks about prime agricultural land. We worked diligently—diligently—to be sure that prime agricultural land was protected.

The Senator from Oregon listed 115 specific items that the States must comply with. That is not what Congress said would be required of the States. The act provides for uniform minimum standards. But the regulations that we now have on the books do not allow much flexibility, if any, by the States.

The Senator from Montana does not want anybody to go to court. He wants the States to operate by a cookbook, with OSM providing the regulations. If identical law is established, and identical regulations follow, then the States can never enter court to say "Big Brother has loved me too much." And Big Brother is loving the States when the Governors say, "No, we have too much, please let us develop our own regulations, our own reclamation program within the law."

The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things, I say to the good Senator from Montana, section (16):

> For those lands in the permit application which a reconnaissance inspection suggest may be prime farmland, a soil survey shall be made or obtained according to standards established by the Secretary of Agriculture in order to confirm the exact location of such prime farmlands, if any.

That is the law. That is the Senator's intent, that is my intent. That is what we wrote; that is what we struggled over.

In section (17), information pertaining to coal seams, "Test borings, core samplings, or soil samples as required by this section, shall be made available to any person with an interest which is or may be adversely affected: *Provided,* That information which pertains only to the analysis of the chemical and physical properties of the coal will be excluded."

I think this is fair. I just do not see how in the world one could say that the prime farmland is not protected. We spelled out in the law how the application would be submitted, what the application would include, and how it would protect.

So we say we are going to have a lot of lawsuits. Well, we have lawsuits now under the present system. We have all kinds of lawsuits. Every Federal court in the eastern part of the United States; has a lawsuit under the present situation.

I agree with the Senator that when we pass a bill we do not know what it is going to look like until the bureaucrats get through with it. When they get through with it, how in the world can you say it is your piece of legislation? It is not your piece of legislation. Somebody else has massaged it to the point that you cannot recognize it any more.

I want the States to have standing in the court and I do not want to take it away from them. If we operate by a cookbook, this is the result: The door slams and the cake falls. OSM is slamming a door on the States, so the cake falls.

There is apprehension that S. 1403 will prevent creation of uniform national standards which could penalize the States that wish to provide for greater protection for lands within their borders. The response to this issue, I think, is quite simple. As a matter of law, this is dead wrong. Uniform national standards were created by the passage of the Surface Mining Control and Reclamation Act of 1977. Those standards were the principal goal of that lengthy legislative effort.

I do not think anybody—at least on this side—got burned more or had any more hide taken off than this Senator did while trying to work out an acceptable piece of legislation. I happen to represent the largest coal-producing State in the Nation, and 50 percent of that coal comes from surface mines.

And my contract is up next year. It is up for renewal. But you have to do what you think is right. And serving in the Governor's chair, provides a little bit of understanding about what Big Brother can do when you are trying to correctly administer a State government.

The distinguished Presiding Officer in the Senate at this time understands. He is fresh out of Big Brother loving him too much.

The intent of the law is not in question. The regulations are in question.

S. 1403 does not change the minimum national standards in any way nor does it affect any State's right to issue rules and regulations more stringent than those contained in the Federal law.

If the Senator from Montana wants to protect Montana and his State has a more stringent reclamation program, it is bound to be approved. No one is suggesting anything to the contrary.

But I think the States want the right to develop their own program based on what they think is in the best interests of their respective States.

I guess there are good leaders and bad leaders. But, basically, they all want to do what is right.

I think we have a philosophy that the government closest to the people is the most important. Each Governor or a State legislator wants to do what is right for their State and we should not preempt their ability to do it.

This was the original intent of the act. I think it gives the States the opportunity to implement the minimum national standards, taking into account unique features of local climate and terrain.

We are not doing away with any regulations. We are not doing away with national standards or minimum standards. We are not doing away with the ability of the State to implement more stringent standards. It is a State's prerogative.

I would hope that the Senator would see the wisdom of this argument and withdraw his substitute. We could pass this piece of legislation and get on with other things.

I am sure he will not do that, but I would encourage him to give it consideration at this time anyhow.

Mr. MELCHER. Will the Senator yield for a question?

Mr. FORD. I am glad to yield.

I may not answer the Senator's question. But I have almost as good a staff surrounding me as he has. I am glad the chairman is loaning him his No. 1 man here so that we can really get the matter settled.

Mr. MELCHER. Is it the Senator's intent to nullify this provision of prime farmland where it refers to the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland?

Mr. FORD. The performance standards stay intact. We are not doing anything to jeopardize the performance standards here.

Mr. MELCHER. That is certainly correct, that the performance standards, which is a different provision of the bill, will stay intact.

But I wonder if it is the Senator's intent to nullify the language I have just read of prime farmland mining permit application procedures which requires—requires—by law that the Secretary of the Interior issue regulations after consultation and approval by the Secretary of Agriculture.

Mr. FORD. Let me say to the Senator, and I want to make a broad brush statement to him, nothing in the intent nor the language of what we are trying to do here would eliminate any original intent, because we worked so hard to pass the 1977 Surface Mining and Reclamation Act.

Mr. MELCHER. Would the Senator modify the proposal on the bill then?

Mr. FORD. I am not going to modify anything as of the moment. But if I can persuade the Senator to agree now by, maybe, changing the ands and ors, something like that, I might do that.

Mr. MELCHER. Mr. President, the effect of a section in the bill is to entirely wipe out the Secretary's regulations.

Mr. FORD. I say that the bill, as I see it, only modifies two sections and the prime farmland is not disturbed in any way.

So I say to the Senator, in trying to make the point, I do not think the bill is disturbed at all. We are referring to only two sections.

Mr. MELCHER. I think there is a very sincere miscalculation here by the sponsors of the bill in thinking that the repeal of the regulations in these two sections would only affect two sections.

But the matter is much broader than that. A really broad brush stroke, if I might paraphrase the comments of the Senator from Kentucky.

Mr. FORD. It was a broad brush stroke. I just did a lot of whitewashing when I was a farm boy and we used a big brush and tried to cover a lot of wood. I just call it broad brush.

Mr. HATFIELD. Will the Senator yield?

Mr. FORD. Yes.

Mr. MELCHER. I yield to the Senator.

Mr. HATFIELD. I would like to respond to the Senator to support the comments made by the Senator from Kentucky, but to add to those comments.

Throughout the bill, we will note in many sections of the bill, it refers to rules and regulations made by the Secretary individually or Secretaries together.

There are two things to bear in mind, I believe, which will help to allay the fears raised by the Senator from Montana and also to save time to rebut his statement that somehow this S. 1403 is repealing certain sections of the bill.

It in no way affects the rulemaking authority. Bear in mind, if a State does not have a plan, if a State does not come up with a plan, then the Federal Government, through the agencies designated and with the rules and regulations established under this act, will impose a Federal plan.

Now, S. 1403 in no way affects the rulemaking authority.

Second, rules and regulations may be and continue to be made under this bill, under S. 1403. They will be guidelines. They can be used as guidelines. They can be used as criteria. But they are not going to have the impact of the law we have written in terms of the performance standards in the act itself, if the States are in compliance with those performance standards, and the statements in the law.

So what we are saying is that the rulemaking authority is not in any way affected. We are not repealing any part of the law in that sense as it relates to the authority of the Secretaries to make rules.

Mr. MELCHER. I very much appreciate the Senator from Oregon's remarks about a State that does not submit a plan and, therefore, obviously, is going to be controlled on the reclamation program by the Federal Government. That, however, is not what we are in contention about at all.

The coal-producing States, by and large—perhaps all of them—are going to submit a State plan. So when you delete, as the bill before us does, the requirements of the regulations issued by the Secretary pursuant to this act, that means that in considering the State plan, the Secretary of the Interior can not consider his own regulations. Neither can the courts in interpreting the act.

What is even important, if a suit is brought in either a State or a Federal court, the State judge or the Federal judge will be interpreting the act without the advice of the regulations of the Secretary of the Interior. This simply nullifies any consideration of the regulations of the Secretary in looking at a State plan for approval. On that basis, I think it is complete chaos, completely unprecedented in any previous act of Congress of which I am aware, where, instead of repealing or amending certain sections of an act of Congress, the attempt is made not to do that. Rather than decisive actions by Congress to amend and correct anything wrong in the act section 3 of this bill just cancels the Federal regulation.

The Senate is asked here to approve a procedure which merely repeals the Secretary's regulations pertaining to approval of State plans.

With respect to the instance of the prime farmland, the section I have read from the act would be completely nullified by section 3 in S. 1403. It is true, as Senators have pointed out, that it does not nullify the standards. It merely nullifies the procedure for approving a mining plan where prime farmland is involved. It would be totally irresponsible on the part of Congress to enact this.

Mr. RANDOLPH. Mr. President, it is my considered judgment that in these Surface Mining Amendments of 1979 we are not acting in haste, but have informed ourselves of all the problems that have been identified in the original Surface Mining Act. I am an advocate of the purpose and the intent of the pending measure.

I commend Senator FORD, chairman of the Energy Resource and Materials Production Subcommittee, and Senator HATFIELD for directing the oversight hearings on June 19 and 21, 1979, which has led to a needed reassessment of the implementation of the 1977 Surface Mining and Reclamation Act. We have experienced how the act will eventually work if not modified and I congratulate my colleagues (Senator Ford, of Kentucky, and Senator Hatfield, of Oregon), coming back to the Senate and indicating that there are limited changes that need to be made so that the legislation which became law in 1977 can be more effective today.

Mr. President, earlier this afternoon, I listened with intense interest to the able Senator from Oregon as he talked about OSHA and other matters to which we address ourselves from time to time.

All too often, once this body creates a new office or other regulatory entity, regular congressional oversight of its activities is neglected. I believe the limited changes suggested in this legislation will serve to right the situation where flexibility purposely written into the original 1977 act was interpreted by the Office of Surface Mining as an absence of position.

Once a measure becomes law and we experience the administration of the law in a realistic setting—we see the actual effect of what Congress did. The intent of Congress is not always just in the language of the legislation. The intent of Congress often is in the hearings, in the colloquy, in the debates, in the decisions that are made here after careful deliberation.

I am very certain when I say that I know from my own experience in Congress that there are laws that have been placed upon the books, with clear intent by Congress. Those in the Senate know that with increasing frequency on the passage of those laws, when regulations are written to implement the statute there has been a subverting of the law, as to the intent of Congress.

I do not imply that this has taken place in connection with the administration of this law, but there are indications that there has been a misinterpretation of this law, with the regulations threatening to become the law itself.

No law ever has had to rely upon the regulatory situation. It relies upon the intent of Congress. That is why, in recent years we have done something that should have been done in greater degree and more frequently in the past, and that is to review the statutes as they are passed and then again as they have been administered by the agencies.

These are just limited changes, and they are changes that I believe are necessary. I think they give a certain desirable and necessary flexibility to the administration of a law of this kind.

I want to make it clear that as a Senator from West Virginia, I supported this legislation to help assure that the Appalachian States would continue to be healthy, safe places to work and sustain the scenic beauty inherent to our region of the country for all to enjoy. My major concern as we worked in the Senate was to make sure the environmental objective was accomplished, while guaranteeing the coal industry would continue to increase production. The Congress designed the surface mining law to insure equitable and uniform regulation of the industry through use of the "State window" concept. Flexibility was built into the statute to provide latitude in implementing the legislation.

Governor Rockefeller, the West Virginia State Department of Natural Resources, operators, and miners alike are concerned and troubled by the Office of Surface Mining's implementation efforts—especially their rulemaking activities. It seems that if final regulations are put in effect, as presently written, there is good chance they will stymie coal production, particularly in Appalachia, to the point of practical shutdown. West Virginia envisioned great benefits from this act and is today hoping that those environmental benefits will become a reality.

In Public Law 95-87, we created an extremely specific congressoional act which outlines and mandates strong environmental performance standards that must be met by the coal industry. I did not envision, however, when the act passed the great role and central source of problems that the rules and regulations would be, for example:

The sheer volume and complexity of the regulations have made understanding and compliance by West Virginia and the coal industry in the State extremely difficult or impossible.

The regulations have resulted in extreme adverse public and, in particular, legislative reaction in Charleston, our capital city. Where State legislative leaders have historically pushed for strong environmental programs in West Virginia, the atmosphere created by a well meaning but overzealous Office of Surface Mining is now one of antiregulation insofar as regulation of the coal industry is concerned. This backlash is creating a situation where it is very difficult to get legislative cooperation in passing bills to bring West Virginia into compliance with the Federal program.

Rulemaking problems have placed the West Virginia Department of Natural Resources in an extremely uncomfortable position, in that they have felt compelled to be highly critical of an agency which was designed by Congress to assist the States.

To be more specific, I believe the effluent limitations adopted in the Office of Surface Mining regulations are clearly impossible for the mining industry to meet. Additionally, the construction design criteria for drainage systems, which is a central part of the program, are clearly, in many cases, impossible to construct because of terrain limitations. A basic management concept in any undertaking is to establish realistic goals. From the testimony I heard not only in the Energy Committee's oversight proceedings, but also in Senator Huddleston's hearings on Government regulations associated with coal production and use, effluent limitations and the design criteria for construction of facilities to abate pollution are, along with numerous other Office of Surface Mining regulations not technically feasible.

I think we must realize that the central underlying cause of virtually all of these problems the belief and policy made evident in discussion and negotiations with the Office of Surface Mining that State laws and regulations, in order to be consistent with Federal regulations, must be identical to federally proposed regulations. I feel that section 2 and section 3 of the amendment before us will help correct these problems.

It is important that we are able to recognize problems and can work them out. There can be a correcting measure as the two Senators managing this legislation and members of the subcommittee and the committee by virtue of the amendment we discuss today, understand.

In section 2 of S. 1403 the date is extended for submission of a State program from 7 months to 6 months but leaves untouched the option of the Secretary to extend it for an additional 6 months in States where an act of the State legislature is needed to comply with the Surface Mining Act.

The final date by which a Federal program must be implemented in the absence of a State program is extended by 12 months instead of 7 and the corresponding date by which the regulatory authority must take action on permits to operate under the permanent regulatory program is also increased from 7 to 12 months. The need for a time extension arose because there had been a 7-month delay in the funding of the Office of Surface Mining which resulted in a delay of 7 months in the issuance of the permanent regulations. This provision will not weaken the act or change the intent of Congress, but will, in fact, strengthen the opportunity for compliance with the will of Congress. Most importantly, it will insure that the States have an adequate and fair opportunity to become the prime regulatory authority, as was initially intended.

Section 3 of S. 1403 would delete section 503(A)(7) of the 1977 act which requires that the States' permanent programs have laws and regulations consistent with the act and the Secretary's rules and regulations. Instead, the amendment requires only that State programs be consistent with the act itself. This provision allows the States to assume the role that I as a Senator and I believe the Senate desired in which the States would be invested with maximum flexibility, from the Federal regimentation that has developed. Flexibility, very frankly, is important in the administration of any law, just as it is important, to most of us as we carry forward our personal and official lives and duties.

Several committees of the Senate are currently considering programs which will place primarily reliance on coal based synthetic fuel technologies.

Coal, as my colleagues have heard me say many times, is America's most abundant fossil fuel resource. Its expansion in the short and the long term cannot and should not be denied.

Most of the second generation coal liquefaction and gasification technologies now being tested will convert about 1 ton of coal into 2.5 to 3 barrels of synthetic products. The Department of Energy has said recently, that a 1 million barrel per day synfuels industry would consume 156 million tons of coal per year, or about one-quarter of current use. Most analysts assume that the increased production will come primarily not from the deep mining but from the surface mining which we are discussing here today.

Largely, all of the increases in production of the coal mining industry since 1961 have been generated by new production from surface mines. In 1961 coal from underground mines made up 67.7 percent of coal mined in the United States; 1977 Department of Energy information states a decrease in underground mined coal to 39.9 percent of the total output.

Approximately one-half of U.S. coal production comes from surface mining the coal seams which lie fairly close to the Earth's face. The average overburden in the East is 100 feet with seam thickness of 4 feet as opposed to western overburden depths of 35 feet with seams ranging from an average of 35 feet to 100 feet.

New mines will have to meet the standard of the surface mining law. We must see that this law is not in turmoil. We cannot force the States who will be responsible for running reclamation programs into constant confrontation with the Federal Office of Surface Mining over certain reclamation standards.

We know that costs production in coal are escalating. Freight rates, mining equipment costs, leasing costs, are on the rise. Essential black lung benefits are paid in part as an internal cost; a younger work force is increasing training cost, and large severance taxes are required.

With these requirements on the existing coal industry, the modern industry, we must assure that mining operations can produce the mineral in a safe, efficient, and environmentally sound manner, rather than having to devote its primary efforts to paperwork compliance imperfectly implemented within some agencies and too often poorly coordinated between the agencies.

Mr. President, in offering my support for the amendments to the Surface Mining Control and Reclamation Act of 1977, I would like to draw on the detailed knowledge I have available as chairman of the Environment and Public Works Committee on how the Environmental Protection Agency coordinates its activities with the States. Based upon the nature of what was being regulated, Congress has mandated different relationships be established between the Environmental Protection Agency and the States.

In offering my support for these amendments to the 1977 act, I wish to draw on knowledge that comes to me in a practical manner. In serving as chairman of the Environment and Public Works Committee, and I want to just talk briefly about how the Environmental Protection Agency coordinates its activities with States.

Based upon the nature of what is being regulated, Congress has mandated different relationships to be established between the Environmental Protection Agency and the States.

Under the Clean Air Act and its amendments the Environmental Protection Agency has various relationships with the States in establishing regulations. In the case of automobile emissions, a detailed national standard has been established, and there is only one standard and one set of regulations. If the 50 States each established their own standards, the automobile manufacturers would be in an impossible position of trying to comply with 50 sets of regulations. Congress recognized the environmental diversity of the country has little to do with controlling auto emissions. The Environmental Protection Agency alone except in California, a special case, sets the regulatory standard and is in charge of enforcement.

In the next example, the Environmental Protection Agency has an entirely different relationship to the States' because Congress recognized a different set of environmental circumstances. Due to the diversity of climate and terrain, Congress decided that the States should establish their own regulations on what the specific sulfur emissions should be for a specific stationary source in order to meet the national standard. The Environmental Protection Agency has established the national ambient air quality standard. Based upon unique set of environmental factors each State establishes its own specific regulations to meet the national standard. Then, the powerplant adopts a pollution control strategy to meet that State regulation. For example, installing scrubbers or burning low-sulfur coal or oil. Thus, depending on a set of environmental considerations Congress determines the Environmental Protection Agency's relationship to the States themselves.

In the case of surface mining, Congress finds and declares under section 101(f) "that because of diversity in terrain, climate, biological, chemical, and other physical conditions * * * the primary governmental responsibility for developing * * * regulations for surface mining and reclamation operations subject to this act should rest with the States." To me, Congress understands the different relationships a Federal regulatory authority should have with the States. In the case of surface mining it is clear to me that the Office of Surface Mining's role should be similar to the Environmental Protection Agency's role concerning stationary sources of pollution. It should be one of oversight, while the prime role of developing detailed regulations should be left with the States.

Now, to me Congress understands the different relationship of the Federal regulatory authority. It should be made with the States. In the case of surface mining it is very clear to me and, I hope, to other Senators that the Office of Surface Mining's role should be similar to that of the Environmental Protection Agency's role concerning stationary sources of pollution. It should be one of oversight, while the prime role, I say to Senator FORD, for detailed regulations should be left to the States.

Those who claim that these amendments will gut or destroy the surface mining law should closely examine how the Environmental Protection Agency has successfully established its relationship with the States in areas where there is a need for taking into account differences due to climate and terrain. Through the enactment of these amendments, the Office of Surface Mining will successfully do the same.

Mr. President, I strongly endorse S. 1403, as modified, which must be made in a nonmarket regulatory program, and which must positively affect the industry's ability, a needed ability at this time, to produce the large quantities of coal we must have to stabilize our economy from the standpoint of producing, marketing, and using energy.

Again, I commend those who bring the measure to the floor. I only wish the Chamber could be occupied by more Senators during the debate, so that they might have the full understanding of amendments or proposals made as we discuss this issue that may be contrary to the intent of the limited changes which the Surface Mining Amendments of 1979 suggests, and which I endorse.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Tim Dudgeon of my staff be granted the privileges of the floor during the discussion and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent to be added as a cosponsor to S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I rise to voice my strong support for the efforts of my colleague from Kentucky and the majority of the members on the Senate Energy and Natural Resources Committee to bring some sensibility into the ranks of the Federal bureaucracy.

One purpose of S. 1403, the legislation before us today, is, of course, to extend the deadline of submission of State reclamation programs to February 3, 1980. There can be no doubt that this is a needed extension in light of the delays which occurred in the funding of the Office of Surface Mining. The extension will be helpful not only to the States but also to the Office of Surface Mining. The substitute language offered by Senator FORD and Senator HATFIELD offers additional help to the States and coal producers in that State rules and regulations will not have to mirror the regulations issued by the Secretary of the Interior pursuant to the Surface Mining Act. This is a most important step if we are serious about trying to bring ourselves out of the regulatory morass which faces the energy producing sector of our economy.

The Surface Mining Act was a product of long and hard discussion and debate. I strongly supported that act because of my desire to see that our environment is protected. Also behind my support was a belief that it was clear from the language of the legislation that the States would have the primary role in enforcement of the provisions in the law. However, as is so often the case, the bureaucracy has somehow interpreted our actions in passage of the Surface Mining Act to mean that they have the right to dictate to the States the exact methods by which the State can meet the requirements of the law. This is utter nonsense. I believe it is rare that we in the Senate have the opportunity to correct such a clear issue of regulatory overkill in a clear and understandable fashion.

The environmental safeguards put forth in Public Law 95–87 are strong and specific. The Ford-Hatfield language leaves those standards intact. Under the terms of the proposal offered by Senator FORD the States would simply be granted some degree of flexibility in meeting the requirements of Public Law 95–87. It is incomprehensible that the Office of Surface Mining would demand that State programs be carbon copies of the cookbook type regulations promulgated by the agency.

If a requirement or standard called for in the act can be met by methods other than those laid out by OSM I cannot see any reason why the specific design criteria called for by OSM must be used. This approach thwarts innovative engineering methods and really does nothing to enhance the quality of the environment.

Furthermore, the committee substitute will not in any way diminish the authority of the Secretary of the Interior to monitor the performance of States in achieving the goals set forth under the law.

Just last week the distinguished senior Senator from Arkansas had an amendment adopted to the Federal Courts Improvement Act which demonstrated the commitment of the Senate to address the general problem of overregulation. In the debate on that measure Senator BUMPERS clearly points out something which all of us know as a result of our communication with our constituencies. He said:

> Over the years the Congress has abdicated its responsibility in favor of the regulatory agencies and has given them almost carte blanche authority.

Today we can take a giant step in revoking that carte blanche approach and at the same time see our environment is not defiled.

I urge my colleagues to follow up on the rhetoric which very often comes from this Chamber. A vote for the so-called Ford-Hatfield amendment will be clear and convincing proof to the public that we are serious about regulatory reform. We are the elected representatives of the people and it is up to us to see that the statutes we pass are implemented properly. The public must be confident that we are not neglecting our duty. I believe the action last week on the Bumpers amendment was a signal in a general sense that the Senate is serious about regualtory reform. A vote for the Ford-Hatfield approach will demonstrate that we are capable of dealing with specific regulatory problems which have come about as a result of the bureaucracy not living up to perhaps one of the prime facets of the Surface Mining Act—State primacy in the implementation of the Surface Mining Act.

Mr. President, I ask that my colleagues of the Senate give serious consideration to this legislation and vote favorably on it. I thank the Chair.

Mr. FORD. Mr. President, I thank my senior colleague for his fine statement and support of the so-called Hatfield-Ford substitute for S. 1403.

There are other Senators who would like to make statements in support of this legislation, but because of various meetings at this time and various hearings these Senators are not on the floor.

I ask the distinguished Senator from Montana (Mr. MELCHER) if he has anything to say at this time. If not, I will suggest the absence of a quorum for a few moments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. HUDDLESTON assumed the chair.)

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask if Senator MORGAN will yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I rise in support of the 1-year extension that this bill contemplates and to support the two proposals in addition to the 1-year extension that had been recommended that for purposes of discussion bear the names associated with their principal sponsors from the States, the distinguished Governor of Wyoming, Mr. Herschler, recommending one, and the distinguished Governor Rockefeller, of West Virginia, the other.

Mr. President, on August 9, 1979, the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production held field hearings in Farmington, N. Mex., regarding coal productivity. The following facts come from those hearings. Prior to the Surface Mining Act's passage, the State of New Mexico had established the New Mexico Coal Surface Mining Commission. This commission was a unique mix of environmentalists, representatives of industry, and officials of the State government. D. E. Gray was the chairman of this commission and he testified before the committee. I ask unanimous consent that his remarks be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, the points made by Mr. Gray, representing the State of New Mexico, are astounding and must be reiterated.

The commission which operated in New Mexico was a group of seven with a total annual budget of approximately $30,000. Since the creation of the Office of Surface Mining, the staff has tripled and the budget has grown to $250,000 annually.

And the benefits?

Prior to OSM, the New Mexico Commission promulgated standards acceptable to environmentalists, safety experts and industry which were enforced on a basis of voluntary compliance. And this commission was able to start two mining operations and approve a third. Since OSM was created to expedite procedures there has been no new mining activity.

Specifically, the Denver region of OSM has impeded mining in New Mexico. Coal mining in New Mexico is done in arid areas. OSM requires these areas to be revegetated. Although there exists a mining operation which has successfully been revegetating vast tracts for 4 years, OSM is not satisfied that revegetation is feasible. Consequently, there has been no new production of available coal reserves. The States of New Mexico estimates it has lost approximately $900,000 in revenues from potential mining royalties.

The State knows revegetation is possible. The land that is being mined, absent mineral value, sells for around $100 per acre. The revegetation cost is as high as $4,000 per acre and OSM is still not satisfied.

A specific example of the delays caused by OSM is the consolidated goal proposal for a mining operation approved by New Mexico in 1977.

On September 5, I was notified that this proposal, which has been modified twice, has been recommended for approval with 26 stipulations relating to revegetation. The sum total of these stipulations is to make the mine proposal economically unfeasible. And this comes at a time when the President has called for increased coal production to help us through the present energy crisis.

New Mexico has vast coal reserves. New Mexico can mine these reserves with adequate safeguards to the environment. The sole impediment appears to be the Office of Surface Mining.

Mr. President, I would just like to speak a little bit on the Surface Mining Act and what I see as its evolution to this point and urge my fellow colleagues to support the amendments proposed here today.

I can remember vividly when we prepared this bill in the committee and brought it to the floor we were not in nearly as serious a posture in terms of energy crisis as we are today.

But there was general discussion that this was going to be a reasonable bill, that its prinicipal goals were to prevent what happened heretofore in the United States in terms of surface mining disgraces. Those of us who had serious question about whether or not we could really regulate out of one agency the diversity of America when it comes to surface mining, for the most part, we all went along with it.

I, for one, am sorry I did. I do not believe we will get the kind of mining activity in the area of coal mining this country needs as a result of this law as it is interpreted by those administering it, and I can say that with all honesty.

In my State, for instance, we had a 5-member commission administering State law on strip mining and revegetation. That was kind of an ideal law. It did not cost much money to administer—about $25,000. It was drawn by environmentalists and the business community. This law and this commission was made up of different segments. They had an excellent record. They knew we could revegetate where we needed in surface mining in New Mexico. They had tremendous success in developing plans that were adequate for our State, a very conservation-minded and environmental-minded State.

Let me tell what has happened. Not a single new piece of coal has been mined in that State. Instead of $25,000, we will spend—how much?—$250,000 for the administrative work we were doing for $25,000 and we still have not been able to satisfy the Federal regulators with reference to a State plan.

That is why it is absolutely imperative we get the 1 year extended, because that was a commitment that, in the orderly business of a State, we could come up with our own approach to this.

That was said right here on the floor. We intended this window to permit the States to come up with a plan that fit Federal regulations, and they have not been able to do that. That tells me that either the law was drawn wrong or those administering it do not want the States to come up with their own plan.

I submit, if we have one agency of this Government administering surface mining for America, it will be a fiasco. The right things will go unheeded. The wrong things approved. We will not mine coal, all of which add to the consumer burdens of America, make coal cost more, and add to our dependence, because we will produce less of it.

I do not think we can have that situation go on much longer. If nothing else, these amendments will focus attention on the fact that the safeguards of surface mining need not be used to prevent coal mining just because Federal regulators feel it should not be mined.

I believe that I could submit to the 100 United States Senators the 26 stipulations that they have now sent to one mining company on revegetation and I think I could get 99 Senators to agree they are unreasonable, the majority of the times unneeded, unnecessary, and many of the times literally stupid.

We have had some where they have now checked back and found 13 species of grass in an arid area and unless they can prove they can reproduce most of those in revegetation, they cannot mine coal.

Nobody in our State thought that was necessary before we put this agency in business. I believe it is time that more of us come to the floor and tell them we want some good commonsense.

Now, as it pertains to the Governors, they have been criticized because they want to get on with the business of coal mining and reasonable regulation. Let me say, if it was not for Governors coming before the committee in the last week before we passed this bill saying, "We want it," we would not even have a surface mining bill. That is the same Governors Rockefeller, Herschler, and others, who came to the Senate and said, "Let's try it now." They are being accused of disregard for the environment in their States, where they are elected to preserve and protect it. To me, that is ridiculous.

I hope we will grant the 1-year extension. I hope we will go along with the other two amendments. But if we do not, I hope the message is sent that we want them to administer this within the spirit of why it was passed and not any inventions of bureaucrats and administrators that just do not want any kind of surface mining to occur.

I thank the Senator from Oregon for yielding me time, and if I have any, I yield it back.

EXHIBIT 1

TESTIMONY OF D. E. GRAY

D. E. GRAY. I would like to go back and give you an opportunity to know what the New Mexico Coal Surface Mining Commission did prior to the federal act and then proceed from there.

Senator DOMENICI. Would you do that, please?

D. E. GRAY. The New Mexico Coal Surface Mining Commission and the Surface Mining Act became law in 1972. The Act and its regulations were written by a unique coalition of the environmental community, representatives of industry and officials of the state government. The Act established the New Mexico Coal Surface Commission. The Commission is comprised of seven appropriate state agencies or their designees and brings the expertise necessary to cover all facets critical to surface mining and reclamation. The structure of this Commission currently is one of the major factors assuring balance in the development of New Mexico's coal resources. Some of the duties of the Commission were to administer the Act and make every reasonable effort to obtain voluntary cooperation in mining the strip mining land, approve or disapprove mining claims and develop reasonable regulations concerning the productive reclamation of the strip mining lands. The New Mexico Act provided that no regulation may be adopted, amended or repealed without a public hearing. On February 9, 1973 the Commission adopted regulations which required, among other things, environmental impact hearings on development mining plans and the county in which the mine was to be located gives the public an opportunity to present all relevant evidence, call and examine witness, introduce exhibits, cross examine witnesses and submit rebuttal evidence.

The Commission has found mine operators willing to cooperate in reclaiming the mining land. Companies that were surface mining prior to the New Mexico Act volunteered to reclaim pre-law spoil which amounts to 500 plus acres at one mine and 1500 plus acres at another, provided that five years would be allowed by the Commission for the reclamation.

No general funds were permitted by the Legislature to administer this Act. Each Commissioner was full-time employed of his respective agency. There were fees collected from each of the operators. These fees were about adequate to take care of the contract mining inspectors that we have that were full time employees of the New Mexico Coal Surface Mining Commission. Salaries, mileage and per diem to each of the Commissioners were paid by the respective agencies. It was recognized soon after the enactment of public law No. 587 that a part-time Commission could not provide the necessary services to the State of New Mexico and the cooperators and supervisors because of the burdensome requirements of Federal law. Therefore in the 1979 Legislative Session the new Surface Mining Act was passed and became law June 15, 1979. The 1979 Act contains to the Commission the authority to promulgate regulations and the Commission is to serve as an appeals forum for those persons who are grieved by the decision of the Director of the Mining Commission. The Act gave to the Director the authority to approve permits and exercise all powers and enforcement of administration arising under the Act.

It should be noted by the way, for the record, that the inspection fees that we were collecting at that time were about $18,500.00. In the last year of inspection this was not quite enough to take care of our contract inspector, that made a total of about $25,000.00 for his services and then other items as printing and the like. It is estimated that the salaries of the Commission, mileage and per diem was paid by the respective agencies was totalling about $30,000.00 a year. It should be noted that in the 1979–1980 budget, we will have a budget of $267,000.00. In 1980–1981 it will approximate $300,000.00. Of course, some of this is going to be given back to us by the Federal government but it is still coming from the taxpayer.

Senator DOMENICI. Now, let me make sure that we've got the right comparison. This is $30,000.00 plus $25,000.00 that could be compared with $267,000.00?

D. E. GRAY. Not really, Senator, because my salary is paid as an employee, State Engineer, and I still have the function as an employed State Engineer, so it was—most of that time was actually spent after 5:00, so I believe in the true sense, that if we're talking about dollars and cents——

Senator DOMENICI. Now, I told Mr. Crane this in a Senate hearing and I used a little bit of a wrong figure and I correct it, but not so wrong. I said we were spending $15,000.00 a year and many people thought we were doing a very good job. We are now going to spend $267,000.00 and many people think we are doing a very poor job. As a matter of fact the $15,000.00 was wrong. It was $23,000.00 in your opinion.

D. E. GRAY. Yes sir, that's correct.

Senator DOMENICI. I don't contribute the rest of the statement to you, just the dollar statement amount. Now we're going to go to $300,000.00, is that right?

D. E. GRAY. In this coming year, yes sir, and I'm sure as time goes on this will have to increase.

Senator DOMENICI. Now, so I will understand, is that to do the same for the people of this state, its environment, as far as its goal that the $267,000.00 is going to do?

D. E. GRAY. Yes sir, the end results are going to be the same, but it's going to be a little more costly to achieve by the Federal Act.

Senator DOMENICI. Okay. Go ahead.

D. E. GRAY. The Commission agrees that the purpose is to set forth sections one and two of the Surface Mining Control and Reclamation Act of 1977. However the Commission objects to the manner in which the Department of Interior's Office of Surface Mining is attempting to implement building. Unfortunately the Act penalizes all coal mining, coal producing states because those states have failed to require the mine operators to be a good citizen. The Act goes too far. Actually there is no need for publication of regulations and when Congress wrote the Act it wrote the regulations. I cite two items in my prepared text as to how far it goes and we do have the regulations there, but in Sections 515(b) (17) and (18) they're talking about the construction of roads in the mining areas. The act contains 75 words.

The regulations that expanded this was Sections 816.150 through 816.181 of the Permanent Program Performance Standards to 6400 words and there's repetition in this. And that only pertains to the surface mining activities. This is duplicated again pertaining to the underground mining activities. So this thing has been exploded up to go over 13,000 words. Nothing is left to discretion of the State. I think also of interest in Section 816.106 of the Federal regulations where it is stated "when rills and gullies deeper than nine inches form in areas that have regraded and top soiled, the rills and gullies shall be filled, graded or otherwise stabilized . . . "

A Federal employee who is an expert in surface coal mining and reclamation, but is not in OSM, made this comment regarding this regulation: "The person or persons responsible for writing this unrealistic and impractical requirement obviously spent his entire life in a city and has never observed nature at work. This requirement is a definite harassment measure and should be eliminated."

It is the opinion of the New Mexico Coal Surface Mining Commission that the Federal Act and the voluminous Federal regulations will achieve no better reclamation than that which has been achieved under New Mexico's original seven-page Act and thirteen-page regulations. The Commission believes that a monster has been created in the form of OSM. We will need more than just the acceptance of the so-called "window" in state regulations, but we are going to have the opportunity to be of regulatory authority in our state. There is an urgent need for the Office of Surface Mining to become more cooperative and more responsive to states. The Office of Surface Mining's action in New Mexico have given not only the Commission, but also the operators the impression of the conventional goodguy. There are at least four reasons why the Commission believes the Office of Surface Mining's not responsive. New Mexico has been attempting to enter the cooperative agreement with the Office of Surface Mining since September, 1978. On submittal of the first draft several changes were made——

Senator DOMENICI. Mr. Gray, we need a break for the reporter. While she's doing that, let me make an announcement, and you don't need to take this down. All right, we're sorry to have interrupted you.

D. E. GRAY. Upon the submittal of the first draft to which New Mexico agreed and the draft agreement was returned to Denver for approval and signing. The Office of Surface Mining in Denver made several subsequent changes to which New Mexico agreed. The regional office concluded it was an acceptable agreement and it was sent to Washington for approval. Washington personnel are presently going through the same routine and now some ten months later no cooperative agreement has been finalized. It appears that the Office of Surface Mining attorneys are having trouble among themselves or the Office is intentionally playing a game.

The second is that New Mexico is concerned about the time which it's taking the Office of Surface Mining to process the application for mining on Indian land. On December 4, 1975, Consolidated Coal Co. submitted a mining and Reclamation Plan to the United States Geological Survey, Bureau of Reclamation, Bureau of Indian Affairs and Navajo Tribe. I am going to skip quite a bit of this because it is in my prepared text but as of July 30, 1979, OSM published a "Notice of Availability of Proposed Mining and Reclamation Plan for Public Review" of Consolidated Coal Company's project. The following is an excerpt from the notice: The notice is issued at this time for the convenience of the public. The Office of Surface Mining has not yet determined whether the proposed plan will be in compliance with the applicable regulations . . . The application has been subject to initial reviews and more appropriate technical reviews, final technical reviews and environmental analyses and compliance determinations and to date no permit has been issued. The application can be considered ad infinitum if the energy crisis does not worsen. There is no way this nation can comply with President Carter's order for energy independence and utilize our great coal reserves if OSM continues to flounder on future coal mining applications as it has on the Consolidated Coal application.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—this has been cleared with Mr. MELCHER—that a vote occur up or down on an amendment by Mr. MELCHER at 5:15 p.m. today; that a vote occur on final passage of the bill, with paragraph 3 of rule XII being waived, at no later than 7 o'clock p.m. today; that there be a time limit on an amendment by Mr. BELLMON of 30 minutes, to be equally divided; a time limit on an amendment by Mr. WARNER of 30 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. Does any Senator wish to be heard?

UP AMENDMENT NO. 542

Mr. BELLMON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 542.

Mr. BELLMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 9, insert the following:

Sec. 5. Section 502 of the Act is amended by adding a new subsection "(g)" as follows:

"(g) Notwithstanding any other provision of this section, each State shall, to the greatest extent possible, have principal responsibility for the inspection of mines during the period of time prior to the submittal of State plans for approval. Such responsibility shall remain with each State until such time as the Secretary disapproves the State plan. The Secretary shall furnish personnel assistance to the States in carrying out this responsibility upon request of the State regulatory agency."

Mr. BELLMON. Mr. President, I will explain the amendment, but first I will recite what has happened in connection with surface mining control.

Before we passed the Surface Mining Control Act, States generally were charged with this responsibility. Some were doing well and some poorly. After we passed the Surface Mining Control Act, the States were given time to meet the requirements of that act. But immediately—at least, in some cases—Federal authorities moved in and began to meddle in this business of reclamation control. So the fact is that at the present time, under the law, the States will still have the major responsibility.

The result is that we now have both the States and the Federal authorities trying to tell the miners how they should handle the reclamation problems.

The purpose of this amendment—and all it would do—is to say that as long as an agreement is under consideration and until it has been approved or disapproved, the responsibility for controlling reclamation problems shall remain with the State regulatory agency. In other words, what we will have is one agency, the State agency, charged with this responsibility, until an agreement has been reached, in which case the State would continue, or until an agreement has failed to be reached, in which case the Feds would take over.

It is wrong, in my opinion, to have two authorities trying to accomplish the same task. In this case, it is causing great confusion and increase in the cost of mining, which has to be passed on to the consumer.

I hope the Senate will agree to this amendment.

Mr. FORD. Mr. President, I reluctantly oppose the amendment of the Senator from Oklahoma.

Many times on this floor one would like to do certain things and make changes, but circumstances prohibit these changes.

The Senator from Oklahoma is a member of the Energy and Natural Resources Committee, and he is very familiar with the procedure we had to follow in order to get S. 1403 to the Senate floor.

The Senator also recalls the closeness of some of the votes—the original amendment as submitted by the distinguished Senator from Oregon—and how many of those different proposals were dropped in the committee, in order to report the compact bill we now have before us.

There are many things about surface mining we would like to correct. I suppose there is a lengthy gamut of things that people would like to see eliminated from or added to the bill.

However, under the circumstances, I think we must restrain ourselves from trying to enlarge this piece of legislation, because if we are going to give the States the opportunity to submit their own plans, this is the only vehicle we can use.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. BELLMON. My amendment would not in any way keep the States from submitting their own plan. It says that while the plan is being considered, the States would have the responsibility for enforcing reclamation law, instead of having the Federal Government in there meddling and confusing the issue.

Mr. FORD. The Senator knows what I am talking about. If we accept additional amendments, we open a Pandora's box, regardless of how good the Senator's amendment is—I know this will not set very well with him, and I regret that. If we are in the position of adding amendments and extending the use of this legislation for amendments, then the mechanism and the bill for getting it through will be diluted considerably.

Mr. BELLMON. Mr. President, I am not aware of any special condition in the Senate that requires us not to amend this bill. We amend bills day after day.

If the Senator is concerned about opening a Pandora's box, I suggest that he take the amendment, and that is the end of it.

Mr. FORD. It has to go to another House. The Senator is on the committee, and he understands what I am saying.

Mr. BELLMON. I am afraid I do not.

Mr. FORD. The Senator has been here longer than I have.

Mr. DOMENICI. I ask this question of the Senator: What he is saying is that there is a great deal of reluctance to accept amendments other than the 1-year extension by certain people in the administration.

Mr. FORD. No. The Senator also is on the committee, and he knows how the committee voted, and he knows what is before us. It is not just the extension. It is the Western lands and the ability of the States to submit their own reclamation plan.

If we continue to add amendments, the legislation is saddled with more than I think it can carry mechanically.

Mr. DOMENICI. This amendment could almost be called a clarifying amendment, an interpretive amendment.

There is a vague area, while we are waiting around for a final plan. Two agencies are doing the same kind of work. That is what Senator BELLMON is addressing. It is not a very significant addition, as I understand it.

Am I correct?

Mr. BELLMON. The Senator is correct. All we are trying to do here is to clarify what seems to be a misunderstanding.

The Feds seem to think that until there is an agreement, they have a right and a responsibility to come in and establish their own standards.

The States have been doing the work all along, and they feel that until they have been taken out of the picture, they have a right to be involved.

Mr. FORD. The Senator says in his amendment "the principal responsibility." But let us go back to section 502(d), to the last line:

> But in no case later than 42 days from enactment of this act.

The Senator has not eliminated that. He still goes along with the same procedure. He has not eliminated anything allowing OSM to go in and inspect.

Mr. BELLMON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, the amendment says very plainly that until an agreement has been worked out, the States, to the greatest extent possible, shall have principal responsibility for the inspection of mines during the period of time prior to the submission of State plans for approval.

Mr. FORD. But section 502(e) says exactly what the Federal Government should be doing in the States. The Senator from Oklahoma has not eliminated all that. He still allows section 502(e) and that whole page and each of those paragraphs to apply. I do not see how the amendment helps anything.

Mr. BELLMON. The amendment says "notwithstanding any other provision."

Mr. FORD. It says "principal responsibility." What about secondary responsibility, then? That would be the Feds who come in on secondary responsibility.

Mr. BELLMON. The States have principal responsibility.

Mr. FORD. Who has secondary responsibility?

Mr. BELLMON. There need not be secondary responsibility.

Mr. FORD. Section (e) gives them all that authority, and the Senator has not eliminated that.

Mr. BELLMON. We have said that notwithstanding any other provision, the States will have principal responsibility.

Mr. FORD. But the Senator has not eliminated the other responsibilty under the act, which is section 502(e) and all those subparagraphs. He has not eliminated anything. He has said one is principal, and the other is still going to be in there. The Senator has not eliminated the OSM inspection whatsoever.

Mr. BELLMON. It seems to me that the States have the principal responsibility, that that puts the Federal Government in a subordinate position.

Mr. FORD. They still inspect.

Mr. BELLMON. I have no problem with their inspecting. I have a problem with their coming in and giving a set of standards to the miners when the States already have done that, and the miners cannot tell which authority to follow. We need to have a principal authority, and this amendment gives that responsibility to the States.

Mr. FORD. They can come in and inspect. They still come in and give citations.

I understand that the Senator is trying to eliminate dual inspection and dual responsibility. He has not done that. They have their cookbook regulations, and the Feds come in and give citations. I do not think the Senator has eliminated that.

Mr. BELLMON. I would be willing to leave that to the courts.

Mr. FORD. We have been here all day, and the way we are going, we will have more before the courts. It seems to me that the way we are going, we want to get everything into court.

Mr. BELLMON. I have no desire to get everything into court.

The amendment plainly says that the States have the primary responsibility, and the Feds are in a secondary role; and when a decision has to be made, the States will make it.

Mr. FORD. The Senator says it should be left to the courts, and this leaves open another avenue for us to get into court.

We are trying to keep the bill as simple as possible, without making it complex and adding so many amendments that we will go to court. I hope the Senator will withdraw the amendment.

Mr. BELLMON. I will put the Senator's mind at rest. I am not going to withdraw the amendment.

Mr. FORD. That is right. I understand what the Senator is trying to do and I probably agree with him, but I do not think the Senator's end result will ever come to pass.

Mr. BELLMON. Mr. President, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FORD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. MCCLURE) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 73, nays 20, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—73

Armstrong
Baker
Bellmon
Bentsen
Boren
Boschwitz
Burdick
Byrd, Harry F., Jr
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Mathias
Matsunaga
McGovern
Morgan
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—20

Baucus
Biden
Bradley
Culver
Durkin
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
Melcher
Metzenbaum
Moynihan
Nelson
Proxmire
Sarbanes
Stevenson
Tsongas
Williams

NOT VOTING—7

Bayh
Bumpers
Inouye
McClure
Muskie
Pressler
Ribicoff

So Mr. BELLMON's amendment (UP No. 542) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Rob Wallace of Senator WALLOP's staff be accorded the privilege of the floor during the debate on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that two members of my staff, Mr. John White and Mr. Sindelav, be granted the privilege of the floor during the remainder of the consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate?

UP AMENDMENT NO. 543

Mr. WARNER. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER) proposes an unprinted amendment numbered 543:

On page 4, line 9, insert the following:

SEC. 5. Sections 515(b), 515(c), 515(d), 515(e) of the Act are amended as follows:

(a) in section 515(b) (3) strike the words "except as provided in subsection (c)";

(b) in section 515(b) (3) strike the phrase "restore the approximate original contour of the land with all highwalls" and substitute the phrase "eliminate at least seventy-five percent of the highwall created by the mining operation, with all"

(c) in section 515(b) (3) after the words "Provided, however," there should be inserted the phrase "that final regrading shall be compatible with the approved post-mining land use; and provided further,"

(d) in section 515(b) (3) strike the phrase "and where the operator demonstrates that overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour,"

(e) in section 515(b) (3) after the words "in the course of the mining operation is more than sufficient to" strike the phrase "restore the approximate original contour," and substitute the phrase "achieve the approved post-mining site configuration,"

(f) in section 515(b) (3) after the words "the operator shall" strike the phrase "after restoring the approximate contour,"

(g) in section 5115(b) (9) there should be added a new clause at the end of the sentence "provided further that when only augering is conducted on a previously mined area, the highwall shall be eliminated to the extent allowed by existing material."

(h) in section 515(c) strike subsections 515(c) (1) through 515(c) (6),

(i) Section 515(d) should be renumbered 515(c);

(j) renumbered section 515 (c) (2) should be deleted;

(k) Section 515(e) (1) through 515(e) (6) should be deleted.

Mr. WARNER. Mr. President, Virginia is the Nation's seventh ranking coal-producing State. We have tried very hard to live within the confines of the new law and the regulations.

About one-third of Virginia is coal country. In recent years 14 million tons annually, have been produced in our State through strip mining techniques, approximately one-third of the coal produced in the State each year.

Frankly, our experience has proved that the present requirement in the Surface Mining Act calling for mine operators to restore the mined land to original contours is extraordinarily costly and indeed infinitely unwise. But we are a State that is very proud of the progress we have made in protecting our environment under this act though at times it has been to our detriment.

Further, frequently the steps necessary to bring about original contours surface restoration have proved hazardous to the individuals performing this work. Quite frankly, sometimes it is plainly impossible to restore vast mountain slopes to their original contours. Many of our slopes average, from 20 to 30 degrees. Human hands and technology simply cannot restore these slopes to their original contours.

This has resulted in a drastic curtailment of strip mining, ever-increasing unemployment, and a detrimental economic situation to many Virginia communities.

It is for that reason that I submit this amendment, which I feel is quite reasonable. It merely, in summary, asks that the 100 percent original contour restoration requirement be moved back to a reasonable 75 percent. In other words, the operators must at least restore the contours to 75 percent of their original slope. While my bill addresses Virginia's economic, environmental, and safety concerns in the surface mining restoration area, it would also have added benefit of possibly providing southwestern Virginia with increased usable land. Virginia's communities have been able to utilize restored land for entirely new purposes—hospitals, schools, housing, and other necessary improvements in everyday life. My bill would make available to them additional land for community use.

Mr. President, a U.S. district judge in western Virginia, in examining the Surface Mining Control and Reclamation Act of 1977 during litigation proceedings in February of this year, made findings of fact that the act imposes stringent performance standards upon coal mining operations on slopes greater than 20 degrees. The judge found that the act makes surface mining economically prohibitive on slopes of 20 degrees or greater.

The judge found further that the act has its greatest impact on the land area located in the western district of Virginia, since 95 percent of the coal reserves found in Virginia and capable of being strip mined are located on slopes with an incline greater than 20 percent.

It was held that the evidence presented clearly proved that the act establishes performance standards which are designed to restrict or prevent the recovery of coal from 95 percent of the coal reserves in the western district of Virginia.

This nonrecovery of coal means a loss of jobs in Virginia and economic hardship wrought upon innocent families.

At the present time 2,000 of Virginia's 20,000 coal mines are out of work in southwest Virginia.

My amendment which would relieve some of the act's stringent requirements would go a long way toward alleviating this existing economic disaster.

I only wish that my colleagues could join me and see the beautiful hills of Virginia and see how the people, through restoration, have made safe and productive use of land that has yielded forth the coal. In this hour of economic crisis, in this hour when we still are confronted with a national energy problem, I urge my colleagues to consider favorably this amendment, which will help many regions of America.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I commend the distinguished Senator from Virginia for presenting this amendment and focusing attention, again on what I consider to be one of the most onerous impractical provisions of the Surface Mining Act. The requirement to return land to the original production contour is one that is most troublesome to the eastern section of the State of Kentucky. It imposes unnecessarily severe restrictions on coal producers and is such a difficult task to accomplish, yet the requirement totally ignores the benefit that may come from leaving the land in such a condition that it can be utilized in another manner.

But the fact is that when you mine coal you can leave benches and you can leave flat surfaces in the place of steep hillsides without doing any damage to the environment.

The scarcest commodity in the eastern section of Kentucky, where some of the highest quality coal in the United States is produced, is flat land. The only way that area of this country is going to develop in the future, and is going to be able to benefit from this tremendous resource this energy resource of coal, is to be assured that it will be left in such a condition that future generations can build a new economic foundation.

That cannot occur if land is not available for factories, or available for building homes, public buildings, highways, and the numerous other facilities that accompany economic growth.

It may well be, as I am sure the committee will indicate, that this is not the proper time to seek substantial changes in the law itself because, as a matter of fact, it has not gone into full operation at this time. Maybe it is an issue that should be dealt with later, after more experience has been had and more knowledge about just exactly what we are talking about. But I hope that, somewhere along the line, the Senate will give very serious consideration to the fact that it is difficult to write a law and include in it very specific provisions that apply equally all over the United States and for every kind of situation.

I think that with further study and further experience, it can be demonstrated that the law, in fact, may well be counterproductive to environmental considerations. At the same time, the approximate original contour requirement denies the opportunity for development of land which could be significant to the future economic strength in the coal producing regions of our country.

Mr. RANDOLPH. Will the able Senator from Kentucky, who addresses himself to the Warner amendment, yield to me?

Mr. HUDDLESTON. Yes, I yield to the Senator from West Virginia.

Mr. RANDOLPH. I thank the Senator.

Mr. President, as the Senator from Kentucky has said and as other Senators who are in the Chamber know, there are the questions on returning land to original contours and filling deep valleys with overburden in our States. Granted we must be careful to see that surface mining does not destroy our scenic landscapes. But sometimes in areas like West Virginia we are also interested in what I understand Senator WARNER's amendment would address. That is the opportunity to improve the land, for the purposes that will provide housing and other sites for public facilities can be created for the benefit of those who move in to mine the coal itself. If land can be used in this manner, in states with mountainous terrain like West Virginia, restoration to original contour should also be treated flexibly.

We have to be realistic. Sometimes, in West Virginia, I am told by individuals and companies alike that land is sadly lacking for new community development purposes. Armco, for example, recently opened two new mines. They said very frankly that there was a problem of securing sufficient miners for the actual mining of the coal because of the inability to find sites where they could live, in close proximity to where they had to mine the coal.

The Senator from Kentucky knows that our miners are, ofttimes, driving 50 and 60 miles each way to work in the mines—not only the deep mines, but the surface mines as well. So I feel that Senator WARNER's 75 percent of original contour amendment that has been offered would not damage this legislation. I believe that is Senator HUDDLESTON's position. The amendment, in fact, gives States the opportunity to modify surface-mined land for construction of houses, schools, and other community facilities.

That is my understanding, and I support the amendment.

Mr. FORD. Mr. President, how much time remains? I understand we have 15 minutes each.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Kentucky has 15 minutes.

Mr. FORD. Has all of it been taken out of the time of the Senator from Virginia? How much time does he have left?

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes.

Mr. WARNER. Mr. President, I wish to thank my distinguished colleagues from Kentucky and West Virginia and gratefully yield the time to each of them.

Mr. FORD. I thank the Senator.

Mr. President, the Senator from Virginia makes good ecological sense. I have struggled with this problem for a long time, since long before I came to the U.S. Senate. Therefore, I am not a new hand at this.

I struggled in the 95th Congress—in full committee, on the floor, in conference. I finally got a little experimental language toward the end that if the Secretary would approve would result in some experimental operations related to this.

When engineers who are well educated and have given their lives to this arena come forward with their statements and positions, it makes you wonder when others come and say so harshly, "You have to do it this way," even when sound engineering practices dictate a certain way.

I can assure the Senator from Virginia that I will work with him to try to secure a responsible and sound legislative approach to the problem.

I will tell the Senator, at least in my judgment, that if this amendment should go with this piece of legislation, it would probably put it back into the arena of the controversy we have had over the years. In that light, and the consideration of that amendment on this piece of legislation, I would hope that we would not have to go into that arena to fight again.

I think with the information we have had and the problems that have been presented, that in a short period of time we will be in a better position to look at the real world and say what has happened and what has not happened, then we can come forward.

Mr. President, I have no real argument with the Senator from Virginia as to what he is trying to do because I have tried to do that, and I think he understands.

Mr. President, I have no further argument against it, I just hope the Senator will not require us to make a decision on this particular amendment today.

Mr. WARNER. Mr. President, I ask if the minority Senator would like to speak to this matter. I would yield some time to him. I have 5 minutes remaining.

Mr. FORD. I have some.

Mr. HATFIELD. I thank the Senator from Virginia.

I will ask for 3 minutes from the majority leader of the bill since I think he has a little more time left.

Mr. FORD. Yes.

Mr. HATFIELD. Mr. President, as one who served on the committee which developed this mining act in the last Congress, I can understand the concerns expressed by the Senator from Virginia.

My State is not such a State that is involved or affected by the Surface Mining Act in the same way. We do not have such deposits of coal and other minerals of this type.

I remember that in the discussion that took place as to the way we were going to reconfigure and reconform the terrain following these surface mining activities, I asked a question somewhat facetiously. It seemed to me in my travels in the State of West Virginia particularly, when I saw the amount of money required to try to develop some flat surface for schools and football fields, and other such municipal and local enterprises, that there was a lack of flat surface terrain to construct on as the villages and towns were growing in the State of West Virginia. That seemed to be one of the great problems and one of the cost factors involved in accommodating that growth.

So that perhaps, rather than requiring that terrain in which they were surface mining be put back into its original form, perhaps they would be better off to level it off in some cases and get some flat surface.

Of course, as I say, that was raised in sort of a facetious manner. Yet it bore on a very important point that not only exists in West Virginia, but other States as well. There has to be more flexibility, perhaps, than we discussed in the original act, so that local areas and conditions can have at least a little input in the decisionmaking.

I have seen lands that have been reclaimed, and in some instances in Pennsylvania where I have seen such lands, they are more attractive than the original terrain, and they did not conform to the exact shape and form of the original terrain.

So I think the Senator has raised some very significant issues here. I assure him, along with the majority leader of the bill, the Senator from Kentucky (Mr. FORD), as a fellow member on the same committee, that if the Senator from Virginia is interested in pursuing this in the legislative route, I certainly will be very open and very empathetic with the proposals he may raise.

But again I would like to urge the Senator to take that route rather than attempting to set that into law now. We would run not only into difficulties with the House managers and conferees, the entire bill would be placed in jeopardy.

I think something of this kind has such broad-based application, it perhaps deserves a new hearing where other States participate and other views be expressed on the subject.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATFIELD. I thank the Chair.

I will be very happy to work with the Senator from Virginia.

Mr. WARNER. Mr. President, I am, first, very appreciative of the remarks expressed by all who have addressed this amendment. Those remarks reflect a deep concern as well as an understanding of the problems facing those States affected by the "original contours" requirement of the act. The floor leaders on this legislation, I think, have indicated that in their best judgment, considering the entire industry, that while this amendment has merits it needs further exploration by the Senate, perhaps even hearings.

If I interpret the remarks of Senator FORD and Senator HATFIELD correctly, they will facilitate such hearings.

Further, it is in the best interests of the whole industry that the legislation, S. 1403 as amended, now pending before the Senate, should be permitted to go forward without the attachment of this amendment. To do otherwise may well endanger the passage of this bill. As I strongly support S. 1403 and believe that it must be enacted to provide an impetus for increased coal production vitally needed by this Nation. I defer to their judgment. I will at the proper time reintroduce my amendment as an original bill and seek the support and cosponsorship of those Senators who have spoke on my amendment on the floor today. At this time, without prejudice to my amendment, I ask unanimous consent that it be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I do not know of any other amendments, at least I have not been informed of any other amendments.

UP AMENDMENT NO. 544

Mr. MELCHER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Montana (Mr. MELCHER), for himself, Mr. JACKSON and Mr. TSONGAS, proposes an unprinted amendment numbered 544.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In lieu of the language proposed to be inserted by the committee amendment insert the following:
>
> That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979."
>
> SEC. 2. Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) are hereby amended as follows:
>
> (1) in section 502(d) in the last sentence, strike the words "forty-two months" and substitute the words "forty-nine months";
>
> (2) in section 503(a), strike the words "eighteenth-month" and substitute the words "thirty-one months";
>
> (3) in section 504(a), strike the words "thirty-four months" and substitute the words "forty-one months";
>
> (4) in section 504(a)(1), strike the words "eighteen-month" and substitute the words "thirty-one months"; and
>
> (5) in section 504(a) after paragraph (3), strike the sentence:
>
> If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months."
>
> SEC. 3. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

Mr. FORD. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. FORD. Is this the amendment that the majority leader secured the time agreement on with the Senator—at 5:15?

Mr. MELCHER. Yes, it is.

Mr. FORD. I say to the Senator, I have just now been informed that there may be another amendment, and we have a time agreement.

I am just trying to be sure we do not have any problems here parliamentary-wise.

Mr. President, I am proceeding on the understanding of the request made by the majority leader that we would vote on Senator MELCHER'S substitute at 5:15, and then we would go to third reading and final vote no later than 7 p.m.

If other amendments are to be submitted, I suggest that proponents of those amendments have the responsibility to present them prior to that time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I ask unanimous consent that Mr. Jim Cubie, of Senator KENNEDY'S staff, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I wish to discuss the amendment I have at the desk and which is the pending business before the Senate.

Section 3 of the proposal before the Senate, is a completely novel approach to congressional actions. The feeling of the Senate and the House has been expressed that the 1977 Surface Mining Control Act was oriented toward a State lead, and there is no argument with that. It was oriented toward a State accepting the minimum standards required under the Federal law as State law and developing a program for reclamation of coal strip mined land, submitting it to the Secretary for his approval, as meeting those minimum standards, and then the State operated the reclamation program. There is no argument at all with that.

However, when we have been told by our constituents in the past that the act that brought about Federal regulations were too much to put up with or threatened not to accomplish the purpose for which the act was adopted, we ordinarily have addressed ourselves then to specific parts of that Federal law, in an attempt to make modifications in the law by amendment and on some occasions to repeal the law.

The novel approach today in S. 1403 is not to amend the law but to repeal those regulations in place, promulgated by the Secretary of the Interior to carry out the intent of the law as it affects the approval of a State's program to run the reclamation program on lands that are strip mined for coal.

How does it do this? S. 1403 says that the State program will not have to be consistent with the Secretary's regulations in considering such State program. Rather than just addressing some regulations or parts of the act that the industry might find objectionable or a State might find is incompatible with its particular circumstances, rather than just addressing those specific points, this bill would have us use a broad ax approach just to take away the Secretary's regulations regarding approval of a State plan.

So it is not just the performance standards of section 515 and section 516 of the act, but it involves the rest of the regulatory scheme, including the permit application and approval, bonding, inspections, designations of lands as unsuitable. The whole body of regulations would be eliminated as a standard to judge the adequacy of a State program.

Earlier today, we had a question from the Senator from Illinois regarding what would be the effect on prime farmlands if the bill were passed as presented. We looked at the permitting procedures to identify when a mining plan would be approved, to extract the coal that underlies land that has been designated as prime farmland. Under that permitting procedure, in the explicit language of the act, it refers to the requirement of the Secretary of the Interior to develop the regulations pursuant to this point in cooperation with and the approval of the Secretary of Agriculture.

The effect of S. 1403 as drafted and presented by the proponents of the bill would be to nullify, in effect repeal, that very procedure for granting a permit to mine under prime farmland, to extract the coal by means of strip mining.

The Secretary of the Interior in a letter dated today notes that this section of the bill deletes his authority to use regulations as a basis for review and decision on State program proposals. It can only lead to court challenge of almost any decision that he makes regarding a State program.

He points out that over 500 issues were raised by the States, by the industry, or by the public, while the Department of Interior was writing the final rules.

He further points out that many of those issues are likely to be raised again with respect to one or more State programs. In deciding them, the Secretary states, "The courts will be effectively writing the national regulations on a State-by-State basis."

I wish to remind my colleagues in the Senate of some of the points that would be of very much concern to me and I think to most of the people who are relying on the 1977 act to prevent degradation of land or water throughout the country where coal is strip mined.

If this bill is adopted as it is presented to us, the Secretary will be shorn of his ability to use those regulations, to judge whether or not a State program can meet the specific application under the broad standards of the act. In fact, the Secretary would probably not be even able to use those regulations as a guide to aid him in assessing the State's submissions, because this act of Congress, if this bill were passed, will effectively say forget about those regulations, forget about them. As has been so often the case in debate this afternoon, the proponents of this proposal have stated that the regulations are too burdensome, too cumbersome, and there are too many of them.

Where do we start then? Where is the benchmark? If we have a case in court, State or Federal court, where is the benchmark to review and compare the proposals made by an individual State as to the requirements of meeting the language in the act?

I do not think I am exaggerating to say that will vary depending upon who the judge is and how strong the argument is made by one side or the other before that particular judge.

The court then will have to render a decision, and as the various courts are to decide what the interpretation of the act is, then we are going to have a patchwork system of what that interpretation is, varying from court to court, or very likely from State to State.

I have a point here. Many of the act's standards are very broad and surely they are not self-enforcing. For instance, the act requires mining to be conducted in such a way as to minimize the disturbance to the prevailing hydrologic balance, stabilize and protect all surface areas to control erosion and air and water pollution and assured treatment of all toxic- or acid-forming materials.

That is what the act requires, and we know we want that. There is not a one of us who does not want that in the act and we want it enforced and we want it enforced uniformly on those matters. We know that there must be a variance in some instances. There must be some differences in some States, and the Secretary has that authority under the act.

For instance, the Secretary in his letter today said this amendment is not needed "because the variations the States will most likely propose can be approved under the State window provided in our regulations if they are consistent with the act and warranted. States may submit laws or regulations which differ from the regulations if they achieve the purposes of the act. I can and will approve such alternatives where I find, based on information provided by the State or otherwise available, that equivalent levels of protection to the public and environment will be achieved."

I think that procedure is much preferable to a procedure where a Federal or a State judge decides on such regulations as would affect, for instance, the hydrologic balance, so important to us in the West.

Are we to throw in doubt just what the act meant when we passed it here after so many years of effort, that it really meant to protect the water availability in Western States? I would hope not. Yet the provision in this proposed bill that would remove the Secretary's regulations from consideration and approving a State plan would do exactly that and throw it into a court for a determination.

I have noted some of the examinations that have been made on the legal implications of this provision. The section 3 provision will cause extensive and unnecessary litigation, I am advised by legal authority who reviewed it carefully and reviewed the history of the act. States will argue that their programs meet the requirements of the act and the Department of the Interior through the Office of Surface Mining will not have their regulations as official interpretation. States will litigate to force the Department of the Interior to approve their programs. It is likely that the coal industry within a State will litigate, arguing that the approved State program is inconsistent with the act, and it is possible, indeed it is likely, that an individual or citizen organization will challenge the approved State program as not being adequate to meet the requirements of the act.

The desire for a uniform program nationwide is certainly diminished under those circumstances. Many of the provisions of the act granted are broad general statements of intent and policy and like almost all legislation Congress passes we expect it and we require that the Department of the Interior will carry the congressional mandate by regulation and will interpret and design a uniform program based upon the general desires of Congress and to achieve that through the promulgation of regulations as the usual process.

There is an environmental implication here, also.

I have mentioned the protection of the hydrology particularly in the Western States where it is so vital to use.

Let me also remind the Senate that the interpretation of the environmental protection standards and permit requirements will differ from State to State and the ability of the Office of Surface Mining in the Department of the Interior to insure that these provisions are adequately carried out will be greatly diminished if we were to accept S. 1403 as presented to the Senate because that provision in the bill forbids the Office of Surface Mining the use of a model to assist the States in drafting their program, and it is very likely that under that provision certain States will continue to be in an economic disadvantage for neighboring State programs will not necessarily be as stringent as their own. So the abuses of the past are likely to continue.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. MELCHER. I am glad to yield to my friend from Iowa.

Mr. CULVER. I appreciate very much the Senator's yielding, and I wish to commend him for his interest and leadership in this important area.

Mr. President, when I introduced the so-called prime farmlands amendment to the Surface Mining Control and Reclamation Act in 1977 it was intended to protect prime farmland potentially subject to surface mining operations.

Mr. President, it is my understanding that implementation of this provision by the Department of the Interior has been in accordance with the intent of Congress in approving my amendment. Moreover, I can assure the Senate that its implementation has certainly been in accordance with the intent of the original amendment's prime sponsor.

Essentially, the amendment provided that an applicant for a new permit to conduct surface mining of prime farmland must demonstrate to the State regulatory authority that he can restore the land to its full premining agricultural potential.

This amendment was premised upon the belief that prime farmland is a critically important natural resource. Its value is long term and renewable—if it is properly safeguarded, we can benefit from its bounty almost indefinitely. That renewable quality makes it almost unique; other resources, once exploited, are gone forever. As a Senator from the State of Iowa, which has so long exemplified the immense capacity of American agriculture, I may display a certain bias but I believe firmly that next to our people, our fertile soil is our Nation's most valuable resource.

It is precisely because this soil is so vital that if it is to be used for additional or alternate purposes, its primary usefulness as farmland must be guaranteed. Its permanent loss would severely undermine our future food production potential and place greater pressure on our remaining agricultural resources. As Secretary of Agriculture Bergland has stated:

> Any loss of prime farmland, no matter how small, is a loss that cuts at the very heart of long-term American productivity and strength.

I believe that the prime farmland amendment approved in 1977 provides the needed guarantee of continued productivity in a manner that is both practical and fair to the nonagricultural potential of farmland.

The provision does not prohibit surface mining on prime agricultural land; it merely requires that mined land be restored to its original capacity.

The provision uses existing, proven criteria for the definition of farmland. These criteria have been employed for a considerable time by the Soil Conservation Service. They are comprehensive and precise.

The provision does not threaten the need for increased coal production. According to OMB, at most 1.3 percent of the 1978 forecast for such production would be affected.

The provision does not place unfair burdens on mining operations. The coal companies maintain that reclamation is technologically feasible. That verdict is confirmed by the independent judgment of the Iowa coal project and the Iowa Department of Soil Conservation.

The provision protects a significant amount of valuable farmland. OMB calculates that a minimum of 12 million acres of prime farmland contain coal subject to surface mining.

While the bill under consideration today does not repeal the performance standards governing the mining of prime farmland, it does remove, for an unspecified number of year's the ability of the Secretary of the Interior to enforce those standards. In my view this is tantamount to outright repeal.

S. 1403 would remove any protection of prime farmland from the Interior Department's authority under Public Law 95-87 and on that basis alone should be defeated if the Melcher substitute is not approved.

Mr. President, one of the most important, yet, I think, least understood national problems that we face as a people in America today is the very dangerous and frightening erosion and disappearance of our prime farmland in America.

We hear a great deal today about the adequacy of the national defense of this country, how secure our national security interests are. I think it is very important to keep in mind that when we define the adequacy of our security and our defense system we acknowledge and recognize that it is more than just guns and tanks. It is the economic health of this country. It is the political will and morale of the people. It is their confidence in the political institutions of this Nation.

One of the most critical aspects of our strength in the world is our agricultural productive capability. We talk about what percentage of GNP or what percentage of our budget we spend on defense and try to fix an arbitrary measure of how sufficient it is.

I think it is important to keep in mind that the Soviet Union spends about a quarter of its GNP on agriculture and cannot feed itself.

Here in America, and particularly in the State of Iowa that I proudly represent, we are fortunately blessed with a high percentage of the total available grade A farmland in the entire world. Yet today we see a steady erosion through problems with soil conservation or the conversion of agricultural land to nonfarm uses, through such things as unreclaimed strip mines.

Today in America through soil erosion alone we are losing 3 to 4 billion tons of our best black soil every year. In addition, out of my own State we are losing an estimated 200 million tons each year down the Mississippi River.

We have some 27 million acres of cropland in the State of Iowa. It is some of the richest in the world. And yet a study that is going to come out next January will demonstrate that we are losing each year over 5 tons per acre on half of that rich land.

In the last 100 years we have lost through failure to implement sound soil conservation practices one-half of the topsoil of Iowa. If we do not improve upon that situation in the next 100 years I think clearly the implications for the strength, for the economic prosperity, of this Nation would be devastating, and this Nation would greatly suffer.

We are going to export an estimated $32 billion worth of farm exports next year. We import $45 billion of oil from OPEC. Clearly without the economic power of agricultural export markets this country would be a basket case.

We often talk about the black gold in the nature of OPEC oil. But, Mr. President, we have in our own rich productive topsoil, if it is properly maintained and preserved, a renewable resource that is far more valuable than the finite wealth that is represented in the remaining oil reserves on this entire planet.

For these reasons it is essential that we be responsible stewards of this land so that we may preserve and maintain the economic strength, prosperity, and way of life that have been so fundamentally important to the security and well-being of this Nation and its influence in the world.

Mr. HATFIELD. Mr. President, I am sorry I was not on the floor when the Senator from Iowa began his remarks because I had to be called off the floor.

I did want to associate myself with the remarks of the Senator from Iowa on his agricultural speech because I fully support and agree with him concerning his statements on the loss of topsoil and the problems facing us as a Nation on agricultural prime farmlands.

I assume his statement was to be entered into the RECORD before our discussion here on this Surface Mining Act because I do not get any connection between what I heard the Senator from Iowa say and the present matter under consideration and at hand, because if the Senator is implying or indicating that this proposal in S. 1403 in any way diminishes, threatens, or denigrates the basic concern about the programs underway or about to be placed in action or put underway relating to conservation of farmlands, he is sadly mistaken. S. 1403 in no way affects that basic concern that I share equally with the Senator from Iowa as he has expressed here on the floor in his very eloquent statement.

I want to emphasize again that those of us who had a hand in drafting the Surface Mining Act, as well as other areas of resource management, who are committed, as I am, to conservation practices and conservation ethics and conservation principles, would in no way seek to weaken that commitment by introducing a bill today as Senate bill 1403.

I want to restate that what we are attempting to do, and only what we are attempting to do today, in the Rockefeller amendment is to restore, through the maze of existing confusion created by the Office of Surface Mining in its publishing of regulations, the original intent of the bill which was to put the States on notice that the Federal Government, through its powers and through its authority and its responsibilities, expected the States to come up with a reclamation program that would be in conformity with the 115 environmental performance standards that we wrote into the law.

When we were writing this act, I want to remind my colleagues, there were those who raised the question as to whether we should write all this into law or whether we should give some consideration to making broader principles as the statement in the bill and let the agency implement those broader principles by specific regulations.

Well, it was not an either/or situation. The point was that we did not want to chance, through rules and regulations, that the full intent of this Surface Mining Act in any way would be diminished or demeaned.

We wanted it written into law that these were performance standards we were going to consider as a minimum; that if the States wanted to exercise their responsibility under the act to incorporate those standards, that would be perfectly welcome and in fact encouraged, but that it was clearly established by the record, by the wording of the law, by the legislative record, by the markup sessions of the committee, and by such debate as we had here on the floor that the primary initial responsibility was vested in the States, and if a State did not perform, then the Federal Government would place into action and into operation such a reclamation program upon the State that failed to come up with an acceptable program of reclamation based upon the criteria of the law.

Now, what we have an example of here is not unique, as I indicated earlier. We have had overkill on the part of the agency. We have had another typical example of bureaucratic arrogance—arrogance that says, in effect, "We don't care what Congress says, we don't care what the intent of the law was, we are going to do it as we see fit and as we wish." That is the only way you can interpret the rules and regulations set forth by the Office of Surface Mining at this point, which has usurped the authority vested in the States by the act itself, and has gone totally contrary to the intent of Congress.

They have said, "We are not waiting for the States to act; we are going to be the leaders. We are going to clone the States. The States are exactly the same across this country, all 50 States, and we are going to set rules and regulations for State plans and State programs."

Let me say, Mr. President, I have seen too many other acts that were noble in character and concept and type at their birth, that have been contorted and set up in such a way that you could hardly recognize the original act, through the rulemaking and regulating authority of the agency.

Again, I emphasize that I do not support the growing tendency of Congress to get at this problem by declaring that Congress shall have veto power over the normal policymaking and rulemaking authority of these agencies. But why is Congress increasingly writing such veto power into law? Because of the very tendency of which this is an example. Congress has found, too often, that the whole legislative intent and the laws that they have created have been perverted and subjugated to the arrogance of bureaucrats who have been writing rules and regulations that have the full impact and status of law, and enforcing them as such, contrary to the very organic act or original bill that was passed by Congress.

This is not a States rights argument per se. I have been on both sides of this particular problem, having been the Governor of a State and having had to deal with Federal bureaus, Federal rules, and Federal regulations. I know the inhibiting power that is placed upon Governors who want to be creative, and I think I can stand here with a fine record of coming from a State that has probably been as creative and innovative as any State of the Union in public policy, environmental growth, and progressive legislation throughout the history of our State. We declared our beaches a public highway in 1911, so that the people would have access to our beaches and they could not be controlled by resorts or single ownership. We set up forestry controls in our State that saw what had happened in Michigan, where lumber barons had raped the State of Michigan in their quest for the dollar, and we forestalled them before they reached our State by setting up reforestation programs that are effective and functioning today. So I have my historical heritage in my State, and my own personal political heritage.

I have been instrumental, in my State, in getting legislation enacted protecting the environment. I will take a back seat to no one in this Chamber so far as commitment to conservation is concerned.

I am only stating the simple proposition here today that we must recognize that there is value in diversity. We have to recognize that there is such diversity within our union of 50 States, and that frequently, in our quest to try to correct a problem that has gone too long unanswered and without proper leadership at the State level, we have set forth standards not practicable or not applicable in all States.

So I am one who believes in State criteria, and we have in this bill a section that lists 115 performance standards. I participated in creating those standards, and I am willing to have enough faith in the people, acting through their own States, to at least give them a reasonable time to come up with a program in conformity with the Federal standards as set forth in the law.

I am for very strict enforcement, that if the States fail to respond, we should move into the vacuum created by the States' nonperformance and set forth a program from the Federal level and impose it upon the States.

But I want to say again, the States have been far more creative than the Federal Government has ever been. My State was the first State to have a progressive income tax. We watched that whole concept develop in this country.

When you go back through some of the most progressive pieces of legislation in the history of the Republic, you will find they did not start with the Federal Government, they started with experiments at the State level, and I think the States will have that capability to be innovative, as we have been in our State of Oregon. I think other States besides my State are willing to respond to this call for reclamation in matters relating to surface mining

So I have faith in the people. I still have faith that the States can perform. Until I have the evidence to the contrary, I continue to have that faith. I resist this concept of centralizing authority and centralizing power in the hands of the Federal Government. I think some of the greatest political problems we face today are because of this overcentralization that started with the New Deal and has accelerated under Democrats and Republicans as well since the New Deal said, "We will have to do it, because you do not have the capability."

Mr. President, the people feel this. If you talk to average American people today, they seem to feel a sense of irrelevance and disconnectedness with the central Government. They are beginning to feel enmity toward their central Government. The man down at 1600 Pennsylvania Avenue got elected in 1976 primarily on the basis of this disenchantment of the people with their Federal Government. He campaigned against Washington. That was the thesis of his whole effort. There were other reasons, but I think that is the primary reason why Jimmy Carter sits in the White House today is that he capitalized on that kind of malcontent in the minds of the American people today toward the performance record of Washington.

Yet here we are with another example of the kind of arrogance and misaction that gives credence to this feeling in the minds of the American people today, by the arrogance of an agency that, before the States have had an opportunity to respond, has moved into what it says will be the rule, contrary to the act itself.

It is more than just a matter of reclamation, strip mining, and all the problems created by that. I think it is an issue that strikes at the very heart of the Republic's problems today, and that is the relationship of the people with their Government.

I hope this body will again today assert the central truth that States have a right under this act and a responsibility under this act. We are going to give them a reasonable time to respond. If they fail to do so, we are going to fill the vacuum. In the meantime we are not going to let an office in the Office of Surface Mining preempt the States in violation of the original intent of the law.

(Mr. BAUCUS assumed the chair.)

Mr. MELCHER. Mr. President, I have a great deal of respect for my friend, the Senator from Oregon, for his fine record here, in the Senate, and his previous record in public life serving the people of Oregon. But I think I have to resist very stoutly what the Senator from Oregon is proposing today.

Our State of Montana is involved in the strip mining of coal, and I believe that involvement will increase as the years unfold before us in the future. The proposal that we are asked to swallow here is so novel, so different, and so reckless—I repeat reckless—as to demand that we exert all the effort we can, first of all, to let each Senator know what the sweeping effect of this proposal would be.

We have the language of the bill before us that seems so short, so simple, so direct, yet is so far-reaching. One provision simply states to strike the phrase "and regulations issued by the Secretary pursuant to this act." That does not sound like a great deal. Yet, when you look at what it means in various sections of the act, then you understand how sweeping the proposal is because, the Secretary must then review a State program on the basis of only the language of the act, not the regulations that the Secretary has issued.

The very purpose of the bill—in many instances, the very language in the bill—calls for the Secretary to issue regulations on the various provisions and the various sections of the bill. And because that is so much a part of the act, to strip the act of the Secretary's regulation would leave the entire matter in utter chaos.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I understand that the distinguished Senator from Colorado has an amendment he would like to discuss. I yield to the Senator.

UP AMENDMENT NO. 545

Mr. ARMSTRONG. Mr. President, I thank the Senator for yielding.

I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 545:

On page 4, line 9, insert the following:

SEC. 5. Section 517 of the Act is amended by striking section (a) and by inserting a new section (a) to read as follows: "Once a State plan has been approved by the Federal government, the State at its discretion and upon notification to the Secretary of Interior, shall exercise exclusive jurisdiction over the inspection of activities regulated by the approved State plans. In the absence of an approved State plan or decision of the State not to exercise exclusive inspection authority, the Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary, consistent with the provisions of this Act, to develop or enforce any Federal program and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations."

Mr. ARMSTRONG. Mr. President, before I comment on the amendment I have presented, I compliment the manager of this bill. Obviously, it is a matter of great interest and concern to us in Colorado. I, of course, expect to support the measure and assume that it will pass by a very wide margin. I appreciate the leadership of the Senator from Kentucky in bringing this matter to the floor; because in extending the deadline for the States to get their programs together, it does aid materially many of the States that have not been able to comply until now.

The purpose of the amendment I have offered is very simple, and it ties in, in a sense, with the amendment offered earlier by Senator BELLMON. Under the Bellmon amendment, which was adopted, State inspectors will continue to have jurisdictional authority over mine inspection prior to the time the State plan is submitted.

My amendment addresses itself to the period of time following the submission and approval of the State plan. It simply says that if the State plan has been approved by the Secretary, the States may conduct the inspections under their plan and that there will be no need for a Federal inspection.

I think most Members of the Senate would vouch for the fact that our miners—indeed, most of the business operations and most of the local governments in our States—have swarms of inspectors from every known agency calling on them every day of the week and that to whatever extent we can reduce that number responsibly and eliminate overlapping and duplicating inspections, we would be wise to do so.

My amendment simply says that when the Secretary has signed off on the plan and has approved it, the State shall have the discretion to conduct its own inspections and that the Federal Government would not duplicate that inspection.

Mr. FORD. Mr. President, the Senator's amendment has a great deal of merit. The amendment, however, would affect the Federal Government's ability to determine whether or not a State program is being carried out in compliance with the act. I do not think the Senator would want to do anything to dismantle the basics of the 1977 act.

I have not had the opportunity to study the Senator's amendment. Under the circumstances, I hope he will not ask us to accept this amendment or take it to a vote today but will give us an opportunity to study its far-reaching effect.

I do not want to go beyond that, nor do I want to do anything less. Congress worked long and hard and labored night and day in order to arrive at a consensus. The Senator has experience in the House, and he understands the long hours spent to bring this matter to its present stage.

I am sure that the Senator is one of the strong advocates of legislative intent, that we should do what Congress says and no more, stopping the bureaucratic regulations that keep mounting and mounting and mounting. I agree with him.

So, under the circumstances, without having had an opportunity to study the amendment, I hope the Senator will afford this opportunity. Then, at some future date, we would have an opportunity to put it on another vehicle or bring it up in the Energy Committee and discuss it there, seeing if we could find an arena in which we could use it.

Mr. ARMSTRONG. Mr. President, I appreciate the comments of the distinguished manager of the bill. He is correct in stating that I am very much interested in this legislation, the underlying purpose of which is to protect the environment in States like my own.

In fact, I recall vividly serving as a Member of the other body when this legislation was adopted, and I was one I think of a dozen members of my party who voted to override the President's veto of this legislation when it came through, and as a pretty good party man I hated to do that, but I thought it was an important bill. I thought it was important that we begin to move to cause people who use the products of these mines to pay the costs of reclaiming the land and restoring it. So this is important legislation.

I am also sensitive, however, to the concern which the Senator has expressed, the fact that this is an unexpected amendment. Frankly, this concern had been brought to me. The concern expressed over my amendment is a thought which I have not had a chance to study at length myself.

But it does seem to me that the elimination of overlapping and duplicating inspections is an idea that is worthwhile.

Rather than press it to a vote at this point, which I believe would be premature, in a moment I shall ask permission to withdraw it.

But I particularly appreciate the Senator's expression of interest and am hopeful that other members of the committee and other Members of the Senate will also be interested in this concept and at the right time we could prevail on the committee to put this amendment and others which may be in order into a second bill and bring it to the floor for our further consideration.

Mr. FORD. Mr. President, will the Senator yield at this point?

Mr. ARMSTRONG. Of course, I am happy to yield.

Mr. FORD. I heartily endorse the Senator's statement and his attempts to eliminate the overlapping and duplicative experiences that we have in the States.

As I have expressed on the floor today, maybe when the Senator was not here, but as a Governor of a State I have been loved too much by Big Brother. I would like for him to leave the States alone to do their work without the duplication of the Federal Government and the oppressiveness of regulations.

I just wanted to endorse the Senator's position to eliminate the overlapping operations of Government.

Mr. ARMSTRONG. I appreciate that very much and the manager's courtesy.

Mr. President, with that word of explanation, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw the amendment without unanimous consent.

The amendment is withdrawn.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Congressional Research Service assessment of the Office of Surface Mining's implementation of the act has conducted a review by my request of subsection 503 (a) (7) and related OSM regulations in order to determine the States' capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

Mr. President, I ask unanimous consent that the entire analysis by the Congressional Research Service be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

July 24, 1979.

To Senate Committee on Energy and Natural Resources, Attention: Mr. Dave Russell.

From Duane A. Thompson, Analyst Environment and Natural Resources Policy Division.

Subject Section 503(a) (7) of Public Law 95–87, The Surface Mining Control and Reclamation Act of 1977.

In response to your request of July 23, 1979, I have reviewed Section 503(a) (7) and related OSM regulations in order to determine the States capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

The Surface Mining Control and Reclamation Act of 1977 was originally intended to allow the individual States to assume the authority and responsibility for the regulation of surface mining within their own boundaries. This concept is contained in Section 101, "findings", of the Act, which states explicitly that:

"(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for *developing*, authorizing, issuing and *enforcing regulations* for surface mining and reclamation operations subject to this Act should rest with the States;" [emphasis added]

With this concept in mind, Congress, in the law, made provisions for the institution of State enforcement programs that would allow the States to assume regulation, thus providing for the vastly different regional characteristics of surface mining, with the proviso that the regulations promulgated by the individual State enforcement agencies would be consistent with the minimum performance standards set forth in the Act. This requirement is contained in Section 503(a) (2) of the Act which states that in order for a State to assume responsibility, it must provide:

"(2) a State law which provides sanctions for violations of State laws, regulations or conditions of permits concerning surface coal mining and reclamation operations, which sanctions *shall meet the minimum* requirements of this Act, ..." [emphasis added]

Section 503, in subsection (a) (7), goes on to further condition the assumption of regulation on the implementation of State "rules and regulations consistent with regulations issued by the Secretary pursuant to this Act." Congress, however, did not define the key phrase "consistent with" in the Act, leaving this option to the Federal regulatory authority. The Office of Surface Mining established by the legislation has since defined this phrase to mean:

"7305 Definitions: (b) With regard to the Secretary's regulations, the State laws and regulations are no less stringent than and meet the applicable provisions of the regulations of this Chapter."

Because of this requirement in the Act, some States now conclude that they must, in effect, accept the regulatory requirements of the Federal agency as their own in order to assume regulation of surface mining.

In response to a voluminous number of comments directed to the inflexibility of the regulations in their proposed form, the Office of Surface Mining developed a "State window" concept that, according to the Agency, would allow the States considerably more flexibility in developing their own regulatory programs. The language of the "State window" regulation, however, requires the States to:

"731.13(c) Explain how and submit data, analysis and information, including identification of sources, demonstrating—(1) that the proposed alternative will be *in accordance with* the applicable provisions of the Act and consistent with the regulations of this Chapter and (2) that the proposed alternative is necessary because of local requirements or local environmental or agricultural conditions." [emphasis added]

The *underlined* phrase "in accordance with" has been defined identically to "consistent with", meaning that all of the States proposed alternatives to the Federal regulations must be as stringent as those Federal regulations. Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

It could be noted that a review of the applicable provisions of the Act suggests that Congress intended to be much more liberal in its approach to alternatives to the law and the regulations. With the exception of Section 503(a) (7), already mentioned, which requires the State to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations and/or conventional reclamation technology. In fact, Section 711 of P.L. 95–87 [91 STAT. 523] "Experimental Practices", reflects the intent of Congress to "encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use . . ." Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Should you or any of your staff have any further questions on this or related subjects please call me at 287–5873.

Mr. HATFIELD. Mr. President, I highlight one of their findings.

In a July 24, 1979, analysis to the Energy and Natural Resources Committee, the Congressional Research Service concluded rather starkly that:

> Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.
>
> In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

So, Mr. President, this is the reason I have asked this to be printed in the RECORD because this is an independent research project which would certainly give credence to what has been stated here in the Chamber by the Senator from Kentucky and myself and other supporters of Senate bill 1403.

OVERSIGHT HEARINGS AND THE NEED FOR AMENDMENTS

Mr. President, June 28 I sent to the Senate a "Dear Colleague" letter which addressed seven deficiencies of the Surface Mining Act.

I had intended to introduce a bill after the July 4 recess which would have included those seven provisions:

Briefly, the bill would have returned to the States the role of planning for and enforcing reclamation and environmental protection during mining; required States to comply with the act, but not with the Secretary's other rules and regulations; extended the time allowed States to submit their reclamation programs; unhinged the payment to States out of the Abandoned Mine Reclamation Fund from approval of State programs; lessened onerous bonding requirements dealing with performance standards for revegetation; and established an independent, ongoing audit of the Office of Surface Mining's implementation of the act.

In lieu of those proposals, the Hatfield-Ford substitute evolved. We feel these proposals represent the bare minimum for returning to the States the "lead" role in reclamation enforcement.

Findings of the June 1979 oversight hearings were often in the category of what witnesses described as "regulatory overkill."

We found that almost half the States will be unable to submit their programs by August 3 of this year as required by the act because OSM not only used all its time to write the regulations, but used three-fifths of the States' time as well.

We found many States having no choice but to become "State level clones" of the Federal regulations because the Federal bureaucracy will not otherwise accept the States' offerings. Having to "lift" whole sections of the final rules for placement in State programs certainly strays from the intent of Congress and places an unacceptable burden on State legislatures.

We found eastern small and medium sized coal operators unable to obtain reclamation bonds from surety companies because the OSM has not utilized the flexibility granted by the Congress and because the act itself demands strident bonding requirements.

We found the States must prove overwhelmingly their programs meet the Secretary's rules and regulations as well as the act. The State of Wyoming, for example, had been asked to change its statute of limitations and administrative procedures act, not to comply with the act, but to comply with the Secretary's regulations. The States are, in effect, guilty until proven innocent under this backward scheme.

We found the States unable to use their portions of the Abandoned Mine Reclamation Fund because the moneys are tied statutorily to approval of a State program. This carrot, in practice, appears to be a whip to the States, a whip which denies them even planning funds for restoring lands and communities to their productive limits.

A nearly unanimous record in recent hearings in both the House and Senate by the National Governors' Association, coal unions, coal operators, engineers, and industry require that we move to rectify these shortcomings. It is not our purpose to diminish the performance standards or reclamation requirements set by the act, and these amendments do not affect those areas. And we must fully realize the need to fend off other, more divisive and, as yet, undemonstrated problems with the act.

Simply shoving through a 7-month extension for the States only adds to the time Governors have to agonize over the incredibly detailed regulations with which the States must comply.

If we do not face up to the difficulties in amending the act to correct the disturbing trend away from the congressional intent of State primacy, then we will have succumbed to those omnipresent pressures to turn a deaf ear. And, again, our abundant coal reserves will have been thwarted. We cannot afford to leave our coal State constituencies and our energy conscious country in the breach.

Mr. President, I ask unanimous consent that the bill proposed in my "Dear Colleague" letter and a summary be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INITIAL DEAR COLLEAGUE PROPOSAL FOR: SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 1979

MAJOR PROVISIONS

1. Extends for one year the time allowed States to submit their State programs.

2. Removes the requirement that States comply with the Secretary's rules and regulations which implement the Act, but leaving intact the requirement that States comply with the Act.

3. Shifts the burden of proof to the Federal Government that the State program does not meet the intent of the Act, and eliminates the requirement that the Secretary not delegate responsibility to the States for mine plan approval and unsuitability designation on Federal lands.

4. Removes duplicative, confusing and differing enforcement programs in states where a Federal Land Program must be initiated prior to an approved state program by making the times coincide.

5. Eliminates the requirement that monies from the Abandoned Mine Reclamation Fund not be freed up until approval of a State program.

6. Eases bonding requirements: in the area of revegetation performance standards; and by providing for increases in the release of bonding when revegetation is established.

7. Establishes a 15 member commission to audit the Office of Surface Mining's implementation of the Act.

S. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979".

SECTION 1. Section 405 of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") is amended by deleting subsection (c) thereof in its entirety, and by deleting from subsection (h) the phrase "and of the surface mine regulatory program pursuant to section 503".

SEC. 2. (a) Section 502(d) of the Act is amended by deleting the words "forty-two" therefrom, and inserting in lieu thereof the words "fifty-four".

(b) Section 503(a) of the Act is amended by deleting the word "eighteenth" therefrom, and inserting in lieu thereof the word "thirtieth".

(c) Section 504(a) of the Act is amended by deleting the words "thirty-four" therefrom, and inserting in lieu thereof the words "forty-six", and by deleting in paragraph (1) of Section 504(a) the word "eighteen", and inserting in lieu thereof the word "thirty".

Sec. 3. (a) Section 503(a)(7) of the Act is amended by deleting therefrom the phrase "regulations issued by the Secretary pursuant to".

(b) Section 503(b) of the Act is amended by deleting the phrase "not approve any State program submitted under this section until he has—", and inserting in lieu thereof the following: "approve any State program submitted under this section which meets the requirements of this Act. In carrying out his approval responsibilities, the Secretary shall demonstrate that he has—".

(c) Section 701(25) of the Act is amended by deleting the phrase "and regulations issued by the Secretary pursuant to this Act".

Section 4(a) Section 507(b)(14) of the Act is amended by inserting after the phrase "registered professional engineer," the words "registered land surveyor".

Sec. 5. (a) Section 515(b)(20) of the Act is amended at the end of the paragraph by deleting the semicolon and by adding the phrase ": *Provided further*, That the applicable five- or ten-year period of responsibility for revegetation shall be shortened upon satisfactory demonstration by the operator that successful revegetation, as required by paragraph (19) above, has been achieved; ".

(b) Section 519(c)(2) is amended by deleting the period from the end of the first phrase and adding the phrase "the release of an additional 30 percentum of the bond or collateral for the applicable permit area.

(3) When successful revegetation has been established." Section 519(c)(2) is further amended by striking the word "When" in the first full sentence and placing in lieu thereof the word "In".

(c) Section 519(c)(3) is renumbered as Section 519(c)(4).

Section 6. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate."

(b) Section 523(c) of the Act is amended by deleting the last sentence thereof in its entirety.

Section 7. Title VII of the Act is amended by adding a new section 720 "Commission on Surface Mining Control and Reclamation", as follows:

"Sec. 720(a) For the purpose of carrying out the purposes set forth in section 102 of the Act, there is hereby established a commission to be known as the Commission on Surface Mining Control and Reclamation, hereinafter referred to as "the Commission".

(b) The Commission shall be composed of fifteen members as follows:

(i) Two majority and two minority members of the Senate Committee on Energy and Natural Resources to be appointed by the President of the Senate;

(ii) Two majority and two minority members of the House Committee on Interior and Insular Affairs to be appointed by the Speaker of the House of Representatives;

(iii) The Secretary of the Interior, or his delegate, with the consent of the Secretary;

(iv) The Secretary of Energy, or his delegate, with the consent of the Secretary;

(v) The President of the National Academy of Engineers, or his delegate with the consent of the President;

(vi) 2 Governors of the major coal-producing states; and

(vii) 2 members appointed by the President of the United States from among individuals who, by virtue of experience or training, are knowledgeable in the field of coal mining, and who are industrial users of coal and coal-derived fuels, the coal industry, mine workers, nonindustrial consumer groups, or institutions concerned with the preservation of the environment.

(c) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filed in the same manner in which the original appointment was made.

(d) The organization meeting of the Commission shall be held at such time and place as may be specified in a call issued jointly by the senior member appointed by the President of the Senate and the senior member appointed by the Speaker of the House of Representatives.

(e) 7 members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings.

(f) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(g)(1) Members of the Commission who are not regular officers or employees of the United States Government shall, while serving on business of the Commission, be entitled to receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) Members of the Commission who are officers or employees of the Government shall be reimbursed for travel, substistence, and other necessary expenses incurred by them in carrying out their duties on the Commission.

(h) The Chairman of the Commission shall be elected by majority vote of the members thereof.

(i) The Commission shall (i) study this Act and the regulations published by the Secretary of the interior thereunder; (ii) review the policies and practices of the Federal agencies charged with implementation of the Act; (iii) compile data necessary to understand and determine whether the purposes of this Act as specified in section 102 of this Act are being properly achieved, particularly with reference to subsections (d), (f), (g), (h), and (i) of section 102; and (iv) recommend such modifications to this Act, regulations promulgated thereunder, and policies and practices developed in connection therewith as will, in the judgment of the Commission, best serve to carry out the purpose specified in section 102.

(j) The Commission shall, not later than June 30, 1980 and every six months thereafter until June 30, 1982, submit to the Congress and to the President of the United States a report on its activities as described in subsection (i) of this section.

(k) The Chairman of the Commission shall invite the Governor of each coal-producing State to designate a representative to work closely with the Commission on matters pertaining to its activities as described in subsection (i) of this section.

(l) The Commission or, on authorization of the Commission, any committee of two or more members, at least one of whom shall be of each major political party, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places as the Commission or such authorized committee may deem advisable. Subpoenas for the attendance and testimony of witnesses or the production of written or other matter may be issued only on the authority of the Commission and shall be served by anyone designated by the Chairman of the Commission.

The Commission shall not issue any subpoena for the attendance and testimony of witnesses or for the production of written or other matters which would require the presence of the parties subpoenaed at a hearing to be held outside of the State wherein the witness is found or resides or transacts business. The Commission is authorized to secure from any department, agency, or individual instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission upon request made by the Chairman.

(m) There are authorized to be appropriated not to exceed $2,000,000 beginning with the fiscal year 1980 and each fiscal year thereafter through the fiscal year ending on Aug. 31, 1982, to carry out the provisions of this section.

Mr. HATFIELD. Mr. President, one of the three elements of S. 1403 as reported by the Senate Committee on Energy and Natural Resources is a provision which would delete the requirement that State rules and regulations be consistent with regulations issued by the Secretary of the Interior. State rules and regulations, however, would still be required to be consistent with the provisions of the Surface Mining Act, including the detailed environmental protection performance standards of title V.

This element of the committee bill was suggested by Gov. Jay Rockefeller of West Virginia, who, as Senators know, was a leading proponent of the Surface Mining Act and is currently the chairman of the President's Coal Commission. Its purpose is to do nothing other than to restore to the States the concept of "State lead" by specifying that the essential requirement for State programs is to to comply with a specific provision of the act. Section 101(f) of the Surface Mining Act clearly enunciates the congressional policy that "* * * the primary governmental responsibility for developing, authorizing, issuing and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the States."

The opponents of the committee bill charged that this amendment amounts to a substantial undermining of the intent of Congress in passing the Surface Mining Act. This is a patently false charge. The opponents of this legislation will agree that the rules and regulations issued by the Secretary constitute his interpretation of congressional intent in setting these standards and the program associated with their enforcement. S. 1403 does no harm to the Secretary's interpretations. The Secretary still retains full authority as specified by the act to approve or disapprove a State program. And, if he disapproves a State program, the Secretary retains full authority to implement a Federal program in its place.

Furthermore, the committee bill makes no changes to the Secretary's authority as specified in section 501 of the act to establish regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations performance standards based on and conforming to the provisions of title V; and establishing procedures and requirements for preparation, submission, and approval of State programs; and development and implementation of Federal programs under the title. Additionally, no changes are made to section 201(c) of the act which authorizes the Secretary to publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of the act.

The committee bill simply authorizes the States to develop the implementing rules and regulations to comply with the act.

As the distinguished majority leader, Senator BYRD, stated in remarks on the Senate floor on July 27:

> The clear intent of Congress when it fashioned the Surface Mining Act was to provide a set of specific guidelines which each state would use to craft its own reclamation plan. That plan would be tailor-made for each state, taking into account the special needs and unique features of each state. In this way, Congress sought to protect the environment and at the same time respect the rights and responsibilities of the states.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I have talked with the distinguished Senator from Montana (Mr. MELCHER), and we are going to endeavor to divide the time between now and final vote at 5:15 p.m. as to the pros and cons, and I make that a part of the record. There is just a gentleman's agreement on that. We do not want to get into the finite of it, that I might get 1 more minute and he might get 2 more. But basically we are going to try to divide the 35 minutes between the two of us.

So, in order to begin with that division, and we were in a quorum call, I think I will take this time now to make some points, if I may.

Mr. President, the committee substitute embodied in S. 1403, as reported, did not develop in a vacuum. Oversight hearings conducted by this committee over the 2 years since passage of the Surface Mining Control and Reclamation Act of 1977 have produced, I think, and without question, a consistent thread of evidence that the statutory role of the States in the implementation of that act has been significantly impeded. Indeed recent oversight hearings documented a nearly unanimous conclusion by the National Governors Association, coal unions, coal operators, engineers, and industry that the congressional intent of State primacy in carrying out the Surface Mining Act was being frustrated by an overzealous Office of Surface Mining.

A succession of Governors and representatives of State regulatory authorities has identified two central deficiencies in the regulatory program developed by the Office of Surface Mining pursuant to the 1977 legislation. These are: First, the severe problems facing the States in meeting several of the fixed statutorially imposed deadlines for certain phases of the State and Federal programs, a problem which has resulted largely from OSM's delay in promulgating its rules and its regulations.

Second, confusion as to precisely how the States are to take the regulatory lead, and I underscore "lead," enumerating the numerous specific environmental protections of the Surface Mining Act, a problem which has resulted from OSM's interpretation of that section of the act governing the content of State programs' application.

These related problems raise the very real potential, let me underscore that, very real potential, for a marked departure from the regulatory concept envisioned by this committee in 1977 when the Surface Mining Act was reported.

In the report accompanying S. 7 the serious need for greater uniformity in the environmental protection practices contained in the various State surface mining and reclamation programs was recognized. To establish that uniformity, a bill was drafted containing 115 environmental performance standards set out in highly detailed and exceedingly specific technical language.

That degree of specificity, uncommon—and I underscore "uncommon"—in most Federal legislation was incorporated with the intent that the environmental protections to be imposed on a national basis were to provide a uniform set of minimum standards for all surface mining operations.

S. 7's approach to the implementation of the Federal law on surface mining was called, and I quote, "the State lead" or "State primacy" concept during legislative debate, and was never—and I reiterate, was never—in dispute even through the deliberations of the committee of conference.

The federally imposed environmental protection provisions were considered minimum standards which, in effect, created a floor, not a cap, but created a floor upon which the States were to construct—and I reemphasize the States were to construct—a regulatory structure tailored to meet the individual State's terrain, climate, biological, chemical, and other relevant physical features.

In the execution of our oversight function, it has become clear that this State lead concept has been seriously eroded. This has occurred partly because of the compressed time frames available to the States to prepare their application. The erosion has also been accelerated by the nature of the regulatory requirements being imposed upon the States in order for them to obtain OSM approval for individual State programs.

The second problem stems from the fact that rather than issuing rules advising the States of the minimum statutory performance standards their programs must meet, OSM has promulgated even more detailed Federal regulations and preamble—covering 550 pages in the Federal Register—establishing uniform national rules specifying exactly how all States must proceed to comply with the standards of the act.

The result of OSM's interpretation of section 503 of the act is "Federal lead" rather than State primacy, with deviation from OSM mandated rules and procedures only through use of a very limited mechanism, the so-called "State window" rule. This provision restricts the States to requesting OSM approval to depart from the precise requirements of the Federal regulations when local conditions warrant, but then only if the States can also demonstrate that any alternative will be in accordance with the act and "* * * consistent with the regulations of * * *" OSM. Thus, under current practice, States may seek to tailor their programs and request deviation from Federal rules; but any new State regulation must accord not only with the Surface Mining Act, but must be consistent with the Federal regulations as well.

Implicit in the OSM State window procedure is the recognition that there are alternative regulatory approaches available to the States which can indeed satisfy the provisions of the act. Without exception, witnesses representing Governors of the various coal-producing States emphasized this point. Moreover, a witness representing Gov. John D. Rockefeller IV, of West Virginia, explained the quandry facing the States under the OSM rules—

> The central underlying cause of virtually all of these problems is the belief and policy made evident in discussion and negotiations with OSM that State laws and regulations, in order to be consistent with Federal regulations, must be identical to the regulations contained in the Federal Register. If they are not, State program disapproval is almost always threatened.

And, as Governor Ed Herschler of Wyoming testified—

> As a practical matter, the (State) window is closed. The regulations require excessive proof that a departure from the Federal regulations is warranted. Many State officials believe that the required showing would be as expensive as a lawsuit.

Based upon these appraisals, both Governor Rockefeller and Governor Herschler, speaking on behalf of the National Governors' Association, urged Congress to make clear—through amendments if necessary—that the standards of the act are the test of State program adequacy, not the Federal regulations.

A July 24, 1979 assessment by the Congressional Research Service similarly concludes that—

> The States appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

CRS found that the—

> Congress intended to be much more liberal in its approach to alternatives to the law and regulations.

The assessment concludes that as long as the act requires State regulations to be consistent with those issued by OSM as a prerequisite for State primacy, the flexibility of the States to implement rules adapted to the States' unique characteristics could be substantially impaired.

The frustrated goal of State primacy becomes more clearly focused when specific examples are cited where OSM's design criteria in the final regulations are shown to significantly exceed the act's detailed environmental performance standards. These interpretations by OSM which clearly go beyond the act's intent add unnecessarily to mining costs, do little to further the goals of environmental protection, and further impede the States' objective of State primacy in governing surface mining.

Mr. President, I would like to cite two examples because they touch on specific amendments of mine to the 1977 act. The first on experimental practices is covered in the CRS report.

EXPERIMENTAL PRACTICES

With the exception of section 503(a)(7), which requires the States to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations and/or conventional reclamation technology. In fact, section 711 of Public Law 95–87 "experimental practices" reflects the intent of Congress to—

> Encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use. . . .

Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

MOUNTAINTOP REMOVAL

The second example is to do by regulation what the Department was unable to do in the law—prevent the well established major mining technique of mountaintop removal.

I cannot think of any provision of the law—and subsequent regulation—that better describes the dilemma facing States than the section pertaining to mountaintop removal.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. FORD. I will be delighted to yield to the Senator from West Virginia.

Mr. RANDOLPH. The good Senator is saying—and I call him good because he is doing a good job here in this particular problem, is that regulations must reflect the reality of a particular State's problems.

Mr. FORD. I like that.

Mr. RANDOLPH. I just want to say there has to be a realism not only when we in the Senate draft legislation but a realism in the administration of a measure that becomes law.

The regulations promulgated by OSM have done little to resolve ambiguities in critical areas relating to State primacy; but rather have only proceeded to deny to the States the flexibility needed to make responsive program submissions.

The reality is that OSM has failed to implement many of the suggested strategies and programs designed to assist the States in developing their permanent program proposals in a way that addresses varying conditions between regions. Thus, they have directly frustrated my State's, and I am sure other States', efforts to develop their permanent programs.

The lack of a Federal/State partnership perspective is of deep concern to West Virginia and prompted Governor Rockefeller to pen the following telegram which I request be included as part of the Record.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

Re S. 1403.

Hon. Jennings Randolph,
Senate Office Building,
Washington, D.C.

I urge your support of S. 1403, which was reported and recommended by the Senate Energy and Natural Resources Committee.

Some opponents of this measure have characterized it as an attempt to weaken the environmental protections of the 1977 Surface Mining Act. This is absolutely not the case.

My record as an advocate for the Surface Mining Act, as well as my long-standing concerns for the environment, are well known. I am convinced that passage of the Committee bill will simply insure a proper balance between the states and the Federal government as contemplated by the Congress.

The Committee bill makes no substantive changes in the law. The stringent environmental protection standards which were painstakingly built into the original act remain unaffected. The intent of this bill is to make it clear that the states are to have the lead in developing regulations which comply with the specific provisions of the act.

Opponents of this measure also misunderstand its impact on the discretion and authority of the Secretary of the Interior. Unchanged is the ultimate responsibility of the Secretary to review state program applications to make certain that they are in compliance with the act. Unchanged is the Secretary's absolute duty to reject any applications, which include a State's regulations, not found to be in compliance with the act. Unchanged is the ability of the Secretary to use the Federal regulations as a basis for comparison with state applications or, ultimately, for implementation in states which fail or decline to submit acceptable programs.

I urge the prompt passage of S. 1403.

John D. Rockefeller IV,
Governor.

Mr. FORD. The Senator is correct. The intent of the bill was for the States to have prime responsibility in developing their programs, subject to the approval, subject to the minimum standards and detailed language which was included in the legislation.

Mr. RANDOLPH. Senator Robert C. Byrd and I have worked in these matters with you and these others, and I believe the Senate will be impressed with the cogent arguments the Senator is making at this time.

Mr. FORD. I thank the Senator and I certainly hope they are impressed.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. FORD. I would be delighted to yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I want to compliment the distinguished Senator from Kentucky on the able presentation he has made in the legislation before us, in defense of it, and I also want to compliment my senior colleague, Mr. Randolph, and I want to compliment Mr. Hatfield, the very able ranking manager of the bill.

The Surface Mining Act was passed by Congress in 1977. It set forth the single national minimum standards. There are 115 of these standards in the statute, so it is not a weak environmental law by any means.

The act stated, and it clearly was the intent of Congress, that each of the 50 States would devise its own program. Such program would be acceptable, provided it met the minimum standards set forth in the act.

This design made sense. It not only respected States rights, it also recognized that mining and environmental conditions vary in each State, and that State officials were in the best position to fashion realistic plans.

Since 1977, however, the Office of Surface Mining has issued thousands of pages of regulations. The Office of Surface Mining claims States' plans have to comply with all of these detailed regulations as well as with the minimum standards of the statute itself. The result, in effect, a single national plan and an override of States rights.

Section 3 of the bill before the Senate, which is commonly referred to, the section itself, as the Rockefeller amendment or the Ford-Hatfield amendment, reinstates the original intent of the statute by stating that original State plans do not have to comply with all Federal regulations. They must, of course, still comply with the minimum standards of the act.

I compliment Mr. Ford and Mr. Hatfield, and I hope the amendment they have incorporated into the bill in committee will prevail, and that the Senate will support that language and that the bill will be adopted by the Senate.

Mr. FORD. I thank the Senator from West Virginia for his kind words and for his support of this legislation.

I would like to make just one other remark or two before I yield to the Senator from Montana.

The Senator from West Virginia, our distinguished majority leader, talked about thousands of pages. The preamble to the Federal regulations covered 505 pages in the Federal Register. The result of OSM's interpretation of section 503 of the act is not a State lead; it is a Federal lead, and that is in direct opposition to the intent of the Surface Mining Act of 1977.

Mr. President, I want to make other points, if I may, one in particular.

The distinguished chairman of the House committee that helped draft the bill was somewhat reluctant to discuss several aspects that I thought were important enough to have incorporated in the bill. I was fortunate to get Chairman Udall to make a trip to Kentucky to see what I was referring to as mountaintop removal. He could not envision taking off the top of a mountain and making level land for farms, industrial sites, or subdivisions for the construction of homes. He could not envision that. But when he visited Kentucky and saw that this was a valuable restoration technique, he looked at the group and said to me:

> Draft statutory language permitting this practice, and I will support it wholeheartedly.

I did, he did; but the Department did not.

That sums up the point: That we here

in this Congress passed a piece of legislation having an intent, which the Department did not follow.

Mr. President, there is nothing more scarce, more needed, or more valuable in the mountainous areas of Appalachia than flatland. The environmentally acceptable restoration practice of mountaintop removal creates much-needed flat land where residents of the area could build homes and businesses, away from the flood-prone area where they had been forced to previously live—not by choice, but by necessity since no other sites were available.

This provision in the surface mining legislation we passed in 1977 offered these people the chance to turn strip-mined land into an asset that would enable them something they had never had before.

But what has happened since we passed that legislation—legislation spelling out that mountaintop removal was an acceptable reclamation practice?

We find the Department saying that you have to get a variance. Let us just say that for all practical purposes that section has been written out of the law—written out, mind you, not by the Congress, but the regulation writers in the Office for Surface Mining.

The regulations—section 816.133—call for "letters of commitment" for financing alternative post-mining land uses. It is completely unreasonable to expect that financial institutions will give specific letters of commitment for land developments 5 to 10 years prior to their initiation. This requirement in the regulations—a requirement in direct conflict with what the act intended—will preclude many desirable alternative land uses and impede the conduct of mountaintop removal operations.

We are all against Federal regulations. We have too many now. We want Big Brother to stay out of our business. Just leave us alone, and let the free enterprise system work. But when we attempt to do that, when we come forward with an amendment that says "Let the States do it, the government closest to the people, the government that understands the topography of the State and the environmental problems," no, we cannot agree to do that. We say, "Let Big Brother come in and run it. Let Big Brother come in; the States cannot do that."

We have been threatened here today by lawsuits and more lawsuits and more lawsuits. The suggestion is obviously speculative. It is unfortunate, too, that we have to say that we are going to get more lawsuits. That statement is no more accurate with regard to the impact of S. 1403 than it is for the law in its current state.

As the Surface Mining Act is presently interpreted by the Office of Surface Mining, States may request permission to issue State regulations which differ from the Federal rules. Any action by the Secretary approving or disapproving such State window requests is just as apt to be ridiculed as State programs which they themselves find offensive. Indeed, the mere decision by the Secretary to grant or deny State program applications will most likely be appealed as well.

So the threat of lawsuits would be lessened, I think, by trying to comply with the law and the intent of the law.

PERFORMANCE STANDARDS

Mr. President, I believe some emphasis should be placed on what the committee substitute does not do.

In absolutely no way do the committee-passed changes affect the crucial environmental protections or reclamation requirements contained in the act. All of the detailed environmental performance standards of section 515 of the act continue in full force and effect including return to approximate original contour. Any State seeking to take the lead in enforcing the act must demonstrate that it has the legal authority, including appropriate rules and regulations, as well as the personnel to enforce the environmental performance standards.

A second and related point is that these amendments in no way restrict or impede the responsibility or authority of the Secretary to review and approve or disapprove of State program applications, contained in whole or in part, based upon the detailed criteria in section 503.

In summary, these amendments address a clearly identified need to give guidance to the executive agency responsible for implementing the 1977 Surface Mining Act to assure that the States in fact maintain the lead regulatory role contemplated by Public Law 95–87.

Mr. President, I have used about half of the time, and I do not want to take any time away from the distinguished Senator from Montana. I reserve the remainder of my time.

Mr. MELCHER. Mr. President, the language of the bill (S. 1403) requires amendment. The part that needs to be amended and the part that is objectionable is section 3.

Section 3 is the section that says we will strike from the Surface Mining Control Act of 1977, the requirements that regulations issued by the Secretary should be considered when a State plan is submitted for approval by the Secretary of the Interior.

Now, the labors of Congress in developing the strip mining bill are quite properly recorded in the CONGRESSIOAL RECORD. The details of the committee hearings and the committee deliberations are quite properly recorded in the Senate and House committee records. It involved thousands upon thousands of words, scores of thousands of hours of staffs of the committees, members of the committees, and the entire membership of the House of Representatives and the Senate in three different Congresses.

It is a detailed bill. It is a comprehensive bill. It covers the reclamation procedures in all of the States, with some exceptions in Alaska.

It was never the intent of Congress, however detailed that bill is, that the Secretary of the Interior would not have to write regulations. Indeed, certain parts of the act itself note the use of the Secretary's regulations on the question of the prime farmland section. In section 510, dealing with the permit approval or denial that considers prime farmlands, the very language of the act itself says:

> . . . the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland if the regulatory authority finds in writing that the operator has the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as non-mined prime farmland in the surrounding area.

The act says that we have to protect the prevailing hydrologic balance. It is found in section 510, the permit approval or denial procedures.

That section, so significant in the entire thrusts of the bill, would be nullified in certain important areas if Senate bill 1403 is not amended. For instance, it says the applicant for a permit or a revision of a permit shall have the burden of establishing that his application is in compliance with the requirements of applicable State or Federal programs. Within 10 days after the granting of a permit, the regulatory authority shall notify the local government officials and the local political subdivisions.

It goes on to require that those who are asking for a permit to mine must make some very detailed findings. Those who want to mine the land submit a reclamation plan, and the plan must show the details demonstrating that reclamation will succeed.

How would you do that? How would you establish that procedure if you were not to consider regulations? The thrust of the act in this particular section is significant in that it makes certain requirements of those who are making an application to mine. It makes some findings and certain demonstrations of fact their responsibility to the satisfaction of the regulatory authority. But S. 1403, in section 3, would, in the guise of flexibility, allow a return to some of the practices of the past, which brought on the very determined outcry in this country for relief from violations of both land and water protection regarding the development of strip mining for coal.

What about the specific impact of this section in the bill on certain key performance standards? For example, would that section of the bill permit a State program to be approved which allowed relaxation of the approximate original contour? Would section 3 of S. 1403 permit a State program to be approved which allowed the States to define for themselves what constitutes prime farmland?

Would that section permit a State plan to be approved which allowed end or side dumping of spoil in the head-of-hollow fills?

Would section 3 of S. 1403 permit a State plan to be approved with no specific water standards, or water standards for sediment greater than 35 milligrams per liter of suspended solids in a pH discharge of less than 6.0, which are standards set out in the regulations?

Would section 3 of S. 1403 permit a rather cavalier treatment of the question of hydrologic balance?

Would section 3 permit approval of a State plan that really would not control erosion or prevent water pollution?

If we are going to disregard the carefully drawn regulations of the section in these areas, it would be very difficult to answer the questions I have posed should section 3 of S. 1403 be enacted by Congress.

The Surface Mining Reclamation Act is too broad to be self-implementing. It was never meant to be self-implementing. The Federal regulations, often in areas where Congress specifically called for them, are essential if the States will continue, in the guise of flexibility, the old practices which are specifically condemned by Congress in the act of 1977. The very thrust of the protection of the water requires regulations to be drawn on requirements for the permit applications called for in section 510.

My point in raising these questions is simply to point out the dissent that, if there were need to make corrections in the act to remove certain phrases, certain requirements that are called for in regulations that the Secretary has promulgated, the usual procedure of the amendment process of the act should be followed. It should be done specifically and selectively. But that is not the approach in section 3 of S. 1403.

I have dwelled long on this particular section because it is a section that we find totally reckless, unquestionably without precedent, and completely unneeded. My substitute does allow for some of the points that have been requested by the testimony of the National Governors Association before the committee in our hearings.

Specifically, it allows for the implementation of the Federal lands program with the State plans and extends the time for submission of a State plan to March 3, 1980. That is reasonable.

The testimony of Governor Herschler was very clear and to the point on that particular matter, testifying on behalf of the National Governors Association. But where are we, exactly, in this procedure of having State plans submitted to the Secretary of the Interior for his approval? So far, four State plans have been submitted. Those States are Texas, Montana, Wyoming, and Mississippi. But there could be another score of State plans submitted to the Secretary in behalf of individual States, and my substitute would allow that time frame to be extended to March 3 of next year, per the request of the testimony by the National Governors Association.

Also, my substitute would extend the time for implementation of the Federal programs to January 3, 1981. As I earlier stated, it provides for the implementation of the Federal program with the State plan very similar—identical—to the provision in S. 1403.

What my substitute does not do: It does not include section 3 of S. 1403. It does not strike down the Secretary's regulations. We should not do that, because section 3 of S. 1403, as presented, goes too far, and sets a dangerous precedent. It states that the State program will not have to be consistent with the Secretary's regulations. This is not just the performance standards of section 515 and 516; it refers to all the rest of the regulatory scheme called for in the act. It would exclude the regulations from being considered in determining whether or not a State plan should be approved, concerning those regulations dealing with the permit applications and approval, bonding, inspections, designation of lands as unsuitable for mining. In fact, a whole body of regulations developed by the Secretary are eliminated as a standard of the adequacy of a State program.

That puts the question of the requirements of reclamation of the coal strip mining into total confusion.

Let us review what would happen under section 3 of S. 1403 if it became law.

The State submits a plan. It is challenged by the industry, so it goes to court; or the State plan is challenged by a citizen organization and that goes to court. The court, whether it is State or Federal, looks at the law, and only the terms of the law, and not at the Federal regulations developed by the Secretary pursuant to the law.

The resolution of the court case is bogged down by total confusion. How many district court judges are knowledgeable, first of all, of the act itself? How many of them would be knowledgeable of the effects of the protection of land and water without some guidance from regulations?

It is obvious that different courts are going to have different interpretations of what the act provides for, what it calls for.

It is going to be patchwork interpretation of the act, varying from court to court, and those patchwork decisions will lead to further litigation, further lawsuits.

Let us all remember that one of our prime intents in drafting the act is to set uniform minimum standards throughout all the country for the reclamation of these strip mined lands. What would be the effect on our energy policy as we swing to a policy of utilizing more of the Nation's coal?

I think it stands evident, it is self-evident, that we do not mine coal on the basis of chaos.

Mr. President, I say to my colleagues, we do not need section 3 of S. 1403. We do need the simple extension of time. We do need the requirements that we have set forth on those extensions of time. We do need the implementation of a Federal program on Federal land in relationship to approval of the State plan. But that is all we need.

We do not need the added delay, the added confusion, the added court cases that will result if the Senate should take, and the House approve, and the President sign, that very unusual procedure of just setting aside the consideration of the Secretary's regulations.

I remind my colleagues that such an unprecedented act is extremely dangerous.

Any Federal law that somebody would like to oppose and does not care to go to the trouble of selectively and carefully amending to make it properly workable can adhere to the recommendation that is before us in section 3 of S. 1403 and simply strike out the Federal regulations of a particular law, do not permit the regulations to be considered, in approving State plans.

I find it so dangerous and so unworkable that I encourage my colleagues with the utmost sincerity to disregard S. 1403 as presented and to vote for the substitute which we have offered, which I assure my colleagues is better legislation, entirely workable, is the usual pattern of legislation, and will get us on to the proper role of utilizing coal in those areas where strip mining can be successfully followed with proper reclamation.

The PRESIDING OFFICER (Mr. MATSUNAGA). The hour of 5:15 having arrived——

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators who have not yet voted who wish to vote?

The result was announced—yeas 29, nays 66, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—29

Baucus
Biden
Boschwitz
Bradley
Church
Cranston
Culver
Durenberger
Durkin
Hart
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Proxmire
Riegle
Sarbanes
Stevenson
Stone
Tsongas
Wallop
Williams

NAYS—66

Armstrong
Baker
Bayh
Bellmon
Bentsen
Boren
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Mathias
Matsunaga
McClure
Morgan
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Warner
Weicker
Young
Zorinsky

NOT VOTING—5

Bumpers
Inouye
Muskie
Pressler
Ribicoff

So Mr. MELCHER's amendment (UP No. 544) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. WALLOP. Mr. President, I rise today to express my very reluctant support for the provisions contained in the Melcher substitute. I do so with regret, for as a representative of a major western coal-producing State, I am well aware of the frustrations experienced by the coal community. For several years, the Federal Government has given mixed signals to the industry. The coal leasing program has been in disarray since 1971. The administration is now encouraging utilities to switch not to coal, but to natural gas as an alternative fuel to oil. Recent regulations published pursuant to the Clean Air Act amendments and the Surface Mining Control and Reclamation Act have contributed to the uncertainty.

Inflation, too, has taken its toll. The capital cost of a new coal-fired powerplant has risen immensely. In 1970, those costs were $144 per kilowatt-hour. For a plant that is scheduled to be on line in 1987, those costs skyrocket to $1,096 per kilowatt-hour. In addition, public utility commissions have been reluctant to encourage experimental technologies in the use of coal. If a venture does not produce power, the cost of the new plant is not incorporated into the rate base. Therefore, it is the stockholders and not the consumers that are forced to take the risk.

Yet another consideration that cannot be overlooked has been a drop in the annual growth rate of electric consumption. That rate has dropped from an historic average of 7 percent in 1973 to around 3.5 percent in recent years.

So given the multitude of factors, Mr. President, it is certainly easy to understand the concerns and frustrations of people who are trying to reduce our Nation's dependence on foreign oil by increasing the use of our abundant coal resources. No wonder they complain. There are over 30 agencies or organizations in 12 Federal departments that now regulate the U.S. coal industry.

In essence, the provisions contained in S. 1403 will do the following:

It will grant a 1-year extension in the time limit for States to submit programs for approval by OSM,

It will defer the October 12 deadline for the implementation of a Federal lands program by the Department of Interior,

And finally, it will require that States comply only with the act and not with subsequent regulations promulgated by the Department of Interior.

There have been some substantial developments in recent weeks which have altered the timeliness of two provisions in S. 1403. Let me explain. On July 25, 1979, Judge Flannery of the U.S. District Court for the District of Columbia granted a preliminary injunction which would delay by 7 months the dates that States have to submit a program for approval. That decision will enable States to submit a program up until March 3, 1980, but Interior must still make a final decision by June 3, 1980.

I have also been in contact with the Secretary of Interior's office today. They have informed me that it is the intention of the Secretary to publish regulations to defer the implementation of the Federal lands program until States have had the opportunity to have their programs either approved or denied by the Department of the Interior. Although I believe it is vital to reaffirm that decision through a statutory change in Public Law 95-87, the Secretary's decision is a positive step in reassuring States of the intent of DOI to properly administer the provisions of the Surface Mining Act.

What remains, is the controversial Rockefeller amendment which, as I previously stated, requires only that States comply with the act and not subsequent regulations. Once again, there is understandable concern about the strictness of OSM's regulations. I agree with critics of these regulations that they are too rigid and more oriented toward mandating certain design criteria than setting forth minimum performance standards for which States can mold and shape their programs according to their own particular situations.

But let us examine further what the Rockefeller amendment might do. It could subject the Secretary's decision to approve or disapprove a State mining program to countless delay in courts. Without some guideline on which the Secretary can base his decision, anything he does could be made to appear capricious and arbitrary and therefore subject to challenge. There are numerous terms in the Surface Mining Act that require further definitions by someone. Such terms as "substantial financial and legal commitment," or "imminent environmental impact," or "best available topsoil," all require more clarification. If it is not the Secretary of Interior that provides that clarification, it will be numerous district courts throughout the country—each with their own definitions.

Let me reemphasize that I am sympathetic with what the Rockefeller amendment intends to do. Section 102(f) of the Surface Mining Act clearly states that—

> Because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the states.

Yet there must still be some minimum guidelines and standards for the Secretary to use to base his decisions. If those guidelines are not promulgated by the Department of the Interior, they will be formulated through numerous court battles. Again, more, not less, delay.

Underneath I remain strongly committed.

I remain strongly committed to that idea. But we really know very little about the subsequent impact of exempting States from regulations published pursuant to the Surface Mining Act. The controversy today bears testimony to this fact.

During the committee hearings, we did not give careful consideration to what would happen if the Rockefeller amendment were enacted into law. Therefore, I am troubled that we may, in essence, be further complicating our stated goal of increasing the Nation's coal production by once again placing unknown burdens on the States, Federal Government, and the coal industry.

Last week, Mr. President, I supported a measure which I believe is wiser than the approach outlined in S. 1403. It was an amendment to S. 1477, the Federal Courts Improvement Act of 1979. The essence of the amendment reversed a longstanding presumption of the validity of Government regulations. Under this change the Government would be required to justify the promulgation of any regulation by supporting it with evidence of statutory authority—an idea, which had it been followed by OSM, would not have us here today, and which should keep us out of this argument in the future.

THE NEED FOR REASONABLE COAL REGULATIONS

Mr. BAYH. Mr. President, during my term in the Senate I have been a strong advocate of developing our huge domestic coal reserves, including those in my own State of Indiana. Balancing the goals of increased use of coal, environmental quality, and public health is an extremely difficult task. And it is one we will examine once again in our deliberations on S. 1403 today.

When the 95th Congress passed the Surface Mining Control and Reclamation Act of 1977, a measure supported by the entire Hoosier delegation and most other coal State representatives, we were attempting to construct a balanced approach to surface mining regulation. By that time, over half of the coal produced in the Nation was produced by surface mining techniques, resulting in the disturbance of more than 1,000 acres of land each week. Valuable prime farmlands were being increasingly despoiled, in some cases, never to regain their prior productivity. Scarce water supplies in the West were being irrevocably poisoned. In some States, acres of land were covered with gob piles—or waste heaps—scarring the landscape, and denying land for community development. Erosion problems, incessant blasting, toxic runoffs, and landslides were additional problems faced by residents of many coal mining areas.

The Congress acted to put a stop to this waste and degradation of our Nation's natural resources by requiring all States to live up to the standards that some States were already requiring of their mining operators. This step constituted an important national commitment. It also served to protect States, such as my own, which had strong reclamation statutes, from being at a competitive disadvantage with other States that had far weaker reclamation standards.

INDIANA'S PROGRAM

Mr. President, my State of Indiana was one of the few with a reclamation program on the books early on. Indiana passed reclamation legislation, requiring revegetation of mined areas, as early as 1941. At a time when only a handful of States required binding up the wounds of surface mining, reclaimed lands in Indiana became the site of forests and lakes, providing wildlife habitats, recreational areas and scenic residential sites. Yet, even with this progressive tradition, Indiana has not escaped the toll of extensive surface mining. Stark gob piles, or waste heaps, still scar the land around my farm in Vigo County, as a result of inadequate reclamation; erosion problems and toxic runoffs continue to bear legacy to initially inadequate efforts.

Faced with these visible signs of environmental spoilation, additional State legislation was passed by the legislature in the 1960's and 1970's to further strengthen Indiana's earlier State law. By 1977, Indiana was viewed by many as a leader in reclamation policy. A survey by the Library of Congress in 1977 found that the State program had resulted in 85 percent of the land reclaimed in the prior decade being returned to agricultural uses, with 96 percent of the land affected by 1977 permits to be likewise restored. Much of this reclaimed land has been used to once again grow row crops.

THE STATES AND OSM

Mr. President, the surface mining bill that passed the Senate in 1977 clearly intended for the States to develop and enforce State programs. Under the act, States had 18 months to develop State plans, suited to their special needs, but meeting minimum guidelines set out in the statute.

Unfortunately, the implementation of this program by the Office of Surface Mining, has strayed far afield and provides us with a clear example of regulatory overkill.

OSM has missed every deadline set for it by the Congress. Yet, despite OSM's own failings, the agency has continued to ride roughshod over the States, demanding them to put together State programs literally dictated from Washington, in a climate of confusion and great uncertainty.

OSM was expected by the Congress to provide guidelines for the States, but to permit each State sufficient flexibility to develop locally appropriate reclamation plans. Instead, the agency has literally shut the supposed "State window" provided in the legislation for States to develop their own programs. Rather than respecting local initiatives, they have drafted the equivalent of over 2,000 pages of complex Federal regulations—specific step-by-step, cookbook regulations—which, as our distinguished majority leader, Senator Byrd, said recently, has caused the States to "comply with, and in effect duplicate, every jot and tittle of the Federal regulations." Instead of developing programs suited to their own needs.

OSM has been arrogant in its dealings with the States, rather than developing the cooperative partnership envisioned by the Congress in 1977, and has harassed small operators trying their best to comply with confusing interim programs.

NEED FOR A NATIONAL COAL POLICY

Mr. President, public confidence in Government is at a low tide, particularly with respect to energy policy. Three Presidents have supported increased coal production, with a flourish, as our ticket to greater self-sufficiency. Yet none has demonstrated a real commitment to conversion to coal. While the President's Coal Commission estimates that 60 oil-burning facilities could switch to coal in the next few years, saving 400,000 barrels of oil per day by 1985, 2 coal conversion bills have had no practical effect. Saving this much crude oil by converting to coal would more than match any increased production that may flow from the lifting of price controls off domestic crude; this type of fuel switching would not cost consumers a penny, while decontrol will cost them billions.

In fact, even with the expenses associated with pollution equipment, conversion to coal on the part of these utilities would save consumers money—reducing energy bills—an unheard of phenomenon in these days of skyrocketing electricity rates, home heating oil, and gasoline prices.

Mr. President, we are just not taking advantage of our mammoth coal reserves to the extent we must. National production capacity is currently about 725 million tons. The national energy plan called for doubling this. Yet, we will likely use only 80 percent or so of those resources this year. In Indiana, we could produce 30 to 35 million tons of coal in 1979, but will likely produce only 21 million tons—less than was produced last year, when the industry experienced a prolonged strike that cut into production. This has meant loss of jobs for hard-working miners, with families to support and financial ruin for many small mining operators in my State.

There are many reasons why America has turned away from coal, Mr. President, and significant increases in demand and production cannot occur rapidly. Such increases will take hard decisions by major utilities and industrial firms to invest their future in coal. It will take an upgrading of our rail system to efficiently transport that coal. It will take a decision by mining operators to invest in new equipment. And it will take a commitment from all of us to reduce the regulatory uncertainty that has plagued the coal industry. We must insist that Federal regulations stay within the realm of the defensible, and not grow topsy turvy because some idle hands downtown have nothing better to do than make mischief.

THE NEED FOR CONGRESSIONAL OVERSIGHT

Mr. President, last spring a large and united group of Senators, from coal producing States, made absolutely clear to both the President and the Environmental Protection Agency, that we would not sit idly by and accept proposed EPA standards for new coal-fired powerplants that would effectively shut in vast amounts of Eastern coal but provide no health benefits for the public. The Congress set up EPA to protect the public's health—not to play cat and mouse with new coal-fired facilities.

Mr. President, I urge my colleagues today to reflect the same good commonsense with respect to the Office of Surface Mining as we did with EPA. The Energy Committee has reported out a bill that meets three very legitimate concerns:

First. The need for a deadline extension for State plan submissions, because of OSM's own delays;

Second. The desire of Western States to coordinate reclamation programs within their borders; and

Third. The need to free State governments from overzealous bureaucrats.

We can accomplish that by insisting that the States be freed of voluminous and suffocating Federal regulations and require them to only meet the performance standards contained in the surface mining bill itself.

This State lead approach, embodied in the so-called Rockefeller amendment—named after the Governor of West Virginia, an early supporter of adequate reclamation programs—much more nearly represents what the Congress had in mind in 1977 when it passed the surface mining bill. It in no way weakens our commitment to adequate cleanup efforts. It continues to require State compliance with Federal standards. But the critical point is that it will permit States to design programs tailored to their own needs. It will return the lead in this effort to the States, where Congress intended it to be. And it will result in freeing up our scientists and engineers to follow good engineering practices tailored to specific sites, rather than tying their hands with constraining and inflexible design regulations. Mr. President, I hope my colleagues will join me in supporting S. 1403 as amended by the Energy Committee.

Mr. FORD. Mr. President, I yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Hawaii (Mr. Inouye), the Senator from Maine (Mr. Muskie), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

Mr. STEVENS. I announce that the

Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 69, nays 26, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—69

Armstrong
Baker
Bayh
Bellmon
Bentsen
Boren
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Levin
Long
Lugar
Mathias
Matsunaga
McClure
Morgan
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—26

Baucus
Biden
Boschwitz
Bradley
Church
Cranston
Culver
Durenberger
Durkin
Hart
Jackson
Javits
Leahy
Magnuson
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Proxmire
Riegle
Sarbanes
Stevenson
Stone
Tsongas
Williams

NOT VOTING—5

Bumpers
Inouye
Muskie
Pressler
Ribicoff

So the bill (S. 1403), as amended, was passed, as follows:

S. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979", and that the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) is hereby amended as follows:

SEC. 2. Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") are amended as follows:

(a) in section 502(d) of the Act in the last sentence, strike the words "forty-two months" and substitute the words "fifty-four months";

(b) in section 503(a) of the Act, strike the words "eighteenth-month" and substitute the words "thirtieth month";

(c) in section 504(a) of the Act, strike the words "thirty-four months" and substitute the words "forty-six months";

(d) in section 504(a)(1) of the Act, strike the words "eighteen-month" and substitute the words "thirtieth month";

SEC. 3. Sections 503(a)(7) and 701(25) of the Act are amended as follows:

(a) in section 503(a)(7) of the Act, strike the phrase "regulations issued by the Secretary pursuant to";

(b) in section 701(25) of the Act, strike the phrase "and regulations issued by the Secretary pursuant to this Act".

SEC. 4. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

SEC. 5. Section 502 of the Act is amended by adding a new subsection "(g)" as follows:

"(g) Notwithstanding any other provision of this section, each State shall, to the greatest extent possible, have principal responsibility for the inspection of mines during the period of time prior to the submittal of State plans for approval. Such responsibility shall remain with each State until such time as the Secretary disapproves the State plan. The Secretary shall furnish personnel assistance to the States in carrying out this responsibility upon request of the State regulatory agency.".

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to take this moment to express appreciation to the Senator from Kentucky (Mr. FORD) and the Senator from Oregon (Mr. HATFIELD), the managers of the bill in behalf of the committee, for the skill and the dedication which they demonstrated in bringing this measure to the floor and in adding to its provisions the language that was of great concern to Senators from coal-producing States. I congratulate them on their successful managership of this bill, which is not only important to coal-producing States but to the Nation as a whole.

Mr. FORD. Mr. President, I thank the majority leader for his kind words.

I am learning each day the procedure of the Senate and how things are done, and I appreciate his valuable support. Mr. President, every time you have an experience here you gain something. Every time I have the opportunity to be associated with the distinguished Senator from Oregon (Mr. HATFIELD), I always come off a winner, because I gain much more than when I came in. I am grateful to him for his guidance and counseling of me as a freshman, and he has my admiration.

Mr. HATFIELD. Mr. President, I am compelled to rise, not only to express my appreciation for the kind words of the Senator from Kentucky, but to the majority leader, who has been very helpful in this whole matter. The battle won today was certainly due to the efforts of many people, including the majority leader's great efforts as well as those of my comanager of the bill, the Senator from Kentucky (Mr. FORD).

Again Senator FORD exhibits the generosity so typical of a Southern gentleman when he ascribes his kind remarks to me, but I am conscious that none of us would have been successful without the help of many Senators, and particularly the fine staffs on both the majority side and the minority side.

Mr. BAKER. Mr. President, I will not prolong this, except to say I wish also to pay my respects to the Senator from Oregon for his diligence and effectiveness in shepherding this bill to passage, and that of the Senator from Kentucky (Mr. FORD), who has great expertise in this field and managed the matter with great effectiveness. I thank them as well for doing it so promptly. The bill was dispatched in a relatively short period of time, and that is always welcome news to the majority and minority leaders.

Mr. ROBERT C. BYRD. Mr. President, I thank also the Senator from Idaho (Mr. CHURCH) for his patience in withholding calling up his conference report until the final vote had occurred, so that Senators could be on their way to their offices and to other engagements.

I wish to express particularly my thanks to my own colleague from West Virginia (Mr. RANDOLPH) for the good work he did in contacting Senators in connection with this measure, and I particularly congratulate the Senator from Montana (Mr. MELCHER), who offered an amendment, fought a good fight on it, kept the faith, and finished his course in the way of a gentleman; and I appreciate his attitude and also that of Senators who opposed the amendment by Mr. MELCHER.

Mr. WARNER. Mr. President, I wish to join in congratulation of the managers of this bill. I introduced an amendment earlier, and, in accordance with their very wise counsel, I withdrew that amendment.

Mr. President, as a cosponsor of S. 1403, I applaud Senators FORD and HATFIELD and the Energy Committee for coming forward with positive legislation that will push us on our way to achieving our goal of energy independence.

Energy, and America's need for increasing amounts of it, is generally recognized as this Nation's number one domestic problem. Indeed, it has spawned many of this country's other domestic concerns—inflation, unemployment, recession, social problems.

For America to continue to grow and prosper and not be dominated and dictated to by the pricing whims of foreign oil producers, we as a nation must become energy independent by developing our own primary and alternative energy resources.

President Carter has proposed an energy plan to ease America's dependence on foreign oil which calls for, among other things, a greater reliance on coal.

This is only a natural recognition—and, I must say, long overdue—that coal is America's most abundant resource.

Coal represents 90 percent of our Nation's total energy reserves. The U.S. geological survey estimates that there are at least 1.7 trillion tons of coal beneath American soil—or, put in more meaningful terms, our coal represents the energy equivalent of 10 Saudi Arabias and will provide us with hundreds of years' supply at current rates of use.

President Carter has declared in his energy messages that he wants the United States to double its annual coal production by the mid-1980's—from about 700 million tons now to 1 to 2 billion tons.

The President, in a meeting before the President's Coal Commission and the congressional coal group, said:

> Coal will be the backbone of my energy position.

But this has not always been the case.

For too long, America's most abundant natural resource has languished and lain underutilized while America has been forced to pay rapidly rising ransom to foreign energy producers.

The Office of Technology Assessment in its 441-page report, "The Direct Use of Coal," indicated that coal production in recent years has lingered slightly above its earlier peak in 1947 at about 700 million tons, with 689 million tons being produced in 1977 and 724 million estimated for 1979. The OTA estimates that growth in coal demand will continue slowly and will only total 1.5 to 2.1 billion tons by the year 2000.

What has caused this lagging demand for production from the Nation's coal reserves?

Industry observers attribute the poor growth in the coal market to:

First. Government regulations that are too stringent and repetitious;

Second. Rising production costs of which a major portion can be ascribed to Government regulations;

Third. Increased competition from foreign producers; and

Fourth. A lack of a clear-cut Government policy that promotes the use of coal.

It appears that the latter problem was taken care of by the President's April 5 energy speech to the Nation, but appearances can be deceiving.

President Carter, in his April 5 speech, called on the Departments of Energy and Interior and the Environmental Protection Agency to submit, within 60 days, recommendations for enhancing the development and use of coal to help guide his administration in its energy decisions. When the 60-day time limit had elapsed, only the Department of Energy had submitted its recommendations. As yet, the administration still has not set forth a comprehensive clear-cut program for increased utilization of coal.

This lack of clear-cut governmental policy, coupled with the other factors, has brought about a decrease in coal production, resulting in an unmitigated disaster in the Nation's coal fields.

Coal is a $1 billion industry in my State of Virginia, which is the Nation's seventh-ranking coal-producing State, and yet about 2,000 of Virginia's 20,000 coal miners are currently laid off due to the slump in coal production. The Richmond News Leader, in an August 29, 1979, article, stated:

> The cutbacks in southwest Virginia, long dependent on coal for economic survival, have been felt across the region from grocery stores to trucking companies.

Mr. President, I visited southwest Virginia and its coalfields during the Senate's August work session, and I visited with some of the miners affected by this coal slump. It is fair to say that they are suffering dearly because we have not adopted strong coal utilization policies. It is also fair to say that they and their families have had their fill of empty promises and beautiful but meaningless rhetoric. They are seeking action on the part of the administration and Congress to promote coal production so that they will be able once again to earn a living for themselves and their families.

But Virginia is not alone in the problems it is experiencing in this area, nor are the feelings experienced by its coal miner citizens any different from those of the States of West Virginia, Kentucky, or Tennessee.

The Nation's coal miners want positive decisive action from their leaders.

Often when one is faced with a complicated, multifaceted problem, rather than attempt to deal with the whole problem at one time, which may be self-defeating, a wiser course is to deal with each separate facet of the problem and thus, over a period of time, accomplish positive results.

S. 1403 presents the Senate with just this option. It deals only with the problems of time extensions for submission of State reclamation plans and extraneous regulation correction of these problems will help increase coal production, without venturing off into the more complex, controversial areas of this problem.

In June, I had the opportunity to attend the oversight hearings on the Surface Mining and Reclamation Act held by the Senate Energy Committee and was accorded the privilege of questioning witnesses at these hearings. I was amazed and aghast at the many problems that are facing our Nation's coal operators and miners in trying to comply with the Surface Mining Act.

If the various States are to have any chance at all of at least complying with the statutory filing deadline of the act, there must be an extension of the time limit for filing. Since the Office of Surface Mining was delayed 7 months past its statutory deadline for publishing its permanent regulations on the act, it seems only fair to me that the States should not be penalized for circumstances beyond their control and they should be allowed the courtesy of a similar delay to comply with the final regulations.

Section 2 of S. 1403 incorporates this idea.

Section 3 was drafted to give the States maximum flexibility to design their regulatory programs to reflect local conditions.

Section 101(f) of the act clearly specifies that—

> Because of the diversity of terrain, climate, biologic, chemical and other physical conditions in areas subject to mining operations, the primary responsibility for developing, authorizing, issuing, and enforcing and reclamation operations subject to this Act should rest with the States.

In response to a question posed by the Senate Energy Committee, the Congressional Research Service analyzed the ability of the States to comply with the congressional mandates of the act under the regulations proposed by the Office of Surface Mining. CRS, in a report dated July 24, 1979, found that—

> Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

CRS then concluded by stating that—

> As long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Mr. President, I ask unanimous consent to have the complete CRS report printed at the end of my record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Section 3 of S. 1403 will correct this problem, and will bring back the flexibility to the States in their complying with the act, taking into consideration their own unique characteristics in their State plans. Thus, the State's primacy, which was the intent of Congress in the act, will be reestablished and I accordingly strongly support section 3 of this bill.

Section 4 postpones the implementation of the Federal lands program until a State program has been given the opportunity to be approved or denied. As this amendment prevents the Federal Government from preempting the State government's program, I support also section 4 of the bill.

S. 1403 takes a small but very important step to correcting some of the problems encountered with implementing the act and removes several obstacles from the increasing of U.S. production in coal. I strongly urge that the Senate pass S. 1403.

EXHIBIT 1

JULY 24, 1979.

To Senate Committee on Energy and Natural Resources; Attention: Mr. Dave Russell.

From Duane A. Thompson, Analyst, Environment and Natural Resources Policy Division.

Subject Section 503(a)(7) of Public Law 95-87, The Surface Mining Control and Reclamation Act of 1977.

In response to your request of July 23, 1979, I have reviewed Section 503(a)(7) and related OSM regulations in order to determine the States capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

The Surface Mining Control and Reclamation Act of 1977 was originally intended to allow the individual States to assume the authority and responsibility for the regulation of surface mining within their own boundaries. This concept is contained in Section 101, "finding", of the Act, which states explicitly that:

"(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for *developing*, authorizing, issuing and *enforcing regulations* for surface mining and reclamation operations subject to this Act should rest with the States; [emphasis added]

With this concept in mind, Congress, in the law, made provisions for the institution of State enforcement programs that would allow the States to assume regulation, thus providing for the vastly different regional characteristics of surface mining, with the proviso that the regulations promulgated by the individual State enforcement agencies would be consistent with the minimum performance standards set forth in the Act. This requirement is contained in Section 503(a) (2) of the Act which states that in order for a State to assume responsibility, it must provide:

"(2) a State law which provides sanctions for violations of State laws, regulations or conditions of permits concerning surface coal mining and reclamation operations, which sanctions *shall meet the minimum* requirements of this Act, . . . " [emphasis added]

Section 503, in subsection (a) (7), goes on to further condition the assumption of regulation on the implementation of State "rules and regulations consistent with regulations issued by the Secretary pursuant to this Act." Congress, however, did not define the key phrase "consistent with" in the Act, leaving this option to the Federal regulatory authority. The Office of Surface Mining established by the legislation has since defined this phrase to mean:

"§ 730.5 Definitions: (b) With regard to the Secretary's regulations, the State laws and regulations are no less stringent than and meet the applicable provisions of the regulations of this Chapter."

Because of this requirement in the Act, some States now conclude that they must, in affect, accept the regulatory requirements of the Federal agency as their own in order to assume regulation of surface mining.

In response to a voluminous number of comments directed to the inflexibility of the regulations in their proposed form, the Office of Surface Mining developed a "State window" concept that, according to the Agency, would allow the States considerably more flexibility in developing their own regulatory programs. The language of the "State window" regulation, however, requires the States to:

"731.13(c) Explain how and submit data, analysis and information, including identification of sources, demonstrating—(1), that the proposed alternative will be *in accordance with* the applicable provisions of the Act and consistent with the regulations of this Chapter and (2) that the proposed alternative is necessary because of local requirements or local environmental or agricultural conditions." [emphasis added]

The underlined phrase "in accordance with" has been defined identically to "consistent with", meaning that all of the States proposed alternatives to the Federal regulations must be as stringent as those Federal regulations. Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

It could be noted that a review of the applicable provisions of the Act suggests that Congress intended to be much more liberal in its approach to alternatives to the law and the regulations. With the exception of Section 503(a) (7), already mentioned, which requires the States to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations and/or conventional reclamation technology. In fact, Section 711 of P.L. 95–87 [91 STAT. 523] "Experimental Practices", reflects the intent of Congress to "encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use. . . ." Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Should you or any of your staff have any further questions on this or related subjects please call me at 287–5873.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield for a moment?

Mr. ROBERT C. BYRD. Will the Senator from Idaho obtain recognition, and then yield to the minority leader?

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BAKER. Mr. President, will the Senator from Idaho yield to me?

Mr. CHURCH. I am happy to yield to the minority leader.

Mr. BAKER. I merely wish to inquire of the majority leader if he anticipates any further rollcall votes today.

Mr. ROBERT C. BYRD. No; may I say to the minority leader, there will be no further rollcall votes today.

Mr. BAKER. I thank the majority leader. I appreciate the Senator from Idaho's yielding.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

NATIONAL SECURITY AND DEFENSE SPENDING—MESSAGE FROM THE PRESIDENT—PM 103

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Armed Services, the Committee on Appropriations, and the Committee on the Budget, jointly, by unanimous consent:

To the Congress of the United States:

I am sure you agree with me that we cannot effectively safeguard U.S. legitimate interests abroad nor pursue safely peace, justice and order at home unless our national security is protected by adequate defenses. The fundamental responsibility of the President—a responsibility shared with Congress—is to maintain defenses adequate to provide for the national security of the United States. In meeting that responsibility, this Administration moved promptly and vigorously to reverse the downward trend in U.S. defense efforts. This is demonstrated by an examination of the trends in real defense expenditures since the mid 1960s. At NATO Summits in May 1977 and 1978 we persuaded our allies to join with us in endorsing a goal three percent real annual growth in defense outlays and an ambitious Long Term Defense Program for the Alliance. Together these represented a turning point, not only for the United States, but the whole Alliance.

For our part, we moved promptly to act on this resolve. We authorized production of XM–1 tanks; we greatly increased the number of anti-tank guided missiles; we deployed F–15s and additional F–111s to Europe, along with equipment for additional ground forces. We reduced the backlog of ships in overhaul and settled contractual disputes that threatened to halt shipbuilding progress. In strategic systems, we accelerated development and began procurement of long range air-launched cruise missiles, began the deployment of Trident I missiles, and have begun the modernization of our ICBM force with the commitment to deploy the MX missile in a survivable basing mode for it.

These and other initiatives were the building blocks for a determined program to assure that the United States remains militarily strong. The FY 1980 budget submission of last January was designed to continue that program. In subsequent months, however, inflation has run at higher levels than those assumed in the cost calculations associated with that defense program. Accordingly, I plan to send promptly to the Congress a defense budget amendment to restore enough funds to continue in FY 1980 to carry out the Administration's defense program based on our current best estimate of the inflation that will be experienced during the fiscal year. Although the detailed calculations needed to prepare an amendment are still in progress, I expect that the amount of the amendment will be about $2.7 billion in Budget Authority above the Administration's January 1979 budget request.

Correcting for inflation is not enough in itself to assure that we continue an adequate defense program through FY 1980. We must also have the program and the funds authorized and appropriated, substantially as they were submitted. Therefore, in the course of Congressional consideration of the second budget resolution, I will support ceilings for the National Defense Function for

FY 1980 of $141.2 billion in Budget Authority and $130.6 billion in outlays. I will also request that the Congress support the Administration's FY 1980 defense program and, in particular, that the Appropriation Committees actually appropriate the funds needed to carry it out.

Furthermore, in FY 1981 I plan a further real increase in defense spending. The Defense Department is working on the details of that budget. It would, therefore, be premature to describe the features of that budget beyond noting that it will continue the broad thrust of our defense program, and that I intend to continue to support our mutual commitment with our NATO Allies.

While this defense program is adequate, it is clear that we could spend even more and thereby gain more military capability. But national security involves more than sheer military capability; there are other legitimate demands on our budget resources. These competing priorities will always be with us within the vast array of budget decisions both the Congress and the President are called upon to make. Defense outlays are actually lower in constant dollars than they were in 1963, and a much lower percentage of the gross national product (5% compared with 9%). There are those that think this has caused a decline in American military might and that the military balance has now tipped against us. I do not believe this to be so, but I am concerned about the trends. I believe that it is necessary for us to act now to reverse these trends.

The Secretary of Defense will be presenting to the Congress over the coming months the highlights of our defense program in terms of the goals we think we should achieve and the Five-Year Defense Program we plan to achieve them. In this context he will point out, among many other items, how MX and our other strategic programs will contribute to the maintenance of essential equivalence between the central strategic forces of the United States and Soviet Union, how we plan to modernize theater nuclear forces in cooperation with our NATO allies, how our general purpose forces programs contribute both to our military capability to support our NATO allies and rapidly to deploy forces to defend our vital interests elsewhere. That presentation can serve as the basis for future discussions (including open testimony) that will allow us to build the national consensus that is the fundamental prerequisite of a strong and secure America.

Jimmy Carter.

The White House, *September 11, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President on national security and defense spending be referred jointly to the Committee on Armed Services, the Committee on Appropriations, and the Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:40 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Magnuson).

At 3:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 756. An act to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984.

The message also announced that the House disagrees to the amendments of the Senate to H.R. 4387, an act making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Whitten, Mr. Burlison, Mr. Traxler, Mr. Alexander, Mr. McHugh, Mr. Natcher, Mr. Hightower, Mr. Jenrette, Mr. Andrews of North Dakota, Mr. Robinson, Mr. Myers of Indiana, and Mr. Conte as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 740. An act to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands;

H.R. 1212. An act for the relief of the University of Florida, Gainesville, Fla.;

H.R. 1319. An act to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii;

H.R. 2297. An act to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile;

H.R. 3122. An act relating to the tariff treatment of certain articles; and

H.R. 4732. An act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 740. An act to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands; to the Committee on Energy and Natural Resources.

H.R. 1212. An act for the relief of the University of Florida, Gainesville, Fla.; to the Committee on Finance.

H.R. 1319. An act to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii; to the Committee on Finance.

H.R. 2297. An act to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile; to the Committee on Finance.

H.R. 3122. An act relating to the tariff treatment of certain articles; to the Committee on Finance.

HOUSE BILL ORDERED HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 4732, an act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol, be held at the desk pending further action.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 11, 1979, he presented to the President of the United States the following enrolled bill:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment, but with a preamble:

S.J. Res. 90. A joint resolution to provide for the designation of a week as "National Recreation and Parks Week" (Rept. No. 96-315).

EXECUTIVE REPORTS OF COMMITTEES

By Mr. KENNEDY, from the Committee on the Judiciary:

Cornelia G. Kennedy, of Michigan, to be U.S. circuit judge for the Sixth Circuit.

Mary M. Schroeder, of Arizona, to be U.S. circuit judge for the Ninth Circuit.

Richard D. Cudahy, of Wisconsin, to be U.S. circuit judge for the Sixth Circuit.

Boyce F. Martin, Jr., of Kentucky, to be U.S. circuit judge for the Sixth Circuit.

Otto R. Skopil, Jr., of Oregon, to be U.S. circuit judge for the Ninth Circuit.

James M. Sprouse, of West Virginia, to be U.S. circuit judge for the Fourth Circuit.

Avern Cohn, of Michigan, to be U.S. district judge for the eastern district of Michigan.

Stewart A. Newblatt, of Michigan, to be U.S. district judge for the eastern district of Michigan.

Benjamin F. Gibson, of Michigan, to be U.S. district judge for the western district of Michigan.

Douglas W. Hillman, of Michigan, to be U.S. district judge for the western district of Michigan.

Zita L. Weinshienk, of Colorado, to be U.S. district judge for the district of Colorado.

Jim R. Carrigan, of Colorado, to be U.S. district judge for the district of Colorado.

William L. Hungate, of Missouri, to be U.S. district judge for the eastern district of Missouri.

Howard F. Sachs, of Missouri, to be U.S. district judge for the western district of Missouri.

Scott O. Wright, of Missouri, to be U.S. district judge for the western district of Missouri.

John V. Parker, of Louisiana, to be U.S. district judge for the middle district of Louisiana.

Veronica D. Wicker, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

John M. Shaw, of Louisiana, to be U.S. district judge for the western district of Louisiana.

George Arceneaux, Jr., of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

Patrick E. Carr, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

Falcon B. Hawkins, of South Carolina, to be U.S. district judge for the district of South Carolina.

C. Weston Houck, of South Carolina, to be U.S. district judge for the district of South Carolina.

Matthew J. Perry, Jr., of South Carolina, to be U.S. district judge for the district of South Carolina.

Richard M. Bilby, of Arizona, to be U.S. district judge for the district of Arizona.

Edward C. Reed, Jr., of Nevada, to be U.S. district judge for the district of Nevada.

Abner J. Mikva, of Illinois, to be U.S. circuit judge for the District of Columbia Circuit.

Bailey Brown, of Tennessee, to be a U.S. circuit judge for the Sixth Circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE:

S. 1736. A bill to extend Letters Patent Numbered 2,322,210, and for other purposes; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 1737. A bill for the relief of Monchito C. Entena, Antonia V. Entena, Robert Entena, Cathleah Entena, Arvin Entena, and Eliza R. Ayala; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 1738. A bill to amend the Tariff Schedules of the United States to repeal the duty of certain field glasses and binoculars; to the Committee on Finance.

By Mr. HEINZ:

S. 1739. A bill to amend the Federal Food and Cosmetic Act to require certain warning labels on prescription drugs; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATSUNAGA:

S. 1738. A bill to amend the Tariff Schedules of the United States to repeal the duty on certain field glasses and binoculars; to the Committee on Finance.

● Mr. MATSUNAGA. Mr. President, on May 13 of last year, I introduced a bill S. 1519 to suspend tariffs on certain telescopes and binoculars. After S. 1519 was passed by the Senate, it was brought to my attention that the types of telescopes and riflescopes included in my bill were being manufactured domestically. I therefore voluntarily withdraw my bill from final consideration by the House.

On August 8, 1978. I introduced S. 3387, redrafted to suspend tariffs only on certain imported field glasses, opera glasses, and imported prism binoculars. Telescopes and riflescopes were excluded.

American demand for binoculars has greatly increased over the years. However, imported binoculars have been subjected to a 20-percent ad valorem tariff. Originally, the tariff was established because of our own American optical industry was experiencing technical difficulties in producing quality optical instruments. The national interest at that time warranted protection of our optical industry.

Today, however, the Department of Commerce reports no known commercial production in the United States of the kind of prisms used in the imported binoculars on which heavy duty is still being imposed. The small domestic production of binoculars which does occur, in fact, uses imported prisms. Domestic production is presently directed at the most expensive, high quality, high performance instruments for an extremely select market which will not be affected by my bill.

The reason for tariff protection of our binocular industry, once valid, no longer exist. However, U.S. importers of foreign-made binoculars continue to pay a 20-percent ad valorem tariff and this tariff is invariably passed on to the consumer. Consequently, American consumers continue to pay a protective tariff which protects no one.

The Senate passed my proposal last year to suspend the tariff on field glasses, prism binoculars, and opera glasses. However, the press of business at the close of the 96th Congress prevented the House from acting on the measure.

Today, I am reintroducing the measure to reduce the duty permanently. In doing so I wish to call my colleagues' attention to the fact that this proposal has the full endorsement of the Special Trade Representative.

I urge early and favorable consideration of my bill.●

By Mr. HEINZ:

S. 1739. A bill to amend the Federal Food, Drug, and Cosmetic Act to require certain warning labels on prescription drugs; to the Committee on Labor and Human Resources.

PRESCRIPTION TRANQUILIZER LABELING ACT

● Mr. HEINZ. Mr. President, I take pleasure in introducing today a bill to prevent the sometimes fatal misuse of prescription tranquilizers like valium, librium, and miltown, when used in combination with alcohol. Recent research by the National Institute of Mental Health and the National Institute on Drug Abuse has presented frightening statistics on these most widely prescribed mood-altering compounds. In examining the mental health needs of women, for example, I have found that many apparent suicide victims had unwittingly used tranquilizers with alcohol.

By amending the Federal Food, Drug, and Cosmetic Act to require mandatory warnings on bottles of certain prescription tranquilizers, the public would be informed about these inherent dangers. Mr. President, I believe that public education is invaluable in the fight against drug abuse and is, moreover, the best insurance against such mishaps. It is incumbent on both Government and the private health industry to work together to significantly reduce the specter of tragedy through the abuse of psychoactive drugs and alcohol.

Far from indicting the drug industry, pharmacists, or physicians, I am calling on these groups to lend their support for the passage of the Prescription Tranquilizer Labelling Act. There are legitimate medical uses for tranquilizers like valium, librium, and miltown; and, accordingly, the medical community must also appreciate the potential dangers to the lives of millions of Americans who are given these drugs each year. To many, the tranquilizer has become a panacea to mask the visible symptoms of stress, depression, and mental illness. The National Institute on Drug Abuse found that, in 1977, 94 percent of the valium-related deaths involved the concurrent use of alcohol or some other drugs. And for drug-related emergency room visits, "women are twice as likely as men to report valium abuse in an emergency room visit."

Mr. President, I consider the labeling of prescription tranquilizer bottles with warnings against possible hazardous combinations of tranquilizers with alcohol to be an essential element in a comprehensive strategy to eliminate drug abuse in this Nation and to improve the mental health of all Americans. I call on my colleagues in the U.S. Senate to support the Prescription Tranquilizer Labelling Act and to work for its passage.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record at this time, along with the articles and the statistics relevant to this text.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 503 (b) is amended—

(1) by striking out "(5)" and inserting in lieu thereof "(6)"; and

(2) by inserting the following new paragraph after paragraph (4):

"(5) A drug subject to paragraph (1) of this subsection which has been found by the Secretary to be hazardous when used in combination with alcohol, shall be deemed to be misbranded if at any time prior to dispensing its label fails to bear a statement warning against use of such drug in combination with alcohol.".

Top 26 Problem Drugs in the U.S.

Based on statistics gathered in 24 cities between May 1976 and April 1977, the National Institute on Drug Abuse (NIDA) has developed the following national estimates on drug-related deaths and emergency treatment for the 26 most abused drugs. There were an estimated 8,000 deaths and 284,000 emergency room visits related to drugs. Prescription information is included to put these statistics in perspective:

Drugs: Generic/sample brand names	Estimated emergency room visits	Rank	Estimated deaths for single and combination drugs	Rank	Estimated deaths for single drug	Estimated Rx's	Estimated pills	Average pills per Rx	Emergency room visits per 10,000,000 pills	Deaths for single and combination drugs per 10,000,000 pills	Deaths for single drug per 10,000,000 pills
Heroin/morphine	17,000	4.0	1,700	2.0	660						
Methadone	4,500	19.0	300	13.0	100						
Codeine	2,700	24.0	400	10.5	20						
Marihuana	5,700	13.0	0	26.0	0						
Phencyclidine	4,100	20.0	100	22.5	60						
Alcohol-in-combination	47,700	2.0	2,500	1.0							
Secobarbital (Seconal)	7,400	10.0	800	5.0	250	1,507,000	67,096,000	45	1,100	119	37
Pentobarbital (Nembutal)	2,900	23.0	600	7.0	250	1,702,000	81,860,000	48	350	73	31
Seco/Amobarbital (Tuinal)	7,300	11.0	500	8.5	210	1,173,000	54,348,000	46	1,340	92	39
Amobarbital (Amytal)	400	26.0	300	13.0	30	375,000	34,013,000	91	120	88	9
Phenobarbital (Luminal)	7,700	8.0	500	8.5	110	7,910,000	784,409,000	99	100	6	1
Diazepam (Valium)	54,400	1.0	900	4.0	50	57,084,000	3,204,062,000	56	170	3	0
Chlordiazepoxide (Librium)	9,300	7.0	200	17.0	10	15,340,000	923,642,000	60	100	2	0
Meprobamate (Equanil, Miltown)	3,200	22.0	200	17.0	30	9,751,000	612,509,000	63	50	3	0
Thioridazine (Mellaril)	5,300	15.5	200	17.0	40	7,187,000	473,398,000	66	110	4	1
Doxepin (Adapin, Sinequan)	3,300	21.0	200	17.0	80	4,072,000	193,830,000	48	170	10	4
Chlorpromazine (Thorazine)	6,100	12.0	100	22.5	20	4,749,000	270,951,000	57	230	4	1
Flurazepam (Dalmane)	11,500	5.0	100	22.5	10	12,795,000	401,709,000	31	290	2	0
Methaqualone (Quaalude)	5,500	14.0	100	22.5	10	1,352,000	50,221,000	37	1,100	20	2
Ethchlorvynol (Placidyl)	5,000	17.0	300	13.0	70	1,878,000	59,234,000	32	840	51	12
Glutethimide (Doriden)	2,000	25.0	200	17.0	80	2,195,000	86,613,000	40	230	23	9
d-Propoxyphene (Darvon)	10,800	6.0	1,100	3.0	320	19,488,000	703,409,000	36	150	16	5
Aspirin	17,600	3.0	400	10.5	90						
Acetaminophen (Tylenol, Datril)	4,700	18.0	100	22.5	0						
Diphenylhydantoin (Dilantin)	5,300	15.5	100	22.5	0	8,571,000	986,186,000	115	50	1	0
Amitriptyline (Elavil)	7,500	9.0	700	6.0	180	8,838,000	488,229,000	55	150	14	4

Sources: Drug Abuse Warning Network V (DAWN V), funded by NIDA and the Drug Enforcement Administration (DEA) National Prescription Audit, IMS America Ltd.

WOMEN AND PRESCRIPTION DRUGS

Historically women have been the major users of prescription drugs. While women tend to use drugs more for medical reasons, statistics show that a greater percentage of those who use both licit and illicit drugs for non-medical or recreational purposes are men.

Following are statistics on women and prescription drugs compiled by the National Institute on Drug Abuse:

GENERAL DRUG USE

An estimated 1 to 2 million women have problems because of prescription drugs.

32 million (42 percent) women have used tranquilizers prescribed for them by a doctor, compared to 19 million (27 percent) men; 16 million (21 percent) women have used sedatives prescribed by a doctor, compared to 12 million (17 percent) men; and 12 million (16 percent women have used stimulants prescribed for them by a doctor compared to 5 million (8 percent) men.

In 1977, 8½ million women used tranquilizers prescribed by a doctor for the first time, 3 million women used sedatives prescribed by a doctor for the first time, and almost 1 million women used stimulants prescribed by a doctor for the first time.

DRUG-RELATED EMERGENCY ROOM VISITS

Sixty percent of all drug-related emergency room visits involve women.

Almost two-thirds of these are the result of a suicide attempt; the remaining one-third are because of drug dependency or psychic effect.

Women are twice as likely as men to report Valium abuse in an emergency room visit, usually in combination with alcohol or another drug.

DRUG-RELATED DEATHS

The drugs most often associated with death are narcotics, sleeping pills, tranquilizers, and pain relievers.

Forty-three percent of all drug-related deaths are female.

In 94 percent of the Valium-related deaths, alcohol or another drug is also involved.

Of the drug-related deaths involving blacks, 35 percent are women; of those involving whites, 45 percent are women.

The median age for drug-related deaths for black males and females and white males is 28 years. The median age for white females is 43 years.

Sources.—Drug Abuse Warning Network, 1977; National Survey on Drug Abuse: 1977; Report of the Commission on Mental Health, 1978.

WHY ARE MORE WOMEN MISUSING DRUGS?

Muriel Nellis, president of a Washington-based consulting firm, is something of an expert on grassroots attempts to define and meet the special needs of women substance abusers. She believes that pharmacists could make an important contribution toward helping those women.

"Even if they just act as informational assistants to the consumer, pharmacists are in a glorious position to educate people about drugs," Nellis told *American Pharmacy* during a congressional hearing on drug abuse and women. "We are all the losers because pharmacists aren't used properly."

Nellis, three congresswomen, special assistant and pharmacist Alberta L. Henderson of the Department of Health, Education and Welfare (HEW) and acting director Karst Besteman and public health analyst Margo Hall, both from the National Institute on Drug Abuse (NIDA), testified in mid-July before Rep. Lester Wolff's (D-NY) Select Committee on Narcotics Abuse and Control. All spoke on women and drugs during one of the committee's investigative hearings on special populations with a high risk of substance abuse.

MORE PRESCRIPTIONS FOR WOMEN

"Statistics indicate that of the more than 200 million prescriptions written each year for tranquilizers, analgesics, barbiturates and amphetamines, women are the recipients of twice as many of these prescriptions as men," Wolff said during his opening statement. He explained that the committee hoped to determine why so many women are taking mood-altering substances, the current availability of treatment services for female substance abusers, special research needs in the area and current federal and local responses to the problem.

Representatives Patricia Schroeder (D–CO), Barbara Mikulski (D–MD) and Lindy Boggs (D–LA) were the first witnesses to testify before the all-male House select committee. Each pointed to societal pressures and the health care professions as contributing to—and even encouraging—women's dependence on "mother's little helpers" such as Librium and Valium to cope with problems in their lives.

"We as a society imply that women are weaker and therefore need more crutches to cope, and drugs are (presented as) an acceptable crutch," Schroeder said.

SCORING PHARMACEUTICAL ADVERTISING

Mikulski was more specific, saying: "The health delivery system for women in this country is a disaster. Drugs are sold by media hype that feeds into male physicians' stereotypes of women."

She displayed examples of pharmaceutical advertising taken from professional journals depicting harassed-looking women for whom mood-altering drugs are recommended.

"These people are legal pushers," she said. "Is this the way that doctors should decide about the medication they give to their patients? I have always thought that doctors made the decisions based on medical journals, not Madison Avenue hype."

"We can do something positive to help people afflicted by substance abuse if the entire community works together," Boggs told the committee, pointing to Nellis and the Alliance of Regional Coalitions on Drugs, Alcohol and Women's Health as examples of effective cooperative programs.

NO 'QUICK FIX' NEEDED

Mikulski summed up the congresswomen's recommendations by urging the committee to take the first step toward "consciousness raising" by interviewing women who abuse drugs and alcohol, talking with physicians who prescribe mood-altering drugs to women and examining pharmaceutical advertising practices.

"I don't want this committee to recommend a 'quick fix,'" Mikulski said. "Don't just recommend reshuffling agencies within HEW or additional research or assertiveness training for women. The problem is bigger than that and the women in this country deserve better."

Rep. L. Herbert Burke (R-FL) didn't see the problem as being quite so clear-cut.

"Who tells women they should turn to alcohol and drugs?" he asked, adding that he had never done so.

Burke expressed his incomprehension of Schroeder's testimony and suggested that she "just doesn't like men." The ensuing dispute was cut short by a call from the floor of the House of Representatives for a vote, and the hearing was recessed.

'LIBERATION, NOT LIBRIUM'

Muriel Nellis, who is the wife of the select committee's chief counsel, Joseph Nellis, helped the hearing resume with her call for "liberation, not Librium" for women.

She referred to an "incestuous relationship" between physicians and other members of the health care industry which prevents adequate attention from being directed toward the special needs of women.

Nellis inserted in the hearing record a copy of the recommendations made by the Alliance of Regional Coalitions on Drugs, Alcohol and Women's Health, and urged the committee to "spearhead the effort" to "bring together what is known . . . and recommended legislative and Presidential action which would at least preserve the lives and futures of American women and children."

HAS NIDA NEGLECTED WOMEN?

The last three witnesses, all presently or formerly connected with NIDA, admitted that agency's lack of attention to the specific needs of women.

"It isn't a matter of knowing and not acting, it is trying to stimulate action using the means available," explained pharmacist Alberta Henderson, former director of NIDA's Program for Women's Concerns. She explained that during her tenure at NIDA she saw people "making the best effort where they can, when they can" to help develop programs for women, but that lack of money budgeted for women's programs prevented anything from being done.

Karst Besteman, acting NIDA director, and Margo Hall, NIDA public health analyst, admitted that little has changed since Henderson became a special assistant with HEW's Human Development Services nearly a year ago.

However, they said, NIDA is now trying to "shift its research emphasis" to find out why women are misusing drugs and to develop programs of education and treatment more tailored to women's needs.

Henderson agreed with Nellis that pharmacists have a unique role to play in helping prevent the misuse of legal drugs.

"A pharmacist has a responsibility to the community to help make doctors more acutely aware of who is getting what psychotherapeutic drug and in what quantities," she told American Pharmacy. "If a pharmacist can watch prescriptions for mistakes in dosages, for example, he or she can certainly call a doctor and tell him that Mrs. Jones is asking to have her Valium prescription refilled for the eighth or tenth time, or that she has prescriptions for the same drug from more than one doctor.

"Pharmacists can also make themselves available through their professional organizations as speakers to civic groups to educate people about drug use and misuse. A pharmacist should come out and participate in every health effort that comes through the community." ●

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. THURMOND, the Senator from Utah (Mr. GARN) was added as a copsonsor of S. 91, a bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 945

At the request of Mr. MATHIAS, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 945, a bill to prohibit taxation by a State of electricity generated in that State and transmitted to and consumed in another State.

S. 1055

At the request of Mr. HELMS, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1055, the Gold Coinage Act of 1979.

S. 1068

At the request of Mr. DOLE, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1068, a bill to amend the Social Security Act to maintain additional 3 years for disabled children receiving SSI benefits.

S. 1121

At the request of Mr. HAYAKAWA, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Florida (Mr. STONE), the Senator from Alaska (Mr. GRAVEL), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1203

At the request of Mr. BAYH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1203, a bill to amend the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness.

S. 1364

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1364, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States.

S. 1524

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1524, a bill to prohibit the enforcement of compliance with voluntary guidelines by withholding Government contracts.

S. 1592

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1592, the Financial Regulation Simplification Act of 1979.

S. 1659

At the request of Mr. WALLOP, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 1659, a bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquistion.

SENATE JOINT RESOLUTION 97

At the request of Mr. DANFORTH, the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Joint Resolution 97, designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust."

AMENDMENT NO. 407

At the request of Mr. DOLE, his name was added as a cosponsor of amendment No. 407 intended to be proposed to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for fiscal years 1980, 1981, and 1982.

AMENDMENTS SUBMITTED FOR PRINTING

SECOND CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 419

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

AMENDMENT NO. 420

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, supra.

● Mr. JAVITS. Mr. President, I am submitting an amendment to the second budget resolution, Senate Concurrent Resolution 36, to add $1.1 billion in budget authority and $0.9 billion in outlays to income assistance (function 600) for the purpose of providing fuel assistance to needy families this winter. This action will not increase the deficit because the funds are to be transferred from the energy supply mission (function 270).

I am keenly aware that this will constrain the already stretched energy outlays budgeted by the committee and that this amendment poses some difficult choices. While there is ample room within the budget authority figure of $41 billion to accommodate this and other portions of the President's energy initiatives, the $7 billion in outlays budgeted by the committee is extremely tight. It is our intention that the transfers come from energy supply outlays and be allotted in such a manner that parts of new projects be marginally delayed and that some contracts be put off till next fiscal year. Indeed, the committee may wish to arrange for other transfers among outlays.

However, the urgent needs of the poor for heat and light in the wake of the recent devastating OPEC price increases must be our first priority. It is, indeed, a life and death matter before which other priorities, even important ones like some of our energy construction projects, should give way. The $500 million ceiling on fuel assistance recommended by the committee is simply inadequate to meet the heating needs of the elderly who have inadequate income and the poor this winter.

The recent escalation in residential fuel bills means we would have to double the level of last year's crisis assistance program which was $200 million, merely to meet the needs of the same 900,000 households served by that inadequate program. Yet the administration and the groups representing the poor and these elderly agree that there are many times that number of households in need. The White House has estimated the $1.6 billion in funds requested would provide $200 each to 6 million families in need. Our estimates and those prepared for the Department of Energy show 12.5 to 16 million poor and near-poor families needing help to avoid the dreadful choice between heating and eating.

My amendment accommodates this more realistic estimate of the minimum need for emergency assistance. At present the committee has allotted $22 billion in additional budget authority in function 270 to reflect commitments from new oil tax revenues to new energy supply programs; and my amendment transfers $1.1 billion from this $22 billion to function 600. The Budget Committee has allotted $4.7 billion in outlays for new energy supply programs; and our amendment transfers $0.9 billion of that to function 600.

Mr. President, we face difficult choices given these tight budget conditions. If we are to accept the responsibility for protecting the poor from the cold we must make tough choices.

It is my hope that together with the distinguished chairman, ranking member, and members of the Budget Committee we can arrive at a way to provide this sorely needed basic energy assistance.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 420

On page 5, line 10, strike "$41,000,000,000" and insert in lieu thereof "$39,900,000,000," and in line 11 strike "$7,000,000,000" and insert in lieu thereof "$6,100,000,000."

On page 8, line 16 strike "$216,600,000,000" and insert in lieu thereof "$217,700,000,000," and in line 17 strike "$188,400,000,000" and insert in lieu thereof "$189,300,000,000." ●

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to alert the Senate to a change in schedule for hearings before the Special Committee on Aging this week regarding "Energy Assistance for the Elderly."

The hearing scheduled for Wednesday, September 12, has been canceled. In addition, the hearing scheduled for Thursday, September 13, will begin at 9:30 a.m., instead of 10 a.m.

The administration will be the leadoff witness.●

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

● Mr. RIEGLE. Mr. President, on Friday, September 14, 1979, the Subcommittee on Alcoholism and Drug Abuse, of the Committee on Labor and Human Resources, will hold a hearing concerning consumer health warnings for alcoholic beverages and related issues, including S. 1574, a bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Alcohol Administration Act, to provide for health warning labels on alcoholic beverages.

The hearing on September 14 will be held in room 6226 of the Dirksen Senate Office Building at 9 a.m. Questions concerning this hearing should be directed to Craig Polhemus or Nancy Olson of the subcommittee staff at 224-8386.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the SALT II treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUILDING TEMPERATURE CONTROLS—AN EXCELLENT EXAMPLE OF PAPERWORK AND REGULATORY NIGHTMARE

● Mr. DOMENICI. Mr. President, the Department of Energy's emergency temperature restrictions, requiring nonresidential buildings to set thermostats no lower than 78° F. for cooling, no higher than 65° F. for heating, and no higher than 105° F. for domestic hot water, serves as an excellent example to citizens of the United States of the bureaucratic nightmare of converting a plausible energy conservation plan into a paperwork and regulatory nightmare. Congress approved the Department of Energy's temperature control plan on May 10, 1979, and President Carter made the temperature control plan effective July 16, 1979.

Administration of this energy conservation program, projected to reduce oil use by as much as 400,000 barrels daily, has been conducted by not more than a handful of Department of Energy officials. The unfortunate incomplete and ineffective implementation of this temperature control plan has added to the severe lack of public confidence in ability of the Department of Energy to do anything. Perhaps Secretary of Energy Duncan may wish to use this program for his first reorganization project to improve the Department of Energy's administration.

The original plan as submitted to Congress would require each owner to keep records and submit reports as the Secretary of Energy may require. Little did the people or the Congress realize that this delegation of power was going to require mountains of paperwork for the mere adjustment of thermostat settings, particularly for small businesses. Already, the Department of Energy has issued 16 pages of regulations in the Federal Register on temperature restrictions. An additional 15 page manual, "How To Comply With the Emergency Building Temperature Restriction," must be reviewed by building owners before proper compliance can be assured for completing three Department of Energy forms.

For each building an owner must complete and post a Department of Energy "certificate of building compliance," keep on file an "exemption information form," and mail back to the Department of Energy the "building compliance information form," if a businessman owns five or more buildings, three Department of Energy forms must be filled out for each building. This requirement entails the filing of a total of 15 million forms for the entire country.

In addition, each owner or small businessman must have the skills of a lawyer and building engineer to interpret the regulations and to claim any of the 17 exemptions that may apply. For example, a small retail grocer must study the regulations to know that an exemption may be claimed for the proper storage of food because refrigeration equipment suffers severe frost buildup; or the use of waste heat from refrigeraton equipment or solar units as the only source of heating and cooling energy; or State or local health regulations requiring hot water temperature levels above 105° F. Fourteen other exemptions could also apply.

Distribution of the Department of Energy's "How To Comply With the Emergency Building Temperature Restrictions" is another example of disarray. The Department of Energy originally promised the forms and instructions would be "made available at post offices throughout the country." On August 20, 1979, the Department of Energy announced limited distribution to the main post offices in the 65 largest cities. This is a great advantage for those businesses located in the 21 cities in California, Texas, and New York having post offices that will receive the forms. Unfortunately, for my constituents in New Mexico and the people in 20 other States, no distribution to post offices is planned. New Mexicans are understandably irate when informed that forms can be obtained from post offices in Arizona, California, Colorado, and Texas, but not New Mexico.

After promising delivery of the forms by the end of July, some distribution was begun in mid-August. Distribution through trade associaitons may have alleviated the problem. Trade associations providing labels and membership lists received some of the Department of Energy books. The more than 100 national associations and other business representatives ordering bulk supplies for redistribution to members have just begun to receive the forms they have ordered.

Despite these efforts of the private sector, thousands of businesses have not received the forms necessary for compliance. Even though the Department of Energy had delayed the compliance date for posting forms until September 1. 1979, the totally inadequate distribution has made implementation of the program unworkable.

Further, this energy conservation plan is costing the American taxpayers approximately $8 million for administration. Businesses are expending untold dollars for compliance. Many constituents express disbelief at the paperwork required in the name of energy conservation when individual efforts to achieve cost and energy savings are being undertaken.

The best solution is for Department of Energy to abandon the unnecessary paperwork. For the 1978 fiscal year the Department of Energy had reduced the overall burden of repetitive reporting by an estimated 5.1 million hours or 58.3

percent. But between October 1 and December 31, 1978, the burden of repetitive reports increased 1.6 million hours or 42 percent. The Office of Management and Budget's recently issued report "Paperwork and Redtape: New Perspectives—New Directions" anticipates increases in reporting hour burdens under many new energy statutes to be implemented. "For example, the Powerplant and Industrial Fuel Use Act became effective May 8, 1979. The Department of Energy estimates the total burden of seeking exemptions under this statute to be under 200,000 hours; companies estimate the burden of the proposed forms and regulations to be more than 15 times the DOE estimate. Programs to implement the National Energy Conservation Policy Act may involve annual reporting burdens of over 3,000,000 hours."

And after all this, after a patriotic businessman goes through the effort of obtaining the necessary forms, the expense of filling them out and complying with the requirements, what have we achieved? Because of the lack of enforcement capabilities, the indifferent businessman or the one who refuses to participate in this paper flurry will remain out of compliance. The Nation will not save the energy projected and we will have simply expanded the bureaucracy.

The American public has the will to conserve energy. Escalating energy prices have enforced that need on the American people. Future energy conservation plans must allow alternative or comparable methods for conserving energy by businesses and encouraging voluntary compliance. Not all businesses use the same types of energy. Such businesses and industries should be given the opportunity to implement their own energy conservation measures instead of having counterproductive Federal mandatory paperwork and regulations imposed. The people's confidence in the Federal Government will not increase until the people are permitted to control their destiny free of unnecessary and cumbersome regulatory burdens and the result we all desire, conservation of energy, is actually achieved.●

THE WORK INCENTIVE PROGRAM

● Mr. TALMADGE. Mr. President, since its inception a decade ago, the work incentive program (WIN) has steered a million welfare recipients into gainful employment at a tremendous savings to the American taxpayer.

In 1978, almost 500,000 persons left the welfare rolls for employment and training, saving the taxpayers some $650 million in welfare payments, not to mention reduced payments for medicaid, food stamps, or increased revenue generated by placing people in gainful employment.

The work incentive program is the only real welfare reform that I have seen enacted since I came to the U.S. Senate. It is both cost effective, saving $2 for every dollar spent on the program, and it increases human dignity that comes from economic independence and productivity.

Mr. President, I call to the attention of my colleagues an article written by Mr. John Toon regarding the work incentive program in Clarke County, Ga., that appeared in the Thursday, September 6, edition of the Athens Observer, and ask that it be printed in the RECORD.

The article follows:

SAVING WELFARE $$$—WIN PROGRAM PUTS PEOPLE TO WORK

(By John Toon)

The able-bodied welfare recipient who spends his days collecting benefits and watching television is a popular stereotype, but a program jointly carried out by the Clarke County Department of Family and Children's Services (DFCS) and the local Department of Labor is attempting to eliminate that image.

Called the Work Incentive Program (WIN), it has placed some 167 Clarke County public assistance recipients in jobs since October, saving about $74,000 in benefits that would have been paid had the recipients not found work, according to Janet Fong, WIN coordinator for the DFCS.

All recipients not covered by specific exclusions—such as illness, age, or young dependent children—are required to register for work, and "it is our job to get them a job and help them keep it," she explained.

Those excluded from the mandatory registration may still volunteer for the WIN program, and many do, Fong added.

After registering, the recipients go to a job appraisal interview, in which their qualifications and interests are discussed. If the recipients have particular problems, the department can often help solve them.

Child care, family planning counseling, medical care, household budgeting, home management—and employment training—may be offered to recipients who need help getting ready for work, she said.

We know that many children have never been exposed to the significant learning experiences of good day care," she explained. "In fact, statistics prove that increasing numbers of young children of working mothers are cared for poorly or not at all. WIN considers good day care to be a vital step toward breaking the poverty cycle."

The program can pay day care costs for up to 60 days for recipients who need the service in order to work. For recipients in job training programs, WIN can provide child care for up to one year, Fong added.

All the services, she explained, "have to do with increasing the individual's sense of worth; with restoring dignity and a sense of being able to determine one's own destiny."

One of the most innovative services offered by WIN is the intensive employability training. It teaches people what they need to know to get a job and keep it.

"A lot of people we work with either don't have any job experience, or they haven't worked in a long time," she said. The program teaches such things as the importance of getting to work on time, how to apply for a job, how to find a job, and how to get along with fellow employees.

"Sometimes it's as simple as teaching them how to fill out the form," Fong explained. "We want them to be able to find their own jobs."

Once WIN decides the recipient is ready for employment, it has several options available. The first, of course, is regular employment with a firm that has an opening in a position suited to the recipient.

But for the many persons who do not have a marketable skill, there are three training programs designed to give that experience.

"Institutional training is available when the participant has indicated an interest in and has shown an aptitude for employment that requires special training," she noted. Examples are secretarial training and nursing training offered in vocational training schools.

A recipient who has no skills may be placed in a work experience program in which an employer agrees to train the participant—but does not pay him any wages for work done while in training.

Participants are paid up to $30 a month by WIN while in the work experience, and up to $3.50 a day for training expenses.

"The employer obligates himself only to train the participant, but in many cases he hires the individual at the end of the training period," she said, adding that in many cases the training period turns into a probationary period during which the employer finds out if the participant would be a good employee.

A final type of training program is on-the-job training for businesses where there may be a shortage of skilled people.

"Local employers who are willing to contract to provide such training may be reimbursed through WIN for up to 50 percent of the training expenses incurred," said Fong. "At the end of the contract period, the employer is expected to hire the successful trainee."

In addition, 20 percent income tax incentives are available to employers who hire or train WIN participants.

Finally, participants who cannot be placed into any of the other programs may be placed into public service employment with a local non-profit agency. The recipient receives no pay, but the job serves as experience while giving the agency additional manpower at no additional cost.

Fong said that in addition to the 167 persons placed into regular employment, another 10 went into job training, seven into on-the-job training, and five into public service employment.

Between 70 and 80 percent of participants placed into jobs retain them," she said. "Employers have found for the most part that WIN employees are on a par with other employees in performance and dependability—and in some instances superior." ●

SALT III AND ARMS CONTROL

● Mr. McGOVERN. Mr. President, it has become clear that SALT II is at best a modest steps toward genuine arms control. The difficulty is that nuclear technology continues to sprint forward; arms escalation has outpaced arms negotiation. For this reason, a number of Senators will be looking toward SALT III to produce substantial reductions and genuine restraints on strategic arms. My decision whether to vote for or against SALT II will depend largely on the prospects for meaningful limitations in SALT III, and I shall be offering a declaration of policy on SALT III as an amendment to the SALT II resolution of ratification.

Yesterday, the Foreign Relations Committee held a hearing on SALT III and arms control. The statements presented by Ambassador Paul Warnke and by Prof. Wolfgang Panofsky provide a series of constructive proposals and insights to help us begin serious thinking about SALT III. I submit the text of their prepared statements to be printed in the RECORD, to assist my colleagues in their consideration the outlook for SALT III.

The texts of the statements follow:

STATEMENT OF PAUL C. WARNKE

ARMS CONTROL AND SALT III OBJECTIVES

Mr. Chairman and Members of the Committee: As the Members of the Committee know, I left my government responsibilities with regard to the strategic arms limitations negotiations over ten months ago. Accordingly, my comments today on possible approaches to SALT III must be considered to be those of a private citizen. They are, of course, based on my close personal observation of the SALT process.

In my opinion, it is imperative that the ratification of the SALT II treaty take place as soon as possible so that this process may go ahead without further loss of time. Experience shows that, as SALT plods along, the unimpeded advance of nuclear technology puts ever greater obstacles in the path of sound and effective nuclear arms control.

As I testified before this Committee last July, I see one of the main advantages of the SALT II treaty as being the creation of a firm foundation on which further quantitative reductions, qualitative constraints and other limits on nuclear weapons development may be based. Accordingly, I do not see as the goal of the SALT III negotiations the creation of a whole new replacement treaty. With the entry into force of the SALT II treaty, we will have the basic structure for a continuing nuclear arms control regime.

Much, if not most, of the SALT II negotiations centered around such fundamental issues as the definitions of the particular nuclear weapons systems to be covered and the provisions on verification. These issues need not and should not be renegotiated. They may, of course, be supplemented.

Nor, as was the case with the SALT II treaty, need there be agreement on the entire congeries of complicated issues before agreement can be reached on any individual item or related set of items. In SALT II, nothing could come into effect until everything was settled. Now, it would facilitate the negotiations and yield much more rapid progress if SALT III is conceived as a set of separable packages.

Thus, President Carter has made it clear that he places very high priority on substantial reductions in both the overall aggregate of nuclear weapons delivery systems and the subceilings on the more dangerous and destabilizing of these weapons systems. These subceilings are among the more useful precedents created by the SALT II treaty. At an early stage, it should be possible to agree, for example, that when the reduced ceiling of 2,250 is reached by the end of 1981, further reductions will be made to bring the aggregate strategic nuclear delivery vehicle total to a figure well below that level by the end of 1985. At the same time, and as part of the same package, agreement should be reached to cut, by that same end date and to a significant extent, the subceilings of 1,200 MIRV'ed ballistic missile launchers and 820 launchers of MIRV'ed intercontinental ballistic missiles.

Associated with this package of quantitative cuts, there should be an agreement to extend the term of the SALT II treaty, at least through 1990.

This relatively simple package would, of course, require Senate ratification before it came into effect. It could, however, be presented to the Senate as soon as it has been negotiated and it should not, I think, prove to be controversial.

Another set of related proposals could be those that are designed to have a further inhibiting effect on the development of new types of strategic nuclear weapons capability. One such measure would be a limit on the number of intercontinental and submarine-launched ballistic missile tests that can be conducted in any one year. Either the limit of six which was part of the March 1977 proposal might be considered or perhaps some separate ceiling applicable only to ICBM's.

Another such limit, which could be associated with that on test firings, could be a ban on any testing of submarine-launched ballistic missiles in depressed trajectories, a development which would lessen the warning time for attacks on our strategic bomber force. The limits on changes in existing missiles should be tightened to the extent that verification considerations permit. Specific inhibitions on any new strategic weapons in the early concept stage could also be included in this particular package of SALT III amendments to the basic SALT II treaty.

My preference for this separate package approach to SALT III is grounded in large part by the next set of SALT III issues that I would like to discuss. These involve the so-called grey area systems—the theatre nuclear weapons that come in between the tactical battlefield classification and those of strategic intercontinental range. Obviously, these longer range weapons in the theatre nuclear forces create negotiating and political problems of great complexity. Their direct relationship to alliance force structure decisions means that their disposition in treaty provisions cannot be an exclusively bilateral process. Our recognition of the sensitivities that these theatre nuclear forces evoke was reflected in our insistence in SALT II that only weapons of intercontinental range would be covered. At the Vladivostok meeting between President Ford and General Secretary Brezhnev, the Soviets accepted our position that forward-based systems in Europe would not be included.

There is, as the members of the Committee know, not complete consonance of views among the NATO allies as to the inclusion of theatre nuclear forces in SALT III. At the same time, it is clear that alliance decisions on the upgrading of NATO's theatre nuclear forces can only be made in the context of developments in Soviet nuclear forces of comparable range. Moreover, the only restraints on long-range ground launched and sea launched cruise missiles are those contained in the Protocol, which inhibits only the deployment but not the testing of such weapons through 1981. It seems very likely that the Soviet negotiators will propose, as part of SALT III, new restrictions on cruise missiles on ground or sea launchers that could reach the Soviet Union from Western Europe. We, however, have made it very clear to the Soviets that no such restrictions could be accepted unless there are comparable restrictions on such long-range theatre systems as the Soviet SS–20 and the Backfire bomber.

Any decisions as to what theatre nuclear weapons we are prepared to forego, and in return for what limits on Soviet theatre nuclear forces, must be made in close consultation with our Western European allies. These decisions will require careful analysis of the implications for NATO's security of going ahead or holding back. Will, for example, a surprise attack on Western Europe be less or more feasible if both NATO and the Warsaw Pact have uncountable numbers of long-range cruise missiles deployed on ground and sea launchers? Splendid as our verification capability is, I know of no way that we could tell or the Soviet Union could tell how many such missiles are in fact deployed, against what targets they are aimed, or even whether they are aimed with nuclear or conventional warheads or a mix of both.

Moreover, even if the other NATO countries are willing to have questions of theatre nuclear forces negotiated in bilateral meetings between the United States and the Soviet Union, it seems certain that this part of SALT III could only go ahead with some more formal and more continuous consultative mechanism, whereby we would have constantly to renew the proxy given to us by our allies. We would, I am certain, be completely unwilling to decide issues basic to NATO's nuclear military forces except on the basis of full agreement and understanding within the alliance.

But, as I see it, there is no reason why this set of issues, which raise such troubling political, military and negotiating problems, should hold up further bilateral agreement on deep cuts and new qualitative restraints on strategic range nuclear weapons systems. There is, I recognize, a temptation to find a relationship among all of the questions that can arise as the SALT negotiations continue. The breaking down of these issues into separate packages, that might be negotiated, signed and ratified as separate amendments to the basic SALT II treaty, foregoes some opportunity for trade-offs. But, to take one simple instance, we would certainly have preferred to see lower figures than 2,250, 1,200 and 820 as part of SALT II. We in fact proposed, unsuccessfully, limits on flight tests and the testing of submarine launched ballistic missiles in depressed trajectories. If and when we can secure agreement on these further cuts and these new restraints, I can see no reason why they should not promptly be brought into force as amendments of the basic treaty.

As for the relationship between SALT and other arms control initiatives, I would support Dr. Panofsky's suggestion that the SALT forum might be used to agree with the Soviet Union on a cutoff of production of fissionable material for military purposes. The United States has repeatedly supported such a cutoff in the past and its coming into being would be consistent with our attempts to improve security and lessen the risk of nuclear war by limiting further the development of new nuclear weapons. In addition, I think the speedy completion of a comprehensive ban on the testing of nuclear explosive devices is both possible and highly desirable. Again, such a ban would impede the creation of new and even more destructive nuclear weapons systems. Having headed our delegation to these Comprehensive Test Ban negotiations until last November, I am confident that what once appeared as the major problems can now be readily resolved.

Moreover, the cessation of testing of nuclear explosive devices is, as I see it, an indispensable part of a realistic policy against the proliferation of nuclear weapons. So long as we and the Soviet Union insist on our need for further tests of nuclear weaponry, our pleas that other sovereign states forego any such testing are destined to fall on deaf ears. Whatever national security arguments might be made for continued testing are, I am convinced, dwarfed by the national security detriment of encouraging other countries to acquire a nuclear weapons capability.

Finally, I would like to make my own plea for the assigning of a higher priority to the completion of new limitations on strategic nuclear weapons. The process, as I see it, is inescapably a slow and cautious one. We can't afford to speed it up at the sacrifice of thorough consideration and full exploration of the possibilities. But neither, in my opinion, can we afford to draw it out artificially and unnecessarily by holding SALT hostage to every swing in United States/Soviet relations.

SALT, as I have said repeatedly, is not a favor that we are doing to the Soviets, one that we can withhold as a punishment or proffer as a bribe. SALT is instead a responsibility that history, our scientific genius and our position of world leadership have placed upon us. Confident as I am that the SALT II treaty is a major step forward to nuclear sanity, I am equally convinced that we must go further and go faster. It is for these reasons that I recommend strongly that we get ahead with it, that the SALT II treaty be ratified promptly, and that it be used as the firm foundation for a series of additional and separable improvements that can be considered and accepted as amendments to the basic treaty.

Such an approach can mean more rapid and substantial progress, and permit the consideration of SALT issues in an atmosphere less politically charged. It affords a means whereby the more complex and controversial issues will not prevent the prompt entry into force of simpler but no less significant steps in nuclear arms control.

TESTIMONY OF W. K. H. PANOFSKY

APPROACHES TO SALT III

I am pleased to have the privilege of testifying before your Committee again, this time in connection with the pending ratification of the SALT II Treaty. I have been interested and involved in Arms Control since World War II, and I am currently a member of the General Advisory Committee on Arms Control and Disarmament. However, I am testifying here as an individual citizen, giving my personal views.

SALT III in the context of SALT II

I am speaking about approaches to SALT III in the context that SALT II will be ratified without amendments. I will assume that any concurrent resolutions would deepen the legal commitment to the provisions of SALT II, but would not change its substance or basic intent. I continue to be persuaded that ratification of SALT II is strongly in the net security interest of the United States. This Committee has heard many witnesses from within and without the Administration enumerating how the provisions in SALT II place limits on the threat against which this country has to be prepared, and how several of the other provisions assure the integrity of our intelligence collection assets. It has been amply demonstrated that the level of strategic nuclear weapons in the absence of SALT on both sides would be substantially higher than with SALT enacted. Moreover, witnesses have been persuasive in demonstrating that SALT II places more substantial restraints at this stage of nuclear weapons development and deployment on the Soviet Union than it does on the United States. I will not repeat these arguments here in further detail.

You have also heard numerous criticisms of SALT. Yet I have heard no criticisms to which an easier remedy can be found through repudiation of SALT II. You have heard numerous criticisms of our military posture. Yet I have heard no proposed measure to improve that posture which is easier to achieve by repudiation of SALT II. Most, if not all, of these criticisms deal with questions outside the provisions of the SALT agreements themselves, but involve issues which the critics believe will be affected adversely through political linkages if SALT were enacted. I find it interesting that many of these arguments are in opposing directions: There are those who argue that enactment of SALT II will lull us into a false sense of security and therefore will impair the willingness of this country to provide adequately for its own defense. To argue against an arms control treaty which demonstrably in terms of its intrinsic content will enhance our security by claiming that it will make future Administrations and Congresses be less than diligent in providing for the national defense, is at variance with the basic tenets of our system.

There are also those who argue that the price for ratification in terms of additional armaments is too high: in other words that SALT II will increase military spending beyond what could have been justified in the absence of the Treaty.

I note that these two criticisms are paired in their consequences, and I do not believe that either is valid. I have confidence that future elected officials of this nation can establish national priorities wisely.

It is essential to refocus the debate on the fundamental issues of the content of the Treaty and Protocol and not to be swayed unduly by the perceived linkage between SALT and other political or military issues. This conclusion is particularly important in the SALT III context: the progress from SALT II to SALT III, to which both the U.S. and USSR are committed, can hardly continue if the process is burdened with the politically perceived linkages of critics with a wide variety of views.

SALT II vs. Defense spending

Let me specifically comment on the linkage between ratification of SALT II and a commitment on the part of the Administration for increased defense spending, either in terms of a rate of growth of the U.S. defense budget for several years, or in terms of procurement of specific military hardware. I find this concept extremely troublesome. Requiring as a price for ratification increased military spending in the name of arms control would destroy the very purpose of that process. Moreover, it would contradict the key conclusion which I believe has been presented persuasively to this Committee by the majority of witnesses, namely, that the security of this nation will be greater, albeit by a small measure, with enactment of SALT than without. Therefore, however threatening one evaluates the Soviet military buildup to be, the defense spending required to counter that threat would be lower with SALT enacted. Note that this comment does not specify how large defense expenditures should actually be: I am only saying that the effect of SALT should tend to decrease that budren. To maintain exactly the opposite, that ratification of SALT should be held hostage to a commitment for increased military spending, lacks any logical connection, irrespective of Soviet conduct or threat.

If, as part of the duty of the Senate to pass on ratification of a treaty negotiated by the Executive, the Senate would pre-commit itself on defense expenditure levels or approval of specific military systems, this would be a disservice to another constitutional role of the Executive and Legislative branches. The Congress through both the Senate and the House has the responsibility of examining critically any public spending, be it military or civilian, and of passing upon the merit of specific military systems through the annual authorization and appropriation processes. Such decisions determine our national priorities and are traditionally decided by a majority of both houses, not by one third of the Senate. If ratification of SALT II in essence pre-determines such decisions, then the power of both houses and also of the Executive branch in setting the budget is weakened. If SALT II is held hostage until this years' authorizing and appropriating processes have been completed, or until supplementary appropriations have been procured, then SALT II bears a burden through delays and linkage which would augur badly for the future of SALT III.

Arms control vs. technology

This leads me directly to the matter which concerns me most about SALT and that is its slow rate of progress. SALT was initiated in 1967 at the meeting of President Johnson with Premier Kosygin at Glassboro, N.J. It has thence proceeded through four administrations, through a Treaty and several Agreements and Protocols, and has now led to the signature of SALT II. This process was initiated by the realization that, apparently inexorably, the world was accumulating nuclear warheads. Their number is now near 30,000, the great majority of which are more powerful than the two weapons which killed one-quarter of a million people in Japan. It appeared to both nations to be a pressing matter to reverse this evolution. Since well over 99% of the world inventory of nuclear weapons was (and still is) in the hands of the Soviet Union and the United States, a bilateral negotiation with its expectation of relative simplicity appeared to be the best forum. Now, 12 years later, although SALT I has had a beneficial effect in assuring the penetration of our deterrent warheads, and despite the fact that SALT II in itself is a clear asset to our national security, we find that technology has outstripped the pace of diplomacy and political decision making. In other words, the arms limitation which the SALT process has so far achieved is of lesser magnitude than the evolution of new military technical systems which has occurred in the interim period during which these limitations have been achieved. Such items as the Cruise Missile and the Backfire Bomber, as well as most long-range weapons systems which have theatre-warfare roles, were not in the picture when the SALT process commenced, and their emergence greatly complicates future negotiations. Moreover, the quality of strategic weapons has greatly improved while SALT was in the process of negotiation.

Therefore, such problems as the vulnerability of the land-based deterrents of both sides and the consequent deterioration of strategic stability have grown during that period. It is therefore my belief that SALT III offers possibly the last opportunity to convert the important but relatively modest achievements of SALT II into a true halt and possible reversal of the dangerous and burdensome competition in nuclear weapons.

SALT III: Limited or ambitious objectives?

There is currently a substantial division of opinion on the role of SALT III. Some believe that the function of SALT III should be primarily to settle the unfinished business of SALT II. The reason why SALT II has such a complex structure is that it represents different levels of agreement. The Treaty deals with items on which definite long-term agreement was possible. The Protocol covers items which are being put on a limited time "hold" because these issues could not be resolved to the satisfaction of the negotiating parties. The Backfire letter deals with a military area which had been excluded by mutual agreement from the SALT process but on which the U.S. demanded assurance. All these instruments are binding legally but cover a different stage of decision making. Considering the difficult negotiations of the past, it therefore appears natural for some to view SALT III as a vehicle to complete negotiations on these items, and to deepen the actual constraints of SALT II.

There are others, and I count myself among them, who believe that SALT III must achieve what colloquially is designated as "deep cuts." I would rather use the term "incisive arms control" "to signify that a great deal more must be involved than major numerical reduction in military systems. I recommend strongly that highly ambitious goals be set for SALT III since I see the SALT process as the only avenue in view which has any hope of reversing the threatening rise in nuclear weaponry which we are experiencing, and I see the race between SALT and nuclear weapons evolution lost unless the SALT process can be accelerated.

SALT III: Simple formula or complex package?

Let me now turn to SALT III in the "incisive arms control" context. Deep numerical cuts in nuclear weapons systems in themselves may or may not add to our security, depending on their detailed nature. For instance, a formula of annual reduction of the aggregate strategic nuclear delivery vehicles with complete "freedom to mix" among them could have destabilizing consequences. For example, one or the other of the two nations might under such a formula choose to eliminate first those deterrent strategic nuclear delivery systems which are unsuitable for a counterforce role, but would retain those which have the largest potential to preempt through a first strike the deterrent forces of the opponent.

If such a choice were made, we would face an even more dangerous world. Therefore I see no escaping the conclusion, however much one would like to see a treaty as complex as SALT II be followed by the high simplicity of a simple reduction scheme, that such an agreement would not be in the U.S. security interest. SALT III is likely again to be a complex undertaking and will again require careful attention to details and definitions, as was the case with SALT II. This does not mean that the details of the process under which SALT II was negotiated must be perpetuated: on the contrary, I hope means will be found to accelerate the negotiation and ratification processes.

Starting from the premise that SALT III will have to be an arms control package containing both mutual reductions and qualitative limits or technology, I would like to enumerate several candidate provisions for such an agreement. I am talking here only about candidate provisions because at this time no one can reasonably give detailed prescriptions for each element or the totality of such a package. While I would encourage the Senate to adopt a resolution urging "incisive arms control" and an increase in the pace of arms control negotiations, I strongly counsel against being too specific or constraining in such a resolution. Not only are the necessary basic studies within the government in formulating specific provisions incomplete, but there is also a danger that a Senate resolution which constitutes a "de facto" instruction to the SALT III negotiators will impair the negotiating flexibility of U.S. negotiators which may prove necessary under future circumstances. Too specific a resolution might even increase Soviet intransigence, because it would give the appearance of denying them the opportunity of negotiating SALT III on a balanced basis. Numerical targets, delineation of systems to be controlled, schedules for reduction or restraint—these are all proper subjects for negotiation, not prior determinations.

Examples of SALT III Content: (a) Reduction in Central Systems:

Naturally, SALT III must face the unfinished business of the Protocol of SALT II: these are the questions of controls on ground-launched and sea-launched cruise missiles (GLCMs and SLCMs), and on land-mobile ICBMs. I will discuss these items as candiates for inclusion in the total SALT III agenda.

Substantial reductions of central nuclear weapons systems must remain, of course, the cornerstone of any incisive arms control agreement. I would recommend for the reasons mentioned above that U.S. proposals for reductions apply separately to each category of strategic nuclear delivery vehicles which already identified in SALT II, as well as to overall aggregates. I would recommend that the United States push for phased reductions with a target of about 50% in overall aggregate. Even an eventual reduction as large as that should not induce the Soviet Union to be excessively concerned with the threat they are facing from other unfriendly borders, although this concern can by no means be neglected. Within this aggregate cut I would recommend that the number of MIRV'd land-based ICBMs be further reduced disproportionately. I note that in the ill-fated March 1977 proposal the U.S. moved to reduce this number to 550, with a number of 820 finally arrived at in SALT II. The number 550 proved difficult to negotiate because it corresponds precisely to the number of Minuteman III launchers. Therefore that number, if adopted, would have forced the Soviets to substantial reduction of land-based MIRV'd ICBMs, while it would have implied no reduction whatever on our side; clearly not a negotiable position unless compensating concessions are made elsewhere. I would recommend that consideration be given to reduce the number of land based MIRV'd ICBMs substantially below 550.

The history of proposals for deep reduction in land-based MIRVs or even a zero MIRV provision is checkered. There have been objections by specific interests within this country, and the Soviets opposed reductions in this category initially because they did not wish to be frozen in a position of inferior technology. At this time, with Soviet MIRV technology approaching U.S. performance, particularly with respect to accuracy, and with growing Soviet concern about the vulnerability of their land-based deterrent, I would recommend a serious effort for a very drastic reduction in the land-based MIRV'd ICBMs.

Verification of such a provision would, of course, be a very serious issue. At this time the only available means of verifying the number of MIRV'd land-based ICBMs rests on the counting rule which makes any launcher capable of launching a tested MIRV'd ICBM count as a MIRV'd ICBM launcher. Therefore, single warhead launchers would have to have credible distinguishable characteristics for this counting rule to be effective. It is this consideration which would have to be carefully studied as part of the foundation of the American position for SALT II.

Examples of SALT III Content: (b) Quota on Permitted Missile Test Firings:

A second major component for an incisive arms control proposal should be a limit on the annual rate of permitted ICBM and SLBM test firings. Test firings can serve development, troop training, and proof test purposes. If there were a permitted quota, each side would have to divide its number of firings among these objectives. Present test practices are asymmetrical due to the larger diversity of Soviet deployed systems and their missile firings for troop training from operational silos. Due to its geographic constraints, this is not feasible for the U.S. Accordingly, an equal quota for both sides would have a dissimilar impact on current practice. Such a missile test firing quota was incorporated in the U.S. March 1977 proposal relating to ICBMs only: a rate of 6 per year for both parties was suggested. I consider this number to be a reasonable goal for a phased reduction of annually permitted firings.

A limit on annual permitted rates of test firings is the most powerful verifiable restraint at our command for limiting the rate of growth in technology in the missile arts. Traditionally each new generation of missiles has required 10–30 or so test launches and therefore a stringent limitation of the testing rate would impact drastically the evolution of new generations of missile systems. There is no question that a test ban quota as low as 6 per year would severely constrain modernization. More important, the confidence which each side can acquire under such a restricted test regime, that missiles will perform with high reliability and high accuracy will be low. Accordingly a decision-maker of either side will most likely be dissuaded from considering a preemptive or first strike attack. Thus a limitation on the rate of permitted missile firings would be a substantial factor in increasing strategic stability.

A measure parallel to a restriction on the rate of firing of ICBMs and SLBMs would be a total prohibition on test firings for development of any new system of MIRV'd ICBMs and SLBMs. Such a prohibition would be a useful additional step to prevent an increase in the threat to the fixed land-based deterrents of the two sides, and would be a significant impediment to the deployment of SLBMs with accuracy contributing to the threat to land-based ICBMs of both sides.

Examples of SALT III Content: (c) Ban on Deployment of Mobile Land-based ICBMs:

Deployment, but not development and test, of land-mobile ICBMs is prohibited in the Protocol of SALT II; this provision in no way inhibits U.S. programs. Note that deployment of the already developed Soviet land-mobile SS–16 is explicitly prohibited in the Treaty. This leaves the question of control of mobile ICBMs definitely on the agenda for SALT III.

Definition of a U.S. position is to some extent linked to the total SALT III package. If the matter of vulnerability of the land-based ICBMs is dealt with by the provisions just mentioned (large reduction of the number of MIRV'd missiles, and limits of the rate of missile test firings), then there is no question that U.S. security will be served by negotiating a total ban on land-based ICBMs. The Senate should note that this was at an earlier time the U.S. position in SALT I. Competition in mobile land-based ICBMs is an area of contest between the U.S. and the USSR where Soviet assets are clearly superior to ours. They have larger land areas which can be dedicated solely to military use; they are less constrained by environmental impact factors; successful concealment and deceptive moves are more easily carried out in a closed society. Thus only if we are willing to give overriding priority to the matter of preserving land-based ICBMs, and if this problem cannot be solved by other measures in arms control, can a mobile land-based system offer a possible strategic advantage. I will not discuss here the complex issue of protective basing of ICBMs in a manner other than land-mobile, but I conclude that superior and practical alternatives do exist.

Examples of SALT III Content: (d) SLBM Stand-off and Ban on Depressed Trajectories:

I would suggest for inclusion in a package for SALT III two specific measures relating to the survivability of the air-borne component of the Triad of strategic systems. The first is a ban on testing and development of depressed trajectories from submarines and the second is a minimum standoff distance from shore for submarines capable of launching SLBMs.

Currently there exists a technical possibility that Soviet submarines could approach U.S. coasts and launch SLBMs on trajectories which assure a minimum flight time to U.S. air fields. This could make the time for U.S. bombers to escape marginal. Although the principal counter-measure against such a possibility would be to base an increasing number of bombers further inland, an arms control measure to remedy this threat would be to ban the testing of submarine launched missiles in short flight time, so-called depressed, trajectories. In addition, agreement on a forbidden zone of approach of submarines capable of launching SLBMs would be a further measure to decrease this threat to both sides.

Examples of SALT III Content: (e) Gray Area Systems:

The above examples, which are by no means exhaustive, all relate to central strategic systems and do not touch upon control of the so-called gray area systems, that is those systems which can have both a theatre-warfare and a long-range capability. Few believe that the discussion of gray area systems can be excluded from SALT III.

It is anticipated that the Soviets will insist on the inclusion of forward-base systems in SALT III because they will maintain, with some merit, that "incisive arms control" leading to substantial cuts in central strategic systems increases the relative importance of the U.S. controlled forward-based systems. In turn, inclusion of forward-based systems, reinforced by the technical developments which blur the border between strategic and theatre-warfare systems, will make consideration of the Euro-strategic balance an unavoidable issue also from the NATO and U.S. points of view. Note that the need to include consideration of GLCMs and SLCMs is "unfinished business" from the SALT II Protocol will also contribute to the pressure to consider European theatre-warfare systems comprehensively.

These issues raise the question of the details of the negotiating format for SALT III, which as a minimum will require a more intensive consultative process with NATO as part of policy formulation. Separating the consideration of gray area systems from SALT and placing it into a separate negotiating forum appears inadvisable, since such a move would be viewed by NATO as an effort to decouple consideration of the Euro-strategic balance from consideration of the overall US/USSR strategic situation. Such decoupling, in turn, would further detract from the credibility of the U.S. central strategic nuclear forces as an element in deterring Soviet incursion into Europe.

Examples of SALT III Content: (f) Cutoff of Fissionable Material For Military Purposes:

An additional element of a SALT III package might well be a renewal of a proposal, previously endorsed by the United States, for the cutoff of production of fissionable materials for military purposes. The current inventories of fissionable materials for nuclear weapons of both sides are large. Any further production can, of course, feed fabrication of additional nuclear warheads. Such increases can support further fractionation of MIRVs, additional cruise missile warheads, or stockpiles of weapons for reload of delivery systems. Moreover, such growth can provide additional warheads for defensive weapons, in particular should ABM deployment again become permissible. A production cut-off would limit these activities on both sides, with a substantial gain in overall strategic stability. Under such an arms control regime there could, of course, be conversion of nuclear weapons inventories among a diversity of military weapons without increased production. Moreover, some increases in total weapons inventory could be advanced through improved economies in the use of fissionable materials. A production cut-off agreement would have to permit maintenance of the existing nuclear device stockpile through certain exceptions to a total production prohibition.

In this connection I would like to stress that ratification of SALT II has a major impact on the efforts to limit proliferation of nuclear weapons to other nations. The Nuclear Non-Proliferation Treaty signed in 1968 and ratified in 1970 contains an explicit declaration that the nuclear weapons states intend "to achieve at the earliest possible date the cessation of the nuclear arms race and to take effective measures in the direction of nuclear disarmament," as well as a specific article constituting a good faith obligation to pursue negotiations toward terminating the nuclear arms race. Failure to ratify SALT II would contribute to the growing cynicism of the non-nuclear weapons states regarding the sincerity and good faith of the Soviet Union and the United States in implementing their obligations under the Non-Proliferation Treaty. Quite apart from the important arms control impact of a provision to terminate production of fissionable material for weapons purposes on its own merit, such a cutoff would demonstrate dramatically to the non-nuclear weapons states a good faith in adherence to the provisions of the Non-Proliferation Treaty.

Let me repeat that the above listing of possible inclusions in a SALT III package is given only on a "for instance" basis, and each item requires detailed analysis both as to specific substance and optimum negotiating tactics. However, it is my deep conviction that if a maximum number of such provisions were introduced and proved negotiable with the Soviet Union, then incisive arms control would indeed result, and the SALT process would have fulfilled its promise of having not only limited but also reversed the competition in nuclear weapons between the United States and the Soviet Union. Yet I see no way in which this expectation, which would greatly increase the security of this Nation, can be fulfilled without prompt ratification of SALT II.

Salt: Perception vs. reality

The above discussions have emphasized the technical content of possible SALT III provisions and refrained from commenting on the future political context and the general question of linkage of the SALT process to Soviet conduct and atitudes. This has been done deliberately. There has been in the discussions of the merit of SALT II a great overemphasis on the perceptions which might flow from the SALT process and from the Soviet and United States strategic military posture, to the detriment of considerations of the actual provisions of SALT II and the physical realities which would befall mankind should nuclear weapons in part or in their totality actually be used in war.

As a member of the technical community I feel a strong obligation to continue reminding the political leaders and decision makers of this country that there is a great danger in considering nuclear weapons primarily as political symbols, and only secondarily as tools which might actually be used. I am hardly alone in raising this issue. Let me remind you of the words of Andrei Sakharov, the eminent and frequently dissident Soviety nuclear physicist: "I believe that the problem of lessening the danger of annihilating humanity in a nuclear war carries an absolute priority over all other considerations."

We must continue to examine the consequences of actual use of such weapons and how they would affect the true outcome of a conflict. If we permit nuclear weapons to enter the decision making processes primarily as symbols of national strength and resolve, then we deny ourselves any rational means to decide when enough is enough.

In this regard let me reemphasize two salient facts:

(1) If nuclear weapons are actually used in any theatre, against any set of targets, for any purpose, by any nation, under any military doctrine, then large fractions of the populations of both the United States and the Soviet Union and their neighbors are at the gravest risk.

(2) The number of nuclear weapons in the possession of the United States and the Soviet Union is now so large that a very large fraction of these weapons is aimed against targets of relatively minor economic, political, or military importance.

Under those circumstances, many of the arguments which have been presented to this Committee on the details of the relative military standing of the two nations become relatively less significant when compared to the overarching danger of nuclear war.

Let me close with the expressed hope that it is consideration of the physical realities rather than political perceptions pertaining to strategic nuclear weapons which will remain in the forefront of deliberations of the Senate when considering the question of ratification of SALT II.●

CAMPBELL UNIVERSITY SCHOOL OF LAW WINTER SYMPOSIUM

● Mr. HELMS. Mr. President, a few weeks ago I shared with Senators the text of one of a series of lectures presented at the 1979 Winter Symposium sponsored by the Student Bar Association at the Campbell University School of Law. The symposium, entitled "In Anticipation of the Constitutional Bicentennial: The Philosophical Foundations of the Creation of a Nation," was designed to identify and evaluate the roots of American fundamental law in anticipation of the 200th anniversary of our Nation's Constitution.

Today, I want to share with my colleagues another of these stimulating lectures—this one by a dear friend of mine, Dr. Charles W. Lowry. Charles is author of "To Pray or Not to Pray"—a book on the Supreme Court's school prayer decisions—has been a professor of theology, a parish minister, a Government consultant, and a foundation executive. His lecture addresses the interrelationship of the four great divisions of law—eternal law, natural law, human law, and divine law—in pre-Magna Carta England.

Dr. Lowry observes that the "rejection of the natural law and the elevation of kingly authority above Law and Right" during this period were predecessors to such contemporary issues as the State's assumed jurisdiction over Christian schools, and school prayer and Bible reading.

As we approach the bicentennial of our own Constitution, we would do well to remember Dr. Lowry's conclusion:

> The fact is that man is a religious being as well as a political animal. For this reason, law by itself is not sufficient. Equal justice under law is a mandate only if there is a Supreme Law over all men and all nations.

Mr. President, I ask that the lecture delivered by Dr. Charles W. Lowry at the Campbell University School of Law Winter Symposium on January 18, 1979 be printed in the Record.

The material follows:

The Transcendent Element in Law With Special Reference to England Before Magna Carta

I propose in this lecture to be as specific and concrete as possible. I should like to heed the admonition of the anonymous rhetorician who wrote: "In promulgating your esoteric cogitations and articulating superficial philosophical and psychological observations, beware of platitudinous ponderosity."

The peril of the philosopher or the philosophical theologian is endless abstraction. Abstraction is of course essential to thought. The thinking powers of man and the mighty results they have led to in philosophy, mathematics, and science—all rest upon that lucky day when some lonely thinker, his face no doubt turned from the sod, discovered the method of abstraction through comparison and elementary classification.

It is a tremendous metaphysician, the late Alfred North Whitehead of Trinity, Cambridge and Harvard, who has warned scientists and the scientific mentality of "the fallacy of misplaced concreteness." He meant that concreteness is precisely what the scientist does not have qua scientist, and cannot have. It is in life and experience and in the firsthand knowledge of individuality all around us that we know the world of the concrete. The scientific method by its very nature must abstract from and leave behind the fullness, richness and uniqueness of given individual being.

The history of law is one long, unbroken illustration at a particular level and context of Whitehead's warning about mislocating the concrete. The law cannot be separated from life, practice, experience, courts, judges, decisions, precedents. I believe that this is what Justice Cardozo was driving at when he wrote:

"We do not need to spend pages in attempted demonstration that Gesetz is not coterminous with Recht, that la loi is narrower than le droit, that the law is something more than statute. We are saved from all this because in every action every day about us is the process by which the forms of conduct are stamped in the judicial mint as law, and thereafter circulate freely as part of the coinage of the realm."

When however we enter into the concrete ambiance or atmosphere or legal coinage of the realm, we discover that something is present and imminent that points beyond the immediate and the empirical. There is something that imparts majesty and speaks with authority.

Both terms are weighty in their legal import. We speak naturally and constantly of "the majesty of the law" and "the authority of the law." What I suggest is that we do this, and must do it, because a concrete transcendent element is always present in the law, just as in the state.

If this is denied implicitly or explicitly, we only emphasize the impossibility of banishing from our courts and our government this mysterious, elusive, but authoritative presence which is like the wind. We cannot see the wind ever. But we see leaves trembling, boughs bending, even mighty trees swaying and on occasion crashing.

When we see these things happening, we know the wind is present. There is no room for doubt. Dubiety has no meaning.

Here is a declaration with which I should like to begin our tracing of the concrete transcendent in law:

> There exists one true law, one right reason—conformable to nature, universal, immutatble, eternal—whose commands enjoin virtue, and whose prohibitions banish evil. Whatever it orders, whatever it forbids, its words are neither impotent among good men, nor are they potent among the wicked. This law cannot be contradicted by any other law properly so called, nor be violated in any part, nor be abrogated altogether. Neither the senate nor the people can deliver us from obedience to this law. It has no need of new interpreters or new instruments. It is not one thing in Rome, and another at Athens; it is not one thing today and another tomorrow; but in all nations, and in all times, this law must reign always self-consistent, immortal, and imperishable. The Sovereign of the Universe, the King of all creatures, God Himself, has given birth, sanction, and publicity to this illimitable law, which man cannot transgress without counteracting himself, without abjuring his own nature; and by this alone, without subjecting himself to the severest expiations, can he always avoid what is called suffering."

I have taken this extraordinary testament, which always excites me very much when I read it, from the 6th Book of The Divine Institutions of one Lucius Caecilius Pirmianus Laetantius—a father of the Latin Church who flourished about A.D. 300. Laetantius has been called "the Christian Cicero" and indeed the passage just quoted was written by Cicero in Rome some 50 years before Christ. It is found in his De Republica. Laetantius like many ancients was not always careful to identify sources and quotations.

This powerful passage from Cicero is a statement of the Stoic Natural Law doctrine. It will be well for us to look before and after, to pick up some traces of this durable concept both as it stretches back into antiquity and looms forward along practically the entire track of the Christian era.

The Stoics on the ethical side represented the continuing influence of Socrates as presented by Plato in his Dialogues. Socrates stood for reason and virtue. The Stoic philosophers made these the twin pillars of a way of life and thought.

Behind Socrates and Plato is an impressive intuition about law celebrated in the writings of the great tragedians of Greece, Aeschylus and Sophocles. These poets are theologians; they see law as ultimate and invincible. It is Fate and to it men and gods are alike subject. Indeed Zeus the Father and all-comprehending one is identified with the Law that is the reason of the world and is ineluctable and unescapable Fate.

> Oh, may my constant feet not fall,
> Walking in paths of righteousness.
> Sinless in word and deed,
> True to those eternal laws
> That scale forever the high steep
> Of heaven's pure ether, whence they sprang:
> For only in Olympus is their home,
> Nor mortal wisdom gave them birth;
> And howsoe'er men may forget,
> They will not sleep.—(*Oedipus the King*)

Returning to the Stoics, theirs was an ideology ready-made for stern Romans, reaching out to do what Alexander had failed to accomplish: not only to conquer but to rule firmly the known world. From the Roman lawyers and moralists, the dogma of the natural law passed into the theology of the Christian Church. Here in the West it had an undisputed run for more than a thousand years. And in the Roman Catholic Church it remains authoritative to this day.

The finest treatment of the natural law and of law in general probably in all Christian literature, is that of St. Thomas Aquinas in the Summa Theologica. Thomas lived less than 50 years in the very middle of the 13th century, the century of Chartres Cathedral, and of Salisbury in England, and of Dante's Divine Comedy.

When one considers especially the circumstances under which a man had to work in that far-off time—before electric light, printing, typewriting, or automatic copying—it is nearly incredible that one man could have amassed the learning, conducted the research, and done the rigorous writing represented in the output of the Angelical Doctor.

He considers exhaustively the four great divisions of law: eternal law, natural law, human law, and divine law. Here we can simply skim off a little of the rich cream of his prolonged treatise, every point logically argued in the developed scholastic manner.

The Law which is the Supreme Reason is not something other than God and therefore is eternal. Now all things subject to divine providence are ruled and measured by the eternal law. But the rational creature is subject to divine providence in a more excellent way, since it is provident both for itself and for others. "Therefore it has a share of the eternal reason, whereby it has a natural inclination to its proper act and end; and this participation of the eternal law in the rational creature is called the natural law."

St. Thomas goes on to state that the precepts of the natural law are to the practical reason what the first principles of demonstration are to the speculative reason, because both are self-evident principles. The first principle of the speculative reason has to do with being, and the first principle of the practical reason with good. The nature of good is that it is that which all things seek after. "Hence this is the first precept of law, that good is to be done and promoted, and evil is to be avoided. All other precepts of the natural law are based upon this."

Finally, Thomas emphasizes that human law, which is necessary if man is to have peace and virtue, is derived from natural law. He quotes Augustine's saying, "that which is not just seems to be no law at all," and in a splendid sentence adds: "Hence the force of a law depends on the extent of its justice." And a little further on: "Now the end of law is the common good."

Thomas, it is clear, was to a considerable degree a rationalist. He believed in reason as a reflection of the Divine Light and labored to use it and have it take the mind as far as it could. Thus we are made ready for the saving knowledge that could come only with God's revelation or self-disclosure through the prophets and perfectly in His Son Jesus the Christ.

Unfortunately a storm was blowing up in the late Middle Ages over the subject of the will in relation to reason. The Scriptures tell us that man never continues long in one stay. This is profoundly true. There is always action and reaction, a swinging of the pendulum from side to side.

Thomas' moderate rationalism inspired by Aristotle was destined to make a strong comeback and remain the basis of post-Reformation Roman Catholic theology down to our time. But it did not satisfy for long in the heated atmosphere of the University of Paris in the late 13th and early 14th centuries. To Paris scholars flocked from all over Christendom. From Oxford brilliant Franciscans came, such as Duns Scotus and William of Occam, who magnified the will in the being alike of man and of God.

These men and their successors stressed the independence and arbitrary freedom of the will. With man this created problems, for the power of God had to be reckoned with. But an arbitrary infinite will is indeed a fearsome concept. It is something that is bound to be extreme and overwhelming.

For one thing universals such as justice went by the board. Realism rooted in the ideas or eternal forms of Plato was rejected, and common unitive qualities that had been seen as the basis of classes, species, and genera were dismissed as mere names (nominalism).

Thus it came about that the theological atmosphere that conditioned the Protestant Reformation was one dominated by extreme volitionalism and nominalism. This really means that the tools of basic reasoning and thinking are absent.

The way is paved for an exclusive reliance upon Scripture, an extreme emphasis upon such doctrines as total depravity, justification by faith alone, and double predestination, and—what is relevant to our discussion—the rejection of the natural law and the elevation of kingly authority above Law and Right. A new and a-moral version of the divine right of kings came into play. It not only fortified the tyranny of Henry VIII, and wrecked the Stuarts, but spilled over into the claims of Catholic monarchs as well.

Thus we reach the time of the Bloodless Revolution of 1688, the English Bill of Rights, and John Locke's Two Treatises of Government. This was also the time of the birth of Deism—the most rationalistic perhaps of all rationalisms.

This system provided the ambiance intellectually and philosophically which the brilliant young men who created the American Republic breathed in their formative years. It was not the only influence on these men but it was potent and pervasive, as the example of Thomas Jefferson strikingly shows.

So, reaching Deism, the Declaration of Independence, and the American Constitution, we swing full circle from our starting point of the natural law.

It remains to move back and over into England, looking both before and after the Conquest for the elements transcendent and otherwise that conditioned the development of English constitutional law.

In 55 B.C. Julius Caesar invaded Britain. It was a Roman province for 400 years.

When the Roman legions departed they left external physical signs of their civilization but hardly a vestige of Roman speech, law, or institutions. What the Roman occupation had done was to allow time and occasion for planting the Christian faith firmly in the Island of Britain.

It was British Christians who converted Ireland. The Irish Christians repaid the compliment by recrossing the seas to Scotland. From Scotland Celtic Christianity spread down into Northumbria, Mercia, and East Anglia.

Meanwhile, Pope Gregory had sent Augustine (not Aurelius Augustine of North Africa) to Canterbury to the Kingdom of the Angles and Saxons in Kent. Augustine had an ally in Queen Bertha, a Frankish princess from the Continent, and succeeded in converting King Ethelbert. The Roman form of Christianity planted by Augustine at Canterbury in 597 and extended northward to York a few years later through dynastic marriage and Paulinus, a colleague of Augustine, differed in important respects from Celtic or British Christianity.

These differences concerned the tonsure, the date of Easter, and—more important—the mode of church government, whether by abbots or bishops.

It was not until 664 at the Synod of Whitby that a reconciliation of the two traditions was effected. What this meant basically was a united English Church that was to conform to the life-plan of Roman Christianity and develop under the spiritual rule of the Roman Pontiff.

A great flowering of English Christianity now took place. It centered around York. It expressed itself in art and in scholarship. Bede the scholar extraordinary and famed historian (673–735) was universally honored. It was through his influence that the world came to adopt the practice of reckoning the Calendar from the birth of Christ.

Alcuin of York was called by Charlemagne to preside at his court over efforts to evangelize, civilize, and educate in the Frankish Kingdom. From near Exeter in Southern England Boniface, a Saxon, left to become the Apostle to Germany.

This period of peace and creativity was short-lived. England in fact was doomed for six centuries to know little stability. The reason was the Vikings.

Winston Churchill has a fantastic description of the long-ship used by these merciless raiders to plunder the civilized world and—almost to do England to death. He mentions the length of a vessel of medium size unearthed in perfect condition from a tumulussat Gokstad, Norway in 1880. From stem to stern it measured 76 feet 6 inches. I saw this ship in the Viking Museum, Oslo in 1969. My first impulse was to pace it off, and I made exactly 25 paces.

It was Alfred the Great, a true immortal, peerless as a man, a Christian, and a ruler, who enabled England to survive the fury of the invading Danes in the second half of the 9th century—and to remain and become England.

Two points are notable. Alfred as King knew the necessity of law. He was a creative Law-giver. His Book of Laws called Dooms was an attempt to blend the Mosaic code with Christian principles and old-Germanic mores.

Alfred, for example, inverted the Golden Rule of Jesus, making it read, "What ye will that other men should not do to you, that do not to other men." Commenting on this, the King wrote: "By bearing this precept in mind a judge can do justice to all men; he needs no other law-books. Let him think of himself as the plaintiff, and consider what judgment would satisfy him."

The other point is that the prevailing national disorder and instability encouraged local institutions of rule. This may well be the ultimate explanation of the Common Law in England, as contrasted with the systems developed in other parts of Europe.

Wessex, or West Saxony, had early developed a local organization that was well suited to a prolonged time of troubles. This was the shire with the alderman at its head who could act on his own.

The Dooms of Alfred, amplified by his successors, supplied the body of customary law administered by the shire and hundred courts that was to be known as the Laws of St. Edward (the Confessor: 1042–66). The Norman kings undertook to respect these laws and it was out of them that the Common Law was to be founded.

In between in the reign of Edgar (957–75) there occurred a fundamental reconstruction of lasting importance. The shires were reorganized, each with its sheriff or reeve, a royal officer directly responsible to the Crown. The hundreds, subdivisions of the shires, were created. Towns were prepared for defense. An elaborate system of shire, hundred, and burgh courts was instituted. Through them law and order was maintained and criminals pursued. Taxation was reassessed.

Coincidentally with this was a revival of monastic life and learning, expressing itself in the art of illuminated manuscripts and the beginning of a native English literature. English according to Churchill was the earliest vernacular to achieve the status of a literary language.

Thus in a mysterious way was England prepared for the coming of a powerful descendant of the Vikings, William, Duke of Normandy.

Henry Adams in his enduring classic Mont-Saint-Michel and Chartres notes that down nearly to the end of the 12th century the Norman was fairly master of the world in architecture as in arms. He throws in incidentally an account of the Norman feudal system: tenants of the Duke or the Church or small lords of the neighborhood who at the Duke's bidding will each call out his tenants, perhaps 10 men of arms with their attendants.

Thus William could fight in Brittany or in the Vexin toward Paris or on the great campaign for the conquest of England—"the greatest military effort that has been made in western Europe since Charlemagne and Roland were defeated at Roncesvalles 300 years earlier." For this enterprise William fielded 40,000 men.

This Norman was a man of powerful will and acute, prudent intelligence. He knew what he wanted and moved boldly but carefully to get it. He gave England the strong rule it needed, imparting and impetus to unity and cohesiveness it never lost.

William brought to England two strong new elements: a tight feudal system based on land tenure which in turn was based on military service; and a more closely knit and effective church system on the Roman pattern. At the same time he saw in the dispersed, locally effective legal system rooted in shire and hundred the very instrument he needed for a balanced state.

Thus while the center of Norman government was the Royal Curia, the final court of appeal and the instrument of supervision, the whole system of Saxon local government—the counties, sheriffs, and courts—was retained. Indeed it was by means of this system that William collected the information for Domesday—his celebrated survey in 1086 of the whole wealth of the King's vassals.

The other two Kings who signify for our purpose are Henry I and Henry II. In between them and before Henry I there intervened the curse of monarchy—dynastic quarrels and weak or vicious sovereigns.

The first Henry was William's youngest son. His first act as King was to guarantee the rights of the barons and the Church. And at the same time he promised the people, most of them still Saxons, good justice and the laws of Edward the Confessor. He sent his officers—judges, as they were to become—to activate and regulate the county courts and to make all men see that there was a system of royal justice.

The most important man, perhaps, and the last one in our story is Henry II, the first of the Plantagenets and King from 1154 to 1189. Churchill says of him that "The names of his battles have vanished with their dust, but his fame will live with the English Constitution and the English Common Law."

Henry's great plan, which he largely achieved, was a system of royal courts which would administer a law common to all England and all men. Because of the strong hold of custom and the strength of the multitude of manorial courts, it was desirable to invoke old principles and to clothe innovation in the garb of conservatism.

Since the Constitution was unwritten the King's rights were not clearly defined. This offered a shrewd opening. Fixing upon the elastic Saxon concept of the King's Peace, Henry used it to draw all criminal cases into his courts. Quietly he extended the limits of this Peace, so that it embraced all England and all places where it had been broken.

Civil cases were attracted by fastening on a different principle, the old right of the King's courts to hear appeals in cases where justice had been refused and to protect men in possession of their lands.

It was important to Henry's program to avoid compulsion. He must attract cases to his courts, not compel them. He must offer better justice than men would receive at the hands of their lords.

Accordingly Henry had recourse to a startling new procedure—trial by jury. He did not invent the idea of the jury: actually this idea was the one great contribution of the Franks to the English legal system.

The jury in origin and first use was as a royal instrument of administrative convenience. The King had the right to summon a body of men to bear witness under oath to the truth of a question involving the royal interest. William had used it to determine Crown rights in the massive Domesday survey.

Henry had the genius to use the royal right to summon a jury but to let it decide cases in the royal courts instead of the old recourse to the oath, the ordeal, or the duel. This new procedure quickly gained favor.

Very likely I do not need to say this to an audience such as this which is either learned in the law or rapidly becoming learned—but there were still important differences between the jury in Henry's courts and the jury system as we know it.

The main difference was that the jurymen were witnesses as well as judges of the facts. They were picked not with a view to their impartiality but because they were the men most likely to know the truth.

Such were the foundations of the English Common Law, on which future generations would build. It is a convenient stopping place for me, since there is the firm maxim of English law that legal memory begins with the accession of Richard I in 1189.

There is not time for me to go into the dramatic but tangled tale of Henry and his erstwhile friend and boon companion Thomas à Becket. The most profound treatment of this episode is T. S. Eliot's play Murder in the Cathedral.

Eliot whom I had the privilege of knowing personally was not only a poet. He was a devout believer and churchman. He celebrates in his play the role of the saint and martyr in the Church and its impact upon the state and society.

To us the issues raised by the Constitutions of Clarendon seem remote. From a precise standpoint they are. But the issues of Church and State, religion and government, are very much alive in our world and in our America, for all our tendency to speak complacently of the separation of Church and State.

Consider the phenomenon of Communism and religion in our time and the extraordinary elevation of a Polish Cardinal in a Communist State to the Papacy.

Here in America look at the fight in the Carolinas over Christian schools and the question of the State's jurisdiction over them. Look at the results in our public schools, in teacher morale and youth problems, of the innovative decisions of the Supreme Court in 1962 and 1963 in striking down prayer and Bible-reading in our schools.

The fact is that man is a religious being as well as a political animal. For this reason law by itself is not sufficient. Equal justice under law is a mandate only if there is a Supreme Law over all men and all nations.●

FEDERAL CROP INSURANCE

● Mr. BAUCUS. Mr. President, I stand to support S. 1125, legislation to improve and expand the Federal crop insurance program. This legislation is of utmost importance to farmers in Montana as well as the rest of the Nation.

I would have preferred a simple extension of the disaster provisions of the Food and Agriculture Act of 1977. However, the administration and many Members of Congress have strongly opposed the disaster program because of its high cost. Thus, it is essential that S. 1125 be enacted to protect farmers from devastating financial losses due to crop failure.

This bill will increase the capital stock of the Federal Crop Insurance Corporation and increase membership of the Board of Directors from five to seven. At least three Board members must be active farmers.

The legislation will remove existing limitations so that Federal crop insurance may be offered for all crops in all counties. Under the new program, insurance will be made available to farmers for up to 75 percent of their average yield. The price coverage will be the highest of either the target price, the loan rate, or the projected market price for the crop. Lower levels of yield coverage and other price selections will be made available.

The Federal Crop Insurance Corporation will subsidize between 20 and 40 percent of crop insurance premiums.

The current farm disaster payments and prevented planting disaster payments for wheat, feedgrains, upland cotton and rice will be extended through the 1980 and 1981 crop years. In 1981 producers will have the option of choosing between such disaster payments or participating in the share-cost crop insurance provided by this legislation.

Mr. President, I know that private insurance companies and agents have some real concerns about the effect of this legislation. I appreciate those concerns, and generally am opposed to the Federal Government providing services that could be provided by private industry.

Unfortunately, private industry has never been able to provide all-risk crop insurance that farmers can afford. In order for Federal crop insurance to be effective, large numbers of farmers must participate. Such high level of participation simply cannot be attained under insurance programs offered by private industry.

This bill will not eliminate the role of the private insurance industry. In fact, the Canadian experience with Federal crop insurance has resulted in an increase in both acreage and dollar amount of coverage provided by private industry. At the same time, the government has operated an increasingly successful program.

S. 1125 authorizes the Federal Crop Insurance Corporation to provide reinsurance for private companies. The bill authorizes the Federal Crop Insurance Corporation to contract with private insurance companies in administering the Federal program. Finally, USDA officials have assured me that private agents will have an important role in marketing the Federal insurance program. Competitive commissions will be paid to these private agents.

I intend to work with the private industry and the Federal Crop Insurance Corporation to insure that Federal programs are administered so that there is minimal impact on private industry.

Mr. President, farming has always been a high risk operation. Successful crop and livestock production depends upon a favorable combination of factors. Many of these factors are beyond the direct control of the farmer. Extremes of heat and cold, hail, wind, and other unpredictable natural hazards can seriously damage or wipe out crops. In fact, about 1 of 12 acres planted each year in the United States never reaches harvest.

Modern farming is a complex business requiring large investments of capital, and land, buildings, machinery, livestock, and production inputs. Farmers whose crops are destroyed by natural disasters may be unable to repay not only production loans, but carrying charges on land, buildings, machinery, and other assets.

These factors make effective disaster assistance programs essential. I believe that S. 1125 provides such a program, and would urge my colleagues to support the legislation.●

SALT II: WHAT IT MEANS

● Mr. HELMS. Mr. President, there have been a great number of articles written about SALT II agreement in recent months, but I have found the brief analysis written by Mr. Edward J. Walsh entitled "SALT II: What It Means," published by the U.S. Industrial Council to be one of the best summaries of an important part of the SALT debate that has thus far come to my attention.

Sadly, what Mr. Walsh points out about the progressive collapse of the American negotiating position as the SALT meetings with the Soviets progressed is all too true. Mr. Walsh also makes it quite clear why the Soviet leadership is so desperately anxious to have the Senate ratify the agreement as it now stands.

Mr. President, I ask that Mr. Walsh's analysis be printed in the RECORD.

The analysis follows:

SALT II: WHAT IT MEANS

(By Edward J. Walsh)

The strategic arms limitation treaty (SALT II) signed in June by President Carter is now being debated in the U.S. Senate. The Senate may approve and ratify the treaty as it stands, recommend that certain passages be renegotiated, or reject it outright. Both Mr. Carter and the Soviet Union have demanded that the treaty be accepted without alteration. But the agreement concedes a clear strategic advantage to the Soviet Union. For that reason, the treaty should be rejected by the Senate.

The provisions of the treaty are as follows: The United States and the Soviet Union are to be permitted no more than 2400 strategic launchers, to be reduced to 2250 by January 1, 1982. Of the 2250, no more than 1320 can be MIRV'd, that is, equipped with multiple warheads. Of that 1320, not more than 1200 can be intercontinental ballistic missiles, (ICBM), or submarine-launched missiles (SLBM). There is a sublimit of 820 ICBMs within the total permissable limit of 1200 MIRV'd launchers. The remaining 930 must be single-warhead missiles.

In addition, a protocol to the treaty prohibits the deployment of mobile ICBM launchers and sea- and ground-launched cruise missiles capable of ranges greater than 600 kilometers, or 360 miles. The protocol expires at the end of 1981.

Currently, the Soviet Union possesses a total of 2504 strategic launchers of all types which would be covered by SALT II, to the United States' 2283. Thus the Soviets would be required to destroy or dismantle 104 launchers or bombers in order to reduce its arsenal to 2400 six months after the treaty took effect, and later, 150 more to get down to 2250 by 1982. The U.S. won't be increasing its total to 2400, but will have to scrap several dozen strategic bombers to abide by the end-of-protocol limit of 2250.

At first glance, the agreement *looks* fair, since both sides are allowed the same number of launchers. The inequities lie in the subtotals, and in the qualitative differences among American and Soviet weapons systems. First, included in the Soviets' inventory of 2504 launchers are 1398 ICBMs, of which 608 are MIRV'd. Of these, 308 are "extra-heavy" missiles, designated the SS-18, which according to Senator Henry Jackson may pack more nuclear punch than the entire American arsenal of 1054 land-based missiles. With SALT II, the Soviets would keep these giant missiles; the United States would be forbidden to build a similar weapon.

Second, under SALT II the Soviets have the potential to vastly increase the total kilotonnage of their entire ICBM force. Their "light" ICBM, the SS-19, can deliver more than three times the nuclear payload of the largest American missile, the Minuteman III. The SS-19 can be armed with up to six MIRV'd warheads, while the Minuteman takes only three. Thus the limits on the number of "launchers" is a facade, which ignores the far greater killing power of Soviet rockets. The Soviet preponderance in ICBMs accounts this dangerous disparity.

Third, the debate over the Soviet "Backfire" bomber was a total defeat for the American negotiators. American bombers carrying cruise missiles are counted under the total ceiling on MIRV'd launchers, but the Soviets got off scot-free on the Backfire, a supersonic, intermediate-range bomber that can be modified to reach the continental United States with nuclear weapons. The Backfire is not counted against the Soviets' aggregate MIRV total, but is to be limited by a vague Soviet statement outside the treaty that it will not be upgraded to a strategic status, and that the production rate will remain at current level of 30 per year.

The final draft of the SALT II accord thus contains inequities dangerous to the United States, viewing the dynamic growth of the Soviet strategic arsenal, and the near-stagnation of U.S. arms programs. The three Soviet ICBMs covered by SALT II, the SS–17, SS–18, and SS–19, have all been deployed since the signing of SALT I in 1972. Only one U.S. program, the Trident submarine, has been started since then, and it is behind schedule.

Behind the specific terms of the treaty lies the history of weapons control and weapons building in the United States and the Soviet Union. A truly equitable arms control agreement might be useful to the United States if it could be trusted to restore a degree of predictability to the arms race and was entered into by the American leadership with a genuine sense of disillusionment about Soviet motives in the world. No one doubts that the United States has the industrial and technological capability to maintain strategic superiority over the Soviets, if it chooses to.

Recent history has shown, however, that the will to maintain nuclear superiority is lacking in the American political leadership; not just in the Carter administration, but in its predecessors as well. The trend through the sixties was to belittle Soviet strategic weapons as crude and inaccurate. Then the theory of mutually assured destruction (MAD) came along, which allowed the Soviets to catch up with the United States in strategic weapons, so that each side could hold the other's population hostage, and thus deter an attack that would presumably be suicidal. The idea of the Kremlin initiating a nuclear holocaust is still dismissed as "cold-war rhetoric," even while current Soviet military literature insists that such an attack is feasible.

In the sixties, the MAD theory provided an intellectual escape for America's leadership from the consequences of a lack of will to provide for genuine strategic security: the determination to avoid nuclear war became the unwillingness to confront the reality of Soviet aggression throughout the world, and a misreading of the Soviets' intent in agreeing to discuss arms control at the 1967 Glassboro summit. President Nixon began the SALT talks with the assumption that the Soviets were genuinely interested, as we were, in making the world safer through arms control. SALT I and the Vladivostok Accord of 1974 laid the groundwork for SALT II. Former Assistant Secretary of Defense Paul Nitze, an opponent of SALT II who participated in the SALT I negotiations says that neither SALT I nor Vladivostok "accomplished much, but didn't hurt us, if we took those actions permitted at Vladivostok that it was wise for us to take."

The rationale for SALT II now being heard is the same as that used to defend SALT I: that it will slow the arms race. But President Carter goes even further, talking endlessly of peace, when much of the world is engulfed by Soviet-sponsored wars. He has taken seriously his Inaugural Day promise to "eradicate nuclear weapons from the face of the earth." He believes SALT II will be his legacy to history, and has sought it more determinedly than anything else since taking office.

His negotiators have thus pursued the SALT agreement relentlessly, with no strategy of negotiation but to grant concessions to push the process along. The giveaways began when the Soviets rudely rejected Mr. Carter's far-reaching proposals for arms reduction in March 1977, shortly after he came into office: when the Soviets turned down an American proposal that only 150 heavy Soviet missiles (the SS–18) be converted to MIRV's, the U.S. negotiators retreated to 190, and finally agreed to allow the entire inventory of 308 be MIRV'd. The Americans also proposed a ban on testing and deployment of a "new" ICBM. The Soviets refused, and one new ICBM was allowed to both sides. The Soviets continued their development programs, but in October 1978 the Pentagon announced a delay of up to one year on the decision on what kind of missile the U.S. would build. Before going to Vienna for the SALT summit, President Carter announced that it would be the MX "mobile" system, with "multiple aim point" basing, to stymie Soviet monitoring.

In late 1977, the Americans conceded that heavy bombers carrying cruise missiles could be counted against the sublimit of 1320 MIRV'd launchers, limiting the U.S. to 120 bombers thus armed, if it should expand its ICBM–SLBM arsenal to the maximum limit of 1,200. Instead, American plans call for deploying 135 bombers with the cruise, dipping into the 1,200 permitted MIRV's. But the B–1 bomber program had been canceled in June of that year. In 1976, the United States has demanded that 250 U.S. warships armed with long-range cruise missiles be permitted in return for the same number of Backfire bombers. This demand was finally dropped, and the Backfire left out of the treaty.

In the SALT debate in the Senate and across the nation, the Administration is not claiming that the agreement will be a guarantee of future peace, or even of improved Soviet behavior in the trouble spots of the world. Rather, the Administration is selling the treaty as an asset to American security since it asserts that any Soviet violations will be instantly detected and challenged. "Verification" of Soviet compliance is one of the touchstones of the debate. The Administration is confident that satellite surveillance and intelligence from other sources will be adequate to detect violations that affect the treaty "in any meaningful way," as Mr. Carter puts it. But even his director of Central Intelligence, Admiral Stansfield Turner, contradicts him with regard to land-based intelligence-gathering, since the loss of radar sites in Iran last winter. The great shortcoming of satellite photos is that they cannot tell us what they miss. There is simply no fail-safe means of verification.

But even if there were, the broadest problem with the SALT II treaty is not what it says about armaments or what it promises, or does not promise, for American-Soviet relations in other areas. SALT is instead a philosophical problem, an object lesson in what Americans have not learned about contemporary history. The lesson we failed to observe is that, from Yalta to the 1973 Paris Peace Plan, the Soviets have never taken any international agreement seriously. International relations, to the Soviets, are not a quest for world harmony or "peace," but the perennial competition among hostile ideologies in politer terms.

Every public statement by every Soviet spokesman is a variation on this theme, and every move the Russians make in the world is animated by this philosophy of history. Signing treaties and then ignoring them are not contradictions in the Soviet lexicon; they are only aspects of the policy of continuing struggle. When the Soviets began their discreet probing of the terms of the 1972 anti-ballistic missile treaty by testing components of a mobile ABM system in Kazakhstan they were not "violating" anything, in the Soviet mind. That is simply the way it is.

Why, then, are the Soviets eager for SALT II to be ratified? It is likely that they are fully aware that they could not win an all-out arms race with the United States. Certainly a SALT treaty would give the Kremlin a greater sense of the predictability of American behavior. Then, too, the Russians know that their greatest progress has come when their rivals believe the rivalry has mellowed. Obviously the most important postwar Soviet gains have come in the years of détente and the Helsinki Accord. Beyond that, they may want more access to Western trade and credit; they may wish to enhance their position with regard to China—all these are possible explanations.

But the fundamental reason why the Soviets go along with SALT is that the Americans want it. Nations of the West, in the Judeo-Christian tradition, have always attached ethical and legal sanctity to contracts—and treaties. With Jimmy Carter, especially, American adherence to the provisions of SALT II will be observed to the letter and in the spirit. Should the treaty be ratified by the U.S. Senate, the Soviet Union will have nothing to fear.●

GAO REPORT ON U.N. SPECIAL SESSION ON DISARMAMENT

● Mr. McGOVERN. Mr. President, one of the most often-repeated criticisms of SALT II is that it fails to impose genuine restraints on the nuclear arms race. I share many of the criticisms because I believe that true national security can only be achieved at mutually reduced levels of nuclear weapons. I am distressed that the SALT process thus far has not brought us closer to this objective. Last year, the United Nations convened a special session on disarmament of the General Assembly to formulate an international agenda of disarmament proposals and to reexamine the international institutions responsible for conducting multilateral negotiations. As one of the United States delegates to the special session, I was impressed with the wide degree of interest and support for disarmament among the member states. Recently, the General Accounting Office released a study of the SSOD proposals and positions. The GAO report, "United Nations Special Session on Disarmament: A Forum for International Participation," is a summary of the SSOD and not an analysis, but it still provides a useful reminder of the bigger international picture which sometimes seems to get lost during the more narrow SALT debate. I submit the text of the digest of the GAO report to be printed in the Record and I wish to call the full text of the report to the attention of my colleagues.

The text of the digest follows:

Digest

The United Nations Special Session on Disarmament (SSOD) focused the attention of virtually every country on arms control and disarmament for the first time since the 1932 General Disarmament Conference of the League of Nations. It brought together 149 member nations, including France and China, which have not actively participated in recent disarmament conferences; numerous nongovernmental organizations; U.N. affiliates; and research institutes for a six-week session, from May 23 to June 30, 1978.

ORIGINS OF THE SPECIAL SESSION

The Special Session on Disarmament resulted from a variety of factors, including international concern for the ever-increasing level of armaments worldwide; recognition of the relationship between disarmament, international security, and economic development; dissatisfaction with international progress on disarmament; and a desire to address these issues in a forum in which all nations could participate.

The SSOD, first proposed in 1961, was not convened to draft or negotiate specific arms control or disarmament agreements, but rather to review and appraise the present international situation in light of the pressing need to achieve substantial progress in this area; review the roles of the U.N. and other international institutions in disarmament negotiations; and adopt recommendations, a declaration, and a program of action for disarmament.

DISARMAMENT CONCERNS

U.N. members and affiliates, nongovernmental organizations and research institutes were given the opportunity to address the SSOD. Their comments dealt with:

The diversion of funds (about $400 billion annually) from social and economic development to arms and military programs.

The need to restructure existing international institutions for disarmament negotiations to make them more representative and responsive.

The right of nonnuclear weapon states to have access to the peaceful uses of atomic energy.

The growth of arms levels worldwide and the increasing sophistication of these arms.

The renunciation of the first use of nuclear weapons.

The obligation of nuclear weapon states to renounce the use of such weapons against nonnuclear weapon states.

Nuclear disarmament.

The need for worldwide education concerning arms control and disarmament.

THE FINAL DOCUMENT

The Special Session adopted by consensus a Final Document which recognized the continuing arms race and the need for disarmament and arms limitation to foster international peace, security and economic and social development. The final Document set forth the ultimate objective of general and complete disarmament, in addition to the more immediate goal of eliminating the danger of a nuclear war. It also contained fundamental principles to guide disarmament negotiations and specific measures to enable disarmament to become a reality. Those principles and measures included:

Using both human and technological resources, released as a result of disarmament, to promote the well-being of all peoples;

Strengthening the U.N.'s role in and responsibility for disarmament, including dissemination of information on the arms race and disarmament;

Undertaking negotiations to conclude and implement agreements designed to eliminate the danger of war and the use and threat of force in settling international disputes; and

Continuing international efforts to promote full implementation of and adherence to existing treaties and agreements.

Furthermore, it recognized that the right of all countries to develop, acquire, and use nuclear energy must be consistent with the need to prevent proliferation of nuclear weapons, and that effective arrangements to assure nonnuclear weapon states against the threat or use of nuclear weapons could strengthen peace and security.

The Final Document also described the process, that had been agreed upon to guide work toward general and complete disarmament and assigned priorities in the disarmament process. These priorities are nuclear weapons, weapons of mass destruction, conventional weapons, and armed forces. Specifically, it concluded that realistic progress in disarmament could be achieved by halting nuclear tests, establishing nuclear weapon free zones, reducing military budgets, and implementing international confidence-building measures. Nations were also encouraged to give priority to increasing the dissemination of information about the arms race and arms control efforts. The Document further stated that nations would be obligated to contribute manpower to U.N. peacekeeping efforts.

The Final Document created new machinery to accomplish the U.N.'s work on disarmament. First, the Committee on Disarmament was constituted. The Committee's membership will include all 5 nuclear weapon states and 35 nonnuclear weapon states, have a rotating chairmanship, and be reviewed regularly by the U.N. Second, it established a new Disarmament Commission within the U.N. as a deliberative body composed of all member states to consider and make recommendations in the field of disarmament. Third, it was stated that a second special session devoted to disarmament should be held on a date to be decided by the 33d General Assembly. Fourth, it requested the Secretary General to establish an advisory board of eminent persons to advise the U.N. in the field of arms limitation and disarmament. Finally, the Final Document referred to the numerous proposals and suggestions submitted by the member states and requested the Secretary General to transmit them to the appropriate deliberative and negotiating bodies for more thorough study.

REACTIONS TO THE SPECIAL SESSION

In commenting on the Final Document and the Special Session itself, U.N. members noted the following achievements: establishment of the new disarmament institutions; involvement of all U.N. members; adoption of the Final Document by consensus; security assurances pledged by the major nuclear countries to nonnuclear weapon states; announcement of intended adherence to existing international arms control agreements by additional countries; and the beginning of a process toward disarmament.●

PAY AS YOU GO

● Mr. DOLE. Mr. President, today once again the administration is asking Congress to raise and extend the temporary limit on the public debt. Again we are expected to ratify the deficit run by the Federal Government, and we can be sure that it will not be for the last time. The debt limit is not a meaningful restraint on Government spending; it is just an occasion for reviewing the fiscal performance of the Government. The Government's performance in this regard is nothing to boast about. Each increase in the deficit adds fuel to inflation and in so doing undermines the value of each dollar earned by our citizens.

The Government's approach to deficit finance is very interesting. The Government appears to believe that the people cause deficits by asking for and expecting certain programs and certain expenditures which, when taken together, cost more than the revenues coming in. The Government then runs a deficit and tells the people, in effect, that the resulting inflation is part of the cost of the programs people wanted.

But anyone involved in politics knows that the public is increasingly aware of the high cost of deficit spending. To accommodate this concern, the Government seeks to keep the deficit down somewhat so that it can appear to be practicing fiscal responsibility and austerity. How is the deficit reduced?

By allowing inflation to automatically bring in more tax revenue. As people float into higher tax brackets on inflated dollars, they pay at higher rates of tax even though their real income, as measured by purchasing power, has not increased. This graphically demonstrates how taxpayers are squeezed on all sides. The Government runs an inflationary deficit, which makes it difficult for working people to maintain their standard of living. To offset part of that deficit, the Government counts on revenues generated by workers who manage to keep up with inflation and who pay higher taxes as a consequence.

Mr. President, the Government is not behaving responsibly. The task of our elected representatives is to weigh the spending requests before them and balance them against anticipated revenues. The administration bears a like responsibility. To moderate the deficit by counting on revenues from inflation's impact on the progressive income tax is a fraud on the American people. The way to control the deficit is to cut spending or pass a real tax increase if necessary.

The Senator from Kansas has introduced the Tax Equalization Act, which would end Government's reliance on unlegislated tax increases so that the people will know when changes are made in the tax laws. By adjusting the fixed dollar amounts in the tax tables according to rises in the Consumer Price Index, the Tax Equalization Act would stabilize tax rates in relation to real income. The result will be that Government will need to accept the responsibility for a legislated tax increase if it increases spending.

It may be some time before we have a true, fixed limit on the public debt. But until that day comes, let us not continue to shift the burden of deficit spending to the taxpayer without telling him what we are doing. An honest approach now will force us to deal forthrightly with our fiscal problems. We should act now, for the public is fast coming to understand how it pays for our deficits.●

COMPREHENSIVE MENTAL HEALTH ACT (S. 1289)

● Mr. HEINZ. Mr. President, 2 months ago I introduced the Comprehensive Mental Health Act (S. 1289), a bill to amend title XVIII of the Social Security Act to permit mental health treatment under medicare and to expand the role of community mental health centers as qualified providers for medicare mental health services.

One provision of the Comprehensive Mental Health Act would disallow the use of medicare funds for psychoanalysis in the treatment of elderly patients with symptoms of mental illness. Paul J. Fink, M.D., professor and chairman of the Department of Psychiatry at the Jefferson Medical College in Philadelphia, Pa., recently wrote to tell me of his support for the Comprehensive Mental Health Act, and especially for this provision on psychoanalysis. I consider

Dr. Fink's comments to be especially cogent and insightful.

I, therefore, request that the text of his letter be printed in full in the RECORD.

The letter follows:

JUNE 14, 1979.

Senator JOHN HEINZ,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HEINZ: As Chairman of the Department of Psychiatry and Human Behavior at Thomas Jefferson University in Philadelphia and your constituent, I wanted to extend my deep appreciation of your introduction of the bill to amend Title XVIII of the Social Security Act to eliminate discrimination with regard to coverage for treatment of mental illness under Medicare and to include Community Mental Health Centers among the entities which may be qualified providers of service for Medicare purposes (Bill 1289).

Leadership and commitment to the needs of the mentally ill elderly is well articulated not only by the provisions of the bill but your most thoughtful introductory remarks to the legislation. While you might have expected a Chairman of a Department of Psychiatry, and particularly a psychoanalyst, to be shocked and dismayed by the exclusion of psychoanalysis, I was not. On the contrary, your thoughtful leadership in ending discrimination in psychiatric treatment of the elderly, your insightful comments on psychoanalysis as an unproved method for the treatment of the elderly and concomitantly that it may not be medically necessary and cost effective, only reaffirms my belief in your understanding and knowledge of mental health care.

I would welcome the opportunity to discuss psychiatric medical education and mental health care issues with you in Washington, D.C. or at your convenience when you are next back in Pennsylvania. As President of the Association for Academic Psychiatrists and an officer in the American Association of Chairmen of Departments of Psychiatry, I would like to share with you some of the data we have collected on issues of manpower, training, research, and service in the mental health field. I look forward to hearing from your staff about arranging a mutually convenient meeting place and date. With great appreciation and best wishes,

Sincerely yours,

PAUL J. FINK, M.D.,
Professor and Chairman.●

REJECT SALT NOW

● Mr. TOWER. Mr. President, the belated discovery of Soviet ground combat forces in Cuba, just 90 miles from the continental United States, has, I believe, caused many of my colleagues to take more seriously Soviet overseas adventures. Also, it has made many appreciate the geopolitical role that the SALT process plays in Soviet foreign and national security policy.

The arms control process, including SALT, has already served to "tranquilize" U.S. investment in defense spending at a time when the Soviet Union has been spending 40 percent more than the United States in order to add qualitative superiority to its quantitative superiority in all levels of military weaponry—strategic, theater nuclear, and conventional. Its goal is clear—to neutralize the deterrent and defense capabilities of the United States in the face of an ever growing Soviet capacity to project military power to great distances, including Africa and the Western Hemisphere. With this in mind, it should be no surprise that the Soviet Union is now reported to be building its first large deck aircraft carrier for a dynamic force projection mission even as it develops the capability to destroy our land-based strategic missile force in a surprise attack.

Some of my colleagues, but fewer every day, are heard to say that SALT should not be linked to Soviet behavior around the world. Clearly, however, strategic arms are linked directly to the pursuit of Soviet political and military objectives around the world and, therefore, SALT also should be linked..

The military balance must be maintained and can be maintained by a combination of prudent defense programs and effective arms control. If, however, arms control fails to confine the growing Soviet threat, but does undermine, directly or indirectly, American programs to maintain the military balance, then it is not worthwhile. If SALT is only a means by which we delay necessary decisions, then it is truly dangerous.

As I have said many times, the present SALT II Treaty is unequal and flawed. The Senate must make an effort to correct those flaws and correct the deficiencies in our military programs so that the net result is to restore the military balance. If, however, the complex politics of SALT are likely to result in a failure to create the circumstances which would permit the United States to reestablish a long term, stable military balance which also prevents the Soviet Union from exploiting military power for geopolitical advantage around the world, then we should not fool ourselves. We should then reject SALT so that we are not bound by illusions.

I commend to my colleagues the Wall Street Journal editorial "Reject SALT Now" which appeared on September 11, 1979, as a superb elucidation of the national security impact of SALT, and I insert it in the RECORD following my remarks:

REJECT SALT NOW

The discovery of Soviet troops in Cuba suddenly threatens to become the straw that breaks the back of the strategic arms treaty. Yet the only surprising thing is that anyone should be surprised. Didn't everyone know that the Soviet Union is engaged in a world-wide geopolitical offensive under the umbrella of its massive military build-up? And isn't it equally clear that the debate over SALT is really a debate over whether or not the U.S. will acquiesce to this imperial drive?

As the debate proceeds, both voters and their representatives are gradually awakening to the realities of our situation. The Cuban issue, and before it the Kissinger-Nunn position of linking support, for the treaty to defense budget increases, have been useful steps in the educational process. As debate proceeds further, more people will recognize that the strategic arms negotiations are not incidental to the tipping military and political balance, but instrumental to it.

The treaty as it stands would ratify Soviet gains in central weapons systems. It would also ratify the vacillating foreign policy record of the Carter administration; after all, the administration itself bills the treaty as the centerpiece of its foreign policy. Above all, the treaty would stand in the way of future U.S. efforts to rectify the military balance. Rejecting it would be the clearest first step toward reversing the recent adverse trends. All of this is implicit in much of the recent discussion, and it is time the so-far timid critics grasped the nettle and called for a clear and unambiguous rejection.

It is first of all vital to recognize the enormity of the Soviet arms drive. As Henry S. Rowen details nearby, the Soviets are now outspending us by 45 percent on defense, and by 100 percent in military investment. This increasing Soviet power is before our eyes translating itself into greater boldness and greater political influence throughout the world. Cuba of course strikes close to home, but the threat to the Middle Eastern oil lines is even more significant.

We do of course have the option of accepting a Soviet imperium. It is hard to imagine us failing to retain enough power to make it inconvenient for them to land troops on Long Beach or Long Island. But with the Soviets already sending muscle men around our airports and tapping our phone calls, it is not so hard to imagine the U.S. evolving into a big Finland; there would still be elections, but the Soviets would have a practical veto over certain nominees. Our allies would suffer more. The result would be a worldwide erosion, already to evident in the plight of the Indochinese boat people, of those values for which Western civilization has stood: the idea of progress, economic growth, personal freedom, individual liberty.

The other option is to offset the Soviet arms drive with a military buildup of our own. Senator Nunn's proposed 4% to 5% real growth in spending, borrowed from a politicized Joint Chiefs, is a creditable start for the next fiscal year. But it will not close the gap. A realistic estimate would be that we need additional military spending of about 1% of GNP, moving over a few years from the current 5% to about 6%. This would still not bring us to Soviet spending levels, but it would make their ambitions for superiority expensive enough to stress their economic system. At that point, they might even become willing to talk about serious arms control.

It is no accident that the unparalleled Soviet military gains coincide with the era of arms negotiation. There is of course no treaty with a clause saying the U.S. can spend only so much on defense and the Soviets can spend 45% more. But the dynamics of the process—the attempt to reach a treaty more than the ultimate provisions—have curtailed American military programs. There is no more cogent statement of this than the melancholy testimony of Henry Kissinger reprinted alongside. Note well that Mr. Kissinger concludes that on the record the arms control process has restrained the U.S. without restraining the Soviet Union.

This result cannot be overcome simply by a tougher stance in the future, even if by some superhuman effort we could overcome the problems that arise when an open political system negotiates with a closed one. For we are left with provisions that limit U.S. technologies in ways that make them uneconomic to pursue. SALT–I killed the U.S. anti-missile program in precisely this way, and SALT–II threatens both the mobile ICBM and the cruise missile.

It is said that while the SALT–II provisions do not curb the Soviet arms drive, neither do they stop anything the Carter administration wants to build. This is far from clear, witness the reprinted remarks from Soviet Defense Minister Ustinov; obviously the Soviets believe the treaty outlaws the administration's MX missile because of professed difficulties in verifying how many are deployed.

It is said that there will be no renewal of the three-year protocol limiting ground and sea-launched cruise missiles to ranges of 600 kilometers—far less than the new Soviet SS–20 missile already threatening our European allies. Even SALT proponents concede these restrictions are so one-sided they cannot be accepted permanently. But at the very least, the protocol precedent, like the MX verification problem, creates huge bargaining chips for the Soviets. If SALT–III is to ignore the protocol precedent and ratify the MX, what else will we have to give up?

And if all this is laid aside, the fact remains that the Carter administration's plans do not call for a gap-closing effort. Lay aside, too, any of the predictable political effects on future efforts; in congressional budget committees the prospect of SALT-III is already being used to argue against new programs. Even if all this is overcome, SALT-II forecloses options that would be of extreme interest to any future administration interested in closing the gap. For example, it precludes cruise missiles based on short take-off-and-landing aircraft as an answer to the SS–20 in the European theater.

The real logic of the Nunn-Kissinger requests for more spending is precisely to demonstrate that a gap-closing effort can be mounted within the provisions of SALT. It is up to the administration to demonstrate this by coming up with real programs. So far the administration offers nothing except an offset to inflation to maintain its original plans. This leaves room for a few billion in concessions later, and perhaps the administration can come up with cosmetic concessions on the troops in Cuba. This would test whether Mr. Kissinger and Senator Nunn and Senator Church have the courage of their convictions.

For arms control retains a diffuse popularity. In a nuclear era it is in fact an idea that cannot be permanently abandoned. But witnessing the negotiations over the past decade, real arms control can come only in a new military and political context, when the U.S. has reestablished its determination to avoid one-sided agreements. Many of the timid critics recognize this, but are unwilling to risk the unpopularity of saying so. So they say that we may have to cut off the current SALT talks, but never today, always tomorrow.

Mr. Kissinger, for example, wants the Senate to review Soviet behavior to see whether the negotiations need to be stopped. But in the past few years, Soviet-backed Marxist governments have taken over seven nations. How many would Mr. Kissinger allow before acting? Eight? Ten? Twenty?

Similarly, former UN Ambassador Moynihan, who obviously understands the dynamics, wants to stop SALT if the Soviets demonstrate they are not interested in real reductions. They have already, repeatedly and brutally, demonstrated that they are interested in no such thing.

Similarly again with the protocol. The only way we can avoid its renewal is simply to refuse, to scuttle the talks. If that is to be the ultimate outcome three years hence, why wait?

In fact, there will never be an easier time than now. With the Carter administration's clear record on foreign policy, and with a new election pending, there will never be an easier time to signal the need for change. With the Soviets so clearly on the march, there will never be an easier time to demonstrate linkage. With the treaty ratifying the Soviet building plans, there will never be an easier time to send the message that arms control means reductions. With the treaty not yet ratified, there will never be an easier time to insure that the protocol provisions do not become permanent.

There will never be an easier time to start a real national debate on meeting the Soviet challenge, perhaps to put arms control on a more solid future footing, and certainly to insure that we are not bullied and intimidated for the rest of this generation. This requires a sustained effort, and cannot be done with one stroke, but has to start sometime. The clearest, most meaningful and most essential starting place is the Strategic Arms Treaty. Between the clear opponents and the timid critics there are more than enough votes to reject the treaty and do it now; the Senators need only summon the courage to draw the obvious conclusion of their own logic.●

WALL STREET JOURNAL ASKS FOR ARMS REDUCTIONS NOW

● Mr. HELMS. Mr. President, the Wall Street Journal, in a major editorial statement today, has called upon the Senate to "Reject SALT Now." It is obvious that the Journal has not rushed to this conclusion. The editorial is a thoughtful piece of considerable length, which touches upon all the major issues in perspective. It is accompanied by a full page of readings supporting the conclusions in the editorial, including statements by former Secretary of State Kissinger and by our distinguished colleague from New York (Mr. Moynihan).

The significance of the editorial lies not just in its call for the rejection of SALT. What is especially significant is the fundamental reason given; namely, that SALT II is not an arms reduction treaty. It is, as the Senator from North Carolina has been saying all along, an arms escalation treaty. As the Journal says:

> For arms control retains a diffuse popularity. In a nuclear era it is in fact an idea that cannot be permanently abandoned. But witnessing the negotiations over the past decade, real arms control can come only in a new military and political context, when the U.S. has reestablished its determination to avoid one-sided agreements. Many of the timid critics recognize this, but are unwilling to risk the unpopularity of saying so. So they say that we may have to cut off the current SALT talks, but never today, always tomorrow.

Further on, the Journal says:

> In fact, there will never be an easier time than now, with the Carter administration's clear record on foreign policy, and with a new election pending, there will never be an easier time to signal the need for change. With the Soviets so clearly on the march, there will never be an easier time to demonstrate linkage. With the treaty ratifying the Soviet building plans, there will never be an easier time to send the message that arms control means reductions.

Mr. President, I ask that the Wall Street Journal editorial be printed in the Record.

(The editorial is printed above at the conclusion of Mr. Tower's remarks relating to the same matter.) ●

WHITE HOUSE CONFERENCE ON FAMILIES

● Mr. CRANSTON. Mr. President, as chairman of the Subcommittee on Child and Human Development, I would like to report to my colleagues on the progress of the White House Conference on Families.

Mr. President, I have had a longstanding interest in this Conference, which I believe can provide valuable thought and focus at a time when many believe that the American family is undergoing major sociological and economic changes. In February of 1978, I chaired joint hearings with the House Subcommittee on Select Education to learn more about the administration's plans for the Conference, at that time scheduled for 1979, and to enable groups interested in participating in the Conference to give us their recommendation.

Unfortunately, various problems resulted in postponement of the Conference.

Mr. President, I am very pleased to share with my colleagues the excellent progress the Conference is now making in preparation for a conference in the summer of 1980. In July, the President appointed 40 individuals representing a broad cross section of Americans to serve as members of the National Advisory Committee for the White House Conference on Families under the chairmanship of Jim Guy Tucker, a former Member of the House of Representatives. At meetings on July 19 and 20, the National Advisory Committee adopted six themes for the Conference relating to the general topic, "Families: Foundation of Society." I believe that these themes—family strengths and support, the diversity of families, the changing realities of family life, the impact of public and private institutional policies on families, the impact of discrimination, and families with special needs—will be provocative starting points for a far-reaching investigation into numerous social and economic aspects of families, the cornerstone of our national well-being.

At these July meetings, the National Advisory Committee adopted an innovative process to build a broad base of participation for the Conference. This process, which includes hearings, State activities, national organization activities, and issue work groups to take place in various sites across the country during the next few months, are designed to assure grassroots participation in this national event.

Mr. President, preparation for the White House Conference on Families is finally off to a good start and I am hopeful will result in quality deliberations and concrete recommendations concerning this most important American institution.

Mr. President, I ask that a description of these themes and the goals adopted by the National Advisory Committee, as well as biographical descriptions of the members of the Advisory Committee, be printed in the Record.

The material follows:

White House Conference on Families

The National Advisory Committee on the White House Conference on Families adopted the following six themes as starting points or principles for discussion of issues:

FAMILIES: FOUNDATION OF SOCIETY

Family Strengths and Supports: The family is the oldest, most fundamental human institution, our most precious national resource. Families serve as a source of strength and support for their members and our society.

Diversity of Families: American families are pluralistic in nature. Our discussion of issues will reflect an understanding and respect of cultural, ethnic and regional differences as well as differences in structure and lifestyle.

The Changing Realities of Family Life: American society is dynamic, constantly changing. The roles of families and individual family members are growing, adapting and evolving in new and different ways to meet the challenges of our age.

The Impact of Public and Private Institutional Policies on Families: The policies of government and major private institutions have profound effects on families. Increased sensitivity to the needs of families is needed, as well as ongoing research and action to address the negative impact of public and private institutional policies.

The Impact of Discrimination: Many families are exposed to various and diverse forms of discrimination. These can affect individual family members as well as the family unit as a whole.

Families with Special Needs: Certain families have special needs and these needs often produce unique strengths. The needs of families with handicapped members, single-parent families, elderly families and many other families with special needs will be addressed during the Conference.

The National Advisory Committee on the White House Conference on Families has adopted the following goals for the Conference:

1. To initiate broad nationwide discussions of families in the United States.

2. To develop a process of listening to and involving families themselves, especially those families which have too often been left out of the formulation of policies which affect their lives.

3. To share what is known about families—their importance, diversity, strengths, problems, responses to a changing world, etc.—and to generate and share new knowledge about families.

4. To identify public policies, institutional actions and other factors which may harm or neglect family life, as well as their differing impact on particular groups, and to recommend new policies designed to strengthen and support families.

5. To stimulate and encourage a wide variety of activities in neighborhoods, grassroots organizations, communities, states, national organizations, media, and other public and private groups focused on supporting and strengthening families and individuals within families.

6. To examine the impact of economic forces (poverty, unemployment, inflation, etc.) on families, with special emphasis and involvement of poor families.

7. To encourage diverse groups of families to work together through local, state and national networks and other institutions for policies which strengthen and support family life.

8. To generate interest in and action on Conference recommendations among individuals, families, governmental and nongovernmental bodies at every level. (These activities will include monitoring and evaluation efforts.)

The National Advisory Committee of the White House Conference on Families is chaired by Jim Guy Tucker, former Member of Congress from Arkansas. The remaining 40 seats are filled by a diverse group of 20 men and 20 women from 26 states. They are:

CHAIRPERSON

Jim Guy Tucker, Little Rock, Arkansas, is currently a partner in the law firm of Tucker and Stafford. From 1977 to 1979, he served in the U.S. Congress, where he was a member of the Ways and Means Committee, the Speakers Committee on Welfare Reform and subcommittees dealing with Social Security and Public Assistance and Unemployment Compensation. In 1978, Tucker was selected by the United States Jaycees as one of the Ten Outstanding Young Men of America. From 1973 to 1977, served as Attorney General of the state of Arkansas. He is the author of numerous articles on energy and consumer protection. Has been active with a variety of voluntary organizations in the state of Arkansas.

DEPUTY CHAIRPERSONS

Mario M. Cuomo, New York, New York, Lieutenant Governor of New York. An attorney, Mr. Cuomo was New York Secretary of State and Professor of Law at St. John's University.

Guadalupe Gibson, San Antonio, Texas, Associate Professor of the Worden School of Social Service, Our Lady of the Lake University; Director of the "La Chicana in Mental Health" project of the National Institute of Mental Health.

Coretta Scott King, Atlanta, Georgia, President of the Martin Luther King Center for Social Change. Mrs. King is Co-Chair of the Full Employment Action Council and a member of the Black Leadership Forum.

Maryann Mahaffey, Detroit, Michigan, President Pro Tem of the Detroit City Council and Professor in the School of Social Work in Wayne State University. She is a former President of the National Association of Social Workers.

Donald V. Seibert, New York, New York, Chairman and Chief Executive Officer of the J. C. Penney Company, Inc. Mr. Seibert is Chairman of the Task Force on Inflation of the Business Roundtable, chairs the Board of the National Retail Merchants Association and serves as a member of the Board of the United Way of America.

MEMBERS

James V. Autry, Des Moines, Iowa, Editor-in-Chief of Better Homes and Gardens magazine, Vice President of the Publishing Group of Meredith Publications, and Chairman of the Board of the Epilepsy Foundation of America.

Charles D. Bannerman, Greenville, Mississippi, Chairman of Delta Foundation and Director of Mississippi Action for Community Education, a community organization working in depressed areas of the Mississippi Delta. He is Co-Chair of the National Rural Center and Rural Coalition.

Carolyn Shaw Bell, Dover, Massachusetts, chairs the Department of Economics at Wellesley College. She is the author of numerous books including "Coping in a Troubled Society" and "The Economics of the Ghetto."

Jeanne Cahill, Atlanta, Georgia, President of Cahill Properties, Inc., former Executive Director and Chair of the Georgia Commission on the Status of Women. She works with the Center for Battered Women and Children in Atlanta.

Bettye Caldwell, Little Rock, Arkansas, Professor and Director of the Center for Early Development and Education at the University of Arkansas; author and researcher in early childhood development.

Ramona Carlin, Smolan, Kansas, is past President of the Central States Synodical Unit of the Lutheran Church of America, and has been active in the International Year of the Child, March of Dimes and the 4–H. She and husband, Governor John Carlin, are dairy farmers.

Gloria Chavez, Los Angeles, California, President of the United Neighborhood Organization for the Federation of East Los Angeles, a low-income community organization working on food, housing and health issues.

Leon F. Cook, Minneapolis, Minnesota, President of American Indian Resource Services, recently served as an elected representative on the Red Lake Band of Chippewa Indians Tribal Council.

Mary Cline Detrick, Elgin, Illinois, national staff member, Church of the Brethren. An ordained minister, she works in areas of youth ministry, family life, marriage enrichment and aging. She is the past President of the National Council of Churches Family Life and Human Sexuality Commission.

Manual Diaz, Jr., New York, New York, Associate Professor, Fordham University Graduate School of Social Service. Diaz is currently a board member of the Family Service Association and has served with the Puerto Rican Family Institute and New York Urban Coalition.

Ruby Duncan, Las Vegas, Nevada, founder and Executive Director of Operation Life, a social service and advocacy center for low-income families.

Karen Fenton, Missoula, Montana, is Director of the Human Resources Development Programs of the Confederated Salish and Kootenai Tribes in rural Montana. Mrs. Fenton is a member of Montana's Committee for the Humanities.

Norman S. Fenton, Tucson, Arizona, Presiding Judge of the Pima County Conciliation Court. Judge Fenton received the 1978 Distinguished Service to Families award of the National Council on Family Relations and chaired the Arizona Governor's Task Force on Marriage and the Family.

Robert B. Hill, Washington, D.C., Director of Research for the National Urban League. He is the author of "The Strengths of Black Families," and numerous other monographs and papers on the subject of black families.

Robert L. Hill, Portland, Oregon, Chairman of the Metropolitan Youth Commission. Mr. Hill, 18, is the youngest panel member and a member of the Portland Public School Advisory Committee.

Charlotte G. Holstein, Syracuse, New York, President of the Loretto Geriatric Center. Past President of the New York State Association for Human Services and a member of the Board of Governors of the American Jewish Committee. Ms. Holstein currently serves on the New York State Council on Youth.

Harry N. Hollis, Jr., Nashville, Tennessee, Director of Family and Special Moral Concerns for the Christian Life Commission of the Southern Baptist Convention. He is a member of the National Council of Family Relations and the Association of Couples for Marriage Enrichment.

Jesse Jackson, Chicago, Illinois, National President of Operation PUSH (People United to Save Humanity), and founder of EXCEL, a national program designed to increase student achievement.

A. Sidney Johnson, III., Bethesda, Maryland, founder and Director of the Family Impact Seminar at George Washington University. Johnson served as staff director to then Senator Walter Mondale's Senate Subcommittee on Children and Youth.

Michael M. Karl, M.D., St. Louis, Missouri, a Professor of Clinical Medicine at Washington University. Dr. Karl is a leader in the Jewish Family Services movement.

Judith Koberna, Cleveland, Ohio, Vice-President of the Buckeye-Woodland Community Organization. She is a licensed practical nurse and has a deep interest in ethnicity and neighborhood concerns.

Olga M. Madar, Detroit, Michigan, President Emeritus of the Coalition of Labor Union Women and a retired UAW Vice President. She is a member of the Board of Directors of the Girl Scouts of America and the Wayne County Commission on Aging.

Harriette P. McAdoo, Columbia, Maryland, Professor in the School of Social Work of Howard University. Professor McAdoo has served as a principal investigator of an HEW research grant on family factors related to occupational and educational mobility in black middle income families.

Georgia L. McMurray, New York, New York, Deputy General Director for Program Community Service Society of New York. She is a former Commissioner of the Agency for Child Development of the Human Resources Administration of the City of New York.

Patsy Mink, Waipahu, Hawaii, National President, Americans for Democratic Action. Ms. Mink, an attorney, was a Member of Congress from 1965 to 1977 and currently is an instructor of law at the University of Hawaii.

Rashey B. Moten, Kansas City, Missouri, Executive Director of the Kansas City Catholic Charities. Mr. Moten is the former President of the National Conference of Catholic Charities.

Richard J. Neuhaus, New York, New York, Associate Pastor, Trinity Church; Pastor Neuhaus is the author of "To Empower People" and co-director of a national research project sponsored by the American Enterprise Institute on Mediating Structures and Public Policy.

Robert M. Rice, Parkridge, New Jersey, Director of Policy Analysis and Development for the Family Service Association of America. The founding Chairperson of the Coalition for the White House Conference on Families, Dr. Rice is author of "American Family Policy: Content and Context."

Ildaura Murillo-Rohde, Seattle, Washington, Professor and Associate Dean of the School of Nursing of the University of Washington. A marriage and family therapist, she is the Chairperson-Elect of the National Coalition of Hispanic Mental Health and Human Services Organization.

Hirsch L. Silverman, West Orange, New Jersey, Chairman of the Department of Education Administration at Seton Hall University. Professor Silverman is the Chairman of the National Alliance for Family Life and the author of fourteen books dealing with the areas of psychology, philosophy and education.

Eleanor C. Smeal, Pittsburgh, Pennsylvania, President of the National Organization for Women, and an active participant in a variety of advocacy organizations.

Barbara B. Smith, Salt Lake City, Utah, General President of the Relief Society of the Church of Jesus Christ of Latter-Day Saints. She is active in the PTA and the Holladay Child Care Center.

J. Francis Stafford, Baltimore, Maryland, Auxiliary Bishop of the Archdiocese of Baltimore and Chairman of the Bishops Committee on Marriage and Family Life of the United States Catholic Conference.

J. C. Turner, Washington, D.C. President of the International Union of Operating Engineers, AFL–CIO. Mr. Turner serves on the Board of the National Urban League, National Consumers' League, and the YMCA.

Harold Yee, San Francisco, California, Director of Asia, Inc., a research institute for direct service agencies. Mr. Yee, an economist, serves on several San Francisco school advisory committees.●

TAX CUTS NEEDED TO AVERT JOB LOSSES

● Mr. ROTH. Mr. President, when the Senate begins its consideration of the second budget resolution, Senator DANFORTH, Senator HATCH, and I intend to offer an amendment to restrain Federal spending and provide a $24 billion tax cut in calendar 1980.

Under current economic policies, the American people are facing recession, increasing inflation, and rising rates of unemployment. Unless taxes are reduced, millions of Americans are going to lose their jobs and the Federal budget deficit will skyrocket because of lost revenue and increased spending on unemployment.

The administration and the Senate Budget Committee are trying to fight inflation and balance the budget by allowing taxes to increase.

According to Joint Economic Committee estimates, inflation and social security taxes will increase $25 billion in 1979 and $30 billion in 1980.

These massive tax increases are retarding productivity and investment, resulting in more inflation and rising unemployment.

The Federal Reserve Board has projected unemployment will increase from June's 5.6 percent level to 7 percent by the end of this year and to 8.25 percent by the end of 1980. A revised White House staff forecast parallels the Federal Reserve Board's projection. If unemployment increases to these levels, approximately 1.4 million people will lose their jobs by the end of 1979 and 2.7 million people will lose their jobs by the end of 1980.

Assuming this level of unemployment, and assuming the job losses will be distributed among the States in the same proportion that State unemployment was a percentage of national unemployment during the 1975 recession, the number of people who face the loss of their jobs in each of the 50 States is shown on the table below.

Allowing millions of Americans to lose their jobs will not reduce inflation or balance the budget. The only way to reduce inflation is to increase productivity and real economic growth through lower taxes and less Government spending, and I urge my colleagues to support our amendment.

Mr. President, I submit for the RECORD the table reflecting potential job loss, to which I have referred:

Potential job loss

State	End of 1979	End of 1980
Alabama	19,922	38,421
Alaska	1,820	3,510
Arizona	20,282	39,115
Arkansas	14,358	27,691
California	166,208	320,544
Colorado	14,358	27,691
Connecticut	23,800	45,900
Delaware	4,480	8,640
District of Columbia	4,620	8,910
Florida	65,692	126,692
Georgia	33,600	64,800
Hawaii	5,600	10,800
Idaho	3,766	7,263
Illinois	64,077	123,576
Indiana	36,974	71,307
Iowa	10,051	19,383
Kansas	8,680	16,740
Kentucky	18,487	35,654
Louisiana	19,040	36,720
Maine	8,436	16,270
Maryland	22,974	44,307
Massachusetts	54,564	105,230
Michigan	87,590	168,923
Minnesota	19,180	36,990
Mississippi	13,461	25,961
Missouri	25,480	49,140
Montana	3,780	7,290
Nebraska	5,026	9,692
Nevada	5,026	9,692
New Hampshire	6,102	11,769
New Jersey	60,200	116,100
New Mexico	7,897	15,231
New York	130,200	251,100
North Carolina	38,949	75,117
North Dakota	1,820	3,510
Ohio	77,000	148,500
Oklahoma	15,400	29,700
Oregon	19,600	37,800
Pennsylvania	75,922	146,664
Rhode Island	8,680	16,740
South Carolina	18,487	35,654
South Dakota	1,974	3,808
Tennessee	27,102	52,269
Texas	53,200	102,600
Utah	6,461	12,461
Vermont	3,590	6,923
Virginia	25,900	49,950
Washington	26,385	50,884
West Virginia	10,231	19,731
Wisconsin	26,460	51,030
Wyoming	1,246	2,403

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CHERYL PREWITT, MISS AMERICA 1980

● Mr. STENNIS. Mr. President, Miss Cheryl Prewitt, whose home is at Ackerman, Miss., was crowned Miss America 1980 Saturday night at the conclusion of the annual pageant in Atlantic City, N.J. Naturally, we Mississippians greeted the selection of our State's representative with great joy. However, the selection of this outstanding young lady is exceedingly good news for all Americans who cherish strong spiritual values, good character, and the will to succeed against seemingly unbeatable odds.

At the age of 11, Miss Prewitt was involved in a traffic accident in which her left leg was severely crushed. Doctors told her that the bone in her leg was so badly damaged that she would never be able to walk again. After 8 months in a body cast and wheel chair, through faith and determination and skillful medical care she was able to overcome her injury and walk again.

Throughout her recovery Miss Prewitt's faith was greatly strengthened. She credits that faith for enabling her to walk down that runway in Atlantic City, wearing the coveted Miss America crown, with no sign of ever having been crippled.

Miss Prewitt has many, many fine qualities, but her strong faith in God and in humanity is the quality that offers the greatest example, for the youth of our Nation and in fact for all Americans. I am sure she will accomplish much during her reign as Miss America toward strengthening spiritual values, reinforcing the strong will of the American people to overcome obstacles which appear insurmountable and in taking a leading role in the splendid programs and achievement of the Miss America group.

The new Miss America has earned an outstanding reputation in her community and at Mississippi State University, where she is a music major. I am sure her fine reputation will spread as she travels throughout the Nation.

Truly, the new Miss America has traveled the high road. She brings additional beauty and charm to her new title, and I am sure these qualities coupled with her integrity and sincerity will help make her reign as Miss America a memorable one.●

DISASTER RELIEF

● Mr. MATHIAS. Mr. President, with the devastation wrought by Hurricane David still fresh in our minds, I think the Senate should focus on the hardships these storms cause to people all over the country, especially in the coastal areas. Fortunately, this recent storm spared the Delmarva Peninsula the full brunt of its destructive force. Next time we may not be so lucky.

The coastline around Ocean City has become especially vulnerable in recent years. A study has shown that massive erosion of the sandy bottom of the ocean just offshore has greatly increased the risk of storm damage to the homes and businesses located along the beach. As the study points out, the situation could eventually be stabilized with the construction of jetties along the shoreline.

While we should pursue a long term solution at the earliest opportunity—and I will lend whatever support I can to this project—I think we should also cover ourselves in case disaster strikes before the jetties are in place.

One thing we can do is change the law so that the people who suffer damage as a result of natural disaster can replace their losses more easily. I have therefore cosponsored Senator COCHRAN'S bill, S. 1505, which allows individuals or businesses to claim a tax loss for property damage suffered in a Presidentially declared disaster based on replacement cost, rather than original cost—all that is allowed under current law.

Let me explain how it would work. If someone bought a refrigerator for $300 in 1970, he or she would have to pay $550 to replace that refrigerator today. So if that refrigerator is lost in a flood or hurricane, we would allow the taxpayer to deduct from his or her Federal income tax the cost of replacing it with a comparable model at today's prices. I think this is both fair and workable, and precedent exists for it in the current Tax Code.

We should always prepare for the worst, and this bill will provide a degree of comfort and protection until we devise a permanent solution. But we must continue to work for the long-term remedy to the threat of danger from natural disasters. The dangers our shoreline faces were described in a recent article from the Washington Star. I ask that the article, entitled "Ocean City Increasingly Vulnerable to Storms," be printed in the RECORD.

The article follows:

OCEAN CITY INCREASINGLY VULNERABLE TO STORMS

OCEAN CITY.—Massive, unanticipated erosion at the bottom of the sea off Ocean City is making the resort's beaches increasingly vulnerable to storm damage, according to a consultant study.

More than 14 million cubic yards of sand has been lost from the ocean bottom since 1929, according to the report by Trident Engineering Associates, which compared federal coastal surveys.

The effect has been to steepen the slope of the near-shore bottom, taking away a gentle incline to slow the waves as they approach the shoreline, said Joseph M. Caldwell, the report's principal investigator.

Thus, the waves crash into the shore with greater intensity, he said. "It means the beach is not in an equilibrium state," he said.

"It has a tendency to lose sand. It is storm sensitive—increasingly susceptible to major storm damage," he said.

The erosion is taking place in a zone beginning 200 feet offshore and extending out to 1,000 feet, said Caldwell, who added he was "astonished" by the group's finding.

"We did not expect it. It only came out in the data a few weeks ago. I'm still not sure what is the cause or what it means in the long run," he said.

Caldwell said the problem may be associated with the natural, long-term westward migration that most barrier islands on the Eastern seabord now are undergoing. Ocean City is one of those unstable islands.

Caldwell said he knew of no other cases where the phenomenon had been identified and studied.

The firm said there is a wide range of measures, costing from several million to tens of millions of dollars, the state and Ocean City could consider to shore up the beaches for the next five to 10 years.

It would take at least that long for the Army Corps of Engineers to gain congressional authorization for a projected $44 million long-term program to rebuild and maintain the beach here.

The Department of Natural Resources' Ocean, Bays and Beaches Task Force picked two alternatives from the Trident report for further study and evaluation by the Annapolis consultant between now and Aug. 25.

Under one plan, groins or jetties about 325 feet long would be built every 300 yards on the beach.

The $9 million project would entail building 19 new jetties and extending the existing ones, and would cost an additional $500,000 a year in maintenance. The groins would provide little protection in a major storm, however.

The second plan involves building 32 groins, 450 feet long, at a cost of about $515 million plus maintenance. These would provide better storm protection but would completely stop the normal north-to-south drift of sand along the coast which nourishes beaches further to the south.

The long jetty built at Ocean City's southern end already halts much of the sand drift used to nourish the beaches of Assateague State Park immediately to the south.

Studies show the four miles of beach on Assateague nearest to Ocean City have been eroding at about 40 feet a year.●

TRACY AUSTIN—CHAMPION

● Mr. CRANSTON. Mr. President, athletic history was made last Sunday at Flushing Meadow, N.Y.

Tracy Austin, 16 years of age, and just about to enter the 11th grade at Rolling Hills High School near Los Angeles, Calif., won the U.S. Open tennis championship—the youngest woman in history to achieve that honor.

In winning this prestigious tournament, the most important tennis championship in the United States, Tracy defeated Chris Evert Lloyd in straight sets, 6 to 4, and 6 to 3.

The victory was significant for Tracy Austin, not just because she was the youngest person ever to win this event, but because she decisively beat a woman who had won the event 4 years in a row and who was seeking an unprecedented fifth victory.

Like a true champion, Tracy Austin said after her victory: "I don't think about being the youngest, just the champion."

Indeed, Tracy Austin is a champion.

Her startling rise to the top of the woman's tennis world was not a fluke. Along the way to the U.S. Open she won six tournaments in her first year as a professional tennis player.

And to win the U.S. Open she not only defeated the second-ranking woman player—Mrs. Lloyd—but also the top ranked star, Martina Navratilova.

Mr. President, as a fellow Californian, I am indeed pleased to take this opportunity to congratulate Tracy Austin on her fine accomplishment last Sunday.

She has the stuff of which champions are made.●

DILEMMAS OF THE COMING DECADE

● Mr. JAVITS. Mr. President, we are going to have to make some very tough decisions in the next 10 years—decisions that will involve tradeoffs and compromises and that could determine the course of our country's economic future for better or for worse. A powerful consensus is developing in the Congress that we must act with judicious timeliness if we are to set in motion policies that will revitalize our country's productive capacity and modernize our business plant and equipment.

The difficult economic choices that confront those of us serving here in the Congress today are underscored in an excellent article by former Secretary of Transportation, Brock Adams, entitled "First Chrysler—and Then?", which appeared in the Washington Post of Sunday, September 9, 1979.

In reference to energy, Secretary Adams urges us to adopt solutions that reflect truly the urgency of the energy problem—a problem which he terms even more serious when viewed from the perspective of future supply—and that truly respond to the national interest. Secretary Adams also urges us to consider the national interest in giving consideration to Chrysler's financial plight. He impels us to resist the temptation to address this problem as an isolated incident requiring a quick financial fix. Rather, he recommends that we seize this opportunity to begin defining a "new economic strategy for the 1980's."

As Secretary Adams so perceptively states, Chryler's problems are not unique, but generic, and they signal what could become a disturbing trend among a whole range of maturing industries as the impending recession becomes more sharply delineated. He characterizes Chrysler's fundamental problem as one of a company faced with "an aging plant, the absence of technological creativity and a shrinking market."

We simply cannot afford to let our powerful industrial machine fall into serious obsolescence. As Secretary Adams so accurately concludes, what we in the Congress must ultimately address is the "reindustrialization of America." I share his view and I recommend his excellent article to my colleagues in the Senate.

Mr. President, I ask to have the following article from the Washington Post of Sunday, September 9 printed in the RECORD.

The article follows:

FIRST CHRYSLER—AND THEN?

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bail-out"; refuse aid and leave thousands of auto workers and executives unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passenger rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethelehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livehihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

1) Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s. I would give the Chrysler Corporation provisional aid to get it over the short-term crises, but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic: an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

2) Focus on the massive need for capital and how it is to be raised and invested. If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and establish a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments on how to raise and spend that capital as a total society rather than spilling it piecemeal.

3) Don't get bogged down in ideological battles. Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straightjacket and abroad it is controlled both in amount and price by a cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

4) Emphasize new technology. America is in the midst of an innovation slump with research and development spending now only about 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the non-petroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be accelerated and vastly expanded beyond what is currently being contemplated.

5) Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price. That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 20-mile Strait of Hormuz, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in both conservation and supply technologies. Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can ony be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues Godspeed.●

TAX INCREASES FACING AVERAGE FAMILY

● Mr. ROTH. Mr. President, according to the Joint Committee on Taxation, the Senate Budget Committee's recommendation to delay tax cuts until 1982 will cost the average family of four $926 in higher taxes—$393 in 1980 and $533 in 1981.

Imposing a $926 tax increase on the average working American will not reduce inflation or balance the budget. It will, however, reduce take-home pay, production, savings and investments, resulting in more inflation, a deeper recession, and high unemployment.

The following chart shows the Joint Committee on Taxation's estimate of the tax increases facing a family of four:

	1979	1980	1981
Equivalent income[1]	$18,918	$20,678	$22,456
Federal income tax	1,838	2,123	2,431
Social security tax	1,160	1,268	1,493
Total tax	2,998	3,391	3,924
Tax increase		+393	+533
Tax increase (1980–81)		+926	

[1] Income is assumed to increase to keep pace with an inflation rate of 10.6 percent and 9.3 percent.

I believe the best way to reduce inflation and offset the recession is through lower taxes and less spending, and I urge my colleagues to support my amendment to the second budget resolution.●

AMERICAN LEGION CAMP WEST MAR CELEBRATES 20TH ANNIVERSARY

● Mr. MATHIAS. Mr. President, recently I had the pleasure of joining with other Legionnaires at the 20th anniversary celebration of Camp West Mar, the American Legion's summer camp near Thurmont, Md. This important facility is a living demonstration of true conservation in three significant ways. It conserves a wonderful sweep of Maryland mountain scenery, it conserves the lives of young Americans who will benefit by attending the camp and it conserves the principles on which this country is founded and which the American Legion is pledged to defend.

For the past 20 years, the Legion's Western Maryland District has given underprivileged campers a unique opportunity to learn new skills and have a good time. At the camp in the Catoctin Mountains they swim, fish, learn crafts, practice archery, and view demonstrations by groups such as the Baltimore Police K9 team.

Camp West Mar is the brainchild of my longtime personal friend, Richard Graham, a fellow member of Francis Scott Key Post No. 11 in my hometown of Frederick. It is through his efforts that the camp has succeeded. I can testify to the time and attention that he has given to Camp West Mar over the years. When something was needed he would spare no effort to find a way to supply it. It can literally be said that he has moved mountains to make the camp a success.

Credit must also be given to all the men and women of the Western Maryland District who through their time and resources have made Camp West Mar grow and prosper. District Comdr. Margaret Carnahan, I am sure, is looking to bigger and better things next year, and is providing leadership to achieve them.

Mr. President, I ask that the following article from the Maryland American Legion's newspaper, the Free State Warrior, on the celebration of Camp West Mar's 20th anniversary be printed in the RECORD at this point.

The article follows:

EARL FRANKLIN AT CAMP WEST MAR 20TH ANNIVERSARY

It does not seem possible that 20 years have passed since Camp West Mar changed from a dream to a reality but it has. On Sunday 29 July, 221 Legionnaires, Auxiliares and guests met at Camp West Mar to celebrate the 20th Anniversary.

EARL FRANKLIN

National Children & Youth Chairman Earl Franklin, long time Mayor of Sterling Colorado, came all the way to Maryland to deliver the principal address at the celebration. He reviewed the history of the Camp West Mar operation and complimented all of us on the great achievement, with our Western Maryland District receiving the credit, of course.

CHURCH SERVICES

The program, under direction of Dick Graham, Jack Weidman and Western Maryland District Commander Margie Jo Carnahan, got off to a good start with ecumenical Chapel Services by Rev. Fogarty. Included were a number of children's hymns which the 85 youngsters attending the Camp sang with gusto. After a warm-up the adult audience also joined in the singing. Probably the best was "Jesus Loves Me", the old standby many of us remembered from the days when we were the age of the Camp West Mar attendees.

Department Commander Bob Neal not only delivered congratulations to Camp West Mar and the District; he also presented a plaque to Dick Graham in recognition of his being the first Director and one of the Founders. Dick had previously announced his retirement as Director and the appointment of Jack Weidman as his successor at the close of this year's encampment so it was not exactly a surprise. However the plaque did take him by surprise and he was thankful to Commander Neal for the recognition on the part of our Department.

OTHER GUESTS

Among the guests who brought greetings were Past National Commander Bob Eaton, U.S. Senator Charles Mac Mathias, Md. State Senator Ed Thomas and various County Officials. Among the Auxiliary Officers present were Dept. President Anna Thompson, Dept. Treasurer Maxine Henley and Dept. Secretary Roseanna Ford. It was a gala day.

MANY ACTIVITIES

The 85 boys attending the Camp had a busy two weeks. They caught large amounts of big fish in the 2 acre pond. The Archery range came in for a big play, as did the horse shoe pitching. Most popular of all were the new swimming pool and the new rifle range. In celebration of the 20th Anniversary, the Campers also took a field trip to Gettysburg battle field and to an Oriole ball game in Baltimore. For this affair Dept. Adjutant Dan Burkhardt donated 50 lbs. of peanuts so that each of the boys had a big bag to munch on at the ball game.

Also during the two weeks at the Camp the boys went on hikes, learned arts and crafts from the superb U.S. Army Liason team which stayed the entire two week period, saw a Baltimore Police Dept. K9 demonstration and a Fire Department demonstration. That Fire Truck was a big hit! All in all it was a two week period the boys will never forget.

WARRIOR SALUTE

The Free State Warrior proudly renders its right hand salute of respect and admiration to the entire Western Maryland District but especially to the Camp West Mar staff, for their magnificent operation. It has been truly said, "No man stands so tall as when he stoops to help a child".●

ASSISTANCE TO UGANDA—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on S. 1019 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act of 1979, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 27, 1979.)

Mr. CHURCH. Mr. President, this bill would lift restrictions on U.S. foreign aid to Uganda. Last year, Congress placed embargoes on trade and foreign assistance to Uganda in protest of the brutal and murderous dictatorship of Idi Amin. This ruthless tyrant has now been overthrown and the Ugandan people are in desperate need of help. The President has already exercised his authority and invoked the waiver restoring trade with Uganda. It is important that Congress now lift its restriction on aid. We must show that congressional sanctions against Uganda were directed at the government of Idi Amin, not the Ugandan people themselves, and we should respond to an urgent situation in the country, whose economy is in ruins.

The State Department plans to respond to Uganda's needs in a modest but important way after Congress enacts this law. Three and a half million dollars of assistance is contemplated, consisting of two parts. The first involves one-half million dollars in disaster relief for the purchase of agricultural implements and seeds needed for a crash program in food production. These items must be available before the end of October, when the rains stop.

The second part of the program consists of $3 million for balance-of-payments support and for the purchase of certain commodities for agricultural and educational rehabilitation. In agriculture, the money will be used to buy farm tools and fertilizers. In education, Uganda has a real need since schools were denuded of everything during Amin's dictatorship, including even schools desks. American funds would thus be used to buy books, school equipment, and teaching materials, to aid the Ugandan Government in getting elementary-age children back to school.

Mr. President, I urge the Senate to adopt this bill to assist in these humanitarian goals and to restore American ties with a country that suffered greatly at the hands of Idi Amin. It will take time for Uganda to get back on its feet. We in the United States should do all we can to help bring it back to normality.

Mr. JAVITS. Mr. President, I join Senator CHURCH in urging the Senate to act promptly to lift foreign aid restrictions against Uganda. I commend him for his leadership on this issue. It is entirely appropriate that he should now be urging Congress to end these restrictions, since he has played a major role in protesting the terrible regime of Idi Amin.

Mr. President, last year Congress banned both trade and aid with Uganda, but it attached a waiver to the trade restriction permitting the President to resume trade when the human rights situation improved in the country. This has now happened and the President has acted. Congress responded to the downfall of Idi Amin by initiating legislation to remove aid restrictions. However, there were some differences between the House and Senate versions. The Senate lifted all restrictions. The House maintained restrictions on military assistance and on funds from the economic support fund.

In conference, these differences were reconciled, as the conference report notes, and the House adopted the conference report by a vote of 280 to 69 on September 7, 1979. The final compromise would end all economic restrictions, while the ban on military assistance would remain in force. This is a compromise that I believe the Senate should support. It allows us to send humanitarian aid to Uganda, which is urgently needed, and at the same time permits us to see how events unfold in Uganda before we wipe the slate clean.

I urge my colleagues in the Senate to support this compromise as a way of showing our approval for the improvement of the human rights situation, to extend a helping hand to people in need, and to strengthen our links with a country in Africa that justly deserves our sympathy and support.

Mr. CHURCH. Mr. President, I thank the Senator from New York for his generous remarks and for his help in bringing about a resolution of the Uganda issue.

I want to mention the presence on the floor of the able and distinguished senior Senator from Oregon (Mr. HATFIELD). Perhaps more than any other Senator, it was Mr. HATFIELD who expressed the outrage and summoned to the fore the conscience of the Senate in such a way as to cause Congress to impose the embargo against further American trade with Uganda, which, I believe, contributed in a very material way to the undoing of Idi Amin. I should not want this moment to pass without recognizing the very important contribution that the distinguished Senator from Oregon made and the leadership that he gave to this worthy cause.

Mr. HATFIELD. Will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. HATFIELD. Mr. President, the chairman of the Committee on Foreign Relations, my very good friend and neighbor, Senator CHURCH, of Idaho, has been more than generous in his comments relating to my role in the matter of concern over the regime of Idi Amin and subsequent events that took place here on the floor of the Senate; namely, the boycott and, later, the lifting of those sanctions.

Mr. President, I rise to acknowledge the leadership that has been demonstrated by the chairman of the Committee on Foreign Relations and the ranking minority member, the distinguished Senator from New York (Mr. JAVITS), and to thank them for enduring these long months during which we have been associated and involved in this matter. We may have disagreed from time to time on the mechanism or the timing, but there was never any question in my mind that there was, certainly, the same compassion and concern in the hearts and minds of these gentlemen as I attempted to exhibit as well.

We never had any difference of opinion, in my view, as to the goal and the objectives. I think what they have labored now long and very diligently to bring to this floor as a conference report is an excellent compromise, one which I heartily endorse.

More especially, I want to endorse again the special character of these two gentlemen, who, throughout the entire efforts, always demonstrated that deep concern about their fellow human beings in Uganda. Senator JAVITS has long been involved in civil rights and humanitarian programs, as has Senator CHURCH.

I think that, many times, we become so involved with our neighborhood and our own city, our State, our Nation, that we forget about the problem of human rights in other parts of the world. That has not been so with Senator CHURCH and Senator JAVITS. Whatever the front may be—Africa, the Middle East, Europe, Latin America, Asia, any part of the world that there has been a human rights problem or issue—these gentlemen have been in the forefront of defending the rights of people and advocating actions that will help secure those rights. Therefore, I take this occasion to thank these gentlemen and say I consider it a privilege to have been associated with them in bringing about the culmination of the question on Uganda.

Mr. JAVITS. Will the Senator yield to me?

Mr. CHURCH. Yes.

Mr. JAVITS. Mr. President, I want to thank Senator HATFIELD. I was associated with him long before he came to the Senate, when he was Governor of Oregon. One of the most admirable traits of a politician is unity of character. I know of no one in the Senate who showed that unity of character in his dedication and constancy of beliefs than Senator HATFIELD, and he has had very rough moments.

I thank him very much.

Mr. HATFIELD. I thank the Senator, very much.

Mr. CHURCH. Mr. President, I join with Senator JAVITS in that tribute to our colleague. I join wholeheartedly and reiterate that of all of those who participated in the effort to cut off economic ties with Idi Amin in the hope of weakening his regime and ultimately to bring about his downfall, no one was more correctly on course from beginning to end than the Senator from Oregon.

Mr. President, I move that the Senate adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARMS CONTROL AUTHORIZATIONS—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 2774 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 2, 1979.)

Mr. CHURCH. Mr. President, on May 1, 1979, the Senate approved this legislation by unanimous consent. On July 31, the committee of conference met to resolve differences between the House and Senate versions of this bill. The primary points of difference involved the fiscal year 1981 authorization figure, grants for arms control education and training, a study of the economic impact of U.S. arms and arms control policies, and restrictions with respect to the appointment of military officers to high positions within ACDA.

Mr. President, I believe that the committee of conference made the necessary compromises to equitably resolve these differences. The bill as reported by the conference: First, authorizes $18,876,000 in expenditures for the Arms Control and Disarmament Agency in fiscal year 1980, and $20,645,000 for fiscal year 1981; and second, prohibits the appointment of an active duty commissioned officer of the U.S. Armed Forces as Director or Deputy Director of ACDA.

Mr. President, I want to first yield to my colleague, the able Senator from New York, (Mr. JAVITS), before I move the adoption of the conference report.

Mr. JAVITS. Mr. President, I join Senator CHURCH in recommending that the Senate adopt the conference report on H.R. 2774. The Senate members of the committee of conference made every effort to uphold the Senate version of this legislation and to keep the authorization levels within the executive branch's original request.

Mr. President, I ask that the joint statement of managers be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disagreement Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS

The conference substitute contains authorizations for appropriations for the Arms Control and Disarmament Agency (ACDA) for fiscal years 1980 and 1981. For fiscal year 1930, the committee of conference adopted a figure of $18,876,000, which is the same as the Senate figure and the executive branch request and $400,000 below the figure recommended by the House. For fiscal year 1981, the committee of conference adopted the

House figure of $20,645,000, which differed from the Senate recommendation and the executive branch request, both of which provided "such sums as may be necessary" for fiscal year 1981. The committee of conference also authorized for both fiscal years such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other non-discretionary costs, and to offset adverse fluctuations in foreign currency exchange rates.

GRANTS FOR EDUCATION AND TRAINING

The House bill added a new section 38 to the Arms Control and Disarmament Act which provided the Director of ACDA with discretionary authority to make grants to institutions of higher education, nonprofit organizations, and public agencies for the purpose of supporting programs in arms control education and training.

The Senate bill did not contain a comparable provision.

The committee of conference adopted the Senate position.

After considerable discussion, the committee of conference concluded that fiscal and budgetary constraints precluded present adoption of this provision. In doing so, the conference committee recognizes the many desirable merits of the provision and urges ACDA to give full and favorable consideration to request such authority in future budget submissions to Congress.

ECONOMIC IMPACT STUDY

Section 4 of the Senate bill required the Director of ACDA, in consultation with appropriate officials of the departments and other agencies of the United States, to conduct a comprehensive study of (1) the impact of military expenditures on the economy of the United States, including but not limited to the impact on the economic factors of inflation, balancing the Federal budget, industrial employment, civilian research and development, civilian industrial productivity, corporate profits, and balance of payments and (2) the impact of such economic factors on national defense policy decisions regarding the procurement of weapons, the size of force structure, troop deployments outside the United States, arms control policy, personnel policies, and conventional arms sales, as well as such other aspects of the national defense posture of the United States as the Director of ACDA may deem relevant.

The House bill did not contain a comparable provision.

The committee of conference adopted the House position.

In not mandating the study due to present budgetary constraints on the Agency, the committee of conference recognizes the merits of providing information to Congress concerning the relationship between the Nation's economic situation and some of the factors cited in the Senate provision.

Accordingly, the committee of conference urged ACDA to give consideration to do a study along the lines of the Senate provision.

RESTRICTIONS WITH RESPECT TO THE APPOINTMENT OF MILITARY OFFICERS

(a) The Senate amendment amended Sections 22 and 23 of the Arms Control and Disarmament Act to prohibit the appointment of an active duty commissioned officer of the U.S. Armed Forces as Director or Deputy Director of ACDA.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

(b) The Senate amendment added a new Section 28 to the Arms Control and Disarmament Act to prohibit the two positions of Director and Deputy Director to be occupied simultaneously by persons who, within the preceding 10 years, have been relieved of duty as commissioned officers of regular components of the Armed Forces or have become retired officers of the Armed Forces.

The House did not contain a comparable provision.

The committee of conference adopted the House position.

FRANK CHURCH,
C. PELL,
G. MCGOVERN,
JOHN GLENN,
J. JAVITS,
C. H. PERCY,
JESSE HELMS,
Managers on the Part of the Senate.

CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
L. L. WOLFF,
GUS YATRON,
GERRY E. STUDDS,
TONY P. HALL,
HOWARD WOLPE,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, JR.,
Managers on the Part of the House.

Mr. CHURCH. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to consider two nominations at the desk that have been reported from the Committee on the Judiciary and which have been cleared with the minority and which deal with judgeships in West Virginia.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of James M. Sprouse, of West Virginia, to be U.S. circuit judge for the Fourth Circuit.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

EAGLETON GETS RESULTS

Mr. PROXMIRE. Mr. President, our distinguished colleagues (Mr. EAGLETON) is known as a man of very deep conviction and a man who has a great heart. He believes very deeply we should do more, and he has worked so hard to have the Congress of the United States and this country do more, for the so-called boat people, the refugees of Southeast Asia, and he deserves great credit for that.

An article in the New York Times appeared on Sunday which indicates he not only has a heart, but he also, as so often, is very successful in getting things accomplished.

I will just read a couple of paragraphs from that article:

> With Hope, as in Bob, needed only a mention of the idea and the judicious use of the right connections to whip together a Kennedy Center benefit for the Vietnamese boat people in just under two weeks.
>
> It all started when the entertainer, back from China where he was making a television special, mentioned to Senator Thomas F. Eagleton that he would like to do something for the boat people.
>
> Senator Eagleton, a Missouri Democrat, got in touch with John E. McCarthy, executive director of the Migration and Refugee Services, who talked with William T. Hannan.
>
> And more quickly than you can say Dorothy Lamour, the Bob Hope Refugee Gala was put together.

Mr. President, I ask unanimous consent that this article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 9, 1979]

A CAPITAL GALA AS PRODUCED BY THE RIGHT CONTACTS

(By Karen De Witt)

Washington, September 3.—With Hope, as in Bob, it needed only a mention of the idea and the judicious use of the right connections to whip together a Kennedy Center benefit for the Vietnamese boat people in just under two weeks.

It all started when the entertainer, back from China where he was making a television special, mentioned to Senator Thomas F. Eagleton that he would like to do something for the boat people.

Senator Eagleton, a Missouri Democrat, got in touch with John E. McCarthy, executive director of the Migration and Refugee Services, who talked with William T. Hannan, a lawyer with O'Connor and Hannan, who has a knack for expediting things through the right contacts, something he ascribes to being a third-generation Washingtonian.

"ON THE ROAD" TO A BENEFIT

And more quickly than you can say Dorothy Lamour, the Bob Hope Refugee Gala was put together, the John F. Kennedy Center for the Performing Arts engaged for on Tuesday night, advertisements placed with local television and radio stations, invitations mailed, and acceptances from some 2,000 political and business leaders accepted.

"It has rolled along so well because of the wish of the officials in Washington to show their concern for the plight and situation of the refugees," Mr. Hannan explained.

Mr. Hope had said that his schedule would allow him to be in the city this Tuesday and that he would arrange for a special premiere of his television special, "The Road to China," for the benefit. The cause was good, but organizing time was short, especially with the Labor Day weekend intervening.

Initially, Mr. Hannan said, the major problem was a place for the benefit. Everything was booked, including the auditoriums of several local universities. There were discussions with Ambassador Dick Clark about using the State Department auditorium, but it turned out to be unavailable, and anyway its use by private groups was illegal.

Mr. Hannan, who is underwriting the $40,000 cost of the event, then talked with Roger Stevens, director of the Kennedy Center. A rehearsal of the National Symphony Orchestra was moved up, making the center's 2,700-foot concert hall available for the charity, free of charge. Mr. Stevens also offered the center's Atrium for a pre-performance reception and made ticket-buying for the event easier by offering the services of the center's Ticketron.

General admission was set at $10, and there were to be 200 box seats at $500 and 400 orchestra seats at $100 each.

But the group was confronted with the problem of getting the tickets printed, said Mr. Hannan, who describes himself as the "chief negotiator" of the event, under the direction of Mr. McCarthy.

But a public relations firm, Luketon, was engaged to advertise the event. On the Friday before Labor Day it finally looked as if it would all come together.

Mr. Hannan and his fellow "negotiators" managed to get 7,000 tickets and envelopes printed on Saturday, and family and friends and people who owed favors all sat down on Sunday and hand-addressed 3,000 of them. Letter-grams were sent to major corporations asking for their support.

On Labor Day another problem arose: where to get stamps on a day when the Post Office is closed. Mr. Hannan said he called an Undersecretary of Commerce who would remain nameless, that the Undersecretary located the employee who had the key to the stamp safe at the post office and facilitated the purchase of $4,000 worth of stamps.

OUT-CASTING CENTRAL CASTING

Mr. Hannan had already put together a 20-member committee for the event that included Mayor Marion S. Barry Jr.; Kenneth M. Crosby, board chairman and international vice president for Merrill Lynch; H. E. Alejandro Orfila, Secretary General of the O.A.S.; Cardinal John R. Quinn, Archbishop of San Francisco and president of the National Conference of Catholic Bishops, and Edward Bennett Williams, a lawyer and the owner of the Baltimore Orioles and president of the Washington Redskins. Vice President Mondale is the honorary chairman of the charity, sponsored by the Migration and Refugee Services, U.S. Catholic Conference, and Ambassador Clark is one of the cochairmen.

"It took 10 minutes on the phone. Everyone was electric in their response," said Mr. Hannan, the man with the right connections.

EXIT TRIUMPHANT

Still there was entertainment to be put together for the reception. Mr. Hannan called Representative Thomas P. O'Neill Jr., Speaker of the House, who wrangled the use of the Marine band for the two-hour pre-show reception. And there were 48 hours to be spent in getting permission for the projectors required for Mr. Hope's television special to be set up in the Presidential box.

The obstacles have all been overcome now. And by Friday most of the general seats were sold, and half of the box and orchestra seats had been engaged.

"This will roll along just fine, with the grace of God," said Mr. Hannan.

EXPORT-IMPORT BANK PRENOTIFICATION COVERING LOAN TO TAIWAN

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $115,353,500 to assist the export from the United States of goods and services to be used in the construction of an oil-fired 500 megawatt thermal powerplant in Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in an amount of $100,000,000 or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to Taipower, the Taiwan Power Co., which is 95 percent government-owned, to assist the purchase of a steam boiler, a turbine generator set, related auxiliary equipment and spares for the project at Hsiehho on the northern coast of Taiwan. The plant will supply 4 percent of the electricity needs for Taiwan. U.S. services will include design engineering and ocean freight charges on U.S.-flag vessels. The loan will cover 85 percent of the cost of the project and will bear interest at the rate of 7.75 percent per annum, payable semi-annually in 20 installments beginning February 28, 1984.

Mr. President, I ask unanimous consent that the letter from the Export-Import Bank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 22, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, U.S. Capitol,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan.

A. Description of Transaction.

1. Purpose.

Eximbank is prepared to make a credit of $115,353,500 available to Taiwan Power Company (Taipower) to assist Taipower in the purchase from United States suppliers of turbine generating equipment, a steam boiler, related equipment and services for use in the construction of an oil-fired 500 MW thermal power plant located at Hsiehho on the northern coast of Taiwan.

While no equipment suppliers have yet been selected, it is known that Westinghouse Electric Corporation is bidding to supply the generating equipment and Babcock and Wilcox for the steam boiler equipment.

The total project cost of the plant is $279,700,000 of which the total cost of the U.S. goods and services is estimated to be $135,710,000. Taipower will obtain loans from local banks and government agencies for the local cost of the project, and will also provide its own funds for the project.

2. Identity of the Parties.

Taipower, organized in 1946, is a corporation 95 percent owned by the governing authorities on Taiwan and its political subdivisions. It has the sole responsibility for the supply of electricity throughout the island of Taiwan. Taipower is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143, through the American Institute in Taiwan, to the Coordination Council for North American Affairs on behalf of Taipower.

The Coordination Council for North American Affairs acting on behalf of the governing authorities on Taiwan will unconditionally guarantee payment of Taipower's indebtedness under the direct credit.

3. Nature and Use of Goods and Services.

The goods to be exported from the United States include a steam boiler, a turbine generator set, related auxiliary equipment and spares. The U.S. originated services consist of design engineering and ocean freight charges on U.S. flag vessels.

The U.S. goods and services will provide for a 500 MW oil-fired thermal power plant, located on the northern coast of Taiwan. The plant will supply approximately 4% of Taiwan's electricity needs. The plant will burn oil to be supplied under a long-term contract with the government-owned Chinese Petroleum Company.

B. Explanation of Eximbank Financing.

1. Reasons.

The Eximbank direct credit of $115,353,500 will facilitate the export of $135,710,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported is in short supply in the United States.

The domestic market for conventional power equipment has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States thermal power equipment manufacturers' business and enable those manufacturers to retain specialized engineering and technical staffs and production work forces. Westinghouse has informed us that the equipment it would be supplying would require 1,146 man years of work at its facilities in Lester, Pennsylvania and East Pittsburgh, Pennsylvania where the unemployment rate in each locale is 7.5 percent (as of February, 1979). Babcock and Wilcox, which is bidding on the steam boiler and related equipment, estimates that 1,600 man years of work will be required to manufacture such goods, if it is the successful bidder, and such work can be performed at its facilities located in the Canton, Ohio area where the unemployment rate is 6.1 percent (as of February, 1979), Paris, Texas where the unemployment rate is 5.5 percent (as of February, 1979), Beaver Falls, Pennsylvania where the unemployment rate is 5.3 percent (as of February, 1979), Augusta and Brunswick, Georgia where the unemployment rate is 5.9 percent (as of February, 1979), and West Point, Mississippi where the unemployment rate is 6.3 percent (as of February, 1979). In addition, 45 subcontractors located in 10 states throughout the United States would be supplying equipment.

In this transaction, there is a total term of 14 years consisting of a 4-year construction period and a ten-year repayment period. Private financing, which is only available on a shorter repayment term, is inadequate to meet the total financial requirements of this project and the Eximbank direct credit is necessary in order to generate sufficient financing for the U.S. sales.

The United States suppliers have had a long beneficial relationship with Taipower as a result of their dependable performance and superior technology. However, today manufacturers in nearly all of the industrial countries are fully capable of supplying all or nearly all of the goods and services for the power plant, and in most instances at prices substantially below the cost of the U.S. goods and services. In the past, Eximbank has received information that suppliers in Japan, Switzerland, United Kingdom and West Germany, with the strong support of the official export credit agencies in each of these countries, submitted bids for the procurement of major equipment categories for projects similar to the plant. Most were lower in price than the comparable U.S. costs. Taipower has informed Eximbank that the Japanese are offering very favorable financial terms.

In view of the magnitude of the transaction and the necessary repayment term, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. The Financing Plan.

The total cost of United States goods and services to be purchased by Taipower will be financed as follows:

	Amount	*Percent of U.S. costs*
Cash	$20,356,000	15.0
Eximbank credit	115,353,500	85.0
Total	135,710,000	100.0

(a) Eximbank Charges.

The Eximbank credit will bear interest at the rate of 7.75% per annum, payable semi-annually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms.

The Eximbank credit will be repaid by Taipower in 20 semiannual installments beginning February 28, 1984.

Sincerely,

JOHN L. MOORE, Jr.

THE OLDEST POLITICAL PRISONER: THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, on April 25 of this year the Milwaukee Journal published a cartoon by Bill Sanders. It depicted a tour group with their guide in a cellar hall of the Capitol—the six tourists staring in disbelief at a gloomy prison-like window at the base of a granite wall. From behind the bars peer two lonely, forsaken eyes. Motioning toward the window the guide explains:

> And here we have the oldest political prisoner of the US Senate—the UN treaty on genocide!

Why is such a grave subject portrayed in comic form? The answer, Mr. President, is that this distinguished body has failed to give genocide its proper label as the most heinous and reprehensible of international crimes.

Instead, the Genocide Treaty remains submerged, trapped like a prisoner in the catacombs of the Capitol. Failure to ratify the treaty is a blemish on the Senate's record. Indeed, this failure is a distressing spectacle for all to observe. As the tour group gazes in disbelief at the eyes peeking out from the darkness, so, too, does world opinion frown on the Senate's reluctance to accede to the Genocide Convention.

Let us rid America of this political liability. I ask my colleagues to consider this treaty, which has already been ratified by 83 other nations. We must reinstate our Nation's credibility as a leader in the field of human rights.

Genocide is not a proper subject for a cartoon. The right to live is no comic matter. Yet so long as we refuse to ratify the Genocide Treaty, we are mocked when we wave the banner of human rights. We are in a vulnerable position.

America has been inconsistent in its record on human rights. It is time we act to erase these contradictions. It is time we stop making our failure to ratify the Genocide Treaty the subject of a political cartoon.

DARWIN LAMBERT ESSAY ON HERBERT HOOVER

Mr. HATFIELD. Mr. President, yesterday, I had the privilege to place in the RECORD an essay written by Darwin Lambert of Luray, Va. The essay, entitled "The Rapidan Facet of Herbert Hoover," was submitted by Mr. Lambert as part of the series of essays commemorating the 50th anniversary of the inauguration of Herbert Hoover as our 31st President.

Mr. Lambert, a free lance writer by trade, requested that his interests in the essay be protected to the maximum possible extent, and copyright indicators were written at the beginning and the end of the essay. Unfortunately, the copyright indicators were inadvertently dropped from the essay when it was printed in the CONGRESSIONAL RECORD.

Mr. Lambert's essay begins on page 23917 of the September 10, 1979 CONGRESSIONAL RECORD. I wish to inform all readers of the RECORD that Mr. Lambert owns the copyright on this essay, which was prepared in 1979. He reserves all rights in connection with its reprinting.

SIDNEY YATES—AN ADVOCATE OF THE ARTS

Mr. PERCY. Mr. President, I bring to the attention of my colleagues an article which appears in yesterday's Washington Star entitled, "Sidney Yates—Monitoring the Arts' Money." SID YATES, who has represented the Ninth Congressional District of Illinois for over 30 years, serves as chairman of the House Appropriations Subcommittee on the Interior, which legislates funding for the arts and humanities. In this role he has won the respect of his colleagues and the experts in these fields by exhibiting a superior knowledge and deep concern for the present and future role of the arts and humanities in our society. As chairman of the National Endowment of the Humanities, Joseph Duffey states, SID YATES is a person "whose advocacy for the arts and humanities goes beyond simple rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts." From years of personal experience with SIDNEY YATES, I certainly agree with this statement, and ask unanimous consent that the Washington Star article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIDNEY YATES—MONITORING THE ARTS' MONEY

(By Ruth Dean)

Sidney R. Yates has come to be regarded unofficially as "Mr. Moneybags for the Arts." But after 30 years in Congress, it's typical for this veteran Illinois Democrat to deflect such a reference to his unquestioned influence on the House Appropriations Committee.

"Well, it's only a small moneybags, really," he says. "Government funding is only one of the ways in which the arts are funded. I would assume corporate contributions make up a great deal of contributions to the arts.

"And the tax deductions we give to schools and colleges, to museums and to arts institutions and galleries, I would guess would make up by far the greatest contributions to the arts and humanities. I've often tried to find a way of computing what that might amount to, but IRS says there is no way they can figure it because it's so extensive."

Yates, chairman of the House Appropriations subcommittee on the interior and related agencies, is an unassuming, friendly, relaxed man—a mixture of soft charm and sharp perception. He talks in low, measured tones, slowly choosing just the right words. But when something sparks his interest—and almost anything can—then his words come rapidly as he reminisces with a smile.

He teases a photographer for being so quiet at her task. "You were very surreptitious," he laughingly accuses. Then he begins to recall. "I used to study photography myself, at the School of Design in Chicago, back in the '30s when Moholy-Nagy headed it. He had just come from the Bauhaus. Georgy Kepes was there too, and some of the photographers from the Farm Security Agency who'd done such marvelous work during the Depression. And we had to work on various aspects of composition. That was fun. I had my own darkroom for a while. But it's too tough now, you people do too much.

"It's kinda like the time I played basketball at the University of Chicago. It was kind of fun. I remember one score, playing against a team that became the Big Ten conference champions. It was 6–4 at the half. Now you see what the scores are like today. So, you see they've made improvements in everything."

Growing up in Chicago, Yates didn't have to learn a musical instrument, though he picked up the guitar somewhere along the line and describes himself as "an oompah guitarist." His sister did play the piano, and his family loved music. "And as it happened," he says, "my brother-in-law was in the business of selling phonographs and records. So we used to have records of the operas and the symphonies going. And I'd read about them. As a growing-up experience, that impressed me with the values I have today in appreciation of the arts."

Of course, the arts and humanities are only a small part of the budget packages with which Yates deals as subcommittee chairman. But their budgets have escalated to the point that the House, in its pre-August recess vote authorizing the $10.2 billion Interior appropriations bill for fiscal 1980, included an appropriation of $154.4 million for the National Endowment for the Arts and $150.1 million for the National Endowment for the Humanities. Yates floor-managed the bill.

In an uncharacteristically dramatic way, the arts thrust Yates into the headlines last May during the 1980 budget hearings for the endowments when he expressed his "disappointment" with two controversial reports he had ordered from the House Appropriation investigative staff on the workings of the two endowments.

The reports were critical of the two agencies' operations. Perhaps their most damaging accusation, in the eyes of both endowments was the use of the code word "closed circle" to describe practice of an elitist philosophy in choosing grants panelists. Incensed at the conflict-of-interest innuendo, NEA chairman Livingston Biddle Jr. and NEH chairman Joseph Duffey returned to the hearings with lengthy rebuttals of their own, refuting "the flaws" in the reports.

Yates was sympathetic. Even four months later, his thoughts on the subject are unchanged. The reports contained a great deal of "useful material," but tended to "accent the negative" without reporting on the good work done by both agencies, which he thinks was unfortunate.

"They gave a mis-impression, which I thought tended to be unfair," he says, "which is why I brought the reports before the hearing and gave the endowments the opportunity for review and rebuttal. In the future I think our investigative staff will look at and bring forward the good things that are done by agencies as well as the bad. We want to know both."

The 70-year-old Yates is well respected by his colleagues, his staff and arts officials. He's "the boss" to his staff, who put in as many long hours as he does.

"The staff is nutty about him; everyone just adores him," says Mary Anderson Bain, his administrative assistant, longtime supporter and friend, who managed several of his campaigns including his unsuccessful 1962 bid to upset the late Sen. Everett McKinley Dirksen. It was his only political defeat in 30 years of politics. When he returned to the House in 1965, she came with him. No, he says, he'll "never run for the Senate again." He's too happy with what he's doing now.

"I'm very lucky," he reflects. "Members of Congress go through their service frequently serving on committees that are not as interesting to them as others might be. I'm very fortunate in having been able to be on the subcommittee of the Appropriations Committee that permits me to work with the subjects in which I have very great interest.

"And that throws me into contact immediately with the exhibitions that take place in the Washington community, and people throughout the country who have established communication with me."

Despite the drama of last May's hearings, including a surprise appearance by Rep. Shirley Chisholm on behalf of the Black Caucus to protest endowment practices—later refuted—there were no television Klieg lights, just the early May sunshine streaming through the room's basement windows.

Though interested in the potential of television and the movies as art forms he frankly believes both endowments could do more for, Yates is a private person who shuns the limelight of evening TV newscasts. His committee assistants, Fred Mohrman and Mike Dorf, zealously guard his privacy and wishes. If he embargoes a report, mum is the word from them until time for release. Print reporters are allowed into his modest-sized hearing room, just off his subcommittee office, but they have to scramble for seats along with the rest of the public.

The buzz of talks dies to a hush as the tall, slender silvery-haired Yates walks in and takes his place at the long hearing table in the front of the room. His deep-set, electric-blue eyes quickly take in the room and its occupants at a glance as he dons his spectacles and begins the hearing with a welcome to witnesses.

His questions reveal an analytical mind that suffers fools lightly. He cuts right through bureaucratic gobbledygook with get-to-the-point bluntness. And woe betide a witness, or even a colleague, who grandstands or veers away from the subject. Yates ignores them and picks up the beat of the main discussion as if there had been no preceding interruption. He never raises his voice.

He is kind if he gets a witness who is obviously flustered. A little dry humor does the trick. Sometimes the witness turns the tables. NEA deputy chairman Mary Ann Tighe made him laugh when she told him, "I'm ready for you this year."

Yates constantly surprises testifying witnesses with his knowledge and memory of their fields, whether the arts, humanities, museums, national parks or public lands—especially when he quotes them statistics from a previous year that they should have on the tip of the tongue themselves.

"Well, I know a little bit about a number of things," he says, "and fortunately I have a good memory and I can remember the few things that I know."

His boyhood in Chicago "fortunately was in the days before television, and we used to read," he recalls. "As in all big cities, they had branch libraries in all the neighborhoods. And when I was in grammar school particularly, we used to go to the library, and in addition to trading cards that had all the baseball players on them, we used to trade books with people who had books we wanted to read. That was kind of the sporty thing to do. So we came to read a lot."

Yates was "quite an athlete" in his youth, says his wife, Adeline ("Addie" to him and their friends). She fondly recalls meeting him when he was counselor at a summer camp her brother attended. They met when the family came for a visit, kept in touch and married a few years later after she had finished college ("I transferred from Wisconsin to Northwestern because I didn't want him to get away") and he had completed his law studies at the University of Chicago. They have one son, Stephen, now an associate judge of Cook County.

The congressman confines his love of the outdoors now to golf. A new silver trophy on a table in his office proclaims his winning of this year's Congressional Golf Tournament.

Talking about his musical interests, he says, "I have a collection of the folk songs of many of the countries. I like folk songs because I like to indulge in group singing. I learned to strum on a guitar and I know a few of the chords. Fortunately most of the folk songs are susceptible of being sung in one key like the key of C. So occasionally we get together with a group of friends, but I'd much prefer to have one of them play the piano."

Yates is also an art collector, but says it is a small collection he has acquired through the years. It includes a Joni Mitchell and a Picasso. One of his favorites, a painting in wine tones by Peruvian artist Fernando Szylo, hangs on his office wall.

Despite putting in some long days, Yates says that after 30 years in Congress, he has learned to "balance" his life between work, family and friends, and needed recreation.

"He does his homework" has become a byword that is almost a definition of his reputation on Capitol Hill.

Liv Biddle sees him as "immensely knowledgeable about the whole spectrum of the arts, objective in his views, sympathetic to the whole process of greater support for the arts within the limits of his budgetary oversight."

Joe Duffey thinks he is "one of only two or three members of Congress whose advocacy for the arts and humanities goes beyond simply rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts."

Duffey's predecessor, former NEH chairman Ronald Berman, now teaching at the University of California at San Diego, thinks Yates "is terrific. I always thought of him as the highest type of person you could find in Congress. He does his homework. There are two ways you get help from Sid—in hearings and in private discussion in which he covers the ground."

However, Berman expresses his unhappiness with the present state of the arts, expressing his conviction that the Carter administration has "politicized the arts. Just look at the list of grantees. They really belong on the HEW mailing list. What it amounts to is subsidization of literally hundreds of small bureaucracies throughout the country that have nothing to do with the arts."

Asked for his reaction to Berman's views, Yates says, "My concern is that the arts don't be politicized. And I think that's the concern of every member of our committee, and that's good. I'm not sure I understand or would agree with Berman's view. I would like to have the specifics he's talking about rather than the generalities."

There will always be a conflict between those who say that the arts funding should go to a few professionals and thus a limited group, and those who say that arts support should be widespread. Yates points out, "And I think that the endowments' authorizing legislation intends that both of those purposes be fostered. Not only that the old-line, well-established arts and humanities institutions be helped, but that the impact of federal assistance in the arts and humanities be widespread throughout the country. And I think the endowments are trying to do that."

U.S. POLICY IN ANGOLA

Mr. TSONGAS. Mr. President, if one looks at the evening Washington Star, there is a story entitled "Angola's Leader Dies in Moscow."

I suppose one could question what relevance that has to the United States, but let me give a brief synopsis of what is taking place.

Angola, like many former Portuguese colonies, went through a great period of transition wih difficulty, mainly because the Portuguese pulled out all or a good number of their trained personnel and left no provisions for training Africans, which was not an unusual incident in colonial history.

There was a civil war. We, as usual, backed the wrong side; and then President Neto came to power, and he came to power with the backing of the Soviets. Our team, if you will, was defeated, despite the efforts of then-Secretary of State Kissinger and the previous administration.

Subsequent to that, the Cubans came to Angola, apparently to put the civil war behind them, but also, it is argued, to insure a certain atmosphere in which, for example, Gulf Oil could go into Angola and drill and explore and produce oil.

President Neto discovered, as any self-respecting African would in time, that the Soviet embrace was offensive; and Neto, in time, in order to get the Cubans out, and for obvious economic reasons, let it be known that he was interested in a relationship with the United States—as indeed I think any African would who seeks to be truly nonalined.

This is the same President Neto who was very cooperative on the issue of Namibia. While South Africa sent its troops into Angola on raids, Neto continued, despite that provocation, to work with the Western Powers to try to resolve the issue of Namibia. But what happened?

Neto sent out signals that he wanted a rapprochement with the United States; and virtually all the experts in the United States who follow Angola in the State Department and elsewhere, were obviously intrigued by the idea. It was decided in the White House not to do it. It was decided not to do it because of a conservative backlash.

Now Neto is dead; and that opportunity to wean a Marxist state away from the Soviets was lost by this administration because it did not have the guts to do what made sense, because they were afraid of a conservative backlash.

As someone who spent 2 years in Africa, I think, in all modesty, that I know it as well as anybody else in the Senate. I am not worried about the Soviets. I am worried about ourselves. Ethiopia, where I served for 2 years, is a classic example of the United States snatching defeat from the jaws of victory.

Neto, of the two MPLA factions, was by far the moderate, and now the anti-West, antiwhite faction that he defeated has another opportunity.

What is an African leader going to think about the United States and its refusal to respond to overtures of nonalinement? It is too late now. He is dead, and we do not know what is going to happen in Angola.

Not only has Neto died, but, in some respects, his death casts a shadow over this country's Third World policy. With Andy Young—who had credibility in the Third World—gone, I really lament our situation, because I believe the Soviets are now going to have opportunities in Angola that they did not have under Neto. They will have opportunities in Africa not because of what they do right but because of what we do wrong.

It seems to me that, at some point, the United States should stop giving the Soviets entree into Africa. I am sorry that President Neto is dead, but I am more sorry that we do not have the courage of our convictions.

I thank the majority leader for yielding.

EXECUTIVE SESSION—REMOVAL OF INJUNCTION OF SECRECY FROM PROTOCOLS FOR THE FIFTH EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971 (EXECUTIVE FF, 96–1)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the protocols for the fifth extension of the International Wheat Agreement, 1971 (executive FF, 96th Congress, first session) transmitted to the Senate today by the President of the United States, and ask that the protocols be considered as having been read the first time, referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Protocols for the Fifth Extension of the Wheat Trade Convention (WTC) and Food Aid Convention (FAC) constituting the International Wheat Agreement, 1971. The Protocols were adopted by a conference which met in London on March 21–22, 1979 and were open for signature in Washington from April 25 through May 16, 1979.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the Protocols.

The WTC Protocol extends that Convention until June 30, 1981, maintains the framework for international cooperation in wheat trade matters, and continues the existence of the International Wheat Council.

The FAC Protocol extends until June 30, 1981, the parties' commitments to provide minimum annual quantities of food aid to developing countries.

Declarations of Provisional Application of both Protocols were deposited by the United States on July 15, 1979, thus permitting the United States to continue full and active participation in the International Wheat Council and Food Aid Committee. This step was necessary to reduce the risk of expiration of the International Wheat Agreement. The WTC Protocol requires deposit of instruments of ratification or declarations of provisional application by June 22, 1979, on behalf of governments of wheat-exporting member nations holding at least 60 percent of the exporter votes and on behalf of importing member nations holding at least 50 percent of importer votes for the extension to enter into force on July 1, 1979. The FAC Protocol requires entry into force of the WTC Protocol and deposit of instruments of ratification or provisional application by all Parties by June 22.

I hope that the Senate will give early and favorable consideration to the two Protocols so that ratification by the United States can be effected at an early date. Doing so will demonstrate our continued commitment to cooperation on international wheat trade matters and to providing food aid to needy developing nations.

JIMMY CARTER.

THE WHITE HOUSE, *September 11, 1979.*

OLYMPIC RECORDS OF THE LATE JAMES (JIM) THORPE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 328, which I believe has been cleared on all sides.

Mr. STEVENS. Mr. President, the Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 29) regarding the restoration of Olympic records of the late James (Jim) Thorpe.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 29

Whereas the Amateur Athletic Union of 1975 restored the amateur status of James (Jim) Thorpe for the years 1909–1912; and

Whereas the United States Olympic Committee forwarded this restoration to the International Olympic Committee: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the International Olympic Committee officially recognize Jim Thorpe's achievements in the 1912 pentathlon and decathlon events and restore these records to the offical Olympic books; and be it further

Resolved, That it is the sense of the Congress that the International Olympic Committee be requested to present duplicate medals to the heirs of Jim Thorpe.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order—I believe the order has been entered that the time of the two leaders be reduced to 5 minutes each—Mr. TSONGAS be recognized for not to exceed 15 minutes and Mr. BENTSEN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, is is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF THE SECOND CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two Senators aforementioned on tomorrow, the Senate then proceed to the consideration of the second concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEMOCRATIC CONFERENCE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I call to the attention of my colleagues on this side of the aisle that there will be a Democratic conference tomorrow, in room 207, at 10:30 a.m., and it has to do with the second concurrent budget resolution.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will come in at 1 p.m.

After the two leaders or their designees have been recognized under the standing order for not to exceed 5 minutes each, Messrs. TSONGAS and BENTSEN will be recognized, each for not to exceed 15 minutes, after which the Senate will proceed to the consideration of Calendar No. 327, Senate Concurrent Resolution 36, the second concurrent budget resolution.

Rollcall votes are anticipated, and the Senate could be in late.

RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 1 p.m. tomorrow.

The motion was agreed to; and at 6:28 p.m., the Senate recessed until tomorrow, Wednesday, September 12, 1979, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1979:

THE JUDICIARY

James M. Sprouse, of West Virginia, to be U.S. circuit judge for the fourth circuit.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

HOUSE OF REPRESENTATIVES—*Tuesday, September 11, 1979*

The House met at 12 o'clock noon.

Dr. Henry Dudley Rucker, the Solid Rock Baptist Church of Christ, Manhattan, N.Y., offered the following prayer:

Eternal God, we come today asking Thy blessings upon this great body, this body that is responsible for the creation of legislation here in the United States of America.

Move them we pray Thee, to give greater attention to the needs of the poor throughout America and also throughout the world. Move them to create a meaningful way for more aid and benefits for the poor people, for the aged people and for those of us, great God, who are seeking and crying and dying for justice.

Move them, we pray Thee, to unite and stand together with the President of this Nation, because these are dangerous times. America's future is at stake. America is at a crossroads.

Help us, we pray Thee, to overcome the dangers to our freedom. Help us, we pray Thee, to know that we are all children of God. Bless this great body that they might create the kind of atmosphere in this Nation that would bring about peace throughout the world.

We ask that Thou will have mercy plentifully upon all of these great minds, that they might find ways and means to overcome ignorance, the lack of quality education, move them to attack the unemployment situation in America, because unemployment creates pain, disease, and death unnecessarily.

We beg of Thee to move our President in such a way that he will have the mercy of Abraham Lincoln, the tenacity of Harry S Truman, the fearlessness of John F. Kennedy, and the intellect of Thomas Jefferson.

Hear our prayer, we pray Thee, for human rights around the world. Men, women, and children are dying every day because of the simple lack of human rights.

We beg of Thee, in the name of Moses, Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) entitled "An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 23, 24, 29, and 64, and that the Senate receded from its amendments numbered 26, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 8, and 37 and that the Senate receded from its amendment numbered 30, to the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95-598.

APPOINTMENT OF CONFEREES ON H.R. 4387, AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, could the gentleman explain what is occurring here?

Mr. WHITTEN. It is just a matter of going to conference.

Mr. ROUSSELOT. Period?

Mr. WHITTEN. That is right.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, BURLISON, TRAXLER, ALEXANDER, MCHUGH, NATCHER, HIGHTOWER, JENRETTE, ANDREWS of North Dakota, ROBINSON, MYERS of Indiana, and CONTE.

DR. HENRY DUDLEY RUCKER

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, it is with a great deal of pleasure and sense of honor that I have the privilege of acknowledging the presence and welcoming to these

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Chambers the Reverend Dr. Henry Dudley Rucker, who delivered so eloquently the invocation at the start of today's session.

Reverend Rucker is pastor of the Solid Rock Baptist Church of Christ on Amsterdam Avenue, in the West Harlem area of my district in New York City. This is his 18th year as pastor.

In addition to being a great religious leader, he is, as well, a great community leader. His church under his leadership runs a community action program at the church which focuses on helping to keep youngsters in school and helping them to make their way into college and other forms of higher education into employment.

Over the course of the past decade that the Reverend Rucker has run this program, more than 5,000 youngsters have been placed in jobs through these efforts.

Reverend Rucker was born and educated in the District of Columbia, has attended the Teacher's College at Columbia University and the Union Theological Seminary, and he is joined here today by his wife and other members of his family.

SOUTH BEND TRIBUNE'S INTERVIEW WITH SPEAKER OF THE HOUSE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I should like to call to the attention of my colleagues in the House of Representatives an excellent article published last Sunday, September 9, 1979, in the South Bend, Ind., Tribune, which is in the congressional district I have the honor to represent. The article is in the nature of an interview with the distinguished Speaker of the House of Representatives, the Hon. THOMAS P. O'NEILL, JR., conducted by the able and respected political writer of that newspaper, Jack Colwell.

Mr. Speaker, I believe that Members of the House will read this splendid interview with great interest, and I insert it at this point in the RECORD:

TIP O'NEILL: SPEAKER LEARNS NEW TRICKS

(By Jack Colwell)

If ever there was a man who fits the definition of an "old Irish pol," it is Thomas P. (Tip) O'Neill Jr., grandson of a bricklayer from County Cork, 15-year-old campaigner for Al Smith in 1928, legislator in Massachusetts or Congress since 1936 and now speaker of the U.S. House of Representatives.

He also is living proof that you too can teach an old pol new tricks.

Tip spins yarns about the old days, when Sam Rayburn was speaker, ruled the House with an iron gavel and "would call the Internal Revenue and tell them whether a thing ought to go criminal or civil."

Although "you could get more done in the old days," O'Neill says he laments neither the fading of the seniority system nor the loss of autocratic power by the speaker.

He cites "the changing times. The times don't require that. The times don't want that. So you go along with the times."

He finds the current times featuring higher standards of ethics and more openness, with efforts now made by the Democratic whip organization, headed by Majority Whip John Brademas of South Bend, an O'Neill protege, to inform members rather than keep them in the servitude of ignorance.

"When I was just a member of the Rules Committee, the whip organization never informed anybody," O'Neill relates. Sam Rayburn "ran everything." The regional whip for Massachusetts "never went to a meeting in over 20 years." And the policy committee "would meet once a year and have their picture taken."

TIP THE WHIP

A key factor in building the support resulting in his own rise in leadership, O'Neill believes, was when he became "a kind of a whip organization myself" as a Rules Committee member back in the early 1960s. He recalls having 20 or 30 colleagues call each week to ask, "Tip, what did the Rules Committee report this week? What do you think of the chances of it being passed? When do you expect that it's going to be on the floor? How will it affect the nation? How does it affect me? Do you think I could be absent on such and such a day? What amendments are going to be offered?"

He credits Hale Boggs with finally getting the whip organization geared to answer some of those questions. And when Boggs became majority leader in 1971, O'Neill formally became the whip. With Boggs' disappearance on an airplane flight over Alaska in 1972, O'Neill moved up to majority leader. He became speaker in 1977, replacing Carl Albert.

The 66-year-old Tip, with a face like the map of Ireland, an imposing bulk he always is trying to reduce, and white hair to add a distinguished note, is far more colorful than the two speakers before him, Albert and John W. McCormack. And most observers of Congress would add that he also is the most effective speaker since Rayburn, even though that effectiveness is accomplished through different techniques designed for a different time.

Although the House was much more responsive than the Senate to President Carter's initial calls for action to cope with the nation's energy woes, there are numerous examples of the House, despite a whopping Democratic majority, failing to go along with the President or with the congressional leadership.

It is part of those "changing times," says O'Neill, who finds that newer congressmen have little regard for the pleas of the past for party loyalty.

"All these young fellows came in. They ran against the establishment. They ran against Washington. They ran against the Congress," O'Neill explains. "They have their six news letters a year. They have their bus that travels around. They get great television. They have their weekly radio programs. Most of them in those small areas have either a weekly or a monthly television program, they have their town meetings with the people. They go in and they dialogue and they discuss with them."

"LET THEM TALK IT OUT"

Although some Democratic voters might still resent lack of party support, O'Neill continues, they say, "But he gives us more service than we've ever had before. Even when he's not here, his bus is around." And so they win elections in this era of the independent voter without having to depend much on support from the party or a record of having supported the party.

An aide to the speaker was just complaining about a Republican effort on the floor which the Democratic leaders regarded as aimed at stalling the House and causing embarrassment. "He's going through a charade right now," said O'Neill, glancing at the TV monitor in his office just off the House floor as it showed the energetic gesturing of a GOP congressman in a debate on a minority amendment attempt doomed to defeat.

"You let them talk it out," said O'Neill, in a response which surely differed from the way Rayburn would have handled the situation.

Even in these "changing times," however, O'Neill is getting fed up with the results of televised House proceedings on cable TV systems.

"I don't believe this debate would be lasting anywhere near this length of time" without television, said the speaker, looking again at the TV monitor. "But there are 435 (House) offices that have it on, different places around the Hill, four or five million people watching . . . a possible audience out there of 20 million.

"If somebody doesn't like the soap opera, there's cable TV. If I thought I had a tough election and knowing that there are 35,000 people in my district who watch this every day, the shut-ins, the senior citizens . . . I'd probably be taking the microphone myself."

But with the journal now 25 per cent heavier and more lengthy speeches given to an empty chamber and the TV cameras, O'Neill says it may be time to curtail some of the coverage.

CLOSE TO KENNEDYS

O'Neill was elected in 1952 to the congressional seat then being vacated by John F. Kennedy, who moved to the U.S. Senate. And he is regarded as close to the Kennedy family. That, however, wasn't always the case.

When young Jack Kennedy first ran for Congress in 1946, O'Neill already was committed to a fellow Massachusetts legislator named Mike Neville for the Democratic nomination. As the campaign went on, it was clear that Neville stood no chance against what became known as the Kennedy "magic."

Despite the efforts of Kennedy supporters in Cambridge to budge O'Neill, he stuck with his commitment to Neville, the loser. O'Neill's loyalty to a friend and a commitment is said to have impressed Kennedy, who thereafter wanted and had O'Neill on his side.

Loyalty is a trademark of O'Neill. It undoubtedly is loyalty to his party and to a Democratic president which has caused him to try so hard, sometimes against the odds, to help Jimmy Carter, the Washington newcomer surrounded by advisers for whom O'Neill has little respect. The "biggest problem" in the Carter inner circle, O'Neill theorizes, has been a lack of political experience, particularly lack of any experience in seeking re-election to anything.

"They ran for president of the United States and never gave any thought that they were going to have to run for re-election," he says. "They went their own way. They were a closely knit group. They did not invite older and wiser people who had been around the town for years and knew how Washington moved. They never brought them in.

"Now this is what Jody Powell (presidential press secretary) and Hamilton Jordan (White House chief of staff) are trying to do. I think they're recognizing their mistake.

"People say, hey, the Kennedys had their own group. But they were Washington oriented. He (John F. Kennedy) had been in Washington for years. His father had been down here. Most of those associated with him had a Washington background."

ADVICE TO HAM JORDAN

O'Neill refers to Hamilton Jordan as "Hannibal Jerkin."

In somewhat of an understatement, O'Neill says of Jordan, "I don't know him well. We've never been too friendly."

The story is told in Washington of how O'Neill received poor tickets for Carter's inaugural gala. He called Jordan to inquire about the reason for such an obvious affront to the speaker of the House.

If the speaker didn't like it, he could have his money back, Jordan replied sarcastically. It was then when O'Neill began calling him "Hannibal Jerkin."

Jordan, perhaps no longer so brash as his boss plummets in the popularity polls, recently came to see O'Neill and discuss the problems Jordan has had in Washington. "You came to Washington with a chip on your shoulder," O'Neill told him. "You didn't want any help from anybody. You thought you could do it by yourself. You never looked at the next election."

The practical "old pol" warned Jordan that "you lose your friends along the way" and, to compensate, "you should make friends of those who weren't with you."

Because some Democrat didn't initially support Carter for the presidential nomination, O'Neill continued, "you're not supposed to lock him out."

But the speaker believes "they locked a lot of people out. Now they're trying to open the door to see if they can re-establish themselves. And I think they can do it."

A noxious pill for O'Neill was the firing of Joseph Califano as secretary of health, education and welfare.

The first day O'Neill met with Carter, then president-elect, in the Blair House in Washington, Carter asked for recommendations for the Cabinet, O'Neill recommended "a dozen fellows in the House that I thought had ability enough to be in the Cabinet." Then Carter asked about Califano. O'Neill said he knew Califano "extremely well." He describes the ousted HEW secretary as "one of my best friends."

SUPPORT FOR CALIFANO

O'Neill told Carter that Califano had done an excellent job as a "whiz kid" when Robert McNamara was secretary of Defense and had proved "he knew how to get things done" as an assistant to President Lyndon B. Johnson.

"Would he be interested in HEW?" Carter asked.

"I can't imagine it," O'Neill replied. He told Carter, "Joe Califano makes better than a half million dollars" as a lawyer, "he's got a young family, he did his stint for his country."

That night Tip met with Califano at Duke Zeibert's Restaurant, a favorite spot for O'Neill, a rabid Boston Red Sox baseball fan, who is much more at home with the sports crowd and corned beef special at Duke's than he is with diplomats at a formal White House dinner.

O'Neill told Califano about the conversation with Carter.

And he recalls Califano replied, "I'm a first-generation Italian. To serve in the President's Cabinet is the greatest honor I could receive. I'd be delighted."

Califano, of course, got the job.

"But the truth of the matter is he was never accepted by those who were close to the President," says O'Neill. "I mean Powell, Jordan, (congressional liaison chief) Frank Moore and (presidential assistant Jack) Watson and the whole gang. They made a terrible mistake."

It was the day before Califano was sacked when Jordan came to see the speaker.

"Where you made your mistake," O'Neill told Jordan, "you should have brought in Califano" and others "who know how Washington ticks."

The speaker says Jordan never told him Califano's "resignation" was about to be accepted.

"I said, 'You ought to be closer to Califano,' and the next day he got the ax," O'Neill relates.

ON KENNEDY CANDIDACY

"I don't think Teddy's a candidate," O'Neill says.

Ever? "I just don't think he's a candidate right now. Whether he'll ever run or not, I don't know."

If Sen. Edward M. (Ted) Kennedy did run for president, wouldn't O'Neill, with both loyalty to a Democratic president and long association with the Kennedy family, be on the spot?

"No," O'Neill responds, "I wouldn't be on that spot because, no question, he (Kennedy) would carry Massachusetts. So no matter what I were to do, I wouldn't affect the election."

However, "If (California) Gov. (Jerry) Brown or somebody were running against Carter, then I could be influential and I could be a help in Massachusetts," O'Neill adds. "But against a Kennedy, against a local boy, I couldn't make any difference."

But, the big question, impact aside, would O'Neill be with Kennedy?

"Ah * * * well," the speaker responds slowly, "I'd have to cross that bridge when it arrives."

Meanwhile, O'Neill says he is "trying to help the legislation, the President's program, doing the best to see if we can get the country moving, see if we can get these energy things."

HERO OF BRESLIN BOOK

Tip O'Neill was the hero of author Jimmy Breslin's book, "How the Good Guys Finally Won."

Breslin tells how O'Neill, then majority leader, was ahead of the other congressional leaders in the belief that Richard M. Nixon had been involved in Watergate-related abuses which could bring impeachment.

O'Neill told then-Speaker Albert in January, 1973, that "impeachment is going to hit this Congress and we better be ready for it." He persuaded Albert and Peter Rodino, chairman of the House Judiciary Committee, to set the wheels in motion toward the situation in which Nixon finally resigned in the face of certain impeachment.

"It takes a traditional, backroom Boston politician to smell a shakedown," Breslin said in explaining how O'Neill determined so early that there was cause for impeachment.

O'Neill puts it this way: "For years I was chairman of the Democratic Congressional Committee. I knew every large fund-raiser in the Democratic Party.

"They kept calling me on the telephone and saying they were being sandbagged by the Nixon people to become a Democrat for Nixon, they were being harassed, their companies were being investigated by the Federal Trade Commission, were being investigated by this commission or that or they were having problems with export-import laws that they never had before.

"This government doesn't operate like that. That's not what democracy is all about.

"You get bad people running the government when you're doing that. And it's not going to last. I knew there was smoke there. Then everything started to unfold."

NIXON'S DOWNFALL

Nixon could have survived Watergate, O'Neill believes, because "all he had to do was come apologize to the American people at an earlier time instead of act the way he did.

"If he had been more open about the thing, said 'Here you just elected me in a landslide election. I regret what I did.'

"But he started trying to cover up . . . That really hurt.

"You know, no man ever came to the presidency of the United States, in my opinion, more prepared to be the president. Here was a man who had been a congressman, a senator, a vice president, defeated for president, spent eight years in traveling throughout the world. He was an expert on foreign relations.

"But he had no trust and no faith and he brought some bad people around him.

"He just didn't have the principles, even though he was so well schooled to do the job."

Nixon did "terrible, absolutely terrible" harm to the nation, helping bring about "the credibility gap, the lack of confidence" in America today, says O'Neill.

He is in complete agreement with President Carter that there is "a crisis of confidence." He seems to think Carter can overcome it and bounce back.

And O'Neill stands ready to help Carter and maybe even "Jerkin," who seems now to "thoroughly understand the mistakes they have made." The White House undoubtedly could do a lot worse—and seemingly has—than accept the advice of an "old Irish pol" who has learned the new tricks necessary to retain leadership and respect in a Congress where an iron gavel is passe.

STATE EMPLOYEES OF ALASKA VOTE TO WITHDRAW FROM SOCIAL SECURITY SYSTEM

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, an article in this morning's Post reports that State employees of Alaska have voted to withdraw from the social security system. Although the "let's get out" sentiment for Alaska and other local and State groups waxes and wanes, it is a disturbing matter when a full State gets in the grip of this line of thought. This is the first time a full State has come this close to actual termination.

It must not be allowed to happen.

It is an extreme disservice to the State employees of Alaska to pull out of the social security system. It robs them of a very strong survivor, disability, medical, and retirement insurance program. If they think they can do better in the private sector or in a smaller plan, then they had better look again. It is very seldom one can beat the social security bargain.

Pulling out would also be an extreme disservice to the Nation. No program is more important than social security to the economic and social stability of this Nation. When groups pull out, they are leaving this responsibility to the rest of the country and in effect they are abusing their privilege.

In short, pulling out is both shortsighted and selfish. It is a classic case of biting off one's nose to spite one's face.

The Congress cannot allow this to happen—even if we have to put a moratorium on pullouts until universal, or near-universal, coverage can become a fact or at least until some direction is indicated to our committee resulting from the various studies and proposals being advanced today.

SHARE DRAFTS

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, today we will be voting on H.R. 4986.

I rise in strong support of this measure.

I do not need to tell you about the hundreds of letters and phone calls I have received on this bill. I am sure all of my colleagues have experienced the same inundation. The outpouring of support from credit union members for their share draft accounts, in particular, is unequaled in my office by any other issue since I came here in 1975.

Each letter I received, each constituent who called my office, stressed the convenience and economic advantage of share draft accounts. They all expressed frustration, as well as confusion, over the Court's decision which overturned bank regulatory agency power to authorize such accounts. Many who contacted me could not understand how the Court could have "turned against the little guy," and indeed, some expressed disillusionment with a government which "gives all the breaks to the rich and does nothing for the average person."

I have been a longtime supporter of the credit union movement, and was particularly interested when share draft accounts, once authorized, were so quickly utilized by credit union members. That acceptance is indicative to me of consumer dissatisfaction with financial institutions' ordinary transaction accounts which do not pay interest on the balance. In these inflationary times, consumers want to make the most use of their money; it is up to us to see to it that the marketplace offers them the widest possible selection of financial services from which to choose.

That is why we need to pass H.R. 4986 quickly—so that share drafts, NOW accounts, telephone transfer accounts and other interest-bearing checking accounts can continue to be offered to the consumer. I wish to commend subcommittee chairman FERNAND ST GERMAIN for moving this legislation so quickly and urge my colleagues to join in support of this vital measure.

Thank you.

SOVIET GUNBOAT DIPLOMACY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Soviet ships and submarines have been in and out of Cuba's harbor in a show of gunboat diplomacy for the past several months.

Now the presence of Soviet combat troops in Cuba appears designed to sway Senate action in favor of the proposed SALT II.

As a gesture of conciliation and goodwill, the Soviets can withdraw their troops from Cuba.

Thus reassured of the Soviet desire to cooperate, SALT backers can say that the Senate is justified in voting to approve the controversial new treaty.

I personally expressed my concerns to the President when I first learned about the presence of Soviet troops in Cuba more than a year ago.

No official action was taken.

Congress should therefore have answers to several questions.

One. When did the Soviet troops enter Cuba?

Two. Why was their presence not made public until this particular time?

Three. Was the release of this information part of a scheme to provide the Soviets with an opportunity to make a gesture of conciliation and retreat?

CUBAN CRISIS ONCE AGAIN

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, storms gather over the island of Cuba once again. For the first time in a while the Soviet Union has introduced military combat troops there.

I am going to ask this Congress to join me in a resolution that reads as follows:

> *Resolved*, That it is the sense of the Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed, and make such communication known to the American people.

Mr. Speaker, on the question of Cuba, the President of this country cannot vacillate. He must show strength. We recall the stand taken by this country in the Cuban missile crisis; we need a suitable showing of resolve, once again today. Our policy must be one of firmness and direction, that we shall not tolerate the continued presence of Soviet combat troops in Cuba.

BRITAIN'S NATIONAL HEALTH SYSTEM

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, an article in Business Week magazine recently reported that members of several British labor unions are dissatisfied with that country's state-run medical care system.

According to the article the widespread disillusionment with Britain's national health system stems in part from poor service delivery. A year long wait for nonurgent surgery is common. Even many urgent cases wait for a month or more.

The article points out that the 40,000 members of a powerful electronic and electrical union are now subscribing to private health-care plans. This move has angered labor supporters and Britain's national health service and has caused a split in the labor movement's ranks.

One labor leader has gone so far as to suggest that the head of this union, Frank Chapple, should emigrate to the United States.

Mr. Chapple should come to the United States, to testify on the impact of national health insurance in his country.

Mr. Speaker, when Congress considers national health insurance, we should consider all its ramifications. I suggest that the chairmen of the health committees in the House and the Senate invite Mr. Chapple or other labor leaders who are unhappy with the national health system to testify.

Congress should consider all ramifications before we endorse national health insurance.

NEED TO SOLVE FUEL DISTRIBUTION PROBLEM BEFORE WINTER

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, at this very hour, the Governor of Wisconsin, Lee S. Dreyfus, is meeting with President Carter at the White House to discuss energy problems as seen from the perspective of the States. One of the subjects will be fuel oil.

For months, many Members of Congress, administration officials, and citizens across this country have expressed their concern over adequate fuel oil supplies for the coming winter.

Last May, the Department of Energy, in responding to these concerns, met with the 32 largest refiners in this country, requesting inventory and production plans.

Throughout the summer, we were assured that enduring long gasoline lines now we would alleviate a greater problem this winter. So we watched and searched for gas, with confidence that refineries were placing a necessary emphasis on production of fuel oil.

The administration has established a target of 240 million barrels of fuel oil by October 1. The distillate supply available to the Midwest region has fallen substantially behind the national average. Distillate stocks for the Midwest have declined to less than 80 percent of the inventories for the 1978–79 season.

Wisconsin, my home State, has inventories below the levels of last year at this time. As we watch the oil companies stockpile fuel oil to meet the national target level, we see a new problem of distributing the oil to the people.

In mid-August, dealers' home fuel oil fill was at only 48 percent of its traditional level. September deliveries are estimated to be at least 17 percent below last year. My friends, Wisconsin cannot wait until October 1 for its fuel oil.

Low delivery levels, reduced stocks, and below-normal homefill will present a major problem to my State if the early cold arrives coupled with the traditional harvest fuel demands.

People must now begin to realize that in DOE's rush to establish and meet target levels, they have ignored the important problem of distribution.

Although the Nation will have adequate stocks, the pipeline supply time and capacity levels will prevent the fuel oil from arriving at its destiny in time.

Estimates are that pipeline capacity from Chicago to Wisconsin are 7 days, and from the gulf coast are 30 days. Does anyone really expect our State to wait until November 1 to receive fuel oil released from the gulf coast on October 1?

Mr. Speaker, we have not solved the fuel oil crisis yet. It appears that a new and major chapter dealing with distribution is about to begin.

PERSUADE SENATE TO AMEND LANGUAGE OF CONSUMER CHECKING ACCOUNT EQUITY ACT ON NOW ACCOUNTS

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, we will soon have before us a vote on H.R. 4986, the Consumer Checking Account Equity Act of 1979. I have a reservation about the implementation of the NOW account provision in this bill. Many of us feel that the NOW account provisions should not be implemented until each State legislature has an opportunity to decide whether such accounts shall be allowed by State law. State governments in other words should have the opportunity to legislate on whether in that State NOW accounts should be permitted.

I have been assured by the chairman of the subcommittee, Mr. St Germain, that we will do what we can to encourage such language to be included in the Senate. We both agreed to try to persuade the Senate to alter the language so that it would be "State law permitting" as it relates to the NOW accounts.

Though I am sorry we are not able to modify the bill on the floor, I will vote for passage today because Mr. St Germain has been willing to try to achieve that legislative goal in the Senate.

☐ 1220

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Luken). Pursuant to clause 3, rule XXVII, the Chair will now put the question de novo on the motion on which further proceedings were postponed.

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4986, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. St Germain) that the House suspend the rules and pass the bill, H.R. 4986, as amended.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 39, answered "present" 5, not voting 23, as follows:

[Roll No. 454]

YEAS—367

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Chappell
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Peyser
Preyer
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Walgren
Walker
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—39

Abdnor
Annunzio
Ashbrook
Beard, Tenn.
Bedell
Brinkley
Brown, Ohio
Carr
Collins, Tex.
Fary
Hubbard
Hyde
Ichord
Jeffries
Johnson, Colo.
Kelly
Leath, Tex.
Long, La.
McClory
McDonald
McKay
Marlenee
Michel
Montgomery
Myers, Ind.
Natcher
Perkins
Pickle
Price
Roberts
Russo
Sebelius
Shumway
Simon
Snyder
Taylor
Volkmer
Whittaker
Whitten

ANSWERED "PRESENT"—5

Cleveland
O'Brien
Quillen
Skelton
Winn

NOT VOTING—23

Anderson, Ill.
Applegate
AuCoin
Beard, R.I.
Biaggi
Breaux
Carter
Cavanaugh
Cheney
Clay
Crane, Philip
Derwinski
Flood
Frenzel
Hollenbeck
Leach, Iowa
McCormack
Paul
Pepper
Rodino
Roybal
Wilson, Tex.
Young, Alaska

☐ 1230

The Clerk announced the following pairs:

Mr. McCormack with Mr. Anderson of Illinois.
Mr. Pepper with Mr. Hollenbeck.
Mr. Rodino with Mr. Leach of Iowa.
Mr. Breaux with Mr. Paul.
Mr. Biaggi with Mr. Young of Alaska.
Mr. Applegate with Mr. Derwinski.
Mr. AuCoin with Mr. Philip M. Crane.
Mr. Beard of Rhode Island with Mr. Cheney.
Mr. Cavanaugh with Mr. Carter.
Mr. Clay with Mr. Frenzel.
Mr. Charles Wilson of Texas with Mr. Roybal.

Messrs. MARTIN, BADHAM, and LEWIS changed their votes from "nay" to "yea."

Mr. O'BRIEN and Mr. SKELTON changed their votes from "yea" to "present."

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

☐ 1240

TITLE AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Speaker, I offer an amendment to the title of H.R. 4986, the bill just passed.

The Clerk read as follows:

Title amendment offered by Mr. St Germain: Amend the title so as to read: "A bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.".

The SPEAKER pro tempore. The question is on the title amendment offered by the gentleman from Rhode Island (Mr. St Germain).

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CLARIFICATION REGARDING NOW ACCOUNTS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I take this time to propound a question of clarification on the bill just passed to the chairman of the subcommittee.

As a member of the committee who has actively followed the progress of NOW accounts since their introduction in 1972, I would like to commend the gentleman from Rhode Island for his leadership in bringing this broadly based legislation to passage.

I would like to ask, is it the understanding of the chairman that these new instruments designed to improve banking services will be accorded equal treatment by the Federal Reserve so as to permit them to compete fairly with the more traditional third-party payment instruments such as checks?

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield to the chairman.

Mr. ST GERMAIN. I thank the gentleman for raising this important point. I assure the gentleman we do not intend to create two categories of transaction accounts. The Federal Reserve is currently processing checks, NOW's, share drafts and in-NOW's on the same terms and this legislation is premised on the assumption that this will continue to be the case.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I appreciate the gentleman's comments and concur completely in the view that the general business practice rather than legal terminology should be the criteria for processing payment instruments through the Federal Reserve System.

Mr. Speaker, I yield back the balance of my time.

PERSONAL EXPLANATION

Mr. CAVANAUGH. Mr. Speaker, I was present in the Chamber during the last vote and inadvertently did not have my vote recorded.

I would like the record to reflect I was present and would have voted "aye" had my vote been recorded.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Bingham).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4034, with Mr. Seiberling in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 23, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT ADMINISTRATION

SHORT TITLE

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time for the purpose of asking the manager of the bill questions about the developments that have occurred in this legislation.

First, may I point out to the gentleman and the Members of the House that this bill is an extremely complicated measure dealing with extremely difficult and complicated subjects. If there is any Member of this body who does not believe the statement I have just made, I ask you to pick up a copy of H.R. 4034 and, particularly, if you have not been dealing with the subjects covered by this bill on a day in and day out basis or if you have not made a special attempt to understand the provisions of this bill, I defy any Member of this body to read the sections and tell me just exactly what the bill does.

Mr. Chairman, this is an export control bill. It is not a trade bill, although it certainly affects trade.

It is export control for three purposes.

First, it deals with control of items in short supply. In other words, to protect the domestic economy.

Second, Mr. Chairman, it deals with export controls for the purpose of effecting foreign policy.

Third, Mr. Chairman, and the one about which I am greatly concerned, it deals with export controls for the purpose of protecting the national security of the United States.

Mr. Chairman, this bill has been reported from the Committee on Foreign Affairs. It covers these three subjects. I would point out it is the latter, the control over the national security, where the Committee on Armed Services also retains jurisdiction. It is the House Committee on Armed Services that has the expertise and has the staff that has the expertise in matters affecting the national security of this country. Not the House Committee on Foreign Affairs.

□ 1250

I will agree that the House Committee on Foreign Affairs are the experts on controls to effect our foreign policy.

I would point out that this measure could very well involve the most important national security votes that the Members are going to cast this year. Why do I say that? Because of what has happened in recent years to the national security of this country.

Let me remind the Members of the House that in the field of strategic warfare we have gone from a position of nuclear monopoly in the 1950's, to a position of overwhelming superiority in the 1960's, to a position of essential equivalence today, whatever that means.

In the field of conventional warfare, the Members are acquainted with the numbers. They are horrifying.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. In the field of conventional military capability, the figures are horrifying, I say to the Members of the House; 7 to 1 in the case of tanks, 4 to 1 in the case of artillery pieces, 4 to 1 in the case of aircraft, 50 to 1 in the case of chemical warfare capability.

The only lead that we have over the Soviet Union today, our potential adversary, is in the field of technology. That is what we are dealing with today, technology, dual technology which has a military application as well as a commercial application. This bill is the result of several measures that were introduced dealing with controls for the purpose of items in short supply, items affecting foreign policy, items affecting national security.

One of those bills, H.R. 3216, was referred jointly to the Committee on House Armed Services and the Committee on Foreign Affairs. H.R. 4034 comes before this body under very unusual circumstances. All bills were referred to the subcommittee of the gentleman from New York (Mr. Bingham). The gentleman reported out one measure to the full committee. The full committee started work on the bill and dropped that and reported out H.R. 4034.

Now, H.R. 3216 dealt only with controls for national security purposes. I would state to the gentleman from New York that I am very much concerned that this bill covers so much, export controls for the purpose of protecting the domestic economy, and that is a broad complicated subject within itself; export controls for the purpose of affecting foreign policy is another broad subject. Export controls for the purpose of protecting the national security is another complicated subject and which is in the expertise of the Committee on Armed Services.

The gentleman from New York (Mr. Wolff) was the author, the principal author of H.R. 3216. The gentleman has been very instrumental in attaching amendments to this bill in the interest of national security.

I would like to ask the gentleman from New York (Mr. Bingham). I am quite concerned about the elimination of the reexport provisions on page 20 of the bill. This would permit a company within the United States, once it has exported technology to its foreign subsidiary to forget about any U.S. controls. If the foreign country had little or no controls, the technology could easily be transferred to our potential adversaries.

It is my understanding that the gentleman from New York (Mr. Bingham) has agreed with the gentleman from New York (Mr. Wolff) to accept the gentleman's amendment eliminating subsection (3) on page 20; is that correct?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I will have a colloquy with the gentleman from New York (Mr. Wolff) when the gentleman offers that amendment. I do expect to express my opinion, but that amendment is one I have no objection to.

I think there should be some discussion of it at the time so that we have some legislative record; but I think it would be appropriate that that discussion take place when the amendment is offered.

Mr. ICHORD. Then I am very happy that the gentleman is accepting the amendment of the gentleman from New York.

Let me ask the gentleman from New York a question about indexing. I am very much concerned about that and I know the gentleman from New York (Mr. Wolff) is concerned about it. Have the gentlemen worked out an agreement, will the gentleman from New York (Mr. Wolff) offer such an amendment, and will the gentleman from New York (Mr. Bingham) accept such an amendment eliminating indexing?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield again, it is my understanding that the gentleman from Missouri (Mr. Ichord) will offer the amendment on indexing and I shall be constrained to oppose that amendment.

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from New York (Mr. Bingham) that I held extensive hearings, as I stated, on H.R. 3216. We also discussed the provisions of this measure, H.R. 4034. I could not find a witness coming before the committee who was able to explain to me just what is meant by the language that is used in the indexing provision. All of the members of my staff, who are experts, technological experts, have been unable to explain to me what is meant by this language.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has again expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, and I shall not object, but I must say, I find this unusual procedure. The normal procedure is to go ahead and read the bill and discuss the amendments as they come up.

The gentleman from Missouri is asking me a number of questions. I am not holding back anything, but it seems to me we will have to go over this again when the amendment is raised, so why try to do it now in advance?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri (Mr. Ichord) to proceed for 3 additional minutes?

There was no objection.

Mr. ICHORD. Mr. Chairman, this bill, I would state to the gentleman from New York, deals with the national security of the United States, and as I stated before, I think we are going to cast some of the most important votes that we are going to cast this year on national security.

The gentleman from New York has worked out several agreements with the gentleman from New York (Mr. Wolff). I want to make sure just what has been worked out so I can understand the provisions of this bill, because there is a lot of vagueness, there are a lot of ambiguities.

Let me point this out to the gentleman from New York. Here is the way the matter of indexing has been explained. I do not know what we mean by "indexing."

Your committee report states as follows: "In subsection (g), it provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods or technology subject to licensing requirements under this section, in order that such requirements may be periodically removed as such goods or technology become obsolete."

This provision is particularly applicable to computers. How is it applicable to computers?

I direct the attention of the members of the committee to the language on page 16 and tell me what it means. I ask the gentleman from New York to tell me what it means.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, I still do not understand why we discuss this now, rather than at the time when the gentleman presents his amendment; but let me give the gentleman a quick answer.

As the gentleman knows, technology is not something static. It changes constantly with advances in technology, and as it changes, items which have been critical, which have been closely held, become common knowledge and no longer can be regarded as critical.

Mr. ICHORD. Why is it particularly applicable to computers, though?

Mr. BINGHAM. Because computers are particularly susceptible to this type of advance. We have heard of generations of computers. There are generations of computers, and what a few years ago was an advanced computer, today is a very common computer. You can buy them in any retail store.

Mr. ICHORD. Does the gentleman mean to sit down and tell me that the 76 Siber computer will be obsolete technology 2 or 3 years from now, or 3 years from now?

Mr. BINGHAM. No; there was never any question, at least not so far as we know, that that particular computer should be licensed.

Mr. ICHORD. Mr. Chairman, I yield back the balance of my time, but I hope the gentleman can explain this language when we are actually debating the indexing amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Section 101. This title may be cited as the "Export Administration Act Amendments of 1979".

FINDINGS

Sec. 102. Section 2 of the Export Administration Act of 1969 (50 U.S.C. App. 2401) is amended to read as follows:

"FINDINGS

"Sec. 2. The Congress makes the following findings:

"(1) Exports are important to the economic well-being of the United States.

"(2) A large United States trade deficit weakens the value of the United States dollar, intensifies inflationary pressures in the domestic economy, and heightens instability in the world economy.

"(3) Poor export performance is an important factor contributing to a United States trade deficit.

"(4) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, which would strengthen the Nation's economy.

"(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

"(6) The uncertainty of policy toward certain categories of exports has curtailed the efforts of American business in those categories to the detriment of the overall attempt to improve the trade balance of the United States.

"(7) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

"(8) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

"(9) The export of goods or technology without regard to whether such export makes a significant contribution to the military potential of individual countries may adversely affect the national security of the United States.

"(10) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States.".

☐ 1300

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 102 of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. In there objection to the request of the gentleman from New York?

Mr. ICHORD. Mr. Chairman, reserving the right to object, as I explained a while ago, controls for national security purposes comes under the joint jurisdiction of the Committee on Foreign Affairs and the Committee on Armed Services.

Now, this is an open rule. I have at least two amendments, perhaps three amendments, I would state to the gentleman from New York (Mr. BINGHAM), that I will offer on behalf of the Committee on Armed Services. They are not my amendments alone. They were approved unanimously by the Subcommittee on Research and Development.

I do not want to delay the consideration of this bill. I certainly do not want to inconvenience the gentleman from New York (Mr. WOLFF), who I know has several amendments to offer to this bill and who has recently been involved in an automobile accident, but I do want to make sure that I am able to be recognized to offer an amendment, particularly the one dealing with the transfer of critical military technology, which I consider a very important amendment.

Mr. Chairman, can the gentleman from New York (Mr. BINGHAM) assure me that I will be recognized without any limitations on time?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, so far as it is within the power of this Member to give the gentleman that assurance, I am glad to give him that assurance. The gentleman's amendments come under section 104, which is a very long section running from page 6 to page 40 in the bill.

Of course, the members of the Committee on Foreign Affairs will have priority, and primarily that means the gentleman from New York (Mr. WOLFF) and I believe possibly the gentleman from California (Mr. LAGOMARSINO). Other than that, I know of no reason why the gentleman should not be recognized for that purpose in about 20 minutes or a half hour from now.

Mr. ICHORD. Twenty minutes or a half hour from now. How many amendments do we have pending now? Does the gentleman anticipate a long period of time on those amendments?

Mr. BINGHAM. No, I do not, because on some of the amendments the gentleman from New York (Mr. WOLFF) has to offer there will be no disagreement. There are amendments to sections 102 and 103, some of which are unfamiliar to me, and so I cannot give the gentleman a definite answer. But the amendments of the gentleman from Missouri (Mr. ICHORD) do not arise until section 104.

Mr. ICHORD. Mr. Chairman, the gentleman from New York (Mr. BINGHAM) is the manager of the bill, and I am sure the chairman of the committee will acquiesce in the wishes of the manager. Therefore, I will not object.

With that understanding, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. BINGHAM)?

There was no objection.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 4, line 7, delete the quotation mark and period at the end thereof and insert the following new paragraph thereafter:

"(11) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to achievement of a positive balance of payments, to reducing the level of federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.".

Mr. GLICKMAN. Mr. Chairman, basically this is a fairly simple amendment. It just adds a new finding to the bill which basically provides some additional support for agricultural exports and again creates the burden of proof to see to it that these agricultural exports should proceed forthwith. I think they generally are proceeding in a positive fashion, but I just want to make sure this language does appear in the bill.

So Mr. Chairman, I do offer this amendment at this time.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I would like to commend the gentleman from Kansas (Mr. GLICKMAN) on offering this amendment and providing us with this whole line of thinking.

I think so often we overlook the fact that were it not for the tremendous export capability of this country, our balance-of-payments problem would be probably even much worse than it is. We should keep reminding ourselves and our fellow citizens of the importance of agricultural exports, and I compliment the gentleman for offering this amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Missouri (Mr. SKELTON) for his remarks.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am glad to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I have had occasion to examine the gentleman's amendment, and as far as I am concerned, we have no objection to it on this side.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I have also examined the gentleman's amendment, and I have no objection to it. I support it. It is certainly consistent with what we are trying to do in the bill, especially with regard to foreign policy considerations.

I accept the amendment for this side.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to commend the gentleman from Kansas (Mr. GLICKMAN) for this amendment, which I strongly support. The gentleman from Kansas and I have discussed the amendment. I give him my wholehearted support and compliment him for offering the amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Washington (Mr. FOLEY) and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 102?

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I have an amendment at the desk which amends various sections and various titles throughout the bill. It simply removes or strikes the word, "significant," throughout all those sections, and I ask unanimous consent that these amendments be considered en bloc at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, I have not had a chance to examine the gentleman's amendment. I do not know its significance or the implications of making this change throughout the bill, and under those circumstances I am constrained to object.

I think the gentleman from New York (Mr. SOLOMON) should offer the amendments section by section. I must take that position at this time.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York (Mr. BINGHAM) continue to reserve his right to object?

Mr. BINGHAM. I continue to reserve my right to object, Mr. Chairman.

Mr. SOLOMON. Mr. Chairman, will the gentleman from New York (Mr. BINGHAM) yield to me?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I will state to the gentleman from New York (Mr. BINGHAM), for whom I have high respect and who certainly is very familiar with the bill, that the word "significant" appears throughout the existing law in this legislation, and if the gentleman from New York will read the first amendment referring to page 3, line 20, the amendment simply repeats these words throughout the entire bill, so it is very easy to understand.

It simply says that what we are doing is changing the phrase which says, "which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States of America." We simply change that phrase throughout the entire bill by removing the word "significant."

Mr. Chairman, I would like the opportunity to explain the amendment in that context.

Mr. BINGHAM. I must maintain my objection, Mr. Chairman. I think that the matter is not as simple as my colleague, the gentleman from New York (Mr. SOLOMON) has suggested, so I object to the unanimous-consent request.

The CHAIRMAN. Does the gentleman assert his objection?

Mr. BINGHAM. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Does the gentleman from New York (Mr. SOLOMON) offer an amendment?

Mr. SOLOMON. Yes, I do, Mr. Chairman.

Mr. Chairman, I would restructure my amendment to state: On page 3, line 20, strike the word, "significant," and so forth.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: On page 3, line 20; page 4, line 4; page 4, line 14; strike the word "significant" wherever it appears.

Mr. SOLOMON. Mr. Chairman, one of the loopholes in our policy as it now stands which jeopardizes U.S. security is the word, "significant," which appears throughout this bill.

Under the legislation, the Secretary of Commerce is required to restrict sales "which would make a significant"—and I repeat, "significant"—"contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States." I think this is what the genleman from Missouri (Mr. ICHORD) was dwelling on when he spoke previously.

□ 1310

I think this is what the gentleman from Missouri was dwelling on when he previously spoke. It is precisely the Department of Commerce that has nullified the intent of this legislation by continuing to objectively interpret militarily important matters as insignificant.

I would bring to the attention of the Members an internal Carter administration memorandum concerning a computer sale to the Soviet Zil truck plant, which states that a quarter of the 200,000 trucks that Zil produces annually goes to the military, including 100,000 missile launchers. Nonetheless, State and Commerce both support approval, on the grounds that we have already licensed exports for this plant, that the military trucks are basically like civilian trucks anyway, and that 100,000 missile launchers out of a 200,000-vehicle annual production is small. That is according to Juanita Kreps. Two hundred thousand annual production is small? Missile launchers? What kind of rationale is that? At a time when Communist influence is spreading across the globe, at such a time our leadership should be concerned with our own security instead of exempting military equipment in such an offhand manner.

We must tighten this legislation for our own protection and safety.

I see nothing wrong with removing the word "significant" throughout this bill, but, in particular, out of this one section. I think it would clarify the intent of the legislation, which I am sure the gentleman from New York, the gentleman from Missouri, and most Members of this House would support.

I urge support of the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, as I stated before, this is an extremely complicated bill. I do not know whether the removal of the word "significant" would really accomplish anything or not, and I am afraid that it might prohibit the export of any item. What I am concerned about, I would say to the gentleman, is the export of critical military technology. "Significant" as used in the present legislation has always been used. There is some ambiguous language, I would state to the gentleman from New York, where you interchange "major" with "significant." But I see nothing wrong with "significant," as such. I do not quite understand what the gentleman is driving at.

Mr. SOLOMON. If the gentleman would just read that language, I think that one of the problems we have is the fact that the Secretary of Commerce, Juanita Kreps, has been interpreting too many things as not being significant.

I cited the example of 100,000 missile launchers being produced in the Kama River plant.

Mr. ICHORD. I agree with the gentleman on that case. But I wonder whether or not you might with the elimination of the word "significant" prohibit the export of practically every item.

Mr. SOLOMON. If the gentleman will just read the language, it says "* * * which could make * * *"—we strike the word "significant" right there—"* * * which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States."

If it is not going to be detrimental to national security, if we are selling them oil, for instance, or we are selling them other items, which is not going to prove detrimental to the national security of this country, then I do not see where we have a problem; but we do have a problem by leaving the word "significant" in there, because we leave it up to Juanita Kreps to interpret.

Mr. ICHORD. If the gentleman will yield, I do not know whether you could actually administer the law if significant is removed.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think the point of the gentleman from Missouri is a very valid one. I think what the gentleman seeks to achieve is something that we have sought to achieve in the entire bill of separating out what is significant and what is critical. If we dilute that in each particular case, we will dilute the significance of what we are trying to achieve in setting up a critical technology list.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment for the reasons suggested by the gentleman from Missouri and my colleague, the gentleman from New York.

I believe that to eliminate the word "significant" would create a great deal of confusion and probably exacerbate the problems of administration which this program has been bedeviled with. As we know, there are great delays in the consideration of licenses. If we eliminate the word "significant" and decide that the purpose is to consider any contribution to military potential whatever, no matter how miniscule, this is going to add enormously to the licensing burden. We are all agreed, those of us who have studied this legislation and have had hearings, that there is a lot of unnecessary paper work that goes on. We want to concentrate, as the gentleman from Missouri (Mr. ICHORD) has said, on militarily critical technologies.

Let me point out further that this word "significant" has been in the Export Administration Act since 1969 and was retained when this legislation was extended in 1974 and 1977. Incidentally, the reference that the gentleman from Missouri has made to the enormous scope of this legislation surprises me a little bit, because the scope is no different from the scope of the legislation when it was extended in 1974 and again in 1977.

So for these reasons I hope that the gentleman's amendment will be omitted. It was not something that we considered in committee. We had long hearings on this, both in subcommittee and full committee. It is something that comes to my attention today for the first time, and I think for the reasons that have been suggested, the amendment should be voted down.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think what the gentleman seeks to achieve is, again, what we had hoped to achieve in committee. One aspect of this is that if you clutter the process with all of the various elements that are involved in trying to make a determination, as the gentleman would have us make, then we will never get to the point of really safeguarding the critical technology that we want to protect. Right now one of the most important problems faced by industry is the fact that we are so far behind with the granting of licenses that we are not able to devote sufficient time to protect those critical areas that we need to protect.

Mr. BINGHAM. I thank the gentleman for his contribution.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I share the concern of the gentleman from New York who has offered this amendment, but, like the gentleman from Missouri and the gentleman from New York, I am afraid that this amendment goes in exactly the wrong direction.

It is vitally necessary that we adopt some legislation, because to fail to do so means there are no controls, which would be an infinitely worse situation than even the passage of this bill in its present form would be to the people who are concerned about some of its provisions.

There is no one, with the exception, perhaps, of the gentleman from Missouri and the gentleman from New York (Mr. WOLFF), who tried harder to tighten this bill up in the subcommittee and in the full committee than I did. I offered some 25 amendments. Some were adopted and others were not. Others were adopted in the full committee by other members of that committee. But it does seem to me that if we take out "significant," particularly in this subsection, that what we are saying is that there can be no export to Communist countries at all, because I think you can make a very good argument that when we export wheat, for example, to Russia we certainly free them up from spending the kind of resources in the growing of wheat that they would have to do otherwise, and that extra effort can go into munitions and technology, and so on. So unless we are prepared—and I certainly am not—to say we shall not export anything to any Communist country, I think we had better turn this amendment down, and we had better pay very close attention to the amendments that will be offered by the gentleman from New York (Mr. WOLFF) and the gentleman from Missouri (Mr. ICHORD). I will be supporting some of those amendments, as I did in committee. I think we ought to zero in on issues of importance and concern, those things that we can do something about and those things that we can control.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 102? If not, the Clerk will read.

The Clerk read as follows:

POLICY

SEC. 103. (a) Section 3 of the Export Administration Act of 1969 (50 U.S.C. App. 2402) is amended by amending paragraph (2) to read as follows:

"(2) It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States; (B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; and (C) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.".

(b) Such section is further amended—

(1) in paragraph (5) by striking out "articles, materials, supplies, or information" and inserting in lieu thereof "goods, technology, or other information";

(2) in paragraph (6) by striking out "articles, materials, or supplies, including technical data or other information," and inserting in lieu thereof "goods, technology, or other information"; and

(3) by adding at the end thereof the following new paragraphs:

"(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribtuion to the military potential of any country or combination of countries, which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.

"(10) It is the policy of the United States that export trade by United States citizens be given a high priority and not be controlled except when such controls (A) are essential to achieve fundamental national security, foreign policy, or short supply objectives, (B) will clearly achieve such objectives, and (C) are administered consistent with basic standards of due process. It is also the policy of the United States that such controls shall not be retained unless their efficacy is annually established in detailed reports available to both the Congress and to the public, to the maximum extent consistent with the national security and foreign policy of the United States.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 103 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 4, line 20, immediately after "responsibilities" insert ", including to restrict exports to countries which violate the principles of the Monroe Doctrine".

□ 1320

Mr. PEYSER. Mr. Chairman, it is seldom that the House has an opportunity at the time of particular crisis to really reflect and to express an opinion to the President as to how we feel on a specific issue.

At this time, as we all know, the Secretary of State and the President are engaged in efforts to resolve the issue of the Russian troops that are in Cuba today.

What this amendment does, is state that the President, knowing the will of the Congress, would have the right of restricting any trade to the Russians unless a solution is reached on the Russian troops who are presently located in Cuba.

I believe that the Soviets should have to choose between millions of bushels of wheat or the removal of their troops from the Western Hemisphere.

I would also like to suggest that this is a way of saying to the President, that we do not think the Senate should be placed in a position that they are trading off a SALT II agreement in order to get troops out of Cuba. The SALT II agreement has either got to stand or fall on its own and not be an item of trade-offs.

If there are any trade-offs that should be made, let us make them in trade. Let us find out what really is important to the Russians, and let us accept this amendment by overwhelmingly indicating that we simply are giving the authority to the President, letting the President know that the Congress feels that they too are deeply concerned over the Russians being in Cuba today. We want them out.

We want to give him this authorization, which he may use in his negotiations with the Russians, who are located in Cuba today, and with the Russian Government.

Mr. Chairman, this is a simple amendment. It does not dictate anything, but it simply provides an opportunity for the Congress to express its point of view on this issue.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to ask the gentleman a question. Is it his view that at this time, so long as the Soviets maintain these troops in Cuba, that we should stop all exports to the Soviet Union?

Mr. PEYSER. Not at all, nor does this amendment do that. This amendment merely authorizes the President and states that he has the right, and it is the feeling of the House and letting him know how we voted on this, that we are concerned, if that is the way the House feels, with these Russian troops there; and he ought to have the right of using trade to terminate the arrangement.

Mr. BINGHAM. If the gentleman will yield further, I think this amendment goes much further than that.

This amendment occurs in a section which says:

It is the policy of the United States to use export controls to the extent necessary . . .

Then we go down to:

(b) to the extent necessary to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; including to restrict exports to countries which violate the principles of the Monroe Doctrine.

From what the gentleman has said, it seems to me that he does mean to refer there to the Soviet Union in connection with its maintenance of troops in Cuba. Therefore this, as I read it, would be a statement of policy that all exports to the Soviet Union should be stopped until those troops are withdrawn.

Mr. PEYSER. I appreciate the gentleman's comments. I think, in reading the bill, and I listened to him read it, it says, "where necessary," where the President deems it necessary, and it is true. Even though the amendment does not say the Soviet Union, I am speaking to the situation in Cuba, without question, but it is only where necessary. It does not dictate and say that the country cannot continue trade with the Soviets. It simply says that we are in a position, and we are letting the Congress speak out on an issue that I think we can easily speak out on here and express the concern that the people—certainly my constituents—have expressed that we do something and we let them know we are concerned. That is the reason.

The CHAIRMAN. The time of the gentleman from New York (Mr. Peyser) has expired.

(At the request of Mr. Bingham and by unanimous consent, Mr. Peyser was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman.

Mr. BINGHAM. I think that matter of interpretation is very important. I take his word that is what he means. I take it all he is saying is that in a situation of this kind, the President should consider the possibility of foreign policy controls on exports as one method of pursuing an objective. Is that so?

Mr. PEYSER. I would agree with the gentleman.

Mr. BINGHAM. On the basis of that interpretation, I have no objection to the amendment.

Mr. PEYSER. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I think perhaps the gentleman's amendment could be a little more artfully drawn, although as I sit here I am not able to do that.

As I understand it, there is not a similar provision in the Senate bill, so we will have that opportunity in conference.

I think what the gentleman is saying and the way he is explaining his amendment is very clear that this would only be an added tool for the President in determining whether or not to apply foreign policy controls.

Mr. PEYSER. That is correct.

Mr. LAGOMARSINO. With that understanding, I support the amendment.

Mr. PEYSER. I thank the gentleman.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Peyser).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Glickman: On page 6, line 4, delete the quotation mark and following period at the end thereof, and insert the following new paragraph thereafter:

"(11) It is the policy of the United States to minimize restrictions on the export of agricultural commodities and products.".

Mr. GLICKMAN. Mr. Chairman, this is an attempt to conform language I earlier offered and the House accepted in the findings section into the policy section, and basically I think it does put into statutory language what is already existing law, that the United States should try to minimize to the extent feasible restrictions on the export of agriculture commodities and products.

I did utilize the word "minimize" at the suggestion of the gentleman from California (Mr. Lagomarsino).

I would ask for the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I certainly believe this is the purpose of the bill, and if this adds to making that clear, I am in favor of the amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I support the gentleman's amendment. Hopefully, the committee will adopt it.

Mr. GLICKMAN. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. Glickman).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 103?

If not, the Clerk will read.

The Clerk read as follows:

EXPORT LICENSES; TYPES OF CONTROLS

Sec. 104 (a) The Export Administration Act of 1969 is amended—

(1) by redesignating section 4 as section 7;

(2) by repealing sections 5 and 9;

(3) by redesignating sections 6, 7, 8, 10, 11, 12, 13, 14, and 15 as sections 11, 12, 13, 14, 16, 17, 18, 19, and 20, respectively; and

(4) by redesignating sections 4A and 4B as sections 8 and 9, respectively.

(b) The Export Administration Act of 1969 is amended by adding after section 3 the following new sections:

"EXPORT LICENSES; COMMODITY CONTROL LIST; LIMITATION ON CONTROLLING EXPORTS

"Sec. 4. (a) Types of Licenses.—The Secretary may, in accordance with the provisions of this Act, issue any of the following export licenses:

"(1) A validated license, which shall be a document issued pursuant to an application by an exporter authorizing a specific export or, under procedures established by the Secretary, a group of exports, to any destination.

"(2) A qualified general license, which shall be a document issued pursuant to an application by the exporter authorizing the export of any destination, without specific application by the exporter for each such export, of a category of goods or technology, under such conditions as may be imposed by the Secretary.

"(3) A general license, which shall be a standing authorization to export, without application by the exporter, a category of goods or technology, subject to such conditions as may be set forth in the license.

"(4) Such other licenses, consistent with this subsection and this Act, as the Secretary considers necessary for the effective and efficient implementation of this Act.

"(b) Commodity Control List.—The Secretary shall establish and maintain a list (hereinafter in this Act referred to as the 'commodity control list') consisting of any goods or technology subject to export controls under this Act.

"(c) Right of Export.—No authority or permission to export may be required under this Act, or under any rules or regulations issued under this Act, except to carry out the policies set forth in section 3 of this Act.

"NATIONAL SECURITY CONTROLS

"Sec. 5. (a) Authority.—(1) In order to carry out the policy set forth in section 3(2) (A) of this Act, the President may, in accordance with the provisions of this section, prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. The authority contained in this subsection shall be exercised by the Secretary, in consultation with the Secretary of Defense, and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses described in section 4(a) of this Act.

"(2) (A) Whenever the Secretary makes any revision with respect to any goods or technology, or with respect to the countries or destinations, affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision and shall specify in such notice that the revision relates to controls imposed under the authority contained in this section.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this section.

"(b) Policy Toward Individual Countries.—In administering export controls under this section, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status, but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may consider appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of factors specified in the preceding sentence.

"(c) Control List.—(1) The Secretary shall establish and maintain, as part of the commodity control list, a list of all goods and technology subject to export controls under this section. Such goods and technology shall be clearly identified as being subject to controls under this section.

"(2) The Secretary of Defense and other appropriate departments and agencies shall identify goods and technology for inclusion on the list referred to in paragraph (1). Those items which the Secretary and the Secretary of Defense concur shall be subject to export controls under this section shall comprise such list. If the Secretary and the Secretary of Defense are unable to concur on such items, the matter shall be referred to the President for resolution.

"(3) The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2) (A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments with or without oral presentation. Such regulations shall further provide that, as part of such review, an assessment be made of the availability from sources outside the United States of goods and technology comparable to those controlled for export from the United States under this section.

"(d) Military Critical Technologies.—

(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how;

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance operation, or maintenance know-how, which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

"(3) The list referred to in paragraph (2) shall—

"(A) be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

"(B) provide for the removal of export controls under this section from goods the export of which would not transfer military critical technology to countries to which exports are controlled under this section, except for goods with intrinsic military utility.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

"(e) EXPORT LICENSES.—(1) The Congress finds that the effectiveness and efficiency of the process of making export licensing determinations under this section is severely hampered by the large volume of validated export license applications required to be submitted under this act. Accordingly, it is the intent of Congress in this subsection to encourage the use of a qualified general license, in lieu of a validated license, to the maximum extent practicable, consistent with the national security of the United States.

"(2) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a validated license under this section for the export of goods or technology only if—

"(A) the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, under the terms of such multilateral agreement, such export requires the specific approval of the parties to such multilateral agreement;

"(B) with respect to such goods or technology, other nations do not possess capabilities comparable to those possessed by the United States; or

"(C) the United States is seeking the agreement of other suppliers to apply comparable controls to such goods or technology and, in the judgment of the Secretary, United States export controls on such goods or technology, by means of such license, are necessary pending the conclusion of such agreement.

"(3) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a qualified general license, in lieu of a validated license, under this section for the export of goods or technology if the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party, but such export does not require the specific approval of the parties to such multilateral agreement.

"(f) FOREIGN AVAILABILITY.—(1) The Secretary, in consultation with appropriate Government agencies and with appropriate technical advisory committees established pursuant to subsection (h) of this section, shall review, on a continuing basis, the availability, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, of any goods or technology the export of which requires a validated license under this section. In any case in which the Secretary determines, in accordance with procedures and criteria which the Secretary shall by regulation establish, that any such goods or technology are available in fact to such destinations from such sources in sufficient quantity and of sufficient quality so that the requirement of a validated license for the export of such goods or technology is or would be ineffective in achieving the purpose set forth in subsection (a) of this section, the Secretary may not, after the determination is made, require a validated license for the export of such goods or technology during the period of such foreign availability, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(2) The Secretary shall approve any application for a validated license which is required under this section for the export of any goods or technology to a particular country and which meets all other requirements for such an application, if the Secretary determines that such goods or technology will, if the license is denied, be available in fact to such country from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that denial of the license would be ineffective in achieving the purpose set forth in subsection (a) of this section, subject to the exception set forth in paragraph (1) of this subsection. In any case in which the Secretary makes a determination of foreign availability under this paragraph with respect to any goods or technology, the Secretary shall determine whether a determination under paragraph (1) with respect to such goods or technology is warranted.

"(3) Whenever the Secretary of State, in consultation with the Secretary, has reason to believe that the availability of any goods or technology from sources outside the United States can be prevented or eliminated by means of negotiations with other countries, the Secretary of State shall undertake such negotiations. The Secretary shall not make any determination under this subsection with respect to such goods or technology until the Secretary of State has had a reasonable amount of time to conclude such negotiations.

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section. The Secretary shall include a detailed statement with respect to actions taken in compliance with the provisions of this paragraph in each report to the Congress made pursuant to section 14 of this Act.

"(g) INDEXING.—In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (c) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other Government agency objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list.

"(h) TECHNICAL ADVISORY COMMITTEES.—(1) Upon written request by representatives of a substantial segment of any industry which produces any goods or technology subject to export controls under subsection (a) or being considered for such controls because of their significance to the national security of the United States, the Secretary shall appoint a technical advisory committee for any such goods or technology which the Secretary determines are difficult to evaluate because of questions concerning technical matters, worldwide availability, and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State and, in the discretion of the Secretary, other Government departments and agencies. No person serving on any such committee who is a representative of industry shall serve on such committee for more than four consecutive years.

"(2) Technical advisory committees established under paragraph (1) shall advise and assist the Secretary, the Secretary of Defense, and any other department, agency, or official of the Government of the United States to which the President delegates authority under this Act, with respect to actions designed to carry out the policy set forth in section 3(2)(A) of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates, including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary or the Secretary of Defense from consulting, at any time, with any person representing industry or the general public, regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary, to present evidence to such committees.

"(3) To facilitate the work of the technical advisory committees, the Secretary, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the goods or technology with respect to which that committee furnishes advice.

"(4) Whenever a technical advisory committee certifies to the Secretary that goods or technology with respect to which such committee was appointed have become available in fact, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that requiring a validated license for the export of such goods or technology would be ineffective in achieving the purpose set forth in subsection (a), and provides adequate documentation for such certification, in accordance with the procedures established pursuant to subsection (f) (1) of this section, the Secretary shall take steps to verify such availability, and upon such verification shall remove the requirement of a validated license for the export of the goods or technology, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(i) Multilateral Export Controls.—(1) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee of the Consultative Group (hereinafter in this subsection referred to as the 'Committee') with a view toward accomplishing the following objectives:

"(A) Agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such agreement, and all changes thereto.

"(B) Agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of discussing export control policy issues and issuing policy guidance to the Committee.

"(C) Agreement to reduce the scope of the export controls imposed by agreement of the Committee to a level acceptable to and enforceable by all governments participating in the Committee.

"(D) Agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

"(2) The President shall include, in each annual report required by section 14 of this Act, a detailed report on the progress of the negotiations required by paragraph (1), until such negotiations are concluded.

"(3) In any case in which goods or technology controlled for export by agreement of the Committee are exported from the United States to countries which participate in the Committee, no condition shall be imposed by the United States with respect to the further export of such goods or technology from such countries.

"(j) Commercial Agreements With Certain Countries.—(1) Any United States person who, for commercial purposes, enters into any agreement with any agency of the government of a country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement (to which the United States and such country are parties) calling for the encouragement of technical cooperation, and which agreement is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary.

"(2) The provisions of paragraph (1) shall not apply to colleges, universities, or other educational institutions.

"(k) Negotiations With Other Countries.—The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for conducting negotiations with other countries regarding their cooperation in restricting the export of goods and technology in order to carry out the policy set forth in section 3(9) of this Act, as authorized by subsection (a) of this section, including negotiations with respect to which goods and technology should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

"FOREIGN POLICY CONTROLS

"Sec. 6. (a) Authority.—(1) In order to effectuate the policy set forth in paragraph (2) (B), (7), or (8) of section 3 of this Act, the President may prohibit or curtail the exportation of any goods, technology, or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, to the extent necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities. The authority granted by this subsection shall be exercised by the Secretary, in consultation with the Secretary of State and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses issued by the Secretary.

"(2) (A) Whenever the Secretary makes any revision with respect to any goods, technology, or other information, or with respect to the countries or destination affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision, and shall specify in the notice that the revision relates to control imposed under the authority contained in this subsection.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this subsection, and the reasons for such denial, with reference to the criteria set forth in subsection (b) of this section.

"(3) In accordance with the provisions of section 10 of this Act, the Secretary of State shall have the right to review any export license application under this section that the Secretary requests to review, and to appeal to the President any decision of the Secretary with respect to such license application.

"(b) Criteria.—In determining whether to impose export controls under this section, the President, acting through the Secretary and the Secretary of State, shall consider—

"(1) the likely effectiveness of the proposed controls in achieving their purpose, including the availability from other countries of any goods or technology comparable to goods or technology proposed for export controls under this section;

"(2) the compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall United States policy toward the country which is the proposed target of the controls;

"(3) the likely effects of the proposed controls on the export performance of the United States, on the competitive position of the United States in the international economy, and on individual United States companies and their employees and communities, including the effects of the controls on existing contracts; and

"(4) the ability of the United States Government to enforce the proposed controls effectively.

"(c) Consultation With Industry.—The Secretary, before imposing export controls under this section, shall consult with such affected United States industries as the Secretary considers appropriate, with respect to criteria set forth in paragraphs (1) and (3) of subsection (b) and such other matters as the Secretary considers appropriate.

"(d) Alternative Means.—Before resorting to the imposition of export controls under this section, the President shall determine that reasonable efforts have been made to achieve the purposes of the controls through negotiations or other alternative means.

"(e) Notification to Congress.—The President in every possible instance shall consult with the Congress before imposing any export control under this section. Whenever the President imposes any export control with respect to any country under this section, he shall immediately notify the Congress of the imposition of such export control, and shall submit with such notification a report specifying—

"(1) the reasons for the control, the purposes the control is designed to achieve, and the conditions under which the control will be removed;

"(2) those considerations of the criteria set forth is subsection (b) which led him to determine that on balance such export control would further the foreign policy interests of the United States or fulfill its international responsibilities, including those criteria which were determined to be inapplicable;

"(3) the nature and results of consultations with industry undertaken pursuant to subsection (c); and

"(4) the nature and results of any alternative means attempted under subsection (d), or the reasons for imposing the control without attempting any such alternative means.

To the extent necessary to further the effectiveness of such export control, portions of such report may be submitted on a classified basis, and shall be subject to the provisions of section 12(c) of this Act. If the Congress, within sixty days after the receipt of such notification, adopts a concurrent resolution disapproving such export control, then such export control shall cease to be effective upon the adoption of the resolution. In the computation of such sixty-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die. The procedures set forth in section 130 of the Atomic Energy Act of 1954 shall apply to any concurrent resolution referred to in this subsection, except that any such resolution shall be reported by the appropriate committees of both Houses of Congress not later than forty-five days after the receipt of the notification submitted pursuant to this subsection.

"(f) Exclusion for Food and Medicine.—This section does not authorize export controls on food, medicine, or medical supplies. It is the intent of Congress that the President not impose export controls under this section on any goods or technology if he determines that the principal effect of the export of such goods or technology would be to help meet basic human needs. This subsection shall not be construed to prohibit the President from imposing restrictions on the export of food, medicine, or medical supplies, under the International Emergency Economic Powers Act.

"(g) Trade Embargoes.—This section does not authorize the imposition by the United States of a total trade embargo on any country. This subsection shall not be construed to prohibit the President from imposing a trade embargo under the International Emergency Economic Powers Act.

"(h) Foreign Availability.—In applying export controls under this section, the President shall take all feasible steps to initiate and conclude negotiations with appropriate foreign governments for the purpose of securing the cooperation of such foreign governments in controlling the export to countries and consignees to which the United States export controls apply of any goods or technology comparable to goods or technology controlled for export under this section.

"(i) INTERNATIONAL OBLIGATIONS.—The limitations contained in subsections (b), (c), (d), (f), (g), and (h) shall not apply in any case in which the President exercises the authority contained in this section to impose export controls, or to approve or deny export license applications, in order to fulfill commitments of the United States pursuant to treaties to which the United States is a party, or to comply with decisions or other actions of international organizations of which the United States is a member.

"(j) EXISTING CONTROLS.—The provisions of subsections (f) and (g) shall not apply to any export control on food or medicine or to any trade embargo in effect on the effective date of the Export Administration Act Amendments of 1979.

"(k) CONTROL LIST.—The Secretary shall establish and maintain, as part of the commodity control list, a list of any goods or technology subject to export controls under this section, and the countries to which such controls apply. Such goods or technology shall be clearly identified as subject to controls under this section. Such list shall consist of goods and technology identified by the Secretary of State, with the concurrence of the Secretary. If the Secretary and the Secretary of State are unable to agree on the list, the matter shall be referred to the President for resolution. The Secretary shall issue regulations providing for periodic revision of such list for the purpose of eliminating export controls which are no longer necessary to fulfill the purpose set forth in subsection (a) of this section or are no longer advisable under the criteria set forth in subsection (b) of this section.

(c) The Export Administration Act of 1969 is amended by inserting after section 9, as redesignated by subsection (a) of this section, the following new section:

"PROCEDURES FOR PROCESSING VALIDATED AND QUALIFIED GENERAL LICENSE APPLICATIONS

"SEC. 10. (a) GENERAL RESPONSIBILITY OF THE SECRETARY; DESIGNATED OFFICIAL.—(1) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this section for objections by other agencies. The Secretary may not delegate the authority to deny any such application to any official holding a rank lower than Deputy Assistant Secretary.

"(2) For purposes of this section, the term 'designated official' means an official designated by the Secretary to carry out functions under this Act with respect to the administration of export licenses.

"(b) APPLICATIONS TO BE REVIEWED BY OTHER AGENCIES.—(1) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

"(2) The head of any Government agency concerned with export controls may, within ninety days after the effective date of this section, and periodically thereafter, in consultation with the Secretary, determine the specific types and categories of license applications to be reviewed by such agency before the Secretary approves or disapproves any such application. The Secretary shall, in accordance with the provisions of this section, submit to the agency involved any license application of any such type or category.

"(c) INITIAL SCREENING.—Within ten days after the date on which any export license application is received, the designated official shall—

"(1) send to the applicant an acknowledgment of the receipt of the application and the date of the receipt;

"(2) submit to the applicant a written description of the procedures required by this section, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

"(3) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this section; and

"(4) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred.

"(d) ACTION BY THE DESIGNATED OFFICIAL.—Within thirty days after the date on which an export license application is received, the designated official shall—

"(1) approve or disapprove the application and formally issue or deny the license, as the case may be; or

"(2)(A) submit the application, together with all necessary analysis and recommendations of the Department of Commerce, concurrently to any other agencies pursuant to subsection (b)(2); and

"(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation submitted to such other agency with respect to such application.

"(e) ACTION BY OTHER AGENCIES.—(1) Any agency to which an application is submitted pursuant to subsection (d)(2)(A) shall submit to the designated official, within thirty days after the end of the thirty-day period referred to in subsection (d), any recommendations with respect to such application. Except as provided in paragraph (2), any such agency which does not so submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the designated official to have no objection to the approval of such application.

"(2) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in paragraph (1) for submission of its recommendations that more time is required for review of the application by such agency, the agency shall have an additional thirty-day period to submit its recommendations to the designated official. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the designated official to have no objection to the approval of the application.

"(f) DETERMINATION BY THE DESIGNATED OFFICIAL.—(1) The designated official shall take into account any recommendation of an agency submitted with respect to an application to the designated official pursuant to subsection (e), and, within twenty days after the end of the appropriate period specified in subsection (e) for submission of such agency recommendations, shall—

"(A) approve or disapprove the application and inform such agency of such approval or disapproval; or

"(B) if unable to reach a decision with respect to the application, refer the application to the Secretary and notify such agency and the applicant of such referral.

"(2) The designated official shall formally issue or deny the license, as the case may be, not more than ten days after such official makes a determination under paragraph (1)(A), unless any agency which submitted a recommendation to the designated official pursuant to subsection (e) with respect to the license application, notifies such official, within such ten-day period, that it objects to the determination of the designated official.

"(3) The designated official shall fully inform the applicant, to the maximum extent consistent with the national security and foreign policy of the United States—

"(A) within five days after a denial of the application, of the statutory basis for the denial, the policies in section 3 of this Act that formed the basis of the denial, the specific circumstances that led to the denial, and the applicant's right to appeal the denial to the Secretary under subsection (k) of this section; or

"(B) in the case of a referral to the Secretary under paragraph (1)(B) or an objection by an agency under paragraph (2), of the specific questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

"(g) ACTION BY THE SECRETARY.—(1)(A) In the case of an objection of an agency of which the designated official is notified under subsection (f)(2), the designated official shall refer the application to the Secretary. The Secretary shall consult with the head of such agency, and, within twenty days after such notification, shall approve or disapprove the license application and immediately inform such agency head of such approval or disapproval.

"(B) In the case of a referral to the Secretary under subsection (f)(1)(B), the Secretary shall, within twenty days after notification of the referral is transmitted pursuant to such subsection approve or disapprove the application and immediately inform any agency which submitted recommendations with respect to the application, of such approval or disapproval.

"(2) The Secretary shall formally issue or deny the license, as the case may be, within ten days after approving or disapproving an application under paragraph (1), unless the head of the agency referred to in paragraph (1)(A), or the head of an agency described in paragraph (1)(B), as the case may be, notifies the Secretary of his or her objection to the approval or disapproval.

"(3) The Secretary shall immediately and fully inform the applicant, in accordance with subsection (f)(3), of any action taken under paragraphs (1) or (2) of this subsection.

"(4) The Secretary may not delegate the authority to carry out the actions required by this subsection to any official holding a rank lower than Deputy Assistant Secretary.

"(h) ACTION BY THE PRESIDENT.—In the case of notification by an agency head, under subsection (g)(2), of an objection to the Secretary's decision with respect to an application, the Secretary shall immediately refer the application to the President. Within thirty days after such notification, the President shall approve or disapprove the application and the Secretary shall immediately issue or deny the license, in accordance with the President's decision. In any case in which the President does not approve or disapprove the application within such thirty-day period, the decision of the Secretary shall be final and the Secretary shall immediately issue or deny the license in accordance with the Secretary's decision.

"(i) SPECIAL PROCEDURES FOR SECRETARY OF DEFENSE.—(1) Notwithstanding any other provision of this section, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to recommend to the President that such export be disapproved.

"(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions which should be reviewed by him in order to make a determination referred to in paragraph (1). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the appropriate export control office or agency to which such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to the request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this paragraph and, not later than thirty days after notification of the request, shall—

"(A) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

"(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

"(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

"(3) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this subsection, and, to the extent applicable, in accordance with the time periods and procedures otherwise set forth in this section.

"(j) Multilateral Review.—(1) In any case in which an application, which has been finally approved under subsection (d), (f), (g), (h), or (i) of this section, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such subsections, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the United States Government, subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review. If such multilateral review has not resulted in a determination with respect to the application within sixty days after such date, the Secretary's approval of the application shall be final and the license shall be issued. The Secretary shall institute such procedures for preparation of necessary documentation before final approval of the application by the United States Government as the Secretary considers necessary to implement the provisions of this paragraph.

"(2) In any case in which the approval of the United States Government is sought by a foreign government for the export of goods or technology pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the Secretary of State, after consulting with other appropriate United States Government agencies, shall, within sixty days after the date on which the request for such approval is made, make a determination with respect to the request for approval. Any such other agency which does not submit a recommendation to the Secretary of State before the end of such sixty-day period shall be deemed by the Secretary of State to have no objection to the request for United States Government approval. The Secretary of State may not delegate the authority to disapprove a request for United States Government approval under this paragraph to any official of the Department of State holding a rank lower than Deputy Assistant Secretary.

"(k) Extensions.—If the Secretary determines that a particular application or set of applications is of exceptional importance and complexity, and that additional time is required for negotiations to modify the application or applications, the Secretary may extend any time period prescribed in this section. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.

"(l) Appeal and Court Action.—(1) The Secretary shall establish appropriate procedures for any applicant to appeal to the Secretary the denial of an expert license application of the applicant.

"(2) In any case in which any action prescribed in this section is not taken on a license application within the time periods established by this section (except in the case of a time period extended under subsection (k) of which the applicant is notified), the applicant may file a petition with the Secretary requesting compliance with the requirements of this section. When such petition is filed, the Secretary shall take immediate steps to correct the situation giving rise to the petition and shall immediately notify the applicant of such steps.

"(3) If, within thirty days after petition is filed under paragraph (2), the processing of the application has not been brought into conformity with the requirements of this section, or, if the application has been brought into conformity with such requirements, the Secretary has not so notified the applicant, the applicant may bring an action in an appropriate United States district court for a restraining order, a temporary or permanent injunction, or other appropriate relief, to require compliance with the requirements of this section. The United States district courts shall have jurisdiction to provide such relief as appropriate.

"(m) Records.—The Secretary and any agency to which any application is referred under this section shall keep accurate records with respect to all applications considered by the Secretary or by any such agency.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 104 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolff: Page 15, insert the following after line 13, and redesignate subsequent paragraphs accordingly:

"(3) If, in any case in which the President makes a determination under paragraph (1) or (2) of this subsection with respect to national security, the good or technology concerned is critical to United States national security and, if available to an adversary country, would permit a significant contribution to the military potential of that country, the President shall direct the Secretary of State to enter into negotiations with the appropriate government or governments in order to eliminate foreign availability of such good or technology.

Page 15, line 20, strike out "under" and insert in lieu thereof "of foreign availability under paragraph (1) or (2) of".

□ 1330

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, I believe that this amendment offers a constructive addition to the foreign availability section of this bill, which was so carefully drafted by my colleague from New York (Mr. Bingham).

As written, the foreign availability section provides that the Secretary of State undertake negotiations to eliminate foreign availability of items to which the United States applies export controls, if he has reason to believe that such negotiations can be successful.

The subsection also states that validated export licenses should not be applied if foreign availability exists, unless the President determines that export controls should be maintained for national security purposes, despite foreign availability.

My amendment seeks to add the next logical step to this process. That is, if the President decides that export controls must be maintained despite the fact that the item is sold in another country, and the President feels that the item concerned is critical to U.S. national security, then the President should direct the Secretary of State to negotiate to eliminate that foreign availability. If the item concerned is important to our national security, the President will be mandated to try to keep controls on it, and secure the cooperation of another nation or nations producing the item in question. In this way, initiation of negotiations in this step of the process will depend upon the importance of the item, and not the judgment of potential success before negotiations begin.

If such negotiations fail to secure cooperation from the nation also producing the item, then of course the President can take any steps he feels are necessary to try to encourage cooperation, based upon the importance of the item to our security and military systems.

I believe that this amendment fits in nicely with the provisions already established in this subsection. It also relates very well to the "military critical technologies" section, which mandates the Secretary of Defense to complete the list of technologies and goods that are critical to our national security. Our export control policy will emphasize controls on commodities that are truly important to our national defense and security, and reflect the degree of importance of those items.

Mr. Chairman, I believe that this amendment is simply a logical extension of the provisions as drafted. I urge adoption of my amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. BINGHAM. I thank the gentleman for yielding.

My colleague from New York has already made great contributions to this bill and I think he, in proposing this amendment, is making a further contribution.

We have discussed the language and he has graciously accepted some suggestions we made in terms of clarifying the language. I am happy to say that I am supporting the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

With the language in the bill the administration has to believe negotiations can eliminate foreign availability before it even has to undertake such negotiations, so the administration could, say that foreign availability cannot be eliminated and no effort would be necessary to try to eliminate it.

With the gentleman's amendment, negotiations must be attempted whether there is reason to believe foreign availability can be eliminated or not, and at least in this way an effort will be made to try to find out and to try to eliminate it no matter what.

I called attention to this problem in the subcommittee; the full committee went part of the way. I support the gentleman's amendment because I think it removes a very serious flaw in the legislation.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. ICHORD. I want to commend the gentleman in the well for offering this amendment. I think it is a very important amendment. As the gentleman stated, if we are able to mandate the establishment of a critical military technology list it will really help in the administration of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, insert the following after line 13 and redesignate subsequent paragraphs accordingly:

"(3) With respect to export controls imposed under this section, any determination of foreign availability which is the basis of a decision to grant a license for, or to remove a control on, the export of a good or technology, shall be made in writing and shall be supported by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment provides that, in making a finding of foreign availability under this section, that reliable evidence be used. The Commerce Department may not make such a finding, and thus decontrol the article, simply because the company making the application for an export license says that foreign availability exists.

This amendment was passed in the other body on Saturday, July 21 by voice vote. It was offered by Senator MOYNIHAN for Senator JACKSON. The amendment, as I propose it today, is in the form as it was amended by Senator STEVENSON. Administration representatives monitoring the debate had no objection to this amendment.

This subsection contains important and valuable new procedures for decontrolling commodities because those items are available for export in foreign countries. I think that these procedures will be very helpful to business, in that businesses will be free to compete in international markets when an item is truly available, unless there is some extraordinary national security control placed upon the item. In light of this new emphisis placed on foreign availability, it is essential that reliable evidence be received to determine whether a product of comparable quality and produced in sufficient quantity exists, and that decontrol of the item should occur. If reliable evidence is not presented, such decontrol because of foreign availability could lead to a signficant loophole in our export control process.

In the past the procedures on foreign availability have been inadequate, frustrating to business, and did not serve our export control policy well. A GAO report of this year, entitled "Export Controls: Need to Clarify Policy and Simplify Administration," was extremely critical of U.S. foreign availability considerations in the export licensing process. The report strongly criticized the lack of a standard of comparing goods available in foreign countries with proposed exports here. The report also found serious fault with the fact that no one really seemed to be in charge of developing this standard.

The legislation before us will go far in solving the enormous problems with foreign availability review that the GAO found. I believe that this amendment will insure that these constructive improvements will not permit any unwanted loopholes in the law.

I believe that this legislation, on the whole, is sending a strong signal to the business community that the U.S. Government wants to improve its performance on foreign availability, consistent with protecting our national security. As a former businessman myself, I know that business would not want to sell an item that is really damaging to our national security, if it got into the wrong hands. Therefore, I view this amendment as a logical addition to the improved foreign availability procedures, and an addition that will add to the intent of this section.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I am prepared to go along with the amendment. But I would like to say that I do not quite agree with the gentleman's characterization of the procedures we have been following. As a matter of fact, I think the amendment codifies the procedures that have been followed in the administration of the Export Administration Act.

We have had a number of cases brought before our committee where the authorities were too slow to find foreign availability. In some cases they eventually agreed with the company that there was foreign availability, but by that time it was so late that the exporters had lost the business.

We had that in a case that I brought to the attention of the House, the Cyril Bath case, where the French were selling a particular metal forming machine. Cyril Bath was able to enter into a contract to sell one such machine to the Soviet Union. They were held up for so long because of discussions and debates as to whether the French, in fact, were selling those machines. The French denied it. The company submitted evidence, and eventually the administration went along with that.

We have never, in the course of our discussions and hearings in the committee, been told of a case where foreign availability was found by the administration and should not have been found. In other words, the fault in the administration of the act, as far as we have been able to observe it, has been in the other direction, that they were too reluctant to find foreign availability. This meant the loss of business to American companies.

But since I believe this amendment requires sensible procedures, since these are the procedures, as I understand it, essentially now being followed, I have no objection to the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I think the gentleman's amendment, like his previous one, tightens up the definition of foreign availability, because we must realize that if a technology is available from a foreign source, then our controls can, in effect, be thrown out the window. So it is a very, very important issue and I think that certainly reliable evidence should be produced to justify such a finding. I support the amendment.

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The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 16, insert the following after line 7:

"(5) Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall, consistent with the protection of intelligence sources and methods, furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration, and such Office, upon request or where appropriate, shall furnish to such departments and agencies the information it gathers and receives concerning foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment would insure that adequate intelligence information is given to the Office of Export Administration in the Commerce Department concerning foreign availability of goods subject to export controls.

This amendment is important and necessary for two reasons. First it is clear that foreign availability was not given adequate attention in the past. A GAO report of March 1, 1979, specifically criticized the consideration of foreign availability in granting export licenses, particularly because no one was in charge of "developing and applying a standard for comparability." In other words, there is no criterion for judging whether an item produced in another country is of comparable quality or produced in sufficient quantity to warrant a finding of foreign availability, and thus decontrol the item. Insuring that the Office of Export Administration and the other departments having input into the licensing process, receive adequate intelligence information will help OEA determine correctly whether a good is truly comparable and a finding of foreign availability should be made.

Also, this legislation strengthens the provisions which decontrol items based on foreign availability. I think this will be a real step forward for the business community, which has been frustrated by the lack of a good foreign availability policy. However, as foreign availability will be given more consideration, we must insure that the OEA and other agencies are given all the necessary information to make the proper decision.

This amendment was offered by Senators JACKSON and BAYH in the other body, and amended by Senator STEVENSON. I am offering this amendment in the same form in which it passed, by voice vote, in the other body. This amendment represents a constructive addition to this subsection and I urge its adoption.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to my colleague from New York.

Mr. BINGHAM. Mr. Chairman, I am happy to concur not only, in this case, with the amendment, but with what the gentleman said about it.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. On behalf of the minority I accept the amendment. I think it merely clarifies what "foreign availability" means by making sure that, in fact, it is foreign availability.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would like the attention of the gentleman from New York (Mr. BINGHAM). I believe the amendment offered by the gentleman from New York (Mr. WOLFF) clears up one of the questions that I had about section 4, and I think we ought to be clear that we establish a record because we could be setting up another intelligence-gathering operation within the Department of Commerce if we are not very careful. I read the language now in the bill which the gentleman's amendment does bear upon, beginning at the bottom of page 15:

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section.

Now, anyone who knows anything about critical military technology knows that this is a day-to-day intelligence-gathering operation. We have got to find out what is the level of technology of the potential adversary. We have got to know about our own level of technology. We have got to know about the level of technology of our allies, and this language standing alone, anyway, could justify the establishment of a separate intelligence unit in the Department of Commerce. I do not think this body wants to do that.

I would ask the gentleman from New York, is the legislative history clear that we are not establishing an intelligence unit within the Department of Commerce?

Mr. BINGHAM. If the gentleman will yield, I think that is correct, and the amendment of the gentleman from New York (Mr. WOLFF) I think makes that doubly clear, because it adds the fact that the intelligence agencies and others are to share information in this important field.

Mr. WOLFF. That basically is the purpose of this amendment, to make the intelligence community responsible.

Mr. ICHORD. In other words, the intelligence community will give this information to the Department of Commerce, and the Department of Commerce is not authorized to set up a new, separate intelligence unit itself?

Mr. WOLFF. As far as I am concerned, that is the purpose of this legislation.

Mr. ICHORD. I commend the gentleman for offering the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, line 12, insert "of foreign availability" after "determination".

Mr. WOLFF. Mr. Chairman, this is simply a technical amendment which corrects a problem I discovered in drafting my other amendments to the foreign availability section of the bill. I believe that this difficulty came about in the process of the various committee and subcommittee markups.

In paragraph f(1) the bill says that the Secretary of Commerce may not require a validated license if an item is available in another country, "unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States." Then in paragraph (2) of this subsection referring to foreign availability determinations, the bill states "* * * the Secretary shall determine whether a determination under paragraph (1) is warranted."

This determination by the Secretary in paragraph (2) could be construed to mean that the Secretary shall determine whether a determination by the President in paragraph (1) is warranted.

Obviously, this is an unintentional result of the amending process, and clearly would not be used by any Secretary. However, in the interests of correcting this anomaly, and having the law read properly, I have offered this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield.

Mr. BINGHAM. Again, the gentleman from New York has made a definite improvement in clarifying the intent of the language. I had difficulty reading that sentence myself as I reread it over the weekend, and I think this amendment clarifies the intent.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, on behalf of the minority I accept the amendment.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolff: Page 20, strike out line 21 and all that follows through page 21, line 2.

Mr. WOLFF. Mr. Chairman, this amendment deletes the section in the bill which prohibits the United States from attaching any condition onto the reexport of goods that the United States has exported to any one of our COCOM allies.

I sympathize with the intent of my colleague from New York when he included this provision in his legislation. He points out that our COCOM allies, by participating in the Coordinating Committee, already have controls on the items to which we attach reexport conditions. Such conditions have irritated our allies in the past. In addition, our reexport controls have not always been effective.

However, while I agree with the gentleman that reexport controls are less than desirable, I do not believe that we should prohibit ourselves from utilizing them if we feel it is necessary. I feel that eliminating the possibility of using reexport controls could create an enormous loophole through which third country transfers could legally be made.

In addition, our COCOM allies do not always agree with our assessment of the need for control on some items. COCOM does not protect technical data as much as this Nation would prefer. Also, our COCOM allies do not always share our foreign policy objectives either. Where we might be very concerned about trade with certain Eastern bloc countries, our COCOM allies might view such trade with more enthusiasm.

I am personally very concerned over other foreign policy issues where this country might strenuously disagree with one of our COCOM allies on the reexport of a highly sensitive item to a country known to be aiding terrorists, or actively seeking to scuttle our foreign policy objectives in the Middle East, such as Libya for instance.

Finally, the Defense Department, in speaking for the entire administration had voiced concern over this section in testimony by Assistant Secretary, Dr. Ellen Frost, before the House Foreign Affairs Committee. Dr. Frost called reexport controls a "necessary evil," and maintained that, unfortunately, their use should not be prohibited at this time. The administration agrees that these controls should be used sparingly, and only when necessary and effective.

I feel very strongly about this issue. While I think that reexport controls should not be used excessively, I believe it is necessary to leave our options open at the present time to apply them if they are needed. I urge the adoption of my amendment.

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Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

This is a case where the same amendment was offered in the Committee on Foreign Affairs and I opposed it, and others opposed it, and it was defeated in the committee. Since then we have had occasion at the instance of my friend, the gentleman from New York (Mr. Wolff), and also because of the interest of the gentleman from Missouri (Mr. Ichord), to reexamine the whole proposition. There is something to be said on both sides.

One thing that should be pointed out, and that the committee should realize, is that no other country requires this type of second-degree controls, and so a part of the difficulty has been that we tend to irritate our COCOM partners by this dual procedure. I might add that the GAO in its study of export administration recommended that dual licensing be abandoned, and concluded that it would entail no diminution of control. On the other hand, on reexamination of the matter I have decided that on balance it probably is best to retain the dual licensing authority. The administration has taken that position all along, as the gentleman from New York (Mr. Wolff) has just stated. It is true that there are certain items that we would not have the right to veto in COCOM if they were to be exported, and so on balance, and in consideration of all the major efforts that the gentleman has made in his contributions to this legislation, I recommend that the committee go along with the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Again I want to thank the gentleman from New York (Mr. Wolff) for what I consider to be the great service that he has rendered this body and rendered his country as a leader in perfecting this measure and as an author of H.R. 3216, taking a real leadership position in protecting the critical military technology of this country. I was quite concerned about the provision which the gentleman strikes with his amendment.

The CHAIRMAN (Mr. Danielson). The time of the gentleman from New York (Mr. Wolff) has expired.

(At the request of Mr. Ichord, and by unanimous consent, Mr. Wolff was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. I thought it was a loophole through which we could have driven a T–72 tank. For example, an international computer company here in the United States—and computer technology is one of the places where we have a tremendous lead over potential adversaries—could have transferred that computer technology to one of its subsidiaries in a NATO country that has rather weak controls, and then all controls whatsoever would have been lost over the computer technology which is very important to the military capability of the United States.

The Department of Commerce, the gentleman from New York (Mr. Bingham) stated, is in favor of this amendment, too, and I commend the gentleman from New York (Mr. Wolff) for not only the leadership he has exerted but for his persuasive ability in persuading the administration and the gentleman from New York to accept this amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I want to commend the gentleman in the well not only for offering the amendment but also for being so persuasive. I offered exactly the same amendment in committee and I did not fare as well as I think the gentleman is going to do here this afternoon.

Mr. WOLFF. It must be because I have a neck brace on.

Mr. LAGOMARSINO. As the gentleman said; several others have also mentioned this: The Department of Defense is strongly in support of this amendment. I believe I am not overstating the case when I say they consider this to be one of the most important amendments that will be considered and one they think will be most vital.

Eliminating reexport controls by the United States on technology transferred to COCOM countries provides a small but significant loophole for retransfer of technology to destinations that might prove detrimental to the national security of the United States. While there is general agreement on what should be controlled for export purposes, certain areas like technical data are exported by COCOM members without submitting those applications to COCOM.

The argument is made that we should not require dual reexport licensing along with COCOM, but we have no choice when there are areas where COCOM members do not require licensing.

I think until we have complete agreement on the types of controls to be reviewed by COCOM, we cannot rely on COCOM procedures to protect vital technology and technical data.

As I say, I commend the gentleman for his amendment and on behalf of the minority I accept it.

Mr. WOLFF. I thank the gentleman.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I just want to enthusiastically get in line here to commend my chairman of the Narcotics Committee, the gentleman in the well (Mr. Wolff), and associate myself totally with the remarks of the distinguished gentleman from Missouri (Mr. Ichord) and my colleague, the gentleman from California (Mr. Lagomarsino). As the amendment process goes along today, I want to emphasize what both of these colleagues have said, and what the gentleman in the well has said, so eloquently, that although this type of bill does not garner as much press attention as we would hope, we know we are dealing here with one of the most significant bills we can approach in the 96th Congress.

Mr. WOLFF. I thank the gentleman for his contribution.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

I want to commend the gentleman for his proposal. I certainly urge my colleagues to support the proposal. I think it is something that is extremely important for our own national security, and I urge our colleagues to vote in favor of the amendment.

● Mr. WOLFF. Mr. Chairman, I intended to offer two additional amendments that constitute a bill which I introduced on July 17, H.R. 4835. This proposal would place wheat and wheat flour under validated export licensing control, and charge export licensing fees on all such exports, except to developing countries. The fees would raise the price of wheat on international markets. The fees collected would be rebated, one-third to the farmers, one-third applied to reductions on Federal taxes on gasoline and heating oil; and the balance to help fund a program to develop alternate sources of energy.

The second amendment expresses the sense of the Congress that export controls should be imposed on nations engaging in inequitable trade practices on prices or supply of goods vital to our economy, such as petroleum. Thus the amendment urges the Commerce Department to apply controls on goods or technologies, other than food products, if such a policy appears to be an effective way to use some economic leverage.

The intent of these amendments, and my bill, is to try to use our economic leverage, where we have leverage, to secure the cooperation of nations which seem to be engaging in an economic warfare against us.

I do not intend for these amendments to commence counterproductive retaliatory moves. I do want to see the United States use any leverage that we have to fight the kind of economic blackmail to which OPEC countries have subjected this country.

By this proposal I am not suggesting that we can sidestep our need to conserve our energy resources, or develop new energy sources. This is of vital importance, and should be our highest national priority.

What I am getting at here is an effort to try to utilize our own economic leverage to meet this challenge. We are no longer the economic giant who can impose its will on other countries through economic sanctions. We do not control the world's economy to the extent that we once did. But we should try to use what leverage we do have to our own advantage.

This Nation is the world's grain reserve, the breadbasket of the world. In 1978, U.S. wheat exports were valued at $4.3 billion and proved 43 percent of the wheat traded internationally. OPEC nations import nearly 15 percent of U.S. wheat exports, and this provides OPEC countries with almost 50 percent of the wheat consumed in those countries. The U.S. imports 19 percent of OPEC's oil exports, and OPEC provides 38 percent of the oil used in this country.

In a recent Washington Post article, entitled "Using U.S. Wheat Against OPEC: Not as Farfetched as You Think," the author, Dan Morgan, claimed that we do have a great deal of leverage with regard to OPEC's wheat needs. The article states that the two criteria for U.S. economic leverage exist that it would be difficult for OPEC nations to do without our grain, and only this country and Canada can guarantee an ongoing supply of such magnitude.

If economic leverage is there with respect to wheat, I say that we can and should use it. We must try to do all that we can to try and stabilize oil prices.

There have been many of these so-called bushel of wheat for a barrel of oil proposals introduced into the House of Representatives. I think it is very important that this issue be raised in the Congress. All these proposals should be considered and thoroughly discussed and explored. The extent of our leverage, and the possibility of utilizing it should be the subject of extensive and intensive hearings by the relevant committees in the House. My bill, H.R. 4835, and another proposal I introduced, H.R. 4574, to establish a Council of Oil Importing Nations, were both referred to the Foreign Affairs Subcommittee on Economic Policy and Trade, chaired by my distinguished colleague from New York (Mr. BINGHAM). The gentleman from New York, chairman of the subcommittee, has assured me he will hold hearings on this bill; therefore, I shall not offer these amendments now and will await their determination at that time.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 27, add the following after line 24 and redesignate the subsequent subsection accordingly:

"(k) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

"(1) Such country has repeatedly provided support for acts of international terrorism.

"(2) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.

Mrs. FENWICK. Mr. Chairman, I do not think that we need a great deal of discussion. We have had a long debate on this bill. The amendment speaks for itself. The definitions have been already determined in other sections of the bill, and in other legislation; and we all know about the recent acts of terrorism, of international terrorism, and what they are capable of doing. So I ask the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentlewoman for yielding.

I want to compliment the gentlewoman on her amendment and express my support for it.

Mrs. FENWICK. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

I support the amendment as well and accept it on behalf of the minority. As the gentlewoman knows, the amendment offered in the Committee on Foreign Affairs had some wording problem. Certainly there was no problem with the intent. This amendment is in perfect order.

Mr. BONKER. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Washington.

Mr. BONKER. I thank the gentlewoman for yielding. I would like to join the others in commending her for this amendment. I think it was a lot more realistic than what was approved on the Senate side, and I hope that this amendment will prevail.

Mrs. FENWICK. I know the other body has a much more stringent provision. I think this is a sensible and wise amendment. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey.

The amendment was agreed to.

□ 1400

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 10, strike out line 17 and all that follows down through line 4 on page 12 and insert in lieu thereof the following:

"(d) MILITARY CRITICAL TECHNOLOGIES.—(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be implemented for goods the export of which would transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how:

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a significant advance in a military system of any such country.

"(3)(A) The list referred to in paragraph (2) shall be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

(B) The initial version of the list referred to in paragraph (2) shall be completed and published in an appropriate form in the Federal Register not later than October 1, 1980.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Chairman, as I stated earlier in the colloquy with the distinguished gentleman from New York (Mr. BINGHAM), I am offering this amendment, not on my own behalf but on behalf of the Research and Development Subcommittee of the House Committee on Armed Services.

This amendment was approved unanimously by the Subcommittee on Research and Development.

Mr. Chairman, I would state again for the benefit of Members who may not have been on the floor of the House at that time, we are now dealing with a subject that is directly under the jurisdiction of the House Committee on Armed Services. Granted, the House Committee on Foreign Affairs is the expert and has the expert staff members with regard to foreign policy but here we are dealing with the expertise of the House Committee on Armed Services, namely the protection of the national security.

I might state the most important subject with which we could possibly be dealing is the national security of the United States.

We are dealing with export controls for the purpose of protecting the national security of the United States.

When I first read the bill, I voiced concern about the vagueness and ambiguities in the legislation. I think there is reason for that, perhaps. This is an extremely complicated bill dealing with some extremely complicated subjects. Nevertheless, Mr. Chairman, I first thought the gentleman from New York (Mr. BINGHAM) was right in step with the thinking of the Department of Defense and right in step with the House Committee on Armed Services when he included this section "military critical technologies" on page 10 of the bill.

I would state it was the finding of a 1976 Defense Science Board, chaired by Mr. J. Fred Bucy, president of Texas Instruments, that we install a critical military technology approach in solving this problem with which we are faced in the field of export controls.

Mr. Chairman, I think I share the concern of all of the members of the House Committee on Foreign Affairs.

Mr. Chairman, I am not trying to restrict trade. Trade is very essential to the economic health and welfare of this Nation, but let me tell the members of the Committee on Foreign Affairs that even more essential to the health and welfare of this Nation is to protect our lead in technology. That is the only lead that we have today in the field of military affairs over our potential adversaries.

I went over the numbers a while ago. In tanks, we are outnumbered 7 to 1; airplanes, we are outnumbered 4 to 1; artillery pieces, we are outnumbered 6 to 1; and in chemical warfare we are outnumbered 50 to 1. Therefore, Mr. Chairman, we are dealing with the most crucial part of our military security, that is, our technological lead, the quality of our weapon systems.

Mr. Chairman, I concur with the 1979 Bucy Defense Science Board as do most of the experts in the research and development field and the entire Subcommittee on Research and Development.

They say, rather than concentrate on the end product one should concentrate on the critical technology behind that product.

Mr. Chairman, let me take some time in explaining this because it is an extremely technical matter. I am a generalist myself. I have a technical staff. I deal with a lot of technical problems. I might say that as a generalist I think I serve some purpose because sometimes the technologists cannot see the forest for the trees. They become too involved with the technical details.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, we should not worry about exporting a particular commodity, which we are doing today. I would point out to the Members of this House that the man who ought to know, the Acting Director of the Export Administration Act has stated that our present export control program was a total shambles. I have that in the hearing record of the House Committee on Armed Services on H.R. 3216 dealing with this specific subject. Mr. Larry Brady testified it is an absolute shambles. He is the one who ought to know and I think the gentleman from New York (Mr. BINGHAM) will concur in that regard.

Let me say, Mr. Chairman, some Members of the House may disagree with me but I might not even object to the sale of 10 particular jet engines to a potential adversary. Ten jet engines in and of themselves might mean nothing. However, Mr. Chairman, I would object to the transfer of the manufacturing techniques or the metallurgical technology that goes behind the production of the jet engine blades. It is that about which we should be concerned.

There are several ways we can transfer our technological lead to our potential adversaries. We can do it through a scientific exchange program, we can do it through a technical data package. We can do it through turnkey packages, manufacturing processes and know how, or by maintenance and support capability.

I think this administration and past administrations have made a terrible mistake in building turnkey factories right in the countries that are our potential adversaries. That is where you transfer the manufacturing processes and know how. That is where you transfer the technological data of which I speak. That is where you transfer the maintenance and support technology. This is the export of our technological lead that we have.

Mr. Chairman, I will state to the Members of the House, I do not think we can keep our potential adversaries from some day getting this technology. I say that because they have a massive program to narrow the existing technological gap. They are doing it by clandestine methods, they are doing it by legal methods, they are doing it by illegal methods. Some day they are going to get it.

However, Mr. Chairman, we can delay them and maintain the only lead that we have: Our technology. We can delay them, say, for 10 years rather than 3 years.

□ 1410

That is extremely important, because that is how we measure a technological lead, in terms of time.

Now, when I first read the bill of the gentleman from New York, Mr. Chairman, I thought that I was in agreement with the gentleman as it appeared he was mandating the existence of a military critical technologies list; but after close reading, I find that the gentleman did not do that.

We took testimony, the Committee on Armed Services took testimony that this is the way to solve the problem. We can maintain a large trade in exports. We can maintain trade with the end product. Do not worry about the end product. Worry about the technology behind the production by establishing this military technologies approach.

I have testimony from Dr. Ruth Davis, who is head of the R. & D. in the Defense Department, Under Secretary for Research and Development. She says that she is ready to go with this critical military technologies approach. She stated personally to me that she can have the approach in place by October 1, 1980.

Now, the gentleman from New York in his bill, and I think the gentleman from New York is to be commended for at least recognizing the importance of this approach and the potential that it has, but the gentleman did not mandate the establishment of it.

Mr. Larry Brady, the Chairman of the Export Administration Board, testified they are ready to go with it within 1 year.

I will state to the gentleman from New York that this will solve the problem the gentleman is talking about. Even looking at this approach has resulted in the removal of 162 commodities from the export control lists, so I think it would accomplish the objectives of the gentlemen on the Committee on Foreign Affairs to increase our trade, but still protect on national security.

Mr. Chairman, I would ask that the members of the committee give support to this amendment in the interests of national security.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

First of all, let me say, Mr. Chairman, that I agree with I think 90 percent of what the gentleman from Missouri has just said. I very much agree that military critical technologies are the heart of this matter of national security export controls. In fact, in the bill which I originally introduced, we tried to limit controls exclusively to military critical technologies. But we found we could not do that, because the Defense Department had been wrestling with the question of what is a military critical technology for 3 years and had not been able to come up with the answers. As of the time we had our hearings, they were still struggling with it. It is still a crucial idea, a crucial concept.

The gentleman from Missouri, in making his eloquent plea, sounded as if we had not provided for a list of critical technologies.

Let me call attention to pages 10, 11, and the beginning of 12 in the bill, which deal with the subject of military critical technologies. The bill recognizes that the national interest requires that export controls under this section be focused primarily on military critical technologies. Then it goes on to say:

> The Secretary of Defense shall develop a list of military critical technologies.

That is a mandate. If it is not, I do not know what is. It specifies what should go into the list. If you are a nonengineer, as I am, you will have difficulty understanding the specifications that are to be included in the list of military critical technologies that are set forth there on page 11, lines 4 through 9. But those are the very specifications that were taken right out of the Bucy report that the gentleman from Missouri (Mr. Ichord) referred to. We take the Bucy report very, very seriously. We think it has brought a new and proper emphasis to the whole field of national security export controls.

Now, what the gentleman from Missouri did not make clear to us is just what his amendment does. It does not really change the language of the bill, except in a few respects. It follows it pretty closely. One thing it does is to eliminate this language which comes from paragraph (1) of subsection (d) on page 10: "export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section."

That is simply to emphasize the point that we are concerned with military critical technologies, and we want the agencies concerned to get rid of a lot of this underbrush which takes their time, which is not critical, which is not important, and let us get it out of the picture. That is all that sentence says, but it does not contradict what went before in paragraph (1), which is "that the national interest requires that export controls under this section be focused primarily on military critical technologies."

Now, another thing the Ichord amendment does, with which I quarrel, and I must say quarrel only mildly, is that the Ichord amendment sets a deadline for the completion and publication of the list at October 1, 1980, a year away. We simply do not know whether the Defense Department will be ready at that point or not. The gentleman has said they have told him they are ready. That is not our information. We understand they are still struggling with it. In any event, hopefully they will have it ready before October 1. Maybe it will be a little later. That is not a matter of the utmost importance, in our judgment, since the gentleman has modified his amendment to say that the original version of the list shall be completed and published in an appropriate form. The words "in an appropriate form," which were not in the gentleman's original version of this amendment, recognizes, I take it, that some of this material must be classified and cannot be published for anyone to read.

The CHAIRMAN. The time of the gentleman from New York (Mr. Bingham) has expired.

(By unanimous consent, Mr. Bingham was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the distinguished gentleman yield on that point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from New York is correct in pointing out this is one of the differences between my amendment and the approach in the bill. It definitely does establish a critical military approach on October 1, 1980; but the gentleman stated that there was no evidence to the effect that it could not be established within that time. I would point out to the gentleman in the hearing record on H.R. 3216 that the Committee on Armed Services conducted is the testimony of Mr. Larry Brady, the Director of the Export Control Agency, who has been working on this matter with the Defense Department. Mr. Battista, a staff counsel, asked him this question:

> Can you achieve it in 180 days?
>
> Mr. Brady. I do not think so.
>
> In what time frame do you think?
>
> Mr. Brady. I think six months to a year perhaps. Six months to a year.

I would state to the gentleman from New York that I personally called Dr. Ruth Davis. She gave me the assurance, and Dr. Ruth Davis has the overall responsibility for the establishment of this approach, that she can put it into being in 1 year; so I have no doubt about their being able to institute the approach.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for his contribution.

May I say again that before our committee, the Defense Department, which has the responsibility for the preparation of the list—Mr. Brady, of course, has no responsibility for the creation of the list—was dubious as to whether it could be done within the matter of a year. But let me proceed, because that is just one of the three differences, and I think it is the least important difference between the version of the gentleman from Missouri (Mr. Ichord) and the version of the bill.

☐ 1420

The third point is the most important one. In the legislation, after the list has been developed, under paragraph (4) we say:

> The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

Mr. Chairman, the amendment offered by the gentleman from Missouri (Mr. Ichord) leaves out the last part of that sentence. In other words, under the proposal of the gentleman from Missouri, the list prepared by the Secretary of Defense becomes part of the control list without anybody else having anything to say about it. It is solely the responsibility of the Defense Department, and that is an area in which we and, I may say, the Defense Department also strongly disagree. We say that this total process of deciding what should be on the control list has been and should continue to be a joint process. The Defense Department has the leading role.

I want to emphasize that in no case has the Secretary of Commerce sought to override the Secretary of Defense on matters of a license issuance. The Defense Department is satisfied that the procedures that have been in effect before, bringing in other agencies, the Commerce Department and the State Department, should be continued.

It is that point on which I think we primarily differ. It is not on the question of the importance of focusing on military critical technologies.

Those are the three differences in the version offered to us by the gentleman from Missouri (Mr. Ichord) and the bill before us which, as I say, emphasizes the importance of this concept.

Mr. Chairman, I hope that the Committee of the Whole will go along with the position recommended by the Committee on Foreign Affairs and will reject the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield on that particular point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the gentleman from New York (Mr. Bingham) has delineated the differences except in one respect. There is a third or a fourth major difference, and that, I would point out, is the result of an oversight by the people drafting the bill.

I direct the attention of the Members to page 11, line 10 of the bill, where this is stated:

> * * * which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

That is not in keeping with the policy statement on page 4, and I read from page 4, line 12:

> It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution * * *.

Mr. Chairman, when the bill uses "major" and "significant," in that manner, there is one heck of a difference, I would say to the gentleman from New York (Mr. BINGHAM).

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, if I may respond to the gentleman from Missouri (Mr. ICHORD), the gentleman is quite right in pointing out that that is a difference. It is not a difference which I consider to be a significant one. If the gentleman believes it is and if his amendment is voted down and he wishes to offer an amendment simply to change the word, "major," to "significant," I would not oppose it.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would, first of all, like to commend the gentleman from Missouri (Mr. ICHORD) for his involvement in this in trying to protect military critical technologies, from improper export because it is essential to our defense effort to protect our technologies.

On the other hand, however, we are experiencing delays in the regulatory process and denials which are causing tremendous adversity to industry in the United States of America which is trying to do something about the export imbalance and the balance of trade deficit which is contrary to the interests of the United States of America.

One association which has a great deal of involvement in my district, the American Electronics Association, surveyed its more than 1,000 member companies, which is small in terms of all industry of the United States, on their export trade activities. They had a very good response. About 400 of the 1,000 responded to the inquiries that were sent, and they clearly demonstrated that the present export control system, where we are bounced around from State to Commerce to Defense, with no hope in some cases of any kind of a decision at all, results in the fact that jobs are lost and trade is lost.

It was revealed that in 1978 over $1 billion in sales in just one small segment of our economy was denied, not because it was going against military technology transfer in the critical sense but because there were export licensing delays and denials and just plain uncertainties. These losses contribute to our deficit in the balance of trade. They also contribute to the lack of employment increase in the United States as well as the loss of jobs for thousands of Americans.

Mr. Chairman, I commend the gentleman for preserving military critical technologies, and I hope, as this bill passes on its way through this House and beyond, that we can do something about the ridiculous denials, delays, and overregulatory processes that keep our country from being in the export market and cause the loss of American creditibility throughout the world as a reliable supplier.

Mr. Chairman, I commend the gentleman for offering this bill, and I commend the gentleman from Missouri (Mr. ICHORD) for offering this amendment. I hope that in the future we may put ourselves in a position where we allow people to export technology and export goods from this country, which can be done with no threat to our military defense.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distingiushed colleague, the gentleman from Missouri (Mr. ICHORD).

There is obviously a crying need to control the export of technology which would be detrimental to our national security. It makes little sense to make available to potential adversaries our most sophisticated technologies which would contribute to their military capabilities.

Incredibly, it is obvious from the testimony that we heard in the Subcommittee on Research and Development that this technology is very often clearly available to those people who would make themselves our adversaries today. Any sampling of the hours of testimony presented before the Subcommittee on Research and Development chaired by the gentleman from Missouri (Mr. ICHORD) on the issue of exporting military critical technologies reveals a frightening story of an almost unchecked flow of technology out of this country to other countries. This includes computer technology, micro-computer technology, micro-circuitry technology, electronic technology, optical technology, and laser technology, that goes into Soviet hands. Whether it goes directly, or indirectly by some other means, it is apparent that the control of military critical technology is woefully inadequate at the present time.

I think that the bill as submitted speaks to that particular problem, and I think that the Ichord amendment strengthens it and speaks even more clearly. These technologies are being shipped to the Soviet Union directly, and often they are sent indirectly.

The transfer of military critical technology is dramatically eroding our qualitative lead over the Soviet's military capability. And that is all we have right now, a qualitative lead. We do not have a quantitative lead.

The gentleman from Missouri (Mr. ICHORD) articulated the fact that we are woefully behind in tanks, in artillery, in airplanes, in aircraft, and in other areas.

The current export control mechanisms which this bill seeks to improve are unworkable. On one hand they inhibit our export trade, and on the other they permit vital technology to fall into the hands of those who would turn that technology against the United States of America.

The amendment offered by the gentleman from Missouri (Mr. ICHORD) seeks to strengthen the Export Administration Act by allowing the Secretary of Defense to develop a list of military critical technologies, not only to develop this list but do so quickly and in fact by a day certain.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, on that point I think the gentleman from New Jersey (Mr. COURTER) has put his finger on the point that is most important. This amendment is offered with a view of increasing trade, not decreasing trade. As I pointed out in my own statement, I think the gentleman from New York (Mr. BINGHAM) will agree with the Director of the Board, Mr. Larry Brady, when he says the present export control program is in a shambles.

□ 1430

This is all he had to say about 4034. If I thought 4034 would straighten up this shambles, I would not be offering this amendment, and I do not think the gentleman in the well would now be in the well.

Mr. Brady says:

> The House bill also has another provision in it which is not workable.
>
> Mr. ICHORD. What bill are you talking about now?

And I am reading from the report—

> I am talking about 4034. When you take the deadlines together with the appeals procedures, I am firmly convinced that we will tie it into context. The effect of that will be that the business community will say accurately the system does not work, it needs changing, it needs replacing, it is no good.

It is in that spirit that I offer this amendment.

I commend the gentleman in the well for the remarks that he is making.

Mr. COURTER. I thank the gentleman for his observations. It is so true. To adopt the amendment, is to add clarity, making a date certain as to when a list of critical military technology would be written and made available.

I might add, basically, there was a statement made by an individual in the other body, which was repeated in the Defense/Space Daily on July 25 of this year.

> In 1961, the Soviets attempted to obtain from the U.S. grinder machines used to mass produce ultra-high precision miniature ball bearings. Congress interceded and, with the support of President Kennedy, blocked this sale. However, the Soviets persisted and finally in 1972—12 years later—these machines were sold to the Soviets. In 12 years the Soviets could not master this technology, but finally we gave it to them.

This amendment speaks to that very critical problem, and I urge my colleagues on my side of the aisle and on the other side of the aisle to support it.

The CHAIRMAN. The time of the

gentleman from New Jersey (Mr. COURTER) has expired.

(On request of Mr. BINGHAM and by unanimous consent, Mr. COURTER was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, just in relation to the ball bearing cases, the Bryant Grinder case, the facts there were that for 12 years the industry, the exporters, were claiming that the Swiss were producing identical machines and they were getting the business with the Soviet Union. It took years for them to persuade the administration that that was the case. Finally foreign availability was established and the licenses were issued.

Mr. DORNAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am heartened to see that the amendment offered by the gentleman from Missouri (Mr. ICHORD) will tighten up this title I, the title that mandates the development of a list of critical technologies by the Secretary of Defense. If the Department of Defense does not have the capability to do this, then we are in worse shape than I would ever have imagined, and they better harness some of the multitude of Ph. D.'s they have over there to develop this expertise.

I was very pleased to see that the authors of this bill employed the suggestions of the report on export of technology for the Defense Science Board presented by Mr. Fred Bucy, president of Texas Instruments, namely, providing guidelines on design and manufacturing, keystone manufacturing, test equipment and goods of a militarily sensitive nature.

As much as I appreciate their efforts, I do not believe that the wording of the measure goes far enough in defining or clarifying the guidelines for the Secretary of Defense who is charged with developing a list of critical technologies. But in the interest of team play here, I will defer this year to the excellent amendment of the gentleman from Missouri. All the more reason to support him is that there are Members who feel, as I do, that we cannot be too specific in this area.

I ask my colleagues in the House to recall again what was just discussed, the 1972 sale of 164 Centalign-B precision grinding machines. They were used in the production of precision miniature ball bearings. The equipment produces small, pinhead-sized ball bearings of almost perfect uniformity. The sale was made by the Chucking Grinder Co. of Vermont. It was approved by the State Department. A significant use of precision ball bearings is in missile guidance systems used in this country and also in the Soviet Union. The Defense Department warnings were overridden more than once. The Soviet Union now has 7,100 MIRV warheads on heavy missiles, including the awesome heavy SS-18, which can now strike targets within a radius of 600 feet.

I ask my colleagues to also consider the 1976 plan for Control Data to sell the Soviets its most sophisticated computer, the Cyber 76 or 7600 series. That sale was canceled because many of the Members of this House—I circulated a list myself. I believe a record-breaking 315 signatures of the House Members blocked this sale by putting pressure on the administration. And, as we all remember now, there were only a small number of Cyber 7600 series computers in operation, and they are still only in the most sensitive or militarily critical agencies of the U.S. Government: The National Security Agency, the Energy Research and Development Agency, NASA, and the U.S. Air Force.

That Cyber 76 is still at least 40 times faster in processing information than its nearest Soviet counterpart. It is incredibly naive, as some members of the business and political communities would have us believe, that the Cyber 76 or a comparable computer would be used by the Soviets for purely peaceful, domestic purposes. It is incredible, indeed nightmarish, that such a sale was actually contemplated. We need assurance that such a sale is never contemplated again.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New York.

Mr. BINGHAM. Our subcommittee had hearings on the ball bearings case 3 years ago and brought out all of the facts about foreign availability in that respect. I just point out in that regard that the test of the MIRV's occurred before any of the licenses were issued for those ball bearings.

On the Cyber 7600, we also had hearings.

It is not correct to say that export licenses were ever contemplated by anybody, certainly nobody in our committee.

The gentleman is correct in pointing out the Cyber 7600 is something we do not want to export to the Soviet Union, but the point I want to make is that nobody, in the control mechanism we have had, was in favor of that.

Mr. DORNAN. The gentleman had excellent committee hearings and allowed me to sit in on even some of the executive committee hearings. Those hearings certainly put the nails in the coffin of that sale.

We had a very new Secretary of Commerce then, and in a personal phone conversation with her office—I was not aware other people were listening in until they interrupted finally, and I asked them to identify themselves—she gave me the clear impression that it was indeed being contemplated.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. DORNAN. You recall a memorandum was discovered that showed Control Data was of the opinion that completely circumnavigated the State and Defense Departments of this country to build the largest computer in the world, even bigger, they hoped, than the current state of the art.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I think the record will show, will not the gentleman in the well and the gentleman from New York agree, that the Commerce Department was in favor of the export of the Cyber 7600? The Defense Department objected and, I believe, they had to go to the President for a resolution?

Mr. DORNAN. It was, at the White House; but there was divided opinion in the Commerce Department. The final decision never really came down from the new Secretary of that Department, Mrs. Juanita Kreps.

Mr. ICHORD. Certainly the Cyber 7600 was not quoted. The gentleman from California is correct.

I brought up another matter, which should be of great concern to this body, and that was the matter of the precision ball bearings.

I will state to the gentleman from New York—and this is another reason why this critical technology approach is so important—it would not have been so important if you had just transferred the precision ball bearings themselves. We didn't do that. We transferred the machinery to make ball bearings, which really put them in the position of making the precision ball bearings which can be used in MIRV'd missiles. This is what I am talking about. I doubt if they could engineer precision ball bearings themselves and make them in large quantities. It is the technology we are concerned about.

Mr. DORNAN. If I could add, the gentleman from New York is quite correct that the testing of some of these MIRV's had gone on before this particular sale. However, it is the constant increase in accuracy, down to very small differences, that transforms a MIRV'd warhead into a killer warhead capability.

Mr. ICHORD. Is it not generally agreed in the technological community that the Soviet Union could not have had the precision that they now have today if it had not been for the export of this technology?

Mr. DORNAN. Absolutely correct.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from New York.

Mr. BINGHAM. The fact is that the Swiss were selling machines capable of producing the same degree of accuracy. It was that reason the licenses were issued. The Swiss were not just selling ball bearings; they were selling the machines to make the ball bearings.

□ 1440

That was the issue that was discussed at length in our hearings 3 years ago. We put out a report for the entire Congress. The significance of it was that as far as foreign availability that there was no way we could prevent that technology from being exported to the Soviet Union. The Swiss are not members of the——

Mr. DORNAN. If I could finish some

of my remarks and give me the time, I will certainly engage further in colloquy.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DORNAN was allowed to proceed for 5 additional minutes.)

Mr. DORNAN. I thank the gentleman.

In his report to the Defense Science Board, Mr. Fred Bucy of TI also declared that the definition of technology must be used in a specific sense if the issues are to be clarified. That is his quote.

I agree with this statement and other statements of Mr. Bucy entirely, specifically when our national security is at stake.

The issue to be clarified is the relationship between the export of technology and our national security. The key to that relationship is the production of military weapons systems.

The relationship between technology and goods and the weapons systems of actual or potential adversaries, especially the Soviet Union, is critical. It mandates the Secretary of Defense to give emphasis to this bill and the amendment of the gentleman from Missouri (Mr. ICHORD) with even more specificity to advance the state of the art or emerging technology in the possession of the United States, which is indispensable to current or projected U.S. military systems.

In light of state of the art or emerging technology, we must take into consideration the fact that the military value of the new technology is time dependent. Dr. Ruth Davis, Deputy Under Secretary of Defense for Research and Engineering, has correctly pointed out that our national security has in recent times become increasingly dependent upon our military technological superiority, which in turn is based on maintaining our technological leadtime.

I conclude by noting that this problem includes the transfer of goods or products that may embody critical technologies of a military sensitive nature.

We simply must counter the export of goods, which through a process of reverse engineering, could facilitate the design and manufacture of military systems or reveal critical elements of the U.S. military system.

The Ichord amendment definitely helps to plug some of these leaks.

I remind all my colleagues that during the past 10 years approximately $10 billion annually has been expended on military R. & D. to maintain our lead in this military technology field; and for this past fiscal year our Congress has voted $12 billion for R. & D.

If it is true military security or military superiority is tied directly to maintaining a lead in the technological revolution, then we simply must make every effort to maintain that lead by preventing the transfer of militarily sensitive technologies upon which our security is based, even if we infringe—and I say this as a defender of free enterprise—occasionally on the side of an imbalance of payments or the free commerce in technology throughout this world in the West.

To do that, we must, as Mr. Bucy suggests, be specific, as specific as is humanly possible.

We must give the Department of Defense a clear indication of what guidelines this Congress wishes them to follow. There should be no doubt about the intentions of my colleagues in this matter. If we err, as a famous chairman of the Defense Committee in this House said for years, let us err on the side of security.

I urge my colleagues to support this excellent amendment by the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

The gentleman from New York (Mr. BINGHAM), brought in the matter of availability in the case of precision ball bearings, which the gentleman from California raised.

I would point out to the gentleman from New York that is something we could argue about as nontechnologists particularly until doomsday as to whether that availability did exist.

Mr. DORNAN. An unusual choice of words.

Mr. ICHORD. This is what we are doing in this amendment. Yes, we are saying that the Department of Defense is the one who should decide whether there is critical military technology involved.

They are the ones who should decide the availability, because they have the intelligence. That is their duty. Now, the State Department has the responsibility in the case of foreign policy, but my God, let us not put the Secretary of Commerce in charge of the defense of this Nation.

I agree with the gentleman from New York, that is the main difference. The Secretary of Defense is responsible for the national security of this country.

Now, both the Secretary of Defense and the Secretary of Commerce are answerable to the President of the United States, who is Commander in Chief, but why not pinpoint responsibility? That is why we have such a shambles today. We do not pinpoint responsibility.

Mr. DORNAN. The reason, even though we have a slight quarrel here over degree, that I am so ecstatic over this bill, the chairman's hearings and the gentleman's contribution, the gentleman from Missouri (Mr. ICHORD), is that it emerges out of a long history of debate on these critical national security issues.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(At the request of Mr. DORNAN, and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. DORNAN. It is an old story for those interested in aerospace that the reason that the Mig-15 appeared as a swept-wing fighter in Korea that could outmaneuver and outaccelerate the F-86 is because the British sold them the main jet engine.

We have a problem not only with reverse engineering but with "eyeball technology transfer" that we cannot do anything about. That is an expression I have coined after I sat on the Ilyusin 76 and 86 aircraft at the Paris Exposition in 1977.

If you look at the Concorde and the Soviets' ill-fated Tupelov 144's, if you look at the Backfires as opposed to our B-1, if you look at their latest fighter technology—Aviation Week and Space Technology a few weeks ago showed they have copied our F-18, our A-10 and our F-15 and F-16, maybe through "eyeball technology", that is all the more reason we should not help them with critical technology or goods, as we have done in the Kama River truck factory, with computers to help them reverse engineer in addition to what they get stealing from all of the European countries through their agents.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to support the chairman of the subcommittee in opposition to the amendment of the gentleman from Missouri. I think the bill that he has written is a good one. I wish we had not adopted many of the amendments that we already have.

In my district, it sometimes takes as long as 16 months to get a license to export a very simple piece of machinery. There are thousands of workers within my district whose livelihoods depend on our ability to sell overseas.

It seems to me that we are being overprotective in our desire to see that we do not ship military technology abroad.

None of us wants to do that.

In defense of the subcommittee chairman, I would like to say that when the ball bearing incident occurred, the jurisdiction for this material was of course in another committee. That other committee continued the same kind of hearings that the gentleman conducted on the subject—that was the Banking Committee at the time—we found the same thing, that the exact material or machinery was available from the Swiss and could be sold and that was the reason for the issuance of that license.

With respect to Cyber 76, Mr. Chairman, that machine is made within my district.

If this country decided that it did not want to sell or to lease or to allow to be used on some kind of contractual basis by Russia, that machine, so be it; and I honor that decision, because I certainly do not want to give away any military technology. I would not like to have the House think there is any attempt by the employees or managers of that company to get around the U.S. restrictions, whatever they may be, whether they are good laws or bad laws.

Those are patriotic people. They are good people. What they were trying to do in that sale is to sell some technology that was 20 years old to be used for international meteorological analysis, and in my judgment there was no reason not to sell the machine.

However, we decided not to sell it, and so that was done with.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I want to confirm the statement just made by the gentleman from Minnesota. Certainly no one should question the patriotism of the manufacturer of the Cyber 76, because they are not in a position to make the necessary decisions to protect our national security.

☐ 1450

This particular company should not be the one protecting the national security of the United States. Here the gentleman confirms my point. It should be the Secretary of Defense that has that responsibility. An individual company is not in a position to make that decision.

Mr. FRENZEL. I thank the gentleman for his contribution, but I want to be sure everybody knows that there is no intent to subvert whatever law might be on the books. I hope that point is clear.

The other point I want to make is this was a 20-year-old piece of technology.

The final point I want to make is that it still takes often a year to sell technology that has no military application whatsoever, because we have to wind our way through tortuous processes that involve department after department.

I think the language of the bill, which says that, if it is not military, then we will try to make it easier, makes a lot of sense. It makes sense particularly since we are running this enormous deficit in our balance of trade, and because we are nervous about our employment and we would like to have the U.S. employees producing goods for export. I think it is fine if we prohibit all of these sales of military technology, but let us leave the language the way it is. It specifies both. It says do not give away the military, but it also says let us make it easier to sell this stuff that is not military.

I certainly hope the amendment will be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Ichord amendment. As the gentleman from Missouri has pointed out, in our technology race, if you will, with the Soviet Union, all we can really do is to delay technology. We have all seen how every technology that we have developed has been adopted sooner or later by the Soviets. But it is important that we continue to develop such technology and keep it out of the hands of our adversaries.

I think it is also very important, although it is not before us today, that we continue to make the kind of investments in research and development that are needed to stay ahead of our adversaries. This provision, the Ichord amendment, is a refinement of what is already in the bill, but it makes even more clear that we are serious about protecting military critical technologies.

For example, on pages 10 and 11 the Ichord amendment makes a change by stating something positively instead of negatively, as the bill presently does. The Ichord amendment would provide that export controls be implemented for goods, the export of which would transfer military critical technologies. The bill, as now written, takes the opposite viewpoint and says that goods should be removed from the list unless they affect our security.

It is really a matter, I think, of making sure that the correct signals are being sent to our adversaries and that we will not jeopardize our national security.

Incidentally, when this bill came out of the subcommittee and was before the full committee, Department of Defense officials told me that although the way the bill had been amended really took care of a lot of their problem insofar as the law would actually read, they were quite concerned that the wrong signals would be sent. It is a matter of emphasis.

The amendment further requires that the Defense Department proceed expeditiously with development of the military critical technologies approach. It has been working on that for 3 years and it should not be delayed any further than is required.

I believe that this amendment is a very important amendment. It is not as important perhaps as it once was, because we did make some changes in the bill. But we should not stop there. I think we should adopt this amendment, that will send the proper signal to our adversaries, that is, that we are serious about controlling our technology and that we do think that the Department of Defense should have a very important part to play in this whole process of trying to prevent our adversaries from gaining access to our military critical technology.

● Mr. DICKINSON. Mr. Chairman, I would like to voice my support for the rapid implementation of the military critical technologies approach to controlling the flow of U.S. military technology to our adversaries. Like the gentleman from Missouri, I am very concerned that our technological lead over the Soviet Union is rapidly eroding. This erosion is due both to Soviet efforts in developing their own technology base together with capitalizing on technology that has been directly transferred to them from the West.

This effort has led to recent Soviet advancement in high technology areas such as the development of: First, a highly accurate ICBM guidance system; second, a look-down/shoot-down interceptor aircraft; third, a killer satellite; fourth, an advanced submarine; and fifth, a new family of high speed computers.

There is virtually nothing we can do to stem the Soviets relentless pursuit of technological excellence through their own laboratory efforts—over the past 5 years they have outspent the United States by over $40 billion in this area—but we can help to protect our own technological breakthroughs by strengthening the military critical technology provision in this bill. I join my colleagues in asking for your support of his amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and on a division (demanded by Mr. BINGHAM) there were—ayes 27, noes 9.

RECORDED VOTE

Mr. BINGHAM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 273, noes 145, not voting 16, as follows:

[Roll No. 455]

AYES—273

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Braggi
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Bryon
Campbell
Carney
Chappell
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannameyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dornan
Dougherty
Ducan, Oreg.
Ducan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erhel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferrano
Fish
Flippo
Florio
Foley
Ford, Tenn
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassely
Grisham
Guarini
Gudger
Guyer
Hagedman
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckelr
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ischord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Losfller
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McGlory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Oakar
Panetta
Pashayan
Patten
Paul
Perkins
Pickle
Price
Quayle
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose

Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder

Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Ullman
Van Deerlin
Volkmer
Walker

Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—145

Albosta
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badham
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conyers
Corman
Danielson
Daschle
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Fenwick

Findley
Fisher
Fithian
Ford, Mich.
Forsythe
Frenzel
Garcia
Giaimo
Gibbons
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holtzman
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Lewis
Lowry
Lundine
McCloskey
McHugh
Maguire
Markey
Marks
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Neal
Nedzi

Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Petri
Peyser
Preyer
Pritchard
Pursell
Rangel
Ratchford
Reuss
Richmond
Rodino
Rosenthal
Rostenkowski
Sabo
Scheuer
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
Stark
Stewart
Stockman
Stokes
Studds
Swift
Thompson
Traxler
Udall
Vander Jagt
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Wirth
Wolpe
Yates
Zablocki

NOT VOTING—16

Anderson, Ill.
Applegate
Beard, R.I.
Carter
Cheney
Derwinski

Diggs
Drinan
Flood
Gingrich
Leach, Iowa
Lederer

McCormack
Matsui
Roybal
Young, Alaska

☐ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Rhode Island for, with Mr. Lederer against.

Mr. MARLENEE and Mr. LUKEN changed their votes from "no" to "aye."

Mr. TRAXLER changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENTS OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mr. GLICKMAN: On page 8, line 24, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

On page 23, line 6, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

Mr. GLICKMAN. Mr. Chairman, I ask unanimous consent that the two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, the purpose of these amendments is to require the Secretary of Commerce in both cases where an application for an export license has been denied either for national security reasons or for foreign policy reasons, to give the applicant some reasons why it has been denied and to suggest to the extent feasible what modifications or restrictions on the technologies and goods for which the license is sought could be changed to be compatible with getting the items exported, or if that is too administratively difficult, at a minimum to let the applicant for the license know which department official is in charge of his license application so that that applicant can go to that person and find out what is wrong with the application and how the problem can be remedied. The reason for that, Mr. Chairman, is the fact that while many large businesses—whether they be the Boeing Co. or Cargill—have lobbyists up here and work very frequently with the department officials to find out whether export licenses can be approved or not, small businesses do not have that financial capability. So the purpose of the amendments, Mr. Chairman, is to require the Secretary to do one of two things. When an export license is denied by reason of national security control or foreign policy: First, he shall include in the notice to the applicant if there are any modifications or changes that need to be made in order to get the items exported; or, second, if he cannot do that, to let the applicant know who in the Department of Commerce will be made reasonably available to the applicant so that the applicant can then go back and try to work out something to get the items exported. The whole purpose is that the Department in effect already does this for big business, and all I am trying to do is to insure that all businesses have the capability to figure out how to cure any defects in their export licenses in order to insure that we can get goods reasonably exported without unreasonable delay.

I understand that the Department of Commerce was concerned in that the language of this amendment could bureaucratize even more their agencies. So I have structured the language to indicate that if the department in charge could not specifically indicate what was wrong with the export license, at a minimum that department would be required to let the applicant know who in the department was familiar with the application so that he could help the licensee out and get the license approved if possible. Basically, this amendment is just an incentive to try to get as many export licenses approved to the extent possible and try to help a lot of people in this country who cannot afford a Washington lobbyist to help them.

I think it is a straight forward and simple amendment.

☐ 1520

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

We have had an opportunity to examine these amendments. We have no objection to them.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. This whole bill is an attempt to balance between the attempt to make it easier to get the licenses to export noncritical technical goods and the desire on the other hand as was demonstrated by the last vote, to secure our security.

This amendment does what many of the speakers who opposed the last amendment does. It makes it easier for business to get licenses approved, it treats the little guy like the big companies are already treated. I think it is an excellent amendment and I strongly urge its adoption.

Mr. GLICKMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 16, strike out lines 8 through 23.

Redesignate the following subsections accordingly.

Mr. ICHORD. Mr. Chairman, I first wish to thank the members of the committee for the overwhelming vote on the last amendment that I offered.

As I pointed out on the previous amendment, this is not my amendment. This is an amendment unanimously reported by the Subcommittee on Research and Development of the House Committee on Armed Services. I reiterate this is not my amendment, it is an amendment of the House Committee on Armed Services.

Mr. Chairman, this amendment deletes section 5(g), the concept of indexing.

I apologize to the gentleman from New York (Mr. BINGHAM) for bringing the matter up out of order but I was so concerned about this particular provision of the bill, and as I stated, I asked my technologist on the Research and Development Subcommittee staff just what the language of section 5(g) meant, "indexing." I asked witnesses who came before the committee about the subject of indexing and no one could satisfactorily explain it to me.

The gentleman states on page 18 of the report:

> Subsection (g) provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods and technology subject to license requirements under this section, in order that such requirements may be periodically removed as such goods and technology become obsolete. This provision is particularly applicable to computers.

Again, I want to know about this provision. I do not understand it. Why is it particularly applicable to computers, I would ask the distinguished gentleman from New York (Mr. BINGHAM).

Mr. Chairman, I have not been able to get an answer.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield to me?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. First of all, let me say, if the gentleman is puzzled by the word "indexing," I would point out that the text of the section that the gentleman would like to knock out of the bill does not use the word, "indexing." Indexing is sort of a shorthand way of referring to the process in which we are here interested, which is to have periodic removal from the list of goods and technology that no longer qualify as being necessary to control for export for national security reasons. That is all we are talking about. It is an authorizing section. It mandates nothing. As far as the gentleman's particular question is concerned, I thought it was generally understood—I certainly so understood it—that the technology of computers has been rapidly advancing, and what is an advanced computer today, 2 years from now may be old hat. That is all we are talking about.

Mr. ICHORD. That may be so, but one must take into consideration the level of our technology. One must take into consideration the level of technology of the potential adversary. How can the gentleman say with certainty, today, that a particular computer technology will be obsolete, say, 3 years from now?

Mr. BINGHAM. Mr. Chairman, all we here ask for is that where appropriate the Secretary issue regulations to provide for periodic renewal of the examination of the list. I should think the gentleman would agree that, as items become no longer critical, they should be taken off the list so the people over there do not have to bother with it.

Mr. ICHORD. Let me take the distinguished gentleman from New York through this bill. Let us go to page 10. The gentleman already has that authority. If that is all the gentleman was doing by this language I would be little concerned.

Let us refer to page 10 of the bill. I read this language:

> The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. ICHORD was allowed to proceed for 5 additional minutes.

Mr. ICHORD. Mr. Chairman, section 32(a) refers to controls for national security purposes.

Here the Secretary of Commerce has the authority for continuous review of the control list. He can take them off. Certainly we should not keep controls on piston engines, for example. I rather doubt if we should keep controls on just the ordinary jet engine. If you had a jet engine involving critical military technology, perhaps you should.

I thank the gentleman for his explanation. It makes me reiterate that I believe the Committee should support the House Committee on Armed Services in its unanimous reporting of this amendment.

Let me again point out to the Members, Mr. Chairman, the only place where we have a lead over our potential adversaries is in the field of technology, and particularly in the field of computer technology.

As the gentleman has explained, this indexing concept envisions the establishment of thresholds below which goods or technology would no longer be subject to controls.

Another example might be the case, as the gentleman stated, of a computer where a certain speed or memory capacity might be set as a threshold for, say, January 1, 1980. On that date all controls would be removed from computers. The gentleman says this is especially applicable to computers. Having a speed or capacity less than the established threshold.

Mr. Chairman, I submit this concept is flawed in two respects. First, it is an attempt to forecast technology in advance and predetermine the state of the art at a given time. I submit this is a very dangerous way to establish our export controls.

One cannot tell whether a particular technology, today, is going to be obsolete on January 1, 1980, or January 1, 1981. We already have the authority on page 10 to review the items on the control list. I think it particularly dangerous to proceed with such a vague, ambiguous control concept. Let us not fool around with computers where we certainly have a lead over the Soviet Union.

☐ 1530

This is the only place that we have the lead. For the benefit of those Members who were not here when I submitted the first amendment, let us face it. In terms of numbers, we are out of the ball park. The gentleman from Florida (Mr. BENNETT) and the chairman of the full Committee on Armed Services who sit in front of me, know the numbers, they know we are outnumbered 7 to 1 in tanks. They know we are outnumbered 4 to 1 in aircraft. They know we are outnumbered 6 to 1 in artillery pieces. They know we are outnumbered 50 to 1 in chemical warfare. The only place where we have a lead is in technology, and again I reiterate, especially computer technology.

Let us not open up the gate and lose that particular lead; so on behalf of the Committee on Armed Services, I hope that the Committee will also adopt this amendment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment. Again, we are in substantial agreement that it is desirable for the list to be constantly reexamined so as to take off those items which need no longer be controlled.

This section, which is entirely permissive with the Secretary of Commerce, does not mandate anything. The purpose of it is to encourage setting up a system for taking items off the list, so that it will not be a case of items being taken off one by one or two by two, which never catches up with obsolescence.

The number of export license applications is increasing by about 20 percent per year. It is currently running at an annual rate of close to 80,000. This is causing all kinds of delays which our friends in the export industry have complained to all of us about.

Now, in order to encourage the administration to do a better job and a quicker job of taking items off the list that should no longer be on it, we have included this provision urging and authorizing the Secretary to set up a system of doing this in an orderly fashion.

Let me point out that in the provisions of the paragraph that we are talking about, if any goods or technology are proposed to be removed from the list pursuant to that system, any of the interested departments, including the Defense Department, can object. That takes the automaticity out of the process. That is in the second paragraph of subsection (g). There is no danger of anything happening automatically that the Defense Department disapproves of. They will have their opportunity. It just will encourage a better and more efficient system of taking items off the list that should no longer be on the list.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would ask the distinguished gentleman from New York if the gentleman took testimony from the technologists as to how accurately they could predict the level of technology? This is my concern. Here we are going to try to predict the level say of computer technology in 1982.

Now, you have got to not only predict the level of our own technology, you have to predict the level of the adversaries, what the level of technology of the adversaries is going to be and what the technology of our allies will be.

The gentleman has brought up availability. How accurate can you be? That is my concern.

Mr. BINGHAM. Mr. Chairman, the testimony we had on this from industry in particular was that we can do it. We are proposing a similar system in COCOM. It is being discussed in COCOM currently.

Again I say, if DOD thinks it is going too fast or something is going to be taken off that should not be taken off, DOD can object to it.

Mr. ICHORD. But DOD cannot stop it if they object to it. That is the question that I would ask the gentleman.

Mr. BINGHAM. Sure. The gentleman knows DOD has not been overriden by the Secretary of Commerce on any of these national security items.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding. I have basically a couple inquiries.

First, I think the gentleman said that this does not mandate the Secretary to do anything at all. My reading on line 17 says, "the latest such increase shall be removed from the list."

That seems to be mandatory, The word "shall" seems to be mandatory.

Second, I would give the gentleman a chance to respond to both these inquiries; in that same area, starting on line 15 it reads:

> Any such goods or technology which no longer meet the performance levels established by the latest such inquiries.

My problem there is that the latest such inquiries could very well be an increase in the technology solely within the United States of America. I think in order to protect, in order to give substance to the balance of the particular bill, particularly to the Ichord amendment, we have to make sure that we are not giving or not selling technology which may not be the latest here, but nevertheless, which may be two or three generations ahead of foreign technology, Soviet technology, if you will. If the gentleman would respond to those two inquiries.

Mr. BINGHAM. Mr. Chairman, I certainly would agree with the gentleman that what is obsolete here is not necessarily obsolete in the Soviet Union. Certainly the gentleman is correct about that.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. BINGHAM. Mr. Chairman, the answer to the first question the gentleman raises, about the word "shall" in line 17, is that that it refers to a system or set of regulations which the Secretary, under the first sentence of subsection (g), is authorized to establish. In other words, if the Secretary sets up this kind of a system, which we in the committee would hope that she would be able to do, then the removal of items in accordance with that system would occur, unless another Government agency objected.

Mr. COURTER. Mr. Chairman, my point, I believe, if the gentleman will yield further, is the fact that it will inevitably go into effect. The restraints would have to, therefore, be lifted, and the word "shall" is mandatory, provided, as the gentleman says, something else does not happen. The chances are perhaps that something else will not happen. The word "shall" therefore makes it mandatory and we have a problem, particularly when U.S. technology is advanced two or three stages beyond some foreign country's technology.

Mr. BINGHAM. Mr. Chairman, again let me say, the "shall" applies only if the Secretary has, pursuant to this paragraph, established the kind of system we are talking about, and that part of it is discretionary.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the Subcommittee on International Economic Policy of the Committee on Foreign Affairs some questions because I want the legislative history and intent to be as clear as possible on this complex but important piece of legislation. And particularly this section of the bill.

Of course, I begin with the major premise which I believe every Member of this House accepts: that the national security, in a very literal sense, of our country, is the point of departure from which all of us operate. I certainly would not want to be a party to compromising our national security in any way, or in any manner, directly or indirectly. Nonetheless, within that context I would like to suggest that there is nothing of more import in economic terms—in transfer and exchange in the world today—than the computer. The computer is an important wave of the future; it travels at a breathtaking rate across all national and ideological barriers and boundaries. The technology of the computer can become obsolete, out of date, very, very quickly. That is what prompts my inquiry.

I wonder, Mr. Chairman, in view of the language of this particular section, what mechanism the gentleman and his committee colleagues considered when the requirements in the indexing provision in the section were adopted. They provide:

> In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technologies subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for changes—

And so forth.

My question is: How will the needs of our national security be ascertained? I would like to know what mechanism will be used to determine what or which particular licenses are obsolete from the point of view of national security? Did the gentleman have in mind relationship between those two?

Mr. BINGHAM. No; that would be up to the Secretary to determine and to propose such a system. I would not be qualified to do that myself. I doubt if many people here would be qualified to do that. It would be something that would be established pursuant to this authorization and, again, I would say in the operation of it, it would be subject to objection from the Department of Defense if that Department chose to object.

□ 1540

Mrs. HECKLER. Mr. Chairman, I want to be sure I understand: Your reply is that there would be consideration by and a determination from the Department of Defense as to whether or not national security interests were to be served?

Mr. BINGHAM. Absolutely.

Mrs. HECKLER. That is the Defense Department would decide if the technology had become obsolete from the point of view of national security; is that right?

Mr. BINGHAM. Of course, yes.

Mrs. HECKLER. So an operational precondition to the act of indexing as it could be implemented under this language would depend upon a judgment by the Secretary of Defense that the particular equipment had become obsolete and would not adversely affect our national security?

Mr. BINGHAM. That is correct.

Mr. ICHORD. Mr. Chairman, will the distinguished gentlewoman yield on that point?

Mrs. HECKLER. I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the distinguished gentlewoman from Massachusetts (Mrs. HECKLER) has brought up a very crucial point and I want to direct the Members to the exception. We will recall that the gentleman from New Jersey talked about the mandatory language, "shall," in lines 16, 17, and 18. Now, let us look at the exception.

First, the approach of the committee was to mandate the indexing. Now they have brought in an exception approach, and it goes like this: "* * * unless, under such exceptions and under such procedures as the Secretary shall prescribe,"—meaning the Secretary of Commerce—"any other Government agency objects * * * that the goods or technology shall not be removed from the list."

That language gives the Secretary of Commerce the responsibility for determining whether this is critical military technology or not. That is my point. The person who should be doing this is the Secretary of Defense.

Now, they are all working in the interests of the United States of America, but the Secretary of Commerce dealt solely with trade. Let me point out again we are dealing here with export controls for the purpose of protecting the national security of the United States, and that should be the responsibility of the Secretary of Defense, not the Secretary of Commerce and not even the Secretary of

State. The Secretary of State should be responsible for foreign policy control, the Secretary of Commerce should be responsible for trade controls, but the Secretary of Defense should be the one who is responsible for protecting the military security and the national security interests of the United States. My God, let us start pinpointing responsibilities. This is a responsibility of the Congress to pinpoint executive responsibility. I think the gentlewoman has brought up a very crucial point.

Mrs. HECKLER. Mr. Chairman, I would like to respond to my colleague the gentleman from Missouri.

The CHAIRMAN pro tempore (Mr. MCKAY). The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(On request of Mr. BINGHAM, and by unanimous consent, Mrs. HECKLER was allowed to proceed for 3 additional minutes.)

Mrs. HECKLER. Mr. Chairman, it would seem to me that the section is capable of different interpretations, which is why I asked for this clarification.

In my view, the legislation before us would make major and necessary policy and procedural changes in the current export control process, a process which has been called "draconian and inflexible" by U.S. exporters. At the same time, the legislation will certainly preserve vital U.S. national security and foreign policy interests. The net result of H.R. 4034 will hopefully be the enhancement of legitimate U.S. export trade.

I say "hopefully," Mr. Chairman, because the utility of the reforms included in this legislation will be to a great extent dependent upon subsequent actions taken by both the Department of Commerce and the Department of Defense.

For example, H.R. 4034 requires the Secretary of Commerce to develop foreign availability criteria by regulation. A determination of foreign availability is a critical aspect of this legislation because such a determination can trigger the removal of complicated and time-consuming U.S. export controls thereby insuring that U.S. exporters will be competitive with their foreign counterparts.

It is my hope that the Commerce Secretary will insure that these regulations are developed as quickly as possible, and that the criteria set forth in those regulations will not be so stringent that they will be impossible to meet.

It is also my hope that the Department of Commerce will proceed expeditiously to reduce the list of unilaterally controlled items, especially in the area of scientific, industrial, and medical instruments. This is especially troublesome to exporters in my district because of the widespread incorporation of microprocessors in this type of equipment.

Let me illustrate why I raise these two points by one example. The Foxboro Co., which is located in my district, manufactures an infrared analyzer called the Foxboro-Wilks 801. This instrument is used in laboratories to measure the chemical composition of gas and other elements. The instrument contains an Intel 8080 microprocessor and, because of this, it is subject to U.S. unilateral export control licensing procedures.

Siemans, a West German company, manufactures a multipurpose gas chromotograph which competes directly with the Foxboro infrared analyzer. The Siemans product also contains a microprocessor, but the Government of West Germany permits Siemans to ship this product throughout the world without any export licensing restrictions.

Typically, it takes Foxboro 4 to 6 weeks to obtain U.S. Department of Commerce approval to export its infrared analyzer because of U.S. licensing requirements. Siemans, on the other hand, can ship its product immediately because it is confronted with no export licensing requirements. In this highly competitive world, a delay of 4 to 6 weeks in a company's ability to deliver a product can mean the loss of the sale.

I should note that the microprocessor contained in the Foxboro infrared analyzer is a "dedicated" microprocessor. This means that it cannot be reprogramed. It should also be noted that the value of the microprocessor represents only a minor portion of the value of the entire instrument.

Representatives from the Scientific Apparatus Makers Association, of which Foxboro is a member, recently met with officials in the Department of Commerce to discuss this problem, and I understand that the Department has begun to look into it. I hope that the Department will make rapid progress in resolving this type of situation. By eliminating these types of products which contain dedicated microprocessors from the U.S. unilateral control list, licensing officers in the Commerce Department and those who review these matters at the Defense Department will be free to turn their attention to more critical areas of legitimate national security concern.

I ask the chairman of the subcommittee of the Committee on Foreign Affairs as to whether or not in the very operation of the phrase, "national security," the determination of obsolescence would necessarily have to come from the Department of Defense, and I would again ask the chairman of the subcommittee as to whether or not he reads the section as requiring that approach in agreeing on other items of technology not within the immediate needs of national security or within the preferred list for commerce or commercial approach. I would ask the chairman to respond to that inquiry.

Mr. BINGHAM. Mr. Chairman, I can respond in this way: That the responsibility for setting up the system so that we will be sure that items that have become obsolete from the point of view of national security are at least looked at in terms of whether they should be taken off the list is provided. That is done so as to allow those concerned with licensing to focus on the important items, on the items that are important in national security.

That responsibility in the first sentence lies with the Secretary of Commerce to propose regulations to accomplish that. If he or she does that and then items are proposed to be removed from the list in accordance with that section, the Secretary of Defense can, if he or she chooses, object to their removal from the list.

The advantage of this is that instead of leaving the situation exactly as it has been in the past, with items remaining for years on the list that should not be on the list, there is here a proposed system to make sure that the unimportant items are taken off. If we knock this out of the bill, we leave it just the way it has been, with an endless number of items being considered that should no longer be considered, simply because the bureaucrats have not enough time to get around to taking them off.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for his response.

I would say that in this area we have two interests, the first being the overriding one of national security and the second one that of being realistic in this ever evolving age of international exchange in which the computer is exchanged and copied by foreign governments and foreign organizations and foreign industries.

Just recently I have been informed that the People's Republic of China purchased over $100 million worth of computer technology from a French firm. I think, that even as we meet the needs of our national security, it is very important as a matter of overall economic export policy and American business interests—out balance of payments and American jobs to allow American firms to compete and to promote their products. When national security matters are not at issue it is important that we in no way hobble or harm the business interests in our country who have a good product to sell abroad.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the discussion that has just gone on indicates that there is some lack of clarity about the amendment and just exactly what it does.

The provision in the legislation, especially as compared to the original bill that was introduced, does leave some flexibility on when indexing may be instituted. However, once a category is agreed on for using indexing, it becomes mandatory that those items be dropped from the control list unless, under certain circumstances, another Government agency objects. Even that is not clear because the Secretary of Commerce still retains the authority to override any such objection. The provision goes on to say: If certain performance levels are reached, no matter what the Secretary determines might be the situation for an individual case, he would have to remove it.

Mr. Chairman, I do not suggest that if we should get into such a situation, the Secretary of Commerce, if he or she felt there would be a leak in our military critical technologies overseas, would go ahead with that.

So one of three things is going to happen: First, either indexing will not be used at all, which is certainly going to come as a great shock and surprise to those supporting this kind of provision; or second, we will get trapped, which could be absolutely disastrous, and we will export some technology that we do not want to export; or third, the Secretary is going to violate the law.

I share the subcommittee chairman's concern about this problem, but I do support the amendment. I would say, however, that there might be a better way of doing this. I think there should be some formalized way of removing items from the list, and I think we should perhaps simply direct the Secretary to do so by regulation. But that choice is not before us at the present time, so I do rise in support of the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Ichord amendment and urge support of the present language regarding indexing in H.R. 4043. I feel that the present language makes an important first step in alleviating the competitive disadvantage under which many high technology industries have been trying to operate for many years. The indexing provision does not in any way jeopardize the national security of the United States; rather it allows for removal of needless redtape and control on exports which have been determined to have become "obsolete with respect to the national security of the United States."

First, let me emphasize that the bill language does not mandate the indexing of certain goods after the performance levels of such goods have risen; it permits this indexing. The Secretary of Commerce, whom we assume will be working in close coordination with the Secretary of Defense and Secretary of State, is allowed to periodically reevaluate requirements for validated licenses and qualified general licenses for high technology goods.

As Members of the House know, the concept of indexing high technology items has been agreed to by COCOM, the informal trade group of the United States, our NATO Allies—minus Iceland—and Japan. COCOM already provides for periodic review of performance parameters of goods. The indexing provision in this bill merely provides for a more orderly, comprehensive reassessment of overall product technology. If the United States, due to slow reevaluation of national security requirements, fails, to allow the exports of high technology goods which in no way jeopardize our security, then we are hurting our balance of trade and our competitive edge in a market area that is very important to our economy today and looks as though it will become more and more crucial in years to come. I might add that not only are we hurting our own balance of trade, we are actively helping other nations, such as France, Japan, and West Germany, who of course will not hesitate to step into any market where there is a profit to be made. And I need not remind the distinguished gentleman from Missouri, or any of the Members of the House, of the disastrous negative situation our economy is in as the result of the horrible balance of payments situation we face.

Finally, I would like to address in some detail the incorrect notion that indexing of goods is incompatible with the national security of our Nation. The argument has been set forth that the phrase "obsolete with respect to the national security of the United States" is vague. I concur with this statement. The notion of a product becoming obsolete is purposely left vague so that the Secretary of Commerce, in coordination with the Secretary of Defense and Secretary of State, can analyze our defense needs. There is no question that a product may be outdated on the U.S. market, but might be anything but obsolete in terms of a Communist-bloc country. Only if the Secretary of Commerce, after very careful analysis, deems that a product may be sold to a potentially unfriendly country at no risk to the American security will it then be indexed for trade to those countries. Furthermore, as I stated earlier, the provision in this bill is merely permissive, not mandatory. The Secretary of Commerce does not have to index goods at all.

In summary, indexing will help give businesses the competitive edge in international trade that presently, in many cases, they lack. It will permit the sale abroad of high technology items which are becoming a more and more important part of our economy. At the same time, this provision is worded in such a way that indexing will only take place after a rigorous review of our own national security needs. For these reasons, I urge defeat of the amendment of the gentleman from Missouri, and the retention of the current bill language.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Ichord amendment.

Mr. Chairman, I will not take the usual 5 minutes, since I have already spoken on this particular amendment.

I think this is a very crucial amendment, because if it is not adopted, it basically, according to my reading of page 16, lines 8 through 23, would otherwise remove the effect and the thrust of the prior Ichord amendment which passed this House so overwhelmingly less than 45 minutes ago.

The thing about which I am most concerned is the language with regard to "the latest such increase," to the very latest technology. I think this particular bill, with the last Ichord amendment, intended to protect the United States from aiding and abetting unwillingly those enemies and those people who would make us their adversaries by making sure we do not sell military critical technology to other countries. That particular phraseology is particularly important.

The thrust of the first Ichord amendment had nothing to do with the latest technology, because, very truly, it does not have to be the latest technology that would give critical military technology to those people who would oppose us in our foreign policy; it could be not the latest advance or the second-to-the-latest advance or the third-to-the-latest advance.

So, Mr. Chairman, I think, therefore, this particular paragraph must be removed in order to give free play and emphasis to the Ichord amendment that passed so overwhelmingly just a few moments ago.

□ 1550

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 206, not voting 27, as follows:

[Roll No. 456]

AYES—201

Abdnor
Addabbo
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Clausen
Cleveland
Coleman
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Davis, Mich.
Davis, S.C.
de la Garza
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Del.
Evans, Ga.
Ferraro
Fish
Flippo
Fountain
Fowler
Fuqua
Gaydos
Gephardt
Gilman
Ginn
Gonzalez
Goodling
Gore
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDonald
McEwen
McKay
Marriott
Martin
Mathis
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Nichols
Pashayan
Paul
Pickle
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stratton
Symms
Taylor
Thomas
Treen

Trible
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—206

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Danielson
Dannemeyer
Daschle
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frost
Garcia
Gibbons
Glickman
Gradison
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Leach, Iowa
Lehman
Leland
Lloyd
Long, La.
Lowry
Luken
Lundine
McCloskey
McDade
McHugh
McKinney
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Moakley
Moffett
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Russo
Scheuer
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki

NOT VOTING—27

Anderson, Ill.
Applegate
Beard, R.I.
Bonior
Carter
Cheney
Chisholm
Derwinski
Diggs
Dodd
Flood
Giaimo
Gingrich
Goldwater
Lederer
McCormack
Madigan
Mitchell, Md.
Murphy, Ill.
Price
Roybal
Sabo
Steed
Stump
Vander Jagt
Wyatt
Young, Alaska

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Murphy of Illinois against.

Mr. Cheney for, with Mr. Lederer against.

Mr. Young of Alaska for, with Mr. Beard of Rhode Island against.

Mr. Gingrich for, with Mr. Mitchell of Maryland against.

Mr. Goldwater for, with Mrs. Chisholm against.

Mr. LONG of Maryland and Mr. VOLKMER changed their votes from "no" to "aye."

Mr. ALEXANDER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio. Page 8, add the following after line 24:

"(3) In issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting critical technologies to miltiary use, the difficulty of devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the reexport of critical technologies from other countries to countries that pose a threat to the security of the United States. Such regulations shall not be based upon the assumption that such effective safeguards can be devised.

□ 1610

Mr. MILLER of Ohio. Mr. Chairman, to successfully implement the critical technologies approach endorsed by this bill it is imperative that we correct an existing weakness in the current system. One such loophole concerns so-called end-use statements and safeguards to prevent the diversion of technology for military purposes once it has been transferred to a controlled nation like the Soviet Union.

It is often current practice to require nations receiving American technology to sign an end-use statement agreeing that the transfer of goods or technology will not be diverted for military uses. The problem with end-use statements and so-called safeguards is that they are only cosmetic in nature and do not work. As the Senator from the State of Washington recently stated on the floor of the other body, they provide no protection against diversion of critical technologies and goods since, by definition, they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. The diversion of know-how cannot ordinarily be detected or prevented since it consists of the transfer of knowledge from one person to another. Once the transfer of such critical know-how occurs, it is lost forever.

Let me set up a hypothetical situation to illustrate the need for this amendment. Let us assume there is a man whom you know to be a potential adversary, and this person is holding a baseball in one hand and a grenade in the other. Would you teach this potential adversary how to throw the baseball; in other words, give him the know-how, and then pray to God that he will not use this know-how to throw the grenade? I hope not. But that is exactly what this country is doing; a promise not to throw the grenade is not enough. In dealing with governments like the Soviet Union, we must assume that if the technology to be exported can be diverted for military uses that it will be diverted for military uses. And as a result, a license application should not be approved on the basis "end-use statements" and "safeguards."

In light of the Kama River truck plant incident, it would be totally naive for the United States to think that safeguards are an effective mechanism in preventing diversion. If the Soviets want to divert the technology for direct military purposes, they will do so, like they have done with the military truck engines coming out of the Kama River.

This amendment provides that rules and regulations for the control of critical technologies and goods reflect the dificuties associated with end-use statements and safeguards. The amendment also requires that effective measures be taken to prevent the re-export of critical goods and technologies to potential adversary nations when we export them to friendly nations, which include most Third World countries as well as our allies in COCOM.

An amendment such as this was passed in the other body by unanimous consent, and met with the approval of the Commerce Department official monitoring the bill's debate on July 21 of this year.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding and I rise in support of the amendment.

Let me take this opportunity of thanking the gentleman for all of the work he has put in in tightening up this bill and making it a very meaningful bill.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. Yes, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to also commend the gentleman for all of his efforts on behalf of this bill and trying to improve it. I would like to support the amendment as well. I think it merely makes explicit what has been apparent from hearings on export controls, and that is, as the gentleman has already pointed out, safeguards cannot be devised to prevent the diversion of technology if someone is really determined to get that technology.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. LAGOMARSINO. The gentleman's amendment, of course, provides that rules and regulations be developed in such a way as to prevent reliance on ineffective safeguards as a means of countering diversion of technology. I think it is something that needs to be in the bill. As the gentleman points out, the other body included very similar language in its version of this bill, and I hope it is adopted.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I want to commend the gentleman in the well, the gentleman from Ohio, for offering this amendment. I know the gentleman from Ohio, along with the gentleman from New York (Mr. WOLFF), have worked long and hard in this area. I would hope that the gentleman from New York (Mr. BINGHAM) would accept the amendment of the gentleman from Ohio.

This amendment, I would point out, might well get rid of the can of worms, the so-called shambles the Director testified about before the House Armed Services Committee.

But we are going to have this problem if we do not do something about it. We are going to have it with us for years to come. I would cite for the Members of the House the Kama River project. I know that the gentleman from Ohio is familiar with the Kama River project.

I think it is absolutely reprehensible when NATO is so short, extremely short of 5-ton trucks that we not only export trucks, we export a whole turnkey factory to the Soviet Union at Kama River, the largest truck plant in the world, and which has definitely produced trucks that go into the Soviet military.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(At the request of Mr. ICHORD and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. If the gentleman will continue to yield, it has been proven beyond a doubt that that truck plant, the Kama River truck plant has been diverted to military uses.

Now, what can we do? It is true that there were no end-use restrictions placed upon the Kama River turnkey plant. That was the problem. No end-use restriction. But certainly somebody should have been thinking about end-use restrictions if we are going to transfer a whole turnkey factory. Again, on top of that, someone should be thinking about how we are going to enforce these end-use restrictions. Are we going to deny them support? This is what the bureaucracy should be directing their attention to, and this is what the amendment of the gentleman from Ohio calls for. I hope that the manager of the bill will accept the amendment in order to get rid of the shambles that we now have in the administration of the Export Administration Act.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER or Ohio. Yes, I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I also want to commend the gentleman in the well. I know we have worked together with two distinguished members of the majority for over a year on this reexport problem. The whole nightmare situation in Europe of these critical materials leaking like a sieve behind the Iron Curtain cannot be overemphasized.

When I first met with COCOM members in Europe 2½ years ago they explained to me that people will find statements under the COCOM agreements that a third nation will not have access to materials that are stacked up in warehouses, digital computing equipment, sensitive transistorized backup hardware and software.

☐ 1620

Then, they go back a month later and half the warehouses are empty. "Sixty Minutes," the Nation's No. 1 rated show, which is always in the top five—it says something about the viewing habits of the American people that this hard-hitting factual show outdraws all the situation comedies and adventure shows—"Sixty Minutes" wanted to do a long segment on the export control problem, and found out that it is just too difficult to film. All they have is people describing how bad the problem is, or they can film a full warehouse and come back a few months later and show the same warehouse empty.

In spite of the television difficulties of filming this, we in Congress should certainly be aware of what Mike Wallace and his producer, Barry Lando, are aware of, and should support the gentleman's amendment. I would hope that the distinguished chairman, the gentleman from New York (Mr. BINGHAM) would accept this amendment in its totality.

Mr. MILLER of Ohio. I thank the gentleman from California.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

I do so with some reluctance, because I know of the great deal of work that the gentleman from Ohio has given to this topic. The committee and the administration both are opposed to this amendment because, in essence, it appears to be an amendment that is against safeguards. I ask the question: How can you be against safeguards?

We are not suggesting, nobody suggests, that these safeguards are absolute or that they will totally prevent the diversion of items to an unintended use. But as the gentleman from Missouri (Mr. ICHORD) has just pointed out, the Kama River deal has been criticized, and maybe rightly, by many of these same people because no end-use requirements were incorporated in the deal. When President Nixon and Secretary Kissinger decided to go ahead with the exports to the Kama River plant, they deliberately did not put in any provisions to prevent the diversion of the products of that plant.

So, what we are talking about here is safeguards in the sense of an effort to deter the misuse of the products that we export to the Soviet Union and to other Communist countries. As I say, there is no way in which safeguards can absolutely prevent diversions, but they are a useful device to assist in the process of reducing the degree to which diversions occur. In fact, if this amendment is adopted, it might very well discourage the administration from using safeguards or end-use requirements, and that is certainly not the intention, I am sure, of the author of the amendment. But, that might be the result.

One of the areas where end-use safeguards are used, and used effectively, is in the utilization of computers, where the agreements provide that the vendors of the computers have access, recurrent or constant access, to the operation of the computers to see that they are used for the purposes for which they are sold. So, safeguards are a necessary and beneficial part of the total process of trying to see that we have exports to the Soviet Union that are beneficial to our industry, but that do not assist the military potential of the Soviet Union.

This amendment does not prohibit them, but the whole effect of the amendment is negative. It would discourage the use of safeguards, and I urge a negative vote on the amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield.

Mr. BONKER. As it relates to the Kama River case and the statement on the question of other safeguards, we have access to the computer there, the results of which gave us access to the facility.

Mr. BINGHAM. That is correct, yes.

Mr. COURTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman for yielding. In reply to the chairman's remarks concerning safeguards and end-use statements, I would like to state that the amendment will not stop the end-use statements or safeguards. The amendment wants the Commerce Department not to rely on a tag that will be hanging on an article that says, "We will sell you this article if you sign this tag stating that you will not use it for military uses, and use it back against us."

We do not want someone relying on a statement, because if it can be used for military use, and it goes to controlled nations, they will use it for military use. We are conveying the message that, in issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting a critical technology to military use.

We are giving a warning. We certainly need this section, and safeguards and end-use statements can certainly be used, but through the legislative process—we want the administration to know that end-use statements are not the items that we should rely on completely in order to turn over our technology to some other nation that could, in time, use it back against us.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. Does the gentleman know of any case in which a license was granted in which safeguards were included, and it then turned out that the safeguards were useless and the material was misused or diverted? Does the gentleman know of any such case, bearing in mind that in the Kama River case the majority of the exportation contained no end-use restrictions?

Mr. MILLER of Ohio. In the Kama River case there is still a dispute as to whether there was an end-use certificate as such, or understanding of an end-use certificate. I would ask the gentleman, whenever we have sent articles on the basis of end-use would the gentleman assure the committee that not one item has been diverted?

All we want to do is to have our administration be alert and aware that this is not the solution to solving our problem of transferring our technology.

We do not just want an end-use statement signed, and then say, "Yes, you can have it; there it is."

There is no assurance whatsoever once it arrives, that it will not be turned over for military use.

Mr. BINGHAM. Will the gentleman yield briefly further?

Mr. COURTER. I will be happy to yield to the gentleman from New York.

Mr. BINGHAM. As far as Kama River is concerned, I have read all those documents in the testimony. All I can say is that if there was an intention to provide end-use restrictions, they did a hell of a bad job. As the gentleman from Missouri just stated, there really were no end-use restrictions. The best they could come up with was some vague understanding. There was not anything in the documents to show that there were end-use restrictions.

But, I agree with the gentleman that safeguards are not absolute. My purpose in opposing this amendment is that the amendment will discourage the use of safeguards, and that seems to be cutting off the nose to spite the face.

Mr. MILLER of Ohio. That is the main purpose of the amendment, to attempt to show the administration that the safeguards are not there when an end-use statement is signed.

● Ms. HOLTZMAN. Mr. Chairman, I am constrained to oppose the amendment proposed by Mr. MILLER of Ohio. His amendment deals with the problem of exporting technology that may be potentially sensitive from a military point of view. I share the concern of the gentleman from Ohio and agree with the intent of his amendment. Nonetheless, I cannot vote for it, because the last sentence of the amendment is self-defeating. By stating that effective safeguards cannot be devised the amendment's objective is subverted. We need strong and effective safeguards. This amendment would not require them.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 20, noes 24.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

A quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1640

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 271, noes 138, not voting 25, as follows:

[Roll No. 457]

AYES—271

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Devine
Dickinson
Dicks
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Findley
Fish
Fithian
Florio
Fountain
Fowler
Frost
Fuqua
Gaydos
Giaimo
Gilman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Winn
Wolff
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—138

Alexander
Ambro
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Bevill
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conyers
Corman
Danielson
Dellums
Derrick
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Fenwick
Fisher
Flippo
Ford, Tenn.
Forsythe
Frenzel
Garcia
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Holtzman
Jacobs
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Lehman
Leland
Long, La.
Lowry
Lundine
McHugh
McKinney
Maguire
Matsui
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Nedzi
Nolan
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pritchard
Rangel
Ratchford
Reuss
Richmond
Rodino
Rosenthal
Scheuer
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Stewart
Stokes
Studds
Swift
Thompson
Udall
Vanik
Vento
Volkmer
Waxman
Weiss
Williams, Ohio
Wirth
Wolpe
Wright
Zablocki

NOT VOTING—25

Anderson, Ill.
Applegate
Beard, R.I.
Carter
Cheney
Cotter
Derwinski
Diggs
Flood
Foley
Ford, Mich.
Gingrich
Holland
Lederer
McCormack
Minish
Mitchell, Md.
Price
Roybal
Sabo
Stump
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Young, Alaska

☐ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Bob Wilson for, with Mr. Lederer against.

Mr. Derwinski for, with Mr. Beard of Rhode Island against.

Mr. Carter for, with Mr. Mitchell of Maryland against.

Messrs. BUTLER, PREYER, D'AMOURS, PEPPER, and WEAVER changed their vote from "no" to "aye."

Ms. HOLTZMAN changed her vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above reported.

☐ 1700

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this point in the bill to inquire of the chairman whether my understanding is correct that the imposition of constraints and criteria upon the use of export controls for foreign policy purposes would not, and is not intended by the committee, in any way to tie the hands of the President in time of crisis.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, the gentleman is correct. H.R. 4034 would not prevent the President from imposing export controls quickly in response to unpredictable foreign policy crises, such as attempts to develop a nuclear weapons capability, support for international terrorism, extreme violations of human rights, or imminent threats of regional military conflict. Nor would it prevent continuation of such controls once imposed. On the contrary, it encourages the President to make decisions on export licenses without excessive delay. Pursuant to section 112, H.R. 4034 would not limit authority to control items of significance for nuclear explosive purposes. For such items the special procedures called for by section 309(c) of the Nuclear Non-Proliferation Act of 1978 would apply. With respect to other items:

(1) the criteria listed in section 6(b) and referred to in section 6(e)(2) are factors to be considered but are not conditions which must be met—in any given situation, one, several, or all of them might be irrelevant;

(2) consultation with industry called for by section 6(c) and referred to in section 6(e)(3) might not be appropriate in some circumstances;

(3) reasonable efforts to achieve the purposes of controls through alternative means, as called for by section 6(d) and referred to in section 6(e)(4), need not delay the imposition of controls in a crisis. Under urgent circumstances there may be few, if any, feasible alternative means to pursue.

(4) the President would have discretion to determine what steps were feasible to secure the cooperation of other governments per section 6(h).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman from New York (Mr. Bingham) and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dornan: Page 22, insert the following after line 2:

"(1) Submission of records to congress.—(1) In any case in which any committee or subcommittee of either House of Congress which has jurisdiction over domestic or foreign policies relating to export trade or national security requests the Secretary, the Secretary of Defense, or any Federal department or agency, to submit a record with respect to any action taken under this Act concerning the administration of export controls for national security purposes, the Secretary, Secretary of Defense, or Federal department or agency, as the case may be, shall so submit such record within ten days after the request is made.

"(2) In order to comply with any request described in paragraph (1), the Secretary, Secretary of Defense, or any other Federal department or agency participating in any action taken pursuant to this Act (including the approval or disapproval of a validated license application) concerning the administration of export controls for national security purposes, shall retain, for at least five years after the action is completed, a complete record with respect to such participation, including the following, as appropriate:

"(A) With respect to a technology or good involved in the action—

"(i) the technical facts upon which the action was based, including (but not limited to) the nature and strategic importance of the technology or good, and the analysis of such facts,

"(ii) the extent of the technological lead of the United States,

"(iii) foreign availability of such technology or good, and

"(iv) the safeguards against the transfer of the technology involved to a controlled country.

"(B) Material factual and policy issues.

"(C) Each department or agency which participated in the action and the recommendations of such department or agency with respect to the action.

"(D) Such other information as is necessary and appropriate to an understanding of the action.

"(3) For purposes of this subsection, the term 'controlled country' means any communist country as defined in section 620(f) of the Foreign Assistance Act of 1961.".

Mr. DORNAN. Mr. Chairman, I want to applaud the efforts of the distinguished gentleman from New York (Mr. Bingham) for including a section in H.R. 4034 requiring the keeping of records pertaining to applications for export licenses. This legislative proposal is excellent so far as it goes; but in all respect I do not think it goes far enough.

The language of H.R. 4034 pertains only to license applications. What are more important, from the standpoint of general policy, are the professional and administrative decisions as to how and why certain goods and technologies are controlled under this act. My amendment provides for a complete set of records, specifying the technical, strategic, and foreign policy considerations which entered into the granting or denial of licenses. My amendment mandates the maintenance of those records for at least 5 years, and also provides for relevant congressional committee acquisition of those records with in a period of 10 days of a committee request.

The object of my amendment is to simply strengthen the quality of congressional oversight over the entire export license application and control system. Congress must exercise this oversight over the operation of agency rules and regulations in order to determine if those rules comply with original congressional intent. I am sure there would be much less confusion within the executive branch if the Congress were to specify what it considers important in the license application process.

Even more important is our own ability to monitor the performance of the executive agencies and departments which participate in the licensing process. On May 15, 1979, the House Subcommittee on Research and Development of the Armed Services Committee, chaired by the distinguished gentleman from Missouri (Mr. Ichord), opened a series of hearings on our export control policies. I sat in on many of them. After 2½ weeks of hearings, Congressman Ichord discovered disturbing evidence of administrative confusion, if not downright deception and/or incompetence, within the administration on the issue of export licenses and control. According to a recently published statement by my distinguished colleague, there were attempts to control witnesses before the subcommittee; witnesses gave conflicting testimony; witnesses changed statements between appearances; and, most shocking of all, one witness stated he had been instructed to make sure his testimony would not conflict with that of his superiors, an instruction that he clearly translated, again to use the chairman's language, as a "veiled threat to his job." I agree with the gentleman from Missouri that the condition of information—possibly the condition of truth—in the executive branch is in an amorphous, incoherent, and confused state—a "typical bureaucratic maze."

When calling upon the executive branch, whether it is the Department of Commerce or the Department of Defense or any other agency of the Federal Government, the Congress cannot afford to waste time taking testimony or in analyzing confusion over matters of fact and postmistake rationalizations of export control policy. From the standpoint of hindsight, it would have been much better for all concerned if Congress had had access to a complete set of records on the Cyber 76 case in 1977, the sale of the Centalign B ball-bearing machines in 1972, or the records pertaining to the licensing of American firms who provided as much as $1.5 billion in construction technology to the Soviet Union's massive Kama River truck plant, now the largest truck facility in the world. Today the Defense Department reports trucks from this plant are regularly seen with Communist military units throughout Eastern Europe.

This amendment will help clear up administrative confusion, clarify what is expected in the assembling and maintenance of adequate and complete records, and foster a consistency of approach within the executive branch of the Government in regard to these decisions. It is only in this way that Members of Congress and responsible officials within the executive branch can ascertain whether or not a particular action on an export license is justified by the facts, and is consistent with the legislative intentions of the Congress.

Mr. Chairman, I ask for adoption of the amendment.

☐ 1710

The CHAIRMAN. The time of the gentleman from California (Mr. Dornan) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from California mentioned my name and the hearings the Armed Service Committee conducted on H.R. 3216 and the problems that we encountered in obtaining information, particularly from the Department of Commerce.

The gentleman is correct.

I was concerned. I do not know who exactly is to blame. I thought the attempts to muzzle the witnesses was really very silly and hurt the cause, their own cause, rather than helped it.

The gentleman is correct. One witness, Dr. Ruth Davis, did have her testimony censored, in which she was to give what was thought to be opinion testimony in regard to possible diversions of this dual technology that had been transferred to our potential adversaries.

I have not had the opportunity to read the amendment offered by the gentleman from California. I think that I do agree with the objectives, but I do raise the question: Is the gentleman sure that he is not going to impose too much recordkeeping responsibilities upon the agencies?

Mr. DORNAN. That is a good objection. I anticipated this as one of the serious objections to this amendment, because most of us in this Chamber are properly upset about the bureaucratic maze that has inundated our Nation—1 million forms a week saying there is nothing to report.

However, as the gentleman has emphasized over and over, if ever there was an area that needed proper, careful analytical reporting, it is this area of technology transfer. In the amendment, if I might say, I have asked that the gentleman's staff take a look at it, the staff of the gentleman from New York (Mr. WOLFF) and the gentleman from Ohio (Mr. MILLER), and I think it has been very fair and cost-accounting conscious in the number of reports that it does require. I think it just backs up what the gentleman's other amendments have done in making this an area of serious concern to both the Commerce Department, the Defense Department, this Congress and the executive branch, so that we all play a role in what goes over to people who might use it against us in, God forbid, another major conflict.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret that the gentleman from California did not have the opportunity to let us consider this amendment in advance. It has just reached my desk here. It raises a number of questions along the lines raised by the gentleman from Missouri. There are thousands and thousands of export applications that are filed every year. If these detailed requirements are applicable to those, we are going to have to appropriate more funds for the department to cope with the flood of paper.

I could appreciate the gentleman's concern with wanting this information with respect to the Kama River truck project, but that is 1 in 10,000 in terms of its importance, in terms of its significance. There are 80,000 applications for licenses submitted to the Department every year, and I think this is just going to bury them in a flood of paper. I doubt very much that the Congress is going to make use of it or any substantial portion of it.

We have added to the bill provisions which make clear that none of the provisions of confidentiality which we will be discussing later, and which have always been in the act, prevent the submission of all necessary information to congressional committees. I might just read that provision:

> Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction.

So there is no question that Congress has access to the information. The only question is whether there is need for this type of detailed information to be kept on all of the many thousands of applications.

In terms of governmental economy and trying to eliminate the spread of the bureaucracy, in the form in which it has been submitted to us I am constrained to oppose the amendment.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have some concerns about this amendment, as well.

What we are trying to achieve with export controls is a question of balancing controls on the one hand and our interest in promoting exports. I am concerned that this amendment might go too far the other way. It could deter exports to such an extent that our national interest could be harmed—and I am sure this is not what the gentleman intends and maybe it would not be the way it would work out—just because DOD would not want to become involved with all of the paperwork.

So there is the possibility, at least in some cases, that it would not exercise its option to review licenses for national security purposes. I hope that would not happen, but it is certainly a possibility.

My amendment in committee provided for complete access to records by Congress, so that need is already taken care of.

I am concerned that this amendment might be counterproductive. I am convinced, even though I have only served on this subcommittee for a short period of time, that we are going to continue to hold very extensive oversight hearings and, should it come to our attention that the records are not being kept adequately or that proper information is not being provided for, we certainly can come back to the floor and ask that the law be changed to require it.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, in our analysis of this amendment we were very careful to make sure that it was so specific that it would deal with less than 1 percent of total U.S. trade. What this amendment specifies, on the types of records to be maintained, is only the technical facts upon which a license application was denied, the extent of the technological need of the United States on this particular item, the foreign availability of the technology, the safeguards of the technology to a controlled country, and any other information appropriate to an understanding of license application decisions.

The distinguished chairman said that he doubted that Congress would use this information. I know I personally would use it, because I have made this an area of expertise in my office for 2 years and 8 months.

I have talked with many staffers on both the Committee on Foreign Affairs and the Defense Committee, who would absolutely use this, and, in talking to many Defense people, honestly, I say to my distinguished colleague, I have not had one Department of Defense person say that they would not be eager to keep records in this way and to keep us informed, because they feel they have been overridden by the State Department. And I say that this happened under a Republican administration several times, particularly with computers.

So I would hope that the gentleman would consider supporting this, and I am sure that it will be discussed in conference committee. I have already talked to the chairman who will be on this committee, and he said that all of this will be hammered out in the conference committee.

Mr. LAGOMARSINO. I thank the gentleman for his remarks.

☐ 1720

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. DORNAN) there were—ayes 14, noes 16.

RECORDED VOTE

Mr. DORNAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 109, noes 296, not voting 29, as follows:

[Roll No. 458]

AYES—109

Abdnor
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bowen
Breaux
Broomfield
Broyhill
Burgener
Butler
Chappell
Clausen
Cleveland
Coleman
Collins, Tex.
Conyers
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Erdahl
Evans, Del.
Gilman
Goldwater
Grisham
Guyer
Hammerschmidt
Hansen
Harsha
Holland
Holt
Hyde
Ichord
Ireland
Jeffries
Jenkins
Kazen
Kelly
Kemp
Kindness
Kramer
Latta
Lent
Levitas
Lewis
Long, Md.
Lott
Lujan
Lungren
McDonald
Madigan
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Nichols
Oakar
Pashayan
Quayle
Quillen
Robinson
Rousselot
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Shumway
Shuster
Snyder
Solomon
Spence
Stangeland
Stratton
Symms
Taylor
Trible
Vander Jagt
Wampler
White
Whitehurst
Williams, Ohio
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOES—296

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Livingston
Lloyd
Loeffler
Long, La.
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Royer
Russo
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—29

Anderson, Ill.
Applegate
Beard, R.I.
Campbell
Carter
Cheney
Cotter
Derwinski
Diggs
Flood
Forsythe
Gibbons
Gingrich
Hinson
Lederer
McCormack
Mikva
Minish
Mitchell, Md.
Price
Rose
Roybal
Sabo
Stump
Waxman
Wilson, C. H.
Wilson, Tex.
Wolff
Young, Alaska

☐ 1730

Mr. LAGOMARSINO and Mr. EDWARDS of Oklahoma changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1740

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is my intention momentarily to move that the Committee rise in accordance with the announced procedure of rising at 5:30.

Pending that, I would like to yield to the gentleman from California (Mr. MINETA) for a colloquy.

Mr. MINETA. Mr. Chairman, I thank the gentleman for yielding. I rise to express my strong support for H.R. 4034, the Export Administration Act Amendments of 1979. Congressman BINGHAM deserves praise from this body for his tremendous effort which has resulted in this excellent piece of legislation.

I represent a district which includes an area with the highest concentration of high technology electronics firms in the world. Many have dubbed the Santa Clara Valley in California, "Silicon Valley." In part, it is the high-technology products of the Silicon Valley which are unduly handicapped in the world market by the current export licensing process. H.R. 4034, as it now stands without amendment, represents a great stride toward eliminating unnecessary bureaucratic delays of export licenses.

As a member of the House Select Committee on Intelligence, I am keenly aware of the importance of American technology to our strategic defense posture and foreign policy initiatives. Yet, I am also aware of our tendency to ignore the foreign availability of high-technology products, and to ignore the impact of unnecessary delay in export licensing on our competitiveness in the world market.

Problems with the current export licensing process are largely procedural. The merits of H.R. 4034 lie in the clearly specified statutory procedures which would vastly improve the efficiency and effectiveness of the export licensing process.

In my view, H.R. 4034 has several key features:

First. The availability of products from foreign sources would become a major factor in the licensing process, and thus rationalize and improve the effectiveness of the licensing process.

Second. The new "qualified general license" category, which would apply to some products now approved on a case-by-case basis, should contribute to reducing the caseload of the Department of Commerce, and thus reducing delays for other licenses.

Third. The statutorily mandated "suspense points" would require timely decisions to be made on difficult licenses, and provide a firm with full knowledge of where its license stands, and when, at the outset, a decision must be reached. Other provisions would open up the licensing process and vastly improve the accountability for licensing decisions.

Fourth. The "indexing system" would allow for the timely removal of dated technologies or products from license controls. This provision would eliminate needless paperwork for firms which must now obtain a license to sell a dated product or technology.

Fifth. The elimination of reexport controls on U.S. products resold by COCOM nations would reduce another source of unwieldy and unnecessary paperwork. This provision also would place pressure on the administration to reduce the U.S. unilateral list of controlled products. And, the administration is directed to concentrate on making COCOM work more effectively.

Sixth. The administration must assess the foreign availability of products and the domestic economic impact of the lost sales of those products which are to be controlled for foreign policy reasons. This provision should help prevent useless controls from needlessly harming domestic production.

Again, I wish to stress to my colleagues the importance to the national interest of not handicapping the high-technology industry of this country in the world market. H.R. 4034 represents an important stride toward preserving our national security interest and the interest of the domestic high-technology electronics industry.

Is it your intent that when a technical advisory committee certifies to the Secretary of Commerce that foreign availability does, in fact, exist, that the Secretary shall take such steps as may be necessary to verify such availability within some time frame?

Mr. BINGHAM. Yes. Certainly we expect the Secretary to focus attention on such a recommendation as quickly as possible and certainly within a reasonable time frame.

Mr. MINETA. Assuming that a technical advisory committee or company does certify to the Secretary of Commerce that foreign availability does exist, is it your intent that the Secretary advise the Congress of such an allegation—whether or not acted upon—in the annual report to the Congress required by section 14(6)?

Mr. BINGHAM. Yes.

Mr. MINETA. I thank the gentleman very much.

Mr. BINGHAM. I thank the gentleman for his contribution and for his kind remarks.

● Mr. PRICE. Mr. Chairman, I rise in support of the amendment that was offered by the gentleman from Missouri, the chairman of the House Armed Services Research and Development Subcommittee.

First, I would like to commend Mr. ICHORD for his role in bringing to our attention the fact that the current system of export control is seriously deficient in insuring our national security objectives. H.R. 4034 goes a long way in improving upon the Export Control Act of 1969—it is a good bill, but it falls a little short in assuring that technology and goods that are vital to our national security are not prematurely transferred to our potential adversaries.

The amendment offered by the gentleman from Missouri simply requires the Secretary of Defense to develop a list of military critical technologies—the transfer of which would jeopardize our national security. This list of military critical technologies would then become part of the commodity control list and would be sufficiently specific to guide the determination of the Secretary of Commerce or any official exercising licensing responsibility over this act.

The need to define and control critical technology and goods dates back several years.

In 1976, a Defense Science Board was convened to address the matter of U.S. technology export. This panel, under the direction of Dr. Fred Bucy, president of Texas Instruments, concluded, and I quote:

> While Defense does not have the primary responsibility for control of technology export, the task force believes the initiatives for developing policy objectives and strategies for controlling specific technologies are their responsibility.

On May 17, 1979, Mr. William Root, Director of East-West Trade, State Department, advised Mr. ICHORD's subcommittee that—

> The Department of Defense is the best equipped place to evaluate the military significance of any particular technology.

Mr. Chairman, we have made a number of serious mistakes especially during the past 5 years in allowing some of our more critical technology and goods to be transferred to the Soviet Union. Most recently, we transferred some very special oil drilling technology to the Soviets. While I would not oppose the sale of drill bits to the Soviet Union, I do strongly oppose the transfer of advanced manufacturing technology to them.

I want to make sure that we do not repeat our past mistakes. We must have a better export control system to serve our security objectives.

At this time the Soviets are most anxious to get U.S. computers and semiconductor technology. Their attempt to acquire our technology has been both legal and illegal.

No legislation, H.R. 4034 included, will provide 100 percent assurance against the transfer of U.S. technology to our potential adversaries. Effective legislation, however, will serve to lengthen the time it takes for them to acquire our technology and goods.

I believe that while H.R. 4034, the bill before us today, enhances the export control process, it must be strengthened to preserve our national security. The amendment offered by Mr. ICHORD adds the necessary strength to this bill and I strongly agree with its adoption.●

● Mr. DERWINSKI. Mr. Chairman, at a time of dollar inflation, a serious deficit in international trade, and the need to maintain our vital alliances abroad, the administration of U.S. export policy is a particularly important issue. It has long been a serious question and is even more so now.

The Export Administration Act (H.R. 4034) recognizes the importance of exports to the U.S. economy but maintains certain restrictions on those exports for reasons of national security, foreign policy, and short supply at home. It is essential that the administration have an instrument that provides flexibility in dealing with our trading partners; economic leverage to help redress the imbalances that adversely affect our exports.

Of particular interest to American exporters is the bill's provisions to improve export licensing procedures and reduce the oppressive bureaucratic restrictions that impede the flow of exports.

Also, a necessary and just decision has been made by the Congress in this bill in its recognition of the profound changes that have taken place in Uganda. There is hope from all quarters that the long, dark travail of Uganda's holocaust is at last at an end. The orgy of death and destruction inflicted on Uganda by Field Marshal Idi Amin is finally over. It is logical for us to help that unfortunate country restore itself.

Hopefully, much of this task can be accomplished through church organizations; Christian missionaries—those who were not butchered by that African despot, Amin—have been a traditionally strong element in Ugandan society, particularly in the area of education. Moreover, religious and charitable organizations, such as Catholic Relief Services, CARE, Protestant church groups, and many private voluntary organizations have long experience and excellent records for success in emergency humanitarian relief programs such as are now needed in Uganda.

This bill is an appropriate vehicle for lifting U.S. trade sanctions rightly imposed by Congress against the viciously totalitarian regime of Idi Amin. The legislative fight for those sanctions, incidentally, appropriate at the time, was led by our colleague, the gentleman from Ohio (Mr. PEASE) over the initial opposition of the administration, which "in principle" opposed trade sanctions in general, although it has fought long and hard—and successfully, thus far—to maintain U.S. sanctions against another African government, the newly elected regime of Bishop Abel Muzorewa in Zimbabwe.●

Mr. BINGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. SEIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, SEPTEMBER 12, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may sit tomorrow, Wednesday, September 12, 1979, during consideration under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DELETION OF NAME FROM LIST OF COSPONSORS ON H.R. 5050

Mrs. FENWICK. Mr. Speaker, I was erroneously listed as a cosponsor on the bill H.R. 5050, and ask unanimous consent that my name be deleted from the list of cosponsors on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

REPORT ON PROJECTED DEFENSE DEPARTMENT SPENDING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-184)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, without objection, referred to the Committee of the Whole

House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am sure you agree with me that we cannot effectively safeguard U.S. legitimate interests abroad nor pursue safely peace, justice and order at home unless our national security is protected by adequate defenses. The fundamental responsibility of the President—a responsibility shared with Congress—is to maintain defenses adequate to provide for the national security of the United States. In meeting that responsibility, this Administration moved promptly and vigorously to reverse the downward trend in U.S. defense efforts. This is demonstrated by an examination of the trends in real defense expenditures since the mid 1960s. At NATO Summits in May 1977 and 1978 we persuaded our allies to join with us in endorsing a goal three percent real annual growth in defense outlays and an ambitious Long Term Defense Program for the Alliance. Together these represented a turning point, not only for the United States, but the whole Alliance.

For our part, we moved promptly to act on this resolve. We authorized production of XM-1 tanks; we greatly increased the number of anti-tank guided missiles; we deployed F-15s and additional F-111s to Europe, along with equipment for additional ground forces. We reduced the backlog of ships in overhaul and settled contractual disputes that threatened to halt shipbuilding progress. In strategic systems, we accelerated development and began procurement of long range air-launched cruise missiles, began the deployment of Trident I missiles, and have begun the modernization of our ICBM force with the commitment to deploy the MX missile in a survivable basing mode for it.

These and other initiatives were the building blocks for a determined program to assure that the United States remains militarily strong. The FY 1980 budget submission of last January was designed to continue that program. In subsequent months, however, inflation has run at higher levels than those assumed in the cost calculations associated with that defense program. Accordingly, I plan to send promptly to the Congress a defense budget amendment to restore enough funds to continue in FY 1980 to carry out the Administration's defense program based on our current best estimate of the inflation that will be experienced during the fiscal year. Although the detailed calculations needed to prepare an amendment are still in progress, I expect that the amount of the amendment will be about $2.7 billion in Budget Authority above the Administration's January 1979 budget request.

Correcting for inflation is not enough in itself to assure that we continue an adequate defense program through FY 1980. We must also have the program and the funds authorized and appropriated, substantially as they were submitted. Therefore, in the course of Congressional consideration of the second budget resolution, I will support ceilings for the National Defense Function for FY 1980 of $141.2 billion in Budget Authority and $130.6 billion in outlays. I will also request that the Congress support the Administration's FY 1980 defense program and, in particular, that the Appropriation Committees actually appropriate the funds needed to carry it out.

Furthermore, in FY 1981 I plan a further real increase in defense spending. The Defense Department is working on the details of that budget. It would, therefore, be premature to describe the features of that budget beyond noting that it will continue the broad thrust of our defense program, and that I intend to continue to support our mutual commitment with our NATO Allies.

While this defense program is adequate, it is clear that we could spend even more and thereby gain more military capability. But national security involves more than sheer military capability; there are other legitimate demands on our budget resources. These competing priorities will always be with us within the vast array of budget decisions both the Congress and the President are called upon to make. Defense outlays are actually lower in constant dollars than they were in 1963, and a much lower percentage of the gross national product (5% compared with 9%). There are those that think this has caused a decline in American military might and that the military balance has now tipped against us. I do not believe this to be so, but I am concerned about the trends. I believe that it is necessary for us to act now to reverse these trends.

The Secretary of Defense will be presenting to the Congress over the coming months the highlights of our defense program in terms of the goals we think we should achieve and the Five-Year Defense Program we plan to achieve them.

In this context he will point out, among many other items, how MX and our other strategic programs will contribute to the maintenance of essential equivalence between the central strategic forces of the United States and Soviet Union, how we plan to modernize theater nuclear forces in cooperation with our NATO allies, how our general purpose forces programs contribute both to our military capability to support our NATO allies and rapidly to deploy forces to defend our vital interests elsewhere.

That presentation can serve as the basis for future discussions (including open testimony) that will allow us to build the national consensus that is the fundamental prerequisite of a strong and secure America.

JIMMY CARTER.

The WHITE HOUSE, *September 11, 1979.*

□ 1210

REPUBLICANS, RUSSIANS, AND CUBA

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, former President Ford has uttered remarks about the presence of Russian troops in Cuba that are calculated to gain political advantage. But those same remarks ignore the realities of history, reveal a callous indifference toward the need for responsibility from a former president, and uselessly complicate the execution of U.S. policy.

The former President knows, or should know, of the secret deals made by Secretary Rogers and President Nixon in the latter part of 1970, when there was a sharp increase in the concentration of Russian troops on that island. There is nothing new about Russian troops there; the revelations of the past few days are not news at all. This entire episode is intended merely to embarrass a President who appears vulnerable.

Everyone knows, or should know, that Cuba is hardly an independent state. Cuba is and has for years been at the beck and call of its Russian masters. Cuba is financed by the Russians, it is organized by them, and its policies are evolved in clear response to the demands of Moscow. None of that is new. The so-called brigade is not new, either, nor does its presence make any difference in the servile condition of the Cuban Government. If that island had the independence of spirit of even the weakest canary, all it need do is ask the Russian troops to leave. Would they do so? It is a question that can be raised best with Havana. Why do they need the Russians? Do they really want them there?

For ourselves the questions to ask are what about the deals that have been made not by this but by previous administrations to accommodate the Russians in Cuba? For accommodation there has been, and it has been there at least since 1970.

If we have concerns, let us speak to them in truth and in good conscience. That is assuredly the least we should expect from a man like Mr. Ford.

As to Castro, my immediate concern is that the United States should discourage him from his projected plans to visit New York. Our Government should let him know that there are serious threats against him, and that there is no assurance that he could be protected while here. We cannot protect our own judges. Mr. Castro may have to be admitted to the environs of the United Nations, as would any other head of state, even one as servile as he. But our Government has an obligation to inform such vistors of any threat to their safety. Mr. Castro is threatened, and he should not come here, for there is no assurance that he could be protected.

FULL UTILIZATION OF NEW MELONES RESERVOIR

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, I stand before my colleagues today to apprise them of a situation within my congressional district.

There exists a dam on the Stanislaus River which was authorized in 1962 by the 87th Congress. The U.S. Army Corps of Engineers is nearing completion of the construction phase and the project's management will soon be turned over to the Bureau of Reclamation. As many of my California colleagues already know, the filling of the New Melones Dam has been an issue of great controversy because the reservoir which will be created will inhibit the white water portion of the Stanislaus River.

As an early supporter of the project and while a county supervisor in adjacent San Joaquin County, I feel this dam is vital to our community because of the project's inherent benefits.

In 1974 a statewide initiative was held on this very issue: whether or not to fill the dam, and the voters of California approved of the project's completion—hence showing their support for its filling.

However, the New Melones project is currently stalled in court due to a legal battle between the State of California and the United States. Until this case is decided, the potential utilization of the reservoir is being wasted.

The mail I have received on this issue, like the 1974 initiative, shows a clear support for filling the reservoir. In order to provide my colleagues with a synopsis of the positive aspects of New Melones, I am inserting into the RECORD a resolution sent to me recently by the Delta Water Users Association of Stockton, Calif.:

RESOLUTION RECOMMENDING THE FULL UTILIZATION AT THE EARLIEST POSSIBLE DATE OF THE NEW MELONES RESERVOIR

Whereas, the New Melones Reservoir was authorized by the U.S. Congress in 1962 and has now been constructed by the U.S. Corps of Army Engineers; and

Whereas, upon the completion of the construction of the New Melones Reservoir, no valid reason appears to this Association why the same should not be used to provide flood control protection, hydro-electric power, and water conservation as intended by the legislation which authorized the same.

Now, therefore, be it resolved and ordered by the Directors of this Delta Water Users Association as follows:

1. That the New Melones Reservoir has now been completed at the expense of the taxpayers and the prompt maximum utilization of its capacity will provide many benefits, including the following:

(a) Clean hydro-electric power;

(b) Flood control benefits downstream from the Reservoir;

(c) Improved water quality in the lower San Joaquin River and southern Delta;

(d) Net daily downstream flows in the lower San Joaquin River and southen Delta channels;

(e) Water available for CVP and SWP export via the CVP and SWP pumps near Tracy;

(f) Enhancement of the fishery; and

(g) Downstream benefits in the central and western portions of the Delta.

2. That in addition to the many benefits that will be provided by the maximum utilization of the New Melones Reservoir, such benefits may be provided without the necessity of the use of electrical energy for pumping.

3. The Board of Directors of this Agency urges that all public officials use their best efforts to assure at the earliest possible date the maximum utilization of the New Melones Reservoir in order that the many benefits to be provided thereby may be provided without unnecessary delay.

☐ 1750

Mr. KEMP. Mr. Speaker, I ask unanimous consent that my special order might precede that of my colleague, the gentleman from Oklahoma (Mr. EDWARDS).

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from New York?

There was no objection.

CONGRESS MUST NOT ALLOW THE FTC TO THREATEN THE JOBS AND THE BARGAINING RIGHTS OF AMERICAN WORKERS

The SPEAKER pro tempore (Mr. BRADEMAS). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, on Thursday, September 6, along with my colleagues HOWARD WOLPE of Michigan, BOB WALKER of Pennsylvania, LUD ASHLEY of Ohio, JOHN CAVANAUGH of Nebraska, and JAMES OBERSTAR of Minnesota, I met with representatives of the American Federation of Grain Millers; the International Brotherhood of Teamsters, the Warehousemen, Chauffeurs and Helpers of America; the United Rubber Workers; the Retail, Wholesale and Department Store Union; the Baker and Confectionery Workers Union; the Food and Beverage Trades Department; and the American Flint Glass Workers Union. I congratulate Mr. WOLPE for his efforts and leadership.

Among those present were Kenneth J. Mulhisen, president and secretary-treasurer of the American Federation of Grain Millers, Local 36 of Buffalo, Walter C. Wojcik, business representative of Local 26, Robert Willis, executive vice president of the Grain Millers International Union, and Lenore Miller, vice president of the Retail, Wholesale and Department Store Union, AFL–CIO.

Frankly, I found it outrageous that we had to convene such a meeting.

The topic: The Federal Trade Commission's "Shared Monopoly" suit against three ready-to-eat (RTE) cereal manufacturers, General Mills, General Foods, and the Kellogg Co.

I am deeply concerned at what appears to me as a Federal proceeding operating in a vacuum at the same time it threatens the unemployment of more than 2,600 workers in the cereal industry alone.

The FTC does many stupid things in pursuit of its regulatory authority. But, in my opinion, it is unconscionable and stupid that it would ignore the potential joblessness of 650 workers of General Mills, 1,400 employees of Kellogg's, and 600 workers of General Foods, not to mention the threat of layoffs to many hundreds of additional workers involved in transportation and other activities supporting the supply and marketing of the FTC-targeted cereal companies, particularly at a time of economic duress in this Nation.

I do not believe that economics—as it affects hard-won bargaining rights of working men and women, their job security, pensions, insurance, seniority and working conditions—should be some abstract game played by Federal employees in Washington. I cannot understand the FTC's denial of the Grain Millers' motion to fully intervene in the divestiture proceeding. Who else, I am compelled to ask, has a greater interest in the pending action than the workers and their families who are confronted with the loss of their livelihoods, benefits, and even uprooting from their communities?

I find the FTC's record statement that "employees have no overriding right to perpetual employment" or the statement that Grain Millers' interests "are wholly irrelevant to the issues in this case" to be callous in the extreme. I do not think that FTC employees, or Commissioners for that matter, would accept the abrogation of their own rights of employment, pensions, and benefits without recourse.

HISTORY OF FTC ACTION

Since 1972, the Federal Trade Commission (FTC) has conducted an antimonopoly administrative law case against four cereal manufacturers, Kellogg Co., General Mills, Inc., General Foods Corp., and the Quaker Oats Co., in which FTC charges that these companies have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of section 5 of the Federal Trade Commission Act. The Quaker Oats Co. was subsequently dropped from the case upon petition to the FTC.

Leaving aside the propriety of the FTC to conduct this investigation on the basis of the market facts presented, sizable evidence has amassed which indicates that this whole procedure was politically motivated and designed to insure long-term employment for the FTC staff. In the June 14, 1976, issue of Newsweek magazine, former FTC staffer, Charles E. Mueller, who was in on the ground floor of this lawsuit stated:

> I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters. . . .

UNION CONTRACTS THREATENED

The FTC has proposed that, should it find that monopolistic practices exist among the big three cereal manufacturers, these companies must divest several plants so that five new firms are created by spinoff, three from Kellogg's assets, one from General Mills, and one from General Foods. What this really means, however, is that 2,650 workers face the potential loss of their jobs, and even if they are hired by the new firms, there is no assurance that existing union contracts will be in force.

Before coming to the Congress, I was cofounder of the AFL Players Association and helped to negotiate the first comprehensive contract in professional football. Believe me when I say I understand how hard it is to hammer out contracts. And I believe that once contracts are signed, they must not be subject to outside interference, especially by taxpaid officials at any level of Government, be it Federal, State, or local. As a Member of Congress, I am convinced that I and my colleagues have the duty to protect workers' rights under the time-honored Labor Relations Act.

What constitutes a monopoly is not the central issue here. Whether the three, aforementioned cereal producing firms, along with Nabisco, Quaker Oats, Ralston and other competitors are inhibiting competition or stimulating competition are matters that must be decided on the merits of this case. Whether or not pricing patterns are the result of competition or some formula or novel view of FTC officials—or whether a firm's bigness or smallness is good or bad—is not our primary concern. I say this despite my serious reservations about the possibilities of regulatory overkill in the free enterprise system. However, if there exists serious evidence of a monopoly in the view of the FTC, why has not the FTC turned over its investigation to the Justice Department's Antitrust Division instead of letting it drag on for 7 years? And equally as important, why has not the FTC determined how many firms—5, 10, or whatever—constitute competition or monopoly?

The FTC is waging war on workers and business alike and all in the name of "consumerism." Well, workers are consumers to, Mr. Speaker.

The immediate issue with which we are concerned is this. Whether or not working men or women have the right to be protected against the arbitrary termination of their careers and their contractual rights under law. Unless the FTC allows full participation by the Grain Millers and other interested unions in the ongoing proceeding—including the right of counsel to present and cross-examine witnesses—I believe these rights to protection will be in jeopardy. The decision of the administrative law judge and the Commission to authorize the union to present its views in amicus curiae briefs in response to my letter to FTC Commissioner Michael Pertschuk is only a partial solution, as no cross-examining or presenting of witnesses will be likely to be allowed by the union under this procedure.

I say that the grain milling employees in Buffalo will not go the way of the Federal Glass Co. employees in Columbus, Ohio, because of FTC interference which closed down the plant employing 1,500 persons. I say that, in concert with my congressional colleagues and as a representative of the workers directly and indirectly involved in this case, I will exert every effort, legislatively and otherwise, to assure a full voice for their rights in this proceeding.

I would like to enter for the RECORD at this time some of the statements of the union representatives at this morning's meeting on this most serious jobs issue, as well as the correspondence Edward J. Rutkowski, executive of Erie County, N.Y., Buffalo Mayor James D. Griffin, others, and myself have had with FTC Commissioner Michael Pertschuk:

STATEMENT OF ROBERT WILLIS, EXECUTIVE VICE PRESIDENT OF THE AMERICAN FEDERATION OF GRAIN MILLERS INTERNATIONAL UNION

I would like to introduce representatives of the Grain Miller Local Unions which represent the employees from the various plants involved in the cereal divestiture case of FTC.

The Grain Millers requested this caucus because the FTC refused to let us intervene as a party in the anti-trust suit against the manufacturers of ready-to-eat cereal.

In 1972, FTC began its case against the companies of Kelloggs, General Mills, General Foods and Quaker Oats, charging them with a violation of section V of the Federal Trade Commission Act. The charge was based on a new and unique theory by FTC that the four companies were involved in a so-called shared monopoly of the industry.

While the Grain Millers were aware of the FTC suit, we did not realize what was taking place in the court room. We did not believe the FTC case would have any affect on our Union or our jobs. We sat on the sidelines with others and read about the FTC spending $5 million dollars on the case, and at a combined cost to the taxpayers and to the companies involved of over $15 million dollars as of November, 1978.

The original charge and the remedy proposed by FTC was vague. However, in their trial brief dated April 3, 1976, the FTC became specific about the remedy they were seeking in the case. Five new companies were to be created from assets of Kelloggs, General Mills and General Foods. Kelloggs would be required to sell their plants at Memphis, Tennessee, San Leandro, California and Omaha, Nebraska. General Mills would be required to sell its South Chicago plant. The plant involved from General Foods was not identified. The new company at Memphis, Tennessee would be given the exclusive rights to manufacture Rice Krispies. The new plant at San Leandro would be given the exclusive right to manufacture Special K. The South Chicago plant of General Mills would be given the exclusive right to manufacture Wheaties, and the other company would be given similar brands. The companies involved would be required to license their existing brands, trademarks, and future brands or trademarks on a royalty-free basis for a specified period of time. They would also be required to provide know-how as might be required for, or useful in, such manufacture, distribution and sale.

In the latter part of 1977, we learned that the Kellogg Company had contracted an independent agency to conduct a job impact study, and we requested the information from Kellogg under the National Labor Relations Act.

After receiving the results of the study, we realized the impact upon our members if the FTC was successful in their proposed remedy. The immediate loss of jobs was estimated at 2,650. At this point the Grain Millers requested our attorneys to investigate the case and its affects upon our members. Our attorney informed us that in addition to the loss of jobs if the FTC was successful in creating five new cereal companies, the new companies would be under no obligation, under the successor doctrine, to rehire present employees, or to honor our present contracts, some of which have been in existence since 1937.

On February 24, 1978, FTC dismissed Quaker Oats as a party to the proceeding because although Quaker had also participated in unlawful conduct as charged, the relief requested was not required to "restore competition" to the industry. Also involved was the fact that Quaker Oats had more than quadrupled its share of the market from 2% to 9% during the previous 12 years. This, of course, was contrary to the FTC theory that a small company could not enter the market and survive.

On April 10, 1978, we filed a Motion to Intervene as a party in the case in order to protect the jobs and rights of our members. On June 9, 1978, Judge Hinkes, the FTC Judge in the case, refused to permit us to intervene in the case as a full party. In the FTC Trial Brief, the FTC said that "employees have no overriding right to perpetual employment on the same or any other basis".

In denying us the right to intervene, Judge Hinkes said "complaint counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief".

When we received the Hinkes' decision, we were appalled. With so much at stake, we could not believe FTC would refuse to let us intervene.

Later on we learned of the separate contract Judge Hinkes made with the FTC which would allow him to remain on the case after his retirement from the Federal Trade Commission in order to finish this one case. According to the information we have, Judge Hinkes was in the process of negotiating this agreement during the time he was considering our Motion to Intervene. The contract, as we understand it, was for a specified sum of money to complete the case. We cannot help but wonder if Judge Hinkes' decision was influenced by the terms of the contract he was negotiating with FTC.

We question FTC's involvement in an area where they have no jurisdiction; that is, the National Labor Relations Act. The Grain Millers is the certified bargaining agent for the employees at four of the plants which FTC wants the cereal companies to spin off. If the divestiture takes place, the new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of the new companies might decide to get by without a Union.

In the event that the company decided to hire less than 50% of the present employees, they would be under no obligation to recognize the Union as bargaining agent.

The Master Agreements currently in effect for both Kelloggs and General Mills would become void. These contracts were negotiated in good faith under the National Labor Relations Act. We do not believe that the FTC should have the right to literally tear up these contracts.

We are here today because the legal process with FTC has failed. We ask for your help because we do not want to see our members lose their jobs, their wages, benefits and other contractual rights which we have negotiated over the years.

You are our elected representatives. Our members and the cities and States where these plants are located are depending on you.

We hope that you will use whatever means are available to assure preservation of our jobs, contracts, wages, pensions, and other benefits.

We believe the F.T.C. has a responsibility to conduct a study of their proposed remedy in this case and to amend it as necessary to provide minimum guarantees which will assure:

1. That there will be no loss of jobs or revenue to the cities and states involved.

2. That our members will continue to be covered by their present contracts, maintaining their current levels of wages, pensions, benefits, and other conditions of employment.

On behalf of the American Federation of Grain Millers and our members, I want to thank you for hearing our case against the FTC.

STATEMENT OF LENORE MILLER, VICE PRESIDENT AND ASSISTANT TO ALVIN E. HEAPS, PRESIDENT OF THE RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, AFL–CIO

In 1972, the Federal Trade Commission initiated a proceeding against the Kellogg, General Mills, General Foods and Quaker Oats companies. The FTC charged that the companies had "a highly concentrated, noncompetitive market structure," and that they "shared monopoly power in, and have monopolized, the production and sales of the ready-to-eat cereal market," in violation of the FTC act. In March, 1978, Quaker Oats was released as a defendant.

If the remaining three respondents in the case are found culpable as charged, the FTC proposes to order divestiture of several of the plants operated by the respondents and also to divert a percentage of production from the remaining plants to the new competitors the divestitures are designed to create. The FTC also proposes certain restraints in the marketing practices of respondents.

The trial of the matter, in suspension pending assignment of a new administrative law judge, is scheduled to resume on October 1, 1979.

Our delegation represents the Retail, Wholesale and Department Store Union, AFL-CIO and more particularly the members of Cereal, Bakery and Food Workers Local 374, an affiliate of our International Union. The local represents production and maintenance workers at the General Foods Post plant in Battle Creek, Michigan. We turn in protest to you partly because the FTC has denied permission to the unions to intervene in the case.

The action the FTC proposes against the three major producers in the cereal industry will arbitrarily take almost 600 jobs away from our members in the Post plant in Battle Creek, and many hundreds more in other cereal plants in that close-knit community.

Such a surgery on Battle Creek, long dependent on the cereal industry, would be a harsh one. At the Post plant alone, the cutback in production proposed by the FTC would represent a 31.2 percent reduction in jobs.

The loss of payroll from this, and from cutbacks in other cereal plants in Battle Creek, plus spinoff layoffs, will cruelly affect the entire community. It will be merciless on those who will be laid off at the cereal plants. The direct loss of jobs will be among the younger workers, those just beginning to establish families, beginning to acquire homes, beginning to settle down to productive lives in a community to which they owe their roots.

And the older workers that remain at work will also suffer. Many of them will be transferred to lower paying jobs, forcing them to abandon skills they acquired in long years of service with their employer. Even more significant, the pensions that they have been expecting to receive in their retirement years will be endangered. With the work force reduced, it will leave a much higher percentage of older individuals who, in a relatively short period of time, will be drawing on the pension fund—without the solvency of those funds being bolstered by the presence of younger workers more distantly eligible for pensions. This actuarial imbalance can cut benefits and perhaps scuttle the pension programs entirely.

In view of the injurious impact on the workers of the FTC proposals to curtail production in the parent plants in Battle Creek, it is outrageous that the FTC, over the course of its lengthy proceedings in this matter, has rejected union appeals to intervene. Such appeals have been met with the callous comment that the unions and their members working in the affected plants have "no direct interest" in the matter.

We say, the workers have as direct an interest as anyone, in fact—more. Their interest lies in their jobs, their very livelihoods and the security of their old age. Their interest, it seems to us, is more direct and vital than, say, the profits of the companies involved or of the unnamed entrepreneurs the FTC suggests should enter the cereal industry.

There is another area of concern in this matter that is important to us and should be the concern of this committee and your colleagues in the Congress as a whole. We speak of the need to preserve a viable economy in the "frost belt" of our country, a section that steadily over recent years has been losing jobs to the so-called "Sunbelt." The proposals of the FTC would abet this departure of employment, would willfully force a migration of jobs, with no concern for the region losing them.

It is well and good to develop *new* jobs in the South and elsewhere, but the historic economic imbalance geographically prevailing in our nation cannot be remedied by diminishing the economy of one region to increase it in another. Such reverse imbalance does no service to the nation. To see the FTC deliberately set out to pursue this course of dislocation is distressing to demographers and economists alike.

Another area of concern to us, as unionists, is that the proposals of the FTC whether intentional or not, are union-busting proposals.

The plants involved in the divestiture proposed by the FTC are unionized. Since the FTC wants to insist that this divestiture be complete, with legal umbilicals to the divestors completely severed, no residual rights will remain with the workers and no responsibilities incumbent on the divesting parties. New owners of divested plants will be legally free to deny recognition and union contracts to workers who now are organized in those units. We deplore the invitation to union-busting that the FTC's scheme offers.

All we ask is that our members in Battle Creek, and other union members in that threatened community, as well as those elsewhere in respondents' plants, be permitted to retain their jobs and their union conditions of work.

It is not for us to defend against the allegations made by the FTC concerning the respondents. Undoubtedly, respondents are capable of defending themselves.

Suffice it to say, that any sacrifice of the public interest that can be shown by reason of the methods of business allegedly conducted by the respondents can be corrected by actions not as drastic, disruptive, dire and draconian as the measures proposed by the FTC.

For instance, if it can be shown that any or all of them are monopolizing shelf space in retail outlets, certain enforceable regulations can be found to correct such practices. If it can be shown that certain advertising campaigns are discouraging to free competition, that, too, can be remedied by regulatory enactment. Likewise, any other validated complaint about any business practice of respondents can be dealt with on a specific basis.

This case has been dragging on for many years, at a cost of many millions of dollars to the taxpayers of this nation and of untold anxiety to thousands of workers in the employ of the respondents. At least one respondent has declared that an unfavorable decision by the FTC would send respondents to court on appeal, thus burdening the taxpayers with additional costs and prolonging the agony of workers nowhere charged with wrongdoing. It seems to us that reasonable parties could stipulate an agreement that would safeguard the public's interest without bringing acute distress to the community of Battle Creek and irreparable harm to respondents' employees.

Your committee is urgently and respectfully solicited to use its good offices to assure that no harm befalls the employees of the respondents, that no demographic or economic dislocation emerges from this matter, and that union-busting is not encouraged by any proposal put forth by the FTC.

We seek only justice. We ask no special advantage. Our members want only honest work on an honest product. Won't you help us?

Letter of Edward J. Rutkowski, Executive of Erie County, N.Y.; Buffalo Mayor James D. Griffin; Kenneth J. Mulhisen, President Local 36, American Federation of Grain Millers (AFGM); Peter J. Rybka, International Vice President, AFGM; Walter C. Wojcik, Business Representative, Local 36, and William J. Donohue, Executive Director of the Erie County Industrial Development Agency to Michael Pertschuk, Chairman of the FTC.

August 30, 1979.

Re Pending Cereal Market Case.

Michael Pertschuk,
Chairman, Federal Trade Commission,
Washington, D.C.

Dear Chairman Pertschuk: The Federal Trade Commission's law suit against Kellogg, General Mills and General Foods conflicts with the Federal Government's efforts to revitalize the Buffalo area economy by causing 160 General Mills jobs in Buffalo to be eliminated. Therefore, we strongly urge the FTC to desist in its efforts to force these companies to divest 6 plants.

By way of background, the Buffalo area has a long standing reputation as an economically declining heavy industrial area. Approximately 88 factories closed in the 1969–78 period, resulting in the loss of more than 16,000 jobs. During 1977 alone 7 plants closed resulting in the loss of nearly 4,300 jobs. In response, the Erie County Industrial Development Agency has devised an economic readjustment strategy.

The result—a superplan which hopes to turn $35 million of public sector seed money into $77 million of private sector investment. Over the next four to five years, this $112 million package will create and retain eight to ten thousand manufacturing jobs. Despite this positive influence, our growth rate will remain below the national average. Therefore, there is no margin for error.

A key element to our strategy is to retain our flour milling and cereal processing jobs. To accomplish this, we have established the Freight Rate Coalition to (a) oppose proposals, such as this, that adversely affect employment and, (b) to initiate offensive strategies. The bottom line: we are working toward retaining existing employment, and toward encouraging additional investment and jobs.

In this instance General Mills has been a good neighbor. We would like it to remain and we cannot accept FTC's attempts to take away 160 of our jobs.

We are amazed with FTC's insensitivity toward the welfare of thousands of workers in several communities throughout the United States. We see no reason why FTC rejected the Grain Miller's motion to intervene and trust FTC representatives will not only meet with union representatives on September 5 and 6, but will decide not to pursue this economically destructive case.

We look forward to an expeditious response.

Very truly yours,
James D. Griffin, Mayor, City of Buffalo; William J. Donohue, Executive Director, ECIDA; Edward J. Rutkowski, Erie County Executive; Walter C. Wojcik, Business Rep., Local 36; Peter J. Rybka, International Vice President, Am. Fed. of Grain Millers; and Kenneth J. Mulhisen, President, Local 36.

At this point, Mr. Speaker, I would like to yield to my friend and colleague, the gentleman from Michigan (Mr. Wolpe), who has taken such stand for his own hard-working people not only in his own district but for my people in Buffalo who are involved in this battle.

Mr. WOLPE. I thank the gentleman. I want to begin by commending the gentleman from New York (Mr. Kemp) for requesting this special order to draw to the attention of our colleagues what is an issue that really ought to be taken very seriously by this Congress, as well as a whole variety of concerns that have been presented to us by the workers in the communities that would be most directly affected by the outcome of this case. I think this is a matter we should be tending to most carefully.

Mr. Speaker, let me begin by saying that, personally, I do not believe that the FTC has presented a case justifying a breakup of the cereal industry. But since the regulatory proceedings deciding this question are still in progress, I want to focus on the immediate issue of due process, both as it relates to the rights of intervention, and as it relates to the careful consideration of the impact a breakup would have on the jobs, and the local economies where cereal industry plants are located.

Since the FTC initiated its case against the cereal industry 7 years ago, many difficult issues and controversial questions have been raised. Whatever resolution is ultimately reached in this case, one thing remains clear—a decision against the cereal industry could have a profound economic impact on the workers within the industry and the communities in which they live.

Amazingly, however, the unions have been denied the right of intervention in the regulatory proceedings, despite the fact that what is at issue in these proceedings is not only the question of whether or not the cereal industry is in violation of Federal laws prohibiting unfair methods of competition, but also, if it should be determined that violations have occurred, the merits of the proposed remedies. To deny the involvement of the industry workers in an assessment of the impact of alternative remedies that could profoundly affect their lives—either through job loss or through serious damage to retirement benefits and other economic rights that have evolved out of collective bargaining agreements—is to me incomprehensible.

Denying intervention will not make these problems go away. It is imperative that we understand the potential impact of proposed remedies so that we can anticipate and avert any difficulties down the road. Clearly, the workers are justified in their desire for involvement in this issue.

A forum was organized last week with the intent of providing an opportunity for the workers, who will be affected if a breakup of the cereal industry does occur, to express their concerns about the potential for a major negative impact on employment and on the economic health of their communities.

It is my hope that my colleagues will study the testimony given at this forum, which we inserted in the Record today. The concerns of these workers are legitimate; they are serious, and they present major questions and challenges for all of us in this Congress.

It is my very strong belief that the FTC seriously erred in denying the petition to intervene in the regulatory proceedings. It is my hope that the FTC will reconsider its decision so that the concerns of the workers will be fully aired and given the careful consideration they deserve.

I am most appreciative for the very fine work the gentleman from New York (Mr. Kemp) has put into drawing this matter to the attention of our colleagues in the House. I also want to draw attention to the participation of and cosponsorship by the Senators from Michigan, Mr. Riegle and Mr. Levin, and the Senator from Nebraska, Mr. Exon, in addition to those previously mentioned.

Mr. KEMP. I thank the gentleman for his comments.

Again, I appreciate his efforts on behalf of the people of his own district as well as the hard-working men and women of my district.

I now yield to my friend, the gentleman from Nebraska (Mr. Cavanaugh).

Mr. CAVANAUGH. I thank the gentleman for yielding.

I also compliment my colleague, the gentleman from Michigan (Mr. Wolpe) in commending the gentleman from New York (Mr. Kemp), as well as commending the gentleman from Michigan (Mr. Wolpe), for the leadership that they have shown here. It is essential that we focus the attention of the Congress and the country on the actions of the FTC, and particularly with regard to the due process rights of the employees in this industry. It is absolutely intolerable, I believe, from any perspective of justice that these employees' bargained rights, long coming over the past several years, can be wiped out without any ability for them to participate in the legal process to determine the outcome. In Omaha, Nebr., in the Kellogg plants there are more than 800 employees with a payroll of $10 million. Erosion of the terms of their employment would have a significant effect not only upon their lives but on the entire economy of my city and my State.

So I commend the gentleman from New York (Mr. Kemp) for taking the time to direct the attention of the Congress and the country to this most critical issue, in the hope that our efforts might make some impact on the outcome of these proceedings, in the extension of basic fairness in allowing these employees to be heard.

Mr. KEMP. The gentleman has made a real contribution to the effort. I appreciate that. He not only talks about fairness, but economic conditions in our country today do not allow anyone to play cavalierly with the jobs of thousands of people, because unemployment is predicted to go up almost 8 percent. It seems to me unconscionable that we could also voluntarily lose jobs in an industry such as this that is so precarious. So the efforts of the gentleman from Nebraska (Mr. Cavanaugh), as well as those of our colleagues from Michigan, are very appreciated.

● Mr. NOWAK. Mr. Speaker, much has been said, in recent years, about the regulations and regulatory bodies of the Federal Government. Employers argue that overregulation causes undue hardship and unnecessary expenditure. Consumers consider Federal regulation a factor in the increased cost of products. Elected officials, including many in this body, feel regulations are inhibiting the private sector, thereby making difficult their economic development activities. Comments about the insensitivity of regulators echo in all areas of our national community.

The specific case I address today clearly illustrates these concerns are not without foundation.

The American Federation of Grain Millers, on September 5, demonstrated at the headquarters of the Federal Trade Commission to protest the potential loss of 2,600 jobs in the ready-to-eat cereal industry, a loss that could result from the FTC's pending divestiture case against the industry. This case was initiated in 1972 and charges that the ready-to-eat cereal industry is a monopoly under section 5 of the Federal Trade Commission Act.

The FTC proposes that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assinged exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands." The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. Since General Foods had only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

The Grain Millers have presented to various Members of the House and Senate their case against the FTC. I submit that document for inclusion in the Record:

Grain Millers Case Against FTC

First we want to make one thing clear. We are not protecting the FTC's right to bring suit against the cereal companies under the Federal Trade Commission Act, or to pass judgment as to the guilt or innocence of the companies involved. This is properly a matter for the FTC and the Courts to decide. We are protesting:

1. FTC's involvement into an area where they have no jurisdiction; that is, the National Labor Relations Act.

2. FTC's complete disregard and lack of concern for the welfare of the thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which the FTC wants to spin off into five new cereal companies.

4. FTC's refusal to allow the Grain Millers Union the right to intervene in this case in order to represent and protect the rights of our members who will be affected.

Let's be more specific.

1. FTC's involvement under the National Labor Relations Act.

What we are talking about here is the effect that FTC's position would have if they are successful in spinning off five of the existing plants and the creation of five new cereal companies. The plants affected which are represented by the Grain Millers are the San Leandro, California, Memphis, Tennessee and Omaha, Nebraska plants of Kelloggs, and the South Chicago, Illinois plant of General Mills. The Grain Millers is the recognized bargaining agent of each of these plants certified under the National Labor Relations Act. If FTC is successful and the new companies are created, these new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of these new companies might decide to try to get by without a union. In the event that the company decided to hire less than 50 percent of the present employees, they would be under no obligation to recognize the Union as the bargaining agent.

2. FTC's complete disregard and lack of concern for the welfare of thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

According to independent job impact studies, approximately 2,650 employees will be immediately ousted from their jobs; 1,400 of these from Kelloggs, 650 from General Mills and 600 from General Foods. FTC does not dispute the estimated job losses resulting from the proposed remedy and have termed it "noncontroversial".

FTC also stated "That employees have no overriding right to perpetual employment on the same or any other terms". An example of FTC's complete disregard for people who lose their jobs as a result of action taken by the FTC is the needless death of Federal Glass. In the name of promoting competition, the FTC stymied a plan to sell Federal Glass Company in Columbus, Ohio. As a result, a factory that employed 1,500 people has been shut down and many of these employees are drawing welfare today.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which FTC wants to spin off into five new companies.

The employees at the four Grain Miller plants involved are covered under Master Agreements, some of which have been in existence since 1937. The Master Agreements cover such items as pensions, insurance, holidays, vacations, seniority, etc. The employees are also covered by individual Supplemental Agreements at each plant which cover wages and working conditions. All contracts have been negotiated in good faith under the National Labor Relations Act. If FTC is successful, the effect would be the same as if they were to literally tear up each contract. The new companies would be under no obligation to continue any of the contracts. Even if the Union were recognized by the company as bargaining representative, wages, pensions, benefits and all working conditions would be subject to renegotiation.

4. FTC's refusal to allow the Grain Millers International to intervene in this case.

On April 10, 1978 the American Federation of Grain Millers filed a motion with FTC to intervene in the case. Despite the potential loss of Grain Miller membership and the literal destruction of the contracts of the four spun-off Grain Miller plants, the FTC rejected our motion to intervene. The following are quotes from the FTC Complaint Counsel's opposition to the Motion For Leave To Intervene:

"These cases make it clear that employees have no overriding right to perpetual employment on the same or any other terms. Second, the question that the Union wishes to raise is wholly irrelevant to the issues in this case."

"Nor do these conditions have any bearing on the question of the effectiveness of the proposed remedy in lowering entry barriers and restoring vigorous competition. In short, because the Union's question will shed no light on the issues raised by the complaint, the Union has failed to demonstrate that its intervention will contribute to the case."

In rejecting the Motion to Intervene, Judge Hinkes stated: "Complaint Counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief."

Prior to the Grain Miller's attempt to intervene, over 26,000 pages of transcript had been taken in the case, and not one word in the transcript related to the protection or concern for the employees who would be affected by the remedy suggested by FTC.

The Grain Millers strongly believe that the employees affected have a right to be heard and to their day in court, through their authorized representative as certified by the National Labor Relations Board. We have negotiated the contracts which will be destroyed if FTC is successful. Why then should we not have a voice in the case to protect the interests and contractual rights of these employees. Thus far, FTC has refused to listen to our repeated petitions to be heard in this matter.

We will appreciate any help you may give us to correct this injustice.

ROBERT F. HARBRANDT, *President.*
BEVERAGE TRADES DEPARTMENT,
AFL–CIO
AMERICAN FEDERATION OF GRAIN
MILLERS, AFL–CIO.

I hope my colleagues will give serious consideration to joining in supporting a sense of Congress resolution being prepared by Representative HOWARD WOLPE to address this issue. It is imperative that this body direct its attention to this case, in order that the regulatory agencies of the Federal Government receive notice that the Congress shall not be passive while our constituents are regulated out of employment.●

● Mr. LAFALCE. Mr. Speaker, I am deeply concerned about an FTC suit which not only affects the jobs of 2,600 American workers, but also affects the bargaining rights they fought long and hard to gain. It is one thing for agency lawyers to play textbook law games in Washington, but it is quite another thing to look at the effect of their actions. If the FTC's purpose is to protect the consumers of this country, then it goes without saying that it must look at the overall picture of any action it takes. Obviously, it is not doing this in this case.

The FTC's denial of the Grain Millers' motion to intervene in the divestiture proceeding is in callous disregard of its mission, and is in blatant contempt of the right of so many American workers. We have a duty to see that those who will be directly affected by the proceeding have the right to participate in that proceeding. I find it incredulous that the FTC found that these "employees have no overriding right to perpetual employment" and that the Grain Millers' interests "are wholly irrelevant to the issues in this case."

After the September 6 forum, I met with Kenneth Mulhisen, president of the American Federation of Grain Millers Local 36, of Buffalo, and Walter C. Wojcik, business representative of local 36. They gave me a complete picture of this 7-year-old proceeding and the effect it will have back home. Quite frankly, I was flabbergasted. I think it is absolutely inequitable that those who will be affected by the proceeding cannot participate in it.

I am attaching a letter I sent to Michael Pertschuk, Chairman of the FTC, and a memorandum on the history and ramifications of the proceeding so that my colleagues can see the seriousness and the magnitude of this situation:

WASHINGTON, D.C.,
September 6, 1979.

MICHAEL PERTSCHUK,
Chairmen, Federal Trade Commission,
Washington, D.C.

DEAR CHAIRMAN PERTSCHUK: I would like to draw your attention to the Federal Trade Commission's pending proceeding against General Foods Incorporated, General Mills, and the Kellogg Company.

Regardless of any arguments for or against the FTC action, I am deeply concerned over the prospect that as many as 2,650 workers in the cereal industry will lose their jobs as a result of the action. For this reason, I am requesting that the FTC reconsider its denial of the Grain Miller's motion to intervene in the proceeding.

I feel that the Grain Millers and the other interested unions must be represented in the proceeding so that the full impact of your decision can be gauged more precisely, and so that the rights of the workers whose jobs will be in jeopardy will be protected.

The job security, pensions, insurance, seniority rights and working conditions of thousands of men and women should not be placed in even more dire jeopardy because of their inability to directly participate in a proceeding which will drastically affect their lives.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

MEMORANDUM ON THE HISTORY OF FEDERAL TRADE COMMISSION PROCEEDING AGAINST THE CEREAL INDUSTRY

Since 1972, the Federal Trade Commission (FTC) has conducted a case against Kellogg Company, General Mills, Inc., General Foods Corporation, and the Quaker Oats Company[*] (the Respondents) in which the Commission charges that the Respondents have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of Section 5 of the Federal Trade Commission Act.

A proposal for an FTC investigation of the cereal industry came to light in the course of some hearings of the House Small Business Committee which published memoranda of the FTC's Division of General Trade Restraints urging an investigation of "highly concentrated industries". Included (on a national basis) in the proposal for investigation were "Breakfast Cereals", "Gasoline", "Office Copying Industry", "Auto Parts Industry", "Razor Blade Industry" and "Television Network Industry". Although the "Breakfast Cereal" industry was dwarfed by some of the others selected for study and was larger only than "Electric Office Typewriters" and "Razor Blades", and that "Case potential (savings)" was vastly greater in "Gasoline", "Auto Parts", "Soft Drinks", and "Television Networks", they nominated breakfast cereal as the number one target and asked for a Commission resolution for an investigation of the breakfast cereal industry.

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[*] Quaker, after spending almost $2 million in legal fees, was released as a defendant when the FTC observed that Quaker's market share had risen from 2 percent to 9 percent during the last 12 years.

Reasons given for selection of breakfast cereal as the first target in these memoranda are unconvincing. A more likely reason is expressed in an article appearing in the June 14, 1976 issue of Newsweek quoting Charles E. Mueller, a former FTC staffer and a source of theory for the investigation:

"I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters . . ."

The FTC proposed that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assigned exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands". The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. General Foods having only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

GRAIN MILLERS CASE AGAINST FTC

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We will appreciate any help you may give us to correct this injustice.

Food & Beverage Trades Department,
AFL–CIO,
Robert F. Harbrant, *President.*
American Federation of Grain Millers, AFL–CIO.●

GENERAL LEAVE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. Natcher). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Speaker, I yield back the remainder of my time. I want to extend my appreciation to the gentleman from Oklahoma (Mr. Edwards) for graciously allowing me to precede him. He has performed a great service to the hard-working men and women of America.

NEED FOR MORE DOMESTIC ENERGY PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Edwards) is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, this country needs desperately to pursue an aggressive energy policy that is designed not only to conserve our existing fuel supplies but also—and this is the important point—to increase domestic energy exploration and production.

We need more domestic production, Mr. Speaker—production of gas, oil, coal, nuclear power, solar power, geothermal power—and we need to remove the Federal barriers that restrict energy production.

We cannot continue to play political games, making scapegoats out of energy producers and using every kind of excuse to block the building of pipelines, refineries, and generating plants.

Perhaps the single greatest problem facing this country, in the long run, is neither inflation nor the military superiority of the Soviet Union, although both of those problems are reaching serious and frightening dimensions. The greatest problem is energy.

It seems that we have no shortage of crises these days—there is an economic crisis, there is a national security crisis, and affecting both of those, threatening both our economic stability and our ability to defend ourselves, is our increasing inability to assure an adequate energy supply.

The ramifications of our energy "crisis" are immense. We face the inability to provide the energy to operate our businesses and provide jobs; we face fuel shortages that can cripple not only private automobile travel but also commercial trucking and the operation of our farms; we find ourselves increasingly dependent on foreign sources of energy at a time when the United States and the Soviet Union are entering into a period of potentially serious confrontation all around the globe.

Mr. Speaker, can you imagine the consequences of a war in which the United States would have to depend on outside sources for the fuel for its tanks, airplanes, ships, and troop transports? What if the Saudi Arabian oil fields were no longer available to us—a possibility that grows more likely as the Soviets pursue their strategy to control access to the sea lanes around the Persian Gulf? What if the Iranian oil fields are lost to us—a real possibility as the Iranian Government continues to drift away from the American orbit?

We do need conservation. We need badly to learn how to conserve important energy resources. We need to regulate temperatures, drive wisely, and build buildings that are energy efficient. But we need more than that.

Conservation has been the cornerstone of what the President calls an "energy policy," but it is not an energy policy at all: It is only half an energy policy. The other half, and in the long run the more important half, is increased energy production, because no matter how carefully we conserve, eventually we will run out unless we produce more. It is like drinking water from a glass: No matter how slowly you sip it, eventually the glass will be empty unless you pour some more water into it. And we are not doing enough to pour more in—to increase our own domestic supplies of the energy we need for the future; in fact, the energy we need if there is going to be a future.

It has been more than 2 years since the President declared the moral equivalent of war against our Nation's energy problems. With much fanfare the House created a special, unprecedented, Energy Committee. I was a member of that committee. And the legislation it came up with—legislation I opposed, accomplished the following:

It created a new price ceiling on natural gas while extending Federal price regulations to intrastate natural gas;

It required conversion of some powerplants and industrial boilers from natural gas to oil; and

It established Federal regulations for energy conservation in public buildings and energy efficiency standards in certain industrial products and processes.

Let us see how this legislation has met the administrations' goal of reducing our dependency on foreign energy sources:

On May 5, 1978, this country's demand for petroleum was 17,789,000 barrels per day. A year later, on May 4, 1979, our demand was 17,506,000 barrels per day—a decline of 1.6 percent. But the domestic production of crude oil declined from 8,725,000 barrels per day to 8,693,000 per day—a decline of 1.4 percent. During the same time crude oil imports increased from 7,393,000 barrels per day to 7,832,000 barrels per day—an increase of 5.6 percent.

The administration's program failed because it refused to recognize one half of the basic principle of supply and demand—supply. The administration's proposals were directed toward curbing demand: van pooling, thermostat controls, appliance efficiency standards. The only token approach to increasing supplies of energy was in the proposal to increase the price producers can receive for natural gas. And this increase in price has produced a glut of natural gas. So much so that former Energy Secretary Schlesinger urged industry to switch from oil to natural gas as a solution to our oil import problem exactly the opposite message the administration gave industry 2 years ago.

The solution to our domestic oil shortages lies in increasing the return on oil producers' investments to provide them more incentive for domestic oil exploration and production. This is why we must decontrol oil prices and why that added income must be allowed to be used for increased production and not merely become a windfall profit to the Federal Treasury.

Most studies agree that oil and natural gas, now providing 75 percent of all of our energy, will still account for more than 60 percent in 1985 and 1990.

Imports now account for 46 percent of the oil we consume. The OPEC nations have raised their prices more than a third since last December. This overreliance on foreign oil slows our economic growth, builds up our trade deficit, and contributes to the decline in the value of the dollar. Short-term interruptions of supplies pose a threat to the security of our Nation.

Government allocation rules transformed the recent 5-percent Iranian shortfall into a 15-percent shortage at the pump in many areas of the Nation. A shortfall even more severe and long lasting would do serious damage to our national economy. Mr. Speaker, we simply cannot afford to remain at the mercy of unstable regimes in the Middle East.

Decontrol of domestic oil prices is the only answer to overreliance on foreign oil and apparently the President has begun to recognize that fact and has already removed some price regulations. By 1985, decontrol will give this Nation 1.5 million barrels per day of increased oil production and 600,000 barrels per day of reduced oil consumption. Immediate and total decontrol do even more to solve our energy problems.

Unfortunately, the administration would also wipe out the advantages of decontrol with a stiff severance tax although recent studies by the Chase Manhattan Bank show that oil companies now invest nearly $2 for every dollar in profits and that 95 percent of those investments are in energy. The money to be taken away from the oil companies by the proposed tax is money which they would invest nearly twice over in energy production.

Domestic resources are there to be found. Numerous studies agree that there is a great deal of both offshore and onshore oil to be found in the United States. The timing and amount of production will depend upon a number of factors: price, technology, access to new public and private leases, and our basic economic climate. All these studies indicate that our resource potential will not be exhausted for the next 30 to 50 years. The only limit will be the rate at which these supplies are found.

No one can guarantee an absolute number of barrels of new oil will be discovered for a set amount of investment in exploration and production. But production is directly related to exploration, and the amount of money available for investment in drilling activity is directly related to the return investors can get on their investment. When controls were lifted after World War II, the number of exploratory wells increased from 6,700 to 16,000 in 10 years. During the same period, development wells increased from 24,000 to nearly 41,000.

Yes, an increase in drilling activity will mean additional revenues for oil producers. But more than 50 percent of additional revenues could go to Federal and State Governments under the present tax system and existing royalty agreements. And the remainder is desperately needed for new exploration. Chase Manhattan Bank and the Department of Energy both estimate that oil producers need to spend between $20 billion and $26 billion a year through the early 1980's just to halt the continuing decline in domestic oil production.

But oil and gas are not the only fuels available to us. In fact, because those resources are limited, and because we cannot really count on plentiful supplies of those fuels beyond the next quarter century, we must also do what we can to develop our other potential energy sources as well.

The development of coal and nuclear power—our chief alternative energy sources—is being stifled by excessive and unreasonable environmental regulation.

I know there are many Members of the Congress who tend to see energy production and environmental protection as being goals that are necessarily opposed to each other. But we can have increased domestic energy production without reversing the progress this Nation has made over the past 10 years in protecting its environment. The real threat to energy production comes not from genuine environmental protection, but from excessive and unreasonable regulation.

The national energy plan called for a doubling of coal production by 1985, but coal production is increasing at a rate of only 2 percent per year. We are currently producing 713 million tons per year, 100 million tons less than we could be producing. Yet two sets of administrative regulations were recently adopted which will dramatically drive up the price of coal. These are the EPA's revised regulations for new coal-fired powerplants and the Office of Surface Mining's final regulations to implement the 1977 strip mining law.

Both sets of regulations impose huge costs upon energy producers and energy users—costs that are dictated more by political and bureaucratic factors than by genuine health and environmental needs.

On May 25, 1979, the Environmental Protection Agency issued new regulations on allowable emissions from new coal-fired powerplants. As a result expensive sulphur removal devices called scrubbers will have to be installed on all 350 coal-fired powerplants expected to be constructed between now and 1990.

These new regulations may be the most expensive in the EPA's history. The EPA justifies the new regulations by claiming that they will reduce nationwide sulphur dioxide emissions by 15 percent in 1995—from 23.8 million tons without the regulations to 20.5 million tons of SO_2 with them. The cost per ton of SO_2 removal is around $1,100. But the Utility Air Regulatory Group has estimated the cost of removing SO_2 would be only $158 per ton by 1990 without the new regulations allowing utilities to meet emission standards themselves.

The EPA's regulations took the form they did because a coalition of western environmentalists and eastern politicians decided to curtail the environment and economic advantages of burning low sulphur coal. They did that by requiring the EPA to issue new regulations framed in terms of percentage reduction in addition to emission standards. The development of western coal could have proceeded in an orderly and balanced fashion without these regulations. The additional $40 billion which the Business Roundtable estimates we may pay for these regulations is primarily the cost of politics, not of health and environmental protection.

The new strip mining regulations issued March 13 have shockingly high costs. A Consolidation Coal study shows the regulations will cost an average of $3.2 billion per year over the next 11 years—for a total of $34 billion. Although the cost of compliance will vary by region, the overall $3.2 billion figure is roughly $4 per ton.

Consolidation Coal estimates that if the strip mining regulations allowed the coal industry greater flexibility, the industry could meet the stringent standards and mandates of the 1977 act at an average yearly cost of only $1.2 billion per year. The additional $2 billion is the cost of bureaucracy not environmental protection.

And what about nuclear power?

Environmental, health, and safety regulations have contributed to a tripling of the cost per kilowatt hour for nuclear energy in the past decade. Yet they did not prevent the accident at Three Mile Island.

The process of planning, siting, licensing, and constructing a nuclear reactor now takes 10 to 11 years. A month's delay in the construction phase of this process adds more than $10 million to its final cost. These costs could be reduced by early site approval and by increased efforts to promote standardization of design.

Streamlining the licensing process will enhance nuclear safety. As things now stand, NRC permit decisions are often made later in the process of constructing a reactor than they should be, creating pressure to ratify a fait accompli. Preapproval of sites and designs will reduce delay and allow the NRC greater ability to impose stringent safety requirements while speeding up the development of nuclear energy.

Mr. Speaker, clearly there is much that can be done to produce more energy in this country—from removing restrictions on the use of Federal lands to eliminating many of the Federal regulations that have made energy production both more difficult and more expensive.

Even in the fact of this great need for more energy, we continue to pursue policies that leave us more and more dependent on the whims and fortunes of foreign suppliers. We lock up millions of acres of Alaska to preserve its natural beauty, and then we lock up millions of acres more—acres with awesome potential oil and gas supplies.

This is not an energy policy—it is an antienergy policy. And we simply cannot afford it. Our entire national future depends on our commitment to stop playing political games and to get on with the business of producing the energy supplies we need for our businesses and schools and homes and hospitals and our national defense.

Mr. Speaker, we need a balanced policy of regulation, environmental protection and energy production. But the evidence is now overwhelming that Government regulation is a major cause of the energy crisis. We have to start on a new course.

Since the dawn of the industrial age, the United States has been one of the "have" nations—a nation that has had the resources to defend itself and to provide its citizens with the highest standard of living in the world. If we do not produce more energy, Mr. Speaker, we will become a "have-not" nation, with neither affluence nor security. We must not permit that to happen.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Oklahoma (Mr. EDWARDS)?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman from Oklahoma yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Maryland.

Mr. BAUMAN. I want to commend the gentleman from Oklahoma for taking this time today to speak on this important matter. The country must take immediate action in this field of energy. I certainly want to say that the gentleman from Oklahoma (Mr. EDWARDS) deserves the praise and support of the people not only of Oklahoma but of the Nation for this work. The President's "moral equivalent of war" has turned into a head-long retreat back to the trenches of gloom, panic, and despair. Mr. Carter has succeeded only in putting forth many of the wrong answers to the problems of this Nation's energy requirements. He seeks to blame the American people and hold them responsible for these problems, while offering in return the naive homily that we should "say something good about America every day."

Mr. Carter, among others, says that the oil companies are greedy. He says that the price of decontrol of oil and gas is to be a confiscatory, so-called windfall profits tax, because he does not trust the producers of energy to invest that increased capital in more production. The President would rather use the money derived from this tax on a grandiose program for developing synthetic fuels. We must rightfully ask, therefore, who the greedy party really is. Just as the Government cannot deliver services, just as OSHA cannot reduce job injuries, just as HEW cannot provide good health care or teach Johnny to read and write, so too the Government will be unable to produce one new barrel of oil or cubic foot of natural gas, let alone save the Nation through synfuels.

The purpose of decontrol is to bring the market forces of price, supply, and demand into play as the best economic regulator of all. Yet the President is trying to work at cross-purposes with this goal by stealing the money which would be used to make it worthwhile to get on with the business of treating the ailment of energy supply, not merely the symptoms. Instead of allowing the free market to allocate goods and services, as the provider of the greatest good for the greatest number, he wants all the President's men and the Department of Energy zealots to call the shots.

Mr. Speaker, it would seem that Dr. Jimmy Carter is practicing bad economic medicine. He is busily trying to treat the symptoms rather than the disease. One symptom of an underlying problem is gasoline shortages. Yet the administration's answer is to go all-out attacking that symptom by seeking to impose massive rationing and enforced conservation. He seems to think that gas lines will just go away if we all leave our autos home 1 day a week or, failing that, if we cast our fate to the graces of the Department of Energy.

The shortages merely reflect the ailment of Government control and Government misallocation. So far as can be learned, nothing in the President's energy program is designed to eliminate the already existing power of the bureaucracy over gasoline and fuel oil distribution. Remember the brilliance of the Government energy men not so long ago when places such as Hawaii and the Virgin Islands were getting almost as much heating oil as some States in the Northeast? Or recently when the State of Hawaii received 120 percent of its allocation of gasoline while Maryland received 82 percent. Are the constituents of my distinguished colleagues from the Northeastern States prepared to place their well-being this winter into the hands of DOE? There will be an awful lot of explaining to do if people are cold in their homes this winter, and I submit that much of the fault will rest with this body if you continue to merely treat the symptoms instead of eradicating the disease.

Mr. Speaker, one of the most frightening aspects of the President's program is his insistence on the creation of the Energy Mobilization Board. First, we had the Federal Energy Administration, the Energy Resources Council, and all the rest. But there was too much redtape and confusion with that setup, so lo and behold, the Department of Energy was born, the ultimate answer to the Nation's energy problems, a marvelous, wondrous collection of talent and ideas. But something seems to have gone slightly awry—DOE is not working. That is, the disease has gotten worse. Now, says the President, we must have this newer, better bureaucracy, the Energy Mobilization Board, to cut the redtape of DOE and all the rest and get the Nation moving again. This is Carter's call for reinforcements as we continue to lose the "moral equivalent of war."

Mr. Speaker, the bungling, failures, and immoral waste of time and treasure has gone on long enough. Private industry, working against the heavy odds and stumbling blocks put before it by Government, has already demonstrated that solar energy, for example, is feasible. Instead of robbing this Nation of desperately needed investment capital by means of a crippling tax, let us instead give them sensible tax breaks to make it even more worthwhile to develop synfuels, produce more oil and gas, improve solar energy technology, make gasohol, or wood, or water power, or shale oil, or nuclear energy more available at less cost in the long run. It is totally unnecessary for this Government to act as some sort of middleman for the funneling of tax dollars with strings attached. Any government that carries coal to Newcastle or sells heating oil back to Iran cannot be depended upon to lead us out of a mess it has created.

I would like to call to the attention of my colleagues some of the excellent energy policy suggestions put forth by the American Conservative Union which I have the honor to chair. They treat the disease, not the symptoms. On the tax question, the ACU favors expansion of energy tax credits and the liberalization of the user tax, as well as incentives to encourage plowback by energy producers. It opposes the so-called energy trust fund and the "windfall profits tax." The ACU is calling for reform and streamlining of the Nuclear Regulatory Commission's licensing provisions and the stabilization and standardization of its overall regulations including increased safety. It favors the immediate decontrol of oil and natural gas right down the line, as well as all true incentives to increase private-sector research and development of alternative energy sources. ACU seeks to curb Federal meddling by easing the restrictions on strip mining, access to energy sources on Federal land, and by modifying overly stringent environmental and bureaucratic regulations. ACU favors conservation measures which all Americans will naturally support, but points out that conservation alone merely postpones for a little while the effects of the problem. It should be seen as a means of obtaining time in which to get busy on curing the energy disease and not as a special nostrum in itself.

Mr. Speaker, many of my colleagues, both here and in the other body, have addressed themselves in varying degree to the intelligent proposals advocated by the ACU and other citizens' groups by introducing appropriate legislation to accomplish those goals. I would urge my colleagues to stay away from the Carter panic express and allow cooler heads to prevail. In this way, we can put an end to this Nation's energy nonpolicy and begin to face up to what truly needs to be done if we are ever to be self-sufficient in energy.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman for taking this special order and for his leadership in this very vital field.

Mr. Speaker, we are today reviewing the urgency of our energy situation, and the pressing need to respond to these problems. I think we must all admit that the Federal Government's track record has been remiss—we have underachieved in an area requiring excellence. Too often, U.S. energy efficiency has been hampered by a web of Federal regulations which make virtually impossible true energy independence. Nor has Congress been blameless in this regard. We who make the laws are responsible for generating an implacable bureaucracy.

In addition, we have failed to exploit the domestic energy potential of this great Nation. For instance, estimates indicate that there are 100 billion barrels of heavy crude oil in the United States, most of which is now unrecoverable due to cost and environmental dangers. However, I, and a number of my California colleagues, were approached by a relatively small company in my district, which has developed a cost-effective technology to facilitate the development of heavy crude oil refining methods. The proposal provides an encouraging approach to manufacturing gasoline feedstock and other valuable products from thick, high-sulfur crude oil, without producing difficult-to-dispose-of wastes or environmentally dangerous sulfur emissions. This refinery in California has the capacity to convert 5,100 barrels a day of heavy crude oils and residual oils into precious natural gas and gasoline, while removing sulfur. All residual oil is eliminated in this environmentally valid process.

Unfortunately, the project was presented late in the DOE budget process and, although DOE has expressed strong interest in the concept, it simply does not have the funding authorization with which to proceed.

The President, as you know, has taken the first step by decontrolling heavy crude oil and proposing to exempt it from the windfall profits tax. This action will, if a proper density definition is arrived at, result in long-term incentives for heavy crude refining investment and production. But Congress needs to authorize further funding so that projects such as this, which are economically and environmentally appropriate, may proceed.

My colleagues and I were able to amend the DOE authorization bill to authorize $2,000,000 for heavy crude oil conversion technology, and earmark through floor colloquy, $2,000,000 of the Interior appropriations for this purpose. Although the project would require much more money to be feasible, we unfortunately learned of it too late to adequately familiarize the respective committees with the proposal. We have, however, written to the Senate urging that they provide further funding for the clean refining of heavy crude oil.

Mr. Speaker, at a time when we cannot afford to ignore any technology which may enhance our domestic energy supplies, I believe it is critical that we expedite those projects which are both cost-efficient and environmentally safe, by providing the funding necessary to implement their operation. Our job is to provide incentive and reinforcement for technologies which are feasible and environmentally sound.

Mr. Speaker, in line with my remarks, I would like to submit for the RECORD, the following article entitled, "Hidden Resource—Our Heavy Oil," which appeared in the September 9 issue of Parade magazine.

HIDDEN RESOURCE—OUR HEAVY OIL

(By Jonathan Braun)

The Western world possesses awesome amounts of a virtually untapped resource—heavy oil—that may be the most practical, near-term solution to the energy problem, according to a growing number of experts.

Heavy oil could make the United States "totally independent of the Middle East in 20 years," said former Deputy Energy Secretary John F. O'Leary on National Public Television recently.

"At the very minimum," says Dr. Joseph Barnea, an energy specialist and former director of natural resources at the United Nations, "heavy oil could sufficiently extend our petroleum reserves to enable us to develop our renewable energy resources—such as solar, wind and geothermal."

As the name implies, heavy oil is higher in density than the oil on which the world presently runs—conventional or light oil. It also contains more sulfur and other impurities than are normally found in light oil. Because of these traits, heavy oil is more expensive to produce (extract) and refine.

Until fairly recently, the prevailing view in both government and industry circles was that the problems associated with heavy oil make its exploitation unfeasible economically. This view has largely been reversed, thanks to the escalating price of light oil on the world market and the successful introduction of sophisticated heavy oil production and refining techniques.

In fact, heavy crude is already being profitably produced in California at roughly $6 a barrel. And a study prepared for the federal government by Exxon, the largest of the giant multinational oil companies, says that South American heavy crude could be produced and refined at a total cost to the company of about $9 per barrel—half of what the Organization of Petroleum Exporting Countries (OPEC) charges for its light crude.

But these numbers tell only part of the story. Much of the current interest in heavy oil can be attributed to the sheer magnitude of the resource and the fact that it is so widespread.

"Heavy oil is everywhere," says Dr. Barnea. "There are indications that large quantities can be found in over 60 countries—including, of course, the OPEC nations of the Middle East."

Barnea is in a good position to judge the world picture. As a senior fellow at the United Nations Institute for Training and Research (UNITAR), he recently organized the First International Conference on Heavy Crude and Tar Sands. Some 300 invited delegates represented 37 nations at the June conference held in Edmonton, capital of Alberta Province, Canada.

Sponsored by UNITAR, the United States Department of Energy (DOE) and the Alberta Oil Sands Technology and Research Administration, the meeting confirmed what Barnea and others have long suspected—that the Western Hemisphere probably contains most of the planet's heavy oil reserves. Stretching from Alaska to the tip of South America, a huge chain of deposits is reportedly ripe for large-scale commercial development.

Alberta's tar sand deposits, for instance, may hold as much as 967 billion barrels of heavy oil—far more than estimated total light oil reserves for the entire Persian Gulf region.

In Venezuela, a belt along the Orinoco River is widely assumed to contain 1 to 2 trillion barrels of heavy oil, approximately equal to the total amount of petroleum consumed by the world to date.

Closer to home, just two states combined—California and Utah—could be sitting atop enough heavy oil and tar sands to put them in potentially the same world class as Iran, which accounted for about 5 percent of this country's oil imports before the revolution against the Shah.

"It is hard to estimate total reserves for the United States," Barnea explains, "because there has never been a systematic search for heavy oil. Nearly all the heavy oil we know about in the U.S. was discovered by accident—in the course of exploring for light oil." Apparently, even the White House is confused over the extent to which heavy oil can ease the energy crunch.

"I am announcing new incentives for heavy oil," President Carter said in Kansas City, Mo., on July 15, "which this country has in great abundance." Specifically, Carter said he was removing the price controls which are generally regarded as having hampered production; he also proposed that Congress exempt heavy oil from any tax on the so-called windfall profits that oil companies might enjoy as a result of decontrol.

But while the President's comments boosted the hopes of producers of heavy oil, documents made public by the White House put a damper on the notion that the resource was about to play a key role in the nation's effort to achieve energy independence.

In a bulky "fact sheet" disseminated to members of the Washington, D.C., press corps the morning after Carter's nationally televised energy address, the White House put U.S. havy oil reserves at a relatively paltry 10 billion barrels.

This estimate directly contradicted one contained in a barely noticed energy plan submitted by the White House to Congress on May 7. That one said U.S. heavy oil reserves could be as high as 100 billion barrels.

More puzzling than the White House's July estimate for reserves was its stated goal for U.S. heavy oil production: an increase of only 500,000 barrels a day by 1990. According to statistics recently compiled by the U.S. Geological Survey (USGS), domestic heavy oil output already stands at 1.25 million barrels a day, or 15 percent of total U.S. oil production. California alone accounts for at least half the daily heavy oil output.

The USGS estimate is based on production figures for 1976, the only year for which they are available. In a study prepared that year for the DOE, Lewin & Associates, a management consulting firm based in Washington, D.C., suggested that with better technology and the removal of price controls, bureaucratic red tape and other barriers, heavy crude in California, Texas and Louisiana alone could total 2 million barrels a day by 1985.

Why has the U.S. been so slow to recognize heavy oil's potential?

"There are two chief obstacles to development of the resource," Barnea explains, "and they are connected." Echoing the complaints of many oil industry executives, Barnea argues that federal price controls, coupled with strict enforcement of environmental protection laws, have virtually crippled many heavy oil projects.

"We've been hamstrung" says Edward H. Shuler, a Getty Oil vice president supervising the company's heavy crude operations in California. "The oil is in the ground. We know it's there. We have the technology to get at it—but we haven't been allowed to charge the price for the crude oil that would justify our spending money to get it out."

Even at the controlled price of around $6 a barrel, industry sources concede, their operations have still been somewhat profitable. "The problem," one executive contends, "is that the price has simply not justified the massive capital expenditure we have been asked to make to satisfy the government's environmental standards."

Politics has also stood in the way of heavy oil development. Unlike other forms of energy, this resource has no identifiable political constituency. Thus, while many members of Congress have enthusiastically embraced the notion of squeezing oil from shale or coal at projected costs of $25 to $40 a barrel, there has been strikingly little legislative enthusiasm for heavy oil produced at $5 to $7 a barrel.

This isn't the only country where heavy oil development has been hampered by a mix of politics and economics. Experts report that Venezuela, for instance, is not inclined to dip into its vast heavy crude reserves as long as it can make a greater profit exporting light oil, of which it is said to have a 15–20 year reserve.

The multinationals also seem determined to control, if not slow down, the pace of heavy oil development. Explains an executive whose company is involved in heavy oil exploration in Peru: "The rush is on for leasing rights to the big heavy oil deposits. But until the dust settles, the companies are naturally not too interested in telling you what they know."

Perhaps the most ambitious heavy oil project in Alberta belongs to Exxon's Canadian subsidiary, which has applied for permission to build a $4.9 billion heavy oil recovery plant at a site called Cold Lake. Rivaling this is a venture planned by a consortium led by Shell Oil. Its price tag: $4.3 billion.

So, despite the obstacles, heavy oil may be an idea whose time has come. Or is it? Knowledgeable observers stress that resource development is still mainly a function of profits. This means that oil companies are not likely to launch an all-out effort to tap heavy oil as long as they can make more money producing and refining light oil.

In the final analysis, the heavy oil story boils down to this: Nearly everyone involved—from the government of Venezuela to giant Exxon—is acting out of a narrowly defined sense of self-interest. But this is to be expected—"except for the fact," as one heavy oil devotee puts it, "that narrow self-interest and shortsightedness are what got us into the energy crunch in the first place."

Mr. EDWARDS of Oklahoma. Mr. Speaker, I want to thank my colleague from California for his contribution because, as one of the experts in the House on international affairs and also as a member for a long time of the Energy and Environment Subcommittee, the gentleman from California has done a great deal to work toward increased energy production in this country.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I wanted to praise Mr. EDWARDS for his diligent work and efforts on this subject. My colleagues today have been addressing our domestic energy production crisis. The title is apropos, because the crisis we face today in this country is not an energy crisis, but rather an energy production crisis. The identification of which crisis we face is imperative, the solutions almost diametrically different. If the crisis we face is an energy crisis, that is, if we are in fact running out of energy, the line of attack may be to adopt a no growth approach to our standard of living and make cutbacks in our everyday lives. If the crisis is production oriented, however, the attack is wholly different, for we must then produce the energy that for some reason has eluded us.

While the present direction of this Congress and this country appears to favor the first approach, that of no economic progress, I opt for the second, for a number of reasons. It can be substantiated that the no economic progress philosophy is based on so many myths, that the mere existence of the philosophy has become a danger to the essence of our system of free enterprise and private initiative. We have heard the myths for so long, we are beginning to believe them and are accepting a lower standard of living without putting up much resistance.

First and foremost, we are living with the myth that the world will run out of oil in the 1980's. The experts tell us, however, that known reserves will provide us with sufficient oil for 36 years, a confidence reserve that is higher than it has ever been. In the past, our known reserves have never exceeded 30 years.

The solution, as I see it, is to produce. We know of enormous oil shale deposits in Utah, Colorado, and Wyoming. Those estimates are 1.87 trillion—that is trillion—barrels, enough to supply this Nation for 100 years. The estimates of oil in the Canadian Athabasca, Missouri, Kansas, and Oklahoma tar sands are equally staggering.

And then there's Alaska, which currently supplies 14–15 percent of the U.S. production of oil through the trans-Alaska pipeline. Known oil reserves in that State exceed 30 billion barrels of onshore oil and 50 tons/cubic foot of natural gas in addition to the 10 billion barrels of oil currently under production of Prudhoe Bay. In addition, the Arctic National Wildlife Range (ANWR), with a geology similar to Prudhoe Bay, could make a significant contribution to the domestic oil and gas supply with possible reserves of 14 billion barrels of oil and 25 tons/cubic foot of natural gas. The ANWR is only 75 miles from the existing Alaska pipeline. We already know from that project that tapping such reserves does not have negative environmental repercussions, and we know that tapping the ANWR would assist the pipeline to operate at full capacity of 2 million barrels per day. Furthermore, the ANWR, which is only 5 percent of onshore acreage rated as highly favorable for oil and gas, may hold up to 80 percent of Alaska's onshore oil and gas reserves. Thus, to use ANWR as an example, despite its geologic, environmental, and economic attractiveness, Congress in keeping with its efforts to bungle our country's energy policy, has closed it off to development. The question Congress fails to ask is how many miles to the wilderness acre can you get in your car?

The myth that we will have no more oil by 1990 must be cast off before we really face a crisis, because its perpetuations has instigated one of the most irrational and confusing philosophies that has ever come from the U.S. Congress. Historians will ask how Congress could lift the price ceilings from natural gas (without a windfall profits tax), watch domestic production of natural gas burgeon to surplus stage, and then refuse to follow the same logical course for domestic oil. Historians will see a Congress that allowed coal price ceilings to expire in 1974 (without a windfall profits tax), watched a coal surplus develop, and then refused to follow the same logical course for domestic oil.

Finally, historians will review the oil reserve estimates available to Congress and wonder how they possibly could come to the conclusion to lock up 60-million acres of Alaska land into refuges, parks, and wilderness areas under the Udall-Anderson bill. They will call this Congress the "Ostrich Congress," that saw the crisis in energy production, and then seemingly followed every path conceivable to dampen that domestic production of energy. The same historians will look no more favorably upon this administration which has had the same oil reserve statistics and yet has supported the Udall-Anderson bill and unilaterally withdrawn 40-million acres of land under the Federal Land Policy and Management Act and Antiquities Act from any form of oil and gas leasing.

We also live with the myth that oil imports cause the severe international payment imbalances, and as such are responsible for the decline of the dollar and the rise in inflation. If this myth is true, then Germany and Japan which produce no domestic oil and natural gas should most certainly be in worse shape than the United States which produces over half of its oil needs and all but a fraction of its natural gas needs. Indeed the myth is an excuse for the real cause of the payment imbalance and decline of the dollar which is expansion of the Federal bureaucracy and unharnessed Federal spending deficits, and lack of productivity efficiency as a result of Government intervention.

Another myth is that we are critically vulnerable to an OPEC oil embargo, yet we need only look at the example of the 1974 oil embargo to dispel this notion. The problem we faced then was not one of an oil shortage, in fact, our reserves of gasoline, crude oil, and other petroleum products kept increasing throughout the embargo. The problem could be traced to the Federal Energy Office, which allocated gasoline and dictated the product mix to the oil refiners. The point I am making here, is that in spite of the Federal Energy Office, the oil companies imported oil from other sources and indirectly from the very OPEC nations that were embargoing us. Thus to dispel the myth, throughout this so-called alarming embargo, our oil supplies remained at more than adequate levels. The primary concern we must face in terms of embargo is one of strategic embargo. This threat will come about when the Soviet Union realizes we are sufficiently inferior militarily and either diplomatically establishes a more substantive oil cartel than has existed before, or strategically closes the sea lanes at several of the aquatic choke points of the world.

The final myth is economic. In the interests of consumerism, Congress has, for many years, harbored the myth that we can control prices of products without a commensurate effect on productivity. My earlier examples of natural gas and coal price deregulation are good cases in point of the fallacy of this philosophy.

This Congress must come to realize that productivity is a function of price. With the increase of the price of heating fuels, for example, automatic damper controls, a luxury previously unaffordable and uneconomical, suddenly became cost effective. The investment in the damper controls, had become an investment that paid for itself. That is why the result of a rise in the price of energy has been more efficient motors, equipment, generators, water heaters, and so forth. Research and development in new fields of production therefore, is a function of the price of existing production. We are all searching for alternative energy sources, and certainly, many Congressmen are clamoring to get the Federal Government into that research and development. But history has shown what American ingenuity can do if prompted. The experts tell me that for every Federal Government dollar spent on research and development, the same dollar in the private sector would have accomplished up to 100 times as much.

So the bottom line is to let the American producer steer us out of this energy production crisis. The Congress of the United States can only do so by no longer tying the hands of that producer behind his back. Let us free the market, defeat the windfall profit tax or at least have a plowback provision, seriously consider the resource potential of public land before we lock it up into wilderness, and let Americans produce the energy, unencumbered by Federal bureaucracy, that this country needs to maintain the standard of living that is envied throughout the world. The private sector in its allocation of resources, more efficient in research and development, more productive in exploration, and extraction of fuel, and more successful in the development of alternative energy sources. We in Congress could profit by letting private enterprise pull us out of this antiproduction grave we have dug for ourselves.

Mr. EDWARDS of Oklahoma. I would say to the gentleman that in his service as the ranking member of the Energy and Environment Subcommittee he has done as much as any Member of the House in trying to increase energy production.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the distinguished gentleman from Oklahoma (Mr. EDWARDS) is to be congratulated on organizing this special order on energy today. No subject is more critical to this Nation's future and, given all the political wallpapering that has been applied to the issue, it is vital that the American people begin separating the wheat from the chaff.

Contrary to what some would have us believe, energy shortages are not inevitable nor, as others claim, are they somehow desirable. Those putting forth the theory that "less is best" and "conservation is the answer" would deny others, perhaps not so well off economically as they, the chance for the upward mobility a growing economy is likely to bring. For without new sources of energy over both the short and long term, the economy will stagnate, unemployment will increase, prices will rise and, rather than improving their financial standing, a lot of folks, especially lower-income folks, will be locked in by the system. Or, to put it another way, the concept of America as the land of opportunity is, either intentionally or unintentionally, in danger of being extinguished by the reality of Government mandated energy shortages.

The real irony of the situation is not only can short, as well as long, term energy shortages be alleviated through production incentives but the cost of so doing is far cheaper than the Government owned and operated synfuels approach, and somewhat less expensive than the conservation/solar energy approach. According to the Heritage Foundation, the combination of immediate decontrol of oil, natural gas, and gasoline products in combination with tax incentives for synthetic fuel plants would cost about $40 billion as opposed to $58.4 billion for the conservation/solar approach offered by the Presidential candidate-in-waiting from Massachusetts and $141 billion for the Government-controlled synfuels approach advocated by President Carter.

Looking at the short- and long-term energy production potential of the aforementioned alternative approaches, it becomes even more apparent that a private sector, as opposed to a public sector development or a conservation, approach makes the most sense. Most everyone agrees that it will be a long time before President Carter's program will bring about significant increases in energy supplies and, according to the Heritage Foundation, by 1990, the net energy supply gain will only amount to approximately 8.5 million barrels per day (mbd). With the Kennedy proposal, the net energy gain, resulting mainly from conservation measures would come to only 4–4.5 mbd, but with the combination of full decontrol of oil, gas, and natural gas, coupled with tax incentives for synthetic fuels, from 6.7 mbd to 7 mbd, could be added to energy supplies by 1980 and 11 mbd by 1990. That is 2.5 mbd more than the President's plan at less than one-third the cost and it doesn't involve ever-increasing Federal involvement in our daily lives.

Breaking these figures down a bit, the Heritage Foundation study suggests that immediate decontrol of crude oil should increase supplies 150,000 barrels a day within 6 months, 250,000 barrels a day in 12 to 18 months, 2.5 million barrels per day by 1985 and twice that last figure by 1990. Decontroling natural gas immediately, instead of by 1985, will save 1.3 to 1.95 mbd by the end of 1980, and 2.8 mbd by 1985. Beyond that, decontroling gasoline products will result in another 1.4 to 1.7 mbd worth of additions to the energy supply by 1985, since it would encourage the development of fuel efficient vehicles. And finally, tax incentives for synfuels plants would add 1 mbd in new production by 1990, without a massive Federal program being required to get the job done. In short, we do not have to suffer from energy shortages; what we have to do is give the very same private sector that gave us such abundant supplies of cheap energy in the past a reason to do so again in the future. Government regulation would not solve the problem; as recent experience has attested, it will only make it worse.

All this takes on added significance in light of recent reports that we may bump into the oil import ceiling the President announced last July in 1980, not 1981, or 1982, as most expected. Lifting the ceiling would not ease the crunch and renewing controls will simply reduce domestic production even further in the 1980's and make the shortfall even worse. Logically, then, we should look in the other direction for an answer and from the evidence just presented, and more like it, that answer is immediate decontrol of oil, gas, and natural gas.

Mr. Speaker, in an effort to provide my colleagues with an opportunity to vote for such a program, I have introduced a bill, H.R. 4693, that would, within 30 calendar days of the month of enactment, end all controls over crude oil, gasoline products and natural gas. It will not bring back the days of 30 cents a gallon gas—those days are gone forever—but it will ease the shortages that price controls and allocations have produced, and it will enable us to smoothly transition into a new era of alternative energy supplies. Such smooth transition promises the best hope for economic growth and prosperity and offers the best chance for the economic opportunity so many Americans aspire to. After all, America runs on energy, not gasoline rationing coupons, and demand for energy will continue to grow as population does. There is no way around that, and the quicker we accept that fact, and stop trying to play politics with it, the better for all concerned. Immediate decontrol is, by far, the most productive and reasonable response to our energy dilemma and the longer we put it off, the more problems we create and the higher we drive the price of solving them. The time for decontrol is now, not just for heavy oil, but for all oil, gas, and natural gas, and I hope this Congress will move speedily in that direction.

Mr. EDWARDS of Oklahoma. I thank the gentleman from California. As a freshman Member the gentleman has done an outstanding job in this Congress. I appreciate the gentleman's contribution.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from New York who has established a record in this Congress as perhaps the leading advocate of the need for more jobs in America and for creating the kind of an economy that will produce those jobs.

Mr. KEMP. Mr. Speaker, I thank my friend from Oklahoma.

Mr. Speaker, I want to rise briefly and commend the gentleman from Oklahoma for his leadership not only today but in previous sessions of the Congress. The gentleman's voting record is impeccable. The gentleman understands that incentive is the way to encourage higher levels of growth in production.

If there is one area of our economy today where we need more production, it is in the field of energy. We need production not only domestically but within our hemisphere, within the continent, and throughout the world.

Mr. Speaker, I have been encouraged recently—now, I know that is a bad word, to be encouraged about the supplies of energy—but I think it is extremely important that we bring to the attention of the American people the fact that we have not run out of energy, that we are not going to run out of it next week, and that one of the biggest frauds ever perpetrated upon the American people is the suggestion that, within a few short years, the whole fossil fuel age will come to an end and we are going to have to ration the shortage, turn up our thermostats in the summer, turn them down in the winter, and throw people out in the snow, ration automobile gasoline, and succumb to all the Malthusian predictions made over 200 years ago by Thomas Malthus who suggested, that within a period of time, resources would be outrun by population and the only hope for Western civilization was rationing and redistribution of the wealth.

Mr. Speaker, I want to commend the President and say to my friend from Oklahoma, the President is to be commended for decontrolling the price of heavy crude oil. The projections about heavy crude oil being converted into lighter crude are unbelievably staggering not only throughout the hemisphere and on the continent but within California and other heavy oil States.

In the Beaufort Sea region of Arctic Canada, the Dome Petroleum Co., of Canada recently projected there may be a field in that area as big as that of Kuwait.

□ 1810

Mexico has revised its projections in terms of crude oil from 5 billion barrels of proven reserves to 50 billion within 3 years.

Now, I am not standing up to simply say there is a panacea or that if we decontrol all of this will come onstream immediately. But I want the American people to know, as I have told my people in Buffalo, N.Y., we are a consuming State, a consuming region. We depend on Oklahoma and Texas and Louisiana, and oil and natural gas-producing States, as well as on Mexico and Canada and other places throughout the world, including the Arab States.

I want to stand up here and say that I believe that it is in the interest of the consumers, particularly those hardworking people that I represent in Buffalo, N.Y., to have a world trade economy, and that we do not engage in this hair shirt economic philosophy that suggests that the only answer is to slow down the growth of our economy, reduce our living standards, tell the American people that next Wednesday it is all over and that somehow rationing and redistribution of wealth is the only answer. This is the thing that the gentleman from Oklahoma, I am sure, believes in and I think that the gentleman's standing up in the well of the House today and bringing to the attention of the American people some of these facts and some of the hope that is inherent in his statement is so vital to the future of the economy. Frankly, I think in 1980, the No. 1 issue in the political campaigns in America is going to be whether we can produce our way out of shortages of energy.

I will tell you frankly what I told the people of Buffalo, and I have taken some criticism for it, but I believe it. There is fundamentally no shortage of energy on this Earth or in this hemisphere. Now, there is a surplus of controls and regulations of bureaucracy and redtape and taxes and frustration, but there is no fundamental shortage of energy as long as the sun is shining, as long as the Earth has tars, sand, stone, shale, heavy oil, light crude, natural gas, methane, geopressurized gas, and other sources.

Dr. Vincent McKelvey, the former Director of the U.S. Geological Survey estimated last year that there may be 60 to 80 trillion cubic feet of gas available from the gulf region. At the low end of the estimate, according to Dr. McKelvey, this represents about 10 times the energy value of all oil, gas, and coal reserves of the United States.

Unfortunately, Dr. McKelvey's candor cost him his job.

We must not give up. As long as people are frustrated in terms of finding and exploring and wildcatting and engaging in the type of entrepreneurial activity that develops these resources, then, of course, we are going to have artificially induced shortages. But as the gentleman from Idaho pointed out and the gentleman from Oklahoma and my friend, the gentleman from Texas, and others from producing States, it is in the consumers' interest to encourage production. So on behalf of the poor, lonely, hardworking consumers of the Northeast, who desperately need natural gas and sources of energy supplies, I want to thank the gentleman. The gentleman is speaking not only on behalf of the people of Oklahoma, he is speaking out on behalf of the people of Buffalo.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his contribution.

I yield gladly to my friend from Houston, who is such a valued Member of this Congress and I am glad to have him back with us.

Mr. PAUL. Mr. Speaker, I thank the gentleman very much for yielding.

I would like to compliment the gentleman for bringing this very important subject to our attention.

As you know, recently we went through a rather drastic shortage and unbelievable as it may be, this shortage was overwhelming in the city of Houston; Houston, the oil capital of the world had longer lines than almost any other city.

In the true economic shortage, the shortage occurs at the end of the supply line, not at the beginning. This demonstrates to me that shortage came about only through Government action and not because of a true shortage. It was dissipated rather quickly as soon as the price rose; therefore, explaining that the market can adjust and can take care of these problems.

There is an economic law that says that if you set prices, you distort the market; if you set the price higher than the market, you have an overabundance of that particular item. If you set the price lower than the market, you will have shortages and you will be forced to ration. We have seen that. We have now had to go to that point where there is a greater demand, there is not enough supply at that particular price. There has been more price control set in energy than in any other field. There has been more regulations and there have been more problems. The most critical area of our economy has had the most controls and, therefore, we have had the most problems. It seems like we are almost doing it purposedly on ourselves to do damage to our economy. It is most important that we take these things into consideration, remove the controls, deregulate and allow the marketplace to take care of this, because I, too, believe that there is an abundance of energy and there will be.

Mr. Speaker, we are at a crisis in our Nation's history, and the decisions Congress makes during the next 2 years will determine our fate for decades, perhaps centuries, to come. The crisis is not really an energy crisis at all. We have an extraordinary abundance of natural fuel resources in this country, enough to last us for at least the next 1,000 years. The crisis is not in our fuel supply, but in our political system, and the problems in our fuel industry are a symptom of that crisis.

For the past 10 years and more this Congress has passed laws, created bureaucracies, and condoned regulations that have tied our magnificent fuel production and distribution system in knots. The supply shortages we face today, our dependence upon imports, and the high price of fuels are all the result of the irrational and unconstitutional actions taken by this Congress. One need only list some of the more foolish actions for it to become obvious that Congress, not the oil companies and not OPEC, is to blame for the suffering of the American people.

In 1969 Congress passed the Coal Mines Health and Safety Act. Within 3 years one-third of the mines in the great coal State of West Virginia had closed, and productivity in the rest of the Nation's mines had declined by almost 50 percent. That same year the Congress passed the National Environmental Policy Act, the act that was used by the environmentalists to stop work on the Alaska pipeline for 4 years. The delay caused by this act increased the cost of the pipeline tenfold.

The following year, Congress passed the Clean Air Act, and we have suffered ever since through the millions of regulations it has spawned. I mention only one here: the requirement for powerplants that burn coal to install scrubbers. In many cases, the cost of those scrubbers totaled nearly one-third the cost of the entire plant, and the consumers of electricity still feel the economic impact of that action.

In 1973 Congress passed the Emergency Petroleum Allocation Act and created the gas lines of 1973–74, in addition to those of 1979. The system, if one can use the word loosely, that this act established, has wreaked havoc in our petroleum industry. There is no free market in the oil industry today. Companies produce what they are told to produce, sell it to whom they are told to sell it, and get the price they are allowed to get for their products. This is not freedom, it is interventionism at its worst, and Congress created it.

One might also mention the Strip Mining Act of 1977, the Natural Gas Policy Act of 1978, the National Energy Conservation Policy Act of 1978, the Energy Policy and Conservation Act of 1975, the Powerplant and Industrial Fuel Use Act of 1978, and the Economic Stabilization Act of 1970. All of these acts and more have created the crisis we face today. Until they are substantially repealed and a free market restored to our fuel industry, the problems will continue and worsen. That is why I have introduced H.R. 4639, the Energy Abundance Act of 1979. If that bill were passed by this Congress, we would see the greatest production of fuel that the world has ever known. Not because the Federal Government would be subsidizing fuel producers, but because the Government would not be subsidizing them, nor regulating them, nor taxing them. H.R. 4639 would create a genuinely free market in energy as far as the Federal Government is concerned, and the results would be astounding.

Unfortunately this approach to a solution of our fuel problems is not even being considered by the administration or the leadership of Congress. Earlier this summer the House passed the Defense Production Act with amendments containing tens of billions of dollars to establish from scratch a domestic synthetic fuels industry. I called the bill the corporation welfare rights act of 1979, and so it is. Fortunately for the American people, the Senate has sat on the bill for a couple of months now.

Meanwhile the administration has proposed spending $142 billion on developing such an industry. A tax increase of this sort is exactly what the American people do not need. It appears to me that the present leadership has a proclivity for doing precisely the wrong thing, just as Herbert Hoover did after the stock market crash of 1929. Hoover raised taxes and proceeded to destroy the American economy.

Today we not only have exorbitant social security taxes, Federal income taxes, and Federal corporation taxes, we are asked to enact a confiscatory profits tax on those very industries who provide us with the fuel we do have and which are our only hope to provide us with the fuel that we need.

One wonders with very good reason, what the people who propose higher taxes are thinking of. One wonders, with very good reason, what the people who propose more regulation and Government involvement are thinking of. One wonders, with very good reason, what the people who propose $100 billion subsidies to certain businesses are thinking of. It is these very policies of high taxes, big government, and redistribution of property that have caused the problems that need a solution. Deregulation, detaxation, and desubsidization are the only methods that will insure a bright future for America. Our energy problems will not be solved until our political mistakes have been corrected. To assume otherwise is to be blind to the crisis facing this country and the West.

Further persistence in those actions that have brought us to the brink of destruction will quickly push us over the brink. If this country is to be destroyed, it will be destroyed by this Congress. OPEC has no power except what this Congress gives it. I urge my colleagues to vote consistently for lower taxes, fewer regulations, abolition of bureaucracies, termination of subsidies, and more freedom. I ask their support for H.R. 4369, the Energy Abundance Act of 1979, for the principles it embodies are the principles which will end our political and fuel crisis.

Mr. EDWARDS of Oklahoma. Mr. Speaker, let me add to what the gentleman has said. It is true that there is an abundance of energy potential, as the gentleman from Texas says and as the gentleman from New York before him pointed out. The problem is that we also have an abundance of bureaucracy and that is what is preventing the development of this energy potential.

Mr. Speaker, I would be happy to yield to my colleague, the gentleman from Oklahoma, the youngest member of the Oklahoma delegation, who is doing a very good job for us in this Congress (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I am pleased to have this opportunity to address the important issue of increased domestic energy production in our Nation. Mr. Speaker, the people of the country are angry about the energy situation we are facing. They are angry over skyrocketing energy costs, they are angry over unstable energy supplies, and more importantly, they are angry that their own Government can not assure them of a reasonably priced, adequate supply of the energy they need to live. I, for one, think the public's anger is justified. The Congress itself must share the blame for our present energy problems. As the people's representatives we have a responsibility to address the issues and provide our Nation with solutions.

One fact remains indisputably clear: This Nation simply must reduce its dependence on foreign petroleum sources. It has become very clear that we can no longer afford to stand idly by while the OPEC nations dictate the energy policies of our country. To make these reductions will require massive increases in production of our domestic energy resources. It will mean changes in our regulations and changes in our policy goals. It will mean adjustments by industry as well as the private sector. Importantly, too, it will require strong conservation efforts on the part of all Americans.

We are here today to talk about increasing our domestic energy production. First, though, I want to make a point about the way we use what energy we have. The fact is, Mr. Speaker, Americans are the most wasteful society on Earth. Although the United States has only 6 percent of the world's population, we consume almost one-third of the world's energy each year. The public must realize that the Federal Government can not legislate or regulate this Nation out of an energy crisis. Americans have been spoiled for decades by cheap and plentiful energy. Those days are gone. It is estimated that with strong conservation measures this country could save about 30 percent of the energy we use. No matter what efforts we make to increase domestic energy production, it will have little real or lasting impact if we do not begin right now to conserve what we have.

If this challenge requires some sacrifice or adjustment by each and every one of us, then I believe it will have been worth it if we can begin to move this Nation toward energy independence.

With that thought in mind, I want to address the issue of increasing our Nation's domestic energy production. Perhaps the most important aspect of this entire issue is that efforts to increase our production of domestic resources will require effective, coherent, and forceful action on the part of the Congress and the administration. Some difficult decisions lie ahead for this Nation. There are no longer any simple problems or simple answers. The problems we are facing with rising prices and diminished supplies are not about to go away overnight. The Congress and the administration can not solve them by tomorrow or next week or next month. But what we can and must do is begin right now to look at where we have been and decide where we want this Nation to go on energy policy. We must develop a comprehensive energy policy for our country which encourages—rather than stifles—domestic production.

Mr. Speaker, this Nation has an abundance of energy resources at our disposal. Petroleum, natural gas, and coal have been produced and used longer than any of us can remember. Others, just now becoming economically or technologically feasible, will have to be given the attention they deserve if we intend to move this Nation toward energy independence. I would first like to talk for a few minutes about those resources on which we continue to rely so heavily and which we must begin to produce in much larger quantities.

Although estimates vary on exactly how much domestic petroleum the United States has, there certainly is no doubt that this Nation has enough petroleum to meet domestic demands for a good many years to come. The fact is, however, that the Federal Government has not done much lately to give the energy industry incentives to go after that petroleum. As a result, we are now at a point in our history where we import from foreign sources almost half the petroleum we use each day. It is critical to each and every one of us that we act now to reduce our imports of oil.

It appears to me that there are three possible ways to accomplish this goal, but I believe it is imperative that all three be carried out in conjunction. First, we must provide the incentives necessary to stimulate vast increases in domestic production—not just of petroleum, but also of natural gas and coal. Second, we must explore and encourage the production and use of energy sources other than petroleum—solar, synthetics, biomass, hydropower, geothermal power, and many others. Third, and perhaps most importantly, we must begin to conserve what we have.

Mr. Speaker, when the House in June considered the so-called windfall profits tax proposal, I supported the Jones-Moore substitute bill over the Ways and Means Committee proposal. I supported Jones-Moore for a very important reason: As compared with the Ways and Means Committee bill, the Jones-Moore proposal comes much closer to providing the incentives necessary for industry to produce more domestic oil. I am convinced that the people of this Nation want more oil—and a steady supply of it at a reasonable price—not more taxes. Fortunately for every citizen of this Nation, the Jones-Moore proposal passed the House instead of the more restrictive Ways and Means Committee bill.

Let us be reasonably sure of one thing: If this Congress passes a windfall profits tax proposal that discourages production rather than encourages production, every person in this Nation will feel the impact of that action.

A windfall profits tax proposal is not the only institutional barrier to increased domestic production. Our domestic refinery capacity is vastly less than what it should be, and this situation must be corrected if we are to increase our domestic production at a rapid pace.

There are many reasons why domestic oil production in our Nation has been stifled, and I will not take up my colleagues time addressing each and every one of them. But let me say that one of the critical reasons is the lack of any comprehensive energy policy in this country. Despite passage of the National Energy Act, despite passage by the Congress of an array of energy-related bills, this Nation still does not know where it is going with respect to energy development, production, or use. I believe this is the critical energy issue now facing us as legislators, as consumers, and as citizens.

If we do not know where we are headed on energy, we are destined to make false starts. And until we figure out which direction the United States is going to take on energy and devise a comprehensive energy policy to get us there, we can not move forward as rapidly as necessary. We will continue, as we have in the past, to simply move in circles, continuously changing policies and regulations. I hope every single one of us here today is ready and willing to make the hard choices necessary—even if they are unpopular—to get this Nation producing the energy it must have to meet its own demands.

The President in April of this year called for a 60-day coal study to be conducted by the Departments of Energy and Interior and the Environmental Protection Agency. After 60 days, those three agencies still could not come to a consensus on how best to move on policies to encourage vastly increased production of coal. As a member of the Congressional Coal Group, I am particularly disturbed over this matter. I have been actively involved in the area of coal production, and I am committed to seeing that we increase our production and use of it. As each one of us knows, although coal production in our Nation has continued to climb, it has climbed over the past few years at an alarmingly slow pace. Massive layoffs of coal miners have taken place in some States. The industry is depressed in my State of Oklahoma.

The United States is estimated to have coal reserves of about 1.7 trillion tons. The President has called for increased production and use of coal to help meet our Nation's energy demands for the future. Despite that initiative—and one which I totally support—little is being done to encourage any real increase in coal production.

I will be working closely with the Task Force on Coal, established under the auspices of the Regulatory Council, to look at the various Federal and State regulations and policies affecting the industry. If these regulations need to be modified or repealed, or if they are simply ineffective, overburdensome, or contradictory, we must clarify or eliminate them. The Federal Government must provide the proper incentives to the coal producers of this Nation; we must get that industry on its feet. Unless and until we do, it is foolish to hope for vast increases in coal production to help meet the demands of our Nation.

The same problems that afflict the oil and coal industries also afflict our natural gas suppliers and users: Burdensome, sometimes contradictory, sometimes needless regulations and guidelines; a complex pricing system that few people understand; a lack of real incentives for increased production and use. There have been proposals to deregulate natural gas prices. As with all issues as complicated as the natural gas pricing system, there are pros and cons on both sides of the question. But, again, until we decide which direction we are going in and what price we are willing to pay to get there, the issue cannot satisfactorily be resolved.

With respect to nuclear energy, the questions and the issues are just as complex. Since the accident at Three Mile Island, nuclear energy and the benefits and dangers have been very much on people's minds. Nuclear energy may in fact play a potentially important role in our energy future. However, the questions surrounding nuclear energy must be answered to the public's satisfaction. In my own view, there are three issues which need to be resolved before this Nation makes a dramatic commitment to vastly increased nuclear energy. First, the questions with respect to the public's health and safety must be adequately dealt with. Second, the economic effects on a community surrounding a nuclear facility—whether positive or adverse—must be addressed. Third, and most critically, the very real dangers connected with the disposal of radioactive waste materials must be resolved in a reasonable and rational way, which is both economically feasible and provides protection to the public.

Mr. Speaker, as long as we are discussing increased domestic energy production, I would like to make a few remarks with respect to the potential for synthetic fuels. In June of this year, the House of Representatives overwhelmingly passed the Defense Production Act amendments to provide for the production of synthetic fuels. I opposed the legislation. The President in his recent energy message to the Nation called for an $88 billion synthetic fuels program to be financed by the windfall profits tax and coordinated by a Federal Energy Corporation. The President hopes to replace 2.5 million barrels of imported oil per day by 1990 with synthetic fuels. I have serious concerns over the President's proposal as well. I believe that development of the many alternative energy sources presently available should be pursued, and is, in fact, imperative. Within this category falls synthetic fuels. However, in our rush to find "solutions" to the present energy problem, I am very much concerned that the Congress and the administration are losing sight of the fact that there are no more easy answers.

Incredibly complex, massive programs such as the one proposed by the President to develop synthetic fuels—and it is only one of many—must not be taken lightly. They deserve full and thorough consideration and debate by the Congress and the administration. I am concerned that this Nation is about to embark on a massive, untried, and unproven program of synthetic fuel development which may be ill-conceived and unfeasible. There are enormously important questions involved in this issue which I do not feel have been given the attention they deserve. In our haste to find solutions to this Nation's energy problems we must be careful not to jump full force into an area in which we simply do not have the answers—or even, it sometimes seems, know all the questions. We must proceed quickly—but rationally and in a fashion consistent with clearly spelled-out, long-term goals.

Along with the conventional energy sources in our country, there are other energy sources which must also be given attention. Alternative sources such as solar energy, hydroelectric power, and many, many others must be developed. Even given vastly increased domestic production and use of the sources already discussed, we must very soon turn our attention to those renewable resources which will carry our Nation into the 21st century. The time to get these alternative energy sources moving is not next year, or the next decade—the time is now.

Although this debate is focused on domestic energy production, there is one other issue, Mr. Speaker, as I have previously stated, to which we should address ourselves: conservation. I have long advocated strong conservation measures for our Nation as a way of reducing our foreign oil imports. Every barrel of oil we save is a barrel we do not have to import or produce domestically. Most experts agree that any near-term solution to our energy crisis must depend heavily on extensive conservation programs. Although the Department of Energy's recent conservation programs are generally directed toward public assistance with conservation measures, it is discouraging to me that so little is still being done to conserve when the potential energy saving is so great.

Unfortunately, with all the discussion of windfall profits, synthetic fuels production and fast track legislation, we seem to have lost sight of the tremendous advantages of conservation. Conservation continues to be a largely untapped source of domestic energy. It is the only alternative I see which requires no massive expenditures of public or private funds, no technological breakthroughs, and, perhaps most importantly, is immediately available to all of us.

The backbone of this Nation's energy policy must be public participation in a strong conservation program. I believe this country can cut back dramatically on its energy consumption—for a very small cost—without jeopardizing our lifestyles. But the only way we can make these dramatic cuts is if every American participates. Conservation is the only energy program I know which allows every single one of us to have a real and lasting impact on our energy future.

In summary, Mr. Speaker, I want to reemphasize a few points. I intend to work hard during the coming months to try and help this Congress and this administration develop a comprehensive energy policy which will move this Nation toward energy independence. It is critical that every citizen of these United States be assured of an adequate, reasonably priced supply of energy for our future. It should be very clear to each of us here today that we can no longer afford to move ahead in a haphazard way on energy matters. Hard decisions will have to be made. There will have to be some tradeoffs. But there will have to be a policy—a goal that each of us can work for, knowing that once we are there this Nation will no longer have to cope with the whims of the OPEC nations.

I, for one, believe that the American people are ready to make those choices, ready to meet the demands and face the challenges necessary to make this Nation energy independent.

As the late Hubert Humphrey once said:

> The challenge is urgent, the task is large, the time is now.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his very good comments. I appreciate all the help he is giving us to try to change the energy situation in this country and improve it.

Mr. Speaker, I would be very happy to yield to the gentleman from Texas (Mr. Collins), who has probably been one of the leading four or five spokesmen in this Congress and in previous Congresses for developing an energy supply that will not only benefit producers, but also consumers.

□ 1820

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. Edwards) for yielding.

Oklahoma is known as a great oil-producing State. Oklahoma has been progressive not only in oil, but we all know of its outstanding job in the production of new natural gas.

As all of us know, oil and gas are interrelated. It is related energy, except when they drill deeper, it seems, they usually find gas or a dry hole.

One thing that people do not seem to understand is the fact that America today is meeting its demands for oil and gas through imports. The statistics are there. Half of our oil today is imported from the Arab OPEC countries, and half of it is produced domestically.

As the fine gentleman from New York (Mr. Kemp) said, we have the potential in this country to produce it right here and keep those American dollars here, but instead we have been following a very loose economic policy and we have been draining America to the very bone, as we are shipping all the dollars abroad to buy half our oil.

When we read the papers, we regret that they do not remind the American public over and over that the fundamental point is this: That 6 years ago the United States was importing $3 billion in oil, last year we were importing $42 billion in oil, and this year the United States is importing $60 billion in oil. We are importing 20 times as much oil in dollars as we were just 6 years ago.

And what is happening? What is happening is this: All this American money is being paid out to the Arab OPEC countries. They are getting shopping centers, they are getting banks, they are getting our corporate stocks. Every day I hear some Congressmen who are our colleagues talking about what is happening to our farms. They say the countries abroad are buying up our farms. We have to pay for that oil some way if we are going to continue to import foreign oil.

What we are doing is just simply giving away our country. It was $3 billion 6 years ago, this year it is $60 billion, and it will be another $60 billion next year. We are bleeding America dry with the confused Carter energy policy.

The answer for energy is to start concentrating on domestic production.

Mr. Speaker, let me ask the gentleman from Oklahoma (Mr. EDWARDS) if he is familiar with what has happened in Oklahoma? Are they able to hold up their production, or have they had the same experience we have had in Texas?

Mr. EDWARDS of Oklahoma. Mr. Speaker, we have had quite a problem with reduced drilling activities as a result of the Federal energy policies.

Mr. COLLINS of Texas. Mr. Speaker, what has happened in Texas is this: Gov. Bill Clements got on the stump and explained it. Apparently the news never was heard up here in Washington, but we understood it down in Texas.

In the past 3 years in Texas, which is the biggest oil-producing State in the lower forty-eight, although Alaska is out there and it is coming along and helping, but let us take Texas oil production where all the oil wells are running wide open. Texas oil wells are producing as much as they can possibly produce; yet they are down 600,000 barrels a day from 3 years ago. They are down 600,000 barrels of oil a day in production.

This gets back to the fundamentals. I ask, "Why does Congress not deregulate the price of oil and pay Americans the same as they pay the foreign OPEC countries?"

I have some interesting figures here covering a report of the petroleum situation, and this is from a paper published by Chase Manhattan Bank. They are quoting in here the different prices that the refineries pay for crude oil. It is a hodgepodge of prices.

Refineries by the foreign oil at the top price. For foreign oil they are paying $18.96. Many of these are long-term contracts. Even at that they are still paying $19 a barrel.

I might just say that the last price I saw on foreign oil was $22.40 in Philadelphia, and they tell me market quotes are at $23.50, and they will be at $25 a barrel soon.

What do they pay Americans? For American oil they were paying for what they call "lower tier" just $6.35. In other words, for all the old oil in this country from Americans they are only paying $6.35 a barrel. For what they call "upper tier" they were paying $13.55, for Alaskan oil, $15.53, for stripper oil, $17.83, and for MPR, $15.92.

But what is interesting is that nowhere do they pay Americans the same price as they do the Arab OPEC countries. This is absurd.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as the gentleman knows, after those facts are established and after the OPEC countries periodically increase the price they are charging us, we come back in this Congress and have to debate on whether or not to send foreign aid to the OPEC countries because apparently some people down at 1600 Pennsylvania Avenue do not think that we are yet giving the OPEC countries enough.

Mr. COLLINS of Texas. And as the gentleman knows, yesterday Congress passed another $7.7 billion in foreign aid to give away around the world.

It is time that the countries of the world look us over, considering the way we run our economic policies. People have forgotten that we are no longer the richest country in the world. We are now No. 8.

I was amazed when I heard that. I always thought America was the richest country in the world, but we have dropped, and the reason we have dropped is that we no longer try to be self-sufficient. We are trying to find an easy way; we are letting other people do the job for us.

Mr. Speaker, I want to bring out something else at this time. I appreciate the gentleman from Oklahoma (Mr. EDWARDS) giving us this overall energy picture because the gentleman from Oklahoma is putting oil and gas in perspective. I have a data sheet from the Morgan Guaranty Survey of September 1979. This just came out. It is an interesting chart. They compared the years 1969 to 1979, and I include the chart in the RECORD at this point, as follows:

Oil profits vs. manufacturing profits (percentage return, after taxes, on stockholders' equity)

	Manufacturing companies	Oil and coal companies*
1969 ----------	11.48	11.73
1970 ----------	9.33	10.98
1971 ----------	9.68	10.33
1972 ----------	10.60	8.70
1973 ----------	13.01	11.60
1974 ----------	14.90	21.11
1975 ----------	11.58	12.44
1976 ----------	13.95	14.31
1977 ----------	14.18	13.61
1978 ----------	15.00	13.28
1979 (1st Qtr.)	15.74	15.75

*Industry classification was changed to petroleum and coal in 1974. Prior to 1974, figures are for petroleum refining and related products.

Source: Federal Trade Commission.

Mr. Speaker, this chart shows what manufacturing companies earned in the way of return on investments, and it compares this with what oil companies earned in return on their equity. What is interesting is that the oil companies, outside of 1 year, 1974, have usually earned less than manufacturing companies.

I might just add, although the TV networks never put this on in the TV network news shows, that the oil companies always earn less than the networks earn in their return on equity investment. It would be a most appropriate thing if they would compare oil company earnings with what TV networks make on their equity return. The oil companies usually make less than other manufacturing businesses.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wonder if the gentleman would also let me point out that studies by Chase Manhattan Bank, as I pointed out earlier in my remarks, have shown that oil companies now are investing $2 for every dollar they make in profits, and that 95 percent of their investments are being made in the energy field.

Mr. COLLINS of Texas. Mr. Speaker, I want the gentleman to just repeat that. That is so vital, especially when we hear these TV news commentators give these one-sentence statements that overlook basics.

Mr. EDWARDS of Oklahoma. What we have run into is all this criticism of the energy companies for their investments and for all the profits they are making.

A number of studies, including the one by Chase Manhattan which the gentleman quoted earlier, shows the oil companies now are investing nearly $2 for every dollar they make in profits, and of that money they invest, which is twice their profits, 95 percent of that is being reinvested in the field of energy.

Mr. COLLINS of Texas. Mr. Speaker, this is what they are doing, and I am so glad the gentleman emphasizes that because the House recently passed a bill called the Windfall Profits Tax. It had nothing to do with windfall, and it had nothing to do with profits. All it had to do with was tax, and what it did was tax the American companies 60 percent and tax the OPEC companies zero percent.

That is beyond visualization. It is hard to believe that the House taxed the American companies 60 percent and the Arab OPEC countries, the OPEC rich countries, zero percent.

We sent that windfall bill over to the Senate, and I do hope that body has more time to deliberate on it than we did.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as I pointed out earlier, the significance of the fact that so much of that investment by the oil companies goes into energy production is that the so-called windfall profits tax—the severance tax, as I call it—is taking away money that would be invested in energy production at twice the rate of profits.

Mr. COLLINS of Texas. Mr. Speaker, as the gentleman brought out also, this windfall tax is not based on profits but it is based only on increased prices. The increased price has been created by the OPEC countries. The gentleman from Oklahoma emphasized the fact that the American oil companies are reinvesting all profits into exploration and development.

It was a mistake when the House did not pass the plowback tax credit and allow capital for the oil companies to go back in and explore for more oil and more gas in our own country.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Speaker, I would like to compliment the gentleman from Oklahoma (Mr. EDWARDS) for this very informative colloquy on a problem that I think we have not addressed adequately. I am talking about the Nation as a whole.

We talk about the need for a commitment, we talk about the lack of commitment in this country, and I cannot think of a better example than the kind of lack of commitment we have in our country right now to pull ourselves out from this tremendous dependence that we have on foreign oil and the economic jeopardy we put ourselves in because of it.

We can think of a lot of ways—and many of them have been mentioned tonight—as to how we might be able to pull ourselves out of this. We have talked about the nonrenewable resources, and I think we would all be very remiss if we did not talk about the renewable resources and the tremendous impact they could have on our situation.

Just yesterday the renewable alcohol resources caucus made a report about one country that does have a commitment, and that is Brazil. Brazil in the last 4 years has committed itself to the use of renewable resources like alcohol fuels. They by 1985 are going to have the capacity to produce enough alcohol to fuel 60 percent of their automobiles entirely from alcohol fuels. This is not gasohol but pure alcohol. I think it is that kind of potential and that kind of commitment among some of us in this country that we must have to do exactly the same thing.

□ 1830

But if ever we have been stymied by unnecessary rules and regulations, if ever we have had problems in dealing with the Federal bureaucracy, in dealing with archaic rules and regulations with the production of alcohol, it is now.

We are dealing with a time in which the problems that we are facing go back to the 1920's and the 1930's and the prohibition era, and the Bureau of Alcohol, Tobacco and Firearms has come to the conclusion that they have to improve and update the rules and regulations.

I have some facts which I thought were quite interesting. During the first 5 months of this year, the Bureau of Alcohol, Tobacco and Firearms received more than 6,000 inquiries on alcohol fuel production regulations. That compares to 1978 with fewer than 100 such inquiries which were received.

I think it indicates the tremendous potential, the tremendous interest there is toward the production of alcohol fuels; but we are not going to get it done, we are not going to develop these new technologies, we are not going to make ourselves self-sufficient if we are going to continue to contend with the problems that we are facing right now with the Federal regulations that are outdated.

So once again I want to thank the gentleman from Oklahoma for providing all of us with this opportunity. I think it is a good one, and one which should be done more often.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his remarks. I think we have made a number of very good points that need to be addressed if we are ever to get ourselves out of this predicament that Congress has gotten us into.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would like to go on with what is happening to our domestic reserves.

I have some figures here that were prepared by the Morgan Guaranty survey in their latest publication, which came out in September 1979.

OIL RESERVES, PRODUCTION, NEW DISCOVERIES

	Crude oil and natural gas liquids (billion barrels)			Natural gas (trillion cubic feet)		
	Proved reserves at Jan. 1	Annual reserve additions	Annual production	Proved reserves at Jan. 1	Annual reserve additions	Annual production
1971	46.704	2.665	4.072	290.7	10.1	22.5
1972	45.367	1.796	4.082	278.8	9.8	22.5
1973	43.126	2.555	3.995	266.1	6.5	22.6
1974	41.755	2.614	3.819	250.0	8.5	21.6
1975	40.600	1.937	3.679	237.1	10.8	20.1
1976	38.950	1.919	3.554	228.2	7.4	19.9
1977	37.344	1.695	3.600	216.0	12.3	20.0
1978	35.480	1.943	3.741	208.9	10.7	19.9

We actually are draining our American reserves. In other words, we are draining our oil and gas reserves and we are not putting the money into additional production which America needs to be doing. It shows that, taking crude oil—and they measure crude oil in terms of billions of barrels of reserves—they had 46.7 billion in reserves in 1971, and it has gradually gone down. You can just watch it year by year. In 1978 it dropped to 35.4 in billions of barrels of oil reserves in our country.

What has happened with natural gas? You measure that in trillion cubic feet. They had 290 in 1971, and it has drifted down to 208. We are losing our oil and gas reserves because we are not paying enough to go back in. The gentleman knows, because he has seen it in Oklahoma, we have tremendous potential recoveries in secondary and tertiary. In our primary oil drillings we have only recovered 30 percent of the oil. If we would pay a fair price, we could recover that middle 40 percent. The bottom 30 percent in the wells can cost too much. But if we would pay as much to Americans as OPEC and let Americans go in there and recover oil—it means water flooding, it means the use of chemicals, it means the use of steam—we can do it in secondary and tertiary.

I have one other thing I would like to discuss. People talk about the price of natural gas. Nowadays you can get about $2.25 for gas, but they do not mention that all of the gas that has been bought in the past, when the purchasers buy it, they usually buy it in terms of life of the field. I was interested to see—and I picked out the last quarter of 1978—45 percent of the gas is now moving at the rate of 21 cents to 40 cents, which means that nearly one-half of the natural gas is moving at about 30 cents. I went back on the chart to see what is happening at the high price end. We keep hearing you can get $2.40 per thousand cubic feet. So I took the gas sold from 1.80 per thousand cubic feet and up which accounts for 3.7 percent of the present market. What happened is that the smart buyers, when they bought gas, were buying it on the life-of-the-field basis. Sometimes these fields produce 25 years or 30 years.

There is one other thing to remember about gas. The cost of the raw gas makes up less than 20 percent of the cost to the consumer. But on the other hand, if gas distributors do not have the natural gas in the pipeline, they will still have their heavy basic overhead expense. The reason we are talking about gas and oil, as the gentleman knows, you might drill for oil and you might get gas, and they both interserve each other as energy sources.

I have one other thing I would like to include, that is, to quote from the same Morgan Guaranty survey, in contrasting what happened 20 years ago and what is happening today as relates in terms of real dollars as to what happens when price relationship affects oil drilling.

> Twenty years ago, in 1958, the composite oil-gas price was $4.46 a barrel. Exploratory wells drilled in that year numbered 13,199. General inflation through the 1960s and into the early 1970s exceeded the rise in the oil-gas price, which was held down by government controls on natural gas prices and by cheap imports of foreign oil. Thus, by 1972 the inflation-adjusted oil-gas price had dropped to $3.16 a barrel. Not surprisingly, exploratory drilling steadily declined: by 1972, for example, wells drilled had dropped to 7,539.

When the price of oil went down in terms of real dollars, the number of rigs went down, down, down. Today, as the oil price has gone up, the number of rigs has gone up. But, of course, they have to drill twice as many feet now to end up getting production as oil is harder to find. When you drill deeper it is more expensive. But the oil is there. This country can be completely and entirely self-sufficient within 3 years after full deregulation of the price of oil and gas.

Mr. Speaker, I thank the gentleman from Oklahoma for one of the most constructive days we have had in Congress.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his contribution.

● Mr. BADHAM. Mr. Speaker, the current energy situation is one of the great examples of what can happen when government interferes in the free market system. The energy crisis we are experiencing today is not so much a lack of energy but rather a shortage of supply and an overabundance of bureaucratic redtape and regulation.

This shortage of supply has been misinterpreted by many as a worldwide lack of energy. Thus, many well-intentioned legislators have made conservation the cornerstone of their energy policy proposals. This approach can only restrict the economic and social growth of our great Nation. If we are to move ahead we must permit the free market system to operate in this vital area of energy.

Government controls have artificially kept the price of petroleum at a relatively cheap price when compared to other industrial nations, but in doing so, these controls have also destroyed the incentive to explore and develop new sources of domestic oil. This in turn has forced the United States to rely on unstable and uncertain foreign sources of oil for 50 percent of its needs.

I admit that the lifting of governmental controls will cause the price of oil to increase, but the results of such a move are well worth the costs. Deregulation will provide the needed incentive to develop domestic sources of oil, encourage the conservation of this precious resource, decrease our reliance on imported oil, and most importantly, deregulation will provide the United States with a reliable energy supply.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 453. I would have voted as follows on the five yea and nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019, to lift the ban on aid to Uganda.●

MORE LEGISLATION IS NOT NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, my colleagues and I are here to focus attention on what I feel can be classified as this century's most far-reaching and fundamental problem. That problem is how our Nation will resolve the demand for energy with available world resources and our capability to produce domestic energy supplies.

We currently consume more energy than we produce. Consequently, we depend on foreign sources for approximately 9 million barrels of oil per day out of a total consumption of 17 million barrels per day. This amounts to about $60 billion annually as compared to $8 billion in 1973, the year of the Arab oil embargo. This trend of increasing imports and increasing costs results in some unhappy facts.

One, we rely on our oil supply from undependable sources. Nations such as Libya and Algeria are openly hostile to the United States, while both Saudi Arabia and Nigeria have threatened the continuity of oil exports depending upon U.S. foreign policy with the PLO and Rhodesia. Just yesterday I received a study commissioned by the Domestic Refining Group on the national security implications of our reliance on foreign oil. Indeed, the recent supply interruption caused by the Iranian revolution further exemplifies the instability of our oil supply.

Two, the interrelationship between energy and the economy is inextricable. Economy, in turn, is the basis on which our democratic society relies. Unless we can resolve the problem of energy demand versus available supply and production capability, we cannot hope to progress internally or to continue in a stable and peaceful manner. The challenge, then, is to decrease our dependence on foreign energy sources by increasing domestic energy production.

We can meet this challenge by focusing attention on our abundant resources of coal and oil shale, and our existing supplies of onshore and offshore oil and gas. Additionally, we can develop the necessary technologies to develop these resources in an environmentally safe manner.

The Congress has addressed this issue by introducing a number of bills designed to promote synthetic fuel production. I have introduced, along with my colleague LARRY WINN, H.R. 5117, the Synthetic Fuels Production Act of 1979, a bill to provide for research and development and to encourage and promote the production of synthetic fuels. In addition, we are all familiar with the President's July 15, 1979 speech in which he proposed an Energy Security Corporation whose primary purpose would be to encourage synthetic fuel production through various financing mechanisms. All of these proposals deserve to be carefully scrutinized by the various committees; and if we do nothing else here today, I feel that we should urge the Congress to begin extensive hearings on the legislative initiatives already introduced. I would suggest that, at this point, we do not need more legislation but action on the legislation we have.

Concurrent with this action must be an effort to address the Federal institutional barriers to increased energy production. These barriers most frequently take the guise of consumer and environmental protection. Too often, however, regulations promulgated by the Federal Government to achieve consumer and environmental protection create a bureaucratic morass whose effect is to substantially slow production and even stop it altogether.

No one disputes the need to protect our society from unsafe working conditions, health hazards, or environmental degradation. To ignore such potentially harmful factors in energy production could bring even greater problems down upon us. What we must attempt to do, however, is balance the need for a healthy and safe society with the need for energy to insure a continuation of that society. The existing tangle of Government regulations, in my opinion, must be modified to allow for the expeditious development of key energy projects. Unless we can address the regulatory system from this viewpoint, I believe the result will be slowed production, increased costs, and a substantial waste of energy and resources which could be better utilized elsewhere.

Energy independence can be achieved only if we begin to produce domestic sources of supply at a rate consistent with demand. I feel this can be accomplished by legislative action designed to finance energy production and to cut through the regulatory process. In turn, we will be working toward a more stable society whose economy depends more upon internal domestic policy than upon the whims of foreign nations. I urge my colleagues to accept the challenge of U.S. energy independence as the foremost priority of this Congress. What we accomplish here will have untold ramifications for succeeding generations of Americans.●

SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

● Mrs. BOGGS. Mr. Speaker, in the near future, this House will consider H.R. 2172, the Sugar Stabilization Act of 1979. While many know of the importance of this legislation to our domestic sugar industry, I do not think enough attention has been focused on the potential impact of this bill on our future energy needs.

While the Congress and the administration are considering programs to lessen our dependence on imported fossil fuels through accelerated research and development, many of these programs are necessarily long-range and will make significant contributions only years into the future.

Gasohol, on the other hand, is an existing technology which can use readily available and renewable agricultural and forest resources to produce the required alcohol. In reality it is liquid solar energy. Alcohol is a clean burning, highly efficient, nonpolluting fuel which is wholly compatible with the catalytic converters which are required by EPA regulations.

Brazil has perhaps the most ambitious program to expand the use of alcohol as an additive to petroleum. Other countries working on the development of gasohol are the Dominican Republic, Thailand, Costa Rica, and the Philippines. It is no coincidence that all of these countries are major sugarcane producers.

The only country, in fact, with the capacity to produce plentiful sugar supplies which appears not to be fully committed to developing sugar-based alcohol fuels is the United States, where plans for two gasohol production plants in Louisiana are still on the drawing boards because of uncertainty over the future of the sugar industry itself.

I would like to share with my colleagues an article that appeared last month in the New Orleans Times-Picayune on the potential of gasohol for rescuing our domestic sugarcane industry from its rather precarious state.

I would also like to take this opportunity to call attention to the First Inter-American Conference on Renewable Sources of Energy which will be held in New Orleans this November 25 through 29. This conference, sponsored by the Cordell Hull Foundation for International Education, is to bring together for the first time in the Americas all of the available technology, both domestic and foreign, on the feasibility of conversion of agricultural products to ethanol. Representatives from South and Central America, the Carribean, and the United States will participate in the conference.

Mr. Speaker, I ask unanimous consent that I be permitted to insert this article on gasohol from the August 6 edition of the New Orleans Times-Picayune in the RECORD.

GASOHOL: LOUISIANA'S SAVIOR?

(By Wendy Schornstein)

Saviors don't come along every day, and it's not always easy to know one when you see one.

Gasohol has the look of a savior to some Louisianians. It is sometimes seen as the answer to the nation's gasoline problems and the salvation of the sugar industry at home.

While everyone is not sold on the gasohol concept, no one seems to be dismissing its possibilities.

If all the sugar in Louisiana were converted into alcohol for gasohol, only 5 percent of the state's gasoline needs would be met. But Frank G. Carpenter, research leader in cane sugar refining at the Southern Regional Research Center, says, "Every little bit helps."

Will it save the sugar cane industry? "Well, maybe yes and maybe no," he said in a recent interview. He has reservations because alcohol can be made from many crops, all of which will be competing with sugar cane.

"We're not emphasizing gasohol here," he adds. "The economics are not good at the moment."

Dr. J. A. Polack, director of LSU's Audubon Sugar Institute, disagrees. He thinks that the tax exemptions afforded by the government "make (gasohol) economically viable." To qualify for exemption, 10 percent of the manufacturer's fuel must be alcohol.

Both the Louisiana Legislature and the Carter administration have offered incentives for the development of gasohol as an alternative energy source.

The complications of alcohol production boil down to three problems (or, as the optimists would say, considerations). First, there is the question of what the distillery will run on. Sugar cane is ripe for harvesting only two months out of the year, so other crops must be harvested in the remaining months.

Secondly, for each gallon of alcohol produced from sugar, there are 13 gallons of waste. The waste, called slop, must be disposed of. And thirdly, how does one prepare for economic fluctuations that may turn alcohol production into an unprofitable business?

Louisiana Gasohol Corporation president Robert Guillory has studied these questions. His corporation is planning a pilot plant that should be in production a year from now. He is not worried about rising prices of sugar, corn or any other crop because an alcohol plant can simply switch to a crop with the right price.

In fact, his pilot plant will not use sugar cane because "at today's price of sugar, you do much better refining every bit of sugar cane into sugar."

Instead, it will use sweet sorghum, corn, milo, sweet potatoes and molasses taken from cane. Guillory sees gasohol as a "real boost to sugar cane people" because they can plant another crop on the portion of land which must be left fallow every year for cane growing.

A mill can run only two and a half months on cane, but adding other crops with longer harvest seasons can stretch production to five months.

The Louisiana Agri Fuels Corporation, which is planning to build an alcohol plant adjacent to the Cajun Sugar Cooperative Mill in New Iberia, intends to use black strap molasses, cane syrup and sweet sorghum.

According to Agri Fuels president Carlos Toca, sugar cane is attractive because early matured and freeze-stricken cane, which cannot be refined into sugar, contains fermentable sugars which can be converted to alcohol.

"This plant will be energy self-sufficient and pollution free," he said. Bagasse, the fibre left after taking the sugar out of cane, will be used to generate the plant.

Vice-president Robert Angers Jr. said the "slop" can be used two ways: for cattlefeed and in the production of pharmaceuticals.

To guard against a possible rise in the price of sugar, which would make the sale of cane to refineries more profitable than the sale of cane to alcohol plants, Agri Fuels will work on a contract basis, said Angers. Agri Fuels already has commitments from several sugar mills, he said.

"We are involved in negotiations with one of the major oil companies for the purchase of alcohol," Toca said.

But what if the price of gasoline decreases, becoming cheaper than gasohol? Nichols State University chemistry professor Dr. Cary Flowers, who thinks gasohol will be "the salvation of the sugar industry," believes this is impossible.

"The price of alcohol is based on etholine, which is a petroleum product," he says, "so if the price of oil goes up, the price of alcohol will go up too."

Dr. Flowers also sees no problem with competition between sugar and alcohol. He predicts that the prices of both will rise simultaneously.

"I can't agree with that," says Joseph Harrison, vice president of production at Supreme Sugars. "It's a fallacy." Supreme Sugar's parent company is Archer Daniels Midland of Decatur, Ill., the only major producer of alcohol for gasohol in this country. Harrison said his company is "still in the study stage" and warns, "This is no backyard distillery we're talking about."

The scale of the industry and the variables involved have made most researchers and investors cautious. Different findings and theories will be discussed at the Conference on Gasohol in November in New Orleans. Though people disagree on the production and economics of gasohol, they seem to agree on two things: it's complicated, and it needs a lot of study.●

DANIELSON ENERGY QUESTIONNAIRE RESULTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, today I am calling the attention of my colleagues to the results of a questionnaire dealing with the energy situation that I recently sent to my constituents throughout the 30th Congressional District of California.

The results show strong support for the continued use of nuclear powerplants, a standby gasoline rationing plan, conversion of industrial plants to coal, and the 55 miles per hour speed limit.

The survey also shows that the average working constituent who responded to the questionnaire drives 113 miles to and from work each week, and that 91 percent of those constituents rely on a car or truck, or a carpool, to get to work.

The average constituent in my district estimates that he gets 16.7 miles per gallon and that he could reasonably reduce his driving by about 9 percent without making a considerable change in his life style.

Those favoring decontrol of oil prices—if coupled with a windfall profits tax—outnumber those opposed to decontrol by more than 2 to 1, although almost one-third of the respondents were undecided on that question.

The constituents who responded blamed the oil companies the most for our current energy problems, made Congress second on the list of those to be blamed, and the President was blamed the least.

There is a strong desire among my constituents to own smaller cars than they presently own. Half of the people who indicated that they presently own a large car said that they would buy a smaller car, and 42 percent of those owning a medium size car want to go to a smaller one.

With gasoline prices now over a dollar a gallon they have good reason to want a smaller car, since the average small car owner estimated his mileage per gallon at 22.5 and the average large car owner said he got 13 miles per gallon.

The gasoline lines and higher prices did not make small car converts out of everyone, however. It is interesting to note that 26 percent of the large car owners said that they would buy even larger cars while only 14 percent of the small car owners and 17 percent of the medium size owners said they would move to a larger car.

Bearing out the claims that the Los Angeles area is vitally dependent on the automobile, the results showed that only 5 percent of these constituents who are working go to their job by bus, 1 percent by motorcycle, 1 percent by bicycle, and 2 percent walking.

The complete results of the questionnaire are as follows:

CONGRESSMAN GEORGE E. DANIELS'S ENERGY SURVEY RESULTS, AUGUST, 1979

1. Do you think we produce enough oil in this country to meet our energy needs, or do we have to import some oil from other countries? Produce enough, 28%. Must import, 53%. Don't know, 19%.

2. Who do you think is most to blame for our current energy problems? (check one or more) Department of Energy, 41%. The President, 31%. OPEC, 39%. Oil Companies, 57%. The Public, 33%. Congress, 48%.

3. How do you go to work? Car or Truck, 85%. Carpool, 6%. Bus, 5%. Motorcycle, 1%. Bicycle, 1%. Walk, 2%. (22% did not answer this question and are not included in the percentages shown)

4. Estimate the percentage of use of your motor vehicle for each of the following: Work, 57%. Other Essential Use, 28%. Recreation, 10%. Non-essential Use, 5%.

5. By what percentage could you reasonably reduce your driving without considerable change in your life style? 9%.

6. How many miles do you drive (round trip) to and from work each week? 113 miles.

7. What is your estimated miles per gallon? 16.7 mpg.

8. If you use your personal vehicle, or purchase your own gasoline in a company-owned or leased vehicle, how many work-related miles do you drive a week? 63 miles.

9. Is your auto: Small, 30.5%. Medium, 49.5%. Large, 20%.

10. If you intend to buy a new car within the next year, do you plan to buy one that is: Smaller, 37%. Same, 45%. Larger, 18%.

11. Do you favor the decontrol of oil prices:

(a) if coupled with a windfall profits tax? Yes, 48%. No, 21%. Undecided, 31%.

(b) without the windfall profits tax? Yes, 20%. No, 24%. Undecided, 55%.

12. Do you feel that higher prices will substantially increase the amount of oil that will be produced in the United States? Yes, 51%. No, 38%. Undecided, 11%.

13. Would you favor the nationalization of all oil companies? Yes, 30%. No, 59%. Undecided, 11%.

14. Would you favor the nationalization of all public utilities? Yes, 24%. No, 64%. Undecided, 11%.

15. Would you favor a Federal purchasing office that would purchase all oil bought overseas and redistribute it to the oil companies? Yes, 36%. No, 50%. Undecided, 15%.

16. Do you feel that world oil reserves will be too small to meet our energy needs after: (a) 10 years? 18%. (b) 20 years? 32%. (c) 50 years? 27%. (d) 100 years? 15%. (e) Never? 8%.

17. Which of the following alternative sources of energy do you think we should put the most money into developing? (Please number the three you consider most important, and the order of importance, by numbering 1, 2, and 3)

1st, Solar Energy.

2nd, Coal.

3rd, Nuclear Power.

4th, Synthetic Fuels.

5th, Geothermal.

6th, Hydrogen.

7th, Wind Power.

8th, Other.

18. Do you think we should ease the air pollution laws in order to increase the gasoline supply? Yes, 46%. No, 44%. Undecided, 10%.

19. Do you think that industrial plants, whenever possible, including electric power plants, should convert from the use of oil or natural gas to coal? Yes, 67%. No. 16%. Undecided, 17%.

21. Do you plan to take advantage of the tax credit for adding insulation to your home within the next two years? Yes, 23%. No, 45%. Undecided, 32%.

22. Are you in favor of the 55 mile per hour speed limit? Yes, 78%. No, 18%. Undecided, 4%.

23. Do you regularly save aluminum, glass, paper or any products and turn them in for recycling? Yes, 64%. No, 36%.

24. Should we have a standby gas rationing plan ready in case of emergency? Yes, 78%. No, 15%. Undecided, 8%.

25. Do you feel that the "odd-even" system was a major factor in the lessening of the gas lines in California? Yes, 67%. No, 25%. Undecided, 7%.

26. The recent accident at Three Mile Island in Pennsylvania at a nuclear power plant has caused a great deal of concern regarding the safety factors involved. Which of the statements below most closely parallels your own views?

42%. We must continue to build nuclear power plants. We need the electricity and the risks are outweighed by the benefits.

35%. We must slow down nuclear plant construction, make absolutely certain that safety measures are foolproof, and build them in sparsely populated areas only.

17%. We should not build any more plants at this time and should watch those that are in operation very closely, closing them at the first sign of trouble.

6%. We should shut down all nuclear power plants immediately and never build any more.

	Small car owners	Medium car owners	Large car owners	Total
Intend to buy a smaller car (percent)	20.7	42.0	50.0	37
Intend to buy the same size car (percent)	65.7	40.6	23.7	45
Intend to buy a larger car (percent)	13.6	17.4	26.3	18
Miles per gallon estimate	22.5	15.5	13.1	

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MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, I wish to call to the attention of my colleagues the following article by Vernon Cox which appeared in the Birmingham Post-Herald on July 21, 1979. Mr. Cox eloquently expresses what millions of Americans have been saying for some time. Unfortunately, it appears to me that the people who have been elected to Congress are not listening to their constituents and to the people like Vernon Cox who have given so much to their country.

The editorial follows:

MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

(By Vernon C. Cox)

It was gratifying to read a complete text of President Carter's July 15 speech because after reading remarks by Senators Stewart and Heflin, Congressman Buchanan, Mayor Vann, Commissioner Doss and several other politicians I found out that Councilman Larry Langford and I had not listened to an entirely different speech.

May I use "Another View" to accept Mr. Carter's invitation to "let your voice be heard" and present the thoughts of a very average American who, for 44 years, has worked for and with many people in the construction and allied industry, all of us with a great deal of pride and the happy feeling that goes with building something, to produce a high quality, reasonable priced structure to owners.

I now watch, with tears in my eyes, as my governments tear the industry apart through their prevailing wage requirements, their affirmative action plans, their mandated minority participation deals, their required reporting procedures, their licensing, permit and inspection controls, their costly and unrealistic safety standards and on and on.

Mr. Carter stated that the main threat to America and the American way of life was "a crisis in confidence." Also, "for the first time in the history of our country a majority of our people believe that the next five years will be worse than the past five years." Yet, Mr. Carter never addressed himself as to why Americans had lost confidence and expected a worsening. Mr. Carter also stated "The productivity of American workers is actually dropping."

May I ask, "Mr. President, what did you expect?" In the construction industry you, the top dog in our government structure, allow your bureaucrats and legislators to make contractors pay the same sizable wages for the sorriest carpenter, painter, mason, etc. as for the best, most productive craftsman. Your rules won't let us weed out those who won't or can't produce and thus takes all incentives away from those who can and will produce.

Then, too, Mr. President, you surely must realize that about 10 percent of the work force on the public payroll never produces anything except more paperwork to penalize the production of those who are trying to efficiently produce buildings, cars, gasoline, stoves, refrigerators, etc. And your unnecessarily high mandated wage scales, including minimum wage scales, confiscatory employer taxes, "timely" deposits of those taxes with their attendant penalties for being "untimely" and the fact that government has overspent so freely and "borrowed" so much money there is not enough left for a private employer to finance a business, even with outrageous interest rates, make it quite undesirable to even try to be an employer.

If you were in the construction business, Mr. President, the cash flow problems would make you wince. Why do you think Americans expect to be worse off in the next five years? Most of the answers lie within your Sunday night speech. We have watched you waste 22 billion tax dollars on a Department of Energy to create such total confusion in the energy field that all anyone can now say is "I've got to have more money."

Instead of trying to rectify this great error in judgment you propose to compound it by creating an Energy Security Corporation and an Energy Mobilization Board. This will only add to the confusion and further shackle the producers in America who can get things done if left alone. Also we realize you are the prime mover behind the proposed separate Department of Education, an even greater boondoggle.

You propose great new spending programs by borrowing through bonds and by taxing "windfall profits." By innuendo you are guilty of making it sound like the oil companies are ripping off the American public, but the tax will be paid by the American consumer not the oil companies.

You're not being honest with us, Mr. President, because all one has to do is look at who winds up with the money. It has been the 85 percent increase in government spending in the past five years and the accelerating pace since you became president that make the next five years look pretty bleak. And you must know that you already have about three-fourths of a trillion dollars out in notes and bonds. Adding another five billion ain't going to help that problem any.

But more pessimism is created by your Sunday statement, "Our nation must be fair to the poorest among us. So we will increase aid to needy Americans to cope with rising energy prices," than by any other action or inaction you might take. It is this type of social program which will do most to defeat America, if America is to be defeated, because we Americans made America what it is by hard work, saving, and helping those who can't help themselves.

Let us handle aid to those who can't cope with high energy costs, Mr. President. I'll guarantee you we'll do a better job than even the United States government can.

Both the Declaration of Independence and the Constitution use the word "liberty" where you use the word "freedom." Although synonomous they do not mean exactly the same thing.

Even as The Declaration of Independence expressed the need and the desire to be "free" of the tyrannies of the government as administered by King George, perhaps the Americans of today need to be "freed" from many of the inequities, injustices and tyrannies of the government as administered by you. Congress and the Supreme Court.

I feel I speak for millions and millions of other Americans when I say, "Yes, Mr. President, we'll go all out to save America. We only ask that you limit your help to our effort by keeping government off our backs and out of our hair. Have everyone in government shuffle their papers if they have to, just don't send them to us."

You asked us not to "take unnecessary trips." Would you consider it impertinent if I suggested you stay at the White House? That would be leadership by example, Mr. President.●

CON EDISON TAKES ADDITIONAL STEPS TO IMPROVE SAFETY AT INDIAN POINT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, in the months since the frightening Three Mile Island accident, the Members of this body and the Nation as a whole, have soberly reflected on the dangers of nuclear energy while fully recognizing in the midst of an energy crisis the necessity for alternative fuels.

I wholeheartedly agree that nuclear fuel has a future in supplying the energy needs of major metropolitan areas such as New York City. But I am also aware that every safety precaution must be taken to insure that nuclear energy is safe energy.

Discussions on nuclear safety have been loud and lengthy. I am pleased to report that some people have been doing more than just talking.

The Consolidated Edison Co. of New York State operates a nuclear powerplant at Indian Point, just outside of New York City. When the episode at Three Mile Island occurred many of the people of my district and throughout New York were particularly concerned, perhaps even frightened about the potential hazard that Indian Point might present. I contacted Con Ed to see what they intended to do to insure the safety of our communities.

Con Ed recently reported back to me on its stepped up safety measures.

To improve the safety and reliability of its Indian Point 2 generating unit, Con Edison is undertaking 11 additional design and operational changes as a result of its own preliminary "phase I" evaluation following the accident at Three Mile Island last March 28. Immediately following the accident, Con Ed initiated operating procedure and training reviews, including simulator training, so that the Indian Point plant operators were aware of the accident circumstances and of the correct response to similar circumstances at Indian Point 2. Among measures taken, the company modified the emergency core cooling system so that automatic safety injection systems would operate on low pressure alone without coincident low coolant level.

Nuclear energy supplied 13 percent of the kilowatt-hours consumed in the United States last year. By the year 1985 it is expected to supply 20 percent of our energy needs, and by the year 2000 31 percent. Nuclear energy has a future in helping us meet our energy needs. Con Edison's recent operating procedure and training reviews at Indian Point is certainly a step in the right direction.●

A TRIBUTE TO SIDNEY YATES

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADMEAS. Mr. Speaker, one of the most respected as well as engaging Members of the House of Representatives is our distinguished colleague, the gentleman from Illinois, the Honorable SIDNEY R. YATES.

I take this time to call to the attention of my colleagues an excellent article about the outstanding leadership given by SID YATES in support of the arts in the United States from his position as chairman of the House Appropriations Subcommittee on the Interior and Related Agencies, the subcommittee with jurisdiction over appropriations for a variety of programs for the arts and humanities.

I know, Mr. Speaker, from personal experience and observation the deep interest in the arts of both SID and his wife, Addie.

As chairman of this important subcommittee, SID YATES asks tough but fair questions of those who come before him and his colleagues.

Mr. Speaker, all those concerned with support of the arts in American life should be grateful to SID YATES for his contributions to that support.

At this point in the RECORD, Mr. Speaker, I insert an article by Ruth Dean entitled, "Sidney Yates—Monitoring the Arts' Money," from the Washington Star of September 10, 1979:

SIDNEY YATES—MONITORING THE ARTS' MONEY

(By Ruth Dean)

Sidney R. Yates has come to be regarded unofficially as "Mr. Moneybags for the Arts." But after 30 years in Congress, it's typical for this veteran Illinois Democrat to deflect such a reference to his unquestioned influence on the House Appropriations Committee.

"Well, it's only a *small* moneybags, really," he says. "Government funding is only one of the ways in which the arts are funded. I would assume corporate contributions make up a great deal of contributions to the arts.

"And the tax deductions we give to schools and colleges, to museums and to arts institutions and galleries, I would guess would make up by far the greatest contributions to the arts and humanities. I've often tried to find a way of computing what that might amount to, but IRS says there is no way they can figure it because it's so extensive."

Yates, chairman of the House Appropriations subcommittee on the interior and related agencies, is an unassuming, friendly, relaxed man—a mixture of soft charm and sharp perception. He talks in low, measured tones, slowly choosing just the right words. But when something sparks his interest—and almost anything can—then his words come rapidly as he reminisces with a smile.

He teases a photographer for being so quiet at her task. "You were very surreptitious," he laughingly accuses. Then he begins to recall. "I used to study photography myself, at the School of Design in Chicago, back in the '30s when Moholy-Nagy headed it. He had just come from the Bauhaus. Georgy Kepes was there too, and some of the photographers from the Farm Security Agency who'd done such marvelous work during the Depression. And we had to work on various aspects of composition. That was fun. I had my own darkroom for a while. But it's too tough now; you people do too much.

"It's kinda like the time I played basketball at the University of Chicago. It was kind of fun. I remember one score, playing against a team that became the Big Ten conference champions. It was 6–4 at the half. Now you see what the scores are like today. So, you see they've made improvements in everything."

"OOMPAH GUITARIST"

Growing up in Chicago, Yates didn't have to learn a musical instrument, though he picked up the guitar somewhere along the line and describes himself as "an oompah guitarist." His sister did play the piano, and his family loved music. "And as it happened," he says, "my brother-in-law was in the business of selling phonographs and records. So we used to have the record of the operas and the symphonies going. And I'd read about them. As a growing-up experience, that impressed me with the values I have today in appreciation of the arts."

Of course, the arts and humanities are only a small part of the budget packages with which Yates deals as subcommittee chairman. But their budgets have escalated to the point that the House, in its pre-August recess vote authorizing the $10.2 billion Interior appropriations bill for fiscal 1980, included an appropriation of $154.4 million for the National Endowment for the Arts and $150.1 million for the National Endowment for the Humanities. Yates floor-managed the bill.

In an uncharacteristically dramatic way, the arts thrust Yates into the headlines last May during the 1980 budget hearings for the endowments when he expressed his "disappointment" with two controversial reports he had ordered from the House Appropriations investigative staff on the workings of the two endowments.

The reports were critical of the two agencies' operations. Perhaps their most damaging accusation, in the eyes of both endowments, was the use of the code word "closed circle" to describe practice of an elitist philosophy in choosing grants panelists. Incensed at the conflict-of-interest innuendo, NEA chairman Livingston Biddle Jr. and NEH chairman Joseph Duffey returned to the hearings with lengthy rebuttals of their own, refuting "the flaws" in the reports.

Yates was sympathetic. Even four months later, his thoughts on the subject are unchanged. The reports contained a great deal of "useful material," but tended to "accent the negative" without reporting on the good work done by both agencies, which he thinks was unfortunate.

"They gave a mis-impression, which I thought tended to be unfair," he says, "which is why I brought the reports before the hearings and gave the endowments the opportunity for review and rebuttal. In the future I think our investigative staff will look at and bring forward the good things that are done by agencies as well as the bad. We want to know both."

MANY LONG HOURS

The 70-year-old Yates is well-respected by his colleagues, his staff and arts officials. He's "the boss" to his staff, who put in as many long hours as he does.

"The staff is nutty about him; everyone just adores him," says Mary Anderson Bain, his administrative assistant, longtime supporter and friend, who managed several of his campaigns including his unsuccessful 1962 bid to upset the late Sen. Everett McKinley Dirksen. It was his only political defeat in 30 years of politics. When he returned to the House in 1965, she came with him. No, he says, he'll "never run for the Senate again." He's too happy with what he's doing now.

"I'm very lucky," he reflects. "Members of Congress go through their service frequently serving on committees that are not as interesting to them as others might be. I'm very fortunate in having been able to be on the subcommittee of the Appropriations Committee that permits me to work with the subjects in which I have very great interest.

"And that throws me into contact immediately with the exhibitions that take place in the Washington community, and people throughout the country who have established communication with me."

Despite the drama of last May's hearings, including a surprise appearance by Rep. Shirley Chisholm on behalf of the Black Caucus to protest endowment practices—later refuted—there were no television klieg lights, just the early May sunshine streaming through the room's basement windows.

Though interested in the potential of television and the movies as art forms he frankly believes both endowments could do more for, Yates is a private person who shuns the limelight of evening TV newscasts. His committee assistants, Fred Mohrman and Mike Dorf, zealously guard his privacy and wishes. If he embargoes a report, mum is the word from them until time for release. Print reporters are allowed into his modest-sized hearing room, just off his subcommittee office, but they have to scramble for seats along with the rest of the public.

The buzz of talk dies to a hush as the tall, slender silvery-haired Yates walks in and takes his place at the long hearing table in the front of the room. His deep-set, electric-blue eyes quickly take in the room and its occupants at a glance as he dons his spectacles and begins the hearing with a welcome to witnesses.

ANALYTICAL MIND

His questions reveal an analytical mind that suffers fools lightly. He cuts right through bureaucratic gobbledygook with get-to-the-point bluntness. And woe betide a witness, or even a colleague, who grandstands or veers away from the subject. Yates ignores them and picks up the beat of the main discussion as if there had been no preceding interruption. He never raises his voice.

He is kind if he gets a witness who is obviously flustered. A little dry humor does the trick. Sometimes the witness turns the tables. NEA deputy chairman Mary Ann Tighe made him laugh when she told him, "I'm ready for you this year."

Yates constantly surprises testifying witnesses with his knowledge and memory of their fields, whether the arts, humanities, museums, national parks or public lands—especially when he quotes them statistics from a previous year that they should have on the tip of the tongue themselves.

"Well, I know a little bit about a number of things," he says, "and fortunately I have a good memory and I can remember the few things that I know."

His boyhood in Chicago "fortunately was in the days before television, and we used to read," he recalls. "As in all big cities, they had branch libraries in all the neighborhoods. And when I was in grammar school particularly, we used to go to the library, and in addition to trading cards that had all the baseball players on them, we used to trade books with people who had books we wanted to read. That was kind of the sporty thing to do. So we came to read a lot."

ON MEETING ADDIE

Yates was "quite an athlete" in his youth, says his wife, Adeline ("Addie" to him and their friends). She fondly recalls meeting him when he was counselor at a summer camp her brother attended. They met when the family came for a visit, kept in touch and married a few years later after she had finished college ("I transferred from Wisconsin to Northwestern because I didn't want him to get away") and he had completed his law studies at the University of Chicago. They have one son, Stephen, now an associate judge of Cook County.

The congressman confines his love of the outdoors now to golf. A new silver trophy on a table in his office proclaims his winning of this year's Congressional Golf Tournament.

Talking about his musical interest, he says, "I have a collection of the folks songs of many of the countries. I like folk songs because I like to indulge in group singing. I learned to strum on a guitar and I know a few of the chords. Fortunately most of the folk songs are susceptible of being sung in one key like the key of C. So occasionally we get togther with a group of friends, but I'd much prefer to have one of them play the piano."

Yates is also an art collector, but says it is a small collection he has acquired through the years. It includes a Joni Mitchell and a Picasso. One of his favorites, a painting in wine tones by Peruvian artist Fernando Szylo, hangs on his office wall.

Despite putting in some long days, Yates says that after 30 years in Congress, he has learned to "balance" his life between work, family and friends, and needed recreation.

"He does his homework" has become a byword that is almost a definition of his reputation on Capitol Hill.

Liv Biddle sees him as "immensely knowledgeable about the whole spectrum of the arts, objective in his views, sympathetic to the whole process of greater support for the arts within the limits of his budgetary oversight."

Joe Duffey thinks he is "one of only two or three members of Congress whose advocacy for the arts and humanities goes beyond simply rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts."

Duffey's predecessor, former NEH chairman Ronald Berman, now teaching at the University of California at San Diego, thinks Yates "is terrific. I always thought of him as the highest type of person you could find in Congress. He does his homework. There are two ways you get help from Sid—in hearings and in private discussion in which he covers the ground."

DON'T POLITICIZE ART

However, Berman expresses his unhappiness with the present state of the arts, expressing his conviction that the Carter administration has "politicized the arts. Just look at the list of grantees. They really belong on the HEW mailing list. What it amounts to is subsidization of literally hundreds of small bureaucracies throughout the country that have nothing to do with the arts."

Asked for his reaction to Berman's views, Yates says, "My concern is that the arts don't be politicized. And I think that's the concern of every member of our committee, and that's good. I'm not sure I understand or would agree with Berman's view. I would like to have the specifics he's talking about rather than the generalities."

There will always be a conflict between those who say that the arts funding should go to a few professionals and thus a limited group, and those who say that arts support would be widespread, Yates points out. "And I think that the endowments' authorizing legislation intends that both of those purposes be fostered. Not only that the old-line, well-established arts and humanities institutions be helped, but that the impact of federal assistance in the arts and humanities be widespread throughout the country. And I think the endowments are trying to do that."●

WORLD PEACE TAX FUND ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, recently I introduced the World Peace Tax Fund, H.R. 4897, with a list of 26 cosponsors. Each year the number of cosponsors has increased, the number of religious organizations endorsing this legislation has grown, and the support of the people throughout the country appears to be building. They desire ways to peacefully avoid conflict and war in the world. This legislation provides one alternative. It could also provide funding for the National Academy for Peace and Conflict Resolution.

The World Peace Tax Fund would amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his/her income, estate, or gift tax payments spent for nonmilitary purposes.

Although the United States is not now at war, there are still thousands of Americans who are being forced each year to violate their consciences by paying taxes, or to violate Federal law by not paying taxes, or to live below the taxable income level. Their first amendment rights are not being protected as long as the law refuses to recognize their right to conscientiously oppose war by not supporting the military through payment of their taxes.

This bill would not provide any exemption from taxes; the conscientious objector would pay the full tax required, but the percentage of tax that would ordinarily go into military expenditures would be earmarked for peace research and education.

The bill does not open the "floodgates" to similar relief for other groups. The conscientious objectors' request for tax relief is unique, because it is motivated by the widely held and long established fundamental religious and moral mandate—"Thou Shalt Not Kill." Abhorrence of war and respect for the rights of minorities are principles deeply embedded in our Government. In all our wars the right of conscience has been recognized in some way. Now that the military drafts taxes rather than soldiers, conscription of funds for war and the instruments of war is a violation of deep moral and ethical beliefs of many citizens.

For the first time, we would have an agency devoted to finding nonviolent ways to resolve conflict. It is estimated that the fund would bring about $2 billion to this effort each year—not an overwhelming amount, but it could be the beginning of a new approach—a civilized approach—to conflict resolution.

At this time I would like to insert into the RECORD a summary of the legislation followed by other related material:

SUMMARY

The World Peace Tax Fund Act proposes that the Internal Revenue Code of 1954 contribution to military spending for Federal taxpayers who are conscientiously opposed to participation in war, and that a Fund be established to receive and distribute to qualified peace-related activities the portion of such individuals' tax payments that would otherwise go to military spending. The remainder of qualifying individuals' income, estate, and gift taxes would be transferred to the general fund of the U.S. Treasury, to be spent only for non-military purposes.

The Act gives relief to those citizens conscientiously opposed to participation in war, who are presently forced to violate their beliefs by participating in war through tax payments. There is considerable precedent for such relief. The Selective Service System has long recognized and accommodated the beliefs of conscientious objectors. Tax exemptions have been provided for certain religious groups to avoid violation of their religious and conscientious beliefs.

The requested tax relief for conscientious objectors will not open the "floodgates" to similar relief for other groups. The conscientious objector's request for tax relief is exceptionally compelling because it is motivated by the widely-held and long-established fundamental religious and moral mandate—"Thou shalt not kill."

The Act provides taxpayers who are conscientiously opposed to war and who might otherwise feel compelled to undertake illegal tax resistance, with a means of making a meaningful contribution to world peace consistent with their obligations of citizenship. It is particularly important that the Act extends the opportunity for conscientious objection to women and to men not eligible for conscientious objector status under the Selective Service System.

The amendments to the Internal Revenue Code of 1954 provide that a qualified taxpayer may elect to have his or her Federal Income, estate, or gift tax payment transferred to a special trust fund, the World Peace Tax Fund. The Amendments also explain how a taxpayer qualifies to have his or her tax paid to the Fund. Other sections of the Act provide for the creation of the World Peace Tax Fund, and for the appointment of a Board of eleven Trustees to administer the Fund. The Fund is modelled after the National Highway Trust Fund and the National Airport and Airway Trust Fund. The act provides that the General Accounting Office shall annually determine and publish the percentage of the Budget of the United States which was spent for military purposes in the fiscal year just ended. This percentage will be used to determine the portion of the qualifying taxpayer's tax which shall be received by the Board shall submit a budget to Congress for approval and appropriation, providing for channeling of these monies to specified peace-related activities. Monies not appropriated from the Fund for expenditures budgeted by the Board shall remain available for use in subsequent years by the Board, subject to Congressional appropriation.

MEMORANDUM IN SUPPORT OF THE WORLD PEACE TAX FUND ACT

INTRODUCTION

Many persons in this country are conscientiously opposed to participation of any kind or nature in war. For some religious denominations this is a fundamental part of the religious beliefs of the members. For example, the Handbook of the Pacific Yearly Meeting of the Religious Society of Friends urges its members:

"To recognize that the military system is not consistent with Christ's example of redemptive love . . . (and) to consider carefully the implication of paying those taxes, a major portion of which goes for military purposes."—page 28 of 1962 Rev. Ed.

The World Peace Tax Fund Act is designed to relieve individuals conscientiously opposed to participation in war from the obligation to participate in war through the payment of taxes for military spending. Also it frees them from the weight of conscience which comes from breaking the law, when they hold law and society important.

Freedom of conscience, whatever that might be, is an integral part of our scheme of government. The Supreme Court of the United States, in March of 1965, quoted a statement made in 1919 by Harlan Fiske Stone, who later become Chief Justice of the Court:

"Both morals and sound policy require that the state should not violate the conscience of the individual. All our history gives confirmation to the view that liberty of conscience has a moral and social value which makes it worthy of preservation at the hands of the state. So deep is its significance and vital, indeed, is it to the integrity of man's moral and spiritual nature that nothing short of the self-preservation of the state should warrant its violation; and it may well be questioned whether the state which preserves its life by a settled policy of violation of the conscience of the individual will not in fact ultimately lose it by the process,"—Stone, The Conscientious Objector, 21 Col. U.Q. 253, 269 (1919).

Although not all persons who are conscientiously opposed to participation of any kind in war base their convictions on religious training and belief, conscientious objection to war appears to be well recognized as an integral part of the religious beliefs of many people. Speaking of the struggle for religious liberty in this country, Chief Justice Hughes referred to:

"The large number of citizens of our country, from the very beginning, who have been unwilling to sacrifice their religious convictions and in particular those who have been conscientiously opposed to war and who would not yield what they sincerely believed to be their allegiance to the will of God . . ." *United States* v. *Macintosh,* 283 U.S. 605, 631 (1931).

Certainly to require significant participation in war, against the religious conscience of these people would violate the spirit of the first amendment protection for the free exercise of religion. (See *West Viginia State Board of Education* v. *Barnett* 319 U.S. 624 (1943); *School District of Abington Township* v. *Schempp* 374 U.S. 203 (1963); *Contran Tyrrell* v. *United States* 200 F. 2d 8 (9th Cir. 1953) *cert. denied* 345 U.S. 910.

Conscientious objection to war and military training is deeply imbedded in the traditions of this country. For example the ratifying conventions of each of the six states that recommended the adoption of a Bill of Rights in ratifying the new Constitution approved specific amendments as a part of their recommendations; Virginia, North Carolina, and Rhode Island included a provision guaranteeing the right of conscientious objection. (See Elliot *Debates on the Adoption of the Federal Constitution* Vol. 3, p. 659, Vol. 4, p. 244 Vol. 1, p. 314–336 (reprint of 2nd ed. 1937).

A similar provision was suggested but rejected by the Maryland convention. (See Elliot at 553.) It is not surprising, therefore, that one of James Madison's proposed amendments presented to the first session of the first Congress included the following language: "but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." *Annals of the Congress of the United States,* 434 (Gales and Seaton, 1934).

During the debates on the proposed amendment, it was suggested that the right be conditioned "upon paying an equivalent." To this suggestion Mr. Sherman of Connecticut remarked:

"It is well known that those who are religiously scrupulous of bearing arms are equally scrupulous of getting susbtitutes or paying an equivalent. Many of them would rather die than do either one or the other." *Annals* at 750.

A motion was then made to drop this clause altogether; the motion failed and the clause was included in the list of proposed amendments sent to the Senate for approval. The Senate omitted this provision and it never became a part of our Bill of Rights. Although no record of the Senate debates was taken at the time, the opposition to the proposal in the House would indicate that the Senate preferred to leave the matter to legislation instead of a Constitutional Amendment. *Annals* at 751.

Although Congress has recognized the right of conscientious objectors to refrain from participation in war and has enacted legislation to protect that right, conscientious objectors are still forced to participate in war through the payment of taxes, a substantial portion of which goes to military spending. Every person in this country who pays Federal income, estate, or gift taxes is forced to participate in war in this manner. They are forced to aid in the equipping and training of armies and in the purchase of bombs, ammunition, missiles, napalm and other instruments of destruction. This is a significant form of participation in war.

Tax refusal—refusal to pay taxes because the money was to be spent for things to which the taxpayers were conscientiously opposed—has a long history. Early Christians refused to pay taxes to Caesar's pagan temple in Rome. Quakers and Mennonites refused to pay taxes to pay for the war effort during the French and Indian Wars, the Revolutionary War, and the Cvil War. Under Gandhi's influence, strugglers for independence in India refused to pay taxes to the British Empire. In many ways the Boston Tea Party and other attempts of the colonists to prevent the British from collecting taxes to pay for the French and Indian War and for the stationing of British troops in the colonies represent similar protests. (See 1 Malone & Rauch, *Empire for Liberty* 126–36 (1960)). Just as pacifists are opposed as a matter of conscience to paying taxes that are used for military purposes, so were the colonists opposed as a matter of conscience to paying taxes without representation.

At the present time those who are conscientiously opposed to any form of participation in war can avoid violating their conscience in the matter of federal income taxation in only two ways. First, they can carefully avoid earning more than the minimum income required by federal law upon which income taxes must be paid. Second, they can simply refuse to pay the taxes due, or a certain percentage of them; this amounts to a criminal offense which could result in a maximum sentence of $10,000 fine and one year in prison. See Internal Revenue Code, Section 6502. Such a penalty could conceivably be imposed every year if the individual refused to pay the taxes due every year. In spite of the possibility of these extreme consequences, many people take this route because they feel it is a lesser evil than to violate their conscience.

To most American citizens who wish to make substantial contribution to the life of their community and who want to be law-abiding citizens these are not feasible alternatives. The liberty of conscience that Chief Justice Stone spoke about is not being preserved in the area of conscientious opposition to participation in war. In order to preserve this liberty of conscience and to preserve both the dignity and the fairness of law—to preserve it in a spirit intended by the founding fathers and the drafters of the Bill of Rights—legislation should be enacted to provide a legal and realistic alternative to participation in war through the payment of federal income, estate, and gift taxes.

PRECEDENT

There is sound precedent for such legislation giving tax relief to protect religious and conscientious beliefs. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science Practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the Social Security tax. By this Code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

By exempting individuals conscientiously opposed to participation in insurance plans from payment of Social Security taxes, Congress clearly extended the principle of Congressional accommodation of conscientious beliefs from the area of the draft to the area of taxation. Thus Congressional precedent for tax relief to accommodate the beliefs of conscientious objectors to war is firmly established. Congress has recognized both the right not to participate in war and the right of a tax exemption to avoid participation in a program to which the tax-payer is conscientiously opposed.

The proposed tax accommodation for conscientious objectors to war recognizes the unique and long-acknowledged right of an individual to refrain from participation in war. It reflects an honest acknowledgement that payment of taxes for military spending is a significant and, for conscientious objectors, intolerable form of partcipation in war. The proposed special tax status for conscientious objectors is a necessary device to avoid forcing their participation in war.

The tax treatment asked for conscientious objectors is less exceptional than that presently granted by sections 1402(e) and 1402(h) of the Internal Revenue Code. Those sections allow individuals "conscientiously opposed" to Social Security insurance to be entirely exempted from payment of a portion of their tax. In contrast, the World Peace Tax Fund Act does not propose exemptions from payment of a portion of the conscientious objector's tax. Under the Act, a conscientious objector is still required to pay his entire tax. The Act merely provides that an appropriate portion of the tax may be diverted from military spending to non-military peace-related activities.

Like the exemption from payment of the Social Security tax, the proposed tax accommodation for conscientious objectors is based on religious and conscientious belief. The conscientious objector to war has a compelling justification for the special tax status he seeks. His concern is fundamental. He asks not to be forced to join in the deliberate killing of his fellow men. His desire not to participate in war and killing through any means, including taxation, is based upon a widely acknowledged religious and moral principle. Observance of the principle is essential to the integrity of the individual. By forcing the conscientious objector to war to contribute to military spending, Congress presently forces him to violate his conscience and severely denies his right of religious freedom.

The tax accommodation of conscientious objectors would be an affirmative gesture which would benefit society as well as the individual taxpayer. Especially today, when a faint hope of world peace precariously counterbalances the threat of unspeakable destructive war, it is important to society that the moral principle, "Thou shalt not kill," which underlies the conscientious objector's attitude towards war, be firmly and repeatedly asserted.

Fundamental fairness requires that the opportunity for making this affirmative gesture for world peace and against killing be extended to all people—not just those draft-age males who qualify for conscientious objector status under the Selective Service laws. Therefore another important aspect of this act is that it offers women and children an opportunity constructively to demonstrate their opposition to war through formal conscientious objection—an opportunity which at present is open only to draft-age men.

The proposed tax accommodation for conscientious objectors is required by uniquely compelling justifications. Granting this special tax status to conscientious objectors will not open the floodgates to other groups who claim to be "conscientiously opposed" to various uses of their tax dollars, because the concern of the conscientious objector is so fundamental, so widely acknowledged, and so essential to the integrity of individuals and our society.

The contemplated tax treatment of conscientious objectors does not establish a precedent for individual earmarking of tax dollars. Trustees appointed by the President with the advice and consent of the Senate will receive, for subsequent channeling to appropriate peace-related activities, a portion of the Fund's monies. This portion represents a sum of all qualifying individuals' income, estate, or gift tax payments, multiplied by the percentage of last year's Federal budget devoted to military spending. The spending decisions of the Trustees require Congressional approval and appropriation. Congress retains power over spending of the conscientious objector's taxes. The taxpayer who qualifies as a conscientious objector can only decide that his tax dollars will not be spent for one specific purpose—military spending. Distribution of monies by the Board to qualified peace-related organizations finds precedent in the qualified distribution requirements for private foundations under Section 4942 of the Code.

In summary, the conscientious objector's uniqueness rests first, in the long tradition of Congressional respect for and accommodation of conscientious objectors to war. Second, the standards for determination of conscientious objector status have been tried, proven, and refined by the Selective Service System and conveniently provide stringent and reliable requirements for determining conscientious objector status for tax purposes. Third, the conscientious objector to war bases his request for special tax treatment on a widely-held long-established fundamental religious and moral belief. Fourth, the declaration of conscientious objection for tax purposes is an affirmative and constructive act which could make a substantial contribution to world peace.

The great interest of individuals in the free exercise of their fundamental religious beliefs should weigh most heavily against the public interest in minimizing exceptions to the general tax laws. If the interest of the Amish in not participating in Social Security insurance was sufficient to outweigh this public interest, the compelling interest of the conscientious objector to war should also outweigh it.

EFFECTIVENESS

Individuals conscientiously opposed to war will be excused from tax contribution to military spending and thereby from a significant form of participation in war. The tax dollars diverted from military spending will be used to promote world peace. It is recognized that because of the nation's tax collection and budgeting process, the creation of the World Peace Tax Fund may not markedly reduce the money available for military spending. A serious curtailment of military spending would result only if a great many taxpayers participated in the Fund, thereby calling for a major shift in national priorities. The military will get the funding it requests until the success of the Fund helps persuade taxpayers and Congress to reduce the priority of military spending.

At present, many conscientious objectors are so determined to change this country's priorities that they have refused to pay their taxes. As an alternative to forcing conscientious objectors to pursue this difficult and unpopular course, this bill offers the conscientious objector a way of making a positive contribution to world peace in place of contributing to military spending. The Fund will provide a constructive means of citizen's protest for its contributors. The Fund will draw the attention of every taxpayer to the percentage of American tax dollars going to military spending. It will encourage Congress to recognize this percentage by publication of the Fund's annual reports. At present, for the most part, no effort is being made by the government to separate military spending from other spending. Individual taxpayers, in making out their annual returns, will be forced to decide whether or not they can conscientiously contribute to military spending. Those who become conscientious objectors for tax purposes will be voicing a significant vote against military policy. The bill provides that the number of contributors to the Fund, the amount of money contributed, and the expenditures of the Fund shall be published and reported to Congress each year.

Many conscientious objectors would like to take a firmer stand than that provided by this Act in opposition to their country's military operations, but in view of the political constraints, imposed on them as a minority, they support the Fund as a meaningful, though not entirely satisfactory means of working for world peace.

The Internal Revenue Code amendments and the organization of the Fund are designed to accomplish their goals with a minimum of administrative effort. The individual taxpayer is given the initial responsibility for determining whether he or she is eligible for conscientious objector status. A taxpayer who is already classified as a conscientious objector for Selective Service or Immigration purposes is automatically eligible. A taxpayer, regardless of age or sex, who files a declaration of conscientious opposition to war, is eligible. False statements knowingly made in declaring conscientious objector status are grounds for prosecution for perjury. Willfull abuse of this claim of eligibility will therefore be discouraged. The Internal Revenue Service may conduct an examination, "For the purpose of ascertaining the correctness of any return," according to Section 7602 of the Code. Language in that section is broad enough to allow review of a declaration of conscientious objection to war. In formulating requirements for conscientious objector status and in reviewnig returns of conscientious objectors, it is expected that the Secretary or his delegate will rely primarily on 50 U.S.C. App. 456(j), which exempts conscientious objectors from military service, and judicial interpretations thereof. Final rulings by the IRS against the taxpayer's status as a conscientious objector are appealable to the United States District Court.

The Fund itself will be self-sufficient. It is expected that the commitment of the Fund's Trustees to world peace and their appointment by the President with the advice and consent of the Senate will make the Fund self-policing so that contributors and other taxpayers and Congress will have faith in it, and it will accomplish the goals set for it. The operating expenses of the Fund will be paid out of the money the Fund receives from taxpayers. Because the Fund will encourage people who presently refuse to pay their taxes, to pay these taxes, the administrative costs of the Fund will be offset by the additional tax payments which the Fund is expected to generate.

A final point is that legislative relief is the only legal avenue available for resolving the conscientious objector's dilemma between his beliefs and his obligations of citizenship. Conscientious objectors have repeatedly lost their battle against war taxes in the courts. Despite the strong constitutional arguments which can be made in their defense, in deference to Congress the courts have repeatedly held against conscientious objectors who have refused to pay their taxes to military spending.

CONSTITUTIONALITY

(1) *Uniformity*. The proposed legislation conforms with the requirement of Article I. Section 8, Clause 1 of the Constitution which provides "All duties, imports and excises shall be uniform throughout the United States." The requirement of uniformity has been read to require geographical uniformity, *Knowlton* v. *Moore*, 178 U.S. 41 (1900); *Brushaber* v. *Union P. R. Co.*,—U.S. 1 (1916); *Fernandez* v. *Wiener*, 326 U.S. 340 (1945).

(2) *First Amendment*. The first amendment provides "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof." The proposed tax payment accommodation of the religious beliefs of conscientious objectors is a mitigation of a general requirement for the purpose of allowing the free exercise of religion. This is not an establishment of religion.

According to the General Counsel of the Treasury, "The classic example of the application of the free exercise clause is the series of cases which have upheld Congressional exemption of conscientious objectors from military service. The validity of this exemption was first established by the *Selective Draft Law Cases*, 245 U.S. 366 (1918), upholding the exemption in the draft law of members of religious sects whose tenets prohibited the man's right to engage in war." The Solicitor General has argued (p. 374) that the exemption did not establish such religions but simply aided their free exercise. The court considered that the Congressional authority to provide such exemption was so obvious that it need not argue the point (pp. 389—390).

The present Universal Military Training and Service Act (50 U.S.C. app. 456(j)) provides, "(j) Nothing contained in this title (sections 451, 453, 454, 455, 456 and 458–471 of this Appendix) shall be construed to require any person to be subject to combatant training and service in the Armed Forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participating in war in any form." "Participation in war in any form" has been read by the courts to mean "participation in any form in war." *Taffs v. U.S.*, 208 F. 2d 329 (CA 8 (1953)), *cert. denied* 347 U.S. 928 (1954). In *U.S. v. Seeger*, 380 U.S. 163, 13 L. Ed. 2d 733 (1965) the court broadly interpreted "by reason of religious training and belief" to require no formal religious training, and suggested that a personal moral code would be sufficient grounds for conscientious objection if there were some other basis for the registrant's belief. The *Seeger* case did not reach the constitutional question of whether the state might require a belief in God as a condition for exemption. *Torcaso v. Walkins*, 367 U.S. 488 (1961) did hold that Maryland could not require an oath attesting to a belief in God as a requirement for becoming a notary public. because such a requirement would constitute an establishment of religion.

Another example of the use of Congressional authority to make exemptions from general laws to permit the free exercise of religion is the exemption from taxation of religious organizations, property and activities. These exemptions continue to be upheld against claims that they have the effect of establishing the religions benefited. *Swallow v. U.S.*, 325 F. 2d 97 (10th Cir. 1963).

Zorach v. Clauson, 343 U.S. 306 (1952) is another case affirming the validity of accommodations made by the state to allow the free exercise of religion. There the Court upheld New York legislation authorizing public schools to release children one hour early every week for religious instruction off school grounds.

That allowing conscientious objectors to pay a portion of their taxes into a non-military tax fund is an accommodation for the free exercise and not an establishment of religion is made clear by *Sherbert v. Verner*, 374 U.S. 398 (1963). The Court held there that Maryland could not deny unemployment benefits to a Seventh-Day Adventist who refused to take a job requiring work on Saturday, the Adventists' Sabbath. The Court held this conditioning of welfare benefits on compromise of individuals' religious beliefs was an unconstitutional restriction on the free exercise of religion. Therefore, the court ordered Maryland to make accommodation within its general unemployment law. A conscientious objector who is forced to pay taxes which help finance military spending, is being denied the right of free exercise of his religious beliefs. The conscientious objector's plight is worse than the Adventist's in *Sherbert* who paid a lesser price for free exercise of religion. In *Sherbert* the price exacted by the state for religious freedom was loss of unemployment benefits. The conscientious objector who refuses to pay taxes is not only fined but is forced to break the law and is liable to criminal prosecution. Contribution to military spending is a significant form of participation in war. It may be as offensive to religious beliefs as service in the Armed Forces. Congress has accommodated religious beliefs by exempting from military service those conscientiously opposed to participation in war. It is a small step for Congress to allow the conscientious objector not to participate in war through taxes. Clearly, such an accommodation is to aid the free exercise of religion and is permitted, if not required, by the first amendment.

The effect of the proposed accommodation for conscientious objectors would not be discrimination in favor of some religions at the expense of others. Rather, the present discrimination against those who are forced to pay taxes, (a portion of which goes to military spending in violation of their religious beliefs), would be removed. See *Sherbert*, p. 406. Nor are the problems of administration and the possibility of spurious claims under the proposed accommodation justification for continuing the present burdens or the free exercise of religion. See *Sherbert*, p. 407.

Despite the constitutionality of the proposed amendments, it might be argued there is an overriding public interest which forbids accommodation. But in *In re Jenison*, 375 U.S. 14 (1963) the Court relying on *Sherbert* v. *Verner* vacated a ruling of the Minnesota Supreme Court, which held that jury duty, a primary duty of all citizens, was superior to a religious belief which forbade judging others and therefore forbade jury duty. After *Jenison* it is possible to argue that it is unnecessary to balance the public interest against the individuals' interest to determine whether an exception to the general law should be made to accommodate the free exercise of religion. Rather Congress or the courts could simply determine if an accommodation is necessary to allow free exercise of religion and if so, grant it.

(3) *The due process clause*. The due process clause of the fifth amendment requires that tax statutes be reasonable and apply to a reasonable class. However, the standards of resonableness applied to tax statutes are more lenient than those applied generally; only clearly arbitrary tax classifications will be struck down. *Flemming* v. *Nestor*, 363 U.S. 603 (1960); *Smart* v. *U.S.*, 222 F. Supp. 65 (1963); *Leeson* v. *Celebrezze*, 225 F Supp. 527 (1963). Therefore it is unlikely that the classification proposed by these amendments would be found unreasonable, especially since the classification is the same which has long been accepted as reasonable for draft exemption purposes.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DERWINSKI (at the request of Mr. RHODES), for the week of September 10, on account of official business.

Mr. GIBBONS (at the request of Mr. WRIGHT), after 5:15 p.m. today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.
Mr. MCKINNEY, for 5 minutes, today.
Mr. EMERY, for 5 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mrs. BOGGS, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Mr. SHELBY, for 5 minutes, today.
Mr. ADDABBO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,158.

Mr. DICKINSON, to revise and extend his remarks, immediately preceding the vote on the Ichord amendment.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. GRISHAM.
Mr. CHENEY.
Mr. SHUMWAY in two instances.
Mr. WHITEHURST.
Mr. MADIGAN in two instances.
Mr. CLAUSEN.
Mr. PURSELL.
Mr. ERLENBORN.
Mr. DICKINSON.
Mr. BROWN of Ohio.
Mr. SHUSTER.
Mr. PAUL in four instances.
Mr. HAGEDORN.
Mr. GOODLING.
Mr. MCEWEN.
Mr. CLINGER.
Mr. MILLER of Ohio in three instances.
Mr. MCCLORY.
Mr. EVANS of Delaware.
Mr. CORCORAN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. CONYERS.
Mr. ERTEL.
Mr. KASTENMEIER.
Mr. GUARINI.
Mr. WOLFF in three instances.
Mr. SANTINI.
Mr. BRODHEAD.
Mr. HALL of Ohio.
Mr. RICHMOND.
Mr. MITCHELL of Maryland.
Mr. STUMP in two instances.
Mr. MOTTL.
Mr. BALDUS.
Mr. SKELTON in two instances.
Mr. ROBERTS.
Mr. GINN.
Mr. HAMILTON.
Mr. DODD.
Mr. MINETA.
Ms. OAKAR.
Mr. STUDDS.
Mr. LAFALCE.
Mr. CLAY.
Mr. DINGELL.
Mr. YATRON.
Mr. LOWRY.
Mr. PATTERSON.
Mr. MICA.
Mr. LEVITAS.
Mr. SHELBY.
Mr. WON PAT.
Mr. MOORHEAD of Pennsylvania in two instances.
Mr. FORD of Tennessee.
Mr. MURPHY of New York.
Mr. THOMPSON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95-598; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 12, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2413. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of September 1, 1979, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 96-185); to the Committee on Appropriations and ordered to be printed.

2414. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the agency's fiscal year 1979 program in the Dominican Republic, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2415. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112 b(a); to the Committee on Foreign Affairs.

2416. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the final report of the Privacy Protection Study Commission, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2417. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-U.S. Courthouse, Savannah, Ga., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2418. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Courthouse (New), Portland, Oreg., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2419. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1981 budget estimates, pursuant to section 27(k)(1) of Public Law 92-573; jointly, to the Committees on Appropriations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 4746. A bill to make miscellaneous changes in the tax laws (Rept. No. 96-423). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 2441. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; with amendment (Rep. No. 96-424, pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; with amendment (Rept. No. 96-425). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 5227. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, Public

Works and Transportation, Science and Technology, and Ways and Means.

By Mr. EVANS of Delaware (for himself, Mr. Harsha, and Mr. Abdnor):

H.R. 5228. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building"; to the Committee on Public Works and Transportation.

By Mr. ULLMAN:

H.R. 5229. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. GARCIA:

H.R. 5230. A bill to provide for the issuance of a commemorative postage stamp to honor Benito Juarez; to the Committee on Post Office and Civil Service.

H.R. 5231. A bill to provide for the issuance of a commemorative postage stamp to honor Pablo Casals; to the Committee on Post Office and Civil Service.

H.R. 5232. A bill to provide for the issuance of a commemorative postage stamp to honor Roberto Clemente; to the Committee on Post Office and Civil Service.

By Mr. GARCIA (for himself and Mr. Courter) (by request):

H.R. 5233. A bill to amend section 301 of title 13, United States Code, to protect the confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Post Office and Civil Service.

By Mr. MADIGAN:

H.R. 5234. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. Mitchell of New York, Mr. Mollohan, Mr. Emery, Mr. Davis of South Carolina, Mr. Courter, Mr. Fazio, Mr. Evans of the Virgin Islands, Mr. Leach of Louisiana, Mrs. Byron, Mr. Mavroules, and Mr. Wyatt):

H.R. 5235. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PEYSER:

H.R. 5236. A bill to amend the Mineral Leasing Act of 1920 to promote exploration for oil and gas on Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 5237. A bill to authorize the Secretary of Agriculture to assist participants in the food stamp program to pay the cost of fuel consumed for residential heating during the period of December through March; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H.R. 5238. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 5239. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 5240. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SHANNON (for himself and Mr. Moffett):

H.R. 5241. A bill to establish a program under which the Secretary of Health, Education, and Welfare, acting through the Social Security Administration and under agreements made with appropriate State agencies, will assist low-income and elderly households in meeting the increased costs of residential fuel, and to amend the Internal Revenue Code of 1954 to provide a middle-income energy tax credit for households which use heating oil; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

By Mr. SHUMWAY:

H.R. 5242. A bill to amend the Tariff Schedules of the United States with respect to the rates and duties for montan wax; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. Breaux, Mr. AuCoin, Mr. Forsythe, Mr. Bonker, Mr. Bonior of Michigan, Mr. Pritchard, Mr. Young of Alaska, and Mr. Lent):

H.R. 5243. A bill to provide for a national program of fisheries research and development, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WON PAT:

H.R. 5244. A bill to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YATRON:

H.R. 5245. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that such act shall not apply to coal or other mine operators who employ 10 or fewer miners; to the Committee on Education and Labor.

By Mr. ZEFERETTI:

H.R. 5246. A bill to provide a bonus to each World War II veteran; to the Committee on Veteran's Affairs.

By Mr. BROYHILL:

H.R. 5247. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. Conable):

H.J. Res. 395. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. PASHAYAN:

H. Con. Res. 183. Concurrent resolution expressing the sense of Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Con. Res. 184. Concurrent resolution providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws"; to the Committee on House Administration.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 402. Resolution approving the printing of additional copies of the publication entitled "A Guidelines Handbook on Federal Loan Guarantee Programs"; to the Committee on House Administration.

By Mr. RINALDO (for himself and Mr. Courter):

H. Res. 403. Resolution expressing the concern of the House of Representatives at the presence of Soviet combat forces in Cuba and urging the Senate to deny its advise and consent to the ratification of the proposed Strategic Arms Limitation Treaty while any Soviet combat troops remain in Cuba; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5248. A bill for the relief of Earnestine Austin; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 5249. A bill for the relief of Sing Chuen Yuan Lin; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 5250. A bill for the relief of Hae Ok Chun; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 5251. A bill for the relief of Gisela Krutzinna and Bert Krutzinna; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 329: Mr. Stangeland.

H.R. 377: Mr. Edgar.

H.R. 462: Mr. Bereuter.

H.R. 811: Mr. Cleveland and Mr. Patterson.

H.R. 1429: Mr. McEwen, Mr. Treen, Mr. Emery, Mr. Bauman, Mr. Dannemeyer, Mr. Erdahl, Mr. Won Pat, and Mr. Bereuter.

H.R. 1789: Mr. Rosenthal.

H.R. 1970: Mr. Gramm.

H.R. 2291: Mr. Bereuter.

H.R. 2443: Mr. Albosta, Mr. Minish, Mr. Roe, and Mr. Hyde.

H.R. 2459: Mr. Lederer.

H.R. 2815: Mr. Blanchard.

H.R. 2977: Mrs. Collins of Illinois, Mr. Dixon, Mr. Gray, Mr. Solarz, Mr. Stark, and Mr. Waxman.

H.R. 3053: Mr. Long of Maryland.

H.R. 3056: Mr. Whitehurst.

H.R. 3246: Mr. Vento.

H.R. 3357: Mr. Whitehurst and Mr. Wydler.

H.R. 3538: Mr. Akaka, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brown of Ohio, Mr. Duncan of Tennessee, Mr. Hinson, Mr. Hubbard, Mr. Huckaby, Mr. McCormack, Mr. Murphy of Pennsylvania, Mr. Perkins, Mr. Price, Mr. Rahall, Mr. Simon, Mr. Tauke, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Won Pat, Mr. Young of Missouri, and Mr. Long of Louisiana.

H.R. 3561: Mr. White.

H.R. 4215: Mr. Fithian.

H.R. 4573: Mr. Slack, Mr. Thompson, Mr. Murtha, Mr. Boland, Mr. Lujan, Mr. Clausen, Mr. Fazio, Mr. Mollohan, Mr. Beilenson, Mr. Mottl, Mr. Stokes, Mr. Coelho, Mr. Rahall, Mr. McDade, Mr. LaFalce, Mr. Vento, Mr. Downey, Mr. Frost, Mr. Ertel, Mr. Howard, Mr. Erdahl, Mr. Santini, Mr. Dougherty, Mr. Lagomarsino, Mr. Dixon, Mr. Hughes, Mr. Lehman, Mr. Corcoran, Mr. Bereuter, Mr. Bedell, Mr. Gray, Mr. Courter, Mr. Edgar, Mr. Anderson of Illinois, Mr. Hall of Texas, Mr. Tauke, Mr. Guarini, Mr. Marriott, Mr. Glickman, Mrs. Fenwick, and Mr. Moakley.

H.R. 4646: Mr. Atkinson, Mr. Beard of

Tennessee, Mr. Brinkley, Mr. Broomfield, Mr. Coelho, Mr. Conte, Mr. Philip M. Crane, Mr. Dan Daniel, Mr. Davis of Michigan, Mr. Ertel, Mr. Fithian, Mr. Gray, Mr. Gudger, Mr. Hall of Texas, Mrs. Heckler, Mr. Howard, Mr. Kostmayer, Mr. McClory, Mr. McDonald, Mr. Mavroules, Mr. Mitchell of New York, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Illinois, Mr. Quayle, Mr. Walgren, Mr. Yatron, and Mr. Hamilton.

H.R. 4752: Mr. Bedell, Mr. Markey, Mr. Nowak, and Mr. Peyser.

H.R. 5006: Mr. AuCoin.

H.R. 5033: Mr. Beard of Rhode Island, Mr. Bingham, Mr. Bonior of Michigan, Mr. Clay, Mr. Donnelly, Mr. Fazio, Mrs. Fenwick, Mr. Florio, Mr. Horton, Mr. Jacobs, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Peyser, Mr. Quillen, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Weiss, Mr. Yates, Mr. Yatron, Mr. Addabbo, Mr. Gibbons, and Mr. Zeferetti.

H.R. 5060: Mr. McCloskey.

H.R. 5129: Mr. Badham, Mr. Patten, Mr. Stratton, Mr. Lagomarsino.

H.R. 5169: Mr. Edwards of California, Mr. Edwards of Alabama, Mr. Gore, Mr. Pritchard, Mr. Runnels, and Mr. Walker.

H.R. 5192: Mr. Peyser.

H.J. Res. 355: Mr. Rousselot and Mr. Coelho.

H.J. Res. 378: Mr. Lederer, Mr. Rose, Mr. Moakley, Mr. Coelho, Mr. Simon, Mr. Barnes, Mr. Gingrich, Mr. Carney, Mr. Weaver, Mr. Murphy of Pennsylvania, Mr. Frost, Mr. Vento, Mr. Solomon, Mr. Daschle, Mr. Roe, Ms. Ferraro, Mr. Hollenbeck, and Mr. Carr.

H. Con. Res. 167: Mr. Harris.

H. Res. 21: Mr. Rinaldo.

H. Res. 206: Mr. Edgar.

H. Res. 400: Mr. Bauman, Mr. Brown of Ohio, Mr. Corcoran, Mr. Philip M. Crane, Mr. Edwards of Oklahoma, Mr. Gingrich, Mr. Kramer, Mr. Livingston, Mr. Lott, Mr. Madigan, Mr. Michel, Mr. O'Brien, Mr. Solomon, Mr. Spence, Mr. Stump, Mr. Wampler, Mr. Won Pat, Mr. Goldwater, Mr. McDonald, Mr. Stangeland, Mr. Gradison, and Mr. Daniel B. Crane.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 5050: Mrs. Fenwick.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2313

By Mr. QUAYLE:

—Page 26, after line 2, add the following new section:

VOLUNTARY STANDARDS

Sec. 305. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the development or promulgation of any trade rule or regulation with regard to the regulation of the development and utilization of voluntary standards and certification procedures within the United States.

H.R. 4034

By Mr. MOAKLEY:

—Page 43, insert the following after line 21 and redesignate subsequent sections accordingly:

REFINED PETROLEUM PRODUCTS

Sec. 108. Section 7 of the Export Administration Act of 1969, as redesignated by section 104(a) of this Act, is amended by adding at the end thereof the following new subsection:

"(n) (1) No refined petroleum product or residual fuel oil may be exported except pursuant to an export license specifically authorizing such export. Not later than five days after an application for a license to export any refined petroleum product or residual fuel oil is received, the Secretary shall notify the Congress of such application, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export. Such notification shall be referred to a committee of appropriate jurisdiction in each House of Congress.

"(2) The Secretary may grant such license if, within five days after notification to the Congress under paragraph (1) is received, a meeting of either committee of Congress to which the notification was referred under paragraph (1) has not been called, with respect to the proposed export, (A) by the chairman of the committee, (B) at the request in writing of a majority of the members of the committee, or (C) at the request of the Speaker of the House of Representatives or the Majority Leader of the Senate. Any such meeting shall be held within 10 days after notification to the Congress under paragraph (1) is received. If such a meeting is so called and held, the Secretary may not grant the license until after the meeting.

"(3) If, at any meeting of a committee called and held as provided in paragraph (2), the committee by a majority vote, a quorum being present, requests 30 days, beginning on the date of the meeting, for the purpose of taking legislative action with respect to the proposed export, the Secretary may not grant the license during such 30-day period.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, the Secretary may, after notifying the Congress of an application for an export license pursuant to paragraph (1), grant the license if the Secretary certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that the proposed export is vital to the national interest and that a delay will cause irreparable harm.

"(5) At the time the Secretary grants any license to which this subsection applies, the Secretary shall so notify the Congress, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export.

"(6) This subsection shall not apply to (A) any export license application for exports to a country with respect to which historical export quotas established by the Secretary on the basis of past trading relationships apply, or (B) any license application for exports to a country if exports under the license would not result in more than 250,000 barrels of refined petroleum products and residual fuel oil being exported from the United States to such country in any fiscal year.

"(7) For purposes of this subsection, 'refined petroleum product' means gasoline, kerosene, distillates, propane or butane gas, or diesel fuel.

"(8) The Secretary may extend any time period prescribed in section 10 of this Act to the extent necessary to take into account delays in action by the Secretary on a license application on account of the provisions of this subsection.".

Page 59, line 1, insert after the comma "subsection (n), as added by section 108 of

Page 44, line 8, strike out "n" and insert in lieu thereof "o".

this Act,".

Page 59, line 2, strike out "n" and insert in lieu thereof "o".

Page 59, line 2, strike out "109" and insert in lieu thereof "110".

Page 59, line 3, strike out "and (h)" and insert in lieu thereof "(h), and (i)".

By Mr. SHANNON:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

Sec. 110. Subsection (f)(1) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104(a) of this Act, is amended—

(1) by inserting "(A)" after "(f)(1)"; and

(2) by adding at the end thereof the following:

"(B) Notwithstanding the provisions of subparagraph (A), in order to carry out the policy set forth in section 3(7) of this Act with respect to cattle hides and skins, cattle hides and skins may not be exported in any year in an amount which is a greater percentage of the total supply of cattle hides and skins produced in the United States than the percentage of the total supply of cattle hides and skins produced in the United States which were exported during the years 1974 through 1978. The limitation set forth in the preceding sentence shall not apply if the President, after receiving the recommendations of the Secretary and the Secretary of Agriculture, determines that—

"(i) countries which are major producers of cattle hides and skins and which, on the effective date of this subparagraph, have in effect restrictions on the export from those countries of cattle hides and skins resume reasonable levels of exports of cattle hides and skins; or

"(ii) during the last calendar year ending before such determination is made, the supply of cattle hides and skins produced in the United States, after deducting the amount of such hides and skins exported during that calendar year, was sufficient to meet the demands of the domestic economy.

The Secretary and the Secretary of Agriculture shall submit to the President recommendations so that the President has sufficient information to make the determination described in this subparagraph. Before making such recommendations, the two Secretaries shall hold public hearings, after providing reasonable notice thereof, and shall afford interested parties an opportunity to submit written comments, with or without oral presentation, at such hearings. Any determination of the President made under this subparagraph shall be valid for a period of one year.".

By Mr. SKELTON:

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

EXPORT INFORMATION FOR SMALL BUSINESSES

Sec. 113. (a) The Secretary of Commerce shall, in consultation with the Administrator of the Small Business Administration, establish a program which provides for the collection, storage, and retrieval of export information. The Secretary of State and the Secretary of Agriculture shall each provide to the Secretary of Commerce such information as the Secretary of Commerce may require for such program.

(b) The Secretary of Commerce shall, on a regular basis (but not less often than once during each calendar quarter), prepare and publish a report—

(1) which identifies specific opportunities for the exportation of goods or services provided by small business concerns, and

(2) which contains such other export information determined by the Administrator to be useful to small business concerns in evaluating the feasibility of utilizing such opportunities.

Export information so published shall be made available to the public.

(c)(1) The Secretary of Commerce shall provide information to the Secretary of State and the Secretary of Agriculture on the availability of specific goods and services which may be provided abroad by small business concerns.

(2) The Secretary of Commerce, the Secretary of State, and the Secretary of Agriculture shall transmit any information described in paragraph (1) available to such Secretary to employees of such Secretary at each diplomatic or consular mission of the United States located in the area of the world to which the Secretary of Commerce determines such good or service may be exported. The Secretary of Agriculture shall also transmit such information to each United States Agricultural Trade Office established under subtitle B of title VI of the Act of August 28, 1954, as amended by title IV of the Agriculture Trade Act of 1978.

(3) All information transmitted under paragraph (2) to any diplomatic or consular mission of the United States shall be available for distribution to potential foreign consumers of such goods and services.

(d) On request by any small business concern which provides any good or service which the Secretary of Commerce determines is available for export, the Administrator shall provide export information with respect to such good or service.

(e) For purposes of this section, the term—

(1) "export information" means information relating to—

(A) specific opportunities for the exportation of goods and services provided by small business concerns,

(B) specific goods and services provided by such concerns which are available for export and the names and addresses of small business concerns providing such goods and services,

(C) economic conditions abroad which the Secretary of Commerce determines are appropriate to the evaluation of export opportunities for goods and services provided by such concerns, and

(D) restrictions by the United States or by foreign countries with respect to the exportation to such countries of goods and services provided by such concerns; and

(2) "small business concern" means "small business concern" defined under the Small Business Act (15 U.S.C. 631 et seq.).

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

INFORMATION ON EXPORT MARKETS

SEC. 113. The Secretary of Commerce shall conduct a study to determine those countries which will or may provide the greatest potential as a market for United States goods and technology, including agricultural commodities and manufactured goods. Each Federal department and agency shall cooperate with the Secretary in conducting such study. Such study shall be completed within 90 days after the date of the enactment of this Act. The Secretary of Commerce shall make available to the public the information gathered in the course of such study. The Secretary shall establish a capability within the Department of Commerce for updating such information. The Secretary shall include, in the annual report submitted pursuant to section 14 of the Export Administration Act of 1969, as amended by section 116 of this Act, the actions taken to comply with this section.

By Mr. SYMMS:

—Page 37, insert the following after line 3 and redesignate the subsequent paragraph accordingly:

"(3) Whenever the President exercises his authority under paragraph (2) to modify or overrule any recommendation made by the Secretary of Defense under this subsection, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense. Such decision shall not be effective if, during the first period of sixty days after the date on which such statement is transmitted to the Congress, both Houses of Congress pass a concurrent resolution disapproving the President's decision. The President shall direct the Secretary to take no action with respect to the export license involved until both Houses of Congress have voted on such a concurrent resolution, or until the end of such 60-day period, whichever first occurs. In the computation of such 60-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die.

H.R. 4040

By Mr. KRAMER:

—Page 28, after line 2, insert the following new section (and redesignate the succeeding sections accordingly:

LIMITATION ON THE REDUCTION OF UNITED STATES FORCE LEVELS AT THE UNITED STATES NAVAL BASE AT GUANTANAMO BAY, CUBA

SEC. 812. No funds authorized to be appropriated by this Act may be used for the purpose of reducing the personnel, support, or equipment levels at any United States naval installation or facility at Guantanamo Bay, Cuba, or reducing military functions that are primarily supported from any such installation or facility.

By Mr. LONG of Maryland:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 818. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980.".

By Mr. SANTINI:

—Page 9, after line 24, insert the following new section:

LOCATION OF MX MISSILE LAUNCHING SHELTERS

SEC. 203. No funds authorized to be appropriated by this Act may be used for the full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system or the MX missile if more than 25 percent of the shelters for such missile are to be located in any single State.

By Mrs. SCHROEDER:

—At the end of the matter proposed to be added by the amendment offered by Mr. DORNAN, add the following new sentence: "Notwithstanding the foregoing, an abortion may be provided if necessary to save the life of the mother, if the pregnancy resulted from rape or incest, or if there is a reasonable certainty that the fetus has a hereditary genetic defect or deformity or a defect or deformity attributable to chromosonal damage in either parent arising from a service-connected disease or disability of such parent.".

EXTENSIONS OF REMARKS

NEGOTIATING FROM STRENGTH WITH OPEC

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WOLFF. Mr. Speaker, the American people are up in arms over the high cost of energy. The national average price of a gallon of gasoline is now over $1 per gallon. However, in many places, but especially New York, this is not a new phenomena. On the contrary, in these areas, people have been paying over a dollar a gallon for many months. One of the reasons for this growing sense of outrage in America is the ever increasing price of OPEC oil. Last December, a barrel of OPEC oil was selling for $12.93. In April, OPEC increased the base price of its oil to $14.55 a barrel. However, almost every OPEC nation added a surcharge to this base price, which actually made the average price of a barrel of OPEC oil $17.11. At the same time, prices on the spot market were over $35 a barrel. Now, just 4 months after the April price increase, the price of a barrel of OPEC oil ranges from a floor of $18 to a ceiling of $23.50. In just 7 months, the price of OPEC oil has gone up from 50 percent to almost 100 percent. Some OPEC nations are selling their oil at almost double the price of just 7 months ago, and they talk about raising prices again in the fall. Conceivably, we could see another price increase before the year is out. An end to this price spiral seems nowhere in sight.

The effects of these price increases on our economy have been disastrous. During the first half of this year, the country experienced an annual inflation rate of 13.2 percent. Now the administration says the likelihood of a recession has in-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

creased. The rate of economic growth has slowed. As economic growth slows, businesses will be forced to lay-off workers, and thus more people will be unable to afford the high cost of living. It is becoming increasingly evident that these OPEC price increases undermine our attempts to bring about a stable economy. As Walter J. Levy, the well-known consultant to the oil industry and Government, stated in the May 21 issue of Fortune magazine—

> We are thus confronted by a vicious cycle of high prices, with dangerous economic and financial consequences, leading to a lower level of economic growth. . . . This is not a temporary problem triggered by the Iranian revolution, but is likely to stay with us for some time to come.

According to the New York State Energy Office, New York State, which I represent—

> Depends on OPEC for over half of its oil needs. The impact of OPEC pricing decisions on New York State has been particularly significant. In 1972, New Yorkers paid $700 million for OPEC oil. Last year, New York's outlay increased to $3.7 billion. The cumulative result of the most recent OPEC price increases will likely cost New York State an additional $1.2 to $1.5 billion annually by the end of 1981.

These OPEC price increases have also had disastrous effects on the economies of Europe, Japan, and the developing nations. The European nations are once again being ravaged by double-digit inflation. Their balance of payments is rapidly going out of balance. Japan has been similarly affected. The April price increase alone added 2.5 percent to their annual inflation rate. However, it is the developing nations that are suffering most of all. They cannot devote more of their resources to paying for oil. As a result, they have piled up huge external debts.

I ask my colleagues to consider for a moment what caused this intolerable situation. In addition to the greediness of the members of the OPEC cartel, the wasteful consumption and lack of alternative sources of energy and synthetic fuels in the oil-consuming nations is a causative factor. However, these are not the sole reasons for the high price of OPEC oil. The oil-importing nations have contributed to this situation. OPEC is able to sell its oil at unreasonable prices because the importing nations present a disorganized front where they try to outbid each other when negotiating for a price for OPEC oil. If we continue to present a disorganized front when dealing with OPEC, we can expect to be paying over $30 a barrel before too long. As former U.S. Ambassador to Saudi Arabia, James Akins, stated in testimony before the Energy, Environment, and Natural Resources Subcommittee of the House Government Operations Committee—

> A broad agreement between the oil consuming and producing nations seems more necessary now than ever.

Within the last few weeks, I have introduced a bill, H.R. 4574, which attempts to deal with this problem. H.R. 4574 calls upon the President to initiate negotiations with other oil-importing nations to establish a Council of Oil Importing Nations (COIN), which would negotiate with OPEC to set a reasonable base price for OPEC oil. The need for an organization like COIN is clear. The creation of an importing nations bargaining agent is a commonsense approach to the problems of the unstable market and high oil prices. An early lesson in economics is that an unstable market does not benefit producers or consumers. By working together through COIN, the oil-importing nations can negotiate from strength when negotiating with OPEC. In this way, the importing nations can bring about lower OPEC oil prices. However, it must be remembered that COIN is not designed to take an antagonistic posture toward OPEC, but rather it is designed in the spirit of cooperation with the sole aim of negotiating with OPEC for better oil prices.

It is important to note that there is international interest in the concept of a consumers' organization. Recently, I met with Kiichi Miyazawa, who is an unofficial advisor to Prime Minister Ohira, and a former Foreign Minister of Japan. He indicated to me that the only effective way to deal with the OPEC cartel is by forming a consumer's cartel. It has been argued that a nation like Japan, which is totally dependent on OPEC for its oil, would not want to antagonize OPEC by joining COIN, and thus risk having their oil supply cut off.

However, I believe that with good communication, we can convince Saudi Arabia and the other OPEC nations that COIN is nonantagonistic, and that COIN is in their interest as well as ours. If this were the case, then Japan and the other nations totally dependent on OPEC oil, would not have to worry about having their oil supply cut off. It is in Japan's interest to stabilize the oil price situation. There is also support for this concept in Europe. According to the Washington Post, the French favor cooperation between the industrialized nations when dealing with OPEC. The Germans have also indicated that they favor discussions between the industrialized nations, developing countries and OPEC to insure that an orderly market exists.

It is no secret that the other oil importing nations are unhappy with our efforts to cope with our energy problems. Obviously, the solution to this problem is to become energy independent. However until then, we must take steps toward improving the world's perception of America's effort. I believe that we are headed in that direction with the recent legislative and administrative initiatives. In addition, we can show the rest of the world that the United States is taking a leadership role in resolving the international energy problem by creating an organization like COIN, and making it work.

Oil prices have been driven higher because the importing nations have tried to outbid each other. COIN will be effective in stabilizing the price of OPEC oil because it will facilitate cooperation between the oil importing nations. I believe that for COIN to work, there must be some incentive for working together, in addition to lower oil prices. An important feature of H.R. 4574, which would discourage cut-throat competition between the oil importing nations, is a provision which calls upon the President to develop and submit to COIN for its consideration, a set of economic and political sanctions which could be applied to any nation—either oil importing or exporting—which violates the negotiated pricing agreement. I believe that these sanctions will insure that all the progress COIN will make is not expunged when one nation violates the pricing agreement. I am aware that there is some concern about the use of sanctions. It is important to note that a majority of the member nations must first approve the sanctions recommendations by the President. A majority would then have to vote to impose these sanctions on a nation, in order for the sanctions to go into effect.

Finally, H.R. 4574 also requires the President to report back to Congress on the state of his efforts to establish COIN, after 180 days of the enactment of this bill. I believe that on a matter of such importance, it is necessary to maintain cooperation and contact between the executive and legislative branches of Government.

The creation of an organization like COIN is consistent with the concept of the Government being the sole importing agent of oil. I cosponsored the legislation which would make the U.S. Government the sole importer of oil, because I believe that we can negotiate a better price by having only one negotiator, instead of having all the oil companies competing with each other. The same concept applies to COIN. It is better to have one negotiator for all of the oil importing nations, than to have all these nations competing with each other when negotiating with OPEC. However, COIN's success is not contingent upon the creation of a government importing agent.

The long-term solution to our energy problem is, of course, to become energy independent. We can accomplish this by producing domestic oil, developing synthetic fuels and alternative sources of energy, and by conserving our scarce energy resources. However, until we can become energy independent, we will have to deal with OPEC, and it is better to deal with OPEC than to have OPEC deal with us.

I am proud to say that there has been bipartisan support for H.R. 4574, and its companion in the Senate, which was introduced by Senator John Melcher of Montana. A list of cosponsors follows:

COSPONSORS OF H.R. 4574

Michael Barnes (Md.).
George Danielson (Calif.).
Brian Donnelly (Mass.).
Don Edwards (Calif.).
Sam Gibbons (Fla.).
James Hanley (N.Y.).
John LaFalce (N.Y.).
Clarence Long (Md.).
Ronald Mottl (Ohio).
Charles Rangel (N.Y.).
Robert Roe (N.J.).
James Scheuer (N.Y.).
Paul Simon (Ill.).
Bruce Vento (Minn.).
Howard Wolpe (Mich.).

Edward Beard (R.I.).
Christopher Dodd (Conn.).
John Duncan (Tenn.).
Vic Fazio (Calif.).
William Goodling (Pa.).
Harold Hollenbeck (N.J.).
Robert Lagomarsino (Calif.).
Andrew Maguire (N.J.).
Stephen Neal (N.C.).
Matthew Rinaldo (N.J.).
Benjamin Rosenthal (N.Y.).
Patricia Schroeder (Colo.).
Arlan Stangeland (Minn.).
Pat Williams (Mont.).
Gus Yatron (Pa.).●

MODEST IMPORT DUTY ON UNREFINED MONTAN WAX

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHUMWAY. Mr. Speaker, today I am introducing legislation which will have a great impact upon my district in California—and the U.S. balance of trade.

I am calling for a modest import duty on unrefined montan wax. Although I am generally supportive of a reduction in the barriers to international trade, a situation exists which deserves special consideration.

There is only one producer of montan wax in the free world and this company happens to be in my congressional district. The American Lignite Products Co. (Alpco) of Ione, Calif., mines a soft, brown coal known as lignite. This coal is then petrochemically processed to remove montan wax and after extended refining, the wax is then sold in a flaked condition.

The flaked montan wax is used by onetime carbon paper manufacturers as a flow agent for carbon paper ink. This finished paper is sold to manufacturers of business forms, credit card sets, computer printout forms, and other such paper goods.

Alpco president, Mr. Jack J. Hounslow, has advised me that competition for American montan wax comes exclusively from East Germany. The Communist controlled company uses lignite as a fuel and the extracted montan wax as a byproduct. Since 1975, the East Germans have been exporting montan wax at a price of $0.39 per pound F.O.B. New York. Only within the last few months has the exporter raised its price to $0.41 per pound.

However, Alpco has had to continually increase its price due to doubling of the cost of natural gas and other chemicals. Currently, Alpco sells its montan wax for $0.52 per pound and adding $0.082 per pound for freight to New York. As you can see, our Nation's only producer of montan wax is in serious difficulty.

The following chart illustrates further the problems being faced by Alpco.

[Price per pound]

Year	Alpco price [1]	East German price [2]	Alpco employment
1973	$0.254	$0.25	28
1974 [3]	.28	.345	28
1975	.36	.39	26
1976	.385	.39	27
1977	.43	.39	24
Jan. 1, 1978	.46	.39	24
July 1, 1978	.475	.39	24
Jan. 1, 1979	.495	.41	22
July 1, 1979	.52	.41	22

[1] F.o.b. Amador County, Calif.: Add $0.07/lb to New York (recently raised to $0.082/lb).
[2] F.o.b. New York warehouse.
[3] Price control in effect in United States.

As is clearly demonstrated above, the East Germans can sell their product at $0.41 per lb. while Alpco must try to compete with a price of over $0.60 per lb. when all transportation charges are included. The major market area for this product is the eastern and midwestern sections of the country, and the domestically produced product costs 32 percent more in New York than the imported, Communist wax. It is no wonder therefore, that Alpco's customers are canceling orders and buying East German montan wax.

Mr. Speaker, I am asking that a duty of $0.11 per lb. be established on unrefined montan wax. Mr. Hounslow advises me that this level will allow the continued economic viability of domestic production. I trust the House Ways and Means Committee will appreciate this situation and set an early hearing date for this legislation.●

RICHARD COGGER

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BRODHEAD. Mr. Speaker, one of the most honored public officials in Michigan's 17th District has decided to retire from active public service. Richard Cogger, who has served as councilman and mayor in Lathrup Village for more than 20 years, has announced he will not seek reelection. I would like to quote from a recent editorial in the Observer Newspapers:

> MAYOR RICHARD COGGER: A "HEAVYWEIGHT" RETIRES
>
> Few persons have cast a larger shadow on the Lathrup Village landscape than Richard Cogger. So it was a surprise when he announced earlier this month that he will not seek reelection to the Lathrup Village City Council.
>
> His departure will leave an unfillable void in the small community.
>
> For more than 20 years, Cogger has been repeatedly elected to Lathrup's council and served as its mayor. His longevity earned him the title of Dean of Oakland County Mayors.
>
> . . . Cogger also helped foster a strong sense of community identity in Lathrup Village. This sense led people to expect a clean efficiently run government in Lathrup. Cogger saw that they got it.
>
> Although he took care of his own community, he never turned his back on the world around it. He is on the executive committee of the Southeast Michigan Council of Governments (SEMCOG). He is considered by many observers of that regional planning body to be one of the "heavyweights," one of the persons who gets things done.
>
> Cogger became Chairman of the Environmental Strategy Council of SEMCOG, a study group that spent three years developing a water quality plan for the seven-county region. Later, federal environmental officials branded the study as the best ever developed anywhere in the country.
>
> Cogger's leadership also earned him SEMCOG's prestigious Regional Ambassador Award in 1978.
>
> . . . We hope he will continue his involvement in local government and regional planning. There are few persons in this area with his knowledge, leadership and expertise.

I believe that this is strong testimony to the accomplishments of a remarkable public servant.●

TRIBUTE TO FATHER MARK DOOLEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GUARINI. Mr. Speaker, on September 16, 1979, more than 400 parishioners, family, and friends will gather at a testimonial dinner honoring Father Mark Dooley of Kearny, N.J., on the 40th anniversary of his ordination to the priesthood. I am delighted to have this opportunity to join his many friends, including his sister, Mrs. Rita Kramer, and his brothers, Frank and Robert Dooley, in paying tribute to this dedicated priest.

Father Dooley, who is a pastor of St. Stephen's Church in Kearny, has been a leader in religious and community activities since his ordination on June 3, 1939.

Born in Somerville, N.J., to Mark Dooley and Mary Gorman Dooley, he attended St. John's, Dunellen, and Holy Trinity High School, Westfield. After 3 years at Seton Hall, he entered the seminary but continued on at Seton Hall, graduating in 1935. He was ordained at Immaculate Conception Seminary in Darlington, N.J.

Father Dooley's first parish was St. Francis Church, Ridgefield Park, N.J. During his 2 years there, he assisted in many family and community programs. Those who know and love him tell of how he used to pitch both the Knights of Columbus and the Masonic Club softball teams during their annual competition on the Fourth of July.

After his service at St. Francis' Church, he was sent to St. Henry's Church in Bayonne before his appointment to St. Michael's Church in Cranford, N.J., where he served for 22 years. Father Dooley's next assignment took him to St. Bridget's Church in North Bergen, which was his first pastorate. He has been serving as pastor of St. Stephen's Church in Kearny for the past 6½ years.

Father Dooley has always demonstrated a great devotion to the people of his parish. For 22 years, he led the St. Michael's Adult Discussion Club which had more than 300 members. But his ministry extended beyond the parish. He served as chaplain of the Newman

Club at Union College and as chaplain of the police and first aid squad in Cranford. Despite his busy schedule, he also found time to serve as chaplain at three nursing homes in Cranford.

Every church and school facility, every community in which he served has benefited from Father Dooley's concern and commitment. He is the personification of integrity, humility, compassion, and dedication.

I salute Father Dooley for his 40 years of service to God and man. He has been a symbol of hope to his parishioners who hold him in their high esteem. I am pleased to invite my distinguished colleagues in the Congress to join me in this tribute to a fine priest.●

FAREWELL TO ANDY YOUNG

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. KASTENMEIER. Mr. Speaker, this month our former colleague and current permanent representative to the United Nations, Andrew Young, will be leaving his post at the U.S. Mission to the United Nations in New York. His record of accomplishment there is a solid one. Whatever any of us might think of the events that led to his decision to leave that position, I think most of us will agree that he built bridges across longstanding differences that have separated this country from many of the developing nations of Africa, Asia, and Latin America.

His willingness to take chances, to open channels of communication that had been closed to us and to make unparalleled use of the opportunities for discussion which the United Nations provides to all members in an unequalled way, are the invaluable legacy Andy leaves behind as he prepares to leave his post. Peace in Africa, the Middle East, and Latin America has been his overriding objective at the United Nations. Of course, this meant to him that it was essential to be able to talk to those with whom we have differences; that, as anyone who has represented this country abroad knows, is the very lifeblood of diplomacy.

He helped to remind us all of the great potential the United Nations setting provides for the most delicate kind of negotiations precisely because, with few exceptions, all nations are represented there and all major international interests. With his special access to the President, his special role in the foreign policy machinery of this administration, and his special rapport with so many of us in the Congress, he was uniquely qualified for his position.

Last month, while we were away from Washington, he delivered a personal statement to the United Nations Security Council, a personal farewell address in which he reminisced about his time at the U.N. and what he had been trying to accomplish there.

On behalf of Members of Congress for Peace Through Law, on whose steering committee I serve for the 96th Congress, I would like to take this opportunity to congratulate Andy upon his service, to bid him farewell and Godspeed and to commend his remarks to my colleagues' attention. I know we will be hearing from him on causes on which he continues to work as the months and years go by.

I insert the text of his remarks in the RECORD:

AMBASSADOR ANDREW YOUNG'S PERSONAL STATEMENT TO THE UNITED NATIONS SECURITY COUNCIL, AUGUST 24, 1979

May I take the liberty to speak for a few moments, not as the Representative of my Government but to speak in my capacity as a friend and colleague of all of you who are present. I take this liberty because it was not my design that I should be leaving this Council at a time when I was serving as its President. I hardly anticipated that this would occur as such. And yet I have no regrets for what has occurred; in fact, I see it as a part of a plan of the work of this Council, a part of the work of this Council which I intend to be associated with long after I have left you.

It's been indeed a pleasure, and many of you have referred to the fact that we have in many respects reversed our relationships with much of the rest of the world. That's certainly most obvious with Africa, but it's probably just as true in terms of our relationships in the early days of our presence on this Council when the so called "Gang of Five" or the European and Western members of the Security Council worked together to begin to bring about a peaceful transition to majority rule for the Nation of Namibia. Our relationships with Latin America have certainly been improved, not so much as a result of my work, but as a result of a national policy which began almost immediately in this Administration to negotiate an agreement with the Nation of Panama on the utilization and transfer of responsibility and authority on the question of the Panama Canal.

And as a result of that our relations with Latin America have been greatly improved and we find ourselves in this hemisphere with a kind of respect and partnership in development that we have long sought and are very pleased to have been a part of. I would say that even our relationship with the Soviet Union in the past two and a half years has taken a very definite step forward as we have sought to negotiate Strategic Arms Limitation Treaties and to come to a new understanding of how we might work together in this world to fully realize the principles in which we share and also to avoid conflicts in areas where we might disagree.

We've seen also improvement in our relationship with the People's Republic of China, and our involvement in Southeast Asia has emerged on a new and improved basis in spite of the tensions and problems which still exist there. Our relationships with the Arab world, I think, have made this kind of debate and dialogue possible. And the progress that we are making in those discussions around the Security Council table are part of a long period of conversations and negotiations which have gone on for many years and which I think are just beginning to bear fruit.

Most important, I think, is that we have been able to maintain our friendships and our responsibilities with our allies and with the Nation of Israel while expanding with new communication and our involvement with new friends and partners in the search for peace and security and development in this world. I think the thing that I'm most proud of by my association with this Council and especially with my Government over the last two and a half years, is that for perhaps the longest time in my lifetime my Nation has gone about its business in the world, has advanced its interests, and none of our soldiers has had to kill anyone else, neither has any of our young people been called upon to die in the uniform of their country. I think that's a testimony to our desire to search for peace and to bring about peaceful solutions to problems; problems that we have been struggling with as nations for many many decades.

I must say that I have no quarrel with this Administration; in fact, I'm quite proud of it. I have no quarrel with the President or the White House. In spite of petty differences with the Department of State, there have been no differences with the Secretary of State and overwhelmingly, I would say, we basically share a sense of conviction and direction about the way things should move in today's world.

I don't think that I was set up by my Arab or Israeli friends. I think that whatever happened leading to my resignation was something that I entered into very much with my eyes open and comes not out of any quarrel with any person or any institution, but rather a fundamental disagreement with a policy, one that I sought to run from for two and a half years, for I never agreed with it. And yet when I found myself taking on the Presidency of the Security Council and being faced with an issue which required a certain level of communication and understanding, I thought that there was no particular risk involved in that communication beyond the risk of my job; and my job has never been particularly important to me. My responsibilities to my country, my responsibilities to the ideals and principles in which I believe are important to me. And so it was no great decision on my part to visit the home of my friend and to meet another friend.

I hope that in some small way it may have opened up a question to the American people that will call attention to some of the tragic history of our nation as a result of the refusal to communicate. It was a result of the refusal to communicate with the People's Republic of China and a denial of the existence of 800 million people for almost 20 years that led us into escalation and war in Korea. It led us into war with Vietnam. We could not end that war in Vietnam until we started talking and communicating with the People's Republic of China. We are not any weaker nor is the world in any worse place because we have opened up a dialogue in communication with the People's Republic of China. And perhaps there may have been 100,000 or more American men and women whose lives would have been saved by talking with the People's Republic of China in 1951, 1952.

The same might be said of the situation in the Middle East. And it was because I felt that not talking would contribute to violence and bloodshed that I thought the risks of talking to the PLO were nothing compared to the risk of the bloodshed, the violence the possible destruction and disruption of the relationships which we enjoy with many, many people in that region of the Middle East.

I've said that it's a ridiculous policy not to talk to the PLO, and I think it is a ridiculous policy. But if it is ridiculous not to talk to the PLO on the part of the United States and the Nation of Israel, it's also ridiculous for many of you around this table not to have good relations with the Nation of Israel. For ultimately if we are going to have peace in that region people have got to approach each other as friends and as brothers and not as enemies bloodthirsty for the destruction of each other. And so there has to be a renunciation of violence on all sides and a beginning to communicate about the possibilities of peace in the region. One of our colleagues in the Secretariat who has been moving back and forth between Israel and the PLO in the situation in southern Lebanon made the matter of fact remark, "It's amazing how similar they are—the people around Weizman and the people around Arafat. If they could ever get together they would be a powerful combination." I think and hope that we will live to see that day, the day when people in the Middle East can recognize their common heritage of values whether it be from the Judeo-Christian side or the Christian-Moslem side, and somehow bring together those values and ideals which we share across cultures and faiths that make it possible for us to exist together in this organization.

And so I would say that in the experience of my Nation, though many in my Nation would not agree with me, that violence has almost always failed and that I have some questions about even who won the Second World War, looking at the existing economies of the various nations involved. But I would say that that's also true in the Middle East. I would say that the violence of the Arab world has failed to destroy Israel. And the attempt to destroy Israel has cost greatly the moral basis of the existence of a Palestinian people. And the strength of Israel, in a sense in its early days, was that it was based on a moral foundation, and yet Israel also now is rapidly spending its moral capital wasting it in pursuit of violence and destruction in Lebanon, in the building of settlements where perhaps while affirming 242, the very act violates 242.

And so somehow I think we've created a situation not by my doing, I feel like I'm an innocent bystander being swept along by the forces of history and I go gladly. But in the course of this maybe we might come to a more realistic understanding of how this Council might work. I think violence has failed on both sides. It's actually counterproductive. I think isolation of the P.L.O. has certainly failed and isolation of Israel has failed. Talking has not yet had a chance to succeed. And yet I think in the kind of statesmanlike deliberations that have gone on around this table on this question, on the question of Namibia, on the questions of our relationships in many, many parts of the world we do see a faint glimmer of hope that talking might succeed. And so far these long hours that we have gathered together, going over the course of the struggles of the world; I really don't give up, for I think there is an education process, I think there is a process of calling to the attention of the court of world opinion the reality of justice and injustice in the world in which we live.

So I leave this Council with great faith in your work and knowing that I will be a part of it in some way, but with no regrets for the fact that perhaps we broke the comfortable diplomatic channels and we violated some long ago made agreements that are ridiculous, but doing so in the hope that the work of this Council can continue, can progress and that we all can succeed in living up to the standards that made this organization possible. And so I would like to thank you for the privilege of working with you. I must say that I have learned a great deal from each of you and from those members of the Council who served in the previous sessions of the Council. I will always count you as friends and colleagues and I hope that I will always be included in your work and in the work of the Secretariat. So, forgive me for taking these liberties with the time of the Council, but I felt that the situation almost required it. Thank you very much.●

FARMERS HOME LOAN ASSISTANCE NOT JUST FOR FARM BUSINESSES

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BALDUS. Mr. Speaker, Wisconsin is the leading cheese-producing State in the Nation. There are hundreds of small cheese factories throughout the State as well as in many other parts of the country.

Some of these relatively low-volume plants experience financial difficulties because of an inability to find adequate financing for expansion, modernization, or other improvements needed to keep up with changing markets.

A recent issue of the Cheese Reporter, published in Madison, Wis., describes an often overlooked source of Federal assistance available through the Farmers Home Administration (FmHA). As stated in the article, the FmHA business and industry guaranteed loan program seems to be one of the best kept national secrets. To help counteract that situation, I request that the Cheese Reporter article, "Farmers Home Loan Assistance Not Just For Farm Businesses", be printed in its entirety in the CONGRESSIONAL RECORD.

The article follows:

FARMERS HOME LOAN ASSISTANCE NOT JUST FOR FARM BUSINESSES

What does a cheese factory in Pollock, SD and a fast food ice cream restaurant in Dallas, PA have in common? In addition to the fact that they both deal in dairy products, they both have received Business and Industry Loans from the Farmers Home Administration.

There is a widely held misconception that Farmers Home Administration (FMHA) programs are only for farmers. That was true back in the days of the great depression when the agency was created to help the nation's farmers get back on their feet and into production. But over the years, FmHA has broadened its activities in rural areas.

In 1972, Congress made FmHA the lead agency for rural development. Although farm programs still make up the bulk of FmHA business, there are now many non-farm programs. In addition to Business and Industry loans, they include rural housing programs and community services programs such as loans for water and sewer systems, health clinics, nursing homes and improved police and fire protection.

The Business and Industry (B&I) guaranteed loan program has been called the best kept secret in the nation. It began in 1974 as part of the effort to strengthen the general economy in rural America by improving existing business and encouraging new business to locate in rural areas lacking opportunity for employment.

Since then, the B&I program has helped to provide over $3-billion in capital investment for rural enterprises. Under the program, FmHA guarantees up to 90 percent of a loan made through a local bank, savings and loan or other lending institution. The loans are arranged through Farmers Home Administration County or District offices in about 2,000 locations across the country.

FmHA Administrator Gordon Cavanaugh says that the agency will make loans to almost any legitimate business or industrial enterprise which will help strengthen rural areas. "We've guaranteed loans for everything from a $33.5-million cotton cooperative in Littlefield, TX, to a $500,000 loan to help keep a canning factory open in Pulaski, WI." It's not surprising that since agriculture is the basic industry in rural America, a large number of the B&I loans go to agriculturally oriented business.

Robert Streeter, who owns the Twin Dakotas cheese plant in Pollock, SD was not aware of the FmHA Business and Industry loan program. "I'd heard of Farmers Home Administration loans," he said, "but I thought they were just for farmers."

Streeter, 40, from Viroqua, WI bought the Pollock plant four years ago when it was on the way down, according to South Dakota B&I Chief Boyd Jones. Twin Dakotas Dairy buys milk from 150 farmers. "As their milk production went up," Streeter said, "We had no choice but to expand in order to maintain the market.

"Our backs were up against the wall. The small local bank couldn't handle the size loan we needed. I saw an article somewhere that mentioned the B&I loans and decided to check it out with the FmHA County Supervisor in Selby, SD. He explained the program and put me in touch with the FmHA District Office.

"We went back to the local bank and told them that FmHA could guarantee up to 90 percent of the $580,000 loan I needed. They could handle it under those circumstances because they could sell off the guaranteed portion to the secondary money market. That was the turning point," Streeter said.

Among the problems he faced when he bought the plant was one shared by many other processors—how to dispose of the whey. The problem persisted even though he was able to find a broker to take some of it off his hands. With new equipment he has devised a process, for which he has a patent pending, to separate out the protein. He is also looking into the possibilities of producing alcohol and methane from the by-products left over from the process.

"Positive energy and environmental improvements are a side effect of the FmHA loan," Streeter said, "With our new equipment we will reduce fuel costs by 40 percent and reduce stack pollution from 5 percent down to zero. Overall we are just much more efficient. We have doubled our capacity. We now have a designed process which allows a continuous stream operation. Our machinery is matched to a rate per hour, not batch to batch."

Another positive side effect is the 13 new jobs created by the expansion. Twin Dakotas Dairy will employ 28 people in the Pollock area which has a population of 341 and an unemployment rate of about 7 percent. In that situation, every job counts toward improving the basic economy of the area. "All of this," Streeter said, "just would not have been possible without the FmHA loan."

Over in Pennsylvania, Wilson Garinger, owner of the Dallas Dairy, needed a market for his excess cream. He and his partner agreed that the direct marketing approach would be best and decided to build their own ice cream restaurant. They needed a $550,000 loan to get the operation going.

The local bank would not make the loan on a regular commercial basis but suggested an FmHA guaranteed Business and Industry Loan. All parties agreed to the arrangement. The Dallas Dairy now sends its excess cream to its own retail outlet, Wilson's Ice Cream House.

In this case too, the basic purpose of FmHA's Business and Industry loan program—to help strengthen rural areas—was achieved. Dallas is a rural suburban residential area of Wilkes-Barre, PA often referred to as the Back Mountain Area. It's located on the edge of the anthracite coal region which prospered until the end of World War II. With the demise of anthracite as a basic fuel in common use, the area suffered an economic depression. Wilson's Ice Cream House not only provided a market for Dallas Dairy Cream, but it also provides some 85 jobs for area residents.

After guaranteeing over $3 billion worth of loans in rural areas, the Business and Industry activities may still be the best kept secret in the nation. Following close behind, however, is the fact that Farmers Home Administration programs are not just for farmers.●

NATIONAL PARK SERVICE COLORADO RIVER MANAGEMENT PLAN AND EIS

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUMP. Mr. Speaker, the Arizona Republic printed an excellent article written by Ben Avery regarding the National Park Service's new river management plan. I commend this article to my colleagues' attention:

The National Park Service's new River Management Plan and the companion wilderness proposal, which both were adopted some months ago, raise a serious question:

Has the National Park Service become so bureaucratic and dominated by a vocal minority that it has lost its perspective of administering our national parks for the education, pleasure and enjoyment of the people while preserving them for future generations?

As far as Grand Canyon is concerned I believe the Park Service definitely has lost this perspective where the Colorado River is concerned. It also is having trouble coping with some back-country problems because of conflict with the proposed wilderness plan.

William J. Whalen, park service director, has yielded to pressure and extended the public comment period for 30 days—unitl Oct. 2—on the river management plan. This will give Congressmen a chance to comment on it when they return from vacation.

Whalen himself has deserted a pledge he made when he assumed the job of park director that he would administer the parks to provide recreation and enjoyment for all of the people—not just the purists. I expected this of Whalen. He was dedicated to that principle as superintendent of the Golden Gate Recreation Area where I first knew him.

In order to analyze the river plan, we should consider what Grand Canyon is and why it was made a national park.

Grand Canyon is the most spectacular scenic natural wonder in the world. People from every continent, every nation, every state come to see it. And they stand on its rim in awe.

Grand Canyon and its surrounding geologic formations provide students of geology a cross-section of formations spanning two billion years. Students come from all over the world to examine these rocks in order to better understand the formation of the earth.

There also is the recreational thrill of hiking Grand Canyon trails and running Colorado river rapids.

The National Park Service has not been able to keep its perspective while managing this great natural wonder, partly, I think, because park service employees, including Whalen, have hiked the trails and floated the river and reacted as Sierra Club-type purists. A purist is a stuffed-shirt type who believes that only purists can appreciate and enjoy such wonders. The rest of the population is a common herd that must be kept out.

And the river management plan, coupled with the wilderness plan, will do that.

This is done under the guise of extending the river running season to the winter months—a period when it is unsafe to run the river except in wet suits and with special equipment. It also is done under the guise of allowing longer trips with more days on the river—a situation that will be forced on the people by prohibiting motors and the large rafts.

Under these guises the river management plan falsely claims that it would provide more opportunity to enjoy the river.

I never have read a document with more misleading "hookers" in it for the general public—for example the tax-paying citizen who does not understand all of the ins and outs of managing the river.

The plan would cut from the present 150 to 50 the number of people that could start down the river each day at Lee's Ferry.

That's just one "hooker". Another is a reduction in daily mileage from 40 to 30 miles. Another is the eight-day maximum trip length.

The plan would shift user days from the commercial trips to private trips. That combined with elimination of motors and the big rafts would multiply the problem of enforcing environmental regulations.

These rules are followed voluntarily now by the commercial operators who can lose their permit for a violation, but the park service admits widespread violation by private parties. Still, the plan gives private parties a large increase.

Under the plan, the only way a family on vacation could take a river trip would be to do it in segments and hike in and out. In the summer that would be impossible except for seasoned hikers.

This plan also would increase the cost for a full trip from a present norm of about $550 for a raft trip to more than $1,000 per person.

Both Gaylord Staveley of Flagstaff, chairman of the Professional River Outfitters Association, and Fred Burke of Marble Canyon, president of Arizona River Runners and state chairman of the Western River Guides Association, expressed belief the plan will put many of the present 21 concession operators out of business.

"The only hope," Burke said, "is that enough people who care about their freedoms will prevail on their congressmen to protect the public interest." ●

SALT II: WHAT NOW?

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DANNEMEYER. Mr. Speaker, in the days since the SALT II agreement was signed in Vienna on June 18, there has been a great deal of discussion pro and con about its merits—and deservedly so. To a greater extent than with SALT I or the Panama Canal treaties, what we do relative to SALT II will largely determine what kind of a nation and world our children and grandchildren will live in.

It is important, therefore, that the Senate deliberate carefully prior to acting on the treaty, not only with regard to its specific provisions but also with regard to our national defense posture in general. For regardless of how artfully crafted SALT II may, or may not be, if the foundations on which the treaty is based are not equivalent to those of the Soviet Union, then it is unlikely that ratification will lead to the "nuclear parity" envisioned by the Senate when it passed the so-called Jackson amendment to SALT I. To that end, I am pleased to note that the Senate Foreign Relations Committee has been soliciting the views of many of America's most respected military and foreign policy experts on the pros and cons of SALT II. For instance, the testimony of Lt. Gen. Edward F. Rowny, the man who for 6 years served as the representative of the Joint Chiefs of Staff to the SALT delegation, was most revealing; it is not often a man in that position gives up his career to take a position against ratification of a treaty he was assigned to help negotiate. Likewise, the views of the Joint Chiefs of Staff, Gen. Alexander Haig, Paul Nitze, and more recently, the former Secretary of State Henry Kissinger were most relevant. Taken together, they provide a perspective on what is probably the most important single public policy decision in recent times.

Given his experience with both the course of negotiations and the state of our defenses, Dr. Kissinger's recommendations relative to SALT II take on even deeper meaning. While I do not necessarily favor the subsequent ratification of the SALT II agreement, the former Secretary of State's suggestion that Senate consideration of SALT II be deferred until such time as the President has proposed, and the Congress has authorized and appropriated funds for, increases in defense spending sufficient to bring about a necessary upgrading of our military forces, makes good sense. As Congress discovered with the Panama Canal treaties, making firm commitments in exchange for nonbinding assurances has its terms without getting the weapons are subject to reevaluation; at worst, we could find ourselves obligated, by virtue of having ratified the treaty, to live up to its terms without getting the weapons systems we need to make sure SALT II is not just another acronym for Soviet arms leadership treaty.

The reasons for taking such a position are compelling from a military as well as a political point of view. For one thing, a recent Rand Corp. study estimates that, since 1973, the Soviet Union has outspent the United States on military procurement and construction by $100 billion. For another, a study prepared for the Coalition of Peace through Strength earlier this year, indicated that if SALT II were adopted, the Soviets would come to enjoy a 47–1 advantage in strategic defense weapons and a 6–1 advantage in missile megatonnage. Beyond that, as Dr. Kissinger pointed out, the decision to stop the B–1, the delays in other weapons programs, the indecision on how to base the MX and the relative decline of the Navy relative to that of the Soviet Union have exacerbated a problem that was, in fact, with us when SALT I was adopted. The cumulative effect of all these things could be disastrous, especially if ratification of SALT II lulled Americans into a false sense of security. Thus, the time to redress any military imbalance that may exist is now, before we enter a long-term commitment, not after that commitment has been made.

While agreeing with Dr. Kissinger on accelerating counterforce capabilities (through MX and Trident II), improving air defense against the Backfire, restoring of theater nuclear balance and regional defense capability, and expanding our Navy, I would also add that we should proceed with development of the B–1 bomber. After all, our B–52's, which count against the proposed treaty limits, were designed in the 1940's and were built by the early 1960's. They simply cannot be relied upon in the 1980's as the counterbalance to the Supersonic Backfire bomber (which will not be counted against the treaty limits) as witnessed by the fact that 15 of them were shot down in a period of 12 days over Hanoi in 1972.

I noted in the Washington Star on August 1, that there is speculation that the President might submit his defense proposals for next year, as well as a new 5-year projection, to Congress a bit early in order to alleviate concerns about our level of military preparedness. While somewhat encouraging, just proposing plans is not enough. Action needs to be taken to implement them before we move ahead with SALT II. For too many years now, we have operated on the principle of exchanging binding guarantees for nonbinding assurances. Such a principle was the basis on which SALT I was negotiated and it has not lived up to expectations. If we are not to be disappointed again, we need to be more protective of our own interests, of which national security is the first and most important. Once that is better assured, then the worthiness of SALT II can better be judged. If it is not assured, SALT II is little more than a gun at our head.●

RICHARD R. POWERS, INNOVATIVE CITY MANAGER, CITY OF GARDEN GROVE, CALIF.

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PATTERSON. Mr. Speaker, on September 18, the Garden Grove City Council will pay tribute to their city manager, Richard R. Powers, for 10 years of service to their city. It is a recognition which is most deserved.

The management ability of Richard Powers and the Garden Grove City Council's wise policies have been responsible for positive changes and strong redevelopment over the last several years. Their efforts have earned the city the reputation of being the "city with the most dramatically improved image in Orange County."

In addition to his many accomplishments in redevelopment, Dick has also emphasized cost effective delivery of services at the local level and has been responsible for implementing an effective team management system. His awareness of the need for systems and his ability to implement his programs have enabled the city to meet its goals and expand its effectiveness.

Dick Powers is an active participant in both the Orange County Chapter of the American Society for Public Administration and the Orange County City Managers' Association, and has devoted much time and energy to the Garden Grove Girls' Club and the Garden Grove Rotary Club.

The city of Garden Grove is indeed fortunate to have such a capable and dedicated individual to manage their city, and I urge my colleagues to join with me in commending Richard Powers for the 10 years of exemplary service which he has devoted to Garden Grove.●

FRANK I. HAMILTON, NATIONAL COMMANDER, THE AMERICAN LEGION

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ROBERTS. Mr. Speaker, I am pleased to inform my colleagues that a great friend of veterans was recently elected national commander of the American Legion. The Honorable Frank I. Hamilton, a very successful practicing attorney in Greensburg, Ind., was elected at the organization's 61st Annual National Convention in Houston, Tex.

Mr. Speaker, the American Legion's membership now exceeds 2.7 million veterans. Under the leadership of Commander Hamilton, I predict the American Legion will accomplish all of its goals for the coming year. Those of us on the Veterans' Affairs Committee have known Frank Hamilton for many years. He is a most impressive individual. He has served his fine organization in many ways and from 1974–78 served most effectively as chairman of the National Legislative Commission.

So that my colleagues may know more about Commander Hamilton, there follows a brief biographical sketch that highlights some of his many accomplishments:

FRANK I. HAMILTON, NATIONAL COMMANDER, THE AMERICAN LEGION

Frank I. Hamilton, a Greensburg, Indiana, attorney, was elected National Commander of The American Legion at the veterans' organization's 61st Annual National Convention in Houston, Texas, August 23, 1979. Hamilton is the third Hoosier to head The American Legion, others having been the late Paul V. McNutt (1928–29) and George N. Craig (1949–50), each of whom later became governor of Indiana.

An army veteran of World War II service, Hamilton has been an active American Legionnaire for nearly 25 years. He is a member of Walsh-Crawley-Kramer Post 129 of The American Legion in Greensburg, Ind., and served as commander of his home post in 1959–60. He also has served as judge advocate, adjutant and commander of the 10th District Indiana American Legion.

In 1962–63 he served as judge advocate of The American Legion of Indiana, and in 1964–65, became Indiana Southern Vice Commander. Hamilton was Commander of The American Legion of Indiana in 1966–67. He also served on the Indiana American Legion's Legal Committee, and as chairman of the Americanism Commission and American Legion Leadership Conference.

Hamilton was born in Indianapolis, the home of American Legion National Headquarters, Jan. 6, 1923. He attended public schools, graduating from Wiley High School in Terre Haute; earned his BS degree from Indiana University, and received his LLB and Doctor of Jurisprudence degrees from Indiana University Law School.

He enlisted in the U.S. Army Reserve in 1942, and went on active duty later that same year. In 1945 he was commissioned a Second Lieutenant at the Infantry School in Ft. Benning, Ga., and served with the U.S. Army of Occupation in Japan. He was separated from active service in 1946 but held his commission until 1953, when he resigned with the rank of First Lieutenant.

Hamilton is a practicing attorney in his home community of Greensburg. He is a member of the Decatur County and Indiana State Bar Associations. He has served as chairman of the Indiana State Veterans Commission and as a member of the Governor's Economic Committee of the Ninth District of Indiana.

At the National level of American Legion service, Hamilton has served as a member of the Americanism and Internal Affairs Commissions, and from 1974 to 1978 he was chairman of the National Legislative Commission, resigning the latter post to campaign actively for the office of National Commander, for which he had been endorsed by his home department (state) of Indiana.

Hamilton is extremely active in a number of civic, fraternal, professional and service organizations including: Past Exalted Ruler, Benevolent Protective Order of Elks, Lodge 475; President and Chairman of the Board of Lambda Corporation of Sigma Chi social fraternity; Chairman, Indiana University Varsity Club of Decatur County; President, Decatur County Bar Association, and Deacon of the Presbyterian Church. He holds membership in many other social and fraternal organizations, including several Masonic Orders.

He is married to (the former) Ethel Fitzhugh Dawson and they are the parents of six children. Their oldest son, Frank I. Hamilton, Jr., was a candidate for Congress from the Ninth District of Indiana in the 1978 election.●

"TAX THE RICH" POLEMIC AIMED AT ALL TAXPAYERS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. RUDD. Mr. Speaker, from the very inception of the Federal income tax, much of the rhetoric surrounding the appropriate level of taxation has been concentrated on the concept of taxing "the rich" at greater and greater rates than everyone else.

Liberal political rhetoric in recent years, for instance, has almost inevitably tried to connect "tax reform" with tax increases on the mysteriously undefined "wealthy" of our Nation. This ploy has succeeded in dividing Americans into opposing groups based on their particular tax brackets.

However, in practice, "the wealthy" have been, for all practical purposes, any taxpayer who is productively employed.

Continually, liberal politicians have demanded that the "wealthy" pay "their fair share" to ease the financial burden on all other taxpayers. The impression is always given that the Government could and should be receiving much more in tax revenues from the citizens of undefined wealth.

A well-respected tax research group has done an excellent analysis which exposes the contradictory facts underlying this rhetoric. The Tax Foundation is a nonprofit organization engaged in nonpartisan research and public education on the fiscal and management aspects of Government.

The Tax Foundation calculated that even if the Federal Government taxed at 100 percent—actually confiscated—all income above that which is presently taxed at the 50 percent tax rate, the Federal Government would receive enough additional income to operate for only 5.6 days.

This figure includes many taxpayers who do not consider themselves upper class taxpayers. The Tax Foundation found that based on 1976 tax rates—the 50 percent or more applied to income for different groups as follows: unmarried taxpayers, $32,000 and over; married taxpayers filing joint returns, $44,000 and over; married persons filing separately, $22,000 and over; and heads of households, $38,000 and over.

These are hardly the avaricious millionaires conjured up by the "tax the rich" ravings of contemporary political rhetoric.

Such populist hyperbole acts as mere camouflage to disguise the fact that every "sock it to the rich" tax reform which comes along actually results in escalating rates at which middle and lower income workers themselves are being taxed.

Much like Pogo's observation, "We have met the enemy and he is us," more and more Americans are realizing that when promising politicians start talking about higher taxes for the well-to-do, the real effect is higher taxes for almost all working Americans. Despite political attempts to cloak their philosophy in populist anti-rich rhetoric the American people are catching on. Even if all wealth were confiscated from "the rich," the greatest burden for supporting the Federal Government will always rest with middle income working families.

I commend the Tax Foundation findings to my colleagues and the American people with the hope that such information will be useful in countering the next "tax the rich" polemical tide which comes along.

I insert the article "Taking 100 Percent of Top Earnings Would Run U.S. for 5.6 Days," at this point in the RECORD.

TAKING 100 PERCENT OF TOP EARNINGS WOULD RUN U.S. FOR 5.6 DAYS

Suppose top income recipients were really made to pay. Suppose all income on which people now pay rates above 50 percent were simply confiscated by the Federal government. How much revenue would such a move produce? How long would the added funds keep the Federal government in business? A good deal less than one might suspect, say Tax Foundation economists.

How much income must one have to have some of it taxed at rates above 50 percent? The answer, of course, depends upon marital status and existing tax laws. In 1976, rates of 50 percent or more applied to income for different groups as follows: unmarried taxpayers, $32,000 and over; married taxpayers filing joint returns, $44,000 and over; married persons filing separately, $22,000 and over; and heads of households, $38,000 and over.

FEDERAL INDIVIDUAL INCOME TAX GENERATED AT EACH TAX RATE

[Income year 1976]

Tax rate [1]	Returns with any tax at rate [2] (thousands)	Tax base taxed at rate (millions)	Tax generated at rate (millions)	Percent of total returns	Percent total tax base	Percent of total tax
14	68, 717	$55, 157	$7, 722	100. 00	8. 22	5. 0
15	60, 814	48, 450	7, 268	88. 50	7. 22	4. 7
16	61, 285	49, 541	7, 927	89. 18	7. 39	5. 2
17	54, 110	43, 436	7, 384	78. 74	6. 48	4. 8
19	56, 790	158, 026	29, 967	82. 64	23. 56	19. 5
22	39, 574	107, 396	23, 434	57, 59	16, 01	15. 3
25	32, 043	77, 273	19, 154	46. 63	11. 52	12. 5
28	14, 316	37, 640	10, 479	20. 83	5. 61	6. 8
32	9, 739	24, 523	7, 722	14. 17	3. 66	5. 0
36	5, 284	14, 397	5, 151	7. 69	2. 15	3. 4
39	2, 879	8, 657	3, 368	4, 19	1. 29	2. 2
42	2, 021	6, 850	2, 855	2. 94	1. 02	1. 9
45	1, 467	5, 409	2, 434	2. 13	. 81	1. 6
48	991	3, 462	1, 662	1. 44	. 52	1. 1
50	1, 274	15, 747	7, 873	1. 85	2. 35	5. 1
53	381	2, 810	1, 489	. 55	. 42	1. 0
55	288	2, 033	1, 118	. 42	. 30	. 7
58	154	1, 222	708	. 22	. 18	. 5
60	147	1, 091	655	. 21	. 16	. 4
62	119	1 283	795	. 17	. 19	. 5
64	78	902	577	. 11	. 14	. 4
66	54	666	440	. 08	. 10	. 3
68	41	535	363	. 06	. 08	. 2
69	31	407	281	. 04	. 06	. 2
70	30	3, 774	2, 642	. 04	. 56	1.
14 to 70	68, 717	670, 687	153, 468	100. 00	100. 00	100. 0

[1] Data for heads of households and unmarried persons at some intervening rates are combined with data in brackets for next highest rate.

[2] Most returns have a tax base taxed at more than 1 rate. For example, a married couple's taxable income (adjusted gross income minus exemptions and deductions) of $3,000 is taxed as follows: 1st $1,000 is taxed at 14 percent (equals $140), 2d $1,000 at 15 percent (equals $150), and 3d $1,000 at 16 percent (equals $160); the total tax is $450.

Source: Treasury Department, Internal Revenue Service. Percentage computations by Tax Foundation.

In 1976, latest figures available, taxpayers above the 50 percent rate filed 1,323,000 returns, 1.9 percent of all taxable returns filed. Income subject to taxation in brackets above 50 percent totaled $14.7 billion. At existing marginal rates, which averaged 61.6 percent in 1976, the tax yield on this income was $9.1 billion.

Tax Foundation research indicates that, if this income had been taxed at 100 percent—in effect, confiscated—the Treasury would have received an additional $5.7 billion. Federal outlays in 1976 totaled $365.4 billion, which means that the Federal government needed $1.0 billion to meet its bills each day. In 1976, the extra amount to be garnered by skimming the cream off the highest taxable income levels would have run the Federal government for 5.6 days.

What if government were only slightly less generous and decided to cut the top marginal Federal income tax to 60 percent? Taxable income in these brackets totaled $7.6 billion, of which the tax collector picked up $5.1 billion. If all this income had been taxed at 100 percent, instead of 60 to 70 percent, the IRS would have been richer by $2.5 billion—enough to run the government for two and a half days.

Salaries and wages comprised 83 percent of adjusted gross income subject to the Federal individual income tax in 1976. The "individual" income tax applies not only to "persons," but also to net profits of businesses and professions; profits of farms, partnerships, and Small Business Corporations; income from rents and royalties; and other investment income. The top marginal rate on "earned" income is 50 percent. The rate on so-called "unearned" income—from investments and the like—goes up to a maximum of 70 percent.●

THE EFFECTIVE LOBBY FOR CONCERNS OF THE HANDICAPPED

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. RICHMOND. Mr. Speaker, there are approximately 35 million handicapped people living in the United States today. If these 35 million people lived in one area they would be represented by 70 Members of Congress alone. Each Representative in Congress has thousands of constituents with a myriad of disabilities, and, I am sure, each Representative is concerned about the well-being of these individuals.

There have been a few oversights in present laws, concerning the well-being of handicapped individuals, which really must be addressed as soon as possible. One of the most glaring oversights comes in a field of rehabilitation counseling. In the 95th Congress and again in the 96th Congress I introduced H.R. 2056 which establishes Federal standards for the training and experience of people calling themselves rehabilitation counselors.

Rehab counselors are as instrumental to the total well-being of the handicapped individual as are physicians, nurses, physical therapists, and occupational therapists, yet rehabilitation counselors are not now required to have the professional training that these other professionals must have. Because of this, an individual can receive excellent medical care and have the confidence that he or she is receiving care from a highly qualified individual, yet that confidence in rehabilitation counselors seems lacking.

This very real concern was brought to me by Dr. David Brubacker, executive director, and Dr. Arnold Wolf, president of the National Rehabilitation Counseling Association. I am convinced that handicapped consumers must be assured of professional quality care in all aspects of rehabilitation.

Unfortunately there are some people who work as rehabilitation counselors and do not have the necessary training. We spend $30 million Federal dollars annually in the training of rehabilitation counselors yet these very same people, who are trained at Federal expense, are not able to find jobs because nonqualified people are willing to work for less money and are hired by well-meaning but very budget-conscious individuals.

Dr. Brubacker and Dr. Wolf have been invaluable to me not only in developing H.R. 2056, but also in assisting me in other areas related to the handicapped. Should my colleagues need any advice in areas related to this subject I would certainly recommend either of these two gentlemen to the Congress as reliable sources of information.

Because of the urgent need to mandate standards of experience and/or training for rehabilitation counselors I urge my colleagues to join with me in the support of this legislation in hopes that it will reach the floor of the House of Representatives before the close of the 96th Congress.●

A TRIBUTE TO MRS. THELMA THOMAS DALEY, NATIONAL PRESIDENT, DELTA SIGMA THETA SORORITY, INC.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, in just a few weeks, Mrs. Thelma Thomas Daley, of Baltimore, Md., will be relinquishing the office of national president of Delta Sigma Theta Sorority, Inc., following a series of momentous public service accomplishments, both by herself and by Delta.

On numerous occasions, I have acknowledged and commended the work of Mrs. Daley and Delta Sigma Theta. At this time, however, I believe that it is most appropriate to share a tribute to her and this organization with my colleagues in the House of Representatives.

For over 50 years, Delta Sigma Theta, Inc. has engaged in activities which are clearly indicative of its unwavering dedication to public service in such areas as education, economic development, legislation, housing (including the elderly and the handicapped), arts and letters, and scores of other initiatives. The organization awards more than $500,000 annually to deserving students to assist them in attending colleges and universities. Contributions to other groups (such as the United Negro College Fund, NAACP, YMCA, National Council of Negro Women, Urban League and a substantial number of agencies and institutions at the local community level) total more than $750,000. In addition, Delta Sigma Theta, Inc. makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program.

With the assistance of a $134,000 grant from the Department of Health, Education, and Welfare, Delta Sigma Theta has, for the past year, engaged in developing a women's educational equity training and assessment program (WEETAP). This project has as its goal, the development and subsequent testing of materials to be used by personnel in public and private institutions and community groups in an effort to combat sex stereotypes and promote educational equity for women.

The Federal City Alumnae Chapter (Washington, D.C.) spearheaded an effort in conjunction with the national office to impact on the equal rights amendment and full voting representation for the District of Columbia. During the 1978 regional conferences of Delta, more than 4,000 letters were written from members across the country in support of the ERA. In addition, over 700 letters were written at the Delta Eastern Regional Conference encouraging Congress to pass the bill providing full voting representation for the District of Columbia.

I remain particularly thankful that for the 11th year, Delta has operated its direct search for talent project in my own city of Baltimore, Md. With funding of approximately $750,000 from the Office of Education, Delta has endeavored to identify students in selected high schools to present counseling services, tutorial assistance, guidance, career testing and evaluation services, and financial aid services. A second direct search for talent project has been instituted by the North Jersey Alumnae Chapter with more than 20,000 participants.

While I could proceed endlessly to identify the many areas of services to which Delta Sigma Theta has dedicated itself, it is imperative to note that many of the accomplishments of this organization have been highlighted by the excellent leadership of Mrs. Thelma Thomas Daley as president.

Mrs. Daley is a nationally recognized guidance and counseling professional and former national president of both the American Personnel and Guidance Association and the American School Counselor Association. She has served on the faculties of Coppin State College, Western Maryland College, and the University of Wisconsin. Mrs. Daley has also served on the Harvard University College Admission Summer Institute staff. Employed by the Baltimore City Board of Education, she has just completed a 2-year loan to the Maryland Department of Education as a consultant in career education and as Federal project director.

Thelma Thomas Daley's professional and community involvement is extensive: Trustee, educational testing service; former trustee, College Entrance Examination Board; appointed by David Mathews—former Secretary of Health, Education, and Welfare—to the 14-member National Advisory Council on Career Education; appointed by Joseph Califano, former Secretary of Health, Education, and Welfare to chair the National Advisory Commission on Career Education; member of the board of directors of the Voluntary Action Center of Central Maryland; cochairperson of the Maryland Foster Care Committee; and chairperson of a statewide special involvement of adoption for babies through conference and delta. Thelma Thomas Daley has received numerous citations and awards including a plaque from the NAACP citing her outstanding contribution to the life membership program; the Continental Society, Inc. Outstanding Black American Award; the Governor's Citation; Lamda Kappa Mu Outstanding Woman Award, and listed as one of the 100 Most Influential Black Women. Mrs. Daley is also listed in Personalities in the South and Who's Who in Black America.

As Mrs. Daley leaves office I salute her for her strength, leadership, and accomplishments as president of Delta Sigma Theta Sorority, Inc. Thelma Thomas Daley represents the epitome of hard work and dedication. Her years of service truly uphold her genuine illustration of unrelentless commitment to human services.●

COLORADO RIVER MANAGEMENT PLAN AND ENVIRONMENTAL IMPACT STATEMENT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUMP. Mr. Speaker, there have been numerous newspaper articles regarding the National Park Service final environmental impact statement of the Colorado River management plan which bans the use of motors on the Colorado River. One column written by Jim Stubbs of the Lake Powell Chronicle repeats some comments by Peter Worthington of the Toronto Sun. I commend this article to my colleagues.

JIM DANDYS

(By Jim Stubbs)

CAMBRIDGE, ONTARIO, CANADA.—Vacations are supposed to be relaxation and a break from the everyday problems. Hogwash.

On August 21, after a night of sleeping on my sister's living room floor in a sleeping bag I decided I would take an early morning walk and catch up on what was going on in the world by reading one of Canada's leading daily newspapers.

I paid two bits for the Toronto Sun and on page 11 read a column by Peter Worthington who had made the trip down the Colorado River in early August. Here's what Peter has to say about that trip:

IS GRAND CANYON DOOMED?

The Grand Canyon is one of the natural wonders of the world, and the Colorado River which runs through it, one of the magic rivers of America.

While there's not much damage man can do to the Grand Canyon (which was created by earthquakes and land movements rather than by erosion), man is in the process of wrecking the river. Instead of forever being the boiling, surging rapid-splattered torrent it is now, it is destined to slow down and gradually become a turgid stream—thanks to the Glen Canyon Dam at the Utah-Arizona border, and the Boulder Dam some 300 miles southwest at the Nevada-Arizona border. More about this in a moment.

The National Park Service is fighting to keep the place untainted by man. The credo for river rafters—like my wife and I were this August—is "take only photographs, leave only footprints."

Those who run the 21 commercial outfits which "raft the river" are so concerned about "their" canyon that they infect or indoctrinate paying customers into a similar attitude.

The canyon and its beaches and trails are virtually spotless and free of any litter (when you answer nature's inevitable calls, you are encouraged to do "Number One" in wet sand or running water, and Number Two into special "portable potties." Everything taken into the canyon must be taken out, in one form or another!)

Yet there is controversy in paradise canyon.

Ecology buffs feel there shoudn't be motors on the river (noise pollution). The plan is to have more oared rafts and to replace the commercial trip with private ones by 1985.

While 70 percent of the trips are commercial now, the hope is to have 70 percent private by '85. Those who work the rapids for a living and have a vested interest in preserving the canyon, fear for the future. Personally, I think they are right. Unsupervised rafts will result in a loosening of standards and inevitably garbage will be buried, campsites will be messier and initials will start appearing on rocks and canyon walls. Human nature being what it is, those who are voyaging the canyon once, never again to return, will not be as meticulous as those who have a dedication to it and earn their livings from it.

Also there will be more drowning and accidents in the rapids. As one of the raftmen wryly noted: "It is the constitutional right of every American to kill himself if he so wishes—and that's what will happen as some partially-trained paddlers try to negotiate some of the scale 10 rapids.

Also lost, as the commercial rafts are phased out, is the canyon as an educational or teaching process. As it stands now, a cross-section of America—the fat, flabby, the unathletic can take the trip and participate as much or as little as they wish in side hikes and comfortable adventure.

All who make the trip come out with a new awareness of the uniqueness of the canyon and a new respect for nature and the need to protect the unspoiled environment. You become personally committed.

With no motors on the larger crafts, it means trips will take longer and a more select, narrow-interest group will qualify. The Grand Canyon will become the private preserve of the hardy and outdoors-types—not for the general public as it now is. That, in this age of North American egalitarianism, seems unacceptably elitist.

The Grand Canyon is something everyone who is able to, should see. Since the beginning of time, less than 250,000 have been through it. It is one of the world's special places. Unequalled anywhere. Ironically, despite official concern for the canyon it is on borrowed time.

It used to be that every spring there was a run-off of high water which contributed to erosion. Since the Glen Canyon Dam controls the flow south, the river rises and falls as electrical power is demanded. This amounts to a spring run-off every day, contributing to perpetual erosion and shortening the life of the river as a running, living, dynamic 300-mile surge of water, with some 180 marked rapids and innumerable unmarked ones. Estimates are that by the turn of the century the Boulder Dam, at the bottom of the Canyon, will be useless due to the back-up of silt, sand and the rewards of constant erosion turning the river into a thin lake.

And yet periodically there are feasibility studies (and worse) about the possibility of other dams half-way through the canyon to supply more power. It seems almost an obscenity. Several times the lobbying of environmentalists has saved the canyon from such dubious blessings.

The U.S. National Park Service is both hero and villain of the Canyon. One feels it underestimates the contribution of the smaller rafting companies (if not the bigger ones, which are more inclined to go for the fast, big buck) whose devotion to the canyon is almost personal.

As one of a group of 11 "ordinary" people willing to invest $600 for the eight-day experience, I know none of us will ever be casual again about despoiling, even in a small way, a parkland or wilderness area. And while some of us felt that way before rafting through the rapids, we were educated further by our guides during the expedition. We have become disciples.

As for "noise pollution" of 20 horsepower outboard motors—nonsense. They run quietly and are used mostly for dangerous rapids. Much of the time the raft drifts. Without small motors, today's eight-day trip would take 12, which is more time than many can afford. And the cost would rise.

It would be a loss to Americans and ordinary people, if it were made tougher or impossible for many to experience first-hand one of the wonders of the world.●

"NEWS" HORIZONS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOTTL. Mr. Speaker, one of America's more colorful entrepreneurs, Atlanta's Ted Turner, is pioneering an around-the-clock news channel to be available to subscribers of cable television systems. The format will include a 2-hour, prime-time newscast, live telecasts from breaking news events and other unique offerings.

As one who has long believed that the public deserves more quality and depth in programing than it gets from the three commercial networks, I would like to wish Ted Turner success in this venture.

It is said that most Americans today get more of their news from television. And it is also said that every word spoken on the evening network news would only fill a fraction of the front page of the New York Times. A format such as Turner plans, in which news need not fight with "Laverne and Shirley" for prime time minutes, would offer viewers an attractive alternative to the usual network fare. Subscribers to cable systems offering this new network would have an unprecedented amount of television news available to them at any time of day.

The success of Turner's project would be a major breakthrough in television journalism, and I commend the following article on it from the September/October issue of the Washington Journalism Review to my colleagues.

The article follows:

TED TURNER'S DREAM

(By George N. Allen)

In a business that still thinks significant innovations are such things as the boutonniere in John Cameron Swayze's lapel, Ted Turner must be thought terribly impatient.

Turner, the raucous Southern maverick of television and yacht racing, will begin a network news operation for cable systems next June. He is thinking beyond multiple anchors and rearranged chairs. His operation will be an around-the-clock news service, the capstone being a daily two-hour prime time newscast.

Already the networks are putting him down. Richard Sonnenfeldt, NBC's vice president designated to keep an eye on cable, pooh-poohed to the *New York Times* the ability of cable to dent the nets' domination of the market: "Despite cable's high growth rate, we don't see it having any significant impact on the three networks over the next ten years. Some cable programmers are going to be very successful, certainly, but when you add up the numbers it's not a threat to any network. In fact, it's like comparing a sailboat to a freight train."

Sailboats may have been an unfortunate reference for Sonnenfeldt. If Turner is anything, he's a sailor, and one whose sheer talent as a racing captain forced the reluctant, stuffy Pooh-Bahs of U.S. yacht racing to allow him to lead the U.S. effort to a resounding victory in the last America's Cup challenge. And Turner says Sonnenfeldt "has his modes of transportation wrong. If the networks are like a freight train, then cable TV is like a jet plane."

Just as Turner twisted the tail of the hide-bound yachting establishment with his insouciant disregard for some of their more hoary conventions, so has he done the same to the broadcast industry by turning his Atlanta television station, WTCG, into the nation's first satellite superstation. But his plan for a 24-hours-a-day Cable News Network (CNN) is his most audacious scheme yet.

Turner's gamble is to put news for the first time head-to-head against prime-time entertainment programs. No matter how small Turner's audience may be at the beginning, the continued existence of a 24-hour-news operation during prime time can't help but affect the decisions of the network news departments.

Take, for instance, the issue over which Fred Friendly parted company with CBS News—whether to dump daytime soaps and game shows in favor of live coverage of a Senate Foreign Relations Committee debate. Being reasonably sure neither of the other nets nor PBS would go live, CBS executives could ignore audience preferences.

That was an easy decision because everybody knows that no significant segment of the daytime audience would choose a Capitol Hill debate over the soaps. The decision is also easy when the event and the accompanying picture are grabbers: the coronation of a Pope, a terrorist takeover of an embassy, the state funeral of a Winston Churchill, a Khrushchev at the United Nations. Turner's presence will not affect these easy calls.

In the close calls, where the event is neither a snorer nor a grabber, but where the event and picture may have marginal interest, Turner's news operation will make its weight felt in the networks' executive suites. For Turner's CNN will have the marvelous capability—along with the programming and financial imperatives—to go live whenever a good picture is available. CNN also has the marvelous capability of staying with a developing news story without any time restraints.

When a network goes live on a long-lasting event, like the congressional hearing on whether to impeach Nixon, it cannot easily switch back to entertainment during the dull segments and then break off an entertainment program when the live action picks up. An all-news operation, however, can switch in and out of its normal programming, protecting the viewer's interest by returning to the live event the moment it becomes more interesting.

These capabilities promise to have network executives looking over their shoulders. The result could be noticeably more live coverage by the nets.

An important element of Turner's move is that, for the first time in television, there will be a channel where interrupting normal programming for coverage of breaking news will enhance program content for most of the audience. For the networks, the result would be an annoyed audience and a loss of revenue from commercials not aired.

An all-news channel is not, of course, ever going to attract away a significant amount of the audience from the networks. On an evening when the entertainment is insufferably dull, however, and there is a moderately interesting live event on the news channel, enough of the audience might be wooed over to make a dip just large enough to show in the ratings. When considering the potential impact of cable news on the networks, it should be borne in mind that the standing of networks' news programs is not merely a matter of ratings and money, but equally a matter of prestige.

Conjecture about the effect of CATV on over-the-air broadcasting depends to a large degree on how rapidly cable grows. Television has a 98 percent saturation of all households in the nation. Cable, now at about 20 percent, is expected to hit 30 percent in 1981. Thirty percent saturation is a significant milestone for it is the point at which cable can attract national advertising.

What CNN will offer viewers is programming similar to that of the large all-news radio stations—a mix of features, headline summaries and news roundups. About 30 percent of the programming will be repeat material, most of it airing between midnight and six a.m. Centerpiece of the broadcast day will be a two-hour news program in prime time, airing probably from eight to 10 p.m. Eastern time.

The unique element of CNN's programming, Turner indicated, is that CNN will cover a wider spectrum of news and present it in greater length and depth than is done at present on either radio or TV.

"I haven't really liked the over-the-air broadcasters approach to news," he explained, "because in current broadcast journalism, news is a secondary consideration. The main thing is the same as they do in entertainment programming—to try to put on a show that will be number-one in the ratings. They just use news as an entertainment vehicle. That's why you see so much of murders, crime, fires, airplane crashes and that sort of thing in the news and so little about things that are going on that are good. The good things aren't ratings-grabbers. What you see on broadcast news now is one-sided.

"The polls show that less than half the people depend on the newspapers for their news," Turner declared. "The majority of people now depend on TV for their basic news and I don't think they're getting a straight story, only a few headlines about what bad has happened. That's pretty scary."

Turner said his news channel would offer plenty of public affairs programming of the *Meet the Press* type. Indicating a sharp break with current programming practice, however, Turner said he would offer Ralph Nader a regular half hour "to do whatever he wants with."

Concerning daily coverage any U.S. news operation must deal in, Turner said: "We'll cover the major issues the networks cover, but we'll spend twice as much time on them. And we'll cover a lot of things in Washington and around the country that don't get covered now. The broadcasters hardly cover financial news at all—just the stock market and the price of gold—because only about 10 percent of the people are interested in it. We'll give some real business news.

"In the 11 o'clock news on most stations all they give you in sports is the scores of games. We're going to take a half-hour at 11 p.m. to tell people what happened in the games that day."

Turner said the two teams he owns, the Hawks and the Braves, will not appear on his news channel. "CNN will be strictly news," he explained. "There will be no play-by-play on it."

With a starting date nine months away, CNN won't begin staffing in earnest until November. Currently only one top executive has come aboard full time. A second executive and one on-air newsman have been tapped but won't be working for a while yet. When fully staffed, CNN will have about 50 on-air news people and about 150 others.

The newsman under contract is former CBS correspondent Daniel Schorr, who is now doing some work in public TV and writing a political column distributed by the Des Moines Register and Tribune Syndicate.

CNN will be headquartered in Atlanta, with two large bureaus in New York and Washington. Turner offered Schorr the job of Washington bureau chief. Schorr turned it down, he said, "because I'm basically not an administrator. I want to stay close to the news." With the title senior correspondent, he will anchor the large Washington segment of the two-hour news program, as well as doing regular reports of his own. CNN's Washington bureau is expected to have at least a half-dozen correspondents.

When asked what had attracted him to an as yet untested concept like cable news, Schorr responded: "A 24-hour cable news operation offers a situation that no one in broadcast news has ever experienced. It's live everywhere all the time, so there are no time-delay problems. And it's open-ended—you don't have to beg the business side to preempt entertainment programming to cover breaking news.

"A cable news operation is more like a newspaper than an over-the-air TV news operation because the people in the news department are concerned *only* with the news and how to get it out to the viewers as fast as possible. Possible effects on entertainment programming don't have to enter into any of their thinking about how to handle the news.

"On the network I never wanted to fight for ratings—trying to reach 100 million people, a lot of whom are only half-listening and who really are only waiting for the next entertainment program to begin. In cable I will reach maybe five million people, but they will be a self-selected audience who are watching because they want to see the news, and who are paying attention.

"Cable is unlike standard broadcasting. It is really a new concept of *narrowcasting*. Unlike the networks, cable does not have all its eggs in one program, which means what the networks can do is governed by the programming preferences and the clearances on the local stations. Cable has 30 channels and that gives viewers 30 program options. The 24-hour news is only one of 30 available programs.

"An important thing that attracted me to cable was Ted Turner's vision that when people see what cable is capable of there will be a greater audience for news than anyone now suspects."

The president of CNN is Reese Schonfeld. He is under contract as managing director of the Independent Television News Association until the end of October. Schonfeld played a large part in starting up the old UPI Newsfilm operation, and he performed similarly for ITNA, a non-profit newsfilm syndication service owned by its member stations.

Since he won't be involved in the day-to day planning of CNN for awhile, Schonfeld would only talk generally about a cable news operation.

"Network people told me it wasn't possible to operate a serious TV news operation outside a network structure," he explained. "I'm out to show them they're wrong.

"The network bosses don't regard news as serious business. News is only for boys; real men go into the selling end. The network executives regard their news people as they might regard children—keeping them on short cash allowances and never permitting them to interfere with the serious business of network television, which is the entertainment programming.

"There just has to be a way to present news outside of an entertainment structure. In the world's most powerful and most important nation today you shouldn't have to do a day of garbage to support news.

"With an operating budget of $20 to $25 million a year, CNN won't be able to directly challenge network news, which has budgets four to five times that. But the network moguls are careful to see that news never competes with entertainment, and CNN will present audiences with a situation where news for the first time will compete with entertainment.

"CNN will increase viewers' options, and who knows what the effect of that will be—particularly since CNN is hoping for a lot of exclusivity as well as availability and immediacy.

"As far as financial viability is concerned, cable news can make it with a two rating. So CNN won't have to be always searching, as the networks usually have to, for the lowest common denominator."

Until Schonfeld gets aboard, Turner's point man at CNN is Executive Vice President Burt Reinhardt, who was with Schonfeld at UPI Newsfilm. Reinhardt spent the last five years in California with Paramount's non-theatrical division.

Asked how many systems covering how many homes had signed up, Reinhardt said: "We don't really know right now. Some operators want to see a tape of what we'll be doing before they sign. There's some of that kind of hesitancy, of course. But I'm going on the premise that we'll have three to five million homes by startup time. We firmly believe that cable news will find the viewers and that it will be well received."

For a cable operator who already subscribes to WTCG's satellite service, Reinhardt said, CNN will charge 15 cents a month for each subscriber. Other operators will pay 20 cents a month. These charges are for operators who want to offer the news channel as part of their basic service, which subscribers get as a monthly package for their flat fee. For operators who want to offer the news channel as an extra-pay service, CNN's charge will be higher. Turner is on record that he prefers it to be offered as part of the basic service.

CNN will sell national advertising—ten minutes an hour is planned—with an additional two minutes an hour to be sold by the local operators. As advertising revenue builds up, Reinhardt indicated, charges to channel as an extra-pay service, CNN's expects they'll eventually have to pay local cable operators to carry the news channel.

While emphasizing that everything is still very much in the discussion stage, Reinhardt provided a glimpse of some fascinating programming possibilities: "Our viewers may regularly see the BBC evening news in its entirety. And they may see segments from the newscasts of Germany, France, Italy or Israel—in the original language, with captions. This is not at all inconceivable. Such pickups would give our viewers something really different in the way of news programming."

Reinhardt said CNN recently bought a 70,000 sq. ft. building in downtown Atlanta and will spend about $3.5 million to turn it into their broadcast headquarters.

"Everything will be run from Atlanta," Reinhardt explained. "We'll have the bureaus in New York and Washington and smaller bureaus elsewhere in the U.S. We'll no doubt have a bureau in London and possibly one in Asia and one in the Middle East."

Ted Turner summed up cable's coming place in the flow of entertainment and news by saying, "Cable is the new technology that nobody can ignore . . . Aren't 30 channels better than three or four? That's the whole thing right there in a nutshell, and that's why cable is going to wire the whole country. We're increasing people's options and people want more options. What kind of a world would it be with only three magazines? Pretty frightening.

"Originally TV was a medium of scarcity because of the need to divide up a limited spectrum. But with cable there are no spectrum problems. There's no limit to the number of channels you can put into a home. And if the channels are there, the programming will get there to fill them.

"I anticipate that in the future the three networks will be on cable and there will be eight or ten national networks, maybe more. Eventually there will be quite a few local channels, too. When the market gets fully cabled there will probably be a local news channel, too, perhaps done in conjunction with one of the local TV stations, so people can see the news when they want to see it, not just at six o'clock."

In this, the heyday of the large corporation that follows the morally and socially neutral judgments of committees of lawyers and accountants, Ted Turner is a character—in the best sense of that much misused word. He is in the great tradition of the individual entrepeneur who had a dream and backed it with his money and his sweat.

At present, without any background in journalism, Turner has a vision about a new departure in the way broadcast news can be processed and presented to the consumer. He is gambling at least $50 million on that vision, a gamble that giant news corporations seem unwilling to take.

When asked if there were anything in this gamble for him besides simple profit, he replied, "Yes, I'd like to go down in the history books as somebody who was successful in improving the flow of information to the American people." ●

DISSENTING VIEWS ON THE SHANNON-CARTER AMENDMENT

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CHENEY, Mr. Speaker, the Shannon-Carter amendment, supported vigorously by U.S. tanners and shoe manufacturers, contends that there is a need for export controls of U.S. animal hides and skins because the domestic users of the raw materials are unable to buy sufficient quantities to run their factories. Their contention goes on to state that the reason for their inability to buy needed quantities is the exportation of these cattle hides.

Nothing could be further from the truth. In reality, U.S. tanners and shoe manufacturers have complete access to every hide produced in the United States if they are willing to pay the market price for it.

The demand for leather worldwide is large, and consequently the price for hides is influenced to a large degree by supply and demand. In the first 5 months of this year, hide prices rose in the United States and worldwide because the United States and foreign cattle herds are in the process of rebuilding. The production of cattle hides was down about 14 percent due to a reduced kill of animals. Since June, however, an increase in slaughter and a decrease in demand has caused the price of hides to go from around 90 cents per pound to about 50 cents per pound.

Total commercial cattle slaughter this year will be between 35 and 36 million head while domestic tanners will use about 16 million head. By imposing restrictions and retaining more hides in this country than the domestic market can use, the price of cattle hides would decline. This would lead to lower prices for cattle which would hurt farmers, cattle ranchers, and cattle feeders, and would result in higher prices for meat at the supermarket. The biggest loser in this case would be the consumer.

With regard to the charge that higher hide prices are responsible for increased shoe costs, figures show that the price of hides contributes only about 5 to 15 percent of the total cost of producing a pair of shoes in the United States. Also, hide prices historically have risen and fallen reacting to supply and demand, but shoe prices have never declined. Therefore, if the price for hides goes down, as is currently the case, and shoe prices remain high, it cannot be claimed that there is a large correlation between hide and shoe prices.

Finally, export controls of hides could hurt the U.S. balance of trade at a time when we are attempting to increase our exports. Hide exports in 1979 will amount to about $800 million and undoubtedly helps our trade and employment outlook.

I firmly oppose the Shannon-Carter amendment to the Export Administration Act and urge my colleagues to do so also.●

SPECIAL USE VALUATION OF FARM MACHINERY

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MADIGAN. Mr. Speaker, I am introducing legislation into the House of Representatives today in response to the needs of farmers, land appraisers and attorneys in rural areas who must value farm property for estate tax purposes under section 2032A of the Internal Revenue Code of 1954.

Section 2032A was added to the Internal Revenue Code by Congress in the Tax Reform Act of 1976. The intent of this new section was to assure that land used for farming both before and after its owner's death would be valued for estate tax purposes on the basis of its value as farmland and not on the value of its potential highest and best use. This change in estate taxation has had the positive result of easing the tax burden on heirs of family farms allowing these individuals to remain in the farming business.

The statutory formula for determining special use valuation of farmland requires that net annual gross cash rent for comparable farmland located in the area of the farm in question be divided by the average annual effective interest rate for new Federal Land Bank loans. In proposed regulations published in the Federal Register on September 10, 1979, the Treasury Department revised earlier proposed regulations and ruled that share rentals may no longer be used to determine special use valuation when verifiable cash rents cannot be located. If these regulations become final, many heirs of farm property will no longer be eligible to benefit from the lower special use valuation formula simply because they live in an area in which farm property is share leased rather than cash rented.

The bill I am introducing will allow the continued use of verifiable net share rental income in place of net cash rent in determining special use valuation in those cases in which cash rents are inadequate for making a verifiable computation. The intent of this legislation is to facilitate the application of special use valuation in rural areas in which farm property is normally leased on a share rather than cash rent basis.●

FIRST WOMAN COMMANDER OF AN AMERICAN LEGION POST

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SKELTON. Mr. Speaker, it is with pride that I bring to your attention an important event for the State of Missouri and for all American veterans. Mrs. Nancy Lichtenthaler has been installed as the first woman commander of an American Legion Post in the State of Missouri. I extend my congratulations to Commander Lichtenthaler and the Waverly American Legion Post No. 580, on this most noteworthy installation.

Reprinted below is an article from the June 29, 1979, edition of the Waverly Times which describes the memorable ceremony:

NANCY M. LICHTENTHALER INSTALLED AS COMMANDER OF AMERICAN LEGION POST

History was made Saturday, June 23 in Waverly when Nancy M. Lichtenthaler was installed as commander of the Waverly American Legion Post, No. 580 in an impressive ceremony conducted at the Legion Hall. The installing officer was David Blackburn of Malta Bend, 7th District Commander. Mrs. Lichtenthaler is the first woman in Missouri to be commander of a legion post and is also the first woman to be a member of the Veterans of Foreign Wars in the state. She saw service in 1945 in India with the Air Force Command in World War II. Her husband, Charles D. Lichtenthaler is a charter member of the Waverly Post, her two sons, David Hostetter of Spanaway, Wash. and Woodrow W. Hostetter of Bosworth, and her son-in-law, Larry Evans of Waverly are legionnaires.

In accepting the office of commander, Mrs. Lichtenthaler said she would strive for the continued growth of the post which was chartered in 1947 and to re-activate the Legion Auxiliary in Waverly.

Other officers installed were Don Lawson, 1st vice commander; James W. Wilson, 2nd vice commander; Eldon Hurlburt, historian; Dr. H. P. Callaway, chaplain; James Skahan, sergeant at arms; and Larkin Slusher, child welfare. Officers to be installed at a later date: Robert Orear, 3rd vice commander; Douglas Inman, adjutant; John F. Hinz, finance officer; Clarence Proctor, service officer.

Post Commander Awards were presented to Eldon Hurlburt, 1978 and James Skahan, 1979 by the 7th District Commander.

Dr. H. P. Callaway, who was introduced as the first commander of the post, told of the early years of the post and how it was organized in 1947 shortly after the close of World War II.

The meeting following the covered dish supper, opened with the retiring commander, James Skahan, presiding and leading in the Pledge of Allegiance to the Flag. Fletcher Salyer, chaplain, led the prayer which was followed by the "Preamble to the Constitution of the American Legion."

The many World War II mementos which had hung in the first legion hall in Waverly have now been placed on the walls of the new legion home. An arrangement of red, white and blue garden flowers and two United States flags were used to decorate the speakers table.

The group was dismissed with a prayer by the newly installed chaplain.●

THE ECONOMY IN THE 1980's

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from August 29, 1979, into the CONGRESSIONAL RECORD:

THE ECONOMY IN THE 1980'S

A decidedly improved economy, with full employment and a greatly reduced rate of inflation, may await Americans in the 1980s.

As one might expect, however, such an alluring prediction has a catch. Before an improved economy is possible, certain steps will have to be taken:

The rate of capital formation must be increased;

The skills of disadvantaged, chronically unemployed persons must be upgraded; and

The dependence of the United States on imported oil must be cut.

It is not foolish optimism to believe that sound choices of economic policy in the years ahead will allow us to take these steps and thereby bring about an improvement in the economy. If capital formation increases and labor skills are upgraded, the nation's productive capacity will be enlarged and unemployment will fall. A substantial rise in investment spending can be achieved by tax laws that enhance the incentive to invest. Shortages in the supply of skilled labor can be met by new "targeted" employment programs for unskilled and semi-skilled workers. Moreover, the United States is certainly not impotent when it comes to energy. We have the financial and technical capability to insulate ourselves from the arbitrary decisions of OPEC in a little more than a decade's time. OPEC's demonstrated ability to control oil price and supply can be diminished by conservation and by aggressive programs to promote both production of energy from domestic sources and development of synthetic fuels and solar power. Because energy is so closely tied to the economy, independence from OPEC is independence to determine our own economic future.

Behind this view of what the economy needs is the idea that the declining rate of growth in productivity has been an important cause of our economic ills. The statistics show us just what we are up against. From the late 1940s to the mid-1960s, productivity in the private sector rose at an annual rate greater than 3%. From the mid-1960s to the early 1970s, it increased at a rate slightly above 2% per year. From the early 1970s through 1978, it inched up at an annual rate slightly greater than 1%. For the first half of 1979, however, productivity in the private sector actually fell at a rate of 3.3% per year. Although our working men and women still outproduce foreign workers, the gap between them and us is closing quickly. Our recent record of growth in productivity, when compared with that of other industrialized nations, is not enviable.

In my view, rising productivity is the key to economic progress in the coming years. We can produce our way out of the economic doldrums in which we find ourselves. We must save more, invest more of what we save, train more unskilled workers, secure our energy supplies, and, in the end, boost our total output. The fundamental weaknesses of most any basically healthy economy can be corrected by long-range policies carefully conceived and vigorously pursued, so our fight against inflation and unemployment will be won by long-range policies which put more goods and services into the market at a lower unit cost. If something is not done about lagging capital formation, chronic unemployment, energy dependence, and the slow growth which they cause, then the economy will face a bleak future of stagnation. Stagnation, of course, means lower standards of living for us all.

This shift in emphasis to the "supply side" of the economy is long overdue, and I am very pleased to see it gaining acceptance in many circles. More and more people are coming to realize that more production, not less demand, will put us squarely on the road to economic prosperity. We will have to grapple with immediate problems, such as runaway increases in the cost of food and fuel, and we must be prepared for unforeseen setbacks, but we cannot afford to lose track of what is critically wrong with the economy: productivity is growing too slowly. While there may be no "quick fix" that will turn the situation around in a matter of months, it is clear to me that we do not have to accept slow growth as our economic lot in life. We can do better, and I think that we will.

Admittedly, the view I have just expressed does not contain specific prescriptions for what ails the economy. What I have tried to do is to take the long-range view, to suggest a direction and a course we should follow to get the economy moving again.

(This newsletter describes some of the conclusions of a recent study done by the Joint Economic Committee of the United States Congress. The study focussed on trends in the American economy during the 1980s. It proposed that Americans' standard of living is threatened by slow-growth policies, and it argued that such policies will not lead to price stability. The study was completed with my full support and endorsement.)●

NATIONAL FISHERY DEVELOPMENT ACT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUDDS. Mr. Speaker, today I have introduced in the House of Representatives the National Fishery Development Act. This bill, filed earlier this year by Senator EDWARD KENNEDY in the Senate, is intended to establish a comprehensive program to promote the development of our domestic fishing industry.

Essentially, the bill more clearly defines the allowable uses of the so-called Saltonstall-Kennedy fund which was established in 1954 to help stimulate our domestic fisheries. Congressional action in this area is sorely needed to prevent the continued use of this money for personnel salaries in the National Marine Fisheries Service, where it has, in effect, become part of the agency's base budget. I do not believe that this use of the funding was ever intended, nor do I believe that a fishery development account should be drained to support another government bureaucracy.

The provisions in the bill I have introduced will guarantee that at least

50 percent of the Saltonstall-Kennedy fund will be used to finance small individual fishery development projects. The bill also provides for strict congressional oversight of its uses, which I believe will lead to better investments of the limited funds available. Another stipulation in the legislation directs the Secretary of Commerce to appoint at least six regional fisheries attachés to serve abroad to help develop export markets for our fisheries products.

Because the administration has indicated it would like to phase out the Saltonstall-Kennedy fund, I believe it is essential that the Congress move quickly on this measure. Passage of the National Fishery Development Act will guarantee the availability of this funding, which is so vitally important to the growth of our fishing industry.●

IN THESE TIMES REPORTS ON PLANT SHUTDOWNS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CONYERS. Mr. Speaker, three decades of Federal policy to underwrite expansion of suburbs at the expense of cities, promote new plants and equipment rather than modernize existing private capital stock, and subsidize new housing rather than rehabilitate older residential areas have contributed enormously to the massive shifts in capital, labor markets, and population from the North to the South and from core cities to outlying metropolitan areas.

A major effect of these policies and interregional shifts is industrial disinvestment. In These Times, the weekly independent socialist newspaper has explored the meaning of disinvestment in a series of recent articles, "Shuttered Factories, Shattered Communities," written by staff reporter, David Moberg. The series furnishes essential background information on the costs of plant closings, and I highly recommend the following excerpts to my colleagues:

IN THESE TIMES REPORT OF PLANT SHUTDOWNS

LIFE AND DEATH POWER

The need for a public beckoning of costs and benefits has never been greater. Communities are now faced with private factory shutdown decisions on an increasingly wide range of "justifications" in the private interest that have less and less to do with the public interest.

As always, many businesses go under that deserve to go, although good management could undoubtedly save vast numbers of them. Dun and Bradstreet reports on births, deaths and moves blame managerial incompetence for 40 percent of business closings. But with the growth of concentrated corporate power, especially in the diversified conglomerate form, and with the expansion of federal intervention in the economy that hastens many business shutdowns, the issue of democratic rights and power are posed more strikingly.

Much of the debate has centered on "runaway shops," businesses that move to the South or overseas in order to pay lower wages, to avoid unions, or to find a highly favorable "business climate."

The shift is dramatic. From 1967 to 1976 the industrial Midwest and Northeast lost 13 percent of its manufacturing work (1.5 million jobs), while the South and Southwest gained 19 percent (900,000 jobs). Also, recent calculations by the economists Robert Frank and Richard Freeman indicate that the rate of direct foreign investment at the beginning of this decade yielded an overall employment loss in the U.S. of 160,000 jobs a year. (If there had been no overseas investment, they also figure that U.S. corporate profit would have dropped by roughly 6 to 18 percent and that U.S. wages would have increased by roughly 3 to 12 percent.)

Overwhelmingly, it is the largest corporations who extend themselves overseas and, disproportionately, it is also the largest corporations that account for the shifts in capital within the U.S. "The larger corporations, using their financial strength, are the first to redistribute their operations out of declining areas into growing ones," writes David Birch, director of the M.I.T. Program on Neighborhood and Regional Change, in *The Job Generation Process*. "They do not hesitate to locate branches in greener pastures, placing an ever greater burden on the smaller firms in struggling areas like the Northeast."

Using data collected by Dun and Bradstreet—since the federal government keeps no useful records on location of firms—Birch argues that the job losses in the North are very rarely the result of an employer picking up and moving the facility south, although that was certainly true in the past of some industries, such as shoes and textiles.

His study also shows that businesses die at about the same rate (5.6–6.7 percent each year in this decade) in the North and the South. But in the faster-growing states, nearly twice as many new firms are born each year and existing firms also expand much more rapidly.

Although the Dun and Bradstreet listings understate the actual migrations, these statistics suggest that the capital shift is often more subtle. Businesses expand and modernize in the South and are gradually allowed to die in the North, with nothing created to replace them. "It is differential branching, not physical migration, that causes many of the regional differences in job growth," Birch writes. "Also, branching seems to be growing in importance over time. Branching is more important in manufacturing than in other sectors of the economy."

Although some economists use Birch's data to argue that runaways are unimportant and that the proper response of the old industrial states would be to make business feel more loved, the statistics really don't erase the fundamental problem: corporate capital's power over the health of local communities. If anything, they highlight the problem. For example, Birch notes that between 1960 and 1976, small firms (under 20 employees) generated 66 percent of all new jobs in the U.S. What did the giants, with over 500 employees, do? They generated 13 percent of the total. Even worse, in the Northeast the biggest firms actually decreased jobs by 33 percent.

The Dun and Bradstreet data may overestimate job creation by small firms, as Hal Wolman of the Urban Institute argues, but the change from the past, when larger firms generated more jobs, is remarkable. What has happened? Birch isn't certain, but he suggests that when firms get to a certain size they become multinational and then they "may make all their differential investment overseas."

Why do the big corporations shift their investment? Certainly in many cases it has been to take advantage of cheaper labor—the notorious dollar or two a day for labor in Asia or the low wages in the rural South.

But a number of researchers point to what may be even more important than cheap labor: greater corporate control. Bob Goodman, author of the forthcoming book, The Last Entrepreneurs, argues, for example, that "the North-South shift is in some ways accurate, but it is also very misleading. Rates of growth have been increasing in some northern states, but those are the ones with the strongest anti-labor laws. If you group the anti-labor states, then the absolute number of expansions over the past eight years has been more than double the other states."

Boston University economist Barry Bluestone, who has been studying the New England aircraft industry, argues that some corporate shifts of capital are designed to construct dual lines of production, often including dual subcontractors, in different regions or different countries in order to avoid disruption by labor.

Others suggest that even anti-union right-to-work laws in the South are not as important to most big businesses in themselves as they are cherished as an indication of a favorable "business climate."

Birch points out as well that New England is no longer a high-wage area and that many of the most rapidly growing sunbelt cities—Houston, Dallas, Los Angeles, San Diego and others—are not low-wage areas. Avoiding unionization, he thinks, is one of the most important reasons for the capital shift, along with factors such as geographical preferences of executives and avoidance of high personal taxes for management (but not corporate tax abatements, which nearly everyone agrees have very little influence on business location decisions).

"Wages are not totally negligible as an influence," he acknowledges. "Going abroad they're quite important." Now some businesses having shifted once to the South for low wages, are continuing their shift overseas.

If control is the name of the game—with wages still important in certain circumstances—then the emergence of the conglomerate fits into the picture even more appropriately. The large corporation, and especially the diversified multinational conglomerate, seeks to escape as much as possible from any interference with its control. It hopes to avoid or master competition, business cycles, labor disputes, shifting tastes, national boundaries and legislation. It can't of course, completely succeed, but it can—and does—try.

Partly because the conglomerate has such control, many of its business decisions are made on a basis that might otherwise seem peculiar to a small entrepreneur. These peculiar decisions are extremely important for the issue of community economic health and plant shut downs. Many of the businesses now being abandoned—and their host communities with them—need not be scrapped by most conventional reckonings, certainly not by any comprehensive public accounting. Only the scramble for conglomerate power and accumulation dooms them.

Youngstown Sheet and Tube is a classic case, as Ohio Public Interest Campaign director Ed Kelly has convincingly demonstrated. The Lykes conglomerate took over Youngstown Sheet and Tube in 1969, borrowing heavily to buy the much larger steel firm. But rather than use its healthy cash flow to modernize the mills in Youngstown, Lykes made other acquisitions and added further debt as it built its empire. Having failed to modernize the Youngstown works sufficiently, it could not take full advantage of the steel boom in 1973–74. Then the heavy recession hit. Lykes still owed very heavy interest payments from its acquisitions. It could not raise the money to modernize at Youngstown, even though its mills there were performing more profitably than the modernized Indiana plant. It decided to abandon Youngstown, later merging with LTV Corporation. That merger gained the approval of Attorney General Griffin Bell, even though it was anti-competitive and worsened Youngstown's plight by precipitating the closing of Brier Hill and adding new obstacles to the reopening of the Campbell works.

Lykes' behavior was typically conglomerate. An acquired firm was raided as a "cashbox" to expand conglomerate control. It had long been true that large corporations, more than local capitalists, felt no attachment to a particular community, but with the conglomerates there is even little attachment to a particular industry. Capital in the abstract is everything. The result, however, is frequently very poor management of any one part of the conglomerate.

"People commonly assumed that a big company would not shut down a plant if that plant were making a profit and that further, if a big company could not operate the local plant at a profit, then the plant was inevitably doomed to failure," Cornell University professor William Foote Whyte wrote in support of a bill aiding worker-community take-overs. "Furthermore, it was assumed that plant shutdowns were a painful but necessary part of the natural process of economic life." But the behavior of conglomerates makes a mockery of those assumptions.

Whyte, for example, found that the Saratoga Knitting Mill began losing money under conglomerate management because the dominant firm's sales force ignored the products of the acquired subsidiary. As an independent unit again, the mill thrived. In another case, Sperry Rand acquired the Herkimer plant, which made library furniture. Despite Herkimer's long history of profitability, Sperry Rand closed it because library furniture did not fit into their corporate strategy and because the plant was not making the very high target profit rate—22 percent return on invested capital.

"If Sperry Rand could make more money elsewhere by shifting its investment out of the Herkimer plant, then the shutdown made good economic sense to the top management of the conglomerate," Whyte wrote. "But it certainly did not make economic sense to the 270 employees, nor did it make sense to the rural people who earned $875,000 a year selling trees to the plant," or to local businessmen and politicians.

Belden Daniels, a city and regional planning professor at Harvard, argues that "the conglomerate almost invariably imposes costs on the local firm that are diseconomic." For example, the Esmark conglomerate forced its subsidiary, National Tanning and Trading Company, to buy skins for more than the market price. Frequently small firms gobbled up by a conglomerate are saddled with unneeded overhead and administrative costs that are part of a giant, centralized operation.

One of Daniels' students pointed out another conglomerate tactic that results in irrational plant closings—the calculated tax loss. In the case of National Tanning, "the unfavorable return on the plant was exaggerated on paper because the parent company apparently manipulated the accounts to produce even greater losses, presumably for tax shelter purposes. This was achieved by attributing various overhead and administrative costs incurred" by other plants to the one shut down.

Conglomerate apologists claim that the takeovers can bring new managerial skills to the small firms, but often conglomerate control lessens the needed flexibility of the local unit. Central managers also frequently lack the specialized knowledge to make good business decisions for the small unit.

Such mismanagement was a problem in the case of American Safety Razor, according to Daniels' Harvard study group project. Philip Morris, which had acquired American Safety Razor, later merged with Miller Brewing. Safety razors were a tiny part of the new conglomerate. They no longer fit into the conglomerate marketing strategy. The razor division was also less profitable, although not unprofitable.

Philip Morris decided to sell it. But the sale was blocked by the Federal Trade Commission as anti-competitive. So Philip Morris decided to abandon the firm, even though it would be a hard blow to a community that had recently suffered four other plant closings. Eventually, as in the case of Herkimer, National Training and Sarotoga Knitting, there was a management-employee buy-out and the firm prospered with a new marketing strategy under the immediate control of the local firm.

The American Safety Razor case is an example of a new shutdown problem. Increasingly, Federal Trade Commission officials say, corporations will threaten to shut down if they aren't allowed to merge. Corporations are continually trying to expand the "failing company" defense against antitrust charges. If a company is about to go bankrupt, judges have ruled, a merger can proceed even though it would otherwise be anti-competitive. LTV Corporation used this argument last year when it merged with Lykes Corporation, even though Lykes was not failing.

Now that we are in the midst of a new wave of corporate mergers, Ed Kelly of OPIC predicts that, "based on past experience, we'll see more plant closings in states like Ohio and Pennsylvania, but also in the South." There may even be a new rationale for closings. One of the hottest business consultant strategies of the moment argues that conglomerates should concentrate on dominance of particular markets. If they can't dominate, then they should close the division, even if it's profitable.

That would accelerate the irrational closings already caused by setting arbitrary, high-profit targets. Bennett Harrison, associate professor of economics and urban studies at M.I.T., points to numerous conglomerates that set extreme standards of profitability—such as 25 percent return on investment—or growth and then shut down every branch that could not meet the standards, even though they were several times above the rest of the industry. "There is nothing especially 'natural' about being unable to do three to four times better than your competition," he argues.

These unnatural deaths of otherwise perfectly healthy businesses are encouraged by federal policies: investment tax credits spur new construction at the expense of maintaining the old; high interest rates favor large corporations that internally generate capital; government procurement is biased toward the big companies; foreign tax credits support overseas direct investment; treating plant closings as regular business losses speeds shutdown; mergers are encouraged by tax policy; and many government expenditures and development of infrastructure, such as highways, often hasten shifts of capital.

Ultimately the question comes down to who's in control and whose account books count. The concentration of capital, especially in conglomerates, accentuates the conflict between social needs or social rationality and the dictates of private profit-making. Especially at a time when there is insufficient general economic growth to provide balm for the civic wounds, the contradiction between communities—and ultimately the whole nation—and capital finds an acute expression in the problem of plant closings. It is less and less possible to dismiss those shutdowns as representing the triumph of efficiency and the rationality of the market, for they are quite often neither.

Tim Nulty, a former economist for the UAW who worked on plant closing issues for the Federal Trade Commission, argues that a society-wide analysis of "inputs" and "outputs" would reveal that many of the shifts of capital that benefit the private corporation are inefficient. "Does it make sense to take an action with no net increase in national output [as many factory relocations represent] and $100 million cost that is imposed on society? When you net everything out—and that's the definition of efficiency—for many shutdowns there is a real loss of national efficiency."

Nobody makes that national accounting now. Nobody watches the public balance sheet. The conglomerates are accountable to nobody.

WHO WILL SAVE THEIR VALLEY?

On March 29 of this year, Robert T. Hall, assistant secretary for economic development at the Commerce Department, sent a letter to Bishop James Malone of the Ecumenical Coalition and Youngstown Mayor Phillip Richley. No, he wrote, the government would not provide the 90 percent guarantees for $245 million in loan guarantees that along with $27 million in grant money would be needed to reopen and modernize the Campbell mill.

The people back in Youngstown who had supported the "Save Our Valley" campaign were furious. The principal reason offered for the rejection was that the Economic Development Administration had gone on record to Congress pledging not to grant loans to the steel industry of over $100 million. But, the Coalition replies, White House assistant Jack Watson had gone on record to them in a meeting, a press conference and a letter last fall that even $300 million was not an outlandish request and was "within the capabilities of the government."

Hall also offered some objections to the feasibility of the plan, but the Coalition was dumbfounded that his analysis did not seem to take into account any of the recent developments. For example, in arguing that they had not arranged sufficient equity funding, Hall did not even mention the $10 million that the State of Ohio would put into the project.

There was no acknowledgement that the United Steelworkers, who had been cool, then warm, and then cold toward the plan in the past, had recently come out forcefully for establishing Community Steel, Inc. They had also agreed that all steelworkers hired would start without accumulated seniority, since it was a new company. That move alone guaranteed the community-worker plan a 21.4 percent saving in labor cost over earlier estimates.

There had also been a new market study by a well-established consulting firm that demonstrated a strong market within 200 miles of the mill for the full output without any need for special government purchases. Steel industry officials are now admitting that there will be a steel shortage by the 1980's, which would further assure the success of and need for Community Steel. However, those same officials—according to a study of the industry by the Argus Corporation—want to cut back all of the older U.S. mills so that when the shortage arises, prices will be driven up rapidly. The Argus research indicates the plan is modeled on the oil industry: in the tight market, foreign imports will soar in price on the short-term market, providing a back capacity.

That is part of the reason why the steel companies have fought the 'socialistic" Community Steel proposal. Their direct pressure on the Commerce Department and indirect influence through a few traditional consultants was apparently sufficient to kill the plan last fall, before it was even completed.

Rev. Charles Rawlings, coordinator of the Coalition, says that his search of documents on the case provided through a Freedom of Information Act inquiry showed no sign that the new proposals were ever even read. One government development economist speaking off the record confirmed Rawlings' fears: the final proposal was never considered. A former skeptic about the viability of the original plan, this economist was now convinced that the revised version could have worked.

There is only one long-shot hope left for Community Steel. If Carter wants to get re-elected, he needs Ohio, and for that he needs the Mahoning Valley. He can't get it without doing something dramatic, like funding Community Steel. There are other proposals—such as a giant central coke oven or a sponge iron facility—but they provide few jobs and have other drawbacks.

Although many members of the Coalition are ready to throw in the towel on Community Steel, the movement started there is still developing. A Tri-State Commission on the steel industry involving labor, church and community groups has been formed. The Commission has filed objections to U.S. Steel's application with the Army Corps of Engineers to build a new-from-scratch "greenfield" steel mill on Lake Erie at Conneaut, Ohio. They demand that alternative sites, such as Youngstown and Pittsburgh, be considered. The new strategy emerging from the steel communities emphasizes "brownfield" development, rebuilding the steel industry in the communities where steelworkers live.

The local union at Brier Hill put up a spunky fight against the LTV decision to close the mill, offering counterproposals for reopening it under worker-community ownership and carrying their protests into the local country club meeting of steel executives. They battled an apparent plan to shut the mill this spring, but then agreed—mistakenly, many feel—to cooperate with an orderly shutdown of the mill later this year. They continue to press for alternatives and have helped to inspire the recent complete turnover of local union leadership—except for their own local—that may prepare the Youngstown labor movement for a stronger role in any future contest over closings of U.S. Steel.

"The community effort here was the best effort ever made," said John Barbero, retiring vice-president of Local 1462. "But I don't know where we're going now. I'm very pessimistic. A good part of the problem was that people were just not getting involved. The effort was never really made on the people to organize them." Despite the impressive Coalition effort, there was always this undercurrent of discouragement: why didn't people—especially the affected steelworkers—back the plan more forcefully?

Many point to the extensive benefits as having "bought off" the workers. Others suggest that many people felt that the project was impossible and found it hard to believe that a bunch of clergy knew anything about steel. The on-again, off-again lukewarm support from the district and international steel union officers hurt. The coalition had broad support, 80 percent of area residents showed a positive reaction to the Coalition in a poll last fall, compared with 18 percent positive about Carter. But it was shallow support, Coalition attorney Staughton Lynd says.

But there are other, deeper cultural problems that can only be overcome as a movement convinces people of their capacity to act and of their right to make demands. In that sense, it is a task similar to starting a labor movement or a civil rights movement. "The thing that people say so often: 'But it's their property,'" district union representative Marvin Weinstock said. "People don't think they can affect it, something so big. It's been pounded away that they have no control when it's someone else's property. People do not yet feel that their rights are on a par with—or superior to—the rights of property, even when they have been deeply hurt."

Likewise, people have so little experience in democracy and direct control of their lives and often have so little knowledge of the industries on which they depend, that they feel they have no capacity to act. Many of the steelworkers from Campbell, however, were anxious to use their skills to open up the mill. They knew how to run the mill better, how to save money, how to work together in a way that the old management had hindered with its authoritarian rule of the workplace—if only somebody could get the money to start the mill rolling again.

Top-down control in the labor movement denies workers the one major opportunity they have for exercise of democracy and building a sense of their capacity for self-management, too. "When the union took away our most powerful weapon—the strike—when they wouldn't give us the right to ratify our contract democratically, when we were told for years not to rock the boat, and then when all these pacifiers came in—that's why nobody took action," Len Balluck says.

Why was there so little action from other workers? "Suppose you're my neighbor," Balluck explains. "You have a good job. You don't give a damn. Too bad, but as long as money's coming into my pocket, I don't care. That's what it's come to. People don't care as long as their pockets are full."

It may take good ideas, solid plans, technical expertise, access to money and sufficient clout to elect sympathetic politicians or to force other legislators to respond in order to turn the tide against conglomerate shutdowns, to assert the primacy of the public balance sheet and to defend the economic health of communities. Above all, however, it takes a dramatic cultural shift in favor of democratic initiative against the power of capital. That requires a powerful political movement.●

LEGISLATIVE VETO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MINETA. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues in the House an editorial which recently appeared in the San Francisco Examiner concerning the legislative veto, a measure introduced by my distinguished colleague from Georgia, Mr. LEVITAS.

I know this is an issue of great interest to many Members of the House, as we examine methods proposed for reducing Government regulation.

[From the San Francisco Examiner, Aug. 19, 1979]

HERE'S A VOTE FOR THE LEGISLATIVE VETO

Where great works are concerned, the 96th Congress—now on a month's vacation—has a record of zero. The lawmakers still have a chance, however, to break that record in a most unusual way.

There's a growing possibility that, in the remaining weeks of the session, they will vote to propel Congress into a wholly new field—into the "legislative veto" business. Thereby, they would be enabled to veto the wackier regulations made by the bureaucracies without Congress' approval, and, indeed, sometimes made in opposition to its intent.

A central and ominous fact of life in Washington (and the country) is that Congress has surrendered the lawmaking power in massive degree to the bureaucracy. The regulatory agencies in the executive branch can take a simple piece of legislation passed by Congress and use it for the writing of hundreds of pages of regulations that Congress never intended to enact.

It happens all the time. This arrogant practice has swamped the nation in a morass of regulatory invention, some of it bizarre, much of it unintelligible, that is costing untold billions a year and helping to fuel inflation.

Agencies often will not even try to make their regulations intelligible to businesses and citizens who are supposed to comply. The search for intelligibility keeps hundreds of thousands of lawyers busy, and handling the avalanche of paperwork dictated by Washington (much of it irrelevant—the stuff on which bureaucratic employment feeds) consumes millions of hours of labor in the private sector, and causes incalculable expense which the public ultimately pays.

By its indifference, Congress has let its powers slip away to the fantasy-spinners in the bureaucracy who want to find ways of regulating every last thing. But now Congress is stirring like a lazy giant and trying to get up the nerve to grab those powers back. Here's hoping it can do the job.

Actually, the task was begun some time ago by Rep. Elliott Levitas of Georgia, who, last year, introduced a legislative veto bill co-sponsored by 186 members of the House from both parties. He didn't quite succeed, but he's back this year on the same track, again with heavy bipartisan support. It seems likely that the House will pass some sort of a legislative veto bill, or at least an amendment to some other legislation that will initiate this needed process.

The Senate, however, is not quite so receptive, though there's strong sentiment there for a regulatory veto amendment to the Federal Trade Commission bill. Lately, the FTC has gone off on wilder tangents than any other agency. It's planning, for example, to strip the Formica Corp. of the right to exclusive use of the trademark name Formica, which would be just like telling Kleenex that it no longer had title to the Kleenex name. But the FTC excels even more in trying to expand its powers into areas that Congress never dreamt of, such as federal regulation of the used car business.

Anyway, committees of both the House and Senate will hold hearings in the weeks ahead on legislation to put a rein on runaway regulation. The White House says that congressional review of regulation-making would be a grave violation of the principle of the separation of powers. That's baloney. The executive branch has violated the principle flagrantly. Unelected people have been usurping the power of Congress and making laws wholesale, which have to be obeyed at the peril of fine or prison. Congress should set this straight or hide its face.●

OLD OIL VERSUS NEW OIL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, I recently received a letter from a fellow Texan that deserves the notice of the public. The letter is addressed to the President, but the writer wisely sent copies to Members of Congress. The issue of old cows versus new cows is not exactly pressing, but the issue of old oil versus new oil is. Our energy policy is a mess, a ludicrous mess. I would ask my colleagues to attend to the letter.

The letter follows:

GRAND SALINE, TEX.

DEAR PRESIDENT CARTER: Why don't you let the oil companies pay my granny as much for her oil as they do my dad for his? It costs them both the same to produce it. They gave the oil company ⅞ of all the oil and gas they own, leaving ⅛ royalty interest kept by both of them. You talk about the oil companies ripping off the public. It seems to me you're ripping off my granny! She's a hard worker. She supports herself and takes care of both my great grandmothers. One of them is 88 and the other 92. As to your windfall tax, it appears to me that's stealing. If my granny was the type of woman who would steal she'd quit work and get on welfare for the three of them.

You seem to be such a Christian gentleman, with high morals. So I believe if you really understood what you're doing to my granny and others in her position you would change the rules on old and new oil, at least from a royalty owners standpoint. It appears to me you would want to pay my granny who pays taxes back to the government, for the oil you forced to be produced, the same as you pay foreigners for the oil we import.

I live on a farm, and we have some cows. Some of these cows we raised from baby calves. These did not cost as much as a recent replacement cow would. Will you soon have us sell the milk from the older cows we raised, cheaper than the milk from the newer cows. When the milk from the cows we raised and that from the ones we recently bought is all mixed together in a bucket it looks, tastes, and in fact is the same. Just like old oil, and your so-called "new oil" might be the same or the old oil might be better. If my teacher's have taught me correctly there's really no such thing as new oil. It's all been laying in the ground for hundreds and hundreds of years.

There is a copy machine in our post office, so I'm going to copy this letter and send it to every Senator and Representative—maybe some news correspondence, as well as to you. I wonder how many of you will tell me why you're ripping off my granny, and do something to try and correct this matter.

Sincerely,

KAREN HILL.●

GARFIELD HEIGHTS, OHIO

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Ms. OAKAR. Mr. Speaker, this year marks the 75th anniversary of the founding of the city of Garfield Heights, Ohio, a community which named itself after President James A. Garfield in 1919. It is with great pride and genuine joy that I salute Garfield Heights on their 75th anniversary and share with you some of the many reasons why Garfield Heights has become such an outstanding community.

Garfield Heights has grown from a small farming village of 2,550 settlers in the early part of this century to a population of 41,000 according to the 1970 census. In the years of its growth and expansion, Garfield Heights has developed into an important industrial, commercial, and cultural center that boasts a wide and modern range of citizen services. Churches and schools of every faith and recreational facilities offer Garfield Heights' residents personal involvement in a variety of worthwhile community activities. There are many important services for senior citizens, such as nutrition, transportation, health, and educational services which provide for the basic needs of older people. And the Garfield Heights Library with 52,000 books and a circulation of 130,000, offers the pursuit of knowledge on as broad and accessible basis as possible.

All in all, Garfield Heights is a fine place to live, a community based on citizen involvement and dedicated to personal involvement, where children play without fear in the schoolyards, where parents volunteer time for charitable community services, where people of every ethnic and racial background have learned to live together in harmony and trust. On the 75th anniversary of the beginning of the city of Garfield Heights, Ohio, I extend sincere congratulations. I am genuinely proud to represent this outstanding community in the U.S. Congress.●

SYNFUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the recent decisive action by the House of Representatives to mandate a major synthetic fuels program for the United States has raised a number of environmental questions, some valid and some which have been completely blown out of proportion.

In my opinion, as author of H.R. 3930, the synthetic fuels bill passed by the House by a vote of 368 to 25 on June 26, I feel it is important that we get this new industry off on the right foot by making certain that proper environmental controls are built into the various systems.

However, I also believe that opponents of synthetic fuels should not raise imaginary specters in their zeal to destroy the program.

With that in mind, I invite the attention of my colleagues to the recent article which appeared in Science magazine on August 31 regarding CO_2 air pollutants. Excerpts from that article follow:

PANEL SAYS SYNFUELS POSE NO CO_2 HAZARD, FOR NOW

In the ongoing national debate over the Carter Administration's synthetic fuels policy there have been some urgent warnings that the release of carbon dioxide associated with production and use of synfuels might bring disastrous climatic changes, with the onset of those changes possibly coming early in the next century. But the National Academy of Sciences' Climate Research Board has now issued a statement which in effect challenges the validity of such dire prophecies.

It says that the big synfuels program proposed by the Administration, which envisions the production of 2½ million barrels a day by 1990, would not lead to a major increase in the concentration of CO_2 in the atmosphere if the commitment to synfuels were only for the "next few decades."

The statement was prepared specially for Senator Abraham Ribicoff's Governmental Affairs Committee and sent to Ribicoff under a covering letter by Philip Handler, president of the academy. On 19 July, the climate board was holding a workshop at Woods Hole, Massachusetts, on the federal government's 5-year climate program, and Handler—having been asked by Ribicoff for the academy's advice on the CO_2 issue—called on the workshop participants for help. An ad hoc group of four scientists then wrote the statement, and circulated it among the 30 workshop participants for their review and criticisms, which are said to have been minor.

The statement runs directly counter to an assessment of the CO_2 problem made by Gordon J. F. MacDonald, a member of the academy and chief scientist of the Mitre Corporation, whose views have been given wide currency by the press and through congressional testimony (MacDonald's testimony before the Governmental Affairs Committee led Ribicoff to seek the academy's advice).

According to the climate board, if the United States and other industrial nations, such as the Soviet Union, were to produce a total of 5 million barrels of synfuels a day over the next 20 years, the increase in the concentration of CO_2 in the atmosphere—now at about 335 parts per million—would be only slightly greater than the increase of from 30 to 60 parts per million expected by the year 2000 from the direct burning of coal and other fossil fuels if the upward trend in the consumption of those fuels continues.●

J. CALEB BOGGS BUILDING

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I am today introducing legislation to honor one of Delaware's greatest public servants by renaming the Federal Building in Wilmington, Del., the "J. Caleb Boggs Building."

Cale Boggs has served the people of my State in a variety of positions, including judge, U.S. Congressman, Governor, and U.S. Senator. He brought to Government a rare combination of commonsense, compassion, and effectiveness which Delawareans came to appreciate over Senator Boggs' three decades of service to the first State.

While serving as judge of the family court of New Castle County, Cale Boggs enlisted as a private in the Delaware National Guard, and rose to the rank of colonel in the U.S. Army. Serving in Europe, Senator Boggs was awarded the Legion of Merit, the Bronze Star with cluster, and the Croix de Guerre with palm.

Following his discharge, he was elected as Delaware's Representative to the 80th Congress in 1946, and was reelected in 1948 and 1950.

In 1952, Cale Boggs became Governor of Delaware. He brought the kind of fiscal responsibility to government which we in Congress ought to be emulating today, while at the same time meeting the needs of our citizens. The voters returned him to the Governor's office in 1956 with a sizable majority.

At the close of his second term as Governor, Cale Boggs was offered the Republican nomination for the U.S. Senate. He accepted and was elected for two full terms, receiving high recognition for his work on the Appropriations, Public Works, and Post Office and Civil Service Committees.

Mr. Speaker, the people of Delaware knew they had a close friend in office with Cale Boggs, and they repeatedly honored him with the highest positions they could bestow.

J. Caleb Boggs is a great American and a great Delawarean. He continues to play an active and highly respected role in the Delaware community. It is, thus, particularly appropriate that we name the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building" as a permanent tribute to the service of this outstanding gentleman.●

TIME TO RESURRECT CAPITALISM

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHUMWAY. Mr. Speaker, Gordon Van Vleck, president of the California Chamber of Commerce, recently made an outstanding presentation which I would like to share with my colleagues. I believe that his statement, "Time to Resurrect Capitalism," should be mandatory reading for all members of this body. Certainly it reflects my own viewpoint completely, and I commend Mr. Van Vleck for his excellent comments:

TIME TO RESURRECT CAPITALISM

There is a time for every speech, and I think it's time for this one. It's time someone took off the gloves and said some things which need saying. The essence of my talk is simple: America is on the ropes and we'd better roll up our shirt sleeves and set about getting this country back on track. I know of no better antidote than a strong dose of plain, old-fashioned capitalism.

I'm not one to mince words. That has been the brand on my year as president of the California Chamber, and I still have five months left to speak out on issues that matter to me. Americans and businessmen—you in the audience—are getting a raw deal, both abroad and at home. This country runs on money generated by free enterprise, not dialogue produced by politicians and government officials. In recent years, the volume of words has been matched only by the volume of tax dollars flowing into government coffers to fund a corpulent bureaucracy and social programs spending this country into bankruptcy. And if you add the political hot air to the hot water this country is in, couple that with our seizure of inaction, then it's going to be a scalding experience soon for everyone—whether in the pay line, the gas line or the welfare line. And one thing is certain, unless we act to free ourselves of government constraints, there won't be a shortage of lines!

In past years, business and government leaders at this forum frequently have spoken of "golden opportunity and personal challenge" to heal a variety of national and state ills. In light of conditions today, those words ring hollow, and I intend to break with a tradition that has neither instilled a vision nor prompted sufficient action among the leaders of business gathered under this roof.

America is now reeling under a series of blows that threaten to bring us down to defeat and despair. Staggered by the energy shortage and the combination of unchecked inflation, an anarchy of over-regulation and irresponsible government spending, the capitalistic foundation we've built this nation on threatens to disappear and take the republic with it. I'm telling you nothing new, nothing you haven't heard on radio, television or in the papers. However, rational analysis and cool deliberation—unless coupled with action—is a formula for inaction and a disastrous policy when everyday citizens have lost faith and confidence in the mechanisms that run the country. The polls tell the story in blacker tones with each passing day, but I don't need surveys to tell me how I feel as I see the business I've worked a lifetime to build threatening to slip through my hamstrung fingers for the second time within a decade. I'm tired of words and inaction. I know it's time to resurrect capitalism.

Almost no one would argue that one of the underlying causes of inflation, which is riddling the economic stability of America, is government spending. Former Secretary of the Treasury, William Simon, in his book, A TIME FOR TRUTH, noted, "It took us a hundred and seventy-one years to get a federal budget of a hundred billion dollars a year. That was 1960. Within nine years, we had reached two hundred billion dollars and four years later gone over three hundred billion dollars. And two years from now, if present trends are not reversed, we will reach four hundred billion dollars. The very existence of our free economy depends on getting government spending under control."

As sobering as that prediction was, it could not hold a candle to reality. Simon gave us until 1980 to reach that bloated state, but recent newspaper accounts tell us that Congress trimmed $6 billion from President Carter's proposed budget and set a "target" budget of $532 billion for fiscal year 1980. The rate of our descent is much faster than Simon foresaw. A balanced federal budget is an accounting nicety, but it won't solve our inflation woes; only a real dollar reduction can do that.

What angers me the most about this spiraling inflation is the framework of economic unreality in which the government chooses to operate. As a consumer and businessman, my economic decisions are based on the steely-eyed necessity of what I can afford, not on how much I can go in the hole. I stretch my available resources to the breaking point and yet, after government does that, it blindly looks for new ways to spend money it doesn't have. It creates its own *credit*; it should concentrate on creating some *credibility!* Governor Ronald Reagan hit the nail on the head when he told those of you here in 1974, "We often hear the phrase 'uncontrollable spending' when the federal or state budget is being discussed. What that really means is spending mandated by some previous statute which government accepts as unchangeable. There is no government program which should be exempt from constant review and cancellation if common sense indicates it is not worth its cost to the taxpayer." A recent government economic report that inflation could be solved in 18 years is tacit admission that government can't control its own voracious appetite; like an acknowledged junkie whose next fix is another tax dollar. By comparison, President Eisenhower solved an inflation crisis in 18 months—after he severely cut back federal government spending. The precedent exists, but the political will doesn't, and that may be the most serious threat to the future of America.

The resurrection of capitalism is crucially linked to solving America's energy problems and policy deficiency. I, for one, am not deluded that the current shortage and dependency on foreign oil isn't real. A Mobil Oil Corporation white paper called the "Dangerous Decade" put the facts into focus, "Our America of 1979 is a handcuffed giant, blessed with an abundance of potential energy resources that will take years of hard and costly effort to make usable. Meanwhile, frustrating delays in the formulation of a rational and comprehensive national energy policy have increased U.S. dependence on foreign oil, making our nation ever more hostage to foreign countries. This so outrages many Americans that they find it hard to adapt to the changed situation and look instead for someone to blame for the passing of cheap and abundant energy." To my mind, placing blame is counterproductive. Every one of us must shoulder our share of our demands, we pull our country back from the brink of democracy's demise. And don't let anyone tell you that the effects of the energy shortage are limited to the users of gasoline and heating oil. A California Chamber poll of business last April asked the pointed question: Are energy supply problems having an adverse impact on your business today? Fifty-four percent answered "yes" and, of those, seven percent indicated they were being forced out of business, with the rest citing delayed expansion and operational cutbacks as effects of the shortage. That's not competition forcing business to close, that's an artificial situation which is tampering with the ebb and flow of free enterprise dynamics.

When faced with a problem, businessmen leave no stone unturned in building a solution. Unfortunately, the leadership of this country sees fit to erect a whole host of barriers to possible solutions. In recent weeks right here in California, we have been dangerously close to demanding more electricity than we can generate. And yet we have such projects as New Melones and Diablo Canyon that are completed and ready to go and yet they can't be brought on line. It's a shame political necessity has to stand in the way of oil deregulation, energy development investment programs and a consistent national policy. The President did not propose tapping private industry and proven technology to alleviate our energy problems. Instead, he proposed creation of two new government agencies and the imposition of $142 billion in new taxes. I know—you know—what has to be done, but a collective lack of will prevents it.

Sixty-one years ago, Winston Churchill laid the problem out in its hardest terms, "The times are hard and rough, and every man and every woman must choose their part and play it with all their might. Personal interests, party interests, class interests, sectional interests—all these will have to take second place to national interests if we are to get 'round the corner without disaster." I'm not going to suggest to you the truth of this assessment; if you can't see it for yourself, you're just so much deadweight the country can't afford to carry. This can be the showcase for a resurrection of capitalism; turning the energy industry loose to insure America's energy stability and independence. And that means severing the regulatory shackles government has erected through the decades.

Regulation is a major cause of capitalism's stagnant condition. It is the sole reason for the growth of government as we know it today. Having government protect us from ourselves may be an overworked cliche, but I've met enough bureaucrats in my day to know that the "protection racket" is the biggest game in town.

Regulation stifles operations, boosts costs through the entire manufacturing-selling cycle, and interrupts the capitalistic dynamics of supply and demand. Where are the incentives to develop new resources and build new plants? Where are the incentives to bring a less expensive item to the marketplace and capture a greater share of consumer demand, when watchdogs are peering over your shoulder, giving directions, every step of the way? Nowhere, that's where!

A recent congressional Joint Economic Committee report stated, "Inflation is the real problem, regulation is a major cause of inflation, and the nation's economic malaise stems from an inadequate supply of goods rather than from excessive consumer demand. What this means is that if business is given the proper incentives, productivity will rise and prices will go down." Simple. Neat. And true. But the chances for getting the proper incentives through the 96th Congress and the White House are less than optimistic.

The anarchy of regulation touches every facet of American life; a smothering web of confusion, disorder and cross-purpose. I can cite you chapter and verse on outrageous statistics, but even that is part of the overall bureaucratic conspiracy—protection from the government itself.

The size of the problem is enormous. The visible federal spending to run the regulatory agencies has zoomed from $745 million in 1970 to $4.8 billion this fiscal year. Compliance is the other side of the coin. During this year, American business and industry will spend upwards of $100 billion to comply, report and process government regulations. That means at a cost of $500 per person in this country. Talk about hidden taxes!

In terms of capital formation, productivity, new jobs, and innovation, government regulation is slowly and grindingly snuffing out the candle of capitalism. It is my firm conviction that it must be stopped. The delicate relationship of a government serving its people versus people serving the government has been dangerously tipped. To strengthen the flame of capitalism, we must act to shed the burden of regulation.

Steps are being taken by a few concerned citizens who haven't been misled. While the phenomenon of Proposition 13 was the voice of angry taxpayers, its subconscious foundations ran to a much deeper fear—government is not responsible, and to save the republic, we must seize our power back. Well, an angry gesture at the polls may have been the first blow, but a combination is needed now and in 1980.

Americans and Californians must continue to rectify past political abuses by changing the law through the election process. As always, the heart of the problem is money. Now that Proposition 13 shortened the supply, the second approach needs to be implemented, structuring the allocation of that supply. That's where Paul Gann's Spirit of 13 spending limitation initiative comes in. As Proposition 4 on the November ballot, the Spirit of 13 will put an additional leash on government growth and give business time to reassert the values and rewards of capitalism. I urge you to support it with your dollars and then help get out the vote November 6th.

The second step is to change the face of government itself. If we do this, put responsible people in government, people who understand the need to resurrect capitalism, then the obstacles to its rebirth will be removed before America is past the point of no return. Business dabbling in politics has generally been a taboo, though our visibility in fighting them on their own ground has heightened considerably in the past two years. I'm not talking about "dabbling"—I'm talking wholesale change. Change without political labels, change that holds to one and only one credo—capitalism can do the job.

Not overnight, but soon enough, a responsive government could chuck the majority of its regulatory functions, and by trimming back government spending, ease inflation and spur free enterprise growth. The job is not easy, in fact, it will take people of incredible courage, people of rock solid commitment. Our task is to find them, and put them in office to shoulder the burden of resurrecting our capitalistic society. I have faith we can do it.

Finally, I have this to say: America, you and I, would best be served if government got off our backs. And if they don't, the day will come when, by necessity, they are thrown off. The choice is theirs now, only because we put it in terms of choice, and not an ultimatum.●

THE ANGELS WIN WORLD TITLE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. McCLORY. Mr. Speaker, led by their commanding officer, Judy Wrobel, the Angel Drill Team of North Chicago, Ill., captured the Elk's international open drill competition held in New York City on August 21, 1979.

Mr. Speaker, this climaxes Judy Wrobel's outstanding career as a prominent part of the highly successful Angel Drill Team. Serving as squad leader, supply officer, and executive officer before assuming her role as commanding officer 3 years ago, Judy Wrobel has demonstrated the kind of discipline and leadership which has led her and her drill team members to both a national championship and now an international title.

Mr. Speaker, Judy Wrobel's individual success has been nurtured by her devoted parents, Mr. and Mrs. Don Wrobel of north Chicago, by many of her teachers—both in grammar school and high school—and more recently and particularly by the Angel Drill Team coordinator and instructor, Navy Chief Nathaniel Hamilton.

Mr. Speaker, I am privileged to attend the Angel Drill Team Ninth Annual Banquet and Drill Team Ball honoring commanding officer Judy Wrobel on September 21, 1979 at Great Lakes Naval Training Center in Great Lakes, Ill. I am proud to call to the attention of my colleagues in the House of Representatives and to citizens throughout the Nation who glean these pages the long and hard training and practice sessions—the strict discipline and the hard work—which preceded the national and world recognition which the Angel Drill Team and its commanding officer Judy Wrobel have earned.

Mr. Speaker, I join with citizens throughout Illinois' 13th Congressional District in extending a heartfelt "well done" to Judy Wrobel and the Angel Drill Team—and a good wish for success in her college experience and in her later career. Judy and the drill team members are young citizens of our Nation of whom we may all be mighty proud. I salute Judy Wrobel, Chief Nathaniel Hamilton and all of the north Chicago Angel Drill Team members and wish them all well.●

ANOTHER FAKE CRISIS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WHITEHURST. Mr. Speaker, the September 17, 1979, issue of Business Week contains an excellent commentary on the ongoing problems at the Department of Energy, which I am pleased to share with my colleagues at this point in the RECORD.

Let me say at the outset that I had the highest regard for former Secretary Schlesinger, and I believe that the new Secretary of Energy, Charles Duncan, brings to the Department the expertise of a very competent businessman. At the same time, however, the chaos there is such that I am not sure that anyone, no matter how astute, can get it sorted out; it rivals the Augean Stables on their worst day.

On June 3, 1977, when the legislation to establish the new Department was under consideration, our colleague, JIM BROYHILL, offered a sunset amendment. He and PAUL FINDLEY made some very cogent comments at that time, and 202 Members voted to include the provision. Regrettably, however, it was taken out in conference, and we are now seeing the results.

For this reason, I introduced H.R. 4329, to terminate the Department on January 15, 1982, unless Congress acts in the meantime to continue it. The Department would then be replaced by a non-Cabinet-level agency to carry out any necessary functions and programs. It seems to me that the 1982 deadline would give our new Secretary adequate time to put appropriate reorganiztaion plans into effect, if it is possible—and if reorganization does not improve the situation, we will at least have the consolation of knowing that the problems now existing in that so far unmanageable bureaucracy will end on January 15, 1982.

H.R. 4329 so far has 28 cosponsors, and I would welcome more.

I commend the editorial to my colleagues.

ANOTHER FAKE CRISIS

Those talented people at the Energy Dept. who brought the nation gasoline lines when there was no serious shortage of gasoline, have a new extravaganza in rehearsal. After loudly predicting shortages of fuel oil in the coming winter and ordering refineries to step up production to avoid a disaster the Energy Dept. now has to face the fact that there will be plenty of fuel oil. All it has done by creating a wave of panic buying is push the price up from 54¢ a gal. last May to 80¢ a gal. in August. Meanwhile it appears that inventories of fuel oil may total more than 255 million bbl. by Oct. 30 about 6% more than Energy considers necessary for safety. Distributors are already warning that their storage tanks are more than 90% full.

Several conclusions emerge from this fiasco and from the phantom crisis in gasoline.

The Energy Dept. sees nothing wrong with making vital decisions on the basis of inadequate information.

It has no understanding of how markets work to establish a delicate balance of production, supplies, and prices in the oil business.

It is a slow learner, repeating mistakes instead of drawing conclusions from them.

No other government agency—with the possible exception of General Custer's staff—has made so many costly miscalculations so fast. The Energy Dept. must look at itself and see what the public sees. Its new administrator, Charles W. Duncan Jr., is reported to be preparing a plan for reorganization. This certainly is necessary, but it is not enough. Duncan should undertake a searching review of the qualifications and competence of the department's decision makers. Those who are responsible for the gasoline and fuel oil debacles should be replaced without delay. The nation simply cannot afford a third such comedy of errors. ●

VERIFICATION AND THE LATEST "CUBAN CRISIS"

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DERWINSKI. Mr. Speaker, there has been much speculation in the press lately that the failure of the U.S. intelligence community to determine that the Soviet Union has positioned a brigade-sized, combat-capable formation in northern Cuba would affect the upcoming vote on verification of the SALT II treaty. If we have been unable for years to find in Cuba a Soviet unit of brigade strength, the question goes, will we be able to verify Soviet compliance with the provisions of the SALT II treaty?

The administration, for its part, speaks of comparing apples and oranges—they are two completely different kinds of intelligence targets, it says. U.S. intelligence may not be able to distinguish readily between a Soviet tank driven by a Cuban in Cuba and the same tank driven by a Russian in Cuba—both use Soviet tanks, of course—but. they hasten to add, there are no problems whatever in finding and identifying Soviet strategic weapons, that is to say, intercontinental weapons.

Where we are sadly deficient, however, as Senator GOLDWATER has pointed out, is in good intelligence from human sources. Human intelligence is what we need in the present case. Cuba, over the years, has become a more difficult target to penetrate; but at the same time we have been reducing and denigrating our human intelligence capabilities. You simply cannot beat our intelligence community over the head repeatedly and expect it not to have blurred vision. It is also ironic that a few of the frantic participants in the current "Soviet-brigade-in-Cuba" controversy have been for years throwing jabs at the intelligence service. I refer, of course, to the senior Senator from Idaho, Mr. CHURCH.

In any case, whether not finding the Soviet brigade in Cuba for so long reflects unfavorably on our ability to monitor, and thus verify, Soviet compliance with the SALT II treaty, it is one point. Does U.S. intelligence have the means to determine Soviet compliance with the subtle and the marginal conditions such as range limits on cruise missiles or whether or not the Soviets are upgrading the strategic potential of the Backfire bomber or are converting medium-range missiles to mobile ICBM's? Above all, can it tell what the Soviet leaders' intentions are? National technical means of intelligence, as good as they are, as I understand it cannot satisfactorily provide the answers to these and other important questions.

What the current Cuban issue emphasizes, I think, is that we have gravely hurt our intelligence services over the years. We have substituted technical means for human means where the latter cannot really be adequately replaced. And we have reduced the resources devoted to analysis of the intelligence product. This latest flap over Cuba may in fact be an Intelligence failure, but I think it was more likely an intelligence failure (small "I"). The intelligence services themselves are probably doing a good job, considering what has been done to them, but it is long overdue for us to begin to give them the support and resources they—and we—need.●

HOW I WOULD HAVE VOTED

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ERTEL. Mr. Speaker, on Friday, September 7, I was unavoidably absent for an important set of field hearings in Harrisburg, Pa. Because I believe that it is important that my constituents know my positions on legislation before the House, I want to take this opportunity to state for the record how I would have voted on September 7.

On roll No. 451, an amendment that sought to freeze the public service subsidies of the U.S. Postal Service at the current $920 million level through fiscal year 1984, and provide for a reduction in subsequent fiscal years, I would have voted "no."

On roll No. 452, final passage of the bill H.R. 7, the Postal Service Act of 1979, I would have voted "aye." ●

WE ARE LOSING THE CARIBBEAN

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DICKINSON. Mr. Speaker, I commend to my colleagues this important and thoughtful editorial by Roy Shoffner, publisher-editor of the Enterprise Ledger, Enterprise, Ala. Mr. Shoffner has documented the gradual demise of U.S. power in Latin America because of a policy of retrenchment and neglect.

Importantly, Mr. Shoffner makes some specific recommendations as to what we should do to correct the situation.

WE ARE LOSING THE CARIBBEAN

(By Roy Shoffner)

I have debated over writing this column for several days. I was concerned that it can sound like that continued crying of wolf at every turn. Yet, I cannot sit idly by and watch what appears to be an ever growing danger come without saying something in warning.

I hope it never happens. I hope I am wrong from the word go. But what I see and read makes me fear for the future of freedom in this nation and in the very possible continued existence of this nation.

There is nothing wrong with the mass of Americans. You can't find a more patriotic group of people anywhere. There is nothing wrong with the military. You can't find a more responsive and better trained military group anywhere. There is nothing wrong with the intent and desires of the American people for the other people of this world. They want everyone to have what Americans have enjoyed for 200 years.

But there does seem to be something wrong in a government of these United States that would allow the Monroe Doctrine to be flouted and see a combat unit of the USSR stationed in Cuba—just 90 miles off the coast of this nation. There does seem to be something wrong with a government that pointedly proclaims that human rights must be observed in any country that is a friend of the United States—but fails to open its mouth about any communist or non-aligned nation who practices any and everything but human rights. These nations are cuddled and treated as privileged nations while our friends are stepped on, slapped and even have their governments overthrown for the benefits of our communist fellow travelers.

Once, these United States stood up to the enemy. Once these United States told a nation far more powerful than we that they were to keep their armies and flotillas of conquest away from these shores. That was the United States speaking directly to the Russia of another day.

Today, the United States doesn't seem to have enough gumpshun to even turn around and spit.

Take a look at what is happening just a few miles to the south of us. The Caribbean is no longer American waters. It is now about to become Red waters.

The Panama Canal held a strong key to the puzzle. The fight went on until it finally killed one of the greatest United States Senators Alabama ever sent to the Congress—Jim Allen. He fought the good fight but lost. America may have lost its freedom in that fight. We will have to wait awhile to find out.

With the give-away (pay-a-way) of the Panama Canal, the gates were opened. Cuba had already gone to the Russian side many years ago. When we called their hand in the missile crisis, we had hemisphere. But we turned around and guaranteed we wouldn't lay a hand on Castro. He let him spawn his web throughout Latin America. We paid little attention and Castro has convinced Latin America that only he cares about them.

In recent months, a small series of islands separating the Atlantic from the Caribbean have gone over to the communists. Little play has been given to this fact in the daily papers. Just a few short weeks ago, we took a leading hand in removing a strong pro-American dictator from his hold in Nicaragua. Did it help the U.S.? Castro and Panama's Torrijos are regarded as the "good guys" there today.

Already the movement is looking toward El Salvador. Already the guerilla movements are tearing that little country to shreds. Is the U.S. doing anything to help El Salvador? NO. That would be interfering in the internal affairs of that nation. Cuba? Panama? They are exporting guns, cadres, and know-how to El Salvador to help in overthrowing that nation's government.

Mexico is casting longing eyes in Cuba's direction. Why? The United States doesn't want Mexicans crossing its borders and doesn't buy Mexican oil and gas at the prices Mexico asks.

In the meantime, Cuba has been sending armies to fight in foreign lands. Cuba has been aiding Russia's navy by allowing submarine pens to be built on its south coast. Cuba has been hosting hundreds of USSR technicians—and now it appears to be hosting an entire combat battalion. And are we sure that those missiles are not really just stored in the caves ready to be wheeled out?

There is much to be said about turning the other cheek. But in this world that pays more attention to missiles and guns, turning the other cheek can also mean surrender and serfdom (slavery). These United States can still clear out the Caribbean and make the world pay attention. But for how much longer at the miserable rate we have been going, I don't know. We seem to be trying to give our freedom, our precious possessions, our strategic gateways, our trade secrets away to our enemies. Why? So we can prove we are good guys? That isn't enough.

We need to take a good look at Vietnam; assimilate its lessons; get back our backbone and stand up once more. We were not licked in Vietnam. Our military had its hands tied in that operation. Only once were we able to fight like Americans. That was when the Army hit the Parrot's Beak and broke into Cambodia. If we had been allowed to fight in the traditional manner, the war could have been won in a matter of weeks.

If we keep backing up, we will soon be sitting here with all our friends gone. Then, what shall we do? Throw in the towel and quit. Heaven forbid!●

JOSEPH CESARI, JR.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. YATRON. Mr. Speaker, on August 4, in San Diego, Calif., Joseph Cesari, Jr., was crowned the world champion at 62 kilograms in the World Schoolboy Wrestling Championships.

Joe is an eighth grade student at North Schuylkill High School and is a resident of Ashland, Pa. He won three matches in order to qualify for the finals. His opponent for the title match was the defending world champion, Naresh Kumar of India.

It is my pleasure to call to the attention of this body the outstanding achievement of this fine young athlete. I know my colleagues will join with me in wishing Joe continued success in wrestling and in life.●

ADMINISTRATION OF DAVIS-BACON ACT

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ERLENBORN. Mr. Speaker, I would like to share with my colleagues today a small part of the growing evidence that the Davis-Bacon Act, an outmoded piece of depression era legislation, is incapable of proper administration. This fact is brought to light through the hard work of a private organization, the Associated Builders and Contractors, Inc., which has studied the act on several occasions and found it to be a virtual nightmare to administer. Most recently, ABC studied wage rates in Jefferson County, N.Y.

Between December 1978 and January 1979, ABC devoted 165 working hours in carrying out a construction wage survey in Jefferson County. This was done as a pilot program to ascertain the accuracy of the prevailing wage figures for the area as determined by the U.S. Department of Labor. A second purpose of the program was to ascertain the cost of the private sector to verify DOL wage determination accuracy.

The results of the ABC study should shock the conscience of every hardworking, taxpaying American citizen and I would like to share them with the Members of this House.

To begin with, after receipt of ABC's December-January survey data, which concluded that the DOL project wage determinations were inaccurate, DOL took 43 days simply to issue a notice that a wage survey would be conducted. An additional 100 days passed before a new wage determination was issued. Thus it took almost 5 months from the time DOL was supplied with figures challenging its own wage rate accuracy for DOL to complete and publish its data.

The new DOL figures point out three major error areas which bear out ABC's contention regarding the Davis-Bacon Act:

First. Prior to the ABC survey, DOL's determination contained wage rates for 79 construction trade classifications. Of these, the new DOL survey eliminated 55, thus indicating that there was a 70-percent error factor in the original DOL posted classifications.

Second. The new DOL wage determination contained a total of 34 trade classifications. Ten of those were classifications not included in the original DOL determination, thus indicating a further error factor of 29 percent in the recognition of existing trades working in the area.

Third. Of the 24 constant trade classifications (ones on which DOL made wage determinations both before and after the ABC wage survey), wage rates were changed by DOL for 16 classifications. This means there was an actual error in 67 percent of the previous constant DOL prevailing wage determinations (16 of 24 trade classifications) in Jefferson County.

To further compound the problem, the newly published DOL prevailing wage project determinations in 20 percent of the classifications show wage rates higher than its own survey has recommended and there have recently been further increases in three categories which are not backed up by any new survey by DOL.

Mr. Speaker, it is fortunate for the American taxpayer that, in the face of such a wasteful government policy, a private organization has seen fit to survey a county in order to determine the accuracy of DOL's wage determinations. Other ABC chapters, and other organizations, also make surveys like this one, but the costs and the "rollover" time required make continuous surveys in all counties impossible. After all, Jefferson County is but 1 out of 3,104.

Clearly, something must be done about Davis-Bacon before inflation consumes the energies of our society. I submit, Mr. Speaker, that whatever the reasons for the House's delay in acting, it clearly cannot be a lack of evidence on the negative effects of Davis-Bacon. Thanks to private surveys like the one above, the evidence is overwhelming.●

INTERNATIONAL YEAR OF THE CHILD?

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLAY. Mr. Speaker, this is the International Year of the Child and Marvin Gaye has done a marvelous job of summing up the problem. He says:

> When I look at the world it fills me with sorrow, little children today are really gonna suffer tomorrow.

That statement is not unfounded pessimism, but rather a realistic assessment of the attitudes and activities of a ruling class who are not willing to save a world "destined to die." The world does not have to die if only we would listen to the admonition of Marvin Gaye. He says:

> Mother, mother there's too many of you crying. Brother, brother there's too many of you dying. Father, father you know we have got to find a way to bring some understanding today.

Somebody help us to understand why blacks are killing each other by the thousands each year. Somebody help us understand why black youth are more interested in high-heel shoes and wide-brim hats, than high scholastic achievements and wide ranges of opportunity. Somebody help us understand why Reggie Jackson is more popular than Jesse Jackson. Help us understand why Willie Mays is better known than Benjamin Mays. Somebody help us to understand why the NCAA is more important than the NAACP; why smoking pot is cool, but investing in property makes you a fool. Please somebody help us to understand.

Somebody help us to understand "what's going on." We see poverty, pestilence and disease all about us and President Carter says that our No. 1 problem is inflation. We see malnutrition and starvation abundant and the Catholic bishops say that abortion is the No. 1 problem. We see unemployment and crime running rampant and Ronald Reagan says that a balanced budget is the solution.

With no positive programs to deal with the real problems of little children from ages 1 to 99 we have the audacity to celebrate the International Year of the Child. Sloganizing has become a way of life for the movers and shakers who represent only 10 percent of the world's population. They bask in riches and wealth while the other 90 percent becomes increasingly poorer. Children with bloated bellies and naked butts are sights in New Delhi, Addis Ababa, Lima, and Harlem. Instead of celebrating the International Year of the Child, would it make more sense to decry it?●

TRIBUTE TO HON. JOHN L. McMILLAN

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERRICK. Mr. Speaker, as I am sure you are aware, the Honorable John L. McMillan, who served in this Chamber for some 34 years, has died in his native State of South Carolina at the age of 81. I would like to take this opportunity to rise before this body and offer a few words in remembrance of this fellow South Carolinian and public servant as well as extending my condolences to his widow, Margaret, and son, Johnny.

John McMillan was elected to the House of Representatives in 1939 and began his congressional career by serving on the Civil Service Committee. He obtained the chairmanship of the House District of Columbia Committee and served in this capacity until his retirement in 1972. Chairman McMillan's long and distinguished career saw much change come to our country and, indeed, to this House. Through it all, his was a voice that will be important in the chronicle of these times and will be well remembered in his district, our State, and within these halls.●

PUBLIC SERVICE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BROWN of Ohio. Mr. Speaker, we are all aware of a growing public resentment of big government and its intrusion into our lives. As one who has opposed the rapid growth of government since I came to the Congress, I find this frustration neither surprising nor unjustified.

However, I believe that it is important that the blame be focused where it belongs—on the Congress and the President—rather than on the public servants who carry out the policies. Certainly, there are horror stories of bureaucratic bungling and inefficiency and any such reports should be dealt with immediately. Yet, it is simply not fair to blame the great number of honest, hard-working public servants for the faults of a few.

This theme was developed recently by the new president of the National Capital area chapter of the American Society for Public Administration, Bradley H. Patterson, Jr. I commend Mr. Patterson's remarks to the attention of my colleagues.

REMARKS OF BRADLEY H. PATTERSON, JR.

Dear Friends, old and new, in ASPA:

We begin a year of build-up to the next Presidential election. If the year past is any judge, 1979–80 will be filled with even more of the rhetoric about us public servants which for instance, I noticed occurred down in Atlanta last April 11. Mr. McIntyre, the Director of the Office of Management and Budget, was telling a meeting in Georgia about regulatory reform, and his speech was full of demeaning references to the machinery of government. When he and Mr. Carter came to office, he said they found, and I quote, "the steady drone of the bureaucracy." He took aim at the lack of accountability of what he called "a career bureaucrat buried in the bowels of the bureaucracy."

Now I am not a doctor, but I know a four-letter word for what is typically buried in bowels. Perhaps that metaphor, and the "steady drone" symbolism will be considered good politics, but they add neither dignity nor leadership to the Executive Office of the President of the United States, and to its supposed role in inspiring and managing the career services.

Mr. McIntyre, as the New President of the National Capital Area Chapter of the American Society for Public Administration, I have a message for you tonight:

If you wish to continue to characterize public servants as akin to the contents of the large intestine, does it occur to you that the disrespect you evoke for government in the public mind comes back to tar not only our shoulders, but yours as well, and the President's—whom you represent?

We know, of course, that you will not be the only politically motivated person in the next year and a half to decry the workings of government. Mr. Kennedy has just told the folks in Iowa that the government overregulates our society, and you can bet that the Republican candidates will say the same thing only more so. Mr. Jarvis, author of Proposition 13, was quoted as remembering that the only evidence of government in his boyhood hamlet were signs saying that one was entering and leaving town—and would'nt that be about right for Washington, D.C.?

Who will be left to point out to the citizens who sweat to pay our salaries that we in the Executive Branch are constitutionally responsible for taking care that the laws be faithfully executed? If Presidents and would-be Presidents, law-makers and would-be law-makers don't like the present statutes and the regulations which necessarily flow therefrom, let them not hide behind the executive machinery of government, but have the courage to get those laws changed. The "regulations" so often decried are in almost every instance mandated by the laws themselves, or by the Courts. To present and potential political critics, we say: Go ahead and amend the Occupational Safety and Health Act, the Clean Water Act, the Strip Mining Act, the Consumer Product Safety Act—and if you can, and the President signs the repeals, we in the Executive Branch will have more time to concentrate on the tasks that are left.

But until you do so, those laws are on the books, and we public administrators are going to be faithful to the laws, even if some of our political executives are not very faithful to us.

Mr. Carter brought back some diplomatic achievements from Panama, from Jerusalem and from Vienna, but forever nameless, as usual, will be the thousands of civilian and military staff people—in State, the Pentagon and CIA—some of whom have worked for two decades under six Presidents—to make those triumphs happen. Some of that "steady drone" Mr. Carter heard in the past was what has made possible the encomiums for him in the present . . .

In the next year and a half, perhaps it will only be groups like ours who will be left, amid the cacophony of denunciation, to speak up for the importance of public service. I, for one, intend to speak up for the vital role which a disciplined, low-profile and tightly-run White House Staff must perform for any Chief Executive—this against the more fashionable chorus of post-Watergate voices which denigrate White House staff functions.

I don't mean that we should speak as blind advocates. ASPA must take its position with care and sophistication. I don't mean speaking as if the public service were not already tarred with the blots of those who have been compromised with corruption; ASPA must join with some of its distinguished elders like Elmer Staats and help root out the government's own rotten apples.

But in the end, ASPA must speak up—telling whoever will listen that there are tens of thousands—in this building for instance, and in Federal and State and Local government and academic halls throughout this nation—who deserve the public's support and gratitude, because they serve a good society greatly.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLINGER. Mr. Speaker, on September 7, 1979, I was absent from part of the legislative action on the floor of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 448: H.R. 79, postal reorganization, the House agreed to the rule (H. Res. 386) under which the bill was considered, "yea"; and

Rollcall No. 449: H.R. 79, postal reorganization, the House agreed to resolve itself into the Committee of the Whole, "yea." ●

FACTS AND FAIRNESS ABOUT CHRYSLER CARS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PURSELL. Mr. Speaker, Chrysler Corp. has been the subject of much debate with much of the information incorrect. I would hope that my colleagues keep an open mind and review the facts before public positions are taken.

With that in mind I submit for the RECORD an article printed in the Washington Star:

FACTS AND FAIRNESS ABOUT CHRYSLER CARS

Chrysler Corp. has been getting a lot of undeserved blame for producing cars unfairly stereotyped as gasguzzlers.

The facts are that several Chrysler Corp. cars get better mileage than some foreign "economy brand" models. Some models get better mileage than some other comparable domestic cars. And many have a superior reputation for heavy-duty dependability in taxi and police fleets.

More than two-thirds (67 percent) of Chrysler's sales for the 1979 model year have been small cars. This compares with the 59-percent small-car portion of Ford's 1979 sales and the 30-percent share of General Motors' 1979 car volume. The small-car shares in the 1978 model year corporate sales totals were: Chrysler, 57 percent; Ford, 50 percent; and GM, 28 percent.

Chrysler led the domestic industry in introducing front-wheel-drive economy cars. Its front-drive Plymouth Horizon and Dodge Omni models went on the market early last year, about 13 months ahead of the "1980" General Motors X-body cars.

According to the 1979 Gas Mileage Guide estimates published by the Environmental Protection Agency, Chrysler's Japanese captive imports, the Dodge Colt and Plymouth Lancer, were rated at 30 mpg.

In the category of "minicompact cars" this was better than the ratings of the Datsun 200SX, the Ford Pinto and Lincoln-Mercury Bobcat, the Porsche 928, the Renault LeCar, the Subaru and the Volkswagen Beetle convertible.

Under the subcompact category, EPA rated the Dodge Colt hatchback and the Plymouth Champ at 34 mpg. This was better than the ratings for the Chevrolet Chevette, the Buick Skyhawk, the AMC Spirit, the Audi Fox, the Fiat Brava and 128, eight of the 11 Volkswagens tested, three of the five Hondas tested, and 12 of the 14 Toyotas tested in the same category.

In the personal luxury-car field Chrysler's elegant Cordoba model, as corporate public relations director Frank Wylie pointed out in a recent letter to Time magizine, was rated at 16 mpg; this bettered the ratings of two celebrated German and Japanese small-engine models, although the Cordoba is powered by a middle-sized 318-cid V8 engine.

The four-door Chrysler LeBaron with a 225-cid six was rated at 17 mpg with automatic transmission. With the manual four-speed, the two-door LeBaron registered 18 mpg in the EPA calculations.

TAXIS AND POLICE CRUISERS

Besides fuel economy, the Chrysler products have a longstanding reputation for dependability and durability.

A big part of the Washington taxi fleet is made up of Plymouths and Dodges. With their Torqueflite transmissions, they survive as many as 200,000 miles a year in stop-and-go traffic. Many of the police cruisers in Fairfax County, Va., which must cover a 400-square-mile area, sometimes at high speeds on rural roads, are also Chrysler-built.

This reporter can attest to the satisfactory performance of Chrysler products he has owned and operated over many years. None was ever returned to the dealership because of a factory defect. They included three Plymouth Valiants, a Plymouth Belvedere, a Plymouth Fury, a Dodge Coronet, a Desoto and a Chrysler New Yorker. The big New Yorker sedan, with more than 98,000 miles on its odometer, carried a family of seven over the 13,000-foot Arlberg Pass twice during a vacation in the Austrian Alps.

PIONEERING TECHNOLOGY

He has also driven a $20-million experimental Valiant equipped with a "seventh-generation" turbine engine. Chrysler has led the world in automotive turbine development and research for the past two decades.

Chrysler engineers were first with power brakes, full-time power steering, the combined starter-ignition switch key and also first to make electronic ignition standard.

Chrysler has also built a lot of large, heavy and comfortable family cars and recreation vehicles which needed big engines and used fuel freely when it was plentiful and cheap. It put some huge, tacky "Forward Look" fins on its cars in the late 1950s, overreacting to the modest fender fillips introduced on the fishtail Cadillacs. And in the late 1930s it was guilty of being 40 years ahead of its time when it tried to sell its fuel-efficient aerodynamic Airflow models.

But it has also built millions of sensible-sized Valiants, Darts, Volares and Aspens, and has reduced car weights by as much as 800 pounds in recent years.

When Congress comes back to town next month and starts making a determination about tax relief or other assistance for Chrysler Corp., its deliberations should be illuminated by an awareness of all the facts bearing on the problem.

It would be unfortunate if the congressional perceptions were distorted by a dim and mistaken image of the firm's products as being socially irresponsible. Most of them have been pretty good, and some of the newer ones seem right on target for the 1980s.●

CURBING DRUG TRAFFICKING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. LAFALCE. Mr. Speaker, for years we have been passing legislation to curb the alarming incidence of drug abuse in our Nation. While inroads have been made, there is still a big job to be done.

In his 1979 state of the Union address, President Carter said that, "we will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic." I agree with this policy, and maintain that to stop the flow of drugs into this country, we must stop the enormous flow of drug-related currency into and out of this country. To this end, I recently introduced three bills which will aid law enforcement officials in their fight against international drug traffickers. H.R. 4071, H.R. 4072, and H.R. 4073 would amend the Bank Secrecy Act so that it would be illegal to attempt to export or import large amounts of currency without filing the required reports, and would also allow U.S. Customs officials to search for currency in the course of their presently authorized search for contraband articles. A reward for informants could also be made from seizures of currency in excess of $50,000 from the recovered funds.

The Treasury Department has also determined that regulating the flow of currency is one measure which could impose a stricter curb on the flow of illegal drugs into the country. I would like to share with my colleagues two newspaper articles, one from the Washington Post and the other from the Los Angeles Times, which outline Treasury's assessment of the situation and how its regulations are designed to quell it.

[From the Washington Post, Sept. 7, 1979]

BANK REGULATION: A DRUG WEAPON

(By Larry Kramer)

The Treasury Department has unveiled its latest weapon in the continuing fight to put a stop to illegal drug trafficking across the country: federal bank regulation.

While such a weapon is unorthodox, it represents a natural response to a growing phenomenon cited by Treasury. Florida banks are literally swimming in cash, much of which probably comes from people involved in huge illegal drug transactions in that area.

And in an effort to pinpoint the source of that cash overload, Treasury officials yesterday proposed tightening regulations governing all large currency transactions.

"Crime is a cash business," said Assistant Treasury Secretary Richard Davis in an interview. "Criminals don't file W–2 forms."

Davis said that Treasury's findings seem to corroborate information from other federal agencies about illegal activities in Florida relating to narcotics, drugs and marijuana importations.

Treasury's check on banks revealed that in 1978, currency deposits in the Miami and Jacksonville Federal Reserve Bank offices exceeded payouts by more than $3.2 billion. That figure represented 77 percent of the surplus reported by all Federal Reserve Offices in 1978.

The study also showed that a great deal of that surplus came from Northern cities, particularly New York, Chicago and Detroit, which showed large decreases in cash during the year.

The figures "clearly indicate that unusually large volumes of currency are flowing into Florida from other states, and perhaps, from other countries," Treasury said in releasing its study.

One fact that has officials puzzled is the outpouring of $100 bills—some $2.5 billion worth—from New York's banks. By contrast, much of the growth in Florida's cash holdings is in $20 denominations.

"What that may indicate," Davis said, "is hoarding. When someone is keeping money outside the banking system, it is usually kept in large bills."

Davis said one of the discoveries made because of the study was the fact that "there certainly is not anywhere near 100 percent compliance with the bank Secrecy Act."

Under that act, banks must report unusual currency transactions in excess of $10,000. But there is an existing regulation which allows banks to exempt certain regular customers.

Although that exemption was designed to ease transactions for major commercial customers who, for example, might make daily deposits from receipts, it appears that the exemptions may have been misused, Davis said.

There were, for example, individuals and other unlikely customers like small charter boat operations or small airplane charter companies, that were routinely being allowed to make huge cash deposits or withdrawals without the transaction being reported.

The new regulations being proposed by Treasury would require that such exemptions be sharply limited to those engaging in lawful retail businesses.

In addition, the regulations would require all banks to make more complete identification of a person dealing in large amounts of currency, and require such reports to be filed within 15 days after a transaction takes place.

The new regulations would also seek to prevent reporting exemptions to be extended from domestic banks to offshore banks, which the department thinks could be involved in funding illegal operations through large cash expenditures.

Treasury's new regulations will be published in the Federal Register today, and are open to public comment for 60 days.

[From the Los Angeles Times, Aug. 20, 1979]

UNITED STATES SAYS BANKS, LAWYERS HANDLE DRUG TRADE CASH

(By Robert L. Jackson)

MIAMI.—Millions of dollars in profits from illegal drug traffic—some of the cash in paper bags and cardboard boxes—is being funneled through banks here in what may be the nation's largest money laundry.

The sources and ultimate uses of this massive cash flow are being investigated by the FBI and the Drug Enforcement Administration, with help from the Customs Service.

Profits of narcotics traffickers are higher than ever, and their proceeds are winding up in real estate and small business investments throughout the country, a Times inquiry shows.

There is also a growing national involvement of lawyers and other professional persons in handling the drug money, according to investigators.

A month's-long federal investigation called Operation Banco has already led to some indictments, but Peter B. Bensinger, the nation's drug enforcement chief, says law enforcement officers "have really just struck the tip of the iceberg of the money flow."

"There are many more bankers, lawyers and professionals involved in this money-washing, drug-money scheme who are free and unindicted than, obviously, those now facing a jury or judge for their offenses," Bensinger said in an interview.

The illicit, untaxed proceeds from the sale of heroin, cocaine, marijuana and lesser-known drugs are estimated at $40 billion a year.

Interviews with prosecutors, federal officials and organized crime authorities and a review of court records provide tantalizing insights into the laundering of the money. In some cases suspected drug profits have been seized, and details of the money schemes have been revealed.

Some examples:

An attorney in Ft. Lauderdale, Fla., was arrested in January as he was preparing to board a chartered jet for a one-day round-trip to the Cayman Islands, a tax-free haven in the Caribbean known for the Swiss-style secrecy of its banks.

The lawyer, Jose Pelleya, allegedly refused to tell Customs agents whether he was carrying more than $5,000—the legal reporting limit—in his black suitcase. When he was found to have cocaine in his clothing, his suitcase was opened. Inside was $278,000 in cash and bearer bonds, which were seized by federal officers.

When a Mexican heroin boss named Jose Valenzuela was convicted in Los Angeles for U.S. drug dealings, prosecutors showed that Valenzuela and his wife had invested more than $500,000 in houses, luxury automobiles and a taco factory in Southern California.

Asst. U.S. Atty. Bob Perry said that $371,000 in small bills was found in a closet and that additional sums were traced to Mexican banks.

In Minneapolis, when federal agents broke up a ring headed by a hashish dealer named Ashok Solomon, they confiscated $50,000 in jewelry and found eight real estate parcels in which Solomon and his associates had invested their drug earnings.

The ring also bought a leather goods boutique. Internal Revenue Service agents descended on them after they fraudulently claimed losses from theft, when actually they had lost money from poor management of the shop.

A member of a prominent banking family in Ft. Worth, George Thompson III, was convicted this year of concealing $94,900 in bank loans he made to help finance purchases of cocaine and marijuana. Thompson, the board chairman of Ridglea Bank, became friendly with a narcotics trafficker and attended parties at which guests smoked marijuana and used cocaine. Quaaludes and other drugs, according to court testimony.

The Miami investigation into drug-money laundering has not implicated any bankers in criminal wrongdoing. But some federal officials question how the bankers can accept large cash deposits in paper bags and boxes without having qualms about the source.

"There aren't too many businesses that generate hundreds of thousands of dollars a day in small bills," one Treasury Department official noted.

The illicit drug business—from the big-time traffickers who arrange covert shipments from Latin America and Southeast Asia to the lower-level entrepreneurs in charge of street sales—is cash and carry. Checks or money orders would leave a paper trail too easy for the U.S. investigators to follow.

Yet the cash proceeds pose problems for the trafficker. In terms of sheer bulk, he has to haul his profits in suitcases or the trunks of automobiles. Then there is a problem of security. And some of his newly acquired money may be marked bills passed to him by a federal drug agent.

For all these reasons, federal investigators say, narcotics dealers want to convert their illicit profits into something "legitimate" and more manageable. So they must launder the cash.

Treasury officials, The Times learned, have obtained evidence that $84 million in cash has coursed through six accounts at a single Miami bank.

Bernard Benes, vice chairman of Continental National Bank, which is named in federal memoranda as the recipient of this money, was asked if large cash deposits had raised suspicions. "That's our business, to encourage deposits," he told a reporter. "If there are rules, we comply with them."

Benes said his bank, as required by law, sends information to the Treasury Department on the name, occupation and mailing address of anyone who deposits or withdraws more than $10,000 in currency.

It is these forms—required of banks since 1970—that have furnished investigative leads to FBI agents and drug enforcement officers seeking to trace the source and use of suspected drug money.

Asked if any narcotics traffickers had used his bank, Benes replied, "I doubt it. All of our depositors are registered in our files as being legitimate businesses."

Richard Davis, assistant Treasury secretary for enforcement, said he had provided drug officials with 2,800 currency transaction reports involving $370 million in Miami banks in the last two years. Although not all this cash is drug-related, Davis said, "DEA has acknowledged that some major investigations have been initiated, in part, as a result of information provided by the reports."

It was learned that many cash depositors reported by one small group of Miami banks are persons from Colombia whose occupations are listed as "farmer." Colombia is the principal source of the processed cocaine being smuggled into the United States by small boats and planes, officials say.

Dana Biehl, a federal prosecutor who has worked on the drug investigation here, said a common pattern emerges when large cash sums are deposited. Within days, he said, the depositor instructs the bank to "wire transfer" the money to another bank in the Bahamas or Cayman Islands.

This enables the funds to be transferred to to a foreign, coded account and the records are beyond the reach of a U.S. subpoena, Biehl explained. The island bank, in turn, may transfer the funds to another bank in Panama or elsewhere, he said.

Sometimes Swiss or European bank accounts are used, other officials reported. But the Bahamas and Caymans are more popular among drug dealers, they said, because officials there are less cooperative than the Swiss when U.S. officials are investigating such money.

With Caribbean banks so accessible—only an hour's plane ride from Miami—cash can be carried there by suitcase if the courier is willing to risk detection by Customs agents.

Biehl said drug money, thus laundered, often comes back to the United States in the form of investment in South Florida real estate or legitimate businesses. But by then the source is difficult, if not impossible, to identify, he acknowledged.

"We've found real estate and condominiums being purchased by people who are under investigation for narcotics violations," Biehl said.

Charles Kimball, who has served as a consultant on organized crime for the state of Florida, said money from abroad has been involved in 40% of all real estate sales in South Florida each year, and the trend has been accelerating in the last three years.

In Dade County, where Miami is located, Latin American investors from such drug-producing countries as Colombia, Bolivia and Peru are heavily represented, he said.

Much of the money has come from corporations formed in the Cayman Islands and the Netherlands Antilles, both of which protect the identity of corporate owners, officials said.

Bensinger, the DEA chief, said the challenge facing law enforcement is that narcotics profits "are so enormous that others are quickly willing to take the place of those arrested."

It is the ready availability of untraceable cash, some officials believe, that has attracted lawyers, bankers and other professionals.

Richard E. Jaffe, a retired IRS agent now working for the Dade County police intelligence unit, said, "A whole service industry of lawyers, accountants and real estate brokers has sprung up to handle the money, with a 6% cut. They're willing to look the other way on how it's been generated."

So enormous are the profits, in fact, that 14 drug smugglers indicted in Miami in May had more costly and modern boats, aircraft and communications equipment than the agents who tracked them down, officials said.

As to professionals who handle the

money—lawyers, bankers, accountants and others—Bensinger said, "The law and the enforcement of the law has not yet been sufficiently brought to bear. We're just getting into this field with both feet."●

FIRST CHRYSLER—AND THEN?

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DODD. Mr. Speaker, the Treasury Department will soon be reviewing plans to provide Federal assistance to the financially troubled Chrysler Corp. On September 6, I sent a letter to Treasury Secretary G. William Miller recommending that any proposal submitted to Congress for Federal aid to Chrysler include a commitment from the auto manufacturer to increase its production of low-emission, fuel-efficient cars.

I would like to bring to the attention of my colleagues the September 9, Washington Post article written by former Transportation Secretary Brock Adams. I would urge my colleagues to consider Mr. Adams' views on the opportunities the Federal Government has for linking an aid program for Chrysler to the development of new automobile design and fuel technologies:

FIRST CHRYSLER—AND THEN?

(By Brock Adams)

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bailout"; refuse aid and leave thousands of auto workers and executives unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passenger rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy being played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethlehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livelihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

(1) Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s. I would give the Chrysler Corporation provisional aid to get it over the short-term crises, but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic: an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

(2) Focus on the massive need for capital and how it is to be raised and invested. If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and establish a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments, on how to raise and spend that capital as a total society rather than spilling it piecemeal.

(3) Don't get bogged down in ideological battles. Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straitjacket and abroad it is controlled both in amount and price by cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

(4) Emphasize new technology. America is in the midst of an innovation slump with research and development spending now only 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the non-petroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be accelerated and vastly expanded beyond what is currently being contemplated.

(5) Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price. That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 20-mile Strait of Hormuz, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in disaster (political, military or technological). Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can only be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues God's speed.●

THE MALADY LINGERS ON

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, President Carter is demanding to ration gasoline, but the vast majority of our energy problems are caused by Government involvement, and can only be worsened by more intervention, not to speak of matters of individual rights.

A recent editorial in the Wall Street Journal accurately pinpointed the true cause of our troubles. I would like to call it to my colleagues attention:

THE MALADY LINGERS ON

From a purely statistical point of view, the gasoline shortage is over. But over the Labor Day weekend motorists would have had trouble discerning this truth as they searched for open stations and confronted the lingering vagaries of odd-even rationing. Northeastern governors had previously suggested they might even end their odd-even systems after Labor Day.

The reason for all these lingering effects of what, in a properly ordered world, would have been only a temporary supply tightness is that gasoline distribution in the United States is being wrecked by federal and state regulators. Competition, the only certain control on prices, is being destroyed by rules that favor one type of supplier over another. The favored ones often feel little competitive pressure either to cut their prices in the face of slackening demand or to remain open other than a few hours each week-day. How all this has come about makes for a revealing look at how regulators have been protecting the consumer's interests.

First of all, gasoline shortages need not have happened at all if prices had been allowed to adjust. Federal gasoline allocations that did not take into account shifting demand patterns left some areas of the country deprived of gasoline while others had plenty. The resulting shortages stimulated hoarding, which further aggravated the problem.

A lot more things were going on below the surface in the gasoline business. Independent gasoline jobbers were afforded more liberal allocation rules than refiners, being allowed to retain allocations for outlets they were no longer serving. Thus, their share of the business has been rising.

In Maryland, refiners have been legislated out of gasoline retailing and some other states, Connecticut, for example, are following this lead. The theory here is that you stimulate competition by eliminating competitors. The Department of Energy entered into this game with its latest profit margin regulations, granting independent dealers a larger profit margin, 15.4 cents a gallon, than refiner outlets, who got only 10.8 cents.

Then, of course, there are the state set-asides, which enable governors or their designees to control 5 percent of a state's gasoline allocation, directing it to whoever they think might need it most. Under such circumstances of political control over a valuable commodity, it's not a bad idea to have a good relationship with the politicians.

All of this political interference in the gasoline business has had some interesting effects. As name-brand outlets have shut down, new independents have popped up—fortunate people who happen to have the necessary allocations. Quick fortunes can be made on the spot market by favored wheeler-dealers.

None of this has succeeded in its ostensible purpose of holding down the price of gasoline. Prices at the pump have been rising at the rate of about a nickel a month. Indeed, these higher prices undoubtedly had more to do with the end of the gas lines than the odd-even systems. Curiously, at the level prices have reached, U.S. motorists have been paying considerably more for gasoline than their neighbors in Canada, who have not had the protection of price ceilings and allocations.

The regulatory system in the U.S. has been systematically destroying competition, replacing the old marketers with a favored group that has enough political clout to get the government to protect its marketing position and thus allow higher prices. Labor Day motorists have been witnessing the devastation wrought by politicians who profess to protect them from big oil. With friends like this they have no need for enemies.●

ENERGY COMPANY OF AMERICA

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ATKINSON. Mr. Speaker, our energy problem has proven to be monumental and it shows no signs of becoming alleviated in the near future. OPEC has raised prices, and will do so again. The oil companies seem to be more closely tied to Mideast commercial policy than to the American national interest. Even the President has recognized the necessity of strong Government participation in the field of energy.

On June 28, I introduced a bill which would create an Energy Company of America. I believe this company could be the strong and effective implement of Government energy policy. The Energy Company of America would gain reliable operating information more accurately than a Federal department. It would also be able to influence the private oil companies through direct competition rather than regulation. In short, it is just the type of forceful and long-lasting Government implement which is needed to effect American energy policy.

I would like to insert in the RECORD an editorial which appeared in the Beaver County Times on July 29, 1979. The editorial, by Tom Waseleski, graphically illustrates many of the arguments for the Energy Company of America.

The editorial follows:

[From the Beaver County (Pa.) Times, July 29, 1979]

ATKINSON'S INVITATION TO THE OIL BUSINESS

(By Tom Waseleski)

While you were reading your newspaper this week and wincing, Gene Atkinson was smiling. Not that he takes any pleasure in your pain, though. It's just that Atkinson is the Beaver County congressman who introduced plans for an Energy Company of America in the House last month.

Getting a look at the billfolds of the multinational oil compaines again proves a sobering experience—even for gasoholics. Second quarter profits over the same period last year were up 70 percent for Boron, 65 percent for Gulf, 36 percent for Amoco, 38 percent for Mobil, 61 percent for Standard of California, 55 percent for Shell, 90 percent for Cities Service, 132 percent for Texaco . . .

Figures like these don't make us wonder why no one set up a federally owned energy company in this country before—they make us enraged. While some may think Atkinson's bill befits a dream concocted at a slumber party for burned out Roosevelt-Kennedy-Johnson liberals, Atkinson does not intend to throttle free enterprise. As a matter of fact, his aim is to spread competition to an industry that has never known it.

Big Oil has built a legend around operating from secrecy. Consider the consent decree it has with the Department of Energy. The Federal Trade Commission has been investigating the sales practices of various oil companies for possible violations of federal law. Officials in DOE have been privy to confidential information from Big Oil so long as they agree not to pass it on to, say the FTC, which needs it to assemble its case.

Such an agreement was put to the test a month ago when DOE was called before a House subcommittee. Despite some tense and charged moments, the secrets between the oil companies and the Energy Department were not compromised, even under the glare of TV camera lights and the eager scribble of the Capitol Hill press.

We've come to expect this sort of official arrogance from private executives in the name of profits, but when it mushrooms into collusion with government employees salaried by the public, it becomes a sordid Washington practice that has no equal. That's one of the things that so riled Rep. Atkinson that he became convinced that the government needed its own energy company not only for obvious benefits to the fuel supply picture but for firsthand and incontrovertible information what it actually costs to buy, sell, discover and refine oil in an era of eclipse.

His proposed Energy Company of America would do all this and more. Besides having the power and federal funding to engage in the same energy ventures as private oil companies, ECA would deposit its profits in the U.S. Treasury, negotiate on the government's behalf with other nations (probably non-OPEC) for beneficial fuel supply arrangements and act as a feisty maverick in a field where the commodity sellers are more agreeable to the whims of a foreign cartel than the needs of domestic consumers.

Atkinson figures ECA would need $100 million in federal outlays, plus bond sales, to be established in three years, at which time it could commence drilling for oil, negotiating overseas for natural gas, etc.

Other western nations already have national energy companies competing with the private sector. The biggest success, and fortunately the one whose country's import situation most nearly duplicates that of the U.S. is Petro-Canada. Only three years old, Petro-Canada has dramatically increased that nation's supply of natural gas by the discovery of a large source off Nova Scotia, where the private companies had never drilled. It has also been in the forefront of Canada's search for new domestic oil wells. Last year Petro-Canada sunk 16 of 26 new holes drilled nationwide. This year it will own 11 of 13 new drill sites.

Petro-Canada is presently negotiating energy deals with Mexico, China and other non-OPEC countries to circumvent the cozy and costly cartel-corporation embrace.

It nevertheless isn't going to return our northern neighbors to the days of gasoline at 50 cents or even 75 cents a gallon. What it will do is turn the energy industry into a free market, causing companies to use exorbitant profits for competition in energy exploration and development rather than side acquisitions like Anaconda Copper, which ARCO bought in 1977 for $700 million. A lot of help that was at the pumps.

Atkinson's ECA proposal is bound to be attacked as more of the fashionably maligned government bureaucracy. What obviously doesn't faze these people is that Exxon and Shell are hardly Mom 'n' Pop operations either.

Energy is a thorny problem and it begs a comprehensive solution. The $100 million ECA startup cost is loose change compared to the $20 billion Congress wants to sink into synthetic fuels.

Sen. Adlai Stevenson of Illinois, who introduced the ECA proposal to the Senate in March—which in terms of energy was a less harrowing time—cautioned that "it is foolish to leave international negotiations to entities accountable to themselves and foreign governments—and not the American people."

When energy prices force inflation into double digits while Big Oil chooses to use only 84 percent of its refining capacity; when gasoline costs soar at an annual rate of 61 percent while Big Oil cows the White House into killing a World Bank proposal to fund oil exploration in non-OPEC countries; when a poorly fielded Energy Department can frolic under the covers with the industry it is assigned to regulate while its approach to the problem must be forceful in tone and international in scope, it behooves the government to take matters into its own hands.

The Energy Company of America could be the best thing to come down the pike since the TVA. And if Big Oil doesn't like it, well, there's always nationalization.●

NICARAGUA AND COMMUNISM

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, we hear a lot of nonsense about the "freedom fighters" in Nicaragua, who are in actuality nothing but Communist terrorists.

The U.S. Government is giving massive aid to this new outpost of the Gulag, and we even hear rumors about military aid.

Any kind of foreign aid is wrong. To force American taxpayers to help our enemies is unforgivable.

The best article I have seen on the true nature of the Sandinista Communists was written by the eloquent M. Stanton Evans in National Review Bulletin. I would like to share it with my colleagues.

WHAT'S HAPPENING IN NICARAGUA

Despite the bland denials of our government and a stream of glowing press reports, Communism is fastening its grip on Nicaragua.

President Carter, for one, hastened to assert that the rise to power of the Sandinista had nothing to do with Communism in general, Fidel Castro's Cuba in particular. "I do not attribute at all the change in Nicaragua to Cuba," Mr. Carter told a press conference. Reporters in Managua, meantime, have been staging a daily competition to see who can write the most breathless prose in admiration of the Sandinista.

An Associated Press account in the Washington Star, for instance, informs us that the Sadinista government is taking "methodical steps to establish democracy . . . while avoiding any suggestion it has Communist designs for the future." The government is credited with having moved "to re-establish civilian control . . . taken down roadblocks, created an atmosphere of public safety, and restored press freedom." Interior Minister Tomás Bórge is quoted as saying: "We are not planning a socialist revolution here, we are planning the reconstruction of Nicaragua."

Despite which, the evidence is overwhelming that Nicaragua is well on its way to becoming another Cuba. Clearest indication of this fact is the dominant role being played by the self-same Tomás Bórge. Bórge is a member of the nine-man directorate that presently runs the country and of the three-man group that will control the Nicaraguan "people's army." In addition, as Minister of the Interior, he will control the nation's police force.

What makes these developments particularly ominous is that Bórge is a hard-core Communist revolutionary, and scarcely troubles to conceal that fact. Although AP neglects to mention it, Bórge was trained in Cuba, is a close ally and confidant of Castro, and openly espouses Marxist revolutionary doctrine. His Communist background is so flagrant that Agence France Press refers to him as "the Nicaraguan Castro."

In 1977, Bórge was one of a group of Nicaraguan revolutionaries captured and tried by the Somoza government and sentenced to a thirty-year prison term for terrorist activities. In the course of his trial, he acknowledged the extensive guerrilla training he and his confederates had received in Cuba. Last year, he was freed from prison as part of a ransom deal when the Sandinista invaded the Nicaraguan legislature. He flew to Cuba via Panama for further discussions with Castro—a meeting that was featured in the Cuban press.

The Cuban connection has been vividly underscored since the Sandinista came to power. In late July, Castro spokesman Ramón Sanchez told a group of reporters in Washington that Cuba had given aid to the Sandinista, including "arms and things like that," and that "our support for Nicaragua has intensified as the struggle has intensified." That same week, two high-ranking Sandinista flew to Havana to pay their respects to the Castro regime. And in mid-August, Bórge himself made yet another sojourn to Havana.

Nor is Bórge the only Marxist in the new regime. A recent issue of *Newsweek* ticks off the background of some others: Humberto Ortage, a former Communist youth leader trained in Havana; Victor Manuel Tirado, a Mexican-born Communist; Carlos Nuñéz, "one of the Sandinista's most committed radicals." Add to these Father Ernésto Cardenal, a noted devotée of Castro (he made the Havana pilgrimage in July). And, it should be recalled, the unified Sandinista operation was put together with the guidance of Castro himself.

The performance of the new regime—contrary to the euphoric AP report—is entirely in keeping with these data. As noted by *Human Events*, the actions of the Sandinista government point directly toward a Castro-style dictatorship: abolition of the elected legislature, indefinite postponement of next year's scheduled elections, projected nationalization of some private property, and a crackdown on the press.

One of the first acts of the new government was to shut down the paper *El Pueblo* and arrest its editor; through early August, only one newspaper, radio station, and TV channel, all officially controlled, were being allowed to operate.

How does this square with the AP report that the Sandinista had "restored press freedom"? The answer apparently lies in the explanation of Sandinist official Bayárdo Aroe: "We support freedom of the press. But, of course, the freedom of the press we support will be a freedom of the press that supports the revolution."

Add to all of this reports of summary executions of Somoza supporters, members of the National Guard, and other enemies of "the people." Representatives John Murphy (D., N.Y.) and George Hansen (R., Idaho) report a veritable reign of terror in the country. The Costa Rican newspaper *La Nación* discloses that in some parts of Nicaragua "hatred and vengeance have teamed up against the military forces of the deposed Anastasio Somoza regime or its sympathizers and hundreds of them have been publicly executed or pursued in house-to-house searches or in the hills."

What is happening in Nicaragua, in sum, is what has happened in nearly every country that has been captured by the Communists, which explains why Castro and Panama's Omar Torrijos were so eager to assist the Sandinista. It does not explain why the U.S. Government and media have covered up—and continue to cover up—the extent of Communist involvement in the Nicaraguan revolution.—M. Stanton Evans.●

REGULATORY OVERSIGHT

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. LEVITAS. Mr. Speaker, I would like to call to the attention of the Members an editorial from the Dallas Times Herald of August 15, 1979, concerning the hearings held in that city by our colleague, Congressman Martin Frost, on legislative veto.

I want to commend Congressman Frost for his leadership in bringing this subject to the attention of the public and for listening to his constituents on the matter.

This is one subject in which our constituents are ahead of us in Congress. They know that they are overregulated by unelected bureaucrats; and it is up to us to listen to them and to do something about their problems with government. It is those people out there, not the people in Washington who only talk to each other, who need to be heard.

These hearings, chaired by Congressman Frost, are a first effort to listen to the problems those people are having in trying to comply with rules and regulations, which have the force and effect of law, but which were never considered by an elected legislator.

I trust that the Rules Committee will go forward expeditiously with its work on H.R. 1776, the legislative veto bill; and that the committee will not bottle up or delay unduly consideration of this bill in an effort to defeat it.

Not only other Members of Congress (over 200 of whom are cosponsors) but also the public will be watching.

Congressman Frost knows that you have to listen to the American people and he has done so.

[From the Dallas Times Herald, Aug. 15, 1979]

REGULATORY OVERSIGHT

If Congress is to gain control over the federal bureaucracy, it will have to approve a House resolution permitting lawmakers to veto unwise or overreaching regulations drawn up by government agencies.

In a hearing in Dallas this week, area business, political and professional leaders detailed a variety of "horror stories" about the cost and frustrations involved in living with hundreds of rules set forth by federal bureaus.

House Resolution 1776 would permit either house of Congress to veto a rule or regulation written by a federal agency within 60 days of its adoption. After 60 days, but before 90 days both houses would have to act to block implementation.

Rep. Martin Frost, who chaired the Dallas hearing, pointed out it is easy for bureaucrats to either misinterpret or lose sight of legislative mandates in issuing tens of thousands of rules and regulations which have the force and effect of law.

Congress could reduce the scope of the problem by drafting laws more precisely, leaving fewer decisions to the bureaus.

Congress is elected to make the laws of the United States and it should reverse the growing power of the bureaucracy by regaining control over the regulatory process.●

ALABAMA POSITION PAPER FOR "OPERATION PUMP"

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHELBY. Mr. Speaker, I urge my colleagues to read the following paper prepared by several of my constituents involved in the construction field. Their thoughtful comments provide much needed insight into this area, and I commend this position paper to the House's attention:

ALABAMA POSITION PAPER FOR "OPERATION PUMP"

It is the general consensus of those involved in this program that changes are necessary in order to complete the projects as required by law. Following are statistics of EPA on the current status of the grant projects:

Of $4.2 billion appropriated in FY '79, EPA has obligated only $867 million at end of second quarter.

Of greater significance, $2.7 billion of past years' funds, $2.2 billion must be reallocated on October 1st, unless period is extended.

There are 10,800 active projects, by EPA's count. Close to one-half, or almost 5400, are Step 1 Facilities Plans; 1600 are Step 2 Designs; and almost 4000 are Step 3 Constructions Projects.

Not shown in these statistics is the time between steps waiting for review for auditing or for rechecking to determine if new criteria has been met.

ACEC members feel that much of this backlog is the result of the regulations and procedures developed and administered by the Federal EPA through the regional offices. ACEC members in all regions feel strongly that the Construction Grants Program should have greater local control such as that undertaken by the local Public Works Program by the Economic Development Administration.

Improvement in the Construction Grants Program is possible; however, Congress must take action to direct the Federal EPA Programs. The following are actions which Congress could take to start correcting problems associated with the Construction Grants Program.

1. REPLACE THE EPA CONSTRUCTION GRANTS PROGRAM (CGP) WITH A LOCAL CERTIFICATION PROGRAM

The national goals as specified in the Clean Water Act of 1977 include a policy statement that the States are to manage the Construction Grants Program. To underscore the local aspects of the CGP, 78.4% of all grants awarded by EPA were made to communities of 25,000 or less, yet they are "regulated" by the same administrative burdens to qualify for federal assistance as the largest cities.

In reauthorizing Title 11 of the Clean Water Act, consider use of a LPW-type program which relies on a simple certification process of local governments to procure the technical services required to meet the standards established by EPA for communities with a population of 25,000 or less.

2. ESTABLISH A FIXED TIME PERIOD FOR APPROVAL OR REGULATION OF PROJECTS

Local municipalities often wait months, every year, for approval to proceed with projects, especially Step 2 Design and Step 3 Construction phases.

Amend Clean Water Act or as a condition to FY '80 appropriation, amend 40 C.F.R. 30.345 and all other regulations referring to grants programs to require that all applications which:

(a) are submitted as part of a conforming priority list process approved by the state where the grantee is located; and which

(b) include all required documentation, such as approved facility plan or construction design specifications;

shall be either approved or rejected within 90 days of submission.

3. PERMIT COMBINATION OF GRANTS IN BOTH STEPS—1 AND 2 FACILITIES PLANNING AND DESIGN

Under current regulations, each step requires approval by EPA and in most situations, unnecessarily delays progress and completion of the facilities.

Congress should amend the Clean Water Act in Title II or make it a condition of the FY '80 appropriation that EPA amend the construction grants regulations in Part 35, Local Assistance, to include a provision for combination grants for Steps 1 and 2. Included in such provisions can be safeguards to assure that elements of design and construction specifications are not commenced until the facilities planning process is complete and approved by the states and EPA.

4. REMOVE RETROACTIVE APPLICATION OF NEW REGULATIONS

EPA regulations and Program Requirements Memoranda (RPMs) are retroactively applied to construction grants projects, creating unnecessary delay and increased costs to grantees and their engineers. New regulations and RPMs are applied to completed facility plans and designs during the EPA review period. Grantees and their engineers must redo the work under the new regulations.

The Act should be amended to preclude the retroactive application of regulations to any step in Construction Grants program unless requested by the Grantee and the State agency.

5. RELAX REGULATIONS FOR SMALL COMMUNITIES

EPA's Construction Grant Regulations are equally applicable to all grantees, no matter what their size. Almost 80% of the grantees currently receiving assistance are communities of less than 25,000 in population, representing 30% of the total dollars involved in the grant program. Almost half of these grants were made to communities with populations of under 3,500.

Most small communities do not have professional staff and find it difficult to comply with the same EPA regulations that apply to large, complex projects in major cities.

The Clean Water Act should be amended to extend the consideration given to small communities with populations of less than 25,000, as currently stated in Section 203, to include all project steps. Also, require that the EPA Administrator issue separate regulations embodying cost principles based on Attachment O to OMB Circular A-102 for assistance in such communities.

6. REDUCE BURDEN OF FEDERAL CONTRACTING

Consulting Engineers performing contracts for grantees under the EPA Construction Grants Program experience delays in pre-contract reviews, disallowance of costs, reductions of indirect costs, delayed payments for work already performed, delays in final approval of contract products and excessive delays in payments for retained fees. These factors and many others make performance of EPA work a burden on everyone associated with the program.

Interest on borrowed money is an accepted business expense by the private business community and by the Internal Revenue Service. Nonallowance of interest has been a particular burden on the Consulting Engineer.

We recommend that the Federal Procurement Act (PL93-400) be revised so that this Act not be required as a basis for the procurement of A-E services by local government operations.●

CAN WE AVOID A MAJOR WAR UNTIL 2000?

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. McEWEN. Mr. Speaker, Gen. Bruce C. Clarke, U.S. Army, retired, is a native of Adams, N.Y., in my congressional district. Early in World War II, as a junior lieutenant colonel, he was appointed to be chief of staff of the 4th Armored Division while in training at Pine Camp (now Fort Drum). He went on to become a combat command commander of the 4th Armored Division and of the 7th Armored Division in combat where he achieved an enviable record and was highly decorated.

After World War II, General Clarke became, progressively, commander of the 2d U.S. Constabulary Brigade, 1st Armored Division, I Corps, U.S. Army Pacific, 7th U.S. Army, U.S. Continental Army Command, and Commander in Chief of U.S. Army Europe.

Certainly, then, this distinguished officer's views on the defense of our Nation must command the highest respect.

General Clarke has just sent me his article, "Can We Avoid a Major War Until 2000?" His views on Selective Service are most timely as this Congress is about to consider H.R. 4040, the defense authorization bill. I ask that this article be inserted in the RECORD so that my colleagues might consider the thoughts of this Army general who has probably spent more time in direct contact with troop units, and commanded more soldiers of different nations as their field commander than has any other U.S. Army officer.

The article follows:

CAN WE AVOID A MAJOR WAR UNTIL 2000?

(By Gen. Bruce C. Clarke)

(In a talk in 1962, soon after I retired as Commander-in-Chief of our Army in Europe and Commanding General of the Central Army Group of NATO, I said generally as follows:)

Having spent nearly ten years commanding troops facing the Iron and the Bamboo Curtains, I have arrived at certain convictions about the nature of the Communist threat to the Western World.

Basic Communist policies:

1. Keep opponents divided and weak.
2. Exploit weakness, disorder and confusion.
3. Communist expansion is not linked to a time schedule.
4. Encourage and support wars of "National Liberation."
5. Avoid all-out war until they can win.
6. Taking two steps forward, then one back, if necessary, produces a net "gain" for Communism.

I enlisted in 1918 and have served the Army 44 years in uniform and for 17 years since I retired. Our sons and sons-in-law have served in our three recent wars. From this background I have a horror of any major war in which we might be engaged. Neither side can win such a war. Both sides would lose. The effort, expense and inconvenience of preventing such a war are minimal as compared to our cost of deterring it.

A conflict which could start as a conventional war and escalate into nuclear exchange is far more probable than one which would start as a strategic nuclear exchange.

The keys to the deterrence of such a confrontation are our strengths: Strength in weapons, supplies, strategic transportation, leadership, commandership, tactics, strategy, resolve, morale, national spirit and an adequate number of qualified and dedicated officers and men and women available to our armed forces when they are needed.

Our volunteer system has fallen far short of these requirements. If the Warsaw Pact forces would now make a suprise attack on

NATO, it would take at least three months to bring selective service personnel to our training camps, plus several more weeks to train them. In the meantime, the personnel needs of our fighting forces would not be adequately taken care of. The war could be over, with our loss, by that time unless we resorted to a nuclear defense. This could escalate into a strategic exchange with horrible results.

There is a Selective Service Registration Bill before Congress. It provides for registering available personnel soon after 1980. They could not be called up until further action by Congress. How would this step help to prevent war?

It would reduce our lead time to provide adequate and qualified personnel to our armed forces by at least three months. It would re-establish in the minds of our opponents and of our allies the resolve, determination and spirit that have made our country great in the past. It would encourage the Western world.

It would very much strengthen our deterrence in the minds of our opponents and would strengthen the hand of our government in its important, diplomatic activities toward the prevention of wars.

It would have a dampening effect on several of the six basic Communist policies listed at the start of this article.

Frederick the Great said: "Diplomacy without arms is music without instruments."

I am sure that he meant arms that are adequate and quickly available, if needed.●

NATIONAL HUNTING AND FISHING DAY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DINGELL. Mr. Speaker, on September 11, the President issued a formal proclamation designating September 22, 1979 as National Hunting and Fishing Day. Now in its eighth year of celebration, National Hunting and Fishing Day has as its primary function to bring about a public awareness of the overwhelming contribution of hunters and fishermen—and their activities—to the conservation and wise management of our natural resources and wildlife. Too often, these outdoor sportsmen are overlooked as being major contributors to the conservation of our natural resources.

In the past 50 years, hunters and fishermen have contributed more than $5 billion for natural resource conservation and wildlife management and protection. In a day's time, sportsmen will contribute $1,370,000 to conservation. This adds up to $500,000,000 a year. There is no other group that does so much.

Throughout the years, conservation funds have been made available through the revenues from excise taxes charged on hunting and fishing equipment under the authority of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act. Funds for resource conservation and wildlife management are also derived from the sale of hunting and fishing licenses. Just last year, the sale of 16 million hunting licenses and 26 million fishing licenses brought over $340 million to State and local governments to use in resource and wildlife conservation.

Today, the voices of conservation speak more effectively than ever before in history—and justifiably. The continual encroachment of destructive elements on our dwindling natural resources must be recognized as a serious threat and must be met with seriousness. In recent years, the emergence of numerous conservation groups have created a new awareness of man's relationship to the outdoors and it has been conscientious hunters and fishermen who have been in the forefront. This was true in the beginning in the days of Roosevelt, Grinnell, and Audubon, and it remains true today.

In fact, the tremendous momentum of the conservation movement today, the millions and mililons of dollars directed toward natural resource and wildlife restoration and the cleaning up of countless rivers, streams, and lakes can be attributed to these outdoor sportsmen.

Millions of sportsmen and nonsportsmen alike will participate in State and locally held Hunting and Fishing Day activities across the Nation on September 22. Everyone will share the collective recognition that each and every American has a responsibility to work at conserving our natural resources. National Hunting and Fishing Day activities will also serve as a "learning center" for all. Conservation exhibits, skill centers and guest speakers will provide an opportunity for the public to gain an awareness of what actions can be taken to better conserve and protect our natural resources and wildlife.

The President is to be commended for his personal interest in National Hunting and Fishing Day by recognizing this activity as a national event and his recognition of the important role played by outdoor sportsmen—hunters and fishermen—in safeguarding our natural resources and wildlife.

NATIONAL HUNTING AND FISHING DAY, 1979

(By the President of the United States of America)

A PROCLAMATION

The millions of hunting and fishing licenses issued each year reflect a widespread appreciation of the healthy recreation, peaceful solitude and closeness to nature these pursuits offer.

America's hunters and fishermen have long been leaders in the conservation movement. They understand the importance of clean air, good water and adequate habitat for wildlife. They support those goals through the purchase of licenses and the payment of taxes on hunting and fishing equipment. They and the organizations that represent them are also effective leaders in the promotion of firearm and boating safety.

It is appropriate that we recognize all of these contributions by the observance of a National Hunting and Fishing Day.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate Saturday, September 22, 1979, and the fourth Saturday of September in each succeeding year, as National Hunting and Fishing Day.

I urge all of our citizens to join with outdoor sportsmen in the wise use and management of our natural resources.

In witness whereof, I have hereunto set my hand this eleventh day of September, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and fourth.

JIMMY CARTER.●

PACIFIC NUCLEAR STORAGE DANGEROUS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WON PAT. Mr. Speaker, today I introduced legislation which would give the U.S. Congress full control over the storage and transportation of nuclear wastes to or from offshore areas belonging to this country.

The text of my legislation is identical to that introduced by my good friend from Hawaii, Senator SPARK MATSUNAGA. His bill, S. 1119, was passed recently by the Senate. The measure now is pending before the House Interior Committee.

After conferring with Senator MATSUNAGA, I am proud to introduce this measure as a signal that we in the Pacific are not going to permit this Government to adopt a policy which permits the storage of highly radioactive nuclear fuels in our surrounding waters. We have too much to lose if our waters are forever polluted. And we have little confidence in either the current state of nuclear fuel storage technology or various Federal agencies to believe that our best interests will be paramount in their minds or that we can be absolutely protected against some horrible accident.

As the only Micronesian in the Congress, I can state without a doubt that we in Micronesia do not want nuclear wastes stored anywhere in the Pacific. News that the United States planned to do so came as a surprise recently with the announcement by the U.S. State Department that it wanted to use Palmyra Island to house spent reactor fuel from various Asian nations. While I appreciate that it is not in the best interest of this country to see the spent fuel get into the hands of those who would use this material to build nuclear weapons, I do not understand why agents of this government simplistically believe that they can use the Pacific as their private dumping grounds without a word of protest from we who count on the Pacific for much of our food and recreation.

On August 24, 1979, after hearing that the owners of Palmyra Island have refused to sell their property to the U.S. Government, I asked the Secretary of State, Cyrus Vance, to forget about the entire proposal to store nuclear fuels in the Pacific. As chairman of the House Subcommittee on Pacific Affairs, I told the Secretary not to take lightly the legitimate fears of Pacific islands about a matter which would destroy our waters.

I also wish to note for the record that my subcommittee has taken an extensive look into this matter during hearings before us earlier this year.

The testimony presented to us at that time by representatives of the State Department did outline the need to stop the proliferation of nuclear fuels, but I must add that this same policy totally fails to take into account the right of Pacific islanders to protect their environment. We on Guam are proud to be Americans, but we do not feel obligated to sit still for a Federal policy which was conceived purely to solve the national dilemma of where to store radioactive wastes.

I urge the House Interior Committee, of which I am a member, to speedily approve the passage of this legislation. It is imperative that we follow the lead of the Senate to put an immediate stop to this proposal which would subject the vast and unpolluted Pacific to dangers far beyond any known in our entire history. I salute Senator MATSUNAGA for his efforts in this matter and am happy to work with him to make certain that we in the Congress have the final voice in determining the way nuclear wastes are stored in America's offshore areas.●

MADMAN ON THE LOOSE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLAY. Mr. Speaker, no matter what your religious views, political persuasions, racial biases, or national heritage, we all must agree that one has flown over Philadelphia's cuckoo nest. A madman from Bigotania has inspired the local gendarmes of the city of brotherly-hate to stoop to the heights of American ideals—motherhood, law and order in preference to godliness, the Constitution, and the Bill of Rights. Carl T. Rowan sums it up well in his column which appeared in the Washington Star, August 20, 1979, entitled "Brutality in Philadelphia." I commend this as required reading to my comrades in the House of Representatives:

BRUTALITY IN PHILADELPHIA

(By Carl T. Rowan)

What business does the Justice Department have filing a lawsuit accusing the mayor and other officials of Philadelphia of condoning the regular and systematic abuse of citizens by the police?

You won't ask that question if you have seen the horrifying CBS film of three Philadelphia policemen kicking the head of a man trying to surrender as though it were a soccer ball—a scene of ghoulish brutality that I was as angered by the fifth time I saw it as the first.

You might ask that question if you know that the man being brutalized was a member of a very unpopular group, MOVE, which had had a long confrontation with police—and if you agree with the idea espoused by Iran's Ayatollah Khomeini that when you "know" an accused is guilty, you won't waste time and money on trials.

You will question the right and wisdom of the federal government to intervene in Philadelphia if you value "law and order" above the Bill of Rights, or if you believe that local officials are always best suited to regulate affairs between the people and the police.

You will applaud former Attorney General Griffin Bell for ordering legal action against Philadelphia if you have seen even a sampling of the evidence that under the leadership of a macho mayor who panders to racism, Philadelphia's lower officials have become part of an unspoken conspiracy to condone the worst examples of police brutality since the days when policemen were part of and protective of a Ku Klux Klan that had an unwritten license to murder and maim.

The question is raised whether Philadelphia police have been more brutal than those in other big cities. The answer, based on gruesome evidence, is *yes*—because Philadelphia's police have been encouraged to behave violently by Mayor Frank Rizzo, an ex-cop who once boasted of his own toughness: "I'm gonna make Attila the Hun look like a faggot."

Rizzo has declared publicly that the way to deal with criminals is to "break their heads." When 10 of his policemen broke nightsticks on the head and shoulders of a black man who had run a stop sign, Rizzo said: "It's very easy to break some of these nightsticks nowadays."

Given that kind of "leadership," it is not surprising that more than 150 civilians, most unarmed, have been beaten or shot to death by police during Rizzo's tenure. Who is surprised at the piles of evidence of Philadelphia detectives trying to exact confessions by twisting the testicles of suspects, pounding suspects' kidneys and beating them with lead pipes, blackjacks, brass knuckles and table legs?

Rizzo and his flunkies have counted on the public to acquiesce in the idea that the Constitution is supposed to protect "decent people" and not "animals." Thus a Rizzo ally would go on national television last week and defend police abuses with the assertion that "it's a jungle out there."

This same official tried to justify the murder and maiming of people entitled to a fair trial by saying to the nation that blacks in a Cleveland housing project applauded when they saw the dead body of an FBI agent who was slain while trying to arrest an alleged vicious criminal.

This society has got to understand why poor, uneducated people in a wretched housing project might applaud when a 19-year-old bum kills an FBI agent. Rizzo and his kind of cops have long turned people against the law.

These street people of Cleveland and other cities have seen their cousins, uncles, brothers kicked in the face, often accused of nothing, never given a fair trial if acused, to the point where they distrust and hate the "system." So if some dude, however despicable beats the system by killing a cop, he becomes their hero.

This country doesn't need any cop-killing heroes. It doesn't need any cops who make abusing citizens a habit and thus cop-killing a virtue. It can't survive with a single mayor or police chief who will tolerate one instance of brutality.

Griffin Bell is no dummy. He knew that Rizzo had shamed Philadelphia and America. Bell would have deserved a generation of American censure and ridicule if he had failed to move against Philadelphia.●

CONVERTING COAL TO GASOLINE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the authoritative and highly respected Science magazine recently published an editorial by its editor, Mr. Philip A. Abelson, suggesting that the United States "look closely" at the extensive South African experience in converting coal to gasoline.

I would agree with Science that our country can learn some valuable lessons from that successful experience, and I would urge my colleagues to consider some of the informative data presented in the editorial.

H.R. 3930, which was passed by the House on June 26 by a vote of 368 to 25, would make possible the construction of such synthetic fuels plants in the United States. The legislation is currently pending before the Senate Banking and Energy and Natural Resources Committees. It is extremely important that the Senate responds with a version of the legislation that would be acceptable to the House of Representatives.

The text of the editorial follows:

SYNTHETIC CHEMICALS IN SOUTH AFRICA

Much has been written about various methods of obtaining synthetic fuels. But the South African efforts, although mentioned, have not received as much attention as they merit. The Sasol (South African Coal, Oil and Gas Coropration) installation is the largest synfuel plant based on coal operating anywhere. It converts an inferior high-ash (35 percent) coal into a broad spectrum of products. These may include ethylene, propylene, butylene, gasoline, and long straight-chain alcohols and hydrocarbons. The Sasol plant has been operating for about 24 years. During that time efficiency has increased and much has been learned about control of products. Sasol is a profitable operation while selling gasoline at the refinery gate for about 50 cents a gallon (14 cents a liter).

South Africa has substantial deposits of coal but no oil, and it obtains 75 percent of its energy from coal. The plant at Sasolburg is located on a huge coal field. Sasol I, the existing synthetics plant, is part of a versatile chemical complex that supplies much of South Africa's needs for materials such as nitrogen fertilizers, plastics, and pipeline gas.

Consumption of coal at Sasol is 5 million tons a year. Coal is gasified in Lurgi reactors with steam and oxygen at total pressures of about 20 atmospheres. Principal products are H_2, CO, CO_2, and CH_4. The key components are H_2 and CO. Their ratio can be adjusted by varying the amounts of H_2O and O_2 used in the gasification. Constituents present in addition to the major gaseous products include NH_3, H_2S, and other sulfur-containing substances. To purify the raw products the gas is cooled, condensing out water and phenolic-type substances, and the remaining gas is passed through three absorption trains employing very cold methanol. This removes essentially everything except H_2, CO, and CH_4. Sulfur abundance in the purified gas is less than 1×10^{-8}. This guarantees relative freedom from sulfide poisoning of catalysts and a low sulfur content in the final products. Reactions between H_2 and CO can give rise to an enormous number of products. The outcome depends on the initial concentration of H_2 and CO, pressure, temperature, and catalysts employed. The South Africans have made substantial discoveries about formulations and performances of catalysts. However, ultimates in specificity have probably not been reached.

When the plant was first operated in 1955, very great problems were encountered. All segments of the plant had been tested successfully on a pilot scale. But the full-scale synthetic part did not function as expected, and 5 years of discouraging struggles followed. Today, the plant performs well above its design capability.

In October 1973, when the international price of oil was raised, South Africa began intensified efforts to cut its dependence on imports. A large-scale synthetics plant, Sasol II, designed principally to produce gasoline, was authorized. This will be coming on-stream in 1980. When the Shah of Iran was deposed, oil from that country was no longer directly available. South Africa was forced to go to the spot market and pay high prices. Very quickly an additional major synthetics plant was authorized. The two installations, which are designed for zero emission of liquid wastes, will produce more than 100,000 barrels of hydrocarbon liquids a day and will supply more than half South Africa's consumption. Both installations will probably be in full production by 1984. Construction costs will total about $7 billion. Considering South Africa's gross national product and energy consumption, its effort is comparable to a $300-billion crash program for the United States.

The South African synthetic fuels program is well designed to fit their particular needs. Our needs and opportunities differ. We have heavy oils, tar sands, and oil shale. A number of schemes for direct hydrogenation of coal are being developed. Efforts to use bioenergy are being expanded. However, if we wish to obtain synthetic liquids quickly, on schedule, and at predictable costs, we might do well to look closely at the extensive South African experience.—PHILIP H. ABELSON.●

ADMINISTRATION'S EXPORT POLICIES CONTRARY TO AMERICAN INTERESTS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CORCORAN. Mr. Speaker, today I find myself confronted with voting decisions which are made necessary by the Carter administration's counterproductive implementation of the present Export Administration Act. It is difficult to understand why the Department of Commerce has failed to adequately consider the implications on our national security and the future of the free world in performing its functions under the act, especially when our defense and national security are being so seriously questioned.

It is my understanding that the spirit and intent of the act were followed until just a few years ago by Commerce Department officials and others. Now, however, I feel that the only option available to me and other Members to insure our national security through export controls is to add safeguards and duplicate efforts and responsibilities. This certainly will not lead to the most efficient system of export controls, but because of the national security issues involved, I believe these restrictions are justified.

Illinois is a leading exporter of American products, and exports from our State boost local economies and create many jobs. I was impressed, therefore, to read an editorial in the largest newspaper in my district, the Aurora Beacon-News, which stressed the need for improved controls over security-sensitive exports. Because of its timeliness, Mr. Speaker, I wish to insert in the RECORD this statement of opinion which appeared on August 29:

RUSS EXPLODE ANOTHER MYTH

The notion that expanded East-West trade would induce the Soviet Union to assume a less-threatening role in world affairs was once part of the mythology of Soviet-American detente. The evidence of the last few years has, of course, discredited this rosy theory.

Nevertheless, American corporations are still vitally interested in the profits to be made from sales to the Soviet Union. The problem in all this is that the Soviets covet primarily the advanced technology their own economy has yet to produce. And much of this technology has potential military applications.

The Soviets are generally required to promise that technology purchased from U.S. companies will not be diverted to military use. Experience teaches that Moscow's word on this is no more reliable than, for example, its promises to observe the human rights provisions of the Helsinki agreement.

In 1972, the Commerce Department approved the sale of highly sophisticated precision grinding machines used in the production of miniature ball bearings. There is good reason to believe that this technology helped the Soviets develop multiple warhead systems for intercontinental ballistic missiles aimed at the United States.

More recently, the Soviets have been diverting heavy truck and diesel engine production from their huge Kama River plant to military use.

The plant, the largest heavy truck production facility in the world, was built with the assistance of $1.5 billion in technology purchased from American corporations.

The Commerce Department is, under current law, responsible for regulating the sale of technology to foreign countries including the Soviet Union. In theory, the department is suppossed to prohibit the sale of technology that could endanger American security.

Commerce Department officials are also supposed to monitor Soviet use of American technology as a safeguard against its diversion for military purposes.

But the law that supposedly bars the sale of military significant technology to the Soviet Union is so loosely worded that almost any sale can be justified or, more correctly, rationalized.

As for monitoring the Soviets' end use of American technology, a senior Commerce Department official admitted in congressional testimony last May that it is almost impossible to obtain conclusive proof of Soviet cheating even assuming that diversion can be detected in the first place.

Which brings us to the Carter administration's bill amending and reviewing the Export Administration Act, the law that regulates the sale of American technology to foreign nations.

As proposed by the administration, the bill would have weakened the already inadequate safeguards against technology transfers that endanger American security.

Typically, the White House and its political appointees at the Commerce Department seemed more interested in appeasing Moscow than in heeding the lessons of recent years.

Fortunately, the Senate saw things differently. It amended the bill to grant the Department of Defense primary responsibility for drafting the list of products and technologies subject to export restrictions. And it also inserted language requiring the Commerce Department to consider the inadequacy of current end-use monitoring in deciding whether a particular export application should be approved.

We hope the House retains these safeguards when it takes up floor debate on the bill. Tighter restrictions on technology transfers will, of course, limit the profit potential of East-West trade. But it should be obvious that bartering away our national security is no solution to this country's foreign trade deficit.●

MX MISSILE IN NEVADA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SANTINI. Mr. Speaker, it will come as no surprise that I have more than a passing interest in the development of the MX missile. The Defense Department wants to locate approximately 70 percent of the shelters in Nevada, which happens to be my district.

Nevada is certainly a proud, patriotic State and is suitable for a land-based missile system. We are willing to do our share for national defense—and more. But I will explain why I will be offering an amendment to H.R. 4040 which substantially reduces the amount of missile shelters to be placed in Nevada.

I should first state that I am not opposed to the MX. I accept the representations of DOD and USAF that this system is an important, needed step forward in securing our national defense posture and in responding to the most pressing strategic problem we face today—vulnerability of our land-based missiles.

By basing 3,220 of the 4,600 sites in Nevada, the Defense Department is asking our State to assume a disproportionate burden for our national defense. The fact that Nevada already has nuclear testing and nuclear storage programs further demonstrates the heavy responsibility placed on the backs of Nevadans. Nevada should not become the Nation's nuclear citadel.

The MX missile sites cut across the heart of Nevada, from the eastern border almost to the western border. This proposed site encompasses thousands of acres of Federal land. Much of the land is undisturbed and contains valuable mineral resources.

Nevada's role as the "chosen State" represents a mixed blessing/burden. Nevada's selection as the prime location for this project carries with it the allure of thousands of jobs and a temporary economic boom, particularly in the rural areas.

I recognize both the burdens and the blessings. I am not saying that the MX missile project should be stopped, nor am I saying that it should be moved entirely out of Nevada. I am saying through this amendment that there are other States which are worthy of consideration, and capable of sharing a portion of the MX system.

The MX can operate effectively in a region wider than the one presently planned—Nevada and Utah. In the early planning stage, at least 10 States were included in the possible MX siting.

My amendment would reduce the number of planned missile shelters in Nevada by approximately 55 percent. It states that no funds for the MX can be expended if more than 25 percent of the shelters are located in any one State.

The amendment strikes what I believe to be a fair and reasonable balance to a national and State problem—an opportunity to disperse both the blessings and the burdens.●

DR. KENNETH B. CLARK SPEAKS OUT ON SO-CALLED TRUTH-IN-TESTING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GOODLING. Mr. Speaker, I would like to share with my colleagues a letter to the editor of the New York Times of August 18, 1979, from the eminent psychologist, Kenneth B. Clark. In his comments Dr. Clark only addresses the problems he finds with the recent legislation in New York State on this issue. However, Dr. Clark's conclusions definitely apply to the proposed Federal legislation currently under consideration by the Elementary, Secondary, and Vocational Education Subcommittee. This bill, H.R. 4949, was modeled on the New York law and is supported by the same Nader coalition noted in Dr. Clark's letter. To quote Dr. Clark:

> The New York State version of the truth-in-testing law is misleading and confuses the public. It will not benefit minority and poor students. It could, in fact, be detrimental to already disadvantaged individuals . . . such legislation should be the culmination of a serious inquiry rather than a political gesture.

I commend Kenneth Clark's letter for the Members' consideration.

Dr. Clark's letter follows:

"THIS SO-CALLED TRUTH-IN-TESTING LAW IS A PLACEBO"

To the Editor: On July 24, The Times uncritically endorsed the "truth-in-testing" legislation, which was signed by Governor Carey. Your editorial stated that this amendment to the education law would take "the mystery out of college testing" and that "students deserve to know how they are being rated and judged."

In spite of the good intentions of your editorial, it was misleading. So was Ralph Nader's assertion in an Aug. 3 letter, that the legislation will require test companies "to explain to students what the scores mean and how they will be reported to schools." And Nader's claim that objections to this legislation reflect only the "corporate style lobbying efforts of testing services" is inaccurate.

The Board of Regents and the Commissioner of Education of the State of New York independently advised the Governor against signing this legislation. It is my contention that this so-called truth-in-testing law is a placebo.

However laudable its intentions, this law cannot force test companies to explain the meaning of test scores to students; and certainly this law cannot deal with the complex issues of test validity and the role of cultural factors in influencing test results. The construction, evaluation and interpretation of tests are highly technical matters which must be dealt with by ongoing research by those who are trained in this specialty. The important problem of the use and abuse of standardized tests cannot be resolved by a simplistic law which confuses this issue with consumer-protection problems.

Admission tests measure the abilities developed by individuals over a long period of time, both in and out of school. The value of test results is directly related to the equality of opportunity afforded to the candidates taking a particular test. The assumption that a candidate's examination of a test already taken will somehow improve scores or reduce the chances of abuse is highly questionable. One can further assume that only the more privileged students will avail themselves of the opportunity to examine the test materials. These students will seek private tutoring on the assumption that this will increase their future test scores. Those individuals who cannot afford this privilege will certainly not improve their test scores by merely examining the test questions and scores. This is a deceptive and meaningless exercise.

The New York State version of the truth-in-testing law is misleading and confuses the public. It will not benefit minority and poor students. It could, in fact, be detrimental to already disadvantaged individuals. Appropriate legislation in the general area of the abuse and the premature exclusionary use of standarized tests might be desirable, but such legislation should be the culmination of serious inquiry rather than a political gesture.

It is my firm belief that this is such an important matter that the New York State Legislature should hold a series of hearings with concerned professionals for the purpose of amending this law, which promises much more than it can possibly deliver.

KENNETH B. CLARK,
Member, Board of Regents.
NEW YORK, *August 7, 1979.*●

SEABEES COME THROUGH

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GRISHAM. Mr. Speaker, I recently had the priviledge of working with a Reserve Mobile Construction Battalion of the Seabees on a project in the city of La Mirada in the 33d Congressional District of California. To complete the task required surmounting many obstacles and each was overcome with the cooperative determination of the Seabees, the administration of Biola College, and the city of La Mirada. As a result of all their efforts the community will be a better place to live.

I was able to personally inspect the project in progress and to meet the naval personnel performing the work. I cannot commend them enough. They evidenced great skill, determination, and outstanding attitudes.

Special recognition should be given to Rear Adm. J. E. Mantel, Commander of the Reserve Naval Construction Force (who made it all possible), to Capt. Arthur H. Martin, Commander of the First Reserve Naval Construction Regiment in Los Alamitos, Calif. (who saw to it that a crew was assigned to the project), and of course to the men of Battalion 16 who truly performed yeoman work.

I am in receipt of a letter from Dr. J. Richard Chase, president of Biola College, which details the travails and accomplishments of the men. This letter follows:

DEAR CONGRESSMAN GRISHAM: On behalf of Biola College, Inc., I want to thank the United States Navy for the work accomplished on our campus by Reserve Naval Mobile Construction Batallion 16 during their two-week active duty period this summer. I also want to thank you for your role in bringing the crew on to this project.

The men of RNMCB 16 accomplished work on Biola campus which will be an integral part of a project that will serve both the College and the community. Grading and channel cleaning operations took place along a ¾ mile section of La Mirada Creek as it borders the College. The object of this project is to develop the Creek into a usable, park-like setting with equestrian and bicycle trails for public use.

The first week of the project went well, and the inspection of the site on Saturday, June 9, 1979 demonstrated the value of the project and the good progress that was being made. The second week of work, however, was beset by trouble. Early Sunday morning a fire hydrant near Biola was sheared off by a stolen bus, and, as a result, the Seabee construction site was flooded. The response of the crew, after the initial disappointment, was truly commendable. Over the next three days, water, mud and dirt were moved in great quantities and the damage caused by the flood was corrected by Wednesday morning.

But disaster struck again just before dawn on Thursday, June 14. A 12-inch water main on the Biola campus burst for no apparent reason, and again the site was flooded. This time, however, there was insufficient time to capture lost ground. The remaining days of the week were spent in clean up, and in some grading work associated with the project.

We were all impressed at the fine attitudes of the men in the face of adversity, and simply wish that more favorable circumstances would have existed so that they could have accomplished more. Nevertheless, the work they did contributed greatly to our project and they will be remembered well at Biola.

Thank you again for the role you played in this project.

Sincerely,

J. RICHARD CHASE,
President.●

CONS DRAWING SOCIAL SECURITY CHECKS

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. THOMPSON. Mr. Speaker, as we know, the Congress has spent a good deal of time in recent months examining our social security system and in legislating to assure that it remains fiscally sound. It is, therefore, with considerable concern that I set before the House a series of articles on receipt of disability benefits by inmates of the New Jersey

State prison system. The series was written by Mr. Ed Leefeldt, a staff writer of the Trentonian, a daily newspaper published in my home city of Trenton. Our Committee on Ways and Means is currently inquiring as to the administration disability benefits in New York and New Jersey. I think this is an inquiry which merits the attention of the House. It is essential that we protect the integrity of the disability program and to assure that the protections which the law provides are not being evaded by unscrupulous claimants.

I commend Mr. Leefeldt's series to my colleagues in the belief that the widest publicity ought to be given to actions which imperil our social security system:

Getting Rich in Jail: Cons Drawing Social Security Checks

(By Ed Leefeldt)

Call him Satan, because that's what he called himself.

Because of his crimes, including a brutal sex offense against a six-year-old girl, Satan is now behind bars.

Because of Social Security (SS), which pays him $325 a month, Satan is $3,000 richer.

Satan is one of hundreds of cons in New Jersey and across the nation who are grabbing a gold mine of SS disability dollars, money that millions of Americans have taken out of their paychecks on the assumption that it will be paid back to them if and when they become ill, crippled or old.

But much of this money—no one apparently knows how much—is being siphoned off to criminals in prisons and in state hospitals who have uncovered a clever scheme to get it.

At one state institution over 10 percent of the inmates are getting SS disability, according to guards.

Unlike people on the "outside," who must use their SS checks to provide themselves with food, clothing and a place to live, prisoners have all these necessities taken care of by the state.

They are able to use their SS payments, which range from $122 to $538 per month, for such luxuries as stereos, electronic games, color televisions, tape recorders, clothes, tennis and jogging suits, weight-lifting and sporting goods equipment, according to guards. Others enter the investment world and buy savings bonds and stocks, guards say.

They also have an edge on state work release program inmates, who must pay a maintenance fee of up to $40 to the prison if they work more than 10 hours. Correction officials claim state law doesn't allow them to garnish SS disability payments.

How do prisoners get SS disability? The method is fairly simple, and has run through the prison grapevine.

An inmate who is doing time at a state prison "acts a little crazy" and gets a doctor, preferably a psychiatrist or a psychologist, to commit him to a state hospital for observation.

Once in the less confining atmosphere of a state hospital, the convict suddenly regains his senses, at least enough to call on one of the numerous social workers to put him in touch with an SS field representative.

Normally, if a citizen wants SS, he or she must go to the nearest office (for our area it is in Ewing Township) and apply. But for convicts, an SS field representative makes regular visits to the prisons and state hospitals to sign up criminals who want to apply, guards say. The Trentonian spoke to field representatives who had made such visits.

Many prisoners use mental disability as their reason for collecting SS. After filling out an application, their records, which have been processed by the state for them (a private citizen may have to pay his doctor for the same service) are sent on to the Division of Disability Determination in Newark for review by an administrator and a medical expert.

The con's advantage, as he well knows, is that he's already been declared mentally unstable by the doctor who committed him to the state hospital or examined him while in prison.

"I was committed involuntarily. I'm mentally disabled. Therefore, I'm entitled to get it," rattled off one murderer who has already collected more than $6,000 from SS.

If a con is rejected for SS, he generally appeals, according to prison sources. "All you're investing is your time, and you're already doing time," he is told by fellow prisoners, according to correction officers.

Here again he receives an advantage the rest of us don't have. People on the outside who are rejected must hire a lawyer and pay 25 percent of whatever they get in their initial payment after the claim is settled. The convict has the advantage of all the "jailhouse lawyers" who have already fought virtually the same case before him.

He can also file "in pauperis," that is, as a pauper, and have a county Legal Aid attorney handle the case for him . . .

Mercer County Legal Aid officials say such claims are allowed, although none have been filed recently.

A citizen who appeals, even though disabled, must appear in a courtroom to present his or her case to an administrative law judge. In our area the judge comes up from Camden.

However, in the case of the criminal, the judge actually goes to the prison to hear the appeal. The judge's appearance at state institutions have been quite frequent, according to prison guards.

The Trentonian attempted to find out how many prisoners in jails across the nation are receiving SS disability—and in what amounts. SS officials said they had no records to tell them which of their five million clients receiving disability were in prison. SS records are confidential information, and were not available for inspection by The Trentonian.

The Trentonian then contacted state prison officials to find out how many New Jersey prisoners are receiving SS disability. When SS payments, as well as welfare checks, veterans' checks court settlements and book royalties come in, they are recorded by the mail room at all New Jersey institutions and forwarded to prisoners' accounts, guards said.

Prison officials refused to permit The Trentonian to examine this mail list on the grounds that it might violate convicts' rights. They refused to review this list themselves and tell The Trentonian how many prisoners were getting SS disability on the grounds that it was "too much trouble."

Corrections officers say the prison hierarchy, far from wanting to end the practice, is happy that the convicts are getting SS payments because it gives them an income, keeps them content, and prevents jail disturbances.

A spokesman for the state Department of Corrections said there was no way his department could keep the prisoners from getting SS disability payments without violating federal law.

The only cooperation The Trentonian was able to get was from prison guards, who obtained a list of 22 prisoners from one institution who received $10,405 in one month.

The list shows that:

SS payments to inmates range from $166 per month to $418.30.

The inmates made an average of $252.80 per month.

The initial retroactive payment for one inmate who had apparently recently qualified for SS was $4,075.80.

While refusing to comment on how many inmates were getting SS, Social Security field representatives claim that "it's a lot less than you would think."

"A minority of people pull things like that," said a psychiatric social worker at Trenton Psychiatric Hospital.

But even those who are sympathetic to prisoners, like the aforementioned social worker, admit it would be extremely easy for a convict to apply for—and get—SS disability.

"If I were in jail, I might act a little crazy to get into a state hospital because it's a better and safer environment," he said. "When the convict gets to the psychiatric hospital, there's no way to find out if he's crazy or just acting crazy. The physician has to go on what he sees. It's very possible that he (the convict) may get it (SS). He's got the medical record (to qualify)."

In order to get SS disability, an individual must have worked five out of the last 10 years if he is over 31 or half the time from the time he was 18 until he became disabled.

There are two forms of disability—mental and physical. SS sets up a complicated series of tests for admission to SS, and uses a great deal of medical and legal jargon. But the basic qualifications, which one can find in any SS handbook, are very simple.

To prove disability the individual must be disabled five months, the disability must be expected to last at least one year or end in death, and the individual must be so disabled that he cannot perform any job in the United States economy whether the job is available or not.

SS officials hasten to tell you that simply being in jail doesn't make anyone "unable to hold a job in the United States economy."

But convicts who have been in a state hospital know that being committed by a psychiatrist, even if the doctor only made a cursory examination or relied on evidence from non-medical personnel, is a powerful argument when the case goes for review by the Division of Disability Determination in Newark.

Exactly why some claims are accepted and others are rejected is unclear, since these hearings are conducted in private and the infomation involved is confidential.

However, one case The Trentonian investigated—involving an inmate who claimed to have a physical disability because of a beating he allegedly received from police—looked extremely spurious.

When The Trentonian attempted to contact two inmates it knew were getting SS disability, prison officials initially refused permission; one on the grounds that he was running a mail order scam from behind bars, the other because he was crazy and unintelligible.

Guards tend to laugh at this kind of equivocation. They point out that one "disabled" inmate goes down to the gym and bench presses 400 pounds. Perhaps the most telling evidence is that the inmates—who claim to be either insane or retarded—somehow seem intelligent and rational enough to fill out their claims properly, develop the medical evidence necessary to substantiate those claims, and, in some cases, fight the legal battle through the courts.

Personal contact, as well as the statements of guards and hospital attendants, show that some of these mentally disabled prisoners know, down to the last dime, exactly how much they're making in SS benefits.

It's a situation that makes the con happy. Because they're happy prison officials are happy, too. The SS administration, according to syndicated columnists, finds it easier to give in to claimants like convicts than to fight an extended battle through the courts.

The only real loser is the American taxpayer.

Social Security Checks: Taxpayers "Reward" Cons

(By Ed Leefeldt)

When Social Security (SS) was started in 1935 by President Franklin Roosevelt, it was intended as cheap old-age insurance for people to live out their declining years.

Since then it's become, if not all things to all men, at least a great deal more than it was. It now includes Supplemental Social Security (SSI) benefits to widows and children, Medicare and social security disability.

It also provides, indirectly, a subsidy to many inmates of state and federal prisons throughout the country that, in effect, amounts to a reward for committing their crimes.

But in the process of doing all this, the SS program has become financially anemic, and is kept from total collapse only by increasingly massive infusions of the taxpayers' dollars.

Many people believe that those on social security are living on the earnings they put in while they were working. That is a fallacy. They are living on the social security payments being made right now by the people who are working. SS pays the benefits of the old out of the wages of the young.

As long as the people who are working outnumber the people who are living on SS by a sufficient percentage, SS will probably survive. But that's likely to change by 1990, when a large part of the work force, including the baby-boom of the post-World War II era, tries to cash in on the benefits it's supposedly been accruing.

Many people are already aware of the impending crash. A recent poll by Lou Harris showed that only one in five Americans was confident of collecting SS when he got old. Most people don't trust SS to take care of them in their old age and plan to keep working "until they drop," the survey showed.

By billing itself as "insurance," SS has escaped criticism for its collection methods. Unlike other taxes that are taken out of a worker's paycheck, SS is not progressive or graduated like the income tax. It takes a flat percentage out of a worker's paycheck (the maximum rate is 6.13 percent) with an upper limit of $22,900, so the poor pay a greater percentage than the rich. The working class guy feels the bite. For someone in the upper income brackets, it hardly hurts at all.

"SS is taken right out of the working man's pockets, and operates as a penalty against wage earners," said the New Republic, which pointed out that half the taxpayers in the United States now pay more in SS taxes than they do in income taxes.

In 1977, according to Washington Monthly, SS was facing "a precipitous slide toward bankruptcy" because of payments which were larger than what it was taking in. In fact, it was losing $3.2 billion a year, according to the magazine.

Congress moved quickly to increase the amount that taxpayers were putting into SS to give it solvency—not simply in terms of dollars, but in percentage of income. SS rates, which had doubled in six years, now soared even higher.

SS payments now moved past the six percent mark, and will still be climbing for several years. For a middle class worker, according to Newsweek, the jump was more than $300 a year.

Congressmen admitted receiving scores of complaints. In New Jersey several law enforcement organizations tried to get out of the SS system. Their attempts were thwarted.

What the Congressmen weren't telling their constituents was that they and other federal employees were exempt from paying Social Security. In 1977, in an attempt to keep SS afloat, a plan was offered to bring 2.6 million federal civil servants under the SS umbrella. But the outcry from U.S. employees was so great that Congress voted to shelve the plan.

"SS is a program that Congressmen and bureaucrats continually insist is a wonderful, universal, painless form of government-administered insurance—but they want to stay out of it themselves," said Washington Monthly.

Harvard economist Martin Feldstein, a leading authority on SS, says that "this increasingly strained pension system (has become) . . . a drag on the economy."

"SS is becoming a lousy deal for people who pay into the system today," he declared.

One of SS's major expenses is the $12.5 billion in disability benefits paid out each year to some five million claimants, according to columnist Jack Anderson.

Some of that money—no one knows how much—is going to convicts behind bars who have successfully qualified for disability payments ranging from $166 to $518 a month.

SS representatives freely admit that prisoners are allowed to collect SS disability as long as they meet the qualifications.

Those qualifications, in many cases, are directly related to the crimes they committed. For example, an individual who is involuntarily committed to a state hospital by a judge can argue that he can no longer "hold a job in the United States economy."

A prisoner who "acts up" while at a state prison and has a psychiatrist send him to a state hospital can use that doctor's report as evidence that he is mentally disabled. A convict who claims "police brutality" can use his alleged beating as grounds for a physical disability claim.

How difficult is it for criminals to get—and keep—SS? Probably much easier than it is for a citizen on the outside. Criminals have free medical reports with which to prove their cases, as well as advice from other cons on what techniques to use, including how to "act crazy." In cases where they file as paupers, they sometimes have free legal advice.

They also, according to informed sources, have the tacit support of prison officials who feel that the money they get each month helps keep them tractable and prevents outbreaks of violence.

Finally, they have the time and energy to pursue their claims down the long legal road to success, things that an elderly person with a more serious disability may not be able to do on the outside.

According to Jack Anderson, the virtue of an SS disability claim may be less important than your willingness to persevere in getting it.

Anderson says SS claims are awarded "less on merit than on the likelihood of a bothersome appeal and possible reversal."

SS officials claim that disability cases are reviewed regularly and those who no longer qualify are taken off the rolls.

Anderson disputes this. "Once a person's disability claim is accepted, it is rarely reversed. Only two percent of those admitted to the disability rolls are later dropped," he said. "As long as a worker adjudged disabled doesn't go back to work at a job covered by Social Security, there is no way of checking up."

Convicts, "mentally disabled" or not, are no fools. Knowing they will lose SS payments that could amount to more than $56,000 during their lifetimes if they leave prison and take an "honest job," is hardly going to help rehabilitate them. It is much easier to go on welfare, commit crimes, or peddle drugs and keep the SS subsidy—another way in which your SS dollar rewards the dishonest.

Sex Offender's Paid: Satan's Tale Nets a Check

(By Ed Leefeldt)

"Satan" is his nickname. He's a sex offender: he assaulted and carnally abused a six-year-old girl on a city street. Because he did, Satan is now a prisoner.

And, because of the Social Security (SS) Administration, Satan is considerably richer.

There are two versions of his story. According to Satan, he was walking down the street when the cops hit him on the back of the head. They hauled him down to the police station where he was ordered to sign a confession. When he refused, they beat him again.

After his trial, conviction and sentencing, Satan applied for SS disability, claiming he still had headaches and dizzy spells from the beating he received from the cops. He claimed he'd gotten religion and was going to buy crosses for all the inmates.

A few months went by and he was called down to the prison office.

A check for $3,624.10 for back payments was waiting for him—courtesy of SS. Since then he has personally received $325 each month for disability while in jail.

SS officials apparently believe Satan's story—law enforcement officials don't.

The police apprehended Satan—apparently without injuring him—and took him in for questioning. If he was beaten by the police, they point out, he never filed charges. X-rays taken at the hospital showed no injuries, Satan himself admits. A mug shot of Satan the day after the arrest showed no evidence of damage, an assistant prosecutor said, despite Satan's statement that "I had a hard time getting the blood out of my hair."

Despite this evidence—and as a direct result of his arrest—Satan was able to get a check as a "disabled" person. Prison officials say he has used this money—from behind bars—to organize several mail order scams that have nearly caused him to be brought up on further charges.

Satan admits he never used the SS money to buy crosses as he promised, and has a bank account of more than $3,000. He vows, however, that he is living a "Christian" life, and plans to devote the money to prison reform when he gets out.

But law enforcement officials are doubtful. "He was sentenced to an indeterminate stay (which normally means quick release) and after five years he's still there," said the assistant prosecutor. "That ought to tell you something."

Crafty Cons Know This: Craziness Can Pay Off

(By Ed Leefeldt)

While Social Security (SS) may justifiably be considered a pension system, it differs from other pension systems in one important respect.

In other pension plans, committing a crime or act of "moral turpitude" will get you thrown out.

In SS, it may be the key to getting your benefits started, if you play your cards right.

And many criminals, according to informed sources in the prisons, have done exactly that.

The easiest way is to have a judge send you to a state hospital, based on a psychiatric evaluation. But if you're in prison, don't despair. Act crazy enough to be sent to a state hospital. Then simply use your psychiatric evaluation as the basis for an appeal to SS on the grounds of "mental disability."

There was a time, reportedly, when prison administrators would fight demands by convicts to get these benefits behind bars. But those days ended with the Rahway riots, after which the administration realized that the monthly checks helped keep prisoners happy and under control, according to prison guards.

SS field representatives and administrative law judges, too, are more than happy to cooperate, and visit prisons on a regular basis to process and hear inmate claims, according to guards.

And the benefits are good, ranging from $166 a month up to $538, depending on your work record outside.

For those outside The Wall, things are a little different.

In most state pension plans, committing a crime is enough to get you bounced out.

"If it's a crime of moral turpitude, the man gets his money and he's out of the system," said Trenton Battalion Chief Joseph Reilly, who's in charge of the local pension plan. "A man can lose his pension if he's incarcerated even while in retirement."

For police it's much the same thing "in any sort of charges which the court feels involve moral turpitude," said Elmer Bagley, chief of the Police and Fire Bureau of the Division of Pensions. "Dishonorable service" for a cop would include even a crime he committed while off duty, since he was doing something he was paid to prevent—a double jeopardy for cops.

For the Teacher Pension Annuity Fund, the Public Employes Retirement System and the state police the same rule applies. If the court agrees that the crime involves moral turpitude, you're out.

In prison the pendulum has been slowly swinging the other way, according to correction officers. In the past, they said, prison officials had kept convicts from applying for SS disability by intercepting mail and discouraging social workers from filling out the SS application papers.

Neither former Institutions and Agencies Commissioner Albert Wagner nor former Trenton State Prison Superintendent Lloyd McCorkle could remember convicts getting SS benefits.

"I would have been against it," said Wagner, "but I'm not sure if we set up a policy or not."

Someone did however, because Trenton Municipal Judge Michael Weintraub, as a young Legal Aid Society attorney, remembered taking the case of a prisoner who was trying to get SS eight years ago.

"Back in 1970 and 1971 they wouldn't even take applications at Trenton State Prison," he recalled. "As a result of my case the client was allowed to make an application—but was denied because he wasn't totally disabled."

"I believe administrators took a hardline view of prisoners' cases because they felt, after all, what do they need the money for?" said Weintraub.

"But with the advent of prisoners' rights there may have been an overreaction," he said. "Anyway, from 1971–72 forward they were processing applications."

"The word went out when one inmate applied and got it," said a prison guard. "Then they all applied. Prison administrators had stood in the way of these benefits—but now they see them as a way of pacifying these guys. The inmates are handling the legal work for each other."

For the average citizen, the process is somewhat more difficult.●

HERITAGE ACRES

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. HAGEDORN. Mr. Speaker, I am pleased to insert into the CONGRESSIONAL RECORD today a resolution which would designate the South Central Minnesota Agricultural Museum Interpretive Center of Heritage Acres, International, as the Agricultural Interpretive Center of the Prairies of the Upper Midwest of the United States of America.

Heritage Acres, an Agricultural Interpretive Center located in Fairmont, Minn., is a nonprofit organization dedicated to portraying and perpetuating the excellence of the American farmer. This project is indeed a national monument to agriculture, the backbone of the American system. Ideally located off Interstate 90, the world's longest interstate highway, this educational project will afford students, urban residents, and many others the opportunity to acquaint themselves with the historical, social, and cultural history and progress, social, American farmer and his profession.

The outstanding characteristics of the many people who have and are continuing to work on this educational site are indicative of the perseverance and dedication of the American farmer to which they are constructing this living historical tribute.

It is my privilege to bring this project to the attention of my colleagues as a national salute to Heritage Acres.

The resolution follows:

RESOLUTION

Whereas, the history of agriculture in these United States is a great and proud tradition and,

Whereas, the present status of agriculture in these United States is known and widely acclaimed throughout the world, and,

Whereas, the future of agriculture in these United States is one of great promise, and,

Whereas, Martin County in Minnesota is one of the leading agricultural producing counties in the nation, and

Whereas, the prairie agriculture is a unique aspect of the Midwest and needs to be publicly interpreted, and,

Whereas, this Center seeks to reach every age bracket and ethnic culture with its education program and,

Whereas, this Center is located midway between Chicago and the Black Hills of South Dakota and nearly adjacent to I-90, the longest interstate highway in the world and,

Whereas, Pioneerland, a State of Minnesota Tourist Region, representing 27 South-Central and Southwestern Minnesota Counties has endorsed the location and plan,

Be It Resolved, That the South Central Minnesota Agricultural Museum Interpretive Center of Heritage Acres, International, located at Fairmont, Minnesota be designated as the Agricultural Interpretive Center of the Prairies of the Upper Midwest of the United States of America.●

MX MISSILES IN NEVADA?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SANTINI. Mr. Speaker, it will come as no surprise that I have more than a passing interest in the development of the MX missile. The Defense Department wants to locate approximately 70 percent of the shelters in Nevada, which happens to be my district.

Nevada is certainly a proud, patriotic State and is suitable for a land-based missile system. We are willing to do our share for national defense—and more. But I will explain why I will be offering an amendment to H.R. 4040 which substantially reduces the amount of missile shelters to be placed in Nevada.

I should first state that I am not opposed to the MX. I accept the representations of DOD and USAF that this system is an important needed step forward in securing our national defense posture and in responding to the most pressing strategic problem we face today—vulnerability of our land-based missiles.

By basing 3,220 of the 4,600 sites in Nevada, the Defense Department is asking our State to assume a disproportionate burden for our national defense. The fact that Nevada already has nuclear testing and nuclear storage programs further demonstrates the heavy responsibility placed on the backs of Nevadans. Nevada should not become the Nation's nuclear citadel.

The MX missile sites cut across the heart of Nevada, from the eastern border almost to the western border. This proposed site encompasses thousands of acres of Federal land. Much of the land is undisturbed and contains valuable mineral resources.

Nevada's role as the chosen State represents a mixed blessing/burden. Nevada's selection as the prime location for this project carries with it the allure of thousands of jobs and a temporary economic boom, particularly in the rural areas.

I recognize both the burdens and the blessings. I am not saying that the MX missile project should be stopped, nor am I saying that it should be moved entirely out of Nevada. I am saying through this amendment that there are other States which are worthy of consideration, and capable of sharing a portion of the MX system.

The MX can operate effectively in a region wider than the one presently planned (Nevada and Utah). In the early planning stage, at least 10 States were included in the possible MX siting.

My amendment would reduce the number of planned missile shelters in Nevada by approximately 55 percent. It states that no funds for the MX can be expended if more than 25 percent of the shelters are located in any one State.

The amendment strikes what I believe to be a fair and reasonable balance to a national and State problem—an opportunity to disperse both the blessings and the burdens.

AMENDMENT TO H.R. 4040, AS REPORTED OFFERED BY MR. SANTINI

Page 9, after line 24, insert the following new section:

LOCATION OF MX MISSILE LAUNCHING SHELTERS

SEC. 203. No funds authorized to be appropriated by this Act may be used for the full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system or the MX missile if more than 25 percent of the shelters for such missile are to be located in any single State.●

STRONG U.S. CIVIL DEFENSE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SKELTON. Mr. Speaker, in a recent article in the Washington Star, William F. Buckley, Jr., talks about nuclear war survival. It is another article that should be read to emphasize the need for a strong U.S. civil defense.

It states as follows:

WHAT'S "UNTHINKABLE" HERE IS THOUGHT OVER THERE

Encountered, in the classified section of a serious journal of opinion:

"*Miscellaneous:* Nuclear War Survival Book—Straightforward, detailed information plus essential instructions will protect your family during nuclear holocaust! You can't afford to wait. Money-back guarantee (price, address of publisher)."

The advertisement might be expected to appear in a column of miscellany that also offers charts to hidden treasures, maps to the fountain of eternal youth, pills immunizing you against cancer. But, of course, the fact of it is that nuclear war is thinkable, which is what the entire SALT exercise is about, notwithstanding that the majority of the American people treat it as a game of chess, though lacking in the excitement of a match between Spassky and Fischer.

Simultaneously, one notes the publication of a book called *The Soviet Strategy for Nuclear War* by Joseph Douglass Jr. and Amoretta Hoeber, published by the Hoover Institute. In a review of it by a nuclear physicist, S. T. Cohen, who served as a member of the negotiating team for the SALT I treaty, we are advised that the book collects statements by diverse Soviet officials from which one decocts something that might go under the name of "Soviet doctrine in respect of a general nuclear war against the United States, and the benefits of a preemptive first strike therein."

The authors point out that it is the complacent doctrine of the U.S. administration, which is in fact a reflection of a genteel ethos to which we are heir, that there isn't going to be a nuclear war, because the Soviet Union wouldn't risk it. President Carter is quoted as having said offhandedly on one occasion that in the last analysis we require the survival of only a single Poseidon nuclear missile submarine to serve as a deterrent against preliminary Russian aggression.

That isn't so, these earnest students of Soviet strategy insist. Quotations from authorized Soviet sources (there are no unauthorized Soviet sources, except in *Samizdat*) are abundantly given. Consider this one: "The Soviet government . . . and the Armed Forces of the Soviet Union and the other socialist countries must be prepared above all to wage war under conditions of the mass use of nuclear weapons by both belligerent parties . . . the preparation and waging of just such a war must be regarded as the main task of the theory of military strategy and strategic leadership."

Or this one: "Mass nuclear missile strikes at the armed forces of the opponent and his key economic and political objectives can determine the victory of one side and the defeat of the other . . . Therefore, a correct estimate of the elements of supremacy over the opponent and the ability to use them before the opponent does are the key to victory in such a war."

And my morbid favorite: "There is a profound error and harm in the disorienting claim of the bourgeois ideologues that there will be no victory in a thermonuclear war."

Inevitably one's mind turns again to the debate over SALT II. An albescent perspective: Why the basic incongruity? What is that basic incongruity? It is that the United States, in effect, is satisfied to say over and over and over again that our redundant nuclear capability renders irrelevent the adamant insistence of the Soviet Union on supremacy.

What's bugging the Soviet Union? Is it merely a macho complex? Ours is bigger than yours? Or do their fine reckonings—their insistence, for example, that the Backfire bomber not be counted as a strategic nuclear delivery carrier, even though that is exactly what it is—proceed from a fine analysis, deriving from a strategic doctrine that actually contemplates nuclear war?

It is hard to understand what is in it for us to proceed on other than the pessimistic view of Soviet ambitions. Gen. George Seignious, the principal working proponent of the treaty in behalf of the administration, argues that it is not based on trust of the Soviets, it is based on a general acceptance of rationalism in human behavior. If such rationalism prevailed, Adolf Hitler would not have launched the war he launched 40 years ago.

What will President Carter do? No predictions are safe. Perhaps he will consider it reasonable to press for ratification of SALT II as it now stands, plus a federal program to subsidize the purchase of *The Nuclear War Survival Book* for low-income families, with, of course, a tax on the windfall profits of the publisher.●

FEDERAL REGULATORY REFORM

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GINN. Mr. Speaker, the American people continue to await action by Congress on one of the most pressing needs within the machinery of our Government—Federal regulatory reform.

As a cosponsor of the administrative rulemaking bill, I have joined with our colleague, the Honorable ELLIOTT LEVITAS, in seeking to give Congress the authority to curb the expanding power of Federal agencies. Many agencies routinely devise rules and regulations that go far beyond—or even contradict—the intent of the Congress, and we must move immediately to halt this trend.

An editorial in the August 19 issue of The Atlanta Journal and the Atlanta Constitution addressed the position on this legislation taken by the American Bar Association. I believe the editorial correctly points out that we must move immediately on the bill offered by my distinguished colleague, and I commend this editorial to the attention of the House.

The editorial follows:

WRONG REMEDY

We understand the concern of the American Bar Association with the "inconsistentency and indecisiveness" of the federal regulatory process, but we do not accept the remedy which it has endorsed.

The ABA House of Delegates has proposed giving the president the power to overturn the decisions of most of these regulatory agencies.

Much depends, however, upon which regulatory agencies and which of their functions one is talking about. When an agency draws up administrative rules which affect citizens with the force of law, it is basically exercising a lawmaking function. We think the concept of congressional review of such regulations, an approach which has been pushed by Rep. Elliott Levitas of Georgia, is the proper remedy when administrative agencies go beyond the original intent of the laws they administer.

Incidentally, the major criticism of the legislative review and veto proposal has been that Congress doesn't have the time to do the job. Well, there are 535 members of Congress who, through specialization and division of labor, can certainly do that job as well as one president could. And if it has to become a staff job, in part, it shouldn't be centralized in the White House staff.

When a government agency makes a decision in a specific case—for example, judging whether a company has complied with certain regulations—it is exercising a quasi-judicial function. In such cases, appeal should be to the courts, and the law already provides for this. If this recourse be deemed weak because it is too expensive, the American Bar Association is uniquely qualified to do something about that.

Last but not least, some of these agencies were set up to be independent, to a degree, and not only independent of Congress but also independent of the president. In such cases, it simply defeats the purpose of their existence to bring them under the thumb of the White House staff.

As much as regulatory reform is needed, we fail to see how the situation would be improved through the "reform" the ABA has offered.●

FAST AND LOOSE IN THE WELFARE STATE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an article that appeared in that excellent magazine, Regulation, published by the American Enterprise Institute.

Prof. Charles Fried of the Harvard Law School writes that—

> It is the very essence of tyranny for a government to assert a general power over its citizenry, directing where they shall live, what work they shall do, with whom they shall associate.

Yet today there are many voices—even voices in this Congress—advocating tyranny in the form of national service. Professor Fried writes:

> The menace is real, egalitarian ideals, together with an understandable reluctance to pay or to ask one's supporters to pay the cost of these ideals, make the temptation to resort to conscription—to personal compulsion—almost irresistible. It starts with the doctors, goes on to the lawyers, and eventually gets to all young people so that the rest of us can have an army without really paying for it. Then perhaps we would conscript teachers, and finally we would find that everybody is so useful, or so unique, or so much affected with a public interest, that we all may be drafted into the service of the state. Which only demonstrates once again that whoever finds arguments to justify the

loss of his fellow citizen's liberty is destined to lose his own.

The article follows:

FAST AND LOOSE IN THE WELFARE STATE

(By Charles Fried)

Friedrich Hayek's apocalyptic forecast in "The Road to Serfdom" had always seemed a bit exaggerated. Yet certain ominous voices in the populist/egalitarian chorus now openly proclaim a readiness to jettison a crucial aspect of personal liberty—liberty of choice in type and place of occupation—in order to prevent the disintegration of their favorite schemes. Arguments are now being discovered to justify requiring, in peace time, that free men and women convicted of no crime spend years of their lives at jobs and in places they do not choose, under the pain of financial penalties or of an outright bar on practicing the profession for which they have trained. Some of these partisans, going totally overboard, have proposed that every young person serve a period of years doing good works at the pleasure of the government or of some delegated nonprofit agency of good works.

The entering edge of the wedge is represented by proposals to cure the perceived maldistribution of physicians, although there already are incentive programs designed to deal with this maldistribution. The National Health Manpower and Training Act of 1976 allows forgiveness of student loans and assistance in setting up practice for those settling in underserved areas. Apparently because of the extravagant financial and other rewards available in attractive urban and suburban settings, this system of incentives has proven ineffective. So schemes have been proposed whereby all but the wealthiest medical students would be forced to accept assignment for a period of years in rural or central-city practices designated by some governmental authority.

Medical schools receive large quantities of federal monies to support the training of physicians; and since tuition payments (the loans to pay for these are the lever of the insufficient incentives in the 1976 act) cover only a fraction of the cost of educating a medical student, the proposal is that medical students be required to pay back a major share of this subsidy, unless they agree to practice for a time in areas of governmentally designated need.

While there may be a maldistribution of doctors in our society, it is much more questionable that there is a maldistribution of lawyers. It is true that poor people have difficulties litigating their claims. But then so do middle class people. Nevertheless, there is a vocal coterie of "public interest" lawyers, judges, and law professors who believe that what the poor need, above all, is not more money but more legal services. Alan Morrison, who heads the Litigation Group for Ralph Nader's Public Citizen organization, has proposed that it be a condition of admission to the bar (that is, of being free to practice the profession for which they have been trained) that law school graduates be required to spend a one-year public service internship handling cases for those who cannot command the time and attention of lawyers on the usual basis. Morrison adds that such a system might serve the additional function of improving the general professional competence of law graduates. But he is candid enough to admit that, "first and most important," the program would make lawyers available to clients and in situations where lawyers apparently do not otherwise wish to serve in large numbers. Second, he notes that "because the internship would be mandatory, salaries could be maintained at a relatively low level. . . ." In other words, though there may be educational benefits, the motivating force behind the proposal is its ability to compel cheap labor in the service of what Ralph Nader's organization believes to be the public good.

Judge Marvin Frankel (who recently resigned his federal judgeship in the Southern District of New York to enter private practice) has found some of the same needs Morrison found and has proposed an even more radical solution. Frankel recognizes that large corporations and wealthy individuals can command the time, energy, and ingenuity of lawyers in a way that smaller businesses or ordinary persons cannot. Therefore he would simply socialize the whole legal profession. Under his proposal, prospective clients would obtain lawyers from a government agency, which would ration them out according to the urgency and merits of the client's case and reimburse them under a uniform salary schedule. Frankel is not clear whether law practice outside of this government monopoly should be forbidden, but at the least he claims there should be powerful deterrents to such legal free-booting—for instance, denial of the tax deductibility of legal fees paid to bootleg lawyers. (This last is but a detail in a scheme clearly intended to make government employment, distribution, and allocation of all lawyers the norm.)

And, finally, a wide array of public personages—senators, media pundits such as Eric Sevareid and professional moralizers—have thought it would be a very good thing to go far beyond compelling professionals with scarce talents to serve somebody's conception of the public good. They propose that we revive the draft generalizing it so that one's "obligation to the community" could be discharged by a period of public service. A number of Pentagon and congressional armed services personalities have been quick to jump on this bandwagon, recognizing that even the fevered imagination of reformers would be unlikely to provide a year's useful—or even supposedly useful—employment for every man and woman reaching the age of eighteen. Consequently, a fair number of these young persons would in fact enter the military, thus reducing the budgetary pressure of the present voluntary army. In this way, older citizens would get the defense establishment they desire at somebody else's expense; reformers and activists would have a huge pool of unwilling manpower at their command; and ideologues could proclaim the principle that every citizen owes not only his fair share of tax revenues but a fair measure of his person, life, and liberty—to be given in community service as defined in congressional legislation, implemented in agency regulations, and administered by the vast horde of not-for-profit public interest organizations that would surely jump on this bandwagon.

The principal point is this: in a free society a person may go where he wishes and, so long as he harms no one (a fortiori where he serves in a useful way as do doctors and lawyers), may do as he pleases with whom he pleases. It is the very essence of a tyranny for a government to assert a general power over its citizenry, directing where they shall live, what work they shall do, with whom they shall associate. If liberalism stands for nothing else it affirms that each person owns himself—whatever other property may be accorded to him—and that no one's person (at least) belongs to another, not even to every other, that is, not even to the community as a whole. These are axioms so basic, so deeply ingrained in Western society, that it is almost embarrassing to have to repeat them. Yet the quality of public debate today makes it plain that many American politicians and many more intellectuals have cut quite loose from these fundamental moorings. How has this come about?

I start with academic lawyers, because I know them best and because for generations they have rationalized what their former students have practiced in the political arena. Academic lawyers are trained to pose embarrassing questions designed to show that no principle is so fundamental, no case so clear, that a seemingly slight variation in the facts will not put it into doubt. Do I say that a free man in a free society may go where he pleases and engage in what harmless pursuit he wills? The academic lawyers respond: But what if he has not the fare in his pocket or the wherewithal to facilitate his favorite pastime? He is not free, then, is he? And do we not pay him, put money in his pocket, make him free for social purposes, for the good of the community? So why can we not restrict and direct his choices directly in the name of that same good?

That is how the argument goes. It starts by eliding the distinction between coercion and lack of opportunity and ends by justifying whatever coercion government proposes. So it is no surprise that someone who sees no differences between ordering another where to go and simply failing to make it possible for that person to go wherever he pleases will not long hesitate to propose solutions for social problems that involve directing people how and where to live their lives.

Now it is said that doctors and lawyers are a scarce resource—and have we not learned in the regulation of utilities and businesses affected with a public interest that scarcity is a predicate for regulation? Here again one is left almost speechless by the moral obtuseness that treats people as public utilities and cannot see the threat to liberty implicit in equating men and women with trolley lines or electric companies. To be sure there are arguments about the wisdom or morality of much regulation of business and property, but a sensible person knows when an argument or a doubt is being pushed too far. And it is just my point that those intellectuals who follow their own arguments to the point of contemplating the socialization of people have quite simply taken leave of their common sense.

Surely, it is argued, the case of the doctor is special. Not only are doctors a scarce resource, but in their case (unlike that of lawyers) a lot of public money has been spent for training, and so they owe a portion of time to that same public. Once again, rather than play the game of distinction and analogy, I ask those who use this dreadful sophism to consider its implications. Who in this society has not been trained and nurtured in part by public funds? Do we then all belong to the state? May it command the lives of any of us whenever the regime of free choice begins to seem too costly, too inconvenient, as one pursues some "moral equivalent of war" on cancer, or illiteracy, or slum housing, or billboards, or smoking, or impure air, or junk food?

Now I agree that, in the last analysis, the arguments of the academic apologists are not what will precipitate us into the slough of compulsion. It is the politicians who will do that, which means it is the forces making personal compulsion politically attractive that need to be identified. In general the forces are fueled by money and power. The resort to personal compulsion is a last resort when politicians fear that the public will not pay the cost of programs pushed on behalf of abstract principles or, more likely, on behalf of some client group.

Consider again the suggestion that every young lawyer be forced to serve for a year at less than market wages. This is after all just the most recent version of an earlier suggestion that law schools assess all students a fee for support of public interest research groups. Now it is surely no accident that those who made their reputations organizing public interest law should see in that activity a universal panacea to the society's ills. And if it appears that not enough recruits are lining up to enlist in one's crusade, one turns to coercion. But why are they not lining up? Not because there are not enough lawyers—indeed, many lawyers find it hard to obtain employment and thousands leave the practice every year or never enter it after graduating from law school. So the bodies are there, but the pay and conditions of work seem unattractive, even compared to alternatives outside the profession. Presumably, if society believed that the service the Naderites envisage were indeed essential, it could offer (from tax revenues) salaries to attract persons to it, but obviously no one believes that the public would be willing to tax itself toward this end. Thus, though Marvin Frankel is convinced that universal equal access to legal counsel is essential, the voters and taxpayers in our democracy probably are not—at least not enough to pay for it.

The political thrust for conscription of doctors is similar but its environment much more complex. Although reasonable salaries could probably attract young lawyers to any interesting, useful line of legal work, doctors seem to be able to create lucrative practices in the same overserved desirable locations almost ad lib. The reason, of course, is that doctors (far more even than lawyers) have operated for generations as a conspiracy in restraint of trade, systematically resisting institutions like pre-paid health plans, interstate licensing, consumer control of hospital and insurance boards, provision of basic services by nurses or paraprofessionals. Until recently government has been totally compliant. Now when it is apparent that the dream of equal access cannot be achieved at anything less than staggering cost, the reflex of the health care ideologues has not been to reexamine the dream to see if anyone really wants its fulfillment enough to pay his share. Nor yet is it their reflex to break the monopoly power of the medical profession in order to allow organized groups of consumers—such as employers, labor unions, fraternal groups—to shop around for the level of care their members desire, delivered at competitive prices.

No, such a strategy might show that different people really do differ in their preferences for health care (when faced with the true costs and real alternatives), and this would undermine the plausibility of arguing for one level of health care for everyone. And so while ten and twenty years ago politicians failed to work for a competitive regime in health care out of fear of the medical profession's political power, today that same failure may perhaps be traced to the threat that a free market spells to the very plausibility of egalitarian slogans.

But, financing apart, obviously any *Gleichschaltung* (or bringing into line) of all parts of health care provision would require massive doses of compulsion at every level. Doctors could not be allowed to set their fees. And if they cannot set their fees they cannot demand more money for working in places and at specialties that seem less desirable to them. So compulsory assignments would again be the inevitable resort of planners who can neither persuade nor pay workers to go along with their schemes. Indeed, since we are a larger, richer, more ornery nation than Great Britain (for example), I doubt that a private practice option could be kept within limits here. Patients would have to be forced to accept their medical care solely from the single national provider. Healing acts between consenting adults would have to be made illegal, unless approved by the government.

The menace is real. Egalitarian ideals, together with an understandable reluctance to pay or ask one's supporters to pay the cost of these ideals, make the temptation to resort to conscription—to personal compulsion—almost irresistible. It starts with the doctors, goes on to the lawyers, and eventually gets to all young people so that the rest of us can have an army without really paying for it. Then perhaps we would conscript teachers, and finally we would find that everybody is so useful, or so unique, or so much affected with a public interest, that we all may be drafted into the service of the state. Which only demonstrates once again that whoever finds arguments to justify the loss of his fellow citizen's liberty is destined to lose his own.●

SENATE—*Wednesday, September 12, 1979*

(*Legislative day of Thursday, June 21, 1979*)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

God of our fathers and our God, grant us a vision of this land strong in the things of the spirit, fulfilled in justice and peace for all our citizens. May the complex, stubborn, pressing problems of the hour yield to the efforts of those whom we have set in authority over us. Deliver us from the fear and anxiety which dissipate energy and weaken the will. Give us confidence, strength, and wisdom to strive unceasingly for a world better than in the past.

May Thy gracious spirit of wisdom and mercy, of truth and justice abide with the President and all who govern this Nation. Help us all to pray, to think, to act for the welfare of the whole Nation and for the common good of all mankind.

In the name of the Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 12, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes. The Senator from California is recognized on behalf of the majority leader.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CRANSTON. A note for the record: The special order to Senator BENTSEN has just been declined by Senator BENTSEN.

I reserve the remainder of the time for the majority leader. I think probably there is nothing to be said unless the minority leader, our distinguished colleague here, wishes to say something.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I would use my time only to ascertain that there has not been a coup in the Democratic Caucus and to be reassured on that point and that it not be habit forming.

I have no need for my time and I yield it back.

Mr. CRANSTON. There has not been.

I am not certain whether Senator TSONGAS desires to use his time or not, and I suggest the absence of a quorum.

Mr. BAKER. Before that is done, if the acting majority leader does not yield back his time, I will reserve my time.

Mr. CRANSTON. I yield back my time.

Mr. BAKER. I yield back my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CRANSTON. Mr. President, the Senator from Massachusetts (Mr. TSONGAS) does not plan to use his time.

Mr. BAKER. Mr. President, will the acting majority leader yield for just a moment? I observe there are one or two

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Members on the floor. I take it there is no need for time, and I believe there is not, and I thank the acting majority leader.

ORDER VITIATING ORDERS FOR THE RECOGNITION OF MR. BENTSEN AND MR. TSONGAS

The ACTING PRESIDENT pro tempore. Without objection, the orders for the Senator from Massachusetts and the Senator from Texas will be vitiated.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. CRANSTON. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 1:05 p.m. the Senate recessed subject to the call of the Chair; whereupon, at 1:48 p.m. the Senate reassembled when called to order by the Acting President pro tempore (Mr. BOREN).

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 2:30 p.m. today, the Senate go into executive session to consider the nominations of Mr. Moon Landrieu to be Secretary of Housing and Urban Development and Mr. Jay Janis to be a member of the Federal Home Loan Bank Board; that at 2:45 p.m. a vote occur on the nomination of Mr. Landrieu; that upon the disposition of that nomination, the vote occur immediately on the nomination of Mr. Janis; that upon the disposition of that nomination, the Senate return to legislative session, it being understood that these will be rollcall votes.

I ask unanimous consent that it be in order at any time to order the yeas and nays on both nominations with one show of seconds.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—we have no objection to proceeding to the consideration of these nominations. There are no notations on this side in opposition to the confirmation of these nominations.

I might take this opportunity, though, to ask the distinguished majority leader if he can give us any further insight into the schedule of other activities for the Senate for the remainder of the day, particularly with reference to the second concurrent budget resolution.

Mr. ROBERT C. BYRD. It is my hope that we can proceed with S. 14 during the remainder of the afternoon, but I am not sure whether all parties will be prepared to go with that measure this afternoon.

In answer to the minority leader, the Senate would not then proceed to the consideration of the second concurrent budget resolution today.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. But I am not sure we can proceed to S. 14 until we contact all parties.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on both nominations.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the votes on the nominations be reversed from that which was ordered. In other words, the vote on Mr. Janis would occur at 2:45, and the vote on Mr. Landrieu would occur at 3 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 20 minutes, and that Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. TSONGAS assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business has expired.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider nominations.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

FEDERAL HOME LOAN BANK BOARD AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The second assistant legislative clerk read the nominations of Jay Janis, of Florida, to be a member of the Federal Home Loan Bank Board; and Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I would like to speak on behalf of Moon Landrieu, the President's nominee for the position of Secretary of Housing and Urban Development.

I had the privilege during the years 1975 and 1976 to form a very close friendship with this distinguished American. This was the era immediately preceding the celebration of America's Bicentennial. At that time, the nominee was mayor of New Orleans and, also, was holding the prestigious position of President of the National Conference of Mayors.

Moon Landrieu stepped forward and helped provide credibility to America's Bicentennial. He became a national Bicentennial leader. He traveled throughout the United States. As a matter of fact, he never missed a single meeting that was scheduled by the National Conference of Mayors to advise local communities with respect to organizing their Bicentennial programs.

His lovely wife, Verna, was chairman of the Bicentennial in New Orleans, and together with their 11 children they made it a family affair, not only in New Orleans, but, by their presence and dedication, throughout the United States.

Moon Landrieu was on the original Bicentennial Communities Planning Committee which laid down guidelines for communities across the Nation to plan their Bicentennial, but plan it in such a way that it was more than parades and banners and just excitement.

It was his idea that each community should have a lasting, permanent reminder of this period of history.

Through his vision, and others on that committee, over 13,000 communities in America gained recognition and proudly flew the Nation's Bicentennial flag.

He also addressed this responsibility in a bipartisan manner and encouraged, in particular, ethnic participation.

I am sure that Moon Landrieu is too modest to bring these facts to my colleagues in the Senate, and I am privileged to do so, just moments before his name will be considered. He displayed to America, to me, and to many others the type of leadership that the Nation needs now in this very important Cabinet post.

Quite frankly, I congratulate the President on this nomination. I encourage my colleagues to vote favorably.

● Mr. WILLIAMS. Mr. President, I rise in support of the Senate's confirmation of Moon Landrieu as Secretary of Housing and Urban Development.

As chairman of the Subcommittee on Housing and Urban Affairs. I am particularly pleased to recommend his confirmation by this body. I believe he will be a strong and active advocate for the housing needs of all Americans, and for the revitalization needs of our cities.

Mr. Landrieu has noteworthy qualifications to serve as spokesman for the housing and urban development needs of this country. As mayor of New Orleans, he enjoyed a record as a tireless administrator, who strived to restore the economic vitality of his community without sacrificing its unique ties to the past. New Orleans is a city that has suffered from many of the same symptoms of economic distress, and the same difficulties in providing decent housing as many of our older Northeastern cities. Moon Landrieu has helped New Orleans come to grips with and make creditable progress on these programs.

As president of the U.S. Conference of Mayors, he worked for a national commitment to help preserve our cities as a fundamental and vital link in the structure of our society. This kind of experience has helped Mr. Landrieu achieve a perceptive vision of the underlying problems of urban America, as well as a familiarity with HUD programs designed to help solve these problems.

I believe that Mr. Landrieu will be a worthy successor to Patricia Harris, who deserves great credit for her work to improve housing in this country, and for her active advocacy on behalf of the cities and the poor.

Mr. President, Moon Landrieu came before our committee not without some degree of controversy over his service as mayor of New Orleans. He answered all our questions honestly, fully, and forthrightly. He also demonstrated his understanding of and concern for the problems he will face as Secretary.

I strongly urge my colleagues to vote to confirm Moon Landrieu as Secretary of Housing and Urban Development.●

The PRESIDING OFFICER. Under the previous order, the vote will now occur.

The question is, Will the Senate advise and consent to the nomination of Jay Janis to be a member of the Federal Home Bank Board?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators who wish to vote on this nomination?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 273 Ex.]

YEAS—95

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—0

NOT VOTING—5

Biden
Glenn
Inouye
Long
Talmadge

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF MOON LANDRIEU

Under the previous order, the vote will now recur on the nomination of Moon Landrieu as Secretary of Housing and Urban Development. The question is, Will the Senate advise and consent to the nomination of Moon Landrieu to be Secretary of Housing and Urban Development? The clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. BAUCUS assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The PRESIDING OFFICER (Mr. STEWART). Is there any Senator in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 274 Ex.]

YEAS—97

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—0

NOT VOTING—3

Glenn
Inouye
Talmadge

So the nomination was confirmed.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. I move that the President be appropriately notified of the confirmation of these nominations.

The motion was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 421

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. FORD. Mr. President, I am submitting an amendment today to the Energy Supply Act. The amendment calls for enactment of one of the major recommendations of the President's Commission on Coal. As the Commission has pointed out:

> America's growing reliance on imported oil has brought us to the verge of a national crisis. The Commission believes that our vast available coal reserves must be tapped to dramatically reverse this alarming trend.

As chairman of the Coal Caucus, and as a staunch advocate of using our domestic coal resources, I could not agree more with the Coal Commission's conclusion.

It seems self evident to me that we must enact new legislation now to take advantage of our coal resources. I realize that many of my colleagues may groan at the thought of another coal bill. The Congress enacted coal conversion legislation in 1972, the Energy Supply and Environmental Conversion Act. The regulatory approach embodied in that legislation turned out to be too weak, so we enacted another coal conversion bill last year, the Powerplant and Industrial Fuel Use Act of 1978. FUA—as it is affectionately known—gives the Secretary of Energy discretionary authority to require existing electric powerplants and major fuel-burning installations which are capable of using coal to use it. But we made one mistake in FUA that must not be repeated. We gave the Secretary of Energy authority to require use of coal but we did not require him to use that authority.

The amendment I am introducing today represents a straightforward approach to the problem of coal conversion. It requires the Secretary of Energy to issue coal conversion orders to the plants identified by the Coal Commission as being capable of using coal. The approach is tough; some may even consider it draconian. But our energy problems will not be solved by timid solutions. As the Coal Commission puts it:

> Only mandated conversion to coal—without administrative discretion—will work.

The Coal Commission estimates that reconversion of coal-capable utility boilers now using oil and natural gas will cost $5.2 billion between now and 1985. But that investment will save 400,000 barrels per day in oil imports in 1985 alone. The investment will be cost-effective for those utilities required to convert.

The Environmental Protection Agency has done a comparison of the annualized costs of an oil plant converted to coal with the operating costs of an existing oil plant. That analysis shows a cost of 32.7 mills per kilowatt hour for an existing oil plant; 17.7 mills per kilowatt hour for a powerplant where the cost of conversion is relatively low; and 27.8 mills per kilowatt hour for a powerplant where the cost of conversion is high due to the need to install pollution control technology. Whether the conversion cost is high or low, the result is the same: Over the long term, the cost of using coal is less than the cost of using fuel oil. That comparison gets better and better, too, each time OPEC raises its prices. I ask unanimous consent that the EPA analysis be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FORD. Mr. President, the Coal Commission report points out that some form of assistance may be required for those powerplants required to convert. I intend to introduce legislation shortly that will provide the required assistance for the plants required to convert under my amendment.

I hope that the Energy and Natural Resources Committee will be able to act promptly on my amendment. We are in the midst of our consideration of the Energy Mobilization Board and a synthetic fuels program. Both of those items are high-priority items. They are aimed at solving our long-term problem. My amendment is geared to immediate, short-term energy future. But we cannot afford to forget about the present or the short-term problem. My amendment will offer us relief quickly and will provide us greater flexibility and leverage as we work toward solving our long-term energy problems.

I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 56, beginning on line 7, strike all through page 63, line 18, and insert:

SEC. 901. Existing Electric Powerplants.—Sec. 301 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by inserting new subsections (c) and (d) as follow:

"(c) Required conversions.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue coal conversion orders or rules as required by section 304; such orders shall be applicable to those existing electric powerplants specified in section 305.

"(d) Required findings.—The orders or rules required to be issued by subsection (c) shall be issued without regard to the findings required by subsection (b)."

SEC. 902. Existing Major Fuel Burning Installations.—

Sec. 302 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3306) is amended by inserting new subsections (c) and (d) as follows:

"(c) Required conversions.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue coal conversion orders or rules as required by section 304; such orders shall be applicable to those existing major fuel-burning installations specified in section 305.

"(d) Required findings.—The orders or rules required to be issued by subsection (c) shall be issued without regard to the findings required by subsection (a)."

SEC. 903. Required Coal Conversion Orders.—The Powerplant and Industrial Fuel Use Act of 1978 is amended by inserting new sections 304 and 305 as follow:

"SEC. 304. Prohibited Uses.—The orders or rules required by subsections 301(c) and 302(c) shall prohibit the use of petroleum or natural gas as a primary energy source in any existing electric powerplant or major fuel-burning installation listed in section 304 unless the Secretary grants an exemption pursuant to subtitle B."

"SEC. 305. Applicability.—The orders or rules shall apply to each powerplant and installation listed as follows:

Company, facility, unit, and State:

Baltimore Gas & Electric, C. P. Crane, 1, 2, Maryland.

Baltimore Gas & Electric, Gould Street, 3, Maryland.

Baltimore Gas & Electric, H. A. Wagner, 1, 2, Maryland.

Baltimore Gas & Electric, Riverside, 4, 5, Maryland.

Boston Edison Company, Edgar, 4, 5, Massachusetts.

Boston Edison Company, Mystic, 4, 5, 6, Massachusetts.

Central Hudson Gas & Electric Corporation, Danskammer, 3, 4, New York.

Central Hudson Gas & Electric Corporation, Danskammer, 1, 2, New York.

Central Maine Power Company, Mason, 3, 4, Maine.

Commonwealth Edison Company, Ridgeland, 1, 2, 3, 4, Illinois.

Consolidated Edison, Arthur Kill, 20, 30, New York.

Consolidated Edison Company, Astoria, 1, 2, 3, 4, 5, New York.

Consolidated Edison Company, East River, 5, 6, 7, New York.

Consolidated Edison, Ravenswood, 30, New York.

Deepwater Operating Company, Deepwater, 1, 6, New Jersey.

Delmarva Power & Light Company, Delaware City, 1, 2, 3, 4, Delaware.

Delmarva Power & Light Company, Edge Moor, 1, 2, Delaware.

Delmarva Power & Light Company, Edge Moor, 3, 4, Delaware.

Delmarva Power & Light Company, Vienna, 7, Maryland.

Detroit Edison Company, River Rouge, 1, Michigan.

Detroit Edison Company, St. Clair, 5, Michigan.

Georgia Power, McManus, 1, 2, Georgia.

GPU: Jersey Central Power & Light Company, Sayreville, 4, 5, New Jersey.

GPU: Jersey Central Power & Light Company, Werner, 4, New Jersey.

Hartford Electric Light Co., Middletown, 2, 3, Connecticut.

Hartford Electric Light Co., Middletown, 1, Connecticut.

Hartford Electric Light Co., Norwalk Harbor, 1, 2, Connecticut.

Kansas Power & Light Company, Lawrence, 2, 3, Kansas.

Long Island Lighting Company, E. F. Barrett, 1, New York.

Long Island Lighting Company, Far Rockaway, 4, New York.

Long Island Lighting Company, Glenwood, 4, 5, New York.

Long Island Lighting Co., Port Jefferson, 3, 4, New York.

New England Gas & Electric, Kendall Square, 3, Massachusetts.

New England Power Company, Brayton Point, 1, 2, 3, Massachusetts.

New England Power Company, Salem Harbor, 1, 2, 3, 4, Massachusetts.

Niagara Mohawk, Albany, 1, 2, 3, 4, New York.

Niagara Mohawk Power Corporation, Oswego, 4, New York.

Northeast Utilities: Connecticut Power & Light Company, Devon, 3, 7, 8, Connecticut.

Northeast Utilities: Connecticut Power & Light Company, Montville, 5, Connecticut.

Northeast Utilities: Holyoke Water Power Company, Mount Tom, 1, Massachusetts.

Northeast Utilities: Montaup Electric Company, Somerset, 6, Massachusetts.

Northeast Utilities: Western Massachusetts Electric Company, West Springfield, 2, 3, Massachusetts.

Oklahoma Gas & Electric Company, Mustang, 2, Oklahoma.

Omaha Public Power District, Jones Street, 12, Nebraska.

Orange and Rockland Utilities, Lovett, 3, 4, 5, New York.

Philadelphia Electric, Cromby, 2, Pennsylvania.

Philadelphia Electric Company, Delaware, 7, 8, Pennsylvania.

Potomac Electric Power Company, Buzzard Point, 2, District of Columbia.

Public Service of Colorado, Zuni, 2, Colorado.

Public Service of New Hampshire, Schiller, 4, 5, New Hampshire.

Public Service Electric & Gas, Bergen, 1, 2, New Jersey.

Public Service Electric & Gas, Burlington, 7, New Jersey.

Public Service Electric & Gas, Hudson, 1, New Jersey.

Public Service Electric & Gas, Kearny, 7, 8, New Jersey.

Public Service Electric & Gas, Sewaren, 1, 2, 3, New Jersey.

Savannah Electric & Power Company, Port Wentworth, 1, 2, 3, 4, Georgia.

Tampa Electric, F. J. Gannon, 1, 2, Florida.

United Illuminating Company, Bridgeport Harbor, 1, 2, 3, Connecticut.

Virginia Electric Power Co., Chesterfield, 2, 4, Virginia.

Virginia Electric Power Company, Chesterfield, 3, Virginia.

Virginia Electric Power Company, Portsmouth, 1, 2, Virginia.

Virginia Electric Power Company, Portsmouth, 3, 4, Virginia.

Virginia Electric Power Co., Possum Point, 3, 4, Virginia.

Virginia Electric Power Company, Possum Point, 2, Virginia.

Virginia Electric Power Company, Yorktown, 1, 2, Virginia.

Wisconsin Public Service Corporation, Weston, 2, Wisconsin.

SEC. 904. Temporary Exemptions.—Section 311 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3307) is amended by inserting a new subsection 311(h) as follows:

"(h) Temporary Exemption from Mandatory Conversion.—The provisions of this subsection shall be applicable only to any powerplant or installation covered by an order or a rule issued pursuant to subsections 301(c) and 302(c).

"(1) If the Secretary determines that the orders required by subsections 301(c) and 302(c) could not be satisfied without violating applicable environmental requirements, he shall, within 180 days, prepare a proposed waiver from such requirement.

"(2) Such proposed waiver shall exempt the powerplant or installation from the otherwise applicable environmental requirements unless disapproved by the Congress within 60 days of its submission.

"(3) Such waiver shall be applicable to a single powerplant or installation and shall be transmitted to the Congress as an energy action and considered in accordance with the requirements of section 551 of the Energy Policy and Conservation Act (40 U.S.C. 6241) except that for the purpose of this Act, each reference to 15 calendar days in such section shall be 60 calendar days."

SEC. 905. Permanent Exemptions.—Section 312 of the Powerplant and Industrial Fuel Act of 1978 (92 Stat. 3309) is amended by inserting a new subsection (m) as follows:

"(m) Permanent Exemption from Mandatory Conversion.—The provisions of this subsection shall be applicable only to any powerplant or installation covered by an order or a rule issued pursuant to subsections 301(c) and 302(c).

"(1) If the Secretary determines that the orders required by subsections 301(c) and 302(c) could not be satisfied without violating applicable environmental requirements, he shall, within 180 days, prepare a proposed waiver from such requirement.

"(2) Such proposed waiver shall exempt the powerplant or installation from the otherwise applicable environmental requirements unless disapproved by Congress within 60 days of its submission.

"(3) Such waiver shall be applicable to a single powerplant or installation and shall be transmitted to the Congress and considered in accordance with the requirements of section 551 of the Energy Policy and Conservation Act (40 U.S.C. 6241) except that for the purpose of this Act, each reference to 15 calendar days in such section shall be 60 calendar days."

SEC. 906. Action on Exemption Petitions.—Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3329) is amended by inserting a new subsection (1):

"(1) A petition for an exemption from the orders or rules required by subsections 301(c) and 302(c) shall be considered in accordance with the requirements of this section; provided, however, that the Secretary shall act on each petition within 180 days of initial receipt of such petition."

SEC. 907. Environmental Impact Statements.—Section 763 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3346) is amended by inserting a new subsection (4):

"(4) the issuance of orders required by subsection 301(c) and 302(c) of this Act."

EXHIBIT 1

DISPLACING OIL POWER PLANTS WITH COAL: AN ECONOMIC ANALYSIS

EPA cost estimates indicate that utilities can convert many oil-fired plants to coal or even replace existing oil plants with new coal plants and reap economic savings to their customers while complying with applicable pollution standards.

Table I below demonstrates that converting to coal is economical even under the assumption that the plant undergoes a high cost boiler conversion, and builds a 90 percent effective S02 scrubber. The saving in this case is 4.9 mills/kwh. With less stringent control equipment, which can be applied in many cases under existing state emissions limitations, the analysis shows an even greater savings from a coal conversion, in this case 15.0 mills/kwh. It should be noted that in many cases state emissions limitations can be met without an S02 scrubber. In those cases the conversion savings will be even higher than those described in the attached tables.

Table II illustrates that retiring a modern oil plant and replacing it with a new coal facility can result in electricity cost reductions, due to the substantial differences between the price of coal and oil. The capital cost estimate for the new coal facility assumes expenditures for pollution control equipment to meet EPA's New Source Performance Standards (NSPS), including a 90 percent S02 scrubber and a baghouse for particulates. To the extent that many plants will require less controls, the advantage of coal-fired plants is greater.

The analysis assumes an oil price of $20 per barrel and a coal cost of $30 per ton. The results are sensitive to the price of oil, as illustrated in Table III.

Table IV estimates the capital costs and operating savings for a 500 megawatt powerplant under the three conversion assumptions. Each megawatt of capacity costs $95,000, $470,000 and $740,000 for low cost conversions, high cost conversions and new coal plants, respectively. The net present value of the savings per megawatt is $824,000, $784,000 and $808,000 for the three cases, respectively.[1]

In summary this analysis indicates that the U.S. can substantially reduce oil dependency while cutting electric rates and while meeting applicable environmental standards.

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[1] Assumes a discount rate of 10 percent.

TABLE I.—COMPARISON OF ANNUALIZED COSTS OF AN OIL PLANT CONVERTED TO COAL WITH THE OPERATING COSTS OF AN EXISTING OIL PLANT[1]

[Mills per kilowatt-hour; mid-year 1979 dollars]

	Existing oil	Low-cost coal conversion[2]	High-cost coal conversion[3]
Annualized capital costs:[4]			
Scrubber	0	1.4	2.4
Boiler conversion	0	.4	7.7
ESP upgrade	0	.2	.2
		2.0	11.3
Fuel cost	[5]32.2	13.0	13.0
Operating and maintenance	.5	2.7	3.5
Total	32.7	17.7	27.8

[1] Assumes a 12.5 percent capital charge, a 20-yr amortization period and a 65 percent capacity factor.

[2] Based on these capital cost estimates:

	Per kilowatt
Scrubber—50 percent control	$65
Boiler conversion	20
ESP upgrade	10
Total	95

[3] Based on these capital charge estimates:

	Per kilowatt
Scrubber—90 percent control	$110
Boiler	350
ESP upgrade	10
Total	470

[4] Capital costs are converted to annualized costs using the formula: Capital costs × capital charge/5,694. (5,694 is the total operating hours per year at 65 percent capacity factor.)

[5] Assumes oil cost of $20/bbl and a coal cost of $30 per ton.

TABLE II.—COMPARISON OF TOTAL ANNUALIZED COSTS OF A NEW COAL PLANT AND OPERATING COSTS OF AN EXISTING OIL PLANT

[Mills per kilowatt-hour; mid-year 1979 dollars]

	Existing oil	New coal
Annualized capital costs	0	[1]13.0
Fuel costs[2]	32.2	13.0
Operating and maintenance	.5	4.7
Total	32.7	30.7

[1] Assumes a capital cost for the coal plant of $740/kW of capacity.

[2] Assumes oil cost of $20/bbl and coal cost of $30/ton.

TABLE III.—COMPARISON OF ANNUALIZED COSTS OF AN OIL PLANT CONVERTED TO COAL WITH THE OPERATING COSTS OF AN EXISTING OIL PLANT AT VARIOUS OIL AND COAL COSTS

Existing oil plant—Oil costs		High-cost converted plant—Coal costs	
Dollars per barrel	Mills per kilowatt-hour[1]	Dollars per ton	Mills per kilowatt-hour
10	16.6	23.0	24.8
12	19.3	25.0	25.8
14	23.0	27.6	26.8
16	26.3	30.0	27.8
18	29.5	32.2	28.8
20	32.7	34.5	29.8
22	35.4		
24	39.2		

[1] Based on 5,800,000 Btu/bbl of oil and 23,000,000 Btu/ton of coal.

TABLE IV.—COAL CONVERSION CAPITAL COSTS AND OPERATING SAVINGS FOR A 500 MW PLANT

[In millions of dollars]

	Capital cost	Annual operating savings	Present value of operating savings
Low-cost conversion[1]	47.5	48.4	412.0
High-cost conversion[1]	235.0	46.1	392.0
New coal plant[2]	370.0	41.3	403.9

[1] Assumes 20-yr remaining life on plant.

[2] Assumes 40-yr coal plant life.

QUORUM CALL

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 5 P.M.

Mr. CRANSTON. Mr. President, I now move that the Senate stand in recess until 5 p.m. today.

The motion was agreed to, and at 3:31 p.m., the Senate recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

Mr. CRANSTON. Mr. President, I move that the Senate recess.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. GOLDWATER. Some of us are kind of interested in knowing about what time we can get out of here. Could the Senator inform us?

Mr. CRANSTON. There is no prospect, I believe—I do not guarantee this—but I think there is no prospect of any rollcall vote this evening.

Mr. GOLDWATER. That is one bit of encouragement.

Now, could we be out of here for, say, a 7 o'clock dinner?

Mr. CRANSTON. I would think so, yes.

Mr. GOLDWATER. I hope so because it is mighty good. I thank the Senator.

Mr. CRANSTON. I expect we will, and I am quite certain, although I do not promise it, that there will not be any rollcall.

Mr. GOLDWATER. I will take the Senator at his word.

RECESS UNTIL 6 P.M.

Mr. CRANSTON. Mr. President, I move that the Senate stand in recess until the hour of 6 p.m. today.

The motion was agreed to, and at 5:01 p.m., the Senate recessed until 6 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JOHNSTON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SECOND CONCURRENT BUDGET RESOLUTION

ACHIEVING SAVINGS CAN BE DONE BUT CANNOT BE RUSHED

Mr. LONG. Mr. President, the Senate and the Congress have established a goal of achieving a balanced Federal budget by fiscal year 1981. This is a goal which I support wholeheartedly and which I firmly believe can be achieved. But we are not going to achieve a balanced budget by promising program cuts which we will not be able to enact. We will, indeed, need to reduce the costs of governmental programs in order to balance the budget. We will, indeed, need to start this year to bring about those reductions so that we can have a balanced budget in fiscal 1981. But we also have to be realistic. Valid, enactable, sustainable program reductions generally take a period of time to achieve their full impact. There are a variety of reasons why this is true. Some program cuts are feasible of enactment only on a prospective basis so that the savings accrue only as new beneficiaries come on the rolls. Other savings require significant lead time to put in place the regulations and administrative mechanisms to implement the new law. Still other savings involve programs operated at the State level which cannot be changed until State legislatures have an opportunity to enact appropriate conforming laws.

The 1977 social security amendments are a case in point. Congress determined that the built-in growth factor for the program was out of control. It would not, however, have been remotely possible to enact legislation cutting the benefits of those retired people who were already on the rolls. Instead we enacted legislation slowing the future growth of the program. Similarly that bill eliminated a number of low-priority benefit features but did it in such a way as to minimize the impact on persons already at or near retirement. In the year after enactment, the estimated savings of the 1977 amendments totaled only $400 million. By 1983, however, annual savings will exceed $2.5 billion. Over the next 75 years the benefit changes made in the 1977 amendments will reduce program costs by an average of some $50 billion a year.

Many other examples could be cited. The health legislation on which the Finance Committee has just completed action will save some $700 million in the upcoming year, but within a few years those savings will be measured in the billions annually. The House of Representatives has just sent us a social security disability bill. I anticipate that the Finance Committee will be able to increase its savings in both the short and long range. But, as passed by the House, that bill would actually cost $24 million in fiscal 1980. In 1981, however, it would save close to $250 million and by 1984 it would save more than $1 billion per year. The social security proposals included in the President's budget similarly would have saved about $500 million in the first year, rising to some $4 billion per year over the next 5 years.

I am serious, the Finance Committee is serious, and I believe the Senate is serious about finding ways in this year and this Congress to reduce program costs so that we can reach a balanced budget in fiscal year 1981. We have made a good start with health proposals developed by the committee over the past few months and we anticipate further savings as we act on social security disability, welfare, and unemployment compensation legislation. We will do our best to achieve whatever level of fiscal year 1980 savings the Congress requires of us in the second budget resolution. But I hope the Senate, in setting those goals for us, will recognize the reality that program savings are generally a great deal smaller in the first year than in subsequent years.

At this moment I do not see where the Finance Committee can make a proposal to the Senate which the Senate would enact and which would save as much as is expected of the Finance Committee in the second budget resolution as reported.

If the Senate in its wisdom insists on the reconciliation process we will, of course, in good faith try to do whatever we are required to do. But we should recognize that there are difficulties and there are problems.

For one thing, Senators have made commitments to people. This Senator is no exception.

I know that I told members of the State Legislature of the State of Louisiana, as well as the Governor of the State, that I do not intend to vote to reduce revenue sharing funds for the State governments.

I voted that way in the Finance Committee and I told those who represented county and State governments here in Washington that this was my position.

That being the case, I would hardly think I could vote now to knock out revenue sharing or reduce it at the State level—even though it would be a lot easier to do that in order to achieve immediate savings than it would be to do some of the other things that we may be compelled to recommend.

May I point out that the Senate by a vote of 59 to 31 voted against such a revenue sharing cut on July 27. So to do some of the kind of things that would be necessary in order to achieve the objectives of the budget resolution, it would require Senators to reverse positions they have taken in the past. A great number of us have made good-faith commitments to those who send us here that we would not reverse our positions.

We can, of course, recommend some additional savings in trying to achieve the amount that is expected in the budget resolution as reported by the Budget Committee. But it presents problems that the Senator from Louisiana at this time cannot provide an answer to satisfy. The Finance Committee could always report something, especially if we report it without recommendation, for example, which achieves program cuts of the magnitude that the Budget Committee might expect of us. But to pass such a bill is something entirely different from that.

I think I should express my doubts in this respect to the Senate and make it a matter of record so that all Senators can be thinking about this problem.

We discussed this in a Democratic caucus meeting today and we were not able to arrive at a conclusion that Senators could agree upon.

It is my hope that there will be a way that we can with good will and with consideration for one another handle this matter.

At this point, however, I must confess I do not see how we are going to achieve what is involved in the reconciliation instructions as expected in the resolution—not that the Finance Committee could not make a recommendation, but that we would find it difficult to persuade the Senate to vote for it.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 36

Mr. LONG. Mr. President, I ask unanimous consent that the following staff members of the Committee on Finance be accorded the privilege of the floor during debate and votes on Senate Concurrent Resolution 36: Michael Stern, Joseph Humphreys, and William Galvin.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the moment there be a period for the transaction of routine morning business for not to exceed 15 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEED FOR THE UNITED STATES TO REAFFIRM LEADERSHIP IN HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, traditionally the United States has taken a strong position of leadership in support of international human rights. The reasons behind such leadership are clear and compelling. Throughout its history, the United States has aspired to be not only a nation which seeks to protect the rights of its own citizens, but a society committed to the dignity of all people throughout the world.

This tradition of leadership is exemplified by the role the United States has taken in support of human rights as a member of the United Nations. The preamble to the U.N. Charter includes the following basic objectives of the organization: "To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women of nations large and small * * *". To this end, the United States has ratified or acceded to many multilateral treaties, including the Slavery Convention, the Protocol relating to the Status of Refugees, and the Convention on the Political Rights of Women.

Embracing such treaties speaks highly of the U.S. commitment to human rights. Yet, within this tradition of human rights support there exists one highly visible contradiction: The failure of the United States to ratify the Genocide Convention.

American support for ratification of the Genocide Convention has steadily grown since the U.S. delegation first contributed to drafting and promoting the treaty. Every President since Harry Truman has supported ratification, and recently the American Bar Association gave its approval to the convention. The last remaining obstacle to ratification is the consent of the Senate.

I believe that the United States is and should remain a leader in the promotion of international human rights. Still, our public reluctance to condemn genocide has caused some to question our commitment to that role.

It is not too late, however, to reaffirm this leadership position. The way is clear. The Senate should quickly move to ratify the Genocide Convention.

I might say, Mr. President, many Americans once again are seeing the remarkable television drama of the holocaust, which was on television last night for 3 hours and the night before for 3 hours, and they know, I think, now far better than many did in the past the terrible effects of genocide.

BALTIMORE, A PRIZE WORTH DEFENDING

Mr. MATHIAS. Mr. President, today Marylanders are observing Old Defenders' Day, a holiday that marks the anniversary of the Battle of North Point in the War of 1812. This battle took place the day before the bombardment of Fort McHenry, which inspired Francis Scott Key to write our National Anthem. But, when we celebrate Defenders' Day, we really commemorate both these historic battles.

On September 12, 1814—165 years ago today—the strategic situation was as follows. The British had captured Washington earlier in the year, setting fire to a number of public buildings including the White House and the Capitol. Admiral Cockburn, the commander of the British Naval Forces, then threatened to burn Baltimore and had brought the British fleet up the Chesapeake Bay to the mouth of the Patapsco River. On September 12, he landed 9,000 troops at North Point, 12 miles from Baltimore, and then sailed up the Patapsco to prepare the bombardment of Fort McHenry.

Baltimore had long been an object of British hatred because of the success the Baltimore privateers had had against British shipping. John Torry Caton in The Old Line State records that—

> During the war Baltimore interests had a fleet of 126 privateers or letters-of-marque. . . . The 126 accounted for 556 British vessels, nearly one-third of the total taken by American vessels of all classes including the Navy.

With such a record to its credit, it is no wonder Baltimore was of special concern to the British. Describing the mission of the British expeditionary force, one London journal wrote:

> The seat of the American government but particularly Baltimore, is to be the immediate object of the attack.

After the American defeat at Bladensburg and the fall of Washington, the British had withdrawn down the bay in a feint intended to mislead the citizens of Baltimore into believing their city was safe from attack. But the Baltimoreans were too smart to fall for this ruse. For months the city had been preparing its defenses. Fortifications had been strengthened and were manned on September 12 by both militia and townspeople who had been training for several months under Gen. Samuel Smith, the Revolutionary War hero.

When news of the British landing at North Point reached him, General Smith sent General John Stricker with a force of 3,200 men to watch the movement of the British and to meet the British advance. Two of Stricker's sharpshooters shot and killed the commander of the British Force, General Robert Ross. Both later lost their lives in the battle. Then for 2 hours the battle raged with the Americans falling back, as planned. According to Caton:

> As they retreated the Americans blocked the road with trees and the rear guard further disorganized the advancing foe. It was not until late afternoon that the British sighted from a great distance the main body of defenses. A halt was called until word was received from the fleet indicating that a successful landing had been made behind the defenders' position. During the rainy night, Brooke, Ross's successor, received word that the fleet could not make the landing. He thereupon retreated to the ships.

The other better known events of the battle to save Baltimore are vividly described in "Maryland: A History—1632 to 1974" published by the Maryland Historical Society:

> While the land forces were in combat, the British ships blasted away at Fort McHenry. Beginning early in the morning of September 13, a terrific hammering of cannon continued throughout the day and into the night. At dawn on the morning of September 14 aboard a flag-of-truce ship down the Patapsco, Francis Scott Key peered through spyglasses and to his joy and amazement saw the American flag still flying over Fort McHenry. . . . As he gratefully discerned the flag in the foggy dawn, his emotions stirred his poetic nature, and he quickly jotted down phrases on the back of a letter he carried. Released and ashore, he published the verses written in celebration of the victory. Thus "The Star-Spangled Banner" came into being. The light of day also brought relief and joy to the defenders of Fort McHenry. They had withstood the British assault and for a few days tensely girded for another. But the disheartened British sailed away. Though Washington had been sacked Baltimore stood untouched and by this defense the nation's honor was partially restored.

The gallant citizen-soldiers, who defended Baltimore at North Point and Fort McHenry and who restored the Nation's honor, gave Defender's Day its name. Today their bravery has a special significance because Baltimore, the city they defended so tenaciously, this year is celebrating its 250th birthday.

And so, as we observe Defender's Day 1979, it is fitting also to pay homage to the city of Baltimore, which occupies a very special place in the esteem and affection of all Marylanders. Baltimore is not just a great seaport and industrial center, although it is certainly that. It is also a cultural center of significant dimension and a very civilized and pleasant place to live or to visit.

It is not easy to capture in words the special qualities that make Baltimore the magnificent and richly varied city it is. But, in an editorial published on August 8, 1979—the city's 250th birthday—the Baltimore Sun came wonderfully close to achieving that. I ask unanimous consent that this editorial, which conveys with such affection and sensitivity the resilient spirit of the city of Baltimore and of its citizens, be printed in the Record at this point as a tribute to a very great city and to a great patriotic moment in that city's and the Nation's history.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

250 Years Young

> The Baltimore which begins today its 250th birthday celebration is the Baltimore which from its outset has been beset with obstacles and forced again and again to display the boldness and wit to change directions and seize upon new opportunities. As a port city it had its beginnings, and therein still lies its central being. But its place in the shipping world has been constantly challenged by rival cities and rival means of transportation. In its 25 decades it has been forced to shift from trade center to industrial center and on into the mixed economy of urban financial, commercial and cultural services needed for a sprawling metropolitan region, and always it has had the stamina not only to survive but to replenish its vitality and charm. This Baltimore of ours it not 250 years old but, rather, 250 years young.
>
> Typically, the original Baltimore town, a mere 60 acres, was not built where the early settlers had petitioned the Legislature to put it. If it had been, the city's origins would

have been on the Patapsco's middle branch in what is now South Baltimore. But a portion of that land belonged to John Moale, a member of the Legislature, who having an interest in its iron ore, blocked the move and forced the petitioners to settle for 60 acres adjacent to the marshes at the mouth of Jones Falls, a site which subsequently required endless dredging, draining and leveling to accommodate city needs. To this day, Baltimore has its problems with the conflicting interests of state legislators.

As one port of entry among many in Maryland's tobacco economy, Baltimore remained in obscurity for several decades. The much-copied John Moale drawing of Baltimore in 1752 shows only about two dozen buildings, including a brewery and St. Paul's Church. Even in the first national census of 1790, Baltimore was credited with only 13,501 inhabitants. But by this later date it had annexed Fells Point, a more flourishing shipping and shipbuilding center, had won Revolutionary fame for its intrepid privateers, and had found its future not in tobacco but in corn, wheat, flour, pig iron, lumber and furs. Baltimore had become a trade center.

With the British repulsed by Baltimore's defenders in 1814 and Franics Scott Key's city primed for fresh challenges, the first half of the Nineteenth Century is regarded by many historians as Baltimore's heyday. Then it was that its population doubled and redoubled; from 1830 through 1850 it was second in size only to New York. Its merchants drew products from far up the Susquehanna valley and dispatched them west and south by Conestoga wagon, and down the bay in schooners and to the far corners of the world in their renowned clipper ships. When the Erie Canal threatened their midwestern trade, they had the daring to undertake construction of a railroad and the inventiveness of a Peter Cooper to improvise a steam locomotive.

That was one period of Baltimore's greatness, to be eroded in part by Philadelphia's rise as an industrial center but more tragically and lastingly by this city's divided loyalties in the Civil War. After a mob assault on Massachusetts troops as they passed along Pratt street, Baltimore became hostile territory in Union eyes. It endured the outrages of martial rule under the sights of cannon implanted on Federal Hill. Its men joined the fighting ranks, some in blue, others in gray, and when the end finally came, Baltimore was emotionally exhausted, empty-handed and ridden with the guilt of having the last, most tragic shot fired by one of its own, John Wilkes Booth.

Baltimore still has a mix of northern and southern sentiments, its human temperament no less a blend of geographic differences than its climate and vegetation. But by now it has learned to submerge sectional passions in the more overridding interest of preserving the rule of law, as witness its acceptance of school desegregation in 1954.

The Baltimore of pre-Civil War days had no such allegiance to orderly government. A rowdy, rambunctious city, given to periodic violence, Baltimore in those days was "mobtown," its government in the hands of the Know-Nothings, its business leaders preoccupied with making money. The disorder and violence were so bad that just prior to the war a reform move brought transfer of city police-force control from the mayor to the state governor, where it remained almost to this day.

The years following the Civil War, seemingly a static period in Baltimore's evolution, were in fact years of civic construction. A citizen-based city government emerged, administered by honest and faithful officials in the public's interest, with good laws interpreted impartially by decent judges. Baltimore burghers of a century ago looked up from their account books and bank statements and joined in the judicial reform movement of 1882, the defeat of the entrenched political machine in 1895 and adoption of a new city charter in 1898. *The Sun* is proud to have done much to help spur these vital reforms.

The same period also marked a most remarkable infusion of culture as four of the pre-war merchant princes—George Peabody, Enoch Pratt, Johns Hopkins and William Walters—enlivened and elevated Baltimore in the second half of the Nineteenth Century with a music conservatory, a free public library system, a university and fine hospital and the beginnings of a priceless art collection. A formerly ruffian city acquired lasting stature as a center for arts, scholarship and medical science.

And while Baltimore may have slumped economically after the Civil War, it by no means stood still. The Baltimore and Ohio Railroad pushed vigorously into western markets and built a tremendous port terminal operation to facilitate shipments in and out of Baltimore. Wave upon wave of immigrants poured into the city, bringing all their skills and crafts to enrich the city's output. By 1887 the population had grown to some 425,000 persons, and Baltimore was once again a thriving trade center.

Yet, while its boundaries had been extended outward in 1818 and again in 1888 turn-of-the-century Baltimore remained at its core a jumble of crooked lanes and cobblestone streets, jammed with wagons crowded around commercial establishments which had preempted former dwellings and lofts. Devoid of public sanitation and safe water supply, Baltimore was a makeshift, disease-ridden city until the great fire of 1904 inspired the city's political and business leadership to make a fresh start. Then it was that Baltimore rebuilt its downtown on a then modern scale, installed a sewer system, developed a suitable public water supply and gave the city firm footing to move into its industrial age.

World War I brought large-scale manufacturing to Baltimore, and by the 1920s its population exceeded 800,000. World War II crowded it with night and day defense production, and its population climbed well over 900,000, seemingly headed for 1 million. Yet since 1950 the city, numerically, has been on the decline. How could this happen to a Baltimore that so determinedly had wrested repeated triumphs from prior defeats?

The die was cast in part by state legislators who, in permitting a 1918 expansion of city boundaries, effectively blocked any further geographic growth. Baltimore as a governmental entity ever since has been cut off from the reality of metropolitan Baltimore as an otherwise indivisible economic and social unit.

Then, too, industrial operations moved out of Eastern cities, Baltimore included, lured originally by cheap land and low-cost labor in the South and Southwest and later accelerated by federal power projects and interstate highways. To this was added the mass movements to suburbia from 1950 onward, prompted in marked degree by federal mortgage policies and expressway construction, and prodded by a racism that made the city-county boundary a dividing line between black and white Baltimoreans.

Can a city turn itself around? The answer on this birthday occasion is that Baltimore has done so before and is well set on doing it again. Its resurgence is apparent on the harbor front, where a wealth of new attractions has risen from prior decay. It is evident in its extensive housing revitalization efforts, some of which President Carter came to see yesterday. It is tangibly at hand in the new and recycled commercial establishments in formerly declining neighborhoods. But most important, its resurgence finds expression in the spirit of its people, whose renewed faith in their city has been harnessed by Mayor Schaefer into a strong driving force to make Baltimore so attractive that it becomes a metropolitan and national magnet.

Two hundred and fifty years young, Baltimore has the combination of physical and human assets within an efficiently small radius that has increasing validity as the nation becomes more energy-conscious. The future lies right here, and by long tradition, Baltimoreans have the talents and will to make the most of it.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Reubin O'D. Askew, of Florida, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary; which was referred to the Committee on Finance.

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 5 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1019. An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BOREN).

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2139. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, certification as to adequacy of soil survey and land classification as required by the 1954 Appropriations Act—Upalco Unit, Central Utah Project, Utah; to the Committee on Appropriations.

EC–2140. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate the requirement for Selective Service System availability determination for members of the Standby Reserve prior to involuntary order to active duty in war or national emergency declared by Congress; to the Committee on Armed Services.

EC–2141. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Manufacturing Technology—A Cost Reduction Tool at the Department of Defense That Needs Sharpening," September 11, 1979; to the Committee on Armed Services.

EC–2142. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, the inability of the Department to meet the August 15 deadline in submitting the first report on the results of preliminary energy audits; to the Committee on Energy and Natural Resources.

EC–2143. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Courthouse (New), Portland, Oregon, in the amount of $7,187,000; to the Committee on Environment and Public Works.

EC–2144. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Savannah, Georgia, Federal Building-U.S. Courthouse, in the amount of $1,250,000; to the Committee on Environment and Public Works.

EC–2145. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report on the feasibility and need for construction of a Federal building in Corpus Christi, Texas; to the Committee on Environment and Public Works.

EC–2146. A communication from the Chairman, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, a report on extending the Commission's licensing or regulatory authority to include categories of existing and future Federal radioactive waste storage and disposal activities not presently subjected to such authority; to the Committee on Environment and Public Works.

EC–2147. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to recognize United States passports issued to individuals identified therein as citizens of the United States as proof of citizenship; to the Committee on Foreign Relations.

EC–2148. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of a new system of records; to the Committee on Governmental Affairs.

EC–2149. A communication from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC–2150. A communication from the Administration, General Services Administration, transmitting, pursuant to law, a report on actions taken in relation to the recommendations of the Privacy Protection Study Commission; to the Committee on Governmental Affairs.

EC–2151. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–2152. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Some Criminal Offenses Committed Overseas by DOD Civilians Are Not Being Prosecuted: Legislation Is Needed," September 11, 1979; to the Committee on the Judiciary.

EC–2153. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to add a new section to the Immigration and Nationality Act to recognize the Report of Birth Abroad of a Citizen of the United States as proof of United States citizenship; to the Committee on the Judiciary.

EC–2154. A communication from the Commissioner, Immigration and Naturalization Service, Department of State, transmitting, pursuant to law, orders entered in 956 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–2155. A communication from the Deputy Commissioner for Occupational and Adult Education, Office of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report for calendar year 1978 for the National Center for Research in Vocational Education Advisory Council; to the Committee on Labor and Human Resources.

EC–2156. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations amending Part 177 of Chapter 1 of Title 45 of the Code of Federal Regulations for the Guaranteed Student Loan Program (20 U.S.C. 1071 through 1087–4, Part B of Title IV of the Higher Education Act of 1965, as amended); to the Committee on Labor and Human Resources.

EC–2157. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, September 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, and the Select Committee on Small Business, jointly, pursuant to order of January 30, 1975.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–452. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION No. 19

"Whereas, The American Dental Association's nutritional research consultants have reported that sugar is a major contributing factor to tooth decay in America today; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature respectfully memorializes the Federal Trade Commission to ban all advertising directed at children which promotes the use of high sugary foods that have 25 percent or more of total calories from added sweeteners, or 40 percent or more of total calories from fat content, or both; and be it further

"*Resolved,* That the Legislature respectfully memorializes the Food and Drug Administration to require that all products in package form disclose the percentage of sugar present if it provides for a substantial amount of the total number of calories in the food. Such disclosure shall appear on the principal display panel or panels of the label, unless the product's label bears a declaration of the portion (stated as a percentage by dry weight) of the food which is sugar. For the purposes of this resolution, the term 'sugar' means sucrose, corn sugar (dextrose), fructose, glucose, honey, invert sugar, molasses, raw sugar, corn syrup, or other nutritive sweeteners, or any combination thereof; the term 'in package' does not include fresh fruits and vegetables; and the term 'food' does not include any alcoholic beverage; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Federal Trade Commission, and to the Food and Drug Administration."

POM–453. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 18

"Whereas, The federal government contributed 50 percent of the cost of the aged, blind and disabled program until that program was replaced by Supplemental Security Income (SSI) in January of 1974; and

"Whereas, Under Section 1618 of the Social Security Act, the state is required to maintain the aggregate level of State Supplemental Program benefits (SSP) or lose eligibility to federal payments pursuant to Title XIX (Medi-Cal); and

"Whereas, The cost of providing SSP benefits to eligible recipients in the state will exceed $902 million in fiscal year 1978–79; and

"Whereas, The cost of the SSP portion now represents over 58 percent of the total cost of SSI/SSP program benefits; and

"Whereas, The state's share of the program costs exceeds the federal share because in calculating the amount of aid a recipient is eligible to receive, nonexempt income of a recipient is first deducted from the SSI payment, with any remaining income deducted from the SSP payment; and

"Whereas, The state will continue to assume more than 50 percent of the cost of providing SSI/SSP benefits to the aged, blind and disabled in the state until the method of calculating the federal and state share of the aid payment is changed; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to amend the Social Security Act to provide that recipient income be deducted from the SSI and SSP portions of the SSI/SSP benefit levels in amounts proportional to the relative contributions of the federal and state shares to the total benefit levels; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–454. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

ASSEMBLY JOINT RESOLUTION No. 38

"Whereas, Both the United States of America and the Syrian Arab Republic are parties and signatories to the Universal Declaration of Human Rights; and

"Whereas, The Syrian Arab Republic is a party and signatory to the International Covenant on Civil and Political Rights of 1966, to which it adhered on April 21, 1969; and

"Whereas, Article 391 of the Syrian Penal Code proscribes the use of torture and establishes penalties upon conviction for the use thereof; and

"Whereas, The Syrian Jewish community has been completely barred from emigration from the Syrian Arab Republic; and

"Whereas, Since January 1, 1979, the Syrian Jewish community has been subjected to the reimposition of previous restrictions upon personal and civil rights, including the imprisonment and torture of over 20 Syrian Jews, gross restrictions on internal travel, the requirement of a special designation 'Musawi' ('of the Mosaic faith') in colored ink on identity cards and other legal documents, a 7 p.m. curfew, searches of Jewish homes, a prohibition on sales of real property without advance proof of replacement of disposed property, and restrictions on travel abroad which require the posting of 25,000 Syrian pounds and that family members remain in Syria to insure the traveler's return; and

"Whereas, The foregoing oppressive and discriminating treatment of the Syrian Jewish community, which seeks religious freedom and the right to emigrate, offends the conscience of the American people and violates the provisions of the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights, and is in derogation of the rules of law in the Syrian Arab Republic; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California hereby condemns and deplores the oppression and imprisonment of Syrian Jews, the lack of religious liberty, and the inability of Jews to freely emigrate, as a direct violation of the provisions of the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights; and be it further

"*Resolved*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to undertake all possible and appropriate measures, including, but not limited to, the withholding of any foreign aid or economic support funds by the United States government pending compliance by the Syrian Arab Republic with the provisions set forth in the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights, so as to encourage and compel the government of the Syrian Arab Republic to honor and comply with the provisions of all of the aforesaid agreements to which it is a party and a signatory, and by which it is bound; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of State, to the Senate Foreign Relations Committee, to the House Foreign Affairs Committee, and to the respective Senate and House Appropriations Committees."

POM-455. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"*Whereas*, the Washington Masonic Bible, or the West Family Bible as it is otherwise known, is the bible upon which the first president of the United States, George Washington, received a Masonic degree; and

"*Whereas*, the bible was captured from its original owner, the American patriot Bartholomew West of New Bedford, by the Forty-sixth British regiment in the year 1778 during the invasion of New Bedford and the burning of the patriot West's home; and

"*Whereas*, the bible is now in the possession of the Duke of Cornwall's light infantry in a small military museum in Bodmin, England; and

"*Whereas*, because the bible is a unique American cultural and historical treasure, a committee has been formed to return the bible to an appropriate institution in Massachusetts where it will be enshrined and placed for public viewing; and

"*Whereas*, the committee to return the West family bible is comprised of six distinguished individuals, including the honorable David R. Nelson, Massachusetts state representative from New Bedford and a direct descendant of the patriot Bartholomew West, and also including: Mr. Nathaniel Denman, historian and company clerk of the Falmouth company of minutemen and militia; Mr. Richard Kugler, director of the Old Dartmouth Historical Society's whaling museum of New Bedford; Mr. Mick Oldsberg, state archivist for the Commonwealth of Massachusetts; Ms. Rita Steele, director of the Millicent Library of Fairhaven; and Mr. Donald Bernard, local historian and author of Fairhaven; and

"*Whereas*, the bible cannot be legally considered a legitimate 'spoil of war' and should be returned from its present location, where it is of secondary interest, to its rightful place in Massachusetts, where it is of the greatest historical interest and importance, especially to the people of the New Bedford area; therefore be it

"*Resolved*, that the Massachusetts House of Representatives hereby urges the President, the Secretary of State and the Congress of the United States to effect such action as may be necessary to provide for the return of the West family bible to American shores; and be it further

"*Resolved*, that copies of these resolutions be sent by the clerk of the House of Representatives to the President of the United States, the Secretary of State, the presiding officer of each branch of Congress and the members thereof from this Commonwealth."

POM-456. A resolution adopted by the Legislature of the State of Arkansas; to the Committee on Energy and Natural Resources:

"INTERIM RESOLUTION 79-16

"Whereas, it is generally acknowledged that the overlapping and often contradictory authority of various federal and state agencies engaged in the regulation of the surface and lignite mining industries have resulted in unreasonable and unnecessary burdens being placed on the economies of coal and lignite producing states; and

"Whereas, the Office of Surface Mining Reclamation and Enforcement (OSM) has continually failed to recognize or adapt to the unique topography, climate, and problems indigenous to the coal and lignite mining industry in the individual coal and lignite producing states; and

"Whereas, the State of Arkansas has enacted legislation for the promotion of the environmental and economic well-being of the State while regulating the surface mining industry within the State;

Now, therefore, be it resolved by the Legislative Council of the General Assembly of the State of Arkansas:

"That the Congress of the United States be requested to amend the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87) by amending section 503(a)(7) of the Act, by striking the phrase 'regulations issued by the Secretary pursuant to'; and, in section 701(25) of the Act, by striking the phrase 'and regulations issued by the Secretary pursuant to this Act,' in order to authorize the coal producing states to establish surfacing mining and reclamation programs, within their respective states, consistent with this Act, without the further requirement of consistency with federal rules and regulations.

"Be it further resolved that a copy of this Resolution be forwarded to the President of the Senate, the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Arkansas Congressional Delegation."

POM-457. A resolution adopted by the Commissioners Court of Ward County, Tex., petitioning the President and the Congress of the United States regarding some of the policies of the Federal Government; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. TOWER:

S. 1740. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retaining current connection with the railroad industry; to the Committee on Labor and Human Resources.

By Mr. GRAVEL (for himself, Mr. STEVENS, Mr. INOUYE, Mr. HATCH, Mr. CANNON, Mr. LAXALT, Mr. BOREN, Mr. GARN, Mr. LONG, Mr. GOLDWATER, Mr. BELLMON, Mr. WALLOP, Mr. SIMPSON, Mr. TOWER, Mr. HAYAKAWA, Mr. RANDOLPH, and Mr. STENNIS):

S. 1741. A bill to amend the act entitled "An act for the Preservation of American Antiquities", approved June 8, 1906 (34 Stat. 225), to provide congressional review of Presidential monument proclamations, and to amend the Act entitled "Federal Land Policy and Management Act of 1976", approved October 21, 1976 (90 Stat. 2743), to alter the congressional review procedures of land withdrawals, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MELCHER:

S. 1742. A bill to provide legal authority for Soil Conservation Service employees to assist in local search and rescue operations when called upon by responsible local authorities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART:

S. 1743. A bill for the relief of Dr. Dhanesh Chandra; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 1740. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retaining current connection with the railroad industry; to the Committee on Labor and Human Resources.

● Mr. TOWER. Mr. President, today I am introducing legislation of a remedial nature necessitated by an oversight in enactment of the National Transportation Safety Act of 1974.

At that time, the National Transportation Safety Board was made an independent agency, and in conjunction with the Railroad Retirement Act of 1974, employees of the NTSB with previous service in the railroad industry, were deprived of a "current connection" status with the railroad retirement system.

It is the opinion of those who have had the opportunity to analyze this bill in draft form that the deprivation was unintentional; at no time when the NTSB was part of the Department of Transportation was any question raised as to the status of its employees with former railroad experience. For this reason, I would hope the Senate can act quickly to correct the situation confronting individuals facing the dilemma of losing their current connection status.

Mr. President, this is legislation of a minor nature, comparatively speaking. Only about 20 or 30 individuals in the United States are affected. However, I know from the letters I have received from a few of these people that the problem is not a minor one for them personally.

These individuals worked many long years to earn their railroad retirement. They chose to continue in Government service bringing the benefit of their experience to the public policy arena. The least we owe these citizens is the equitable treatment provided in this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1(0) of the Railroad Retirement Act of 1974 is amended by inserting "the National Transportation Safety Board," immediately after "the National Mediation Board,".

Sec. 2. The amendment made by this Act shall be applicable with respect to employment on and after April 1, 1975.●

By Mr. GRAVEL (for himself, Mr. Stevens, Mr. Inouye, Mr. Hatch, Mr. Cannon, Mr. Laxalt, Mr. Boren, Mr. Garn, Mr. Long, Mr. Goldwater, Mr. Bellmon, Mr. Wallop, Mr. Simpson, Mr. Tower, Mr. Hayakawa, Mr. Randolph, and Mr. Stennis):

S. 1741. A bill to amend the act entitled "An Act for the Preservation of American Antiquities," approved June 8, 1906 (34 Stat. 225), to provide congressional review of Presidential monument proclamations, and to amend the act entitled "Federal Land Policy and Management Act of 1976," approved October 21, 1976 (90 Stat. 2743), to alter the congressional review procedures of land withdrawals, and for other purposes; to the Committee on Environment and Public Works.

ANTIQUITIES ACT AND FEDERAL LAND POLICY AND MANAGEMENT ACT AMENDMENTS OF 1979

● Mr. GRAVEL. Mr. President, today I am reintroducing my bill, S. 1176, which amends the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976. The new bill corrects some citation errors which were inadvertently made in the original bill, but is otherwise identical in purpose and in provisions.

I am pleased to be joined by 16 other Senators as cosponsors on this measure.

The purpose of the bill is to correct the great abuse of executive power which was used last year in Alaska and to insure that our Federal land laws are not misused by the administration in the future to intimidate the Congress and the people of our Nation.

The gentleman from Arkansas, Mr. Bumpers, has most graciously honored my request to have hearings on this bill by the Subcommittee on Parks, Recreation, and Renewable Resources which he so ably chairs. The hearing is scheduled for tomorrow, Thursday, September 13 at 10 a.m. in 3110 Dirksen.

I would ask unanimous consent that a summary of the bill along with background information on the recent actions in Alaska and the legislative history of the original acts in question be printed in the Record along with the complete text of the bill.

I would encourage my colleagues to read this information and for members of the subcommittee to attend tomorrow's hearings if at all possible. I think an airing of this matter will truly astound you as to the extent that the administration has exceeded its authorities in regard to Alaska lands.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 1741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Antiquities Act and Federal Land Policy and Management Act Amendments of 1979".

Sec. 2. (a) The first section of the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 433), is amended (1) by designating the existing text thereof as subsection (a), and (2) by adding at the end thereof the following new subsections:

"(b) For purposes of this Act, the term 'objects of historic or scientific interest' means historic or prehistoric specimens or structures such as pottery, bottles, weapons, dwellings, rock paintings, carvings, graves, human skeletal materials, and nonfossilized and fossilized paleontological specimens when found in an archaeological context. Such objects shall be directly associated with human behavior and activities.

"(c) (1) Any proclamation for reservation of public lands as national monuments by the President pursuant to section 2 of this Act in excess of five thousand acres shall be transmitted to the Congress. Such proclamation shall not become effective unless within sixty calendar days of continuous session of the Congress after the proclamation has been transmitted, the Senate and the House of Representatives pass a concurrent resolution approving such proclamation.

"(2) For purposes of this section—

"(A) continuity of session of Congress is broken only by an adjournment sine die;

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day calendar period; and

"(C) the term 'resolution' means a concurrent resolution, the resolving clause of which is as follows: 'That the House of Representatives and Senate approve the proclamation by the President reserving public lands as the National Monument submitted to the Congress on , 19 .'; the blank spaces therein shall be filled with proper name of the national monument which corresponds to a legal land description available for public inspection and with the date on which the President submits his proclamation to the Congress.

"(3) Except as otherwise provided in this section, the provisions of section 8(d) of the Alaska Natural Gas Transportation Act shall apply to the consideration of such resolution.".

(b) Such Act is further amended by adding at the end thereof the following new section:

"Sec. 5. Notwithstanding any other laws or regulations, any uses of the public lands included within any monument proclaimed under this Act validly occurring at the time of creation of the monument shall be permitted to continue to the extent that the uses do not destroy, disturb, or otherwise adversely impact on the historic or prehistoric sites or specimen to be protected by the establishment of the national monument. Such uses may include hunting, guiding, hiking, boating, and use of motorized vehicles. Nothing in this paragraph shall be construed as limiting in any way valid existing rights of owners or holders of property or claims within any monument under existing law.".

(c) The provisions of subsection (c) of the first section of such Act of June 8, 1906, as added by this section, shall be deemed to have taken effect as of October 14, 1978, and any proclamation proclaiming a monument under such Act on and after October 14, 1978, shall be subject to the provisions of such subsection (c).

Sec. 3. Section 204(c) (1) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2752; 43 U.S.C. 1714) is amended by striking out the second sentence and inserting in lieu thereof the following sentence: "The withdrawal shall become effective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such proposed withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House approves the withdrawal.".

SUMMARY OF PROPOSED AMENDMENTS TO THE ANTIQUITIES AND FEDERAL LAND POLICY AND MANAGEMENT ACTS

(1) The bill requires that any proposal to create a monument greater than 5,000 acres be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act. The bill would be retroactive to October 14, 1978 (the date the 95th Congress adjourned) in order to include the monuments created in Alaska December 1, 1978. The 5,000-acre provision conforms to the limits of the discretionary authority granted the Secretary of the Interior for land classification decisions under the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act").

(2) The bill provides that land uses validly occurring at the time a monument was established would not be prohibited unless they directly impact historic or archaeological sites or remains. Thus, an activity such as hunting, which is prohibited automatically under current law, would be permitted to the extent it did not impair the values for which the monument was established.

(3) The bill defines "objects of historic or scientific interest" as used in the Antiquities Act to include only historic, archaeological remains associated with human behavior. The intent of this definition is to limit the President's use of the Antiquities Act to protect only areas of unique historic or archaeological value, not fish and wildlife, scenic, recreational or wilderness areas. We have other laws relating to establishment of these areas.

(4) The bill amends the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") to provide more direct positive congressional review of administrative land withdrawals. The Act now enables the Secretary of the Interior to withdraw any amount of land for up to 20 years subject to a congressional veto under expedited procedures. The Secretary currently proposes to use this authority (section 204(c)) in Alaska to create 12 new wildlife refuges of approximately 40 million acres. This bill would make such action effective only after congressional approval by joint resolution under expedited procedures.

THE "EMERGENCY"

Under the terms of section 17(d) (2) of the Alaska Native Claims Settlement Act, the Secretary of the Interior was authorized to withdraw up to 80 million acres of land from all appropriations for potential addition to either the national park, wildlife refuge, forest, or wild and scenic rivers system. If Congress did not act before December 18, 1978, these withdrawals would lapse.

However, at the time the (d) (2) withdrawals were made, the lands were also withdrawn under section 17(d) (1) of the Claims Act. After the December 18, 1978 deadline expired, the "D–1" withdrawals provided the same protection to the land as that occurring under section 17(d) (2). There is no expiration date for the D-1 withdrawals. In addition, most other federal land in Alaska is withdrawn under the D-1 authority.

In a letter sent prior to the December 18 expiration date to solicit public comments on a draft Environmental Impact Statement analyzing several possible administrative actions—including possible use of the Antiquities Act—Cynthia Wilson, Special Assistant to the Secretary, stated:

> Although the Administration is confident that the protective land withdrawals which will remain after the expiration of "D-2" withdrawals in December are capable of continuing to preclude the entry, location or selection of the national interest lands, the lands are so significant to the nation that prudence dictates that they be protected as fully as possible under existing executive branch authorities, pending final congressional action.

Despite the protection afforded by D-1, the Secretary withdrew approximately 110 million acres of land in Alaska under the provisions of section 204(e) of the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") on November 16, 1978. This section of FLPMA authorizes the Secretary to make "emergency" withdrawals of public land from all forms of entry and appropriation for a period of up to three years. This withdrawal affected virtually all the lands under consideration by the Congress during the past session.

Yet, even with this action, which duplicated protection already provided by D-1, the Secretary urged the President to proclaim 56 million acres of land as national monuments under the 1906 Antiquities Act. These national monuments are not just temporary withdrawals until Congress acts, they are permanently designated conservation system units with extremely restrictive land use policies. In particular, such areas are closed to sport hunting, trapping, and related guiding. In Alaska this affects hundreds of people who have had their livelihoods wiped out with the stroke of a pen. Hunting guides, trappers, miners, air taxi operators and recreationists have all been displaced. They are essentially "regulated out" of these vast areas.

Thus, the use of the Antiquities Act can only be viewed as an extreme abuse of power designed to punish and intimidate those who oppose the Administration's proposals for the use of Alaska land.

ANTIQUITIES ACT PROVISIONS

The Antiquities Act was originally intended to prevent the removal of artifacts and further destruction of archaeological sites in the Southwest. It gives the President authority to withdraw "historic landmarks, historic and prehistoric structures, and other objects of historic scientific interest" as national monuments. The law further provides that the land withdrawn "shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." In a floor colloquy on the bill in the House in 1906, the following exchange took place:

> Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?
>
> Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.
>
> Mr. STEPHENS of Texas. Would it be anything like the forest preserve bill, by which seventy or eighty million acres of land in the United States have been tied up?
>
> Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old pueblos in the Southwest, whilst the other reserves the forests and the water resources.
>
> Mr. STEPHENS of Texas. I hope . . . this bill will not result in locking up other lands.

The areas which were designated monuments in Alaska have long been studied and acclaimed by the Interior Department and environmental groups for their scenic, recreational, wilderness, and fish and wildlife values. In only a very few distinct areas have historic or archaeological values been of prime concern. The 56 million acres' withdrawn is by no stretch of the imagination the "smallest area" necessary for the "objects" protected.

16 U.S.C. SEC. 431 (ANTIQUITIES ACT)

§ 431. National monuments; reservation of land: relinquishment of private claims.

The President of the United States is authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected. When such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is authorized to accept the relinquishment of such tracts in behalf of the Government of the United States. (June 8, 1906, ch. 3080, § 2, 34 Stat. 225.)

[Report No. 3797]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

The Committee on Public Lands, to whom was referred the bill (S. 4698) for the preservation of American antiquities, having had the same under consideration, beg leave to report it back with the recommendation that the bill do pass.

This measure has the hearty support of the Archeological Institute of America, the American Anthropological Association, the Smithsonian Institution, and numerous museums throughout the country, and in view of the fact that the historic and prehistoric ruins and monuments on the public lands of the United States are rapidly being destroyed by parties who are gathering them as relics and for the use of museums and colleges, etc., your committee are of the opinion that their preservation is of great importance.

This bill is carefully drawn, and the committee are unanimously in favor of its passage.

[Report No. 2224]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

Your committee to whom was referred the bill (H.R. 11016) for the preservation of American antiquities, report the same back with the following amendments:

In line 3, page 1, after the word "shall," insert the words "willfully or wantonly."

In line 9, page 1, after the word "shall," insert "be guilty of a misdemeanor and."

On page 2, at the end of line 14, insert the following proviso: "*Provided further*, That no expense shall be incurred for special custodians under this act."

The various archeological societies of the United States in the Fifty-eighth Congress presented the subject of the enactment of a bill along the lines proposed in the present bill. A full hearing was had on the matter by the Committee on the Public Lands, and a bill was reported to carry out the purpose proposed, but the bill did not receive action in the House in the last Congress.

The bill as above amended will, in the opinion of your committee, accomplish the purpose desired. There are scattered throughout the Southwest quite a large number of very interesting ruins. Many of these ruins are upon the public lands, and the most of them are upon lands of but little present value. The bill proposes to create small reservations reserving only so much land as may be absolutely necessary for the preservation of these interesting relics of prehistoric times.

Practically every civilized government in the world has enacted laws for the preservation of the remains of the historic past, and has provided that excavations and explorations shall be conducted in some systematic and practical way so as not to needlessly destroy buildings and other objects of interest.

The United States should adopt some method of protecting these remains that are still upon the public domain or in Indian reservations. The following-named persons, during the Fifty-eighth Congress, communicated with or appeared before your committee in behalf of this legislation: Prof. Thomas D. Seymour, of Yale University; Charles P. Bowditch, esq., of Boston, Mass.; Prof. Francis W. Kelsey, of the University of Michigan; Prof. Mitchell Carroll, of George Washington University; Dr. A. L. Kroeber, of the University of California; Dr. G. B. Gordon, of the University of Pennsylvania; Prof. M. H. Saville, of Columbia University; Hon. John W. Foster, of Washington, D.C.; Prof. William Henry Holmes, of the Smithsonian Institution; Dr. Henry Mason Baum, president Institute of Historical Research, of Washington, D.C.; Prof. F. W. Putnam, of Harvard University; Prof. Edgar L. Hewett, formerly president of the Normal University of New Mexico; Msgr. Dennis J. O'Connell, rector of the Catholic University of America, and others.

Professor Seymour, of Yale University, president of the Archaeological Institute of America; Mr. Charles P. Bowditch, of the Boston society; Prof. Franz Boas, of the New York society; Miss Alice Fletcher, of the Baltimore society; Mrs. Sara Y. Stevenson, of the Pennsylvania society; Dr. George A. Dorsey, of the Chicago society; Dr. George William Bates, of the Detroit society; Prof. M. S. Slaughter, of the Wisconsin society; Prof. H. N. Fowler, of the Cleveland society; Dr. George Grant MacCurdy, of the Connecticut society; Dr. W. J. McGee, of the Missouri society; Prof. M. Carroll, of the Washington society; Dr. Duren J. H. Ward, of the Iowa society; Hon. H. K. Porter, M.C., of the Pittsburgh society; Mr. Charles F. Lummis, of the Southwest society; Dr. A. L. Kroeber, of the San Francisco society; Mrs. W. S. Peabody, of the Colorado society; Prof. F. W. Putnam, of the Peabody Museum; Mr. W. H. Holmes and Dr. J. W. Fewkes, of the Smithsonian Institution; Hon. J. W. Foster and Dr. Henry Mason Baum, of Washington, D.C.; and Hon. L. Bradford Prince, of Santa Fe, N. Mex.

These gentlemen are men of high character who have given the subject much consideration, and their opinions are entitled to most serious consideration.

Prof. Edgar L. Hewett prepared and presented your committee with a very interesting memorandum on the ruins in Arizona, New Mexico, Colorado, and Utah, which is here incorporated as a part of this report:

PRESERVATION OF AMERICAN ANTIQUITIES

Mr. PATTERSON. I am directed by the Committee on Public Lands, to whom was referred the bill (S. 4698) for preservation of American antiquities, to report it favorably without amendment, and I submit a report thereon. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court.

Section 2 authorizes the President of the United States, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected, but when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Permits for the examination of ruins, the excavation of archeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects and that the gatherings shall be made for permanent preservation in public museums.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Preservation of American Antiquities

House, June 5, 1906.

Mr. Lacy. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 4698.

The clerk read as follows:

A bill (S. 4698) for the preservation of American antiquities.

Be it enacted, etc., That any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States, without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined in a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court.

Sec. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national mounuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*. That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Sec. 3. That permits for the examination of ruins, the excavation of archaeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects, and that the gathering shall be made for permanent preservation in public museums.

Sec. 4. That the Secretaries of the Departments aforesaid shall make and publish from time to time uniform rules and regulations for the purpose of carrying out the provisions of this act.

The Speaker. Is there objection?

Mr. Stephens of Texas. Mr. Speaker, I desire to ask the gentleman whether this applies to all the public lands or only certain reservations made in the bill?

Mr. Lacey. There is no reservation made in the bill of any specific spot.

Mr. Stephens of Texas. I think the bill would be preferable if it covered a particular spot and did cover the entire public domain.

Mr. Lacey. There has been an effort made to have national parks in some of these regions, but this will merely make small reservations where the objects are of sufficient interest to preserve them.

Mr. Stephens of Texas. Will that take this land off the market, or can they still be settled on as part of the public domain?

Mr. Lacey. It will take that portion of the reservation out of the market. It is meant to cover the cave dwellers and cliff dwellers.

Mr. Stephens of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. Lacey. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. Stephens of Texas. Would it be anything like the forest-reserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. Lacey. Certainly not. The object is entirely different. It is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest, whilst the other reserves the forests and the water courses.

Mr. Stephens of Texas. I will say that that bill was abused. I know of one place where in 5 miles square you could not get a cord of wood, and they call it a forest, and by such means they have locked up a very large area in this country.

Mr. Lacey. The next bill I desire to call up is a bill on which there is a conference report now on the Speaker's table, which permits the opening up of specified tracts of agricultural lands where they can be used, by which the very evil that my friend is protesting against can be remedied. It is House bill 17576, which has passed both bodies, and there is a conference report for concurrence as to the details upon the Speaker's table.

Mr. Stephens of Texas. I hope the gentleman will succeed in passing that bill, and this bill will not result in locking up other lands. I have no objection to its consideration.

The Speaker. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to a third reading, read the third time, and passed.

On motion of Mr. Lacy, a motion to reconsider the vote by which the bill was passed was laid on the table.

[Public Law 94-579—Oct. 21, 1976]

Federal Land Policy and Management Act of 1976

An act to establish public land policy; to establish guidelines for its administration; to provide for the management, protection, development, and enhancement of the public lands; and for other purposes.

WITHDRAWALS

Sec. 204. (a) On and after the effective date of this Act the Secretary is authorized to make, modify, extend, or revoke withdrawals but only in accordance with the provisions and limitations of this section. The Secretary may delegate this withdrawal authority only to individuals in the Office of the Secretary who have been appointed by the President, by and with the advice and consent of the Senate.

(b) (1) Within thirty days of receipt of an application for withdrawal, and whenever he proposes a withdrawal on his own motion, the Secretary shall publish a notice in the Federal Register stating that the application has been submitted for filing or the proposal has been made and the extent to which the land is to be segregated while the application is being considered by the Secretary. Upon publication of such notice the land shall be segregated from the operation of the public land laws to the extent specified in the notice. The segregative effect of the application shall terminate upon (a) rejection of the application by the Secretary, (b) withdrawal of lands by the Secretary, or (c) the expiration of two years from the date of the notice.

(2) The publication provisions of this subsection are not applicable to withdrawals under subsection (e) hereof.

(c) (1) On and after the dates of approval of this Act a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal any other withdrawal involving in the aggregate five thousand acres or more which terminates after such data of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon a request by a department or agency head.

The secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reported, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(2) Within the notices required by subsection (c)(1) of this section and within three months after filing the notice under subsection (e) of this section, the Secretary shall furnish to the committees—

(1) a clear explanation of the proposed use of the land involved which lead to the withdrawal;

(2) an inventory and evaluation of the current natural resource uses and values of the site and adjacent public and nonpublic land and how it appears they will be affected by the proposed use, including particularly aspects of use that might cause degradation of the environment, and also the economic impact of the change in use on individuals, local communities, and the Nation;

(3) an identification of present users of the land involved and how they will be affected by the proposed use;

(4) an analysis of the manner in which existing and potential resource uses are incompatible with or in conflict with the proposed use, together with a statement of the provisions to be made for continuation or termination of existing uses, including an economic analysis of such continuation or termination;

(5) an analysis of the manner in which such lands will be used in relation to the specific requirements for the proposed use;

(6) a statement as to whether any suitable alternative sites are available (including cost estimates) for the proposed use or for uses such a withdrawal would displace;

(7) a statement of the consultation which has been or will be had with other Federal departments and agencies, with regional, State, and local government bodies, and with other appropriate individuals and groups;

(8) a statement indicating the effect of the proposed uses, if any, on State and local government interests and the regional economy;

(9) a statement of the expected length of time needed for the withdrawal;

(10) the time and place of hearings and of other public involvement concerning such withdrawal;

(11) the place where the records on the withdrawal can be examined by interested parties; and

(12) a report prepared by a qualified mining engineer, engineering geologist, or geologist which shall include but not be limited to information on: general geology, known mineral deposits, past and present mineral production, mining claims, minerals leases, evaluation of future mineral potential, present, and potential market demands.

(d) A withdrawal aggregating less than five thousand acres may be made under this subsection by the Secretary on his own motion or upon request by a department or an agency head—

(1) for such period of time as he deems desirable or a resource use; or

(2) for a period of not more than twenty years for any other use, including but not limited to use for administrative sites, location of facilities, and other proprietary purposes; or

(3) for a period of not more than five years to preserve such tract for a specific use then under consideration by the Congress.

(e) When the Secretary determines, or when the Committee on Interior and Insular Affairs of either the House of Representatives or the Senate notifies the Secretary, that an emergency situation exists and that extraordinary measures must be taken to preserve values that would otherwise be lost, the Secretary notwithstanding the provisions of subsections (c)(1) and (d) of this section, shall immediately make a withdrawal and file notice of such emergency withdrawal with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives. Such emergency withdrawal shall be effective when made but shall last only for a period not to exceed three years and may not be extended except under the provisions of subsection (c)(1) or (d), whichever is applicable, and (b)(1) of this section. The information required in subsection (c)(2) of this subsection shall be furnished the committees within three months after filing such notice.

(f) All withdrawals and extensions thereof, whether made prior to or after approval of this Act, having a specific period shall be reviewed by the Secretary toward the end of the withdrawal period and may be extended or further extended only upon compliance with the provisions of subsection (c)(1) or (d), whichever is applicable, and only if the Secretary determines that the purpose for which the withdrawal was first made requires the extension, and then only for a period no longer than the length of the original withdrawal period. The Secretary shall report on such review and extensions to the Committees on Interior and Insular Affairs to the House of Representatives and the Senate.

(g) All applications for withdrawal pending on the date of approval of this Act shall be processed and adjudicated to conclusion within fifteen years of the date of approval of this Act, in accordance with the provisions of this section. The segregative effect of any application not so processed shall terminate on that date.

(h) All new withdrawals made by the Secretary under this section (except an emergency withdrawal made under subsection (e) of this section) shall be promulgated after an opportunity for a public hearing.

(i) In the case of lands under the administration of any department or agency other than the Department of the Interior, the Secretary shall make, modify, and revoke withdrawals only with the consent of the head of the department or agency concerned, except when the provisions of subsection (e) of this section apply.

(j) The Secretary shall not make, modify, or revoke any withdrawal created by Act of Congress; make a withdrawal which can be made only by Act of Congress; modify or revoke any withdrawal creating national monuments under the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 431–433); or modify, or revoke any withdrawal which added lands to the National Wildlife Refuge System prior to the date of approval of this Act or which thereafter adds lands to that System under the terms of this Act. Nothing in this Act is intended to modify or change any provision of the Act of February 27, 1976 (90 Stat. 199; 16 U.S.C. 668dd(a)).

(k) There is hereby authorized to be appropriated the sum of $10,000,000 for the purpose of processing withdrawal applications pending on the effective date of this Act, to be available until expended.

(l)(1) The Secretary shall, within fifteen years of the date of enactment of this Act, review withdrawals existing on the date of approval of this Act, in the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming of (1) all Federal lands other than withdrawals of the public lands administered by the Bureau of Land Management and of lands which, on the date of approval of this Act, were part of Indian reservations and other Indian holdings, the National Forest System, the National Park System, the National Wildlife Refuge System, other lands administered by the Fish and Wildlife Service or the Secretary through the Fish and Wildlife Service, the National Wild and Scenic Rivers System, and the National System of Trails; and (2) all public lands administered by the Bureau of Land Management and of lands in the National Forest System (except those in wilderness areas, and those areas formally identified as primitive or natural areas or designated as national recreation areas) which closed the lands to appropriation under the Mining Law of 1872 (17 Stat. 91, as amended; 30 U.S.C. 22 et seq.) or to leasing under the Mineral Leasing Act of 1920 (41 Stat. 437, as amended; 30 U.S.C. 181 et seq.).

(2) In the review required by paragraph (1) of this subsection, the Secretary shall determine whether, and for how long, the continuation of the existing withdrawal of the lands would be, in his judgment, consistent with the statutory objectives of the programs for which the lands were dedicated and of the other relevant programs. The Secretary shall report his recommendations to the President, together with statements of concurrence or nonconcurrence submitted by the heads of the departments or agencies which administer the lands. The President shall transmit this report to the President of the Senate and the Speaker of the House of Representatives, together with his recommendations for action by the Secretary, or for legislation. The Secretary may act to terminate withdrawals other than those made by Act of the Congress in accordance with the recommendations of the President unless before the end of ninety days (not counting days on which the Senate and the House of Representatives has adjourned for more than three consecutive days) beginning on the day the report of the President has been submitted to the Senate and the House of Representatives the Congress has adopted a concurrent resolution indicating otherwise. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(3) There are hereby authorized to be appropriated not more than $10,000,000 for the purpose of paragraph (1) of this subsection to be available until expended to the Secre-

tary and to the heads of other departments and agencies which will be involved.

Public Lands Council,
Washington, D.C.
National Cattlemen's Association,
Denver, Colo.
National Wool Growers Association,
Washington, D.C.

July 12, 1979.

Senator Mike Gravel,
Dirksen Building,
Washington, D.C.

Dear Senator Gravel: A formal note to insure our support for your bill S. 1176, "An Act for The Preservation of American Antiquities."

Please keep us informed as to any action which you feel we could undertake to enhance enactment of this measure.

Sincerely,

Ronald A. Michieli,
Director, Government Affairs for Land and Natural Resources-NCA, Executive Director-PLC.

[Western States Legislative Forestry Task Force]

A Resolution Relative to Limiting Presidential Powers Under Antiquities Act

Whereas, the "property clause" of the U.S. Constitution reserves unto Congress the authority to appropriate federal lands; and

Whereas, the 95th Congress considered legislation directed to appropriation of large quantities of federal lands in Alaska and refused to pass such legislation; and

Whereas, the 96th Congress is again considering such federal land appropriation proposals; and

Whereas, in December of 1978, notwithstanding the appropriate provisions of the U.S. Constitution, acted to declare 17 National Monuments in Alaska totaling some 56 million acres, relying upon provisions of the Antiquities Act of 1906; and

Whereas, the Antiquities Act is intended to grant to the President the authority to protect "objects of historic or scientific interest" in the "smallest area compatible with the proper care and management of the objects"; and

Whereas, the President in declaring such 17 National Monuments clearly exceeded the authority granted pursuant to the Antiquities Act of 1906 and usurped authority reserved to Congress; and

Whereas, the Secretary of Interior withdrew an additional 40 million acres of federal lands in Alaska as wildlife refuges in reliance upon authority granted the Secretary of Interior by the BLM Organic Act with respect to emergency situations; and

Whereas, the action of the Secretary of Interior was precipitous and not for the purpose of dealing with a true emergency; and

Whereas, the actions of the President and his Secretary of Interior resulting in the incredibly large federal land withdrawals have caused substantial harm to many Alaskans as well as clouding the ability of our nation to realize important energy and mineral potential contained in such lands; and

Whereas, the Congress may remedy the harm caused by the precipitous acts of the President and the Secretary of the Interior

Now, Therefore, Be It Resolved that the Western States Legislative Forestry Task Force does hereby support legislation that would:

1. Require any proposal to create National Monuments aggregating more than 5,000 acres of federal land located in any one state be submitted to Congress for approval by joint resolutiuon under expedited procedures similar to those under the Alaska Natural Gas Transportation Act; and

2. Provide that land uses validly occurring at the time a National Monument is established will not be prohibited unless they directly impact historic or archaeological sites or remains; and

3. Define "objects of historic or scientific interest" as used in the Antiquities Act of 1906 to include only historic, archaeological remains associated with human behavior; and

4. Provide more direct, positive congressional review of administrative land withdrawals:

Be It Further Resolved that the Executive Director be and he is hereby authorized and directed to forward copies of this Resolution to the President of the United States, the Secretary of Interior, the Congressional Delegations and Governors of the Task Force member states.

Upon motion by Representative Oral Freeman of Alaska, seconded by Senator Lowell Peterson of Washington, the foregoing Resolution was unanimously passed and adopted by the Western States Legislative Forestry Task Force at a regular meeting thereof on March 26, 1979, held in the Rayburn House Office Building in Washington, D.C.

Richard A. Robyn,
Executive Director.

Resolution

Be it Resolved by the House of Representatives:

Where as the vast areas of land in Alaska withdrawn under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 by the President of the United States and the Secretary of the Interior far exceed any reasonable concern for the temporary protection of the land until such time as Congress can dispose of it as provided for in 17(d) (2) of the Alaska Native Claims Settlement Act of 1971; and

Whereas the 1906 Antiquities Act was originally intended to protect archaeological sites in the Southwest, and not to close large tracts of land to exploration for and development of oil, gas, minerals, and other natural resources; and

Whereas the effect of creating 17 national monuments in Alaska, covering approximately 56,000,000 acres under the 1906 Antiquities Act, and withdrawing approximately 40,000,000 acres under sec. 204(c) of the Federal Land Policy and Management Act of 1976, not only prevents the exploration for and utilization of natural resources for the benefit of the whole Nation, but also blocks access to adjacent areas which have high natural resources potential; and

Whereas it makes no sense that while the Nation is experiencing a continuing and increasing dependency on foreign oil at great cost, and frequently from unstable and unreliable foreign sources, the Nation should foreclose opportunities for development of energy resources and non-fuel minerals at home; and

Whereas a majority of the American public favors exploration for energy resources within federal wilderness areas;

Be it resolved that the Alaska House of Representatives wholeheartedly supports proposed legislation presently being circulated in Congress that would curb the powers of the President of the United States and of the Secretary of the Interior to arbitrarily withdraw federal land under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 without Congressional approval; and be it

Further resolved that the Alaska House of Representatives favors an amendment to the 1906 Antiquities Act to require that the creation of any national monument in excess of 5,000 acres under the Act be approved by Congress by concurrent resolution; and be it

Further resolved that existing land uses, including hunting, mining, guiding, hiking, boating, and use of motorized vehicles, not impacting the historic or archaeological sites or remains for which a national monument was created under the 1906 Antiquities Act, be allowed to continue; and be it

Further resolved that a more precise definition of "objects of historic or scientific interest" as used in the 1906 Antiquities Act be required to avoid having almost any land proclaimed a national monument; and be it

Further resolved that sec. 204(c) of the Federal Land Policy and Management Act of 1976 be amended to require Congressional approval for administrative land withdrawals instead of the existing Congressional veto.

Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Cecil D. Andrus, Secretary of the Interior; the Honorable Henry S. Jackson, Chairman of the Senate Committee on Energy and Natural Resources; the Honorable Morris K. Udall, Chairman of the House Committee on Interior and Insular Affairs; the Honorable John B. Breaux, Chairman of the House Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Honorable John M. Murphy, Chairman of the House Committee on Merchant Marine and Fisheries; the members of the Special Task Force on Alaska Lands; John W. Katz, Special Counsel to the Governor of Alaska on (d) (2) Lands; Earl Miller, President of the Citizens for the Management of Alaska Lands; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.●

By Mr. MELCHER:

S. 1742. A bill to provide legal authority for Soil Conservation Service employees to assist in local search and rescue operations when called upon by responsible local authorities; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. MELCHER. Mr. President, I have just sent to the desk a bill to give the soil conservation districts legal authority to assist in local search and rescue operations resulting from such emergencies as fires, snowstorms, earthquakes, and similar disasters.

The need for the bill is explained in the bill itself, so I ask unanimous consent that the measure—a short one—be printed in the Record at the conclusion of my remarks.

In a nutshell, the soil conservation districts, which often have the only specialized equipment able to get to disaster victims, cannot as responsible members of a community, refuse to assist on search and rescue operations, yet they lack the legal authority to do so. The bill simply legalizes such assistance.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That legal authority be provided to allow Soil Conservation employees to assist in local search and rescue operations when requested by responsible local authorities. Such assistance to be provided as a result of emergencies caused by fires, flood, snow storms, earthquakes, and similar disasters.

FINDINGS

Sec. 2. The Congress finds that—

(1) On occasion due to their broad knowledge of the work area, snow survival and

other training and specialized equipment, Soil Conservation Service employees and equipment are called upon to assist in emergencies such as finding lost, stranded, or injured persons. Often the Soil Conservation Service employee is the only specially trained person immediately available. Specialized Soil Conservation Service equipment may be the only equipment available that can negotiate the rough terrain involved.

(2) As Soil Conservation Service field employees are a vital part of the local community, they are reluctant to refuse requests for search and rescue assistance and participate in this activity on their own responsibility without the protection of legal authority.

PURPOSE

Sec. 3. The purpose of this act is to provide legal authority that would allow Soil Conservation Service employees to assist in emergency situations in local search and rescue operations when requested by responsible local authorities. The legal authority is needed in order to relieve Soil Conservation Service employees from liabilities resulting from injury to themselves or other persons or for damages for government equipment or private property while performing search and rescue operations. Also, to provide a basis for compensation for such activity when performed outside of normal duty hours.

Sec. 4. Therefore, the Secretary of Agriculture, acting through the Soil Conservation Service, is authorized, in cases of emergency, to incur such expenses and take such actions as may be necessary in searching for lost or stranded persons.

ADDITIONAL COSPONSORS

S. 208

At the request of Mr. Wallop, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 208, a bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 1304

At the request of Mr. Baucus, the Senator from Arkansas (Mr. Pryor) and the Senator from Kentucky (Mr. Ford) were added as cosponsors of S. 1304, the Legislative Oversight Act of 1979.

S. 1485

At the request of Mr. Durenberger, the Senator from Maine (Mr. Cohen) was added as a cosponsor of S. 1485, the Health Incentives Reform Act of 1979.

S. 1659

At the request of Mr. Wallop, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 1659, a bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquisition.

S. 1680

At the request of Mr. Hatch, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 1680, the Western Lands Distribution and Regional Equalization Act of 1979.

SENATE JOINT RESOLUTION 85

At the request of Mr. Schweiker, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16–22, 1979, as National Meals on Wheels Week.

SENATE JOINT RESOLUTION 96

At the request of Mr. Goldwater, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Joint Resolution 96, to authorize the President to proclaim September 28, 1979, as National Indian Day.

AMENDMENT NO. 212

At the request of Mr. Schmitt, the Senator from Idaho (Mr. McClure), the Senator from Wyoming (Mr. Simpson), the Senator from Utah (Mr. Hatch), and the Senator from Utah (Mr. Garn) were added as cosponsors of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission authorization bill.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENTS NOS. 412 THROUGH 418

Amendments Nos. 412 through 418 have been assigned to executive amendments previously submitted to the SALT II treaty, Ex. Y, 96–1.

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 421

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. FORD submitted an amendment intended to be proposed by him to S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

(The remarks of Mr. Ford when he submitted the amendment appear elsewhere in todays proceedings.)

SECOND CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 422

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. Packwood, Mr. Nunn, Mr. Tower, Mr. Jackson, Mr. Hatch, Mr. Warner, Mr. Thurmond, and Mr. Armstrong) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for fiscal years 1980, 1981, and 1982.

AMENDMENTS NOS. 423 AND 424

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS submitted two amendments intended to be proposed by him to Senate Concurrent Resolution 36, supra.

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENT NO. 425

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

FULL COST OF IRRIGATORS

● Mr. MORGAN. Mr. President, there has been heated and constant controversy in the debate concerning S. 14, the Reclamation Reform Act of 1979. My amendment to this legislation, amendment No. 389, has been at the center of this controversy.

My goals for this legislation have been and will continue to remain the same. The goals include the following:

First, to limit the subsidy that large farmers get in terms of federally subsidized water, water that has been available previously at rates below the true costs to the Federal Treasury;

Second, I believe that additional revenues generated as a result of my amendment should benefit existing and future farmers in reclamation areas.

Mr. President, much of the discussion of my amendment since I introduced it this past August 2 has been sensational and nonfactual. But much of the discussion has been valuable and educational to me, an individual with little background in reclamation law and issues. I have learned a lot, for example, about subsidies, especially water subsidies. As a consequence of that knowledge, I have made further refinements in my amendment.

The basic refinement that I have made concerns moving the amendment to a full cost concept. Farmers who are in excess of 1,280 acres would have to pay the full cost for all lands owned or leased.

This is accomplished by requiring the landowner or leasee to pay his proportionate share of the cost of the project attributable to irrigation. Without regard to the ability to pay concept, plus interest.

My amendment provides for the payment of interest on the share of the cost attributable to irrigation. The rate of interest is to be determined according to the Small Reclamation Projects Act, which has been on the books for more than 20 years.

Mr. President, my amendment continues to recognize basic property rights, the issue that initially brought me into this debate. My amendment will continue to be directed at assisting small farmers as well.

Mr. President, I ask unanimous consent that my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 425

On page 12, beginning with line 10, strike out all through line 21.

On page 12, line 22, strike out "(d)" and insert in lieu thereof "(b)".

On page 16, between lines 15 and 16, insert the following:

(k)(1) Nothing in this act nor in any other provision of Federal Reclamation Law shall prohibit the delivery of water, made available to pursuant to a contract with the Secretary, to land owned or leased by a qualified recipient in excess of a landholding; provided that the recipient thereof agrees to pay, in each year of the ownership or lease, a surcharge equal to the difference between the existing annual contractual obligation for construction costs of the project and the full construction costs properly allocated to irrigation and attributable to that leased or owned land in exess of such a landholding, with interest, over the remaining term of the contract with the Secretary.

For purposes of this Section:

(i) The interest rate shall be consistent with Section 5(c) (2) of the Small Reclamation Projects Act of 1956 (Act of August 6, 1956, 70 Stat. 1044 as amended).

(ii) In the event of a dispute between the Secretary and the contracting entity over the determination of the portion of construction costs allocated to irrigation, said allocation shall be in accordance with generally accepted utility rate making procedures.

(2) (a) Surcharges required pursuant to this subsection shall be used by the contracting entity for the reduction, by an amount not to exceed 50 per cent, of the construction charges of repayment contracts and/or the construction component of water service contracts otherwise required from qualified recipients farming 160 acres or less.

(b) Any such surcharge funds not required for purposes of subparagraphs (a) of this paragraph shall be deposited in a special account, in an amount not to exceed one hundred million dollars, in the Treasury of the United States for use, as provided for in appropriation Acts, by the Farmers Home Administration in subsidizing interest costs at below market rates to individuals buying farms of 160 acres or less located in an irrigation district in one of the so-called seventeen land reclamation states. Any moneys remaining in such fund at the end of the fiscal year in which such moneys are credited to the fund and not otherwise earmarked for the purpose of this subsection shall be deemed transferred to the general revenues of the United States as miscellaneous receipts and shall be first credited against the repayment obligations of the appropriate contracting entity, and if none, then to the operation and maintenance charges.●

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce, for the information of the Senate and the public, the schedule of the Committee on Veterans' Affairs for the month of September.

On September 19, the committee will conduct a hearing on S. 759, administration-proposed legislation to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State. The hearing will begin at 9 a.m. in room 5110 of the Dirksen Office Building. Persons interested in testifying should contact Bill Brew, associate counsel of the committee staff at (202) 224-9126.

On September 25, at 11 a.m., in room 5110 of the Dirksen Office Building, the newly elected national commander of the American Legion, Frank I. Hamilton, will present to the committee the legislative recommendations of the American Legion for fiscal year 1980.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources of the Energy and Natural Resources Committee.

The hearing is scheduled for Thursday, September 27, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony will be heard on various RARE II proposals in the State of Oregon, including S. 812 and S. 1369. The Department of Agriculture has been asked to testify as well as the following groups: National Forest Products Association; National Association of Homebuilders; the United Brotherhood of Carpenters and Joiners; the Sierra Club; the Wilderness Society; and, the Friends of the Earth.

For further information regarding the hearing, you may wish to contact Mr. Thomas Williams at 224-7145.

Those wishing to submit a written statement for the Record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

THE SOCIAL PHILOSOPHY OF HERBERT HOOVER

○ Mr. GOLDWATER. Mr. President, Herbert Hoover had the misfortune of serving as President at the time when the Great Depression of the thirties hit the United States. He has been unjustly accused of somehow being responsible for a catastrophe which was worldwide in scope and had its beginnings far from the shores of this country. This unfortunate episode has for years obscured the truly great contributions which Mr. Hoover made to our life and times. Just 4 years ago, Aleksandr Solzhenitsyn stated that the American Relief Administration under Herbert Hoover's direction saved the lives of millions of Russians during the great famine of 1921 and 1922.

In this connection, Mr. President, I should like to print in the Record two items which bear on these events. The first is an address by George H. Nash, Ph. D., entitled the "Social Philosophy of Herbert Hoover." It was delivered on August 10 at West Branch, Iowa. The second is an article by Sylvia Porter which appeared recently in the Washington Star, and which details the history of the 1929 stock market crash.

The material follows:

The Social Philosophy of Herbert Hoover

Fifty years ago last March a man born only a few hundred yards from where I stand became President of the United States. What do you think about when you hear his name, Herbert Hoover? All of you, no doubt, automatically associate Mr. Hoover with the Great Depression of the 1930's. Most of you are doubtless aware of his Quaker upbringing and of his enormous humanitarian relief work in Europe during and after World War I. Four years ago, Aleksandr Solzhenitsyn remarked that the American Relief Administration under Herbert Hoover's direction saved the lives of literally millions of Russians during the great famine of 1921–1923. Many of you know that he was the first President born west of the Mississippi River and that he was the man who appeared in the first public demonstration of television in 1927.

Just down the hill, in sight of his grave, you can see another of his important benefactions: the Herbert Hoover Presidential Library. When Mr. Hoover died only fifteen years ago, he had lived ninety extraordinarily productive years—including a full fifty in public service. I can think of few other Americans whose careers were as multifaceted and remarkable as his.

What is significant for us today about the life of this man? In the case of Herbert Hoover, our concern transcends, I think, the transient particularities of "human interest." For Hoover did not simply lead a career rich in accomplishment; he reflected on the circumstances which made such a career possible. He developed and in his time came to personify a perception of America, a vision of America, a political and social philosophy which could explain the greatness of the country he loved. It is in this vision and this philosophy that we can discover some of the enduring significance of Herbert Hoover.

He was born here in West Branch in 1874—the son of the village blacksmith. Before he was seven his father had died. His mother, a recorded minister in the Society of Friends, passed away a little over three years later, so that in early 1884, before he was ten, young Herbert was an orphan.

Despite these traumas, Hoover's later reminiscences of his Iowa childhood were gentle, almost idyllic. In the most famous of these recollections he began:

"I prefer to think of Iowa as I saw it through the eyes of a ten-year-old boy—and the eyes of all ten-year-old Iowa boys are or should be filled with the wonders of Iowa's streams and woods, of the mystery of growing crops."

Of his native state he declared: "The good Lord originally made it the richest stretch of agricultural land that ever blessed any one sovereign government. It was populated by the more adventurous and the more courageous, who fought their way along the ever-extending frontier."

From Iowa in 1885 young Herbert Hoover was sent west to Oregon to live with the family of an uncle. In 1891 he traveled down to California to become a member of the entering class at newly-founded Stanford University. After graduating in 1895, Hoover spent some time working in California and the southwest until, in early 1897, opportunity beckoned half a world away, in the gold mines of Western Australia.

Hoover's journey to Australia in 1897 via Europe, the Suez Canal, and India, must have been an intensely stimulating one to a young man of twenty-two. Years later reflecting on this voyage, he remarked significantly "History became a reality and America a contrast." It was Hoover's first exposure to the world outside the United States, and in his responses to that world we find one of the sources of his later social philosophy.

When Hoover disembarked on the coast of Australia that year, he headed inland nearly 400 miles to the mining towns of Coolgardie and Kalgoorlie, deep in the inhospitable "outback" (the region, incidentally, where, a few weeks ago, Skylab fell to earth). Hoover's description of life in this desolate land were vivid. "It's a country of red dust, black flies, and white heat," he wrote to an American friend. "I could not portray the misery of any one of them on paper. The country is an endless desert, no water, no nothing but mines." It was a land to make one think of home. Writing to a friend in 1897, Hoover declared: "Am on my way back to Coolgardie. Am glad to get back within the borders of civilization. . . . Anybody who envies me my salary can just take my next trip with me, and he will then be contented to be a bank clerk at $3 a week for the rest of his life, just to live in the United States."

In late 1898 Hoover left Australia for a new and more responsible mining position in

China. Once more Herbert Hoover, not yet twenty-five years old, found himself living among strangers and encountering a foreign civilization.

At this point we can detect one of the threads of Herbert Hoover's early life. From the cornfields here in Iowa to the orchards of Oregon, to the spacious acres of Stanford University, to the rugged Sierra Nevadas, to the dusty goldfields of Australia, even to the coal mines of northern China, we discern a repeated pattern: Herbert Hoover's early days were spent on or near frontiers.

His was largely an outdoor life, lived in environments which rewarded initiative, industry, resourcefulness, and merit. Since the day when Hoover's ancestor, Andreas Huber, landed in Philadelphia from the Old World in 1738, the Hoover clan had moved gradually westward, until, with Herbert, the trek circled the globe. Benjamin Franklin is supposed to have said that America is a country where we ask of a man not "Who is he?" but "What can he do?". Hoover's was a society populated substantially by people who held this attitude and who had moved away from a constricted and stratified civilization.

In late 1901 Hoover left China for England and a partnership in an eminent firm of mining engineers. Until World War I, London, England was his base of operations while he traveled continually, inspecting, financing, and developing mines from Burma to Australia, from South Africa to Siberia. For some Americans with similar careers the temptation might have been irresistible to become an expatriate. For Herbert Hoover, if anything the opposite was true. Throughout these years abroad, his thoughts turned often toward his native land. As early as 1907 he expressed to the President of Stanford University his longings to retire from his profession and to turn to a life of service in the United States.

And all the while, Hoover was observing, analyzing, and evaluating the social systems of the Old World and the New. Long voyages at sea gave him an opportunity to read about the politics, economics, and culture of countries all over the earth. One of these ocean trips, a British lady asked him what his profession was. An engineer, he said. "Why," she exclaimed, "I thought you were a gentleman!" This anecdote, which Hoover recounts in his *Memoirs*, epitomizes, I think, his distaste for the class consciousness and social rigidities of Europe. From all of this he turned. In a revealing letter written to an American friend in 1912 Hoover observed:

"The American is always an alien abroad. He never can assimilate, nor do other peoples ever accept him otherwise than as a foreigner.

"His own heart is in his own country, and yet there is less and less of a niche for him when he returns. . . . I am disgusted with myself when I think how much better off you people are who stuck by your own country and place. When you walk down the street you meet a hundred men who have a genuine pleasure in greeting you. I am an alien who gets a grin once in nine months."

Two years later, the conflagration of World War I changed the course of Herbert Hoover's life. While huge European armies bogged down in the trenches, Herbert Hoover, working without pay, directed the Commission for Relief in Belgium, a neutral organization which procured and distributed food to the civilian population of Belgium, caught between the German army of occupation and the British naval blockade. It was a noble undertaking which ultimately brought food to 10,000,000 people a day and which catapulted Hoover to worldwide fame as a humanitarian.

But behind the uplifting routine of providing daily food to needy Belgians lay a depressing world of conspiracy, national rivalry, and festering intrigue. Many times, weary from incessant conflicts with one or another belligerent power, Hoover contemplated and even threatened resignation. Hoover, of course, did not quit, but his prolonged exposure to the emotions of war and the ancient antagonisms of Europe was a disillusioning encounter.

In 1917 Hoover sailed back to America to direct our wartime Food Administration. But within two years he returned once more, this time to feed Europe while President Woodrow Wilson strove to draft a peace treaty at Versailles. From November 1918 to September 1919 Herbert Hoover crisscrossed Europe as Director-General of the American Relief Administration, organizing the supply of food for starving millions and facilitating the emergence of stable economies. The grim alternative was chaos, famine, a new generation of embittered Europeans, and the possibility of Communist revolution over much of the continent.

But if Hoover could take comfort from his outstanding humanitarian accomplishment in postwar Europe, there was much that he saw which profoundly alarmed him and helped to determine his future political thought. The New World, he came to believe, was remote from the imperialism, fanatic ideologies, racial antipathies, dictatorships, power politics, and class stratification of Europe. As he later expressed it in his *Memoirs*, "the forces which lay behind the rejection of American ideas at Paris in 1919 were far deeper than the intrigues of diplomacy or the foibles of European statesmen. Here was the collision of civilizations that had grown three hundred years apart."

In 1921 Hoover became Secretary of Commerce of the United States; in 1929 he became President. Of the thirty-eight men who have occupied the Oval Office, Herbert Hoover undoubtedly enjoyed more extensive acquaintance with foreign peoples and their social systems than any of his predecessors or successors. In another respect, too, he was unusual: he attempted to distill from his unique experiences a coherent understanding of the American experiment that he cherished.

According to Hoover, the revolutionary upheavals of World War I and its aftermath had produced a world in ferment. In this cauldron, several ideologies (he called them "social philosophies") were competing for the minds of men—among them Communism, Socialism, Nazism, Syndicalism. To Hoover, who had seen the vicious results that emanate from a blending of "bestial instincts" with idealistic humanitarian jargon, the need for a definition of the American system was urgent. He called this system "American Individualism."

By this he did not mean unfettered, old-fashioned laissez-faire. Hoover was anxious that individual initiative always be stimulated and rewarded, but it must, he said, be "tempered" by "that firm and fixed ideal of American individualism—an equality of opportunity." Equality of opportunity—this, in Hoover's words, was "our most precious social ideal." Hoover insisted that equal opportunity and a "fair chance" for individuals to develop their abilities were "the sole source of progress" and the principal impulse behind American civilization.

Hoover did not believe that equality of opportunity was automatically self-sustaining in a modern, technological economy. A certain measure of governmental regulation and guidance, some governmental legislation, were necessary, he felt, to prevent inequality of opportunity and the throttling of individual initiative. But the nature and extent of this government involvement must be carefully defined and, above all, kept consistent with the broad American traditions of voluntary cooperation, local self-government, and individual initiative. While not unmindful of the faults of unchecked capitalism, Hoover was an uncompromising foe of socialism and the totalitarian state.

For the rest of his life Hoover expounded, often with eloquence, the philosophy he forged in the aftermath of World War I. Speaking before a Boy's Club in 1940, for example, he said:

"By a classless America our forefathers meant far more than a sociological expression. There were to be stratifications in life that handicapped the rise of any boy from the bottom to the top. . . . The human particles should move freely in the social solution. This idea of a fluid classless society was unique in the world. It was the point at which our social structure departed from all others."

And always he drew the contrast between the America he loved and the Old World with its pestilent ideologies. Listen to his words here in West Branch in 1948:

"I have seen the squalor of Asia, the frozen class barriers of Europe. And I was not a tourist. . . .

"My every frequent homecoming has been a reaffirmation of the glory of America. Each time my soul was washed by the relief from grinding poverty of other nations, by the greater kindliness and frankness which comes from the acceptance of equality and a belief in wide-open opportunity to all who want a chance."

How, though, could equality of opportunity be preserved? For Hoover there were many answers. One, perhaps the most crucial, was our educational system. Another mechanism, in Hoover's eyes, was the Boys Club movement; in it, he claimed, "there is a restoration of equal opportunity with all the other boys." Indeed, many of Hoover's governmental policies and charitable activities over the years, including his long concern with child welfare, acquire a kind of thematic unity if we perceive them as attempts to promote equality of opportunity for all Americans, especially the young.

It was part of Herbert Hoover's ordeal in his later years that the vision of America that he expressed came to seem abstract and anachronistic for many Americans. It was all right for Hoover to exol the social system that had produced him, many people seemed to think, but were his tributes to America's traditional values truly relevant any longer, now that the continent was settled and we lived in an industrialized society? Wasn't America's pioneer past over now, and with it the supposedly outmoded values of individualism, neighborly cooperation, and private initiative?

Herbert Hoover responded forcefully to such criticisms. It was not the mere accidental availability of abundant land and natural resources that had blessed America, he insisted. It was our social system, animated by the ideal of human freedom. To Hoover the principles of American Individualism were not anemic platitudes, to be uttered, perhaps, on the Fourth of July. And he warned against the notion, increasingly fashionable today, that America has become a closed, stagnant society in which progress has irrevocably halted. This, he said, "is the concept of a static nation. It is necessarily the philosophy of decadence. No society can become static, it must go forward or back. . . . No society will function without confidence in its future opportunities."

Now some of you may believe that Hoover's viewpoint is irretrievably outmoded. Certainly it is true that America—and the very nature of our government—have altered in the half century since he was President. A half century is a very long time.

And yet I suggest that there is today an increasing resonance to Herbert Hoover's philosophy, more than a decade after his death. The challenges we confront raise philosophical questions to which Hoover's answers deserve our attention. Consider, for instance, the increasingly pervasive, and legally countenanced, use of quotas in the hiring of men and women for jobs in business, universities, and government. In our commendable desire to eliminate past discrimination, are we not perhaps invoking an antithetic creed, which measures us by the crude and irrelevant categories of race, gender, and ethnic origin? Herbert Hoover's philosophy has much to say on this point.

Or consider the much-discussed "energy crisis." If Herbert Hoover were living today, I suspect that as a life-long champion of efficiency and the elimination of waste he would vigorously encourage efforts towards conservation of our resources. But he would also stress that a far more precious resource than oil must not be allowed to atrophy. This is our social energy. And the source of this liberating social energy is not an overweening, coercive, stultifying, bureaucratic government but free men and women, uncommon men and women, competing and cooperating voluntarily in an open, fluid society. It is a proper function of government, I think he would say, to stimulate initiative and to foster its harmonious use. It is not the proper function of government to try to monopolize social energy like a giant parasitic sponge.

Finally, I have emphasized today the roots of Herbert Hoover's philosophy in the contrast he perceived between the Old World and the New. I ask you, in closing, to ponder anew the ghastly practical consequences of some of the alternative social philosophies which have motivated men and women in this often bloody century. Consider the tens of millions who have perished in the Gulag Archipelago. Consider the death camps at Auschwitz. Consider, today, the agony of the Vietnamese boat people who would literally rather run the risk of drowning at sea than live under the "social philosophy" called Communism.

Free societies, such as the one we today enjoy, are a rarity in human history, and they are not self-sustaining. To survive they require a cogent understanding of their fundamental, undergirding values. This Herbert Hoover realized. He spent much of his life attempting to apply these values and to teach us what he learned. If you examine the record of what he did and what he said, you will find that he speaks to us still.

HISTORY CAN'T REPEAT 1929 STOCK CRASH

(By Sylvia Porter)

It was 50 years ago yesterday—Sept. 3, 1929—that the U.S. stock market reached the highest level ever achieved until that time, followed by a series of violent selling attacks which were to culminate in the convulsion of Oct. 29.

Until that Sept. 3, stock prices had climbed steadily from August, 1921. Measured by the familiar Dow Jones average, industrial stocks had soared six-fold, from 63.90 to the all-time peak of 381.17.

"Oct. 29" was the infamous Black Tuesday on Wall Street that always will symbolize the end of the gold-plated prosperity of the 1920s, the start of the most chaotic worldwide depression ever known. But it didn't start Oct. 29. The economic decline had begun long before that happy, upbeat day in September and then, seemingly out of nowhere, came the avalanches of selling that finally were to propel Thomas W. Lamont of J. P. Morgan to announce somberly at a noon secret meeting in the New York Stock Exchange:

"Gentlemen, there is no man nor group of men who can buy all the stocks the American public can sell."

As a morbidly fascinating sidelight on the stock market history of a half-century ago, on Oct. 28, the day before Black Tuesday, the Dow Jones average plunged 38.33 points, the largest point decline for a day in history, a record that stands to this date and a percent erosion of 12.9 percent. On Oct. 29, it collapsed another 30.57 points or 11.6 percent.

By 1930, the depression had swept throughout the entire world and from late 1930 until July 8, 1932, the stock decline was precipitous and virtually uninterrupted.

July 8 marked the low of 41.22 on the Dow Jones average, a collapse of 89 percent from the all-time peak 34 months earlier.

Can it happen again?

Of course it can!

Will it happen again?

I, personally, am convinced there need never be and there will not be another holocaust of the magnitude of 1929–32, but if it does happen, it will take an entirely different form.

The stock market collapse of 1929 signaled the approaching, paralyzing depression of the 1930s—and, as Dr. William C. Freund, senior vice president and chief economist of the New York Stock Exchange, put it to me during a lengthy discussion of this recently. "Undoubtedly, the market break itself contributed to the severity of that depression."

Any of us would be fools, though, if we categorically denied the possibility of another giant break in stock prices.

This time, the break in stock prices might be set off by an inflationary blow-off in this nation and the world destroying confidence in any investment in "paper," and so undermining the functioning of our international monetary system that trade among nations would grind to a near standstill. The blow-out would then ripple out to cause a rash of bankruptcies among businesses, a collapse of the dangerously swollen credit bubble, an upsurge in unemployment, foreclosures of vastly overextended mortgage credit, repossessions of goods bought on installment loans the debtors could not repay.

The scenario becomes more scary even as I write it—and your imagination is almost surely as active as mine.

A plunge in stock prices at this 50th anniversary of '29 is "much less likely now when stocks have shown no price trend for so many years, indeed have been conspicuous in their lackluster performance compared to other assets, from antiques to coins, to gold, to real estate," Freund said.

"If you compel me to state a judgment publicly, I would say stocks are a buy at these levels, not a sale," added Stan West, the NYSE's vice president in charge of research.

(MIT economist Professor Franco Modigliani recently wrote that stock prices should be twice as high as they are on the basis of real or inflation-adjusted profits.)

There is no disputing that we have learned Keynesian economics and have carried some of its theories too far, Freund and West emphasized again and again as we talked through the hours. (Keynes defined the legitimacy of government intervention as the key to curbing business slumps via increased spending, lower taxes or easier credit.)

But we have not learned how to reverse Keynesian economics to curb inflations—and thus, today's new and never-before-faced challenge of a destruction of our system by an inflation spiral instead of a business crash.

Yet, although there are so many comforting indications that we are not threatened by a stock market crackup, there are some deeply disturbing similarities between 1979 and 1929 that demand our attention now—when we have time to find out how to control them and to do so.●

CONGRESSIONAL COMMITTEE CHAIRMEN FROM OKLAHOMA, 1907–37

● Mr. BOREN. Mr. President, Oklahomans are very proud of the fact that our State has produced a disproportionate number of Congressmen and Senators who have served as committee chairmen.

In honor of this fact, I wish today to print in the Record an article entitled "Congressional Committee Chairmen from Oklahoma, 1907–37" which was written by Philip A. Grant, Jr., associate professor of history, at Pace University in New York.

This article was originally printed in the spring 1979 issue of Chronicles of Oklahoma. The text is as follows:

CONGRESSIONAL COMMITTEE CHAIRMEN FROM OKLAHOMA, 1907–37

(By Philip A. Grant, Jr.)

Between the admission of Oklahoma into the Union and the thirtieth anniversary of statehood on November 16, 1937, many distinguished Oklahomans served in the House of Representatives and Senate of the United States. Although one of our nation's least populous states throughout this eventful thirty year period, Oklahoma furnished a notably high percentage of the overall number of committee chairmen. Eleven heads of standing congressional committees were from the Sooner State.

Three Oklahomans presided over committees in the House of Representatives prior to 1917. They were congressmen Bird S. McGuire of Pawnee, William W. Hastings of Tahlequah, and James V. McClintic of Snyder. Their combined congressional tenure extended over fifty years.

McGuire was Oklahoma's sole delegate in Congress during its final four years as a territory. Thereafter, he served four terms as a congressman during the administrations of Theodore Roosevelt, William Howard Taft, and Woodrow Wilson. One of the principal leaders of the Republican party in Oklahoma, he was Chairman of the House Committee on Expenditures in the Interior Department between 1909 and 1911.

In 1915, Hastings began the first of nine terms in Congress. Like McGuire, he chaired the Committee on Expenditures in the Interior Department. The years of Hastings' chairmanship coincided with the period of America's involvement in World War I.

After serving his political apprenticeship in both houses of the Oklahoma Legislature, McClintic was first elected to Congress in 1914. His two decades in the House paralleled the administrations of five presidents. McClintic was Chairman of the Committee on Expenditures on Public Buildings from 1917 to 1919.

Among other Oklahomans who held committee chairmanships between 1907 and 1937, were United States Representatives Charles D. Carter of Ardmore, Scott Ferris of Lawton, Will Rogers of Oklahoma City, and United States Senator John W. Harreld of Oklahoma City. Carter and Ferris were two of Oklahoma's original congressmen, while Rogers and Harreld launched their respective public careers somewhat later.

Carter served ten consecutive terms in Congress—a longevity record among Oklahomans which was not surpassed until 1967, when Rrepresentative Carl B. Albert of McAlester took the oath of office for his eleventh term. Albert later served as Speaker of the United States House of Representatives from 1971 to 1976. At the time of his retirement in 1927, Carter was outranked in seniority by only 8 of his 434 colleagues. Between 1917 and 1919, he was Chairman of the Committee on Indian Affairs.

A member of the Committee on Public Land throughout his fourteen years in Congress, Ferris chaired that panel between 1913 and 1919, and during this same period he was Congress' most articulate proponent of maximum federal involvement in waterpower development. It was largely due to his efforts that the United States House of Representatives voted to create a Special Committee on

Water Power. Unfortunately, the Senate declined to take action on waterpower bills authored by Ferris and already approved by the House of Representatives. However, the House eventually approved the formation of a Special Committee on Water Power on January 11, 1918—designating Ferris as its ranking Democratic member. Ferris climaxed his political career by serving sixteen years as a member of the Democratic National Committee.

Rogers was Oklahoma's Congressman-at-Large between 1933 and 1943, and as one of the few House members representing the citizenry of an entire state, he served one of the nation's largest constituencies. Rogers was Chairman of the Committee on Indian Affairs, 1935–1943.

Oklahoma's first Republican senator, and one of only three during the first sixty-one years of statehood, Harreld was elected to the United States Senate in 1920, after serving two terms in the United States House of Representatives. Chairman of the Committee on Indian Affairs from 1923 to 1927, Harreld reported on the bill which conferred American citizenship on all native-born Indians.

The four most renowned Oklahomans to occupy positions of high responsibility in Congress between 1907 and 1937 were Representative Wilburn Cartright of McAlester, and senators Elmer Thomas of Medicine Park, Thomas P. Gore of Lawton, and Robert L. Owen of Muskogee. As chairmen of standing committees, Cartright, Thomas, Gore, and Owen were instrumental in the passage of many pieces of major legislation.

Cartright, who served eight terms in Congress, was a specialist in transportation problems, and Chairman of the Committee on Roads between 1934 and 1943. His foremost legislative contributions were the Emergency Road Construction Act of 1934, a measure designed to alleviate widespread unemployment, and the Federal Highway Act of 1936, a statute which greatly expanded the national government's commitment to overland transportation. After retiring from the United States House of Representatives, he began a long and distinguished career as a state official in Oklahoma, serving as Secretary of State, State Auditor, and as a member of the Corporation Commission.

Thomas served in Congress longer than any other individual in Oklahoma's history prior to Speaker Albert—twenty-seven years, nine months and twenty-seven days in Congress. After four years in the United States House of Representatives, he was elected to the Senate in 1926, and during his final six years in the Senate he was outranked by only two of his ninety-seven colleagues. Thomas was Chairman of the Committee on Indian Affairs from 1935 to 1944, and he headed the Committee on Agriculture and Forestry twice—from 1944 to 1946 and from 1949 to 1959.

He not only was deeply involved in the passage of the landmark farm bills during the early New Deal years, but also attracted nationwide attention by his vocal advocacy of currency inflation. A key participant in all monetary debates in the Senate between 1933 and 1936, Thomas sponsored several currency expansion amendments to the Agriculture Adjustment Act of 1933, Silver Purchase Act of 1934, Relief Appropriation Act of 1935, and Adjusted Compensation—Veteran's Bonus—Act of 1936.

Elected to the United States Senate shortly after Oklahoma was admitted to the Union, Gore served in that body from 1907 to 1921, and again from 1931 to 1937. As Chairman of the Committee on Agriculture and Forestry from 1913 to 1919, he played a pivotal role in the passage of numerous farm bills. Moreover, he was especially prominent in the deliberations culminating in the Food and Fuel Control Act of 1917, and the Stimulation of Agriculture Act of 1918. Gore also chaired the Committee on Interoceanic Canals between 1933 and 1937. Although a Democrat, Gore firmly opposed the foreign policies of President Woodrow Wilson during and immediately after World War I, as well as most of the New Deal proposals of President Franklin D. Roosevelt.

Owen, like Gore, first was elected to the United States Senate in 1907. An expert on financial affairs, he was Chairman of the Committee on Banking and Currency from 1913 to 1919; however, his most lasting achievement was the Federal Reserve Act of 1913, one of the most comprehensive banking statutes ever enacted by Congress. He also was responsible in large measure for the Federal Farm Board Act of 1916 and the War Finance Corporation Act of 1918. Owen eventually became one of the senior members of the Senate, outranked by only two of his forty-two Democratic colleagues at the end of his congressional career.

The eleven Oklahomans who presided over standing committees between 1907 and 1937, compiled records of genuine distinction as members of Congress. During this thirty year period the nation played a decisive role in the winning of World War I, participated in the Paris Peace Conference, endured the Great Depression, and experienced the sweeping reforms of the New Deal. Both in numbers and in quality of service, the committee chairmen from Oklahoma deserve a large amount of credit.●

TAX POLICY ACCELERATES DECLINE IN REAL INCOME

● Mr. DOLE. Mr. President, last Friday the Labor Department announced a 1.2-percent jump in producer prices for consumer goods, an annual rate of 15.4 percent. At the same time the Department reported that real wages declined in August.

However these statistics are viewed, the picture they paint is not pleasant. It remains to be seen how consumer prices were affected in August, but rising producer prices leave little hope that the consumer's lot will improve in the near future. What we are seeing is the steady erosion of the purchasing power of American workers. While petroleum price shocks worsen the situation, the underlying cause of this erosion is the financing of the mounting Government debt. Additional dollars put into circulation to help finance the debt keep inflation rolling along. The revenues which the Government refuses to tax from its citizens are supplied by a hidden inflation "tax" on purchasing power, as each dollar declines in value.

This phenomenon is becoming better understood and appreciated by the public, which is why the movement to balance the Federal budget and limit Federal spending has gained such momentum. Now the public is beginning to realize that Government exacts another tax as a cost of inflating the economy. This tax is "bracket creep" caused by "taxflation"—the impact of inflation on the progressive income tax.

When taxpayers do keep up with price increases, either through raises in salary, changing jobs, or supplementing income, they move into higher tax brackets. While their purchasing power has stayed the same, they are paying the higher rates of tax associated with the upper brackets. As a result the Government gains extra revenue and the taxpayer's purchasing power, whether he knows it or not, has declined still further.

Mr. President, in a time of declining real wages, it is inexcusable for the Government to penalize the taxpayers who are trying to get ahead, or at least break even with inflation. Yet that is precisely what taxflation does. The Senator from Kansas introduced the Tax Equalization Act, which would remove the income tax penalty for keeping up with prices. Fixed dollar amounts in the tax tables would be raised every year by the percentage increase in the Consumer Price Index for the previous year. The result is a fair progressive tax system, geared to the real value of income.

Until the Government succeeds in arresting the erosion of purchasing power, it has an obligation to play fair with our taxpayers. The Tax Equalization Act would be a step in that direction, and the Senator from Kansas urges that it be given immediate attention. The public will demand such attention as its awareness of taxflation continues to grow.●

THE 125TH ANNIVERSARY OF WOFFORD COLLEGE

● Mr. HOLLINGS. Mr. President, this week marks the 125th anniversary of Wofford College. This fine educational institution, located in Spartanburg, S.C., has a record of excellence renowned throughout not only the South, but the entire Nation.

Wofford's excellence is marked in many ways—by the caliber of its alumni, by alumni loyalty, by strong leadership of faculty and administration, and by the guidance of an enlightened board. Wofford, through wise management and strong administration, has weathered the kind of crisis which has befallen so many other relatively small colleges, and it opens the second quarter of its second century with optimism and confidence.

Many individuals could be singled out for recognition of their special contributions and achievements to Wofford, and naming a few would do injustice to many more. A word should be spoken, however, about the record built by Wofford's very able and distinguished president, Dr. Joab Lesesne, Jr. Dr. Lesesne has been at the helm during these years when all educational institutions have been so hard pressed, and under his guidance, Wofford is not only flourishing, but expanding its physical plant. Its faculty has been so good as it is today. And the future has never looked brighter. So all the friends of Wofford owe this man a very special expression of gratitude for a job being splendidly performed.

Mr. President, this past Sunday, the Spartanburg Herald-Journal carried a column on the occasion of Wofford's anniversary, and I ask that the text of this article be printed in today's edition of the RECORD.

The article follows:

WOFFORD TRADITION OF GOOD SERVICE

Spartanburg's Wofford College begins its 125th year of operations with convocation today for the fall opening.

It comes to this anniversary year with a tradition of community service and educational excellence. Its alumni are found in all corners of this country and in many nations abroad.

Wofford alumni have achieved success in many fields and endeavors.

Three governors of South Carolina, eight Methodist bishops and more than 30 college and university presidents are among the graduates.

Wofford was founded in 1854 through the Rev. Benjamin Wofford's will, which provided $100,000 for that purpose. It was named in his honor.

Today the college has assets of more than $25 million with an endowment of almost $5 million. The annual operating budget is in excess of $5.6 million.

Area residents have watched the familiar campus blossom with new buildings in recent years, but note that the older structures—the landmarks—are still there. The twin towers are still prominent on the skyline. For many, those towers and the physical plant of the college are a source of pride and confidence—pride in the existence of an excellent school and confidence in the continuance of that excellence.

Modest in its beginnings and still a relatively small four-year college, Wofford has a land area of 90 acres with 29 buildings, a stadium and several other playing fields. It has a current faculty of 60 full-time members. Enrollment averages 1,000 in recent years, students coming from 19 states and 7 foreign countries.

Among its institutional peers, Wofford has an envious scholastic record. It was the only college in the state with a Phi Beta Kappa chapter between 1940 and 1973. More than 30 percent of its student body moves on to graduate study annually. Five Rhodes Scholars have attended Wofford.

While founded and maintained as a school for males, the Board of Trustees unanimously approved co-educational status for it in 1975 and admitted resident women in 1976.

Friends of Wofford and alumni will help celebrate this anniversary year in the schedule of events that follow:

Today, opening convocation with Dr. Gordon Blackwell as speaker.

November 9 and 10, Homecoming for Sam Moyer's Men with special concert activity and reunion activity for all alumni.

October 19, 1980: Benjamin Wofford's 200th birthday.

October 25, 1980: Homecoming, which will feature a special concluding celebration for the 125th year. Details will be announced later.

Wofford has been a vital and significant member of the Spartanburg community, of the South Carolina and the national communities since its beginnings, fulfilling its role as an institution for the enlightenment of citizens.

The Herald-Journal salutes the college and presumes to speak for thousands of others among our readers in wishing Wofford a happy anniversary with many fruitful years to come.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, saddled, as he was, with the most severe economic depression this country ever faced, Herbert Hoover's policies as President for dealing with those conditions were intensely scrutinized by the political writers of his time. Historians have no less eagerly dissected and analyzed those policies, with no more agreement on their merit than found by the writers of his day. Historians with a conservative bent have championed his determination to adhere to more traditional economic policies rather than give in to what they viewed as the surface attraction and delusion of a new deal—a new deal which Hoover charged would change the whole fabric of Government in this country. Many of these historians found his performance to be a first. Authors William Myers and Walter Newton, in their book "The Hoover Administration," concluded that never before had a President, when faced with a depression or milder economic downturn, so offered "Federal leadership in mobilizing the economic resources of the people." To these writers, Hoover was the angel, and his successor, Franklin Roosevelt, the devil.

Not surprisingly, historians favoring a more liberal economic and governmental philosophy have reversed these two roles, and made Roosevelt the savior of the Nation from Hoover's near-sighted views. To their mind, Hoover was incapable of seeing the flaws of the existing economic system.

These two views have one common thread—that Hoover and Roosevelt had sharply contrasting beliefs and policies for handling the Great Depression.

A third view emerged as early as 1935, when Walter Lippmann's "The Permanent New Deal" was published. Lippmann viewed the policies of the two administrations as more of a continuum, with Hoover the innovator. Roosevelt's contribution was only to enlarge and expand the scope of programs Hoover initiated. According to Lippmann:

> The policy initiated by Hoover in the autumn of 1929 was something utterly unprecedented in American history. The national government undertook to make the whole economic order operate prosperously.

Later, scholars who adopted this opinion moderated it somewhat, with the advantage of additional years to obtain perspective.

Albert U. Romasco, associate professor of history at New York University, has authored an essay which summarizes the primary historical views of Hoover's anti-depression policies, and takes a closer look at the view that Hoover was the first President to actively seek to defeat a depression, rather than waiting passively for recovery. Romasco disagrees with that conclusion, finding considerable precedent for Hoover's actions in the policies of Theodore Roosevelt, Woodrow Wilson, and Warren G. Harding. All three of those Presidents were confronted with depressions or recessions of some magnitude during their administrations. Professor Romasco has submitted this essay, which is entitled "Herbert Hoover's Policies for Dealing With the Great Depression: The End of the Old Order or the Beginning of the New?", for publication in the series of essays honoring the 50th anniversary of the inauguration of Hoover as our 31st President. The essay is reprinted with the permission of the State University of New York press.

Mr. President, I ask that Professor Romasco's essay, and a brief biographical sketch of the author, be printed in the RECORD.

The material follows:

BIOGRAPHIC SKETCH OF ALBERT U. ROMASCO

Born: March 21, 1930.

Education: AB, University of Massachusetts, 1953, AM, University of Chicago, 1957, Ph. D. (U.S. & English history, European historiography), University of Chicago, 1961.

Professional Experience: Instructor, U.S. history, Illinois Institute of Technology, 1957–58 and University of California, Berkeley, 1961–62.

From Assistant Professor to Associate Professor, 1962–1976, Member Faculty history, Washington Square College, New York University, 1976– .

Memberships: AHA, Organization American Historians.

Publications: Author, The Poverty of Abundance: Hoover, the Nation, the Depression, Oxford University, 1965.

Contributor: The Hoover Presidency: A Reappraisal (Albany: State University of New York, 1974).

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HERBERT HOOVER'S POLICIES FOR DEALING WITH THE GREAT DEPRESSION: THE END OF THE OLD ORDER OR THE BEGINNING OF THE NEW?

(By Albert U. Romasco)

President Herbert Hoover has travelled a long historical road since his decisive defeat in November 1932. By the time he left the White House to his successor, Franklin D. Roosevelt, in March 1933, the Great Depression had sunk to its lowest depth. And, in turn, his presidential reputation reached rock bottom. Politically portrayed as a do-nothing president, he was emphatically rejected at the polls because he failed to make good his repeated promise to restore prosperity. His fellow citizens judged Hoover pragmatically and without equivocation; seemingly, the historical case against him was closed. But, to paraphrase Charles A. Beard somewhat freely, no historical judgment is ever final or conclusive when it is viewed from different time perspectives.[1] Americans, indeed, have a propensity for revising and reinterpreting the past. But even though each generation rethinks the past within the context of its own present, there is no unassailable assurance that it perceives intellectually and politically either its present or the past in one single fashion. Certainly, Hoover's historical journey since 1933 lends support to the observation that each generation often harbors several, conflicting assessments of past episodes and figures, even if one judgment may be professionally more in vogue than others.

My purpose here is to explore briefly the various major historiographic modes of perceiving Hoover as a depression president and the attendant evaluations given to his policies for resolving economic stagnation. I shall also attempt to show how the intellectual and political viewpoints and values of historians influenced the judgments they rendered. Finally, I will state my own estimate of the historical significance of Hoover's policies for dealing with the depression.

Hoover's presidential career, or more specifically his handling of the Great Depression, has provided politicians, political commentators, and historians with a rich text for political sermons. The significance ascribed this tale, however, has been variously interpreted, largely depending upon the personal and political convictions of the particular chronicler. For our present purposes, the various interpretations may be conveniently subsumed under three broad, general heads: the right, center, and left, or, if you will, the conservative, liberal, and revisionist viewpoints of President Hoover.

The conservative defense of Hoover's executive tenure owes much to the indefatigable and protracted labors of Hoover himself. He had no intention of awaiting history's judgment; he instead set him busily at work to shape his own vindication: let history follow. Actually, this historical venture began very early indeed, while Hoover was still in office, largely as a matter of immediate

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necessity. He was after all, running for reelection in 1932, and it was essential that he defend not only his record, his analysis of the depression, but also his remedial policies as well. Most pressing of all, however, it was imperative that Hoover explain convincingly why his policies had not as yet worked. He desperately needed time for his program to take effect; that is, to turn the economy around the celebrated corner that he had looked for so fervently and spoken of so often. It was equally urgent, in Hoover's mind at least, that he warn the electorate in unmistakable terms about his rival, Franklin Roosevelt, whom he regarded as irresponsibly beguiling the people with dangerous schemes and proposals.

"This campaign," Hoover declared on 31 October 1932, in his famous Madison Square Garden speech, "is more than a contest between two men. It is more than a contest between two parties. It is a contest between two philosophies of government." [2] It meant, Hoover explained, that the American people must choose either the old tried-and-tested American system or the delusive promises of "a new deal." The American system, as Hoover defined it, encompassed the best traditions of our past: a concern for and preservation of personal freedom and liberties; a regard for high incentives, which could be promoted by equality of opportunity; and the unique value of a decentralized government which could foster cooperative voluntary action through group initiative and leadership. It was a system, he contended, that had served the people well, even during the severe economic crisis of the past three years. This entire heritage was now in jeopardy threatened by Roosevelt's proposed changes in the governmental, economic, and social systems of the nation. Hoover was convinced that Roosevelt's vast unnecessary schemes would greatly augment the power of the federal governmental, economic, and social systems ratization, would end only by obliterating the cherished old order.[3] "You cannot extend the mastery of government over the daily life of a people," Hoover warned, "without somewhere making it master of people's souls and thoughts." [4] And, thus at the very outset, one of the enduring themes of the Hoover-Roosevelt antithesis was clearly and firmly enunciated by Hoover himself.

In this influential speech Hoover also provided the basic outline and some of the more important clues for the subsequent elaboration of his defense by conservative admirers. Among those sharing this responsibility were William Starr Myers and Walter H. Newton in The Hoover Administration (1936), Ray L. Wilbur and Arthur M. Hyde in The Hoover Policies (1937), and John T. Flynn in The Roosevelt Myth (1948), Hoover himself again, more fully, in the three volumes of his Memoirs (1951, 1952), and Edgar E. Robinson in The Roosevelt Leadership, 1933-1945 (1955).

Collectively, the historical claims made in this literature for Hoover and the efficacy of his policies for dealing with the economic crisis are large, important ones. In looking at the past for precedents of forceful executive leadership in the nation's struggle against periodic economic depressions, Myers and Newton found none at all. Hoover, in fact, was the precedent-setter in this crucial matter.

> President Hoover was the first President in our history to offer Federal leadership in mobilizing the economic resources of the people, and in calling upon individual initiative to accept definite responsibility for meeting the problem of depression. . . . The depressions that arose in the Van Buren, Buchanan, Grant, Cleveland, Theodore Roosevelt, or Wilson Administrations were practically ignored by the government in any official action. An examination of Presidential messages will show that but little of importance was done officially by previous Presidents to relieve either depression, distress or unemployment, or to cushion the financial and business situations that resulted from such conditions.[5]

Unlike his predecessors, Hoover responded immediately and forcefully. He held a series of meetings with business, industrial labor, and political leaders and won their support and cooperation for his program. The depression, caused by the economic dislocations set in train by the First World War and the impact upon America of the subsequent European collapse in 1929, was contained through the combined effect of holding to the current wage scale and spreading the work, through maintenance of the existing construction rate, supplemented by expanded public works at all governmental levels. In addition, tight credit was eased when the Federal Reserve System's lowered the discount rate, and began its large-scale open-market purchasing of securities. Finally, the needs of the unemployed were cared for by private charity and local and state welfare, assisted by federal encouragement.[6]

Subsequently, during the next two years, in response to further upsetting shocks from abroad, which menaced the nation's basic business and banking structure, Hoover strengthened his program with additional policies: a moratorium on intergovernmental debts (June 1931), creation of the Reconstruction Finance Corporation (January 1932), passage of the Glass-Steagall Bank Credit Act (February 1932), and the Home Loan Bank and the Emergency Relief and Construction Acts (July 1932). Together these measures constituted the principal ideas and legislative enactments that made up Hoover's antidepression program.[7]

Conservative commentators and historians have advanced three major claims with regard to this program, all of them highly complimentary to Hoover's wisdom, leadership, and historical reputation. The national response set in motion by President Hoover to overcome the economic crisis marked a dramatic, unprecedented exercise of executive initiative, in sharp contrast to the passive acquiescence of previous depression presidents. Furthermore, his program succeeded economically, if not politically, on at least five separate occasions when the incipient American recovery was set back either by disruptive forces from outside our borders or by unfavorable domestic political developments, such as the election of a Democratic controlled House of Representatives in 1930. But in each instance, Hoover successfully parried the blow, so that after July 1932, when the economy reached its low point, recovery resumed once again.[8] As Myers and Newton put it, "The forces of depression were definitely checked and the road to full recovery was freed from obstacles during the Hoover Administration." [9] But then, unfortunately, the greatest shock and setback of all occurred: the election of Roosevelt, which provoked a new decline, this time in earnest. Hoover's patient labors to right the economy were now permanently undermined, largely because the delicate barometer of recovery, business confidence, was upset by Roosevelt's disquieting talk of fiscal and monetary experimentation.[10] Not yet undone, however, was Hoover's abiding achievement: he had devised an economic recovery program without compromising the integrity and viability of the American system.

It was the claim that Hoover had successfully blocked the subversion of the American system that John T. Flynn emphasized as a point of departure for his sweeping attack upon President Roosevelt and his New Deal. Unlike Hoover, Roosevelt had willingly accepted planning-collectivist proposals that resulted in the transformation of the old, traditional American system into the new welfare state. And this development, as Flynn saw it, was an important part of the preparation for an eventual American totalitarian dictatorship. Flynn's praise for Hoover's foresight and restraint, in this regard, was one way of fashioning a bludgeon to batter Roosevelt and all his works.[11]

Evocation of a past far superior in all its particulars to the new order created by the pervasive alterations of the New Deal became the central theme of Edgar E. Robinson's assessment of Roosevelt's leadership. The acknowledged hero in Robinson's view was Herbert Hoover; and it was Hoover's qualities of leadership in an older, better America that provided the reference point for an extremely adverse judgment of Roosevelt.[12] For Roosevelt unhinged the nation from its past by a complex of changes that amounted to nothing less than a revolution. "Roosevelt's leadership," as Robinson summed up the major ingredients of this revolution,

> resulted in fundamental changes in the government itself: in tremendous concentration of power in the Executive; in building up a vast system of bureaucratic control of private business; and by adding direct economic support of the citizen to the careful adjustment of conflicting economic interests in a free enterprise system.[13]

According to the conservative scale of values, therefore, the drastic innovations of Roosevelt seemed a meager, mean substitute for the venerable American system that stood intact during the Hoover years. The New Deal was simply an accurate yardstick measuring the nation's decline down the road toward Europe's totalitarianisms.[14]

While conservatives were perfecting their defense of Hoover, liberals were fashioning a far different reconstruction of the Hoover years and the meaning of his policies. This interpretation, the work of many hands, was closely intertwined with and influenced by the liberal response to President Roosevelt's handling of the Great Depression. Since liberals welcomed Roosevelt's broad conception of the powers of his office, his openness to new ideas and willingness to experiment, and the consequent burgeoning of federal responsibility, they reserved the conservatives' mode of perception and evaluation. For liberals, Roosevelt was the model of what ought to be, and it was his leadership in transforming the old order into something new and more viable that became the reference point in judging Hoover's custodianship.[15] The result was a highly critical interpretation of Hoover, his ideas and achievements, and, of course, his historical standing and reputation.

In the liberal version, Herbert Hoover became a pitiful, tragic figure. Devoid of public *charisma* and political skills, Hoover was an inept player in the vital game of politics, unable to dramatize his policies or to control the Congress. Incapable of seeing, let alone acknowledging, the economic defects of the existing structure, he failed to devise an energetic and realistic recovery program. Instead, he grievously misled the public with a continual stream of optimistic statements affirming the essential soundness of the system and the workability of his program; moreover, he proclaimed its success, in the very face of overwhelming evidence to the contrary. But, most fundamentally, Hoover's failure was an intellectual one: he was the prisoner of an outmoded political philosophy, defending a faith whose time had long passed but which still held the power to mesmerize Hoover in pious ineffectuality.[16]

Such a critical appraisal of Hoover and his policies clearly reveals the major assumptions and values underlying liberal political thought and how their pattern of beliefs, in turn, influenced historical perception. For the Great Crash and the Great Depression exposed what were regarded by liberals as inherent defects in the existing economic order; namely, a maldistribution of national income, a weak banking structure, a top-heavy business structure, an unbalanced interna-

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tional trade, and erroneous economic policies.[17] The resolution of the economic collapse, therefore, demanded extended reform of the economic structure. And economic reconstruction—on this scale, at least—was conceivable as a solution only through the agency of forceful political leadership, one that recognized the scope of the task and was willing to enlarge the federal responsibility and power to meet it. In short, what the liberals considered necessary was President Roosevelt and the New Deal. Hoover, who denied and resisted both the economic analysis and the political cure, was put down simply as a stubborn, misguided ideologue preoccupied with burning incense to a dead past.[18]

The liberal scales of judgment, of course, have by no means been used solely on Herbert Hoover; they have been applied broadly throughout the twentieth century as a basis for historical appraisals. Yet Hoover has been a peculiarly apt illustration of the liberal analysis, primarily because he was so evident and forthright in opposing this whole frame of thought and its expectations. He understood the liberal program thoroughly and rejected it emphatically, and he received in consequence the full burden of liberal disapproval. But beyond this, the issues at stake were not merely an interpretation of the past but a proper program, a correct way for the country to travel for the immediate, foreseeable future. And since it was not possible to hold to Hoover's American system and still follow the liberal prognoses, one or the other had to be abandoned. Clearly the liberal's choice was to drop Hoover and with him the constraining limitations of the old order.

Superficially, at least, liberal and conservative historians share much in common in regard to this subject. Both groups have conceived of Hoover and Roosevelt as polar opposites with antithetical philosophies concerning the proper role and functions of the national government and with opposed politices for handling the Great Depression. The two schools of thought differ markedly, however, in which president should be historically celebrated and which castigated. And yet the liberal judgment, with its commanding professional standing and wide public circulation, has not been accepted universally by all who share liberal assumptions and values. Three notable exceptions, for example, have been Walter Lippmann in his "The Permanent New Deal" (1935), Broadus Mitchell in Depression Decade (1947), and Carl N. Degler in "The Ordeal of Herbert Hoover" (1963).

The significant point of departure in this third revisionist interpretation of Hoover was each author's rejection, in varying degrees, of the common conservative-liberal procedure of contrasting the two presidents as opposites and then supporting such an assumption by emphasizing the essential discontinuity between the policies of the two administrations. Instead, these authors made a case for the continuity of policy during the Great Depression, assigning and crediting Hoover with the role of innovator. The implications of the revisionist interpretation, if accepted, were far-reaching indeed. It shifted Hoover from the conservative camp into the progressive-liberal tradition, and it required a reassessment not only of Hoover's historical reputation but of Roosevelt's as well. In a very real sense, the proper subject of these years became Hoover-Roosevelt and the Great Depression.

Within this new conceptual framework, Lippman made the largest, most flattering, and least qualified claims for Hoover. "The policy initiated by President Hoover in the autumn of 1929," he argued, "was something utterly unprecedented in American history. The national government undertook to make the whole economic order operate prosperously."[19] Furthermore, in implementing this radical new idea, Hoover devised a series of policies that anticipated "most" of Roosevelt's recovery program. Specifically, according to Lippmann's account, "in all essential matters of policy—monetary management, the budget, the agricultural disparity, and industrial 'stabilization'—there has been no break in principle, and . . . the Roosevelt measures are a continuous evolution of the Hoover meaures."[20] In sum, the one significant new idea of this period and the essential means devised to carry it out were the product of Hoover's initiative and leadership.

Lippmann's analysis was formulated midway during the New Deal. Broadus Mitchell, on the other hand, wrote after the domestic New Deal had run its full legislative course, which provided him with the greater advantage that perspective afforded. Moreover, Mitchell's judgments were the product of a full-scale economic analysis of the Great Depression decade. Consequently, his more careful assessment moderated in some particulars Lippmann's statements and expanded them in others. Although Mitchell repeatedly urged the point that many New Deal policies were anticipated by Hoover, he also defined the areas wherein the two administrations diverged; and he frankly recognized the limits which Hoover's philosophy imposed upon him. Specifically, Hoover anticipated the New Deal in the creation of the Reconstruction Finance Corporation, the agricultural policies adopted by the Farm Board, and the reluctant acceptance of federal relief for the states. He differed most markedly from his successor in his more circumscribed conception of public works, deficit spending, and direct federal relief for the unemployed, and in his opposition to social security and public electric power.[21]

The two presidents, Mitchell added, were nonetheless committed to the common overall objective of preserving capitalism. But the *means* each was willing to accept and use for attaining this central purpose differed significantly. In Mitchell's judgment:

"Hoover, by and large, was content with socializing the 'public' losses of corporations because these would reach to the private losses of individuals. The New Deal properly went further and was willing to socialize the private losses of unemployed individuals on the ground that, unless aided, these would destroy the public, including corporate welfare. The Hoover analysis stopped cruelly short. . . . The New Deal, by contrast, endeared itself for its sympathy with individual misfortune, when equally deserved thanks might have gone to it (but did not) for its industrious attempt to preserve capitalism."[22]

Then, with a fine, impartial hand, Mitchell proceeded to criticize both Hoover's percolation theory of recovery and Roosevelt's nationalistic approach and his resort to the economics of scarcity. For ultimately neither succeeded in the immediate, overriding task of ending the depression.[23]

Carl Degler's essay—a cogent, judicious statement of the liberal revisionist interpretation—can serve here as a convenient summary of this viewpoint. "Hoover's principles," he stated, "were distinctly and publicly progressive."[24] Adopting the liberal equation of progressive as being equivalent to the expansion of federal responsibility and power, Degler added that "perhaps the most striking example of Hoover's willingness to recognize the new role of government in dealing with the complexities of an industrial economy was his breaking precedent to grapple directly with the Depression."[25] The ensuing program, which carried Hoover close to the New Deal, was restrained finally by Hoover's ideology, primarily his commitment to the principles of individualism and a balanced budget. It was, in other words, Hoover's fidelity to this principle that led him to oppose such additional measures as federal relief for the unemployed, creation of a government corporation to run Muscle Shoals, and a government system of old age and unemployment insurance.[26] Hoover, therefore, was best understood as a "transition figure in the development of the government as an active force in the economy in times of depression."[27]

The liberal revisionist account was intended as an historical corrective to the exaggerated claims of both Hoover and Roosevelt partisans, with their neat contrast of the two administrations: the one defending the old tradition, the other ushering in a new order. Beyond this function, revisionism, particularly Mitchell's work, inadvertently served another purpose: it provided a logical bridge to a subsequent left revisionist interpretation distinct from its own.

In *The Contours of American History* (1961), William Appleman Williams used the continuity approach in regard to the depression policies of the two administrations, but it was set in a different, larger context—that of corporate capitalism. Hoover, in his attempt to halt the depression, "pulled out every antidepression tool the Progressives ever owned."[28] And it was these policies that "provided the rudiments of Roosevelt's program."[29] But Hoover's refusal to go further than he did in enlarging the government's role was not motivated by a pious reverence for the past; it signified instead the deliberate restraint of a man who thoroughly understood the dangers that could arise if the state were given the dominant position in the American political economy. It was Roosevelt, lacking Hoover's sophisticated understanding of the corporate economy and its potential pitfalls, who plunged recklessly ahead, making the latent danger an actuality. It was thus during the New Deal years that a syndicalist nation was created, that is, a system dominated by a coalition of leaders representing capital and government. All that Hoover had feared and sacrificed to prevent had come to pass.[30] Ironically, therefore, Williams' account of Hoover—informed as it was by a different time and political stance, graced with a new terminology, and utilizing continuity—ended up echoing much of the conservative's defense of Hoover and his policies.

One is not accustomed to thinking of President Hoover as an ambiguous figure, but when one considers the entire historiographic spectrum that has developed on Hoover and his depression policies, it is evident that ambiguity, even outright contradiction, are rampant. Taken collectively, all that is claimed for Hoover, or charged against him, cannot be reconciled easily, if it can be reconciled at all. He has been cast, by admirers and detractors alike, as the defender *par excellence* of the values and the institutions of an older America. At the same time—one is tempted to say in the same breath—he has been credited by practically everyone as a great innovator: the first president to accept national responsibility for overcoming an economic depression and restoring prosperity. To this end, Hoover is said to have devised a set of policies which significantly enlarged the function and role of government in the nation's economic life. Indeed, according to some, he went so far in this new direction as to anticipate the essentials of Roosevelt's New Deal. It appears, consequently, that Hoover upheld the traditional concept of limited government, a basic value in the American system, while with his left hand he inaugurated a fatal departure from that tradition. Thus, if one is tempted to follow a process of indiscriminate eclesticism, one can consider Hoover as both the defender of the old order and the precursor of the new. If this form of synthesis is unacceptable, which indeed it is, then there is an alternative procedure that is conceivable: to examine more closely the claims made for Hoover both in relation to the years preced-

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ing and the years following his administration, thereby using a double vantage point for judging Hoover's historic contribution as a depression president.

In the course of the twentieth century, prior to President Hoover's confrontation with the Great Depression, the American economy was subjected to three major disruptions: the banking panic of 1907, the recession of 1914, and the depression of 1920–21.[31] These episodes, involving the administrations of President Theodore Roosevelt, Woodrow Wilson, and Warren Harding, respectively, constitute a sufficient testing ground for determining the degree of credibility that should be accorded the claims made for Hoover as an innovator; that is, for gauging the extent to which his policies measure a departure from the *past*. Was nothing, in actual fact, done by Hoover's predecessors during these times of severe economic crisis? Or to state the issue positively, what response, if any, was made by the three presidents on these occasions: and did their behavior and policies anticipate Hoover's own responses?

On 22 October 1907 the Knickerbocker Trust Company, whose officers were involved in an unsuccessful copper corner, suspended in New York City, marking the beginning of the panic.[32] The bank's collapse provoked a sharp break on the New York Stock Exchange, further runs on other trust companies, and a critical shortage of currency. Moreover, the crisis was not confined solely to Wall Street; in the South and West, already faced with a serious shortage of cash and credit to finance the seasonal movement of crops, the money panic resulted in some states declaring bank holidays and a further decline in commodity prices and the closing of some commodity exchanges. The repercussions of the panic even reached across the Atlantic to the European money markets, forcing the Bank of England and the Imperial Bank of Germany to raise their discount rates to unprecedented levels as a means of protecting themselves against the outflow of gold to the United States.[33]

President Theodore Roosevelt was fully alive to the possibility that the public would hold him responsible for the panic and its consequences. As he remarked privately, "when the average man loses his money he is simply like a wounded snake and strikes right and left at anything, innocent or the reverse, that presents itself as conspicuous in his mind."[34] Roosevelt's initial move was therefore aimed at the public psychology of fear, in a form we would subsequently recognize as the classic response of a depression president: he issued a public statement of reassurance that, despite appearances, all was well. "No one who considers calmly," he declared soothingly, "can question that the underlying conditions which make up our financial and industrial well-being are essentially sound and honest."[35] Surely, the purpose, even the choice of words resounds familiarly in our ears.

More concretely, Roosevelt used a set of policies devised essentially to strengthen the country's financial institutions by direct federal assistance in order to place them in a position where they could meet all demands and thereby stem the panic at its source—the teller's window. To this end, Secretary of the Treasury George B. Cortelyou arranged for a $25 million deposit of government funds in New York City's national banks, supplementing the private efforts of J. P. Morgan and others, including the New York Clearing House, to amass currency at the banks sufficient enough to cover the demands of frightened depositors.[36]

These measures were only temporarily successful; within a week the New York bankers were fearfully anticipating the collapse of an important brokerage house and another trust company, and with them the closing of the Stock Exchange. To avert this chain of events, Roosevelt was persuaded by Morgan's associates, Judge Elbert Gary and Henry C. Frick, to permit United States Steel to absorb the Tennessee Coal and Iron Company as a means of buttressing the assets and financial standing of the shaky brokerage house. Roosevelt's decision, severely criticized later, succeeded in saving Moore & Schley and keeping the Trust Company of America open; but the money shortage was not yet resolved.[37]

The administration next considered the problem of facilitating an expansion of the money supply through the national banks. Cortelyou at first authorized the banks to use bonds other than the authorized government ones as a substitute basis for issuing notes. This maneuver was ineffectual because all bonds were currently at high prices and in short supply. Roosevelt and Cortelyou then turned to a more direct approach: the government announced an issue of 2 percent Panama bonds and 3 percent Treasury certificates and made them available to national banks for a down payment of 10 percent and 25 percent, respectively. In other words, the government manufactured the bonds needed to expand the currency and sold them to the banks on easy credit terms. This action resolved the money stringency and ended the panic.[38]

The next crisis, that of 1914 during the Wilson administration, was directly tied to the outbreak of European hostilities between 28 July and 4 August.[39] The effect of the First World War upon the American economy was immediate and widespread, involving a major crisis on the New York Stock Exchange, great pressure on the banking structure, and severe agricultural and industrial disruption. The nation's foreign trade practically ceased, primarily because America depended heavily upon foreign shipping for delivering its goods to all parts of the world. In response, the Wilson administration energetically set about to relieve the pressure on the financial structure and to remove the obstacles to its foreign trade by direct intervention in the economy.[40]

The first task was to cushion the stock market. Europeans held a total of $2.5 billion in American stocks and bonds and began heavy selling on 30 July. With the closing of the London Stock Exchange the next day, an avalanche of additional selling orders was expected. The New York bankers averted the threat by closing the New York Stock Exchange that same day after consulting with Secretary of the Treasury William G. McAdoo, who approved the decision.[41] Subsequently, in October, the market faced a new crisis: the prospect that bankers holding some $1 billion in notes, with securities as collateral, would demand payment, resulting in wholesale dumping of securities. The Treasury intervened by notifying "national bank examiners to approve all loans secured by listed stocks at their value as of July 30, 1914, thus in effect putting a floor under security prices."[42] On 29 November the New York Stock Exchange reopened for bond trading; and on 12 December it resumed full operations.

At the outset of the war, American bankers and merchants were indebted to London by some $450 million in short-term obligations. When British bankers began calling these loans, the American banks came under heavy pressure from their frightened depositors. With a first-class panic facing them, the bankers turned to the federal government for assistance. McAdoo, like Cortelyou before him, went immediately to New York City after providing Wall Street with $100 million in emergency currency. Discovering there that the bankers were unable to obtain the necessary, additional relief via the Aldrich-Vreeland Act because of its overly restrictive provisions, McAdoo promised to try to get Congress to amend that act within the next twenty-four hours. True to his word, the next morning McAdoo was waiting for the chairman of the Banking Committee, Senator Robert L. Owen, with appropriate amendments. Congress passed the bill that day and President Wilson signed it the next.[43] Meanwhile, Wilson reassured the public in the classic mode:

> There is great inconvenience, for the time being, in the money market and in our Exchanges, and, temporarily, in the handling of our crops, but America is absolutely prepared to meet the financial situation and to straighten everything out without any material difficulty. The only thing that can possibly prevent it is unreasonable apprehension and excitement. . . . There is cause for getting busy and doing the thing the right way, but there is no element of unsoundness and there is no cause for alarm.[44]

In this case, at least, a combination of words and actions quieted public fear, stopped the runs on the banks, and restored confidence.

The administration also exerted itself in an attempt to untangle the barriers obstructing the nation's foreign trade. Wilson conferred with congressional leaders in an effort to devise means of persuading foreign ship owners to register under the American flag, and he discussed plans for building an American fleet. McAdoo conceived of a plan for creating a government-owned corporation to buy foreign ships, including those of Germany stranded in port, but this scheme was blocked in Congress. However, Congress was willing to create a War Risk Insurance Bureau to provide low-cost marine insurance as an inducement to get ships out onto the sea again. These difficulties, however, were settled instead by the British, in September 1914, when they succeeded in clearing the sea lanes of surface German raiders. Shipping then became readily available at reasonable rates, and large orders for goods soon revived American foreign trade.[45]

Among the more sombre Wilsonian legacies bequeathed to his Republican successor was the depression that began in 1920.[46] Warren Harding, in his presidential campaign, had emphasized the need for restoring prosperity and reducing the cost of government, two objectives that were not regarded in the wisdom of that day as incompatible. Once in office, Harding turned at once to the political problem of translating these objectives into legislative actualities. His prosperity program aimed at providing assistance to three major interest groups: business, agriculture, and labor.[47] And in a remarkably short space of time, he succeeded in accomplishing his purpose.

Harding and his Secretary of the Treasury, Andrew Mellon, had a ready, conservative prescription for business recovery. Its main tenets included reestablishing a lean economy in governmental expenditures, instituting a tax reduction, and paring the national debt. The rationale for this program was that by relieving the investing classes of the heavy tax burden, they would be in a position to resume their important function of providing the risk capital vital for economic growth. Similarly, the payment of the national debt would place money in hands that would use it for additional capital investment.[48]

The business program was carried out with impressive dispatch. The Budget and Accounting Act of 1921 established the Budget Bureau, which substantially cut governmental expenditures. In the Revenue Act of 1921, the excess-profits tax and the surtax on individual incomes were lowered, although not to Mellon's complete satisfaction. Furthermore, Herbert Hoover was busily transforming the Department of Commerce into an active agent for promoting business confidence and foreign trade in furtherance of Harding's goal of restoring the nation's prosperity.[49]

The agricultural counterpart of this recov-

Footnotes at end of article.

ery program included the Fordney Emergency Tariff, passed in May 1921, with an anti-dumping provision and high protective rates on a number of farm commodities. Then after Harding met with farm leaders and spokesmen to determine their priorities, there followed in quick succession the Packers and Stockyards Act, the Future Trading Act, two amendments to the Farm Loan Act which made it easier for farmers to get larger loans, and the Emergency Agricultural Credits Act. The latter, an administration-conceived measure, expanded the loaning powers of the War Finance Corporation to include farmers' cooperatives and livestock growers and permitted the corporation to buy agricultural paper secured by farm commodities as a means of assisting rural banks. This program, enacted in the special session, was completed by 24 August 1921.[50]

During the winter of 1920–1921 there were an estimated 4,754,000 workers unemployed; by the late summer of 1921 the figure had climbed to 5,753,000.[51] "The laborer," Robert Murray has remarked, "was the Harding era's forgotten man." At Hoover's initiative, an unemployment conference was held in September 1921, where Harding "warned . . . that the conference should not seek unemployment subsidies from the federal government as a solution." [52] Instead, the conference members were offered a program conceived by Hoover, one which he later reapplied during his own presidency. His program called for stepping up construction work, spreading jobs, increasing public works, and furnishing local relief for the unemployed. All this was to be carried out by Hoover's preferred method of voluntary cooperative action among the people themselves, spurred on by a high-powered public-relations campaign. The results of his program were no more successful in 1921 than they were to be during the Great Depression.[53]

The conclusion that emerges from this summary account of the economic crises in the Roosevelt, Wilson, and Harding administrations is that the long-standing contention that no president, prior to Hoover, accepted federal responsibility for assuring the economic well-being of the nation needs to be considerably modified, if not abandoned altogether.[54] None of these presidents was an exponent of laissez-faire ideology; all of them attempted to correct the economic dislocations of their time and restore prosperity. And in each instance, their commitment involved a considerable measure of direct federal intervention. There were, then, ample executive precedents during peacetime for Hoover to use and to build upon when he came face to face with an even graver crisis. And he used them.

Specifically, Hoover imitated the past in his protracted efforts to protect and strengthen the financial structure of the nation. The Federal Reserve System followed an easy-money policy by lowering the discount rate and by large open-market purchases of securities. When obstacles appeared that hindered this policy, they were removed by amending the rules to broaden the types of paper eligible for rediscount and by substituting government securities for commercial paper as backing for Federal Reserve notes. Also, additional support for financial institutions was provided by the creation of the Reconstruction Finance Corporation, by an act increasing the capital of the Federal Land Banks, and through the establishment of the Home Loan Banks. These measures were designed to improve the liquid position of financial institutions, thereby diminishing the danger of runs and improving the banks' capability and willingness to make loans.[55]

Hoover coordinated this financial policy with a complementary one to encourage business and industry. However, in this area, Hoover's means were significantly limited to persuading businessmen of the wisdom and utility of carrying out the recovery measures voluntarily. The federal government's role in the program of expanding the levels of construction and capital investment, maintaining wage scales, and refraining from layoffs by spreading the work, was limited to persuasive encouragement and a massive propaganda effort to convince business and the public alike that these efforts were succeeding. In effect, this meant that the success of Hoover's program rested finally upon the willingness of businessmen to assume the risks of conducting business as usual in spite of the depression. None of these vital policies was made mandatory by law because recourse to such direct compulsion was repugnant to Hoover's political philosophy.[56]

Similarly, Hoover's labor program was constructed to use identical methods and to conform to the same values and restraints. Labor's two overriding objectives at this time were work and relief. For the successful implementation of one, the workers were dependent upon the goodwill and success of businessmen cooperating voluntarily in a national undertaking and in the other upon the resources and cooperation of private and local-state agencies. The federal government's proper role here, Hoover believed, was one of promoting and coordinating voluntary action; the social and political price for going beyond this to direct federal action was too high to pay.[57]

For agriculture, Hoover devised the Federal Farm Board with authority to assist farm organizations in creating a system of national cooperative associations and to set up stabilization corporations. The onset of the depression, however, shifted the Board's main effort from the cooperatives, where Hoover intended them to be, to the stabilization corporations, which had been originally conceived for temporary emergencies. After the corporations failed to hold wheat and cotton prices up by buying surplus stocks, the Board retreated from the field, advising the farmers to control their own production even if that involved the destruction of excess crops. Like President Harding before him, Hoover was unwilling to support agricultural prices by federal subsidy.[58]

Thus, Hoover's policies for dealing with the Great Depression drew fully from the peacetime precedents of the past. He also added refinements and some outright innovations to the government's armory against depression. And some of the new devices, notably the practice of increased federal spending through an expanded public-works program, involved direct federal commitment. But even here the scope and effectiveness of the venture was circumscribed by Hoover's insistence that all projects be self-liquidating. When Congress tried to go beyond this conception to much more ambitious schemes, Hoover denounced the attempt as pork-barrel legislation and firmly exercised his veto power. For he remained a true believer in a balanced budget, regarding it as crucial to the nation's financial soundness and as vital for restoring business confidence.[59] And even though Hoover failed here, it was not because he faltered in his belief; the deficits were the unintended outcome of declining federal revenues. Hoover continued to insist that the primary responsibility for increased spending, sufficient to revive economic activity, must rest upon the private and not the public sector.

Hoover was therefore a significant figure in the evolution of governmental policies for dealing with depressions. But by the time he left the White House he was standing solidly upon a principled opposition to any further expansion of direct federal intervention. He never thought it worth the candle to gain prosperity at the expense of undermining the American system. So that when one contemplates his modest program in light of Roosevelt's New Deal, there remain a great many things which he refused to do, as Mitchell, Degler, Williams, and others have pointed out.[60] For the limits of Hoover's program can be understood only when one sees the intimate relation of his restraint to his political philosophy, his image of America past, and his vision of her future.

FOOTNOTES

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[4] Ibid., p. 520.

[5] Ibid., p. 3.

[6] Ibid., pp. 4, 12, 25–30, 52–59, 122.

[7] Ibid., pp. 88–94, 143–44, 163, 171–73.

[8] Ibid., pp. 122, 142, 368.

[9] Ibid., p. 370.

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[11] John Thomas Flynn, *The Roosevelt Myth* (New York: Devin-Adair Co., 1948), pp. 165, 206.

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[21] Broadus Mitchell, *Depression Decade* (New York: Holt, Rinehart and Winston, 1947), pp. 38, 57, 77, 80–81, 86, 114–16, 306, 341, 404–405.

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[23] *Ibid.*, pp. 88, 145, 190.

[24] Carl N. Degler, "The Ordeal of Herbert Hoover," *The Yale Review* 52 (1963), reprinted in Abrams and Levine (eds.), *The Shaping of Twentieth Century America* (Boston: Little Brown Co., 1971 edition), p. 358.

[25] Abrams and Levine, *Shaping of Twentieth-Century America*, 1971 edition, p. 359.

[26] *Ibid.*, p. 363.

[27] *Ibid.*, p. 364.

[28] William Appleman Williams, *The Contours of American History* (Chicago: Quadrangle, 1966), p. 438.

[29] *Ibid.*

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[31] Milton Friedman and Anna Jacobson Schwartz, *A Monetary History of the United States 1867–1960* (Princeton: Princeton University Press, 1963), p. 307.

[32] My treatment of this episode draws heavily from material presented in Theodore Roosevelt, *The Letters of Theodore Roosevelt*, edited by Elting E. Morison *et al.* (Cam-

bridge: Harvard University Press 1952), V. pp. 822–49.

[33] *Ibid.*, pp. 848–49.

[34] *Ibid.*, p. 826.

[35] Theodore Roosevelt to Cortelyou, 24 October 1907, text printed in the *New York Times*, 27 October 1907.

[36] Roosevelt, *Letters of Theodore Roosevelt*, p. 822.

[37] *Ibid.*, pp. 830–31.

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[44] *Ibid.*, p. 79.

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[47] *Ibid.*, p. 170.

[48] *Ibid.*, p. 183.

[49] *Ibid.*, pp. 172–74, 184, 190, 195–98.

[50] *Ibid.*, pp. 201, 203, 206–10.

[51] *Ibid.*, p. 84.

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[53] Philip Klein, *The Burden of Unemployment* (New York: Russell Sage Foundation, 1923), pp. 57–59.

[54] Among those who have accepted and perpetuated this claim without modification, I include myself in *The Poverty of Abundance: Hoover, the Nation, the Depression* (New York: Oxford University Press, 1965).

[55] *Ibid.*, pp. 187–94.

[56] For a more detailed treatment, see *ibid.*, Chapter 4.

[57] *Ibid.*, pp. 142, 171–72.

[58] *Ibid.*, pp. 121–24.

[59] *Ibid.*, pp. 222, 227–29.

[60] For a discussion of the themes of change and continuity and their interplay during the Great Depression, see Richard S. Kirkendall, "The New Deal As Watershed: The Recent Literature," *Journal of American History* 54 (March 1968): 839–52. ●

THE AMERICAN CONSUMER'S STAKE IN THE U.S. FOOD-FOR-PEACE PROGRAM

● Mr. CHILES. Mr. President, on Thursday, September 13, House and Senate conferees are scheduled to meet to resolve differences in H.R. 4387, the agriculture appropriations bill for fiscal year 1980 as passed by the House and Senate earlier this summer (June 19 to July 19).

Mr. President, in anticipation of the conference, I wish to take this opportunity to discuss a small, but I believe extremely significant, program area contained in this bill that deserves the continued full support of the Congress. In 1966 under the authority of section 406 of Public Law 89–808 the Secretary of Agriculture was authorized to increase funding of USDA sponsored tropical and subtropical agricultural research.

In fiscal year 1979 a total of $2.2 million was appropriated by Congress specifically for this purpose. This support has enabled the Pacific basin and the Caribbean centers to launch a significant program aimed at developing better capabilities in tropical food production, handling, and marketing. This funding is fostering the development of two tropical research centers in Hawaii and Florida-Puerto Rico to provide focus and personnel competence for a national research effort in tropical and subtropical agriculture.

The initial aim, particularly in the Caribbean basin, has been expanding research efforts into several areas critical to tropical and subtropical production. A key element in this research is a concentration on tropical/subtropical problems that are of vital concern to U.S. agricultural production.

This year, Mr. President, the Senate voted to increase section 406 funding by an additional $1 million. The Appropriation Committee's report (96–246) which accompanied H.R. 4387 makes a very strong case for this increase:

> Research in tropical and subtropical agriculture can provide obvious benefits abroad in terms of increasing the productivity of the small farms characteristic of the developing countries in tropical and subtropical regions and in helping to offset some of the enormous food deficits projected for the coming years. The Committee believes that the program also has significant advantages for agriculture in this country. At the very minimum, it can help us prevent foreign pests and diseases from gaining a foothold here. In addition, by developing our knowledge of the special needs associated with tropical and subtropical agriculture, we help insure that businesses in this country will be able to share in the large and growing developing-world market for agricultural services and equipment. The Committee will continue to monitor this important research effort with particular care and is optimistic about its potential achievements. (Sen. Rept. 96–246 pg. 27.)

Mr. President, I believe this committee statement provides an excellent summary as to why this proposed fiscal year 1980 $3.2 million appropriation for tropical and subtropical research is both timely and appropriate.

However, Mr. President, there is another unique aspect to section 406 program initiative that I would like to point out. It has to do with this country's long standing international commitment to alleviate the grave problems of world hunger. In this regard, Mr. President, I would like to bring to the attention of my colleagues a recent address delivered on the subject by the distinguished Senator from Hawaii, the Honorable Spark MATSUNAGA. In sharing this statement with my colleagues, I believe it is also particularly fitting to note that Senator MATSUNAGA authored the section 406 amendment to Public Law 89–808, the Agricultural Trade and Assistance Act in 1966 when serving Hawaii as a Member of the U.S. House of Representatives.

Mr. President, at this time I ask that Senator MATSUNAGA's April 22, 1979, speech, titled "The American Consumer's Stake in the U.S. Food for Peace Program," be printed in the RECORD.

The speech follows:

THE AMERICAN CONSUMER'S STAKE IN THE U.S. FOOD FOR PEACE PROGRAM

Mr. Tolan, distinguished members of America's food media, executive officers of Castle and Cooke, Del Monte, and Maui Pineapple, ladies and gentleman: Aloha!

This year marks the twenty-fifth anniversary of America's steadfast humanitarian commitment to its "Food for Peace" program. While the basic law (Public Law 480) has been amended several times, I consider it a remarkable achievement that its central focus continues to be aimed at combating world hunger and malnutrition, and encouraging economic development in the less developed countries. Other basic goals of the legislation have been: to expand international trade among the U.S. and friendly nations; to facilitate the convertability of currency; to dispose of surplus U.S. agricultural commodities; to promote the economic stability of U.S. agriculture; and to promote U.S. foreign policy objectives.

Since 1954, in fact, over 265 million tons of agricultural commodities valued at over $27 billion have been exported under Public Law 480. Important as it is, however, Public Law 480 food aid has declined in proportion to total U.S. agricultural exports. According to the U.S. Department of Agriculture, the annual value of all our agricultural exports has risen dramatically from $3.1 billion in 1955 to $27.3 billion in 1978, while the proportion covered by Public Law 480 has declined from a high point of 33 percent in 1957 to only 4 percent in 1978. These figures confirm the success of our commercial exports more than any significant decline in Public Law 480 food aid. In fact, the yearly value of Public Law 480 shipments has remained close to one billion dollars since 1970, although the volume of commodities shipped has fluctuated in accordance with prices.

For fiscal year 1980, President Carter has requested $719 million in new budget authority for Public Law 480, indicating that additional program costs will be covered by repayments due to the Commodity Credit Corporation. Food for Peace thus represents only 8 percent of the total foreign assistance request of $8.728 billion which Congress is being asked to approve this year. Though small when compared to other national expenditures, Public Law 480 food aid, nevertheless, has a significant impact on developing countries and it is for this reason that I believe Congress should insure that its impact is consistent with the "new directions" policy of our country's foreign assistance efforts.

If at this point in my remarks you find yourself doing a mental head scratch and wondering: "But what has all this got to do with the American consumer in the 1980's?" hold on for just a few more minutes and follow the next set of numbers closely. I'm about to turn the corner but, before I do, I believe it's vitally important that you get a proper grasp of the world food situation as it exists today and as it is projected for the future.

Nearly five years have passed since more than 100 nations met at the U.N. World Food Conference to consider ways to ameliorate the world problem of hunger and malnutrition. Participants discussed methods to increase food production, improve distribution systems and storage facilities, provide for more agricultural research and food aid, and combat related health problems.

In the early 1970's, world food production and stock levels had been rather favorable. Within a short period, however, adverse weather conditions and other factors resulted in a short supply situation. This resulted in a reduction of stocks, higher consumer prices, and a decrease in the amount of food aid available to developing countries. In considering such events, the 1974 World Food Conference included in its recommendations proposals for an international grain reserve to ensure food availability, and increasing the world annual commitment for food aid to 10 million tons. Negotiations for the international wheat reserve were suspended last February. And only this year, for the first time, will food aid levels approach the 10 million ton goal.

During the latter half of this decade, the world food situation has been improving. According to the March estimate of the United Nations Food and Agriculture Organization (FAO), wheat and coarse grains production for the crop year ending in 1979 will be 1.142 billion tons. This is 4 percent below last year and 2 percent below the long-term trend. FAO reports that this marginal decrease results from the expectation that weather conditions will be average as opposed to exceptionally good this year as compared to last.

Wheat production is estimated by FAO to increase somewhat in the Far East and North America and decrease in the Soviet Union, Western Europe and Oceania. Substantial declines in coarse grain production are expected in North America and Africa with increases in the Far East, Latin America and the Soviet Union.

World cereal stock levels have also improved. FAO forecasts that stock levels will reach 205 million tons at the end of the 1978/79 crop season. This is 26 million tons, or 15 percent, more than last year. Of this, wheat stocks are forecast to be 84 million tons, up from 80 million tons at the end of last year but lower than the 85 million ton level at the end of the 1977 crop year. Coarse grain stocks are estimated to be 95 million tons, up from 75 million tons last year and 61 million tons for the crop year ending in 1977. Rice carryover stocks are projected to be 26 million tons, up from 24 million tons last year and 22 million tons at the end of the 1977 crop year.

1979 estimated carryover cereal stocks are equivalent to 21 percent of consumption. This is up from 19 percent last year. FAO considers a level of 18 percent to be approximately the minimum level necessary for world food security. Between 1973 and 1976, carryover stocks were in the 13–14 percent range.

The continuance of this favorable world food outlook depends largely on continued good weather conditions. While carryover stock levels are good, one or two years of unfavorable weather conditions could reduce them to low levels again. According to the United Nations Food and Agricultural Organization, over 40 percent of world cereal stocks is held by the United States, mostly in the farmer-owned grain reserve. Of the estimated 1979 world wheat carryover, 59 of the 84 million tons is held by the main exporters. Of course grain stocks, 70 of the 95 millions tons is held by main exporters. Of the total estimated 1979 cereal stock carryover of 205 million tons, 162 million tons is held by the developed countries and only 43 million tons by the developing countries. These latter countries are most likely to need emergency supplies as a result of crop shortfall or failure, or for disaster relief.

FAO also maintains a monitoring system showing in what countries abnormal food shortages and unfavorable crop conditions exist. According to their report released in early March, 15 countries are affected or threatened by abnormal food shortages. These shortages largely resulted from crop shortfalls in 1978. Thirteen of the countries are in Africa and two in Asia. Two of the countries were added to this list within the past month. FAO also reports that the countries suffering the most severe food problems are Angola, Ethiopia, Vietnam, and Zaire.

Unfavorable crop conditions exist in 21 different countries. Many of these countries have been experiencing drought during the past few months. FAO estimates that the crop conditions in several of these countries are so poor that food shortages will develop near the end of this year. Ten of these countries are suffering from drought which will severely reduce production of their staple crops of maize and sorghum.

An even more significant danger signal, worldwide, is that the growth rate of world food production is also declining. In the period 1961–70, world food production increased at a rate of 2.8 percent. Between 1970–77, the growth rate slowed down to 2.4 percent. Of this, total food production increased at a rate of 2.7 percent for developed countries and 2.9 percent for developing countries between 1961–70. Between 1970–77, food production increased at a rate of 2.3 percent in developed countries and 2.6 percent in developing countries. For those countries designated by the U.N. World Food Council as food priority countries, food production increased at a rate of 2.5 percent in the 1960's and only 2.0 percent in the 1970's.

When examined on a per capita basis, these figures become even more meaningful. World food production grew at a rate of 0.8 percent per capita between 1961–70 and only 0.5 percent between 1970–77. Developed countries' food production grew at 1.3 percent per capita in the earlier period and 1.4 percent in the latter. Developing countries' per capita food production increased at a rate of 0.6 percent in 1961–70 and fell to 0.3 percent between 1970–77. The per capita growth rate in the food priority countries was a positive 0.1 percent between 1961–70 and a negative 0.46 between 1970–77.

What all these statistics add up to, according to agricultural economists, is that the annual food deficit of the less developed countries is expected to jump from 36 million metric tons in 1978 to between 120 and 145 million metric tons in 1990. The stark reality facing many of these countries is that they simply will not be able to increase their food imports to meet their needs. Furthermore, even if they had the import capacity, U.S. commercial exports and food aid combined would not be able to provide grain on a sufficient scale without causing sharply higher domestic and world food prices and substantially fueling inflation.

As food media journalists looking at consumerism in the 1980's, these figures should be of immense interest and concern to you. The implications are clear, and the message is self-evident. These projections lead to the unavoidable conclusion that it is critically important and in our own national interest to help developing nations to become self-sufficient in food production. A hungry world is an unsafe world. Unless we succeed in eliminating hunger from the face of this earth, we shall never attain our dream of continuing world peace.

This leads me to the second point I wish to pursue briefly with you this afternoon. While I have always been deeply committed to the concept that our country has a responsibility to share our agricultural plenty with other nations of the world which are in need, it has become increasingly clear to me that supplying direct food aid alone is not the long range solution to the problem. World hunger simply will not be licked until food deficient countries acquire the means, skills, and wherewithall to produce and purchase food stocks to meet the minimum needs of their own populations.

Developing nations must be active participants in their own development, not merely recipients of outside aid. They need greater access to land, improved technologies, better jobs and wages, more locally produced foods, improved diets and a greater voice in decision-making on these matters. Government actions are also critical: They can be supportive or counterproductive to grassroots development. Experts have been telling us for over a decade that traditional economic growth strategies which involve external investment, trade, and aid do not always help the poor. But redistributing scarce internal resources among the poor may also make very little difference in the long run unless it is accompanied by sustained economic growth.

Those countries which cannot grow adequate quantities of food for their people must become strong enough econmically to purchase and import their needs.

Taiwan, South Korea, and India have often been cited as examples of countries which used to receive large quantities of concessional food aid, but which are now able to purchase most of their food imports on commercial terms as a result of their economic growth. Food aid helped these countries expand industrial employment at rates higher than would otherwise have been possible. This raised urban incomes, which in turn increased effective demand for local as well as imported foods.

As I mentioned earlier, the Food for Peace Act (P.L. 480) has been amended several times during the last 25 years. Each of these times that the law has been amended, Congress has attempted to fine-tune the legislation to meet new or changing needs. Unfortunately, however, as my own experience with the 1966 legislation will attest, writing programs into law will not make them happen.

Although, as I mentioned earlier, I have been a consistently strong supporter of the Food for Peace initiatives from my very first days in Congress, by 1966 I became increasingly concerned that at the then projected rate of increase, the world's population was expected to double within 35 years. At the very same time, per capita world food production was expected to continue its decline—recall if you will those ominous figures I cited earlier that world food production grew at a rate of 0.8 percent per capita between 1961–70 and declined to only a 0.5 percent rate between 1970–77.

It didn't take much imagination to couple those figures with our own U.S. food production capability projections to realize that the U.S. could not compensate indefinitely for the food deficits in the developing countries. The inescapable conclusion I reached was that the U.S. would have to shift its Food for Peace focus and begin to play a more active role in helping the developing countries strive to meet their own food production needs.

Since it was also apparent that the world's "hunger belt" of food deficient countries encompasses primarily the tropical and subtropical zones, it occurred to me that more attention had to be directed at food production capabilities in the tropical and subtropical regions of the world. I was confident, moreover, that by applying the same type of intensive experimentation that was so successful with sugar and pineapple in Hawaii and wheat, corn, and beef in the mainland United States, food production in these food deficient countries could be vastly increased.

With this specific intention in mind, I introduced and succeeded in obtaining passage of an amendment establishing a new program in Section 406 of the Agricultural Trade and Assistance Act of 1966 (Public Law 89–808, Section 406). My amendment authorized the Secretary of Agriculture to expend $33 million annually "to conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries." The clear intent of this amendment was to assist those countries most in need of becoming self-sufficient in food production.

Because the geographic and climatic conditions of three areas of the United States, Hawaii, Florida and Puerto Rico, closely parallel the conditions found in the food deficient countries, it was anticipated that much of the Section 406 Food for Peace research would be conducted in the land grant colleges and USDA labs located in these areas.

Unfortunately, during the Nixon and Ford Administrations, relevant programs were never funded or implemented beyond token levels. Without going into a detailed explanation, suffice it to say that my Section 406 initiatives were simply buried in the backwaters of the bureaucracy.

Under the Carter Administration, however, the Matsunaga Amendment has found new life. Agriculture Secretary Bob Bergland, in fact became the first Cabinet level officer ever to fully recognize the importance and potential of utilizing tropical and subtropical research as a vehicle to help alleviate the world food production crisis.

To be sure, the fiscal year 1979 budget as passed by the 95th Congress and signed by the President, included a relatively small appropriation funding level of $2.2 million for Section 406 research effort. However, in view of the tremendous pressures on the Carter Administration to hold the line on new budget initiatives, this was a significant victory for the Food for Peace program.

Both Land Grant Universities in Florida and Hawaii have already moved to implement the Section 406 program. Each has established a Center to provide a focus for the national research effort on tropical and subtropical agriculture. The Hawaii Center will concentrate its resources primarily on the problems relevant to Asia and the Pacific Basin regions. The Florida Center will coordinate the combined activity taking place in Florida and Puerto Rico focusing on problems relevant to Latin American and the Caribbean Basin regions.

It is interesting to note that while the Section 406 program was primarily intended as a U.S. foreign assistance vehicle, during Senate hearings held last year on the matter of tropical and subtropical agricultural research, it became evident that the 406 program also holds the potential of directly benefitting agricultural production in this country as well.

In point of fact, as trade increases, so does the risk that diseases and pests destructive to our agriculture will be imported from tropical and subtropical areas. We have already seen specific examples of this. The citrus canker, a disease which is widely prevalent in South America and which could pose an extremely serious threat to our own citrus industry, was recently discovered in Florida. The sugarcane root borer weevil, which is presently spreading in Puerto Rico, has been discovered in a small area around Lake Apopkā in Florida. The borer poses a very serious threat not just to sugarcane crops in all of the southeastern and southwestern states, including Hawaii, but also to ornamentals and citrus crops. Research done under the Section 406 program can develop preventive techniques which will help us anticipate such infestations and eradicate them before they do major harm here within the U.S. borders.

Concerning Section 406 funding levels for fiscal year 80, Congress is already in the process of reviewing the fiscal year 80 budget. I am hopeful that the Carter Administration will take advantage of the strong Congressional interest in the program and go along with a much higher funding level for tropical and subtropical agriculture research. It cannot be denied that the Section 406 food for Peace program, if properly funded, will provide us with an opportunity to maintain a preeminent position in the area of tropical and subtropical agriculture to our own benefit, as well as to the benefit of those living on the brink of starvation in less developed countries throughout the world.

As food media journalists, you have a unique opportunity to inform the public about the magnitude of the problems we face in overcoming the world food production crisis. I hope you will make an effort to assess the data I've provided and, if you feel it is relevant and meaningful, share it widely. You should bear in mind that the primary recipients of U.S. foreign assistance—the poor, the hungry, the ill clothed—wield little or no influence in Washington. It's up to the American voting public then to let it be known that grass roots support does exist for America's Food for Peace efforts.

It has been said that the worst sin toward our fellowmen is not to hate them but to be indifferent toward them. At all costs, we cannot afford to be indifferent to the plight of our world neighbors. An enduring world peace and our own security are at stake.

As President Carter has said:

". . . A peaceful world cannot long exist one-third rich and two-thirds hungry."

I submit to you that the fight against world hunger is one of the greatest challenges facing the American people today.

Thank you.●

A TIME FOR MONETARY TRUTH

● Mr. GOLDWATER. Mr. President, now that the price of gold is setting all-time records on world exchanges, I believe it is time for us to inject a little truth and realism into our monetary thinking. Recent events prove conclusively that the efforts of the Treasury Department and the International Monetary Fund to put a damper on the gold market have failed miserably. The nations are holding on to gold and individuals are scrambling to get it. This is because of the failure of paper currency and because inflation is now becoming more worldwide.

In this connection, Mr. President, I ask to have printed in the RECORD an article by Mr. Felix E. Wormser, a recognized authority on monetary problems, entitled "The Time for Monetary Truth."

The article follows:

A TIME FOR MONETARY TRUTH

(By Felix Edgar Wormser)

"We have taken a series of steps to eliminate gold from the U.S. monetary system and to reduce gold in the international monetary system."—Secretary of the Treasury William Simon, 1976

That official declaration came from a Republican administration. Recently, Assistant Secretary of the Treasury C. Fred Bergsten, in a democratic administration, stated it was Government policy to phase out the role of gold. Conclusion: apparently some political unanimity exists on a monetary principle of extreme importance to the nation and the entire world. Human freedom is involved.

Moreover, when Chairman Miller of the Federal Reserve System was asked by the Financial World in 1978 as to whether he favored, in any way, shape or form, bringing back gold into the international monetary system, he said "No". Period! He is now Secretary of the Treasury.

The last word on the subject, fortunately, rests with the Congress of the U.S. where the voice of the people can be heard. Our Constitution stipulates only gold and silver coin as money, not paper. Federal law today defines the dollar as 11.37 grains of gold, equivalent to $42.22 per oz. Oddly enough, no legislation has been introduced to amend or repeal that basic law. What are the anti-gold advocates afraid of?

In any event the Treasury has been following government policy by selling people's gold in the open market. It began in May, 1978 with sales of 300,000 oz. monthly to November, when 750,000 oz. were sold. In December the amount was raised to 1,500,000 oz. but cut in half in May, 1979. The disposal program is continuing domestically.

Abroad, the International Monetary Fund, the "paper gold" organization, began to sell or distribute its gold back in 1976. It is estimated that 25,000,000 oz., one sixth of its gold holding, will have been sold at termination, by auction. In addition, another 25,000,000 oz. will have been returned, restituted in technical terms, at the attractive price of $42 per oz., to member countries. The nations are holding on to the gold.

One might think that the gold market would suffer under the pressure of large sales by the U.S. and the I.M.F. On the contrary the market has been bouyant. Record breaking high prices for gold have been set with the market now about $275 per oz. with no limit in sight. The paper profit to the U.S. government has been spectacular as the gold was acquired at prices ranging from $20.67 to $35, $38, and $42.22 per oz.

The Treasury's sale of gold has made only a small dent in its stock. At the end of 1976, the U.S. gold reserve was $11.598 billions, at the end of April, 1979 it was $11.418 billions, all at the $42.22 base. Using the approximate price of $250 per oz. the paper valuation of the nation's gold reserve amounts to about $67.937 billions. Fascinating paper profits lie ahead as sales continue.

When Franklin Delano Roosevelt was President he made several billions in paper profit for the government, by following the Keynesian road. He commandeered the citizens gold and, with congressional approval, raised the price from $20.67 to $35 per oz. That action, known as the devaluation of the dollar, was merely a modern version of the ancient practice of coin clipping, to give it respectability. Looking back on that episode the late Adrian Massie, chairman of the Chemical Bank, termed the 1934 devaluation "one of the greatest tragedies in the history of American finance." Hundreds of devaluations have taken place over the world in the last forty years.

The current anti-gold policy of the government also appears to be ineffective internationally. Back in 1976, when the policy began, the international gold reserve for nations, outside of Russia, China, Cuba and Rumania, was $35.346 billions (at the $42 oz. base). At the end of April, 1979, the world gold reserve was $35.579 billions, actually higher! Evidently there is little or no international agreement with Treasury anti-gold policy. As footnote, Saudi Arabia, at the end of 1976, owned $125 billions in gold, at the end of February, 1979, $206 billions, a 65 percent increase. Obviously the Saudis have been parting with their dollars in favor of gold, and have profited handsomely.

It may be fun to sneer, nowadays, at "gold bugs" but history is full of examples of government leaders who rescued their nations from inflationary disaster by instituting gold over paper as money. A prime example is Napoleon who picked up the pieces after the tragic expenrience of France with paper assignats and inflation. He paid off his obligations in gold. Many of our forefathers, who created that precious document of human freedom, our constitution, must have been gold bugs. They specified only gold and silver coin as money, not paper. That principle should guide us.

Monetary truth is that gold is money, as it has been for centuries. The anti-gold policy of the government is futile. People may be ignorant of monetary principles but they can readily distinguish good money from bad—Gresham's law, beyond the power of any government to control. Gold is a store of value, its importance being tragically demonstrated by the pitiful plight of many Vietnamese. Only by paying in gold were they allowed to escape from their tyrannous motherland.

Looking back upon our own experience, it is amazing that liberty loving Americans were not permitted to own gold coin or bullion for forty years or until 1975. As a refuge from a possible devastating continuing inflation, gold coins of foreign origin are being heavily bought, notably South African Krugerrands. Canada has been minting gold coins for public purchase. Finally the U.S. government is getting into the act, no doubt reluctantly, with gold coins expected to be available next year.

All of this flies in the face of the State Department's declaration[*] that: "First gold is, for all practical purposes, demonetarized already.

"It is not a functioning part of any nation's monetary system. To be sure it is still there, both as a large component of official assets and in some vestigial forms. But it is merely an appendix left over from the evolution of a now obsolete monetary system.

"Second, gold will never be remonetized. It is simply too volatile to be useful as a basis for a stable monetary system, domestic or international. The future of gold is clearly in the direction of greater private use for industrial purposes, as a store of value and as a speculative commodity. Our multilateral attempts to agree on price stabilizing commodity agreements are not likely to extend to gold.

"Finally, I recognize that gold will continue to have a special significance as many people view the price of gold as an expression of confidence—or lack of confidence—in the monetary system. Some of these people think the reintroduction of the gold standard will lead to better economic policies. The idea that all can be set right by a return to the discipline of the classical gold standard is a nostalgic illusion. The linchpin of that system was the immutable fixed price of gold in terms of national currencies. Once that price becomes a policy variable, as it did for Britain in 1931 and for the United States (and the world) in 1971, the prospect of monetary discipline through a link to gold is gone forever."

How this statement squares with world experience and our own monetary history, is beyond me. To make a few observations: From 1879, when the Congress made the Civil War greenbacks redeemable in gold, to the outbreak of World War I, almost the entire world was on the gold standard, inflation of the money supply was absent. International trade flourished. Above all and seldom emphasized, the entire world had a period of world peace without parallel, in sharp contrast with prevalent turmoil or crises.

It is not gold that is "volatile", it is the paper dollar in our inflationary age. This is to be expected with fiat, or printing press dollars the kind of money which President Eisenhower and others have stated we must not allow.

The State Department declares that . . . "the discipline of the classical gold standard is a nostalgic illusion." This refers to the fact that, when the dollar was redeemable in gold, the people possessed the power of the purse. They could signal their displeasure over high government expenditure by redeeming their paper dollars into gold with its potentially serious effect on the nation's basic gold reserve. Today they are helpless.

The State Department also observes "Our multilateral attempts to agree on price stabilizing commodity agreements are not likely to extend to gold." Of course not! That would start the nation back to that awful gold standard. Come to think of it, and strange as it may seem, we have never been completely off the gold standard for the dollar is defined by law as a quantity of gold. Incidentally, the balance of trade between our fifty States was cleared through the twelve Federal Reserve banks, until recently, in gold. The gold standard was at work domestically! Now it is done in paper dollars.

President Carter in his recent speech to the nation on the energy crisis remarked we were at a turning point in our history, and stressed the lack of confidence in the nation's future. I would respectfully suggest that this lack of confidence is coupled with a lack of confidence in our printing press dollar, no longer a store of value. The record shows that the anti-gold policy of the government has not been successful, as might have been expected from our own history. Last January the London Economist commented editorially on the gold revival and stated that "Gold was supposed to have been banished from the world monetary system. It's back." State Department please note.●

AGING VETERANS

● Mr. BAUCUS. Mr. President, the graying of America is a well-known fact. The number of elderly persons has inincreased from 4.1 percent of the total U.S. population in 1900 to 10.5 percent in 1975. The 65 and over population group will increase from 23 million in 1976 to 32 million in the year 2000, and to 45 million in 2020.

These changes have significant implications for medical care. The need for health care increases with age. Therefore, since we can project an increasing proportion of elderly Americans, we must direct our medical resources toward understanding the disabilities associated with aging.

Mr. President, the graying of America will be keenly felt by veterans. Today 45 percent of American males over age 20 are veterans. More than 50 percent of males over age 65 will be veterans by 1990. This figure will exceed 60 percent by 1995.

We must make a much greater effort to meet the demand for geriatric health care posed by the emergence of large numbers of elderly veterans.

The Veterans' Administration has failed to show leadership in elevating geriatric medicine to a high priority position within its Department of Medicine and Surgery.

The limited Geriatric Research, Education, and Clinical Centers (GRECC) conceived in 1973, does constitute recognition of the need to improve health care delivery to elder veterans. But with only $4.9 million, the GRECC program cannot possibly develop a comprehensive approach to enhancing the quality of life for aging veterans.

The aging of our veteran population is a national problem. We can anticipate an unprecedented demand for geriatric medical care. I am encouraged that support for expanded medical research into the problems of older Americans is growing. The House of Representatives recently recorded a unanimous vote in favor of legislation requiring the VA to elevate geriatric medicine into a position of greater visibility. Similar legislation is pending in the Senate.

By the year 2010 there may be 1,000,000 veterans over the age of 85. This figure compares with 130,000 in 1979. Congress and the Veterans' Administration must reverse their neglect of the needs of aging veterans by expeditiously enacting new programs to improve our knowledge and expertise in geriatric medicine.

The only way to insure that America's veterans get the health care they deserve is to begin planning for the future today.●

COMPREHENSIVE MENTAL HEALTH ACT

● Mr. HEINZ. Mr. President, I have long had an abiding interest in improving the quality and the extent of mental health services available to the disadvantaged elderly and the disabled. Because existing medicare provisions deny these Americans significant mental health coverage under its system of benefits, I have sought to amend title XVIII of the Social Security Act to include expanded mental health coverage. I therefore introduced on June 6 the Comprehensive Mental Health Act, S. 1289, with the cosponsorship of two long time mental health advocates, Senators RANDOLPH and COHEN. Specific features of the Comprehensive Mental Health Act are consistent with many of the findings of both the 1970 Presidential Task Force on the Aging and the Presidential Task Force on the Mentally Ill, and the proposals set forth in this legislation include:

First, the elimination of the 190-day lifetime limit for inpatient psychiatric care;

Second, the replacement of the 50–50 copayment schedule with the same 20–80 copayment required for physical health care under medicare;

Third, the removal of the annual $250 ceiling for outpatient mental health care and the introduction of strict utilization review requirements;

Fourth, the use of community mental health centers (CMHC's) as qualified providers for mental health services, when these centers are associated with a hospital; and,

Fifth, the allowance of partial hospitalization coverage under medicare.

The need for the Comprehensive Mental Health Act is well established, and dozens of mental health organizations and professionals who work in the mental health field have endorsed S. 1289. I should particularly commend to my colleagues' attention the comments of the American Psychiatric Association, the National Council of Community Mental Health Centers, and the Philadelphia area chapter of the National Association of Social Workers, Inc. I further urge my colleagues to review my legislation and to join with Senators COHEN, RANDOLPH, and me as cosponsors of S. 1289.

I ask that the text of the above mentioned letters be printed in the RECORD at this point.

The letters are as follows:

THE NATIONAL COUNCIL
OF COMMUNITY MENTAL
HEALTH CENTERS, INC.,
Washington, D.C., May 23, 1979.

Hon. H. JOHN HEINZ,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HEINZ: We have reviewed the draft legislation which you are planning to introduce to remove the discrimination in Title XVIII of the Social Security Act against services for the mentally ill.

On behalf of the National Council of Community Mental Health Centers, I want to commend you for taking this important step to assist older and disabled Americans to receive the care they need for mental and nervous disorders. NCCMHC fully supports your bill, and we hope for its early consideration by the Finance Committee.

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[*] Under Secretary of State, Richard N. Cooper, June 12, 1979, at a meeting in Basle, Switzerland.

Sincerely,

JOHN C. WOLFE, Ph.D.,
Executive Director.

AMERICAN PSYCHIATRIC ASSOCIATION,
Washington, D.C., July 31, 1979.

Hon. JOHN HEINZ,
Russell Senate Office Building, U.S. Senate, Washington, D.C.

DEAR SENATOR HEINZ: On behalf of the American Psychiatric Association, a medical specialty society representing over 25,000 psychiatrists nationwide, I wish to express our support for the provisions of your "Comprehensive Mental Health Act" (S. 1289) which would eliminate the discriminatory restrictions now imposed under Medicare for the treatment of mental illness.

We believe your legislation will provide the urgently needed elimination of second-class citizenship now imposed upon those elderly suffering from mental illness—a condition under which as many as 25 percent of our nation's elderly now suffer and have suffered since the enactment of Medicare over a decade ago. We commend you for your legislative effort to bring the treatment of mental illness to the same level of care permitted to the physically ill.

The American Psychiatric Association endorses and supports S. 1289's elimination of the restrictive 190-day lifetime limit imposed on inpatient treatment of the mentally ill; the reduction of the copayment from fifty to twenty percent for outpatient services; and the deletion of the inappropriate $250 ceiling placed on Federal reimbursement for outpatient treatment of the mentally ill Medicare patient.

Also, the American Psychiatric Association supports the bill's inclusion of Community Mental Health Centers as eligible Medicare providers when such treatment is under the "case management of a physician." We are pleased that you have recognized the critical role of physicians—specifically psychiatrists—in assuring that appropriate differential diagnoses are made for those elderly individuals seeking treatment for mental illness under Medicare. In great measure, such provision responds to a recent Federal Court decision (*Virginia Academy of Clinical Psychologists, et. al.* v. *Blue Shield of Virginia, et. al.*) where the Court held:

"It is true that both psychologists and psychiatrists professionally render psychotherapy to patients. But in the treatment of nervous and mental disorders, psychiatrists are capable of providing a full range of psychiatric treatments, not just psychotherapy. In addition, as medical doctors, psychiatrists may render medical treatment and diagnosis. It is undisputed that clinical psychologists are not qualified to diagnose nervous and mental disorders and to decide from what source these disorders stem."

We are pleased that in your statement upon introducing the bill that you do not "denigrate or discriminate" against psychoanalysis as an "appropriate method of treatment for the correction of specific functional impairments," but seek primarily to address the fact that such treatment modality has not yet been determined adequately to be medically appropriate for the elderly, per se. We are confident that the provision articulating such restriction will be amended technically to conform to your stated position to the effect that it is not intended to apply more broadly to other Medicare populations, such as the disabled, nor to discriminate against any specific modality insofar as the treatment of the mentally ill within other populations is concerned.

We look forward to working with you and your staff in support of this legislation and to provide assistance through our Division of Government Relations, headed up by Jay B. Cutler, former Minority Counsel to the United States Senate Labor and Human Resources Committee, to your efforts to seek additional cosponsors to join you in, as you stated, your legislative effort "to begin to make the changes in Medicare which will allow the elderly of this Nation to obtain the best possible and most appropriate mental health care that medicine can make available."

Sincerely,

MELVIN SABSHIN, M.D.,
Medical Director.

NATIONAL ASSOCIATION OF SOCIAL WORKERS, INC.,
Philadelphia, Pa., August 17, 1979.

Hon. JOHN HEINZ, III,
Federal Building,
Philadelphia, Pa.

MY DEAR SENATOR HEINZ: The Committee on the Frail Elderly of the NASW Council on Aging has been working for the past two years to contribute their expertise to the field of serving those who are elderly and at risk.

One of our major concerns has been the lack of adequate mental health services for the elderly. We feel that your Bill S. 1289 is the opportunity for a tremendous step forward. This bill, when enacted, will expand an aged person's ability to obtain outpatient care as well as short-term inpatient care. We are hopeful these provisions may decrease the need for institutionalization as well.

We wish to congratulate you for S. 1289 and assure you of our enthusiastic support.

Sincerely yours,

ANNE W. WEBB,
Chairperson for Committee on the Frail Elderly.●

SEND A MESSAGE: "I BACK OUR POLICE"

● Mr. HOLLINGS. Mr. President, recently a constituent in South Carolina wrote an eloquent letter to the Charleston Evening Post in support of the untiring and dedicated efforts of our law enforcement workers. Her points are well stated and deserve to be taken very seriously. Especially is this true as concerns her point about explicitly supporting our police men and women. Our support must go beyond simply the verbal and should be translated into the material support our police force needs to be recompensed appropriately for their dedicated efforts to keep the peace and maintain order in our communities. Mrs. Hanna writes, "Unless we unite to help our police, the effort is a waste of time and energy."

Mr. President, letters like these, and my recent month in South Carolina travelling through 23 counties of our State, convince me that our citizens continue to have a realistic and appreciative attitude of the problems America faces. Their approach is one of commonsense, and they realize where Government has gone astray. What is needed now is leadership which is reflective of those fundamentally sound instincts.

No area of endeavor is more important, and none is taken more for granted, than the continuing efforts of our law enforcement agencies and their work force. We should be taking more care to express our unceasing support, and we must back that support with the material incentive for these good people to support themselves and their families in a way that is commensurate with the risks they take and the service they provide.

Mr. President, I ask that this letter to the editor be printed in today's edition of the RECORD.

The letter follows:

SEND A MESSAGE: "I BACK OUR POLICE"

With the phone ringing, the dog and her puppies at my feet, the kittens and mother cat mewing for their supper, and the seven-year-old having me watch her gymnastics, while the 14-year-old gets directions for her first attempt at making macaroni pie, I dust off my soapbox and climb upon it.

Gather ye, old, adolescent, and young for what is said affects ALL of us.

I would be pusillanimous if I did not speak out on behalf of our police.

Sacred ground has been violated within our Holy City. Our police have been degraded and shot at as if they were nothing but common criminals.

The greatest degradation to our police has come about through apathy. We, the good citizens, have permitted low salaries, lack of respect, and laws to be passed on behalf of what appears to be the protection of the criminal. Why should any policeman have to answer if he shoots a criminal while that criminal is performing a criminal act?

Perhaps, in my day, the law was hard, but the philosophy was that the criminal shouldn't have been committing crime.

Where I was raised on Bogard Street between Coming and St Philips Streets, you shot first and looked out the window and said "Who WAS that?" Never did you say "Who's that!" as some guy tried to break in your home. Ah, yes, those were the days when poor was poor and people were people. We had integration before we even knew there were such a word. We shared with one another just because we were people and cared for our neighbor. Our forefathers were poor and they founded a nation that stands as a beacon light to the world.

Today our police are up against not only common criminals, but organized crime in its most sophisticated form.

Our young police can picket for more pay and better conditions, which we know they rightly deserve. However, unless we unite to help our police, the effort is a waste of time and energy.

Send your newspaper a postcard saying, "I back our police." It would be a step toward rebuilding the moral essence of our nation.

(Mrs.) RON HANNA.●

AVIATION HALL OF FAME, INC.

● Mr. GOLDWATER. Mr. President, as statutory agent for the Aviation Hall of Fame, I should like to present for printing in the RECORD the report on examination of financial statements and supplemental data for the year ended December 31, 1978." The report was prepared by Coopers & Lybrand, certified public accountants.

The report follows:

AVIATION HALL OF FAME, INC.

TO THE BOARD OF TRUSTEES,
Aviation Hall of Fame, Inc.,
Dayton, Ohio:

We have examined the balance sheet of the Aviation Hall of Fame, Inc., A Public Foundation, for the year ended December 31, 1978 and the related statements of revenue, expense and fund balance and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the Aviation Hall of Fame, Inc. for the year ended December 31, 1977, before restatement, were examined by other auditors whose report dated March 13, 1978 on those statements was qualified, as being limited to the examination of the Foundation's recorded receipts, and except for the Foundation's policy of recording the disbursements for furniture and fixtures in the statement of operations in the year of purchase.

The statement of changes in financial position for the year ended December 31, 1977 was not part of the financial statements examined by other auditors, and is included for comparative purposes only. Accordingly, it is marked unaudited.

We also reviewed the adjustments described in Note 4 that were applied to restate the 1977 financial statements. In our opinion, such adjustments are appropriate and have been properly applied to the 1977 financial statements.

In our opinion, the 1978 financial statements referred to above present fairly the financial position of the Aviation Hall of Fame, Inc. as of December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after restatement for the change, with which we concur, in the method of accounting for furniture and fixtures as described in Note 4 to the financial statements.

COOPERS AND LYBRAND.

AVIATION HALL OF FAME, INC.

BALANCE SHEETS, DEC. 31, 1978 AND 1977

	1978	1977
ASSETS		
Cash	$36,306	$45,066
Certificates of deposit	35,923	44,233
Marketable securities, at market	2,937	2,210
Accounts receivable	11,630	
Prepaid expenses	515	
Total current assets	87,311	91,509
Furniture, fixtures and equipment, net of accumulated depreciation of $541 in 1978 and $233 in 1977	2,938	2,448
Copyrights	1	1
Collections (Note 2)		
Total	90,250	93,958
LIABILITIES AND FUND BALANCE		
Accounts payable	17,470	3,471
Advances (Note 3)	38,391	42,935
Accrued management fee		8,000
Accrued expenses	571	450
Total current liabilities	56,432	54,856
Fund balance:		
Designated for capital expenditures	8,716	7,870
Designated for promotion	5,000	
Undesignated	20,102	31,232
Total fund balance	33,818	39,102
Total liabilities and fund balance	90,250	93,958

Note: The accompanying notes are an integral part of the financial statements.

STATEMENTS OF REVENUE, EXPENSE AND FUND BALANCE FOR THE YEARS ENDED DEC. 31, 1978 AND 1977

	1978	1977
Support and revenue:		
General memberships	$27,565	$14,300
Organizational memberships	22,000	12,525
Enshrinement dinner	29,600	28,055
Sales of medals and other items	7,826	3,182
Donations	9,626	9,277
Interest and dividends	3,921	3,402
Total	100,538	70,741
Expenses:		
Management fee	$24,800	$24,000
Salaries and office help	10,781	9,285
Enshrinement dinner	41,477	30,095
Membership expenses	14,057	
Exhibits		2,438
Cost of medals and other items	3,000	3,511
Office supplies	6,673	7,048
Postage	2,516	2,105
Telephone	863	985
Payroll taxes	580	521
Contributions	250	
Depreciation	308	233
Miscellaneous	517	3,465
Total	105,822	83,686
Excess of expenses over revenue and support before unrealized security losses and adjustments	(5,284)	(12,945)
Fund balance, beginning of year, as previously reported	36,655	50,073
Adjustments (Note 4)	2,447	1,974
As restated	39,102	52,047
Fund balance, end of year	33,818	39,102

Note: The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED DEC. 31, 1978 AND 1977

	1978	1977 (unaudited)
Sources:		
Operations:		
Excess expenses over revenues	($5,284)	($12,945)
Item which did not require current outlay of cash:		
Depreciation	308	233
Used in operations	(4,976)	(12,712)
Decrease in accounts receivable		1,000
Increase in accounts payable	13,999	985
Increase in accrued expenses	121	
Increase in advances		42,773
	9,144	32,046
Uses of funds:		
Increase in accounts receivable	11,630	
Increase in marketable securities	727	1,110
Increase in prepaid expenses	515	
Increase in furniture, fixtures and equipment	798	706
Decrease in advances	4,544	
Decrease in accrued expenses		69
Decrease in accrued management fee	8,000	8,000
	26,214	9,885
Net increase (decrease) in cash and certificates of deposit	(17,070)	22,161
Cash and certificates of deposit, beginning of year	89,299	67,138
Cash and certificates of deposit, end of year	72,229	89,299

Note: The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The Corporation, A Public Foundation, was created by an Act of Congress, Public Law 88–372, July 14, 1964, to honor outstanding persons in the field of aviation. The Internal Revenue Service has confirmed the status of the Corporation as a tax-exempt public foundation.

Furniture, fixtures and equipment are recorded at cost when purchased or at estimated values when received as a donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets (Note 4).

Donated materials other than collections are recorded at their estimated value at the date of receipt. No amounts have been reflected in the statements for donated office space and services as no objective basis is available to measure the value of such services. Donated office space consists of an office and storage provided by the City of Dayton. Donated services consists of time donated by the Board of Directors for the Foundation.

2. Collections:

The Foundation has acquired by purchase or through donations, various models, books and other memorabilia relating to the field of aviation since its founding. Because the value of these items are not readily determinable and they can be considered inexhaustible items, the Foundation has not capitalized them. The value of objects acquired by gift for which the Foundation can make a reasonable estimate is reported as gifts in the statement of revenue, expenses and changes in fund balance.

3. Advances:

The Foundation has received advances from customers on the sale of sterling silver replicas of the "Spirit of St. Louis" airplane. Because the Foundation was unable to locate a source capable of making a model of sufficient quality, the Foundation has canceled the orders for the replica and will refund the customers for their advances.

4. Change in Accounting Principle:

During the year, the Foundation changed from the practice of expensing fixed assets when purchased to capitalizing fixed assets and depreciating them over their estimated useful lives. This change was made to comply with the statement of position "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations." Accordingly, the financial statements for 1977 have been restated to include furniture, fixtures and equipment resulting in increases of $2,477 and $1,974 in the fund balances as of December 31, 1978 and 1977, respectively, and the recording of $233 in depreciation expense for 1977.

5. Reclassification:

Certain amounts in the 1977 financial statements have been reclassified to conform to 1978 presentations as outlined in the statement of position "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations."

6. Management Contract:

The Foundation has entered into a contract with James W. Jacobs & Associates, Inc. to provide consultation and professional services to maintain operations, expand membership, sponsor events and any other services required by the Foundation. Management fees paid amounted to $24,800 and $24,000 in 1978 and 1977, respectively.●

REGULATORY IMPACT STATEMENT ON H.R. 3914

● **Mr. EAGLETON.** Mr. President, on August 14, 1979, the President signed into law Public Law 96–57, an act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital region.

Through an oversight, report 96–263 of the Governmental Affairs Committee, filed when H.R. 3914 was approved by the Senate on August 2, 1979, failed to include a regulatory impact statement, as required by rule 29.5 of the Standing Rules of the Senate.

Mr. President, in accordance with rule 29.5 of the Standing Rules of the Senate, the committee does not consider that the codification of H.R. 3914 will have any regulatory impact.●

SOVIET TROOPS IN CUBA

● Mr. PELL. Mr. President, having just returned from London as a member of the official American delegation to the funeral of Lord Mountbattan, I would like to record my views on the recent confirmation of Soviet combat forces in Cuba. I believe that the President has done the right thing in pressing the Soviets for a full explanation of why they have combat troops in Cuba. At the same time, the President has wisely avoided an intemperate reaction to a situation that does not represent a direct threat to the United States.

My own view is that the greatest potential threat arising from the Soviet presence in Cuba relates to our interest in the stability of the Caribbean area. If the Soviets are contemplating the establishment of a base that eventually could threaten our friends and allies in the Caribbean, the Soviets must be made to understand that we cannot tolerate that. Similarly, if the Soviets are in Cuba in order to underwrite renewed Cuban adventurism in the area, we must make it clear that that would be unacceptable to us.

I find it difficult, however, to believe that the Soviets would be so foolish as to try to establish a base for such purposes in our backyard. I am therefore hopeful that we will be able to work out something with the Soviets that will adequately deal with our concerns.

In this regard, I hope that neither the administration nor my colleagues in the Senate will lay down specific ultimatums concerning what the Soviets must do. Secretary Vance said at his press conference last week that the status quo was unacceptable. That was a carefully worded statement that leaves flexibility concerning just exactly what will be acceptable to us, and this flexible approach ought to be continued by the President and supported by the Senate.

In judging what Soviet action would represent an acceptable response to our concerns, I offer the following suggestion. The tests of acceptability should be whether the Soviet action makes it clear: First, that Soviet forces in Cuba will not be given a capability to threaten directly either the United States or any other nation in the hemisphere; and second, that Soviet forces in Cuba are not designed in any way to support Cuban military adventurism in Latin America. If these tests are met, we should not, in my view, be concerned about whether some Soviet presence in Cuba continues.

In this latter connection, we ought to bear in mind that it is not unique for one superpower to have a military presence close to the other. We have had some 5,000 troops in Turkey for many years; so we should not exaggerate the significant of some 2,000 to 3,000 Soviet troops in Cuba. The Soviets, of course, know that we are not using Turkey as a base to threaten the Soviet Union or its Eastern European allies; and we should expect and demand that Soviet forces in Cuba will similarly represent no threat to us or our allies in this hemisphere. If we maintain this perspective in dealing with the troop issue, I believe that a crisis can be avoided.

There has been a lot of speculation about the effect of the Cuban issue on SALT II. I have supported the administration's opposition to linking Soviet behavior around the world to the SALT Treaty. But I also realize that, inevitably, linkage will occur if the Soviets do not respond positively to the concerns we have raised regarding Cuba. There ought to be a distinction, however, between speculating on the possibility of linkage and laying down specific conditions that will actually forge that linkage. I urge, therefore, that we give diplomacy a chance and reserve judgment on the linkage issue until the results of the administration's diplomatic efforts are clear and their adequacy fairly evaluated.●

SLAVIC AMERICANS—GOOD AMERICANS

● Mr. HELMS. Mr. President, a few weeks ago, the Senate agreed to an amendment which I offered to a bill extending the authorization for the Civil Rights Commission. The Helms amendment directed the Commission to investigate the negative effects of various Federal laws and policies, including "affirmative action" programs, upon Americans of eastern and southern European ancestry.

It is especially ironic that Federal policies should treat so poorly these Americans who have given so much to their country and have asked for so little. Their communities, usually located in the cities of the Northeast, are apt to be model neighborhoods, clean, safe, law-abiding, church-going, and patriotic. It is tragic that, in return for being such good Americans, they have been treated like second-class citizens by the Federal Government. Their communities have been plagued by busing edicts, their children have been displaced from scholarships and educational opportunities through affirmative action, their breadwinners will suffer most from the imminent recession that has been provoked by the frivolous economic policies of the Carter administration.

And yet, ethnic Americans proudly endure and, despite the obstacles thrown in their way, forge ahead, generation by generation. I would like to share with my colleagues an article from today's Wall Street Journal, which eloquently describes life in the Slavic neighborhoods of Pittsburgh. And I hope that those who read it will listen to the words of Anne Sadowski, a second-generation Ukrainian American, who recalls, "You were just a hunky then," a few decades ago, when she lost her job because she refused to change her Slavic name.

Perhaps the Members of Congress would prefer to believe that such bigotry does not exist nowadays. It does. It is rampant, especially in the bastions of liberalism. Is it not peculiar that no Slavic American has ever been named to the Supreme Court? Is it not remarkable that in one administration after another no Slavic American has been named to a Cabinet post?

In Detroit, 30 percent of the school district population is of eastern European heritage, but only 1 of the 54 top administrators in the Detroit school system is of similar ethnic origin.

In Chicago, Polish Americans comprise 17.8 percent of the population. But city and Federal agencies there employ only the smallest token numbers of Poles in administrative positions.

In the leading law firms of San Francisco, Chicago, Philadelphia, Los Angeles, Washington, D.C., Boston, and New York, there are only a handful of Slavic American partners. Their exclusion is almost total.

Perhaps the problem of Slavic Americans is that they have asked for so little. They have so appreciated the freedom and prosperity of America, and have been so devoted to their country in time of war and in time of peace, that they are taken for granted in politics, oftentimes by the very politicians whose policies so adversely affect ethnic Americans.

I do not think it will always be so. A new awareness is spreading in ethnic communities: A realization that it is time to defend the legitimate rights and interests of all citizens. I have been asked why I should be concerned with this situation as I have very few constituents affected. The answer, Mr. President, as I have said before, is simple equity across the board for all people. I look forward to the day when Federal policies and officials will stop their discrimination against these admirable Americans.

I request that the September 12, Wall Street Journal article, "Slavic Neighborhoods, Proud and Close-Knit, Flourish in Pittsburgh," be printed in the RECORD.

The article follows:

SLAVIC NEIGHBORHOODS, PROUD AND CLOSE-KNIT, FLOURISH IN PITTSBURGH

(By Carol Hymowitz)

PITTSBURGH.—Family gatherings aren't just for holidays if you live the Slovak traditions of the Gasparik clan. Every afternoon, 89-year-old Elizabeth Gasparik gathers with a dozen or more of her 10 children and 52 grandchildren and great-grandchildren, much as her ancestors in the old country gathered for daily visits.

The Gaspariks don't have far to travel. A daughter and three grandchildren live on the second floor of Mrs. Gasparik's home; next door is a son and his family, across the street a granddaughter, down the block another daughter. In fact, the Gaspariks refer to South 24th Street as Gasparik Street because all but two of the eight two-story wooden homes on the block are owned and occupied by Gaspariks.

"We go through everything together," says Mrs. Gasparik's youngest daughter, Lois, 46. Though the family is now so large that it must rent a hall for Thanksgiving dinner, "you can't get a toothache without everybody knowing about it," she says.

Families like the Gaspariks are prevalent in the white ethnic neighborhoods that dot this city. Many such neighborhoods in other cities have gone the way of urban renewal or decay, but in Pittsburgh, tightly knit communities of Slovaks, Poles, Croatians and other descendants of the thousands of Eastern Europeans who came here early in the century to work in the steel and coke industries remain remarkably intact.

CHURCHES ARE IMPORTANT

Homes have been passed from generation to generation, and few are for sale to outsiders. The Catholic and Eastern Orthodox nationality churches that each group transplanted with it are still predominant in these communities. Fraternal organizations and social clubs, such as the Polish Falcons and the Croatian Fraternal Union, as well as folk festivals and ethnic food stores, provide additional ties to the past.

All this makes Pittsburgh one of the last big U.S. cities with distinct European enclaves. Here, says Arthur Tuden, an anthropologist at the University of Pittsburgh, "you can still find neighborhoods where everyone is Polish or even where everyone's family comes from the same European village."

That these enclaves have survived so well for so long is partly due to Pittsburgh's geography. The Allegheny and Monongahela rivers, which meet here to form the Ohio, split the city into thirds: Downtown lies in the triangle formed by the junction of the rivers, while the south side lies across the Monongahela and the north side across the Allegheny. The hills that rise above the river banks further separate neighborhoods. For example, one of these enclaves, Polish Hill, is just that: a hilltop accessible only by a few steep roads.

The result is a city with clearly marked neighborhood boundaries. "You can't travel more than five minutes without coming to a bridge, a tunnel or a steep road," says Bosanka Evosevic, "and that's kept residents locked in." Miss Evosevic is a lifelong resident of the south-side neighborhood where the Gaspariks live. The neighborhood, too. is called the South Side.

WHERE THE HEARTH IS

Most Pittsburghers, according to a recent poll, identify far more with their neighborhoods than with the city as a whole. Some seldom venture beyond them; home is the South Side or Polish Hill, not Pittsburgh. Mrs. Gasparik hasn't made the two-mile trip from the South Side to downtown in years.

The steel mills and coke ovens play a big part in preserving the old neighborhoods. As long as the people have worked in the mills —a pattern that has only recently begun to change—they have stayed close by, in the "mill town" communities their immigrant ancestors settled in. Such is the case in the South Side neighborhood, where many of the 17,000 residents work at Jones & Laughlin Steel Corp. Mrs. Gasparik's home is only a few blocks from J & L's big South Side mill, and several of her sons-in-law work there, just as her late husband did.

Like the Gaspariks, most residents of neighborhoods like the South Side are Slavs. While the city has its share of Irish, Italians and other nationalities, nearly 40 percent of Pittsburghers have Slavic surnames. But Slavs here aren't merely Slavs. They are Polish Slavs, Slovak Slavs, Slovenians, Serbians, Croatians, Bulgarians and a dozen more Eastern European nationalities that have clung to their distinct ways and are quick to note them.

"Slovaks are gentle, while Croatians are fierce, maybe because they had to fight the Turks in Europe and Ukrainians and Carpatho-Russians are still feuding, just as they did in Europe," says Arcadi Nebolsine, president of the American Slavic Education Society.

COMMON GROUND

But even feuding Slavs agree that they have far more in common with each other than with anybody else. Certainly the thousands of Slavic immigrants, who followed earlier waves of Irish and Germans here to labor in the mills, shared a similar plight: Along with grueling, dangerous work that paid little, Slavs faced the contempt of native-born Americans and of immigrants who arrived before them.

"You were just a hunky then," says Anne Sadowski, a second-generation Ukrainian now in her 50s. As a young girl, Mrs. Sadowski was "jeered at and ridiculed" when she went to Easter Mass carrying the traditional Ukrainian Easter basket filled with intricately hand-painted eggs, and in her 20s she lost a job because she refused to change her identifiably Slavic name.

Such bigotry hasn't been forgotten by the Slavs of Mrs. Sadowski's generation, or even by younger Slavs who are moving out of the mills and into white-collar and professional jobs. Many admit to feeling pressure to shed their Slavic identities so as to fit into the mainstream. But it is in the old neighborhoods that they feel most at home, and many can't fathom the thought of leaving them.

"Nine out of ten could afford to move but they say they don't want to and ask 'Where would I go?' " says Michael Weber, an urban historian at Carnegie-Mellon University. Mr. Weber has found that members of ethnic groups here move to the suburbs at a much slower rate than those in other metropolitan areas.

Those that do move, he says, "often do so reluctantly, when they can't find any housing in their old neighborhoods," though some third-generation Slavs faced with this problem have actually built homes in their parents' backyards. "My family's here, my church is here, everyone I know is here, and I would just die if I had to leave," says Mrs. Gasparik's daughter Agnes, 50.

The Gaspariks not only visit each other daily but also sustain each other economically and emotionally. Mrs. Gasparik's sons save money for the family by doing each other's home-repair and remodeling jobs, while her daughters care for each other's children and for her. "We would never think of putting our mother in a nursing home," says daughter Agnes.

Though Mrs. Gasparik is surrounded by relatives on her block, each day one of her seven daughters moves in to spend the entire day and night. Mrs. Gasparik likes the arrangement; she wouldn't think of leaving the home that her husband made sure was paid for before he died. "It isn't rich," she says, "but it's my own."

SAFE AT 2 A.M.

All around the neighborhood, where housewives sweep the sidewalks and wash their doorsteps once a week, residents point proudly to their neat wooden homes and gardens with shrines in them, saying theirs are the best-kept houses in town. "You don't see any garbage lying around or dilapidated places because people own their own homes, so they take care of them." Mrs. Sadowski says, "And it's safe to walk around here at 2 a.m. because we know each other."

At police station No. 7, Inspector Thomas Cunningham agrees that the area is safe. "There's practically no murder, rape or burglary here," he reports. The reason: neighborhood stability. "At least 80 percent to 90 percent of the homes here are owner-occupied," the inspector says, and they seldom change hands.

Most of the homes were purchased with large downpayments and short-term mortgages, says John S. Dzerski, a vice president at South Pittsburgh Savings and Loan Association. Mr. Dzerski's older Slavic customers are "so thrift-conscious," he says, they they "reject plastic cards outright" and make large down payments "so they won't have a burden hanging over them."

Looming above the homes are the nationality churches and cathedrals, which more than any other local institution provide a link to the old country. The sheer number and variety of these churches may be enough to keep the minute ethnic distinctions between Slavic groups alive. The South Side neighborhood alone has seven nationality churches within walking distance of each other, including two Polish Roman Catholic churches, a Slavonic Byzantine Rite church and a Ukrainian as well as a Russian Eastern Orthodox church.

PRIESTS FROM THE HOMELAND

While these churches fall under the auspices of either the Roman Catholic of Eastern Orthodox hierarchies, each offers services in the old-country language, maintains old-country rituals and keeps old-country culture alive through dance and music classes, festivals and suppers. Most important to parishioners, each church usually has at least one priest from the ancestral homeland. Church would not be church, Mrs. Gasparik says, "without my priest, who speaks beautiful Slovak and understands everything."

On the South Side and in other ethnic neighborhod here, Slavs routinely turn to their churches and to each other for help. This tradition is rooted in the discrimination they once faced in this country. When Slavs first arrived here, they formed fraternal organizations that, among other things, provided members with life insurance "because no American insurance company would sell to us," Mrs. Sadowski says. Today such groups, which began by collecting pennies from immigrants, not only still exist but thrive as multimillion-dollar insurance firms; 19 of them have their national headquarters here.

It is questionable whether such self-help groups will be needed by members of the younger generation, who can easily enter a society forbidden to their grandparents. That thought worries older Slavs, who fear that in moving up in the world, their children may also move away. "Our children go to college and come home strangers," complains Mr. Nebolsine of the American Slavic Education Society. "They learn the American ideal of the loner, the nomad, which is totally alien to Slavic family life."

Stephen Zupcic is a third-generation college-educated Slav who was born in a Croatian neighborhood but now lives in a more affluent area not far from the University of Pittsburgh, where he helps run a community-affairs program. Today, he says, some of the values he learned as a child—such as "never let anyone know how much money you have by dressing well or having a good car"—no longer make sense to him and, in fact, clash with the often opposite values of his middle-class friends.

Still, like many Slavs who have moved away, Mr. Zupcic returns to the old Croatian neighborhoods for church services, weddings, picnics and christenings and to shop at the old stores. "Even though you've left," he says, "you go back and live out your life crises there."

In fact, Pittsburgh's ethnic neighborhoods are holding their own—and some may even be facing a resurgence. On the South Side these days, residents discussing the recent gasoline crunch are applauding their good sense for staying in a neighborhood where you don't need a car. "Unlike the suburbanites, we're going to survive," Mrs. Sadowski says. Mrs. Sadowski's brother, one of those suburbanites, has been thinking about moving back. So have Mr. Zupcic and his wife, Christine, who grew up on the South Side and miss "the closeness between there." ●

HOME HEATING OIL

● Mr. JOHNSTON. Mr. President, one of our Nation's major suppliers of home heating fuel, Texaco, Inc., announced a most commendable and bold response to our home heating oil problems. Friday, Texaco announced that it will follow a four-point plan in handling home heating oils during the remainder of 1979. First, the company announced that it has no present plans to increase its current wholesale or retail home heating oil prices through the remainder of the year and will make every reasonable effort to avoid such increases.

Second, the company announced that it will make one-time emergency deliveries of home heating fuel from 23 designated response centers to any person where local authorities have determined that a real emergency exists that could endanger life or health. The company will deliver a minimum of 25 gallons of heating fuel and will discuss payment after the delivery.

Third, the company will extend 30 days' additional credit to each of its established, qualified wholesale and retail customers.

Fourth, the company announced that its U.S. refineries began to maximize home heating oil production on July 10, 2 months earlier than usual, and that it has been purchasing substantial volumes of home heating oil, often at prices significantly higher than its own prices. Therefore, the company stated that it expects to be able to deliver at least 87 percent of last year's purchases to each of its customers.

Mr. President, we are all concerned about the cost and availability of home heating oil during the coming winter. As chairman of the Energy Regulation Subcommittee of the Senate Energy and Natural Resources Committee, I am concerned that Government and industry act quickly and appropriately concerning the price and availability of home heating oil. Certain Government actions, including particularly the recent decision to grant $5 per barrel entitlements to imported home heating oil are inappropriate—inappropriate because the program will export U.S. dollars and will not result in lower prices for home heating oil. Perhaps the announced plan by this major domestic supplier will focus our attention on more appropriate governmental responses to our heating oil problems. I encourage other domestic suppliers to follow Texaco's lead in announcing enlightened responses to the Nation's heating oil problems.

Mr. President, I ask that the text of the following news release announcing the home heating oil program be printed in the RECORD.

The release follows:

TEXACO ANNOUNCES PLAN FOR HOME HEATING OIL

WHITE PLAINS, N.Y., September 7.—Texaco Inc. today announced the following four-point plan it will follow in handling home heating oils during the remainder of 1979:

HOME HEATING OIL SUPPLIES

Texaco announced that it expects to be able to make available to its home heating oil customers at least 87 percent of the volume of home heating oil that each purchased last season. Deliveries are currently being made on this basis to Texaco's wholesale and retail customers, the latter being directly supplied by Texaco.

Texaco commenced maximizing production of home heating oil in its United States refineries on July 10, which was two months earlier than normal. The company has also purchased substantial volumes of home heating oil at prices up to 15 cents a gallon higher than its own current wholesale price. These actions, Texaco said, are indicative of the efforts being made by the company to maximize its home heating oil supplies.

With the conversions taking place from heating oil to natural gas, and with the anticipated conservation efforts by home heating oil users, Texaco expects that its supplies will be adequate to fulfill the essential needs of its customers.

HOME HEATING OIL PRICES

Texaco also announced that it has no present plans to increase its current prices for home heating oil, either to its wholesale or retail customers. The company said it is making every reasonable effort to avoid any price increases in home heating oils for the remainder of 1979. If, however, unforeseen events occur which cause inordinate increases in Texaco's costs and expenses, the company's position would of course have to be re-examined.

Texaco reported that its current average wholesale price in the United States for home heating oil is 67 cents a gallon. The current spot cargo market price for home heating oil on the U.S. Gulf Coast and in New York Harbor—that is, the price which the company must pay to purchase additional quantities—is 78 cents a gallon. Furthermore, such prices in Rotterdam, the European oil market center, are about $1.02 a gallon.

Commenting on its current prices, Texaco stated that heating oil prices must include higher costs of domestic and foreign crude oil, rising manufacturing and labor expense, taxes and the inflationary effects resulting in substantial increases in other costs and expenses, if adequate supplies are to be available.

HOME HEATING OIL EMERGENCY DELIVERY PLAN

Texaco has developed a plan for immediate response to verified emergencies due to lack of home heating oil. In the areas where Texaco operates, it will make a one-time emergency delivery to the home of Texaco home heating oil customers, or to the home of any other person, where it has been determined by local authorities that a real emergency exists that could endanger life or health. The emergency delivery would be a minimum of 25 gallons of home heating oil.

Anticipating that certain deliveries may be made to home owners who may have difficulty in making immediate payment, the company said payment terms would be decided after the delivery has been made. This special emergency service will be available day or night when such an emergency has been properly certified to exist.

The company said the intent of the plan was to take care of people in a hardship or emergency situation until other arrangements could be made. The Company said it would make no surcharge for the delivery costs involved. Only the current retail price for home heating oil will be billed to the customer.

HOME HEATING OIL CREDIT POLICY

Texaco announced that its credit policy to its established, qualified retail home heating oil customers will continue to be payment within 30 days of date of delivery. The company said it will extend up to 30 days' additional credit to such customers, with its usual credit charge being applied during this latter period.

Texaco further announced that its wholesale credit policy was being modified. Credit terms for qualified wholesale customers will be 30 days from date of delivery. Up to 30 days of additional credit will be offered to such customers. The usual Texaco credit charge will be applied to the latter period. Texaco said that it was offering these extended credit terms to its wholesalers in the hope they will pass them on to the benefit of their retail customers.

In its announcement, Texaco called attention to the independent position of its wholesale customers. These wholesalers have complete determination and control of the prices they will charge their customers, credit terms, hours of operation and delivery schedules, and Texaco has no control over such activities.

Texaco stated that it is making this announcement concerning home heating oil to clarify the company's position with regard to providing this important petroleum product to its customers. The company stressed that it intends to continue to fulfill its responsibility as a major supplier of home heating oil, and hopes that this special, four-point program will serve to bridge a difficult period by providing additional assistance to customers who might otherwise be confronted with real hardship.

The company's concluding statement stressed that every reasonable action should be taken to practice conservation. In the future, Texaco said, we must expect increased energy costs and tight supplies worldwide.

NOTE TO EDITORS.—See attached list of locations of Texaco terminals from which emergency deliveries will be made.

TEXACO HOME HEATING OIL EMERGENCY RESPONSE PROGRAM—DESIGNATED AREAS

1. Boston, Mass.
2. Worcester, Mass.
3. Providence/Pawtucket, R.I.
4. New York, N.Y.
5. Hartford/Cromwell, Conn.
6. Seattle, Wash.
7. Philadelphia, Pa.
8. Newark, N.J.
9. Baltimore, Md.
10. Fairfax, Va. (Washington, D.C.)
11. Richmond, Va.
12. Louisville, Ky.
13. Minneapolis/St. Paul, Minn.
14. Norfolk, Va.
15. Pennsauken, N.J.
16. Lockport, Ill. (Chicago).
17. Portland, Oreg.
18. Denver, Colo.
19. River Rouge (Detroit), Mich.
20. Cincinnati, Ohio.
21. Buffalo, N.Y.
22. Claymont, Del.
23. E. Peoria, Ill.●

HIGHWAY AND PUBLIC TRANSPORTATION IMPROVEMENT ACT—S. 1704

● Mr. WEICKER. Mr. President, for many years the Congress of the United States has labored loudly but ineffectively to develop a strong and equitable energy program for this Nation. We have diligently studied the many complex decontrol and deregulation proposals but have reached no solution for energy independence. We have most recently shifted our hopes toward synthetic fuels and advanced recovery techniques in our quest for the magic formula. But in fact, we have had trouble identifying the real issue. The key to our fight against OPEC, and the key to the door which leads down the path of energy independence, is not simply decontrol, deregulation, or synthetic fuel development but is clearly dependent on discipline, sacrifice, and conservation.

On August 3, 1979, I introduced S.

1704, the Highway and Public Transportation Improvement Act of 1979. Although this legislation is by no means the solution to our energy problems, it represents the recognition of a simple fact: we consume too much gasoline.

In short, S. 1704 would reduce our consumption of gasoline in two ways. First, it is well understood that more roads generate more cars and that more cars consume a greater amount of gasoline. S. 1704 would abolish the Highway Trust Fund effective September 30, 1980, and therefore, remove the existing bias toward highways in Federal transportation funding.

Second, by abolishing the fund, we will allow greater flexibility to States and localities to evaluate their specific transportation needs and thereby encourage the use of Federal funds for mass transit alternatives where appropriate.

The Highway Trust Fund outlived its purpose long ago. A splendid interstate highway system has been substantially completed; the billions in the fund should not be locked in when other transportation needs are evident. It is important that Congress begin to recognize the need to weigh our many naional needs and seek a better balance in the use of our limited financial resources.

Mr. President, this is not the first time I have addressed the issue of conservation, nor will it be the last. If we really want to move out of the grasp of OPEC, and if we really want to move toward eventual energy independence, we must focus on the small steps, the disciplined steps, that will lead us to our goal. We simply must reduce our gas consumption and building new roads is not consistent with this end.

I ask that the bill and an executive summary be printed in the RECORD.

The bill and summary follow:

S. 1704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Highway and Public Transportation Improvement Act of 1979".

TITLE I—AMENDMENTS TO TITLE 23, UNITED STATES CODE

DEFINITIONS

SEC. 101. Section 101(a) of title 23 of the United States Code is amended as follows:

(1) The first sentence of the definition of "construction" is amended by (A) adding after "highway" the words "or public transportation project"; (B) adding between "rehabilitation," and "acquisition of rights-of-way", the following: "maintenance,"; and (C) adding before the period at the end a comma and the following: "and the acquisition of necessary facilities and equipment for a public transportation project, and may include costs of operating such public transportation".

(2) The definition of "county" is amended by deleting the word "highways" and substituting in each place it occurs the word "transportation".

(3) Following the definition of "county" add the following definition:

"The term 'designated recipient' means the State agency or local public body designated pursuant to section 150.".

(4) The definition of "maintenance" is amended by inserting before the period at the end thereof the following: "or public transportation system including all structures, facilities, and equipment necessary for the safe and efficient utilization of such systems".

(5) The definition of "project" is amended by (A) adding after the word "highway" as first used in the definition, the words "or public transportation system", and (B) deleting the last four words of the definition, and substituting in lieu thereof the words "such a system so constructed, and in the case of assistance for the operation of a public tranportation sytsem, the term 'project' shall apply to the conditions set forth by the Secretary for the use of such funds".

(6) The definition of "project agreement" is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(7) The definition of "State funds" is amended by deleting the last two words of the definition, and substituting in lieu thereof the words "agency empowered by State law to expend such funds".

(8) The definition of "Federal-aid secondary system" is repealed.

(9) Following the definition of "Federal-aid system", add the following definition:

"The term 'Federal-aid small urban and rural system' means the Federal-aid system described in subsection (b) of section 103 of this title.".

(10) Following the definition of "urban area," add the following definitions:

"The term 'mass transportation' means transportation by bus, or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service (but not including schoolbuses or charter or sightseeing service) on a regular and continuing basis.

"The term 'public paratransit' means those forms of collective passenger transportation, as defined by the Secretary, which provide shared-ride service to the general public or special categories of users on a regular and predictable basis and which do not necessarily operate on fixed schedules or over prescribed routes.

"The term 'public transportation' means either mass transportation or public paratransit, or both.

"The term 'routes' means the geographical location of highways, or public transportation operations.".

AMENDMENT OF SECTION 103

SEC. 102. Section 103 of title 23 of the United States Code is amended to read as follows:

"§ 103. Federal-aid systems

"(a) For the purposes of this title, the four Federal-aid systems, the primary system, the small urban and rural system, the urban system, and the Interstate System, are established and continued pursuant to the provisions of this section, and in the case of the small urban and rural system, in accordance with section 133 of this title.

"(b)(1) The Federal-aid primary system shall consist of an adequate system of connected main highways, selected or designated by each State through its State highway department, subject to the approval of the Secretary as provided by subsection (f) of this section. This system shall not exceed 7 per centum of the total highway mileage of such State, exclusive of mileage within national forests, Indian, or other Federal reservations and within urban areas, as shown by the records of the State highway department on November 9, 1921. Whenever provision has been made by any State for the completion and maintenance of 90 per centum of its Federal-aid primary system, as originally designated, said State through its State highway department by and with the approval of the Secretary is authorized to increase the mileage of its Federal-aid primary system by additional mileage equal to not more than 1 per centum of the total mileage of said State as shown by the records on November 9, 1921. Thereafter, it may make like 1 per centum increases in the mileage of its Federal-aid primary system whenever provision has been made for the completion and maintenance of 90 per centum of the entire system, including the additional mileage previously authorized. This system may be located both in rural and urban areas. The mileage limitations in this paragraph shall not apply to the District of Columbia, Hawaii, Alaska, or Puerto Rico.

"(2) After June 30, 1976, the Federal-aid primary system shall consist of an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas. The Federal-aid primary system shall be designated by each State acting through its State highway department and where appropriate, shall be in accordance with the planning process pursuant to section 134 of this title, subject to the approval of the Secretary as provided by subsection (f) of this section. Funds apportioned to each State for the primary system may be expended for any project on the urban system or on the small urban and rural system to the extent that such apportionment is attributable to urbanized areas, and small urban and rural areas, respectively.

"(c) The Federal-aid small urban and rural system shall consist of those routes designated in section 133.

"(d) The Federal-aid urban system shall be located in each urbanized area and shall consist of transportation projects therein other than highway projects on the Interstate System.

"(e)(1) The Interstate System shall be designated within the United States, including the District of Columbia, and, except as provided in paragraphs (2) and (3) of this subsection, it shall not exceed forty-one thousand miles in total extent. It shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to the greatest extent possible, to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of this system, to the greatest extent possible, shall be selected by joint action of the Governor of each State and the adjoining States, subject to the approval by the Secretary as provided in subsection (f) of this section. This system may be located in both rural and urban areas.

"(2) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate System of five hundred miles, to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System (including urban routes necessary for metropolitan transportation) and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of interstate routes or portions thereof as provided in this subsection. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph except that the cost to the United States of the aggregate of all mileage designated under the third sentence of this paragraph shall not exceed the cost to the United States of the aggregate of all mileage approval which is withdrawn under the second sentence of this paragraph, such costs shall be that as of the date of withdrawal as determined in accordance with subsection (i) of this section. In considering routes or portions thereof to be added to the Interstate System under the third sentence of this paragraph, the Secretary shall, in consultation with the States and local governments concerned, give preference, along with due regard for interstate highway type needs on a nationwide basis, to routes or portions thereof in States in which the Secretary has heretofore or hereafter withdrawn his or her approval of other routes or portions thereof.

"(3) In addition to the mileage authorized by paragraphs (1) and (2) of this subsection, there is hereby atuhorized additional mileage of not to exceed one thousand and five hundred miles for the designation of routes in the same manner as set forth in paragraph (1), in order to improve the efficiency and service of the Interstate System to better accomplish the purposes of that system.

"(4) Upon the joint request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System which is within an urbanized area or which passes through and connects urbanized areas within a State and which was selected and approved in accordance with this title, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by the route or portion thereof. When the Secretary withdraws his or her approval under this paragraph, a sum equal to the Federal share of the cost to complete the withdrawn route or portion thereof, as determined in accordance with subsection (i) of this section, shall be available to the Secretary to incur obligations for the Federal share of either public transportation projects involving the construction of fixed rail facilities or the purchase of passenger equipment including rolling stock, for any mode of mass transit, or both, or projects authorized under any transportation assistance program under this title or the Urban Mass Transportation Act of 1964, or both, which will serve the urbanized area and the connecting nonurbanized area corridor from which the Interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located. Upon the joint request of the Governor and local governments concerned, the Secretary may approve substitute projects for other areas within the State. Approval of the plans, specifications, and estimates for such project by the Secretary shall constitute a contractive obligation of the Federal Government to pay the Federal share of such project as provided in this paragraph. The Federal share of obligations incurred after September 30, 1980, for substitute projects shall be that provided in section 120(c) of this title. There are hereby authorized to be appropriated out of the general fund of the Treasury such sums as are necessary for public transportation projects substituted pursuant to this paragraph. The sums available for obligation under this paragraph shall remain available until obligated. Obligations incurred after the date of enactment of this sentence under this paragraph for highway or public transportation projects substituted as a consequence of withdrawals made after May 5, 1976, shall come from sums apportioned to the State under section 104(b)(2)(A) of this title. Funds available for expenditure to carry out the purposes of this paragraph shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended. After the date of enactment of this sentence, the Secretary may not redesignate any mileage as part of the Interstate System as a consequence of any withdrawal made pursuant to this paragraph.

"(f) The Secretary shall have authority to approve in whole or in part the Federal-aid small urban and rural system, the Federal-aid urban system, the Federal-aid primary system, and the Interstate System, as when such systems or portions thereof are designated, or to require modifications or revisions thereof. No Federal-aid system or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.

"(g) The Secretary on July 1, 1974, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not essential to completion of a unified and connected Interstate System. Any segment of the Interstate System, with respect to which a State has not submitted by July 1, 1975, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest. This subsection shall not be applicable to any segment of the Interstate System referred to in section 23(a) of the Federal-Aid Highway Act of 1968.

"(h) Notwithstanding subsections (e)(2) and (g) of this section, in any case where a segment of the Interstate System was a designated part of such system on June 1, 1973, and is entirely within the boundaries of an incorporated city and such city enters into an agreement with the Secretary to pay all non-Federal costs of construction of such segment, such segment shall be constructed

"(i) In determining the cost of an interstate route or portion thereof for which withdrawal is applied for under paragraphs (2) and (4) of subsection (e) of this section, the Secretary shall use as a base cost for such determination the estimated cost of construction of such route or portion thereof at the latest stage of approval by the Secretary, or the date of approval of each substitute project under paragraph (4) of subsection (e) of this section, whichever is later. Such cost shall then be increased or decreased in accordance with the increase or decrease in construction materials and labor to construct such substitute project in the local market where the project is located. Additionally the Secretary shall take into account in his or her determination of cost, changes in the route or portion thereof which would have been necessary to meet Federal approval if the withdrawn project had been completed. Any Governor or designated recipient dissatisfied with the cost revision approved by the Secretary may appeal such decision in the manner provided for in subsection (g) of section 134 of this title.

"(j)(1) By September 30, 1986, all routes or portions thereof on the Interstate System (for which the Secretary finds that sufficient Interstate authorizations are available) must be completed or under contract for construction and construction must have commenced unless such failure to be under construction is due to court order. Immediately after such date, the Secretary shall remove from designation as part of the Interstate System each route or portion thereof of such system not complying with this paragraph.

"(2) Any Interstate route or portion thereof or any highway or public transportation project substituted pursuant to subsection (e) of section 103 of this title which is: (A) under construction but not completed, (B) not under construction due to court order, or (C) not under construction because of insufficient Interstate authorizations, shall on September 30, 1986, become a separate and individual project for which authorizations and appropriations shall be made separately from funds provided under this title. After September 30, 1986, no apportionments shall be made to the States for the Interstate System pursuant to section 104(b)(2)(A).".

AMENDMENTS TO SECTION 104

SEC. 103. Section 104 of title 23 of the United States Code is amended—

(1) by deleting paragraphs (2) and (4) of subsection (b), and redesignating the remaining subsections and cross references accordingly;

(2) by deleting the words "State highway departments" in redesignated paragraph (2)(A), and substituting in lieu thereof the word "Governor";

(3) by adding the following after the last sentence of such paragraph: "After the date of enactment of this sentence the Secretary shall revise the method of apportionment contained in this paragraph by including the cost of completion of any highway or public transportation project, substituted pursuant to subsection (d) of section 103 of this title, as part of the estimate of the cost of completing the then designated Interstate System.";

(4) by deleting the words "State highway departments" in subsection (e) and substituting in lieu thereof the word "Governors"; and

(5) by amending subsection (f) to read as follows:

"(f) On October 1 of each fiscal year, the Secretary shall set aside 2 per centum of the funds to be apportioned under this section which shall be available for the purposes of section 134 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning, except that, for the funds apportioned under (b)(2)(A) of this section, the Secretary shall set aside and make available this per centum of such funds on October 1 of the year preceding the fiscal year for which authorized.".

AMENDMENT OF SECTION 105

SEC. 104. Section 105 of title 23 of the United States Code is amended to read as follows:

"§105. Programs

"(a) As soon as practicable after the apportionments have been made under sections 104, 133, and 151 of this title, or appropriations have been made under the Urban Mass Transportation Act of 1964, the Governor of any State, or the designated planning organization, whichever is appropriate, shall submit to the Secretary, for his or her approval, a single program of proposed projects comprised of projects to be funded under either of such Acts, for the utilization of funds apportioned or appropriated. The Secretary shall act upon programs submitted to him or her as soon as practicable after the same have been submitted, and may approve a program in whole or in part.

"(b) Except as provided in subsection (c) of this section, in approving programs for projects, the Secretary shall require that such projects be selected in accordance with the planning process required pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(c) Notwithstanding subsection (b) of this section, the Secretary may approve projects under this section which he or she finds are eligible for emergency relief under the provisions of section 125 of this title.

"(d) In approving programs for projects under this section, the Secretary shall require that such programs of projects have been selected by the planning organizations designated pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(e) In approving programs for projects the Secretary shall require the Governors and designated planning organizations to give priority to the reconstruction of highways which have been shown to be hazardous to the public.

"(f) In approving programs for projects under this chapter, the Secretary may give priority of approval to, and expedite the construction of, projects that are recommended as important to the national defense by the Secretary of Defense, or other officials authorized by the President to make such recommendations.

"(g) In approving programs for projects on the Federal-aid systems pursuant to this chapter, the Secretary shall give priority to those projects which incorporate improved standards and features with safety benefits.

"(h) In preparing programs to submit in accordance with subsection (a) of this section, the Governors and designated planning organizations shall give consideration to projects providing direct and convenient public access to public airports and public ports for water transportation, and in approving such programs the Secretary shall give consideration to such projects.

"(i) In approving programs for projects under this section, the Secretary should give preference to those projects, implementation of which will result in the savings of energy resources, as such projects are identified in the plan submitted pursuant to section 134 of this title. Further priority shall also be given to projects falling within the provisions of section 146 of this title.".

AMENDMENTS TO SECTION 106

SEC. 105. (a) Section 106(a) of title 23 of the United States Code is amended by deleting "Except as provided in section 117 of this title, the State highway department," and substituting in lieu thereof "The Governor or designated recipient".

(b) Section 106(c) of such title is amended by deleting the word "highway" and substituting in lieu thereof the word "system."

AMENDMENT TO SECTION 107

SEC. 106. Section 107(c) of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "appropriate agency".

AMENDMENTS TO SECTION 108

SEC. 107. (a) Section 108 of title 23 of the United States Code is amended by deleting the words "State highway department" wherever appearing therein, and substituting in lieu thereof the words "designated recipient", and by deleting the word "highway" from the phrase "Federal-aid highway system" wherever appearing therein.

(b) Subsection (c)(2) of such section is amended by deleting the words "of highways".

(c) Subsection (c)(3) of such section is amended by deleting the words "of a highway".

AMENDMENTS TO SECTION 109

SEC. 108. Section 109 of title 23 of the United States Code is amended—

(1) in subsection (a), by deleting the phrase "on any Federal-aid system";

(2) in subsection (c), by deleting the words "Projects on the Federal-aid secondary system in which Federal funds participate" and inserting in lieu thereof the words "Small urban and rural projects"; and

(3) by deleting subsection (h) and inserting in lieu thereof the following:

"(h) In furtherance of the national transportation policy expressed in section 134(a), not later than January 1, 1981, the Secretary, after consultation with appropriate Federal and State officials, shall promulgate guidelines designed to assure that possible adverse economic, social, and environmental effects relating to any proposed project under this title or the Urban Mass Transportation Act of 1964 have been minimized in developing such project, and that the final decisions on the project are made in the best overall public interest taking into consideration the need for fast, safe, and efficient transportation, public services, and the costs and benefits of eliminating or minimizing such adverse effects and the following:

"(1) air, noise, and water pollution;

"(2) destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business, and farms;

"(5) excess energy consumption and vehicle miles traveled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

Such guidelines shall apply to all proposed projects with respect to which plans, specifications, and estimates are approved by the Secretary after the issuance of such guidelines. Until such guidelines are in force, the guidelines previously issued pursuant to this subsection shall remain in force.";

(4) in subsection (i) by inserting "1)" after "(i)" by deleting the word "highway" wherever it appears and by deleting the last sentence and adding the following paragraph:

"(2) Not later than January 1, 1981, the Secretary, acting jointly with the Administrator of the Environmental Protection Agency, shall review and revise the standards issued pursuant to paragraph (1) of this subsection. After revising such standards the Secretary shall not approve plans and specifications for any proposed project on any Federal-aid system or financed by the Urban Mass Transportation Act of 1964, as amended, unless he determines that such plans and specifications insure compliance with such standards. The Secretary and the Administrator shall issue, at the same time and in the same manner as authorized above, regulations to achieve those standards by retrofitting or otherwise reducing noise levels on existing transportation facilities that have received Federal funds at any time, from either this title or the Urban Mass Transportation Act of 1964, as amended. Any area which fails to meet the standards issued pursuant to this subsection must take all reasonable steps to retrofit or otherwise reduce noise levels of those facilities which violate such standards. Any such area shall use at least 5 per centum of the funds apportioned to it under sections 104(b) and 133(a) of this title for the purpose of retrofitting such facilities as were financed under this title. Any such area shall also use at least 5 per centum of the funds apportioned to it under the Urban Mass Transportation Act of 1964, as amended, for the purpose of retrofitting such facilities as were financed under that Act.";

(5) by deleting subsection (j) and inserting in lieu thereof the following:

"(j) Not later than January 1, 1981, the Secretary and the Administrator of the Environmental Protection Agency, acting jointly, shall issue regulations to assure that projects constructed pursuant to this title and the Urban Mass Transportation Act of 1964, are consistent with any approved plan for the implementation of any ambient air quality standard for any air quality control region designated pursuant to the Clean Air Act, as amended. The Secretary shall not approve any project, any program of projects submitted pursuant to section 105 of this title or any plan or certify any planning process under section 134 of this title unless he finds, in consultation with the Administrator of the Environmental Protection Agency, that such project, program of projects, plan or planning process does not (1) exacerbate any existing violations of National Ambient Air Quality Standards, (2) contribute to a violation of National Ambient Air Quality Standards for a pollutant for which no concentrations in violation of the standard have been measured, (3) delay attainment of National Ambient Air Quality Standards, (4) interfere with maintenance of National Ambient Air Quality Standards, once the standards are attained, or (5) omit any appropriate portions of implementation plans promulgated under section 110 of the Clean Air Act, as amended, including transportation control measures.";

(6) adding at the end thereof the following new subsections:

"(o) In furtherance of the national transportation policy expressed in section 134(a), the Secretary shall not approve any project for which funds have been apportioned under this title or appropriated pursuant to the Urban Mass Transportation Act of 1964 unless he finds that all reasonable alternatives capable of meeting the transportation needs, as such needs are identified in the appropriate plans required by section 134 of this title, have been considered and that the proposed projects is one which can feasibly meet such transportation need while eliminating or best minimizing such adverse effects as the following:

"(1) air, noise, and water pollution;

"(2) destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business, and farms;

"(5) excess energy consumption and vehicle miles traveled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

"(p) The Secretary shall not approve any project under this title which increases the vehicular or weight-bearing capacity of any highway unless it meets all requirements and provisions of the National Environmental Policy Act of 1969."

AMENDMENTS TO SECTION 110

SEC. 109. (a) Subsection (a) of section 110 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (b) of such section is amended by deleting the words "highway department".

AMENDMENT TO SECTION 111

SEC. 110. Section 111 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipients".

AMENDMENT TO SECTION 112

SEC. 111. (a) Subsection (a) of section 112 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (e) of such section is repealed.

AMENDMENTS TO SECTION 113

SEC. 112. (a) Subsection (a) of section 113 of title 23 of the United States Code is amended by deleting the words "highway" and "the primary and secondary, as well as their extensions in urban areas, and the Interstate System,".

(b) Subsection (b) of such section is amended by deleting the words "highway department" and substituting in lieu thereof the words "designated recipient".

AMENDMENTS TO SECTION 114

SEC. 113. Section 114 of title 23 of the United States Code is amended by—

(1) deleting the words "highways or portions of highways" and substituting in lieu thereof the word "project";

(2) deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient"; and

(3) deleting "Except as provided in section 117 of this title such" and inserting in lieu thereof "Such".

AMENDMENTS TO SECTION 116

SEC. 114. Section 116 of title 23 of the United States Code is amended—

(1) in subsection (a) by deleting the words "State highway department" and inserting in lieu thereof the words "designated recipient";

(2) in subsection (b) by deleting the words "State highway department" and "highway department" and substituting in lieu thereof the words "designated recipient";

(3) in subsection (c) by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient";

(4) in subsection (d) by deleting the words "State highway departments" the first time such words appear in such subsection, and substituting in lieu thereof the word "Governors", and deleting the words "State highway departments" the second time such words appear in such subsection, and substituting in lieu thereof the words "designated recipient"; and

(5) in subsection (e) by deleting the words "State highway departments" and substituting in lieu thereof the words "designated recipients".

REPEAL OF SECTION 117

SEC. 115. Section 117 of title 23 of the United States Code is repealed.

AMENDMENTS TO SECTION 118

SEC. 116. Section 118 of title 28 of the United States Code is amended—

(1) by deleting the words "State highway department" in subsection (a) and substituting in lieu thereof the word "Governors"; and

(2) by deleting the words "three years" in subsection (b), and substituting in lieu thereof the words "two years".

AMENDMENTS TO SECTION 120

SEC. 117. Section 120 of title 23 of the United States Code is amended—

(1) in subsection (a)—

(A) by deleting "(d)", and substituting in lieu thereof "(c)";

(B) by deleting the words "with primary, secondary, or urban funds, on the Federal-aid primary system, the Federal-aid secondary system and the Federal-aid urban system", and substituting in lieu thereof the words "under this title"; and

(C) by deleting the words "highway construction" and substituting in lieu thereof the word "transportation";

(2) in subsection (f)—

(A) by deleting the word "highway"; and

(B) by deleting the next to the last sentence;

(3) in subsection (g), by deleting the words "State highway department" and substituting in lieu thereof the word "Governor"; and

(4) by adding the following new subsection:

"(i) Funds allocated in any year for a Federal-aid system may be used for the purposes of operating a public transportation system in accordance with the provisions of section 5(f) of the Urban Mass Transportation Act of 1964, as amended.".

AMENDMENTS TO SECTION 121

SEC. 118. Section 121 of title 23 of the United States Code is amended—

(1) by deleting the word "State" and substituting in lieu thereof the words "designated recipient"; and

(2) by deleting the words "State highway department" and substituting in lieu thereof the word "Governor".

AMENDMENTS TO SECTION 122

SEC. 119. Section 122 of title 23 of the United States Code is amended—

(1) by adding after "primary," the words "small urban and rural, urban";

(2) by deleting "or extension of any of the Federal-aid highway systems in urban areas,";

(3) by deleting "Federal-aid primary system" and substituting in lieu thereof the words "Federal-aid primary small urban and rural, and urban systems"; and

(4) by deleting "or extensions of any of the Federal-aid highway systems in urban areas".

AMENDMENTS TO SECTION 123

SEC. 120. Section 123 of title 23 of the United States Code is amended—

(1) by deleting the word "secondary" and substituting in lieu thereof "small urban and rural, or urban"; and

(2) by deleting the words "including extensions thereof within urban areas".

AMENDMENT TO SECTION 124

SEC. 121. Section 124 of title 23 of the United States Code is amended by deleting the words "State" and "State highway department", and substituting in lieu thereof the words "designated recipient".

AMENDMENT TO SECTION 125

SEC. 122. Section 125 (b) and (c) of such Code is amended by deleting "highway" in the term "Federal-aid highway system" whenever appearing therein.

AMENDMENT TO SECTION 128

SEC. 123. Section 128 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

AMENDMENT TO SECTION 129

SEC. 124. Section 129 of title 23 of the United States Code is amended by adding at the end thereof the following subsection:

"(j) Notwithstanding any provision of this title to the contrary, any State or designated recipient may impose tolls on any highway for the purpose of managing peakload demand of vehicular traffic. No funds from such tolls may be used for highway purposes, excepting such amounts which may be used for the operation and maintenance of such toll facilities.".

SMALL URBAN AND RURAL TRANSPORTATION ASSISTANCE

SEC. 125. (a) Title 23 of the United States Code is amended by inserting after section 132 a new section as follows:

"§ 133. Small urban and rural transportation assistance

"(a) On October 1 of each fiscal year the Secretary, after making the deduction authorized by subsection (g) of this section, shall apportion the remainder of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year to the States in the following manner:

"One-fourth in the ratio which the area of each State bears to the total area of all the States; one-half in the ratio which the population of small urban and rural areas of each State bears to the total population of small urban and rural areas of all the States as shown by the latest available Federal census; and one-fourth in the ratio which the mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in each State bears to the total mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in all the States at the close of the next preceding calendar year, as shown by a certificate of the Postmaster General.

"(b) Sums apportioned under this section shall be available for obligation for a period of two years following the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse.

"(c) The Secretary may approve as a project in small urban and rural areas any public transportation project, including operating assistance, which would be eligible for Federal financing assistance under the provisions of the Urban Mass Transportation Act of 1964, as amended, or any highway project, other than projects on the Federal-aid primary or Interstate System. Financial assistance provided under this section shall be subject to such terms, conditions, requirements, and provisions as the Secretary may determine to be necessary or appropriate for the purposes of this section. For public transportation projects such terms, conditions, requirements, and provisions shall be similar to those applicable to grants under sections 3 and 5 of the Urban Mass Transportation Act of 1964, as amended, insofar as the Secretary may deem them appropriate.

"(d)(1) The Federal share payable on account of any highway project financed with sums apportioned under this section shall be that provided in section 120(a) of this title.

"(2) The Federal share payable on account of any public transportation project, other than operating assistance, financed with sums apportioned under this section shall not exceed 80 per centum of the net project cost as defined in section 4(a) of the Urban Mass Transportation Act of 1964, as amended. The Federal share payable on account of any public transportation operating assistance project financed with sums apportioned under this section shall not exceed 33⅓ per centum of the total eligible operating expenses incurred in the operation of public transportation services assisted under this section. The Highway Trust Fund shall be reimbursed from the general funds of the Treasury for any sums expended pursuant to this section for any operating assistance project.

"(e) At least 10 per centum of the sums apportioned under this section to each State shall be used for public transportation projects as set forth in subsection (c) of this section: *Provided*, That, upon application by the State the Secretary may waive such requirement if the Secretary finds that a lower level of public transportation assistance is warranted by the transportation needs of the small urban and rural areas of such State.

"(f) The State may distribute funds to eligible recipients within the State to carry out the purposes of this section. Eligible recipients may include State agencies, local public bodies and agencies thereof (including counties and Indian tribes), nonprofit organizations, and operators of public transportation services.

"(g) On October 1 of each fiscal year, the

Secretary shall set aside and make available 2 per centum of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year, for carrying out the purposes of section 134 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning.".

(b) Sections 155 and 219 of title 23 of the United States Code and section 147 of the Federal-Aid Highway Act of 1973, as amended, are repealed.

(c) The analysis of chapter 1 of title 23, United States Code, is amended by deleting

"133. Repealed."

and inserting in lieu thereof

"133. Small urban and rural transportation assistance.",

by deleting

"155. Access highways to public recreation areas on certain lakes.",

and inserting in lieu thereof

"155. Repealed.",

and by deleting

"219. Safer off-system roads.",

and inserting in lieu thereof

"219. Repealed.".

AMENDMENT OF SECTION 134

SEC. 126. (a) Section 134 of title 23 of the United States Code is amended to read as follows:

"§ 134. Transportation planning

"(a) It is declared to be the national transportation policy to encourage and promote the development of transportation systems embracing various modes of transportation that will serve the States and local communities efficiently and effectively in a manner which will minimize air, noise, and water pollution; destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets and community cohesion; adverse housing effects and tax and property value loss, particularly within the inner city; injurious displacement of people, business, and farms; excess energy consumption and vehicle miles traveled; and disruption of the intergrity of existing farm units and the practical use of prime agricultural land. To accomplish this objective, the Secretary shall cooperate with State and local officials in the development of long-range and five-year, statewide and urbanized area transportation plans, as well as programs of projects based on such plans. Before approving, in whole or in part, a plan, or a program of projects, the Secretary shall find that it is formulated on the basis of and reasonably addresses transportation needs and that it affirmatively uses transportation to achieve other national and local objectives while minimizing those adverse effects of transportation development identified in this section and identifies those specific elements of the plan, or program of projects, which would eliminate or best minimize such adverse effects. Such plans shall be the result of a planning process which includes an analysis of alternative transportation system management and investment strategies to make more efficient use of existing transportation resources and to meet needs for new transportation facilities. Such planning process shall consider all modes of transportation and shall be continuing, cooperative, and comprehensive.

"(b) The Secretary shall not approve under section 105 of this title any program of projects unless he or she finds that such projects are based on a plan, approved in accordance with the provisions of this section, and a continuing, comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the policies and objectives stated in this section.

"(c) After October 1, 1981, a State or designated recipient shall be eligible to receive its apportionments pursuant to the Urban Mass Transportation Act of 1964, only if it has a comprehensive long-range and five-year transportation plan that has been approved by the Secretary. Such plans shall be reapproved by the same procedure whenever a plan has been significantly changed since its previous approval or reapproval. When reapproving a five-year plan, the Secretary may reapprove the long-range plan if he or she finds that they are consistent with each other. The Secretary shall not approve any plan for any State or urbanized area unless he finds that (1) such plans are in accordance with a continuing, comprehensive, and cooperative transportation planning process and (2) all reasonable measures to permit, encourage, and assist public participation in such continuing, comprehensive, and cooperative transportation planning process have been taken. The Secretary, in cooperation with the States and urbanized areas, shall develop and publish regulations specifying minimum guidelines for public participation in such processes, which shall include hearings held at least annually, at which there will be a review of the transportation planning process, plans, and programs of projects, and opportunity provided for the consideration of various alternatives to the plan under consideration. No transportation project may be constructed in any urbanized area of fifty thousand population or more unless the responsible public officials of such area in which the project is located have been consulted and their views considered with respect to the corridor, the location, and the design of the project.

"(d) The States and urbanized areas shall each submit a single program of projects with respect to both this title and the Urban Mass Transportation Act of 1964. Such program of projects shall be approved in accordance with section 105 of this title. The Secretary shall not, however, approve a program of projects, unless (1) the urbanized area, or after October 1, 1980, the statewide planning process on which such program of projects is based is being carried on in conformance with the objectives and provisions of this section, and (2) the Secretary finds that the program of projects is based on the planning process.

"(e) The Secretary shall approve State and urbanized area plans in whole or in part, but shall not approve any plan which fails to reasonably meet transportation needs and—

"(1) provide that the State and urbanized area administering agencies will make such reports to the Secretary in such form and containing such information as may reasonably be necessary to enable the Secretary to perform his or her duties under this title and the Urban Mass Transportation Act of 1964, and will keep such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of such reports;

"(2) provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid the State or designated recipients under this title or the Urban Mass Transportation Act of 1964;

"(3) provide for the expenditure of adequate amounts of such State's apportionment for each fiscal year under this title and appropriations under the Urban Mass Transportation Act of 1964 for the maintenance of the planning process;

"(4) provide for the development, maintenance, and operation of transportation facilities responsive to the needs of such State and its communities, and in determining compliance with this paragraph, the Secretary shall (A) require the State or designated planning organization to show how the plan reflects the needs of, and is coordinated with, community development plans in urbanized areas, and (B) rely on representations from the appropriate State, Federal, and local agencies having responsibilities and jurisdiction in the areas of housing and community development as to the impact such plan will have on housing and community development;

"(5) demonstrate compliance with applicable State and Federal environmental laws, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with responsibility for protecting environmental quality as to the impact the plan will have upon such State and Federal environmental protection programs;

"(6) demonstrate compliance with applicable State and Federal energy conservation programs, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with the responsibility to implement programs to conserve energy as to the impact the plan will have upon such State and Federal energy conservation programs; and

"(7) provide an analysis of the impact such plan will have on the social, environmental, and economic well being of the State, or area covered by the plan, and such steps as will be taken to minimize adverse social, environmental and economic effects on such State or area.

The Secretary shall advise the State or designated planning organization of the reasons for not approving a plan or a program of projects. Approval by the Secretary of any plan or program of projects under this section shall not prevent the Secretary from subsequently disapproving any individual transportation project pursuant to the provisions of this title or the Urban Mass Transportation Act of 1964, or other Federal law, including but not limited to the National Environmental Policy Act of 1969 and section 4(f) of the Department of Transportation Act.

"(f) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State or local agency administering a State or urbanized area plan approved under this title, finds that—

"(1) the State or urbanized area plan has been so changed that it no longer complies with the provisions of this title or the Urban Mass Transportation Act of 1964; or

"(2) in the administration of the plan there is a failure to comply substantially with any such provisions; the Secretary shall notify such State or designated recipients that no further payments will be made to the State or designated recipients under this title or the Urban Mass Transportation Act of 1964 (or, at his or her discretion, that further payments to the State or designated recipient will be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure), until he or she is satisfied that there will no longer be any failure to comply. Until the Secretary is so satisfied, no further payments may be made to such State or designated recipient (or payments shall be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure).

"(g) Any Governor or designated planning organization dissatisfied with a final action of the Secretary under this section may appeal to the United States court of appeals for the circuit in which the State or urbanized area is located by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or any officer designated by him or her for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he or she based his or her action, as provided in section 2112 of title 28. Upon the filing of such petition the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside the order. The findings of the Secretary as to the facts, if supported by substantial evidence, including representations or findings by other Federal agencies acting in accordance with the provisions of subsection (e) of this section, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his or her previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence and the representations or findings of other Federal and State agencies acting in accordance with the provisions of subsection (e) of this section. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to the review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

"(h) The Secretary may define those contiguous interstate areas of the Nation in which the movement of persons and goods between principal metropolitan area, cities, and industrial centers has reached, or is expected to reach, a critical volume in relation to the capacity of existing and planned transportation demands and future growth. After consultation with the Governors and responsible local officials of affected States, the Secretary may by regulation designate, for administrative and planning purposes as a critical transportation region or a critical transportation corridor each of those areas which he or she determines most urgently require the accelerated development of transportation systems embracing various modes of transport, in accordance with the purposes of this section. The Secretary shall immediately notify such Governors and local officials of such designation. The Secretary may, after consultation with the Governors and responsible local officials of the affected States, provide by regulation for the establishment of planning bodies to assist in the development of coordinated transportation planning, to meet the needs of such regions or corridors, composed of representatives of the affected States and metropolitan areas, and may provide assistance including financial assistance to such bodies. Nothing in title 23, United States Code, or the Urban Mass Transportation Act shall preclude two or more States or contiguous urbanized areas from coordinating or acting jointly in the preparation and execution of their individual or joint transportation plans, as appropriate, as developed under this section, or from acting under such laws on a regional rather than a State basis. Such regional cooperation and joint activity is to be encouraged. There is authorized to be appropriated out of any money in the Treasury not otherwise appropriated, not to exceed $500,000 to carry out this subsection.".

(b) The analysis of title 23 of the United States Code is amended by striking out

"134. Transportation planning certain urban areas.",

and inserting in lieu thereof

"134. Transportation planning.".

AMENDMENT TO SECTION 141

SEC. 127. Section 141(b) of title 23 of the United States Code is amended by deleting "Federal-aid secondary system" and substituting in lieu thereof "Federal-aid small urban and rural system".

AMENDMENT OF SECTION 142

SEC. 128. Section 142 of title 23 of the United States Code is amended to read as follows:

"§ 142. Public transportation

"(a) To encourage the development, improvement, and use of public transportation systems, the Secretary may approve as a project that can be financed under this title, or the Urban Mass Transportation Act of 1964, as amended, the construction of exclusive or preferential bus lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers. If fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility (including compensation to any person for operating the facility). The Secretary may also approve as such a project exclusive or preferential bus, truck, and emergency vehicle routes or lanes. Projects constructed under the previous sentence shall not be subject to the third sentence of section 109(b) of this title. Sums apportioned under sections 104(b) and 133 (a) shall be available to finance the cost of projects under this subsection.

"(b) The establishment of routes and schedules of such public transportation systems shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of this title, and the Urban Mass Transportation Act of 1964.

"(c)(1) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project.

"(2) Notwithstanding section 209(f)(1) of the Highway Revenue Act of 1956, the Highway Trust Fund shall be available for making expenditures to meet obligations resulting from projects authorized by subsection (a) of this section and such projects shall be subject to, and governed in accordance with, all provisions of this title applicable to projects financed from this title except to the extent determined inconsistent by the Secretary.

"(3) The Federal share payable on account of projects authorized by subsection (a) of this section shall be that provided in section 120 of this title.

"(d) In any case where sufficient land exists within the publicly acquired rights-of-way of any Federal-aid highway to accommodate needed rail or nonhighway public mass transportation facilities and where this can be accomplished without impairing automotive safety or future highway improvements, the Secretary may authorize a State to make such land and rights-of-way available without charge to a publicly owned transit authority for such purposes wherever he may deem that the public interest will be served thereby.

"(e) Funds available for expenditure to carry out the purposes of subsection (a) shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended.

"(f) In providing funds for public mass transportation projects under this title, the Secretary shall, to the maximum extent possible, provide that rules and regulations issued concerning the use of such funds for public mass transportation projects be the same as those issued pursuant to the Urban Mass Transportation Act of 1964. In complying with this section, the Secretary shall insure that projects for which funding is sought under this title comply with the following sections of the Urban Mass Transportation Act of 1964—

"(1) the third and fifth sentences of section 3(a)(1), relating to the use of Federal funds;

"(2) section 3(e), relating to the acquisition of privately owned facilities;

"(3) section 3(f), relating to the use of buses for charter operations;

"(4) section 3(g), relating to the use of buses for schoolbus operations;

"(5) sections 5(e) and 5(f), relating to the source of local funds used to match Federal funds for projects involving the payment of operating expenses;

"(6) section 5(k)(2), relating to projects where the source of non-Federal funds derives from more than one jurisdiction;

"(7) section 5(m) and section 108 of the National Mass Transportation Assistance Act of 1974, relating to the charging of fares for the elderly and handicapped;

"(8) section 5(n)(2), relating to the application of chapter 15 of title 5, United States Code, to nonsupervisory employees of federally aided mass transportation systems;

"(9) section 12(b), relating to contracts entered into by means other than competitive bidding;

"(10) section 12(d), relating to the powers of the Secretary to regulate the mode of operation of mass transportation facilities, but this provision shall not apply to the use of funds apportioned under this title for the payment of operating expenses;

"(11) section 13(c), relating to standards for labor;

"(12) section 15, relating to financial reporting systems; and

"(13) section 16, relating to the planning and design of facilities to meet the needs of the elderly and handicapped.".

AMENDMENT TO SECTION 144

SEC. 129. Section 144 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(n) The Secretary shall not approve any project under this section to replace or rehabilitate a bridge to exceed the traffic carrying capacity of the road adjacent to the bridge. The preceding sentence shall not apply to bridge rehabilitation or reconstruction undertaken to provide bridge capacity for farm implements and vehicles used for the cultivation of land or trucks carrying agricultural products from farm to market.".

REPEAL OF SECTION 148

SEC. 130. Section 148 of title 23 of the United States Code, including the reference thereto in the analysis of such title, is repealed.

AMENDMENT OF SECTION 150

SEC. 131. Section 150 of title 23 of the United States Code is amended to read as follows:

"§ 150. Allocation of urban system funds

"(a) The funds apportioned to any State under section 104(b)(4) of this title which are attributable to an urbanized area having a population of fifty thousand or more shall be allocated among such urbanized areas within such State for projects in programs approved under section 105 of this title in the ratio that the population within each such urbanized area bears to the population of all such urbanized areas, or parts thereof within such State. In the expenditure of funds allocated under the preceding sentence, fair and equitable treatment shall be accorded incorporated municipalities of two hundred thousand or more population within urbanized areas. The funds apportioned to any State under section 133 of this title which are attributable to urban areas of more than five thousand but less than fifty thousand population within such State for projects in programs approved under section 105 of this title, shall be allocated in accordance with a fair and equitable formula developed by the State in consultation with local elected officials and approved by the Secretary.

"(b) Notwithstanding any contrary provision of this title the funds that would otherwise be apportioned to any State under section 104(b)(3) of this title on or after October 1, 1981, that are attributable to an urbanized area of two hundred thousand population or more shall be apportioned to the recipient or recipients jointly designated by the Governor and local elected officials of the urbanized area, to receive and disburse such funds. Expenditure of such funds shall be subject to all the requirements of this title, and where appropriate the Urban Mass Transportation Act of 1964, except that with regard to such funds the designated recipient shall have the responsibility and authority vested in the State by this title and must have adequate powers and be suitably equipped and organized to discharge the duties required by this section and demonstrate the capacity to administer the programs for which it is the designated recipient, to the satisfaction of the Secretary. Nothing in this section is intended to preclude the State from being a designated recipient if agreed to by the Governor and appropriate local elected officials.

"(c) Funds allocated to an urbanized area under the provisions of this section may, upon approval of the local elected officials of the area and the Secretary, be transferred to the allocation of another such urbanized area in the State or to the State for use in any urbanized area.".

AMENDMENTS TO SECTION 217

SEC. 132. Section 217 of title 23 of the United States Code is amended—

(1) by deleting subsection (a) and inserting in lieu thereof:

"(a) To encourage energy conservation and the multiple use of transportation rights-of-way including the development, improvement, and use of bicycle transportation and the development and improvement of pedestrian walkways for recreational and commuting purposes in urban areas, or to connect such areas with National, State, or local parks, seashores or recreational areas, the States and designated recipients may, as a Federal-aid project or in conjunction with other Federal-aid projects, construct new or improved bicycle lanes, either in conjunction with or on existing highway lanes or shoulders, or bicycle paths, traffic control devices, shelters and parking or support facilities designed and/or regulated to serve bicycles and persons using bicycles, and pedestrian walkways. Such projects shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes, and be in conformance with section 134 of this title.";

(2) in subsection (d), by inserting after "(d)" the following: "The Secretary shall establish by regulation, construction standards for bicycle projects to ensure that they have safe and adequate surface conditions, widths, sight distances and lighting, realistic design speeds, and grades reasonably negotiable on a bicycle."; and

(3) by deleting subsection (e), and inserting in lieu thereof:

"(e) The Secretary is authorized to make grants to States and designated receipients to achieve the purposes of this section on such terms and conditions he or she may require. To the extent that they are consistent with the purposes of this section, the provisions of chapter 1 of this title shall apply to such projects and grants. There is hereby authorized to be appropriated $45,000,000 per year for fiscal years 1980, 1981, 1982, and 1983 for these purposes.".

AMENDMENT TO SECTION 302

SEC. 133. (a) Section 302 of title 23 of the United States Code is amended—

(1) by deleting the section heading and substituting in lieu thereof:

"§ 302. State highway and transportation department";

and

(2) by inserting at the end thereof the following new subsection:

"(c) After October 1, 1981, any State desiring to avail itself of the benefits of this title or the Urban Mass Transportation Act of 1964, as amended, shall have a single State transportation agency, which shall have adequate powers and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by this title and the Urban Mass Transportation Act of 1964, as amended, as well as the authority for the development of multimodal transportation programs planning and policy generally in such State. After October 1, 1981, the provisions of subsections (a) and (b) of this section shall apply to such State transportation agencies.".

(b) The analysis of such title is amended by striking out:

"302. State highway department."

and inserting in lieu thereof:

"302. State highway and transportation departments.".

CONSOLIDATED PLANNING

SEC. 134. (a) In accordance with this section, the Secretary shall make grants to States and in urbanized areas, to planning organizations designated in accordance with the requirements of section 8 of the Urban Mass Transportation Act of 1964, as amended, and section 134 of title 23, United States Code, for projects for the development of transportation plans and programs required by such sections; and to make grants and contracts for activities eligible under section 8(j) of the Urban Mass Transportation Act of 1964, as amended. Grants under this section shall be from funds made available under section 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code.

(b) The Federal share of such projects under this section shall not exceed 80 per centum thereof unless the Secretary determines that the interests of the Federal program would be best served without matching funds. The Secretary shall designate for use in the States, 90 per centum of the funds available to carry out the purposes of this section in the ratio which each State's total apportionment of funds under section 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code, bears to the total of all such apportionments to all States, except that no State shall be designated less than one-half of 1 per centum of the amount apportioned. Funds not distributed by formula will be retained by the Secretary for use on a discretionary basis.

(c) The amount of funds designated for a State pursuant to the formula established under subsection (b) of this section that are attributable to an urbanized area of fifty thousand or more population shall be made available by the Secretary to the planning organization designated in accordance with the provisions of section 134 of title 23, United States Code, and section 8(b)(3) of the Urban Mass Transportation Act of 1964, as amended.

TITLE II—TERMINATION OF HIGHWAY TRUST FUND

TERMINATION

SEC. 201. Effective after September 30, 1980—

(1) the Highway Trust Fund is terminated and the amount in such Fund, including any obligations held in such Fund, shall be covered into the general fund of the Treasury;

(2) any outstanding appropriations from, or obligations of, such Trust Fund shall be paid from such general fund;

(3) any authorizations for appropriations to be made from such Trust Fund shall be considered to be authorizations for appropriations from such general fund; and

(4) section 209 of the Highway Revenue Act of 1956 is repealed.

HIGHWAY AND PUBLIC TRANSPORTATION IMPROVEMENT ACT OF 1979

FACT SHEET

The following is a summary of the major provisions of the bill:

1. Abolish the Highway Trust Fund—Effective September 30, 1980, the Highway Trust Fund would be eliminated. Federal gasoline and other user taxes that support the Fund would remain in place, but the revenues derived would flow into the general fund of the Treasury. Thus, funding levels for the revised transportation programs, approved under this Act, would be analyzed and set by the Congress through its authorization and appropriation process.

2. Consolidate Existing Programs—In the past few years, the number of federal aid highway programs has dramatically increased. The Weicker bill would consolidate this myriad of categorical aid programs into three basic programs: (1) Interstate, (2) Urban, (3) Rural.

3. Redistribute Transportation Funds—Funds would be distributed to the three major systems in the following manner:

(1) Interstate—the apportionment formula would remain the same.

(2) Urban System—each state would receive urban system funds based on a population factor. Cities over 150,000 in population would receive funds directly from the federal government. Thus, local officials will be given greater control over their programs.

(3) Rural System—the rural system funds would continue to be appropriated to a state on the basis of mileage, land area and population. However, the 1976 Federal Aid Highway Act inserted some urban construction into the rural road system and altered the apportionment formula to reflect this change.

Since the new rural system has no urban components, the Weicker bill would revert back to the pre-1976 formula for distributing rural system monies.

4. Equalize Funding Ratios—Under existing law, the federal-state formulas for funding transportation programs widely differ (i.e., Interstate 90–10; Urban and Rural System 70–30). In order to eliminate any bias that this imposes on local officials, all transportation funding under this Act will be 90 percent federal, 10 percent state and local.

5. Provide Flexible Use of Funds—Under present law, the Interstate System has the principle of flexibility built into the program. Through the use of the Interstate Transfer mechanism, states and cities may turn back unwanted Interstate construction funds and draw an equivalent amount from general revenues for mass transit.

Funds authorized for the Urban and Rural Systems would be available to states and cities for either highway construction and maintenance, or for mass transit construction, maintenance and operating assistance. Thus, state and local officials would have a wide range of options to choose from in deciding how best to meet their own transportation needs.

6. Institute Statewide Transportation Planning—Under current law there is no requirement for states to develop comprehensive transportation plans. Such plans are, however, required for urbanized areas. The bill sets up a statewide transportation planning mechanism, to be administered by a single state agency with jurisdiction over all state transportation programs. The governor would be required to develop rural aspects of the

plan and incorporate plans formulated by urban areas into his statewide plan. Under the bill, urban areas would retain control of their own planning.

The plans would have to reflect federal and state priorities in energy conservation, urban development, environmental concerns and safety factors. The Secretary of Transportation and the state legislature each exercise approval power over the plans. The Secretary's disapproval of any plan may be subjected to court review.

Once the state plan has final approval, the governor would submit for the Secretary's approval a program of projects to receive federal funding. To win that approval, the projects would have to give priority to fixed-guideway and electric-powered projects—mass transit—in areas failing to meet ambient air quality standards. The bill also requires that state plans must emphasize reconstruction of unsafe rural-system highways, safety projects, access to public airports and port facilities and energy-saving projects.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER FOR CONSIDERATION OF THE RECLAMATION REFORM ACT (S. 14) TOMORROW; FOLLOWED BY THE CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the orders for the recognition of the two leaders or their designees have been consummated on tomorrow, the Senate then turn to the consideration of the reclamation bill, S. 14, and that the second concurrent budget resolution follow upon the disposition of S. 14.

Mr. BAKER. Mr. President, reserving the right to object, and I do not intend to object, I wish to inquire of the majority leader if it is his intention to continue with the consideration of S. 14, until that measure is completed by the Senate.

Mr. ROBERT C. BYRD. Yes. That would be my intention.

S. 14 is under a time agreement. There are a good many amendments, I am told, that may be called up. It is conceivable that the Senate would be in fairly late tomorrow working on that bill and might have to continue on with that piece of legislation on Friday.

It would be my intention that that bill be disposed of this week and that the Senate proceed to the consideration of the second concurrent budget resolution no later than Monday.

Mr. BAKER. Mr. President, I thank the majority leader for answering that question.

As he knows, I believe there are Members on this side who are anxious to see S. 14, once laid down, disposed of without interruption, and that was the reason for the reservation.

Mr. President, I have no objection.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:15 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10:15 a.m.

After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 14, and that measure is under a time agreement. There will be rollcall votes on amendments and motions in relation to that bill. Mr. CHURCH and Mr. HATFIELD will be managing the bill.

On the disposition of that measure, the Senate will then turn to the consideration of the second concurrent budget resolution, which I am sure will not be tomorrow, which could be Friday, which could be Saturday, but under my understanding, as I stated to the distinguished minority leader the intent of the leadership, the second concurrent budget resolution would not be any later than Monday insofar as its being taken up is concerned.

Mr. President, I should remind Senators that tomorrow afternoon at 2:30 there will be a picture taken of the Senate. Members, I think, have been informed that they are to be here at 2:30. I hope the full membership of the Senate will be present for that picture, which is being taken by the National Geographic Society for the Capitol Historical Society.

RECESS UNTIL 10:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:15 a.m. tomorrow.

The motion was agreed to; and at 6:18 p.m. the Senate recessed until tomorrow, Thursday, September 13, 1979, at 10:15 a.m.

NOMINATION

Executive nomination received by the Senate September 12, 1979:

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Reubin O'D. Askew, of Florida, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary, vice Robert S. Strauss, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 12, 1979:

FEDERAL HOME LOAN BANK BOARD

Jay Janis, of Florida, to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, September 12, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will lift up my eyes to the hills. From whence does my help come? My help comes from the Lord, who made heaven and earth.—Psalms 121: 1, 2.

Gracious Father in heaven, we pray that Your providence will guide our Nation and lead us in the way of righteousness and honor.

We confess, O Lord, that we try too often to face the anxieties and difficulties of life by ourselves and deny the power and the assurance that Your presence can give. We lift our spirits and open our hearts to You, O God, in the sure and certain knowledge that Your abundant strength will be with us wherever we are or whatever our need. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2774) entitled "An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the dis-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

agreeing votes of the two Houses on the amendments of the House to the bill (S. 1019) entitled "An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1125. An act to improve and expand the Federal crop insurance programs, and for other purposes.

IN MEMORY OF FREDERICK C. SCHREIBER

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, last Wednesday evening, September 5, a good friend of mine, and many other Members of Congress, died in New York City.

Fred Schreiber was the executive secretary and past president of the National Association for the Deaf. It was my pleasure to work with Mr. Schreiber on many pieces of legislation concerning the deaf community.

Of all the outstanding individuals who represent the handicapped community, Fred Schreiber was certainly one of the finest. His compassion, courage, and leadership gave the deaf community a man to admire and follow.

In 1966, Fred Schreiber became the first executive secretary of the National Association for the Deaf. At this time he began to develop the 84-year-old organization from a fledgling, politically unsound and generally haphazard, voluntary organization into a professional, fully staffed, highly respected, politically savvy organization which has helped and will continue to help tens of thousands of hearing-impaired Americans.

It was Mr. Schreiber's dream to help the deaf community realize its full potential in American society and have those individuals take their place along side all other Americans in contributing to our great Nation. In this respect he was partially successful.

I join millions of individuals in mourning the loss of this outstanding leader. He will be sorely missed and hard to replace at a time when it is difficult to convince the general population that the deaf community deserves the attention and assistance of all Americans.

IMPOSITION OF VALUE-ADDED TAX IS DISRUPTIVE

(Mr. CONABLE asked and was given permission to address the House for 1 minute today and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, two of the most potent Members of this Congress, in terms of tax-writing obligations and responsibilities have, during the past 24 hours, strongly advocated a value-added tax at a significant level. This additional tax, in my view, unless it is a substitute for other types of unpopular taxation, could result in a great centralization of taxation in this country. It would be regressive, a hidden tax of some magnitude. It would be disruptive of the Federal system.

I personally strongly oppose it. I feel that the Members should be thinking, however, because of the seriousness of the recommendations that have been made, about the implications of the imposition of such tax. I have requested a special order today for the purpose of discussing it further. I hope the Members will participate in this special order and give us the benefit of their views and that we will begin to get the American people thinking about the implications of the imposition of a value-added tax and not only the advantages, but some of the disadvantages that attend it.

OWNING UP TO INFLATION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, it has often been said that victory has many fathers and that necessity is the mother of invention. But rarely have the two come together so clearly as in the quote attributed to the distinguished senior Senator from Massachusetts yesterday as he reconstituted his position vis-a-vis the 1980 Democratic Presidential nomination.

According to the Washington Post, the would-be candidate, in explaining his rationale, said that—

> The shortage of home heating oil, the continuing inflation, the danger of recession—all problems not of my making—are the issues.

He then added—

> People are interested in a resolution of these problems, and that is what is hurting.

How interesting. With Congress having voted $255.5 billion in budget deficits since 1974, with the money supply having increased 31 percent since that time, and with inflation running at 13.4 percent, one cannot help but be reminded of those old adages. After all, it is the Democrats who have controlled Congress during that time and it is Congress, rather than the President, that has to approve spending programs.

WHEN WILL WE LEARN?

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, yesterday, a subcommittee of the Committee on Appropriations voted to approve the spending of some $9 million for the new Marxist, or as we used to say, Communist Government of Nicaragua. They did so in the forlorn hope, as expressed by the State Department, that it will in some way turn this new government away from Cuba and the Soviet Union, their allies, and perhaps toward the United States. Waiting in the wings, we are told, is a $100 million-plus foreign aid request for this country.

Even last week, as we voted on the issue of limiting aid to Nicaragua without congressional approval, at that very moment one of the top officials of the new government was denouncing the United States at the nonalined conference in Havana, Cuba.

I do not know when we will ever learn our lesson about communism, but they used to say about Fidel Castro, that he got his job through the New York Times. Perhaps the new Sandinistas will stay in power through the mistaken majority of the Congress of the United States.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Based on all the stunning successes of the State Department in the past, does the gentleman not think we ought to at least give them a little bit of leeway?

Mr. BAUMAN. They are at least consistent in their disastrous policies.

DEPARTMENT OF DEFENSE AUTHORIZATIONS, 1980

Mr. STRATTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. STRATTON).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 2, not voting 69, as follows:

[Roll No. 459]

YEAS—363

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Cavanaugh
Chappell
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Deckard
Derrick
Devine
Dickinson
Dicks
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Harkin
Lloyd

NOT VOTING—69

Ambro
Anderson, Ill.
Applegate
Bafalis
Baldus
Barnes
Biaggi
Bingham
Burton, John
Byron
Carter
Cheney
Chisholm
Conyers
Cotter
Coughlin
D'Amours
Daschle
Davis, S.C.
de la Garza
Dellums
Derwinski
Diggs
Dingell
Dixon
Dodd
Dougherty
Flood
Ford, Mich.
Ford, Tenn.
Garcia
Gibbons
Goldwater
Goodling
Hall, Ohio
Hall, Tex.
Heckler
Ichord
Jeffords
Johnson, Colo.
Kostmayer
Kramer
Lewis
Lundine
McClory
Mitchell, Md.
Moakley
Murphy, N.Y.
Nolan
Pepper
Preyer
Pritchard
Pursell
Ratchford
Rosenthal
Roybal
Runnels
Sabo
Santini
Stack
Stump
Traxler
Vander Jagt
Waxman
Weaver
Williams, Ohio
Wilson, Tex.
Wylie
Young, Alaska

☐ 1020

So the motion was agreed to.

The result of the vote was announced as above recorded.

☐ 1030

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4040, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule the gentleman from Illinois (Mr. PRICE) will be recognized for 1½ hours, the gentleman from California (Mr. BOB WILSON) will be recognized for 1½ hours, and thereafter a Member opposed to the provisions of section 812 of the bill will be recognized for 30 minutes and a Member in favor of the provisions of section 812 of the bill will be recognized for 30 minutes.

The Chair recognized the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, by the direction of the Committee on Armed Services, I bring to the floor today H.R. 4040, the Department of Defense Authorization Act for fiscal year 1980. This bill authorizes procurement of major weapon systems, all research, development, test, and evaluation for the Department of Defense, civil defense programs, active and reserve personnel strengths of the military services, and the civilian strength of the Department of Defense.

In addition, as we all know, the bill contains a general provision calling for registration under Selective Service beginning in 1981.

Members will have an opportunity to discuss this provision during the first 3 hours of general debate but, in addition, the rule provides for 1 hour of general debate solely on the issue of registration. I would like to inform the House that immediately following the close of general debate when the Committee of the Whole goes under the 5-minute rule, I intend to make a unanimous consent request to change the order of procedure so that amendments to sections 812–815, the sections having to do with Selective Service registration, would be the first order of business under the 5-minute rule. If my request is approved, we would dispose of the registration issue first and then consider the remainder of the bill by title as provided in the rule.

Of course, if anyone objects, we will not be able to do that. But I am going to make the request because I think it would allow for a more orderly, better focused debate and save time in considering this important legislation.

The distinguished chairman of our Military Personnel Subcommittee, Mr. WHITE, will address the purpose of the registration provision in detail. I would just like to make this brief point concerning the provision:

It requires only registration beginning in January 1981 and only for males who become 18 after that date. It does not provide for a return to the draft. Any return to the draft would require additional legislative action by the Congress. It is on that basis that I supported the provision myself. It does not even require classification; only registration. The Selective Service System is part of the machinery we need to be ready for mobilization in an emergency and the provision is designed to improve the readiness of the system.

Mr. THOMPSON. Mr. Chairman, would the gentleman yield briefly?

Mr. PRICE. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

I concede, Mr. Chairman, the possible need for registration for any eventuality. I wonder, however, if the legislative history cannot show that young men and young women with conscientious objections to any military service might at the time of registration have the right to serve notice that in the event of military draft, they would not have to bear arms but might be available for alternate service.

Mr. PRICE. I think the matter of conscientious objection is covered, because the law on such exemptions is not changed, and the bill only provides for registration, but I have asked the chairman of the subcommittee to explain that provision.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

As I understand, the gentleman's question was whether at the time of registration a person could state that he does not wish to bear arms and that alternate service could be afforded.

Mr. THOMPSON. Yes.

Mr. WHITE. Of course, this particular bill only calls for registration of 18-year-olds. It does not call for classification. The classification procedures would at a future date take care of the question of conscientious objection.

Mr. THOMPSON. If the gentleman from Illinois would yield further, implicit in registration is the distinct possibility of a classification system and again in the possibility of military service. The members of the Society of Friends, Quakers, and other faiths have scruples and religious beliefs which prohibit them from serving. They were called in notwithstanding that during the adventure in Southeast Asia. I am interested in their future protection because the law is very clear on this point and I intend to put in the record a statement of the history of the law. One does not even have to believe in God to say that he or she does not believe in armed service and, therefore, is exempt from it. I just think it would be marvelous if we could establish the right of a potential registrant to serve notice at the time of registration that, in the event of classification the individual would request and by virtue of the request be entitled to a conscientious objector's status. I think then I could vote for registration; otherwise I cannot.

Mr. WHITE. If the gentleman would yield further, may I invite the gentleman to develop a bill that will define what he is talking about. The committee will consider it. Otherwise, I would imagine it would be a germane amendment to provide that at the time of registration where a person could state or declare that he is a conscientious objector. There is no mechanism set up to make that determination now in this bill, but we can certainly accommodate the gentleman if he would mention it.

Mr. THOMPSON. I would like the availability of conscientious objector status to the registrant to be a part of the legislative history because, if this bill passes, registration is going to be a fait accompli. I just wanted to establish some legislative history on this subject.

Mr. WHITE. Certainly I think it might be germane to make a declaration that one is a conscientious objector. We do not have the process or mechanism set up. I do not see any problem with that.

Mr. THOMPSON. I thank the gentleman very much.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

Mr. Chairman, I would like to verify once more, it is the gentleman's intention in asking for his unanimous-consent request that sections 812 through section 815—all four of those sections—be included in the unanimous-consent request insofar as registration is concerned?

Mr. PRICE. That is right.

Mr. CHARLES H. WILSON of California. I think they cover some parts of it in four different sections, 812 through 815.

Mr. PRICE. That is right.

Mr. CHARLES H. WILSON of California. It is only those parts of title VIII that the gentleman will ask this for, and any other amendment to title VIII will come in its regular sequence along with the rest of the amendments to the bill.

Mr. PRICE. The gentleman stated the situation correctly.

Mr. CHARLES H. WILSON of California. I thank the gentleman very much.

Mr. PRICE. Mr. Chairman, the section of law that requires this authorization legislation, section 138 of title 10 of the United States Code, provides that "no funds may be appropriated for any fiscal year to or for the use of any Armed Forces or obligated or expended" for procurement and R.D.T. & E. unless such funds have been specifically authorized by law. Thus, an authorization bill like H.R. 4040 is absolutely necessary before funds can be obligated or expended for procurement of weapon systems and research and development in the Department of Defense.

The bill before you provides $42.1 billion in authorizations for procurement, R.D.T. & E., and civil defense programs of the Department of Defense for the year beginning October 1. This amount is $1.98 billion above the total requested by the President. However, I shall introduce an amendment to reduce the total by $725 million for reasons which I shall explain. That will leave the bill approximately $1.3 billion above the request of the President.

The bill was approved in the committee by a vote of 36 to 2. So, on balance, it represents the overwhelming consensus of the committee and it was passed only after the most extensive hearings running from the first week in February to the first week in May, and involving six subcommittees and the full committee. In all, the committee had 150 hearing sessions.

Mr. Chairman, the bill was reported on May 15 and the committee report has been available to the Members for some time. I will not, therefore, take excessive time to discuss all the details of this very comprehensive legislation.

I would like particularly to address myself to two aspects of the bill: The reason it is higher than the President's budget, and the changes of a substantial nature made by the committee in the administration's request.

INCREASE ABOVE THE PRESIDENT'S BUDGET

The committee has worked its will on this legislation and made numerous additions and deletions. However, on balance, the difference in cost is largely related to two factors.

Let me explain first that I shall offer an amendment to delete $725 million from the bill. This was the cost of two of the four destroyers which became available for procurement following cancellations by the Government of Iran. Originally, our committee proposed procurement of two of those destroyers in fiscal year 1979, and the two which are included in this bill for fiscal year 1980 in the amount of $725 million. Subsequent to the time the committee reported this bill, the Congress passed the conference report on the fiscal year 1979 supplemental authorization and followed the recommendation of the Senate to include all four of the Iranian destroyers in that bill. Therefore, the $725 million is no longer required in this legislation and I shall make a motion to reduce the naval vessel account accordingly.

Two areas, both related to the Navy, account for the remaining difference, $1.3 billion, between the bill and the President's request.

The first is that the committee approved a nuclear-power aircraft carrier (CVN-71) instead of the conventional carrier proposed by the President. This recommendation results in an increase of $476.9 million above the President's request.

The second is the category of aircraft for the Navy where the committee found that the procurement rate had been arbitrarily reduced. The number of aircraft proposed to be procured for the Navy in fiscal year 1980 (103) was actually less than the Navy lost through attrition last year (107). In addition, the committee found that reducing the procurement rate would have led to uneconomical production, raising the unit cost of aircraft substantially.

The committee, therefore, increased the Navy aircraft procurement authorization by $702 million. As can be seen, this increase for Navy aircraft, plus the increase for the nuclear aircraft carrier, make up most of the difference between the bill and the President's request.

Most of the increased authorization for Navy aircraft relates to the F-14 and the F-18 where the committee has recommended authorization for procurement at the level dictated by Congress last year. That is, 36 F-14's and 30 F-18's. The administration had arbitrarily proposed reducing these procurements to 24 and 15, respectively. In the case of the F-14 alone, increasing the number of aircraft procured from 24 to 36 will decrease the unit flyaway cost by $3 million and over the life of the program will result in savings of $686 million.

The distinguished chairman of our Seapower Subcommittee, the gentleman from Florida (Mr. BENNETT) will explain during the course of this debate the results of the detailed analysis which led the committee to conclude that a nuclear powered rather than a conventionally powered aircraft carrier should be included in the bill.

I simply want to say to the House that the Committee on Armed Services was very much aware that only a year ago the President vetoed a bill which contained a nuclear carrier and that the House sustained the President's veto. The committee does not take the President's recommendations lightly.

But a majority believed, on balance, that they had to vote for the more combat-capable nuclear ship.

MAJOR CHANGES

Lastly, I would like to review some of the major changes made by the committee to the request submitted by the administration.

In title II of the bill, covering R.D.T. & E., the committee, on its own initiative, included some important provisions. It added $180 million to continue full-scale engineering development of the AV-8B Harrier vertical and short take-off and landing (V/STOL) airplane for the Marine Corps. Though the administration did not ask for the airplane, the Marine Corps Commandant listed it as one of his highest priorities.

The committee also included $100 million to continue development of the prototype surface-effect ship, designed for multimission applications—the most promising being antisubmarine warfare—and added $30 million to initiate a comprehensive flight demonstration between the strategic weapons launcher (a low-cost variant of the B-1) and the advanced medium STOL transport (AMST) to examine the utility of these aircraft as cruise missile carriers.

The bill contains language expressing the sense of Congress as regards the maintenance of a land-based ICBM and the development of the basing mode for the MX missile. However, similar language has been enacted as a provision of the fiscal year 1979 supplemental authorization and therefore is no longer necessary in the present bill. At the appropriate time, I shall offer a motion to delete that language.

The distinguished chairman of the R. & D. Subcommittee, the gentleman from Missouri (Mr. ICHORD), will explain in the course of this debate the thrust of the committee's action in the important R. & D. area. Mr. ICHORD's subcommittee held exhaustive hearings reviewing some 3,000 R. & D. projects.

In addition to the naval aircraft I briefly mentioned, the F-14 and F-18, the committee added authorization for procurement of aircraft not requested. These include $22.5 million for procurement of 20 C-12A aircraft and $68 million for procurement of 38 AH-1S attack helicopters for the Army; $81.2 million for procurement of 5 C-9B transport aircraft for the Navy; $79.7 million for procurement of 8 C-130H tactical airlift planes, $135.5 million for 12 A-7 attack aircraft for the Air Force.

The committee also added $57 million for the Infantry Fighting Vehicle program for the Army.

In a decision which I personally opposed, the committee voted to delete the authorization of $296.9 million for the Army's Roland missile, with the intent to terminate the program.

The President's request for offensive avionics and cruise missile integration work for the B-52 bombers was approved. But the committee included language requiring the Secretary of Defense to study the report to the Congress on the uncertainties of using the B-52 as a cruise missile carrier over the next decade, as well as the overall importance of penetration capability for strategic aircraft and the options available for maintaining such capability over the next decade.

The committee added one SSN-688 attack submarine, but deleted modification of one guided-missile destroyer (DDG-2) for a net increase in authorization of $148.7 million. The committee also added $41 million for long-lead procurement of an LSD-41 amphibious ship.

The committee rejected, as the Congress has in the past, proposals for reduction of 38,100 personnel in the Naval Reserve. The Naval Reserve will continue at its current strength of 87,000.

The committee added 1,150 spaces to the civilian authorization and included some important general provisions to begin improving the pay structure for military physicians. This is just the beginning of an effort by the committee to solve the critical problem of retention of health professionals in the Armed Forces. The distinguished chairman of our Military Compensation Subcommittee, the gentleman from Alabama (Mr. NICHOLS) whose subcommittee has worked so hard on this issue, will discuss the legislative provisions in more detail.

While I have focused attention on the changes made by the committee, it should be remembered that the overwhelming portion of the bill provides for authorization of programs requested by the administration. These include the UH-6A helicopter for the Army; the A-6E, the E-6B, the P-3C, and the E-2C for the Navy; the A-10, the F-15, the F-16, the E-3A, and the KC-10 aircraft for the Air Force.

The bill also provides a Trident submarine, a guided missile destroyer, and six guided missile frigates requested for the Navy.

The bill likewise contains a variety of important missile programs requested, including the Chaparral and the general support rocket system for the Army; the Sparrow, Sidewinder, Phoenix, Harpoon, Harm, and Standard missile for the Navy; and the Sidewinder, Sparrow, and air-launched cruise missile for the Air Force.

The bill includes the funds requested for the XM-1, the much needed new tank for the Army.

Most of the procurement and R. & D. programs authorized in the bill are ongoing programs approved at the level requested by the administration.

Mr. Chairman, I want to limit my own time because many Members wish to be heard today. I would, however, ask you to be aware that there is a more powerful potential adversary facing us today than at any time in our history. If arms control agreements are to have any lasting effect, it is necessary for us to demonstrate to that potential adversary that we will maintain the forces—and the will—necessary to defend our interests. This bill helps provide the means to make that demonstration.

It is a large and complex bill for a large and critical purpose—the maintenance of our national security in the decade ahead. I ask the Members of the House to support the bill.

☐ 1040

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

First of all, this bill is to be distinguished from the supplemental authorization bill that was earlier passed by the House and Senate and was signed into law on June 27.

Last year, Mr. Chairman, when we finally finished the appropriations bill, it was based on an authorization bill like the one we have before us today and it turned out that that appropriations bill was the largest defense appropriations bill that Congress had ever enacted in the history of our Nation in either peace or in war. That amount was $117.3 billion. The bill before us today, in many ways, covers the same territory and the same jurisdiction. It will form the basis of the appropriations bill that will probably run some $7 to $10 billion more than the bill last year. That increase does not represent a great deal except inflation and the rise and fall of various weapons systems that vary in amount from year to year.

By any consideration, this is a massive bill for fiscal year 1980 and covers all major phases of our worldwide military programs and touches on substantial portions of all our weapons systems including ships, aircraft, missiles, and all other procurement for the military services.

Increasing Soviet military capability has raised serious questions about the ability of the United States to successfully defend against a major conventional attack against NATO. Soviet naval developments which have not been offset by the U.S. Navy raise serious questions about our ability to operate in the eastern Mediterranean or the western Pacific in support of our friends and allies.

During the debate on this bill, much will be made about the fact that the committee recommends slightly larger expenditures and different priorities than those recommended by President Carter. In years past, it has been argued that the committee has simply acted as a rubber stamp with regard to the President's recommendations. Today, you will have the argument that the committee failed to rubberstamp the President's programs.

Much will be made about the fact that the committee added a nuclear aircraft carrier not requested by the President—an aircraft carrier which costs $2.1 billion. This repeat recommendation for an additional nuclear carrier comes after two major studies in the Department of Defense—one ordered by the Congress in 1977 and one on naval force levels and naval aircraft platforms. These studies show that the large carrier is the most desirable option and that in wartime it would be the most survivable and would generate the most combat sorties.

The Navy's requirement for an additional aircraft carrier is not in dispute except in the additional views of two of our Armed Services Committee colleagues that begins on page 179 of the committee's report on H.R. 4040. The additional views include the following statement:

> The committee has again authorized a large nuclear aircraft carrier despite clear evidence that life-cycle costs of this ship will exceed that of the CVN by at least $6 billion, and despite the lack of requirement for a new aircraft carrier of any type.

This language was included in the additional views despite the fact that the President requested in his fiscal year 1980 budget an oil-fueled aircraft carrier of about 60,000 tons and identified as a CVV at an estimated cost of $1.6 billion. The committee's recommendation, therefore, calls for an increase of $476.9 million over the President's dollar request for the aircraft carrier.

I would point out to my colleagues who want a conventionally powered carrier that as of June 26, 1979, Pentagon spokesman William Caldwell noted that while all branches of the military have had enough petroleum in the form of gasoline, diesel fuel, and other fuels to provide necessary training and preparedness, "we are running into shortfalls worldwide." Caldwell estimated that the military, which normally uses 460,000 barrels of petroleum products each day, is experiencing an energy shortage of 10 to 12 percent. To meet this shortage, the Pentagon, in an extremely rare move, has dipped into its strategically placed petroleum stockpiles or war reserves.

It is interesting to note that even those who argue that we should move toward smaller oil-fired carriers in the future—except for our two colleagues quoted earlier—concede the requirements for a mixed force containing 12 large carriers. But to have 12 large carriers in the future require the building of one more large carrier such as that which would be authorized in H.R. 4040. This mix of 12 large carriers, complemented by guided missile cruisers, by F–14 interceptors, by modern destroyers, and by attack submarines is the minimum necessary if the U.S. fleet is to retain what the Chief of Naval Operations consider to be only a "slim margin" of superiority over the Soviet Navy. The "slim margin" of superiority today would permit open sealanes only as far as Hawaii in the Pacific during the conflict with the Soviet Union. Shipping to NATO and allied naval units would suffer serious losses in the Atlantic.

The "slim margin" of superiority is becoming slimmer each month, with the new production of Backfire bombers and the launching of more and more Soviet warships and submarines. If current trends continue, the balance will tip substantially in favor of the Soviets.

Statements are frequently made to the effect that we have a rough equivalence in military power with the Soviet Union and that, therefore, we do not have to build expensive new weapon systems. It may be true that we have a rough equivalence now; however, what is important is the trend of developments. It takes 7 to 10 years, or longer, to develop and deploy a new weapon system. Therefore, it takes a long time to reverse a trend. This bill would simply make a minimum effort to try to continue what we, hopefully, started last year in reversing the trend of the last decade that has seen the Soviets go from a position of inferiority to one of rough equivalence in a few cases and superiority in several cases.

There was substantial agreement among the witnesses before our committee that if the present trend continues; that is, if the present momentum of Soviet strategic and conventional developments continues without some matching response from the United States, the Soviets will achieve complete military superiority within a decade. For example, when Gen. Bernard Rogers, Army Chief of Staff, was asked about the relative strength in conventional warfare capability of the United States as compared to the Soviet Union's, the following exchange of testimony took place:

> Question.
>
> Are you telling me the Soviet Union is militarily stronger than us: is that what you are saying?
>
> General ROGERS. Yes, that is what we are saying.

The purpose of this bill then is to assure that we will retain our deterrent capability in the future.

I think this committee should be aware that this bill is a result of a great deal of study and effort by the Committee on Armed Services. The committee logged a total of 129 hearing sessions, including 6 tedious markup sessions of the full committee, on the bill.

I also think this committee should note that while much attention is given to the changes made by the committee, the committee has, in fact, approved the vast majority of new aircraft, missiles, ships, tanks, and research and development projects requested by the President. In virtually all cases where the committee has made changes it is because we felt it would significantly enhance the combat power and readiness of the U.S. forces or that it would allow for an economically more efficient procurement. To have accepted the reduced procurement rates for the F–14 and F–18 aircraft, as proposed by the administration's request, would have resulted in increased costs over the life of the programs approaching $1 billion. The committee did not see any sense in such an approach when the Defense Department agreed that the total long-term buy of aircraft was not going to change.

Moreover, for the first time since the days of Orville Wright, as one witness before the committee put it, the Navy's aircraft budget request did not contain enough aircraft to replace those that are going out of the inventory by way of attrition. This is a despicable condition the committee could not ignore.

Conversely, the committee made reductions in programs which it believed too costly for the expected performance. For this reason, the committee deleted authorization for the Roland Air Defense System, which I personally voted to keep in, and the Pershing IA missile system.

Mr. Chairman, this is a large bill with many diverse items and, naturally, not everyone agreed with all the committee's actions on all items. As I mentioned before, I personally do not agree with all of the committee's actions. In some cases, I am concerned that our cuts were too severe. But the legislative process is a compromise, and I think the committee has worked exceptionally hard on this legislation and has come up with the best bill possible under the circumstances.

I think the bill provides what is necessary for our national security now, but more important, what is necessary to provide for our national security in the future.

I will close, Mr. Chairman, by reading a poem—often quoted by the late, great chairman of the Armed Services Committee, Mendel Rivers, when discussing national defense. The name of the poem is "The Bridge-Builder" and to me it contains a lesson about the things that we need to do today in order to protect those who will come after us in this great Nation.

THE BRIDGE-BUILDER

An old man going along a lone highway
Came at the evening, cold and gray,
To a chasm vast and wide and steep,
With waters rolling cold and deep.
The old man crossed in the twilight dim,
The sullen stream had no fears for him;
But he turned when safe on the other side,
And began a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting your strength with building here.
Your journey will end with the ending day,
You never again will pass this way.
You've crossed the chasm, deep and wide,
Why build you this bridge at eventide?"

The builder lifted his old gray head:
"Good friend, in the path I have come," he said,
"There followeth after me to-day
A youth whose feet must pass this way.
The chasm that was as naught to me
To that fair-haired youth may a pitfall be;
He, too, must cross in the twilight dim—
Good friend, I am building this bridge for him."

Mr. Chairman, I urge the support of every Member for this authorization bill.

☐ 1050

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in strong support of this bill to authorize appropriations of $41.4 billion for major procurement items and research and development for the Department of Defense. This bill is an increase of $4.2 billion, or some 11 percent, over the amount authorized last year. This may seem to be an excessive increase in light of the tight fiscal limitations we face today but two key factors must be considered in reviewing this bill.

First, inflation is running some 9 to 10 percent over last year and even more; unfortunately this impacts on the purchase price of weapons systems and components as much as any other goods, or anything else we need to obtain, and thus must be funded.

Second, this bill essentially continues to provide funding for the major procurement programs which have been under development for the past 4 years and are now entering their major acquisition phase.

Of the total procurement authorization of $27.9 billion, one-half of this amount, some $13.5 billion, is for the continued modernization of our tactical aircraft inventory. These funds will continue the purchase of ongoing aircraft programs such as the A–10, the F–16, and F–18.

Some $4.8 billion will continue the procurement of our strategic and tactical missiles such as the Navy's Trident I missile, the Air Force's cruise missile and the first year's buy of the Army's Patriot air defense system.

The Army's tank and combat vehicle program will require $1.8 billion for the purchase of the XM–1, infantry fighting vehicles, and other tracked artillery.

The authorization of $6.8 billion for naval vessels essentially rounds out the total procurement request of $27.9 billion. This $6.8 billion is an increase of $1.7 billion from last year's appropriation of $5.1 billion and some $0.6 billion more than the President's request for fiscal year 1980. It is this $6.8 billion for naval vessels that I would like to put in perspective as the House examines this authorization bill.

Why a Navy? In these days of much controversy and discussion about SALT II, it is easy to assume a pattern of thinking in which nuclear, or strategic, warfare is the only dominant issue. Our strategic forces—the land-based intercontinental ballistic missiles, the sea-based submarine-launched ballistic missiles, and our bomber forces—are essential to deter an enemy from a nuclear attack by being able to survive an enemy attack with enough nuclear weapons left over that would inflict an unacceptable level of damage on that enemy after its first strike. These forces, which we call our "Strategic Triad," consume 8 percent or some $11 billion in fiscal year 1980, of our annual defense expenditures. They are an absolute necessity to deter or prevent nuclear war, but these expenditures do not win conventional wars, they only prevent nuclear wars, hopefully.

Only by keeping a strong conventional warfighting capability can we keep the barrier to nuclear warfare at a high level. Since we reject an immediate nuclear response as the sole policy on which to base the planning and use of our forces, we and our allies must have strong conventional forces. If war should come, all mankind should hope it will not be nuclear: this is the continuing policy of the United States.

The fundamental goal of our national defense policy is to protect our wellbeing as a nation. To survive, to prosper, to protect our traditions, we need political as well as military allies, trading partners, access to raw materials and supplies of energy. We must remember a significant part of our strategic materials consumed annually by U.S. industry is provided by sea imports: 86 percent of our aluminum, 91 percent of our chromium, 96 percent of our cobalt, 98 percent of manganese, 87 percent of tin, 68 percent of tungsten, and 63 percent of zinc, for example.

□ 1100

As a result of these needs, it is a necessity to maintain freedom of the seas and international airspace and insure our capability to affect events and protect our interests throughout the world.

These principles, coupled with the policy of avoiding if possible an immediate nuclear weapon response to a war situation, call for a strong, conventional military force.

In designing our general purpose forces, what must concern us first and foremost is the heavy concentration of Soviet forces in Eastern Europe and the western U.S.S.R. Those forces represent a direct and growing threat to the security of Western Europe, on both the central front and the flanks. They are essentially the most serious nonnuclear threat that could confront us in the foreseeable future. This is not to rule out, however, lesser threats or crises in such sensitive areas as the Middle East, the Persian Gulf, and the Korean peninsula.

Our general purpose forces, consisting of ground, air, and naval units, must be prepared to carry the war to the enemy wherever he may be. To do this we must regard maritime superiority as a basic objective of national strategy, for without it our ability to influence events outside the United States is very dangerously limited. The fundamental fact is that control of the seas in the sense of the areas we need is absolutely essential for the survival of the United States.

I must stress that maritime superiority does not mean we must control all the ocean expanses simultaneously. It does mean that we must control for unrestricted passage those areas which we need in time of war. What this comes down to is that our naval forces must be capable of protecting the critical waters around the Eurasian periphery where they are economically vital to the sea lines of communication through the Atlantic, Pacific, and Indian Oceans. If we cannot protect these key areas, we cannot win a war nor insure our national interests in peace.

The Navy is the critical link in any reinforcement and resupply of United States and allied forces in any combat situation throughout the world. In addition to this absolutely critical role of insuring reinforcement and resupply of our forces throughout the world, we have the fact that the Navy must be able to defeat any enemy which might attempt to deny in any war the use of the needed sea areas and, when necessary, to project power against the enemy's heartland.

To accomplish these missions, the Navy currently maintains a fleet of 12 aircraft carriers, 165 surface warships, and some 80 attack submarines which are capable of performing a wide range of tasks in support of our military strategy. There is also a 13th carrier, the *Lexington*, now in use as a training facility, that in time of war could be used. The Joint Chiefs of Staff have recommended a 16-carrier force in wartime.

In addition to these primary war-fighting ships, we have some 65 amphibious ships and 56 logistic ships to insure our ability to conduct sustained combat operations throughout the world.

In peacetime about 30 percent of our fleet is deployed overseas in the Pacific and the Mediterranean. An additional 40 percent of our fleet is based in U.S. ports, ready for immediate reinforcement of overseas naval forces in case of war or crises. The remaining 30 percent of the fleet is usually undergoing planned maintenance and conducting basic training. These latter forces, however, in time of crises, could be quickly deployed.

These overseas and U.S.-based naval forces must continuously and continually be ready to respond to a national emergency or other international situation. The need annually to operate and modernize our naval force is the essence of this bill. As our fleet ages each year and as technology and the enemy threat changes, the requirements to build and maintain our Navy change constantly.

This Nation is inextricably tied to its ocean lifelines, and there must be a protection of them both in peace and war.

For these simple reasons we must look to and support the continued modernization of our Navy, for without it, we have little use for other conventional forces.

The Navy has been absolutely consistent for a number of years in identifying the minimum requirement for 12 large-deck aircraft carriers through the year 2000. This is the absolute minimum number required to fulfill our peacetime mission of two forward deployed carriers in the Mediterranean and two to the Western Pacific. To fall below this minimum would preclude our ability to meet our treaty obligations to NATO and Japan. The CNO is on record this year in stating that 16 large-deck carriers is the minimum necessary to fight a war.

The issue of nuclear power versus conventional oil-fired power in a carrier has been debated in this House at length for the past decade. The additional cost of a nuclear carrier is $477 million over the small-deck, conventional carrier proposed by the President. Considering the 40-year life of this carrier and the uncertainty as to the cost and availability of oil over this time, the merits of nuclear power over oil-fired power seem clear on this point of cost alone.

There has been some discussion here on the floor with regard to a figure of what the cost is with regard to the small carrier sought by the administration and the CVN, the nuclear carrier on the basis of a lifetime 30-year cycle, but I would like to point out that those figures are based on the overall cost and not upon the relative ability to fight. There are some 95 planes aboard the CVN, and there are only about 50 planes aboard the CVV, the small carrier. So although it is true there would be slightly more cost to have a CVN in a lifetime cycle, more than the small carrier, the combat ability of the nuclear carrier is very much greater.

Beyond the issue of fuel costs and fuel availability, the operational advantages of a nuclear-powered carrier over a conventionally powered one are essential to our consideration. It is difficult to measure how much more effective it is to have the ability to travel at maximum speed for thousands of miles without having to be tied to a lengthy support train and arrive at a destination prepared to fight an engagement.

Mr. Chairman, I would like to conclude my remarks by saying that I think this bill represents the absolute minimum we should have for our national defense at this time. As a matter of fact, I think any competent observer outside our country or any thoughtful observer of our military strength in any place would say that we need to strengthen our forces much more than this particular bill requires. This is a minimum bill, and I solicit the unanimous support of the Members for it.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may require to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I rise in support of the bill that is being debated today.

I must make this observation once again: That all too often we find it is very difficult, if not impossible, to get our message to the people who must be convinced. We who serve on the Committee on Armed Services have gotten the facts, we have the message, and it is up to us to be persuasive enough to convince those who do not have the facts as to what the situation actually is. Looking around the Chamber today I feel like, once again, we are preaching to the choir.

I have served on the Committee on Armed Services of the House for over 15 years, and I cannot recall a more thorough and exhaustive set of hearings than those in the committee and particularly the subcommittee on which I am the ranking minority member, the Subcommittee on Research and Development. Over 100 witnesses came before the subcommittee to deliver several thousand pages of testimony. In all, a total of 65 hearings were held in our subcommittee alone, and I can assure the Members that title II has been thoroughly scrutinized, and each of the committee's recommendations is backed by sound reasoning.

Rather than dwell on the specific programmatic adjustments the committee made to title II, I would like to take a few minutes to talk about the current trends, because this is the thing that is most important, not necessarily the status quo today. I do not think we are necessarily unprepared in having the lesser numbers all across the board, but it is the trend that is most disturbing and alarming. That is what I want to discuss briefly here today.

In his fiscal 1980 statement to the Congress on the Department of Defense program for research and development, Dr. William Perry, Under Secretary for Research and Engineering, made this statement before our committee this year:

> By all accepted measures of growth, the Soviet military investment effort continues to increase steadily, resulting in both improved R & D capabilities and the deployment of improved weapon systems.
>
> During the past year, for example, estimated Soviet investments were about 70 percent greater in dollar value than the corresponding research, development and acquisition program in the United States. That is the nature of the challenge.

In his report, Dr. Perry goes on to note that over the last 5 years the Soviets—and I wish the Members would listen to this because it is most important—have outproduced us by about 10,000 to 3,600 in tanks.

□ 1110

They have outproduced us 1,000 to 280 in intercontinental ballistic missiles, ICBM's, 50 to 12 in submarines, 3,000 to 1,400 in technical aircraft, to name but a few examples. This is the trend, and it is continuing. This aggressive Soviet modernization program includes virtually every category of weapons systems, including those in which our lead was undisputed only a few years ago. Of particular concern to Dr. Perry and, I might add, to our committee, are recent Soviet advances in high-technology programs; and I refer specifically to the highly accurate ICBM guidance system, a look-down/shoot-down interceptor aircraft capability, an advanced submarine, and a new family of high-speed computers.

To illustrate the disparity between Soviet and United States military efforts, I have prepared two charts. The data depicted in these charts were taken from a recent Rand report titled "The Significance of Divergent U.S.-U.S.S.R. Military Expenditure."

The first chart depicts Soviet versus U.S. expenditures for research and development activities. It should be noted that over the last 5 years the Soviets have outspent us by a total of $40 billion on research and development, or an average of $8 billion a year.

If you would look at the charts, you would see, starting in 1968 and covering the next 10 years, the graphs meet at about 1972, and since that time the expenditure of the U.S.S.R. has risen dramatically while ours has not even maintained a constant level of expenditure. It has decreased to a point where, just since 1972, $40 billion more expenditures were made by the Soviets. And this represents effort.

Let me say, parenthetically, that if there is an area in which we have a lead, it is in our technology. And we are losing the lead there. We are outnumbered, as I have said, in tanks, in planes, in men, in ships. We have had and do enjoy a lead in technology, but we are losing this with the level of expenditure in the past. It is necessary that we go forward with increased effort.

I have another chart which shows the entire level of effort in procurement. This has nothing to do with payroll. This is not people. This is acquisition. And I might say that our Defense Intelligence Agency agrees with these figures. But if you will notice these figures, going from 1968 to 1978, you will find that where the lines cross at about 1971, the disparity grows and it is continuing today. It is the trend that is so upsetting, to the point where, in the last 10 years, the Soviets have outspent us by $104 billion. To put this in perspective, if this $104 billion had been available to the U.S. military, we could have already purchased the entire fleet of 244 B-1 aircraft, which we canceled, the baseline MX program, missiles and shelters, all of the currently programed Trident submarines and missiles, the roughly 7,000 XM-1 tanks we now plan to acquire, together with a matching number of infantry fighting vehicles and the once planned buy of AMST's to provide them with intratheater mobility, and we still would have enough left over to buy all of the F-14's, F-15's, F-16's, F-18's, and A-10's now planned for the Air Force and the Navy. This amount, this difference, would have supplied all of the weapons systems I have just named and would, therefore, have sufficed to modernize all three legs of the triad, strengthen our ground combat capability, and fully modernize our Air Force and Navy tactical air power.

While I am not suggesting that we would have chosen to spend this additional amount in this way, I think the example does serve to illustrate the capability it would have produced. With the SALT debate now started in the U.S. Senate, I think it is important to take particular note of both Soviet and United States activity in the area of strategic programs. Since the mid-1960's the Soviet outlays for strategic programs have been significantly larger than the U.S. outlays for this set of missions with the overall difference running in the order of 150 percent in favor of the Soviets.

Over the past half decade, the Soviet Union has spent three times as much as the United States on strategic force modernization.

This I find very interesting: In his SALT II address before the Congress on June 18, 1979, President Carter indicated that SALT II would curb the Soviet strategic arms buildup. In referring to SALT II, President Carter said:

> It is in our interest because it slows down—it even reverses—the momentum of the Soviet arms build-up that has been of such great concern to all of us.

I sincerely hope that SALT II, if approved, will moderate the Soviet strategic buildup, but I must admit that I have very grave doubts. SALT I did little if anything in this regard; in fact, information has been provided to our subcommittee which indicates that the Soviets actually intensified their strategic modernization efforts after the signing of SALT I.

I recall a recent Air Force briefing which addressed the relative capability of U.S. and U.S.S.R. ICBM forces. I asked them to make a chart depicting this which I have here on the floor today. This chart shows the successive generations of ICBM's, starting with our Titan ICBM in 1960. The light colored missiles are United States and the black ones are Soviet. Since 1960 the Soviets have fielded nine new ICBM's whereas we have deployed only three. Included in the current Soviet inventory are the huge SS-18 and SS-19 which now threaten all our ICBM's. Also depicted on the chart are the new ICBM's each country has under development. You will note that the Soviets currently have at least four new missiles in development while we are still trying to decide whether or not to go forward with the MX.

Let me conclude by saying the trend is there, the facts are there. Our Department of Defense acknowledges the facts that I have stated to you today. Our Defense Intelligence Agency acknowledges them to be facts. I think that, if anything, we are underspending on this budget, and I think, as Secretary Kissinger and others have advocated in connection with SALT II, the least we should do is increase our conventional weaponry; and I think, in view of the threat that we see, the trend that we see, this is a barebones budget which we are presenting here today, and I would certainly earnestly and fervently request that the entire House support our budget.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank the distinguished chairman of the Committee on Armed Services for yielding this time to me.

I rise to ask the Members' support for the committee's action on title II, research, development, test, and evaluation, of H.R. 4040.

The Department of Defense requested $13.54 billion for the fiscal year 1980 research and development program. I would state to the members of the committee that, after what I consider to be the most comprehensive and exhaustive review of defense research and development programs ever conducted by the Committee on Armed Services, the committee recommended an authorization of $13.37 billion, which is a net reduction in R. & D. of $167.7 million, or a 1.2 percent reduction from the President's budget request.

I would say to the members of the committee that in these reductions, we cut the fat out of our R. & D. program.

Personally, I do not think we are spending enough money for R. & D. The Soviet Union, for example, is spending about 40 percent more than we are in R. & D. and, as any informed Member on defense in this body knows, they are rapidly closing the gap of that technological lead which we have.

□ 1120

So I personally think we should be spending more, but you just cannot throw money into R. & D. as such. Your programs have to be properly structured if you are going to get proper value from the money that you spend.

Mr. Chairman, we have all heard more than our share of contemporary slogans that characterize our defense program or our defense profile, vis-a-vis that of the Soviet Union.

We have all heard how "the Russians are coming" on one extreme, or on the other extreme, "There are enough strategic weapons in our respective arsenals to kill the world 30 times over," and so on and so on and so on, et cetera, et cetera.

I am not going to add to the already lengthy list of cliches. I am going to limit myself in my remarks to one brief statement that characterizes the Soviet military program.

The Soviets, as I stated, are outspending the United States in every meaningful category of defense research development and procurement. They have achieved strategic nuclear parity with the United States.

The chart which the gentleman from Alabama has just shown you portrays that fact. Their momentum and level of military effort are staggering. Unless—and listen to this carefully, I ask the Members—and unless the present trends are reversed, the Soviets will achieve clear military dominance over the United States in the 1985-90 era.

That, Mr. Chairman, is all that I intend to say here today about the Soviet military program. If during the course of the deliberations on this bill any Member—and I invite them—any Member wishes to develop my assessment further, then I stand ready to justify that contention.

I hope that some Members do. We had better start worrying just where we are in the matter of defense in this country.

What I want to do at this time is to emphasize the importance of technology to our military capability, our civil sector and also our national economy.

This past July, the President, in his address to the Nation, commented that we are experiencing an erosion of confidence in the future. I share the President's assessment and believe that we are approaching the future with an alarmingly high level of confusion and doubt.

As a nation, I believe that we lack the exuberant confidence and sense of direction that we possessed in the post-World War II era and in the early 1960's.

We are going through unprecedented rates of change in many dimensions that impact upon our Nation's economy, security, and our position of preeminence in the world. It seems as though the only thing that we can predict with certainty is the uncertainty that lies out there ahead.

We are uncertain about energy. We are uncertain about our military capability. We are uncertain about the present state of our economy.

It will do us little good to build the most modern and sophisticated weapons systems unless our technology provides us with a solution to our energy programs. Tanks, aircraft carriers, and planes, without fuel, provide no combat capability.

The President went on to point out in his address that technologically we are a nation still second to none. Again, I share his assessment. I am saying technologically, members of the committee.

The problems that confront us today are not attributed to our lack of technology, but instead to what I consider to be poor decisionmaking. Our technology has been very responsive to our needs.

Unfortunately, our present system of management is hindering rather than helping the transition of technology to deployable hardware in a timely fashion.

Unfortunately, and I hate to say this, but I have to say it, we in the Congress are all too often more a part of the problem than we are a part of the solution.

We approved over $7 billion to build an advanced bomber, the B-70; then the B-1. We then killed both programs.

We have spent over a billion dollars putting the best available technology into a modern tank, yet, we have no MBT-70's or XM-1's on the battlefield.

My colleagues heard me characterize what is going on in the field of defense many, many times, as the stop-start delay syndrome. We are infected with a stop-start delay syndrome.

We start on the B-1 and spent $7 billion and cancel it.

We start building an enhanced radiation weapon. It is absolutely in limbo at the present time, if not canceled. We started on the MX. We delayed it for a long time. Fortunately, the decision has now been made, but we cannot continue this stop-start and delay and expect to remain even equal to the Soviet Union in all aspects of military power.

In spite of our problems, I would say that we are still a country of great imagination and creativity. Our technology advances have enabled us to continue to deter our potential adversaries even in the face of gross quantitative disparity between the respective arsenals of the East and the West. I am not going to repeat the numbers. My colleagues should know them by now.

If the Members of this House who have the constitutional responsibility to defend America do not know those numbers at this time, we are not performing our duties.

We do still have one big advantage over the Soviet Union or any other country for that matter, because in the United States there is a strong interrelationship between our civil and military technology programs.

The benefits from defense-supported research and development have permeated deep into our civil program and concomitantly our national economy.

Take the Boeing 707 for example. The Boeing 707 was a direct outgrowth of the Air Force aircraft development programs.

I can make the same statement about

the wide-body jet technology outgrowth of the C-5A program. Aluminum titanium, glass-reinforced plastics, and other composites have all transitioned from military research and development into our civil sector.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PRICE. I yield 2 additional minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Today, Mr. Chairman, these military development materials are used in commercial truck cabs, automobile and boat hulls. Defense medical research has contributed greatly to our civilian population. The vaccine for meningitis and improved treatment for burn patients are classic examples.

It has been a two-way street since our military has inherited the most sophisticated electronics from our commercial sector. This is particularly true in the field of computers. The integrated circuits developed for civil use make our weapons systems reliable, make them durable and effective.

In spite of our technological success, however, I would warn that there is a danger ahead for the future. Our rate of research and development growth has been exceeded by other nations, our adversaries and allies alike. France, Germany, Japan, and the Soviet Union have all experienced research and development growth during the past decade that is beyond that of the United States.

Foreign imports of goods and technology have affected the United States market to the point where auto imports now represent about 25 percent of our market.

□ 1130

Commercial electronics, and this scares me, commercial electronics is now over the 70 percent level.

The Soviet Union is going to extreme lengths to advance their own technology and acquire U.S. technology through both legal and clandestine methods. We went into that yesterday in H.R. 4034.

They have a massive program to acquire that technology, if they cannot do it directly, they will make every attempt to get it indirectly through third country sales and other techniques.

There can be little doubt that technological competition is growing sharper among ourselves, our adversaries and our allies. To insure our competitive future, we must continue to invest in military and civil technology, improve our decisionmaking process, and revitalize our commitment to technological initiatives.

I want to strongly emphasize here today that our military and civil technology is so interrelated that our economic future is largely dependent on our ability to sustain a vigorous U.S. research and development program. This, Mr. Chairman, is one of the reasons why the committee devoted an unprecedented 3-month period—65 meetings—to the review of the fiscal year 1980 defense research and development program.

As in previous years, the committee "did its homework," so to speak. I think it is most important to note that many Members of this Congress who find it difficult to support the current level of defense expenditures or who have not been inclined to vote for higher expenditures, have openly acknowledged that the Committee on Armed Services has never rubberstamped the defense research and development program. Going one step further, I would state that in my judgment we have always approached the defense research and development program with a thoroughness that has resulted in a responsive and meaningful program at the lowest possible cost. Last year, for example, we recommended a reduction of over $600 million in the defense research and development program. At that time, it was most difficult to recommend a reduction in research and development in the face of an ever-increasing Soviet threat. Yet, in the absence of sound justification for many programs, the committee recommended this reduction since the inefficient spending of defense dollars does not produce a sound defense.

I would like to spend just a few minutes summarizing the more significant recommendations offered by the committee on the fiscal year 1980 research and development program. The committee recommended $670 million requested by the administration for full-scale engineering development of the MX missile and an acceptable basing mode that will enhance the survivability of our land-based intercontinental ballistic missile (ICBM) forces. Accompanying this recommendation is legislative language emphasizing that it is the sense of Congress that maintaining a survivable land-based ICBM system is vital to the security of the United States, and accordingly, the Secretary of Defense should proceed immediately with full-scale engineering development of the multiple protective structures (MPS) basing mode. Since the Congress has already approved this language in the fiscal year 1979 supplemental budget bill—S. 429—many aspects of this provision are no longer required in the fiscal year 1980 bill.

Concerning other strategic programs, it was the committee's judgment based on Air Force studies that a wide-bodied cruise missile carrier aircraft is neither survivable nor performance effective and should not be funded for the fiscal year 1980. Consequently, the committee recommended deletion of the $30 million requested by the Department of Defense, and alternatively recommends an authorization of $30 million for the competitive flight demonstration of the strategic weapons launcher—a low-cost variant of the B-1 aircraft, and the advanced medium STOL transport aircraft, the AMST. Subsequent to May, however, medium-size commercial aircraft may be cost and performance effective. I will offer an amendment to reflect these findings.

Concerning our submarine-launched ballistic missile forces, the committee did not concur in the request to develop the Trident II missile at this time and deleted the $40.6 million that was requested for this program for fiscal year 1980. Defense Department representatives advised the committee that the requirement for the Trident II missile has yet to be established, and that the failure to authorize funds for this program this year will not adversely impact on the planned date for initial operational capability (IOC).

Turning to our tactical or conventional research and development, I will highlight two programs that are highly recommended by the committee, neither of which were requested by the Department of Defense for fiscal year 1980. These are the Navy's surface effect ship (SES) program and the Marine Corps' AV-8B Harrier V/STOL aircraft system.

The SES is this country's primary high-technology ship design program and is intended to provide an 80-knot and above deep-water surface craft for the post-1980 era. It is a ship with multimission application, and if successful, could be used for antisubmarine, anti-air and surface-to-surface warfare. The program to construct a 3,000-ton prototype ship is over 60 percent complete and for less than $400 million, the Navy can complete its development and evaluate its performance in the test and evaluation phase.

Regarding the AV-8B, the committee recommends an authorization of $180 million for the continuation of full-scale engineering development of this aircraft, which is described by the Marine Corps as its highest priority program. While the committee strongly endorses the Navy's F-18 and A-18 aircraft, the A-18 simply will not meet the Marine Corps' requirement to operate in the forward area from unimproved airfields.

In summary, Mr. Chairman, I believe that the action taken by the committee on title II will result in a responsive military research and development program that will enable us to insure against technological surprise by the Soviet Union. It is not a strong enough program to reverse the trends that will enable us to regain our clear military superiority over the Soviet Union, but in today's competition for funds among our military, energy, social and other programs, it is the best we can provide. We must be cognizant of the fact that technological initiative is perishable. In order to keep it, we must not only invest but manage wisely. I believe that the fiscal year 1980 research and development program will sustain our technological initiative. The committee worked its will on the research and development budget request. While the percentage reduction is only 1.2 percent, the committee made monetary adjustments—that is, additions and deletions—amounting to over $500 million.

Mr. Chairman, I, as well as other members of the committee, stand prepared to address the issues that may be raised during the deliberations on title II of H.R. 4040. I am hopeful that the committee's recommendations will receive the support of the Members here today.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in support of H.R. 4040 and would like to join with my committee colleagues in commending Chairman PRICE and Ranking Minority Member BOB WILSON for their leadership and patient guidance in bringing this bill to the floor.

H.R. 4040 represents an attempt to balance judiciously the competing claims of fiscal responsibility in a period of economic difficulty and pressing national security needs.

As the events of the last 6 months have forcefully demonstrated, we are living in an era of uncertainty and we are confronted by potential threats to our vital interests in virtually every quarter of the globe. Under these circumstances there is simply no substitute for military capabilities of sufficient quality and range to be able to respond effectively anywhere to any level of challenge that may develop. Approval of H.R. 4040 will measurably enhance our present capabilities across the entire spectrum of military requirements.

As a member of the Subcommittee on Research and Development, I am particularly pleased by the committee recommendation of an additional authorization of $100 million to the Navy's total R.D.T. & E. program request for the continued development of the 3,000 ton prototype surface effect ship. Frankly, I am at a loss to explain the Department of Defense's deletion of funds in the fiscal year 1980 request for further development of this vessel and its recommendation for termination of this program. The cancellation of this country's primary high technology ship design program that could provide a deep water, surface ship capable of speeds in excess of 80 knots is simply inconceivable to me. Such action becomes even more extraordinary when you consider that its speed and ability to carry a large mission payload give the surface effect ship a multimission application for antisubmarine, antiair and surface-to-surface warfare capability at less cost than many of our conventionally designed ships.

Finally, in light of expressions of interest by a number of NATO countries in this program, its cancellation may foreclose a signal opportunity for alliance arms cooperation which would be contrary to the stated policy of the Congress. If its feasibility is borne out, the surface effect ship would represent a revolutionary enhancement in the Navy's future capability that could rival in significance its transition from sail to steam in the last century. In view of the enormous potential that this program has for the Navy's future. I urge your support of section 201 of H.R. 4040, which provides that $100 million of the total authorization for Navy R.D.T. & E. be available only for this purpose.

Although last year's hearings and report by the Special Subcommittee on NATO standardization, Interoperability and Readiness revealed serious deficiencies in alliance military readiness, certain provisions of H.R. 4040 are encouraging in this regard. Foremost among them is the inclusion of the requirement that the Secretary of Defense provide annually to the Congress a comprehensive report on NATO readiness that will allow it to rationally address existing deficiencies.

In addition, it provides authorization for the procurement of F–15, F–16 and A–10 aircraft that will significantly enhance allied air capabilities. Furthermore, the committee's strong support for the XM–1 tank program, and production of the infantry fighting vehicle will provide American troops in Europe the improved capability they need to offset the steady advances in the quality of Soviet armor. Finally, the bill approves $144.8 million for full-scale engineering development of the Pershing II missile system. The accelerated development of this missile is vital to the modernization of our tactical nuclear forces and deterrent capability in Europe. We should not delude ourselves that these actions, in themselves, will be sufficient to counter the steady increase of Soviet military power in Europe, but they are steps in the right direction.

In brief. H.R. 4040 represents nothing more than the absolute minimum of what is required to meet legitimate, pressing national security needs and as such deserves the support of this body.

Let me close by recalling some words that were uttered 41 years ago on April 6, 1939, by an American patriot. They were uttered on Army Day by Louis Johnson, the Assistant Secretary of War. They are as cogent today as they were then.

> The way ahead lies in unknown wilderness, strange sounds warn of possible danger. Let us nevertheless go upon the journey courageously, but let us arm, let us arm speedily, lest darkness come upon us while we are on the way and find us unprepared.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, titles III through VI of H.R. 4040, respectively, establish the active duty, reserve, and civilian personnel strengths in the Department of Defense, as well as the military training student loads, for fiscal year 1980. The authority in these titles encompasses slightly less than 4 million military and civilian personnel—a substantial responsibility.

The Military Personnel Subcommittee alone had 21 meetings on these matters, plus the overview provided during full committee hearings. I want to take this opportunity to thank each member of the Military Personnel Subcommittee for their valuable contribution and interest during the consideration of the fiscal year 1980 manpower program.

I would like to offer particular thanks to the ranking minority member of the subcommittee, Mrs. HOLT, for her strong support and assistance.

Overall, the strength levels contained in this bill are slightly above the strengths authorized by Congress last year.

In title III, the subcommittee recommends end strengths for the Active Forces as follows:

	President's request	Committee recommendation	Difference
Army	774,000	780,337	+6,337
Navy	528,000	529,002	+1,002
Marine Corps	189,000	189,000	-------
Air Force	559,000	558,761	−239
	2,050,000	2,057,100	+7,100

The recommended strength for the Army is a total of 6,337 authorized spaces over the requested strength. This increase is the net result of two separate recommendations—an addition of 7,000 in anticipation that the announced withdrawal of troops from Korea will not occur in fiscal year 1980. Although the exact number of personnel to be withdrawn is classified, the Army's budget for fiscal year 1980 included the use of 7,000 of these spaces for necessary improvements in combat forces in NATO and the United States. Since the Korean withdrawal now will not occur, the Army would not be able to make these force structure improvements without the increase recommended by the committee.

The second recommendation is a net reduction of 663 spaces in the Army resulting from the changes in our relationship with Taiwan and Iran which have occurred since the fiscal year 1980 budget was put together in the Department of Defense.

For the Navy the committee recommendations exceed the requested strength by approximately 1,000. The strength reflects an increase of 1,676 spaces necessary for active duty personnel required to support the Naval Reserve at its current strength, an increase of 39 spaces to support the expansion of the Saudi naval program, and a decrease of 713 personnel associated with activities in Iran for fiscal year 1980.

The level recommended for the Marine Corps is that requested.

The Air Force strength is 239 below that requested. The committee recommendation is the net result of an increase of 1,300 personnel to provide for manning the Commander in Chief's airborne command post—a requirement not originally included in the fiscal year 1980 budget request, and a decrease of 1,539 personnel in the fiscal year 1980 budget intended to support Air Force commitments in Iran.

Overall, then, with these adjustments the committee's recommendations for active duty personnel levels in fiscal year 1980 are 7,100 above the requested strength, and 1,350 above the strength authorized last year.

Title IV authorizes average strength floors for the selected Reserve of each of the Reserve components. The committee recommendations are:

Army National Guard	355,700
Army Reserve	197,400
Naval Reserve	87,000
Marine Corps Reserve	33,600
Air National Guard	92,500
Air Force Reserve	57,300
Coast Guard Reserve	11,700

With one exception, the Naval Reserve, these are the strengths requested. The requested strength for the Naval Reserve was 48,900.

The committee recommended against this proposed reduction of 38,100. The rationale on which this reduction is based is essentially unchanged from that offered by the Defense Department and rejected by the Congress each of the last 3 years.

For the first time, the authorization contains a separate category for reservists on full-time active duty in support of the Reserve components. The number of personnel authorized in this category is included in the overall totals outlined above for personnel in each Reserve component.

□ 1140

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITE. I will be glad to yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding. In August, while we were in recess, the General Accounting Office submitted a report dated August 20 entitled, "Difficulties in Selecting the Army Reserves Recruitment under the All-Volunteer Force."

They pointed out that the Army Reserve was 64,000 people short over a peacetime requirement of 215,000, and the Army National Guard was 70,000 people short——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITE. We have limited time, and I do appreciate that this occurred after we reported the bill. I would be happy to discuss this with the gentleman later.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. The committee recommendations are the same as the Department's request.

Army National Guard	6,244
Army Reserve	4,288
Naval Reserve	207
Marine Corps Reserve	67
Air National Guard	1,560
Air Force Reserve	681

Also in title IV, the committee is recommending a change in the existing authority for the reserve educational assistance program. The recommended language changes the formula for the recoupment provisions, and alters the program to permit 100 percent, rather than the current 50 percent of allowable educational expenses to be reimbursed. This does not change the dollar limitation on reimbursements of $500 a year or $2,000 total per individual. The change will make the program more attractive and beneficial to individuals attending schools at which expenses are not high enough to qualify for the full amount of assistance under the program.

Title V establishes the end strength for civilian personnel in the Department of Defense. The strength recommended by the committee—986,292—is a ceiling for Department of Defense personnel as a whole. The Secretary of Defense is also provided authority to exceed this ceiling by 1¼ percent if he considers it in the national interest to do so.

The strength recommended is approximately 1,150 above that requested by the Department of Defense. The increase results from an increase of approximately 150 spaces for support for the Naval Reserve at its current strength, and an addition of 1,000 spaces for needed medical support personnel. Although no change in the request was necessary, an additional 794 spaces, originally contained in the budget for Taiwan and Iran commitments in fiscal year 1980, will also be allocated for additional medical support personnel.

Title VI establishes the military training student loads for fiscal year 1980. The loads recommended are identical to those requested. They are as follows:

Army	74,468
Navy	61,913
Marine Corps	22,618
Air Force	43,249
Army National Guard	14,616
Army Reserve	6,328
Naval Reserve	906
Marine Corps Reserve	3,156
Air National Guard	1,958
Air Force Reserve	1,276

GENERAL PROVISIONS

Mr. Chairman, the committee made several recommendations for language in the general provisions. Because of the importance and complexity of one of the recommendations dealing with mandatory registration, I will address it later in my remarks.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

First, the committee has endorsed language which will insure that the Uniformed Services University of the Health Sciences is operated with a student enrollment which is consistent with its capacity. The committee received evidence which suggests that the Secretary of Defense had limited the enrollment of first-year students in fiscal year 1980 because of his lack of enthusiasm for the University. The committee considers it appropriate to operate the school at the maximum capacity consistent with the recommendation of the board of regents. The committee also proposes language to clarify the existing statute which permits up to 20 percent of the school's graduates to perform their obligated service in civilian Federal service. The meaning of the statute is clarified to insure that graduates may perform civilian Federal service only if the needs of the services permit and if the Secretary approves. Personnel authorized to serve in the civilian sector would still be eligible for recall to active duty for the duration of the period of obligated service.

SIX-YEAR OBLIGATION FOR ENLISTEES TWENTY-SIX AND OVER

The committee is recommending a provision that will impose a 6-year military obligation for enlistees who are 26 years or age or older. Currently these personnel do not incur this obligation, although all other enlistees do. The change, when fully implemented, will increase the number of individuals in the individual Ready Reserve where they are critically needed. The Department of Defense testified in support of such a change.

DOUBLE COUNTING OF MARINE CORPS GENERALS

In another area, the law now requires the Marine Corps to account for a reservist on active duty who is a general officer under both its active duty and reserve ceiling on the number of general officers. This means one individual is counted twice. Although all of the services are governed by this rule, it is a problem for the Marine Corps alone which is authorized only 10 Reserve general officers. Because there is 1 Marine general on active duty today, the Marines are effectively limited to nine nonactive duty Reserve general officers. The Marines sought relief from this limitation, and the committee endorsed the change.

CONTRACTING OUT

The committee has also proposed new language on the issue of contracting out. The committee has been concerned by some of the evidence it has received on the basis for certain contracting decisions. For this reason, the committee approved language that would require the Secretary of Defense to take the following steps before a function now being performed by Department of Defense personnel can be converted to performance by a private contractor.

First, notify the Congress of a decision to study a commercial or industrial type function for possible performance by a private contractor;

Second, submit a report showing the economic impact on the community and employees affected, and the impact on the military mission of the function, of conversion to performance by private contractor; and

Third, notify the Congress of a final decision to convert a function to performance by private contractor, and also submit the amount of the bid accepted, and the cost of performance of the function by Government personnel.

Finally, when a decision to convert a function to performance by private contractor has been made, a period of 30 legislative days must pass before the contract can be implemented to permit the Congress time to review these decisions.

The Department of Defense now customarily provides most of the information required by this language. However, the provision would make explicit the obligation to provide the information and will permit the Congress an opportunity to oversee this process more carefully.

Mr. Chairman, the committee is recommending a provision that would require the President to resume registration on January 1, 1981, of males who become 18 years of age on or after that date. This is an important decision. I would like to explain the basis for it.

Today, the Nation's mobilization capabilities are deficient. The deficiencies are spread across almost all areas of national defense, but particularly in manpower. Serious shortages in personnel now exist in the Selected Reserve (180,000) and the individual Ready Reserve (250,000–500,000). The impact of these shortages is exacerbated by the inadequate condition of the standby draft mechanism—the Selective Service System. In fact, the situation is such that the Department of Defense has indicated it plans to ask for authority to recall veterans with recent service in an emergency. This is unquesionably inequitable, but a likely alternative because of existing shortages and an unwillingness, I think, to take the political risk of requesting registration.

The committee recommendation will clearly resolve an important deficiency in mobilization capability. Registration will cut more than 2 months off the current estimate that additional trained manpower will not become available until almost 7 months after mobilization.

The existence of an effective standby draft mechanism is an integral part of the volunteer concept. In 1970 when the President's Commission on an All Volunteer Armed Force issued its report, the Chairman of the Commission, the former Secretary of Defense Thomas S. Gates, stated in his letter of transmittal to the President:

> We unanimously believe that the Nation's interests will be better served by an all volunteer force, supported by an effective standby draft, than by a mixed force of volunteers and conscription.

There is little doubt today that the Selective Service System is incapable of meeting the mobilization requirements of this Nation. Studies by the Congressional Budget Office, the General Accounting Office, the President's reorganization project, a report from the Acting Director of the Selective Service System, and the testimony of the Secretary of Defense all confirm this fact. The Selective Service System now has only 100 full-time employees and admittedly performs only a planning function.

Although authority exists to register under section 3 of the Military Selective Service Act, it has not been used since 1975 when it was discontinued by a Presidential proclamation. That proclamation stated that a 1-year hiatus would permit implementation of a new plan for once-annual regstration procedures. Registration was not revived.

However, that's history. The question today is what to do to reactivate the Selective Service System to provide the necessary mobilization capability.

For a variety of reasons, the administration position is to add $2.8 million to the Selective Service System in fiscal year 1980 for a better computer and several more regional headquarters for a total of 10. With these funds, the administration wants to determine whether the Selective Service System can develop plans to perform a mass registration following mobilization that will permit it to provide the necessary number of personnel within the required time frame.

The committee is convinced that, without peacetime registration, there is no way the Selective Service can perform its mobilization function.

We share the judgment of the HUD, Independent Agencies Subcommittee of the House Appropriations Committee, chaired by the Honorable EDWARD BOLAND, that the increased funding, without registration, will not permit the Selectice Service System to meet national requirements.

Peacetime registration eliminates all doubt about the ability of the Selective Service System to produce manpower in the numbers required during a national mobilization. This is an extremely important benefit because the lack of credibility of our mobilization posture is one of the most serious criticisms which has been levelled at the All Volunteer Force. This is not a step in support of conscription. It is necessary for our mobilization capabilities today.

Registration can be accomplished at an annual additional cost of $10 million or less depending on the manner chosen.

The language recommended by the committee does not require registration to commence until January 1, 1981 for two reasons.

First, the current condition of the Selective Service System is such that it cannot perform this task until at least 6 to 9 months after it is provided the necessary funding. Second, there are a number of important issues that need to be resolved before registration commences. For example: Should women be included? What form of registration is appropriate? Could the registration be accomplished on a voluntary basis? What changes in the Military Selective Service Act are necessary? The recommendations of the President are required on these and other issues and would be submitted by January 15, 1980. The Congress would then have an opportunity to consider his recommendations and enact the necessary changes before registration commences.

The committee has also included two related provisions that require annual assessments of the mobilization capability of the Selective Service System, and also mandate that Selective Service be preserved as an independent agency.

This entire matter is an important decision that was not taken lightly by the committee. In fact, the committee has held a series of hearings over the course of the past 4 years examining the Selective Service System.

Mr. Chairman, the Military Personnel Subcommittee reported this provision unanimously and the Full Committee defeated an effort to delete the Selective Service provisions by a vote of 30 to 5.

Mr. BOB WILSON. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, the main reason for any federal or central government is to protect its people against aggression from outside sources. People band themselves together for this primary purpose. We can disagree over what and how much government we should have otherwise, but our main and our principal job—yours and mine—as Members of Congress, is to defend our country against our enemies, foreign and domestic. Also, we have to do our best to prevent wars, and to keep ourselves strong enough to defend our country if war comes.

I submit that we have not been living up to our responsibility in this respect. Let us look for just 1 minute at what has happened to us since World War II, when we were the undisputed leader of the world. We had more Navy, for example, than all the rest of the world put together. We could have made slaves out of every person on the face of this earth had we wanted to. We had the power to do it. We were the acknowledged leader of the world. We were strong militarily; we were respected because we were strong; and we had the will and resolve necessary to back up whatever position we took in this world.

Since that time, the world has seen us in Korea fight a war with one hand tied behind our back. They have seen us prevent our military from bombing enemy air bases. Can you imagine what would have happened in World War II had we not been able to bomb Germany? We would still be fighting the war, or would have lost it by now.

In Vietnam the picture haunts me even today of those last days on top of the U.S. Embassy in Saigon, when hands were reaching up for the wheels of that last helicopter leaving Vietnam, where we abandoned billions of dollars worth of military equipment, and bases that we had constructed, leaving the field to the enemy in the eyes of many people in this world who do not realize that our military were not defeated—they were not allowed to win by our own civilian leadership.

We have engaged in unilateral disarmament. Our Navy is down from over 2,000 ships to less than 500 ships. Since 1954, the percent of our gross national product for defense has declined from 12.7 to 5.2 percent, while Russia has increased from 8 percent to 18 percent. The percentage of our budget for defense has gone down from 65.3 percent to 23.5 percent.

Our foreign policy has been one of preemptive concession. We abrogated our alliance with Taiwan. We have deferred deployment of our neutron weapon without obtaining any concession in return.

In many cases, we have abandoned our allies, or taken positions contrary to them when they faced problems. People say that having us as an ally invites trouble. Ask the people in South Vietnam! But, Russia and Cuba help their allies. Ask the people in Africa about that!

Since that time, we have seen one of our Navy ships taken on the high seas, and we did nothing in return. We have seen two of our Army officers literally chopped to death, with their own axes, in Panmunjom by the North Koreans, and we did not do anything about it. Our men did not draw a weapon to defend themselves, and this is the characterization of us in the world today. We will not even lift a hand to defend ourselves, and we can be kicked around by anybody and everybody.

We have seen an ambassador of ours killed recently in Afghanistan. We have seen our Embassy in Tehran overrun, our flag shot up, and the Marines not even allowed to defend the Embassy. Other friendly nations will not even allow us to use their air fields or overfly their air space because they are worried about, not us and our reaction to their refusal, but the other side if they allow us to overfly their countries and use their facilities.

□ 1150

The people of this world wonder about us, our will and our ability to lead a free world, and even our system of government which has taken us to the very top but which will also allow us to weaken ourselves to the extent that we have. We need the rest of the world, Mr. Chairman, and they need us. When will we draw the line and tell the rest of the world that we are the same kind of people that we used to be? If we do draw the line, will we be strong enough to act, or will we be forced to make accommodations?

I am tired—and I think the American people are tired—of being pushed around in this world. People respect you if you are strong. The same kind of situation exists today which existed prior to World War II. We are disarming. We disarmed then. We are negotiating. We negotiated away our positions then. We tried to appease people then, and we are trying to appease people today.

If we want to invite a war, and possibly the loss of all of these freedoms that we have, the best way to do it is to appear weak militarily and weak in resolve. We have given good indications of both in the recent past. I have heard it said that two of the reasons the Japanese attacked us at Pearl Harbor in World War II were, first, that the draft passed by only one vote just prior to World War II; and, secondly, that we sank our biggest battleship and scrapped 200 of our other ships in an effort to show the world that we had no hostile intention toward anyone. The best way to prevent a war is to be so strong that no one will be misled into some adventuresome course against us.

Mr. Chairman, I submit that today is our opportunity to do something we have needed to do for a long time, and that is to show our own constituents and also the people of this world that we are drawing the line. We are turning around. We are reversing the current trends that have been against us, and we are going to reassume our rightful position in the world. We can start by passing this bill.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I rise to join my colleagues in support of H.R. 4040 and urge favorable action on this bill which provides what I consider to be the minimum essentials for the Nation's defense in fiscal year 1980.

As chairman of the Military Compensation Subcommittee, I would particularly call your attention to sections 802 and 806 in the general provisions title of the bill. Those sections are designed to assist in alleviating the critical shortage of medical officers being faced by the military departments at the present time and over the next few years.

Section 802 relates to the Uniformed Services University of the Health Sciences. Under the enabling legislation which established that university and provides the general statutory rules for its administration, the Secretary of Defense is charged with prescribing the number of persons to be graduated from that institution each year. Up to the present time the university has been enrolling 108 new students each year. However, as the construction at the school continues and is completed the capacity of the university to accommodate new student enrollments was expected to increase to 124 in 1980, 140 in 1981, 156 in 1982, and to attain the maximum design capacity of 176 to 180 students in 1983 or 1984. Notwithstanding the capacity of the University to accommodate additional students, until recently, the Department of Defense had planned only on admitting 108 new students during the next 5 years. It is now understood that the plans call for admission of 124 this fall.

However, in view of the current and projected shortages of doctors in the military services, the committee concluded that the capacity of the university to produce young doctors should be utilized to the maximum feasible extent. Accordingly, the Secretary is directed by section 802 of the bill, based on the recommendations of the Board of Regents, to take such actions as are necessary to insure the maximum number of first-year enrollments in the university consistent with the academic capacity of the university and the needs of the uniformed services for medical personnel.

Section 802 also clarifies the obligation of graduates of the university. At the present time the law authorizes the Secretary to permit up to 20 percent of a graduating class to agree in writing to perform civilian Federal duty in place of active duty in the uniformed services. To effectuate the original intent of Congress and to make it crystal clear that the option for alternative service is permissive with the Secretary of Defense, and would be permitted only if the needs of the services do not require that individual's services on active duty, the committee has included appropriate language in section 802.

Another provision of title VIII, section 806, also relates to the problem of procuring and retaining adequate numbers of qualified medical officers for the uniformed services.

The major future source of young doctors for service in the military services, is the health professions scholarship program. Participants in that program receive full tuition and fees plus a monthly stipend. The stipend was fixed at $400 monthly when the program was established in 1972 and has not been increased since that time. A comparable program administered by the Department of Health, Education, and Welfare is designed to provide a source of physicians for the Public Health Service and also to provide for a source of physicians for the medically underserved regions of the country. That program also provides tuition and fees and a monthly stipend. That stipend was originally fixed at $400 a month, but is subject to automatic adjustments equal to the percentage increases in the salaries of Federal personnel under the General Schedule. That stipend is currently $453 monthly.

Until 1978, the military's health professions scholarship program was attracting a sufficient number of qualified applicants. However, in that year for the first time not all vacancies in the program were filled. The major cause given for that failure is the lack of competitiveness of the military program as compared to the HEW program. The principal discrepancy between the two programs is the automatic adjustment of the stipend. Accordingly, in order to eliminate this disparity between these two programs, the committee has included language in section 806 to increase the amount of the stipend to $453 monthly with automatic increases thereafter to coincide with the future increases in the HEW program.

Section 806 addresses another segment of the problem of proper compensation. A pay disparity exists in present law between physicians who enter the military service through the health professions scholarship program (HPSP), and those physicians who attended medical school on active duty under the senior medical program (SMP) or a similar program. Those entering service under the SMP who are serving their obligated period of service are entitled to a variable incentive pay of $9,000 annually, whereas those who entered under the HPSP program are barred by law from receiving that payment. This disparity in the treatment has been a major irritant to the graduates of the HPSP program and could detract from the attractiveness of that program which is regarded as the principal source of future physicians. Accordingly, the committee has included a provision in section 806 which, effective October 1, 1979, will authorize all physicians serving in their obligated period of service to receive the $9,000 variable incentive pay now being received by medical officers who entered service from the senior medical program.

Mr. Chairman, I urge all Members to support H.R. 4040.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

Mr. Chairman, I rise to join my colleagues on the Armed Services Committee in urging support for H.R. 4040.

As the ranking minority member of the Military Compensation Subcommittee, I would point out that there are provisions in the bill which will cure two significant ills in the military health care delivery system. One of the principal reasons our inability to provide military dependents with the health care they were led to expect, is the doctor shortage.

That shortage is directly traceable to a shortfall in the procurement of doctors and retention of too few of those doctors completing their obligated service.

I am convinced that the whole structure of special pay for health professionals needs to be revised. Our Military Compensation Subcommittee has been conducting extensive hearings and studies to determine what revisions in the compensation to attract and retain health professionals is needed. We have a bill that will solve this problem. There are, however, two specific changes in the compensation area which are urgently needed and on which there is general agreement. Those two changes have been included in the bill being considered today.

The first relates to the monthly stipend payable to medical students who are participating in the health professions scholarship program. In the future, the graduates of that program will be the primary source of medical officers for the military. Until last year, the military services experienced no difficulty in filling all vacancies in that program. In 1978, for the first time, the number of new entrants fell 10 percent short. Apparently the major cause of the shortfall was the lack of competitiveness of the program in relation to a program administered by HEW.

A graduate of the HEW program is required to serve on active duty as a commissioned officer in the Public Health Service, or to practice in a medically underserved region of the United States. Both programs provide tuition, books and fees and a stipend while attending medical school. The main difference in the benefits under these programs is that the stipend under the HEW program, is adjusted annually by the same percentage as the pay of Federal civilian personnel, under the Federal Comparability Pay Act. The HEW stipend is $453 monthly, compared to $400 monthly under the military program. In order to eliminate this disparity, the committee has proposed legislation to increase the stipend to those in the military program to equal the stipend of those in the HEW program, and to provide for future adjustments as required, to maintain parity between the two groups. This action should increase the attractiveness of the military program and make it possible to attract enough qualified applicants for the military health professions scholarship program.

The other change included in the bill, relating to health professionals, is a provision which would assure that medical officers, serving in a period of obligated service, would receive a $9,000 annual incentive payment. At the present time medical officers procured through the so-called senior medical program and other programs are entitled to receive this $9,000 annual incentive payment, whereas medical officers procured through the health professions scholarship program do not receive it.

This disparity has been a major irritant to the graduates of the health professions scholarship program. Elimination of the irritant will hopefully improve the retention of these medical officers.

The bill also provides authority for payment of an advanced housing allowance to personnel assigned overseas. One of the major financial burdens faced by our service members who are assigned overseas, is the large "moving-in" expenses incurred in high cost areas. This can amount to up to 6 months' rent in some cases for advanced deposits and installation charges. Although they are reimbursed through a housing allowance for these costs by amortizing the expense over the length of the tour, the initial burden—impacting greatest on the junior enlisted member—contributes significantly to the financial hardship imposed on our service members overseas. This provision has no net cost since the advanced payment would be recouped by reduced housing allowance payments.

Mr. Chairman, I strongly support H.R. 4040 and urge that my colleagues in the House offer their support also.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may require to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.)

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, during my several years of service in the House, there has been an annual debate on the matter of budget priorities. This year has been no exception.

It should be understood that such debates are a natural part of our governmental system. In fact, no government can function, even under the Communist system, unless resources are allocated according to some system of priorities. The difference is that the Congress sets the priorities in the United States after full public debate. It is our final responsibility to determine how much is to be set aside for health, for education, for energy, for welfare, and for defense.

Too often, Mr. Chairman, there is a tendency to pit so-called social programs against national defense in the annual competition for Federal funds. Too often it is forgotten that the highest responsibility of government is to guarantee its citizens the first of all human rights—the right to live in order to pursue peace and prosperity, and to be secure in their homes and property. This is the purpose of H.R. 4040, the Defense Appropriation Authorization bill for fiscal year 1980.

The major portion of the bill represents the judgment of the President, the Secretary of Defense, and the Office of Management and Budget as to the level of resources which should be committed to our defense for certain purposes in the fiscal year.

The bill as reported by the committee by a vote of 36 to 2 now represents the judgment of the Committee on Armed Services as to what our national defense priorities should be. We arrived at this collective judgment and formed our recommendations only after the full committee conducted 21 hearing sessions and six subcommittees conducted a total of 129 hearings sessions over 3½ months.

The committee's budget priorities reflect the concern that has been expressed all over the United States that the United States is becoming a second-rate power. The public opinion polls seem to say that the people of America are out in front of the administration and the Congress on this issue. They sense the true meaning of the Soviet achievement of military superiority. They are aware of the trends, which do not favor the United States but which favor the Soviet Union. The people of the United States do not like what they see. Unless we reverse those trends, Mr. Chairman, they will not like what we do.

The highest priority today for the United States is the preservation of a credible, effective and survivable deterrent triad of strategic forces. In this area, we have been caught with our momentum down. Soviet trends have gone the other way.

Our 20-year-old B–52's are wearing out and becoming more and more vulnerable to surprise attack and to attrition by advanced Soviet systems. The value of the B–52 as a penetrating bomber or as a cruise missile carrier will approach zero by the mid-1980's, whether or not we spend $20 billion in improving them. The United States requires a new advanced manned strategic aircraft. Because of the committee's doubts about the future effectiveness of the B–52, language has been included in H.R. 4040 directing the Secretary of Defense to make a comprehensive report to the Congress on this issue.

At this point, every knowledgeable official in our Government admits that, by the early or mid-1980's, our 1,054 Minuteman and Titan ICBM force will be vulnerable to a preemptive attack by only a small part of the Soviet strategic capability. With or without a SALT II agreement, this problem must be met head on, and soon. Even with the beginning of a MX missile program this year, there will be a vulnerability gap of several years before a survivable U.S. system can be deployed.

The committee is recommending approval of the President's entire request of $670 million to begin full scale engineering development of the MX missile.

It makes little strategic sense, Mr. Chairman to develop a new MX missile unless a firm decision is made and acted upon on the basing mode for the missile. It is the basing mode that makes the missile a more survivable deterrent, not the missile itself. It is the basing mode of the Minuteman force, coupled with the steady improvement of Soviet technology that caused the present vulnerability problem.

In order to set an equal priority on the MX basing mode with the missile, the committee bill would require the Secretary of Defense to proceed with the development of the basing mode concurrently with the missile development. Both should achieve an initial operational capability at the earliest practical date.

The sea-launched leg of the strategic Triad is also a high priority program. It is currently the least vulnerable of U.S. strategic forces and is capable of delivering the largest number of weapons on target. The sea based deterrent force is now concentrated in 31 Poseidon submarines which will reach the end of their designed service lives in the 1980's. These Poseidon submarines will be replaced, on a less than 1-for-1 basis by a new Trident system. The committee is recommending $1.1 billion for the eighth Trident submarine and $763 million for 82 Trident missiles.

NONSTRATEGIC PRIORITIES

Mr. Chairman, President Carter, Secretary Brown and the Joint Chiefs of

Staff have identified the readiness and support of our NATO forces as a crucial national security issue for fiscal year 1980. The Committee on Armed Services supports the administration's program which calls for the modernization of NATO's theater nuclear capability, improved air defense, and improvements in communications, command, and control. In addition to these items, the committee believes that two other areas must also be assigned a higher priority. These are: The ability to reinforce and resupply NATO by air and by sea; and the ability to mobilize manpower.

Resupply and reinforcement by air can be enhanced only through improvements in our strategic airlift capability. For many years, the committee has believed that maintaining a military strategic airlift capability augmented by the civil reserve air fleet program is the most cost effective means of achieving this.

Resupply and reinforcement by sea can only be improved by rebuilding a Navy of sufficient size and capability including aircraft carriers and tactical aviation units.

H.R. 4040 addresses these priorities by the authorization of procurement of four advanced tanker cargo aircraft, through the authorization of an additional *Nimitz*-class aircraft carrier, and through the authorization of 32 additional aircraft for the Navy.

In conclusion, I strongly urge the support of the House for section 812 of H.R. 4040 which provides that the President shall commence registration, not induction, but registration under existing Selective Service laws of males 18 years of age on or after January 1, 1981. This aid to our mobilization capability—which now is practically nil—is of utmost importance to our defense and national security interests. The committee agrees with the Secretary of Defense that, the Selective Service System is currently incapable of meeting mobilization requirements.

Mr. Chairman, I believe that H.R. 4040 addresses U.S. national security priorities more adequately than the administration's request. The committee has not "rubberstamped" the request. In some cases we have agreed with the request, in some cases we have added, and in some we have deleted or reduced.

The bill should be supported.

□ 1200

Mr. PRICE. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, as we consider authorization for procurement of hardware for our Armed Forces, I would like to report on a category of spending we do not authorize; that is, the money which is spent for operation and maintenance.

There is no point in going into the question of why this is so. It is important, though, that this body give some attention to what we plan to do about it.

While some of us were in Europe during August, we had an opportunity to be educated in this particular area, and what we learned was no cause for comfort.

It is presently estimated that the difference between what the Congress will appropriate and what our NATO command needs, for operation and maintenance in fiscal year 1980, will amount to nearly $400 million.

The Army in Europe initially identified $69.5 million in critical unfinished requirements for 1979. Of this amount, $38.6 million was resolved through internal tradeoffs; $21.7 million will be deferred until the next fiscal year. For 1980, the shortfall will amount to $157.7 million; in 1981, $182.2 million.

The Navy—also in Europe—faces deficiencies of $70 and $75 million in the 2 upcoming years; the Air Force $155 and $142 million.

What will this mean? I invite you to consider what the O. & M. shortfall has already meant in the current and upcoming fiscal years.

For the Army, the backlog in essential maintenance and repair now exceeds $800 million. Combat forces must forego approximately 6,500 battalion field training days. Resources will not sustain a sufficiently high degree of near-term readiness to meet the 48-hour notice war scenario. They are short $35 million for modernization of equipment, $21.7 million must somehow be found to accommodate deferrals from fiscal year 1979 for such mundane things as repair parts, furnishings for quarters, medical supplies and personnel support activities.

For the Navy, units are now limited to 41 operating tempo days per quarter, instead of the 45 days deemed necessary; primary aviation mission readiness is funded at the bare minimum required for proficiency and safety levels.

And the Air Force is even worse off. In 1979 it had to cancel or defer NATO/Air Force exercises.

At some bases, 30 percent of assigned vehicles are out of commission. Mission training continues to be deferred, and there has been a reduction of inspection and maintenance of war reserve munitions and other prepositioned equipment.

This is by no means a complete list, and by no means tells the whole story.

A reduction of inspection and maintenance of war reserve munitions means that, should battle become necessary, we will run a heavy risk of killing our own people, when badly deteriorated stock explodes or falls short of the target.

And then there are the quality of life items—the "people programs"—which are afforded to the men and women stationed in Western Europe. My friends, in all the services these programs are virtually nonexistent.

A young man or woman joins the service with the belief they can enjoy living in a foreign land. And what do they find? Because of the devalued dollar, they cannot afford it.

And because of the deteriorated conditions of their barracks, they cannot abide being consigned to base life.

The question can properly be asked: How did the services let these things happen? They did not "let" them happen. They are the totally expected outgrowth of the retrenchment in spending for defense which has been occurring annually over the past decade.

The services are very much like the family who is an a tight budget. You forego new shoes for the children. You make the old winter coat last another season. You let some minor repair to the plumbing slip by awhile. But sooner or later, you reach a point where some expenditures have to be made, or the children must go to school barefoot, the winter coat develops some split seams, the basement floods.

In the area of operations and maintenance, the services can be compared to a man pushing a wet noodle up a hill. You make a little progress at the pushing end, but the first thing you know, you see, out of the corner of your eye, the other end of the noodle slipping back down the slope.

It is ironic that this Nation, which for years has had a national commitment to decent housing for all Americans, whatever their economic status, yet insists that the people upon whom they rely for defense live in housing which would be among the first to feel the wrecker's ball.

It is outrageous that this Nation, which designs and funds recreation programs for communities here at home continues to deny the funds for recreation and sports programs for service personnel.

And it is almost criminal that this Nation, which has passed laws to protect the safety and health of men and women on the job in the private sector will permit unsafe working conditions to exist for its Armed Forces. It is one thing for the risk to be unknown; it is something else again when the risk is apparent and ignored.

□ 1210

Mr. Chairman, I would like at this time to yield to the gentleman from New York (Mr. PEYSER).

The CHAIRMAN. The time of the gentleman from Virginia (Mr. DAN DANIEL) has expired.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, the gentleman from New York (Mr. PEYSER) has just returned from Europe. I want to yield these 2 minutes to the gentleman to address this subject. I believe the gentleman has an interest in it, just as I have discussed.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding to me.

Of course, I am strongly in support of what the gentleman just said, but I bring back a little different feeling concerning an area of vital importance to our men and women who are serving in Europe.

I spent time with the American Forces in Europe. I spent time with the commanding generals in charge of training and programs in Europe and their staffs and I come back, unfortunately, Mr. Chairman, with the belief that our combat troops, the front line of our defense in Europe, in my opinion, are not combat ready. It is not a question of their capability as men in fighting for themselves and our generals and our officers, their capabilities; their ability is restricted because we have created a situation among our fighting men in Europe that training today is not possible to be achieved and to attain the combat readiness these troops need.

Mr. Chairman, our heavy weapons, our artillery, our tanks, fire live ammunition twice a year in Europe. Our forward observers who are supposed to be able to call for fire at the needed points when the time is ready may get to practice with live ammunition once, sometimes twice a year; but in some cases only once in 18 months.

Mr. Chairman, I spent 14 years in the military in the infantry. You cannot train for combat readiness with this kind of restrictions we have placed on our military leaders. I think we must address ourselves to this issue as this bill and other legislation moves ahead.

Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. DAN DANIEL. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BOB WILSON. Mr. Chairman, this being Virginia Day in the House, I yield 8 minutes to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. I rise in support of the provisions of the Defense Authorization Act of 1980 and urge my colleagues to support this important measure.

Before speaking this morning about our naval posture and our shipbuilding program. I want to speak to a more general and serious problem. I detect in the White House and this Congress a growing reluctance to be realistic about the Soviet military capabilities. The roots of that phenomenon are not entirely clear to me. It may just be a natural aversion to bad news. The time has come for America to open its eyes.

In the Soviet Union we see an adversary that continues to spend more and more money each year on national defense, a nation that is spreading its force and influence throughout the world. This year the Soviet Union will allocate approximately 15 percent of its gross national product to national defense; the United States just 5.2 percent.

□ 1220

It is estimated the Soviet Union will outspend the United States in total military capability by $50 billion or more this year. In the world we see the Soviet Union aggressively advancing its own self-interests throughout this world, from Southeast Asia to the Middle East to Cuba.

In the face of the growing Soviet military buildup, there have been a number of decisions, either completed or contemplated, by the Carter administration that should cause us great concern. I point to the termination of the B-1 bomber, the deferment of the development of the neutron bomb, and the deferment of the development of the MX intercontinental ballistic missile system, and 50-percent reduction in our naval shipbuilding program. The Congress has permitted those decisions to stand. Each of these decisions, standing alone, has seriously weakened our defense posture. The totality of those decisions has been devastating.

But perhaps most importantly, the pattern of those decisions has convinced our allies and our adversaries alike that the United States is retreating from its worldwide commitments. That impression has invited only Soviet initiatives and caused instability and chaos in the world.

I think the lessons of history are clear. We live in a hard world, and America must be strong and vigilant. We must be willing to pay the price to have a military power and a naval capability second to none. Indeed that is the price we must pay if we are to remain free as a people and if we are to maintain a safe and secure world for our children and our children's children.

Alexandr Solzhenitsyn, the Russian writer and exile, had written:

> Democracies are islands in the seas of history, and the waters are always rising.

Indeed they are. America today stands as the last great hope for freedom in this world. It is our solemn duty as a people to protect the flickering light of freedom in this world.

Now, today as we consider the Defense Authorization Act for 1980 it is important that we consider the state of our Navy.

National security means a continuing supply of the raw materials that our Nation depends on—not only for its military might but for its industrial and economic vigor. There are 71 of these critical raw materials and the United States must depend on foreign sources for 68 of these materials. We must import them, and you do not bring crude oil to our shores or bring iron ore for steel or bauxit for aluminum, or tungsten for missiles components to the United States on airplanes. You must have ships and America needs a strong navy and merchant marine.

The fact is that the strength of our navy is eroding and we are quickly losing the capability to project power abroad and keep open the sealanes of the world.

In discussing the erosion of U.S. naval power, Adm. Thomas B. Hayward, the Chief of Naval Operations, stated at a Naval War College strategy forum in May:

> We are outnumbered today by the Soviet Navy in virtually every category of naval weapon, and if we are realistic, we will face up to the fact that we probably will remain so for the foreseeable future. . . . The Soviets have almost three times as many attack submarines as we. They have almost twice as many nuclear-powered attack submarines. They are producing attack submarines at a rate of about eight per year, while we flagellate ourselves with arguments over whether we should continue to build one per year or can afford two. The Soviet surface combatant fleet now numbers about 270, about 30 percent more than comparable ships of the U.S. Navy.

Hayward points out that the characteristics of new Soviet ships run counter to the prevailing wisdom of the pundits who criticize our Navy—the Soviet ships come to resemble ours more so with each new generation, as they grow in size, sophistication, endurance, and capability with each new model, adding to their offensive flexibility.

Admiral Hayward said:

> The reason for this is obvious they understand what it takes to control the seas—offense blue water naval power.

I ask you to consider which country, or which alliance, has greater need for freedom of the seas in support of its economic interests, or maritime superiority in support of is interests. The answer is obvious.

> The Soviet Union is a continental power for whom maritime superiority is not crucial to its national security; while the United States is an island nation whose entire history has demonstrated a vital reliance on maritime power.

In recent years we have indulged in debate over quantity versus quality of ships. The result has been a compromise in both quantity and quality. The Navy has been the clear loser.

Admiral Hayward confronts this issue bluntly:

> . . . In our search for increased numbers of weapons systems and platforms, particularly naval ships and aircraft, we must be extraordinarily cautious about trading off quality for quantity.

My colleagues, defeating the enemy is what counts. Offensive power must be preserved. The ability to take the initiative must never be sacrificed.

Dispersion of forces has been presented to Congress as the reason to have smaller, cheaper ships. However, these smaller, cheaper ships are in almost every case less capable ships. Hayward has this to say about dispersion:

> Dispersion of forces is clearly a desirable objective. But, if one cannot afford to pay the premium for dispersion, then our options with regard to force structure are severely constrained. Retaining our offense striking power is paramount, and that objective, must guide our actions. So the real issue is not whether dispersion is desirable. Clearly it is. The real issue is, how do you obtain it within level or decreasing fiscal resources without giving up essential offensive capability?

Admiral Hayward has told the Congress that he considers today's Navy "marginally capable of carrying out its mission and tasks within the national strategy."

That ought to raise a red flag for all Members of Congress—a distress signal. We should not ignore this situation; we cannot afford to.

Admiral Hayward warns us:

> We are headed toward a loss of the relatively narrow margin we possess today. Without being overly dramatic, I think that today the Navy is at a crossroads. Decisions made in this and the next few years will determine whether we maintain our superiority in the mid-80's and beyond.

I urge my colleagues to recognize that there is no more significant long-term national security issue facing this country today than the maintenance of maritime superiority. We must take appropriate action today.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I think it is unfortunate that with this bill before the House we have such a small number of Members in attendance and also such a small representation in the press gallery, because I am sure a little bit later in the day Members who have not had a chance to listen to the explanations of what is in the bill will still be trying hard to take a number of items out of the bill. I am sure also that there will be substantial reporting on some of those debates when we get to them.

Since there are so few here, however, I do not intend to prolong the time now with a great discussion of what is in the bill. Instead, I want to make an announcement of one thing that will not be in the bill.

Early in January of this year, Mr. Chairman, the Army Times published a report that a new, more intensive intelligence analysis of the North Korean troop levels and combat capabilities had been under way within the intelligence community since the summer of 1978. The Army Times also reported that this survey had discovered that North Korean combat capabilities were in fact considerably greater than previously estimated, and that the differences represented a significant capability to overwhelm South Korean troops and even capture the capital city of Seoul in a surprise attack.

In view of these disturbing developments, the Committee on Armed Services of the House, during the markup of this particular bill that occurred earlier this year—and it has taken us a long time for this bill to get to the floor, I might point out—incorporated into the bill section 811. That section provides that none of the funds authorized by this bill could be used for the purpose of reducing U.S. Army ground troops in Korea below the total number stationed there on May 1, 1979.

Obviously, we reasoned, if the Army had goofed and the Defense Department intelligence had goofed in suggesting that South Korea was far stronger than North Korea, and it turned out that they had made a very egregious error, then it would be folly for us to continue the withdrawal of troops from Korea; and so this section was put into the bill to provide a device, insofar as this committee and this legislation would be able to do it, to stop that withdrawal.

However, as Members are aware, on July 20, 1979, shortly after he returned from his trip to the Far East and also from the so-called Camp David summit—and this information kind of got glossed over with all of the attention to the mass resignations from the Cabinet—President Carter formally announced that in view of the new North Korean troop estimates, further combat troop withdrawals from Korea would be suspended at least through 1981; and thereafter there would be a look at whether any further withdrawals should be considered in view of the circumstances then existing.

In my judgment, the President's action has fully met the goals that our committee sought to achieve by incoporating section 811 in this bill and thus has removed the need for retaining section 811 in the bill. In fact, by suspending further troop withdrawals until 1981, the President has actually put the matter over until the next presidential term, whereas section 811 would, of course, be effective only through fiscal year 1980, which would end on October 1, 1980. So the President's action is even more sweeping in its impact than this section would be.

Therefore, Mr. Chairman, I am advising the committee at this time that at the appropriate time, under the 5-minute rule when the bill is being read for amendment, I shall move to delete section 811 from the legislation, and in so doing I want to extend my congratulations and my appreciation to President Carter for making the decision that he announced on July 20.

In addition, Mr. Chairman, let me make clear my support of H.R. 4040. The bill as reported by the Armed Services Committee is $1.979 billion above the level requested by the President and that concerns me. What concerns me most is that it was necessary to add what—by any reasonable standard of deterrence—should have been in the President's request to begin with.

In the late 1930's the world witnessed an ominous buildup of military power on the continent of Europe and those who advocated facing up to hard realities and responding accordingly were dismissed as alarmists, warmongers and even as front men for defense industries. Almost too late the West awakened to the threat and when it did the clamor for scapegoats was almost as loud as the clamor for overtime in the arsenals of democracy.

This is 1979, not 1939, and I am not suggesting that war is an imminent possibility, but there are parallels. Once again the specter of a massive military buildup looms over Europe, and the military machine of the West is in disarray.

Unmistakeably the United States is now No. 2—No. 2 overall—No. 2 in the strategic arena and No. 2 by a wide margin in conventional capability. But unfortunately, politics do not appear to function like the car rental business because in this case being No. 2 does not mean trying harder. Somewhere in the past few years the U.S. Government seems to have become resigned to lesser status. From overwhelming superiority to rough equivalence to minimal deterrence is the story of American military might in the decade of the 1970's.

I know that critics will respond that $135 billion is a lot of money—even today—and it is. But when you consider that in constant dollars of purchasing power it is less than we were spending in 1964—before the Vietnam build up—it is just not enough—not when the Soviet Union has been increasing its budget in real terms by 4 to 5 percent per year for the last 15 years.

I as concerned that the increase we are proposing in this bill is inadequate. At best it will slow the adverse trend—it will not reverse it. The bill adds just enough money to the naval aircraft account to replace the Navy's losses over the past year. It adds the funding increment to enable the Navy to build a real *Nimitz* carrier instead of a paper carrier that is more a figment of imagination than a warship.

The committee has acted responsibly in key areas where the administration displayed reluctance. Examples which come to mind are the continuation of the revolutionary surface effect ship for the Navy, and the vertical and short takeoff and landing AV-8B Harrier for the Marine Corps. These high technology programs represent the wave of the future and the administration was reluctant to move ahead.

Let me hasten to point out that the committee is not just adding things. The committee cut several hundred million dollars in expensive and marginal programs such as the Pershing I-A and Trident II missiles which will ultimately save the taxpayers billions of dollars.

Mr. Chairman, it is going to be said in the course of this debate that the Armed Services Committee has acted irresponsibly by recommending an increase in the defense authorization at a time when there are severe constraints on the overall budget. It is going to be said that too much is already being spent on defense; that America cannot afford to bear the burden; that defense spending is inflationary; that we can only fund defense programs by turning a deaf ear to the needs of the poor.

Those same arguments, and many more, were probably raised on the floor of the Parliament in London in the 1930's, and they are just as invalid and just as irrelevant today as they were then. It is a dangerous world we live in and it gets more dangerous every day we try to ignore that fact.

Just last year the Armed Services Committee warned about the dangers of withdrawing our forces from Korea and now suddenly the President has decided that we—and General Singlaub—were right all along.

We cannot afford to wait for any more delayed realizations. We have to get on with the business of trying harder now. It is a matter of long term survival.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, I thank the gentleman for extending me this time.

Mr. Chairman, I would certainly like to commend the members of the Committee on Armed Services who brought this bill forward, and I strongly urge its support and its unanimous adoption.

I would like to associate myself with the remarks of the Members who have made statements this morning in support of this bill and who are trying desperately to bring the true story to the American people and to the House of Representatives as to the true state of the defenses of this Nation.

We are in a military situation today well known to the members of the Committee on Armed Services but unfortunately virtually unknown to many people in the United States and indeed to many Members of the Congress of the United States. The situation is that we are behind in the development of ships, we are behind in research and development, we are behind in aircraft construction and deployment, and we are behind in the deployment and construction and development of tanks and we are behind in strategic weapons versus the Soviet bloc, which is not necessarily friendly to the desires and the goals of the United States of America. We are suffering in our Armed Forces under personnel shortages, and we are suffering under lack of dollars so that we may make available enough money to provide adequate maintenance, adequate training, and adequate readiness of our armed services.

□ 1230

We are being, in many instances, if not all, penny wise and pound foolish. In the instance of aircraft, we have the finest technology in the world today, but we do not have the aircraft produced or deployed. I am talking about the F-15. The program has been strung out to save a few dollars now, and this will cause severe dollar problems later. I am talking about the F-16, and the F-18, the finest aircraft ever designed. Production is just now, just barely starting. It is indeed unfortunate that we bring this bill to the Members without more in it that should truly be in it.

It has been said, and said today, that technologically the United States is ahead of the rest of the world, and that is true and I believe that and I think everybody here does. However, what good is technology if we do not put it to use? Is the United States that good and that far ahead—and I say the answer is no—that we can reject the technology that we have at hand to keep our Nation superior?

We will undoubtedly later hear from those who say we do not need a strong defense because nobody is attacking us, we are not going to war. But I contend that the reason we are not at war or being threatened by war is because we have tried in the past to maintain a credible defense. But we are degrading and dismantling that now. This bill at least starts to move in the right direction and bring us back to a credible Nation as far as defense is concerned.

In the 1980's, for a few facts, the Soviet Union will have enough accurate warheads on their land-based missiles to target two warheads for every one of our missile silos and still hold a missile reserve sufficient to keep most of their defensive force intact.

In 1955, 58 percent of our tax dollars went to defense and 29 percent toward social needs. In 1975, the tables had turned, and social needs are now 58 percent and defense 28 percent of those dollars.

We have a situation where, since before the Vietnam war, our real defense spending has declined by over 20 percent. In our arsenal we look ahead and, even with Minuteman and Titan II missiles becoming outdated and vulnerable, the conventional ratios are as follows:

The Soviets have a 2 to 1 favorable ratio in tactical aircraft, 9 to 1 in tanks, 2 to 1 in ships, 2 to 1 in submarines, 4 to 1 in military personnel. In essence, we are outgunned, outshipped, outplaned, outmissiled, and outmanned.

Surveying the strategic weapons, we must continue to develop if we are even to maintain what is now referred to somewhat ridiculously as a manageable ratio.

President Kennedy over 15 years ago said:

> Only through strength can we be certain of deterring a nuclear attack. And that deterrent strength, if it is to be effective and credible . . . must embody the most modern, most reliable and the most versatile nuclear weapons our research and development can produce.

That was over a decade and a half ago, and I fear that we have not taken it fully to heart.

We must pursue the development of the MX missile, we must go full speed ahead in rebuilding our Navy, and this includes the construction of a nuclear-powered aircraft carrier. With the nuclear aircraft carrier, for the past 3 years the President has had his way, and these funds have been cut. He is still opposed.

The nuclear carrier is in this bill, and I say that I hope it stays in this bill, because it must. He says it is too expensive, at $2.1 billion, and he turns to support the construction of a yet undesigned conventionally powered carrier, CVV, at a cost of $1.6 billion.

At first glance CVV appears to be an effective alternative. But upon a closer look, the CVN will provide the Navy with more bang for the buck, and the plans are drawn and ready to go, unlike the undesigned and still speculative CVV.

The CVN can carry one-third more aircraft and twice the aviation payload. The cost of the CVN includes a 13-year fuel supply, and if you tack a 13-year fuel supply cost onto the CVV the relative cost between the two are reversed.

So far as the strategic bombers are concerned, the B-1 is not to be built. But at $42 million to $47 million for a passenger aircraft that can carry cruise missiles or the aging B-52 or a stretched PB-111, or whatever, they are all incapable of doing the job. The only conclusion we can come to, therefore, without a manned penetrating bomber of new design in the near future is that the Nation does not have an adequate strategic bomber system available for retaliatory attack. And the B-1 had a delivered cost of $60 million when ready to go into production.

We must pursue the development of all of these legs of our triad: the Trident submarine, the manned penetration bomber, and MX. If these steps are not to be taken, the Soviets will assuredly pass the United States of America in the early 1980's and we will have what many of us have feared for a long time, the evidence and the fact of the United States being a second-rate power.

Only a truly reliable triad will deter such aggression that is possible if we become weak. The program of an enhanced strategic triad and a beefed-up conventional force will cost money. But the expense, I maintain, is affordable, and the end result will be peace. The alternative is unthinkable.

Mr. PRICE. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in full support of the bill, but I would like to limit my remarks to talk about amendments that might be offered to title VIII, which is the peacetime registration of young men at the age of 18. I would like to urge my colleagues to oppose these amendments.

The Subcommittee on Personnel, which I have the privilege of serving on, acted on this piece of legislation. It was voted out unanimously by the Subcommittee for a Peacetime Registration at the age of 18 starting January 1, 1981.

We have been holding hearings in our subcommittee since 1976, and a number of Members of Congress have testified before our subcommittee pertaining to registration, pertaining to the all-volunteer military system. So it is nothing we are springing on the Congress today. We have been talking about registration since 1976.

In the full committee an amendment was offered to strike that registration section part of the bill. It was defeated very soundly by the committee. In fact, the amendment was offered to strike out the registration and only four votes were received for the amendment. So a great majority of the committee do support registration. I want to make that point clear today, that the House Armed Services Committee does support registration.

Why do we need it? The General Accounting report has just come out recently, and it says "Weaknesses in the Selective Service System Emergency Registration Plan." The General Accounting Office points out the shortcomings of this selective service. They say the Selective Service cannot do their job, the Selective Service has no plans, and they really cannot get themselves on planning out of a paper bag. And also the General Accounting Office went one step further. It said we should go back to peacetime registration, and that is what we have in the bill.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Alabama.

Mr. NICHOLS. I thank the gentleman for yielding.

Mr. Chairman, I just want to commend the gentleman on his diligence and his expertise in this entire field.

I have read this report by the Comptroller General. It is an excellent report, and I commend it to the reading of this Congress. I expect to insert it in the RECORD when the House is in full session.

Mr. MONTGOMERY. I certainly thank the gentleman from Alabama. Each

Member of the House did receive this report. It is an excellent report.

The Gates Commission, which was a commission that recommended that we go to the all-volunteer system, in their recommendations concerning the all-volunteer system, they also said we have to have a strong selective service to carry out in case we need a mobilization.

It is not all the fault of the Selective Service System that they are not able to do their job, because the Congress and the Republican administration and the Democratic administration have not asked for enough funds to run the Selective Service System. But the Gates Commission strongly recommended that we keep a strong Selective Service System, which we have not done.

I have these charts before you. The military chiefs of the Joint Chiefs of Staff have each testified before our committee. Each one of them, as you see in the chart, has recommended that we go to peacetime registration.

□ 1240

You know, two things would come out if we started registration. One, we would take the Selective Service System out of the deep freeze where it is now and would make it an ongoing organization. It would set up State headquarters. It would set up local boards to register.

Another thing would happen if we went to registration. We would have the information. We would know who these young men are and where they are, and this would save us 60 days' time if we had a mobilization in this country and we had to get these people called up and get into uniform. Sixty days could be the difference in winning and losing a war.

Now, there has been some feeling that the people of this country are opposed to registration.

The position that we have seen such as the Gallup Poll, and which I have the chart on my left, shows that people generally are supporting registration, so maybe the Congress is out of step if we do not support some type of peacetime registration.

This Gallup Poll made in April says 18- to 24-year-olds that were polled, 78 percent of them support peacetime registration.

Well, you know last week, we spent the good part of that week on foreign aid appropriations bills. We had many passionate speeches, many passionate pleas why we should help these underprivileged nations. That was last week.

This week let us worry about the United States of America.

The committee strongly recommends peacetime registration, and let us let the rest of the world know that we are going to deal from strength and not weakness.

I really do not think it is too much to ask of a young man that he have to register for his country.

Thank you.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

I know the gentleman holds a commission in the National Guard. I am distressed at a situation which I earlier asked the gentleman from Texas (Mr. WHITE), the chairman of the subcommittee, to address. A recent GAO report showed the Army National Guard to be 70,000 below strength as of the end of last year. The Army Reserve was 64,000 below its authorized strength of 250,000.

The GAO report went on to suggest that the Army was recruiting not on the basis of its needs, but on the basis of its projected hopes as to who could be enlisted.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

Mr. PRICE. I yield 2 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I do not see how we can possibly maintain a combat-ready military establishment if we do not have the requisite number of people in the Reserves and in the National Guard. There has not been a battle or war in history that has not been affected by the lack of a Reserve. In turn, I do not see how we can maintain a Reserve without some concept of the threat of the draft in the background. Between the Korean War and the Vietnam War, we would have had no opportunity to keep Reserve units up to strength but for the existence of the draft in the background. Would the gentleman comment on this problem?

Mr. MONTGOMERY. Yes, the gentleman is exactly right. He did mention the figures of the individual Ready Reserve, which is mainly in the Army, which is 500,000 short. These are the replacements that we would need in Europe.

Another matter that concerns me is what the Defense Department has done when they project the figures that they can meet. They have reduced the strength levels of the National Guard and Reserve to meet their projections. So what has happened in the last few years, the National Guard and Reserve strength levels have been reduced by a large amount, trying to reach these strength levels, which we still have not come up with.

So, we are in sad shape in the National Guard and Reserve.

Mr. BOB WILSON. Mr. Chairman, I yield 8 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I would like to commend the chairman and the ranking member of the committee for the thorough job that they have done in bringing this legislation to the floor. I especially would like to commend the chairman of our Subcommittee on Military Personnel, the gentleman from Texas, for the long and arduous hours that he put in in trying to come up with the necessary manpower for the defense of this country. It is a thankless job. It is tough to deal with. It is controversial, and in the midst of a failing All-Volunteer Force, I think he has done a very conscientious job in attempting to correct the situation.

Mr. Chairman, there are two matters in H.R. 4040 of particular importance that I would like to highlight—medical care and Selective Service registration.

MILITARY MEDICAL CARE

As has been pointed out today, there is unfortunately a substantial amount of evidence available about the deteriorating quality of the military medical care system. The number of physicians and supporting medical staff personnel available to provide care is below requirements. Insufficient funds are available for the efficient operation of existing medical facilities. One result has been the closure of medical facilities that are needed but cannot be adequately staffed or maintained. The situation is exacerbated by deficiencies in CHAMPUS—the program for care in the private sector that is intended to be an adjunct to the military medical care system.

The overall effect has been a reduction in the quality of medical care provided active duty and retired military personnel, and their dependents.

In an effort to reverse this trend, the bill being considered today takes some substantial steps to improve the quality of military medical care. First, additional civilian personnel are being provided to perform clerical and other support duties that physicians are now forced to perform. This should improve the efficiency of the medical facility as a whole and at the same time make military service a more attractive professional environment for physicians.

Second, the committee has urged the Department of Defense to increase the number of personnel in physician assistant training programs. Physician assistants can provide quality primary medical care and, in effect, spread the availability of the existing physician force.

Three other important actions have been taken that relate more closely to the area of compensation, but are nonetheless important to the military medical care system. The committee has included a provision that will require full use of the capacity of the Uniformed Services University of the Health Sciences to train physicians. Also, the health professions scholarship program stipend has been adjusted to make it comparable to that offered through HEW. This change will make the scholarship program a more viable source for new physicians than at present. Finally, the committee is recommending that physicians on active duty with obligated periods of service be eligible to receive a bonus. It is hoped this change will improve retention among this group of military physicians.

Overall, then, I am hopeful the recommended actions will have a very positive impact on military medical care. Lack of medical care is one very important factor in our inability to retain manpower.

REGISTRATION

Because of the erosion of benefits such as health care and living conditions, we are having great difficulty in recruiting and retention, particularly in the reserve forces. As the gentleman from Mississippi pointed out the committee felt it necessary to take a step that will substantially improve the ability of this Nation to mobilize to defend itself in an emergency-peacetime registration.

If the world were ideal, there would be no need for a registry of military-age personnel to be used in an emergency. The world today does not permit us the luxury of ignoring the possibility of a national emergency. We need to take certain steps to prepare for such an event. One step is to have an effective system that can provide manpower during a mobilization in an organized manner. That system does not exist today.

It is important to recognize that there is no real disagreement about the fact that the Selective Service System cannot meet national emergency mobilization needs. A recent test of mobilization capability was a complete flop.

Current stated requirements are for the first inductee to enter training within 30 days of mobilization.

The Selective Service System today cannot produce the first inductee until 110 days after mobilization.

The time difference is critical to our ability to conduct a defense in a conventional war, and really our ability to deter the outbreak of such a conflict.

I want to say I share the concern of many Members in this Chamber about permitting the Government to intrude in citizens' lives by reestablishing this registration system. I am more concerned, though, about the consequences of not having a list of available manpower for an emergency.

AN AMENDMENT TO THE AUTHORIZATION BILL

Some Members have expressed concern about placing this amendment in an authorization bill. While the authorization bill debate has often focused principally on the procurement of military hardware, over the past decade the bill has been substantially broadened to address active duty, Reserve, and civilian manpower in terms of an annual authorization, as well as necessary permanent changes to the law such as—

Recruiting incentives for the Active and Reserve Forces,

Permitting women to serve on Navy ships, and

Providing a 6-year statutory military obligation for women who enlist under the Military Selective Service Act, as has been the case for men, among other changes.

In reality then, the scope of the bill has been the Nation's defense posture as a whole and it is appropriate to address a serious deficiency in mobilization capability in this manner.

But, additionally, it appears that many Members perceive that a decision on registration will suggest something about the course of this country with respect to the All-Volunteer Force, the draft, or national service.

It does not.

The necessity for peacetime registration is independent of a judgment on future national military manpower policy. This mobilization difficulty would likely remain whether the All-Vounteer Force continues in effect, or we return to a draft or establish a national service plan. In fact, registration is compatible with any of these operations. As has been pointed out when we went to the All-Volunteer concept, it was to be done with the idea we would have a viable registration system.

The point then is that the decision on registration should not be regarded as decisive on the broader public policy debate concerning the All-Volunteer Force, the draft, or national service. Registration for mobilization purposes is needed no matter which course the country chooses.

ADMINISTRATION POSITION

Another point I hear often in the registration debate is that the Director of Selective Service says he can meet Department of Defense requirements without registration. In light of this, why does Congress need to do anything?

A little light needs to be shed on this point.

The Acting Director of the Selective Service System has stated he is "firmly convinced" the system can meet DOD requirements without registration. He has made this statement in a letter to the committee and in testimony. However, when he made the statement before our subcommittee, let me read what transpired from the transcript—

> Mr. Shuck. Given the funds we requested sometime in 1980 or early 1981 we will be able to demonstrate that we can begin the deliveries within 30 days and deliver 100,000 within 60 days. This would be without any prescreening of those individuals.
>
> *Question.* You're not answering my question. What's the risk?
>
> Mr. Shuck. The risk is significant.
>
> *Question.* Well then, you would agree with the CBO that performing registration in peacetime as in option II would eliminate the risks associated with timely completion of the task during the mobilization?
>
> Mr. Shuck. Preregistration would certainly reduce the risk.
>
> *Question.* How much would it reduce it? Substantially?
>
> Mr. Shuck. Substantially.

But aside the words of this administration official, the fact is they are relying on a plan that is still being formulated to permit the Selective Service to meet the requirement of providing the first inductees within 30 days, and 100,000 inductees within 60 days.

The Committe on Armed Services has reviewed this plan and found it unrealistic. The Senate Armed Services Committee has come to the same conclusion. Also, the HUD, Independent Agencies Subcommittee of the House Appropriations Committee has stated the following in denying a request for additional appropriations for the Selective Service System in fiscal year 1980:

> It is very doubtful that the budget request would allow the Selective Service System to meet the revised Department of Defense manpower requirements—particularly without some form of registration.

Let me just outline parts of the plan the Selective Service Director has in mind.

For the first 9 days after a mobilization, some 40,000–50,000 local polling places will be opened and equipment and forms distributed.

The polling places have not been identified, nor the more than 50,000 volunteers to man them recruited. There are no forms in place for this purpose.

However, under this plan, this organizing must occur, no matter what turmoil this country will be in, because on the 10th day 4 million males—the 19- and 20-year-olds of the country—must register, all that day. If women register, 8 million persons would be expected to register that day.

From the 10th to the 15th day, all of the registration forms must be transported to 460 keypunch machines for entry into 10 regional minicomputers. No matter that the Selective Service does not own any of this equipment, and by their own estimate, could not have it in an operable state for 2 years from whatever point they are provided funds by Congress.

From the 15th to the 20th day, the minicomputers must send this information to a central computer, where it is checked, processed, a lottery conducted, and then induction notices are sent out—300,000 a day by mailgram—beginning the 21st day.

However, if even one minicomputer fails, or its plug is pulled by someone who does not take kindly to the mobilization, or any single election site fails to get its information in on time, the whole process must stop because Selective Service cannot issue induction notices to anyone in a year group until all of those eligible have been processed.

If the scenario I have outlined works, the first inductees are then to arrive at the training camps by the 30th day, as the Department of Defense requires.

If this process breaks down at all, or anything does not work properly, the Nation would not have trained military manpower available as is required and the option to conduct a conventional defense will no longer be viable.

You guess what option that leaves.

My point in outlining the plan on which the Acting Director of Selective Service's optimism is based is to give you some idea why those who have reviewed the situation are calling for peacetime registration.

With a registry in hand, the most time-consuming and difficult task is accomplished and the process can proceed with some margin for error.

Let me just say that in spite of the Secretary of Defense's vague position on this issue, the Secretary of the Army, Clifford Alexander; the Chairman of the Joint Chiefs of Staff, Gen. David Jones; the past Chief of Staff of the Army, Gen. Bernard Rogers; the present Chief of Staff of the Army, Gen. E. C. Meyer; the Chief of Naval Operations, Adm. Thomas Hayward; the Chief of Staff of the Air Force, Gen. Lew Allen; the past Commandant of the Marine Corps, Gen. Louis Wilson and the current Commandant, Gen. Robert Barrow; and the past Supreme Allied Commander, Gen. Alexander Haig, all support peacetime registration.

This step is insurance for a national emergency; it is not the first step toward conscription.

I urge you to support the committee recommendation.

☐ 1250

The CHAIRMAN pro tempore. The time of the gentlewoman has expired.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 4 additional minutes to the gentlewoman.

Mr. MONTGOMERY. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. Yes; I will be glad to yield.

Mr. MONTGOMERY. The gentlewoman is talking about the Selective Service System and it not being workable. Our Subcommittee on Personnel met with the newly appointed Director of the Selective Service System, nominated as Director. In a statement to our committee, he said that the plans for the Selective Service System were full of holes and a steamroller could fall through them, so even the new Director admits that we have no plans, as the gentlewoman has just pointed out.

Mrs. HOLT. And that is why I wanted to elaborate on that, because the plan is not there.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, each year the Defense Department Authorization is debated. The lines are drawn which separate basic philosophies of national defense; those in favor of a strong defense, those who are lukewarm about defense unless it affects their district, and those opposed to a strong defense.

I really do not know why I am addressing the subject of a nuclear carrier over other weapon systems. And I know my colleagues already know my views. I guess my intent is to once more publicly express my belief in the requirement for this ship and my full support for the committee's decision to once again confront the President's position in this matter.

Personally, I cannot believe that against the experience, advice and counsel of competent naval officers that the Department of Defense would appear before Congress and take a position against a nuclear powered vessel in the light of oil shortages. The committee is not shoving a nuclear carrier down the Navy's throat. It is in fact acting in response to careful examination of the carrier's capability versus cost, the future of the Navy as a tactical arm of the military and many other factors woven into the fabric of our national defense.

The Congress faced a Presidential veto last year, and perhaps the same will be true in 1979. The House upheld the veto, but will it do the same this year? To answer that I think it is time to reflect on the administration's decision concerning the B-1 bomber. I predicted that the decision would come back to haunt us, and if you have observed the myriad of drawing board alternatives and the accompanying costs, I am not too far off in my prediction. In the same manner then, and against all good sense and economy, we may fall into a similar pattern on this issue if we do not provide for a nuclear carrier in the 1980 defense budget. The President who, on the energy side of the picture, is all for nuclear powerplants to reduce our dependence on oil, is against the nuclear carrier which accomplishes just that on the defense side of the picture. Somehow the logic escapes me. It is obvious that the majority of the committee does not follow the President's logic either. I may not be able to change the minds of those who are opposed to a nuclear carrier. I would just like to have it recorded that I support funding a nuclear carrier, and I commend the determination of my chairman and the foresight of the committee.

☐ 1300

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, all the Members of Congress and all Americans want peace, of course, and most experts agree that peace is best assured by maintaining parity or equality in defense strength with the Soviet Union. Parity in defense strength would add up to what we would define as an adequate defense, and I am sure that everyone in this Chamber would agree that we need an adequate defense. But, there is great disagreement on just what parity or equality or adequacy means.

It certainly does not mean that each nation must match the other one for one in weapons; that each must have an identical number of planes or tanks or guns. The defense needs of the two nations are different. For example, the Soviet Union is ringed by potentially hostile nations. We are not. There are many other differences in defense requirements. Because of these differences, any discussion of relative strength becomes hopelessly confused.

Another obstacle to an accurate assessment is the qualitative difference in performance of weapons systems. There is a great variation in fighter planes, for example. In a combat situation, one of our F-15 fighters would be the equivalent of several older Mig-21's. We just saw an example of that a few weeks ago in an air battle between the Israelis and the Syrians.

But, in spite of all the qualitative differences, I feel that we are getting too far behind quantitatively. I would agree that our training is better, our technology is superior, our allies are more loyal, and we are a wealthier nation, but the quantitative disparity seems to be getting out of hand.

Out of 20 categories of defense strength, we lead in only 3—helicopters, bombers, and nuclear warheads. The Soviets lead in 17. If we factor in civil defense, they lead in three more categories, so it is 20 for them and 3 for us, or an 87-percent lead for them and a 13-percent lead for us. Twenty to three is not a good ratio under any circumstance.

Merely listing numbers tends to dull the senses and glaze the eyes. But I am just going to go over these charts to show that if we are going to spend our hard-earned tax dollars on defense, it is important to learn how we rate with our potential enemy. In the first column we have Soviet strength, and in the second column is U.S. strength:

	U.S.S.R.	U.S.
Equipment and facilities dollars	1.8	1
Research, development, training, and education	2	1
ICBM's	1.5	1
SLBM's	1.3	1
ICBM boosters	1.8	1
ICBM re-entry vehicles	1.3	1
ICBM-Mirv's	2	3
Throw weight	3.5	1
Megatonnage	7	1
Tanks	7.3	1
Personnel carriers	2.5	1
Artillery	4	1
Bombers	1	3
Planes other than strategic	1.5	1
Attack submarines	3	1
General purpose submarines	3.4	1
Major combatant ships	1.3	1
Helicopters	1	3.6
Strategic spending	3	1
Research and development	1.5	1

Members can see that the Soviets lead in category after category. In strategic force comparisons alone, in ICBM's, it is 1.5 to 1; SLBM's, 1.3 to 1. In bombers we are ahead, but our bombers are 25 years old.

NATO force comparisons also favor the Soviets, as follows:

Manpower	2	1
Airpower	4	1
Tanks	4.6	1
Artillery	6	1

Civil defense ratios are even more disparate, as follows:

Money spent on civil defense	10	1
People involved in civil defense	11	1
Nuclear war casualties	1	10

As the Members can see from the charts, we are behind in nearly every category, and in many of them considerably. Being behind 20 to 3 is not an enjoyable position in any contest. Perceptions of strength and resolve are critical. With this disparity, the perception is that we are rapidly approaching second-class status.

In the interests of preventing war, we must do better. At the very least, we must support this bill, H.R. 4040. It will not narrow the gap appreciably, but it will still keep us in the game.

Mr. Chairman, I urge my colleagues to support H.R. 4040.

Mr. BOB WILSON. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, this year as in every year since I have served in Congress we are hearing the same argument that this bill authorizes too much money for some people's likes and too little for others. It is inevitable that these discrepancies will arise on any spending issue, but the debate has a particular propensity for becoming polarized when that subject is our Nation's defense.

I am convinced that the committee's proposals are meritorious and warrant adoption.

The basic objective of the U.S. military services is to provide and man weapons systems that supply the strength necessary to deter war, and at the same time protect our national interests. Whereas the authorization levels encompassed within H.R. 4040 are somewhat stringent and will allow only incremental upgrading of our forces, with careful management I feel our national interests and security will be afforded necessary improvements.

The bill reported by the committee provides significant improvements in our strategic and conventional forces designed to enhance our deterrent capability. In view of continually increasing Soviet expenditures, which have been paralleled by dramatic improvements in their strategic and conventional force capabilities, the 3 percent funding increase for our national preparedness in fiscal year 1980 is justified and essential. H.R. 4040 is a positive step in reversing the trend that has befallen our military interests during the past decade, and begins a real growth in defense investment.

We have all witnessed the gradual decline of our military capabilities and the degradation of our international influence. A myriad of events on the world's stage over the past year demands that we halt this trend and take effective, necessary steps in rebuilding our forces, and thus shore up confidence abroad. Our international influence has declined to the point that a NATO ally has recently rejected a U.S. proposal to allow our U-2 planes to fly over its airspace in order to monitor compliance with the SALT II accords, because the Soviet Union balked at granting its permission. We cannot sit back and continue to willingly accept Soviet aggression, especially since it has now begun influencing our allies. It is belligerence such as this from the Soviets that dictates that we undertake a serious effort to modernize and improve our dwindling military capabilities.

One modification that is essential to the modernization of our strategic forces is the reengining of the KC-135. Although the tanker's mission was originally designed to provide refueling capabilities to enable our bomber force to reach targets deep within the Soviet Union, it has since been expanded to enable cargo aircraft to provide logistics support for our air, ground, and naval forces operating outside CONUS.

As the present engines powering the KC-135's are based on 20-year-old technology, reengining this aircraft would greatly enhance its potential. New engines will give the tanker improved economy, and from the standpoint of community relations, will reduce noise levels very significantly. Those factors, combined with the fact that a new engine will allow the plane to take off carrying a much heavier load, will afford us the ability to meet logistic requirements.

The benefits to be realized through reengining are well recognized by everyone who has reviewed the issue. There is no necessity of continuing the R. & D. program since $9 million was appropriated for R. & D. during fiscal year 1979. Recognizing this, the Armed Services Committee has added $15 million in the aircraft modification fund to begin procurement of new engines.

Recently I had an opportunity to visit the Boeing Wichita Co. and discuss this issue with several executives of the company. I was informed that since Boeing has been involved in reengining several commercial aircraft, reengining the KC-135 should pose no real problems thus eliminating the need for continuing further R. & D. If we proceed with procurement during fiscal year 1980 the reengining program will be facilitated thus decreasing the overall cost of the program.

As I mentioned earlier, reengining will substantially increase the fuel efficiency and operating capabilities of the KC-135. Through these improvements, reengining will pay for itself over a period of years. Boeing estimates that by proceeding with procurement the program will become cost-efficient during 1988. If a full R. & D. program is followed before beginning procurement, the reengining program will not become cost-efficient until 1992.

The KC-135 is currently being reskinned, which involved removing the aircraft from service for 25 days and replacing the bottom sections of the wings with a stronger, heavier grade material. Since the reskinning program is continuing, the reengining can be integrated into the reskinning program, thus reducing the need to remove individual aircrafts from service twice. Although I do not know the exact figures, integrating the two programs will add to the savings associated with proceeding with procurement as soon as possible.

It should be remembered that since the number of aircraft designed to be refueled in the air is growing, so that by the early or mid-1980's our tanker capabilities will be insufficient to meet the demand without either reengining the KC-135 or buying new tankers. I am convinced that the $15 million in aircraft modification recommended by the committee for reengining of the KC-135 is the most cost efficient method of improving the capabilities of the tanker.

A system which will greatly improve our tactical capabilities, and is the No. 1 priority of the Army, is the XM-1 main battle tank. Although the M-60A3 tank, which the XM-1 will incrementally be phasing out, possesses a modern fire control system it is housed in World War II circa armor. The committee has closely monitored testing of the system, and is convinced that the funding level requested by the President for fiscal year 1980 should be authorized to enable the system to enter low rate initial production on schedule.

In addition to achieving recognition as the first turbine powered tank, the XM-1 has other advanced design features as well. This 59-ton vehicle incorporates significant advances in crew protection, reliability, and maintainability; it also has twice the power, cross country speed, and mobility of current combat tanks.

The House Armed Services Committee has concluded that the tank is the mainstay of the land warfare force. As the XM-1 is such a significant improvement above and beyond the capabilities of the M-48 and M-60, which are rapidly becoming obsolescent, it is essential that we authorize the President's request. The testing and analysis confirm that this tank will be the most survivable, capable tank in the world.

Any militarily weak nation encourages aggression by adversary nations. This has been reflected by the rapid Soviet military expansion and its intervention in international struggles in the face of our decline in strength and preparedness. Although I do not advocate a role of gendarme for the United States, we have always been looked to by weaker nations as a foil to those nations who adhere to a philosophy of interventionism. In countries such as Nicaragua, Afghanistan, Ethiopia, and in southern Africa we have failed to live up to those expectations as we have passively observed the Soviets breed civil strife to gain influence.

Our commitment to lead the free world is reflected by the state of our defense capabilities. With the cancellation of the B-1 bomber; the failure to produce the neutron bomb, which is an important defense for our NATO allies vis-a-vis the numerical advantage of tanks the Warsaw Pact enjoys; and the decline in the quantity and quality of our manpower, it is even more essential that we authorize the systems the Committee has recommended.

Mr. Chairman, the intent of this bill is to reestablish a credible deterrence by maintaining an effective force structure, while at the same time resolve deficiencies in the manpower arena. This is a sound, reasonable approach to our defense needs and I urge my colleagues to join me in supporting its passage.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to commend my colleague from Indiana (Mr. HILLIS) for his interest in the KC-135 tanker reengining program and to follow up on his remarks specifically in reference to the KC-135 reengine program.

The KC-135 is used primarily as a tanker aircraft for mid-air refueling of other aircraft such as the B-52.

Reengining is an effective program that constructively addresses the Nation's critical fuel needs. With the replacement of inefficient, noisy engines with technologically more modern engines, the fuel consumption of the KC-135 fleet will decrease dramatically when reengining is completed. The fleet currently burns 10.4 billion gallons of fuel a year or 11 percent of the total Air Force fuel consumption. Reengining of 300 KC-135's will save approximately 160 million gallons of fuel a year. That is 3.8 million barrels of fuel a year and at $20 a barrel, an annual savings of $76 million could be realized.

Additionally, by placing new engines in existing airframes, the KC-135 fleet can be used well into the 21st century.

And there are other benefits which will accrue from reengining. First, the modern engines will be quieter and less polluting. As Members from districts where KC-135's fly can attest, this noisy aircraft has caused considerable constituent disgruntlement.

Reengining the KC-135's will also help us more effectively meet our present and future military requirements by allowing expanded and more efficient use of these aircraft.

With most of the R. & D. completed, it is essential that we move ahead expeditiously on production. Reengining constitutes a low risk technology and several costly testing and engineering steps can therefore be minimized. The sooner actual production begins the sooner fuel savings and other benefits can be realized. It was in this spirit that the Armed Services Committee wisely approved $15 million for use in the procurement budget. Further, I am pleased to have just learned that the Air Force is currently reviewing the program with the goal of a more production-oriented program. I commend them for taking this step.

□ 1310

Mr. PRICE. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, the budget proposed by the President and the budget passed by the committee are excessive. They are not justified by our military needs or by our vital national interests.

I am very concerned that the combination of several new weapons and support systems could move the United States to a point where we could jeopardize, or at least appear to jeopardize the entire spectrum of Soviet strategic capacities. Such a position could be very destabilizing to world peace.

Given our budget limitations and our significant domestic needs, this budget precludes very much needed domestic initiatives.

The President has requested a military authorization of $138.2 billion for fiscal year 1980, an increase of almost 10 percent. Based on this level of spending, unless defense spending is brought under control, the military will be spending $260 billion per year of our taxes by 1990.

Such an expenditure would mean that major social concerns would be set aside, because money will not be available to fund them. In fact, for the next year, fiscal year 1980, the President has recommended cuts in social and human needs programs of almost $20 billion. The Nation's priorities are misshaped and our commitment to social justice and a decent and secure standard of living is unfulfilled.

Part of the insistence on higher military expenditures is a result of frustration over recent events in Iran, Africa, and elsewhere in the Third World. But a clear lesson of recent history is that American arms are not applicable, appropriate, or plausible for use in many situations around the world. To a great extent, neither an American nor a Soviet shadow will frighten Third World people toward a particular direction.

There is also considerable concern that we match the Russians—plane for plane, missile for missile, bullet for bullet. But the true match, the important match, must be between our objectives and our capacities.

Our defense objectives and force levels should reflect our foreign policy needs.

Former Secretary of Defense Schlesinger saw clearly that our present commitments were not being met even by our present astronomical budget. I believe it would be correct to say that even the one-quarter trillion dollar a year budget in the late 1980's would not fill out the military image we project today. We must either devote even more resources to the military or curtail our commitments abroad.

Clearly, we must disengage. We cannot afford to be "policeman of the world." And, if we could afford it, we should not accept the role. We must assume a posture which carries only the cost and risks which the American people should and would be able to bear. Are we willing, can we truly afford, to defend the "American system" which reaches throughout the world?

In a real sense the effort to project our power throughout the world locks us into situations where our security and our lives are challenged unnecessarily. Our effort to maintain third rate dictatorships could be the portal to World War III.

Obviously, we cannot immediately pack up and go. But we must decide now where our long-term interests are, and begin to shape our foreign policy and military posture accordingly. This will require patience, thoughtful reflection, and effective diplomacy.

We need to maintain a strong military, but its strength should be measured as to the real needs of America.

President Carter has said, "It is a new world that calls for a new American foreign policy." This is most certainly so. Our intent should be to shape a foreign policy and supporting military posture that recognizes our limitations and our true interests.

Our foreign policy should be noninterventionist with our military posture sufficient to defend the United States and our vital interest, but without the adornments necessary for being the police officer of the world or an intervenor in the Third World.

We should encourage self-sufficiency on the part of our allies. We must share a permissive attitude toward the Third World that reflects understanding of the diversity that will and should develop.

In Asia, Africa, and the Indian Ocean we should develop a noninterventionist policy. American military might will not stem the revolutionary tide that flows through the Third World. A tide that flows toward sovereignty and independence.

Given our large forces in Asia, this is an area where we can and should reduce our forces now.

SOVIET/AMERICA BALANCE

Given an understanding of the importance of balancing our needs and our forces, we can understand a certain fatuousness in balancing Soviet and American forces. The needs are different. Nevertheless, the increases in the Pentagon budget are also based on the faulty premise that we are dangerously challenged by superior Soviet military strength. Many see trends in Soviet military spending and capability that demonstrate Soviet superiority. But that premise of superior Russian destructive capacity must be carefully analyzed—and can be challenged.

MILITARY SPENDING

It is reported that the Soviets spend a higher percentage of their gross national product on defense. They do spend 11 to 13 percent of their GNP for defense, while we spend about 5.59 percent. But, the Soviet GNP is roughly one-half the size of the GNP of the United States. In addition, 51 percent of the Soviet defense budget is spent on border police activities, maintaining a visible military presence against the Chinese, and the machinations of the KGB. Less than one-half of their budget outlay is directed against the United States and its NATO allies.

MISSILE NUMBERS

The Soviets have more missile launchers. They have 1,477 ICBM's to our 1,054 ICBM's. The Soviets have 828 sea-based launch missiles to our 656. But, in the important category of deliverable strategic warheads, we have over 9,000 deployed strategic nuclear warheads, while the Soviets have about 4,000.

HEAVY MISSILES

Some feel that new Soviet heavy missiles will soon be able to destroy a high proportion of the American ICBM's. However, because of many technical factors, it is questionable when—and if—the Soviets could accomplish this destruction of our land-based missile force. Certainly, they cannot do so in the immediate future. But, even supposing they could, what advantage would they gain? Despite a totally effective Soviet nuclear first strike against the U.S. land-based missiles, our submarines at sea—largely undetectable, and virtually invulnerable for decades to come—could thoroughly destroy all major Russian cities several times over.

NATO VERSUS WARSAW PACT

The U.S.S.R./Warsaw Pact nations lead NATO in the quantity of tanks. The Warsaw Pact leads NATO 1.1-1 in tactical aircraft. The Warsaw Pact leads NATO in numbers of troops. But, as Secretary of Defense Harold Brown recently told me in writing:

> The odds that the U.S.S.R/Warsaw Pact would risk either a conventional or nuclear attack on western Europe are small.

Furthermore:

> The probability of Soviet military initiatives in Europe is low. A Soviet limited nuclear attack is even lower.

We must understand that there is a significant Chinese threat at Moscow's back, and that there are questions as to the dependability of the Warsaw Pact allies in Eastern Europe. Furthermore, our tanks exceed the U.S.S.R.'s in quality—range, speed, amount of ammunition, accuracy, maneuverability, and armor. NATO also enjoys a qualitative lead in the very important area of antitank weapons. In addition, our aircraft quality capacity exceeds that of the Warsaw Pact.

THE U.S. STRATEGIC CAPACITY

The United States has in excess of 9,000 strategic nuclear weapons—in addition to some 22,000 tactical nuclear weapons. Of these 9,000 strategic nuclear weapons, the United States has approximately 5,000 based on submarines which can be launched from submerged depths so deep that they are virtually invulnerable to surface or missile counterattack. About half, or 2,500 of the sea-launched ballistic weapons are always at sea, ready for use. Whatever the Soviets do in the near future, this U.S. submarine capacity for annihilation will still exist. Some other ICBM's and manned bombers will also survive any Soviet first strike. Thus, the question poses itself: "Why do we need more?" The destructive capacity of these invulnerable submarines alone is shuddering to contemplate. Approximately 30 percent of the Soviet population and 75 percent of Soviet industry are located in the 200 largest Soviet cities. The capacity to destroy all these cities exists in 11 Poseidon/Polaris subs alone. Currently, there are 31 such subs. Think of it—11 Poseidon subs have the capacity to destroy the Soviet Union as a functioning industrialized society.

How much is enough? We can kill each other only once.

In truth, much of our nuclear arsenal is, at best, a waste. At worst, it is sowing the seeds of Armageddon.

POLICY OBJECTIVES AND FORCE STRUCTURE

U.S. military forces should be designed to deter nuclear attack on United States or allied populations and to deter conventional war in the industrialized world. Forces for nuclear deterrence are ample provided by the 5,000 warheads on the 31 Poseidon/Polaris submarines. Deterring conventional war requires primarily conventional forces to aid in the defense of Western Europe: The armored and mechanized ground troops, tactical air power and "sea control" forces (convoy escort and antisubmarine aircraft and submarines). U.S. air and sea forces also contribute to the defense of Japan and the deterrence of war in other areas.

Many components of existing and planned U.S. forces are not needed for defense. On the nuclear side, this includes all new strategic systems and most tactical nuclear weapons. Designed for nuclear first use and nuclear war-fighting, such forces are meant to help deter conventional war and maintain U.S. influence overseas. However, using nuclear weapons for this purpose is too dangerous. It involves a permanent nuclear arms race, increased feasibility of escalation from conventional to nuclear war and greater risk of nuclear attack on the U.S. population.

On the conventional side, the Navy "power projection" forces (carriers and amphibious assault ships), the Marines and the Army light infantry units are useful primarily not against the U.S.S.R., but against much weaker countries, particularly in Third World areas where we lack sufficient popular support for secure land bases. The United States neither needs nor benefits from such interventionary forces.

Our first step is and should be withdrawal from Korea.

In 1975, I asked Secretary Schlesinger—How can you justify on military grounds a forward deployment of 42,000 troops? His response was, and we read it into the record:

> The gentleman from California is correct. We cannot justify on military grounds the forward deployment of troops in South Korea. We are there to provide a political presence.

My question is: Why do we need 42,000 troops or 27,000 to provide a political presence? Why not 4,000 or 420 or 42? What is so magic about 42,000 troops? Why 27,000 troops providing resources to one of the most powerful, best equipped armies on the face of the Earth?

The time has come for withdrawal from Korea. The United States would leave behind "adequate intelligence forces, observation forces, air forces, naval forces, and a firm, open commitment to our defense treaties."

Under the plan developed by the President, the 3 squadrons of American F-4 fighter-bombers (of 18 to 25 planes each) will remain in the country indefinitely. Powerful American naval deployments in regional waters, forward based at Yokosuka and Sasebo in Japan, will be available for quick reaction.

The military forces on the Korean Peninsula are essentially equal. The South Korean Army has over 635,000 persons under arms. Many of them are combat experienced as the result of their involvement in South Vietnam. Who are the ostensible enemies of the South Koreans? The North Koreans. The North Koreans have approximately 600,000 troops and have not fired a shot in 22 years, with the exception of occasional sniper fire. South Korea should be able to defend itself from a thrust from the North. North Korea is a state with less than half the population (16,280,000) of the South (34,610,000). It is inferior in overall ground forces (550,000 against the South's 635,000); about 40 Soviet-size divisions in the North against about 21 larger South Korean divisions, including a Marine division. On the other hand, the North has an advantage in armor (roughly two tank divisions against the South's equivalent of about one). And unfortunately the capital of South Korea is only 30 miles from the DMZ. But a majority of North Korea's planes are obsolete Mig-15/17's and IL-28's, while few of South Korea's planes are the outdated F-86's. But, in any case, air forces do not directly oppose each other, as do ground units. Moreover, ROK also has the advantage of being able to fight from a strong defense position. Importantly, NK's air and sea superiority is more than balanced by the U.S. air and sea units, which would remain under the Carter proposal. The actual fighting strength of combined forces would remain nearly the same. There are some risks in any troop withdrawal plan from Korea. On the other hand, I believe that there are even more serious risks if our ground troops remain in their present position. Let us be clear about one point, the only reason our combat troops are located where they are is so that if there is a military confrontation in Korea, the U.S. Forces (on or close to the DMZ), would become virtually, instantly, and automatically involved in a new war on the Asian mainland—without time for any careful reasoned decision by the President and by Congress.

The continuation of the status quo could lead to any one of two disastrous consequences; automatic U.S. involvement in a new land war, or the withdrawal of U.S. forces under fire.

Withdrawal under fire, or withdrawal of these combat troops immediately prior to conflict, will be viewed as much more damaging to the morale of ROK forces than doing it now.

The withdrawal is accompanied by more than $2 billion of additional arms transfers to consist of credits, over 5 years, of nearly $1.4 billion, and a legacy of more than $800 million of the 2d Division's helicopters, armored personnel carriers, and possibly tanks and nuclear-capable Honest John rockets. The package will probably also include hundreds of modern jet fighters, among them the new F-16, and half a dozen naval destroyers. When our Government agrees to a 5-year dose of Korean modernization in exchange for a 5-year reduction of our troop presence, we should realize that this is precisely what we have already done: The 5-year plan that ended in 1975 cost more than $1.5 billion in addition to regular military assistance. By now, South Korea was supposed to be militarily self-sufficient on the peninsula, and American troops were supposed to be out.

As we withdraw, we should eliminate from our force structure all units committed to, or primarily oriented to the defense of Korea. We should disband the units that are withdrawing from Korea. This would result in a saving of $900 million yearly and reduce our force structure accordingly. Korea is the case that requires all the other support troops in the area. The Japanese and Philippine bases are all primarily geared to providing support for a Korean conflict. Therefore, these bases could be reduced in the near future without endangering other foreign policy considerations.

Our position in Asia should reflect the relative area stability that emerges from our new formal relationship with the People's Republic of China. This diplomatic development should further preclude the requirement for an intrusive American presence in Asia. We do have a special relationship with Japan and

Japan should remain under our nuclear umbrella. The nuclear defense of Japan does not require a conventional arm, and particularly not the lightly armed Marine divisions. Nor is there any reason, given an unwillingness on our part to be a policeman, for these obtrusive forces to remain at their present level. The Marine light divisions should be reduced by one-third. So should the Marine air wings be reduced.

NATO

Western Europe remains an important area of U.S. interest. Indeed, between 45 to 50 percent of the projected DOD budget is targeted to NATO. This happens despite the negligible odds of any conflict there. The rationale for U.S. commitment to NATO is usually expressed in two ways. First, to deter aggression. Second, to preclude further German armament. We should and we have committed significant levels of men and arms. Now, if additional resources are required, a heavier burden must be shared by our allies, none of whom meet the percentage of GNP we expend on defense. Truthfully, any softness in NATO is with our allies. Allied units lack firepower, lack tanks, lack anti-tank weapons and more sophisticated aircraft.

I do not believe a creditable U.S. commitment to NATO requires the force levels we maintain now. Further, we must pursue mutual force reductions. The United States is preparing its ground forces to fight and win a major "conventional" war in Europe. This is costly preparation for an event that there is little likelihood will either happen or if it did could be long contained.

The 16 U.S. Army divisions, raised to generally meet NATO needs, are not a militarily useful force. There are too many marginal units which are using limited resources and materials. Ground troops, programed to be sent to Europe, in case of war, will probably arrive too late to matter. Further, there are real problems with assuring, during wartime, security and access to prepositioned material in Europe. The Army should be reduced to 12 fully equipped divisions.

STRATEGIC PROGRAMS

I am convinced that the United States is developing a capacity to attack the Soviet Union in a first strike. Our capacity certainly will appear as such to the Soviet Union. If we do develop this capacity, the self-evident effect is staggering to contemplate. In order for a country to launch a disabling first strike, it needs a missile force capable of destroying enemy missiles, submarines, and other hard military targets. We have more than enough of these already for deterrent, but the Pentagon has now begun the development of bigger, and extremely costly, new strategic weapons systems. Besides being total budget busters, they are highly dangerous, and threatening to the fragile stability of world peace. Unlike the United States, which has only 19 percent of its strategic warheads on land-based missiles, the Soviets have 71 percent of their strategic warheads on land-based missiles.

The new Mark 12A warhead to be placed on the Minuteman III ICBM and, if it is deployed, on the mobile mode MX ICBM, has an extremely high capacity for destroying a hardened Soviet missile silo. The projected Trident II would also have this hard-kill capacity. With these weapons, there can be no doubt that we are deliberately developing the capacity for a disarming first strike against the Soviet Union. The Soviet reaction to such a development might be the panicky decision to fire first in a diplomatic crisis.

The resulting combination of increased accuracy, warhead yield and megadeath potential are unnecessary for deterrence. They are nothing more than the basic tools for fighting a nuclear war with options for a first strike or a blackmail limited nuclear strike.

So we have arrived at the brink of utter madness. We are actually contemplating waging a nuclear war, in the expectation that somehow, somewhere, normal life could survive—that there can be a victor in a nuclear holocaust. The era of Dr. Strangelove is truly here—but it is no longer a joke. Satire has become the imminent reality. The time to stop is now.

These new weapons are our own greatest danger to survival as a free society. This plethora of U.S. military forces and weapons are a veritable tinderbox, just waiting for a lighted fuse.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I rise in support of H.R. 4040, the Department of Defense authorization bill for fiscal year 1980. The chairman, the gentleman from Illinois (Mr. PRICE), and other members of the House Committee on Armed Services have done an excellent job in drafting this bill. If approved, the programs and procurements authorized by this bill will help to maintain the strategic balance of power and preserve our national security.

I would be remiss if I did not begin by stating that I listened carefully to my colleague, the gentleman from California (Mr. DELLUMS) who just spoke. I think and I know that what he says he means most sincerely. But when it comes to studying the world situation, finding the terrible increase in the military posture of a potential enemy, I find that I must respectfully disagree with my friend.

Specifically, Mr. Chairman, I want to compliment the committee for the provision expressing the sense of Congress that maintaining a survivable land-based ICBM is vital to the security of this country. I certainly hope that this body will proceed with the development of the MX missile and its basing modes.

It is encouraging also that the administration has taken the position that it has recently announced to back this posture. Moreover, Mr. Chairman, the committee is to be congratulated for supporting a strong Reserve force and particularly for rejecting the administration's recommendation to drastically reduce the Naval Reserve. This should be kept in mind because we do need a strong Reserve all across the board, and to have the Navy Reserve cut back as has been recommended by the administration is not right for our national defense.

I also wish to point out that I agree with the bill regarding the nuclear aircraft carrier and not choosing a small one. I made an independent study on my own, and I have concluded that a smaller carrier would not be cost effective but that the nuclear carrier over a period of years would be the one that we need for national defense and the one that we need to be cost effective.

Finally, Mr. Chairman, I want to comment on the committee's action regarding civil defense. The committee quite correctly recognized the need for increased authorization for civil defense. We have too long ignored the necessity for an upgraded program. The $138 million recommended in the bill will enable us to begin—I say "begin"—an appropriate civil defense for our country, and yet the committee's recommendations do not go far enough. Our current civil defense program is inadequate in part because it has not been given proper direction; it has not been given proper goals. Multiyear authorizations have not been authorized. When we consider title VII of this bill, I will offer an amendment which will correct both of these deficiencies.

□ 1320

It will direct the President to develop and execute a truly multipurpose civil defense program which could be used in the event of nuclear war, it could be used in the event of natural disaster as has happened to my district, tornadoes and floods within 1 year, and also it could be used regarding nuclear accidents similar to that which occurred at Three Mile Island.

The Skelton amendment specifies the elements which are to be included in civil defense; it spells out the goals of the program; and it provides for a 5-year authorization period. The amendment would also recognize the contribution of civil defense to the overall strategic balance of our country.

Mr. Chairman, I direct attention to the chart on my right. On this chart, the 39 potential prime targets in America are set forth in the event of a nuclear attack. The Fourth District of Missouri that I represent has 150 ICBM missiles. We are told by the authorities there would be some 300, 1, megaton bombs exploding in the district that I represent should we have an attack.

Mr. Chairman, the adoption of my amendment will help solve the problems to protect the people, some 10 million people in these 39 areas. It will enable us to start a program of effective national civil defense. It will also provide for crisis relocation for those who live in cities and in urban areas.

In conclusion, Mr. Chairman, let me reiterate my support for this bill. There are certainly, of course, amendments that might help to improve it and they deserve the support of the Members. My amendment, I feel, is one of the these. However, on the whole I recommend this bill, I intend to support it and I recommend it for a strong national defense.

Mr. PRICE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Under the rule, there will be 1 hour of debate on section 812 of the bill. The gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes and the gentleman from California (Mr. CHARLES H. WILSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, whatever comes out of this debate, in my opinion it is very salutary for the security of this Nation that we have this debate to focus the attention of this Nation on the deplorable state of our Selective Service System and our dangerous reserve shortages.

Many of the Members are misreading the wishes and resolves of the people of this Nation for a strong defense. I believe these people understand that only by a strong defense can we hope to have peace.

Mr. Chairman, I commend to you the Louis-Harris survey of December of 1978 in which 66 percent of the people favor registration and 31 percent oppose. At that time in the age bracket of 18 to 29, 51 percent favored and 47 percent opposed.

The Gallup poll of April 1979 showed that nationally, 76 percent of the people of this country favored registration and 17 percent opposed.

Of the young adults age 18 to 24, 73 percent favored registration and only 20 percent opposed registration.

Mr. Chairman, there are several points I wish to make and I will expand on these. This bill calls only for a standby registration of 18-year-old males. It does not call for a draft. Before a draft could take place Congress would have to vote for a separate draft bill.

Over a 3-year period we have had extensive hearings on registration and selective service both with adverse and supportive witnesses.

The Subcommittee on Personnel which has jurisdiction over manpower and selective service included this measure in this bill as has been done on a number of other occasions.

Mr. Chairman, I know there have been circulars sent to the Members saying this is unusual to put registration in an omnibus bill, but I assure you we have any number of instances when changes in the selective service law were included in omnibus bills. Anyone who says changes in selective service have always been done in a separate bill and not in a general bill are therefore wrong.

Mr. Chairman, the Joint Chiefs of Staff, the Secretary of the Army and many others, all listed on the board before you, have testified to the need for standby registration. Secretary of Defense Brown last January spoke in favor and said we might have to go to some kind of registration. He later said that he had some misgivings, apparently on a basis of possible reaction.

Mr. Chairman, one of the President's staff said, "We do not need registration. There are effective ways to improve the capability of the Selective Service System so it can respond quickly in times of emergency."

They talk about $1.5 million but what they do not tell you is that the Privacy Act prevents any means of obtaining the information of which they speak.

Mr. Chairman, since this whole debate has come forward, and this is one of the salutary effects, there has been a change in the Selective Service setup, the manpower setup. The gentleman who was to be Selective Service Chief is no longer before the Congress. A man who understands selective service has come before us, he came to a group of members of the Subcommittee on Personnel and said that the plans that were projected, such as were referred to by the Acting Director, provide loopholes large enough to accommodate a steamroller, that the measure will not work. Therefore, Mr. Chairman, there is no effective plan for mobilization in the event of an emergency.

The President himself, speaking recently in Bardstown, Ky., was asked whether or not he favored registration. The New York Times reports the answer of the President in the issue of August 1, 1979, as follows:

> In answer to a question, Mr. Carter seemed to soften his Administration's position against a standby draft registration when he said, "We might have to have registration for the draft as a precautionary measure." He said that he was reassessing the question of whether young people should be required to register at the age of 18. "We might have a standby registration if I decide it is needed," he said.

Since the President has already indicated an interest in registering 18-year-olds, he needs this authority to register only 18-year-old males at the present time. In no other way can he do this. Otherwise, under the present law he would have to register those 18 to 26.

Mr. Chairman, what we are trying to do is find the least expensive means by which we can refurbish and build the reserves that are sadly lacking in this country in the event we have a mobilization.

Mr. Chairman, we do not tell the President how to register. We say it should be done, and we have a number of recommendations that we solicit from him that are included in the bill.

Mr. Chairman, this measure came out of the subcommittee unanimously. In the full committee the vote was 30 to 5 in favor of the bill as written.

Mr. Chairman, if we have any faith in the committee system and the expertise of the members of any committee, we must ask why was the vote so overwhelming.

□ 1530

The answer is that the security of this Nation is endangered with the present state of our reserves. For example, did you know that our individual ready reserves, the standby nondrilling reserves is 500,000 short of manpower?

These are the people that are going to have to fill the gap in the event of an attack say in the scenario of NATO when we suffer high casualties with perhaps about 4 days of warning before the attack.

Did you know that our National Guard and Drill Reserves are approximately 180,000 short of manpower?

Did you know that our total forces in Europe total approximately 300,000 men and women and that these forces could be attacked, as I said, possibly with only 4 days notice?

Did you know that those forces, plus our allies, face superior forces, numbers of adversaries, with 10 times the superiority in cannons, 4 times the superiority in tanks, and chemical attack capability?

Our forces would suffer high casualties.

What replacements do we have to help hold the line? The National Guard in actual reserves is already at least 180,000 short. Units would be broken up and the teamwork engendered over the years of working together, the efficiency would be destroyed, if they were broken up.

You say then we could reinstitute a registration and draft at that time. At a time of chaos?

Our Selective Service System today is a virtual shambles, a chaos at the present time. If we were to start right now from scratch to register, draft and train an army, it would take 7 months to put a soldier with only basic training in the field; 7 critical months, that would be far too late. By standby registration we can cut off 2 vital months that could be the margin of victory.

Now, there have been reports that say, oh, it would not be 2 months, but that is assuming that you have other things in place, which we do not have at the present time. Do we not owe it to the troops in the field to let them know that Congress appreciates their danger and will not sacrifice them to a "take care of me first" attitude that appears to be so rife in this country at the present time?

The Pentagon's alternative announcement earlier was to recall the Vietnam veterans as their alternative to registration. Where is the equity in that? Where is the efficiency of calling older, tired veterans, who might have trouble with the rigors of combat and who have already done their duty? Without an adequate manpower backup that can be quickly called and processed, we would be forced to escalate to the use of nuclear weapons and that, of course, is what we wish to prevent as well.

How is peace preserved? By the perception of power and strength and resolution. Each day our reserve forces dwindle away and we fail to have even the minimum backup, the standby registration and the Selective Service structure that can function. Our defense posture grows less credible and we invite intimidation and lightning attack.

With impunity, the Soviets have placed a brigade just to the south of us in Cuba and thumbed their noses at us and we appear to be impotent at this time. If this happens and we have a lightning attack, forget democracy, forget this free body, forget our free institutions, forget the whole ball game of what we have built over 200 years, unless we can build a credible defense with which to preserve these institutions.

I told you about the Gallup poll already and the Harris poll to show that the American people are alert. I do not know what it takes to alert our membership.

Do not listen just to a few dissident voices. Listen to the American public who favor registration. They are concerned for the safety of our country.

The truth of our appalling manpower shortages has been classified and withheld from the American people, but the Soviets know. The DOD mobilization plans never included reliance on the All-Volunteer Force in case of war or emergency, but rather on the delivery of inductees under a reinstituted military draft. The DOD requirements call for delivery of the first inductees for training 30 days following mobilization, with another 100,000 inductees within 60 days and 650,000 within 6 months.

Unfortunately, all agree that the Selective Service could not deliver the first inductees for training until 3 or 4 months after M-Day and would be capable of supplying less than 60 percent of the 650,000 inductees required within 180 days.

You must not be swayed by things that a few vocal people have said across this Nation. You should listen to the public. There are innumerable, innumerable editorials across this land of people which normally would be trying to persuade you not to have a registration but which are now urging registration. People are not thinking of themselves, but thinking of America when they tell you there is a clear and present danger unless we do something now. We do not have the luxury of waiting in this modern world. America is telling the Congress to bite the bullet and do what has to be done now before it is too late.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, perhaps I am one of those dissidents that the gentleman from Texas (Mr. WHITE) just made reference to. I think there are more than a few of us around, however.

I oppose the registration, first because I see no immediate emergency and I see no emergency in the foreseeable future that would require that we need to go through such a procedure at this time.

I am going to be brief because there are several other people who want to make comments.

Second, I think the gentleman from Mississippi (Mr. MONTGOMERY) when he made his comments told us exactly what the story is, that the registration is just a forerunner to the draft, that the next thing we will be asked for is the actual draft itself.

I do not feel, again, that this is the time or that there is any reason for us to consider the draft.

Third, I gather from the comments of the gentleman from Texas and also the gentleman from Mississippi again that the principal purpose of the registration is to try and frighten young men into signing up either for the National Guard or the Reserve. They keep emphasizing the fact that our Reserve is so small, our Guard is so small, therefore we need to register so we will frighten our young men into doing this, rather than registering and taking their chance on going into the service.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Yes; I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, will the gentleman agree that one of the motivating forces behind this registration is the shortage that we have seen for the last 3 years in the Reserves?

Mr. CHARLES H. WILSON of California. I do not know that we have the actual shortage that has been described to us, but I think that is the motivating force behind the call for the registration, however.

Mr. DOWNEY. Would the gentleman agree that if we could do something to augment the Reserve and National Guard strength that a lot of the impetus for registration might disappear?

Mr. CHARLES H. WILSON of California. Well, we have been trying to do that in the Committee on Armed Services. Certainly I will give the gentleman from Mississippi (Mr. MONTGOMERY) credit for trying to elevate the Reserves and the Guard to a much higher position than they have been in the past, to give them more perks.

I think that this would take care of what shortage there is in the Reserves and in the Guard.

Mr. DOWNEY. Mr. Chairman, I thank the gentleman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise to express my opposition to the provision in the Defense authorization bill, H.R. 4040, which authorizes the registration for the Selective Service System. I am deeply troubled and concerned that such a provision has the potential to become a reality. My long involvement with defense issues has broadened my understanding for the operations and the manpower needs of the various branches of the services. I have also devoted considerable time to studying what requirements are necessary to maintain our national security. I have carefully evaluated this proposal and have concluded that the provision requiring registrations is not justified to satisfy national security requirements.

I am perplexed by the contradictory reasoning offered by those supporting registration. They maintain that this is not a prelude to a peacetime induction system. Yet if the registration provision is adopted, our Nation will have taken a dramatic and dangerous step toward the resumption of a military draft. Such a decision should be made only after a comprehensive national debate.

Concerns over the individual Ready Reserve strength has accelerated this current debate on registration. Some of our colleagues maintain that the problem is the All-Volunteer Force—that it has failed. Changes in the all-volunteer concept may be necessary, but this does not imply that the all-volunteer concept is a failure.

An even more surprising attitude has surfaced as a major issue. In these times of great civil rights awareness, we still have people in key positions who are preoccupied with the high minority ratio in the armed services. They claim that minority representation runs from 40 to 60 percent in some units. They seem to think this is not a fair representation of the American society. This strikes me as a peculiar thought, since these soldiers, regardless of race, color, or creed are Americans. In fact, if anyone was to voice an opposing opinion, it should be these minority groups who historically have been disproportionally sent to the frontlines, and who have made the ultimate sacrifice for our country.

In my closing remarks, I want to once again reiterate my position so there is no misunderstanding of my protest of the passage of the registration provision. I feel that the All-Volunteer Force has not been given sufficient time to work. And it is too early to make a fair evaluation. I strongly feel that with time, adequate support, and the proper appropriations, this program will prove to be successful.

In addition, I feel that in an event of a national emergency, the American people will rally to our Nation's aid. I hope we have learned something of value from our bitter experience in Southeast Asia. We cannot again ask the people we represent to make sacrifices in the name of our country, and then have top officials rationalize those sacrifices as a grave mistake. I have an obligation to my constituents and to myself to see that such a provision is not passed.

Remember, as a Member of Congress, we are not immune from making an erroneous decision. This vote must be carefully considered. It will involve the lives of millions of loved ones—in fact, probably someone very close to you. Your vote should not be cast without careful consideration and deliberation as to the magnitude of the action that would be undertaken if this provision does pass. I urge that this section on the registration be removed.

Mr. Chairman, the only other word I have to say is that I hope the committee will adopt the amendment of the gentlewoman from Colorado who would have a delay of any registration until a report is forthcoming from a Presidential commission.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Very briefly, because I do not have much time.

Mr. MONTGOMERY. Mr. Chairman, I am rising in opposition to the Schroeder amendment and also to the Beard amendment. I hope the gentleman would oppose the Beard amendment also. That is my question to the gentleman.

Mr. CHARLES H. WILSON of California. I do not know what I am going to do on the Beard amendment. I have not heard it yet. I do not know what is really in the amendment.

I am going to support the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER), however.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, we have heard several hours of debate today on the necessity—or from many of my colleagues, the extravagance—of improving the capability of U.S. weapon systems. I support many of the enhancements this bill authorizes. However, I am sure we will all agree that modern, advanced technology is of limited value when it is operated or maintained by less than adequate personnel. In order to preclude the manpower aspect of our defense from being established as the weak link in the fence, it could be argued that section 812 of H.R. 4040 is the most significant provision under consideration today.

Although the point could justifiably be argued as to the success of the All-Volunteer Force, the committee has included section 812 in an effort to address, and offer a solution to the inherent problems the Selective Service System faces in its deep standby status. It is widely agreed that the SSS cannot meet the latest Department of Defense mobilization requirements. The SSS's inability to meet these requirements was the prime consideration when the committee concluded that a return to a registration system is the most feasible method for assuring that the prescribed number of inductees will be delivered for training within the allotted time frame should a mobilization effort be necessary.

Reinstituting registration is not a precursor to peacetime conscription. Peacetime registration would bring the SSS out of mothballs and by activating the field structure that has been—for all practical purposes—defunct for the past 4 years, and upgrading the automatic data processing equipment, would enable the SSS to perform its prescribed mission.

Under current plans for mobilization, should a major national emergency occur, a draft would necessarily be reactivated. A face-to-face registration of all males aged 19 to 21 would be conducted by the SSS by utilizing local election apparatus. After entering registrants into a central computer and induction notices issued, the DOD would theoretically have the first inductee delivered for training at M30, and 100,000 inductees at M60. A report by the CBO concluded that it would take 90–120 days for the delivery of 100,000 inductees, which falls far short of the mobilization requirements.

The SSS is confronted with serious problems in the critical areas of conducting a mass registration, the capability of its automatic data processing equipment, and the reconstitution of its field structure; should a major international conflict mandate the mobilization of our forces the DOD's induction schedule cannot be met with the current status of the SSS. The CBO report previously cited states:

> A paper and pencil mass registration of six million youth to be completed with two weeks' notice is a complex undertaking requiring considerable advance planning; reliance on the state election apparatus to respond rapidly, based on present preparations, is risky. Even if the state election apparatus proved responsive, the ADP hardware and software is wholly inadequate to meet the high-volume processing needs of the quick-reaction organization Selective Service is supposed to become.

A peacetime registration would eliminate the risks involved with a comprehensive, post-mobilization registration. By conducting a continuous registration system the SSS would rebuild its rudimentary field structure and would be able to avoid the pandemonium that would grip this country vis-a-vis mobilization.

By failing to reinstitute a registration system, and therefore bolster the SSS's mobilization capabilities, this body wavers in its commitment to maintain U.S. security and deter aggression. I urge my colleagues to consider the grave implications that will result should section 812 be deleted from H.R. 4040.

☐ 1340

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, it is never easy to rise countering my committee, and so I would like to explain why I am offering this amendment and why I feel so strongly about it.

First of all, I think this is probably one of the most important debates we are going to be having in this Congress. It is very important to the national defense, and it is very important to the most important national resource any nation has, and that is its youth.

There are so many issues in this bill that we should be addressing that I really do not believe that registration belongs in this bill. I think of all the other procurement items on which I would like to speak and with which I would like to have been able to deal, and yet here we are with all these things in this incredibly comprehensive package.

I must also say that I have been sitting here listening to the debate, and I note that there have been many Members here talking about the urgency of dealing with registration now, that there is an emergency and we must be prepared, and that if we do not do this today, we will be leaving the country exposed to the Soviet threat. Well, let me remind the Members that if we look at the bill, we will find out that we are talking about registration not taking effect until January of 1981. So if we thought there was such an emergency, then I question why it is not taking effect until after the next election.

The other thing is that we would have a study in there at the same time. We are mandating registration to come into effect at that time, and we will not even have the results of the study in that are mandated by the bill. So we are acting before we really look at this issue fully.

My amendment would be to strike the implementation of the registration and have the study go forward. We could have the study come to us at the beginning of next year, and we still would be on target if people still feel that this is such an emergency.

There are many other issues I have heard discussed today, and I would like to respond to those just briefly. We have heard Members talk about the problems of the All-Volunteer Army and the problems of the Reserve and the Guard. There may be a lot of problems there, but I do not think registration solves those problems unless we immediately say that it is going to move into a draft. I do not see how registration solves that problem. There is no connection between the AVF recruiting and the issue of registration.

Nobody is talking about abolishing the All-Volunteer Army, and nobody is here assuring us that registration will fill up all the holes that are supposed to be in the Reserve and the Guard, although I am not sure that is quite true.

The other thing is that we have this based on the premise that started in the Civil War, and that is that what the military needs is strong young males to go out and fight. Many of the manpower discussions I have heard in front of the committee in the 7 years I have sat there have indicated that a lot of our shortfalls are in different areas. They are in different skills—computer skills, being able to repair fire control systems, and all sorts of things. So we may be looking to the wrong type of manpower gaps.

I do not think it is important as to who supports or who does not support this bill because we are sitting as a legislative body today, an independent branch under the Constitution dealing with an issue that is independent from a weapons procurement bill—this is not a people procurement bill. I have heard people say that the President may be changing his position. Nothing could be further from the truth. The President, the Secretary of Defense, and the Director of the Selective Service System, all oppose registration. Well, the President has been very helpful to me on this amendment, so I find that surprising.

I have heard people cite the polls. Well, one can get a poll to say anything if the question is phrased correctly, and I do not think that is the issue.

We are here as a separate branch of Government talking about something that is very important to the youth of this country and to the defense of this country. We should be acting on facts. We gain only 13 days of added mobilization capability with peacetime registration—that is a fact. We should be acting on that type of thing rather than being of a windstock mentality, trying to guess which way the winds are blowing or who we can line up to protect us.

I think the lessons of the 60's are that we cannot put Americans in uniform and send them out unless they are convinced they are truly defending the future of America and that they are standing for the moral premises America has stood for in the past. I hope this body has learned that, and I urge this body to support my amendment, which I think takes the horse and puts it back in front of the cart.

In other words, Mr. Chairman, we will first have the study, and then next year we can act upon that study and hopefully go in the right way rather than slipping legislation through to take effect after the next election and after the results of the study come back. I think we will find from that study on registration that it will not change any of the problems with the All-Volunteer Force that registration's proponents say it will.

Mr. WHITE. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I rise in strong support of the provisions to reinstitute military registration of 18-year-old males beginning January 1, 1981. Serious problems are apparent regarding the capability of the present Selective Service System to select and induct, in a timely manner, sufficient personnel to meet military requirements in the event of a full mobilization.

In addition to addressing this fundamental concern, these provisions would insure the independence of the Selective Service System, and require an annual report on the capability of the Selective Service System to meet personnel requirements in the event of a mobilization. Finally, these provisions would require the President to submit recommendations on various specific modifications and improvements to the Selective Service System.

I want to emphasize strongly that these provisions would not authorize and do not contemplate a return to a peacetime draft.

My support of these provisions does not imply that I believe that the All-Volunteer Force concept is a failure. An effective Selective Service System was intended as an essential element of the All-Volunteer Force. However, the Selective Service System has failed to maintain its posture as an effective standby component in the All-Volunteer environment and, consequently, needs to be revitalized.

Mr. Chairman, the Nation faces serious military threats throughout the world. Our Active Forces, today, effectively thwart this threat; but, it is a precarious balance which, at any moment may swing to the side of hostilities. In that event, the Nation must mobilize its manpower resources rapidly, equitably, and efficiently. The Selective Service System, today, cannot do that. These provisions represent the minimum essential step in providing the assurance that we will be able to mobilize and meet the most realistic requirement.

This insurance, like any insurance, will eventually require some cost; but like any insurance wisely chosen, the potential benefits far outweigh the costs. Similarly, like any insurance policy, it must be purchased in advance of the situation for which it is intended. These provisions will enhance this Nation's insurance policy.

Revitalizing the registration system now insures a number of important benefits:

In the scenario we use in planning our forces (a crisis, with little warning, leading to a high intensity conflict) implementation of registration and induction will be chaotic at best. Consideration of deferments would be perfunctory in such an environment. An existing base of preregistered personnel will assist in development of a well thought-out and equitable mobilization.

I am concerned with the attitude of some segments of today's youth regarding their outlook toward service to their Nation. Peacetime registration emphasizes their responsibilities by focusing attention on the obligation to serve in the Nation's defense.

A preregistered base will permit objective statements of the resources available and the ability to deliver in the event of a national emergency; thereby assisting in the development of viable and effective plans.

In the environment of developing hostilities, an existing population of registered manpower will provide more flexibility in response to these contingencies. Implementation of registration could be a precipitous step if taken during precarious times because it could be perceived as a belligerent act in such an environment.

The major benefit of this provision is a reduction in the risk that we face because of the uncertainties of future hostilities. The probability of war may be remote; but, the consequence of being unprepared is catastrophic. It would be grievously unfair to our service members in Europe for this Nation to fail to maintain the backup that will give them support in time of need. That backup lies significantly in the ability of the Selective Service System to deliver inductees according to the schedule put forth by the Department of Defense. Failure to accomplish this will result in unnecessary casualties.

Implementation of registration in peacetime will not solve all our problems; however, failure to implement registration will preclude the problem from being solved.

I strongly urge the Members of the body to support in their entirety the provisions in this bill dealing with revitalization of the Selective Service System.

□ 1350

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I rise in opposition to reinstituting the registration and/or the draft.

I have heard a lot of comparison today with what Russia has. Russia has conscription, but that is hardly a justification for us having conscription or the use of force to build up our military.

I think the conservatives, and I am one, are great when they defend so well the principles of individual liberty in defending the marketplace. What they do not understand at times, though, is that same fundamental principle of the marketplace where we do need individual liberty is the same individual liberty that we must protect when we talk about registration, conscription or national service.

It does not surprise me when one who is considered liberal, who spends another person's income, who controls another person's life, who controls the economy, proposes registration and conscription and national service. I think this is a more consistent pattern than the conservative who is always fighting for the marketplace, which is based on the principle of individual liberty supports the draft. I do not believe that we as conservatives can defend the marketplace and private property properly if we do not maintain that a man's life is his own and not the government's.

The basic premise that conscription and the draft is based on is this: "I want you to protect me so badly that I will gladly sacrifice your life so that you can do that."

The answer to that is this: Neither my life nor an 18-year-old's life is yours to use; not in a free society where we have constitutionally protected natural, God-given rights.

This is the difference between a country like ours and that of Russia, because there the state grants the rights and the state can remove those rights. In a country like America, the individual himself must make this the decision when and if to serve his country.

Certainly there may be some risk in a free country on the adequacy of our defense; but there must also be some patriotism and there must also be a willingness to defend the country and that this cannot and should not be imposed by force. If we resort to force, I beg the question that we will fail; because it is only by volunteerism and through a free choice can we preserve a free Nation. We cannot preserve a free Nation by the use of tyranny. The use of one's life in this manner by the state is an example of tyranny. I do not believe the two, freedom and slavery are compatible.

We cannot expect good results in establishing a free society if we are not consistent in our arguments. I maintain that we as conservatives fighting for the free market are inconsistent when we propose registration and propose the draft.

I might also ask those conservatives who are practically willing to go to war over the concept of a registration of a gun and then relinquish their kids up wholeheartedly and allow them to be registered. I happen to think more of my kids than I do of my guns, but I will also fight and defend on principle that it is the same issue, that we should neither register our guns nor register our children.

I propose that if we reinstitute the draft today or tomorrow or have registration, those individuals in this Congress should be the first to go, especially those who have never served. There are young Members in this Congress who are willing to vote for conscription and the draft and yet have not served in this military. To argue that we owe something to our country begs the question that if you are 50 and have not served, you owe a lot more. Under today's circumstances, there is room for them in the military and there is room for them in national service. But I insist do not put the tax on the 18 year olds. It is wrong, it is unjust, and it contradicts every fundamental principle of freedom.

Mr. Chairman, I hope that today we will reject and at least table the notion of registration and forget about the draft, because it is incompatible with a free country.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I just wanted to compliment the gentleman for the remarks that he has made. I concur with them and I think he has placed his finger squarely on the issue. I compliment the gentleman on his remarks.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to commend the gentleman for his remarks and I associate myself with them. I agree 100 percent with the gentleman's view on this amendment.

Mr. PAUL. Mr. Chairman, I am glad to hear that, because I also rejected in my talk, or at least implied, that we also should reject the welfare state as well.

Mr. JOHN L. BURTON. We do not want to do everything at once. We do things easily. We are talking basically at this point about the fact, and I agree with the gentleman, that welfare for the rich should be scrapped and tabled.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I guess I am not known as a conservative in this body yet. I agree with everything that the gentleman from Texas (Mr. Paul) has just said on this issue. That is because, when it comes down to believing in America and what America stands for and the basic principles of liberty, I do not think there is any difference between liberals and conservatives. We may differ over economic policy. But this issue involves what America is all about.

I happen to represent the city of Kent, Ohio. Next May will be the 10th anniversary of one of the most tragic events in my memory, the killing of four young Americans by other young Americans at Kent State University. We do not need to go through that sort of thing again. The result of the alienation of almost a whole generation of young people was the deaths of those four young Americans at Kent State. Of course, it was part of a much vaster tragedy—the deaths of many young people in Vietnam for reasons that they did not understand.

Unless the young people of this country have a clear perception that our national interests, including their interests, require compulsory registration and service, its enactment will produce another era of division and alienation. Yet no clear case has been made.

Whenever it is clear that the interest of the United States and our national security are at stake, young people will volunteer by the hundreds of thousands, as they did after Pearl Harbor. We do not need a draft if we have that situation. Likewise, if it comes to the point that the needs of this country for the military draft are clear, the young people will accept registration and the draft, as we all will.

But I suggest that with the armed services within 98.8 percent of the President's projected manpower levels at the end of July of this year, and when, in the most recent calendar quarter, they have exceeded by 6,000 their level of enlistees for the corresponding period of last year, there is hardly a crisis in the armed services in terms of manpower. Nor is any visible in the immediate future, if the armed services do an effective job of recruitment of volunteers and if the pay and benefits for enlisted personnel are reasonably comparable to those in comparable civilian occupations.

We should be insuring that those conditions are met in the future, instead of giving the military a permanent lock on the youth of our Nation.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Downey).

Mr. DOWNEY. Mr. Chairman, first of all, we have a problem with both the Regular Army and Reserves. That is undeniable. It is clear that, with the National Guard and the Reserves, there are not enough people. The answer to filling those billets is not to have a registration, which I do not think is anything other than a precursor to the draft.

I was in college during the 1960's and participated in a lot of the protests, and I think I have a unique understanding, as do many other Americans of my generation, about the unfairness, the inequity of the previous method of conscription.

Before we can even think about a draft, before we can even think about solving this problem, we have to clearly examine what the problems are, how to resolve them. Forcing 18-year-olds into the Reserves is not the answer. The problems of the Reserves are providing adequate training, inducing people to have a meaningful occupation if they come into the Reserves. Adequate training will eventually augment the Reserve and Guard.

□ 1400

The problem with the volunteer army is now as it was in Vietnam, as it was in Korea and to a lesser extent as it was in World War II, that serving in this country's army falls disproportionately on the poor and the black citizens of this land.

Now, that is unacceptable, but that problem is not going to be solved by registration, and that problem is not going to be solved by a draft.

That problem can be addressed by a program of inducing other people to come and serve this country, because, as as a democratic society, we owe it to ourselves to make sure that the burden of fighting our battles, if we should ever have any more, of serving in our armies falls within every income strata and all segments of our society.

Now, the gentleman from California (Mr. McCloskey) has a bill that, in my opinion, makes some sense and deserves careful study; and I would hope that if the proposal of the gentleman from Tennessee (Mr. Beard) or the proposal of the gentlewoman from Colorado (Mrs. Schroeder) is passed, that that is one of the avenues that we would look to to solve this problem. But do not make any mistake. If we vote for the registration, we are going to get the draft. We are going to get the inequities, and we are not going to solve the very fundamental problem that exists either in the Reserves or in the regular Forces.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I intend to vote for the Schroeder and Beard amendments, but I cannot stand in this House and hear what we have heard.

There is an amendment to the Constitution which states that a well-regulated milita is essential to the defense of the State. We must have some sense of responsibility on the part of each one of us in this Nation; the talk about service being some kind of slavery is absolutely repugnant.

If I were not so determined to follow the course of the Schroeder and Beard amendments, the talk I have heard today might have made me vote for registration. This kind of talk is not what our country was made of.

Mr. WHITE. I would like to inquire of the chairman how much time is remaining.

The CHAIRMAN. The gentleman from Texas (Mr. White) has 11 minutes remaining and the gentleman from California (Mr. Charles H. Wilson) has 10 minutes remaining.

Mr. WHITE. Mr. Chairman, I yield 2½ minutes to the gentleman from New York (Mr. Mitchell).

Mr. MITCHELL of New York. Mr. Chairman, I oppose any peacetime draft, but I do support the registration provision of H.R. 4040.

I want to make this point perfectly clear, as one of our leaders used to say. This bill would not permit a draft. New legislation would be needed, and adequate time would be provided for study for it. Just for perspective, our volunteer army strength at the moment is a little over 2.2 million people. The Soviet Union's strength is 4.4 million people. They are about 100 percent ahead of us there; and their reserve strength is 10 times ours. They have a 10-to-1 advantage.

The fundamental question today, ladies and gentlemen, is the defense of the Nation, not a lot of extraneous things that have been brought into the debate. It is whether we are going to win or lose a war. In the event of all-out war, it has been estimated that we would need to begin training replacements for volunteer Forces within 30 days. Without a registration system, it is estimated it would take us 120 days to get the first inductee out of the pipeline.

In other words, we could have lost the war during a 90-day gap in time.

It is just not fair to ask those who have volunteered to defend our Nation to fail to provide them with some backup, with some emergency assistance. No one here wants us to be defeated in war, but I do fear that is exactly what will happen if we do not have adequate replacements in time of war.

I would like to point out, too, there are some serious shortages in our all-volunteer system. History demonstrates that when national registration programs are in place, that volunteering increases, not just for the reserves, but for the regulars also.

So the registration program should serve to strengthen our volunteer Forces, to fill in the gaps and to further postpone that time when we will need a draft, a peacetime draft.

Finally, in an emergency situation, if we wait until we need these replacements and do not have a plan in place, then there are going to be great inequities in who is selected to fill these gaps in our system, who takes the place of those who are needed to replace our volunteers.

So, I urge my colleagues to support the provision in H.R. 4040 for registration.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I, too, believe that if this House today approves of the registration proposal, we will ultimately have the draft back.

I remember this issue, for this was the first major vote we had in the 86th Congress, in February of 1959. It was whether to extend the draft for 4 years. Some of us wanted a 2-year extension plus a study to ultimately phase out the draft. We lost that fight. History reports that much has happened in the intervening years, largely, I think, because we had the draft and the large manpower pool. We were in Vietnam.

Finally, under President Nixon, he allowed the then 2-year draft to expire.

Subsequently, of course, President Ford extinguished the registration classification system.

I hope, Mr. Chairman, we will not return to that.

Mr. Chairman, section 812 of the Department of Defense authorization bill for fiscal year 1980, H.R. 4040, which requires that all males reaching the age of 18 after December 31, 1980, must register with the Selective Service System is a sinister proposal. It is not needed and, if enacted, it can only serve to reopen serious wounds within our society.

Supporters of this registration proposal maintain that it will bring credibility to the Selective Service System's capability to improve the moblization potential of our Armed Forces. Without it, registration supporters claim that the Nation will be unable to mobilize quickly in an emergency.

A case for registration, however, has not been made. Registration, in fact, is not needed at all. Secretary of Defense Harold Brown has stated that peacetime registration is not necessary and that the proper course of action to enhance the standby ability of the Selective Service System is to improve its staffing and its planning.

Although some promoters of registration deny that it is a step toward the restoration of military conscription, H.R. 4040 further calls upon the President to report by January 15, 1980, on the desirability of the reinstatement of the military draft itself. Let us be honest here today and admit that registration can serve but one purpose and that is to pave the way for the eventual return of the military draft. That is the issue which we should confront today, and it should be understood by all Members that a vote for registration is a vote for the draft.

Everyone in this Chamber has the obligation to question why we are considering this registration proposal and moving toward the reinstatement of compulsory military service at a time when the United States is at peace with every nation in the world, at a time when a SALT II agreement with the Soviet Union, which places further limitations on nuclear weapons, has been presented to the Senate for ratification, and at a time when we have opened new vistas in our relations with China.

This registration issue and the specter of the draft has begun to raise certain anxieties among the American people. They are beginning to wonder whether our national security at home and our alliances abroad are as secure as claimed. Those who are promoting this registration proposal, when it is completely unnecessary, are doing damage to the credibility of our military posture.

Furthermore, all our efforts over the past several years to restore confidence in our Government, particularly among our young citizens, will be swept aside if the Congress votes for registration. I fear that our younger citizens, those directly affected by registration and the draft, will become distrustful of Government action and alienated. Divisions, once again, will plague our Nation.

Registration, of course, implies much more than just giving one's name to a Selective Service office. The Government is also going to demand to know the whereabouts of young people. If registration is supposed to serve the purposes of mobilization, then names without addresses are worthless. The physical condition of the registrants, as well as their moral and religious beliefs regarding war, would have to be determined. We would have to go back to the classification system and all its inequities which was in use before the draft was ended.

For many 18-year-olds, registration will be the first direct experience they will have with their Government. Not only will registration be a major invasion of their privacy, it is, in itself, a form of compulsion. With the return of the draft, and make no mistake about it, that is what will follow if the registration proposal is approved, it will mean literally giving the Government control over the lives of young Americans for several years. At a time when the American public is demanding less Government interference in their lives and less Government control over their lives, what is being proposed here today represents the most serious threat to the freedom of an individual—absolute and total control by the Government.

We should realize there may be those who will resist registration and the draft. Are we prepared to return to the conditions of the 1960's and early 1970's which saw thousands of young men who, because of their objections to the draft, were forced either to flee from the United States or to serve time in a penal institution? I cannot believe that the Nation wants to return to such times.

Even the date when registration is to begin is suspect. It is interesting that January 1, 1981, was chosen for the start of registration. This date, of course, comes after the November 1980 elections, and those who will reach the age of 18 after December 31, 1980, will be too young to express their opinion on those who either advocate or oppose reinstatement of registration in the voting booth on Election Day.

When we consider registration and the draft, we must recall that the purposes of the draft, in the past, have been manipulated to serve the adventuristic goals of foreign policy. This was so very evident during the years of the Vietnam conflict. The draft provided a ready vehicle to obtain the military manpower which enable our leaders, without any accountability, to involve our Nation deeper and deeper in that struggle. The lessons of Vietnam must not be forgotten.

We have been constantly reassured that our Armed Forces are the world's strongest and that they can respond to any crisis. If we do have any problems with our all-volunteer military and the Reserves, the answer is not to impose a draft upon our citizens but to make improvements in our Military Establishment.

Mr. Chairman, a peacetime draft is absolutely opposed to the principles which have always been considered a part of American democracy. In peacetime, without any threat whatsoever to our national security, we must not require young men, and perhaps even young women, to give up a life of freedom in exchange for military service to the state for several years. The President, who already has authority to require registration, does not seek any new legislative initiatives on registration, and the administration opposes new legislation to reimpose peacetime registration for the draft.

Daniel Webster, when serving as a Member of the House of Representatives, said that:

> A free government, with an uncontrolled power of military conscription, is a solecism, at once the most ridiculous and abominable that ever entered into the head of man.

The military draft is a trapping of war, and I urge, in the strongest terms, that the House reject this registration proposal which can lead only to the reimposition of military conscription in the United States.

Mr. WHITE. Mr. Chairman, at this time I yield 3 minutes to the gentleman from Tennessee (Mr. BEARD).

Mr. BEARD of Tennessee. Mr. Chairman, we find ourselves forced into the necessity of debating whether to bring the Selective Service System out of "deep standby" today for a number of reasons. To be brief, I feel that unjustified reliance on the artificial distinction between a "peacetime" Armed Forces and a "wartime" force has a lot to do with it. In reality, any peacetime force that is not at a wartime strength represents some degree of risktaking. Practically speaking, no modern nation can afford to maintain a constant wartime strength. However, because of our Nation's weariness and internal disruption caused by a 10-year war in Vietnam, as well as the inequities which came to characterize the draft, Americans were more than willing to "shift gears" from a conscription service to the All-Volunteer Force.

The problem we face today is that the Congress failed to follow through on the functioning of the AVF. The draft expired—the AVF gave birth to itself, and it seems that we just forgot about it after that. As a result, we now have a conventional military system that would be incapable of fighting a war. In short, today's debate on the Selective Service System is necessitated by the tremendous shortfalls in manpower which the services would face in a mobilization scenario.

Last April—after 6 months of intensive research—I released the results of an independent study I commissioned documenting serious manpower shortages in the All-Volunteer Army. The study used the Army's own manpower figures and projections. There was no attempt to second-guess the Defense Department on whether their wartime assumptions were adequate for our Nation's defense needs. It was the first major study to deal with the All-Volunteer Force question from a readiness perspective.

The study documented what many of us suspected for a long time: that the manpower shortages were far more critical than the Army or DOD were willing to admit; that the shortages were having a serious detrimental effect on the readiness of our All-Volunteer Army; and that the Army and DOD were literally lying to Congress and the American people about the true state of our defense manpower system.

The Army and DOD, of course, ignored the report. When questioned by the press, they claimed it was unfair criticism. When questioned by the Armed Services Committee, they acknowledged some manpower problems, pulled out their charts and graphs and continued to maintain that by the mid-1980's, new incentive programs they developed would solve those manpower shortages.

And then came "Nifty Nugget"—the Army's 1978 mobilization exercise. "Nifty Nugget" confirmed what the Beard report had pointed out at least 8 months earlier—that in a matter of a couple of months after the outbreak of hostilities in Europe, the U.S. Army would have a desperate shortage of manpower. And "Nifty Nugget" came up with those results under the most optimal conditions.

For example, "Nifty Nugget" assumed all of the resources the Army expects to be available are, in fact, available. It assumed every single body now listed among Army personnel would be fully trained to perform its MOS. It assumes 95 percent of its Reserve Forces would report for active duty, that 70 percent of the individual Ready Reserve would show up and 50 percent of the Standby Reserve would report. In my opinion, these figures are somewhat inflated. The Army has agreed.

But the most incredible aspect of the "Nifty Nugget" exercise is that there was absolutely no attempt to match the manpower replacement pool with the demand for specific job skills. In effect, the net results of "Nifty Nugget" were meaningless.

When we were briefed on the "Nifty Nugget" exercise, Congressman SAM STRATTON and I requested that the figures used for "Nifty Nugget" be expanded for a 90-day war, that the Army count only its trained manpower—that is ready for deployment on D-day—and that the manpower pool be matched to the demand for critical skills.

Again, that information was prepared specifically at our request and was presented to the members of the Armed Services Committee on January 25.

The results were devastating. In fact, to quote the Army colonel who presented the final report:

> The results of that analysis can only be described as frightening.

Even at the beginning of a European war, not a single unit would be at full strength. This might not be so dramatic if it could be assumed that a full-strength unit would mean sufficient forces to accomplish its mission plus a small cushion. In the case of the U.S. Army, however, a full-strength unit is already operating "on the brink of defeat." Its objective is to "hang on as long as possible."

Ninety days into a conflict, we could be more than 1 million personnel short of demand. But even more critical are the desparate shortages of soldiers in the infantry, armor, artillery and combat specialties. In some critical skill areas, our combat units would have no more than 30 percent of the trained manpower necessary 90 days into a war.

This would all be compounded by a severe shortage of medical specialists. The situation is already so critical in this field that the Army cannot provide adequate health care for the peacetime Army now, nor could it provide effective support and evacuation of casualties in time of war.

Ninety days into a war, we would have less than 40 percent of the doctors needed, less than 25 percent of the nurses and less than half of the enlisted medics. In short, the system of military medical care is literally on the verge of collapse. And in a conflict, thousands of American youths would die needlessly because of our lack of preparedness.

What does all this mean?

It means the U.S. military capability to fight a sustained, conventional war is dangerously weak.

It means the Selected Reserve and Army National Guard are only marginally effective and could not be mobilized for a timely response to an intense war with little warning. More alarming, both the Selected Reserve and National Guard are getting worse, not better. The General Accounting Office recently found that the Army has been lowering its reserve manpower goals to match the number of recruits it believes can be signed up. As a result, the Army recruited 92.5 percent of its 1978 reserve goal, which was only 48.4 percent of wartime requirements.

It means that if we are attacked by major conventional forces, our only alternative would be the use of nuclear weapons—an irresponsible and dangerous national policy, in my opinion.

The greatest travesty of all is that members of the Armed Services Committee were briefed on these new manpower figures before the Secretary of Defense and Secretary of the Army made their posture reports to Congress. While vague references to the Nifty Nugget exercise were buried in the back pages of these reports, there was not even an acknowledgement that these new—much more devastating—figures existed. When finally confronted with them directly, the Army Secretary absolutely refused to discuss them with the excuse that they are classified. Yet, he did not offer to brief the committee members in closed session. Why?

I have always respected our classification system. But this is a flagrant abuse of the system and does not serve the national interest. The manner in which this information has been handled is nothing short of a coverup of a national defense scandal.

I had hoped that stonewalling was a word we could have dropped from our vocabulary. But time and again over the past several months we have tried to get the executive branch to be forthright in stating the actual status of our Armed Forces. Time and again this challenge has been answered by word games.

As with the budget of any other Federal agency, the American people have a right to know they are not getting what they think they are getting—a national defense system capable of meeting its commitments in case of conflict at home and abroad.

Instead, they are getting a peacetime army—a phrase that is nothing more than a euphemism for an army operating on the brink of defeat.

I do not blame the Army for the state of its readiness. I do blame the OMB and DOD analysts who have operated silently, like an invisible colony of termites, slowly boring away at our defense budget and seriously compromising the readiness of our Armed Forces in exchange for cost efficiency.

All this has been allowed to happen, of course, because no one in the administration has had the guts to say we made a mistake. Congress embraced the All-Volunteer Army after a tragic period in our history. We all wanted it to work, and for the last several years obvious trends were ignored because it was hoped they could be turned around. It is now more than clear that we cannot turn them around. And we cannot continue to make decisions for our future based on atoning for our mistakes of the past.

Although we are not debating the future of the All-Volunteer Force here today, it would be impossible to debate the relative merits of Selective Service registration without recognizing that shortcomings in the AVF have brought us to this discussion.

Mr. Chairman, the need for Selective Service registration stands on its own. The future of the All-Volunteer Force as an institution will not rise or fall on this issue. However, advocates of change, as well as supporters of the AVF, should realize that without registration our ability to sustain even a short war under the NATO scenario is nonexistent.

However, at the same time, I realize that most of my colleagues have not had sufficient opportunity to study Selective Service registration and the attendant issues as thoroughly as they would like. While I personally feel that registration is needed, I can appreciate the hesitation of many of my colleagues to support this measure.

For this reason, I intend to offer an amendment at the proper time which would provide a mechanism for an in-depth study of this issue by Members of Congress. This amendment will call for a congressional commission to study our manpower mobilization capability, in comparison to current threat analysis. The commission would report on their findings within 6 months of enactment, and make recommendations to the Congress regarding any need for Selective Service registration, national service, or a draft.

This approach has received endorsement from a broad coalition of Members, including those who favor registration, and those who oppose it. In addition, since my amendment will be considered before the registration section is opened to amendments, I believe that it may change the complexion of the subsequent debate over that section. That is, passage of my amendment may change the entire significance of a vote against registration for those of my colleagues who do not yet feel that they have been presented with sufficient data upon which to make a decision on the merits. In short, passage of my amendment will effectively moot the registration issue as presented under this bill.

I include an unclassified version of the mobilization shortfall chart, as well as correspondence with the Army, and other selected materials to be included in the RECORD.

(Chart not printed in the RECORD.)

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 29, 1978.

Hon. HAROLD BROWN,
Secretary, Department of Defense,
The Pentagon,
Washington, D.C.

DEAR SECRETARY BROWN: The membership of the Investigations Subcommittee is concerned about the Department of Defense and Department of the Army casualty estimates used in computing manpower requirements. Those estimates have far-reaching implications since an understatement of requirements would lead to reduced force structure and personnel authorization levels. Accordingly, it is requested that you provide a report explaining the general methodology used in the calculation of Army casualty estimates. In that calculation we are specifically interested in how the threat analysis is conducted and how much participation the departments have in this decision-making process.

It is also requested that you describe the mathematical models, and the assumptions contained therein, used in the executive computer program for determining casualty rates. We would appreciate answers to such questions as, does your program guidance to the services provide for maximum numbers of wounded to be returned to duty; what is the density of the forces on the field front; do your estimates include chemical, biological, and nuclear operations?

Finally, it is requested that you provide an information paper describing the casualty rates included in MOBEX 78 and explain the rationale for their adoption.

It is requested that these materials should be delivered to the Subcommittee at the earliest opportunity, and in no event later than October 31.

Sincerely,

SAMUEL S. STRATTON,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 29, 1978.

Hon. CLIFFORD ALEXANDER,
Secretary, Department of the Army,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: The membership of the House Armed Services Investigations Subcommittee is concerned about the current and future ability of the Army to mobilize for war, especially against an attack by conventional forces. That concern is a result of the apparent inability of the Army to recruit a sufficient number of high quality recruits in an all-volunteer environment. A recent study, entitled "The Beard Report: An Analysis and Evaluation of the U. S. Army", casts serious doubt on the effectiveness of the all-volunteer force and suggests that extensive investigation and national debate is needed on the subject.

In an effort to determine the validity of the findings and conclusions of the Beard report, I have directed the Subcommittee staff to initiate a study of the Army's requirements for manpower in a mobilization situation and the ability of its various components to satisfy those requirements. Accordingly, it is requested that the Subcommittee be furnished with a report which describes in detail the numbers of soldiers which would be required and the times at which they would be required. The report should also describe the ability of the National Guard and Reserve units to satisfy these mobilization requirements, and the shortfalls that might be anticipated in view of the current membership of those units. Additionally, the report should describe the quantity of manpower which the Selective Service System would be required to provide to satisfy mobilization requirements, the time in which those trainees could be delivered to Army training centers, and the time required for training before those troops could be employed by the Army.

It is further requested that the Subcommittee be supplied with copies of the briefings of Major General Charles K. Heiden, Commander Military Personnel Center, and Brigadier General Robert M. Joyce, Commander Military Personnel Center Europe. The briefings were originally supplied by General Heiden to Congressman Beard at his office in April, 1978, and by General Joyce to Mr. Jerry Reed, of Mr. Beard's staff, at Heidelberg, Germany in April, 1978. These briefings should be updated to include information as of September 30, 1978.

It is requested that these materials should be delivered to the Subcommittee at the earliest opportunity, and in no event later than October 31.

Sincerely,

SAMUEL S. STRATTON,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 6, 1978.

Hon. CLIFFORD ALEXANDER,
Secretary of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: Reference to your November 14 interim response to the House Investigations Subcommittee request (September 29) for information concerning Army mobilization capability.

I am acutely aware that there are many management problems in the system that heighten and magnify the effect of shortages in manpower available to the Army for mobilization. Based upon preliminary examination of the aggregate data furnished in the referenced report, several crucial questions are readily apparent—each of which will be explored in depth during the forthcoming HASC hearing on manpower and mobilization. Several of my questions will probably require extensive research; therefore, I am presenting these questions in advance:

1) *Reference military occupational speciality (MOS) requirements.* I have noted that USAREUR mobilization manpower requirements are determined by 7 character MOS code based on the latest VTAADS and FORSTAT update cycles. Applying this criteria, please furnish a set of reports showing the overall manpower shortfall in terms of specific MOS(s) following the format shown by enclosure 1. A separate report (following the same format) should be prepared for the overall Trained Military Manpower (TMM) shortfall, as identified in your final response to our September 29 letter. Also, a separate report should be provided by major commands for the active force; and a combined report for the reserve components. Further, based on the TMM, Forces Command, and USAREUR, categories combined, please provide a detailed analysis of the five most critical MOS within each Career Management Field (CMF) reflecting Army-wide authorizations and shortages, overall training time (BCT plus AIT), and other related management data that you consider pertinent in analyzing these shortages—especially as they impact mobilization planning. A current chart reflecting all MOS (by number and title) within each CMF is also requested.

2) *Demographic Data.* Please prepare a report providing demographic information required by the format shown in enclosure 2.

3) What was the average number of sole parents in the Army during the last 24 months? What is the number as of November 30, 1978?

4) What was the average number of pregnant women in the Army during the last 24 months? What is the number as of November 30, 1978?

5) What, in the best judgment of the Army staff, is the percent of reserve component personnel that would be able and willing to respond to a call for mobilization within 30 days after notification?

6) What, in the best judgment of the Army staff, is the total percentage of reserve component strength that falls into the combined "unsatisfactory participation" and "ghost" categories?

I fully realize that some of the information requested cannot be based on empirical data. Where estimates are necessary however, I expect the Committee to be provided the best possible judgments, made by the Army staff and field commanders, without DOD or other political influence.

Your response by January 15, 1979 would be appreciated.

Thank you for your continued cooperation.

Sincerely,

ROBIN BEARD,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR PROFESSOR: I am taking the initiative in contacting you because of our mutual interest in problems associated with the military. Given your profession, you are in a unique position to contribute to the continuing debate on the question of the all-volunteer Army and to bring your expertise to bear upon this issue which is probably the most fundamental and serious social problem facing our nation. As a member of the House Armed Services Committee charged with analyzing military problems, I have great need for your advice and recommendations. Thus, the purpose of this letter.

The fighting capability and future security of the United States is based on the answers to many questions relative to maintaining a volunteer Army. All the services are in trouble, but the Army's problems are more acute because its systems are labor intensive. Please keep in mind, however, that many of the problems described here are also applicable to the other services.

The Army has been using volunteer manpower for over five years. Recent studies performed by a number of agencies, including Members of Congress, suggest that the readiness of the U.S. Army is insufficient for wartime mobilization. As a member of the House Armed Services Committee, I commissioned a five month study to obtain an independent evaluation of the Army's readiness and manpower problems. With the support of the American Political Science Association Fellowship Program, Mr. Jerry Reed was assigned to my staff to conduct the study. Mr. Reed was on leave from his job as head of the long-range planning staff of the Naval Weapons Systems Center at China Lake, California. During the five months spent on the study, Mr. Reed visited Forts Benning, Jackson, Bragg, Hood and numerous other military installations in the continental U.S. as well as guard and reserve units. Additionally, he visited Heidelberg, Wiesbaden, Fulda, and other military posts in Europe. More than 500 interviews were conducted with soldiers to furnish data for the study. Junior enlisted, non-commissioned officers, company and field grade, and general officers and wives of these soldiers were systematically interviewed to gather information on recruiting, training, readiness, and other major issues. Questionnaires were also used to collect specific information about recruiting, training, and job assignments. Army personnel participated freely in providing their perceptions of how effectively the Army is managed and how prepared the Army is for its mission.

The picture of our all-volunteer Army which emerged from this study is considerably different from that presented by the Department of Defense to the Congress and the public. The deplorable state of readiness in the Army revealed by this study is summarized in the enclosure. The full report, together with corroborating and contrasting testimony of witnesses, is contained in a Senate Armed Services Committee hearing entitled "Status of the All-Volunteer Armed Force" and published June 20, 1978. A copy of the complete transcript may be obtained by writing to me or the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

I intend to press the House Armed Services Committee to hold far reaching hearings during the next session of Congress to consider alternatives to the volunteer concept. However, the mere mention of a return to a draft or adoption of a national public service policy is so politically sensitive that neither Defense Department officials nor Members of Congress are willing to admit that a problem even exists. Instead of facing problems concerning the all-volunteer force head on, DOD routinely evades a confrontation by proposing patchwork solutions that normally require additional millions of dollars and two or three years to implement. Most Members of Congress readily accept these efforts to ignore or minimize the problems and gladly go along rather than get involved. The leadership of the Army cannot admit that serious problems exist and support the Administration at the same time. These are mutually exclusive positions. *In this connection let me make it clear, the mess we find ourselves in is not the Army's fault. The Army was given a mission to make the all-volunteer force work and as an institution it has given its best effort. The solution clearly lies beyond the authority of the Army.*

It is apparent to me that our defense system is now at a crossroads. *We cannot maintain an effective Army without some drastic reforms.* As I see it, three major alternatives exist:

(a) First, we can maintain the status quo. But, by trying to hold the budget line and continue to carry out current policies, many of the problems identified in the study will grow worse. Force strength will continue to decline due to the high costs of labor and recruiting. Reserve strength levels will continue to decline or stabilize at below wartime requirements. *The Army will be less representative of all segments of society.* Readiness will continue to decline and then stabilize at a dangerously low level in Reserve forces. *Costs will continue to dictate all major decisions.* Support functions such as medical service will be the hardest hit by the dollar crunch. Force composition will include: a disproportionate share of minorities relative to the society as a whole; a greater number of women who have not traditionally served in a combat role; and a continuing growth of lower mental category personnel. If this option is accepted, the U.S. will likely be forced to restrict its military commitments around the globe.

(b) The second alternative is to maintain the all-volunteer force with substantial increases in the Defense budget for such quality-of-life items as benefits, pay, housing and medical care so as to make the Arm more attractive and competitive with the civilian market place. *The problem here is that personnel costs already consume almost 60 percent of the total defense budget while the gap between military life and private sector employment continues to widen.*

(c) The third alternative is to return to conscription or some form of national public service. Several possibilities for such service exist and should be debated by Congress in a public forum. In this connection, I believe we must distinguish between a career and citizen force in the military services regarding payment of salary and benefits because every citizen has an obligation to devote a period of time in service to his or her country—at less than a competitive wage. However, such an *obligation must be shared equally by all, rich and poor, black and white, etc.* We need a fighting force that is representative of America.

My purpose in this effort is to let the American people know exactly what price they must pay to maintain an effective all-volunteer Army. If we are going to keep our commitments around the world, we have to face the fact that we cannot continue to do it without reforms. *It may be that the price for an effective volunteer force is just too high.* If we want to withdraw from our commitments, then that is another alternative. but the American people ought to make those choices on the basis of fact. Again, I want to point out that the Congress is responsible to act in this situation because ultimately, any change in the all-volunteer Army will require enabling legislation.

Accordingly, the Congress must be persuaded to fulfill its responsibility to investigate and debate this problem. Unless we undertake major reforms now, the situation can only deteriorate. For example the current Selective Service System has no idea where to find American youths and it would take at least five months to reconstitute a draft process and deliver the first soldier to a combat unit. It is a grim picture and the problem is growing worse!

I am convinced that the draft was eliminated because Congress and the Administration responded to the incessant pressure of a public that had seen enough of its loved ones sent to their deaths in Southeast Asia for a cause that was neither supported nor understood. It was not a totally rational decision aimed at achieving a strong national defense. There was a general and legitimate feeling that the draft system during the Vietnam war was unfair and inequitable. *However, it was not the draft per se that the people opposed, it was the war and the inequitable burden of sacrifice and death borne by sons of poor families while the children of privileged families were protected by attending the best universities and graduate schools.* Ironically, instead of bringing equity to the problem of providing manpower for national defense, the so-called volunteer Army is "conscripted by poverty" which causes the less fortunate to carry an even more inequitable burden. With the draft gone, the privileged are still permitted to escape any form of service.

I urge you to use this information in any way possible toward creating a national debate on continuation of the all-volunteer force. Use it as a base for conducting further research and writing papers on alternatives. *We in the House Armed Services Committee need to know how citizens feel about national defense and the all-volunteer Army. We need conceptual proposals for a national public service policy and solutions for the obvious problems it would create.* For example, the Army only needs a fraction of all the people that would become available under national public service. How could such service be made equitable? How shall we determine who will go in the Peace Corps and who will involuntarily go in the Army? . . . this would be a crucial question in time of war when assignment in the Army could mean death in combat. These are tough social problems for which no quick solutions are available. And this is why we need your help—we need your personal views, and the thoughts of your colleagues and students. I invite you to send the Committee and me copies of any papers produced on this subject or other information that would be of assistance. Also, *please urge citizens to advise their representatives in Congress to take an active role in publicly debating this issue.* If I may provide additional information to you, let me know. Also, I will personally participate in your formal debates upon invitation (as my schedule permits) or attempt to arrange guest speakers for you.

Thanks for your continued interest.

Sincerely,

Robin Beard,
Member of Congress.

The Beard Report, April 1978

MAJOR CONCLUSIONS

1. As an effective fighting force, the all-volunteer Army is in serious trouble. Since elimination of the draft, the Army has done everything possible (within budget limitations) to recruit adequate numbers of qualified personnel to staff the active and Reserve forces, but with only marginal success.

2. The U.S. Army's capability to fight a sustained, conventional war is dangerously weak. Our only alternative is use of nuclear weapons which is an irresponsible national policy.

3. In the event of wartime mobilization to support NATO forces, the Army would be deficient by at least 500,000 personnel within 60 days after the outbreak of hostilities. Active forces are 80,000 personnel short of wartime needs. Reserves and National Guard are 180,000 short of wartime strength. The Individual Ready Reserve is badly depleted and is short critical skills (doctors, aviators, etc.).

4. The U.S. Army is in an extremely weak position to meet its commitment to NATO. NATO Forces are counting on a strong reserve force to furnish replacements, but a strong reserves force does not exist.

5. The Army is experiencing a steady decline in manpower quality and the Reserve forces are weakened by a critical shortfall in personnel. The Army is increasing its personnel content to include more women, more blacks, and less intelligent male soldiers to compensate for these shortfalls. Recruiters are making unrealistic promises to prospective enlistees in order to meet quotas. As a result, new recruits expect an 8 to 5 job, plus high pay, benefits, and a college education, and they are not prepared for military life as it really is. This is a major factor that contributes to the 40 percent dropout rate among new recruits before completing their first tour of duty.

6. Mental qualification scores for new recruits are declining each year. Nearly 50 percent of the male volunteers test mentally in the lower half of the U.S. population compared to 32 percent in 1974. As a result, training manuals are being downgraded from an 11th grade reading level to an 8th grade level at a time when the Army is depending on more complex equipment. Nearly one-third of all recruits are reading at a 5th grade level or below at a time when weapons technology is expanding rapidly and becoming more dependent upon verbal skills. A majority of these lower mental category, male soldiers are placed in combat units because female soldiers are not permitted to serve in such assignments.

7. Recruiting lower mental categories produces significant training distractors such as low motivation and slow learning.

8. Recruiting lower mental categories has a negative impact on the effectiveness of the overall individual training function. It takes more time and resources to train a soldier with low intelligence versus one in a higher mental category. Also, new skills acquired through Army training programs are forgotten more quickly by personnel in lower mental categories.

9. The shortage of physicians and supporting medical staff is critical to the point that not only can the Army no longer provide adequate health care for a peacetime Army, but effective support and evacuation of casualties in time of war would be disastrous. There are severe shortages of professionals of almost every type. And every year, as the military falls further behind the private sector in compensation and benefits for qualified individuals, it becomes increasingly more apparent that the all-volunteer Army just cannot attract the quality and cross-section of individuals at all levels that it needs to maintain its status as an effective fighting force.

10. Unit training cutbacks are negatively affecting operational readiness and unit training is becoming weaker each year due to financial reductions for fuel, supplies, ammunition and training days. This occurs as a result of conflicting priorities and finite resources.

11. Any active force improvements made in the last five years have been offset by reduced training of soldiers and the use of soldiers for nonmilitary jobs. This is having a devastating effect on both readiness and morale.

12. Equipment shortages are adversely affecting both active and reserve units. Reserve units, in general, do not have sufficient equipment to maintain effective training—neither by qualitative nor quantitative measurements.

13. Costs for recruiting are increasing each year and it could cost as much as 500 million more to recruit and retain minimum numbers of personnel for the total force concept during the next fiscal year.

14. The Army hopes to meet its active duty force strength goals in the 1980's by reducing loss of first term personnel. However, reenlistment is becoming a less attractive option as living costs increase and living conditions deteriorate. The quality of military life is deteriorating because benefits are being reduced to realize savings in defense spending.

15. The Army is rapidly moving into the role of an employer with classical signs of labor and management conflict evolving.

16. The volunteer Army is plagued by social welfare problems . . . to the detriment of its mission. This condition forces NCO(s) and commanders at unit level to place more attention on solving personal problems than on training and operational readiness.

17. Most recruits view military service as just a job . . . the concept of duty, honor, and country as motivation for service has little meaning. The Army, for most new soldiers, is merely a way to escape excessively high rates of youth unemployment.

18. The Army is now struggling to figure out how to balance its need for people and equipment and at the same time keep both ready for combat. In this connection the Army has been placed in a no win situation. With our efforts to make the Army competitive in the civilian marketplace, for attraction of first term soldiers, we are literally driving the defense corporation into financial ruin. Because of inordinate spending for recruiting, re-enlistment incentives, trainee drop-outs, and other expenses associated with first term soldiers, we cannot buy adequate weapon systems, qualitatively or quantitatively, nor can we finance adequate facilities for those who choose the Army as a career.

19. The Total Force Concept (Army) consists of five parts: the Selective Service, the Individual Ready Reserve (IRR), the Selected Reserve, the Army National Guard (NG), and the active force. Two of the five parts, the Selective Service and IRR are already ineffective. The Selected Reserve and NG are only marginally effective and could not be mobilized for a timely response to an "intense war with little warning." More alarming, both the Selected Reserve and NG are getting worse, not better. The active force is plagued by significant management problems. Overall, a continued strong national defense is in jeopardy.

20. The Army is at a major crossroads; many of the decisions made during the next few months will establish whether this country can maintain a competent, fullstrength Army. This occurs at a time when nuclear war is military and moral idiocy. We must have an effective alternative to it. If we can't find the dollars to make a volunteer force work, or find another system, we will have no alternative except nuclear retaliation if attacked by conventional forces.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. PANETTA).

□ 1410

Mr. PANETTA. Mr. Chairman, a number of serious manpower issues I think have been raised in the course of this debate. There are legitimate concerns regarding the Volunteer Army and its effectiveness. There are legitimate concerns regarding the Reserves and their capability and adequacy to meet our needs and our mobilization requirements. At the same time, there is concern over any move to require mandatory registration or draft in peacetime.

It is obvious that these issues need to be looked at and need to be studied and need to be debated. The fact is these are emotional, these are controversial, and these are significant issues that should be dealt with in the context of an amendment to a Defense authorization bill. These issues demand a complete, thorough study and analysis in and of themselves.

We are talking about issues that impact not only on national security but that impact on every American family. To justify action, it seems to me we have got to have the appropriate studies and we have to have full debate and consideration on the issue of our manpower needs alone.

There are conflicting views regarding the state of our manpower requirements. There are those who say we have to look at the Selective Service System and its needs and what needs to be done there. There are those who believe we lack a mobilization capacity and need mandatory registration. These are distinct issues, but they are obviously being blended together in terms of the need to look at our overall manpower needs.

If we are going to deal with those concerns, if we are going to take the step of restoring mandatory registration, we have to do it in a way that is responsible in terms of allowing the country a full debate on the issue. It seems to me that the amendment that will be before the House, which will set aside mandatory registration at this point and require the President to study these issues thoroughly; the Selective Service, the issue of registration, the issue of national service, all of these issues related to manpower, and report back here by January of 1980, which is only 4 or 5 months away. This will give this Congress the time to look at those studies and then to determine whether it shall act. That approach, it seems to me, is the responsible approach.

We have put together that kind of an amendment and the gentlewoman from

Colorado will introduce that. I think that is the way to go. We share the concerns of the committee with regards to manpower needs in this country, but we also believe that such consideration must allow for full study and debate. That approach is responsible both from the Congress point of view as well as from the point of view of the administration and the Nation.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. Yes, I yield to the gentleman.

Mr. BEARD of Tennessee. Mr. Chairman, the gentleman is aware of my amendment to establish a Joint Congressional Commission. Does the gentleman also feel this is the appropriate approach to take?

Mr. PANETTA. I am aware of the gentleman's amendment and I intend to support it because I think the Congress needs to do that same thing.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. JOHN BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

First of all I would like to disassociate myself from the more hysterical remarks made by my good friend from Texas on the more humane aspects of this bill, and get down to what we both agree on, and that is registration is the important thing to discuss at this time. This is the wrong vehicle upon which to attach it. It ought to rise or stand on its own merits, and I would submit that those merits are totally lacking.

Certainly if there is going to be a war, whether or not we are geared up for the draft, is not going to have much effect upon that. If we are attacked, not by nuclear weapons, because in a nuclear attack certainly things are going to be rather moot across the board, but if we do find ourselves faced with another Pearl Harbor, I do believe we will all follow the example of the great people from the Volunteer State of Tennessee, and people will rise to defend the country.

What we are talking about is trying to get people into the Armed Forces to fight wars that are not basically attacking the strength of this country, nor attacking our people, nor attacking our homeland. I think it is an invitation to allow governments to get into wars when they have a pool of young people whose blood they can draw upon.

As I say, there ought to be an amendment to this bill, that those who are in favor of the draft ought to be the first names pulled out of the hat, along with No. 158, which was the first number picked in the draft prior to World War II.

I will support the amendment of the gentleman from Tennessee. If that is defeated or passes I will support the amendment of the gentlewoman from Colorado. I, myself, would rather see an up-or-down vote because I think we could strike this whole affair from the bill and should. But I think a study would be in order.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mr. JOHN L. BURTON. Mr. Chairman, will the gentlewoman yield 15 seconds to me to close?

Mrs. FENWICK. I yield 15 seconds to the gentleman.

Mr. JOHN L. BURTON. I thank the gentlewoman.

Just in closing, I would like to say that I believe either the Beard amendment or the Schroeder amendment is acceptable and I thank the gentlewoman for yielding and would urge all my colleagues to vote for any amendment that in any way, shape or form would strike this from this bill.

Mrs. FENWICK. Mr. Chairman, I am afraid that I spoke rather hastily last time and I am grateful for this opportunity to say a few more words.

I do not think that service to our Nation is any slavery. All of us should be prepared to sacrifice.

However, I believe that the provision in the bill for registration did not receive adequate study or adequate hearings. It is a big step to move, in this country in times of peace, toward registration. Such a step should be taken advisedly and soberly, after a great deal of study, with information from all of the services and from the reserves.

I think it would be most unwise to move precipitously today. Like my colleague from California, I intend to vote for the Beard amendment and for the Schroeder amendment as prudent, sensible approaches to one of the most important issues we face in Congress. What are we really down here for? There are two functions of Congress that no other level of Government can do. One is the defense of our currency, which we have not been significantly successful in protecting. The other is the security of our country. There is no other institution that can do it. That is our job, and we must do it prudently and with due consideration. Those two amendments are in that spirit.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of registration and in opposition to the Schroeder amendment and also to the Beard amendment.

In answer to the gentlewoman from Colorado (Mrs. SCHROEDER) where she said why did we pick the date of January 1, 1981, to start registration of young men, why did we not start it earlier, and she mentioned maybe because it was the election year in 1980, I want to assure the gentlewoman and the Members; and the subcommittee will back my statement on this; the date was picked realistically. We picked January 1, 1981, because probably this bill will not be signed into law until the latter part of this year. There is a study required in the bill that will take 3 months. The Selective Service System has told us it would take 7 to 8 months to get peacetime registration going.

I have no objection if we wanted to change the date to October 1, 1980. The subcommittee, however, did it this way because it is realistic and that was a proper date in our opinion.

Let me stress one point that Chairman WHITE made and that is this is not a draft proposal, it is a peacetime registration. Now, I have an amendment, if that is what the Members want to vote on, for a partial draft. At this time I am inclined not to offer the amendment. It would call upon 200,000 people to be called up to go into the Ready or Individual Reserves, as Mr. DOWNEY said, where we need people in the Reserves. But I am realistic and I want to point out that we are not offering a draft in this proposal. If we wanted to, we could offer an amendment that would certainly give the Members an opportunity to vote on a draft.

We have had studies. I have a list of 13 studies, and if the Members want I can give them the studies on the Selective Service System, and on registration. We have 13 studies and I will be glad to make them available, that have been made by everyone on the Hill, the administration and all of the other departments. So, we really do not need to study any more. If we want to kill something in Congress, we always come up with a study.

☐ 1420

Certainly, we do not need any studies, and I certainly hope that we would vote agaist the Beard of Tennessee amendment and against the Schroeder amendment. We are taking very lightly what the chairman, the gentlemen from Texas (Mr. WHITE) said, that the Defense Department is considering, if we cannot get the Selective Service System going again, the Defense Department is considering calling up the Vietnam veterans for mobilization. They have a plan to call them back if we need them. That is certainly unfair to even consider calling up the Vietnam veterans until we consider the young man who has not served.

I certainly hope that we will vote down these amendments and support the committee.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield the balance of my time to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding. I would first like to commend the chairman of the subcommittee, the gentleman from Texas (Mr. WHITE), and the subcommittee for having both the courage and the wisdom to bring this issue before the Congress and before the country.

I feel there is an imperative need for us to address the military manpower system in this country. The current system is not only inadequate, it is extremely unjust. I believe the current system is not an all-volunteer system, but is in effect a system of economic and racial conscription that is far more dangerous than any previous system. But, I believe the resolution of this issue must be fashioned in a more comprehensive, straightforward way than resolving it by simply instituting a registration system, which fails to address the inadequacies of the current system, the inequities of the current manpower procurement system, but provides only for the alleviation of the difficulties which may result in the event of a need of a military mobilization.

But, it is far more important for us

to address the true system of military manpower procurement, and in fact to address the more comprehensive issue of how we meet all of this Nation's needs; not only its needs for national defense, but its needs for preserving and protecting and the enhancement of all of our national commitments.

It is for that purpose that I have introduced legislation, which the chairman of the subcommittee graciously incorporated in his hearings on this legislation, a system that does provide for a comprehensive system of public service, which parallels the system introduced by my colleague from California. I think that this debate today should be the beginning of the debate on this very critical question, and the far more comprehensive questions it entails, rather than the conclusion of the debate.

For that reason, I will support the amendment of the gentlewoman from Colorado.

Mr. WHITE. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Chairman, I do not think any person in this body is more deeply concerned with, and fears more than I, the possibility of having to face a war, or of taking someone from the warmth and love and concerns of his family and friends and Nation, and sending him into a situation where he has to face the possibility of losing his life or viewing the death of friends around him. It is very painful for me to listen to the arguments, especially from the more liberal Members of this body, whose intentions I respect; listen to the arguments that are advanced to decry and to argue against the possibility of our adopting a standby registration system in response to the possibility of the demands of mobilization that the international environment, as hostile as it can be from time to time, makes of our Nation.

It is very painful for me, and I searched through those arguments—I looked for the consistencies and I looked for the facts that connect somehow standby registration with an issue like slavery—I think that is silly; that connect standby registration somehow, and here the distance is tenuous, but I do not think it is that far away, and that is that somehow standby registration is going of necessity, and must of necessity, lead to a draft. That is just not true.

Those issues are separate, and I think it is well, in the name of responsibility—a term that has been thrown about the floor today—to bear in mind that a standby registration is, by definition, simply that. It is a matter of responsibility, facing the possibility of a need. I just do not think we will get those waves of volunteers if indeed we had time to get them up.

I will say this, that the logic that supports the idea or the possibility of needing all those volunteers is the same logic which would have to support the obvious need for a standby registration.

● Mr. SKELTON. Mr. Chairman, the first purpose of government is to provide for the common defense of the people—a secure people in a secure nation.

How is this done?

History tells us time and again that the only way to remain secure is to be strong and prepared to repel, survive, and defeat a would-be aggressor. From the beginning of recorded mankind, we see that those nations that were not militarily strong eventually became victims of those who were stronger—either by giving way to the demands of the stronger diplomatically or by losing in battle.

In the early days of armed conflict, governments built fortresses or walled cities to protect the population. Then, as time passed, the borders of a country were made secure to protect the country's citizens. But, today, because of modern science, neither forts nor border defenses are sufficient to secure a people from an atomic weapon launched thousands of miles away by an intercontinental ballistic missile. To defend a populace from the threat of incoming ICBM's, we need a civil defense program to allow evacuation, fallout shelters, or blast shelters. We need to educate the intended victims as to how they may be protected by their government or by self-help. We must make citizens aware that truly lives can be saved—and will be saved—should an attack occur. To be prepared—that is the answer—not only in the saving of lives, but in there being a strong deterrent to an enemy who would consider such an attack.

The amendment I will offer, for the first time since American civil defense went into effect in the 1950's, establishes a definite plan—a definite program—definite goals.

It would, in the first instance:

Provide for population relocation during a period of strategic warning;

Provide for survivability of the American population and for recovery;

Provide for civil defense being part of the strategic balance and reduce the possibility of the United States being coerced by an enemy;

Provide for planning of proper shelters that might be needed;

Provide for the saving of lives from destruction caused by hurricanes, tornadoes, floods, and earthquakes;

Provide for emergency evacuation in the event of a nuclear plant accident such as the one at Three Mile Island;

Provide for adequate emergency warning systems; and

Provide for emergency public information and training programs.

Second, it will provide for 5 years of authorized funding to meet the need of present and future planning. It is interesting to note that the Appropriations Subcommittee dealing with civil defense noted the absence of a multiyear authorization in its report. This second provision would give the demonstrated support necessary to effect a strong program that looks ahead to the future. The amendment adopts the same figure as the beginning figure the Armed Services Committee chose, $138,000,000, for the first year, increasing to $283,000,000 in 1984.

We must take note that our rival in the world community, U.S.S.R., spends approximately $2 billion a year on civil defense with 100,000 full-time civil defense personnel. On the other hand, in the past, we have hardly spent $100,000,000 a year and have only 10,000 full-time emergency preparedness personnel in this country. My amendment would be the first step in correcting this disparity.

I also point out that the belief that, if there were a nuclear war, all is lost—just has no basis. Those who subscribe to the so-called mutual assured destruction theory overlook the fact that the Russians do not think this way—and it is what a country perceives that is important. If the U.S.S.R. thinks that its population can survive a nuclear attack, then it can and will be more venturesome. Thus, the mutual assured destruction thinking is without foundation. By our country maintaining attack preparedness, there will be a war preventive value in our civil defense. Thus, civil defense will be a stabilizing deterrent to a would-be aggressor, if only we are to be prepared.

To be more specific, the district I represent, located in western Missouri, contains 150 Minutemen missiles as part of our nuclear retaliatory force—part of SAC. This area is one of the 39 prime potential target areas in the country. I refer you to the map showing each potential enemy nuclear target. All 39 areas in our country are literally under the enemy nuclear gun. Further, populations in large cities are presently most vulnerable—without plans or preparedness to evacuate or protect them. For the proper protection of our citizens, I urge the adoption of this amendment.●

● Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the Selective Service registration requirement. While I am genuinely concerned with our military preparedness, I do not believe compulsory conscription is necessary at this time. The volunteer military has many shortcomings, but upgrading the recruitment program, as I see it, is preferable to a mandatory registration. There is no question that this issue involves the fundamental point of the control of the State over the lives of its citizens. As one of the authors of the Privacy Act, I have spent much of my career in this Congress defending the right of citizens to be free of Government interference in their public and private lives. I am concerned, therefore, about the prospect of an invasion of our personal privacy, which would result from the collection and maintenance of files on every citizen of draft age in time of peace.

Peacetime registration is unnecessary. The President already has full authority under the Military Selective Service Act to begin registration through a Presidential proclamation when military conditions require him to do so. For the time being, mandatory registration is expensive and unnecessary if other steps can be taken to improve our All-Volunteer Force. I believe we can make All-Volunteer Military Force work. The Army already is starting to experiment with shorter enlistment requirements to attract a better quality of recruits. But the critical step toward achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people through the Selective Service System. To enhance the standby ability of the SSS, including its computer resources and planning would be a productive step in improving our posture.

Historically, this country has seen military conscription as a last resort, to be used only in time of declared war or national emergency. I do not believe the present proponents of resuming draft registration have made a convincing case that such an emergency exists. We need a strong military—but strength depends "on spirit and not merely numbers." ●

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the bill by title.

Mr. PRICE. Mr. Chairman, I ask unanimous consent that it be in order to consider at this time sections 812 through 815 of the bill, and that such sections be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Sections 812–815 read as follows:

SELECTIVE SERVICE REGISTRATION

Sec. 812. (a) Effective January 1, 1981, the President shall commence registration under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) of male persons becoming eighteen years of age after December 31, 1980.

(b) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453), relating to registration, is amended by striking out "who, on the day or days fixed for the first of any subsequent registration, is between the ages of eighteen and twenty-six" and inserting in lieu thereof the following: "who becomes eighteen years of age after December 31, 1980".

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

Sec. 813. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(2) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(3) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(4) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(5) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(6) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible; and

(7) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

ANNUAL ASSESSMENT OF MOBILIZATION CAPABILITY OF SELECTIVE SERVICE SYSTEM

Sec. 814. Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended by adding at the end thereof the following new subsection:

"(i) The Selective Service System, including local boards and appeals boards appointed under subsection (b)(3), shall participate in periodic training exercises to simulate emergency mobilization procedures. Such training exercises shall involve all phases of the personnel processing procedures established under this Act and shall be conducted at least once each year.".

PRESERVATION OF SELECTIVE SERVICE SYSTEM AS AN INDEPENDENT AGENCY

Sec. 815. (a) Section 1 of the Military Selective Service Act (50 U.S.C. App. 451) is amended by adding at the end thereof the following new subsection:

"(f) The Congress further declares that the Selective Service System should remain administratively independent of any other agency, including the Department of Defense.".

(b) Section 10(a)(1) of such Act (50 U.S.C. App. 460(a)(1)) is amended by adding at the end thereof the following new sentence: "The Selective Service System, the position of Director of Selective Service, and the functions of the President and the Director of Selective Service under this Act shall not be subject to any reorganization plan under chapter 9 of title 5, United States Code.".

Mr. McCLOSKEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1430

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further, proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Beard of Tennessee: On page 31, immediately before line 1, add the following new section:

"CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY

Sec. 815. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b)(1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations based upon the study conducted pursuant to paragraph (1) for such legislative and executive action with respect to the defense mobilization capability of the United States as the commission considers necessary or desirable. In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c)(1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the 9th month beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

Mr. BEARD of Tennessee. Mr. Chairman, earlier today, during general debate, I presented a summary of the contrast between the Department of Defense's public statements on our Nation's military manpower capabilities and strikingly dissimilar classified reports on these same capabilities.

Since the determination of any need for selective service registration is predicated upon an analysis of manpower capabilities, I am offering this amendment in order to provide the Congress with a vehicle for making such an analysis.

This amendment would establish a congressional commission to study our manpower mobilization capability in comparison to current threat analysis. The commission would report on its findings within 9 months of enactment and make recommendations to the Congress regarding any need for Selective Service registration, national service, or a draft.

The commission would be composed of 12 members appointed by the Speaker of the House and 12 members appointed by the President pro tempore of the Senate. In each group of 12, 9 would be Members of Congress and 3 would be outside experts.

Although I personally feel that registration is needed now, I am well aware that some of my colleagues have not yet had sufficient opportunity to study the issue. For them, this amendment will offer that opportunity.

At the same time, I realize that a number of the Members have formed the opinion that registration is unnecessary. Yet they support a plan that would instruct the President to study the issue and report recommendations for any needed change to the Congress.

To them, I would like to point out that we have already received such reports indicating that all is well in the area of military manpower. I think it is time that the Congress develops its own analysis of these manpower issues in the type of objective, nonparochial atmosphere that a congressional commission would offer.

□ 1440

Mr. DELLUMS. Mr. Chairman, would the gentleman yield to me?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. DELLUMS. Would the gentleman again for a moment summarize specifically what the gentleman perceives to be the function of this commission again?

Mr. BEARD of Tennessee. Mr. Chairman, the function would be for the commission to study the defense mobilization capability of the United States and also to look at the ramifications or the experiences of the all-volunteer service, the selective service capabilities, all the things we have been debating regarding the manpower issue would be considered under a joint commission composed of Senators, Members of the House, as well as outside experts.

Mr. DELLUMS. Mr. Chairman, would the gentleman yield further for a brief question?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. DELLUMS. Given that explanation, I would like to raise a particular question with my colleague.

A number of questions have been raised with respect to America's capability to modernize certain numbers as established by the Department of Defense. I am wondering if this commission could also study the question of whether the numbers arrived at by the Department of Defense in the first place are justified.

Mr. BEARD of Tennessee. Without question there is no way we could study the mobilization requirements without studying mobilization needs. I think without question that would provide a forum for trying to bring these concerns into one arena rather than being split between the Senate, the House, this subcommittee or that subcommittee.

Mr. DELLUMS. Mr. Chairman, I was hoping our brief colloquy would also establish that fact. In the description of the function of this committee as set out by the gentleman, he did not specifically deal with the question of looking at whether or not the organic figures offered by the Department of Defense themselves are justified.

Mr. BEARD of Tennessee. I think that is the only way we could legitimately decide what are our mobilization and manpower needs, to look at those figures to which the gentleman refers.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I would like to rise in support of the gentleman's amendment. I think it deserves our consideration and support. I would ask the gentleman this question: The gentleman from California (Mr. MCCLOSKEY) has a proposal for an all-volunteer service, a more universal concept in the new focus about which the gentleman talks. Would this be within the parameters of the gentleman's study commission to look at alternatives for national service?

Mr. BEARD of Tennessee. In my amendment is the following wording:

> In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives and the Senate during the 96th Congress.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BEARD of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to be sure I understand the gentleman's amendment. The gentleman and I have worked closely together on defense matters for a long time.

Do I understand the gentleman's proposal for a commission represents an addition to the other sections in this bill of ours, sections 812 through 815? The gentleman does not strike out any of the registration language in here at the present time?

Mr. BEARD of Tennessee. Mr. Chairman, my amendment has no effect on the rest of title VIII.

Mr. STRATTON. So the gentleman does not really go along with the position of the gentlewoman from Colorado (Mrs. SCHROEDER) who is primarily against registration and wants to strike it out? The gentleman merely suggests if there was a commission, that would add to public understanding of what is going on?

Mr. BEARD of Tennessee. Mr. Chairman, I personally support registration but recognizing the mood of the House at this time I believe it would be defeated and, therefore, I would strongly consider the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER).

Mr. STRATTON. Does the gentleman feel he is encouraging House support for the registration which the gentleman and I both feel very important, or is his amendment designed to try to undermine it?

Mr. BEARD of Tennessee. No, as a matter of fact when this commission, consisting of Members of the Senate and the House, has an opportunity to look at the classified documents, the internal classified documents presented by the Department of Defense which they have continued to classify and use coverup measures, I think there is no doubt about it that this House will be extremely concerned, much more concerned than it is now with the status of our All Volunteer Army.

Mr. STRATTON. Mr. Chairman, I wonder what some new commission can do beyond what the 18 or 19 that the gentleman from Mississippi (Mr. MONTGOMERY) has already pointed out. I do hope the gentleman will not give aid and comfort to those who would eliminate registration from this bill.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. BEARD of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Certainly I will yield.

Mr. SEIBERLING. Mr. Chairman, I think the proposal of the gentleman from Tennessee is very interesting. For one thing, he supports registration but he also supports a commission to study it. Why should we not defer registration until we get the results of the commission's report?

Mr. BEARD of Tennessee. Mr. Chairman, I think as a result of the action that will be taken by the House today, that will be exactly the case.

Mr. SEIBERLING. Mr. Chairman, the second question I would like to ask, does the gentleman lay down any requirements as to who would be on this commission? Credibility might depend on whether it is a broad cross-section or just members of the respective Committees on Armed Services.

Mr. BEARD of Tennessee. Mr. Chairman, I think without question it would tend to distract from the credibility of a commission if it had nothing but members of the Committee on Armed Services on it. Unfortunately, because of some attitudes, the committee chaired by our subcommittee chairman, the gentleman from Texas (Mr. WHITE), who did an excellent job in bringing out the facts, in many cases some of this information was questioned.

Yes, Mr. Chairman, I think it should be a broad spectrum of the membership of the Senate and the House and not strictly members of the Committees on Armed Services.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Essentially, the purpose of the gentleman's commission is to look at the very issues involved as to whether we ought to proceed with registration, whether we should proceed with selective service, what kind of reforms ought to take place, whether we should have a national service. Is that not the whole point of your commission?

Mr. BEARD of Tennessee. Exactly, Mr. Chairman. However, let me say, and this is tragic to say, but I think it will be through a legislative commission that, for once, will remove the frustration I have been experiencing of having classified documents telling the true state of our manpower situation locked in my safe with my not being able to come out and discuss the true status, while the Department of Defense continues to put out all their garbage indicating that everything is fine.

□ 1450

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. BEARD) has expired.

(At the request of Mr. PANETTA and by unanimous consent, Mr. BEARD of Tennessee was allowed to proceed for 1 additional minute.)

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Yes, certainly.

Mr. PANETTA. Mr. Chairman, I think the point is this, that what the gentleman is trying to do is to have the Congress take a careful approach to looking at the merits and the concerns of our manpower needs in this country.

Mr. BEARD of Tennessee. Exactly.

Mr. PANETTA. For that reason, I think we ought to adopt this proposal and then we ought to move to strike the mandatory registration section, because in effect we cannot do that without really laying out the facts that this commission is supposed to look at, so I would support the gentleman's amendment.

Mr. BEARD of Tennessee. Mr. Chairman, I thank the gentleman for his support.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee.

Mr. WHITE. Mr. Chairman, I want to first commend the gentleman from Tennessee (Mr. BEARD) for his zeal and desire to augment the forces of this country, because the gentleman recognizes, as many of us do, the importance of maintaining a credible defense; however, I think the gentleman's actions in this particular instance are misguided, or go far afield from hitting the target.

In the first place, an adequate system now exists in virtually every jurisdiction under the interest of the United States for every facet of our society. Certainly this is true in the area of defense, because the Committee on Armed Services of the House and the Committee on Armed Services of the Senate have specific jurisdiction and interest in determining the manpower structures and the needs of our Selective Service. That is precisely why we are here today, because your committee and the Committee on Armed Services felt there was an inadequacy in the Selective Service and that we needed to do something immediately and to prod the President to move.

The fact is, I might say, we have had already a salutory effect in many instances and we have called the Nation's attention to this problem. We do not want to create additional commissions that are going to cost money, that are going to embroil themselves in matters that are already under the jurisdiction of existing House and Senate committees year by year and hearing by hearing as the record shows.

I might point out that by the time this commission could be appointed, you would probably have 5 or 4 months in which to act, whereas your committee, as I said, on each side have already been at work on these problems and needs.

We have had experience with these commissions before. The fact is in this area of defense in 1973 the Congress created the Defense Manpower Commission. The Commission took 3 years with 50 professional staff personnel and $2.5 million to produce a report that has created nothing. I do not think we should dissipate our energies in creating new commissions when we have the jurisdiction that has been seized upon and is active on both congressional sides. Certainly from the Senate we have read many epistles by Senator NUNN on manpower and selective service needs and certainly we on the House side have been taking an active interest trying to do something about the selective service and manpower deficiencies.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. WHITE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, is it not true that General Rogers, who is the new Supreme Commander in Europe, told a group of members of our committee visiting there in August that the most important and urgent piece of legislation facing this Congress was this particular bill with registration in it?

Mr. WHITE. I have been given to understand that.

Mr. STRATTON. And therefore, if we adopt the amendment of the gentleman from Tennessee, we are just going to be delaying action on what General Rogers said was the most important piece of legislation as regards our national security; is that not true?

Mr. WHITE. Yes, and let me assure the gentleman and the House that whatever happens today, this committee is going to persist in making certain to continue surveillance over the Selective Service System and our manpower needs in this country regardless, because we are determined to have an adequate defense that can deter any threat or intimidation.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I want to confirm what the gentleman from New York has understood to be the case. I was with that subcommittee, with General Rogers just a month ago. He said that there was no more pressing need, it is classified and I cannot give the exact time, but he said that the time frame for our reaching the bottom of the manpower barrel was in weeks, not months, and he said there was nothing more important that this House could do in this bill than to include registration.

He said we ought to register both men and women, see what our reserves are there and then he said ultimately consider drafting for the Ready Reserve.

Mr. STRATTON. In other words, if we are going to rescue somebody from the burning building, we had better rescue them now and not wait for another study about whether we ought to rescue them.

Mr. WHITE. Mr. Chairman, I wish to reclaim my time to point out another matter. If you have a commission with people outside of Congress, you are taking additional time to get them security clearance, because if you are talking about going into the documents that the gentleman from Tennessee is talking about, you have got to have clearance for those people. We of the House can see those documents. Any person in this room that is a Member of this House can see these documents today, but there is no power given by this amendment to declassify. That is what I understood was one of the purposes, to declassify, to advise the public.

We ourselves have control over those documents and we can seek to get them declassified if we feel it is in the public interest and they do not jeopardize the security of the United States.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WHITE) has expired.

(At the request of Mr. JOHNSON of Colorado, and by unanimous consent, Mr. WHITE was allowed to proceed for 3 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

It seems to me one of the weaknesses of the gentleman's argument about the necessity of creating this system on an emergency basis is that the gentleman is talking about registering 18-year-olds after the 1st of January of 1981. The gentleman is not talking about registering the manpower pool that would have to become available in the event of a major mobilization. That would be I suppose young people between the ages of 18 to 25 or maybe 18 and 30.

We are not going to get people between the ages of 18 and 25 under the gentleman's system for 7 years; so the gentleman's argument about the importance of a registration that is going to deal with things on an emergency basis does not hold water when we start examining that we are only starting to register 18-year-olds in 1981.

Mr. WHITE. Mr. Chairman, I thank the gentleman for asking the question, but if you look at the graph there is a time in which we will be closed up. At the present time we have the 25- and 26-year-olds already registered. There is a hiatus there of a short time and from that point on as we collect these 18-year-old's records over each year, then we will create the resources that we need. We need some 200,000 resources at any one particular time in order to fulfill the immediate mobilization requirements and then in time we would have everybody registered over a short period of time.

We are taking the cheapest, least expensive route that we can by talking about only 18-year-olds, that is, in the sense of getting everyone under the registration umbrella, as a way of saving the taxpayer's money. We are trying to do it inexpensively. That is why we say 18-year-old males.

Mr. JOHNSON of Colorado. But the gentleman is not making the argument that we need to do this on the basis of an inexpensive method. The gentleman is talking about an emergency situation that might arise.

Mr. WHITE. That is correct.

Mr. JOHNSON of Colorado. If an emergency situation does arise, you have got to have more than just 18-year-olds that are registered after the first of January in 1981.

Mr. WHITE. At that time, of course, immediately; but what we are trying to do is build a cadre and in the meantime refurbish and restructure the Selective Service. We are trying to have a reservoir that we do not even have now, because the Privacy Act prevents us from going into any records that would give us this information. That is the frustrating matter that paralyzes our resourcefulness.

Do not forget that other countries, including the Soviet Union, are looking at the resolve of this Nation and looking to see what our resources are and looking to see how long it will take us to gear up to be able to resist. We cannot do it today adequately.

Mr. JOHNSON of Colorado. Mr. Chairman, if the gentleman would yield further just one more time. It seems to me that the Beard amendment achieves the gentleman's objectives quicker than the gentleman's own system, because we do have this gap between 1981 and 1988, at which time everybody is registered. In 1981 18-year-olds will register. In 1982 18- and 19-year-olds and so on until 1988. That obviously does not deal with an emergency. The Beard amendment will give us a congressional study that will deal realistically with the problem.

Mr. WHITE. All the gentleman is talking about is a commission and they say that a camel is a horse made by a commission. I am saying that we can do the same thing in the Committee on Armed Services of the House and the Committee on Armed Services of the Senate without facing the problem of getting security clearance and doing the other things to create a commission.

Mr. McCLOSKEY. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I speak in favor of the amendment. I would like to remind the committee why we are here. We are here because the Committee on Armed Services, charged with probably the most important duty in the House, preserving the common defense, has voted by a 30 to 4 vote that our manpower situation is so difficult, so desperate, that in January of 1981, we should restore registration for Selective Service. That raises perhaps as important a question as this Congress could debate.

It used to be accepted in this country that one of a citizen's duties in America, in return for the privilege of being an American, was to give the Nation a year or two of service in one's youth in peacetime. George Washington put it this way at the conclusion of the Revolutionary War when the first Congressional Committee on the Peace Establishment asked him in 1783, "What should be the nature of the U.S. defense posture in time of peace?"

Washington said this:

> It may be laid down as the primary position and the basis of our system that every citizen who enjoys the protection of a free government owes not only a proportion of his property, but even of his personal services to the defense of it. Consequently, the citizens of America, with a few legal and official exceptions, from 18 to 50 years of age should be borne on the militia rolls, provided uniform arms, and so far accustomed to the use of them that the total strength of the country might be called forth at a short notice on any emergency.

□ 1500

This concept of duty to the Nation has been a casualty of the Vietnam war. Our young people, who saw the tragedy of Vietnam, argue, as the gentleman from New York did on the floor a few minutes ago, that if there is a pool of military manpower, it will be used by the leaders in the Pentagon to get into an overly aggressive war.

I submit that we did not get into Vietnam because we had a pool of military manpower; we got into Vietnam because we had come out of World I and World War II with the objective, as John Kennedy said in 1961, that we would help any friend or fight any foe under the concept that America only fought just wars—to resist oppression or block the expansion of communism. We went into Vietnam because the House of Representatives and the Senate voted overwhelmingly for the Gulf of Tonkin resolution. For the first 3 years of Vietnam, the people of America thought overwhelmingly the war was right. We did not fight the war because we had a manpower pool in existence. It was not until 1969 or 1970 that public opinion changed to be against the war.

But if the concept is to be accepted in the United States that in time of peace there is a duty to serve, it is going to take a national debate and a national acceptance of a forgotten fact; that the reason we must have a combat-ready Army is not because we want to go to war but because we want to deter war and deter attacks against us.

Of the 156 nations in the world, we have had ambassadors assassinated in five countries in the last 15 years. If we had not had young men of coolness and judgment guarding the Embassy at Tehran, we might have been led into a war. Had the quality of those Marine guards not been superb, we might have seen a trigger-happy situation such as that which occurred in the Boston Massacre when somebody lost his head and fired into a crowd. If that had happened in Tehran, we could have been led into a potential war situation.

If the All-Volunteer Army is working, none of us wants to go back to the draft. If the All-Volunteer Army is not working, then we can afford nothing less than to insure that in some way the Army is made combat ready and made up of a cross section of Americans.

We should remember that under the old draft that gave us college exemptions, although we had minorities of only 17 percent black and Chicano in this country, 43 percent of the young men killed in the infantry units in Vietnam were from minorities. Can we afford the fact that this imposes on the poorest and the least educated the most onerous duty of citizenship?

Mr. Chairman, today, under the All-Volunteer Army, if we went to war in North Korea or Germany, if we had to repel a Communist attack today, over 50 percent of our front line rifle company forces would be composed of minorities. So really the so-called all volunteer makeup of our Armed Forces in America today does not give us a cross section of America.

If we are to consider how to achieve a combat-ready Army and a proper defense establishment, it is going to take a national dialog and it is going to take the kind of Presidential Commission study that the Beard amendment proposes.

I respectfully disagree with the distinguished chairman of the Subcommittee on Military Personnel, the gentleman from Texas (Mr. WHITE). I wish that the Congress did have the credibility to reestablish the concept that we should go back to registration and training of Reserve units today.

Mr. Chairman, I once commanded a Reserve unit.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(By unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Mr. Chairman, I would like to tell the Members of the House my experience between 1952 and 1960 when I commanded a Marine Reserve rifle company. This is partially in response to the comments of the gentleman from New York (Mr. DOWNEY) earlier. Had we not had a draft in the background, a program of drafting people into the military establishment, we could in no way have attracted enough qualified young people into the Reserve units. That is precisely the case in today's Reserve units.

There is no war in history that has not been characterized by a battle where the existence of the Reserve at a crucial point did not turn the tide of that battle. Without an adequate Reserve, we are just as defenseless as if we did not have an adequate strategic missile system or an adequate number of armed naval ships.

Today it is admitted that the Reserve is almost nonexistent. If we look at the GAO report that came out during the summer recess in August, it points out that the Reserve and the National Guard are short over 130,000 men. These units are made up half of people who have not been on active duty since 1970 and the other half of people who served in the Vietnam War. Can we imagine an emergency situation that might evolve today where we would have to call on people who fought in Vietnam? Half are not ready to fight; the other half should not be called on to fight.

Mr. Chairman, I want to read to the Members a letter I received from a lady who I think properly describes this danger and justifies the establishment of the proposed commission. It is one of perhaps dozens of similar letters that I have received since this debate developed on national service. This is what she says:

> Dear Representative McCloskey: The Akron Beacon Journal published your feelings on the future of the Draft and I felt compelled to write to you because although I am against the Draft I know that it is probably the only solution for the Armed Services.
>
> My husband is a Staff Sgt. in the U.S. Army with 14 years of service. I have seen the Army up close in the 11 years we have been married.
>
> We returned from a tour of duty in Germany a year ago and what I saw there scared me a lot. On any given day of any given week, we could not have put 50 percent of our troops into combat.
>
> My husband is "old Army" and a Vietnam veteran. He likes the Army the way it use to be. He doesn't understand "Today's Army". We have seen a lot of 10–12 year men get out because they wouldn't have their families around the situations that exist at bases today.
>
> I can confirm your belief that the Military is greatly out of shape and would be slaughtered just like the Divisions sent against North Korea at the beginning of the war. It scares the life out of me that my husband would have to lead and depend on the men in his company. They would be worthless.

Mr. Chairman, I ask the Members what reasonable young people today at the age of 18 are going to volunteer to be combat infantrymen if we tell them they are going to train in the jungles of Panama in the summer and in the Arctic in the winter? They are going to be either hot, miserable, tired and dirty or they are going to be cold, wet, tired and miserable. We are not going to get reasonable young people in America to volunteer today. If we are to have an Army made up of a cross section of young people in America, we may have to have a draft. Without a draft, it appears we may well have over half our Army made up of minorities.

For these reasons, I humbly submit that we should create this proposed commission.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has again expired.

(On request of Mr. John L. Burton, and by unanimous consent, Mr. McCloskey was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Mr. Chairman, I would really like to humbly submit that this commission could do the same job the Gates Commission did in 1972.

To my friends who opposed the Vietnam war, let me remind them that when President Nixon allowed the draft to expire, one of the reasons for allowing the draft to expire was to keep the sentiment of public opinion in support of Nixon's continued conduct of the Vietnam war. It was a public relations position to let the draft go because the young people of America perceived that the only way to oppose the war was to oppose the draft.

The draft and the war should not be connected, whether for good or for evil.

The issue here is whether or not we have a combat-ready Armed Force. Today we are in danger of having an Army of mercenaries. We have an Army of professionals.

One factor that helped end the Vietnam war was the opposition of those conscripted soldiers who opposed the war. We can recall the disputes that existed between the lifers, the regulars, and the professionals, and those who objected to the Vietnam war. The professionals could not object to what they were asked to do because they had volunteered.

I submit that an Army of reluctant citizen-soldiers is the best guarantee of combat-readiness and freedom in democracy.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

First of all, on the gentleman's figures of 37 percent and 50 percent, let me say that the people now in the Army are there by choice, and they were not picked.

Second, about the Reserves, the people who went to Korea, those who were not well trained and well equipped, many of them were Reserves, and they were friends of mine who joined the Reserves for a few quick bucks and a way to beat the draft. If anybody tells me the Reserves in the 1950's were training people to be good soldiers, they are totally mistaken.

I was in Europe with the Armed Forces in 1955 and 1956 and let me tell the Members we were not combat ready then, and there was a draft.

So I think that saying that registration somehow equates with the training one gets in the armed services is just totally not true. Most of us were playing basketball, and some of us were on maneuvers, but we could not have stood any kind of onslaught in Western Europe during the 1950's, and there was a draft going on.

Again I say, although we had a draft, they were out at Fort Ord near San Francisco getting $2.50 or $3 an hour, and they would go down there for 2 weeks during the summer. But they were not getting combat-ready training.

Mr. Chairman, I do not think the gentleman's points are too well taken.

Mr. McCLOSKEY. Mr. Chairman, I believe the gentleman mistakes my points.

Mr. JOHN L. BURTON. Then I must have misheard them.

Mr. McCLOSKEY. If we want to retain a Reserve, we must have a draft in the background, because without the draft——

Mr. JOHN L. BURTON. To frighten them into the Reserves.

Mr. McCLOSKEY. Without the draft no one would volunteer for the arduous nature of the Reserve service.

☐ 1510

Mr. JOHN L. BURTON. Will the gentleman yield me at least 3 seconds?

There is not any arduous nature of the Reserves. That is the problem with it.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has expired.

(On request of Mr. Downey and by unanimous consent, Mr. McCloskey was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I want to compliment the gentleman on his presentation. I think it is a privilege to hear someone who has done his homework and has followed the issue as closely as the gentleman has.

There are things that the gentleman said that I agree with and others on which I would like to engage him in a colloquy.

The first is that I do not think there is any question, if one examines the casualties of the Vietnam war and the Korean war, in which the gentleman served, you will find that the people who died in that war, who fought and who were injured in that war tended to be black and poor. That is a reality.

The gentleman is addressing that reality by saying that the way to solve the problem is to have some sort of equitable system whereby all Americans will have an opportunity to serve their country, either in the draft or in some form of national service. I think that is something that we need to address.

I would come down on the side of saying that there are other ways to do that by making it more attractive for people in other income stratas, to serve as combat soldiers, possibly for a year and one-half or 2 years and perhaps have their college benefits paid for by the Army. That may be a little more expensive initially, but that would be one of the ways to handle the problem addresses.

Mr. McCLOSKEY. That is precisely the point. The Army today is trying to attract 20,000 enlistees, promising them 4 years of college benefits. That is part of the National Youth Service program that the gentleman, I think, has joined in cosponsoring and which will be part of the Beard commission study.

Mr. DOWNEY. I would like to deal with one other question that the gentleman raised on the point of the Reserves.

There is no question that there is a shortage. That is a reality. The fact is that the problem with the Reserves, however—and the gentleman is familiar with the 1977 report that the GAO also did—

as the gentleman from California (Mr. John L. Burton) was pointing out, is that there is very little for individuals to do. They do not get combat training. There are archaic searchlight batteries and rail units that still exist.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has again expired.

(On request of Mr. Downey and by unanimous consent, Mr. McCloskey was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. If the gentleman will yield further, the point is that before you augment the Reserves or force people into the Reserves, you have to fundamentally change their mission. The fact is that only a small percentage of the Reserves are prepared to fight today, and even if we force more people into them, they were not mobilized in Vietnam, the work that they did in the National Guard in Korea, I think the gentleman would subscribe to the fact that they were cut up badly during that war, that we really need to change the whole mission and nature of the Reserves, not force more people into it.

Mr. McCLOSKEY. Mr. Chairman, I quite agree with that. I think what we are trying to reestablish as an institution is that there is an obligation on the part of all young people, in return for the privilege of being an American, to serve. If the obligation falls evenly across 4.3 million young people, that they can serve either in civilian or military capacities, in the Peace Corps, cleaning up the national forests, fighting fires, as well as military, then we have the basis to put pride in those who serve in the military and give additional benefits to those who serve in arduous arms of the military forces, the infantry, the tanks, and the others. The Army is having to move toward this.

I think it will take a national debate to put this issue before the Congress, and the best means is the Beard Commission to study the problem. I would be happy to accept a Presidential commission. I am going to vote for the Schroeder amendment after this amendment, but a Presidentially appointed commission will undoubtedly suffer from the Singlaub principle, that if the Commander in Chief says the All-Volunteer Army is working, the Commander in Chief's appointees better damn well say it or they will be fired. For that reason, I think the Beard commission is the answer to this problem.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the gentleman's remarks, particularly in two respects, and I want to particularly address the point that the gentleman from California (Mr. John L. Burton) made in reference to the racial and economic backgrounds of current members of our military forces.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has again expired.

(On request of Mr. Cavanaugh and by unanimous consent, Mr. McCloskey was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. If the gentleman will yield further, the point that the gentleman makes is well taken in two respects; it is the gravest injustice to ask the poorest and the minority of our society to provide the protection for all of those in our society who enjoy the greatest of the benefits our society has to offer. The fact is that military service is not a free choice on the part of the poor and the black. While 27 percent of the recruits of the U.S. Army in combat arms come from the black population of our society, 33 percent of black Americans between the ages of 18 and 25 are unemployed. They have no economic alternatives. They have been forced into this system, and that is why this is not a system of all volunteerism; it is a system of racial and economic conscription. It relates directly to the other economic and social inequities that exist in our society.

If the gentleman will allow me to make one other highlight, one other point that he makes in contesting the contention of those who say that the draft was a cause of beginning or sustaining the Vietnam war, and that the absence of a conscriptive force assures that we will never again engage in military adventurism. The opposite is more nearly the case. When you rely upon a force comprised primarily of the socially, economically, and politically weakest of society, I believe you provide much greater incentive to the policymakers and much greater acceptance by the majority of our people to engage in military adventurism and the utilization of that force, rather than in a force that is comprised of the whole spectrum of our society.

I commend the gentleman for making those two points, and I think that they have to be reiterated.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has again expired.

(On request of Mr. Beard of Tennessee and by unanimous consent, Mr. McCloskey was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Let me say one thing to the fiscal conservatives. The alternative to a return to the draft, it has been argued, is that we should pay more to attract young recruits to enlist. I have gone to over half of the 24 high schools in my district and inquired: If we doubled the pay from $418 to $836, how many of you young men and women will volunteer?

I have yet to receive an affirmative reply from a person who would volunteer. No hands have been raised.

At the present time, I think the committee will confirm that we are spending 58 percent of our defense budget on manpower. Fifty-eight percent of the defense budget goes for manpower costs. The Soviets spend 23 percent. So if you have a rough equality between the Soviets and the United States total defense budgets, they have 77 percent of their budget for strategic weapons systems and improvements of their navy and their weapons systems while we have only the 42 percent left after paying the costs of the All-Volunteer Army. We cannot afford to pay more to bring people into the all-volunteer service without further endangering our parity in strategic weapons strength.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I thank the gentleman for yielding.

Mr. Chairman, I would like to compliment the gentleman from Nebraska (Mr. Cavanaugh) regarding the conscription through economic reasons. I have called it many times conscription through poverty, because what you have is a situation where a young man or woman did not make it out of high school or, if they did, through a social promotion, or whatever, tried to get into college, they could not get in there because of either grades or the fact that they did not have the financial resources, they go down to the local plants, they try to get a job there but they are not allowed to because they do not meet the requirements, and so all of a sudden, after they have tried everywhere else, they see on television this beautiful ad, "See Europe Through the Army's Eyes," and they have these kids on top of the castle overlooking the green pastures. They go down and the recruiter says, "Hey, come on in; free education, free college education, free medical, 30 days paid vacation, learn a trade," right down the wire. But somebody forgot to tell that kid, "By the way, you will be cleaning the latrine on weekends and you will be standing guard duty on Friday nights." As a result of that, 40 percent of the young people joining the military today quit before their first tour of duty has expired.

In the Reserves, approximately 6 out of 10 quit before they complete their first tour of duty.

I say that these are the types of facts that have to be shown to the Members of Congress who do not have the benefit of sitting in on an Armed Services Committee or to the American people who have had all of these facts kept secret from them by one of the biggest cover-up activities in the Department of Defense that I have ever seen.

I would compliment the gentleman by reinforcing what he said. We do have conscription through poverty today.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee (Mr. Beard).

I might comment that I have mixed feelings on the McCloskey amendment if it is offered, but I would like to point out to the Members that it is another weight on the Beard commission amendment. Actually, what the gentleman from California (Mr. McCloskey) is asking a study for is to find out where we can find jobs for over 4 million young people, both men and women, in a single year, to go into public service or to go into the military service, and it seems as though it would be almost an impossibility to make a study such as this with an addition of what the gentleman from Tennessee (Mr. BEARD) has asked for.

I hate to oppose my colleague, who is on our committee, but what he is doing is just setting up another congressional commission to study what we have already been doing for a number of years in our Personnel Subcommittee on which I serve.

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The gentleman from Tennessee (Mr. BEARD) could come in any time he wants to and participate in these hearings that we have been having on the Selective Service System. We have been making these studies since 1976.

In fact, the gentleman from Tennessee (Mr. BEARD) served on the Subcommittee on Military Personnel, and he removed himself several months ago. The subcommittee is there, and quite frankly, I think it is a slap in the face if we adopt the commission concept, because that committee is doing a commendable job.

Really, the study calls for a report back in 9 months. There is no way we can get Members from the House and Senate, set up a staff, a very expensive staff, and come back in 9 months and give a logical report to this Congress.

The problem we have with a special commission, we cannot ever stop them when we get them started. So, in effect, it would be taking away what our subcommittee has been doing.

We have enough studies. If we want some studies on what the gentleman from Tennessee (Mr. BEARD) wants to do, I have 13 studies. I will give him a copy of these sheets. We do not need any more studies. If we want to kill what we are trying to do today, the best way to do it is vote for a study.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

The problem with the gentleman's position is that the Speaker of the House is quoted in the paper this morning as saying the gentleman's position is going to lose 3 to 1, that the gentleman is not going to be able to establish registration through the committee bill.

The second point and the reason for the commission is to cut across the whole——

Mr. MONTGOMERY. I have no problems with that. I feel our Nation needs this legislation. That is why I feel so strong about it. We will continue to lose, but we are bringing it before the people of this country, which is important.

Mr. McCLOSKEY. We agree with the position the gentleman is addressing on the Committee on Armed Services. This is no slap in the face. The gentleman from Tennessee (Mr. BEARD) and I both agree that we may have to return to some form of draft.

Mr. MONTGOMERY. What does the gentleman want our committee to do then? The gentleman is taking away the most important thing that has ever faced this committee since I have been on it, and the gentleman is putting in a commission.

Mr. McCLOSKEY. It is something the gentleman cannot do. The gentleman cannot solve the GI benefits bill program that we may have to have as part of the Government manpower program. That is in the Veterans' Committee. The gentleman cannot establish an alternate civilian service, because that is under the Committee on Education and Labor. We cut across at least three major House committees with this problem.

This is not a desire in any way to supplant the jurisdiction of the Committee on Armed Services in its attempt to support the conclusion that the gentleman's committee has reached. The only way we can get a national dialog which could accept the reasons which the gentleman proposes is through a comprehensive manpower study cutting across civilian, as well as military service.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am happy to yield to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. I thank the gentleman for yielding.

I rise to associate myself with his remarks. I find myself in agreement with the position that he has taken on this matter.

I think since the start of the all-volunteer force, the concept is to provide a standby mobilization capacity. That is what we are talking about today. We are not talking about national service, the Peace Corps, or other good projects They ought to have a separate consideration.

What we are talking about here is the defense of our country and having a meaningful Reserve.

One point I want to bring up here, I think the Reserve has been getting a shellacking with the black paint brush that they do not deserve. First of all, the Reserve units that I know anything about today are specific, skilled units and logistically basically oriented to back up the Active Army.

The National Guard is basically eight combat divisions that would be the first called forward as a back to be combat ready.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

(At the request of Mr. HILLIS and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. HILLIS. This would be a backup capacity to be ready to go overseas and deploy perhaps in 30 to 60 to 90 days after M-day. We need these people vitally. To stand here and say they have been economically conscripted, that they are no good, is to further cut the rug out from under the Reserve program that we have got today.

The decision we have got to make is that we are going to back this capacity with some sort of a registration to know what we have.

I was on that subcommittee, too, that talked to General Rogers. I want to tell my colleagues, he not only told us that, he pleaded with us to go back and tell the House we need this registration now as a part to fit in the jigsaw puzzle that makes up our national defense. I think that is what the gentleman is saying.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I would like to associate myself with the remarks made by the gentleman from Indiana. I think the gentleman is right. I think the Reserve and the National Guard have taken a shellacking, because at the present time they are the only really tremendously trained individuals that we have to rely on. We have a lot of Vietnam veterans and a lot of people who have been in units with experience and integrity, and so without any question, I agree with that.

Let me say to my friend from Mississippi, and I feel extremely out of place standing in an adversary relationship at this time, first of all, I was not a member of the Subcommittee on Military Personnel, but the chairman was good enough to allow me to participate in the hearings, because I felt so strongly about this particular issue. Without any question, I sat there and heard everything the gentleman heard. I sat there and was emotional about the critical shortage of doctors and infantry and armor and right down the wire. Yet, to find and experience the absolute frustration of going to other Members of the House and trying to express to them the same concerns that we as members of that committee sat and listened to, was extremely frustrating.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has again expired.

(At the request of Mr. BEARD of Tennessee and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. I am saying rather than to see registration voted down 2 to 1 or 3 to 1, without most of the Members of this Congress even having heard the real facts or most of the American people having heard the real facts because of the classified material, I am striving to find something as a vehicle to continue the debate and focus in on the debate on our extremely critical shortcomings. I would hope that the gentleman would understand that.

Mr. MONTGOMERY. I appreciate what the gentleman is trying to do. I think it is totally unnecessary. The gentleman is getting ready to create another commission, and going to get on the grounds that we have in our committee. Once these commissions are formed, it will be very, very hard to stop them. Six months is not enough time. I promise the gentleman this commission will have to have extended time. We think we are doing a good job. If the gentleman does not like the job we are doing, then he ought to change the committee.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I want to associate myself with the gentleman's remarks in opposition to the Beard amendment that would form a commission. I think we on the committee are doing exactly what the gentleman from Tennessee (Mr. BEARD) wants to do. We have 13 studies which have been done. We had 22 days of hearings in our subcommittee, listening to 34 witnesses. We have the word of all of the people in the Defense Department, General Rogers, General Jones, Clifford Alexander, Admiral Hayward, General Allen, right down, and they say that we need registration. They have studied it at first hand, and we have brought this to the floor to try to bring the need for registration to the attention of the American people, to try to bring it to the attention of all of the Members of Congress.

I think we are accomplishing exactly what he would do with a commission without taking jurisdiction away from the Armed Services Committee.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has again expired.

(At the request of Mrs. HOLT and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mrs. HOLT. So I think we can do that without creating a costly commission, and as the gentleman has pointed out, creation of the Commission would delay implementation of registration and even if the committee has to come back in another year's authorization bill and try to get it we would still be ahead of the game. We have the opportunity to discuss it and to better inform the Congress on it. I think he is absolutely right. We should reject the Beard amendment.

Mr. MONTGOMERY. I would like to point out that the gentlewoman is a ranking member on the Republican side on the Subcommittee on Military Personnel.

I might have misled my colleagues. It is a 9-month study instead of a 6-month study. I would like to correct that.

I yield back the balance of my time.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this committee has studied very thoroughly the need for registration. It is obvious the need is here. I do not think anybody would deny that. Certainly the firm information came before the committee. The committee did a good job. I think it is a bad thing for Congress to run away from its responsibilities.

Clearly, the Beard Commission would cost money. It would also cause delays, more expensive even than the money.

Therefore, I support the position of the subcommittee of the gentleman from Texas (Mr. WHITE).

Mr. Chairman, the Armed Services Committee has wisely included in section 812 of the fiscal year 1980 Defense authorization bill the language providing that the President shall commence registration effective January 1, 1981, under the Military Selective Service Act for male persons who became 18 years of age on or after that date.

Some of my colleagues have stated that this bill is the wrong way to address the issue of Selective Service registration and have suggested that the bill's registration provisions have been hastily conceived. However, what has been overlooked by many Members is the fact that the House Armed Services Committee has held hearings on Selective Service readiness and registration for 4 years, and this year the Subcommittee on Military Personnel conducted extensive hearings on Selective Service registration and recommended that legislation be enacted to set up the registration mechanism as soon as possible.

The Armed Services Committee, noting the urgency of addressing this problem, decided to include the registration issue in the fiscal year 1980 Defense authorization bill, a fact which does not in any way prevent the matter from receiving the careful House consideration it deserves. The purpose of the action by the committee to reinstitute registration is to provide the standby mobilization capability that was envisioned when the Nation went to an All-Volunteer Force in 1973.

After an extensive study of the registration issue, I strongly support section 812 as outlined in H.R. 4040, because there is no longer any substantive disagreement on the conclusion that the Selective Service System is currently incapable of meeting mobilization requirements, and the bill would simply direct the President to initiate a prudent registration plan that will enable us to mobilize quickly in times of national emergency.

The Department of Defense on December 31 issued a report entitled "America's Volunteers." It concludes at page 147 that registration would reduce leadtime to 15 days for any draft call-up. On page 152 it is said that in a high-intensity war this delay could be serious; and at page 153 the Selective Service Director is quoted as saying, "We are firmly convinced that Selective Service registration at age 18 would best serve the security interests of the Nation." And at page 185 the inability of the Selective Service System to meet emergency manpower requirements is traced to three factors, including "time delays associated with not having peacetime registration." In view of these conclusions it seems clear that we should proceed to registration at an early date.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

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Mr. Chairman, I rise in somewhat puzzlement about this amendment, and I am not sure how we ought to vote on it. But, I would like to try and sort through the various levels at which we are discussing these things.

First, lots of people in the House Chamber have indicated concerns that they have about the situation of our volunteer force, the readiness of the Reserves and other things. I think all of those concerns are valid and indicate the need for more of a study, and so I guess those are arguments in favor of the Beard amendment.

On the other hand, there is the political dimension of this fight which is that, of course, if we pass the Beard amendment which mandates a study, that adds more argument to why do we need to go into registration anyway, because we have got a study underway. So people who are in favor of registration are likely to vote against the Beard amendment, with the exception, I guess, of Mr. BEARD himself, while people who are opposed to registration are likely to vote for the Beard amendment because we have another study and another reason that we should delay having registration right now.

But let us talk about the Commission itself and look at the issue. Why do we need a commission and is this kind of a commission the best way to get at the information? The Commission which the gentleman from Tennessee recommends is not very well defined. He talks about manpower mobilization. I think he is absolutely right, we do need a lot more information about manpower mobilization.

But why, if we have a commission to study manpower mobilization, why is that the best way to go? Why is it not better to have the Subcommittee on Personnel of the Armed Services Committee conduct hearings on manpower mobilization, and why is that not the better way to go about it?

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield,

Mr. ASPIN. Yes, I yield to the gentleman.

Mr. BEARD of Tennessee. The commission is also directed to consider legislative proposals dealing with manpower, whether it be universal service, whether it be a draft for the Reserves, or whether it be going back to a form of a lottery draft, things that would encompass GI benefits, things that would encompass possibly the HEW educational benefits, things that would take a joint, coordinated effort by the House and the Senate.

The House Armed Services Subcommittee on Personnel has conducted the most thorough set of hearings that one could ever hope for. Yet, I have not heard Members who were saying I oppose the activists who are opposed to registration, or even talk of it, or the activists who are for the draft and registration, and who talked about it. The majority of the people I heard from in this House are people who say this issue should be considered separately, outside the defense authorization bill. And also that it should be given more attention because this is a very important issue and we need to conduct more hearings on it. We need to hear more about it.

I personally do not feel that is necessary because I personally feel I have had the benefit of hearing and listening to all of the facts, all of the submissions of testimony. But the majority of the Members of this Congress have not had the opportunity or the motivation to really look into it.

I see this Commission as a vehicle to focus in not only for Congress but the American people on what the true status is of our armed services.

Mr. ASPIN. Let me probe a little bit further. Is the gentleman saying from his standpoint he thinks there has been sufficient study, but he does not think enough people think there has been sufficient study?

Mr. BEARD of Tennessee. If the gentleman will yield further, I said as far as I am concerned, I feel there has been enough study to point out the critical needs, the critical problems facing the all-volunteer service. Now I am saying that the majority of Members, the majority of the people in this country, continue to hear from the Department of Defense in their little, fictitious Department of Defense manpower reports that everything is in good shape. The Secretary of the Army continues to go out and say the All-Volunteer Army is working, and working well, which is an absolute, total misrepresentation. So, what my point is, DICK WHITE, the chairman of the subcommittee, Mrs. HOLT, the ranking member, have gotten up, they have pleaded, but the Members have not had the opportunity to hear.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ASPIN. Let me just say I find the gentleman's position very peculiar on this whole issue. The gentleman is in favor of going to registration, but he is offering a study, and he thinks there has been enough information already studied, and yet he is offering a study. It seems to me if we are going to dramatize the problem, which is what the gentleman seems to want to do, that it is not clear to me that yet another study is going to dramatize it. We have studies coming out of this government from 15 different directions at any given week. Some of those studies get a little bit of a squib in the paper, some of them get a little bit more than a squib in the paper, but to dramatize something through yet another study, it seems to me, is not the way to dramatize it.

I am finding that this is the mood and I think this commission will give the Members the opportunity to see through an objective commission exactly what the true status is of the All-Volunteer Army.

Mr. ASPIN. The gentleman from Tennessee never ceases to amaze me. The gentleman who is against redtape and Government bureacracy wants to set up yet another bureaucracy.

Mr. BEARD of Tennessee. If the gentleman will yield further, the gentleman from Wisconsin never ceases to amaze me when he says the problem with the All-Volunteer Army is that what we need is more dumb soldiers.

Mr. ASPIN. I would say to the gentleman that he is getting into another issue, which we shall debate later, but at this time we are debating the commission.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. STRATTON. I think the gentleman from Wisconsin has made a very important point.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(At the request of Mr. STRATTON and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. If the gentleman will continue to yield, I feel distressed that my good friend and colleague (Mr. BEARD), the ranking member on the House Investigation Subcommittee, should be offering this amendment at this time when, as the gentleman from Wisconsin has brought out, he himself believes very strongly that we ought to have registration. I do not know any Member of the House who is more eloquent or who has more information or who can do a better job of educating those Members who are willing to come over here and listen—and we only have a fifth of the House here who are going to listen to anything that any commission comes out with—than the gentleman from Tennessee. He has more statistics that can frighten the dickens out of Members, and which I think would convince everybody sitting here that we ought to have registration yesterday. Instead of that, however, he is putting his effort behind another commission.

I just wish the gentleman from Tennessee would withdraw the amendment. We need his help to try to get this bill through intact. If we do not get registration this year, then we will not have registration at least until next year, and by next year we may have another 10,000 Russian combat troops in Cuba, plus a whole flock of nuclear missiles. So, I do not think we can afford to put this key question off.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. DOWNEY. Mr. Chairman, I just want to point out the complexity of the problem we are facing. The gentleman from New York (Mr. STRATTON) is complimenting the gentleman from Wisconsin (Mr. ASPIN) against the gentleman from Tennessee (Mr. BEARD). I think that requires a study in and of itself.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as a new Member of the Congress of the United States, I have been impressed in all of the debates that I have heard for the last 9 months about the importance of the committee structure. I have heard the Committee on Foreign Affairs, and the Committee on HEW, and the Committee on the District of Columbia stand up and say "We have investigated, we have studied, we recommend, we know the answers, do not go against the committee."

I have not heard anyone in this body, however, stand up during the entire course of today's debate and say we do not have a commitment to NATO. We do not have a military commitment to Israel. That is the reality of the situation.

The Committee on Armed Services by a vote of 30 to 4 has said, based on their months of study, that we must have registration. But we have many committee chairmen standing up and saying well, the committee really does not know what it is talking about, and we have to create a grand illusion called a Presidential commission or a congressional commission or something else that is going to do the job the committee did.

We are told, Mr. Chairman, those of us on the Armed Services Committee, by the man in the know, not some phantom, but by the General of the United States who is in charge of NATO that within x number of days, if the flag goes up, we are going to be overrun in Europe. Because of this we have developed grand contingency plans. We have a contingency plan to bring reserve forces from the United States. We have contingency plans to bring supplies and to have manpower and all of that stuff.

The fact of the matter is, Mr. Chairman, that we are a bunch of phonies. We are absolutely a bunch of phonies. This entire debate today does not address the substance of the issue.

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We do not have the manpower, and more studies after studies and more studies after more studies are going to say the same thing. We do not have the men to do the job. I am not talking about whether they are minorities or whether they are from urban areas or whether they are rich or poor; the fact is, we do not have the men, we do not have the ships, and it is getting obvious from the comments of some people that we do not have the will.

The question we should be dealing with when we talk about registration is a question of time. That is what it is about, it is time. If the flag goes up, do we have the time to meet our commitments? The answer today, ladies and gentlemen, is that we do not have the time. The question we should be dealing with, instead of talking about Vietnam and talking about all the other things in the past instead of the future is, does this Government have a system? Do we have a system in place that will allow us to mobilize in case we need to mobilize? The answer is, we do not. We do not have a system in place.

Have we ever sent a clear signal to the Soviet Union that we were doing anything in this country in the last couple of years but vacillating? The answer is, we have not, and that is why we have Russian troops in Cuba.

Mr. Chairman, we have talked a great deal about commitments. We have talked about the All-Volunteer Army, but what we fail to recognize is that we have got an obligation to the young people in that All-Volunteer Army, those young minorities that are serving in Europe. The fact is that if the flag goes up in Europe those young people in the All-Volunteer Army are going to get shot to hell, and nobody can argue with that. It is going to happen, and nobody is going to cry about the fact that the minorities are getting blown to bits in Europe, because we are talking about more studies, more studies, more studies.

More studies will not address the basic problem. The basic problem, Mr. Chairman, is, we either have a commitment, a military commitment to the rest of the world—particularly Western Europe and Israel—or we do not have a commitment. But, let us stop living a charade. Let us stop pretending. Let us stop thinking this grand illusion where we can talk about an increase in budget for NATO; talk about the All-Volunteer Army; where we stand here and say we have got a commitment to Israel.

If we study it then, we do not have the commitment to Israel, because we cannot deliver.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. Dougherty was allowed to proceed for 1 additional minute.)

Mr. DOUGHERTY. Mr. Chairman, I respectfully request that we vote down the Beard of Tennessee proposal, we vote down the proposal of the gentlewoman from Colorado, that we deal with reality, that we deal with reality; and that is, that we cannot meet our commitments to the world, or we admit that we are a charade and pack up and go home.

Mr. LLOYD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I find myself in a very difficult situation. Here I am supporting my colleague from Tennessee (Mr. Beard) and I am going against, I guess, the stand of my committee; but in reality, I am trying to achieve unity. I happen to believe in registration. I happen to believe that we are in the serious and dire situation that has been outlined here, and I happen to believe that the committee does not have the votes to make registration go. If we fail now, that is one more mark against us and we have a problem down the line. We have the amendment of the gentlewoman from Colorado which will be forthcoming immediately after this discussion, and I think we would be foolish indeed to think that we can carry the day on that one.

I think Mr. Beard of Tennessee is absolutely right. I also agree with my good colleague from Mississippi (Mr. Montgomery) that we have indeed studied this and to accept the work of the committee in this case. It has been in depth, and I know the people who have participated, have done a fine job. But, the fact remains that I do not think the gentleman has the votes to make it go. We can sit here and discuss this until we are blue in the face, and have the issue go down.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding to me.

If Mr. Beard of Tennessee is right and if what the gentleman from Pennsylvania says is right, which I firmly believe, then to summarize what he is saying is that it is a question of survival; why can we not move this toward registration which we unquestionably need?

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. The thing is, I agree that this is a very confusing situation I am in. But, the fact of the matter is that this registration legislation would not go into effect until 1981, and during that 2 years further studies would bring into consideration what some of the real problems are. That is the terrible situation we are experiencing in many areas, lack of doctors, lack of nurses, lack of infantry, and so forth.

So, I do not see this as a conflict. The registration would start in 1981.

Mr. RUDD. If this is the case, why do we hold back; why do we not do what we know we have to do for our country to survive?

Mr. LLOYD. I answer the gentleman by saying that I wish we could. If I believe that would carry I would join with the gentleman. I do not beileve it is going to go that way. I believe the gentleman from Tennessee is correct; his proposal is to study not just registration, but to go beyond that. I think we indeed have talked about it and looked at it.

I know the gentleman from Texas (Mr. White) has worked long and hard on this. I know he is an expert on the situation, and there is no question in my mind that if they are trying to have further studies, that the results will be the same.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I just merely want to point out in addition that we are calling for legislation during the interim time, while they are setting up the selective service, to be able to implement the requirements of the Congress. We have asked the President for his recommendations, which will come to Congress in that interim period. We can then throw that into the total picture, so we are not going to be standing marking time. We are going to be trying to restructure selective service so that it is an effective part of our mobilization requirements.

Mr. LLOYD. I thank the gentleman. I am pleased to hear all these things, but I still believe firmly that the problem we face in doing this is, we have got to get the thing passed, and I do not think we can do that unless we support the amendment of the gentleman from Tennessee. I urge the Members to consider wisely. Do not bury themselves and say, "There is only one thing that can be done." I do not agree with that. Let us give ourselves this opportunity and support the amendment of the gentleman from Tennessee.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, they say that if you want to kill a good program, appoint a commission. That is exactly the step that has been advocated here this afternoon. Now, the proposed commission would inevitably duplicate the work of the Congress and the congressional committee that has been studying this problem for some time under the leadership of Mr. White, who is one of the most dedicated, hardworking Members of the House. Some progress is being made, and I will assure this House that more progress will be made.

Just because Members of the House are not ready perhaps to support legislation is no reason to throw the responsibility of Mr. White's subcommittee to an ad hoc commission. The commission could not possibly cover the whole manpower field in 6 months. Whatever proposals are made will have to be acted on by the Congress. If we do not accept registration as necessary, at least do not accept a new study as an excuse to kill it.

I ask the Members to oppose this amendment.

☐ 1550

Mr. FOUNTAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not a member of the Committee on Armed Services and have never had the honor or pleasure of serving on that committee, but this is my 27th year here in this body listening to debate about, among other things, the military security of the United States, and what is essential to preserve and maintain it.

It seems almost impossible to believe that we are standing and sitting here today even questioning the advisability of more registration, while the records show that some 2,000 or 3,000 combat Russian troops at least a brigade, and all the military equipment needed are within 100 miles of our border, in Cuba, at a time when the President of the United States is engaged in the process of carrying on negotiations about this matter, hopefully to get Russia to send them home, and when SALT II is being debated, which in the long run may or may not weaken us or strengthen us. I do not think we should be showing another, among many previous signs of weakness by saying that we are not even willing to take whatever action is necessary to make available to this country all of those people, young and old alike, who are essential or may be essential to our military security in the event of military emergency, such as an attack upon our country.

Mr. Chairman, I rise in support of a return now to military Selective Service registration. The provision in this bill requiring registration effective January 1, 1981 (and I would prefer making it effective much earlier), is essential to our national security and adequate military preparedness, essential to our ability to defend ourselves. The very fact that we are told that it would take several months or 9 months, I believe to set up a program for registration, in and of itself shows the extent of our present weakness, the extent to which we are now unprepared. It is truly unfortunate that we find ourselves in those circumstances. I do not believe any more studies are needed, particularly Commission studies, to determine our need for adequate manpower to enable us to act expeditiously in the event of a military emergency which may endanger the national security of our country. All we need is just a little commonsense and understanding about the facts of life, and those ill intentioned in the world.

When our Nation converted to the peacetime volunteer system a few years ago, we were told that an active standby draft mechanism would be maintained.

However, the proof is in the pudding, and we have seen the Selective Service System reduced to stand-by deep freeze status with little more than a skeleton crew on hand to operate it—only 100 full-time employees, in fact.

Clearly, the Selective Service System has lost contact with the 10,000 to 15,000 volunteers who formerly were the lifeblood of the system. Its appropriations have been cut to the bone—to the point where the Congressional Budget Office and the General Accounting Office have concluded that the current system could supply only about 50 percent of the Defense Department mobilization requirements necessary in a NATO-Warsaw Pact conflict.

What do we do in case of war? If we field armed forces only half as big as necessary, are we not automatically or inadvertently planning to lose the next war?

The Comptroller General's report of August 29, 1979, entitled "Weakness in the Selective Service System's Emergency Registration Plan," concludes that a national peacetime registration program will best meet our current mobilization requirements. Mobilization requires the military induction of 100,000 people within 60 days. In the GAO's view, peacetime registration will provide the "least risk" to our country in the event of war or other national emergency.

The GAO, an agency of the Congress, has also concluded—and this is on top of all the other information we have from our own committees—that the Selective Service System's emergency registration plan has so many shortcomings that it is extremely doubtful it will ever be implemented. We might further conclude that the plan would be ineffective in any event.

I understand that Dr. Bernard Rostker, the President's recent nominee for Director of the Selective Service System, told several members of the House Military Personnel Subcommittee earlier this week unequivocally that the current plan is not credible and cannot be relied upon. Dr. Rostker's statement is in direct conflict with the position taken by the Acting Director of the Selective Service System.

The All-Volunteer Army has fallen far short of providing adequate manpower to meet recruitment goals. Consequently, we are faced with the twin problems of inadequate manpower and an inadequate backup mobilization system. Many high Defense Department officials—military experts in apparent conflict with their Commander in Chief—support registration. These include the Chairman of the Joint Chiefs of Staff, the Army and Air Force Chiefs of Staff, the Chief of Naval Operations, the Marine Corps Commandant, and the commander of our NATO Forces. Look at the long list of them here just to my right.

Some of our colleagues have argued that this is no time to reinstate registration—the gentleman makes a point about taking the step in 9 months or 10 months; in the meantime, who knows in view of all that is taking place what might happen—that we should instead appoint a blue-ribbon panel or a special commission to study the matter and report back. However, the House Armed Services Committee has been extensively and thoroughly considering the manpower problems in our Armed Services. Our committee has recognized the need for registration—as the chairman of the committee has just said—to meet our emergency mobilization capability. Do we not trust our own people—those to whom we have delegated the task, to advise us?

During debate on this entire legislative package before us, we have considered new or improved weapons systems—billions of dollars worth. Yet, we must remember that weapons capability means little if we have inadequate manpower capability. And we know we do not now have it. It is a pitiful and pathetic picture that confronts us.

We do not need to tie the hands of our defense experts. We do need to provide a mechanism for the timely startup of inductions in the event of war or serious crisis—which could happen at any time, within 24 hours, whether we like it or not. This legislation provides for registration—nothing more. I urge my colleagues to support the registration provision.

Let me say in conclusion when I was last in the Middle East as a member of a Foreign Affairs Subcommittee, and also when I was chairman of that subcommittee—and in Asia with the gentleman from New York (Mr. WOLFE), chairman of the Asian Subcommittee, we ran into leaders who wondered what was happening in America. Are we becoming isolationists again they inquired? I had the pleasure of meeting, during one of those visits, with the then Shah of Iran who said, "What is happening in America?" "We who have always admired you and followed your leadership are concerned. You must again resume that leadership role."

"America is the last bastion of freedom left on earth," he continued and if you do not reassume the role of leadership militarily and otherwise and let the rest of the world know how you feel—that you can be depended upon, not to send troops, which we do not need, but to demonstrate continued courageous leadership, then we in this part of the world will not be able to defend ourselves and go to the rescue of our friends, if necessary. We will go down the drain and be taken over by Russia and some will, as the line of least resistance, join then. Put that in your pipe and smoke it," he said.

Mr. Chairman, and members of this committee, even though the Shah himself has since been deposed, take his statement and think about it. In his words, "put it in your pipe and smoke it."

I sincerely urge this body to vote against any amendment that would strike "registration," just a show of a manpower pool available, from this bill.

Mr. ANDREWS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from North Carolina (Mr. ANDREWS).

Mr. ANDREWS of North Carolina. I thank the gentleman for yielding.

Mr. Chairman, I would like to congratulate and endorse every word my distinguished dean has said, and subsequent to that I would like to speak for a moment against the amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. I understood the gentleman to say that Dr. Rostker, who is the President's designate to head the Selective Service System, says that he is supporting this provision in the bill.

Mr. FOUNTAIN. It is my understanding that he said the current plan is "not credible and cannot be relied upon." His position, as I stated is in direct conflict with the position taken by the Acting Director of the Selective Service System.

Mr. SEIBERLING. This very morning he stated that he is unequivocally opposed to the registration provision in this bill and that while he does not think that the Selective Service System at the present time has the capability to deliver the manpower in an emergency in time for armed services requirements, he feels that it can acquire that capability, and he wants a couple of months to study it. So it seems to me that his position is absolutely diametrically opposed to what the gentleman just said.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

He did not exactly say that, but he was pretty blunt about the Selective Service System, not being able to function.

Mr. SEIBERLING. That is a gratuitous assumption.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Chairman, I sent out a Dear Colleague letter in which Dr. Rostker did say and affirms what he told us personally, that the present mobilization program is inadequate, that he would need a year and some odd months in order to propose a new one. We sent him this Dear Colleague letter, and he did call back to the counsel and stated that the Dear Colleague letter was fair and he affirmed the contents.

Mr. FOUNTAIN. I thank the gentleman for his contribution. I simply want to conclude by saying that today in the face of all we know about the potential enemy, a vote against registration, just finding out where our manpower pool is, would be another show of weakness on the part of a country, the United States of America, which has heretofore been looked upon as the greatest military and economic power in the world. Let us do all we can to restore that image—and there will be no attack upon America, but if and when it does come, we will be prepared.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. To complete the last point, everybody concedes that the existing Selective Service System is inadequate to meet the deadlines of the military, but for $2 million more than is presently budgeted, the present Acting Director said they could meet those deadlines. The GAO has not really challenged that; they merely stated that Selective Service has not done sufficient testing of their proposed system. Of course, they can't test it unless and until they get the $2 millon. The Selective Service Director-designate, Dr. Rostker, says that he is absolutely opposed to the registration provisions in the bill, and that he feels that the Selective Service System can meet the military's emergency manpower deadlines; he simply wants a little time to study the best way to do it. The record needs to show that.

☐ 1600

Mr. DELLUMS. Mr. Chairman, I would like to make two points. The major portion of my presentation will be directed to a comment made by my distinguished colleague from California (Mr. McCLOSKEY), the proponent of universal service.

For just a moment I would like to say, first of all, a little later I will be making an argument in support of the amendment that will be offered by my distinguished colleague, the gentlewoman from Colorado (Mrs. SCHROEDER).

First of all, our responsibility here in the House of Representatives is to address ourselves to all of the various issues that confront our people and confront our Nation and to assume the responsibility of decisionmaking regardless of how controversial it is.

Mr. Chairman, it is my contention that today, this body, assuming that responsibility will "bite the mythical bullet" and will strike the provision to register in the bill.

It is my contention that the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER) will prevail. Given that atmosphere, it is my belief that the amendment presently on the floor is simply an amendment to keep the issue alive.

Mr. Chairman, I would say to all of my colleagues who oppose registration and who oppose a draft consider very carefully being mousetrapped into supporting this amendment, because I believe that this amendment will simply keep an issue alive that we will literally destroy, today, on a significant vote.

Mr. Chairman, I think it is terribly important to understand that.

Mr. Chairman, having said that I would like to respond to an important statement made by my colleague from California (Mr. McCLOSKEY). The gentleman alluded to the fact that during the Vietnam era disproportionate number of black and brown died on the battlefields and in the rice paddies of Vietnam.

It is important for us to understand why a disproportionate number of minorities were in the service and died in Vietnam. The reason why a disproportionate number of minorities were even in the service is directly attributable to an approach to the draft that had a significant number of inequities. Once a disproportionate number of minorities went into the service, they also carried the burden of oppression, the burden of inadequate education into the military which meant that a disproportionate number of them were assigned to the infantry, on the front lines, to die disproportionately on the battlefields of Vietnam for America.

Mr. Chairman, I say to the Members of the House, the reason why a significant number of minorities died in Vietnam was because of the racism and classism and the economic elitism that was inherent in our draft system and the fact that our inadequate educational system, and our social and economic system heaped upon them significant burdens that they carried into the military.

Mr. Chairman, now we find ourselves with a peacetime all-volunteer service. My colleagues point out that again a disproportionate number of minorities serve in the military. It is important for us to understand the reason.

My distinguished colleague from Nebraska (Mr. CAVANAUGH) spoke eloquently to that point. The social and economic fabric of our Nation in 1979 continues to perpetuate a set of circumstances that will allow a disproportionate number of minorities to reach to the military as an institution in our society, because of the tremendous lack of opportunity in other nonmilitary institutions in our society.

Mr. Chairman, the gentleman from California argued that the way to alleviate this disproportionate number of minorities serving in the military and thereby precluding the possibility of them dying disproportionately in some potential future war that I hope we never fight, is to bring forward an approach to the draft that would remove all inequities so that everyone would serve and there would be no possibility for deferment or whatever.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. That is one step that can be taken.

Mr. Chairman, I, at this point, oppose peacetime draft.

Another approach would be to have a universal service and have all young people serve in the military, thereby precluding the possibility of minorities serving disproportionately. That, at best, is a controversial issue that needs to be debated and discussed in this body, in committees, eventually on the floor of Congress, to determine whether or not that is the approach we want to take.

Mr. Chairman, there is a third alternative, perhaps the most difficult alternative, but one, it seems to me, if we are to operate within the spirit of fairness and democratic principles, we must embrace. I would suggest to you that if all of our social institutions outside of the military institutions provided humane, sensitive, humanistic, equitable opportunity, that the military would reflect the same population as any other institution. My point is, the reason why we have so many black and browns in the military is because unemployment is high, we have inadequate education, inflation, et cetera, and people are surviving in a world in which it is becoming more difficult to survive, going to the military to support themselves and to support their families.

If we do not want a disproportionate number of minorities to fight and die in a democratic society, then I would suggest not just simply tinkering with the draft system, that is simple to do. It is not simply imposing some universal service approach which is highly argumentative and controversial, but it would seem to me that the better part of valor is to place our resources at the disposal of our people so that our other institutions are capable of absorbing human beings, then we do not have to play games by trying to solve society's greater problem by tinkering with the military system.

Mr. Chairman, I oppose the draft, I oppose universal service and I think it is terribly important that we not continue to allow a disproportionate number of minorities to fight and die in this country when at the same time back home they and their people do not have opportunities that speak to the highest principles that ought to be ostensibly the underpinnings of our society.

Mr. Chairman, it is very interesting that that is an approach which we never look at.

This Congress, the 96th Congress, is perhaps the most—with all due respect to my colleagues—the most reactionary Congress of the five in which I have served. Many of us are dying here on the floor of Congress because we cannot even bring new initiatives to the floor of Congress to deal with all the human misery that we all know is real in our society because we are just fighting to keep yesterday's allocations to deal with human problems and I find that incredibly contradictory.

Mr. Chairman, as long as you continue to devastate the human side of the budget, then we will have a disproportionate number of minorities in the military.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. DELLUMS was allowed to continue for 2 additional minutes.)

Mr. DELLUMS. As long as we devastate the human services side of the budget, I would submit to you that a disproportionate number of minorities will continue to move into the service because that is the only place they can survive. If we are concerned about the numbers, if we are concerned about them fighting and dying disproportionately, do not tinker, do not play games with other things. Expand the social and human side of our budget so that there are significant opportunities for all human beings in our society, black, brown, red, yellow as well as white, and I would suggest to you, miraculously, that the racial composition in the military will probably mirror reflect those numbers in our broader society. Unless we do that we will always be plagued with that problem. I find the great frustration in this body is that we are always narrowing down our options and never addressing the critical approach to dealing with the inequities and the injustice and the lack of humanity in our society.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding and I commend the gentleman for his outstanding and comprehensive statement on the issue.

Mr. Chairman, I would like to say I agree with the gentleman. Unfortunately, I cannot agree with the prospect for success that the gentleman might suggest.

Let me just relate a personal experience. I have introduced a piece of legislation which does provide for a system of public service which would require conscription. Unquestionably it is a controversial matter. I have taken that piece of legislation back to my constituents and particularly to the young people in my constituency.

Mr. Chairman, during the course of one of the meetings I conducted at a private college in my district, a room filled with more than 300 students who had come to discuss this issue, one of the students related just what the gentleman has related in response to my contention, that the current system is a system of racial and economic conscription rather than an All-Volunteer Force.

Mr. Chairman, the student suggested I should direct effort at the resolution of those social, economic, and racial inequities which afflict our society.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. CAVANAUGH and by unanimous consent Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I yield to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. What I said to that student in response was that on many occasions during my public service, both as a member of the legislature and as a Member of Congress, I have appeared on that campus to discuss those social issues that affect our society. Never in all that time did I ever have an audience even nearly or remotely approaching the audience that I had for a discussion of reinstitution of compulsory service.

☐ 1610

The fact, the unfortunate fact is that we do not deal with problems in our society until there is a feeling of personal involvement or commitment. I think that is specifically the psychological issue that we have to confront here and the psychological problem we have to confront here. We do not have in this country now broad individual participation in the problems that confront the country, whether it be the protecting of the country, providing for its national defense, or whether it be for addressing the social and the economic inequities that exist.

I think that we have to reform our address to those issues in a way that does involve everybody and make them have a sense of involvement and participation and obligation to the resolution of those difficulties. My personal conviction is that we will not do that until we once again extend a universal system of obligation for the resolution.

But I commend the gentleman for his statement of the issue and I agree.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is not too often that I am in accord with my good friend, the gentleman from California (Mr. DELLUMS) on an issue pending before our committee, but I certainly commend him for his perspicacious appraisal of the situation here in recommending that we vote down the Beard proposal and move on to the basic question of whether we want registration or not.

We have been on this subject now for almost 3 hours. I think it is a little discouraging to realize that regardless of how the Beard proposal comes out, we still have not moved to the gut issue, which is whether we want registration or do not want it. It does disturb me a little bit as a long time member of the Committee on Armed Services, which always has had to fight an uphill battle on this floor for the things in which we believe, to recognize that if the Founding Fathers when they first gathered in Philadelphia to sign the Declaration of Independence had had as little courage as some of those here reflect, we probably would not even have gotten the document signed, let alone won our fight for independence. Here we are being told by two very able and capable and eloquent members of the committee, "Yes, we surely support registration, but we do not think you have got the votes, so we are going to vote for some delaying measure which will put the whole issue over for another 12 months."

Who knows what the shape of the world will be in another 12 months? I do not think the people in our districts send us down here always to cast an easy vote and always to hold up a finger to the wind and decide how to vote. I think they expect us to give them our best judgment and once in a while take something that requires perhaps just a little guts, and a little risk.

I would not even say that I thought that some prediction which the distinguished Speaker of the House has made in the paper about how this vote is going to come out is necessarily gospel truth. I have been trying to think, I cannot put my finger on it, but I know there have been a couple real lulus here in this Chamber when the Speaker told the White House that he had the votes on something and this House has voted otherwise, so those of you who really believe in registration, this is the time to stand up and be counted. This is the time to take a position and I think we ought to face up to that issue and not try to hide behind somebody else's vote, some other Member who is not going to vote our way.

What we are really talking abut here today is the simple question of whether it is a good idea to establish fire departments or do we just wait until somebody's house gets on fire and then all run out with our extinguishers and garden hoses and hope to put it out. That is, of course, not the way to do it when it comes to fires, either in the city or in rural areas. Likewise if this country is challenged by a relentless and an implacable foe that has relentlessly been expanding its military forces over the last 4 or 5 years, I think we have to recognize the possibility that we may some day be confronted with another showdown.

William Jennings Bryan got into trouble with Woodrow Wilson and finally got out of the Cabinet because Wilson wanted to expand the military forces of this country in 1914 and William Jennings Bryan said:

> Oh, no, let us not spend any money on defense, because when our country is right and our nose is clean, when we are attacked, righteous men will spring up like seeds from the ground and we will smite the enemy and deal him a blow.

Well, that did not work in 1917. And it did not work in 1941, because, thank God, we had the draft in effect before they hit us at Pearl Harbor.

If the Soviet Union, God forbid, should decide to take its 3 or 4 to 1 superiority over NATO and move in on Berlin or somewhere else, the fact of the matter is that we do not now have the manpower available to back up the troops that are over there now.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. Mr. Chairman, that is what the distinguished gentleman from Pennsylvania (Mr. DOUGHERTY) meant. If we really want to back up the boys who are over there now, we have to supply them with some assistance. We do not know now where the people who might serve live or which are equipped to serve or which that are not equipped to serve. That is all that registration does

What good does it do to talk about expanding the defense budget? The Senate is talking about a 5-percent increase and the President of the United States talks about a 3-percent increase. The one thing that seems to have gotten the support of everybody is that with all the shenanigans the Soviets are up to, we ought to increase the defense budget this year. It does not do any good to have all those weapons and all those machines unless you also have some men and, yes, some women, too, to handle those weapons and those machines. The Russians know that if we are not willing even to begin this process of trying to find out where the qualified people are, then they are not going to be very worried if we put in another $4 or $5 or $6 billion, because when the chips are down they will believe we will want to stay home and let somebody else fight for us.

Let us vote down the Beard amendment, well intentioned as it is, and let us get on to voting down the Schroeder amendment.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Beard amendment and I will also support the amendment of the gentlewoman from Colorado. I do so with all due respect for the committee system and particularly the Armed Services Subcommittee that has put in so many long hours on this manpower problem; however, I find myself in a different position from my fellow pro strong defense colleagues. I am opposed to the draft for two simple reasons: First, because I do not think it can be made fair in today's society; and second, that it will never be sold to the majority of the young people in America today.

I agree totally with the gentleman from California (Mr. LLOYD) when the gentleman said that the votes are not there, that if the committee gets one-third of this House in support of registration they will be lucky.

I find that these polls behind me are absolutey ludicrous, from my own experience in my California district and here on the east coast I cannot believe these percentages are even remotely accurate.

I have five children, three daughters and two sons. They are all of draft age, according to what is proposed in this Harris survey question, ages 18 to 23. The youngest of my five, a daughter, has just started college up on North Capitol Street at Catholic University and on her very first day of school last week she brought home an overkill propaganda pamphlet viciously overstating the case against a draft, for example, that it was an evil military scheme to get us involved in interventionist wars.

☐ 1620

There is an amazing range of opinion here, as much as on any issue I have ever heard discussed in the House, ranging from the up-front disarmament colleague—all the way over to those who would ride into the Valley of Death leading an ill equipped, poorly trained volunteer army. Given the Soviet growth in raw military power worldwide, not just the 3,000 troops who are highly trained for any type of combat that we find 90 miles off our Florida coast but the spreading Soviet physical presence across the globe we had better do something. Russia moves inexorably to fill every vacuum that is created as we retreat ignominiously from our role of leadership at every point of the compass rose.

I think one of the questions we are avoiding in this House is this, and I face it all the time, can we tell our young to register for a possible third no win war. I have no sisters, but two brothers, and we all served during the Korean war. My father served in World War I. He was gassed three times, wounded once. My family has a tradition of military service going back to the Civil War. But my five children are cynical about serving in the military and I do not blame them.

During the war in Vietnam I went to Indochina eight times and I observed the morale of our soldiers turn around 180° after it became an ugly fact that no clear victory objectives were being pursued. As a journalist I was able to unplug myself from combat, according to my whim, and come back to my waiting family, sickened at the thought of how I would have felt to have left one of my sons behind in a political war crippled by White House lack of leadership. I found the statements of the gentleman from California (Mr. McCLOSKEY) quite interesting. But keep in mind that when the draft bill was signed in 1971 the heavy demonstrations in the streets ended forthwith. I hold in my hand Public Law 92-193 that went into effect on September 28, 1971. After this President Nixon moved with almost total impunity to re-start bombing North Vietnam with fighters on April 16, 1972 and to at long last mine Haiphong Harbor on May 8, 1972. No demonstrations of any consequence whatsoever. Then began the precision bombing of December 1972, not by the way so-called Christmas carpet bombing, but the most precise bombing against any enemy force in American history. Again no demonstrations. Why? No draft quotas.

After 11 days of B-52 raids the oppressors of the boat people finally came to a serious bargaining table. Then, the drafted youth of America watched us betray our friends to a subdued enemy. We sought only the infamous "decent interval."

The Vietnam war was not extended by the ability to draft. It was extended by this body funding the war year after year through three administrations. It was weak and indecisive leadership that prolonged that war. And what do we see on the scene today that indicates anything in the future but more of the same. How many of us in this house, if younger, would allow ourselves to be drafted to serve under today's weak leadership. I probably would volunteer to fly again, but allow myself to be drafted for Yemen. I do not know.

Congress perpetuated the Vietnam war, and it was Congress that pulled out after more than 57,000 young lives were lost. Dumping the draft only dumped the demonstrations.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(By unanimous consent Mr. DORNAN was allowed to proceed for 2 additional minutes.)

Mr. DORNAN. Mr. Chairman, the young people today are trying to prepare for a highly competitive job market or to pursue a higher education. We cannot interrupt their lives if we cannot even define our friends or major priorities. With all due respect to the subcommittee, there are certain issues that cry out for special focus of attention, regardless of the paperwork or the modest expense, and that is why I am voting for both Commissions on Registration and a draft as focus for beginning a nationwide debate on how big a military force we want and just what the hell we would fight for.

Some issues that cried out for special attention were handled by the Select Assassination Committee. This country was smothered under a decade of ugly rumors that highly placed people, left and right, had deliberately executed the President of the United States and Rev. Martin Luther King. The Missing-in-Action Committee, was such a necessary select, and the distinguished gentleman from Mississippi (Mr. MONTGOMERY) was its chairman. The current sitting Select Committee on Narcotics and Drug Abuse handles the type of crushing national problem that demands special focus.

This committee has no legislative responsibility, but it brings extensive heat and light to a difficult area and involves thousands of Americans in the issue. Most of us know this issue is going to tear our country apart. If the Republican Party feels that the sins of Watergate have been lifted from its back and the party is back in fighting trim, just go for the draft issue and watch the dreams of further victories evaporate. Kiss any Presidential election chances goodby.

If the Democratic leadership comes out for registration, you are doomed most certainly to lose the Presidency next year.

This is a no-win situation because we have not convinced the youth of this country of our desperate world situation, or more importantly, that we as a nation have the will, the resolve, to cope with an exploding world. Or that we are not going again to defend ourselves with young browns or blacks or farm kids. Yes, the volunteer army is a failure. We can't have judges telling delinquents "I give you this alternative, the Marine Corps or a jail sentence."

I want either or both of these commissions for an additional reason. So that I may propose a tax credit plan that would tell young people that military service can truly be a profitable way to invest 2 or 4 of their younger years. Not as the gentleman from California (Mr. McCLOSKEY) suggested by an incentive where we would double military pay from $9,000 to $18,000 a year by a lifelong payment plan that will eventually reward a volunteer with between $75,000 to $200,000 or more.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has again expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for 1 additional minute.)

Mr. DORNAN. Mr. Chairman my bill H.R. 4080 would give a 10-percent tax credit for life to a 4-year enlistee or a 5-percent tax credit for life to any young man or woman who would sign up for 2 years. I have discussed this tax credit idea with 25 of my colleagues and have not heard a single flaw brought to light. It is one idea among hundreds that have not yet been analyzed as an induction incentive to make a volunteer military succeed. As the gentleman from California (Mr. DELLUMS) said any draft today will still reflect sociological inequities that have been with us since the Civil War.

The only way we can help our few remaining friends around the world such as Israel is with volunteer young men and women who know exactly why they joined and what they stand for. Fighting forces who feel they are being properly recompensed for missing some of the advantages and freedoms of civilian life.

These young people would be proud to serve in our naval task forces, to volunteer to fly our fastest aircraft and serve in effective, hard-hitting Army Airborne Strike Forces. They would be willing to fight and possibly die to keep us from sinking into a depression if our Middle East oil is unfairly cut off. They would be willing to stop a Soviet tank blitzkrieg into central Europe. Draftees cannot be the backbone of a highly complex modern defense force.

Our Volunteer Army presents a myriad of problems. Drug-related courts martials, even deaths. The poor education level of enlistees, et cetera. Of course, we need a higher standard of young men and women, but you are only going to get that quality soldier, sailor or airman by fair and intelligent incentives. Let us find those incentives. Vote for both commissions.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are two issues at stake here. One is the question of registration, and the other is the question of a study of registration.

I am opposed to peacetime registration and draft, and a vast majority of the peope I represent are opposed to peacetime registration. Jingoism aside, emotionalism aside, peacetime draft does not work, and it is wrong.

It is fundamentally wrong in a democratic society for a government and a military entity, to keep lists of people, which is what will happen with a peacetime draft. I will come back to this issue later.

The second issue is the study. Two studies are proposed, one by the gentleman from Tennessee (Mr. BEARD) and one by the gentlewoman from Colorado (Mrs. SCHROEDER). The gentleman from Tennessee goes about it in an absolutely wrong way. He proposes a study in which Members of the House and Members of the Senate are involved as a supposedly impartial body to evaluate an issue on which later they are going to have to vote.

This is a contradiction in terms. It is the wrong way to go about a vital basic issue of this kind.

I was appointed and had the distinction of serving at the appointment of the Speaker earlier this year on the National Transportation Policy Study Commission. It was at sort of the tail end of this study. There were an equal number of House Members and Senate Members, plus public members, serving on that body, just as the gentleman from Tennessee proposes to do with this issue.

We all know how busy we are in this body with our committee hearings, with legislation on the House floor, and with responsibilities back in our respective districts.

Throughout the entire period of the Commission's work and study and hearings all over the United States, no more than four Members of the House and only one or two Members of the Senate participated in those hearings. The part of the Commission work in which I was involved was the drafting of the final report.

☐ 1630

There were no more than four House Members and never any Senators personally involved in that phase of the Commission's work. The absentees were too busy with other congressional work to take part in the Commission's deliberations.

I submit the same thing will happen under the Beard Commission proposal. It will not work. It is tantamount to a conflict of interest for Members of Congress to serve on a Commission which is created by Congress for purpose of making legislative recommendations on or which they, as Members of Congress, will later be required to vote. If we are going to have a study—and I do believe that information about the draft is needed on a sound, responsible basis—then I submit that the proposal of the gentlewoman from Colorado is the way to go.

Even so, I think studies are merely a means of prolonging the controversy. I really think we ought to end the controversy today by voting down the proposal to have peacetime registration.

Now, Mr. Chairman, if I may come back to the substantive of peacetime registration itself.

The peacetime draft raises such profound questions regarding the extent of Government interference in the life of the individual that it should be considered as separate legislation. Historically, we have considered legislation relating to the draft as a separate measure, not as a coincidence or as a matter of convenience, but because the issue raised fundamental questions about the nature of individual liberty in a democracy.

Before Congress votes to reinstitute registration and take the first step toward resumption of the draft, we must have the information necessary to determine if registration is essential to our Nation's manpower needs. We must give the issue the extensive consideration so important a question requires. We have not given registration anywhere near that kind of consideration.

Informed deliberation enlightens not only the Members of this House, but provides the people we represent with the information they need so that they, too, can come to an informed decision on this issue.

The people, like the Members of this House, are not ready to decide this question.

The responsibility of this House is clear—we should reject the committee position and the Beard amendment and subject registration to the extensive scrutiny of public debate and separate legislative consideration, and await the results of the President's study. At that point, we can make the major policy decision on registration, which we are in no position to make today.

To date, the case for registration has not been made. The administration and Department of Defense do not favor this proposal. The Selective Service itself indicates that a moderate, $2 million increase in its budget will cut mobilization time by nearly two-thirds.

The Department of Defense asks for the opportunity to make the All-Volunteer Force work. The Congress should give DOD's ongoing efforts a chance to work.

I know that the Members of this House are deeply concerned about the security of the Nation. That concern, however, cannot be synonymous with blind willingness to accept any measure which might improve the ability of the military to acquire the services of our young people upon demand.

Throughout the past several months, I have been alarmed at the low regard in which the patriotic instincts of our young people seem to be held. There is a mistaken perception that today's young people are less willing to serve their country, less committed to the defense of this Nation, less patriotic than their parents or grandparents.

I raise this point because we have to consider this issue in the context of young Americans. Any registration requirement will impact them the most. I am convinced that in the event of a national emergency, the young people of today will be as willing to serve their country as young people at the beginning of the Second World War.

While the legislative proposal before us today does not reinstitute the draft, it cannot be discussed without reference to the draft for several reasons, some of which are quite obvious:

First. The committee bill requires registration for the draft.

Second. Registration is widely seen as the first step toward resumption of the draft.

Third. Resumption of registration will inevitably reduce barriers to resumption of the draft.

Fourth. Standby registration is being considered amid a chorus of dire statements about the All-Volunteer Force.

Historically, the draft has been the exception in the United States, not the rule. Congress approved the first conscription legislation only during the Civil War. Because the rich were allowed to hire substitutes to serve in their place, the burden of conscription fell to the poor. Furthermore, only 2 percent of the Union Army was ever conscripted.

The draft lapsed until the United States entered World War I in 1917, and was renewed at the beginning of World War II in Europe. After the war, the peacetime draft was not the product of a conscious decision to restore conscription, but a continuation of the wartime draft at greatly reduced conscription levels.

In 1972 the last American was drafted and we returned to our tradition of an All-Volunteer Armed Force in peacetime.

It was only a few years ago that the Nation was torn with divisiveness over registration and the draft. We should not forget that experience so quickly. On the contrary, mindful of the lessons we should have learned and of the dangers to democracy posed by a peacetime draft, we ought to redouble our efforts to improve the AVF before moving toward resumption of the draft.

The gentleman from Ohio (Mr. SEIBERLING) is one of the most effective spokesmen on this subject in the House. Joined by a number of our colleagues, he wrote earlier this year:

> Compulsory service in any form when the United States is at peace, and when no compelling national emergency exists, raises serious questions of propriety, and indeed legality, in light of the constitutional prohibition against involuntary servitude. We believe that this drastic response to the problems of the All Volunteer Force (AVF) will not eliminate those problems. Instead, we feel that the armed forces should be encouraged to develop constructive responses toward solving the problems of the AVF, rather than calling for its elimination.

Those are prudent, constructive words, offering sound advice to the Members of this House, as well as to the armed services.

To proponents of registration, I say, "Accept the Schroeder amendment. If the case for registration is strong, the President's study will confirm it. There will be time in the interim to debate the issue and to focus public attention on it. Furthermore, the Department of Defense will have an opportunity to upgrade its recruitment efforts."

The Schroeder amendment offers a responsible opportunity for this House. It is not a head-in-the-sand approach. It recognizes an overwhelming national interest in insuring our Nation's military manpower needs. But at the same time, it will enable this House to avoid a hasty, ill-considered decision.

This is not a dollar-and-cents issue, nor an issue of this tank versus that tank, or carrier versus no carrier. It is a people issue vitally affecting the lives of millions of young Americans.

A vote for the Schroeder amendment is one of which every Member of this House can be proud.

Registration is not an issue which this House should consider in haste, and regret at leisure.

I urge defeat of the Beard amendment, defeat of the committee provision, and I appeal for passage of the Schroeder amendment.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I favor the peacetime registration and I will not go through the many good reasons that have been given by my colleagues. I will attempt to be brief. I had hoped that someone else might mention this. Certainly in considering this matter the most paramount consideration is the need, such as it might be, for the protection of the national interest. That has been well spoken to.

There is another reason, and that is consideration for the young people who might be subject to the registration and might later be called upon to help defend our country and the parents and the loved ones of those young people.

If we do not have a registration, I believe that we will face the same sort of situation we have numerous times in the past, certainly in World War II, when we found that because of the emergency it was determined that mass numbers of young people were suddenly needed, primarily in the infantry or some other particular branch of the service.

The young people we are talking about relying upon in the event of military catastrophe are young people who have expertise, who have training, who have capacities in specific areas, for the most part. All of them have ambitions. All of them want to pursue some particular vocation or some particular profession. The military sevice, with all that might be said against it, does afford some opportunity, if permitted to do so, to let these young people continue to pursue, if they are placed in the right places, the kind of training wherein their talents are best used in behalf of their country and whereas their talents and their training and their furtherance of that pursuit is in their own best interest when they leave the military and return to civilian life, rather than to have wasted whatever time they might spend in the the objectives that might be totally different than that which they prefer to pursue.

Hence, I think that by registering and by determining where these young people are in peacetime, and in permitting them, as well as the military, to ascertain and prescribe that which they would prefer to pursue, that sort of training that they would prefer to participate in, that sort of role they would like to be assigned, they would be bettering themselves while at the same time increasing the capacity of our military.

So it is not only for the first and major reason, that is, the strengthening of our country in the event of a pending emergency, which I think we all agree might surely be possible if not probable, but also in furthering the best interest of the young people we would be calling upon, that I think it would be best to ascertain who they are and where they are and to give them the opportunity to indicate if they go into the military, for whatever reason, voluntary or draft, that branch in which they choose or prefer, that kind of training they would prefer to be engaged in and that kind of service they would prefer to pursue, in the interest of those young people.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Carolina. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I just wanted to make several points. I was very touched by the gentleman's concern about the security of the country. The gentleman is aware that the registration proposals in the bill will not take effect until 1981 and that there is a study in the bill, too, so we are not getting rid of the studies by voting down both of these studies, because there is also a study in the bill and that this is not an immediate implementation.

So I hope we have time out from the Russians until 1981 if the situation is that dire. I just wanted to point that out and make sure the gentleman was aware of that.

Mr. ANDREWS of North Carolina. Yes, I am aware of that.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one of the few times since I came to Congress 11 years ago that I have not made up my mind at this stage of the debate. I wonder if the gentleman from Tennessee would respond to two questions.

Mr. BEARD of Tennessee. Certainly.

Mr. DAN DANIEL. Will the gentleman tell the committee the cost involved in the study he is proposing? Has there been any assessment of this?

Mr. BEARD of Tennessee. There was a cost estimated as to the creation of a joint select committee, which would have been over $1 million, for a joint select committee if one had been set up.

We feel that the Joint Select Commission would be somewhat cheaper because we are looking at using personnel on loan from other agencies that would take up much of the cost.

It is a 9-month study, so therefore we feel the time limit would not see it go over what had been estimated for a joint select committee.

I cannot give the gentleman an exact figure.

Mr. DAN DANIEL. The ballpark figure, then, is $1 million; is that correct?

Mr. BEARD of Tennessee. I would say that that would be maximum. This is a 9-month and not a year study. Much of the data has already been collected, and I think it would be a matter of digesting it and reporting it. So I think it would not be nearly as expensive as, say, a joint select committee that would be a permanent select committee type.

Mr. DAN DANIEL. Would the gentleman give the committee some idea of the construction of the committee? What is the gentleman proposing?

Mr. BEARD of Tennessee. The way it has worked out is that there would be 24 members total on the committee, 12 members to be appointed from the Senate by the President pro tempore, and 9 of those 12 would be Members of the Senate. Three would be outside civilian types. On the House side, nine would be appointed by the Speaker of the House, Members of the House, and three civilians or outsiders by the Speaker of the House.

Mr. DAN DANIEL. Who would appoint the civilians?

Mr. BEARD of Tennessee. The Speaker on the House side on their quota of 12, and the President pro tempore of the Senate on their side.

Mr. DAN DANIEL. I thank the gentleman.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I do not know how much a Commission like this would cost, but it always ends up costing more than you think it is going to.

With any one of these Commissions, the first thing they do when they get the Commission assigned is, of course, to appoint an executive director. The second thing they do is to ask for an extension of time to file the report. The third thing they ask for is an increase in budget to conduct the study. The fourth thing they will do is set out a travel plan to go to Europe to talk to the troops in Europe to get their point of view on the whole issue.

I think these things are crazy. It is an absurd way to spend money.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. DAN DANIEL) has expired.

(On request of Mr. BEARD of Tennessee and by unanimous consent, Mr. DAN DANIEL was allowed to proceed for 3 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman will yield further, I would like to respond to the gentleman from Wisconsin.

We talk about costs. Let us really talk about cost. I wish the gentleman from Wisconsin would some day attend a few more of those hearings where he would hear the cost of the 40 percent of the young people who join the military and quit before the first tour of duty has ended. That is active. Six out of ten in the Reserves quit before their first tour of duty. I wish the gentleman would tune into the fact that the Army is appropriating and now expending millions of dollars to set up remedial reading schools to teach our young recruits just how to read.

So we talk about money. I think no longer can we afford to retain the status quo of trying to educate those people in the military, of bringing them in and training them and picking them out, to the tune of up to 40 percent. If this Commission costs a million dollars, then that is a small amount compared to the hundreds of millions of dollars that are being spent for wasted manpower.

Mr. ASPIN. If the gentleman will yield further, the gentleman is right; compared to that kind of waste, $1 million would be small. It is not going to be $1 million. It is going to be a lot more. But even then, it is going to be small.

The problem is with the gentleman's position, it will be a small waste added onto a big waste. His commission is not going to do anything about the big waste. It is true we ought to do something about the big waste. This Commission is not going to do it. It is just going to spend more money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEARD of Tennessee. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 268, not voting 22, as follows:

[Roll No. 460]

AYES—144

Abdnor
Akaka
Andrews, N. Dak.
Archer
Barnes
Beard, Tenn.
Bereuter
Biaggi
Bingham
Boland
Boner
Bonior
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Burgener
Burton, John
Butler
Carney
Cavanaugh
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Coughlin
D'Amours
Deckard
Dickinson
Dodd
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Edwards, Okla.
Erlenborn
Evans, Del.
Evans, Ga.
Fazio
Fenwick
Findley
Fish
Florio
Forsythe
Frenzel
Gilman
Glickman
Goldwater
Gonzalez
Gore
Gradison
Green
Grisham
Guyer
Hammerschmidt
Harris
Heckler
Heftel
Hinson
Hollenbeck
Hopkins
Hubbard
Hughes
Hyde
Jeffords
Jeffries
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kemp
Kramer
LaFalce
Lagomarsino
Lee
Lent
Lewis
Lloyd
Lott
Lundine
Lungren
McCloskey
McDade
Madigan
Marks
Marlenee
Mathis
Matsui
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Moffett
Moore
Moorhead, Calif.
Myers, Ind.
Nolan
Nowak
O'Brien
Panetta
Pashayan
Patten
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rinaldo
Ritter
Roe
Rousselot
Royer
Rudd
Scheuer
Schroeder
Schulze
Sebelius
Shuster
Simon
Smith, Nebr.
Snyder
Spellman
Staggers
Stangeland
Stanton
Stark
Stewart
Symms
Synar
Taylor
Udall
Ullman
Walgren
Whittaker
Winn
Wolff
Young, Fla.

NOES—268

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Blanchard
Boggs
Bolling
Bonker
Brademas
Brinkley
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Campbell
Carr
Chappell
Chisholm
Clay
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, S.C
Dellums
Derrick
Devine
Dicks
Diggs
Dingell
Donnelly
Dougherty
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Ind.
Fary
Fascell
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gingrich
Ginn
Gramm
Grassley
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Hefner
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hutto
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
McCormack
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Martin
Mattox
Mavroules
Mica
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Oakar
Oberstar
Obey
Ottinger
Patterson
Paul
Pease
Peyser
Pickle
Price
Rahall
Rangel
Reuss
Rhodes
Richmond
Roberts
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Swift
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Anderson, Ill.
Applegate
Baldus
Brown, Ohio
Carter
Davis, Mich.
de la Garza
Derwinski
Dixon
Flood
Gibbons
Goodling
Hagedorn
Huckaby
McClory
Mikva
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

☐ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Pepper against.

Mr. Hagedorn for, with Mr. Dixon against.

Mr. McClory for, with Mr. Stump against.

Mr. Young of Alaska for, with Mr. Flood against.

Messrs. NOLAN, PATTEN, and LENT changed their votes from "no" to "aye."

Mr. CONTE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 28, strike out line 3 and all that follows down through line 24 on page 30 and insert in lieu thereof the following:

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 812. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service;

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

Redesignate the succeeding sections accordingly.

Mrs. SCHROEDER (during the reading), Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, this amendment is fairly simple if you look at the bill. If you look at the bill, in section (a), page 28, you will notice several things. Section 812 says that on January 1, 1981, the President shall commence registration of male persons becoming 18 years old at that time. My amendment strikes that section.

□ 1700

So, it strikes the implementation of registration, and I underline once again that it is in January 1981.

The second thing that my amendment does is, it leaves in the study. It leaves in the study that is already in the bill for a Presidential study to study this whole issue. The study that is put in with my amendment is, in essence, the same one that the Armed Services Committee has in its bill, except that it is a little bit more comprehensive in that we are asking for a little broader scope in that Presidential study by studying registration. So, basically we are striking the implementation.

The reason I think that this is so important is twofold. No. 1, it seems silly to pass the bill as it now is where we are going ahead and voting to implement legislation before the result of the study comes back. I think that does not make any sense, so we leave the study intact and say that we are not going to deal with legislation until the results of that study comes here and we can look at it. The second thing that I do not believe has been discussed in the prior discussion on the floor, one of the things that the committee should most be aware of, is that this will recreate the Selective Service Act if this goes into effect.

One of the things we would be doing if we do not pass this amendment is that, in essence, we will be passing a blank check into the Appropriations Committee to make some very difficult choices as we look at registration. They could either spend, or vote to authorize and appropriate the $29 million which it is estimated that it would cost just to do the face-to-face registration, or they could go up to $470 million, which could do a much more comprehensive job, such as physicals and so forth, as it comes along.

So I think there is a very broad range of potential scenarios there, and the Selective Service Act with its classifications, its requirement of people carrying cards, its requirement of requiring physicals, if it were fully enacted would be very costly and could be mandated for us because we are authorizing it and then it depends on what the Appropriations Committee would appropriate at that moment.

Mrs. HOLT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I just wanted to ask the gentlewoman a question. I just wondered what her concern is about registration. As I understand it, she was a cosponsor of H.R. 2206, the National Service System. As I recall, that required mandatory registration of 17- to 21-year-old males and females. I do not see the difference.

Mrs. SCHROEDER. I am glad that the gentlewoman asked that question, because that is really what the rest of my response is in discussing this, and why I am so concerned about this registration being mandated in this bill. Number one, I feel that the dialogue on this issue has not been adequate. I feel that the most important issue in any military organization is morale, and I think we are living in a time where we have a lot of questions about that morale. I think there is a feeling in the country today that everybody should have to contribute equally, that we should not be selecting certain people or targeting certain people or really kind of playing some kind of game where you put your name in a hat and hope to get through the period without being called.

I think the gentlewoman from New Jersey pointed out earlier that this area of everybody contributing, I think, helps an awful lot with morale. One of the problems we have had with the Selective Service Act in the past, and one of the reasons why I have been so opposed to bringing it back this way without having debate and discussion——

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(By unanimous consent Mrs. SCHROEDER was allowed to proceed for 5 additional minutes.)

Mrs. SCHROEDER. The reason is because I feel very strongly that we are bringing back the problems we had before, There are ways for people to avoid it, the morale is not high. I think we would be better off if everybody participated.

I would like to add some more things to my statement on the amendment. I think some of the very important things that we have not talked about are that we have heard statements of people saying how urgent it is that we do this, and that we do this immediately. If it is so urgent, let me remind the Members that we are still not doing it until 1981. We are only doing it for 18-year-olds, and I remind the Members that none of those 18-year-olds will be able to vote in 1981.

One of the reasons people have said that we are not doing it until 1981 is that it takes that long to crank up the Selective Service and put it around the Nation. I really cannot buy that when we are phasing it in gradually and only starting to look at 18-year-olds. Also, it only gives you 13 more days of crank-up than we would have without registration. But, let me mention some other questions we have not dealt with. I understand that a lot of our manpower needs are really no longer for physically strong young people. We do not have people to deal with the technical abilities required to deal with computer control systems for the sophisticated equipment on our different ships and aircraft. It seems to me that one of the things we really need to do is look at the people who are in the civilian sector serving the military and find out whether they would fill those gaps.

We can look at all sorts of other alternatives rather than revert to the draft as it was first started back in the Civil War. We have never really looked to see if the Army and Navy and Air Force demands have changed so much in form that we are really doing the wrong thing. I tend to think that we are. I tend to think that we have never even begun to address that issue. I hope the Presidential Commission would address that issue.

The other two things we need to look at is, what are our peacetime needs and what are our emergency wartime needs? If our wartime needs are really to build more massive forces, how do we train them? What do we do with the Reserves? None of those things are being targeted and discussed. So, I think we need to talk about peacetime needs; we need to talk about training; we need to talk about morale; we need to talk about wartime needs.

If we really need specialists immediately, we do not have time to crank up schools and run 18-year-olds through them. I just think that to bring back the Selective Service Act, as I mentioned before, because that is what we have been doing as a nation since the Civil War, is really not fair to our Nation's youth. They are our most important natural resource.

Mr. WOLPE. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I rise in support of the Schroeder amendment, and want to commend the gentlelady from Colorado on the creative and effective leadership she has provided on this critical question.

I am deeply disturbed by the manner in which the U.S. Congress has chosen to address the issue of registration. The proposal has been rushed through committees in both Houses of Congress with virtually no opportunity for full, informed debate. It has been argued that the Volunteer Army has failed to maintain an adequate level of military preparedness. But there has been little effort to assess the validity of these concerns, or to systematically consider alternative remedies, should it be found that problems exist in this area.

I cannot think of a more important and far-reaching public policy decision than that of bringing back peacetime registration and, possibly, conscription. Surely this issue should not be legislated by the back-door method of attaching amendments to a defense authorization bill. If Congress is going to begin considering the possibility of registration and conscription, there must be an opportunity for full and open public debate. For Congress to legislate on an issue of such great import, without permitting this type of public review, is only to invite the most destructive kind of domestic polarization and confrontation.

I recognize the right and power of the Congress, under article 1, section 8 of the Constitution, to raise an army in the time of declared war, and I do not believe any American would question the necessity of registration and the military draft in light of a national emergency. I have great faith that Americans will make the necessary sacrifices when the situation demands such a response. But today there exists no such national emergency. To take steps now toward the reinstitution of the draft, at a time when the United States has chosen to actively pursue the cause of world peace and so soon after the trauma of Vietnam, cannot fail to raise grave doubts and create new divisions and alienation among our people—especially in the absence of a perceived national emergency.

In the absence of such an emergency, it seems to me that the advocates of conscription must carry the burden of demonstrating that the All-Volunteer Army is not working or will not work in the future. But that is not at all clear. In fact, one recent study published by the Defense Department concluded that the Volunteer Army has provided the military with a full strength active force that is equal—if not superior—to that achieved under the draft. In addition, Secretary of Defense Harold Brown stated not long ago that peacetime registration is not necessary to meet the Defense Department's mobilization requirements. Moreover, Selective Service Director Robert Schuck has recently indicated that improved computerization will permit his agency to meet the Pentagon's strict mobilization requirements without registration.

It appears that the most important lesson of Vietnam has been forgotten. In Vietnam, we were involved in a war about which the American people were deeply divided. To now move in the direction of registration and conscription, without securing—in advance—the public support necessary to sustain such an effort, could be the most grave mistake since the Vietnam era.

In the past few weeks, I have received petitions bearing the names of close to 10,000 people expressing their opposition to peace-time registration and conscription, and appealing to the U.S. Congress to reject current registration and draft proposals. These voices deserve to be heard. They need to be heard now—and in the context of a thorough and comprehensive review of our military preparedness and of the effectiveness of the all-volunteer military. If there are problems in these areas, let us begin to address these problems. But let us be certain that the remedies we identify bear some relationship to the problems at issue.

Mrs. SCHROEDER. I thank the gentleman.

Mr. Chairman, I would like to state also that I am going to put in the RECORD at this point all the different statements made by different members of the administration, such as Harold Brown, Secretary of Defense; James McIntyre, Jr., Director, Office of Management and Budget; Robert Shuck, Director, Selective Service System; President Jimmy Carter, and many others who have made statements saying that they are opposed to registration. I know people have even questioned some of the names on here. I have heard people saying that there were meetings in the last few days and there were contradictory statements, but nevertheless I do not think it is important to go into all of that because we are a legislative body make a legislative determination, and I do not think we need to make it based on who is on our side and who is not on our side.

Mr. Chairman, the statements follows:

ADMINISTRATION VIEWS

Harold Brown, Secretary of Defense, in a letter to Charles Bennett:

I oppose peacetime registration at this point. Given adequate planning and funding, I believe the Selective Service System could be able to meet the Department of Defense requirement for delivery of new inductees without peacetime registration. Emergency plans are under preparation. The Administration has asked for the necessary funds. Appropriations of those funds is the correct next step. If future exercises of Selective Service using its new plans and resources demonstrate that it cannot meet Department of Defense mobilization requirements, I shall not hesitate to recommend that the President order a peacetime registration under the statutory authority he now possesses.

James McIntyre, Jr., Director, Office of Management and Budget in a letter to Richard Bolling:

We object to the provisions regarding reinstatement of registration for the draft. The Administration is opposed to registration. It is not necessary to impose this burden on our nation and its youth when there are effective ways to improve the capability of the Selective Service system so that it can meet current needs.

Robert Shuck, Director, Selective Service System in a letter to Leon Panetta:

As you know, it is our position that we neither need nor desire registration at this time. We firmly believe that the Selective Service System can develop the capability to meet the Department of Defense mobilization delivery requirements with the increased resources requested in the President's budget message to Congress.

Our studies and analyses demonstrate to my satisfaction that with the organizational structure and computer capability that we requested in the FY 1980 budget we could readily meet DOD's requirements without peacetime registration.

Jimmy Carter, President, in a news conference:

The President's position on registration remains unchanged. He does not believe it is presently needed. He remains opposed to proposals now before the Congress to mandate registration.

His reasons:

(1) The President has authority to reinstitute registration.

(2) The President will continue to monitor the situation along with the Department of Defense.

(3) The President will not hesitate to use this authority at any time if he sees that it is a necessary step to preserving our national security interests.

□ 1710

Mr. PANETTA. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentlewoman for yielding. I think the basic point that has concerned Members is whether there has been sufficient debate and consideration regarding the implementation of mandatory registration. There has been some comment that we have had adequate study, but in fact the committee itself in section 812 implements mandatory registration.

The CHAIRMAN. The time of the gentlewoman has expired.

(At the request of Mr. PANETTA, and

by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. If the gentlewoman would yield, section 812 implements mandatory registration, and in section 813 of the bill that came out of committee, the committee itself recommends a Presidential study which will look at registration and induction of persons for training and service in the armed services. It goes into desirability and feasibility of registering persons, into the desirability of inducting persons, whether women ought to be included. So the fact is that the committee itself says the President ought to study this issue. If it needs to be studied—and the committee obviously feels that that is the case or it would not have included this—then why implement registration prior to the completion of the Presidential study?

What this amendment says is let us eliminate the registration requirement, build it into the Presidential study that the committee has already included, and require that they report back to the Congress by January 1980 so that then we can consider whether we should indeed proceed with mandatory registration. I think this proposal, this amendment, makes eminent sense in view of the conflict and controversy that surround this entire issue. It is the exact proposal I and a group of other Members, Republican and Democrat alike, was prepared to offer.

I commend the gentlewoman for offering the amendment, and I support it.

Mrs. SCHROEDER. I thank the gentleman from California, and I want to thank him publicly for all of his help in working on and the drafting of the amendment. He was very, very constructive in his help.

Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. MONTGOMERY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MRS. SCHROEDER

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY as a substitute for the amendment offered by Mrs. SCHROEDER: Page 28, line 4, strike out "January 1, 1981" and insert in lieu thereof "January 2, 1981".

Page 28, line 7, strike out "December 31, 1980" and insert in lieu thereof "January 1, 1981".

Page 28, beginning on line 13, strike out "December 31, 1980" and insert in lieu thereof "January 1, 1981".

Mr. MONTGOMERY. Mr. Chairman, I will be very brief. As far as I know, this is the only other amendment that will be offered. It is offered as a substitute for the Schroeder amendment. What the amendment does is it only changes the dates that are in the bill presently now of section 812 and section 813, which is the registration part which we are talking about. It does substitute for the Schroeder amendment, and it basically leaves the bill like the committee reported it out. It changes the date, as I say, by 1 day.

This is a vote for the committee position if you support my amendment. I repeat that I have not changed the wording of the original bill but only a few words.

My amendment gives the House an up or down vote on standby registration. I hope you will support the amendment.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding. Could the gentleman explain just in what way his amendment has altered the situation or what he is trying to accomplish here by changing the date by 1 day?

Mr. MONTGOMERY. I basically wanted to leave the text of the legislation in the bill like it was as the committee voted it out. There had to be some change, and I made that change by changing 1 day. It is a very simple amendment. I am surprised that the gentleman, who is one of the most knowledgeable parliamentarians in here, did not see what I was trying to do.

Mr. ASPIN. The gentleman's position, then, is no different from the position that the committee had, so we are going to vote first on the gentleman's amendment, which is the original committee amendment.

Mr. MONTGOMERY. That is exactly right.

Mr. ASPIN. Then we vote on the Schroeder amendment, and then we are back to the committee amendment if the Schroeder amendment fails. Does the gentleman think he is going to pick up some votes this way?

Mr. MONTGOMERY. We are going to get an up-or-down vote on the amendment, and that is what I am trying to do.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding. Do we not get an up-or-down vote if we just vote on the Schroeder amendment the way it is? I am like Mr. ASPIN. I do not know what the gentleman is accomplishing. We are going to get an up-or-down vote one way or the other. It is either going to be adopted or not adopted.

Mr. MONTGOMERY. That is not correct, in my opinion. I respect the gentleman's thoughts on it, but if we vote and the Schroeder amendment passes, then we really do not get a vote on what the committee has done and what the committee is recommending. All I am doing is just trying to get a vote on the committee bill in the way it is brought out by changing 1 day.

Mr. Chairman, I think we are ready to vote.

Mr. BOB WILSON. Mr. Chairman, I rise in support of this brilliant maneuver. Mr. Chairman, I wish we had had this many on the floor earlier this afternoon to hear a freshman Congressman from Pennsylvania (Mr. DOUGHERTY) who is here, get up and say as succinctly as I have ever heard anything on the floor the real facts about this legislation and these commissions and so forth. The commissions, of course, are a means of trying to get the attention away from the true importance of the bill which is to register young men in the event of their need for the draft at some time in the future.

I am probably one of the few who was ever drafted in World War II who is still in the House of Representatives. Maybe there are others; I do not know about the gentleman from Texas (Mr. ROBERTS). But there are a few of us. I was drafted. I was probably the worst soldier they ever had, so it does not say much for the draft system. They never even let me go out of the country. I did all my service in this country.

The only time I was ever shot at in anger was when the House of Representatives was shot up by the Puerto Ricans in 1954. Four Puerto Ricans up there fired at me, and they just about got me. So we have been under fire.

I just want to say this about registration for the draft. I am not an expert in the military. I have been on the Committee on Armed Services for 27 years. I have learned a little bit about the military from that, but I am, I think, more expert in the field of politics. And I can read. When I read a Gallup poll that says in April of this year: "Would you favor or oppose the registration of the names of all young men so that in the event of an emergency, the time needed to call up the men for draft would be reduced?" and 79 percent of the people said, yes, they are in favor of it, I can read that very easily. I can read the political implications of it. Those of you who cannot should go back and study a little bit more. I hope you will support the Montgomery substitute for the Schroeder amendment.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Is this one over here, December 1978, any different from the one of April 1979?

Mr. BOB WILSON. Yes, quite a bit. If the gentleman cannot see it, I will take it over there.

Mr. VOLKMER. Do not put it in front of it because I want to draw one distinction and see if the gentleman can tell me why the difference was made in the two. I see in the one the gentleman just read a word underlined that says "men." I see in the one above "all people of military age," the registration of "all military age young people," which undoubtedly includes women. So we have that many people who say we should have women as well as men. Does the bill include women as well as men?

Mr. BOB WILSON. No, the bill does not. The bill includes only men.

Mr. VOLKMER. I thank the gentleman very much.

Mr. BOB WILSON. But if more people favor at a later date only men being drafted, and men themselves favor only men being drafted—79 percent of them—and yet 66 percent of the people favor drafting not only the men but the women, where does that put us politically? We cannot draft with this bill. There will be no callup under this legislation we are talking about today. The Congress gets another chance to consider whether or not men should be drafted but we should have this ready. We should have the system in operation so that if a draft is needed, we can call them up much faster than we could otherwise.

☐ 1720

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California.

Mr. DORNAN. The eventual attempt to draft women is one of the things that brought me to conclude that the draft would be a sociological nightmare. We agree about the need for a strong defense and no one has ever served on the Committee on Armed Services more effectively than the ranking minority member in the well has served. However, two Army brigadier generals in my office in the spring told me that women would have to be registered soon and of course drafted if that process started. Their exact quote was, "That battle has been fought and lost."

Mr. Chairman, I think we will have a constitutional challenge immediately if we proceeded to register only men.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will speak in opposition to the Schroeder amendment and I favor the amendment by the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. Chairman, throughout this debate it has been very apparent why the committee has recommended to the House that we should institute registration. There is no question but what we are 180,000 short on our National Guard and Selected Reserve. There is no question we are 500,000 short of our individual Ready Reserve at the present time. There is no question, and I repeat no question, that our selective service mechanism is a shambles in that there is no adequate mobilization program presently.

Before I forget the issue, I believe the Schroeder amendment also deletes the annual mobilization requirement, the paper mobilization which revealed many of the inadequacies. If you want to get rid of that annual mobilization exercise that know where we are, then vote for the Schroeder amendment, because that is exactly what will happen. The professionals for the most part say it is vital that we recommend registration. We had before us a list showing many of the Joint Chiefs of Staff and many of the experts in the field who say now we should go forward.

The registration called for in this bill is effective as of January 1, 1981. The President is to report to us on many issues by January 15, 1980, so that we can reform whatever is necessary in implementing the registration of 1981.

Mr. Chairman, I myself in committee wanted an earlier registration but the trouble was the experts say it would take 6 to 9 months after funding is available before selective service is capable of performing registration. They have only 100 employees and no office equipment. As the gentleman from North Carolina (Mr. FOUNTAIN) said earlier or words to this effect, it is deplorable that our selective service is in such shape that it would take this long to implement.

There are additional important decisions that must be made before the registration commences. We say get going on it. We absolutely have to have registration.

Now, Mr. Chairman, why did we not include women at this time? Because of our budgetary restraints we were trying to go the inexpensive route. We saw there is no army in the world, no army in the world that uses women in combat positions despite what has been said about Israel; they do not. We said, what we are trying to do is fill our needs right now. We are not talking about sociological items. We say we need males to fill combat positions. That is precisely why we went for 18-year-old males. By going the 18-year-old route, each year we hope to pick up within a short time the numbers necessary to have the resources in the event we must mobilize immediately. These are the forces we can mobilize immediately while we are trying to garner the others in the other age brackets.

Each class of 18-year-olds will furnish some 2 million males from which we can select, which will be able to make the immediate mobilization that is required. That is why we have gone to 18-year-olds rather than going the whole gambit.

Mr. Chairman, the President probably cannot go forward with an 18-year-old registration without the bill we are recommending here today.

We ask in this recommendation, what about women, do you want women registered, too, to perform the registration? We do not tell the President how to make registrations. I hope the President comes back in January and says, "We want to have some changes in the Privacy Act so that we do not have to have face-to-face confrontation, so we do not otherwise have to register in that manner." That would be fine with us. Whatever way is the simplest and least disruptive is fine with us but we say for God's sake let us get going because this Nation is not in a good condition.

Mr. Chairman, I do not look under my bed every day for Communists. I am not that way. I will tell you this, we are not in the best position in this country today and we ought to be alerted to it.

Mr. Chairman, I would think the Soviet forces in Cuba would give us some inkling of where we are at the present time, how would-be enemies move with impugnity. They do not believe us. We have no credibility defensewise. We have got to have a credible defense and we have got to move forward with the intention to resolve the problem and registration is one way we could go forward to garner our forces, to know our resources.

Mr. BOB WILSON. Will the gentleman yield to me, Mr. Chairman, for just a moment?

Mr. WHITE. I yield to the gentleman from California.

Mr. BOB WILSON. The gentleman brought out a credibility point, and I think it is very well taken. In World War II, about 3 months before Pearl Harbor there was a vote in this House of Representatives that won by one vote to extend the draft. By one vote, just 4 months before. The Japanese later said they took that vote because it was so close, to mean that America did not have the will to resist their move to conquer the East.

Mr. Chairman, if they misread us, if we adopt the Schroeder amendment, and we are not going to have even registration to talk about, the Russians could very well make a classic misjudgment about what are our real intentions.

Mr. WHITE. I thank the gentleman.

There was an article in the paper just the other day that said Americans apparently do not believe in the luxury of survival.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WHITE was allowed to proceed for 3 additional minutes.)

Mr. WHITE. As I said, Mr. Chairman, this would cost no more than $10 million and would cost possibly only $4 million to register this particular group.

Mr. Chairman, I have talked about why not women. The only messages that we have been sending abroad in recent months and maybe years are messages of weakness which have given false impressions of the resolve of this country. I hope they are false impressions. We have to send something to let them know that Americans are willing to fight.

Mr. Chairman, why have the Swiss not been attacked all these years? Well, you might say they have got mountains. Also, they have a conscripted army that is ready to fight. They have their weapons in their homes and they are ready to go. No one is going to take them on under those circumstances unless the military mission is absolutely vital.

This is not a draft. A draft would require a separate piece of legislation.

What is wrong with the civilian board knowing who is eligible to serve this country? We who enjoy the bounties of this country, what is wrong with placing ourselves on the line for our country? If the country is to be preserved, the people must be willing to preserve it, willing to defend it. If the country really is worth preserving, now is the time to act, not next year, not during the time of an election when people may be afraid to vote for this but right now. The danger could be right now. It could be much later than we think. I would hope we would send a message: Let us get cracking, let us get moving, let us start registering 18-year-old males and let us get the recommendation for January and move forward so that again we can refurbish our forces and have a creditable defense.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I cannot believe the words I thought I heard the gentleman say to the effect that the reason you did not include women in the registration was because you did not want to show a sign of weakness to the people overseas. Is that not what the gentleman said?

☐ 1730

Mr. WHITE. The gentleman missed about five lines of whatever I said. No, I did not say that. I said that we did not include the women in our bill because we were after combat personnel. No women in any army in the world on a regular basis have served in combat.

Now, you may have episodes and you may have instances but they do not serve in combat on a regular basis.

Now, if the President says he wants us to register women, eventually there may be women in combat zones.

Mr. CHARLES H. WILSON of California. Then why not wait until the President tells us whether he wants all these things that are in the bill?

Mr. WHITE. We do not have time to wait. We are talking about infantry. We are talking about tanks. We are talking about artillery, combat service.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes, I yield.

Mr. SCHEUER. If what the gentleman is looking to do is to maximize the availability of young men for combat positions, would not it be wise to register women so that they can fill all the support positions which would free up more young men for combat service?

Mr. WHITE. We may eventually do that, but understand, it would cost at least $10, maybe $20 million more to do that; at least $10 million if you match double whatever we are trying to do now.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Colorado. I would like for a few minutes to give you my reasons.

First of all, the history of past military conscription has been one of dedicated discrimination in favor of the rich, the privileged, the educated, and others at the expense of the poor, the powerless, and all the racial minorities in this country. This was as true during the era of the Indochina war as it was during, for example, the Civil War when people were able to buy deferments and substitutes to serve in their place while some went off and made millions of dollars in war profits. One has only to examine the incredible deferment rates and the noncombat assignments of eligible sons of some of America's most distinguished citizens during the Indochina war to realize the gross inequities of the most recent attempts at an "equitable" Selective Service System. What guarantees, if any, would we have that a new system would be any different from what we have had in the past?

There were incredible problems in operating the Selective Service System during the Vietnam war and many of those problems have not been addressed and will not be addressed by this legislation. Hopefully, they will be in the mandated study of the Selective Service System and the mobilization requirements; but to activate this archaic and antiquated system before improvements have been made and the old inequities removed, in my estimation would be disastrous.

It appears that the move to reinstate draft registration is based on the faulty assessment that the All-Volunteer Army is not working. I contend that the volunteer force is working. Let me tell you why. It is attracting sufficient numbers of capable men and women to meet the mandated personnel levels of the Department of Defense. As a matter of fact, they have maintained within 1.5 percent—1.5 percent of required strength given by the Department of Defense. The quality has improved. The test scores have not declined. As a matter of fact, they have markedly increased and improved and the retention rates are higher with less discipline problems now in the Volunteer Force than there was during the time of the draft. The arguments against the All-Volunteer Force and for reinstatement of the draft registration, at a time and in a way that is little more than an attempt to undermine the present system of the All-Volunteer Force. I would suggest to you that these charges are brought for the most part, interestingly enough, by the very persons who on this floor have opposed the concept of the All-Volunteer Army when it was originally presented to this body.

This brings me to another area, and that is the charge that the Selective Service System cannot meet the manpower levels given to it by DOD for mobilization. This may be true, but there has also been no justification as to why the numbers were there in the first place, either for mobilization or for the desired strength levels of Active and Reserve Forces. The argument that we need registration in time of peace so that if war comes we can mobilize more quickly, in my estimation is totally false. The Congressional Budget Office in their study on this issue states that registration would only be increased by 13 days, I will give you 2 weeks, if people are preregistered. Obviously, is this enough time to justify the additional expenditures that would be required to register all males of 18 years of age in this country?

It is also interesting to note that the date for the first man to register is after the fall election of 1980 and the men to register are all now too young to vote in that upcoming election.

Let us think for a moment, and perhaps this is the most consideration and I offer it to you for your consideration. Let us think for a moment about the constitutional consequences of what we are doing here. We passed in this body a number of years ago the War Powers Act. It was hailed as a great liberal victory. I opposed that War Powers Act then as I do now, because I believe that the War Powers Act has seriously jeopardized the ability to declare war, is practically nil, given the provisions of the War Powers Act.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. All right, now, given that reality, I would therefore suggest that if you agree with me that from a constitutional perspective the War Powers Act indeed inhibited the Congress' warmaking ability, that we, therefore, should keep onto ourselves the power to reinstate registration and the draft in time of war so that we can retain some control over this process. If you give it away, I would suggest to you that we have no control.

Let us not be fooled and let us not kid ourselves. There is only one reason to bring back the draft and that is to fight an unpopular war without the need to come to the Congress for approval.

Finally, let me stress that if we are going to return to the draft, then let us do it up front and in a separate piece of legislation that will allow all sides to be heard. Let us have full hearings before the entire Committee on Armed Services to determine the feelings of this issue throughout the country.

For example, my mail, only one indices of the public's opinion, is going 100 percent against registration. I do not know what other Members' districts are going, but I think we ought to have a platform for debate and discussion in this country that is fully within our democratic responsibilities. Let us hear from the young men and women whom we are asking to spend 2 years of their lives in the military. Only after full and open hearings should we ask the full House to vote on this issue.

I would conclude simply by urging my colleagues to vote in favor of the amendment offered by the gentlewoman from Colorado, which would preclude the ability of going forward with registering 18-year-olds in January of 1980.

Mr. STRATTON. Mr. Chairman, I move to strike the last three words.

Mr. Chairman, the hour is late and we have been debating this subject for a fairly long time. I hesitate to add to the discussion, but I gather from my experience in manning the door in the last vote with some of the comments that were made that there is some confusion on this issue. For example, the comments made by my very distinguished friend from California (Mr. DELLUMS).

For example, I talked to one gentleman coming in the door. I said, "This is a study."

He said, "I'll vote against it," but he said, "I am also going to vote against registration."

I said, "Well, how can you vote for more weapons and then not have people available to utilize them?"

He said, "Oh, well, we can pay them."

Well, this bill has nothing to do with

the Volunteer Army. It has nothing to do with our regular forces, in spite of what my good friend, the gentleman from California (Mr. Dellums) has said. It is not an attempt to try to get other people for the Regular Army whatsoever; and it is not an attempt to get anybody for the Reserves.

Secondly, it is not a draft bill.

Now, we have been having all these emotional arguments about whether more blacks or yellows or browns died in Vietnam than whites, and all the inequities of the draft in Vietnam and all that sort of thing.

☐ 1740

I would be the first not to try to deny that there were such inequities. But there is nothing about the draft in here, so we ought to get that straight, so that we do not put all our animosities into this particular piece of legislation.

This bill does one single thing. It is intended to give us a mechanism for providing a rapid mobilization in the event of a serious national emergency. I do not expect the Russians to be marching on Central Europe tomorrow or maybe even in a couple of years; but if we are going to be intelligent, we ought at least to consider the possibility that at some point that might happen, and that it would be a wise idea for us to know where we were going to get the necessary Reserve personnel to meet that particular contingency.

What has been proposed heretofore is utilizing social security numbers and things of that kind. But the Comptroller General has come up with a very devastating analysis in this document I hold in my hand. He demolishes the idea of trying to find people in that fashion if, God forbid, the Russians have suddenly moved into Europe and we do not know where the eligible potential soldiers are.

So all this bill does is provide a list of those who are 18 years of age and, if we want to spend the extra money, of those who are also reasonably ambulatory and can get around without collapsing. We will know where they are in the event of an emergency. All we will have as a result of this item in the bill is a list of names and a list of residences when we are through; nothing more. Is that so dangerous?

Nobody is going to be forced to do anything except go down and sign his name somewhere, and if we so decide—and we have not decided that yet—maybe he will also have to get a physical examination.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. No, I cannot yield right now because I want to try to finish this point.

But one thing we are not going to do is bring back the kind of draft that we had before. In fact, the only way that we could get that kind of draft is the way we got it in the past, which is by specific action of Congress. Those of us who lived through the Vietnam war, either in this body or on the outside, I think, recognize that that draft was not fair. The only way we would get it again would be if this Congress voted for it, and I do not think anybody is in favor of that.

The only way we can ever get into the field of the draft is if this Congress votes for it. Otherwise all we are doing is providing for a ready list of names. It seems to me that is a reasonable, sensible procedure in the situation that we face.

The CHAIRMAN. The time of the gentleman from New York (Mr. Stratton) has expired.

(On request of Mr. Carr, and by unanimous consent, Mr. Stratton was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I would be glad to yield to my friend, the gentleman from Michigan.

Mr. CARR. Mr. Chairman, the gentleman from New York (Mr. Stratton) has said that this is not a draft. Let us get practical for a minute here.

If we have all these people lining up to register, under the gentleman's understanding of what might happen, are these people going to be required to carry a draft card?

Mr. STRATTON. Mr. Chairman, I think that would depend on the results of the study that is provided for in the bill. The President is going to make various recommendations. All we are going to do is to have them register so that we know where they are and, if they have a telephone, maybe where we could get them by telephone.

Mr. CARR. Then that implies that every time a person who is thus registered changes his address or his telephone number he will have to notify some registration facility or board; is that the gentleman's understanding?

Mr. STRATTON. Well, since nothing else is spelled out, we would have to ask the gentleman from Texas (Mr. White) about that.

But I do not think there is anything more burdensome there than what one would have to do with his Master Charge card. If one moves from one place to another, he tells them where he moves to. I do not think that is an infringement on one's personal liberty.

Mr. CARR. Mr. Chairman, if the gentleman will yield further, perhaps he is correct. But I do note that the committee takes out the limitation of the age of 26, so that if the committee got its way and 30 years from the effective date of the statute there were individuals walking around who were 48 years of age, every time those individuals had a change of address or phone number they would have to be notifying some authority of that fact.

The CHAIRMAN. The time of the gentleman from New York (Mr. Stratton) has again expired.

(On request of Mr. Carr, and by unanimous consent, Mr. Stratton was allowed to proceed for an additional 30 seconds.)

Mr. STRATTON. Mr. Chairman, if I may respond to the gentleman, my boy registered in the draft when they were still registering 18-year-olds. He does not carry any card around with him, and he does not have to tell anybody where he is or where he moves to.

This would have to be a specific provision of whatever new system is set up; and that new system would only go into effect if authorized by this Congress.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I agree with that, that the President would make recommendations, and whatever the new program would be, that would be what would be done. I am sure that matter would be addressed as well.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. If I have the time, I will be pleased to yield to my friend, the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, let me ask the gentleman, what is wrong with carrying a card around? I am sure the gentleman's son carries a number of credit cards around in his pocket.

Mr. STRATTON. Yes, and he loses them once in a while too and he does have to write in and tell them to stop payment on those cards.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to my friend, the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I support the gentleman's position in every respect, but I cannot understand for the life of me why, if we are trying to evaluate our manpower resources, we are not asking women to register.

I have two sons who need the Army, and the Army needs them. I have two daughters who are lawyers, and they would also be eligible to serve.

The CHAIRMAN. The time of the gentleman from New York (Mr. Stratton) has again expired.

(By unanimous consent, Mr. Stratton was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, I think the gentleman from New York (Mr Scheuer) raises a very good point. I happen to agree with the decision of the committee.

I think the gentleman from Texas (Mr. White) answered the question earlier, and that is that we certainly do not intend to incorporate women on a 50–50 basis in our combat units.

I think that women can do an outstanding job in the services, and if they want to volunteer for combat, I am not even opposed to that. As a matter of fact, I am the author of the legislation that admitted women originally to the service academies, over the screams and yells of the Army, the Navy, and the Air Force, incidentally.

But we are trying here to get a list of the people who might have to be called for combat in a dire emergency, and I do not think we need women for that job.

Mr. SCHEUER. But in an emergency, is it not true that if we have women registered to fill all the support jobs, all the support back through the line, we are going to free up more men for the very combat jobs we are trying to fill?

Mr. STRATTON. That does not worry me because I believe women would be volunteering for those jobs anyway.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I will ask the gentleman, is it not true that we are getting enough women through the volunteer process to fill all those support jobs the gentleman is talking about?

Mr. STRATTON. That is absolutely right.

Mrs. HOLT. So there is no need to register them?

Mr. STRATTON. That is right. And as a matter of fact, if we let women get into a little bit closer contact with the operational area, I believe we will get even more of them on a volunteer basis.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise in support of the committee recommendation for peacetime registration.

I am aware that this is a very difficult issue for Members of the House to vote on. It is being made more difficult by the opponents raising the specter of a peacetime draft. This tactic is inaccurate and unfair as the committee recommendation does not envision inductions in peacetime. Rather the committee has attempted to address a serious mobilization problem.

Each of us must assess in the best manner possible how his constituents regard this issue. I am inclined to think that on the issue of registration the groups in opposition are substantially more vocal than their numbers warrant. I believe our constituents can understand the importance of registration as protection for an emergency. For example, a Louis Harris poll in December of last year showed 66 percent of those sampled in support of peacetime registration. A Gallup poll in April of this year found 76 percent of those polled in support of peacetime registration.

However, even without these indications of current public opinion, I strongly believe the Committee on Armed Services' obligation is to make appropriate recommendations for this Nation's security based on the evidence. On this basis alone, there is simply no doubt today that the Selective Service is seriously deficient. The issue really is what is necessary to create the necessary capability in the system to meet emergency conditions.

There are two options. The administration is arguing in support of a plan which requires the Selective Service System to perform all of its tasks after mobilization occurs. The Armed Services Committee, having reviewed that plan, is recommending peacetime registration.

We have heard a great deal and will certainly hear more about the administration's position that peacetime registration is not needed. Their position relies on a plan developed by the current Selective Service System Director. I think we would all agree that it is possible to design a plan on paper that has an aura of plausibility. The problem is that our mobilization planning must in fact be credible, and must inspire confidence in its capability.

Mr. Eizenstat, the Secretary of Defense, and the Acting Director of Selective Service, have said peacetime registration is not needed. On the other side, each of the members of the Joint Chiefs of Staff and retired Gen. Alexander Haig, as well as the Secretary of the Army, have all concluded that peacetime registration is necessary. Three congressional committees—the House Armed Services Committee, the House Appropriations Committee, and the Senate Armed Services Committee—have reviewed the administration's plan. In each case the committees concluded that the plan is seriously flawed. Senator NUNN recently called it "material for a Walt Disney cartoon."

I hope that on an issue as important as this that involves the Nation's ability to provide for a realistic mobilization capability, the Members of the House will listen carefully to the debate as it unfolds on the necessity for peacetime registration. I believe the facts clearly establish the need for peacetime registration.

It is a difficult, but necessary step.

□ 1750

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate the gentleman's yielding to me.

The gentleman certainly laid it right out for us. In effect, that is what the amendment does that I have offered. It is a profile in courage to vote for it. It gives the first test vote before the Schroeder amendment. Basically, it is the same legislation that is in the bill. If you vote for the amendment that I have offered, you are voting for what the Armed Services Committee reported out. It is a profile in courage.

Mr. ICHORD. Mr. Chairman, if I may say to the gentleman, although we are not involved with a draft, I wonder what the position of the former Speaker of this House, John McCormack, would be on this issue now involving only peacetime registration. The Members have heard John McCormack, I know, telling how they had to twist the arms of Members, practically blackmail Members, get down and beg to them just before World War II. Here all we want is peacetime registration, and we seem to be in trouble.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. The gentleman says the courageous vote, the difficult vote, is going to be the vote against the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER). Yet the gentleman has been bragging all day long about these Gallup polls and Harris polls.

Mr. ICHORD. I refuse to yield further. I yielded to the gentleman for a question; the gentleman is making a statement.

Let me tell the gentleman why it is a difficult political vote. There are a number of Members who feel very strongly about this. Let us face it. Those are people who are 18 years old. That is why the political vote is for the Schroeder amendment.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Schroeder amendment.

Mr. Chairman, many times in the last several months, at various opportunities, I have spoken out in opposition to both the draft and registration. It will be on this vote that we will have the opportunity to decide whether or not we are on line for registration, and, eventually, for the draft.

I have not always been in strong opposition to the draft. I have a strong opposition to it now, arrived at after a lot of deliberate thinking and consultation.

It is frequently thought that conservatives should not oppose the draft. Generally conservatives are thought to be prodraft and proregistration. But I might mention that the two most conservative Republic candidates right now for President are opposed to draft and registration.

Robert Taft, a good, conservative Republican. was in strong opposition to the draft. Milton Friedman, our conservative economist, has stated so clearly that this is an unfair tax. M. Stanton Evans, a well-known writer for the conservative movement, is also in opposition to the draft. So it is not bizarre to find one who votes conservatively in opposition to the draft. Sometimes it is uncomfortable because there are individuals who oppose the draft and who also oppose every bit of national defense. I happen to take a different position. I happen to think that the draft and a drafted Army contribute to a weak national defense, and I believe in a strong national defense.

Many of the conservatives in private conversation will mention to me that the reason they are for the draft is for patriotic reasons, that it is necessary we have patriotism. I think I understand their frustration, and I do think this country lacks patriotic zeal. But I do not think in any way whatsoever that you can instill patriotic zeal in a country by compulsion and force and instituting registration and the draft.

I think we can have a strong national defense without a draft. I think there are other techniques, and we have to work on them.

The conservatives are very frustrated, and I think rightly so, because of the foreign policy we have had to live with both under Democratic and Republican administrations. To me it makes no sense to beg or plead for a draft, to ask for a couple hundred thousand men who may serve for 3 months, and then be in the Reserves for 2 years. How in the world will this ever compensate for our unwise foreign policy? It is our foreign policy which needs looking at.

You can make one mistake in the SALT treaty or one mistake in the giveaway of the Panama Canal, and all of the men in the world will not compensate for that. You could put 3 million men in uniform, and if you do not have an antiballistic missile system, it will not do you any good. So I would say it is our foreign policy which needs looking at. You cannot compensate, you cannot instill patriotism, nor can you overcome the bad effect of the foreign policy that we have lived with for 40 years by having conscription. I think this is the futility of the conservative position, those who have promoted the draft, because this is the only thing they have left to do in order to show strength to the Russians. I believe it will not show strength and it will not accomplish anything in directing us toward a sensible foreign policy.

We might look just at the growth of the idea of the draft. Even though we had the draft with the Civil War, it really was not an accepted idea at this time. There were riots. It was rejected, and those who were drafted could get out of the draft by buying their way out. So it was in the form of a tax. The real idea of a draft was accepted in this Nation prior to the First World War, and it has been in this period of time that we have also seen the expansion of the States, the welfare system which has grown, and the personal liberties which we all cherish have been diminished over the same period of time. I contend that we cannot preserve our liberties, we cannot protect our country, we will not have a free country, with a welfare state or a ridiculous foreign policy or with conscription.

America today is more conservative than ever before, as evidenced by the campaign rhetoric that most of us used in the last several elections. Only a few in this body run as anything but fiscal conservatives. I am seen as very conservative by my colleagues here in Congress, perhaps even the most conservative of all. Indeed, my identification as a conservative in all the political ratings grants me the privilege of claiming secure credentials within the conservative ranks.

I am frequently asked, in astonishment, how I, as a staunch conservative, arrived at my strong opposition to any compulsory military or civilian service. Many think that only liberals reject the notion of compulsory service, but this is an error. I find myself in good conservative company, recognizing that such men as Ronald Reagan, Robert Taft, Milton Friedman, Phil Crane, and Stanton Evans have expressed opposition to the draft.

Why is it that conservatives, who do such a good job of rejecting compulsion in almost everything else—especially in economic matters—accept the coercive role of government in forcing the innocent young to the rigors and risk of unworthy battle? How can conservatives demand individual rights in areas of lesser importance—such as hiring, firing, labor reform, and welfare—and yet sacrifice the most fundamental individual right of all: Determining how one's life will be spent. If conservatives permit the young to be forced to wear a uniform and risk their lives in wars like Vietnam, what protection do we have that this same grant of authority will not be used to compel national civilian service? Surely it must follow, if one is consistent, that government will have the authority to assign jobs to individuals with instructions to live in certain areas, wherever needs are identified by the planners. We have all heard of these proposals. Beware, for even though we may only deal with the issue of registration today, it must follow that if the peacetime draft is endorsed with this legislation, more arbitrary forms of people control will surely follow.

Conservatives have been the able defenders of individual freedom; we cannot be careless in dealing with this issue of compulsory service. It is easy to understand how the liberals and the interventionists accept compulsory service. They are in the habit of taking wealth from one group and transferring it to another through welfare schemes and inflation. They use and control people and property all the time. To them, compulsory service is a logical extension of government power. For conservatives, compulsory service should be completely alien to their ideals. Protection of individual freedom has been our creed and our motto. By accepting compulsory service, we sacrifice the entire foundation on which our arguments for liberty rest. To continue our battle against the silly notion of collective rights and for the preservation of individual rights, we must reject all forms of compulsion, be they excessive regulation, taxation, inflation, national service, or military conscription.

The draft and registration are equivalent; for what other reason would we have registration? Conservatives correctly reject registration of guns and see that registration is merely a vehicle for confiscation, as has been the case in many foreign countries. There is no legitimacy to the argument that registration is separate from the draft. I do not understand why many conservatives are willing virtually to fight for their guns and yet quietly acquiesce in or actively force registration and conscription on our youth. Our young people's lives deserve at least as much constitutional protection as our guns.

The conservatives who may cling to the notion that the draft is separate from registration must consider the awesome power of the social security office and its computers. Identification of youthful victims can be achieved with a few computer experts working out of the Social Security Administration. I am certain that they can produce the names, ages, and addresses, and any statistic they want, for anyone from ages 17 to 70.

We conservatives have correctly understood that economic freedom is no different from other freedoms and the free market is a mere extension of personal liberty. For this reason, we are very much aware that so-called collective rights on which socialism rests is incompatible with the market economy.

Quite correctly, we conservatives say that individual liberty means above all the right to own and use private property, realizing property itself has no rights. We well understand that property ownership is an absolute must in a free society that champions individual rights. The right to own property is sacred with conservatives; life itself certainly cannot be less sacred.

Conservatives champion the concept of God-given rights and express so well their patriotic belief in the Declaration of Independence and the Constitution. These documents, for the first time, put into a written contract the concept of natural rights, rejecting the notion that citizens are tools of the state to be manipulated at will as is done in Communist countries. Conservatives champion patriotism, but out of frustration at the times in which we live, some resort to force to compel citizens of a free nation to serve their country, to be obedient to the state, and to accept this abuse without objection.

For conservatives, all our philosophic arguments can be lost if we make an incorrect conclusion regarding compulsory service. All is cast aside, all the arguments, all the consistencies, the entire foundation of individual rights that conservatives rightly cherish and are willing to defend, are lost if we fail in our analysis of this issue. Could this be the reason we are losing our battle to protect and build a market economy? Is it our careless disregard for the ultimate protection of individual rights by not consistently rejecting all forms of compulsion? Would not our arguments for a free market be strengthened rather than weakened with such consistency? It is no coincidence that the decline of personal liberty, and the loss of the market economy seen in the last 60 years parallel a general philosophic acceptance of conscription and compulsory service. It is no mere coincidence that the welfare system, the interventionist economy, the destruction of the dollar, and the disintegration of the marketplace in energy have occurred systematically and parallel a loss of respect for individual rights, especially the right of property ownership.

The training of thousands of unhappy raw recruits has never proven to be economically wise. Two-hundred thousand new recruits with 3 months active training does little to reassure me about our weaknesses. A more efficient method is available to us.

And most importantly—conscription is a sign of moral weakness and has nothing to do with military strength. All the draftees in the world cannot compensate for a foolish interventionist foreign policy. Ten million draftees will not undo the harm done by both Republican and Democratic administrations with regard to the Panama Canal giveaway. Twenty million draftees will not compensate for the sacrifice of military advantage through SALT agreements. Thirty million foot soldiers cannot compensate for the lack of an antiballistic missile system, a truly defensive weapon. Frustration with our weaponry and our defense policy cannot be alleviated by resorting to a program that can never be seen as a sign of strength and determination to our enemies. The weaknesses they have witnessed from Yalta to SALT II cannot be canceled out by conscripting 18-year-olds for 3 months of active duty.

If we can register young boys and girls; make them carry registration cards bearing special identification numbers; make them report every move to the authorities; and arbitrarily and unfairly pick some to serve and exempt some others—for it is impossible for everyone to serve under any form of conscription—and send them off to fight wars our political opponents engage us in, we can impose on the citizens just about anything we desire.

Just think of 1917, 1941, 1950, 1965. The conservatives do not foment the wars; we are not in power when they begin, yet we the conservatives inevitably do the dirty work and perpetuate the errors.

The policies of the interventionists drive us into hot conflicts and we, the conservatives, jump in and take the heat for their inevitable failure.

Carter can now start registration any time he wants and yet we are doing the dirty work for him. Let him suffer the consequences for such an unpopular program. Let him go to the college campuses and explain why 18-year-olds all have to register for a potential new Vietnam conflict.

It is hard for me to conceive of turning over our children by force to serve the folly of the current administration's foreign policy. How many conservatives will toe the line if the administration involves us in a hot African war in support of Marxist terrorists?

If we permit this trend to continue, we fail completely even if in all other aspects we demand individual freedom.

If we hope to win the battle to establish a market economy based on individual liberty, we cannot sacrifice this concept when it involves the most fundamental of all issues—the right to decide the use of our own lives as we see fit.

If we give up this right, what argument do we have to defeat the liberals' contention that they have the prerogative of spending the fruits of our labor, controlling our property, and strangulating the economy through ridiculous regulations? If we make our persons vulnerable to the demands of the state, how can we argue that our property and our economic transactions are more sacred and should not be victimized by these social predators? Without a strong defense of personal liberty, we will never be able to defeat the philosophy that permits the fruits of our labor to be taken through excess taxation and inflation to finance all the wasteful boondoggle nonsense that has brought our economic system to its knees and our political structure into turmoil.

To concede that conscription is a proper function of the state, conservatives must place the state above God; collective rights above individual rights; the planned economy above the market economy; and property above life itself.

Patriotism, devotion, wisdom, conviction, commitment, idealism, which we all seek, cannot be achieved by conscription. This tool, used by the state for centuries, has never built a free society, nor can it be used to preserve this society. Consider freedom and volunteerism—reject compulsion and conscription. Freedom cannot be preserved by tyranny. Ultimately, our decision on this most fundamental of all issues will determine the destiny of this Nation. Please reject all forms of compulsory national service.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I would like to commend the gentleman from Texas for his statement. I would just like to point out that, even with draft registration, we really do not save very much time should there be an attack on Western Europe that would require the mobilization of forces in the United States. The Congressional Budget Office has estimated that preregistration would only save 13 days.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Paul) has expired.

(On request of Mr. Edwards of Oklahoma and by unanimous consent, Mr. Paul was allowed to proceed for 2 additional minutes.)

Mr. SENSENBRENNER. If the gentleman will yield further, particularly since the legislation that is before us today does not require physical and mental examinations of the registrants to determine who is qualified, a classification procedure, an induction procedure, an appeals procedure for conscientious objectors, and the like, all that is done under this bill is merely having 18-year-olds sign a registration card.

☐ 1800

So I think all we are talking about today is whether we are going to add 13 days to our capability of mobilizing should there be an emergency. I would submit that it is not worth the financial cost to the taxpayers as well as the social divisiveness in this country for a mere 13 days' leave time.

Mr. PAUL. I thank the gentleman because I think he points out a very good practical point on why the draft would not contribute a whole lot to our defense.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

As one Member who has consistently voted for a stronger national defense, I am getting a little tired of hearing military leaders quoted in this debate. If our military leaders are so concerned about what we need to do for a strong national defense, why do they keep supporting things like the SALT Treaty and the Panama Canal Treaty? I do not consider their opinions very persuasive.

In response to what the gentleman from New York (Mr. Stratton) said when we were debating the Beard amendment, it seems to me that perhaps he had the argument a little bit backwards when he asked why we have all this military hardware if we are not going to draft people to use those weapons?

I would ask it the other way: Why are we talking about disrupting people's lives and forcing young people into the military when we are not going to give them the weapons they need? Are we going to draft them to serve in old, outdated B-52's? Are we going to draft them to serve in American medium tank corps when our tanks are outnumbered 5 to 1 in Europe?

We do need a study to determine whether we need a registration program; I voted for the Beard amendment because it would have established such a study. I intend to vote for the Schroeder amendment, because it will order such a study. But in doing so, I have to make the point that what we really need is military equipment. More bodies will not win a war for us if we do not have the missiles or tanks or bombers or aircraft carriers.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I am not under any illusion to the effect I am going to change any votes. I think we could have voted 4 days ago or 4 hours ago.

I do want to say one or two things.

In 1941, I stood on this floor when we were debating the extension of the draft, the gentleman from California mentioned a while ago. There was never a time when there was five votes difference either way.

After the second rollcall, the vote was 202 noes and 201 ayes. Two gentlemen had not voted. Both came down and voted "aye," and we extended the draft.

By one vote, this country survived World War II.

There was no way, and none of the military people will hesitate to tell you we would have lost World War II, and we would have been trying to shake off the reins of Hitlerism—and some of you may love him. I did not. I fought him 4 years.

Now, this is almost as serious a situation. We have got nothing to lose. I favor universal military training. Even the youngsters do not object to 15 months in the military if everybody shares equally.

We need now to support the Montgomery amendment and support the committee. We must have some group to fall back on, and we do not have them now.

I have no objection to saying draft if we have to draft, but let us have a pool that somebody can get hold of in case Russia moves on us, and I will tell my colleagues they are not nearly as stupid as my colleagues think they are. They may move a lot sooner than we expect.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

I merely want to say the CBO report that was alluded to earlier on the Republican side said that—Congressional Budget Office—said that it would save only 13 days if the other plan that they had in mind would work; but then they admitted that there were many flaws in it and that a standby registration was one that would bring much more certitude.

This plan that we propose will save 2 critical months. That is the best of our evidence that came before our committee, 2 months, at a time when it may be very crucial.

Mr. ROBERTS. Thank you very much.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise on this bill in support of the Schroeder amendment and would like to do so from a slightly different standpoint. Most of the people who have been talking in favor of the Schroeder amendment are opposed to registration and opposed to the draft and believe that this is one step in that direction or believe that it would not be necessary.

I come to it from the standpoint of believing that we probably do need a registration, that if you look—and I am agreeing with some of the things that some of the people have said on the other side, particularly the gentleman from New York (Mr. STRATTON), was saying about the need to have some people available, what the gentleman from Texas (Mr. ROBERTS) was just saying about the need to have a manpower pool—the Volunteer Army was never envisioned as a force that would be able to fight a war without a draft. It was always anticipated by those that were in the Gates Commission which recommended the Volunteer Army recognized that a draft would be needed if war was declared.

I think that if one looks at what is happening in the manpower requirements, I come to the conclusion that we probably do need registration. I think the case has to be laid out a little bit better.

I am very much inclined to the view that we probably do need a registration. I, however, am in favor of the Schroeder amendment for a couple of reasons. One of those is that the amendment, the way the bill is written now, we have only one form of registration which it implements.

It implements registration which is what is called face-to-face registration, the old registration where you, upon turning 18, went down to the Selective Service Office and filled out the forms to become registered.

There are now in the modern technology a lot of other ways that we might register people and ways to register people which are less onerous and less likely to produce conflict with the younger generation than this way. We could register by mail. We could register by computers comparing various lists. We could do lots of other registration forms. I think that is what needs to be studied. We ought to look at the various ways in which we can have a registration and then make some kind of determination.

A second point in that is that the bill itself does not institute registration until January 1, 1981.

We would, if we knocked out that provision and left in the study, which is what the Schroeder amendment does, we would still be in time to institute registration next year in time to begin it on January 1, 1981. We would not lose any time by taking it out at this point.

What we would do by taking it out at this point is taking out face-to-face registration.

We may find, after our study, that face-to-face registration is no longer necessary. It is very costly to have all of these draft boards of Selective Service Board around the country. There is probably a better way to do it, and if we had a study which showed another way was better, then the law that we pass today would be obsolete because the kind of registration that we are ordering to take place on January 1, 1981, is this one form of registration which is face-to-face registration.

I think that I am very much inclined to believe that we do need registration in this country for a strong defense. We do need to have a manpower pool available, for if war breaks out, we are for sure going to need to draft people; and it would be better to have a registration system in place so that we can use that manpower pool effectively when war breaks out.

However, there are lots of ways to accomplish that registration, and as long as we are not going to start registration until January 1981, anyway, why not take the time to do the study and decide which form of registration would be the best form.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Ms. ASPIN. I yield to the gentleman from New York.

Mr. SCHEUER. I thank the gentleman for yielding.

I wish to associate myself strongly with the views of the gentleman from Wisconsin.

☐ 1810

I strongly favor registration. I have two young sons, 19 and 21, who would desperately and urgently benefit from serving in the armed services. I think the armed services would benefit from their serving. I also have two daughters who are practicing lawyers who could serve with great effectiveness in a whole wide variety of administrative jobs.

The gentleman from Colorado, my esteemed friend, mentioned the Israeli forces. It is true, of course, they do not draft.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. SCHEUER, and by unanimous consent, Mr. ASPIN was allowed to proceed for 3 additional minutes.)

Mr. SCHEUER. If the gentleman will continue to yield, they do not draft women for combat service in the Israeli Defense Forces, but they have proven without a doubt the enormous effectiveness with which women have served in every type and variety and description of noncombat functions in the IDF, thus freeing up men for combat functions.

It is impossible and ludicrous to use the phrase "manpower resources" in this country while excluding women. Over half of all adult women work and they work in important, meaningful jobs in every aspect of our economy. I think it is an affront to them to feel that they could not serve with great distinction and great effectiveness, certainly in noncombat functions. I feel that this plan is fatally flawed by the absence of involvement of American women as a part of our national manpower resources. I am happy to support the gentleman.

Mr. ASPIN. I agree with the gentleman from New York and his comments and his earlier comments about the fact that this registers only males. I think that is a bad mistake, and I think that is another reason for voting against this amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. WHITE. Mr. Chairman, there are several points that I wish to make in response to the gentleman's remarks.

In the first place, the gentleman understands that it is absolutely imperative there be certain mechanisms put into motion and organization be made before we can have any kind of an effective program. I personally favored some time earlier, like in January of 1980, but this became impossible upon studying it, so consequently the gentleman must understand we need that leadtime in order to get people out in the field, volunteers, and such.

Mr. ASPIN. If I can respond to that point, first, the problem is we need leadtime if we are going to do it face to face. Indeed, if we are going to do it face to face then we ought to get started.

But, what if we start on that leadtime and the studies show we do not want to have face-to-face registration?

Mr. WHITE. If the gentleman will yield further, let me continue to answer that, too. The gentleman must understand we are now in September. This bill will go to conference, once it passes here, and undoubtedly will not come out until October, maybe even November. So if we wait until another year, that is going to be again October or November of the following year.

We have asked the President for recommendations which are to be made in January 1980, when we come back. These are included. In fact, we asked him how should we go about registering. If he makes a different recommendation other than face to face, we can pass it at that time, and that is the purpose of saying OK, Mr. President, we want to register 18-year-olds because that would fill our needs for the manpower shortages at the present time, 1981, and in the interim period tell us how we should change it, and how you want us to go about registering, and we can recommend to the Congress the changes and the reform.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 1 additional minute.)

Mr. ASPIN. That is what I think is wrong with the legislation. What the legislation is doing is declaring policy, and then it is asking for a study to determine what that policy ought to be. We are declaring in section 812 that our policy ought to be face-to-face registration, and then in section 813 we are saying we ought to have a study to determine what kind of registration we ought to have. That is putting it the wrong way around.

Mr. WHITE. If the gentleman will yield further, we are taking the law as it presently is. The President has already said that we would possibly have to go to registration of 18-year-olds. That is all he is suggesting, and that is what we are doing.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Schroeder amendment.

Mr. Chairman, let us view the vote that is about to take place on the floor of the House as it really is. Whether it is on Mr. MONTGOMERY's amendment, or whether it is on Mrs. SCHROEDER's amendment, it is a vote on registration, a vote to either support or defeat the position of the Armed Services Committee.

I have gotten a very distinct feeling as a member of that committee since I have been here some 9 months that all other committees of the House are to be trusted, but for some reason the Armed Services Committee is to be suspect. For some reason, we apply a double standard. We presume that the actions of a committee of the House other than the Armed Services Committee is well thought out, to be highly regarded, to be deeply considered. But when something comes out of the Armed Services Committee somebody raises a red flag and right away we are supposed to be suspect.

What are we really talking about, Mr. Chairman? We are saying will there be a system in place that will save us time if the worst happens. That is what the vote is. Nobody is going to be drafted if we vote today for registration.

What we are voting on is are we going to have a system in place so that we have the time if the emergency arises. The gentleman from Wisconsin says 13 days. Let me assure my colleagues that there is a significance to 13 days. We have been told that D plus x number of days the Soviets can overrun Europe. D plus a certain limited number of days the Soviets can overrun Europe.

If we can save 13 days, or 2 months, as the committee believes, we cannot only meet our commitment to Europe, we can save lives. What nobody seems to be talking about when they talk about the concept of the All-Volunteer Army is that there are bodies in Europe, the same young people who are concerned, who have enlisted in the All-Volunteer Army are in Europe. The committee is saying that if we do not have registration we are endangering their lives because we will not have the time to respond to the crisis, to come to their assistance.

The same people who are talking against registration should immediately demand the withdrawal of all American troops from Europe, because if we allow them to stay we are consigning them to their death.

I made a comment earlier that we have a military commitment to Israel. Some of my colleagues have come up and said no, we do not have a military commitment to Israel if we define it in the sense that we do not have to send troops. I just came back from a visit to Israel, Mr. Chairman. What did the Israelis tell me? The chief of the Israeli intelligence tells me that the Israelis expect a war in 3 years, that they expect a war from Iraq, Syria, and Jordan, because those three Arab nations cannot let Sadat get away with the peace effort. They tell me that they feel that the Iraqis have the best tanks in the world thanks to the Russians.

Defense Minister Weizman tells us, and I think this is important, here is a leader of the Israeli Government saying that the United States has been Vietnamized; the United States has been Vietnamized. We are still in shock from Vietnam. The Israeli Defense Minister said the world is watching how the United States deals with the Russians. He said you are going to be tested.

I found it ironic when I came home to find out that Russian troops were in Cuba. I think that is the way we are being tested.

Some of my colleagues may say though we will never send military personnel to Israel. I do not buy that. I think the day may come when we may have to look at sending personnel to Israel.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. DORNAN, and by unanimous consent, Mr. DOUGHERTY was allowed to proceed for 3 additional minutes.)

Mr. DOUGHERTY. If my colleagues think Israel is going to be faced with an isolated move where we will not have to supply them, if my colleagues do not think the possibility exists that American men may have to be committed to Israel in the future, then that is wishful thinking.

Mr. Chairman, we are not talking today about the draft. Everybody wants to talk about it. That time will come. We are talking today about a system that will save time.

What does a "no" vote mean, Mr. Chairman? A "no" vote means that we, the Congress of the United States, do not trust the credibility of our own House Armed Services Committee. That is what we will be saying. No matter how we dress it, we are saying we, the Congress of the United States, do not trust the credibility of our own Members who serve on our Armed Services Committee. We are saying we do not trust the judgment of the man we have allowed to serve as the Chief of NATO. We are saying, in effect, we do not trust the legislative process because we do not think we will have another chance to talk about the draft. My colleagues know that we will. We are dealing with registration today, and the draft will come up later. We should judge it on its merits.

□ 1820

What it is coming down to then, Mr. Chairman, is whether or not we do want to create a system that will save us time, and then will save us lives. That is what it is all about. All the other talk about the draft and Vietnam is rhetoric. The question is, Do we want to have a system that will save us time and save us lives, even a system that may save us 13 days? I suggest, Mr. Chairman, that we do.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Schroeder amendment.

Mr. Chairman, I would like to begin by asking a question. What are we mobilizing for? The fact is that it will take 6 months from the time that we induct these people, as inevitably we will if we are going to register them and draft them in the event of war, to prepare them for a massive land war in Europe. What are we talking about? Were not the French surprised that the Germans flew over the Maginot Line in World War II?

The U.S. military is preparing to fight world war III with modern weapons. That is preposterous. The fact is, if we want to generate a hard-hitting force, we are going to need more than gold helmets. We are going to need one or two combat divisions ready to fight. We are not going to fight a land war in Europe for 6 months while people are training. Nuclear weapons will come in. Do not be silly.

The fact is that we need a Reserve Force prepared and capable to go in in the event that the war takes more than a few weeks to fight. That is where the problem is. It is not with waiting to fight with 10 or 20 divisions fighting across the central plains of Germany, because by that time our major cities and military targets in this country and in the Soviet Union will be reduced to rubble.

When we take a look at what we have done to our forces, there is no question that we have massive problems there. They are not ready in use for whatever eventuality. The Reserve has lots of holes, but do we change that problem, do we address that problem by having a registration system that will inevitably lead to a draft, or what other purpose would there be for having a registration?

Take a look at the way the forces are structured today. In the Spanish-American War we trained 13 percent of our soldiers for noncombat specialties. In World War II, we trained 61 percent of our people for noncombat specialties.

At the height of the Vietnam war in 1968, we trained 88 percent of the men that were in the service for noncombat specialties—six out of seven people were supplying the guns or typing out the orders or doing something unrelated to combat specialities.

The gentleman mentioned Israel. My, I hope we can learn from the Israeli Army. For every soldier they put in the field, they have one backup support soldier. That is what this country needs. It needs to reduce the tooth-to-tail ratio, to have an effective fighting force. It does not need to move for a couple hundred thousand 18-year-olds to fight a land war, and if we eventually have a draft—which this is clearly a precursor—the last great effort by the draft for the Vietnam war, I think it is important to take a look at some of the inequities. There were 26,800,000 young men who were of draft age during the Vietnam era. Eleven million of them served in the Armed Forces; 16 million did not. Of that 16 million that did not, 8.8 million—8.8 million of them—did not serve because they were exempted or they were deferred because they were rich, because they had doctors' letters, or because they did something else. That is what we are going to when we buy registration.

Inevitably, we are going to buy an unfair system, one that does not address the problem of combat forces and one that really ignores fundamental problems. The troops are pushed into the wrong places and prepared to fight the wrong war. We are going about to solve that problem with the wrong solution.

Mr. PRICE. Mr. Chairman, I would like to set a time for ending of the debate on the Schroeder amendment, and all amendments thereto. and on the pending sections of the bill.

Mr. Chairman, I ask unanimous consent that we end all debate on the Schroeder amendment and all amendments thereto and to the pending sections of the bill at 6:45.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. DORNAN. Mr. Chairman. I object.

The CHAIRMAN. Objection is heard.

Mr. PRICE. Mr. Chairman, I move that we end all debate on the Schroeder amendment and all amendments thereto and to the pending sections of the bill at 6:45.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 1 minute each.

The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, we have just heard two eloquent speeches. One by the gentleman from New York (Mr. DOWNEY) and the other by the gentleman from Pennsylvania (Mr. DOUGHERTY). I agree with each speech, in substance, about 95 percent but neither asked or addressed the hardest question of all. I am supporting the gentlewoman's study, as I supported the study proposed by the gentleman from Tennessee (Mr. BEARD), and I have just taken a stand not to limit the time on this debate yet because of the profound gravity of what we are discussing here. The potential after registration of disrupting young lives. I have a severe personal problem because ages of my children, and I know I share this problem with many of you.

It is simply this.

I cannot look into the faces of my five draft-age children and tell them that I feel they have a moral obligation to register for a draft, with the prospect that they could be asked to die in another no-win war—the third in a row. After Korea and Vietnam how dare we consider a draft until we decide what really involves our national honor. For that reason, we must study this critical issue in depth.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, I rise in opposition to the Montgomery amendment and in support of the Schroeder amendment for reasons not only as those elucidated by my colleague from New York (Mr. DOWNEY) but also because I oppose the further regimentation of our society. All we would do with the draft is impose compulsion on an already sloppy society. What we must do is become thrifty, disciplined, not only in our entire society and of our people, but in our military services.

I say, Mr. Chairman, that ever approaching is the concept of 1984, when our industrial society feels it must force its citizenry what it should be doing for itself.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, the problem we are facing is not one of a lack of quantity of the people we have in the service; it is a matter of quality. It is not the quality of the young people coming into the service, it is a lack of quality of the commanders leading those young people. Mr. DOWNEY of New York is right; what we have got in the military today is nothing more than a bunch of beribboned bureaucrats who think they are going to win the next war by pushing buttons and flying desks. What we need to instill in our military today is better leadership of our young people. That is not done through the draft and not through registration. It is done by going back and taking a look at leadership in the military in the past and what it was that gave us the kind of fighting forces we had in World War I and World War II.

□ 1830

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I can hardly believe my ears when I hear some of the Members comparing the situation to that which existed in the 1940's when we voted then to institute a peacetime draft, that is, peacetime in this country. It was after the fall of France. It was after we knew that we were confronted with the Axis Powers, and there was a clear-cut situation before the country. That is not the situation we are in here today. We are not threatened with an imminent invasion by 3,000 troops from Cuba or any other immediate crisis. When, as, and if we reach that situation, or when it becomes clear that the armed services have no other way to get their personnel, then we find a consensus quickly developing in this country. In the meantime let us keep the morale of our people high by keeping their liberty.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of the Schroeder amendment which would strike the military registration provisions from the bill. This is a government of limited powers, and we are wisest and strongest when we respect those limits. What right do we have to reach into and disrupt the lives of every single 18-year-old male in this country when we are at peace? What right do we have to cast a pall over their futures when we face no threat? We have over 2 million people in a Volunteer Army; we do not need a draft which is what registration is designed to lead to. Let us respect the restraints in our Constitution. Let us use reason. Registration will save us only 13 extra days in the event of a mobilization; is it really worth the enormous cost of social divisiveness and governmental regimentation? Clearly not. When we have a real emergency in this country, we can rise to that challenge, as we have in the past. We will simply weaken ourselves by instituting registration at this time, not strengthen ourselves.

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, I must say I have been listening with a considerable amount of interest this afternoon, and I find a great deal of truth in what my colleague, the gentleman from New York (Mr. DOWNEY) said a moment ago about the readiness of the active military as well as the readiness of the Reserve. It is true that with the many confrontations that we might find ourselves in, we are going to depend on the quality of the military that we have now. But I think it is a dangerous assumption to assume that the next war is going to be a war of nuclear buttons and nuclear weapons. In fact, we may hope that that restraint exists so that any future confrontation may in fact depend upon the individual soldier at least to some extent rather than on the technology that exists in both countries that can destroy both parts of the world in a few minutes. I feel that this draft is not necessary at this time but that registration is important. That is the issue, and I hope that we will support it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I rise in support of the Montgomery amendment and in opposition to the amendment to knock out the registration provision, and to reemphasize that this is not a vote on instituting the draft, like the vote taken in this Chamber in 1941 when the draft was fortunately kept in effect by one vote. Although this vote tonight may be just as crucial as that 1941 vote, it is not—I say again, not—a vote to get the old draft, with its many inequities, going again..

This is simply a vote on getting the machinery in place to find out where the people are—in case a national emergency arises and some of these people are needed to man the front lines of freedom and to preserve the independence of this Nation.

That is all it does: Set up the machinery and accomplish the time-consuming task of getting people's names and addresses into the computers, and then keeping that information current.

The military experts believe the next war will be short and vicious, fought by highly trained soldiers, sailors, marines, and airmen, using highly complex equipment, weapons, and electronics.

Do we expect to be able to win such a short, vicious war if we plan to wait until the war starts before we even find out where the manpower is to fight it?

If the first inductees will not even start training until the war is a month old, how can we expect to win a 60-day war?

Nobody disputes the fact that our Armed Forces are not big enough or strong enough to singlehandedly win a war with our chief adversaries by themselves. The Reserves and National Guardsmen are required, yes, and inductees, too, if we are to have any hope of surviving and winning.

That is why this vote is crucial, Mr. Chairman. The survival of our country may be at stake in this vote. If we do not keep this registration provision in, we will be saying to the world: We do not care whether we have Armed Forces strong enough to win the next time war is forced upon us; we are perfectly happy to take our chances in a dangerous world without a care for tomorrow.

Can we afford to take a chance with the future happiness—the freedom—of our children and our children's children? Can we afford to trust all that we have and hope to be on a deep freeze, paper plan to register 2 million people on mobilization day plus 11—under the frantic pressure of wartime conditions.

I remember what it was like after December 7, 1941. I remember how hard it was for this Nation to get cranked up for war—and that was at a time when the registration machinery had already been in operation for about 2 years. They did not start from zero then.

The United States of America celebrated its Bicentennial in 1976, but may never celebrate its Tricentennial unless we stay prepared, unless we remain fully capable of defending ourselves.

There are many today who are seriously concerned about our lack of sufficient strength to defend ourselves against those whose clear intention is to destroy our system of democratic freedom and replace it with a Communist dictatorship.

And the unfortunate thing is that the other side seems to be winning—in the Caribbean, in Central America, in South America, in Africa, in Asia, and in the oil-rich Persian Gulf area. Our country seems to be dealing from a position of weakness—and failing time and time again to win friends and influence people upon whom our economy, our very prosperity, depends.

Are we No. 2 in military strength today? I do not know the answer to that question. But, if the answer is yes, now is the time to take a big step toward rectifying that weakness—vote for registration so that you will be able to go back home and tell your people that you voted to insure that our military forces will be able, in time of war, to find the people needed to preserve our independence.

Never forget that our opponents do not have the same Judeo-Christian ethics we do. War is an integral part of Marxist philosophy. You simply cannot separate the two. And even more frightening is the realization that they believe in, constantly teach about, and plan to use nuclear weapons in future conflicts. While we may choose to delude ourselves into thinking that nuclear war is so frightful as never to be used by any nation, the Russians teach that nucelar war is not only survivable, but winnable and they are, therefore, preparing themselves to do just that.

Can we afford to vote down registration here and now, letting the world know that we are weak and intend to remain so?

The free world is under daily attack—by violent word and by violent deed—every day. Every day bullets are being fired in anger in war somewhere in the world. Amid this violence and hatred, the United States of America remains the last bastion of freedom. But, remember a bastion is no longer a bastion unless it has the strength to defend itself and remain free.

Can we adequately defend ourselves without registration? No, we cannot. We must have it.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. Mr. Chairman, I rise to repeat my often-expressed opposition to either a peacetime draft or standby registration unless and until it can be clearly demonstrated that the Volunteer Army cannot provide adequately for the national security needs of our Nation.

I have always been, and remain today, a firm believer in the need for a strong national defense. But, after careful consideration, I am not convinced that our Nation's security now requires holding the threat of the draft over the heads of millions of America's young people.

If the time comes that we ever really need the draft, we can get it reinstated quickly, and I would not hesitate to support such an emergency measure. But I suggest that if we are in such a hurry to register our young people for something, let us register them to vote so that we can win our battles with ballots rather than bullets.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I rise in support of the Schroeder amendment and in opposition to the Montgomery amendment. I have the privilege of serving on the Defense Subcommittee on Appropriations, and I understand the work that my colleagues are trying to do here to support strengthening our Reserve and our Guard, but I do not understand how registration will help us achieve that goal. What the Committee on Armed Services should be doing is holding hearings into the failure of the All-Volunteer Force, and what we can do to get people into our Reserve and into our Guard. In the unlikely event that we are attacked by the Soviet Union, the biggest difficulty we will have will be processing all the people who want to volunteer to fight the Russians.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I rise in favor of the Montgomery amendment offered as a substitute for the Schroeder amendment. This is a step forward in establishing registration. We have heard today that we are at peace, but if we want to stay at peace, we must have a deterrent. If we want peace, we must be prepared. If we want peace, we must command respect as a Nation. If we want peace, we must show the world that we are not vacillating. We must show the world that we have high regard for a strong national defense. This is a step toward a deterrent, a step toward better preparedness.

Mr. Chairman, the eyes of the world are looking at our commitment and our resolve on this vote for the Montgomery amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, apparently the Members here have failed to get the message of the Soviet buildup. The registration of 18-year-old males is the minimum registration to restructure our Selective Service System and to begin the buildup of our backup forces. This has nothing to do with the All-Volunteer Force, and it is not a draft. Six to eight months are needed to restructure Selective Service. On January 1, 1980, the President would recommend resumption. If we wait until next year, election year, it will not happen. We will be 2 years behind. I would rather be cut off in 2 critical months in mobilization rather than be 2 or 3 years behind when it might be critical. If we try to register when mobilization starts, then we have chaos. We could be under attack at that time. The electronic gear might be out, and then it would be fatal to this country.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, for the very reason that the gentleman from Texas (Mr. WHITE) just said that we should adopt the Montgomery amendment, I am opposed to the amendment and support the Schroeder amendment. Section 813 describes a very complete report that has to be filed by January 1, 1980. This is more than a year before the effective date that the registration would take place. This gives us ample time to do whatever is required as a result of the report that would be forthcoming from the presidential commission. Everything that we have been discussing will be given to us in the form of legislation at that time. I think that we should reject the Montgomery amendment and pass the Schroeder amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to my colleague, the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I rise in support of the Schroeder amendments to H.R. 4040, the fiscal year 1980 authorization for the Department of Defense, to strike out those provisions which would require a resumption of registration for the military draft by 18-year-old men. I oppose a resumption of registration at this time because I am not persuaded that it is necessary at this time. I do not agree with some of the remarks made in support of the Schroeder amendment which seem to argue that a peacetime draft is un-American and unconstitutional. If I felt that registration for a possible draft was needed at this time, I would support it.

There seem to be three major reasons cited by proponents of resuming draft registration, and I find none of them convincing. First, some people argue that the All-Volunteer Force has not succeeded—that it is below strength, with too many minorities and poorly qualified soldiers. In fact, the Secretary of Defense calls the All-Volunteer Force "a full strength, active force of a quality equal to or superior to that achieved under the draft." In any case, a return to registration would not in itself lead to any improvements in the All-Volunteer Force.

Second, proponents of registration point to shortfalls in recruitment for the Reserves, which are the source of replacements in the Active Military Forces in the early days of a military conflict. But these shortages are confined largely to the Army Reserves, while the Marine, Navy and Air Force Reserves are much closer to or even above their desired levels. It must also be noted that shortfalls are calculated with challengeable assumptions, guesses, and projections about casualties and replacement needs in a future conflict. The margin for error in these estimates is substantial, so "shortfalls" in reserve strength need to be regarded with some skepticism.

Finally, registration proponents argue that since the Reserves are below strength and the Selective Service machinery for conducting a draft is inadequate, registration is necessary to make inductees to the Armed Forces available more quickly in the event of a national mobilization. I do not know just what the truth is on this point. The Armed Services Committee argues that the registration proposal in the bill before us today would allow the Selective Service System to save 2 months in getting the first draftees into combat units in the field, but the Congressional Budget Office estimates that it would only save 13 days more than could be saved with other Selective Service System improvements which can be provided separately.

To this less than convincing case for draft registration I would add that the Carter administration's Secretary of Defense has stated in no uncertain terms that registration is not necessary now. Only after much more thorough study of all the factors which must be considered in determining whether draft registration is necessary to our national security should the Congress act. I supported the Beard amendment which would have provided for such a study by a blue-ribbon commission.

The time may not be far off when our national security will require a resumption of registration and even of the draft. Ten of the 15 members of NATO already have some form of military conscription, and the United States may one day have to rejoin their number. When I am convinced that conditions in the world and in our Armed Forces require it, I am prepared to support both, but those conditions have not been demonstrated to exist today. I urge my colleagues to support the Schroeder amendment.

Mr. WEISS. Mr. Chairman, I rise in strong opposition to the provision in H.R. 4040 which would require all males 18 years of age and older to register with the Selective Service System starting January 1, 1981 and in support of the amendment offered by the gentlewoman from Colorado.

Thankfully, Mr. Chairman, our Nation is at peace today. American soldiers are not engaged in combat anywhere in the world. Admittedly, the global situation is far from stable, but mandating Selective Service registration will in no way buttress this uneasy peace and may well be interpreted internationally as yet another indication of superpower saber-rattling.

And this is indeed the implicit intention of the registration provision—to demonstrate our "toughness," our "preparedness," our willingness to set in motion now the process that culminates in conscription and mobilization.

I am sure that the proponents of registration are familiar with the study conducted by the Congressional Budget Office on the merits of mandatory registration. The CBO report concludes that peacetime registration would enable actual inductions into the military to begin only 13 days sooner after mobilization than would be the case if the Selective Service System remained on standby with an upgraded computer capacity.

Is this less than 2 week differential a significant enough factor to risk a new round of reciprocal escalations that will further jeopardize peace? There should be no doubt that the Soviets will respond to our decree of mandatory registration with a militarist gesture of their own and that any anteing-up of the stakes by the U.S.S.R. will, in turn, prompt another move by our side.

And so it will go—on and on and on—and for what purpose, to meet what need?

The Department of Defense, which is presumably quite familiar with the situation is certainly not shy about asking for programs and money it believes it needs, does not favor mandatory registration. Does anyone on this floor, on either side of the aisle, really believe that if there were the slightest possible justification for this provision the Pentagon would not be pushing hard to obtain it?

But the administration and specialists intimately acquainted with our military posture do not perceive the need for registration at this time.

So why are we being asked to take this unnecessary and momentous step, a step that will entail gross violation of privacy for millions and millions of American citizens?

All of us can readily recall the deep divisions in our society that resulted from our last experience with mandatory Selective Service registration and its inevitable counterpart—military conscription. Do we want to repeat that experience now, especially when there is no compelling need of any kind to justify the numbering, classification and invasion of privacy for millions of Americans?

In short, Mr. Chairman, this provision is dangerous, unwarranted, insufficiently analyzed and an affront to constitutional safeguards of privacy. I call upon my colleagues to reject this measure by supporting the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

(By unanimous consent, Mr. STRATTON yielded his time to Mr. PRICE.)

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I urge this body to turn down the Montgomery amendment which is the committee bill as it now stands and return to the Schroeder amendment. I remind the Members that the Senate bill that is compatible with this bill does not have registration in it. I also remind the Members that registration does not solve the problems of the Reserve or the National Guard, as we have heard them described, procurement, nor does it automatically train and mobilize people. Nor are the Russians going to be frightened of a country that in peacetime feels it must run out and register its young people to make sure they can corral them.

☐ 1840

Remember our borders are open and they still can escape.

Mr. Chairman, I think what we have to do is work with the real gut issues of morale that have been addressed so eloquently in this body by other Members and deal with the real gut issues of the training command and all the problems we have with mobilization and the tooth-to-tail ratio described by the gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I certainly rise in full support of the amendment I have offered. As has been said, the amendment that has been offered by me is the committee position. The committee totally supports this amendment I have offered. It is a straight-up vote, Mr. Chairman, whether you want registration or whether you do not. The wording of the amendment is basically the same as that which is in the bill.

Mr. Chairman, I certainly hope the committee will vote for this amendment as this is the committee position.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield back my time.

● Mr. BONER of Tennessee. Mr. Chairman, it is with some reluctance that I find myself in support of the amendment to remove the establishment of mandatory draft registration from H.R. 4040, the Department of Defense authorization bill. I wish to state that I do support efforts to permit the President to establish mandatory registration of this Nation's young people in the event of a war situation or national emergency. I cannot, however, support the committee version of the bill which includes mandatory registration as part of an appropriations bill.

I believe that a registration program should be the end result of careful examination and evaluation of the present state of manpower preparedness in our military and civilian sectors. By including mandatory registration as part of this authorization bill we are limited to 1 hour's debate, a mere 30 minutes for the opposing viewpoints to be placed before this House. It seems to me that 1 hour is hardly enough time for the serious consideration this issue demands.

Mr. Chairman, the passage of this amendment will still allow us to formulate legislation instituting a comprehensive system of registration for all draft eligible individuals within the time frame established by the House Armed Services Committee, January 1, 1981. The structures and methods we put in place are of vital importance to the security of our Nation. Surely such a significant undertaking deserves the undivided attention of this House, in a separate bill, to stand or fall on its own merits, not attached to questions of military hardware and spending levels. The system of manpower mobilization and defense readiness we establish must work the first time it is called into use.

I understand that there is a split in opinion between the Joint Chiefs of Staff on the one side and the President and Secretary of Defense on the other side. Can we permit such a hotly debated issue to slide through as a committee amendment to a major authorization bill and at the same time be limited to an hour's debate because of parliamentary procedure?

I think not.

Mr. Chairman, I am more interested in a fair and equitable system of draft registration that works than I am in merely having a system established. I urge passage of the Schroeder amendment so that we may proceed to create a system of mandatory draft registration with all the care and detailed debate that a question so vital to our defense and security requires.●

● Mr. KEMP. Mr. Speaker, the combat effectiveness of our Armed Forces is one, a profound concern of mine, and one which is, in my view, directly related to the question we are discussing today. I have supported the concept of an All-Volunteer Force as a means of maintaining our military capability in peacetime. I am gravely concerned, however, about persistent reports about the quality of our Armed Forces today in many respects. I do not believe that there is a law of nature that makes an All-Volunteer Force less effective than a force obtained by conscription. But, I fear that inadequate attention has been paid to the details of the All-Volunteer Force concept that has contributed to its current state.

In particular, I would argue that the All-Volunteer Force has simply exchanged a high turnover/low budget cost conscript system for a high turnover/high budget cost volunteer system. This high turnover is reflected in the statistic that 40 percent of new recruits fail to complete their first term of service. As a consequence, the high turnover results in a greater training burden, low productivity from first-term soldiers, and eventually, an inadequate Reserve Force as well. It is my view that urgent measures should be taken to reform the All-Volunteer Force to develop more long-term first enlistments so that training costs and wear-and-tear on operational equipment used in training can be reduced, and productivity can be increased. Failure to reform the All-Volunteer Force will leave the Nation no alternative than to return to a conscription system of some sort with the inevitable problems raised by such a system of meeting our military requirements.●

● Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER) to delete section 812 from the Department of Defense authorization bill. The committee bill includes a dangerous provision which would authorize the registration of all 18-year-old males beginning January 1, 1981. The President already has the authority to register and, if necessary, induct males between the ages of 18 and 26. If the President determines that registration is a necessary precaution to take in the defense of the Nation, the mechanisms to administer such a decision already exist. The Department of Defense opposes this mandatory resumption of draft registration, and the Selective Service System has stated repeatedly that it can meet the Defense Department's mobilization timetable without requiring peacetime registration.

The facts are that the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower. The worst year for the All-Volunteer Force was 1975 when the four services combined ended up the year 41 one-hundredths of 1 percent short of the planned goal. Certainly this cannot be regarded as a bad record.

The Department of Defense bill is the wrong vehicle in which to even consider such a proposal. This is a major piece of legislation which contains many important issues that require full debate. Justice is not served by attaching the draft registration issue to the multibillion-dollar Department of Defense bill.

Even many of the proponents of draft registration admit that it is merely the first step toward actual induction of men. An action of this magnitude should not be taken lightly, and clearly should not be buried in this bill.

It is fundamentally wrong for a democratic society to systematically invade the privacy of its 18-year-old men, particularly when our country is not at war.

I strongly urge the Members of this body to vote for the Schroeder amendment to strike section 812 of this bill.●

● Mr. STARK. Mr. Chairman, section 812 of this bill reestablishes registration under Selective Service for all males who become 18 after December 31, 1980.

We do not need peacetime draft registration.

If we did, it should not be limited to males.

It should not be limited to those who become eligible to vote 58 days after the 1980 elections.

It should not exempt those who, because of a fortuitously timed close encounter of the most important kind, were born before January 1, 1963.

It should not exempt those who run this country.

We should not be telling a small minority of our population to line up and muster for possible military service while most of our people, including all of us who are passing judgment on this bill escape.

This legislation is poorly conceived and poorly drafted.

Let us also consider the fact that we do not have any problem getting people to join the CIA, or the FBI or State and local police forces. Why cannot we make military service attractive to our young people? Let us give them adequate pay and job satisfaction. Then we will have people knocking down the doors to get in and we will not have to use the force of law to flesh out our military forces. Good management is more likely to succeed than bad law.

Forced registration is a serious intrusion of the Federal Government into the lives of those required to register. I have heard of no justification for such a step at this time.

The Carter administration agrees. Several of us received a letter dated July 23 from Stu Eizenstat. The letter states clearly:

> The Administration opposes new legislation to reimpose peacetime registration for the draft.

A vote for the Schroeder amendment will remove an inappropriate matter from this bill, a matter that requires considerably more study and debate.●

● Mr. DODD. Mr. Chairman, I rise in support of the amendment offered by Mrs. SCHROEDER of Colorado. Mrs. SCHROEDER's amendment would strike the provisions of H.R. 4040 which require the mandatory registration of 18-year-old males by January 1, 1981, and would also require the President to report to Congress on reforming the Selective Service system.

I am opposed to the compulsory Selective Service registration of our Nation's young men for four fundamental reasons.

First, I believe that the Armed Services

Committee has erred in including registration in this particular bill. I fail to see why we should be amending the Selective Service Act during our consideration of the Department of Defense authorization bill. If mandatory registration was introduced as a floor amendment to this bill, I do not believe that it would be considered germane. Historically, amendments, or extensions of the Selective Service laws have been brought to the floor of the House as separate measures and never as appendages to the Defense authorization bill.

Personally, I believe that the issue of registration should be considered separately from the main body of this year's Defense bill. The House should have the opportunity to debate and fully consider the far-reaching economic, social, political, and military implications of a return to peacetime registration on its own merits rather than as one part of a bill authorizing appropriations for our national defense.

It was on this basis that I offered a motion in the House Committee on Rules to postpone floor consideration of the bill. It was my intention to convince the Armed Services Committee to delete the registration provisions from the bill before it came to the floor. Unfortunately, my motion failed on a 7-to-7 tie vote. However, I am confident that we will be able to defeat peacetime registration on the floor today. I simply do not think it is appropriate for us to be considering an issue of this importance when not one hearing on this specific registration proposal was held in committee. Registration is just the first step toward a return to the draft—surely such a proposal requires greater thought and more extensive examination before it is implemented.

An important point which I believe must be emphasized is that the other body has already decided to deal with the issue of mandatory registration as a separate bill instead of tacking it on to their Defense authorization bill. If the House includes registration in H.R. 4040, we will be letting this important issue to be decided in conference committee, thus precluding an opportunity for the Senate to vote on the matter.

Second, I am opposed to mandatory registration because the President, as Commander in Chief of our Armed Forces, already has the legal authority to order the registration on young men. It is interesting to note that because of errors in drafting this bill, the legislation actually removes the President's discretionary authority to order registration between the effective date of the act and the 1981 implementation of the Selective Service provisions. Past Congresses have always committed the critical decision of when to order registration to the Commander in Chief. Considering that the authority already exists for the President to begin registration, it is unneeded and unwise to impose registration upon him.

Third, I believe that the legislation is further flawed because it first mandates a return to peacetime registration by January 1, 1981, and at the same time asks the executive branch to complete a study on reforming the Selective Service System by January 1980. In effect, we are putting the cart before the horse. On one hand we are asking the executive branch for a study on the Selective Service System and on the other hand we are saying no matter what the study says, we are going to impose registration in any case. Whether one favors or opposes registration, it is this sort of flawed language that makes these registration provisions so unworkable and unwarranted.

Fourth, and perhaps most importantly, I firmly believe that peacetime registration is unnecessary for our national defense. There are other ways to insure that we know how to call upon the young men of this Nation if it becomes necessary besides the intrusion of compulsive registration. There are existing data bases which could easily be used to provide us with a list of potentially eligible young men. I was convinced that mandatory registration was unneeded after I met with many of the Armed Forces recruiters in my State. I found it very significant that of the 35 recruiters from every service whom I spoke to, all but 2 of them opposed a return to peacetime registration.

They told me that they are now finally getting very close to meeting their recruiting goals. If registration was imposed they fear that the resulting resentment of the Government and the Armed Forces could only hurt their present efforts. I was told that if the recruiters had better access to lists of young people, their jobs would be far easier. I believe that instead of imposing mandatory registration, this Congress should be thinking of ways to increase the efficiency of our All-Volunteer Force recruiting efforts, and we should also be giving the Selective Service the ability to draw upon existing lists of potential inductees.

We have been hearing a great deal recently about our inability to attract enough people into the All-Volunteer Force. However, how many of my colleagues know the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower goals. Those figures should, I hope, dispell the sometimes popular notion that the AVF is not working. I also wonder how many of my colleagues realize that the quality of recruits has risen since the draft ended. In short, the All-Volunteer Force is working. If some of us see problems with the AVF in the future, we should carefully consider the proper course of action rather than jumping headlong into reinstituting mandatory registration, and especially the flawed registration provisions of this bill.

Finally, some of my colleagues have warned in the most dire terms of the growing military danger the United States faces. What I would like to know is why they do not ask us to reinstate registration immediately instead of after the 1980 elections, and why they do not call for a return to the draft instead. I think it is clear that there is currently no emergency requiring a return to registration that cannot be handled under the President's present authority.

I urge my colleagues to defeat peacetime registration and to vote in favor of the Schroeder amendment.●

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GLICKMAN. Mr. Chairman, I wonder if the Chair would state what the parliamentary situation is with respect to the two amendments.

The CHAIRMAN. The question will first occur on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY) as a substitute for the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question is on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY) as a substitute for the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. MONTGOMERY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 163, noes 252, not voting 19, as follows:

[Roll No. 461]

AYES—163

Abdnor
Akaka
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Derrick
Devine
Dickinson
Dingell
Dougherty
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Fary
Fazio
Flippo
Fountain
Fowler
Frost
Giaimo
Gingrich
Ginn
Gore
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hubbard
Hughes
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Tenn.
Kazen
Kelly
Kogovsek
Kramer
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lungren
McDonald
McEwen
Martin
Mathis
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nelson
Nichols
Price
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rudd
Santini
Satterfield
Scheuer
Schulze
Sebelius
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Solomon
Spence
Stenholm
Stratton
Symms
Taylor
Thomas
Treen
Trible
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Zablocki
Zeferetti

NOES—252

Addabbo
Albosta
Anderson, Calif.
Annunzio
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Daschle
Davis, Mich.
Deckard
Dellums
Dicks
Diggs
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Glickman
Goldwater
Gonzalez
Gradison
Grassley
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Jacobs
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lederer
Lehman
Leland
Lewis
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Natcher
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Rousselot
Royer
Runnels
Russo
Sabo
Sawyer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Whitten
Williams, Ohio
Wilson, C. H.
Wirth
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.

NOT VOTING—19

Anderson, Ill.
Applegate
Carter
de la Garza
Derwinski
Dixon
Flood
Gibbons
Goodling
Huckaby
Hyde
Jones, N.C.
McClory
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

☐ 1850

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. MINETA). The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 155, not voting 20, as follows:

[Roll No. 462]

AYES—259

Addabbo
Albosta
Ambro
Anderson, Calif.
Annunzio
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Daschle
Davis, Mich.
Deckard
Dellums
Dicks
Diggs
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gephardt
Gilman
Glickman
Goldwater
Gonzalez
Gradison
Grassley
Gray
Green
Guarini
Guyer
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Jacobs
Jeffords
Jenkins
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lederer
Lehman
Leland
Lewis
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Natcher
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Rousselot
Royer
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Whittaker
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.

NOES—155

Abdnor
Akaka
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Derrick
Devine
Dickinson
Dingell
Dougherty
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Fary
Fish
Flippo
Fountain
Frost
Gaydos
Giaimo
Gingrich
Ginn
Gore
Gramm
Grisham
Gudger
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hubbard
Hughes
Hutto
Ichord
Ireland
Jeffries
Jenrette
Johnson, Calif.
Jones, Tenn.
Kazen
Kelly
Kogovsek
Kramer
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Lott
Lungren
McDonald
McEwen
Martin
Mathis
Mica
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nelson
Nichols
Pickle
Price
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rudd
Santini
Satterfield
Schulze
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Solomon
Spence
Stanton
Stenholm
Stratton
Symms
Thomas
Treen
Trible
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wright
Wyatt
Zablocki
Zeferetti

NOT VOTING—20

Anderson, Ill.
Applegate
Carter
de la Garza
Derwinski
Dixon
Flood
Ford, Tenn.
Gibbons
Goodling
Huckaby
Hyde
Jones, N.C.
McClory
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

☐ 1910

The Clerk announced the following pairs:

On this vote:

Mr. Dixon for, with Mr. Preyer against.

Mr. Pepper for, with Mr. Jones of North Carolina against.

Mr. LEWIS changed his vote from "no" to "aye."

Mr. FISH changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. PRICE. Mr. Chairman, there are no more amendments pending to this part of the bill. Therefore, could the Clerk read?

The CHAIRMAN pro tempore (Mr. MINETA). Does the gentleman have an amendment to section 815?

Mr. PRICE. No, I do not, Mr. Chairman.

PARLIAMENTARY INQUIRY

Mr. CHARLES H. WILSON of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the statement of the gentleman was that there are no further amendments to this particular part of the bill. Does that include all of title VIII?

The CHAIRMAN pro tempore. Just sections 812 through 815.

Mr. CHARLES H. WILSON of California. I thank the Chairman. I do have an amendment to title VIII in another part.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. MINETA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. BEDELL. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit tomorrow, Thursday, September 13, 1979, during the 5-minute rule. We are meeting on H.R. 3905.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Schroeder amendment to the bill, H.R. 4040.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3996, AMTRAK REORGANIZATION ACT OF 1979

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, FLORIO, and SANTINI, Ms. MIKULSKI, and Messrs. MURPHY of New York, RUSSO, BROYHILL, MADIGAN, and LEE.

"THE ROLE OF REGULATORY REFORM IN AN ANTI-INFLATION PROGRAM," AN ADDRESS BY ALFRED E. KAHN

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the most thoughtful discussions I have read about the question of Government regulations and the fight against inflation was delivered by Alfred E. Kahn, Chairman of the Council on Wage and Price Stability and adviser to the President on inflation, before the American Bar Association in Dallas, Tex., on August 15,1979.

One of the reasons I draw this address to the attention of Members of Congress is that President Carter praised it highly in a meeting with congressional leaders last week.

The address, "The Role of Regulatory Reform in an Anti-Inflation Program," follows:

THE ROLE OF REGULATORY REFORM IN AN ANTI-INFLATION PROGRAM

(Remarks of Alfred E. Kahn)

There are a lot of reasons why you ought to be intensely interested in the job I am trying to do.

The first is purely personal. While I have no doubt that most of you are managing to make ends meet these days—especially if we include in the measure of your real income the privilege you have of taking tax deductible vacation trips to Texas in the middle of the summer—I'm sure that even you suffer daily on finding that you're not quite as rich at the end of the day as you thought you were at the beginning, and wonder what is happening to the value of your savings.

Second, there is the simple fact that inflation is something bad that is happening to our country.

Third and fourth, there are professional reasons why you ought to be extremely interested in the problem of inflation and in our attempts to combat it. The first of these is broadly philosophical. The law is an important part of the fabric that holds society together. It is not the entire fabric: it's not the law alone that keeps me from walking on the grass in the median on Pennsylvania Avenue that lies between my house and the Metro, or that keeps me from throwing pieces of paper out of my car on the highway. But I see inflation as a symptom of a weakening of that social fabric—of our society's failure adequately to hold the pursuit of individual and group interest in check, and this in turn raises profound questions about the proper roles of voluntarism and persuasion, on the one hand, and legal compulsion on the other in any attempt to strengthen those restraints.

Somewhat more narrowly—and this is my fourth reason—a very important part of the social compact we have undertaken to combat inflation is a resolution on the part of the Federal Government to reexamine and reform the intricate network of regulations with which it enmeshes the private economy; and this so-called regulatory reform effort is one that intimately involves the livelihood—frankly, I hope it actually threatens the livelihood—of thousands of lawyers whose claim to a share of our national income is their skill in helping clients through some portion of that regulatory mesh: That last was a deliberate mispronunciation. I hope you will not misinterpret these particular efforts of mine as being directed against you in any personal way: some of my best friends are lawyers. And you can in any event afford to be indulgent: while I have some successes, I do not any more than King Canute expect to push back all the way the regulatory oceans in which you fish with such profit.

These last observations may be somewhat mystifying to those of you who were brought up to believe that inflation is an essentially technical problem that can readily be corrected by, for example, simply restraining the growth in the money supply, or the federal budget deficit. I do not deny that surges in government spending unmatched by increases in tax rates and rapid increases in the money supply have played a major role historically—including some very recent history—in fueling inflation; or that, with sufficient resolution in restricting both of these sources of total spending, we could bring it under control. But our failure to do so merely restates the question: why do some countries do less well than others; why does our country do less well today than a decade or two ago in restraining aggregate spending sufficiently to hold inflation in check?

I have no simple answers to those questions. I suggest, however, that one important way of understanding this apparently endemic problem is as the outcome of a struggle over the distribution of the national income pie. Inflation is a situation in which the sum total of those real income claims that we make adds up to more than the economy is capable of satisfying in real terms. We make these claims not just by spending our incomes for goods and services, but also by borrowing to spend beyond our income—are you aware, for example, that in 1978 consumer debt increased $50.6 billion, and mortgage debt by an additional $49 billion—by the wages we demand, the profit margins we set, the demands we make for cheaper credit, and the demands we place on government for tax deductions, preferences, subsidies, and expenditure programs. So society passes out all those dollars we insist on having in these various ways, and then cleverly arranges to have the real value of each of them diminished sufficiently so that in the end, miraculously, all of us together get in real terms exactly what our society as a whole is capable of providing us and no more—except for a great deal of frustration and anger; that comes at no extra charge.

This conception of the inflation problem is what leads me to see it as a question of the adequacy of the rules by which our society sets limits to individual self-seeking. That is why I'm convinced the President is right when he sees our willingness individually and collectively to restrain our demands sufficiently to control inflation as a real test of American society.

The task of exercising and eliciting restraint has many facets, and together these make up the President's anti-inflation program; they would be the main components of any conceivable program for a society like ours.

First, and most prominently, the government itself must lead the way by practicing monetary and fiscal restraint. Aggregate demand must be held in check; we must keep a margin of slack in the economy, in order to allow competitive pressures to help hold down prices and wages.

Second, we have to have standards of responsible wage setting and pricing. I do not want to engage you in semantic discussions about whether a program that is backed up by the threats of public disclosure and of withdrawing government contracts can be properly characterized as wholly "voluntary." There certainly is a very substantial admixture of voluntarism in our present program. If you don't believe this, go talk to the United Rubber Workers and Machinists.

On the other hand, I must point out that our standards have been remarkably effective. I suspect you would be surprised to learn, for example, that average hourly earnings have actually increased at a lower annual rate of 7.9 percent during these last nine months as compared with 8.2 percent in 1978. And that, during the last six months, when the Consumer Price Index has gone up at an everage rate in excess of 13 percent, if we take our energy, food, and the cost of home purchases—all of which have soared, but none of which it makes any sense to try to subject to the price standards —the rest of the CPI, reflecting more closely our underlying, basic rates of inflation, went up only 7 percent—nothing to write home about, but, in my judgment, a tribute to the comparative success of the standards—so far.

But the particular program of restraint on which I want to concentrate today is the President's promise to subject to intense scrutiny all government regulations that protect and promote special interests, that restrict competition, that interfere with the efficient functioning of markets, and that impose excessive costs on the economy—his promise, in short, of regulatory reform.

Regulatory reform means many things to many people. Substantively, it seems to me essential at the outset to distinguish regulations that protect particular economic interests against competition, by limiting price-cutting, market entry, or the free flow of goods and services, from the ones that have as their purpose such broader social goals as protection of the environment, health, or safety.

COMPETITION AND ECONOMIC REGULATION

I think there are two basic truths about the relationship of competition to regulation. The first is that they are fundamentally incompatible, and one has to make a choice between them. The second is that they must inevitably coexist, and the quest must therefore be for the ideal mixture.

As for the first of these propositions, I think it unquestionable that there is a basic difference between the regulatory mentality and the philosophical approach of relying on the competitive market to restrain people. The regulator has a very high propensity to meddle; the advocate of competition, to keep his hands off. The regulator prefers order; competition is disorderly. The regulator prefers predictability and reliability; competition has the virtue as well as the defect that its results are unpredictable. Indeed, it is precisely because of the inability of any individual, cartel or government agency to predict tomorrow's technology or market opportunities that we have a general preference for leaving the outcome to the decentralized market process, in which the probing of these opportunities is left to diffused private profit-seeking.

The regulator prefers instead to rely on selected chosen instruments, whom he offers protection from competition in exchange for the obligation to serve, as well as, often, transferring income from one group of customers to another—that is, using the sheltered, monopoly profits from the lucrative part of the business to subsidize the provision of service to other, worthy groups of customers. No matter that the social obligations are often ill-defined, and sometimes not defined or enforced at all; the protectionist bias of regulation is unmistakable.

I have on several occasions during the last two years, for example, described to various audiences incredibly detailed limitations it was my obligation to enforce on the operating rights and pricing by air carriers—adjectives like insane, maniacal, sadistic became part of my daily vocabulary. The only point I want to make about them is that every one of these maniacally complicated sets of restrictions—on where each carrier may fly and where it may not, by what routes, with what stopovers, what prices it may charge to which categories of customers, under what particular sadistic set of restrictions related to advance purchase, minimum length of stay, previous condition of servitude—is there to protect somebody from competition. Every one of them, therefore, insulates some business from the healthy pressure to be efficient, enterprising, and aggressive in serving the public.

And what do we get in exchange? The usual rationalization for the similar pervasive restrictionism and cartelization imposed upon the motor carrier industry, for example, namely that it ensures better service to small towns, proves upon examination to be a complete phony. In point of fact, we have discovered that the Interstate Commerce Commission does not know who is actually serving small towns. We have found no evidence that it enforces any obligations of certificated carriers to serve them, or that it has ever refused an application by any carrier to abandon such service; and we have found absolutely no evidence of actual internal subsidization. Indeed, a moment's thought should convince you that internal subsidization is totally implausible: there are thousands of certificated trucking companies, and absolutely no evidence we have been able to find of an attempt by the Commission to see to it that the same carriers that enjoy rights on profitable routes are also required to serve small communities. Unless the same carriers provide service on both kinds of routes—and carriers do not pool their profits—how can there be cross subsidization?

I have had occasion elsewhere to document the inexorable tendency of regulation to spread its net ever wider and finer, in attempting to maintain order in a dynamic industry. Regulation of the railroads seemed logically to require regulation of their new competitors, the trucks; that regulation in turn encouraged the expansion of private and exempt carriage; these exempt carriers, presented with incentives to invade the protected common carriage capacity, kept opening up loopholes—for example by leasing their trucks to certificated carriers for the return trip, often by highly circuitous routes. In each case, until quite recently, the ICC moved to curtail the exemption, to close off these competitive efforts to circumvent its restrictions.

The unedifying recent spectacle of the Department of Energy chasing gasoline and diesel fuel shortages all across the country and trying to solve them by continually modifying its allocations—and leaving new shortages in its wake—similarly clearly exemplifies the regulator's propensity to respond to problems with ever more intrusive interventions rather than leave them to the market.

Similarly, the discouragement of price competition among air carriers, under the protective regulation of the Civil Aeronautics Board, led them instead to compete through denser scheduling, more sumptuous meals, the offer of in-flight entertainment, and in commissions to travel agents.[1] And that led the regulatory authorities in turn to sanction intergovernmental or industry efforts to impose restrictions on scheduling, prescribe the size of sandwiches, dictate charges for in-flight entertainment, and fix maximum commissions to travel agents.

In short, as I have put it elsewhere, for the complete regulator, the operating principle is: whenever the regulatory dike springs a leak, plug it with one of your fingers; and just as a dynamic industry perpetually finds ways of opening new leaks, so the complete regulator never runs out of fingers.

The obvious solution to the fundamental incompatibility between the competitive approach and the regulatory ones is a principle with which I suspect most of us would not quarrel: wherever competition is feasible, deregulate. Leave the protection of the consumer to the competitive market process, to antitrust and the Federal Trade Commission Act, to direct safety regulations, where the market will not provide tolerable margins of safety, and even direct subsidies to service to small communities, if that is what society decides it wants to do.

One does not accomplish changes like this in a day. But the President has moved vigorously to deliver on this part of his promise.

Last year, for example, we presided over the most complete deregulation of a major industry in recent history, as we dragged the airlines, many of them screaming and kicking, into the free market—and right to the bank.

This year, the President has sent to Congress a bill to apply similar treatment to trucking. Meanwhile, the ICC has been moving on its own to make entry easier, to remove some of the most onerous restrictions on backhauls by private carriers; and the Senate has just confirmed the appointment of three outstanding, reform-minded new commissioners, one of them, by an interesting coincidence, the man I appointed as my chief economist at the Civil Aeronautics Board.

We have already submitted to Congress a proposed bill for rail deregulation. I had the pleasure recently of strongly supporting a petition by Trailways to the ICC for an experiment in free market entry this summer, and of seeing it approved, in modified form.

In the field of communications, the FCC has already moved to eliminate some of the most burdensome restrictions on cable TV operators—which had the purpose, of course, of protecting over-the-air broadcasters from competition. We are actively working with Congress to explore ways of making competitive entry into the common carrier field freer as well, and to eliminate some of the traditional regulatory boundaries, long ago rendered obsolete by the march of technology, which the several communications carriers have been prohibited from crossing.

Finally, under this heading, I must mention the President's courageous decision to deregulate the domestic price of crude oil over the next two years. This was a cruelly difficult choice: letting the domestic price move up to the world level maintained by a powerful cartel had obvious political drawbacks, and its immediate effects are probably inflationary. But deregulation is clearly the most efficient way of meeting our energy, balance of payments, and national security problems. By far the most efficient way of taking care of the unwanted effects of deregulation on the distribution of income is not to hold price below replacement cost, thereby subsidizing all consumption (and incidentally, imports) but to impose taxes on the windfall profits and distribute some of the dollars to the needy.

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[1] Remarks of Alfred E. Kahn, before the Symposium on The Changing Environment of International Air Commerce, Georgetown University, in cooperation with the Air Transport Association of America, May 4, 1978.

CHOOSING THE LEAST ANTI-COMPETITIVE AMONG THE AVAILABLE ALTERNATIVES

In other situations, however, total deregulation is out of the question—either because of political resistance, or in principle: in the presence, for example of powerful externalities, such as adverse effects on the environment, or irreversibilities, as in the case of severe threats to public health, or in situations in which consumers or workers may be simply incapable of making informed judgments, as in situations involving occupational or product safety. In these cases, the simple competitive prescription is infeasible.

But in these situations as well, the necessity for making efficient choices is fully as great as where we can rely on competition to make them; and we cannot afford to give up entirely, except where it is inescapable, the powerful pressures for efficiency that competition exerts.

This means, as a general proposition, that it makes good sense to instruct regulatory agencies, wherever such an assessment is pertinent, to ask themselves—aloud—whether some particular statutory purpose can conceivably be served by a variety of devices, of varying degrees of anti-competitiveness, and to be forced at least to explain if they fail to choose the least anti-competitive one—something along the lines of the Svenska doctrine in the maritime field, or Local Cartage, in air transport. The agencies regulating transportation, for example, obviously should be asking themselves whether service to small communities might better be achieved by freer entry into those markets than by imposing on unwilling carriers only partially effective to totally ineffective obligations to serve them.

In communications, similarly, we satisfied ourselves at the New York Public Service Commission that the quality of telephone service could be adequately ensured—indeed improved—by our adopting a policy of free competitive entry into the terminal equipment field, along with a program for certifying the compatibility of customer-owned equipment with the delicate communications network.

It is not clear whether it will be possible to permit free entry into common carrier communications as well, without having to stipulate in detail the prices the Bell System may charge for competitive services, in order to prevent subsidization of that competition at the expense of captive customers of Bell's monopoly services. One less anti-competitive way might be, instead, by requiring Bell to operate in this field through an independent subsidiary, and obliging it to make its monopoly facilities available to all competitors, including its own subsidiary, on uniform terms.

The steps we have taken in liberalizing Regulation Q—which sets maximum interest rates that banks can pay depositors—illustrate the same principle of adopting the lesser of the available anti-competitive alternatives. One problem presented by such a reform is the squeeze that it threatens to impose on thrift institutions, who would be forced to bid higher and higher interest rates in order to retain their deposits, while their assets are tied up in long-term mortgages bearing lower interest rates fixed in the past. The solution the Administration adopted was to achieve these necessary protections, on the one side by relaxing Regulation Q only over a period of years, and on the other side relaxing the present restrictions on the lending and investing activities of these thrift institutions.

APPLYING MARKET PRINCIPLES TO ENVIRONMENTAL AND SAFETY REGULATION

The other major kind of regulation—environmental, occupational and product safety—is very different in principle. No one in his or her right mind could argue that the competitive market takes care of protecting the environment. In the presence of such externalities, and in the absence of regulation, competition becomes rivalry in the degradation of the environment; unless the government intervenes, producers and consumers will have no incentive to hold down the costs that they can slough off to others. As a result, they will refrain from making any expenditures, no matter how small, to cut down on those costs, no matter how large. Although there are some important differences in the case of occupational and product safety, the fact remains that we as a society are unwilling to leave these to the operation of the free market.

It has become commonplace to observe that the rapid spread of these regulations in recent years has imposed heavy costs on the economy, and that this has contributed to inflation. It has also been observed that it has contributed directly to the distressing decline in the rate of productivity growth.

I am not particularly interested in joining in the population numbers game about the aggregate costs of these regulations, because these estimates are close to meaningless. Costs can intelligently be measured only in relation to the benefits they provide; the pertinent question is, therefore: what is the value of what we get in return? And are we maximizing the value in relation to costs?

The same observation applies to the alleged contribution of these regulations to diminished productivity growth. We measure productivity by putting output in the numerator and input in the denominator. You can always get high measures of productivity if you include in the denominator only the costs that a business pays and leave out other genuine costs that supplying its products or services actually imposes on society—the costs of industrial accidents, disease, or degradation of the environment. No wonder, then, that internalization of those costs by regulation, imposing the costs of abating them specifically on the production or consumption that causes them, has in recent years resulted in some apparent dampening down in the rate of labor or capital productivity growth.

None of this is to deny that these regulations have increased the money costs of doing business, and therefore contributed to higher prices. The consumer is now being asked to pay in those prices a number of real costs that all of us previously paid for in concealed ways. If all of us try to compensate for those higher prices by demanding and getting equivalently higher money incomes, we will have given an added twist to the inflationary spiral. We can't have cleaner air and cleaner water and safer products and reduced industrial accidents while at the same time having just as much of everything else. And if we continue to demand, all of us, just as much of all those other things while now demanding additional amounts of environmental and occupational protection, then this does produce inflation.

The benefits of environmental protection and clean-up and improved occupational and consumer product safety are real; so are the costs they impose on the economy. Because they use scarce resources—capital, labor, raw materials—these regulations must be subjected to economic tests—to a weighing of the costs against the benefits—if they are to be rational.

I think there is little room for doubt that we have not consistently applied this test in the past. Nor have we consistently attempted to devise regulations that would maximize the incentive of private parties, businessmen and consumers to minimize the costs, or to find ways of producing the benefits in the most efficient way.

The President's program quite properly involves applying such tests.

How well have we delivered on this promise?

The most general effort is the Regulatory Reform Act of 1979, which the President proposed in March, and which would codify many of the reforms he established in Executive Order No. 12044. In addition to provisions to eliminate needless legal formalities and delay, this law would require that when agencies develop major regulations, they list alternative means of accomplishing the objectives, with the costs and benefits of each, and select the least costly way of achieving a given objective or explain their failure to do so.

One very interesting embodiment of this principle is the bubble policy that the Environmental Protection Agency has established: it is an excellent example of a way of simulating a competitive market, and in this way holding down the costs of regulation. Competition serves the cause of efficiency by distributing production among the lowest-cost suppliers; more specifically, for those of you who have a taste for the jargon, it tends to minimize cost by equalizing costs at the margin from various sources of supply. The bubble policy, which would permit plants to achieve emissions limitations on a plant-wide basis, rather than equally from each of a plant's separate sources of emissions, would do the same thing. It would enable businesses to control emissions stringently where the marginal costs of doing so are low, and less stringently where they are high, and would permit them in this way to achieve the same results with very, very large possible cost-savings.

Observe, also, how well the bubble policy exemplifies another central aspect of regulatory reform: abandoning, to the greatest extent possible, detailed specifications by the regulatory agency of the precise methods of meeting a particular goal, in favor of establishing performance standards, and leaving it to the regulated industries to find the least costly ways of achieving them.

An even clearer emulation of the competitive market is EPA's policy of permitting proposed new sources of emissions to be sited in "non-attainment regions" provided they obtain offsetting reductions in the emissions from existing sources. It is also proposing the use of marketable permits for siting facilities in "attainment" areas. What this means, in effect, is that the permission to impose on society the costs of pollution would be distributed competitively, rather than rationed on the basis of who came first: it would therefore tend to maximize the social benefits achieved while holding pollution levels within specified limits.

Indeed, the most heartening recognition of the applicability of competitive principles to regulatory situations is the apparently almost universal acceptance of the notion, now, that if we ever were to institute gasoline rationing, it would be highly desirable to make the coupons freely transferable. In this way, we could achieve whatever equity goal motivated the institution of rationing in the first place: total demand would be restricted, the price of gasoline bought with coupons would therefore assure access to the lower-cost gasoline in whatever way accorded with our conception of social equity; but buyers could get all the incremental supplies they were willing to take at a free market price; and coupon holders would be rewarded for such conservation as they practiced by being able to sell their coupons at that price.

It would make this account of mine excessively long if I were to attempt to describe in any detail the many other instances in which, where it seems impossible actually to introduce something approximating a free market, the Administration has attempted at least to accomplish some approximation to a sensible balancing of costs and benefits in framing its regulations. The Regulatory Council—an organization of the regulatory agencies themselves—the Regulatory Analysis Review Group, composed of senior White House and Administration officials, and The Council on Wage and Price Stability, have been extremely active in attempting to introduce economic rationality into these decisions wherever feasible. The results of their efforts can be seen, among other places, in the elimination of a large number of nitpicking rules by the Occupational Safety and Health Administration; in our proposed legislation to prevent the otherwise automatic application of the Delaney Amendment and similarly preemptory restrictions to the use of nitrites in processed meats. You can see the results of these efforts, for example, in the regulations ultimately issued by the Department of Transportation for improving the access of the handicapped to rapid rail transportation; in the surface mining regulations recently issued by the Department of Interior, and in EPA's ozone regulations and its new source performance standards on sulfur oxide emissions from coal-fired electric generating plants, all issued this year.

HOSPITAL COST CONTAINMENT

There is one area, in which, superficially, it might appear the Administration is going in the opposite direction. I refer to its proposal for hospital cost containment legislation, which would set specific limits on the permissible growth in total hospital expenditures each year. How does a deregulator like me justify this position?

The proper principle of regulation is that where the free market will work, for God's sake let it work! Where however the free market is inherently and seriously flawed, then regulation may produce a better result: but try to regulate, as much as possible, by setting broad performance goals, leaving it to the regulated to find the most efficient ways of achieving them, rather than by detailed prescriptions of how they must get there.

The market for hospital services clearly fits this latter characterization. The reasonableness of hospital charges and services can not be left to the competitive marketplace, as it works now.

More than 90 percent of all hospital bills are paid by third parties—insurance companies, Medicaid, Medicare. So, neither the consumer of hospital services nor the provider feels the pinch of rising costs in deciding what kind of facilities and care shall be provided. Moreover, about 60 percent of the reimbursements to hospitals from third parties is based on the principle of the more they spend, the more they get—pure cost plus. The rest of the reimbursements are made on the basis of hospital-established prices—the hospitals are paid what they ask.

There are, therefore, practically no incentives for any segment of this system to try to keep costs down.

One of the problems that we often encounter when price competition is adequately effective, as it is here, but the urge to compete among businessmen remains strong, is that it tends to take the form instead of cost-inflating improvements in product and service quality. The general economic principle is that if we prevent competition from driving price down to cost, then it will often operate by raising cost to price.

The airline industry was a perfect example of this, as I have already observed. The solution there was simply to open the market to price competition. Similarly, one important reason for the spiraling of hospital costs has been the tendency of localities to build more munificent hospitals, paid for largely by other people, equipping them with the latest, most costly equipment, and for doctors to provide even more thorough treatment, almost regardless of cost.

But the remedy that worked so well for the airlines is simply not available where hospitals are concerned. The normal competitive checks don't work, because the consumer does not pay the price. Here instead, it takes the imposition of a price ceiling to control the inflation of costs.

Now I recognize fully that the imposition of arbitrary caps is not the fundamental solution. That will have to be an attack on the basic inadequacies of the market for hospital services. But that will also take time. Indeed, I see hospital cost containment accelerating progress toward those fundamental solutions. It will put pressure on both hospitals and the states to find better ways of controlling the wastefully duplicative, subsidized construction and equipment of new hospitals, and to introduce reimbursement methods that provide doctors and hospitals with an incentive to economize.

In concluding this apologia for an airline deregulator serving as the President's Advisor on Inflation, I would be less than frank if I did not confess how extraordinarily difficult it often seems to be to try to reshape government's regulatory interventions in an anti-inflationary direction. Consider for a moment the way in which licensing of entry into almost any service or profession that you can think of often restricts competition—except of course in the case of the law; consider the restrictive building codes and zoning ordinances that cumulate the costs of building new houses; consider the entire range of tariffs and quotas against foreign competition, and the welter of government activities supporting the prices, restricting the production, and cartelizing the marketing of agricultural commodities; consider them separately or consider any one of them individually, and you will quickly perceive why inflation is so intractable a problem.

The contribution of each one of these price-inflating policies to the overall inflationary result will always seem small, hardly worth fighting over; the people who are injured will ordinarily be widely dispersed, ill-organized and ill-informed, and the stake of each in each policy or action will be small. In contrast, the beneficiaries will typically be few and well-organized, and the stake of each will be large.

That unequal confrontation, repeated on thousands of small, not-very-public issues is the essence of the ways in which government regulatory interventions contribute to inflation. Entering into those individual confrontations, and tipping the balance on the side of the public interest, is the essential way of rooting it out.

I hardly have to point out to you that while everybody is in favor of competition in principle, the everybodies who count in each specific instance, who weigh in with the critical votes, all too often save their pro-competitive devotionals for the day of rest. So—as I learned to say as a boy—what else is new?

What is new, I hope, is an emergent revolt among the American people against the consequences of an everybody-for-himself, special interest society; a recognition that inflation is something we are doing to ourselves—and that we don't have to keep doing it, that combating inflation has something to do with proving we are a real country, with redeeming American society, with giving living recognition to the bonds that hold us together. With perseverance, we can prevail.

THE FEDERAL REGULATORY MESS ON NITRITES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WAMPLER) is recognized for 30 minutes.

Mr. WAMPLER. Mr. Speaker, because of the lateness of the hour I do not expect to consume but just a few moments of the time that has been allocated to me under this special order.

Mr. Speaker, late in the evening of Friday, August 11, 1978, a joint announcement was issued by officials of the Department of Agriculture and the Food and Drug Administration that one of our oldest and most widely used food preservatives, nitrite, had been tested and found to cause cancer when ingested by laboratory rats. On this basis, the use of nitrite to preserve food for humans was to be halted under existing law. However, it was noted that a special dispensation was being sought from the Department of Justice to phase out the preservative rather than to ban it outright, since nitrite had the property of preventing botulism toxin, a deadly food poison.

As expected, the announcement of the pending ban immediately created headlines and TV news across the land.

Some of us in the Congress had learned via the grapevine of the existence of the Newberne study findings on nitrites before this announcement. We had urged officials at FDA and USDA to exercise extreme care in regulating in this area—especially since we were aware of the added risk of creating a botulism hazard if nitrites were banned. We also expressed concern that a ban or the suggestion of a ban might also create economic havoc in the meat, poultry and fish industries, since we were aware that there was no alternative preservative available and acceptable for consumer protection. Unfortunately, our requests for briefings and our urgings for scientific validations of the Newberne study, before the announcement of regulatory actions, were ignored.

Mr. Speaker, the Congress held hearings following these announcements. After vigorously supporting the validity of the Newberne test, the meaning of the tests and the necessity to proceed with regulatory action in hearings before the Congress, the Food and Drug Administration suddenly decided in mid-October 1978 that it was going to conduct an expensive slide-by-slide review of this study. This decision to review the study, as part of a standardized review process—made after nitrites had been condemned before the world as a cancer culprit—seemed rather strange to me. As a matter of fact, it strengthened the rather strong indications I had been getting that the Newberne study was defective, and that it should not be used as the basis for a regulatory decision to either ban or phase out the use of nitrites as a food preservative.

In September 1978, I requested a quick scientific peer review of the Newberne study by the Council on Agricultural Science and Technology (CAST). On October 4, 1978, a CAST task force composed of a number of scientists officially questioned various aspects of Dr. Newberne's study. In particular, the task force questioned estimates of human cancer risk, developed by USDA and FDA from study data, for consumption of nitrite in cured—preserved—meat.

In November 1978, a number of my colleagues and I asked the Comptroller General to investigate the Newberne study contract, the decisionmaking at FDA and USDA with respect to the contract, and the decisions at these agencies with respect to the test results. We also asked GAO to make recommendations to the Congress on any legislative changes that should be made as a result of their investigation. The results of this investigation are expected shortly.

In April 1979, I requested a copy of the interoffice and interagency letters, memorandums and documents pertaining to the decision by FDA and USDA to accept the Newberne study. It was my thought that regulatory decisionmaking had been allowed to proceed too far before appropriate, adequate and reasonable efforts had been made within FDA and USDA to seek good scientific advice on the validity of this whole process.

Dr. Kennedy, the Administrator of the Food and Drug Administration, promptly acknowledged and subsequently complied with my requests in May 1979. After reviewing the mass of documents furnished me by FDA, I sent them to the Congressional Research Service, requesting that they prepare a case history of FDA actions on Dr. Newberne's nitrite study based on analysis of the FDA documents furnished me.

Mr. Speaker, inasmuch as the Secretary of Agriculture and the Secretary of Health, Education, and Welfare have submitted proposals to the Congress recommending specific legislation to phase out nitrites based on the study in question, and because the CRS report shows, in my view, that both the FDA and USDA used questionable judgment in validating the Newberne study before it had been scrutinized by the scientists of this Nation, the publishing of the CRS report is essential to set the record straight on the nitrite issue.

For these reasons, I ask unanimous consent to print the CRS manuscript, entitled "Case History of FDA Actions on MIT Nitrite Study," in the CONGRESSIONAL RECORD immediately following my remarks. The Public Printer has informed me in writing that the probable cost for inclusion of this material is $1,640.50.

CASE HISTORY OF FDA ACTIONS ON MIT NITRITE STUDY

(Prepared by Sarah L. Hartman, Analyst in Life Sciences, Science Policy Research Division, Aug. 1, 1979)

INTRODUCTION

Nitrite salts, either directly added or converted from the similar chemicals nitrate salts, have long been used in the curing of meat and other food products. Such salts give to foods such as hams, salamis, and frankfurters, their familiar cured flavor and pink color, and have been found to protect them from the possible threat of botulin contamination. However, beginning in the late 1960's, concern began that nitrite additives might be a health hazard, with analyses which showed contamination of various meats with compounds of a family of chemicals called nitrosamines of which many are considered important potential carcinogens in man. These are now known to be derived, under certain conditions, from the combination of nitrite with amines, which are common constituents of many foods. These nitrosamines were most often found in cooked bacon, where the necessary cooking temperatures favor the so-called nitrosation reaction (formation of nitrosamines).

At about the same time, studies began to appear indicating that nitrosamines may form in vivo, or after ingestion of large quantities of their nitrite and amine components. In 1971, the Food and Drug Administration (FDA) began sponsorship of one such study, performed by Drs. Ronald C. Shank and Paul M. Newberne of the Massachusetts Institute of Technology (MIT). The purpose of this study was to investigate, using three animal models, the potential for in vivo nitrosation after ingesting nitrite and the amine morpholine. The study design also included feeding one group of animals nitrite alone. The revised final report was submitted to FDA in March 1975. The results showed a relationship between the nitrite/morpholine feedings and an increased incidence of tumors commonly associated with the nitrosamine, N-nitrosomorpholine, which is presumed to have resulted. An additional unexpected result was that the animals receiving 1000 parts per million (ppm) sodium nitrite in the diet and as morpholine showed an increased incidence of malignant lymphomas (cancers affecting the spleen, lymph nodes, and the cells that make white blood cells).[1]

Because the original study design was not well suited to examine the effect of nitrite alone, a second FDA contract (No. 74–181) was issued in 1974 to Dr. Shank and later transferred to Dr. Newberne, a coinvestigator of the previous study, to study more fully the chronic toxicity of nitrite alone, when added to various diets and to water. Final results of the study were dated May 18, 1978. In his own summary, Dr. Newberne concluded that "nitrite appears more a promoter of the neoplastic [cancer-forming] process than an initiator," but that "the effect of nitrite on the lymphoreticular system, under conditions of the study, is adverse and requires consideration, as it may relate to the human population consuming nitrites daily."

On August 11, 1978 the FDA, jointly with the Department of Agriculture (USDA), announced the results of the second study in a statement which clearly indicated that regulatory action to begin a phaseout was under consideration. This action precipitated a heated debate in the press and in hearings before committees of both Houses of Congress as to the proper meaning of such results. The public was being told it had a choice of contracting cancer from nitrite or botulism from hot dogs if nitrites were no longer allowed. At the same time, reports were circulating about infringements of FDA's Good Laboratory Practices guidelines associated with the conduct of the study, and about some possible disagreement among scientists regarding the orignal diagnoses of cancer; this resulted in a full-scale review of the study's evidence. Soon, the House Committee on Agriculture had requested an audit by the General Accounting Office to determine the nature of the FDA's actions on nitrite. Thus, confidence in the Newberne study's results gradually diminished following its release in August, 1978.

Although FDA claims an obligation to act on evidence that may be less than conclusive, in the case of nitrite, Members of Congress and the meat industry, among others, charged the Agency with reaching unjustified conclusions of various kinds. They argued that the results of the Newberne study had gone unreviewed by the scientific community and therefore were unreliable and faulted FDA's willingness to use the results of one study to reach a conclusion of carcinogenicity when this would have a profound effect on industry and consumers. Finally, many viewed the case as an opportunity to argue for changes in the law, so that other kinds of considerations, such as health and economic benefits, could be incorporated into FDA's decisionmaking process.

It is the purpose of this report to review the actions of the FDA when faced with the Newberne study's important results. The process of analyzing and evaluating the scientific results to reach a conclusion of carcinogenicity will be considered separately from the political process of acting on this determination of risk. This case is compared with how the agency normally handles such a situation. Comments are also made, where appropriate, on the general approaches recommended in five reports of the National Academy of Sciences (NAS) which relate to testing and evaluation of environmental or food chemicals.

Reconstructions of FDA actions in general and in the case of nitrites are drawn exclusively from internal FDA documents furnished by the Commissioner at the request of the House Agriculture Committee's Ranking Minority Member, William C. Wampler. This collection of materials is referred to in a letter of transmittal from Commissioner Donald Kennedy as "a complete file of documents and background materials"; however, any inferences made from it are necessarily tentative as many important actions and decisions may have gone unrecorded in the written file.

SCIENTIFIC ASSESSMENT OF CARCINOGENICITY

Normal FDA process

FDA is regularly confronted with scientific studies purporting to measure health risk or safety associated with the use of the classes of chemicals the agency regulates, i.e. those which ultimately become integrated into foods, drugs, or cosmetics. As in any scientific endeavor, the regulatory meaning of each experiment depends upon appropriate design, procedure, and analysis of results. Although thorough review of these components by the scientific community cannot prove or disprove a theory, it does serve either to reinforce an experimenter's interpretation of the data or, in some cases, point out flaws which undermine conclusions he has made. Proof of a theory derives from many repetitions of results followed by positive peer review. There is apparently no statutory or regulatory requirement for such review at FDA; rather, it seems that each case is handled on an ad hoc basis, with generally more emphasis on those cases of fundamental regulatory importance.

The process FDA usually follows in reviewing its contracts is discussed in accounts

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by the Commissioner Donald Kennedy[2] and by Dr. Albert C. Kolbye, Associate Director for Sciences, Bureau of Foods, FDA.[3] In a case in which the FDA has contracted for a study, it is first reviewed by an internal committee comprised of those most familiar with the study; this is called the Project Advisory Group (PAG). Members of this committee are charged with determining whether the obligations of the contractor have been fulfilled. At this stage, the object is to ensure that the protocol and procedure of the experiments are satisfactory, that data are presented in an appropriate form, and that statistics are properly done. Acceptance of the completed work is dependent upon criteria such as these, and in theory does not mean that FDA's interpretation of the data will agree with those of the principal investigator. This must be determined by further review and evaluation by experienced scientists.

When the subject of the study is of particular regulatory importance, especially where cancer is involved, the study is subjected to more rigorous review to determine its strengths and weaknesses. This is done to ensure its validity as a test of a hypothesis. Experienced toxicologists begin the data review process in the Division of Toxicology. Second, where cancer is involved, a cancer assessment committee brings together relevant experts in toxicology and pathology to evaluate the reliability of the data, whether the problem is with a contract or with data supporting a food additive petition.

Finally, data of particular significance go through various levels of examination by experienced scientists in the Division of Toxicology and, if necessary, through higher channels to the Commissioner's office. Thus toxicological problems arising in the food additives branch are brought to the Associate Director of Regulatory Evaluation (Dr. Flamm), from there to the Director of the Division of Toxicology (Dr. Blumenthal), and ultimately to the Associate Director for Sciences, Bureau of Foods (Dr. Kolbye), if there is anything unusual or important in the data. The Associate Director for Sciences is also in charge of two divisions which are "intimately involved" in analyzing cancer data: the Division of Mathematics and Statistics, and the Division of Pathology.

At the same time, a similar chain of command exists in the Office of Compliance. Analysts in the Division of Food and Color Additives evaluate the regulatory aspects of a scientific finding and make recommendations to the Director of the Office of Compliance (Mr. Quinn). Normally, Mr. Quinn would then make recommendations, with the advice of Dr. Kolbye, to the Bureau Director (Dr. Roberts, acting).

Nitrite case

In this case, the second nitrite chronic feeding study was completed on May 18, 1978. In the time between that date and September 27, 1978, when final data were apparently received at FDA, several changes were made by Newberne in the raw data upon which statistical analyses were made and conclusions drawn. In a press held during that time, on August 11, the FDA and USDA made clear their intention to initiate administrative action to gradually phase out the use of nitrite food additives in cured meat products. The documents in the Committee's possession are not conclusive with respect to what attempts were made to secure review of the data before August 11. What appears to be the case, however, is that FDA began requesting critical scrutiny only after that date, with the inception of the Interagency Working Group (IWG) on nitrites.

Project Advisory Group Review: Monitoring of FDA contract 74–181 began prior to the submission of the final report in May. The project officer held frequent conversations with Dr. Newberne and made site visits to his laboratory. In one of these discussions, in January 1978, Newberne indicated that the preliminary results were showing nitrite was not a carcinogen.[4] By May 1 of that year, a carcinogenic effect had been ascribed to the feeding of nitrite alone and a preliminary risk analysis made.[5] In a memo describing the data of the study, Dr. Morgenroth, Division of Toxicology, states that the data appear to confirm the earlier findings (in the 1971 contract) of observations of lymphoma from nitrite, and goes on to set out theories of how nitrite might contribute to this carcinogenic effect.[6] When the final report of the study was received at the contracts office June 5, several FDA personnel visited Newberne's MIT laboratory to determine that no new information was contained in the report which significantly altered the discussion in the May 19 memorandum to Dr. Kolbye.[7] At this point there was no indication that FDA was conducting an analysis of the data separately from Dr. Newberne.

On July 11, 1978, the project officer recommended acceptance of contract No. 74–181 on condition that minor changes, mostly in format, be adopted. In addition, it was requested that some explanation of statistical methodology be included.[8] When, after satisfactory completion of the checklist, the Chairman again recommended acceptance of the report, he noted that "this does not infer, however, that FDA's interpretation of the data generated under this contract will necessarily agree with that of the principal investigator."[9] This is the first time mention is made of possible disagreement with Newberne's conclusions, but it comes after the initiation of a complete review of the data in response to diagnostic disagreements resulting from the work of the Interagency Working Group, described below.

These actions, then, can be seen as constituting the first part of the review process, in which, as described above, the study is essentially examined for completion of the contractor's obligations. Some mention is also made of "in-depth statistical review" of the results[10], but this is unsubstantiated in the Committee's record. Further review by scientific peers of the type that instills confidence in a study's results came later.

Peer Review: The first record of transmission of the preliminary results of the Newberne study to those outside FDA appears in letters addressed to health representatives of the governments of the United Kingdom and Canada.[11] In them, Dr. Roberts, Acting Director, Bureau of Foods, explained that the study would necessitate an as-yet-undecided regulatory decision; attached to the letters are copies of Newberne's data. No request for comments is included in the letter; rather it is intended to inform the recipients of the situation.

Accordingly, no specific responses to the data are included in the documents at hand. However, a memorandum of a later telephone conversation in response to the draft comments prepared for the Commissioner's August 11 press conference reflects the clear disagreement of Dr. Fairweather, U.K. Department of Health and Social Security, with the tone and substance of the Commissioner's draft remarks. He commented that there must be a detailed examination of the study and discussion with Newberne before determining the meaning of the study's results.[12]

A memo dated August 14, 1978,[13] and another dated September 11[14] mention FDA's consultations with British and Canadian colleagues. Both mention that concurrence with the Canadian Health Protection Branch on the meaning of the study's results was reached. Neither one mentions the disagreement with the British Principal medical officer, Dr. Fairweather, and the August memo dismisses his reaction by simply stating that he had made "only preliminary review" to date, but planned to visit Dr. Newberne for a personal review.

Other countries are reported to have been sent copies of the results,[15] but there is no record of any foreign reactions beyond those discussed above.

August 8 appears to mark the start of the first open examination of the accuracy and meaning of the Newberne study results. On that date the Interagency Working Group on nitrites was formed, whose objective it is to "review and evaluate the chemistry, toxicology and epidemiology of nitrites/nitrites/nitrosamines, identify knowledge gaps and recommend research to address those gaps."[16] On August 11, the joint FDA/USDA press conference was held to announce the Newberne study and the formation of the review group (IWG). Shortly afterward, the process of external review began with letters from Dr. Robert L. Elder, Deputy Associate Commissioner for Health Affairs (Science) sent to nine eminent scientists, several of whom had been active with the previous USDA Expert Panel on Nitrites and Nitrosamines. Although it appears from the one example in this file that, as in that case, the study was generally sent out August 14 with no request for comments, this oversight was corrected in a followup letter of August 24.[17]

As of the first meeting of the Interagency Working Group on nitrites it was clear that substantive questions were arising with regard to all aspects of the study, including conduct of the experiments, diagnosis of tumors (pathology), accuracy of data, statistical analysis and, most importantly, interpretation of results. At that time, the data had already begun to change, and the overall combined incidence would eventually change from 12.5 percent and 8.4 percent (treated and untreated)[18] to 10.2 percent and 5.4 percent (treated and untreated, respectively).[19] In a background document prepared by Dr. Kolbye for use in the preparation of testimony for the Commissioner, he explains that while any scientific study will be criticized, it is important to realize that end results must be considered in terms of strengths and weaknesses of experiments producing them. The following are some of the questions coming out of the IWG consultations which he saw as important enough to require resolution before the significance of this study could be concluded:[20]

(1) Because of a higher than normal background incidence of lymphomas in control animals, was there something unusual occurring in these experimental animals related to infection or concurrent exposure to some other cancer-inducing substance?

(2) Because a major end-point was lymphomas and aberration in the immune mechanism involving lymphoblastic cells was noted, is there a relationship between alterations in the immune system versus lymphomas or the administration of nitrites?

(3) Because some groups of test animals were not controlled by identical groups not exposed to nitrite, are some of the results artifactual rather than real?

(4) Since the histopathologic diagnoses are not yet confirmed by an objective panel of pathologists, are the numbers of animals diagnosed as having lymphomas as compared to those diagnosed as not having lymphomas (or any other tumor types) accurate?

(5) If some of the numbers change slightly, will the end result of statistical significance also change? (The answer to this question is quite possibly.)

(6) Could some of the effects be attributable to particular litters as opposed to the

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influence of the exposure to nitrite? (The answer to this is presently unknown.)

(7) Are the biological phenomena observed in this experiment significant unto themselves as compared to considering only the statistical significance of the end results?

At that time Dr. Kolbye estimated the work of the Interagency Working Group would require about two to four months.

Several of the scientists who commented on the study were forthright in their objections to the use of the study to conclude that nitrite is a carcinogen. At the first meeting of the Interagency Working Group it was noted that Dr. John Weisburger (formerly of the National Cancer Institute where he headed the bioassay program and at that time with the American Health Foundation) was evidently leading an effort among university scientists and others to argue against using the study in that way.[21] Dr. Kolbye himself was concerned at the beginning of September that the expected scientific challenge would undermine the use of the study to justify a ban on nitrites.[22]

Later, other scientists agreed. Dr. Hans Falks, Associate Director for Health Hazard Assessment, National Institute of Environmental Health Sciences, stated that "so far [having read additional references] has not changed my mind that we don't really have enough evidence to implicate nitrite as being a carcinogen per se." [23] Dr. Philip Handler, President of the National Academy of Sciences, concluded that while he considered the conduct and design of the exepriment to be excellent, "the results of that experiment are, at most, barely suggestive that nitrite be viewed as a small public health hazard." [24]

The accuracy of the diagnoses of cancer soon became the biggest issue of scientific concern. Briefly, in response to some doubts, two pathologists on the IWG began a review in late August of the diagnoses of malignant tumors made from Newberne's slides of animal tissues. By mid-October they had determined that their own individual diagnoses were in essential agreement; but in strong disagreement with those of Dr. Newberne, their sampling yielded a reduction of 17% of malignant tumors of all types from the original diagnoses.[25] Because of this disagreement, it was decided at the second IWG meeting that all the slides be reviewed by an independent group of pathologists, since reliable statistical analyses on which to base interpretation could not take place without accurate data.[26] This task has been contracted to the independent organization, Universities Associated for Research and Education in Pathology, Inc. (UAREP).[27] Results of the review are not expected until late in 1979 or early in 1980.

FDA attitude toward scientific review

Having seen the outcome of the eventual review, it is important to note that most of the information damaging to the credibility of the study was requested by FDA and then became available only after the press conference statement which strongly implied that regulatory action was warranted by results of the study. It was at that time that the study was first made available to the public or even, accordingly to some documents, to scientists in the Bureau of Foods who normally would have been involved from the start in a full-scale review of the data and their interpretation. The testimony of at least one high-level FDA staffer suggests that, contrary to the Commissioner's statement in September that "the FDA review process in this important case has already exceeded acceptable standards," [28] the normal process, beyond the perfunctory PAG contract review for acceptance of the study, was largely ignored. Further, data review and evaluation appears to have been considered a formality, while Bureau memos throughout the summer concentrated on explaining by hypothesis the action of nitrite.

A draft background document dated August 9 appears as part of the Bureau file.[29] It presents background information on nitrites, including topics such as the history of its use and concern about health effects, a risk assessment, the legal framework, and proposed FDA actions. It states that "after reviewing the results of the MIT study, FDA has reached the conclusion that nitrite induces cancer when ingested by rats, and that it therefore poses a significant cancer risk to man." [30] Although it admits that there will be scientific controversy over the study, it states the belief that "once the study has been examined by the scientific community there will be overwhelming scientific consensus in the scientific community that nitrite has been shown to induce cancer."

Despite this confidence in the "best judgment of FDA and USDA scientists", the minutes of the first meeting of the Interagency Working Group indicate that "only three individuals from the Bureau of Foods were in that group [the working group set up by the Commissioner after the study was submitted], so most scientific review in the Bureau of Foods was bypassed." [31]

In a conversation with GAO staff, Dr. Kolbye elaborated on the differences between the process by which this case was handled and that by which others are normally handled.[32] While there do exist established administrative practices for such a review, he concluded that these were "largely not followed in this instance." [33] According to Dr. Kolbye, the review was being conducted in July and August by a special ad hoc committee composed of the Commissioner; the Executive Assistant to the Commissioner, Mr. Grumbly; General Counsel's Mr. Pape; the Acting Director of the Bureau of Foods, Dr. Roberts; toxicologist Dr. Morgenroth; and possibly Mr. Gittes of the Division of Toxicology. During that time, a working background document containing a proposed policy statement was being held confidentially.[34] Also during that time he was denied access to the data, even though normally such data would be reviewed by several divisions under his administration and coordinated in his office. Instead, he first saw the Newberne study the week of August 12 when he began an intensive review of the data, only to discover that they were changing. In addition, he apparently was unimpressed with the quality and level of experience of the few scientists involved and expressed to Dr. Roberts his "growing dismay and concern that events were proceeding too quickly without an adequate foundation of scientific review." Dr. Kolbye, at least considered the case unusual: "I have never experienced before in my government career a situation where the word was most of us were excluded and not to get involved." [35]

This apparent lack of openness in the administrative review procedure seems to be based in an overwhelming concern that release of the results be accompanied by a regulatory decision. From the first instance where FDA shared these results, with representatives of the British and Canadian governments, this was the case:

"These results, on top of the nitrosamine problem, put nitrite in jeopardy in the U.S. . . . We expect final results in 2–3 weeks from this study being conducted at MIT. Soon after that the results will have to be made public and a regulatory decision made." [36]

Again, in a memo summarizing an interview with *Science* magazine, Dr. Roberts dismissed the scientific doubts regarding the study:

"Mr. Smith then dwelled on the statement attributed to Dr. Newberne that regulatory action was not warranted until additional research was done. I explained that whereas there were many questions about the toxicology of nitrite, as is always the case with science, the MIT study was positive. Further I expressed the opinion that the MIT study was one of the largest and best conducted studies with which I was familiar. That being the case I didn't think the law gave us much latitude, notwithstanding the fact that additional review of the MIT study and/or additional research would be helpful in understanding nitrite." [37]

That excerpt suggests that a review of the data was considered a formality in this case and that the conclusions reached by Newberne were essentially accepted by the agency. The September 11 memorandum from the Commissioner to the Secretary on the issue likewise conveys this message. In the course of arguing for the initiation of administrative action, the Commissioner discussed the question of how much review should be required to begin the process. He pointed out that the study had been made a part of the public record and that Newberne had been preparing a paper for publication in the scientific literature in order that scientific scrutiny could begin. He then stated:

"Scientific peer review tries to establish (as "proof") the validity of a test of a hypothesis. . . . It puts the seal of reliability on an experimental result, so that it can be used in further theory construction. It is not a guarantee of being right—only history can provide that—but it is as much of a guarantee as can be made with the work at hand."

He continued:

"I will argue below that regulators can and must be willing to proceed with less than this guarantee." [38]

The guarantee of history was clearly not available to this Commission. However, it would be difficult to argue that, at a time when he admitted that peer review was incomplete, he had even the concurrence of the scientific community, or in his words, the "seal of reliability", on which to proceed with administrative action.

Another section of the same memo reinforces the sense of an attitude among policymakers at FDA of indifference to the eventual outcome of the scientific review process. In it, the Commissioner discusses the possibility of Agency embarrassment "if the science turns out to have some unforeseen defect," in spite of the Bureau review which he thought made that an "unlikely prospect":

"Even in the unlikely event of a successful challenge to the study the outcome would not be clear: it would appear to the media and the public as such things inevitably appear—as rather arcane, confusing debates among the cognoscenti. Thus the possibility for real embarrassment even given the worst possible outcome of our evaluation is very slight, simply because outcomes are never that clear in a matter so complex." [39]

Next, he stated that risks are part of science and that there are special reasons for running those risks when the public health is at stake. And lastly, "You have a politically expendable regulator who is prepared to take the blame, and will do so, if the outcome proves more disastrous than this argument predicts." [40]

The picture that emerges from these FDA documents is that thorough scientific peer review was emphasized less than might reasonably be expected, perhaps on the basis of an appraisal of the political situation. Initial letters accompanying copies of Newberne's data sent to the governments of the U.K. and of Canada—the first step in what was later referred to as "external review" [41]—made no mention of requesting comment and rather were sent for the other governments' information. (Comments may have been requested more specifically on other oc-

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casions, but there is no reference to these requests here.) This lack of request for comments appears again when copies of Newberne's study were sent out to leading scientists; ten days later additional letters corrected this oversight. The indifference to review only barely implied by these actions is reinforced by statements by the Commissioner which infer that scientific review is a formalistic process of validating results, rather than the unbiased scrutiny it is intended as. In other statements, the Commissioner appears prepared to argue, if found wrong, that in science one can never be clearly wrong or clearly right.

In an open administrative process such as is purported to exist normally at FDA, the scientific disagreements which now threaten the credibility of the Newberne study presumably would have appeared early on, before regulatory decisions had been made. In this case, according to Dr. Kolbye, the normal review was not allowed to proceed, and the scientists who would usually be involved in the first stages of review were instead replaced by a committee including only 3 members of the Bureau of Foods, with legal and regulatory consultants from other branches of FDA comprising the remainder of the committee.

Recommendations of the National Academy of Sciences

The National Academy of Sciences (NAS) has repeatedly offered proposals to standardize evaluation procedures and provide access for all concerned to the administrative process. In *Decision Making For Regulating Chemicals in the Environment*, the Academy makes recommendations which, although mostly aimed specifically at the regulation of industrial chemicals, apply in this case also. Because openness will in the Academy's view improve the quality and acceptability of a decision, they recommend that information on chemicals not be considered proprietary and that it be made available before and during the decisionmaking process, and further, that a white paper discussing details of economic, legal, scientific and other relevant considerations be published in advance of all final decisions.[42]

In *Decision Making in the Environmental Protection Agency*, openness to the administrative process is again stressed. In addition, while analysis of scientific data is seen as only a tool to assist in making regulatory judgments, it recommends a closer relationship between the Agency's research activities and its decisionmaking process, with early and routine review to ensure against misinterpretation of results. When these decisions would have a significant impact on public health or welfare, the Administrator should have personal access to independent scientific advice and evaluations of the overall technical basis for decisions.[43]

In the case of nitrites, following such procedures might have spared the FDA any embarrassment it may have suffered as a result of announcing a policy decision before discovering flaws in the scientific basis for it. The Newberne study may yet be vindicated, but the Agency will have lost some of its credibility as a result of this process. It is not clear from the memos in the Committee's file what motivation, if any, existed for this sequence of procedures; however, it is possible that the rigidity of the law with respect to carcinogens may have prompted the early action.

POLICY IMPLEMENTATION

FDA action

Once the scientific determination has been made that a substance is "poisonous or deleterious" or that it is a carcinogen, the law gives the agencies involved little latitude for assigning value to other considerations. General provisions of the three relevant food safety statutes—the Food, Drug and Cosmetic Act; the Meat Inspection Act; and the Poultry Products Inspection Act—prohibit in foods any "poisonous or deleterious" substance which may render it injurious to health. In addition, the Delaney anti-cancer clause of the Food, Drug and Cosmetic Act prohibits food or color additives which are found to induce cancer in man or other animals. Because this does not cover additives approved before the passage of the Amendment in 1958, the older uses of nitrite, at least in meat products, may not be covered by that Amendment. Nonetheless, the determination that a substance is "poisonous or deleterious" is sufficient for a ban and probably demands it, regardless of any health or other benefits derived from the use of nitrites.

According to the background document, "FDA's and USDA's action regarding nitrite",[44] FDA and USDA made the determination that nitrite is a poisonous and deleterious substance prior to the August 11 press conference. At that time the two agencies announced they were assessing several options for regulatory control of the substances, with the goal of balancing health risks and health benefits. That document also set forth the proposal to phase out nitrites that was in March 1979 formally proposed in legislation.

The Commissioner, in a memorandum to the Secretary, argued that the law required that the FDA act on limited evidence. He went on to cite precedent cases where "the obligation of agencies to act in the face of unanswered scientific questions" had been positively acknowledged by the courts.[45] Those cases, he noted, involved judicial review of the final cases, while in this case, FDA sought to initiate action on the kind of evidence upon which agencies normally rely for final action. Moreover, the statutory emphasis on prevention of harm dictates that once a study creates a strong presumption of human risk associated with a given substance, the responsibility to prove safety shifts to the proponents of its use.[46] On the basis of legal precedent, he thus set out the following steps for implementation of this policy:

(1) The release of the joint FDA–USDA Action Plan. This plan appears as Attachment D, and lays out the entire argument in a convincing and understandable way.

(2) Announcement of the formation of an inter-agency coordinating committee, to be co-chaired by representatives of FDA and USDA. Each agency will exercise its own regulatory authority, but the committee will ensure that the agencies act consistently.

(3) The development of several Federal Register notices that will lay out the proposed policy of the agencies regarding each of the several classes of products so that no confusion can result; these documents will probably carry 120 day comment periods.

(4) Continuation of the interagency review of the science, incorporating and answering the comments and arguments raised during the Federal Register comment period.

(5) Review of the timing for any phaseout, based on the availability of preservative substitutes for nitrite.

(6) Promulgation of final orders. Realistically, final orders would probably not be ready until 12–15 months after a devision to begin developing Federal Register documents. This excludes the possibility of any judicial review or Congressional action that could radically alter the situation.[47]

Finally, the Commissioner indicates some sensitivity to the dual demands of resolving the scientific controversies and of responsibly carrying out the duties demanded of the Agency by law:

"The time-course for publication of Federal Register documents ensures there can be ever, the presumption of carcinogenic risk created by the Newberne study demands, as I have tried to show, that the regulatory process be initiated now if we are to meet our legal and public health responsibilities." [48]

The Justice Department's later analysis seems to support the view that FDA had no choice but to initiate some sort of action, and in fact denies that the Agency has the right to postpone action when, as it claimed in the case of nitrite, it will endanger the public health.[49] This of course presupposes a determination of risk, which we have seen is a conclusion which was far from unanimous at that time.

Recommendations of the National Academy of Sciences

Many of the recommendations the NAS has made with respect to evaluating the safety of environmental and food chemicals criticize the kind of rigid legal system that deterred FDA from allowing the open evaluation of all aspects of nitrite's effects. NAS favors a system where all risks and benefits—whether social, economic, legal, scientific, or health-related—are assessed as precisely as possible. Cognizance of these factors can then create a system in which incommensurable values, such as beauty or health, can be openly compared in a consistent fashion. Four out of the five reports discussed relate to the assessment of environmental chemicals at the Environmental Protection Agency (EPA), where the established legal framework demands such an assessment of risks and benefits. In the latest report on food safety, the recommendations clearly outline a change in the legal framework of the FDA, so that this kind of open evaluation can replace the ad hoc system which now prevails. All of the reports begin with the assumption that absolute safety is unattainable and that some tradeoffs must be made.

In *Principles for Evaluating Chemicals in the Environment*, a strategy for assessment is first proposed such that a balance between the costs and benefits of the assessment itself is attained. Thus basic principles for testing, rather than rigid protocols, are proposed. Accordingly, the degree of risk should be assessed in terms of actual levels of exposure and the degree of permanence of the adverse effects caused. In addition, some attempt should be made to describe qualitatively, if not quantitatively, resultant benefits. In weighing incommensurable aspects of the assessment, some attempt should be made to reflect prevailing social values by including those who will be affected by such decisions.[50]

Many of these points are echoed in later reports. In addition, two of the reports place the responsibility for testing squarely with the proponents of a using chemical, including those cases where an existing use is challenged.[51]

Explicitness is considered essential to the process. In *Decision Making for Regulating Chemicals in the Environment*, one recommendation suggests that value judgments between incommensurable factors such as quality of life and health should be explicitly dealt with and not hidden from public comment. Again, in *Decision Making in the Environmental Protection Agency*, the Academy proposes that EPA identify the consequences of a range of alternative actions; in so doing, the Agency should include explicit identification of the uncertainties involved in each and a determination to resolve them.

Such explicit assessment does not eliminate the need to make a decision, but rather can be a useful tool for regulators: the Academy repeatedly stressees the importance of exercising of judgment when evaluating the results of such an assessment. Statutory guidelines on the kinds of values Congress

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wishes to see incorporated in regulatory decisions should bring consistency to regulators' decisions.

In cases where existing law prevents such open evaluation, NAS recommends change, first in *Decision Making for Regulating Chemicals in the Environment*,[52] and, in the specific case of food law, in *Food Safety Policy: Scientific and Societal Considerations*. In the latter case, statutory change is recommended "to make food policy simpler, more flexible, and more comprehensive, and to grant to regulatory agencies the discretionary authority they need to deal with the increasingly complex issues of food safety in the light of modern technology."[53] Specific changes would ensure full consideration of both complete scientific information and, for the first time, public attitudes and values concerning levels of safety. At present, recognition of levels of safety less than absolute, while not sanctioned by law, is a practical necessity. Rather than recognizing economic and other nonhealth values implicitly, as the prior-sanctioned category of food additives now does,[54] the Academy concludes that it is better to openly consider them in evaluating alternative actions. In addition, the institution of a comprehensive generic system should replace the case-by-case evaluation currently in use. In the food safety report, a step-by-step regulatory process is proposed to provide a framework for assessing risks and benefits, so that the exercise of regulatory judgment, while not eliminated, is at least open to public scrutiny.

Obviously several of the Academy's recommendations directly bear upon FDA's constraints in handling the nitrite case. Because the Food, Drug, and Cosmetic Act was written with the partial intention of preventing adulteration for economic gain, it forbids the use of economic, esthetic or other relevant factors to mitigate FDA's legal responsibility to eliminate harmful additives. This seems to be true even when there is a question of competing health risks, as in the casce of nitrite, where a ban could also involve a health risk.

Implementation of the Academy's proposals to allow other kinds of considerations to enter the decisionmaking process might have eliminated much of the congressional and general public dismay with the manner in which the nitrite decision was handled. Although there still might have been public pressure to eliminate nitrites, the Agency would have been better able to justify considering the kinds of information it was both accused of considering and, paradoxically, faulted by others for not considering, especially information on the economic impacts of a ban. Assuming that one cause of FDA's apparent secrecy was fear that the law demanded immediate action, such a justified delay might also have had the welcome side effect that the study in question might have been available earlier for open scientific scrutiny.

SUMMARY

In May 1978 a contractor of the FDA informed the Agency that results from his new study of the chronic toxicity of nitrite—a chemical commonly used in food processing—indicated a relationship between nitrite feeding and lymphoma, a class of cancers. In August of the same year, regulators at FDA and USDA announced the results of the study with a statement that indicated their intention (explicitly outlined elsewhere) to respond to the news by working towards a phaseout of the substance. At that time, the Interagency Working Group on nitrite research began a review of the scientific evidence against nitrite, a review now held in abeyance by a full examination of the study's evidence by an independent contractor. To many observers, it seemed as though the normal or correct sequence of events had been inverted, with the review of scientific evidence occurring after the announcement of a policy decision.

This report summarizes this sequence of events and notes some areas where FDA's actions in this case differed from those certain staff members described as normal procedures. The international FDA memoranda provided by the Agency to the House Committee on Agriculture confirm that open review of the data was, unlike the normal procedure, initiated after the policy announcement.

Another view of how the process should work is provided by a review of relevant reports of the National Academy of Sciences. Consistent recommendations for openness in the administrative process, both before and after scientific evaluation for chemical toxicity, albeit in most cases intended for the use of the Environmenal Protection Agency, were clearly not followed in this case by the FDA—at least in the recommended sequence. The legal constraints of the FDA account for part of this discrepancy. However, much of the early lack of openness in review seems due to the absence of formal guidelines for this procedure.

FOOTNOTES

[1] Internal FDA Memorandum, "Chronic Toxicity Study on Dietary Nitrite and Various Amines," April 6, 1979.

[2] Internal FDA Memorandum, "The Nitrite Decision and the Nature of Scientific Evaluation," September 11, 1978.

[3] Internal FDA Memorandum of conference between representatives of General Accounting Office and FDA, November 30, 1978.

[4] Internal FDA Memorandum of Conference between representatives of MIT (Drs. Newberne and Altschuler) and FDA personnel, January 16, 1978.

[5] Internal FDA Memorandum, "Request for a brief summary on the potential carcinogenicity of sodium nitrite," May 1, 1978.

[6] Internal FDA Memorandum, "Scientific Assessment of Leukemogenic Potential of Nitrite," May 19, 1978.

[7] Internal FDA Memorandum, "Report on Site Visit to the Laboratory of Dr. Paul M. Newberne," June 8, 1978.

[8] Internal FDA Memorandum, "Final Report of FDA Contract No. 74–2181, July 11, 1978.

[9] Internal FDA Memorandum, "Contract No. 223–74–2181, Massachusetts Institute of Technology," January 1, 1979.

[10] Internal FDA Memorandum, "The Nitrite Decision & The Nature of the Scientific Evaluation," September 11, 1978. p. 7.

[11] Letter from Howard R. Roberts, Ph. D., Acting Director, Bureau of Foods, May 17, 1978.

[12] Internal FDA Memorandum on conversation between Dr. Frank A. Fairweather and Dr. Roberts (FDA), August 10, 1978.

[13] Internal FDA Memorandum, "The MIT Nitrite Study," August 14, 1978, p. 2.

[14] Internal FDA Memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978. p. 8.

[15] Internal FDA Memorandum, "The MIT Study," August 14, 1978, p. 2.

[16] Internal FDA Memorandum, "Nitrites," August 8, 1978.

[17] Example letters from Dr. Robert Elder and list of recipients August 14, 1978 and August 24, 1978.

[18] Newberne, Paul M. Dietary Nitrite in the Rat. Final Report on contract FDA 74–2181. May 18, 1978. (Unpublished Report), p. 11.

[19] Newberne, Paul M. Nitrite Promotes lymphoma incidence in rats. Science, June 8, 1978, v. 204. p. 1079.

[20] Internal FDA document prepared by Dr. Kolbye, submitted to Commissioner's office to assist in preparation of memos and testimony on nitrates, September 8, 1978. p. 3.

[21] Internal FDA document, "Interagency Working Group on Nitrites, meeting of August 28, 1978." p. 2.

[22] Internal FDA note, September 5, 1978.

[23] Letter to Dr. Kolbye, from Dr. Falk, September 26, 1978.

[24] Letter to Dr. Robert C. Wetherell, Director of Legislative Services, FDA, from Dr. Handler, October 12, 1978. p. 1.

[25] Internal FDA Memorandum for the record (confidential), "Preliminary Pathology Evaluation of 35 Rats Diagnosed Malignant Lymphoma in the MIT Newberne Nitrite Study," October 16, 1978.

[26] Internal FDA document, "Minutes of the Interagency Working Group on Nitrite Research, Meeting of October 18, 1978."

[27] Internal FDA Memorandum, "Contract 223–79–2263," March 14, 1979.

[28] Internal FDA Memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978. p. 7.

[29] Internal FDA and USDA document, FDA's and USDA's action regarding nitrite," August 1978. (Draft, August 9, 1978).

[30] Ibid, p. 36.

[31] Ibid, p. viii.

[32] Internal FDA document, "Minutes of the Interagency Working Group of Nitrite Research, Meeting of October 16, 1978."

[33] Internal FDA Memorandum of conference between representatives of the General Accounting Office and of FDA, November 30, 1978. p. 3.

[34] Ibid., p. 4.

[35] Ibid., p. 5.

[36] Letter from Howard R. Roberts, Ph.D., Acting Director, Bureau of Foods, May 17, 1978.

[37] Internal FDA Memorandum of telephone conversations between Jeffrey Smith, Science magazine, and Howard R. Roberts, "Nitrite," August 25, 1978.

[38] Internal FDA memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978, p. 2.

[39] Ibid., p. 10.

[40] Ibid., p. 11.

[41] Internal FDA Memorandum, "The MIT Nitrite Study," August 14, 1978.

[42] Committee on Principles of Decision Making for Regulating Chemicals in the Environment. National Academy of Sciences. Decision Making for Regulating Chemicals in the Environment. Washington, D.C. National Academy of Sciences (1975), p. 4.

[43] Committee on Principles of Decision Making. National Academy of Sciences. Decision Making in the Environmental Protection Agency, Washington, D.C. National Academy of Sciences (1977), p. 7.

[44] Internal FDA & USDA document, "FDA's and USDA's actions regarding nitrite," August 1978. (Draft, August 9, 1978).

[45] Internal FDA Memorandum, "The Nitrite Decision & The Nature of the Scientific Evaluation," September 11, 1979, p. 3.

[46] Ibid., p. 9.

[47] Ibid., pp. 11–12.

[48] Ibid., p. 12.

[49] U.S. Department of Justice. Office of the Legal Counsel. Proposed phasing out of nitrites in foods. *In:* Remarks of Herman Talmadge. Congressional Record [daily ed.], v. 125, Apr. 5, 1979; S 4005–4011.

[50] Committee for the Working Conference on Principles of Protocols for Evaluating Chemicals in the Environment. National Academy of Sciences. Principles for Evaluating Chemicals in the Environment. Washington, D.C. National Academy of Sciences (1975), pp. 9–24.

[51] Committee on Pesticide Decision Making. National Academy of Sciences. Pesticide Decision Making. Washington, D.C. National Academy of Sciences (1978), p. 3.

[52] Committee on Principles of Decisionmaking for Regulating Chemicals in the Environment, op. cit. p. 3.

[53] Committee for a Study on Saccharin & Food Safety Policy. National Academy of Sciences. Food Safety Policy: Scientific and Societal Considerations. Washington, D.C. National Academy of Sciences (March 1, 1979). P. S–1.

[54] Ibid. p. 3–44.

THE VALUE-ADDED TAX

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, I promise in view of the lateness of the hour not to use the entire time allotted to me.

During the past 24 hours we have heard a great deal about the value-added tax. I would like to call some of the details of this tax, rather the implications of it, because the details are not yet known to my colleagues, and to ask them to think earnestly about the desirability of entering into such a departure from American tax philosophy at this stage in our Nation's history.

This tax is widely used by other countries. It is used by the European Community in particular. We hear that the Japanese are interested in this tax, that it is the wave of the future. It is suggested in this country primarily as a means for raising large sums of money. It could raise a great deal were we to go to the type of tax that has been suggested by the chairman of the Committee on Ways and Means, and apparently with at least the acquiescence and consent of the chairman of the Senate Finance Committee, because they are asking for a 10-percent value-added tax.

The rule of thumb that I have seen, although I believe these figures are very tentative, is that a 1 percent value-added tax will raise about $15 billion. So, presumably a 10-percent value-added tax could raise $150 billion.

Now, what is a value-added tax? It is a tax on the increment in value of any product at any stage in its devolpment. If you take iron ore out of the ground, it has value when you have completed the mining operation. If you convert it to iron ingots through a smelting process, it has a greater value, and a tax is collected first on the value of the iron ore and then on the increment in value of the ingot.

When it then is converted into steel, it has an even greater value. A tax is collected at that stage on the increment and so on until it crosses the retail counter as the final step before it goes to the consumers.

This tax is in no way separated from the inherent value of the article, but goes right into the price structure. It is usually administered in a way which requires each processor to pay a tax on the full value of the product, claiming a credit for all previous value-added taxes paid at earlier stages in the development of the product.

It is a difficult tax to administer, certainly as it has emerged in most of the European countries where there are a myriad of exemptions, exclusions and credits, and where a great many forms are required to be filed by those who collect the tax, namely, the business community itself.

Now, such a tax is clearly a cornucopia of additional tax revenues. It is as broadly based a tax as you can have. It is an easy way for politicians to raise large sums of money without appearing to hurt anyone very much.

What are the objections to it? The most traditional objection is of course that it is regressive. It is a tax on consumption, like retail sales tax imposed by many of our municipalities and States. As a tax on consumption, it bears no relation to ability to pay, but only to the total amount consumed.

If the tax is an all-encompassing one, applying among other things to food, for instance, clearly a family that includes eight children will pay a much higher value-added tax than a family which has only one child, regardless of that family's ability to pay.

So, it is generally viewed as a regressive tax; which is not part of the American tradition. Ability to pay is something that most Americans consider one of those attributes of a tax system that is desirable.

Another point of opposition: it is a hidden tax. I am one of those who happens to think one of the tragedies in this country is we went to a withholding tax on income tax on earned income. The result was that a very large part of our income tax is collected in small amounts, painlessly throughout the year, by withholding, and that this convenience to our taxpayer, has resulted in people being less aware of the cost they are contributing to the growth of Government. A similar and even more hidden tax, something collected on millions and millions of turnovers or modest transactions adding to the value of a particular product would raise staggering sums of money without creating focal points of popular opposition.

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A third objection to the value added tax in the American tradition is that it would be very disruptive of a Federal system that we feel has helped us achieve responsive government, because it has resulted in substantial government decisionmaking at a great many levels. It would be disruptive of the Federal system because if we impose a tax as high as 10 percent, that would obviously include a retail sales tax, and to have a retail sales tax of that dimension on top of the other municipal and State sales taxes would be a considerable economic drag. I think a Federal tax of that dimension would have to be preemptive.

What is wrong with making it preemptive and giving the money back to the States and municipalities in grants? Well, to ask that question is to answer it. It clearly is a centralizing device, putting more and more of the resources of the Government through the central tax collecting institution here in Washington.

Another argument is that it is administratively difficult and adds to the bureaucracy. I cannot confirm this, but I heard that when Britain went to a modest value added tax as a condition to her joining the European Community—the European Community uses the value added tax to finance a lot of its activities—the British had to quadruple their tax bureaucracy because of the large number of forms required and the massive auditing job of checking every contributor to the value of the goods and services of the nation across the board.

There are those who say a value added tax does not need to be this difficult, it could be a simple tax, a flat rate, on all things. If it is on all things, necessities as well as luxuries, it clearly is more regressive than otherwise.

The French, for instance, have a value added tax which imposes a very high tax, I believe over 30 percent, on luxuries. On necessities the tax is only about half that, the theory being this makes it a fairer tax. They have many exemptions and exceptions also in their tax, greatly adding to the complexity of the administration of the tax.

I do not think those who advocate a simple tax are being realistic because this tax would be politicized by this body, among others, just as much as any other tax. We would try to find ways of adding to its fairness by creating a myriad of exceptions, applying contradictory and divergent tax philosophies in the course of trying to put it all together.

Mr. Speaker, this tax is being proposed, interestingly enough, not as a substitute for some other unpopular tax; it is being proposed, as I understand it from reading the newspaper reports of the addresses that were given to the Chamber of Commerce yesterday, as a way of taking pressure off of other taxes. I regret to say that many of the businessmen who heard these proposals were very favorably impressed by them, and the reason was that they were told that such a massive tax on consumers rather than on income or on capital or on anything else could be used to pay for all the wonderful things that business wants. It was suggested, for instance, the proceeds of the value added tax could be used to provide new savings incentives under the income tax, that it could provide for the elimination of the double taxation of corporate profits, that it could provide for a maxi-tax of 50 percent on unearned income, something many people feel would be an improvement to the savings picture in the United States. It could also provide a roll-back for social security taxes, and certainly they are unpopular.

All of these things were suggested as opportunities that were involved in the massive revenue raising and implicit in the imposition of a 10 percent value added tax.

I do not think, Mr. Speaker, that this body or any other representative body is going to put a broadly based consumer tax generally perceived as regressive and, therefore, impinging particularly heavily on poor people, raising large amounts of money and then spending it for capital formation, or for the benefit of the American business community. I do not wish to comment on the desirability of such a course. But, knowing the way in which this body operates, I can tell the Members that a tax on poor people is likely to go back to poor people in some other form, or is going to be used to finance more government services for their benefit. That is the insidious thing about the value added tax. It is an easy way to raise a large amount of money. It is an easy way to finance more government. It appears to be painless because it involves millions of small transactions rather than a few sacrifices that are obvious to those having to pay. It goes right to the price structure, is not identified as a tax. While it contributes obviously directly to inflation, it is going to be one of those invisible devices for extracting large sums of money from the American people which can be blamed on those producing and selling the foods.

I would hope my colleagues will have some skepticism about the imposition of a new tax in this way, because, quite frankly, once we get it we will never get rid of it. I do not believe it is in the American tradition. I do not think it is to the advantage of the American economy or the American taxpayer. To accept it because its proceeds could be used for something wonderful is the kind of shell game that has fastened on to us additional tax after additional tax over the years.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the distinguished gentleman from New York for yielding. Let me express my deep appreciation for his erudite and most impressive discourse on this subject, a field in which he is an expert.

I have one question. If a value added tax were applied, would it develop all of the revenue, tax resources, money revenue for the government which the government now receives through all its other tax sources? In other words, if we wipe all other tax sources, would this tax supply and develop the same revenues?

Mr. CONABLE. At 10 percent it would raise $150 billion according to the estimates that admittedly are very preliminary estimates.

Mr. RUDD. If the gentleman will yield further, we are being taxed now by the Federal Government at something around a little over 30 percent. If we raise it from 10 to 30, would it develop the same level of revenue?

Mr. CONABLE. It could be used for that purpose if it were used to supplant every other tax that existed.

Mr. RUDD. Let me say again that I appreciate the gentleman taking this special order and I think the value added tax is on of the most frightening, tyrannical forms of taxation that could ever have been devised or imposed on a people. I shudder to think what would have happened if King George, III, would have had this maniacal tax process at his command. I thank the gentleman from New York.

Mr. CONABLE. Other countries are using this tax and are satisfied with it. I happen to feel it is not in the American tradition.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding. I thank him for his scholarly presentation.

As the distinguished gentleman from New York knows, I take a slightly rosier view overall on a value added tax than he does. On the other hand, I am obliged to concur in most of his conclusions that he has given to us this evening.

The value added tax is a complete departure from the tax system of the United States. As most of my colleagues know, we rely on the income taxes at two, three, and sometimes four levels of government. To lay over that a whole new system of excise tax, and we really ought to say sales tax because that is what it is, is absolutely unthinkable and is impossible in our system without very long public debate, and without perhaps years of integration of such a system.

The Europeans do it very well, but the Europeans have always lived off excise taxes. Income taxes are not an important source of revenue for them.

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Mr. CONABLE. If the gentleman will give me back the floor, many European countries cannot collect an income tax. The income tax is a part and parcel of our system, and I think most Americans, for all the differences they have about the level of taxation, feel that it is a fairer tax generally than one that would be on consumption.

Mr. FRENZEL. I do concur with the gentleman. Since our circumstances are so different, this is not something that we can make a speech to the Chamber of Commerce about 1 day, hold hearings about 60 days later, and pass the bill a few months after that. This is something that would take years before we could ever get into the situation.

Mr. CONABLE. There are hearings scheduled—the dates have not been set—in both the Senate Finance Committee and the Ways and Means Committee for this fall. In fairness, I believe these hearings are preliminary hearings to try to educate the body as to the advantages that could be derived from such a value-added tax. I completely concur with what the gentleman has said about the length of time necessary to impose and integrate such a tax. I do not expect it to be as imminent as some of the reports of yesterday's oratory have indicated.

Mr. FRENZEL. I thank the gentleman. If I may proceed, I recall that it was only December of 1977 when we passed the largest tax bill ever imposed on the people of the United States. We are about to pass a windfall profits tax that will be a sales tax on the people for what, another $150 billion or $140 billion. Now, we are talking about an additional $150 billion in a single year. Obviously this is ridiculous, and I think the gentleman does well to point out that things are moving much too fast, and even for those people like myself who would like to see this country consider at some time some provision of value added tax, we certainly ought to go at it with a great deal more consideration and a great deal more care, and not be making promises about what it can do for us and what we can do for it.

I think the gentleman ought to be congratulated for raising this question.

Mr. CONABLE. I thank the gentleman for his contribution. I would like to say that I do not believe we would be discussing this so seriously at this point if it were not for the unpopularity of the payroll tax. The value added tax does provide us an opportunity for diversion from that, because it is suggested that this could be a painless alternative.

Putting the value added tax into the social security system, while it would clearly bolster the social security system in a major way, would again be a serious departure from what has been up until now essentially an insurance program. It would be the equivalent of putting general Treasury money into the social security system, and in no way more desirable than that in the impact it would likely have on the growth of the system.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, I want to commend the gentleman for alerting our colleagues and the general public about the danger in this tax. It is a very insidious form of taxation.

I want to ask the gentleman in the well a couple of questions. Would a consumer, for example, have any evidence of this tax? It has been alluded to as a sales tax. When I buy an automobile in the State of Ohio I know how much the sales tax is, or a suit of clothes or something in most jurisdictions. Would there be any evidence to the consumer of what proportion of a product was represented by the value added tax?

Mr. CONABLE. No, he could assume that at least the amount of the value added tax percentage would be added to the retail sales. He would not know how much was added at an earlier stage in the development of the product, so it is not segregated. It goes right into the price structure. He would be paying more for the product than he otherwise would because of the increment in that product represented by cumulative tax charges, but he would not know how much it was. That is one of the attractive features about it to politicians. It in no way identifies the cost of government to the victim.

Mr. REGULA. So, in effect, the consumer would tend to blame the increased cost of a product on someone other than the government.

Mr. CONABLE. Someone else is likely to take the rap.

Mr. REGULA. Another question I would submit to the gentleman. Is it easy to increase this tax? As I understand it, in Great Britain even the new conservative Prime Minister has increased the value added tax.

Mr. CONABLE. Yes, in Great Britain, the new conservative Prime Minister went to a value added tax for obvious reasons. It was impossible to increase the income tax in Britain. It had become counterproductive to a great degree. I understand that the marginal rates above the equivalent of $15,000 in this country were over 90 percent. So, in order to avoid a tremendous disincentive of an income tax rate that high, the new government in Great Britain decided that a broadly based tax, even if it involved taxing poor people more, in order to try to get the British economy back on an incentive basis, was proper.

In Britain under the old tax law, nobody asked for a pay increase because the marginal tax rates were so high. What they asked for was use of the company car. In other words, Great Britain had become an expense account society given the level of marginal income taxes. That is quite a different situation than we have in this country. I would have to think very hard were I to be told that the value added tax was being proposed as a complete alternative to the income tax system. It is not. It is being proposed as an additional tax, and a very, very extensive and burdensome one at that.

Mr. REGULA. Am I correct in my understanding that with the value added tax, the goods that go into export, the tax is deferred so that in effect the American consumer would be paying substantially larger prices for the same product as the individual in another country buying it as an import?

Mr. CONABLE. That is right. That is both an advantage and a disadvantage. The rebate of taxes at the border is a prevalent practice in value added tax countries, and it is permitted under the rules of GATT. That means that our export would not carry the burden of domestic taxation to the extent that domestic taxation is met by a value added tax. We are not permitted under the rules of GATT to rebate the corporate income tax which, in effect and in impact on consumers is a very similar tax to the value added tax.

But, quite frankly, I do not see any real expectation that the value added tax would be substituted for the corporate income tax, thus alleviating the burden of taxation from our exports and making our goods more competitive. Only to the extend the value added tax was supporting Government would we get that particular advantage. The gentleman is absolutely correct on the effect it would have on the domestic economy. It would mean that domestic consumers will have to pay relatively more tax as it was shifted from those buying goods abroad.

Mr. REGULA. The gentleman may be commended, but I would be interested as to how he would view the additional cost in terms of a new collection system. I do not know what the experience of the European countries would be, but it would seem to me to be horrendous bookkeeping at a time when the business community is saying that already the regulatory burden and the bookkeeping burden is onerous. Would this not result in even an escalation of that?

Mr. CONABLE. There is no doubt about it. Were it to be a tax similar to those put on European communities, the auditing and bookkeeping and reporting burden on business would be considerable. One of the ironies of finding the business community looking at this as a business relief for them is that they have to collect this tax just as surely as they have to collect from the consumers the cost of a corporate income tax. Ultimately, in order to make a profit they have to pass it on, but the collection process could be a very expensive and time-consuming thing for business, once again adding particularly to the burdens of those small businesses which do not have the adequate staff to engage in massive bookkeeping operations. VAT for them would come to mean "Very Annoying Tax."

Mr. REGULA. As I understand it, the traditional internal revenue procedures would not fit with this. It would require almost an entirely new administrative structure to deal with it.

Mr. CONABLE. As the gentleman from Minnesota said, it would take a great deal of time and a great deal of integrating to get this tax in place, because our present tax structure is already complex and this tax would have an impact on a great deal of it.

☐ 1950

I would like to suggest that in terms of the additional local revenue sharing or grants that would be necessary for municipalities and States to offset the loss of the retail sales tax, it would be a difficult thing because all municipalities and States are using the sales tax in a widely varying degree across the country. Some States have very high sales taxes; others rely on other sorts of taxes, and the result would be a hodge-podge if we were to try to hold a State or a municipality harmless. It would require a great deal of careful integration of the new system.

Mr. REGULA. Do I understand the gentleman correctly, then, that the enactment of a value-added tax at the Federal level would preempt State and local sales taxes for all practical purposes?

Mr. CONABLE. It need not do that, but if we were putting anything as large as a 10 percent value-added tax, that would be on the retail level as well as on the earlier levels, and clearly to have a substantial State or municipality sales tax on top of that would be to have a tremendous tax increment in the value or price of every sale of goods or services—value-added taxes are collected on some services also—that were distributed in that particular State.

Mr. REGULA. My last question would be as we all appreciate, there are many hidden taxes now in the form of excise taxes. What would be the impact of a value-added tax? Would it in effect be a tax on the hidden tax portion of merchandise?

Mr. CONABLE. That is something that would have to be decided by the proponents, the people who pass the value-added tax. The gentleman is correct. We already have substantial Federal excise taxes which are in effect, sales taxes, and many of them have been in place for some time. If we were not to repeal those, considerably reducing the net recovered by a value-added tax, the effect would be to have a tax on a tax, and that kind of pyramiding of taxes again would be something that the American people would react to quite strongly.

Mr. REGULA. I thank the gentleman for his responses. I think it is very clear from this dialog that the value-added tax contains many dangers to the economy of this Nation, and I think we would want to examine this long and carefully.

Mr. CONABLE. I greatly appreciate the contributions of my colleagues here tonight on this special order. I acknowledge that there are many possible designs for a value-added tax, and I have spoken very generally here. It has been suggested, for instance, that the value-added tax would not apply to food because that would be unfair to poor people. If that is so, then we are removing from taxation the food also of wealthy people, and we begin to get distortions in the pattern of distribution of the tax the minute we start making exceptions, exemptions and the types of credits that seem to be an inherent part of the European tax as it is developed. I acknowledge that we might go to a much simpler tax, as our income tax was, for example, at the outset. However, the progression of any tax, as equity tugs on it historically, is toward increasing complexity, and I am sure this tax would be subject to the same forces that have made our income tax such a tremendously cumbersome and complicated device.

● Mr. LIVINGSTON. Mr. Speaker, recently a friend of mine, a barrister from England, wrote me about the value added tax. I believe his remarks are worth noting, and I congratulate the gentleman from New York for providing an opportunity to discuss this very important issue.

The text of his letter on V.A.T. follows:

> Pursuant to your request on V.A.T. I make the following observations as to it's hardships, in particular small businesses and private individuals. On the latter aspect I have looked at it from the 'scale of business' in the context of the English (I mean British) economic and business structure. The examination is representative of personal (i.e. the Bar) and such like associations as well as what I can recall from court cases. I have written to my Accountant for details, but I am not sure if I will get the reply in time for you as I am sure he will be away on holidays like his clients—no business moves in Britain during August, and the Temple (where the Bar is situated for practice) is a desolate place with only what we call the 'junior-juniors'. Here in N.Y. I called on my bank—the National Westminster (English bank) and with whom through London introductions I have very good rapport—be delighted with their answer 'Don't chill our spines with V.A.T.' They dread it so much they don't keep any literature.
>
> I may seem to have deviated somewhat on account of the background to what is V.A.T.—(like the sword of Dracula).
>
> V.A.T. is a tax charged on Service. Service is synthesized to mean any contribution by an individual to the final product brought to the consumer. Service in this context takes the same meaning as attributed to by U.S. law regard 'product liability'. By this I mean every person in the link leading up to the final product is charged V.A.T. The product like in U.S. Law is not necessarily limited in it's definition to, for example goods. The definition within it's ambit includes examples of like lawyers services. The consumer at every turn of the transaction pays V.A.T. Frankly we (i.e. the Bar) has never understood and this is true of the general public how revenue is collected at each link in the chain. What everyone knows is that as a *consumer* he pays V.A.T. It becomes more complicated to know 'which of which persons' are entitled to charge V.A.T. This arises in this way, that persons earning over a certain income fixed by the V.A.T. authorities *have to charge* V.A.T. Now at the Bar (which as you know is limited for practising as Barrister's and where we have 'status' categories, the 'junior-junior whose income does not normally exceed £2000/-per annum at least for 2 years of his practise will not register and cannot register for V.A.T.
>
> Quite recently before I left in May there were Govt: suggestions for increasing the income for chargeable V.A.T. This was because the 'army' of civil servants in the V.A.T. was insufficient—and mind you it is a massive army, and with special powers for surprise raids on business books and very powerful rights for prosecutions. As you know income at the English Bar is very poor in comparison with U.S. lawyers on account of the regimented system that it was becoming difficult for Junior-Juniors with £3000 gross

income to keep up with V.A.T. This is also true for small tradesmen, other private practitioners and such like. The essential difficulty being that you are paid as fees or income to which the V.A.T. is tagged on, and three months later at Govt: collection time you pay the Govt: All this needs separate banking accounts and such separate banking accounts are not possible because banks charge commissions for each bank account and that is not a set-off as V.A.T. expenses. If you take this small example, and apply it to a host of people in individual business enterprises you can well imagine the difficulty for the public, though the Govt: kept on increasing staff.

Quite recently very shortly before the last elections the computer people on V.A.T. went on one day strike each week—at least for 3 weeks before I left—I am told the government administration on V.A.T. has not yet recovered to make claims ending last year. Imagine that happens in the U.S., vastly bigger than Britain. The exceptional hardship it causes is to the small businessman. He has to produce *receipts* all the time, again all though one may have paid V.A.T.; yet for V.A.T. purposes no receipts after V.A.T. payment can be destroyed for 3 years—this requires storage space, too. The rule is that you may have paid V.A.T. passed by one officer, but that may be rechecked by another V.A.T. officer at a later date at their whim and fancy. So, if you don't have your receipts, boy, oh boy, it means prosecution. This applies for expenses claimed in the V.A.T. form. No expense claim without receipt—even if you buy a ballpoint pen for 25 cents you must have *V.A.T. endorsed on receipt* by seller.

This is what I mean earlier on by saying no one knows how much is collected on V.A.T. in the chain. At the Bar, when we go on circuit, some of us carry a little shopping bag to put our receipts. In London we keep a separate drawer to "shove" the receipts. One has to keep separate books for "income" and "expenditure" for V.A.T. The expense claimed is on the V.A.T. paid. Keeping books means spending some evenings or days writing up. It needs Draconian control of one's books. Generally one gets so fed up that one simply does not claim V.A.T. In V.A.T. one is collecting V.A.T. for the Government, to whom it is paid 3 months later. At the Bar, collection of V.A.T. is from 21st of March and then the due dates are every 3 months. Solicitors are, I think, on March 14.

As you will observe *each kind of business* has its V.A.T. date. In the finality, it is a tax put upon the ultimate consumer. I have given you examples of V.A.T. at the Bar, consider the greater difficulties of a chap who has a rapid turnover in business. What we call in Britain "fish and chips" turnover. V.A.T. strangles the man who receives payment in "checks." Government has no control or much less control over the chap who does business in "cash receipts" like I told you of the London taxi drivers' claim to be exempted from V.A.T. It can lead on to corrupting morals of people for a preference for dealing in cash. Again credit-card copies are not allowed to set off V.A.T. claims in substitute for the actual receipts, nor even checkbook counterfoils.

I am not an economist to survey the result of these, but the modern world lives in some kind of credit arrangements. I may also point out all those who receive monthly incomes are exempt from V.A.T. as we say in Britain "spare the civil servant and ruin the man with initiative for business and independence." Its direct assault is on the small businessman, although it does affect the bigger business; the latter can employ specialist staff while the former will have difficulties. In the U.K., unlike here in the U.S., we also don't have so many consultancy services. V.A.T. tempts them to negotiate in cash at lesser price setting in motion all kinds of competition; in my view, morally degenerating to a country for straightforward business deals (so we think in Britain).

Apart from personal experience, I cannot say how much in detail it becomes an annoyance to businessmen for every month there is always some publication from the V.A.T. that arrives by post. At the Bar generally we throw them into man's greatest invention, the waste-paper basket, as in our business we have to charge V.A.T. on the lump-sum fee.

I hope I have been able to give you a fair amount—as affecting the individual citizen. It also entails the Government: in huge expenditure programmes like these publications being sent out, bored employees, and there is a lot of confusion that arises which they don't admit. These, I am told, were one of the motivating reasons for raising the "vatable" limit; i.e., those charged with V.A.T. It also tempts a lot of people (businessmen) to register for V.A.T. as an advertisement for showing to their clients that their income is high.

I have explored my mind in every way to give what I know of it.●

● Mr. STARK. Mr. Speaker, yesterday the chairman of the Committee on Ways and Means and the chairman of the Senate Committee on Finance called for the enactment of a value-added tax. In doing so, they have shown themselves committed to shifting the tax burden even further onto the backs of the poor and the middle class—and away from those most able to pay. In doing so, they have taken a position totally at odds with the traditions of the Democratic Party—and with every canon of equity and justice.

A value-added tax is unfair because it taxes consumption—and not profit or wealth. We still have a progressive income tax—in spite of the tax committees' efforts to drill the code full of loopholes for the rich. A value-added tax is a regressive tax—a tax on the poor and the middle class. It is more appropriate for a monarchy, or a dictatorship—or any poltical system where the vast majority of people are forced to serve the needs of a few.

A value-added tax would be a total disaster for an economy struggling with double digit inflation. If we do anything through the tax system to combat inflation, we should cut taxes that jack up prices and costs—like the payroll tax—not pile more on.

Mr. Speaker, this Congress—and this country desperately need leadership if we are to go forward—forward in freedom and justice. The chairmen of the tax committees of this Congress ought to realize that a value-added tax is not the direction any fairminded American wants to go—unless they want revolution in the streets. The idea that the Ways and Means Committee or the Senate Finance Committee will spend any time away from the problems of the economy and tax reform to consider a value-added tax raises serious doubts as to the leadership ability of the respective Chairs.●

GENERAL LEAVE

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. (Mr. Murtha). Is there objection to the request of the gentleman from New York?

There was no objection.

MARE ISLAND NAVAL SHIPYARD—125TH BIRTHDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Clausen) is recognized for 15 minutes.

● Mr. CLAUSEN. Mr. Speaker, I would like to take this opportunity on behalf of Mr. Fazio and myself to congratulate the employees of the Mare Island Naval Shipyard on that facility's 125th birthday and thank them for their many contributions to its success.

Mare Island has long been one of the largest and most productive public shipyards in the United States. It has great national importance for its contributions to our security. It is a significant force in the surrounding northern California community for the contribution it makes to the local economy in providing employment to thousands of talented people.

Mr. Speaker, Mr. Fazio has stated and I quote him at this point for the Record:

> Since the first ship was launched from the Mare Island Naval Shipyard in 1858, more than 512 additional ships have been built by the yard. These includes most types of naval vessels, ranging in size from tugboats to battleships, which have served America through six wars. The ships being built, maintained and serviced at Mare Island continue to play a vital role in preserving our national security.
>
> The Mare Island Naval Shipyard has also long played an important role in the community in which it is located. As one of the largest employers in Northern California, it provides jobs for 9,163 people, thus making a substantial contribution to the area's highly prosperous overall economy.

Mr. Speaker, I would like to share with our colleagues the following brief but interesting account of the history of the Mare Island Naval Shipyard, which was prepared by the yard's public affairs department:

Historical Summary

On 5 August 1775 His Spanish Majesty's Ship SAN CARLOS, commanded by Lieutenant Don Juan Parez de Ayala, engaged in an exploratory expedition, touched at what is now known as Mare Island. Originally charted by Lieutenant de Ayala as "Isla Plana," (Flat Island), it was not until the spring of 1830 that the island acquired its present name.

General Mariano Guadalupe Vallejo, while on a mapping expedition with a company of Mexican cavalry troops, was fording Carquinez Straits when one of his favorite horses, a white mare, became detached from the group and was carried away by the swift current of the Sacramento River. Ultimately the horse struggled ashore on Isla Plana, where she was subsequently found. The General promptly changed the name of the site of the future naval shipyard to "Isla de la Yegua"—Mare Island.

After the end of the Mexican War, thoughts in Washington were turned to the development of the newly acquired territory of California.

On 2 December 1851, President Millard Fillmore, in an annual message to the Congress, recommended the establishment of a Navy Yard in the Pacific. On 27 January

1852, Secretary of the Navy Graham appointed Commodore John D. Sloat Head of a Board to select a site on the shores of San Francisco Bay for a Navy Yard, Depot, Hospital, and Marine Barracks. On 31 July of that year, after an exhaustive survey, Commandore Sloat reported to the Secretary that the Board unanimously agreed upon Mare Island as the most suitable location and recommended its purchase. The Navy bought the original 956 acres of Mare Island from the Bessel-Aspinwall-McArthur combine on 4 January 1853 for the sum of $83,491. Since that time, through land reclamation projects and grants, the property has grown to 2,626 acres of hard land and an additional 1891 acres of tidelands.

Commander David G. Farragut took command of Mare Island on 16 September 1854 and began to construct Navy Yard facilities. In 1858, Mare Island's first ship, the gunboat SAGINAW, joined the Fleet. Since then, the men and women of Mare Island have launched 513 ships, ranging from landing craft and destroyers to battleships and Polaris submarines. History records Mare Island's small role in the Civil War; in the Spanish-American War it fitted out many of the warships which, under Admiral Dewey, swept the Spanish from the Philippines. World War I also saw many records broken, including the launching of the destroyer WARD in 17 days from keel laying—a record which still stands. The WARD later fired the first shot on 7 December 1941 at Pearl Harbor.

During World War II Mare Island Naval Shipyard repaired and returned to the battle line a total of 1,207 ships of all types, including cruisers, submarines, and tenders of the British, Dutch, French, and Soviet Fleets. During this period Mare Island built 391 new ships, including five 18,000-ton submarine tenders, 19 fleet submarines, 31 destroyer escorts, and hundreds of landing craft and other smaller types of auxiliary craft. The Shipyard's employment reached a peak of 41,053 in the latter stages of World War II.

Mare Island ushered in its second century of service as a naval shipyard by embarking on an intensive training program to qualify its engineers and artisans in the application of nuclear propulsion to ship propulsion. Since 1958, when Mare Island delivered its first nuclear submarine, USS SARGO, the Shipyard has built or is now completing 17 nuclear powered submarines, including seven Fleet Ballistic Missile types.

On 10 November 1964 at a time when then Secretary of Defense McNamara was carrying out stringent economies in military establishments, formation of the San Francisco Bay Naval Shipyard was ordered, composed of Mare Island Naval Shipyard and San Francisco Naval Shipyard (at Hunters Point). This "new" Shipyard, with headquarters at Mare Island came into being on 11 May 1965 and was in operation for nearly five years.

It soon became apparent that the changes envisioned by the previous Secretary of Defense did not result in expected financial savings, and on 11 December 1969 the Secretary of the Navy, with the concurrence of Secretary of Defense Laird, announced that this activity would be dis-established, and replaced by two separate shipyards as before. At an informal ceremony at Hunters Point on 31 January 1970, the San Francisco Bay Naval Shipyard was dis-established, Hunters Point Naval Shipyard was established in San Francisco, and the former Mare Island Naval Shipyard was re-established, continuing a name that began on 16 September 1854.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 453. I would have voted as follows on the five yea-and-nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019, to lift the ban on aid to Uganda.●

INVESTMENT INSURANCE AND EXPORT FINANCING FOR THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, relations between the United States and the People's Republic of China have progressed to the point where we have reached a general agreement on trade. To take effect that agreement, which includes provision for the granting of most favored nation status by the two countries, requires approval by the Congress.

Such approval is not a foregone conclusion, with issues such as textile exports and emigration assurances yet to be considered by the Congress. Hopefully, however, those issues will be resolved and the trade agreement approved.

The prospect of complete normalization of diplomatic and economic relations with the People's Republic raises the possibility that China, and United States firms pursuing business in China, will desire access to such trade incentives as investment insurance and export financing.

In order that the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, may begin consideration of such possible developments, I am today introducing two bills. The first would authorize the Overseas Private Investment Corporation (OPIC) to issue political risk insurance and investment guarantees for investments in China. The Chinese have recently promulgated a new foreign investment law which authorizes joint ventures with a minimum of 25 percent foreign investment. No maximum proportion of foreign investment is stipulated.

This new law will surely spark interest among U.S. businesses in possible investments in China. It stipulates that "the insurances appropriate to a joint venture shall be furnished by Chinese insurance companies," but leaves open this question whether U.S. investors will be able to insure their investments against such political risks as expropriation, nonconvertibility of currency, and war and revolution. It is such coverage that is offered by OPIC, and at the appropriate time the subcommittee will wish to consider the advantages of, and possible barriers to, OPIC operations in the People's Republic.

The second bill I am introducing today would authorize Export-Import Bank financing and other services for exports to the People's Republic of China.

Mr. Speaker, most of the world's major trading nations—our trade competitors—have long since normalized their relations with the People's Republic of China. American businessmen, therefore, are at a considerable disadvantage. Their competitors from other nations have had a considerable headstart in arranging business with the Chinese, and in learning how to go about that. Any approval of the proposals I am making today must be contingent upon favorable action by Congress with respect to the United States-Chinese trade agreement. If and when there is such favorable action, however, we will want to move forward as rapidly as possible to provide the necessary tools to U.S. businessmen to make trade possible and to put American businessmen at least on an equal footing with respect to their competitors for Chinese trade. It is in that spirit that I make these proposals.

Mr. Speaker, the text of the new Chinese law regarding foreign investments in joint ventures, to which I referred earlier in my remarks, follows:

CHINA'S NEW LAW ON JOINT VENTURES, XINHUA, BEIJING, JULY 8, 1979

Following is an unofficial translation of the full text of the law of the People's Republic of China on joint ventures using Chinese and foreign investment, which was adopted on July 1 at the second session of the Fifth National People's Congress and became effective today on the order of Ye Jianying, chairman of the Standing Committee of the National People's Congress.

ARTICLE 1

With a view to expanding international economic cooperation and technological exchange, the People's Republic of China permits foreign companies, enterprises, other economic entities or individuals (hereinafter referred to as foreign participants) to incorporate themselves, within the territory of the People's Republic of China, into joint ventures with Chinese companies, enterprises or other economic entities (hereinafter referred to as Chinese participants) on the principle of equality and mutual benefit and subject to authorization by the Chinese government.

ARTICLE 2

The Chinese government protects, by the legislation in force, the resources invested by a foreign participant in a joint venture and the profits due him pursuant to the agreements, contracts, and articles of association authorized by the Chinese government as well as his other lawful rights and interests.

All the activities of a joint venture shall be governed by the laws, decrees, and pertinent rules and regulations of the People's Republic of China.

ARTICLE 3

A joint venture shall apply to the Foreign Investment Commission of the People's Republic of China for authorization of the agreements and contracts concluded between the parties to the venture and the articles of association of the venture formulated by them, and the commission shall authorize or reject these documents within three months. When authorized, the joint venture shall register with the General Administration for Industry and Commerce of the People's Republic of China and start operations under license.

ARTICLE 4

A joint venture shall take the form of a limited liability company.

In the registered capital of a joint venture, the proportion of the investment contributed by the foreign participant(s) shall in general not be less than 25 percent.

The profits, risks, and losses of a joint venture shall be shared by the parties to the venture in proportion to their contributions to the registered capital.

The transfer of one party's share in the registered capital shall be effected only with the consent of the other parties to the venture.

ARTICLE 5

Each party to a joint venture may contribute cash, capital goods, industrial property rights, etc., as its investment in the venture.

The technology or equipment contributed by any foreign participant as investment shall be truly advanced and appropriate to China's needs. In cases of losses caused by deception through the intentional provision of outdated equipment or technology, compensation shall be paid for the losses.

The investment contributed by a Chinese participant may include the right to the use of a site provided for the joint venture during the period of its operation. In case such a contribution does not constitute a part of the investment from the Chinese participant, the joint venture shall pay the Chinese government for its use.

The various contributions referred to in the present article shall be specified in the contracts concerning the joint venture or in its articles of association, and the value of each contribution (excluding that of the site) shall be ascertained by the parties to the venture through joint assessment.

ARTICLE 6

A joint venture shall have a board of directors with a composition stipulated in the contracts and the articles of association after consultation between the parties to the venture, and each director shall be appointed or removed by his own side. The board of directors shall have a chairman appointed by the Chinese participant and one or two vice chairmen appointed by the foreign participant(s). In handling an important problem, the board of directors shall reach decision through consultation by the particioants on the principle of equality and mutual benefit.

The board of directors is empowered to discuss and take action on, pursuant to the provisions of the articles of association of the joint venture, all fundamental issues concerning the venture; namely, expansion projects, production and business programs, the budget, distribution of profits, plans concerning manpower and pay scales, the termination of business, the appointment or hiring of the president, the vice president(s), the chief engineer, the treasurer, and the auditors, as well as their functions and powers and their remuneration, etc. The president and vice president(s) (or the general manager and assistant general manager(s) in a factory) shall be chosen from the various parties to the joint venture.

Procedures covering the employment and discharge of the workers and staff members of a joint venture shall be stipulated according to law in the agreement or contract concluded between the parties to the venture.

ARTICLE 7

The net profit of a joint venture shall be distributed between the parties to the venture in proportion to their respective shares in the registered capital after the payment of a joint venture income tax on its gross profit pursuant to the tax laws of the People's Republic of China and after the deductions therefrom as stipulated in the articles of association of the venture for the reserve funds, the bonus and welfare funds for the workers and staff members, and the expansion funds of the venture.

A joint venture equipped with up-to-date technology by world standards may apply for a reduction of, or exemption from, income tax for the first two to three profit-making years.

A foreign participant who reinvests any part of his share of the net profit within Chinese territory may apply for the restitution of a part of the income taxes paid.

ARTICLE 8

A joint venture shall open an account with the Bank of China or a bank approved by the Bank of China.

A joint venture shall conduct its foreign exchange transactions in accordance with the foreign exchange regulations of the People's Republic of China.

A joint venture may, in its business operations, obtain funds from foreign banks directly.

The insurances appropriate to a joint venture shall be furnished by Chinese insurance companies.

ARTICLE 9

The production and business programs of a joint venture shall be filed with the authorities concerned and shall be implemented through business contracts.

In its purchase of required raw and semiprocessed materials, fuels, auxiliary equipment, etc., joint venture should give first priority to the Chinese sources. It may also acquire them directly from the world market with its own foreign-exchange funds.

A joint venture is encouraged to market its products outside China. It may distribute its export products in foreign markets through direct channels or its associated agencies or China's foreign trade establishments. Its products may also be distributed on the Chinese market.

Wherever necessary, a joint venture may set up affiliated agencies outside China.

ARTICLE 10

The net profit which a foreign participant receives as his share after executing his obligations under the pertinent laws and agreements and contracts, the funds he receives at the time when the joint venture terminates or winds up its operations, and his other funds, may be remitted abroad through the Bank of China in accordance with the foreign-exchange regulations and in the currency or currencies specified in the contracts concerning the joint venture.

A foreign participant shall receive encouragements for depositing in the Bank of China any part of the foreign exchange which he is entitled to remit abroad.

ARTICLE 11

The wages, salaries, or other legitimate income earned by a foreign worker or staff member of a joint venture, after payment of the personal income tax under the tax laws of the People's Republic of China, may be remitted abroad through the Bank of China in accordance with the foreign exchange regulations.

ARTICLE 12

The contract period of a joint venture may be agreed upon between the parties to the venture according to its particular line of business and circumstances. The period may be extended upon expiration through agreement between the parties, subject to authorization by the foreign investment commission of the People's Republic of China. Any application for such extension shall be made six months before the exploration of the contract.

ARTICLE 13

In cases of heavy losses, the failure of any party to a joint venture to execute its obligations under the contracts or the articles of association of the venture, force majeure, etc., prior to the expiration of the contract period of a joint venture, the contract may be terminated before the date of expiration by consultation and agreement between the parties and through authorization by the foreign investment commission of the People's Republic of China and registration with the General Administration for Industry and Commerce. In cases of losses caused by breach of the contracts by a party to the venture, the financial responsibility shall be borne by the said party.

ARTICLE 14

Disputes arising between the parties to a joint venture, which the board of directors fails to settle through consultation, may be settled through conciliation or arbitration by an arbitral body of China or through arbitration by an arbitral body agreed upon by the parties.

ARTICLE 15

The present law comes into force on the date of its promulgation. The power of amendment is vested in the National People's Congress.●

AMENDING THE NAVAJO-HOPI SETTLEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, today I have introduced legislation comprehensively amending the 1974 act settling the long-standing land dispute between the Navajo and Hopi Indian Tribes of Arizona.

The 1974 act settled this dispute by providing for the partition of a 1.2 million acre tract of land between the two tribes. The result of this partition will be that several hundred Navajo families will have to be relocated. This obviously is a traumatic experience and imposes severe burdens on those required to relocate.

The bill I have introduced will remedy several defects and oversights in the 1974 act which have surfaced in the 5 years since passage and will also provide new legal tools and new appropriations to ease the burdens of this massive relocation.

While some of the provisions of the bill are controversial and while further changes and modifications may be necessary, I am sure the legislative process will result in a bill satisfactory to all concerned parties.●

THE PRODUCT LIABILITY RISK RETENTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, I am pleased today to introduce the Product Liability Risk Retention Act of 1979, a Commerce Department drafted proposal approved by the administration which will allow manufacturers, distributors, and retailers to form cooperatives to provide themselves with product liability insurance coverage.

In the course of hearings held during the last 2 years by the Subcommittee on Capital, Investment and Business Opportunities, it has become clear that thousands of small businesses nationwide have seen their product liability insurance premiums increase exponentially. Yet, in many cases, these rate increases have been shouldered by firms who have experienced no product liability claims whatsoever.

Last Congress, the subcommittee held 15 days of hearings, and pored over voluminous studies, reports, and position papers. It was assisted in the efforts by the Task Force on Product Liability, chaired by the Department of Commerce, which provided valuable input in our deliberations. Both the subcommittee and the task force found problems with both the insurance pricing mechanisms and uncertainty in the present status of product liability tort law. Further, since remedies addressed to these difficulties would not impact the problem of excessive rates in the immediate future, both the subcommittee and the task force recommended a remedy to ease businesses' burdens immediately. It is for this purpose that the risk retention proposal is being introduced today.

The risk retention proposal has the support of numerous business groups. Excerpts from such letters written to James McIntyre, Director of OMB, will follow these remarks, together with a summary of the proposal.

I urge you all to support this proposal which has the potential of making product liability premiums considerably more reasonable than has been the case in recent years:

PRODUCT LIABILITY RISK RETENTION ACT OF 1979, SUMMARY

The purpose of the Product Liability Risk Retention Act of 1979 (the "Act") is to facilitate the ability of product sellers to: (1) establish risk retention groups; and (2) purchase product liability and completed operations insurance on a group basis. The Act will be administered by the Department of Commerce.

The main body of the Act is divided into three titles:

TITLE I—RISK RETENTION GROUPS

Title I enables product sellers to form product liability insurance cooperatives called "risk retention groups." Product sellers can use these groups to pool all or a portion of their product liability and completed operations risk exposure.

Risk retention groups which have been approved by the Secretary of Commerce are exempted from state insurance regulation (section 105).

Approved risk retention groups, however, will be subject to applicable state premium taxes (section 105(b)).

In determining whether a risk retention group should be approved, the Secretary will consider: (1) its assets; (2) the expertise of its management; (3) the adequacy of its loss prevention efforts and its reserves; (4) the amount of risk it will accept; and (5) other relevant factors that indicate its ability to handle claims (section 101(b)).

As a general rule, the Secretary will not approve any risk retention group in which the risk coverage provided to any person exceeds five percent of the total risks assumed by the group (section 101(f)). The Secretary may make an exception, where necessary, in order to carry out the purposes of the Act, for groups which meet all of the other requirements of the Act, which are financially sound, and which are capable of shifting and distributing the risks of their participants.

The Secretary will be empowered to limit the total amount of risk assumed and retained by each risk retention group (section 102).

In determining the amount of risk that a risk retention group may retain, the Secretary may consider, as part of a group's capitalization, irrevocable letters of credit issued on its behalf (section 101(c)).

The Secretary can require an approved group to maintain reserves for incurred losses, loss adjustment expenses, and unearned fees (section 103).

An approved risk retention group may assume the product liability and completed operations risk exposure of only its members and member affiliates. This, however, may include risk exposures arising through "hold harmless," indemnity, and other similar agreements which are often executed by product sellers and their suppliers and customers (section 102).

Each approved risk retention group is required to submit an annual report and other data the Secretary may require. These reports and data are exempted from the Freedom of Information Act (section 104).

Approved risk retention groups are subject to the federal antitrust laws (section 106). The Act, however, in no way affects the antitrust immunity of commercial insurers under the McCarran-Ferguson Act; nor does the Act regulate insurance companies.

The cost of administering the Act will be met with fees paid by risk retention groups (section 110).

The Secretary is empowered under certain circumstances to revoke the certificate of approval of any approved risk retention group (section 111).

The Act does not amend the Internal Revenue Code. However, as long as there is real risk shifting and spreading in accordance with existing tax law, approved risk retention groups should qualify for the favorable tax treatment afforded to commercial insurers. Thus, for example, reasonable premiums paid to approved risk retention groups should be deductible by their members as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

TITLE II—GROUP PURCHASE OF PRODUCT LIABILITY AND COMPLETED OPERATIONS INSURANCE

Title II of the Act permits persons engaged in the same or similar business to purchase product liability and completed operations insurance on a group basis (called "Title II groups").

Title II accomplishes this by exempting Title II groups, their members, and any person who provides product liability and completed operations insurance, insurance-related services, or management services to Title II groups and their members from restrictive laws, including those which prohibit the group purchase of insurance in a majority of states (section 202).

These restrictive state laws include those which:

Make it unlawful for insurers to provide insurance on a group basis;

Ban fictitious groups; or

Require insurance policies to be countersigned by resident insurance agents (section 201).

TITLE III—MISCELLANEOUS PROVISIONS

The Act specifically provides that it does not affect, or in any way indicate the desirability of any modifications to, the substantive tort law of any state (section 301).

The Act will become effective 180 days following its enactment (section 303).

EXCERPTS FROM LETTERS OF SUPPORT

The following excerpts were taken from several of the letters written in support of the Product Liability Risk Retention Act of 1979:

THE NATIONAL ASSOCIATION OF MANUFACTURERS

The National Association of Manufacturers has long been critically concerned over the product liability situation. We now find that instead of stabilizing, the situation is actually worsening.... Because of the severity of the problem, because of its effect on product costs and hence inflation, and because it has reached levels that even our association did not anticipate, we urge you to give every consideration possible to mechanisms for reforming the various product liability systems. Chief among these is obviously insurance and the availability/affordability question.... We feel this is an extremely worthwhile concept, one that has the potential for bringing much needed relief to the business community without adding to federal expenditures. Consequently, we urge you to release this legislation to the Congress, thereby affording it the public scrutiny that it deserves.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC.

... [T]he affordability of product liability insurance remains a critical problem—and a very large expense.... It is our policy to support maximum flexibility of risk management options.... It would also promote an element of competition in the market place which would be beneficial to all commercial buyers of insurance.... We have not been permitted to review the present proposed form of the law, so we can only support—*very strongly*—the concept of a self insurance alternative protected by its federal enabling legislation from the state regulations which would render it inoperative.

CONSUMERS UNION, NATIONAL CONSUMERS LEAGUE, & CONGRESS WATCH

The Risk Retention Act will provide manufacturers with a competitive alternative to commercial insurance.... It will permit companies to get insurance at a lesser cost or to insure risks where they now may be without insurance. The competitive alternative to commercial insurance should force insurers to be more responsible in setting premiums and more responsive to manufacturer needs. Consumers should benefit because reduced insurance costs should relieve some pressure on prices. Also, the availability of insurance should assure seriously injured consumers of a source of recovery.... We, therefore, urge the Administration to support the Risk Retention Act.

THE NATIONAL MACHINE TOOL BUILDERS ASSOCIATION

The American machine tool industry needs the Risk Retention Act, which is currently being considered by OMB. Early Congressional passage of this Act will enable our members to form groups to cover all or part of their product liability risks, which are currently uninsurable at affordable premium rates.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Products liability remains a significant small business problem. . . . NFIB has always considered products liability to be in need of a two-sided solution. One side involves reform of tort law. The other involves changes in the insurance system to ease the supply problem. . . . Because NFIB is a democratic organization, we cannot endorse the bill without a vote by the membership. Such a vote is now being conducted. However, we do wish to emphasize that products liability and the costs of acquiring products liability insurance remains of keen interest and concern to large numbers of small businesses.

SPORTING GOODS MANUFACTURERS ASSOCIATION

The Sporting Goods Manufacturers Association strongly feels the legislation should receive favorable consideration by OMB and be sent to the Hill. . . . Insurance is still an overwhelming problem with regard to products liability in the sporting goods industry. . . . The Act will give manufacturers an alternative to commercial insurance and perhaps bring some of the off-shore captives home—two other good reasons for its consideration.

SCIENTIFIC APPARATUS MAKERS ASSOCIATION

SAMA members believe that enactment of the proposed Product Liability Risk Retention Act would: (1) provide viable options for manufacturers facing unreasonably high product liability insurance costs; (2) increase competition in the insurance industry that could result in lower costs; and (3) increase protection of the public by making better coverage more readily available, and would accomplish the foregoing at little or no cost to the taxpayer. Therefore, we urge the Administration to seek passage of this draft legislation by the Congress.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

We believe this proposed legislation deserves the active support of the Administration. We believe that if businesses were afforded the opportunity to form cooperative risk retention pools, . . . [t]his would eliminate the highly subjecting ratemaking now imposed on our industry. We found that within one commodity line . . . one wholesaler may be paying ten times more for the same amount of protection than another wholesaler whose products would have the same level of risk.

VERLAN LIMITED

For the small manufacturer, the product liability dilemma is just as significant today as it was two or three years ago because they simply do not provide the premium clout which interests the agent, the broker or the average insurance company. A Risk Retention Group provides that alternative to this large segment of small manufacturers who make up a significant part of our industry. . . .●

AIRBAGS SAVE LIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Waxman) is recognized for 5 minutes.

● Mr. WAXMAN. Mr. Speaker, the Insurance Institute for Highway Safety, in response to my inquiries, has documented the real-world performance of airbags in crashes throughout the country. The data confirm that airbags are a proven form of crash protection. They are highly effective in saving lives and reducing injuries. Airbags have been on the road for more than 600 million miles and have performed superbly.

The institute's statistics, reflecting the experience of 235 on-the-road crashes of cars equipped with airbags, demonstrate the following:

First. Airbags reduce life-threatening injuries by 65 percent compared with unrestrained occupants in similar cars. This has been accompanied by a dramatic reduction in multiple injuries.

Second. The largest group of accidents with airbag-equipped cars has occurred in Michigan—home of the auto manufacturers, who have opposed this safety standard for years. Out of 228 accidents involving such cars, 45, or one-fifth, occurred in Michigan. It appears there are more airbag accidents in that State because of its higher rate of airbag ownership. Further, almost a quarter of the airbag accidents in Michigan involved employees or families of employees of the automobile manufacturers, dealers, and other auto-related businesses.

The commitment of the people of Michigan to airbags would seem to document the effectiveness of this safety device.

Third. Airbag performance is not affected by temperature. They have properly deployed at temperatures of less than 0° F. and as high as 90° F. And airbags operate just as effectively in older cars as newer cars. This is not surprising, since the airbag systems are sealed and should last longer than the cars themselves.

The full correspondence is attached for the benefit of my colleagues:

House of Representatives,
Washington, D.C., August 31, 1979.

Mr. Ben Kelley,
Insurance Institute for Highway Safety,
Watergate 600, Washington, D.C.

Dear Mr. Kelley: I have become increasingly concerned at attempts, including one now pending the House, to frustrate the intentions of the U. S. Department of Transportation's Federal Motor Vehicle Safety Standard No. 208 to the extent the standard would permit auto companies to provide their customers with air bag systems for protection in frontal crashes.

Before this matter comes to a vote in the House, I would like to give my colleagues and constituents some basic information about the actual performance of air bag systems in crashes in the real world. Your recent Status Report indicated that the Institute has collected and analyzed considerable information about crashes involving air bags. Therefore, I am writing to ask whether you can provide me with answers to the following questions about air bag crashes:

1. Of the approximately 11,000 cars with air bag systems produced by General Motors Corp. and Ford Motor Co. during the early and mid-1970's, how many have been in crashes severe enough to deploy the air bags? How many people have been in those crashes? What has been the effectiveness, in terms of reducing severe injuries, of the air bags in those crashes?

2. What has been the distribution across the United States of such crashes? (I would be interested in knowing, for instance, whether Californians have enjoyed the crash protection of air bags as widely as Americans in other states, and my colleagues might want to have such information for their states.)

3. What have been the characteristics of air-bag equipped cars operating in the real world? Have they functioned properly despite extreme ranges of temperature? How has their age, in terms of model year manufactured, and mileage, affected their performance?

To the extent the Institute can give high priority to getting me answers to these questions within the next few days, I will especially appreciate it. The House shortly will be asked to vote on an amendment to frustrate the ability of American motorists to acquire air bag systems in new cars in the future, and how that vote comes out may well be determined by the accuracy and completeness of information available to the Members.

Sincerely,

Henry A. Waxman,
Member of Congress.

Insurance Institute for
Highway Safety,
Washington, D.C., September 4, 1979.

Hon. Henry A. Waxman,
Longworth House Office Building,
Washington, D.C.

Dear Mr. Waxman: Thank you for your August 31 letter. Since 1972, the thousands of cars equipped with the emergency crash padding called air bags have accumulated a huge amount of real-world experience, and have been involved in hundreds of frontal crashes severe enough to deploy the air bags.

By very conservative estimate, air bag cars have been driven a total of over 600,000,000 miles on U.S. and Canadian roads, the equivalent of some 25,000 times completely around the world at the equator.

From 1972 through July of this year, 228 were in crashes severe enough to deploy the bags, 222 of these were in the United States and six in other countries. Most of these were frontal crashes, for which air bags are designed. However, some of them were other crash types in which the forward decelerations were sufficient to deploy the bags to protect the forward-decelerating occupants. (I note that severe frontal crashes produce more fatal automobile occupant injuries than all other directions of impact combined.) These 228 real-world, air bag deployment crashes involved some 330 people in the front seating positions equipped with air bags. Since at least as far back as our first analysis, in 1976, of the experience up to that time, the reductions in life-threatening injuries, compared with unrestrained occupants in similar cars, in severe frontal crashes have been very impressive, continuing to run within a few percentage points of 65%.*

The reductions in injury have especially involved reductions in severe *multiple* injuries, an especially important accomplishment because, as we have known in the medical profession for a very long time, severe multiple injuries greatly and disproportionately increase the likelihood of death.

In answer to your question concerning the distribution of these crashes across the United States, I am enclosing, as Attachment A, a map showing the regions and the states in which deployment crashes have taken place through July of this year. This shows clearly that this modern crash protection technology has been in use far more in Michigan, with 45 air bag deployment crashes, than in any other state. Such crashes have also occurred, however, in 34 additional states, with 15 deployment crashes each in Illinois and New York, 14 in Ohio, 13 in Pennsylvania, 12 in Texas, 9 in your own state of California, and so on, as the map shows.

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*Mohan, D., Zador, P., O'Neill, B., and Ginsburg, M., "Air Bags and Lap/Shoulder Belts—A Comparison of Their Effectiveness in Real World, Frontal Crashes." *Proceedings of the Twentieth Conference of the American Association for Automotive Medicine,* November 1–3, 1976, 315–335. American Association for Automotive Medicine, Morton Grove, Illinois, 1976.

Haddon, W., Jr., Statement, Public Hearing on Occupant Crash Protection, Alternatives for Passenger Cars, Before Brock Adams, Secretary of Transportation, April 27, 1977. Insurance Institute for Highway Safety, Washington, D.C., April 27, 1977.

Haddon, W., Jr., Kelley, B., and O'Neill B. Statement Hearings of the House Committee on Interstate and Foreign Commerce, Subcommittee on Consumer Protection and Finance, on the Passive Restraint Decision by the U.S. Department of Transportation, September 12, 1977. Insurance Institute for Highway Safety, Washington, D.C., September 12, 1977.

Air bags have functioned well across the many varieties of operational and climatic conditions and mileage. In addition, in further answer to your question, I am enclosing Attachments B and C, which list, respectively, air bag deployment crashes that have involved high and low temperatures, and the great deal of similarly excellent experience with crashes of cars that had accumulated high mileages by the time they were involved in air bag deployment crashes. Such excellent performance under varied conditions and long after manufacture directly reflects the fact that air bag systems in vehicles are themselves protected from wear and tear by being sealed unobtrusively out of sight. Like such older automatic emergency protection devices as fuses, circuit breakers, sprinkler systems and boiler safety valves, air bags have been very successfully designed for both long-term reliability and instant response. They do their job very well and are a tribute to modern American technology.

Kindly let me know if we can be of further assistance.

Sincerely,

WILLIAM HADDON, JR., M.D.,
President.

ATTACHMENT B

AIR BAG DEPLOYMENT CRASHES INVOLVING HIGH AND LOW TEMPERATURES

Make and model	Location of crash	Date of crash	Temperature at time of crash (F°)
1974 Oldsmobile Delta 88 Royale	Schiller Park, Ill	Feb. 8, 1974	20 to 29°.
1973 Chevrolet Impala	Highland, Mich	Feb. 15, 1974	19°.
1974 Buick Riviera	Houston, Tex	Aug. 23, 1974	90°.
1975 Oldsmobile Regency 98	Cabano, Quebec	Nov. 21, 1974	20°.
1974 Buick Electra Custom	Columbus, Ohio	Feb. 6, 1975	20's.
1974 Oldsmobile Toronado	Syracuse, N.Y	Mar. 14, 1975	27°.
1973 Chevrolet Impala	Landover, Md	May 21, 1975	89°.
Do	Needles, Calif	June 7, 1975	94°.
1974 Buick Electra 225	Oyster Bay, N.Y	July 2, 1975	87°.
1975 Buick Electra Limited	Ashland, N.Y	Dec. 4, 1975	24°.
1975 Oldsmobile Regency 98	Vaughan, Ontario	Dec. 18, 1975	12°.
1973 Chevrolet Impala	Seattle, Wash	Jan. 1, 1976	31°.
1975 Oldsmobile Toronado	Lombard, Ill	Jan. 8, 1976	<0°.
1975 Cadillac DeVille	Bay City, Mich	Jan. 21, 1976	Lower 20's.
1975 Cadillac Fleetwood	Peru, Vt	Mar. 7, ,976	30°.
1974 Oldsmobile Delta 88 Royale	Lake Villa, Ill	Mar. 11, 1976	20 to 29°.
1974 Oldsmobile 98 Regency	Tyler, Texas	June 12, 1976	85 to 90°.
1975 Oldsmobile Toronado	Boston, Mass	July 19, 1976	88°.
1976 Oldsmobile Delta 88	Camden, N.J	July 31, 1976	85°.
1975 Oldsmobile 98	Richmond County, N.C	Sept. 5, 1976	85 to 90°.
1974 Buick Electra 225	Montrose, Mich	Nov. 21, 1976	30 to 34°.
1976 Cadillac Fleetwood	Elmhurst, Ill	Dec. 1, 1976	0 to 19°<.
1975 Oldsmobile 98 Regency	Faribault, Minn	Dec. 5, 1976	Less than 0°.
1974 Cadillac DeVille	Sterling Heights, Mich	Dec. 23, 1976	0 to 19°.
1974 Cadillac Eldorado	Detroit, Mich	Dec. 26, 1976	30°.
1975 Cadillac Eldorado	Detroit, Mich	Dec. 28, 1976	24°.
1976 Oldsmobile 98 Regency	New York, N.Y	Jan. 15, 1977	26°.
1975 Oldsmobile 98	Columbus, Ohio	Feb. 22, 1977	20 to 29°.
1974 Oldsmobile 98	Mendon, N.Y	Mar. 1, 1977	22°.
1975 Oldsmobile Toronado	Culver, Oreg	Apr. 2, 1977	20°.
Do	Cocoa Beach, Fl	July 27, 1977	85 to 90°.
1975 Oldsmobile Regency 98	Lawrence Township, Pa	Dec. 9, 1977	9°.
1975 Oldsmobile 98	Cass City, Mich	Jan. 15, 1978	15 to 20°.
1975 Oldsmobile Delta 88	Moraine, Ohio	Feb. 6, 1978	7°.
1974 Oldsmobile Delta 88	Perry, Mich	Feb. 14, 1978	17°.
1975 Oldsmobile Toronado	Charlotte, Mich	Mar. 6, 1978	28°.
1975 Cadillac Fleetwood	Detroit, Mich	Feb. 15, 1979	15°.

ATTACHMENT C

AIRBAG EQUIPPED CRASH INVOLVED VEHICLES WITH MILEAGES GREATER THEN 40,000 AT THE TIME OF AIRBAG DEPLOYMENT

Make and model	Location of crash	Date of crash	Mileage at time of crash
1973 Chevrolet Impala	Highland, Mich	Feb. 15, 1974	54, 999
1972 Mercury Monterey Custom	Valdosta, Ga	Aug. 22, 1974	63, 084
1974 Oldsmobile 98 Regency	Mayhew, Miss	Feb. 19, 1975	53, 754
1973 Chevrolet Impala	Houston, Tex	Mar. 15, 1975	63, 695
Do	Somerville, Ala	Mar. 18, 1975	90, 445
Do	San Antonio, Tex	May 8, 1975	61, 030
Do	Dalton, Ga	May 9, 1975	50, 663
Do	Landover, Md	May 21, 1975	48, 795
Do	Needles, Calif	June 7, 1975	67, 333
Do	Milford, Mich	July 9, 1975	49, 320
Do	Seattle, Wash	Jan. 1, 1976	57, 165
Do	West Bloomfield, Mich	Apr. 11, 1976	69, 255
1974 Oldsmobile Delta 88	Moorpark, Calif	Apr. 21, 1976	48, 975
1975 Oldsmobile Toronado	DuPage County, Ill	June 3, 1976	55, 846
1974 Oldsmobile 98 Regency	Amarillo, Tex	July 13, 1976	45, 837
1974 Buick Riviera	Lakewood, Ohio	July 17, 1976	43, 095
1974 Oldsmobile 98	Detroit, Mich	July 27, 1976	45, 000
Do	Madison, Wis	Aug 17, 1976	69, 147
1974 Buick Electra Limited	Baldwin County, Ala	Sept. 8, 1976	59, 603
1973 Chevrolet Impala	Erie, Pa	Sept. 14, 1976	66, 031
1974 Buick Riviera	Atchison, Kan	Sept. 25, 1976	55, 460
1973 Chevrolet Impala	Houghton Lake, Mich	Sept. 26, 1976	56, 289
1974 Cadillac Eldorado	Mercer, Pa	Oct. 23, 1976	43, 193
1974 Oldsmobile 98 Regency	Red Oak Iowa	Oct. 25, 1976	75, 020
1974 Buick Electra 225	Montrose, Mich	Nov. 21, 1976	41, 744
1973 Chevrolet Impala	Brighton, Mich	Jan. 21, 1977	82, 354
1974 Oldsmobile 98	Mendon, N.Y	Mar. 1, 1977	85, 720
1972 Mercury Monterey	Silver Spring, Md	Mar. 8, 1977	69, 809
1974 Oldsmobile 98	Hartford, Conn	Mar. 18, 1977	73, 582
1973 Chevrolet Impala	Hicksville, N.Y	Mar. 27, 1977	114, 958
1974 Oldsmobile 98	Tazewell, Tenn	Apr. 20, 1977	47, 060
1975 Oldsmobile Toronado	Courtland, N.Y	Apr. 25, 1977	51, 694
1975 Cadillac Eldorado	Chattanooga, Tenn	May 23, 1977	41, 890
1974 Oldsmobile Toronado	Gary, Ind	May 27, 1977	44, 789
1975 Cadillac Eldorado	Port Orchard, Wash	June 7, 1977	48, 857
1973 Chevrolet	LaMirada, Calif	June 14, 1977	67, 066
1974 Oldsmobile 98	Toledo, Ohio	June 23, 1977	43, 140
1974 Oldsmobile	Independence, Mo	June 25, 1977	44, 195
1973 Chevrolet Impala	Detroit, Mich	July 5, 1977	83, 811
1975 Cadillac Coupe DeVille	Akron, Ohio	July 15, 1977	61, 114
1973 Chevrolet Impala	Burnsville, Minn	July 16, 1977	95, 842
1975 Bucik Electra 225	Minot, N. Dak	July 28, 1977	43, 490
1974 Buick Riviera	Quito, Ecuador	Aug. 17, 1977	48, 531
1974 Buick Electra 225	DeKalb, Ill	Aug. 18, 1977	51, 778
1973 Chevrolet Impala	Delano, Calif	Sept. 6, 1977	93, 788
1975 Oldsmobile 98 Regency	Langhorn, Pa	Sept. 17, 1977	55, 000
1975 Oldsmobile Toronado	Hamilton, Ontario	Oct. 10, 1977	47, 585
1974 Oldsmobile Delta 88	Atchison County, Mo	Oct. 19, 1977	50, 508
1975 Oldsmobile 98	Janesville Township, Wis	Oct. 23, 1977	51, 382
1973 Chevrolet Impala	Boaz, Ala	Nov. 7, 1977	71, 878
1974 Oldsmobile Toronado	Kingsport, Tenn	Nov. 9, 1977	46, 436
1973 Chevrolet Impala	San Antonio, Tex	Dec. 13, 1977	101, 946
1975 Oldsmobile 98	Cass City, Mich	Feb. 10, 1978	42, 322
1974 Oldsmobile Delta 88	Perry, Mich	Feb. 14, 1978	70, 106
1975 Cadillac Eldorado	Boise, Idaho	Apr. 21, 1978	51, 549
1973 Chevrolet Impala	Los Angeles, Calif	Apr. 27, 1978	72, 409
1974 Cadillac Eldorado	Chicago, Ill	July 22, 1978	44, 102
1973 Chevrolet Impala	St. Louis County, Mo	Dec. 16, 1978	88, 369

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 5229, THE PUBLIC DEBT LIMITATION AND DEBT MANAGEMENT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on September 12, 1979, the Committee on Ways and Means ordered favorably reported to the House, H.R. 5229, a bill relating to the public debt limitation and debt management. Sections 1 and 2 of the bill would provide that the public debt limitation is to be $929 billion through March 31, 1981. Section 3 of the bill would increase by $10 billion, from $40 billion to $50 billion, the amount of long-term bonds which may be issued with interest rates above the 4¼-percent statutory ceiling.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for the consideration of H.R. 5229 on the floor of the House. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a modified open rule which would only provide for:

First, committee amendments which would not be subject to amendment;

Second, germane amendments with respect to the amount or duration of the temporary increase in the public debt, such amendments not to be subject to amendment;

Third, waiving all necessary points of order;

Fourth, 1½ hours of general debate, to be equally divided; and

Fifth, one motion to recommit.

Section 3 of the bill dealing with long-term bond authority would be closed. In addition, the Committee on Ways and Means instructed the chairman and Mr. CONABLE, ranking minority member, to urge the Committee on Rules, in conjunction with this debt ceiling bill, to approve a change in the House rules, as proposed by Congressman GEPHARDT, which would establish the public debt limitation in the congressional budget process.

We intend to file the committee report by midnight Friday, September 14, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 15 minutes.

● Mr. DRINAN. Mr. Speaker, due to official business, I was absent from the House of Representatives for a brief period yesterday during consideration of H.R. 4034, the Export Administration Act Amendments of 1979. Had I been present for rollcall No. 456, on approval of an amendment to redefine military critical technologies subject to export controls, I would have voted "no." ●

GENERAL LEAVE

Mr. HALL of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on the bill, H.R. 4040, considered earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Gibbons (at the request of Mr. Wright), for today, on account of a death in the family.

Mr. Pepper (at the request of Mr. Wright), for September 12, 13, and 14, on account of official business.

Mr. Baldus (at the request of Mr. Wright), for today, on account of official business.

Mr. Stump, for today, on account of family illness.

Mr. McClory (at the request of Mr. Rhodes), for today and the balance of this week, on account of attendance at the International Parliamentary Union.

Mr. Vander Jagt (at the request of Mr. Rhodes), for today and the balance of the week, on account of official business with the International Parliamentary Union.

Mr. Goodling (at the request of Mr. Rhodes), for today and the balance of the week, on account of official business with the International Parliamentary Union.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Conable, for 60 minutes, today.

(The following Members (at the request of Mr. Hopkins) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, on September 17.

Mr. Kemp, for 15 minutes, today.

Mr. Wampler, for 30 minutes, today.

Mr. Clausen, for 15 minutes, today.

(The following Members (at the request of Mr. Hall of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. Nelson, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Bingham, for 20 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. LaFalce, for 10 minutes, today.

Mr. Waxman, for 5 minutes, today.

Mr. Ullman, for 5 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Mineta, for 5 minutes, on September 14, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brademas, to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,447.50.

Mr. Wampler, to revise and extend his remarks, notwithstanding the fact it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,640.50.

(The following Members (at the request of Mr. Hopkins) and to include extraneous matter:)

Mr. Lungren in 10 instances.

Mr. Moorhead of California.

Mr. Hinson in two instances.

Mr. Michel in three instances.

Mrs. Heckler.

Mr. Hillis.

Mr. Tauke.

Mr. Dannemeyer.

Mr. Green.

Mr. Lee.

Mr. Kemp in two instances.

Mr. Abdnor in two instances.

Mr. Grassley.

Mr. Collins of Texas in two instances.

Mr. Regula.

Mr. Ashbrook in three instances.

(The following Members (at the request of Mr. Hall of Ohio) and to include extraneous matter:)

Mr. Mazzoli in three instances.

Mr. Ford of Tennessee.

Mr. Hamilton.

Mr. LaFalce in three instances.

Mr. Solarz.

Mr. Skelton in two instances.

Mr. Mica in five instances.

Mr. Wirth.

Mr. Gaydos.

Mr. Clay.

Mr. Coelho.

Mr. Zeferetti.

Mr. Vento.

Mr. Murphy of New York in two instances.

Mr. Patterson in two instances.

Mrs. Chisholm.

Mr. Moorhead of Pennsylvania.

Mr. Florio.

Ms. Mikulski.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1019. An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes;

H.R. 4388. An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

ADJOURNMENT

Mr. HALL of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock p.m.), the House adjourned until tomorrow, Thursday, September 13, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2420. A letter from the President of the United States, transmitting a proposed amendment to the requests for appropriations for fiscal year 1980 for the Department of Agriculture (H. Doc. 96–186); to the Committee on Appropriations and ordered to be printed.

2421. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification of lands in the El Dorado Irrigation District, Sly Park Unit, American River Division, Central Valley project, California, have been completed, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2422. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification and documentation of demonstrated productivity in practice have been accomplished for certain non-Indian water right lands in the Upalco Unit, central Utah project, Utah, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2423. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate the requirement for Selective Service System availability determination for members of the Standby Reserve prior to involuntary order to active duty in war or national emergency; to the Committee on Armed Services.

2424. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the Air Force's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in a contract with the Ministry of Defence of the United Kingdom for the purchase of nontactical vehicles, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

2425. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a revised report on the export expansion facility program for the quarter ended June 30, 1979, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

2426. A letter from the Deputy Commissioner for Occupational and Adult Education, Office of Education, Department of Health, Education, and Welfare, transmitting the annual report of the National Center for Research in Vocational Education Advisory Council, covering calendar year 1978; to the Committee on Education and Labor.

2427. A letter from the President of the United States, transmitting notice of his determination that it is in the national interest to extend for 1 year the Foreign Assets Control Regulations, prohibiting certain transactions with the Governments or nationals of North Korea, Vietnam, or Cambodia; the Transaction Control Regulations, restricting sales of strategic goods located abroad to most Communist countries; the Cuban Assets Control Regulations; and the Foreign Funds Control Regulations, pursuant to section 207(d) of Public Law 95-223; to the Committee on Foreign Affairs.

2428. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by John R. Clingerman, Ambassador-designate to the Kingdom of Lesotho, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2429. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by John P. Condon, Ambassador-designate to Tonga and Tuvalu, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2430. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Kenneth M. Curtis, Ambassador-designate to Canada, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2431. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Horace G. Dawson, Jr., Ambassador-designate to Botswana, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2432. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Francis M. Dickman, Ambassador-designate to Kuwait, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2433. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Stephen Low, Ambassador-designate to Nigeria, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2434. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Nancy V. Rawls, Ambassador-designate to the Ivory Coast, and by members of her family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2435. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by George B. Roberts, Jr., Ambassador-designate to Guyana, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2436. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard N. Viets, Ambassador-designate to Tanzania, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2437. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard D. Vine, Ambassador-designate to Switzerland, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2438. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2439. A letter from the Secretary of the Interior, transmitting an initial report on the cost estimates and time schedules for the various components of a continuing investigation of the availability of oil and natural gas from the Outer Continental Shelf, pursuant to section 606(e) of Public Law 95-372; to the Committee on Interior and Insular Affairs.

2440. A letter from the Under Secretary of the Interior, transmitting the annual report of the U.S. Government Comptroller for Guam/Northern Mariana Islands and the Trust Territory of the Pacific Islands on the fiscal condition of the trust territory for the fiscal year ended September 30, 1978, pursuant to section 2 of Public Law 93-111; to the Committee on Interior and Insular Affairs.

2441. A letter from the Assistant Secretary of the Interior, transmitting a proposed draft of a temporary water service contract between the United States and the Westlands Water District for municipal and industrial and agricultural water service in 1980 from the San Luis and Coalinga Canals and the Mendota Pool, pursuant to section 3 of Public Law 95-46; to the Committee on Interior and Insular Affairs.

2442. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of May 1979 on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2443. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to add a new section to the Immigration and Nationality Act to recognize the report of birth abroad of a citizen of the United States as proof of U.S. citizenship; to the Committee on the Judiciary.

2444. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii)(b) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2445. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2446. A letter from the Secretary of Transportation, transmitting a report on the outsized vehicle study, pursuant to section 211 of Public Law 95-599; to the Committee on Public Works and Transportation.

2447. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to recognize U.S. passports issued to individuals identified therein as citizens of the United States as proof of citizenship; jointly, to the Committees on Foreign Affairs and the Judiciary.

2448. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's manufacturing technology program (PSAD-79-99, September 11, 1979); jointly, to the Committees on Government Operations, Armed Services, and Appropriations.

2449. A letter from the Comptroller General of the United States, transmitting a report on criminal jurisdiction over civilian employees of the Department of Defense overseas (FPCD-79-45, September 11, 1979); jointly, to the Committee on Government Operations, Armed Services, and the Judiciary.

2450. A letter from the Comptroller General of the United States, transmitting a report on enforcement problems hindering effective implementation of new fishery management activities (CED-79—120, September 12, 1979); jointly, to the Committee on Government Operations and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. Supplemental report on S. 832. An act to extend the authorization for the Federal Election Commission (Rept. No. 96-408, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. PATTERSON: Select Committee on Committees. House Resolution 404. Resolution amending the Rules of the House of Representatives relating to the committee scheduling (Rept. No. 96-426, pt. 1). Reported and referred to the Committee on Rules for a period ending not later than September 26, 1979, for consideration of such provisions of the resolution as fall within the jurisdiction of that committee under clause 1(q), rule X. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 5252. A bill to authorize operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China; to the Committee on Foreign Affairs.

H.R. 5253. A bill to amend the Trade Act of 1974 to permit the People's Republic of China to participate in programs of the United States which extend credits, credit guarantees, or investment guarantees; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 5254. A bill to amend the Immigration and Nationality Act to facilitate the transportation of undocumented aliens; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 5255. A bill to provide that the salaries of the Members of Congress shall be subject to reduction if a level of inflation determined by the Congress to be acceptable is exceeded, and to repeal provisions of law allowing cost-of-living adjustments for such salaries; to the Committee on Post Office and Civil Service.

By Mr. HINSON:

H.R. 5256. A bill to amend the Internal Revenue Code of 1954 to provide for an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

H.R. 5257. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of interest on certain short-term nonnegotiable certificates of deposit; to the Committee on Ways and Means.

By Mr. LaFALCE:

H.R. 5258. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 5259. A bill to name a certain Federal building in Santa Fe, N. Mex., the Joseph E. Montoya Federal Building-U.S. Courthouse; to the Committee on Public Works and Transportation.

By Mr. MURPHY of New York:

H.R. 5260. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TREEN (for himself, Mr. Rhodes, Mr. Burgener, Mr. Winn, Mr. Dannemeyer, and Mrs. Holt):

H.R. 5261. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Mr. UDALL:

H.R. 5262. A bill to amend the act of December 22, 1974 (88 Stat. 1712; 25 U.S.C. 640d); to the Committee on Interior and Insular Affairs.

By Mr. VENTO (for himself and Mr. Kostmayer):

H.R. 5263. A bill to direct the Secretary of Energy to review the present status of middle distillate products as provided for decontrol under the Emergency Petroleum Allocation Act and, if necessary, to reimpose price and allocation controls over middle distillate products; to the Committee on Interstate and Foreign Commerce.

By Mr. RATCHFORD:

H.R. 5264. A bill to amend title I of the Higher Education Act of 1965; to the Committee on Education and Labor.

By Mr. HINSON:

H.J. Res. 396. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the Congress shall not exceed the revenues of the United States, except in time of war or national emergency, and to provide for the systematic repayment of the debt of the United States; to the Committee on the Judiciary.

H.J. Res. 397. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1980, as "American Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON (for himself, Mr. Cleveland, Mr. Clay, Mr. McCormack, Mr. Breaux, Mrs. Schroeder, Mr. Traxler, Mr. Derrick, Mr. Fisher, Mr. Kostmayer, Mr. Whitley, Mr. Horton, Mr. Frenzel, Mr. Leach of Iowa, Mr. Solomon, Mr. Foley, Mr. Rose, Mr. Phillip Burton, Mr. Giaimo, Mr. Corcoran, Mr. Stangeland, Mr. Neal, Mr. Whittaker, Mr. Skelton, Mr. Hughes, Mr. Kogovsek, Mr. Thompson, Mr. Erdahl, Mr. Burgener, Mr. Mitchell of New York, Mr. Lowry, Mr. Hollenbeck, Mr. Royer, Mr. Corrada, Mr. Bedell, Mr. Dixon, Mrs. Holt, Mr. Tauke, Mr. Stokes, Mr. Livingston, Mr. Gudger, Mr. Vento, Mr. McHugh, Mr. Collins of Texas, Mr. Fazio, Mr. Hamilton, Mr. Simon, and Mr. Jacobs):

H. Res. 405. Resolution amending the Rules of the House of Representatives relating to committee scheduling; to the Committee on Rules.

By Mr. MICA:

H. Res. 406. Resolution expressing the sense of the House of Representatives that the Government of the Soviet Union should remove its troops from Cuba as expeditiously as possible; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

299. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the Syrian Jewish community; to the Committee on Foreign Affairs.

300. Also, memorial of the Legislature of the State of California, relative to sugary foods; to the Committee on Interstate and Foreign Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 734: Mr. Gradison.

H.R. 735: Mr. Gradison.

H.R. 746: Mr. Patterson.

H.R. 3586: Mr. Holland, Mr. Campbell, Mr. Sabo, Mr. Ireland, Mr. Watkins, Mr. Luken, Mr. Lederer, Mr. Lehman, Mr. Schulze, Mr. Downey, Mr. Duncan of Tennessee, and Mr. Jones of Oklahoma.

H.R. 3718: Mr. Patterson.

H.R. 4548: Mr. Jeffords.

H.R. 4782: Mr. Bevill, Mr. Leach of Louisiana, Mr. Montgomery, Mr. Murphy of Pennsylvania, and Mr. Yatron.

H.R. 4862: Mr. Nelson.

H.J. Res. 205: Mr. AuCoin, Mr. Bolling, Mr. Eckhardt, Mr. Harris, and Mr. Waxman.

H. Con. Res. 34: Mr. Patterson.

H. Con. Res. 158: Mr. Archer, Mr. Moorhead of California, and Mr. Ritter.

H. Con. Res. 183: Mr. Lungren, Mr. Kindness, Mr. Stangeland, Mr. Lagomarsino, Mr. Courter, Mr. Robert W. Daniel, Jr., Mr. Atkinson, and Mr. Flood.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

192. By the SPEAKER: Petition of the Executive Committee of the Board of Directors, National Legal Aid and Defender Association, Washington, D.C., relative to military operations on the island of Vieques; to the Committee on Armed Services.

193. Also, petition of the City Council, Peabody, Mass., relative to limiting the export of leather hides; to the Committee on Foreign Affairs.

194. Also, petition of the Better Roads and Transportation Council, Austin, Tex., relative to implementation of the Clean Air Act Amendments of 1977; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4034

By Mr. DORNAN:

—Page 10, insert the following after line 16:

"(4) The Secretary and the Secretary of Defense shall keep adequate records of all decisions made with respect to any revision of the list established pursuant to this subsection, including the factual and analytical basis for the decision together with any recommendations against such revision received from any other department or agency of the Federal Government.

—Page 49, line 13, insert "(1)" after "(b)".

Page 49, insert the following after line 20:

"(2) Any person who is issued a validated license under this Act for the export of any good or technology to a controlled country and who, with knowledge that such good or technology is being used by such controlled country for military or intelligence gathering purposes, fails to report such use to the Secretary of Defense, shall be fined not more than five times the value of the good or technology involved or $100,000, whichever is greater, or imprisoned for not more than ten years, or both. For purposes of this paragraph, 'controlled country' means any communist country as defined in section 620(f) of the Foreign Assistance Act of 1961.".

Page 49, line 20, strike out the closed quotation marks and final period.

—Page 50, line 4, strike out the dash and all that follows through page 51, line 7, and insert in lieu thereof the following: by striking out the last two sentences and inserting in lieu thereof the following: "Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.".

H.R. 4040

By Mr. BROOKS:

—Page 31, line 3, strike out "(a)", and beginning on line 9, strike out subsection (b) through line 15.

By Mr. DORNAN:

—Page 31, after line 15, insert the following new section (and redesignate the succeeding sections accordingly):

DEFENSE MANPOWER STUDY OF LIFETIME TAX CREDITS ENLISTMENT INCENTIVE

Sec. 816. (a) The Secretary of Defense shall study possible programs for the use of increased financial incentives for encouraging individuals to voluntarily enter military service, as an alternative to resuming registration and induction under the Military Selective Service Act, in order to improve the quality and increase the quantity of individuals entering military service. The Secretary shall include in the consideration of possible increased financial incentives for voluntary military service the granting of lifetime tax credits based on the length of an original enlistment in the Armed Forces. Such study shall specifically consider the desirability of a program establishing a five percent tax credit for each year in the case of an original enlistment of two to four years and ten percent tax credit for each year in the case of an original enlistment of four or more years.

(b) The Secretary of Defense shall submit to the Congress a report on the study required by subsection (a) not later than April 3, 1980, or the end of the 6-month period beginning on the date of the enactment of this Act, whichever is later.

—Page 33, after line 8, add the following new section:

FREEZE ON FORCED DISCHARGE OR RETIREMENT OF CERTAIN HIGHLY TRAINED OFFICERS

SEC. 818. (a) Notwithstanding any other provision of law, no commissioned officer of the Army, Navy, Air Force, or Marine Corps who has been trained by the United States in a military occupational specialty at a cost in excess of $100,000 and whose performance rating (as determined by the Secretary of the military department concerned) in the specialty in which such officer has been trained is above average may be involuntarily discharged, retired, or otherwise released from active duty during fiscal year 1980 because such officer has not been selected for promotion to the next higher grade.

(b) The Secretary of Defense shall conduct a study (1) of the cost, or the savings, to the Department of Defense of the provisions of law requiring involuntary discharge or separation of officers of the Armed Forces failing of promotion to the next higher grade as such provisions apply to officers described in subsection (a), and (2) of any other, nonbudgetary effect of such provisions. The Secretary of Defense shall submit to the Congress a report on the results of such study, together with such recommendations for legislative action as the Secretary considers desirable, at the earliest practicable date. If such report is not submitted to the Congress by September 30, 1980, the provisions of subsection (a) shall remain in effect after such date until the date on which such report is submitted to the Congress.

By Mr. GLICKMAN:

—On page 31, insert after line 15, the following new section:

"SEC. . The Secretary of the Air Force shall conduct an investigation of Titan II missile systems located within the United States to assess the physical condition of those facilities and components thereof as well as relevant maintenance procedures. Not later than 180 days after enactment of this Act, the findings of that investigation along with recommendations for any needed physical or procedural improvements to protect the public safety, including the safety of military personnel assigned to those systems, shall be reported to the House and Senate Committees on Armed Services and each Member of the Congress representing the states in which such systems are sited."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of July 18, 1979, page 19360.

H.R. 3333. March 29, 1979. Interstate and Foreign Commerce. Establishes the Communications Regulatory Commission. Terminates the Federal Communications Commission.

Directs the Commission to regulate telecommunications service, broadcast services, land mobile, and other radio services.

Requires that U.S. participation in international telecommunications satellite systems be by private corporations subject to regulation.

Authorizes the establishment of an Endowment for Program Development for educational television and radio.

Establishes the National Telecommunications Agency to allocate the electromagnetic frequency spectrum.

Repeals the Communications Act of 1934 and related legislation.

H.R. 3334. March 29, 1979. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1936, to authorize the Federal Maritime Commission to appoint representatives of United States flag line carriers to the delegation of the United States to any international conference or meeting affecting ocean liner shipping.

H.R. 3335. March 29, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for woodburning stoves for the 15 percent residential energy conservation credit.

H.R. 3336. March 29, 1979. District of Columbia. Amends the District of Columbia Redevelopment Act of 1945 to revise the standards requiring written consent for the purchaser or lessee with regard to a modification of an approved redevelopment plan. Approves two amendments to the urban renewal plan for Southwest, Washington, D.C.

H.R. 3337. March 29, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend the period from 24 to 36 months that funds allotted to a State for construction of treatment works shall remain available for obligation by the State.

H.R. 3338. March 29, 1979. Post Office and Civil Service. Authorizes the training, and the payment of training expenses, of specified employees under the supervision of the Architect of the Capitol according to specified provisions governing the training of executive branch employees as supplemented by regulations issued by the Architect.

H.R. 3339. March 29, 1979. Post Office and Civil Service. Authorizes and directs the Comptroller General to establish and administer a personnel management merit system for the General Accounting Office (GAO) which adheres, with specified exceptions, to existing laws governing the management of Federal employees.

Sets forth guidelines concerning the appointment, compensation, promotion, disciplining, and grievances of GAO employees under such system.

H.R. 3340. March 29, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code with respect to requirments for joint and survivor annunity benefit plans.

H.R. 3341. March 29, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to provide that increases in rates of pay of Members of Congress shall not take effect until Congress adopts a concurrent resolution on the budget which provides for a balanced Federal budget.

H.R. 3342. March 29, 1979. Judiciary. Constitutional Amendment—Allows the enactment of laws by popular vote in a national election. Prescribes the petition procedures for enactment of such laws.

H.R. 3343. March 29, 1979. District of Columbia. Permits civil suits under the Civil Rights Act by an individual against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District to the deprivation of any right, privilege, or immunity secured by the Constitution and laws.

H.R. 3344. March 29, 1979. Ways and Means. Amends the Trade Act of 1974 to prohibit the President from designating specified ferroalloy articles as eligible for duty-free treatment under the Generalized System of Preferences.

H.R. 3345. March 29, 1979. Education and Labor. Amends the Civil Rights Act of 1964 to include discrimination of the physically handicapped as an unlawful employment practice.

H.R. 3346. March 29, 1979. Judiciary. Prohibits certain petroleum companies engaged in the production, transportation, refining, or marketing of petroleum assets from controlling any interest in another aspects of the petroleum industry. Directs the Federal Trade Commission to require divestment of ownership interests by affected companies.

H.R. 3347. March 29, 1979. Banking, Finance and Urban Affairs. Authorizes appropriations for the international affairs functions of the Department of the Treasury and for increases required by adjustments in salaries and other employee benefits for fiscal year 1980.

H.R. 3348. March 29, 1979. Banking, Finance and Urban Affairs. Authorizes appropriations for the international affairs functions of the Department of the Treasury and for increases required by adjustments in salaries and other employee benefits for fiscal years 1980 and 1981.

H.R. 3349. March 29, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to strike and sell gold medallions to the general public commemorating Doctor Martin Luther King, Junior, George Washington Carver, Albert Einstein, and Thomas Alva Edison.

H.R. 3350. March 29, 1979. Armed Services. Repeals the provision of law which entitles members of the National Guard or members of a reserve component of the uniformed services to additional pay for the performance of administrative duty.

H.R. 3351. March 29, 1979. Armed Services. Entitles dependents of members of the uniformed services serving on active duty to use CHAMPUS inpatient cost-sharing rates for surgery performed on an out-patient basis.

H.R. 3352. March 29, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily permit the duty-free entry of fluorspar.

H.R. 3353. March 29, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income repayments of unemployment benefits, in the year of repayment, to a supplemental unemployment compensation trust which are required because of the receipt of trade adjustment allowances under the Trade Act of 1974.

H.R. 3354. March 29, 1979. Armed Services. Authorizes appropriations for fiscal year 1980 to the Department of Energy for conservation, development, and use of naval petroleum reserves and naval oil shale reserves.

H.R. 3355. March 29, 1979. Post Office and Civil Service. Restricts the use of franked mail by Members of Congress during election campaigns. Limits the number of pieces which may be sent as franked mail. Expands the advisory jurisdiction of the House Commission on Congressional Mailing Standards of the House of Representatives. Extends to surviving relatives the franking privilege of the spouse of a Member who died in office in the event there is no surviving spouse.

H.R. 3356. March 29, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3357. March 29, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3358. March 29, 1979. Judiciary. Directs that any payments of additional compensation to a named individual as the dependent wife of a deceased named individual shall, subject to otherwise applicable law concerning payments of such compensation to a dependent wife of a veteran suffering a service connected disability, be paid for a specified period, notwithstanding any applicable statute of limitations or implementing regulation.

H.R. 3359. March 29, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the Republic of Panama.

H.R. 3360. March 29, 1979. Judiciary. Directs that a specified period of employment, and the annual and sick leave entitlement from such period, of a named individual be included and credited for Federal employment benefits purposes.

H.R. 3361. March 29, 1979. Interior and Insular Affairs. Establishes the true location of a portion of the northerly boundary of the Angeles National Forest in Los Angeles County, California.

H.R. 3362. March 29, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3363. April 2, 1979. Foreign Affairs. Authorizes appropriations through fiscal year 1981 for the: (1) Department of State; (2) International Communication Agency (ICA); and (3) Board for International Broadcasting.

Revises the administrative authority of the Secretary of State and the ICA Director. Authorizes the public distribution of the film, "Aspen," and the "English Teaching Forum."

Amends the Act establishing a Commission on Security and Cooperation in Europe to limit the amount the Commission may use for official reception and representational expenses. Provides for the statutory reference to the House Committee on Foreign Affairs.

H.R. 3364. April 2, 1979. Agriculture; Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare and the Secretary of Agriculture from prohibiting commerce, prior to May 1, 1980, in any food by reason of the carcinogenic or other toxic effect of the nitrite added to that food under specified conditions.

Prohibits either Secretary from prohibiting commerce on or after May 1, 1980, in any food to which nitrite has been added if the addition of such nitrite is safe or necessary to protect against botulism.

H.R. 3365. April 2, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to require air carriers to file tariffs with the Civil Aeronautics Board stating their liability and claim rules, regulations, and charges regarding cargo losses.

Authorizes the Board to hold hearings regarding the lawfulness of such tariffs.

Directs the Board to require air carriers to maintain cargo liability insurance in such minimum amounts as the Board determines.

H.R. 3366. April 2, 1979. Government Operations; Rules; Ways and Means. Sets forth a six-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Establishes the Citizen's Commission on the Efficiency of Federal Programs to study and recommend ways to improve the efficiency and effectiveness of Government agencies.

Requires the President to submit: (1) at least once in each Congress a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

Provides for the preparation of a reauthorization schedule for tax expenditure provisions.

H.R. 3367. April 2, 1979. Banking, Finance and Urban Affairs. Requires Federal Reserve banks to keep detailed minutes of all meetings of their Boards of Directors. Stipulates that these transcripts be provided to the appropriate committees of the Congress three years after the date of such meeting and be released, at the same time, to the general public under certain limitations.

H.R. 3368. April 2, 1979. Agriculture; Interstate and Foreign Commerce. Directs the Secretary of Agriculture to conduct or arrange for the conduct of: (1) further research on the effects of nitrites on animals other than the Sprague-Dawley species of rat; and (2) research on possible nitrite substitutes, and preservative methods and processes, that may be used in the preservation of meat, poultry, or fish.

Prohibits the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from taking any action to prohibit the sale, distribution, or use of nitrites as a food preservative unless validated evidence proves that they have a significant carcinogenic effect on humans.

H.R. 3369. April 2, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to repeal those provisions which provide increased old age insurance benefits for individuals who delay retirement until after attainment of age 65.

H.R. 3370. April 2, 1979. Appropriations. Makes supplemental appropriations for fiscal year 1979 to the Secretary of Agriculture to carry out title III (Federal and State Cooperation) of the Federal Meat Inspection Act.

H.R. 3371. April 2, 1979. Agriculture. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crop of wheat and of corn.

H.R. 3372. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit State taxing authorities which receive Federal tax return information to disclose such information to a State auditing agency for the purpose of auditing the tax authorities.

H.R. 3373. April 2, 1979. Ways and Means. Stipulates that the procedure established pursuant to the Trade Act of 1974 for congressional consideration of bills implementing trade agreements on nontariff barriers and resolutions approving commercial agreements with communist countries shall not apply to bills affecting programs under the Small Business Act or requirements by the Buy American Act.

H.R. 3374. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to increase the excise tax on cigarettes and impose a tax surcharge with respect to excise taxes on alcoholic beverages.

Amends the Social Security Act to allocate revenues from such excise taxes to the Federal Disability Insurance Trust Fund. Makes reductions in employment taxes after 1980.

H.R. 3375. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that a taxpayer must have attained age 55 to qualify for the one-time exclusion of gain from the sale of a principal residence.

H.R. 3376. April 2, 1979. Public Works and Transportation. Requires Federal agencies to charge a fee for parking, as determined by the Secretary of Transportation, at facilities owned or controlled by the United States. Prohibits Federal agencies from constructing or acquiring parking facilities.

H.R. 3377. April 2, 1979. Agriculture. Prohibits the Secretary of Agriculture, for a three-year period, from issuing any order or regulation: (1) restricting the use of nitrites or nitrates as preservatives in meat products to a specified level; or (2) requiring labeling on meat products concerning nitrites or nitrates in addition to the requirements already in effect.

H.R. 3378. April 2, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to repeal the blanket prohibition against regulations deeming safe and cancer-inducing food additives or color additives in food, drugs, or cosmetics. Abolishes the advisory committee of experts established to review regulations disapproving color additives as cancer-inducing.

H.R. 3379. April 2, 1979. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OASDI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3380. April 2, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3381. April 2, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to permit special purpose units of local governments and experienced nonprofit service agencies to serve as prime sponsors under such Act.

H.R. 3382. April 2, 1979. Agriculture. Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare and the Secretary of Agriculture from prohibiting commerce, prior to April 1, 1982, in any food by reason of the carcinogenic or other toxic effect of the nitrite added to that food under specified circumstances.

Prohibits either Secretary from prohibiting commerce on or after April 1, 1982, in any food to which nitrite has been added unless the addition of such nitrite is neither safe nor necessary to protect against botulism.

H.R. 3383. April 2, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing a proposed revenue procedure which sets forth guidelines for determining whether private schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies until Congress enacts specific guidelines for making such determinations.

H.R. 3384. April 2, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of industrial diamonds presently held in the national and supplemental stockpiles.

H.R. 3385. April 2, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of silver now held in the national stockpile.

H.R. 3386. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3387. April 2, 1979. Interior and Insular Affairs. Prohibits the Nuclear Regulatory Commission from promulgating any rule or regulation without first publishing and making available for public comment a comparison of the risk or risks involved in either issuing or not issuing any such rule or regulation.

H.R. 3388. April 2, 1979. Judiciary. Makes it a Federal offense to kill an officer or employee of the Veterans' Administration who is performing investigative or law enforcement functions.

H.R. 3389. April 2, 1979. Veterans' Affairs. Amends certain veterans' insurance provisions regarding: (1) assignments; (2) attorneys' fees; (3) dividends; and (4) flexible interest rates.

H.R. 3390. April 2, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 3391. April 2, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend and revise the assistance program for nurse training and students.

H.R. 3392. April 2, 1979. Agriculture. Authorizes the Secretary of Agriculture to conduct a program to develop and test various methods of brush and vegetation control on National Forest System lands.

H.R. 3393. April 2, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to change the acreage limitation with respect to reclamation lands of lesser productivity than class one lands.

States that one year after the date of enactment of this Act water from any reclamatation project may only be delivered to project lands which comprise a family farm or which fall under specified categories, except that no Federal water shall be supplied to lands held by foreign entities.

Makes provisions for the leasing of excess lands to family farmers.

H.R. 3394. April 2, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to terminate, beginning with fiscal year 1980, the State government share of revenue sharing funds without affecting the local government share.

H.R. 3395. April 2, 1979. Interior and Insular Affairs. Authorizes the District Court of Guam to award interest on the amount of fair compensation awarded in reviewing certain claims respecting land on Guam.

H.R. 3396. April 2, 1979. Judiciary. Directs the Secretary to the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3397. April 2, 1979. Judiciary. Authorizes the granting of a visa to, and admission of, a named individual to the United States for permanent residence.

H.R. 3398. April 3, 1979. Agriculture: Appropriations. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crops of wheat and corn.

H.R. 3399. April 3, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to complete the studies for specified flood control projects. Directs the Secretary, through the Chief of Engineers, to carry out those projects which are recommended.

H.R. 3400. April 3, 1979. Education and Labor. Establishes a system of payments to or on behalf of textile workers who are totally disabled by or whose death was due to byssinosis (brown lung disease).

H.R. 3401. April 3, 1979. Interstate and Foreign Commerce. Directs Tthe Secretary of Commerce, in consultation with the Secretary of Energy, to conduct a global market survey to determine which foreign countries might serve as markets for solar energy equipment manufactured in the United States.

H.R. 3402. April 3, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for energy efficient furnaces or replacement boilers for the 15-percent residential energy conservation credit.

H.R. 3403. April 3, 1979. Ways and Means. Authorizes the President to enter into agreements with countries to apply import restrictions on the archaeological or ethnological materials of requesting countries. Authorizes the President to apply such restrictions in emergency situations. Directs the Secretary of the Treasury to promulgate a list of materials covered by such agreements or emergency actions. Establishes a Cultural Property Advisory Committee to review and make recommendations concerning such agreements and actions.

Prohibits the importation of designated archaeological or ethnological materials or of stolen cultural articles. Sets forth procedures for temporary disposition and forfeiture of articles under this Act.

H.R. 3404. April 3, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to authorize Federal Reserve banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury and to purchase or sell direct obligations of the United States.

H.R. 3405. April 3, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of the Treasury to enter into annual contribution contracts with local governments to pay a stated portion of total interest and principal of specific bond issues to finance restoration work on water and sewer systems, roads, and bridges.

H.R. 3406. April 3, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize additional appropriations for fiscal year 1979 and to authorize appropriations for fiscal year 1980 to carry out the provisions of such Act.

H.R. 3407. April 3, 1979. Armed Services. Authorizes the President to award the Congressional Medal of Honor posthumously to Private First Class William James Tsakanikas for his service during World War II.

H.R. 3408. April 3, 1979. Ways and Means; Banking, Finance and Urban Affairs. Amends the Export-Import Bank Act of 1915 to repeal provisions permitting the Export-Import Bank to extend credit to Communist countries. Repeals specified limitations on loans and financial guarantees.

Amends the Trade Act of 1974 to prohibit the extension of credits or guarantees to Communist countries. Repeals the waiver authority of the President applicable to trade relations with Communist countries. Terminates any such present extensions of credit or waivers. Repeals requirements that the East-West Foreign Trade Board include recommendations for promoting east-west trade in its reports to Congress.

H.R. 3409. April 3, 1979. Government Operations. Requires Federal agencies, contractors, and grantees to keep research records confidential. Sets limits on the disclosure, the recontacting of subjects, and the use of individually identifiable research records. Provides for criminal penalties, civil liability, and administrative sanctions for violations of these provisions.

H.R. 3410. April 3, 1979. Veterans' Affairs. Extends the authorization of appropriations under the Veterans' Administration (VA) for: (1) State veterans' homes; (2) medical information pilot programs; (3) new State medical schools; (4) VA-affiliated medical schools; and (5) health manpower training programs.

Prohibits the Administrator of Veterans' Affairs from entering into any agreement or providing any assistance to health manpower training programs, to VA-affiliated medical schools, or to establish new State medical schools after December 31, 1979.

H.R. 3411. April 3, 1979. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to certain emergency personnel.

H.R. 3412. April 3, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to provide criminal penalties for placing, or attempting to place, a loaded firearm aboard an aircraft.

H.R. 3413. April 3, 1979. Armed Services. Entitles enlisted members of an armed force who have five or more years, but less than 20 years, of creditable service and who are involuntarily discharged or denied reenlistment to severance pay. Sets forth the method for computing such pay.

H.R. 3414. April 3, 1979. Judiciary. Directs the Secretary of Transportation to conduct a study of the causes of losses of firearms, ammunition, and explosives being transported in interstate commerce and the standards necessary to provide adequate protection from such losses.

H.R. 3415. April 3, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Establishes a Presidential Commission to be called the Nuclear Reactor Emergency Commission. Directs the Commission to develop specifications relating to potential malfunctions of civilian nuclear reactors.

Authorizes the Nuclear Regulatory Commission to assume responsibility for the operation of a nuclear reactor in the event of an emergency.

H.R. 3416. April 3, 1979. Government Operations. Requires that beginning with fiscal year 1980, the total budget outlays of the Federal Government shall not exceed its receipts.

H.R. 3417. April 4, 1979. Small Business. Amends the Small Business Act of 1958 to authorize the Small Business Administration to purchase development investment in small businesses which are engaged in high growth industries and to finance such small businesses in a manner commensurate with preserving or creating substantial job opportunities.

Establishes in the Small Business Administration the Development Investment Committee. Limits financial assistance to qualified small business concerns as determined by the Committee.

H.R. 3418. April 4, 1979. Post Office and Civil Service. Amends the Civil Service retirement provisions to include, in computing the length of service of individuals employed in the Canal Zone public schools, up to ten years of such individuals' service in U.S. public schols. Provides for the adjustments of annuities and contributions to the retirement accounts based on the credited service.

H.R. 3419. April 4, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 (CETA) to authorize the Secretary of Labor to waive certain wage standards for CETA public service employees.

H.R. 3420. April 4, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to: (1) authorize appropriations to the Federal Trade Commission (FTC); (2) require the Federal Home Loan Bank Board to prescribe regulations to prevent unfair or deceptive acts and practices by savings and loan institutions; (3) amend rulemaking procedures of the FTC; and (4) require the FTC to review its rules every five years.

H.R. 3421. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 3422. April 4, 1979. Interstate and Foreign Commerce. Prohibits any Federal employee or agency from inspecting medical or dental records of patients not receiving medical or dental assistance from the Federal Government, unless authorized by the patient.

H.R. 3423. April 4, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December 1977 that is both a month in which the individual is entitled to benefits and is unemployed.

H.R. 3424. April 4, 1979. Interstate and Foreign Commerce. Regulates the fees and practices of blood banks with respect to the collection and distribution of blood.

H.R. 3425. April 4, 1979. Interstate and Foreign Commerce; Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to prohibit a provider of services, when furnishing blood to Medicare recipients, from: (1) charging more than the processing fee paid by the provider for the blood; and (2) charging for the cost of the administration of the blood by the provider.

Eliminates the deductible for the first three pints of whole blood furnished during any spell of illness.

H.R. 3426. April 4, 1979. Education and Labor. Amends the Federal Mine Safety and Health Act of 1977 to provide that provisions of such shall not apply to stone mining or sand and gravel mining operations.

H.R. 3427. April 4, 1979. Post Office and Civil Service. Entitles nonprofit service clubs to the reduced postage rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 3428. April 4, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 3429. April 4, 1979. Foreign Affairs; Rules. Amends the Export Administration Act to revise the conditions under which the President can authorize the export of crude oil or fuels. States that any such finding by the President shall constitute an energy action.

H.R. 3430. April 4, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to prohibit Members of Congress from accepting any honorarium of more than $500 in value.

H.R. 3431. April 4, 1979. Interstate and Foreign Commerce. Amends the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams.

H.R. 3432. April 4, 1979. Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy to be used for loans pursuant to the small hydroelectric power projects program.

H.R. 3433. April 4, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the reporting requirements of tax-exempt private foundations.

H.R. 3434. April 4, 1979. Ways and Means; Appropriations. Amends title XX (Grants to States for Services) of the Social Security Act to increase amounts available for social services, child day care services, personnel training or retraining, and the initial detoxification of alcoholics and drug addicts.

Amends part B (Child Welfare Services) of title IV of the Social Security Act to revise State plan requirements under such part.

Requires each State having a plan approved under part A (Aid to Families with Dependent Children) of title IV to make adoption assistance payments to parents who adopt certain children.

H.R. 3435. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to eliminate the adjusted gross income limitation on such credit.

H.R. 3436. April 4, 1979. Interstate and Foreign Commerce. Amends the Health Programs Extension Act of 1973 to prohibit any entity which receives financial assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act from discriminating against any applicant for training or study because of such applicant's reluctance or unwillingness to counsel, assist, or in any way participate in the performance of abortions or sterilizations contrary to his or her religious belief or moral convictions.

H.R. 3437. April 4, 1979. Public Works and Transportation. Amends the John F. Kennedy Center Act to authorize the Secretary of the Interior, through the National Park Service, to make repairs to, as well as maintain, the John F. Kennedy Center. Sets limits on the provision of such services. Revises the formula for determining the interest accrued on certain bonds.

H.R. 3438. April 4, 1979. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications, prerequisites, tests, or devices which abridge the right to vote of a citizen who is a member of a language minority.

Repeals the requirement that States and other political subdivisions make available registration and voting materials and voting assistance in languages other than English.

H.R. 3439. April 4, 1979. Judiciary. Amends the Immigration and Nationality Act to allow certain aliens applying as immigrants to be given preference visas as children of United States citizens provided such an alien: (1) requests such treatment; (2) was born after 1950 in Korea, Vietnam, Laos, or Thailand; (3) was fathered by an American serviceman; and (4) provides a guarantee of financial support.

H.R. 3440. April 4, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to verify the incomes of families applying for or receiving low-income housing assistance under the United States Housing Act of 1937. Requires that such families authorize the Secretary to obtain information for the purpose of income verification or provide such information themselves. Stipulates that such information shall remain confidential and be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits.

H.R. 3441. April 4, 1979. Merchant Marine and Fisheries; Public Works and Transportation. Establishes a fund for the purpose of paying for otherwise uncompensated losses resulting from oil pollution.

Imposes, within certain monetary limits, joint, several, and strict liability on the owners and operators of each pollution source. Requires petroleum facilities and certain vessels to maintain evidence of financial responsibility in an amount equal to applicable liability limits.

Sets forth procedures for identifying and publicizing pollution sources.

H.R. 3442. April 4, 1979. Ways and Means. Amends the Antidumping Act of 1921 to revise the procedure for determining whether imported goods are being sold at less than fair value and the special dumping duty to be imposed.

Amends the Tariff Act of 1930 to revise the procedure for determining whether export bounties or grants are being paid and the collection of countervailing duties.

Permits actions in the U.S. Customs Court contesting any determinations relating to such import trade practices.

Transfers the Secretary of the Treasury's investigative and fact-finding responsibilities under the Antidumping Act of 1921 and the Tariff Act of 1930 to the International Trade Commission.

H.R. 3443. April 4, 1979. Education and Labor. Directs the Commissioner of Education to plan and establish a National Center for Citizenship Education.

Authorizes the Commissioner to provide grants to States to assist them in developing State citizenship education plans.

H.R. 3444. April 4, 1979. Government Operations; Interstate and Foreign Commerce; Ways and Means. Requires medical care facilities to permit individuals to inspect and have copies of their medical records. Establishes standards for the disclosure of individual medical records.

Permits an individual to challenge a subpoena or summons of such individual's medical records. Provides criminal and civil penalties for violations of the disclosure provisions.

H.R. 3445. April 4, 1979. Ways and Means; Interstate and Foreign Commerce. States that in determining the reasonable costs of services furnished by nonprofit hospitals under the Maternal and Child Health, Medicare, and Medicaid programs of the Social Security Act, gifts, grants, and endowments shall not be deducted from any operating costs in determining such reasonable costs.

Prohibits any State from establishing a law or regulation respecting the limitations upon the revenue of hospitals which treats as revenues of a hospital any income attributable to gifts or endowments. Prohibits any Federal law providing for the control of hospital costs to treat as revenues any amounts which a State may not treat as revenues.

H.R. 3446. April 4, 1979. Judiciary. Grants a Federal charter to the Gold Star Wives of America. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 3447. April 4, 1979. Interior and Insular Affairs. Amends the Boulder City Act of 1958 to authorize the Secretary of the Interior to transfer portions of the water supply system to Boulder City, Nevada. Revises the provisions concerning the costs of operating such system. Repeals specific reporting requirements.

H.R. 3448. April 4, 1979. Post Office and Civil Service. Increases the amounts of regular and optional group life insurance available to Federal employees. Establishes a plan of optional life insurance on family members.

H.R. 3449. April 4, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Commerce to: (1) develop and recommend policies designed to stimulate and encourage travel to the United States by residents of foreign countries; (2) encourage travel to and from the United States on United States carriers; (3) encourage the simplification or elimination of barriers to international travel; and (4) collect and publish statistics and technical information relating to international travel and tourism.

H.R. 3450. April 4, 1979. Banking, Finance and Urban Affairs. Requires regulations issued by Federal financial regulatory agencies to be clearly and simply written and cost effective.

H.R. 3451. April 4, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Illinois River, Oregon, as part of the National Wild and Scenic Rivers System.

H.R. 3452. April 4, 1979. Judiciary. Provides that no Federal judge of certain Territories of the United States shall be deemed to have received less than a specified salary for the purpose of retirement benefits.

H.R. 3453. April 4, 1979. Post Office and Civil Service. Exempts managerial and clerical employees of the Alaska Railroad in Alaska from mandatory retirement provisions.

H.R. 3454. April 4, 1979. Post Office and Civil Service. Entitles the United States Olympic Committee, affiliated individuals and organizations, and the Lake Placid Olympic Committee (under specified conditions) to use reduced postage rates currently provided for qualified nonprofit organizations.

H.R. 3455. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to allow nonitemizing taxpayers an income tax deduction based upon the cost of living in States which have higher inflation rates than the national average.

H.R. 3456. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who are not employed by the Federal Government a tax exclusion for that portion of their personal service income which is equal to the allowance permitted Federal employees in certain States for higher living costs and extreme conditions of environment.

H.R. 3457. April 4, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3458. April 4, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named company as reimbursement for certain attorneys fees and other related costs incurred in pursuing a claim against the United States.

H.R. 3459. April 4, 1970. Judiciary. Waives the statute of limitations with regard to a claim by a named corporation against the United States. Declares that the failure of the appropriate Federal agency to make final disposition of such claim within six months after it is filed shall be deemed a final disposition of such claim, at the option of the claimant any time thereafter.

H.R. 3460. April 5, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes rural hospitals of less than 50 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare (title XVIII) and Medicaid (title XIX) programs of the Social Security Act providing that their inpatient hospital facilities may be used to furnish services which if furnished by a skilled nursing facility would constitute post hospital extended care services. Authorizes, pursuant to such agreements, payments to be made for skilled nursing services and intermediate care services furnished by a hospital.

H.R. 3461. April 5, 1979. Banking, Finance and Urban Affairs. Requires financial institutions to disclose to consumers all terms and conditions of savings and checking accounts under which account charges are assessed and earnings on savings are paid. Allows a depositor to verify all charges debited and earnings credited to such depositor's account. Permits certain actions to be brought by a depositor in a district court of the United States. Allows civil recovery for violations of this Act in any State court.

H.R. 3462. April 5, 1979. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to exempt specified real estate transactions from the terms of such Act.

Revises certain requirements for the sale or lease of lots located within a municipality or county. Requires that a title insurance binder or title opinion be presented to the purchaser prior to the time of closing.

H.R. 3463. April 5, 1979. Interstate and Foreign Commerce; Ways and Means. Amends the Social Security Act to authorize rural hospitals of fewer than 100 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare and Medicaid programs (titles XVIII and XIX of the Social Security Act) providing that their inpatient hospital facilities may be used to furnish services which if furnished by a skilled nursing facility would constitute post hospital extended care services. Authorizes payments to be made for skilled nursing intermediate care services furnished by a hospital.

H.R. 3464. April 5, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to make amendments relating, among other things, to: (1) eligibility for SSI benefits as determined by income; (2) presumptive disability; (3) trial work periods; (4) the eligibility of individuals under the age of 221; (5) SSI benefit decisions; and (6) SSI recipients participating in vocational rehabilitation programs.

Authorizes the Secretary of Health, Education, and Welfare to carry out demonstration projects which are likely to assist in promoting the objectives or facilitate the administration of title XVI.

H.R. 3465. April 5, 1979. Armed Services. Establishes the Weapons and Munitions Security Office within the Department of Defense to be responsible for formulating, coordinating, and supervising a continuing program of security and accountability for weapons and munitions of the Department.

Requires each military department which suffers a loss of weapons or munitions to conduct a thorough investigation of such loss.

H.R. 3466. April 5, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalilty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 3467. April 5, 1979. Judiciary. Amends the Gun Control Act of 1968 to specify additional penalties for anyone using or carrying a firearm during the commission of a felony which is prosecutable in a United States court.

H.R. 3468. April 5, 1979. Judiciary. Establishes criminal penalties for anyone in authorized possession or control of confidential or secret information, who knowingly communicates such information to a person not authorized to receive it.

H.R. 3469. April 5, 1979. Judiciary. Requires each executive agency or officer to submit for the review of each House of Congress any proposed rule, regulation, or change in a rule or regulation. Declares that the rule, regulation, or change shall become effective 60 days after submission unless either House adopts a resolution disapproving it.

H.R. 3470. April 5, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 3471. April 5, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to limit the authority of the Administrator of the Federal Aviation Administration with respect to designating positive control airspace and terminal control areas.

H.R. 3472. April 5, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 3473. April 5, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to carry out the Susquehanna River Basin flood control project at Lock Haven, Pennsylvania.

H.R. 3474. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on price increases resulting from deregulation. Allows oil producers a credit against such tax for certain types of energy-related investment.

H.R. 3475. April 5, 1979. Veterans' Affairs. Provides for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State.

H.R. 3476. April 5, 1979. Interior and Insular Affairs. Requires each nuclear reactor licensed under the Atomic Energy Act of 1954 to have such communications facilities and systems as the Nuclear Regulatory Commission deems necessary. Requires automatic emergency notification equipment.

Expands the resident inspector program to insure the assignment of an inspector to each licensed nuclear reactor.

H.R. 3477. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose an additional tax on the excess profits of oil producers during the 3-year period from the date of enactment of this act.

H.R. 3478. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on price increases resulting from deregulation. Allows oil producers a credit against such tax for certain types of energy-related investment.

H.R. 3479. April 5, 1979. Post Office and Civil Service. Defines the term "air traffic controller." Sets forth requirements which a controller who has been judged as unfit for duty must meet to be entitled to a training program. Establishes, within the Department of Transportation, a board to review each controller's training program to insure that it meets specified standards.

H.R. 3480. April 5, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation or the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to specified aspects of the control of navigable airspace.

H.R. 3481. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow residential and certain institutional users of refined petroleum products a limited, refundable income tax credit for the increase in price of such products due to deregulation of the oil industry.

H.R. 3482. April 5, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to allow the use of a food additive for dietary management of health disorders or disease, even though such additive is found to induce cancer in animals, if the Secretary of Health, Education, and Welfare determines the benefits to human health of such use outweigh the risks.

H.R. 3483. April 5, 1979. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to stipulate that 85 percent of the funds available for construction or operating grants under such Act for the urban mass transit program shall be made to areas with a population over 1,000,000.

H.R. 3484. April 5, 1979. Public Works and Transportation. Increases the Federal share of the costs of substitute transportation projects where such a project is financed in lieu of the construction of a highway on the Interstate System.

H.R. 3485. April 5, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Wisconsin River, Wisconsin, as part of the National Wild and Scenic Rivers System.

H.R. 3486. April 5, 1979. Judiciary. Prohibits government officers and employees from searching for or seizing any work product or documentary materials possessed by a person for public dissemination in a book, newspaper, broadcast, or other similar form of public communication.

H.R. 3487. April 5, 1979. Judiciary. Amends the Military Personnel and Civilian Employees Claims Act of 1964 to increase the amount payable under such Act to a member of the armed forces or to an officer or employee of the United States in settlement of a claim by such an individual for losses incident to service in such capacity.

Removes such ceiling for claims by such individuals for personal property losses incident to an evacuation from a foreign country by order of the Secretary of State.

H.R. 3488. April 5, 1979. Public Works and Transportation. Directs the Secretary of Transportation to enter into an agreement with the State highway department of the State of Pennsylvania for the construction of a second acoustical barrier along a specified portion of Route 95 of the Interstate System in Philadelphia, of its cost.

H.R. 3489. April 5, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain an enlarged Bumping Lake, as part of the Yakima project, Washington. Directs the Secretary of the Interior to prepare a detailed fish and wildlife conservation plan.

Sets forth requirements for irrigation repayment contracts and interest rates.

H.R. 3490. April 5, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to provide that new drugs for human or animal use will be regulated under such Act solely to assure their safety, and not their effectiveness.

H.R. 3491. April 5, 1979. Judiciary. Stipulates that a debt to a spouse, former spouse, or child for alimony, maintenance, or support, in connection with a separation agreement, divorce decree, or property settlement agreement, including any such debt that is assigned to any State or agency of any State, is not dischargeable in bankruptcy.

H.R. 3492. April 5, 1979. Judiciary. Prohibits from being released by a discharge in bankruptcy a debt which is a child support obligation assigned to a State as a condition of eligibility for aid under part A (Aid to Families with Dependent Children) of title IV of the Social Security Act.

H.R. 3493. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to provide an additional personal tax exemption for a taxpayer, his spouse, or a dependent who is disabled.

H.R. 3494. April 5, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a program for the diagnosis, treatment, and control of vitiligo, including information services and health education with respect to such disease.

H.R. 3495. April 5, 1979. Government Operations; Rules. Requires each Federal agency to reduce the paperwork burden such agency places upon the private sector and State and local governments by a specified amount each year until fiscal year 1983.

Amends the Legislative Reorganization Act of 1970 to require all public legislation reported by any congressional committee to be accompanied by a Paperwork Impact Statement detailing the paperwork burden which would be imposed upon business, the private sector, and State and local governments by such legislation.

H.R. 3496. April 5, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3497. April 5, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to acquire specified additional lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.

H.R. 3498. April 5, 1979. Interior and Insular Affairs. Exempts the landholdings of United States citizens and current permanent resident aliens within the Kings River and Tulare Lake flood control project, California, from the acreage limitations of Federal reclamation laws.

H.R. 3499. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil and excise tax on the windfall profits from the production and sale of petroleum products. Allows a nonrefundable tax credit against the windfall profit tax for investment in certain oil production activities.

H.R. 3500. April 5, 1979. Banking, Finance and Urban Affairs. Amends the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make annual contributions to enable public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public housing tenants.

H.R. 3501. April 5, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to permit payment for eye care, eyeglasses, hearing aids and related examinations, and dental care and dentures under the supplementary medical insurance program.

H.R. 3502. April 5, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act to authorize appropriations to carry out the provisions of such Act for fiscal years 1980 and 1981.

H.R. 3503. April 5, 1979. Post Office and Civil Service. Makes air traffic controllers who are eligible for immediate retirement ineligible for full time training on the basis of their inability to continue their work as controllers for physical or other specified reasons. Entitles any employee who is engaged in providing preflight, in-flight, or airport advisory service to aircraft operators, and any immediate supervisor of such an employee, to a civil service pension upon separation from service after completing a specified period of service.

H.R. 3504. April 5, 1979. House Administration. Authorizes the Board of Regents of the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Building in Washington, D.C.

H.R. 3505. April 5, 1979. Merchant Marine and Fisheries. Amends the Act providing for the preservation of Barro Colorado Island, Canal Zone, in its natural state to increase the authorization of appropriations for such purpose.

H.R. 3506. April 5, 1979. Interior and Insular Affairs. Directs the Secretary of Energy to construct or otherwise acquire electric transmission facilities. Authorizes the establishment of the following separate funds in the U.S. Treasury: (1) Alaska Power Administration Fund; (2) Southeastern Power Administration Fund; (3) Southwestern Power Administration Fund; and (4) Western Area Power Administration Fund. Authorizes the Secretary to make expenditures from such Funds as necessary for each power administration's program.

H.R. 3507. April 5, 1979. Interior and Insular Affairs. Expands the boundaries of the Pennsylvania Avenue National Historic Site to include certain historic buildings along the ceremonial parade route between the White House and the Capitol.

H.R. 3508. April 5, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Requires the Administrator of the Bonneville Power Administration to prepare a regional power planning and conservation program utilizing the Federal Columbia River Power System. Establishes a representative regional power planning process to insure the provision of a reliable and adequate electric power supply. Directs the Administrator to give priority to the development of renewable energy resources in the event regional electric power obligations can not be met through the use of conservation measures.

H.R. 3509. April 5, 1979. Interstate and Foreign Commerce. Amends the Safe Drinking Water Act to extend the authorizations for appropriations under such Act through fiscal year 1982.

H.R. 3510. April 5, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to named individuals in satisfaction of certain claims against the United States.

H.R. 3511. April 5, 1979. Judiciary. Declares two named individuals to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of physical presence within the United States.

H.R. 3512. April 5, 1979. Judiciary. Authorizes the granting of a visa to, and admission of, a named individual to the United States for permanent residence.

H.R. 3513. April 9, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish in the Office of Education a National Student Financial Assistance Data Bank to assist students by identifying sources of public and private financial aid at institutions of higher education.

H.R. 3514. April 9, 1979. Agriculture. Amends the Agricultural Act of 1949 to establish the crop production loan level for the 1980 and 1981 crops of upland cotton.

Makes eligible for 1978 crop disaster payments certain cotton producers who were otherwise eligible for such payments, but who were deemed ineligible for failure to comply with the set-aside requirement of the 1978 crop feed grain program.

Directs the Secretary of Agriculture to make available a voluntary diversion program for the 1979 crop of upland cotton.

H.R. 3515. April 9, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 3516. April 9, 1979. Judiciary. Directs the United States to pay reasonable attorney fees to prevailing parties in civil actions in which the United States is a party.

H.R. 3517. April 9, 1979. Judiciary; Ways and Means. Authorizes the court to award reasonable attorney fees and costs in a civil action in which tax liability to the United States is asserted and the United States or the Internal Revenue Service is a party.

H.R. 3518. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction to individual taxpayers for costs incurred in connecting a residential sewer line to a public sewage system.

H.R. 3519. April 9, 1979. Interstate and Foreign Commerce. Stipulates that a finding by the Interstate Commerce Commission that rail properties subject to abandonment are suitable for other public purposes shall be based on public testimony and evidence received through a public hearing process following the publication of such proposed abandonment in the Federal Register.

H.R. 3520. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to extend the date by which taxpayers must comply with requirements for the exclusion from gross income of rollovers of lump sum distributions from certain tax-exempt pensions, annuities, or other retirement plans.

H.R. 3521. April 9, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the tax treatment of cooperative electric and telephone companies.

H.R. 3522. April 9, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to prohibit payment for nursing home care under the Medicaid program (for specified periods) to persons who dispose of assets without fair compensation in order to qualify for such payment or for other Medicaid benefits.

H.R. 3523. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction for employees contributions to certain retirement savings and pension plans.

H.R. 3524. April 9, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that benefits under such title may not be paid to individuals confined in penal institutions or correctional facilities.

H.R. 3525. April 9, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to authorize the Secretary of Labor to fund solar energy and energy conservation employment and training programs for the unemployed or underemployed or for those in school between the ages of 16 and 24.

Allows Governors of prime sponsors to operate such programs directly or by contracting with public or private nonprofit agencies or employers organized for profit. Directs the Secretary to use a portion of such funds for certain apprenticeship projects and to implement such programs at suitable Job Corps centers.

Authorizes appropriations for such programs.

H.R. 3526. April 9, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct hydroelectric powerplants at specified locations.

H.R. 3527. April 9, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to cooperate with States for the provision of law enforcement services at water resources development projects.

H.R. 3528. April 9, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to develop, operate, and maintain short-term recreational facilities and to administer the Federal land and water areas associated with the East Park and Stony Gorge Reservoirs, Orland project, California.

H.R. 3529. April 9, 1979. Education and Labor. Amends the General Education Provisions Act to prohibit any department, agency, officer, or employee of the United States, for the purpose of affecting the racial, ethnic, or socioeconomic composition of student enrollments, from exercising any supervision or control over the curriculum or program of instruction of any institution of higher education, or over the selection of library resources, textbooks, or other printed or published materials by any such institution.

H.R. 3530. April 9, 1979. Post Office and Civil Service. Entitles any individual covered by a Federal health benefits program which provides payment for the services of a nurse-midwife, to unrestricted selection of, and access to, such nurse-midwife.

H.R. 3531. April 9, 1979. Interstate and Foreign Commerce: Ways and Means. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include within the coverage of those titles services rendered by a nurse-midwife.

H.R. 3532. April 9, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to authorize the Secretary of Labor to fund solar energy and energy conservation employment and training programs for the unemployed or underemployed or for those in school between the ages of 16 and 24.

Allows Governors or prime sponsors to operate such programs directly or by contracting with public or private nonprofit agencies or employers organized for profit.

Directs the Secretary to use a portion of such funds for certain apprenticeship projects and to implement such programs at suitable Job Corps centers.

Authorizes appropriations for such programs.

H.R. 3533. April 9, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay for the training of nurses employed by the Veterans' Administration Department of Medicine and Surgery who are pursuing an academic degree in nursing.

H.R. 3534. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited additional income tax credit for political contributions to candidates for Congress.

H.R. 3535. April 9, 1979. Agriculture. Repeals the Agricultural Fair Practices Act of 1967 and establishes an agricultural bargaining policy substantially identical. Enumerates the unfair practices a handler of agricultural products is forbidden to commit under existing law, and adds a list of unfair practices an association of producers may not commit, including: (1) refusal to bargain in good faith with a handler; (2) coercing or intimidating a handler to breach or terminate marketing contracts and association membership agreements; (3) circulating false reports about an association's or handler's finances, management, or activities; and (4) conspiracy to commit an unfair practice.

H.R. 3536. April 9, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to stone mining or sand and gravel mining operations.

H.R. 3537. April 9, 1979. Education and Labor. Establishes the Congressional Award Program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 3538. April 9, 1979. Public Works and Transportation. Establishes a flood control survey and engineering fund in the U.S. Treasury to be used by the Secretary of the Army. Provides for the authorization of flood control projects by resolution of the appropriate congressional committees.

Amends the Flood Control Act of 1970 to permit the Secretary to enter into agreements with States for water resources projects even if such agreements are contingent upon the State legislative process.

H.R. 3539. April 9, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to clay surface mining operations.

H.R. 3540. April 9, 1979. Public Works and Transportation. Amends the Water Resources Development Act of 1974 to direct the Secretary of the Army, through the Chief of Engineers, to design and construct an erosion control structure to protect Tangier Island, Virginia. Exempts such project from requirements otherwise applicable to such a project.

H.R. 3541. April 9, 1979. House Administration. Requires the payment of fees by Members of Congress and congressional employees for the use of congressional parking facilities.

H.R. 3542. April 9, 1979. Education and Labor. Requires a union or employer to give written notice to the Secretaries of Agriculture and Labor of a contemplated strike or lockout affecting a processing operation engaged in interstate or foreign commerce which will cause losses of agricultural crops anywhere in the United States if permitted to occur. Establishes an arbitration procedure to hear all aspects of the contract dispute.

H.R. 3543. April 9, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a portion of the Myakka River in Florida for potential addition to the national wild and scenic rivers system.

H.R. 3544. April 9, 1979. Agriculture. Prohibits the Secretary of Agriculture from taking any action under the Wholesome Meat Act or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretary which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 3545. April 9, 1979. Agriculture. Amends the Food Stamp Act of 1977 to increase the amount of the standard deduction from household income in the case of recipient households which contain a member age 65 or older.

H.R. 3546. April 9, 1979. Agriculture. Amends the Federal Insecticide, Fungicide, and Rodenticide Act to authorize appropriations for the environmental pesticide control program for fiscal year 1980.

H.R. 3547. April 9, 1979. Public Works and Transportation. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are comparable with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Authorizes the Civil Aeronautics Board to require aircraft operators to impose noise abatement surcharges on flights until an operator's fleet is in compliance with specified noise abatement standards.

H.R. 3548. April 9, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to provide that the Board of Governors of the Federal Reserve System shall not deny any application for the formation of a one-bank holding company because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than 25 years.

H.R. 3549. April 9, 1979. Judiciary. Directs the Secretary of the Treasury to pay two named individuals a specified sum representing the amount fraudulently induced from such individuals by an individual under Federal protection.

H.R. 3550. April 9, 1979. Judiciary. Directs the Administrator of the Agency for International Development to pay a named individual an amount equal to certain educational expense allowances.

H.R. 3551. April 9, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3552. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Electronic Fund Transfer Act to specify that notice given by a consumer to a financial institution regarding an unauthorized electronic fund transfer shall take effect upon the proper dispatch or mailing of such notice and not upon the receipt of such notice.

H.R. 3553. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to revise: (1) the transactions covered by the Act; (2) the disclosures required under specified consumer credit transactions; (3) the provisions establishing civil liability for violations; and (4) the credit advertising provisions. Provides for model disclosure forms and revocation of optional credit life insurance.

Expands certain disclosure requirements in the case of credit card issuance. Prohibits specified billing practices and provides other protection for consumers.

Amends the Equal Credit Opportunity Act to prohibit discrimination on the basis of occupation or place of residence in any credit card transaction.

Amends the effective date of the Electronic Fund Transfer Act.

H.R. 3554. April 10, 1979. Education and Labor. Amends the Higher Education Act of 1965 to remove certain interest restrictions on special allowance rates paid to eligible lenders of student loans.

H.R. 3555. April 10, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to qualify an individual who, although employable, is unable to care for his or her personal needs without assistance as a disabled person eligible for the services of a home health aide.

H.R. 3556. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3557. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3558. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3559. April 10, 1979. Agriculture. Expands the emergency spending authority of the Secretary of Agriculture with respect to aiding and transporting persons who are lost, seriously ill, injured, or who die within the National Forest System.

H.R. 3560. April 10, 1979. District of Columbia. Establishes three retirement funds encompassing: (1) District of Columbia fire fighters and police officers; (2) District of Columbia teachers; and (3) District of Columbia judges.

Establishes the District of Columbia Retirement Board to manage the retirement funds created by this Act.

Details provisions relating to the administration of such funds and revises provisions relating to specified retirement and disability benefits under the retirement programs of such personnel.

H.R. 3561. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of residency requirements for individuals residing in a foreign country who claim income tax deductions for living expenses incurred in such country, if such individuals are required to leave the country due to war or civil unrest.

H.R. 3562. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the withholding tax requirements with respect to gambling winnings.

H.R. 3563. April 10, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to stone mining or sand and gravel mining operations.

H.R. 3564. April 10, 1979. Education and Labor. Prohibits all educational or occupational admissions tests affecting interstate commerce to be administered unless certain requirements are met, including notice of subject matter and results.

Provides for a civil action in United States district court for an individual adversely affected by such a test administered in violation of this Act.

H.R. 3565. April 10, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duties on certain cobalt alloys. Repeals the exemption of unwrought metal from the temporary suspension of duties on metal waste and scrap.

H.R. 3566. April 10, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare may not take specified actions to restrict the continued use of saccharin or of any food, drug, or cosmetic containing saccharin.

H.R. 3567. April 10, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3568. April 10, 1979. Public Works and Transportation. Establishes within the Federal Aviation Administration the Federal Aviation Regulatory Review Commission. Stipulates that the Commission shall review and comment in any final rule, regulation, or order relating to aviation issued by the Secretary of Transportation, the Administrator of the Federal Aviation Administration, or the Chairman of the Civil Aeronautics Board.

H.R. 3569. April 10, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act to allow the use, in meat, poultry, or other food products, of a food additive for dietary management of health disorders or disease, even though such additive is found to induce cancer in animals, if the Secretary of Health, Education, and Welfare or, where appropriate, the Secretary of Agriculture determines the benefits to human health of such use outweigh the risks.

H.R. 3570. April 10, 1979. Government Operations. Establishes, within the Office of Management and Budget, the Office of Federal Information Managemet Policy to establish Government-wide policies and procedures regarding Federal information management activities and the burdens imposed on the public by such activities.

Sets forth procedures to eliminate duplicative efforts of Federal agencies in the collection of information.

Establishes the Federal Locator System as an authoritative register for all recordkeeping requirements and all public-use, interagency, and intra-agency reports.

H.R. 3571. April 10, 1979. Education and Labor; Government Operations; Ways and Means. Eliminates the exemptions of Congress and the United States from requirements relating to employment and pay actions, privacy, social security, and occupational safety and health as are set forth in specified legislation.

H.R. 3572. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for expenses incurred by a taxpayer in connection with an audit or final judicial determination of tax liability which establishes that there is no tax deficiency on the part of the taxpayer.

H.R. 3573. April 10, 1979. Judiciary; Interstate and Foreign Commerce. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are unlawful under the Federal Trade Commission Act and the antitrust laws provided such product is in substantial and effective competition with other products of the same general class and the elimination of the territorial provisions in such agreement would adversely affect the quality of the environment, significantly increase energy consumption, cause inflation in the cost of soft drink products, or lead to concentration of economic power in the soft drink industry.

H.R. 3574. April 10, 1979. Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare from promulgating a proposed rule applicable to vitamin and mineral products for over-the-counter human use published on March 16, 1979, or from taking any other action which would have the same effect as such proposed rule.

H.R. 3575. April 10, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1938 to authorize a reduction in the amount of any penalty imposed for a particular violation of a marketing quota for peanuts, if such violation was unintentional or unknowing, and a reduction of such penalty would not impair the effective operation of the peanut price support program.

H.R. 3576. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to suspend the imposition of interest charges on a taxpayer due to a tax deficiency to the extent that such deficiency is due to Internal Revenue Service error. Requires the Secretary of the Treasury, upon request, to furnish a written memorandum to a taxpayer providing information, advice, or interpretation with respect to the income tax.

H.R. 3577. April 10, 1979. Merchant Marine and Fisheries. Amends the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations for 1980 and 1981.

H.R. 3578. April 10, 1979. Post Office and Civil Service. Authorizes and requests the President to proclaim the period from June 1 through June 7 as "National Safe Boating Week."

H.R. 3579. April 10, 1979. Armed Services. Entitles specified otherwise ineligible members of the armed forces to military retired pay.

H.R. 3580. April 10, 1979. Agriculture. Amends the Rural Development Act of 1972 to establish the Working Group for Rural Development to assist the Secretary of Agriculture in developing and coordinating Federal rural development strategies.

Extends the authorization for rural development and small farm research extensions programs.

Amends the Consolidated Farm and Rural Development Act to increase the annual aggregate amount of rural development grants, and to rename the Farmers Home Administration the Farmers Home and Rural Development Administration.

H.R. 3581. April 10, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Directs the Nuclear Regulatory Commission to cease the granting of licenses for construction or operation of nuclear reactors pending the outcome of a study regarding nuclear powerplant safety by the Office of Technology Assessment.

Amends the Energy Reorganization Act of 1974 to prohibit the Secretary of Energy from constructing any nuclear waste disposal facility within or near densely populated areas.

H.R. 3582. April 10, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to take necessary action to promulgate certain regulations regarding saccharin, but stays the effective date of such regulations until three years following their date of promulgation.

H.R. 3583. April 10, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to direct the Secretary of Labor, in cooperation with the Secretaries of Energy and the Interior, to assess and report to Congress on the current and projected adequacy of the supply of manpower for the development and expansion of energy technologies and industries to meet domestic needs.

H.R. 3584. April 10, 1979. Agriculture. Amends the Federal Meat Inspection Act to exempt from pre-slaughter animal examination and post mortem carcass inspection requirements all meat food products processed by a federally inspected establishment and derived from meat which has been slaughtered or processed at a State-inspected establishment in a State whose meat inspection requirements have been determined by the Secretary to be at least equal to the Federal requirements.

H.R. 3585. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVI (Supplemental Security Income) and XIX (Medicaid) of the Social Security Act to discourage the voluntary divestiture of assets in order to qualify for benefits under such titles.

H.R. 3586. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to raise the age requirement for youths participating in the qualified cooperative education program, for purposes of the targeted jobs tax credit.

H.R. 3587. April 10, 1979. Interstate and Foreign Commerce. Amends the Noise Control Act of 1972 to extend the authorization of appropriations under such Act through fiscal year 1981.

H.R. 3588. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the present ceiling on the contribution and benefit base. Increases the primary insurance amount under such title. Provides full benefits at a reduced age for members of groups with less than average life expectancy. Repeals the earnings test. Decreases the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage.

H.R. 3589. April 10, 1979. Judiciary. Extends the patent term for new drugs and new animal drugs.

H.R. 3590. April 10, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to decriminalize certain activities with respect to marihuana, including the possession of not more than one ounce of marihuana for private use.

H.R. 3591. April 10, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily reduce the duty on titanium sponge.

H.R. 3592. April 10, 1979. Public Works and Transportation. Redesignates the Clarence Cannon Dam and Reservoir, Missouri, as the Mark Twain Lake and Clarence Cannon Dam.

H.R. 3593. April 10, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require nutritional labeling on all packaged food, including meat products.

H.R. 3594. April 10, 1979. Judiciary. Provides that an annuity to a widow of a justice of the United States shall not terminate upon the remarriage of an annuitant who is 60 years of age.

H.R. 3595. April 10, 1979. Post Office and Civil Service. Changes the date of Memorial Day from the last Monday in May to May 30th.

H.R. 3596. April 10, 1979. Public Works and Transportation. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are compatible with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Establishes noise standards which United States or foreign registered subsonic turbojet aircraft must meet in order to continue operations within the United States.

H.R. 3597. April 10, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing a proposed revenue procedure which sets forth guidelines for determining whether private schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies until Congress enacts specific guidelines for making such determinations.

H.R. 3598. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to outline specified exemptions from the provisions of such Act and to set forth requirements relating to the sale or leases of lots in certain subdivisions. Extends the power of the Secretary of Housing and Urban Development to enforce this Act. Prescribes civil penalties for violations of this Act and increases the amount of criminal penalties which may be assessed. Allows State attorneys general to sue as parens patriae to secure monetary or injunctive relief for violations of this Act.

H.R. 3599. April 10, 1979. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to direct the Secretary of Transportation to develop programs in cooperation with State and local officials which are formulated on the basis of transportation needs, long-range land use plans, development objectives, and overall social, economic, environmental, and system performance. Stipulates that such planning shall take into account all modes of transportation.

Authorizes the Secretary to make grants for airport system planning and airport master planning to carry out such policies.

Requires that applications for specified airport development programs be consistent with water quality management plans.

H.R. 3600. April 10, 1979. Banking, Finance and Urban Affairs. Extends and authorizes appropriations for specified farm housing programs of the Farmers Home Administration under the Housing Act of 1949.

Sets forth a formula for determining the percent of households to be assisted in each fiscal year.

Amends the Housing Act of 1949 to make provisions for rental assistance, compensation for defects, property disposition, farm labor housing, refinancing or prepayment of loans, technical assistance for mutual self-help housing, refinancing or prepayment of loans, technical assistance for mutual self-help housing, and emergency water and waste loans and grants.

Establishes an Assistant Secretary for Equal Opportunity within the Department of Agriculture.

H.R. 3601. April 10, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require the Secretary of Health, Education, and Welfare to annually inform individuals covered by the OASDI program of their contributions and potential benefit rights, as based on their current wage records.

H.R. 3602. April 10, 1979. Judiciary. Directs the Secretary of Commerce to extend for ten years the patent numbered 3,113,306, relating to an aircraft guidance system.

H.R. 3603. April 10, 1979. Armed Services; Post Office and Civil Service. Establishes within the executive branch the Public Service System to register all individuals upon reaching the age of 17 years of age for service in a Federal agency, the armed services, or the armed forces reserves.

Establishes a lottery to determine the registrants who shall be required to perform such service. Allows registrants to express a preference as to which type of service they would care to perform. Requires that individuals selected by such lottery be granted their preference except under specified circumstances.

H.R. 3604. April 10, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes the American Oil Import Corporation to act as the importing agent for crude oil and petroleum products imported into the United States.

Establishes a Public Energy Fund to finance the activities of such corporation.

Amends the Emergency Petroleum Allocation Act of 1973 to repeal the standby purchase authority of the President to import and purchase crude oil and petroleum products.

H.R. 3605. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals or married couples a $7,500 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3606. April 10, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3607. April 10, 1979. Merchant Marine and Fisheries; Foreign Affairs. Specifies that all expenses incurred implementing the Panama Canal Treaty of 1977 shall be treated as an expense of the Panama Canal Commission. Sets forth the financial arrangements to be made to repay the United States and make payments to Panama.

Requires the express authorization of Congress before: (1) any payments required under the Treaty to Panama may be made; (2) U.S. funds may be used to implement the Treaty; (3) any U.S. property in the Canal Zone may be transferred to Panama; and (4) the Panama Canal Company and the Canal Zone Government may cease functioning.

H.R. 3608. April 10, 1979. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to exempt from the Congressional approval: (1) the expenditure of funds derived from the sale of any note, or other obligation issued solely to finance, or assist in the financing of, the activities of any housing finance authority established by the City Council; or (2) the payment of principal, interest, or both on any such bond, note, or other obligation.

H.R. 3609. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3610. April 10, 1979. Judiciary. Amends the Immigration and Nationality Act to: (1) redefine "refugee" for purposes of such Act; (2) establish a new procedure for the admission of refugees, including unforeseen emergency refugee admissions; (3) eliminate the two year conditional status for normal refugee admissions; and (4) authorize the adjustment of status of certain resident alien refugees and their families to permanent resident status, and to allow such adjustment to operate retroactively.

Amends the Migration and Refugee Assistance Act of 1962 with regard to specified refugee resettlement, employment, education, medical, and welfare assistance. Increases the authorized level of the Emergency Refugee and Migration Assistance Fund to $50,000,000.

H.R. 3611. April 10, 1979. Agriculture; Foreign Affairs. Directs the President to establish a reserve stock of wheat for release on a donation or concessional sale basis to provide emergency food assistance to developing countries.

H.R. 3612. April 10, 1979. Agriculture; Foreign Affairs. Directs the President to establish a reserve stock of wheat for release on a donation or concessional sale basis to provide emergency food assistance to developing countries.

H.R. 3613. April 10, 1979. Government Operations. Limits the amount which may be obligated for the travel and transportation expenses of executive branch officers and employees during fiscal year 1980.

H.R. 3614. April 10, 1979. Interior and Insular Affairs. Amends the Federal law designating the Benjamin Franklin National Memorial, Pennsylvania, to authorize appropriations for such Memorial.

H.R. 3615. April 10, 1979. Education and Labor. Repeals the Davis-Bacon Act, which requires the rate of wages for workers employed on Federal public buildings by contractors and subcontractors to be based upon the prevailing wages for corresponding classes of workers employed on similar projects in the same area.

H.R. 3616. April 10, 1979. Agriculture. Amends the Federal Meat Inspection Act to require that packages or containers of any imported meat or meat product capable of use as human food be labeled as "imported".

Prohibits the importation of dairy products into the United States unless certified wholesome and pure by the Secretary of Health, Education, and Welfare.

H.R. 3617. April 10, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to undertake the design memorandum stage for the channel deepening project for Gulfport Harbor, Mississippi.

H.R. 3618. April 10, 1979. Veterans' Affairs. Provides pension, medical, and hospital benefits, and reimbursement for non-Veteran's Administration medical costs to certain World War I veterans and pension benefits to certain surviving widows of such veterans.

H.R. 3619. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to increase from $1,000,000 to $10,000,000 the dollar limit for bond issues qualifying as small issues, for purposes of the exclusion from gross income of the interest on such bonds.

H.R. 3620. April 10, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to exempt seafood processing workers from social security taxes, unemployment taxes, and the withholding of taxes.

H.R. 3621. April 10, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3622. April 10, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3623. April 10, 1979. Armed Services; Banking, Finance and Urban Affairs. Amends the Renegotiation Act of 1951 to set forth a methods of determining excess profits with respect to defense contracts. Sets forth conditions which such contractors must adhere to with respect to such excess profits.

H.R. 3624. April 10, 1979. Public Works and Transportation. Amends the Highway Beautification Act of 1965, to assist States in the control of outdoor advertising in areas adjacent to the Interstate System and the primary system in order to promote the safety and recreational value of public travel, and to preserve natural beauty.

H.R. 3625. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to impose an excise tax on investments made by energy corporations which are unrelated to energy.

Denies the foreign income tax credit for taxes which are attributable to foreign oil and gas extraction income.

H.R. 3626. April 10, 1979. Public Works and Transportation. Amends the National Energy Conservation Policy Act to prohibit free parking at parking facilities owned or controlled by the Federal Government. Requires the Administrator of General Services, the Director of the Administrative Office of the United States Courts, and the Architect of the Capitol to coordinate the activities of their respective branches in implementing such restrictions. Stipulates that all revenues collected be deposited into the Treasury.

H.R. 3627. April 10, 1979. Interior and Insular Affairs. Establishes the Mineral King National Recreation Area in the State of California.

H.R. 3628. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to provide grants to hospitals which provide essential services to undocumented aliens.

H.R. 3629. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to provide grants to financially insecure hospitals which provide essential services to certain individuals in medically underserved areas.

H.R. 3630. April 10, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 3631. April 10, 1979. Judiciary. Amends the provisions of Federal law regarding the Select Commission on Immigration and Refugee Policy to: (1) change the rate of compensation for the public members of the Commission; (2) extend the life of the commission; (3) permit Federal employees detailed to the Commission to serve without reimbursement by the Commission; (4) increase the Commission's authorization; and (5) authorize the Commission to procure the services of experts and consultants.

H.R. 3632. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 3633. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the assistance program for nurse training and students. Establishes a new assistance program for training nurse anesthetists.

Revises requirements with respect to federally insured loans to medical students, National Health Service Corps scholarships, and area health education centers. Revises the administration of the Public Health Service.

H.R. 3634. April 10, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to make additional contributions to the Washington Metropolitan Area Transit Authority to partially finance: (1) the cost of construction; (2) the retirement of bonds; and (3) the expenses of operating and maintaining the Adopted Regional System.

H.R. 3635. April 10, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that disability insurance benefits for an individual having a terminal illness shall begin with the first month during all of which such individual has such illness.

H.R. 3636. April 10, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation System.

Provides for the management of subsistence uses of fish and wildlife on national lands.

Conveys specified Alaskan lands to Native groups and the State of Alaska pursuant to the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Provides for the granting of rights-of-way through national lands. Provides for limited oil and gas exploration, development, and production on national lands.

H.R. 3637. April 10, 1979. Ways and Means. Authorizes the President to implement the International Coffee Agreement of 1976. Provides for action to be taken if it is determined that there has been an unwarranted increase in coffee prices due to the Agreement. Requires the President to submit annual reports to Congress concerning such Agreement.

H.R. 3638. April 10, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to revise eligibility for mortgage insurance programs with respect to the principal obligation involved for rehabilitation and neighborhood conservation housing insurance, mortgage insurance for servicemen, and mortgage insurance for condominiums.

H.R. 3639. April 10, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to revise eligibility for mortgage insurance programs with respect to the principal obligation involved for rehabilitation and neighborhood conservation housing insurance, mortgage insurance for servicemen, mortgage insurance for condominiums, rental housing insurance, cooperative housing insurance, and mortgage insurance for housing for moderate income and displaced families.

H.R. 3640. April 10, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to: (1) develop model preretirement education programs; (2) train personnel for such programs; (3) prepare related information and materials; and (4) provide consultation services.

Directs the Secretary of Health, Education, and Welfare to carry out a preretirement education study and a retirement employment study.

H.R. 3641. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act and the Community Mental Health Centers Act to extend and revise the authorization of appropriations for certain assistance programs under such Acts.

H.R. 3642. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations for emergency medical services, and to provide for a new assistance program to establish poison control information and treatment centers.

H.R. 3643. April 10, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act to allow the first sale of qualified deep stripper well crude oil to be exempt from price regulation under such Act.

H.R. 3644. April 10, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 3645. April 10, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3646. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3647. April 10, 1979. Judiciary. Relieves a named corporation of liability for the payment of both individual and employer social security taxes for a specified period. Directs the Secretary of the Treasury to refund to such corporation any such payments.

H.R. 3648. April 10, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3649. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3650. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3651. April 23, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation System.

Provides for the management of subsistence uses of fish and wildlife on national lands.

Conveys specified Alaskan lands to Native groups and the State of Alaska pursuant to the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Provides for the granting of rights-of-way through national lands. Provides for limited oil and gas exploration, development, and production on national lands.

H.R. 3652. April 23, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise the reporting requirements of such Act. Makes the Secretary of State responsible for negotiations with other countries to restrict exports of goods and technical data detrimental to U.S. security. Increases the penalties for violating such Act. Extends the authority granted by such Act.

H.R. 3653. April 23, 1979. Foreign Affairs. Amends the International Investment Survey Act of 1976 to authorize appropriations to carry out such Act.

H.R. 3654. April 23, 1979. Judiciary; Ways and Means. Requires appropriate State authorities to give full faith and credit to a valid child custody determination by a State court.

Amends the Social Security Act to allow the Parental Locator Service to include information for the enforcement of child custody determinations or parental kidnapping provisions.

Prohibits the intentional restraint of a child in violation of a valid State custody determination.

H.R. 3655. April 23, 1979. Ways and Means. Requires the Secretary of the Treasury to provide on individual income tax returns, information on Federal revenues and expenditures for the two fiscal years preceding the year for which the return is filed.

H.R. 3656. April 23, 1979. Merchant Marine and Fisheries; Foreign Affairs; Judiciary; Post Office and Civil Service. Establishes the Panama Canal Commission to operate and maintain the Panama Canal. Makes provisions for employees, funds and accounts, claims for injuries, transfer of public property, regulation of shipping and navigation, laws, courts, and cemeteries pursuant to the rights and duties specified for the United States in the Panama Canal Treaty of 1977 and related agreements.

H.R. 3657. April 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for amounts paid or incurred for television subtitle equipment for use by hearing-impaired individuals.

H.R. 3658. April 23, 1979. Veterans' Affairs. Authorizes and directs the Veterans' Administration to establish a national cemetery in the State of Indiana.

H.R. 3659. April 23, 1979. Ways and Means. Establishes the Commission on Tax Revision to study Federal tax laws and to make recommendations for the improvement of such laws.

H.R. 3660. April 23, 1979. Ways and Means. Amends the Internal Revenue Code to permit domestic wines to be used by officials of foreign governments and their families free of the excise tax on alcoholic beverages.

H.R. 3661. April 23, 1979. Interior and Insular Affairs. Increases the authorized annual appropriation for expenses of the Navajo and Hopi Indian Relocation Commission.

H.R. 3662. April 23, 1979. Judiciary. Grants a Federal charter to the Navy Wives Club of America.

H.R. 3663. April 23, 1979. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to redefine the term "single visit" for purposes of establishing admission fees to designated units of the National Park System.

H.R. 3664. April 23, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3665. April 23, 1979. Judiciary. Directs the Secretary of the Air Force to pay a named individual additional amounts of retired pay to which such individual would have been entitled if credit for a specified period had been allowed.

H.R. 3666. April 24, 1979. Public Works and Transportation. Permits a portion of the lands conveyed to the Mountrail County Park Commission pursuant to the Water Resources Development Act of 1974 to be used for the leasing of cabin sites.

H.R. 3667. April 24, 1979. Interior and Insular Affairs; Public Works and Transportation. Authorizes the Department of Transportation to proceed with a project to widen United States Route 1 in Lee County, Florida, without regard to specified provisions of law.

H.R. 3668. April 24, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3669. April 24, 1979. Post Office and Civil Service. Permits the carriage out of the mails of letters of trade or business which must be delivered within a specified time whenever the Postal Service cannot deliver such letters within such time at a cost less than or equal to that for private carriage.

H.R. 3670. April 24, 1979. Education and Labor. Amends the Davis-Bacon Act to establish additional minimum wage requirements for workers under Federally funded construction contracts. Sets forth administrative procedures concerning: (1) the review of prevailing rate wage determinations; (2) enforcement of this Act; and (3) violations of this Act by Government contractors.

H.R. 3671. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Establishes a Government corporation to be known as the Energy Development and Management Authority which shall administer a national program for the exploration, development, and conservation of energy mineral deposits such as coal and oil shale.

H.R. 3672. April 24, 1979. District of Columbia. Increases the appropriation authorized for the Temporary Commission on Financial Oversight of the District of Columbia.

H.R. 3673. April 24, 1979. Judiciary. Provides that the United States District Court for the Judicial District of New Jersey shall be held at Hackensack, New Jersey, in addition to those places currently provided by law.

H.R. 3674. April 24, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Controlled Substances Act and the Controlled Substances Import and Export Act to set mandatory minimum terms of imprisonment for individuals convicted of certain opiate traffic related crimes.

Amends the Federal Rules of Criminal Procedure to require a separate sentencing hearing when a person is convicted of a crime for which such sentences are authorized.

H.R. 3675. April 24, 1979. Veterans' Affairs. Revises veterans' National Service Life Insurance provisions regarding eligibility for total disability waiver of premium payments.

H.R. 3676. April 24, 1979. Education and Labor. Amends the General Education Provisions Act to direct: (1) the National Center for Education Statistics, in consultation with the Office of Education, to collect data from the States and publish an annual digest on the status of rural education; and (2) the Commissioner of Education to pay particular regard to rural-urban equalization in awarding State grants for the development and implementation of educational resources equalization programs.

Amends the Education Amendments of 1978 to include rural school financing problems within the areas of educational financing to be studied by the Advisory Panel on Financing Elementary and Secondary Education.

H.R. 3677. April 24, 1979. Armed Services. Stipulates that the payment of retired or retainer pay which would otherwise be made to a member of the armed forces shall be paid by the Secretary concerned to another person to the extent provided for in the terms of any court decree of divorce, annulment, or legal separation.

H.R. 3678. April 24, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to exempt certain categories of crude oil from the mandatory price and allocation regulations under such Act.

H.R. 3679. April 24, 1979. Small Business. Amends the Small Business Act to establish interest rates on specified disaster loans available to small business concerns until October 1, 1979.

H.R. 3680. April 24, 1979. House Administration. Requires the payment of a fee by Members of Congress and congressional employees for use of congressional parking facilities.

H.R. 3681. April 24, 1979. Agriculture. Amends the Agricultural Act of 1949 to prohibit participation by any farmer in the price support programs for the 1980 and 1981 crops of feed grains and wheat unless the Secretary of Agriculture receives a written certification from the local conservation district that such farmer is, with respect to the crop in question, implementing a plan for conservation and sustained use of the soil and water on such farm which meets established minimum standards.

H.R. 3682. April 24, 1979. Agriculture. Amends the Federal Crop Insurance Act to require the Secretary of Agriculture, acting through the Federal Crop Insurance Corporation, to establish a national three-year pilot program for insuring farmers and ranchers who raise beef and dairy cattle against losses incurred as a result of brucellosis.

H.R. 3683. April 24, 1979. Agriculture. Amends the Consolidated Farm and Rural Development Act to specify the maximum aggregate principal amounts for insured and guaranteed real estate, operating and emergency loans under the Agriculture Credit Insurance Fund, and water and sewer facility, industrial development, and community facility loans under the Rural Development Insurance Fund for each of the fiscal years 1980, 1981, and 1982.

H.R. 3684. April 24, 1979. Public Works and Transportation; Education and Labor. Amends the Public Works and Economic Development Act of 1965 to direct the Southwest Border Regional Commission to make grants to local educational agencies for the construction of school facilities to assist such agencies in educating immigrant Mexican children.

H.R. 3685. April 24, 1979. Judiciary. Prohibits the Federal Trade Commission from applying for the cancellation of a registered trademark under the Lanham Act solely on the ground that such trademark has become the common descriptive name of an article or substance.

H.R. 3686. April 24, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of the annual gift tax exclusion.

H.R. 3687. April 24, 1979. Agriculture. Permits any use, including aerial application, of the pesticide mirex on fire ants or imported fire ants during the calendar years 1979 and 1980.

H.R. 3688. April 24, 1979. Ways and Means. Amends the Second Liberty Bond Act to allow the interest rates paid on United States retirement plan and individual retirement bonds to be increased to the rate paid on United States series E savings bonds.

H.R. 3689. April 24, 1979. Armed Services. Repeals certain restrictions on military personnel relating to outside civilian employment and remuneration for members of the Army, Navy, Marine Corps, and Air Force bands for off-base performances.

H.R. 3690. April 24, 1979. Armed Services. Eliminates the requirement that nominations of persons for appointment to the United States Naval Academy be made not later than March 4 of each year.

H.R. 3691. April 24, 1979. Ways and Means. Amend the Internal Revenue Code to reinstate the nonbusiness deduction from the income tax on individuals for State and local taxes on gasoline and other motor fuels.

H.R. 3692. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act to provide for the safe transportation of nuclear waste and radioactive commercial spent fuel.

H.R. 3693. April 24, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to repeal the termination date and funding limitations placed on the authority of the Secretary of Agriculture to enter into contracts with landowners for soil conservation in the Great Plains conservation program.

H.R. 3694. April 24, 1979. Armed Services. Removes the requirement that students in Junior Reserve Officer Training Corps units be citizens or nationals of the United States.

H.R. 3695. April 24, 1979. Education and Labor; Government Operations; Ways and Means. Eliminates the exemptions of Congress and the United States from requirements relating to employment and pay actions, privacy, social security, and occupational safety and health as are set forth in specified legislation.

H.R. 3696. April 24, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to direct the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standards.

H.R. 3697. April 24, 1979. Rules. Amends the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

H.R. 3698. April 24, 1979. Interior and Insular Affairs; Rules. Suspends the authority of the Nuclear Regulatory Commission to grant construction and export licenses for nuclear fission powerplants until such authority is reinstated by the Congress after reviewing the findings and recommendations of a National Nuclear Review Commission on the problems associated with the nuclear fuel cycle.

H.R. 3699. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to prevent nuclear reactor repair costs and increased costs of substitute power from being passed through to an electric utility's customers when the generation of electric energy by any nuclear powerplant is suspended or terminated for a safety related reason. Provides Federal loans for payment of such excess costs. Requires electric utilities to give assurances that they will be able to cover such costs in order to be eligible for a nuclear reactor operating license.

H.R. 3700. April 24, 1979. Interstate and Foreign Commerce. Establishes an additional position of Assistant Secretary of Commerce.

H.R. 3701. April 24, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the passive income limitation for small business corporations.

H.R. 3702. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to two named individuals in satisfaction of a claim against the United States.

H.R. 3703. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named company in satisfaction of a claim against the United States.

H.R. 3704. April 24, 1979. Judiciary. Directs the Administrator of Veterans' Affairs to pay a named individual compensation of service-connected disabilities for a specified period for a specified injury.

H.R. 3705. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3706. April 24, 1979. Judiciary Relieves a named individual of all liability, under a specified Internal Revenue Code penalty and a specified district court judgment, for certain withholding and social security taxes not paid for a certain period by a corporation of which such individual was president and a shareholder. Directs the Secretary of the Treasury to reimburse such individual for any amounts paid or withheld by such penalty or under such judgment.

H.R. 3707. April 24, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R 3708. April 24, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3709. April 24, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3710. April 24. 1979. Judiciary. Permits a named individual to remain in the United States for a specified period, with all of the rights and obligations of a nonimmigrant alien under the Immigration and Nationality Act.

H.R. 3711 April 24, 1979. Judiciary. Permits a named individual to file, within 60 days, a specified action in the Court of Claims.

H.R. 3712. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage subsidy bonds.

Limits the issuance of industrial development bonds for housing purposes to low- or moderate-income rental housing.

H.R. 3713. April 25, 1979. Merchant Marine and Fisheries. Designates the Jamaica Bay Wildlife Refuge portion of the Gateway National Recreation Area, in the City of New York, as the Herbert Johnson Wildlife Refuge.

H.R. 3714. April 25, 1979. Judiciary. Establishes a fifth judicial district, the Southeastern District, in New York.

H.R. 3715. April 25, 1979. Foreign Affairs. Amends the United Nations Participation Act of 1945 to make any Executive order imposing sanctions against Rhodesia unenforceable. Repeals certain penalty provisions and certification requirements.

H.R. 3716. April 25, 1979. Foreign Affairs; Ways and Means. Amends an Act amending the Bretton Woods Agreement Act to repeal trade restrictions with regard to Uganda.

H.R. 3717. April 25, 1979. Government Operations. Authorizes appropriations to the General Services Administration for: (1) the National Historical Publications Commission; and (2) making funds available to Federal, State, and local agencies and to nonprofit organizations for the collection, preservation, and publication of documentary sources significant to the history of the United States.

H.R. 3718. April 25, 1979. Interstate and Foreign Commerce. Amends the Motor Vehicle Information and Cost Savings Act to establish a formula for calculating the corporate average fuel economy standards for motor vehicle manufacturers which include electric vehicles in their fleets.

H.R. 3719. April 25, 1979. Judiciary; Interstate and Foreign Commerce. Establishes in the Department of Justice the Dispute Resolution Program, including the Dispute Resolution Resource Center and the Dispute Resolution Advisory Board, to promote through research and financial assistance new and existing mechanisms which resolve minor civil disputes.

H.R. 3720. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from a decedent's gross estate for purposes of the estate tax the value of certain real property used in farming.

H.R. 3721. April 25, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Controlled Substances Import and Export Act to set a mandatory minimum term of imprisonment for anyone violating the provisions of such Act by importing or exporting at least 100 pounds of marijuana.

H.R. 3722. April 25, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require that aged, blind, or disabled aliens must have resided in the United States for five years preceding their application for benefits under such title. Exempts those aliens: (1) who are political refugees; (2) who a support agreement, under the Immigration and Nationality Act, excuses; or (3) who have specified disabilities.

Amends the Immigration and Nationality Act to stipulate that no immigrant shall be admitted to the United States except pursuant to a support agreement. Sets forth the requirement of such agreement.

H.R. 3723. April 25, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Federal Aviation Administration to prepare and implement comprehensive aircraft noise abatement plans at airports operated by the Administration.

H.R. 3724. April 25, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1938 to authorize a reduction in the amount of any penalty imposed for a particular violation of a marketing quota for peanuts, if such violation was unintentional or unknowing and a reduction of such penalty would not impair the effective operation of the peanut price support program.

H.R. 3725. April 25, 1979. Judiciary. Prohibits the counterfeiting, forgery, sale, or transfer of counterfeited or forged social security cards.

H.R. 3726. April 25, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to direct the Secretary of Health, Education, and Welfare to issue a social security card made of banknote paper to each individual at the time of issuing a social security account number to such individual.

H.R. 3727. April 25, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI, part A (General Provisions) of the Social Security Act to exclude from the civil liability of any health care practitioner or provider of health care services under any law of the United States, of any State, or of any political subdivision thereof, in any action for damages arising out of care or treatment for which payment has been made (in whole or in part) under the Social Security Act, costs incurred or anticipated for health care services for which payment may be made under this Act.

H.R. 3728. April 25, 1979. Ways and Means. Repeals the statutory authority to impose import quotas on meat from cattle, goats, and sheep which is fresh, chilled, or frozen.

H.R. 3729. April 25, 1979. Interstate and Foreign Commerce. States that no individual shall be eligible for a month for medical assistance under title XIX (Medicaid) of the Social Security Act if: (1) within the 24 month period immediately preceding the month, the individual disposed of some of his or her assets in any manner by which the fair market value of the assets disposed of exceeded the amount received for the assets by more than $3,000; (2) retention of such assets would cause such individual to be ineligible for Medicaid; and (3) such assets were disposed of in order for the individual to become eligible for Medicaid.

H.R. 3730. April 25, 1979. **Foreign Affairs.** Repeals the mandatory retirement provisions applicable to certain Foreign Service personnel.

H.R. 3731. April 25, 1979. **Public Works and Transportation.** Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 3732. April 25, 1979. **Veterans' Affairs.** Establishes the Office of Assistant Chief Medical Director for Geriatrics and Extended Care within the Office of the Chief Medical Director in the Veterans' Administration.

Directs the Administrator of Veterans' Affairs to designate 20 Veterans' Administration hospitals as geriatrics centers.

Establishes a Geriatrics and Extended Care Task Force within the Veterans' Administration.

H.R. 3733. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to allow a limited, refundable income tax credit for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 3734. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to increase the adjusted gross income limitation on such credit.

H.R. 3735. April 25, 1979. **Ways and Means.** Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to specify standards to be included in supervision of residences for recipients of SSI benefits, and to authorize the Secretary of Health, Education, and Welfare to make payments to States to cover the cost of training and compensating for personnel to inspect such institutions.

H.R. 3736. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to provide that the charitable deduction allowed for expenses incurred in the operation of a motor vehicle shall include the depreciation, operation, and maintenance costs allocable to such operation and shall be determined in the same manner as a business related deduction.

H.R. 3737. April 25, 1979. **Ways and Means; Interstate and Foreign Commerce.** Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 3738. April 25, 1979. **Ways and Means; Interstate and Foreign Commerce.** Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 3739. April 25, 1979. **Ways and Means; Interstate and Foreign Commerce.** Establishes, as a new executive agency, the Social Security Administration.

Revises the administration of Old-Age, Survivors and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering such programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to such newly established Administration.

H.R. 3740. April 25, 1979. **Judiciary.** Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 3741. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to qualify alternative energy property which is fueled by petroleum coke for the investment tax credit and the allowance for rapid depreciation.

H.R. 3742. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3743. April 25, 1979. **Armed Services.** Sets forth the production levels for the Naval Petroleum Reserves Numbered 1, 2, and 3. Transfers the functions of the Department of Energy with respect to such reserves and the Oil Shale Reserves Numbered 1, 2, and 3 to the Secretary of the Navy.

H.R. 3744. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to permit tax-exempt organizations to conduct conventions and trade show activities designed to educate individuals engaged in a particular industry about new products and services or new rules or regulations affecting such industry without subjecting such exempt organization to the unrelated business tax.

H.R. 3745. April 25, 1979. **Public Works and Transportation; Ways and Means.** Revises airport development and planning funding.

Amends the Internal Revenue Code of 1954 to impose a tax on the sale of new aircraft, new aircraft parts, and new avionics for use in noncommercial aviation until October 1, 1990.

Amends the Federal Aviation Act of 1958 to stipulate that any landing area or navigation facility which has received Federal funds shall be available for public use on fair and reasonable terms and without unjust discrimination.

H.R. 3746. April 25, 1979. **Post Office and Civil Service.** Changes the date of the legal public holiday of Memorial Day from the last Monday in May to May 30.

H.R. 3747. April 25, 1979. **Ways and Means.** Amends the Internal Revenue Code to allow an income tax credit for any individual who performs voluntary service for an organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill.

H.R. 3748. April 25, 1979. **Merchant Marine and Fisheries.** Sets a three-year statute of limitations in actions for recovery of damages for personal injury or death arising out of a maritime tort.

H.R. 3749. April 25, 1979. **Merchant Marine and Fisheries; Interstate and Foreign Commerce.** Establishes a Federal-State regulatory approach relating to the siting, construction, and operation, of liquefied gas facilities located in or near the coastal zone.

H.R. 3750. April 25, 1979. **Education and Labor.** Amends the National Labor Relations Act to repeal the provision which permits States to prohibit union security agreements.

H.R. 3751. April 25, 1979. **Post Office and Civil Service.** Authorizes appropriations to: (1) the Office of Personnel Management for fiscal years 1980 through 1982; and (2) the Merit Systems Protection Board, the Special Counsel to the Board, and the Federal Labor Relations Authority for fiscal years 1980 through 1984.

H.R. 3752. April 25, 1979. **Post Office and Civil Service.** Authorizes appropriations to: (1) the Office of Personnel Management for fiscal years 1980 through 1982; and (2) the Merit Systems Protection Board, the Special Counsel to the Board, and the Federal Labor Relations Authority for fiscal years 1980 through 1984.

H.R. 3753. April 25, 1979. **Interstate and Foreign Commerce.** Amends the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in the case of certain individuals.

H.R. 3754. April 25, 1979. **Judiciary.** Declares that a named individual shall be considered the widow of another named individual for purposes of determining eligibility for widow's benefits under the Social Security Act.

H.R. 3755. April 25, 1979. **Ways and Means.** Directs the Secretary of the Treasury to admit certain items free of duty.

H.R. 3756. April 26, 1979. **Interior and Insular Affairs.** Authorizes appropriations for specified purposes for the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Mariana Islands. Directs the Secretary of the Interior to provide a medical care and environmental research program for the Marshall Islands related to conditions resulting from U.S. nuclear weapons tests. Directs the Secretary of the Treasury to administer and enforce certain taxes and customs duties in the Northern Mariana Islands, Guam, the Virgin Islands, and American Samoa. Extends certain time limitations on Federal guarantees of certain bonds issued in Guam and the Virgin Islands.

H.R. 3757. April 26, 1979. **Interior and Insular Affairs.** Amends the following Acts relating to the acquisition of lands and development of specified units of the national parks system: (1) National Parks and Recreation Act of 1978; (2) National Trails System Act; (3) Wild and Scenic Rivers Act; (4) the Act of October 27, 1972; (5) Land and Water Conservation Fund Act; (6) the Act of August 18, 1970; and (7) the Act of October 21, 1976. Prohibits the Secretary of the Interior from raising or creating fees at national park system units. Makes authorizations of appropriations under this Act effective in fiscal year 1980.

H.R. 3758. April 26, 1979. **Interior and Insular Affairs.** Amends the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America to stipulate that United States income tax laws will not come into force in the Northern Mariana Islands as a local territorial income tax until January 1, 1982.

H.R. 3759. April 26, 1979. **Banking, Finance and Urban Affairs.** Prohibits the transport in any vehicle of any funds, securities, or other things of value which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, unless the windows and body of such vehicle are bulletproof and there is a bulletproof partition behind the driver's seat of such vehicle.

H.R. 3760. April 26, 1979. **Veterans' Affairs.** Provides chiropractic treatment for eligible veterans.

H.R. 3761. April 26, 1979. **Judiciary.** Imposes criminal penalties for anyone committing armed robbery of any controlled substance from a person possessing such substance pursuant to the registration provisions of the Controlled Substances Act.

H.R. 3762. April 26, 1979. **Judciary; Intelligence.** Establishes criminal penalties for: (1) past or present employees of the United States or members of the uniformed services; and (2) anyone having lawful access to information identifying individuals as associated with a United States agency engaged in foreign intelligence or counterintelligence activities, who discloses classified information concerning any such association to anyone not authorized to receive it.

H.R. 3763. April 26, 1979. **Government Op-**

erations. Amends the Office of Federal Procurement Policy Act to require the Administrator of such Office to develop and submit to Congress: (1) a uniform procurement system which includes uniform policies, regulations, procedures, and forms to be used by executive agencies and recipients of Federal assistance for the procurement of property and services; and (2) a central management system to implement such procurement system.

Establishes, within such Office, the Federal Acquisition Institute through which the Administrator shall promote: (1) research in procurement policy; and (2) programs for the recruitment, training, and management of procurement personnel.

H.R. 3764. April 26, 1979. Education and Labor. Amends the Fair Labor Standards Act of 1938 to prohibit the employment of blind persons, or persons with impaired sight, at less than the applicable minimum wage under such Act.

H.R. 3765. April 26, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1937 to authorize the Secretary of Agriculture to issue marketing orders respecting walnut development projects which provide: (1) for any form of marketing promotion including paid advertising; and (2) for crediting certain direct expenditures of a handler for such promotion.

H.R. 3766. April 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow an additional investment tax credit for equipment used to produce electrical energy from hydroelectric power at existing small dams.

H.R. 3767. April 26, 1979. Banking, Finance and Urban Affairs. Authorizes the President to present to John Wayne, on behalf of the Congress, a specially struck medal of appropriate design.

H.R. 3768. April 26, 1979. Interstate and Foreign Commerce; Ways and Means. Revises the administration of the National Railroad Passenger Corporation. Directs the Corporation to establish: (1) an Employee Incentive Program; (2) a Regional Maintenance Plan; (3) a Performance Evaluation Center; (4) a Job Placement Program; and (5) a Compensation Assessment Commission.

Establishes contract carrier incentives for carriers dealing with the Corporation.

Establishes State subsidy programs for service outside of Amtrak's basic route system.

Amends the Internal Revenue Code to allow a tax credit for certain rail improvements.

H.R. 3769. April 26, 1979. Education and Labor. Amends the Higher Education Act of 1965 to revise provisions concerning federally-insured student loans. Establishes alternate repayment and collection procedures for lenders and borrowers of such loans.

Establishes a Guaranteed Student Loan Fund in the Treasury.

Amends the Internal Revenue Code to authorize disclosure of student borrower tax return information to State loan institutions.

H.R. 3770. April 26, 1979. Public Works and Transportation. Modifies the Fort Peck Dam project to authorize the Secretary of the Army, through the Chief of Engineers, to construct and maintain a breakwater on Fort Peck Lake. Stipulates that the Federal Government shall pay all of the costs of such breakwater.

H.R. 3771. April 26, 1979. Interstate and Foreign Commerce: Judiciary. Directs the Secretary of Energy to study petitions for reorganization in bankruptcy of railroad lines or applications for abandonment of railroads lines and rail transportation to determine the impact of such plans and applications upon the transportation of coal. Provides for loans or grants to applicants for the maintenance of such coal transportation services. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 and the Powerplant and Industrial Fuel Use Act of 1978 to make railroads eligible for assistance under this Act.

H.R. 3772. April 26, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to permit the payment of child's insurance benefits to certain qualified minor children legally adpoted by an individual entitled to old-age or disability insurance benefits.

H.R. 3773. April 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require that patients be given advance estimates of the reasonable charge for each of the services they will receive.

Directs the Secretary of Health, Education, and Welfare to conduct pilot projects to test new methods and procedures for determining such reasonable charges.

H.R. 3774. April 26, 1979. Public Works and Transportation; House Administration. Authorizes the Chief of the Capitol Police to require that tour groups and other individuals enter the Capitol Building in certain numbers and at certain intervals to eliminate danger to individuals or property and to permit the orderly movement of pedestrian traffic.

H.R. 3775. April 26, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to increase loan insurance limits and terms for mobile homes and mobile home lots. Amends the Interstate Land Sales Full Disclosure Act to exempt land sold or leased by one party and the home by another under a contract that obligates the delivery of a residence on such land within a two-year period. Provides that no State constitutional provision or law limiting interest or finance charges shall apply to certain insured loans under the National Housing Act or mobile home loans guaranteed by the Veterans Administration.

H.R. 3776. April 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $10,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3777. April 26, 1979. Post Office and Civil Service. Prohibits Members of Congress from sending specified types of mail matter as franked mail and restricts the use of franked mail by Members during election campaigns. Limits the number of pieces which may be sent as franked mail. Expands the advisory jurisdiction of the House Commission on Congressional Mailing Standards of the House of Representatives. Extends to surviving relatives the franking privilege of the spouse of a Member who died in office in the event there is no surviving spouse.

H.R. 3778. April 30, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to deem any food additive safe if the Secretary of Health, Education, and Welfare complies with certain procedural requirements.

Amends the Saccharin Study and Labeling Act to extend the ban on restrictions on the sale or distribution of saccharin.

H.R. 3779. April 30, 1979. Education and Labor. Establishes in the Department of Labor a Construction Industry Bargaining Commission to oversee a new structure for collective bargaining in the construction industry. Charges the Commission with approving geographic bargaining areas for the purpose of single-craft or multicraft bargaining, as appropriate.

Amends the National Labor Relations Act to designate as unfair labor practices certain activities by construction contractors or labor unions, including negotiations not consistent with the geographic bargaining areas established under this Act.

H.R. 3780. April 30, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Administrator of the Environmental Protection Agency to make grants to enable small public water systems to meet primary and interim drinking water regulations which are prescribed under such Act.

H.R. 3781. April 30, 1979. Judiciary. Prohibits any person acting under color of law, without a prior adversary court proceeding, from searching any place or seizing any things in the possession, custody, or control of any person engaged in the gathering or dissemination of news for the print or broadcast media, unless with a warrant issued by a court upon probable cause that such person has committed or is committing a criminal offense.

H.R. 3782. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 3783. April 30, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise provisions concerned with the issuance of export licenses by the Secretary of Commerce and the circumstances in which export controls may be imposed. Gives Congress an opportunity to veto certain export controls.

Sets forth provisions restricting exports of domestically produced crude oil, red cedar logs, and standard aircraft equipment.

Amends the International Investment Survey Act of 1976 to authorize appropriations for such Act.

H.R. 3784. April 30, 1979. Banking, Finance and Urban Affairs. Prohibits the consideration of any cost of living or general benefit increase or Old Age, Survivors and Disability Insurance benefits for purposes of determining the eligibility for, or amount of, assistance which any individual or family is provided under specified Federal housing programs.

H.R. 3785. April 30, 1979. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to grant States concurrent authority together with the Secretary of Transportation to enforce the provisions of such Act or the Federal regulations promulgated pursuant to such Act.

H.R. 3786. April 30, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to study: (1) the rehabilitation of the hydroelectric potential of former industrial sites and millraces; and (2) the conversion of such sites to small hydroelectric projects serving rural areas or communities. Directs the Secretary to provide technical assistance to local public agencies or cooperatives for such assistance.

H.R. 3787. April 30, 1979. Armed Services. Revises the rule for recomputation of military retired or retainer pay to reflect later active duty with respect to duty performed between October 1, 1963, and October 1, 1973.

H.R. 3788. April 30, 1979. Veterans' Affairs. Stipulates that the one year application eligibility requirement for veterans' dental care benefits shall be measured from the date of subsequent military discharge for an individual who reenters the service within 90 days of the original discharge.

H.R. 3789. April 30, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to extend the period wherein the Secretary of Agriculture may enter into contracts for the conservation of soil in the Great Plains conservation program. Repeals funding limitations placed upon such program.

H.R. 3790. April 30, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to put coverage of mental health care expenses on the same basis as coverage of other types of health care by: (1) eliminating the 190 days lifetime limit for in-patient psychiatric care; and (2) limiting the amount which a provider for services may charge a Medicare patient for mental health care services to 20 percent of the amount customarily charged for such services.

H.R. 3791. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction for contributions to an individual housing account.

H.R. 3792. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on industrial development bonds which are sold to finance facilities for the production of alcohol for use in the production of gasohol or other fuel.

H.R. 3793. April 30, 1979. Interstate and Foreign Commerce; Science and Technology. Establishes a program to promote the development and use of replacement fuels in the United States for the purpose of replacing gasoline used as a motor fuel.

Directs the Secretary of Energy to set production goals for such fuels.

Extends the provisions of the Emergency Petroleum Allocation Act of 1973 relating to Federal controls on oil pricing.

H.R. 3794. April 30, 1979. Foreign Affairs; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy for civilian programs for fiscal year 1980.

Directs the Secretary of Energy to study the temporary storage of spent fuel and authorizes the Secretary to acquire storage sites for spent fuel.

Extends the provisions of the Emergency Petroleum Allocation Act of 1973 relating to Federal controls on oil pricing.

H.R. 3795. April 30, 1979. Interstate and Foreign Commerce; Ways and Means. Repeals the requirement under part A (General Provisions) of title XI of the Social Security Act for hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, and other types of health services facilities and organizations to which payment may be made under the Social Security Act to report: (1) the aggregate cost of operation and the aggregate volume of services; (2) the costs and volume of services for various functional accounts and subaccounts; (3) rates, by category of patient and class of purchaser; (4) capital assets; and (5) discharge and bill data.

H.R. 3796. April 30, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3797. April 30, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to establish a program to identify and monitor abandoned hazardous waste sites.

Creates a Federal cause of action for damages for any person physically injured by the negligent handling of hazardous waste.

Establishes within the Environmental Protection Agency the Environmental Victims Compensation Board to administer a program of compensation for victims of hazardous waste.

Establishes a fund for the maintenance and reclamation of hazardous waste sites and for the payment of compensation for hazardous waste injury victims.

H.R. 3798. April 30, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to establish a program to identify and monitor abandoned hazardous waste sites.

Creates a Federal cause of action for damages for any person physically injured by the negligent handling of hazardous waste.

Establishes within the Environmental Protection Agency the Environmental Victims Compensation Board to administer a program of compensation for victims of toxic pollutants.

Establishes a fund for the maintenance and reclamation of hazardous waste sites and for the payment of compensation for toxic pollutant injury victims.

H.R. 3799. April 30, 1979. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to change the date on which daylight saving time begins.

H.R. 3800. April 30, 1979. Agriculture. Repeals the Agricultural Fair Practices Act of 1967 and establishes an agricultural bargaining policy substantially identical. Enumerates the unfair practices a handler of agricultural products is forbidden to commit under existing law, and adds a list of unfair practices an association of producers may not commit, including: (1) refusal to bargain in good faith with a handler; (2) coercing or intimidating a handler to breach or terminate marketing contracts and association membership agreements; (3) circulating false reports about an association's or handler's finances, management, or activities; and (4) conspiracy to commit an unfair practice.

H.R. 3801. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3802. April 30, 1979. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OASDI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3803. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 3804. April 30, 1979. Armed Services. Authorizes the President to prescribe pretrial and trial procedures with regard to actions triable by courts-martial.

H.R. 3805. April 30, 1979. Armed Services. Revises certain procedures of the military judicial system including procedures concerning the preparation of records of court-martial proceedings and the assignment of defense attorneys.

Directs each court-martial to advise a person who is found guilty of charges of appeals procedures. Authorizes such person to petition for clemency. Requires such person to file a notice of appeal if the person seeks a review of the case by a Court of Military Review or by the Judge Advocate General.

Requires a staff advocate general to review all cases not appealed or not subject to appeals.

H.R. 3806. April 30, 1979. Judiciary. Establishes the United States Court of Appeals for the Federal Circuit. Replaces the Court of Claims with the United States Claims Court. Abolishes the Court of Customs and Patent Appeals.

H.R. 3807. April 30, 1979. Judiciary. Codifies recent laws concerning the Interstate Commerce Act under subtitle IV of title 49 of the U.S. Code. Makes technical changes to provisions of such subtitle.

Authorizes the Interstate Commerce Commission to issue orders supplemental to orders made in specified proceedings.

H.R. 3808. April 30, 1979. Merchant Marine and Fisheries. Amends the Anadromous Fish Conservation Act to extend the authorization of appropriations and to require an investigation of the striped bass in Atlantic coastal waters.

H.R. 3809. April 30, 1979. Agriculture. Establishes a Producer Elected Farm Policy Advisory Board to advise the Secretary of Agriculture on issues affecting the production, marketing, transportation, and export of agricultural commodities, and other issues relating to Department of Agriculture policies and programs.

H.R. 3810. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income certain amounts of interest earned on savings accounts in financial institutions.

H.R. 3811. April 30, 1979. Public Works and Transportation. Increases the Federal share of the costs of a substitute transportation project where such a project is financed in lieu of the construction of a highway on the Interstate System.

H.R. 3812. April 30, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3813. April 30, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries.

Establishes a Channel Islands National Park and a Channel Islands National Preserve in the State of California and its adjoining waters.

Establishes a Channel Islands Citizens Advisory Commission to consult with the Secretary of the Interior regarding the management of the park and preserve.

H.R. 3814. April 30, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior and the Navajo-Hopi Relocation Commission to carry out certain functions relating to Navajo-Hopi relocation.

Requires that: (1) certain benefits be provided to facilitate such relocation; (2) tribal consent be given for certain activities on partitioned lands and for appointments to the Commission; and (3) places and practices sacred to either tribe be protected on all such lands.

Provides for: (1) jurisdiction over partitioned lands; (2) the payment of tribal legal costs in certain cases; and (3) court review of certain administrative actions.

H.R. 3815. April 30, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3816. April 30, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3817. April 30, 1979. Judiciary. Declares seven individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3818. April 30, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3819. April 30, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3820. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of interest charges on income taxes not paid, as a result of a disaster, within the type prescribed for payment.

H.R. 3821. May 1, 1979. Intelligence; Armed Services. Authorizes appropriations for fiscal year 1980 for: (1) intelligence activities of the United States Government; (2) the Intelligence Community Staff; and (3) the Central Intelligence Agency Retirement and Disability System.

Sets forth the authorized end strength for full-time Intelligence Community Staff employees for such fiscal year.

Authorizes supplemental appropriations for intelligence activities of the United States for fiscal year 1979.

H.R. 3822. May 1, 1979. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to direct the Commissioner of Education to award grants to one applicant for the establishment of a National Center for Personal Computers in Education to instruct students in the use of personal computers and to develop programs designed to use computers as educational tools.

Directs such Center to establish a model Community Personal Computer Center.

H.R. 3823. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3824. May 1, 1979. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for housing undertakings to any housing finance agency established by it. Exempts payments of such bonds from congressional approval.

H.R. 3825. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide an unlimited exclusion from gross income for disability payments received by persons who retired on or before October 1, 1976, and either retired on disability, or were entitled to retire on disability.

H.R. 3826. May 1, 1979. Interior and Insular Affairs. Authorizes the establishment of Long Island Sound Heritage in the States of Connecticut and New York to protect the special natural and cultural heritage of the region.

H.R. 3827. May 1, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 62 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical expense deduction.

H.R. 3828. May 1, 1979. Banking, Finance and Urban Affairs; Foreign Affairs. Authorizes the President to enter into an agreement with Mexico to establish a United States-Mexico Joint Development Bank for the purpose of making economic development loans to Mexico.

H.R. 3829. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Inter-American Development Bank Act, the Asian Development Bank Act, and the African Development Fund Act to authorize United States contributions (and the necessary appropriations) to the Inter-American Development Bank, Asian Development Bank, and African Development Fund.

Authorizes the United States Governor of the Inter-American Development Bank: (1) to vote to increase the authorized capital stock of such Bank; and (2) to subscribe to such increase.

Directs the U.S. Directors of such institutions to communicate information about potential procurement opportunities for U.S. firms.

H.R. 3830. May 1, 1979. Post Office Service. Reclassifies the positions of Border Patrol agents to correspond with the positions of law enforcement personnel.

H.R. 3831. May 1, 1979. Agriculture. Requires the Secretary of Agriculture, during a crop year in which there is a loan program for dried corn or grain sorghums under the Agriculture Act of 1949, to carry out a comparable loan program for high moisture corn or grain sorghums under such Act.

H.R. 3832. May 1, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Directs the Nuclear Regulatory Commission to cease issuing construction licenses or limited work authorizations for nuclear power plants, or amendments to existing licenses for the expansion of spent fuel storage facilities until the Special Commission for the Investigation and Review of Nuclear Power, to be established under this Act, has reported its recommendations to the Congress, and Congress has reviewed such recommendations.

H.R. 3833. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to require that purchases and sales of paper eligible for open-market operations be conducted to provide for a steady, noninflationary growth in the money supply.

H.R. 3834. May 1, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to add a new title V: Public Financing of Advertising and Related Expenses in Campaigns for the House of Representatives. Entitles candidates for the office of Representative to payments for television, radio, and newspaper advertising.

Limits contributions by individuals and by multicandidate political committees to candidates in elections for the House of Representatives and in other elections for Federal office.

H.R. 3835. May 1, 1979. Interstate and Foreign Commerce. Amends the Health Professions Educational Assistance Act of 1976 to revise the crieria by which an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners Examination for purposes of the Immigration and Nationality Act.

H.R. 3836. May 1, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies on the adoption of a law enforcement officers' bill of rights which includes specified provisions.

H.R. 3837. May 1, 1979. Judiciary. Limits the issuance of a search warrant with respect to premise not under control of a suspect in a crime under investigation.

H.R. 3838. May 1, 1979. Judiciary. Directs the Department of Justice to offer a reward for information leading to the apprehension and conviction of a kidnapper under certain circumstances.

H.R. 3839. May 1, 1979. Judiciary. Allows an obligee of a support order of a State court which directs an individual to make periodic payments for the support of such individual's child, to register such order for enforcement purposes in a State court which is outside the State in which the order was made.

H.R. 3840. May 1, 1979. Post Office and Civil Service. Permits garnishment of the wages of Federal employees.

H.R. 3841. May 1, 1979. Post Office and Civil Service. Sets forth annual salaries for Members of Congress plus an annual commission for applying a certain amount of the Federal annual budget surplus to retirement of the national debt during the preceding fiscal year. Establishes ceilings on the annual salaries of Members, the Speaker, and the floor leaders of both Houses.

H.R. 3842. May 1, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to allow air carriers to offer free or reduced-rate air transportation for any individual, 15 years of age or under, who is traveling to the United States from a foreign country for the purposes of being adopted by a resident of the United States.

H.R. 3843. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide for the limited nonrecognition of gain from the sale or exchange of stock in domestic corporations engaged in the production of energy.

H.R. 3844. May 1, 1979. Ways and Means. Prohibits the payment of Federal retirement benefits to or through any person who is not retired.

H.R. 3845. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to disallow the income tax deduction for business expenses paid or incurred for regularly scheduled air transportation to the extent that such amount exceeds the normal tourist class fare for such transportation.

H.R. 3846. May 1, 1979. Public Works and Transportation. Amends the Federal law which authorizes the construction of the James Madison Memorial Building, as part of the Library of Congress, to increase the authorization of appropriations for such construction.

H.R. 3847. May 1, 1979. Agriculture. Amends the Agricultural Act of 1949 to establish the rate of deficiency payments, under the price support program for feed grains, on a varying State by State basis instead of the current uniform national basis.

H.R. 3848. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Export-Import Bank Act of 1945 to direct the Export-Import Bank to adopt export finance programs comparable in structure to those extraordinary measures of official export credits offered by competing countries.

H.R. 3849. May 1, 1979. Interstate and Foreign Commerce. Amends the Health Programs Extension Act of 1973 to prohibit any entity which receives financial assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act from discriminating against any applicant for training or study because of such applicant's reluctance or willingness to counsel, assist, or in any way participate in the performance of abortions or sterilizations contrary to his or her religious belief or moral convictions.

H.R. 3850. May 1, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to: (1) authorize appropriations to the Federal Trade Commission (FTC); (2) require the Federal Home Loan Bank Board to prescribe regulations to prevent unfair or deceptive acts and practices by savings and loan institutions; (3) amend rulemaking procedures of the FTC; and (4) require the FTC to review its rules every five years.

Prohibits the FTC from using funds appropriated by this Act to carry out certain provisions concerning the cancellation of a trademark registration.

H.R. 3851. May 1, 1979. Government Operations; Banking, Finance and Urban Affairs; Rules. Amends the Employment Act of 1946 to direct the President to: (1) include in each annual Economic Report a set of economic and regulatory policies designed to combat inflation; (2) develop guidelines to govern price increases and wage settlements; and (3) undertake specified programs to achieve anti-inflation goals. Requires the Joint Economic Committee to hold special hearings to review such policies and guidelines.

H.R. 3852. May 1, 1979. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 to extend the exclusive fishery management authority of the United States to highly migratory species of fish (currently excluded).

H.R. 3853. May 1, 1979. Government Operations; Rules. Sets forth a ten-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Requires the President to submit: (1) at least once in each Congress, a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

H.R. 3854. May 1, 1979. Interstate and Foreign Commerce; Ways and Means. Amends titles V (Maternal and Child Health), XVIII (Medicare), XIX (Medicaid), and XI, part B (Professional Standards Review Organizations) of the Social Security Act to require the written opinion of at least two physicians as a condition for payment for elective surgical procedures.

Provides for Federal reimbursement of 100 percent of the costs of such opinions under title XVIII and 90 percent of the costs under title V and XIX.

H.R. 3855. May 1, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles V (Maternal and Child Health), XVIII (Medicare), XIX (Medicaid), and XI, part B (Professional Standards Review Organization) of the Social Security Act to require the written opinion of at least two physicians as a condition for payment for elective surgical procedures.

Provides for Federal reimbursement of 100 percent of the cost of such opinions under title XVIII and 90 percent of the costs under titles V and XIX.

H.R. 3856. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 3857. May 1, 1979. Interior and Insular Affairs. Revises the boundaries of the Gateway National Recreation Area to include Sailors Snug Harbor, located in the City of New York.

H.R. 3858. May 1, 1979. Government Operations. Establishes a Department of International Trade. Transfers to the Department certain functions from various Federal agencies.

H.R. 3859. May 1, 1979. Government Operations. Establishes the Department of International Trade and Investment. Transfers to the Department certain functions from various Federal agencies.

H.R. 3860. May 1, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of the Treasury to enter into annual contribution contracts with local governments to pay a stated portion of total interest and principal of specific bond issues to finance restoration work on water and sewer systems, roads, and bridges.

H.R. 3861. May 1, 1979. Government Operations. Requires that beginning with fiscal year 1980, the total budget authority of the Federal Government shall not exceed its receipts.

H.R. 3862. May 1, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to conduct a full assay, inventory, and audit of United States gold reserves along with an analysis of the sufficiency of the security measures in effect to protect such reserves.

Requires that the General Accounting Office review the results of such study and report its findings to the Congress.

H.R. 3863. May 1, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing any guidelines for determining whether private tax-exempt schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies.

H.R. 3864. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to repeal the prohibition on the payment of interest on demand deposits. Allows federally insured savings and loan associations regulated by the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation and insured credit unions regulated by the National Credit Union Board to receive demand deposits.

H.R. 3865. May 1, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to extend the authorization of appropriations for the purposes of carrying out law enforcement assistance.

H.R. 3866. May 1, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to prepare certain rolls of specified eligible persons and to distribute, on a per capita basis, specified funds appropriated to pay certain Indian Claims Commission judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma. Allocates a portion of such funds for the payment of certain legal expenses by the Kansas Delaware Tribe of Indians, Incorporated, and the Delawares of Idaho, Incorporated.

Authorizes the Secretary to prescribe rules and regulations to implement this Act.

H.R. 3867. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3868. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3869. May 1, 1979. Judiciary. Directs the classification of a named individual as the natural-born alien daughter of a named lawful permanent resident of the United States.

H.R. 3870. May 1, 1979. Judiciary. Declares that certain tort claims of named individuals against the United States shall not be barred if presented in writing to the appropriate Federal agency within two years. Grants jurisdiction over actions with respect to such claims to a specified district court under certain conditions.

H.R. 3871. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3872. May 1, 1979. Judiciary. Relieves a named university and a named association of liability to the United States for a specified amount representing reimbursements for costs actually incurred but in excess of contractual provision. Directs the Secretary of the Treasury to refund a specified amount already paid by such association.

H.R. 3873. May 1, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3874. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of residency requirements for individuals residing in a foreign country who claim income tax deductions for living expenses incurred in such country, if such individuals are required to leave the country due to war or civil unrest.

H.R. 3875. May 2, 1979. Banking, Finance and Urban Affairs. Amends various Housing Acts to extend and authorize appropriations for community and neighborhood development and conservation, housing assistance, mortgage insurance programs, mortgage assistance, and rural housing assistance.

Amends the Interstate Land Sales Full Disclosure Act to outline specified exemptions from the provisions of such Act and to set forth requirements relating to the sale or lease of lots in certain subdivisions.

H.R. 3876. May 2, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to make benefits under such title payable to a resident alien only if such alien has continuously resided in the United States for at least five years. Sets forth exceptions to such requirement.

H.R. 3877. May 2, 1979. Judiciary; Ways and Means. Amends the Immigration and Nationality Act to: (1) change certain criteria for determining whether an alien is deportable as a public charge; and (2) require an enforceable five-year financial sponsorship of an individual seeking to enter the United States as an immigrant.

Amends the Social Security Act to require State plans for aid and assistance to needy families with children to report the names and addresses of aliens applying for such assistance.

Directs the Attorney General to investigate whether aliens receiving such assistance and supplemental security income are deportable as public charges.

H.R. 3878. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for 50 percent of the tuition paid for the college or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 3879. May 2, 1979. District of Columbia. Increases the appropriation authorized for the Temporary Commission on Financial Oversight of the District of Columbia.

H.R. 3880. May 2, 1979. Judiciary. Amends the Gun Control Act of 1968 to require additional prison sentences for anyone using or carrying a firearm during the commission of a felony which is prosecutable in Federal court or unlawful according to State law.

H.R. 3881. May 2, 1979. Agriculture. Amends the Federal Meat Inspection Act to exempt from pre-slaughter animal examination and post mortem carcass inspection requirements all meat food products processed by a federally inspected establishment and derived from meat which has been slaughtered or processed at a State-inspected establishment in a State whose meat inspection requirements have been determined by the Secretary to be at least equal to the Federal requirements.

H.R. 3882. May 2, 1979. Interstate and Foreign Commerce. Establishes within the Department of Health, Education, and Welfare an Office of Rural Health to provide assistance for projects and models to increase the availability of health care services in rural areas. Establishes a Rural Health Care Advisory Committee.

H.R. 3883. May 2, 1979. Post Office and Civil Service. Directs the Postmaster General to issue four commemorative postage stamps to honor leaders of the American labor movement. Stipulates that one such stamp shall honor Walter Philip Reuther and each of the three remaining stamps shall honor another labor leader as designated by the Postmaster General.

H.R. 3884. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to require the Federal Government to reimburse taxpayers who prevail in tax deficiency litigation for all reasonable litigation expenses incurred by such taxpayers.

H.R. 3885. May 2, 1979. Interstate and Foreign Commerce; Ways and Means; Interior and Insular Affairs; Science and Technology. Amends the Department of Energy Organization Act to establish a government corporation to be known as the Energy Company of America.

H.R. 3886. May 2, 1979. Banking, Finance and Urban Affairs. Repeals the Credit Control Act which authorizes the Board of Governors of the Federal Reserve System to regulate the interest rate on, and the volume of, credit transactions.

H.R. 3887. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to exempt government chartered air museums operated exclusively for the care or use of antique, custom-built, racing, military, or other special types of aircraft from the excise taxes on special fuels and the use of civil aircraft.

H.R. 3888. May 2, 1979. Judiciary. Authorizes the Secretary of Health, Education, and Welfare to make grants to reimburse localities for part of their costs in providing humanitarian and administrative services to illegal aliens in their jurisdictions.

H.R. 3889. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit certain individuals to file a petition for a declaratory judgment to determine whether a tax ruling of the Secretary of the Treasury is in accordance with existing law.

H.R. 3890. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the withholding tax requirements with respect to gambling winnings.

H.R. 3891. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 3892. May 2, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to contract for the furnishing of private emergency medical treatment to veterans.

Provides that World War I veterans' disabilities shall be considered service-connected for veterans' medical care purposes.

Extends authorizations of appropriations for: (1) State veterans' homes; (2) medical information pilot programs; (3) new State medical schools; (4) VA-affiliated medical schools; and (5) health manpower training programs.

Prohibits the Administrator from entering into any agreement or providing any assistance to health manpower training programs, to VA-affiliated medical schools, or to establish new State medical schools after December 31, 1979.

H.R. 3893. May 2, 1979. House Administration. Directs the Architect of the Capitol to accept any statue of Dwight D. Eisenhower donated by Kansas. Requires the Architect to transfer the statue of George Washington Glick, presently in the Capitol, to Kansas and to replace it with the donated statue of Eisenhower.

H.R. 3894. May 2, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Members of Congress and other officers and employees in the Legislative branch of the Government under the Federal Old-Age, Survivors and Disability Insurance system.

H.R. 3895. May 2, 1979. Small Business. Directs the Administrator of the Small Business Administration to provide export opportunities to small businesses by establishing a computerized export information program, by requiring reciprocal sharing between various Federal agencies of export opportunity and market information, and by providing information to diplomatic and consular missions of the United States on products and services of small business concerns which are available for export.

H.R. 3896. May 2, 1979. Ways and Means; Interstate and Foreign Commerce. States that no regulation, established by the Secretary of Health, Education, and Welfare under provisions of part A (General Provisions) of title XI of the Social Security Act which requires uniform reporting on costs, services, and assets for health services facilities and organizations to which payment may be made under such Act, shall be effective until 120 days after a regulatory analysis, or a determination that such analysis is not required, has been made under the Executive Order requiring an analysis of regulations identified as having major economic consequences for the general economy, individual industries, geographical regions, or government.

H.R. 3897. May 2, 1979. Foreign Affairs. Amends the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, to authorize the President to waive prohibitions against assistance to Uganda if certain conditions are met.

H.R. 3898. May 2, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 3899. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to revise the provisions relating to the tax treatment of installment sales of realty and casual sales of personalty.

H.R. 3900. May 2, 1979. Ways and Means. Amends the Internal Revenue Code with respect to provisions pertaining to: (1) tax levies; (2) reporting requirements of corporations and tax-exempt organizations; (3) tax penalties for tax evasion; (4) filing dates for gift tax returns; and (5) disclosure of tax information to State tax officials.

H.R. 3901. May 2, 1979. Ways and Means. Establishes the Public Debt Retirement Trust Fund in the Treasury of the United States. Appropriates to the Trust Fund amounts received in the Treasury equivalent to any windfall profit taxes imposed on domestic crude oil production.

Requires that the amounts in the Trust Fund be used only for the payment, purchase, or redemption of any obligations included in the public debt. Stipulates that all such obligations shall be canceled and retired and shall not be reissued.

H.R. 3902. May 2, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3903. May 2, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3904. May 3, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act to revise the termination program for multiemployer pension plans, including: (1) the definition of a multiemployer plan; (2) the imposition of liability on a withdrawing employer; (3) minimum funding standards; (4) plan reorganization; (5) guarantees and premium rates; and (6) insolvency of such plans.

H.R. 3905. May 3, 1979. Agriculture. Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to guarantee loans for the construction and maintenance of plants for the production of fuel alcohol from corn and other agricultural commodities.

Amends the Agricultural Act of 1949 to set the loan level and the established price of the 1982 crop of corn.

H.R. 3906. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3907. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3908. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for the residential use of heating oil.

H.R. 3909. May 3, 1979. Judiciary. Amends the Contract Disputes Act of 1978 to require the Secretary of the Treasury to specify and publish in the Federal Register the rate of interest to be paid during specified periods on amounts found due contractors on claims against the Government.

H.R. 3910. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow tenants who own an interest in the residential real property which they rent an income tax deduction for any real property taxes assessed against such interest.

H.R. 3911. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to remove the limit on the amount of trade or business expenses which a Member of Congress may deduct from gross income in a taxable year.

H.R. 3912. May 3, 1979. Ways and Means. Permits the same standard mileage rate to be used in determining the amount of income tax deductions for charitable and medical uses of automobiles as is used in determining the amount of income tax deductions for business uses of automobiles.

H.R. 3913. May 3, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to extend the period of limitations for prosecution under such Act.

H.R. 3914. May 3, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to remove the ceiling on the amount of appropriations that may be authorized for the District of Columbia share of the cost of the rapid transit system (METRO) of the National Capital Region.

H.R. 3915. May 3, 1979. Education and Labor. Amends the Employee Retirement Income Security Act of 1974 to extend the period during which the Pension Benefit Guaranty Corporation may pay benefits under terminated multiemployer plans under circumstances provided for in such Act.

H.R. 3916. May 3, 1979. Interstate and Foreign Commerce. Amends the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972 to extend through fiscal year 1980 the current level of authorization of appropriations fcr programs of assistance under such Acts.

H.R. 3917. May 3, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the purposes, requirements, and procedures of the health planning program and the State agencies which administer such program. Revises the status of Puerto Rico for the purposes of such program and provides for Indian self-determination with respect to health planning. Revises the community mental health centers program, and provides for the coordination of such program, the alcohol and drug abuse programs, and the health planning program.

Authorizes financial assistance for health resource development and a new program to discontinue unneeded hospital services.

Authorizes appropriations for specified health planning and resource purposes.

H.R. 3918. May 3, 1979. Education and Labor. Directs the Commissioner of Education to make grants to schools of education for the diversification and redirection of teacher education programs.

H.R. 3919. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

Establishes an Energy Trust Fund funded by revenues from the windfall profits tax. States that amounts in the trust fund shall be available for purposes as may hereafter be specified by law.

H.R. 3920. May 3, 1979. Ways and Means. Amends the Unemployment Compensation Amendments of 1976 to make specified changes relating to: (1) the pay of certain members of the National Commission on Unemployment Compensation; (2) the submission of reports by the Commission; and (3) the exemption of Commission reports to Congress from requirements for clearance by the Office of Management and Budget.

Amends the Internal Revenue Code of 1954 to delay the effective dates of provisions: (1) requiring set offs against unemployment compensation of certain retirement income; and (2) extending unemployment compensation coverage to certain alien agricultural workers.

H.R. 3921. May 3, 1979. Education and Labor. Establishes within the Office of the Secretary of Health, Education, and Welfare an Office on Domestic Violence to establish and support programs to prevent domestic violence, assist the victims of such violence, and provide personnel training and technical assistance to groups maintaining community services for such victims.

H.R. 3922. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3923. May 3, 1979. Government Operations. Changes the name of the National Historical Publications Commission to the National Historical Publications and Records Commission.

Authorizes appropriations for fiscal years 1980 and 1981 to the General Services Administration for such Commission and for providing funds to Federal, State, and local agencies and to nonprofit organizations for the collecting, preserving, and publishing of historically significant documents.

H.R. 3924. May 3, 1979. Ways and Means. Amends the Revenue Act of 1978 to postpone the effective date of the provision permitting advance payments of the earned income credit.

H.R. 3925. May 3, 1979. Public Works and Transportation. Exempts from the regulation of the Interstate Commerce Commission the transportation of all food products for human consumption.

H.R. 3926. May 3, 1979. Banking, Finance and Urban Affairs. Repeals provisions of specified Acts which require compliance with the labor standards of the Davis-Bacon Act in housing and community development programs.

H.R. 3927. May 3, 1979. Public Works and Transportation. Amends the National Visitor Center Facilities Act of 1968 to direct the Secretary of the Interior to sublet a portion of the Union Station Concourse to the Secretary of Transportation for operation as a rail passenger terminal.

Authorizes the Architect of the Capitol to enter into an agreement with the Secretary of the Interior to furnish steam from the Capitol Powerplant to Union Station.

Increases the authorization of appropriations for adequate visitor facilities.

H.R. 3928. May 3, 1979. Interior and Insular Affairs. Designates certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico.

H.R. 3929. May 3, 1979. Judiciary. Requires in any civil action brought on behalf of any Indian or Indian tribe by the United States that a judgment for costs (including attorneys' fees) be taxed against the United States.

H.R. 3930. May 3, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 3931. May 3, 1979. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to stipulate that, notwithstanding any other provision of law, coins and currencies of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations, shall be legal tender only for the payment of Federal taxes, duties, and dues.

H.R. 3932. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to grant a limited tax exclusion of interest earned on savings accounts.

H.R. 3933. May 3, 1979. Interior and Insular Affairs. Defines the terms used in the patent dated June 29, 1911, which conveys from the United States to the State of Idaho certain lands now encompassing the Heyburn State Park to permit the leasing of certain parcels of land up to and including January 1, 1979, for recreational homesites.

H.R. 3934. May 3, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3935. May 4, 1979. Agriculture. Amends the United States Grain Standards Act to prohibit, in the absence of a requirement in the sales contract, the official weighing at the time of transfer into an export elevator of grain contracted for sale for export from the United States.

H.R. 3936. May 4, 1979. Agriculture. Amends the Agricultural Act of 1949 to provide that, if it is determined that planting of an acreage of upland cotton was prevented and that a nonconserving crop was planted, the prevented planting payment shall be the amount by which the sum calculated according to the present formula exceeds the market value of the nonconserving crop harvested from such acreage.

H.R. 3937. May 4, 1979. Ways and Means. Establishes within the Unemployment Trust Fund a reinsurance account through which a State shall be reimbursed for a percentage of its costs for excess unemployment compensation and extended unemployment benefits during periods of high unemployment. Increases the Federal unemployment tax when necessary to maintain a prescribed balance for such account.

Requires the reimbursement of a State's payments for extended benefits during specified years.

Cancels certain advances made to the extended unemployment compensation account.

H.R. 3938. May 4, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on industrial development bonds which are sold to finance facilities for the production of alcohol for use in the production of gasohol or other fuel.

H.R. 3939. May 4, 1979. District of Columbia. Establishes three retirement funds encompassing: (1) District of Columbia fire fighters and police officers: (2) District of Columbia teachers; and (3) District of Columbia judges.

Establishes the District of Columbia Retirement Board to manage the retirement funds created by this Act.

Details provisions relating to the administration of such funds and revises provisions relating to specified retirement and disability benefits under the retirement programs of such personnel.

H.R. 3940. May 4, 1979. Interior and Insular Affairs. Directs the Secretary of Agriculture to take any necessary actions to provide for the protection and maintenance of John Sack Cabin and associated structures in the Targhee National Forest, in the State of Idaho.

H.R. 3941. May 4, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3942. May 4, 1979. Public Works and Transportation; Interstate and Foreign Commerce. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are compatible with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Directs the Secretary to report to Congress on the development of an air collision avoidance system.

H.R. 3943. May 4, 1979. Ways and Means. Amends the Internal Revenue Code to limit the income tax deduction available to employers for the payment of health insurance premiums for their employees.

H.R. 3944. May 4, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means. Prohibits the disclosure of individually identifiable medical information. Permits the disclosure of medical information with the patient's consent or in specified circumstances. Requires warnings against unauthorized disclosures.

Directs medical service providers to allow patients full access to their records.

H.R. 3945. May 4, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Provides for a 36-month suspension of the granting of future operating licenses for nuclear fission power plants pending a review of existing and potential safety defects associated with such plants.

H.R. 3946. May 4, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to extend the authority granted in such Act.

H.R. 3947. May 4, 1979. Armed Services. Authorizes appropriations for military construction projects and military housing for fiscal year 1980.

Authorizes specified land transfers.

Prohibits the disposal of Bolling Air Force Base, Maryland, until October 1, 1984.

Prohibits the closure or realignment of the Army Training Center at Fort Dix, New Jersey, until the Secretary of the Army complies with the provisions of the National Environmental Policy Act of 1969.

H.R. 3948. May 4, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 3949. May 4, 1979. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require public notice by manufacturers of tire defects should the Secretary determine that it is necessary in the interest of motor vehicle safety.

H.R. 3950. May 4, 1979. Agriculture. Authorizes the Secretary of Agriculture to regulate the exportation and transportation of animal semen in order to suppress and extirpate contagious animal diseases.

H.R. 3951. May 4, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to make additional contributions to the Washington Metropolitan Area Transit Authority to partially finance: (1) the cost of construction; (2) the retirement of bonds; and (3) the expenses of operating and maintaining the Adopted Regional System.

H.R. 3952. May 4, 1979. Judiciary. Establishes an office of the United States Correctional Ombudsman, composed of a Chief and Assistant Ombudsman appointed by the President, to investigate any administrative act of the Bureau of Prisons (or any authority having a contract with the Bureau) or the Board of Parole relating to: (1) the treatment of any Federal prisoner or parolee; or (2) the conditions in any correctional institution.

H.R. 3953. May 4, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to January 31, 1984.

H.R. 3954. May 4, 1979. Judiciary. Relieves a named child care center of liability for payment of certain social security taxes and interest and penalties thereon for a specified period, except for payment already made.

H.R. 3955. May 4, 1979. Judiciary. Declares a named individual to be a returning resident alien for purposes of the Immigration and Nationality Act.

H.R. 3956. May 4, 1979. Foreign Affairs. Grants the consent of the Congress to a named individual to accept the office and title of Honorary Consul of the Honduras.

H.R. 3957. May 7, 1979. Interior and Insular Affairs. Directs the Secretary of Energy to defer repayment of certain reimbursable costs incurred by the Southwestern Power Administration and to waive certain interest costs.

H.R. 3958. May 7, 1979. Interstate and Foreign Commerce. Amends the Petroleum Marketing Practices Act to prohibit the termination of a gasoline dealer's franchise due to its selling, consigning, or distributing gasohol, and prohibits any reprisals or discrimination against retailers or distributors of gasohol because of such sale, consignment, or distribution.

H.R. 3959. May 7, 1979. Judiciary. Allows the United States attorney and assistant United States attorneys for the Eastern District of New York to reside within 20 miles of such district.

H.R. 3960. May 7, 1979. Banking, Finance and Urban Affairs. Amends the National Flood Insurance Act of 1968 to include in the flood insurance program protection against property damage caused by the movement of frozen water.

H.R. 3961. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for property improvements designed to prevent shoreline erosion caused by high water levels in the Great Lakes.

H.R. 3962. May 7, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to require the Federal Reserve Board to establish reserve requirements on certain Eurocurrency liabilities and other transactions of foreign branches and agencies of member and nonmember banks, Edge Act corporations, and Federal or State branches or agencies of foreign banks operating within the United States, and to encourage other countries to impose comparable reserve rations on such transactions.

H.R. 3963. May 7, 1979. Education and Labor. Amends the Older Americans Act of 1965 to direct the Commissioner of the Administration on Aging to make grants to States with approved plans for comprehensive counseling assistance services for the elderly.

Directs the Commissioner to carry out: (1) a program to train and retrain counseling personnel to meet the needs of the elderly; (2) demonstration and evaluation projects; and (3) information collection, analysis, and dissemination through the National Information Resource Clearing House for the Aging.

H.R. 3964. May 7, 1979. Interstate and Foreign Commerce. Establishes in the Department of Health, Education, and Welfare a Home Health Clearinghouse to gather and disseminate information concerning the various public and private agencies providing home health care and related services to the elderly.

H.R. 3965. May 7, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require the United States to pay for lateral sewer connections between any single family residence of a low-income person 65 years of age or older and a sewage collection system which has received any grants under such Act.

H.R. 3966. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3967. May 7, 1979. Ways and Means. Amends the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

H.R. 3968. May 7, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3969. May 7, 1979. Government Operations; Rules. Sets forth a ten-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Requires the President to submit: (1) at least once in each Congress, a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

H.R. 3970. May 7, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes a Long Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers, nutrition, long term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long term care centers under the direction and control of a State long term care agency.

H.R. 3971. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) remove the 100 visit limitation presently applicable to home health care services; (2) include "periodic chore services" as a home health service; (3) eliminate the $60 deductible with respect to home health services; and (4) include services by a community mental health center.

H.R. 3972. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payments for one comprehensive physical examination a year, dental care including dentures, eye examinations including eyeglasses, hearing aids including examination, and treatment of foot conditions under the supplementary medical insurance program.

Sets forth measures to safeguard against consumer abuse in the provision of these items and services.

H.R. 3973. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for prescription drugs and biologicals under the supplementary insurance program.

H.R. 3974. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for medical expenses incurred by a taxpayer or his dependents, in lieu of the income tax deduction presently allowed by law.

Repeals the income tax deduction for medical and dental expenses.

Provides for the advance payment of the medical care expenses credit to a taxpayer who reasonably anticipates a refund of such credit in the taxable year.

H.R. 3975. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for investment in small business stock.

H.R. 3976. May 7, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to direct the Secretary of Labor to make an assessment of the current and projected five-year manpower supply for the nation's energy technologies and industries.

Amends the Vocational Education Act of 1963 to direct the Commissioner of Education to make a similar assessment.

Directs the Secretaries of Labor, and Health, Education, and Welfare to establish a task force to coordinate the efforts of their agencies in carrying out the provisions of this Act.

H.R. 3977. May 7, 1979. Education and Labor. Amends the Vocational Education Act of 1963 to direct the Commissioner of Education to make an assessment of the current and projected five-year manpower supply for the nation's energy technologies and industries.

H.R. 3978. May 7, 1979. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt savings and loan institutions from certain reporting requirements and regulatory and investigatory powers of the FTC.

Requires the Federal Home Loan Bank Board to: (1) establish a division of deceptive acts and practices affecting commerce by certain savings and loan institutions; and (2) prescribe regulations, similar to regulations prescribed by the FTC governing corporations, to define and prevent such practices.

H.R. 3979. May 7, 1979. Interior and Insular Affairs. Permits employees of the United States to: (1) purchase, as a principal residence, real property from any Indian or Indian organization; and (2) sell real property owned by such employees to any Indian or Indian organization.

H.R. 3980. May 7, 1979. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to provide that an elementary or secondary school may not receive Federal funds unless the principal supervisor of such school certifies to the Commissioner of Education that the Pledge of Allegiance is a part of the daily program of such school.

H.R. 3981. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to change the effective date of provisions of the Revenue Act of 1978 relating to the taxation of beneficiaries of medical expense reimbursement plans.

H.R. 3982. May 7, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Sets forth formulas to be used in adjusting the annual aggregate quantity of meat imports.

Directs the President to limit by proclamation the total quantity of meat imports.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

Limits the quantity of cattle imports. Directs the President to provide for the geographic distribution of such imports.

H.R. 3983. May 7, 1979. Agriculture. Amends the Rural Development Act of 1972 to direct the Secretary of Agriculture to provide guaranteed loans for additional pilot projects (already four are mandated) for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

H.R. 3984. May 7, 1979. Agriculture; Interior and Insular Affairs. Directs the Secretary of Agriculture and the Secretary of the Interior to execute a quitclaim deed conveying and releasing to the State Superintendent of Education of the State of South Carolina rights retained by the United States to certain land in Orangeburg County, South Carolina.

H.R. 3985. May 7, 1979. Agriculture. Amends the Agricultural Act of 1949 to: (1) set loan rates and establish prices for the 1979 crops of upland cotton, wheat, corn, grain sorghums, and peanuts; and (2) to prohibit the Secretary of Agriculture from calling or allowing the redemption of stored wheat and feed grain loans unless the market price for such commodities is at least a specified percentage of the appropriate parity price.

H.R. 3986. May 5, 1979. Interstate and Foreign Commerce. Amends the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 to direct the Secretary of Health, Education, and Welfare, acting through the National Center for the Prevention and Control of Rape, to provide financial and technical assistance for rape prevention and treatment services.

H.R. 3987. May 7, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to extend the authorization of appropriations through fiscal year 1982 for the expenses of the Department of Justice in carrying out its functions under such Act. Specifies the spending authority of the Drug Enforcement Administration in carrying out its functions under such Act.

H.R. 3988. May 7, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Provides for a 36-month suspension of the granting of future operating licenses for nuclear fission power plants pending a review of existing and potential safety defects associated with such plants.

H.R. 3989. May 8, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish within the National Cemetery System a national cemetery in Russell County, Alabama, to be known as the Fort Mitchell Regional Veterans' Cemetery.

H.R. 3990. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act with respect to home health care services to eliminate: (1) the 100 visit limitation; (2) prior hospitalization as a condition of eligibility for such services; and (3) the deductible.

Authorizes the President to establish reciprocal arrangements between the Medicare program and similar programs in foreign countries.

Provides Medicare coverage for: (1) all services performed by a dentist; (2) certain foot care; (3) community health center and comprehensive outpatient rehabilitation center services; (4) certain antigens; (5) certain chiropractic services; and (6) certain services of clinical psychologists.

H.R. 3991. May 8, 1979. Interstate and Foreign Commerce. Amends the Securities Act of 1933 to authorize issuers to sell certain securities to accredited investors without filing a registration statement under such Act. Amends the Investment Company Act of 1940 to grant an exemption from such Act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, purchasing securities for which no ready market is in existence, or reorganizing companies.

H.R. 3992. May 8, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that disability insurance benefits for an individual having a terminal illness shall begin with the first month during all of which such individual has such illness Defines the term "terminal illness" to mean a medically determinable physical impairment which is expected to result in death within the next 12 months.

H.R. 3993. May 8, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend the duty-free entry of manganese ore.

H.R. 3994. May 8, 1979. Interstate and Foreign Commerce. Authorizes appropriations for carrying out the Solid Waste Disposal Act for fiscal year 1980. Makes certain modifications to the Resource Conservation and Recovery Act of 1976.

Repeals the provisions of such Act concerning solid waste cleanup on Federal lands in Alaska and the Langollen Landfill, Delaware, leachate control research and assistance program.

H.R. 3995. May 8, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Noise Control Act of 1972 to direct the Administrator of the Environmental Protection Agency to develop and submit to the Congress a five-year plan for carrying out the Administrator's authorities under such Act. Authorizes appropriations for such Act.

H.R. 3996. May 8, 1979. Interstate and Foreign Commerce. Amends the Rail Passenger Service Act with respect to the financing of the National Railroad Passenger Corporation and its facility and service agreements. Directs the Corporation to establish a plan for improving intercity rail passenger service. Establishes procedures for the continuation or expansion of such service. Provides for an employee stock ownership plan for employees of the Corporation.

Amends the Regional Rail Reorganization Act of 1973 to direct the United States Railway Association to devise a plan for the transfer of its functions to an appropriate Federal agency or agencies.

H.R. 3997. May 8, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a National Digestive Diseases Education and Information Clearinghouse and a National Digestive Diseases Advisory Board.

Authorizes grants to medical schools for education and training programs in the diagnosis, prevention, and treatment of digestive diseases.

H.R. 3998. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect an income tax deduction with respect to the amortization, based on a 60-month period, of any qualified facility producing alcohol from coal or biomass for primary use as a substitute for fuel.

H.R. 3999. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to stipulate that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government by reason of the functions performed by such organization under the Act.

H.R. 4000. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions and Professional Standards Review) of the Social Security Act to provide for the participation of nurses, dentists, and other health care practitioners in the professional standards review process.

Establishes an advisory committee to the National Professional Standards Review Council.

Amends titles XVIII (Medicare) and XIX (Medicaid) of the Act to authorize certain hospitals to use their inpatient hospital facilities to furnish post-hospital extended care services.

Requires that audits of specified Social Security programs be consolidated.

H.R. 4001. May 8, 1979. Armed Services. Entitles members of the armed forces and their dependents who cannot afford the costs of legal representation to legal assistance in connection with their personal affairs. Places responsibility for the establishment and supervision of legal assistance programs with the judge advocates general.

H.R. 4002. May 8, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to construct, operate, and maintain recreational facilities and streambank stabilization along the Des Moines River, Iowa. Establishes the Des Moines Recreational River and Greenbelt Advisory Committee.

H.R. 4003. May 8, 1979. Post Office and Civil Service. Amends the Retired Federal Employees Health Benefits Act to change the amount of the Government's contribution toward the subscription charge for the health benefits plan of a retired Federal employee.

H.R. 4004. May 8, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to prohibit the Board of Governors of the Federal Reserve System from denying any application for the formation of a one-bank holding company: (1) where the Comptroller of the Currency or the State banking supervisory authority has approved the transaction, including the proposed management and adequacy of the capital of the bank involved; or (2) because the transaction to form such a one-bank holding company involves a bank stock loan which is for a period of not more than 25 years.

H.R. 4005. May 8, 1979. Interstate and Foreign Commerce. Expresses the concern of Congress with respect to the proposed embargo of service by the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company and its effect on coal transportation. Directs the Secretary of Energy to conduct an assessment of the present and potential railroad coal hauling needs in the area served by such railroad and to report his findings to Congress.

H.R. 4006. May 8, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duty on certain products of the insular possessions until the quantity of articles reaches a specified amount. Permits interested parties to request the Office of the Special Representative for Trade Negotiations to designate such articles as import sensitive which will disqualify such articles from duty-free treatment.

H.R. 4007. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the credit against employment tax liability available to an employer shall not be reduced due to advances made to the unemployment account of a State under title XII (Advances to State Unemployment Funds) of the Social Security Act, if such State makes certain repayments of such advances during the taxable year.

H.R. 4008. May 8, 1979. Judiciary. Amends the Uniform Code of Military Justice to permit cases in the United States Court of Military Appeals to be reviewed by the Supreme Court by writ of certiorari.

H.R. 4009. May 8, 1979. Ways and Means; Interstate and Foreign Commerce; Judiciary.

Amends part B (Professional Standards Review) of title XI of the Social Security Act to provide that no Professional Standards Review Organization and no statewide Professional Standards Review Council shall be considered an agency of the United States Government for purposes of the Administrative Procedure Act.

H.R. 4010. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4011. May 8, 1979. Small Business; Agriculture. Authorizes appropriations for specified programs and expenses of the Small Business Administration. Authorizes a matching grant program for the establishment of Small Business Development Centers. Establishes a National Small Business Development Center Advisory Board. Directs the President to convene a White House Conference on Small Business.

H.R. 4012. May 8, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 4013. May 8, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 4014. May 8, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4015. May 9, 1979. Veterans' Affairs. Directs that within the Office of the Chief Medical Director of the Veterans' Administration (VA) one Assistant Chief Medical Director shall be a doctor of geriatrics, and shall be responsible for the VA's geriatric services.

Directs the Administrator of Veterans' Affairs to designate 15 VA hospitals as geriatrics centers.

Establishes a Geriatrics and Extended Care Task Force within the VA.

H.R. 4016. May 9, 1979. Science and Technology. Authorizes appropriations for fiscal year 1980 for: (1) activities under the Federal Fire Prevention and Control Act of 1974; and (2) the Fire Research Center.

H.R. 4017. May 9, 1979. Ways and Means; Interstate and Foreign Commerce; Agriculture. Stipulates that income received from post-1978 Social Security cost-of-living increases shall be excluded in determining the eligibility of an individual for benefits under: (1) title XVI (Supplemental Security Income) of the Social Security Act; (2) part A (Aid to Families with Dependent Children) of title IV of such Act; (3) the Food Stamp Act of 1977; (4) any other Federal assistance program which conditions eligibility upon the income or resources of the applicant.

H.R. 4018. May 9, 1979. Merchant Marine and Fisheries. Directs the Secretary of the Interior to convey all right, title, and interest of the United States to and in specified lands comprising the Harris Neck National Wildlife Refuge, McIntosh County, Georgia to the persons, or the heirs of the persons, who owned such lands prior to their condemnation by the United States in 1943.

H.R. 4019. May 9, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Directs the Secretary of the Department of Energy to initiate research, development, and demonstration of a permanent Federal repository for nuclear waste. Establishes a Nuclear Waste Management Advisory committee to study and advise the Secretary on matters concerning nuclear waste disposal technology.

H.R. 4020. May 9, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow sums allotted to the States under the treatment works construction grant program for fiscal year 1978 and subsequent years to remain available for the fiscal year authorized and for the period of the next succeeding 24 months.

H.R. 4021. May 9, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require the United States to pay for that portion of the operating costs of a municipality's treatment works made necessary in order to comply with an international agreement which sets standards for the discharge of pollutants exceeding those otherwise required by such Act.

H.R. 4022. May 9, 1979. Ways and Means Amends the Internal Revenue Code to allow an income tax deduction for sewer taxes, rents, and similar sewer charges.

H.R. 4023. May 9, 1979. Public Works and Transportation. Amends the Clean Water Act of 1977 to extend from 18 months to 42 months the moratorium on recovery of treatment works construction costs attributable to industrial users.

H.R. 4024. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4025. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4026. May 9, 1979. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to extend Federal rehabilitation and improvement financing under such Act. Authorizes the use of financing under such Act for the rail transportation of coal to meet the needs of powerplants and other industrial fuel users.

H.R. 4027. May 9, 1979. Government Operations. Directs the President to reduce the total mileage traveled by automobiles owned or leased by Federal agencies according to a timetable. Provides for exemptions to such reductions. Directs the President to promote the use of gasohol by executive agencies.

H.R. 4028. May 9, 1979. Agriculture. Amends the Food Stamp Act of 1977 to direct the Secretary of Agriculture, whenever it is necessary to reduce food stamp allotments to comply with appropriation requirements, to ensure that such reductions reflect the ratio of household income to the income standards of eligibility for households of equal size prescribed by such Act.

H.R. 4029. May 9, 1979. Veterans' Affairs. Directs that certain Filipino veterans of World War II who served with the United States Armed Forces in the Philippines and whose names were removed from United States Army records have their veterans' status, and eligibility for veterans' benefits, restored.

H.R. 4030. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued to finance housing for veterans, as general revenue bonds, or for the financing of low- and moderate-income housing and its rehabilitation.

Limits the issuance of industrial development bonds for housing purposes to rental or cooperative housing.

H.R. 4031. May 9, 1979. Armed Services. Directs the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property.

H.R. 4032. May 9, 1979. Judiciary. Authorizes classification of the certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4033. May 9, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

H.R. 4034. May 10, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise provisions concerned with the issuance of export licenses by the Secretary of Commerce and the circumstances in which export controls may be imposed. Gives Congress an opportunity to veto certain export controls.

Sets forth provisions restricting exports of domestically produced crude oil, red cedar logs, and standard aircraft equipment. Repeals prohibitions against exports to Uganda.

Amends the International Investment Survey Act of 1976 to authorize appropriations for such Act.

H.R. 4035. May 10, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize the construction of air bases and the provision of defense articles and services to Israel. Limits the number of persons that may be contracted for personal services pursuant to this chapter. Authorizes additional appropriations for the Economic Support Fund to be used for Egypt.

Authorizes additional appropriations for arms sales guarantees to Egypt and Israel under the Arms Export Control Act. Increases the principal amount of such guaranteed loans.

Authorizes the transfer of the facilities and property of the U.S. Sinai Field Mission to Egypt.

H.R. 4036. May 10, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 90 days have elapsed following the day on which it was issued.

H.R. 4037. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited tax exclusion of interest earned on savings accounts.

H.R. 4038. May 10, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 4039. May 10, 1979. Agriculture. Amends the Food Stamp Act of 1977 to create a liability to the United States in any individual receiving food coupons during any year whose adjusted gross income for such year exceeds the exempt amount.

H.R. 4040. May 10, 1979. Armed Services. Authorizes appropriations for fiscal year 1980 for military weapons, procurement and for military research, development, test, and evaluation. Sets forth the end strength levels for active duty and reserve military personnel and for civilian personnel within the Department of Defense. Sets forth the authorized military training loads for the components of the various armed forces.

Authorizes appropriations to carry out the provisions of the Federal Civil Defense Act of 1950.

Directs the President to commence registration of 18 year old males pursuant to the Military Selective Service Act.

H.R. 4041. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to extend the investment tax credit to tangible property used as an integral part of a retail or wholesale trade.

H.R. 4042. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to extend the investment tax credit to buildings and structural components used as an integral part of manufacturing, production, retail or wholesale trade, extraction, and certain other businesses, or which are certain research or storage facilities.

H.R. 4043. May 10, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to study and report to Congress on the feasibility of modifying a Mississippi River flood control project to increase the flood protection for Tiptonville, Tennessee.

H.R. 4044. May 10, 1979. Judiciary. Revises the appointment, terms, and retirement of Federal judges. Creates a procedure for disciplining Federal judges. Permits interlocutory appeals from district court decisions in certain circumstances.

Replaces the Court of Claims with the United States Claims Court. Abolishes the Court of Customs and Patent Appeals. Gives the district courts exclusive jurisdiction of Federal civil tax actions and establishes the United States Court of Tax Appeals.

H.R. 4045. May 10, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to permit the introduction, or delivery for introduction, of laetrile (amygdalin) into interstate commerce without the approval of a new drug application.

H.R. 4046. May 10, 1979. Judiciary. Amends the Clayton Act to give judgments in antitrust actions brought by the United States collateral estoppel effect in subsequent private litigation.

H.R. 4047. May 10, 1979. Judiciary. Revises the standard by which an attorney who delays proceedings in Federal court becomes liable for costs which arise because of such delay.

H.R. 4048. May 10, 1979. Judiciary. Amends the Clayton Act to authorize awards of prejudgment interest in antitrust litigation.

H.R. 4049. May 10, 1979. Judiciary. Amends the Clayton Act to empower the Department of Justice to contest mergers: (1) involving entities other than corporations; and (2) involving activities indirectly affecting commerce.

H.R. 4050. May 10, 1979. Judiciary. Amends the Antitrust Civil Process Act to enable the Department of Justice to obtain specified items produced during the discovery phase of private lawsuits.

H.R. 4051. May 10, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 4052. May 10, 1979. Armed Services. Designates the United States ship Nautilus as a national monument to be located at the United States Naval Academy at Annapolis, Maryland.

H.R. 4053. May 10, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to require a State's Medicaid program to provide medical assistance to any individual under the age of 18 whose resources do not exceed specified levels.

Requires a State's Medicaid program to provide for a child health assurance program.

Requires a State's Medicaid program to provide medical assistance available for care and services provided during pregnancy and for 60 days following the termination of pregnancy to women whose resources do not exceed specified levels.

H.R. 4054. May 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) allow unlimited home health visits; (2) eliminate prior hospitalization and confinement to home as a requirement for receiving home health care; (3) eliminate payment of the $60 deductible; (4) allow reimbursement for services furnished in qualified community mental health centers and comprehensive outpatient rehabilitation centers; and (5) authorize payment for occupational therapy, the removal of corns and calluses, all services of a doctor of dentistry, and eyeglasses, hearing aids, and dentures, and examinations for the purpose of prescribing such articles.

H.R. 4055. May 10, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to provide that the 1979 light-duty motor vehicle emission standards shall continue to apply to diesel light-duty motor vehicles manufactured after the model year 1979 in lieu of standards which would otherwise apply.

H.R. 4056. May 10, 1979. Government Operations. Directs that preference be given in bulk and retail purchases of motor fuels by Federal agencies to suppliers or bidders who offer gasohol in lieu of ordinary gasoline.

H.R. 4057. May 10, 1979. Agriculture. Amends the Food Stamp Act of 1977 to increase the authorized appropriations for the food stamp program for fiscal year 1979.

H.R. 4058. May 10, 1979. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to divide any lands subject to such Act and classified for coal leasing into leasing tracts which will permit the mining of all coal which can be economically extracted from such tracts.

Permits the Secretary to negotiate the sale at fair market value of Federal coal.

H.R. 4059. May 10, 1979. Judiciary. Relieves a named individual of liability for the payment to the United States of a specified sum. Directs the Secretary of the Treasury to pay to such individual any part of such sum which may have been received or witheld from such individual in connection with such liability.

H.R. 4060. May 10, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4061. May 10, 1979. Judiciary. Declares a named individual to be a returning resident alien for purposes of the Immigration and Nationality Act.

H.R. 4062. May 14, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require labeling as "imported" of any food product manufactured or produced in whole or in part outside the United States.

H.R. 4063. May 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for occupational therapy services under the supplementary medical insurance program.

H.R. 4064. May 14, 1979. Post Office and Civil Service. Exempts the owner of any motor vehicle leased by the United States Postal Service from payment of any State or local tax or fee on such vehicle.

H.R. 4065. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to confer tax-exempt status upon church associations.

H.R. 4066. May 14, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Foreign Affairs. Suspends the granting of operating licenses for nuclear power plants and provides for the operation of existing, operational nuclear power plants by the United States.

Directs the United States Ambassador to the United Nations to seek a ban on construction of such facilities throughout the world.

Provides that the liability of the United States for damages caused by nuclear power plant personnel trained and employed under this Act shall be governed by the Federal Tort Claims Act.

H.R. 4067. May 14, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 4068. May 14, 1979. Post Office and Civil Service. Amends the Ethics in Government Act of 1978 to require that a report be filed with the Office of Government Ethics disclosing the sources and amount of any private contribution received for the payment of costs of an official White House function.

H.R. 4069. May 14, 1979. Post Office and Civil Service. Prohibits the use of private contributions to pay the costs of an official White House function.

Prohibits specified employees of the White House from authorizing another person, group, or organization to use words referring to the White House on any letterhead or envelope.

H.R. 4070. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to extend tax-exempt status to veterans' organizations whose membership consists of at least 75 percent past or present members of the Armed Forces of the United States (combat or noncombat veterans), with the remaining membership consisting substantially of cadets or spouses, or widows or widowers of Armed Forces personnel or of cadets.

H.R. 4071. May 14, 1979. Banking, Finance and Urban Affairs. Amends the Currency and Foreign Transactions Reporting Act to authorize the Secretary of the Treasury to pay informants who report violations of the reporting requirements applicable to exports and imports of monetary instruments.

H.R. 4072. May 14, 1979. Banking, Finance and Urban Affairs. Amends the Currency and Foreign Transactions Reporting Act to include anyone attempting to transport, or have transported, monetary instruments across the borders of the United States among the persons required to file a report under such Act.

H.R. 4073. May 14, 1979. Banking, Finance and Urban Affairs; Ways and Means. Amends the Currency and Foreign Transactions Reporting Act to authorize customs officers to stop and search any vehicle or person if there is reasonable cause to suspect that monetary instruments are being transported for which reports are required.

H.R. 4074. May 14, 1979. Interior and Insular Affairs. Authorizes the Secretary of Energy to enter into a cooperative agreement with the State of New Jersey concerning radium pollution in that State.

H.R. 4075. May 14, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require that a discharge of oil or any other hazardous substance into the waters of the United States be knowing and willful in order to find liability under such Act. Establishes certain defenses which will avert such liability.

H.R. 4076. May 14, 1979. Armed Services. Revises the special pay provisions for medical officers of the armed forces and Public Health Service.

H.R. 4077. May 14, 1979. Armed Services. Increases the maximum age for the appointment of members of the Senior Reserve Officers' Training Corps as cadets or midshipmen to reflect the period of time that such individuals served on active duty so long as the individual will be less than 29 years of age on June 30 of the year of such appointment.

H.R. 4078. May 14, 1979. Interstate and Foreign Commerce. Establishes a part-time National Commission on Alcoholism and Alcohol-Related Problems to study alcoholism and alcohol-related problems.

H.R. 4079. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 4080. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain individuals who enlist in the Armed Forces of the Uited States a nonrefundable income tax credit for a certain percentage of their taxable income.

H.R. 4081. May 14, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to treat as earned income remuneration received by an individual for services performed in a sheltered workshop or work activities center in determining eligibility under such title.

H.R. 4082. May 14, 1979. Post Office and Civil Service. Permits the carriage out of the mails of letters of a trade or business which must be delivered within a specified time whenever the Postal Service cannot deliver such a letter within such time at a cost less than or equal to that for private carriage.

H.R. 4083. May 14, 1979. Judiciary. Establishes a program of death and disability payments and provision of medical services, appliances, and supplies for volunteer safety officers and their survivors who are killed or injured in the line of duty.

Places such program under the Administrator of the United States Fire Administration.

H.R. 4084. May 14, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Directs the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, to enter into a cooperative agreement with California to mitigate the adverse effects of the Central Valley project on the fish and wildlife resources of the Suisun Marsh, and for the preservation and restoration of such resources.

H.R. 4085. May 14, 1979. Banking, Finance and Urban Affairs. Amends the International Banking Act of 1978 and the Federal Reserve Act to limit the powers of foreign banks and to prohibit Edge Act corporations from establishing branches in the United States.

H.R. 4086. May 14, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to direct the President to implement a new enhanced civil defense program.

H.R. 4087. May 14, 1979. Judiciary. Relieves a named corporation of liability to the United States in a specified amount owed for a loan by the Economic Development Administration.

H.R. 4088. May 14, 1979. Merchant Marine and Fisheries. Authorizes the Secretary of Commerce to sell two obsolete vessels to a named corporation, provided that certain conditions are met.

H.R. 4089. May 14, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to three individuals in satisfaction of a claim against the United States.

H.R. 4090. May 14, 1979. Judiciary. Directs the granting of visas to, and admission of, two named individuals to the United States for permanent residence.

H.R. 4091. May 14, 1979. Judiciary. Confers jurisdiction on the United States District Court for the Northern District of Ohio over a claim of three named individuals against the United States.

H.R. 4092. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residence an income tax deduction for a portion of the real property taxes paid or accrued by their landlord.

H.R. 4093. May 15, 1979. Foreign Affairs; Interstate and Foreign Commerce. Prohibits the sale, distribution, or export of infant formula to developing countries unless pursuant to an export license. Sets forth the application procedures and the conditions which must be met before such licenses may be issued. Requires specified instructions and information to be included with formula containers exported to developing countries. Makes it unlawful to promote the sale of infant formula in any developing countries. Sets forth penalties for violations of this Act.

H.R. 4094. May 15, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to create additional categories of beneficiaries eligible to receive public safety officers' death benefits.

H.R. 4095. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the expenses such taxpayers pay to attend an institution of higher education.

H.R. 4096. May 15, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to require the placement of Nuclear Regulatory Commission inspectors in the control rooms of all licensed nuclear powerplants.

Directs the Commission to assist States in developing nuclear accident emergency plans. Requires nuclear powerplant owners and operators to monitor powerplant radiation levels, to develop nuclear emergency procedures, and to distribute information to the public concerning such procedures.

Requires the Commission to conduct inspection of all licensed nuclear powerplants.

H.R. 4097. May 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to study the feasibility of: (1) enlarging or replacing Shasta Dam and Reservoir, California; and (2) using the Sacramento River for conveying water downstream from such enlarged dam and reservoir.

H.R. 4098. May 15, 1979. Banking, Finance and Urban Affairs. Establishes a National Domestic Development Bank to provide an alternative source of funds for community facilities and economic development. Delineates the corporate organization, investment authority, and tax status of the Bank.

H.R. 4099. May 15, 1979. Banking, Finance and Urban Affairs; Public Works and Transportation. Authorizes the Secretary of Commerce to provide to economically distressed areas: (1) economic development assistance; (2) adjustment planning assistance; (3) technical assistance; (4) public works assistance; and (5) development financing. Authorizes the Secretary to conduct research and demonstration programs to promote economic development.

Repeals the Public Works and Economic Development Act. Creates the position of Under Secretary for Economic Development to assist the Secretary with respect to this Act.

H.R. 4100. May 15, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of Commerce to generate and retain private sector employment opportunities in distressed areas through guaranteed loans, direct loans, and interest subsidies, in order to encourage and enable business to remain, locate, or expand in such areas, and to provide liquidity to financial institutions through guarantees of long-term loans to such business.

H.R. 4101. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of the exclusion from gross income of dividends received by individuals.

H.R. 4102. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to reduce by one-half the allowable income tax deduction for business meals.

H.R. 4103. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to limit the retroactivity of provisions of the Tax Reform Act of 1976 pertaining to player contracts transferred in connection with sale of a sports franchise.

H.R. 4104. May 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to provide that parents' income and resources shall not be attributed to a child under age 21 for purposes of determining such child's eligibility for supplemental security income benefits, if such child is under a disability which is permanent and total.

H.R. 4105. May 15, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Rural Electrification Act of 1936 to authorize the Administrator of the Rural Electrification Administration to make loans to finance the improvement, expansion, construction, acquisition, and operation of lines, facilities, or systems to provide (separately or in conjunction with telephone service) present or future broadband telecommunications service in any rural area.

H.R. 4106. May 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends Part A (General Provisions) of title XI of the Social Security Act to impose a civil penalty upon any provider who fraudulently presents a claim for services or items under titles XVIII (Medicare) or XIX (Medicaid) of such Act.

Excludes from participation in the Medicare or Medicaid programs any physician or health care professional convicted of a criminal offense related to such individual's participation in such programs.

Authorizes a reduction in Federal payments to Medicaid providers from whom Medicare overpayments cannot be recovered.

H.R. 4107. May 15, 1979. Judiciary. Directs the Administrator of the Veterans Administration to pay additional disability compensation benefits for a specified time period to a named individual.

H.R. 4108. May 16, 1979. District of Columbia. Directs the Mayor of the District of Columbia to take such action as may be necessary to insure that motor vehicle stickers issued by any State to provide special parking rights for the handicapped shall be honored in the District of Columbia in the same manner as any such sticker issued by the District.

H.R. 4109. May 16, 1979. Judiciary. Stipulates that no Federal or State law may be declared unconstitutional by the Supreme Court of the United States unless at least seven members of the Court concur.

H.R. 4110. May 16, 1979. Judiciary. Prohibits the Supreme Court or any other Federal court from making a decision or issuing an order which requires, or has the effect of requiring, Federal or State expenditure for a specific purpose unless Congress or the State legislature has authorized and appropriated funds for such purpose. Subjects to impeachment a justice or judge who violates such prohibition.

H.R. 4111. May 16, 1979. Judiciary. Allows Congress, by a two-thirds vote in each House to invalidate a decision of the Supreme Court or a Federal court with respect to the constitutionality of the Federal or State law.

H.R. 4112. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit or deduction for tuition paid to an elementary, secondary, vocational, or higher educational institution for the education of the taxpayer, his spouse, or dependents.

H.R. 4113. May 16, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States for the construction of publicly owned waste treatment works.

H.R. 4114. May 16, 1979. Government Operations. Requires the President to submit to Congress a biennial report on the management of the executive branch. Requires the Director of the Office of Management and Budget to provide an evaluative report on Federal programs to the President to be included with the President's report.

H.R. 4115. May 16, 1979. Judiciary. Authorizes the Chief Justice of the United States to select a panel of justices or judges to review the behavior of any justice (except the Chief Justice) or Federal judge.

H.R. 4116. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4117. May 16, 1979. Veterans' Affairs. Revises veterans' vocational rehabilitation provisions.

Reduces the disability rating necessary to receive veterans' service-connected or death benefits.

Revises provisions regarding benefits for veterans in more than one educational assistance program under the Veterans Administration.

H.R. 4118. May 16, 1979. Judiciary. Exempts the exchange of technological information relating to emission control systems, passive restraint systems, and fuel efficiency systems for motor vehicles from application of the Sherman Act, the Clayton Act, and the Federal Trade Commission Act.

H.R. 4119. May 16, 1979. Agriculture. Amends the Federal Crop Insurance Act with regard to the Board and stock of the Federal Crop Insurance Corporation, exclusive Federal Court jurisdiction of lawsuits, the use of private insurance companies, coverages and premiums, reinsurance, appropriations, emergency borrowing authority, and related matters.

Amends the Food and Agriculture Act of 1977 to extend current disaster payment programs to the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice.

H.R. 4120. May 16, 1979. Agriculture. Amends the Food Stamp Act of 1977 to entitle households composed entirely of persons who are age 60 or older or who receive supplemental security income benefits under title XVI of the Social Security Act, to a medical expense deduction in the computation of household income. Removes the limit on the excess shelter expense deduction for such households.

H.R. 4121. May 16, 1979. Judiciary. Establishes an Office of Professional Responsibility in the Department of Justice to investigate and make recommendations to the Attorney General or other officials concerning conduct by a Department employee that may be in violation of law, of Department regulations or orders, or of applicable standards of conduct.

Establishes a Committee on Professional Responsibility, consisting of Department Officials designated by the Attorney General, to advise the Counsel.

H.R. 4122. May 16, 1979. Ways and Means; Interstate and Foreign Commerce. Establishes a minimum monthly benefit amount under part A (Aid to Families with Dependent Children) of the Social Security Act.

Revises Federal funding for AFDC programs.

Sets forth additional criteria for determining eligibility for AFDC benefits.

Requires a State plan to make AFDC payments to an "assistance unit" with a low-income parent.

Authorizes payments for AFDC mechanized claims processing and information retrieval systems.

Directs the Secretary of Health, Education, and Welfare to set forth the rights and responsibilities of AFDC applicants and recipients.

H.R. 4123. May 16, 1979. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to make grants to establish hearing dog training centers.

H.R. 4124. May 16, 1979. Interior and Insular Affairs. Declares that: (1) the United States holds in trust for the Tule River Indian Tribe certain public lands administered by the Forest Service; and (2) such lands are again a part of the Tule River Indian Reservation.

Authorizes the Secretary of Agriculture to determine the location and the manner of use of right-of-way through specified lands.

Directs the Secretary of the Interior to publish descriptions of lands transferred and Reservation boundaries changed pursuant to this Act.

H.R. 4125. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage subsidy bonds.

Limits the issuance of industrial development bonds for housing purposes to low- or moderate-income rental housing.

H.R. 4126. May 16, 1979. Interior and Insular Affairs. Revokes the executive withdrawal of specified lands in Inyo County, California, from settlement, location, sale, or entry.

H.R. 4127. May 16, 1979. Agriculture; Interior and Insular Affairs; Public Works and Transportation. Requires States and non-Federal entities to agree in writing to pay a portion of the costs of Federal water resource projects and flood control projects involving specified Federal agencies. Stipulates that such financing requirements are in addition to any other financing requirements.

H.R. 4128. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) repeal the percentage depletion allowance for independent oil and gas producers and royalty owners; (2) require the capitalization and amortization of intangible drilling and development costs in the case of oil and gas wells and geothermal wells; (3) disallow a tax credit for foreign taxes paid by domestic corporations with respect to foreign oil-related income; and (4) prohibit the deferral of U.S. taxes for foreign oil-related income of domestic corporations.

H.R. 4129. May 16, 1979. Veterans' Affairs. Excludes payments received under Veterans' Administration life insurance policies from annual income determinations for purposes of veterans' disability compensation eligibility.

H.R. 4130. May 16, 1979. Armed Services. Increases the Federal share of the amount paid to retired military personnel who serve as administrators ond instructors in the Junior Reserve Officers' Training Corps.

H.R. 4131. May 16, 1979. Public Works and Transportation. Changes the name of the China Bluff Access Area being constructed by the Army Corps of Engineers as part of the Tennessee-Tombigbee Waterway near Warsaw in Sumter County, Alabama, to the "S. W. Taylor Memorial Park".

H.R. 4132. May 16, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 4133. May 17, 1979. Ways and Means. Amends the Internal Revenue Code to exempt an air carrier who sells aircraft to another air carrier from the investment tax credit recapture rules with respect to such aircraft, unless the aircraft ceases to be used exclusively to provide air transportation.

H.R. 4134. May 17, 1979. Ways and Means. Amends the Revenue Act of 1978 to provide that the one-time exclusion from gross income of the gain from the sale of a principal residence by an individual age 55 or over shall apply to sales and exchanges after December 31, 1977, instead of July 26, 1978.

H.R. 4135. May 17, 1979. Agriculture; Interior and Insular Affairs; Public Works and Transportation. Requires States and non-Federal entities to agree in writing to pay a portion of the costs of Federal water resource projects and flood control projects involving specified Federal agencies. Stipulates that such financing requirements are in addition to any other financing requirements.

H.R. 4136. May 17, 1979. Education and Labor. Amends the Child Nutrition Act of 1966 to extend the authorization of appropriations to fiscal year 1982 for: (1) minimum payment for State administrative expenses, including unused fund availability; and (2) general State administrative expenses.

H.R. 4137. May 17, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Establishes a Pacific Northwest Electric Planning Commission to prepare a regional power planning and conservation plan to achieve cost effective energy conservation, to promote the development of renewable energy resources, and to assure the Pacific Northwest of an efficient and adequate power supply.

Directs the Administrator to establish a conservation and renewable resource loan and grant fund for conservation, waste recovery, and renewable energy measures.

Directs the Administrator to implement necessary mitigation and enhancement measures to restore fisheries damaged by the development and operation of the Federal Columbia River power system.

H.R. 4138. May 17, 1979. Judiciary. Declares that the Department of the Army should have provided guidance on the potential ramifications of receiving readjustment pay to a named individual and that the law requiring repayment of 75 percent of such pay by immediate deduction from retired pay is unfair. Requests remission of such indebtedness of such individual upon retirement. Stipulates that such individual volunteers to repay entire debt on a prorated basis.

H.R. 4139. May 17, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4140. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to reduce the rate of tax on the taxable income of a corporation below $500,000.

H.R. 4141. May 21, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to strike and issue gold coins in a denomination of $100, which may be increased periodically in accordance with the world market price of gold.

H.R. 4142. May 21, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to remove prisoners from eligibility for programs under such Act.

H.R. 4143. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for the household expenses of any taxpayer who maintains a household in which a relative age 65 or over resides.

H.R. 4144. May 21, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to declare nonreimbursable and nonreturnable costs incurred for emergency repairs and modifications to Conconully Dam, Washington.

H.R. 4145. May 21, 1979. Ways and Means. Repeals the statutory authority to impose import quotas on meat from cattle, goats, and sheep which is fresh, chilled, or frozen.

H.R. 4146. May 21, 1979. Armed Services. Authorizes the President to award the Congressional Medal of Honor posthumously to Vincent Pantozzi for his distinguished military service during World War I.

H.R. 4147. May 21, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duties on certain cobalt alloys.

H.R. 4148. May 21, 1979. Interior and Insular Affairs. Replaces the existing acreage limitation of 160 acres of reclaimed land per individual with a limitation of 320 acres.

Abolishes the residency requirements for qualified recipients of project water.

H.R. 4149. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to entitle individuals who retired before January 1, 1977, and either retired on disability or were entitled to retire on disability, to the exclusion from gross income for amounts received under accident and health plans without regard to the applicable income restrictions.

H.R. 4150. May 21, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions: (1) for products of the United States which are assembled abroad; and (2) for metals exported for additional processing and returned for further processing in the United States.

H.R. 4151. May 21, 1979. Education and Labor. Amends the Farm Labor Contractor Registration Act of 1963 to define or redefine the terms: (1) farm labor contractor; (2) fee; (3) agricultural employment; (4) migrant workers; (5) transport; (6) bona fide full-time employee; (7) bona fide regular employee; and (8) agricultural cooperative.

H.R. 4152. May 21, 1979. Armed Services. Establishes the Chaplain Corps of the Navy outside of the Bureau of Naval Personnel to be headed by a Chief of Chaplains appointed by the President with the advice and consent of the Senate.

H.R. 4153. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of employer-paid group-term life insurance premiums excluded from the gross income of employees to $150,000.

H.R. 4154. May 21, 1979. Judiciary. Amends the Clayton Act to prohibit any person from serving concurrently as a director or officer of more than one corporation that has assets or gross annual sales in excess of $1,000,000,000. Prohibits such major corporations from appointing as officers or directors, persons who hold such positions with other corporations.

Sets forth penalties and enforcement procedures for violations of the provisions of this Act.

H.R. 4155. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to permit the Internal Revenue Service to disclose to the Commissioner of Education the mailing address of any taxpayer who has defaulted on a student loan received under the Higher Education Act of 1965 or the Migration and Refugee Assistance Act of 1962, for purposes of aiding the Commissioner in collecting such loan.

H.R. 4156. May 21, 1979. Interstate and Foreign Commerce. Establishes a comprehensive program of Federal assistance to States for the purpose or planning, coordinating, and providing mental health and support services. Includes Indian tribes as eligible recipients of such assistance. Provides for an obligatory period of service for recipients of current mental health clinical traineeships. Terminates funding under the Community Mental Health Centers Act.

H.R. 4157. May 21, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 180 days have elapsed following the day on which it was issued.

Provides for the payment of a cash advance of SSI benefits to an individual who loses benefits as a result of this Act, is presumptively eligible for SSI benefits, and who is faced with financial emergency.

H.R. 4158. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the age requirement for the one-time exclusion of gain from the sale or exchange of a principal residence.

H.R. 4159. May 21, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Establishes a Pacific Northwest Electric Planning Commission to prepare a regional power planning and conservation plan to achieve cost effective energy conservation, to promote the development of renewable energy resources, and to assure the Pacific Northwest of an efficient and adequate power supply.

Directs the Administrator to establish a conservation and renewable resource loan and grant fund for conservation, waste recovery, and renewable energy measures.

Directs the Administrator to implement necessary mitigation and enhancement measures to restore fisheries damaged by the development and operation of the Federal Columbia River power system.

H.R. 4160. May 21, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin, but only when it is sold or distributed separately as a distinct product for use by the consumer as a sweetener.

H.R. 4161. May 21, 1979. Judiciary. Provides that for purposes of work-related immigrant preference status and non-immigrant work-related temporary admissions under the Immigration and Nationality Act, specified entities that contract for the services of alien chick sexors will be treated as employers.

H.R. 4162. May 21,1979. Judiciary. Directs the Secretary of the Treasury to pay a sum to the estate of a named individual in satisfaction of a claim against the United States.

H.R. 4163. May 21, 1979. Judiciary. Directs the Secretary to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 4164. May 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified amount to a named individual.

H.R. 4165. May 21, 1979. Judiciary. Authorizes a named individual to file a claim, within a specified period, for credit or refund of any overpayment of Federal income taxes paid for specified taxable years.

H.R. 4166. May 21, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4167. May 22, 1979. Agriculture. Amends the Agriculture Act of 1949 to extend the price support of milk at not less than 80 percent of parity.

H.R. 4168. May 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVII (Medicare) of the Social Security Act to increase the scope of benefits provided with respect to: (1) inpatient hospital services; (2) home health services; (3) preventive health services; (4) optometric services; (5) hearing aids; (6) immunization; (7) orthopedic services; (8) dental care; (9) foot care; and (10) drugs and biologicals.

Eliminates certain deductibles and coinsurance under such title.

Provides coverage for community mental health center services and comprehensive outpatient rehabilitation services.

Authorizes appropriations for expanded services provided under this Act.

H.R. 4169. May 22, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to execute land exchanges for equal value or to enter agreements fixing boundaries to clear title to lands owned or held in trust by the United States.

H.R. 4170. May 22, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to investigate and settle claims of ownership to lands adjoining the current and historic beds of the Colorado River in California and Arizona.

H.R. 4171. May 22, 1979. Judiciary. Eliminates with respect to real property quiet title actions in which the United States may be named as a party defendant: (1) the requirement that a complaint filed in such an action set forth the right, title, or interest claimed by the United States; (2) the statute of limitations governing such actions.

H.R. 4172. May 22, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare may not take specified actions to restrict the continued use of saccharin or of any food, drug, or cosmetic containing saccharin.

H.R. 4173. May 22, 1979. Armed Services. Directs the Secretary of the Navy to provide for the public display of the United States ship Nautilus as a memorial vessel at Groton, Conn.

H.R. 4174. May 22, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 with regard to nuclear powerplant construction and operation. Requires States in which such powerplants are located to have approved nuclear powerplant emergency plans. Provides for the establishment of emergency teams to supervise activities involving nuclear accidents. Requires that such powerplants be manned by personnel trained and employed by the Nuclear Regulatory Commission according to established standards.

Directs the Commission to submit to the Congress a comprehensive nuclear waste disposal and storage plan.

H.R. 4175. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow income, estate, and gift tax deductions for charitable contributions for the construction or maintenance of buildings to house tax-exempt fraternal organizations.

H.R. 4176. May 22, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Rural Electrification Act of 1936 to authorize the Administrator of the Rural Electrification Administration to make loans to finance the improvement, expansion, construction, acquisition, and operation of lines, facilities, or systems to provide (separately or in conjunction with telephone service) present or future broadband telecommunications service in any rural area.

H.R. 4177. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to expand the age requirement for youths participating in the qualified cooperative education program, for purposes of the targeted jobs tax credit.

H.R. 4178. May 22, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means; Post Office and Civil Service; Foreign Affairs. Authorizes the Secretary of Transportation to establish standards and prescribe rules to reduce motor vehicle theft. Establishes penalties for: (1) removing or altering the identification number for any motor vehicle or motor vehicle part; (2) buying or otherwise possessing, with intent to sell, any motor vehicle or part knowing that such removal or alteration has occurred; and (3) importing or exporting stolen self-propelled vehicles, vessels, aircraft, or parts or self-propelled vehicles or parts with altered identification numbers. Grants enforcement powers to customs officers.

H.R. 4179. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to extend for one additional year provisions which allow taxpayers to treat as deductible expenses expenditures to remove architectural and transportation barriers to the handicapped and elderly.

H.R. 4180. May 22, 1979. Post Office and Civil Service. Entitles a qualified nonprofit organization of senior citizens to the reduced postal rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 4181. May 22, 1979. Judiciary. Prohibits the issuance of a search warrant or compelling order with respect to matter in the possession or control of a third party.

H.R. 4182. May 22, 1979. Judiciary. Confers citizenship on a named individual, posthumously.

H.R. 4183. May 22, 1979. Appropriations. Makes a supplemental appropriation for fiscal year 1979 to the Secretary of Agriculture for purposes of carrying out title III of the Federal Meat Inspection Act (Federal-State cooperation in meat inspection).

H.R. 4184. May 22, 1979. Interior and Insular Affairs. Expands the authorization for the American River Basin Development, California, to include a diversion structure and tunnel from the North Fork Consumnes River to Camp Creek.

H.R. 4185. May 22, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to require certificated air carriers to continue to provide essential air transportation to an eligible point until January 1, 1982.

H.R. 4186. May 22, 1979. Agriculture. Amends the Food Stamp Act of 1977 to authorize the use of food coupons for the purchase of meals in restaurants by members of households composed entirely of persons who are 60 years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act.

H.R. 4187. May 22, 1979. Ways and Means.

Amends the Internal Revenue Code to allow individual taxpayers a limited income tax credit for the cost of installing security devices in their principal residence.

H.R. 4188. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4189. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued to finance housing for veterans, as general revenue bonds, or for the financing of low- and moderate-income housing and its rehabilitation.

H.R. 4190. May 22, 1979. Ways and Means. Stipulates that Mexican plywood shall remain eligible for imported duty-free treatment despite the fact that the quantity of such plywood would ordinarily make Mexican plywood ineligible for such duty-free treatment.

H.R. 4191. May 22, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4192. May 22, 1979. Judiciary. Directs the Secretary of Commerce to extend a specified patent for 17 years.

H.R. 4193. May 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4194. May 23, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend for 36 months the current ban on any action by the Secretary of Health, Education, and Welfare with regard to saccharin.

H.R. 4195. May 23, 1979. Agriculture; Appropriations. Amends the Agricultural Act of 1949 to establish the crop production loan level for the 1980 and 1981 crops of upland cotton.

Specifies formulas for the determination of prevented planting payments for cotton and feed grains in certain circumstances.

Makes eligible for 1978 crop disaster payments certain cotton producers who were otherwise eligible for such payments, but who were deemed ineligible for failure to comply with the set-aside requirement of the 1978 crop feed grain program.

Directs the Secretary of Agriculture to make available a voluntary diversion program for the 1979 crop of upland cotton.

H.R. 4196. May 23, 1979. Merchant Marine and Fisheries. Amends the National Environmental Policy Act of 1969 to require that actions for judicial review of any final detailed environmental impact statement be filed in a court of competent jurisdiction within a statute of limitations.

H.R. 4197. May 23, 1979. Interstate and Foreign Commerce. Amends the Wool Products Labeling Act of 1939 to replace the terms "reprocessed wool" and "reused wool" by the single term "recycled wool."

H.R. 4198. May 23, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 90 days have elapsed following the day on which it was issued.

H.R. 4199. May 23, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to extend until October 1, 1982, the program of Federal payments to States for costs incurred in carrying out a State plan of services for disabled children who receive SSI benefits.

H.R. 4200. May 23, 1979. Judiciary. Prohibits the Supreme Court or any other Federal court from making a decision or issuing an order which requires, or has the effect of requiring, Federal, State, or local government expenditures for a specific purpose unless Congress or the State or local legislature has authorized and appropriated funds for such purpose. Subjects to impeachment a justice or judge who violates such prohibition, including a justice or judge concurring in such a decision or order.

H.R. 4201. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to provide that an auxiliary of a tax-exempt fraternal beneficiary society shall not lose its tax-exempt status on the basis of religious discrimination, if such society limits its membership to the members of a particular religion.

H.R. 4202. May 23, 1979. Veterans' Affairs. Makes Puerto Rico eligible for Federal assistance for constructing and remodeling State home facilities for veterans.

H.R. 4203. May 23, 1979. Interior and Insular Affairs. Designates the Indian Mounds wilderness within and as part of the Sabine National Forest, Texas.

H.R. 4204. May 23, 1979. Interstate and Foreign Commerce. Subjects to liability for harm caused by the use of a product any individual engaged in interstate commerce who manufactures or sells a product which is in a defective condition or fails to warn against a dangerous condition in the use or misuse of the product.

Allows any person harmed by a product and who is a reasonably anticipated user or consumer of the product to bring an action in "product liability" against the manufacturer or seller of the product.

H.R. 4205. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for amounts paid by blind, deaf, or speech-impaired individuals for use of toll telephone service by means of teletypewriters.

Allows an income tax deduction for a portion of the expenses incurred by a blind, deaf, or speech-impaired individual for the purchase or installation of a teletypewriter.

H.R. 4206. May 23, 1979. Education and Labor. Amends title I of the Elementary and Secondary Education Act of 1965 regarding providing information to local educational advisory councils to require that a local educational agency provide a free copy of relevant statutes and regulations to such advisory council and, upon request, to each member of such council (presently the agency is required to provide such material automatically to each council member).

H.R. 4207. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, nonrefundable income tax credit for the purchase of electric motor highway vehicles. Terminates such credit after December 31, 1985.

H.R. 4208. May 23, 1979. Banking, Finance and Urban Affairs. Prohibits a national bank from charging a rate of interest to a nonresident credit card customer in excess of the rate established by the laws of the State, territory, or district in which such bank is located.

H.R. 4209. May 23, 1979. Post Office and Civil Service. Entitles a nonprofit neighborhood organization to the reduced postage rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 4210. May 23, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to clay surface mining operations.

H.R. 4211. May 23, 1979. Banking, Finance and Urban Affairs; Government Operations; Interior and Insular Affairs; Science and Technology; Interstate and Foreign Commerce; Public Works and Transportation.

Establishes a national goal for the increased use of renewable energy resources as a part of the Nation's total energy supply in the year 2000.

Provides for information and financial incentives to promote the use of such resources by establishing a Solar Energy Development Corporation and a Solar Heating and Cooling Information Center.

Authorizes the use of certain renewable resources by the Federal Government in Federal motor vehicles and Federal buildings.

H.R. 4212. May 23, 1979. House Administration. Establishes five regional Presidential primary election districts and sets dates for primary elections to be held in such districts for the purpose of electing delegates to the national political conventions.

H.R. 4213. May 23, 1979. Agriculture; Interior and Insular Affairs; Interstate and Foreign Commerce; Merchant Marine and Fisheries; Public Works and Transportation.

Establishes a program to integrate the various categorical grants by the Environmental Protection Agency to States and local governments for supporting environmental programs.

H.R. 4214. May 23, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 4215. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to permit the establishment of distilled spirits plants for the purpose of producing, processing, storing, using, and distributing distilled spirits for fuel use.

H.R. 4216. May 23, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4217. May 23, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4218. May 23, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4219. May 23, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4220. May 24, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4221. May 24, 1979. Veterans' Affairs. Increases from two and one-half to four the number of beds per thousand veteran population required with regard to Federal assistance for constructing and remodeling State home facilities for veterans.

H.R. 4222. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on taxable crude oil removed from the premises during each taxable period.

H.R. 4223. May 24, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate segments of the Stanislaus River, California, as part of the National Wild and Scenic Rivers System.

H.R. 4224. May 24, 1979. House Administration. Authorizes the Camp Fire Girls of Cundys Harbor, Maine, to erect a monument on Maine Avenue in the District of Columbia entitled "The Maine Lobsterman."

H.R. 4225. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to permit the accelerated depreciation of business property with a basis of less than $100,000 and to provide for the limited nonrecognition of gain from the sale of certain business property.

Amends the Securities Act of 1933 to raise the amount of the small issues exemption.

H.R. 4226. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or postsecondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4227. May 24, 1979. Agriculture. Amends the Rural Development Act of 1972 to direct the Secretary of Agriculture to study and report to the President and the Congress concerning the protection of agricultural land and methods of reducing the quantity of such land being converted from agricultural to nonagricultural uses.

H.R. 4228. May 24, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to: (1) develop model preretirement education programs; (2) train personnel for such programs; (3) prepare related information and materials; and (4) provide consultation services.

Directs the Secretary of Health, Education, and Welfare to carry out a preretirement education study and a retirement employment study.

H.R. 4229. May 24, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 4230. May 24, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes rural hospitals of less than 50 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare (title XVIII) and Medicaid (title XIX) programs of the Social Security Act providing that their inpatient hospital facilities may be used to furnish services which, if furnished by a skilled nursing facility, would constitute post hospital extended care services. Authorizes, pursuant to such agreements, payments to be made for skilled nursing services and intermediate care services furnished by a hospital.

H.R. 4231. May 24, 1979. Public Works and Transportation. Designates the Federal Building in Trenton, North Carolina, as the John D. Larkins, Jr., Federal Building.

H.R. 4232. May 24, 1979. Agriculture. Amends the Food Stamp Act of 1977, with respect to households composed entirely of persons who are 60 years of age or older or who receive supplemental security income benefits under title XVI of the Social Security Act, to entitle such households to a medical expense deduction.

H.R. 4233. May 24, 1979. Judiciary. Directs each Federal agency to: (1) publish a regulatory analysis of each major rule; (2) report to Congress and the public on its regulatory activities; (3) establish deadlines for regulatory functions; and (4) create an office for regulatory management.

Revises agency rulemaking and adjudication proceedings. Authorizes agencies to establish employee boards to review proceeding decisions. Directs the Office of Personnel Management to test, register, and certify administrative law judges.

Directs each agency to annually review one or more of its rules to determine whether continuation or amendment of the rule is in the public interest.

Reorganizes the Administrative Conference of the United States.

H.R. 4234. May 24, 1979. Education and Labor. Directs the Commissioner of Education to provide funds to any county submitting an application (as set forth in this act) for the purposes of providing library facilities and services, or constructing or expanding libraries, in small communities.

H.R. 4235. May 24, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 and the Federal Salary Act of 1967 to discontinue the annual adjustments in the rate of pay for Members of Congress and to provide for a reduction of the annual rate of pay for Members of Congress effective for any pay period based on any increase in the Consumer Price Index published during the preceding pay period.

H.R. 4236. May 24, 1979. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require public notice by manufacturers of tire defects should the Secretary determine that it is necessary in the interest of motor vehicle safety.

H.R. 4237. May 24, 1979. Agriculture; Foreign Affairs. Amends the Commodity Credit Corporation Act to designate the Commodity Credit Corporation as the seller or marketing agent for all export sales of wheat, feed grains, rice, and soybeans.

Authorizes the Board of Directors of the Corporation, acting as the National Grain Board, to negotiate such export sales.

Establishes in the Treasury of the United States a revolving Export Sales Fund.

H.R. 4238. May 24, 1979. Education and Labor. Entitles Civil Air Patrol Cadets of a specified age to compensation available to Civil Air Patrol senior members in the event of disability or death, and increases the amount of such compensation.

H.R. 4239. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to exempt from the excise tax on the use of civil aircraft, aircraft owned and operated by the Civil Air Patrol if such aircraft are used in search and rescue missions by the Civil Air Patrol.

H.R. 4240. May 24, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 4241. May 24, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4242. May 24, 1979. Judiciary. Authorizes classification of a named individual as a natural-born alien daughter of a named alien lawfully admitted for permanent residence in the United States.

H.R. 4243. May 30, 1979. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965, with respect to financial assistance to a State for development of basic outdoor recreation facilities, to remove: (1) the ten percent limitation on the use of such assistance for construction of sheltered swimming pools and ice skating rinks; and (2) the restriction of such use to areas of severe climatic conditions.

H.R. 4244. May 30, 1979. House Administration. Grants the right to vote in any primary or runoff election for Federal office to citizens who will be 18 years of age or older on the date of the related general or special election.

H.R. 4245. May 30, 1979. Agriculture. Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to guarantee loans for the construction and maintenance of plants for the production of fuel alcohol from corn and other agricultural commodities.

Amends the Agricultural Act of 1949 to set the loan level and the established price of the 1982 crop of corn.

H.R. 4246. May 30, 1979. House Administration. Permits Members of Congress, the Resident Commissioner from Puerto Rico, and Delegates for the District of Columbia, Guam, and the Virgin Islands to transfer their copies of the Congressional Record to private tax-exempt schools.

H.R. 4247. May 30, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means. Authorizes the Secretary of Transportation to establish standards to reduce motor vehicle theft. Establishes penalties for: (1) removing or altering the identification number for any motor vehicle or motor vehicle part; (2) buying or otherwise possessing, with intent to sell, any motor vehicle or part knowing that such removal or alteration has occurred; and (3) importing or exporting stolen motor vehicles, vessels, aircraft or parts, or motor vehicles or parts with altered identification numbers. Grants enforcement powers to customs officers.

H.R. 4248. May 30, 1979. Ways and Means. Amends the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported papayas to the same regulation as to grade, size, quality, or maturity as domestically produced papayas, whenever domestic papayas are made subject to a marketing order regulating such items.

H.R. 4249. May 30, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to continue to designate certain Federal-aid primary system highways as part of the Interstate Highway System.

Stipulates that a State shall not have to reimburse the Highway Trust Fund for routes withdrawn from the Interstate System under specified conditions.

Increases the Federal share of the cost of training State and local highway department employees.

Directs the Secretary of Transportation to develop a system of allocating State bonded indebtedness for the portion of certain roads on the Interstate System which are toll free and those which are not.

H.R. 4250. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act to include the Goodnight Trail and Goodnight-Loving Trail for study as national historic trails.

H.R. 4251. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act to designate the Santa Fe National Historic Trail as a unit of the National Trails System.

H.R. 4252. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act of 1968 to designated the Chisholm, Shawnee, and Western Trails as a unit of the National Trails System to be known as the Old Cattle National Historic Trails.

H.R. 4253. May 30, 1979 Post Office and Civil Service. Authorizes the Secretary of Commerce to collect decennial statistics relating to deaf individuals.

H.R. 4254. May 30, 1979. Ways and Means. Amends the Internal Revenue Code to permit the accelerated depreciation of business property with a basis of less than $100,000.

H.R. 4255. May 30, 1979. Armed Services. Revises procedures regarding the disposal of unclaimed property which comes into the custody of a military department.

H.R. 4256. May 30, 1979. Armed Services. Repeals the provisions of law prohibiting female members of the Navy and Air Force from being assigned to duty on vessels or in aircraft engaged in combat missions.

H.R. 4257. May 30, 1979. Judiciary. Directs the Attorney General to make grants to qualifying State programs for the compensation of victims of crime. Sets forth requirements for program qualification and grant formula. Establishes an Advisory Committee on Victims of Crime to advise the Attorney General with respect to the administration of the compensation program.

H.R. 4258. May 30, 1979. Interstate and Foreign Commerce. Requires the issuance by the Department of Health, Education, and Welfare of a descriptive monograph for every new drug entity or drug product manufactured, imported into, exported from, or distributed in the United States. Provides procedures for the issuance, amendment, suspension, and revocation of such monographs.

Prescribes the content of informational and promotional drug product labeling.

Prohibits drug product licensees from distributing free samples of prescription drugs.

Amends the Public Health Service Act to establish the National Center for Clinical Pharmacology to conduct and support research in clinical pharmacology and drug use in the United States.

H.R. 4259. May 31, 1979. Banking, Finance and Urban Affairs. Authorizes the President, on behalf of the Congress, to present a specially struck gold medal to the American Red Cross.

Authorizes the Secretary of the Treasury to make bronze duplicates of such medal for public sale.

H.R. 4260. May 31, 1979. Interior and Insular Affairs. Prohibits the delivery of water from specified Federal reclamation projects for the irrigation of surplus commodities within ten years of the completion of such projects.

H.R. 4261. May 31, 1979. Post Office and Civil Service. Designates the daisy as the national flower of the United States.

H.R. 4262. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 4263. May 31, 1979. Interstate and Foreign Commerce. Amends the Petroleum Marketing Practices Act to prohibit motor fuel franchisors from terminating diesel fuel retail distribution franchises under which the franchisee regularly sells diesel fuel for agricultural or other essential uses, except in certain cases.

H.R. 4264. May 31, 1979. Judiciary. Exempts classroom performances or displays of a work by instructors or pupils of any educational institution (presently a nonprofit educational institution) from copyright royalty requirements.

H.R. 4265. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners a nonrefundable income tax credit for expenses paid or incurred to make alterations to their residences in order to make such residences more suitable for handicapped family members.

H.R. 4266. May 31, 1979. Interstate and Foreign Commerce. Permits the Federal Trade Commission to disallow enforcement of exclusive territorial licensing agreements in the manufacture and distribution of soft drinks only if it determines that the benefits of such an agreement to the public exceed its detriments. Sets forth factors which must be considered by the Commission in making its determination.

H.R. 4267. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Medicare program of the Social Security Act to authorize the President to enter into agreements establishing reciprocal arrangements between such program and the program of any foreign country under which health services are provided.

H.R. 4268. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners or businessmen a refundable income tax credit for increases in electricity costs incurred by such individuals as a result of the shutdown of the nuclear plant at Three Mile Island.

H.R. 4269. May 31, 1979. Foreign Affairs; Banking, Finance and Urban Affairs. Amends the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, and the Export-Import Bank Act to prohibit foreign assistance and other financial assistance to countries violating the Universal Declaration of Human Rights, unless Congress approves the President's determination that such assistance meets specified conditions.

Amends the Act providing for increased U.S. participation in specified international financial institutions to require U.S. Executive Directors of such institutions to oppose loans to countries to which U.S. foreign assistance has been terminated on account of human rights violations.

H.R. 4270. May 31, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to eliminate agricultural credit transactions and certain purchases of mobile homes from such Act. Establishes guidelines for restitution by enforcement agencies when they discover understatements by creditors of annual percentage rates or finance charges. Sets forth the liability of creditors and assignees for failure to disclose or for inaccurate disclosure of information required by such Act. Requires the development of model forms and clauses for use in common transactions describing the transaction in understandable language.

H.R. 4271. May 31, 1979. Education and Labor. Amends the Library Services and Construction Act to revise the limitation on reduction of funds formula that a State must include in its application for Federal library services assistance.

H.R. 4272. May 31, 1979. Judiciary. Revises the powers and duties of United States marshals with respect to service of civil process and the authority of the Canal Zone.

H.R. 4273. May 31, 1979. Judiciary. Deletes the requirement that the Trademark Trail and Appeal Board be composed of employees and officials of the Patent and Trademark Office. States that the Board shall consist of the Commissioner of Patents and Trademarks, the Deputy Commissioner, the Assistant Commissioners, and other persons competent in trademark law.

H.R. 4274. May 31, 1979. Armed Services. Reduces the minimum unit size requirement needed to form a unit of the Junior Reserve Officers' Training Corps from 100 eligible students to 50 students.

H.R. 4275. May 31, 1979. Public Works and Transportation. Designates the aquarium to be built by the city of Baltimore, Maryland, as the National Aquarium.

H.R. 4276. May 31, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of establishing the Juan Bautista de Anza National Historic Trail.

H.R. 4277. May 31, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions for products assembled abroad from U.S. components.

H.R. 4278. May 31, 1979. Judiciary. Prohibits specified acts relative to obtaining or altering a Federal, State, or local government document containing an element of identification.

H.R. 4279. May 31, 1979. House Administration. Establishes the Commission to Construct a Monument Dedicated to the Duties and Responsibilities of American Citizens.

H.R. 4280. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow a special election to any individual who sold his principal residence after December 31, 1977, and before July 27, 1978, and who attained age 55 before the date of such sale, to exclude up to $100,000 of gain on the sale of such residence.

H.R. 4281. May 31, 1979. Post Office and Civil Service. Directs Federal employee health plans to require a second medical opinion before providing benefits for elective surgery.

H.R. 4282. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Repeals the requirement under part A (General Provisions) of title XI of the Social Security Act for hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, and other types of health services facilities and organizations to which payment may be made under the Social Security Act to report: (1) the aggregate cost of operation and the aggregate volume of services; (2) the costs and volume of services for various functional accounts and subaccounts; (3) rates, by category of patient and class of purchaser; (4) capital assets; and (5) discharge and bill data.

H.R. 4283. May 31, 1979. Interstate and Foreign Commerce. Amends the Energy Policy and Conservation Act to establish an emergency program for the conservation of gasoline and diesel oil, including minimum fuel purchase requirements and a standby emergency fuel conservation sticker plan.

H.R. 4284. May 31, 1979. Judiciary. Directs the Secretary of the Treasury to pay amounts due certain claimants whose claims were filed with and considered by the Secretary of the Army in accordance with this Act.

H.R. 4285. May 31, 1979. Judiciary. Directs the Foreign Claims Settlement Commission to receive, consider, adjudicate, and, if found meritorious, pay a claim filed within one year by two named individuals.

H.R. 4286. May 31, 1979. Judiciary. Confers jurisdiction on a specified district court over a specified claim of a named individual against the United States. Directs that suit upon such claim be brought during a specified period.

H.R. 4287. May 31, 1979. Judiciary. Authorizes classification of a named individual as a daughter of a citizen of the United States, for purposes of the Immigration and Nationality Act.

H.R. 4288. May 31, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4289. May 31, 1979. Makes supplemental appropriations for fiscal year 1979 to the Legislative, Judicial, and Executive Branches and specified agencies of the Federal Government. Increases the amount to be appropriated for increased pay costs authorized by law for fiscal year 1979.

H.R. 4290. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to provide that charitable contributions attributable to charitable corporate trusts shall be treated as deductions from gross income for purposes of determining the minimum tax liability for adjusted itemized deductions.

H.R. 4291. June 4, 1979. Intelligence; Post Office and Civil Service; Veterans' Affairs. Establishes criminal penalties for the disclosure of classified information identifying an individual engaged in foreign intelligence or counterintelligence activities for the United States Government.

H.R. 4292. June 4, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 4293. June 4, 1979. Banking, Finance and Urban Affairs. Authorizes the President to present, in the name of the Congress, a gold medal to the Connecticut Afro-American Historical Society in recognition of the great achievements of the late Matthew Alexander Henson in the company of Admiral Robert E. Perry in the discovery of the North Pole.

H.R. 4294. June 4, 1979. Judiciary. Amends the Immigration and Nationality Act to include within the definition of "special immigrant" certain retired officers and employees of international organizations, their children, and surviving spouses of such deceased officers or employees.

H.R. 4295. June 4, 1979. Judiciary. Amends the Clayton Act to restrict mergers and acquisitions by the major petroleum producers.

H.R. 4296. June 4, 1979. Small Business. Reduces the principal and rate of interest on specified small business disaster loans made in connection with the Johnstown, Pennsylvania, flood of 1977.

H.R. 4297. June 4, 1979. Judiciary. Authorizes the court, in an action by an employee against an employer with respect to jury service, to award attorneys' fees under certain circumstances.

H.R. 4298. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer to roll over a complete distribution from a money purchase pension plan or report income from such distribution according to the ten year income averaging rules, even if there is no similar distribution from another pension plan of the same employer in which the taxpayer is a participant.

H.R. 4299. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to qualify property used by the International Telecommunications Satellite Consortium, the International Maritime Satellite Organization, and any successor organizations, for the investment tax credit.

H.R. 4300. June 4, 1979. Interior and Insular Affairs. Amends the Alaska Native Claims Settlement Act to create the Thirteenth Regional Corporation Land Commission to select for conveyance to the Thirteenth Regional Corporation a specified acreage of public lands within the State of Alaska. Sets forth the criteria for such selection.

Directs the Secretary of the Interior to patent to such Corporation the surface and subsurface estate of such lands. Requires that such lands be subject to public easements in a specified manner.

H.R. 4301. June 4, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4302. June 4, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4303. June 5, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 60 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical expense deduction.

H.R. 4304. June 5, 1979. Public Works and Transportation; Science and Technology. Amends the Federal Aviation Act of 1958 to direct the Secretary of Transportation to promulgate standards for an airborne collision avoidance system.

H.R. 4305. June 5, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act, the Federal Deposit Insurance Act, the Home Owners' Loan Act of 1933, and the Federal Credit Union Act to authorize the following banking services: (1) automatic funds transfers from savings to checking accounts by federally-insured banks; (2) remote service units for Federal savings and loan associations; and (3) share draft accounts by Federal credit unions.

H.R. 4306. June 5, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December, 1977, that is both a month in which the individual is entitled to benefits and is unemployed.

Disregards income received on a deferred basis for purposes of determining OASDI eligibility based on income.

H.R. 4307. June 5, 1979. Ways and Means. Amends the Revenue Act of 1978 to provide that an employer will not be required to make advance payments of the earned income credit until January 1, 1980.

H.R. 4308. June 5, 1979. Interior and Insular Affairs. Establishes the Legionville National Historic Site in the State of Pennsylvania to preserve and protect the site of the first United States military training camp.

H.R. 4309. June 5, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete wire that is cut to length from the tariff provisions applicable to iron or steel.

H.R. 4310. June 5, 1979. Merchant Marine and Fisheries; Ways and Means. Amends the Federal Boat Safety Act of 1971 to direct the Secretary of the Department in which the Coast Guard is operating to administer a national recreational boating safety and facilities improvement program through allocations of matching funds to accepted State programs.

Establishes in the Treasury a National Recreational Boating Safety and Facilities Improvement Fund.

Amends the Highway Revenue Act of 1956 to direct the Secretary of the Treasury to transfer to such Fund certain tax revenues from special motor fuels and gasoline used in motor boats.

H.R. 4311. June 5, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to develop a plan for the establishment of a Historic and Natural Preserve to consist of such areas of the Antarctic Continent and surrounding waters as may be necessary to preserve outstanding geological, historical, and natural values.

Authorizes the Secretary to establish the Antarctic Historic and Natural Preserve subsequent to ratification by interested nations.

H.R. 4312. June 5, 1979. Banking, Finance and Urban Affairs. Amends the Federal National Mortgage Association Charter Act to increase the income ceiling for families eligible for energy conservation loans.

H.R. 4313. June 5, 1979. Agriculture; Small Business. Authorizes the Secretary of Agriculture to make grants through the rural forestry assistance program of the Forest Service to States for the employment of additional State foresters.

Directs: (1) the Secretary of Energy to develop a plan to increase the assistance and information provided to the Forest Service by the Department of Energy; and (2) the Administrator of the Small Business Administration to develop a plan to increase the managerial assistance and information provided to small woodlot owners and wood fuel distributors and marketers by the Small Business Administration.

H.R. 4314. June 5, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to extend the period during which the Secretary of Agriculture may enter into contracts under the Great Plains conservation program.

Increases the ceiling on the authorization for the entire Great Plains program and for annual program payments.

H.R. 4315. June 5, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to authorize the President to impose export controls for national seecurity purposes on goods and technology which have any potential for military, law enforcement, or intelligence gathering purposes.

Directs the President to require a license for the export of goods and technology to any Communist country. Provides a procedure for Congress to disapprove the issuance of such license.

Authorizes the Secretary of Defense to review any proposed export of goods and technology to any Communist country and recommend disapproval if such export could prove detrimental to the national security of the United States.

H.R. 4316. June 5, 1979. Science and Technology. Establishes a national civilian space and aeronautics policy to provide the framework for a world information system, an orbital civilization, exploration of the solar system, and the development of other space and aeronautical activities.

Sets forth national space and aeronautics principles to assure the timely and peaceful expansion of space and atmospheric environments for the benefit of mankind and the Nation.

Establishes a program, including specific research and systems development activities, for the fulfillment of such policy and principles.

H.R. 4317. June 5, 1979. Interior and Insular Affairs. Amends the boundary of the Harpers Ferry National Historical Park to include Short Hill in Loudoun County, Virginia.

H.R. 4318. May 5, 1979. Agriculture. Amends the Food Stamp Act of 1977 with regard to: (1) accounting methods for determining household income; (2) standards for periodic household income reporting requirements; (3) State agency error liability; (4) disclosure of Social Security Administration and other work-related data to the Secretary of Agriculture for household eligibility auditing purposes; and (5) recoupment of amounts lost through fraudulent conduct.

Increases the appropriation authorized for fiscal year 1979, and removes the ceiling on the authorizations for fiscal years 1980 and 1981.

H.R. 4319. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to provide that State and local governments and certain tax-exempt organizations shall be eligible for the refund of the investment tax credit for solar and wind energy property.

H.R. 4320. June 5, 1979. Interior and Insular Affairs. Gives the consent of the Congress to the amended Bear River Compact between the States of Idaho, Utah, and Wyoming which establishes the Bear River Commission to regulate the diversion of water from the Bear River.

H.R. 4321. June 5, 1979. Ways and Means; Judiciary; Agriculture; Interstate and Foreign Commerce. Amends titles IV (Aid to Families with Dependent Children and Aid for Child Welfare Services) and XVI (Supplemental Security Income) of the Social Security Act to revise the benefits, eligibility standards, Federal financial participation, and administration of the programs established under such titles.

Makes further amendments to the Act relating to: (1) time limitations for seeking Federal reimbursement; (2) the administration of the Act; (3) the Territories; (4) the availability of Federal records; (5) research and demonstration projects; and (6) child support collection and payment.

H.R. 4322. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the depletion to the purchaser of the waste or residue of uranium mining or of the rights to extract ores or minerals from such waste or residue.

H.R. 4323. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit equal to $3 for each barrel of oil or bitumen produced from any rock type that is not producible by primary recovery methods due to the viscosity and the lack of natural mobility of the oil in-place.

H.R. 4324. June 5, 1979. Interior and Insular Affairs; Agriculture. Amends the Wilderness Act to direct the Secretaries of Agriculture and of the Interior, with respect to wilderness areas under their respective jurisdictions, to provide by regulation for the availability of timber and other forest products in each of those wilderness areas for cutting and removal by individuals exclusively for personal use as firewood in their personal residences.

H.R. 4325. June 5, 1979. Judiciary; Interstate and Foreign Commerce. Establishes an independent Office of Special Prosecution with exclusive jurisdiction to investigate and prosecute violations of any provisions of, or regulation promulgated under, the Emergency Petroleum Allocation Act of 1973.

H.R. 4326. June 5, 1979. Education and

Labor: Science and Technology. Establishes a National Commission on the Scientific and Technological Implications of Information Technology in Education to conduct studies and investigations into the status, effect, costs, and benefits of information technologies and computer-based instructional materials on education.

H.R. 4327. June 5, 1979. Education and Labor. Amends the General Education Provisions Act to extend the authorization of appropriations for the National Institute of Education.

H.R. 4328. June 5, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports by the President to implement the International Sugar Agreement, 1977.

H.R. 4329. June 5, 1979. Government Operations; Rules. Terminates the Department of Energy.

H.R. 4330. June 5, 1979. Judiciary. States that it shall not be deemed an act in restraint of trade for a nonprofit blood bank, nonprofit reservoir of human organs, or any hospital or physician to refuse, or to join with others in refusing, to obtain blood or blood plasma, tissue, or organs from other blood banks, or reservoirs, nor shall the interstate shipment of such things be considered to be trade or commerce in commodities.

H.R. 4331. June 5, 1979. Judiciary. Amends the Immigration and Nationality Act to revise the conditions under which aliens will be allowed immigrant visas for entry into the United States to practice medicine, attend graduate medical school, or perform other medically-related activities.

H.R. 4332. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued by a State agency, pursuant to State legislative authorization.

Limits the issuance of industrial development bonds for housing purposes to those bonds issued by a State agency in conformity with the requirements of this Act.

H.R. 4333. June 5, 1979. Judiciary. Relieves a named individual of liability to the United States in a specified amount.

H.R. 4334. June 5, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 4335. June 6, 1979. Interstate and Foreign Commerce. Amends the National Energy Conservation Policy Act of 1978 to establish a wind energy systems program for the accelerated utilization of wind energy for electric power production in Federal facilities.

H.R. 4336. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4337. June 6, 1979. Government Operations. Transfers the Foreign Claims Settlement Commission to the Department of Justice. Abolishes the Annual Assay Commission and assay commissioner positions, the United States Marine Corps Memorial Commission, and the Low Emission Vehicle Certification Board. Directs the Director of the Office of Management and Budget to Oversee the implementation of this Act.

H.R. 4338. June 6, 1979. Post Office and Civil Service; Ways and Means. Establishes an annual "National Tax Liberation Day" and designates such day as a legal public holiday.

H.R. 4339. June 6, 1979. Post Office and Civil Service. Repeals provisions providing reduced postal rates for political committees.

H.R. 4340. June 6, 1979. Interior and Insular Affairs. Amends the Atomic Energy Act of 1954 to remove the statutory limitations on aggregate liability for a single nuclear incident and to limit the financial obligations of the United States with respect to such incidents in the case of facilities licensed after enactment of this Act.

H.R. 4341. June 6, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to entitle a spouse of a person receiving a disability annuity to an annuity at age 60 if the disabled individual would have completed 30 years of service as of the date of that person's attaining the age of 60. Includes the period during which the disabled individual was receiving such an annuity before the age of 60 as creditable service for purposes of this Act.

H.R. 4342. June 6, 1979. Public Works and Transportation. Prohibits the Secretary of Transportation from making Federal funding available for highway projects within a State if the State provides subsidized parking spaces for State employees.

H.R. 4343. June 6, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners or businessmen a refundable income tax credit for increases in electricity costs incurred by such individuals as a result of the shutdown of the nuclear plant at Three Mile Island.

H.R. 4344. June 6, 1979. Ways and Means. Amends the Internal Revenue Code to deny an income tax deduction for any expenses paid or incurred to advertise alcoholic beverages.

H.R. 4345. June 6, 1979. Interstate and Foreign Commerce. Establishes a program to promote the development and use of replacement fuels in the United States for the purpose of replacing gasoline used as a motor fuel with alcohol or other liquid produced from coal, oil, shale, and other substances.

Directs the Secretary of Energy to set production goals for such rules.

H.R. 4346. June 6, 1979. Education and Labor; Ways and Means. Amends the Higher Education Act of 1965 and the Internal Revenue Code of 1954 to establish a system of undergraduate tuition advances to be repaid as an income tax.

Establishes a trust fund in the United States Treasury for such tuition advance program.

H.R. 4347. June 6, 1979. Interstate and Foreign Commerce. Revises and extends the programs of the National Institute of Arthritis, Metabolism, and Digestive Diseases with respect to diabetes. Establishes within the Institute the position of Associate Director for Diabetes. Revises the duties of, and extends, the National Diabetes Advisory Board.

H.R. 4348. June 6, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire the Walnut Street Theatre, Philadelphia, for inclusion in Independence National Historical Park in that city.

H.R. 4349. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4350. June 6, 1979. Banking, Finance and Urban Affairs. Establishes the National Neighborhood Reinvestment Corporation to continue and expand upon the work of the urban reinvestment task force.

H.R. 4351. June 6, 1979. Agriculture. Directs the Secretary of Agriculture to establish a program to develop improved methods for using organic wastes in agriculture.

H.R. 4352. June 6, 1979. Banking, Finance and Urban Affairs. Authorizes the Comptroller General to audit the programs, activities, and financial operations of the Federal National Mortgage Association.

Amends the Housing and Urban Development Act of 1968 to authorize the Secretary of Housing and Urban Development to extend counseling and technical assistance to owners of single-family dwelling units.

Amends the National Housing Act to make changes in Federal coinsurance and insurance programs.

H.R. 4353. June 6, 1979. Judiciary. Establishes in the Department of Justice a Victims Compensation Commission to administer a program for compensating victims and intervenors of Federal crimes.

Establishes a witnesses of crime assistance bureau in each United States attorney's office.

Authorizes the Administrator of the Law Enforcement Assistance Administration to provide grants to States to establish similar victim compensation and witness programs.

Increases the expenses allowed to witnesses in Federal courts.

H.R. 4354. June 6, 1979. Judiciary. Amends the Gun Control Act of 1968 to prohibit any person licensed under such Act from manufacturing, selling, delivering, or transferring any concealable handgun or any revolver or pistol which fails to meet specified requirements.

Imposes additional penalties for persons using a firearms or destructive device during the commission of a felony prosecutable in Federal court.

H.R. 4355. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4356. June 6, 1979. Agriculture. Amends the Food Stamp Act of 1977 to exclude from the calculation of household income for any household in which an individual is receiving aid payments to families with dependent children all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans, educational benefits, and the like received by such individual for purposes of pursuing an education at an institution of higher education or school for the handicapped.

H.R. 4357. June 6, 1979. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 and the Atlantic Tunas Convention Act of 1975 to include the Atlantic bluefin tuna under the management authority of the United States within the fishery conservation zone.

H.R. 4358. June 6, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to require a specified amount of the sums appropriated for the National Institute of Neurological and Communicative Disorders and Stroke (designated by this Act) to be obligated for research in the area of regeneration of the spinal cord.

H.R. 4359. June 6, 1979. Armed Services. Entitles enlisted members of an armed force who have five or more years, but less than 20 years, of creditable service and who are involuntarily discharged or denied reenlistment to severance pay. Sets forth the method for computing such pay.

H.R. 4360. June 6, 1979. Merchant Marine and Fisheries. Allows any citizen of the United States to apply to the Secretary of the Department in which the National Marine Fisheries Service is located for approval of an underutilized specie development plan. Authorizes the Secretary to approve such plan if it is determined that it will facilitate the development of an underutilized specie or species.

H.R. 4361. June 6, 1979. Interior and Insular Affairs; Foreign Affairs; Interstate and Foreign Commerce. Prohibits the Departments of State and of Energy from initiating any in-house feasibility studies or negotiations with foreign nations for the storage within the United States of spent fuel from any foreign nuclear reactor until the Secretary of Energy has established the technical specifications which will apply to the permanent storage of spent fuel from nuclear reactors.

H.R. 4362. June 6, 1979. Interstate and Foreign Commerce; Agriculture; Ways and Means. Directs the Secretary of Health, Education, and Welfare to: (1) develop programs for the detection and prevention of nutritional disorders in children and women; (2) contract to develop radio and television broadcasts with respect to nutrition information; and (3) develop jointly with the Secretary of Agriculture coordinating mechanisms with respect to human nutrition research activities and certain nutrition and dietary guidelines.

H.R. 4363. June 6, 1979. Merchant Marine and Fisheries; Rules. Declares a moratorium on rules and regulations of the Environmental Protection Agency.

Stipulates that certain rules or regulations of the Agency shall cease to have any force and effect upon disapproval by either House of Congress.

Requires the Committees on Merchant Marine and Fisheries and on Interstate and Foreign Commerce to report to the House of Representatives the results of a complete and comprehensive review of all laws, rules. and regulations enforced by the Agency to determine the impact and extent to which such laws, rules, and regulations have contributed to, or exacerbated, the current energy crisis.

H.R. 4364. June 6, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4365. June 7, 1979. Banking, Finance and Urban Affairs. Revises: (1) the power of national banks to purchase, hold, and convey real property; (2) trust powers of national banks; and (3) emergency restrictions on Federal Reserve banks. Directs the Comptroller of the Currency to disburse the liquidating dividends from national banks closed on or before January 22, 1934, known as the National Bank Closed Receivership Fund, held by the Comptroller in the capacity as successor to receivers of those banks.

H.R. 4366. June 7, 1979. Ways and Means. Amends the Internal Revenue Code to provide for cost of living adjustments in the individual income tax rates, in the amount of the zero bracket amount, and in the amount of the personal exemptions.

H.R. 4367. June 7, 1979. Veterans' Affairs. Redefines "veteran" for purposes of veterans' benefits and post-Vietnam educational assistance eligibility.

H.R. 4368. June 7, 1979. Ways and Means. Amends the Internal Revenue Code to permit the refund of excise tax on gasoline which is used to produce gasohol.

H.R. 4369. June 7, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire by donation the former residence of Gerald R. Ford located in Grand Rapids, Michigan, and to establish and administer the Gerald R. Ford National Historic Site.

H.R. 4370. June 7, 1979. Interior and Insular Affairs; Public Works and Transportation. Authorizes the Secretary of the Interior to grant rights-of-way on Federal and non-Federal lands for the construction, operation, and maintenance of coal pipelines and related facilities.

H.R. 4371. June 7, 1979. Merchant Marine and Fisheries. Amends the National Environmental Policy Act of 1969 to require that actions for judicial review of any final detailed environmental impact statement be filed in a court of competent jurisdiction within a statute of limitations.

H.R. 4372. June 7, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to include Members of Congress within the coverage of the OASDI program.

Limits the amount of OASDI benefits which a Member may receive if such Member is also eligible for a civil service annuity based on the same period of congressional service.

H.R. 4373. June 7, 1979. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to require competitive bidding for leases on Federal lands with oil or gas deposits.

Revises the limitations on leases bid on by major oil companies and on the amount of land which may be leased to such companies.

H.R. 4374. June 7, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to freeze the inpatient hospital deductible at the amount applicable to the year of enactment of this Act.

H.R. 4375. June 7, 1979. Science and Technology. Authorizes the appropriation of specified funds to the Department of Energy for defraying approximtely one-half of the cost of plant and capital equipment for a demonstration project consisting of a peat-fueled electrical generating plant in North Carolina.

H.J. Res. 300. April 10, 1979. Judiciary. Constitutional Amendment—Declares that the right to life vests from the moment of fertilization without regard to age, health, or condition of dependency.

H.J. Res. 301. April 10, 1979. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 302. April 24, 1979. Judiciary. Constitutional Amendment—Permits people to observe a moment of silence in public buildings.

H.J. Res. 303. April 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the seven-day period beginning October 7, 1979, as "National Port Week."

H.J. Res. 304. April 24, 1979. Judiciary. Constitutional Amendment—Permits States to propose constitutional amendments if the President establishes that two-thirds of the States have approved proposals for substantially identical amendments.

H.J. Res. 305. April 25, 1979. Judiciary. Constitutional Amendment—Prohibits total outlays of the Government from exceeding total receipts in any fiscal year except in the case of a declared national emergency.

H.J. Res. 306. April 25, 1979. Post Office and Civil Service. Designates the period from February 10 through February 16, 1980, as "National Defense Week."

H.J. Res. 307. April 25, 1979. Armed Services. Establishes a Bill of Rights for members of the armed forces with respect to pay, housing, and medical care.

H.J. Res. 308. April 30, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 309. April 30, 1979. Post Office and Civil Service. Designates the American marigold as the national floral emblem of the United States.

H.J. Res. 310. April 30, 1979. Banking, Finance and Urban Affairs. Disapproves and invalidates regulations of the Department of Housing and Urban Development concerning minimum property standards for thermal insulation requirements.

H.J. Res. 311. April 30, 1979. Post Office and Civil Service. Authorizes and requests the President to designate April 22 of each year as "Queen Isabella Day."

H.J. Res. 312. April 30, 1979. Judiciary. Constitutional Amendment—Permits prayer in public places, institutions, and schools.

H.J. Res. 313. April 30, 1979. Post Office and Civil Service. Designates the second week in May of each year as "Municipal Clerk's Week."

H.J. Res. 314. May 1, 1979. Judiciary. Constitutional Amendment—Modifies the Fifth Amendment to the United States Constitution to: (1) stipulate that no person shall be compelled in any criminal case to be a witness against himself except in open court; and (2) provide that a person shall not be confronted with prior criminal convictions except where they are an element of the crime charged.

Modifies the Sixth Amendment to entitle the accused in all criminal prosecutions to be informed of the evidence of the accusation (in addition to the nature and cause of the accusation as currently provided).

H.J. Res. 315. May 1, 1979. Judiciary. Constitutional Amendment—Limits the length of service of a Representative, Supreme Court Justice, or Federal judge to ten years during any 12-year period. Limits the length of service of a Senator to 12 years during any 14-year period.

H.J. Res. 316. May 1, 1979. Education and Labor. Establishes the National Commission on Literacy to investigate programs and policies attributable to literacy and illiteracy.

H.J. Res. 317. May 1, 1979. Post Office and Civil Service. Designates the week commencing on the first Sunday in October of each year as "National Hawk Watching Week."

H.J. Res. 318. May 1, 1979. Interstate and Foreign Commerce. Requires the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company to continue specified freight service for a period of 90 days unless any discontinuance or abandonment is authorized by the Interstate Commerce Commission and no State (or local or regional or transportation authority) opposes such action.

Directs the Secretary of Transportation to provide such financial assistance as may be required to maintain the existing level of service by such railroad.

H.J. Res. 319. May 2, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the month of November, 1979, as "National REACT Month."

H.J. Res. 320. May 2, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 8 through June 14, 1979, as "MacArthur Memorial Week."

H.J. Res. 321. May 3, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of February 3 through February 9, 1980, as "National Scleroderma Week."

H.J. Res. 322. May 8, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the month of March 1980 as "Youth Art Month."

H.J. Res. 323. May 9, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 324. May 9, 1979. Foreign Affairs. Declares that limits contained in agreements controlling transfers or exports from the United States of low enriched uranium may be exceeded by no more than ten percent.

H.J. Res. 325. May 10, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 23 through September 29, 1979, as "National Voter Education Week."

H.J. Res. 326. May 14, 1979. Post Office and Civil Service. Authorizes and requests the President to designate October 7, 1979, as "National Guard Day."

H.J. Res. 327. May 14, 1979. Judiciary. Supports the legal action of the International Association of Machinists and Aerospace Workers against OPEC for violations of the Sherman Act.

H.J. Res. 328. May 14, 1979. Judiciary. Constitutional Amendment—Permits the offering of prayers or Biblical scriptures, as long as participation is voluntary, in any governmental or public school, institution, or place.

Permits references to God or a Supreme Being in public documents, proceedings, schools, or upon U.S. currency.

H.J. Res. 329. May 15, 1979. Post Office and Civil Service. Authorizes and requests the President to designate May 18, 1979, as "National Museum Day."

H.J. Res. 330. May 15, 1979. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 331. May 15, 1979. Judiciary. Constitutional Amendment—Prohibits any Member of Congress who is convicted of a felony and who has exhausted all appeals from continuing to hold such office.

H.J. Res. 332. May 16, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 333. May 16, 1979. Veterans' Affairs. Directs the President to establish a tomb in Arlington Cemetery for the Unknown Soldier of the Vietnam war.

H.J. Res. 334. May 16, 1979. Judiciary. Constitutional Amendment—Limits the number of terms a Senator and a Representative in Congress may serve, and limits the total length of time a Representative may serve. States when the Members of the House of Representatives shall be chosen.

Sets an age limit for election to the office of President, Vice President, Senator, or Representative in Congress, and for appointment to any office of judge of a court of the United States.

H.J. Res. 335. May 16, 1979. Post Office and Civil Service. Authorizes and requests the President to designate December 1 of each year as "National Civil Air Patrol Day."

H.J. Res. 336. May 22, 1979. Post Office and Civil Service. Requests the President to declare the fourth Saturday of each September as "National Hunting and Fishing Day."

H.J. Res. 337. May 22, 1979. Post Office and Civil Service. Designates February 11, 1980, as "National Inventors' Day."

H.J. Res. 338. May 22, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of May 18 through 24, 1980, as "National Architectural Barrier Awareness Week."

H.J. Res. 339. May 22, 1979. Post Office and Civil Service. Designates the year 1979 as the "Food for Peace Year" to celebrate the twenty-fifth anniversary of the enactment of the Agricultural Trade Development and Assistance Act of 1954.

H.J. Res. 340. May 23, 1979. Judiciary. Constitutional Amendment—Permits nondenominational prayer in public buildings.

H.J. Res. 341. May 23, 1979. Interstate and Foreign Commerce. Requires the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company to continue specified freight service for a period of 45 days unless any discontinuance or abandonment is authorized by the Interstate Commerce Commission and no affected State (or local or regional or transportation authority) opposes such action.

Directs the Secretary of Transportation, pursuant to the Emergency Rail Services Act of 1970, to guarantee trustee certificates of such railroad.

H.J. Res. 342. May 24, 1979. Judiciary. Constitutional Amendment—Requires a two-thirds vote of both Houses of Congress to pass any concurrent resolution on the budget which carries a deficit.

H.J. Res. 343. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third week of June 1980 as "National Veterans' Hospital Week."

H.J. Res. 344. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the second Sunday in June of each year as "National Pet Remembrance Day."

H.J. Res. 345. May 24, 1979. Post Office and Civil Service. Congratulates the Ohio State University marching band on its 100th anniversary.

H.J. Res. 346. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate December 1 of each year as "National Civil Air Patrol Day."

H.J. Res. 347. May 30, 1979. Foreign Affairs. Expresses the sense of Congress that the President, at the Tokyo Summit, should request those nations dependent on Middle East stability to cooperate with the United States in financing the Israeli-Egyptian Peace Treaty.

H.J. Res. 348. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes the President to call a White House Conference on Long Term Care to be planned and conducted by the Secretary of Health, Education, and Welfare.

H.J. Res. 349. June 4, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of July 22 through July 28, 1979, as "Puerto Rican Constitution Week."

H.J. Res. 350. June 4, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 17 through June 23, 1979, as "Product Safety Week."

H.J. Res. 351. June 4, 1979. Post Office and Civil Service. Designates the year 1979 as the "Food for Peace Year" to celebrate the twenty-fifth anniversary of the enactment of the Agricultural Trade Development and Assistance Act of 1954.

H.J. Res. 352. June 4, 1979. Judiciary. Constitutional Amendment—Permits prayer in public places or institutions. Permits religious instruction in public places or institutions if provided under private auspices. Prohibits any infringement of the right to pray or to receive religious instruction.

H.J. Res. 353. June 5, 1979. Post Office and Civil Service. Congratulates the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requests the President to designate the period of July 16 through July 24, 1979, as "United States Space Observance" in honor of such event.

H.J. Res. 354. June 6, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 355. June 7, 1979. Foreign Affairs. Requires the President to insure the satisfactory resolution of the certified claims of United States nationals against the Cuban Government before considering normalizing relations with Cuba.

H.J. Res. 356. June 7, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of July 1 through July 7, 1979, as "National Sky(lab) is Falling Week."

H.J. Res. 357. June 8, 1979. Post Office and Civil Service. Designates the month of August 1980 as "National Sport Aviation Month."

H.J. Res. 358. June 11, 1979. Foreign Affairs. Condemns the Macias tyrrany. Calls upon the United States Government to encourage other countries to use their influence and support measures towards ending the persecution of religion and genocide in Equatorial Guinea.

H.J. Res. 359. June 14, 1979. Post Office and Civil Service. Authorizes and requests the President to designate September 23, 1979, as "National Farmers' Day."

H.J. Res. 360. June 18, 1979. Post Office and Civil Service. Authorizes and requests the President to designate October 21 through October 27, 1979, as "National Energy Conservation Week."

H.J. Res. 361. June 19, 1979. Ways and Means. Expresses the sense of Congress that the President provide Congress with a comprehensive long-range plan for addressing U.S.-Japan trade problems.

H.J. Res. 362. June 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate September 16 through September 22, 1979, as "Energy Conservation Week."

H.J. Res. 363. June 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the second Saturday of August of each year as "National Volunteer Firefighters' Day."

H.J. Res. 364. June 20, 1979. Post Office and Civil Service. Designates the week of May 14 through May 20, 1979, as "National Diabetes Week."

H.J. Res. 365. June 21, 1979. Merchant Marine and Fisheries. Urges the President, upon the recommendation of the Marine Mammal Commission, to prohibit the importation of fish products from nations whose citizens violate the provisions of the International Convention for the Regulation of Whaling.

H.J. Res. 366. June 26, 1979. Post Office and Civil Service. Establishes the Citizens' Commission for the Commemoration of the Federal Government Bicentenary Era to commemorate the significant events in American history which occurred between the years 1776 and 1800.

H.J. Res. 367. June 26, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 16 through September 22, 1979, as "National Meals on Wheels Week."

H.J. Res. 368. June 27, 1976. Judiciary. Constitutional Amendments—Limits the number of terms of office of Members of the Senate and the House of Representatives. Provides for a four year term of office for Senators. Limits the length of each session of Congress.

H.J. Res. 369. June 27, 1979. Post Office and Civil Service. Authorizes and requests the President to designate August 4, 1979, as "National Health Day."

H.J. Res. 370. June 28, 1979. Interstate and Foreign Commerce. Directs the President to ensure that Federal regulations allocate motor gasoline as equitably as possible consistent with the respective needs of the regions and areas of the United States.

H.J. Res. 371. June 28, 1979. Interstate and Foreign Commerce. Requires each importer, producer, refiner, distributor, and supplier of crude oil or refined petroleum products to submit monthly reports to the Secretary of Energy on its total refining capacity, the percentage of such capacity currently utilized, its crude oil supplies, and its inventory of refined petroleum products. Directs the Secretary to publish such information.

H.J. Res. 372. June 28, 1979. Post Office and Civil Service. Designates April 10, 1980, as

"ORT Centennial Day" to salute the Organization for Rehabilitation through Training on its 100th anniversary.

H.J. Res. 373. June 28, 1979. Foreign Affairs. Recognizes the anniversaries of the Warsaw uprising and the Polish resistance to the World War II invasion of Poland.

H.J. Res. 374. July 9, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of April 1 through April 7, 1980, as "National Mime Week."

H.J. Res. 375. July 10, 1979. Post Office and Civil Service. Designates the period of April 13 through April 19, 1980, as "Days of Remembrance of Victims of the Holocaust."

H.J. Res. 376. July 11, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third Friday in October of each year as "American Enterprise Day."

H.J. Res. 377. July 11, 1979. Judiciary. Constitutional Amendment—Declares the length of the term of office for President and Vice President.

H.J. Res. 378. July 16, 1979. Interstate and Foreign Commerce. Requires each importer, producer, refiner, distributor, and supplier of crude oil or refined petroleum products to submit monthly reports to the Secretary of Energy on its total refining capacity, the percentage of such capacity currently utilized, its crude oil supplies, the location of such supplies, and its inventory of refined petroleum products. Directs the Secretary to publish such information.

H.J. Res. 379. July 23, 1979. Post Office and Civil Service. Authorizes and requests the President to designate August 31, 1980, as "Working Mothers' Day."

H.J. Res. 380. July 25, 1979. Judiciary. Constitutional Amendment—Authorizes the President to disapprove or reduce any appropriation or individual item contained in an appropriation bill.

H.J. Res. 381. July 26, 1979. Judiciary. Amends title V of the Ethics in Government Act of 1978 to change the effective date of provisions prohibiting certain former Federal and District of Columbia employees from appearing before the Government on behalf of another person concerning matters related to their former employment.

H.J. Res. 382. July 26, 1979. Post Office and Civil Service. Designates March 20, 1980, as "National Agriculture Day."

H.J. Res. 383. July 27, 1979. Interior and Insular Affairs. Validates the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to specified Indian tribes or groups.

H.J. Res. 384. July 30, 1979. Judiciary. Constitutional Amendment—Prohibits compelling a student from attending a public school located outside his or her school district for reasons of race, color, or national origin.

H.J. Res. 385. July 30, 1979. Post Office and Civil Service. Authorizes the President to establish a special advisory commission to plan and implement a 500th anniversary commemoration and celebration during the week of October 12 in the year 1992, in honor of Christopher Columbus and his discovery of the Americas.

Directs the President to designate such week to honor Columbus' contribution to the development of Western civilization through his discovery of the Americas.

H.J. Res. 386. July 31, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third Sunday in August of each year as "National Family Day."

H.J. Res. 387. August 1, 1979. Post Office and Civil Service. Designates the period of May 13 through May 19, 1980, as "National Fishing Week."

H.J. Res. 388. August 2, 1979. Post Office and Civil Service. Designates the month of September, 1979, as "National Rehabilitation Month."

H. Con. Res. 101. April 9, 1979. Judiciary; Education and Labor. Declares the sense of Congress that the Constitution of the United States does not preclude periods of silence (for private prayer, meditation, contemplation, or introspection) in the public schools to be used at the discretion of individual students.

H. Con. Res. 102. April 9, 1979. House Administration. Prohibits the use of Federal funds for the expenses of foreign travel by any Senator, Representative, or any officer or employee of the Congress unless such travel is authorized by a recorded three-fourths vote of the House involved.

H. Con. Res. 103. April 9, 1979. Foreign Affairs. Declares the sense of Congress that the President shall take steps to secure freedom of worship in the Soviet Union and Eastern Europe, and to raise in the United Nations the question of Stalin's liquidation of such churches.

H. Con. Res. 104. April 9, 1979. Rules. Establishes a joint committee to investigate the causes and effects of the accident at the nuclear generating plant at Three Mile Island.

H. Con. Res. 105. April 10, 1979. House Administration. Directs the Building Commission of the House of Representatives and the Committee on Rules and Administration of the Senate to issue joint regulations requiring the payment of uniform reasonable charges by each Member of Congress, congressional employee, and other person assigned a parking space under the jurisdiction of the Congress.

H. Con. Res. 106. April 10, 1979. Education and Labor; Judiciary. Declares the sense of Congress that the Constitution of the United States does not preclude periods of silence (for private prayer, meditation, contemplation, or introspection) in the public schools to be used at the discretion of individual students.

H. Con. Res. 107. April 13, 1979. Sets forth the congressional budget for the United States Government for fiscal year 1980. Promulgates the recommended level of Federal revenues and the amount by which the aggregate level should be decreased.

States the appropriate levels of total new budget authority, total budget outlays, and public debt and the amount by which the statutory limit should be increased. Sets forth the amount of the deficit in the budget.

Specifies the appropriate levels of new budget authority and the estimated budget outlays for each major functional category.

Revises the second concurrent resolution on the budget for fiscal year 1979.

H. Con. Res. 108. April 23, 1979. Merchant Marine and Fisheries. Encourages the executive branch to achieve the successful conclusion of a Convention for the Establishment of a South Regional Fisheries Organization.

H. Con. Res. 109. April 24, 1979. Education and Labor; Interstate and Foreign Commerce; Judiciary. Expresses the sense of Congress: (1) that each child possesses fundamental human rights and rights based on the needs of the child; and (2) that States should implement such rights and ensure that children's rights are equivalent to those possessed by adults.

H. Con. Res. 110. April 25, 1979. Foreign Affairs. Expresses the sense of Congress that the President should: (1) find Zimbabwe in compliance with the International Security Assistance Act of 1978; (2) revoke sanctions against Zimbabwe-Rhodesia within ten days of the installation of the black majority government; and (3) establish diplomatic relations with Zimbabwe-Rhodesia.

H. Con. Res. 111. April 25, 1979. Foreign Affairs. Urges Canada to reassess its policy permitting the killing of newborn harp seals.

H. Con. Res. 112. April 26, 1979. House Administration. Requires the payment of reasonable fees for the use of congressional parking spaces by nonofficial motor vehicles.

H. Con. Res. 113. April 30, 1979. Budget. Sets forth the congressional budget for the United States Government for fiscal year 1980. Promulgates the recommended level of Federal revenues and the amount by which the aggregate level should be decreased.

States the appropriate levels of total new budget authority, total budget outlays, and the public debt and the amount by which the statutory limit should be increased. Sets forth the amount of the deficit in the budget.

Specifies the appropriate levels of new budget authority and the estimated budget outlays for each major functional category.

H. Con. Res. 114. May 2, 1979. Permits the National Park Service to sponsor a series of National Symphony Orchestra concerts on the Capitol Grounds during 1979.

H. Con. Res. 115. May 3, 1979. Foreign Affairs. Expresses the sense of Congress that the President and the Secretary of State should: (1) recognize Jerusalem as the capital of Israel; and (2) relocate the U.S. embassy in Israel to Jerusalem.

H. Con. Res. 116. May 4, 1979. Foreign Affairs. Expresses the sense of Congress that the President should find Zimbabwe-Rhodesia in compliance with the International Security Assistance Act of 1978 and revoke sanctions against Zimbabwe-Rhodesia within ten days of the installation of the black majority government.

H. Con. Res. 117. May 5, 1979. Foreign Affairs. Expresses the disapproval of the Congress to the proposed sale to Great Britain of howitzer ammunition.

H. Con. Res. 118. May 8, 1979. Armed Services. Declares it the sense of the Congress that the President should establish a commission to study and evaluate the Multiple Protective Structure System and the Air Mobile/Transportation Local System for protecting the land based intercontinental ballistic missiles of the United States and any alternatives to such systems.

H. Con. Res. 119. May 10, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 120. May 14, 1979. Foreign Affairs. Expresses the sense of the Congress that the President should seek the establishment of an international food cartel which would negotiate with the Organization of Petroleum Exporting Countries for reasonable oil prices.

H. Con. Res. 121. May 16, 1979. Foreign Affairs. Urges the Iranian government to protect religious minorities. Condemns summary justice and the execution of an Iranian Jew. Calls upon the President to work to encourage the Iranian government to insure minority rights.

H. Con. Res. 122. May 17, 1979. Foreign Affairs. Calls upon the government of Great Britain to end human rights violations and promote self-determination for Ireland.

H. Con. Res. 123. May 21, 1979. Foreign Affairs. Declares that the United States: (1) abhors the summary executions without due process in Iran; and (2) will act to prevent criminal or terrorist actions against persons in the United States.

H. Con. Res. 124. May 21, 1979. Foreign Affairs. Expresses the sense of Congress that the leaders of the United States, Mexico, and Canada should meet to discuss energy issues and establish a common economic bond of energy cooperation.

H. Con. Res. 125. May 22, 1979. Foreign Affairs. Expresses the sense of Congress that the President should negotiate an agreement to create an oil-purchasing cartel with other oil-importing nations of the western hemisphere.

H. Con. Res. 126. May 23, 1979. Provides for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 127. May 23, 1979. Judiciary. Directs the Attorney General to take specified steps in order to improve the performance of the Department of Justice in aiding States and localities to comply with the provisions of the Voting Rights Act of 1965 relating to language minority groups.

H. Con. Res. 128. May 23, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy must expedite and strengthen its efforts to verify energy information in order to be fully independent of industry statistics.

H. Con. Res. 129. May 24, 1979. Foreign Affairs. Expresses the sense of the Congress that the President should seek establishment of an international food cartel which would allow negotiations with the Organization of Petroleum Exporting Countries for reasonable oil prices.

H. Con. Res. 130. May 24, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the President immediately establish and appoint a National Energy Council.

H. Con. Res. 131. May 30, 1979. Rules. Establishes a Joint Select Committee to Investigate Oil and Gasoline Production and Pricing to review the availability, production, marketing, and pricing of oil, to determine the extent of the oil and gasoline shortage, and to propose a national petroleum energy policy.

H. Con. Res. 132. May 31, 1979. Foreign Affairs. Expresses the sense of the Congress that Radio Free Europe/Radio Liberty should: (1) reinstate its broadcasts in the Uighur language to the Soviet Union; and (2) set aside any further planned reductions of services in foreign languages.

H. Con. Res. 133. May 31, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the President immediately establish and appoint a National Energy Council.

H. Con. Res. 134. June 11, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 135. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of an infantry center and school at Khamis Mushayt, Saudi Arabia.

H. Con. Res. 136. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of an engineer center and school at King Khalid Military City, Saudi Arabia.

H. Con. Res. 137. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of a signal center and school at Taif, Saudi Arabia.

H. Con. Res. 138. June 12, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy commission an independent audit of the crude oil and refined petroleum products held by or under the control of domestic oil companies and report the results of that audit to the Congress.

H. Con. Res. 139. June 13, 1979. Foreign Affairs. Expresses the sense of Congress that no U.S. company doing business in South Africa should engage in unfair employment practices.

Expresses the sense of Congress that U.S. companies doing business in South Africa should encourage collective bargaining and improve job opportunities, housing, and health facilities for its nonwhite employees.

H. Con. Res. 140. June 14, 1979. Directs the two Houses of Congress to assemble in the Hall of the House of Representatives on Monday, June 18, 1979, to receive communications from the President of the United States.

H. Con. Res. 141. June 15, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the President should call for an emergency session of the United Nations General Assembly to deal with the refugee crisis in Southeast Asia.

H. Con. Res. 142. June 15, 1979. Foreign Affairs. Declares it the sense of Congress that it shall be the policy of the United States to requirement repayment of delinquent debts of foreign nations. Declares it the sense of Congress that the Department of the Treasury shall make arrangements with foreign nations for such repayment.

H. Con. Res. 143. June 18, 1979. Foreign Affairs. Calls upon the President to urge: (1) the International Whaling Commission to adopt an indefinite moratorium on the commercial killing of whales; and (2) various countries to comply with such moratorium.

H. Con. Res. 144. June 18, 1979. Foreign Affairs. Requests the President to instruct the U.S. Ambassador to the United Nations to demand that: (1) U.N. charter provisions guaranteeing self-determination be enforced with regard to the Baltic States; and (2) the Soviet Union be made to withdraw Soviet troops from the Baltic States.

H. Con. Res. 145. June 25, 1979. Foreign Affairs; Judiciary. Expresses the sense of Congress that the Attorney General, in consultation with the appropriate congressional committees, should provide for an increase in the rate of parole of Indochinese refugees into the United States.

H. Con. Res. 146. June 26, 1979. Armed Services; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Expresses the sense of Congress that James R. Schlesinger should resign from the Office of Secretary of Energy.

H. Con. Res. 147. June 26, 1979. Foreign Affairs. Expresses the sense of Congress that the President should: (1) seek free elections in the Baltic States supervised by the United Nations; (2) inform and gain the support of other nations in achieving independence for the Baltic States; and (3) warn the Soviet Union against making citizenship claims on U.S. citizens.

H. Con. Res. 148. June 26, 1979. Judiciary. Supports the legal action of the International Association of Machinists and Aerospace Workers against OPEC for violations of the Sherman Act.

H. Con. Res. 149. June 26, 1979. Public Works and Transportation. Expresses the sense of Congress that: (1) former President Richard M. Nixon should pay the United States a specified sum for federally-funded improvements which were not made for security purposes to his estate in San Clemente, California; and (2) the President and the Attorney General should collect such sum.

H. Con. Res. 150. June 26, 1979. Foreign Affairs. Calls for the International Olympic Committee to: (1) officially recognize and restore to the record books the achievements of Jim Thorpe in the 1912 Olympics; and (2) be requested to present duplicate medals to the heirs of Jim Thorpe.

H. Con. Res. 151. June 26, 1979. Banking, Finance, and Urban Affairs. Authorizes the President, on behalf of the Congress, to present a gold medal of appropriate design to Bryan Lewis Allen, the first aviator to cross the English Channel in a self-propelled plane.

H. Con. Res. 152. June 26, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Declares that it is the sense of the Congress that the Department of Energy should take necessary steps to maximize immediately the production of middle distillate fuels in the Nation.

Declares that the Department of Transportation should establish, on an emergency basis, a uniform national minimum truck weight and length standard.

Declares that the Interstate Commerce Commission's diesel fuel cost recovery program should be modified to ensure that the owner-operator receives full compensation for rapidly increasing diesel fuel prices.

H. Con. Res. 153. June 27, 1979. Provides for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 154. June 27, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy must expedite and strengthen its efforts to verify energy information in order to be fully independent of industry statistics.

H. Con. Res. 155. June 27, 1979. Foreign Affairs. Expresses the sense of the Senate that the President should call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

H. Con. Res. 156. June 27, 1979. Armed Services; Interstate and Foreign Commerce; Public Works and Transportation. Declares that it is the sense of Congress that the Department of Energy take steps to provide a set-aside of middle distillate fuels to each of the States.

Declares that the Department of Transportation should establish, on an emergency basis, specified uniform national minimum truck weight and length standards.

Declares that the Interstate Commerce Commission should further modify its diesel fuel recovery program.

Declares that all State Governors and the President should delay unnecessary summer training programs by National Guard and United States Army and Marine Reserve units, and add the fuels saved to State set-aside programs.

H. Con. Res. 157. June 27, 1979. Foreign Affairs; Judiciary. Expresses the sense of Congress that the Attorney General, in consultation with the appropriate congressional committees, should provide for an increase in the rate of parole of Indochinese refugees into the United States.

H. Con. Res. 158. July 10, 1979. Post Office and Civil Service. Declares it the sense of Congress that the Postmaster General and the Citizens Stamp Advisory Committee should give favorable consideration to the issuance of a commemorative postage stamp in honor of Americans of Italian descent and the 250th anniversary of the birth of Philip Mazzei on December 25, 1980, or as soon as possible thereafter.

States that the Postmaster General and the Committee should honor other foreign-born contributors to the revolutionary cause from countries of origin which have not yet been commemorated, prior to the conclusion of the American Bicentennial celebration in 1983.

H. Con. Res. 159. July 10, 1979. Foreign Affairs. Welcomes and congratulates the first directly elected Parliament of the European Community. Pledges congressional support for continued close relations with such Parliament.

H. Con. Res. 160. July 11, 1979. Banking, Finance and Urban Affairs; Foreign Affairs. Expresses the sense of Congress that the United States should adopt as policy the elimination of the Organization of Petroleum Exporting Countries' power to control the supply and price of oil.

H. Con. Res. 161. July 12, 1979. Armed Services: Science and Technology; Interstate and Foreign Commerce; Interior and Insular Affairs. Calls for the immediate resignation of James Schlesinger as Secretary of the Department of Energy.

H. Con. Res. 162. July 13, 1979. House Administration. Directs the printing of the final report of the Indian Claims Commission as a House document.

H. Con. Res. 163. July 17, 1979. Foreign Affairs. Disapproves the proposed sale of specified tanks to Saudi Arabia.

H. Con. Res. 164. July 23, 1979. Veterans' Affairs. Expresses the sense of the Congress that the Secretary of Defense shall inter an Unknown Soldier in Arlington National Cemetery, and make permanent display of representative medals, ribbons, and tributes of the Vietnam war in the Arlington Memorial Amphitheater.

H. Con. Res. 165. July 24, 1979. Interior and Insular Affairs. Reaffirms the support of Congress for the right of political self-determination of the people of Puerto Rico.

H. Con. Res. 166. July 24, 1979. Judiciary. Expresses the sense of Congress that homosexual acts shall never receive special consideration under law.

H. Con. Res. 167. July 27, 1979. Foreign Affairs; Post Office and Civil Service. Expresses the sense of Congress that the United States disapproves of the nondelivery of mail to persons in the Soviet Union contrary to international agreements and urges the Universal Postal Union Congress to adopt measures that would encourage improved postal performance by the Soviet Union.

H. Con. Res. 168. July 30, 1979. Provides for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 169. July 31, 1979. Public Works and Transportation. Declares it the sense of Congress that free or reduced rate parking spaces provided to Federal employees before October 1, 1979, should continue to be provided free or at reduced cost.

H. Con. Res. 170. August 1, 1979. Post Office and Civil Service. Expresses the sense of the Senate and House of Representatives that the United States Postal Service should issue a postage stamp to honor Doctor Marie Zakrezwska.

H. Con. Res. 171. August 1, 1979. Foreign Affairs. Expresses the sense of Congress that the President and the Secretary of State should: (1) recognize Jerusalem as the capital of Israel; and (2) relocate the U.S. embassy in Israel to Jerusalem.

H. Con. Res. 172. August 1, 1979. Interior and Insular Affairs. Reaffirms the commitment of the Congress to respect and support self-determination for the people of Guam.

H. Con. Res. 173. August 2, 1979. Foreign Affairs. Expresses the sense of Congress that the President should recognize the proposed democratically elected Cuban government in exile as the legitimate government of the Cuban people, as opposed to the Communist Government of Cuba.

H. Con. Res. 174. August 2, 1979. Foreign Affairs. Objects to the proposed sale of improved Hawk air defense missiles to Israel.

H. Con. Res. 175. August 2, 1979. Foreign Affairs. Objects to the proposed sale of Dragon antitank missiles to Israel.

H. Con. Res. 176. August 2, 1979. Foreign Affairs. Objects to the proposed sale of armored personnel carriers, command post carriers, cargo carriers, supporting equipment, and spare parts to Israel.

H. Con. Res. 177. August 2, 1979. Foreign Affairs. Objects to the proposed sale of tanks to Israel.

H. Con. Res. 178. August 2, 1979. Foreign Affairs. Objects to the proposed sale of howitzers to Israel.

H. Con. Res. 179. August 2, 1979. Foreign Affairs. Urges the President to convene an international conference to negotiate an agreement protecting the press and international observers during civil wars or other hostilities.

H. Con. Res. 180. August 2, 1979. Foreign Affairs. Expresses the sense of Congress with regard to the Soviet Union's handling of the 1980 summer Olympics.

H. Con. Res. 181. August 2, 1979. Foreign Affairs. Urges the President to: (1) aid those Vietnamese refugees in refugee camps and admitted to the United States; and (2) call upon the U.N. General Assembly to discuss sanctions against Vietnam for inhumane treatment of its citizens.

H. Res. 216. April 9, 1979. Elects a certain Member to the Committee on Education and Labor.

H. Res. 217. April 9, 1979. Sets forth the rule for the consideration of H.R. 3363.

H. Res. 218. April 9, 1979. Rules. Amends the Rules of the House of Representatives to limit the number of Congresses a Member may serve on the Committee on House Administration.

H. Res. 219. April 9, 1979. Education and Labor. Expresses the sense of the House of Representatives that the Congress should approve supplemental appropriations in specified amounts to provide sufficient funds for programs under the Older Americans Act of 1965.

H. Res. 220. April 10, 1979. Directs the printing of additional copies of the House Report entitled, "Toward a Balanced Budget: Report Pursuant to Public Law 96-5."

H. Res. 221. April 10, 1979. Directs the printing of additional copies of the House Report entitled, "First Concurrent Resolution on the Budget—Fiscal Year 1980."

H. Res. 222. April 10, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Expresses the sense of the House of Representatives regarding the prompt receipt of information regarding certain aspects of the transportation of radioactive materials, radioactive material accidents and nuclear waste management.

H. Res. 223. April 10, 1979. Rules. Amends the Rules of the House of Representatives to limit the use of suspension of the rules to bills or resolutions with an estimated net cost of $50,000,000 or less for any fiscal year.

H. Res. 224. April 10, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the equitable application of energy conservation policy or allocation of energy supplies in the event of a severe energy shortage should be strictly observed.

H. Res. 225. April 10, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry program from the Department of Agriculture is unacceptable.

H. Res. 226. April 10, 1979. Post Office and Civil Service. Commends the Director of the Office of Nuclear Reactor Regulation at the Nuclear Regulatory Commission for his leadership and efforts in resolving the problems at Three Mile Island.

H. Res. 227. April 23, 1979. Provides for the printing of additional copies of the report accompanying H.R. 39, the Alaska National Interest Lands Conservation Act of 1979.

H. Res. 228. April 24, 1979. Sets forth the rule for the consideration of H.R. 3354.

H. Res. 229. April 24, 1979. House Administration. Authorizes the establishment of additional positions on the United States Capitol Police Force for duty under the House of Representatives.

H. Res. 230. April 24, 1979. Agriculture. Declares the sense of the House of Representatives that the Secretary of Agriculture should: (1) assess and report to the Committee on Agriculture about the whey supply situation; and (2) increase research programs to utilize whey more efficiently for the mutual benefit of both producers and consumers.

H. Res. 231. April 24, 1979. Government Operations. Expresses the disapproval of the House of Representatives to Reorganization Plan No. 2.

H. Res. 232. April 24, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union should: (1) permit emigration from the Soviet Union; (2) remove restrictions on religious and cultural practices; and (3) stop harassing individuals who wish to leave or practice their religion.

H. Res. 233. April 24, 1979. Rules. Establishes within the House of Representatives a Select Committee on Materials and Natural Resources to conduct an investigation and study of shortages of materials and natural resources affecting the United States.

H. Res. 234. April 24, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the Select Committee on Committees.

H. Res. 235. April 24, 1979. House Administration. Directs the printing as a House document of the transcript of the proceedings in the Committee on the Budget incident to the presentation of a portrait of the Honorable Robert N. Giaimo.

H. Res. 236. April 25, 1979. Sets forth the rule for consideration of H.R. 1543.

H. Res. 237. April 25, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 238. April 26, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union should: (1) permit emigration from the Soviet Union; (2) remove restrictions on religious and cultural practices; (3) remove restrictions on scientific and intellectual endeavors; and (4) stop harassing individuals who wish to leave or practice their religion.

H. Res. 239. April 30, 1979. Appropriations. Expresses the disapproval by the House of Representatives of the President's proposed deferral of budget authority (D79-54) for specified petroleum exploration activity in Alaska.

H. Res. 240. April 30, 1979. Appropriations. Expresses the disapproval by the House of Representatives of the proposed deferral of budget authority (D79-56) for preconstruction expenses for a certain mining and energy related technologies education center/coal utilization facility.

H. Res. 241. May 1, 1979. Sets forth the rule for consideration of H.R. 10.

H. Res. 242. May 1, 1979. Sets forth the rule for consideration of H.R. 111.

H. Res. 243. May 1, 1979. Sets forth the rule for consideration of H.R. 39.

H. Res. 244. May 1, 1979. Agriculture. States that the Department of Agriculture and all appropriate budget appropriation review groups should recognize the need to reinforce and expand programs of cooperative research, service, education, and other cooperative assistance.

Declares that the Department should establish an Office of Farmer Cooperatives as an independent agency within it to coordinate such programs.

H. Res. 245. May 1, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry program from the Department of Agriculture is unacceptable.

H. Res. 246. May 1, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 247. May 2, 1979. Rules. Amends the Rules of the House of Representatives with regard to: (1) oversight subcommittees; (2) oversight agendas; (3) ethics investigations; (4) subcommittee limitation; (5) public access to committee records; (6) proxy voting; (7) open committee meetings; (8) quorum requirements; (9) committee voting; and (10) conference committee transcripts.

H. Res. 248. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require that a certain standing committee establish an oversight subcommittee (excluding the Committee on Appropriations and the Committee on the Budget).

H. Res. 249. May 2, 1979. Rules. Amends the Rules of the House of Representatives to direct each standing committee to develop an oversight agenda and timetable, and to require the Committee on Government Operations to coordinate the oversight activities of the House.

H. Res. 250. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require the Committee on Standards of Official Conduct to file a written report on each investigation it undertakes and to allow such Committee to undertake investigations by direction of the House on adoption of a resolution.

H. Res. 251. May 2, 1979. Rules. Amends the Rules of the House of Representatives to limit the number of subcommittees that may be established by standing committees to at least four but no more than six (excluding the Committee on the Budget and the Committee on Appropriations).

H. Res. 252. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require each committee to keep a verbatim transcript and a written summary of all committee legislative and investigative action. Directs that such information be available for public inspection.

H. Res. 253. May 2, 1979. Rules. Amends the Rules of the House of Representatives to eliminate proxy voting in committees.

H. Res. 254. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require that all committee and subcommittee meetings be open to the public unless such meetings are closed by a rollcall vote of a majority of committee members.

H. Res. 255. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require that a majority of the members of a committee shall constitute a quorum for the transaction of business.

H. Res. 256. May 2, 1979. Rules. Amends the Rules of the House of Representatives to permit any committee member to demand a rollcall vote on any question in committee and to require an affirmative rollcall vote of a majority of committee members to report a measure or recommendation to the House.

H. Res. 257. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require each conference committee to keep a verbatim transcript of all committee meetings. Directs that such transcript be available for public inspection.

H. Res. 258. May 3, 1979. House Administration. Authorizes the printing of additional copies of the "Ethics Manual for Members and Employees of the U.S. House of Representatives."

H. Res. 259. May 4, 1979. Sets forth the rule for the consideration of H.R. 3464.

H. Res. 260. May 7, 1979. Provides for the correction of the Congressional Record of May 3, 1979.

H. Res. 261. May 7, 1979. House Administration. Directs the printing of the maximum number of copies of the report accompanying H.R. 2172, the International Sugar Stabilization Act of 1979, for use of the Committee on Agriculture.

H. Res. 262. May 9, 1979. Sets forth the rule for consideration of H. Res. 212 and H. Res. 266.

H. Res. 263. May 9, 1979. Foreign Affairs. Urges West Germany to abolish or extend the statute of limitations governing the prosecution of war crimes.

H. Res. 264. May 9, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 265. May 10, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives as to "severe energy supply interruption" for the purposes of determining the severity of supply shortage of petroleum to the United States necessary to require the President to recommend to the Congress that the standby gasoline rationing plan be implemented.

H. Res. 266. May 10, 1979. Expresses the approval of the House of Representatives of the Department of Energy Contingency Plan No. 6 (amending Standby Gasoline Rationing Plan No. 1).

H. Res. 267. May 10, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that Iranian leaders should stop harassing and protect the human rights of religious minorities.

H. Res. 268. May 10, 1979. House Administration. Authorizes expenditures by the Committee on House Administration for employment placement services, professional development programs, office and personnel managment consultation services, and certain publications.

H. Res. 269. May 14, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of named individuals, for further proceedings in accordance with specified law.

H. Res. 270. May 15, 1979. Sets forth the rule for consideration of H.R. 2295.

H. Res. 271. May 15, 1979. Sets forth the rule for consideration of H.R. 2575.

H. Res. 272. May 15, 1979. Sets forth the rule for consideration of H.R. 2641.

H. Res. 273. May 15, 1979. Sets forth the rule for consideration of S. 869.

H. Res. 274. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 111.

H. Res. 275. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3404.

H. Res. 276. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3829.

H. Res. 277. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3879.

H. Res. 278. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3914.

H. Res. 279. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 4011.

H. Res. 280. May 22, 1979. Ways and Means; Interstate and Foreign Commerce. Expresses the sense of the House that: (1) the report of the Secretary of Health, Education, and Welfare entitled "Report on Home Health Services Under Titles XVIII, XIX, and XX" is not responsive to the requirements set forth in the Medicare-Medicaid Anti-Fraud and Abuse Amendments; and (2) such report shall be returned to the Secretary and revised to comply with such requirements.

H. Res. 281. May 23, 1979. Sets forth the rule for the further consideration of S. 869.

H. Res. 282. May 23, 1979. Sets forth the rule for the consideration of H.R. 2374.

H. Res. 283. May 23, 1979. Sets forth the rule for the consideration of H.R. 2462.

H. Res. 284. May 23, 1979. Sets forth the rule for the consideration of H.R. 3347.

H. Res. 285. May 23, 1979. Sets forth the rule for the consideration of H.R. 3875.

H. Res. 286. May 23, 1979. Sets forth the rule for the consideration of H.R. 4034.

H. Res. 287. May 23, 1979. Sets forth the rule for the consideration of H.R. 4035.

H. Res. 288. May 24, 1979. Rules. Amends the Rules of the House of Representatives to require any Member or employee of the House to submit an analysis of the extent to which the legislative objectives of travel outside the United States were realized.

Sets forth the requirements a committee Member or employee shall meet in order to be reimbursed for travel expenses.

Prohibits local currencies owned by the United States from being made available for use outside the United States for defraying the expenses of a committee Member after specified dates.

H. Res. 289. May 24, 1979. Rules. Amends the Rules of the House of Representatives to direct the Committee on Interstate and Foreign Commerce to review and study on a continuing basis, all laws, programs, and government activities related to population except that no activities shall be undertaken that would duplicate the activities of a standing committee of the House.

H. Res. 290. May 24, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the energy crisis demands strong and positive action and leadership on the part of the Government and that the President should exercise his powers to assure that the energy needs of the people shall be met.

H. Res. 291. May 24, 1979. Interstate and Foreign Commerce. Directs the President to furnish to the House of Representatives certain information related to the current oil situation.

H. Res. 292. May 30, 1979. House Administration; Rules. Establishes the House Fair Employment Relations Board and the House Fair Employment Relations Office to implement specified rules of the House of Representatives relating to equal opportunity employment practice in House offices and committees.

Sets forth procedures for filing formal and informal complaints for employment discrimination in violation of the Rules of the House of Representatives.

H. Res. 293. May 31, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy to investigate and report on energy policy, regulation, conservation, and research and development.

H. Res. 294. May 31, 1979. Post Office and Civil Service. Designates June 9, 1979, as "Gravesend, Brooklyn, New York, and Gravesend, England, Twin Communities' Anniversary Day."

H. Res. 295. May 31, 1979. Judiciary. Refers H.R. 4162 to the Chief Commissioner of the U.S. Court of Claims for further proceedings.

H. Res. 296. June 4, 1979. States that the staff director of the Committee on Standards of Official Conduct may produce a copy of a certain deposition for use by the court in the case of Securities and Exchange Commission versus Unification Church International after such court determines the materiality and relevancy of such deposition.

H. Res. 297. June 4, 1979. House Administration. Requires that the aggregate number of staff members employed by any committee of the House of Representatives shall not exceed a specified limit.

H. Res. 298. June 5, 1979. Waives certain points of order against H.R. 4289.

H. Res. 299. June 5, 1979. Sets forth the rule for the consideration of H.R. 2444.

H. Res. 300. June 5, 1979. House Administration. Authorizes the House of Representatives Committee on House Administration to rent or otherwise acquire a suitable residence to be maintained as a home for the pages employed by the House, and to appoint an individual to act as supervisor of the home.

H. Res. 301. June 5, 1979. Science and Technology; Rules. Directs the Office of Technology Assessment to conduct a study of unmarketed consumer energy conservation devices, compile a list of promising devices, and report to the Congress recommendations concerning legislative and executive measures necessary to promote the development of such devices.

Establishes a joint select committee to prepare such legislation as may be necessary to market or promote such devices.

H. Res. 302. June 6, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the major oil companies should continue to provide supplies and other services to independent oil dealers so that such dealers may continue their summer fill-up programs of home heating oil.

H. Res. 303. June 7, 1979. House Administration. Authorizes expenditures for the further expenses of investigations and studies conducted by the House Committee on Interstate and Foreign Commerce during the second session of the 95th Congress.

H. Res. 304. June 7, 1979. Sets forth the rule for the consideration of H.R. 3683.

H. Res. 305. June 7, 1979. Sets forth the rule for the consideration of H.R. 3917.

H. Res. 306. June 7, 1979. Sets forth the rule for the consideration of H.R. 3633.

H. Res. 307. June 7, 1979. Sets forth the rule for the consideration of H.R. 3916.

H. Res. 308. June 7, 1979. Sets forth the rule for the consideration of H.R. 3509.

H. Res. 309. June 7, 1979. Sets forth the rule for the consideration of H.R. 3821.

H. Res. 310. June 7, 1979. Sets forth the rule for the consideration of H.R. 3236.

H. Res. 311. June 12, 1979. Sets forth the rule for the consideration of H.R. 4388.

H. Res. 312. June 12, 1979. Sets forth the rule for the consideration of H.R. 4390.

H. Res. 313. June 12, 1979. Sets forth the rule for the consideration of H.R. 4391.

H. Res. 314. June 12, 1979. Sets forth the rule for the consideration of H.R. 4392.

H. Res. 315. June 12, 1979. Sets forth the rule for the consideration of H.R. 4394.

H. Res. 316. June 13, 1979. Foreign Affairs. Expresses the sense of the House that the President should call for an emergency session of the United Nations General Assembly to deal with the refugee crisis in Southeast Asia.

H. Res. 317. June 14, 1979. Ways and Means. Disapproves the Presidential authority to waive the freedom of emigration requirements for eligibility for most-favored-nation status with respect to Romania.

H. Res. 318. June 15, 1979. Sets forth the rule for the consideration of H.R. 2795.

H. Res. 319. June 15, 1979. Sets forth the rule for the consideration of H.R. 3303.

H. Res. 320. June 15, 1979. Sets forth the rule for the consideration of H.R. 2585.

H. Res. 321. June 18, 1979. Expresses the sense of the House that the President should call for an emergency session of the United Nations General Assembly, or other appropriate fora, to deal with the refugee crisis in Southeast Asia.

H. Res. 322. June 19, 1979. Sets forth the rule for the consideration of H.R. 4440.

H. Res. 323. June 20, 1979. Rules. Amends the Rules of the House of Representatives to prohibit committee funds from being used for travel unless its official nature is established by resolution approved by majority vote of the committee involved.

Prohibits any Member or employee of the House from accepting any gift of travel from any foreign national without the consent of the House of Representatives.

H. Res. 324. June 21, 1979. Sets forth the rule for the consideration of H.R. 3930.

H. Res. 325. June 21, 1979. Sets forth the rule for the consideration of H.R. 4439.

H. Res. 326. June 21, 1979. Interstate and Foreign Commerce. Commends the American Broadcasting Company, the National Broadcasting Company, and the Public Broadcasting Service for their work in closed-captioned television programing for the deaf and hearing-impaired.

Urges the Columbia Broadcasting System to begin such television programing in 1980 irrespective of its profitability.

H. Res. 327. June 21, 1979. Judiciary. Refers H.R. 4482 to the Chief Commissioner of the United States Court of Claims for further proceedings.

H. Res. 328. June 22, 1979. Sets forth the rule for the consideration of H.R. 1650.

H. Res. 329. June 22, 1979. Sets forth the rule for the consideration of H.R. 2606.

H. Res. 330. June 22, 1979. Sets forth the rule for the consideration of H.R. 3641.

H. Res. 331. June 22, 1979. Sets forth the rule for the consideration of H.R. 3642.

H. Res. 332. June 22, 1979. Sets forth the rule for the consideration of H.R. 3947.

H. Res. 333. June 22, 1979. Sets forth the rule for the consideration of H.R. 4057.

H. Res. 334. June 26, 1979. Elects certain Members of Congress to the House Committee on the District of Columbia and the Committee on Post Office and Civil Service.

H. Res. 335. June 26, 1979. Sets forth the rule for the consideration of H.R. 4389.

H. Res. 336. June 26, 1979. Sets forth the rule for the consideration of H.R. 3919.

H. Res. 337. June 26, 1979. Sets forth the rule for the consideration of H.R. 7.

H. Res. 338. June 26, 1979. Public Works and Transportation. Requests the Governors of the 50 States to cooperate voluntarily in standardizing truck weight and length limits in order to encourage striking truckers to go back to work.

H. Res. 339. June 26, 1979. Interstate and Foreign Commerce. Expresses the sense of the House that the President should prescribe regulations for the allocation of diesel fuel and the prohibition of discriminatory pricing of such fuel.

H. Res. 340. June 27, 1979. Elects a certain Member to the House Committee on Science and Technology.

H. Res. 341. June 27, 1979. Elects a certain Member to the House Committee on House Administration.

H. Res. 342. June 27, 1979. Elects a certain Member to the House Committee on Interstate and Foreign Commerce.

H. Res. 343. June 27, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 344. June 28, 1979. Dismisses a specified election contest of the First Congressional District of the State of Illinois.

H. Res. 345. June 28, 1979. Foreign Affairs; Merchant Marine and Fisheries. Expresses the sense of the House that: (1) the Senate should withhold approval of the Panama Canal Treaties implementing legislation; and (2) the State Department should make information about Panama's role in Nicaragua available to Congress.

H. Res. 346. June 28, 1979. Rules. Amends the Rules of the House of Representatives to require any Member or employee of the House to submit an analysis of the extent to which the legislative objectives of travel outside the United States were realized.

Prohibits local currencies owned by the United States or appropriated funds for travel expenses from being made available for use outside the United States for defraying the expenses of a committee Member for travel conducted after the date of the adjournment sine die of the second regular session of a Congress, if the travel occurs after specified dates.

H. Res. 347. July 10, 1979. Foreign Affairs. Declares that the Soviet authorities should: (1) release a copy of the judgment against Anatoly Shcharansky; and (2) free Shcharansky and other Prisoners of Conscience and permit their emigration to Israel.

H. Res. 348. July 10, 1979. Rules. Expresses the sense of the House of Representatives that there should be no recess for the House during the remainder of the 1st session of the 96h Congress.

H. Res. 349. July 10, 1979. House Administration. Directs the printing, as a House document, of the staff report to the Committee on Foreign Affairs entitled "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy."

H. Res. 350. July 11, 1979. Sets forth the rule for the consideration of H.R. 3996.

H. Res. 351. July 11, 1979. Sets forth the rule for the consideration of H.R. 2061.

H. Res. 352. July 11, 1979. Sets forth the rule for the consideration of H.R. 3920.

H. Res. 353. July 11, 1979. Sets forth the rule for the consideration of H.R. 4473.

H. Res. 354. July 12, 1979. Rules. Sets forth the rule for the consideration of H.R. 466.

H. Res. 355. July 12, 1979. Ways and Means. Expresses the sense of the House of Representatives that the Congress should promptly enact the President's April 5, 1979, proposal providing for solar energy tax credits and that such enactment should take effect retroactively to such date.

H. Res. 356. July 13, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union, Bulgaria, Yugoslavia, and Romania are urged: (1) to release certain political prisoners; and (2) to halt the harassment and incarceration of individuals contrary to the Helsinki Accords.

H. Res. 357. July 13, 1979. Interstate and Foreign Commerce: Ways and Means. Expresses the sense of the House that: (1) the report of the Secretary of Health, Education, and Welfare entitled "Report on Home Health Services Under Titles XVIII, XIX. and XX" is not responsive to the requirements set forth in the Medicare-Medicaid Anti-Fraud and Abuse Amendments; and (2) such report shall be returned to the Secretary and revised to comply with such requirements.

H. Res. 358. July 16, 1979. Interstate and Foreign Commerce: Interior and Insular Affairs. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 359. July 16, 1979. House Administration. Allows each Member of the House of Representatives to employ a specified number of permanent clerks.

Prohibits the total salary payment by a Member from the clerk hire allowance for a monthly pay period from exceeding a specified amount.

Increases the per annum gross rate of clerk hire allowance for each Member.

Allows interns to be reimbursed for transportation expenses between the District of Columbia and the district of the Member.

H. Res. 360. July 16, 1979. House Administration. Directs the printing of additional copies of the House Report entitled, "Second Concurrent Resolution on the Budget—Fiscal Year 1980."

H. Res. 361. July 17, 1979. Elects a specified Member of the House of Representatives to the Joint Committee of Congress on the Library.

H. Res. 362. July 17, 1979. Judiciary; Foreign Affairs. Expresses the sense of the House that the President should: (1) arrange for the immediate U.S. entry of approved Indochinese refugees; (2) direct emergency measures to rescue refugees on the high seas; and (3) establish a U.S. transit center for screening and processing refugees.

H. Res. 363. July 17, 1979. Sets forth the rule for the consideration of H.R. 4007.

H. Res. 364. July 17, 1979. Sets forth the rule for the consideration of H.R. 3398.

H. Res. 365. July 17, 1979. Sets forth the rule for the consideration of H.R. 3434.

H. Res. 366. July 17, 1979. Sets forth the rule for the consideration of H.R. 3282.

H. Res. 367. July 17, 1979. Sets forth the rule for the consideration of H.R. 2859.

H. Res. 368. July 17, 1979. Sets forth the rule for the consideration of H.R. 4040.

H. Res. 369. July 17, 1979. Allows Members of the House of Representatives to dispense with coats and/or ties in the House Chamber so long as appropriate clothes are worn during a specified period.

H. Res. 370. July 17, 1979. Requires Members of the House of Representatives to wear proper attire, as determined by the Speaker, while in the Hall of the House of Representatives.

H. Res. 371. July 17, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that congressional approval is required to terminate any mutual defense treaty.

H. Res. 372. July 17, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the President should convene a meeting of the major grain exporting nations to coordinate policies and prices to counter the effects of rising oil prices.

H. Res. 373. July 17, 1979. House Administration. Allows the parties in the case of New Mexico vs. Aamodt to have access to specified records of the House of Representatives.

H. Res. 374. July 17, 1979. Rules. Establishes in the House of Representatives a Select Committee on Energy.

H. Res. 375. July 18, 1979. Elects specified Members of the House of Representatives to the House Committee on Post Office and Civil Service.

H. Res. 376. July 18, 1979. Rules. Amends the Rules of the House of Representatives to provide that compliance with a subpena issued by a House commitee or subcommitee, in the conduct of any investigations or activities and authorized by a majority of the committee, may be enforced by the issuing committee or subcommitee.

H. Res. 377. July 18, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named company, for further proceedings in accordance with applicable law.

H. Res. 378. July 19, 1979. Standards of Official Conduct. Declares that Representative Charles C. Diggs, Jr. should be censured with the public reading of this resolution by the Speaker of the House of Representatives.

H. Res. 379. July 19, 1979. Sets forth the rule for the consideration of H.R. 3000.

H. Res. 380. July 19, 1979. Sets forth the rule for the consideration of H.R. 3180.

H. Res. 381. July 19, 1979. Sets forth the rule for the consideration of H.R. 51.

H. Res. 382. July 19, 1979. Foreign Affairs. Calls upon the Soviet Union to waive application of a Soviet dual citizenship law with respect to citizens of the United States and Eastern Europe. Declares that the United States will not participate in the 1980 Summer Olympics, if adequate assurances are not received from the Soviets regarding such waiver.

H. Res. 383. July 23, 1979. Ways and Means: Agriculture. Expresses the sense of the House of Representatives that the Special Representative for Trade Negotiations should seek to persuade the European Economic Community (EEC) to cease subsidizing wheat exports from member countries. Sets forth actions to be taken by the United States if the EEC refuses to stop such subsidies.

H. Res. 384. July 24, 1979. Sets forth the rule for the consideration of S. 1030.

H. Res. 385. July 24, 1979. Sets forth the rule for the consideration of H.R. 4167.

H. Res. 386. July 24, 1979. Sets forth the rule for the consideration of H.R. 79.

H. Res. 387. July 24, 1979. Rules. Expresses the sense of the House of Representatives that there should be no recess for the House during the remainder of the first session of the 96th Congress.

H. Res. 388. July 25, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy to investigate and report on energy policy, regulation, conservation, and research and development.

H. Res. 389. July 26, 1979. Sets forth the rule for the consideration of H.R. 4930.

H. Res. 390. July 27, 1979. Rules. Expresses the disagreement of the House of Representatives to the Senate amendments to H.R. 111.

H. Res. 391. July 30, 1979. Expels a specified Representative from the House of Representatives.

H. Res. 392. July 31, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 393. July 31, 1979. Sets forth the rule for the consideration of H.R. 2172.

H. Res. 394. July 31, 1979. Agriculture. Requests the Secretary of Agriculture to establish a wheat set-aside for the 1980 crop year.

H. Res. 395. July 31, 1979. Ways and Means. Expresses the sense of the House of Representatives that the Congress should promptly enact the President's April 5, 1979, proposal providing for solar energy tax credits and that such enactment should take effect retroactively to such date.

H. Res. 396. August 1, 1979. House Administration. Authorizes the printing of additional copies of the House of Representatives report entitled "Defense Production Act Amendment and Extension."

H. Res. 397. August 2, 1979. House Administration. Directs the printing, as a House document, of the report of the official visit by the Speaker's United States House of Representatives delegation to the Union of Soviet Socialist Republics.

H. Res. 398. August 2, 1979. Foreign Affairs. Directs the Secretary of State to provide the House of Representatives with information concerning Israeli use of military aircraft of U.S. origin and Israeli compliance with the Arms Export Control Act.

H. Res. 399. August 2, 1979. Science and Technology. Directs the Office of Technology Assessment to initiate, complete, and report to Congress on a study of patented, copyrighted, or other consumer energy devices which have not been developed as marketable products.

EXTENSIONS OF REMARKS

AN EXPANDING MARKET FOR COMMUTER AIRLINES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LAFALCE. Mr. Speaker, we have all experienced the early results of our deregulation of the air travel industry, and I think most of us would agree that the results are generally beneficial.

In its most recent issue, Forbes magazine reviewed one aspect of this—the impact of deregulation on "commuter" airlines in the United States. The phrase "commuter" airlines is a bit of a misnomer, of course, as many smaller communities that have lost some or all of their air passenger services—or may lose it in the future—rely on these smaller firms to fill in the gaps left when the large jets went away.

The thrust of the Forbes article is that there is a growing need for small airplanes, seating from 9 to 50 people, to meet the demand for air travel in these markets. The article also makes it clear that many firms, including both long-established aircraft manufacturers as well as new entrepreneurs, are pursuing this potentially lucrative market. And it indicates that there may be room for more as well.

The magnitude of the risks involved is large, however. Even one firm that seeks to establish production facilities in Youngstown, Ohio, which has secured tentative conditional approval from the Economic Development Administration for a loan guarantee, faces very difficult hurdles before that guarantee will take effect. The Forbes article states that the firm "has a Commerce Department guarantee of $30 million in private sector loans, but must raise $12 million more and sign up 25 orders before the guarantee takes effect." That is quite a tall order for a new industry in a competitive field.

Because of the importance of this industry to so many American communities, I am now entering the Forbes article in the RECORD:

MOVE OVER, BOEING

(By Richard Cowan)

Wanted: airplanes to carry 15 to 50 passengers. Must be easy to service, also fuel-efficient for short hops.

That want ad hasn't yet been printed, but it could be. Those planes are needed now, and demand will increase now and over the next decade as short-hop commuter air travel grows.

"There are definitely airlines without enough planes. Ransome Airlines has turned away 500 reservations some days for its commuter flight from Philadelphia to Washington," says Alan Stephen, operations director of the Commuter Airline Association of America.

But what size plane is needed is another question. Some planemakers think the future belongs to smaller planes, carrying 19 or fewer passengers (with that load no flight attendant is needed). "Few commuter lines gross even $10 million a year. Are you going to build a $6 million plane [carrying 50] for less than $10 million in business? And for many communities, six flights a day [in smaller planes] is better than one," says Ed Stimpson, president of the General Aviation Manufacturers Association. Stephen, however, says there is substantial demand

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

now for 140 new planes a year, half for the popular 19-passenger birds and half for larger 30- to 50-passenger craft.

The planemakers are getting designs and rushing into production with larger models:

Swearingen, a subsidiary of Fairchild Industries Inc., which dominates the commuter market with its Metro II $1.3 million, 19-passenger, two-engine turbo-prop, has a 100-plus order backlog. There will be larger models coming in the mid-1980's, says Richard Robinson, marketing vice president. "We don't have a clear picture right now whether we will need a 30- or 50-passenger plane," he adds. The company's production is expected to double by 1982, he adds.

De Havilland Aircraft Co., owned by the Canadian government, will double production of its $5.5 million, 50-passenger Dash 7 next year to four per month. "If you want one, it's two years to get it," says a de Havilland official. A 30- to 40-passenger plane now called the Dash X is also under construction.

Beech Aircraft Corp., which has been out of the commuter plane business, is getting back in. Its 15-passenger C-99, which had been discontinued, is being updated and will be back in production in 24 to 29 months at $1 million; a 13-passenger commuter plane will be appearing in 12 to 15 months, a new 19-passenger model in 36 to 42 months for $1.4 million ["in 1979 dollars," says the company]; and studies for a new model carrying 25 or more are under way.

Piper, a subsidiary of Bangor Punta Corp., has talked to commuter lines about a new plane, but doesn't yet admit to any production plans. However, output of its 9-seat passenger Navajo, used by business and commuter lines, is being increased to 375 for 1980 from 350.

Gulf Stream American Corp. is stretching one of its corporate models into a 38-passenger commuter plane. If the business is there the company will offer to stretch other used models for $1.5 million—provided you've got the plane—and then will start to produce new 38-seaters, says Allen Paulson, Gulf Stream's chairman.

In addition, larger commuter models from foreign manufacturers, such as Britain's Short and Brazil's Embraer Bandeirante, are being offered here.

"The competition for the sale of these planes will be fantastic," says William J. Sullivan, acting chief of the Federal Aviation Administration's safety regulation staff, which is drafting rules for the coming generation of larger commuter craft. The Commuter Airline Association estimates $300 million in new planes and equipment is already on order.

Fueling the demand is the airline deregulation effort. The large carriers are abandoning or curbing service to less profitable cities. Some 130 cities—such as Bridgeport, Conn., Columbus, Ohio, Walla Walla, Wash. and Bakersfield, Calif.—are losing some or all of their air service.

"So there is a larger market for the 40-to 50-passenger aircraft," says Stephen of the Commuter Airline Association. Commuter airlines also are now eligible for federal loan guarantees and are allowed, under deregulation, to carry more than 30 passengers, another inducement to buy more and larger aircraft.

"I see the possibility of a 30- to 50-passenger plane in the next three years for different markets than we are servicing now. We could possibly use five to ten big planes," says Gary Adamson, president of Air Midwest. The 250 or so commuter lines fly some 1,200 planes, even including old DC-3s, but planes such as the Piper Navajo and the Swearingen Metro II are more common.

The potential market could also lure newcomers. Purdue University Professor Lynn L. Bollinger hopes to get his company, Commuter Aircraft Corp., off the ground by building a 40- to 50-seat, $2.6 million, four-engine turboprop. He has a Commerce Department guarantee of $30 million in private sector loans, but must raise $12 million more and sign up 25 orders before the guarantee takes effect. He hopes to build the plane in depressed Youngstown, Ohio for the federal subsidies. "This is a nice business to get into," he says. "The return on investment is beautiful."

Of course, even after they get their planes the commuter lines will still have a problem or two—fuel, for example, and finding enough pilots and mechanics. But it's reasonable to assume that the commuter carriers will get their share of available fuel, and crews can always be trained. So the zoom figures to go on for quite a while to come.●

FOREIGN EARNED INCOME ACT OF 1978

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HINSON. Mr. Speaker, when the Congress passed the Foreign Earned Income Act of 1978 it was widely seen as a needed reform of the Internal Revenue Code. The broad exclusions of foreign earned income were replaced with a schedule of deductions which tailored taxation and exemptions to the needs and the actual expenses and activities of U.S. citizens working abroad.

All too often, and certainly in this instance, however, broad solutions do not accommodate certain small special categories. While the 1978 act functions admirably as applied to executives and workers who are normally quite prosperous in their foreign employment, and who qualify through their travels and expenses for the deductions specified by the 1978 act, a minority of the most dedicated, selfless and least well-paid of these Americans working abroad are not appropriately regulated by this act.

Missionaries and employees of charitable organizations do not earn large salaries, make few visits back to the United States, and rarely face the economic considerations which loom so large in the schedule of deductions, such as inflated housing costs in Paris or food prices in Japan. Typically these persons work in isolated areas, living on the local economy in the style which prevails locally. To replace the broad exclusion of foreign earned income with a schedule of deductions is to lay a very heavy burden on individuals who can least afford it. These charitable workers bring the benefits of technology and science as well as social and spiritual inspiration to the unfortunate of the world. They are some of our country's best representatives in the international arena. It is intelligent and compassionate Government policy to minimize their tax burden. The real benefits far outweigh the inconsequential revenue losses.

For these reasons I am today introducing a bill to amend the Internal Revenue Code to provide an exclusion from taxation of up to $20,000 in income per year, to be prorated for the proportion of the year spent in hardship areas as a charitable worker.●

THE PROBLEMS AT MARBLE HILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 12, 1979, into the CONGRESSIONAL RECORD.

THE PROBLEMS AT MARBLE HILL

Construction problems at the Marble Hill nuclear reactor site have been very much on the minds of Ninth District residents. In public meetings, post office visits, and routine appointments scores of people have asked me about problems at the site. They have wanted to know how the parties involved, mainly the Nuclear Regulatory Commission (NRC) and Public Service Indiana (PSI), propose to handle the problems. Also, they have been interested to get my latest impressions of events.

Government knowledge of serious construction problems at Marble Hill is fairly new. The inspections performed by the NRC from August of 1977, when construction began, to March of this year turned up only a few minor difficulties at the site, but an inspection performed during the first week of April identified honeycombing (air pockets), improper repairs, and other irregularities in the concrete work. As the NRC noted in a subsequent report to a congressional committee, this was the first evidence of a serious breakdown in procedures to assure quality in construction at Marble Hill. The NRC met with PSI in mid-May to see that the matter was addressed.

Hoosiers who keep track of Marble Hill in the media know that a confusing flurry of sworn statements, new inspections, and work stoppages began about a month later. In mid-June, a workers allegation that there were widespread defects in construction was followed by a PSI report that defective patches of concrete had indeed been found. The NRC initiated an investigation immediately, and during the last week in June the NRC regional director called for a halt to all safety-related concrete work. Safety-related pouring of concrete was resumed on July 7 after a one-week, on-site inspection, but new affidavits alleging further shoddy work continued to surface. PSI and NRC inspections of a troublesome series of safety-related pourings of concrete in mid-July prompted the NRC regional director to return to the site on July 20, at which time he confirmed that PSI would not allow the placement of concrete for safety-related structures until identified problems were corrected and the company demonstrated that its quality assurance program could be implemented effectively. Finally, and after yet another inspection, PSI voluntarily suspended all safety-related work (placement of concrete, erection of structural steel, installation of pipe and cooling system components, and application of protective coatings) as of August 7. The NRC confirmed this suspension with its own order eight days later, citing deficiencies in PSI's quality assurance program.

I have been deeply concerned with the problems at Marble Hill, both the actual flaws in construction and the unsatisfactory quality assurance program, since they were brought to my attention in mid-June. The very day I heard about the first worker's allegation I spoke with NRC officials and requested a complete investigation and report. I have been in close and constant contact with the NRC not only to keep up with development, but also to be sure that the NRC is proceeding diligently. Among other things, I have on several occasions urged the NRC to make all information available to the public. PSI has also been an object of my interest. I have spent countless hours in numerous meetings with PSI officials, and I have asked hundreds of questions about the Marble Hill plant, especially about its safety features. I have undertaken field work, too, and I have personally toured the site, interviewing workers, supervisors, and inspectors. Of course, I have examined honeycombing in the concrete work. In all, I have probably spoken with dozens of Marble Hill personnel since construction began. Face-to-face meetings with groups opposed to the plant, and also with business agents of the trade unions, have provided me with a very broad sampling of opinion.

As I have talked with Ninth District residents in recent weeks, I have often stated to them my position on the fast-changing situation at Marble Hill. To begin, I support each of the work stoppages that has been ordered so far. Every congressional investigation of the problems at the site will have my full cooperation and undivided backing. However, I have made no judgment about the future of Marble Hill. The NRC and other groups, including Congress, are currently taking stock of the situation at the site, and on the basis of their findings of fact we should decide whether PSI may move ahead with construction. In my opinion, neither a resumption of construction nor a permanent halt to construction can be justified at a time when all these groups are still engaged in their work. Few people regard the present review as pointless, but it would be pointless if we already had enough data in hand to make the final decision now. I am not about to draw hasty and ill-informed conclusions on an issue of such importance to Hoosiers.

I have often called nuclear power an interim or transitional source of energy. By this I mean that nuclear power will serve us for a few more decades before being replaced with other less risky sources of energy. I will support Marble Hill only if I am convinced that construction there will take place in accordance with the very highest standards of safety. A nuclear plant that cannot be built and operated safely is something that Ninth District residents, indeed the country, should not be forced to accept.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GAYDOS. Mr. Speaker, I would like to address my colleagues regarding recent workplace tragedies which might have been prevented by closer adherence to OSHA safety standards.

On March 20, 1979, 22-year-old Woodland, Calif., man was killed and another injured when the crane boom they were operating struck high voltage lines. The death of a young man such as this is tragic, but is not an isolated case. This type of accident has been the cause of countless worker deaths.

For instance, on March 29, 1979, a Blacksburg, S.C., man was electrocuted while working on a powerline.

On March 30, 1979, a 24-year-old employee of a sign company in Wilmington, N.C., was electrocuted when a cable he was working with touched a high voltage powerline.

Society pays a high price for not preventing job-related deaths and injuries. These costs include:

First, disrupted homes; second, lost income; third, lost productivity; fourth, high turnover in the workforce; fifth, rising costs of workers' compensation; and sixth, the list goes on.●

HEAVEN ON EARTH ON EARTH

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MOORHEAD of California. Mr. Speaker, for 36 years John Carpenter has devoted his time, his efforts, and his money to the handicapped youngsters of my district and all of Los Angeles.

A former movie cowboy and stuntman, John is solely responsible for Heaven on Earth Ranch—free for the handicapped forever. It was his vision that conceived a rustic western town as a unique therapy center for children.

It was his determination and tenacity that brought the ranch from dream to reality. It was John's muscle that built the town plank by plank, building by building, and it is John's commitment and labor that keeps Heaven on Earth on Earth.

And this one man's creation has been uncommonly successful in providing treatment and joy for thousands of disabled children. This is easily understood when one reads the many letters from grateful parents and teachers and therapists that John has received over the years.

There are many reasons for the success of the small western village. For one the atmosphere of the ranch is authentic. It is full of the scents of horses and hay. It is an eyeful of cowboy trappings and western wagons. The textures are of oak and earth and sage.

Heaven on Earth Ranch is just the opposite of what one would normally envision as the typical center for handicapped children. It has no long corridors, no concrete, no polished railings. It is not plastic.

The ranch also has John Carpenter, who has been wearing cowboy gear so long and so comfortably that it is difficult to see where the man begins and the leather ends. He undoubtedly is the principal reason for the success of Heaven on Earth. He has and constantly displays a natural affection for handicapped youngsters that most of us could not begin to emulate. He can pick up a crippled, drooling child and hoist him into the saddle, filled only with affection and compassion, not repugnance.

John and his ranch are much alike. They are unique, rugged, effective, beneficial and not easily swayed. This is a short but sincere tribute to John Carpenter for 36 years of special service to those who need special care.●

HOW TO BE HEARD BY THE FEDERAL BUREAUCRACY

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LOWRY. Mr. Speaker, I would like to recommend the following article, written by Seattle resident David E. Ortman, to my colleagues and to citizens across the country who are concerned that our Government work as it is intended to work. This article shows how one's voice can be heard by the Federal bureaucracy:

HOW TO INFLUENCE YOUR BUREAUCRAT

(By David E. Ortman)

Bureaucratic agencies take a variety of forms. Within the federal government some are directly accountable to the executive branch, such as the Department of the Interior (which contains the Bureau of Land Management, National Park Service, and Bureau of Reclamation, among others) and Agriculture (which contains the Forest Service and Soil Conservation Service). Others function independently of both congressional and executive control (the so-called independent regulatory commissions like the Federal Trade Commission, and the Federal Communications Commission). Still others have been created by Executive Order and are answerable to the President, though not under any cabinet secretary's control (e.g. Environmental Protection Agency, Council on Environmental Quality).

By and large these agencies do what Congress or the President tells them to do. For instance, Congress has passed a Clean Air Act, outlining certain goals and policies for the achievement of cleaner air. The task of setting the proper standards, assessing the technology, and insuring compliance is handed to the Administrator of the Environmental Protection Agency (EPA). So it is ultimately the EPA, not Congress, which decides how the law is to be implemented.

As another example the President may decide that the discount rate for water projects, which is the way federal water project agencies decide the relative worth of a dam, is too low. The President may direct the Secretary of the Interior to propose higher discount rates which would have a significant effect on water policy planning.

These bureaucratic decisions can result in healthier air, safer drinking water, cleaner rivers, better solid waste management, conservation of natural areas, noise control, transportation reform, and pesticides control or they can result in paper shuffling.

CITIZEN ACTION

Bureaucrats can be influenced, a fact more clearly understood in business and industry than among consumer groups. The Senate Governmental Affairs Committee, for example, released a report last year showing that business interests consistently spend many times more than consumer groups in trying to influence important federal regulations. The Committee reported that in more than half the regulatory proceedings it studied, there was no public participation at all, and that when consumer witnesses did appear at such proceedings they were commonly outnumbered by industry witnesses 10 to 1 or more.

In the energy field, a survey by Friends of the Earth of the Nuclear Regulatory Commission revealed that of 19 petitions for rulemaking filed during 1977 only six were submitted by environmental groups. None of those filed by environmental groups has yet been granted. Over at the Federal Regulatory Commission six petitions were filed in fiscal year 1977 and two were filed in fiscal year 1978—none by environmental groups.

The past decade has seen the establishment of a complex set of agency rules and regulations to govern environmental practices. These environmental regulations are increasingly under attack by business and industry seeking to take the quickest, cheapest and shortest path toward their corporate objectives. But as John R. Quarles, Jr., former Deputy Administrator of EPA, stated,

"Regulation is indispensable to achieving environmental goals. Regulation is the vehicle through which community decisions are implemented, through which collective judgment is made binding on all. In the absence of specific, enforceable regulations no one could have assurance that others would comply with any type of community decision . . . Some form of regulatory control is the only way."

Citizen control and action have resulted in the passage of much legislation geared toward environmental protection. Environmental activists are working to see that this legislation is implemented. The success of their efforts, however, depends in large measure on how well they understand agencies and how they work.

According to a recent study of federal regulations:

"The ability of the general public to comprehend agency action is a fundamentally important form of citizen participation in the regulatory process. It involves understanding the rules agencies propose or issue, and the forms and guidelines those rules establish . . . Those who venture into bureaucratic processes soon discover that agency rules at best were written only with lawyers and experts in mind; sometimes rules are a mystery even to well informed persons. Certainly, the average citizen is frequently left in the dark. At present it is difficult, perhaps impossible, for citizens to understand agency rules and requirements without expert advice."

On that cheery note, we plunge ahead into the paper world of the bureaucrat.

INFORMATION

The first rule is Get to Know Your Agency. The statutory authority for each agency is found in the U.S. Code and citations are listed —— U.S.C. ——. Most agencies maintain region offices. Obtain a telephone directory of personnel of the agency (or regional office) and keep it up to date. Nothing is more frustrating than not knowing who to call or what the number is. Ask other environmentalists for names and numbers of staff they deal with at the agency. Most agencies have lawyers who will usually be willing to give you the agency's legal position on an issue or provide you with other legal help.

See if the agency director will set up a "brown bag" lunch at least once a month with your group and other interested organizations to discuss issues of mutual concern. Get on their mailing lists. Agencies will shower you with information on what they are doing if you give them your address. Make it a habit to call key agency people at least once a month just to let them know you are still around and to catch up on what is happening. Often they will alert you to upcoming actions. Let them know they can rely on you. Try to get someone to meetings they alert you to. Submit comments on items to which they ask your opinion, if possible.

There are other ways of keeping up with agencies. Most agencies have libraries. This can be a useful source of information, specialized toward the agency's activities. If your office is located outside Washington, DC and outside a regional headquarters city, you may be near a Federal Information Center, a depository for agency documents, studies, environmental impact statements, etc., usually housed in a public library.

With your agency directory in hand, call Washington. (Call person to person at noon DC time, when the person you want is out, and hope they return your call on their own line.) Learn to use the Freedom of Information Act (which requires a response by the agency within 10 days) to obtain memoranda, letters, and other agency material. Under the Freedom of Information Act, all federal agencies must make available almost any record or document properly requested by the public. If a federal agency does not do so, the person requesting the information has the right to bring suit in federal court to compel compliance.

Letters to bureaucrats are just as important as letters to your Representatives and should state the basis for the grievance, the legal principle involved, and the precise remedy the agency should take. Type the letter on your organizational letterhead and copy key people at the bottom of the letter. Send your letter to the top, unless you know specifically to whom it should go. That way it will trickle down the layers and will reach the attention of more bureaucrats. Send a copy of the letter and a note to your Representative if you don't get a response within 30 days, and send a copy of your note to the agency.

Specialized newsletters, which are published on a variety of environmental subjects, are another source of information. They are usually very expensive, but offer thorough coverage of ongoing rules, regulations, meetings, and so forth (e.g., Air and Water News, $145/yr, Trends Publishing Co., Detroit, Michigan).

PUBLIC HEARINGS AND MEETINGS

Public hearings are a familiar aspect of agency procedure for most environmental groups. You should attend public hearings with three purposes in mind: first, to get your views before the agency with the hope of influencing a decision; second, to publicize your views through press coverage of the hearing; and third, to build a base in the hearing record, should future litigation become necessary.

Too many times, however, important public hearings take place only in Washington, DC, inaccessible to most members of the public but convenient for the numerous trade associations headquartered there. FOE has proposed to the executive office that agencies hold regional hearings whenever 100 or more citizens request one, if such a hearing has not been held within the last year, to facilitate participation by outside sources.

Generally speaking, before a hearing, get your statement and press release to your press contacts. During the hearing be brief—usually no more than five minutes. Summarize your position and ask that your full statement be entered into the hearing record. Be prepared with additional material to refer to if questioned; often you will be able to get more material entered this way. If the material you need is not at hand, ask if you can send it in for the record.

It is vexing to present your testimony and then have an opponent make some outrageous statement which you can no longer rebut. Have someone in your organization sign up near the end and then take notes on what the opposition says. When called, this person can then refute errors, distortions or outright lies—in short, have the last word. After the hearing, thank your press contacts if they covered the hearing. Inform your own members of the results.

Agency and advisory committee meetings may or may not be public. A Government in the Sunshine Act, passed in 1976 and, operating since March of 1977, set down strict limits on which meetings can be closed to the public. A recent Library of Congress evaluation of the Act disclosed that of 1,003 meetings listed in the Federal Register between March 24 and September 9, 1977, 339 were completely closed to the public and 183 were partially closed, although relevant exemptions that would allow such closings were cited in only 193 cases. A close look at the exemption claimed for a closed meeting may open it up. A proposed closed meeting held recently by the Forest Service in Washington, D.C., was opened up when it was pointed out that the Forest Service had not complied with any of the requirements for filing for a closed meeting.

THE FEDERAL REGISTER

The Federal Register prints daily all the government's rules, regulations, and proposals, plus listings of public meetings and hearings. Last year it ran to more than 60,000 pages, sprinkled liberally with "thou shalts" and "thou shalt nots" having the full force of law. Fortunately, one can learn not to be overwhelmed. The Federal Register has gone to some lengths in the past few years to clean up the gobbledygook and bureaucratese.

The Office of the Federal Register has specific days for specific agencies to submit material to the Register. If you are tracking only one agency, you need only keep up with two or three issues a week. For those of you who need to monitor the spectrum of environmental concerns, learn to use the index in front, first scanning for those agencies which are environmentally involved and then for the specific proposal, rule or regulation. This goes quite rapidly after a little practice. In addition telephone information service is now available. A recorded summary of highlighted documents appearing in the next day's issue can be obtained by dialing (202) 523-5022 in Washington, D.C., and now for the first time in Chicago at (312) 633-0884. Coming soon to a city near you.

RULEMAKING AND REGULATIONS

Besides announcements of meetings and executive orders, the Register publishes two other types of notices.

Rules and Regulations. This section of the Federal Register contains regulatory documents having general applicability and legal effect, most of which are keyed and codified in the Code of Federal Regulations, —— C.F.R. ——. When publishd as final rules, these have the effect of law.

Proposed Rules. This section contains public notices of the proposed issuance of rules and regulations. These notices give interested people an opportunity to participate in the rulemaking before the adoption of the final rule.

A proposed rule is almost impossible to change once published. Recently, some agencies have begun publishing an advanced notice of proposed rulemaking before publishing the proposed rule, as a sort of pretrial to allow public comments before the agency's glue has set.

Once you understand the basis for agency rulemaking and follow the Federal Register, try to submit comments on notices of intent to develop rules rather than after proposed regulations have been finalized. If you have any questions, most notices now contain the name and telephone number of the person responsible for writing the proposed rule or regulation. Check with the agency to see if it has granted an extension of time for comment by another agency; if so, the extension generally applies to all "commentors." If not, you can write and try to request an extension of time to comment if you feel it is necessary. Most agencies will include its responses to comments when they publish their final rules and regulations.

Executive Order 12044 on "Improving Government Regulations" suggests several ways for agencies to increase public participation in rulemaking. Suggestions include distribution of issue papers; use of open conferences; distribution of regulatory analyses to organizations affected by agency regulations; direct notification of trade associations, labor unions, and consumer federations; meetings between the regulation project manager and the public; use of advisory committees or temporary work groups; announcement of proposed regulations in publications such as general circulation newspapers, newsletters and trade journals; greater consultation with state and local government personnel; and regional public hearings.

ADVISORY COMMITTEES

Most federal agencies have advisory committees of one sort or another. It is important for you to know who sits on them, how they get there, whether they serve full- or part-time, and what interests they represent. You will occasionally be able to influence the selection of new committee members. The advisory committees meet on a periodic basis and often allow you to make presentations.

PETITIONS

Agencies cannot entirely eliminate regulations unless the law which authorized the regulations allows them to do so. Nevertheless, there is a procedure within the Administrative Procedures Act (APA) which took effect in September of 1946, that states, (5 U.S.C. 533[e]):

"Each agency shall give an interested person the right to petition for the issuance, amendment or repeal of a rule."

According to the Attorney General's 1947 Manual on the APA, the filing of a peetition under that section does not require an agency to undertake rulemaking proceedings. The recent Executive Order did not correct this weakness, omitting the mandatory petition procedure recommended by Friends of the Earth.

Still, the recourse of petition is occasionally used. Last year, the National Wildlife Federation submitted a 21-page petition for rulemaking under the Fish and Wildlife Coordination Act and the National Environmental Policy Act to the Departments of the Army and the Interior and the Council on Environmental Quality, for the issuance of regulations to mitigate losses of fish and wildlife to water resources projects. Agency discussions are still going on.

BUREAUCRATS

The bureaucrats exist in a system which purports to offer to society efficient, uniform, and rational service. In reality the bureaucrat has no easy job. He is faced with pressure from within as well as from without—administrators who attempt to stifle dissent, incompetent staff, budget cuts, threats of congressional investigation and more. Furthermore, Congress rarely passes specific laws when vague laws will do. A bureaucrat faced with a mandate to regulate the national forests in the "public interest" will, in the absence of clear congressional language, bend with whatever wind happens to be blowing at the time.

Bureaucrats for the most part are not allowed to consider what they want to do, or what they think should be done. Their function is to insure that existing rules are applied as methodically as possible. However, since no two cases are ever alike, the bureaucrat is continually faced with exceptions and reasons why Industry A cannot meet its compliance schedule or Plant B should not be forced to pretreat.

A common theme heard from the Forest Service is that it must be doing its job when both timber companies and environmentalists are mad. This attitude totally ignores the question of what is happening to the resources. The same refrain comes from the Bureau of Land Management (BLM); when the grazers, miners, and off-road runners, as well as the environmentalists, are unhappy with BLM, then the Administrator feels safe. Again the question of protecting the resource often comes second to maintaining one's position within the agency.

Bureaucrats, especially those in environmentally sensitive agencies, are heavily lobbied by groups seeking to lessen the force of environmental requirements. It is important, therefore, the environmental groups develop a constituency that is able not only to counter this pressure, but can also strengthen the environmental decision-making process. Encouraging, supporting and protecting "whistle blowers" (bureaucrats who go public with agency mistakes and blunders rather than cover up) is important.

A bureaucrat is in the end carrying out someone else's policies according to a set routine. This means that you must work to insure that they carry out and implement environmental legislation now on the books. If they do not, the courts are available and they tend to take a dim view of agencies disregarding their own laws. In addition, if an agency is not able to carry out adequate environmental protection then you must move back to the legislative arena and create the tools necessary for the bureaucrat to work with.

As Congressman George E. Brown, Jr. (D-Calif.) said on the House floor, on January 27, 1976,

"Environmental regulations are clearly a category of governmental regulation that cannot be reduced or eliminated. Too much is at stake, and while local regulations are preferable to national regulations in many circumstances, what chance would a local government or even a state have in standing up to a major automobile company, or a major chemical company? And what knowledge base does a local government have that would enable it to counter a major corporation in court, which is where environmental regulations seem to end up once any enforcement action is taken? Under existing law, the weakest part of our present program of environmental protection is our knowledge base.

"This is the 'Catch 22' of environmental programs. The government must prove a pollutant is harmful, yet it is given inadequate funds and personnel to do so."

To influence your bureaucrat you have to understand the factors involved, the agency, the rules, the limitations, the access, and pressure points. The bureaucrat does not run for reelection and has no need for campaign contributions. If you are to be successful, in the final analysis you must gain their trust. It goes a long way.●

ALTERNATIVES TO MILITARY CONSCRIPTION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, it has long been a personal belief of mine that each American has an obligation to serve our country in some capacity, such as military service, Government service, or social service.

However, when the House votes today on the defense authorization bill, I intend to support Representative SCHROEDER's amendment to strike the provision for mandatory registration and in its place require the President to report back to Congress on various options for meeting the manpower needs of our Armed Forces.

The Selective Service has stated that with upgraded computer capacity it will be able to meet the Defense Department's most recent emergency mobilization timetable. Therefore, I believe that instituting mandatory registration of 18-year-old males when all of the alternatives have not been sufficiently studied, would be a mistake.

Of all the options recommended by the Schroeder amendment, I personally favor the option of establishing a national youth service program of mandatory military or civilian service. The Public Service System Act (H.R. 3603) addresses this option. This legislation, which I have cosponsored, would establish a Public Service System under which young people of the United States would be obligated to serve our country in a civilian, military, or military reserve service.

Mr. Speaker, I would hope that before Congress reinstates the registration of 18-year-old males, we carefully study other options, such as the Public Service System Act, to insure that our Nation's defense and social needs are met in the most beneficial manner.●

NATIONAL POW/MIA RECOGNITION DAY ACTIVITIES, FRESNO, CALIF., JULY 18, 1979

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. COELHO. Mr. Speaker, the President and Congress in a joint resolution Public Law 95–349, declared July 18, 1979, as National POW/MIA Recognition Day and asked a grateful Nation to express its gratitude with appropriate ceremonies and activities honoring these brave men and women.

An outstanding event was coordinated by the Veterans' Administration Medical Center, Fresno, and the Veterans Employment Service, U.S. Department of Labor, but the entire community, including members of the military services, veterans service organizations, the chamber of commerce, businessmen and women, politicians and the news media actively participated in the ceremony, held on the front lawn of the Veterans' Administration Medical Center.

The President's proclamation was read by former U.S. Ambassador Philip Sanchez, and the featured speaker was California Superior Court Judge Frank Creede, a former POW himself.

The highlight of the ceremony was the planting of a sequoia redwood tree by Steven L. Bragman, assistant director of the Veterans Employment Service and a disabled veteran. He was assisted by all former POW's and MIA's in attendance. The tree will serve as a living memorial to the memory of the POW's and MIA's from the Fresno, Calif., area.

I am particularly proud of the people of Fresno who took time from their daily routine and problems to honor these men and women who have given so much to their country.●

LOU BROCK—A BASEBALL LEGEND

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. CLAY. Mr. Speaker, the city of St. Louis and the St. Louis Cardinals are proud to boast of having one of the finest baseball players in Major League history. On August 13, 1979, Louis Clark Brock became a bona fide legend when he brought his hitting record to 3,000 hits. Lou Brock has the highest respect and admiration of Americans from all walks of life: old and young; rich and poor; athletes and spectators. He is truly a champion in his field and a symbol of talent, dedication, and achievement. St. Louisans are proud to hail their superstar and I am honored to share with my colleagues in the U.S. Congress, the following editorial on Mr. Brock, "Going Out on Top," which appeared in the Washington Post on August 15, 1979:

GOING OUT ON TOP

Louis Clark Brock got two singles in a baseball game in St. Louis Monday night. There is nothing unusual about that—he has been doing it for years. But these were hits No. 2,999 and 3,000 of his major league career. That, as every sports fan knows, puts Mr. Brock in one of baseball's special categories. As important as those 3,000 hits are to the keepers of records, however, they are not what makes Mr. Brock special. There are other things.

One of them is that Lou Brock and a tiny handful of other players restored to baseball in the 1960s something it seems to have lost. Unlike the strong men whose bats propel balls over shortened fences, he was a player whose success depended upon speed, skill and finesse. He was a terror on the base paths and reminded fans there is as much joy (and anguish) in stealing a base as there is in hitting a home run.

The other thing about Mr. Brock is this: When he got those two hits the other night, he was almost two months beyond his 40th birthday. Some of us find that one of baseball's more gratifying statistics. Folklore has it that men of his age are, as they say, over the hill. But this year, Mr. Brock at age 40 has been tearing up the league, hitting more frequently than ever before and outplaying men 10 and 15 years his junior.

It is the last year he will do so. He announced last winter, and has stuck with it ever since, that this summer will be his last on the playing fields. That announcement, if the reports from St. Louis are correct, brought grimaces from those who pay his salary. He has had a disastrous season in 1978 and they wanted him to quit. No man, the pundits said, could come back at 40 from so bad a performance and play well in a sport demanding such good eyes and quick reflexes.

But Lou Brock said he didn't want to go out as a flop. One more year, even at 40, and perhaps, just perhaps, he could go out on top. He got the year, he is having the season he longed for, and he is going out where he wanted to be. That's class and that, more than the 3,000-plus hits and the 900-plus stolen bases, is what makes Lou Brock special.●

TARGET: U.S.A.

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, CBS News recently presented one of the most shocking and historically important television programs ever presented to the American public. I refer to "Target: U.S.A.," the first—and I hope not the last—presentation of a new CBS program entitled "Inside Yesterday."

Briefly, the program told the story of an American President's cooperation with agents of a foreign power. These agents, according to documents now in Government archives and also according to one surviving actor in this drama of international espionage, did everything they could to hinder, smear, and play dirty tricks on American citizens.

As a CBS news correspondent said during the program:

> If this story had surfaced . . . (the President) could conceivably be impeached.

The foreign power was Great Britain. The President was Franklin D. Roosevelt.

I wish to point out that what follows is the verbal transcript of the program. Needless to say, the full impact is gained only by combining the visual with the verbal elements. But, allowing for the lack of visual elements which often serve as transitional material, the words alone tell quite a story. "Hyde," referred to in the text, is a former member of the British intelligence group.

At this time, I wish to insert in the RECORD, the transcript of "Target: U.S.A." as shown on the CBS television network, Tuesday, August 21, 1979.

TARGET: U.S.A.

(With CBS News Correspondent Mike Wallace)

MIKE WALLACE. I'm Mike Wallace. Usually my beat is what is happening today. But sometimes there are inside stories left unreported from yesterday, even from years ago. Recently we came across one such, all but buried in a book about World War II. What is involved is nothing less than an earlier version of Watergate, a conspiracy involving the White House to violate the laws of the United States. But what is equally astonishing is that when we set out to trace the facts, we found the cover-up still going on more than three decades later.

For the stakes in this Watergate were not just political power, but war and peace, and the reputations of some of the greatest heroes of our age: the 31st President of the United States, Franklin Roosevelt; J. Edgar Hoover, the Director of the FBI; the Prime Minister of Great Britain, Winston Churchill. All those men are now dead, but the story also involves some people you may never have heard of who are still alive today.

A British intelligence expert who ran plumbers units in New York:

H. MONTGOMERY HYDE. Conspiracy is—is a word with a slightly criminal connotation. I would prefer—with great respect, Mr. Wallace—to use the word "secret understanding".

WALLACE. A congressman whose political career fell victim to a campaign of dirty tricks.

HAMILTON FISH (former Congressman). Those warmongers, pro-war mongers—that's what they were—trying to get us into war.

WALLACE. And a secret agent with the code name "Intrepid".

SIR WILLIAM STEPHENSON. Yes. This was all before Pearl Harbor, of course.

WALLACE. He was a soldier in a business suit, and his target was America.

Our story begins in a most unlikely place, Rockefeller Center in midtown New York. Every day thousands of people come here to be entertained, to do business, or just to see the sights. It's one of the most public places in America; yet it was once the scene of secret operations involving the security of the United States. This was headquarters for a massive network of foreign spies. Not Russians, not Nazis or Japanese; they were our friends the British. If that seems incredible now, you have to remember what a different world it was back then, early in World War II.

It was 1940 and Britain was still the world's largest empire, but that empire was on the ropes, its army driven off the continent of Europe as Adolf Hitler's armies advanced.

Britain was shuddering under the first shock of the Nazi air raids. A German invasion seemed sure to follow.

And the British people under their new Prime Minister, Winston Churchill, were facing their trials alone, for their European allies were gone. And across the Atlantic was a country standing aloof—safe, neutral America.

President FRANKLIN D. ROOSEVELT. We will not participate in foreign wars, and we will not send our army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack. (Cheers . . . applause)

WALLACE. Neutrality wasn't just the law of the land; it was the will of the American people. Though many were sympathetic to Britain, the Gallup poll showed that eight out of ten Americans did not want their country to get involved.

That was America in 1940 when a man arrived here on a secret mission for Winston Churchill, made contact with the White House and the FBI, and opened an office in New York in the brand new skyscraper complex Rockefeller Center. In this building in the midst of ad agencies, travel agencies and export firms, that British agent went into the spy, propaganda and dirty tricks business behind doors that now ironically carry the name of a German bank with American employees.

MAN (bank employee). Hello, Deutsche Bank in New York calling. Spot dollar mark, please.

WALLACE. The year before Pearl Harbor, the specialists in these offices were the money dealers who are working here now. They were code-breakers and safecrackers, experts in propaganda and dirty tricks. A few were old pros recruited from the upper ranks of British intelligence, but most were recruited from business and professional life in Britain and Canada. They worked for the outfit that called itself BSC—British Security Coordination, headed by the man with the core name "Intrepid."

Who was "Intrepid"? He was William Stephenson, a Canadian millionaire, a patriot of the British Empire. His mission here was to save Britain by turning neutral America into a partner at war.

WALLACE. George, what do we know for sure about this BSC operation?

George Crile. Here in New York . . .

Wallace. Assignment: to uncover the undercover operations of British intelligence in New York. When reporter George Crile and I began, we found that even their own documents seemed to raise as many questions as they answered.

Crile. The most important thing at the moment that we know is simply the size of this operaiton. There were 300 British agents operating here in New York out of Rockefeller Center. Now, that's bigger in terms of numbers than any CIA station operating today in the world.

Wallace. These 300 agents dedicated to doing what?

Crile. Officially, they're here to protect British shipping, to counter the activities of Nazi spies.

Wallace. Unofficially?

Crile. The real reason is they're here to get us into the war. Let—let me just read you a quote from their own—their own documents. We have obtained the only copy. The head of BSC summons his agents to Rockefeller Center, and he tells them we are going to—quote—"declare a covert war against the mass of American groups organizing throughout the country to oppose entry into the European war."

Wallace. In other words, they're going to take on anybody in the United States who's against the war.

Crile. Well, that seems to be what the story is. But what we have to find out is how far they went and how much cooperation they got from the American government.

Wallace. We could get no answers to these questions from the man in charge. "Intrepid" himself. Sir William Stephenson is in his eighties now, retired and living in Bermuda.

Sir William Stephenson. And I was in charge of all the security forces that existed in all—all of . . .

Wallace. He was filmed there for Canadian television a few years back, but he declined an interview with us, citing poor health. Nonetheless, 30-odd years after his work here, he is still in contact with his "Old Boy" network of former agents. We tracked down 15 of them: a well-known ad man, an international PR consultant, several authors, retired government people. Some wouldn't talk to us at all; others wouldn't talk for the record.

The 16th name on our list was Nadya Letteny, now an executive with a New York cosmetics firm. Back in 1940 she was a British subject stationed in Bermuda, a refueling stop on the air route of the Pan American Clippers.

Nadya Letteny. At that time all transatlantic mails went by Clipper, and Bermuda was one of the stopping points. So, when the first Clippers came through, we had to take off the mails at gunpoint.

Crile. British agents went with guns and held up the plane?

Letteny. The British soldiers stood by with guns while the mails were taken off.

Crile. And they brought American mail to you and your colleagues?

Letteny. Yes, and it was scrutinized while the . . .

Wallace. Things soon got much friendlier. By the time Nadya Letteny was assigned to British headquarters in New York some months later, the BSC had a working relationship with J. Edgar Hoover and the FBI.

Letteny. The FBI would collect certain groups of letters from groups that they were interested in that they held under surveillance, and bring them to us and we would read the contents.

Crile. What other kinds of cooperation did you have with the Federal Bureau of Investigation?

Letteny. Generally, I think, it was a little bit difficult to get cooperation at a higher level. It—I know that it took the intervention of President Roosevelt on one or two occasions for the assistance one needed to be given.

Crile. For example?

Letteny. No comment.

Crile. Too sensitive?

Letteny. Yeah.

Crile. But you're quite sure that this went as high as the President?

Letteny. Absolutely positive.

Wallace. Working with the FBI, the British exposed Nazi agents in America, feeding evidence to the press, the courts, the State Department. The information came from "Intrepid's" network of spies, who not only intercepted mail, but also tapped phones and cracked safes. And sometimes they forged evidence.

The fact is, Mr. Montgomery Hyde, that the British, on American territory, broke law after law, opened all kinds of mail, were involved in covert propaganda warfare, certainly.

Hyde. Yes.

Wallace. In London, we looked up Nadya Letteny's former boss, H. Montgomery Hyde, distinguished barrister and historian. As one of "Intrepid's" top agents, he was the author of a forged document that purported to show a Nazi threat to this country by way of Latin America.

Hyde. We sent copies of this document to President Roosevelt, and President Roosevelt actually announced—he said, "This is the sort of thing that's going on in Latin America." He actually announced it in a radio broadcast. He said, "I've seen a photocopy of a most astonishing document."

Wallace. And he knew all along that it was nothing in the world but a dirty trick?

Hyde. Well, I don't think that the President thought it was genuine.

Wallace. Well, what you are talking about, Mr. Montgomery Hyde, though, is a conspiracy between the BSC and some of the highest officials of the United States government—

Hyde. Yes.

Wallace. —to violate this country's laws.

Hyde. Yes. Conspiracy is a—is a word with a slightly criminal connotation. I would prefer—with great respect Mr. Wallace—to use the word "secret understanding."

Wallace. The fact of the matter is that they were breaking U.S. law.

Hyde. Unquestionably.

Wallace. Go back to the record and you'll find that all through 1941 America was edging closer to intervention, closer to Britain. As things got tougher for the British, President Roosevelt started bending neutrality in their favor. A military aid program, Lend-Lease, was steered through a reluctant Congress. Shipments were convoyed into the war zone by ships of the American fleet. And with every step toward intervention, the opposition bristled—a few because they were outright pro-German; some were anti-British; but most were simply against the war. They ranged from New Deal Democrats to conservative Republicans. Their leading organization was America First, and their leading spokesman was an all-American hero, aviator Charles Lindbergh.

Charles Lindbergh. I have been forced to the conclusion that we cannot win this war for England, regardless of how much assistance we send. I believe this is realized even by the British government. But they have one last desperate plan remaining. They hope that they may be able to persuade us to send another American expeditionary force to Europe.

Wallace. The anti-war movement, 1941. They were Britain's enemies, and Roosevelt's enemies, and they were "Intrepids" targets.

Ladislas Farago. The actual mission of Stephenson in the United States was to do everything in his power, overt and covert, to eliminate from the American scene everybody who was opposed to the American entry into the Second World War.

Wallace. Ladislas Farago, intelligence historian, and himself a former American agent.

Farago. Now, some of these people were Nazi agents, but many people were very decent Americans.

Crile. But what kinds of things were they doing against Americans?

Farago. Well, they did the kind of things that every secret service do—trying to find dirt on them.

Crile. But you're saying that, as a—a pattern of behavior, that they were performing character assassinations of—of Americans—

Farago. On the higest echelon.

Crile. —as a matter of course..

Farago. As a matter of course. As a matter of policy, as a matter of strategy, and as a matter of tactics.

Wallace. Where do you go to find out how British spied on anti-war Americans? The FBI, which worked with the British but also kept tabs on them, the records of the FBI have hundreds of pages on William Stephenson, who ran the BSC operation—"Intrepid". But by law, those files on private citizens still living are kept strictly confidential. We couldn't get at them without Stephenson's permission. Cablegram to Sir William Stephenson, Paget, Bermuda. A request for the full long-buried story from him, if not from the FBI files. No response. Not only that, but a couple of his "old boys" who had finally agreed to be interviewed suddenly backed out.

The inside story of Britain's war against the anti-war movement in America remained a secret until we could piece together some scattered documents we found, along with the recollections of a few witnesses, and the result had a curiously familiar ring—dirty tricks and cover-ups and schemes that misfired or even backfired. "Intrepid's" former associate, H. Montgomery Hyde.

Hyde. It was a—it was a propaganda exercise, and what BSC had to do was to counter the isolationist propaganda, the American First propaganda——

Wallace. Uh-hmm.

Hyde. —and, if you like, pro-German propaganda and the isolationist propaganda.

Wallace. So, you had to discredit the isolationists?

Hyde. Yes, and that was done slowly. There were one or two pretty tough characters, like Senator Burton K. Wheeler, I remember.

Wallace. Yes.

Hyde. And there was a man called Hamilton Fish. He was a congressman for——

Wallace. He was a congressman from Franklin Roosevelt's district.

Hyde. He was a very, very powerful isolationist, but we completely discredited him.

Wallace. Congressman Hamilton Fish, publicly labeled pro-Nazi.

Fish. They called us all names. I had no use for the Nazis. I'd fought against the Nazis. And—but that isn't it. I—I believed in the—the old policy of American neutrality, and that was what the American people stood for and what the Congress stood for.

Wallace. Fish soon lost his congressional seat. A member of his staff actually had distributed pro-German propaganda, but Ham Fish insists that he himself was an innocent victim of British smears.

Fish. I introduced a resolution to outlaw the Bundes, the Nazis and the fascists all from arming, parading, marching and uniforming, carrying arms. And we held a massive meeting up there, and I presided.

And Fritz Kuhn, the Bundist leader, came up there to oppose my resolution. They took a picture of Fritz Kuhn, speaking to me, and they sent out a hundred thousand copies:

"Fritz Kuhn, Bundes Leader, Affiliated With Congressman Fish". That's enough to make the angels weep.

Wallace. Another name on the enemies list, publisher William Randolph Hearst, whose papers were anti-war. Stephenson—"Intrepid"—had a scheme to change the Hearst line or shut him down by buying up $10-million in notes the Hearst company owed, but London wouldn't advance the funds.

Charles Lindbergh. The British spread rumors that his kidnapped baby was still alive in a Nazi training school. And when Lindbergh addressed a big anti-war rally in New York, the British tried to disrupt it by printing fake tickets, hoping to start fights between the real ticket holders and the people they found in their seats. And Lindbergh's associate, Senator Burton K. Wheeler?

Hyde. Oh, certainly, we went for him, yes.

Wallace. What did you do?

Hyde. We inserted propaganda in—in various places.

Wallace. Another Midwestern senator, one of the most respected members of the isolationist bloc, turned interventionist after he was seduced by a British agent.

Hyde. Her job was to dress most beautifully and circulate in Washington and find out what she could. And I'm—I'm pretty certain that Mrs. Laurie—surname I've forgotten—got to work on the senator.

Wallace. And how much, we asked, did FDR really know about all this?

Hyde. He didn't know the particulars of every detail, detailed operation, but by and large he did know everything.

Wallace. Roosevelt did.

Hyde. There were no secrets from—from Roosevelt.

Wallace. The White House, in fact, knew more than "Intrepid" wanted them to know. They knew when the British went beyond the limits of their "secret understanding". And trouble started in the autumn of 1941.

Ernest Cuneo. The British were picking up their deserters on our shores, bumping them on the head, putting them in pullman cars, and taking them up to British cargo vessels which were about to sail.

Wallace. Ernest Cuneo became Roosevelt's personal liaison with the British.

Cuneo. And Hoover reported it as a kidnapping, and Francis Biddle was mad as hell, the Attorney General. So, I went over to see him about it, and he said, "I can tell you something. I will not stand for it. And I called Halifax down here to tell him so."

Crile. That's the ambassador.

Cuneo. The ambassador.

Crile. The British—British ambassador.

Cuneo. And he said, "Mister Ambassador, this is an absolute outrage. I will not permit it." And Halifax, who was a very nice man, said, "I have it on highest authority that this was permissible." And Biddle told me, he said, "I am the highest authority. I am the highest authority. I am the Attorney General of the United States, and I can promise you something. If it's done again, I will indict you."

Wallace. Incidents like these raised a furor in Franklin Roosevelt's inner circle. There were fears the British were becoming a law unto themselves here. There were proposals to rein them in or throw Stephenson out. The chief source of these attacks was this man, Adolph Berle, the Assistant Secretary of State and Roosevelt's friend and confidante.

Before long, Berle found himself on the British target list. A memo from the papers of the late Adolph Berle: the FBI tells him he's being wiretapped and spied on by a British agent named Paine. Berle protests, "They're trying to get the dirt on me. They hope to force my removal from the State Department."

Cuneo. Berle told me that they tapped him, and I charged them with that. I said, "You must be out of your mind to tap him." They said, "We didn't." And I had—be—because they regarded Berle—and correctly—as running the affair, the whole State Department, and when I got through saying, "Adolph, you're absolutely wrong on this. I tell you that I have the word of English gentlemen," he said, "How interesting. Would you like to hear a replay?" Of course he had a—somebody was tapping the British while they were tapping him.

Wallace. In other words, the British, not satisfied to scare the country toward war, were now trying to interfere in the American government itself. And as Cabinet documents show, Roosevelt was unwilling to stand for this.

The FBI had watched this to a point where they had conclusive proof, and then they called in the head of British intelligence, told him they wanted Paine out of the country by six o'clock, or else. Stephenson then professed surprise and horror that any of his men should do such a thing—

Hyde. Yes.

Wallace. ——which was naive of Mr. Stephenson.

Hyde. Well, yes. You must remember there were—by this time there were well over a thousand people working for BSC, and I—I—I did know Mr. Paine, but I—I certainly would not contradict the statement that he was collecting material perhaps detrimental to Berle; but what good it would have—would have done, I don't know. I think—I think he exceeded his instructions.

Wallace. Are there not, for those of us who have within recent years read and heard about Watergate, are there not similarities? Plumbers units, dirty tricks, trying to get dirt on high officials of government.

Hyde. Yes. I don't think there was—there was much going on about—

Wallace. We hear so much today about the word "cover-up".

Hyde. Yes.

Wallace. This was a monumental cover-up compared to some that came later.

Hyde. Absolutely, Mr. Wallace, absolutely. I—I couldn't agree with you more.

Wallace. This was a world-shaking, world-reforming cover-up.

Hyde. Yeah, yeah. It saved—it saved Britain's bacon.

President Roosevelt. December 7th, 1941, a date which will live in infamy.

Wallace. Ironically, it wasn't British agents who finally got us into the war. It was Japanese planes bombing Pearl Harbor. That's what stopped the anti-war movement here more effectively than all "Intrepid's" schemes, for it was only now that America turned around. Isolationists, America Firsters, the whole country rallied to the war effort, joining in a unanimous welcome for Prime Minister Churchill, a man much relieved that Britain and America were now finally allied in an historic cause.

Winston Churchill (before the Congress). Here we are together, facing a group of mighty foes who seek our ruin. Here we are together, defending all that to free men is dear. Twice in a single generation the catastrophe of world war has fallen upon us. Twice in our lifetime has the long arm of fate reached out across the ocean to bring the United States into the forefront of the battle. It is not given to us to peer into the mysteries of the future. Still, I avow my hope and faith, sure and inviolate, that in the days to come the British and American peoples will, for their own safety and for the good of all, walk together in majesty, in justice and in peace. (Applause)

Wallace. The most remarkable thing about the conspiracy to get America into the war is what huge risks everybody took. For if the story had surfaced before Pearl Harbor, the British would surely have lost what support they had in this country, and their protector, Franklin Roosevelt, could conceivably have been impeached. As it turned out, the lid was kept on, and "Intrepid", William Stephenson, and his BSC stayed on here, helping to launch an American secret intelligence service on the British model, for the BSC were the godfathers, so to speak, of the OSS, which of course became the CIA.

Mike Wallace for CBS News.●

TRIBUTE TO BISHOP LYKE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call national attention to the achievements of an outstanding American. On August 1, 1979, the Most Reverend James Patterson Lyke, O.F.M., at the age of 40 became the youngest Catholic Bishop in the United States, the fifth black bishop, and the first black bishop in the Midwest when he was ordained auxiliary bishop of Cleveland, Ohio, at the Cathedral of St. John in Cleveland, Ohio.

Bishop Lyke was born in Chicago, Ill., February 18, 1939, the youngest of seven children born to the late Mr. and Mrs. Amos Lyke. His surviving brothers and sisters are Thelma Lyke Harvey, Doris Lyke Fields, Amos Lyke, Rayette Lyke Holman, and Andrew Lyke, all of Chicago.

Bishop Lyke was received into the Franciscan Order in 1959. He was ordained to the priesthood at St. Joseph Seminary in Teutopolis, Ill., on June 24, 1966. He received his A.B. degree in philosophy from Quincy College, masters of divinity degree in theology from Antonianum, Rome, Italy. At the time of his ordination he was pursuing a doctorate degree from Union Graduate School in Cincinnati, Ohio.

The young Bishop Lyke's first formal assignment was to Padua Franciscan High School in Parma, Ohio, where besides teaching religion he was able to actively participate in the human rights struggle. This urge to work for human dignity for all is a reflection of the events of his childhood on the South Side of Chicago where he was reminded daily of the affronts to human dignity of those who are poor and oppressed by poverty, racism, and injustice.

One of the signs of the young bishop's determination and drive was his being a newsboy at Comiskey Park on Chicago's South Side. A highlight during his young childhood experiences was when he trudged on foot to the home of civil rights activist Dick Gregory. On ringing the bell the young lad heard a voice inquiring who is there, "Jimmy Lyke," he replied, "I've come to have Mr. Gregory autograph my record," whereupon Mrs. Gregory replied, "I'm sorry, he's in jail."

These experiences along with the disciplined example of a determined and caring mother and a warm and loving family were the basis of his work with Operation Breadbasket, NAACP voter's rights campaign and his participation in Carl Stokes' successful campaign as first black mayor of Cleveland.

After the assassination of Dr. Martin Luther King, Jr., on April 4, 1968, with whom Bishop Lyke had had the privilege of working with in Cleveland, he sought permission to come to Memphis to work. Coming to Memphis in September 1968, the young energetic and forceful priest brought the same interest in the struggle for human rights and human dignity. He first served as assistant pastor and administrator of Father Bertrand Elementary School and then pastor for 9 years at St. Thomas. He was the first black Catholic priest to serve in the State of Tennessee.

Bishop Lyke's contributions to Memphis are too numerous to mention but outstanding among them were his participation in the early freedom marches, the United Farm Workers, and striking hospital workers.

His dedication spurred his metoric rise and recognization in church and civic organizations. Among the organizations Bishop Lyke was associated with while in Memphis were SCLC; NAACP Board member; consultant to Memphis Interfaith Association; board of directors American Civil Liberties Union; union board of trustees, Catholic Theological Union of Chicago.

The erudite Bishop Lyke collaborated with Bishop Carrol T. Dozier on his pastoral letters on peace, justice, and abortion. Bishop Lyke also served as a member on the National Catechetical Directory. At the time of his ordination, Bishop Lyke was president of the National Black Catholic Clergy Caucus. He was also serving as director of the Newman Foundation at Grambling State University and pastor of St. Benedict, the black Catholic Church in Grambling, La.

Bishop Lyke brings the same drive, humility, determination and deep faith to his new position that he has brought to the other challenges he has faced in his priestly ministry.

The new bishop reminded us of the three traditions that have shaped his life, the tradition of the church, the tradition of the Franciscan movement, and the tradition of his Afro-American heritage.

Bishop Lyke has expressed a hope that he can perform as well in his new position as the two bishops under whom he served in Memphis, Bishop Joseph A. Durick, and Bishop Carroll T. Dozier. Addressing the congregation at his ordination he said,

> I am conscious as I have ever been before in my life, that my efforts are futile without your prayers, support, and encouragement. In my own heart I know that I have the capacity to understand you—all of you.

Bishop Lyke has chosen as his motto, "Christ Is Our Peace."

Welcome home, Bishop Lyke.●

TRIBUTE TO GLENORA WINE CELLARS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LEE. Mr. Speaker, I rise today to pay tribute to a small group of artisans and businessmen of my 33d Congressional District of New York who have recently distinguished themselves and their community in a difficult competition.

Many of you may be aware that upstate New York produced the first of all American wines, and it was from the fertile hillsides and valleys of the New York Finger Lakes that the American wine industry grew and prospered. But more than a mere historical fact, the New York winemaking business remains an important part of our commercial community.

Because of the longevity and importance of the New York art of winemaking, the New York State Fair each year stages competition for the best of these products. This year, nine medals were captured by a single, small but precise winery of my district, the Glenora Wine Cellars of Glenora, operated by Messrs. Howard Kimball, Ed Dalrymple, Eastman Beers, and Eugene Pierce.

This makes the second straight year that this relatively new winery has fascinated State fair judges with its product quality. It reaffirms the care and interest in the entire State's industry.

These wines are not simply the best of New York's, nor even the best of the domestic wines. They are capable of comparisons with any wine made in the world today, because Glenora operators have invested more than working days in them—they have invested great shares of pride.

It gives me great pleasure to add my personal congratulations to Glenora, and to take this national opportunity to invite comparisons between Glenora and any product of American vineyards.●

STELLA DERAS AND SUSAN PESCAR RECEIVE DISTINGUISHED WOMEN'S ACHIEVEMENT AWARD

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, I would like to invite my colleagues to join me in recognizing Stella Deras and Susan Pescar of Orange County, Calif., as they receive the Distinguished Women's Achievement Award.

This award, established in 1975, has been presented to 124 women of all social, economic, and cultural backgrounds and manner of profession.

Recipients of this award are selected by the men and women of the East Los Angeles Business Development Center, a federally funded nonprofit organization which assists over 1,400 minority businesses a year. The dedication and accomplishments demonstrated by this organization set the high criteria by which award recipients are chosen.

Stella Deras, a supervisor at Rockwell International Space Division, recognized the need for women in her profession to advance in their career so she organized seminars to enhance their career skills. Stella is currently establishing a women's association at Rockwell to serve as a forum for ideas and issues. Exhibiting similar leadership skills in her community, she serves on the board of directors for the Rio Hondo Area Action Council.

Susan Pescar, owner of her own public relations agency, has combined her professional expertise with her knowledge of the medical field, to produce an award-winning medical information publication. She also informs the public through lectures, television, and motion pictures of various medical problems and what preventive health techniques the public can follow. In addition, Susan is a dedicated volunteer at the Long Beach Children's Clinic.

People like Stella Deras and Susan Pescar symbolize the thousands of women who set precedents and create programs to meet the community needs.

I am proud to share with my colleagues the 1979 presentation of the Women's Achievement Award which applauds the contributions and accomplishments of women in our community.●

THE PROPOSED DEPARTMENT OF EDUCATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. DANNEMEYER. Mr. Speaker, it is common for States to memorialize Congress to enact legislation. We have all had letters come to our offices strongly urging us to vote for the adoption of this or that legislative proposal. It is rare, however, when a memorial against a given bill is brought to our attention. But just such a memorial was sent to my office during the August recess and I would like to share it with you.

By way of background, a resolution urging Congress to enact the law creating a separate Department of Education was brought before the California State Senate. But, instead of passing, the resolution was rejected just as the concept of a separate Department had been rejected by the University of California, one of the largest and finest institutions of higher education in the Nation. From these two actions, it should be readily apparent to anyone that another DOE is not a popular idea in the State of California.

Dissatisfaction with the proposed Department of Education manifested itself in the close vote on the legislation in the House of Representatives. The 210-to-206 vote on July 11 of this year is hardly a vote of confidence in the concept, and, if anything, hostility to it has increased subsequently.

I mention all this in hopes that these facts will be borne in mind by the conferees as they meet with their counterparts from the Senate in conference on the respective bills. While it is too much to hope that the idea will die altogether in conference, one might hope that the conferees will produce legislation that will prove to be as inoffensive as possible to the many who have serious reservations about the new DOE.●

CONGRESSIONAL ACTION TO AID UGANDA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. SOLARZ. Mr. Speaker, earlier this year the Subcommittee on Africa, which I am privileged to chair, conducted public hearings on the need for humanitarian assistance to Uganda now that its citizens have brought Idi Amin's monstrous regime to an end.

Recently I learned that a distinguished citizen of our Nation, Prof. Richard P. Thornell, visited Uganda under the auspices of Africare and had the opportunity to see at firsthand the problems confronting that nation and to consult with many of its leaders.

Professor Thornell is an economist and a member of the faculty at Howard University and serves on the Board of Directors of Africare. He is also a member of the Council on Foreign Relations. His longstanding concern for the people of Uganda dates back to 1964, when, as a representative of the Peace Corps, he negotiated the establishment of the first Peace Corps program in Uganda.

Following his recent factfinding mission to Uganda, Professor Thornell published his views in the Washington Star on September 1, 1979. His persuasive essay points out that the United States should remove the economic sanctions we imposed against Uganda. Soon thereafter, both Houses of Congress heeded that advice.

On September 7, 1979, the House voted 280 to 69 to lift the ban on economic aid while retaining a prohibition on military assistance. On September 11, 1979, the Senate took the same action by voice vote. Having applied restrictions against the tyrannical Amin regime, Congress wisely recognized a consequent obligation to remove those restrictions and assist Uganda following Amin's departure from power.

Professor Thornell's article follows:

UGANDA NEEDS, AND DESERVES, HELP

(By Richard Thornell)

I returned recently from an Africare Mission to Uganda, struck by the irony that this former whipping boy of the world's human rights champions seems to have vanished from world concern. Now that Uganda has been liberated from the atrocities and buffoonery of the Amin regime through the military intervention of Tanzania, her friends seem few in number and slow in helping.

Amin's antics and cruelty held the world's attention, purportedly because of international concern about human suffering. For example, the hijacking of Israelis to Entebbe Airport, Amin's cat and mouse game of handling it, and the Israeli government's bold rescue mission made the front pages of newspapers for days and produced a raft of articles, books and movies.

But the world has done little or nothing to help the hapless Ugandan victims of Amin. Some estimates are that over 4 per cent of the population was murdered and that more than 100,000 Ugandans fled into exile. Amin's militarism and profligate spending plummeted the Ugandan economy into a state of collapse. The litany of horrors could go on.

In short, the world made Amin's evils into a media event. Now that they are gone, humanitarian concern for helping the new Uganda is nearly non-existent. It is almost as if Amin were a much-needed whipping boy to make the world feel righteous. The havoc he caused his fellow Ugandans was beside the point.

I hate to pursue this theory too far, but Uganda is in desperate straits and cries out for assistance.

The world, however, is waiting diffidently in the wings, parcelling out tidbits of help on the grounds that the political situation is unstable and the country not secure. Uganda wants, needs and can competently use help now. It is too bad that our purported humanitarian concern about Amin's wrongdoing does not continue to be demonstrated by generous help.

The dust has settled and the business of rehabilitation and reconstruction is underway despite some uncertainties about how to accomplish it.

The Ugandan government estimates that it needs $2 billion for recovery. The people of Uganda need almost everything and helping them now ought to be the mandate and mission of those who condemned Amin.

After the suffering that Uganda has been through for eight years, all the world should be good Samaritans to her. The United States ought to set the example, but, unfortunately, Congress has failed to lift the economic sanctions imposed during the Amin regime. This precludes any significant response by the U.S. Agency for International Development.

Moreover, the United Nations Development Program was recently reduced to a skeletal level, aid from Western Europe is merely trickling in, and the the Soviet Union and her allies have not responded. The major burden of assistance is being carried by the government of Tanzania.

So an already grave crisis of need may well be compounded if major donors do not move quickly and generously to help. Swift action in the United States and abroad is imperative in order to avert further tragedy in Uganda. Africare stands ready to participate in the much needed effort to help Uganda now.●

TRIBUTE TO MARIAN VIVIANO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. FLORIO. Mr. Speaker, it gives me pleasure to acknowledge the achievements of my constituent, Mrs. Marian Viviano, Sicklerville, N.J.

Mrs. Viviano, a Chippewa Indian, was born in Tower, Minn., in Indian territory near the Vermilion Lake Reservation. Given the name Shining Star, she has been steadfast in her determination to guide all Native Americans in their struggle for rights and to promote the preservation of their heritage. Included among the awards bestowed upon her is the Civilian Congressional Medal of Honor.

Over the past three decades she has lectured in nearly every reservation in the Nation and has been instrumental in establishing urban Indian community centers in New Jersey and New York.

Several of her stories depicting the plight of the American Indian have appeared in local newspapers. In April 1977, an article, which she coauthored with Melvin H. Freedman, was printed in the New York Times. Presently, she and Mr. Freedman are completing a book entitled "We Are Still Killing the Indians." It is my understanding that notification of approval for publication has recently been received.

Mrs. Viviano is the mother of three children. Her elest, Roger D. Wardall, is a deputy sheriff in Marin County, San Rafael, Calif. Her two daughters live in the State of Washington; Mrs. Romona Berry is a criminal investigator for the State, and Mrs. Madelon Snyder is a social services counselor.●

INTERNAL REVENUE SERVICE

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HINSON. Mr. Speaker, this spring, bankers and investors alike were astonished and dismayed when the Internal Revenue Service handed down revenue ruling 79–72. This ruling declared that holders of short term certificates of deposit would be liable for taxes on interest not yet paid, at the penalty rate, on certificates which were held at the end of the calendar year. The IRS justified their ruling under section 451 of the Internal Revenue Code, entitled, "General Rule for Taxable Year of Inclusion."

Not yet content, the IRS has now proposed to tax these certificates at the premium rate, although that rate may not ultimately be the rate at which interest is computed, for instance if the certificate is redeemed prior to its maturity date. This ambitious approach is being justified by classification of certificates of deposit as discount instruments of indebtedness.

The gain in revenues facilitated by either approach is miniscule. The cost to banks, the frustrations and discouragement to investors who have to figure into their tax returns interest which they have not yet received, and the difficulties which will be encountered by banks in explaining this liability to depositors suggest a singular solution which, I am confident, would be more in accord with the intent of the Congress. Therefore, to clarify the entire situation and to put an end to this practice, I am introducing an amendment to the Internal Revenue Code. My proposal will add language to section 451 of the code to assure that interest on these certificates will not be deemed received until the certificates either are redeemed or reach maturity, whichever occurs first. Section 1232 is also amended to exclude certificates of deposit from the discount definitions.

I will be requesting cosponsors and invite and encourage the Members of the

House to join me to end this policy by the IRS which unnecessarily harasses private citizens with burdensome regulation, and which discourages investment at a time when our economy needs it most.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I have the distinct pleasure of announcing the support of one-half of the House for "National Port Week." This overwhelming support exhibits a deep concern for our ocean and inland centers of trade. The week of October 7–13 will recognize that our ports are a vital force in our national economic development, as well as being focal points for the Nation's defense.

In oversight hearings held by the Committee on Merchant Marine and Fisheries in the ports of New York/New Jersey and Chicago, several important points were made. For example, our ports provide the critical link between our land and water carriers; enabling our port industry to contribute enormously to our Nation's economy. They facilitate our international trade, employ significant numbers of people, provide substantial personal and business incomes, and generate revenues for State and local government.

Our ports face significant problems. Dredging is a must for our Nation's ports in order to accommodate today's larger ships. Historically, our port technology has kept pace with today's modern needs. But the delays experienced for even simple maintenance dredging have resulted in costly delays which have added to the problems of an already troubled economy. Bureaucratic delay, duplication, excessive testing, and questionable criteria are all adding to the cost of doing business. Inadequate rail access is another problem plaguing many of our ports today. Those ports serviced by one carrier need protection against monopoly railroads which can set rates without regard for competition.

Collectively, our port communities comprise the largest port system in the world. In order to handle this Nation's world commerce, which ranks as the highest in the world, we must insure that our ports have the tools necessary to handle this enormous task. We cannot allow our ports to fall behind in establishing efficient and economical transfers of cargo that have made us the world's greatest trading Nation. Today some 170 major commercial ports on the Nation's coastlines, rivers, lakes, and canals serve as centers of regional commerce and growth. Every major metropolitan region of the U.S. centers around a port, or is closely linked by rail or highway with a port. Presently the American port industry provides direct and indirect benefits to the economy:

Employment for 1,046,800 Americans;

Generates annual personal income of $19.2 billion and business income totaling $7.4 billion;

Produces $4 billion in State and local taxes; and

Accounts for gross sales within total economy of $56 billion and a $30 billion contribution to the GNP.

National Port Week will recognize the importance of our ports to the Nation's defense. In time of war, or other national emergency, our ports would immediately effect a plan for Federal port control for efficient operation and utilization of port facilities, equipment, and services. Their strategic importance has been apparent in every war in which the United States has become engaged, and would be again.

On behalf of BIZZ JOHNSON, with whom I originally cosponsored this resolution, I wish to thank all our colleagues below who have joined in recognizing our ports. In setting aside a week to focus on our ports, all Americans may be proud of the important contributions made by those who work in our national ports.

The colleagues follow:

Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Ambro, Mr. Anderson of California, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Archer, Mr. AuCoin, Mr. Bafalis, Mr. Bailey, Mr. Beard of Rhode Island, Mr. Benjamin, Mr. Bethune, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mrs. Boggs, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Bowen, Mr. Breaux, Mr. Brooks, Mr. Buchanan, Mr. Burgener, Mr. John L. Burton, Mr. Campbell, Mr. Cavanaugh, Mr. Chappell, Mr. Clausen, Mr. Clay, Mr. Coelho, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Coughlin, Mr. D'Amours, Mr. Robert W. Daniel, Jr., Mr. Davis of Michigan, Mr. Davis of South Carolina, Mr. de la Garza, Mr. Dellums, Mr. Derrick, Mr. Dicks, Mr. Diggs, Mr. Dingell, Mr. Dodd, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Duncan of Oregon, Mr. Duncan of Tennessee, Mr. Early, Mr. Eckhardt, Mr. Edgar.

Mr. Edwards of Alabama, Mr. Emery, Mr. Evans of Delaware, Mr. Evans of Georgia, Mr. Evans of Virgin Islands, Mr. Fary, Mr. Fazio, Ms. Ferraro, Mr. Fish, Mr. Fithian, Mr. Florio, Mr. Flood, Mr. Foley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Fuqua, Mr. Garcia, Mr. Gephardt, Mr. Giaimo, Mr. Gilman, Mr. Ginn, Mr. Goldwater, Mr. Gonzalez, Mr. Gramm, Mr. Gray, Mr. Guarini, Mr. Hance, Mr. Hanley, Mr. Harris, Mr. Harsha, Mr. Hawkins, Mr. Heftel, Mr. Hinson, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Ms. Holtzman, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Kazen, Mr. Kemp, Mr. Kostmayer, Mr. Lagomarsino, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Lederer, Mr. Livingston, Mr. Lloyd, Mr. Long of Louisiana, Mr. Long of Maryland, Mr. Lott, Mr. Lowry, Mr. Lungren, Mr. Markey, Mr. Marks, Mr. Mathis, Mr. Matsui, Mr. Mavroules, Mr. McCormack, Mr. McDade, Mr. McDonald, Mr. Mica, Ms. Mikulski, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Montgomery, Mr. Moore.

Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of Illinois, Mr. Murphy of Pennsylvania, Mr. Murtha, Mr. Myers of Pennsylvania, Mr. Nichols, Mr. Nolan, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rahall, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Roberts, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Rose, Mr. Rostenkowski, Mr. Royer, Mr. Russo, Mr. St Germain, Mr. Santini, Mr. Scheuer, Mr. Shannon, Mr. Shumway, Mrs. Snowe, Mr. Snyder, Mr. Solarz, Mrs. Spellman, Mr. Spence, Mr. Stack, Mr. Stanton, Mr. Stark, Mr. Stewart, Mr. Stokes, Mr. Stratton, Mr. Synar, Mr. Thompson, Mr. Traxler, Mr. Treen, Mr. Trible, Mr. Van Deerlin, Mr. Vander Jagt, Mr. Vanik, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Whitley, Mr. Bob Wilson, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Wyatt, Mr. Yatron, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Zablocki and Mr. Zeferetti.

PURSUANT TO CLAUSE 4 OF RULE XXII OF THE RULES OF THE HOUSE OF REPRESENTATIVES, THE FOLLOWING SPONSORS ARE HEREBY ADDED TO H.J. RES. 303

Mr. Akaka, Mr. Ambro, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Archer, Mr. AuCoin, Mr. Bafalis, Mr. Benjamin, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mrs. Boggs, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Bowen, Mr. Burgener, Mr. John L. Burton, Mr. Cavanaugh, Mr. Chappell, Mr. Clausen, Mr. Clay, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Cotter, Mr. Coughlin, Mr. Davis of Michigan, Mr. Diggs, Mr. Dingell, Mr. Dodd, Mr. Donnelly, Mr. Dornan, Mr. Duncan of Oregon, Mr. Duncan of Tennessee, Mr. Early, Mr. Eckhardt, and Mr. Edgar.

Mr. Evans of Georgia, Mr. Fary, Mr. Fish, Mr. Fithian, Mr. Florio, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Garcia, Mr. Giaimo, Mr. Gonzalez, Mr. Gramm, Mr. Hanley, Mr. Harsha, Mr. Holland, Mr. Hollenbeck, Ms. Holtzman, Mr. Hubbard, Mr. Hughes, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Kazen, Mr. Kemp, Mr. Kostmayer, Mr. Lloyd, Mr. Long of Maryland, Mr. Lowry, Mr. McDonald, Mr. Markey, Mr. Mathis, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Murtha, Mr. Nichols, Mr. Nolan, and Ms. Oakar.

Mr. Patterson, Mr. Pease, Mr. Peyser, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Robinson, Mr. Rose, Mr. Royer, Mr. Russo, Mr. St Germain, Mr. Santini, Mr. Shannon, Mr. Spence, Mr. Stanton, Mr. Stewart, Mr. Stratton, Mr. Synar, Mr. Traxler, Mr. Trible, Mr. Vanik, Mr. Vento, Mr. Weiss, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Wyatt, and Mr. Yatron.●

TANA KAY CARLI

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. REGULA. Mr. Speaker, I extend my congratulations to Miss Ohio of 1979—Tana Kay Carli of Alliance—who, on Saturday night past, was chosen first runnerup to Miss America, Cheryl Prewitt of Mississippi.

Tana, a strikingly attractive resident of the 16th Congressional District, is the fourth Miss Ohio in the last 5 years to finish among the top 10 semifinalists of the Miss America Pageant.

We in the Buckeye State are proud of our young women whose beauty, intelligence and talent are recognized throughout the Nation. Ohio has produced six

Miss Americas—more than any other State.

Tana, who was graduated from Marlington High School with a 3.9 scholastic average, went on to study economics at Akron University where she was graduated magna cum laude.

She missed becoming Ohio's seventh Miss America by the slimmest of margins, having scored heavily in the talent competition with her musical ability and charming personality.

Miss Carli will continue to travel throughout Ohio and the Nation during her reign, having vowed to "be the best possible Miss Ohio I can."

I conclude these remarks by paying a respectful tribute to this impressive young woman who dedicated her energies and considerable talents in quest of the title of "Miss America."

Her achievements have brought pride to her family, friends and home community.●

LIABILITY FOR MEXICAN OIL SPILL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. SKELTON. Mr. Speaker, many people are concerned about the liability relating to the recent Mexican oil spill that has caused considerable damage to the American coast and industry located there. As a result of an inquiry I made to the CRS of the Library of Congress, Daniel Hill Zafren wrote the following analysis. I wish to share it with my colleagues.

It states as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

OVERVIEW OF THE LIABILITY UNDER INTERNATIONAL LAW FOR DAMAGE TO THE UNITED STATES CAUSED BY AN OIL SPILL EMANATING FROM A MEXICAN OIL WELL BLOW-OUT

On June 3, 1979, the Petroleos Mexicanos exploratory well in the Bay of Campeche region suffered a blow-out. The oil spill, described as the largest ever, has been moving northward up the Mexican Coast, and due to current and wind directions poses a threat of washing the heaviest concentrations of oil ever on beaches of the United States.[1] This report presents a general overview of the liability of the Mexican Government to the United States for any damages incurred thereby, including the cost of the clean-up.

An initial survey of treaties dealing specifically with oil pollution [2] appears to indicate that oil pollution caused by oil well mishaps are not covered. Such treaties seem to be concerned primarily with oil pollution from vessels, apparently because heretofore such problems have been attributed to that cause. However, there would seem to be relevant treaty provisions and customary international law principles upon which a persuasive argument can be made that Mexico is liable for all damages sustained by the United States attributable to this Mexican oil spill.

Whether the particular oil well is located within the claimed territorial limits of Mexico [3] or on the continental shelf adjacent thereto, Mexico would, under existing international law, have exclusive sovereign rights as to the manner and mode of exploration and exploitation of the oil therein. Yet, that sovereignty has been relinquished to a certain degree through multilateral treaties to which Mexico is a party. Seemingly relevant to oil pollution in the present context, one can point to Art. 5(7) of the Convention on the Continental Shelf [4] which provides that a coastal State in the safety zones established around continental shelf installations "is obliged to undertake, in such zones, all appropriate measures for the protection of the living resources of the sea from harmful agents." "This is a rather narrow concept of the coastal state's responsibility, but perhaps safeguarding living resources of the sea would also have the effect of maintaining the total marine environment of which the living resources are but a part and in this context perhaps not the most important." [5] It is also provided in Art. 3 that the "rights of a coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas". A more explicit duty of nations as to pollution by oil of the high seas appears in Art. 24 of the Convention on the High Seas: [6]

"Every State shall draw up regulations to prevent pollution of the seas by the discharge of oil from ships or pipelines or resulting from the exploitation and exploration of the seabed and its subsoil, taking account of existing treaty provisions on the subject."

In spite of any duty or responsibility prescribed by treaty or otherwise with respect to any pollution resulting from exploiting natural resources by Mexico, Mexico would appear to be liable under principles of international law to other nations which suffer harm as a result of pollution from activities within its jurisdiction.

The notion of nation responsibility for pollution, having roots in both Roman law and the common law concept of nuisance, is a natural outgrowth of one of the basic premises upon which nation responsibility rests and which is embodied in the general and well-recognized principle of international law—one must so use his own as not to do injury to another.[7] In the *Trail Smelter Arbitration*,[8] Canada was held liable to the United States for damages for injury done in the United States by fumes carried by the winds from a privately owned and operated Canadian smelter, and was required to prevent such damage in the future. In the *Corfu Channel Case*,[9] the International Court of Justice placed Albania's liability to Great Britain for failure to notify British ships about mines in the Albanian waters of the Corfu Channel, which exploded and damaged the ships, on certain general and well-recognized principles, including "every State's obligation not to allow knowingly its territory to be used for acts contrary to the rights of other States." Based on this case, "it might even be said that prima facie State responsibility attaches for the injurious polluting effects of conditions created on State territory by trespassers of which the territorial sovereign has knowledge or the means of knowledge," [10] Discussing the proposed codification of international law in 1949, the United Nations Secretariat wrote: "There has been general recognition of the rule that a State must not permit the use of its territory for purposes injurious to the interests of other states in a manner contrary to international law." [11]

In conclusion, based on the strength of international law precedents, it is arguable that Mexico is liable under international law for any and all damage sustained by the United States proximately resulting from the oil spill caused by the blow-out of the Mexican oil well.

DANIEL HILL ZAFREN,
Deputy Chief, American Law Division.

FOOTNOTES

[1] For example, see The New York Times, August 14, 1979, A12. For information on United States response and efforts, see 125 Cong. Rec., July 20, 1979, pages 19714–19716.

[2] For example, International Convention for the Prevention of Pollution of the Sea by Oil, May 12, 1954 (1961) 12 U.S.T. 980.

[3] The United States presently does not recognize any nations' claim beyond three miles.

[4] April 29, 1958 (1964), 15 U.S.T. 471.

[5] William T. Burke, Richard Legatski, and William W. Woodhead, *National and International Law Enforcement in the Ocean* 53–54 (1975).

[6] April 29, 1958 (1962), 13 U.S.T. 2312.

[7] Hickey, Jr. *Custom and Land-Based Pollution of the High Seas*, 15 San Diego L. Rev. 409, 422 (1978).

[8] Trail Smelter Arbitration, 3 U.N. Rep. Int. Arb. Awards 1905 (1949); 35 Am. J. Int. L. 684 (1941).

[9] Corfu Channel Case, [1949] I.C.J. 4, 22.

[10] Hickey, Jr., *supra* note 7, at 428.

[11] United Nations Secretariat, *Survey of International Laws* 34, U.N. Doc. A/CN. 4/1/Rev. 1 (1949).

CLARIFICATION OF H.R. 4986

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ABDNOR. Mr. Speaker, I would like to take this opportunity to clarify my position in regard to H.R. 4986, the Consumer Checking Account Equity Act of 1979, and at the same time register my displeasure at the manner in which this bill was brought before the House.

In my estimation, any bill which ends the longstanding prohibition of interest bearing demand deposits and will drastically alter consumers' habits regarding financial services, is of such importance as to be deserving of consideration under the regular rules of the House, rather than under a suspension of the rules.

I happen to be a cosponsor of H.R. 4986 and a proponent of the provisions of the bill which authorize the continuation of share draft accounts for credit unions and electronic funds transfers for commercial banks. However, I am equally opposed to the section of the bill which provides nationwide authorization for NOW accounts.

If this bill would have been considered under an open rule, Members of this body would have had an opportunity to express themselves on each of these vital provisions. I have always served in this body under the assumption that only minor bills are considered under suspension of the rules—not financial measures of serious magnitude and repercussion. Had the suspension tactic not been used, I would have strongly supported an amendment to delete the authorization of NOW accounts. Once on record on this particular issue, I would have then cast my vote in favor of share drafts and automatic funds transfers. However, given only the up or down vote, I had no other choice than to vote against final passage as an indication of my opposition to

NOW accounts and the manner in which the bill was considered.

I would respectively suggest that in the future this body refrain from using the suspension procedure as a "catch-all" and an easy method of considering such important legislation. The citizens of this Nation are deserving of more.●

THE INIMITABLE BARRY GOLDWATER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, I think you will agree with me that Senator BARRY GOLDWATER of Arizona is a man who says what he thinks. Recently, the Republican Study Committee published an interview with Senator GOLDWATER that shows he remains the unique and refreshing individual who turned American politics upside down 15 years ago. Since almost every political figure in the United States is using rhetoric today that would make the BARRY GOLDWATER of 1964 look like a moderate liberal, it would seem that his so-called "radical" views of the past were simply mainstream views just a bit before their time.

At this point I wish to insert in the RECORD, "What Would the United States Be Like Today?", an interview with BARRY GOLDWATER published in the bulletin of the Republican Study Committee, September 7, 1979:

"WHAT WOULD THE UNITED STATES BE LIKE TODAY?"

Fifteen years ago this fall, two Presidential election campaigns were moving into their final strategies. It turned out to be a bitter fight, and the conservative Republican platform was overwhelmingly defeated.

Lisa Bell, Bulletin editor, recently interviewed Senator Barry M. Goldwater on his feelings about what the U.S. might be like today if he had won the election fifteen years ago. Below is an edited text of the interview.

LB. I'm extremely pleased that you allowed me the opportunity to talk with you today. I got to thinking how vastly different the U.S. would be if, in fact, you had won in '64 and again in '68, and I wanted to ask what philosophical seeds you would have planted back then to redirect the course set by the previous administration. Such as, what was at the top of your priority list, had you won in '64?

BG. Well, in '64 that would have been the end of the war in Vietnam, and I would have ended that war within a month. I don't think it would have taken more than one weekend the way I would have done it. But that would have stopped the Vietnam protests before they really got started, it would've kept this country from going through what I think has been its most devastating period since the war between the states. We may never get over Vietnam because of the young people that are now assuming position in government whose minds were radically changed by Vietnam.

LB. It seems as though the government is still growing by leaps and bounds, and the arm into the private sector keeps getting longer; how would you have acted specifically to limit the growth that we have seen today? My favorite examples are OSHA, welfare, food stamps. . . .

BG. I would have gone to the American people and told them precisely what was going to happen, that we couldn't stop inflation if we kept these expensive programs up, programs that I don't think have done one bit of good. I remember Franklin Roosevelt talking about a third of the people being in poverty. I still hear Ted Kennedy talking about a third of the people being in poverty. I don't believe that. I think this country is better off than any country in the world, yet the government . . . well, take the food stamp program—my wife can get food stamps if she wants to! We're spending $8 billion a year of the money people work their hearts off to get, and giving it to people who won't work. I don't believe in that. I believe in taking care of people who can't take care of themselves or take care of themselves well. That was Lincoln's idea. It's my thought. We have become a welfare state. Now, I have grave doubt that we can get out of it. I think we're going to go through what England is going through. They demanded a change but when the change started, people said unh-unh, don't cut so it hurts me, cut so it hurts the other guy. And I don't know if we will ever see the end of inflation in this country or the end of the welfare state.

LB. I read recently that we've finally reached the point where HEW's budget alone is the third largest in the world being succeeded by only the total U.S. government and the U.S.S.R.'s government.

BG. Well, just take the cost of education. I can remember when the clamor was for federal aid to education, and I opposed it because I didn't want Washington, D.C. running the schools in Arizona. We have federal aid to education now, and the worst educational system in the world—that's at the elementary level . . . without a doubt the worst education we've ever had in this country, and yet we're spending tens of billions of dollars on it and we're watching a teachers' union force an education department down the throats of the American people.

LB. The '64 platform mentioned the accommodations for the Communists sought by the Johnson Administration—whose campaign accent was basically on peace, prudence, and prosperity—and noted that the concessions were granted without adequate safeguards and compensations for freedom. It mentioned alienating proven allies and playing up to sworn enemies. I think it's interesting that the situation with the Russians back then parallels and precedes by 15 years the Carter Administration's China policy. . . .

BG. Well, I think we can say that the foreign policy of the United States started to fall apart when John Foster Dulles and Dwight Eisenhower left the scene, because under a succession of Democrat presidents we've constantly caved in to the demands of the Communists. We did not do anything to help Cuba; we lost the war in Vietnam thereby losing Asia to the Communists; the most recent example of foolishness is the loss of Nicaragua; and I'll make this prophecy, that in 5 years Central America will be Communist-dominated, like Cuba. We don't have the ability in the State Department to understand this situation. They're not Communists, they're not Communist-sympathizers; they just don't know what they're doing, and we have a president today who knows less. And we had Johnson who was scared to death. Kennedy, I think, had he lived, would've proven to be good in foreign policy in spite of his Bay of Pigs fiasco where he lacked the courage to do what he should have done. I hope to God that the next President will be a Republican and that he will know enough about foreign policy to start retrieving the position that the United States has lost. And don't fool the American people. We are second to the Russians. We are not second by a little bit, but second by a lot. I don't know if we can catch up.

LB. What did you as an amateur radio operator think about the fact that for a period of time when Iran was falling, the only Washington-Tehran communication was via Florida and a ham radio operator?

BG. Well . . . again, it's a typical weakness of the State Department not to provide its Embassies with total and complete communications with the United States. You drive out Massachusetts Avenue and on nearly every Embassy building you'll see a big antenna. Now, that's not up there for television, it's up there to talk to the home country. And I've been in not many but a lot of our foreign embassies that have no links with the headquarters here. This is typical.

LB. Again, had you won 15 years ago, how many more friends around the globe would we have today?

BG. We wouldn't have lost any friends. And we would have gained friends. We are losing friends now almost faster than you can realize and we're losing friends that we should never lose. But keep in mind that a country goes to where the strength is and when they see the United States faltering and slipping they're not looking to us anymore as having the ability to protect them as allies or to even protect ourselves. So they side with the Russians, or are more friendly to the Russians.

LB. What do you think about the men of the Energy Department? I know Schlesinger used to be with Defense . . .

BG. Well that's another thing I would've accomplished. Because we knew in 1952 that this country was headed for an energy problem. I would have removed all controls that existed at that time over gas and oil, production and selling. We haven't had a President since that time with enough guts to say "remove the controls" because they were advised, as Carter is being advised, if you do that prices are going up and the oil companies will make a lot of money. Well, my God, that's the idea of American business—to make a lot of money so that they can put a lot of people to work. I don't think Carter's energy idea is going to produce one thimble full of gasoline. Now, synthetic fuels—yes, we can do that, in fact I would've had synthetic fuels going. South Africa lives on synthetics, Germany ran a pretty good war on synthetic fuels. We should've done it too.

LB. What would our energy and power sources be like today? Would there be more nuclear and solar, or what do you think we would have?

BG. Well, we're not far enough along nor would we have been had we started solar work at that time to produce electricity for homes. We're getting there. We're still a few years away. We had stopped, by then, building hydroelectric dams or generating plants and dams, so we would have had more nuclear power than we have today. Now I look at nuclear power as an interim source of power, between that period when we have no other sources and that period when we've achieved the full use of the atom. And when that day comes you can forget about electric power forever.

LB. Where do you think the economy would be today—domestically, internationally?

BG. Well, you can't say with accuracy what would things be like 15 years from then or from now because economics is not just the science of dollars and cents. When psychology enters the field, then the economist is lost . . . I like to think the economy would have been on sounder ground, because I would have insisted on tax benefits for the wage earner and for corporations and for the companies, urging them to reinvest their money—which is the only way this country can ever grow . . . and we haven't done any of that in those years.

LB. You are such an extreme contrast to

our current president, you know where you're going, where you're coming from and you're not everything to every man. How would you evaluate Mr. Carter's overall performance so far?

BG. Mr. Carter, in my opinion, has one bad trait. He's not what I would call an honest man. Not that he would steal; not that he would cheat; but he doesn't tell the truth nor does he speak with consistency. He does things today he said yesterday that he wouldn't do. He ran a campaign on things that appeal to Americans, yet he is doing things today that do not appeal to Americans. So if he's a born again Christian I think he'd better go back to being an old-time Christian, because they're honest.

LB. Do you think the timing is about right for a conservative victory in '80?

BG. I think if we don't have a conservative victory in the House and Senate and in the White House, I'll give this country five years.

LB. Senator, what is your gut level feeling about the current status and the future of the United States?

BG. I just told you. I have a book coming out in October in which I spell it out. I think we'll have a government; we may not be as free as we'd like. We'll have an economy, but it will be so beset by inflation that we'll have an average income of maybe $300,000 a year. Unless we get this country in hand, unless we get this government in hand and cut out all this foolish bureaucratic control . . . unless we can slow down inflation, I say five years. Now I may be short, it might take ten; but I think this country is headed down the long tube until somebody has the guts to stand up and say, look American people, here's where we are, and I am not fooling you. But I don't see Carter ever being able to do that.

LB. Who would you like to see come in, in '80?

BG. Any good Republican, or any good Democrat . . . that can lead.

LB. Is there anything else you'd like to comment on?

BG. It's perfect, I hope they'll let you print it.

LB. I think so.

BG. Well, you can't be everything to everybody. You've got to take positions, and I'm tickled to death that I was born with a mother and an uncle that drilled that into me. I can sleep at night; I don't have to wake up in the middle of the night and say, "Damn, what did I tell that guy this morning?" I hate to leave you but we've got intelligence hearings going on.

LB. Thank you very much.

BG. Thank you.●

THE 1979 NOBODY'S PERFECT AWARD TO PHILIP HEYMANN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, New York Times columnist, Pulitzer-Prize winner, William Safire, recently listed the major cases in which the performance of Chief of Criminal Division of the Justice Department, Philip Heymann, is something less than laudatory. The cases are: The Vesco bribe, the Lance case, Koreagate, the Marston affair, the Carter warehouse money, and the Jordan cocaine case. That is quite a list, Mr. Speaker and should win for Mr. Heymann, the 1979 "Nobody's Perfect Award."

At this time I wish to insert in the RECORD, "Cover-Up Scorecard" by William Safire, New York Times, September 10, 1979:

COVER-UP SCORECARD

(By William Safire)

WASHINGTON.—Philip Heymann, Chief of the Criminal Division of the Department of Justice—who boasts of his experience as a special prosecutor investigating Republicans—has been leading the Carter Administration fight to prevent the appointment of special prosecutors to investigate Democrats.

The thin-skinned ex-Harvard professor has been derogating the Ethics in Government Act, which mandates court-appointed independent prosecutors to handle charges against high officials. Mr. Heymann wishes us to believe he can do better. His record:

1. The Vesco bribe accusation. A fugitive financier paid $10,000 to a crony of Hamilton Jordan's to get President Carter to intercede in his behalf. When a Carter aide made the approach, President Carter—instead of blowing the whistle on an apparent bribe—wrote his Attorney General a note directing him to see the possible fixer.

Because it could not ignore columnist Jack Anderson's revelations, Justice grudgingly convened a grand jury. After 11 months, the grand jury foreman went public with charges of "cover-up." He was disgusted with Justice's foot-dragging to protect the White House.

In a meeting called to allay suspicion that Justice prosecutors were obstructing the grand jury, Mr. Heymann admitted that he considered the sworn testimony of a key White House aide to have been untruthful.

When this admission was accurately reported by Edward Pound of The New York Times, Mr. Heymann issued an artful statement claiming he had never actually used the word "perjury" in connection with Mr. Carter's aide. With that narrow denial, Mr. Heymann tried to placate the White House and mislead the public, but the truth is that the chief criminal law enforcement officer of the U.S. led several witnesses to believe that a Special Assistant to the President had lied under oath.

2. The Lance case. Exactly two years ago—in September, 1977—Justice was handed the evidence of Lance wrongdoing by the S.E.C. and Treasury's Controller of the Currency. Result: the Treasury Secretary fell from favor, the S.E.C. enforcement chief's career has been blocked, and all the Justice officials forced to work on the case have fled.

The indictment was returned in May of this year, breaking little new ground. The politically embarrassing trial is not scheduled until late January of next year, and is likely to be postponed further, until after the early primaries. The venue will be most favorable to the President's friend.

3. Koreagate. This case hinged on the ability to convict former Congressman Otto Passman of taking over $200,000 in bribes, and then to turn him into a witness against a dozen other Congressmen. But Mr. Heymann's Criminal Division—to the amazement of the District of Columbia judge—permitted the bribery charge to be tied to an income tax charge, which automatically enabled Mr. Passman to change the venue to his home town in Louisiana.

As predicted here, Mr. Passman was promptly acquitted, and—thanks to the ineptitude of Mr. Heymann's "Public Integrity Division"—twelve bribetakers now sit safely in Congress.

4. The Marston affair. When corrupt Congressman Joshua Eilberg called President Carter to demand that he fire the Republican prosecutor who was closing in on him, the President told Justice to do just that. Mr. Heymann has suppressed the F.B.I. report on this suspected obstruction of justice. Inquiring Congressman Bob Walker (R.-Pa.) is told only that the President has been "exonerated," but the embarrassing report must remain secret because it "contains information that is inextricably intertwined with other current criminal investigations."

5. The Carter warehouse money laundry. Only when prodded in this space to "follow the tangent" did Mr. Heymann permit Lance investigators to follow leads into questionable fund-raising by the Carter family. The Ethics in Government Act was circumvented, because cover-uppers at Justice did not want a panel of judges to pick an aggressive, independent prosecutor; under pressure the Carter men chose amiable Paul Curran, and sought at first to restrict his powers, with his acquiescence. Press agitation stopped that nonsense, and now the probe is ambling along. (The long delay in the related Lance case, however, means that no heat is being applied to Lance to induce him to cooperate in the Carter warehouse case.)

6. The Jordan cocaine charge. Last year, when Presidential Drug Adviser Peter Bourne was caught fraudulently prescribing drugs, he told newsmen that illicit drug use was frequent among Carter staffers. But Philip Heymann decided not to send a single F.B.I. investigator to question Mr. Bourne; his apparent crime was shrugged off.

Were it not for the new Ethics in Government Act, that is exactly how Mr. Heymann would be handling the accusations of cocaine use against the President's Chief of Staff. D.C. drug sleuths conduct well-publicized busts against newsletter writers, but have no inclination to follow the white stuff into the White House.

The record of the Carter Department of Political Justice has been a series of grudging investigations, unconscionable foot-dragging, suspicious ineptitude and self-righteous posing. No wonder Philip Heymann resists the appointment of special prosecutors now required by law; they might even investigate, prosecute and convict a Democratic public official.●

MORE SUPPORT FOR HECKLER HEALTH BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mrs. HECKLER. Mr. Speaker, I would like to enter into the RECORD several letters I have received in support of my bill, H.R. 4015, the Veteran Senior Citizen Health Care Act of 1979, which passed the House unanimously on June 5 and which is now pending in the Senate.

This is the second in a series of publications of selected letters from among the large number I have received since we acted on this important and priority legislative initiative. The many letters are most lauditory of this distinguished body for its enthusiasm in passing H.R. 4015.

The distinguished senior Senator from California, the Honorable ALAN CRANSTON, who is chairman of the Veterans' Committee, tentatively has scheduled a hearing on H.R. 4015 and its companion measure, S. 1523, by the Honorable STROM THURMOND, for October 10 in Room 457 of the Russell Senate Office Building—this is a rescheduling of the hearing, from September 19.

Senator CRANSTON and Senator THURMOND are well known for their concern and commitment to the veteran, his widow and orphan. Their concern for all senior citizens also is widely known. As one who shares that deep concern and commitment, I am pleased to commend both Senator Cranston for scheduling this hearing and Senator Thurmond for introducing this measure in the Senate.

To date, I have published letters of support, endorsement and advocacy from the Regular Veterans Association, American College of Nursing Home Administrators, the dean of the school of medicine at Stanford University, the director of the division of geriatric medicine at George Washington University, and the American Legion.

Today, I am publishing letters from a disabled Vietnam veteran, the Veterans of World War I, the chief of the section on biomedical gerontology at Boston University Medical Center, the National Citizens' Coalition for Nursing Home Reform, the Charles River Hospital in Wellesley, Mass., and the Veterans of Foreign Wars of the United States.

Today's letters are as follows:

Frazeysberg, Ohio,
September 3, 1979.

Dear Representative Heckler: I am a disabled Vietnam veteran and very concerned with what takes place in Congress regarding veterans' affairs.

I wish to congratulate and thank you for your efforts which saw passage in the House of your Veteran Senior Citizen Health Care Act of 1979. This is a great accomplishment on your part, and all those members who voted in favor are to be congratulated also. This is a great tribute to all of America's veterans.

Thank you again.

Sincerely yours,
Walter E. Davis.

Veterans of World War I
of the U.S.A., Inc.
Alexandria, Va., June 19, 1979.

Hon. Margaret M. Heckler,
Cannon House Office Building,
Washington, D.C.

Dear Congresswoman Heckler: Thanks for your letter dated June 15th relative to the passage of H.R. 4015 and in behalf of all World War I veterans, I wish to express our sincere appreciation for your interest in senior citizens which automatically includes all World War I veterans.

We are most appreciative of your support for all benefits in behalf of World War I veterans and offer our services in any way possible to assist in the effort you have exerted in our behalf.

Personal regards and best wishes.

Sincerely,
Floyd E. Henderson,
National Commander.

Boston University Medical Center,
Boston, Mass., July 5, 1979.

Hon. Allen D. Cranston,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Cranston: I would like to comment on the Geriatric Health Services Act. This bill proposes to expand the Veterans Administration's role in geriatric research and training. It would increase the number of geriatric research and clinical centers from 10 to 20 and establish the position of Assistant Chief Medical Director for Geriatric and Extended Care to coordinate all VA geriatric research education and clinical operations. It would reinstate the advisory group for GRECC's which has been allowed to lapse and provide a $15,000,000 authorization for 1980.

The VA should provide leadership in research on aging. The aging of the veterans' population presents a real and immediate problem, and a responsibility that they can not escape. In contrast to the National Institutes of Health, the Veterans Administration has clinical facilities and research laboratories geographically located together. The NIA is not in a position to do certain types of clinical investigation well, particularly the development of new therapies for the arrest and prevention of senility. The time to do something about senility is now, in the VA's. The VA's relations to academic institutions are unique. Academic institutions have not developed the close relationships with community long-term care institutions that exists with the VA. The existing GRECC's, such as Palo Alto, Wadsworth, Seattle, Minneapolis and Bedford, have each in their own way made progress towards creating exciting centers for research on aging.

At times it has been an uphill battle. There is no question but that the drive for GRECC's within Central Office noticeably decreased when Paul Haber moved upstairs. The present program does not have strong leadership. The major support has come from long-term care, and not from research services, who have been more concerned for the principles of peer review than with the problem of recruiting and funding excellence within the GRECC's.

Central Office doesn't like this bill. It plays havoc with their organizational charts. They say, "Just give us the money." If you do that, much of the money will just disappear into the conventional existing hospital programs, which is what has happened to some degree already. Representative Heckler's bill makes the VA accountable for doing something about aging and the aged. It provides a mechanism by which basic science groups, such as my own, can bring our findings to clinical testing without the obstacles posed by NIH peer review, which does not feel the same immediacy about aging and senility as a problem.

I would urge early hearings and support of this legislation.

Sincerely,
F. Marott Sinex, Ph. D.

National Citizens' Coalition
for Nursing Home Reform,
Washington, D.C., June 19, 1979.

Senator Alan Cranston,
Senate Committee on Veterans Affairs, Senate Office Building, Washington, D.C.

Dear Senator Cranston: We strongly support H.R. 4015, the Veterans Senior Citizen Health Care Act of 1979, introduced in the House of Representatives by Representative Margaret Heckler, passed and referred to your committee. The bill would give statutory authority and funding to the system of geriatric research centers under the Veterans' Administration.

In addition to improving care for the millions of veterans who are now 65—or will soon be—H.R. 4015 would also encourage the development of medical school programs in geriatrics. It would stimulate research and interest in a field which has been greatly neglected in this country. While other developed countries such as Great Britain and Sweden have long provided such education for their doctors in training, the United States has lagged far behind; as a result, most schools do not have a single course in geriatrics and only a few of these have actual programs. Few doctors are prepared to deal with the ten percent of the population over 65 whose medical care takes nearly a third of the nation's health care dollars.

The Coalition is a national, non-profit membership organization, formed in 1975, to improve the long-term care system and the quality of life for nursing home residents. A crucial aspect of reform is the education and training of nursing home personnel.

We sincerely hope that your committee will give this bill a high priority and a favorable report. Please let us know if you need additional information of assistance.

Sincerely,
Elma L. Griesel,
Executive Director.

Charles River Hospital,
Wellesley, Mass., July 6, 1979.

Margaret M. Heckler,
One Washington Street,
Wellesley, Mass.

Dear Congresswoman Heckler: Thank you for forwarding the Carter Hospital Cost Bill. Our financial administrator, Mr. Peter Melencio, appreciates having the opportunity to review the contents.

Congratulations on your achievement with the Veteran Senior Citizen Health Care Act of 1979. As a mental health care facility, we are concerned with meeting the needs of geriatric patients. It is encouraging to know that our legislators are also concerned.

Sincerely,
Jeanne Marriner,
Communications Coordinator.

Veterans of Foreign Wars,
of the United States,
Washington, D.C., July 27, 1979.

Hon. Margaret M. Heckler,
Committee on Veterans' Affairs, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Margaret: Thank you for your letter with respect to the "Veteran Senior Citizen Health Care Act of 1979" and enclosure thereto in the form of a supportive resolution passed by the Disabled American Veterans at their recent national convention.

It pleases me to advise you that during the 80th National Convention of the Veterans of Foreign Wars of the United States, to be held in New Orleans, Louisiana, between August 17 and 24, we will consider a resolution fully supportive of both your bill, H.R. 4015 and the companion bill, S. 1523 introduced by the Honorable Strom Thurmond in the United States Senate.

On behalf of our membership, and all veterans, permit me to express our appreciation for your aggressiveness in shepherding through the House of Representatives this urgently needed legislation.

With best wishes and kind personal regards, I am

Sincerely,
Donald H. Schwab,
Director, National Legislative Service.●

THE PROGRESS OF NEGOTIATIONS FOR AN ACCEPTABLE LAW OF THE SEA TREATY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MURPHY of New York. Mr. Speaker, for a number of years the United States has participated in the United Nations Conference on the Law of the Sea. While there are many important components to the draft treaty currently under discussion, perhaps the issue of utmost concern to all Americans involves the regime to be established for management of the mineral resources of the deep ocean seabed.

To understand why this is such an important issue, one need only look at the statistics, In testimony given before my committee, it has been estimated that ocean mining of known mineral resources started by 1985 could—by the year 2000—reduce U.S. imports of nickel from 77 percent to roughly 30 percent, reduce cobalt imports from 97 percent to zero, reduce manganese from 98 percent to zero, and supplement the amount of copper produced in the United States thereby significantly reducing the need for any import of this vital mineral.

Unfortunately, negotiations over issues such as assured access by U.S. citizens to these vital minerals and economic provisions compatible with our free market heritage have not been promising.

A well-timed and scholarly article that accurately reflects the issues presented by the dichotomy between what the treaty should provide and what it does provide was recently completed by our distinguished colleague, Congressman JOHN BREAUX. Congressman BREAUX has been vitally interested in this topic for several years and has been one of the leading spokesmen in the Congress in support of passage of domestic legislation that will serve as a statement to the rest of the United Nations negotiating parties.

Congressman BREAUX's article has been printed and copyrighted by the Virginia Journal of International Law which has graciously granted permission to reprint it here. I commend the article to all Members. I am sure that they will find it well thought out and most informative on this crucial issue. I believe that it will convince all Members that now, more than ever, is the time for the Congress to speak and enact the ocean mining legislation currently under consideration.

The article follows:

BREAUX, JOHN,* THE DIMINISHING PROSPECTS FOR AN ACCEPTABLE LAW OF THE SEA TREATY, 19 VA. J. INT'L L. 257 (1979)

I. THE CALCULUS OF ADVICE AND CONSENT

A. Statement of the problem

Out of the complexities of the deep seabed negotiations at the Third United Nations Conference on the Law of the Sea (Conference),[1] have emerged, with striking clarity, the issues upon which a future treaty would likely stand or fall in the U.S. Senate. Assured access by the United States to deep seabed resources, institutional arrangements consistent with fundamental U.S. political, economic, and strategic interests, and economic provisions compatible with free market precepts are likely to be the essential conditions for Senate approval. Other aspects of the treaty might provide some benefits to navigational and environmental interests; however, the deep seabed regime will be the decisive factor in Senate consideration of the treaty, because the long-term national interest requires assured access to deep seabed minerals and because institutional and economic aspects of the deep seabed regime would create significant precedents for future international arrangements.

B. The issue of access

The minerals found in the deep seabed include manganese, cobalt, and nickel: commodities essential to steel production, and consequently, vital to the national economy and security.[2] The United States lacks significant domestic sources of supply for these minerals.[3] In the cases of manganese and cobalt, both essential to the manufacture of high quality steel alloys, foreign supply sources are undependable.[4] Moreover, it appears that terrestrial manganese may be exhausted within thirty years.[5] Importation of nickel is more reliable, but is so extensive as to have a significant adverse effect on the national balance of payments.[6] Assured access to deep seabed mineral deposits could virtually satisfy the U.S. requirements for manganese and cobalt and could contribute substantially to meeting the nation's demand for nickel.[7] The national interest in that access is, therefore, clear.

Institutional aspects of the deep seabed regime, which is currently under negotiation, have a direct bearing on access. Rights to develop deep seabed resources would be granted or denied by the International Sea-Bed Authority (Authority).[8] Because its power probably would entail an element of discretion, the decisionmaking process in the Authority would be highly political. Thus, the relative influence of States in the system of governance could be critical to the issue of access of their enterprises to deep seabed resources. A system of governance dominated by a one-nation, one-vote Assembly, as contemplated by the Third World and reflected in the Conference negotiating texts,[9] would cast serious doubt on assured access by developed States.

The Enterprise, the operating arm of the Authority, would compete against private and State companies in the contemplated dual or parallel system and thereby could affect their access to the deep seabed.[10] Establishing and maintaining a competitive balance therefore appears crucial, but the Conference negotiating texts fail to achieve it. As the recipient of funding and technology provided to the Authority by States and private enterprises, as a tax-exempt international organization, as the beneficiary of inevitable institutional bias in the Authority, and for other reasons, the Enterprise would enjoy a privileged competitive position.[11] As a result, access by State and private enterprises to deep seabed resources could be substantially prejudiced, and perhaps destroyed.

The economic elements of the deep seabed regime would be of great significance to the issue of access. As reflected in the negotiating texts and the dominant trends of the Conference, the more important economic features of the regime include:

(1) Mandatory transfer of technology from private and State holders to the Enterprise, and perhaps, to developing countries;[12]

(2) A ceiling on seabed minerals production to protect land-based minerals producers;[13]

(3) Representation by the Authority of deep seabed production in international commodity arrangements;[14]

(4) Quotas or similar measures to establish limits on the number of mine sites which may be held by each State and its public and private enterprises;[15]

(5) A future moratorium on ocean mining of manganese nodules by States and private enterprises, pending successful renegotiation of the deep seabed regime;[16]

(6) Revenue-sharing with the Authority by private and State enterprises for the direct benefit of the Enterprise and developing countries;[17]

(7) Immunity of the Enterprise from national taxation;[18]

(8) State funding of the Enterprise shortly after the treaty becomes effective;

(9) A "banking system" through which State and private operators would be required to provide prospected or explored mine sites to the Authority for the direct benefit of the Enterprise or developing countries;[19]

(10) A moratorium on development of non-manganese nodule minerals, pending establishment of an agreed regime for them.[20]

A treaty containing these provisions would render significant access doubtful, at best. The prospects for Senate approval of the treaty are reduced accordingly.

C. The issue of precedents

The precedential impacts of the deep seabed regime have profound implications for the economic, political, and strategic interests of the developed States.[21] The international deep seabed is an area of common space and common use, as are the waters of the high seas, international airspace, air waves, outerspace, and Antarctica. Each of these common areas is vital. The position of the developed countries on the access issue is based on theories of international equity and political expediency, while the posture of the developing States is grounded on the concept of a fundamental redistribution of global wealth.[22] The theory that prevails in the debate over access to the deep seabed will greatly influence the resolution of the issue of access to other global common areas. This is a reality which is dictated by the aspirations and ideology of the Third World and by the willingness of the developed world to entertain and encourage them. The economic, political, and strategic implications for the developed world of the precedential effects of system of deep seabed access on other common areas are, therefore, profound. The very existence of an international seabed mining Enterprise would serve as the model for the future development of other common resources,[23] significantly affecting State and private mining operations. If the Enterprise also enjoyed a privileged competitive position, as the present Conference texts indicate, the implications would be quite serious.

The general theories applicable to the treatment of common areas also are relevant to matters with a more direct and pervasive effect on the distribution of global wealth. International commodity arrangements (ICA's)[24] and international financial development and monetary agreements would be affected by the institutional character of the deep seabed regime.[25] As pointed out, the system of governance of the Authority would establish the relative influence of member States in decisionmaking concerning the acquisition and distribution of deep seabed wealth. The Common Fund negotiations, future ICA's, and the structures of the World Bank and the International Monetary Fund necessarily would be affected[26] if, as the Third World demands and the Conference negotiating texts indicate, the system of governance were controlled by a numerical majority of States, and not by a device reflective of the realities of global producer-consumer, importer-exporter relationships. The developing countries increasingly are pressing for decisive control of international agreements in the name of the New International Economic Order.[27]

Institutional precedents in the ocean mining regime therefore could severely prejudice the ability of the United States to protect its interests as a major producer, consumer, importer, exporter, and participant in financial development, monetary, and resource agreements. Free market principles adhered to by the United States would suffer if global financial development, monetary, and resource arrangements turned toward Third World control and toward international enterprises, which might enjoy advantages over State and private operations.

Additionally, the proposed economic provisions for the deep seabed regime reflect the demands of the Third World which are based upon their conception of the New International Economic Order and establish models for future international agreements.[28] Each provision departs, sometimes radically, from established U.S. policy.[29] Thus, for example precedents in the deep seabed mining regime could affect the ability of U.S. citizens to export their technology to developing countries on freely negotiated commer-

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cial terms and conditions, and could set the stage for direct export controls on U.S. commodities. It is difficult, if not impossible, to reconcile the creation of such precedents with fundamental U.S. political, economic, and strategic interests and free market principles. It is doubtful that the Senate would agree to a treaty which would have such consequences.

II. ANALYSIS OF THE DEEP SEABED REGIME

A. Transfer of technology

Technology transfer has been a subject of intense negotiation at the Law of the Sea Conference. In 1976 Secretary of State Kissinger conceded in principle the transfer of technology to the Enterprise in exchange or a system of assured access to deep seabed resources.[30] Secretary Kissinger did not describe the conditions under which this transfer would take place, allowing the Third World countries to seize the initiative in implementing his concession.

The South demands the transfer of technology to the Enterprise and developing countries as a mandatory condition to State and private access to deep seabed minerals. The Third World believes that such mandatory technology transfer is essential to the participation of developing countries in ocean mining and to a functioning Enterprise.[31] In addition, mandatory technology transfer in the deep seabed regime represents an important element in the Third World's broader program for overall economic development.[32]

The North maintains that seabed mining technology would be available to the Enterprise and developing countries through normal operation of the international market place.[33] Nevertheless, the United States delegation, while believing that the Third World apprehensions are genuine although baseless, has, subject to Cabinet level review, conceded mandatory transfer "on fair and reasonable commercial terms and conditions" to the Enterprise, but not to developing countries.[34] Spokesman for the delegation minimize the adverse commercial consequences, the detrimental effect on technology development, and the negative precedential nature of mandatory transfer. They argue that (1) the mandatory transactions can be commercially fair and reasonable; (2) technological innovation can be protected; and (3) the deep seabed regime represents a unique situation lacking significant precedential effects.[35]

The South's fear that seabed mining technology might not be available to the Enterprise or to developing countries under normal market conditions is unfounded. States that are parties to the treaty would provide the funding to the Authority for the purchase of seabed mining technology. Furthermore, because State and private enterprises seeking licenses would provide the Authority with its choice, for the Enterprise or for developing countries, between two equally attractive mine sites and because most ocean mining technology is site-specific, mining companies would sell their technology to the Authority or developing countries to maximize profit.[36]

One cannot accept, therefore, the Third World view that mandatory transfer is a practical necessity. One must accept, however, the reality that a forced sale rarely is based on commercial terms and conditions; free negotiation is essential. The U.S. delegation's argument that mandatory transfer can be on fair and reasonable commercial terms and conditions is, therefore, contradictory.

The delegation's contention that technological innovation can be protected is clearly erroneous. The adverse commercial consequences inherent in mandatory transfer would necessarily discourage technological development. Implementation of mandatory transfer, therefore, would undermine a major U.S. interest in promoting and protecting technological development.[37]

Finally, mandatory transfer of technology would have significant precedential effects. The deep seabed regime will be a unique situation only if both the North and the South accept it as such. The Third World, however, asserts that mandatory transfer of deep seabed technology is only one aspect of the developing countries' right to advanced technology. In the negotiations to conclude an international Code of Conduct on Transfer of Technology, the Group of 77 [38] asserts that "technology is a part of universal human heritage and that all countries have the right to access to technology, in order to improve the standard of living of their peoples . . . . "[39] The Group of 77 regards technology transfer as an "effective instrument for the establishment of a New International Economic Order."[40] They maintain that "an international legally binding instrument is the only form capable of effectively regulating the transfer of technology."[41] The U.S. delegation to the Code of Conduct negotiations rejects these Third World positions, recognizing that capitulation to the Group of 77 would have negative effects on both the international sale and the domestic development of technology.

The problem of technology transfer is aggravated by Third World resistance to effective protection of proprietary rights. This resistance exists both at the Conference and in the Code of Conduct negotiations.[42] Justifying mandatory transfer of seabed mining technology on the theory that the seabed regime is unique not only ignores reality, but also erodes the general U.S. policy on technology transfer by creating an exception which conforms with the position of the Group of 77. Clearly the seabed regime is not unique insofar as the transfer of technology is concerned. The Third World demand at the Law of the Sea Conference is directed toward a wider goal and a concession by the North in those negotiations is a precedent for future arrangements concerning the developing countries' rights to advanced technology. Acceptance of the Third World position could be exceedingly costly for the United States,[43] a nation which relies on the development and sale of technology for a substantial portion of its foreign earnings and its gross national product. Also, the degree of centralization and artificial control in the Authority as presently structured in the negotiating texts would seriously damage the U.S. interests in promoting free market principles.[44] Finally, in terms of the kind of global interrelationships the United States should seek to foster, the acceptance of the concept of developing countries' rights to technology without corresponding developing countries' duties to protect proprietary information would be counterproductive. The model for international relations should be cooperation, but on the basis of acceptance of mutual rights and duties among developed and developing countries.

Considering all these factors, mandatory transfer of technology would be a serious deterrent to U.S. Senate approval of the treaty. Whether the provision by itself would be a sufficient condition for disapproval is unclear; however, in combination with other problems, mandatory transfer probably would be enough to tilt the scales against the treaty.

B. Production ceiling

Land-based producers of the minerals that will be exploited in the deep seabed insist that ocean mining production must be limited. These producer-States fear that absent a seabed production limit, ocean mining will adversely affect their economies. The ceiling issue cuts across North-South alignments: the North is divided on the issue while the South remains united.[45] Canada, a major nickel producer, is a proponent of production controls. Its insistence on seabed production limitations overshadows even the efforts of developing country cobalt, nickel, and copper producers, with the support of the full Group of 77, to achieve the same end.

Until recently the United States has strongly opposed seabed mining production controls, both in principle and in fact. The United States has preferred adjustment assistance and compensation for substantial loss of earnings by land-based producers resulting from deep seabed production.[46] Nevertheless, in 1976, the United States conceded the principle of seabed production controls.[47] As a practical matter, however, those controls were to be designed to have minimal impact on foreseeable seabed production: they would be linked to growth in the nickel market, yet a six percent minimum growth would be imputed.[48] The United States justified the concession as a measure calculated to respond primarily to developing, but not developed, land-based minerals producers.

In 1978, however, the U.S. delegation responded to pressure from Canada for a production ceiling that might limit deep seabed production. Subject to Cabinet-level approval, the delegation accepted a ceiling linked to the actual growth of the world nickel market.[49] In theory, such a link would provide real protection to both developed and developing producers of the minerals contained in manganese nodules.

Nonetheless, the production ceiling has three serious flaws from the U.S. standpoint: (1) to the extent that the ceiling may limit licensing of seabed mining operators, it is incompatible with meaningful assured access; (2) the ceiling is contrary to established U.S. economic policy concerning international restrictions on commodity production; and (3) the ceiling sets a negative precedent for future ICA's and for development of other international resources.[50]

First, the production ceiling threatens meaningful assured access because the growth of the world nickel market may fall to the point where seabed mining would be severely curtailed or halted.[51] Such a decline in the nickel market might reflect low demand for and high availability of nickel, but might not have any relevance to the availability of cobalt and manganese. These latter two minerals could be subject to interruptions of supply for political or other reasons. For example, the ceiling might prevent the United States from acquiring the manganese essential for domestic steel production. Also, another crisis in Zaire could adversely affect supplies of cobalt, a key material in the production of high technology items. Therefore, the ceiling cannot be reconciled with assured access which seeks to guarantee that interruptions of terrestrial supplies do not have a detrimental impact on the national economy and security.

Furthermore the production ceiling, which limits the number of mine sites, would lead to applicant selection based on the policies of the Authority. These policies include: stimulating developing country participation in mining; promoting Enterprise participation in mining; assuring equitable distribution of authorizations to mine; and protecting land-based producers.[52] These policies would cause applicants to propose joint ventures with developing countries or the Enterprise and the location of processing plants in less-developed countries. This would prevent the United States from capturing the direct benefits of the mining, even though U.S. companies might be involved.

The production ceiling is the functional equivalent of internationally imposed direct export controls.[53] The United States has never accepted such controls on its own production, although this country has joined in various

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commodity arrangements calculated to stabilize the supply and demand situation in the international market place.[54] The economic reasons for this policy are unassailable. By restricting supplies, production controls tend to distort markets, artificially raise prices, and result in short-term gains to producers to the disadvantage of consumers. The entry of new and potentially more efficient producers is thwarted, while inefficient producers are encouraged. The end result is a misallocation of resources. Additionally, diversification of supply is restricted or prevented and may cause vulnerability to politically motivated restraints on supplies or collusive agreements on pricing.[55] This would be especially detrimental for consumer States, many of which are developing countries, and therefore, extremely vulnerable. Moreover, in the long run, producer countries, a relatively small group of developed States, may not benefit.

Departing from the traditional U.S. stance on this issue in the Law of the Sea negotiations can have serious long-range effects on numerous areas of international agreement on commodities. As the largest consumer of raw materials, the United States has a great deal to lose from international production controls.

To argue, as do the proponents of the seabed production ceiling, that the deep seabed regime is unique ignores the fact that this perception is not shared by other countries[56] and disregards the adverse effects of the ceiling on access to ocean minerals.[57] This argument stands little chance of acceptance in the U.S. Senate.

The fact that the ceiling is limited in duration does not cure these flaws. There is little reason to believe that the United States could resist the inevitable foreign pressure for renewal of the ceiling or for its replacement by one or more ICA's. A treaty containing the production ceiling therefore would be approved only in spite of that ceiling.

C. Authority participation in commodity arrangements

The Third World has insisted that the Authority participate in future international commodity arrangements and represent all seabed production, not merely that of the Enterprise.[58] The original U.S. response was to deny the Authority any participation in ICA's. The Group of 77 remained adamant in their demand, however, and the United States agreed to Authority participation on behalf of the Enterprise. More recently, the United States conceded that the Authority might act on behalf of all deep seabed mineral production, if the ICA participation, including all major producers and consumers, also agreed.[59]

The Third World position remains firm. If that position prevails, countries such as the United States which would produce nickel, cobalt, and manganese almost solely by virtue of ocean mining operations, would be deprived of the right to represent their production interest. The position in the Authority of the land-based producers undoubtedly would be strengthened by the support of the Group of 77. Given this fact, seabed producers would certainly fare poorly in comparison to terrestrial producers under such a system. Even if the Authority represented only the production of the Enterprise, the land-based producers, by virtue of their power in the Authority and by taking into account their land-based production, would have a dominant position over seabed producers.[60]

Having accepted a seabed production ceiling in the Law of the Sea treaty, the United States would find it difficult to resist similar controls in ICA's in which the Authority represented seabed production in whole or in part. For example, for an ICA involving copper, of which the United States is both the largest producer and the largest consumer, Authority participation for seabed production could have the effect of imposing direct export controls on U.S. land-based production.[61]

While the United States would not be legally compelled to join ICA's in which the Authority might participate, practically, the United States might not be able to remain outside of such agreements. Furthermore, the positions taken by land-based producer-States and the Group of 77 suggests that the United States could not block Authority participation in critical ICA's.[62]

The very notion of an international organization representing the production of States is difficult to accept. A central principle of U.S. international commodities policy is that decisionmaking power in an ICA should be weighted to reflect the relative economic interests of every participant, whether producer or consumer.[63] Authority participation on behalf of all seabed production would clearly and directly defeat this principle. Authority representation of only Enterprise production would subvert this U.S. principle, given that the Authority probably would be dominated by the small group of land-based producers with the Group of 77 support.

Whatever the system, access to deep ocean minerals will be adversely affected if seabed production is limited. Additionally, acceptance of these seabed arrangements could influence the future allocation of the resources of other global common areas in a similar manner, negatively affecting U.S. interests. The U.S. Senate surely would take a dim view of these possible consequences.

D. Quota system

The system of national quotas for mine sites is another issue which divides the North but not the South. From its inception, the system has been primarily a French and Soviet imperative.[64] France is concerned that, without a limit on the number of mine sites that a State could hold, the United States would assume an overwhelmingly competitive position in ocean mineral development.[65]

The Soviets also fear U.S. dominance in deep seabed mining. As a major land-based producer of nickel, copper, cobalt, and manganese, and lacking ocean mining technology, the Soviet Union is not worried about exclusion from seabed mining as a result of U.S. dominance. Rather, the U.S.S.R. is concerned that the United States with a potential string of mine sites running from the Clarion-Clipperton Fracture off Mexico to the deep ocean plains off the Soviet Union's Pacific continental shelf, would become independent of foreign manganese, nickel, and cobalt supplies and therefore, would gain a strategic advantage by virtue of extensive high seas activities subject to U.S. military protection, across the breadth of the Pacific.

The United Kingdom and Japan also favor limitations on the number of mine sites. These States fear that their operators would be unable to compete for the best mine sites against a U.S. mining industry unfettered by a national site limitation. The United Kingdom and Japan envision a limitation in the form of an antimonopoly provision fiving site allocation preference to States that have no existing mining operations. One formula, for example, gives preferential status over States which have three or more operations to a State without any mine sites.

An antidensity provision also has been informally discussed among some countries. This would limit the number of mines sites which a single State would be permitted to have in a particular geographic area.

The Third World does not believe that such limitations are crucial to their economic interests. Nonetheless the quota and antimonopoly systems have been endorsed in principle by the Group of 77 as conceptual deterrents to hegemony over important ocean resources.[66]

In the past, the United States firmly opposed any quota or antimonopoly system.[67] Recently, however, U.S. negotiators have shown some willingness to reconsider this traditional stand.[68] A quota, antimonopoly, or antidensity system is contrary to U.S. interests, particularly within the context of a seabed regime establishing production controls, Authority participation in ICA's, and a mine site banking system for the benefit of the Enterprise and developing countries. Any such system threatens U.S. access, is inherently anticompetitive, and is certain to lead to misallocation of resources because inefficient producers are guaranteed entry at the expense of efficient producers.

Assured access would be meaningless if limited to fewer mine sites than would be commercially attractive to U.S. investment interests and to fewer sites than would be necessary to provide the United States with substantial independence from foreign supply sources of manganese, cobalt, and nickel. Given the finite number of first generation mine sites, the large long-term mineral requirements of the United States, and the current expectation of continued U.S. leadership in ocean mining technology, almost any quota system would limit U.S. access.[69] When considered in conjunction with the banking system and the negative effects of the production ceiling, the limitation could become serious enough to discourage participation by U.S. companies. ICA's involving the Authority would further aggravate the situation. Antimonopoly or antidensity provisions would have similar, though conceivably less serious, consequences than a quota system. The impact of any limited access system on foreign State-owned or subsidized companies would be less serious to the extent that return on investment would be less critical and perhaps more easily achieved.

The mathematics of the situation clearly demonstrate the impact of such systems on U.S. interests. For example, the currently contemplated production ceiling would allow approximately twenty-six seabed mine sites by the year 2000, assuming a 4.5 percent growth rate in the world nickel market.[70] If the assumption is erroneous, the number of available sites could be fewer. The banking system would reduce the number of mine sites available to State and private enterprises to a maximum of thirteen, because it would assure the Enterprise or joint ventures with developing countries one-half of the available sites. The Enterprise could compete successfully against State and private enterprises for some or all of the sites that are not banked.[71] If an ICA prevailed instead of the ceiling, then the number of sites available to State and private enterprises could decline further.

Thus, the number of sites to be allocated to any single State under a quota or similar arrangement would be very small: a State could not expect to have more than one or two mining operations.[72] In the absence of such a system, U.S. enterprises could operate approximately one dozen sites by the year 2000. If forced to operate under a quota or similar system, U.S. companies might decide to abandon the field because it is insufficiently profitable.[73] Ocean mining is a high-risk, expensive venture, and a single mine site might not provide an adequate return on the investment in mining ships, ore carriers, and processing facilities.[74] Even if U.S. enterprises did develop one or two sites, the output would not reduce substantially the national dependence on foreign supply sources.[75] In the final analysis, assured access would be nonexistent or simply meaningless.

A quota system could serve as a model for future development of other common resources. All of the negative economic consequences would pertain to virtually any resource to which such a system were applied.

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In addition, the potential for U.S. independence from foreign sources of a number of important commodities could decline or disappear. With such impacts, any of these sorts of provisions in the seabed regime probably would have profound adverse effects on the prospects for U.S. Senate approval of a Law of the Sea Treaty.

E. Review conference

In 1976 Secretary of State Kissinger agreed to consider treaty review conferences at twenty to twenty-five year intervals.[76] He intended this concession to make the dual access system more palatable to the Third World on the theory that if the seabed regime worked poorly the review conference could improve it. As in the case of U.S. concessions on technology transfer, however, Secretary Kissinger did not describe precisely what he was conceding. Consequently, the South quickly detailed its view of a meaningful review mechanism.

The negotiating texts reflect the Group of 77 formula for the review conference, providing that twenty years after the treaty becomes effective, a review conference would seek to renegotiate the seabed mining regime.[77] According to one negotiating text, if the Conference fails to amend the treaty or otherwise to reach agreement after five years, the system automatically would exclude further direct access by State and private enterprises.[78] Another text would allow the Assembly to decide whether to impose a moratorium on further access by State and private companies or by the Enterprise.[79] Under this approach, the one-nation, one-vote Assembly naturally would impose a moratorium on direct access by State and private mining operations in order to achieve maximum negotiating leverage over the developed countries.

The U.S. delegation opposes any moratorium mechanism in the review conference.[80] If the developing countries were concerned enough to negotiate for five years to amend the treaty, it would be either because the Enterprise had not worked satisfactorily vis-a-vis the State and private operators, or because the Enterprise could be substantially strengthened by amending the treaty. Even if the moratorium applied to further access by the Enterprise, this would be a small price for the developing countries to pay to deny further access by the developed countries and thereby obtain a decisive bargaining position in the review conference.[81]

A moratorium on State and private access twenty-five years after the treaty entered into force would deny the United States and other industrialized countries a supply of manganese, which could simply be unavailable from any other source.[82] The moratorium also could expose the United States and the rest of the developed world to radical increases in the prices of cobalt and nickel because land-based suppliers would be unable to meet global demand. The risk of politically motivated interruptions of foreign supplies would be considerable to the United States and other similarly situated countries. Thus, the United States and other developed countries would have little bargaining power in the review conference and their long-term interests would be seriously threatened.

As in other provisions of the seabed regime, the structure of the review conference would create an undesirable model for the treatment of other common resources. Therefore, it is impossible to believe that the U.S. Senate would regard a review conference with a moratorium as anything other than a threat to the economy and security of the United States. Senate acceptance of a treaty containing such a provision would be unlikely.

F. Revenue sharing

All sides have accepted the principle of revenue sharing by State and private seabed mining operations for the benefit of developing countries.[83] More recently, revenue sharing participants have accepted the principle of funding the Enterprise.[84] Most aspects of the mechanism to implement revenue sharing, however, are disputed.

Developing countries find the notions of profits and the common heritage of mankind to be incompatible in principle.[85] The Group of 77 will tolerate profit in the seabed mining regime only to the extent that it is a necessary condition for ocean mining, at least until the Enterprise can begin to operate independently of financial contributions from developed States. Thus, the Group of 77 approach to revenue sharing seeks to extract maximum contributions from ocean mining operations, while leaving to the miner only the minimum return essential to attract investment.[86]

The United States and other developed countries largely have acquiesced in the Third World's position, rather than attempt to establish revenue sharing on the basis of the reasonable administrative expenses of the Authority, the start-up funding requirements of the Enterprise, and the fair share to be provided to countries which contribute little or nothing to the development of the resource. The ocean mining industry's argument that it is not a public utility for which government legitimately can set rates has been ignored.

The Group of 77 has had to recognize that the wealth of the deep seabeds is far less than it was thought to be a few years ago.[87] The Group also has conceded that deep seabed mining is a very risky technical enterprise that is highly sensitive to the vagaries of the metal markets. But these realities are incompatible with large front-end entry payments and inflexible, long-term royalties sought by the developing countries. Modest entry fees related to reasonable administrative expenses, and profit sharing which is sensitive to technical problems and the fluctuations in the market are essential prerequisites for the participation of private operators.

The structure of the revenue sharing system in the recent negotiating text partially responds to these realities.[88] The levels of payment, however, still are a serious problem. They reflect a heavy reliance on a computer model which provides merely a base-case for a hypothetic mining operation.[89] If the assumptions of the model are overly optimistic, the levels of payments could be excessively high.[90] Such a system could render assured access by private operators meaningless, particularly for the United States because U.S. operators would not receive cushioning State subsidies.

From the standpoint of precedential impact, revenue sharing, however structured, would constitute a model for other international arrangements relating to development of common resources. Antarctica already has been identified by some countries as an area in which resource development should provide revenues to the developing countries.[91] Considered as a use tax, it would be natural to apply revenue sharing in outer space for communications, energy development and transmission, or other purposes. A revenue sharing plan premised on minimum return would put at serious risk the development and use of common resources by private enterprises. Again, the U.S. Senate may find this treaty provision to be incompatible with important national interests.

G. Non-manganese nodule minerals

Negotiating texts reflecting the Group of 77 position provide that minerals not contained in manganese nodules shall not be developed until a regime is established for mining them.[92] The effect of these texts is to impose a moratorium on such development until a regime is designed to the satisfaction of the Group of 77.

The U.S. delegation has accepted, as "a significant improvement," a text which provides that the non-nodule regime will be established by amendment to the treaty rather than by the establishment of regulations by the Authority.[93] If anything, the favored approach places non-nodule development farther into the future. Amendment of the treaty would take longer than the promulgation of regulations. The U.S. delegation position loses sight of the fact that, either way, there is an indefinite moratorium on the development of minerals not found in manganese nodules.

Because metaliferous sediments of the deep ocean may prove extremely valuable, the delegation's position is hard to justify. The position certainly is inconsistent with assured access, and once again, may create an unfavorable precedent of prohibiting development of common resources until permitted by the Third World.

H. The system of governance

The system of governance for the deep seabed regime is the most important single issue remaining at the Law of the Sea Conference. The control of the deep seabed minerals and the course of future international institutional development will depend on the resolution of this issue, which reveals the fundamental clash of material and ideological interests of the North and South.

The developing countries insist that they must control the mineral resources of the deep seabed and that they must direct the actions of global institutions. In the Third World's view, a fundamental redistribution of wealth requires a restructuring of the global system of public order to establish a lawmaking democracy of nations. Control of the vitally important mineral resources of the deep seabeds is an important step toward the realization of this New International Economic Order.[94]

The developed countries can accept a redistribution of wealth, but not at the expense of their own material prosperity and political security.[95] The North is apprehensive of a lawmaking international democracy which would base its economic program on a transfer of the wealth and independence of the minority. The developed countries fear a deep seabed mining regime which will interpose the will of the Third World between the industrialized nations and the raw materials necessary to fuel their economies and protect their security.

The Law of the Sea Conference negotiating texts provide for a bicameral system of decisionmaking in the Authority: an Assembly, comprised of all States that are parties to the treaty;[96] and a chambered Council, comprised of thirty-six States representing various political and economic interests and reflecting "equitable geographical distribution."[97] The critical issues arise in the voting and composition of the Assembly and Council and in their relative powers and functions. In each organ, decisions on issues of substance would be effected by majority vote: two-thirds in the Assembly and three-fourths in the Council.[98] The Council would have a chamber for each of the following categories of countries: those that have made the greatest contribution to deep seabed development as demonstrated by substantial investments or advanced technology (four members); those that are major importers of the kinds of minerals developed from the deep seabed (four members); those that are major exporters of deep seabed minerals (four members); those developing States representing special interests, including large populations, landlocked or geographically disadvantaged countries, major importers of the relevant kinds of minerals, and least developed countries (six members); and those countries that represent international regions, including Africa, Asia, Eastern Europe, Latin America, and Western

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Europe (eighteen members).[99] The chambers for greatest contributors to seabed development, major importers, and international regions each would have at least one Eastern European member.[100]

The Assembly would be the "supreme organ" of the Authority, setting general policies, which the Council would be the "executive organ," establishing "specific policies" in conformity with the provisions of the treaty and the policies of the Assembly.[101] The Assembly would give final approval to rules and regulations provisionally adopted by the Council.[102] Authorizations to operate would be approved by the Council in conformity with such rules and regulations.[103]

Two facts are evident from the composition and the voting and relative powers and functions of the Authority: (1) the plenary, one-nation, one-vote Assembly would be the clearly dominant force in the decisionmaking process; and (2) in the Council, the chambers would be weighted in favor of the developing countries, with a strong role played by the socialist bloc. The United States and other nonsocialist countries would be substantially outnumbered and outvoted. The United States and its allies could prevent neither the approval of possibly unqualified Third World and socialist applications, nor disapproval by Third World and socialist countries of nonsocialist developed country applications. Rules and regulations also could be adopted without regard to the legitimate interests of the United States and other nonsocialist developed nations.

The negotiating texts so thoroughly circumscribe dispute settlement procedures and give such an advantage to the Third World, that there would be little effective judicial remedy for abuses by the Council or the Assembly.[104] Therefore the system of governance threatens not only the U.S. interest in obtaining deep ocean minerals, but also the U.S. interest in promoting a fundamentally fair international institutional environment.

Third World insistence on a one-nation, one-vote decisionmaking process fails to recognize the remarkable anomalies that result from such a system. Testimony before the House Subcommittee on Oceanography has provided some insight into the consequences of implementing the Third World view. It has been pointed out that a one-nation, one-vote system would result in the following.

1. Five large countries (The People's Republic of China, the United States, the U.S.S.R., India, and Indonesia) with two billion people—one-half the world's population—would have five votes, while the other countries—the other one-half of the world's population—would have about 145 votes;

2. The votes of those same five countries would be offset by the votes of five small countries (Qatar, San Marino, Saotome and Principe, Seychelles, and Tonga) comprising 350,000 people;

3. Africa, with ten percent of the global population, would have thirty-four percent of the votes; Asia, with about sixty percent of the world's people, would have fewer than half those votes; North America, which has nine percent of world population, would have two percent of the votes;

4. Twenty-five nations, each having populations the same size as a congressional district or smaller, would have twenty-five votes in the world forum, while the people represented by twenty-five votes in the U.S. House of Representatives, in a bicameral system which is subject to the checks and balances of an executive branch, ultimately would have one vote in the contemplated international system.[105]

The conclusion is obvious: a system that superficially appears democratic is really, in all important respects, very undemocratic. From the standpoint of U.S. interests and from that of the international community, this is not a system which should be encouraged. There is absolutely no doubt that this system, if adopted by the Law of the Sea Conference, would serve as the precedent which the Third World fully intends to be, notwithstanding the anomalies that would inevitably result.[106] There also is no doubt that a system that guarantees the Soviet Bloc representation which is not justified by technological and financial performance and minerals capacities discriminates against all other States. Such a system should not be imposed on ocean mining, nor be allowed to serve as a model for other international institutions.

To bring the problem of precedential effects more clearly into focus, one need only point to efforts by the Third World to restructure international financial development and monetary institutions.[107] If the Third World succeeds in restructuring the World Bank and International Monetary Fund or in establishing a Common Fund on the model of an international democracy of States, the consequences for the United States could be extremely serious. U.S. economic interests would fare as well in those forums as its seabed resource interests would fare in the Authority. The result could be both economically damaging to the United States and internationally inequitable.

It is inconceivable that the U.S. Senate would accept a treaty involving a decisionmaking process which would make U.S. access to deep ocean minerals uncertain and which would undermine the ability of the United States to protect its interests in global institutions. Fortunately, the U.S. delegation has perceived this political fact and is seeking to resolve the issue of Authority decisionmaking in an acceptable manner.

I. Grandfather rights and security of tenure

The United States traditionally has asserted that there must be grandfather rights for mining operations commenced prior to the treaty's effective date. Although the U.S. delegation has not defined such rights, Congress has attempted to do so in pending ocean mining legislation.[108] The Group of 77, however, has condemned unilateral ocean mining, declaring its unalterable opposition to grandfather rights.[109] This resulting impasse threatens to destroy the treaty.

Security of tenure for operators authorized to mine pursuant to the seabed regime also is a difficult issue which remains unresolved. The industry maintains that security of tenure is necessary for ocean mining,[110] and the U.S. delegation and Congress adhere to this view. The Group of 77 resists security of tenure because it requires that the conditions for maintaining an authorization to mine do not change substantially during the course of the project. The developing countries want to be certain that if the original plan of work fails to implement their policies, revisions may be made. Again, the positions of the developed and developing countries appear to be irreconcilable.

The U.S. Senate is unlikely to approve a treaty which failed to provide grandfather rights to protect massive U.S. investments and security of tenure to provide meaningful assured access.

J. Discretion in the authority

Despite resistance by the Group of 77, the United States has sought a high degree of confidence for the procedure by which the Authority acts upon applications to mine and reviews and modifies its authorizations. The Conference negotiating texts, however, set out a system that reflects the Third World position.[111] Implementation of the important powers and functions of the Authority is discretionary. Determinations of applicants' qualifications and the procedures by which they are selected and authorizations made lack predictability.[112] Unless the United States succeeds in greatly limiting discretion, there will be no assured access. A discretionary Authority also would be poor precedent for other international institutions. Notions of due process and simple equity would suffer serious setbacks in the international community.

The U.S. Senate can be expected to have grave reservations concerning the acceptability of a treaty which conforms to the current negotiating texts. The Senate certainly would not permit considerable discretion in an international organization, at a time when it resists concentrated discretion in the executive branch of the U.S. government.

K. Balance in the dual access system

A competitive balance between the Enterprise and State and private companies has a direct bearing on the question of access and the issue of precedential effects. This balance is a function of (1) funding and tax treatment of the Enterprise; (2) revenue sharing; (3) transfer of technology and other conditions of mining; (4) the banking system; (5) the quota system; (6) the review conference; and (7) institutional bias.

Funding of the Enterprise is a serious problem. The United States has agreed to Third World demands for a system of funding which would allow the Enterprise to begin operating shortly after the treaty became effective.[113] This system involves State subscriptions,[114] loan guarantees by States, voluntary contributions, and funding from revenue sharing. The funding system may not adversely affect the competitive position of State enterprises because the companies are nationally owned or directly subsidized to promote national policies. Nonetheless, such a system might create an advantage for the Enterprise over private companies, which need time to find willing investors.

The Group of 77 insists that the Enterprise not be subject to national taxation.[115] This position seems to be ideological. The U.S. delegation does not support the Group of 77's view.[116] yet the negotiating texts provided for tax immunity.[117] Private enterprises would not enjoy such immunity. Considering that the maximum federal corporate tax rate in the United States is forty-six percent,[118] the competitive advantage to the Enterprise over State and private companies would be considerable.

The extent to which the Enterprise would be required to pass its revenues to the developing countries is unclear.[119] The Third World seeks to assure that the same high front-end and long-term financial burdens that may threaten the viability of State and private enterprises would not be imposed upon the Enterprise.

Mandatory technology transfer probably would allow the Enterprise to gain sophisticated technology at less than commercial value.[120] The Enterprise would be able to choose the best available technology and would receive proven technology at the outset, instead of engaging in long and costly research and development.

Other conditions of obtaining and maintaining mining rights also could affect the competitive balance. Unless the Enterprise and State and private operators were subject to the same requirements, such as environmental, conservation, or safety regulations, the Enterprise would have a competitive advantage. The Group of 77 continues to resist efforts by developed countries to ensure that both sides of the dual system operate under the same regulatory constraints.[121]

As contemplated by the Group of 77, the banking system would provide the Enterprise with mine sites explored by State and private enterprises seeking authorizations to mine.[122] The United States has agreed to provide the Enterprise with prospected mine sites, but has not conceded on the issue of explored sites.[123] There is a very great difference between the two types of sites, because the cost of exploration vastly exceeds the

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cost of prospecting.[124] In addition, the cost in each case would be front-end, and therefore, particularly onerous. Thus, the Group of 77 approach would provide the Enterprise with a huge competitive advantage over State and private operators while the U.S. proposal would result in less disparity between the two groups.

The quota, antimonopoly, or antidensity system likely would apply only to State and private enterprises. Thus, the Enterprise could enjoy an enormous economic advantage by virtue of its ability to operate a large number of sites. The economies of scale for transportation, for example, could be considerable.

The review conference also would likely operate only to the disadvantage of State and private enterprises. States entering the system would face a massive initial investment which probably would have to be recovered profitably in only one operation, and the expectation of further operations would be limited or denied entirely.

Finally, it would be naive to expect that the Authority, controlled by the developing countries and run primarily for their benefit, would not have an institutional bias in favor of the Enterprise. To the extent that the Authority's powers are discretionary, bias could be decisive. Even without substantial discretion, institutional bias could be detrimental to the competitive position of State and private operators.

Looking ahead to the exploration and exploitation of other common global resources and to the use of common areas, any seabed mining Enterprise could provide a precedent, and might herald a global shift away from State and private enterprise. More importantly an Enterprise enjoying a privileged competitive position could endanger the future of State and private development and use of the global common areas. In either case an Enterprise politically dominated by and operated for the benefit of the Third World would create a precedent having uncalculably serious consequences. Could the United States afford to see Antarctica developed, or outer space utilized, in this manner? The extent of the mineral and living resources of Antarctica and the communications and potential energy uses of space suggest not, and it is doubtful that the U.S. Senate would view the situation differently.

III. OTHER ELEMENTS OF THE LAW OF THE SEA TREATY AND THE NO-TREATY ALTERNATIVE

A. Nonseabed aspects of the treaty

The anticipated nonseabed provisions of the future Law of the Sea treaty would provide insufficient benefits to the United States to justify a deep seabed regime which lacks assured access and creates undesirable precedents. Moreover, certain nonseabed elements could have negative effects on important U.S. interests.

Admittedly, the negotiating texts and the continuing talks indicate that the treaty probably will contain the following positive elements:

1. A fixed maximum breadth of twelve miles for the territorial sea; [125]

2. A fixed maximum breadth of 200 miles for the economic zone; [126]

3. A reasonably fixed and identifiable outer limit for the continental shelf subject to coastal-State jurisdiction for the purposes of development of natural resources;[127]

4. A uniform fisheries regime that provides for effective conservation and full utilization, including: [128]

a. Coastal-State preferential rights to the harvest and foreign State rights to the surplus within the economic zone; [129]

b. Coastal-State control over anadromous species, such as salmon throughout their range; [130]

c. Some international cooperation in the conservation and utilization of highly migratory species, such as tuna; [131]

5. Additional international protection of marine mammals; [132]

6. Protection for transit through international straits overlapped by territorial seas; [133]

7. A special regime for archipelagic States which would provide protection for transit through archipelagic waters; [134]

8. Additional protection of the marine environment; [135] and

9. Additional measures for the peaceful settlement of disputes.[136]

Although these elements are certainly useful, they do not constitute a great advance over present customary international law. They also do not restrain hard-line territorialist States, such as Peru, and probably do not offer a serious prospect for rolling back existing inconsistent claims such as the 200- and 50-mile security zones declared by North Korea.[137] The positive elements of the treaty, however, probably would increase the prospects of achieving uniformity of claims, as well as marginally retard the erosion of maritime rights and interests.

Among the likely negative aspects of the treaty are:

1. A dangerous ambiguity in the allocation of coastal-State and international community rights in the economic zone, that is, uncertainty with respect to where coastal-State rights over resources end and maritime rights begin; [138]

2. A highly restrictive and burdensome regime for foreign marine scientific research in the economic zone; [139]

3. Severe limitations on dispute settlement which is both compulsory and binding, so that the exercise of coastal-State sovereign rights, enforcement authority, and any decision with respect to foreign research in the economic zone is or may be effectively excluded; [140]

4. A flag-State right to preempt a wide range of coastal-State enforcement actions with respect to environmental protection in the economic zone.[141]

The ambiguity in the regime of the economic zone makes uncertain the freedom of navigation in the most important thirty percent of ocean waters.[142] Efforts to specify that these waters would remain high seas have been resisted by the coastal States, as have efforts to preserve navigation and communication rights in unambiguous language.[143] This implies that coastal States do not intend to preserve those rights.

Most marine scientific research is and ought to be carried out within 200 miles of the coast; but there are numerous excessive restrictions in the negotiating texts on foreign marine scientific research within the economic zone.[144] Also, the conditions which coastal States may place on research would entail considerable additional expense and particial difficulty.[145] Those restrictions and conditions threaten to cause opposition by the U.S. scientific community to treaty ratification. A number of influential representatives of that community maintain that they would be better off negotiating access to the economic zones on a srictly bilateral basis, rather than within the context of the new Law of the Sea treaty. Admittedly, however, a minority of scientists believe that the very existence of the negotiating texts has set the pattern for unilateral legislation and bilateral negotiations, and therefore, the treaty would not cause major additional difficulties.

The practical effect of the Law of the Sea treaty for peaceful settlement of disputes would be limited because the texts restrict dispute settlement on precisely those matters that are most likely to lead to disagreement. In particular, coastal-State resistance to compulsory and binding dispute settlement for key aspects of the economic zone regime has negative implications for maritime powers, distant water fishing nations, and researching States.

Flag-State preemption of certain coastal-State enforcement actions in the economic zone is appealing to maritime nations. The United States is a maritime power, but it is also the second largest coastal State and its concern for the environment is noteworthy.[146] The U.S. environmental community thinks that flag-State preemption, however carefully conditioned, cannot be reconciled with the goal of effective environmental protection.

In summary the nonseabed aspects of the negotiating texts present numerous difficulties which are sufficiently significant to question the treaty's acceptability to the U.S. Senate, regardless of the treaty's terms concerning the seabed regime. Therefore, acceptance of an unfavorable deep seabed regime could not be justified by the benefits to be derived from other elements of the treaty.

B. The no-treaty alternative

A sound, comprehensive Law of the Sea treaty is in the interests of the United States. The previous discussion, however, shows that from the U.S. standpoint the negotiating texts are, and are likely to remain, deficient. In assessing the acceptability of those deficiencies, the assumption has been that the United States has the alternative of not becoming a party to a new Law of the Sea treaty. The remaining question is whether the assumed no-treaty alternative is realistic.

The world situation, in the absence of a comprehensive Law of the Sea treaty, can be predicted from the current negotiating texts, the directions of the ongoing talks and trends in State practice. These factors indicate that the negotiating texts represent a model for the minimum coastal-State regime, although some coastal States such as the United States are unilaterally claiming less jurisdiction than the negotiating texts would allow. The majority of coastal States, however, are making jurisdictional claims which closely parallel the negotiating texts or which far exceed what the texts sanction. As of December, 1978, eighty-four States claimed a 200-mile economic zone, twenty-eight claimed a 200-mile fisheries zone, and eleven claimed a 200-mile territorial area.[147] If the jurisdictional claims are analyzed on a regional basis, it is found that:

1. In the African region comprised of thirty States, eighteen had 200-mile claims (nine economic zones, two fisheries zones, and seven territorial seas);

2. In the East Asia and Pacific region comprised of thirty-one States, twenty-two had 200-mile claims (fourteen economic zones, seven fisheries zones, and one territorial sea);

3. In Europe comprised of twenty-two States, fifteen had 200-mile claims (four economic zones and eleven fisheries zones);

4. In South America comprised of seventeen States, fifteen had 200-mile claims (six economic zones, one fisheries zone, and eight territorial seas);

5. In North America and the Caribbean comprised of twelve States, nine had 200-mile claims (four economic zones and five fisheries zones);

6. In the Near East and Asia comprised of nineteen States, six had 200-mile claims (all economic zones).[148]

Ten years earlier, in 1958, only six States had 200-mile claims.[149] Now approximately twenty additional States each will gain 25,000 square miles or more if they make 200-mile claims.[150] Given these facts and the current trend in favor of 200-mile claims, it is likely that with or without a treaty, 200-mile claims will become the nearly universal rule.[151]

The treaty probably would not roll back ex-

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isting claims which exceed the limits permitted States Parties, yet it almost certainly would result in an expansion of most claims to the maximum allowed by the agreement. To think otherwise is to ignore history.[152]

The situation with respect to claims would not be greatly different in the absence of the treaty, as the negotiating texts on this issue are clearly regarded as normative by most of the international community. Some additional extensions of jurisdiction beyond that reflected in the texts, however, might result if the treaty did not enter into force and were not widely ratified.[153]

With respect to international straits passage and transit of archipelagos, absent a Law of the Sea treaty, economic and military imperatives probably would result in regimes similar to those provided by the texts. The interests of naval powers in strategic mobility and of the world community in commercial movement probably would dictate the result.[154]

The continental shelf regime is established in the Continental Shelf Convention[155] and customary international law. The existence of a Law of the Sea treaty will not substantially affect this regime, except possibly to make the outer edge of the shelf more uniform.

It is clear from informal discussions among all the States likely to engage in deep seabed mining in the foreseeable future that without a treaty, deep seabed mining would proceed as a freedom of the high seas.[156] Access would be assured, yet a new international bureaucracy, with all its likely expense, bias, uncertainty, and adverse precedential impact would be avoided. Bilateral and multilateral agreements among ocean mining States would avert conflicts. Third World reaction probably would be limited to political protests and legal challenges. Physical interference with mid-Pacific mining operations would be illegal and logistically impossible for all but blue-water vessels and inevitably would bring a decisive response.

V. CONCLUSION

The Law of the Sea Conference is negotiating a treaty which is likely to be unacceptable to the U.S. Senate. Assuming that the current negotiating texts are largely reflective of the final outcome, access to deep ocean minerals would not be assured for the United States. In addition, harmful precedents would be created by the deep seabed regime for a wide range of important existing and anticipated international arrangements. Given the substantial problems of the treaty, it is highly unlikely that such a regime could be justified by the possible benefits which the treaty would provide to the United States. The no-treaty alternative would be tolerable with respect to nonseabed matters and preferable with respect to deep ocean mineral development.

If the U.S. Senate is to approve the treaty, the United States must reverse the trends of the deep seabed negotiations. U.S. concessions, however, may have led the Conference down a path from which there is no return. That a reversal could be accomplished is, therefore, doubtful. Nevertheless, this substantial doubt must be weighed against the near certainty of Senate disapproval of the treaty if the Conference trends remain unchanged.

POSTSCRIPT

Following the completion of the galleys for this article, the spring 1979 meeting of the Law of the Sea Conference produced Revision 1 of the ICNT.[157] The new text reflects improvements in some respects, but also presents additional serious problems and consolidates earlier deficiencies.

Under the new text, access to deep ocean minerals is not assured and adverse precedents are not eliminated. Indeed, access is even more uncertain in some respects and adverse precedential effects are more numerous.

I. DEEP SEABED PROVISIONS

A. Transfer of technology

Mandatory transfer of ocean mining technology not only to the Enterprise, but also to developing countries remains.[158] Dispute settlement procedures for technology transfer do include a reference to UNCITRAL Arbitration Rules, which are considered fair, but the text provides that the Authority may issue its own arbitration rules.[159] The prospects for an unfair, politicized procedure are, therefore, considerable.

There is a new obligation in the Revision, as well:

"In the event that the Enterprise is unable to obtain appropriate technology on fair and reasonable commercial terms and conditions to commence in a timely manner the processing of the minerals it recovers from the Area, the States Parties which are engaged in activities in the Area or whose nationals who are engaged in activities in the area, and other States Parties having access to such technology shall consult together and shall take effective measures to ensure that such technology is made available to the Enterprise on fair and reasonable commercial terms and conditions." [160]

This is clearly a potentially expensive obligation on States Parties and suggests substantial government intervention in the marketplace. The provision, which involves land-based operations, goes far beyond what a Law of the Sea treaty ought to encompass and most certainly establishes a very bad precedent.

Moreover, technology under the new text is now expressly defined to include know-how and training, as well as all other aspects of technology. The transfer obligation now also extends to operation and maintenance.[161]

B. Production ceiling

The new text does not improve the production ceiling provision.[162] A major U.S. effort failed to achieve, among other things, a formula to guarantee continued seabed production even when the nickel market falls substantially. Moreover, the text now contemplates extension of the ceiling beyond its initial term and the Enterprise now has an absolute priority over State and private operators, when the ceiling forces a selection among them.[163] This is clearly unacceptable, as it subverts the parallel access system by converting it to a clearly unitary system.

C. Authority participation in commodity arrangements

In the new text, the Authority retains its power to represent in commodity arrangements not only Enterprise production, but also State and private production.[164] The text is not at all clear as to whether Authority participation in ICA's could be blocked by the United States or other vitally affected countries.

D. Quota system

Revision 1 contains detailed antimonopoly and antidensity provisions on the Russo-French model.[165] This reflects a major deterioration of the negotiating texts, insofar as the earlier text, merely contained a statement that, "inclusion of a quota or anti-monopoly provision appears to be acceptable in principle. . . ." [166]

E. Review conference

Revision 1 contained a provision for a moratorium on nodule development 25 years after the treaty enters into force.[167] This, alone, makes the new text unacceptable. This provision is clearly in direct opposition to the position of the United States as forcefully expressed at the last Geneva meeting.

F. Revenue sharing

Revenue sharing provisions in the new text are still inadequate.[168] The contributions remain far too high and excessively inflexible.

G. Non-manganese nodule minerals

Revision 1 retains the moratorium on non-manganese minerals.[169] It is difficult to see how this can be justified, in light of the usefulness which those minerals are likely to prove to have.[170]

H. The system of governance

The Council provisions are improved, insofar as each category from which members are to be selected by the Assembly for the various chambers is more carefully defined and is better circumscribed to reduce the possibilities of capricious action in the selection process.[171] However, the Soviet Bloc retains an express guarantee of three seats on the Council and the United States continues to have no guarantee of participation.[172] The Assembly remains the "supreme organ".[173]

I. Grandfather rights and security of tenure

There are no grandfather rights in Revision 1. Security of tenure under the direct access side of the parallel system may have been improved, but a detailed analysis of the many relevant and complex provisions in necessary to attain a respectable degree of confidence on the point. It is at least clear that revocation of authorizations to operate on that side of the parallel system remain unpredictable.[174] There is most certainly no security of tenure for companies operating in joint ventures with the Enterprise.

J. Discretion in the authority

Although discretion in the Authority to deny all qualified applicants for mine sites licenses to operate has been reduced, the result is still far from acceptable. The criteria for selection among qualified applicants continues to require highly discretionary decisions on the part of the Authority. Among other serious problems, "equitable merit," a very vague concept, plays a role in the selection process.[175] Rules and regulations which might be employed to define that criterion would, in the final analysis, require approval of the one-nation one-vote Assembly.[176] The danger in this situation is self-evident.

K. Balance in the dual access system

Balance between the Enterprise and State and private operators is not achieved in the new text. Indeed, the problem is aggravated. Not only does the Enterprise retain tax immunity and its right to the technology of private and State operators on a mandatory basis, but also, is provided under a new provision a guaranteed right to 50 percent of initial capital from States Parties in the form of long-term, interest-free loans. Debt guarantees by States Parties (or, alternatively, voluntary contributions) will be made available to the Enterprise in order to meet the balance of its initial capital requirements.[177] Of course, as noted above, the Enterprise not only retains a guarantee to one-half of the mine sites, but also may compete for the balance and even has an absolute priority to mine sites when the ceiling on production is approached. In sum, as a political matter, there is not a parallel system, but a unitary system of joint ventures with the Enterprise. There is no assurance of direct access for State and private enterprises.

Other seabed issues

The text presents numerous additional difficulties. One in particular, however, deserves mention. Revision 1 makes it completely clear that not only States parties to the treaty, but also, "peoples who have not attained full independence or other self-governing status" are entitled to receive revenues from ocean mining.[178] This includes funding of "national liberation movements," including terrorist organizations. It seems highly doubtful that the Senate would agree to a treaty containing such a provision.

II. NONSEABED ASPECTS OF THE TREATY

Serious deficiencies remain in the nonseabed provisions of the treaty, however, some

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improvements were made. Provisions relating to protection of navigation and of other international community rights and freedoms are improved in relation to the exercise by coastal States of continental shelf rights.[179] The exercises of economic zone rights, however, remain substantial threats to community interests.[180]

The very poor regime for scientific research in the economic zone was not changed, despite a major effort by the United States to obtain even marginally significant improvements.[181] The subject does remain open, however.

Dispute settlement procedures are not substantially improved, except the text does include compulsory conciliation for fishery disputes relating to the economic zone.[182] Necessary improvements relating to settlement of other types of disputes, including those arising out of marine scientific research in the economic zone, were not achieved.[183]

Flag-State preemption remains in the pollution text.[184] Significant improvements sought by the United States in other environmental provisions, however, were achieved.[185]

CONCLUSION TO POSTSCRIPT

There are some improvements to the ICNT reflected in Revision 1. However, on balance, the prospects for Senate approval of the treaty are only marginally improved, if they are improved at all. This is a result of inclusion in the Revision of some substantially worse provisions than appeared in the ICNT and the failure to achieve important improvements to certain crucial provisions of the texts. The trends of the negotiations continue to suggest that the Senate is unlikely to be presented with a treaty which would be acceptable to it, if a treaty is concluded at all. As a result of Group of 77 pressure to end the negotiations rapidly, the time to achieve accommodations essential to Senate approval is fast running out.

FOOTNOTES

*Member of the U.S. House of Representatives (Democrat-Louisiana).

[1] The Third United Nations Conference on the Law of the Sea was convened in 1973, pursuant to G.A. Res. 2750, 25 U.N. GAOR, Supp. (No. 28) 25, U.N. Doc. A/8028 (1971). The Conference followed almost six years of disucssions in the Plenary and First Committees of the U.N. General Assembly, in the Ad Hoc Committee to Study the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction (established by G.A. Res. 2340, 22 U.N. GAOR, Supp. (No. 16) 14, U.N. Doc. A/6716 (1967)), and in the standing Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction (established by G.A. Res. 2467, 23 U.N. GAOR, Supp. (No. 18) 15, U.N. Doc. A/7218 (1968)). The two committees dealt primarily with the deep seabed issue. *See* Report of the *Ad Hoc* Committee to Study the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction, 23 U.N. GAOR (Agenda Item 26), U.N. Doc. A/7230 (1968); Reports of the Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction, 24 U.N. GAOR, Supp. (No. 22), U.N. Doc. A/7622 (1969); 25 U.N. GAOR, supp. (No. 21), U.N. Doc. A/8021 (1970); 26 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/8421 (1971); 27 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/8721 (1972); 28 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/9021 (1973). The Law of the Sea Conference, however, has dealt with virtually the entire range of ocean issues. *See generally* Official Records of the Third United Nations Conference on the Law of the Sea.

[2] *See* Congressional Research Service, 94th Cong., 2d Sess., Ocean Manganese Modules 48–53 (Comm. Print 1976) [hereinafter cited as Nodules]. Significant amounts of copper also are contained in manganees nodules. Although copper is a large income producer, copper from nodules would not be vital to national security. *Id.* at 30.

[3] H.R. Rep. No. 588, Pt. 1, 95th Cong., 1st Sess. 17–18 (1977) [hereinafter cited as House Report].

[4] Nodules, *supra* note 2, at 51–53.

[5] S. Rep. No. 1125, 95th Cong., 2d Sess. 33 (1978) [hereinafter cited as Senate Report].

[6] Nodules, *supra* note 2, at 48–49.

[7] *Id.* at 47.

[8] The International Sea-Bed Authority would be the international organization through which States that are parties to the Law of the Sea Treaty would administer deep seabed mining. Informal Composite Negotiating Text art. 155(1), 8 Official Records of the Third United Nations Conference on the Law of the Sea, U.N. Doc. A/CONF.62/WP.10 (1977) [hereinafter cited as ICNT]. The ICNT is an informal negotiating text, without status as an agreed draft treaty. Explanatory Memorandum by the President of the Conference, 8 Official Records of the Third Conference on the Law of the Sea 65, U.N. Doc. A/CONF.62/WP.10/Add.1 (1977). This and similar Conference documents do not represent principles of existing law. *See, e.g.,* Fisheries Jurisdiction (United Kingdom v. Iceland), [1974] I.C.J. 3, 23–24; Fisheries Jurisdiction (Federal Republic of Germany v. Iceland), [1974] I.C.J. 175, 192.

[9] The Council and Assembly, the primary components of the system of governance, are provided for in ICNT, *supra* note 8, arts. 156–161.

[10] The general provisions relating to the Enterprise are contained in ICNT, *supra* note 8, art. 169 and Annex II.

[11] ICNT, *supra* note 8, arts. 144, 150, 151(8), 169(4), 173(3), 184, Annex II, para. 4, Annex III, paras. 10, 11(c). Following the 1978 Geneva Session of the Conference, alternative negotiating texts were produced. Revised Suggested Compromise Formula by the Chairman of Negotiating Group 1, U.N. Doc. A/CONF.62/NG.1/10/Rev.1 (1978) [hereinafter cited as Alternative Texts], *reprinted in* 2 Stiftung Wissenschaft und Politik, Forschungsinstitut für Internationale Politik und Sicherheit, Dokumente der Dritten Seerechtskonferenz der Vereinten Nationen-Gener Session 1978, at 704 (1978). The Alternative Texts show progress toward consensus, but do not prejudice the particular positions of any delegation. These provisions, like those of the ICNT, are merely a basis for further negotiations. The alternative Texts provisions pertinent to the issues at hand are arts. 144, 150, and Annex II, para. 4.

[12] ICNT, *supra* note 8, arts. 144, 151(8) Annex III, para. 4; Alternative Texts, *supra* note 11, arts. 144, 150, Annex II, paras. 4. 5.

[13] ICNT, *supra* note 8, art. 150 (1) (*g*) (B); Alternative Texts, *supra* note 11, art, 150 *bis* (2).

[14] ICNT, *supra* note 8, art, 150(1) (*g*) (A); Alternative Texts, *supra* note 11, art, 150 *bis* (1).

[15] ICNT, *supra* note 8, Annex II, para. 5(1).

[16] ICNT, *supra* note 8, art. 153(6); Alternative Texts, *supra* note 11, art. 153(6).

[17] ICNT, *supra* note 8, arts. 169(4), 173, Annex II, para. 7, Annex III, para. 10; Alternative Texts, *supra* note 11, paras. 140, 150, 172, Annex II, para. 7, Annex III, para. 10, Annex II, para. 7 was renegotiated in the 1978 New York Session and that text provides a detailed framework for revenue sharing and specifies the amount of the contributions. U.S. Dep't of State Office of the Law of the Sea Negotiations, U.S. Delegation Report, Resumed Seventh Session of the Third United Nations Conference on the Law of the Sea, New York, Aug. 21–Sept. 15, 1978, at 12, 13 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1978 Report, Pt. 2].

[18] ICNT, *supra* note 8, art, 184, Annex III, para. 11(e).

[19] *Id.* Annex II, para. 4(j)(i); *see also Oceanography Miscellaneous—Pt. 2: Hearings on the Law of the Sea Conference Briefings Before the Subcomm. on Oceanography of the House Comm. on Merchant Marine and Fisheries,* 95th Cong., 1st & 2nd Sess. 88 (1977–1978) [hereinafter cited as *1978-1979 Hearings*] (answers to questions of Mr. Breaux by Elliot L. Richardson).

[20] ICNT, *supra* note 8, art 150(1) (*g*) (C); Alternative Texts, *supra* note 11, art. 150*bis* (3).

[21] *See 1977–78 Hearings, supra* note 19, at 109, 124, 131–50.

[22] *Id*. at 71, 72, 109, 132.

[23] *Id.* at 134.

[24] ICA's are multilateral treaties affecting quantities and prices of commodities moving in international trade. *See generally* A. Law, International Commodity Agreements (1975).

[25] *1977–78 Hearings, supra* note 19, at 132.

[26] *Id.*

[27] *Id.* Additionally, the Third World has been pressing for increased control over global radio frequency allocation and international dissemination of news. Walsh, *Encounters with the Third World Seen in Allocating Frequencies,* 201 Science 513 (1978).

[28] *1977–87 Hearings, supra* note 19, at 134.

[29] *Id.* at 122–14.

[30] Remarks by Secretary of State Henry A. Kissinger after meeting Ambassador Hamilton Shirley Amerasinghe, President of the Fifth Session of the Third U.N. Conference on the Law of the Sea, at the United Nations, New York, New York (Sept. 1, 1976).

[31] U.S. Dep't of State, Office of the Law of the Sea Negotiations, U.S. Delegation Report, Seventh Session of the Third United Nations Conference on the Law of the Sea, Geneva, Mar. 20-May 19, 1978, at 12 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1978 Report, Pt. 1].

[32] *See* United Nations Conference on Trade and Development, Report of the Intergovernmental Group of Experts on an International Code of Conduct on Transfer of Technology on its Fifth Session, Annex I, U.N. Doc. TD/AC.1/15 (1978) [hereinafter cited as Code].

[33] *1977–78 Hearings, supra* note 19, at 60, 126.

[34] *Id.* at 57, 60-62, 125.

[35] *Id.* at 61, 88, 89, 124; *see also Law of the Sea: Hearings on Review of the Seventh Session of the United Nations Law of the Sea Conference Before the Subcomm. on Arms Control, Oceans and International Environment of the Senate Comm. on Foreign Relations,* 95th Cong., 2d Sess. 70 (1978) [hereinafter cited as *1978 Hearings*] (State Department answers to additional questions submitted by Senator Percy).

[36] *See* ICNT, *supra* note 8, Annex III, para. 5(j); House Report, *supra* note 3, at 20.

[37] *1977–78 Hearings, supra* note 19, at 113, 134.

[38] The "Group of 77" is a coalition of over 100 developing countries which have banded together to pursue their common interests within the U.N. system. Adede, *The System for Exploitation of the "Common Heritage of Mankind" at the Caracas Conference,* 69 Am. J. Int'l L. 31, 37 n.13 (1975); *see also* Nyhart, *The Interplay of Law and Technology in Deep Seabed Mining Issues,* 15 Va. J. Int'l L. 827, 833-36 (1975).

[39] Code, *supra* note 32, preamble, art. 2.

[40] *Id.* preamble, art. 4.

[41] *Id.* preamble, art. 13.

[42] Code, *supra* note 32, at 7 nn.f & g; *see also 1977–78 Hearings, supra* note 19, at 113.

[43] The development and sale of seabed mining technology alone accounts for many millions of dollars. *See* J. Nyhart, Cost Model of

Deep Ocean Mining and Associated Regulatory Issues (Massachusetts Institute of Technology Sea Grant Report, 78–4, Mar. 1978).

[44] *1977–78 Hearings, supra* note 19, at 134.

[45] 1978 Report Pt. 1, *supra* note 31, at 13–14; *1977–78 Hearings, supra* note 19, at 145; U.S. Dep't of State, Office of the Law of the Sea Negotiations, U.S. Delegation Report, Sixth Session of the Third United Nations Conference on the Law of the Sea, at 9–10 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1977 Report].

[46] *See* U.S. Proposed Amendments to the Committee I Single Negotiating Text, art. 9 (as amended), Dec. 1975.

[47] *1977–78 Hearings, supra* note 19, at 145.

[48] *Id.* at 103, 145. In addition, seabed mining would have been entitled to 100% of the growth segment.

[49] Past growth would be projected to fix the ceiling. *Id.* at 56–57, 116; *see also* Statement Made in NG–1 by the Representative of the United States [hereinafter cited as NG–1 Statement], *reprinted in* 2 Stiftung Wissenschaft und Politik, Forschungsinstitut fur Internationale Politik und Sicherheit, Dokumente der Dritten Seerechtskonferenz der Vereinten Nationen—New Yorker Session 1978, at 235, 237 (1978) [hereinafter cited as SWP—New Yorker Session]. Ninety-one percent of the growth segment would be available to ocean mining at the outset, to decline to sixty-five percent by the end of the interim period.

[50] *1977–78 Hearings, supra* note 19, at 112.

[51] *Id.* at 95.

[52] ICNT, *supra* note 8, art. 150; Alternative Texts, *supra* note 8, art. 150.

[53] *See 1977–78 Hearings, supra* note 19, at 112–13.

[54] The United States is a party to the ICA's for tin and coffee. The tin agreement imposes export controls on net exporters of that commodity and establishes a buffer stock. Because the United States is not a net exporter, U.S. production is unaffected by the controls. The coffee agreement also establishes export controls on net exporters, which do not affect the United States because it is not a net exporter.

The United States is not a party to the cocoa agreement, refusing to join because the quota for exports was too restrictive and the established price too high.

A sugar agreement has been negotiated, but is not in force. Here again, direct export controls are to apply to net exporters, including the United States. Both wheat and copper ICA's are under negotiation. They possibly would limit net exporters, but would not affect U.S. production.

[55] *1977–78 Hearings*, supra note 19, at 112.

[56] *See* text at notes 38–43 *supra*.

[57] *1977–78 Hearings*, supra note 19, at 113.

[58] ICNT, *supra* note 8, art. 150(1)(*g*)(A) reflects the developing countries' position.

[59] 1978 Report, Pt. 1, *supra* note 31, at 13.

[60] Cobalt is the possible exception. For a detailed discussion, *see* Nodules, *supra* note 2, at 41–56.

[61] *Id.* at 50–51.

[62] *See* ICNT, *supra* note 8, para. 150(1)(*g*)(A), reflecting the Group of 77 position. There is no express provision for a State to block Authority participation; however, there is an ambiguous provision which arguably may imply such a power.

[63] *1977-78 Hearings, supra* note 19, at 112.

[64] *Id.* at 80, 89, 95.

[65] *Id.*

[66] *See* ICNT, *supra* note 8, Annex II, para. 5(1), which reflects the Third World position.

[67] 1978 Report, Pt. 2, *supra* note 17, at 8, illustrates the position long held by the United States that "it could not accept any provision which would deny a contract to an American citizen on the basis of his nationality."

[68] In hearings before the House Subcommittee on Oceanography, the following exchange took place:

Mr. Santini: . . . does the United States . . . oppose any form of national quota for ocean mining contracts? Ambassador Richardson: An accurate answer to that is that we have discussed with a very small number of countries the question of a possible application of a quota. We have not come close to agreement on such question, but it is a matter on which some countries are strongly insistent. It is hard at this stage to foresee exactly what the result might be. Mr. Santini: And if I may summarize your answer, the United States does not have any position with regard to a quota?

Ambassador Richardson: :Our basic position is that we are opposed to a quota.
1977-78 Hearings,, supra note 19, at 80.

Most recently, the following answers to written questions were provided for the record by Ambassador Richardson:

The U.S. has made no statement in any official forum of the Conference which would indicate it accepts a quota/anti-monopoly provision in principle. We have indicated privately when asked that no provision that would result in discrimination against American firms could be seriously considered. . . . We believe that this is an issue on which we have very little flexibility.
Id. at 89.

[69] Estimates of the number of prime mine sites vary from less than 100 to over 300. *See, e.g.*, 1978 Report, Pt.II, *supra* note 17, at 7. The relevant mineral requirements of the United States will be substantial and will continue to grow in the foreseeable future. Nodules, *supra* note 2, at 42.

[70] *1977–78 Hearings, supra* note 20, at 57, 90. The forecast of a 4.5 percent growth rate could be optimistic. *Id.* at 95.

[71] *Id.* at 90.

[72] *Id.* at 95.

[73] Furthermore, if a quota only allows a few sites to be authorized, many potential investors may be be deterred because the chances of obtaining authorization to mine are too slim. The estimate of 12 U.S. sites in the absence of a quota is conservative. The industry has suggested that 20 sites could be anticipated. Kennecott Copper Corporation, Sunken Treasure, the promise of ocean mining—the perils of delay (Sept. 1977) (unpublished).

[74] *1978 Hearings, supra* note 35, at 37, 38.

[75] *See* U.S. Dep't of Commerce, Nickel, Cobalt, Copper, and Manganese: Future Supplies and Demand and Implications for Seabed Mining, tables 3–7 and 3–9 (unpublished).

[76] Remarks of Secretary of State Henry A. Kissinger at a reception at the United States Mission for the Heads of Delegations attending the Fifth Session of the Third U.N. Conference on the Law of the Sea, New York, New York, Sept. 1, 1976.

[77] ICNT, *supra* note 8, art. 153; Alternative Texts, *supra* note 11, art. 153.

[78] ICNT, *supra* note 8, art. 153(6).

[79] Alternative Texts, *supra* note 11, art. 153(6).

[80] "The U.S. voiced strong reservations on this provision and noted that it could not agree to the possible termination of its right of access to seabed minerals just at the time the need for them may become acute." 1978 Report, Pt. 1, *supra* note 31, at 15.

[81] This may not always have been perceived by the U.S. delegation. *1977–78 Hearings, supra* note 19, at 78, 90.

[82] *See* text at note 5 *supra*.

[83] As early as 1970 the United States formally accepted revenue sharing. Draft United Nations Convention on the International Sea-Bed Area: working paper submitted by the United States of America, art. 5(2), U.N. Doc. A/AC.138/25 (1970), *reprinted* in 25 U.N. GAOR, Supp. (No. 21) 130, 133, U.N. Doc. A/8021 (1970). "Equitable sharing of benefits" from deep ocean mining was a key element of the Declaration of Principles Governing the Seabed and the Ocean Floor, and the Subsoil thereof, Beyond the Limits of National Jurisdiction, G.A. Res. 2749, 25 U.N. GAOR, Supp. (No. 28) 24, U.N. Doc. A/8028 (1971). That resolution provided the framework for the seabed mining regime.

[84] In 1976 the United States agreed to provide financial contributions to the Enterprise. Remarks of Secretary of State Henry A. Kissinger after meeting Ambassador Hamilton Shirley Amerasinghe, President of the Fifth Session of the Third U.N. Conference on the Law of the Sea, at the United Nations, New York, New York (Sept. 1, 1976).

[85] *See e.g.*, 1 Official Records of the Third United Nations Conference on the Law of the Sea, U.N. Doc. 157 (1975) (statement by Mr. Bakula of Peru).

[86] *See* 1978 Report, Pt. 1, *supra* note 31, at 16–19; 1978 Report, Pt. 2, *supra* note 17, at 9–14.

[87] The records of the early debates in the U.N. General Assembly reveal that the wealth to be derived from development of the deep seabed was widely regarded as practically limitless. It is now clear that the returns from ocean mining will be very modest at best. *See* J. Nyhardt, *supra* note 43.

[88] 1978 Report, Pt. 2, *supra* note 17, at 13–14.

[89] *Id.* at 13.

[90] This is a function of the philosophy that payments to the Authority will be the maximum possible for the benefit of developing countries, with returns to the operators being the minimum necessary for investment purposes.

[91] This line of argument has surfaced largely in corridor conversations at the United Nations. Nonetheless, and perhaps for that very reason, the linkage between the deep seabed regime and the future international treatment of Antarctic resources should be regarded as a difficulty demanding serious reflection.

[92] ICNT *supra* note 8, art. 150(1)(g)(C); Alternative Texts, *supra* note 11, art. 150 *bis* (3).

[93] 1978 Report, Pt. 1, *supra* note 31, at 5.

[94] *1977–78 Hearings, supra* note 19, at 132; 1 Official Records of the Third United Nations Conference on the Law of the Sea 70, 73, 76, 82–84, 94–96, 157, 167 (1975).

[95] Redistribution means something very different for the developed countries. Helen B. Junz, Deputy Assistant Secretary of the Treasury for Commodities and Natural Resources has stated: "Our policy is to separate and reject the category of measures designated to effect income transfers through commodity arrangements and to look positively, but discriminatingly, at proposals aimed at greater price stability. We believe that income transfers should be effected through development aid." Statement by Helen B. Junz before the Subcomm. on Foreign Economic Policy of the Senate Comm. on Foreign Relations, Feb. 27, 1978, at 11 (mimeo).

[96] ICNT, *supra* note 8, art. 157.

[97] *Id.* art. 159.

[98] *Id.* arts. 157(6), 159(7).

[99] *Id.* art. 159(1).

[100] *Id.*

[101] *Id.* arts. 160(1), 159(1).

[102] *Id.* arts. 158(7)(XVI), 160(2)(XIV).

[103] *Id.* art. 160(2)(X).

[104] This is largely a function of the nonreviewability of the wide discretion allowed the Authority. *See id.* art. 191.

[105] *1977–78 Hearings, supra* note 19, at 148–49 (statement of Richard Darman, Harvard University).

[106] *Id.* at 147.

[107] *Id.* at 132.

[108] *See, e.g.*, Title II of the Deep Seabed Hard Mineral Resources Act, as passed by the House of Representatives on July 26, 1978. H.R. 3350, 95th Cong., 2d Sess., 124 Cong. Rec. H7341 (daily ed. July 26, 1978).

[109] *See* Statement Declaring the Position of the Group of 77 on Unilateral Legislation

Affecting the Resources of the Deep Seabed, 2 SWP—New Yorker Session, *supra* note 49, at 275 (Ambassador Nandan, Chairman). Ambassador Nandan stated: "The Group cannot be expected to alter its long-standing and well-stated position rejecting the recognition of acquired rights. We cannot be expected to give a cloak of legality to what is illegal ab initio [*sic*]." *Id. See also* 2 SWP—New Yorker Session, *supra* note 49, at 279–80.

[110] Their position is dictated by the fact that an investment of approximately one billion dollars is required for each operation. *See* A. Lane, Managing National Ocean Resources, Third Annual Seminar on United States Ocean Policy 12 (Jan. 7–10, 1979) (unpublished).

[111] ICNT, *supra* note 8, arts. 150, 151, 158, 160, Annex II.

[112] *Id.*

[113] 1977 Report, *supra* note 45, at 8.

[114] Subscriptions will be on the U.N. scale. Consequently, the United States will provide approximately 25% of the fundings.

[115] This position is reflected in the ICNT, *supra* note 8, art. 184, Annex III, para. 11(*e*).

[116] *1977–78 Hearings, supra* note 19, at 88, 128. The United States main concern is assuring that each side of the parallel system has equivalent burdens.

[117] ICNT, *supra* note 8, art. 184, Annex III, para. 11(*e*).

[118] I.R.C. § 11(b), (c).

[119] *1977–78 Hearings, supra* note 19, at 128.

[120] This is a function of the reality that a forced sale rarely results in the seller receiving full commercial value. There is no real negotiation under the contemplated system. *Id.* at 93. This problem is compounded because the Group of 77 supports a highly politicized system of dispute settlement for technology transfer. *Id.* at 94.

[121] *1977-78 Hearings, supra* note 19, at 71. *See* ICNT, *supra* note 8, Annexes II & III; NG-1 Statement, *supra* note 49, at 238.

[122] ICNT, *supra* note 8, Annex II, para. 4(j) (i).

[123] *Id.*; *1977-78 Hearings, supra* note 19, at 88.

[124] The cost of exploring one site is estimated to be between $16.4 and $50.7 million, depending on vessel costs. The cost of prospecting one site is estimated to be approximately $1.6 million. J. Nyhart, *supra* note 43, at 129.

[125] ICNT, *supra* note 8, art. 3.

[126] *Id.* art. 57.

[127] *Id.* art. 76 does not reflect the degree of certainty concerning the outer limits of the continental shelf which is likely to emerge from the negotiations. *See* 1978 Report, Pt. 1, *supra* note 31, at 23-25; 1978 Report, Pt. 2, *supra* note 17, at 17-18.

[128] ICNT, *supra* note 8, arts. 61-62.

[129] *Id.* art. 62(2).

[130] *Id.* art. 66.

[131] *Id.* art. 64 & Annex I.

[132] *Id.* art. 65 fails to reflect the degree of protection for marine mammals that is likelv to emerge from the negotiations. *See* 1978 Report, Pt. 2, *supra* note 17, at 20.

[133] ICNT, *supra* note 8, art. 38.

[134] *Id.* art. 53.

[135] *Id.* arts. 193–238; Alternative Texts, *supra* note 11, at 79–98. *See also* 1978 Report, Pt. 2, *supra* note 17, at 21–23.

[136] ICNT, *supra* note 8, arts. 187–92, 279–97, Annexes IV–VII; Alternative Texts, *supra* note 11, at 99–108. *See also* Sohn, *Settlement of Disputes Relating to the Law of the Sea Convention*, 3 Envir. Pol'y & L. 98–100 (1977).

[137] Geographers, U.S. Dep't of State, Limits of the Seas No. 36, at 153 (3d rev. 1975); Library of Congress, Security Zone Claims by Various Nations, *citing* Foreign Broadcast Information Service, Daily Report, Asia and Pacific D6 (Aug. 1, 1977). The 200-mile claim, in fact, relates to the economic zone in the Yellow Sea, where delimitation limits the geographical scope of the claim generally to 50 miles.

[138] ICNT, *supra* note 8, arts. 56, 58; *1977–78 Hearings supra* note 19, at 197–98.

[139] ICNT, *supra* note 8, arts. 56, 239–78; 1978 Report, Pt. 1, *supra* note 31, at 34–35; 1978 Report, Pt. 2, *supra* note 17, at 23–24.

[140] *See note* 136 *supra; see, e.g.*, ICNT, *supra* note 8, arts. 191, 296–97.

[141] ICNT, *supra* note 8, art. 229; Alternative Texts, *supra* note 11, at 93–94; 1978 Report, Pt. 2, *supra* note 17, at 21–22.

[142] Communication is affected similarly. *See 1977–78 Hearings, supra* note 19, at 197–98.

[143] *Id.*

[144] ICNT, *supra* note 8, arts. 56, 239–78.

[145] *See, e.g., id.* arts. 247, 249, 250.

[146] In recent Conference sessions, the U.S. delegation has undertaken substantially increased efforts to maximize protection of the marine environment in the treaty. *See* 1978 Report, Pt. 1, *supra* note 31, at 32–34.

[147] Krueger & Nordquist, 200-Mile Zones; State Practice in North America, East Asia and Oceana App. A (n.d.) (unpublished). As of December 1, 1978, six non-indepndent territories also had 200-mile zones. *Id. See also* Geographer, National Maritime Claims (Nov. 7, 1978) (unpublished).

[148] Nossaman, Krueger & Marsh, (n.d.) (unpublished).

[149] 2 New Directions in the Law of the Sea 873–74 (Lay, Churchill, Nordquist, eds. 1973).

[150] Nossaman, Krueger & Marsh, *supra* note 148.

[151] 2 New Directions in the Law of the Sea, *supra* note 149, at 873–74.

[152] *Id.*

[153] The exercise of community rights would suffer more in that case, but probably only to a limited extent. See Darman, *The Law of the Sea: Rethinking U.S. Interests*, 56 Foreign Aff. 373 (1978).

[154] *Id.*

[155] Convention on the Continental Shelf, *done* Apr. 29, 1958, 15 U.S.T. 471, T.I.A.S. No. 5578, 499 U.N.T.S. 312. *See also* Multilateral Treaties in Respect of Which the Secretary-General Performs Depositary Functions 486–87, U.N. Doc. ST/LEG/SER.D/9 (1976); North Sea Continental Shelf Cases (Federal Republic of Germany v. Denmark; Federal Republic of Germany v. Netherlands), [1969] I.C.J. 3.

[156] This is the clear position of the United States and most other developed countries possessing the requisite technology. Provisional Summary Record of the 109th Plenary Meeting, U.N. Doc. A/CONF.62/SR. 109 (prov. ed. 1978), SWP—New Yorker Session, *supra* note 49, at 123.

[157] Informal Composite Negotiating Text/Revision 1, U.N. Doc. A/CONF.62/WP.10/Rev. 1, (1979) [hereinafter cited as ICNT Rev. 1].

[158] *Id.*, Annex II, art. 5. The provision relating to the Enterprise does state that the transfer obligation may be invoked only if the technology is not otherwise available under fair and reasonable conditions. *Id.* para. (c) One should ask what "fair and reasonable means". Normal rules of interpretation would suggest that "commercial" terms are not necessarily contemplated by this provision, as "commercial", appears in other provisions, but not this one. In any case, mandatory transfer, as a forced sale, remains the central problem.

[159] *Id.*, para. 2.

[160] *Id.*, para. 3.

[161] *Id.*, para. 5.

[162] *Id.*, ICNT Rev. 1, *supra* note 157, art. 151, para. 2.

[163] *Id.*, Annex II, art. 7, para. 4.

[164] ICNT Rev. 1, *supra* note 157, art. 151, para. 1.

[165] *Id.*, Annex II, art. 6, para. (d).

[166] ICNT, *supra* note 8, Annex II, para 5(1).

[167] ICNT Rev. 1, *supra* note 157, art. 155, para. 6.

[168] *Id.*, Annex II, art. 12.

[169] ICNT Rev. 1, *supra* note 157, para. 3.

[170] *See* discussion, *supra*.

[171] ICNT Rev. 1, *supra* note 157, art. 161.

[172] *Id.*

[173] *Id.*, art. 160, para. 1.

[174] *Id.*, Annex II, art. 17.

[175] *Id.*, art. 7, para. 3.

[176] *Id.*, art. 160, para. 2(n).

[177] *Id.*, Annex II, art. 10, para. 2(c).

[178] *Id.*, art. 160, para. 2(h).

[179] *Id.*, art. 78, para. 2.

[180] *Id.*, arts. 56, 58.

[181] *Id.*, Part XIII, Section 3.

[182] *Id.*, art. 296, para, 3.

[183] *Id.*, art. 296, para. 2.

[184] *Id.*, art. 228.

[185] *Id.*, Part XII.●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE STATEMENT FOR PERIOD ENDING JUNE 30, 1979

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Ms. MIKULSKI. Mr. Speaker, in accordance with executive committee order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion into the Record. The report is as follows:

[Quarterly Report]

Fund Balance Statement—U.S. House of Representatives, Congressional Steel Caucus

Balance remaining (as of March 31, 1979)	$6, 827. 58
Total revenues (clerk hire and membership dues)	8, 734. 34
	15, 561. 92
Less expenses:	
April 1979	3, 355. 53
May 1979	3, 511. 76
June 1979	3, 296. 47
	10, 163. 76
	5, 398. 16
Plus interest deposit	37. 78
Total unexpended revenues (as of June 30, 1979)	5, 435. 94

STATEMENT OF EXPENSES

Salaries	$14, 586. 54
Travel	0
Stationery	243. 59
Postage	32. 00
Telephone	360. 41
Publications	373. 80
Equipment	1, 072. 62
Printing	17. 50
Miscellaneous	3, 642. 50
Total expenses as of June 30, 1979	20, 328. 96

CONGRESSIONAL STEEL CAUCUS MEMBERS WHO HAVE PAID DUES AS OF AUGUST 31, 1979

Joseph Addabbo, Douglas Applegate, John Ashbrook, Eugene Atkinson, Donald Bailey, Adam Benjamin, Jr., Tom Bevill, Clarence Brown, George Brown, John Buchanan, John Cavanaugh, Don Clausen, William Clay, William Clinger, E. Thomas Coleman, Lawrence Coughlin, W. C. "Dan" Daniel.

Robert Davis, John Dingell, Robert Duncan, Robert Edgar, Allen Ertel, Dave Evans, Vic Fazio, Floyd Fithian, Daniel Flood, William Ford, L. H. Fountain, Joseph Gaydos, Robert Giaimo, Benjamin Gilman, William Goodling, Tennyson Guyer, Sam Hall, Jr., James Hanley, Elwood Hillis, Kenneth Holland.

Richard Ichord, John Jenrette, James Jones, Tom Kindness, Ray Kogovsek, Peter Kostmayer, Raymond Lederer, Gary Lee, Jim Lloyd, Clarence Long, Thomas Luken, Stanley Lundine, Robert McClory, Joseph McDade, Robert McEwen, Gunn McKay, Marc Marks.

Dan Marriott, James Martin, Dawson Mathis, Robert Michel, Barbara Mikulski, Clarence Miller, John Mitchell, Robert Mollohan, G. V. Montgomery, William Moorhead, Ronald Mottl, Austin Murphy, John Murphy, Morgan Murphy, John Murtha, Michael Myers, William Natcher, Bill Nichols, Richard Nolan, Henry Nowak.

Mary Rose Oakar, James Oberstar, George O'Brien, Thomas P. O'Neill, Edward Patten, Donald Pease, Carl Perkins, Melvin Price, Carl Pursell, James Quillen, Nick Joe Rahall, Ralph Regula, Don Ritter, Robert Roe, Dan Rostenkowski, Martin Russo, Richard Schulze.

John Seiberling, Richard Shelby, Bud Shuster, Paul Simon, John Slack, J. William Stanton, Louis Stokes, Samuel Stratton, Gene Taylor, Morris Udall, Bruce Vento, Douglas Walgren, Robert Walker, Richard White, Lyle Williams, Charles Wilson, Gus Yatron, Clement Zablocki, Leo Zeferetti.●

HOUSE RESOLUTION 404

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, I am today introducing a resolution, House Resolution 404, aimed at eliminating many of the conflicts that all Members have in committee scheduling. Just before the August recess, this resolution was unanimously reported by the Select Committee on Committees.

Every day, many of us are scheduled for the impossible task of being in two or more committee or subcommittee meetings at the same time. These conflicts require that we decide to attend one meeting and not another and thereby contribute less than we want to to the work of one or the other committee or subcommittee. Another result is that meetings tend to start late, because quorums cannot be obtained at the hour the meeting is scheduled. This problem, in addition to putting a daily burden on all Members, delays the work of the House and dilutes the legislative product.

Computer analysis of the complete meeting schedule of the 95th Congress revealed that, for business meetings, reporting, and markups, there were over 4,000 cases of Member conflicts—cases in which a Member had two or more meetings scheduled at the same time. Computer modeling showed us the way to eliminate over 3,000 of these conflicts while restricting normal committee and subcommittee action as little as possible. As Congress now operates, there are meeting conflicts every day of the week. Under the select committee's proposal, every Tuesday, Wednesday, and Thursday will be free of such conflicts.

House Resolution 404 would change the rules of the House in such a way as to establish a two-track system for business meetings, reporting, and markups for most committees and subcommittees. These rules changes would allow all committees and subcommittees to meet at any time for the purposes of taking testimony and receiving evidence.

The proposal is based on a division of committees into three categories, A, B, and X. The X committees include Appropriations, Budget, Rules, Ways and Means, and all ad hoc, joint, and select committees, all of which could be free to meet at any time. Group A committees could meet for markups, and so forth on Monday, Tuesday, Wednesday morning, and Friday. Group B committees could meet for these purposes on Monday, Wednesday afternoon, Thursday, and Friday. All committees could hold hearings at any time. Even with this limitation there would be more meeting times available in a Congress than were used in the 95th Congress by those committees which had the largest number of meetings.

The A committees reflect those committees identified in Democratic caucus rules as major and the B committees, those identified as nonmajor. Within each category, there is a minimal number of duplicating memberships, since each category reflects the committee assignment practices of the two parties. Computer modeling showed that no other division of the committees under a two-track system could reduce conflicts nearly so effectively.

The remaining provisions of the resolution require committees to use the computer scheduling service of the House Information Systems and prevent subcommittees from meeting while their full committee is meeting unless the full committee chairman specifically authorizes an exception.

An identical resolution, House Resolution 405, has 33 cosponsors, including a large number of full committee chairmen. These cosponsors, along with every member of the select committee, recognizes that this proposal represents a small, incremental approach to needed—and feasible—reform. It reflects the facts of committee operations as detailed in the massive data base compiled during the 94th and 95th Congresses by the former Select Committee on Congressional Operations chaired by my colleague from Texas (Mr. BROOKS). The select committee solicits the support of all Members for this much needed move toward greater efficiency of operation.●

GERIATRIC MEDICINE TO BE TAUGHT IN MORE AMERICAN MEDICAL SCHOOLS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. BIAGGI. Mr. Speaker, I was heartened to read an article in the July-August 1979 edition of the American Association of Retired Persons News Bulletin which stated that at long last courses in geriatric medicine will be offered at almost all American medical schools.

I have had a longstanding interest in this matter and in the last Congress conducted a hearing of my Subcommittee on Human Services to investigate why American medical and nursing schools were ignoring this important area of medicine. We learned that less than half of all American medical schools offered courses in geriatric medicine while an even lower percentage of nursing schools offered courses. Further the United States only has one chair of geriatric medicine compared with two in Sweden and 10 in Great Britain.

The older population is our fastest growing. Already in this decade the percentage of persons over 60 has jumped by some 17 percent. They consume almost one-third of the health care dollar, but oftentimes only because of this Nation's reliance on treating people when they are sick instead of preventing illnesses.

I am encouraged by this news and hope that with all American medical schools offering courses in geriatric medicine that we will see a healthier America in the years ahead. I now insert the article:

NEEDS DISCUSSED AT AARP CONFERENCE—MOST MEDICAL SCHOOLS WILL OFFER GERIATRICS

Virtually all of the 120 medical schools in the United States will be offering some type of program in geriatrics this year, a professor at the University of Washington's School of Medicine said at a recent three-day conference on "Geriatric Medicine—Tomorrow's Practice Today" sponsored by NRTA and AARP.

Dr. Carl Eisdorfer, professor and chairman of the Department of Psychiatry and Behavioral Sciences at the University of Washington, made his remarks during a press briefing at the meeting, which attracted nearly 400 department heads from the nation's medical schools and teaching hospitals.

Where less than a dozen medical schools offered courses in aging just 15 years ago Eisdorfer predicted that most will offer some introductory instruction by the end of 1979. While these represent only the beginning of what needs to be done in geriatric medical education, they are a promising start stemming from growing public awareness of the special medical needs of older people.

In a keynote address, Dr. Paul B. Beeson of the Veterans Administration, said he did not believe specialists in geriatrics are needed in general practice but are in demand for research and teaching. He said enough specialists to train doctors may not be available for several years.

"We must move slowly and develop a few quality programs to train these specialists," Beeson said. He warned that "a major crash program will not work because we don't have the people yet to run it.

Beeson was in charge of a recent study by the National Academy of Sciences' Institute of Medicine which disclosed that 11 percent of the population 65 or older pay almost a third of today's total health care costs in the United States and by the year 2020 when 20 percent of the population will be 65 and over, the elderly will be responsible for more than half of all medical bills.

Other speakers at the Washington, D.C. meeting, which was co-sponsored by the George Washington University Medical Center, included Dr. Robert N. Butler, director of the National Institute on Aging; Sen. Thomas Eagleton (D-Mo.); Dr. Alexander

Leaf, Harvard Medical School; Dr. Leslie Libow, founder of one of the first geriatric treatment and training programs; and Dr. William Reichel, president of the American Geriatrics Society.●

HOMOGENIZING CHILDREN

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. TAUKE. Mr. Speaker, in the August 22 Washington Post, Joseph Sobran presented some intersting observations regarding private education in his editorial, "Homogenizing Children." He clearly points out that our present system is monolithic and tends to reduce the options available to people in private schools.

Since many of my colleagues may have missed this editorial, because it appeared during the August recess, I include "Homogenizing Children" in the RECORD immediately following my remarks:

HOMOGENIZING CHILDREN

(By Joseph Sobran)

Many folk of the liberal persuasion are intensely suspicious of any means of giving public support to private education. They regard such means as a devious way of subsidizing Catholicism. Never mind that they want all of us, Catholics included, to subsidize liberalism, right down to the last abortion. It is unconstitutional, you know, for Catholics to do to liberals what liberals do to Catholics.

Well, things are changing. California is rolling up its sleeves for a brawl over a voucher system of financing education, and this time the proposal can't be dismissed as a Popish plot. The authors of the "Family Choice Initiative" are a pair of liberals—the same pair who got the property-tax method of financing schools overturned as unconstitutional.

Professors John E. Coons and Stephen D. Sugarman think the surest way to promote quality is to give all parents equal allotments for the schooling of their children. They also face up to the problem of values that public education has never quite resolved.

We all agree that education is good, but we disagree on what education consists of. The three Rs, sure. But no school on earth confines itself to them. Schools inculcate moral values, too, whether they admit it or not. And since there is no consensus about moral values, schools inevitably take sides with some against others.

The public school system is anti-pluralist. It started out nominally "non-denominational" but actually Protestant. Today, it is nominally neutral but actually liberal, secularist, subtly anti-religious and increasingly anti-family.

Religion is supposed to be excluded from the classroom, on constitutional grounds. Anti-religion is not. If a teacher preaches Christianity in class he violates the separation (or is it segregation?) of Church and State. But if he mocks religion in the classroom, particularly if he's a professor at a state university, he is merely exercising his "academic freedom." We forbid the one and subsidize the other. We have established irreligion.

As for family values, sex education is a-coming. New Jersey's board of education has just mandated compulsory sex education, which will almost surely convey subtle approval of premarital sex, contraception, abortion and so forth—not always explicitly, of course, but as "options." Parents who object may have their own children excused from some parts of the courses, though their taxes continue to propagate liberal sexual views.

I can't help remembering the school prayer uproar, when the Supreme Court ruled that making prayers optional doesn't make them constitutional: religion was still getting preferred treatment, and that was wrong. Today, the liberal code gets preferred treatment, and that's fine.

Profs. Coons and Sugarman are restoring the principle that education is a parental prerogative, which parents may delegate to schools. But to do this responsibly, parents must have a choice among schools. This is especially urgent, Sugarman points out, when there is no firm consensus on values.

Other liberals, who have no doctrinaire hostility to religion and the family, are beginning to realize that a voucher plan subsidizes parents, not religion. Anyone who can say, "I'm not pro-abortion, I'm pro-choice" ought to be able to say, "I'm not pro-religion, I'm pro-choice." To exclude choice is to disparage freedom. To exclude religious choice in particular is to disparage the First Amendment.

One advocate of the public school system, R. Freeman Butts, defends it precisely because it imposes uniform values—"common commitments"—on students. Its whole purpose, he says, has always been to make them "self-governing citizens rather than . . . private persons loyal primarily to their families, their kinfolk, their churches. . . . In its origins, the idea of public education was not to give parents more control over education, not to promote the individual needs and interests of children, not to prepare for a better job, not to get into college."

There we have it. The mission of the American school is to homogenize American children. Not for their sake, but for the State's. The best way to make them "self-governing citizens" is apparently to take them from the plural influence of parents and to submit them to a monolithic state program.

If that is the defense, the prosecution rests.●

THE ABSURDITY OF BUSING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, the new school year is already underway and so is yet another round of forced busing. Every year more and more jurisdictions fall under judicial edicts that circumvent local authority and parental perogatives. Unfortunately, there is no end in sight. This Congress backed away from this issue in July and now our Nation's school children and their parents are suffering the consequences. The objection I have had about busing is not so much the act as how the entire concept has warped the values and the ideals of education in this country. To place the education of individuals into charts and graphs is to regiment one of the most personalized experiences in a person's life. Education is a function of family, friends, neighborhood, as well as the formal training and guidance of a school.

The concept of a neighborhood school is based on having a school that is consistent with the other factors in a child's environment. This is why most parents, when they move into a new area, usually look at the various school systems as much as the various neighborhoods, before they buy a new home. It is not now, nor has it ever been, a mandate of this Government to second guess the family unit in educational decisions. However, this is exactly what is happening at an alarming increase throughout this Nation.

The reality of busing has shifted the discussion of education out of the realm of what is best for the child and the family and into a bedlam of social engineers and politicians. I call my colleagues' attention to a recent article by Mr. Russell Baker on the busing issue. Mr. Baker has developed the skill of mixing biting commentary with a sharp wit.

His article shows up busing for the absurdity it is:

PLAYING IT LIBERAL

(By Russell Baker)

Having bid farewell to school houses several years ago with the sorrow of a man emerging from 30 years of lost wanderings in the Dismal Swamp, I have only lately begun studying the nuances of human passion created by the busing issue and the strange behavior they produce.

Take Smith, for example, whose children attend public schools. Smith despises school busing, but does not dare say so for fear that Carling will call him a "racist."

A vociferous champion of social and political uplift, Carling holds that the random intermingling in faraway schoolrooms of children rich and poor, black and white, is a blessing to the Republic. Resistance to the idea, to his way of thinking, can stem only from a benighted racism, which must be plainly labeled and denounced wherever it raises its evil face.

Smith, who likes to fancy himself a decent fellow, cannot take the obloquy he knows Carling will heap upon him. So he keeps silent, despising school busing quietly and silently hating Carling.

The Carlings of the world have a easy time with the Smiths, who live in terror of being publicly exposed as illiberal. Smith refuses to complain about his tax rates for fear of being called a "fascist," fears being caught with an opinion on the Palestinian problem lest he be called an "anti-Semite" and hates to have people see his wife cooking dinner because he is afraid feminists will call him an "oppressor."

Barry, on the other hand, is not so easily pushed around by terrorist epithets. He confronts Carling with righteous rage. He points out before the assembled crowd that Carling, this gallant hussar of public school busing, sends his own children to private school.

The Carlings almost invariably send their own children to private school. The assumption seems to be that with a father as enlightened as Carling, a child doesn't need the beneficial intermingling of rich and poor, black and white. And, since Carling can muster the heavy money which private school costs, he may believe he is doing the less fortunate a good deed by helping them enjoy the beneficial intermingling without udue classroom crowding.

Barry does not see it this way. A man of outspoken conviction, he calls Carling a "hypocrite." Carling preaches one doctrine and practices another, says Barry. All of us in Barry's audience enjoy that. It is always comforting to see someone else's hypocrisy called to account, since it decreases the chances of anybody's noticing your own.

Carling, of course, denies hypocrisy, but his defense is a trap. The simple fact, he pleads, is that he wants only the best education for his children. The place to get it, regrettably, is private school. When public-school education equals the excellence of private schools', Carling will gladly offer his loved ones to the beneficial intermingling of the school bus, whether that glorious day come tomorrow or, as is more likely, 85 years hence.

Carling is now hung up in his own barbed wire. "You are an elitist!" cries a man in the crowd. It is Hamlin. No man is more qualified to drive the dreadful word "elitist" into a fellow creature's heart, at least in this confrontation.

Hamlin's children have always been bused to public schools and, though their reading level is three years beneath the national average and they are regularly robbed of their lunch money in the corridors, Hamlin is proud, not only because his kids can take it, but also because they are being protected from the corrosive infection of "elitism."

Hamlin is black and, so, would never dream of calling Smith a "racist." He will leave that to Carling, the white liberal, but he will not tolerate Carling's white liberal "elitism." Barry, of course, is also an "elitist," but nothing can be gained from calling him one publicly, since Barry is not ashamed of it. Barry boasts about being an "elitist." This is how he gets away with calling Carling a "hypocrite."

Boasting about your indifference to uplift is the best way to keep the crowd from getting a harpoon into you. So Barry boasts about sending his children to private school and, if anyone accuses him of being a "fascist," he will boast about that, too, boasting in passing that he enjoys oil-company dividends from windfall profits and is the only person in the room who enjoyed total avoidance of last year's income tax.

Barry doesn't care whether his children get a better education in private scohol. He simply figures that private school is better than public for learning arrogance.

It is Hamlin who infuriates Quinn. Like Hamlin, Quinn is also black, but he has no more use for busing than Smith has. Quinn sees it as a scheme by the white power structure to destroy the integrity of the black community. Hamlin's eagerness to submit to the plot infuriates Quinn, but he doesn't dare say so. He is afraid Hamlin would accuse him of having a "ghetto mentality," and he does not want to give whites the satisfaction of hearing him explain how the despicable "ghetto" turned into the comforting "black community" he now cherishes.

Meanwhile, the politicians present have left the room and the judges, being too old to think about children, ponder statistics.●

SYNTHETIC LIQUID FUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, this past July 12, the Department of Energy issued a report which I believe is of great value as an information source on the environmental effects of synthetic liquid fuels production. The report, which was reprinted August 9, 1979, was prepared by the DOE, the EPA and the President's Council on Environmental Quality.

In sum, their examination consisted of an environmental and regulatory analysis of synthetic liquid fuels production, and was devoted largely to a study of impediments to the development of a synthetic liquid fuels program for the United States. Their collective findings clearly point out that any production level regarding synfuels will require the resolution of a number of institutional constraints, but significantly, they concluded that—

> . . . there appears to be no absolute environmentally related constraint identified for any of the first-generation technologies.

These would include biomass conversion and indirect liquefaction where environmental problems appear not to be major factors.

The report argues effectively for the development of a synthetic fuels program for the United States. It points out that a national effort to produce at least 1.5 million barrels a day of liquid fuels is feasible, providing the most effective environmental control technologies and practices are used. These are areas of control technology in which, as a nation, we have made great strides and hold a preeminent position. The importance of the issue and the timeliness of the DOE report should not be overlooked. It is for that reason that I commend their findings to the attention of my colleagues.

The summary of the DOE report follows:

SUMMARY

FINDINGS

Assuming application of the most effective environmental control technologies and practices, deployment of synthetic liquids facilities on an accelerated schedule to 1990 appears feasible in terms of current environmental constraints. A set of first-generation technologies (surface oil shale retorting, indirect liquefaction, and biomass conversion) at the low (500,000 barrels per day (BPD)) and medium (1,000,000 BPD) levels of production have sufficient siting opportunities; the high level of production (2,000,000 BPD) brings rapidly increasing siting difficulties. Yet-to-be-defined regulations, in their stringent forms, could change this finding. These regulations include visibility, short-term nitrogen oxide ambient standard, extension of prevention of significant deterioration (PSD) regulations, hazardous waste standards, toxic product regulations, and occupational safety standards.

Any production level requires resolution of a number of institutional constraints, including permitting delays and the acceptability of the facility to the local population and state authorities. The greatest impediments for the first-generation technologies include long time delays, facility size limitations, and unwillingness to change the character of the community.

In reaching this general finding, the environmental analysis found that, within present and anticipated environmental regulations and standards, and for a selected set of first-generation facilities,

There appears to be no absolute environmentally related constraint identified for any of the first-generation surface conversion technologies. Second-generation processes run greater risks of major environmental problems. For in situ processes, the major risk is leaching of hazardous materials into water; for direct liquefaction, concern is potential worker and public exposure to toxic substances.

Yet-to-be-defined regulations are perceived by developers as major technology development impediments. These include air quality standards (visibility, short-term nitrogen oxide, and new PSD regulations), regulation of hazardous wastes and toxic products, undeground injection guidelines, and worker safety regulations.

Some risk exists that environmental R&D programs cannot fully satisfy all existing and expected regulatory demands, but these risks should be known by 1985 and it is expected that appropriate control adjustments can be made. Because of lack of data, one area of concern with indirect liquefaction is environmental emissions of processes following gas synthesis. However, as these and similar catalytic conversions are currently effected in the petrochemical industries, the primary impact of these adjustments is expected to have a minor effect on product cost.

Reduction of these uncertainties requires refocusing of environmental research and assessment programs to aggressively address these areas and to promptly identify environmental issues that may become future impediments.

There is a need for intermediate to long-term environmental health and safety monitoring of operations at all scales of development, especially with regard to anticipating the effect of equipment reliability and maintainability on fugitive emissions and the ultimate fate of solid wastes.

From the present state-of-the-art and from mitigation controls developed as part of the research and assessment programs, stringent environmental controls and engineering practices need to be determined. Based on these, guidelines and standards must be set early, followed by responsive periodic updating based on new information.

Sufficient siting opportunities exist within current regulatory and resource availability requirements, given that institutional impediments are reduced, to meet an accelerated deployment program. Practical maximum deployment levels, however, cannot be projected without much more detailed siting analyses than were carried out for this "siting opportunities" analysis.

Therefore, the primary environmentally related impediments that need to be addressed at the general program level are as follows:

Reduce existing institutional barriers such as water allocations and transport rights-of-way to allow available existing physical resources to be tapped by these new demands without overly constraining prior claims for these resources;

Improve the permitting processes and supporting technical information systems to significantly reduce the required permitting time schedules, including early conduct of broad locational surveys to determine the detailed siting opportunities; and

Simplify existing and establish new points of public review and comment and, further, specify more exactly the conditions for judicial review of permitting procedures in order to reduce probable delaying impacts of litigation.

While technology risks are not fully resolved, analysis of the interaction of stringent environmental regulations, critical resource availability, and site availability show that siting areas are sufficient to allow deployment of a synthetic liquids supply industry within other projected energy and industrial growth patterns. Therefore, programmatic and management activities to facilitate technology siting and deployment, reduce complexity in permitting requirements, reduce institutional constraints on critical resource allocations, and improve procedures for providing public involvement in the program appear most critical.

Table 1 provides a summary of the findings of the analysis grouped as follows:

Technology-specific results.

Siting opportunities.

Permitting process findings.

Because many results of this environmental analysis and the potential courses of action are discrete and do not lend themselves to summarization, a more extensive list of concerns (Table 5) is presented at the end of this summary.

The Office of Environment is now initiating a broader, more comprehensive assessment of the siting-related development capacity for synthetic fuels, which will address in detail all areas considered by the present siting analysis, including state and local institutional considerations. This more detailed assessment should be completed by October 1979 and will be made available to the public at that time.●

IN FAVOR OF ODD-EVEN GAS LAW

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MAZZOLI. Mr. Speaker, I could not agree more with the editorial in yesterday's Washington Post urging retention of the Metro area's odd-even gasoline sales rule.

My family's driving habits have changed dramatically since odd-even went into effect in northern Virginia—where we reside—and in the entire area.

We drive less. We drive more energy efficiently because of preplanning. And, we are conserving gasoline, as a result.

My family and I know we cannot fill our gas tank whenever and wherever we wish. We can get gasoline only under certain conditions.

Thus, odd-even stands as a daily reminder to all the Mazzoli's that gasoline is a commodity in scarce supply and that we should do our part to conserve it so the available supplies can be stretched to do the most good for the most people.

It was not easy to convince my family and me of the reality of the gasoline emergency and of the necessity for us to change our driving habits.

But, I am convinced now as are thousands of auto drivers in this important and bellwether area of the country; all because of odd-even rules.

I would hate to see this salutary mood and spirit of conservation dissipate and disappear because our reminders and memory joggers—odd-even gasoline rules—were removed from the books.

Even though the rules are not respected by each and every driver nor by each and every gas station operator, they still are worth keeping.

Mr. Speaker, I join the Post in calling on local officials of the metro area to reconsider their decision to drop odd-even rules. It is in the public interest to have odd-even gasoline rules.

The Post editorial follows:

Keep the Odd-Even Rule

The decision by the governors of Maryland and Virginia and the mayor of the District to drop the odd-even gasoline rule as of Oct. 1 is a bad idea. However much of a nuisance the restriction now seems, it is a constant reminder that gasoline conservation is still important, that "the problem" of supply has not disappeared. What has disappeared for now—thanks in no small way to the odd-even, minimum-purchase ground rules for distribution—is panic at the pumps.

Declaring open season on gas supplies invites a return to "normal"—excessive is the word—use. This could produce another severe shortage at area pumps; and if that leads to another decision to bring back the odd-even rule, it couldn't help reinforcing public suspicions that the whole thing is a sham in the first place. Besides, there is reason even now to believe that soon there will be new pressures on filling-station supplies. In the past, September has been a month of weaker demand; but use in October tends to match that of May and June—which was when this year's pandemonium at the filling stations erupted.

True, the odd-even rule has its flaws. Such a rule made uniform across the country would be more effective than regional restrictions, for instance. And it is also true that the area rules have not been observed or enforced all that strictly. But this is not a good reason to lift them. The effect of ending the restrictions in this region will be to convey the notion that the situation has improved enough for people to disregard the problem. There is still time for the two governors and the mayor to reconsider their decision. They should.●

EDUCATIONAL TESTING ACT: THE NEED FOR OPENNESS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mrs. CHISHOLM. Mr. Speaker, as you know, the Education and Labor Committee, Subcommittee on Elementary, Secondary, and Vocational Education is currently holding hearings on H.R. 4949, the Educational Testing Act of 1979. The legislation seeks to imbue in the standardized testing process a fundamental element of fairness and openness that its sponsors and supporters believe is long overdue. The impact that standardized tests have on the educational futures and careers of millions of Americans is not a subject of serious debate; it is obvious that standardized tests dictate to a very substantial degree the life choices of vast numbers of citizens. In many cases, standardized tests are frequently used as a gatekeeping device for access to educational opportunities. For this reason, the sponsors and proponents of the Educational Testing Act believe that it is imperative that we implement some uniform standard of openness which will serve to enhance the accountability of what has become a major industry in this country.

The hearings that have been held to date on this legislation indicate that there is a dire need for Members of this Congress to become educated about the extent that testing affects the lives of their constituents. In addition, the public debate that is beginning to develop around the bill is a vital and healthy dialog. For too long testing procedures and uses have remained shrouded in secrecy and misinformation, an atmosphere that is not conducive to the educational interests of our children. The important testing issues that have surfaced as a result of the hearings on this bill must be placed under public scrutiny, in order to shed light on a subject crucial to the lives of millions of Americans.

Opponents of this legislation have consistently misrepresented the actual impact of this legislation and the objectives of its proponents. As written, the bill will have no direct impact on the content of standardized tests or the uses of such tests in the admissions processes of educational institutions. The legislation can neither be construed as a tool to regulate the testing industry nor as an inappropriate Federal foray into the admissions policies of colleges and universities. The legislation is a disclosure bill, no more, no less, and I believe that it is vital to opening up this important educational issue to broader research and public debate. If standardized testing is accomplishing its objectives as opponents of this legislation contend, there is nothing in this bill that they need fear.

I believe that the following editorial, which appeared in the August 24 New York Times in support of New York State's "Truth in Testing" law, provisions of which are similar to H.R. 4949, very adequately states the case for the Educational Testing Act of 1979.

Truth in Testing

The intemperate responses of some academic testers to New York's truth-in-testing law are certain to damage their cause more than the law itself. The associations that administer admission tests for medical and dental schools have threatened to pull out of New York, and the Educational Testing Service, the nation's biggest testing enterprise, has said it might curtail services. Doubtless, the law will require more work on their part, and there will be added costs. But their complaints are overstated. In fact, the law is welcome; it's time to take the mystery out of college testing.

The law signed recently by Governor Carey applies to such examinations as the Scholastic Aptitude Test and the Law School Admission Test that colleges and graduate schools use to rank their applicants. As of Jan. 1, 1980, a copy of any test offered in New York must be filed with the State Department of Education. In addition, data on how a test was constructed and validated must be made public. What irks the testers most is a provision that allows anyone who takes an exam to receive a graded copy. Questions used for research but not counted in scores and specialized achievement tests are exempt.

The testers say the law means an exam given in New York cannot be used again because its contents are likely to be disseminated elsewhere. They contend, too, that the law will create problems in "equating" tests—insuring, for instance, that a 600 verbal score achieved in 1975 is comparable to a 600 in 1979. The testers therefore project drastic increases in cost to maintain the present level of service. And they're unhappy that the law goes into effect so quickly. This complaint may be justified. It takes months to prepare a test and a slight delay may be in order.

Testing services like ETS have been more open about themselves in recent years and the tests have improved; today, most are fairer to minorities than they were ten years ago. But the testers still haven't faced up to other exam limitations or to the frequent misuse of test results. Although testers caution against it, some schools still rely on scores as absolute indicators of ability. ETS, moreover, is surely exaggerating when it contends that the new law might drive up costs by as much as 50 percent and that even then it might not be able to uphold testing standards. Development costs are only a small part of total costs passed on to the consumer. And some authorities have argued convincingly that at least four techniques already used by the industry would permit "equating" and validating to continue undisturbed—at little or no extra cost.

In any case, there is the matter of elementary fairness. These academic tests help to shape the course of people's lives—their schooling, their careers, the very sense of their own abilities. Students deserve to know how they are being rated and judged. There are freedom-of-information laws, truth-in-lending laws, truth-in-packaging laws. Why not truth in testing as well? ●

CONGRESSMAN JOHN ANDERSON'S ENERGY PROPOSAL

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GREEN. Mr. Speaker, Representative JOHN B. ANDERSON of Illinois recently made a proposal which has attracted considerable attention. In an article published in the New York Times of September 4, Mr. ANDERSON suggested that "a 50-cent-a-gallon 'energy-conservation tax' on all motor fuels could reduce our gasoline consumption by 5 to 10 percent, saving us 365,000 to 730,000 barrels of fuel per day for more critical uses like home heating oil, and reducing our dependence on foreign supplies."

While recognizing that special provisions would have to be made, such as business use of motor fuels, Mr. ANDERSON outlines several significant advantages to his plan. In addition to the obvious energy savings, the estimated $50 to $60 billion a year in revenues could be earmarked for the social security trust funds. Although I have proposed different plans to address the difficult social security problem and provide increased aid to the elderly, the gentleman from Illinois has identified a crucial issue which is demanding attention and has offered a possible solution.

The motor fuel tax proposal was the subject of an article by Robert J. Samuelson in the September 8 National Journal, which was reprinted in yesterday's Washington Post. Given Mr. ANDERSON's outstanding national reputation and the interest his proposal has generated, I wanted to share this article with our colleagues and ask that it be printed in the RECORD at this point:

QUESTION FOR THE '80S: METHOD OF TAXATION

(By Robert J. Samuelson)

Rep. John B. Anderson (R-Ill.), one of the hordes of Republicans seeking his party's presidential nomination, did something the other day that makes him stand out in this crowd. He suggested a 50-cent-a-gallon tax on gasoline. If there were a handbook for candidates, one chapter surely would begin, "Don't propose a gasoline tax." But Anderson's very obscurity and the lengthy odds against his success give him some extra liberty to violate the rules, even perhaps to the point of saying something he believes.

There is, of course, virtually no chance that a gasoline tax will be passed anytime soon, which is unfortunate. By now, we ought to have realized that many of the arguments used against such a tax are a sham. The poor (in whose name a tax always is protested) don't drive much simply because many of them can't afford to own cars. As for regions that depend most heavily on automobiles—and therefore might feel the tax most—they actually have the greatest interest in reducing overall gasoline demand because, in the event of scarcity, they will be hurt the most.

No matter. We choose to leave ourselves at the mercy of an unstable world oil market—which ultimately enacts the tax for us—rather than to acknowledge that the essence of our oil problem (as opposed to the "energy problem") is largely the automobile, and that coping with it involves pushing people towards more efficient vehicles and traveling habits. The best government can do is create a climate in which individuals acting in their own self-interest also act in the national interest.

This is a political failure. The most worn cliche about politics is that it is the art of the possible, but that isn't an explanation so much as an excuse. The artistry of politics—aside from winning elections—is packaging and promotion: matching problems with remedies that seem both practical and palatable.

At its worst, this is a demeaning, deceptive process, but at its best it draws together different strands of national experience and combines them in a way that makes contemporary problems seem understandable and manageable. The current generation of politicians may wonder why it is held in such low public esteem; one reason is its inability to perform this vital function.

As Anderson's proposal suggests, the job ought not always to be as difficult as it is portrayed. No one, of course, likes to pay higher prices, and politicians are loathe to raise the price of anything, especially something as conspicuous as gasoline.

But the untold part of this story is that a gasoline tax is a stupendous money raiser, and—other things being equal—a higher gasoline tax allows you to lower something else. Even if a 50-cent-a-gallon tax reduced consumption by 6 percent or 7 percent (which is about 500,000 barrels a day, or 10 percent of Japan's total oil consumption), it still would raise about $50 billion annually. That is about 10 percent of total federal receipts projected for next year.

The government needs that money. One of the nasty little facts that no one in Washington is mentioning very loudly—to the public, at any rate—is that it will be very difficult, maybe impossible, for the federal government to cut overall levels of taxes in the 1980s.

The reasons for this squeeze are plain enough and probably won't be altered much by the 1980 election, no matter who wins. A large part of the federal budget (nearly 55 percent) goes for two purposes: defense and the elderly. And spending for both of these probably will be increasing strongly in the 1980s.

On the one hand, the over-65 population will be rising significantly faster than the overall population: it will be up 25 percent between 1979 and 1990 against a projected 10 percent overall increase. Unless benefits are reduced—which is unlikely—this means higher Social Security and health spending.

At the same time, there is little or no prospect of substantial defense cutbacks. Between 1955 and 1978, defense spending declined from about 10 percent of national output to 5 percent. There now seems to be a consensus that it shouldn't drop any further and, indeed, the argument is between those who think it ought to rise 3 percent annually in "real" terms (after inflation) and those who argue for 5 percent.

Based on such considerations Rudolph G. Penner, former chief economist for the Office of Management and Budget, has estimated that to achieve a balanced budget by 1990 would require that spending for all other (nondefense, nonelderly) programs would have to decline 0.5 percent a year in "real" terms. Even so, taxes would equal 20 percent of gross national product, which would be slightly higher than in all years but two (1969 and 1970) since 1958. And Penner's analysis deliberately includes a number of optimistic assumptions: a growing economy revived productivity and only a 3 percent increase in real defense spending.

Against this background, the question for the 1980s is simple: How do we tax ourselves?

Do we tax labor via higher Social Security taxes (already scheduled to rise sharply) and higher marginal income tax rates? Do we tax capital and investment by keeping those rates high? Do we tax ourselves via inflation by running large deficits, which tend to spur higher money growth and more inflation?

Or do we ease these tax burdens by imposing a tax on a critical commodity whose supply is scarce and far more important, uncertain?

The answer seems obvious enough. We need to create a margin of safety between domestic oil demand (two-fifths of which is gasoline) and worldwide oil availability so that we will be less vulnerable to interruptions. President Carter's solution of creating a synthetic fuel-industry—even if it worked, which is questionable—wouldn't yield results until the mid-1980s. His "windfall profits" tax wouldn't affect the basic revenue balance because the annual sums are small and much of the money would be funneled into synthetics.

Perhaps there are better ways of doing it than a gasoline tax: a heavy tax on imported oil, for example. But the main point is that the political system isn't posing the choices. For six years, a Democratic Congress has created a hopeless confusion and paralysis on energy issues. Republicans talk of lower taxes and higher defense spending in one breath as if there were no conflict. Theirs is a collective poverty of imagination.●

TRAGEDIES IN ATLANTA, ULSTER, AND RHODESIA ARE LINKED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, Atlanta Mayor Maynard Jackson handed terrorist leader Joshua Nkomo $4,000 earlier this year. Nkomo's heroic exploits included shooting down a civilian airplane in Rhodesia and butchering the men, women, and children who survived the crash. Within a few weeks, the long-escalating crime rate in Atlanta reached the point that Georgia State Highway Patrol cars had to be called into the city to supplement the local police. The timing was coincidental, but the connection is clear: A leader who supports terrorists abroad has the kind of mind which cannot deal with the necessary firmness with domestic crime. A man who sees torture and murder as legitimate in Rhodesia cannot but have somewhat the same attitude toward murder and robbery at home.

England in the present tragic crisis in Northern Ireland has a hard time asking the Republic of Ireland to allow British troops to pursue and question IRA terrorists entering from and returning to the Republic of Ireland on their terrorist raids. After all, it is the United Kingdom which has consistently held the views of Zambia and Tanzania, who openly act as launching sites for terrorism in Rhodesia, as more legitimate than those of the Rhodesian Government, which has been elected by two-thirds of the voters in that country. Just a short time before the recent tragic events in Northern Ireland, the Thatcher government had decided to go along with the Carter policy of insisting that the Rhodesia Government was not legitimate because, though elected by two-thirds of the people, it did not include armed terrorist groups in its makeup.

The lessons of Atlanta and Northern

Ireland are the same. One who sees terrorists as legitimate abroad has neither the moral nor the psychological equipment to deal with terrorism—or any other kind of crime—at home.

The Republic of Ireland is a healthy contrast to the proterrorist stance of Atlanta and the compromising with terrorists done by the United Kingdom. If the excuse of historical oppression were the justification for murder and torture that Jackson and the United Kingdom say it is, no country has ever had as much reason to support such action against another people as Ireland has relative to England. A thousand years of suffering and oppression could give an immoral Irish leader the chance to seek vengeance against Britain by supporting the IRA, just as Zambia supports terrorists in Rhodesia. But the majority of the Irish electorate will have nothing to do with such a leader. The IRA is banned in Ireland, and, despite a natural sympathy with the Ulster minority, the Irish electorate has shown repeatedly that it knows that terrorism is a disease, not a solution.

It is no accident that that same Irish population has one of the lowest crime rates, if not the lowest, on earth. Theirs is an old-fashioned outlook, and one to which I wholeheartedly subscribe. That outlook is simple, and it works. There can be no compromise with evil. Terrorism, the butchering of women and children, is evil. A mayor who puts money into hands with innocent blood on them governs a city with blood on its sidewalks. The British Government, which insists that murderers should be given equal footing with a democratically-elected government in Rhodesia, has a rising tide of terrorism at home. I urge the Carter Administration to consider these facts in its Rhodesia policy before the rising tide of political massacre reaches our shores.●

NATIONAL GRANDPARENTS DAY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GRASSLEY. Mr. Speaker, Sunday, September 9, was National Grandparents Day. Its observance has not yet attained the recognition of Mother's Day or Father's Day, but, as the ranking minority member on the Select Committee on Aging, I can point to many reasons why it should.

America is deeply indebted to its grandparents. In the main, they represent the age groups that endured the sacrifices of two World Wars and the war in Korea. It is largely their vision, their innovation and their labor that underlie the revolutionary progress of America over the past 50 years. In the sciences, they have made us the most mobile people the world has ever seen; they have brought us jet aircraft, nuclear power, space travel, fast foods, and computers. Their accomplishments in the fields of medicine and nutrition have added years to our lives. In an era when there were no more geographic frontiers to conquer, they became pioneers in new fields which have vastly improved the quality of life which we enjoy today.

America's grandparents have been through a great depression and the crucible of disruptive challenge and change which marked the difficult years of the latter 1960's and the early 1970's. During those eras, as have other grandparents in other times, they represented the continuity, the linkage with the past, and the faith in the future which held America close to the traditional values responsible for its greatness.

Grandparents are a legacy. They build the platforms of scientific progress, of human values, of steadying institutions, and enlightened change that elevate each new generation to a better point from which to set forth in life.

Grandparents are love. They want a better life for their children and their grandchildren. Their pleasures are largely vicarious, derived from enriching the lives of others. They are an example of human love and caring which infects those who are near to them and is thereby perpetuated.

Grandparents are wise. They grow closer to God as they grow older in years. Life has taught them to distinguish between passing fancies and solid values. They have much to contribute and their wisdom provides an essential influence on the tiller of our great ship of state.

We are deeply indebted to America's grandparents, whether they be in Government, in industry, or the quietness of well-earned retirement. I hope that the day set aside for them will soon bring them the recognition that they so richly deserve.●

HOUSE SUBCOMMITTEE INVESTIGATES IMPACT OF RISING HOME ENERGY COSTS ON SENIOR ADULTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. BIAGGI. Mr. Speaker, as chairman of the House Select Committee on Aging's Subcommittee on Human Services I have conducted four major hearings on the urgent topic of rising home energy costs and their impact on senior citizens. The hearings have been conducted in Lewiston, Maine, Des Moines, Iowa, Syracuse, N.Y., and this past Saturday in Waterbury, Conn. I am fully convinced after these hearings that Congress most important priority in the months ahead is to provide adequate and timely assistance to low-income elderly persons to insure they survive the winter of 1979 and 1980.

Few people today would disagree that the most compelling issue facing Congress this session concerns the cost and supply of residential energy. After completing a series of national hearings to investigate the impact of utility costs on older Americans, I am convinced that immediate action is needed to enact legislation that will reflect the heightened need for low-income energy assistance.

Since the early 1970's, we have all felt the impact of oil production cuts and OPEC price increases. This is evidenced by the fact that between 1972 and 1979, fuel costs have increased a whopping 197.3 percent—3 times that of other costs in the Consumer Price Index. For the 35 million Americans whose incomes fall below 125 percent of the official poverty line, these energy cost increases have created excessive financial hardship. Moreover, as almost half of all low-income households live in the northeast and north-central regions of the United States, the often severe winters take a heavy toll on our older Americans who head a staggering 37 percent of all low-income households.

Yet, despite this, in the past 7 years, the poor have had little in the way of relief: their average household income and the major public assistance programs on which so many of our disadvantaged rely, have failed to keep pace with inflation. This is particularly significant for the elderly, many of whom live on fixed incomes and find that utility costs take a disproportionately large bite out of their meager budgets.

The hearings have made it all too clear that the low-income elderly of our Nation are being unfairly penalized by the spiraling cost of energy. Indeed, Deputy Energy Secretary John F. O'Leary has admitted that many Americans may face "a cruel choice between food or heat" this winter. It is a sad state of affairs when a vulnerable population such as the elderly must either choose to forgo basic necessities or face the specter of utility cutoffs. Earlier this year, one of the major energy concerns focused on the availability of home-heating products. Recently though, the President assured the Nation that—

> Adequate home heating oil supplies . . . would be available next winter, even if the weather was colder than normal.

What awaits resolution and has not been adequately addressed thus far, however, is the issue of cost. According to the Department of Energy, the price of home heating oil had risen from 53.7 cents per gallon in January 1979, to over 80 cents this fall. At this rate, which is likely to increase in the upcoming winter months, the average household will spend about $159 per month on fuel. The significance of this figure becomes poignantly apparent when one focuses on the individuals who must absorb these exorbitant price increases. In New York State, for instance, SSI recipients receive a maximum payment of $291 per month. After utility costs, the older adult would be left with $134 to pay for other essential items such as food, rent, and medical expenses. Such accounts of seniors failing to possess sufficient funds to meet basic living expenses were all too frequent throughout the hearings.

With the prospects of a long cold winter ahead, it is critical that existing programs be modified to meet the current levels of need. Thus far, involvement by the Federal Government has been limited primarily to so-called one-time-only emergency energy assistance programs. The Community Service Administration programs of the last 3 years have expressly been designed to assist low-income households in crisis situations. They do not offer a long-term solution to the grave energy problems of the poor and elderly.

A new approach is urgently needed which will redress the omissions of the past. Information gathered during the series of hearings clearly indicates that the 1979–80 energy assistance program must include a number of critical elements. Of primary importance is the need to guarantee that program regulations are completed by October 1. This will enable funds, and the mechanism for their distribution, to be available to all localities by November 1. Second, it is imperative to remove the administrative mandate which stipulates that payment priority go only to those individuals with unpaid bills. I do not believe that the intent of Congress was to produce any negative effects. But as the committee learned in its investigations older Americans are a proud people who, more often than not, will pay the utility bill before purchasing needed food. Third, an equitable formula for fund allocation is needed to favor regions such as the Northeast and North-Central United States which rely heavily on expensive petroleum products. In New York State for instance, the fact that over 70 percent of all residential dwellings are heated by oil makes it the largest individual consumer of the 50 States. In addition to the above recommendations, a weatherization component combined with special arrangements for renters would certainly enhance objectives for the 1979–80 winter program.

Dramatic increases in residential energy costs warrant these modest revisions. For despite the added flexibility which such changes would bring, many low-income individuals will continue to struggle with oppressive utility bills.

A new approach is needed which will correct the omissions of the past. Much discussion during our hearings was centered on the so-called crisis intervention program as administered by the Community Services Administration. This program provides those individuals with incomes of 125 percent of poverty or lower with up to $250 to pay utility bills.

The complaints we heard was first that the program did not provide payments to eligible recipients until after the winter was over. The second was the program's criteria which in effect gave persons incentives not to pay their utility bills thus making them eligible for payments. Many older persons chose to pay their bills even at the expense of eating, yet absent a shutoff notice they could not obtain aid.

I met with officials from the Community Services Administration this past Friday and they assured me that assuming final congressional action on the 1980 Labor HEW Appropriations bill that moneys will be available for individual recipients by November. Further, they indicated that the only criteria for eligibility will be the income factor not nonpayment of bills.

I urged that when developing the 1979–80 formula some form of regionalization be utilized providing more aid to the coldest areas of the Nation.

I will do everything possible in the event of a second supplemental appropriations bill for fiscal year 1979 which will permit an increase in eligibility standards to include participants whose income reach 150 percent of the poverty level. I am also an advocate and supporter of a comprehensive and permanent program to provide low-income individuals with energy assistance. Such a plan should be administered by the Department of Energy as part of an overall national energy policy.

Our older Americans have survived one, and in some cases, two World Wars and countless other experiences. It is incumbent upon us to come to the aid of those needy elderly to insure their survival of the winter of 1979–80.●

RUSSIAN TROOPS IN CUBA

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ZEFERETTI. Mr. Speaker, recent reports indicating the presence of an undetermined number of Soviet troops and highly technical military hardware in Cuba is a matter of grave concern to a growing number of Americans, and I feel that President Carter must take a firm stand in the face of the Soviet Union's challenge to our national security.

The fact is, Mr. Speaker, that the administration has failed to comprehend the real impact of Russian actions in Cuba. These troops and hardware, while not an immediate threat to the territorial integrity of the United States, could pose a major threat to our oil supplies and are a direct challenge to the President and our Nation. Through the years, the Soviet Union has challenged every American President, and it is time for President Carter to meet this most recent challenge.

In my opinion, President Carter should insist on the immediate withdrawal of the Russian combat troops from Cuba and demand assurances that the Soviets will respect the national integrity of all countries, especially those of the Western Hemisphere. The Soviet Union's expansionistic foreign policy, which in recent years has seen involvement in the Middle East, the Yemens, Ethiopia, and Angola, should be curbed. We must make it clear to the Soviet Union that their adventurism around the globe will have an adverse impact on our relations with them.

I feel that the question that must be answered is, "When will the United States put its foot down?" I firmly believe that the United States cannot, and must not, permit Cuba to become a Soviet military base 90 miles from our shores, and insisting on the immediate withdrawal of Russian combat troops from Cuba is a step in the right direction. We can no longer afford to stand idle while the Soviet Union seeks to spread its influence at every opportunity.

Since the Senate is currently in the process of deliberating the SALT II treaty, I urge them to continue their consideration of the Soviet presence in Cuba. It is my understanding, that Secretary of State Vance has started discussions with Soviet Ambassador Dobrynin about the removal of the troops. I feel that the American people must have a definitive answer on the removal of the Russian troops before their representatives in the Senate vote on the SALT treaty.

I agree with the statement by the junior Senator from New York, Mr. MOYNIHAN, that the withdrawal of Russian troops should not serve as the only criteria for passage of the SALT treaty. We should not reward the Soviet Union for something they should not have done in the first place. The treaty must be considered within the framework of the United States' national security interests.●

THE DRAFT WILL NOT MEET OUR MILITARY NEEDS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. VENTO. Mr. Speaker, I am opposed to the reimposition of the draft. We are in a time of peace and conscription is unnecessary and will not lead to a strengthening of our defense capabilities.

Modern technology has changed the "art of warfare" and our country must take these changes into consideration. The most effective military strategy no longer is determined by raw numbers. In fact, a small well-trained Army is much preferable to a large force that is inadequately trained. In listening to today's debate, it is apparent that several important factors have not been considered. I do not believe that there has been sufficient consideration of several issues relating to our military capabilities and to the proper utilization of the forces and equipment available for our defense. At this time I would like to raise these issues. It is my hope that the Armed Services Committee and the Department of Defense would review these issues so that we could make a determination of the future of our military forces on the basis of the best and most thorough information available.

It is my understanding that the Defense Department has never conducted a cost-effective analysis of manpower and has not determined the relative costs and effectiveness of volunteer versus drafted personnel. I cannot think of a more appropriate situation for the saying "the biggest bang for the buck." If we are to decide on an all-voluntary or a conscripted military, we should be provided with an analysis of where our Federal dollars will be best spent and of which type of military will provide us with the most efficient defensive capability without wasting the taxpayers dollar. Obviously such an analysis should be initiated before we make any decisions on the future of the military.

Modern warfare and technology has drastically changed the type of personnel needed to maximize our defensive capabilities. We are no longer dependent upon the soldier who knows how to shoot a relatively simple rifle. The modern military requires personnel who are specialized and who are able to operate complex equipment. Such skills can only be acquired through extensive training. Can the drafted soldier acquire the skills needed to operate competently this equipment in the short time of training and service. Assuming a high turnover of drafted personnel, will the Army be continually staffed by undertrained and incompetent warriors?

We are currently reviewing our defense strategy, particularly for our European forces. Many now believe that a head-on confrontation with an invading force would result in a devastating defeat and that attacks emphasizing flank assaults and maneuverability requires different personnel than a war of attrition. What consideration has the advocates of a draft given to this change in strategy and what would our manpower needs be under such a policy?

Are we currently optimizing the combat ready use of those who have been trained for combat positions? How many combat-trained personnel currently are sitting at desks throughout this country? Is that the proper use of their capabilities?

Mr. Speaker, the answers to these questions will be important factors in determining our future military capabilities. Before we talk of drafting anyone, I believe that we must seek to utilize our present military personnel properly. Until these questions are answered, no consideration should be given to the reimposition of a draft.●

THE COAL PIPELINE ACT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ABDNOR. Mr. Speaker, this morning I presented the following statement to the House Committee on Interior and Insular Affairs. Another committee meeting prevented me from presenting the statement orally, but it was placed on the official record of the hearing by Chairman UDALL.

As my colleagues will note, H.R. 4370, the Coal Pipeline Act of 1979, as currently written, does not adequately protect the interests of my constituents. Accordingly, I shall oppose its enactment unless and until adequate protection of our vital water interests is provided, and I urge my colleagues to do likewise.

The statement follows:

STATEMENT BY THE HONORABLE JAMES ABDNOR

Mr. Chairman and members of the Committee, I appear before you today in firm opposition to H.R. 4370, the Coal Pipeline Act of 1979, as it is currently written.

The Chairman will recall that I voted with the large majority of our colleagues to defeat a similar measure last year, and I will certainly do so again this year if a simple matter of basic equity to my state is not addressed.

My concerns in this respect were discussed in detail on the floor of the House last year; but, before I reiterate those concerns, let me mention several issues which do not figure in my opposition to H.R. 4370:

First, I am not opposed to the construction of coal slurry pipelines. Quite the contrary, I sincerely believe that the energy difficulties facing our nation require that all potential solutions be fully explored. Coal slurry pipelines have an obvious potential to contribute to the energy well-being of America.

Second, I do not believe coal slurry pipelines constitute an unwarranted competitive factor as far as railroads are concerned. Perhaps all of the coal to be moved in this country can be moved by rail, but the real question is whether rail is the best way to move coal in every case. That can only be determined by looking at each case individually.

As far as the effects on rail service in my own state are concerned, we are faced with the imminent threat of abandonment of over half our trackage—regardless of whether a hundred coal slurry pipelines are built or none! I asked the rail companies serving my state what benefits could accrue to my state if coal slurry pipelines are blocked, but they were unable to identify a single concrete example.

Third, and the Chairman may be surprised to hear this, I do not believe coal slurry pipelines would necessarily constitute an undue drain on scarce Western water resources. Indeed, if Western coal resources must be more fully employed to meet our nation's energy needs—and I believe they must be—then coal slurry pipelines may be the least water intensive and most environmentally acceptable means of getting the coal energy to where it is needed. In addition, many of my own constituents are surprised to learn there is enough water stored in the great Missouri River reservoirs in our state to cover all of the 50 million acres of South Dakota to a depth of nearly a foot. Enough water flows through the state each year to cover the entire state to a depth of about 6 inches.

According to the U.S. Geological Survey, an estimated million billion gallons of groundwater are stored in the Missouri Basin region. That's an amount about 30 times larger than the total surface-water reservoirs in the region. The total amount of groundwater in storage is equal to more than 60 years of average flow of the Missouri River—enough to cover the entire region to a depth of more than 10 feet.

The question is not whether sufficient water is available for coal slurry pipelines, because it obviously is available within the Missouri Basin region. The real questions are (a) where will the water come from and (b) what existing and/or future potential uses may be impaired. These questions are at the crux of my opposition to H.R. 4370.

While Section 302(b) (4) vows "Nothing in this Act . . . shall be construed . . . as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control," the whole purpose of H.R. 4370 is to facilitate the construction of coal pipelines through the use of Federal eminent domain for the acquisition of rights-of-way. Coal slurry pipelines are water resource development project; and H.R. 4370 is internally inconsistent in stating on the one hand that it does not expand the Federal interest in water development, while establishing a new authority to encourage water development projects on the other.

Be that as it may, it is not a fatal flaw in my estimation if, as it facilitates the construction of coal slurry water development projects, this legislation also facilitates the valid rights of the States to control development of their own water resources. As the Chairman knows, my constituents and I have a very real and specific concern in this regard—it's called ETSI.

ETSI, which stands for Energy Transportation Systems Incorporated, proposes to build a coal slurry pipeline from southeastern Wyoming to Arkansas. ETSI has obtained water rights from Wyoming to pump groundwater from wells just across the border from South Dakota, but the only means presently available for my state to assert its rights with respect to the groundwater to be withdrawn is to challenge our sister state before the Supreme Court.

That is, in my view, an unnecessarily and unduly cumbersome procedure—particularly since everyone who discussed this issue during the debate on the floor of the House last year paid lip service to the rights of the States to control their water resources. If my colleagues truly mean what they say, it should be a simple matter to provide that the Secretary of the Interior, under the provisions of H.R. 4370, shall not grant the use of Federal eminent domain to acquire a right-of-way for a coal pipeline unless each and every State whose valid water rights will be affected first grants approval for the use of its water.

As simple and logical as this argument is, it did not garner much support on the floor of the House last year, but I think I know why. Those who sought to kill the bill and who turned out to be the large majority did not want it improved, since that would improve its chance of passage. Those who supported enactment and wished to make coal pipelines easier to construct did not want the process burdened with having to take full account of each State's rights with respect to water.

To be sure, there were those who argued that requiring the approval of a second or third State might impede the right of the first State to grant the use of its water. I will continue to maintain, however, that the Federal Government should not use its preeminent authorities directly or indirectly to favor one State over another with respect to water rights. The right of one State to grant the use of its own water does not imply that the Federal Government should facilitate impairment of water rights under the jurisdiction of another State, but that is exactly what H.R. 4370 would do with respect to the ETSI pipeline and the water rights of my constituents in southwestern South Dakota.

I am not a groundwater hydrologist. I cannot say with certainty that the ETSI pipeline should not be built or even that it should not use groundwater. I do know that my constituents are gravely concerned, however, and that neither H.R. 4370 nor existing law gives their interests adequate protection. I am aware also of the views of Dr. Perry Rahn of the Department of Geology and Geological Engineering at the South Dakota School of Mines and Technology.

In a paper to be published in the 1979 Proceedings of the South Dakota Academy of Science, Dr. Rahn concluded:

". . . independent studies by myself and other hydrogeologists from state and federal agencies confirm that the amount of water withdrawn from the proposed ETSI well field will adversely affect water supplies in adjacent states. Adequate provisions should be made to protect the water in areas affected by this project. Water from the Madison Limestone has considerable potential for local use (including geothermal energy) even though the depth prohibits full usage in some areas due to high drilling costs. The main issue that needs to be addressed at this time is whether a coal slurry pipeline is the wisest use of an exhaustible resource. Should water be reserved for local use or exported to Arkansas?" (A copy of the full text of Dr. Rahn's paper has been provided for the Committee's file.)

Regardless of the answer to the question Dr. Rahn poses, it is my fervent belief that South Dakota—not Wyoming or the Secretary of the Interior or the Supreme Court—ought to decide the issue for South Dakotans. H.R. 4370, in its present form, does not afford us that basic right; and, unless it is amended, I shall again work to defeat this legislation.

Thank you.●

CARTER'S "OPEN GOVERNMENT" POLICY: ANOTHER DOOR SLAMS SHUT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, what would have been the press and congressional reaction to a Nixon administration Cabinet secretary issuing the following directive to his entire department:

> There are to be no meetings, calls, or staff contacts with Members of Congress or staff, . . . regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior consultation with me . . .

If that order had been issued by a Nixon Cabinet member in 1973, it would have been headlined from coast to coast as exactly what it is: An action by the executive branch to keep Congress as ignorant as possible of what is going on in the Federal bureaucracy. It would be denounced as an attempt to prevent Congress from exercising its constitutional duty to oversee the bureaucracy whose power and expenditures are the product of our legislation.

This directive, put out by President Carter's Secretary of HEW, Patricia Harris, has the same objective as it would have if issued by a Nixon appointee 6 years ago. It slams the door in the face of congressional efforts to oversee the activities of the Cabinet department which spends more money and interferes with the lives of our people more than any other arm of the Federal Government.

What makes this directive particularly appalling is that it was issued while Mr. Carter was traveling around the country at taxpayers' expense, telling our constituents how he deplores a closed Government and secretiveness in Washington. This directive, declares Congress to be "outsiders" to Government information at the very time Mr. Carter is denouncing "insiders" in Government.

This is not just hypocrisy. This is hypocrisy squared.

This is not a partisan issue. It is a matter of the executive branch using its power to prevent Congress from obtaining information to which it has a right. I attacked such efforts under the Nixon administration, and it is my duty as a Member of Congress to attack the same practices by Carter. Moreover, it is the Carter administration's response to the announced policy of both parties in the 96th Congress to increase congressional oversight of Federal agencies. We are all familiar with the fact that the press has called this the Oversight Congress.

One of my first acts upon becoming ranking minority member of the House Education and Labor Committee was to set up a special unit for oversight, for which I had been preparing since 1977. Chairman PERKINS also announced oversight to be a major priority for the majority at the beginning of this year. I cannot see HEW Secretary Pat Harris' action as other than the administration's response to the Oversight Congress. This is especially true since Harris bans the entire personnel of HEW from discussing even "policy development" with congressional staff.

Speaking for myself, I do not propose to quietly allow the Carter administration to continue to frustrate congressional attempts at practical efforts to open Government to the people, while he uses public money to travel around preaching "open Government" in his reelection campaign. I urge my colleagues and the press to expose this hypocrisy, and to insist that the Congress be allowed to get on with the job we were elected to do without bureaucratic road block.

The complete text of HEW Secretary Patricia Harris' memorandum follows below:

> This is to ask that no communications be sent to Members of Congress or staff on any pending or proposed legislation without express approval by me through the Assistant Secretary for Legislation.
>
> Until further notice, there are to be no meetings, calls, or staff contacts with Members of Congress or staff, White House Staff, Office of Management and Budget, or the Economic Policy Group regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior discussion with me through the Assistant Secretary for Legislation.●

UNION LEADERS HELP ALERT CONGRESS TO FTC THREAT AGAINST CEREAL INDUSTRY WORKERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. KEMP. Mr. Speaker, the concern of several of my colleagues and myself about the Federal Trade Commission's ongoing "shared monopoly" suit against ready-to-eat cereal manufacturers, specifically General Mills, General Foods, and the Kellogg Co., and the devastating effects this action portends against several thousands of workers in the Grain Millers and related unions, has been cogently expressed by a number of outstanding U.S. labor leaders.

At this time, I request permission to insert in the RECORD statements presented to several Members, including myself, in recent days and a copy of a letter I wrote August 22, 1979, to Mr. Michael Pertschuk, chairman of the FTC:

STATEMENT OF MR. DAVE SWEENEY OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, WAREHOUSEMEN, CHAUFFEURS, AND HELPERS OF AMERICA

On behalf of the International Brotherhood of Teamsters, I am here to express our opposition to the high handed actions being taken by the Federal Trade Commission.

Working men and women across this country have very important stakes in the outcome of all federal decisions, particularly when it affects their jobs.

The government has a duty to explore the employment impact of its actions. It has a duty to lessen that adverse impact and to protect those workers who are directly harmed by its actions.

Perhaps we should introduce legislation to protect the American worker under the Endangered Species Act. It would be nice to have as many friends as the snail darter.

A great deal of lip service is paid to employment, job security, fair wages, and working conditions. This is not a case which requires funds to create jobs. This is government action which will put people out of work!

The Federal Trade Commission's refusal to allow the unions to appear and state their case adds insult to injury.

I am appalled by the way the federal bureaucrats, with very secure well-paying jobs, can issue policy and take actions with no consideration for the people involved.

The Federal Trade Commission should review its own origins. Among its purposes is to protect the people from unfair business practices.

Today, we are acting and asking our Congressmen and Senators to act to protect us from the Federal Trade Commission.

STATEMENT OF MR. PHIL LEONARD, ACTING POLITICAL EDUCATION DIRECTOR, UNITED RUBBER WORKERS

Too often the working people of this great Nation are forced to bear the burden of decisions made by Government.

Government policy that was out of touch with the realities of modern world trade has led the United States to enormous foreign trade deficits and thousands upon thousands of lost jobs and job opportunities.

Government economic policy and its inability to deal with the present inflationary spiral will insure steadily declining purchasing power for American working men and women. Yet the worker will continue to bear the brunt of an antiinflation program which asks us to accept 7 percent wage increases while inflation is rising at an annual rate of 13 percent.

Economists say we are in the grips of a recession and that unemployment will rise in the near future.

The Federal Trade Commission's attempt to break up the cereal industry, if successful, will mean over 2600 jobs will be lost. In addition to this initial loss, you must remember that many others will be affected in secondary employment as the effects of this multiply. This is an economy which is at present unstable.

These are economic costs, but what about the social costs? According to studies, plant closings bring with them an increased incidence of arthritis, high blood pressure and ulcers among terminated workers. Psychologists and social workers have also found a definite relationship between unemployment and the incidence of divorce, alcoholism, suicide, child-beating and mental depression, in addition, the National Institute of Mental Health has found a proven correlation between unemployment and poor mental health and criminal behavior.

It would seem to me that we as a nation should be doing everything possible to insure a full employment economy.

Yet the FTC refuses to recognize the disastrous effects of their proposed action or to allow the grain millers union to become a party to the case. The FTC is apparently not concerned with job loss or the severe reduction of wages and benefits to the employees.

There are other instances of the FTC's intransigence. The FTC has proposed to ban all TV advertising directed to children under 8 and to severely limit TV advertising directed to children 12. The toy manufacturing industry, many of whose employees are represented by the United Rubber Workers, would be seriously affected by such an order. Studies have shown that the results of the FTC's proposed action would be increased prices to consumer and lost jobs.

In addition, the FTC proposal to control this type of TV advertising raises serious constitutional questions which like so many other implications were seemingly given little, if any, consideration by the FTC.

This is just one example of the manner in which the FTC has operated—with no regard for the people involved or affected by their decisions.

The URW stands with the Grain Millers in its opposition to the FTC's unfeeling attempts to break apart the cereal industry. We would strongly urge that the FTC more fully consider the effects of its actions and come to a resolution of this issue which would protect and preserve the jobs in this industry and maintain, rather than tear asunder, the collective bargaining relationship in this industry.

Statement of Mr. Robert F. Harbrant, President of the Food and Beverage Trades Department, AFL–CIO

Thomas Jefferson said remember two things—in matters of principle stand like a rock; in matters of taste, swim with the current.

I am here to advise you we in the FBTD are not swimmers and we intend to follow the wisdom of Jefferson and stand like a rock!

We are here participating in a biological experiment—by crossing a mink with a bird, so people can see the fur fly.

We are gathered in the halls of Congress to plead, to protest and to persuade others of the plight of 2,600 workers.

Why?

Because after seven years and 15 million dollars the only thing that is clear is the workers are getting the shaft.

Why are the workers concerned about the future? Because they have to spend their lives there and nobody seems to give a damn!

Courage is doing what you're afraid to do, but there can be no courage unless you're scared. Well I can tell you, after talking to the workers from plants at Battle Creek, Buffalo, Lancaster, Memphis and Omaha, they are scared and the hurricane on tropical storm David will not dampen their courage.

I am not here to pick a fight with the FTC. I respect the FTC. To argue with those whom you do not respect would be a waste of time.

We have tried to communicate the consensus of these workers to the FTC. We attempted to meet with the chairman, and only yesterday, the Bureau of Competition met with our people and issued a statement.

I say to all of you, I think the FTC made a mistake and I urge them not to respond with an encore.

I remind the FTC, the alleged monopoly charge they have pursued to date is short on fact and long on philosophy. While consumers in the marketplace have a choice to buy or not to buy from several companies, the workers are being given no such options.

The Bureau said in its statement, "We are sympathetic with the consensus expressed by the union."

It has said it will listen carefully to the union, will examine studies the union has cited, will consider any proposals the union makes.

I say to the Bureau:

You'd better more than listen carefully because we will not sit idle and watch 52 years of a collective bargaining agreement go down the tube without going to the Supreme Court.

I say to the Bureau:

Why didn't the Bureau of Competition commission studies of its own to determine any job loss impact? This sin of omission is unforgivable, unthinkable, and unbelievable.

I say to the Bureau:

To respond by saying the union has been authorized by the commission to present its view on these matters as "A friend of the court" is a slap in the face to a friend.

And to add insult to injury by saying, "The staff continues to believe that the contentions of the union can be fairly presented in this proceeding without unduly complicating the expeditious conclusion of trial," stiffens our necks, and insults our intelligence.

We say, too bad if the livelihood of 2,600 workers unduly complicates things—people out of jobs makes life complicated for workers and their families and friends.

And to use the word "expeditious" after seven years and 15 million dollars just blows my mind and defies the imagination.

The commission deals in words like "proposed" and "substantial" and "should increase."

I have to deal with reality—like no jobs, like unemployment, like welfare and broken spirit.

I say to the Bureau of Competition, the grainmillers were not allowed to intervene in the case, but nobody, nobody is allowing them not to be hung!

The FTC contention that, "The union has no direct interest in the litigation" is like saying gasoline has no direct bearing on energy!

Frankly we are exasperated.

Tell the 1,000 unemployed Federal Glass Workers out of work due to a similar case, there was no direct interest!

We are here to tell all who will listen, and all who care, about the human side of this story.

We reject and resent the pink slip notice given these workers by the FTC!

Our job is not to see what hope lies somewhere in the distance, but to do what lies clearly at hand.

What we clearly see at hand is the pink slip saying, "I'm sorry but just wait: in the end things will be better."

Well as Mark Twain once said, "When in doubt, tell the truth!"

The truth is:

The workers fear, rights and their very well being are being overrun, ignored and shamefully mishandled.

No workers have to feel inferior unless he or she accepts it—I urge all the workers in the industry not to accept it.

[Letter of Congressman Jack Kemp to Michael Pertschuk, Chairman of the FTC]

August 22, 1979.

Chairman Michael Pertschuk,
Federal Trade Commission,
Washington, D.C.

Dear Mr. Chairman: The Federal Trade Commission's pending case against Kellogg, General Mills and General Foods portends grave economic consequences to workers and the Grain Milling industry in Western New York.

From the point of view of my constituents, others in our community and myself, Federal action to force the three firms to divest six plants would be unconscionable under any circumstances. But I find the possibility of such action even more distressing at this time when we are entering a recession, when unemployment in the Greater Buffalo Area already is at an unacceptable rate of seven percent and likely to be considerably higher in the immediate months ahead.

At issue, in my judgment, are the job survival and wage opportunities of members of the American Federation of Grain Millers in both Western New York and in other regions of our Nation. More specifically, 160 General Mills workers face layoffs in our community while the total job loss, throughout the country, is estimated at 2,650 workers within the cereal industry.

I am also concerned with the report that representatives of the American Federation of Grain Millers have been denied the opportunity to present directly their interests in the pending case. Who, I am compelled to ask, has a more direct interest in an FTC decision than those who confront the loss of their livelihood and who pay Federal taxes which help to support the adjudicating Federal agency upon which, in this case, their livelihood depends?

Just as importantly, there are our concerns that a Federally-mandated divesture of plants may constitute an FTC intrusion into the labor relations area, considering that resulting, new cereal companies may be under no obligation to either rehire present union employees nor to engage in collective bargaining with the Grain Millers union. At the very least, there appears to be substantial questions to be resolved in not only untoward Federal interference in the free enterprise system but also in the labor relations bargaining area as well.

For purposes of addressing our aforementioned concerns and for input to the FTC, I urge that FTC representatives meet personally with union representatives at the earliest possible date, hopefully when the union representatives are here in Washington Sept. 5 and Sept. 6.

With appreciation for your assistance and expeditious response in this matter, I am,

Respectfully yours,

Jack Kemp,
Member of Congress.●

SOVIET VERSUS U.S. MILITARY EXPENDITURES

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HILLIS. Mr. Speaker, an important debate is taking place in the House today on the state of our military preparedness and how it is effected by the money authorized in H.R. 4040. I believe an important light is shed on this matter in an article by Henry S. Rowen which appeared in the Wall Street Journal Tuesday, September 11. Mr. Rowen was formerly a president of the Rand Corp., Deputy Director of OMB, and Deputy Assistant Secretary of Defense. Presently he is a professor at the Stanford University School of Business. His article follows:

Soviet Versus U.S. Military Expenditures

(By Henry S. Rowen)

During the past few weeks, the SALT debate shifted sharply when Senator Sam Nunn announced that the treaty should not be ratified unless the administration commits to a 4% to 5% real increase in our defense budget. He was joined by Senators Jackson and Tower in a letter to the President in which they said, "A treaty that fails to impede the Soviet drive toward strategic superiority while the theater nuclear and conventional balance continues to shift against the West becomes simply an instrument for registering the U.S. slide into military inferiority." They also observed that in military investments (e.g. weapons, ships and research and development), "the Soviet Union has been outspending the United States by 2:1 during the past decade."

Although there are sharp differences among Americans about the danger of this buildup for us and what we should do about it, most people would agree that the facts about it do matter. What do we know?

We observe a great deal of activity. Just enumerating the principal items of Soviet growth and modernization and contrasting them to our own programs makes for a long list. It includes the addition of 500,000 men to the Soviet armed forces in the past decade whereas we cut back 1.5 million men and now have forces at below our pre-Vietnam level; the Soviet production in the past five years of 3,000 tactical aircraft versus our 1,400; 50 submarines to our 12; 1,000 new ICBMs to our 280; the appearance of the first Soviet aircraft carriers while our carrier force declines, and on and on.

In addition to knowing about particular weapons it is also important, as the Senators suggest, to know how much the Soviets are spending. There are two reasons for this: One is to assess the burden on that society of its great military apparatus. This tells us a good deal about Russian priorities; it also informs us about how much scope there is for further increases. The second reason is to obtain a better measure of the relative size—and, by inference, strength—of the two military establishments.

The CIA says that the defense sector has taken 11 percent to 12 percent of the Soviet gross national product for the past decade. Other sources, including the Defense Intelligence Agency and some independent analysts, have consistently made higher estimates, putting it at 14 percent to 17 percent of GNP or higher. In contrast, we now spend less than 5 percent of GNP on defense.

INCREASED ESTIMATE

The credibility of the CIA's costing procedures received a jolt in 1975 when the agency abruptly increased its estimate of this burden from 6 percent to 8 percent of GNP to 11 percent to 13 percent. Of particular note was a 200 percent increase in its estimate of the cost of weapons and construction. (The adjustment was apparently occasioned largely by the agency getting data on actual Soviet defense spending.)

In effect, the CIA change reflected not more weapons but the conclusion that the Soviets were much less efficient in making them and therefore that the appropriate prices were higher. In short, the military was a much larger burden than had been assumed. This interpretation has been questioned by outside analysts for example, Steven Rosefielde of the University of North Carolina suggests that the CIA might have been missing some weapons in its count or underestimating qualitative improvements in them.

There is also an issue about the growth rate of the Soviet military sector. The CIA estimates its real growth at between 4 percent and 5 percent annually, a rate somewhat larger than the growth rate of the economy as a whole. (Again, some outside analysts, including notably William Lee, put it much higher, around 9 percent.) In contrast, the U.S. defense budget in real terms declined from 1968 to the early 1970s as Vietnam wound down and has been pretty much on a plateau since. Our real level of defense expenditures is still below that in 1964, the last year before our Vietnam increases. The presidential promise to allies of a 3 percent real increase in defense has shrunk under OMB pressure and has been largely negated anyway by unexpectedly high inflation.

The Soviet weapon investment account has been the source of particular concern and controversy. We observe enormous numbers of weapons coming out of Soviet factories. (Remember when Detroit was regarded as the arsenal of democracy, without peer?) Unfortunately, the Russians don't publish price lists. Our analysts have to go through a complex process to arrive at the ruble cost of these weapons. The CIA comes up with a growth rate in the Soviet weapons investment account in the 1970s of 4 percent to 5 percent. The critics assert that this is a gross underestimate and that the true growth in this category has been much larger—perhaps 10 percent annually or more.

Making budget comparisons in assessing the size of the two military establishments is a way of trying to cope with the "apples and oranges" problem in comparing different mixes of tanks, ships, divisions, and so forth. This is done by estimating what it would cost us in dollars to produce and operate the Soviet array of forces and weapons. The latest CIA published exercise of this kind produces the following dramatic results:

Ratio of dollar cost of Soviet to U.S. forces

	1968	1978
Strategic Forces	2.0	2.9
General Purpose Forces	.9	1.7
Support Forces	.5	1.0
Overall Defense	.7	1.45

In dollars, the CIA estimates that it would cost us $146 billion to procure and operate the 1978 Soviet forces; our actual outlay that year on our own forces was $102 billion. (Pensions are excluded and other adjustments made.)

A look at other components points up the contrast. Consider research and development. In 1968, Soviet research and development was about 70 percent of ours; it is now about 175 percent of ours. How can this swing be squared with the Secretary of Defense's assertion that while we needn't match the Soviets in numbers of many kinds of weapons, it is necessary for us "to maintain the crucial technology advantage that gives us superiority where we need it"? Doing this with a progressively smaller relative research and development effort may be impossible.

This approach is sometimes faulted on the grounds that costing the Soviet forces in dollars makes it look larger than it really is. When Soviet weapons and the people that it has in larger numbers are valued at high American prices, the difference in the cost is exaggerated. This problem can be met by doing a similar comparison in rubles, thereby creating the opposite bias—underestimating the relative Soviet expenditures. This ruble comparison still shows substantially larger Soviet spending—25 percent more compared to 45 percent more in the dollar comparison.

UNMISTAKABLE FACTS

However one looks at it, the gross facts about the balances and trend are unmistakable; on most measures the Soviet Union either has superiority or is rapidly moving to acquire it. And increasingly it is exercising this muscle around the world.

There are, of course, many ways of interpreting these facts: The Soviets have a hostile China to worry about, we have wealthier and more reliable allies, the Soviet navy can be bottled up in various constricted seas. On the other hand, we have longer distances to go to scenes of trouble, our alliances are collapsing or eroding, and so on. Nonetheless, the trend is clear.

The surfacing of the issue of our defense effort vis-a-vis the Soviet Union in the SALT debate is an event to be welcomed. The nuclear balance really isn't separable from the larger competition, a proposition more clearly perceived by many members of Congress and the public than by the administration. A cool look at the wider scene gives ample grounds for concern if not alarm. The Senators might be faulted for not taking a bolder position; even a 5 percent real increase in the U.S. defense budget would, at best, leave us Number Two for years to come and might leave us indefinitely in that position. It promises to be an increasingly uncomfortable position.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 13, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 14

9:00 a.m.

Foreign Relations

To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on S. 1574, to require appropriate health warning labels on products containing beverage alcohol.

6226 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed supplemental appropriations for fiscal year 1980 for the Economic Development Administration of the Department of Commerce.

S-146, Capitol

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Foreign Relations

To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

318 Russell Building

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings to review the current regulations of the Basic Educational Opportunity Grant program, focusing on the proposed family contribution schedule.

4232 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

2:00 p.m.

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

SEPTEMBER 17

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1337, to provide for greater compliance with the national speed limit.

3110 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 224, 616, 687, 1514, 736, 401, and 945, bills to provide tax exemptions for certain individuals or organizations pursuant to current regulations of the Internal Revenue Service.
2221 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
6226 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building
2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 18

9:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on the synthetic fuels production provisions of H.R. 4930, making appropriations for fiscal year 1980 for the Department of the Interior and related agencies.
1114 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
1202 Dirksen Building
9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1470, 1417, 1205, and 1134, bills to establish import quotas to restrict the amount of crude oil and petroleum products that can be brought into the United States each year.
3110 Dirksen Building
Judiciary
Business meeting on pending calendar business.
2228 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
11:00 a.m.
Judiciary
To resume hearings on S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building
1:30 p.m.
Conferees
On H.R. 4393, making appropriations for fiscal year 1980 for the Department of the Treasury and the U.S. Postal Service.
S-146, Capitol
2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Finance
Health Subcommittee
To hold hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
5110 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
6226 Dirksen Building
Judiciary
Constitution Subcommittee
Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
457 Russell Building
10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting on pending calendar business.
322 Russell Building
Commerce, Science, and Transportation, Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
2:00 p.m.
Finance
Health Subcommittee
To continue hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the scope of general revenue sharing programs.
3302 Dirksen Building
10:00 a.m.
*Banking, Housing, and Urban Affairs
Business meeting, to begin markup of S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 599, to expand the historic Indiana Dunes National Lakeshore Park in northwest Indiana.
3110 Dirksen Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 1420 and 475, bills authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.
3110 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings to examine proposed revisions to the Administration's anti-inflation program.
5302 Dirksen Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 691, to prohibit the use of Federal funds to lobby State and local legislatures.
3302 Dirksen Building

SEPTEMBER 24

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on current energy impacts on the railroad industry, focusing on the recent coal rate increase for the Louisville-Nashville railroad.
235 Russell Building
10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 25

9:00 a.m.
Labor and Human Resources
To hold hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Governmental Affairs

To hold hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.

3302 Dirksen Building

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

SEPTEMBER 26

9:00 a.m.

Labor and Human Resources

To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.

4232 Dirksen Building

9:30 a.m.

Select on Small Business

To resume hearings to explore the potential of small businesses to contribute in solving the energy crisis.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Governmental Affairs

To continue hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.

3202 Dirksen Building

SEPTEMBER 27

9:00 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

Labor and Human Resources

To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.

4232 Dirksen Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.

235 Russell Building

10:00 a.m.

Finance

To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

6226 Dirksen Building

OCTOBER 1

9:30 a.m.

Energy and National Resources

Energy Regulation Subcommittee

To resume oversight hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.

3110 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

OCTOBER 2

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.

3110 Dirksen Building

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 3

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1656, to promote the development of a strong domestic fishing industry, by strengthening the provisions of the Saltonstall-Kennedy Act which established a reserve fund to support fisheries development projects.

235 Russell Building

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

6226 Dirksen Building

OCTOBER 4

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 5

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To continue hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 9

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To resume hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

OCTOBER 10

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

*Veterans' Affairs

To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

457 Russell Building

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

1318 Dirksen Building

OCTOBER 11

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 17

8:00 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.

4232 Dirksen Building

CANCELLATIONS

SEPTEMBER 18

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

SEPTEMBER 19

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building